

Introduction to the Issue

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This issue of *Public Finance Journal* highlights how fiscal systems are shaped by governance, politics, and social norms, featuring studies on AI-assisted revenue forecasting, city-centric sales tax models, structural inequities in municipal bond ratings, and citizen engagement in budgeting, alongside reviews of works on government accountability, critical tax theory, and pension management—together underscoring that public finance is both technical and deeply tied to questions of equity, justice, and institutional design.

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This issue of *Public Finance Journal* brings together scholarship and reviews that emphasize how financial systems are shaped not only by fiscal and economic realities but also by governance structures, political incentives, and social norms. The works featured here demonstrate that public finance is never merely technical; it embodies values and choices that affect citizens and communities.


In *Using Large Language Models to Forecast Local Government Revenue*, Il Hwan Chung, Berat Kara, Melissa F. McShea, Rahul Pathak, and Daniel Williams (2025) examine the role of AI in local revenue forecasting. They show that while Large Language Models alone produce substantial errors, hybrid approaches that combine AI with human oversight markedly improve accuracy, offering governments a potential new tool in fiscal management.

Sarah E. Larson and Michael R. Overton (2025), in *Is There a Gold Standard or Need for a City-Centric Approach for Sales Tax Revenue Forecasting*, argue that traditional models often fail to capture the volatility of city-level sales tax revenues. They propose a “city-centric” framework that better accounts for local economic drivers and improves forecasting reliability.

In *A Fiscal Comparison of Bond Ratings for Black and White Majority Municipalities in the United States*, Hunter Bacot (2025) finds that Black-majority municipalities often receive lower bond ratings even after accounting for fiscal and economic indicators. This study highlights enduring structural inequities in credit markets that increase borrowing costs and constrain fiscal opportunities.

Finally, *An Engaging Opportunity* by David Mitchell, Kaelan A. Boyd, and Meagan M. Jordan (2025) explores citizen participation in fiscal decision-making. They conclude that while

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engagement can enhance trust and legitimacy, its effectiveness depends on institutional design, clarity of process, and resources that enable meaningful involvement.

The book reviews extend these themes by considering how accountability and equity play out in broader institutional and policy contexts. Arushi Thakorlal (2025) reviews *Holding Government to Account: Democracy and the National Audit Office* (Midgley, Ferry, and Murphie). The book traces the evolution of the UK's audit institution, showing how definitions of accountability have shifted with political leadership, crises, and public expectations, with parallels for debates about audit functions in the U.S. Carl Gabrini (2025) reviews *Critical Tax Theory: An Introduction* (edited by Infanti and Crawford). The collection challenges assumptions of tax neutrality, illustrating how tax law reflects and reinforces hierarchies of race, gender, sexuality, and class. The review underscores the importance of recognizing taxation as both a fiscal tool and a mirror of social priorities. Finally, Jean-Claude Ndongo (2025) reviews *Managing Public Pension Plans: Decisions, Challenges, and Reforms* (Chen, Hoang, and Ebdon). This book examines the fiscal, political, and administrative complexities of public pension systems and explores strategies and reforms to ensure their long-term sustainability.

Together, these contributions underscore three central lessons. First, institutional capacity and design shape how governments forecast, manage, and engage. Second, bias and inequity remain embedded in fiscal systems, influencing outcomes in bond markets, tax codes, and access to resources. Finally, public finance is both technical and moral – system of rules and numbers that also embodies contested visions of justice, accountability, and the role of government. We invite readers to reflect on these works and the insights they provide for both scholarship and practice in a time of fiscal and political uncertainty.

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