Abstract
Kakwani and Reynolds-Smolensky indices have been widely employed in the literature to estimate the impact of tax reforms on progressivity and redistribution. Nevertheless, the interpretation of these indices is only meaningful in revenue-constant tax reforms. Since we rarely witness such reforms, it has been usual to decompose the Reynolds-Smolensky index into changes in the average tax rate and variations of the Kakwani index. In this paper, we will try to show that this decomposition suffers from some shortcomings that may make its interpretation with respects to reform designs less tenable. To contribute to overcome these shortcomings, we build additional tools, based on the traditional indicators, to analyse the effects of revenue-changing tax reforms on progressivity and redistribution. In particular, we base our analysis on what we call the level and distance effects.

Keywords
Progressivity, redistribution, tax reforms, Kakwani index, Reynolds-Smolensky index.