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Sommario/riassunto	Fundamental tax reform is examined in a heterogeneous overlapping-generations (OLG) model in which agents face idiosyncratic earnings shocks and uncertain life spans. Following Auerbach and Kotlikoff (1987), a Lump-Sum Redistribution Authority is used to rigorously examine efficiency gains over the transition path. A progressive income tax is replaced with a flat consumption tax (for example, a value-added tax or a national retail sales tax). If shocks are insurable (that is, no risk), this reform improves (interim) efficiency, a result consistent with the previous literature. But if, more realistically, shocks are uninsurable, this reform reduces efficiency, even though national wealth and output increase over the entire transition path. This efficiency loss, in large part, stems from reduced intragenerational risk sharing that was previously provided by the progressive tax system