

# Assymmetric Effects of Corporate Income Taxation

## 1 Main Document

### 1.1 Figures

## 1.2 Table 1

	Correlations						Statistics		
	(1)	(2)	(3)	(4)	(5)	(6)	Mean	SD	Obs
(1): Output Growth	1.00						2.58	3.08	760
(2): Unemployment Rate	-0.11	1.00					7.66	4.08	758
(3): Gini's Coefficient'	0.13	0.20	1.00				33.85	6.96	583
(4): CITR	-0.07	0.06	0.30	1.00			24.99	7.00	760
(5): Constant Wages (divided by 1000)	0.09	-0.22	-0.09	-0.05	1.00		1,626.54	6,201.46	694
(6): Profit Rate	0.21	0.08	0.34	-0.18	-0.05	1.00	9.04	4.31	587

Table 1: Descriptive Statistics

Note:

### 1.3 Tables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Growth							
Corporate Income Tax	-0.0589*** (0.0210)	-0.0460** (0.0207)	0.1424*** (0.0362)	0.1179*** (0.0346)	-0.1218*** (0.0170)	-0.1079*** (0.0170)	-0.0065 (0.0383)	0.0043 (0.0370)
Profit Rate		0.1576*** (0.0330)		0.6122*** (0.1132)		0.1040*** (0.0252)		0.3749*** (0.0887)
Wages		0.0000 (0.0000)		0.0000 (0.0000)		0.0000** (0.0000)		0.0000 (0.0000)
Unemployment Rate		-0.1147*** (0.0312)		-0.1825*** (0.0468)		-0.0667*** (0.0247)		-0.1251*** (0.0393)
Observations	571	571	571	571	571	571	571	571
R-squared	.014	.078	.164	.263	.464	.492	.555	.591
Country F.E.	×	×	✓	✓	×	×	✓	✓
Time F.E.	×	×	×	×	✓	✓	✓	✓

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 2: Panel Regression on Economic Growth

Note:

## 1.4 Tables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Inequality							
Corporate Income Tax	0.1005*** (0.0298)	0.1338*** (0.0280)	-0.0597*** (0.0195)	-0.0607*** (0.0201)	0.0976*** (0.0324)	0.1339*** (0.0308)	-0.1156*** (0.0246)	-0.1196*** (0.0242)
Profit Rate		0.2827*** (0.0434)		0.0631 (0.0646)		0.2805*** (0.0449)		-0.0063 (0.0664)
Wages		0.0000 (0.0000)		0.0000 (0.0000)		0.0000 (0.0000)		0.0000 (0.0000)
Unemployment Rate		0.2574*** (0.0426)		0.0967*** (0.0225)		0.2764*** (0.0463)		0.1157*** (0.0248)
Observations	442	442	442	442	442	442	442	442
R-squared	.025	.181	.91	.914	.041	.198	.916	.921
Country F.E.	×	×	✓	✓	×	×	✓	✓
Time F.E.	×	×	×	×	✓	✓	✓	✓

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 3: Panel Regression on Inequality

Note:

## 1.5 Tables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Growth							
Tax cut	0.0174 (0.0789)	0.0214 (0.0764)	0.0367 (0.0759)	0.0275 (0.0712)	-0.0346 (0.0636)	-0.0243 (0.0616)	-0.0180 (0.0576)	-0.0069 (0.0554)
Profit Rate		0.1671*** (0.0329)		0.6665*** (0.1133)		0.1315*** (0.0257)		0.3750*** (0.0886)
Wages		0.0000* (0.0000)		0.0001 (0.0002)		0.0000*** (0.0000)		0.0000 (0.0002)
Unemployment Rate		-0.1112*** (0.0313)		-0.1713*** (0.0472)		-0.0591** (0.0256)		-0.1246*** (0.0392)
Observations	571	571	571	571	571	571	571	571
R-squared	8.6e-05	.07	.14	.248	.415	.455	.555	.591
Country F.E.	x	x	✓	✓	x	x	✓	✓
Time F.E.	x	x	x	x	✓	✓	✓	✓

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 4: Panel Regression on Economic Growth

Note:

## 1.6 Tables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Growth							
Tax increase	-0.6151*** (0.1989)	-0.4873** (0.1954)	-0.5898*** (0.1961)	-0.4457** (0.1865)	-0.5601*** (0.1575)	-0.4887*** (0.1547)	-0.5264*** (0.1462)	-0.4476*** (0.1426)
Profit Rate		0.1642*** (0.0327)		0.6700*** (0.1127)		0.1286*** (0.0255)		0.3813*** (0.0878)
Wages		0.0000* (0.0000)		0.0001 (0.0002)		0.0000*** (0.0000)		-0.0000 (0.0002)
Unemployment Rate		-0.0987*** (0.0315)		-0.1562*** (0.0474)		-0.0471* (0.0257)		-0.1073*** (0.0392)
Observations	571	571	571	571	571	571	571	571
R-squared	.017	.08	.154	.255	.428	.465	.566	.598
Country F.E.	x	x	✓	✓	x	x	✓	✓
Time F.E.	x	x	x	x	✓	✓	✓	✓

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 5: Panel Regression on Economic Growth

Note:

## 1.7 Tables

	(1)	(2)	(3)	(4)
	OLS	Growth Reduced form	IV	Inequality First Stage
Gini	-0.0709 (0.132)		-0.0112 (0.697)	
Corporate Income Tax		0.00130 (0.0807)		-0.116*** (0.0361)
Observations	442	442	442	442
R-squared	0.585	0.585	0.000	0.916
Adjusted R-squared	0.534	0.533	-0.049	0.906
Estimation	OLS	OLS	IV	OLS
Country F.E.	✓	✓	✓	✓
Year F.E.	✓	×	×	×
Instrument	-	-	CITR	-
Kleibergen-Paap F			-	10.256

Table 6: IV Regression on Economic Growth

Note: