**Variable Description**

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| **VARIABLE NAME** | **VARIABLE DEFINITION** | **NOTES** |
| name\_un | Country name from UN classification |  |
| year |  | 1981 - 2005 |
| id\_un | Country identifier from UN classification |  |
| wb\_classif | World Bank income group classification |  |
| region | Region |  |
| oecd | =1 if OECD country |  |
| toprate | Top statutory PIT rate (%) | Legally determined marginal tax rate applicable to the top bracket of the personal income tax schedule. |
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| AR\_y | Average tax rate for income equivalent to *y* | These variables adjust for allowances/deductions, tax credits, significant local taxes and other main rules of the tax code.  They do not adjust for deductions, exemptions, and credits that depend on taxpayer specific characteristics (for example, no adjustment is made for child credits).  The rates do not account for evasion/avoidance. In other words, they represent the rates individuals would pay if they declared 100% of income. *y* is the level of income equivalent to country’s per capita GDP in local currency. |
| AR\_2y | Average tax rate for income equivalent to 2*y* |
| AR\_3y | Average tax rate for income equivalent to 3*y* |
| AR\_4y | Average tax rate for income equivalent to 4*y* |
| MR\_y | Marginal tax rate for income equivalent to *y* |
| MR\_2y | Marginal tax rate for income equivalent to 2*y* |
| MR\_3y | Marginal tax rate for income equivalent to 3*y* |
| MR\_4y | Marginal tax rate for income equivalent to 4*y* |
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| ARP\_all | Average rate progression up to an income level equivalent to four times y (i.e., 0*y* to 4*y;* where *y* is a country’s per capita GDP). | Average rate progression characterizes the structural progressivity of national tax schedules with respect to the changes in average rates along the income distribution. It is the slope coefficient from regressing actual average tax rates on the log of gross income. Each measure restricts estimation to a different part of the income distribution. |
| ARP\_mid | Average rate progression for the levels of income between *y* and 3*y* |
| MRP\_all | Marginal rate progression up to an income level equivalent to four times y (i.e., 0*y* to 4*y;* where *y* is a country’s per capita GDP). | Marginal rate progression characterizes the structural progressivity of national tax schedules with respect to the changes in marginal rates along the income distribution. It is the slope coefficient from regressing actual marginal tax rates on the log of gross income. Each measure restricts estimation to a different part of the income distribution. |
| MRP\_mid | Marginal rate progression for the levels of income between *y* and 3*y* |