

**Part IV- The Commitment to Equity Assessment Tools**

[Commitment to Equity Handbook](http://www.commitmentoequity.org/handbook/)

[Estimating the Impact of Fiscal Policy on Inequality and Poverty](http://www.commitmentoequity.org/handbook/)

[Brookings Institution and CEQ Institute](http://www.commitmentoequity.org/handbook/)

[Nora Lustig (editor)](http://www.commitmentoequity.org/handbook/)

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**Sample Stata Code for Measuring the Indirect Effects of Indirect Taxes and Subsidies**

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The Stata code in the accompanying Stata file (“IOexample.do”) provides a real-world example of the calculation of the indirect effects of indirect taxes or subsidies following the method outlined in Chapter 7 of the Handbook. The source code was kindly shared with the CEQ Institute by its authors, Roland Kpodar, David Coady, and Stefania Fabrizio from the International Monetary Fund; the source code is available to the public at <http://www.imf.org/external/np/fad/subsidies/index.htm>.

The code here takes the analyst from Step 3 through Step 7 (relabeled here Step A through Step D) of the methodology described in Chapter 7 of the Handbook. A sample Input-Output (IO) matrix (with 81 productive sectors) is included in Part IV; it is the same matrix that the code calls on (at line 23) so the reader can generate the same set of results or analyze the effect of, for example, increasing the magnitude of the shock(s) to producer prices or revising the set of fixed-price sectors.