

THE MACROECONOMIC EFFECTS OF TAX CHANGES: ESTIMATES BASED ON A NEW MEASURE OF FISCAL SHOCKS

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GUIDE TO ONLINE MATERIALS

I. ADDITIONAL ONLINE MATERIALS

There are two supplemental files:

1. Romer&RomerNarrativeAnalysis.pdf. This is the companion background paper referred to in the paper: Christina D. Romer and David H. Romer, “A Narrative Analysis of Postwar Tax Changes,” University of California, Berkeley, June 2009.
2. Romer&RomerSupplementToVIA.pdf. This is a slightly more extended version of the reasoning behind the specification in Section VI.A of the paper.

II. DATA AND PROGRAMS

Data. The data are contained in the file Romer&RomerFiscalData.xlsx. Explanations and variable definitions are included in the spreadsheets in this file.

Programs. The programs were run in RATS. The program files are plain text files that can be opened with any word processor. The “.DED” files are RATS data banks containing the data in the form they are accessed by RATS. These data are the same as those in Romer&RomerFiscalData.xlsx.

The programs and RATS data banks are in the folder RATS Programs and Data Banks. The programs and the parts of the paper they correspond to are listed below.

EXOGERNR.RAT. Estimated impact of “exogenous” tax changes on GDP, various specifications. Figures 4, 5, and 6.

DRCARA.RAT. Estimated impact of changes in cyclically adjusted revenues on GDP, various specifications. Figures 7a and 8a.

VARIOUSNR.RAT. Estimated impact of all legislated tax changes on GDP, various specifications (Figures 7b and 8b). Estimated impact of long-run and deficit-driven tax changes on GDP, VAR (Figure 9).

DROPBIGNR.RAT. Estimated impact of exogenous tax changes on GDP, dropping each of the four largest exogenous tax changes, VAR. Discussed in robustness section.

EXOGRNR_POSTKOREA.RAT and DRCARA_POSTKOREA.RAT. Estimated impact of exogenous tax changes and changes in cyclically adjusted revenues on GDP, VAR, post-

Korea sample. Figure 10.

GOVERNNR.RAT. Estimated impact of exogenous tax changes on GDP, controlling for government expenditures, VAR (Figure 11). Estimated impact of all legislated tax changes and of changes in cyclically adjusted revenues on GDP, controlling for government expenditures, VAR (discussed in text).

OILNR.RAT. Estimated impact of exogenous tax changes on GDP, controlling for oil prices, VAR (Table 1).

MONEYNR.RAT. Estimated impact of exogenous tax changes on GDP, controlling for measures of monetary policy, VAR (Table 1).

POLITICSNR.RAT. Estimated impact of exogenous tax changes on GDP, controlling for political variables, VAR (Table 1).

MISCSAMPNR.RAT. Estimated impact of exogenous tax changes on GDP, various sample periods, VAR (Table 1).

EXOGERPDV.RAT. Estimated impact of exogenous tax changes on GDP, with tax changes dated both at time of implementation and time of passage, single equation, controlling for lagged GDP growth. Figure 12.

SPLITNR.RAT. Estimated impact of exogenous tax changes on GDP, splitting sample at 1980:4, VAR. Figure 13a.

INTNR3.RAT. Estimated impact of exogenous tax changes on the federal funds rate, splitting sample at 1980:4, VAR. Figure 13b.

TRANSYNR.RAT. Estimated impact of exogenous tax changes on components of GDP, VARs. Figure 13b.