



Online-Appendix zu

„Measuring Corporate Tax Avoidance – An Analysis of Different Measures“

Markus Sebastian Gebhart

Ludwig-Maximilians-Universität München

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Appendix

Appendix 1: Data Items²⁶

Item Name	Legacy CST Item Number	Mnemonic
Assets - total	# 6	AT
Cash taxes paid	# 317	TXPD
Company legal name	-	CONML
Current tax expense	-	TXC
Deferred tax expense	# 50	TXDI
Income (loss) reported under the equity method	# 55	ESUB
Income taxes state	# 173	TXS
Intangible assets – total	# 33	INTAN
Liabilities – total	# 181	LT
Market Value of Equity	-	MKVALT
Minority interest	# 49	MII
Net income (loss)	# 172	NI
Operating cash flow	# 308	OANCF
Pre-tax income	# 170	PI
Special items	# 17	SPI
Tax loss carry forward	# 52	TLCF
Total tax expense	# 16	TXT

²⁶ Please note, the legacy CST item numbers are retrieved from Center for Research in Security Prices (2016); the mnemonic are retrieved from Wharton Research Data Services (2016a).

Appendix 2: Omission of Observations in the Sample Selection Process

Sample	GAAP ETR		Current ETR		Cash ETR	
	(1) ¹	(2) ²	(1)	(2)	(1)	(2)
Observations	39,407	5,000	39,407	5,000	39,407	5,000
Less observations lost for technical reasons ³	24	0	24	0	24	0
Possible observations	39,383	5,000	39,383	5,000	39,383	5,000
Less observations with denominator < 0	17,774 (0.4513) ⁴	1,257 (0.2514)	17,774 (0.4513)	1,257 (0.2514)	17,774 (0.4513)	1,257 (0.2514)
Less observations with numerator < 0	1,381 (0.0351)	208 (0.0416)	1,412 (0.0359)	351 (0.0702)	1,201 (0.0305)	305 (0.0610)
Less observations outside [0, 1]	225 (0.0057)	24 (0.0048)	404 (0.0103)	58 (0.0116)	560 (0.0142)	74 (0.0148)
Used observations	20,003 (0.5079)	3,511 (0.7022)	19,793 (0.5026)	3,334 (0.6668)	19,848 (0.5040)	3,364 (0.6728)

Sample	CFM ₁		CFM ₂		HS	
	(1)	(2)	(1)	(2)	(1)	(2)
Observations	39,407	5,000	39,407	5,000	39,407	5,000
Less observations lost for technical reasons	83	0	83	0	0	0
Possible observations	39,324	5,000	39,324	5,000	39,407	5,000
Less observations with denominator < 0	13,855 (0.3523)	846 (0.1692)	13,855 (0.3523)	846 (0.1692)	0 (0.00)	0 (0.00)
Less observations with numerator < 0	4,006 (0.1019)	601 (0.1202)	1,980 (0.0504)	426 (0.0852)	2,655 (0.0674)	507 (0.1014)
Less % observations outside [0, 1] / omitted outliers	1,063 (0.0270)	139 (0.0278)	892 (0.0227)	118 (0.0236)	734 (0.0186)	90 (0.0180)
Used observations	20,400 (0.5158)	3,414 (0.6828)	22,597 (0.5746)	3,610 (0.7220)	36,018 (0.9140)	4,403 (0.8806)

Sample	Total BTD		Discretionary Total BTD		Discretionary Permanent BTD	
	(1)	(2)	(1)	(2)	(1)	(2)
Observations	39,407	5,000	39,407	5,000	39,407	5,000
Less observations lost for technical reasons	272	1	20,960	1,689	1,886	2
Possible observations	39,135	4,999	18,447	3,311	37,521	4,998
Less observations with pre-tax income < 0	17,526 (0.4478)	1,256 (0.2513)	0 (0.00)	0 (0.00)	16,520 (0.4403)	1,256 (0.2513)
Less observations with current tax expense < 0	1,412 (0.0361)	351 (0.0702)	0 (0.00)	0 (0.00)	1,386 (0.0369)	351 (0.0702)
Less omitted outliers	402 (0.0103)	66 (0.0132)	368 (0.0199)	66 (0.0199)	392 (0.0104)	66 (0.0132)
Used observations	19,795 (0.5058)	3,326 (0.6653)	18,079 (0.9801)	3,245 (0.9801)	19,223 (0.5123)	3,325 (0.6653)

	Lr. Cash ETR 5 years	Lr. Cash ETR 10 years	Lr. HS 5 years	Lr. HS 10 years
Sample	(2)	(2)	(2)	(2)
Observations	1,000	500	1,000	500
Less observations lost for technical reasons	0	0	0	0
Possible observations	1,000	500	1,000	500
Less observations with denominator < 0	273 (0.2730)	136 (0.2720)	0 (0.00)	0 (0.00)
less observations with numerator < 0	33 (0.0330)	7 (0.0140)	71 (0.0710)	22 (0.0440)
Less % observations outside [0, 1] / omitted outliers	12 (0.0120)	3 (0.0060)	18 (0.0180)	8 (0.0160)
Used Observations	682 (0.6820)	354 (0.7080)	911 (0.9110)	470 (0.9400)

¹ Sample (1) refers to the sample for the analysis of annual measures.

² Sample (2) refers to the sample for the comparison of annual and long-run measures of tax avoidance.

³ Observations are lost for technical reasons if the computation of the measure is not possible.

⁴ The brackets display the proportions based on the possible observations.