



Online-Appendix zu

„The Tax System and Corporate Payout Policies“

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Appendix

Table A.1: Definitions of Main Variables

Variable	Definition
Panel A: Payout Variables	
Source: Compustat Annual North America and Global	
Dividend Payer (t)	<i>Dividend Payer (t)</i> is an indicator variable equal to one if a firm distributes regular cash dividends in period t .
Dividend Increase (t)	<i>Dividend Increase (t)</i> is an indicator variable equal to one in the following two cases: (i) A dividend payer in $t-1$ increases its regular cash dividends by 25% in t , (ii) a non-payer in $t-1$ initiates cash dividends in t .
Dividend Yield (t)	<i>Dividend Yield (t)</i> is the amount of cash dividends divided by lagged total assets.
Panel B: Tax Variables	
Source: Tax Handbooks released by EY, KPMG, PwC, and Deloitte	
Corporate Tax	<i>Corporate Tax</i> is the top marginal corporate tax rate.
Dividend Tax	<i>Dividend Tax</i> is the top marginal dividend tax rate.
Personal Income Tax	<i>Personal Income Tax</i> is the top marginal personal income tax rate.
Consumption Tax	<i>Consumption Tax</i> is the top marginal consumption tax tax rate.
Panel C: Firm-level Controls	
Source: Compustat Annual North America and Global	
Leverage	<i>Leverage</i> is the sum of debt in current liabilities and long-term debt divided by total assets.
Cash Holdings (L. TA)	<i>Cash Holdings (L. TA)</i> is the sum of cash and short-term investments scaled by lagged total assets.
Cash Flow	<i>Cash Flow</i> is net cash flow from operating activities scaled by lagged total assets.
Profits	<i>Profits</i> are EBIT divided by lagged total assets.
Retained Earnings	<i>Retained Earnings</i> are retained earnings scaled by lagged total assets.
Ln(Sales Growth)	<i>Ln(Sales Growth)</i> is the natural logarithm of growth in sales from $t-1$ to t .
Tobin's q	<i>Tobin's q</i> is the market value of equity divided by total assets.
Firm Size	<i>Firm Size</i> is the natural logarithm of total assets.
Panel D: Country-level Controls	
Source: World Bank	
Ln(GDP per Capita)	<i>Ln(GDP per Capita)</i> is the natural logarithm of GDP per capita in constant 2005 USD terms.

GDP Growth	<i>GDP Growth</i> is the yearly percentage growth rate of GDP in constant 2005 USD terms.
Inflation	<i>Inflation</i> is the rate of price change in a country as a whole measured by the yearly growth rate of the GDP implicit deflator.
Openness	<i>Openness</i> is the sum of imports and exports divided by GDP.
Deficit	<i>Deficit</i> is defined as government budget deficit divided by GDP.
Interest Payments	<i>Interest Payments</i> is government interest payments scaled by GDP.
Government Debt	<i>Government Debt</i> is government debt scaled by GDP.
Voice and Accountability	<i>Voice and Accountability</i> is the annual estimate of a country's quality pertaining to voice and accountability.
Political Stability	<i>Political Stability</i> is the annual estimate of a country's quality pertaining to political stability.
Government Effectiveness	<i>Government Effectiveness</i> is the annual estimate of a country's quality pertaining to government effectiveness.
Regulatory Quality	<i>Regulatory Quality</i> is the annual estimate of a country's quality pertaining to regulatory quality.
Rule of Law	<i>Rule of Law</i> is the annual estimate of a country's quality pertaining to rule of law.
Control of Corruption	<i>Control of Corruption</i> is the annual estimate of a country's quality pertaining to control of corruption.

Table A.2: Results of Baseline Regression (incl. All Variables)

This table shows the detailed results of my baseline regression from 1999 to 2013. The dependent variables are *Dividend Payer (t)* (column (1)), *Dividend Increase (t)* (column (2)), and *Dividend Yield (t)* (column (3)). All independent variables are defined in the appendix in *Table A.1*. I include firm fixed effects and gdp-cluster-industry-year fixed effects in all three regressions. Please note that *gdp-cluster* is a placeholder representing a GDP-Growth-Ln(GDP per Capita) cluster. I report robust standard errors clustered at the country level which are shown in parentheses. *, **, and *** denote significance at the 10%, 5%, and 1% level, respectively.

	Dividend Payer (t)	Dividend Increase (t)	Dividend Yield (t)
	(1)	(2)	(3)
Corporate Tax	-0.1549 (0.1821)	-0.2884 (0.1872)	-0.0154 (0.0166)
Dividend Tax	0.2389*** (0.0655)	-0.2461** (0.1213)	0.0088 (0.0054)
Personal Income Tax	-0.3154*** (0.1185)	-0.1049 (0.0903)	-0.0543*** (0.0129)
Consumption Tax	1.2559* (0.6998)	1.8259*** (0.6860)	0.0883** (0.0420)
Leverage	-0.1487*** (0.0197)	-0.2097*** (0.0455)	-0.0212** (0.0083)
Cash Holdings (L. TA)	0.0149* (0.0085)	0.0581*** (0.0153)	0.0052*** (0.0019)
Cash Flow	-0.0877* (0.0516)	-0.1872** (0.0900)	0.0079 (0.0058)

Profits	0.2500** (0.1139)	0.4529** (0.2120)	0.0095*** (0.0032)
Retained Earnings	0.0028 (0.0023)	0.0016 (0.0038)	0.0012*** (0.0002)
Tobin's q	0.0017** (0.0008)	0.0005 (0.0017)	0.0004*** (0.0001)
Sales Growth	0.0006 (0.0048)	0.0689*** (0.0223)	-0.0013*** (0.0003)
Firm Size	0.0169** (0.0067)	-0.0138 (0.0083)	-0.0021*** (0.0005)
GDP Growth	0.0084*** (0.0027)	-0.0007 (0.0029)	0.0003 (0.0002)
Ln(GDP per Capita)	-0.1408 (0.1134)	0.2985*** (0.0775)	0.0085** (0.0037)
Inflation	0.0004 (0.0007)	-0.0021** (0.0009)	-0.0000 (0.0001)
Voice and Accountability	-0.0306 (0.0575)	-0.0812** (0.0342)	0.0008 (0.0021)
Political Stability	0.0116 (0.0331)	0.0184 (0.0275)	0.0001 (0.0010)
Government Effectiveness	-0.0115 (0.0431)	-0.0142 (0.0466)	-0.0031 (0.0022)
Regulatory Quality	0.0037 (0.0374)	0.0478 (0.0365)	-0.0021 (0.0019)
Rule of Law	0.0013 (0.0458)	0.0643 (0.0955)	-0.0021 (0.0037)
Control of Corruption	0.0309 (0.0417)	-0.0284 (0.0362)	0.0012 (0.0022)
Observations	166,084	159,721	166,084
Firm FE	Yes	Yes	Yes
GDP-Cluster-Industry-Year FE	Yes	Yes	Yes
Adjusted R-squared	0.797	0.166	0.701