

Replication files for “Tax Cuts For Whom? Heterogeneous Effects of Income Tax Changes on Growth and Employment”

Running the code This zip file contains all of the programs used to generate the figures and tables in this paper. The main file to run is master.do. Before doing so, change the “root” path to the appropriate path on your machine. The code is split into five sections:

- (1) **Build:** in this section we assemble data from multiple sources and create datasets to perform subsequent analysis. The output files are stored in “build/dta”. This folder contains a national time series dataset and two state-year panels. Note that you need not run code in this section, as the output folder contains all datasets called by table- and figure-generating do files. This section has been commented out for ease.
- (2) **Tables:** this section generates all of the main tables in the paper. The output is stored in “tables/out”. In some cases, a .do file will create multiple outputs, in which case the tables will be named accordingly (e.g. “table4a.tex” and “table4b.tex”).
- (3) **Figures:** this section generates all of the main figures in the paper. The output is stored in “figures/out”. In some cases, a figure in the paper consists of multiple panels, in which case the figures will be named accordingly (e.g. “figure3_epop.pdf” and “figure3_ln_emp.pdf”).
- (4) **Appendix Tables:** this section generates all of the appendix tables in the paper. The output is stored in “appendix/tables/out”.
- (5) **Appendix Figures:** this section generates all of the main figures in the paper. The output is stored in “appendix/figures/out”.

Data files The “data” folder contains all of the data files that we use in the “build” section. The folder is organized into subfolders based on data source:

- **BEA**: data from the Bureau of Economic Analysis, including state-year panels for consumption, Gross State Product, employment, personal income, earnings, and a national dataset for personal income and earnings.
- **BLS**: data from the Bureau of Labor Statistics, including a state-year panel for employment, unemployment, and population count, as well as a national dataset for population.
- **Census**: a state-year panel for Census population counts.
- **Composition-Constant Wage**: a state-year panel for composition-constant hourly wages. More detail about the construction of this variable is in Appendix A.2.
- **CPS**: data from the Current Population Survey, including a national dataset and a number of state-year panels for hours worked, wages, employment, income and labor force participation by demographic split.
- **FIPS**: a crosswalk between state FIPS codes and a variety of possible state names and abbreviations.
- **GovFin**: a state-year panel for federal intergovernmental revenue from Census Government Finances.
- **IRate**: the Federal Funds Rate.
- **MinWage**: a panel for state minimum wages.
- **NIPA**: data on consumption, government spending, and investment from the National Income and Product Accounts Tables.
- **OECD**: data on annual hours worked from the Organization for Economic Co-operation and Development.
- **Oil**: data about the global price of WTI Crude Oil.
- **Prices**: this subfolder includes data on a number of state price indices, including the ACCRA Cost of Living Index, a state weighted average of BLS city price indices, the Federal Housing Finance Agency House Price Index, and Moretti Local Consumer Price Index. More detail about the construction of each of these variables is in Appendix A.2.

- **QCEW**: a state-year panel for the number of establishments, employment, and annual average pay from the Quarterly Census of Employment and Wages.
- **Regions**: a crosswalk between states and regions from Nakamura and Steinsson (2014).
- **SocIns**: data on a variety of social insurance programs, including:
 - * Aid to Families with Dependent Children (AFDC): state-year spending, number of recipient families, and several policy variables.
 - * Federal Medical Assistance Percentages (FMAP): a state-year panel.
 - * Federal Poverty Level (FPL): a state-year panel for the FPL in the 48 contiguous states and DC, Alaska, and Hawaii.
 - * Medicaid: state-year vendor payments, number of eligibles, number of recipients, and total spending.
 - * Medicare: Medicare Part B policy variables, spending, and enrollees.
 - * OASDI: Social Security benefits by state and year.
 - * Supplemental Nutrition Assistance Program (SNAP): policy variables, number of beneficiaries, and total spending.
 - * Supplemental Security Income (SSI): policy variables, total payments, and average payment per recipient.
 - * Temporary Assistance for Needy Families (TANF): policy variables, number of recipient families, and total spending.
 - * a state-year panel for the number of social insurance recipients.
- **SocIns_MicroSim**: 1- and 2-year policy-induced changes in social insurance spending, both nationwide and at the state level.
- **Taxsim**: a state-year panel and a national dataset for tax changes from NBER’s Taxsim.

We request that you cite this paper when using these data.