Readme for "Macroeconomic Effects of Dividend Taxation with Investment Credit Limits" by Matteo F. Ghilardi and Roy Zilberman

Reproducing Figures 1-5, Tables 1-3, Table 2.

- To reproduce Figures 1 and 2, run directly the matlab codes named *GZ_ Figure1.m* and *GZ_ Figure2.m*, respectively.
- To reproduce Figures 3-5, the model implied cumulative changes in Table 2, and the model implied volatilities in Table 3, use the dynare codes named *GZ_ Sim_ PerfectForesight.mod* and *GZ_ Sim_ Stochastic.mod*. Once uploading the codes, the user will notice further explanations on how to run the model with and without the occasionally-binding constraint in the actual code scripts.
- The *GZ_ Sim_ Stochastic.mod,* employed mainly for Table 3, requires the use of the dynare OBC algorithm developed by Tom D. Holden which is available to download on his website: https://www.tholden.org/code/.
- All our data variables are sourced from the Federal Reserve Economic Database (FRED): https://fred.stlouisfed.org/. Specifically we use the following series to calculate the cumulative changes and volatilities in corporate investment rates (I_t/K_t), capital (K_t), asset prices (p_t and q_t), and credit spreads (serving as a proxy for ϕ_t in the model):
  - Nonfinancial Corporate Business; Gross Fixed Investment, Transactions, for I_t (divide series by 1000 to express in billions).
  - Nonfinancial Corporate Business; Net Worth, for K_t (in billions).
  - Nonfinancial Corporate Business; Corporate Equities, Liability, Market Value Levels, for p_t (divide series by 1000 to express in billions).
  - Nonfinancial Corporate Business; Corporate Equities; Liability, Level/1000)/Nonfinancial Corporate Business; Net Worth, Level, for $q_t (= p_t/K_t)$.
  - Moody's Seasoned BAA and AAA *Average* Corporate Bond Yields Relative to Yield on 10-Year Treasury Constant maturity, for ϕ_t.