Replication Files for "Territorial Tax Reform and Profit Shifting by US and Japanese Multinationals"

Makoto Hasegawa
November 2023

For this study, I collect financial information on US- and Japanese-owned foreign subsidiaries from the Orbis database, which is provided by Bureau van Dijk. More specifically, I use the two hard disk drive versions of Orbis released in December 2013 and December 2017. Because Orbis is a commercial database that is available only to those who obtain access from Bureau van Dijk, I am unable to post the data used for my analysis on the National Tax Journal Dataverse website. Instead, I provide a copy of the programs to construct the final data set and generate the results presented in the article. Below, I describe how each of the program files works to replicate the final results.

The Stata do file, named "subs_panel_v9.do," imports the Excel files that contain information on US- and Japanese-owned foreign subsidiaries collected from the Orbis database, implements the sample restrictions described in Section III of the article, and produces the panel data on US- and Japanese-owned foreign subsidiaries from 2004 to 2016 (named "JPUS_subs_parents_2004-2016_v3.dta;" not provided in this replication package).

The do file named "PS_panel_data_v3.do" merges the above subsidiary-level panel data with the country-level data (named "PS_country_v2.dta") that contain information on corporate income tax rates and macroeconomic characteristics of host countries from 2004 to 2016, and generates the final data set used in my analysis (named "JPUS_subs_panel_v8.dta;" not provided in the replication package).

The do file named "PS_main_v5.do" implements the sample restrictions described in Section III of the article and generates the results presented in Figures 1–6 and Tables 1–4 of the article and the results presented in Tables A1–A5 of the online Appendix. The do file named "PS_main_v5_balanced.do" generates the results presented in Figures A1–A3 of the online Appendix.