README file for "Reassessing the Effects of Corporate Income Taxes on Mergers and Acquisitions Using Empirical Advances in the Gravity Literature," (Bradley, Carril-Caccia, Yotov, *National Tax Journal*)

M&As data and database construction

It is necessary to access to the Eikon Thomson Reuters platform in order to download the raw data of M&As. This data can be accessed in the Deals Screener APP (DSCREEN). Once inside, one should:

1) Choose the universe: Deals
2) Choose the asset class: M&As
3) Choose the deal status: Completed
4) In add filter, it is necessary to add the one named Date Effective. This will allow us to filter data by the date in which the M&As was completed. We should download the transactions that took place between 1995 and 2019. Notice that the platform only allows downloading 4000 transactions per Excel file. Thus, the user will need to download more than 200 Excel files.
5) In order to reduce the number of Excel files that one needs to download, one can include additional filters that restricts the transactions to those which result in acquisition of majority control of the target firm. Also, one could select the countries present in the sample of analysis (see Table A1 from the appendix).
6) Before downloading the data, one needs to be sure that in the table that it is going to be downloaded the following variables are included: Acquiror Nation, Date effective or unconditional, Deal Value, Analyst Estimated value, Deal value at effective date, percentage of shares acquired in, Percentage shares onwed after, Acquiror ultimate parent nation, Target Nation, Acquiror Public Status, Target Public Status, Acquiror Primary NAIC 2007 and Target Primary NAIC 2007.

After downloading the raw data one should append the different files, add the World Bank's country 3-letter iso code for the acquirer country and target country, and convert the NAIC classification code into NACE Rev. 2 at the two-digit level. This database is named "MAraw.dta". Once this is done, one should run the do file entitled **Code_NTJ_MA_database_construction.do** to assemble the complete data.

Database

Data available in the replication package: **replication_MACIT.dta**

Variable	Source	Link
M&A data	Eikon Thomson Reuters	Proprietary data, not available in the replication package. Access here: https://eikon.refinitiv.com/
CIT	Tax foundation	https://taxfoundation.org/
Distance, contiguity, language, colonial ties and RTA	CEPII	https://www.cepii.fr/CEPII/en/welcome.asp
BIT	UNCTAD's Investment Policy Hub	https://investmentpolicy.unctad.org/international-investment-agreements

GDP, GDP per capita, Labor force, unemployment rate, inflation rate and exports over GDP	World Bank Development Indicators	https://databank.worldbank.org/source/world-development-indicators
Exchange rate	IMF	https://www.imf.org/en/Home
Diplomatic distance	Replication data from Bailey et al. (2017)	https://michaelbailey.georgetown.domains/data/ Not available in the replication package.
Sanctions	Global sanctions database	https://www.globalsanctionsdatabase.com/ Not available in the replication package.
Tax system classification	Multiple sources	https://assets.ey.com/content/dam/ey-sites/ey-com/en_am/tax-and-law/ey-worldwide-corporate-tax-guide-20-july-2020.pdf, https://taxsummaries.pwc.com/, https://taxfoundation.org/

Empirical analysis

The do file for replicating the empirical analysis is named **Code_NTJ_empirical_analysis.do**