

## Discussion of Empirical Findings with Control Variable Coding Error and Fixes

In “Achieving Sustainable Development Goal 17? An Empirical Investigation of the Effectiveness of Aid Given to Boost Developing Countries’ Tax Revenue and Capacity,”<sup>1</sup> we made an error in the coding of the polity regime control variable. We thank Jing Qian for identifying this issue.

The control variable was coded 1 for autocracies, 2 for anocracies, and 3 for democracies following polity2’s classification. In error, missing observations (from the polity2 variable) were coded as a 3 in this regime variable in the dataset for the statistical analyses in this publication.

Fixing the error alters the empirical results, most likely due to the smaller sample (now that missing values are properly coded as such).<sup>2</sup> Importantly, our critical finding (i.e., the models predicting goods tax revenue, the primary target of tax aid) remains robust. We detail below the differences in the empirical results for the models with the corrected polity regime control versus the models in the published paper with the incorrect polity regime control.

In addition, we re-estimate our empirical models with an alternative democracy control variable: Freedom House’s political rights and civil liberties index. Using Freedom House’s index as our control variable (instead of the polity regime variable), our statistical results mirror the findings in the published work.

For a clear comparison, we include here summary tables of all estimations in the text of the published article with the original (polity regime control error) results, the corrected polity regime control results, and the results with the Freedom House control. The full tables of these results are available at the end of the document in the supplemental material (original polity regime control error results on page 13; corrected polity regime control results on page 19; and results with the Freedom House control on page 25).

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<sup>1</sup> *International Studies Quarterly* 64 (4): 991-1004. <https://doi.org/10.1093/isq/sqaa069>

<sup>2</sup> Two sets of models in the original publication were not affected by this error: the baseline models in Appendix A.1 and the models using the World Bank tax project data in Appendix B.1.

**-- Comparison Summary Tables from Text --**

The tables below confirm that using the corrected polity control variable weakens the statistical significance of our findings, though we stress that the results for our critical dependent variable, goods tax revenue, hold. Further, using the Freedom House measure of democracy generates robust results to the empirical tables in the published piece. The Freedom House estimations consistently have more observations than the polity estimations, which is consistent with our sense that the weaker results from using the corrected polity variable are caused by more missing data.

**Table 2: Determinants of Tax Revenues**

		(1)	(2)	(3)	(4)	(5)	(6)
		Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)	Direct- Indirect Tax Rev Ratio
<b>Model:</b>							
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	0.0458** (0.0180)	0.0913*** (0.0194)	-0.0446*** (0.00678)	0.0998*** (0.0146)	-0.0120* (0.00725)	-0.0157*** (0.00204)
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	-0.217 (1.177)	1.017 (0.628)	-0.240 (0.262)	1.266*** (0.383)	0.110 (0.302)	-0.114 (0.0833)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	0.0484*** (0.0173)	0.0910*** (0.0186)	-0.0436*** (0.00652)	0.0982*** (0.0140)	-0.0107 (0.00696)	-0.0157*** (0.00200)

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 3: Summary of Determinants of Goods and Income Tax Revenues Over Time**

		(1)	(2)	(3)	(4)	(5)	(6)
Model:		Goods Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)	Income Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	0.107*** (0.0115)			-0.0149** (0.00634)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.0998*** (0.0146)			-0.0120* (0.00725)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			0.0725*** (0.0111)			0.00859 (0.0122)
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	0.840*** (0.291)			-0.464 (0.344)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		1.266*** (0.383)			0.110 (0.302)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-0.368 (0.841)			-0.0937 (0.515)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	0.106*** (0.0112)			- 0.0163*** (0.00601)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.0982*** (0.0140)			-0.0107 (0.00696)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			0.0695*** (0.0105)			-0.000685 (0.00701)

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 4: Summary of Determinants of VAT Introduction**

		(1)	(2)	(3)
		VAT Intro	VAT Intro	VAT Intro
<b>Model:</b>				
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	1.947** (0.987)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.809 (1.420)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-2.521 (2.281)
<hr/>				
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	2.058 (1.374)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		-0.978 (1.756)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-22.03 (16.78)
<hr/>				
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	1.812* (1.004)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.824 (1.368)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-2.133 (2.556)
Robust standard errors in parentheses		*** p<0.01, ** p<0.05, * p<0.1		

**Table 5: Summary of Determinants of Personal and Corporate Income Tax Revenues**

		(1)	(2)	(3)	(4)	(5)	(6)
		PIT	PIT	PIT	CIT	CIT	CIT
		Revenue	Revenue	Revenue	Revenue	Revenue	Revenue (%)
		(% GDP)	(% GDP)	(% GDP)	(% GDP)	(% GDP)	GDP)
Model:							
<b>Published results</b>	<b>Tax Aid</b>	-0.281*			0.0466		
	<b>(% GDP)<sub>t-1</sub></b>	(0.162)			(0.213)		
	<b>Tax Aid</b>		-0.0595			-0.0321	
	<b>(% GDP)<sub>t-3</sub></b>		(0.0922)			(0.158)	
	<b>Tax Aid</b>			0.0168			-0.0213
	<b>(% GDP)<sub>t-5</sub></b>			(0.0896)			(0.107)
<b>CORRECTED polity variable</b>	<b>Tax Aid</b>	-0.296*			0.0780		
	<b>(% GDP)<sub>t-1</sub></b>	(0.163)			(0.221)		
	<b>Tax Aid</b>		-0.0602			-0.0404	
	<b>(% GDP)<sub>t-3</sub></b>		(0.0900)			(0.155)	
	<b>Tax Aid</b>			0.0445			-0.0162
	<b>(% GDP)<sub>t-5</sub></b>			(0.0829)			(0.110)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid</b>	-0.306*			0.0590		
	<b>(% GDP)<sub>t-1</sub></b>	(0.162)			(0.211)		
	<b>Tax Aid</b>		-0.0724			-0.0204	
	<b>(% GDP)<sub>t-3</sub></b>		(0.0942)			(0.153)	
	<b>Tax Aid</b>			0.0543			0.0124
	<b>(% GDP)<sub>t-5</sub></b>			(0.0840)			(0.104)

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 6: Determinants of Corporate Income Tax Taxpayer Base**

		(1)	(2)	(3)	(4)	(5)	(6)
		Informal Sector Competition	Informal Sector Competition	Informal Sector Competition	Informal Sector Obstacle	Informal Sector Obstacle	Informal Sector Obstacle
<b>Model:</b>							
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	-0.168 (0.183)			0.00595 (0.189)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.00211 (0.152)			-0.00849 (0.165)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-0.301 (0.319)			0.0880 (0.302)
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	-0.150 (0.180)			0.0503 (0.171)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.00107 (0.153)			-0.0866 (0.160)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-0.279 (0.334)			0.120 (0.310)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	-0.133 (0.191)			0.110 (0.160)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		-0.0241 (0.159)			-0.0999 (0.153)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-0.642* (0.386)			-0.128 (0.282)
Robust standard errors in parentheses				*** p<0.01, ** p<0.05, * p<0.1			

**Table 7: Determinants of Personal Income Tax Taxpayer Base**

Model:		(1)	(2)	(3)	(4)	(5)	(6)
		Informal Employ (% non-Agr Labor Force)	Informal Employ (% non-Agr Labor Force)	Informal Employ (% non-Agr Labor Force)	Cheat on Taxes	Cheat on Taxes	Cheat on Taxes
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	15.71*** (5.284)			-0.135 (0.252)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		3.169 (5.324)			1.574 (1.412)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-16.07*** (4.122)			3.660*** (1.371)
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	15.97*** (5.147)			-0.134 (0.252)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		3.369 (5.332)			1.574 (1.412)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-16.09*** (4.304)			3.660*** (1.372)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-1</sub></b>	15.69*** (4.665)			-0.198 (0.253)		
	<b>Tax Aid (% GDP)<sub>t-3</sub></b>		2.634 (5.059)			1.867 (1.324)	
	<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-15.88*** (3.556)			3.493*** (1.265)

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**-- Select Comparison Summary Tables from Appendix --**

Additionally, we provide below summary comparison tables of select tables from our Appendix. As we did previously, we include the original (polity regime control error) results, the corrected polity regime control results, and the results with the Freedom House control. The full tables of these results and all other appendix models are available at the end of the document in the supplemental material (original polity regime control error results on page 31; corrected polity regime control results on page 48; and results with the Freedom House control on page 65). We chose these Appendix models to summarize because they cover different measurements of the independent variable of interest, different datasets of tax aid and tax revenue, and alternative model specifications.

As with the comparison results for the tables in the text of the manuscript, the edited, the recoded polity regime variable is a statistically significant predictor of our dependent variable of interest, goods tax revenue.<sup>3</sup> Additionally, as above, the Freedom House results provide robust results to the results presented in the original, published appendix.

Overall, despite the unfortunate error we made in coding the polity regime control variable, we are still confident in our findings and the conclusions made in our published manuscript.

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<sup>3</sup> An exception is the analysis using the ICTD data set where tax aid is statistically insignificant in the indirect tax model. Alternatively, the models using tax aid per capita indicate statistical significance for total tax revenue, domestic tax revenue, and goods tax revenue.



### A.5 Summary of Determinants of Tax Revenues, Controlling for Fiscal Tax Aid

Model:		(1)	(2)	(3)	(4)	(5)
		Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Published results</b>	<b>Fiscal Aid (% GDP)<sub>t-3</sub></b>	0.0433* (0.0236)	0.0956*** (0.0240)	-0.0555*** (0.0156)	0.109*** (0.0201)	-0.0189 (0.0138)
<b>CORRECTED polity variable</b>	<b>Fiscal Aid (% GDP)<sub>t-3</sub></b>	0.196 (0.271)	0.423 (0.323)	-0.164 (0.208)	0.388* (0.212)	0.0230 (0.165)
<b>REPLICATION with Freedom House variable</b>	<b>Fiscal Aid (% GDP)<sub>t-3</sub></b>	0.0513*** (0.0198)	0.105*** (0.0261)	-0.0551*** (0.0157)	0.108*** (0.0201)	-0.0101 (0.00807)

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.6 Summary of Determinants of Tax Revenues, Tax and Non-Tax Aid Per Capita

Model:		(1)	(2)	(3)	(4)	(5)
		Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Tax Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Published results</b>	<b>Tax Aid Per Capita<sub>t-3</sub></b>	0.00101*** (0.000364)	0.00129*** (0.000307)	-0.000507*** (0.000160)	0.00136*** (0.000241)	-0.000124 (0.000118)
<b>CORRECTED polity variable</b>	<b>Tax Aid Per Capita<sub>t-3</sub></b>	0.0312** (0.0154)	0.0249* (0.0131)	-0.00154 (0.00646)	0.0299*** (0.00891)	0.00598 (0.00813)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid Per Capita<sub>t-3</sub></b>	0.000953** (0.000346)	* (0.000295)	0.00126*** (0.000157)	-0.000508*** (0.000237)	0.00132*** (0.000118)

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.8 Determinants of Tax Revenues, Heckman Selection Model

		(1)	(2)	(3)	(4)	(5)
		Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
Model:						
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	3.850 (2.635)	2.680 (2.388)	1.065* (0.566)	3.034** (1.478)	0.692 (0.970)
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	3.861 (2.637)	2.688 (2.390)	1.072* (0.567)	3.032** (1.480)	0.699 (0.970)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	2.962 (2.433)	2.213 (2.201)	0.657 (0.551)	2.550* (1.380)	0.672 (0.897)
		Robust standard errors in parentheses			*** p<0.01, ** p<0.05, * p<0.1	

### B.1 Determinants of Tax Revenues, World Bank Tax Aid Data

		(1)	(2)	(3)	(4)	(5)
		Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
Model:						
<b>Original polity control</b>	<b>with regime WB project tax aid (% GDP)<sub>t-3</sub></b>	0.209 (1.819)	3.250 (2.211)	-2.586*** (0.933)	3.796** (1.566)	-1.934* (1.056)
		*No error in this dataset				
<b>REPLICATION with Freedom House variable</b>	<b>WB project tax aid (% GDP)<sub>t-3</sub></b>	0.962 (2.184)	3.420 (2.251)	-1.577*** (0.561)	3.630*** (1.305)	-1.750 (1.180)
		Robust standard errors in parentheses			*** p<0.01, ** p<0.05, * p<0.1	

## B.2 Determinants of Tax Revenues, ICTD Tax Revenue Data

		(1)	(2)	(3)	(4)	(5)
		Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Indirect Tax Revenue (% GDP) <sup>4</sup>	Direct Tax Revenue (% GDP)
<b>Model:</b>						
<b>Published results</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	0.0214 (0.0187)	0.0788*** (0.00668)	-0.0668*** (0.00509)	0.107*** (0.00575)	-0.0298*** (0.00463)
<b>CORRECTED polity variable</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	0.129 (0.366)	-0.0724 (0.355)	0.222 (0.159)	0.0614 (0.244)	-0.246* (0.144)
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid (% GDP)<sub>t-3</sub></b>	0.0216 (0.0181)	0.0790*** (0.00653)	-0.0667*** (0.00529)	0.108*** (0.00562)	-0.0300*** (0.00459)
Robust standard errors in parentheses					*** p<0.01, ** p<0.05, * p<0.1	

<sup>4</sup> We exclude trade tax revenue in the measure of indirect tax revenue.

## D.2: Determinants of Indirect Tax Taxpayer Base

		(1)	(2)	(3)	(4)	(5)	(6)
		Tax	Tax	Tax	% Firms	% Firms	% Firms
		Inspections	Inspections	Inspections	Formally	Formally	Formally
					Registered	Registered	Registered
<hr/> Model:							
<b>Published results</b>	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-1</sub></b>	0.0625			-0.0474		
		(0.188)			(0.0574)		
	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-3</sub></b>		0.127			-1.242	
			(0.111)			(1.666)	
	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-5</sub></b>			0.197			-1.209
				(0.203)			(2.119)
<hr/>							
<b>CORRECTED polity variable</b>	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-1</sub></b>	0.0604			0.727		
		(0.193)			(2.131)		
	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-3</sub></b>		0.166			-0.593	
			(0.112)			(1.622)	
	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-5</sub></b>			0.286			-0.931
				(0.198)			(2.025)
<hr/>							
<b>REPLICATION with Freedom House variable</b>	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-1</sub></b>	-0.0999			-0.0647		
		(0.194)			(0.0673)		
	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-3</sub></b>		0.0645			-1.400	
			(0.127)			(1.833)	
	<b>Tax Aid</b>						
	<b>(% GDP)<sub>t-5</sub></b>			0.0701			-1.125
				(0.181)			(2.053)
<hr/>							
Robust standard errors in parentheses				*** p<0.01, ** p<0.05, * p<0.1			

Additional Supplemental Material

**TABLES FROM PUBLICATION WITH POLITY REGIME CONTROL CODING ERROR**

**Table 2: Determinants of Tax Revenues**

DV=	(1) Tax Revenue (% GDP)	(2) Domestic Tax Revenue (% GDP)	(3) Trade Tax Revenue (% GDP)	(4) Goods Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)	(6) Direct- Indirect Tax Rev Ratio
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	0.0458** (0.0180)	0.0913*** (0.0194)	-0.0446*** (0.00678)	0.0998*** (0.0146)	-0.0120* (0.00725)	-0.0157*** (0.00204)
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	0.0160 (0.0985)	0.0346 (0.0478)	0.0739** (0.0330)	0.0267 (0.0297)	0.00105 (0.0250)	-0.00689 (0.00689)
GDP growth <sub>t-1</sub>	0.0117 (0.0346)	-0.0295 (0.0372)	0.0339*** (0.00937)	-0.0302 (0.0243)	0.00244 (0.0144)	0.00732** (0.00322)
Trade (% GDP) <sub>t-1</sub>	0.0296 (0.0257)	0.0489* (0.0257)	-0.0186 (0.0166)	0.0284 (0.0210)	0.0188** (0.00839)	-5.22e-05 (0.00261)
GDP per capita (logged) <sub>t-1</sub>	4.109* (2.305)	1.845 (1.551)	0.190 (0.305)	0.916 (0.969)	0.600 (0.596)	-0.0332 (0.105)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0765*** (0.00911)	0.0951*** (0.00681)	-0.0156*** (0.00264)	0.0649*** (0.00509)	0.0283*** (0.00539)	0.00397*** (0.00120)
Regime Type <sub>t-1</sub>	-1.513 (0.928)	-0.693 (0.675)	-0.000228 (0.148)	-0.676 (0.468)	-0.153 (0.359)	0.0861 (0.0874)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0271 (0.0830)	0.00679 (0.0888)	-0.0386 (0.0278)	0.0186 (0.0603)	-0.00137 (0.0373)	-0.00712 (0.0103)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,998	1,937	1,939	1,897	1,959	1,885
Countries	127	124	124	125	124	123

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 3: Summary of Determinants of Goods and Income Tax Revenues Over Time**

DV=	(1) Goods Tax Revenue (% GDP)	(2) Goods Tax Revenue (% GDP)	(3) Goods Tax Revenue (% GDP)	(4) Income Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)	(6) Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	0.107*** (0.0115)			-0.0149** (0.00634)		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.0998*** (0.0146)			-0.0120* (0.00725)	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			0.0725*** (0.0111)			0.00859 (0.0122)

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Regime, Agriculture, Country and Year dummies

**Table 4: Summary of Determinants of VAT Introduction**

DV=	(1) VAT Intro	(2) VAT Intro	(3) VAT Intro
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	1.947** (0.987)		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.809 (1.420)	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			-2.521 (2.281)

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Regime, Agriculture, Low tax revenue, VAT diffusion, Decade

**Table 5: Summary of Determinants of Personal and Corporate Income Tax Revenues**

DV=	(1) PIT Revenue (% GDP)	(2) PIT Revenue (% GDP)	(3) PIT Revenue (% GDP)	(4) CIT Revenue (% GDP)	(5) CIT Revenue (% GDP)	(6) CIT Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.281*</b> <b>(0.162)</b>			<b>0.0466</b> <b>(0.213)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0595</b> <b>(0.0922)</b>			<b>-0.0321</b> <b>(0.158)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0168</b> <b>(0.0896)</b>			<b>-0.0213</b> <b>(0.107)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Regime, Agriculture,  
 Country and Year dummies

**Table 6: Determinants of Corporate Income Tax Taxpayer Base**

DV=	(1) Informal Sector Competition	(2) Informal Sector Competition	(3) Informal Sector Competition	(4) Informal Sector Obstacle	(5) Informal Sector Obstacle	(6) Informal Sector Obstacle
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.168</b>			<b>0.00595</b>		
	<b>(0.183)</b>			<b>(0.189)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.0194*</b>			<b>-0.0258*</b>		
	<b>(0.0117)</b>			<b>(0.0150)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.00211</b>			<b>-0.00849</b>	
		<b>(0.152)</b>			<b>(0.165)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.00610</b>			<b>-0.00751</b>	
		<b>(0.00914)</b>			<b>(0.0107)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.301</b>			<b>0.0880</b>
			<b>(0.319)</b>			<b>(0.302)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0219*</b>			<b>0.00463</b>
			<b>(0.0120)</b>			<b>(0.0148)</b>
GDP growth <sub>t-1</sub>	-0.00675	-0.00999	-0.0223*	0.0177	0.0161	0.00233
	(0.0135)	(0.0133)	(0.0115)	(0.0113)	(0.0118)	(0.00899)
Trade (% GDP) <sub>t-1</sub>	0.00218	0.00163	0.00297	0.000878	0.00251	0.00312
	(0.00397)	(0.00440)	(0.00409)	(0.00369)	(0.00437)	(0.00363)
GDP per capita (logged) <sub>t-1</sub>	0.00969	0.0273	0.0491	-0.118	-0.0602	0.0645
	(0.222)	(0.258)	(0.232)	(0.208)	(0.199)	(0.211)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00906	0.00276	0.0171**	-0.0104	-0.00567	0.00252
	(0.00858)	(0.00823)	(0.00861)	(0.0118)	(0.00903)	(0.00496)
Regime Type <sub>t-1</sub>	0.0454	-0.0430	-0.0264	0.141	0.142	0.160
	(0.133)	(0.131)	(0.144)	(0.111)	(0.117)	(0.136)
Agricultural Value Added (% GDP) <sub>t-1</sub>	0.0277	0.00958	0.0248	-0.00120	-0.0100	-0.00757
	(0.0188)	(0.0256)	(0.0231)	(0.0212)	(0.0214)	(0.0225)
Total Sales (logged)	-0.0411***	-0.0404***	-0.0407***	-0.0278***	-0.0288***	-0.0283***
	(0.00675)	(0.00718)	(0.00700)	(0.00568)	(0.00562)	(0.00552)
Total Employment (logged)	-0.0492***	-0.0449***	-0.0448***	-0.0295***	-0.0257***	-0.0266***
	(0.00991)	(0.0110)	(0.0109)	(0.00835)	(0.00860)	(0.00862)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	56,537	61,120	61,491	68,877	73,462	73,760

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



**Table 7: Determinants of Personal Income Tax Taxpayer Base**

DV=	(1) Informal Employ (% non-Agr Labor Force)	(2) Informal Employ (% non-Agr Labor Force)	(3) Informal Employ (% non-Agr Labor Force)	(4) Cheat on Taxes	(5) Cheat on Taxes	(6) Cheat on Taxes
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>15.71***</b> (5.284)			<b>-0.135</b> (0.252)		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.945**</b> (0.385)			<b>0.0274</b> (0.0291)		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>3.169</b> (5.324)			<b>1.574</b> (1.412)	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.862**</b> (0.378)			<b>0.0301</b> (0.0346)	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-16.07***</b> (4.122)			<b>3.660***</b> (1.371)
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.101</b> (0.258)			<b>0.139***</b> (0.0351)
GDP growth <sub>t-1</sub>	-0.00907 (0.191)	-0.190 (0.216)	-0.105 (0.215)	0.00423 (0.0174)	0.0202 (0.0146)	0.0233** (0.0104)
Trade (% GDP) <sub>t-1</sub>	0.229** (0.0929)	0.240** (0.111)	0.236** (0.113)	0.00321 (0.00676)	0.00581 (0.00577)	0.00913** (0.00408)
GDP per capita (logged) <sub>t-1</sub>	-1.503 (4.388)	-1.805 (4.882)	-1.556 (4.808)	-0.0949 (0.240)	-0.194 (0.239)	-0.440* (0.236)
FDI net inflows (% GDP) <sub>t-1</sub>	0.206 (0.246)	0.133 (0.282)	0.197 (0.216)	0.0681* (0.0378)	0.0546* (0.0295)	0.0471** (0.0221)
Regime Type <sub>t-1</sub>	-2.174 (3.179)	-1.531 (4.964)	-0.130 (2.938)	0.151 (0.161)	0.0993 (0.176)	0.00657 (0.162)

Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.600 (0.464)	-0.681 (0.556)	-0.577 (0.584)	-0.0158 (0.0274)	-0.0211 (0.0272)	-0.0973*** (0.0338)
Male				0.0592*** (0.0131)	0.0597*** (0.0129)	0.0618*** (0.0126)
Age				- 0.00713*** (0.000599)	- 0.00718*** (0.000607)	-0.00694*** (0.000624)
Income				0.0170*** (0.00552)	0.0178*** (0.00494)	0.0233*** (0.00448)
Education				-0.0213*** (0.00542)	-0.0203*** (0.00518)	-0.0223*** (0.00470)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	238	238	238	118,092	119,096	119,096

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**TABLES WITH CORRECTED POLITY VARIABLE**

**Table 2: Determinants of Tax Revenues**

DV=	(1) Tax Revenue (% GDP)	(2) Domestic Tax Revenue (% GDP)	(3) Trade Tax Revenue (% GDP)	(4) Goods Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)	(6) Direct- Indirect Tax Rev Ratio
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.217</b> (1.177)	<b>1.017</b> (0.628)	<b>-0.240</b> (0.262)	<b>1.266***</b> (0.383)	<b>0.110</b> (0.302)	<b>-0.114</b> (0.0833)
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0119</b> (0.105)	<b>0.0590</b> (0.0566)	<b>0.0566**</b> (0.0228)	<b>0.0492</b> (0.0379)	<b>-0.00134</b> (0.0233)	<b>-0.00930</b> (0.00675)
GDP growth <sub>t-1</sub>	0.0467 (0.0376)	0.0153 (0.0385)	0.0207** (0.00826)	-0.000394 (0.0237)	0.0157 (0.0154)	0.00525 (0.00330)
Trade (% GDP) <sub>t-1</sub>	0.0228* (0.0117)	0.0205** (0.0103)	0.00341 (0.00591)	0.00257 (0.00729)	0.0191*** (0.00618)	0.00301* (0.00177)
GDP per capita (logged) <sub>t-1</sub>	3.752 (2.344)	1.507 (1.427)	0.00269 (0.286)	0.754 (0.791)	0.464 (0.603)	-0.0577 (0.0910)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0141 (0.0408)	0.0552 (0.0373)	-0.0147 (0.0158)	0.0583** (0.0285)	-0.00210 (0.0243)	-0.00649 (0.00510)
Regime Edited <sub>t-1</sub>	-1.191 (0.882)	-0.318 (0.594)	-0.0676 (0.136)	-0.361 (0.373)	-0.0525 (0.354)	0.0525 (0.0841)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0665 (0.0624)	-0.0720 (0.0650)	-0.00257 (0.0179)	-0.0471 (0.0403)	-0.00993 (0.0321)	-0.000536 (0.00935)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,756	1,713	1,715	1,678	1,740	1,675
Countries	108	107	107	107	108	107

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 3: Summary of Determinants of Goods and Income Tax Revenues Over Time**

DV=	(1) Goods Tax Revenue (% GDP)	(2) Goods Tax Revenue (% GDP)	(3) Goods Tax Revenue (% GDP)	(4) Income Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)	(6) Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.840***</b> <b>(0.291)</b>			<b>-0.464</b> <b>(0.344)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>1.266***</b> <b>(0.383)</b>			<b>0.110</b> <b>(0.302)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.368</b> <b>(0.841)</b>			<b>-0.0937</b> <b>(0.515)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Regime Edited, Agriculture, Country and Year dummies

**Table 4: Summary of Determinants of VAT Introduction**

DV=	(1) VAT Intro	(2) VAT Intro	(3) VAT Intro
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>2.058</b> <b>(1.374)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.978</b> <b>(1.756)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-22.03</b> <b>(16.78)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Regime Edited, Agriculture, Low tax revenue, VAT diffusion, Decade

**Table 5: Summary of Determinants of Personal and Corporate Income Tax Revenues**

DV=	(1) PIT Revenue (% GDP)	(2) PIT Revenue (% GDP)	(3) PIT Revenue (% GDP)	(4) CIT Revenue (% GDP)	(5) CIT Revenue (% GDP)	(6) CIT Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.296*</b> <b>(0.163)</b>			<b>0.0780</b> <b>(0.221)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0602</b> <b>(0.0900)</b>			<b>-0.0404</b> <b>(0.155)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0445</b> <b>(0.0829)</b>			<b>-0.0162</b> <b>(0.110)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Regime Edited,  
 Agriculture, Country and Year dummies

**Table 6: Determinants of Corporate Income Tax Taxpayer Base**

DV=	(1) Informal Sector Competition	(2) Informal Sector Competition	(3) Informal Sector Competition	(4) Informal Sector Obstacle	(5) Informal Sector Obstacle	(6) Informal Sector Obstacle
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.150</b> <b>(0.180)</b>			<b>0.0503</b> <b>(0.171)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.0219*</b> <b>(0.0126)</b>			<b>-0.0365***</b> <b>(0.0135)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.00107</b> <b>(0.153)</b>			<b>-0.0866</b> <b>(0.160)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.00753</b> <b>(0.00994)</b>			<b>-0.0168**</b> <b>(0.00801)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.279</b> <b>(0.334)</b>			<b>0.120</b> <b>(0.310)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0215*</b> <b>(0.0121)</b>			<b>0.00389</b> <b>(0.0151)</b>
GDP growth <sub>t-1</sub>	-0.00882 (0.0142)	-0.0113 (0.0144)	-0.0222* (0.0116)	0.0104 (0.00843)	0.00821 (0.0101)	0.00274 (0.00901)
Trade (% GDP) <sub>t-1</sub>	0.00203 (0.00399)	0.00151 (0.00443)	0.00293 (0.00411)	0.000443 (0.00339)	0.00128 (0.00400)	0.00315 (0.00363)
GDP per capita (logged) <sub>t-1</sub>	0.0403 (0.227)	0.0478 (0.261)	0.0602 (0.234)	-0.102 (0.210)	-0.0644 (0.195)	0.0831 (0.211)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0105 (0.00901)	0.00337 (0.00873)	0.0170** (0.00859)	-0.00378 (0.0106)	-0.000131 (0.00755)	0.00228 (0.00496)
Regime Edited <sub>t-1</sub>	0.0506 (0.134)	-0.0412 (0.130)	-0.0257 (0.145)	0.126 (0.114)	0.137 (0.109)	0.161 (0.136)
Agricultural Value Added (% GDP) <sub>t-1</sub>	0.0307 (0.0189)	0.0110 (0.0257)	0.0250 (0.0232)	0.00636 (0.0208)	-0.00293 (0.0205)	-0.00761 (0.0225)
Total Sales (logged)	-0.0426*** (0.00695)	-0.0416*** (0.00738)	-0.0417*** (0.00723)	-0.0284*** (0.00578)	-0.0295*** (0.00558)	-0.0282*** (0.00567)
Total Employment (logged)	-0.0472*** (0.0103)	-0.0432*** (0.0114)	-0.0432*** (0.0113)	-0.0304*** (0.00879)	-0.0264*** (0.00882)	-0.0274*** (0.00889)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	53,339	57,922	58,441	65,580	70,165	70,692

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 7: Determinants of Personal Income Tax Taxpayer Base**

DV=	(1) Informal Employ (% non-Agr Labor Force)	(2) Informal Employ (% non-Agr Labor Force)	(3) Informal Employ (% non-Agr Labor Force)	(4) Cheat on Taxes	(5) Cheat on Taxes	(6) Cheat on Taxes
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>15.97***</b> (5.147)			<b>-0.134</b> (0.252)		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-1.147***</b> (0.388)			<b>0.0275</b> (0.0291)		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>3.369</b> (5.332)			<b>1.574</b> (1.412)	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.900**</b> (0.407)			<b>0.0301</b> (0.0347)	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-16.09***</b> (4.304)			<b>3.660***</b> (1.372)
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.146</b> (0.401)			<b>0.139***</b> (0.0351)
GDP growth <sub>t-1</sub>	-0.0809 (0.232)	-0.195 (0.263)	-0.163 (0.268)	0.00426 (0.0174)	0.0202 (0.0146)	0.0234** (0.0104)
Trade (% GDP) <sub>t-1</sub>	0.217** (0.0921)	0.244** (0.111)	0.239** (0.114)	0.00321 (0.00677)	0.00582 (0.00577)	0.00914** (0.00408)
GDP per capita (logged) <sub>t-1</sub>	-1.460 (4.590)	-1.724 (4.975)	-1.206 (5.045)	-0.0950 (0.240)	-0.194 (0.239)	-0.440* (0.236)
FDI net inflows (% GDP) <sub>t-1</sub>	0.155 (0.239)	0.139 (0.288)	0.199 (0.212)	0.0681* (0.0378)	0.0547* (0.0295)	0.0471** (0.0221)
Regime Edited <sub>t-1</sub>	-1.863 (2.725)	-1.483 (4.954)	-0.0363 (2.850)	0.151 (0.161)	0.0995 (0.176)	0.00669 (0.162)

Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.615 (0.459)	-0.679 (0.554)	-0.563 (0.586)	-0.0158 (0.0274)	-0.0211 (0.0272)	-0.0973*** (0.0338)
Male				0.0576*** (0.0134)	0.0581*** (0.0132)	0.0603*** (0.0129)
Age				- 0.00702*** (0.000608)	- 0.00707*** (0.000615)	-0.00682*** (0.000633)
Income				0.0166*** (0.00566)	0.0174*** (0.00505)	0.0231*** (0.00456)
Education				-0.0208*** (0.00555)	-0.0198*** (0.00530)	-0.0218*** (0.00481)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	233	233	233	118,092	119,096	119,096

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



**TABLES WITH REPLICATION WITH FREEDOM HOUSE VARIABLE**

**Table 2: Determinants of Tax Revenues**

DV=	(1) Tax Revenue (% GDP)	(2) Domestic Tax Revenue (% GDP)	(3) Trade Tax Revenue (% GDP)	(4) Goods Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)	(6) Direct- Indirect Tax Rev Ratio
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0484***</b> (0.0173)	<b>0.0910***</b> (0.0186)	<b>-0.0436***</b> (0.00652)	<b>0.0982***</b> (0.0140)	<b>-0.0107</b> (0.00696)	<b>-0.0157***</b> (0.00200)
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0395</b> (0.0890)	<b>0.0316</b> (0.0472)	<b>0.0793**</b> (0.0341)	<b>0.0236</b> (0.0301)	<b>-0.000193</b> (0.0261)	<b>-0.00873</b> (0.00693)
GDP growth <sub>t-1</sub>	0.0151 (0.0370)	-0.0254 (0.0381)	0.0338*** (0.00922)	-0.0278 (0.0254)	0.00364 (0.0148)	0.00793** (0.00325)
Trade (% GDP) <sub>t-1</sub>	0.0334 (0.0252)	0.0482* (0.0251)	-0.0166 (0.0157)	0.0273 (0.0209)	0.0195** (0.00822)	0.000103 (0.00263)
GDP per capita (logged) <sub>t-1</sub>	3.881* (2.221)	1.663 (1.421)	0.302 (0.330)	0.712 (0.906)	0.651 (0.560)	-0.00609 (0.111)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0765*** (0.0105)	0.0947*** (0.00750)	-0.0161*** (0.00312)	0.0651*** (0.00491)	0.0275*** (0.00594)	- 0.00412*** (0.00116)
Democracy (FH) <sub>t-1</sub>	-0.154 (0.201)	0.0600 (0.144)	-0.0332 (0.0653)	0.0240 (0.115)	0.0194 (0.0749)	0.0104 (0.0194)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.00949 (0.0820)	0.00387 (0.0855)	-0.0352 (0.0269)	0.0135 (0.0579)	0.000904 (0.0362)	-0.00801 (0.0101)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	2,053	1,998	2,000	1,952	2,015	1,939
Countries	124	122	122	122	121	120

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 3: Summary of Determinants of Goods and Income Tax Revenues Over Time**

DV=	(1) Goods Tax Revenue (% GDP)	(2) Goods Tax Revenue (% GDP)	(3) Goods Tax Revenue (% GDP)	(4) Income Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)	(6) Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.106***</b> <b>(0.0112)</b>			<b>-0.0163***</b> <b>(0.00601)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.0982***</b> <b>(0.0140)</b>			<b>-0.0107</b> <b>(0.00696)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0695***</b> <b>(0.0105)</b>			<b>-0.000685</b> <b>(0.00701)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Democracy (FH), Agriculture, Country and Year dummies

**Table 4: Summary of Determinants of VAT Introduction**

DV=	(1) VAT Intro	(2) VAT Intro	(3) VAT Intro
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>1.812*</b> <b>(1.004)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.824</b> <b>(1.368)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-2.133</b> <b>(2.556)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Democracy (FH), Agriculture, Low tax revenue, VAT diffusion, Decade

**Table 5: Summary of Determinants of Personal and Corporate Income Tax Revenues**

	(1)	(2)	(3)	(4)	(5)	(6)
DV=	PIT Revenue (% GDP)	PIT Revenue (% GDP)	PIT Revenue (% GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.306*</b> <b>(0.162)</b>			<b>0.0590</b> <b>(0.211)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0724</b> <b>(0.0942)</b>			<b>-0.0204</b> <b>(0.153)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0543</b> <b>(0.0840)</b>			<b>0.0124</b> <b>(0.104)</b>

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1  
 Controls: Non-Tax Aid, GDP Growth, Trade, GDP per capita, FDI, Democracy (FH),  
 Agriculture, Country and Year dummies

**Table 6: Determinants of Corporate Income Tax Taxpayer Base**

DV=	(1) Informal Sector Competition	(2) Informal Sector Competition	(3) Informal Sector Competition	(4) Informal Sector Obstacle	(5) Informal Sector Obstacle	(6) Informal Sector Obstacle
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.133</b> <b>(0.191)</b>			<b>0.110</b> <b>(0.160)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.0211*</b> <b>(0.0122)</b>			<b>-0.0418***</b> <b>(0.0157)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0241</b> <b>(0.159)</b>			<b>-0.0999</b> <b>(0.153)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.00712</b> <b>(0.0101)</b>			<b>-0.0190**</b> <b>(0.00905)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.642*</b> <b>(0.386)</b>			<b>-0.128</b> <b>(0.282)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0280**</b> <b>(0.0132)</b>			<b>0.00686</b> <b>(0.0146)</b>
GDP growth <sub>t-1</sub>	-0.00771 (0.0155)	-0.00885 (0.0154)	-0.0191 (0.0127)	0.00908 (0.00893)	0.00761 (0.0101)	0.00318 (0.00909)
Trade (% GDP) <sub>t-1</sub>	-0.00310 (0.00637)	-0.00133 (0.00505)	0.00164 (0.00410)	-0.000686 (0.00353)	0.000584 (0.00395)	0.00276 (0.00398)
GDP per capita (logged) <sub>t-1</sub>	-0.169 (0.329)	-0.0511 (0.266)	-0.0498 (0.241)	-0.210 (0.225)	-0.126 (0.204)	-0.0319 (0.221)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0121 (0.0112)	0.00472 (0.00921)	0.0183** (0.00854)	-0.00328 (0.0112)	9.90e-05 (0.00773)	0.00318 (0.00516)
Democracy (FH) <sub>t-1</sub>	0.0437 (0.0661)	0.0206 (0.0543)	0.00173 (0.0461)	0.0289 (0.0397)	-0.00704 (0.0383)	-0.00922 (0.0431)
Agricultural Value Added (% GDP) <sub>t-1</sub>	0.0375* (0.0204)	0.0197 (0.0238)	0.0353* (0.0211)	0.00571 (0.0191)	-0.00541 (0.0193)	-0.00819 (0.0215)
Total Sales (logged)	-0.0396*** (0.00685)	-0.0397*** (0.00713)	-0.0397*** (0.00705)	-0.0278*** (0.00556)	-0.0283*** (0.00547)	-0.0271*** (0.00569)
Total Employment (logged)	-0.0503*** (0.00967)	-0.0453*** (0.0108)	-0.0457*** (0.0109)	-0.0293*** (0.00816)	-0.0263*** (0.00842)	-0.0273*** (0.00861)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	57,419	62,002	62,521	70,653	75,238	75,765

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 7: Determinants of Personal Income Tax Taxpayer Base**

DV=	(1) Informal Employ (% non-Agr Labor Force)	(2) Informal Employ (% non-Agr Labor Force)	(3) Informal Employ (% non-Agr Labor Force)	(4) Cheat on Taxes	(5) Cheat on Taxes	(6) Cheat on Taxes
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>15.69*** (4.665)</b>			<b>-0.198 (0.253)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-1.054*** (0.361)</b>			<b>0.0326 (0.0221)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>2.634 (5.059)</b>			<b>1.867 (1.324)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.728** (0.362)</b>			<b>0.0364 (0.0276)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-15.88*** (3.556)</b>			<b>3.493*** (1.265)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.193 (0.375)</b>			<b>0.126*** (0.0379)</b>
GDP growth <sub>t-1</sub>	-0.0301 (0.218)	-0.114 (0.250)	-0.0862 (0.247)	0.0141 (0.0163)	0.0339** (0.0153)	0.0283*** (0.0107)
Trade (% GDP) <sub>t-1</sub>	0.186** (0.0780)	0.200** (0.0961)	0.196** (0.0879)	0.000926 (0.00593)	0.00446 (0.00507)	0.00786* (0.00427)
GDP per capita (logged) <sub>t-1</sub>	0.172 (4.736)	0.521 (5.371)	1.426 (5.301)	-0.175 (0.223)	-0.286 (0.220)	-0.440* (0.225)
FDI net inflows (% GDP) <sub>t-1</sub>	0.234 (0.270)	0.234 (0.314)	0.297 (0.243)	0.0835** (0.0370)	0.0688*** (0.0253)	0.0574** (0.0240)
Democracy (FH) <sub>t-1</sub>	-0.787 (0.572)	-0.952 (0.736)	-1.191 (0.732)	0.135*** (0.0397)	0.153*** (0.0397)	0.0856 (0.0563)

Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.442 (0.412)	-0.439 (0.487)	-0.247 (0.472)	-0.0156 (0.0239)	-0.0220 (0.0207)	-0.0909*** (0.0344)
Male				0.0557*** (0.0133)	0.0563*** (0.0132)	0.0580*** (0.0130)
Age				-0.00703*** (0.000613)	-0.00709*** (0.000619)	-0.00687*** (0.000630)
Income				0.0159*** (0.00570)	0.0160*** (0.00510)	0.0220*** (0.00436)
Education				-0.0198*** (0.00547)	-0.0182*** (0.00524)	-0.0207*** (0.00480)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	235	235	235	117,568	118,572	118,572

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**APPENDIX FROM PUBLICATION WITH POLITY REGIME CONTROL CODING ERROR**

**Appendix A**

**A.1 Determinants of Tax Revenues, Base Model**

	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.00540</b> <b>(0.0179)</b>	<b>0.0810***</b> <b>(0.00710)</b>	<b>-0.0685***</b> <b>(0.00879)</b>	<b>0.0954***</b> <b>(0.00552)</b>	<b>-0.0127***</b> <b>(0.00448)</b>
Country dummies	No	No	No	No	No
Year dummies	No	No	No	No	No
Observations	2,453	2,372	2,378	2,326	2,385
Countries	137	133	133	135	133

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## A.2 Determinants of Tax Revenues, Moving average of all Independent Variables

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0521***</b> <b>(0.0189)</b>	<b>0.0930***</b> <b>(0.0199)</b>	<b>-0.0428***</b> <b>(0.00697)</b>	<b>0.101***</b> <b>(0.0152)</b>	<b>-0.0110</b> <b>(0.00740)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.00610</b> <b>(0.101)</b>	<b>0.0330</b> <b>(0.0475)</b>	<b>0.0694**</b> <b>(0.0331)</b>	<b>0.0240</b> <b>(0.0292)</b>	<b>0.00209</b> <b>(0.0254)</b>
GDP growth <sub>t-1</sub>	0.0715 (0.0776)	-0.0471 (0.0785)	0.0864*** (0.0219)	-0.0485 (0.0545)	0.00828 (0.0317)
Trade (% GDP) <sub>t-1</sub>	0.0511 (0.0436)	0.0823* (0.0421)	-0.0301 (0.0269)	0.0506 (0.0344)	0.0312** (0.0142)
GDP per capita (logged) <sub>t-1</sub>	6.912* (3.741)	2.972 (2.439)	0.482 (0.513)	1.401 (1.535)	1.051 (0.940)
FDI net inflows (% GDP) <sub>t-1</sub>	0.120*** (0.0103)	0.144*** (0.00949)	-0.0208*** (0.00296)	0.0993*** (0.0100)	0.0438*** (0.00567)
Regime Type <sub>t-1</sub>	-3.243 (1.983)	-1.420 (1.408)	-0.0475 (0.315)	-1.210 (0.966)	-0.397 (0.743)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0487 (0.134)	0.00206 (0.141)	-0.0558 (0.0459)	0.0211 (0.0985)	0.00162 (0.0601)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,972	1,911	1,913	1,872	1,935
Countries	127	124	124	125	124

Standard errors in parentheses      \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



### A.3 Determinants of Tax Revenues, 1 Year Lag

DV=	(1)	(2)	(3)	(4)	(5)	(6)
	Tax Rev. (% GDP)	Domestic Tax Rev. (% GDP)	Trade Tax Rev. GDP)	Goods Tax Rev. (% GDP)	Income Tax Rev. (% GDP)	Direct- Indirect Tax Rev Ratio
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0679*** (0.0115)</b>	<b>0.100*** (0.0125)</b>	<b>0.0336*** (0.00571)</b>	<b>0.107*** (0.0115)</b>	<b>-0.0149** (0.00634)</b>	<b>- 0.0166*** (0.00234)</b>
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0712 (0.0588)</b>	<b>0.0688 (0.0503)</b>	<b>0.0418* (0.0226)</b>	<b>0.0372 (0.0304)</b>	<b>0.0189 (0.0271)</b>	<b>-0.00619 (0.00996)</b>
GDP growth <sub>t-1</sub>	-0.00296 (0.0350)	-0.0491 (0.0365)	0.0434*** (0.0120)	-0.0311 (0.0249)	-0.0117 (0.0155)	0.00437 (0.00347)
Trade (% GDP) <sub>t-1</sub>	0.0353 (0.0250)	0.0560** (0.0249)	-0.0214 (0.0171)	0.0306 (0.0210)	0.0232*** (0.00817)	0.000627 (0.00264)
GDP per capita (logged) <sub>t-1</sub>	4.031* (2.236)	2.061 (1.520)	0.123 (0.295)	1.029 (0.971)	0.783 (0.602)	0.00676 (0.103)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0225 (0.0370)	0.0631* (0.0344)	-0.0219 (0.0204)	0.0691** (0.0287)	-0.00860 (0.0187)	- 0.00981** (0.00462)
Regime Type <sub>t-1</sub>	-1.546* (0.921)	-0.714 (0.641)	-0.0180 (0.157)	-0.661 (0.449)	-0.172 (0.346)	0.0867 (0.0864)
Agriculture Value Added (% GDP) <sub>t-1</sub>	0.00792 (0.0883)	0.0329 (0.0894)	-0.0438 (0.0302)	0.0241 (0.0617)	0.0195 (0.0384)	-0.00394 (0.0101)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,977	1,923	1,925	1,880	1,939	1,868
Countries	127	124	124	125	124	123

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

#### A.4 Determinants of Tax Revenues, 5 Year Lag

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-5</sub></b>	<b>0.0272</b> <b>(0.0255)</b>	<b>0.0839***</b> <b>(0.0187)</b>	<b>-0.0482***</b> <b>(0.00625)</b>	<b>0.0725***</b> <b>(0.0111)</b>	<b>0.00859</b> <b>(0.0122)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>	<b>0.0521</b> <b>(0.110)</b>	<b>0.0876</b> <b>(0.0624)</b>	<b>0.0705**</b> <b>(0.0344)</b>	<b>0.0325</b> <b>(0.0387)</b>	<b>0.0525</b> <b>(0.0361)</b>
GDP growth <sub>t-1</sub>	0.0141 (0.0319)	-0.0213 (0.0368)	0.0370*** (0.0100)	-0.0231 (0.0230)	0.00632 (0.0142)
Trade (% GDP) <sub>t-1</sub>	0.0241 (0.0230)	0.0472* (0.0245)	-0.0203 (0.0168)	0.0260 (0.0203)	0.0172** (0.00758)
GDP per capita (logged) <sub>t-1</sub>	4.449* (2.347)	2.071 (1.633)	0.209 (0.319)	0.875 (0.997)	0.715 (0.632)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0296*** (0.00549)	0.0397*** (0.00683)	0.00994*** (0.00206)	0.0272*** (0.00585)	0.0125*** (0.00202)
Regime Type <sub>t-1</sub>	-1.573 (0.981)	-0.745 (0.725)	0.0581 (0.144)	-0.759 (0.477)	-0.118 (0.388)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0394 (0.0821)	0.00948 (0.0896)	-0.0423 (0.0282)	0.0231 (0.0609)	-0.00675 (0.0392)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,988	1,918	1,920	1,885	1,948
Countries	127	124	124	125	124

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.5 Determinants of Tax Revenues, Controlling for Fiscal Tax Aid

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Fiscal Aid (% GDP)<sub>t-3</sub></b>	<b>0.0433*</b> <b>(0.0236)</b>	<b>0.0956***</b> <b>(0.0240)</b>	<b>-0.0555***</b> <b>(0.0156)</b>	<b>0.109***</b> <b>(0.0201)</b>	<b>-0.0189</b> <b>(0.0138)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0128</b> <b>(0.0980)</b>	<b>0.0280</b> <b>(0.0468)</b>	<b>0.0773**</b> <b>(0.0324)</b>	<b>0.0192</b> <b>(0.0290)</b>	<b>0.00203</b> <b>(0.0246)</b>
GDP growth <sub>t-1</sub>	0.0116 (0.0346)	-0.0297 (0.0372)	0.0340*** (0.00935)	-0.0304 (0.0243)	0.00247 (0.0145)
Trade (% GDP) <sub>t-1</sub>	0.0296 (0.0258)	0.0489* (0.0256)	-0.0186 (0.0165)	0.0284 (0.0209)	0.0188** (0.00839)
GDP per capita (logged) <sub>t-1</sub>	4.111* (2.307)	1.856 (1.551)	0.180 (0.303)	0.931 (0.969)	0.595 (0.597)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0765*** (0.00912)	0.0951*** (0.00681)	-0.0156*** (0.00265)	0.0649*** (0.00509)	0.0283*** (0.00539)
Regime Type <sub>t-1</sub>	-1.515 (0.928)	-0.697 (0.675)	0.00190 (0.148)	-0.681 (0.468)	-0.152 (0.359)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0271 (0.0830)	0.00682 (0.0887)	-0.0386 (0.0278)	0.0186 (0.0603)	-0.00134 (0.0373)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,998	1,937	1,939	1,897	1,959
Countries	127	124	124	125	124

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.6 Determinants of Tax Revenues, Tax and Non-Tax Aid Per Capita

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Revenue (% GDP)	Tax Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid Per Capita<sub>t-3</sub></b>	<b>0.00101***</b> <b>(0.000364)</b>	<b>0.00129***</b> <b>(0.000307)</b>	<b>-0.000507***</b> <b>(0.000160)</b>	<b>0.00136***</b> <b>(0.000241)</b>	<b>-0.000124</b> <b>(0.000118)</b>
<b>Non-Tax Aid Per Capita<sub>t-3</sub></b>	<b>0.00316</b> <b>(0.00234)</b>	<b>0.000269</b> <b>(0.00165)</b>	<b>0.00283*</b> <b>(0.00150)</b>	<b>-0.000226</b> <b>(0.00137)</b>	<b>0.000419</b> <b>(0.00103)</b>
GDP growth <sub>t-1</sub>	0.00812 (0.0338)	-0.0254 (0.0352)	0.0386*** (0.00991)	-0.0265 (0.0234)	0.00183 (0.0137)
Trade (% GDP) <sub>t-1</sub>	0.0308 (0.0251)	0.0485* (0.0252)	-0.0183 (0.0160)	0.0281 (0.0208)	0.0190** (0.00818)
GDP per capita (logged) <sub>t-1</sub>	4.155* (2.337)	1.833 (1.540)	0.206 (0.309)	0.905 (0.964)	0.607 (0.590)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0766*** (0.00959)	0.0952*** (0.00684)	-0.0153*** (0.00285)	0.0650*** (0.00518)	0.0283*** (0.00548)
Regime Type <sub>t-1</sub>	-1.529 (0.932)	-0.691 (0.673)	-0.0115 (0.151)	-0.672 (0.467)	-0.156 (0.357)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0214 (0.0813)	0.00482 (0.0864)	-0.0374 (0.0261)	0.0164 (0.0589)	-0.000425 (0.0362)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,998	1,937	1,939	1,897	1,959
Countries	127	124	124	125	124

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.7 Determinants of Tax Revenues, Tax Revenue as Percent of Government Revenue

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% Rev)	Domestic Tax Revenue (% Rev)	Trade Tax Revenue (% Rev)	Goods Tax Revenue (% Rev)	Income Tax Revenue (% Rev)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0887*** (0.0213)</b>	<b>0.124*** (0.0316)</b>	<b>-0.177*** (0.0226)</b>	<b>0.318*** (0.0364)</b>	<b>-0.126*** (0.0191)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0699 (0.123)</b>	<b>-0.179 (0.110)</b>	<b>0.0710 (0.0874)</b>	<b>-0.0385 (0.0996)</b>	<b>-0.239*** (0.0820)</b>
GDP growth <sub>t-1</sub>	-0.0107 (0.0503)	-0.0752 (0.0602)	0.0544 (0.0413)	-0.114** (0.0482)	0.0308 (0.0426)
Trade (% GDP) <sub>t-1</sub>	0.0181 (0.0222)	0.0443 (0.0447)	-0.0158 (0.0330)	0.00760 (0.0444)	0.0344* (0.0183)
GDP per capita (logged) <sub>t-1</sub>	-1.914 (2.047)	-2.771 (2.374)	1.645 (1.460)	-1.578 (1.892)	-0.928 (1.257)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0563** (0.0249)	0.0833*** (0.0318)	-0.0216** (0.00947)	0.0854*** (0.0313)	0.00247 (0.0124)
Regime Type <sub>t-1</sub>	0.736 (1.354)	0.624 (1.486)	-0.356 (0.846)	-0.880 (1.026)	0.406 (1.566)
Agriculture Value Added (% GDP) <sub>t-1</sub>	0.133 (0.167)	0.111 (0.171)	0.0479 (0.107)	0.0847 (0.159)	0.0101 (0.140)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,987	1,926	1,927	1,886	1,947
Countries	127	124	124	125	124

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.8 Determinants of Tax Revenues, Heckman Selection Model

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>3.850</b> <b>(2.635)</b>	<b>2.680</b> <b>(2.388)</b>	<b>1.065*</b> <b>(0.566)</b>	<b>3.034**</b> <b>(1.478)</b>	<b>0.692</b> <b>(0.970)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0929</b> <b>(0.0909)</b>	<b>0.0287</b> <b>(0.0829)</b>	<b>0.0593***</b> <b>(0.0197)</b>	<b>0.0501</b> <b>(0.0507)</b>	<b>-0.0132</b> <b>(0.0335)</b>
GDP growth <sub>t-1</sub>	0.0372 (0.0626)	0.0566 (0.0620)	-0.00791 (0.0147)	0.0308 (0.0349)	0.0102 (0.0230)
Trade (% GDP) <sub>t-1</sub>	0.0364 (0.0249)	0.0277 (0.0233)	0.00848 (0.00554)	-0.00102 (0.0142)	0.0283*** (0.00915)
GDP per capita (logged) <sub>t-3</sub>	0.665 (1.557)	0.400 (1.443)	0.195 (0.341)	0.710 (0.886)	-0.0565 (0.572)
FDI net inflows (% GDP) <sub>t-1</sub>	0.487*** (0.116)	0.439*** (0.106)	0.0595** (0.0252)	0.279*** (0.0646)	0.158*** (0.0429)
Regime Type <sub>t-1</sub>	0.564 (0.850)	0.577 (0.771)	0.105 (0.181)	-0.119 (0.508)	-0.0179 (0.309)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0542 (0.125)	-0.0494 (0.124)	0.0259 (0.0293)	0.0275 (0.0710)	-0.0490 (0.0460)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
First Stage DV=	Tax Aid Dummy				
British Colony	-0.321*** (0.102)	-0.383*** (0.104)	-0.385*** (0.104)	-0.394*** (0.104)	-0.323*** (0.102)
French Colony	-0.254* (0.145)	-0.250* (0.145)	-0.257* (0.145)	-0.344** (0.151)	-0.261* (0.145)
Spanish Colony	-0.330*** (0.0978)	-0.340*** (0.0981)	-0.346*** (0.0980)	-0.349*** (0.0984)	-0.336*** (0.0977)
Russian Colony	0.488*** (0.175)	0.497*** (0.175)	0.489*** (0.175)	0.480*** (0.175)	0.479*** (0.175)
UN Voting with USA	-3.590*** (0.385)	-3.626*** (0.387)	-3.604*** (0.386)	-3.678*** (0.390)	-3.568*** (0.385)
Trade (% GDP)	-0.00216** (0.00101)	-0.00221** (0.00102)	-0.00223** (0.00102)	-0.00202** (0.00103)	-0.00218** (0.00101)
GDP per capita (logged)	-0.0904**	-0.0880**	-0.0863**	-0.0769*	-0.0888**

	(0.0407)	(0.0412)	(0.0412)	(0.0411)	(0.0407)
Regime Type	0.568***	0.561***	0.558***	0.581***	0.565***
	(0.0569)	(0.0573)	(0.0572)	(0.0581)	(0.0568)
Bureaucratic Policy	-0.00446	0.0137	0.0102	-0.0165	-0.00790
	(0.0478)	(0.0482)	(0.0481)	(0.0485)	(0.0478)
Oil and Mineral Rents	-0.0153***	-0.0190***	-0.0192***	-0.0142***	-0.0154***
	(0.00462)	(0.00488)	(0.00488)	(0.00464)	(0.00462)
Observations	1,794	1,786	1,787	1,776	1,795

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Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.9 Determinants of Tax Revenues, Excluding Oil and Mineral Rich Economies

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0525**</b> <b>(0.0231)</b>	<b>0.0904***</b> <b>(0.0234)</b>	<b>-0.0299***</b> <b>(0.00927)</b>	<b>0.0909***</b> <b>(0.0163)</b>	<b>-0.00633</b> <b>(0.00887)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0167</b> <b>(0.155)</b>	<b>0.0464</b> <b>(0.0708)</b>	<b>0.114**</b> <b>(0.0564)</b>	<b>0.00802</b> <b>(0.0413)</b>	<b>0.0261</b> <b>(0.0393)</b>
GDP growth <sub>t-1</sub>	0.0144 (0.0438)	-0.0209 (0.0471)	0.0339*** (0.0119)	-0.0287 (0.0312)	0.00679 (0.0180)
Trade (% GDP) <sub>t-1</sub>	0.0310 (0.0283)	0.0474* (0.0280)	-0.0197 (0.0183)	0.0306 (0.0240)	0.0150* (0.00835)
GDP per capita (logged) <sub>t-1</sub>	6.057** (3.001)	2.306 (1.857)	0.493 (0.341)	1.217 (1.176)	0.858 (0.725)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0867*** (0.00793)	0.101*** (0.00896)	-0.0147*** (0.00289)	0.0656*** (0.00666)	0.0333*** (0.00359)
Regime Type <sub>t-1</sub>	-1.657 (1.283)	-0.429 (0.670)	0.0783 (0.158)	-0.535 (0.476)	0.0604 (0.282)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0260 (0.122)	0.0358 (0.126)	-0.0440 (0.0315)	0.0549 (0.0881)	-0.00109 (0.0549)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,502	1,455	1,457	1,414	1,463
Countries	113	111	111	110	110

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1



### A.10 Determinants of Tax Revenues, Middle Income Countries Only

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Tax Goods Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0438*</b> <b>(0.0266)</b>	<b>0.0776***</b> <b>(0.0260)</b>	<b>-0.0334***</b> <b>(0.00953)</b>	<b>0.0932***</b> <b>(0.0195)</b>	<b>-0.0189*</b> <b>(0.00990)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.168*</b> <b>(0.101)</b>	<b>0.0284</b> <b>(0.0765)</b>	<b>0.135**</b> <b>(0.0635)</b>	<b>0.0174</b> <b>(0.0556)</b>	<b>0.0167</b> <b>(0.0436)</b>
GDP growth <sub>t-1</sub>	0.0358 (0.0327)	0.00256 (0.0358)	0.0348** (0.0158)	-0.0175 (0.0258)	0.0221 (0.0141)
Trade (% GDP) <sub>t-1</sub>	- 0.000550 (0.0163)	0.0400** (0.0201)	-0.0399* (0.0211)	0.0223 (0.0186)	0.0109** (0.00551)
GDP per capita (logged) <sub>t-1</sub>	0.162 (1.001)	-0.315 (1.107)	0.568 (0.565)	0.0743 (0.839)	-0.694 (0.463)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0683 (0.0622)	0.118** (0.0593)	-0.0480 (0.0327)	0.128*** (0.0366)	-0.0109 (0.0265)
Regime Type <sub>t-1</sub>	-0.0601 (0.633)	-0.181 (0.685)	0.163 (0.241)	-0.254 (0.438)	0.124 (0.493)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0698 (0.109)	-0.0719 (0.114)	-0.00364 (0.0600)	-0.00799 (0.0816)	-0.0390 (0.0601)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,213	1,182	1,183	1,166	1,197
Countries	98	96	96	97	96

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.11 Determinants of Tax Revenues, Low Income Countries Only

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-1.211*</b> <b>(0.673)</b>	<b>0.405</b> <b>(0.731)</b>	<b>0.172</b> <b>(0.316)</b>	<b>0.703</b> <b>(0.627)</b>	<b>-0.128</b> <b>(0.409)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.00687</b> <b>(0.0377)</b>	<b>-0.0317</b> <b>(0.0300)</b>	<b>0.0200</b> <b>(0.0150)</b>	<b>-0.00958</b> <b>(0.0198)</b>	<b>-0.0305</b> <b>(0.0189)</b>
GDP growth <sub>t-3</sub>	0.0198 (0.0265)	0.0122 (0.0263)	-0.00531 (0.0153)	0.0221 (0.0179)	-0.000604 (0.0175)
Trade (% GDP) <sub>t-3</sub>	0.0444*** (0.0151)	0.0340*** (0.0117)	0.00395 (0.00783)	0.0142** (0.00667)	0.0243** (0.0115)
GDP per capita (logged) <sub>t-3</sub>	2.083 (1.940)	0.861 (1.025)	-1.080* (0.568)	-0.0999 (0.512)	1.300 (0.826)
FDI net inflows (% GDP) <sub>t-3</sub>	-0.0244 (0.0517)	0.0220 (0.0400)	-0.0177 (0.0244)	-0.0258 (0.0355)	0.0386 (0.0453)
Regime Type <sub>t-3</sub>	-0.838 (0.718)	-0.0598 (0.317)	0.140 (0.219)	0.147 (0.189)	-0.215 (0.233)
Agriculture Value Added (% GDP) <sub>t-3</sub>	-0.0322 (0.0474)	-0.0281 (0.0325)	-0.0440*** (0.0146)	-0.0247 (0.0250)	-0.00982 (0.0203)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	434	427	427	416	430
Countries	46	45	45	45	46

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Appendix B

### B.1 Determinants of Tax Revenues, World Bank Tax Aid Data

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>WB project tax aid (% GDP)<sub>t-3</sub></b>	<b>0.209</b> <b>(1.819)</b>	<b>3.250</b> <b>(2.211)</b>	<b>-2.586***</b> <b>(0.933)</b>	<b>3.796**</b> <b>(1.566)</b>	<b>-1.934*</b> <b>(1.056)</b>
<b>Official Aid (% GDP)<sub>t-3</sub></b>	<b>1.536**</b> <b>(0.716)</b>	<b>2.151***</b> <b>(0.668)</b>	<b>-0.707*</b> <b>(0.412)</b>	<b>0.956</b> <b>(0.718)</b>	<b>1.172*</b> <b>(0.601)</b>
GDP growth <sub>t-1</sub>	0.0749 (0.0631)	0.00941 (0.0482)	0.0847*** (0.0328)	0.0168 (0.0315)	0.0349 (0.0423)
Trade (% GDP) <sub>t-1</sub>	- 0.0463*** (0.0119)	-0.0388** (0.0169)	-0.0137 (0.0113)	-0.0422*** (0.0137)	0.0122 (0.00987)
GDP per capita (logged) <sub>t-1</sub>	0.368 (0.877)	-0.154 (1.717)	-0.162 (0.597)	-1.315 (1.336)	0.862 (0.887)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00832 (0.0412)	-0.0114 (0.0602)	0.0287 (0.0324)	0.00856 (0.0475)	0.00589 (0.0180)
Regime Type <sub>t-1</sub>	1.143** (0.544)	0.175 (0.394)	1.425** (0.723)	0.651 (0.421)	-0.398 (0.373)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.262** (0.112)	-0.306** (0.123)	0.0672 (0.0839)	-0.285*** (0.0788)	0.0594 (0.0903)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	149	140	141	149	150
Countries	17	17	17	17	17

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## B.2 Determinants of Tax Revenues, ICTD Tax Revenue Data

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Indirect Tax Revenue (% GDP) <sup>5</sup>	Direct Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0214</b> <b>(0.0187)</b>	<b>0.0788***</b> <b>(0.00668)</b>	<b>-0.0668***</b> <b>(0.00509)</b>	<b>0.107***</b> <b>(0.00575)</b>	<b>-0.0298***</b> <b>(0.00463)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0178</b> <b>(0.0191)</b>	<b>-0.0369**</b> <b>(0.0149)</b>	<b>0.0154</b> <b>(0.0109)</b>	<b>-0.0166*</b> <b>(0.00869)</b>	<b>-0.0110*</b> <b>(0.00582)</b>
GDP growth <sub>t-3</sub>	0.0229* (0.0120)	-0.00715 (0.0154)	0.0270*** (0.00957)	-0.0113 (0.0110)	0.00126 (0.00719)
Trade (% GDP) <sub>t-3</sub>	-0.00749 (0.00994)	0.0112 (0.0101)	-0.0160 (0.0122)	0.00740 (0.01000)	0.00403 (0.00285)
GDP per capita (logged) <sub>t-3</sub>	-0.202 (0.450)	0.384 (0.476)	-0.398 (0.270)	0.360 (0.388)	-0.0710 (0.261)
FDI net inflows (% GDP) <sub>t-3</sub>	0.0177*** (0.00462)	0.0285*** (0.00354)	0.00934*** (0.00344)	0.0200*** (0.00328)	0.00897*** (0.00185)
Regime Type <sub>t-3</sub>	-0.212 (0.286)	-0.426 (0.296)	0.236 (0.188)	-0.518** (0.256)	0.101 (0.129)
Agriculture Value Added (% GDP) <sub>t-3</sub>	-0.0941*** (0.0286)	-0.0192 (0.0267)	-0.0409* (0.0211)	-0.0119 (0.0210)	-0.00751 (0.0130)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,813	2,374	2,401	2,332	2,427
Countries	145	138	138	137	140
Robust standard errors in parentheses				*** p<0.01, ** p<0.05, * p<0.1	

<sup>5</sup> We exclude trade tax revenue in the measure of indirect tax revenue.

## Appendix C

### C.1 Determinants of VAT Introduction

DV=	VAT Intro	VAT Intro	VAT Intro
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>1.947**</b>		
	<b>(0.987)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.000408</b>		
	<b>(0.0177)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.809</b>	
		<b>(1.420)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.00856</b>	
		<b>(0.0277)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-2.521</b>
			<b>(2.281)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.0116</b>
			<b>(0.0206)</b>
GDP growth <sub>t-1</sub>	-0.0346	-0.0360	-0.0318
	(0.0220)	(0.0234)	(0.0231)
Trade (% GDP) <sub>t-1</sub>	-0.00524	-0.00334	-0.00222
	(0.00319)	(0.00313)	(0.00293)
GDP per capita (logged) <sub>t-1</sub>	0.117	-0.0210	-0.0499
	(0.212)	(0.210)	(0.206)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0309	0.0288	0.0360
	(0.0257)	(0.0249)	(0.0253)
Regime Type <sub>t-1</sub>	0.178	0.283	0.315
	(0.220)	(0.213)	(0.214)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00335	-0.00597	0.00642
	(0.0154)	(0.0156)	(0.0158)
Low Tax Revenue	-0.1000	-0.206	-0.325
	(0.359)	(0.357)	(0.379)
VAT Diffusion	0.167**	0.192***	0.0567
	(0.0766)	(0.0688)	(0.182)
Decade	0.0423	-0.0187	-0.0258
	(0.182)	(0.213)	(0.219)
Observations	642	636	629

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Appendix D

### D.1 Determinants of Personal and Corporate Income Tax Revenue

DV=	PIT Revenue (% GDP)	PIT Revenue (% GDP)	PIT Revenue (% GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.281*</b> <b>(0.162)</b>			<b>0.0466</b> <b>(0.213)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.000348</b> <b>(0.00586)</b>			<b>0.00354</b> <b>(0.00603)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0595</b> <b>(0.0922)</b>			<b>-0.0321</b> <b>(0.158)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.000403</b> <b>(0.00789)</b>			<b>0.000172</b> <b>(0.00520)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0168</b> <b>(0.0896)</b>			<b>-0.0213</b> <b>(0.107)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.00298</b> <b>(0.00745)</b>			<b>0.000251</b> <b>(0.00519)</b>
GDP growth <sub>t-1</sub>	0.00503 (0.00383)	0.00503 (0.00408)	0.00654 (0.00433)	0.00332 (0.00672)	0.00406 (0.00663)	0.00915** (0.00421)
Trade (% GDP) <sub>t-1</sub>	0.00152 (0.00186)	0.000778 (0.00190)	0.000304 (0.00206)	0.00528* (0.00292)	0.00417 (0.00281)	0.00436 (0.00277)
GDP per capita (logged) <sub>t-1</sub>	-0.0109 (0.134)	-0.0451 (0.137)	-0.0492 (0.142)	-0.0959 (0.155)	-0.107 (0.151)	-0.147 (0.148)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00658 (0.00487)	0.00647*** (0.00141)	0.00321*** (0.000873)	-0.00182 (0.00552)	0.00146 (0.00132)	0.00310*** (0.000869)
Regime Type <sub>t-1</sub>	0.0727 (0.0980)	0.0864 (0.101)	0.0884 (0.0961)	0.0407 (0.0960)	-0.0178 (0.0867)	-0.0376 (0.0836)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00830 (0.00943)	-0.00932 (0.00994)	-0.00914 (0.00956)	0.00817 (0.00959)	0.00634 (0.00915)	0.00357 (0.00865)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,697	1,713	1,711	1,660	1,674	1,675
Countries	122	122	122	122	122	122

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## D.2: Determinants of Indirect Tax Taxpayer Base

DV=	Tax Inspections	Tax Inspections	Tax Inspections	% Firms Formally Registered	% Firms Formally Registered	% Firms Formally Registered
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	0.0625 (0.188)			<b>-0.0474</b> <b>(0.0574)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	-0.00520 (0.0124)			<b>0.00502</b> <b>(0.150)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		0.127 (0.111)			<b>-1.242</b> <b>(1.666)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		-0.0167* (0.00864)			<b>0.118</b> <b>(0.148)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			0.197 (0.203)			<b>-1.209</b> <b>(2.119)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			-0.0111 (0.0118)			<b>0.0419</b> <b>(0.118)</b>
GDP growth <sub>t-1</sub>	-0.00265 (0.0144)	-0.000393 (0.0136)	-0.000769 (0.0123)	0.0160 (0.0618)	0.0436 (0.0676)	0.0318 (0.0707)
Trade (% GDP) <sub>t-1</sub>	0.000167 (0.00481)	-0.00193 (0.00419)	-0.00221 (0.00451)	-0.00646 (0.0235)	-0.0131 (0.0246)	-0.0127 (0.0249)
GDP per capita (logged) <sub>t-1</sub>	-0.321 (0.213)	-0.290 (0.194)	-0.242 (0.204)	0.164 (1.900)	0.498 (1.906)	0.0337 (2.056)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00466 (0.0134)	0.00287 (0.00947)	-0.00395 (0.00658)	0.144 (0.101)	0.146 (0.100)	0.163 (0.104)
Regime Type <sub>t-1</sub>	-0.252*** (0.0723)	-0.268*** (0.0844)	-0.233*** (0.0607)	0.541 (0.944)	0.459 (0.937)	0.403 (0.991)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00428 (0.0139)	-0.00937 (0.0144)	-0.0137 (0.0132)	-0.195* (0.116)	-0.261** (0.112)	-0.255** (0.122)
Total Sales (logged)	0.0524*** (0.00718)	0.0512*** (0.00678)	0.0507*** (0.00681)			
Total Employment (logged)	0.117*** (0.0111)	0.120*** (0.0104)	0.121*** (0.0103)			
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	71,154	76,209	76,541	2,831	2,800	2,732

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## APPENDIX WITH CORRECTED POLITY VARIABLE

### Appendix A

#### A.1 Determinants of Tax Revenues, Base Model -- SAME

	(1)	(2)	(3)	(4)	(5)
	Tax	Domestic	Trade Tax	Goods	Income Tax
	Revenue	Tax	Revenue	Tax	Revenue (%)
	(% GDP)	Revenue	(% GDP)	Revenue	Revenue (%)
	(% GDP)	(% GDP)	(% GDP)	(% GDP)	GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.00540</b>	<b>0.0810***</b>	<b>-0.0685***</b>	<b>0.0954***</b>	<b>-0.0127***</b>
	<b>(0.0179)</b>	<b>(0.00710)</b>	<b>(0.00879)</b>	<b>(0.00552)</b>	<b>(0.00448)</b>
Country dummies	No	No	No	No	No
Year dummies	No	No	No	No	No
Observations	2,453	2,372	2,378	2,326	2,385
Countries	137	133	133	135	133

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1



## A.2 Determinants of Tax Revenues, Moving average of all Independent Variables

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.102</b> <b>(1.140)</b>	<b>1.043</b> <b>(0.655)</b>	<b>-0.232</b> <b>(0.264)</b>	<b>1.335***</b> <b>(0.398)</b>	<b>0.109</b> <b>(0.318)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.00106</b> <b>(0.108)</b>	<b>0.0530</b> <b>(0.0565)</b>	<b>0.0538**</b> <b>(0.0227)</b>	<b>0.0432</b> <b>(0.0370)</b>	<b>-0.00111</b> <b>(0.0236)</b>
GDP growth <sub>t-1</sub>	0.147 (0.0921)	0.0447 (0.0851)	0.0546*** (0.0186)	0.00407 (0.0558)	0.0377 (0.0344)
Trade (% GDP) <sub>t-1</sub>	0.0391* (0.0202)	0.0338* (0.0179)	0.00653 (0.00973)	0.00653 (0.0126)	0.0309*** (0.0103)
GDP per capita (logged) <sub>t-1</sub>	6.599* (3.879)	2.703 (2.299)	0.108 (0.492)	1.320 (1.295)	0.909 (0.967)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00441 (0.0846)	0.0857 (0.0714)	-0.0223 (0.0272)	0.124** (0.0585)	-0.0261 (0.0400)
Regime Edited <sub>t-1</sub>	-2.656 (1.912)	-0.757 (1.272)	-0.170 (0.294)	-0.670 (0.788)	-0.218 (0.741)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.104 (0.107)	-0.116 (0.108)	0.00159 (0.0314)	-0.0808 (0.0699)	-0.00860 (0.0534)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,731	1,688	1,690	1,653	1,716
Countries	108	107	107	107	108

Standard errors in parentheses      \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.3 Determinants of Tax Revenues, 1 Year Lag

DV=	(1)	(2)	(3)	(4)	(5)	(6)
	Tax Rev. (% GDP)	Domestic Tax Rev. (% GDP)	Trade Tax Rev. (% GDP)	Goods Tax Rev. (% GDP)	Income Tax Rev. (% GDP)	Direct- Indirect Tax Rev Ratio
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.434</b> <b>(0.950)</b>	<b>0.272</b> <b>(0.483)</b>	<b>-0.126</b> <b>(0.219)</b>	<b>0.840***</b> <b>(0.291)</b>	<b>-0.464</b> <b>(0.344)</b>	<b>-0.159**</b> <b>(0.0788)</b>
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0700</b> <b>(0.0579)</b>	<b>0.0559</b> <b>(0.0470)</b>	<b>0.0525***</b> <b>(0.0183)</b>	<b>0.0350</b> <b>(0.0313)</b>	<b>0.00656</b> <b>(0.0263)</b>	<b>-0.00549</b> <b>(0.0105)</b>
GDP growth <sub>t-1</sub>	0.0239 (0.0372)	-0.00304 (0.0360)	0.0247*** (0.00894)	0.00631 (0.0222)	-0.00365 (0.0162)	0.000403 (0.00355)
Trade (% GDP) <sub>t-1</sub>	0.0317*** (0.0116)	0.0275*** (0.0101)	0.00355 (0.00614)	0.00348 (0.00721)	0.0244*** (0.00612)	0.00393** (0.00167)
GDP per capita (logged) <sub>t-1</sub>	3.432 (2.236)	1.431 (1.253)	-0.0616 (0.273)	0.700 (0.707)	0.524 (0.558)	-0.00979 (0.0886)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0157 (0.0452)	0.0565 (0.0381)	-0.0127 (0.0163)	0.0719** (0.0303)	-0.0107 (0.0226)	-0.00929* (0.00485)
Regime Edited <sub>t-1</sub>	-1.231 (0.880)	-0.301 (0.552)	-0.104 (0.145)	-0.301 (0.344)	-0.0674 (0.337)	0.0485 (0.0825)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0345 (0.0619)	-0.0538 (0.0595)	-0.00440 (0.0182)	-0.0488 (0.0386)	0.00871 (0.0304)	0.00360 (0.00905)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,737	1,701	1,703	1,663	1,722	1,660
Countries	108	107	107	107	108	107

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

#### A.4 Determinants of Tax Revenues, 5 Year Lag

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Tax Goods Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-5</sub></b>	<b>-3.928**</b> <b>(1.796)</b>	<b>-1.089</b> <b>(1.218)</b>	<b>-0.0140</b> <b>(0.428)</b>	<b>-0.368</b> <b>(0.841)</b>	<b>-0.0937</b> <b>(0.515)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>	<b>0.0506</b> <b>(0.118)</b>	<b>0.110</b> <b>(0.0770)</b>	<b>0.0465*</b> <b>(0.0249)</b>	<b>0.0691</b> <b>(0.0495)</b>	<b>0.0326</b> <b>(0.0312)</b>
GDP growth <sub>t-1</sub>	0.0329 (0.0380)	0.0133 (0.0416)	0.0215*** (0.00828)	-0.00145 (0.0245)	0.0174 (0.0163)
Trade (% GDP) <sub>t-1</sub>	0.0167 (0.0120)	0.0158 (0.0102)	0.00287 (0.00600)	-0.000527 (0.00723)	0.0163** (0.00635)
GDP per capita (logged) <sub>t-1</sub>	4.224* (2.427)	1.858 (1.571)	0.0555 (0.299)	0.789 (0.848)	0.627 (0.659)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0155 (0.0418)	0.0574 (0.0388)	-0.0142 (0.0164)	0.0530* (0.0281)	0.00263 (0.0238)
Regime Edited <sub>t-1</sub>	-1.239 (0.911)	-0.389 (0.670)	-0.0277 (0.138)	-0.463 (0.404)	-0.0333 (0.385)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0700 (0.0694)	-0.0651 (0.0722)	-0.00306 (0.0187)	-0.0388 (0.0429)	-0.0140 (0.0363)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,745	1,693	1,695	1,665	1,728
Countries	108	107	107	107	108

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.5 Determinants of Tax Revenues, Controlling for Fiscal Tax Aid

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Fiscal Aid (% GDP)<sub>t-3</sub></b>	<b>0.196</b> <b>(0.271)</b>	<b>0.423</b> <b>(0.323)</b>	<b>-0.164</b> <b>(0.208)</b>	<b>0.388*</b> <b>(0.212)</b>	<b>0.0230</b> <b>(0.165)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.00393</b> <b>(0.103)</b>	<b>0.0304</b> <b>(0.0543)</b>	<b>0.0683**</b> <b>(0.0306)</b>	<b>0.0245</b> <b>(0.0363)</b>	<b>-0.00267</b> <b>(0.0257)</b>
GDP growth <sub>t-1</sub>	0.0467 (0.0375)	0.0144 (0.0383)	0.0209** (0.00825)	-0.00150 (0.0236)	0.0156 (0.0153)
Trade (% GDP) <sub>t-1</sub>	0.0231* (0.0118)	0.0206** (0.0102)	0.00334 (0.00578)	0.00251 (0.00723)	0.0191*** (0.00616)
GDP per capita (logged) <sub>t-1</sub>	3.769 (2.351)	1.525 (1.426)	-0.00679 (0.280)	0.767 (0.791)	0.464 (0.602)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0146 (0.0397)	0.0539 (0.0368)	-0.0144 (0.0157)	0.0566** (0.0281)	-0.00226 (0.0242)
Regime Edited <sub>t-1</sub>	-1.203 (0.886)	-0.337 (0.592)	-0.0599 (0.137)	-0.376 (0.372)	-0.0535 (0.355)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0670 (0.0619)	-0.0702 (0.0646)	-0.00299 (0.0179)	-0.0446 (0.0403)	-0.00973 (0.0321)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,756	1,713	1,715	1,678	1,740
Countries	108	107	107	107	108

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.6 Determinants of Tax Revenues, Tax and Non-Tax Aid Per Capita

DV=	(1) Tax Revenue (% GDP)	(2) Domestic Tax Revenue (% GDP)	(3) Trade Revenue GDP)	(4) Tax (% Goods Tax Revenue (% GDP)	(5) Income Tax Revenue (% GDP)
<b>Tax Aid Per Capita<sub>t-3</sub></b>	<b>0.0312** (0.0154)</b>	<b>0.0249* (0.0131)</b>	<b>-0.00154 (0.00646)</b>	<b>0.0299*** (0.00891)</b>	<b>0.00598 (0.00813)</b>
<b>Non-Tax Aid Per Capita<sub>t-3</sub></b>	<b>0.00506** (0.00243)</b>	<b>0.00347* (0.00199)</b>	<b>0.00125 (0.000858)</b>	<b>0.00280* (0.00155)</b>	<b>0.000456 (0.000899)</b>
GDP growth <sub>t-1</sub>	0.0406 (0.0370)	0.0169 (0.0375)	0.0259*** (0.00895)	0.00143 (0.0234)	0.0149 (0.0148)
Trade (% GDP) <sub>t-1</sub>	0.0240** (0.0117)	0.0204** (0.0100)	0.00294 (0.00590)	0.00246 (0.00712)	0.0193*** (0.00613)
GDP per capita (logged) <sub>t-1</sub>	3.882 (2.415)	1.555 (1.413)	-0.0120 (0.289)	0.809 (0.791)	0.481 (0.596)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0113 (0.0421)	0.0520 (0.0367)	-0.0139 (0.0160)	0.0563** (0.0272)	-0.00254 (0.0246)
Regime Edited <sub>t-1</sub>	-1.201 (0.891)	-0.321 (0.589)	-0.0701 (0.139)	-0.359 (0.370)	-0.0529 (0.352)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0610 (0.0613)	-0.0702 (0.0617)	-0.00500 (0.0184)	-0.0460 (0.0385)	-0.00925 (0.0313)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,756	1,713	1,715	1,678	1,740
Countries	108	107	107	107	108

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.7 Determinants of Tax Revenues, Tax Revenue as Percent of Government Revenue

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% Rev)	Domestic Tax Revenue (% Rev)	Trade Tax Revenue (% Rev)	Goods Tax Revenue (% Rev)	Income Tax Revenue (% Rev)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>1.192</b> <b>(1.242)</b>	<b>1.717</b> <b>(1.320)</b>	<b>-0.812</b> <b>(1.138)</b>	<b>3.639***</b> <b>(1.164)</b>	<b>-1.273</b> <b>(0.962)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0216</b> <b>(0.141)</b>	<b>-0.200</b> <b>(0.127)</b>	<b>0.0177</b> <b>(0.0759)</b>	<b>-0.0258</b> <b>(0.111)</b>	<b>-0.297***</b> <b>(0.0935)</b>
GDP growth <sub>t-1</sub>	-0.0118 (0.0614)	-0.0246 (0.0651)	0.00918 (0.0427)	-0.0834* (0.0477)	0.0337 (0.0479)
Trade (% GDP) <sub>t-1</sub>	-0.000743 (0.0258)	0.00410 (0.0337)	0.00855 (0.0306)	-0.0312 (0.0323)	0.0477* (0.0256)
GDP per capita (logged) <sub>t-1</sub>	-2.242 (2.138)	-2.011 (2.335)	0.709 (1.427)	-0.751 (1.701)	-0.968 (1.359)
FDI net inflows (% GDP) <sub>t-1</sub>	0.155 (0.106)	0.225* (0.126)	-0.0281 (0.0687)	0.238** (0.101)	0.00180 (0.0796)
Regime Edited <sub>t-1</sub>	0.994 (1.335)	1.175 (1.468)	-0.653 (0.851)	-0.288 (0.980)	0.355 (1.571)
Agriculture Value Added (% GDP) <sub>t-1</sub>	0.0783 (0.167)	-0.00409 (0.164)	0.120 (0.0994)	-0.0237 (0.147)	0.0280 (0.139)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,750	1,707	1,708	1,672	1,733
Countries	108	107	107	107	108

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.8 Determinants of Tax Revenues, Heckman Selection Model

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>3.861</b> <b>(2.637)</b>	<b>2.688</b> <b>(2.390)</b>	<b>1.072*</b> <b>(0.567)</b>	<b>3.032**</b> <b>(1.480)</b>	<b>0.699</b> <b>(0.970)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0934</b> <b>(0.0910)</b>	<b>0.0292</b> <b>(0.0829)</b>	<b>0.0594***</b> <b>(0.0198)</b>	<b>0.0505</b> <b>(0.0508)</b>	<b>-0.0129</b> <b>(0.0335)</b>
GDP growth <sub>t-1</sub>	0.0369 (0.0626)	0.0562 (0.0620)	-0.00803 (0.0147)	0.0307 (0.0349)	0.0100 (0.0230)
Trade (% GDP) <sub>t-1</sub>	0.0391 (0.0251)	0.0302 (0.0236)	0.00892 (0.00560)	6.30e-05 (0.0144)	0.0299*** (0.00925)
GDP per capita (logged) <sub>t-3</sub>	0.595 (1.562)	0.348 (1.447)	0.182 (0.342)	0.681 (0.889)	-0.0978 (0.573)
FDI net inflows (% GDP) <sub>t-1</sub>	0.492*** (0.117)	0.443*** (0.106)	0.0602** (0.0253)	0.282*** (0.0648)	0.161*** (0.0430)
Regime Edited <sub>t-1</sub>	0.538 (0.855)	0.560 (0.775)	0.0928 (0.182)	-0.119 (0.511)	-0.0344 (0.311)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0578 (0.125)	-0.0524 (0.124)	0.0247 (0.0294)	0.0263 (0.0712)	-0.0512 (0.0460)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
First Stage DV=	Tax Aid Dummy				
British Colony	-0.362*** (0.103)	-0.426*** (0.106)	-0.428*** (0.105)	-0.438*** (0.106)	-0.364*** (0.103)
French Colony	-0.289** (0.146)	-0.286* (0.146)	-0.294** (0.146)	-0.382** (0.152)	-0.297** (0.145)
Spanish Colony	-0.390*** (0.0998)	-0.400*** (0.100)	-0.405*** (0.100)	-0.411*** (0.100)	-0.395*** (0.0997)
Russian Colony	0.454*** (0.175)	0.464*** (0.175)	0.455*** (0.175)	0.445** (0.175)	0.446** (0.175)
UN Voting with USA	-3.744*** (0.390)	-3.783*** (0.392)	-3.762*** (0.392)	-3.840*** (0.395)	-3.722*** (0.390)
Trade (% GDP)	-0.00217** (0.00102)	-0.00223** (0.00103)	-0.00224** (0.00103)	-0.00202* (0.00103)	-0.00218** (0.00102)
GDP per capita (logged)	-0.0811**	-0.0783*	-0.0766*	-0.0671	-0.0794*

	(0.0409)	(0.0414)	(0.0414)	(0.0413)	(0.0409)
Regime Edited	0.593***	0.586***	0.583***	0.608***	0.590***
	(0.0578)	(0.0582)	(0.0581)	(0.0591)	(0.0577)
Bureaucratic Policy	-0.0221	-0.00379	-0.00728	-0.0353	-0.0255
	(0.0482)	(0.0486)	(0.0485)	(0.0489)	(0.0482)
Oil and Mineral Rents	-0.0158***	-0.0198***	-0.0199***	-0.0147***	-0.0159***
	(0.00473)	(0.00500)	(0.00500)	(0.00475)	(0.00472)
IMF	0.228**	0.226**	0.236**	0.224**	0.238**
	(0.0957)	(0.0960)	(0.0957)	(0.0977)	(0.0954)
Observations	1,794	1,786	1,787	1,776	1,795

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Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



### A.9 Determinants of Tax Revenues, Excluding Oil and Mineral Rich Economies

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.594</b> <b>(1.590)</b>	<b>1.144</b> <b>(1.042)</b>	<b>-0.249</b> <b>(0.359)</b>	<b>1.198*</b> <b>(0.634)</b>	<b>0.208</b> <b>(0.471)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0172</b> <b>(0.185)</b>	<b>0.130</b> <b>(0.0986)</b>	<b>0.0852**</b> <b>(0.0427)</b>	<b>0.0793</b> <b>(0.0619)</b>	<b>0.0332</b> <b>(0.0353)</b>
GDP growth <sub>t-1</sub>	0.0610 (0.0551)	0.0343 (0.0548)	0.0223* (0.0116)	0.00676 (0.0346)	0.0239 (0.0219)
Trade (% GDP) <sub>t-1</sub>	0.0210* (0.0122)	0.00923 (0.0105)	0.00767 (0.00662)	-0.00213 (0.00878)	0.0121** (0.00548)
GDP per capita (logged) <sub>t-1</sub>	5.959* (3.130)	2.234 (1.914)	0.242 (0.299)	1.154 (1.078)	0.791 (0.789)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0709 (0.0608)	0.114* (0.0618)	-0.0193 (0.0203)	0.0727 (0.0463)	0.0314 (0.0294)
Regime Edited <sub>t-1</sub>	-1.206 (1.221)	0.0109 (0.607)	0.0426 (0.140)	-0.188 (0.420)	0.173 (0.268)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0856 (0.0983)	-0.0825 (0.0948)	0.00685 (0.0192)	-0.0500 (0.0569)	-0.0164 (0.0482)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,264	1,232	1,234	1,199	1,248
Countries	94	94	94	92	94

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.10 Determinants of Tax Revenues, Middle Income Countries Only

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Tax Goods Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>1.352</b> <b>(0.964)</b>	<b>1.605*</b> <b>(0.944)</b>	<b>-0.215</b> <b>(0.357)</b>	<b>1.681***</b> <b>(0.603)</b>	<b>0.235</b> <b>(0.434)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.313**</b> <b>(0.143)</b>	<b>0.189</b> <b>(0.124)</b>	<b>0.117**</b> <b>(0.0497)</b>	<b>0.142*</b> <b>(0.0807)</b>	<b>0.0443</b> <b>(0.0586)</b>
GDP growth <sub>t-1</sub>	0.0642 (0.0484)	0.0501 (0.0446)	0.0166 (0.0128)	0.0119 (0.0308)	0.0346* (0.0192)
Trade (% GDP) <sub>t-1</sub>	0.00649 (0.0141)	0.0118 (0.0159)	-0.00395 (0.0104)	-0.00531 (0.0114)	0.0153* (0.00850)
GDP per capita (logged) <sub>t-1</sub>	0.768 (1.191)	0.357 (1.181)	0.507 (0.571)	0.695 (0.850)	-0.560 (0.521)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0624 (0.0800)	0.0965 (0.0837)	-0.0308 (0.0326)	0.133*** (0.0445)	-0.0195 (0.0341)
Regime Edited <sub>t-1</sub>	0.0517 (0.644)	0.0522 (0.706)	0.0484 (0.203)	-0.0905 (0.419)	0.190 (0.503)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0351 (0.109)	-0.115 (0.110)	0.0763* (0.0421)	-0.0583 (0.0738)	-0.0215 (0.0569)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,030	1,005	1,006	995	1,026
Countries	82	81	81	82	82

Standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.11 Determinants of Tax Revenues, Low Income Countries Only

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-1.216*</b> <b>(0.676)</b>	<b>0.408</b> <b>(0.727)</b>	<b>0.170</b> <b>(0.320)</b>	<b>0.702</b> <b>(0.633)</b>	<b>-0.110</b> <b>(0.406)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.00752</b> <b>(0.0378)</b>	<b>-0.0322</b> <b>(0.0301)</b>	<b>0.0205</b> <b>(0.0150)</b>	<b>-0.0101</b> <b>(0.0197)</b>	<b>-0.0305</b> <b>(0.0191)</b>
GDP growth <sub>t-3</sub>	0.0174 (0.0284)	0.00889 (0.0278)	-0.00775 (0.0162)	0.0217 (0.0191)	-0.00195 (0.0186)
Trade (% GDP) <sub>t-3</sub>	0.0475*** (0.0162)	0.0375*** (0.0120)	0.00416 (0.00837)	0.0153** (0.00729)	0.0269** (0.0117)
GDP per capita (logged) <sub>t-3</sub>	2.093 (1.974)	0.862 (1.017)	-1.078* (0.575)	-0.102 (0.511)	1.306 (0.810)
FDI net inflows (% GDP) <sub>t-3</sub>	-0.0222 (0.0520)	0.0256 (0.0400)	-0.0181 (0.0248)	-0.0247 (0.0364)	0.0412 (0.0448)
Regime Edited <sub>t-3</sub>	-0.837 (0.722)	-0.0604 (0.320)	0.142 (0.219)	0.147 (0.190)	-0.215 (0.236)
Agriculture Value Added (% GDP) <sub>t-3</sub>	-0.0276 (0.0487)	-0.0227 (0.0320)	-0.0441*** (0.0150)	-0.0230 (0.0252)	-0.00599 (0.0198)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	426	419	419	408	422
Countries	45	44	44	44	45

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Appendix B

### B.1 Determinants of Tax Revenues, World Bank Tax Aid Data- SAME as original because no error

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>WB project tax aid (% GDP)<sub>t-3</sub></b>	<b>0.209</b> <b>(1.819)</b>	<b>3.250</b> <b>(2.211)</b>	<b>-2.586***</b> <b>(0.933)</b>	<b>3.796**</b> <b>(1.566)</b>	<b>-1.934*</b> <b>(1.056)</b>
<b>Official Aid (% GDP)<sub>t-3</sub></b>	<b>1.536**</b> <b>(0.716)</b>	<b>2.151***</b> <b>(0.668)</b>	<b>-0.707*</b> <b>(0.412)</b>	<b>0.956</b> <b>(0.718)</b>	<b>1.172*</b> <b>(0.601)</b>
GDP growth <sub>t-1</sub>	0.0749 (0.0631)	0.00941 (0.0482)	0.0847*** (0.0328)	0.0168 (0.0315)	0.0349 (0.0423)
Trade (% GDP) <sub>t-1</sub>	- 0.0463*** (0.0119)	-0.0388** (0.0169)	-0.0137 (0.0113)	-0.0422*** (0.0137)	0.0122 (0.00987)
GDP per capita (logged) <sub>t-1</sub>	0.368 (0.877)	-0.154 (1.717)	-0.162 (0.597)	-1.315 (1.336)	0.862 (0.887)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00832 (0.0412)	-0.0114 (0.0602)	0.0287 (0.0324)	0.00856 (0.0475)	0.00589 (0.0180)
Regime Type <sub>t-1</sub>	1.143** (0.544)	0.175 (0.394)	1.425** (0.723)	0.651 (0.421)	-0.398 (0.373)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.262** (0.112)	-0.306** (0.123)	0.0672 (0.0839)	-0.285*** (0.0788)	0.0594 (0.0903)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	149	140	141	149	150
Countries	17	17	17	17	17

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## B.2 Determinants of Tax Revenues, ICTD Tax Revenue Data

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Indirect Tax Revenue (% GDP) <sup>6</sup>	Direct Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.129</b> <b>(0.366)</b>	<b>-0.0724</b> <b>(0.355)</b>	<b>0.222</b> <b>(0.159)</b>	<b>0.0614</b> <b>(0.244)</b>	<b>-0.246*</b> <b>(0.144)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0302</b> <b>(0.0192)</b>	<b>-0.0346**</b> <b>(0.0160)</b>	<b>0.00909</b> <b>(0.0101)</b>	<b>-0.0107</b> <b>(0.00769)</b>	<b>-0.0119**</b> <b>(0.00574)</b>
GDP growth <sub>t-3</sub>	0.0218 (0.0138)	0.00216 (0.0140)	0.0192*** (0.00606)	-0.00250 (0.00824)	0.000772 (0.00840)
Trade (% GDP) <sub>t-3</sub>	-0.00186 (0.00955)	-0.00733 (0.00683)	0.00357 (0.00492)	-0.0119** (0.00514)	0.00466 (0.00432)
GDP per capita (logged) <sub>t-3</sub>	0.0441 (0.465)	0.177 (0.463)	-0.236 (0.244)	0.149 (0.328)	-0.0731 (0.293)
FDI net inflows (% GDP) <sub>t-3</sub>	0.0197 (0.0219)	0.0498** (0.0211)	-0.0108 (0.0136)	0.0389** (0.0172)	0.00833 (0.0114)
Regime Edited <sub>t-3</sub>	-0.300 (0.294)	-0.304 (0.284)	0.119 (0.184)	-0.389* (0.236)	0.117 (0.132)
Agriculture Value Added (% GDP) <sub>t-3</sub>	-0.0947*** (0.0299)	-0.0529** (0.0249)	-0.0122 (0.0163)	-0.0442** (0.0177)	-0.00782 (0.0138)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,359	1,994	2,018	1,949	2,060
Countries	121	114	114	113	116

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

<sup>6</sup> We exclude trade tax revenue in the measure of indirect tax revenue.

## Appendix C

### C.1 Determinants of VAT Introduction

DV=	VAT Intro	VAT Intro	VAT Intro
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>2.058</b>		
	<b>(1.374)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0329</b>		
	<b>(0.0307)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.978</b>	
		<b>(1.756)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.0193</b>	
		<b>(0.0367)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-22.03</b>
			<b>(16.78)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0255</b>
			<b>(0.0271)</b>
GDP growth <sub>t-1</sub>	-0.0179	-0.0144	-0.00615
	(0.0289)	(0.0339)	(0.0328)
Trade (% GDP) <sub>t-1</sub>	-0.00602	-0.00401	-0.00299
	(0.00375)	(0.00376)	(0.00330)
GDP per capita (logged) <sub>t-1</sub>	0.210	0.0710	0.0568
	(0.260)	(0.286)	(0.279)
FDI net inflows (% GDP) <sub>t-1</sub>	0.408*	0.476**	0.470**
	(0.220)	(0.229)	(0.230)
Regime Edited <sub>t-1</sub>	-0.0274	-0.0487	-0.145
	(0.409)	(0.403)	(0.412)
Agricultural Value Added (% GDP) <sub>t-1</sub>	0.0355	0.0249	0.0170
	(0.0400)	(0.0413)	(0.0443)
Low Tax Revenue	-0.0157	-0.0142	-0.00818
	(0.0185)	(0.0176)	(0.0172)
VAT Diffusion	0.189**	0.230***	0.200
	(0.0854)	(0.0771)	(0.202)
Decade	0.0326	-0.0272	-0.0380
	(0.155)	(0.196)	(0.195)
Observations	474	469	464

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Appendix D

### D.1 Determinants of Personal and Corporate Income Tax Revenue

DV=	PIT Revenue (% GDP)	PIT Revenue (% GDP)	PIT Revenue (%) GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.296*</b> <b>(0.163)</b>			<b>0.0780</b> <b>(0.221)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.00277</b> <b>(0.00680)</b>			<b>0.0111**</b> <b>(0.00501)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0602</b> <b>(0.0900)</b>			<b>-0.0404</b> <b>(0.155)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.000212</b> <b>(0.00912)</b>			<b>-</b> <b>0.000420</b> <b>(0.00516)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0445</b> <b>(0.0829)</b>			<b>-0.0162</b> <b>(0.110)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.00300</b> <b>(0.00891)</b>			<b>-0.00384</b> <b>(0.00503)</b>
GDP growth <sub>t-1</sub>	0.00420 (0.00440)	0.00501 (0.00471)	0.00652 (0.00495)	0.000918 (0.00773)	0.00320 (0.00771)	0.00919* (0.00485)
Trade (% GDP) <sub>t-1</sub>	0.00182 (0.00275)	1.97e-05 (0.00291)	-0.00138 (0.00316)	0.00950** (0.00425)	0.00656 (0.00454)	0.00630 (0.00439)
GDP per capita (logged) <sub>t-1</sub>	0.0245 (0.148)	-0.0364 (0.151)	-0.0499 (0.153)	-0.0387 (0.165)	-0.0794 (0.164)	-0.131 (0.158)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0102 (0.00682)	0.0163** (0.00808)	0.0197** (0.00859)	-0.00817 (0.00810)	-1.40e-05 (0.00766)	0.00239 (0.00766)
Regime Edited <sub>t-1</sub>	0.0723 (0.0998)	0.0829 (0.103)	0.0832 (0.0972)	0.0266 (0.0963)	-0.0396 (0.0878)	-0.0644 (0.0842)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00836 (0.00991)	-0.0108 (0.0105)	-0.0112 (0.0101)	0.0122 (0.00961)	0.00833 (0.00934)	0.00522 (0.00875)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,464	1,478	1,472	1,428	1,440	1,437
Countries	101	101	101	97	97	97

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## D.2: Determinants of Indirect Tax Taxpayer Base

DV=	Tax Inspections	Tax Inspections	Tax Inspections	% Firms Formally Registered	% Firms Formally Registered	% Firms Formally Registered
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0604</b>			<b>0.727</b>		
	<b>(0.193)</b>			<b>(2.131)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.00269</b>			<b>-0.000809</b>		
	<b>(0.0124)</b>			<b>(0.160)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.166</b>			<b>-0.593</b>	
		<b>(0.112)</b>			<b>(1.622)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0145*</b>			<b>0.114</b>	
		<b>(0.00827)</b>			<b>(0.167)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.286</b>			<b>-0.931</b>
			<b>(0.198)</b>			<b>(2.025)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.0134</b>			<b>0.0352</b>
			<b>(0.0118)</b>			<b>(0.137)</b>
GDP growth <sub>t-1</sub>	-0.000145	0.00226	0.000533	0.0390	0.0673	0.0515
	(0.0147)	(0.0139)	(0.0121)	(0.0644)	(0.0721)	(0.0755)
Trade (% GDP) <sub>t-1</sub>	6.32e-05	-0.00176	-0.00220	0.0222	0.0136	0.0145
	(0.00482)	(0.00415)	(0.00446)	(0.0236)	(0.0255)	(0.0263)
GDP per capita (logged) <sub>t-1</sub>	-0.291	-0.258	-0.195	-1.988	-1.666	-2.289
	(0.212)	(0.198)	(0.204)	(1.895)	(1.895)	(2.021)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00398	0.00156	-0.00472	0.0751	0.0818	0.0950
	(0.0135)	(0.00959)	(0.00668)	(0.0965)	(0.0978)	(0.100)
Regime Edited <sub>t-1</sub>	-0.248***	-0.268***	-0.232***	1.118	1.056	1.042
	(0.0687)	(0.0789)	(0.0599)	(0.965)	(0.947)	(0.994)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00464	-0.0104	-0.0137	-0.182	-0.249**	-0.241**
	(0.0140)	(0.0145)	(0.0134)	(0.116)	(0.113)	(0.123)
Total Sales (logged)	0.0520***	0.0508***	0.0504***			
	(0.00733)	(0.00693)	(0.00695)			
Total Employment (logged)	0.119***	0.122***	0.123***			
	(0.0114)	(0.0106)	(0.0105)			
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	67,781	72,836	73,387	2,481	2,455	2,392

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



## APPENDIX WITH REPLICATION WITH FREEDOM HOUSE VARIABLE

### Appendix A

#### A.1 Determinants of Tax Revenues, Base Model -- SAME

	(1)	(2)	(3)	(4)	(5)
	Tax	Domestic	Trade Tax	Goods	Income Tax
	Revenue	Tax	Revenue	Tax	Revenue (%)
	(% GDP)	Revenue	(% GDP)	Revenue	Revenue (%)
	(% GDP)	(% GDP)	(% GDP)	(% GDP)	GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.00540</b>	<b>0.0810***</b>	<b>-0.0685***</b>	<b>0.0954***</b>	<b>-0.0127***</b>
	<b>(0.0179)</b>	<b>(0.00710)</b>	<b>(0.00879)</b>	<b>(0.00552)</b>	<b>(0.00448)</b>
Country dummies	No	No	No	No	No
Year dummies	No	No	No	No	No
Observations	2,453	2,372	2,378	2,326	2,385
Countries	137	133	133	135	133

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## A.2 Determinants of Tax Revenues, Moving average of all Independent Variables

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0536***</b> <b>(0.0181)</b>	<b>0.0919***</b> <b>(0.0189)</b>	<b>-0.0416***</b> <b>(0.00671)</b>	<b>0.0983***</b> <b>(0.0143)</b>	<b>-0.0102</b> <b>(0.00712)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0360</b> <b>(0.0896)</b>	<b>0.0344</b> <b>(0.0470)</b>	<b>0.0748**</b> <b>(0.0338)</b>	<b>0.0244</b> <b>(0.0294)</b>	<b>0.000463</b> <b>(0.0267)</b>
GDP growth <sub>t-1</sub>	0.0794 (0.0816)	-0.0508 (0.0792)	0.0927*** (0.0207)	-0.0483 (0.0557)	0.00314 (0.0316)
Trade (% GDP) <sub>t-1</sub>	0.0577 (0.0427)	0.0807* (0.0413)	-0.0268 (0.0256)	0.0490 (0.0343)	0.0308** (0.0139)
GDP per capita (logged) <sub>t-1</sub>	6.452* (3.586)	2.633 (2.213)	0.628 (0.553)	1.017 (1.410)	1.104 (0.883)
FDI net inflows (% GDP) <sub>t-1</sub>	0.122*** (0.0104)	0.145*** (0.00863)	-0.0213*** (0.00353)	0.101*** (0.00868)	0.0432*** (0.00606)
Democracy (FH) <sub>t-1</sub>	-0.317 (0.362)	0.0593 (0.243)	-0.0371 (0.102)	0.0244 (0.192)	0.0315 (0.129)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.00784 (0.138)	0.00530 (0.140)	-0.0526 (0.0453)	0.0179 (0.0954)	0.00694 (0.0610)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,045	1,990	1,992	1,945	2,008
Countries	124	122	122	122	121

Standard errors in parentheses      \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.3 Determinants of Tax Revenues, 1 Year Lag

DV=	(1)	(2)	(3)	(4)	(5)	(6)
	Tax Rev. (% GDP)	Domestic Tax Rev. (% GDP)	Trade Tax Rev. (% GDP)	Goods Tax Rev. (% GDP)	Income Tax Rev. (% GDP)	Direct- Indirect Tax Rev Ratio
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0670*** (0.0108)</b>	<b>0.0972*** (0.0117)</b>	<b>0.0323*** (0.00555)</b>	<b>0.106*** (0.0112)</b>	<b>0.0163*** (0.00601)</b>	<b>0.0168*** (0.00232)</b>
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.0540 (0.0587)</b>	<b>0.0422 (0.0491)</b>	<b>0.0499** (0.0224)</b>	<b>0.0220 (0.0312)</b>	<b>0.00617 (0.0273)</b>	<b>-0.00669 (0.00981)</b>
GDP growth <sub>t-1</sub>	0.00293 (0.0357)	-0.0416 (0.0366)	0.0425*** (0.0114)	-0.0259 (0.0253)	-0.00941 (0.0154)	0.00453 (0.00352)
Trade (% GDP) <sub>t-1</sub>	0.0379 (0.0241)	0.0542** (0.0243)	-0.0190 (0.0164)	0.0289 (0.0209)	0.0234*** (0.00780)	0.000790 (0.00267)
GDP per capita (logged) <sub>t-1</sub>	3.960* (2.229)	1.782 (1.354)	0.222 (0.319)	0.789 (0.899)	0.778 (0.541)	0.0262 (0.112)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0104 (0.0363)	0.0555 (0.0341)	-0.0257 (0.0199)	0.0617** (0.0290)	-0.0117 (0.0183)	- 0.00972** (0.00466)
Democracy (FH) <sub>t-1</sub>	-0.170 (0.200)	0.0300 (0.136)	-0.0233 (0.0618)	0.00430 (0.105)	0.00928 (0.0736)	0.0124 (0.0187)
Agriculture Value Added (% GDP) <sub>t-1</sub>	0.00598 (0.0838)	0.0217 (0.0835)	-0.0420 (0.0294)	0.0144 (0.0583)	0.0175 (0.0360)	-0.00493 (0.0100)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	2,027	1,978	1,980	1,929	1,989	1,916
Countries	124	122	122	122	121	120

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

#### A.4 Determinants of Tax Revenues, 5 Year Lag

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Revenue (% GDP)	Tax Goods Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-5</sub></b>	<b>0.0200</b> <b>(0.0248)</b>	<b>0.0718***</b> <b>(0.0165)</b>	<b>-0.0468***</b> <b>(0.00582)</b>	<b>0.0695***</b> <b>(0.0105)</b>	<b>-0.000685</b> <b>(0.00701)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>	<b>0.0666</b> <b>(0.0959)</b>	<b>0.0684</b> <b>(0.0577)</b>	<b>0.0717**</b> <b>(0.0347)</b>	<b>0.0342</b> <b>(0.0390)</b>	<b>0.0292</b> <b>(0.0272)</b>
GDP growth <sub>t-1</sub>	0.0282 (0.0354)	-0.0157 (0.0385)	0.0374*** (0.00998)	-0.0199 (0.0246)	0.00946 (0.0145)
Trade (% GDP) <sub>t-1</sub>	0.0293 (0.0226)	0.0465* (0.0238)	-0.0184 (0.0161)	0.0255 (0.0201)	0.0177** (0.00756)
GDP per capita (logged) <sub>t-1</sub>	4.095* (2.268)	1.862 (1.490)	0.320 (0.340)	0.647 (0.923)	0.761 (0.593)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0303*** (0.00447)	0.0404*** (0.00600)	-0.0101*** (0.00211)	0.0279*** (0.00509)	0.0123*** (0.00184)
Democracy (FH) <sub>t-1</sub>	-0.163 (0.219)	0.0654 (0.149)	-0.0342 (0.0671)	0.0342 (0.120)	0.0185 (0.0781)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0153 (0.0807)	0.00616 (0.0860)	-0.0396 (0.0276)	0.0168 (0.0583)	-0.00434 (0.0380)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,047	1,984	1,986	1,945	2,009
Countries	124	122	122	122	121

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.5 Determinants of Tax Revenues, Controlling for Fiscal Tax Aid

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Fiscal Aid (% GDP)<sub>t-3</sub></b>	<b>0.0513***</b> <b>(0.0198)</b>	<b>0.105***</b> <b>(0.0261)</b>	<b>-0.0551***</b> <b>(0.0157)</b>	<b>0.108***</b> <b>(0.0201)</b>	<b>-0.0101</b> <b>(0.00807)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0362</b> <b>(0.0886)</b>	<b>0.0251</b> <b>(0.0463)</b>	<b>0.0824**</b> <b>(0.0335)</b>	<b>0.0164</b> <b>(0.0295)</b>	<b>0.000546</b> <b>(0.0258)</b>
GDP growth <sub>t-1</sub>	0.0150 (0.0370)	-0.0255 (0.0381)	0.0339*** (0.00920)	-0.0280 (0.0254)	0.00366 (0.0148)
Trade (% GDP) <sub>t-1</sub>	0.0334 (0.0252)	0.0482* (0.0250)	-0.0167 (0.0157)	0.0273 (0.0208)	0.0195** (0.00822)
GDP per capita (logged) <sub>t-1</sub>	3.887* (2.221)	1.680 (1.421)	0.290 (0.328)	0.730 (0.906)	0.650 (0.560)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0765*** (0.0105)	0.0947*** (0.00748)	-0.0161*** (0.00313)	0.0651*** (0.00491)	0.0276*** (0.00594)
Democracy (FH) <sub>t-1</sub>	-0.154 (0.201)	0.0592 (0.144)	-0.0326 (0.0651)	0.0235 (0.115)	0.0194 (0.0749)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.00936 (0.0820)	0.00411 (0.0855)	-0.0353 (0.0269)	0.0138 (0.0579)	0.000873 (0.0362)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,053	1,998	2,000	1,952	2,015
Countries	124	122	122	122	121

Robust standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## A.6 Determinants of Tax Revenues, Tax and Non-Tax Aid Per Capita

DV=	(1)	(2)	(3)	(4)	(5)	
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Revenue GDP)	Tax (% Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid Per Capita<sub>t-3</sub></b>	<b>0.000953***</b> <b>(0.000346)</b>	<b>0.00126***</b> <b>(0.000295)</b>	<b>-0.000508***</b> <b>(0.000157)</b>	<b>0.00132***</b> <b>(0.000237)</b>	<b>-0.000113</b> <b>(0.000118)</b>	
<b>Non-Tax Aid Per Capita<sub>t-3</sub></b>	<b>0.00272</b> <b>(0.00230)</b>	<b>-4.56e-05</b> <b>(0.00169)</b>	<b>0.00286*</b> <b>(0.00150)</b>	<b>-0.000545</b> <b>(0.00142)</b>	<b>0.000404</b> <b>(0.00106)</b>	
GDP growth <sub>t-1</sub>	0.0157 (0.0365)	-0.0215 (0.0366)	0.0390*** (0.00984)	-0.0245 (0.0248)	0.00303 (0.0143)	
Trade (% GDP) <sub>t-1</sub>	0.0340 (0.0248)	0.0477* (0.0246)	-0.0164 (0.0154)	0.0270 (0.0206)	0.0196** (0.00802)	
GDP per capita (logged) <sub>t-1</sub>	3.886* (2.246)	1.642 (1.403)	0.292 (0.336)	0.694 (0.898)	0.657 (0.552)	
FDI net inflows (% GDP) <sub>t-1</sub>	0.0767*** (0.0110)	0.0949*** (0.00750)	-0.0157*** (0.00337)	0.0652*** (0.00497)	0.0275*** (0.00607)	
Democracy (FH) <sub>t-1</sub>	-0.143 (0.208)	0.0657 (0.144)	-0.0156 (0.0629)	0.0298 (0.116)	0.0197 (0.0726)	
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.00753 (0.0815)	0.00101 (0.0829)	-0.0359 (0.0257)	0.0106 (0.0564)	0.00184 (0.0352)	
Country dummies	Yes	Yes	Yes	Yes	Yes	
Year dummies	Yes	Yes	Yes	Yes	Yes	
Observations	2,053	1,998	2,000	1,952	2,015	
Countries	124	122	122	122	121	

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.7 Determinants of Tax Revenues, Tax Revenue as Percent of Government Revenue

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% Rev)	Domestic Tax Revenue (% Rev)	Trade Tax Revenue (% Rev)	Goods Tax Revenue (% Rev)	Income Tax Revenue (% Rev)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0962***</b> <b>(0.0224)</b>	<b>0.113***</b> <b>(0.0307)</b>	<b>-0.176***</b> <b>(0.0209)</b>	<b>0.306***</b> <b>(0.0350)</b>	<b>-0.127***</b> <b>(0.0201)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.00336</b> <b>(0.115)</b>	<b>-0.244**</b> <b>(0.108)</b>	<b>0.0599</b> <b>(0.0847)</b>	<b>-0.0832</b> <b>(0.0931)</b>	<b>-0.273***</b> <b>(0.0866)</b>
GDP growth <sub>t-1</sub>	0.00139 (0.0514)	-0.0654 (0.0606)	0.0596 (0.0409)	-0.115** (0.0509)	0.0391 (0.0426)
Trade (% GDP) <sub>t-1</sub>	0.0159 (0.0224)	0.0384 (0.0430)	-0.0117 (0.0309)	0.00289 (0.0442)	0.0354* (0.0195)
GDP per capita (logged) <sub>t-1</sub>	-2.441 (1.984)	-3.797 (2.329)	2.007 (1.470)	-2.515 (1.978)	-0.691 (1.266)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0517** (0.0214)	0.0811*** (0.0300)	-0.0222** (0.0101)	0.0848*** (0.0291)	-0.000121 (0.0128)
Democracy (FH) <sub>t-1</sub>	0.130 (0.328)	0.268 (0.321)	-0.204 (0.238)	-0.000440 (0.254)	-0.00984 (0.339)
Agriculture Value Added (% GDP) <sub>t-1</sub>	0.103 (0.152)	0.0701 (0.164)	0.0498 (0.101)	0.0744 (0.155)	-0.00270 (0.134)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,042	1,987	1,988	1,941	2,003
Countries	124	122	122	122	121

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.8 Determinants of Tax Revenues, Heckman Selection Model

	(1)	(2)	(3)	(4)	(5)
DV=	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>2.962</b> <b>(2.433)</b>	<b>2.213</b> <b>(2.201)</b>	<b>0.657</b> <b>(0.551)</b>	<b>2.550*</b> <b>(1.380)</b>	<b>0.672</b> <b>(0.897)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0968</b> <b>(0.0866)</b>	<b>0.0294</b> <b>(0.0788)</b>	<b>0.0642***</b> <b>(0.0198)</b>	<b>0.0574</b> <b>(0.0485)</b>	<b>-0.0198</b> <b>(0.0319)</b>
GDP growth <sub>t-1</sub>	0.0409 (0.0588)	0.0521 (0.0576)	-0.00179 (0.0144)	0.0293 (0.0329)	0.0129 (0.0217)
Trade (% GDP) <sub>t-1</sub>	0.0420* (0.0229)	0.0339 (0.0213)	0.00874 (0.00533)	-0.00126 (0.0130)	0.0333*** (0.00844)
GDP per capita (logged) <sub>t-3</sub>	0.850 (1.458)	0.411 (1.348)	0.383 (0.337)	0.513 (0.830)	0.0597 (0.536)
FDI net inflows (% GDP) <sub>t-1</sub>	0.469*** (0.111)	0.418*** (0.101)	0.0593** (0.0253)	0.270*** (0.0618)	0.158*** (0.0410)
Democracy (FH) <sub>t-1</sub>	-0.183 (0.211)	-0.177 (0.190)	0.000993 (0.0475)	-0.123 (0.120)	-0.163** (0.0775)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0732 (0.119)	-0.0828 (0.117)	0.0375 (0.0294)	0.0139 (0.0678)	-0.0650 (0.0439)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
First Stage DV=	Tax Aid Dummy				
British Colony	-0.322*** (0.0978)	-0.368*** (0.0991)	-0.370*** (0.0991)	-0.399*** (0.0998)	-0.324*** (0.0978)
French Colony	-0.359*** (0.129)	-0.346*** (0.129)	-0.352*** (0.129)	-0.434*** (0.133)	-0.365*** (0.129)
Spanish Colony	-0.293*** (0.0981)	-0.294*** (0.0983)	-0.299*** (0.0982)	-0.311*** (0.0988)	-0.298*** (0.0981)
Russian Colony	0.362** (0.168)	0.372** (0.168)	0.365** (0.168)	0.348** (0.168)	0.355** (0.168)
UN Voting with USA	-3.391*** (0.377)	-3.392*** (0.378)	-3.374*** (0.377)	-3.455*** (0.381)	-3.373*** (0.376)
Trade (% GDP)	-0.00169* (0.000967)	-0.00173* (0.000973)	-0.00174* (0.000973)	-0.00147 (0.000982)	-0.00170* (0.000967)



GDP per capita (logged)	-0.118*** (0.0392)	-0.114*** (0.0395)	-0.113*** (0.0395)	-0.109*** (0.0395)	-0.117*** (0.0392)
Democracy (FH)	0.102*** (0.0133)	0.0988*** (0.0133)	0.0986*** (0.0133)	0.105*** (0.0135)	0.102*** (0.0133)
Bureaucratic Policy	-0.0368 (0.0465)	-0.0192 (0.0468)	-0.0222 (0.0467)	-0.0487 (0.0471)	-0.0397 (0.0464)
Oil and Mineral Rents	-0.0168*** (0.00403)	-0.0195*** (0.00419)	-0.0196*** (0.00419)	-0.0156*** (0.00404)	-0.0169*** (0.00403)
IMF	0.184** (0.0914)	0.183** (0.0918)	0.192** (0.0915)	0.176* (0.0933)	0.192** (0.0912)
Observations	1,895	1,887	1,888	1,875	1,896

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Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.9 Determinants of Tax Revenues, Excluding Oil and Mineral Rich Economies

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0541**</b> <b>(0.0224)</b>	<b>0.0897***</b> <b>(0.0223)</b>	<b>-0.0296***</b> <b>(0.00894)</b>	<b>0.0890***</b> <b>(0.0154)</b>	<b>-0.00604</b> <b>(0.00840)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.00716</b> <b>(0.154)</b>	<b>0.0508</b> <b>(0.0741)</b>	<b>0.118**</b> <b>(0.0570)</b>	<b>0.00219</b> <b>(0.0439)</b>	<b>0.0306</b> <b>(0.0417)</b>
GDP growth <sub>t-1</sub>	0.0171 (0.0468)	-0.0152 (0.0472)	0.0366*** (0.0116)	-0.0231 (0.0324)	0.00652 (0.0183)
Trade (% GDP) <sub>t-1</sub>	0.0334 (0.0276)	0.0447* (0.0265)	-0.0176 (0.0172)	0.0292 (0.0232)	0.0149* (0.00784)
GDP per capita (logged) <sub>t-1</sub>	5.664* (3.092)	1.846 (1.665)	0.553 (0.358)	0.887 (1.066)	0.745 (0.648)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0860*** (0.00759)	0.100*** (0.00774)	-0.0152*** (0.00334)	0.0653*** (0.00586)	0.0325*** (0.00343)
Democracy (FH) <sub>t-1</sub>	-0.0959 (0.320)	0.274 (0.177)	-0.0540 (0.0730)	0.207 (0.142)	0.0550 (0.0809)
Agriculture Value Added (% GDP) <sub>t-1</sub>	0.0107 (0.122)	0.0302 (0.122)	-0.0381 (0.0303)	0.0481 (0.0850)	0.000164 (0.0526)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,551	1,510	1,512	1,463	1,513
Countries	111	110	110	108	108

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.10 Determinants of Tax Revenues, Middle Income Countries Only

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Tax Goods Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0472*</b> <b>(0.0270)</b>	<b>0.0789***</b> <b>(0.0261)</b>	<b>-0.0313***</b> <b>(0.00975)</b>	<b>0.0904***</b> <b>(0.0196)</b>	<b>-0.0155</b> <b>(0.00989)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.203*</b> <b>(0.111)</b>	<b>0.0358</b> <b>(0.0832)</b>	<b>0.162**</b> <b>(0.0715)</b>	<b>0.0112</b> <b>(0.0625)</b>	<b>0.0295</b> <b>(0.0494)</b>
GDP growth <sub>t-1</sub>	0.0514 (0.0362)	0.0167 (0.0384)	0.0364** (0.0160)	-0.00763 (0.0274)	0.0271* (0.0158)
Trade (% GDP) <sub>t-1</sub>	- 0.000678 (0.0151)	0.0368* (0.0199)	-0.0370* (0.0201)	0.0188 (0.0186)	0.0115** (0.00517)
GDP per capita (logged) <sub>t-1</sub>	0.553 (0.983)	-0.112 (1.026)	0.754 (0.556)	-0.108 (0.792)	-0.276 (0.516)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0464 (0.0604)	0.0993* (0.0585)	-0.0515 (0.0327)	0.118*** (0.0373)	-0.0203 (0.0255)
Democracy (FH) <sub>t-1</sub>	0.0187 (0.144)	0.130 (0.127)	-0.111 (0.0999)	0.0844 (0.102)	0.0336 (0.107)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.0410 (0.105)	-0.0546 (0.108)	0.00847 (0.0603)	-0.0129 (0.0771)	-0.0142 (0.0584)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	1,244	1,213	1,214	1,198	1,228
Countries	96	94	94	95	94

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

### A.11 Determinants of Tax Revenues, Low Income Countries Only

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-1.226</b> <b>(0.756)</b>	<b>0.215</b> <b>(0.727)</b>	<b>0.133</b> <b>(0.366)</b>	<b>0.522</b> <b>(0.596)</b>	<b>-0.156</b> <b>(0.404)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.00549</b> <b>(0.0367)</b>	<b>-0.0238</b> <b>(0.0265)</b>	<b>0.0191</b> <b>(0.0160)</b>	<b>-0.00326</b> <b>(0.0187)</b>	<b>-0.0308*</b> <b>(0.0180)</b>
GDP growth <sub>t-3</sub>	0.0101 (0.0225)	0.0128 (0.0249)	-0.00125 (0.0141)	0.0219 (0.0170)	-0.00195 (0.0158)
Trade (% GDP) <sub>t-3</sub>	0.0470*** (0.0149)	0.0366*** (0.0116)	0.00422 (0.00763)	0.0156** (0.00688)	0.0252** (0.0107)
GDP per capita (logged) <sub>t-3</sub>	2.248 (2.041)	0.704 (1.002)	-0.784 (0.591)	-0.169 (0.475)	1.159 (0.793)
FDI net inflows (% GDP) <sub>t-3</sub>	-0.0217 (0.0473)	0.0185 (0.0387)	-0.0182 (0.0242)	-0.0301 (0.0349)	0.0354 (0.0447)
Democracy (FH) <sub>t-3</sub>	-0.173 (0.195)	0.000494 (0.0761)	0.0503 (0.0664)	0.0338 (0.0582)	-0.0384 (0.0492)
Agriculture Value Added (% GDP) <sub>t-3</sub>	-0.0346 (0.0473)	-0.0331 (0.0280)	-0.0417** (0.0170)	-0.0252 (0.0205)	-0.0137 (0.0191)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	469	462	462	449	464
Countries	46	45	45	45	46

Standard errors in parentheses \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Appendix B

### B.1 Determinants of Tax Revenues, World Bank Tax Aid Data

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Goods Tax Revenue (% GDP)	Income Tax Revenue (% GDP)
<b>WB project tax aid (% GDP)<sub>t-3</sub></b>	<b>0.962</b> <b>(2.184)</b>	<b>3.420</b> <b>(2.251)</b>	<b>-1.577***</b> <b>(0.561)</b>	<b>3.630***</b> <b>(1.305)</b>	<b>-1.750</b> <b>(1.180)</b>
<b>Official Aid (% GDP)<sub>t-3</sub></b>	<b>1.912***</b> <b>(0.609)</b>	<b>2.157***</b> <b>(0.680)</b>	<b>-0.0925</b> <b>(0.274)</b>	<b>0.972</b> <b>(0.692)</b>	<b>1.141*</b> <b>(0.617)</b>
GDP growth <sub>t-1</sub>	0.00397 (0.0594)	-0.000371 (0.0639)	-0.0128 (0.0220)	0.0280 (0.0312)	0.0208 (0.0478)
Trade (% GDP) <sub>t-1</sub>	- 0.0371*** (0.0110)	-0.0365** (0.0169)	-0.000749 (0.00861)	-0.0421*** (0.0136)	0.0143 (0.00972)
GDP per capita (logged) <sub>t-1</sub>	0.859 (1.012)	0.0576 (1.690)	0.463 (1.005)	-1.249 (0.841)	1.142 (1.277)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0253 (0.0332)	-0.0132 (0.0569)	0.0469 (0.0435)	-0.00238 (0.0435)	0.0172 (0.0189)
Democracy (FH) <sub>t-1</sub>	-0.324 (0.352)	-0.0464 (0.382)	-0.461 (0.326)	0.219 (0.189)	-0.206 (0.160)
Agriculture Value Added (% GDP) <sub>t-1</sub>	-0.360*** (0.129)	-0.321** (0.155)	-0.0674 (0.0552)	-0.265*** (0.0975)	0.0300 (0.0986)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	150	141	142	150	144
Countries	17	17	17	17	16

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## B.2 Determinants of Tax Revenues, ICTD Tax Revenue Data

DV=	(1)	(2)	(3)	(4)	(5)
	Tax Revenue (% GDP)	Domestic Tax Revenue (% GDP)	Trade Tax Revenue (% GDP)	Indirect Tax Revenue (% GDP) <sup>7</sup>	Direct Tax Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-3</sub></b>	<b>0.0216</b> <b>(0.0181)</b>	<b>0.0790***</b> <b>(0.00653)</b>	<b>-0.0667***</b> <b>(0.00529)</b>	<b>0.108***</b> <b>(0.00562)</b>	<b>-0.0300***</b> <b>(0.00459)</b>
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>	<b>-0.0271</b> <b>(0.0191)</b>	<b>-0.0411***</b> <b>(0.0151)</b>	<b>0.0121</b> <b>(0.0109)</b>	<b>-0.0176**</b> <b>(0.00879)</b>	<b>-0.0134**</b> <b>(0.00564)</b>
GDP growth <sub>t-3</sub>	0.0272** (0.0120)	-0.00340 (0.0156)	0.0276*** (0.0102)	-0.00790 (0.0116)	0.00149 (0.00720)
Trade (% GDP) <sub>t-3</sub>	-0.00740 (0.00932)	0.0102 (0.0103)	-0.0155 (0.0121)	0.00739 (0.0103)	0.00365 (0.00303)
GDP per capita (logged) <sub>t-3</sub>	-0.196 (0.437)	0.424 (0.468)	-0.502* (0.276)	0.433 (0.390)	-0.0590 (0.266)
FDI net inflows (% GDP) <sub>t-3</sub>	0.0176*** (0.00482)	0.0294*** (0.00349)	-0.00960*** (0.00351)	0.0210*** (0.00336)	0.00866*** (0.00183)
Democracy (FH) <sub>t-3</sub>	-0.0935 (0.0928)	-0.0674 (0.0774)	0.0387 (0.0497)	-0.0963 (0.0661)	0.0196 (0.0367)
Agriculture Value Added (% GDP) <sub>t-3</sub>	-0.0924*** (0.0268)	-0.0225 (0.0261)	-0.0368* (0.0204)	-0.0137 (0.0209)	-0.00801 (0.0129)
Country dummies	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes
Observations	2,946	2,484	2,515	2,438	2,539
Countries	142	135	135	134	138
Robust standard errors in parentheses				*** p<0.01, ** p<0.05, * p<0.1	

<sup>7</sup> We exclude trade tax revenue in the measure of indirect tax revenue.

## Appendix C

### C.1 Determinants of VAT Introduction

DV=	VAT Intro	VAT Intro	VAT Intro
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>1.812*</b>		
	<b>(1.004)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.00630</b>		
	<b>(0.0131)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.824</b>	
		<b>(1.368)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.00511</b>	
		<b>(0.0226)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-2.133</b>
			<b>(2.556)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>3.59e-05</b>
			<b>(0.0203)</b>
GDP growth <sub>t-1</sub>	-0.0209	-0.0241	-0.0182
	(0.0240)	(0.0252)	(0.0253)
Trade (% GDP) <sub>t-1</sub>	-0.00366	-0.00243	-0.00139
	(0.00300)	(0.00300)	(0.00276)
GDP per capita (logged) <sub>t-1</sub>	-0.0233	-0.136	-0.162
	(0.240)	(0.230)	(0.239)
FDI net inflows (% GDP) <sub>t-1</sub>	0.0756	0.0878	0.0864
	(0.0571)	(0.0547)	(0.0555)
Democracy (FH) <sub>t-1</sub>	-0.0258	-0.0642	-0.175
	(0.394)	(0.394)	(0.414)
Agricultural Value Added (% GDP) <sub>t-1</sub>	0.0232	0.0262	0.0331
	(0.0259)	(0.0251)	(0.0251)
Low Tax Revenue	-0.0121	-0.0156	-0.00520
	(0.0165)	(0.0160)	(0.0167)
VAT Diffusion	0.186**	0.224***	0.102
	(0.0740)	(0.0680)	(0.167)
Decade	0.0380	-0.0223	-0.0364
	(0.177)	(0.211)	(0.210)
Observations	626	625	619

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

## Appendix D

### D.1 Determinants of Personal and Corporate Income Tax Revenue

DV=	PIT Revenue (% GDP)	PIT Revenue (% GDP)	PIT Revenue (%) GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)	CIT Revenue (% GDP)
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.306*</b> <b>(0.162)</b>			<b>0.0590</b> <b>(0.211)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.00107</b> <b>(0.00570)</b>			<b>0.00206</b> <b>(0.00599)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0724</b> <b>(0.0942)</b>			<b>-0.0204</b> <b>(0.153)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.000698</b> <b>(0.00808)</b>			<b>-0.00170</b> <b>(0.00585)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0543</b> <b>(0.0840)</b>			<b>0.0124</b> <b>(0.104)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.00263</b> <b>(0.00768)</b>			<b>-0.000286</b> <b>(0.00564)</b>
GDP growth <sub>t-1</sub>	0.00506 (0.00370)	0.00528 (0.00398)	0.00663 (0.00431)	0.00432 (0.00671)	0.00510 (0.00655)	0.00962** (0.00438)
Trade (% GDP) <sub>t-1</sub>	0.00120 (0.00199)	0.000438 (0.00203)	-0.000115 (0.00219)	0.00563* (0.00307)	0.00453 (0.00295)	0.00461 (0.00289)
GDP per capita (logged) <sub>t-1</sub>	0.00545 (0.137)	-0.0274 (0.142)	-0.0284 (0.149)	-0.109 (0.156)	-0.112 (0.154)	-0.145 (0.152)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00682 (0.00499)	0.00656*** (0.00149)	0.00320*** (0.000900)	-0.00175 (0.00544)	0.00140 (0.00127)	0.00305*** (0.000850)
Democracy (FH) <sub>t-1</sub>	-0.00638 (0.0233)	-0.00482 (0.0236)	-0.00257 (0.0234)	-0.0211 (0.0292)	-0.0283 (0.0288)	-0.0293 (0.0286)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00991 (0.00923)	-0.0111 (0.00974)	-0.0108 (0.00933)	0.00791 (0.00899)	0.00634 (0.00861)	0.00405 (0.00815)
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,760	1,774	1,771	1,729	1,741	1,741
Countries	122	122	122	117	117	117

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1



## D.2: Determinants of Indirect Tax Taxpayer Base

DV=	Tax Inspections	Tax Inspections	Tax Inspections	% Firms Formally Registered	% Firms Formally Registered	% Firms Formally Registered
<b>Tax Aid (% GDP)<sub>t-1</sub></b>	<b>-0.0999</b> <b>(0.194)</b>			<b>-0.0647</b> <b>(0.0673)</b>		
<b>Non-Tax Aid (% GDP)<sub>t-1</sub></b>	<b>0.00334</b> <b>(0.0167)</b>			<b>0.0530</b> <b>(0.167)</b>		
<b>Tax Aid (% GDP)<sub>t-3</sub></b>		<b>0.0645</b> <b>(0.127)</b>			<b>-1.400</b> <b>(1.833)</b>	
<b>Non-Tax Aid (% GDP)<sub>t-3</sub></b>		<b>-0.0117</b> <b>(0.0102)</b>			<b>0.128</b> <b>(0.165)</b>	
<b>Tax Aid (% GDP)<sub>t-5</sub></b>			<b>0.0701</b> <b>(0.181)</b>			<b>-1.125</b> <b>(2.053)</b>
<b>Non-Tax Aid (% GDP)<sub>t-5</sub></b>			<b>-0.00991</b> <b>(0.0115)</b>			<b>0.0316</b> <b>(0.124)</b>
GDP growth <sub>t-1</sub>	0.00110 (0.0151)	0.00170 (0.0143)	0.00116 (0.0119)	-0.000249 (0.0649)	0.00766 (0.0696)	0.0193 (0.0758)
Trade (% GDP) <sub>t-1</sub>	-0.00147 (0.00458)	-0.00331 (0.00397)	-0.00379 (0.00436)	-0.0104 (0.0230)	-0.0159 (0.0242)	-0.0162 (0.0246)
GDP per capita (logged) <sub>t-1</sub>	-0.296 (0.213)	-0.293* (0.177)	-0.256 (0.179)	-1.047 (1.733)	-1.022 (1.759)	-1.171 (1.897)
FDI net inflows (% GDP) <sub>t-1</sub>	0.00110 (0.0144)	0.00289 (0.00964)	-0.00324 (0.00658)	0.153 (0.102)	0.155 (0.0996)	0.174* (0.104)
Democracy (FH) <sub>t-1</sub>	-0.0257 (0.0405)	-0.00228 (0.0305)	-0.0116 (0.0317)	0.522** (0.243)	0.540** (0.243)	0.539** (0.247)
Agricultural Value Added (% GDP) <sub>t-1</sub>	-0.00248 (0.0161)	-0.00193 (0.0138)	-0.00570 (0.0132)	-0.234** (0.112)	-0.252** (0.114)	-0.296** (0.118)
Total Sales (logged)	0.0526*** (0.00700)	0.0510*** (0.00655)	0.0509*** (0.00659)			
Total Employment (logged)	0.112*** (0.0112)	0.117*** (0.0105)	0.117*** (0.0104)			
Country dummies	Yes	Yes	Yes	Yes	Yes	Yes
Year dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	73,041	78,096	78,647	2,877	2,861	2,810

Robust standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1