

1 Recent Studies on Taxation and Economic Performance

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8 This appendix summarizes 40 empirical studies of taxation and economic performance
9 published since 2012. A “scorecard” below summarizes the results from these 40 papers,
10 indicating whether the general relationship between taxes and economic performance is: positive,
11 negative, has no relationship, an asymmetric relationship, or a nonlinear relationship; or in cases
12 of specific types of taxation whether it is: positive, negative, or the paper explicitly mentioned
13 that it has no impact on economic performance. Additionally, the scorecard records the number
14 of papers that found positive economic benefits in revenue-neutral tax shifts and those that found
15 no effect of a revenue-neutral tax shift.

16 Beginning with the general relationship between taxation and economic performance, the
17 majority of papers (27) found a negative relationship, while only two found a positive
18 relationship. There were also five papers that found either nonlinear or asymmetric relationships,
19 and there were 9 who found no significant relationship. With respect to more specific methods of
20 taxation, among the 19 papers that analyzed corporate income tax, 17 obtained results showing a
21 negative relationship between corporate income tax and economic growth, with the other two
22 finding no impact. A similar result was found when investigating the effects of a personal
23 income tax, with 9 of 12 finding a negative relationship and one finding a positive relationship.
24 Seven of nine studies on payroll and social security taxes, three of five property tax results, and
25 two of three consumption tax results found negative relationships. Finally, there were six studies
26 investigating the benefits of revenue-neutral tax shifts, four of which found economic benefit

27 from shifting from income and labor taxes to consumption taxes, while two found no significant
 28 evidence of economic benefit. In summary, the most common finding of the recent empirical
 29 literature is that taxes have a negative impact on economic performance.

Summary						
Total General: 40	Total CIT: 19	Total PIT: 12	Total ST: 3	Total PRT/SS: 9	Total PROP: 5	Total RNTS: 6
Negative: 27	Negative: 17	Negative: 9	Negative: 2	Negative: 7	Negative: 3	Shift: 4
Positive: 2	Positive: 0	Positive: 1	Positive: 0	Positive: 2	Positive: 0	Non-shift: 2
Ambiguous: 9	No impact: 2	No impact: 2	No impact: 1	No impact: 0	No impact: 2	
Asymmetric: 1						
Nonlinear: 1						

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