Tax Compliance of Multinationals

and Industry Concentration in the European Union

Supplementary Materials

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Appendix A   Appendix

Table A.1: Event study estimates – sales

Variable Analysis level	(1) Effective tax rate Group	(2) log(Sales, consolidated) Group	(3) log(Sales, unconsolidated) Subsidiary
2007 × treatment	-0.017	-0.008	0.033***
	(0.014)	(0.028)	(0.012)
2008 × treatment	-0.022	0.018	0.018*
	(0.015)	(0.027)	(0.010)
2009 × treatment	-0.005	0.010	0.007
	(0.016)	(0.024)	(0.009)
2010 × treatment	-0.013	0.019	0.006
	(0.013)	(0.023)	(0.008)
2011 × treatment	-0.002	0.009	0.008
	(0.013)	(0.021)	(0.007)
2012 × treatment	-0.012	0.038**	0.012*
	(0.012)	(0.019)	(0.007)
2013 × treatment	0.016	0.022	0.005
	(0.012)	(0.015)	(0.006)
2014 × treatment	0.009	-0.007	-0.004
	(0.012)	(0.013)	(0.005)
2016 × treatment	0.016	-0.021	-0.013***
	(0.011)	(0.013)	(0.004)
2017 × treatment	0.015	-0.012	-0.005
	(0.012)	(0.016)	(0.005)
2018 × treatment	0.034**	-0.021	-0.015**
	(0.013)	(0.018)	(0.006)
2019 × treatment	0.025*	-0.048**	-0.007
	(0.014)	(0.021)	(0.007)
2020 × treatment	0.043***	-0.067***	-0.029***
	(0.015)	(0.022)	(0.007)
2021 × treatment	0.027*	-0.100***	-0.035***
	(0.015)	(0.026)	(0.009)
Observations	164,209	164,209	707,658
Adjusted R^2	0.398	0.953	0.939
Country × industry × year FE	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes

Robust standard errors in parentheses

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

Note: this table summarises the yearly differences between the control group and the treatment group in consolidated effective tax rate (column (1)), consolidated sales (column (2)), and unconsolidated sales (column (3)), relative to the 2015 baseline. Standard errors are clustered on the shareholder level (columns (1)–(2)) and the subsidiary level (column (3)). Industry classification is at the 2-digit level.

Figure A.1: Robustness tests – subsidiary level
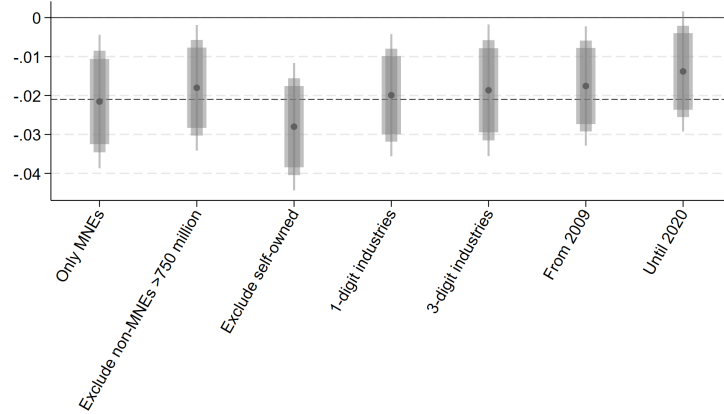
Note: This figure summarises the point estimates of the effect of country-by-country reporting on consolidated sales along with their confidence intervals at the 90%, 95%, and 99% level for our robustness tests at the subsidiary level. The solid horizontal line indicates zero and the dashed horizontal line indicates our main estimate in Table 2.

**Table A.2:** Event study estimates – industry concentration

Variable	(1) Concentration (top 8)	(2) Concentration (top 4)	(3) Concentration (top 1)
Treated share	0.050***	0.026***	0.009*
	(0.012)	(0.010)	(0.005)
2008 × treated share	0.006	0.009	0.003
	(0.020)	(0.014)	(0.006)
2009 × treated share	0.021	0.023	0.002
	(0.017)	(0.014)	(0.006)
2010 × treated share	0.029*	0.038***	0.011**
	(0.016)	(0.012)	(0.005)
2011 × treated share	0.009	0.017	0.007
	(0.014)	(0.011)	(0.006)
2012 × treated share	0.006	0.012	0.005
	(0.012)	(0.010)	(0.005)
2013 × treated share	0.006	0.014*	0.005
	(0.010)	(0.007)	(0.004)
2014 × treated share	0.006	0.010	0.002
	(0.008)	(0.006)	(0.004)
2016 × treated share	-0.013	0.000	-0.003
	(0.009)	(0.006)	(0.003)
2017 × treated share	-0.005	0.006	-0.001
	(0.012)	(0.008)	(0.004)
2018 × treated share	-0.009	-0.001	-0.001
	(0.011)	(0.009)	(0.005)
2019 × treated share	-0.019	-0.005	-0.000
	(0.012)	(0.009)	(0.005)
2020 × treated share	-0.039***	-0.024**	-0.002
	(0.012)	(0.010)	(0.006)
Observations	10,688	12,590	14,083
Adjusted R^2	0.875	0.866	0.852
Country × industry FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes

Robust standard errors in parentheses

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

Note: this table summarises the yearly estimates of the treated share of the top 8, top 4, and top 1 firm on industry concentration, relative to the 2015 baseline. Standard errors are clustered on the country-industry level. Treated share is the share of the top 8, top 4, or top 1 firm(s) that are treated. Industry classification is at the 2-digit level.

Figure A.2: Robustness tests – industry level
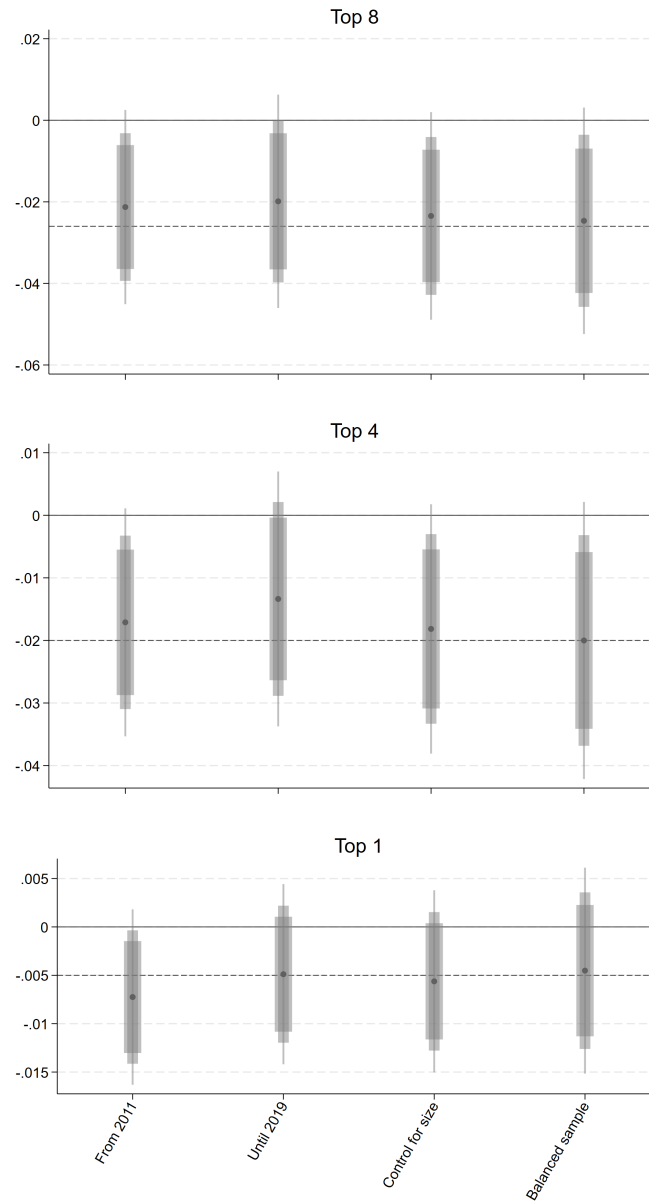
Note: These figures summarise the point estimates along with their confidence intervals at the 90%, 95%, and 99% level for our robustness tests at the industry level for the sales shares of the top 8, the top 4, and the top 1 largest firms. Size is taken as the natural logarithm of aggregate sales in the industry. In all three figures, the solid horizontal line indicates zero and the dashed horizontal line indicates our main estimate in Table 2.