

TAX INTRODUCTION DATASET - TID

Overview of the project

The modern state is a 'tax state' (Schumpeter 1917). The level and structure of tax revenue determines what a government can and cannot do, how many civil servants it can hire, how many services it can deliver, how modestly or ambitiously it can define its goals, and how effectively it can constitute its authority domestically and internationally. The level and structure of taxation also shapes the society the government governs. It determines who has to pay for the state and who not, who gains and who loses, who is empowered and who is disempowered. We plan to analyze the diffusion and transformation of the modern state through the lens of taxation. We will attempt to map and explain fundamental differences in the structures and developmental pathways of national tax systems for a global sample of Western and Non-Western states since the 19th century. To do so we collect information on the first permanent introduction of six major taxes (inheritance, personal and corporate income, social security contributions, general sales and value added). Next to the creation and maintenance of the open access dataset, the project encompasses the elaboration of an edited volume about the global diffusion of modern taxation, several workshops and journal publications.

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Description of the dataset

TID contains information on the year and the mode of the first permanent introduction at the national level of six major taxes (inheritance tax, personal income tax, corporate income tax, social security contributions, general sales tax and value added tax) in 220 countries, 1750-2018. Wherever possible, each data entry is supported by qualitative comment on the historical circumstances of tax introduction. TID is the most comprehensive dataset of its kind.

Sources of the data

The database is based on more than 2000 documents, including: Primary government documents: Legislative acts introducing or reforming taxes; Secondary government documents: Official government documents such as colonial administrative reports describing the introduction of a tax, either domestically or in another country; IGO/NGO/Consultancy reports: Reports on tax legislation and policy produced by international organizations such as the IMF or the OECD, by recognized NGOs such as the International Bureau of Fiscal Documentation (IBFD), or by private consultancies such as Deloitte; Academic sources: Scholarly works describing the introduction of a tax. These are chiefly but not exclusively produced by historians. A complete list of sources is provided in the Sourcebook. For more information of sources cf. Codebook 2019, page 12.

This dataset builds on, and substantively extends the dataset collected by Hanna Lierse and Laura Seelkopf:

- Hanna Lierse and Laura Seelkopf (2014): Tax Introduction Database (TID). Version 13.11.2014.
- Laura Seelkopf, Hanna Lierse and Carina Schmitt (2016): Trade liberalization and the global expansion of modern taxes. *Review of International Political Economy* 23/2: 208-231.

Brief description of methodology

The Tax Introduction Dataset (TID) consists of data on the year of the first permanent introduction at the national level of government of six major taxes, as well as on the top statutory tax rate for that year. The six taxes are the personal income tax (PIT), the corporate income tax (CIT), the inheritance tax (INH), compulsory social security contributions (SSC), the general sales tax (GST), and the value added tax (VAT). The dataset covers 220 former and current countries worldwide. Countries are independent states with full sovereignty over domestic and fiscal affairs that existed at any point between 1750 and 2018. For each country the dataset reports whether the tax introduction was preceded by the introduction of the same tax at the subnational

level. For each country that did not introduce a tax, the dataset reports whether the country inherited that tax from its historical predecessor (i.e. from a colonial power or other state that the country historically gained its independence from) or was simply never introduced. Each entry is linked to a source. Wherever possible, contextual information is provided in a comment section accompanying each data entry.