

**Instructions to replicate the analysis in "Under the Radar: The Effects of
Monitoring Firms on Tax Compliance",
by Miguel Almunia & David Lopez-Rodriguez.
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Important note: the data used in this paper is property of the Banco de España (Central Bank of Spain) and only available to approved researchers. In order to gain access to the data, please contact david.lopezr@bde.es.

Assuming that access to the data is granted, the steps required to replicate the analysis in the paper are the following: first, save all the Stata dofiles in a single folder. Second, open the file "_Master.do" and adapt the file paths to the raw data to those of the local computer. Third, execute the file "_Master.do". A comprehensive list of all the dofiles can be found in the next page.

For any questions about these programs, please contact the authors at m.almunia@warwick.ac.uk and/or david.lopezr@bde.es.

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Annex: List of dofiles used in the analysis

_Master.do // This file runs all others in the correct order.

1. Construction of the dataset

cbb_data1_9507.do // Import raw CBB data for 1995-2007
cbb_data1_08.do // Import raw CBB data for 2008
cbb_data2_9507.do // Construct annual CBB datasets
final_dataset.do // Create main dataset cbbpanel_9507.dta
prep_inputoutput.do // Import Input-Output table data
sumstats.do // Summary statistics (Table A.5)

* Auxiliary files: drop_navpv.do, provcodes.do, taxrates.do

2. Results (main paper + online appendix)

2.1 Bunching analysis

b1master.do: creates // Figure 2 + Tables 1 & 2 + Figure A.3
b1master_sensanalysis.do // Table A.6
b1master_qrt.do // Figures A.7 & A.8
b1master_bybinwidth.do // Figure A.6
alpha_byyear.do // Tables A.7 & A.8

* Auxiliary files: b0years.do, b1master_bybinwidth.do, b1master_qrt.do,
b1master_sensanalysis.do, b1master.do, b2dataprep.do, b3firstreg.do,
b4dataforboot.do, b5_bootregs.do, b5bootprog.do, b6bootrun.do,
b7draw_bygroup.do, b7draw_sensitivity.do

2.2 Histograms of reported revenue

cbb_hist_erd_pos.do // Figure A.1
cbb_hist_sales.do // Figure A.2

2.3 Complementarity Result

finalcons.do // Figure 3 + Tables 3 & 4 + Figure A.4
finalcons_byempl.do // Figure A.5 + Table A.9
finalcons_bybinwidth.do // Figure A.6

* Auxiliary files: drop_navpv.do, Match_TsioCnaeCodes.do, prep_inputoutput.do,
sectorcodes_cnae2.do

2.4 Reported inputs analysis

cbb_cigraphs.do // Figures 4 & 5 + Figure A.13 & A.17
cbb_cigraphs_empl.do // Figures A.9, A.10, A.11 & A.12
cbb_cigraphs_sec.do // Figures A.14, A.15 & A.16

* Auxiliary files: cigraph_qrt.do, cigraph_sec.do, cigraph.do, winsorize.do