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## **Income Taxation in Latin America and the Caribbean: Constructing a New Dataset Based on Household Survey Datasets**

**A Project of the Latin American and Caribbean Research Network**

Most studies analyzing the macroeconomic determinants and implications of tax policy for the developing world have typically conducted their analysis at the country level (e.g., Végh and Vuletin, 2015, and Gunter, Riera-Crichton, Végh and Vuletin, 2017). Moreover, given the lack of readily available data regarding relevant tax rates, tax brackets, deductions, and tax coverage, most studies focusing on a large group of countries have typically been unable to engage in a proper measurement of the personal income tax. For example, Végh and Vuletin (2015), who analyze how tax policy is conducted over the business cycle for 62 countries for the period 1960-2013, focus their attention solely on the highest personal income tax rate (as opposed to properly measuring the average marginal income tax rate).

Considering these data-driven limitations, this research project's main objective is to build a novel income tax dataset for the LAC region using proper tax code information and Household Survey (HS) Datasets (e.g., Encuesta Permanente de Hogares in Argentina). Moreover, considering that these Household Survey Datasets are conducted for several urban centers (and sometimes rural areas), typically located in different subnational units (e.g., provinces, departments, and states), this research project aims at building a novel income tax dataset at the national level as well as at the urban centers/rural areas level (e.g., Gran Buenos Aires, La Plata, Mendoza, Cordoba and La Rioja, among others, in Argentina).

As described above, the main objective of this research project is to build a novel income tax dataset for the LAC region at the national level as well as at the urban centers/rural areas level. Since most countries in LAC have been collecting HS Data for several decades now, this research project is expected to have a large coverage of LAC countries and time span (typically annual frequency, and quarterly when available).

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