

## Code used for Figures and Tables in Chetty (2012, *Econometrica*)

This zip file contains the following matlab, excel, and stata files which together produce the figures in the paper.

1. **bounds\_calculator.xls.** This excel file calculates intensive and extensive margin bounds and 0.95 confidence intervals using the propositions in the paper. A full description of how to use the calculator is included in cell 30A in the excel file. This file can be used to replicate the calculations in Tables 1 and 2.
2. **demand\_sims\_v8.m.** This .m file draws Figures 1, 2a, 3a, 3b, and Appendix Figures a and b using matlab. For specification of the functional form and parameter values, see the notes to these figures in the paper. Note that Appendix Figure b and Figure 1 are drawn using the same code.
3. **figure4a-b\_2011.xls.** This excel file plots Figures 4a-b by using the formulas in Proposition 1 and 2 to calculate the upper and lower bounds as a function of the observed elasticity for different values of the change in log p. To use the file, specify values for delta and change in log p and the graph on the lower half of the excel sheet will update automatically.
4. **figure7\_graph.do and figure7.dta.** The data used to plot Figure 7 is contained in the stata dataset figure7.dta. This data series was constructed from the entries in Table 1. The stata .do file figure7\_graph.do draws Figure 7 using this data series.
5. **meta\_analysis\_plot.do and meta\_analysis.dta.** The data used to plot Figure 8 is contained in the stata dataset meta\_analysis.dta. This data series was constructed from Table 1 as a two-way table in excel and lists the unified intensive margin bounds for each value of delta. The stata .do file meta\_analysis\_plot.do draws Figure 8 using this data series.
6. **taxcost\_sims.zip and taxcost1.ado.** These stata programs and datasets are used to generate the graphs in Figure 5a-d, 6a-b, 9a-b, and the marginal tax schedule and calculations in Figure 11. Because the .do files use the utility cost calculator TAXCOST and the marginal tax rate calculator TAXSIM, they can only be run on the NBER server. Information on using the TAXCOST calculator is available at <http://obs.rc.fas.harvard.edu/chetty/taxcost.html>. To run the code, unzip taxcost\_sims.zip into a folder on your NBER account and place taxcost1.ado inside the directory ado/stbplus/t in your NBER account. Next, run the do file taxcost\_sims/master\_do.do (which is contained in the .zip folder). This program will use the other stata files that are in the .zip folder to create the data needed for the figures. The graphs in the paper correspond to the files outputted by this code as follows.
  - (a) Figure 5a is the file “taxcost\_sims/output\_figures/ tra86-taxrate-int.gph”
  - (b) Figure 5b is the file “taxcost\_sims/output\_figures/ tra86-financialcost-int.gph”
  - (c) Figure 5c is the file “taxcost\_sims/output\_figures/tra86-percent-int.gph”
  - (d) Figure 5d is the file “taxcost\_sims/output\_figures/ tra86-income-int.gph”

- (e) Figure 6a is the file “taxcost\_sims/output\_figures/intmargin\_1970-2006.gph”
- (f) Figure 6b is the file “taxcost\_sims/output\_figures/extensivemargin\_1970-2006.gph”
- (g) Figure 9a is the file “taxcost\_sims/output\_figures/eitc-percent-int.gph”
- (h) Figure 9b is the file “taxcost\_sims/output\_figures/eitc-percent-ext.gph”
- (i) The calculations and marginal tax rate schedule in Figure 11 are contained in “taxcost\_sims/output\_figures/bunch-ZER2006-percent.gph”

Additionally, stata .dta files corresponding to each of these graphs will be located in the folder taxcost\_sims/output\_data. The stata .do files “taxcost\_sims/dofiles/graphs.do” and “taxcost\_sims/dofiles/allyearstables.do” contain details on the calculations underlying these figures.

**7. figure10\_graph.do and figure10.dta.** The data used to plot Figure 10 is contained in the stata dataset figure10.dta. This data series was constructed from the entries in Table 2. The stata .do file figure10\_graph.do draws Figure 10 using this data series.

**8. density\_2006.dta, bunching\_plot.do, bunching\_sim.m, and tax.m.** The stata .do file bunching\_plot.do uses the stata dataset density\_2006.dta to plot Figure 11. The matlab programs generate the empirical income distribution that is contained in density\_2006. The program bunching\_sim.m simulates the optimal income distribution in the frictionless labor supply model and calls tax.m, which computes tax liabilities using the 2006 tax schedule. See #6(i) above for how the other components of this figure were computed.