

Data Description

1. A description of which author(s) handled the data and conducted the analyses

Anna Theresa Bührle, Elisa Casi, and Barbara Stage handled the data and conducted the analysis.

2. A detailed description of how the raw data were obtained or generated, including data sources, the specific date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.

- Firm-level data are gathered from the Bureau Van Dijk Orbis database. This database was purchased by the University of Mannheim. We first downloaded the data for the industry-level analysis in October 2021 (updated downloads for the M&A country-level analysis in March 2023, and for the target-level analysis in May 2024) while Anna Theresa Bührle was a PhD student (until 2022) and Johannes Voget was employed at this institution (until today).
- Data on US firms are gathered from Compustat. This database was purchased by the NHH Norwegian School of Economics, and we downloaded the data in July 2024.
- Data on M&A are gathered from the Bureau Van Dijk Zephyr database (update 30). This database was purchased by the University of Mannheim, and we downloaded the data in March 2021 while Anna Theresa Bührle was a PhD student at this institution.
- Data on firm entry and exit rate has been downloaded from Eurostat's Business Demography Database. This database is publicly available. Elisa Casi gathered the data in October 2021.
- Tax return data for the full population of Norwegian corporate entities have been gathered from Norway Statistics. This database was purchased by Skatteforsk (Center for Tax Research at NMBU) and can be accessed by Elisa Casi and Barbara Stage through their fellowship. Elisa Casi downloaded the data in May 2024.
- Financial and corporate data for the full population of Norwegian corporate entities have been gathered from Norway Statistics. This database was purchased by Skatteforsk (Center for Tax Research at NMBU) and can be accessed by Elisa Casi and Barbara Stage through their fellowship. Elisa Casi downloaded the data in May 2024.
- Information on legislative changes have been manually collected by Anna Theresa Bührle relying on a combination of different data sources. An overview over a previous version is available in Bührle, A. T., & Spengel, C. (2020). *Tax law and the transfer of losses: A European overview and categorization. Intertax*, 48(6/7). The data has been updated for the current project. First, we used data from IBFD Tax Research Platform. This database was purchased by the University of Mannheim, and we accessed the data from 2019 to 2022 while Anna Theresa Bührle was a PhD student at this institution. Second, we used publicly available information from the EY Worldwide Corporate Tax Guides, the PwC Worldwide Tax Summaries, the KPMG Tax Guides, and OECD (specifically: *OECD (2011), Corporate Loss Utilisation through Aggressive Tax Planning*). Third, we used current and historical versions of corporate and income tax codes of the countries in our sample. These tax codes are publicly available via different websites.

3. If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not

make this information publicly available. The authors should also provide information to the editors about the data sharing agreement with the organization (e.g., non-disclosure agreement, any restrictions imposed by the organization on the authors with respect to publishing certain results).

Not applicable as we do not use proprietary data in the analysis in this study.

4. *A complete description of the steps necessary to download, obtain or collect as well as process the data used in the final analyses reported in the paper. For experimental and survey papers, we require information about the instructions and instruments used to generate the data, subject eligibility and/or selection, as well as any exclusion criteria. The full set of instructions and instruments can be provided in the online appendix.*

Sections 4.1 “Data” and 4.2.1. “Identification strategy” in the manuscript and the attached codes describe the steps necessary to gather and process the data used in the final analyses reported in the paper.

5. *After downloading or obtaining the raw data, all manipulations of the data should be done via computer programs. The code for these manipulations should be included in the code submitted upon acceptance (see below). No manipulations of raw data can take place manually or outside the computer code provided. If compliance with this requirement is not feasible, the authors need to explain and disclose any manipulations of the raw data (e.g., manually created variables or file conversions). When feasible, we also encourage the authors to share the code that downloads the data.*

All data manipulations are provided in the attached codes. The raw data can be downloaded from the sources identified above.

6. *The computer programs (i.e., code) used to (1) convert the raw data into the final dataset used in the analysis, (2) to execute the statistical or econometric analysis, and (3) to generate the tables or to produce the output used in constructing tables of the manuscript. A brief description that enables other researchers to understand and run the code should be provided. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the raw data were processed, the final sample was formed, variables were defined, outliers were treated, and which commands were used in the analysis, etc. This code or programming is in most circumstances not proprietary. However, we recognize that some parts of the code or data generation process may be proprietary, including from the authors’ perspective. Therefore, instead of disclosing the proprietary portion of the code or program, researchers can provide a detailed step-by-step description of the code or the relevant parts of the code such that it enables other researchers to arrive at the same results that the authors obtained and presented in their manuscript. In such cases, the authors should inform the editors upon initial submission, so that the editors can consider an exemption allowing the step-by-step description. Whenever feasible, authors are required to provide the identifiers (e.g., CIK, CUSIP) for their final sample.*

We provide the codes necessary to process the raw data, construct the relevant variables and conduct the analyses reported in the paper. Please refer to the attached *read_me* text file for a description of each code. Codes are commented to facilitate the understanding of each step. The BvDIDs for our main analysis, i.e., the M&A country-level analysis (Tables 3 Panel A, 5, 6)

industry-level analysis (Tables 3 Panel B, 9, 10) are provided in the two *BvDIDs_M&A sample_targetIDs.csv* and *BvDIDs_industrylevelanalysis.csv* files.

7. *A comprehensive log file that shows the execution of the entire code. This log file should cover all the steps that convert the raw data into a final dataset and the execution of all statistical and econometric analyses presented in the tables of the manuscript. The portion of the log file that shows proprietary code or data may be masked. In this case, the reader should be referred to the step-by-step description provided as per the requirements in Item 6.*

The log files corresponding to each code are included in the folder.

8. *An assurance that the data and programs will be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.*

We assure that we will maintain the data and programs for at least six years, consistent with National Science Foundation guidelines.