

Review of: "Sectoral GDP and Tax Revenue: a Panel Data Analysis"

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Potential competing interests: No potential competing interests to declare.

This article presents an interesting research question. It shows results of a rigorous econometric procedure. However, from the problems that the econometric models presented, such as serial correlation and heteroskedasticity, the results are inaccurate. From these results it is difficult to interpret, conclude, and make policy recommendations. Therefore, the models is misspecified and authors should consider either proposing a different model and perform a similar econometric procedures or consider different statistical analysis techniques. For example, authors could consider other supervised machine-learning models/algorithms. When specifying another model take into account that tax revenue and GDP are, at any geographical scale, part of the same accounting identity and are, therefore, closely related. Moreover, authors could explore non-linear relationships that could account for multiplier-type effects. Authors are recommended to include a discussion section that will enrich their analysis about their main results and their contributions to policy-makers and the literature on the subject. Finally, authors are advised to work more on the conclusion. Currently conclusions are poor and have limited policy recommendations. Authors could include more recommendations beyond the obvious ones. For example, if Government wants to increase tax revenue, couldn't it stimulate and regulate agricultural activities that currently do not contribute greatly? Same question for informal economic activities. How would the Government do this? How to accurately measure the way geography plays an important role on tax revenue contributions?