

# 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 research paper aims to reveal the impact of industrial sector GDP on tax revenues by analyzing the relationship between taxes and the gross domestic product (GDP) of various industrial sectors. The results show that there is a positive correlation between industry, mining, accommodation, finance and taxation in 34 provinces in Indonesia, while agriculture, transportation and communication are negatively correlated with taxation. It is of practical significance for the government to formulate a tax growth strategy for the GDP of the industrial sector. However, there are still the following areas for improvement:

First, as a normative empirical research paper. The structure of this article lacks a literature review and hypothesis to present the content of this chapter. Due to the lack of combing through the classical literature, in fact, the research question in this paper has been studied as early as the article Atkinson, & Stiglitz (1976), the relationship between the design of a country's tax structure and GDP, and the article by Besley, T., & Persson, T. (2014) on why there are so few tax revenues in developing countries. Therefore, the research question in this paper is not innovative.

Second, in terms of research methodology, this paper uses OLS and fixed-effect models, but does not solve the potential endogeneity problems, for example, there is an endogeneity problem caused by the omission of variables in the model, and if taxes in various sectors will promote GDP growth, then sectors with high GDP will also promote the increase of tax revenue, and there will be an endogeneity problem caused by reverse causality. Therefore, this study does not address the underlying endogeneity problem, and the conclusions drawn are unscientific and unobjective.

Third, there were only four references in this study, and the reference format was inconsistent, and the sources were not from top journals. Therefore, the discourse in this article lacks the necessary arguments to support it.