SUPPLEMENTARY APPENDIX

for

Unequal Rewards to Firms:

Stock Market Responses to the Trump Election and the 2017 Corporate Tax Reform

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	Obs	Min	P25	Mean	Median	P75	Max	Std. Dev.
AR House bill introduced (Nov 2)	2587	-35.19	-0.81	0.26	0.34	1.39	159.26	4.73
CAR Nov 3 through Nov 15	2582	-56.13	-4.03	-1.08	-0.86	1.94	84.92	7.83
AR House vote passed (Nov 16)	2582	-24.15	-0.71	0.44	0.17	1.12	159.25	3.89
CAR Nov 17 through Dec 1	2572	-51.50	-4.89	-0.42	-0.41	3.98	110.56	10.66
AR Senate vote passed (Dec 4)	2573	-59.54	-1.11	0.08	0.22	1.41	35.40	2.86
CAR Dec 5 through Dec 22	2567	-35.04	-4.67	-1.08	-1.68	1.57	105.45	7.32
CAR House introduction to Signature (Nov 2 through Dec 22)	2567	-52.57	-7.09	-0.85	-1.67	4.35	146.39	13.26
Cash effective tax rate (ETR) in percent	1901	0.00	8.85	20.70	20.68	30.74	74.63	14.29
Percent revenue from foreign sources	1936	0.00	0.00	25.12	15.64	43.26	100.00	28.15
Capital expenditures in percent of total assets	2556	0.00	0.42	3.31	2.04	4.65	33.75	4.08
Interest deductibility curtailed	2587	0.00	0.00	0.22	0.00	0.00	1.00	0.41
Ln(Market value of equity)	2587	3.47	6.52	7.68	7.54	8.63	13.58	1.57
Percent revenue growth	2544	-100.00	-1.78	29.97	5.00	14.81	28311.47	638.06
Profitability	2581	-385.21	0.72	1.84	3.48	8.45	122.11	19.55

Notes: Our sample includes the Russell 3000 constituents as of November 8, 2016 with stock prices above US$5 at the end of September 2017. All returns are reported in percentage points. AR indicates abnormal return, and CAR indicates cumulative abnormal return. CAPM-adjusted returns for all days from November 9, 2016 through December 29, 2017 are computed as the daily excess return on the stock minus beta times the Russell 3000 excess return, where beta is estimated on daily excess returns from October 1, 2015 through September 30, 2016. The risk-free rate is the 1-month T-bill rate. The following variables are taken from Compustat or are computed based on Compustat data (Compustat mnemonics in capitals in parentheses): Total Assets (AT), Percent revenue growth ($100*(SALE-SALE_{t-1})/SALE_{t-1}$), Profitability ($100*$pretax income / assets = $100*(PI/AT)$), Cash taxes paid in percent of current year pretax income, adjusted for special items (Cash ETR = $100*(TXPD/(PI-SPI))$), Capital expenditures in percent of assets ($100*CAPX/AT$), and Interest deductibility curtailed (a binary indicator variable equal to one for firms where interest expense exceeds interest income plus 30% of EBIT, that is, $XINT>IDIT+0.3*EBIT$). Percent revenue from foreign sources is from Bloomberg, supplemented by data computed from Compustat segment data.

	(1)	(2)	(3)
Dependent variable:	Returns on the Russell 3000 total return index		
Beta on cash ETR	11.712	11.815	15.510
	(3.37)	(1.532)	(1.43)
Beta on percent foreign revenue			37.434
			(1.86)
Beta on Ln(Market value of equity)		8.152	8.619
		(0.217)	(0.18)
Beta on percent revenue growth		10.559	7.400
		(2.363)	(1.40)
Beta on profitability		6.234	5.072
		(1.007)	(0.79)
Fama-French Beta on Market		0.957	0.887
		(0.027)	(0.02)
Frama-French Beta on SMB		0.138	0.105
		(0.046)	(0.04)
Fama-French Beta on HML		0.020	0.137
		(0.026)	(0.02)
Daily constant		0.816	0.857
		(0.020)	(0.02)
Constant	0.110	0.004	0.009
	(0.03)	(0.011)	(0.01)
Observations	287	287	287
R-squared	0.051	0.915	0.942

Notes: This table presents OLS regressions of the daily returns on the Russell 3000 total return index on regression coefficients obtained from daily cross-sectional regressions of raw stock returns on firm characteristics. Robust standard errors are shown in parentheses.