

Abstract

The main objective of this thesis is to determine whether and if there is any incidence of corporate income tax on the level of wages. This topic has been discussed for decades, and the conclusions of empirical analyses vary across available studies. Data on 35 OECD Member States for the period 2000-2018 are examined to verify this impact. Because we believe that our variables affect each other over time and at the same time there is a variable in the model that causes heterogeneity, we use a panel VAR model. Altogether, two models are estimated, as we have demonstrated two datasets. However, the results show that there is no evidence that changes to the corporate income tax rate affect wages in any way. Although this discovery is not very statistically significant, it is a very interesting finding, which is consistent with some of the authors of contemporary scientific literature.