

**UNIVERSITI TEKNOLOGI MARA**

**EFFECT OF TAX STRUCTURE TOWARD ECONOMIC  
GROWTH: IN ECONOMIC COOPERATION  
AND DEVELOPMENT (OECD)  
COUNTRIES SELECTED**

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## **ABSTRACT**

In this paper investigates the relationship between the tax structures toward the economic growth in Economic Cooperation and Development (OECD) selected countries. In this study, the independent variable is tax structure. The component in the tax structure is value added tax, personal income tax, and corporate income tax and the dependent variable is annual growth GDP. This study use panel data consist of 13 years between 2003 until 2015 and use 30 Economic Cooperation and Development (OECD) selected countries were modelled into a multiple regression model. All the independent variable in this study is important toward the economic growth, value added tax, personal income tax and corporate income tax is the main income for Government. The results revealed that all the tax structure which is value added tax, personal income tax and corporate income tax has positive effect toward the economic growth. There is no significant impact on personal income tax toward the economic growth and other two taxes which is value added tax and corporate income tax has significant impact on growth.

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