**Regression Model with Dummy Variables – Tax Rate by Salary/Gender/Department**

**Single Model with Dummy Variables and Interactions with Unique Error Term:**

Variables: Y = Tax Rate (Taxes Paid/Gross Income); X1=Income; X2=1 if Female, 0 if Male X3=1 if Sales, 0if Accounting





Fitted Equations with respect to salary:

Male/Accounting:



Female/Accounting:



Male/Sales:



Female/Sales:

