

# Taxation trends in the European Union

Data for the EU Member States, Iceland and Norway



**2013 edition**



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Taxation and Customs Union

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Luxembourg: Publications Office of the European Union, 2013

ISBN 978-92-79-28852-4

ISSN 1831-8789

doi:10.2778/30605

Cat. No KS-DU-13-001-EN-N

**Theme: Economy and finance**

**Collection: Statistical books**

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*Printed in Belgium*

PRINTED ON ELEMENTAL CHLORINE-FREE BLEACHED PAPER (ECF)

## Preface

This is the seventh issue of 'Taxation Trends in the European Union', an expanded and improved version of a previous publication, 'Structures of the taxation systems in the European Union'. The objective of the report remains unchanged: to present a complete view of the structure, level and trends of taxation in the Union over a medium- to long-term period.

Taxation is at the heart of citizens' relationship with the State. It is not only government experts and academics, but also many citizens that ask the European Commission questions about tax levels in the EU and on how Member States compare with each other; this report, published annually, is one way of answering them. Much work has gone into making sure that the data it contains are fully comparable across countries. The methodology to ensure this was developed jointly by statisticians from Eurostat and economists from the Directorate-General for Taxation and the Customs Union, who have drafted the report. In addition, experts from national Statistical Offices and from the Ministries of Finance of all countries covered have actively contributed by supplying data and comments; we would like to express our thanks for their valuable suggestions and help.

This year, the publication date of the report has been brought forward even further in order to make available the data and analysis contained in it in good time for the European Semester, as the proper functioning of tax systems is a key prerequisite for economic growth. The data on the tax burden in the various Member States can thus be used as an input for the formulation of the Country-Specific Recommendations on tax reforms that will be announced at the end of the European Semester.

Besides the earlier publication date, the 2013 edition of the report presents for the first time quarterly data on the main tax categories, which allows for a deduction of the likely evolution in tax revenue in 2012. The 2013 edition also features a more streamlined and readable layout and text.

In addition to the analysis of Europe-wide trends in Part I, the report also includes a Part II with Country Chapters, covering each EU Member State plus Iceland and Norway. Country Chapters contain, besides a discussion on tax revenue trends, a sketch of the main characteristics of each country's tax system. Since 2009, the information can be complemented by a full listing of revenue by tax, the National Tax List, at the most disaggregated level available, accessible free of charge from the report's web page (<http://ec.europa.eu/taxtrends> as well as on 'Statistics Explained'). Finally, the 'Taxes in Europe' database (<http://ec.europa.eu/tedb>) contains detailed and updated information on the 650 most important taxes in force in the EU Member States.

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## Origin of this report

'Taxation trends in the European Union' is the result of cooperation between two Directorates-General of the European Commission: the Directorate-General for Taxation and Customs Union (DG TAXUD) and Eurostat, the Statistical Office of the European Communities. The National Accounts data collected from the national statistical offices by Eurostat were analysed by DG TAXUD staff.

For some indicators, additional estimates provided by experts from national tax departments, consulted in the context of the Working Group on the Structures of the Taxation Systems run by DG TAXUD, have been used. The Commission staff wishes to thank the Working Group experts for their very helpful oral and written contributions. Nevertheless, the Commission Services bear sole responsibility for this publication and its content. This report does not necessarily reflect the views of the tax departments in the Member States.

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## Language and dissemination

'Taxation trends in the European Union' is available in English only. The publication can be downloaded free of charge from the websites of the Directorate-General for Taxation and Customs Union (<http://ec.europa.eu/taxtrends>) or Eurostat (<http://ec.europa.eu/eurostat>). The paper version can be purchased from any of the sales outlets listed on the website of the Publications Office of the European Union (<http://publications.europa.eu>).

## Additional information

The National Tax Lists for almost all EU countries, showing tax revenues for all major taxes, has been published online, replacing and augmenting the List of Taxes contained up to the 2008 edition of this report (see NTL at: <http://ec.europa.eu/taxtrends> and at 'Statistics Explained'). Readers interested in taxation may also find detailed information on the legal form and revenue of the taxes currently in force in the EU Member States in the 'Taxes in Europe' database (<http://ec.europa.eu/tedb>).

## Acknowledgements

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# Abbreviations

Country abbreviations		Commonly used acronyms	
<b>BE</b>	Belgium	<b>EU</b>	European Union
<b>BG</b>	Bulgaria	<b>EMU</b>	Economic and monetary union
<b>CZ</b>	Czech Republic		
<b>DK</b>	Denmark	<b>MS</b>	Member State
<b>DE</b>	Germany	<b>EU-25</b>	European Union (BE, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, SI, SK, FI, SE, UK)
<b>EE</b>	Estonia	<b>EU-27</b>	European Union (BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, CY, LV, LT, LU, HU, MT, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK)
<b>IE</b>	Ireland	<b>EU-15</b>	European Union (BE, DK, DE, IE, EL, ES, FR, IT, LU, NL, AT, PT, FI, SE, UK)
<b>EL</b>	Greece	<b>EA-17</b>	Euro area (BE, DE, IE, EE, EL, ES, FR, IT, CY, LU, MT, NL, AT, PT, SI, SK, FI)
<b>ES</b>	Spain	<b>NMS-12</b>	New Member States (BG, CZ, EE, CY, LV, LT, HU, MT, PL, RO, SI, SK)
<b>FR</b>	France	<b>NMS-10</b>	New Member States (CZ, EE, CY, LV, LT, HU, MT, PL, SI, SK)
<b>IT</b>	Italy	<b>ECSC</b>	European Coal and Steel Community
<b>CY</b>	Cyprus	<b>EEA</b>	European Economic Area (European Union members + Iceland, Liechtenstein and Norway)
<b>LV</b>	Latvia		
<b>LT</b>	Lithuania	<b>PIT</b>	Personal Income Tax
<b>LU</b>	Luxembourg	<b>CIT</b>	Corporate Income Tax
<b>HU</b>	Hungary	<b>EATR</b>	Effective Average Tax Rate
<b>MT</b>	Malta	<b>ESA79</b>	European System of Accounts 1979
<b>NL</b>	Netherlands	<b>ESA95</b>	European System of Accounts 1995
<b>AT</b>	Austria	<b>GDP</b>	Gross Domestic Product
<b>PL</b>	Poland	<b>ITR</b>	Implicit Tax Rate
<b>PT</b>	Portugal	<b>SSC</b>	Social (Security) Contributions
<b>RO</b>	Romania	<b>VAT</b>	Value Added Tax
<b>SI</b>	Slovenia	<b>NTL</b>	National Tax List
<b>SK</b>	Slovakia		
<b>FI</b>	Finland	:	Not available
<b>SE</b>	Sweden	<b>n.a.</b>	Not applicable
<b>UK</b>	United Kingdom		
<b>IS</b>	Iceland (EEA member)	<b>pp</b>	percentage points
<b>NO</b>	Norway (EEA member)		



## Introduction

This publication presents time series of tax revenue data from National Accounts for the twenty-seven Member States, Iceland and Norway. It provides a breakdown of taxes according to different classifications: by type of tax (direct taxes, indirect taxes, social contributions), by level of government (central, state, local, social security funds, EU institutions), and by type of tax base (consumption, labour, capital). It also compiles data for the sub-groups of environmental and property taxes.

The breakdown of tax revenue data in percentage of GDP provides measures of the tax burden and of the structure of taxation in the different Member States, as well as developments over time. As for the tax burden by tax base, besides providing a breakdown, the report computes implicit tax rates (ITR), ITRs provide a measure of the effective average tax burden on different types of economic income or activities; in each case, the ITR expresses aggregate tax revenues as a percentage of the potential tax base.

The data on tax revenues by type of tax and by level of government are obtained by aggregating the tax transactions in National Accounts. These are provided by Member States to Eurostat and follow the classification prescribed by the 'European System of Accounts' (ESA95)<sup>(1)</sup>. The economic classification of taxes and the categorisation of energy taxes are computed specifically for this publication, using the National Tax List (National Accounts data) and complementing this with more detailed tax revenue data provided by the Member States. The computation of the ITRs requires additional assumptions and calculations. Ministries of Finance in the Member States have in particular helped to produce the required data. A comprehensive overview of the methodology and data used for this purpose is available in Annex B of the report.

This edition of the publication 'Taxation trends in the European Union' covers the 1995-2011 period, corresponding to the years for which National Accounts data are available for all reporting countries in the ESA95 format.

The publication is divided in two parts. Part I reviews the major trends and developments in taxation across the EU. It also includes for the first time this year the quarterly seasonally adjusted evolution of the main tax categories for the first three quarters of 2012. Part II contains 29 country chapters, which review the main trends in the development of the overall tax burden and give an overview of the tax system and of the main recent policy changes. The table of statistics provided for each country contains six blocks of data: A - Structure of revenues in % of GDP; B - Structure according to level of government in % of total taxation; C/D/E - Structure according to economic function in % of GDP, with specific reference to Environmental taxes (D) and Property taxes (E); F - Implicit tax rates.

Annex A presents the same data organised differently: each table presents a single tax category, in % of GDP or in % of total taxes, or an implicit tax rate, for all years and Member States for which they are available together with arithmetic and weighted EU averages. Annex B gives information about the source of the data used for the calculations presented in the report as well as about any country specific adjustments made during the computations. A detailed methodology can also be found in this Annex. It describes in detail the approach followed in calculating the ratios included in Annex A and the methods employed by the Ministries of Finance and the Commission Services to allocate the revenue of the personal income tax to labour, capital or other sources of taxable income together with the lists of all taxes for which revenue data were submitted by the Member States and their respective allocation to the different economic functions and environmental tax categories.

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<sup>(1)</sup> European Commission (1996).



# 1

Overall tax revenue



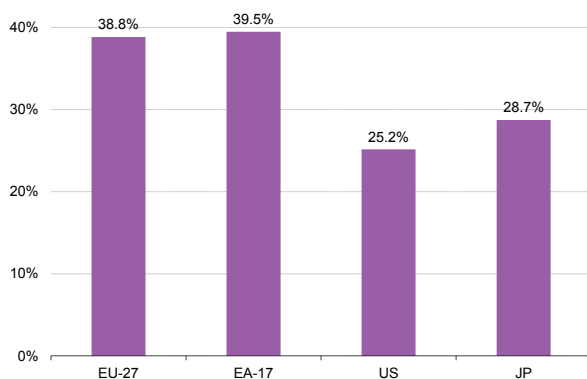
# 1. Development of the overall tax revenue in the European Union

## Level and long-term trends

### The EU remains a high tax area

In 2011, the overall tax ratio, i.e. the sum of taxes and social contributions in the 27 Member States (EU-27) amounted to an equivalent of 38.8 % of EU-27 GDP, more than 40 % above the levels recorded in the United States and Japan (see Graph 1). The tax level in the EU is high not only compared to those two countries but also compared to other advanced economies; among the major non-European OECD members, only Canada and New Zealand have tax ratios that exceed 30 % of GDP. As for less developed countries, they are typically characterised by relatively low tax ratios.

**Graph 1:** Overall tax-to-GDP ratio (incl. SSC) in the EU, US and Japan in 2011



Source: Commission Services and Eurostat (ESA95) ([gov\\_a\\_tax\\_ag](#)) for the EU, OECD (SNA2008) for the US and Japan

High EU tax levels are not new, dating back essentially to the last third of the 20th century. In those years, the role of the public sector became more extensive, leading to a strong growth of tax ratios in the 1970s, and to a lesser extent also in the 1980s and early 1990s. In the late 1990s, first the Maastricht Treaty and then the Stability and Growth Pact led EU Member States to adopt a series of fiscal consolidation packages. In some Member States, the consolidation process relied primarily on restricting or scaling back primary public expenditures, in others the focus was rather on increasing taxes (in some cases temporarily). By the end of that decade, however, a number of countries took advantage of buoyant tax revenues to reduce the tax burden, through cuts in the personal and corporate income tax as well as in social contributions.

### Tax revenues back to pre-crisis level in 2011

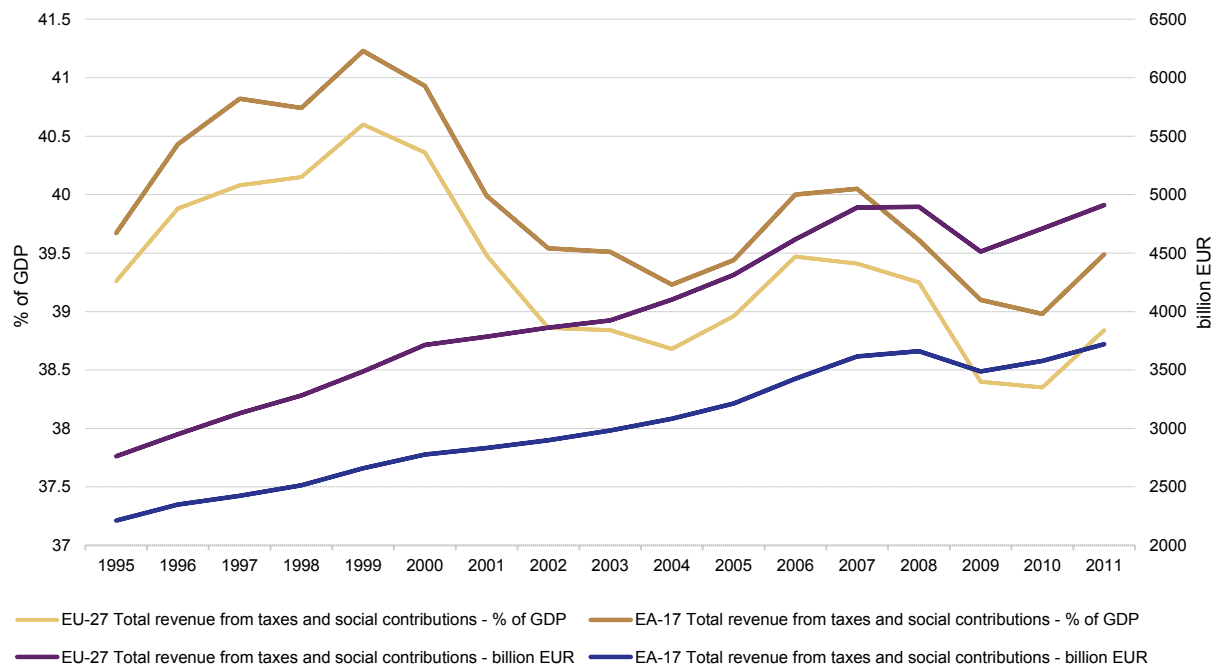
From a peak in 1999, the overall tax-to-GDP ratio started decreasing from 2000. This trend continued until 2004, when the overall tax ratio increased up to 2007 in the euro area and 2006 in the EU-27. The crisis led to a decline in the ratio which dropped sharply from 39.3 % in 2008 to 38.4 % in 2009 where it remained in 2010 (38.3 %). In 2011, the tax-to-GDP ratio increased by 0.5 pp to 38.8 %. Absolute tax revenues also increased in 2010 and rose once again in 2011 reaching pre-crisis levels.

The first effects of the global economic crisis were felt on revenues already in 2008 even though in the EU the annual growth turned negative only the following year - growth slowed down substantially during the third quarter of 2008 and turned negative in the last quarter. Tax revenues in the main tax categories displayed a corresponding pattern, with a differing fiscal lag for direct taxes, indirect taxes and social contributions. Mainly measures on the expenditure side were taken by the Member States during the trough of the recession. Those countries that introduced tax cuts directed them at cutting labour taxes and, to a smaller extent, capital taxation. The overall tax ratio reached its lowest value since the beginning of the decade in 2009. Initial consolidation measures and a modest recovery of the economy stabilised tax revenues in 2010, as the expenditure side saw consolidation in almost all countries in 2010 and 2011 (see Graph 2).

There are many reasons why government tax revenue varies from year to year. In general, the main reasons are changes in economic activity (affecting levels of employment, sales of goods and services, etc.) and in tax legislation (affecting tax rates, the tax base, thresholds, exemptions, etc.) as well as changes in the level of GDP. The crisis – together with measures of fiscal policy adopted in the countries – has a strong impact on the level and composition of tax revenue in 2009-2011, although the first effects had already become visible in 2008. It should be noted, that even when using accrual methods of recording, the effects of changes in legislation or economic activity tend to have a delayed impact on tax revenue.

In 2011, tax revenues in terms of GDP increased substantially, which was due to absolute tax revenues

**Graph 2:** Tax revenue (including social contributions), EU-27 and EA-17, % of GDP and billion EUR 1995-2011



Source: Commission Services and Eurostat (ESA95) ([gov\\_a\\_tax\\_ag](http://gov_a_tax_ag))

increasing along the same path as in the previous year, but nominal GDP growing less than tax revenues. This reflects pro-active tax measures taken by Member States during the last years to correct their deficits. EA-17 tax revenue as a percentage of GDP remains at a slightly higher level than EU tax revenue (38.8 % of GDP in the EU-27 and 39.5 % of GDP in the EA-17).

This recovery in tax revenues can at least partly be attributed to active revenue raising measures in some Member States such as increases in the VAT rate and the introduction of new taxes, such as additional taxes on financial institutions (bank levies, surtaxes, payroll taxes), air passenger duties and property taxes.

Even in absolute terms, tax revenue fell in the EU and the euro area between 2008 and 2009 - for the first time in the period from 1995 onwards, before steadily rising again to surpass pre-crisis levels in 2011 in both areas.

As detailed in subsequent sections of this chapter, the developments since 2009 differ significantly by type of tax. Consumption taxes increased from 10.7 % of GDP in 2009 to 11.2 % of GDP in 2011. This was mainly due to increases in VAT rates in many Member States resulting in higher VAT revenues as well as resumed domestic demand in some Member States. In contrast to this, taxes on labour declined from 2009 to 2010 and only picked up slightly in 2011 – an increase by 0.1 pp. of GDP to 19.7 % of GDP was observed). Since 2009, a number of Member States raised the top rate in the

area of personal income taxation. On the contrary, corporate income tax rates continued to decline after 2009 although at a slower pace in comparison with the beginning of the decade. The shorter lag of consumption taxes to economic growth may influence the comparison with other taxes.

### Tax revenues are set for further increases in 2012

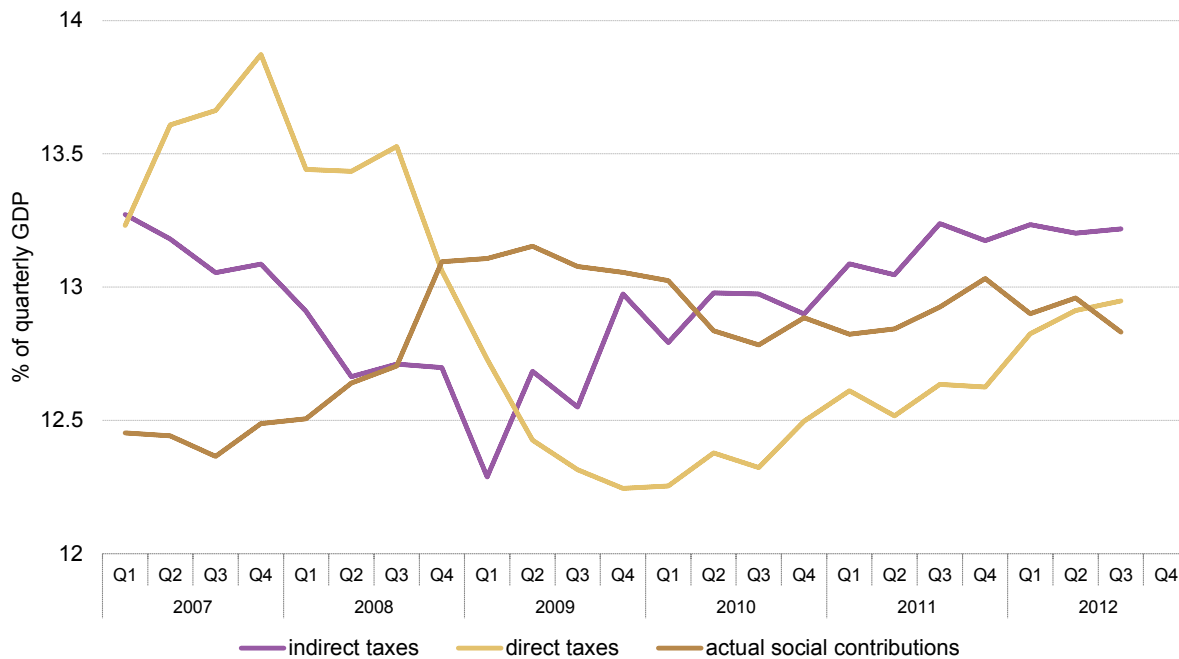
As for future trends, quarterly national accounts data for general government shows that tax revenues, both in absolute terms and as a ratio to GDP, are set to increase again in 2012.

Seasonally adjusted quarterly data – available for the first three quarters of 2012 – show that both indirect and direct taxes are poised for further increases in terms of GDP (see Graph 3). In contrast with this, actual social contributions (comprising also voluntary contributions, thus differing from definition used in other parts of this publication), show a decline in the first three quarters of 2012. Nevertheless, the overall picture is one of increasing government revenue. The increase is set to be particularly strong for direct taxes, reflecting 2011 measures on PIT and CIT and the delayed effects of resumed economic growth on corporate profits.

In absolute terms, all main tax categories follow an increasing path in all available quarters of 2012.



**Graph 3:** Main tax categories, quarterly data, seasonally adjusted % of GDP  
2007Q1-2012Q3



Source: Commission Services and Eurostat (ESA95) ([gov\\_a\\_tax\\_ag](http://gov_a_tax_ag))

It is notable that since the start of the crisis in the third quarter of 2008, the share of actual social contributions in total revenues has slightly declined, with no recovery visible up to now, while for direct taxes the strongest decrease was observed at the beginning of the crisis as direct taxes (strongly linked to company profits) played their role as automatic stabilisers in the economy. They have since experienced a gradual recovery. The increase in indirect taxes after the initial drop at the onset of the economic crisis was more pronounced and linked to the introduction of new indirect taxes in many Member States as well as increases in VAT rates. This can be explained by the perception that indirect taxes are more growth-friendly and sustainable (in case of environmental taxes).

The conclusions drawn from the seasonally adjusted quarterly National Accounts data are in line with projections in the European Commission's winter 2013 forecast, which also projected tax revenues to increase (using a slightly different measure than that employed in this report).

### Wide disparities in tax levels across Member States

Differences in levels across the Union are quite marked; the overall tax ratio ranges over almost twenty points of GDP, from 26.0 % in Lithuania to 47.7 % in Denmark (see Table 1 in Annex A). In other words, the tax burden in the highest-taxing EU Member State is

83 % higher than in the lowest. These large differences depend mainly on social policy choices like public or private provision of services such as old age pensions, health insurance and education, on the extent of public employment, or of State activities, etc. Technical factors also play a role: some Member States provide social or economic assistance via tax reductions rather than direct government spending, while social transfers are exempted from taxes and social security contributions in some Member States but not in others.

Tax-to-GDP ratios are generally significantly higher in the EU-15 Member States (i.e. the 15 Member States that joined the Union before 2004) than in the NMS-12 Members (the 12 Member States that joined the EU in 2004 and 2007); the first nine positions in terms of overall tax ratio are indeed occupied by EU-15 countries (see Table 1 in Annex A). The exceptions are Ireland, Spain and Greece, whose tax ratios are amongst the lowest in the EU; the Portuguese overall tax ratio, having increased by almost two points in 2011, is now ranking almost one point above Greece's. Consequently, since the euro area (EA-17) is mostly composed of old Member States, it shows a slightly higher overall tax ratio than the EU-27 (above half a percentage point difference in the average).

**Box 1:** Change in net lending (+)/ net borrowing (-)

In 2010, deficit in the EU stood at -6.5 % of GDP and decreased to -4.5 % of GDP in 2011– this is the largest positive movement recorded over the time period. Similarly in the euro area, general government deficit decreased from -6.2 % of GDP in 2010 to -4.1 % of GDP in 2011. In 2011, in all Member States except Cyprus and Slovenia, the general government balance, as a percentage of GDP, improved. In the EU-27, from 2010 to 2011, the expenditure contraction contributed 1.5 percentage points to the 2.1 percentage points decrease while the increase of revenue accounted for 0.6 points.

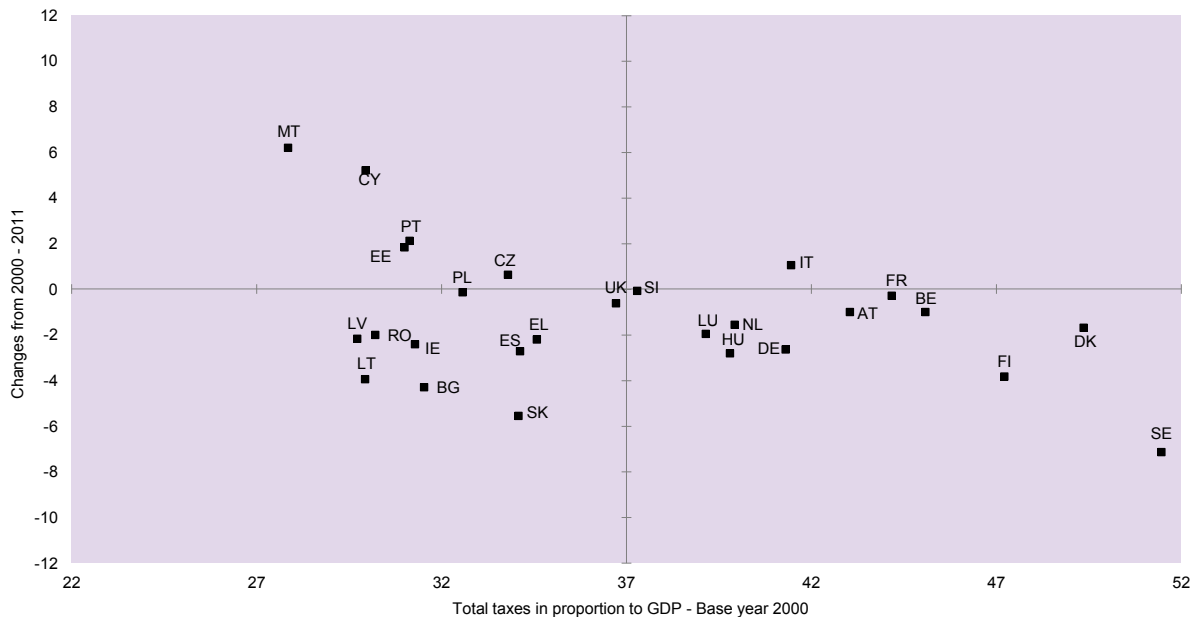
Among the two countries which experienced a deterioration of their budgetary positions, Slovenia was mostly driven by increasing expenditure (capital injections increase) while Cyprus was mostly driven by a contraction in revenue in terms of GDP. The reduction in the deficit of Ireland from -30.1 % of GDP in 2010 to -13.4 % of GDP in 2011 is due to the very high level of capital injections treated as capital transfers intended to sustain the Irish financial institutions in 2010. In 2011, there were again notable capital injections partially treated as capital transfers in Ireland, but they remained at a far lower level than in 2010. The large increase in revenues in Hungary is mainly due to a pension reform during which assets of a pension scheme were nationalised and recorded as government assets. To a lesser extent, taxes levied on financial institutions also contributed to an increase in revenue. The improvement of the deficit of Portugal was strongly influenced by one-off events, notably the recording of assets of the banking sector's pension funds. Exceptional expenditure also played a role in 2010.

Finally, among the countries which also improved significantly their budgetary positions with respect to the EU-27, there are Latvia and Iceland whose positive performances were mostly driven by a large reduction of expenditure as a percentage of GDP and where the 2010 level of expenditure was exceptional.

**Figure:** Change in ESA95 net lending (+)/net borrowing (-), % of GDP, 2010-2011



Source: Eurostat ([gov\\_a\\_main](#))

**Graph 4:** Total taxes in proportion to GDP – Base year 2000

Source: Commission services and Eurostat ([gov\\_a\\_tax\\_ag](http://gov_a_tax_ag))

### Convergence of tax ratios since 2000 interrupted during the crisis

The overall tax ratio tended to converge from the beginning of the century until 2007, as shown by a falling coefficient of variation (ratio between the standard deviation and the mean, see table 1 in Annex A). In 2008-2011, however, tax ratios diverged again, possibly owing to the rather different depth of the recession among Member States and to the diverse policy reaction to the crisis.

Graph 4 charts, for every country, the changes in the tax-to-GDP ratios between 2000 and 2011 in percentage points of GDP, in comparison with their starting point in the base year 2000. The main purpose of the graph is to show to what extent countries starting with a higher than average tax ratio have tended to reduce it over time.

Several facts are highlighted by the graph. First, all countries, except Italy, that had above average tax ratio in 2000 reduced it over the period until 2011. Sweden and Finland have cut the tax burden significantly since 2000, by 7.1 and 3.8 points respectively. Secondly, the development of the tax ratio for the group of countries having below average tax-to-GDP in 2000 is less uniform. Five countries increased their tax ratio, two of which markedly. The increase in revenue in Malta stands out for its size (6.0 % points of GDP) while another large increase, 5.2 % points of GDP, took place

in another Mediterranean country, Cyprus. In Estonia too the increase was relatively marked at 1.8 % points; it was almost entirely realised in 2009. Spain, also with below 2000 average ratio, saw a significant increase in revenue from 2000 to 2007, over 3 % points of GDP, but this was more than reversed by the steep drop in revenue since then, amounting to around 5.7 % points of GDP. As for reductions, over the entire 2000-2010 period the most remarkable case is Slovakia, which, after having cut the overall tax ratio by 6.2 % points of GDP from 1995 to 2000, reduced the tax burden by an additional 3.8 percentage points of GDP after 2000. Bulgaria, too, reduced significantly its already low tax ratio by 4.2 points. Lastly, the lack of convergence over the 2000-2011 period is due predominantly to the fact that Member States with low tax ratio in 2000, decreased it even further until 2011. In most of the cases the decline was realised from 2008 onwards, as the crisis took its toll.

### Revenue structure by level of government

In 2011 almost 50 % of the 'ultimately received' aggregate tax revenue in the EU-27 (including social contributions) was claimed by the central or federal government, more than 30 % accrued to the social security funds and around 10 % to local government (see Graph 5). Less than 1 % of the revenues accrue to institutions of the European Union. There are considerable differences in structure from one Member State to another; for instance some Member states are

Graph 5: Revenue structure by level of government, 2011, as % of total tax burden



Source: Commission services

federal or grant region a very high degree of fiscal autonomy (Belgium, Germany, Austria, Spain). In the United Kingdom and Malta, the social security system is not separate from the central government level from an accounting point of view, whereas in Denmark most social security is financed through general taxation.

The share of sub-federal revenue (defined as municipalities plus the state level where it exists) varies from less than 1 % to just over one third of the total. Sweden, Spain, Germany and Belgium in particular show high shares of total taxes received by the non-central authorities. At the other end, this share is just

below 1 % in Greece, while in Malta local government does not receive directly any tax funds. As for the share of revenue accruing to social security funds, the highest values in the EU are reported by France, Belgium and Slovakia.

The amount of the ultimately received shares of revenue, however, is a very imperfect indicator of fiscal autonomy, as a given government level may be assigned revenue streams which it has little legal authority to increase or decrease.

**Graph 6: Structure of tax revenues by major type of taxes**  
2011, % of total tax burden



Source: Commission services

In several EU Member States decentralisation has been an important feature for several years already. Accordingly, data show that the share of total revenue accruing to state and local government has gradually increased. An exception of this trend has been registered in 2010, given that revenues were maintained mainly by proceeds from VAT and excise duties which are accrued mostly to the central government level. The share of total revenue accruing to state and local government increased again in 2011.

## Revenue structure by type of tax

Taxes are traditionally classified as direct<sup>(2)</sup> or indirect<sup>(3)</sup>; generally, the first group allows greater redistribution as it is impractical to introduce progressivity in indirect taxes. Therefore, the recourse to direct taxes, which are more 'visible' to the electorate, tends to be greater in the countries where tax

<sup>(2)</sup> Personal income taxes, corporate income taxes and other income and capital taxes.

<sup>(3)</sup> VAT, excise duties and consumption taxes, other taxes on products and production.

redistribution objectives are more pronounced; this usually results also in higher top personal income tax rates. Social contributions are, as a rule, directly linked with a right to benefits such as old age pensions or unemployment and health insurance; in theory, a strict application of actuarial equivalence would preclude redistribution, but in practice the modalities for calculating contributions and benefits allow considerable leeway in this respect and the situation is quite diversified among Member States.

### Weight of direct taxation typically lower in the NMS-12 Member States

Generally, the NMS-12 Member States have a different structure compared with the EU-15; in particular, while most EU-15 Member States raise roughly equal shares of revenues from direct taxes, indirect taxes, and social contributions, the NMS-12 countries, with the notable exception of Malta, typically display a lower share of direct taxes in the total (see Graph 6). The lowest shares of direct taxes are recorded in Lithuania (only 17 % of the total, markedly down from 31 % in 2008), Bulgaria (18.9 % of the total), Hungary (18.7 %) and Slovakia (19.1 %). All of these countries have adopted flat rate systems, which typically induce a stronger reduction in direct than indirect tax rates.

Also among the EU-15 Member States there are some noticeable differences. The Nordic countries as well as the United Kingdom have relatively high shares of direct taxes in total tax revenues. In Denmark and, to a lesser extent, also in Sweden and the United Kingdom the shares of social contributions to total tax revenues are low. There is a specific reason for the extremely low share of social contributions in Denmark: most welfare spending is financed out of general taxation. This requires high direct tax levels and indeed the share of direct taxation to total tax revenues in Denmark is by far the highest in the Union. Among the EU-15 Member States, the German and French tax systems represent in this respect the opposite of Denmark's with high shares of social contributions in the total tax revenues, and relatively low shares of direct tax revenues.

## Distribution of the tax burden by type of tax base

### Significant differences between Member States

The three panels in Graph 7 show the share of the overall tax revenue from the three different tax bases

(consumption, labour and capital). Member States are ranked by overall tax burden and a breakdown of the revenue by tax base for the year 2011 is shown. The graph shows quite a lot of variation both in terms of the overall level and in its composition. In particular, despite the fact that the most important indirect taxes are subject to common rules at EU level, there is substantial variation in the amount of revenues raised from consumption taxes.

Overall, the taxes levied on (employed) labour income, usually withheld at source form the bigger source of revenue, contributing almost 50 % of receipts, followed by consumption at roughly one third and then capital at around one fifth.

## Taxation of consumption

### Increase of consumption taxes in 2011

One area where the onset of the economic and financial crisis has had a strong impact has been consumption taxation. As detailed in the following, there has been a broad increasing trend in rates since 2009.

Data for the ITR on consumption<sup>(4)</sup>, although significantly affected by the cycle<sup>(5)</sup>, show that consumption taxes, which had been on a downward trend since 2007, started to increase again in 2010. The upward trend continued in 2011 (see Graph 8).

<sup>(4)</sup> Implicit tax rates, in general, measure the effective average tax burden on different types of economic income or activities, i.e. on labour, consumption and capital, as the ratio between revenue from the tax type under consideration and its (maximum possible) base. The ITR on consumption is the ratio between the revenue from all consumption taxes and the final consumption expenditure of households.

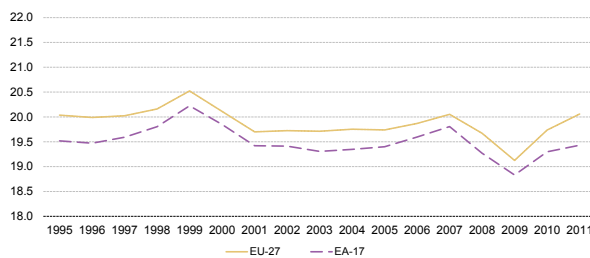
<sup>(5)</sup> As discussed in the 2010 edition of this report the sharpness of the drop in 2008-2009 was probably the result of a combination of factors, such as a shift in consumption patterns towards primary goods, typically subject to lower VAT rates, or involuntary inventory build-ups by businesses, which due to the severity of the downturn at the end of 2008 might have led to significant VAT refunds by tax administrations

**Graph 7:** Distribution of the total tax burden according to type of tax base  
2011, % of total tax burden



Source: Commission services

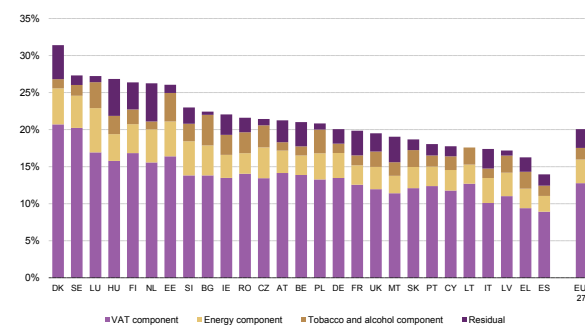
**Graph 8: Implicit tax rate on consumption 1995-2011, in %**



Source: Commission services

While the rise in 2010 affected most Member States, the ITR showed some stabilisation in 2011 at the EA17 level. This contrasts with the evolution in the EU27 as a whole, for which the overall GDP-weighted ITR on consumption is back to the 2007 level. This overall effect is dominated by the evolution in the UK (the implicit rate is up from 17% in 2009 to 19.5% in 2011) but Romania, Poland and other countries show a similar pattern of increase. For the EA17, while the ratio has continued to increase markedly in 2011 for France, Portugal and Finland, the general movement is one of stabilisation: either slightly down in 2011 after a marked increase, or (slightly) up in 2011 if the movement in 2010 was on the downside (see Table 82 in Annex A).

**Graph 9: Decomposition of the ITR on Consumption 2011**



Source: Commission services

## Weight of VAT in taxation of consumption

Not surprisingly, the VAT component is the largest accounting for more than half of the overall indicator's value. However, non-VAT taxes are not negligible; their share in the ITR ranges from 25.9 % in Sweden to more than 40 % in Greece, Italy, Hungary, the Netherlands and Malta. On the other hand the manifest increase in UK consumption taxes is solely due to an increase from VAT.

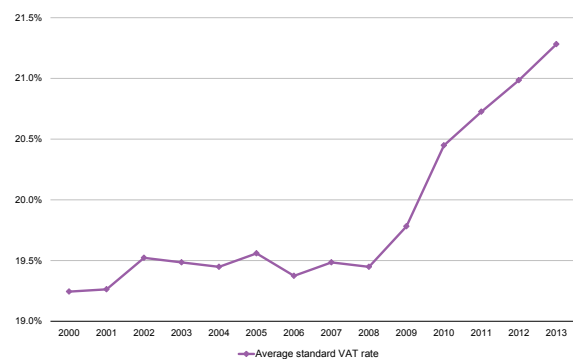
Taxes on energy (typically, excise duties on mineral oils), tobacco and alcohol make up, on average, around

one quarter of the revenue from consumption taxes. The differences in consumption of excisable goods are such that their revenue effects go well beyond the spread in tax rates: Bulgaria raises from alcohol and tobacco excise duties about five times as much revenue as the Netherlands (as a proportion of GDP).

## Hikes of VAT rates over the last five years

The broad rise of the ITR on consumption in 2010 and 2011 can be largely attributed to hikes of VAT rates. Stagnant since 2002, VAT standard rates have often increased from 2009 onwards <sup>(6)</sup>. The EU-27 average has risen strongly by 1.8 points in only five years and currently stands at 21.3 % (see Graph 10).

**Graph 10: Development of average standard VAT rate, EU-27**



Source: Commission services

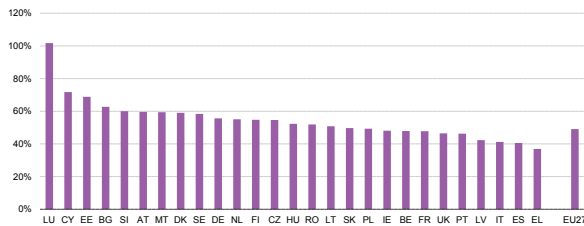
Another aspect is the rapid spread to a large number of countries. While in 2008 only Portugal changed the standard VAT rate, six did in 2009 and another eight countries increased their rates in 2010 (among which Greece by four points and Romania by five).

Hikes in VAT rates have continued since 2010, albeit at a slower pace. Four countries raised the standard rate in 2012. Hungary, where a 25 % rate was already in force since 2008, increased it further by two points in 2012. In 2013 nine countries raised their rates (see Table 1). As discussed in the 2011 edition of this report <sup>(7)</sup>, revenue raising measures since 2009 have been heavily concentrated on consumption taxes. Except for the Nordic countries, many of the Member States applying above average VAT rates in 2013 are those experiencing financial difficulties and strong pressure for consolidation.

<sup>(6)</sup> Only in two cases was the VAT rate decreased. In the United Kingdom the rate was temporarily cut by two points in 2009 in order to support consumption and in Ireland the rate was decreased by half a point in 2010 after a temporary increase in 2009. Both countries are currently applying higher rates.

<sup>(7)</sup> See European Commission (2011c)



**Graph 11: VAT revenue ratio, 2011, in %**

Source: Commission services

## Theoretical VAT revenues

An indicator which gives an idea of the broadness of the tax base and the level of tax compliance is the VAT revenue ratio (VRR). It compares the actual VAT revenue with the theoretical one, which would arise if the standard VAT rate were applied to total final consumption. The indicator shows that in 2011 exemptions, reduced VAT rates as well as evasion resulted in only around 50 % of the theoretical VAT

revenues being collected (see Graph 11).

The situation varies from country to country with the VRR as low as 37 % in Greece. In Luxembourg the VRR reaches more than 100 %. The reason for the latter result is that the denominator of the VRR contains final consumption expenditure data which measures the expenditure of resident households and companies. If the share of VAT revenue from expenditures of non-residents is very high, the ratio can exceed 100 %. This is the case in Luxembourg. Ten Member States collect less than 50 % of the theoretical amounts.

Another thirteen countries collect between 50 and 60 % and for only four countries - Bulgaria, Estonia, Cyprus and Luxembourg - is the VRR above 60 %.

**Table 1: VAT rates in the Member States 2000-2013, in %**

Member State	VAT rate	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
BE	Standard	21	21	21	21	21	21	21	21	21	21	21	21	21	21
	Reduced	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12
BG	Standard	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Reduced	-	-	-	-	-	-	-	7	7	7	7	9	9	9
CZ	Standard	22	22	22	22	19	19	19	19	19	19	20	20	20	21
	Reduced	5	5	5	5	5	5	5	5	9	9	10	10	14	15
DK	Standard	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Reduced	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DE	Standard	16	16	16	16	16	16	16	19	19	19	19	19	19	19
	Reduced	7	7	7	7	7	7	7	7	7	7	7	7	7	7
EE	Standard	18	18	18	18	18	18	18	18	18	20	20	20	20	20
	Reduced	5	5	5	5	5	5	5	5	9	9	9	9	9	9
IE	Standard	21	20	21	21	21	21	21	21	21	21.5	21	21	23	23
	Reduced	12.5 (4.2)	12.5 (4.3)	12.5 (4.3)	13.5 (4.3)	13.5 (4.4)	13.5 (4.8)	13.5 (4.8)	13.5 (4.8)	13.5 (4.8)	13.5 (4.8)	13.5 (4.8)	13.5 (4.8)	13.5/9 (4.8)	13.5/9 (4.8)
EL	Standard	18	18	18	18	18	18	19	19	19	19	23	23	23	23
	Reduced	8 (4)	8 (4)	8 (4)	8 (4)	8 (4)	9 (4.5)	9 (4.5)	9 (4.5)	9 (4.5)	9 (4.5)	5.5/11	6.5/13	6.5/13	6.5/13
ES	Standard	16	16	16	16	16	16	16	16	16	16	18	18	18	21
	Reduced	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	8 (4)	8 (4)	8 (4)	10 (4)
FR	Standard	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6
	Reduced	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5 (2.1)	5.5/7 (2.1)	5.5/7 (2.1)
IT	Standard	20	20	20	20	20	20	20	20	20	20	20	20	21	22
	Reduced	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)	10 (4)
CY	Standard	10	10	13	15	15	15	15	15	15	15	15	15	17	18
	Reduced	5	5	5	5	5	5	5/8	5/8	5/8	5/8	5/8	5/8	5/8	5/8
LV	Standard	18	18	18	18	18	18	18	18	18	21	21	22	22	21
	Reduced	-	-	-	9	5	5	5	5	5	10	10	12	12	12
LT	Standard	18	18	18	18	18	18	18	18	18	18	19	21	21	21
	Reduced	5	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	9
LU	Standard	15	15	15	15	15	15	15	15	15	15	15	15	15	15
	Reduced	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)	6/12 (3)
HU	Standard	25	25	25	25	25	25	20	20	20	25	25	25	27	27
	Reduced	0/12	0/12	0/12	0/12	5/15	5/15	5/15	5	5/18	5/18	5/18	5/18	5/18	5/18
MT	Standard	15	15	15	15	18	18	18	18	18	18	18	18	18	18
	Reduced	5	5	5	5	5	5	5	5	5	5	5	5/7	5/7	5/7
NL	Standard	17.5	19	19	19	19	19	19	19	19	19	19.0	19	19	21
	Reduced	6	6	6	6	6	6	6	6	6	6	6	6	6	6
AT	Standard	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Reduced	10	10	10	10	10	10	10	10	10	10	10	10	10	10
PL	Standard	22	22	22	22	22	22	22	22	22	22	22	23	23	23
	Reduced	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	7 (3)	5/8	5/8	5/8
PT	Standard	17	17	19	19	19	21	21	21	20	21	21	23	23	23
	Reduced	5/12	5/12	5/12	5/12	5/12	5/12	5/12	5/12	5/12	5/12	6/13	6/13	6/13	6/13
RO	Standard	19	19	19	19	19	19	19	19	19	19	24	24	24	24
	Reduced	-	-	-	-	9	9	9	9	9	5/9	5/9	5/9	5/9	5/9
SI	Standard	19	19	20	20	20	20	20	20	20	20	20	20	20	20
	Reduced	8	8	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
SK	Standard	23	23	23	20	19	19	19	19	19	19	19	19	20	20
	Reduced	10	10	10	14	-	-	-	-	10	10	10	10	10	10
FI	Standard	22	22	22	22	22	22	22	22	22	22	23	23	23	24
	Reduced	8/17	8/17	8/17	8/17	8/17	8/17	8/17	8/17	8/17	8/17	9/13	9/13	9/13	10/14
SE	Standard	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Reduced	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12	6/12
UK	Standard	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	20.0	20.0	20.0	20.0
	Reduced	5	5	5	5	5	5	5	5	5	5	5	5	5	5
EU-27	Standard	19.2	19.3	19.5	19.5	19.4	19.6	19.4	19.5	19.4	19.8	20.4	20.7	21.0	21.3

Note: IT: Standard rate increase is applicable with effect from July 2013. NL: 21 % since 1 October 2012. In general, if two VAT rates were applicable during a year the one being in force for more than six months or introduced on 1 July is indicated in the table. Super reduced rates (below 5 %) are shown in brackets.

Source: Commission services

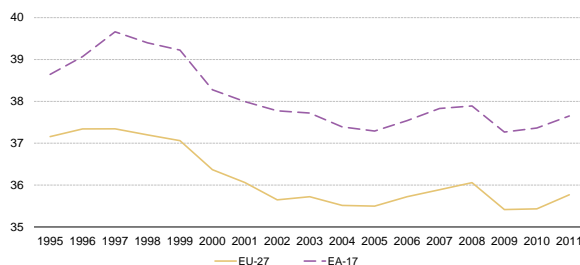
## Taxation of labour

### The tax burden on labour increased in 2011, reversing the earlier trend

Despite a wide consensus on the desirability of lower taxes on labour, the high levels of the ITR on labour<sup>(8)</sup> confirm the widespread difficulty in achieving this aim. Since the peaks reached around the turn of the century, the ratio has shown a broadly downward trend (see Graph 12). Following a short resurgence after 2005, it fell sharply in 2009. However, it levelled off in 2010 and has risen in 2011, with most Member States registering increases for this last year.

Unlike for the ITR on consumption, the crisis did not induce any visible reduction of the ITR on labour in 2008, possibly because of the tendency for labour markets to lag behind cyclical developments. The effect of the global economic crisis was visible in 2009 as the ITR declined more markedly by 0.6 points. However, in 2010 the trend was halted and in more than half of the Member States the tax burden on labour has started to increase, although still slightly below its pre-crisis levels.

**Graph 12:** Implicit tax rate on Labour 1995-2011, in % (GDP-weighted averages - adjusted for missing data)



Source: Commission services

### Diverse level and pace of change across the EU

While the EU-27 average decreased by only 2.1 points since 2000, this masks considerable variation between countries.

The highest reductions in the ITR on labour since 2000 have taken place in Bulgaria and Lithuania (all above 8 percentage points), as well as in Sweden, Denmark, Finland and Slovakia; it is quite interesting to note that all three Nordic Member States, which are characterised by a high overall tax ratio, have striven

<sup>(8)</sup> The ITR on labour is calculated as the ratio of taxes and social security contributions on employed labour income to total compensation of employees and payroll taxes.

forcefully to bring the tax burden on labour closer to the EU average in recent years. On the other hand, the ITR increased markedly in Cyprus, Portugal, Luxembourg and Spain, but it remained below the Union average. In all the other Member States the change amounted to less than 2.5 percentage points.

The lowest overall ITR on labour in 2011 is found in Malta, Bulgaria and Portugal (less than 25%), while the highest is recorded in Belgium and Italy (greater than 40%). It should also be noted that despite the generally lower level of overall taxation in the new Member States, this does not always apply to labour taxation as highlighted for example by the Czech Republic and Hungary, which have an ITR well above the EU average.

### NMS-12 have in general below average top PIT rates

The tax burden on labour is essentially composed of personal income taxes and social contributions. Currently, the top marginal personal income tax (PIT) rate<sup>(9)</sup> amounts to 38.9 %, on average, in the EU. This rate varies very substantially within the Union, ranging from a minimum of 10 % in Bulgaria to a maximum of 56.6 % in Sweden.

As a rule the NMS-12 Member States, with the exception of Slovenia and Cyprus/Malta, display below-average top rates, while the highest rates are typical of Member States with the most elevated overall tax ratios, such as the Nordic countries<sup>(10)</sup>. The lowest rates are observed in Bulgaria, Lithuania, Hungary and Romania. 2013 saw significant rises in the top PIT rates in the Czech Republic, Slovakia, Slovenia and Portugal, and sizeable decreases in Hungary and the UK.

### Trend for higher top PIT rates in the aftermath of the crisis

There has been a broad trend to increase top PIT rates since 2010. Every year five to six Member States were raising the rates and as a consequence in 2013 the EU

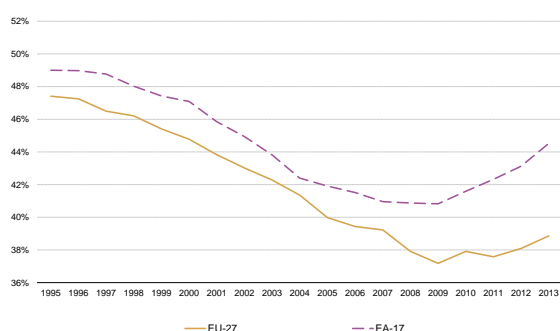
<sup>(9)</sup> The top statutory personal income tax rate reflects the tax rate for the highest income bracket. The rates also include surcharges, state and local taxes. Adjustments have been carried for Belgium, Denmark, Germany, Greece, Spain, Cyprus, France, Hungary, Italy, Luxembourg, Portugal, Romania, Finland, Sweden, the United Kingdom and Norway. For details the interested reader can find a complete description of the rate system and the brackets in force in the Member States in the 'Taxes in Europe' database at <http://ec.europa.eu/tedb>. The database is accessible free of charge and updated annually.

<sup>(10)</sup> Although the Netherlands show the fifth highest top personal income rate while ranking 13<sup>th</sup> in terms of the tax ratio (excluding social contributions), PIT tax rates in the Netherlands are very progressive but their progressivity is limited when social contributions are taken into account.

average reached its highest level since 2008, 38.7 % (see Graph 13).

This change can be plausibly attributed to the effect of the economic and financial crisis. Until 2009, there had been a clear, steady and widespread downward trend in the top rate. Indeed, from 1995 to 2009, almost all EU Member States cut their top rate, with only three keeping it unchanged (Malta, Austria and the United Kingdom) and one (Portugal) increasing it slightly. Even taking into account the subsequent rate increase since 2009, all in all, the EU-27 average has gone down by 5.9 percentage points since 2000 (see Table 2).

**Graph 13:** Development of top personal income tax rate, 1995-2013, in %, (simple averages)



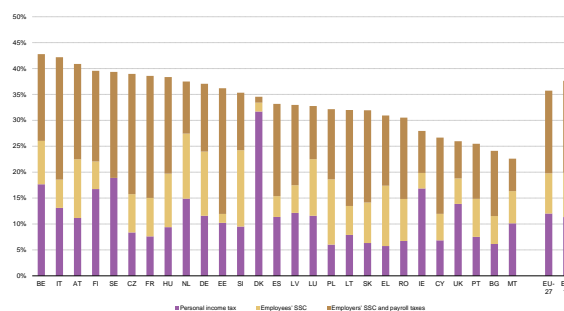
Source: Commission services

### PIT accounts for only one third of labour taxes

Of course, the picture given by the PIT rates is incomplete. Not only the level and change of the top PIT rate is relevant, but also the income level at which they are applied. Moreover, the progression of PIT rates applied, the structure of allowances and tax credits, and the definition of the tax base play a key role in defining the effective tax burden. This is very aptly illustrated by the fact that the ITR on labour declined only marginally in the 1995–2009 period, despite the strong reduction in the top PIT rates.

In most Member States, social contributions account for a much greater share of labour taxes than the personal income tax. On average, about two thirds of the overall ITR on labour consists of non-wage labour costs paid by both employees and employers (see Graph). In Denmark, Ireland and the United Kingdom personal income taxes form a relatively large part of the total charges paid on labour income, while in countries like Poland and Greece less than 20 % of the ITR on labour consists of personal income tax.

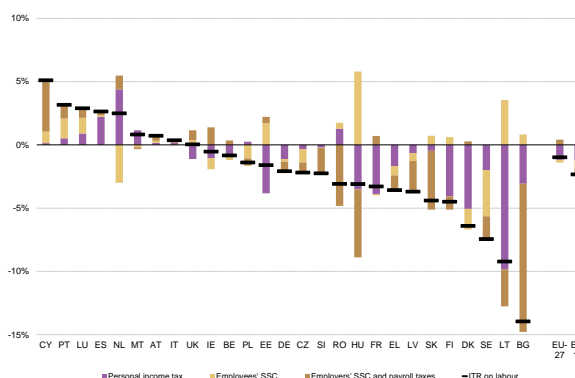
**Graph 14:** Composition of the implicit tax rate on labour 2011, in %



Source: Commission services

Between 2000 and 2011 the components of the ITR on labour changed markedly in several Member States (see Graph 15). For the EU-27 personal income taxation of labour as well as employees' SSC and payroll taxes fell, while employers' SSC showed a very slight increase (all as a percentage of total labour costs). For the euro area, all components fell, with the main drop once again being in personal income taxation, and social contributions falling more sharply than in the EU-27 overall.

**Graph 15:** Evolution of the composition of the implicit tax rate on labour 2000-2011, differences in percentage points



Note: Countries are ordered by the change in the ITR on labour

Source: Commission services

Looking at changes in single Member States, most of the countries reduced their ITR; the change was to a large extent driven by reductions in PIT or employers' SSC. In many countries one notices a shift in the different components of the tax burden.

### Cut in tax wedge since 2000

The discussion in the preceding section is based on the ITR on labour, which gives a picture of the average tax burden on labour across all income classes. However, even at an unchanged overall tax level, the burden of taxation may be shifted between high and low-income taxpayers resulting not only in redistribution but

notably also in a different impact on employment. In particular, over the last decade policymakers have often resorted to cuts in labour taxes that are targeted to the bottom end of the wage scale in order to boost employability of low-skilled workers. To evaluate progress in this direction, this section looks at the evolution of the tax wedge — i.e. the difference between labour costs to the employer and the corresponding net take-home pay of the employee.

Table 3 focuses on the 'Tax wedge on low wage workers', which is the tax wedge for a single worker without children at two-thirds of average earnings and its developments since 2000<sup>(11)</sup>.

The figures display a long and steady downward trend indicating a clear impact from targeted cuts in taxes and social contributions more intensively at the beginning and towards the end of the decade. While the tax wedge is lower in 19 Member States in 2012 compared to 2000, the reductions appear to be particularly large in the Netherlands, Sweden, Bulgaria, Finland, Cyprus and Slovakia. Among the countries that have increased the tax wedge in this period, France shows the biggest increase with 3.4 percentage points.

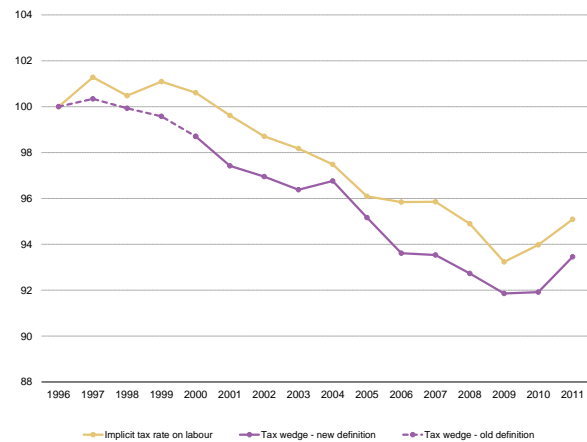
### Targeted measures at low-wage earners during the crisis

Graph 16 compares the trends over time in the tax wedge indicator and the ITR on labour (with 1996 = 100). For each year EU-27 arithmetic averages are computed<sup>(12)</sup>. When comparing the trends it should be borne in mind that tax policy changes are immediately integrated in the Taxing Wages model but might be reflected with some time lag only in the ITR on labour.

<sup>(11)</sup> Pre-2000 data are not fully comparable due to changes in the definition of the average wage (see OECD, 2006, and European Commission, 2007).

<sup>(12)</sup> As discussed in the 2007 edition of the report (European Commission, 2007), data for the 1996-1999 period are based on a different definition of average wages. Therefore, the time series for the tax wedge contains a structural break in 2000. In order to calculate a series without a break, the growth rates of the EU-27 average of the indicator are used for the calculation of the time trend of the tax wedge. The growth rate for the years 1997 to 2000 are calculated based on the data using the old definition (wage of the average production worker). Growth rates for 2001 onward refer to the new average wage definition.

**Graph 16:** Evolution of micro and macro indicators of tax burden on labour  
EU-27, 1996-2011, index 1996=100



Source: Commission services and Eurostat (tsiem050)

Overall during the 1996–2009 period, the EU average tax burden on labour was on a downward trend, but both indicators have started to rise again since then. Up to 2000 the ITR on labour increased, whereas the tax wedge started to decrease markedly already from 1998. The gap between the two indicators opened up indicating that targeted tax cuts were playing a growing role. In the second period, from 2001–2008, the two series run roughly parallel, both showing a downward trend. However, since 2009 both indicators have picked up after several years of decline.

**Table 2: Top personal income tax rates**  
1995-2013 income, in %

																				Difference		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	1995-2013	2000-2013	
BE	60.6	60.6	60.6	60.6	60.6	60.6	60.1	56.4	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	-6.9	-6.9
BG	50.0	50.0	40.0	40.0	40.0	40.0	38.0	29.0	29.0	29.0	24.0	24.0	24.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-40.0	-30.0
CZ	43.0	40.0	40.0	40.0	40.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	15.0	15.0	15.0	15.0	15.0	15.0	22.0	-21.0	-10.0
DK	65.7	64.7	65.9	64.5	64.2	62.9	62.8	63.0	63.0	62.3	62.3	62.3	62.3	62.3	62.3	55.4	55.4	55.4	55.6	-10.1	-7.3	
DE	57.0	57.0	57.0	55.9	55.9	53.8	51.2	51.2	51.2	47.5	44.3	44.3	47.5	47.5	47.5	47.5	47.5	47.5	47.5	47.5	-9.5	-6.3
EE	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	24.0	23.0	22.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	-5.0	-5.0
IE	48.0	48.0	48.0	46.0	46.0	44.0	42.0	42.0	42.0	42.0	42.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	41.0	-7.0	-3.0
EL	45.0	45.0	45.0	45.0	45.0	45.0	42.5	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	49.0	49.0	49.0	46.0	1.0	1.0	
ES	56.0	56.0	56.0	56.0	48.0	48.0	48.0	48.0	45.0	45.0	45.0	43.0	43.0	43.0	43.0	43.0	45.0	52.0	52.0	-4.0	4.0	
FR	59.1	59.6	57.7	59.0	59.0	58.3	57.8	54.8	53.4	53.5	45.8	45.8	45.8	45.8	45.8	45.8	46.7	46.8	50.2	-8.9	-8.8	
IT	51.0	51.0	51.0	46.0	46.0	45.9	45.9	46.1	46.1	46.1	44.1	44.1	44.9	44.9	44.9	45.2	47.3	47.3	47.3	-3.7	1.4	
CY	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	38.5	38.5	-1.5	-1.5	
LV	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	23.0	26.0	25.0	25.0	24.0	-1.0	-1.0	
LT	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	27.0	27.0	24.0	15.0	15.0	15.0	15.0	15.0	15.0	-18.0	-18.0	
LU	51.3	51.3	51.3	47.2	47.2	47.2	43.1	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	42.1	41.3	43.6	-7.7	-3.6	
HU	44.0	44.0	44.0	44.0	44.0	44.0	40.0	40.0	40.0	38.0	38.0	36.0	40.0	40.0	40.0	40.6	20.3	20.3	16.0	-28.0	-28.0	
MT	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	0.0	0.0	
NL	60.0	60.0	60.0	60.0	60.0	60.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	-8.0	-8.0	
AT	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0	
PL	45.0	45.0	44.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	32.0	32.0	32.0	32.0	32.0	-13.0	-8.0	
PT	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	42.0	42.0	42.0	42.0	42.0	45.9	50.0	49.0	53.0	13.0	13.0	
RO	40.0	40.0	40.0	48.0	40.0	40.0	40.0	40.0	40.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	-24.0	-24.0	
SI	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	41.0	41.0	41.0	41.0	41.0	41.0	50.0	0.0	0.0	
SK	42.0	42.0	42.0	42.0	42.0	42.0	38.0	38.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	25.0	-17.0	-17.0	
FI	62.2	61.2	59.5	57.8	55.6	54.0	53.5	52.5	52.2	52.1	51.0	50.9	50.5	50.1	49.1	49.0	49.2	49.0	51.1	-11.1	-2.9	
SE	61.3	61.4	54.4	56.7	53.6	51.5	53.1	55.5	54.7	56.5	56.6	56.6	56.6	56.4	56.5	56.6	56.6	56.6	56.6	-4.7	5.1	
UK	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	50.0	50.0	50.0	45.0	5.0	5.0	
NO	41.7	41.7	41.7	41.7	41.5	47.5	47.5	47.5	47.5	47.5	43.5	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	-1.7	-7.5	
IS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46.1	46.1	31.8	31.8	-	-	
EU-27	47.4	47.2	46.5	46.2	45.4	44.8	43.8	43.0	42.3	41.3	40.0	39.4	39.2	37.9	37.2	37.9	37.6	38.1	38.9	-8.6	-5.9	
EA-17	49.0	49.0	48.8	48.0	47.4	47.1	45.9	44.9	43.8	42.4	41.9	41.5	41.0	40.9	40.8	41.6	42.3	43.1	44.5	-4.5	-2.6	

<sup>1)</sup> Figures in *italics* represent flat-rate tax

*Note:* BE: including crisis tax (1993-2002) and local surcharge, CY: including a temporary (2y) solidarity level at 3.5% at most, DE: including solidarity surcharge, DK: including labour market contributions but excl. church tax; EL: for 2010-2012 the rate includes the solidarity contribution introduced in 2011 (ranging from 1% to 4%) at a top rate of 4 % applicable on net annual income exceeding EUR 100,000; ES: including a temporary (2012-2013) supplementary surcharge, FI: state taxes plus municipality taxes, FR: including general social welfare contribution (CSG), which is partly deductible from PIT, and welfare debt repayment levy (CRDS) since 1996. For 2013, the values are the following: top PIT rate: 45%, CSG rate: 7.5% of which 5.1% are deductible, CRDS rate: 0.5%, CSG and CRDS apply on 0.9825 of gross taxable income, 0.85% is the top SC rate. The calculation goes as follows:  $45\% \cdot (1 - 0.85\% - 0.9825 \cdot 5.1\%) + 0.9825 \cdot (7.5\% + 0.5\%) = 50.2\%$ ; HU: including solidarity tax in 2007, 2008 and 2009. In 2012, a 27 % base increasing component is applicable for the part of monthly earnings above HUF 202 000 (€ 653), roughly the average wage, leading to a two rate system with rates 16 % and 20.3 %, IT: including regional and municipal surcharge (values given for Rome) and 3% solidarity contribution, LU: including solidarity surcharge for Unemployment Fund (since 2002) and crisis contribution for 2011, PT: in 2010 a new top income rate and a new rate table applicable for whole 2010 was introduced; in 2011 a new surcharge of 3.5 % is levied on all aggregated categories of income, in 2012 and 2013 a 2.5 % surcharge is applied to the highest income bracket. RO: In 2010, the Senate's Budget Committee approved the decrease of individual income tax rate from 16% to 10%. In order for the provision to enter into force, it has to be further approved by the Senate and by the Chamber of Deputies, SE: state taxes plus municipality taxes, UK: additional higher rate of 50% introduced for income exceeding GBP 150,000 from fiscal year 2010-2011; the top PIT rate of 50 % will be cut to 45 % as of 2013, NO: including surtax.

Source: Commission services

**Table 3:** Tax wedges for a single worker with 67 % of average earnings, no children 2000-2012, as % of total labour costs

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2000-2012
BE	51.3	50.7	50.5	49.6	49.0	49.3	49.4	49.6	50.2	49.9	50.3	50.5	50.5	-0.8
BG	40.0	36.9	36.2	36.0	35.8	36.3	31.5	32.3	35.1	33.8	32.5	33.6	33.6	-6.4
CZ	41.3	41.3	41.5	41.7	41.9	42.0	40.0	40.5	40.1	38.7	38.9	39.6	39.3	-2.0
DK	40.8	40.1	39.5	39.4	38.9	38.9	38.9	38.9	38.5	38.0	36.7	36.8	37.0	-3.8
DE	47.5	46.6	47.1	47.9	46.9	47.3	47.4	47.0	46.6	46.0	45.0	45.6	45.6	-1.9
EE	39.8	39.3	40.6	40.9	39.6	38.1	37.3	37.6	37.0	37.7	38.7	39.0	39.2	-0.6
IE	18.1	17.6	16.5	16.5	19.5	16.8	16.1	14.9	15.0	16.2	16.7	19.9	20.1	2.0
EL	36.0	35.3	35.6	35.2	36.1	35.4	36.4	36.0	35.5	35.6	34.8	38.6	38.6	2.6
ES	34.8	35.3	35.8	34.8	35.3	35.7	35.9	35.7	34.0	34.3	36.5	36.7	37.0	2.2
FR	43.7	44.3	44.0	44.5	46.2	46.4	46.0	46.3	46.4	46.4	46.7	47.1	47.1	3.4
IT	43.6	43.2	43.1	41.9	42.2	42.5	42.7	42.8	43.2	43.5	44.0	44.4	44.5	0.9
CY	16.7	17.0	17.3	18.6	18.6	11.9	11.9	11.9	11.9	11.9	11.9	11.9	11.9	-4.8
LV	42.2	42.0	42.2	41.4	41.9	41.8	41.8	41.2	39.9	41.5	43.5	43.5	43.5	1.3
LT	42.9	42.9	43.1	40.9	41.6	42.6	40.6	41.2	40.3	38.9	38.8	38.9	38.9	-4.0
LU	31.1	29.6	27.4	27.8	28.1	28.7	29.1	29.9	28.2	27.4	27.7	29.4	28.9	-2.2
HU	51.4	50.9	48.2	44.5	44.8	43.1	43.3	46.0	46.7	46.2	43.8	45.2	47.6	-3.8
MT	16.6	17.0	17.7	17.4	17.6	17.9	18.4	17.9	17.9	17.7	18.1	18.6	18.6	2.0
NL	42.2	39.0	39.2	40.1	40.8	41.6	33.2	33.3	34.0	33.3	33.5	33.3	33.2	-9.1
AT	43.2	42.9	43.1	43.5	44.0	43.3	43.7	44.2	44.5	43.2	43.4	43.8	44.2	1.0
PL	37.0	36.8	36.7	37.0	37.2	37.5	37.8	37.1	33.6	33.1	33.2	33.3	34.6	-2.4
PT	33.2	32.2	32.9	32.8	32.8	32.1	32.8	32.5	32.1	31.8	32.2	32.2	32.0	-1.2
RO	44.7	45.2	44.6	43.4	42.9	42.4	42.2	41.8	40.9	43.1	43.4	43.8	43.8	-0.9
SI	42.6	43.5	43.5	43.5	43.6	41.8	41.3	40.9	40.3	39.7	38.6	38.6	38.5	-4.1
SK	40.6	41.2	40.6	40.8	39.2	34.8	35.2	35.5	36.0	34.4	34.7	36.0	36.9	-3.7
FI	43.0	41.4	40.9	40.0	39.4	39.5	38.8	38.6	38.6	37.1	36.7	36.6	36.7	-6.2
SE	48.6	47.8	46.8	47.0	47.2	46.6	45.9	43.3	42.5	41.3	40.6	40.7	40.7	-7.9
UK	29.1	28.6	28.7	30.3	30.5	30.5	30.6	30.8	29.7	29.1	29.4	28.7	28.2	-0.9
NO	35.1	35.2	35.2	34.9	35.0	34.2	34.3	34.2	34.2	34.0	34.0	34.3	34.3	-0.8
IS	23.8	24.6	26.2	27.1	27.7	28.2	28.2	27.0	27.6	26.1	28.3	29.4	29.9	6.1
EU-27	38.6	38.1	37.9	37.7	37.8	37.2	36.6	36.6	36.3	35.9	35.9	36.5	36.7	-1.9
EA-17	36.7	36.2	36.2	36.2	36.4	35.5	35.0	35.0	34.8	34.5	34.7	35.4	35.5	-1.2

Note: BG, LV, LT, MT, RO: 2012 data refer to 2011, CY 2011-12 data refer to 2010  
Source: Commission services

## Taxation of capital

### Corporate income tax rates stop declining

Similarly to the trend recorded for the PIT, since the second half of the 1990s, the adjusted top corporate income tax (CIT) rates<sup>(13)</sup> in the EU-27 were cut forcefully since the mid-nineties, from a 35.3 % average to 23.5 % now (see Table 4). The crisis, however, first slowed down this trend and then stopped it, as the introduction of a series of surcharges in several countries led to a stabilisation in the EU average in 2012 and 2013, and even a slight increase in the euro area.

<sup>(13)</sup> Taxation of corporate income is not only conducted through the CIT, but, in some Member States, also through surcharges or even additional taxes levied on tax bases that are similar but often not identical to the CIT. In order to take these features into account, the simple CIT rate has been adjusted for comparison purposes: notably, if several rates exist, only the 'basic' (non-targeted) top rate is presented; existing surcharges and averages of local taxes are added to the standard rate. Adjustments have been carried out for Belgium, Germany, Estonia, Greece, France, Cyprus, Hungary, Ireland, Italy, Lithuania, Luxembourg and Portugal.

### Lower CIT rate typical of NMS-12

Although the downward trend has been quite general, corporate tax rates still vary substantially within the Union (see Table 4).

The adjusted statutory tax rate on corporate income varies between a minimum of 10 % (in Bulgaria and Cyprus) to a maximum of 36.1 % in France, although the gap between the minimum and the maximum has shrunk since 1995. As in the case of the personal income tax, the lowest rates are typical of countries with low overall tax ratios; consequently, the NMS-12 Member States generally figure as having low rates (with the noteworthy exception of Malta, which is also the only Member State that has not changed its CIT rate since 1995). The reverse, however is not true: unlike the case of the personal income tax, the two Member States with the highest tax burden, Denmark and Sweden, display corporate tax rates that are near the EU average. This is linked to the adoption of Dual Income Tax systems by these countries, which in general tax capital income at a moderate rate.

### Capital taxation: revenue held up well until 2007 but now set to decrease under impact of recession and rate cuts

Despite the sizeable decline in rates, revenues from corporate income tax, the most important tax on capital income, grew steadily from 2003 to 2007, but since then have declined by 0.9 % of GDP (EU-27 weighted average). Despite this overall downward trend since 2007, revenues have begun to rise again in 2010 and 2011. A broadly similar trend is also visible in other related indicators such as revenue from taxes on capital and from business income taxes. The strong decline in the ITR on capital<sup>(14)</sup> was reversed in 2011, with the EU-25 average gaining 1.1 points (see Graph 17).

**Graph 17:** Implicit tax rate on capital 1995-2011, in % (GDP-weighted average - adjusted for missing data)



Source: Commission services

In addition, the strong cuts in the CIT statutory rate translate into lower revenues. However, it seems likely that the measures to broaden the corporate tax base, which have frequently accompanied the statutory rate cuts, have been playing an important role in sustaining the ITRs; and a series of measures taken at EU level to limit harmful tax competition may too have had an impact. Normally, both factors fade out with time: cyclical effects depend largely on the existence of carry-over provisions for losses incurred in previous years and on capital gains, and base broadening has its limits, explaining the decline in the last years. One imponderable, however, is the possibility that, stimulated by the steep fall in corporate tax rates, which in some countries are now well below the top PIT rate, growing incorporation has been boosting CIT revenues at the expense of the personal income tax.

Table 79 in Annex A presents the development of the ITR on capital for all the Member States and years available.

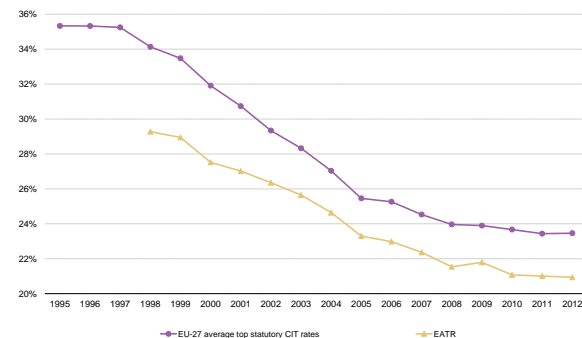
<sup>(14)</sup> The ITR on capital is the ratio between taxes on capital and aggregate capital and savings income. Specifically it includes taxes levied on the income earned from savings and investments by households and corporations and taxes, related to stocks of capital stemming from savings and investment in previous periods. The denominator of the capital ITR is an approximation of world-wide capital and business income of residents for domestic tax purposes.

### Stabilisation in effective average tax rates

Effective tax rates complement statutory tax rates by additional charges on investment and by elements of the tax base in order to evaluate the effective tax burden incurred. The methodology used for the calculation of EATRs is explained in the ZEW report by Devereux et al. (2008) and follows the methodology set out by Devereux and Griffith (1999, 2003).

For the EU-27, the average EATR in 2012 is 20.9 %, but this overall average hides considerable dispersion in the EATR levels across the individual Member States (see Table 86 in Annex A). The EATR is the lowest in Bulgaria (9 %), Cyprus (11.2 %) and Latvia (12.2 %), and the highest in France (34.2 %), Spain (32.4 %) and Malta (32.2 %). All NMS-12 Member States, except Malta, have effective tax rates below 20 % (16.3 % on average); all EU-15 Member States, except Denmark, Ireland and Greece levy have an EATR of 23 % and higher (24.7 % on average).

**Graph 18:** Corporate income tax rates and average effective taxation indicators, EU-27, 1995-2012, in %



Source: Commission services

Over the last decade, a significant downward trend in the effective corporate tax levels can be observed on the EU level. Over the same time period, the differential in effective tax levels between the EU-15 Member States and the NMS-12 Member States increased due to intensified tax cuts in the latter after EU accession. The fall in EATRs over the last decade largely followed the decrease of the CIT rate with a drop in 2008 more pronounced for the former than for the latter probably due to the numerous tax measures, other than rate cuts supporting the business that many governments introduced at the outbreak of the crisis<sup>(15)</sup>. However, the latest data show a stabilisation (see Graph 18).

<sup>(15)</sup> For detailed list of measures see European Commission (2010b)

**Table 4: Adjusted top statutory tax rate on corporate income 1995-2012, in %**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Difference		
																			2013	1995-2013	2000-2013
BE	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	-6.2	-6.2
BG	40.0	40.0	40.2	37.0	34.3	32.5	28.0	23.5	23.5	19.5	15.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-30.0	-22.5
CZ	41.0	39.0	39.0	35.0	35.0	31.0	31.0	31.0	31.0	28.0	26.0	24.0	24.0	21.0	20.0	19.0	19.0	19.0	19.0	-22.0	-12.0
DK	34.0	34.0	34.0	32.0	32.0	30.0	30.0	30.0	30.0	30.0	28.0	28.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	-9.0	-7.0
DE	56.8	56.7	56.7	56.0	51.6	51.6	38.3	38.3	39.6	38.3	38.7	38.7	29.8	29.8	29.8	29.8	29.8	29.8	29.8	-27.0	-21.8
EE	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	24.0	23.0	22.0	21.0	21.0	21.0	21.0	21.0	21.0	-5.0	-5.0
IE	40.0	38.0	36.0	32.0	28.0	24.0	20.0	16.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	-27.5	-11.5
EL	40.0	40.0	40.0	40.0	40.0	40.0	37.5	35.0	35.0	35.0	32.0	29.0	25.0	35.0	35.0	24.0	20.0	20.0	26.0	-14.0	-14.0
ES	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	32.5	30.0	30.0	30.0	30.0	30.0	30.0	-5.0	-5.0
FR	36.7	36.7	41.7	41.7	40.0	37.8	36.4	35.4	35.4	35.4	35.0	34.4	34.4	34.4	34.4	34.4	34.4	36.1	36.1	-0.6	-1.7
IT	52.2	53.2	53.2	41.3	41.3	41.3	40.3	40.3	38.3	37.3	37.3	37.3	37.3	31.4	31.4	31.4	31.4	31.4	31.4	-20.8	-9.9
CY	25.0	25.0	25.0	25.0	25.0	29.0	28.0	28.0	15.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-15.0	-19.0
LV	25.0	25.0	25.0	25.0	25.0	25.0	25.0	22.0	19.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	-10.0	-10.0
LT	29.0	29.0	29.0	29.0	29.0	24.0	24.0	15.0	15.0	15.0	15.0	19.0	18.0	15.0	20.0	15.0	15.0	15.0	15.0	-14.0	-9.0
LU	40.9	40.9	39.3	37.5	37.5	37.5	37.5	30.4	30.4	30.4	30.4	29.6	29.6	29.6	28.6	28.6	28.8	28.8	29.2	-11.7	-8.2
HU	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	17.6	17.5	17.5	21.3	21.3	21.3	20.6	20.6	20.6	20.6	1.0	1.0
MT	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	0.0	0.0
NL	35.0	35.0	35.0	35.0	35.0	35.0	35.0	34.5	34.5	34.5	31.5	29.6	25.5	25.5	25.5	25.5	25.0	25.0	25.0	-10.0	-10.0
AT	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	-9.0	-9.0
PL	40.0	40.0	38.0	36.0	34.0	30.0	28.0	28.0	27.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	-21.0	-11.0
PT	39.6	39.6	39.6	37.4	37.4	35.2	35.2	33.0	33.0	27.5	27.5	27.5	26.5	26.5	26.5	29.0	29.0	31.5	31.5	-8.1	-3.7
RO	38.0	38.0	38.0	38.0	25.0	25.0	25.0	25.0	25.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	-22.0	-9.0
SI	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	23.0	22.0	21.0	20.0	20.0	18.0	17.0	-8.0	-8.0
SK	40.0	40.0	40.0	40.0	40.0	29.0	29.0	25.0	25.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	23.0	-17.0	-6.0
FI	25.0	28.0	28.0	28.0	28.0	29.0	29.0	29.0	29.0	29.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	24.5	24.5	-0.5	-4.5
SE	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	26.3	26.3	26.3	26.3	22.0	-6.0	-6.0
UK	33.0	33.0	31.0	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	28.0	26.0	24.0	23.0	-10.0	-7.0
IS	33.0	33.0	33.0	33.0	30.0	30.0	30.0	18.0	18.0	18.0	18.0	18.0	18.0	15.0	15.0	18.0	20.0	20.0	20.0	-13.0	-10.0
NO	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	0.0	0.0
EU-27	35.3	35.3	35.2	34.1	33.5	31.9	30.7	29.3	28.3	27.0	25.5	25.3	24.5	24.0	23.9	23.3	23.1	23.0	23.2	-12.2	-8.7
EA-17	36.8	37.0	37.0	35.8	35.2	34.4	33.0	31.8	30.4	29.6	28.1	27.7	26.8	26.3	26.2	25.6	25.3	25.4	25.9	-10.9	-8.4

Note: Only the 'basic' (non-targeted) top rate is presented here. Existing surcharges and averages of local taxes are included. Some countries also apply small profits rates or special rates, e.g. in case the investment is financed through issuing new equity, or alternative rates for different sectors. Such targeted tax rates can be substantially lower than the effective top rate.

- BE: a) A 3 % 'crisis' surcharge is applicable since 1993; b) since 1/1/2006 Belgium, applies a system of notional interest (ACE) which reduces the 'effective tax rate' by several percentage points, depending on the difference between the rate of return and the rate of the notional interest deduction.
- CY: In 2003 and 2004 the rate includes the additional 5 % surcharge on companies with income exceeding EUR 1.7 million.
- EE: As from 2000 the rate for Estonia refers only to the gross amount of distributed profits; the tax rate on retained earnings is zero.
- FR: France applies a standard CIT rate of 33.3 %. Large companies (turnover over EUR 7 630 000 and taxable profit over EUR 2 289 000) are subject to an additional surcharge of 3.3 % levied on the part of aggregate corporate tax which exceeds EUR 763 000. For fiscal years 2012 and 2013, an additional 5 % surcharge on gross income exceeding EUR 250 million is levied. An annual minimum lump-sum tax (IFA) based on turnover is payable when turnover is more than EUR 15 million.
- DE: The rate includes the solidarity surcharge of 5.5 % and the average rate for the trade tax (Gewerbesteuer). From 1995 to 2000 the rates for Germany refer only to retained profits. For distributed profits lower rates applied. Until 2007 the trade tax was an allowable expense for the purpose of calculating the income on which corporation tax is payable. As from 2008 enterprises are subject to an overall tax burden of 29.8 % nominally. This is the result of the reduction of the corporate tax rate from 25 % to 15 % and the reduction of the base measure for trade tax from 5 % to 3.5 %. The adjusted top statutory tax rate is calculated with an average multiplier of 400 % for the trade tax.
- EL: The rate includes a special contribution introduced in 2009 (2008 income) on companies with net income above EUR 5 million. The contribution is levied at progressive rates, with the marginal rate reaching 10 %. In 2010 (2009 income) the contribution applies to income above EUR 100 000, top rate being 10 % (income above EUR 5 million).
- HU: An 'Innovation tax' of 0.3 % is due on the same base as the local business tax while micro and small enterprises are exempted from paying. In 2010 the corporate income tax in Hungary consists of two components: the standard CIT rate of 19 %, a local tax of maximum 2 % that applies on the gross operating profit (turnover minus costs). Starting from a gross operating profit of 100, companies would pay the local tax of 2. The CIT base is calculated as the profit before tax of 98. A CIT rate of 19 % gives a tax of 18.62. In total the tax paid is 18.62 + 2 = 20.62.
- IT: As from 1998 the rates for Italy include IRAP (rate 3.90 %), a local tax levied on a tax base broader than corporate income. The rate may vary up to 0.92 pp depending on location. "Robin tax" on financial institutions is not included. From 2012, an ACE allowance is in force, reducing the effective tax rate (see also previous note on Belgium).
- IE: 25 % for non-trading income, gains and profits from mining petroleum and land dealing activities. Until 2003, Ireland applied a 10 % CIT rate to qualifying manufacturing and services companies.
- LT: A 'social tax' (applied as a surcharge) has been introduced in 2006 and 2007 (at 4 % and 3 % respectively). As from 2010, companies with up to ten employees and taxable income not exceeding LTL 500 000 (approx. EUR 144 810), benefit from a reduced tax rate of 5 %.
- Malta: The rate shown does not take into account the corporate tax refund system.
- LU: Basic local tax (municipal business tax) is 3 % to be multiplied by a municipal factor ranging from 2 to 3.5. The rate in the table is for Luxembourg City.
- PT: As from 2007 the rate for Portugal includes the maximum 1.5 % rate of a municipal surcharge. As from 1 January 2012 the State tax is 3 % on taxable profits between EUR 1.5 and 10 million and 5 % on profits exceeding EUR 10 million. As from 1 January 2013 the State tax is 3% on taxable profits between EUR 1.5 and 7.5 million and 5% on profits exceeding EUR 7.5 million.
- UK: As of the 1st January 2012 the rate was still 26 %. From 1st April the rate has been reduced to 24 % as a result of a Budget change (instead of the foreseen 25 %).

Source: Commission services



**Box 2: Capital tax base.**

The ITR on capital is the ratio between taxes on capital and aggregate capital and savings income. Specifically it includes taxes levied on the income earned from savings and investments by households and corporations and taxes, related to stocks of capital stemming from savings and investment in previous periods. The denominator of the capital ITR is an approximation of world-wide capital and business income of residents for domestic tax purposes. It comprises of net operating surplus, interests, insurance property income attributed to policy holders, rents on land and dividends for the sectors non-financial and financial corporations, households, self-employed, non-profit organisations, general government and rest of the world (for detailed methodological discussion see methodological annex).

The table below presents the evolution of the denominator of the ITR on capital in percentage of GDP for each Member State. This ratio varies for most Member States between 20 % and 35 % of GDP. At the low end, Denmark provides a low ratio of only 18.7 % while at the high end the ratio of capital base to GDP in Ireland and Poland is above 40 %.

**Table: Capital tax base to GDP, 1995-2011, in %**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BE	34.1	33.1	32.7	32.5	30.7	32.3	31.9	30.5	29.1	29.7	30.3	30.8	31.6	30.8	29.4	31.1	30.5
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	31.2	30.4	29.0	31.6	31.8	31.5	32.4	31.2	31.5	31.3	32.3	33.3	33.7	32.8	31.8	31.2	30.4
DK	21.3	20.4	20.1	17.8	17.9	20.0	19.4	20.0	17.9	17.8	20.1	20.0	17.2	16.7	14.8	19.4	18.7
DE	25.6	25.7	26.5	26.6	25.3	24.7	24.8	25.1	25.4	27.2	28.8	31.0	31.8	30.9	27.1	28.9	28.0
EE	:	:	:	:	:	31.8	32.5	32.4	32.2	31.5	31.8	30.3	29.6	25.2	18.0	23.5	27.4
IE	:	:	:	:	:	:	:	50.1	49.6	47.7	45.5	46.9	48.5	43.5	41.3	46.7	46.7
EL	:	:	:	:	:	:	:	:	:	:	44.0	44.3	42.5	40.9	40.6	40.6	:
ES	:	:	:	:	:	30.3	30.3	30.1	29.7	29.3	28.6	27.8	27.2	27.0	27.8	27.5	28.3
FR	25.4	25.0	25.5	26.2	25.6	25.9	26.1	25.2	24.9	24.9	24.8	25.0	25.8	25.9	23.4	23.6	23.0
IT	41.5	42.2	39.7	37.7	36.7	37.1	37.6	36.0	35.2	35.1	34.0	33.1	33.1	31.9	29.7	30.1	29.7
CY	36.2	36.2	35.8	38.1	38.7	40.4	39.0	37.3	33.5	31.9	33.4	32.5	33.7	37.8	32.5	31.1	40.0
LV	18.5	20.4	22.9	21.3	20.9	25.4	28.2	31.3	30.4	31.4	28.5	27.4	27.1	23.5	25.6	30.0	32.7
LT	27.3	31.0	30.4	28.5	27.0	32.4	34.5	34.8	36.0	36.5	36.6	34.7	34.0	31.5	29.1	33.4	37.4
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	23.8	25.4	28.0	27.7	27.4	24.8	26.0	27.6	26.2	27.0	27.0	29.8	28.4	27.0	24.0	25.8	28.8
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	32.8	33.7	36.4	35.5	35.3	37.7	37.5	31.9	32.6	34.0	40.6	41.8	45.9	42.0	37.6	41.9	39.6
AT	22.9	23.6	24.0	24.7	24.1	25.1	24.2	24.9	25.0	26.3	27.8	28.1	28.4	27.7	25.6	27.4	27.8
PL	36.1	34.0	33.6	34.1	32.4	34.9	34.0	34.6	35.7	39.3	38.7	38.4	38.7	37.4	39.9	39.8	40.4
PT	29.7	28.7	27.5	26.8	26.5	25.1	24.5	23.8	23.5	24.1	22.5	22.2	23.1	21.2	21.7	23.3	22.5
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	16.8	16.8	19.5	19.6	20.6	19.1	18.9	20.3	21.2	21.0	21.1	22.5	23.0	21.2	19.5	19.0	19.4
SK	30.9	29.3	28.8	28.4	30.0	30.2	32.5	31.5	30.8	34.0	33.3	36.1	37.5	37.9	35.2	36.6	36.5
FI	21.3	21.1	23.0	24.0	24.7	27.2	30.1	27.0	25.3	26.2	25.7	28.8	29.4	26.0	19.9	23.1	24.5
SE	24.1	21.7	22.0	20.9	19.9	19.6	18.4	17.8	18.3	22.0	21.3	26.0	22.8	23.2	19.0	22.4	21.8
UK	26.5	27.8	28.3	27.7	25.0	24.1	23.3	23.5	26.3	26.3	27.3	27.3	26.8	27.5	26.9	28.1	28.7
NO	23.0	24.8	25.0	21.1	21.8	30.1	29.4	27.3	28.8	32.4	37.0	37.5	35.3	36.7	29.9	32.2	33.7

Source: Eurostat ([nasa\\_nf\\_tr](#)), own calculations

**Table 5:** Environmental tax revenue in the Union 1995-2011, in % of GDP

	Difference (percentage points)																		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995-2011	2000-2011
BE	2.2	2.5	2.5	2.4	2.5	2.3	2.3	2.2	2.3	2.4	2.3	2.1	2.1	2.0	2.0	2.1	2.1	-0.1	-0.2
BG	1.8	1.2	1.4	2.2	2.4	2.7	2.5	2.3	3.0	3.2	3.0	2.9	3.4	3.4	3.0	2.9	2.9	1.0	0.2
CZ	2.7	2.5	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.4	2.3	-0.4	0.0
DK	4.4	4.7	4.7	5.1	5.2	4.7	4.7	4.8	4.7	4.8	4.9	4.8	4.6	4.2	4.0	4.0	4.1	-0.4	-0.7
DE	2.3	2.2	2.2	2.1	2.3	2.4	2.5	2.5	2.7	2.6	2.5	2.4	2.2	2.2	2.3	2.2	2.3	-0.1	-0.1
EE	1.0	1.5	1.6	1.9	1.7	1.7	2.1	2.0	1.9	2.1	2.3	2.2	2.2	2.3	3.0	3.0	2.8	1.8	1.1
IE	3.0	3.1	3.0	3.0	3.0	2.8	2.4	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.4	2.6	2.6	-0.5	-0.3
EL	3.1	3.1	3.1	2.9	2.8	2.3	2.6	2.3	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.5	2.7	-0.5	0.3
ES	2.2	2.2	2.1	2.3	2.3	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.6	-0.6	-0.6
FR	2.5	2.5	2.4	2.4	2.4	2.2	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8	-0.7	-0.3
IT	3.6	3.5	3.4	3.3	3.5	3.2	3.0	2.9	3.0	2.8	2.8	2.8	2.7	2.5	2.7	2.6	2.8	-0.8	-0.4
CY	2.9	2.8	2.5	2.5	2.5	2.7	3.0	3.0	3.8	4.0	3.5	3.3	3.4	3.2	2.9	2.9	2.9	0.0	0.2
LV	1.1	1.6	2.1	2.9	2.4	2.4	2.2	2.3	2.5	2.6	2.7	2.4	2.1	2.0	2.3	2.4	2.5	1.4	0.0
LT	1.9	1.9	2.1	2.5	2.9	2.5	2.6	2.8	2.8	2.7	2.3	1.8	1.8	1.6	2.0	1.9	1.7	-0.2	-0.7
LU	3.0	2.9	3.0	2.9	2.8	2.8	2.8	2.8	3.1	2.9	2.6	2.5	2.6	2.6	2.6	2.4	2.4	-0.6	-0.4
HU	2.9	2.9	2.9	3.4	3.3	3.0	2.9	2.8	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.7	2.5	-0.4	-0.5
MT	3.1	3.0	3.4	3.8	3.9	3.6	3.5	3.3	3.3	3.0	3.2	3.3	3.7	3.4	3.3	3.0	3.2	0.1	-0.4
NL	3.6	3.8	3.8	3.8	3.9	3.9	3.8	3.7	3.7	3.9	3.9	4.0	3.8	3.9	4.0	4.0	3.9	0.3	0.0
AT	2.1	2.1	2.4	2.3	2.3	2.4	2.6	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.4	2.4	0.3	0.0
PL	1.8	1.9	1.8	1.8	2.1	2.1	2.1	2.4	2.4	2.6	2.6	2.7	2.7	2.6	2.6	2.6	2.6	0.7	0.5
PT	3.4	3.4	3.2	3.4	3.3	2.6	2.9	3.0	3.0	3.0	3.0	2.9	2.8	2.6	2.5	2.6	2.4	-1.0	-0.3
RO	0.0	0.0	0.0	0.0	3.9	3.4	2.4	2.1	2.4	2.4	2.0	1.9	2.1	1.8	1.9	2.0	1.9	1.9	-1.5
SI	4.2	4.3	4.5	5.0	4.1	2.9	3.2	3.3	3.3	3.2	3.0	3.0	3.0	3.5	3.6	3.4	3.4	-0.7	0.5
SK	2.3	2.1	2.0	1.9	2.0	2.2	2.0	2.2	2.4	2.5	2.4	2.3	2.1	2.0	2.0	1.9	1.8	-0.5	-0.4
FI	2.9	3.1	3.3	3.3	3.4	3.1	3.0	3.1	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.8	3.1	0.2	0.0
SE	2.8	3.2	3.0	3.0	2.9	2.8	2.8	2.9	2.9	2.8	2.9	2.7	2.7	2.7	2.8	2.7	2.5	-0.3	-0.3
UK	2.9	2.9	2.9	3.1	3.1	3.0	2.8	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.6	2.6	2.6	-0.3	-0.4
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IS	3.2	3.5	3.4	3.3	3.5	3.3	2.7	2.3	2.6	2.7	2.9	2.6	2.5	1.8	1.6	2.0	1.9	-1.3	-1.3
<b>EU-27 averages</b>																			
weighted	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	2.4	-0.3	-0.3
arithmetic	2.6	2.6	2.7	2.8	2.9	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	2.6	0.0	-0.2
<b>EA-17 averages</b>																			
weighted	2.7	2.7	2.6	2.6	2.7	2.6	2.5	2.5	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.3	2.3	-0.4	-0.3
arithmetic	2.795	2.8	2.8	2.9	2.9	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.5	2.6	2.6	2.6	-0.2	-0.1

Source: Commission services

## Large differences in taxation of capital stocks/wealth

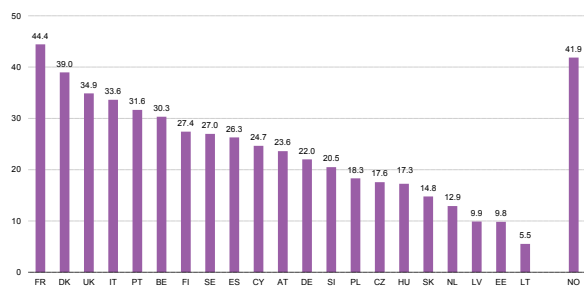
The absolute levels of the ITRs on capital differ widely within the EU, ranging from 44.4 % in France to a mere 5.5 % in Lithuania (see Graph 19). A breakdown of the ITR on capital shows that in most cases, the ITRs on capital and business income cluster around 20 % so the variation in the tax burden on capital derives largely from wide differences in the taxation of capital stocks/wealth. Their proceeds are very limited in some Member States, but contribute a significant amount of revenue in several others, depending not only on the tax rates but also on the size and profitability of the capital stock.

In terms of absolute levels, the most striking features are the very high levels of the ITR on corporate income in Cyprus, France and Italy and its very low levels in the three Baltic Member States, the Netherlands and Hungary.

As explained above, the ITR on capital and business income differs from the general ITR on capital as it excludes the taxes on the stock of capital/wealth. It can be broken down further into corporate income or capital and business income of households and the self-employed (in the form of rents, dividends, interest, insurance income, etc.)<sup>(16)</sup>.

<sup>(16)</sup> No data are available for Bulgaria, Germany, Greece, Ireland, Luxembourg, Malta, Romania and Iceland. Data coverage for Estonia and Spain starts in 2000. Data for 2010 for Denmark and Spain refer to 2009. In addition, the coverage of the last two ITRs is lower than for the ITR on capital and business income and some adjustments are necessary. For Austria and Portugal the ITR on corporate income represents the tax burden on all companies including the self-employed. This correction is necessary because of the sectoral mismatch in the recording of unincorporated partnerships in national accounts. The profits of partnerships, treated as quasi-corporations in national accounts, are booked in the corporations sector while the corresponding tax payments are recorded in the households sector, given that the owners of the partnership are taxed under the personal income tax scheme. In theory, also for Germany, where partnerships are an important part of companies, a similar correction could be calculated. However, owing to reservations regarding comparability with other Member States, it has been decided not to publish these results.

**Graph 19: Implicit tax rate on capital 2011, in %**



Note: No data for BG, IE, EL, LU, MT, RO and IS; data for DK and ES refer to 2009  
Source: Commission services

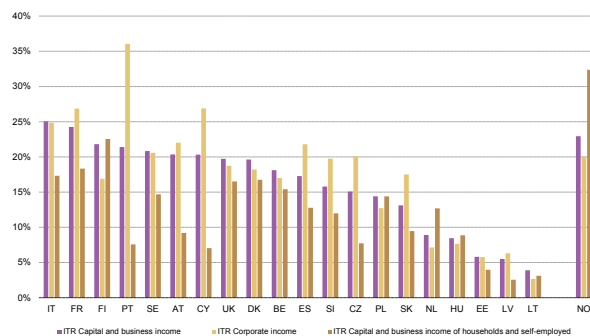
## Environmental taxation

### Environmental taxation regaining importance lately

Environmental taxes (officially denoted as "environmentally related taxes") are defined as a tax whose tax base is a physical unit (or a proxy of a physical unit) of something that has a proven, specific negative impact on the environment. Main examples of such taxes are excise duties on energy products, taxes on transport vehicles as well as pollution taxes.

Environmental taxation has played an important role in policy debates, in the context of both current and previous economic crises, as it is considered that raising environmental taxes could create scope for labour tax cuts and thus deliver a double dividend in the sense of boosting employment and improving the quality of the environment at the same time.

**Graph 20: Implicit tax rate on capital and business income 2011, in %**

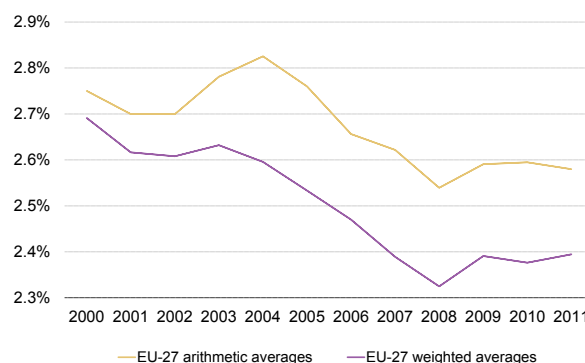


Note: No data for BG, DE, IE, EL, LU, MT, RO and IS; data for DK and ES refer to 2009; data for PT (corporate income, household and self-employed) refer to 2008  
Source: Commission services

Currently, roughly one euro out of every sixteen in revenue is raised from environmental taxes. As a percentage of GDP, environmental tax revenues

declined slowly during 2004-2008, first in the euro area and progressively applying also to the majority of the Member States, reversing a previous clear progression. However, as of 2009 environmental tax revenue started increasing again and by now there is practically no difference in revenue between the NMS-12 and the EU-15 Member States. Nevertheless, higher energy intensity of the economy in the NMS-12 countries tends to drive up environmental tax revenue and offset lower excise rates in revenue terms.

**Graph 21: Environmental tax revenues, 2000-2011, % of GDP**



Source: Commission services

### Environmental taxation raises on average 3 % of GDP

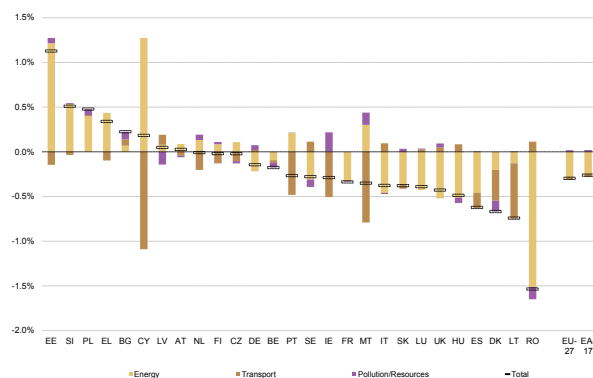
Table 5 shows the environmental tax-to-GDP ratio by Member State. The vast majority of Member States tend to fall in a band ranging from 2 % to 3 % of GDP. Five Member States show levels below 2 % of GDP, while in two countries environmental tax revenues exceed 3.5 % of GDP. In 2011, Denmark (4.1 %) and the Netherlands (3.9 %) display the highest level of 'green' taxes followed by Slovenia (3.4 %). The lowest environmental tax revenues in relation to GDP are instead found in Spain, France, Lithuania, Romania and Slovakia, all below 2 % in 2010.

The predominance of energy taxes is common to most Member States; however, in some countries the contribution of taxes on vehicles is significant: for instance, in Denmark, Ireland, and Malta they account for between 35 % and 44 % of environmental taxes. In 2011 tax revenue from these taxes amounted to 0.5 % of GDP in the EU-27, while taxes on pollution/resources raised only 0.1 % of GDP (see Annex A).

## Opposing changes in the composition of environmental taxation across the EU

Graph 22 shows the evolution in the structure of environmental taxes between 2000 and 2011. The graph highlights that the moderate decrease in the EU average conceals a number of opposing changes in composition in some Member States. For instance, the overall slight decline in energy taxation should be put in the context of marked increases in several countries. Over the period the highest increase in energy taxation took place in Estonia, over 1 % of GDP, while other countries with non-negligible increases were Cyprus, Slovenia, Slovakia, Greece, Portugal and Poland. On the other hand, there has been a strong decrease of energy taxes in Romania amounting to almost 1.5 % of GDP. One can also observe that the level of transport taxes has decreased quite strongly in Cyprus and Malta, the two countries where transport taxes form an important share of environmental taxation, but the fall is partly offset by increases in energy taxes (Cyprus) or pollution/ resources taxes (Malta).

**Graph 22:** Evolution of the structure of environmental taxes 2000-2011, difference in % of GDP



Note: Weighted averages  
Source: Commission services

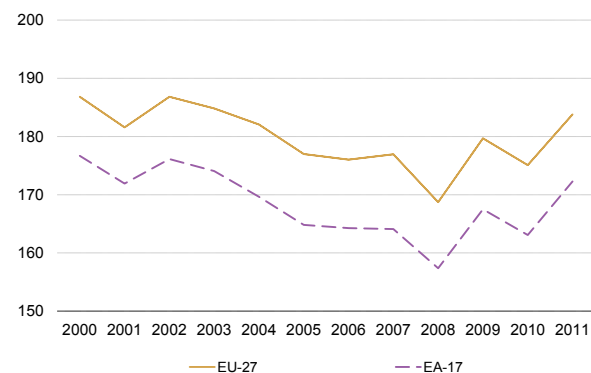
## Increase of the implicit tax rate on energy since 2009

A high ratio of environmental tax revenue to total taxation as such does not necessarily represent an indication of a high priority being attributed to environmental protection. Energy taxes and transport have been originally used as revenue raising instruments, without environmental purposes. Furthermore, tax revenues are a product of tax rate and tax base. Hence the high level of the indicator can result not only from the high level of tax rates, but also from a high tax base in relation to GDP, which can be an indication of the inefficient use of resources in a country. In this sense the indicator can give a

misleading view of environmental policy goals of the country in question.

The indicator implicit tax rate on energy (ITR) is not influenced by the size of the tax base and provides in this sense a more reliable measure of the effective level of environmentally related (or energy) taxation. However, this indicator also shows some peculiarities. The ITR on energy treats equally all kinds of energy consumption, regardless of their environmental impact; an energy unit produced from hydroelectric power has the same weight as a unit produced from coal. In many countries, however, renewable energy sources are subject to lower tax rates than exhaustible energy sources, or altogether exempted in order to provide incentives to switch from fossil fuels towards these more environmentally-friendly sources of energy. Thus, paradoxically, a country with a large share of renewable energy may have a lower ITR on energy than a country that relies largely on carbon-based energy sources.

**Graph 23:** Energy tax revenues in relation to final energy consumption (real ITR on energy) Euro per tonne of oil equivalent, deflated with cumulative % change in final demand deflator (2000=100)



Note: GDP weighted average  
Source: Commission services

Data show that in real terms taxation on energy has been trending downward in the 2002-2008 period and that the fall has been sharpest towards the end of that period (see Graph 23). During the crisis, the indicator shows considerable variation. After a sharp increase in 2009, the real ITR on energy (EU average GDP-weighted) decreased sharply in 2010 but bounced back in 2011 its 2003-2004 levels. Concerning individual countries, the real burden of taxation on energy decreased in 2010 from 2009 levels in all but seven EU Member States.

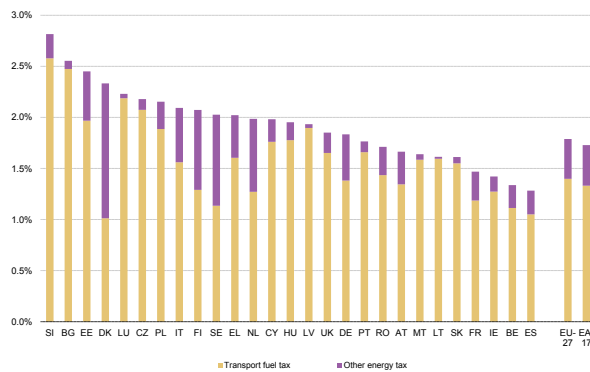
## Large share of energy taxes levied on transport fuel

Energy taxes comprise taxes on both transport fuels and stationary (<sup>17</sup>) use of energy products. Graph 24 shows the energy tax-to-GDP ratio by Member State and displays which share is stemming from transport fuel taxes. The graph highlights that transport fuels predominate in most countries, with few exceptions (Slovakia, Denmark, Sweden, Finland, the Netherlands). Energy tax revenue is highest in Slovenia, Bulgaria and Estonia (2.8 %, 2.6% and 2.5 % of GDP respectively). This is due, however, not to high tax rates as such but to the high level of final energy consumption.

## Importance of fuel taxes varies across Member States

The share of fuel taxes differs a lot across the EU, from well above 90 % in Latvia, Lithuania, Bulgaria and Luxembourg to 40 % to 60 % in Denmark and Sweden.

**Graph 24:** Energy tax revenues by Member State 2011, in % of GDP



Note: Weighted averages  
Source: Commission services

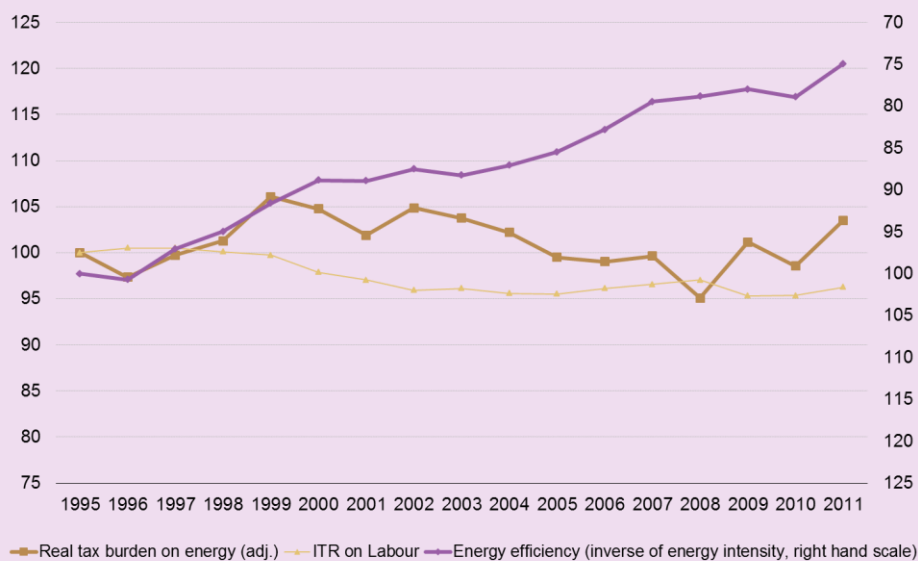
The predominance of transport fuel taxes is striking in the NMS-12 as most of them apply the minimum excise duty, or at least rates close to the minimum, for taxing energy products such as electricity, natural gas and coal. The revenues collected from taxing these products are therefore low compared with those accruing from transport fuel. As for the EU-15 Member States the picture is very different as there are significant differences in the excise duty rates on natural gas and electricity (some apply the EU required minimum rate and others 200 times the minimum).

<sup>(17)</sup> Stationary use means the use for stationary business applications (such as industrial processes) and for heating purposes.

**Box 3: Impact on the energy intensity.**

The following graph juxtaposes trends in the energy intensity of the economy, the real ITR on energy and the ITR on labour. In the graph, the energy intensity of the economy is shown on an inverted scale, meaning that if the line slopes upwards, the economy is becoming more energy efficient and vice versa.

From 1995 to around 2000, as taxation of energy increased rapidly, final energy consumption grew at a much lower rate than the economy overall, leading to a rapid increase in energy efficiency. Around 2000, however, the real burden of energy taxes started declining, and at the same time the growth in energy efficiency slowed down suggesting that taxation may have played a role in stimulating energy conservation, alongside other structural factors. From 2003 onwards, however, energy efficiency has improved again at a faster rate, while the effective tax burden on energy has continued to fall. This was certainly also influenced by large market price increases, in particular of oil products.



Source: Commission Services and Eurostat ([tsien020](#))

As for the idea of financing cuts in the labour taxation from increases in environmental taxation, its implementation would imply an opposite development of the ITRs on energy and on labour in the graph: as the ITR on energy increases, taxation of labour should fall. This has not really been the case; in fact, the development of the two trends is nearly the opposite with the ITR on labour showing a slight increase from 2004 onwards, while the ITR on energy has been declining quite sharply during the same period. Interestingly, however, these trends have been reversed again between 2008 and 2009; the ITR on labour has been falling, while that on energy increasing indicating a shift from labour towards environmental taxation. It remains to be seen whether this shift will persist also in forthcoming years.

## Property Taxes

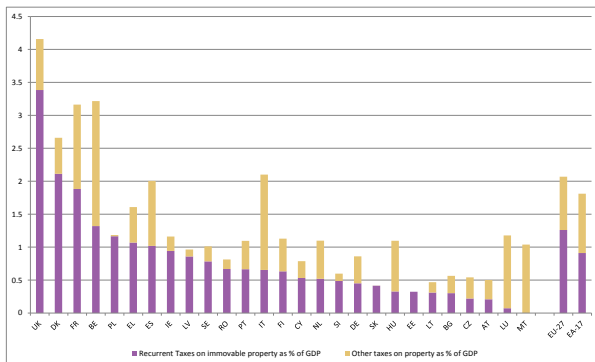
Data for property taxes was first presented in the 2012 edition of this report (European Commission, 2012). A comprehensive discussion of the underlying data as well as a classification of different types of property taxes (transaction based vs. recurrent taxes) can be found there. Graph 25 shows the composition of property taxes for the Member States ordered by the share of recurrent property taxes in the total tax

revenue from property taxation. Recurrent taxes on real estate property are considered to be the least detrimental to economic growth given the immobility of the tax base. This reduces the behavioural effects to this type of taxation which in turn minimizes the economic distortions. Recurrent property taxes on real estate are largest in the UK, Denmark and France. Malta stands out since it does not levy this type of tax at all. At the same time, other forms of property taxes – often in the form of transaction taxes when real estate is

transferred in a sale are relatively high in Belgium, Italy, Luxemburg, Malta and France.

Compared to 2010, changes in tax revenues were relatively small (see table 76 in Annex A). The largest increase in recurrent property taxes (0.82 pp) was observed in Greece. The reason is the 2010 tax reform which taxes large properties with a recurrent tax at progressive rates from 0.2 % to 1 %.

**Graph 25:** Composition of property taxes by Member State  
2011, in % of GDP



Source: Commission services





# 2

## Developments in the Member States

<b>AUSTRIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	15.2	15.2	15.3	15.2	15.0	14.8	14.3	14.2	14.4	14.9	14.7	14.6	7	43.8
VAT	8.1	8.1	8.1	8.0	7.9	7.9	7.6	7.7	7.8	8.0	7.9	7.8	14	23.4
Excise duties and consumption taxes	2.7	2.7	2.7	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.4	2.5	22	7.6
Other taxes on products (incl. import duties)	1.2	1.2	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	14	3.3
Other taxes on production	3.2	3.3	3.2	3.2	3.1	3.1	3.0	3.0	3.1	3.3	3.2	3.2	3	9.6
Direct taxes	13.2	15.0	13.8	13.7	13.5	12.8	12.9	13.4	14.0	12.8	12.7	13.0	9	39.0
Personal income	10.0	10.7	10.4	10.4	10.1	9.5	9.6	9.8	10.4	9.9	9.7	9.7	7	29.3
Corporate income	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	2.3	14	7.0
Other	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	9	2.8
Social contributions	14.7	14.8	14.6	14.6	14.6	14.5	14.3	14.1	14.3	14.8	14.6	14.6	6	43.8
Employers'	7.1	7.0	6.9	6.9	6.8	6.8	6.7	6.7	6.7	6.9	6.8	6.8	11	20.5
Employees'	6.0	6.1	6.0	6.0	5.9	5.9	5.8	5.7	5.8	6.0	5.9	5.9	4	17.7
Self- and non-employed	1.6	1.7	1.7	1.7	1.9	1.8	1.8	1.8	1.8	1.9	1.8	1.9	6	5.6
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		
<b>TOTAL</b>	<b>43.0</b>	<b>44.9</b>	<b>43.6</b>	<b>43.4</b>	<b>43.0</b>	<b>42.1</b>	<b>41.5</b>	<b>41.7</b>	<b>42.7</b>	<b>42.4</b>	<b>41.9</b>	<b>42.0</b>	<b>7</b>	<b>126.4</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	51.7	53.5	53.7	54.1	54.0	53.3	52.9	53.2	52.3	49.1	49.1	48.8	19	61.7
State government <sup>2)</sup>	7.7	7.4	7.3	7.0	7.1	7.1	7.1	7.3	8.2	9.8	9.8	10.0	4	12.6
Local government	11.7	11.5	11.2	10.8	10.9	10.9	11.0	11.1	11.4	11.7	11.9	12.0	10	15.2
Social security funds	27.6	26.4	26.8	27.1	27.4	28.0	28.2	27.7	27.5	28.9	28.7	28.6	17	36.2
EU institutions	1.4	1.2	1.0	0.9	0.6	0.7	0.7	0.7	0.7	0.5	0.5	0.6	21	0.7
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	12.3	12.3	12.4	12.3	12.3	12.1	11.6	11.6	11.6	12.0	11.8	11.7	15	35.2
Labour	23.9	24.1	24.1	24.3	23.8	23.3	23.2	23.1	23.8	24.0	23.8	23.8	4	71.7
Employed	21.6	21.7	21.5	21.7	21.2	20.9	20.8	20.7	21.3	21.5	21.3	21.2	3	63.9
Paid by employers	9.7	9.6	9.5	9.5	9.3	9.3	9.2	9.1	9.4	9.7	9.6	9.5	6	28.7
Paid by employees	11.9	12.1	12.1	12.2	11.9	11.6	11.6	11.6	12.0	11.8	11.7	11.7	6	35.2
Non-employed	2.3	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.5	2.5	2.6	2.6	5	7.8
Capital	6.8	8.5	7.2	6.9	7.0	6.7	6.7	7.1	7.3	6.5	6.4	6.6	15	19.7
Capital and business income	5.7	7.4	6.1	5.8	6.0	5.7	5.7	6.1	6.3	5.5	5.4	5.7	8	17.0
Income of corporations	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	2.3	15	7.0
Income of households	0.9	0.9	0.9	0.8	0.8	0.8	0.9	1.1	1.3	1.1	0.9	0.9	8	2.7
Income of self-employed (incl. SSC)	2.7	3.2	2.8	2.7	2.8	2.6	2.5	2.4	2.4	2.6	2.5	2.4	4	7.4
Stocks of capital / wealth	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	22	2.7
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.4	2.6	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.4	2.4	17	7.4
Energy	1.6	1.7	1.7	1.8	1.8	1.8	1.6	1.6	1.6	1.6	1.6	1.7	20	5.0
Of which transport fuel taxes	1.2	1.3	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	19	
Transport (excl. fuel)	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.8	7	2.3
Pollution/resources	0.04	0.05	0.05	0.05	0.03	0.02	0.03	0.03	0.03	0.02	0.02	0.02	22	0.1
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	24	1.5
Recurrent taxes on immovable property	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	25	0.6
Other property taxes	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	16	0.9
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	22.2	22.1	22.5	22.2	22.1	21.7	21.3	21.6	21.7	21.6	21.3	21.2	13	
Labour employed	40.1	40.6	40.8	41.0	41.1	40.8	40.9	41.0	41.3	40.3	40.5	40.8	3	
Capital	27.2	35.2	28.9	27.6	26.8	24.2	23.9	25.1	26.4	25.2	23.3	23.6		
Capital and business income	22.9	30.5	24.5	23.2	22.8	20.6	20.2	21.6	22.9	21.4	19.7	20.4		
Corporations	26.6	36.6	28.1	26.7	26.1	23.6	22.6	24.0	25.3	24.0	21.4	22.0		
Households	7.9	8.9	9.6	8.5	7.3	6.4	7.1	8.5	9.7	9.1	8.9	9.2		
Real GDP growth (annual rate)	3.7	0.9	1.7	0.9	2.6	2.4	3.7	3.7	1.4	-3.8	2.3	2.9		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Austria

## Overall trends in taxation

### Structure and development of tax revenues

In Austria, the overall tax burden (including social contributions) in 2011 was at 42.0 % more than three percentage points of GDP above the EU average (EU-27 38.8 %), with only the Nordic Countries, Belgium, France and Italy recording higher rates.

Austria derives 34.7 % of tax revenues from indirect taxes (EU-27 34.5 %), of which VAT accounts for more than half. Austria raises a substantial amount from other taxes on production (7.6 % of total taxation, EU-27 5.4 %), in particular from an employers' contribution to the fund for equalisation of family burdens and a payroll tax payable to communes. By contrast, excise duties account for relatively little revenue. This reflects the moderate rates imposed, in particular on alcoholic beverages. Direct taxes account for a proportion of revenue (30.9 %) slightly below the EU average of 33.2 % of total taxation. The contribution of PIT to total tax revenues is close to EU-27 average (23.2 %, EU-27 23.5 %), while the CIT share in total taxation is the eight lowest in the EU (5.5 %, EU-27 6.4 %). Social contributions account for more than one third of total tax receipts (34.6 %, EU-27 33.5 %).

Among the EU countries with federal public finance systems, Austrian states receive the lowest proportion of total tax revenues (10 % as against more than 20 % in Belgium, Germany and Spain). The share of local government revenues (12.0 %) is slightly above the EU-27 average (10.8 %). The 2009 increase in tax shares of lower levels of government is due to an increased share in revenues agreed as part of the financial equalisation procedure, replacing former transfers to lower levels of government.

The peak total tax revenues of 44.9 % of GDP in 2001 were the result of the political goal of achieving a balanced budget position. Despite a considerable economic slowdown, base-broadening measures and above all significantly increased tax pre-payments, stimulated by the introduction of interest charges on tax arrears, increased tax revenues. Reforms enacted since then resulted in a continuous decline of the tax-to-GDP ratio until 2006. In particular the two steps of the tax reform 2004/05, focusing on the reduction of wage and corporate taxation, led to an estimated tax relief of about EUR 3 billion (1.2 % of GDP). The renewed increase of the tax-to-GDP ratio by more than one percentage point to 42.7 % of GDP from 2006 to 2008 was rather due to the strong economic growth (increases in the wage sum and sustained corporate profits) than significant changes in the tax system. In 2009, the pertained high overall tax ratio in percentage of GDP, at 42.4 % despite a tax reform targeting an annual tax relief of about 1.1 % of GDP, was the result of stable domestic demand and a decrease in GDP. Indirect taxes but also SSC increased both in nominal terms and – as GDP was falling – even more considerably in percentage of GDP while only direct taxes fell due to the enacted PIT reforms and temporary CIT measures. The drop of the tax ratio to 41.9 % in 2010 can largely be attributed to negative composition effects (slow wage-sum growth) and some tax cuts (full effect of the 2009 PIT reform), although profit-related taxes rebounded somewhat from their depressed crisis levels. The 2011 stabilisation of the tax-to GDP ratio at 42.0 % is mainly thanks to rebounding CIT revenues, which compensated for lower VAT revenues, caused by modest domestic demand.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Taxes on consumption as a percentage of GDP (11.7 %) are slightly above the EU-27 average (11.2 %). While the implicit tax rate on consumption is at 21.2 % in 2011 still above the EU-27 average of 20.1 %, it has been on a downward trend since the beginning of the crisis.

Taxes on labour represented 21.2 % of GDP in 2011, constituting around one half of the total tax burden. In addition to the social contributions and personal income tax, levied in the form of a withholding tax on wages and salaries, indirect labour taxes — such as the contribution by employers to the Family Burdens Equalisation Fund and the payroll tax — also contribute substantially to the labour tax burden. The Austrian implicit tax rate on

labour was five percentage points above the EU-27 average in 2011 (40.8 %, EU-27 35.8 %): slightly increasing after the 2009 drop caused by the income tax reform.

The share of taxes on capital in GDP (6.6 %) is below the EU-27 average and below the euro area average (EU-27 8.0 %, EA-17 7.9 %). This is partly due to the fact that the tax on capital stocks and wealth yield considerably less than in the euro area (0.9 % of GDP, EA-17 2.4 % of GDP). Moreover, capital taxes raised on income of corporations in relation to GDP are in general low (2.3 %, EU-27 2.6 %) because of the large number of unincorporated businesses in Austria. At 23.6 % the ITR on capital is considerably below the EA-17 average of 28.9 %. Its past fluctuations were mainly driven by developments in corporate income.

Environmental taxes gradually increased until 2003 but have fallen back to their 2000 ratio since, also due to the declining energy intensity of the economy. Their revenues in 2011 are in line with the EU-27 average (both: 2.4 % of GDP). Transport taxes are relatively important in Austria, contributing nearly one third to the overall revenue from environmental taxes, compared to an EU-27 average share of only one fifth. Property tax revenues in Austria in relation to GDP in 2011 (0.5 %) were the fourth lowest in the EU and far below the EU-27 average of 2.1 %. The property tax represented 1.2 % of the total tax revenue in 2011, which is below the EU average (5.3 %). The share of revenues from recurrent taxes on immovable property in 2011 was third lowest in the EU representing 0.2 % of GDP, whereas the corresponding EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

After the 2009 tax reform (*Steuerreformgesetz 2009*) targeting an annual income tax relief of about EUR 3 billion (1.1 % of GDP), no major changes to the tax system were introduced in 2010. In 2011, capital gains of financial assets were made subject to a final withholding tax of 25 % and capital income tax rates were harmonised at 25 %. A solidarity bank levy based on the balance sheet total as well as a solidarity levy on derivative positions in the trading books were introduced. Environmental tax measures covered an introduction of a flight tax, an adjustment of the car registration tax to the CO<sub>2</sub> emission of the vehicles, and an increase in the mineral oil tax of diesel and petrol. Furthermore, excise duties on tobacco were increased significantly in three steps, in January and June 2011 and in January 2012. With the 2012 stability law a temporary progressive solidarity contribution for high incomes (for taxable income above EUR 150 000) on the usually flat-taxed holiday and Christmas bonuses was introduced. Social contribution rates for farmers and self-employed were increased as well as the ceiling for the SSC base. Moreover, formerly exempt older workers (from 59 onwards) are now subject to unemployment contributions, but low wage earners only have to pay part of unemployment contributions. Employers terminating an employment contract are subject to a process fee. Deductibility and reclaiming input VAT was restricted. Mineral oil tax reimbursement for agriculture and public transport was abolished, and the state premiums for building savings and (third pillar) pension saving were reduced. The loss deductibility for losses made in foreign subsidiaries was restricted in the group taxation. Capital gains stemming from rezoning of land property were taxed and the holding period, after which realised gains from real estate sales are tax exempt, was abolished (formerly 10 years). The 2012 bilateral tax agreement with Switzerland on untaxed interest and dividends of Austrian citizens and in the context of a tax amnesty for self-reporting of undeclared assets held in Switzerland is estimated to yield 1 billion Euro in 2013. In January 2013 a similar tax agreement was concluded with Liechtenstein and resulting revenues are expected from 2014 onwards.

The goal of the tax measures in the budget 2013 presented in October 2012 (*Abgabenänderungsgesetz 2012*) is mainly to close existing loopholes in PIT, VAT, and real estate taxation (following a decision of the constitutional court) and to maintain tax incentives for environmentally friendly vehicles. Moreover, the recently introduced flight tax (*Flugabgabe*) was reduced for reasons of competitiveness, and commuter allowances were increased.

## Main features of the tax system

### Personal income tax

Austria has a comprehensive and progressive personal income tax scheme. The 2004/2005 tax reform introduced a new system with four brackets (with marginal rates of 0 %, 38.333 %, 43.596 % and 50 %) came into force in 2005 replacing the old five bracket system. With the 2009 tax reform the marginal tax rates applied for the brackets

were changed to: 0 %, 36.5 %, 43.2143 % and 50 %. Since then, the zero-rate bracket goes up to a taxable income of EUR 11 000, which means that — as a result of other tax credits — annual gross earnings of about EUR 16 800 for employees and EUR 15 000 for pensioners are tax-free. The top rate of 50 % applies as of a taxable income of EUR 60 000. As employees' remunerations amounting to 1/6 of yearly wages – basically Christmas and holiday remunerations – are only taxed at a flat rate of 6 %, the effective marginal top rate is roughly 43 % for employees (before temporary solidarity contribution). From January 2013 until December 2016 taxable incomes of above EUR 150 000 are not granted the 6 % flat rate, but are subject to a progressive tax rate. For partnerships and other unincorporated enterprises the tax allowance for profit income was increased to 13 % (before temporary solidarity contribution, which mimics that for employees) while the favourable tax treatment of retained earnings was abolished in 2010. Capital gains of financial assets – together with income from interests, dividends, etc. – are subjected to a final withholding tax of 25 % from 2011 onwards. Other capital gains (e.g. from immovable property) remain within the income tax schedule.

### Corporate taxation

In 2005 the CIT rate was lowered from 34 % to 25 %, partly financed by broadening the tax base and abolishing the 10 % subsidy for the increment in investment in machinery and equipment. As part of the base broadening measures undertaken, depreciation rates for buildings have been cut and now stand at 2 %. In recent years R&D tax incentives have been increased steadily, now allowing for a 10 % R&D tax credit. Similarly, the training allowance is 20 % of the qualifying expenses with an alternative tax credit of 6 %. Since 2001 tax arrears have been subject to an interest charge. In 2011, a solidarity bank levy based on the balance sheet total (excluding own capital and secured deposits) was introduced; its rates progress from 0 % (for banks' balance sheets of up to EUR 1 billion) to 0.055 % (up to EUR 20 billion) and 0.085 % (above EUR 20 billion). Since 2011 also a tax on derivative positions in the trading book has been levied at a rate of 0.013 % of the nominal value of the underlying, calculated as the average derivative position based on the volumes in the trading book taken four times a year.

The deduction of losses of former years is restricted to 75 % of taxable profits, but there is an indefinite loss carry-forward period. Similar rules apply to personal income tax. In 2005 the group relief system (*Organschaft*) was replaced by a system of optional group taxation. Since then, foreign losses are deductible in computing the domestic income tax base, making Austria one of the few countries in Europe in which this is permitted. If a group breaks up within three years the effects of group treatment is reversed. A number of taxes and contributions are based on payroll and borne by the employer, among them the municipal tax (3 % on salaries and wages paid) and the above mentioned contribution to the Family Burdens Equalisation Fund (payable at a rate of 4.5 % on gross wages and salaries).

### VAT and excise duties

The standard VAT rate is 20 %. A reduced rate of 10 % applies to basic foodstuffs, books and newspapers, public transport, renting of residential immovable property and since 2009 also to pharmaceuticals. A 12 % VAT parking rate applies to wine from farm production carried out by the producing farmer. The quantitatively most important excise duties are on mineral oil and tobacco, which were increased considerably since 2011.

### Wealth and transaction taxes

The real estate tax is levied at a basic federal rate (0.2 %), multiplied by a municipal coefficient (up to 500 %), which means a tax rate of 1 % on the tax values (*Einheitswerte*), in general. The real estate transfer tax stands in general at 3.5 %. There is no net wealth tax; inheritance and gift tax were abolished in August 2008.

### Social contributions

In principle, the entire labour force must be insured under the social security system. For employees, they and their employers must pay contributions as a percentage of their earnings up to the annually increasing ceiling of EUR 62 160 (2011: EUR 59 220); this ceiling is also applicable to self-employed. The overall employees' contribution rate is about 18 % in general. The rate for the employers is slightly above at 21.5 %. However, in certain cases additional contribution rates or reduced rates apply. The rate for self-employed is about 25 %.

<b>BELGIUM</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	13.6	13.2	13.2	13.2	13.4	13.5	13.6	13.3	13.1	13.0	13.3	13.1	17	48.3
VAT	7.2	6.9	6.9	6.8	6.9	7.0	7.1	7.1	7.0	6.9	7.1	7.0	20	26.0
Excise duties and consumption taxes	2.4	2.3	2.3	2.4	2.4	2.4	2.2	2.2	2.1	2.1	2.2	2.1	27	7.7
Other taxes on products (incl. import duties)	2.2	2.2	2.1	2.2	2.2	2.3	2.4	2.4	2.3	2.1	2.2	2.2	4	8.1
Other taxes on production	1.9	1.9	1.8	1.9	1.9	1.8	1.9	1.6	1.8	1.8	1.8	1.8	7	6.6
Direct taxes	17.5	17.8	17.6	17.2	17.5	17.6	17.3	17.0	17.2	15.9	16.3	16.8	3	62.0
Personal income	13.2	13.6	13.4	13.1	12.9	12.9	12.4	12.2	12.6	12.1	12.3	12.4	4	46.0
Corporate income	3.2	3.1	3.0	2.9	3.1	3.2	3.6	3.5	3.3	2.5	2.7	3.0	8	11.0
Other	1.1	1.1	1.2	1.2	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	6	5.0
Social contributions	13.9	14.1	14.4	14.3	13.9	13.7	13.5	13.6	13.9	14.5	14.2	14.3	7	52.7
Employers'	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.5	8.6	6	31.9
Employees'	4.4	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.2	4.4	4.3	4.3	8	16.0
Self- and non-employed	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.3	1.3	11	4.9
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>45.1</b>	<b>45.1</b>	<b>45.2</b>	<b>44.7</b>	<b>44.8</b>	<b>44.8</b>	<b>44.4</b>	<b>43.9</b>	<b>44.2</b>	<b>43.4</b>	<b>43.8</b>	<b>44.1</b>	<b>3</b>	<b>163.1</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	36.7	34.8	34.7	33.5	32.7	31.9	31.5	30.2	29.3	26.4	28.1	25.7	27	41.9
State government <sup>2)</sup>	22.8	24.2	23.0	24.0	23.5	24.1	24.0	24.3	24.6	24.5	23.8	24.9	1	40.6
Local government	4.2	4.6	4.9	5.2	5.0	5.0	5.1	5.3	4.7	5.6	5.3	5.3	18	8.7
Social security funds	34.2	34.5	35.7	35.6	37.3	37.4	37.8	38.6	39.7	41.9	41.3	42.6	2	69.4
EU institutions	2.0	1.9	1.6	1.7	1.5	1.6	1.6	1.6	1.7	1.5	1.5	1.5	1	2.4
<b>C. Structure by economic function<sup>3)</sup></b>	<b>% of GDP</b>													
Consumption	11.3	10.9	10.9	10.9	11.0	11.1	11.1	10.9	10.7	10.6	10.8	10.7	22	39.4
Labour	24.2	24.7	24.8	24.5	24.0	23.7	23.0	23.0	23.6	23.9	23.8	24.0	3	88.8
Employed	22.2	22.6	22.7	22.4	22.1	21.9	21.3	21.2	21.7	22.0	21.9	22.0	2	81.5
Paid by employers	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.5	8.6	8	31.9
Paid by employees	13.8	14.1	14.1	13.8	13.8	13.6	13.1	13.0	13.3	13.3	13.3	13.4	3	49.6
Non-employed	2.0	2.1	2.1	2.1	1.8	1.8	1.7	1.8	1.9	1.9	2.0	2.0	8	7.3
Capital	9.5	9.4	9.3	9.2	9.7	9.9	10.1	9.9	9.9	8.7	8.9	9.2	6	34.2
Capital and business income	6.1	6.1	5.9	5.7	5.9	6.2	6.3	6.2	6.2	5.1	5.2	5.5	11	20.4
Income of corporations	3.2	3.1	3.0	2.9	3.1	3.3	3.5	3.5	3.3	2.5	2.7	3.0	8	11.0
Income of households	0.5	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.2	0.1	0.2	23	0.6
Income of self-employed (incl. SSC)	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.4	2.4	5	8.8
Stocks of capital / wealth	3.4	3.3	3.4	3.5	3.7	3.7	3.8	3.7	3.7	3.6	3.7	3.7	3	13.8
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.3	2.3	2.2	2.3	2.4	2.3	2.1	2.1	2.0	2.0	2.1	2.1	22	7.7
Energy	1.4	1.4	1.4	1.4	1.5	1.5	1.4	1.3	1.2	1.3	1.3	1.3	26	4.9
Of which transport fuel taxes	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.1	1.1	25	
Transport (excl. fuel)	0.6	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	11	2.3
Pollution/resources	0.19	0.18	0.17	0.17	0.22	0.21	0.16	0.15	0.15	0.15	0.15	0.14	8	0.5
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	2.8	2.8	2.8	2.9	3.2	3.1	3.2	3.1	3.1	3.0	3.1	3.2	2	11.9
Recurrent taxes on immovable property	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	4	4.9
Other property taxes	1.6	1.6	1.5	1.6	1.9	1.8	2.0	1.9	1.9	1.7	1.8	1.9	1	7.0
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	21.8	21.0	21.4	21.4	22.0	22.3	22.4	22.1	21.2	20.8	21.2	21.0	14	
Labour employed	43.6	43.3	43.3	43.2	43.8	43.6	42.4	42.4	42.4	42.0	42.7	42.8	1	
Capital	29.5	29.4	30.5	31.4	32.5	32.6	32.9	31.2	32.0	29.4	28.7	30.3		
Capital and business income	19.0	19.1	19.4	19.4	19.9	20.5	20.6	19.7	20.0	17.2	16.7	18.1		
Corporations	24.4	24.1	23.1	22.3	21.9	21.8	22.4	20.9	21.2	16.4	15.3	17.0		
Households	12.9	13.0	13.7	14.1	14.8	15.6	15.2	14.7	14.9	13.9	14.2	15.4		
<b>Real GDP growth (annual rate)</b>	<b>3.7</b>	<b>0.8</b>	<b>1.4</b>	<b>0.8</b>	<b>3.3</b>	<b>1.7</b>	<b>2.7</b>	<b>2.9</b>	<b>1.0</b>	<b>-2.8</b>	<b>2.3</b>	<b>2.2</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

3) Excludes PIT and SSC paid by EU officials living in Belgium directly to the EU Institutions and not to the Belgian government sector

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Belgium

## Overall trends in taxation

### Structure and development of tax revenues

Belgium stands with the third highest tax levels in the EU, after Denmark and Sweden. Although it has slightly declined over the period 2000-2009 from 45.1 % to 43.4 %, the tax-to-GDP ratio rebounded in 2010 and 2011 to reach 44.1 %, a level significantly above the EU average (2011: 38.8 %). The structure of the Belgian tax system, in terms of the share of revenue raised by the broad categories of taxes, has remained relatively stable since 2000, even though social contributions have slightly and gradually gained importance in the total, notably at the expense of direct taxes.

Indeed, a far-reaching tax reform of direct taxation that was gradually implemented in the first half of the last decade reduced PIT revenue, expressed as % of GDP, from 13.4 % in 2002 to 12.2 %, in 2007. The structure is however still characterised by a relatively high share of direct taxes in GDP (3<sup>rd</sup> highest in the EU at 16.8 % and increasing since 2009), reflecting a broad reliance on personal and corporate income taxes, and social contributions (7<sup>th</sup> highest in the EU at 14.3 %). By contrast, with 13.1 %, the share of indirect taxes in GDP is just below the EU average (13.4 %). Following the 2002 corporate tax reform and a favourable business cycle, the share of corporate tax revenue had significantly increased until 2006 when it peaked at 3.6 % of GDP. A reduction in the tax base of corporations due to the Allowance for Corporate Equity (ACE system) and the unfavourable economic conditions since 2008 have reversed this trend and the ratio stood at 3.0 % in 2011. The subsequent introduction or increase of several tax expenditures put the personal income tax revenues on a downward trend since 2003. The tax reform was complemented by successive targeted reductions in employers' social contributions. Since 2007, the trend of SSC is reversed.

Belgium is a federal state with a large fiscal autonomy for the regions. This translates into varying specific tax legislations across regions, e.g. registration duties, inheritance and estate taxes. While the revenue level of the federal state is on the decline since the turn of the century, the revenues from the regions have remained relatively stable over time. The on-going reform of the State that will provide regions with more tax autonomy and sharing will increase their weight in the total. Until recently, regions also benefited from the buoyant real estate markets. A larger share of tax revenue has also been allocated to the Social Security Funds.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The implicit tax rate on consumption is relatively stable since the beginning of the economic crisis. At 21.0 % in 2011, it was just above the EU average (20.1 %), as since 1995. As a percentage of GDP, VAT and excise duties collection are at respectively 7.0 % and 2.1 %, this latter being the lowest in the EU (7.1 % and 2.7 %).

Despite noticeable labour taxation reforms, Belgium still imposes relatively heavy taxes on labour with an implicit tax rate on labour employed of 42.8 %, the highest in the EU. Targeted rebates in employers' social contributions were used as the main instrument to reduce labour costs. The 2000–2006 reform programme paved the way for easing the tax burden on labour and led to a decrease in the ITR by 1.4 percentage points between 2004 and 2006. The ITR increased in 2010 and 2011. However, the ITR on labour does not take into account wage subsidies, which have been increasingly used over the past five years and should reduce the ITR further by 3 percentage points over the 2002-2009 (see Valenduc (2011)), and 3.2 percentage points in 2011.

The ITR on capital increased from 29.5 % in 2000 to 32.9 % in 2006, after which it declined to 28.7 % in 2010 to rebound to 30.3 % in 2011. This reflects on one side the gradual increase on the household side since 2000, explained in part by the boom in the real estate market that has resulted in an increase of registration duties, and by improved taxable profits of companies. In 2010, taxes on stocks of capital/wealth amounted to 3.7 % of GDP. This level is relatively stable since the second half of the period concerned and is the third highest value in the EU. After a gradual decrease during most of the period, the ITR on corporations has significantly dropped since 2008

due to the lagged effect of the introduction of the ACE system and the economic slowdown, which put the ITR on capital on a declining path. A slight increase in 2011 indicates an improvement in economic conditions.

Revenues from environmental taxation have declined in percentage of GDP since 2005. In 2011 environmental tax revenue amounted to 2.1 % of GDP, below the EU average (2.4 %). Revenues from energy taxation are the second lowest in the EU (1.3 % compared to an EU average of 1.8 %). Property tax revenues in Belgium in relation to GDP in 2011 (3.2 %) were the second highest in the EU (EU-27 average of 2.1 %) after United Kingdom (4.1 %). The property tax represented 7.3 % of the total tax revenue in 2011, which is above the EU average (5.3 %). The share of revenues from recurrent taxes on immovable property in 2011 was fourth highest in the EU representing 1.3 % of GDP, which is also the EU-27 average.

### Main recent reforms implemented, on-going or announced

Bringing the public debt on a declining path remains a priority for the government in order to prepare the public finances for the budgetary impact of an ageing population. In spite of a steady decline between 1999 and 2007, the debt to GDP ratio remains well above the EU average and has been rising again since 2008 due to the economic slowdown and massive support to the financial sector. The initial 2013 budget, agreed by the federal government in November 2012, foresees to reduce the general government deficit to 2.15 % of GDP, in line with Belgian Stability Programme. It contains measures for around EUR 3.7 billion or 0.9 % of GDP. Around 40 % of the effort will come from expenditure cuts. It also consists of EUR 700 million of new taxes and a tax shift of EUR 300 million from labour taxes to capital income of individuals (withholding taxes on interest and dividends). Besides this, an additional impact comes from a limitation of the notional interest deductibility in the corporate income tax, notably by a reduction in the rate of the ACE, the removal of the carry-forward of unused deductions, and by stricter rules on the deductibility for existing capital (the stock). Lastly, another 35 % of the effort is expected to come from fiscal regularisation (tax amnesty), anti-fraud measures, the sale of telecommunication licences and financial sector contributions.

The federal government agreed on raising new revenues mainly in the area of capital taxation. Since 2012 the withholding tax on interest and dividends rose from 15 % to 21 %, and a solidarity charge of 4 % has been introduced on the share of financial income exceeding EUR 20 020 (excluding dividends already taxed at 25 % at source). As from 2013, withholding tax on all passive income are streamlined at 25 % (except on exempted saving accounts and on government bonds issued end of 2011, for which the rate is 15 %) and made final. The tax on financial transactions rose twice in 2012, the standard rate first increased from 0.17 % to 0.22 % in January and again to 0.25 % in August. In addition, the 2012 budget introduced a tax on the conversion of bearer shares. In the field of company taxation, Belgium has increased the base for taxation of company cars (list price) both for the company and for the user of the car. Company car taxation – decided at regional level – also takes into account car-specific CO2 emission levels for either registration or circulation taxes. In 2012, there have been some targeted VAT increases (from reduced rate to standard rate for specific items such digital TV and the abolishment of the exemption without right of deduction for notaries and bailiffs to taxation with right of deduction). Mortgage interest deductions under the personal income tax scheme on the federal level will be reformed as competence will pass on to the regions (initially scheduled as of 2014). Most tax deductions have been or will be transformed into a tax credit at a fixed rate (i.e. independent of the top marginal tax rate of the taxpayer). Since 2013, the tax-free share of low and middle incomes has been raised by EUR 200 and social contributions are lowered for the first three employees hired by medium-sized enterprises. Tax expenditure cuts in the PIT include the abolishment of federal subsidies for environmental cars and energy saving investments, which will only partly be replaced by regional subsidies. Finally, a tax amnesty takes place in 2013. At the same time, penalties for tax fraud have been quadrupled up to EUR 500 000 and tax authorities have been granted increased access to personal data.

Existing reductions of employer's social contributions for the first three hires are being increased. The so-called 'workbonus' for the low paid is reinforced, as both the existing social security reduction and the existing tax credit for the low paid will be strengthened, resulting in an additional annual net salary increase of between EUR 68 and EUR 202 (for workers earning between the minimum wage and a gross monthly wage of 1 800). Conditional and targeted reductions of social contributions payable on the wages of specific categories of personnel in the health care sector were also planned.



## Main features of the tax system

### Personal income tax

There are four categories of income: financial, real estate, professional (including labour income) and other various income. In principle, the general rates are applied to global income, but there are exceptions, e.g. in relation to financial income, income from private pension arrangements and other various income. In practice, the basis for taxation at the marginal rate consists of (deemed) property and professional income. Spouses are taxed separately, although a marital quotient exists: 30 % of the higher income is transferred to the lower one, provided it does not exceed EUR 9 470. A major reform was implemented in 2000–2006, introducing changes in brackets, rates, deductions and exemptions as well as a tax credit for low income earners. For wage earners, the income tax credit was changed into a reduction in employee's SSC starting from 1st January 2005 and a new tax credit for low income workers was introduced from income year 2011 onwards. There are currently 5 brackets (beside the basic allowance) between 25 and 50 % and a municipal surcharge up to 9 % (7.4 % on average). Within certain limits, regions have the option to levy additional surcharges or to grant tax reductions. Since 2013, the withholding tax rate is 25 % for most interest income (excluding ordinary savings accounts) and is final. Taxation of private capital gains is almost non-existent (except for those on some capitalisation vehicles), interest on ordinary saving accounts is exempt up to EUR 1 880 (income year 2013) and pension savings enjoy a special regime resulting in negative effective rates, as in other EU countries.

### Corporate taxation

Companies in Belgium and the subsidiaries of foreign companies are subject to a fixed tax rate of 33.99 % (3 % crisis surcharge included) regardless of the origin and the destination of the profits. There is no tax consolidation of companies. Under certain conditions, a special scheme applies to SMEs having an assessed income lower than EUR 322 500: a tax rate of 24.98 % is applied on the part from EUR 0 to EUR 25 000, 31.93 % on the part of EUR 25 000 to EUR 90 000 and 35.54 % on the remaining part up to EUR 322 500 (all including the 3 % crisis surcharge). An allowance for corporate equity (ACE), referred to as 'notional interest on corporate capital', was introduced in 2006 to stimulate the self-financing capability of companies. The tax-free presumptive rate of return on equity applied under the ACE system is based on the rate of 10-year government bonds (OLO 10) with a cap of 3 % as of 2012 (3.5 % for SMEs). As from 2013, the new rate will be based on the average OLO 10 rate for the months of July, August and September of the previous year. As opposed to the Italian ACE, the Belgian system is providing an allowance for existing stock (restricted to 7 years as from 2013). The Belgian ACE does not include provisions to prevent tax planning by the use of triangular structures.

### VAT and excise duties

There are four VAT rates. The standard rate has remained unchanged at 21 % since 1996. A reduced 6 % rate applies to public housing, refurbishment of old housing, food, water, pharmaceuticals, animals, art and publications and some labour intensive services. An intermediate rate of 12 % applies to a limited number of transactions and, since 1st January 2010, to food in restaurants and catering services. A zero rate applies to newspapers and certain weeklies. Excise duties in a strict sense yield relatively low revenue in Belgium, but this is supplemented by above average levels of other taxes on products.

### Wealth and transaction taxes

There are no wealth taxes. Other transaction taxes are generally levied at the regional level.

### Social contributions

The social security system is financed by contributions from employees and employers as well as by government subsidies. The amounts are calculated based on the gross salary (including bonuses, benefits in kind, etc.). The standard rate is approximately 13 % for employees and 35 % for employers but there are rebates for low wage earners and some target groups.

<b>BULGARIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	13.8	13.4	12.6	14.5	16.3	16.6	17.2	17.0	17.8	15.4	15.1	14.8	5	5.7
VAT	8.3	8.4	7.3	8.6	9.9	10.2	10.7	10.4	10.9	9.0	9.2	8.7	4	3.4
Excise duties and consumption taxes	3.9	3.7	3.9	4.4	4.8	4.7	4.8	5.8	5.9	5.5	5.1	5.1	1	2.0
Other taxes on products (incl. import duties)	1.0	0.8	0.8	0.8	0.9	1.0	1.1	0.4	0.4	0.4	0.3	0.4	26	0.1
Other taxes on production	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.5	0.5	0.6	0.6	0.5	23	0.2
Direct taxes	6.9	7.5	6.4	6.2	6.0	4.9	5.2	8.2	6.7	5.9	5.4	5.2	26	2.0
Personal income	4.0	3.5	3.2	3.2	3.1	2.7	2.6	3.2	2.9	3.0	3.0	2.9	26	1.1
Corporate income	2.7	3.8	3.0	2.8	2.5	1.8	2.1	4.4	3.2	2.6	2.0	1.9	21	0.7
Other	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.4	0.3	0.4	22	0.2
Social contributions	10.8	9.8	9.6	10.3	10.2	9.7	8.3	8.1	7.8	7.7	7.0	7.3	22	2.8
Employers'	8.6	7.7	7.3	7.9	7.8	6.9	5.6	5.5	4.8	4.6	4.5	4.8	22	1.8
Employees'	1.7	1.5	1.8	1.9	1.9	2.1	2.1	2.1	2.5	2.6	2.0	2.0	22	0.8
Self- and non-employed	0.5	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4	0.5	0.6	0.5	17	0.2
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.5</b>	<b>30.8</b>	<b>28.5</b>	<b>31.0</b>	<b>32.5</b>	<b>31.3</b>	<b>30.7</b>	<b>33.3</b>	<b>32.3</b>	<b>29.0</b>	<b>27.5</b>	<b>27.2</b>	<b>26</b>	<b>10.5</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	55.5	57.0	55.1	65.2	67.0	67.1	70.6	72.0	71.7	69.7	70.6	69.2	6	7.3
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	10.2	11.1	11.3	1.6	1.6	1.8	2.3	2.6	2.9	2.8	2.9	3.0	24	0.3
Social security funds	34.4	31.9	33.6	33.2	31.5	31.1	27.0	24.4	24.1	26.6	25.6	26.9	18	2.8
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	1.2	1.0	0.9	1.0	n.a.	n.a.
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	13.2	12.8	11.9	13.8	15.5	15.9	16.6	16.5	17.2	14.7	14.4	14.1	3	5.4
Labour	14.0	12.5	11.9	12.7	12.5	11.6	10.1	10.4	9.7	9.8	9.1	9.2	27	3.5
Employed	13.9	12.4	11.9	12.7	12.5	11.5	10.0	10.3	9.7	9.7	9.0	9.1	27	3.5
Paid by employers	8.9	7.9	7.5	8.1	8.0	7.2	5.8	5.6	4.8	4.7	4.5	4.8	21	1.8
Paid by employees	5.0	4.5	4.4	4.5	4.5	4.4	4.2	4.7	4.8	5.1	4.5	4.4	27	1.7
Non-employed	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	27	0.0
Capital	4.4	5.5	4.7	4.5	4.5	3.8	4.1	6.5	5.3	4.5	4.0	3.9	24	1.5
Capital and business income	4.0	5.1	4.2	3.9	3.8	3.0	3.2	5.6	4.3	3.7	3.2	3.1	22	1.2
Income of corporations	2.9	4.0	3.1	2.9	2.7	2.0	2.3	4.6	3.3	2.7	2.2	2.1	20	0.8
Income of households	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.2	0.2	21	0.1
Income of self-employed (incl. SSC)	1.1	1.0	1.0	0.9	1.0	1.0	0.9	0.8	0.7	0.7	0.8	0.8	20	0.3
Stocks of capital / wealth	0.4	0.4	0.5	0.6	0.7	0.8	0.8	0.9	1.0	0.8	0.8	0.8	23	0.3
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.7	2.5	2.3	3.0	3.2	3.0	2.9	3.4	3.4	3.0	2.9	2.9	7	1.1
Energy	2.5	2.4	2.1	2.6	2.8	2.6	2.5	3.0	3.0	2.7	2.6	2.6	2	1.0
Of which transport fuel taxes	:	:	:	:	:	:	:	2.9	2.9	2.6	2.5	2.5	2	
Transport (excl. fuel)	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	20	0.1
Pollution/resources	0.01	0.01	0.10	0.15	0.18	0.15	0.12	0.08	0.13	0.08	0.08	0.09	12	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.2	0.2	0.3	0.3	0.4	0.4	0.6	0.7	0.7	0.5	0.5	0.6	22	0.2
Recurrent taxes on immovable property	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	23	0.1
Other property taxes	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.5	0.3	0.2	0.3	17	0.1
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	18.5	17.7	16.6	19.5	22.0	22.8	23.5	22.6	24.7	22.0	21.4	22.4	9	
Labour employed	38.1	33.9	33.4	35.6	35.7	33.2	29.7	30.4	27.4	25.7	23.5	24.6	26	
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
<b>Real GDP growth (annual rate)</b>	<b>5.7</b>	<b>4.2</b>	<b>4.7</b>	<b>5.5</b>	<b>6.7</b>	<b>6.4</b>	<b>6.5</b>	<b>6.4</b>	<b>6.2</b>	<b>-5.5</b>	<b>0.2</b>	<b>2.2</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Bulgaria

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, Bulgaria was the country that shared the second lowest tax-to-GDP ratio of 27.2 in the EU with Romania. This is more than 11 percentage points lower than the EU average. Of the countries that joined the EU in 2004, only Lithuania has a lower tax-to-GDP ratio at 26.0 % of GDP, while e.g. Hungary's and Slovenia's tax revenues were about 10 percentage points above Bulgaria's (37.0 % and 37.2 % respectively).

Bulgaria remains the Member State most reliant on indirect taxation; the share of indirect taxes in total taxation was 54.2 % in 2011. The level of indirect taxation as share in GDP (14.8 %) was also well above the EU average (13.4 %) and the fifth highest in the EU. VAT accounted for 59.0 % and excise duties for 34.9 % of indirect taxes' revenue. Consequently, direct taxes represented only 18.9 % of total taxation (5.2 % of GDP), which was the third lowest value in the EU. The rates of the social contributions have been reduced over the last years, but increased slightly in 2011 to 26.9 % of total taxation (EU-27 33.5 %) and 7.3 % of GDP (EU-27 12.7 %).

Most of the tax receipts are collected by the central government, 69.2 % in 2011, and more than a quarter by the social security funds (26.9 %). Revenues collected by the local government were marginal, 3.0 %, due to the 2003 abolition of the local CIT surcharge and the discontinuing of PIT sharing. In comparison with the EU average, the Bulgarian central government collected 20 percentage points more in tax receipts, while local government received with 7.8 percentage points less. The share collected by the social security funds (26.9 %) is somewhat closer to the EU-27 average (37.4 %)

In 2011, the overall tax-to-GDP ratio stabilised after the decline in the previous two years following the global economic crisis (10.2 % and 5.2 % for 2009 and 2010, respectively). Still, the total tax revenue (in terms of share of GDP) is at its lowest value since 1995. Over the last decade the general tax strategy was to lower direct taxation and increase reliance on indirect taxation. It must be noted, however, that the decline since 2008 is not associated with a substantial decrease of statutory tax rates. The 20 % cumulative decrease in the VAT revenues as share of GDP since 2008 can at least partially be explained by the increased share of exports. Between 2009 and 2011, exports as a share of GDP increased by 40 % increase while imports increased only 16.9 %.

### Taxation of consumption, labour and capital; environmental taxation, property taxes

Taxes on consumption in Bulgaria amounted to 14.1 % of GDP in 2011 and in spite of the decrease by 3.1 percentage points since 2008; the revenue remains the third highest in the EU. This is mainly due to a high share of domestic final consumption in GDP (close to 63 %). The rate of taxation contributes somewhat less to this high level as shown by the ITR on consumption which at 22.4 % remains only the ninth highest in the EU. The increase of the ITR over the last decade was notably due to the continuous increase of excise duty rates, and the lowering of the VAT registration threshold.

In 2011, revenue from labour taxation stood at 9.2 % of GDP. This is the lowest value in the Union and 10.5 percentage points below the EU average. Among other factors, this is due to the relatively low level of compensation of employees (37.5 % of GDP) and the very low proceeds from employed labour taxation. At 24.6 %, the ITR on labour increased and remains well below the EU average (35.8 %). The ratio was decreasing steadily in previous years, largely due to decreases in employers' social contribution rates.

Revenues from taxes on capital amounted to 3.9 % of GDP in 2011, thus remaining the fourth lowest in the EU. Developments over the years are mainly driven by proceeds from corporate income taxation, which in 2011 ranked 20<sup>th</sup> in the EU. Government efforts to attract investment and combat the shadow economy by, among other measures, lowering the CIT rate almost every year to reach 10 % in 2007 explain the fluctuations in the revenue. In

addition, the unfavourable economic conditions since the end of 2008 affected strongly the proceeds from corporate taxation, which dropped by 1.2 percentage points of GDP since then.

At 2.9 % of GDP, revenues from environmental taxes remain the seventh highest in the EU (2.4 %). This is due to high revenue from energy taxation in terms of GDP, which in 2011 — at 2.6 % of GDP — became already the second highest in the EU. The high ranking of the country in this category of taxation is mainly due to the high energy consumption. Indeed, in 2011 Bulgaria was the country with the highest energy intensity of the economy. Given that more than 90 % of the energy tax revenue stems from excise duties on fuel, the country also ranks second in revenues from energy taxes levied on transport fuel – 2.5 % of GDP in 2011. Transport taxes excluding fuel are of somewhat lesser importance amounting to only 0.2 % of GDP (close to the EU average of 0.5 %).

Property tax revenues in Bulgaria in relation to GDP in 2011 (0.6 %) were well below the EU-27 weighted average of 2.1 %. Property tax revenues have increased since 2000 when they were at 0.2 % of GDP only. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.3 % of GDP whereas the EU-27 average stood at 1.3 %.

### **Main recent reforms implemented, on-going or announced**

The Government is pursuing a strict fiscal policy reducing spending and conducting structural reforms in the public sector with the aim of preserving a favourable fiscal position of the country. In 2011, the Organic Budget Law was amended with requirements to keep the consolidated budget deficit below 2 % and limit the government expenditure to 40 % of GDP. These entered into force as of 2012. The tax strategy of the Bulgarian government aims at maintaining a uniform and low level of taxation of different types of incomes. Efforts are targeted at improving tax collection and fighting tax evasion. In 2013, the rates of the corporate and personal income taxes, which are already among the lowest in the EU, are kept unchanged; while the increase of several excise duties (for details see below) continues the process of shifting the tax burden towards indirect taxation. As of 1 January 2013, interest income from term deposits of individuals in banks, which was traditionally exempt from taxation, is subject to a 10 % withholding tax when received from a resident bank and levied by self-assessment when the interest is received from abroad. In addition, the regimes for advance payment of corporate income tax and withholding taxes have been relaxed and streamlined.

## **Main features of the tax system**

### **Personal income tax**

As of 2008, Bulgaria has introduced a 10 % flat-rate tax system, which replaced the previous progressive income tax rates (20 %, 22 % and 24 %). The flat tax is levied on income from six sources and, in accordance to the principles of flat tax systems, only very few tax reliefs are in force. The net income of sole proprietors is taxed separately by way of a 15 % final flat tax. In certain sectors small businesses operated by natural persons, including sole proprietors, are subject to a lump sum ('patent') tax provided that they are not registered for VAT. Family members are taxed separately. Pensions and other social security payments are exempt from taxation. There are no general and child allowances; only disabled individuals are granted an annual allowance of BGN 7 920 (EUR 4 049). A tax credit of 5 % is applicable in case of early or electronic submission of tax return. Donations to certain qualifying institutional beneficiaries, mandatory social contributions and certain voluntary contributions and premiums are deductible from the aggregate taxable income. Subject to certain conditions, young families can deduct the mortgage interest payments on the first BGN 100 000 (EUR 51 129).

Interest income on accounts (besides savings term deposits, which are taxable) with banks resident in Bulgaria or another EEA country, on Bulgarian or another EEA country government securities, on state or state-guaranteed loans, and on corporate bonds and debentures, is exempt.

## Corporate taxation

In the course of the last decade, corporate income taxation in Bulgaria has become increasingly favourable to business. Starting from the 40 % rate in 1995 for large enterprises, the rate was lowered almost every year to reach the 10 % rate applicable as from 1 January 2007.

The taxable profit is derived from the accounting result, amended for tax purposes. Losses are carried forward for five years. Initial investment, computers and software as well as mobile phones benefit from a special 50 % depreciation rate. Moreover, the 50 % depreciation rate is applicable to any type of investment in new assets, if made to promote energy efficiency. Manufacturing companies are allowed to reduce the tax due of up to 100 % if the activities are performed entirely in municipalities with very high unemployment rate (35 % or more than the national average). The same tax reduction applies to specialised companies and cooperatives hiring disabled individuals. A 60 % reduction is provided to registered agricultural producers, on income generated from unprocessed agricultural produce. However, certain conditions on the way the amount of unpaid tax should be spent need to be met. Also, a tax incentive is provided to companies hiring registered elderly, disabled or long-term unemployed individuals for a minimum period of 12 months.

Dividends distributed between resident or EEA commercial companies are tax exempt, whereas those paid to non-residents (other than EEA) in general are subject to a final 5 % withholding tax. Non-dividend income paid to non-resident companies is subject to a 10 % withholding tax. As for interest and royalties distributed to EU associated companies, the rate was reduced to 5 % in 2011 and will be applicable till the end of 2014, after which it will be reduced to 0 %.

## VAT and excise duties

The VAT system has been in place in Bulgaria since 1994 and follows the one adopted by the EU Member States. The standard rate is 20 % and the only reduced rate is 9 %. The latter applies to hotel accommodation and the scope of application was slightly enlarged while the rate was increased from 7 % in April 2011.

Excise duty rates have been increased nearly every year mainly due to bringing legislation in line with EU regulations and reaching EU minima. In 2013 excise duties on kerosene and gas oil used as motor fuel have been increased. In June 2012 an excise rate for natural gas used by the businesses for heating was introduced. Also since December 2012 the tax rates for some heavy fuels used for heating purposes were raised.

## Wealth and transaction taxes

Gift/inheritance tax is levied at rates set by the municipalities within the limits set by the law. The rates may vary between 0.4 % and 0.8 % (if received by relatives in the lateral line) and between 3.3 % and 6.6 % (if received by any other beneficiary). No gift/inheritance tax is levied on property donated to/inheritance received by a spouse or relatives in the direct line. The first BGN 250 000 (EUR 127 823) of the value of the inheritance is tax exempt. A real estate tax applies at rates of 0.01 % to 0.45 % of the value of the immovable property, depending on the municipality. A 50 % discount is granted if the property is the main residence of the taxpayer.

## Social contributions

Contributions are due for the public social insurance funds, covering pension rights (17.8 %), general sickness and maternity (3.5 %), health (8 %), and unemployment (1 %). The aggregate 17.8 % pension contribution is shared at 9.9 % for the employer and 7.9 % for the employee, whereas the other social contributions are shared between the employer and employee at a ratio 60:40. The base is the gross employee's income subject to a monthly minimum and a ceiling set in the legislation. The minimum income is updated on a yearly basis and depends on the economic sector of activity and the job position of the employee. The monthly maximum is BGN 2 200 (EUR 1 125). Furthermore, the employer has to pay additional contributions to the Labour Accident and Professional Disease Fund (0.4 %–1.1 %) and to the Guaranteed Receivables Fund (0.1 %, suspended for 2011, 2012 and 2013). The contribution base for the self-employed is determined by the self-employed themselves, subject to a minimum monthly base ranging from BGN 420 (EUR 215) to BGN 550 (EUR 281) depending on their 2011 income and a maximum of BGN 2 200 (EUR 1 125).

<b>CYPRUS</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.2	12.6	12.9	15.4	16.4	16.5	17.2	18.7	17.9	15.4	15.6	14.7	6	2.6
VAT	5.5	5.7	6.6	7.8	8.4	9.1	9.7	10.2	10.6	9.2	9.2	8.4	8	1.5
Excise duties and consumption taxes	2.5	3.2	2.8	3.8	4.4	4.1	3.9	3.7	3.3	3.2	3.5	3.5	8	0.6
Other taxes on products (incl. import duties)	3.1	2.7	2.4	2.0	1.7	1.4	1.4	1.9	1.6	1.1	0.9	0.7	18	0.1
Other taxes on production	1.1	1.0	1.1	1.7	1.9	1.9	2.2	2.9	2.4	2.0	2.0	2.0	6	0.4
Direct taxes	11.2	11.3	11.3	9.7	8.8	10.2	10.8	13.8	12.9	11.2	11.1	11.7	12	2.1
Personal income	3.7	3.9	4.3	4.5	3.5	3.9	4.6	6.2	5.0	4.0	4.1	4.2	22	0.8
Corporate income	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	6.8	1	1.2
Other	1.3	1.1	0.9	0.9	1.5	1.7	0.7	0.8	0.8	0.8	0.8	0.7	14	0.1
Social contributions	6.6	6.8	6.8	7.1	7.8	8.3	7.8	7.5	7.8	8.7	8.9	8.7	20	1.6
Employers'	4.5	4.6	4.5	4.8	5.3	5.9	5.5	5.1	5.3	5.9	6.1	5.9	15	1.1
Employees'	1.8	1.9	1.9	2.0	2.1	2.1	2.0	2.1	2.1	2.4	2.5	2.4	18	0.4
Self- and non-employed	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.4	0.4	0.4	19	0.1
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>30.0</b>	<b>30.7</b>	<b>30.9</b>	<b>32.2</b>	<b>33.0</b>	<b>35.0</b>	<b>35.8</b>	<b>40.1</b>	<b>38.6</b>	<b>35.3</b>	<b>35.6</b>	<b>35.2</b>	<b>14</b>	<b>6.3</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	76.4	76.2	76.8	76.7	74.4	74.4	76.1	79.3	77.9	73.3	73.0	73.2	4	4.6
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	1.4	1.5	1.3	1.4	1.4	1.3	1.4	1.3	1.4	1.4	1.4	1.4	25	0.1
Social security funds	22.1	22.3	21.9	21.9	23.6	23.7	21.9	18.8	20.1	24.6	25.1	24.8	20	1.6
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.6	22	0.0
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	10.3	11.4	11.9	13.8	14.5	14.6	14.7	15.2	15.2	13.5	13.4	12.7	9	2.3
Labour	9.6	10.0	10.0	10.8	10.6	11.3	11.1	10.8	11.1	12.3	12.6	12.6	21	2.3
Employed	9.3	9.8	9.9	10.7	10.6	11.3	11.0	10.8	11.0	12.2	12.5	12.5	20	2.2
Paid by employers	4.6	4.7	4.7	5.6	6.2	6.7	6.4	6.0	6.2	6.9	7.0	6.9	12	1.2
Paid by employees	4.7	5.0	5.2	5.1	4.3	4.5	4.6	4.7	4.8	5.3	5.5	5.6	22	1.0
Non-employed	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	24	0.0
Capital	10.0	9.3	9.0	7.7	7.8	9.1	10.0	14.0	12.3	9.6	9.5	9.9	5	1.8
Capital and business income	7.6	7.4	7.4	6.0	5.3	6.4	7.7	10.6	9.7	7.8	7.6	8.1	1	1.5
Income of corporations	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	6.8	1	1.2
Income of households	0.9	0.7	0.8	1.1	1.1	1.2	1.7	3.3	2.1	0.8	0.9	0.7	12	0.1
Income of self-employed (incl. SSC)	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	23	0.1
Stocks of capital / wealth	2.5	1.8	1.6	1.7	2.5	2.7	2.3	3.4	2.6	1.7	1.9	1.7	12	0.3
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.7	3.0	3.0	3.8	4.0	3.5	3.3	3.4	3.2	2.9	2.9	2.9	6	0.5
Energy	0.7	1.0	1.0	1.9	2.1	1.9	1.8	1.8	1.6	1.6	1.8	2.0	13	0.4
Of which transport fuel taxes	:	:	:	:	1.7	1.6	1.5	1.5	1.4	1.4	1.7	1.8	9	
Transport (excl. fuel)	2.0	2.0	2.0	1.8	1.9	1.6	1.5	1.6	1.6	1.3	1.1	0.9	6	0.2
Pollution/resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.5	1.0	0.8	0.9	1.6	1.9	1.3	2.0	1.4	0.9	1.0	0.8	20	0.1
Recurrent taxes on immovable property	0.4	0.4	0.5	0.5	0.6	0.6	0.9	1.5	1.0	0.6	0.6	0.5	15	0.1
Other property taxes	1.1	0.6	0.3	0.3	1.0	1.2	0.4	0.5	0.4	0.3	0.3	0.3	18	0.0
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	12.6	14.0	15.0	18.0	19.4	19.7	20.0	20.5	20.4	19.2	19.0	17.7	22	
Labour employed	21.6	22.9	22.3	22.8	22.7	24.4	23.9	23.9	24.6	26.2	26.9	26.7	23	
Capital	24.8	23.7	24.0	23.0	24.5	27.1	30.9	41.7	32.5	29.5	30.6	24.7		
Capital and business income	18.7	19.1	19.8	17.9	16.7	19.0	23.7	31.6	25.7	24.1	24.5	20.3		
Corporations	31.1	32.7	32.8	26.5	24.0	26.6	31.8	37.3	32.7	35.9	35.9	26.9		
Households	6.0	5.3	7.2	9.5	9.1	9.7	13.0	21.4	13.7	7.3	7.5	7.0		
Real GDP growth (annual rate)	5.0	4.0	2.1	1.9	4.2	3.9	4.1	5.1	3.6	-1.9	1.1	0.3		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Cyprus

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, the overall tax burden (including social contributions) decreased by 0.4 percentage points to 35.2 % of GDP. It hence more than offsets last year's increase of 0.3 percentage points. These developments keep Cyprus' tax burden below the EU average of 38.8 %.

The tax structure of Cyprus' tax system stands out in several respects. Cyprus displays the sixth highest share of indirect taxes in the EU-27. It derives 41.9 % of tax revenues from indirect taxes (EU-27 34.5 %), of which VAT accounts for almost 60 %. This is due to the high share of consumption in the economy, as VAT rates are among the lowest in the EU. Direct taxes account for a proportion of revenue (33.3 %) slightly above the EU average (33.2 %). However, they are more heavily based on CIT revenues (19.4 %) than in all other EU-27 countries; the steady increase since 2004 was only interrupted in 2010 to start again in 2011. On the contrary, PIT taxes do not contribute much more than half of EU-27 average to the total tax revenues (11.9 %, EU-27 23.5 %). Social contributions account for 24.8 % of receipts, more than eight percentage points below EU-27 average (33.5 %).

The share of taxes received by local government is negligible (1.4 % of total taxation in 2011); only the Greek local government has a lower share in tax revenues, while Malta has no tax receipts at local level.

The tax-to-GDP ratio increased substantially (about 10 percentage points) from 2000 to 2007, albeit starting from a very low level. The increase was steady but most notable in 2007, when the pick-up amounted to more than four percentage points. While the fall in tax revenues in 2008 was against still relatively favourable economic conditions, the 2009 drop largely reflected the economic downturn. The 2010 increase was the result of increased social contributions, and rising excise duties due to tax rate increases on petrol and diesel. Compared to 2000, indirect tax revenue and social contributions in % of GDP went up considerably. VAT revenue almost doubled between 2000 and 2008, but fell considerably in 2009, stabilising in 2010. Corporate income tax revenues are on the same level as in 2000, despite the 2003 tax cut, and the recent economic downturn. The recent tax-to-GDP ratio decrease is mainly due to the drop in indirect taxation (decrease in VAT collection).

### Taxation of consumption, labour and capital; environmental taxation, property taxes

Revenues from taxes on consumption as a percentage of GDP (12.7 %) are well above the EU-27 average (11.2 %). As mentioned above, this level of revenues is largely due to a high consumption share in the economy. In addition, Cyprus has been following a strategy of raising primarily consumption taxes. With accession to the EU, VAT and excise duties revenues were boosted by increases in minimum tax rates prescribed by the *acquis*.

In 2000, the implicit tax rate on consumption was the lowest of the EU-27 Member States; it ranked 19<sup>th</sup> in 2010 to be brought back to 22<sup>nd</sup> in 2011. The 2009 drop in the ITR on consumption was sustained in 2010 and 2011, now amounting to 17.7 % (EU-27: 20.1 %). These drops are likely to be at least partly due to the decrease in the construction boom of the last years, as VAT spent on building and renovation is counted as consumption tax revenue in this report<sup>(18)</sup>, as well as to the reduction of tax rates for the tourism sector, which could not be offset by the increase in excise duty rates.

Taxes on labour represented 12.6 % of GDP in 2011, constituting a bit more than one third of the overall tax burden. The increase in the ITR on labour by more than 5.0 percentage points since 2000 was driven by the 2.4 percentage point increase since 2008 – resulting from an increase of social contributions in April 2009. In 2011 the ITR on labour slightly decreased by 0.3 percentage points at 26.7 % (resulting from a decrease of social contributions in 2011) - well below the EU average of 35.8 %.

<sup>(18)</sup> The numerator of the ITR comprises VAT revenue on construction, whereas the denominator, in line with national accounts, excludes expenditure in construction, as that is considered investment rather than consumption. This results in an upwardly biased measure of the ITR on consumption. Owing to lack of data, it is at present not possible to correct for this effect.

The share of taxes on capital in GDP (9.9 %) is more than 23 % higher than the EU-27 average. This is due to the capital income taxation of corporations, which includes the Defence Contributions, and amounts to more than twice the EU-27 average. After a steady fall of these taxes between 2008 and 2010 trends reversed in 2011 also because other taxes on capital such as the capital income of households and taxes on the stocks of capital/wealth picked up slightly over the same period.

Albeit on a decreasing path, the share of environmental taxes in GDP in Cyprus (2.9 %) is still above EU-27 average. This is mainly due to the large share of transport taxes (0.9 % of GDP), which has been trending downwards since 2007, but is still almost twice the EU-27 average (0.5%). Revenue from energy taxes has almost tripled since 2000 as a proportion of GDP (from 0.7 to 2 % in 2011); bringing Cyprus above the EU-27 average (1.8 % of GDP). This development is also reflected in the ITR on energy albeit a small decrease in 2010. While the country was almost in line with the EU-27 average in 2007 (2 %), the share of taxes on property in GDP decreased to 0.8 % in 2011. This can be explained by a steady decrease of recurrent taxes on immovable property between 2007 and 2011.

### Main recent reforms implemented, on-going or announced

Last December, the Cypriot House of Representatives voted a number of new and amending bills included in the 2013 Budget Law in order to pursue the fiscal consolidation effort. It included an important set of revenue-generating tax measures aiming mainly at increasing consumption taxes, improving the corporate tax design as well as stabilizing the financial sector. In particular, it foresaw i) a 1 percentage point increase in the main VAT rate to 18% in 2013, ii) an increase to 9 % from 8 % in the reduced VAT rate in 2014, iii) a limitation of the carry forward trading losses up to five years, iv) the abolition of all exceptions currently in place for paying the annual company levy of EUR 350 and v) an increase from 0.095 % to 0.11% of the bank levy on deposits raised by banks and credit institutions in Cyprus. The budget also included special provisions to pursue the effort to fight against fraud and tax evasion. It introduced a set of rules aiming at improving tax compliance and the exchange of information. It is now mandatory for non-tax-resident companies registered in Cyprus to submit annual tax returns. Trusts are required to keep accounting records in relation to dividends and interests perceived. Existent procedures ruling the Exchange of information have been clarified, aligning Cypriot double tax treaty framework with the OECD guidelines and ensuring effective exchanges.

## Main features of the tax system

### Personal income tax

Cyprus applies a personal income tax with a progressive rate structure. Currently four brackets have been used, with rates set at 20 %, 25 % and 30 % and, since 2011 an additional tax bracket with a top rate of 35% for income over EUR 60 000. There is a standard relief (basic allowance) which was progressively raised from EUR 8 500 in 1996 up to EUR 19 500 since 2008, as a result of which the number of people subject to personal income tax has decreased substantially. Special provisions apply to high earning individuals not having been resident of Cyprus before taking up the employment for the first 5 years. For the years 2012 until 31 December 2016, a special contribution to strengthen public finances is levied on gross wages, at rates of 2.5% for income between EUR 2.501 - EUR 3.500, 3% in the tax bracket EUR 3501 to EUR 4500 and 3.5% above. The special contribution is shared equally between the employer and the employee and deductible from taxable income. Capital gains, in particular dividends, interest income and income from the sale of securities are exempt from income taxation. They are taxed under the Defence Contribution and a capital gains tax on the disposal of immovable property.

### Corporate taxation

Cyprus has lowered its corporate tax rate from 20–25 % to 10 % from 1 January 2003. Alongside the reduction of the tax rate, several tax incentives were abolished. In the years 2003 and 2004, there was an additional 5 % corporate tax for chargeable income exceeding EUR 1.7 million. Special regimes apply, however, to the shipping sector. Companies can carry forward trading losses, (up to 5 years since 2013) but carrying back is not allowed. Inventories may be valued at the lower of cost or net realisable value. An annual levy on registered companies of EUR 350 applies since 2011 and all exceptions for paying it have been abolished as of January 2013.



### Other taxes (Defence Contribution)

All residents are subject to the Defence Contribution, which has been a final levy on unearned income and not deductible for income tax purposes since 2003. It is applied with different rates on dividends, interest, rental payments and the taxable income of public corporate bodies. Dividends are temporarily subject to the Defence Contribution at a rate of 20 % for the years 2012 and 2013, after which the rate will decrease to 17 %, with the contribution on domestic dividends withheld at source. Interest payments not accruing from ordinary business activities are taxed at a rate of 15 %. Individuals with an annual income not exceeding EUR 12 000 may apply for a 7 % refund. A 3 % rate applies to interest on savings certificates issued by the government; however, dividends and interest are not subject to PIT. Rental payments are subject to the Defence Contribution at a rate of 3 %.

### VAT and excise duties

On 14 January 2013 the standard VAT rate was increased to 18 % (previously 17 %), keeping the two reduced rates constant at 5 % and 8 %, respectively. Cyprus also exempts certain products – letting of immovable property, cultural, sport, banking, insurance, medical and hospital services – from VAT altogether, and applies a zero rate on supplies of goods and services to sea-going vessels, and international transportation, the supply of medicines and food – except the supply of food in the course of catering –, as well as exports and intra-Community dispatches of goods and services. Since 2011 formerly exempt foods pharmaceutical products as well as the formerly higher taxed construction/purchase of the first residence have been subject to a 5 % VAT rate. An 8% reduced VAT rate applies for hotel accommodation and restaurant services. The excise duties on energy, in particular on unleaded petrol and on diesel were aligned with the EU minima in 2010. As from 6<sup>th</sup> of December 2012 the excise duty rate for cigarettes is calculated at 34 % on the higher retail selling price plus EUR 1.10 per package of 20 cigarettes (previously was calculated at 40 % on the higher retail selling price plus EUR 0.80 per package of 20 cigarettes). It must be noted that the minimum excise duty for a package of 20 cigarettes is EUR 2.43. Also on 6 December 2012 the excise duty rate for the fine cut tobacco for the rolling of cigarettes and other smoking tobacco was increased from EUR 60 per kilogram to EUR 150 per kilogram. Furthermore on the above date the excise duty rate for ethyl alcohol was increased from EUR 598.01 to EUR 956.82 per 100 litres of anhydrous ethyl alcohol and for beer from EUR 4.78 to EUR 6.00 per 100 litres per degree of alcohol of final product. On 1 January 2013 the excise duty rate for petrol and gasoil used as motor fuel was increased from EUR 359 per 1 000 litres to EUR 429 per 1 000 litres and from EUR 330 per 1 000 litres to EUR 400 per 1 000 litres respectively.

### Wealth and transaction taxes

There are neither net wealth taxes nor inheritance and gift taxes. Immovable property is subject to a real estate tax levied on the estimated market value of the property in 1980. For natural persons, rates range from 0 % to 0.8 %, depending on the property value. A real estate transfer tax is levied in a progressive way at 3 %, 5 % and 8 % of the property value. Since April 2011 a bank levy is imposed on the total amount of deposits at a rate of 0,095 %, limited to 20 % of the total taxable profits. The rate will increase to 0.11% in the course of 2013. Capital gains are, in general, not taxable. Gains on the disposal of immovable property located in Cyprus are taxed at 20 %. The capital gain is the difference between the sales proceeds and the original cost, adjusted to take into account increases in the cost of living index.

### Social contributions

Employers' social contributions are due for the Social Security Fund, redundancy insurance and for the Training Development Fund. Altogether, the employers' contribution rate amounts to 8.5 %. Employers must also pay a payroll tax (2 % of gross wage) to the social cohesion fund, which is not deductible for corporate income purposes. Employees pay 6.8 % of their salary as social contribution up to a ceiling of EUR 52 104. Public sector employees pay 3 % of their gross salaries towards the government pension scheme since 2011. The self-employed pay 12.8 % of notional income as social contribution. SSC of employed and self-employed are augmented by a 4.3 % payment of the state. In general, employers have to contribute to the Central Holiday Fund; the rates vary according to the annual leave entitlement of the employee.

CZECH REPUBLIC													2011	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Ranking <sup>1)</sup>	€ bn
<b>A. Structure of revenues</b>													<b>% of GDP</b>	
Indirect taxes	10.8	10.5	10.3	10.6	11.3	11.3	10.8	11.1	10.9	11.3	11.4	11.8	22	18.4
VAT	6.2	6.1	6.0	6.1	7.0	6.9	6.4	6.3	6.8	6.9	6.9	7.0	18	11.0
Excise duties and consumption taxes	3.1	3.1	3.1	3.3	3.4	3.6	3.6	3.9	3.3	3.7	3.6	3.9	5	6.1
Other taxes on products (incl. import duties)	0.9	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	24	0.6
Other taxes on production	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	26	0.7
Direct taxes	7.9	8.3	8.8	9.2	9.2	8.9	8.9	9.0	8.0	7.2	6.9	7.3	20	11.4
Personal income	4.4	4.3	4.5	4.7	4.7	4.4	4.2	4.3	3.7	3.6	3.5	3.7	23	5.8
Corporate income	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4	3.4	5	5.2
Other	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	25	0.3
Social contributions	15.0	14.9	15.4	15.6	15.4	15.4	15.6	15.7	15.5	14.8	15.2	15.4	3	24.0
Employers'	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.3	9.7	9.8	3	15.4
Employees'	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.1	3.1	12	4.9
Self- and non-employed	1.9	1.9	2.0	2.0	2.1	2.0	2.2	2.3	2.2	2.6	2.4	2.4	4	3.8
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>33.8</b>	<b>33.7</b>	<b>34.6</b>	<b>35.4</b>	<b>35.9</b>	<b>35.7</b>	<b>35.3</b>	<b>35.9</b>	<b>34.4</b>	<b>33.4</b>	<b>33.5</b>	<b>34.4</b>	<b>15</b>	<b>53.8</b>
<b>B. Structure by level of government</b>													<b>% of total taxation</b>	
Central government	73.2	74.5	72.8	72.7	72.4	69.7	69.5	69.7	69.1	68.4	68.4	68.7	7	37.0
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	11.6	10.7	12.0	12.2	12.5	14.7	14.2	14.1	14.4	14.2	14.0	13.9	6	7.5
Social security funds	15.3	14.8	15.2	15.1	14.5	14.7	15.4	15.2	15.6	16.5	16.7	16.4	22	8.8
EU institutions	n.a.	n.a.	n.a.	n.a.	0.6	0.9	0.9	0.9	0.9	0.8	0.9	0.9	10	0.5
<b>C. Structure by economic function</b>													<b>% of GDP</b>	
Consumption	10.1	9.8	9.6	9.9	10.8	10.8	10.3	10.5	10.3	10.8	10.9	11.2	18	17.5
Labour	17.8	17.6	18.3	18.6	18.3	18.3	18.4	18.5	18.0	17.0	17.5	17.9	11	27.9
Employed	16.6	16.4	17.1	17.4	17.2	17.2	17.1	17.2	16.8	15.7	16.1	16.5	13	25.8
Paid by employers	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.3	9.7	9.8	5	15.4
Paid by employees	6.9	6.8	7.1	7.3	7.3	7.3	7.2	7.3	6.9	6.4	6.4	6.7	20	10.4
Non-employed	1.2	1.2	1.2	1.2	1.1	1.1	1.3	1.3	1.2	1.3	1.4	1.4	11	2.1
Capital	5.9	6.4	6.7	7.0	6.8	6.6	6.7	6.8	6.1	5.6	5.2	5.3	19	8.4
Capital and business income	4.9	5.5	5.8	6.1	6.2	5.9	6.0	6.1	5.4	5.0	4.5	4.6	16	7.2
Income of corporations	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4	3.4	4	5.2
Income of households	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	25	0.1
Income of self-employed (incl. SSC)	1.4	1.4	1.5	1.6	1.6	1.4	1.3	1.3	1.1	1.4	1.1	1.2	15	1.8
Stocks of capital / wealth	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.8	24	1.2
<b>D. Environmental taxes</b>													<b>% of GDP</b>	
Environmental taxes	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.4	2.3	20	3.7
Energy	2.1	2.2	2.1	2.2	2.3	2.4	2.3	2.2	2.2	2.2	2.2	2.2	6	3.4
Of which transport fuel taxes	:	:	:	:	:	2.2	2.1	2.1	2.0	2.1	2.0	2.1	4	
Transport (excl. fuel)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	25	0.2
Pollution/resources	0.05	0.05	0.04	0.04	0.03	0.03	0.02	0.03	0.02	0.03	0.03	0.03	20	0.0
<b>E. Property taxes</b>													<b>% of GDP</b>	
Property taxes	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	23	0.8
Recurrent taxes on immovable property	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2	24	0.3
Other property taxes	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.3	15	0.5
<b>F. Implicit tax rates</b>													<b>%</b>	
Consumption	18.8	18.2	18.4	18.8	20.8	21.1	20.3	21.3	20.5	20.7	20.8	21.4	12	
Labour employed	41.2	40.8	41.3	41.7	41.5	41.3	41.1	41.7	39.9	37.6	38.5	39.0	6	
Capital	18.7	19.6	21.3	22.1	21.8	20.4	20.0	20.2	18.5	17.7	16.6	17.6		
Capital and business income	15.6	16.9	18.6	19.5	19.7	18.2	17.9	18.1	16.6	15.8	14.5	15.1		
Corporations	24.5	25.9	28.5	29.0	27.5	24.7	24.3	23.7	22.0	20.5	20.1	20.1		
Households	7.9	8.1	8.7	9.0	9.8	8.8	8.0	8.6	7.5	8.8	6.9	7.7		
Real GDP growth (annual rate)	4.2	3.1	2.1	3.8	4.7	6.8	7.0	5.7	3.1	-4.7	2.7	1.8		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Czech Republic

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, the total tax-to-GDP ratio (including social contributions) stood at 34.4 % in the Czech Republic. This tax ratio is well below the EU-27 average (38.8 %). Compared to neighbouring countries, the ratio is lower than in Austria and Germany but higher than in Slovakia and Poland.

The main source of tax revenue is social contributions, which reach 44.7 % of total taxes and are over 11 % above the EU-27 average (33.5 %) – the highest in the EU. The share of Czech social contributions in total revenues has been the highest in the EU for several years, followed by Slovakia and Slovenia in 2011. The share of direct taxes (21.1 % of total taxation) is on the other hand 12 percentage points below the Union average (33.2 %), as these levies play a less important role than indirect taxes (34.2 %). Given the predominance of social contributions, the other sources of revenue tend to be one of the lowest in the EU as a share of revenue. PIT revenue stands at 3.7 % of GDP, among the lowest values of the EU. In 2011, CIT revenues are close to PIT revenues (9.7 % vs. 10.8 % of total taxation) and exceed the EU-27 average by 3.3 percentage points. Only three other EU countries, namely Cyprus, Luxembourg, and Malta collect more tax revenues with the means of CIT than the Czech Republic. Despite the forceful cut in the CIT rate from 55 % in 1991 to 19 % in 2010, CIT revenues have not markedly declined until 2008 when the reductions in the CIT rate coincided with unfavourable economic conditions.

Since the structure of the tax system is quite centralised, local government receives 13.9 % of total tax revenues (3.1 percentage points above the EU-27 average). The central government receives 68.7 % of total taxes, by almost 20 percentage points more than the EU-27 average (49.1 %).

The total tax burden rose steadily from 2001 to 2004 peaking at 35.9 % of GDP. In the 2005–2011 period the tax-to-GDP ratio has remained below this level (being 34.4 % in 2011, 4.4 percentage points below the EU-27 average). In 2011, the increase in excise duties and the reduction in the personal tax allowance caused that the overall tax revenue in terms of GDP recorded an increase of 0.9 percentage points.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The tax mix by economic function is consistent with the structure described above: taxation on labour is the main source of revenue (51.9 %, slightly above the EU-27 average of 50.8 %), followed by consumption (32.6 %) and capital (15.5 %). In 2011 the share of labour taxation revenues continued to be at pre-crisis levels after a sudden drop from 52.3 % in 2008 to 50.8 % in 2009. The share of capital taxation revenues has declined by 3.5 % since 2007, due to gradual cuts in the CIT rate (from 24 % in 2007 to 19 % in 2010) and the relatively low economic growth in the last years.

The implicit tax rate (ITR) on consumption is at 21.4 % slightly above the EU-27 average of 20.1 %. It grew substantially in 2004 following a revision of consumption taxes preceding the EU accession and remained mostly stable since then. The pick-up observed since 2009 is probably driven by the hike of the VAT rates.

The ITR on labour income has been declining from its peak level of 41.7 % in 2003 until 2006. In 2007 the rate peaked again but the 2008 PIT reform which introduced a flat tax rate of 15 % led to another decline in 2008. In 2011, there was another modest increase to 39 % possibly due to the reduction in the basic allowance. This level is still comparatively high, more than 3 percentage points above the EU-27 average. The elevated ratio is due to the high level of social contributions.

The ITR on capital increased gradually from 2000 to 2003, but then the trend inverted. During 2004–2010, the ITR on capital declined to 16.6 %. The marked decline as of 2008 could be largely explained by the cut of the CIT rate

in the last three years under observation. However, in 2011 the ITR on capital increased by 1 percentage point to 17.6 %.

Environmental taxes represent 2.3 % of GDP. This value is slightly below the EU average (2.4 %) and has remained roughly constant in the last decade. As in the majority of Member States, most of this revenue is realised on energy (2.2 % of GDP).

Property taxes play a negligible role as they count for only 1.3 % of all tax revenues in 2011 (fourth lowest share in the EU). The main reasons are the very low recurrent taxes on immovable property (0.6 % of total tax revenues).

### **Main recent reforms implemented, on-going or announced**

In 2008 a tax reform introduced important changes in the tax system of the country. Furthermore, in 2010 the corporate income tax rate was cut to 19 % and the value added tax rate was increased by 1 %. In 2013, the VAT rate was increased by yet another percentage point (until 2015 only). The basic VAT rate is thus currently set at 21 %, while the reduced rate was increased to 15 % in 2013. For 2016 the unification of the VAT rates at 17.5 % is foreseen. Changes to the VAT rates are to cover the fallout of revenues from the social insurance in relation to the introduction of the second pension pillar.

A comprehensive tax reform was adopted on 27 December 2011 and the changes will generally apply from 1 January 2015. In the area of individual taxation it foresees, among others, the introduction of a 19 % PIT rate, changes in the tax base and tax deductible amounts, health insurance contributions at 6.5 % of the contribution base, a new tax relief in the form an employment tax credit. As far as corporate taxation is concerned, the reform envisages replacement of the social and health insurance contributions paid by employers with a 32.4 % payroll tax. Also, the rate applicable to income derived by collective investment vehicles is reduced from 5 % to 0 %. Finally, flat inheritance and gift tax rates of 9.5 % and 19 % respectively will be introduced and the amount up to which movable personal belongings and financial means are exempt will be increased. The reform also introduces a one-stop-shop for all taxes, duties, and social and health insurance contributions.

At the end of 2012, some amendments to the tax system to correct the excessive budget deficit were adopted. These amendments, which entered into force on 1 January 2013, include changes to the personal income tax and social contributions (abolition of the basic allowance for working pensioners, 7 % personal income tax surcharge for high-income taxpayers, limited tax allowances for the self-employed, abolition of health insurance thresholds (until 2015 only)), increase in both VAT rates by 1 percentage point (until 2015 only), increase in the real estate transfer tax by 1 % and increase in tobacco taxes.

## **Main features of the tax system**

### **Personal income tax**

Until 2007, the Czech Republic applied progressive personal income taxation with four brackets, where the top rate was 32 %. A flat tax rate of 15 % was introduced in 2008. For the 2013-2015 period, an additional 7 % “solidarity surcharge” applies to the part of the aggregate employment income and business and professional income which exceeds four times the annual average salary (CZK 1 242 432 (EUR 49 083)). The tax base for income from employment is a so-called super gross wage (a gross wage increased by the amount of social and health insurance contributions paid by the employer). The expenditure lump-sums valid for 2013 are 80 % for incomes from agriculture and crafts, 60 % for businesses except the crafts, 40 % for other incomes (however at most CZK 800 000 (EUR 31 604)) and 30 % for rental income (however at most CZK 600 000 (EUR 23 703)).

The tax reform adopted in 2011 envisages that as of 2015 the personal income tax rate will be increased to 19 % albeit the final tax burden ought to be lower as the tax base will be narrowed. The deductible amount of mortgage interest for the taxpayer's main residence will be reduced up to CZK 80 000 (EUR 3 160) per year (currently, CZK 300 000 (EUR 11 852)).

## Corporate taxation

The corporate income tax rate was gradually reduced from 24 % in 2007 to 19 % in 2010. The rate for all withholding taxes is 15 % and applies to interest, dividends and royalties for both residents and non-residents and for both corporations and individuals. Dividends paid and capital gains derived by parent companies registered in an EU Member State are exempt from the withholding tax.

As of 2015 the rate applicable to income derived by collective investment vehicles will be 0 % (currently 5 %).

## VAT and excise duties

VAT in the Czech Republic is charged at two rates. The standard rate of 21 % applies on the sale of goods and services; the reduced rate of 15 % applies on the sale of certain goods such as food products, as well as on some services. Certain services (e.g. postal, broadcasting, banking, insurance, financial, health and social welfare, transfer and lease of land and buildings or structures, provision of lotteries and similar games of chance and education) are exempted.

Excise duty is imposed on mineral oils, lubricants, spirits, beer, wine and tobacco products. A suspension regime has been in place since 2004. The transitional period for delayed implementation of the excise duty rates on cigarettes and other tobacco products ended in 2007. Starting in 2008, taxes on cigarettes and tobacco were increased accordingly. The excise duty also applies on electricity, natural gas and solid fuels. Reductions in taxation are available for renewable and alternative electricity, biogas and CHPs and specified environmentally sound vehicles. A tax refund is available also for public transportation using green electricity.

## Wealth and transaction taxes

There is an inheritance and gift tax, a real estate transfer tax and a real property tax. For movable assets, the tax base is the market price. For immovable assets, the tax base is in most cases the official valuation of the assets. The acquisition of property by inheritance or by gift is exempt from taxes for direct and indirect (since 2008) relatives and spouses of the owner. The tax rate is based on the value of property. This ranges for the gift tax from 7 % to 40 % and from 3.5 % to 20 % for the inheritance tax. As of 2013 the real estate transfer tax rate increased to 4 % of the price of the property. As of 2015 the inheritance and gift tax rates will be replaced by flat 9.5 % and 19 % rates respectively and movable personal belongings and financial means will be exempt up to CZK 50 000 (EUR 1 975).

## Social contributions

Employers, employees and self-employed persons must make social contributions that cover health, occupational disability, old-age pension and unemployment insurance. Since the introduction of the flat rate, social contributions are fully taxable. From 1 January 2013, social contribution rates vary depending on whether the taxpayer has opted for the new voluntary pension saving scheme. For employees who did not opt for the voluntary pension saving scheme the total rate of social and health insurance is 11.0 % (comprised of 6.5 % contributions to pension insurance and 4.5 % of compulsory health insurance). For employees who opted for the voluntary pension saving scheme, the total rate of social and health insurance is 13.0 % (statutory pension insurance of 3.5 %, voluntary pension saving of 5 % and compulsory health insurance of 4.5 %). Employers' contributions total rate is 34 % and will be replaced by a payroll tax of 32.4 % as of 2015. As for self-employed, the overall social security rates are 45 % and 47 % respectively depending on whether they opted for the new voluntary pension saving scheme. However, the contribution base for the self-employed is determined at 50 % of their income tax base. In 2013, a separate ceiling set at four times the average annual salary, i.e. CZK 1 242 432 (EUR 49 083) applies to social contributions. For the 2013-2015 tax years, the ceiling on health insurance contributions (six times the average annual salary) is abolished. As of 2015 both employees and the self-employed will pay health insurance contributions at 6.5 % of the contribution base. In addition, the health insurance contribution base for the self-employed will be 100 % of their income tax base.

DENMARK	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	17.2	17.4	17.5	17.4	17.6	18.0	18.1	17.9	17.2	17.0	16.8	17.0	2	40.8
VAT	9.6	9.6	9.6	9.6	9.8	10.1	10.3	10.4	10.1	10.2	9.8	9.9	1	23.9
Excise duties and consumption taxes	4.1	4.1	4.1	4.0	3.8	3.5	3.4	3.2	3.1	3.3	3.3	3.4	12	8.1
Other taxes on products (incl. import duties)	2.0	1.8	2.0	1.9	2.2	2.6	2.6	2.5	2.2	1.5	1.6	1.6	8	3.8
Other taxes on production	1.6	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.9	2.0	2.0	2.1	5	5.1
Direct taxes	30.5	29.5	29.3	29.6	30.4	31.9	30.7	30.1	29.7	30.0	29.8	29.9	1	71.9
Personal income	25.6	26.0	25.7	25.6	24.9	24.9	24.9	25.4	25.1	26.4	24.3	24.3	1	58.4
Corporate income	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.8	2.8	9	6.7
Other	1.6	0.7	0.7	1.1	2.3	3.1	1.5	1.0	1.3	1.3	2.8	2.9	1	6.9
Social contributions	1.8	1.7	1.2	1.2	1.2	1.1	1.0	1.0	1.0	1.0	1.0	1.0	27	2.4
Employers'	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	27	0.1
Employees'	1.8	1.7	1.2	1.2	1.1	1.1	1.0	1.0	0.9	1.0	1.0	1.0	25	2.3
Self- and non-employed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0.0
Less: amounts assessed but unlikely to be collected	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.2		
<b>TOTAL</b>	<b>49.4</b>	<b>48.5</b>	<b>47.9</b>	<b>48.0</b>	<b>49.0</b>	<b>50.8</b>	<b>49.6</b>	<b>48.9</b>	<b>47.8</b>	<b>47.8</b>	<b>47.4</b>	<b>47.7</b>	<b>1</b>	<b>114.6</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	62.4	61.0	61.5	61.4	62.8	64.2	63.7	73.2	72.9	71.8	70.8	70.8	5	81.2
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	33.5	35.1	35.7	35.8	34.4	33.2	33.8	24.4	24.7	25.7	26.7	26.7	2	30.6
Social security funds	3.6	3.6	2.5	2.5	2.4	2.2	2.1	2.0	2.0	2.0	2.1	2.1	25	2.4
EU institutions	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	27	0.4
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	15.7	15.7	15.8	15.6	15.8	16.2	16.3	16.1	15.4	15.2	14.9	15.1	1	36.2
Labour	26.6	26.9	26.1	26.0	25.2	24.8	24.6	25.0	25.4	27.0	24.5	24.4	2	58.6
Employed	21.7	22.1	21.2	20.9	20.3	20.0	19.9	20.3	20.6	20.6	19.4	19.3	6	46.5
Paid by employers	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	27	1.5
Paid by employees	21.3	21.5	20.7	20.4	19.8	19.5	19.4	19.7	20.1	20.1	18.8	18.7	1	44.9
Non-employed	4.9	4.8	4.9	5.1	4.9	4.8	4.7	4.7	4.8	6.4	5.0	5.1	1	12.2
Capital	7.2	6.0	6.1	6.6	8.2	10.0	8.9	7.9	7.1	5.8	8.2	8.5	8	20.4
Capital and business income	4.8	3.4	3.5	3.8	5.4	7.3	6.2	5.2	4.2	2.9	5.4	5.6	9	13.6
Income of corporations	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.8	2.8	10	6.7
Income of households	0.4	-0.6	-0.5	-0.1	1.2	2.3	0.7	0.3	0.1	-0.2	1.9	2.0	1	4.8
Income of self-employed (incl. SSC)	1.1	1.2	1.0	1.0	1.0	1.1	1.1	1.1	0.8	0.8	0.8	0.9	18	2.1
Stocks of capital / wealth	2.4	2.6	2.7	2.8	2.8	2.8	2.7	2.7	2.9	2.9	2.8	2.8	4	6.8
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	4.7	4.7	4.8	4.7	4.8	4.9	4.8	4.6	4.2	4.0	4.0	4.1	1	9.7
Energy	2.5	2.7	2.6	2.6	2.5	2.3	2.2	2.1	2.1	2.2	2.3	2.3	4	5.6
Of which transport fuel taxes	:	1.4	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.1	1.0	1.0	27	
Transport (excl. fuel)	1.8	1.7	1.9	1.8	2.0	2.2	2.3	2.2	1.8	1.5	1.5	1.5	1	3.6
Pollution/resources	0.35	0.34	0.35	0.33	0.32	0.30	0.30	0.30	0.28	0.27	0.21	0.23	3	0.6
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	2.3	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.7	2.6	2.6	2.7	4	6.4
Recurrent taxes on immovable property	1.7	1.8	1.9	1.9	1.9	1.8	1.8	1.8	1.9	2.1	2.1	2.1	2	5.1
Other property taxes	0.6	0.6	0.6	0.6	0.7	0.8	0.8	0.7	0.7	0.5	0.5	0.5	10	1.3
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	33.4	33.5	33.7	33.3	33.3	33.9	34.2	33.9	32.6	31.3	31.3	31.4	1	
Labour employed	41.0	40.8	38.8	38.1	37.5	37.1	36.9	36.6	36.6	34.8	34.6	34.6	13	
Capital	36.0	31.0	30.8	36.9	45.9	49.9	44.5	46.2	42.4	39.0	:	:		
Capital and business income	23.9	17.7	17.3	21.4	30.3	36.1	30.8	30.2	25.3	19.6	:	:		
Corporations	23.0	21.1	20.0	22.3	24.9	26.7	28.7	28.0	23.0	18.2	:	:		
Households	22.2	8.6	9.0	15.3	34.5	50.0	27.0	26.3	22.4	16.8	:	:		
Real GDP growth (annual rate)	3.5	0.7	0.5	0.4	2.3	2.4	3.4	1.6	-0.8	-5.8	1.3	1.2		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Denmark

## Overall trends in taxation

### Structure and development of tax revenues

Although the tax-to-GDP ratio dropped by over three percentage points from 2005 to 47.7 % in 2011, Denmark still shows the highest ratio in the EU, more than three percentage points above the Swedish and Belgium figures. In comparison with other countries, Denmark has both a tradition of using gross recording and of taxing transfer incomes such as pensions. This is one reason why the tax-to-GDP burden appears to be higher than for other countries.

The Danish tax structure stands out in a number of respects. Social contributions are very low as most welfare spending is financed out of general taxation, notably personal income taxation. Correspondingly direct taxes form 62.8 % of total tax revenues (EU-27 33.1 %). Personal income taxes form the bulk of it, representing 50.9 % of total taxation in 2011. Also the proportion of indirect taxes (35.6 %) is above the EU-27 average (34.5 %).

In terms of the distribution of revenue between levels of government, Denmark differs substantially from the EU average because of the small role played by social security funds. As a result, the share of taxes raised by central government and particularly local government is elevated, respectively 71.3 % and 26.7 % (EU-27 49.1 % and 10.8 %).

The tax-per-GDP ratio fluctuated within a band of 47.4 % and 50.8 % over the last decade. The peak was reached in the year 2005 followed by a substantial decline, with the ratio in 2011 being slightly higher than in 2010. The structure of revenues remained stable, except for social contributions that reached almost 2 % of GDP in the beginning of the decade but have been around 1 % since 2002.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The ITR rate on consumption, at 31.4 %, remains the highest within the EU (20.1 %), due to a 25 % VAT rate and the absence of reduced rates. The ITR on consumption has declined though since its highest value in 2006 (34.2 %).

Despite the generally high level of taxation, the ITR on labour, at 34.6 %, is not amongst the EU's highest, but is exceeded in twelve other Member States. It has been steadily falling since 2000, resulting at least partly from labour tax cuts introduced since the tax reform in 1999. The two percentage points drop in the GDP share of personal income taxes from 26.4% in 2009 to 24.3 % in 2010 and 2011 is due to the cuts made with the tax reform adopted in 2009.

At 39.0 % (2009), the overall ITR on capital is among the highest in the EU, but has decreased considerably from its peak of 49.9 % in 2005. The ITR on capital displays a strong fluctuation over the years, reflecting the fluctuation in the yield from pension scheme assets and thus the tax on these.

Denmark stands out also by its high level of environmental taxation. In 2011 environmental taxes yielded 4.1 % of GDP, close to the values for the previous three years but somewhat below the average of the period 2000-2007. Nevertheless, Danish environmental tax yields remain the highest in the EU. This reflects a comprehensive and ambitious energy tax system, in which all energy projects are subject to both energy and CO<sub>2</sub> tax, a wide range of other taxes levied on environmentally harmful substances and products as well as a significant car registration tax. Further increases in environmental taxation are phased in between 2010 and 2019 (see below). Property tax revenues in Denmark in relation to GDP in 2011 (2.7 %) were the fourth highest in the EU (EU-27 average of 2.1 %) after United Kingdom (4.1 %), Belgium (3.2 %) and France (3.2 %). The property tax represented 5.6 % of the total tax revenue in 2011, which is above the EU average (5.3 %). The share of revenues from recurrent taxes

on immovable property in 2011 was second highest in the EU representing 2.1 % of GDP, whereas the corresponding EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

Denmark has made cuts in personal income taxation as part of the two most recent tax reforms in order to stimulate labour supply in the medium to long-term. The first tax reform, the so called *Spring Package 2.0*, was adopted in 2009 and the second was adopted in 2012.

The 2009 tax reform is implemented between 2010 and 2019, and reduces the high marginal tax rates on personal income. The tax reform was designed to be revenue neutral as a whole, but was underfinanced in the short run in order to stimulate the economy. The prescription of that tax reform was modified somewhat by the Fiscal Consolidation Agreement of 2010 where the automatic adjustments in various tax thresholds (including personal allowances) were suspended between 2011 and 2013. The bulk of the *Spring Package* remains unchanged, however, including higher energy, transport and environmental taxes to support the energy and climate policy objectives, as well as increases of excise rates on health-related goods (candy, sugary drinks, tobacco).

The 2012 tax reform is gradually implemented between 2013 and 2023. The tax reform includes a gradual increase of the threshold for the top income tax rate by DKK 57 900 (EUR 7 771) to DKK 467 000 (EUR 62 680) when fully implemented in 2022; a gradual increase of the employment allowance by 5.05 percentage points to 10.65 % in 2022 with a simultaneous increase of the maximum allowance by DKK 16 200 (EUR 2 174) to DKK 34 100 (EUR 4 577) and the introduction in 2014 of an extra employment allowance for single parents which gradually will increase to 6.25 % with a maximum of DKK 20 000 (EUR 2 684) in 2022. The tax cuts were only partly financed through the tax system e.g. by indexation of certain excise duties. The main part was financed through cuts in public expenditure e.g. on defence and by lowering of the annual adjustments of social transfers.

The trend has been to lower personal income taxation, often financed by increasing energy, transport and environmental taxes and excise duties on health-related goods. In the 2013 Budget this trend was however reversed. The excise duty on fat was abolished and the extension of the excise duty on sugar products reversed with forgone revenues being financed through higher taxes on personal income. The personal allowance was lowered by DKK 900 (EUR 121) to DKK 42 000 (EUR 5 637) and the bottom tax bracket was increased by 0.19 % to 5.83 %.

## Main features of the tax system

### Personal income tax

Personal income taxation in Denmark is characterised by relatively high average and marginal tax rates. Individuals pay an 8 % labour market contribution, levied on the gross wage before the deduction of any allowance. As in the other Nordic countries, local taxes play an important role: rates are flat and vary from one municipality to the next. The average local PIT rate is 25.6 % (including the church tax). The personal allowance of DKK 42 000 (EUR 5 637) and the employment allowance of 6.95 % with a maximum of DKK 22 300 (EUR 2 993) is deducted. Since the 2009 tax reform, which removed the middle tax bracket, the state income tax system has consisted of two tax brackets. The rate of the bottom bracket is 5.83 % to which a 6 % health tax is added. Hence, 11.83 % is paid on labour income from which the labour market contribution and the personal allowance of DKK 42 000 (EUR 5 637) is deducted. The employment allowance is also deducted for calculating the health tax. The top 15 % rate is levied on labour income, but only on the amounts exceeding the top tax threshold of DKK 421 000 (EUR 56 506). Overall, the system is highly progressive with marginal rates ranging from 8 % (up to the amount of personal allowance) to about 56.2 % (the upper ceiling plus the labour market contribution and the average church tax of 0.7 %).

Net capital income (positive or negative) is included in the tax base for local income taxes and the health tax. Negative capital income consists typically of interest payments connected to mortgages. The tax value of net capital income and deductible expenses is gradually being reduced from 33.6 % to 25.6 % from 2012 to 2019. For negative capital income below DKK 50 000 (EUR 6 711), DKK 100 000 (EUR 13 422) for married couples, the



tax value remains at 33.6 %. Positive net capital income is part of the tax base for the whole PIT except for the labour market contribution. From 2010 the first DKK 40 000 (EUR 5 369), DKK 80 000 (EUR 10 737) for married couples, of positive net capital income is taxed at the bottom tax rate of 37.5 % irrespective of the person's total income above the personal allowance. The top marginal tax rate for net capital income is 44.2 % which is reduced to 42.7 % in 2014. Income from shares (dividends and capital gains on shares) is taxed at two different rates: 27 % and 42 % depending on the level of income. Income from yields on pension schemes is taxed at 15.3 %.

### Corporate taxation

The corporate tax rate has been 25 % since 2007. There are no local taxes on corporations, but municipalities receive a share of the CIT revenue. National tax consolidation is mandatory for group-related resident companies and permanent establishments in Denmark; additionally the group may apply for international consolidation with its group-related non-resident companies and permanent establishments abroad. Indefinite loss carry-forward is allowed, but limited to 60 % when carried forward against taxable profits exceeding DKK 7.5 million (EUR 1 million). Carry-back of losses is not permitted. There is a limitation of interest deductibility through an EBIT rule and a ceiling over deductible interest (corresponding to 3 % of the tax assets except shares plus 10 % of the cost price of shares in foreign subsidiaries). Tax depreciation is straight lined over a 25-year period for buildings used for business purposes (not offices). A declining base is used in calculating tax depreciations for machinery and equipment (up to 25 %), and for ships, drilling rigs, aircraft, and trains (up to 19 % to be lowered to 15 % in 2016) and for infrastructure (up to 7 %). Inventories are valued on a FIFO basis. Acquired goodwill and the acquisition costs of know-how, patents, copyrights and other intangibles may be depreciated over 7 years using the straight-line method.

### VAT and excise duties

The VAT rate has since 1 January 1992 been 25 % and only newspapers are taxed at a zero rate. Certain activities (e.g. in the area of health and social welfare, education, sport, culture, property, insurance and finance, gaming, postal and passenger transport) are exempted without credit for input tax. With the 2009 tax reform, steps were taken to broaden the tax base so that, as from 2011, the sale of new property, property administration and the services of travel agents are taxed. Most of the activities exempted from VAT are subject to a wage and salary costs duty. The general tax rate is 3.08 % calculated on the wage and salary costs plus profit or minus loss of self-employment during the income year; for the financial sector, for lotteries, tourist offices and organisations, and for publishers and importers of newspapers, the respective tax rates are set at 10.5 %, 5.33 % and 2.5 %. As part of the 2012 tax reform, the tax rate for the financial sector is set to gradually rise to 12.3 % in 2021.

Excise duties are imposed on alcoholic beverages, tobacco and energy products and electricity; other duties include the motor vehicle duty, pollution duties and duties on chocolate, sugar confectionary, etc. As part of financing the 2009 tax reform the energy taxes, except on petrol and diesel, are increased by 15 % and also business and industry will pay energy taxes in the future at a rate of DKK 15 per GJ (EUR 2/GJ) (to be fully implemented by 2013). Energy taxes have been indexed with inflation from 2008 and the tax reform provides for continuation of the indexation from 2016 onwards. A number of other environmentally or health-related taxes are also introduced or increased as a result of that tax reform. The tax introduced on fat is however with the 2012 Fiscal Bill abolished from 2013. To compensate for the former government's tax freeze which suspended indexation at 2002 level, certain pollution duties are being indexed by 4.6 % in 2012 and 4.35 % in 2013 and other health related duties are increased by 1.8 % (when fully implemented in 2020), with duties rising gradually in 2013, 2015 and 2018.

### Wealth and transaction taxes

The value of owner-occupied dwellings is taxed by a property tax. The standard rate is 1 % of the taxable value up to DKK 3 040 000 (EUR 408 000) and 3 % on the excess. Additionally land is subject to a municipal real estate tax where the rates vary between 1.6 % and 3.4 %.

### Social contributions

As mentioned above, social contributions play a limited role in Denmark.

<b>ESTONIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.3	12.3	12.5	12.1	12.3	13.4	13.5	13.5	12.3	15.1	14.2	14.2	12	2.3
VAT	8.4	8.2	8.4	8.2	7.7	8.7	9.1	8.9	7.9	8.9	8.8	8.5	6	1.4
Excise duties and consumption taxes	3.0	3.3	3.2	3.1	3.6	3.7	3.4	3.6	3.3	5.1	4.3	4.5	2	0.7
Other taxes on products (incl. import duties)	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.5	20	0.1
Other taxes on production	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.7	20	0.1
Direct taxes	7.7	7.2	7.5	8.0	7.9	7.0	7.1	7.4	7.9	7.6	6.8	6.6	23	1.0
Personal income	6.8	6.5	6.4	6.5	6.3	5.6	5.6	5.8	6.2	5.7	5.4	5.3	18	0.8
Corporate income	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	1.3	25	0.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0.0
Social contributions	10.9	10.7	11.0	10.6	10.3	10.3	10.1	10.5	11.6	13.2	13.1	12.1	13	1.9
Employers'	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.5	12.2	11.2	2	1.8
Employees'	0.0	0.0	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.5	0.8	0.8	26	0.1
Self- and non-employed	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	25	0.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.0</b>	<b>30.2</b>	<b>31.0</b>	<b>30.8</b>	<b>30.6</b>	<b>30.6</b>	<b>30.7</b>	<b>31.4</b>	<b>31.9</b>	<b>35.9</b>	<b>34.1</b>	<b>32.8</b>	<b>18</b>	<b>5.2</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	72.2	72.6	72.2	72.2	71.2	71.0	71.2	70.7	67.3	68.2	67.9	68.1	8	3.6
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	13.9	13.5	12.9	13.0	13.2	13.0	13.2	13.4	15.4	14.0	13.4	13.3	7	0.7
Social security funds	13.9	13.9	14.9	14.9	14.9	14.9	14.4	14.7	16.2	16.9	17.9	17.6	21	0.9
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	1.1	1.1	1.2	1.1	0.9	0.9	1.0	7	0.1
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.7	11.7	11.9	11.6	11.7	12.8	13.0	13.0	11.7	14.5	13.6	13.6	6	2.2
Labour	17.3	16.8	16.9	16.6	16.3	15.3	15.2	15.8	17.5	18.7	18.2	17.1	14	2.7
Employed	17.1	16.6	16.7	16.4	15.9	14.9	14.9	15.6	17.1	18.2	17.8	16.7	12	2.7
Paid by employers	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.5	12.2	11.2	3	1.8
Paid by employees	6.4	6.1	6.2	6.2	5.9	5.1	5.1	5.4	5.8	5.7	5.6	5.5	23	0.9
Non-employed	0.2	0.1	0.2	0.2	0.4	0.3	0.3	0.2	0.3	0.5	0.4	0.4	19	0.1
Capital	2.0	1.7	2.2	2.6	2.6	2.6	2.5	2.6	2.7	2.8	2.3	2.2	26	0.3
Capital and business income	1.4	1.1	1.6	2.1	2.0	2.0	2.0	2.1	2.1	2.2	1.7	1.6	26	0.3
Income of corporations	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	1.3	26	0.2
Income of households	0.2	0.1	0.2	0.2	0.1	0.3	0.2	0.2	0.2	0.1	0.1	0.1	24	0.0
Income of self-employed (incl. SSC)	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	26	0.0
Stocks of capital / wealth	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	27	0.1
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	1.7	2.1	2.0	1.9	2.1	2.3	2.2	2.2	2.3	3.0	3.0	2.8	8	0.4
Energy	1.2	1.6	1.5	1.5	1.8	1.9	1.8	1.8	2.0	2.6	2.6	2.5	3	0.4
Of which transport fuel taxes	1.1	1.5	1.4	1.4	1.7	1.8	1.7	1.7	1.7	2.2	2.1	2.0	5	
Transport (excl. fuel)	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	26	0.0
Pollution/resources	0.25	0.31	0.29	0.31	0.24	0.29	0.33	0.34	0.34	0.39	0.31	0.30	2	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.4	0.4	0.3	27	0.1
Recurrent taxes on immovable property	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.4	0.4	0.3	21	0.1
Other property taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	.	0.0
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	19.5	19.6	19.9	19.8	19.7	22.0	22.7	23.6	21.1	26.0	25.4	26.1	7	
Labour employed	37.8	37.3	37.8	36.9	35.8	33.8	33.6	33.9	33.8	35.0	36.8	36.2	11	
Capital	6.4	5.2	6.8	8.1	8.4	8.0	8.3	8.8	10.6	15.4	9.8	7.9		
Capital and business income	4.3	3.4	4.9	6.4	6.5	6.2	6.5	7.0	8.2	12.0	7.1	5.8		
Corporations	4.1	3.0	4.7	6.5	6.9	5.7	5.8	6.7	7.9	15.3	7.3	5.8		
Households	4.3	3.6	4.6	4.6	3.9	6.4	6.4	5.3	6.1	3.6	4.3	4.0		
<b>Real GDP growth (annual rate)</b>	<b>14.0</b>	<b>6.3</b>	<b>6.6</b>	<b>7.8</b>	<b>6.3</b>	<b>8.9</b>	<b>10.1</b>	<b>7.5</b>	<b>-3.7</b>	<b>-14.3</b>	<b>2.3</b>	<b>8.0</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Estonia

## Overall trends in taxation

### Structure and development of tax revenues

The tax-to-GDP ratio of Estonia (including social contributions) at 32.8 % in 2011 was above pre-crisis levels. However, the ratio saw a reduction of more than 1 percentage point with respect to the previous year. This may reflect partly the economic recovery, which increased tax revenues, but also tax policy measures, mainly increases of VAT and excise duty rates that took place in 2009, 2010 and 2011. The 2011 tax-to-GDP ratio is below the EU-27 average (38.8 %) and clearly higher than in other Baltic States.

As in many other new Member States, the share of indirect taxes in total taxation is relatively high in Estonia (43.1 % in 2011), which is somewhat above the EU average (34.5 %). Social contributions also form an important proportion of total taxation (36.9 % in 2011, more than three percentage points above the Union average). The share of direct taxes, 20.0 % in 2011, has fallen around ten percentage points since the late 1990s, following reforms that increased the basic allowance and decreased the tax rates on both personal and corporate income.

Local governments receive 13.3 % of tax revenues, which is the seventh highest proportion in the EU-27. Since 2004, the funding of local authorities is calculated based on gross income of residents before deductions instead of actual tax revenue, as was the case previously. This implies that the basic exemption and other deductions from taxable income impact only on the central government budget. Central government revenue accounts for 68.1 % of total taxation.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Consumption tax revenues in relation to GDP displays an increasing trend from 2004 onwards, with the exception of the crisis year 2008, in which the VAT revenues fell from their trend level. The ITR on consumption shows a similar trend with rapid increases from 2004 onwards, a fall in 2008 and record high level in 2011. The rising trend of the effective taxation of consumption undoubtedly reflects sharp increases in VAT and excise duty rates as a part of the government's strategy to shift the tax burden from labour towards consumption and the environment. At 26.1 % in 2011 the ITR on consumption is the seventh highest in the European Union.

The ITR on labour has been declining up to 2008, reflecting the cuts in personal income tax rates and the gradual increase in the basic allowance introduced by the tax reform. Since 2008 the basic allowance and the income tax rate have been kept unchanged, which may have contributed to the rise of ITR on labour in 2009 and 2010. In 2011 the ITR on labour was 36.2 %; the eleventh highest in the European Union.

Taxes on capital represent only 6.6 % of total tax revenues, the lowest proportion in the EU-27, in accordance with the very low effective taxation of capital income. The ITR on capital (7.9 %) is the second lowest in the EU after Lithuania.

Revenue from environmental taxes forms 8.6 % of total taxation in 2011, exceeding the EU average by more than two percentage point. The share of environmental tax revenues displays a steadily rising trend from 1995 onwards, reflecting partly the need to adjust the excise duties up to the EU minimum rates, but also a deliberate policy of the government to finance the cuts of personal income taxes by increases in consumption and environmental taxation.

Property tax revenues in Estonia in relation to GDP in 2011 (0.3 %) were the lowest in the EU (EU-27 weighted average of 2.1 %). The property tax represents 1 % of the total tax revenue in 2011, which is far below the weighted average of EU (5.3 %).

## Main recent reforms implemented, on-going or announced

The Estonian prudent fiscal policy stance is reflected also in tax policy. The long-term plan to cut the income tax rate by one percentage point annually has been frozen and the personal and corporate tax rates have been kept at 21 %, the level reached in 2008. Also the basic allowance (the amount of tax-free income) has remained close to 2008 levels at EUR 1 728 in 2011. The income tax rates (personal and corporate income) are planned to be reduced to 20 % in 2015.

The long-term aim of the tax policy is to shift the tax burden from income and employment towards consumption and the environment. Most of the excise duties have been increased in 2010, including those on alcohol, tobacco, transport fuels, liquid fuel and electricity. Excise duties on transport fuels and natural gas were increased also in 2009. In January 2011 the excise duty on tobacco was increased again by 10 %, and similar increases are planned for 2012 and 2013. In January 2011 also an excise duty of EUR 0.15 per GJ was imposed on oil shale used for production of heat.

The tax burden on consumption has been affected also by the rise of the standard VAT rate by two percentage points to 20 % in July 2009 and the removal of reduced rates on certain products (medical equipment, distant heating), as well as the rise of the reduced VAT rate from 5 % to 9 % in 2009.

## Main features of the tax system

### Personal income tax

Estonia is one of the Member States applying a flat-rate system to the PIT. The single tax rate, 21 % since 2008, has been applied on all labour and personal capital income (dividends, interests, capital gains, royalties etc.). Only income exceeding a given threshold is taxed. The amount of the basic allowance has been increased yearly from EEK 12 000 (EUR 767) in 2003 to EEK 24 000 (EUR 1 534) in 2006 and EEK 27 000 (EUR 1 726) for 2008-2010. In 2011 it was set at EUR 1 728. State pensions are subject to an additional allowance of EUR 2 300. Mortgage interest payments and training expenses can also be deducted from taxable income. The total amount of allowances is limited to EUR 3 195 per taxpayer during the period of taxation, or to no more than 50 % of the taxpayer's income. The basic allowance makes the personal income tax system as a whole progressive, in the sense that the average tax rate increases with the income level, although the marginal tax rate remains constant.

Personal income tax is shared between the central and local governments; the latter receive 11.4 % of taxable income, the remainder goes to the central government level. The central government is entitled to the entirety of the income tax paid by non-residents and to the income tax paid on pensions and capital gains.

### Corporate taxation

The corporate tax system was reformed in 2000 with the aim of providing more funds for investment and accelerating economic growth. The basic idea of the reform was to postpone the taxation of corporate income until the distribution of profits. Hence, the tax rate on retained earnings is zero, and distributed profits in gross terms are taxed at the same rate as personal income, i.e. at 21 % since 2008. This tax rate is applied also to gifts, donations, non-enterprise expenses and fringe benefits. The system is applied to Estonian resident companies and permanent establishments of non-resident companies. The 21 % withholding tax applied on the dividends paid to non-residents was removed as of 1 January 2009. A withholding tax may still apply to other payments to non-residents, if they do not have a permanent establishment in Estonia or unless the tax treaties provide otherwise. The measures to reduce tax avoidance include Controlled Foreign Companies (CFC) rules and regulations for minimising the use of transfer-pricing schemes, as well as a withholding tax of 21 % on the payments to off-shore companies for services.

### VAT and excise duties

The standard VAT rate is 20 % since July 2009. A 9 % reduced rate applies to a limited list of goods (books, periodicals, medicine, accommodation).

Excise duties on alcoholic beverages were increased by 10 % in 2010 and that on tobacco by 10 % in 2010 and additionally 10 % in 2012. The excise duties on unleaded petrol and diesel were increased both in 2009 and 2010 and now exceed by far the EU minimum tax rates. Taxes on coke and coal, natural gas and electricity were introduced as part of the green tax reform, and their rates were also increased as part of fiscal consolidation measures in 2009 and 2010.

### **Social contributions**

Social security is financed largely through a social tax, which is paid by the employer, generally at a rate of 33 % of gross salary for each employed person. The self-employed also pay the social tax. A 13 % quota from the tax is transferred to the state health insurance system and the remaining 20 % to the state pension insurance system. Employees who have joined the second pension pillar (obligatory for those born after 1983) pay an additional 2 % of their salary to the personal pension account. In this case, the 20 % for the pension insurance system is divided as 16 % to the state pension insurance system (the first pillar) and 4 % to the mandatory funded pension system (the second pillar).

The social tax, comparable to the employers' social contributions in other countries, is a fiscally important tax in Estonia. In 2011 these contributions represented 34.1 % of total taxation, which is by far the highest proportion in the EU. Employees' social contributions, in contrast, represented only 2.4 % of tax revenues.

<b>FINLAND</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	13.9	13.4	13.7	14.2	14.0	14.1	13.9	13.3	13.1	13.7	13.6	14.4	10	27.2
VAT	8.2	8.0	8.1	8.6	8.5	8.7	8.7	8.4	8.4	8.7	8.5	8.9	3	16.9
Excise duties and consumption taxes	4.3	4.1	4.2	4.3	3.9	3.8	3.7	3.3	3.3	3.4	3.5	3.9	6	7.3
Other taxes on products (incl. import duties)	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	10	2.4
Other taxes on production	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	27	0.5
Direct taxes	21.4	19.3	19.1	18.1	17.8	17.8	17.6	17.8	17.8	16.4	16.2	16.5	4	31.3
Personal income	14.5	14.1	14.0	13.7	13.3	13.5	13.3	13.0	13.2	13.4	12.6	12.8	3	24.2
Corporate income	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	2.7	10	5.2
Other	1.0	1.0	1.0	1.0	1.1	1.0	1.0	0.9	1.0	1.0	1.1	1.0	7	2.0
Social contributions	11.9	12.0	11.9	11.8	11.7	12.0	12.2	11.9	12.0	12.8	12.7	12.5	10	23.7
Employers'	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	9.0	8.9	5	16.9
Employees'	2.2	2.2	2.1	2.1	2.1	2.2	2.4	2.3	2.2	2.4	2.6	2.7	16	5.1
Self- and non-employed	1.0	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.1	0.9	14	1.7
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>47.2</b>	<b>44.8</b>	<b>44.7</b>	<b>44.1</b>	<b>43.5</b>	<b>43.9</b>	<b>43.8</b>	<b>43.0</b>	<b>42.9</b>	<b>42.8</b>	<b>42.5</b>	<b>43.4</b>	<b>5</b>	<b>82.2</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	52.2	50.1	51.4	51.6	51.9	51.4	50.5	50.4	49.4	45.8	45.3	47.3	22	38.9
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	21.6	22.1	21.5	21.1	20.8	20.7	21.1	21.3	22.0	23.8	24.4	23.3	3	19.2
Social security funds	25.2	26.9	26.5	26.7	26.8	27.3	27.9	27.7	28.0	29.8	29.8	28.8	16	23.7
EU institutions	1.0	0.9	0.6	0.7	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.5	24	0.5
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	13.6	13.2	13.4	14.0	13.6	13.6	13.5	12.8	12.8	13.3	13.2	14.0	5	26.5
Labour	23.3	23.4	23.3	23.0	22.4	22.9	22.7	21.9	22.6	23.6	22.6	22.7	6	43.0
Employed	20.8	21.0	20.9	20.6	20.0	20.4	20.2	19.6	20.3	21.1	20.1	20.1	5	38.1
Paid by employers	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	9.0	8.9	7	16.9
Paid by employees	12.0	12.1	12.0	11.7	11.2	11.4	11.3	10.9	11.3	11.6	11.1	11.2	7	21.3
Non-employed	2.5	2.3	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.5	2.5	2.6	6	4.9
Capital	10.4	8.2	8.0	7.1	7.4	7.4	7.6	8.2	7.5	6.0	6.6	6.7	13	12.7
Capital and business income	9.0	7.0	6.7	5.9	6.0	6.0	6.3	6.9	6.2	4.6	5.2	5.3	12	10.1
Income of corporations	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	2.7	11	5.2
Income of households	1.1	0.9	0.6	0.6	0.7	0.8	0.9	1.1	0.9	0.7	0.8	0.8	10	1.4
Income of self-employed (incl. SSC)	2.0	1.9	2.0	1.9	1.8	1.8	2.0	1.9	1.8	1.9	1.9	1.9	10	3.5
Stocks of capital / wealth	1.3	1.2	1.3	1.2	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.4	17	2.6
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	3.1	3.0	3.1	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.8	3.1	5	5.9
Energy	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.6	1.7	1.8	1.8	2.1	9	3.9
Of which transport fuel taxes	:	:	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.4	1.4	1.3	20	
Transport (excl. fuel)	1.1	1.0	1.0	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.9	1.0	4	1.8
Pollution/resources	0.04	0.04	0.04	0.05	0.05	0.07	0.07	0.07	0.06	0.05	0.06	0.07	14	0.1
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.1	1.0	1.1	1.0	1.1	1.2	1.1	1.1	1.1	1.1	1.2	1.1	11	2.1
Recurrent taxes on immovable property	0.4	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.7	0.6	14	1.2
Other property taxes	0.7	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.5	0.5	0.5	12	0.9
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	28.5	27.6	27.7	28.1	27.7	27.6	27.2	26.5	25.9	25.6	25.1	26.4	5	
Labour employed	44.0	44.1	43.8	42.5	41.6	41.6	41.6	41.3	41.2	40.1	39.0	39.6	4	
Capital	38.1	27.3	29.6	28.1	28.2	28.8	26.4	27.9	28.8	29.9	28.7	27.4		
Capital and business income	33.2	23.2	24.9	23.2	23.0	23.3	21.8	23.4	23.8	23.2	22.6	21.8		
Corporations	31.3	19.1	22.3	20.1	19.7	18.8	16.5	18.3	19.3	17.8	17.7	16.9		
Households	26.1	24.2	22.1	20.9	20.5	23.5	25.5	25.9	23.9	22.4	22.5	22.5		
Real GDP growth (annual rate)	5.3	2.3	1.8	2.0	4.1	2.9	4.4	5.3	1.0	-8.2	3.6	3.1		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Finland

## Overall trends in taxation

### Structure and development of tax revenues

In Finland the overall tax burden (including social contributions) was 43.4 % of GDP in 2011, slightly above the level of the previous year. The Finnish tax burden is among the highest in the EU, exceeded only by four countries (Denmark, Sweden, Belgium, and France).

Direct taxes, in particular on personal income, represent the most important category of revenue, accounting for 38.1 % of total taxation. The share of indirect taxes (33.1 %) is slightly below the EU-27 average (34.5 %). Social contributions, mainly paid by employers, account for 28.8 %, which is less than in most other Member States.

Local governments receive a rather large proportion of total tax revenues (23.3 % in 2011). These taxes comprise municipal income tax, a share of the corporate income tax revenue, and real estate tax. In this regard the tax structure of Finland is similar to those of Denmark and Sweden, where one quarter or more of the total tax receipts go to the municipalities. The central government collects somewhat less than half of all tax revenues and social security funds almost a third.

During the 2000's the overall tax burden displays a downward trend, despite a slight increase in 2011. During this period there has been a moderate declining trend in both labour and corporate income taxation in relation to GDP. In contrast, the share of taxes in relation to GDP on both consumption and energy has increased. Social contributions in relation to GDP have increased slightly in 2000's.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The tax structure by source in Finland (consumption 32.2 %, labour 52.3 % and capital 15.5 %) in 2011 was marked by a somewhat higher shares of consumption and labour and a correspondingly lower share of capital taxation compared with the EU-27 averages (29.0 %, 50.8 % and 20.5 %).

The share of consumption taxation in relation to GDP increased in 2011 as compared with previous years and was, like the implicit tax rate (ITR) on consumption (26.4 %) the fifth highest in the Union.

Taxes on labour represented 22.7 % of GDP in 2011 (EU-27 19.7 %), which is two and a half percentage points lower than in 1995, but still among the six highest ratios in the EU. In the 2000's the decline in labour taxation slowed down compared with the late 1990s. Nevertheless, the drop in the ITR on labour has been significant, from 44.1 % in 2001 to 39.6 % in 2011.

The revenue from taxes on capital relative to GDP has dropped from its 2000 peak level of 10.4 % to 6.7 % in 2011. A particularly distinct drop, most likely due to the exceptionally sharp economic down turn in 2009, took place between 2008 and 2009 (from 7.5 % to 6.0 %). Based on the figures for 2009-2011 it would appear that the overall trend of declining tax revenues on capital income as evidenced in the 2000's may however have come to an end. The ITR on capital income has since 2001 remained relatively stable.

Environmental tax revenues represent 3.1 % of GDP in 2011, well above the EU-27 average level (2.4 %) and were the fifth highest in EU-27. The level of energy taxation in relation to GDP (2.1 %) was also somewhat above the EU average in 2011 (1.8 %), while that of transport taxes (transport fuel excluded 1.0 %, EU 27 average 0.5 %) is higher due to relatively heavy vehicle taxation in Finland.

Property tax revenues in Finland in relation to GDP in 2011 (1.1 %) were well below the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.6 % of GDP whereas the corresponding EU-27 average stood at 1.3 %.

## Main recent reforms implemented, on-going or announced

For 2012 the government adopted a number of tax policy changes with a view to strengthening the financial basis of the welfare state and to securing the long-term sustainability of public finances. Several health and environmentally motivated indirect taxes, such as taxes on alcohol, tobacco, sweets, soft drinks, ice cream, transport fuels, vehicles, were introduced and/or increased. Taxes on labour and corporate income were reduced at the central government level while employees' pension insurance contribution and the average nominal rate of municipal income tax were increased by 0,5 and 0,08 percentage points respectively. The government also took measures to gradually decrease the deductibility of mortgage interest payments. The corporate income tax rate was decreased from 26 % to 24.5 %. In order to increase equality and to diminish the difference between capital and earned income taxation the rate of capital income tax was increased by 2 percentage points and made slightly progressive. The taxation of dividends was also tightened by decreasing the threshold for tax-free dividends paid by unlisted companies.

In 2013 the government has continued to introduce changes into the tax system to consolidate the public finances and to reinforce its budgetary strategy by cutting expenditures and by increasing taxes. Government revenues are expected to increase in particular on account of a 1 percentage point increase of each of the three applicable VAT rates and the effective increase of income tax rates as the tax brackets will not be adjusted for inflation in 2013. The taxation of people on low incomes has been eased however by increasing the earned income allowance and the basic allowance in municipal income taxation. In addition, a new temporary top income tax bracket was added to the state income tax scale for 2013-2015, and taxation of large pensions and inheritances were tightened. Tax revenue is also forecast to increase due to tightening of property transfer taxation and introduction of a temporary bank tax. In 2014 certain new restrictions to deductibility of interest on intra-group loans will enter into force.

To stimulate investments the government introduced several reliefs in corporate and capital income taxation. The temporary stimulus package of tax incentives is foreseen to be applicable from 2013 to 2015. The package comprises a new tax relief for R&D investments, an incentive to invest in start-up and small enterprises and accelerated depreciation for investments in new industrial capital and buildings.

## Main features of the tax system

### Personal income tax

Since 1993 the taxation of personal income has been based on a dual system. Personal income is divided into two separate components, earned income and capital income, taxed according to different rates and principles.

Central government taxation of earned income is progressive. As from 2013 there are five tax brackets. Marginal rates range from 6.5 % to 31.75 %, the taxable income threshold is EUR 16 100 in 2013. The municipal income tax is levied at flat rates on earned income and the estates of deceased persons. The rate varies between 16.25 % and 22.00 %, the weighted average being 19.38 % in 2013 (up from 19.25 % in 2012). A church tax, the rate of which varies between 1 % and 2 %, is payable by members of the two state churches

An earned income allowance in municipal taxation was introduced in 1991 with the intention of increasing the take-home pay of low- and medium-income earners. It reaches its maximum at a low income level, and gradually decreases thereafter. Since 2006 also another tax credit for low- and medium-income earners (labour income credit) has been applied in the state income taxation.

Capital income is taxed at a rate of 30 % on income up to EUR 50 000 and at 32 % on income exceeding EUR 50 000. It is levied on dividends, rental income, interest income, capital gains, income from the sale of timber and a share of business income. All expenses from acquiring or maintaining capital income, including interest payments, are deductible from taxable capital income. In addition, interest payments on owner-occupied housing and student loans guaranteed by the state are partly deductible. If these deductions exceed taxable capital income, 30 % of the deficit, up to a EUR 1 400 limit, can be credited against taxes paid on earned income. The tax deductibility of mortgage interest payments was limited to 85 % of the payments in 2012, and further to 80 % in 2013 and 75 % in 2014.



## Corporate taxation

Corporate tax is levied at a 24.5 % rate on all corporate income, out of which expenses incurred for the purpose of acquiring or maintaining business income are deducted. Exceptions to this rule are certain capital gains and dividends which are not included in the tax base, certain expenses related to tax-free income and certain capital losses. Depreciation allowances for fixed assets are calculated according to the pool basis declining balance method; the maximum annual rates with regard to the most common items are 25 % for machinery and equipment and between 4 % and 7 % for buildings. The acquisition costs of intangible assets may be depreciated using a straight-line method over a period of 10 years. Losses can be carried forward and set off in the subsequent ten tax years, while carry-back is not allowed.

## VAT and excise duties

The standard VAT rate is 24 % since 1 January 2013. The reduced rate of 14 % is applied on food and restaurant services. Reduced rate of 10 % is applied e.g. on hotels, medicines, books, newspapers and tickets to cultural events.

Finland levies excise duties on energy products, alcohol and tobacco, sweets, ice cream and soft drinks and certain beverage packages. The excise rates on alcohol, tobacco, sweets, ice cream and soft drinks were increased in 2012 by EUR 218 million. The rates of excise duty on petrol and diesel were increased by 4 % and 6 % respectively corresponding to the increase of CO<sub>2</sub> component of energy taxation from EUR 50/tCO<sub>2</sub> to EUR 60/tCO<sub>2</sub>. Finland also levies a tax on newly registered cars and an annual circulation tax. The scale of both taxes is dependent on the CO<sub>2</sub> emissions of the car.

## Wealth and transaction taxes

Municipalities levy a real estate tax on land and buildings at rates that usually vary between 0.6 % and 1.35 % (0.32 and 0.75 for permanent residents). The state levies a property transfer tax on purchases of real estate or shares; purchases of the first owner-occupied dwelling are exempt. Inheritance and gift tax is levied by the state at a progressive scale ranging from 7 % to 19 %. The inheritance tax is paid on inheritances exceeding the value of EUR 20 000 and the gift tax on gifts exceeding the value of EUR 4 000.

## Social contributions

Social contributions are paid both by employers and employees. The health insurance contribution for medical care is also paid by non-employed. In 2013 the rate is 1.30 % on employment income and 1.47 % on other income (pension and other benefits). Employees also pay an unemployment insurance contribution (0.60 % of gross salary) and a pension insurance contribution (6.5 % of gross salary for those above 53 years and 5.15 % for others), and a health insurance contribution for daily allowance (0.74 % of gross salary for salaried persons and 0.88 % for the self-employed). These contributions are deductible in earned income taxation.

FRANCE	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	15.8	15.4	15.4	15.3	15.6	15.7	15.6	15.4	15.2	15.3	15.1	15.5	4	310.1
VAT	7.4	7.3	7.2	7.2	7.3	7.4	7.3	7.2	7.1	6.9	7.0	7.0	19	140.5
Excise duties and consumption taxes	2.6	2.5	2.6	2.5	2.3	2.2	2.3	2.2	2.1	2.2	2.2	2.2	23	44.7
Other taxes on products (incl. import duties)	1.7	1.6	1.6	1.6	1.8	1.9	1.7	1.7	1.6	1.6	1.7	1.9	6	37.4
Other taxes on production	4.2	4.1	4.1	4.1	4.2	4.3	4.2	4.3	4.3	4.7	4.2	4.4	2	87.5
Direct taxes	12.5	12.6	11.8	11.4	11.7	11.9	12.2	12.0	12.0	10.3	11.0	11.8	11	235.5
Personal income	8.4	8.2	7.9	8.0	7.9	8.1	7.9	7.6	7.8	7.6	7.6	7.9	12	156.9
Corporate income	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	2.3	15	45.5
Other	1.3	1.4	1.3	1.3	1.4	1.5	1.4	1.5	1.4	1.5	1.5	1.7	4	33.1
Social contributions	16.1	16.1	16.2	16.4	16.2	16.4	16.5	16.3	16.3	16.8	16.7	16.9	1	336.7
Employers'	11.1	11.0	11.1	11.2	11.0	11.1	11.2	11.0	11.1	11.4	11.3	11.5	1	229.4
Employees'	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.1	4.1	4.1	10	81.4
Self- and non-employed	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	12	25.8
Less: amounts assessed but unlikely to be collected	0.3	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.2	0.3		
<b>TOTAL</b>	<b>44.2</b>	<b>43.8</b>	<b>43.3</b>	<b>43.1</b>	<b>43.3</b>	<b>43.8</b>	<b>44.1</b>	<b>43.4</b>	<b>43.2</b>	<b>42.1</b>	<b>42.5</b>	<b>43.9</b>	<b>4</b>	<b>876.3</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	41.0	40.2	39.6	39.1	41.3	39.6	37.4	36.2	35.0	31.4	34.8	32.5	24	284.7
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	9.7	9.4	9.5	9.7	10.5	10.9	11.0	11.5	11.5	12.5	10.1	12.5	8	109.4
Social security funds	48.0	49.0	49.8	50.4	47.7	48.9	51.1	51.8	52.8	55.6	54.6	54.5	1	477.3
EU institutions	1.4	1.4	1.1	0.8	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.6	23	5.0
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.7	11.4	11.4	11.3	11.3	11.4	11.2	11.0	10.8	10.8	10.9	11.1	19	222.1
Labour	22.4	22.4	22.3	22.4	22.3	22.5	22.4	22.0	22.3	22.8	22.5	22.9	5	456.6
Employed	20.9	21.0	20.9	21.0	20.8	21.0	21.0	20.7	20.8	21.2	20.8	21.2	4	422.9
Paid by employers	12.1	12.1	12.2	12.3	12.2	12.2	12.3	12.2	12.4	12.8	12.7	12.9	1	258.1
Paid by employees	8.8	8.9	8.7	8.8	8.7	8.8	8.6	8.4	8.5	8.4	8.1	8.3	14	164.8
Non-employed	1.5	1.4	1.4	1.4	1.5	1.5	1.4	1.4	1.5	1.5	1.6	1.7	9	33.7
Capital	10.4	10.4	9.8	9.5	9.8	10.0	10.6	10.6	10.3	8.9	9.4	10.2	2	203.6
Capital and business income	5.9	6.1	5.5	5.2	5.3	5.4	6.1	5.9	5.8	4.3	5.1	5.6	10	111.2
Income of corporations	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	2.3	16	45.5
Income of households	0.7	0.6	0.7	0.7	0.6	0.7	0.9	0.8	0.9	0.8	0.9	1.0	6	19.7
Income of self-employed (incl. SSC)	2.4	2.4	2.3	2.4	2.3	2.4	2.3	2.2	2.2	2.2	2.3	2.3	6	45.9
Stocks of capital / wealth	4.4	4.4	4.3	4.3	4.5	4.6	4.6	4.6	4.5	4.6	4.3	4.6	1	92.4
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.2	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8	25	36.4
Energy	1.8	1.6	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.5	1.4	1.5	24	29.3
Of which transport fuel taxes	:	:	:	1.5	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.2	23	
Transport (excl. fuel)	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	19	4.8
Pollution/resources	0.12	0.13	0.14	0.12	0.11	0.11	0.11	0.11	0.11	0.11	0.10	0.11	9	2.3
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	2.3	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.6	2.6	2.9	3.2	3	63.1
Recurrent taxes on immovable property	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.6	1.8	1.9	3	37.6
Other property taxes	1.1	1.1	1.0	1.0	1.2	1.2	1.2	1.3	1.1	1.0	1.1	1.3	3	25.6
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	21.2	20.5	20.6	20.3	20.4	20.4	20.3	19.9	19.5	19.1	19.4	19.9	17	
Labour employed	39.4	39.2	38.7	39.0	38.9	39.3	39.3	39.0	39.0	38.6	38.1	38.6	7	
Capital	40.1	39.9	39.0	38.1	39.3	40.3	42.5	40.9	39.8	38.0	39.7	44.4		
Capital and business income	22.9	23.2	21.9	20.8	21.3	21.7	24.2	22.9	22.6	18.4	21.6	24.3		
Corporations	29.8	32.7	28.6	23.9	25.3	23.9	30.1	27.7	25.9	14.6	20.7	26.9		
Households	16.5	15.5	15.7	16.2	15.6	16.6	16.8	16.0	16.5	16.6	17.9	18.3		
Real GDP growth (annual rate)	3.7	1.8	0.9	0.9	2.5	1.8	2.5	2.3	-0.1	-2.7	1.5	1.6		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# France

## Overall trends in taxation

### Structure and development of tax revenues

In 2011 the tax-to-GDP ratio in France stood at 43.9 %, the fourth highest in EU-27 and five percentage points above the EU-27 average (38.8 %).

The share of indirect taxes as a percentage of GDP was at 15.5 %, above the EU-27 average (13.4 %), while the share of direct taxes <sup>(19)</sup> was just below average at 11.8 %. Social contributions represented the highest share relative to GDP in the EU at 16.9 %. Employers' contributions make up more than two thirds of social contributions; as a percentage of GDP employers' contributions were more than 57 % higher than the EU-27 average. The central government raised 32.5 % of total taxes, the lowest share of any not fiscally federal Member State. 54.5 % of total taxes collected in France (representing 23.9 % of GDP) go to the Social Security Funds, the highest level in Europe. The local governments' share of tax revenue (12.5 %) is close to the EU average (10.8 %). It consists mainly of the local business tax, patent levies, real estate and housing taxes.

Between 2006 and 2009 the overall tax burden ratio declined due to the crisis but started to recover in 2010. A particular development is noticeable for CIT revenues, which suffered in 2009 from the economic slowdown and the recovery packages dedicated to improve the cash flow of companies. This decline was moderated by a rise in revenue from social security contributions. CIT collection partially recovered in 2010 but in 2011 still remained below its 2006 level.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

In 2011, the ITR on consumption was close to the EU average (20.1 %). The ITR remained remarkably stable from 2001 to 2006. Between 2007 and 2009, the ITR has decreased by 0.8 percentage points and increased again afterwards bringing it back in 2011 to its 2007 level (19.9 %).

The ITR on labour income, 38.6 % in 2011, is above the EU-27 average (35.8 %) and among the highest in the Union. The tax burden on labour is high in France. The tax wage on low wage earners -which encompasses employer's social contributions, personal income tax and employee's social contributions- is the second highest in Europe after Belgium and has further increased between 2010 and 2011.

The ITR on capital of 44.4 % is well above the EU-17 average (28.9 %). After declining in 2002 and 2003, the ITR picked up again rising 4.4 percentage points between 2003 and 2006. The decline between 2006 and 2009 reflects mainly the dynamics in revenue from taxation on corporations. The French system relies on a number of other taxes on capital, such as the real estate tax, the housing tax, the wealth tax and the local business tax.

France has the second lowest share of environmental taxes on GDP. Their level declined from 2.2 to 1.8 % over the period concerned compared to the EU-27 average of 2.4 %.

By contrast property taxes are the third largest in the EU as a share of GDP, more than one percentage point above the EU-27 average (2.1 %). Their level increased by nearly 1 % point over the period concerned, mainly through recurrent taxes on immovable property.

### Main recent reforms implemented, on-going or announced

The Finance Laws adopted in 2012 have created a new PIT bracket at which income is taxed at 45 % and frozen the tax brackets. From 2013, dividends, and interests and capital gains will be taxed according to the progressive

<sup>(19)</sup> These shares are based on the Eurostat definition, which is based on the ESA95 codes (see Annex B for details). The French national definition differs in some important aspects.

scale (see below). The overall amount of tax incentives (*niches fiscales*) that a taxpayer may obtain during a fiscal year for individual income tax purposes has been further capped on the level of the household (*foyer fiscal*) to EUR 10 000 (2011: EUR 18 000 plus 4 % of the net taxable income). Many tax credits were abolished or reduced as part of a government plan to reduce the budget deficit such as the family quotient and the exemption of overtime wages.

The main initiative in corporate taxation is the introduction of a tax credit (*credit impôt pour la compétitivité et l'emploi*). It will be equal to 6 % (4 % in 2014) of the payroll for employees with wages below 2.5 times the minimum monthly wage. Funds for this measure will be made available through a cut in budget expenditures of the State, the raise of the standard and reduced VAT rates from 19.6 % and 7 % to 20 % and 10 % by January 2014, and the increase of environmental taxes. The deduction of loan interests of business above EUR 3 000 000 has been limited to 85 % of net interest charges for 2012 and 2013 fiscal years. From 2014, this deduction will be reduced to 75 %. France has introduced a financial transaction tax which is effective since August 2012. It applies to acquisitions of equity securities (0.1 %), to high frequency trading (0.01 % of the value of orders cancelled or amended) and to acquisitions of Credit Default Swaps on EU sovereign debt (0.01 % of the notional amount of the CDS).

## Main features of the tax system

### Personal income tax

The PIT (*Impôt sur le Revenu*) is levied annually on worldwide income according to a single progressive scale. From 2013, the top marginal rate is 45 % (applicable above EUR 150 000 per unit). The system takes into account the specific situation of each household by applying a family quotient. A noteworthy feature is the high number of thresholds and exemptions applied. From 2013, investment income, such as dividends, bank and bond interest, and capital gains will be taxed according to the progressive scale (however, a gradual deduction will apply on capital gains according to the length of the period the shares are held). However, under certain conditions, entrepreneurs' capital gains can be subject to a flat rate of 19 %. Real estate gains are taxed at a 19 % rate as well. Capital and real estate gains realized by individuals and investment income are also subject to SSC (CSG, CRDS, *prélèvement social*) at an overall rate of 15.5 % since July 2012 (previously 13.5 %).

### Corporate taxation

The corporate income tax affects all profits realised in France by companies and other legal entities. The standard rate is 33.33 %. SMEs are taxed at a reduced rate of 15 % on the first EUR 38 120 of the profits. Large companies (turnover over EUR 7 630 000 and taxable profit over EUR 2 289 000) are subject to an additional surcharge of 3.3 % (CSB) levied on the part of aggregate corporate tax which exceeds EUR 763 000. Hence, the effective tax rate is 34.43 %. The temporary corporate income tax surcharge of 5 % instituted in 2011 for two fiscal years (between 31 December 2011 and 30 December 2013) has been extended for two more fiscal years until 30 December 2015. This surcharge applies to the standard corporate income tax liability for large companies with a turnover exceeding EUR 250 million.

France imposes a local business tax (*contribution économique territoriale*) payable by the self-employed and companies. The actual tax varies with location and depends on the value of the business' immovable property and value added and is capped to 3 % of value added. This tax was created in 2010, *in lieu of* the previous *taxe professionnelle*. France also applies until 2014 a minimum annual corporate tax of EUR 20 500 for gross income between EUR 15 million and EUR 75 million, EUR 32 750 between EUR 75 million and EUR 500 million, and EUR 110 000 above.

France grants an R&D reimbursable tax credit (*credit d'impôt recherche*). The amount is 30 % of all R&D expenses until EUR 100 million and 5 % above. Some restrictions have been included as from 2013: the higher tax credit rates (40 % for the first year of use, and 35 % for the second year) have been abolished.

Since 2011, many reforms have affected the corporate taxable base. The carry-back of losses has been reduced from three to one year and the carry-forward of losses limited to 60 %, and eventually to 50 % as from 2012 above

EUR 1 million taxable profit. The worldwide tax consolidation regime was abolished in 2011. The deduction of loan interests of business above EUR 3 000 000 has been limited to 85 % of net interest charges for 2012 and 2013 fiscal years. From 2014, this reduction will be reduced to 75 %. From 2013, exemptions on capital gains on sale of affiliates are reduced.

France also applies a payroll tax on employers who are not liable for VAT on at least 90 % of their turnover, therefore including the financial sector (*taxe sur les salaires*). This tax, which shares similarities with a Financial Activity Tax, raised EUR 11.66 billion in 2011.

### **VAT and excise duties**

The standard and reduced VAT rates will be increased from 19.6 % and 7 % (renovation of private dwellings, transport services, hotel accommodation, restaurant services, television, cinemas, theme parks etc.) to 20 % and 10 % by January 2014. The reduced rate applied to foodstuff, equipment for disabled, books, gas, electricity, heating, concerts, theatres and other live shows etc. (5.5 %) will be decreased by half a percentage point to 5 %. The super reduced rate of 2.1 % which applies to newspapers, 140 first theatre, concerts and other live shows performances and approved medicines, remains unchanged.

### **Wealth and transaction taxes**

A net wealth tax (ISF) is levied on resident individuals on the value of assets owned, minus liabilities, if the net value of these assets exceeds EUR 1 300 000. Business assets, qualified shareholdings, certain life insurance policies, works of art, collectors' pieces and antiques and various other assets are excluded from this tax. A 75 % exemption applies to certain nominative shares held by employees, managers or shareholders and a tax relief is granted for capital investment in SMEs (ISF PME).

### **Social contributions**

The French social security system is mainly financed by contributions and taxes deducted from earnings. Employers' SSC are particularly high and range between 14 % (at the minimum wage, in SMEs with less than 20 workers) and 45 %, while employees' SSC are around 14 %. In general, personal income is also subject to the general social welfare contribution (CSG) and the welfare debt repayment levy (CRDS). In both cases, the base is somewhat narrower than the gross wage income. The standard CSG rate is 7.5 %, while the CRDS rate is 0.5 %.

<b>GERMANY</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	11.3	11.1	11.0	11.2	10.8	10.8	10.8	11.3	11.2	11.8	11.3	11.5	24	299.2
VAT	6.8	6.6	6.4	6.4	6.3	6.3	6.4	7.0	7.1	7.5	7.2	7.3	16	189.9
Excise duties and consumption taxes	2.8	2.9	3.0	3.2	3.0	2.9	2.8	2.6	2.6	2.7	2.5	2.6	19	67.3
Other taxes on products (incl. import duties)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	0.9	0.9	0.9	15	24.3
Other taxes on production	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.7	0.6	0.7	19	17.7
Direct taxes	13.0	11.4	11.0	11.0	10.8	11.1	11.9	12.2	12.4	11.7	11.1	11.6	14	300.8
Personal income	9.5	9.1	8.8	8.6	8.0	8.0	8.2	8.6	9.0	9.1	8.3	8.4	9	218.2
Corporate income	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	2.6	11	66.2
Other	0.6	0.6	0.6	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	16	16.5
Social contributions	17.1	16.9	16.9	17.0	16.7	16.4	16.0	15.2	15.2	15.9	15.5	15.5	2	402.6
Employers'	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.5	6.8	6.7	6.7	12	173.6
Employees'	6.8	6.8	6.7	6.7	6.5	6.5	6.4	6.1	6.1	6.3	6.2	6.3	3	164.2
Self- and non-employed	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.5	2.5	2.7	2.6	2.5	3	64.8
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>41.3</b>	<b>39.4</b>	<b>38.9</b>	<b>39.1</b>	<b>38.3</b>	<b>38.3</b>	<b>38.6</b>	<b>38.7</b>	<b>38.9</b>	<b>39.3</b>	<b>37.9</b>	<b>38.7</b>	<b>8</b>	<b>1,002.6</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	28.1	27.9	28.1	28.3	27.7	28.2	28.6	29.7	29.7	30.2	30.1	30.5	25	305.9
State government <sup>2)</sup>	22.3	21.4	21.1	20.9	21.1	20.8	21.5	22.3	22.3	21.4	20.9	21.0	3	210.6
Local government	6.9	6.6	6.5	6.4	7.0	7.3	7.8	7.9	8.1	7.5	7.5	7.7	15	77.3
Social security funds	41.3	42.8	43.4	43.5	43.5	42.9	41.3	39.3	39.1	40.3	40.9	40.1	4	402.6
EU institutions	1.5	1.3	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.6	0.6	0.6	19	6.3
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	10.6	10.5	10.4	10.5	10.2	10.2	10.2	10.6	10.7	11.2	10.7	10.9	20	282.9
Labour	24.0	23.7	23.6	23.6	22.7	22.2	21.9	21.2	21.6	22.3	21.5	21.6	9	560.1
Employed	21.3	21.0	20.7	20.7	19.7	19.2	19.0	18.5	18.9	19.4	18.7	19.0	9	491.4
Paid by employers	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.5	6.8	6.7	6.7	13	173.6
Paid by employees	13.8	13.6	13.4	13.2	12.5	12.2	12.2	12.0	12.3	12.6	12.0	12.3	5	317.9
Non-employed	2.8	2.7	2.9	2.9	2.9	3.0	2.9	2.6	2.7	2.9	2.8	2.6	3	68.7
Capital	6.7	5.1	4.9	5.0	5.4	5.9	6.5	6.9	6.6	5.8	5.7	6.2	16	159.6
Capital and business income	5.5	4.0	3.8	3.9	4.3	4.8	5.4	5.8	5.6	4.8	4.7	5.1	13	131.8
Income of corporations	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	2.6	13	66.2
Income of households	0.4	0.3	0.3	0.4	0.4	0.4	0.5	0.7	0.7	0.6	0.5	0.5	16	14.0
Income of self-employed (incl. SSC)	2.2	2.0	1.9	1.7	1.7	1.9	1.9	2.2	2.2	2.2	2.0	2.0	9	51.5
Stocks of capital / wealth	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	19	27.9
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.4	2.5	2.5	2.7	2.6	2.5	2.4	2.2	2.2	2.3	2.2	2.3	21	58.4
Energy	2.1	2.1	2.2	2.3	2.2	2.1	2.0	1.9	1.8	1.9	1.8	1.8	17	47.6
Of which transport fuel taxes	:	:	:	1.8	1.7	1.6	1.5	1.4	1.4	1.5	1.4	1.4	18	
Transport (excl. fuel)	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.4	17	9.4
Pollution/resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.02	0.06	15	1.4
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.9	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	18	22.3
Recurrent taxes on immovable property	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	18	11.7
Other property taxes	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	14	10.6
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	19.2	18.9	18.9	19.0	18.5	18.3	18.5	20.0	20.0	20.1	19.7	20.1	16	
Labour employed	39.1	38.9	38.7	38.8	37.8	37.5	38.1	37.9	38.0	37.4	36.8	37.1	10	
Capital	27.0	20.7	19.4	19.6	19.7	20.5	21.1	21.6	21.5	21.6	19.7	22.0		
Capital and business income	22.4	16.3	15.2	15.4	15.6	16.6	17.5	18.1	18.1	17.7	16.1	18.2		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
<b>Real GDP growth (annual rate)</b>	<b>3.1</b>	<b>1.5</b>	<b>0.0</b>	<b>-0.4</b>	<b>1.2</b>	<b>0.7</b>	<b>3.7</b>	<b>3.3</b>	<b>1.1</b>	<b>-5.1</b>	<b>3.7</b>	<b>2.9</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Germany

## Overall trends in taxation

### Structure and development of tax revenues

Germany's tax-to-GDP ratio (including social contributions) stands at 38.7 % in 2011. This is slightly below both the GDP-weighted EU-27 and the euro area averages (EU-27 38.8 %, EA-17 39.5 %). The ratio is considerably lower compared to other large Member States like France (43.9 %) and Italy (42.5 %). On the other hand, ratios in Spain (31.4 %) and the UK (36.1 %) are well below the German tax-to-GDP ratio. This is also the case for the largest new Member State Poland (32.4 %). Germany's second most important trading partner after France, the Netherlands, has about the same tax-to-GDP ratio as Germany with 38.4 % in 2011.

Compared to most other Member States, Germany stands out for a high share of social contributions in total receipts (40.1 %, EU-27 33.5 %), while the shares of direct taxes (30.0 %) and especially indirect taxes (29.8 %) are below the EU averages. This remains unchanged despite a shift away from SSC to direct and in particular indirect taxes in 2007 when the VAT rate was increased by three percentage points accompanied by a simultaneous cut in the unemployment insurance rate. In Germany, the share of SSC in GDP exceeds the EU average by 2.8 percentage points: this is mainly due to employees' contributions, which are the third highest in the EU, whereas employers' contributions are slightly below the average.

Compared with other federal countries, state governments in Germany receive a proportion of total tax revenue (21.0 %) which is slightly lower than the levels in Spain (23.1 %) and Belgium (24.9 %), but high compared to Austria (10.0 %). The German *Länder* receive a substantial share of revenue from VAT, the wage withholding tax, the PIT collected by assessment, the CIT and the withholding tax on interest. The *Länder* are also entitled to all revenue from other taxes such as inheritance and gift taxes and taxes on property transfer. Social security institutions receive the fourth largest share of revenues in the EU (40.1 %) exceeded as a proportion only by France (54.5 %), Belgium (42.6 %) and Slovakia (42.3 %). The end result is that, at 30.5 %, the federal government receives the second smallest portion of tax receipts of any EU central government (EU-27 49.1 %). Lower levels can only be found in Belgium.

Germany's tax-to-GDP ratio rose in the 1990s with most of the increase coming in the form of higher social contributions. In 2000, the tax-to-GDP ratio stood at 41.3 %. The year 2001 marked a turning point: staggered reductions in PIT and CIT under the 'Tax Reform 2000' led to a drop in revenue by three percentage points of GDP up to 2005. The ratio increased again from 2005 onwards, however, mainly due to higher PIT and CIT revenue on the back of strong economic growth in 2006 and 2007 and as a consequence of the significant increase in the standard VAT rate. During the economic downturn in 2008 and 2009 the ratio increased slightly but fell to its lowest level in the last sixteen years in 2010 (37.9 %). 2011 saw an increase with the tax-to-GDP ratio 0.8 percentage points compared to 2010.

### Taxation of consumption, labour and capital; environmental taxation, property taxes

Consumption taxes as a percentage of GDP are slightly below average (10.9 %, EU-27 11.2 %). The ITR on consumption is the same as the EU average EU-27 20.1 %). After having remained roughly stable since 2000, the ITR on consumption increased by 1.5 percentage points in 2007 owing to the VAT hike and remained stable at around 20 % afterwards.

Taxes on employed labour as a percentage of GDP (21.6 %, EU-27 19.7 %) are relatively high, ranking tenth in the Union. Social contributions account for around two thirds of the taxes on employed labour, driving the ITR on labour to 37.1 %, above the European average (EU-27 35.8 %).

Despite a strong increase in recent years, Germany still derives lower than average revenues from taxation of capital (6.2 % of GDP, EU-27 8.0 %). In 2009, the ratio dropped by almost one percentage point but stabilised in

2010 while increasing again in 2011. The low contribution of capital is due to a low level of taxes on stocks of capital/wealth (1.1 %, EU-27 2.6 %). The share of taxes on incorporated businesses corresponds to the EU average (2.6 %, EU-27 2.6 %). The same holds for revenues raised by the tax on the income of the self-employed (2.0 %, EU-27 2.0 %). In total, Germany has a rather low implicit tax rate on capital (22.0 %).

Environmental taxes were strongly increased in the 1999–2003 period as a consequence of the ecological tax reform (from a pre-reform level of 2.1 % of GDP to 2.7 % in 2003). In the following years, however, their revenue declined again to 2.3 % of GDP (in 2011) which is slightly below the EU-27 average (2.4 %).

Property tax revenues in Germany in relation to GDP in 2011 (0.9 %) were well below the EU-27 average of 2.1 %. Property tax revenues have remained stable since 2000, varying from 0.8 to 0.9 % of GDP. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.5 % of GDP whereas the EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

With effect from 1 January 2013, the contribution rate to the general pension insurance scheme was reduced from 19.6 % to 18.9 %, and the contribution rate to the miners' pension insurance scheme was reduced from 26.0 % to 25.1 %. Further reduction of the burden on labour was due to an increase of the basic allowance in the PIT in February 2013. The change which comes into force retroactively increases the allowance as of 1 January 2013 from EUR 8 004 to EUR 8 130 and from EUR 8 130 to EUR 8 354 as of 1 January 2014.

In 2012, the government has proposed draft legislation reforming the personal income tax schedule by addressing the fiscal drag in two steps in 2013 and 2014. The proposal to adjust the income brackets to take into account cold progression has however to be adopted by both chambers of parliament, *Bundestag* and *Bundesrat* where consensus has not yet been reached.

## Main features of the tax system

### Personal income tax

The bottom PIT rate is at 14 % with a basic allowance at EUR 8 130 as from 1 January 2013. PIT rates increase in two-linear progressive zones from the basic rate of 14 % to 42 % (applicable above EUR 52 881 as from 1 January 2010). Since 2007, a top rate of 45 % applies to incomes above EUR 250 000. This value was increased to EUR 250 400 as from 1 January 2009 and EUR 250 730 as from 1 January 2010. A 5.5 % solidarity surcharge is levied on top of the PIT rates. Spouses living together are in general jointly assessed, their combined personal allowance thus being EUR 16 008 in 2012. Husband and wife each pay income tax on half the total of their combined incomes. On 1 January 2009 a final 25 % withholding tax (plus solidarity surcharge) on private households' capital income came into force, with an option on the assessment of private investment income and capital gains. A EUR 801 allowance (EUR 1 602 for married couples) per year applies to investment income.

A major reform was the introduction of a deferred taxation system exempting all retirement savings and the accruing interest, while the resulting old-age income is taxed as ordinary income. The new tax treatment is being phased in over the years 2005 to 2040, with the share of retirement income subject to tax steadily rising, as an increasing proportion of the savings becomes deductible for PIT purposes.

### Corporate taxation

The corporation tax system has been reformed several times over the last decade, most recently in 2008. In particular, the CIT rates have been reduced from pre-1999 rates of 45 % (rate on non-distributed profits) and 30 % (rate on distributed profits) to a common 15 % rate. In order to finance the tax cuts, base-broadening measures were introduced. Among others, depreciation on machinery and buildings was reduced. Moreover, the local tax on trade and industry (see below) is not deductible from the CIT base and its own base any more. Finally, as of January 2008 two measures to secure the CIT base are in place: a so-called interest barrier rule (*Zinsschranke*), which introduces a profit-based limit on the deduction of interest expenses if net interest expenses exceed EUR 3 million



(earnings-stripping rule), and a modified tax base rule, which adds parts of the interest expenses and portions of rents, leasing and licence fees to the tax base.

A further important tax on business is the trade tax (*Gewerbesteuer*). The trade tax, like the real property tax, belongs to the category of non-personal taxes. To the extent that it is conducted within the territory of the Federal Republic, any going business enterprise (with exceptions such as the operation of agricultural or forestry establishments or the provision of professional or other independent personal services) is liable to trade tax. The computation of trade tax proceeds from the basic tax. This is obtained by multiplying the amount of business profits by a fixed percentage of 3.5 % (the basic federal rate). Individuals and partnerships qualify for an allowance of EUR 24 500. The municipalities apply to the uniform basic tax (or in the case of allocation, to their allocated share) a multiplier (minimum 200 %) which they are entitled to determine.

As of January 2008 the CIT rate stands at 15 %, increased to 15.83 % by the 5.5 % solidarity surcharge. Together with the local trade tax (calculated with an average multiplier of 400 %) the overall tax rate is about 30 %. Two further aspects of the reform are the new preferential treatment of retained earnings in sole proprietorships and partnerships (non-incorporated businesses) and the introduction of a final withholding tax of 25 % that applies to interest payments, dividends and most forms of capital gains since 1 January 2009.

### VAT and excise duties

The standard VAT rate was raised from 16 % to 19 % as of 1 January 2007. A 7 % reduced VAT rate is applied to certain products, e.g. for staple food, public transport and books, hotels and pensions. VAT exemptions are granted for few services such as for rents and doctors' services.

Excise duties on beer are levied at a standard rate of EUR 0.787 per hl/degree Plato of finished product Plato. Germany applies a number of reduced rates. For wine the rate is EUR 136 per hectoliter sparkling wine and EUR 51 per hectoliter still-sparkling wine (not exceeding 8.5 %). Until 30 April 2011 excise duties on cigarettes are EUR 82.70 per 1 000 pieces, cigars and cigarillos EUR 14 per 1 000 pieces, fine cut smoking tobacco EUR 34.06 per kg. As from 1 May 2011 the excise duties on cigarettes increased to EUR 90.80 per 1 000 pieces and on fine cut smoking tobacco to EUR 41.65 per kg. The excise duties on cigars and cigarillos remain unchanged.

### Wealth and transaction taxes

No general wealth tax is applied in Germany. A recurrent tax on immovable property is levied annually by all municipalities on the assessed tax value of land and buildings located in their region at a basic federal rate of 0.35 %. On this base municipal coefficient is applied ranging from 280 % to 810 %. The average tax rate is around 1.9 %.

Since 1 January 2007 the German *Länder* can set the rate of the real estate transfer tax themselves and most of them have increased the rate since 2007, it is now 4.5 % 5.0 % in most *Länder* with the exception of Saxony where it still stands at 3.5 %. Inheritance and gift taxes were reformed in 2008. They are levied at rates ranging from 7 % to 50 % depending on the amount involved if it exceeds certain allowances. For siblings and children of siblings the tax rate range has been reduced to rates ranging from 15 % to 43 % (previously between 30 % and 50 %) as of 1 January 2010. Inheritance of self-occupied housing is tax free within certain limits. The same holds for company successions where the taxation depends on how long the company is held by the heirs and how the payroll of the company changes.

### Social contributions

Social contributions to pension insurance (18.9 % in 2013), unemployment insurance (3.0 %), and nursing care insurance (2.05 %) are paid half by employers and half by employees up to a contribution assessment ceiling. Employees without children pay an additional 0.25 % for nursing care insurance. Health insurance contributions from employers stand at 7.3 %, from employees at 8.2 % leading to a total contribution rate of 15.5 %.

<b>GREECE</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	14.2	13.8	13.3	12.4	12.0	12.1	12.7	13.0	12.7	11.6	12.6	13.0	18	27.1
VAT	7.2	7.5	7.6	7.0	6.8	6.9	7.1	7.4	7.3	6.5	7.3	7.2	17	15.0
Excise duties and consumption taxes	3.1	3.1	2.9	2.8	2.6	2.6	2.5	2.6	2.3	2.6	3.3	3.8	7	7.9
Other taxes on products (incl. import duties)	3.3	2.7	2.4	2.3	2.2	2.2	2.7	2.6	2.7	2.1	1.6	1.4	9	3.0
Other taxes on production	0.6	0.5	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.6	22	1.2
Direct taxes	10.0	8.8	8.8	8.0	8.2	8.8	8.3	8.3	8.3	8.5	8.0	8.8	17	18.3
Personal income	5.0	4.5	4.5	4.3	4.4	4.7	4.6	4.8	4.8	5.0	4.4	4.7	20	9.9
Corporate income	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.5	2.1	19	4.4
Other	0.8	1.0	0.9	0.7	0.7	0.8	0.9	0.9	0.9	1.1	1.1	1.9	3	4.0
Social contributions	10.5	10.6	11.6	11.7	11.2	11.3	10.7	11.2	11.1	10.5	11.1	10.6	16	22.1
Employers'	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.2	4.8	20	9.9
Employees'	4.1	4.2	4.5	4.7	4.4	4.5	4.2	4.2	4.2	3.8	4.2	4.1	9	8.5
Self- and non-employed	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.8	1.8	1.8	8	3.7
Less: amounts assessed but unlikely to be collected	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>34.6</b>	<b>33.2</b>	<b>33.7</b>	<b>32.1</b>	<b>31.3</b>	<b>32.2</b>	<b>31.7</b>	<b>32.5</b>	<b>32.1</b>	<b>30.5</b>	<b>31.7</b>	<b>32.4</b>	<b>20</b>	<b>67.5</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	67.8	66.1	63.9	62.1	63.2	63.8	63.8	63.3	62.8	63.7	64.2	66.6	10	45.0
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	26	0.5
Social security funds	29.8	31.6	34.2	36.1	35.1	34.5	34.5	35.0	35.4	34.8	34.2	32.0	11	21.6
EU institutions	1.5	1.4	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.7	16	0.5
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	12.5	12.7	12.4	11.4	11.3	11.3	11.6	11.9	11.6	10.8	12.3	12.5	12	26.0
Labour	12.1	12.0	12.9	12.7	12.5	12.9	12.3	12.7	12.7	12.1	12.4	11.8	24	24.6
Employed	11.2	11.1	12.0	12.0	11.6	12.0	11.3	11.7	11.7	11.0	11.4	10.9	25	22.7
Paid by employers	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.2	4.8	22	9.9
Paid by employees	6.4	6.2	6.5	6.6	6.5	6.8	6.4	6.6	6.5	6.2	6.3	6.1	21	12.7
Non-employed	0.9	0.9	0.9	0.7	0.8	0.9	1.0	1.0	1.0	1.1	1.0	0.9	15	2.0
Capital	10.1	8.6	8.4	7.9	7.6	8.0	7.8	8.0	7.9	7.6	6.9	8.1	9	16.9
Capital and business income	7.7	6.7	6.8	6.4	6.2	6.6	6.0	6.1	6.0	5.9	5.7	5.8	6	12.1
Income of corporations	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.5	2.1	19	4.4
Income of households	1.2	1.0	1.0	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.2	4	2.5
Income of self-employed (incl. SSC)	2.4	2.3	2.4	2.6	2.4	2.4	2.3	2.6	2.5	2.6	2.4	2.5	3	5.3
Stocks of capital / wealth	2.4	1.9	1.6	1.5	1.3	1.4	1.9	1.9	2.0	1.7	1.2	2.3	10	4.7
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.3	2.6	2.3	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.5	2.7	10	5.6
Energy	1.6	1.6	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.8	2.0	11	4.2
Of which transport fuel taxes	:	:	:	1.2	1.2	1.1	1.1	1.1	0.9	1.0	1.5	1.6	12	
Transport (excl. fuel)	0.8	1.0	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.7	8	1.4
Pollution/resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	2.0	1.6	1.4	1.3	1.2	1.2	1.6	1.6	1.6	1.3	0.9	1.6	7	3.4
Recurrent taxes on immovable property	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	1.1	6	2.2
Other property taxes	1.9	1.5	1.3	1.2	1.1	1.1	1.4	1.4	1.4	1.1	0.6	0.5	11	1.1
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	16.5	16.7	16.1	15.5	15.3	15.5	16.0	16.5	15.4	14.6	16.4	16.3	26	
Labour employed	33.8	34.0	34.0	34.4	33.3	33.3	32.3	33.3	32.9	30.0	31.5	30.9	21	
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
<b>Real GDP growth (annual rate)</b>	<b>3.5</b>	<b>4.2</b>	<b>3.4</b>	<b>5.9</b>	<b>4.4</b>	<b>2.3</b>	<b>5.5</b>	<b>3.0</b>	<b>-0.2</b>	<b>-3.3</b>	<b>-3.5</b>	<b>-5.5</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Greece

## Overall trends in taxation

### Structure and development of tax revenues

Greece's total tax-to-GDP ratio amounted to 32.4 % in 2011 (Greece ranked 20 amongst the EU-27), well below the EU-27 average (38.8 %). This is among the lowest tax-to-GDP ratio for the countries in the euro area, where the average value stands at 39.5 %.

Revenues from indirect taxes account for 13 % of GDP, whereas social contributions supply 10.6 % of GDP in terms of revenue. Although their contribution is lower than the EU-27 average which stands at 13.4 % of GDP, in Greece indirect taxes play a more important role than direct taxes. Revenue from direct taxes expressed as a percentage of GDP is slightly below two thirds of the EU-27 average (8.8 % as compared with 12.9 %, Greece ranks 17 in the EU-27). Revenues from personal income taxes in particular account for a mere 4.7 % of GDP, compared with an EU-27 average of 9.1 % of GDP.

Two-thirds of revenues, roughly 66.6 % of the total, flow to the central government while social security funds receive almost all of the remainder. Local government levies only a limited share of overall taxation, amounting to 0.7 % of GDP. While the share of the local government has remained fairly constant over time, the fraction of the taxes destined to the central government has declined by 1.2 percentage points since 2000, with an increase of 2.2 percentage points in receipts to the social security funds.

The overall tax burden increased rapidly from 1995 to 2000, when it reached a peak of 34.6 % of GDP. The strongest relative increases in that period were recorded for corporate income and personal income taxes.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

In 2011 the implicit tax rate on consumption in Greece was 16.3 %, some 3.8 percentage points below the EU-27 average (20.1 %) and the second lowest value in the area after Spain (14 %). This is due to a relatively broad application of reduced VAT rates as compared to the standard rate. The generalized increases in VAT rates and excises in the course of 2010 have reversed the declining trend of the Greek ITR on consumption since 2008. In 2011, the situation appears to have stabilised (i.e. ITR on consumption 16.4 % in 2010 and 16.3 % in 2011). The implicit tax rate on labour is, at 30.9 %, roughly five percentage points below the EU-27 weighted-average. Given the low direct taxes, the influence of social contributions on the overall developments of the indicator is significant, and particularly relevant for the rise experienced in 2010. The ITR on labour, in the range of 34.0 % in the period 2000-2003, was on a downward trend from 2007 to 2009 (i.e. 30.0 % in 2009). Data on the ITR on capital is not made available. Reflecting increased taxes on energy products, including transportation fuel, environmental taxes continued their upward trend in 2011, which started in 2010 compared to the decline over previous years: their share of revenues in terms of GDP decreased by a cumulative 0.5 percentage points from 2001 to 2009, reaching 2 %, while picking up to 2.5 % in 2010 and arriving at 2.7 % in 2011.

### Main recent reforms implemented, on-going or announced

A number of measures have been adopted since 2010 as a part of the broader fiscal consolidation effort linked to the EU and IMF package of financial assistance. In particular, the PIT system was reformed with law 3842/2010, and was further modified in 2011 and 2013. As part of these amendments, personal allowances were abolished and many of the remaining tax credits curtailed. Moreover, in July 2011 a new solidarity contribution was introduced for individuals, which applies to income earned in the years from 2010 to 2014. The rates range from 1 % for income above EUR 12 000 to 4 % above EUR 100 000. The contribution rate is 5 % for high-ranking state officers. The Law of January 2013 raised the CIT rate to 26 % for income earned as of 1<sup>st</sup> January 2013 after this had been reduced to 20 % in March 2011. It also aligned the tax regime for corporations with that of partnerships, civil societies, civil partnerships and joint ventures that maintain double-entry books. The extra contribution

charged on large profitable corporations (at progressive rates, initially, of 5, 7 and 10 % and since 2010, for income earned in 2009, at progressive rates of 4, 6, 8 and 10 %) which applied until the year 2010 (for income earned in 2009) has not been extended. The highest revenue yield has materialised from the measures taken on indirect taxation. In February 2010 a generalised increase in VAT rates was approved, with the standard rate raised by two points to 21 % and the reduced rate increased from 9 % to 10 %. A further increase brought the standard and the reduced rate to 23 and 11 %, respectively, since July 2010. With effect from 1<sup>st</sup> January 2011, the reduced rate was increased to 13 %, whereas the super-reduced rate was raised to 6.5 % and its applicability extended to hotel accommodation services (but not to food offered by hotels which moved to 23 % as of 1<sup>st</sup> September 2011). Excise duties on cigarettes, alcohol and fuel, as well, have been increased repeatedly. Other new measures introduced in 2011 include the move of some non-basic goods and services from the reduced to the standard VAT rate, and a special real estate duty on residential property, calculated based on the surface area of buildings, which also takes into account the age and location. The duty is collected through payment of the electricity bills <sup>(20)</sup>.

The government has announced a comprehensive tax reform, to be enacted by June 2013, aimed at simplifying the tax system and enhancing its growth-friendliness. The reform package will include a simplification of the main tax codes, and of the VAT and property tax rate structures, the elimination of several tax exemptions and preferential regimes under the corporate income tax and the VAT, and a more uniform treatment of individual capital income.

## Main features of the tax system

### Personal income tax

The PIT system, overhauled in 2010, was further modified in 2011 and again, in January 2013, as part of the comprehensive tax reform which is due to be accomplished by June 2013. There are now three tax brackets (replacing the previous eight), with tax rates from 22 % to 42 % (applicable above EUR 42 000) for employment income consisting of salaries and pensions<sup>(21)</sup>. Income earned by professionals and entrepreneurs is taxed at 26 % up to EUR 50 000 and at 33 % for the excess. Real estate rental income and income from securities is subject to 10 % tax up to EUR 12 000 and 33 % for the excess. According to the latest amendments, the tax-free bracket is replaced with a system of tax deductions. Specifically, for income up to EUR 21 000, the tax deduction is EUR 2 100 if the taxpayer submits receipts of goods and services for at least 25% of his declared income. If the tax due is less than this, the tax deduction is reduced to the amount of the tax liability. For income above EUR 21 000, the tax deduction is reduced by EUR 100 for each EUR 1 000 of income. Law 4024/2011 abolished personal allowances and ever since, only tax credits have been available. The new Law 4110/2013 does away with a number of these remaining tax reliefs, such as the principal home rent, educational expenses, mortgage interest and life or medical insurance premiums. Tax credits are still granted for medical expenses, alimony costs and certain gifts and donations. The tax credit amounts to 10 % of the expenses, subject to certain thresholds depending on the type of outlays. Social contributions of self-employed, which previously were partially deductible (10 %) from the tax, qualify now as expenses of the self-employed, which are fully deducted from the gross income.

Greek law defines six categories of taxable income: income from immovable property; income from movable property, i.e. investment income; from business; from agriculture; from employment; and from professional activities and other sources. Income earned from renting land and buildings is subject to an additional 1.5 % rate beyond the progressive income tax. In case of residential property, the rate rises to 3 % where the surface area of the residence is greater than 300 m<sup>2</sup>. The amount of additional tax may not be greater than the amount payable on the taxpayer's total net income. Law 4110/2013 re-introduced a tax on capital gains at 20 % from the sale of real estate after this was abolished by Law 3842/2010. The realised capital gain is deflated based on certain age coefficients which range from 0.60 to 0.90. The Law grants an exemption for capital gains up to EUR 25 000 generated from the transfer of a single property which has been held for at least 5 years. However, individuals who have transferred more than one property in the same 5-year period cannot benefit from this exemption. Further, the new regime does not apply to capital gains earned by individuals who are commercially engaged in buying and selling or building real estate.

<sup>(20)</sup> The constitutionality of such duty has been cleared by the Council of State in March 2012..

<sup>(21)</sup> On top of the headline rate, a solidarity contribution is applied (see Current topics and prospects; policy orientation). Bonuses paid to executives of credit institutions above certain thresholds are taxed at higher rates, up to 90 %.

## Corporate taxation

Greece has been cutting the statutory CIT rate from a high of 40 % in 2000. Law 3943/2011 laid down a headline rate of 20 % and did away with the distinction between distributed and undistributed profits which was introduced only a year earlier by Law 3842/2010 to apply to profits earned as of 1 January 2011<sup>(22)</sup>. The Law 4110 enacted in January 2013 changes the picture for net profits to be reported after 1 January 2014. It increases the tax rate to 26 % instead of the formerly applicable rate of 20 %. The corporate tax rate increase has been accompanied by a reduction of the withholding tax rate on profit distributions approved as of 1 January 2014. This will now be reduced from 25 to 10 % for dividend distributions and profit capitalisations. The 10 % tax exhausts any further tax liability. Law 4110/2013 also brings significant changes to the tax regime of partnerships, civil law societies, civil law partnerships and joint ventures which maintain double-entry accounting books. The tax treatment of those entities is now aligned with that of corporations, which means that the entire amount of their net profits becomes taxable at the level of the entity (i.e. taxation at the level of the entrepreneur is abolished) and the rate is fixed at 26 % (as opposed to the current 25 % rate). Entities with single-entry books shall be subject to tax at 26 % for taxable income up to EUR 50 000 and at 33 % for the excess. Under the so far applicable rules, a 25 % rate applied to partnerships for the proportion corresponding to the legal entity, whereas for the part relating to partners who are individuals the rate was 20 %. An additional tax of 3 % is levied on gross income derived from immovable property. This additional tax cannot exceed the tax calculated on the company's income. Companies are subject to real estate taxes, while local taxes are not significant. There is no group taxation, i.e. all entities are taxed separately. In general, tax losses may be carried forward for five years. No tax loss carry-backs are allowed. Expenses are deductible only if they are incurred for the purpose of earning income.

## VAT and excise duties

VAT rates have been subject to generalised increases in the course of 2010. The standard rate is 23 % (up from 19 % in 2009). The reduced rate – applicable to goods such as fresh food products, some pharmaceuticals and electricity, as well as to certain professional services, such as transport of passengers and (non-exempt) services by doctors and dentists – was raised to 13 % in January 2011 (up from 9 % in 2009). A 6.5 % rate (previously 4.5 and then 5.5 %) applies to hotel accommodation services, newspapers, periodicals, books, medicines and vaccines for human medicine. Specific services such as lawyers, artists, bailiffs and *also the provision of hospital and medical care services by private entities* that were exempted are since 1/7/2010 subject to VAT. Furthermore, the application of the VAT flat rate scheme for Taxi's was abolished. For the region of the Dodecanese, the Cyclades and Eastern Aegean islands the above rates are reduced by 30 %. Excise duties are levied on mineral oils, gasoline, tobacco, alcohol, beer and wine. Excises on electricity – with the exception of that produced by renewable resources – were introduced in early 2010.

## Wealth and transaction taxes

In 2010 the Special Real Estate fare (ETAK) was replaced by the Large Properties Tax (FAP). Large properties are subject to an annual tax levied at progressive rates ranging from 0.2 to 1 %. After the reform of July 2011 the exempted tax base for large properties was reduced from EUR 400 000 to EUR 200 000. Large properties are subject to an annual tax levied at progressive rates ranging from 0.2 to 1 %. The marginal rate applies to property values above EUR 800 000, while values below EUR 200 000 are tax exempt. Until 2012 real estate with a taxable value exceeding EUR 5 million is taxed at 2 % for the part of value in excess. A real estate transfer tax is in place as well, at rates of 8 % for the first EUR 20 000 and 10 % for the part of value in excess.

## Social contributions

Both employees and employers pay contributions to social insurance (IKA). Employees' contributions are withheld by the employer. With effect from August 2011, the rate for white-collar employees is 16.5 % and that for blue-collar workers is 19.95 %. The employer pays social contributions at 28.46 %. The contributions are paid up to a defined maximum monthly wage. The monthly ceilings for 2012 are EUR 2 432.25 if the employment has started prior to 1 January 1993 and EUR 5 543.55 if employment started thereafter. According to Law 4093/2012, from 1 January 2013 onwards, the monthly ceiling becomes EUR 5 543.55 for both categories of employees.

<sup>(22)</sup> A social responsibility contribution applies to highly profitable corporations since the fiscal year 2009. See *Current topics and prospects; policy orientation*.

<b>HUNGARY</b>													2011	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Ranking <sup>1)</sup>	€ bn
<b>A. Structure of revenues</b>													<b>% of GDP</b>	
Indirect taxes	16.6	15.5	15.0	15.8	16.3	15.8	15.3	16.3	16.0	16.9	17.2	17.0	3	16.9
VAT	8.9	8.1	7.8	8.2	8.9	8.4	7.6	8.1	7.8	8.6	8.7	8.5	7	8.5
Excise duties and consumption taxes	4.0	3.7	3.6	3.7	3.3	3.2	3.3	3.4	3.4	3.6	3.3	3.3	14	3.3
Other taxes on products (incl. import duties)	3.3	3.2	3.1	3.4	3.5	3.5	3.7	4.0	4.0	3.9	4.1	4.1	1	4.1
Other taxes on production	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.9	1.1	1.1	14	1.1
Direct taxes	9.9	10.2	10.2	9.6	9.1	9.1	9.5	10.4	10.6	10.0	8.6	6.9	22	6.9
Personal income	7.3	7.6	7.6	7.1	6.6	6.6	6.8	7.3	7.7	7.4	6.5	4.9	19	4.9
Corporate income	2.2	2.3	2.3	2.2	2.1	2.1	2.3	2.8	2.6	2.2	1.2	1.2	26	1.2
Other	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.9	0.9	11	0.9
Social contributions	13.3	13.0	12.9	12.6	12.3	12.5	12.6	13.8	13.7	13.2	12.1	13.1	9	13.1
Employers'	10.7	10.3	10.1	9.8	9.4	9.7	9.5	9.8	9.8	9.3	7.8	7.9	8	7.9
Employees'	2.0	2.1	2.2	2.2	2.3	2.3	2.4	3.3	3.2	3.2	3.6	4.6	6	4.6
Self- and non-employed	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.6	15	0.6
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>39.8</b>	<b>38.7</b>	<b>38.0</b>	<b>38.0</b>	<b>37.7</b>	<b>37.4</b>	<b>37.3</b>	<b>40.4</b>	<b>40.3</b>	<b>40.1</b>	<b>37.9</b>	<b>37.0</b>	<b>12</b>	<b>36.9</b>
<b>B. Structure by level of government</b>													<b>% of total taxation</b>	
Central government	59.6	58.9	58.6	58.1	57.6	57.0	57.0	56.7	61.4	61.9	62.4	58.6	14	21.6
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	9.8	10.3	10.5	11.4	12.0	11.6	11.7	11.1	6.4	6.7	6.5	6.5	16	2.4
Social security funds	30.7	30.7	30.8	30.5	29.9	30.6	30.6	31.3	31.3	30.7	30.5	34.2	10	12.6
EU institutions	n.a.	n.a.	n.a.	n.a.	0.5	0.8	0.8	0.9	0.9	0.7	0.7	0.7	17	0.3
<b>C. Structure by economic function</b>													<b>% of GDP</b>	
Consumption	15.8	14.7	14.2	14.7	15.1	14.5	14.0	14.7	14.4	15.2	14.9	14.5	2	14.5
Labour	19.4	19.3	19.1	18.6	18.0	18.3	18.3	20.1	20.7	19.4	18.0	17.5	12	17.5
Employed	18.6	18.6	18.8	18.2	17.7	17.9	18.0	19.3	19.8	18.8	17.5	17.2	11	17.2
Paid by employers	10.8	10.4	10.2	10.0	9.6	9.9	9.7	10.0	10.0	9.5	8.3	8.4	10	8.3
Paid by employees	7.8	8.2	8.6	8.3	8.1	8.0	8.3	9.3	9.7	9.2	9.2	8.8	11	8.8
Non-employed	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.8	1.0	0.6	0.5	0.3	20	0.3
Capital	4.6	4.7	4.7	4.7	4.6	4.6	5.0	5.7	5.3	5.6	5.1	5.0	21	5.0
Capital and business income	3.6	3.7	3.7	3.6	3.3	3.3	3.7	4.2	3.8	4.0	2.6	2.4	24	2.4
Income of corporations	2.2	2.3	2.3	2.2	2.2	2.2	2.4	2.9	2.7	2.3	1.3	1.3	25	1.3
Income of households	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.7	0.4	1.1	0.7	0.6	15	0.6
Income of self-employed (incl. SSC)	0.7	0.8	0.7	0.6	0.6	0.5	0.7	0.6	0.6	0.7	0.6	0.6	21	0.6
Stocks of capital / wealth	1.0	1.0	1.0	1.2	1.3	1.3	1.3	1.4	1.5	1.5	2.5	2.5	7	2.5
<b>D. Environmental taxes</b>													<b>% of GDP</b>	
Environmental taxes	3.0	2.9	2.8	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.7	2.5	14	2.5
Energy	2.5	2.3	2.2	2.2	1.9	2.1	2.1	2.0	2.0	2.0	2.1	2.0	14	1.9
Of which transport fuel taxes	:	:	:	:	1.8	1.8	1.9	1.8	1.8	1.8	1.9	1.8	8	
Transport (excl. fuel)	0.4	0.4	0.4	0.5	0.8	0.5	0.6	0.7	0.6	0.5	0.5	0.5	13	0.5
Pollution/resources	0.16	0.15	0.16	0.18	0.18	0.13	0.14	0.14	0.16	0.17	0.10	0.10	10	0.1
<b>E. Property taxes</b>													<b>% of GDP</b>	
Property taxes	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.1	1.1	13	1.1
Recurrent taxes on immovable property	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	20	0.3
Other property taxes	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.8	0.8	8	0.8
<b>F. Implicit tax rates</b>													<b>%</b>	
Consumption	27.2	25.4	25.2	25.8	27.2	26.3	25.6	26.5	26.2	27.4	27.5	26.8	4	
Labour employed	41.4	40.9	41.2	39.3	38.3	38.4	38.9	41.0	42.3	40.2	38.4	38.4	8	
Capital	18.5	18.2	17.1	18.0	17.2	17.1	16.8	20.0	19.5	23.2	19.9	17.3		
Capital and business income	14.5	14.3	13.5	13.6	12.2	12.2	12.4	14.9	13.9	16.9	10.1	8.5		
Corporations	34.0	28.1	20.7	19.6	17.6	17.1	14.9	18.7	19.0	21.0	9.5	7.7		
Households	7.0	7.5	7.9	8.3	7.2	7.3	8.8	9.6	7.8	12.3	10.2	8.9		
Real GDP growth (annual rate)	4.2	3.7	4.5	3.9	4.8	4.0	3.9	0.1	0.9	-6.8	1.3	1.4		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Hungary

## Overall trends in taxation

### Structure and development of tax revenues

As of 2011, with a total tax-to-GDP ratio of 37.0 % (including social contributions) Hungary's tax burden ranks as the 12<sup>th</sup> highest in the EU. This follows a more than 3 percentage point decrease since 2009 when Hungary ranked ninth. It is noteworthy that the reduction in the overall tax and social contributions burden decreased even more in these years, as a large part of employees' social contributions, compulsorily paid to private pension funds and therefore not appearing in the revenue statistics until 2010 were redirected to the state pension funds as of November 2010 and thereby appear in the data overleaf (hence the hike of employees' contributions from 3.2 % in 2009 to 4.6 % of GDP in 2011). To put the Hungarian tax to GDP ratio in a regional perspective, Austria displays a higher (42.0 %), Slovenia has a roughly equal one (37.2 %) while both Slovakia's and Romania's ratios (28.5 % and 28.2 % respectively) lie well below the Hungarian value.

The substantial revenues from indirect taxes further increased to 45.8 % of total tax revenues in 2011, the third highest figure in the EU after Bulgaria and Romania. VAT revenues yielded 8.5 % of GDP which exceeds the EU average by 1.4 percentage point. Revenues from 'other taxes on products' (4.1 %) are the highest in the EU (1.5 %) mainly because of revenues from the local business tax (HIPA), classified as an indirect tax. In contrast, after a substantial fall between 2009 and 2011, direct taxes are relatively low at 6.9 % of GDP (EU-27 12.9 %). Social contributions in relation to GDP are above the EU average (13.1 % vs. 12.7 %).

As to the structure of tax revenues by level of government, the central government remains by far the largest recipient of tax revenue, with nearly 60 % of the total, while local government taxes represent 6.5 % of total taxation. Since 2004, local taxes have been showing a decreasing trend<sup>(23)</sup>.

The overall tax burden declined gradually between 2000 and 2006 from 39.8 % to 37.3 % and then quickly reached 40.4 % in 2007 as a result of a public finance consolidation. Despite the sharp economic contraction the total tax-to-GDP ratio dropped only 0.2 percentage points in 2009, partly due to the increased VAT revenues from the hike in the standard rate of VAT. The decrease of total tax revenues in 2010 and 2011 is largely due to cuts in personal income taxes, corporate income taxes, and employers' social contributions.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The high level of indirect taxation in Hungary leads to a correspondingly elevated ITR on consumption (26.8 % in 2011), the fourth highest in the EU. The ITR on labour amounted to 38.4 % in 2011. This value is the eighth highest in the EU and above the EU average (35.8 %). Since 2000, the ITR on labour showed a gradual decline over time until 2004, but increased to 42.3 % in 2008, then substantially decreased in 2009-2011. The contrast between relatively high ITR on labour and average labour tax revenues in terms of GDP is a consequence of the low employment rate.

The revenues from taxes on capital are, at 5.0 % of GDP, one of the lowest in the EU, due notably to low business income taxation<sup>(24)</sup>. The ITR on capital remained stable between 2000 and 2006, it has increased significantly in the following years, although remaining still well below the EU average, and then sharply dropped in years 2010-2011 to 17.3 %. This is due to the removal of the solidarity surcharge on corporations, an increased threshold for the application of the regular CIT rate and to the deductibility of the sectoral surtaxes from the CIT base. The abrupt rise in revenue from taxes on stocks of capital is largely due to the introduction of the sectoral surtaxes, which covered retroactively 2010 and were applied also in 2011.

<sup>(23)</sup> The abrupt drop in the share of local taxes in 2008 is purely due to statistical reclassification

<sup>(24)</sup> Note the fact mentioned above that the local business tax is classified as a tax on products.

Environmental taxes represented 2.5 % of GDP. This share is close to the EU average and has remained roughly stable between 2003 and 2010. Taxes on energy, especially transport fuels, account for the largest part of environmental tax revenues.

Property tax revenues in Hungary in relation to GDP in 2011 (1.1 %) were well below the EU-27 average of 2.1 %. Municipalities may levy a real estate tax on building and land. The share of revenues from such recurrent taxes on immovable property in 2011 amounted to 0.3 % of GDP whereas the corresponding EU-27 average stood at 1.3 %. Most municipalities apply a rate significantly lower than the statutory limit and exempt housing real estate. Therefore, revenue raised on the first primary residence of individuals amounts to small fraction of the total<sup>(25)</sup>.

### Main recent reforms implemented, on-going or announced

After the general elections in April 2010 the government made encompassing changes in economic policy, including the tax system, with the declared goal of increased growth, reduction of public debt and administrative simplification. These include the reform of the PIT system, with changes introduced in 2011, 2012 and 2013 (see below), a lower CIT burden, special tax schemes for micro, small and medium sized enterprises, and sector specific surtaxes. As of 2013, the latter have been partly replaced by higher, consumption or transaction type taxes or in the case of utilities, by taxes on capital stock, but some surtaxes have increased significantly. To simplify the tax system, several minor taxes were abolished. However, some new taxes have been introduced, such as a tax on unhealthy food in 2011, an 'accident tax' on third party liability policies, and a 'cultural tax' (on pornographic material) in 2012. Base-broadening measures include submitting online gambling to gambling tax.

## Main features of the tax system

### Personal income tax

In 2011 the progressive PIT system was replaced by a 16 % single rate system. It applies not only to salaries but also to all categories of income subject to PIT such as sale of real estate, dividends and interests. While in 2011, an ordinary tax credit for lower to average incomes was still applied and in 2011 and 2012 a tax base increasing component (super-grossing) was in force. As of 2013 Hungary has a truly flat rate PIT with the 16 % rate. The only major feature which deflects the PIT from this single rate is a family tax allowance, introduced in 2011, which is especially generous towards families with at least three children, exploitable to a full extent by higher earners.

### Corporate taxation

In 2010 the CIT rate was set at 19 %, replacing the previous 16 % + 4 % (solidarity surcharge) rate. Due to the extension of the threshold in 2010, the CIT rate of 10 % is applicable to the part of the tax base below HUF 500 million (EUR 1.78 million). Municipalities may levy a local business tax (HIPA) up to 2 % of a broad base, which roughly corresponds to business value added. The tax is deductible from the CIT base. Historically HIPA revenues are similar to the one from CIT. In the typical case of a 19 % CIT and a 2 % HIPA, the combined marginal tax burden is around 20.6 %.

The Hungarian tax system offers three types of simplified corporate tax schemes that SMEs or micro enterprises may opt for. As of January 2013, additionally to the EVA (simplified enterprise tax) small businesses will be able choose from two more optional tax schemes: KATA and KIVA. Under the KATA (small taxpayers' itemised lump sum tax) scheme, micro businesses will pay a fixed HUF 50 000 (EUR 179) per month (half of this if the taxpayer is employed in full time) in place of the main taxes on profits and payroll. KIVA (small business tax) will be an option for businesses with 25 or less employees and annual revenue of below HUF 500 million (EUR 1.79 million). Under this scheme the business will pay a flat 16 per cent on its balance sheet and payroll. However, fewer than expected firms opted for these new tax schemes (KIVA in particular).

In 2010, a surtax on financial institutions was introduced. The tax base is the adjusted amount of balance sheet of 31 December 2009. A 0.15 % tax rate is applied up to HUF 50 billion (EUR 179 million) of the base and 0.53 %

<sup>(25)</sup> Elek, Péter and Kiss, Áron: Az ingatlanadó a magyar adórendszerben : Elméleti megfontolások és mikroszimulációs elemzés [The real estate tax in the Hungarian tax system: Theoretical considerations and microsimulation analysis] *Közgazdasági Szemle (Hungarian Economic Review)*, Vol. 57, 389–411., May 2010.



for the part of the tax base above. While according to earlier plans, the surtax on financial institutions would have been halved in 2013 and entirely phased out as of 2014, the government decided in November 2012 to retain it indefinitely for banks as a permanent bank sector levy. A similar tax applied to insurance companies in 2010-2012 has been phased out as of 2013 but a consumption-type insurance tax was introduced (see 'Other taxes').

In 2009 an extra tax at the rate of 8 % was introduced on the (adjusted) pre-tax profit of energy suppliers. As of 2013, this tax is extended to other utilities and the rate increased to 31 %; increasing the de facto CIT rate of subjected companies to 50 %. In 2010 - 2012, turnover-based, progressive sector-specific taxes were applied in the retail, telecommunications and energy sectors. As of 2013, there is no special tax in the retail sector, but new taxes were introduced on the infrastructure of energy companies and on telecommunications services (see 'Other taxes').

## VAT

The standard VAT rate was increased from 20 % to 25 % in 2009 and to 27 % in 2012 while milk, dairy products, bread, bakery products, and accommodation services etc. became subject to a reduced 18 % rate. VAT rate on district heating services was first cut to 18 % in 2009, and in 2010 it was set to 5 %. This preferential reduced rate of 5 % applies also to a few other products such as medicines and medical materials, books, newspapers, etc. To facilitate tackling VAT fraud, from 2013 new reporting and invoicing liabilities will be introduced in Hungary for domestic transactions where the VAT liability exceeds HUF 2 million (EUR 7 160). Further amendments of the VAT Act target the facilitation of electronic invoicing and online supervision of cash registers by the tax authority.

## Other taxes

In 2013, a financial transaction duty was introduced on all cash and bank transfer transactions at a tax rate of 0.2% (for cash withdrawal, 0.3 %). In the insurance sector, a consumption-type tax amounting to 10 % of non-life insurance premiums (for car insurance, 15 %) was introduced in 2013. The taxpayer is the insurer. Since July 2012, a telephone tax with a per-minute and per-text-message (SMS) basis applies. Additionally, from 2013, pipelines and other utility networks bear an extra tax. The government rules out the introduction of a centrally administered value based property tax. In 2013, the formerly 2-step acquisition duty of real estate property will be uniformly set at 4 %. Along years 2009-2012 excise duties on tobacco, alcohol and fuel were increased in several steps. Since 2011, the excise duties for tobacco products have been in line with the corresponding Council Directive 2008/118/EC. A company car tax based on engine capacity was introduced in 2009. This tax was increased in 2012; the tax due is determined by the car's performance and environmental properties and varies between HUF 7 700 and 44 000 (EUR 28 - 157) per month. The government plans to regulate and levy a tax on online gambling in 2013. The law is expected to be passed by Parliament in April 2013.

## Social contributions

Since 2012 employers' contributions amount to 28.5 % and consist of a vocational training contribution (1.5 %), a pension contribution, a health insurance contribution and contribution to the unemployment fund. The latter three amount to 27 % and were collectively renamed 'social contribution tax' in 2012. Employees' contribution is composed of a 10 % pension contribution, a 7 % health care contribution and a 1.5 % unemployment fund contribution. The base of the pension contribution was capped at HUF 7.94 million (EUR 28 400) yearly until 2012 but this cap was removed in 2013, a feature reinforcing the flat taxation of labour.

To partly offset the tax wedge increase of low wage earners due to the 2012 removal of the ordinary tax credit (see personal income taxation), a Job Protection Act is in force as of 2013, which includes halving or full exemption the social contribution tax and vocational training contribution up to a gross wage of HUF 100 000/month on targeted labour groups: below 25 years; above 55 years; elementary occupations; former long-term unemployed, women returning from maternity leave and career starters.

IRELAND	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	13.5	12.4	12.4	12.5	13.1	13.6	14.1	13.6	12.7	11.6	11.7	11.4	25	18.1
VAT	7.2	6.8	7.0	7.0	7.3	7.6	7.8	7.6	7.3	6.4	6.4	6.2	26	9.8
Excise duties and consumption taxes	3.2	2.8	2.9	2.7	2.7	2.6	2.4	2.4	2.4	2.7	2.6	2.6	20	4.1
Other taxes on products (incl. import duties)	2.3	2.0	1.7	1.9	2.2	2.6	3.0	2.7	1.8	1.2	1.2	1.2	12	1.9
Other taxes on production	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.3	1.5	1.5	11	2.4
Direct taxes	13.4	12.7	11.6	11.8	12.3	12.3	13.2	12.9	11.7	10.9	10.8	12.5	10	19.9
Personal income	9.2	8.7	7.5	7.6	8.3	8.3	8.7	8.9	8.3	7.9	7.6	9.2	8	14.7
Corporate income	3.7	3.6	3.7	3.8	3.7	3.5	3.9	3.6	2.9	2.4	2.5	2.4	13	3.8
Other	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.9	10	1.5
Social contributions	4.4	4.5	4.4	4.4	4.6	4.7	4.8	5.0	5.4	5.8	5.8	5.0	26	7.9
Employers'	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.1	3.3	3.3	3.2	3.5	25	5.5
Employees'	1.5	1.5	1.5	1.6	1.7	1.7	1.6	1.7	1.9	2.3	2.5	1.3	24	2.0
Self- and non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	22	0.3
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.3</b>	<b>29.6</b>	<b>28.4</b>	<b>28.8</b>	<b>30.0</b>	<b>30.6</b>	<b>32.1</b>	<b>31.6</b>	<b>29.8</b>	<b>28.3</b>	<b>28.3</b>	<b>28.9</b>	<b>22</b>	<b>46.0</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	84.8	83.6	83.9	84.1	84.4	84.4	84.7	83.8	81.5	80.0	80.4	79.2	3	36.4
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.8	3.5	3.6	3.5	23	1.6
Social security funds	11.3	12.5	12.8	12.6	12.5	12.4	12.2	13.0	14.9	15.7	15.1	16.4	23	7.5
EU institutions	1.9	1.8	1.0	1.0	0.7	0.9	0.8	0.9	0.9	0.8	0.9	0.9	11	0.4
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	12.0	10.9	11.0	10.8	11.2	11.4	11.5	11.3	11.0	10.2	10.4	10.1	26	16.0
Labour	11.4	10.9	10.0	9.7	10.3	10.3	10.4	10.8	11.3	11.7	11.7	12.1	23	19.2
Employed	11.3	10.9	9.9	9.6	10.3	10.3	10.3	10.7	11.3	11.7	11.6	12.0	21	19.1
Paid by employers	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.1	3.3	3.3	3.2	3.5	25	5.5
Paid by employees	8.6	8.1	7.2	7.0	7.6	7.5	7.4	7.7	8.0	8.4	8.4	8.5	12	13.6
Non-employed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.1
Capital	7.9	7.8	7.4	8.3	8.5	8.8	10.2	9.5	7.5	6.3	6.3	6.7	12	10.7
Capital and business income	5.9	5.8	5.6	6.1	6.2	6.2	7.1	6.6	5.3	4.4	4.3	4.5	18	7.2
Income of corporations	3.7	3.6	3.7	3.8	3.7	3.5	3.9	3.6	2.9	2.4	2.5	2.4	14	3.8
Income of households	1.1	1.1	0.8	1.4	1.5	1.6	2.1	2.0	1.3	0.9	0.8	0.9	7	1.5
Income of self-employed (incl. SSC)	1.1	1.1	1.1	1.0	1.1	1.1	1.0	1.1	1.1	1.0	1.0	1.2	14	1.9
Stocks of capital / wealth	2.0	2.0	1.8	2.1	2.3	2.7	3.1	2.8	2.2	2.0	2.0	2.2	11	3.5
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.8	2.4	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.4	2.6	2.6	12	4.1
Energy	1.4	1.2	1.3	1.2	1.3	1.3	1.2	1.2	1.3	1.4	1.4	1.4	25	2.3
Of which transport fuel taxes	:	:	:	1.1	1.2	1.2	1.2	1.1	1.2	1.3	1.3	1.3	21	
Transport (excl. fuel)	1.4	1.1	1.1	1.1	1.1	1.2	1.2	1.3	1.2	0.9	1.0	0.9	5	1.4
Pollution/resources	0.01	0.01	0.02	0.03	0.03	0.03	0.04	0.03	0.04	0.04	0.19	0.23	4	0.4
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	1.2	1.2	1.2	10	1.8
Recurrent taxes on immovable property	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.9	1.0	0.9	8	1.5
Other property taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.2	20	0.3
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	25.5	23.7	24.6	24.5	25.6	26.1	26.3	25.2	23.3	22.3	22.3	22.1	10	
Labour employed	28.7	27.6	26.1	25.0	26.2	25.4	25.4	25.7	24.7	25.4	26.2	28.0	22	
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	9.3	4.8	5.9	4.2	4.5	5.3	5.3	5.2	-3.0	-7.0	-0.4	1.1		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Ireland

## Overall trends in taxation

### Structure and development of tax revenues

At 28.9 % in 2011, the total tax-to-GDP ratio in Ireland is the sixth lowest in the Union and the second lowest in the euro area. In recent years this ratio gradually decreased from a 2006 high of 32.1 %, but has increased again in 2011, apparently on foot of budgetary measures aimed at raising tax receipts

The taxation structure is characterised by a strong reliance on taxes rather than social contributions. Direct and indirect taxation make up 43.4 % and 39.4 % of the total revenue in 2011 respectively, whereas the social contributions raise only 17.2 % of total tax revenue. The share of social contributions is the second lowest in the EU. The structure of taxation differs considerably from the typical structure of the EU-27, where each item contributes roughly a third of the total. As in the majority of Member States, the largest share of indirect taxes is constituted by VAT receipts, which provide 54.1 % of total indirect taxes (53.3 % for the EU-27). The structure of direct taxation is similar to that found in the EU-27. The shares of personal income taxes and corporate income taxes are in line with the EU-27 average and represent 9.2 % and 2.4 % of GDP. Social contributions represent a meagre 5 % of GDP (second lowest in the Union after Denmark), compared to an EU-27 average of 12.7 %. Employers' and employees' contributions are at 3.5 % and 1.3 % of GDP, respectively.

Ireland is one of the most fiscally centralised countries in Europe; local government has only low revenues (3.5 % of tax revenues). The social security fund receives just 16.4 % of tax revenues (EU-27 37.3%), while the vast majority (79.2 %) of tax revenue accrues to central government. This ratio is exceeded only by Malta and the UK.

From 1999 to 2002, Ireland reduced the total tax burden across the board from 31.8 % to 28.4 % of GDP. Between 2002 and 2006, the total tax ratio increased every year, reaching 32.1 % in 2006, in large part due to a surge in VAT receipts, capital gains tax and stamp duties relating to property transactions. The trend was reversed between 2007 and 2010, with the fall mainly driven by lower ratios of VAT, PIT, other taxes on products (incl. import duties), and corporate income taxes to GDP, caused by the worsening economic situation in Ireland. In 2009 and 2010, total tax revenue to GDP reached its lowest value of just 28.3 %. The ratio increased to 28.9 % in 2011, apparently due to budgetary measures aimed at raising tax receipts.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The tax structure by economic function (consumption 34.8 %, labour 41.9 %, capital 23.3 %) differs from the EU-27 average (29.0 %, 50.8 %, 20.5 %), with the tax system deriving a notably smaller proportion of tax receipts from labour. However, as a percentage of GDP, taxation of labour has increased by over 25 %, incrementally, since 2003, while taxation of consumption and capital has fallen. Possible reasons for this could be that turnover and profits reacted more to the economic crisis than did employment, the widening of the labour tax base and various increases in social contributions. In addition, revenue from construction related taxes (VAT, capital gains tax and stamp duty) fell substantially from 2007 onwards, after the crash in the construction sector.

Taxes on consumption in relation to GDP are at 10.1 % (EU-27 11.2 %). After a declining period from 12.8 % in 1995 to 10.8 % in 2003, this ratio increased slightly to 11.5 % in 2006. This principally reflects buoyant economic activity in that period. However, the value decreased in response to the economic crisis and has fallen almost constantly since 2007. As a percentage of GDP, VAT receipts are the second lowest in the EU (next to Spain).

The low level of social contributions results in Ireland having the fifth lowest level of taxes on labour in the EU (12.1 % of GDP compared with 19.7 % in EU-27). As in many EU countries the implicit tax rate on labour increased steadily from the early 1970s until the late 1980s<sup>(26)</sup>. Having attained stability in the early 1990s, the

<sup>(26)</sup> ESA79 data

rate fell from 29.3 % in 1996 to 24.7 % in 2008, as a result of successive cuts in personal income tax and social contributions. In 2009, 2010 and 2011, the rate rose notably and is now at its highest level in over a decade (28.0 %).

The Irish case is notable in that the strong economic growth until 2007 offset the effects of the contemporaneous reductions in corporate income tax rates; the CIT rate was cut in half between 2000 and 2003. However, revenues from taxes on capital dropped to a historic low of 6.3 % of GDP in 2009 and 2010 and have increased only slightly to 6.7 % in 2011. The decrease appears to be a result of the economic crisis which reduced the returns on capital.

Levels of environmental taxation, in terms of GDP, are broadly in line with European averages. The overall level is slightly higher (2.6 % for Ireland, 2.4 % for the EU-27); energy taxation is notably lower (1.4 % Ireland; 1.8 % EU-27); a higher proportion of energy taxation falls on transport fuel and transport taxes excluding fuel are comparatively high, at 0.9 % of GDP, compared to 0.5 % for the EU-27. Property taxes (mainly rates on commercial buildings and stamp duties on property transfers), at 1.2 % of GDP, are low by EU-27 standards (2.1 % of GDP).

### Main recent reforms implemented, on-going or announced

Tax policy in Ireland still reflects the need for consolidation after the crisis, with taxation measures set to contribute almost EUR 1.5 billion towards an overall fiscal consolidation of EUR 3.5 billion in 2013. The key revenue raising measures were widening of the social insurance tax base, a new property tax, increased excise duties on alcohol and cigarettes and increased rates of Vehicle Registration Tax and motor tax on all vehicles.

To improve the economic outlook, budget 2013 focussed on stimulating growth and employment in small and medium sized industry, via a 10 point tax package, including start up corporation tax credits, use of the cash receipts basis for VAT and a more attractive system of credits for expenditure on research and development. Business incentives announced included enhanced capital allowances in the aviation sector and the introduction of a taxation regime for Real Estate Investment Trusts, to encourage investment in the property market. The Government reiterated its commitment to retaining the 12.5 % rate of corporation tax. Modest rate increases were applied to capital gains, capital acquisitions and interest earned on savings and investment products. Personal taxes on labour increased via social insurance measures to eliminate weekly allowances, increase the minimum annual contribution and extend the scope of the charge. The new property tax is discussed briefly below.

## Main features of the tax system

### Personal income tax

The two statutory personal income tax rates have been reduced substantially over the last decade. The standard rate is currently at 20 % and the top rate at 41 %; tax allowances have also been replaced by tax credits for equity reasons. The threshold for the higher rate in 2012 is EUR 32 800 for a single person with no dependants. A Universal Social Charge was introduced in 2011. From 2012 the following rates and thresholds apply. The levy is zero for income below EUR 10 036; for people with a higher income, the levy will be 2 % for income up to EUR 10 036, 4 % from EUR 10 037 to EUR 16 016 and 7 % for income above the latter amount. In general, credit is given for withholding taxes and similar deductions. Deposit Interest Retention Tax is charged at 33 % and is treated as a final payment. From 2012, taxation of individuals on capital gains has increased to 33 % with an annual exemption of EUR 1 270.

### Corporate taxation

Companies resident in Ireland and non-resident companies which carry out a trade in Ireland through a branch or agency, are, with a small number of specific exceptions, liable to corporation tax on their taxable profits. The corporation tax rate of 12.5 % is applied to trading profits in all sectors since 1 January 2003. A 25 % rate applies to other passive (non-trading) income. Capital gains are subject to tax at 33 % on disposal of land. Other capital gains are subject to corporation tax. A profit resource rent tax of 5 %, 10 or 15 %, based on the profit ratio of a petroleum/gas field, was introduced in 2008 on profits from petroleum related activities, which is in addition to the

existing corporation tax rate of 25 % for non-trading income. Profit resource rent tax is ring-fenced so that profits or losses cannot be offset against profits or losses from other areas of corporate activity

Dividends are subject to a dividend withholding tax at a rate of 20 % and some interest and royalties are subject to a similar withholding. However, there is a wide range of exemptions from withholding. Dividend payments are not deductible from income that is subject to corporation tax. On the other hand dividends received from another Irish Company are not subject to corporation tax. A surcharge of 20 % is levied on undistributed investment or estate income of a closely held company or a company providing professional services. Losses may be carried forward indefinitely: back one year in the case of continuing business and back three years in the case of a discontinued business. A substantial change in the ownership of a company, combined with a change in the nature of the trade, may result in the restriction of these losses. There are no controlled foreign company rules and no general schemes of transfer pricing or thin capitalisation rules.

### VAT and excise duties

The standard VAT rate is 23 % as of 1<sup>st</sup> January 2012. A reduced rate of 13.5 % was not changed and applies to various services, newspapers, building work and household energy and fuels, a second reduced rate of 9 % applies to some activities in the tourism sector while a zero rate applies to basic food, children's clothing, children's footwear and books. There are also reduced rates specifically applicable to certain agricultural activities. In addition to excise duties levied on energy products, tobacco and alcohol Ireland also raises a carbon tax on certain fuels, a small flat rate tax on air travel (EUR3 per passenger per flight), and a tax on betting.

### Wealth and transaction taxes

Capital acquisitions tax is charged at a rate of 33 % on gifts and inheritances over a certain value, depending on the relationship of the beneficiary to the donor or deceased. The threshold values beyond which this tax must be paid have been steadily reduced in recent years (from EUR 542 544 for direct line in 2009 to EUR 225 000 from 6<sup>th</sup> December 2012 onwards). Stamp duty applies to sales, gifts, conveyances and leases of property. Rates of stamp duty ranging up to 6 % apply depending on whether property is for residential or non-residential purposes. There is a residential stamp duty rate of 1 % up to EUR 1 million and a 2 % rate on the excess. Shares and securities carry a fixed rate of 1 % while leases are subject to rates of 1 % to 12 % of the average annual rent depending on the amount, where the rent exceed EUR 30 000 per annum and the lease is for a period of more than 35 years. There is no net wealth tax.

### Other taxes

Until recently, there were few local taxes. Local authorities impose a levy on business, called rates, calculated as a percentage of the notional rental value of the business premises, and certain service charges. Domestic rates, which were assessed on the imputed rental value of domestic property, were abolished in 1977. In recent years small charges on dwellings have been reintroduced. From July 2013 a new Local Property Tax (LPT) will be introduced to replace existing charges on dwellings. The rate will be 0.18 % on the value of a residential property up to EUR1 million. For property valued at more than EUR 1 million the rate will be 0.18 % for the first EUR 1 million and 0.25 % on the balance. There are no income based reliefs, but it is possible for certain groups on low incomes to defer payment. Deferred LPT is subject to an annual interest rate of 4 %. New property bought before 1<sup>st</sup> January 2017 and second hand property bought during 2013 will be exempt until the end of 2016.

### Social contributions

Employers' contributions amount to 10.75 % of the salary, without any ceiling. A reduced employers' contribution rate of 8.5 % applies in respect of employees with earnings below EUR 352 per week. Both rates include a national training fund levy of 0.7 %. The rate for employees' pay-related-social-insurance (PRSI) contributions stands at 4 %. There is no longer an upper ceiling for this employee contribution, nor a low income exemption.. From 1<sup>st</sup> January 2013 the self-employed pay a 4 % PRSI rate on all income above EUR 5 000 per annum, with no annual ceiling, and a minimum payment of EUR 500 per year applies.

ITALY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	15.1	14.6	14.6	14.2	14.3	14.4	15.0	14.9	14.0	13.8	14.3	14.4	9	226.8
VAT	6.5	6.2	6.2	5.9	5.8	5.9	6.2	6.2	5.9	5.7	6.3	6.2	25	98.6
Excise duties and consumption taxes	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.1	1.9	2.1	2.0	2.1	26	33.6
Other taxes on products (incl. import duties)	2.7	2.5	2.6	2.5	2.9	2.7	3.0	3.0	2.9	3.0	2.9	3.0	2	46.9
Other taxes on production	3.4	3.5	3.5	3.4	3.3	3.5	3.6	3.6	3.2	3.0	3.0	3.0	4	47.7
Direct taxes	14.4	14.7	14.0	14.7	13.9	13.3	14.3	15.0	15.2	15.5	14.8	14.8	6	233.2
Personal income	11.4	11.0	10.6	10.5	10.4	10.4	10.9	11.3	11.7	11.7	11.7	11.5	5	181.8
Corporate income	2.4	3.2	2.7	2.3	2.4	2.3	2.9	3.3	3.1	2.5	2.4	2.3	16	35.8
Other	0.6	0.6	0.7	1.8	1.1	0.6	0.5	0.5	0.5	1.3	0.7	1.0	8	15.6
Social contributions	11.9	11.8	11.9	12.1	12.3	12.3	12.3	12.8	13.4	13.7	13.4	13.4	8	211.5
Employers'	8.3	8.3	8.3	8.6	8.6	8.6	8.5	8.8	9.2	9.3	9.2	9.2	4	145.1
Employees'	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.4	2.4	19	37.5
Self- and non-employed	1.4	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8	7	29.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>41.5</b>	<b>41.1</b>	<b>40.5</b>	<b>41.0</b>	<b>40.4</b>	<b>40.1</b>	<b>41.7</b>	<b>42.7</b>	<b>42.7</b>	<b>43.0</b>	<b>42.5</b>	<b>42.5</b>	<b>6</b>	<b>671.5</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	55.7	55.2	54.3	53.7	53.2	52.7	54.3	53.6	52.5	53.4	53.3	52.9	16	355.1
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	14.4	14.9	15.5	16.1	15.8	15.9	15.6	15.8	15.4	14.2	14.6	15.0	5	100.8
Social security funds	28.7	28.6	29.3	29.5	30.3	30.8	29.5	30.0	31.4	31.8	31.6	31.5	13	211.4
EU institutions	1.2	1.3	0.9	0.7	0.7	0.7	0.6	0.6	0.8	0.6	0.6	0.6	20	4.1
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.2	10.6	10.4	10.1	10.2	10.2	10.6	10.4	10.1	10.1	10.6	10.8	21	169.8
Labour	19.8	20.1	20.1	20.2	20.1	20.3	20.3	20.8	21.6	22.0	22.0	21.8	7	343.8
Employed	17.8	18.0	18.0	18.1	17.9	18.1	18.1	18.6	19.3	19.5	19.3	19.2	7	302.7
Paid by employers	9.9	10.0	10.1	10.3	10.3	10.4	10.3	10.6	10.7	10.9	10.7	10.7	4	169.5
Paid by employees	7.9	7.9	7.9	7.7	7.7	7.7	7.8	8.0	8.5	8.6	8.6	8.4	13	133.2
Non-employed	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.3	2.6	2.7	2.6	4	41.1
Capital	10.4	10.4	10.0	10.7	10.1	9.6	10.8	11.5	11.0	10.9	9.9	10.0	4	157.8
Capital and business income	8.1	8.2	7.4	8.3	7.5	7.2	8.3	9.0	8.8	7.9	7.5	7.4	3	117.5
Income of corporations	2.9	3.7	3.1	3.5	3.1	2.9	3.5	4.0	3.7	3.0	2.9	2.8	9	44.5
Income of households	1.9	1.3	1.2	1.0	1.0	1.1	1.3	1.3	1.4	1.3	1.1	1.1	5	17.7
Income of self-employed (incl. SSC)	3.3	3.2	3.1	3.8	3.5	3.3	3.5	3.7	3.7	3.5	3.5	3.5	1	55.4
Stocks of capital / wealth	2.3	2.2	2.6	2.3	2.5	2.4	2.5	2.5	2.2	3.0	2.4	2.6	6	40.3
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	3.2	3.0	2.9	3.0	2.8	2.8	2.8	2.7	2.5	2.7	2.6	2.8	9	43.9
Energy	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.0	1.9	2.1	2.0	2.1	8	33.1
Of which transport fuel taxes	:	:	:	1.8	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	15	
Transport (excl. fuel)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	9	10.3
Pollution/resources	0.04	0.04	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	19	0.5
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.9	1.8	1.9	1.8	2.1	2.0	2.1	2.0	1.8	2.2	1.8	2.1	5	33.2
Recurrent taxes on immovable property	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.6	0.6	0.6	0.7	13	10.3
Other property taxes	1.1	1.0	1.1	1.0	1.2	1.2	1.2	1.2	1.1	1.5	1.2	1.4	2	22.9
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	18.3	17.6	17.5	16.9	17.2	17.1	17.7	17.6	16.9	16.6	17.4	17.4	24	
Labour employed	42.0	42.1	41.9	41.6	41.6	41.1	40.9	42.3	42.9	42.5	42.7	42.3	2	
Capital	28.1	27.7	27.7	30.3	28.7	28.2	32.6	34.7	34.5	36.5	33.0	33.6		
Capital and business income	21.9	21.9	20.5	23.7	21.5	21.2	25.1	27.2	27.6	26.4	25.1	25.0		
Corporations	18.3	22.6	20.0	23.6	20.5	19.8	25.5	28.8	30.9	27.1	24.1	24.8		
Households	16.4	14.2	13.6	15.8	14.6	14.6	16.2	16.9	17.3	17.7	17.3	17.3		
<b>Real GDP growth (annual rate)</b>	<b>3.7</b>	<b>1.9</b>	<b>0.5</b>	<b>0.0</b>	<b>1.7</b>	<b>0.9</b>	<b>2.2</b>	<b>1.7</b>	<b>-1.2</b>	<b>-5.1</b>	<b>1.5</b>	<b>0.5</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Italy

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, the total tax-to-GDP (including social contributions) ratio stood at 42.5 % Italy's overall tax burden ranked sixth highest in the EU, exceeding the EU-27 average by 3.7 percentage points and the average for the euro area by 3.0 percentage points.

The share of indirect taxes on the total (33.8 %) lies below the EU-27 average (34.5 %) in 2011, reflecting a reliance on direct taxes (34.7 % vs. 33.2 % for the EU-27), the share of which however declined compared to 2010; the social contributions share was also lower than EU average (31.5 % vs. 33.5 % for the EU-27). Revenues from VAT reached 6.2 % of GDP which represents the third lowest level in the EU. In contrast, the comparatively high revenue from 'other taxes on production' is due to the IRAP business tax (see below).

Local government collects a fairly elevated share of revenue (15.0 %, fifth highest in the EU). The social security revenue share is above average and has been showing a marked upward trend.

### Taxation of consumption, labour and capital; environmental taxation; property taxation

ITR on consumption was in 2011 the fourth lowest in the EU, due also to a favourable VAT regime to housing<sup>(27)</sup>. However, substantial increases in excise duties and in VAT were introduced in the second half of 2011: on September 2011 the standard VAT rate increased 1 % (up to 21 %).

In contrast, Italy's ITR on labour is at 42.3 % the second highest in the EU. The ITR have brought its level again close to historical peaks<sup>(28)</sup>. Some recent reforms aimed at decreasing labour taxes have primarily focussed on lower income, and may therefore not visibly affect the ratio, which depends on the average tax burden across the entire income distribution. It is also worth noting that the IRAP tax partly falls on labour<sup>(29)</sup>.

In 2011 capital taxes yielded, as % of GDP, the fourth highest revenue in the EU. Furthermore, under the methodology used here, taxes and social contributions paid by the self-employed, a large group in Italy, are booked as capital income taxes<sup>(30)</sup>. Taxes on the stocks of capital or wealth, too, are in line with the EU-27 average (2.6 % of GDP). Property tax revenues in Italy in relation to GDP in 2011 (2.1 %) were also in line with the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.7 % of GDP whereas the EU-27 average stood at 1.3 %.

Italy had one of the highest levels of environmental taxation in the EU in the late 1990s, mainly on account of energy taxes. Environmental tax revenues subsequently declined markedly, as a percentage of GDP, and in 2010 just equalled the EU average. The 2011 increases in excise duties led to an increase of the environmental taxation-to-GDP ratio by 0.2 % of the GDP. Property tax revenues to GDP in 2011 (2.1 %) were in line with the EU-27 average. The share of revenues from recurrent taxes on immovable property amounted to 0.7 % of GDP whereas the EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

The years 2011 and 2012 were marked by a succession of tax measures, as reaction of the government to the financial markets crisis. Substantial reforms of consumption, property and, to a lesser extent, personal and business

<sup>(27)</sup> Strictly speaking, VAT paid on housing should not be counted in the ITR on consumption but as a tax on the capital stock. However, owing to statistical limitations, the data presented in this report attribute VAT paid on housing, for all countries, to consumption taxes. This tends to reduce the ITR on consumption for countries with a more favourable regime for housing (see methodology for details).

<sup>(28)</sup> In 1997 it peaked at 43.1%.

<sup>(29)</sup> Accordingly, our methodology allocates part of the tax revenue from IRAP to labour income. The remainder is attributed to the capital income of corporations or the self-employed. The December 2011 package introduced partial deductibility of certain labour costs from IRAP, notably for new hirings of women and persons aged up to 35.

<sup>(30)</sup> The number of self-employed is the fourth highest in the Union, exceeding the EU-27 average by about half.

taxation and social contributions have been adopted aiming to increase the share of indirect and property taxes in overall tax revenue.

As from 1 January 2012, excise duties increased sharply (by about 10 cents per litre on fuels) as well as the taxes on high-powered automobiles, private boats and aircraft. An annual tax on the amounts regularised under the 'Tax shield' amnesty was introduced. On September 2011 the standard VAT rate increased 1 % (up to 21 %), while as from July 2013 a further increase of 1% (up to 22 %) is foreseen.

Local tax on immovable property (IMU) has been increased (see below); properties held abroad, too, have been made subject to a 0.76 % tax on their value. The regional PIT surcharge has been raised by 0.3% and a temporary 3 % solidarity contribution on high incomes has been introduced. The withholding tax on capital income has been unified at 20 % and stamp duties on financial products apply. Correspondently, a tax on financial activities held abroad has been introduced (IVAFE see below). A new allowance for corporate equity (Aiuto alla Crescita Economica, ACE) -retroactive from 2011- applies to capital *increases* of corporations and even unincorporated businesses<sup>(31)</sup>. It aims at eliminating the tax advantage to debt over equity for new capital increases, and should thus contribute to reducing high leverage. In addition, the deductibility from IRAP of labour costs relating to women and employees below 35 years has been widened, to boost their low employment rates. Finally, taxes on insurance and financial services have been increased and the so-called "Tobin-tax" on financial transactions has been adopted (see below). As from 2013, Stability Law has significantly increased dependent children deductions (+19% for children over 3 years old, +36% for those up to 3 years old and +82% for children with disabilities).

## Main features of the tax system

### Personal income tax

PIT rates range from 23 to 43 %; the top rate applies to incomes above EUR 75 000<sup>(32)</sup>; the 3 % surcharge on income above EUR 300 000 applies until 2013<sup>(33)</sup>. Regions levy surcharges on the PIT, ranging from 1.23 to 1.73% (which could be further increased in case of regional healthcare deficit). Finally, most municipalities levy an additional surcharge of up to 0.9 %. PIT is withheld at source for salaried workers<sup>(34)</sup>. The tax credit on home restructuring expenses has increased from 36 to 50 % (of up to EUR 96 000 per property) until 30 June 2013<sup>(35)</sup>. Individuals earning professional and business income are also subject to the IRAP (see below). Professional fees paid by businesses and professionals are subject to a 20 % withholding tax.

As from 2012 all categories of capital income are subject to a 20 % final withholding tax except Government bonds taxed at a 12,5 %. As from 2009, 49.72 % of the earnings realised on qualified shareholdings are taxed at basic PIT rates; while capital gains on non-qualified shareholdings and bonds are taxed at 20 %. Stock options are taxed as ordinary professional income. As from 2012, individuals setting up a new business or professional activity may choose a 5 % substitute tax regime for the first five years or up to the age of 35. As from 2012, after the introduction of the municipal property tax (IMU), PIT is no longer charged on the immovable property used as main residence of the owner and on that at his disposal (and not rented).

PIT is charged on immovable property rental income on the basis of the higher between cadastral income and the rent received (subject to 5 % deduction); since 2011 landlords may opt for a substitute 21 % tax on rents (19 % in areas with a housing shortage).

<sup>(31)</sup> For the latter, a new government decree will specify how the allowance will be calculated

<sup>(32)</sup> The 1 point reduction of the two lower brackets (taxed at 23 % and 27 %) proposed in October 2012 has not been retained in the final text of the Stability Law as adopted in December 2012.

<sup>(33)</sup> Other surcharges of 5 and of 10 % apply to income of public employees and pensioners respectively above EUR 90.000 and EUR 150.000. These special contributions however are deductible from the income declared in the following years. TO MIPs and members of the Government contributions of 10% and 20% apply to income respectively above from EUR 90.000 to EUR 150.000 euro and above EUR 150.000 until the end of 2013 (DL n.138/2011 converted into Law n. 148/2011)

<sup>(34)</sup> In 2007, most allowances were replaced by tax credits, typically sliding-scale or subject to limits, of variable amount depending on the form of income, on personal circumstances and on admissible expenditure

<sup>(35)</sup> A deduction from PIT and CIT of 55 % of the costs for energetic requalification of existing buildings is granted until 30 June 2013 (DL n. 83/2012). As from 1 July 2013 this incentive is reduced to a deduction from PIT of 36%.



## Corporate taxation

The CIT (IRES) rate is at 27.5 %. Special regimes exist for investment and pension funds and for non-operating companies, for which a minimum taxable income is deemed, based on assets. IRAP is not deductible (except, from 2013, for the labour costs portion). A surcharge on the CIT of 10.5 % until 2013 applies to companies operating in the energy sector ('Robin Hood'). Resident companies are taxed on their worldwide income, non-resident entities (including partnerships) on income arising in Italy. Losses can be carried forward indefinitely and offset up to 80 % of taxable income. However losses incurred during the first three years of business activity are fully deductible. As from January 2008, net interest expenditure is deductible only up to 30 % of gross operating income (EBITDA); the excess may, under certain conditions, be carried forward for deduction in following years.

Inbound and outbound dividends are exempt from tax for 95 % of their amount. The 95 % capital gains are under some conditions (one-year holding period) exempted if the assets are covered by the PEX regime. Other types of capital gain are taxed as ordinary income, with an option to spread the tax due over four years. Both national and worldwide group consolidation can be opted under some conditions. Finally, companies located in depressed areas of the *Mezzogiorno* may apply for a tax credit on investments carried out in the 2007–2013 period.

The business tax (IRAP) is levied on net production value, i.e. the difference between the value of production and production inputs *excluding* most personnel and interest costs as well as losses on bad debts. The basic 3.9 % rate can be augmented or reduced by up to 0.92 percentage points by the Regions. IRAP raises more revenue than the CIT. Since 2007, social contributions, certain training costs on new employees, the costs of R&D and a basic amount for each employee have been made exempt. The 2012 Stability Law increased the deduction of labour costs for women and younger employees by EUR 13.500 and introduced a deduction of the labour costs portion of IRAP from CIT and PIT of employers. Special rules apply to SMEs and businesses in the *Mezzogiorno*.

## VAT and excise duties

The standard VAT rate increased by one point to 21 % in September 2011 and to 22 % as from July 2013. A 10 % rate applies to non-luxury housing, other foodstuffs, electricity, mineral oil, medicines and artistic performances while a super-reduced (4 %) rate applies to staple foodstuffs, newspapers and residential housing.

## Wealth and transaction taxes

No wealth taxes as such exist but stamp duties are levied on bank and securities accounts (increased from 0,1 to 0.15 % as from 2013)<sup>(36)</sup>. The replacement of the ICI by the new IMU results in significantly higher revenue owing to the hike in the cadastral values (+ 60 %) and also to the repeal of the 2008 exemption of main residences. Transaction taxes exist, applying e.g. on property transfers; stamp duties are due on official documents. As from 2012<sup>(37)</sup> two new taxes apply on the Value of the Immovable Property located abroad (IVIE) and on the Value of the Financial Activities held abroad (IVAFE) by Italian taxpayers. For properties located in the EU Member States and EEA countries, the IVIE is calculated on the cadastral value of the assets<sup>(38)</sup> at the same rate and condition applicable to IMU. IVAFE applies on the market value of the financial activity at the rate of 0.1 % in 2012 and 0.15 % in 2013. As from March 2013 the so-called 'Tobin-tax' on financial transactions applies on shares and derivatives on shares. In the case of shares, two rates of 0.1 and 0.2 % are applied, on the net value of the whole transaction, depending whether the securities are traded on regulated (transparent) markets or "over the counter" without any control by supervisory authorities. Only for 2013 the two rates will be respectively 0.12 and 0.22 %. In case of derivatives a fixed sums are due based on notional amount classes.

## Social contributions

Several compulsory contributions exist, depending on the type and size of the business and the characteristics of the employee. The aggregate rates range approximately from 40 to 45 % The December 2011 package introduced major changes and increased the pension contributions for the self-employed people.

<sup>(36)</sup> Lower saving accounts of individuals are exempted up to EUR 5000

<sup>(37)</sup> Article 13 of DL n. 201/2001 converted into Law n. 214/2001 and subsequently modified.

<sup>(38)</sup> For properties located in third countries the tax is calculated on the value resulting from the contract or, in the absence of this, on the market value.

LATVIA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.4	11.9	11.3	12.1	11.9	12.8	13.2	12.6	11.2	10.9	11.5	11.6	23	2.3
VAT	7.1	6.8	6.7	7.2	7.0	7.8	8.6	8.2	6.7	6.0	6.6	6.8	23	1.4
Excise duties and consumption taxes	3.5	3.1	3.1	3.3	3.5	3.6	3.3	2.9	3.2	3.7	3.5	3.4	11	0.7
Other taxes on products (incl. import duties)	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.8	0.6	0.5	0.4	0.4	25	0.1
Other taxes on production	1.4	1.6	1.1	1.1	1.0	0.9	0.8	0.7	0.6	0.8	0.9	1.0	15	0.2
Direct taxes	7.3	7.6	7.9	7.6	7.9	7.9	8.5	9.2	9.8	7.2	7.4	7.4	19	1.5
Personal income	5.6	5.6	5.6	5.8	6.0	5.7	6.1	6.1	6.4	5.4	6.1	5.6	16	1.1
Corporate income	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0	1.4	24	0.3
Other	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.2	0.2	0.3	0.4	23	0.1
Social contributions	10.0	9.3	9.4	8.9	8.7	8.4	8.8	8.7	8.3	8.5	8.4	8.6	21	1.7
Employers'	7.5	6.9	6.9	6.4	6.3	6.1	6.4	6.3	6.0	6.2	6.0	6.3	14	1.3
Employees'	2.5	2.4	2.4	2.4	2.4	2.3	2.4	2.4	2.2	2.3	2.3	2.2	21	0.4
Self- and non-employed	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>29.7</b>	<b>28.9</b>	<b>28.6</b>	<b>28.6</b>	<b>28.6</b>	<b>29.2</b>	<b>30.6</b>	<b>30.6</b>	<b>29.2</b>	<b>26.6</b>	<b>27.2</b>	<b>27.6</b>	<b>25</b>	<b>5.6</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	49.5	50.5	50.0	51.1	50.8	52.9	52.8	52.5	51.5	48.0	47.7	48.4	21	2.7
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	17.0	17.3	17.3	17.8	17.9	16.9	17.2	17.8	19.2	19.1	20.9	19.7	4	1.1
Social security funds	33.5	32.3	32.8	31.1	30.5	28.9	28.8	28.6	28.3	32.0	30.7	31.1	14	1.7
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	1.2	1.2	1.2	1.1	0.9	0.8	0.8	14	0.0
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.2	10.6	10.5	11.2	11.1	12.0	12.6	11.8	10.5	10.2	10.6	10.5	23	2.1
Labour	15.4	14.7	14.8	14.7	14.6	14.1	14.7	14.7	14.5	13.9	14.3	13.8	18	2.8
Employed	15.3	14.6	14.7	14.6	14.5	14.0	14.6	14.6	14.4	13.7	14.0	13.5	17	2.7
Paid by employers	7.5	6.9	6.9	6.5	6.4	6.1	6.4	6.3	6.0	6.2	6.1	6.3	15	1.3
Paid by employees	7.8	7.7	7.8	8.1	8.2	7.9	8.2	8.3	8.4	7.5	7.9	7.1	18	1.4
Non-employed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	21	0.1
Capital	3.1	3.6	3.3	2.8	2.9	3.0	3.3	4.1	4.2	2.6	2.4	3.2	25	0.7
Capital and business income	1.8	2.0	2.2	1.7	1.9	2.1	2.4	2.9	3.3	1.7	1.2	1.8	25	0.4
Income of corporations	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0	1.4	24	0.3
Income of households	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.3	18	0.1
Income of self-employed (incl. SSC)	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	27	0.0
Stocks of capital / wealth	1.4	1.5	1.1	1.1	1.0	0.9	0.8	1.1	0.9	0.9	1.2	1.4	16	0.3
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.4	2.2	2.3	2.5	2.6	2.7	2.4	2.1	2.0	2.3	2.4	2.5	16	0.5
Energy	1.9	1.7	1.8	2.0	2.1	2.2	2.0	1.7	1.7	2.1	2.0	1.9	15	0.4
Of which transport fuel taxes	:	:	:	:	:	2.2	2.0	1.7	1.7	2.0	2.0	1.9	6	
Transport (excl. fuel)	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.3	0.5	14	0.1
Pollution/resources	0.22	0.20	0.19	0.16	0.12	0.12	0.10	0.07	0.06	0.06	0.07	0.08	13	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.9	0.9	0.8	0.8	0.8	0.7	0.6	0.9	0.7	0.7	0.9	1.0	17	0.2
Recurrent taxes on immovable property	0.9	0.9	0.8	0.8	0.8	0.7	0.6	0.8	0.6	0.6	0.8	0.9	9	0.2
Other property taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	24	0.0
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	18.4	17.1	17.0	18.3	18.1	19.9	19.8	19.6	17.4	16.9	16.9	17.2	25	
Labour employed	36.7	36.5	37.8	36.6	36.7	33.2	33.1	31.0	28.4	29.2	33.1	32.0	18	
Capital	12.3	12.7	10.6	9.1	9.2	10.6	11.9	15.0	17.7	10.2	7.9	9.9		
Capital and business income	6.9	7.3	7.2	5.5	6.0	7.4	8.9	10.8	14.0	6.6	3.9	5.5		
Corporations	9.0	9.2	8.7	6.7	8.1	9.9	11.3	13.1	18.5	8.1	4.7	6.3		
Households	1.1	0.7	1.1	0.7	0.5	0.5	1.0	1.6	1.0	0.9	1.5	2.5		
Real GDP growth (annual rate)	6.1	7.3	7.2	7.6	8.9	10.1	11.2	9.6	-3.3	-17.7	-0.3	4.5		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Latvia

## Overall trends in taxation

### Structure and development of tax revenues

The overall tax burden (including social contributions) in Latvia amounted to 27.6 % of GDP in 2011, a value markedly below the EU-average (38.8 %). This tax-to-GDP ratio is the third lowest in the European Union after Lithuania (26.0 %), Romania (27.2 %) and Bulgaria (27.2 %).

The major share of total tax in Latvia is comprised of indirect taxes. In 2011 revenues from indirect taxes represented 42.1 % of total revenues, which is 7.6 % points higher than the EU-27 average. The largest share of indirect taxes is constituted by VAT receipts, which provide 24.6 % of total taxes revenues. Direct taxes account for only 7.4 % of GDP and 26.8 % of total taxation. In 2011, the share of direct taxes remained rather stable after significant drop by 6.5 % points in 2009 – a result of the PIT rate reduction and collapsing corporate income tax revenues. In 2010, personal income tax revenues picked up, due to a PIT rate hike, while corporate income tax fell further, resulting in an overall slight increase in direct tax revenues in % of GDP. In 2010 and 2009 the share of CIT revenue in total taxation decreased considerably, possibly due to the introduction of an Allowance for Corporate Equity in 2009. The stabilisation of direct tax revenues in 2011 despite a PIT tax decrease was thanks to increasing corporate income tax revenues. Social contributions in relation to GDP are clearly below the European average (8.6 % vs. 12.7 %); the majority of them being paid by employers – as in the majority of the Member States.

While having no fiscal autonomy, local governments ultimately receive 19.7 % of the total tax revenues, an almost double value than the EU-27 average (10.8 %). Since 2006, the bulk of local government receipts are obtained through a majority share of PIT revenue (80 % in 2013).

In the 2002-2007 period tax revenues in percent of GDP increased from 28.6 % to 30.6 %. This upward trend was interrupted in 2008 when the total tax ratio decreased by 1.4 percentage points and dropped considerably in 2009 when it reached its lowest value on record since 1995, 26.6 % of GDP. In 2010 the combined effect of tax rate hikes and stabilisation in economy led to increase in proceeds from value added tax and personal income taxation and the total tax revenue in 2010 stood at 27.2 % of GDP. In 2011 total tax revenues increased to 27.6% of GDP, despite a PIT rate decrease, mainly reflecting the improving economic conditions. The huge economic swings over the last decade, have also left their traces on the Latvian tax revenues, despite a relatively low revenue sensitivity.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The level of Latvian taxes on consumption as a share of GDP at 10.5 % is among the lowest in the European Union. As in other Member States VAT revenues are the most important component amount to more than 60% of the overall indicator's value. The implicit tax rate (ITR) on consumption was growing up in the period of 2003-2005 then the trend turned down reaching the lowest value of 16.9 % in 2009, despite a considerable increase in VAT rates (+3 pp of standard rate and +5pp for reduced rates). In 2011 it stood at 17.2 %, partly reflecting the further increase in VAT rates in that year. Despite VAT rates above EU-27 average, the ITR on consumption is almost three percentage points below the EU-27 average.

At 13.8% of GDP, Latvia's tax burden on labour is six percentage points below the EU-27 average. This is mostly due to much lower than average PIT revenues, but also social contributions of both employers and employees are below EU-27 average. Low labour tax burden is reflected in the ITR on labour which is, at 32.0 %, 3.8 percentage points below the EU-27 average. It has declined significantly, by more than nine percentage points, from its peak in 2002 to its lowest value of 28.4 % in 2008 when the trend turned upward due to the increase of the personal income tax rate by 3 % as from January 2010. The 2011 PIT reduction of one percentage point is reflected in the ITR on labour which decreased by 1.1 percentage points to 32.0%.

After a five-year decreasing phase and a 9.1 % trough in 2003 reflecting continuous CIT rate cuts, the ITR on capital trended upwards in 2004-2008, reaching 17.7 % in 2008 boosted by very high growth. In 2009, however, owing to the slump and the increasing number of insolvent companies, it dropped sharply by more than seven percentage points. The decline continued in 2010 when tax revenue from income of corporations yielded only 1.0 % of GDP and the ITR on capital represented one of the lowest rates in the EU at 7.9%, as the EU-25 average is 28.5 %. The 2011 rebound of the ITR on capital to 9.9% was due to an increased ITR on corporations. The ITR on capital income of households and the self-employed (2.5 % in 2011) is well below the EU-25 average (16.7 %).

Since 2008 the revenue from environmental taxes has increased and was at 2.5 % of GDP in 2011 in line with the European average. As in the majority of Member States, it is mostly concentrated on energy taxes levied on transport fuel. Property tax revenues in Latvia in relation to GDP in 2011 (1.0 %) were well below the EU-27 average of 2.1 %. The property tax represented 3.5% of the total tax revenue in 2011, which is below the EU average (5.3%). The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.9 % of GDP whereas the corresponding EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

In addition to significant revenue raising reforms in 2011, the 2012 budget included further tax increases such as of the various taxes on gambling by 15 %, the increase for the annual financial stability duty rate from 0.036 % to 0.072 %, the broadening the of VAT base and the broadening of the base and also the rate for real estate taxation.

To fight tax avoidance and tax evasion the law on Individual Declaration of Property and Reporting of Undeclared Income (so called 'zero declaration') was adopted. It introduces the possibility to declare previously undeclared taxable income and is aimed at improving the oversight over an individual's financial position, in particular, the adequacy of expenses incurred and the payment of taxes, and the legality of income derived.

To increase the country's competitiveness, the 3-year strategy to lower personal income tax from 25 % to 20 % has been adopted. The first step of lowering the PIT rate to 24 % already entered into force on 1 January 2013; furthermore the exemption for dependants will be increased from LVL 70 (EUR 100) to LVL 80 (EUR 115) from 1 July 2013. In contrast to previous announcements the authorities decided a more gradual restoration of state contributions to the mandatory private pension scheme, to 4 % in 2013, 5 % in 2015 and 6 % in 2016. At the same time, the standard VAT rate was lowered from 22 % to 21 % on 1 July 2012. The changes to the real estate tax law that broaden the range of applicable rates and give local authorities flexibility in choosing appropriate rates and allow for tax reductions for families with many children entered into force on 1 January 2013.

## Main features of the tax system

### Personal income tax

Since 2013 the personal income tax rate in Latvia is 24 % (before 25 %). A 15 % tax rate is applying to capital gains and a 10 % tax rate to other income from capital (e.g. dividends, interest payments and income from pension and life insurance funds and income from disposal of growing wood or timber) and also on income analogous to dividends (income derived by an owner of a sole proprietorship, which is subject to corporate income tax, from distribution of its current-year and retained previous-year's earnings).

Latvian residents are taxed on annual employment income and any other worldwide income; non-residents are taxed only on income sourced in Latvia. Furthermore, the income obtained as a result of inheritance is tax exempt, except for author's copyrights. All pension payments determined under the State Pensions law are taxable to the extent that they exceed LVL 1 980 (EUR 2 839) per year.

Gains from the sale of immovable property are not taxed if the property has been in that individual's ownership for at least 5 years and has, for at least the immediately preceding 12 months, been that individual's registered private residence.

## Corporate income tax

The corporate income tax rate fell gradually during 2001-2004 from 25 % to 15 %. The tax is levied on the income of resident companies (with some exemptions) and of non-resident companies operating through a permanent establishment in Latvia. Dividends are exempt from tax if received from domestic subsidiaries or subsidiaries in EEA countries. Dividends received from entities in third countries also are exempt if the Latvian company holds more than 25 % of the capital. Interest income paid out to a corporate non-resident related party is subject to a final 10 % withholding tax (5 % if paid by a bank). Otherwise, interest income paid to non-residents is not subject to the withholding tax. In the case where a company is not distributing dividends partially or fully, taxable income is reduced by the amount of interest, which the company would have to pay for an equal loan. CIT allowances for large investments (defined as LVL 3 million (EUR 4.3 m) or more) are available to tax payers that have invested in supported priority sectors. The tax allowance is 25 % for the initial long-term investments up to LVL 35 million (EUR 50.2 m) and 15 % for the investments exceeding LVL 35 million.

The law on 'Micro-Enterprise Tax' enables small businesses (criteria: turnover doesn't exceed LVL 70 000 (EUR 100 387), maximum number of employees/board members is 5) to pay flat-tax rate of 9 % on their turnover. It includes state social contributions, the personal income tax, the corporate income tax and business risk charge for micro-enterprise employees. If micro-enterprise's turnover is more than LVL 70 000, the excess part is taxable at 20 % tax rate.

## VAT and excise duties

The standard rate of value added tax is 21 % since 1 July 2012 (22 % before), and the reduced rate is 12 %. Furthermore the reduced rate is applicable only on the following transactions: supplies of medicines, medical devices and medical goods, specialized products intended for infants, the inland public transport services, supply of heating to households and guest accommodation services.

Excise tax is imposed on oil products, gas, tobacco products, alcoholic and non-alcoholic beverages and coffee. The minimal level of the excise tax for cigarettes is LVL 52 (EUR 75.69) for 100 cigarettes; the excise tax rate for wine, fermented drinks and intermediate products with the absolute concentration not in excess of 15 % is LVL 45 (EUR 64.50), for soft drinks is LVL 5.2 (EUR 7.45). The rate of excise tax for gas oil is LVL 40 (EUR 57) per 1 000 liters used for heating, and at the rate of LVL 234 (EUR 336) per 1 000 liters of gas oil used as car fuel.

## Wealth and transaction taxes

A property tax is applicable to land, buildings and engineering constructions based on the cadastral value of land and buildings. As from 2013 local municipalities are delegated to determine the tax rate within the scope of the tax rate corridor (0.2-3 %) provided by law: As a general rule tax rates should be set within the 0.2 – 1.5 % limits, in case a real estate is not maintained according to the procedure provided by law – within 1.5 – 3.0 % limits. There is a duty on the registration of the title to immovable property. The person requesting registration of ownership is liable to a 2 % stamp duty up to the limit of LVL 30 000 (EUR 43 023), based on the property value.

## Social contributions

Since 1995, a pension system based on the concept of notional defined-contribution (NDC) accounts is in force. Unlike in the previous PAYG system, the benefits are calculated on the basis of a person's contributions to a notional individual account, utilising a rate of return determined by the government taking into account economic and demographic indicators. No real funds are accumulated into the accounts, and financing the current cohort of retirees is based on payroll contributions. The contribution rate is 35.09 %. This rate includes the 24.09 % rate that falls to employers and the 11.0 % rate payable by employees (increased by 2 % in 2011). The rate for the self-employed is marginally lower (32.46 %). The minimum taxable base for the self-employed is twelve times the minimum monthly wage (LVL 2 400 or EUR 3 442).

LITHUANIA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.6	12.2	12.4	11.7	11.2	11.3	11.4	11.9	11.9	11.8	12.1	11.9	21	3.7
VAT	7.5	7.3	7.3	6.7	6.4	7.1	7.6	8.1	8.0	7.4	7.9	7.9	13	2.4
Excise duties and consumption taxes	3.2	3.3	3.2	3.3	3.0	2.9	2.9	2.9	3.0	3.5	3.3	3.1	16	0.9
Other taxes on products (incl. import duties)	1.2	1.0	1.2	1.1	1.1	0.8	0.4	0.4	0.4	0.4	0.4	0.4	22	0.1
Other taxes on production	0.6	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.5	0.5	0.4	25	0.1
Direct taxes	8.4	7.8	7.4	7.9	8.7	9.0	9.5	9.2	9.3	6.0	4.7	4.4	27	1.4
Personal income	7.7	7.2	6.8	6.5	6.8	6.8	6.8	6.6	6.5	4.1	3.6	3.5	24	1.1
Corporate income	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0	0.8	27	0.3
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	26	0.0
Social contributions	9.3	8.9	8.6	8.5	8.3	8.1	8.4	8.5	8.9	11.6	10.3	9.8	17	3.0
Employers'	8.4	8.0	7.7	7.6	7.5	7.3	7.5	7.6	8.0	8.6	7.6	7.3	9	2.2
Employees'	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.9	2.6	2.3	2.2	20	0.7
Self- and non-employed	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.3	21	0.1
Less: amounts assessed but unlikely to be collected	0.3	0.3	0.2	0.1	0.1	0.0	0.1	0.0	0.1	0.2	0.1	0.1		
<b>TOTAL</b>	<b>30.0</b>	<b>28.6</b>	<b>28.3</b>	<b>28.0</b>	<b>28.1</b>	<b>28.4</b>	<b>29.2</b>	<b>29.5</b>	<b>30.1</b>	<b>29.2</b>	<b>27.0</b>	<b>26.0</b>	<b>27</b>	<b>8.0</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	42.3	42.8	53.6	54.1	53.2	53.8	54.3	53.0	51.0	47.6	49.1	51.2	18	4.1
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	20.2	20.0	9.8	9.3	9.9	9.7	9.7	10.2	11.3	11.9	11.8	10.2	13	0.8
Social security funds	37.5	37.3	36.6	36.6	36.2	35.1	34.8	35.5	36.1	39.1	37.9	37.4	7	3.0
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	1.3	1.2	1.4	1.5	1.4	1.2	1.2	2	0.1
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.7	11.5	11.6	11.0	10.5	10.7	10.8	11.3	11.3	11.1	11.5	11.3	17	3.5
Labour	16.4	15.5	14.8	14.5	14.5	14.3	14.4	14.0	14.5	14.9	13.3	12.7	19	3.9
Employed	16.1	15.3	14.7	14.3	14.4	14.1	14.2	13.8	14.3	14.8	13.2	12.6	19	3.9
Paid by employers	8.4	8.0	7.8	7.7	7.5	7.3	7.5	7.6	8.0	8.6	7.7	7.3	11	2.3
Paid by employees	7.7	7.3	6.9	6.6	6.8	6.8	6.7	6.2	6.3	6.2	5.5	5.3	25	1.6
Non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	25	0.0
Capital	2.2	1.9	2.0	2.6	3.1	3.3	4.1	4.3	4.3	3.3	2.4	2.1	27	0.6
Capital and business income	1.3	1.1	1.2	1.9	2.5	2.8	3.5	3.7	3.8	2.7	1.7	1.5	27	0.5
Income of corporations	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0	0.8	27	0.3
Income of households	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.6	0.5	0.2	0.2	0.2	22	0.1
Income of self-employed (incl. SSC)	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.6	0.5	0.6	0.5	0.4	25	0.1
Stocks of capital / wealth	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.7	0.6	0.6	25	0.2
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.5	2.6	2.8	2.8	2.7	2.3	1.8	1.8	1.6	2.0	1.9	1.7	26	0.5
Energy	1.7	1.8	2.0	2.0	1.8	1.7	1.6	1.6	1.5	1.9	1.8	1.6	22	0.5
Of which transport fuel taxes	:	:	:	:	1.7	1.7	1.6	1.6	1.5	1.9	1.8	1.6	13	
Transport (excl. fuel)	0.7	0.7	0.7	0.7	0.8	0.5	0.1	0.1	0.0	0.0	0.0	0.0	27	0.0
Pollution/resources	0.05	0.07	0.08	0.07	0.09	0.08	0.07	0.06	0.06	0.07	0.03	0.05	16	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	25	0.1
Recurrent taxes on immovable property	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.3	22	0.1
Other property taxes	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	21	0.0
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	18.0	17.5	17.9	17.0	16.1	16.5	16.7	17.8	17.7	16.5	17.6	17.5	23	
Labour employed	41.1	40.3	38.2	36.8	35.8	34.8	33.3	32.2	32.3	32.9	31.7	32.0	17	
Capital	6.8	5.6	5.6	7.2	8.6	9.1	11.9	12.5	13.7	11.5	7.1	5.5		
Capital and business income	4.0	3.3	3.4	5.3	6.7	7.5	10.2	10.9	12.0	9.2	5.2	3.9		
Corporations	4.0	2.5	2.6	5.7	7.3	8.0	10.8	9.8	11.1	8.2	3.7	2.7		
Households	1.9	2.0	1.9	1.9	2.3	2.7	3.3	6.0	5.6	3.9	3.3	3.1		
<b>Real GDP growth (annual rate)</b>	<b>12.3</b>	<b>6.7</b>	<b>6.8</b>	<b>10.3</b>	<b>7.4</b>	<b>7.8</b>	<b>7.8</b>	<b>9.8</b>	<b>2.9</b>	<b>-14.8</b>	<b>1.4</b>	<b>6.1</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Lithuania

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, Lithuania exhibits the lowest total tax burden at 26.0 % of GDP (including social contributions) in the EU. Compared to the two other Baltic countries the Lithuanian tax-to-GDP ratio is close to that of Latvia (27.6 %), but 6.8 percentage points lower than the one of Estonia (32.8 %).

In terms of revenue structure, Lithuania relies most on indirect taxes (11.9 % of GDP and 45.6 % of total taxation). VAT revenue in GDP terms has been stable at 7.9 % in 2010 and 2011 while revenue from excise duties and consumption taxes decreased during last two years (from 3.5 % in 2009 to 3.3 % in 2010 and further reduction to 3.1 % in 2011). At the same time, the ratio of direct taxes to GDP continued to decrease for the fourth year in a row (9.3 % in 2008 to 4.4 % in 2011) leading the country to have the lowest share of direct taxation in the EU-27. This development is due to the revenue fall from personal income taxes (from 6.5 % in 2008 to 3.5 % in 2011) and the significant decrease in corporate income taxes (from 2.7 % in 2008 to 0.8 % in 2011). Personal income taxes in GDP terms declined considerably by 54 % from 7.7 % in 2000 to 3.5 % in 2011 due to significant cuts in the flat PIT rate from 33 % to 15 % in the same period. Also revenue from social contributions decreased by 0.5 percentage points of GDP from 10.3 % (2010) to 9.8 % (2011). This development is due to a drop in employers' and employees' contributions from 7.6 % to 7.3 % and from 2.3 % to 2.2 % respectively.

In Lithuania, the proportion of total tax revenue received by central government of 51.2 % in total taxation lies in 2011 slightly above the EU-27 weighted average (49.1 %). The local government receives 10.2 % of total tax revenue, which is below EU-27 weighted average (10.8 %). In Lithuania 37.4 % of total tax revenue is received by the social security funds; this contribution is the seventh highest among the EU Member States.

By observing the development of the tax-to-GDP ratio in Lithuania, one realises that despite remarkable economic growth from 2000 to 2007 the overall tax burden decreased slightly from 30.0 % to 29.5 % in the same period. Since then the tax-to-GDP ratio has declined significantly by reaching 26 % of GDP in 2011, which is the lowest value in the EU.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Consumption tax revenue in percentage of GDP decreased moderately from 11.5 % in 2010 to 11.3 % in 2011. The ITR on consumption was 17.5 %, which is the fifth lowest among EU Member States.

Overall, labour taxes are the most important revenue source for the Lithuanian budget and bring in 48.8% of all tax revenues. The share of labour taxes as a percentage of GDP declined by 0.6 percentage points from 2010 to 2011. At the same time, however, the ITR on labour increased from 31.7 % to 32.0 %. At this level the ITR on labour is slightly below EU weighted average (35.8 %), although it decreased steadily from its 41.1 % peak in 2000, due notably to the increase in basic tax allowances and the successive cuts in the PIT rate.

In Lithuania, taxes on capital to GDP are the lowest in the EU, yielding only 26 % of the EU-27 weighted average (2.1 % versus 8.0 % for the EU-27). In addition, the share of capital taxes decreased significantly from 3.3 % (2009) to 2.1 % in 2011 due to the cuts in the standard CIT rate and in the reduced rate for small companies. Tax revenue from capital stocks is also one of the lowest in the EU-27. All of this is reflected in the Lithuanian ITR on capital, a ratio which decreased substantially by 6.0 percentage points from 11.5 % in 2009 to 5.5 % in 2011.

At 1.7 % of GDP, revenue from environmental taxation is the second lowest in the EU, due in particular to transport taxes which are the lowest in the EU-27. Compared to the 2000 level, environmental revenue declined in 2011 by 32 % from 2.5 % to 1.7 % in GDP terms.

Property tax revenues in Lithuania in relation to GDP in 2011 (0.5 %) were the third lowest in the EU (EU-27 weighted average of 2.1 %). The property tax represented 1.8 % of the total tax revenue in 2011, which is far below the EU weighted average (5.3 %). The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.3 % of GDP whereas the corresponding EU-27 weighted average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

After significant reforms in 2006, 2008 and 2009 Lithuania introduced some tax policy changes during 2011. From 1 January 2012 the VAT registration threshold was increased from LTL 100 000 (EUR 29 000) to LTL 155 000 (EUR 45 000). The application of a 5 % reduced VAT rate on medicines was prolonged until the end of 2012; similarly, the 9 % reduced rate for residential heating was extended to 31 December 2012 (see VAT). With effect from 1 January 2011 the excise duty applicable to gas oil used as motor fuel was increased from EUR 274.27 to EUR 302.07 per 1 000 l. Likewise, from 1 March 2012 the excise duty for cigarettes was increased from EUR 64 to EUR 67.19 per 1 000 cigarettes and for cigars and cigarillos from EUR 23.16 to EUR 24.32 per kilogram of the product. As from 1 January 2012 Lithuania broadened the immovable properties tax base and introduced an annual property tax of 1 % on properties for individuals whose value exceeds LTL 1 million (EUR 290 000) calculating tax on value exceeding LTL 1 million. Regarding corporate taxation, the threshold of the maximum annual income of small companies with up to 10 employees subject to a lower rate of 5 % was increased from LTL 500 000 (EUR 145 000) to LTL 1 million (EUR 290 000).

## Main features of the tax system

### Personal income tax

In the Lithuanian tax system, income tax is imposed separately on different categories of income. The taxpayer may however elect to group the income across different categories (with the exception of business income taxed under lump-sum taxation) in order to apply personal deductions or allowances. Several categories of income (various types of pensions, certain insurance benefits, inheritance and gifts, some interest income, mariners' income, small agricultural income, scholarships etc.) are exempt from taxation under specific conditions. Capital income is taxed at 15 % of gross receipts. Capital gains are in principle subject to the general 15 % rate; however, various exemptions exist for capital gains on shares. Gains on disposal of immovable property are exempt if the owner has held the property for at least three years (two if the sale relates to the main dwelling of the taxpayer or if the proceeds are used within one year to acquire residential property in Lithuania or another EEA country). Dividend income is taxed at a 20 % (instead of 15 %) rate, but royalties continue to be taxed at 15 %. Rental income from immovable property is taxed at a rate of 15 % on the gross amount.

The 2009 reform restructured tax allowances. The basic tax exempt amount is LTL 5 640 (EUR 1 633) per year, if the annual taxable income of individuals does not exceed LTL 9 600 (EUR 2 780) per year and applies to employment income only; it is determined on a sliding scale, declining as income increases. No basic personal allowance is granted to employees earning more than LTL 3 150 (EUR 910) monthly. An additional personal allowance applies to taxpayers with minor children. For the first child the monthly amount is LTL 100 and for the second and each additional child LTL 200. If both parents raise the child(ren), the allowance is divided evenly between the parents.

A taxpayer may obtain a "business certificate" for certain types of independent activities (e.g. private accommodation services, barber and beauty shop services, handicrafts, translation). The income earned in this way is subject to a lump-sum tax, the amount of which depends upon the type of activity. By the end of 2010 the Lithuanian Parliament adopted changes in the tax law concerning the rate of personal income tax applied on self-employed income excluding professional occupations. This rate was reduced from 15 % to 5 % and is applied on profits derived from individuals' business activities like production (agriculture included), trade or various services.

### Corporate taxation

The CIT rate was progressively reduced from 29 % in 1995 to 15 % now, although there was a temporary increase in 2006, 2007 and 2009. Small companies with up to 10 employees and taxable income not exceeding



LTL 1 000 000 — approximately EUR 290 000 (as from 1 January 2012) — benefit from a lower 5 % rate. From 2009 to 2013, an up to 50 % reduction in taxable profit, subject to conditions, has been granted to firms acquiring assets such as plant and machinery, structures, ICT equipment, and rights on intangible assets. Companies employing 20 % or more disabled persons also benefit from generous tax credits.

Lithuania adopts a modified classical system whereby dividends are taxed both at the level of the company and in the hands of the shareholder, in the case of a physical person. CIT is applied to all types of registered commercial enterprises, including sole proprietorships and partnerships, but a tonnage tax regime exists. Dividends distributed to another company are subject to the 15 % CIT rate, withheld by the distributing company, unless participation exemption applies. A 10 % withholding tax is applied to interest (with some exceptions) and royalties. Trading losses can be carried forward for five years. Both straight-line and declining-balance depreciation are permissible. Since 2007, capital gains on shares of EEA-registered entities, or countries having a tax treaty with Lithuania, are exempt if they are subject to corporate income taxation and the transferring entity has held more than one quarter of the capital for two years.

### VAT and excise duties

After an increase by two points in standard VAT rate to 21 % as from 1 September 2009 an extension of reduced VAT rates was adopted in 2011. The temporary arrangement, whereby a 9 % reduced rate applies to books and non-periodical publications, has been extended for an indefinite period. The 5 % reduced VAT rate applicable to medicines was prolonged until the end of 2012; similarly, the 9 % reduced rate for residential heating was extended to 31 December 2012. The temporarily introduced (in 2011) reduced rate of 9 % on accommodation services was abolished as from 1 January 2012.

With effect from 1 January 2011 the excise duty applicable to gas oil used as motor fuel was increased from EUR 274.27 to EUR 302.07 per 1 000 l. Similarly, with effect from 1 March 2012, the excise duty applicable for tobacco products was increased: for cigarettes from EUR 64 to EUR 67.19 per 1 000 cigarettes and for cigars and cigarillos from EUR 23.16 to EUR 24.32 per kilogram of the product.

### Wealth and transaction taxes

Land tax is levied at 1.5 % of land value, while an immovable property tax ranges between 0.3 % and 1 % but applies only to legal persons or premises used for economic activities. With effect from 1 January 2012 Lithuania introduced an annual property tax of 1 % on properties for individuals whose value exceeds LTL 1 million (EUR 290 000). Inheritance tax is levied at 5 % and 10 %, while gifts are taxed under the PIT. There is no net wealth tax.

### Other taxes

A pollution tax is applied on emissions from stationary and mobile sources (automobiles equipped with an exhaust emission neutralisation system are exempt), certain goods (e.g. batteries, mercury lamps), as well as packaging. The rate depends on the specific pollution-related indices determined by state institutions. There is also a tax on natural resources.

### Social contributions

The basic social insurance contribution is currently 30.8 % of which 27.8 % are contributed by employer and 3.0 % by employee. A basic health insurance of 9 % in total applies to employer (3 %) and to employee (6 %). The general rate for the insurance covering professional diseases and accidents at work stands at 0.3 %, but three special groups exist which are subject to different rates. With effect from 1 August 2012 the relief in social contributions in respect of first-time employees will be abolished. The relief refers to all individuals, who are employed under a labour contract for the first time from 1 August 2010 until 31 July 2012. Under condition that their gross monthly salary does not exceed three times the minimum statutory monthly salary (i.e. the amount of LTL 2 400 or EUR 695), they are not subject to pension insurance contribution paid by the employers and employees (23.3 % and 3 % respectively) for a period that does not extend one year.

LUXEMBOURG	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	14.0	13.6	13.0	12.6	13.5	13.4	12.8	12.6	12.6	12.7	12.1	12.0	19	5.1
VAT	5.6	5.8	5.8	5.7	6.1	6.2	5.8	5.7	6.3	6.7	6.3	6.3	24	2.7
Excise duties and consumption taxes	4.5	4.2	4.4	4.3	4.6	4.2	3.8	3.6	3.7	3.6	3.3	3.3	13	1.4
Other taxes on products (incl. import duties)	1.5	1.3	1.1	1.1	1.1	1.2	1.1	1.3	1.0	0.8	0.8	0.8	16	0.3
Other taxes on production	2.3	2.2	1.7	1.5	1.7	1.9	2.0	2.0	1.6	1.6	1.7	1.5	9	0.7
Direct taxes	15.0	15.3	15.4	14.8	13.1	13.7	13.2	13.2	14.2	14.8	14.5	14.1	7	6.0
Personal income	7.2	7.0	6.4	6.5	6.7	7.1	7.5	7.1	8.1	8.1	7.9	8.3	10	3.5
Corporate income	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.4	5.8	5.8	5.0	3	2.1
Other	0.9	0.9	1.0	0.9	0.8	0.8	0.7	0.7	0.8	0.9	0.8	0.8	13	0.4
Social contributions	10.1	10.9	10.9	10.8	10.7	10.4	9.9	9.9	10.6	11.7	10.9	11.1	15	4.7
Employers'	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.5	5.0	4.7	4.8	21	2.0
Employees'	4.5	4.9	4.8	4.7	4.5	4.6	4.4	4.5	4.9	5.3	5.0	5.1	5	2.2
Self- and non-employed	1.2	1.3	1.3	1.3	1.6	1.3	1.2	1.2	1.2	1.4	1.2	1.2	13	0.5
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>39.2</b>	<b>39.8</b>	<b>39.3</b>	<b>38.1</b>	<b>37.3</b>	<b>37.6</b>	<b>35.9</b>	<b>35.6</b>	<b>37.5</b>	<b>39.2</b>	<b>37.5</b>	<b>37.2</b>	<b>11</b>	<b>15.9</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	67.7	66.5	66.1	65.8	66.5	67.9	68.1	68.0	67.3	65.9	66.9	66.0	11	10.5
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	5.7	5.6	6.1	5.9	4.9	4.4	4.4	4.5	4.5	4.5	4.4	4.7	20	0.7
Social security funds	25.1	26.8	27.1	27.6	28.0	27.1	27.0	27.0	27.7	29.2	28.4	28.9	15	4.6
EU institutions	1.4	1.1	0.8	0.7	0.5	0.5	0.6	0.6	0.5	0.4	0.4	0.4	25	0.1
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	10.7	10.6	10.7	10.6	11.3	10.9	10.1	9.8	10.5	10.9	10.1	10.2	25	4.3
Labour	15.1	15.8	15.1	15.1	15.0	15.1	14.6	14.7	16.0	17.1	16.2	16.6	15	7.1
Employed	13.8	14.6	14.0	13.8	13.6	13.8	13.3	13.4	14.6	15.6	14.9	15.2	15	6.5
Paid by employers	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.5	5.0	4.7	4.8	23	2.0
Paid by employees	9.4	9.8	9.2	9.1	8.9	9.3	9.0	9.2	10.1	10.6	10.2	10.4	9	4.5
Non-employed	1.3	1.2	1.1	1.2	1.4	1.3	1.2	1.3	1.3	1.4	1.3	1.4	10	0.6
Capital	13.3	13.4	13.5	12.5	11.1	11.5	11.2	11.2	11.0	11.2	11.1	10.5	1	4.5
Capital and business income	9.1	9.5	10.2	9.6	8.1	8.2	7.8	7.6	8.1	8.5	8.4	7.7	2	3.3
Income of corporations	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.4	5.8	5.8	5.0	3	2.1
Income of households	0.8	0.9	0.8	0.9	0.9	1.1	1.6	1.1	1.4	1.3	1.3	1.3	2	0.6
Income of self-employed (incl. SSC)	1.4	1.3	1.3	1.3	1.5	1.3	1.3	1.3	1.4	1.4	1.3	1.4	12	0.6
Stocks of capital / wealth	4.2	3.9	3.3	2.9	3.0	3.3	3.4	3.6	2.9	2.7	2.8	2.7	5	1.2
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.8	2.8	2.8	2.8	3.1	2.9	2.6	2.5	2.6	2.6	2.4	2.4	18	1.0
Energy	2.7	2.7	2.6	2.7	2.9	2.8	2.5	2.4	2.5	2.4	2.2	2.2	5	1.0
Of which transport fuel taxes	:	:	:	2.6	2.9	2.8	2.5	2.3	2.4	2.3	2.2	2.2	3	
Transport (excl. fuel)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	24	0.1
Pollution/resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	24	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.9	1.7	1.5	1.4	1.3	1.4	1.4	1.5	1.3	1.2	1.1	1.2	9	0.5
Recurrent taxes on immovable property	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.0
Other property taxes	1.8	1.6	1.4	1.3	1.3	1.3	1.3	1.5	1.2	1.1	1.0	1.1	4	0.5
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	23.0	22.6	22.6	23.8	25.4	26.3	26.4	27.1	27.1	27.4	27.1	27.2	3	
Labour employed	29.9	29.6	28.4	29.2	28.9	30.0	30.4	31.1	31.2	31.3	31.5	32.8	15	
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	8.4	2.5	4.1	1.5	4.4	5.4	5.0	6.6	0.8	-5.3	2.7	1.6		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Luxembourg

## Overall trends in taxation

### Structure and development of tax revenues

At 37.2 %, the tax-to-GDP ratio in Luxembourg was below the EU-27 average (38.8 %) in 2011. This ratio was also lower than in the three neighbouring countries — Belgium, France and Germany.

Direct tax revenues, which were, as a percentage of GDP, 1.3 percentage points above the EU average in 2011, have been on an upward trend in recent years. Despite relatively low rates the revenues from CIT (5.0 %) are among the highest in the EU (2.5 %), which is partly due to the importance of the financial sector in the economy and the high degree of openness of the economy leading to substantial earnings from cross-border trade. PIT revenues (8.3 %) are slightly below the EU-27 average (9.1 %). Revenues from indirect taxes as a percentage of GDP overall lay 1.4 percentage points below the EU average. VAT revenue is among the lowest in the EU owing to moderate nominal VAT rates. Revenues from social contributions paid by employees (5.1 %) are relatively high, while employers' SSC (4.8 %) are low compared to the EU average (3.8 % and 7.3 % respectively).

Two thirds of levies accrue to the central administration and over a quarter to the social security funds. At 4.7 % of total revenues, tax revenues accruing directly to local government are very low in comparison to the 10.8 % EU average and decreased by around one fifth since 2000.

The overall tax burden has been decreasing nearly continuously since 2001. The 2011 tax-to GDP ratio decrease is mainly explained by the drop in direct taxation revenue (from 14.5 to 14.1 %, with CIT revenues dropping from 5.8 to 5 %) only partially offset by the increase in social contribution revenue (0.2 percentage point).

### Taxation of consumption, labour and capital; environmental taxation

Consumption taxes (10.2 % of GDP) were 1 percentage point below the EU-27 average in 2011. The interpretation of the ITR on consumption for Luxembourg is affected by the small size of the territory and the high degree of openness of the economy. In particular, purchases of excisable goods by non-residents (minus purchases of these goods by Luxembourg residents abroad) are likely to push upward the ITR on consumption. Overall, the ITR on consumption stood at 27.2 % and is 7.1 percentage points above the EU-27 average (20.1 %).

Although it has increased in recent years, the ITR on labour (32.8 %) was, as of 2011, 3.0 percentage points lower than the EU average (35.8 %). The lower level of labour taxation is a result of moderate levels of taxation of personal income and a relatively low level of social contributions. The total tax wedge 2011 amounts to 36 % of the total labour costs, which is much below the level of France (49.4 %), Belgium (55.5 %) and Germany (49.8 %).

Between 2000 and 2003, taxes on capital represented roughly one third of total revenue, the highest value in the EU. Although the share of capital taxes in total revenue has decreased to 28.1 % in 2011, it is still considerably above the EU average (20.5 %). This is nearly entirely related to the high proceeds of the CIT, which, despite a marked decline compared to the beginning of the decade, remains among the highest in the EU as a share of GDP. The high revenue from taxes on capital in general and the CIT in particular, is linked to Luxembourg's large financial sector with a highly internationalised customer base.

Environmental taxation accounted for 2.4 % of GDP in 2011, down from 3.1 % in 2004. This drop, driven by lower energy tax revenues, caused Luxembourg's environmental tax revenues to fall at the level of the EU-27 average (2.4 %). In particular transport taxes are at 0.2 % GDP the 4<sup>th</sup> lowest in the EU. Property taxes accounted for 1.2% of GDP in 2011, 0.1 percentage points above the level of 2010. It represents 3.2 % of total tax revenues, three fifths of the EU-27 average (5.3%). Recurrent property taxes are the second lowest in the EU at 0.1 % GDP.

## Main recent reforms implemented, on-going or announced

The 2013 Budget Law included provisions to revise the taxation on vehicles by suppressing the deduction granted to vehicles with low carbon emissions. The reduction of EUR 50, granted to vehicles equipped with a diesel engine and which CO<sub>2</sub> emissions do not exceed 10mg/lm, was abolished. As the initial objective of this reduction was to provide incentives to buy diesel vehicles equipped with a CO<sub>2</sub> reduction system and given the fact that, nowadays, all new diesel vehicles in the market have such equipment, there was no longer reason to maintain such reduction. However bonuses granted for electric vehicles were maintained. In addition, a minimum annual tax of EUR 30, applicable to all vehicles as of January 2013, was introduced to cover administrative expenses. The government foresees a EUR 6 million increase in tax collection for 2013 related to the tax on vehicles. The Budget law 2013 also introduced the abolition of the lump sum deduction for employees travel expenses for the first 4 kilometres. Employees living at less than 4 kilometres from their working place will no longer benefit from the EUR 396 annual deduction and the maximum amount deductible would be consequently limited to EUR 2.574 per year per employee. The measure should bring extra EUR 35 million to the national budget. Finally the government proposed an increase of the excise duty on manufactured tobacco and on diesel oil which should generate extra EUR 35 million in tax revenues in 2013.

## Main features of the tax system

### Personal income tax

The main categories of income are employment income, business income, income from movable capital and miscellaneous income. Taxable income is computed on a cash basis, except for business income (accrual basis) and capital gains from a substantial participation (time of transaction). As of January 2013 a top rate of 40 % has been introduced for individuals, which applies to incomes of more than EUR 100 000 (EUR 200 000 for couples jointly taxed). Married couples are jointly taxed, but a splitting system applies in the calculation of the tax due. Salaries, wages and pensions derived from former employment are subject to a wage withholding tax. Taxation is progressive: the tax rates range from 0 % to 40 % with 19 income groups. In general, expenses incurred to obtain or preserve income are deductible from taxable income. In addition, a resident taxpayer may claim deductions for special expenses and an allowance for extraordinary expenses from his aggregate income. Some former tax allowances have taken on the form of tax credits. They notably refer to child benefits and the compensatory amounts attributed to single parent taxpayers, the employed and the retired. The maximum deduction for interest on loans is reduced by 50 % and the deductible amount is limited to EUR 336 per taxpayer. The same deduction also applied to the taxpayer's spouse or partner and for each child belonging to the taxpayer's household. As the four first kilometre of travel (from home to workplace) are no longer deductible, the maximum amount of travel expenses deductible per taxpayer is reduced by EUR 396.

The PIT is increased by a surcharge for the Employment Fund. The new rate as of January 2013 is 7 % (previously 4 %). The rate is 9 % for taxable income exceeding EUR 150 000 (EUR 300 000 for couples jointly taxed). Taking into account the surcharge, the top marginal tax rate is 43,6 %, applying to incomes of more than EUR 150 000 (EUR 300 000 for couples jointly taxed).

Dividends and interests are taxed as income from movable capital. Interest payments are subject to a 10 % final withholding tax. Dividends are subject to a 15 % withholding tax which is not final. Capital gains derived from speculative holdings and significant participation activities are subject to PIT.

The tax system allow for mortgage interest deductibility for owner-occupied properties with a ceiling of the tax deduction at EUR 1500 per person in the household. The deduction is reduced to EUR 750 after 12 years of occupancy. There is no tax deduction on secondary homes.

### Corporate taxation

Corporate income is subject to CIT, increased by a surcharge for the employment fund and a municipal business tax. The corporate tax system is, in principle, classical. The tax on profit is calculated by adding up the general CIT rate of 21 % (previously 22 %), a 7 % (previously 5 % until 2012) solidarity tax surcharge for the employment

fund and a municipal business tax (which for Luxembourg City amounts to 6.75 %), taking the all-in effective rate to 29.22 % for Luxembourg City (previously amounting to 28.8% in 2012).

As of January 2013, a new minimum corporate income tax is applied, ranging from EUR 500 for small companies (with a total balance sheet below EUR 350 000) to EUR 20 000 if the total balance sheet exceeds EUR 20 million. Luxembourg also applies a system of investment credits and provides for specific tax incentives. As of 2013, these will be reduced.

### VAT and excise duties

The standard VAT rate is 15 %; a super-reduced rate of 3 % applies to food and beverages, pharmaceutical products, newspapers, periodicals and books on all physical means of support passenger transport admission to cultural services and parks. A reduced rate of 6 % applies to gas, electric power, flowers and labour-intensive services such as hairdressing and window cleaning. An intermediary rate of 12 % applies to certain wine and solid mineral fuels and mineral oils and wood intended for use as fuel, with the exception of wood for heating. Finally, flat rates of 4 % or 10 % apply to farmers and foresters subject to a specific regime.

Regarding excise duties on car fuels, the applicable rate for diesel-driven cars amounts to EUR 338.36 per 1 000 litres from 1 September 2012. Tobacco taxation has changed from 1 January 2013. The new excise rates applying to cigarettes are 45.84 % (proportional element) and EUR 10.3586 per 1 000 cigarettes (specific element).

### Wealth and transaction taxes

Resident corporations are subject to wealth tax on their worldwide net worth. The tax rate is 0.5 %. The taxable base is determined as assets less liabilities. Since 2002, the tax may be reduced under certain conditions. Furthermore, in January 2006, the wealth tax applying to resident individuals was abolished. In parallel, a 10 % withholding tax on interest income from savings was introduced.

### Local taxes

The most important local tax accruing directly to municipalities is the municipal business tax. It is levied on all business establishments located in Luxembourg. As explained in the chapter on corporation tax, the municipal business tax adds on to the general corporate tax rate of 21 % and the solidarity tax surcharge of 7 %. Municipalities derive the most important part of their funding from the *Fonds Communal de Dotation financière*. This is a special fund redistributing part of the income collected by the central government from PIT, VAT, motor vehicle tax and excise tax on alcohol to municipalities in addition to a direct allocation from the budget.

### Social contributions

Social contributions for pension, health insurance and family allowances are levied on the gross wage. The pension scheme is financed by central government, and employers' and employees' contributions. A contribution of 16 % of gross wages is paid by both employers and employees. The central government participates with 8 % of total contributions paid on salaries. The health care scheme is financed by central government, and employers' and employees' contributions. The health care contribution of about 5 % of gross wages in 2012 and originally paid by both employers and employees is, as of January 2013, only paid by employers and self-employed (optional) and the contributions are decreased to 0.42 %, 1.33 %, 1.83 % or 2.64% depending on the risk (based on the absenteeism rate of the company's employees). The maximum annual ceiling for 2013 is set at EUR 112 451.88. The central government participates with 37 % of total contributions paid on salaries. For family allowances, the rate of 1.7 % is borne by the employee on his/her salary.

The 1.4 % contribution rate to long-term care insurance is borne by the employees (levied on total gross income including income derived from personal wealth). Unemployment benefits are paid from the Employment Fund. This special fund centralises income from the solidarity tax paid by employers and employees, excise income from certain mineral oil products and direct budgetary endowments from central government.

MALTA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.0	12.7	12.6	12.6	14.0	15.0	15.0	14.8	14.4	13.9	13.7	14.2	11	0.9
VAT	5.7	6.1	6.2	6.3	7.1	8.0	7.9	7.5	7.7	7.6	7.6	7.9	12	0.5
Excise duties and consumption taxes	2.4	2.7	2.6	2.5	2.7	3.0	3.0	3.3	3.0	2.9	2.9	3.1	15	0.2
Other taxes on products (incl. import duties)	3.6	3.5	3.4	3.4	3.8	3.4	3.6	3.5	3.2	2.8	2.6	2.6	3	0.2
Other taxes on production	0.3	0.3	0.4	0.4	0.4	0.6	0.5	0.5	0.5	0.6	0.6	0.5	24	0.0
Direct taxes	9.0	9.7	11.0	11.5	11.0	11.7	12.0	13.3	12.7	13.6	13.0	13.2	8	0.9
Personal income	4.8	5.7	6.2	6.2	6.6	6.6	6.9	6.2	5.9	6.6	6.2	6.4	14	0.4
Corporate income	3.5	3.3	3.5	4.2	3.6	3.8	4.3	6.2	6.1	6.1	6.0	5.9	2	0.4
Other	0.7	0.7	1.3	1.1	0.8	1.2	0.8	1.0	0.7	0.9	0.8	0.8	12	0.1
Social contributions	6.3	6.5	6.4	6.3	6.3	6.2	6.0	5.8	5.9	5.9	5.9	6.1	25	0.4
Employers'	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.7	2.7	2.7	2.8	26	0.2
Employees'	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.6	2.7	2.6	2.8	15	0.2
Self- and non-employed	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	16	0.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>27.3</b>	<b>28.9</b>	<b>30.0</b>	<b>30.4</b>	<b>31.3</b>	<b>32.9</b>	<b>33.0</b>	<b>33.9</b>	<b>33.0</b>	<b>33.3</b>	<b>32.6</b>	<b>33.5</b>	<b>16</b>	<b>2.2</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	100.0	100.0	100.0	100.0	99.0	98.6	98.8	98.7	98.6	99.0	99.0	99.0	1	2.2
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social security funds	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EU institutions	n.a.	n.a.	n.a.	n.a.	1.0	1.4	1.3	1.4	1.4	1.0	1.0	1.0	6	0.0
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.6	12.2	12.3	12.1	12.8	14.0	13.7	13.6	13.3	13.1	12.9	13.4	7	0.9
Labour	9.6	10.7	11.1	10.9	11.2	11.2	11.4	10.5	10.4	11.0	10.8	11.2	25	0.7
Employed	8.9	9.9	10.2	10.0	10.2	10.2	10.3	9.5	9.4	9.9	9.7	10.1	26	0.7
Paid by employers	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.7	2.7	2.7	2.8	26	0.2
Paid by employees	6.2	7.0	7.3	7.2	7.4	7.4	7.6	6.9	6.8	7.3	7.0	7.3	17	0.5
Non-employed	0.7	0.8	0.9	0.9	1.0	1.1	1.1	1.0	1.0	1.1	1.1	1.1	14	0.1
Capital	6.1	6.0	6.6	7.3	7.3	7.7	7.9	9.7	9.2	9.2	8.9	8.9	7	0.6
Capital and business income	5.0	4.8	5.1	5.7	5.3	5.5	5.8	7.7	7.5	7.6	7.3	7.3	4	0.5
Income of corporations	3.5	3.3	3.6	4.2	3.6	3.8	4.3	6.2	6.1	6.1	6.0	6.0	2	0.4
Income of households	0.3	0.4	0.4	0.4	0.5	0.5	0.4	0.4	0.3	0.4	0.3	0.3	19	0.0
Income of self-employed (incl. SSC)	1.1	1.1	1.2	1.1	1.2	1.2	1.1	1.1	1.1	1.1	1.0	1.0	17	0.1
Stocks of capital / wealth	1.1	1.2	1.5	1.5	2.0	2.1	2.1	2.1	1.7	1.6	1.6	1.6	15	0.1
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	3.6	3.5	3.3	3.3	3.0	3.2	3.3	3.7	3.4	3.3	3.0	3.2	4	0.2
Energy	1.3	1.5	1.3	1.2	1.2	1.3	1.3	1.8	1.4	1.5	1.5	1.6	21	0.1
Of which transport fuel taxes	:	:	:	:	1.2	1.2	1.2	1.7	1.4	1.2	1.4	1.6	14	
Transport (excl. fuel)	2.2	2.0	1.9	2.0	1.7	1.7	1.8	1.6	1.6	1.6	1.4	1.4	2	0.1
Pollution/resources	0.00	0.00	0.08	0.01	0.03	0.22	0.23	0.29	0.30	0.23	0.19	0.14	7	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.8	0.9	1.1	1.1	1.6	1.6	1.5	1.6	1.3	1.1	1.0	1.0	15	0.1
Recurrent taxes on immovable property	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Other property taxes	0.8	0.9	1.1	1.1	1.6	1.6	1.5	1.6	1.3	1.1	1.0	1.0	5	0.1
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	15.6	16.4	17.1	16.7	17.5	19.5	19.4	19.6	19.0	19.0	18.7	19.0	19	
Labour employed	20.5	21.6	22.4	21.8	22.1	22.6	22.7	21.3	21.2	21.6	21.7	22.7	27	
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	:	-1.5	2.8	0.1	-0.5	3.7	2.8	4.3	4.3	-2.6	2.9	2.1		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Malta

## Overall trends in taxation

### Structure and development of tax revenues

In 2011 the tax-to-GDP ratio (including social contributions) stood at 33.7 % in Malta, 5.3 percentage points lower than the EU average (38.8 %). With respect to other countries bordering the Mediterranean, this level of taxation is well below that of Italy (42.5 %) and below the level of Cyprus (35.2 %), but somewhat higher than that of Spain (31.4 %).

Malta relies heavily on indirect taxes and direct taxes; their shares of the total tax lie above the EU average and each represent around 40% of total taxation (indirect taxes, direct taxes, social contributions in a ratio of around 2:2:1). The level of direct taxation is slightly higher than the EU average (Malta 13.2 % of GDP, EU-27 12.9 %). Indirect taxes account for a proportion of GDP (14.2 %) which is slightly higher than the EU average (13.4 %), while social contributions yield little revenue, only half of the EU average in GDP terms (6.1 % of GDP, EU-27 12.7 %). Within social contributions, employees contribute less than the European average (Malta 2.8 %, EU-27 3.8 %), while employers contribute less than half the EU average (Malta 2.8 %, EU-27 7.3 %).

Malta has no sub-central level of government collecting taxes, and does not maintain a social security fund separate from the central exchequer. The country has experienced almost a 20 % increase in tax revenue when expressed in terms of its share of GDP between 2000 and 2011. This increase was most notable in direct taxation where revenues grew by 44 %. This stems mostly from increase in CIT. As a result Malta ranks in the top 5 since 2002 and is second in 2011 in the EU for corporate income tax revenues as expressed in percentage of GDP. The increase in indirect taxes was 18 % while social security revenue decreased by almost 4 %.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Taxes on consumption generate revenues of 13.5 % of GDP (EU-27 11.2 %), having increased by 1.7 percentage points since 2000. This is mainly due to the increase of the VAT standard rate in 2004, the widening of the VAT base and the raising of excise duties to bring them in line with EU minimum rates. The ITR on consumption (19.3 %) also reflects this rise, having increased from 15.6 % in 2000. However, the rate remains below the EU average (EU-27 20.1 %), due partly to the high ratio of consumption to GDP.

The amount of revenue raised from taxation of labour is the second lowest in the Union (Malta 11.3 % of GDP, EU-27 19.7 %) which is mainly due to the low employers' social contributions. In 2011 labour taxes increased slightly driven by those paid by employees. The ITR on labour is, at 22.9 %, 12.8 percentage points below the EU average (35.7 %), the lowest in the EU by a wide margin.

The taxation of capital yields substantial revenue (8.9 % of GDP, EU-27 8.0 %), putting Malta in seventh place in the EU. This is primarily due to the high tax revenue from corporations (at 6.0 % of GDP, the second highest value in the EU) which decreased however with respect to 2010. By contrast the revenue in percentage of GDP from taxation of the self-employed (1 %) is below the Union average (2 %). Unfortunately, owing to data limitations, no ITR on capital is available for Malta.

Environmental taxes are relatively high (Malta 3.2 % of GDP, EU-27 2.4 % of GDP). The high level of environmental tax revenue is attributable to taxation on transport (1.4 % of GDP, EU-27 0.5 %), while revenue from taxation on energy is in line with the EU average (1.7 %, EU-27 1.8 %).

Property taxation in relation to GDP (1.0 %) is well below the EU average (2.1 %). The reason is that there are no wealth or real estate property taxes in Malta and revenue is generated only by transfer taxes. Therefore, revenue from recurrent taxes on immovable property is zero.

## Main recent reforms implemented, on-going or announced

Malta's budget plan for 2013 was shelved after its adoption in Parliament failed in November 2012. Following elections, the new government presented the budget in April 2013. Except for a minor adjustment to address an anomaly in the income tax for minimum wage earners, its contents remain unchanged from that tabled last November and which was defeated in parliament. The budget foresees a progressive reduction of personal income taxation with the introduction of a new tax bracket below the top income tax bracket (incomes as from EUR 60 001) as well as changes to taxation in a number of areas like for example transfers of immovable property and corporate reorganisations. The budget measure reducing the rates of registration tax for passenger cars and light commercial vehicles with euro 5 or 6 emission levels and motorcycles entered into force with effect from 29<sup>th</sup> November 2012.

## Main features of the tax system

### Personal income tax

In 2007 Malta reformed substantially the personal income tax, with the aim of decreasing the tax burden. Now Malta employs a four bracket system (0 %, 15 %, 25 % and 35 %) with different brackets for single individuals or married couples. The 2012 budget introduced a third category: parents computation in order to make the job market more attractive for parents. To facilitate the return of women to labour market the current tax credit of EUR 2 000 had been extended to include self-employed mothers. From 2011, self-employed women working on a part-time basis were given the opportunity to choose to pay a 15 % pro-rata contribution on their income, as per employed person, instead of the minimum currently stipulated by law (EUR 26.37 per week).

Individuals who are ordinarily resident and domiciled in Malta are taxable on their worldwide income. Apart from the basic personal relief of EUR 8 500 for single individuals, of EUR 11 900 for married couples and since 2012 of EUR 9 300, the Maltese personal income tax system introduced income tax exemption from certain copyrights such as books, film scripts, music and art. In addition, income tax deduction up to EUR 2 300 was granted for school fees and of EUR 100 for cultural and creative education. In order to attract high quality labour to Malta a tax credit up to EUR 15 000 is provided to companies for the development of educational digital games and the 15 % PIT rate scheme is extended to international professionals.

Income tax paid by a company can be fully attributed to shareholders following the distribution of dividends by a company. Under this system, dividends paid by a company resident in Malta carry a tax credit equivalent to the tax paid by the company on its profits out of which the dividends are distributed. Shareholders are taxed on the gross dividend at the applicable tax rates, but are entitled to deduct the tax credit attaching to the dividend against their total income tax liability.

### Corporate taxation

With a rate of 35 % (equal to the maximum personal tax rate), Malta exhibits one of the highest tax rates applicable to companies in the EU. However, Malta applies the full imputation system of taxation described above and there would be no further tax to pay when dividends are distributed to shareholders. Under this system, dividends paid by a company resident in Malta carry a tax credit equivalent to the tax paid by the company on its profits out of which the dividends are distributed. Shareholders are taxed on the gross dividend at their personal applicable tax rates, but are entitled to deduct the tax credit attaching to the dividend against their total income tax liability.

Therefore the maximum rate of tax payable on company profits — taking into account the tax paid by the company on its profits and the tax paid by the shareholders on dividends received — can never exceed 35 %. Trade losses may be carried forward indefinitely while carry-backs are not permissible. The tax code is restrictive on the use of provisioning for tax purposes (for doubtful debts or investment value losses) but depreciation allowances are available. Capital gains realised by companies are aggregated with other income and taxed at a 35 % rate. The imputation system described above also applies with respect to profits distributed by companies arising out of such gains. Certain tax incentives are available for enterprises involved in shipping, targeted industrial sectors and free port activities.



Small and medium sized enterprises (with maximum of ten employees) are entitled to a 40 % tax credit if they invest in new technologies or create new jobs. For SMEs in Gozo this tax credit is 60 %.

### VAT and excise duties

The standard VAT rate is 18 % with a 7 % reduced rate applicable to holiday accommodation, and a 5 % reduced rate, introduced in 2011, on letting of sites for artistic or cultural activities, electricity, printed material, medical accessories and goods intended for the use of disabled persons. Zero-rated supplies include food, pharmaceutical goods, local transport and cultural services. VAT was introduced in 1995, replaced with a sales tax following a change of government, following which the revenues dropped by more than 1 % of GDP. A further change of government led to its reintroduction in 1999. The VAT system was further revamped in 2003 to align Maltese VAT law with EU law. The rate was increased from 15 % to the current 18 % in 2004.

Excise duties are moderate on light alcoholic beverages, close to EU average on fuels and relatively high, in comparison with other new Member States, on both strong liquors and tobacco. The 2012 budget foresees that the customs duty on bunkering fuel for ships outside territorial waters will increase to EUR 5 per tonne. While minimum excise duty on cigarettes increased by 5.8 % on each packet of twenty cigarettes, excise duty on other tobacco products increased by 8.5 %.

### Environmental taxes

In September 2004 the so-called eco-contribution was introduced in Malta mainly to finance the development of a waste water management system. It is chargeable on a number of white goods, containers, batteries, plastic bags, tyres and other specified products that are deemed to result in waste. Currently taxes on pollution yield 0.2 % of GDP, which is the fifth highest level in the EU.

From 2011, registration taxes of commercial vehicles up to Euro Standard 3 have been increased in order to encourage the purchase of newer and cleaner vehicles. Companies can also benefit from a reduction in company tax up to 125 % on the amounts spent on electric cars. All motor vehicles, both commercial and private, with Euro 1 to 3 emissions (or worse) registered an increase in registration tax. In 2011, an excise duty of EUR 9 was introduced on every tonne of cement. This further increased by EUR 3 per tonne for 2012.

### Wealth and transaction taxes

There is no wealth tax but the transfer of immovable property by individuals and companies is normally subject to a rate of 5 % of the transfer value (3.5 % on the first EUR 117 000 in the case of acquisitions for the purpose of establishing the purchaser's own residence). Transfers of immovable property situated in Malta are subject to a 12 % withholding tax on the transfer value. Various exceptions to this rule are applicable, e.g. where the transfer is made within 7 years after the acquisition, in which case the transferor has the option to be charged to tax at the said 12 % or in accordance with the general rules. The 2012 budget introduced a reduction of the final withholding tax to 10 % in case a person invests in restoration of the property for the purpose of selling. While there is no withholding tax on dividends or royalties, the distribution of untaxed corporate income, the interest paid by Maltese banks and government and the capital gains arising from the disposal of shares in investment schemes are subject to withholding tax at 15 %.

### Social contributions

Maltese workers are covered by a social security system under which the employee, the employer, and the government each contribute 10 % of an employee's basic salary (up to a maximum contribution of EUR 37.85 per week for persons born on or after 1 January 1962 and EUR 33.50 for persons born on or before 31 December 1961); the self-employed contribute at a rate of 15 % of their net income received from a trade, business or profession during the previous year. The weekly contributions range from a minimum of EUR 23.03 to a maximum of EUR 56.78. Social contributions are not deductible for income tax purposes. The employer's share of social contributions is deductible for income tax purposes.

NETHERLANDS													2011	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		2011
<b>A. Structure of revenues</b>													<b>% of GDP</b>	
Indirect taxes	12.5	12.9	12.7	12.7	12.9	12.9	13.1	13.0	12.7	12.2	12.5	12.0	Ranking <sup>1)</sup>	€ bn
VAT	6.9	7.3	7.2	7.3	7.3	7.2	7.4	7.5	7.3	7.0	7.2	6.9	21	41.6
Excise duties and consumption taxes	2.6	2.5	2.5	2.4	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.2	24	13.4
Other taxes on products (incl. import duties)	2.0	2.1	1.9	1.9	2.0	2.1	2.2	2.0	2.0	1.8	1.8	1.6	7	9.9
Other taxes on production	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.2	1.2	1.2	13	7.1
Direct taxes	12.0	11.7	11.8	11.0	10.7	11.7	11.9	12.2	12.0	12.1	12.2	11.7	13	70.2
Personal income	6.0	6.2	6.8	6.5	6.0	6.6	6.9	7.4	7.2	8.6	8.4	8.0	11	48.4
Corporate income	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	2.2	17	13.3
Other	1.6	1.3	1.4	1.4	1.4	1.5	1.3	1.3	1.3	1.4	1.4	1.4	5	8.5
Social contributions	15.4	13.7	13.3	13.8	13.9	12.9	14.0	13.5	14.5	13.8	14.1	14.8	5	88.8
Employers'	4.5	4.3	4.3	4.3	4.3	4.0	4.6	4.5	4.8	4.9	5.0	5.0	19	30.3
Employees'	7.9	6.7	6.4	6.7	6.9	6.4	6.5	6.1	6.6	5.9	6.0	6.4	2	38.6
Self- and non-employed	3.1	2.6	2.5	2.8	2.7	2.5	2.9	2.9	3.1	3.0	3.1	3.3	1	19.9
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>39.9</b>	<b>38.3</b>	<b>37.7</b>	<b>37.4</b>	<b>37.5</b>	<b>37.6</b>	<b>39.0</b>	<b>38.7</b>	<b>39.2</b>	<b>38.2</b>	<b>38.8</b>	<b>38.4</b>	<b>9</b>	<b>231.0</b>
<b>B. Structure by level of government</b>													<b>% of total taxation</b>	
Central government	55.9	58.9	59.7	57.8	57.6	60.2	59.5	60.4	58.3	59.1	59.0	56.7	15	130.9
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	3.4	3.6	3.7	3.9	4.0	4.1	3.3	3.3	3.3	3.7	3.7	3.8	22	8.7
Social security funds	38.6	35.7	35.2	36.9	37.1	34.5	35.9	34.8	37.0	36.2	36.4	38.4	6	88.8
EU institutions	2.0	1.8	1.4	1.4	1.3	1.3	1.3	1.4	1.4	0.9	1.0	1.1	3	2.6
<b>C. Structure by economic function</b>													<b>% of GDP</b>	
Consumption	11.7	11.9	11.7	11.8	12.0	12.0	12.2	12.1	12.0	11.7	12.0	11.7	16	70.2
Labour	20.7	18.5	18.8	19.2	19.0	18.7	20.0	19.8	20.7	21.1	21.4	21.6	8	130.1
Employed	17.8	16.0	16.2	16.5	16.4	16.0	17.2	17.5	18.3	18.7	18.9	19.1	8	115.2
Paid by employers	4.5	4.5	4.5	4.4	4.4	4.1	4.7	4.6	4.9	5.1	5.1	5.1	19	30.9
Paid by employees	13.2	11.5	11.8	12.1	11.9	11.9	12.6	12.9	13.4	13.7	13.8	14.0	2	84.3
Non-employed	3.0	2.5	2.6	2.7	2.6	2.6	2.8	2.3	2.4	2.4	2.4	2.5	7	14.9
Capital	7.5	7.9	7.3	6.5	6.6	7.0	6.8	6.8	6.6	5.3	5.4	5.1	20	30.7
Capital and business income	5.3	5.7	5.0	4.3	4.3	4.6	4.7	4.7	4.6	3.5	3.7	3.5	20	21.2
Income of corporations	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	2.2	17	13.3
Income of households	-1.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0	-0.9	-1.0	-0.9	-0.9	-1.0	27	-5.8
Income of self-employed (incl. SSC)	2.4	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3	7	13.6
Stocks of capital / wealth	2.2	2.2	2.3	2.1	2.2	2.3	2.0	2.1	1.9	1.8	1.8	1.6	13	9.5
<b>D. Environmental taxes</b>													<b>% of GDP</b>	
Environmental taxes	3.9	3.8	3.7	3.7	3.9	3.9	4.0	3.8	3.9	4.0	4.0	3.9	2	23.4
Energy	1.9	1.8	1.8	1.8	1.9	2.0	2.0	1.8	1.9	2.0	2.0	2.0	12	12.0
Of which transport fuel taxes	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	22	
Transport (excl. fuel)	1.4	1.3	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.2	1.2	1.2	3	7.2
Pollution/resources	0.66	0.66	0.65	0.65	0.65	0.65	0.66	0.64	0.65	0.71	0.73	0.72	1	4.3
<b>E. Property taxes</b>													<b>% of GDP</b>	
Property taxes	2.0	1.8	1.8	1.8	1.8	1.9	1.7	1.7	1.5	1.3	1.3	1.1	12	6.6
Recurrent taxes on immovable property	0.6	0.6	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.5	16	3.1
Other property taxes	1.4	1.2	1.2	1.1	1.1	1.2	1.2	1.2	1.0	0.8	0.8	0.6	9	3.5
<b>F. Implicit tax rates</b>													<b>%</b>	
Consumption	23.8	24.4	23.9	24.2	24.8	25.0	26.5	26.7	26.9	26.1	26.9	26.3	6	
Labour employed	35.0	31.4	31.5	32.0	31.9	32.3	35.1	35.6	36.8	35.9	37.0	37.5	9	
Capital	20.0	21.0	22.9	19.8	19.3	17.1	16.2	14.8	15.6	14.1	13.0	12.9		
Capital and business income	14.1	15.2	15.8	13.2	12.8	11.4	11.3	10.3	11.0	9.3	8.8	8.9		
Corporations	18.4	17.2	18.0	14.4	14.4	12.4	12.0	10.2	10.9	7.4	6.8	7.1		
Households	6.1	9.5	10.1	9.3	7.7	7.2	7.8	8.6	9.1	12.8	14.1	12.7		
Real GDP growth (annual rate)	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.9	1.8	-3.5	1.7	1.8		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Netherlands

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, the tax-to-GDP ratio was 38.4 % in the Netherlands. This value is 0.4 percentage points below the EU-27 average (38.8 %) and the euro area average (39.5 %). Compared to the neighbouring countries, the Dutch tax-to-GDP ratio is lower than the ratio for Belgium and Denmark but close to the ratio for Germany and Luxembourg.

Indirect and direct taxes account each for about 30 % of total tax revenues while social contributions contribute 38.4 %. Indirect tax revenues decreased over the last five years due to the crisis, although for 2010 there has been a small increase. The crisis also caused a reduction by one third of the revenues of the corporate income tax (CIT) in 2009. After that year the weight of CIT stabilized at the resulting low level. In 2001 a tax reform lowered the burden from taxes and social security premiums. Most allowances were replaced by tax credits. The relief of the 2001 tax reform is found mainly in social contributions. This relief is followed by an increase of social contributions since 2006 (see below).

From a fiscal viewpoint, the Netherlands display a fairly centralised tax structure as local government taxes account for merely 3.8 % of total tax revenues, a share which is just above a third of the EU-27 average (10.8 %). In contrast, the share of social security funds (38.4 %) is above the European average (37.3 %). In 2011, revenues received by the central government (56.7 %) are well above the EU-27 average (49.1 %).

Between 2000 and 2003 tax revenues as a share of GDP decreased continuously. The decline in the overall tax ratio was driven by decreases in revenues from direct taxes and social contributions, while indirect taxation has grown. The increases of the shares of personal income taxes and employers' social contributions explain to a large extent the rise in the total tax burden since 2005. However, this increase seems to be mainly the result of the good economic conditions, as the cyclically adjusted tax revenues remained rather stable. The fall in the tax-to-GDP ratio in 2009, is explained by a significant drop in revenues from corporate taxation and a decrease in revenue from indirect taxation due to the crisis. Revenues from personal income taxation and, to a lesser extent, environmental taxes increased. For 2010, the total tax revenue increases due to an increase in indirect taxes and an increase of the social contributions. The increase of the social contributions continued in 2011. Apart from social contributions, the tax-to-GDP ratio of indirect and direct taxes together remained constant.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Since 2002, the implicit tax rate on consumption mainly shows an increasing trend, partly as a result of increases in revenues from VAT and environmental taxes. The decrease in 2009, due to the crisis, was repeated in 2011. In 2011, the implicit tax rate on consumption (26.3 %) for the Netherlands was ranked sixth highest in EU-27 and 6.2 percentage points higher than the EU average (20.1 %).

The ITR on labour dropped significantly in 2001 as a result of the PIT reform reducing substantially employees' social contributions. Since then, however, the ITR on labour has increased by 6.1 percentage points. A large share of this increase is due to the replacement of private health care insurance contributions by a new public health care insurance system in 2006<sup>(39)</sup>. In 2011, the ITR on labour (37.5 %) was well above the EU average (35.8 %).

From 2003 onwards the ITR on capital and business income and on corporations has been declining. This drives down the general ITR on capital which declined by 45% since its peak in 2002. In 2011, the ITR on capital in the Netherlands was 12.9 %.

<sup>(39)</sup> Under the accounting conventions followed in this report, this replacement leads to an increase in the ITR on labour although disposable income of households is unaffected.

At 3.9 % of GDP, the Netherlands has the second highest level of environmental taxes as a percentage of GDP in the EU after Denmark. The Netherlands raises significant revenue from transport taxes and is one of the few countries in the Union with a non-negligible contribution of pollution taxes, originating from a tax on pollution of surface waters and sewerage charges (0.72 % of GDP, EU-27 0.1 %).

Property tax revenues in the Netherlands in relation to GDP in 2011 (1.1 %) were far below the EU-27 average of 2.1 %. The property tax represented 2.9 % of the total tax revenue in 2011, which is below the EU average (5.3 %). The revenues from recurrent taxes on immovable property in 2011 counted for 0.5 % of GDP, whereas the corresponding EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

To achieve fiscal consolidation, a number of measures were taken that came into force in 2012 and 2013. Among them is an increase of the standard VAT-rate from 19 % to 21 % on 1 October 2012. On the same date a tax on banks was introduced. In January 2013 the insurance tax was increased from 9.7 % to 21 %. In 2013, also a once-only surtax in the wage tax of 16 % of wages exceeding EUR 150 000 is effective. Finally, the yearly adaption of the length of tax brackets to inflation did not take place in 2013.

For employers hiring older or disabled workers a mobility bonus has been introduced and workers aging 60-63 can receive an additional tax credit when they carry on working.

In order to support the housing market, a temporary reduction of the property transfer tax from 6 % to 2 % has been made permanent. Since 1 January 2013 the interest on new mortgages for owner occupied dwellings is only tax deductible for mortgages that will be repaid in full (and at least as annuity) over the course of the loan agreement of 30 years. Interest on new mortgages on which no capital is paid back is no longer deductible.

The conversion of the car registration tax (tax on passenger cars and motorcycles) to a tax only based on CO<sub>2</sub>-emission has been completed in 2013. The most fuel efficient cars remain exempt from the vehicle tax. The private use of company cars is taxed with 25 % of the consumer price. Lower rates of 20 %, 14 % and 0 % apply to 'relatively efficient', 'efficient' and 'zero-emission' cars respectively. Per 1 January 2013 the CO<sub>2</sub> limits have been tightened.

## Main features of the tax system

### Personal income tax

The Dutch PIT system consists of three so-called boxes: Box 1 consists of labour income as well as some types of capital income, such as the proceeds of capital that proprietors employ in their own businesses, and the deemed income from owner-occupied housing, balanced with paid interest on mortgages. The sum of income in Box 1 is taxed at progressive rates ranging from 37 % to 52 % (income tax and social contributions). For taxpayers over the retirement age, the combined rates range from 19.1 % to 52 % due to the fact that this group is exempt from contribution for the national pension. The highest rate applies to income above EUR 55 991. Box 2 contains profit distributions and realized capital gains in connection with closely held companies, in which shareholders have a substantial interest. The nominal PIT rate on these income items is 25 %, but the effective overall tax rate is higher, because these items are also subject to the corporation tax at the level of the company. Box 3 includes the returns on privately held assets such as saving deposits, stocks, bonds and real estate (except owner-occupied housing). The items in this box are subject to a tax rate of 30 % on a deemed return of 4 % on the net value of the assets on 1 January, exceeding EUR 21 139.

A general tax credit of EUR 2 001 applies. This credit can be partly transferred to partners without income of their own. Other tax credits exist for the working, for single parents, for young handicapped and for the elderly.

There are several tax reliefs and allowances for self-employed entrepreneurs and starting companies. For 2013, the deduction for the self-employed remains EUR 7 280. The profit exemption for unincorporated SMEs is 14 % of taxable profits after applying the deduction for the self-employed.

## Corporate taxation

The current profits of corporations (publicly and closely held companies) are subject to the corporation tax at a rate of 25 % (20 % for profits up to EUR 200 000). For tax purposes, profits should be determined according to 'sound business practice', a concept that has mainly been developed in case law. One of its requirements is the use of consistent accounting methods.

A main feature of the Dutch corporate income tax (CIT) is the participation exemption: dividends and realized capital gains from subsidiaries are not taxed at the parent company. Furthermore, under certain conditions a parent company may be taxed as a group together with one or more of its subsidiaries. For corporate income tax (CIT) purposes this means that the parent company and subsidiary are deemed to be one fiscal entity. The main advantages of group taxation are that the losses of one company can be offset against profits from another company within the group, and that fixed assets can in principle be transferred tax free from one company to another.

For R&D activities several facilities exist. Income derived from R&D is taxed in a separate 'innovation box' for innovative enterprises. The rate for income in this box is 5 %. Also, wage costs for R&D activities are reduced by a reduction of the wage tax of 38 % of the wage up to EUR 200 000 and 14 % of the excess (with a maximum reduction of EUR 14 million per enterprise). Self-employed carrying out R&D activities can deduct EUR 12 310 from their taxable profits. For starting entrepreneurs this amount is increased by EUR 6 157. Finally, a tax facility provides for 54 % (40 % in 2012) deduction for R&D capital- & current expenses.

For environmentally friendly investments a deduction of 13.5 %, 27 % and 36 % of the investment amount is granted, depending on the type of investment.

## VAT and excise duties

There are two rates. The standard rate is 21 % and the reduced rate of 6 % is applicable to, inter alia, food, water, pharmaceuticals, art, cultural events and publications. The Netherlands applies a range of green taxes: environmental taxes (taxes on tap water, coal and the energy tax), excise duties on mineral oils and taxes on vehicles (vehicle tax, tax on passenger cars and motorcycles and tax on heavy goods vehicles). The packaging tax is abolished per 1 January 2013.

## Wealth and transaction taxes

Ownership of real estate is taxed by local government through the real estate tax. Acquisition of real estate is taxed through the transfer tax. The rate is 2 % on dwellings and 6 % on other real estate. There is no wealth tax.

Inheritance and gift taxes are levied at rates ranging from 10 % to 40 % depending on the relationship between the donor and the beneficiary and the amount involved if the amounts exceed certain allowances. From 2011, an exemption for business succession in the inheritance tax of 100 % for businesses with a maximum value up to EUR 1 028 132, and to 83 % for the excess, exists. For the tax due, a 10-year tax deferral is granted.

## Social contributions

The social security system is composed of national insurance (national pension, special health care and widow's pension) and employee insurance (unemployment, disability). The national insurance applies to all inhabitants and the collection of contributions for it is integrated in the income tax and wage (withholding) tax levy. The employee insurance applies to employees and is financed by a levy calculated on gross salaries (with a maximum amount) and depends on the economic sector. For basic health insurance each adult pays a fixed amount of around EUR 1 250 a year. As of 2013 employers pay 7.75 % of gross earnings to a maximum salary of EUR 50 853 to the State health insurance fund. The self-employed and pensioners pay a contribution of 5.65 % of their net business profits or pension, on their income up to EUR 50 853.

In 2013, the retirement age has been increased by one month to 65 years and one month. The retirement age will gradually increase, to 67 in 2021.

<b>POLAND</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.6	12.5	13.2	13.2	13.1	13.9	14.5	14.4	14.4	13.1	13.8	14.0	13	51.9
VAT	6.9	6.8	7.2	7.1	7.2	7.7	8.1	8.3	8.0	7.4	7.8	8.1	11	29.8
Excise duties and consumption taxes	3.7	3.7	4.0	4.1	4.2	4.2	4.0	4.2	4.4	3.8	4.2	4.1	4	15.3
Other taxes on products (incl. import duties)	0.8	0.6	0.6	0.6	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	27	1.0
Other taxes on production	1.3	1.4	1.4	1.3	1.4	1.7	2.0	1.5	1.6	1.6	1.6	1.5	10	5.7
Direct taxes	7.2	6.7	6.9	6.6	6.4	7.0	7.5	8.6	8.6	7.5	7.0	7.1	21	26.1
Personal income	4.4	4.5	4.3	4.2	3.6	3.9	4.6	5.2	5.3	4.6	4.5	4.5	21	16.5
Corporate income	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	2.1	20	7.7
Other	0.3	0.3	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.5	0.5	0.5	20	1.9
Social contributions	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.3	11.3	11.1	11.5	14	42.4
Employers'	5.7	5.7	5.4	5.2	4.9	4.9	4.8	4.8	4.6	4.7	4.7	4.7	23	17.2
Employees'	5.5	5.5	5.1	5.2	5.0	4.8	4.9	4.8	4.4	4.3	4.1	4.6	7	16.9
Self- and non-employed	1.8	2.1	2.5	2.4	2.4	2.5	2.5	2.4	2.3	2.4	2.3	2.2	5	8.2
Less: amounts assessed but unlikely to be collected	0.2	0.4	0.4	0.3	0.3	0.4	0.4	0.1	0.1	0.1	0.1	0.1		
<b>TOTAL</b>	<b>32.6</b>	<b>32.2</b>	<b>32.7</b>	<b>32.2</b>	<b>31.5</b>	<b>32.8</b>	<b>33.8</b>	<b>34.8</b>	<b>34.3</b>	<b>31.8</b>	<b>31.8</b>	<b>32.4</b>	<b>19</b>	<b>119.9</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	51.6	49.5	51.1	51.3	48.0	49.6	51.1	52.0	52.9	50.7	52.0	51.8	17	62.2
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	9.1	9.3	9.8	9.4	12.5	12.4	12.4	13.2	13.5	13.2	12.7	12.4	9	14.9
Social security funds	39.3	41.2	39.1	39.3	38.8	37.2	35.7	34.0	32.8	35.4	34.6	35.0	9	42.0
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	0.8	0.7	0.8	0.8	0.7	0.7	0.7	15	0.9
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.3	11.2	11.9	11.9	11.8	12.4	12.7	13.0	13.0	11.7	12.5	12.7	10	46.9
Labour	14.2	14.4	13.4	13.2	12.5	12.8	13.4	13.0	12.7	12.3	12.0	12.5	22	46.1
Employed	13.5	13.6	12.7	12.5	11.8	12.1	12.6	12.2	11.9	11.5	11.2	11.7	23	43.2
Paid by employers	5.7	5.7	5.4	5.2	4.9	5.2	5.3	5.0	4.9	4.9	5.0	4.9	20	18.3
Paid by employees	7.8	7.9	7.3	7.3	6.9	6.9	7.3	7.1	7.0	6.5	6.3	6.8	19	25.0
Non-employed	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	17	2.9
Capital	7.2	7.0	7.7	7.4	7.5	7.9	8.1	8.9	8.6	7.9	7.4	7.4	10	27.3
Capital and business income	5.5	5.3	5.8	5.6	5.7	6.2	6.2	7.2	6.9	6.2	5.8	5.8	5	21.5
Income of corporations	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	2.1	21	7.7
Income of households	0.2	0.1	0.2	0.3	0.2	0.2	0.2	0.5	0.4	0.3	0.3	0.3	20	1.1
Income of self-employed (incl. SSC)	2.9	3.3	3.6	3.5	3.3	3.5	3.6	4.0	3.9	3.7	3.5	3.4	2	12.7
Stocks of capital / wealth	1.6	1.6	1.9	1.8	1.8	1.7	1.9	1.7	1.7	1.6	1.6	1.6	14	5.8
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.1	2.1	2.4	2.4	2.6	2.6	2.7	2.7	2.6	2.6	2.6	2.6	13	9.5
Energy	1.8	1.8	2.0	2.1	2.1	2.3	2.3	2.3	2.2	2.1	2.2	2.2	7	8.0
Of which transport fuel taxes	:	:	:	:	1.7	1.8	1.9	1.9	1.9	1.8	1.9	1.9	7	
Transport (excl. fuel)	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	22	0.7
Pollution/resources	0.14	0.13	0.14	0.12	0.12	0.09	0.24	0.14	0.16	0.22	0.21	0.21	6	0.8
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.2	1.3	1.5	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	8	4.4
Recurrent taxes on immovable property	1.1	1.3	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	5	4.3
Other property taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	0.1
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	17.8	17.3	17.9	18.3	18.5	19.8	20.6	21.6	21.4	19.3	20.5	20.8	15	
Labour employed	33.6	33.2	32.4	32.7	32.7	33.8	35.4	34.0	31.7	30.9	30.3	32.2	16	
Capital	20.5	20.5	22.4	20.7	19.0	20.4	21.0	23.0	23.1	19.7	18.6	18.3		
Capital and business income	15.9	15.7	16.9	15.6	14.5	15.9	16.1	18.6	18.5	15.6	14.5	14.4		
Corporations	37.1	37.2	37.0	21.9	18.7	21.0	19.4	20.3	20.3	15.0	12.5	12.7		
Households	10.0	10.8	11.9	12.6	11.7	12.6	13.4	16.2	16.1	14.8	14.6	14.4		
Real GDP growth (annual rate)	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.1	1.6	3.9	4.0		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Poland

## Overall trends in taxation

### Structure and development of tax revenues

In Poland the overall tax burden in 2011 stood at 32.4 % of GDP, around 6.4 percentage points below the EU-27 average (38.8 %). Among neighbouring countries, this value remains higher than in Slovakia (28.5 %), but is lower than the tax to-GDP-ratios in the Czech Republic (34.4 %), Hungary (37.0 %) and Germany (38.7 %).

Indirect taxes (14.0 % of GDP) accounted for 43.3 % of total tax receipts and continue to play a more important role than direct taxes, which in 2011 raised 21.7 % of total tax revenues. This trend goes against the EU-27 trend where indirect and direct taxes make up respectively 34.5 % and 33.1 % of total taxes. Social contributions (11.5 % of GDP) accounted for over a third of total tax revenues in 2011 (35.3 %), slightly above the EU-27 average (33.5 %).

The share of receipts collected by the decentralised administration has been increasing steadily since the major administrative reform of 1999 and the local finance law enacted in 2004 (9.1 % in 1999). It has remained stable since 2007, oscillating around 13 % (12.4 % in 2011). The allocation to the central government (51.8 % in 2011) has also remained rather stable in the period under consideration. The share accruing to social security funds continues a generally downward trend, interrupted only in 2009 with slight increase and stood at 35.4 % in 2011.

The overall tax burden decreased progressively from 37.1 % of GDP in 1995 to 31.5 % in 2004, reflecting mostly the reduction of statutory tax rates. In contrast, the 2005–2007 period was characterised by an increase in the tax-to-GDP ratio, which reached a level of 34.8 % in 2007. This strong upward trend was driven mostly by an increase of VAT revenues as a result of a strong domestic consumption, and by robust growth of PIT revenue due to the rise of employment. The tax-to-GDP ratio has decreased in 2008-2009, mostly due to the changes in PIT which implied a net loss of the budget revenue coming from direct taxes.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The consumption taxes in Poland mirror the EU trend; after their 2009 slight decrease to 11.7 % of GDP they bounced back in 2010 to the level of 12.5 % of GDP and continued rise to 12.7% in 2011. This is reflected as well in the corresponding ITR, which stood at 19.3 % in 2009 (lowest since 2004), but bounced back to 20.5 % in 2010 and 20.8 in 2011, as did the EU average (at 19.8 % in 2010 and 20.1 % in 2011). The ITR on consumption, on a declining trend from 1995 to 2001, picked up since as a result of a strong VAT and excise duties revenue growth after the introduction of excise duties on energy, increased VAT rates on certain items in 2002, broadening of the VAT base, and in the aftermath of Poland's accession to the EU. The decrease in 2009 was most likely caused by lower consumption levels triggered by the economic downturn and lowering receipts from the VAT and excise but also change to the structure of VAT receipts (shift towards goods and services taxed at a preferential rate). The 2010 and 2011 recovery, common for most EU countries, was most likely caused by the growing market confidence and a temporary increase of statutory VAT rates by 1% that has started since 2011.

Taxes on labour, amounting to 12.5 % of GDP, are among the six lowest in the EU (the EU-27 average 19.7 %). In fact, over the last 16 years Poland has experienced a significant tax shift away from labour taxation (-4.5 percentage points). The ITR on labour has been steadily decreasing since its 10-year peak in 2006 (35.4 %), to climb to 32.2 % in 2011, 3.5 percentage points below the EU-27 average (35.8 %). Tax wedge on labour (on 100 % average wage of a single person without children) amounted in 2011 to 34.3 % of labour cost – among five lowest in EU. It is also the lowest tax wedge in the region, where the neighbouring countries such as Slovakia (38.9 %), Czech Republic (42.5 %) Hungary (49.4 %) and Germany (49.8 %) all impose higher burdens on labour.

In 2010 the ITR on capital stood at 18.3 % — a value below the EU average of 19.8 %. The continued increase registered after the 2004 low of 19.0 % to the 2008 peak of 23.1 % has to be attributed mainly to the more effective collection of corporate taxes.

The ratio of environmental taxation to GDP was on a crawling upwards trend since 1995 and peaked in 2006/2007 to 2.7 % and then remained at 2.6 % level between 2008 and 2011, which keeps at slightly (0.2 %) more than the average value in the EU.

Property tax revenues in Poland in relation to GDP in 2011 (1.2 %) were far below the EU-27 average of 2.1 %. The property tax represented 3.6 % of the total tax revenue in 2011, which is below the EU average (5.3 %).

### Main recent reforms implemented, on-going or announced

In August 2010 the Polish government adopted a Multiannual Financial Plan proposing increase in indirect taxes (about 0.4 % of the GDP). A series of measures in the VAT area came into force in 2011, of which the most important is the temporary increase (for the years 2011-2013) of the VAT rates by 1 percentage point, from 7 % to 8 % and from 22 % to 23 %. At the same time, a new reduced rate of 5 % has been introduced for, amongst others, basic foodstuff. It is foreseen as well that should this increase in VAT rates not help to reduce the public debt (which is its main objective), two more such rises, each of 1 percentage point, will take place in the years to come. Moreover, as of 2012 the VAT rates for certain products, including medical devices, clothing and clothing accessories for infants and children's' footwear, increased from 8 to 23 %. From 2013 the 23 % rate is due to apply for arts and crafts on public postal services. All these changes result from the expiring in 2012 transitional agreement for lower VAT rates on certain products and services.

The government also increases gradually the excise duties rates on tobacco products (by 4 % a year) but also for fuels (jet engine fuels, diesel and intrinsic bio-components). In line with the Energy Directive, as of 2012 the excise tax is also applicable to coal, lignite and coke, so far exempted. Finally, a new tax on extraction of certain minerals, such as copper and silver, was introduced.

In May 2010 Poland's government introduced reforms to the pension system scheme aimed at preventing public debt from rising to excessive levels. The transfers to privately managed pension funds were cut from 7.3 % to 2.3 % of workers' salaries and the 5 % difference was redirected into the public old-age pension system. After two years this ratio will gradually change until the privately managed pension funds contributions reach 3.5 %, planned for the year 2017. This will not change the tax burden on neither the employees nor the employers. According to the forecasts, this reform will help cut the deficit by 1 % of GDP. As of 2013 the personal income tax base will be broadened as the use of statutory 50 % costs of earnings from copyrights and licenses used mainly by high income earners will be limited. The tax credit for taxpayers, who have more than two minor children will be increased.

## Main features of the tax system

### Personal income tax

The main emphasis of the tax measures undertaken since 1995 in the field of the PIT was on closing tax loopholes, reducing exemptions, and simplifying the tax code. Furthermore, PIT rates have been reduced four times since 1995. To counterbalance the decline in PIT progressivity in recent years, the tax base has been broadened by abolishing a number of tax deductions, perceived as distorting consumption, savings and investment decisions, and by including fringe benefits and benefits in kind within taxable income.

Since 2009 Poland applies two tax rates, i.e. 18 % and 32 %. The lower statutory rate applies to the vast majority of taxpayers, these who in a given tax year earned PLN 85 528 or less (EUR 19 296). Dividends and interest payments are subject to a final withholding tax at a rate of 19 %.

Poland grants a personal allowance of PLN 556.02 (around EUR 125), deductible from the PIT due and granted to all taxpayers. There are a limited number of allowed deductions that may reduce aggregate taxable income, e.g. donations to religious and public utility organisations and children credit. Individuals are required to pay individual



income tax and spouses are taxed separately. However, spouses may file a joint tax return, provided that they meet certain conditions. Under specific conditions it is also possible to file a joint tax return with one's child.

### Corporate taxation

The Polish corporate income tax system is a classical one; corporate income is fully taxed at the company level, with the distributed profits being taxed again by way of a final withholding tax in the hands of the shareholders. The statutory CIT rate is applicable to income and capital gains. Capital gains are added to total ordinary income. Tax law provides for a list of non-deductible expenses. Tax losses may be carried forward for five consecutive years. The set-off may not exceed 50 % of the loss in each year. Tax loss carry-back is not allowed.

The regulatory framework for corporate taxation is set in the bill of 1992. Since then, a number of measures have been taken in the field, of which the most significant consisted of gradual reduction of the CIT rate from its 40 % peak in mid-1990s to the current 19 % in force since 2004. These cuts followed the general trend in other EU countries of lowering tax rates and broadening the tax bases. The Polish CIT tax base has been broadened by limiting or abolishing various incentive schemes. The number of depreciation schedules has been drastically reduced.

### VAT and excise duties

As of 2011 the standard VAT rate in Poland is 23 %, to be applied within a transitional period of 3 years (see *Current topics and prospects; policy orientation*) and applicable to most goods and services. There are reduced rates of 8 % and 5 % as well as the 0 % rate. The 5 % rate replaces to some extent the super-reduced rate of 3 % which expired on the 31 December 2010 together with termination of the transitional agreement on reduced VAT rates on certain goods and services granted to Poland at the time of its accession to the EU.

As of 2012, the threshold to qualify as a small taxpayer for income tax and VAT purposes will be PLN 5 324 000 (EUR 1 201 155) of annual turnover, including VAT.

### Wealth and transaction taxes

There is no wealth tax. The stamp duty applies to official acts performed on the basis of notification or upon request of the person concerned.

### Social contributions

Both employers and employees have to pay social contributions for the old-age pension scheme, at equal rates of 9.76 % of gross remuneration. Employees' contributions are withheld by the employer. There is a ceiling on contributions to the old-age pension scheme and disability insurance (see below) equal to the annual equivalent of 30 projected average monthly salaries in the calendar year – beyond that threshold the social contributions as mentioned above are paid no longer. In addition to the compulsory scheme there is a possibility to opt for employees' voluntary private pension plans and life insurance. The social security system includes also contributions for disability insurance (1.5 % paid by employee and 6.5 % by the employer, the latter raised as of 2012 from 4.5 %); health and maternity insurance (paid at 2.45 % by employee) and injury insurance (paid by employer at 0.67 % to 3.33 % depending on the professional risk factor). Additionally, there is an obligatory health insurance contribution to cover medical expenses (paid at 9 % by employees), which is automatically creditable against the income tax liability, up to 7.75 %.

<b>PORTUGAL</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	13.5	13.5	14.0	14.6	13.9	14.7	15.1	14.8	14.3	13.0	13.7	13.9	14	23.9
VAT	7.6	7.5	7.6	7.7	7.7	8.4	8.6	8.5	8.4	7.1	7.8	8.3	10	14.2
Excise duties and consumption taxes	2.6	2.8	3.0	3.2	3.1	3.0	3.1	2.8	2.7	2.7	2.8	2.8	18	4.7
Other taxes on products (incl. import duties)	2.7	2.6	2.5	2.3	2.4	2.6	2.7	2.7	2.4	2.2	2.2	2.0	5	3.3
Other taxes on production	0.6	0.6	0.9	1.3	0.7	0.7	0.7	0.8	0.8	0.9	0.8	0.9	17	1.6
Direct taxes	9.6	9.1	9.1	8.5	8.3	8.3	8.6	9.5	9.7	9.0	8.8	9.9	16	17.0
Personal income	5.3	5.4	5.2	5.2	5.0	5.1	5.3	5.5	5.6	5.7	5.6	6.1	15	10.5
Corporate income	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	3.2	6	5.5
Other	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.6	18	0.9
Social contributions	8.0	8.2	8.3	8.6	8.3	8.4	8.4	8.5	8.8	9.0	9.0	9.3	18	15.9
Employers'	4.7	4.8	4.9	4.6	4.6	4.7	4.5	4.8	4.9	5.0	5.2	5.3	18	9.1
Employees'	2.8	3.0	3.1	3.4	3.2	3.2	3.6	3.5	3.5	3.6	3.5	3.7	11	6.3
Self- and non-employed	0.4	0.4	0.4	0.5	0.4	0.5	0.3	0.2	0.3	0.3	0.3	0.3	20	0.6
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.1</b>	<b>30.8</b>	<b>31.4</b>	<b>31.6</b>	<b>30.5</b>	<b>31.4</b>	<b>32.1</b>	<b>32.8</b>	<b>32.8</b>	<b>31.0</b>	<b>31.5</b>	<b>33.2</b>	<b>17</b>	<b>56.8</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	68.2	67.9	68.3	68.2	68.0	67.9	68.4	68.1	67.5	65.3	66.0	67.0	9	38.0
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	6.4	6.2	6.4	6.1	6.7	6.7	6.7	7.1	7.1	7.1	6.8	6.5	17	3.7
Social security funds	23.6	24.5	24.2	24.7	24.4	24.5	24.1	23.9	24.7	26.8	26.3	25.7	19	14.6
EU institutions	1.8	1.5	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9	13	0.5
<b>C. Structure by economic function<sup>3)</sup></b>	<b>% of GDP</b>													
Consumption	11.8	11.7	12.0	12.1	12.1	12.9	13.2	12.6	12.3	10.9	11.8	12.2	13	20.8
Labour	11.5	11.8	11.8	12.0	11.7	11.9	12.2	12.4	12.6	13.2	13.1	13.9	17	23.7
Employed	11.0	11.2	11.3	11.4	11.0	11.2	11.4	11.6	11.7	12.2	12.1	12.7	18	21.8
Paid by employers	4.7	4.8	4.9	4.6	4.6	4.7	4.5	4.8	4.9	5.0	5.2	5.3	18	9.1
Paid by employees	6.3	6.4	6.4	6.7	6.4	6.5	6.9	6.8	6.8	7.1	6.9	7.4	15	12.7
Non-employed	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.1	13	1.9
Capital	7.8	7.3	7.6	7.5	6.7	6.6	6.8	7.7	7.9	6.9	6.6	7.1	11	12.2
Capital and business income	5.7	5.2	5.1	4.7	4.6	4.4	4.4	5.2	5.5	4.5	4.3	4.8	14	8.3
Income of corporations	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	3.2	6	5.5
Income of households	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.9	1.0	0.8	0.7	0.8	9	1.4
Income of self-employed (incl. SSC)	0.9	1.0	0.9	1.0	0.9	0.9	0.8	0.7	0.8	0.8	0.7	0.8	19	1.4
Stocks of capital / wealth	2.1	2.1	2.5	2.8	2.1	2.2	2.3	2.5	2.4	2.4	2.3	2.3	9	4.0
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.6	2.9	3.0	3.0	3.0	3.0	2.9	2.8	2.6	2.5	2.6	2.4	19	4.0
Energy	1.6	1.8	2.1	2.2	2.1	2.0	2.0	2.0	1.9	1.9	1.9	1.8	18	3.0
Of which transport fuel taxes	:	:	:	1.9	2.0	1.9	1.9	1.9	1.7	1.8	1.8	1.7	10	
Transport (excl. fuel)	1.1	1.1	1.0	0.8	0.9	0.9	0.9	0.9	0.7	0.6	0.7	0.6	12	1.0
Pollution/resources	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4	1.3	1.2	1.2	1.1	14	1.9
Recurrent taxes on immovable property	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	12	1.1
Other property taxes	0.8	0.8	0.8	0.7	0.6	0.7	0.7	0.8	0.7	0.6	0.6	0.4	13	0.7
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	18.3	18.3	18.8	18.9	18.8	19.7	20.0	19.1	18.2	16.7	17.6	18.0	21	
Labour employed	22.3	22.8	22.8	22.9	22.3	22.4	23.1	23.7	23.6	23.9	24.0	25.5	25	
Capital	31.1	29.9	31.9	31.9	27.7	29.3	30.6	33.3	37.2	31.6	28.4	31.6		
Capital and business income	22.6	21.2	21.4	19.9	19.0	19.4	20.0	22.5	25.8	20.5	18.4	21.4		
Corporations	25.1	22.6	22.6	20.3	20.1	21.4	22.8	27.4	36.1	:	:	:		
Households	12.5	12.0	12.3	12.3	9.4	8.2	7.3	7.5	7.6	:	:	:		
Real GDP growth (annual rate)	3.9	2.0	0.7	-0.9	1.6	0.8	1.4	2.4	0.0	-2.5	1.4	-1.9		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Portugal

## Overall trends in taxation

### Structure and development of tax revenues

In 2011 the Portuguese overall tax burden (including social contributions) stands at 33.2 % of GDP, below the EU-27 average (38.8 %). Although in 2011 the tax-to-GDP ratio increased by 1.7 percentage points compared to the previous year Portugal, exhibits the eleventh lowest tax burden in the EU-27.

Portugal's budget relies relatively heavily on indirect taxation. In 2011, the proportion of indirect taxes in total taxation is the tenth highest in the EU (42.2 % against EU-27 average 34.5 %). Revenue from indirect taxes in GDP terms, increased in Portugal from 13.7 % in 2010 to 14.0 % in 2011 due to an increase in the standard, intermediate and reduced VAT rates with effect from 1 July 2010. Also, the share of direct taxes in GDP and in total taxation increased in 2011. This development was due to the increase of the share of both corporate and personal income taxes. The share of corporate income tax in GDP is the sixth highest in the EU-27 in 2011. There was a moderate increase in social contributions revenue in 2011.

In Portugal, the proportion of total tax revenue (67 % of total taxation) collected by central government lies in 2011 well above the EU-27 (49.3 %). At the same time the local government receives 6.5 % of total receipts, which is below EU-27 average (10.8 %). The revenue share received by social security institutions (25.7 % of total taxation) is also smaller than the EU-27 average (37.4 %).

The tax-to-GDP ratio oscillated around the 30 % to 32 % band in the period of 2000–2005. In the following four years the ratio went up moderately, reaching of 32.8 % in 2007 and 2008. In 2008, despite the growth slowdown, revenue from direct taxes and social continued to grow. The moderate increase in the total tax burden in 2010 is to a large extent the result of tax reforms. In 2011, the tax-to-GDP ratio increased reaching a peak of 33.2 % due to the increase of tax rates.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

In line with high revenue from indirect taxes, taxes on consumption play an important role in Portugal, representing 36.7 % of total tax revenue. Despite the fact that this number is far from its peak in 2005 (41.0 %), the share of consumption taxes in total taxation is still well above EU-27 average (29.0 %). In 2011 consumption taxes increased from 11.8 % to 12.2 % of GDP compared to the previous year. This augmentation is due to the above mentioned VAT rate increase in 2010. Although the Portuguese ITR on consumption grew from 17.7 % (2010) to 18.1 % (2011) it exhibits the seventh lowest value in the EU-27.

In 2011, taxes on labour display the most important revenue source for Portugal (41.7 % of total revenue). The amount of labour taxes in GDP terms increased from 13.1 % in 2010 to 13.9 % in 2011. The ITR on labour increased compared to the previous year to 25.4 %, but it remains among the third lowest in the EU.

Taxes on capital increased in Portugal from 6.6 % in 2010 to 7.1 % in 2011 in GDP terms. This increase is mainly due to an increase in capital and business income taxes paid by corporations by 0.4 percentage points. The capital taxes yield 21.5 % of total taxes (EU-27 average 20.5 %). The Portuguese ITR on capital (32.4 % in 2011) is 27.5 % higher than the ITR on labour and significantly higher than the ITR on consumption. Nonetheless it decreased considerably by 4.8 percentage points from its 2008 peak of 37.2 % to 32.4 % in 2011.

At 2.4 % of GDP, Portugal's level of environmental taxes is equal to the EU-27 average. The 2011 level is however well below the 2002–2005 value (3.0 % of GDP). Energy taxes are the most important environmental tax revenue source representing 75 % of total environmental taxes, although relatively low by EU comparison (1.8 % GDP).

Property tax revenues in Portugal in relation to GDP in 2011 (1.1 %) were below the EU-27 average of 2.1 %. The property tax represented 3.3 % of the total tax revenue in 2011, which is below the EU average (5.3 %).

### Main recent reforms implemented, on-going or announced

After significant reforms in 2010, in May 2011 a Memorandum of Understanding on Specific Economic Policy Conditionality (MoU) agreed between the EC, the ECB, the IMF and Portugal was signed. The MoU includes several measures aimed at improving the economic situation and reducing the budget deficit. Following the signature of the MoU Portugal continued to introduce significant tax changes in 2011 and 2012. One important measure to comply with the MoU was the introduction of a new annual surtax on individual income, which was approved on 7 September 2011. The new surcharge (not applied in 2012) is levied at a rate of 3.5 % on all aggregated categories of income subject to individual income tax. The additional solidarity surcharge, introduced in 2011, is now progressive. As of 2013 the rate of 2.5 % is applicable to taxpayers with a taxable income between EUR 80 000 and EUR 250 000, while a rate of 5 % is now applicable to taxpayers with a taxable income higher than EUR 250 000. The VAT rate on electricity and natural gas was increased from the reduced rate of 6 % to the standard rate of 23 % and became effective as of October 2011.

In line with the 2012 budget important tax measures were introduced. Regarding VAT certain goods and services are removed from a preferential treatment under the reduced VAT to the standard or intermediate rate. With effect from 1 January 2012 Portugal introduced an excise duty on electricity consumption by consumer, producers, traders and self-producer. Furthermore, the maximum rates of excise duties on petrol, spirit drinks, heating diesel and tobacco were increased. In addition, the minimum and the maximum rates of the real estate tax on urban property were raised by 0.1 percentage points (see wealth and real estate taxes).

The Budget law for 2013 also included important tax measures as regards direct taxation. Concerning individual taxation, these are the main changes: As regards capital gains, there has been an increase from 25 % to 28 % of the tax rate on the positive difference between capital gains and capital losses arising from the disposal of shares, applicable to resident and non-resident individuals (tax rate was already increased in 2012 from 20 % to 25 %). The withholding tax rate applicable on investment income derived by resident and non-resident individuals applicable, inter alia, to dividends, interest from bank deposits or debt securities has been increased to 28 % (again, the withholding tax rate was also risen twice in 2012, from 21.5 % to 25 % and to 26.5 % in November). There has also been an increase from 21.5 % to 25 % of the withholding tax rate applicable on the income derived by non-resident entities from royalties, technical assistance, employment income, provision of services and pensions; Rental income is subject to a special rate of 28 %, nevertheless the taxpayer has the option to include it in the aggregated income.

Regarding corporate taxation the withholding tax rates applicable to royalties, commissions, service fees and property income earned by non-residents have been increased from 15 % to 25 %. There has also been an increase from 21.5 % to 25 % of the tax rate applicable on the positive balance between capital gains and capital losses obtained by securities investment funds and from 20 % to 25 % of the tax rate applicable to property income obtained by Real Estate Investment Funds.

## Main features of the tax system

### Personal income tax

In Portugal the personal income tax (IRS) is levied on the aggregated base of six income categories. There is no personal allowance, but a single personal tax credit which is linked to the minimum wage and to the family situation of the taxpayer. Following the amendments introduced by the Budget law for 2013, the number of brackets was reduced from eight to five, there has been a general increase of the average tax rates and the maximum marginal rate increased to 48 %, being levied at an income over EUR 80 000. 'Unjustified' increases of the personal income of more than EUR 100 000 are taxed at a special rate of 60 %.

Spouses living in a single household have to file a joint return including the aggregated family income. However, they benefit from an income-splitting relief.

## Corporate taxation

Until the end of December 2011, two corporate income tax rates (IRC) - a standard and a reduced one were applicable in Portugal. Taxable profits up to EUR 12 500 were subject to a reduced rate of 12.5 %. A 25 % rate was applied to taxable profits surpassing EUR 12 500. As of 1 January 2012 the reduced CIT rate of 12.5 % was abolished. A state surtax of 3 % is levied on corporate income between EUR 1.5 and 10 million and a 5 % rate is levied on taxable profits surpassing EUR 10 million with effect from 1 January 2012. As from 1 January 2013, there is a reduction (from EUR 10 million to EUR 7.5 million) of the lower taxable profit threshold to which the 5 % rate applies. On top of corporate income tax, municipalities may levy a non-deductible surcharge of up to 1.5 % of taxable profit. In line with 2011 budget, dividends distributed from resident to EU and EEA parent company are no longer exempt from withholding tax in case the participation rate is below 10 %. In line with the 2012 budget the withholding tax on capital income gained by non-resident company is increased from 21.5 % to 25 %. As from 1 January 2011 a new bank levy, which is not deductible for corporate income purposes, was introduced. The charge is applied to domestic credit institutions and to local subsidiaries and branches of credit institutions whose head office and management are not in Portugal. The bank levy refers to specified liabilities at rates varying from 0.01 % to 0.05 % and the notional amount of derivative instruments at rates from 0.0001 % to 0.0002 %. The Budget Law for 2013 provides that the bank levy, the financial sector contribution, is extended to 2013.

## VAT and excise duties

In 2010 two major tax measures applying to all VAT rates were adopted. The normal, intermediary and reduced VAT rates were increased by 1 percentage point from 20 % to 21 %; 12 % to 13 % and 5 % to 6 % as from 1 July 2010. For the Madeira and Azores islands, the standard and the intermediate rate were also raised from 14 % to 15 % and 8 % to 9 %. In line with the 2011 budget the standard VAT rate in Portugal mainland was increased again by two percentage points to 23 % and in Madeira and Azores by 1 percentage point to 16 %. As from 1 January 2012 certain goods and services are removed from a preferential treatment under the reduced VAT to the standard or intermediate rate. As from 1 April 2012, the reduced, intermediate and standard rates in Madeira are increased to 5 %, 12 % and 22 % respectively, while rates in Azores are kept unchanged.

In line with the 2012 budget Portugal introduced an excise duty on electricity consumption and increased the maximum rates of excise duties on petrol, spirit drinks, heating diesel and tobacco. The budget of 2013 increased again the maximum rates of excise duties on petrol, spirit drinks, heating and tobacco.

## Wealth and real estate taxes

Currently, two property taxes are in force in Portugal: the municipal real estate tax (IMI) and the municipal real estate transfer tax (IMT). With effect from 1 January 2012 the minimum and the maximum rates of the real estate tax on urban property were increased by 0.1 percentage points. There is no net wealth tax. The gift and inheritance tax was abolished in 2004.

## Local taxes

In addition to the taxes already mentioned, taxation at the local level also comprises a municipal tax on vehicles.

## Social contributions

Employees pay contributions equal to 11 % of their gross salary without any ceiling. The applicable social contributions rate for employers differs according to the employment contract. In 2013 a rate of 23.75 % applies to permanent contracts and 26.1 % to fixed term contracts. For self-employed the contribution rate increased to 29.6 % while employers have a contribution of 5 % if benefiting of at least 80 % of the self-employed activity. In 2010 the Portuguese government adopted measures for broadening the social contributions base and against tax evasion. In line with the 2013 Budget, a contribution rate of 5 % on sickness subsidies and of 6 % on unemployment subsidies and a solidarity contribution on pensions was introduced, ranging from 3.5 % to 10 % for pensions above EUR 1 350 and, cumulatively, from 15 % to 40 % for pensions above EUR 3 750.

ROMANIA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.2	11.3	11.6	12.3	11.7	12.9	12.8	12.6	12.0	11.0	12.1	13.2	16	17.4
VAT	6.5	6.2	7.1	7.2	6.7	8.1	7.9	8.1	7.9	6.6	7.6	8.7	5	11.4
Excise duties and consumption taxes	3.0	2.8	2.6	3.5	3.6	3.3	3.2	3.0	2.7	3.2	3.3	3.5	9	4.6
Other taxes on products (incl. import duties)	2.2	1.6	1.3	1.0	1.0	1.0	1.2	0.7	0.6	0.4	0.4	0.4	21	0.6
Other taxes on production	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.8	0.8	0.7	0.7	0.6	21	0.8
Direct taxes	7.0	6.4	5.8	6.0	6.4	5.3	6.0	6.7	6.7	6.5	6.0	6.0	24	7.9
Personal income	3.5	3.3	2.7	2.8	2.9	2.3	2.8	3.3	3.4	3.5	3.3	3.3	25	4.4
Corporate income	3.0	2.5	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	2.2	18	2.9
Other	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.4	0.5	0.5	21	0.6
Social contributions	11.1	10.9	10.7	9.4	9.1	9.6	9.7	9.7	9.3	9.4	8.6	9.0	19	11.8
Employers'	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.5	5.7	17	7.4
Employees'	3.0	3.8	4.2	3.1	3.0	3.0	3.3	3.2	3.2	3.3	2.9	2.9	13	3.8
Self- and non-employed	0.0	0.0	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.2	0.4	18	0.6
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>30.2</b>	<b>28.6</b>	<b>28.1</b>	<b>27.7</b>	<b>27.2</b>	<b>27.8</b>	<b>28.5</b>	<b>29.0</b>	<b>28.0</b>	<b>26.9</b>	<b>26.7</b>	<b>28.2</b>	<b>24</b>	<b>37.1</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	59.5	59.7	60.1	62.8	63.4	63.0	63.0	62.2	62.9	61.1	63.4	63.8	12	23.6
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	3.9	3.8	3.1	3.5	3.4	3.1	3.4	4.0	3.2	3.5	4.0	3.8	21	1.4
Social security funds	36.6	36.5	36.8	33.7	33.2	33.9	33.6	33.0	32.9	34.5	31.9	31.7	12	11.8
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	0.9	0.8	0.7	0.7	n.a.	n.a.
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	11.5	10.6	10.9	11.5	11.1	12.3	12.1	11.8	11.2	10.3	11.3	12.6	11	16.5
Labour	13.2	12.9	12.3	11.1	10.7	11.0	11.6	11.8	11.6	11.8	11.1	11.2	26	14.7
Employed	13.2	12.8	12.3	11.1	10.7	11.0	11.5	11.8	11.5	11.6	10.9	11.0	24	14.4
Paid by employers	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.5	5.7	17	7.4
Paid by employees	5.2	5.7	5.9	4.9	4.8	4.6	5.2	5.6	5.4	5.7	5.4	5.3	24	7.0
Non-employed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.2	23	0.2
Capital	5.5	5.1	4.8	5.0	5.4	4.5	4.9	5.4	5.2	4.8	4.3	4.5	22	5.9
Capital and business income	4.3	3.9	3.8	4.0	4.5	3.6	3.9	4.2	4.2	3.8	3.2	3.4	21	4.5
Income of corporations	3.0	2.7	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	2.2	18	2.9
Income of households	1.2	1.1	1.0	0.9	1.0	0.6	0.7	0.8	0.9	0.9	0.6	0.7	13	0.9
Income of self-employed (incl. SSC)	0.1	0.2	0.2	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.6	22	0.8
Stocks of capital / wealth	1.2	1.2	1.1	1.0	0.9	0.9	1.0	1.1	1.0	1.0	1.1	1.0	20	1.4
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	3.4	2.4	2.1	2.4	2.4	2.0	1.9	2.1	1.8	1.9	2.0	1.9	23	2.5
Energy	3.2	1.9	1.7	2.0	2.1	1.8	1.7	1.7	1.4	1.6	1.8	1.7	19	2.2
Of which transport fuel taxes	:	:	:	:	:	:	:	1.3	1.3	1.6	1.6	1.4	17	
Transport (excl. fuel)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.3	0.2	0.2	23	0.2
Pollution/resources	0.15	0.36	0.34	0.28	0.16	0.11	0.09	0.02	0.01	0.01	0.01	0.01	23	0.0
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.7	0.7	0.7	0.7	0.7	0.7	0.8	1.0	0.8	0.8	0.8	0.8	19	1.1
Recurrent taxes on immovable property	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.6	0.7	0.7	11	0.9
Other property taxes	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.1	22	0.2
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	17.0	15.6	16.2	17.7	16.4	17.9	17.8	18.0	17.7	16.9	18.1	21.6	11	
Labour employed	0.0	0.0	0.0	0.0	0.0	28.1	30.1	30.2	27.3	28.6	30.0	31.4	20	
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	2.4	5.7	5.1	5.2	8.5	4.2	7.9	6.3	7.3	-6.6	-1.9	1.7		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Romania

## Overall trends in taxation

### Structure and development of tax revenues

The overall tax-to-GDP ratio of Romania was 28.2 % in 2011, more than ten percentage points lower than the EU-27 weighted average (38.8 %). The overall tax-to-GDP level in Romania continues to be the fourth lowest in the EU after Lithuania (26.0 %), but comparable to the level in Latvia (27.6 %) and Bulgaria (27.2 %).

The tax structure of Romania stands out in several respects. As of 2011, Romania had the second highest reliance on indirect taxes in the EU. Indirect taxes supplied 46.9 % of total tax revenue compared to 34.5 % for the EU-27 weighted average, while the share of social contributions accounted for 31.9 % (EU-27 33.5 %) and direct taxes only for 21.2 % (EU-27 33.2 %).

Central government revenue forms more than half of the total (63.8 %), while local government revenues are marginal, consisting of only 3.8 %. The revenue shares received by social security funds account for 31.7 %, 5.6 percentage points below the EU-27 weighted average (37.3%). In percentage of GDP, the revenues of the social security funds are 5.6 percentage points below the EU weighted average.

In 2009 the short term economic outturn for Romania was worse than expected with a huge real GDP drop of 6.6 percentage points (annual average) compared to 2008, and GDP continued to drop further in 2010 but growth resumed in 2011. However, hikes in excise duty rates in 2009 and VAT standard rate in 2010 ensured higher revenues from indirect taxes, which compensated for the continued drop in revenues from direct taxes and social contributions.

### Taxation of consumption, labour and capital; environmental taxation, property taxes

Although Romania relies primarily on indirect taxation, revenue from consumption taxes is below the EU average. The ITR on consumption is at 21.6 % in 2011, 1.5 percentage points lower than the EU-27 average (20.1 %). However, the ratio increased by two percentage points compared to 2009 and it is expected to grow even further in 2011 when the full effect of the 2010 VAT rate hike will be visible.

The share of labour taxation is 11.2 % of GDP. It has decreased by 2 percentage points between 2000 and 2011, while the EU-27 average has decreased by 0.4 percentage points. The decrease could be partly explained by the significant cut of the PIT rate in 2005. The ITR on labour is 31.4 % in 2011, well below the EU average of 35.8 %.

Taxation of capital is one of the lowest in the EU (ranking 22), yielding merely 4.5 % of GDP as compared with 8.0 % in the EU weighted average. This is mainly due to below average proceeds from corporate income taxation and low tax revenue from self-employed income. While the latter was 0.6 % of GDP in 2011, the former decreased continuously from 3.1 % of GDP in 2007 to 2.2 % of GDP in 2011. ITRs on capital are not available.

Environmental tax revenue, coming down from 2.0 % of GDP in 2010 to 1.9% of GDP in 2011, lies well below the EU-27 average (2.4 %); in fact, this value is the fifth lowest in the EU. Most of this revenue is realised from energy (1.7 %), very little from pollution and only 0.2 % from transport (excluding fuel). The excise duty rates, however, have been increased in 2011 and in 2012. Property tax revenues in relation to GDP in 2011 (0.8 %) were well below the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property amounted to 0.7 % of GDP (EU-27 1.3 %).

### Main recent reforms implemented, on-going or announced

Romania has received financial assistance (through the borrowing mechanism in support of the balance of payments/BoP) from the EU from 2009 until 2011 in exchange for a package of fiscal measures such as adoption

of a draft pension reform, adoption of a Fiscal Responsibility Law and implementation of fiscal consolidation measures. A subsequent precautionary programme for BoP assistance runs from 2011 until 2013. On the revenue side, a number of minor measures were agreed: a broadening of the personal income tax base to include lunch vouchers, incomes from capital gains, income from interests on bank deposits and severance payments; broadening of the tax base for social contributions to include intellectual property rights.

Positive differences resulting from the valuation of securities and long-term bonds are no longer exempt for corporate income tax purposes. There have been numerous changes in the rules on corporate expenses admissible for corporate income tax purposes, e.g. expenses incurred due to losses in the value of securities have been excluded from the category of non-deductible expenses. Furthermore, expenses with remuneration granted to employees consisting of equity instruments with shares settlement are non-deductible for corporate income tax purposes, until the moment of the cashing when they can be deducted if such income is subject to taxation in the hands of the employee.

As of 1<sup>st</sup> January 2013, the collection of the VAT will be done upon payment, the new system involving delaying VAT chargeability and the right to deduct VAT. In the medium term, the government envisages also introducing a reduced rate for agricultural products.

Recently, Romania took some tax measures to increase environmental taxes. Initially, the new pollution tax legislation entered into force in mid-January 2012, but its application was then suspended by the former government. More recently, following a quick public consultation initiated by the new government in late January, a new "environmental stamp" which would differentiate car taxation based on CO<sub>2</sub> emissions was introduced through the Emergency Government Ordinance no. 9/2013 of 19 February; this act will produce its effects as of 15 March 2013. This tax shall be paid only once for the whole lifetime of the vehicle.

As of 1<sup>st</sup> February 2013, on the revenues side several amendments to the Tax Code were adopted among which, the previously optional reduced tax rate of 3% on the gross income applicable to certain microenterprises becomes mandatory for any enterprise with a gross income lower than EUR 65 000; certain items of income non-taxable so far become taxable; the general anti-abuse rule is developed to tackle artificial transactions and their consequences; for the purpose of the interest deductibility rules, a definition of a credit/loan is provided; expenses proved to be connected to corruption acts are not deductible.

Following the recent modification of the tax code in January 2013 by means of a government ordinance, the excise duties for beer and fermented beverages are aligned with the alcohol concentration as well as the production process. Also, the excise duties for beer have been increased. Total excise duties on cigarettes will be increased yearly on 1 April until 2018. In 2018, the EU-minimum excise duty level will be reached..

In the medium-term, several job-creation oriented amendments are planned to be adopted among which: the current flat rate system applied to salary income to be replaced by a three-bracket system (8%; 12% and 16%) accompanied by tax deductions; the social contribution paid by the employer to be cut by 5%; the employers to be exempt from the social contribution for a one year period if they create and maintain new job opportunities or the exemption from tax of certain reinvested dividends; tax incentives for R&D costs increased from 20% to 50%.

## Main features of the tax system

### Personal income tax

As from 2005, a flat rate tax system has replaced the previous four-bracket system with tax rates ranging from 18 % to 40 %. The flat tax rate has been set at 16 %, the same as the standard rate applied on taxable corporate profits. This rate in general applies to income from independent work activity, royalties, income from movable and immovable property (such as rents), but also to short-term capital gains on listed shares. Interest income, too, is subject to a final withholding tax of 16 %.



## Corporate taxation

Romanian corporate income tax follows the classical system: corporate profits are taxed at the company level and distributed profits are taxed again, by way of withholding, at the level of both corporate and individual shareholders, certain exceptions being applicable as regards corporate shareholders. The standard flat-tax rate is 16 % (25 % before 2005). A reduced tax rate of 3% on the gross income applies to microenterprises, as defined by the national legislation. Dividends received from other Romanian resident companies are exempt from corporate taxation. Capital gains are generally treated as ordinary business income and subject to the same rate.

A minimum CIT applied in certain economic areas between 1 May 2009 and 1 October 2010 and it could vary from RON 2 200 (EUR 550) to RON 43 000 (EUR 10 750) depending on the gross income. Such minimum CIT continues to apply in a few economic areas at 5% on the gross income, if the tax to be paid calculated following the general rules is lower than the latter. Expenses incurred for business purposes are generally deductible, with fuel expenses for company vehicles used for both private and business purposes becoming deductible at 50% of their amount if the weight is below 3 500 kg and they have less than nine seats and are used only for passenger transport. However, fuel expenses for vehicles used for transportation of staff to and from work, as courier services or for a car driving school services are fully deductible from the corporate income tax. The same rules apply to the self-employed individuals. For 2011 and 2012 the advance payment system is used where CIT is paid in advance by a trimester, adjusted to consumption prices index, on an annual basis. However, from 1 January 2013, most of the companies may opt to declare corporate income tax on an annual basis and pay advanced payments on a quarterly basis. Such option must be maintained for at least two consecutive years. Since April 2011 the certification of the corporate income tax return by tax consultants is suspended until 1<sup>st</sup> January 2013.

## VAT and excise duties

As of 2010, the standard VAT rate is 24 %. A reduced rate of 9 % applies to goods such as pharmaceutical products, medical equipment for disabled persons, books, newspapers, school manuals, admission to cultural services and accommodation and assimilated services. As of 2009, a 5 % reduced rate applies to the supply of social and some private dwellings. The definition of a taxable person was broadened. VAT exemptions without right of deduction apply to, among others, medical treatments, some educational and cultural activities, public postal services, certain banking and financial transactions, insurance and reinsurance. Romania applies excise duties on alcohol, tobacco, energy and is levying excises on coffee.

## Wealth taxes, transaction taxes and local taxes

There are neither net wealth taxes nor gift or inheritance taxes in Romania. As a rule, no inheritance tax is due if the succession is finalised within two years. Should this fail, a 1% tax is due on the taxable base of the inherited immovable property.

Immovable property located in Romania is subject to a local building tax. The tax is levied at rates varying between 0.1 % for buildings owned by individuals and 0.25 % to 1.5 % for company-owned buildings. If an individual owns several buildings in addition to the one used as domicile, the local tax is increased by 65% to 300% for each next property (except for those obtained by way of legal succession); if the building has not been revalued during the last three years, the rates for company owned buildings vary from 10 % to 20 %. Land both inside and outside city limits is in general subject to local land tax. Local taxes have increased by approximately 20 % in 2010, following inflation correction for tax purposes. As of 2013, based on the same inflation correction mechanism for the years 2010 to 2012 certain values used for tax purposes and local taxes could increase by approximately 16%, optional upon decision of the local authorities.

## Social contributions

Social contributions are payable at a combined rate for the employer and the employee. As of 1 February 2009, employees with normal working conditions must contribute for social security at 10.5 %. Employers contribute at a rate of 20.8 %. Higher rates for the employers may apply in certain cases. In addition, employees and employers both contribute to the health insurance fund at 5.5% and 5.2% respectively and to the national unemployment fund at 0.5%. All social contributions are deductible for income tax purposes.

SLOVAKIA													2011	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Ranking <sup>1)</sup>	€ bn
<b>A. Structure of revenues</b>													<b>% of GDP</b>	
Indirect taxes	12.5	11.3	11.4	11.9	12.3	12.6	11.5	11.4	10.8	10.7	10.4	10.8	26	7.5
VAT	7.0	7.2	7.0	7.5	7.8	7.9	7.5	6.7	6.9	6.7	6.3	6.8	22	4.7
Excise duties and consumption taxes	3.1	2.7	2.9	3.1	3.3	3.7	2.9	3.5	2.7	2.8	2.9	2.9	17	2.0
Other taxes on products (incl. import duties)	1.7	0.7	0.7	0.7	0.5	0.3	0.3	0.4	0.4	0.4	0.4	0.4	23	0.3
Other taxes on production	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7	18	0.5
Direct taxes	7.4	7.5	7.1	7.1	6.1	6.0	6.1	6.2	6.5	5.5	5.4	5.4	25	3.8
Personal income	3.4	3.5	3.3	3.2	2.7	2.6	2.5	2.6	2.7	2.4	2.3	2.5	27	1.7
Corporate income	2.6	2.6	2.5	2.8	2.6	2.7	2.9	3.0	3.1	2.5	2.5	2.4	12	1.7
Other	1.5	1.4	1.3	1.2	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.5	19	0.4
Social contributions	14.1	14.3	14.6	13.8	13.1	12.6	11.7	11.7	12.0	12.7	12.3	12.3	11	8.5
Employers'	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	6.6	13	4.6
Employees'	2.9	3.0	3.0	2.8	2.9	3.0	2.8	2.8	2.9	3.0	3.2	2.9	14	2.0
Self- and non-employed	2.1	2.5	2.8	2.6	2.6	2.6	2.7	2.7	2.4	2.8	2.3	2.7	2	1.9
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>34.1</b>	<b>33.1</b>	<b>33.0</b>	<b>32.9</b>	<b>31.5</b>	<b>31.3</b>	<b>29.3</b>	<b>29.3</b>	<b>29.3</b>	<b>28.9</b>	<b>28.1</b>	<b>28.5</b>	<b>23</b>	<b>19.7</b>
<b>B. Structure by level of government</b>													<b>% of total taxation</b>	
Central government	55.3	53.3	52.5	54.8	54.3	49.3	48.7	49.0	47.3	44.4	46.4	46.2	23	9.1
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	4.1	4.4	4.2	4.0	4.3	10.7	10.8	10.3	11.1	11.4	9.7	10.4	12	2.1
Social security funds	40.6	42.3	43.4	41.1	40.9	39.1	39.5	39.4	40.4	43.2	42.9	42.3	3	8.3
EU institutions	n.a.	n.a.	n.a.	n.a.	0.5	0.9	1.0	1.3	1.2	1.0	1.1	1.1	4	0.2
<b>C. Structure by economic function</b>													<b>% of GDP</b>	
Consumption	12.2	11.0	11.0	11.6	11.9	12.3	11.2	11.2	10.5	10.4	10.1	10.5	24	7.3
Labour	15.4	15.3	15.1	14.5	13.3	12.9	11.9	11.9	12.7	12.8	12.7	12.6	20	8.7
Employed	14.8	14.7	14.6	14.0	12.7	12.2	11.2	11.3	12.1	12.2	12.2	11.9	22	8.2
Paid by employers	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	6.6	14	4.6
Paid by employees	5.7	5.9	5.7	5.6	5.1	5.2	4.9	5.0	5.3	5.3	5.3	5.3	26	3.6
Non-employed	0.6	0.6	0.6	0.5	0.6	0.7	0.8	0.6	0.7	0.7	0.5	0.7	18	0.5
Capital	6.5	6.8	6.9	6.7	6.2	6.1	6.1	6.3	6.1	5.7	5.2	5.4	18	3.7
Capital and business income	5.7	6.0	6.1	6.0	5.5	5.4	5.5	5.7	5.5	5.0	4.6	4.8	15	3.3
Income of corporations	3.5	3.4	3.2	3.4	3.0	3.0	3.2	3.3	3.4	2.7	2.7	2.6	12	1.8
Income of households	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.0
Income of self-employed (incl. SSC)	1.9	2.3	2.6	2.4	2.4	2.3	2.3	2.3	2.0	2.2	1.8	2.1	8	1.5
Stocks of capital / wealth	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	26	0.4
<b>D. Environmental taxes</b>													<b>% of GDP</b>	
Environmental taxes	2.2	2.0	2.2	2.4	2.5	2.4	2.3	2.1	2.0	2.0	1.9	1.8	24	1.3
Energy	2.0	1.7	1.9	2.2	2.2	2.1	2.0	1.8	1.8	1.7	1.6	1.6	23	1.1
Of which transport fuel taxes	:	:	:	:	:	2.1	2.0	1.8	1.8	1.7	1.6	1.6	16	
Transport (excl. fuel)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	21	0.1
Pollution/resources	0.00	0.00	0.07	0.07	0.07	0.07	0.09	0.09	0.05	0.04	0.04	0.04	18	0.0
<b>E. Property taxes</b>													<b>% of GDP</b>	
Property taxes	0.6	0.5	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	26	0.3
Recurrent taxes on immovable property	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	19	0.3
Other property taxes	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0.0
<b>F. Implicit tax rates</b>													<b>%</b>	
Consumption	21.7	18.8	19.0	20.7	21.1	21.8	19.9	20.2	18.7	17.3	17.7	18.7	20	
Labour employed	36.3	37.1	36.7	36.1	34.5	32.9	30.5	31.1	33.2	31.7	32.2	31.9	19	
Capital	21.5	20.8	21.9	21.8	18.3	18.3	17.0	16.7	16.0	16.1	14.3	14.8		
Capital and business income	18.9	18.5	19.4	19.4	16.1	16.2	15.2	15.1	14.4	14.3	12.6	13.1		
Corporations	40.2	32.5	34.4	34.8	22.6	23.3	20.3	19.8	21.8	21.8	18.8	17.5		
Households	10.0	11.4	12.6	11.8	11.8	11.6	11.2	11.0	8.9	9.7	8.0	9.5		
Real GDP growth (annual rate)	1.4	3.5	4.6	4.8	5.1	6.7	8.3	10.5	5.9	-4.9	4.2	2.9		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.

2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Slovakia

## Overall trends in taxation

### Structure and development of tax revenues

In Slovakia the overall tax burden (including social contributions) stood at 28.5 % of GDP in 2011, a value markedly below the EU-27 average (38.8 %). The tax-to-GDP ratio is the fifth lowest in the European Union, with only Latvia, Bulgaria, Romania, and Lithuania displaying lower ratios.

Indirect taxes raised 10.8 % of GDP, 2.6 percentage points below the EU-27 average. Accounting for 37.9 % of total tax receipts, they play a much more important role in Slovakia than direct taxes (19.1 % of total revenues). Not surprisingly therefore, direct tax revenue is only 5.4 % of GDP compared to a 12.9 % of EU-27 average. The share of SSC in total tax revenue is 43.0 % in 2011 – the second highest value in the EU. The ratio of tax revenues from social contributions to GDP has decreased over recent years by 1.8 percentage points, from 14.1 % in 2000 to 12.3 % in 2011. It was decreasing from 2002 to 2007 and started growing from 2008 onwards but still not reaching the level of 2000. The decrease was mainly driven by reduction of employers' social contributions and, since 2005–2006, the introduction of a 'second pillar' fully funded pension scheme, as contributions to privately managed funds are not booked as government revenue.

The central government receives less than half of overall revenue, a comparatively low share, while social security funds receive most of the remainder; their share of revenue is the third highest in the Union after France and Belgium. The proportion of tax receipts collected by local governments increased markedly (from 4.3 % in 2004 to 11.4 % in 2009) due to the implementation of a new financing system for regional self-government from 1 January 2005. However it has decreased to 10.4 % in 2011.

Slovakia's tax ratio has decreased significantly over the last decade. It stood at 40.3 % of GDP in 1995, well above the EU average, whereas the 28.5 % of GDP in 2011 falls short of the EU-27 average by 10.3 percentage points.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Measured in terms of final consumption expenditure of households, taxation of consumption (ITR on consumption) stood at 18.7 % in 2011. This value is the eighth lowest in the EU and places Slovakia 1.4 points below the EU-27 average. After an increasing phase in 2001-2005, due to stronger excise duties and VAT revenues in correspondence with changes in the VAT rates, the Slovak ITR on consumption started declining, reaching in 2009 its lowest value since 1995. However, it slightly increased in 2010 to reach 18.7 % in 2011. The decline in consumption tax revenue in percentage of GDP can partly be attributed to a reduced VAT rate of 10 % which has been in force since 1 January 2007.

The ratio of taxes on labour income to GDP stood at 12.6 % in 2011, seven percentage points below the EU-27 average (19.7 %). The ITR on labour in Slovakia has tended to decline over time in line with the decrease in tax levels, and has accelerated after the introduction of a 19 % flat PIT rate in 2004. One should note, however, that the introduction of a second pillar pension scheme in 2005–2006 also results, under our methodology, in a reduction of the ITR on labour, although payments to these funds have an impact on workers' disposable income which is analogous to traditional social contributions. The ITR on labour rose again in 2008 up to 33.2 % following the increase in the social contribution ceilings, only to drop again in 2009 to 31.7 % (EU-27 35.4 %) due to the introduction of an employee tax credit and the increase in the PIT allowance, to reach in 2011 31.9 % (EU-27 35.8 %).

The ratio of capital taxes has remained constant between 2005 and 2008 but decreased by almost one percentage points to 5.2 % of GDP in 2010 to reach 5.4 % in 2011. The drop of 0.5 percentage points from 2009 to 2010 was driven by the decrease in revenue from taxes on the income of self-employed probably due to lower revenue from social contributions paid by self-employed. The relatively low contribution of taxes on capital to total tax revenue

and the relatively high share of capital base on GDP are also reflected in the low ITR on capital, 14.8 % in 2011. The fall of the ITR since 2000 is mainly driven by the progressive decrease in the corporate income tax rate since then.

The ratio of environmental taxation stood at 1.8 % of GDP in 2011, the fifth lowest value in the EU, 0.6 percentage points below the EU-27 average (2.4 %). Revenues from environmental taxation have been declining from 2004 mainly due to shrinking receipts from energy taxation.

Property tax revenues to GDP in 2011 (0.4 %) were the second lowest of the EU (EU-27 2.1 %). The revenue comes only from recurrent taxes on immovable property (0.4 % of GDP compared to EU-27 1.3 %).

### **Main recent reforms implemented, on-going or announced**

With effect from 1 January 2012, Slovak banks and branches of foreign banks operating in the Slovak Republic, established according to special legislation on banks, are subject to a bank levy. The amount of the levy is 0.1 % and is due on the 20th day of every calendar quarter. The levy is calculated over the bank's liabilities at the end of the previous calendar quarter (adjusted by certain items defined by law).

With the amendment of the Income Tax Act adopted at the end of the 2012 several important changes were introduced. The flat tax was replaced with a progressive income tax with top income rate of 25 %. The tax base of up to 176.8 times of the subsistence minimum will be subject to the 19 % tax rate (up to EUR 34 401.75 in 2013). The exceeding part of the tax base will be taxed at 25 %. Income of constitutional authorities from dependent activity will be in addition subject to a special tax rate of 5 %.

## **Main features of the tax system**

### **Personal income tax**

The introduction of the 19 % flat tax rate in 2004 has superseded the previous system of progressive rates. The new tax law has scrapped the majority of exceptions, exemptions and deductions. In 2009, an employee tax credit was introduced. It is a form of negative income tax which is paid to low income employees. As of 1 January 2011, the basic personal allowances could be claimed only with respect to aggregate income from employment, business activities and independent professional activities.

Amendments to the Income Tax Act with effect from 1 January 2013 reintroduced the progressive tax rates. The PIT base tax rate is 19 % of aggregate income. The tax rate of 25 % will be applied to the tax base exceeding 176.8 times the valid subsistence minimum. For the year 2013 the threshold amounts is up to EUR 34 401.74.

Income is defined broadly as any benefit in cash or in kind. Aggregate income includes income from employment, occupational pensions, business, rent, capital and other occasional activities. Capital gains are generally included in aggregate income with exception of income from the sale of immovable property owned for at least five years; gains from the sale of movable property owned for at least five years; and gains from the sale of shares and other securities up to a total annual amount equal to five times the living minimum. No tax deductions are allowed and even deductions for contributions to supplementary pension insurance and pension savings schemes are abolished as of 1 January 2011. There are two kinds of tax allowances: the basic allowance available to every taxpayer and the supplementary allowance for a spouse whose income, after deducting social contributions, is below the basic allowance level.

A final withholding tax of 19 % is levied on income from participation certificates, vouchers and investment coupons; interest on bank deposits and current accounts; income from private life or pension insurance and payments from the supplementary pension insurance. However, a taxpayer may opt for including such income into the aggregate income so that the tax withheld is treated as a prepayment.

## Corporate taxation

With effect from 1 January 2004 the corporate tax rate (CIT) was reduced from 25 % to 19 %. As of 1 January 2013 the tax rate was increased to 23 %.

As from January 2004 the Slovak Republic has a single taxation system with respect to profits. Corporate profits are fully taxed at the company level. The profits distributed are not taxed anymore either with corporate or individual shareholders. Dividends paid out of profits derived are not subject to any other tax in the hands of the stakeholders. Other dividends are taxed at special tax rate of 15 % if distributed in 2013. For the distribution taking place after 2013, 23 % tax rate applies.

Taxable income is calculated based on the income computed according to the accounting rules and is adjusted for several items for tax purposes. For depreciation purposes, a straight-line or a specific accelerated depreciation method may be used. Capital gains are included in the company's taxable ordinary income. Income from participation certificates and interest on corporate bonds, bearer deposit certificates, deposit accounts or current bank accounts are subject to a 19 % withholding tax. This is treated as an advance payment of CIT and the income is included in the taxable corporate income of resident companies. Tax losses may be carried forward for up to seven years. No group taxation provisions exist. All entities are taxed separately. Profits and losses may not be shifted between affiliated companies.

## VAT and excise duties

As of 2004 a unified 19 % VAT rate was introduced for all goods and services and as of 2011 it is temporarily increased to 20 %. In 2007, a 10 % reduced rate was reintroduced; applicable to medicines, certain other medical and pharmaceutical products, and, since 2008, to books. A zero rate applies to postal, medical and social services, culture, financial services and supply of real estate.

Higher excise duties on natural gas are collected and excise duties on electricity and coal were introduced as from July 2008 in application of the EU energy taxation directive. In January 2010 a reduction of the excise duties on diesel fuel was approved, which would take diesel prices in line with those in Austria, but below those in Hungary and the Czech Republic. In 2011 only minor changes were introduced in the legislation relative to excise duties on alcohol, mineral oil, tobacco products, electricity, coal and natural gas. For the excise duties on alcohol a unique taxation was established, that depends on the percentage of the alcohol in the final product.

## Social contributions

Both employees and employers have to pay contributions for pension insurance (4 % and 14 % respectively), health insurance (4 % and 10 % respectively), disability insurance (both 3 %) and sick leave insurance (both 1.4 %), as well as unemployment insurance (both 1 %). Additionally, employers have to pay 0.8 % of employees' wages for accident insurance, 4.75 % to a solidarity fund and 0.25 % to the guarantee fund. A contributions ceiling applies to all types of insurance except accident insurance. Part of social contributions (four percentage points as of Sept 1<sup>st</sup>, 2012, previously nine percentage points) is accumulated in private pension funds. As of 1 January 2011, non-monetary benefits to an employee and income considered as taxable employment income are also subject to social and health insurance contributions.

In addition as of 1 January 2011 dividends are subject to health insurance contributions (Dividends for 2011 are paid out in 2012 and first subject to HSC in 2013). As of 1 January 2013, the health insurance contributions from dividends are increased from 10 to 14 % and withheld. As well the maximum assessment base for the health insurance contributions from dividends is higher than for other income types. It is set up at EUR 94 320 for 2013 (120 times the average of the monthly salary). Minimum assessment base is set up at EUR 337.70.

<b>SLOVENIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	15.7	15.5	15.8	16.0	15.8	15.8	15.2	14.9	14.4	14.3	14.6	14.4	8	5.2
VAT	8.6	8.3	8.5	8.5	8.5	8.6	8.5	8.4	8.5	8.4	8.6	8.4	9	3.0
Excise duties and consumption taxes	3.0	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3	4.1	4.3	4.2	3	1.5
Other taxes on products (incl. import duties)	1.8	1.3	1.3	1.3	1.1	0.9	0.9	1.1	1.0	0.8	0.8	0.8	17	0.3
Other taxes on production	2.3	2.5	2.5	2.8	2.8	2.9	2.5	2.1	1.6	1.0	1.0	1.0	16	0.4
Direct taxes	7.4	7.6	7.8	8.0	8.2	8.7	9.1	9.2	8.9	8.3	8.2	7.9	18	2.9
Personal income	5.6	5.7	5.7	5.7	5.7	5.5	5.7	5.5	5.8	5.8	5.7	5.6	17	2.0
Corporate income	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	1.7	23	0.6
Other	0.6	0.6	0.6	0.5	0.6	0.4	0.4	0.4	0.6	0.6	0.7	0.6	15	0.2
Social contributions	14.2	14.4	14.2	14.2	14.2	14.2	14.0	13.7	14.1	14.9	15.2	15.0	4	5.4
Employers'	5.5	5.4	5.4	5.4	5.4	5.6	5.5	5.4	5.5	5.7	5.8	5.7	16	2.1
Employees'	7.8	7.7	7.6	7.5	7.4	7.5	7.3	7.2	7.4	7.7	7.8	7.7	1	2.8
Self- and non-employed	1.0	1.3	1.3	1.3	1.4	1.2	1.2	1.1	1.1	1.4	1.5	1.6	10	0.6
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1		
<b>TOTAL</b>	<b>37.3</b>	<b>37.5</b>	<b>37.8</b>	<b>38.0</b>	<b>38.1</b>	<b>38.6</b>	<b>38.3</b>	<b>37.7</b>	<b>37.3</b>	<b>37.3</b>	<b>37.8</b>	<b>37.2</b>	<b>10</b>	<b>13.5</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	55.1	54.6	55.4	55.6	55.2	55.5	55.3	54.0	52.9	50.0	48.9	48.5	20	6.5
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	7.3	7.4	7.4	7.6	7.6	7.4	7.7	9.1	8.9	10.0	10.8	10.8	11	1.5
Social security funds	37.6	38.0	37.2	36.8	36.8	36.4	36.2	35.9	37.2	39.3	39.5	39.8	5	5.4
EU institutions	n.a.	n.a.	n.a.	n.a.	0.4	0.7	0.8	1.1	1.0	0.7	0.8	0.9	12	0.1
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	13.8	13.3	13.7	13.7	13.5	13.4	13.2	13.2	13.4	14.0	14.3	14.0	4	5.1
Labour	20.2	20.8	20.6	20.6	20.6	20.4	20.0	18.9	19.1	19.4	19.6	19.3	10	7.0
Employed	19.9	20.0	19.8	19.8	19.8	19.8	19.4	18.3	18.5	18.6	18.7	18.4	10	6.7
Paid by employers	6.9	7.1	7.0	7.1	7.1	7.3	6.9	6.5	6.1	5.7	5.8	5.7	16	2.1
Paid by employees	12.9	13.0	12.8	12.7	12.7	12.5	11.8	12.4	12.9	12.9	12.7	12.7	4	4.6
Non-employed	0.4	0.7	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.8	0.9	0.9	16	0.3
Capital	3.3	3.4	3.7	3.7	4.1	4.9	5.2	5.7	4.9	4.1	4.2	4.0	23	1.4
Capital and business income	2.4	2.5	2.8	2.9	3.2	3.9	4.3	4.8	4.0	3.2	3.2	3.1	23	1.1
Income of corporations	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	1.7	23	0.6
Income of households	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.5	0.5	0.4	0.3	0.3	17	0.1
Income of self-employed (incl. SSC)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	16	0.4
Stocks of capital / wealth	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	21	0.3
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.9	3.2	3.3	3.3	3.3	3.2	3.0	3.0	3.0	3.5	3.6	3.4	3	1.2
Energy	2.3	2.6	2.6	2.4	2.5	2.4	2.3	2.3	2.3	2.9	3.0	2.8	1	1.0
Of which transport fuel taxes	2.1	2.4	2.4	2.2	2.2	2.1	2.1	2.1	2.2	2.7	2.7	2.6	1	
Transport (excl. fuel)	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	16	0.1
Pollution/resources	0.22	0.20	0.27	0.39	0.34	0.35	0.27	0.24	0.23	0.22	0.23	0.23	5	0.1
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	21	0.2
Recurrent taxes on immovable property	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	17	0.2
Other property taxes	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	23	0.0
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	23.3	22.9	23.7	23.8	23.7	23.5	23.7	23.9	24.2	23.9	23.6	23.0	8	
Labour employed	37.6	37.5	37.7	37.8	37.6	37.6	37.3	35.9	35.9	35.1	35.0	35.2	12	
Capital	17.3	18.1	18.0	17.7	19.4	23.2	23.1	24.7	23.1	21.2	21.9	20.5		
Capital and business income	12.7	13.1	13.8	13.8	15.1	18.8	18.9	20.7	18.9	16.5	16.9	15.8		
Corporations	20.7	22.9	25.3	21.3	23.1	33.7	30.3	30.5	27.0	22.3	22.8	19.7		
Households	9.2	8.9	8.5	9.0	9.6	8.9	9.8	11.8	11.9	11.5	11.8	12.0		
<b>Real GDP growth (annual rate)</b>	<b>4.3</b>	<b>2.9</b>	<b>3.8</b>	<b>2.9</b>	<b>4.4</b>	<b>4.0</b>	<b>5.8</b>	<b>6.9</b>	<b>3.6</b>	<b>-8.0</b>	<b>1.4</b>	<b>1.1</b>		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
 2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Slovenia

## Overall trends in taxation

### Structure and development of tax revenues

Slovenia's total tax-to-GDP ratio (including social contributions) amounted to 37.2 % in 2011; a value below the EU average (38.8 %) and the EA average (39.5 %). Compared to its neighbours, Slovenia's tax ratio lies well below Italy's (42.5 %) and Austria's (42.0 %) but slightly above Hungary's (37.0 %).

There was a downward trend in the share of indirect taxes since 2000. In 2011, the share of 38.7% in total taxes is above the EU average (34.5%). Social contributions, with a share of 40.4 % of total tax revenue, that ranks Slovenia third in the Union, also play an important role. As for employees' social contributions, measured as a percentage of GDP (7.7 %), they are the highest in the EU more than doubling its average. Given the predominance of indirect taxes and social contributions, direct taxes, experiencing a downward trend since they peaked in 2007, yield in 2011 a low share of 21.2 % of the total taxes (EU average is 33.2 %).

Taxes collected by central government account for the largest part of total tax revenue (48.5 %). Local governments collect 10.8 % of total taxes which equals the EU average and is 0.5 percentage points above the EA average (10.3 %).

The total tax-to-GDP ratio has fluctuated within a narrow band ever since 2000. Several changes in the tax system have been enacted since 2005: the gradual decrease of the CIT rate, the phasing out of payroll taxes, the introduction of dual system in the PIT taxation, combined with a reduction of the top tax rate (see below for recent transitory regime), the number of tax brackets and the increase of the general allowances. As a result in the period 2005–2009, the total tax-to-GDP ratio dropped by 1 percentage point. However, the small decline was largely due to favourable economic conditions until 2008 as shown by the cyclically adjusted figures and stable revenues from indirect taxes from 2008 to 2009 resulting from increasing excise duty rates. In 2011, the total tax-to-GDP ratio declined by 0.6 percentage points to 37.2 % in comparison to the previous year.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

At 14.0 % of GDP, revenue from consumption taxes lies above the EU and euro area averages (11.2 % and 10.8 % of GDP, respectively). The ratio has remained relatively stable since 2000 and consequently the ITR has varied little overall, oscillating around 24 % (value for 2011 is 23%).

In line with the overall constancy of taxation levels, the ITR on labour has remained quite stable in the period 2000–2006 at around 37.5 %. However, it dropped by 2.1 percentage points during the last five years in observation, reaching 35.2 % in 2011. This decrease could be explained by the government's efforts to unburden the qualified workers (by reducing tax rates) and to enhance the incentives to work for low income earners (by increasing the general allowances). Given a relatively high level of employees' social contributions, the 2011 ITR on labour nevertheless still lies 0.6 percentage points below the EU average.

Revenues from taxes on capital were constantly increasing between 2000 and 2007 to peak at 5.7 % of GDP. Since then a rather sharp downward trend has led to a value of 4.0 % in 2011. This development was mainly driven by the proceeds from corporate income taxation, which experienced an almost threefold increase in the period 2000–2007 and a rapid decrease over the next four years dropping to 1.7 % of GDP. The latter resulted from a gradual decrease of CIT rates and unfavourable economic conditions. Consequently, both indicators remain significantly lower than their EU averages (8.0 % and 2.5 % of GDP respectively) in 2011. Although the ITR on corporate income at 19.7 % is just slightly below the EU averages (EU-25 19.8 %, EA-17 20.8 %), the overall ITR on capital (20.5 %) lies well below (almost 10 percentage points) the EU-25 (29.4 %) and euro area average (28.9 %).

In 2011, environmental taxes represented 3.4 % of GDP, the third highest in the EU. This share rose by 0.4 percentage points from a 3.0 % value in 2006–2008 mainly due to increasing revenues from excise duties on mineral oil and gas. As in most countries, taxes on energy account for the lion's share of environmental tax revenues, which are high also in the international comparison as Slovenia ranks first in the Union in this respect. Despite their lower absolute revenue, pollution/resource taxes are well developed in Slovenia, taking the fifth highest level in the EU. Property tax revenues in relation to GDP in 2011 (0.6 %) were well below the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.5 % of GDP (EU-27 1.3 %).

### Main recent reforms implemented, on-going or announced

After the elections in December 2011, the leaders of several Slovenian parties agreed to introduce a fiscal rule into the constitution. In March 2012, the government proposed a constitutional law introducing this change. At the time of writing, it seems that difficulties to reach an agreement on the implementation of fiscal rule into Slovenian legislation make its adoption less likely in the near future. Some tax related measures in recent years included an increase in excise duties, with other measures to boost revenues include introduction of special property taxes on immovable property of high value, increase of taxation of motor vehicles and pleasure boats, introduction of additional tax bracket in the personal income tax system for very high incomes, increase of tax rate for taxation of income from capital as well as higher tax burden on banks. There were also several changes in the tax system in the past. One of them was the reduction of the CIT rate that was further reduced to 18 % in 2012, 17 % for the year 2013 and further decreases to 16 % 2014 and 15 % in 2015 are envisaged. In 2011 the government introduced a 'bank tax' with a rate of 0.1 % on the assets of banks.

## Main features of the tax system

### Personal income tax

A reform launched in 2005 introduced a differentiation in the taxation of individual incomes according to their character - 'active' income is taxed at progressive rates applied to the annual tax base, while 'passive' income (i.e. income from interest, dividends and capital gains) is taxed at a flat rate, as in dual income systems. In 2006, the number of PIT brackets was reduced from five to three and the top tax rate from 50 % to 41 %. For 2013 and 2014, an additional tax bracket with a rate of 50 % is introduced on a temporary basis. The scheduler taxation of 'passive' income remained at a single 20 % rate since the reform. An increased single rate of 25 % will apply to income received or realized as from 1 January 2013. In addition, the tax rate on profits from derivative instruments was increased as well from 20 % to 25 % and is applicable to profits realized after 1 January 2013. Degressive rates depending on the period of holding apply. Rent income from immovable and movable property taxed at a proportional rate of 25 %. The personal income tax is levied at central government level, part of the revenues being attributed to municipalities. Net 'active' income is taxed according to a progressive rate with three brackets: 16 %, 27 % and 41 %. The top rate applies to income above EUR 18 960.28. During 2013 and 2014, taxable income above EUR 70 907.20 will be taxed at a rate of 50 % because of the additional temporary tax bracket. Each individual is taxed separately. There are general allowances ranging, in 2013 from EUR 3 302.70 to EUR 6 519.82 and special allowances for students, disabled persons, taxpayers older than 65, family allowances for every dependent child, etc. A tax credit limited to 13.5 % of the income is granted to pensioners and recipients of compensations for occupational disability. Dividends, interest and capital gains as well as rental income ('passive' income) are taxed according to a 25 % flat rate for income received or realized after 1 January 2013; the rate for capital gains is reduced progressively by 10 points after first five years and then by five points every five years of the holding period.

### Corporate taxation

The corporate tax rate has been gradually reduced from 25 % in 2006 to 20 % in 2010. The statutory rate was reduced to 18 % for the year 2012 and to 17 % for the year 2013. Further decreases to 16 % 2014 and 15 % in 2015 are envisaged. A special rate of 0 % is applicable for investment funds, pension funds, insurance undertakings for pension plans and venture capital companies. Since 2008, qualifying taxpayers may opt to pay a tonnage tax instead of paying income tax under general rules, insofar as they render international maritime services



using vessels of more than 100 gross tonnes each. Companies may carry forward losses indefinitely. From 1 January 2013 onwards the use of retained tax losses is limited to a maximum of 50 % of the actual tax base. Loss carry back is not allowed. There are depreciation allowances, for example, at a maximum rate of 3 % on building projects (including investment property), 20 % on equipment, vehicles and machinery, and 50 % on computers and computer equipment. The taxable base is calculated following accounting principles for business. Regarding incentives, as of 1 January 2012, a taxable person may claim a reduction of the taxable base by 100 % of the amount invested in R&D during the period, however not exceeding the amount of the taxable base; companies may also apply for an investment allowance equal to 40 % of the amount invested in eligible equipment and intangible assets, up to the amount of the taxable base. Other incentives are in place for employment of disabled persons as well as for establishment in a special economic zone. As of 2010, taxpayers employing a person younger than 26 or older than 55 years, who had been registered with the employment service of Slovenia as unemployed for at least six months prior to employment, may apply for a tax allowance of 45 % of the salary of such employee. This allowance can be applied over a period of 24 months. The dividend withholding tax rate is 15 % (unless a Double Taxation Treaty specifies otherwise). With effect from 1 August 2011, a tax has been levied on the assets of a bank. The tax is applicable to Slovenian banks and to branches of non-resident banks located in Slovenia.

### VAT and excise duties

VAT was introduced on 1 July 1999 replacing the previous General Sales Tax. The current rate is 20 %. The reduced rate of 8.5 % applies to supply of goods and services including, inter alia, books, food, agricultural and pharmaceutical products, certain services provided at the local level. Subject to several conditions the flat rate of 8 % applies to the sale by farmers of certain agricultural products deriving from farming and forestry activities. Excise duties are regulated in the Excise Duty Act, which transposes EU legislation in this area. Excise duties are levied on tobacco products, alcohol and alcoholic beverages, oil, gas, coke, coal and electricity (since 2007). Increases to excise duties were implemented in 2011 and 2012 for tobacco, alcohol, gasoline, diesel and light fuel oil.

### Wealth and transaction taxes

There is a property tax on premises owned by individuals and a charge for the use of a building land, which is levied on vacant and constructed building land. The property tax on premises depends on the type and the value of the property with progressive rates ranging from 0.1 % to 1.5 % (several exemptions apply). In 2012 an anti-crisis tax on immovable property was introduced. It affects tax payers (individuals and companies) owning immovable property in Slovenia above a certain level. For 2012 the threshold was set at EUR 1 mio of the property's value. At the end of 2012, amendments have been introduced - for the years 2013 and 2014 lowering threshold to EUR 500 000. Tax rates will be 0.5 % of the property's value, if the owner's property value is between EUR 500 000 and EUR 2 mio. (for residential property the tax rate is 0.25 %) and 1 % of the property's value for immovable property worth above EUR 2 mio (for residential property the rate is 0.5 %). Inheritance and gift tax is levied at progressive rates, ranging from 5 % to 39 %, depending on the relationship between the deceased/donor and the beneficiary and the amounts involved. Spouses and all direct descendants are exempt. Tax on transfer of immovable property is levied on the selling price of real property at a rate of 2 % if VAT on the transaction was not charged (exemptions for certain types of immovable property apply). The new Financial Services Tax Act introduced a liability to pay tax on those financial services that are exempt from VAT according to current regulations governing the VAT and services performed by insurance brokers and insurance agents. As tax basis is determined the fee (compensation), received by the taxable person as the payment for performed financial service. The tax rate is 6.5 % of the tax base.

### Social contributions

Social contributions cover pension, health, unemployment insurance and maternity leave. Employees contribute 22.1 % of their total gross wage, of which the pension insurance (15.5 %) is the biggest amount. Social contributions are also payable by employers on behalf of their employees (the total rate paid by employers is 16.1 %). The taxable base for both the employer and the employee is the amount of the gross wage, which includes gross leave pay, fringe benefits and remuneration of expenses related to work above a certain threshold. Contributions are deductible both from CIT and the PIT.

SPAIN	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	12.0	11.6	11.6	11.8	12.2	12.7	12.8	11.9	10.1	9.1	10.7	10.2	27	108.5
VAT	6.2	6.0	5.8	6.0	6.2	6.5	6.5	6.0	5.1	4.1	5.6	5.4	27	57.4
Excise duties and consumption taxes	2.6	2.5	2.5	2.5	2.5	2.4	2.2	2.2	2.2	2.2	2.3	2.1	25	22.8
Other taxes on products (incl. import duties)	1.9	1.9	2.0	2.3	2.5	2.8	2.9	2.6	1.7	1.4	1.4	1.2	11	12.9
Other taxes on production	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.4	1.5	12	15.4
Direct taxes	10.6	10.5	11.1	10.4	10.8	11.5	12.3	13.5	11.2	10.1	9.9	9.9	15	105.5
Personal income	6.7	6.8	7.0	6.4	6.5	6.7	7.2	7.8	7.4	7.1	7.4	7.4	13	79.1
Corporate income	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.9	1.9	22	19.9
Other	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.7	0.7	0.6	17	6.6
Social contributions	12.0	12.2	12.1	12.2	12.1	12.1	12.1	12.2	12.3	12.4	12.4	12.1	12	129.0
Employers'	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.7	8.5	7	90.5
Employees'	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	1.9	1.9	23	20.4
Self- and non-employed	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.8	1.8	1.7	9	18.1
Less: amounts assessed but unlikely to be collected	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.6	0.9	0.8	0.8		
<b>TOTAL</b>	<b>34.1</b>	<b>33.7</b>	<b>34.2</b>	<b>33.9</b>	<b>34.7</b>	<b>35.9</b>	<b>36.8</b>	<b>37.1</b>	<b>33.0</b>	<b>30.7</b>	<b>32.1</b>	<b>31.4</b>	<b>21</b>	<b>334.0</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	47.8	47.6	38.0	35.6	35.2	35.9	36.6	37.2	31.4	26.8	34.5	29.2	26	97.6
State government <sup>2)</sup>	7.7	7.5	18.3	20.3	21.4	21.8	21.9	21.4	22.4	23.7	18.2	23.1	2	77.3
Local government	9.1	8.9	8.6	8.4	8.8	8.7	8.8	8.7	9.1	9.5	9.5	9.5	14	31.9
Social security funds	33.8	34.6	34.0	34.6	33.7	32.6	31.8	31.7	36.1	39.1	37.1	37.0	8	123.8
EU institutions	1.7	1.5	1.1	1.1	0.8	1.0	0.9	0.9	0.9	0.9	0.7	1.1	5	3.5
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	10.0	9.6	9.5	9.6	9.7	10.0	9.9	9.3	8.2	7.3	8.8	8.4	27	89.8
Labour	15.8	16.2	16.4	16.0	16.1	16.2	16.4	17.0	17.0	17.0	17.4	17.2	13	183.2
Employed	15.1	15.5	15.7	15.3	15.3	15.4	15.6	16.1	16.0	15.7	16.0	15.9	14	168.7
Paid by employers	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.7	8.5	9	90.5
Paid by employees	6.5	6.6	6.8	6.4	6.5	6.6	6.8	7.3	7.2	7.1	7.3	7.4	16	78.2
Non-employed	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	1.0	1.3	1.4	1.4	12	14.4
Capital	8.9	8.4	8.9	8.7	9.3	10.1	11.0	11.3	8.3	7.3	6.8	6.6	14	70.1
Capital and business income	6.0	5.7	6.0	5.7	6.0	6.5	7.1	7.8	5.6	4.8	4.2	4.2	19	44.8
Income of corporations	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.9	1.9	22	19.9
Income of households	0.9	0.8	0.8	0.7	0.7	0.8	1.1	1.2	1.0	0.9	0.8	0.8	11	8.1
Income of self-employed (incl. SSC)	2.0	2.0	2.0	1.9	1.9	1.8	1.8	1.9	1.7	1.6	1.6	1.6	11	16.9
Stocks of capital / wealth	2.8	2.8	2.9	3.0	3.3	3.6	3.8	3.6	2.8	2.5	2.6	2.4	8	25.3
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.6	27	16.7
Energy	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.4	1.3	27	13.6
Of which transport fuel taxes	1.5	1.4	1.5	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.1	1.1	26	
Transport (excl. fuel)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	18	2.8
Pollution/resources	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.02	21	0.2
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	2.2	2.2	2.3	2.5	2.8	3.1	3.3	3.1	2.4	2.1	2.2	2.0	6	21.3
Recurrent taxes on immovable property	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.0	1.0	7	10.8
Other property taxes	1.5	1.5	1.6	1.9	2.1	2.4	2.6	2.3	1.6	1.2	1.2	1.0	6	10.5
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	15.8	15.4	15.5	15.9	16.1	16.7	16.6	15.7	13.9	12.5	14.7	14.0	27	
Labour employed	30.5	31.4	32.1	31.6	32.0	32.3	32.9	33.7	32.4	31.4	32.7	33.2	14	
Capital	29.3	27.8	29.4	29.4	31.9	35.5	39.4	41.6	31.0	26.3	:	:		
Capital and business income	20.0	18.7	19.9	19.2	20.6	22.9	25.7	28.6	20.7	17.3	:	:		
Corporations	28.8	27.0	29.6	29.1	32.8	39.7	45.8	55.4	31.7	21.8	:	:		
Households	14.0	13.4	13.4	12.6	12.7	12.8	14.1	14.6	13.4	12.8	:	:		
Real GDP growth (annual rate)	5.0	3.7	2.7	3.1	3.3	3.6	4.1	3.5	0.9	-3.7	-0.1	0.7		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Spain

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, the tax-to-GDP ratio in Spain amounted to a 31.4 % of GDP. This value ranks 21<sup>st</sup> in the EU among the lowest of EU Member states.

Spain revenues collection from social contributions, direct taxes and indirect taxes are respectively 12.1 %, 9.9 % and 10.2 % of GDP. Spain has the lowest indirect taxes collection in % of GDP in the EU (more than 3 percentage points lower than the EU-27 average). The main reason is due to sluggish domestic consumption and imports even after the increase of the standard VAT rate from 16 % to 18 % that became effective as of 1 July 2010. Even compared to the year before, the share of VAT revenues in GDP decreased from 5.6 % in 2010 to 5.4% in 2011. The share of VAT in GDP remains the lowest among Member States. The same applies to the share of excise duties in GDP, which decreased from 2.3 % in 2010 to 2.1 % in 2011. The shares of direct taxes and social contributions in GDP are both in the lower midrange of the EU-27 average. The decline in tax revenues from direct taxation is mainly due to the continued drop in tax on corporate income. The impact of the economic crisis on this type of tax revenues was bigger in Spain than in other Member States; tax revenues fell continuously from 4.8 % in 2007 to only 1.9 % in 2011 (EU-27: from 3.3 % to 2.5 %, but about stable between 2009 and 2011). Social contributions have remained impressively stable, with the lion's share of the burden resting on employers.

Spain has a quasi-federal tax system, with three levels of government. Traditionally, the central government and the social security funds used to collect the majority of the revenues. Since the reform of the financing system of the regions (*Comunidades Autónomas*, 'State' in the table) in 1997, the share of regional taxes as a percentage of total taxation practically quintupled from less than 5 % in 1995 up to 23.7 % in 2009. Due to changes in the financing system of the regional governments, in 2010 data show some inconsistencies in the allocation percentages of tax revenues between the central government and the regions, which disappear in 2011, once the new financing system started to operate properly. The sharp fall in tax revenues, mainly central government tax revenues, as a result of the economic crisis has provoked a marked relative increase in the share of social security funds that in 2011 stood at 37.0% compared to 31.7% in 2007.

Between 2000 and 2007, Spain enjoyed a booming economy, with annual growth rates between 2.7 % and 5 %, boosting also tax revenues until 2007. Coming from a low level compared to EU-27, the total tax-to-GDP ratio in Spain peaked in 2007 at 37.1 %, 2.3 percentage points below 39.4 % of the EU-27 weighted average. During the years after, Spain experienced a strong impact from the economic crisis; GDP growth crashed from an increase of 3.5 % in 2007 down to a 3.7 % fall in 2009. In 2011 there was a weak recovery of 0.7 %. Tax revenues dropped thus from a high of 37.1 % of GDP in 2007 to a new low of only 30.7 % in 2009, and increased only slightly in 2011 to now 31.4 %. The steep decline of more than 5 percentage points between 2007 and 2011 compares to a much more limited decline of tax revenues at the level of EU-27 of only 0.6 percentage points over the last four years. This implies that after having approached the EU-27 weighted average in 2007, in 2011 the total tax ratio in Spain is now again some 7.4 percentage points lower than the EU-27 arithmetic average.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

After the plunge in the ratio of consumption taxes in proportion to GDP from 10 % in 2005 to 7.3 % in 2009, this share recovered in 2010 to 8.8 % and has decreased to 8.4 % in 2011. This remains by far the lowest level in the EU-27 (11.2 %). The implicit tax rate on consumption increased from 12.5 % in 2009 to 14.7 % in 2010, decreased then to 14.0 % in 2011 and continues to be the lowest in the Union. The ratio of taxes on labour income to GDP stood at 17.2 % in 2011, 2.5 percentage points below the EU-27 average (19.7 %). Throughout the years 2000–2011, Spain has displayed an average implicit tax rate (ITR) on labour that ranks slightly below the EU-27; though this difference has fluctuated, the clear trend has been its reduction: from 5.9 percentage points in 2000 to around 2.5 percentage points in 2011. It now stands at 33.2 %.

While the ratio of capital taxes on GDP has increased slowly but monotonously during the previous two decades until 2007, it dropped since then very fast as a consequence of the economic crisis from 11.3 % in 2007 to only 6.6 % in 2011 – a share last seen in the early nineties. The sharp decline in the last years is all due to a drop in tax collection on income of corporations and on stock of capital and wealth. Similarly, the Implicit Tax Rates on capital experienced a large decline from a peak of 41.6 % in 2007 to 26.3 % in 2009 (values for 2010 and 2011 not yet available). The Implicit Tax Rates on corporations collapsed from 55.4 % in 2007 to 21.8 % in 2009, partly due to the cut in Corporate Income Tax rates and partly to lower taxable profits and capital gains (not included in the denominator of ITR on corporations) following the economic crisis. Environmental taxation remained constant albeit at the lowest in the EU-27 (1.6 % of GDP, far below the average in the EU-27 of 2.4 %). As in the majority of Member States, it is mostly concentrated on energy (1.3 % of GDP). Property tax revenues to GDP in 2011 (2.0 %) were in line with the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property amounted to 1.0 % of GDP (EU-27 1.3 %).

### Main recent reforms implemented, on-going or announced

Since 2008, several measures have been taken to alleviate the consequences of the financial and economic crisis. In 2012, fiscal consolidation and economic incentives have driven a large number of initiatives. The tax increases have affected income taxes, though the more intensive rise refers to the increase of VAT and excise duties rates. In the PIT, as of January 2013, lottery prizes are now subject to a 20 % special charge and short-term capital gains are excluded from the savings tax schedule and taxed by the progressive tax scale. In the corporate tax there are new ceilings in the deductibility of depreciation, the special free depreciation initially foreseen for the period 2011-2015 has been abolished and new ceilings to offset losses have been introduced for large companies. The levy of wealth tax is extended to 2013. Other reforms try to limit the tax bias towards homeownership in PIT and indebtedness in corporate tax. Concerning the economic stimulus, the reduced rate for smaller companies linked to employment is extended to 2013, a revaluation of balance sheets is offered with a special levy of 5 % on the net increased value, the tax credit for the induction of employees in new technologies is extended to 2013 and the tax credits for investment in books and films are extended until 2014 and 2015, respectively. Furthermore, as of 1 January 2013 new tax measures mainly aimed to foster entrepreneurship covering the CIT and PIT have been enacted.

## Main features of the tax system

### Personal income tax

Since 2007, the PIT scale applicable to the general component of taxable income has four brackets (24 %, 28 %, 37 %, 43 %). In January 2011, the government introduced two additional tax bands/rates for taxpayers over EUR 120 000 – 44 % - and EUR 175 000 – 45 %. Furthermore, in January 2012 the government introduced a temporary supplementary progressive levy (covering years 2012 and 2013) applied to each tax band of the general government tax base, which implies now the existence of seven brackets (24.75 %, 30 %, 40 %, 47 %, 49 %, 51 % and 52 %). The top PIT rate refers to income above EUR 300 000. Since 2011 regional governments are liable to set up their own PIT schedule to tax the general income tax base. Employment income enjoys a reduction of EUR 4 080 for net income equal or below EUR 9 180, which decreases progressively for higher amounts to a minimum of EUR 2 652 for net income over EUR 13 260. As a general rule, personal and family allowances are included in the first income bracket, which is taxed at a zero rate. Also, savings and capital gains will be taxed during 2012 and 2013 under a progressive tax schedule with three brackets of 21 % on the first EUR 6 000, 25 % up to EUR 24 000, and 27 % on income above (in 2011, they were taxed at 19 % on the first EUR 6 000, and 21 % on income above). In the context of measures taken to alleviate the consequences of the global financial crisis for 2013, capital gains and losses produced in less than a year are taxed under the general progressive scale and lottery prizes over EUR 2 500 are subject to tax for the first time at a special charge of 20 %; the tax credit of EUR 400 to working and self-employed taxpayers to support household purchasing power has been phased-out in 2010, except for low income taxpayers under EUR 12 000. As from January 2013, the tax credit for the acquisition or restoration of the taxpayer's primary residence has been abolished, though acquisitions prior to that date will still enjoy it. Similarly, individual entrepreneurs may deduct 20 % of their positive net income for the first two years from new entrepreneurial activities, and an exemption for lump-sum unemployment benefits is granted to those making use of such income to carry out self-employment activities during at least 5 years.

## Corporate taxation

The tax rate is 30 % (35 % for entities engaging in oil exploration, research, and exploitation). The annual turnover threshold to qualify as a small or medium sized enterprise (SMEs) is EUR 10 million. SMEs enjoy a reduced rate of 25 % for the tax base up to EUR 300 000. Throughout 2011-2013, companies with less than 25 employees and a turnover below EUR 5 million are taxed on their annual profits below EUR 300 000 at 20 %; above this threshold are taxed at 25 %. Companies that do no longer qualify as SME will nevertheless be able to apply the regime for three years following the loss for the SME qualification. Since 2012, the net financial costs of group of companies or those incurred with associated companies (20 % shareholding) are deductible with the limit of 30 % of the operating profit, albeit a minimum deduction of net financial costs incurred of EUR 1 million. During 2013 and 2014, the tax depreciation for large companies is limited to 70 % of the deductible amount. Some tax credits, including those for exports, are to be gradually phased out by 2011, 2012 or 2014. The rules regarding tax credits for reinvestment have also been revised, in particular with reference to the kind of assets involved. Finally, the R&D tax credit, whose projected phase-out will not take place, has been expanded to companies with more than 25 % of their research activity in another EU Member State or member of the EEA. New corporate start-ups (since January 2013) will be subject to a 15 % tax rate on their annual profits under EUR 300 000, and 20 % on the excess as of the first and second year in which profits arise.

## VAT and excise duties

The standard VAT rate in 2013 is 21 %. Two reduced rates of 10 % and 4 % apply to specific categories of goods and services. Previously, a special VAT consolidation regime applicable to corporate groups, and the possibility of claiming immediate VAT refunds had been introduced. Tax rates for tobacco and hydrocarbons had been slightly increased in June 2009. Also in 2013 three new taxes were created: a tax on the sale of electric energy, a nuclear tax and a tax on the storage of radioactive waste.

## Wealth and transaction taxes

Inheritance and gift taxes are levied on behalf of the 17 autonomous regions, which set their own tax rates within certain limits. A tax on wealth transfers applies to rights and assets located in Spain. Since 2011, a stamp duty exemption applies in case of company formation, capital raising, partner contributions, and when Head Offices from countries outside the EU are being moved to Spain. For the transfer of real estate, this tax is levied depending on the Autonomous Community where the land is located. If no specific rate is set, a 6 % rate is levied on the value of real estate. Spain restored temporarily the wealth tax for 2011, 2012 and 2013, with two main changes compared to the former version: The value up to which dwelling houses are exempt was doubled up to a value of EUR 300 000, and the general tax-free amount increased from around EUR 108 000 to now EUR 700 000.

## Local taxes

Since 2009, about 90 % of all autonomous communities' resources come from taxes. In this regard, autonomous communities benefit from an increased share in the ceded taxes (50 % of Personal Income Tax and VAT and 58 % of Excise Taxes), as well as increased discretionary powers. Indirect tax revenues are transferred according to a territorial consumption index. Statutory personal income tax rates can be modified by the regional governments provided the structure retains progression and the number of tax brackets is unchanged. Taxes on inheritance and gift tax, registration duties and fees on lotteries and gambling are wholly assigned to territorial governments with almost complete jurisdictional powers. As of January 2012 a temporary surcharge (up to 2013) applies in the Real Estate Tax (municipal tax) for immovable properties.

## Social contributions

Each professional category has minimum and maximum contribution bases. Since 2013, the maximum monthly base is EUR 3 425.70; the minimum varies depending on the type of work (ranging from 753 to 1 051.50 EUR/month). The total rate for the general regime is 6.35 % of covered earnings for the employees and 29.9 % for employers for a total contribution of 36.25 %. Self-employed persons contribute between 26.5 % and 29.8 % of their earnings.

SWEDEN	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>Ranking<sup>1)</sup></b>	<b>€ bn</b>
Indirect taxes	16.4	16.4	16.6	16.7	16.5	16.6	16.8	16.7	18.1	18.8	18.0	18.6	1	72.1
VAT	8.6	8.7	8.8	8.8	8.8	9.0	8.9	9.0	9.3	9.6	9.7	9.4	2	36.6
Excise duties and consumption taxes	3.1	3.1	3.2	3.2	3.0	3.0	2.8	2.7	2.7	2.9	2.8	2.6	21	10.0
Other taxes on products (incl. import duties)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.6	19	2.5
Other taxes on production	4.0	3.9	4.0	4.1	4.0	3.9	4.3	4.2	5.4	5.6	4.9	5.9	1	23.0
Direct taxes	22.6	20.8	19.6	20.2	20.9	22.0	22.2	21.2	19.8	19.6	19.2	18.7	2	72.4
Personal income	18.1	17.6	17.0	17.5	17.5	17.9	18.1	17.2	16.6	16.4	15.5	15.0	2	58.1
Corporate income	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	3.4	4	13.4
Other	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.2	0.3	0.3	0.3	0.2	24	0.9
Social contributions	12.5	12.2	11.3	10.9	10.6	10.3	9.3	9.3	8.4	8.1	8.2	7.0	23	27.3
Employers'	10.1	10.6	10.3	10.0	9.7	9.7	9.1	9.1	8.2	7.9	8.0	6.9	10	26.6
Employees'	2.1	1.4	0.7	0.7	0.7	0.3	0.0	0.0	0.0	0.0	0.0	0.0	27	0.0
Self- and non-employed	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	23	0.7
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>51.5</b>	<b>49.4</b>	<b>47.5</b>	<b>47.8</b>	<b>48.0</b>	<b>48.9</b>	<b>48.3</b>	<b>47.3</b>	<b>46.4</b>	<b>46.5</b>	<b>45.4</b>	<b>44.3</b>	<b>2</b>	<b>171.8</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>													
Central government	60.6	59.1	59.0	58.7	59.3	60.8	61.7	61.2	58.6	57.7	58.8	58.8	13	101.1
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	28.8	31.0	32.6	33.2	32.8	32.2	31.9	32.4	34.7	35.6	34.5	34.3	1	58.9
Social security funds	9.5	9.0	7.7	7.4	7.3	6.4	5.8	5.9	6.2	6.4	6.2	6.5	24	11.2
EU institutions	1.0	0.9	0.7	0.7	0.6	0.6	0.6	0.4	0.5	0.4	0.5	0.4	26	0.7
<b>C. Structure by economic function</b>	<b>% of GDP</b>													
Consumption	12.4	12.5	12.6	12.6	12.4	12.7	12.4	12.4	12.7	13.3	13.2	12.8	8	49.4
Labour	30.7	30.8	29.7	29.9	29.5	29.1	28.4	27.2	27.7	27.3	25.7	25.7	1	99.8
Employed	26.9	26.9	25.7	25.3	25.0	24.8	24.1	23.4	24.0	23.4	22.3	22.6	1	87.5
Paid by employers	12.8	13.2	13.1	12.8	12.6	12.4	12.2	12.2	12.6	12.3	11.7	11.7	2	45.5
Paid by employees	14.1	13.7	12.6	12.5	12.5	12.4	11.9	11.2	11.4	11.1	10.6	10.8	8	42.0
Non-employed	3.9	3.9	4.0	4.5	4.5	4.2	4.3	3.8	3.7	3.9	3.4	3.2	2	12.2
Capital	8.4	6.1	5.2	5.3	6.1	7.2	7.5	7.6	6.0	5.9	6.5	5.9	17	22.8
Capital and business income	6.3	4.3	3.4	3.5	4.3	5.5	5.8	6.2	4.7	4.6	5.1	4.5	17	17.6
Income of corporations	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	3.3	5	12.9
Income of households	1.8	0.9	0.6	0.6	0.7	1.1	1.5	1.7	1.1	0.9	1.1	0.7	14	2.6
Income of self-employed (incl. SSC)	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.6	0.5	24	2.1
Stocks of capital / wealth	2.1	1.8	1.8	1.7	1.7	1.7	1.7	1.4	1.3	1.4	1.4	1.3	18	5.2
<b>D. Environmental taxes</b>	<b>% of GDP</b>													
Environmental taxes	2.8	2.8	2.9	2.9	2.8	2.9	2.7	2.7	2.7	2.8	2.7	2.5	15	9.7
Energy	2.3	2.4	2.4	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.2	2.0	10	7.9
Of which transport fuel taxes	:	:	1.4	1.4	1.3	1.4	1.3	1.2	1.2	1.3	1.2	1.1	24	
Transport (excl. fuel)	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.4	15	1.7
Pollution/resources	0.12	0.11	0.10	0.10	0.09	0.09	0.08	0.07	0.05	0.04	0.04	0.04	17	0.1
<b>E. Property taxes</b>	<b>% of GDP</b>													
Property taxes	1.7	1.5	1.5	1.5	1.5	1.4	1.4	1.1	1.0	1.1	1.0	1.0	16	3.9
Recurrent taxes on immovable property	1.0	0.9	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.8	10	3.0
Other property taxes	0.7	0.6	0.5	0.5	0.6	0.5	0.5	0.3	0.3	0.3	0.3	0.2	19	0.9
<b>F. Implicit tax rates</b>	<b>%</b>													
Consumption	26.3	26.6	26.8	26.9	26.8	27.2	27.2	27.4	27.8	27.5	27.9	27.3	2	
Labour employed	46.8	45.5	43.8	43.5	43.5	43.6	42.9	41.2	41.2	39.4	39.1	39.4	5	
Capital	42.7	33.5	29.1	28.9	27.6	33.5	28.8	33.5	25.9	31.3	29.2	27.0		
Capital and business income	32.0	23.4	19.1	19.4	19.7	25.6	22.3	27.2	20.1	24.1	23.0	20.8		
Corporations	31.3	22.5	17.8	17.3	17.4	22.4	17.8	22.3	16.0	22.5	19.9	20.6		
Households	27.1	20.0	17.3	19.2	21.0	26.1	27.7	29.3	22.2	19.1	22.2	14.7		
Real GDP growth (annual rate)	4.5	1.3	2.5	2.3	4.2	3.2	4.3	3.3	-0.6	-5.2	5.6	4.0		

1) The ranking is calculated in descending order. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are missing.  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Sweden

## Overall trends in taxation

### Structure and development of tax revenues

Swedish taxation levels are the second highest in the EU. In 2011, the tax-to-GDP ratio (including social contributions) stood at 44.3 % (EU-27 average was 38.8 %). Compared to the neighbouring countries, the rate is slightly lower than in Denmark (47.7 %) – the leader in the category – but higher than in Finland (43.4 %) or Norway (42.5 %).

The Swedish tax system traditionally relied largely on direct taxation. Still in 2007 the difference in tax revenues from direct and indirect taxes was of more than nine percentage points of total tax revenues. Since then however this gap has begun to close down even though in 2011 revenues from indirect taxes rose by 0.3 percentage point year-on-year (42 %) while revenues from direct taxes did not change (42.2 %). This tax mix still differs quite markedly from the EU-27 average where the direct and indirect taxes raise respectively 33.2 and 34.5 % of revenues. Sweden's neighbours exhibit similar bias towards direct taxation whilst Sweden's tax mix is the most balanced and closest to the EU average.

The revenues raised by social contributions have long been steadily decreasing, and in 2011 raised record low 15.9 % of total tax revenues. In the EU, only Denmark with social contributions generating as little as 2.1 % of tax revenues, was behind Sweden. In the region, only Finland (28.8 %) was more or less within the range of the EU average of 33.5 %.

Most of the taxes are collected at the central government level (58.6 %) which is higher than the EU-27 average (49.1 %). Significant changes occur however when considering the local government (municipalities, municipal associations and county councils) and social security funds: the former, amounting in Sweden to 34.3 % of tax revenues remain more than three times higher than the EU-27 average of 10.8 %. This continues to be by far the highest value in the EU, followed by Denmark (26.7 %) and Finland (23.3 %). It could be explained by the large part of the personal income tax collected at the municipal level (which varies across the municipalities and can be as high as 56.4 %). Exactly the opposite can be noted for social security funds raising only 6.5 % of the Swedish taxes as opposed to the EU-27 average of 37.3 %. The only lower value can be observed in the neighbouring Denmark (2.1 %) and distance to the next in line Ireland (16.4 %) is ten percentage points.

The overall tax burden decreased from its peak level of 51.5 % of GDP in 2000 staying below 50 % since (44.3 % in 2011). The accelerated decline of the overall tax-to-GDP ratio since 2007 was driven by equally faster decline of the PIT share in total tax revenues (in 2011 down by 0.5 percentage point year-on-year) and social contributions. This was due to the 2007 introduction of an earned-income tax credit, further developed in the years 2008-2011 and subsequent reduction in the rates of social contributions for different groups. It implied an automatic reduction in tax liability of eligible individuals. Finally, the scrapping of certain taxes (see: *Wealth and transaction taxes*) might have played some role in the process.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Revenue from consumption taxes (12.7 % of GDP) is relatively close to the EU-27 average (11.2 %) and rather stable. However, over the last 10 years Sweden has experienced an unprecedented increase in the relative share of consumption taxes in total tax revenues (+ 4.7 percentage points), exceeded only by Bulgaria (10.2 %). This could be easiest explained not as much by the changes within consumption taxes but rather de-taxing production and thus increasing the disposable income. At the same time, the implicit tax rate on consumption, at 27.3 % in 2011 and on a growing trend, was the second highest in the EU (after Denmark's 31.4 %) and roughly six percentage points above the EU-27 average (20.1 %). This could be explained by the fact that Sweden has one of the highest statutory VAT rates (25 %) in the EU and above average rates for excise duties.

The ratio of taxes on labour to GDP, standing at 25.7 %, is invariably the highest in the EU, followed by Denmark (24.4 %) and Belgium (24.0 %). In the region, only Norway (17.4 %) oscillates around the EU average of 19.7 %. Admittedly, a clear downwards trend can be observed in Sweden in the last decade (change of -4.9 percentage points). Similarly, the implicit tax rate on labour declined steadily from its peak level in 1998, to reach a new record low of 39.4 %. Again, this can mostly be explained by all the measures taken in the recent years to decrease tax burden on labour.

The implicit tax rate on capital in Sweden has been fluctuating in the period under consideration. In 1995 it stood at 19.9 % and rocketed to peak in 2000 (42.7 %). So did the revenues from capital taxes (10.0 % and 16.3 % of total taxation respectively). This rapid increase was largely due to high economic growth. Since then the ITR was decreasing steadily and entered a sinusoidal trend in 2004. In 2011 it was 29.0 %.

Environmental taxes as a proportion of GDP (2.5 % in 2011) are in line with the EU-27 average (2.4 %). Their level has been rather constant over the period under consideration. As a share of total taxation, revenue from environmental taxes remained equally stable at a rather low (as compared to other EU Member States) level of 5.7 % in 2011, and consists mostly of energy taxes.

Property tax revenues in relation to GDP in 2011 (1.0 %) were well below the EU-27 average of 2.1 %. However, the share of revenues from recurrent taxes on immovable property is relatively high amounting to 0.8 % of GDP (EU-27 average 1.3 %).

### **Main recent reforms implemented, on-going or announced**

In 2011 Sweden's economy observed a GDP growth of + 4.0 %, which is well above the EU-27 average of 1.6 %. Moreover, this was done without running up vast budget deficits. This resistance to the global economic downturn lay within strong public finances. The main focus has been on increasing employment and reducing social exclusion.

The budget bill for 2013 is expansionary, providing a stimulus of SEK 23 billion (EUR 2.7 billion). The measures are directed towards lower corporate taxation (from 26.3 % to 22 %), tax credit for investors, investments in infrastructure (railways), R&D and youth employment. The aim is to provide a fiscal stimulus to a slowly growing economy while maintaining safety margins in view of large uncertainties. The ultimate objective is to equip Sweden to cope with increasingly intense international competition through innovation, knowledge and quality.

Revenues of the central government in 2013 are expected to decrease by SEK 3 500 mil (0.1 % of GDP) while expenditures are expected to increase by SEK 22 800 mil (0.6 % of GDP).

## **Main features of the tax system**

### **Personal income tax**

Since 1991 Sweden has a dual income tax system; on earned income, individuals pay the national income tax and municipal income tax. The national income tax rate of 20 % applies to income above SEK 413 200 (EUR 45 759) and 25 % to income above SEK 591 600 (EUR 65 516). A municipal income tax applies at a flat rate which varies between municipalities. The weighted average for 2013 is 31.73 %. This tax is not deductible in computing tax liability at the national level. Broadly defined capital income is taxed at a flat national rate of 30 %. There is no tax-free amount, no municipal tax and capital losses are deductible from capital gains.

The tax payer can deduct a personal tax allowance from the income earned. For 2013, standard allowance is SEK 18 800 (EUR 2 082) for taxable income up to SEK 44 400 (EUR 4 917). The allowance is gradually increased to a maximum of SEK 34 200 (EUR 3 787) for a given income bracket and then gradually reduced to SEK 13 100 (EUR 1 451) for income above SEK 350 100 (EUR 38 772). Basic tax allowance is higher for individuals over 65 years old, ranging from SEK 58 500 (EUR 6 479) for a given income bracket, through the standard allowance of SEK 45 000 (EUR 4 983) for income up to SEK 45 400 (EUR 5 028) to the lowest



SEK 29 000 (EUR 3 212) for income above SEK 538 700 (EUR 59 658). Spouses and children are taxed separately on their own income.

### Corporate taxation

Taxation of companies follows the classical system, based on the principle of broad tax base with relatively low statutory tax rate of 26.3 % (reduced from 28 % in 2009). The same basic rules apply to all businesses regardless of size and legal status. Capital gains are taxed as regular corporate profit and dividends paid to the shareholders are not deductible. Capital losses, generally deductible against profit, can normally be carried forward indefinitely. The notion of a tax group does not apply in Sweden. However, the transfers of profits between companies within wholly owned domestic groups are allowed, making consolidation of income for tax purposes possible.

### VAT and excise duties

The standard VAT rate is 25 % and it applies to some 85 % of the non-export turnover. A reduced rate of 12 % applies to foodstuffs and to services related to tourism. A reduced rate of 6 % applies to domestic daily and weekly newspapers and periodicals; domestic transportation of persons and ski-lift services; cinema, circus and concert admission fees. The purchase and rental of immovable property; medical, dental and social care; education; banking and other financial services; certain cultural and sporting activities are exempt from VAT. Zero-rated goods and services include prescription medicines, gold for investment purposes, and a number of financial services as well as insurance and reinsurance services. From 2012, a 12 % VAT rate is applied to restaurant and catering services. Excise duties, historically an important source of government revenues, in modern times make up a mere 5.8 % of total tax revenue (together with other consumption taxes) and consist of mostly energy taxes.

### Wealth and transaction taxes

The inheritance and gift tax was abolished as of 2005 and the wealth tax in 2007. The stamp duty is levied on the acquisition of real estate and registration of mortgages: for the former at a standard rate of 1.5 % of the property value for individuals and 4.25 % for legal entities.

Concerning the tax on real estate as of 2008, a municipal fee replaces the central government real estate tax. The fee is the lower of SEK 6 825 (EUR 756) or 0.75 % of the property's assessed value. New built dwellings have a reduced fee for 10 years (with first five years exempted and the next five with halved fee). Real estate tax for pensioners is reduced to 4 %.

### Social contributions

Social contributions account for half of the taxes on labour. The employer's contributions are made up of: old-age pension contribution, survivor's pension contribution, sickness insurance, parental insurance, occupational injury insurance, unemployment contribution and general payroll contribution, all amounting to 31.42 %. Employees pay an additional pension insurance premium of 7 % of net employment and business income, which may be fully credited against their income tax liability and does not apply to the part of income that exceeds SEK 457 142 (EUR 50 625).

No premiums are due from individuals who are 65 or older and the employers' contributions are limited to 10.21 % (old-age pension contribution only). The employers' contributions for persons under 26 years are reduced to 15.49 % (old-age pension contribution and  $\frac{1}{4}$  of the other charges). Self-employed taxpayers must pay their own social contributions computed on their net business income at a rate of 28.97 %.

As of July 2010, the total amount of social contributions for the self-employed between the age of 26 and 65 has been reduced, under certain conditions, to 5 % with a fixed maximum reduction. Furthermore, the total of social contributions for self-employed individuals between the age of 18 and 25 has been reduced to 14.88 %. As from 2007, social contributions have been waived for persons who have been in receipt of unemployment benefits, sickness benefits, disability pension or social allowance for more than one year. This relief is valid for a period equal to the length of the person's unemployment (up to a maximum of five years).

UNITED KINGDOM													2011	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Ranking <sup>1)</sup>	€ bn
<b>A. Structure of revenues</b>													<b>% of GDP</b>	
Indirect taxes	13.9	13.5	13.5	13.3	13.2	12.9	12.9	12.8	12.4	11.9	13.1	13.6	15	237.9
VAT	6.6	6.6	6.7	6.8	6.8	6.6	6.6	6.5	6.4	5.7	6.5	7.3	15	128.3
Excise duties and consumption taxes	4.0	3.8	3.8	3.6	3.6	3.4	3.2	3.2	3.2	3.5	3.5	3.4	10	60.2
Other taxes on products (incl. import duties)	1.6	1.4	1.3	1.2	1.3	1.3	1.5	1.5	1.2	1.0	1.2	1.2	13	20.4
Other taxes on production	1.8	1.7	1.7	1.6	1.6	1.6	1.6	1.5	1.6	1.7	1.9	1.7	8	29.0
Direct taxes	16.7	16.9	15.8	15.2	15.4	16.2	17.0	16.7	18.5	16.0	15.7	15.9	5	277.2
Personal income	10.8	11.0	10.5	9.9	10.0	10.3	10.5	10.7	10.7	10.4	10.0	10.1	6	176.1
Corporate income	3.6	3.5	2.9	2.7	2.9	3.3	3.9	3.4	3.6	2.8	3.1	3.1	7	54.2
Other	2.3	2.4	2.4	2.5	2.6	2.6	2.6	2.6	4.1	2.8	2.6	2.7	2	46.8
Social contributions	6.2	6.2	5.9	6.3	6.6	6.7	6.7	6.6	6.8	6.7	6.6	6.7	24	116.7
Employers'	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	3.8	3.9	24	67.4
Employees'	2.5	2.5	2.4	2.6	2.7	2.8	2.8	2.6	2.7	2.7	2.6	2.6	17	46.2
Self- and non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	24	3.0
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>TOTAL</b>	<b>36.8</b>	<b>36.5</b>	<b>35.2</b>	<b>34.8</b>	<b>35.2</b>	<b>35.8</b>	<b>36.6</b>	<b>36.1</b>	<b>37.6</b>	<b>34.6</b>	<b>35.4</b>	<b>36.1</b>	<b>13</b>	<b>631.5</b>
<b>B. Structure by level of government</b>													<b>% of total taxation</b>	
Central government	94.3	94.4	94.3	94.1	94.3	94.3	94.5	94.4	94.5	93.9	94.0	94.3	2	595.4
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	4.0	4.1	4.4	4.7	4.7	4.7	4.6	4.6	4.6	5.2	5.0	4.8	19	30.2
Social security funds	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EU institutions	1.8	1.5	1.3	1.2	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	9	5.9
<b>C. Structure by economic function</b>													<b>% of GDP</b>	
Consumption	11.8	11.6	11.6	11.6	11.5	11.1	10.9	10.8	10.7	10.3	11.2	11.9	14	208.7
Labour	14.3	14.4	13.8	13.6	13.9	14.2	14.3	14.4	14.6	14.3	14.2	14.2	16	248.1
Employed	14.2	14.2	13.6	13.4	13.7	14.1	14.2	14.2	14.4	14.2	14.1	14.0	16	244.1
Paid by employers	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	4.1	3.9	24	67.4
Paid by employees	10.7	10.7	10.2	9.9	10.1	10.4	10.4	10.4	10.4	10.3	10.0	10.1	10	176.6
Non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	22	4.0
Capital	10.6	10.5	9.8	9.6	9.8	10.5	11.4	10.9	12.4	10.1	10.0	10.0	3	174.9
Capital and business income	6.2	6.2	5.5	5.4	5.5	6.1	6.8	6.3	6.6	5.6	5.7	5.7	7	98.9
Income of corporations	3.6	3.5	2.9	2.7	2.9	3.3	3.9	3.4	3.6	2.8	3.1	3.1	7	54.2
Income of households	1.1	1.2	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.4	1.3	1.3	3	23.2
Income of self-employed (incl. SSC)	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.4	1.3	1.2	13	21.5
Stocks of capital / wealth	4.4	4.3	4.3	4.2	4.3	4.4	4.6	4.6	5.8	4.4	4.3	4.4	2	76.0
<b>D. Environmental taxes</b>													<b>% of GDP</b>	
Environmental taxes	3.0	2.8	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.6	2.6	2.6	11	44.8
Energy	2.4	2.2	2.2	2.1	2.0	1.9	1.8	1.8	1.8	1.9	1.9	1.9	16	32.3
Of which transport fuel taxes	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.6	1.6	1.7	1.7	1.7	11	
Transport (excl. fuel)	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	10	10.9
Pollution/resources	0.05	0.05	0.07	0.08	0.08	0.09	0.09	0.09	0.09	0.08	0.09	0.09	11	1.6
<b>E. Property taxes</b>													<b>% of GDP</b>	
Property taxes	4.2	4.2	4.2	4.1	4.2	4.3	4.5	4.5	5.7	4.3	4.2	4.2	1	72.6
Recurrent taxes on immovable property	3.1	3.2	3.3	3.3	3.2	3.2	3.2	3.2	3.3	3.5	3.4	3.4	1	59.1
Other property taxes	1.1	1.0	0.9	0.9	1.0	1.0	1.2	1.3	2.4	0.8	0.8	0.8	7	13.5
<b>F. Implicit tax rates</b>													<b>%</b>	
Consumption	19.0	18.7	18.7	18.8	18.8	18.1	18.0	17.9	17.9	17.0	18.3	19.5	18	
Labour employed	25.9	25.7	24.7	24.8	25.5	26.2	26.4	26.6	26.9	25.5	25.8	26.0	24	
Capital	44.0	45.0	41.6	36.3	37.4	38.4	41.7	40.7	45.1	37.3	35.7	34.9		
Capital and business income	25.7	26.7	23.5	20.3	21.1	22.4	24.9	23.6	24.0	20.9	20.4	19.7		
Corporations	30.9	31.8	25.4	19.8	19.7	21.7	24.7	21.0	22.6	17.3	18.7	18.8		
Households	15.5	15.8	16.4	16.4	17.2	17.5	18.8	20.3	20.3	20.2	17.5	16.5		
Real GDP growth (annual rate)	4.5	3.1	2.7	3.5	3.0	2.1	2.6	3.5	-1.1	-4.4	1.8	0.7		

1) The ranking is calculated in descending order of 2006 data. A "1" indicates this is the highest value in the EU-27. No ranking is given if more than 10 % of data points are  
2) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# United Kingdom

## Overall trends in taxation

### Structure and development of tax revenues

In 2011, the United Kingdom tax-to-GDP ratio stood at 36.1 %, an increase of 0.7 % compared to 2010 but below its record 37.6 % of 2008 which was marked by a sharp increase in revenue from capital levies resulting from the national accounting treatment of certain financial sector interventions, booked under 'other direct taxes' <sup>(40)</sup>. The increase in the tax-to-GDP ratio from 2010 is principally due to an increase in VAT collected as a result of the change in the VAT standard rate from 17.5 % to 20 % in 2011.

The tax structure shows a comparatively high weight of direct taxes (at 15.8 % of GDP, the fifth highest ratio amongst Member States). Direct taxes represent the primary source of revenues (43.9 % of the total taxes), markedly larger than indirect taxes (37.7 %), and far outweighing social contributions (18.5 %), the fifth lowest share of taxes in the EU after Denmark, Sweden, Ireland and Malta. Revenue from personal income taxes at 10.1 % was at the lower end of a range of just under 10 % to 11 % over the last decade. Corporate income tax, which increased from 2.9 % of GDP to 3.9 % of GDP between 2002 and 2006, has gradually fallen back to 3.1 % of GDP in 2011. The 2011 value of 3.1 % is above the EU-27 average (2.5 %). Direct taxes other than corporate and personal income taxes were 2.7 % of GDP in 2011, down from their peak of 4.1 % in 2008, but in line with their historical levels (compared to an EU-27 average of 1.2 %). This category includes in particular council taxes on land and buildings and motor vehicle duties, but also financial sector interventions by public sector authorities between 2007 and August 2009 referred to above. Property taxation in the United Kingdom is the highest in the EU as a proportion of GDP (4.1 % in 2011, of which 3.4 % is recurrent).<sup>(41)</sup> The United Kingdom is a highly centralised country in terms of tax collection with 94.3 % of revenues accruing to the central government.

Finally, the overall tax burden increased by 2 percentage points from 1995 to 2000 but tended to decline between 2000 and 2003 (– 2 pp), and increased again between 2003 and 2006 (+ 2 pp). It eased in 2007 to 36.1 % of GDP, but rose – for reasons explained above – to 37.6 % of GDP in 2008, then dropped to 34.6 % in 2009 due to the effects of the financial crisis on tax receipts before gradually increasing to 36.1 % of GDP in 2011.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

The ITR on consumption increased to 19.5 % in 2011 (reflecting the increase of the standard VAT rate from 17.5 % to 20 %). However, this still sets the United Kingdom below the EU-27 average (20.1 %). As a result of relatively low social contributions (6.7 % GDP compared to EU-27 of 12.7 %), labour taxes revenue (14.2 % of GDP) is lower than in most other European countries (EU-27 19.7 %). The ITR on labour employed is, at 26 %, the fourth lowest in the EU-27 and lies well below the EU-27 average (35.8 %). This index has decreased by almost one percentage point compared to 2008. The tax wedge for the UK at 32.5 % of average wage is the third lowest, along with Bulgaria, in the EU with only Malta and Ireland having lower tax wedges. For lower wage employees, defined as earning 67 % of the average wage, the tax wedge was 28.5 % (only Malta and Ireland had lower tax wedges at this wage level). The low tax wedge for the UK compared to the relatively high ratio of personal income tax-to-GDP ratio (ranking of 6<sup>th</sup> highest in the EU) can be explained by the relatively high income levels and employment rate in the UK.

Revenues from taxes on capital (10 % of GDP) dropped back to their 2004 levels but in 2011 the United Kingdom remained the third highest in the EU-27 (EU-27 at 8 %). The high contribution of taxes on capital to total tax revenue (27.7 % compared to the EU-27 of 20.5 %) is reflected in the relatively high implicit tax rate on capital <sup>(42)</sup>

<sup>(40)</sup> In a number of financial sector interventions during 2008 the Financial Services Compensation Scheme (FSCS) was assigned rights over the assets of financial institutions. The realisation of these assets of failed institutions to finance the compensation of depositors has been classified as a capital tax for national accounting purposes. The United Kingdom is the main example of this type of intervention. The increase in capital levies revenue in 2008 was equivalent to approx. 1.3% of GDP.

<sup>(41)</sup> It is also the highest for the OECD countries (source: OECD Revenue Statistics, <http://stats.oecd.org/Index.aspx?DataSetCode=REV> )

<sup>(42)</sup> It should also be kept in mind that both the ITR on capital and capital income are biased upwards (compared to other EU countries) because the ITR base does not capture the full extent of taxable profits of financial companies, particularly capital gains. A further reason is that the UK figures allocate all tax on occupational (second pillar) and private pension benefits (third pillar) to capital income whilst for most other Member States the second pillar is allocated to transfer income and income of the non-employed.

(34.9 % in 2011). Taxes on the capital stock (mainly recurrent property taxes in the form of national domestic rates on business properties and council tax paid by owner-occupiers and tenants on the value of their dwellings) contribute substantially to the United Kingdom's relatively high tax burden on capital as their bases are not captured in the capital base of the ITR. Taxes on capital are amongst the highest in the EU-27, even when accounting for the statistical break due to 2008 capital levies.

Revenues from environmental taxes are relatively stable at around 2.6 % of GDP despite the evolution of the collection of customs duty on mineral oils in recent years whose level has risen slower than GDP since 2001. Property tax revenues in relation to GDP (4.1 %) were well above the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property amounted to 3.4 % of GDP (EU-27 average 1.3 %).

### **Main recent reforms implemented, on-going or announced**

Since 2008 the standard CIT rate has been gradually reduced by 7 percentage points to a rate of 23 %, as from April 2013. This rate will be further reduced to 21 % as from April 2014. The small profits tax rate remains at 20 %. In line with taking more people out of the tax system, the tax free allowance will increase by GBP 1 335 (EUR 1 538) to GBP 9 440 (EUR 10 877) in 2013-2014. The additional income tax rate for high earners will be reduced from 50 % to 45 % as from April 2013. The standard VAT rate was increased by 2.5 percentage points to 20 % in 2011 and several environmentally-related taxes were increased in recent years such as air passenger duty or landfill taxes. The system of capital gains tax has also been reformed. A bank levy was introduced in January 2011 based on bank balance sheets. Since January 2013 this rate has increased both for (i) chargeable equity and long-term chargeable liabilities (0.065 %) and (ii) short-term chargeable liabilities (0.130 %). Additional resources will be made available to HM Revenue and Customs to tackle tax evasion and avoidance. This includes the publication of a comprehensive offshore tax evasion strategy in spring 2013; investing in new technology to identify compliance risks; and the introduction of the UK's first General Anti-Abuse Rule (GAAR). Efforts will continue in tax simplification.

## **Main features of the tax structure**

### **Personal income tax**

The basic and higher rates of income tax are 20 % and 40 % respectively for 2012 – 2013. The basic rate limit will be lowered from GBP 34 370 (EUR 39 602) in 2012-2013 to GBP 32 010 (EUR 36 883) in 2013-2014. The tax free personal allowance will be increased by GBP 1 335 (EUR 1 538) to GBP 9 440 (EUR 10 877) for 2013-2014. Since the 2010-11 tax year, this personal allowance is reduced when the income is above GBP 100 000 (EUR 115 223) - by GBP 1 for every GBP 2 of income above the GBP 100 000 limit. This reduction applies irrespective of age. A higher tax rate (50 %, to be reduced to 45 % from April 2013) applies to annual incomes above GBP 150 000 (EUR 172 835). Higher personal allowances are available for those aged 65 and over (GBP 10 500 or EUR 12 099). Two tax credits are available: the child tax credit and the working tax credit aimed at low income working adults.

The capital gains tax rates for gains realised after June 2010 are 18 % and 28 % depending on the individual's total taxable income. For 2012 – 2013, a 10 % rate applies to gains qualifying for entrepreneur's relief. The annual exempt amount is GBP 10 600 or EUR 12 214. New legislation will be introduced exempting gains as from April 2013 on up to GBP 50 000 (EUR 57 612) of shares acquired by employees taking up the new employee shareholder status for capital gains. Since April 2011 the annual allowance for tax-privileged pension saving is GBP 50 000 which will be reduced to GBP 40 000 (EUR 46 089) as from 2014-2015. The life time allowance for tax-privileged pension saving is GBP 1.5 million (EUR 1.73 m) which will be reduced to GBP 1.25 million (EUR 1.44 m) as from 2014-15. The inheritance tax threshold is frozen at its April 2009 level of GBP 325 000 (EUR 374 476) for individuals until 2017-2018. Tax is payable at 40 % above this threshold. The threshold will rise in line with the UK's Consumer Price Index (CPI) from 2018-2019.

## Corporate taxation

Corporate income tax is charged at two rates; the main rate and the small profits rate (for profits up to GBP 300 000 or EUR 365 670). Marginal relief is available on profits between GBP 300 000 and GBP 1.5 million (EUR 1.73 m). The main rate of corporate income tax is 24 % which will decrease to 23 % as from April 2013 then to 21 % as from April 2014. The small profits rate is 20 %. The annual writing down-allowance for the main pool of plant & machinery is 18 %, and the rate for the special pool is 8 %. After being decreased to GBP 25 000 (EUR 28 806) a year from April 2012, the Annual Investment Allowance for business investment in qualifying plant and machinery has been increased to GBP 250 000 (EUR 288 058) for two years as of 1 January 2013. There are currently two R&D tax credit schemes in the UK, which differentiate between the size of the claimant company – both allow companies an enhanced tax deduction for their qualifying R&D expenditure. The rate of the relief in the large company scheme is 130 % and the rate of relief in the SME scheme is 225 %. SMEs have the option to convert taxable losses attributable to R&D relief into a payable cash credit at a rate of 11 %. From April 2013, large companies will be able to claim an ‘above the line’ credit for their R&D expenditure – this will be fully refundable to companies with no corporation tax liability.

## VAT and excise duties

Since 2011, the standard VAT rate has been increased from 17.5 % to 20 % (between 1 December 2008 and 31 December 2009, the rate was temporarily reduced to 15 %). Several reductions and exemptions apply. In particular, a reduced rate of 5 % applies, for example to fuel and power and also on the installation of energy-saving materials. A zero-rate is used extensively as it applies to some food items, books, new constructions, passenger transport, some supplies to charities and to children's clothing and footwear.

A review of alcohol taxation measures was implemented to discourage the consumption of higher strength beers. The High Strength Beer Duty has been introduced from 1 October 2011 on beers over 7.5 % alcohol by volume (abv) that is produced in or imported into the UK at a rate of 25 % of general beer duty to be paid in addition to the existing general Beer Duty. A reduced rate of 50 % of general duty has been introduced for beers of 2.8 % abv or below. General alcohol duty rates have increased by 2 % above inflation in March 2011. The current rate of fuel duty is GBP 57.95 (EUR 66.77) ppl. The fuel duty escalator has been abolished and replaced by a fair fuel stabiliser. As part of the stabiliser, fuel duty increases by inflation only when oil prices are high. Air Passenger Duty rates range from GBP 13 (EUR 15) for short-distance economy class to GBP 188 (EUR 195.88) for long-distance non-economy class flights. Its scope will be extended in 2013 to include business jets. The climate change levy – a tax on the taxable supply of specified energy products for use as fuels, that is for lighting, heating and power, by business consumers – will increase in line with inflation in April 2012.

## Property taxation

The Stamp Duty Land Tax (SDLT) is charged on land and property transactions at increasing rates by bands based on the transfer price and whose rates vary between 0 % and 7 %. The 7 % rate was introduced in March 2012 (increased to 15 % if purchased by certain non-natural persons), and applies to the purchase of residential property over GBP 2 million (EUR 2.3 m). The Council Tax is a recurrent local tax paid by the resident or landlord of residential property and has increasing tax rates by bands (with discounts). National Non-Domestic Rates (NNDR)/Business Rates is a tax levied annually on the occupiers of non-domestic property.

## Social contributions

There are six National Insurance Contributions (NICs) classes for 2013-2014: Class 1 for employees (12 % between the Primary Threshold (GBP 109 (EUR 126) per week) and the Upper Earnings Limit (GBP 797 (EUR 918) per week) and 2 % above this) and Class 1 for employers (13.8 % on all earnings over the Secondary Threshold (GBP 148 or EUR 171)); Class 1A, paid by employers and certain third parties on benefits in kind; Class 1B paid by employers on Pay As You Earn (PAYE) settlements; Class 2 for self-employed (at GBP 2.70 per week); Class 3 for voluntary contributions (fixed amount of GBP 13.55 per week); and Class 4 for the self-employed at a rate of 9 % on profits between the Lower Profits Limit (GBP 7 755) and the Upper Profits Limit (GBP 41 450 per year) and 2 % rate on profits above this threshold. Class 1 NICs are lower (by 1.4 %) for those who have contracted out of the State Second Pension and moved to a private pension scheme.

<b>EURO AREA 17 ARITHMETIC AVERAGES</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Revenue in 2011
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>€ bn</b>
Indirect taxes	13.5	13.2	13.2	13.4	13.6	13.9	13.9	13.8	13.3	13.1	13.2	13.2	1,228.7
VAT	7.1	7.0	7.1	7.2	7.3	7.6	7.6	7.5	7.4	7.2	7.4	7.3	647.2
Excise duties and consumption taxes	2.9	2.9	3.0	3.0	3.1	3.0	2.9	2.8	2.7	2.9	2.9	3.0	227.5
Other taxes on products (incl. import duties)	2.0	1.8	1.7	1.7	1.8	1.8	1.9	1.9	1.7	1.5	1.4	1.4	154.7
Other taxes on production	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.5	1.5	199.2
Direct taxes	12.1	11.9	11.8	11.5	11.2	11.4	11.7	12.2	12.0	11.4	11.2	11.5	1,149.4
Personal income	7.7	7.7	7.6	7.5	7.3	7.4	7.5	7.7	7.8	7.7	7.5	7.7	828.1
Corporate income	3.5	3.4	3.3	3.1	3.0	3.2	3.4	3.7	3.5	2.9	2.9	2.9	223.8
Other	0.9	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.8	0.9	97.5
Social contributions	11.7	11.7	11.7	11.7	11.6	11.6	11.4	11.4	11.7	12.2	12.1	12.0	1,357.3
Employers'	6.7	6.7	6.7	6.7	6.6	6.6	6.5	6.5	6.7	6.9	6.9	6.8	774.4
Employees'	3.8	3.7	3.7	3.8	3.7	3.7	3.7	3.6	3.7	3.8	3.9	3.8	405.4
Self- and non-employed	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	177.5
<b>TOTAL</b>	<b>37.2</b>	<b>36.8</b>	<b>36.7</b>	<b>36.6</b>	<b>36.4</b>	<b>36.9</b>	<b>37.0</b>	<b>37.3</b>	<b>37.0</b>	<b>36.6</b>	<b>36.4</b>	<b>36.7</b>	<b>3,720.3</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>												
Central government	59.8	59.3	58.7	58.4	58.2	58.0	58.0	58.0	56.5	54.8	55.7	55.1	1,472.7
State government <sup>1)</sup>	15.1	15.1	17.4	18.1	18.3	18.4	18.6	18.8	19.4	19.9	18.2	19.8	341.1
Local government	7.7	7.7	7.7	7.7	7.8	8.1	8.2	8.4	8.6	8.8	8.6	8.8	381.9
Social security funds	30.1	30.6	31.0	31.2	31.3	30.9	30.8	30.6	31.8	33.4	33.1	33.1	1,497.6
EU institutions	1.6	1.4	1.1	1.0	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	27.0
<b>C. Structure by economic function</b>	<b>% of GDP</b>												
Consumption	11.7	11.5	11.6	11.7	11.8	12.0	11.9	11.8	11.6	11.5	11.6	11.7	1,020.8
Labour	17.4	17.5	17.5	17.4	17.2	17.1	17.0	16.9	17.4	17.9	17.8	17.8	1,973.3
Employed	16.2	16.2	16.2	16.1	15.8	15.8	15.7	15.6	16.1	16.5	16.3	16.4	1,774.9
Paid by employers	7.1	7.1	7.2	7.2	7.1	7.1	6.9	6.9	7.1	7.3	7.3	7.2	836.5
Paid by employees	9.1	9.1	9.0	9.0	8.8	8.7	8.7	8.7	9.0	9.2	9.1	9.1	938.5
Non-employed	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	198.3
Capital	8.1	7.8	7.7	7.5	7.5	7.8	8.1	8.6	8.1	7.2	7.1	7.2	740.6
Capital and business income	6.0	5.8	5.7	5.5	5.4	5.6	5.9	6.4	6.0	5.3	5.2	5.3	511.5
Income of corporations	3.6	3.4	3.4	3.2	3.1	3.2	3.4	3.8	3.5	2.9	3.0	3.0	232.6
Income of households	0.6	0.6	0.6	0.6	0.6	0.6	0.8	0.9	0.8	0.6	0.6	0.6	64.7
Income of self-employed (incl. SSC)	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	214.2
Stocks of capital / wealth	2.1	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.0	2.0	1.9	1.9	229.1
<b>D. Environmental taxes</b>	<b>% of GDP</b>												
Environmental taxes	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.5	2.6	2.6	2.6	218.2
Energy	1.7	1.8	1.8	1.9	1.9	1.9	1.8	1.7	1.7	1.8	1.8	1.9	162.9
Of which transport fuel taxes	:	:	:	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	1.6	
Transport (excl. fuel)	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	45.3
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	10.0
<b>E. Property taxes</b>	<b>% of GDP</b>												
Property taxes	1.4	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.3	1.3	1.3	1.3	170.4
Recurrent taxes on immovable property	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	85.8
Other property taxes	0.9	0.8	0.8	0.8	0.9	1.0	0.9	1.0	0.8	0.8	0.7	0.7	84.7
<b>E. Implicit tax rates</b>	<b>%</b>												
Consumption	20.4	20.0	20.3	20.6	20.9	21.4	21.5	21.5	20.8	20.5	20.8	20.8	
Labour employed	34.3	34.2	34.1	33.9	33.6	33.6	33.6	33.7	33.8	33.4	33.8	34.2	
Capital <sup>2)</sup>	25.4	24.4	24.6	24.5	24.5	25.2	26.2	27.3	26.2	25.0	23.5	23.7	
Capital and business income	18.9	18.2	18.0	17.7	17.4	18.0	19.0	20.2	19.4	17.8	16.8	17.0	
Corporations	23.7	23.3	23.0	21.5	20.5	21.6	22.8	24.3	23.0	19.5	19.2	17.2	
Households	12.2	12.0	12.3	12.7	12.3	12.8	14.1	15.0	13.6	13.0	12.8	13.7	
Real GDP growth (annual rate)	3.8	2.0	0.9	0.7	2.2	1.7	3.2	3.0	0.4	-4.2	1.9	1.5	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES. Only these four countries are included in the EU average.

2) Adjusted averages

Source: Commission services and Eurostat (online data code gov\_a\_tax\_ag)

<b>EURO AREA 17 GDP-WEIGHTED AVERAGES</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Revenue in 2011
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>€ bn</b>
Indirect taxes	13.5	13.2	13.2	13.2	13.2	13.3	13.4	13.3	12.9	12.8	12.9	13.0	1,228.7
VAT	7.0	6.8	6.7	6.6	6.6	6.8	6.8	6.9	6.8	6.6	6.9	6.9	647.2
Excise duties and consumption taxes	2.7	2.7	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.4	2.4	2.4	227.5
Other taxes on products (incl. import duties)	1.7	1.7	1.7	1.7	1.8	1.9	2.0	1.9	1.7	1.6	1.6	1.6	154.7
Other taxes on production	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.1	2.1	199.2
Direct taxes	13.0	12.6	12.2	12.0	11.9	12.0	12.6	12.9	12.7	12.0	11.8	12.2	1,149.4
Personal income	9.1	8.9	8.7	8.5	8.3	8.4	8.5	8.7	8.9	8.9	8.7	8.8	828.1
Corporate income	3.0	2.8	2.6	2.4	2.6	2.8	3.2	3.3	2.9	2.0	2.2	2.4	223.8
Other	0.9	0.9	0.9	1.1	1.0	0.9	0.9	0.9	0.9	1.0	0.9	1.0	97.5
Social contributions	14.5	14.3	14.3	14.5	14.3	14.2	14.1	13.9	14.1	14.5	14.4	14.4	1,357.3
Employers'	8.2	8.1	8.2	8.2	8.1	8.1	8.0	8.0	8.1	8.3	8.2	8.2	774.4
Employees'	4.6	4.5	4.4	4.4	4.3	4.3	4.2	4.2	4.2	4.3	4.3	4.3	405.4
Self- and non-employed	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.8	1.9	1.9	1.9	177.5
<b>TOTAL</b>	<b>40.9</b>	<b>40.0</b>	<b>39.5</b>	<b>39.5</b>	<b>39.2</b>	<b>39.4</b>	<b>40.0</b>	<b>40.1</b>	<b>39.6</b>	<b>39.1</b>	<b>39.0</b>	<b>39.5</b>	<b>3,720.3</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>												
Central government	43.1	43.1	42.3	41.9	42.2	42.1	42.1	42.1	40.8	39.4	40.9	39.6	1,472.7
State government <sup>1)</sup>	18.8	18.1	19.7	20.0	20.3	20.4	20.8	21.2	21.5	21.3	19.8	21.0	341.1
Local government	9.0	9.0	9.1	9.2	9.5	9.7	9.8	10.0	10.0	10.1	9.6	10.3	381.9
Social security funds	37.8	38.4	38.8	39.1	38.6	38.5	38.2	37.8	39.0	40.6	40.3	40.3	1,497.6
EU institutions	1.5	1.4	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	27.0
<b>C. Structure by economic function</b>	<b>% of GDP</b>												
Consumption	11.2	10.9	10.8	10.8	10.8	10.8	10.9	10.8	10.6	10.5	10.8	10.8	1,020.8
Labour	21.2	21.0	20.9	20.9	20.5	20.4	20.3	20.1	20.6	21.0	20.8	20.9	1,973.3
Employed	19.2	19.1	19.0	18.9	18.5	18.4	18.3	18.3	18.6	18.9	18.7	18.8	1,774.9
Paid by employers	8.8	8.8	8.8	8.9	8.7	8.7	8.7	8.6	8.7	8.9	8.9	8.9	836.5
Paid by employees	10.4	10.3	10.2	10.0	9.7	9.7	9.7	9.7	9.9	10.0	9.8	10.0	938.5
Non-employed	2.0	1.9	2.0	2.0	2.0	2.0	2.0	1.9	1.9	2.1	2.1	2.1	198.3
Capital	8.7	8.2	7.9	7.9	8.0	8.3	8.9	9.2	8.6	7.7	7.5	7.9	740.6
Capital and business income	6.3	5.8	5.5	5.5	5.5	5.7	6.3	6.6	6.2	5.2	5.2	5.4	511.5
Income of corporations	3.1	2.9	2.6	2.6	2.7	2.9	3.3	3.4	3.0	2.1	2.3	2.5	232.6
Income of households	0.7	0.6	0.6	0.6	0.6	0.6	0.8	0.8	0.8	0.7	0.7	0.7	64.7
Income of self-employed (incl. SSC)	2.4	2.3	2.2	2.3	2.2	2.2	2.3	2.3	2.4	2.3	2.3	2.3	214.2
Stocks of capital / wealth	2.4	2.4	2.4	2.4	2.5	2.6	2.6	2.6	2.4	2.5	2.3	2.4	229.1
<b>D. Environmental taxes</b>	<b>% of GDP</b>												
Environmental taxes	2.6	2.5	2.5	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.3	2.3	218.2
Energy	2.0	1.9	1.9	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.7	1.7	162.9
Of which transport fuel taxes	:	:	:	1.6	1.5	1.5	1.4	1.4	1.3	1.4	1.3	1.3	
Transport (excl. fuel)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	45.3
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	10.0
<b>E. Property taxes</b>	<b>% of GDP</b>												
Property taxes	1.6	1.6	1.6	1.7	1.8	1.8	1.9	1.9	1.7	1.7	1.7	1.8	170.4
Recurrent taxes on immovable property	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.9	0.9	85.8
Other property taxes	0.9	0.9	0.9	0.9	1.0	1.1	1.1	1.1	1.0	0.9	0.9	0.9	84.7
<b>E. Implicit tax rates</b>	<b>%</b>												
Consumption	19.8	19.4	19.4	19.3	19.3	19.4	19.6	19.8	19.3	18.8	19.3	19.4	
Labour employed	38.3	38.0	37.8	37.7	37.4	37.3	37.5	37.8	37.9	37.3	37.4	37.7	
Capital <sup>2)</sup>	29.9	27.8	27.5	27.7	27.9	28.6	30.5	30.8	29.4	28.5	27.2	28.9	
Capital and business income	21.5	19.7	18.8	18.9	18.8	19.3	21.1	21.8	20.9	18.9	18.5	19.7	
Corporations	24.6	26.2	24.3	23.2	23.3	23.6	27.9	29.6	26.0	19.0	19.2	20.8	
Households	14.7	14.0	13.9	14.5	13.9	14.2	15.3	15.4	15.2	15.4	15.7	16.2	
Real GDP growth (annual rate)	3.8	2.0	0.9	0.7	2.2	1.7	3.2	3.0	0.4	-4.2	1.9	1.5	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES. Only these four countries are included in the EU average.

2) Adjusted averages

Source: Commission services and Eurostat (online data code gov\_a\_tax\_ag)

<b>EUROPEAN UNION 27 ARITHMETIC AVERAGES</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Revenue in 2011
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>€ bn</b>
Indirect taxes	13.6	13.3	13.3	13.5	13.7	14.0	14.0	14.0	13.6	13.3	13.5	13.6	1,695.9
VAT	7.3	7.2	7.2	7.3	7.5	7.8	7.8	7.8	7.7	7.4	7.6	7.7	904.0
Excise duties and consumption taxes	3.2	3.1	3.1	3.2	3.3	3.2	3.1	3.1	3.0	3.2	3.2	3.2	338.7
Other taxes on products (incl. import duties)	1.8	1.6	1.5	1.5	1.6	1.6	1.6	1.6	1.5	1.3	1.3	1.2	188.1
Other taxes on production	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	265.2
Direct taxes	12.2	12.0	11.8	11.6	11.5	11.7	12.0	12.5	12.3	11.5	11.2	11.3	1,628.0
Personal income	8.2	8.2	8.0	7.9	7.8	7.8	8.0	8.1	8.2	8.0	7.7	7.7	1,155.7
Corporate income	3.2	3.1	3.0	2.9	2.9	3.1	3.3	3.6	3.4	2.7	2.6	2.7	316.2
Other	0.8	0.7	0.8	0.8	0.8	0.9	0.7	0.7	0.8	0.8	0.8	0.9	156.0
Social contributions	11.1	11.1	11.0	11.0	10.8	10.8	10.6	10.6	10.8	11.1	10.9	10.9	1,602.6
Employers'	6.9	6.8	6.7	6.7	6.6	6.5	6.4	6.4	6.5	6.6	6.5	6.4	921.8
Employees'	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	486.0
Self- and non-employed	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.1	194.7
<b>TOTAL</b>	<b>36.9</b>	<b>36.3</b>	<b>36.0</b>	<b>36.0</b>	<b>36.0</b>	<b>36.5</b>	<b>36.6</b>	<b>37.0</b>	<b>36.7</b>	<b>35.8</b>	<b>35.5</b>	<b>35.7</b>	<b>4,910.1</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>												
Central government	60.2	59.9	59.8	60.1	60.0	60.0	60.2	60.5	59.5	57.9	58.7	58.3	2,408.8
State government <sup>1)</sup>	15.1	15.1	17.4	18.1	18.3	18.4	18.6	18.8	19.4	19.9	18.2	19.8	341.1
Local government	10.4	10.6	10.4	10.1	10.2	10.4	10.5	10.3	10.5	10.7	10.6	10.6	530.1
Social security funds	28.9	29.1	29.3	29.2	29.0	28.6	28.3	28.0	28.7	30.3	29.8	30.0	1,593.9
EU institutions	1.5	1.3	1.0	0.9	0.7	0.9	0.9	0.9	0.9	0.8	0.8	0.8	35.8
<b>C. Structure by economic function</b>	<b>% of GDP</b>												
Consumption	12.0	11.7	11.8	11.9	12.1	12.3	12.3	12.2	12.0	11.8	12.0	12.0	1,421.6
Labour	17.7	17.6	17.4	17.4	17.1	17.0	16.9	16.9	17.3	17.5	17.1	17.1	2,496.2
Employed	16.5	16.4	16.2	16.1	15.8	15.8	15.6	15.7	16.0	16.1	15.8	15.8	2,263.7
Paid by employers	7.3	7.2	7.1	7.1	7.0	7.0	6.9	6.9	7.0	7.1	6.9	6.9	1,005.7
Paid by employees	9.2	9.2	9.1	9.0	8.8	8.8	8.8	8.8	9.0	9.0	8.8	8.9	1,258.0
Non-employed	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.4	1.3	1.3	232.5
Capital	7.3	7.0	6.9	6.8	6.9	7.2	7.5	8.0	7.5	6.6	6.5	6.6	1,008.1
Capital and business income	5.4	5.2	5.0	5.0	5.0	5.2	5.5	5.9	5.6	4.8	4.7	4.8	679.2
Income of corporations	3.3	3.1	3.0	2.9	3.0	3.1	3.3	3.6	3.4	2.8	2.7	2.7	324.8
Income of households	0.6	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.7	0.6	0.6	0.6	98.2
Income of self-employed (incl. SSC)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	256.2
Stocks of capital / wealth	1.9	1.8	1.8	1.8	1.9	1.9	2.0	2.0	1.9	1.8	1.8	1.9	328.9
<b>D. Environmental taxes</b>	<b>% of GDP</b>												
Environmental taxes	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	2.6	302.7
Energy	1.9	1.9	1.9	2.0	2.0	2.0	1.9	1.9	1.8	1.9	1.9	1.9	226.1
Of which transport fuel taxes	:	:	:	1.6	1.6	1.7	1.6	1.6	1.5	1.6	1.6	1.6	
Transport (excl. fuel)	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.5	0.5	63.3
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	13.3
<b>E. Property taxes</b>	<b>% of GDP</b>												
Property taxes	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3	261.3
Recurrent taxes on immovable property	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	159.2
Other property taxes	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.6	0.6	0.6	102.1
<b>E. Implicit tax rates</b>	<b>%</b>												
Consumption	20.8	20.3	20.5	20.9	21.2	21.7	21.8	21.9	21.4	20.9	21.2	21.5	
Labour employed	35.7	35.3	35.0	34.8	34.6	34.1	34.0	34.0	33.7	33.1	33.3	33.7	
Capital	:	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:	
Corporations	:	:	:	:	:	:	:	:	:	:	:	:	
Households	:	:	:	:	:	:	:	:	:	:	:	:	
Real GDP growth (annual rate)	3.9	2.2	1.3	1.4	2.5	2.0	3.3	3.2	0.3	-4.3	1.9	1.6	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES. Only these four countries are included in the EU average.

2) Adjusted averages

Source: Commission services and Eurostat (online data code gov\_a\_tax\_ag)



<b>EUROPEAN UNION 27 GDP-WEIGHTED AVERAGES</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Revenue in 2011
<b>A. Structure of revenues</b>	<b>% of GDP</b>												<b>€ bn</b>
Indirect taxes	13.7	13.4	13.4	13.3	13.4	13.4	13.5	13.4	13.1	12.9	13.2	13.4	1,695.9
VAT	7.0	6.9	6.8	6.8	6.8	6.9	7.0	7.0	6.9	6.7	7.0	7.1	904.0
Excise duties and consumption taxes	3.0	2.9	3.0	3.0	2.9	2.8	2.7	2.6	2.6	2.6	2.7	2.7	338.7
Other taxes on products (incl. import duties)	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.6	1.5	1.5	1.5	188.1
Other taxes on production	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0	2.1	265.2
Direct taxes	14.1	13.6	13.1	12.9	12.8	13.1	13.7	13.8	13.8	12.8	12.6	12.9	1,628.0
Personal income	9.8	9.7	9.4	9.2	9.0	9.0	9.2	9.4	9.4	9.3	9.1	9.1	1,155.7
Corporate income	3.1	2.9	2.6	2.4	2.7	2.9	3.3	3.3	3.0	2.2	2.4	2.5	316.2
Other	1.1	1.1	1.1	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.2	156.0
Social contributions	12.7	12.6	12.5	12.7	12.6	12.5	12.4	12.2	12.5	12.9	12.7	12.7	1,602.6
Employers'	7.2	7.2	7.2	7.3	7.2	7.2	7.1	7.1	7.2	7.4	7.3	7.3	921.8
Employees'	4.1	4.0	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.8	3.8	3.8	486.0
Self- and non-employed	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.5	1.6	1.6	1.5	194.7
<b>TOTAL</b>	<b>40.4</b>	<b>39.5</b>	<b>38.9</b>	<b>38.8</b>	<b>38.7</b>	<b>39.0</b>	<b>39.5</b>	<b>39.4</b>	<b>39.3</b>	<b>38.4</b>	<b>38.3</b>	<b>38.8</b>	<b>4,910.1</b>
<b>B. Structure by level of government</b>	<b>% of total taxation</b>												
Central government	52.8	52.7	51.9	51.1	51.8	51.9	52.1	52.3	50.6	48.3	50.0	49.1	2,408.8
State government <sup>1)</sup>	18.8	18.1	19.7	20.0	20.3	20.4	20.8	21.2	21.5	21.3	19.8	21.0	341.1
Local government	9.5	9.6	9.8	10.0	10.2	10.4	10.3	10.3	10.4	10.7	10.3	10.8	530.1
Social security funds	35.5	36.1	36.3	36.5	36.0	35.7	35.5	35.1	36.2	37.8	37.3	37.3	1,593.9
EU institutions	1.5	1.4	1.1	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	35.8
<b>C. Structure by economic function</b>	<b>% of GDP</b>												
Consumption	11.4	11.2	11.1	11.1	11.1	11.1	11.1	11.0	10.9	10.7	11.1	11.2	1,421.6
Labour	20.1	20.0	19.8	19.8	19.4	19.4	19.3	19.1	19.6	20.0	19.6	19.7	2,496.2
Employed	18.4	18.3	18.1	18.0	17.7	17.6	17.6	17.5	17.9	18.1	17.8	17.9	2,263.7
Paid by employers	7.8	7.8	7.7	7.9	7.8	7.7	7.7	7.7	7.8	8.0	8.0	8.0	1,005.7
Paid by employees	10.7	10.5	10.3	10.2	9.9	9.9	9.9	9.9	10.0	10.1	9.8	10.0	1,258.0
Non-employed	1.7	1.7	1.7	1.8	1.8	1.7	1.7	1.6	1.7	1.9	1.9	1.8	232.5
Capital	8.9	8.4	8.0	8.0	8.2	8.6	9.2	9.3	8.9	7.8	7.8	8.0	1,008.1
Capital and business income	6.2	5.8	5.4	5.3	5.5	5.8	6.3	6.5	6.1	5.2	5.2	5.4	679.2
Income of corporations	3.2	2.9	2.7	2.6	2.8	3.0	3.4	3.4	3.1	2.3	2.4	2.6	324.8
Income of households	0.8	0.7	0.6	0.6	0.7	0.7	0.9	0.9	0.9	0.8	0.8	0.8	98.2
Income of self-employed (incl. SSC)	2.2	2.1	2.0	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.0	2.0	256.2
Stocks of capital / wealth	2.7	2.6	2.7	2.6	2.8	2.8	2.9	2.8	2.8	2.7	2.5	2.6	328.9
<b>D. Environmental taxes</b>	<b>% of GDP</b>												
Environmental taxes	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	2.4	302.7
Energy	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.7	1.8	1.8	1.8	226.1
Of which transport fuel taxes	:	:	:	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.4	1.4	
Transport (excl. fuel)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	63.3
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	13.3
<b>E. Property taxes</b>	<b>% of GDP</b>												
Property taxes	2.1	2.0	2.0	2.0	2.2	2.2	2.3	2.2	2.2	2.0	2.0	2.1	261.3
Recurrent taxes on immovable property	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.2	1.3	159.2
Other property taxes	0.9	0.8	0.8	0.8	0.9	1.0	1.1	1.1	1.1	0.8	0.8	0.8	102.1
<b>E. Implicit tax rates</b>	<b>%</b>												
Consumption	20.1	19.7	19.7	19.7	19.8	19.7	19.9	20.1	19.7	19.1	19.7	20.1	
Labour employed	36.4	36.1	35.6	35.7	35.5	35.5	35.7	35.9	36.1	35.4	35.4	35.8	
Capital	:	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:	
Corporations	:	:	:	:	:	:	:	:	:	:	:	:	
Households	:	:	:	:	:	:	:	:	:	:	:	:	
Real GDP growth (annual rate)	3.9	2.2	1.3	1.4	2.5	2.0	3.3	3.2	0.3	-4.3	1.9	1.6	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) This level refers to the *Länder* in AT and DE, the *gewesten en gemeenschappen / régions et communautés* in BE and *comunidades autónomas* in ES. Only these four countries are included in the EU average.

2) Adjusted averages

<b>NORWAY</b>												Revenue in	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011
	% of GDP												€ bn
<b>A. Structure of revenues</b>													
Indirect taxes	13.6	13.4	13.4	13.0	12.7	12.2	12.2	12.5	11.1	12.0	12.0	11.6	40.8
VAT	8.4	8.4	8.5	8.2	8.0	7.8	7.9	8.2	7.2	7.8	7.9	7.7	27.1
Excise duties and consumption taxes	2.8	2.7	2.7	2.6	2.4	2.2	2.1	2.1	2.0	2.2	2.1	2.0	7.0
Other taxes on products (incl. import duties)	1.9	1.8	1.7	1.7	1.8	1.6	1.6	1.6	1.4	1.3	1.4	1.4	4.9
Other taxes on production	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.5	1.8
Direct taxes	20.1	20.2	19.8	19.5	21.0	22.2	22.7	21.5	22.1	20.2	21.0	21.5	75.7
Personal income	10.3	10.4	10.7	10.6	10.2	9.6	9.0	9.5	9.1	10.1	10.1	9.8	34.7
Corporate income <sup>1</sup>	8.9	8.9	8.1	8.0	9.8	11.7	12.7	11.0	12.2	9.1	10.0	10.7	37.6
Other	0.9	0.9	1.0	1.0	1.0	1.0	0.9	1.0	0.9	1.0	0.9	0.9	3.3
Social contributions	8.9	9.2	9.9	9.8	9.3	8.8	8.6	8.9	8.8	9.8	9.6	9.5	33.5
Employers'	5.3	5.6	5.9	5.9	5.6	5.3	5.3	5.5	5.4	6.0	5.9	5.7	20.3
Employees'	3.1	3.1	3.4	3.3	3.2	3.0	2.9	3.0	2.9	3.3	3.2	3.2	11.3
Self- and non-employed	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<b>TOTAL</b>	<b>42.6</b>	<b>42.9</b>	<b>43.1</b>	<b>42.3</b>	<b>43.0</b>	<b>43.2</b>	<b>43.5</b>	<b>42.9</b>	<b>42.1</b>	<b>42.0</b>	<b>42.6</b>	<b>42.5</b>	<b>150.0</b>
<b>B. Structure by level of government</b>													
	% of total taxation												
Central government	64.0	62.1	64.1	62.2	64.6	66.2	67.5	66.6	67.1	62.6	63.8	65.4	98.1
State government	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	15.1	16.4	13.0	14.8	13.7	13.3	12.7	12.6	11.9	13.9	13.7	12.3	18.4
Social security funds	20.9	21.5	22.9	23.1	21.7	20.4	19.9	20.8	21.0	23.4	22.5	22.3	33.5
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>C. Structure by economic function</b>													
	% of GDP												
Consumption	12.7	12.6	12.8	12.4	12.1	11.6	11.6	11.9	10.6	11.4	11.5	11.0	38.8
Labour	17.2	17.7	18.6	18.5	17.8	16.6	16.0	16.6	16.2	18.0	17.7	17.4	61.4
Employed	16.0	16.4	17.4	17.3	16.5	15.4	14.9	15.5	15.1	16.7	16.4	16.1	56.8
Paid by employers	5.4	5.6	6.0	5.9	5.7	5.4	5.3	5.5	5.4	6.0	5.9	5.8	20.3
Paid by employees	10.6	10.9	11.4	11.4	10.9	10.1	9.6	10.0	9.7	10.7	10.5	10.4	36.5
Non-employed	1.2	1.2	1.2	1.3	1.2	1.1	1.1	1.1	1.1	1.3	1.3	1.3	4.5
Capital	12.7	12.6	11.7	11.4	13.2	15.1	15.9	14.4	15.3	12.6	13.5	14.1	49.8
Capital and business income	7.1	6.9	6.5	6.1	7.0	7.7	8.2	7.8	7.8	7.1	7.6	7.7	27.3
Income of corporations <sup>1</sup>	5.2	4.9	4.5	4.2	5.2	5.8	6.5	5.9	6.1	5.1	5.6	5.8	20.4
Income of households	0.8	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.9	1.0	0.9	3.3
Income of self-employed	1.2	1.3	1.3	1.2	1.2	1.3	1.0	1.1	0.9	1.0	1.0	1.0	3.6
Stocks of capital / wealth	5.5	5.7	5.2	5.3	6.2	7.4	7.7	6.7	7.6	5.5	5.9	6.4	22.5
<b>D. Environmental taxes</b>													
	% of GDP												
Environmental taxes	:	:	:	:	:	:	:	:	:	:	:	:	:
Energy	:	:	:	:	:	:	:	:	:	:	:	:	:
Of which transport fuel taxes	:	:	:	:	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.7	0.7
Transport (excl. fuel)	:	:	:	:	:	:	:	:	:	:	:	:	:
Pollution/resources	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>E. Property taxes</b>													
	% of GDP												
Property taxes	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.1	1.0	1.1	1.1	1.1	3.8
Recurrent taxes on immovable property	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	1.0
Other property taxes	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.8	0.8	0.8	2.8
<b>F. Implicit tax rates</b>													
	%												
Consumption	31.2	30.6	29.7	28.4	28.8	29.4	30.6	31.1	29.1	28.6	29.1	:	
Labour employed	37.1	37.2	37.5	37.7	37.8	37.1	36.6	36.1	35.7	35.7	36.3	36.2	
Capital	42.2	42.7	42.8	39.5	40.6	40.7	42.4	40.9	41.8	42.1	41.9	41.9	
Capital and business income	23.7	23.5	23.7	21.1	21.6	20.8	21.8	22.1	21.1	23.8	23.5	22.9	
Corporations	21.7	21.2	21.7	19.3	20.0	18.8	20.3	19.4	18.5	20.7	20.8	20.0	
Households	24.0	28.2	21.1	17.6	17.8	17.0	29.1	33.5	34.2	32.3	30.0	32.4	
Real GDP growth (annual rate)	3.3	2.0	1.5	1.0	4.0	2.6	2.5	2.7	0.0	-1.7	0.7	2.4	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) The difference between the revenue from "corporate income" taxes in part A of the table and that from "income of corporations" in part C is mainly due to the exclusion from the latter of the special tax on petroleum income, which is booked under stocks of capital/wealth.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Norway

## Overall trends in taxation

### Structure and development of tax revenues

Norway's total tax-to-GDP ratio amounted to 42.5 % in 2011; a value which exceeds the weighted European Union average by 3.7 percentage points. Compared with other Nordic countries, Norway's ratio is only slightly lower than Finland's, but well below the Danish and Swedish level. The level and structure of revenues in Norway are clearly influenced by the important role played by oil and gas extraction in the economy.

The Norwegian tax system is characterised by a high share of direct taxes, although a sharp decline was experienced from 52.6 % of revenue in 2008 to 49.2 % in 2010. In 2011 the ratio increased to the level of 50.7 %. The high revenue from direct taxes is attributable in particular to the corporate tax which yielded, with 10.7 % of GDP in 2011, more than four times the EU-27 weighted average. Note that this is the result of the statistical classification of the special tax on petroleum income, which is considered as corporate tax revenue alongside the ordinary corporate income tax, thereby almost doubling its revenue. Revenues from indirect taxes and from social contributions cover a smaller share of budgetary revenue; they are also lower than the EU average in terms of their ratio to GDP. Indirect taxes, standing at 11.6 % of GDP, are well below EU-27 weighted average (13.4 % of GDP) mainly due to below average revenue from excise duties (2.0 % of GDP) and other taxes on production (0.5 % of GDP); however, VAT revenue in percent of GDP was 0.6 percentage point higher in Norway than in the EU-27.

In 2011, 65.4 % of taxes were paid to the central government, while local government (municipalities and counties) received 12.3 % of the total; a share somewhat above the EU weighted average (10.8 %). Social security funds receive a relatively low share of government receipts, 22.3 % compared with 37.3 % in the EU-27 weighted average.

The overall tax ratio has not fluctuated much between 2000 and 2011. The developments till 2007 were mainly driven by the trend in the revenues from direct taxation and more specifically from corporate taxation. However, the unfavourable economic conditions in 2008 negatively affected the revenues from indirect taxes and the tax-to-GDP ratio reached its lowest value since 1998 – 42.0 %. Stable revenues from personal income and indirect taxation compensated the slump in corporate taxation in 2009. In 2011 the overall tax level was back to 2005 levels, 42.5 % of GDP, mainly due to recovered proceeds from corporate taxation.

### Taxation of consumption, labour and capital; environmental taxes, property taxes

Revenue from taxation of consumption was on a downward trend between 2002 (12.8 % of GDP) and 2008 (10.6 % of GDP), but bounced back to 11.0 % in 2011. This is about equal the EU-27 weighted average (11.2 % of GDP). However, the ITR on consumption (29.1 % in 2010, 2011 not yet available), is well above the EU-27 average (19.7 % in 2010). This discrepancy between a very high ITR on consumption and an average consumption tax revenue to GDP share is due to a high VAT rate (25 %) and a remarkably low share of the final consumption expenditure of households when compared to Norway's GDP (about 40 %).

Taxation of labour was on a downward trend for half a decade before 2008 both in revenue terms and by the ITR measure. An increase, however, was experienced in 2011 when the ITR on labour, at 36.2 %, is close to the EU-27 weighted average (35.8 %).

Capital taxation yields, at 14.1 % of GDP, although down by 1.2 percentage points from 2008 to 2011, the highest level of revenue of all countries analysed in the report, 6.1 percentage points above the EU-27 weighted average. As mentioned earlier, oil taxation contributes significantly to this peculiarity. These high tax revenues are reflected in the ITR on capital, which exceeds the EU-25 weighted average by approximately 12.5 percentage points.

Norway levies a wide range of environmental taxes, including not only the traditional excises on mineral oils but also significant levies on electricity consumption, CO<sub>2</sub> emissions, greenhouse gases, pesticides, sulphur and a tax on NO<sub>x</sub> emissions.

Property tax revenues in Norway in relation to GDP in 2011 (1.1 %) were well below the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 0.3 % of GDP whereas the corresponding EU-27 average stood at 1.3 %.

### Main recent reforms implemented, on-going or announced

Norway's 2013 Budget contains a number of tax changes, but no major overhaul of tax structures. In CIT, the base is broadened since Norwegian oil companies are not allowed any longer to deduct costs from foreign activities from the domestic tax base and returns from funds managed by pension funds and life insurance funds become taxable. In PIT, the basic allowance is increased from 38 % to 40 % (of the gross income) as of 1 January 2013 and the lower bracket for net wealth taxes is increased from NOK 750 000 (EUR 100 333) to NOK 870 000 (EUR 1 116 386). The assessment base of the net wealth tax is increased by 10 percentage points to 50 % for commercial property and secondary homes. In indirect taxation, the motor vehicle registration was fine tuned to account more for CO<sub>2</sub> and NO<sub>x</sub> emissions rather than the engine power. The CO<sub>2</sub> tax on petroleum activities is increased by NOK 200 (EUR 26.76) per tonne.

## Main features of the tax system

### Personal income tax

Norway, like several other Nordic countries, has adopted a dual tax system. Income from labour and pensions is taxed at progressive rates, while the remaining forms of income are (mostly capital income) are taxed at a flat rate.

The basic element of the personal income tax is levied on so-called ordinary income, which includes all kinds of income, but also various allowances. The tax rate on ordinary income is 28 %; this rate combines central government, county and municipal taxes (*Finnmark* and *Nord-Troms* benefit, however, from a lower 24.5 % rate). The surtax (*toppskatt*) is the progressive element of the PIT. It is levied on the so-called personal income — i.e. gross wage income, gross pension income and a calculated income for the self-employed — provided annual personal income exceeds NOK 509 600 (EUR 68 173). The surtax is levied at a rate of 9 % on income between this threshold and NOK 828 300 (EUR 110 807) (7 % in the regions *Finnmark* and *Nord-Troms*) and at a rate of 12 % on income above.

A main element of the tax reform in 2006 was to replace the split model and the imputation system with the shareholder model. The shareholder model involves a dividend and gains tax equipped with a cost of capital allowance to ensure neutral treatment of different sources of financing. The taxation of self-employed and partnerships was also adjusted along these lines, saving higher tax rates than the basic rate of 28 % for returns above a cost of capital.

The top marginal tax rates on labour income were reduced in order to narrow the difference in marginal tax rates between share income and labour income and to stimulate labour supply. A main objective was to solve the problem of labour income being shifted to shareholder income at lower tax rates.

### Corporate taxation

Companies are subject to corporate income tax of 28 %. Income and capital gains are pooled and taxed at the same rate. Special regimes apply to activities related to the exploration and exploitation of petroleum resources where the tax base for the special tax on petroleum income is based on the CIT base but accounting for certain depreciations. The tax rate for this special tax is 50 %. The marginal tax rate on the resource rent is thus 78 %.

Since 2004 an exemption regime for corporate shareholders has been in force. Dividends derived by corporate shareholders from resident companies, savings banks and unit trusts are in principle exempt from tax, as well as

capital gains on the disposal of shares in such entities. However, 3 % of such dividend income is taxable in order to balance the deduction of costs related to such income. In general, all expenses incurred in acquiring, securing and maintaining income are deductible. Royalties and management fees are usually deductible, but must be made on an arm's-length basis if such payments are made to related parties. Capital gains derived from the sale of business assets are normally included in taxable income (with profit and loss account deferral). Losses may be carried forward to be set off against profits in succeeding years. A tax credit is granted to companies engaging in research and development projects approved by the Research Council of Norway.

### **VAT and excise duties**

The Norwegian VAT standard rate is 25 %, and has fairly general use. There is a reduced rate of 15 % on food and a rate of 8 % on passenger transport, broadcasting services, admission to cinemas, accommodation in hotels and camping sites and business letting of holiday homes. A zero rate applies to the sale of books and newspapers.

### **Wealth and transaction taxes**

In 2006, a substantial base broadening combined with increased basic allowances has made the wealth tax more uniform and more re-distributive. Resident individuals are subject to national net wealth tax (tax rate 0.4 %) and municipal net wealth tax (0.7 %) above a threshold of NOK 870 000 (EUR 116 386) with respect to their worldwide net wealth. The threshold has been increased in recent years. At the same time the tax base has been widened by way of increasing real estate tax values. A new system to assess the value of business premises and private homes was introduced in 2009 and 2010 in order to increase the system's fairness. The wealth tax is due independently of the income tax.

There is an inheritance and gift tax, with a zero rate up to taxable amounts of NOK 470 000 (EUR 62 875). From this level, the rates range from 6 % to 15 % depending on the status of the beneficiary and the size of the taxable amount.

### **Social contributions**

The national insurance contributions payable by employees are computed on gross salary and pension income. The general rate of 7.8 % applies to employment income including benefits in kind and remuneration of directors, members of committees, and so on. A reduced rate of 4.7 % applies to pensions and life annuities, as well as to employment income earned by individuals under 17 or over 69 years. There is an exemption for incomes up to NOK 39 950 (EUR 5 344) from the contributions. For income above this amount, the contributions are at a balancing rate of 25 % until the general rate of 7.8 % on employment income is achieved. The contributions payable by individuals are not deductible for income tax purposes. Regionally differentiated rates in employers' social contributions were reintroduced in 2007 ranging from 0 % to 14.1 %. The self-employed pay national insurance contributions at a rate of 11 %.

ICELAND													Revenue in	
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2011	
														€ bn
<b>A. Structure of revenues</b>														
Indirect taxes	18.2	15.9	15.9	16.7	17.8	19.1	19.4	18.6	15.6	14.0	14.3	14.4	1.4	
VAT	10.6	9.4	9.4	9.7	10.4	11.1	11.3	10.5	9.1	8.0	8.0	8.1	0.8	
Excise duties and consumption taxes	2.6	2.0	1.9	2.1	2.2	2.7	2.8	2.6	1.9	1.7	2.1	2.1	0.2	
Other taxes on products (incl. import duties)	1.9	1.7	1.9	2.1	2.3	2.4	2.1	2.2	1.7	1.6	1.7	1.8	0.2	
Other taxes on production	3.1	2.9	2.7	2.8	2.9	2.9	3.2	3.3	2.9	2.6	2.6	2.4	0.2	
Direct taxes	16.1	16.5	16.5	16.8	16.9	18.3	18.8	18.9	18.2	16.7	16.6	17.5	1.8	
Personal income	13.1	13.8	13.9	14.2	14.3	14.7	14.6	14.5	14.4	13.1	13.2	13.7	1.4	
Corporate income	1.1	0.9	0.8	1.3	1.2	2.0	2.4	2.5	2.0	1.8	1.1	1.9	0.2	
Other	1.8	1.8	1.8	1.3	1.5	1.7	1.7	1.8	1.8	1.8	2.4	1.8	0.2	
Social contributions	2.9	2.8	2.9	3.1	3.0	3.2	3.3	3.0	2.8	3.1	4.1	4.1	0.4	
Employers'	2.7	2.7	2.8	3.0	2.9	3.1	3.2	2.9	2.7	3.0	4.0	4.0	0.4	
Employees'	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Self- and non-employed	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL</b>	<b>37.1</b>	<b>35.3</b>	<b>35.2</b>	<b>36.7</b>	<b>37.8</b>	<b>40.6</b>	<b>41.4</b>	<b>40.5</b>	<b>36.6</b>	<b>33.8</b>	<b>35.0</b>	<b>35.9</b>	<b>3.6</b>	
<b>B. Structure by level of government</b>														
Central government	76.6	75.0	75.2	75.7	76.4	77.1	75.7	74.9	74.1	72.6	74.3	73.4	2.7	
State government <sup>1)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Local government	23.4	25.0	24.8	24.3	23.6	22.9	24.3	25.1	25.9	27.4	25.7	26.6	1.0	
Social security funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<b>C. Structure by economic function</b>														
Consumption	14.2	12.3	12.2	12.8	13.5	14.7	15.0	14.0	11.9	10.9	11.2	11.4	1.2	
Labour	:	:	:	:	:	:	:	:	:	:	:	:	:	
Employed	:	:	:	:	:	:	:	:	:	:	:	:	:	
Paid by employers	2.8	2.7	2.8	3.0	3.0	3.1	3.2	3.1	2.9	3.2	4.2	4.2	0.4	
Paid by employees	:	:	:	:	:	:	:	:	:	:	:	:	:	
Non-employed	:	:	:	:	:	:	:	:	:	:	:	:	:	
Capital	:	:	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:	:	
Income of corporations	1.4	1.2	1.1	1.4	1.3	2.2	2.4	2.5	2.0	1.8	1.1	1.9	0.2	
Income of households	:	:	:	:	:	:	:	:	:	:	:	:	:	
Income of self-employed (incl. SSC)	:	:	:	:	:	:	:	:	:	:	:	:	:	
Stocks of capital / wealth	4.4	4.0	4.2	4.4	4.7	4.9	4.8	4.9	4.0	3.7	3.9	3.9	0.4	
<b>D. Environmental taxes</b>														
Environmental taxes	3.3	2.7	2.3	2.6	2.7	2.9	2.6	2.5	1.8	1.6	2.0	1.9	0.2	
Energy	1.1	1.0	0.9	0.9	0.9	1.0	1.2	1.2	1.0	1.2	1.3	1.3	0.1	
Of which transport fuel taxes	:	:	:	:	:	:	:	:	:	:	:	:	:	
Transport (excl. fuel)	1.7	1.3	1.2	1.4	1.5	1.6	1.1	1.1	0.6	0.3	0.3	0.3	0.0	
Pollution/resources	0.4	0.4	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.4	0.4	0.0	
<b>E. Property taxes</b>														
<b>% of GDP</b>														
Property taxes	2.4	2.3	2.3	2.1	2.3	2.5	2.0	2.3	2.1	2.0	2.2	2.2	0.2	
Recurrent taxes on immovable property	1.2	1.1	1.1	1.2	1.2	1.3	1.3	1.5	1.7	1.8	1.7	1.6	0.2	
Other property taxes	1.2	1.2	1.2	0.8	1.1	1.2	0.7	0.8	0.4	0.2	0.4	0.6	0.1	
<b>F. Implicit tax rates</b>														
Consumption	25.6	23.6	23.7	24.1	25.8	27.2	28.5	27.1	24.4	22.1	22.8	22.8		
Labour employed	:	:	:	:	:	:	:	:	:	:	:	:		
Capital	:	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	4.3	3.9	0.1	2.4	7.8	7.2	4.7	6.0	1.3	-6.7	-4.0	2.1		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) This level refers to the Länder in AT and DE, the gewesten en gemeenschappen / régions et communautés in BE and comunidades autónomas in ES.

Source: Commission Services and Eurostat (online data code gov\_a\_tax\_ag)

# Iceland

## Overall trends in taxation

### Structure and development of tax revenues

Iceland's total tax-to-GDP ratio amounted to 35.9 % in 2011; a value which falls below the weighted European Union average (38.8 %) by almost three percentage points. The level of taxation in Iceland is significantly lower compared with other Nordic countries; Iceland's ratio is lower by 6.6 percentage points than Norway's (42.5 %) and 8.4 percentage points of GDP lower than the Swedish level (44.3 %).

A characteristic of the Icelandic tax system, which is common to the other Nordic countries as well, is the high share of direct taxation, accounting to 48.6 % of the total taxation in 2011; compared to the EU-27 weighted average (33.2 %) it is 15.5 percentage points higher. Amongst the other Nordic countries this is not the highest share of direct tax revenues, with for instance Denmark yielding 62.8 %. The high level of revenue from direct taxes can be accounted for by the relatively high personal income taxes which bring in revenue of 13.7 % of GDP which is about four percentage points more than the EU-27 weighted average (9.1 %). The level of indirect taxes is also significant, standing at 40.0 % of total taxation, while the same figure for the weighted EU average is 34.5 %. This level is the highest in comparison to the other Nordic countries. Revenues from social contributions cover a very small share with only 11.4 % of total taxation, almost three times lower than the EU-27 weighted average (33.5 %).

In 2011, 73.4 % of overall tax revenue was received by the central government, while local government received 26.6 % of the total; a share well above the EU weighted average of 49.1 % and 10.8 % respectively. The social security funds do not receive any share of government receipts.

The tax-to-GDP ratio in 2011 is at 35.9 %, almost equal to the level in 2002 (35.2 %). After 2000, this ratio increased steadily until 41.4 %, its peak in 2006. However, it fell by 5.5 percentage points since then due mainly to a slump in indirect tax revenues. Direct taxes from personal income relative to GDP had almost the same value in 2010 and 2011, while taxes on corporate income continued to decrease and rebound by 0.8 percentage points in 2011. However, revenue from social contributions relative to GDP stayed the same from 2010 to 2011 at 4.1 %.

### Taxation of consumption, labour and capital; environmental taxation; property taxes

Revenues from taxation of consumption amounted to 11.4 % of GDP in 2011. Current levels are by 0.2 percentage points above the EU-27 weighted average (11.2 % of GDP). The ITR on consumption in 2011 is 22.8 %, which is well above the EU-27 weighted average (20.1 %). In 2011 the ITR on consumption showed a modest increase after a three year period of decrease. This is due to the decrease of the ratios of VAT to GDP and excise duties to GDP from 2006 to 2009.

Due to data limitations, the level of taxation on labour and capital, and the ITRs on labour and on capital are not available for Iceland.

According to the available data, environmental tax revenue, at 1.9 % of GDP in 2011 lies well below the EU-27 weighted average (2.4 %). Most of this revenue is raised on energy (1.3 %). Revenues from environmental taxes have decreased by 1.5 percentage point in the last ten years. This was mainly driven by changes in transport tax revenue, which fell by 1.4 percentage points from 2000 to 2010.

Property tax revenues in Iceland in relation to GDP in 2011 (2.2 %) were in line with the EU-27 average of 2.1 %. The share of revenues from recurrent taxes on immovable property in 2011 amounted to 1.6 % of GDP whereas the corresponding EU-27 average was 1.3 %.

## Main recent reforms implemented, on-going or announced

In September 2012, the budget bill together with a bill with tax amendments to improve tax compliance were presented. In direct taxation the Financial Activities Tax (FAT) on remuneration in financial institutions is increased while the special FAT levied on income over ISK 1 billion (EUR 6.2m) is unchanged. In addition, a number of excise duties were increased (motor vehicles imported for use as rental cars; foodstuffs with high sugar content; and alcohol and tobacco).

## Main features of the tax system

### Personal income tax

In the last decade personal income taxes were reduced by gradually lowering the standard income tax rate and introducing a flat tax on capital income previously subject to the common personal income tax rate. A special tax on higher income was abolished in 2006, but reintroduced in 2009. In 2010 the PAYE (pay as you earn) system which had been basically a flat rate system with or without a temporary surcharge, was replaced by a three-rate system. The rate consists of the central government rate and the municipal income taxes of 14.42 %. The total rates for 2013 were set at 37.32 % (22.9 % + 14.42 %) for yearly incomes of up to ISK 2 897 702 (EUR 18 028), 40.22 % (25.8 % + 14.42 %) for incomes from ISK 2 897 703 to ISK 8 874 108 (EUR 55 210) and 46.22 % (31.8 % + 14.42 %) for incomes above this value. There are two annual flat taxes; ISK 9 604 (EUR 60) for the elderly fund and ISK 18 800 (EUR 117) for radio broadcast services, collected from each individual between 16 and 69 years with an income above ISK 1 495 407 (EUR 9 304) in 2012 and higher than ISK 1 559 003 (EUR 9 700) in 2013. Capital income is taxed separately at a rate of 20 % for income higher than ISK 100 000 (EUR 622).

The basic annual tax credit amounting to ISK 581 820 (EUR 3 620) in 2013 is non-refundable and non-transferable between years but transferable between spouses. Seamen get a tax reduction ("sailor's credit") of ISK 246 (EUR 1.53) per day. Compulsory payments to pension funds are deductible from taxable income. Annual interest rebates are granted to purchasers of personal dwellings. The maximum level of this rebate in 2013 is ISK 400 000 (EUR 1 525) for a single person; ISK 500 000 (EUR 3 110) for a single parent and ISK 600 000 (EUR 3 732) for a couple. Child benefits are granted subject to income thresholds and category.

### Corporate taxation

Iceland has a classical corporate taxation system. Profits and capital gains are taxed at the same corporate tax rate of 20 % in 2013; it was cut steadily from 50 % in 1989 to 15 % in 2008 and 2009 and raised back to 18 % in 2010. The rate for partnerships is 36 %. No taxes are levied by municipalities on corporate profits and all proceeds of the CIT accrue to the Treasury. There is a deduction system for inter-company dividends and for capital gains both for residents and non-resident companies. International companies trading exclusively with goods and services outside of Iceland have benefited from a favourable 5 % offshore corporate tax, which was however abolished in 2009. All foreign entities, receiving interest income from Iceland are subject to limited tax liability as of 1 September 2009. Since 2008 significant amendments have been introduced, such as no tax is levied on capital gains from the corporate sale of shares in companies; the rate on dividends paid to resident and non-resident companies is the same at 10 %; the withholding 10 % tax on dividends paid to EEA member state countries is reimbursable. In the beginning of 2012 withholding tax on interest paid to non-resident legal entities was reduced from 20 % to 10 %.

Financial institutions including insurance companies are subject to a Financial Activities Tax (FAT) of 6.75 % on their total salary payments and a special FAT of 6 % is levied on income over ISK 1 billion. Also, there is a tax on financial institutes of 0.041 % levied on total debt (and an extra tax on the same base for 2012 and 2013 of 0.0875 %).

### VAT and excise duties

In 2013, the standard VAT rate is 25.5 %, while the reduced VAT rate is 7 %. Also in 2011, the parliament approved an amendment to the VAT Act. Accordingly, the VAT rate on the supply of electronic books and music



(without images), including the sale of printed notes, would be subject to a reduced VAT rate of 7 % (previously subject to the general VAT rate of 25.5 %). The amendment became effective on 1 November 2011. In addition, the VAT Act is amended so that the financial institutions belonging to the scope of the Financial Activities Tax will no longer be obliged to calculate VAT on goods and services that they produce exclusively for their own use in competition with taxable parties. From 1 January 2013 to 31 August the reduced 7 % rate is also levied on hotel and guest room rentals. After this period these services will be subject to a reduced rate of 14 %.

In 2013 excise duties on alcohol and tobacco are increased and foods containing high amounts of sugar were increased.

### **Wealth and transaction taxes**

Net wealth tax was abolished in 2006 but reintroduced temporarily in 2010-2014. The tax exempt amount is ISK 75 million (EUR 466 608) for individuals and ISK 100 million (EUR 622 145) for couples. The tax rate is 1.5% for net wealth between ISK 75 million and ISK 150 million (EUR 933 217) for individuals and between ISK 100 million and ISK 200 million (EUR 1.24m) for jointly taxed couples. A rate of 2 % was introduced in 2012 for net wealth over ISK 150 million for individuals and ISK 200 million for jointly taxed couples;

Property tax is levied annually by municipalities on the basis of assessed value as registered in a government agency's database, and subject to a maximum of 0.5 % on residential housing or 1.32 % on hospitals, schools, industrial and commercial buildings. The sale of a home, owned for at least 2 years by the taxpayer, is exempt of taxes. No special tax is levied on the transfer of property, shares, bonds and other securities. Inheritance tax is imposed at a rate of 10 %. Stamp duties are levied on legal documents, rates varying between 0.25 % and 2 %.

### **Local taxes**

The average flat municipal income tax rate is 14.42 % in 2013.

### **Social contributions**

Social security contributions are levied on gross wages and paid by employers. In 2013 the rate is 7.69 % and 8.34 % for seamen.



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<sup>(43)</sup> As modified — notably — by Regulation (EC) No 2516/2000 of the European Parliament and of the Council, 7 November 2000. A consolidated version of the Regulation is available online at the eur-Lex website: <http://ec.europa.eu/eur-lex/en/index.html>



# **A**nnexes

Table 1: Total Taxes (including SSC) as % of GDP

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2010	2000 to 2011		
BE	43.8	45.1	45.1	45.2	44.7	44.8	44.8	44.4	43.9	44.2	43.4	43.8	44.1	0.3	-1.0	3	163,064
BG	30.9	31.5	30.8	28.5	31.0	32.5	31.3	30.7	33.3	32.3	29.0	27.5	27.2	-3.7	-4.3	26	10,484
CZ	35.5	33.8	33.7	34.6	35.4	35.9	35.7	35.3	35.9	34.4	33.4	33.5	34.4	-1.0	0.6	15	53,803
DK	48.8	49.4	48.5	47.9	48.0	49.0	50.8	49.6	48.9	47.8	47.8	47.4	47.7	-1.1	-1.7	1	114,641
DE	39.8	41.3	39.4	38.9	39.1	38.3	38.3	38.6	38.7	38.9	39.3	37.9	38.7	-1.1	-2.6	8	1,002,620
EE	36.3	31.0	30.2	31.0	30.8	30.6	30.6	30.7	31.4	31.9	35.9	34.1	32.8	-3.4	1.8	18	5,239
IE	32.7	31.3	29.6	28.4	28.8	30.0	30.6	32.1	31.6	29.8	28.3	28.3	28.9	-3.8	-2.4	22	45,960
EL	29.1	34.6	33.2	33.7	32.1	31.3	32.2	31.7	32.5	32.1	30.5	31.7	32.4	3.3	-2.2	20	67,522
ES	32.1	34.1	33.7	34.2	33.9	34.7	35.9	36.8	37.1	33.0	30.7	32.1	31.4	-0.7	-2.7	21	334,016
FR	42.7	44.2	43.8	43.3	43.1	43.3	43.8	44.1	43.4	43.2	42.1	42.5	43.9	1.2	-0.3	4	876,343
IT	39.8	41.5	41.1	40.5	41.0	40.4	40.1	41.7	42.7	42.7	43.0	42.5	42.5	2.7	1.1	6	671,489
CY	26.9	30.0	30.7	30.9	32.2	33.0	35.0	35.8	40.1	38.6	35.3	35.6	35.2	8.2	5.2	14	6,322
LV	33.1	29.7	28.9	28.6	28.6	28.6	29.2	30.6	30.6	29.2	26.6	27.2	27.6	-5.5	-2.2	25	5,568
LT	27.5	30.0	28.6	28.3	28.0	28.1	28.4	29.2	29.5	30.1	29.2	27.0	26.0	-1.5	-3.9	27	8,024
LU	37.1	39.2	39.8	39.3	38.1	37.3	37.6	35.9	35.6	37.5	39.2	37.5	37.2	0.1	-2.0	11	15,856
HU	41.0	39.8	38.7	38.0	38.0	37.7	37.4	37.3	40.4	40.3	40.1	37.9	37.0	-4.0	-2.8	12	36,931
MT	26.3	27.3	28.9	30.0	30.4	31.3	32.9	33.0	33.9	33.0	33.3	32.6	33.5	7.2	6.2	16	2,193
NL	40.2	39.9	38.3	37.7	37.4	37.5	37.6	39.0	38.7	39.2	38.2	38.8	38.4	-1.8	-1.6	9	231,004
AT	41.4	43.0	44.9	43.6	43.4	43.0	42.1	41.5	41.7	42.7	42.4	41.9	42.0	0.7	-1.0	7	126,448
PL	37.1	32.6	32.2	32.7	32.2	31.5	32.8	33.8	34.8	34.3	31.8	31.8	32.4	-4.7	-0.1	19	119,933
PT	29.5	31.1	30.8	31.4	31.6	30.5	31.4	32.1	32.8	32.8	31.0	31.5	33.2	3.7	2.1	17	56,766
RO	27.5	30.2	28.6	28.1	27.7	27.2	27.8	28.5	29.0	28.0	26.9	26.7	28.2	0.7	-2.0	24	37,055
SI	39.0	37.3	37.5	37.8	38.0	38.1	38.6	38.3	37.7	37.3	37.3	37.8	37.2	-1.7	-0.1	10	13,466
SK	40.3	34.1	33.1	33.0	32.9	31.5	31.3	29.3	29.3	29.3	28.9	28.1	28.5	-11.8	-5.5	23	19,723
FI	45.7	47.2	44.8	44.7	44.1	43.5	43.9	43.8	43.0	42.9	42.8	42.5	43.4	-2.3	-3.8	5	82,232
SE	47.9	51.5	49.4	47.5	47.8	48.0	48.9	48.3	47.3	46.4	46.5	45.4	44.3	-3.6	-7.1	2	171,839
UK	34.3	36.8	36.5	35.2	34.8	35.2	35.8	36.6	36.1	37.6	34.6	35.4	36.1	1.9	-0.6	13	631,521
NO	42.0	42.6	42.9	43.1	42.3	43.0	43.2	43.5	42.9	42.1	42.0	42.6	42.5	0.5	-0.1		150,001
IS	33.3	37.1	35.3	35.2	36.7	37.8	40.6	41.4	40.5	36.6	33.8	35.0	35.9	2.7	-1.2		3,621
<b>EU-27</b>																Total:	4,910,062
<b>weighted</b>	39.3	40.4	39.5	38.9	38.8	38.7	39.0	39.5	39.4	39.3	38.4	38.3	38.8	-0.4	-1.5		
<b>arithmetic</b>	36.5	36.9	36.3	36.0	36.0	36.0	36.5	36.6	37.0	36.7	35.8	35.5	35.7	-0.8	-1.2		
<b>EA-17</b>																Total:	3,720,264
<b>weighted</b>	39.7	40.9	40.0	39.5	39.5	39.2	39.4	40.0	40.1	39.6	39.1	39.0	39.5	-0.2	-1.4		
<b>arithmetic</b>	36.6	37.2	36.8	36.7	36.6	36.4	36.9	37.0	37.3	37.0	36.6	36.4	36.7	0.0	-0.5		
<b>EU-25</b>																	
<b>weighted</b>	39.3	40.4	39.5	38.9	38.9	38.8	39.1	39.6	39.5	39.4	38.5	38.5	39.0	-0.3	-1.4		
<b>arithmetic</b>	37.1	37.4	36.9	36.6	36.6	36.5	37.0	37.2	37.5	37.2	36.5	36.2	36.4	-0.8	-1.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	17.8	18.1	18.0	17.4	17.0	17.1	16.9	16.1	15.0	15.6	17.4	17.3	17.1	-0.7	-1.0		
<b>Max-min</b>	22.5	24.2	20.9	19.7	20.3	21.8	23.1	21.1	19.9	19.7	21.1	21.6	20.7	-1.8	-3.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 2: Total Taxes (excluding SSC) as % of GDP

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2010	2000 to 2011		
BE	29.5	31.2	30.9	30.8	30.4	30.8	31.1	30.9	30.3	30.3	28.9	29.6	29.8	0.3	-1.4	4	110,335
BG	21.3	20.7	21.0	18.9	20.7	22.3	21.5	22.4	25.2	24.5	21.3	20.5	19.9	-1.4	-0.8	21	7,667
CZ	20.8	18.8	18.8	19.1	19.8	20.5	20.2	19.7	20.2	18.9	18.5	18.3	19.1	-1.8	0.3	24	29,764
DK	47.7	47.6	46.7	46.7	46.8	47.9	49.7	48.6	47.9	46.8	46.8	46.4	46.7	-1.1	-0.9	1	112,211
DE	22.9	24.2	22.5	22.0	22.1	21.6	21.9	22.6	23.5	23.7	23.5	22.4	23.1	0.2	-1.1	16	600,070
EE	24.0	20.1	19.6	20.0	20.2	20.2	20.4	20.6	21.0	20.2	22.7	21.0	20.7	-3.3	0.7	20	3,305
IE	27.8	26.9	25.1	24.0	24.4	25.4	25.9	27.3	26.6	24.4	22.5	22.5	23.9	-3.9	-3.0	12	38,042
EL	19.8	24.1	22.6	22.1	20.4	20.1	20.9	21.0	21.3	21.0	20.1	20.6	21.8	2.0	-2.3	18	45,384
ES	20.3	22.1	21.5	22.1	21.7	22.6	23.8	24.7	25.0	20.7	18.3	19.8	19.3	-1.0	-2.8	22	204,986
FR	24.1	28.1	27.7	27.0	26.7	27.0	27.5	27.6	27.1	26.9	25.3	25.8	27.0	2.9	-1.0	9	539,653
IT	27.3	29.5	29.3	28.6	28.9	28.1	27.7	29.4	29.9	29.3	29.3	29.1	29.1	1.8	-0.4	6	459,965
CY	20.4	23.3	23.8	24.1	25.2	25.2	26.7	27.9	32.5	30.8	26.6	26.7	26.5	6.1	3.1	10	4,756
LV	21.1	19.7	19.5	19.2	19.7	19.9	20.8	21.8	21.9	21.0	18.1	18.9	19.0	-2.1	-0.8	25	3,839
LT	20.4	20.7	19.7	19.7	19.5	19.8	20.3	20.9	21.0	21.1	17.6	16.7	16.2	-4.1	-4.4	27	5,005
LU	27.3	29.1	28.8	28.4	27.4	26.6	27.1	25.9	25.8	26.9	27.5	26.6	26.1	-1.1	-2.9	11	11,145
HU	26.2	26.5	25.7	25.2	25.4	25.4	24.9	24.8	26.7	26.6	26.9	25.8	23.9	-2.3	-2.7	14	23,825
MT	20.3	21.0	22.4	23.6	24.1	25.0	26.7	27.0	28.1	27.1	27.5	26.7	27.4	7.1	6.4	8	1,793
NL	24.3	24.5	24.7	24.5	23.6	23.6	24.6	25.0	25.2	24.7	24.4	24.7	23.6	-0.7	-0.9	15	142,206
AT	26.5	28.3	30.1	29.0	28.8	28.4	27.5	27.1	27.6	28.4	27.6	27.3	27.5	1.0	-0.8	7	82,690
PL	25.8	19.6	18.8	19.8	19.4	19.1	20.5	21.6	22.9	23.0	20.4	20.7	21.0	-4.8	1.4	19	77,564
PT	21.7	23.1	22.6	23.1	23.0	22.2	23.0	23.7	24.3	24.0	22.0	22.5	23.9	2.1	0.8	13	40,826
RO	19.9	19.1	17.7	17.4	18.2	18.1	18.2	18.8	19.3	18.7	17.5	18.1	19.2	-0.6	0.1	23	25,244
SI	22.2	23.1	23.1	23.6	23.9	23.9	24.4	24.2	24.0	23.2	22.5	22.7	22.2	0.0	-0.9	17	8,030
SK	25.3	19.9	18.8	18.4	19.1	18.4	18.6	17.5	17.6	17.3	16.2	15.8	16.3	-9.0	-3.7	26	11,244
FI	31.6	35.3	32.7	32.8	32.3	31.8	31.9	31.6	31.1	30.9	30.1	29.8	30.9	-0.7	-4.4	3	58,519
SE	35.7	39.0	37.2	36.2	36.9	37.4	38.6	39.0	38.0	38.0	38.4	37.2	37.3	1.6	-1.7	2	144,553
UK	28.3	30.6	30.3	29.2	28.5	28.6	29.1	29.8	29.5	30.8	27.9	28.8	29.5	1.2	-1.1	5	514,863
NO	32.2	33.7	33.6	33.2	32.6	33.7	34.4	34.9	34.0	33.3	32.1	33.1	33.0	0.9	-0.7		116,534
IS	30.8	34.2	32.5	32.4	33.6	34.8	37.4	38.1	37.5	33.8	30.7	30.9	31.8	1.0	-2.4		3,207
<b>EU-27</b>																Total:	3,307,481
<b>weighted</b>	25.5	27.7	26.9	26.4	26.1	26.1	26.5	27.1	27.2	26.8	25.5	25.7	26.2	0.6	-1.5		
<b>arithmetic</b>	25.3	25.8	25.3	25.0	25.1	25.2	25.7	26.0	26.4	25.9	24.7	24.6	24.8	-0.4	-0.9		
<b>EA-17</b>																Total:	2,362,947
<b>weighted</b>	24.2	26.4	25.7	25.2	25.1	24.9	25.3	25.9	26.2	25.5	24.6	24.6	25.1	0.8	-1.3		
<b>arithmetic</b>	24.4	25.5	25.1	25.0	24.8	24.8	25.3	25.5	25.9	25.3	24.4	24.3	24.7	0.2	-0.9		
<b>EU-25</b>																	
<b>weighted</b>	25.5	27.7	26.9	26.4	26.2	26.2	26.6	27.2	27.3	26.9	25.6	25.8	26.3	0.7	-1.5		
<b>arithmetic</b>	25.7	26.3	25.7	25.6	25.5	25.6	26.2	26.4	26.7	26.2	25.2	25.1	25.3	-0.4	-1.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	23.8	26.1	26.1	25.7	25.2	25.6	25.9	24.9	23.5	24.3	27.0	26.5	26.3	2.6	0.2		
<b>Max-min</b>	28.0	28.8	29.1	29.3	28.6	29.8	31.5	31.1	30.3	29.5	30.6	30.6	30.4	2.5	1.6		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 3: Total Taxes (excluding SSC) as % of Total Taxation

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2010	2000 to 2011		
BE	67.3	69.2	68.6	68.2	68.1	68.9	69.5	69.5	69.0	68.5	66.6	67.6	67.7	0.3	-1.5	14	110,335
BG	68.9	65.6	68.1	66.4	66.8	68.5	68.9	73.0	75.6	75.9	73.4	74.4	73.1	4.3	7.5	7	7,667
CZ	58.7	55.6	55.8	55.3	55.9	57.1	56.7	55.8	56.2	54.9	55.5	54.7	55.3	-3.4	-0.3	27	29,764
DK	97.8	96.4	96.4	97.5	97.5	97.6	97.8	97.9	98.0	98.0	97.9	97.9	97.9	0.1	1.5	1	112,211
DE	57.6	58.7	57.2	56.6	56.5	56.5	57.1	58.7	60.7	60.9	59.7	59.1	59.9	2.2	1.2	24	600,070
EE	66.1	64.7	64.7	64.6	65.6	66.1	66.5	67.1	66.7	63.4	63.2	61.5	63.1	-3.1	-1.7	19	3,305
IE	85.0	86.0	84.8	84.5	84.7	84.7	84.7	85.1	84.2	81.9	79.5	79.5	82.8	-2.3	-3.3	3	38,042
EL	67.9	69.7	68.1	65.6	63.5	64.3	64.8	66.2	65.6	65.3	65.8	64.9	67.2	-0.7	-2.4	15	45,384
ES	63.3	64.7	63.9	64.5	64.0	65.0	66.3	67.1	67.3	62.7	59.5	61.5	61.4	-1.9	-3.3	23	204,986
FR	56.5	63.5	63.2	62.5	61.9	62.5	62.7	62.6	62.5	62.3	60.1	60.8	61.6	5.1	-1.9	21	539,653
IT	68.6	71.2	71.4	70.7	70.4	69.6	69.2	70.4	70.0	68.6	68.2	68.4	68.5	-0.1	-2.7	12	459,965
CY	75.7	77.9	77.7	78.1	78.1	76.4	76.3	78.1	81.2	79.9	75.4	74.9	75.2	-0.4	-2.6	6	4,756
LV	63.9	66.5	67.7	67.2	68.9	69.5	71.1	71.2	71.4	71.7	68.0	69.3	68.9	5.0	2.5	11	3,839
LT	74.0	68.9	68.9	69.7	69.8	70.3	71.4	71.4	71.2	70.3	60.3	61.7	62.4	-11.6	-6.5	20	5,005
LU	73.5	74.3	72.5	72.3	71.8	71.3	72.2	72.4	72.4	71.7	70.1	71.0	70.3	-3.2	-4.0	10	11,145
HU	63.9	66.6	66.5	66.2	66.8	67.4	66.5	66.4	65.9	66.0	67.1	68.1	64.5	0.6	-2.1	18	23,825
MT	77.2	77.0	77.6	78.7	79.4	79.9	81.1	81.7	83.0	82.1	82.3	82.0	81.7	4.6	4.7	4	1,793
NL	60.5	61.4	64.3	64.8	63.1	62.9	65.5	64.1	65.2	63.0	63.8	63.6	61.6	1.0	0.2	22	142,206
AT	64.0	65.8	67.1	66.6	66.3	66.1	65.5	65.4	66.1	66.4	65.0	65.2	65.4	1.4	-0.4	16	82,690
PL	69.5	60.3	58.4	60.4	60.3	60.8	62.4	63.9	65.7	67.0	64.3	65.1	64.7	-4.8	4.4	17	77,564
PT	73.7	74.3	73.3	73.5	72.8	72.9	73.2	73.8	74.0	73.2	70.9	71.5	71.9	-1.8	-2.4	8	40,826
RO	72.2	63.3	61.7	61.8	65.9	66.4	65.6	66.0	66.6	66.7	65.1	67.8	68.1	-4.1	4.8	13	25,244
SI	57.0	61.9	61.5	62.4	62.8	62.8	63.1	63.4	63.7	62.3	60.2	59.9	59.6	2.6	-2.3	25	8,030
SK	62.7	58.5	56.9	55.8	58.0	58.4	59.6	59.9	60.1	58.9	56.1	56.3	57.0	-5.7	-1.5	26	11,244
FI	69.2	74.8	73.1	73.5	73.3	73.2	72.7	72.1	72.3	72.0	70.1	70.2	71.2	2.0	-3.6	9	58,519
SE	74.4	75.8	75.3	76.3	77.2	77.8	79.0	80.7	80.3	81.8	82.6	81.9	84.1	9.7	8.3	2	144,553
UK	82.5	83.2	83.1	83.1	81.9	81.3	81.3	81.6	81.7	81.9	80.5	81.3	81.5	-1.0	-1.7	5	514,863
NO	76.6	79.1	78.5	77.1	76.9	78.3	79.6	80.1	79.2	79.0	76.6	77.5	77.7	1.1	-1.4		116,534
IS	92.6	92.2	92.0	91.9	91.6	91.9	92.1	92.1	92.5	92.3	90.9	88.2	88.6	-4.0	-3.7		3,207
<b>EU-27</b>																<b>Total:</b>	<b>3,307,481</b>
<b>weighted</b>	65.0	68.5	68.1	67.9	67.3	67.5	68.0	68.7	69.0	68.2	66.5	67.0	67.4	2.4	-1.2		
<b>arithmetic</b>	69.3	69.5	69.2	69.1	69.3	69.6	70.0	70.6	71.0	70.3	68.6	68.9	69.1	-0.2	-0.3		
<b>EA-17</b>																<b>Total:</b>	<b>2,362,947</b>
<b>weighted</b>	61.1	64.5	64.2	63.8	63.4	63.6	64.1	64.8	65.4	64.3	62.9	63.2	63.5	2.4	-1.0		
<b>arithmetic</b>	67.4	69.0	68.6	68.4	68.2	68.3	68.8	69.3	69.6	68.4	66.9	66.9	67.4	0.0	-1.6		
<b>EU-25</b>																	
<b>weighted</b>	65.0	68.5	68.1	67.9	67.3	67.5	68.0	68.7	69.0	68.1	66.5	67.0	67.3	2.4	-1.2		
<b>arithmetic</b>	69.2	69.9	69.5	69.5	69.5	69.7	70.3	70.7	71.0	70.2	68.5	68.7	69.0	-0.2	-0.9		
<b>Convergence</b>																	
<b>St.dev/mean</b>	13.4	13.3	13.4	13.8	13.5	13.1	12.9	12.9	12.8	13.3	14.0	13.8	13.8	0.4	0.5		
<b>Max-min</b>	41.3	40.8	40.7	42.2	41.6	41.2	41.1	42.1	41.8	43.1	42.4	43.2	43.2	1.8	2.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 4: Indirect Taxes as % of GDP - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	12.8	13.6	13.2	13.2	13.2	13.4	13.5	13.6	13.3	13.1	13.0	13.3	13.1	0.2	-0.6	17	48,343
BG	12.3	13.8	13.4	12.6	14.5	16.3	16.6	17.2	17.0	17.8	15.4	15.1	14.8	2.5	1.0	5	5,682
CZ	11.7	10.8	10.5	10.3	10.6	11.3	11.3	10.8	11.1	10.9	11.3	11.4	11.8	0.1	0.9	22	18,408
DK	17.0	17.2	17.4	17.5	17.4	17.6	18.0	18.1	17.9	17.2	17.0	16.8	17.0	0.0	-0.2	2	40,850
DE	10.8	11.3	11.1	11.0	11.2	10.8	10.8	10.8	11.3	11.2	11.8	11.3	11.5	0.7	0.3	24	299,230
EE	13.1	12.3	12.3	12.5	12.1	12.3	13.4	13.5	13.5	12.3	15.1	14.2	14.2	1.0	1.8	12	2,258
IE	14.3	13.5	12.4	12.4	12.5	13.1	13.6	14.1	13.6	12.7	11.6	11.7	11.4	-3.0	-2.2	25	18,097
EL	12.8	14.2	13.8	13.3	12.4	12.0	12.1	12.7	13.0	12.7	11.6	12.6	13.0	0.2	-1.2	18	27,103
ES	10.7	12.0	11.6	11.6	11.8	12.2	12.7	12.8	11.9	10.1	9.1	10.7	10.2	-0.5	-1.8	27	108,481
FR	16.0	15.8	15.4	15.4	15.3	15.6	15.7	15.6	15.4	15.2	15.3	15.1	15.5	-0.5	-0.3	4	310,074
IT	12.4	15.1	14.6	14.6	14.2	14.3	14.4	15.0	14.9	14.0	13.8	14.3	14.4	2.0	-0.7	9	226,814
CY	11.5	12.2	12.6	12.9	15.4	16.4	16.5	17.2	18.7	17.9	15.4	15.6	14.7	3.3	2.6	6	2,648
LV	14.0	12.4	11.9	11.3	12.1	11.9	12.8	13.2	12.6	11.2	10.9	11.5	11.6	-2.4	-0.8	23	2,345
LT	12.0	12.6	12.2	12.4	11.7	11.2	11.3	11.4	11.9	11.9	11.8	12.1	11.9	-0.1	-0.7	21	3,661
LU	11.8	14.0	13.6	13.0	12.6	13.5	13.4	12.8	12.6	12.6	12.7	12.1	12.0	0.2	-2.0	19	5,119
HU	17.5	16.6	15.5	15.0	15.8	16.3	15.8	15.3	16.3	16.0	16.9	17.2	17.0	-0.6	0.3	3	16,923
MT	12.1	12.0	12.7	12.6	12.6	14.0	15.0	15.0	14.8	14.4	13.9	13.7	14.2	2.1	2.2	11	928
NL	11.8	12.5	12.9	12.7	12.7	12.9	12.9	13.1	13.0	12.7	12.2	12.5	12.0	0.2	-0.6	20	72,038
AT	14.8	15.2	15.2	15.3	15.2	15.0	14.8	14.3	14.2	14.4	14.9	14.7	14.6	-0.2	-0.6	7	43,837
PL	14.2	12.6	12.5	13.2	13.2	13.1	13.9	14.5	14.4	14.4	13.1	13.8	14.0	-0.2	1.4	13	51,873
PT	13.5	13.5	13.5	14.0	14.6	13.9	14.7	15.1	14.8	14.3	13.0	13.7	13.9	0.5	0.4	14	23,857
RO	9.3	12.2	11.3	11.6	12.3	11.7	12.9	12.8	12.6	12.0	11.0	12.1	13.2	4.0	1.1	16	17,389
SI	15.4	15.7	15.5	15.8	16.0	15.8	15.8	15.2	14.9	14.4	14.3	14.6	14.4	-1.0	-1.3	8	5,211
SK	14.5	12.5	11.3	11.4	11.9	12.3	12.6	11.5	11.4	10.8	10.7	10.4	10.8	-3.6	-1.7	26	7,482
FI	14.1	13.9	13.4	13.7	14.2	14.0	14.1	13.9	13.3	13.1	13.7	13.6	14.4	0.2	0.4	10	27,205
SE	15.9	16.4	16.4	16.6	16.7	16.5	16.6	16.8	16.7	18.1	18.8	18.0	18.6	2.7	2.2	1	72,122
UK	13.3	13.9	13.5	13.5	13.3	13.2	12.9	12.9	12.8	12.4	11.9	13.1	13.6	0.3	-0.3	15	237,920
NO	16.0	13.6	13.4	13.4	13.0	12.7	12.2	12.2	12.5	11.1	12.0	12.0	11.6	-4.4	-2.1		40,832
IS	17.9	18.2	15.9	15.9	16.7	17.8	19.1	19.4	18.6	15.6	14.0	14.3	14.4	-3.6	-3.8		1,447
<b>EU-27</b>																Total:	1,695,899
<b>weighted</b>	12.9	13.7	13.4	13.4	13.3	13.4	13.4	13.5	13.4	13.1	12.9	13.2	13.4	0.5	-0.3		
<b>arithmetic</b>	13.3	13.6	13.3	13.3	13.5	13.7	14.0	14.0	14.0	13.6	13.3	13.5	13.6	0.3	0.0		
<b>EA-17</b>																Total:	1,228,725
<b>weighted</b>	12.6	13.5	13.2	13.2	13.2	13.2	13.3	13.4	13.3	12.9	12.8	12.9	13.0	0.4	-0.4		
<b>arithmetic</b>	13.1	13.5	13.2	13.2	13.4	13.6	13.9	13.9	13.8	13.3	13.1	13.2	13.2	0.1	-0.3		
<b>EU-25</b>																	
<b>weighted</b>	12.9	13.7	13.4	13.4	13.3	13.4	13.4	13.5	13.4	13.1	12.9	13.2	13.4	0.5	-0.3		
<b>arithmetic</b>	13.5	13.7	13.4	13.4	13.6	13.7	13.9	14.0	13.9	13.5	13.3	13.5	13.6	0.1	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	14.9	12.5	12.8	13.2	13.1	13.7	12.9	13.7	14.5	16.6	16.9	14.6	14.6	-0.3	2.1		
<b>Max-min</b>	8.3	6.4	6.9	7.2	6.8	6.8	7.2	7.3	7.6	8.0	9.8	7.6	8.4	0.2	2.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 5: Indirect Taxes as % of Total Taxation - Total

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	29.3	30.2	29.2	29.2	29.7	29.9	30.2	30.6	30.2	29.6	29.9	30.3	29.6	0.4	-0.6	27	48,343
BG	39.7	43.8	43.6	44.1	46.8	50.2	53.2	56.1	51.1	55.3	53.1	54.9	54.2	14.5	10.4	1	5,682
CZ	32.9	32.1	31.1	29.9	29.9	31.6	31.8	30.7	31.0	31.6	33.9	34.1	34.2	1.3	2.1	20	18,408
DK	34.9	34.9	35.9	36.6	36.2	35.9	35.3	36.4	36.7	36.1	35.6	35.4	35.6	0.8	0.8	17	40,850
DE	27.2	27.3	28.2	28.3	28.5	28.3	28.2	28.0	29.1	28.9	29.9	29.7	29.8	2.7	2.6	26	299,230
EE	36.2	39.7	40.9	40.3	39.4	40.1	43.7	44.1	43.0	38.7	42.0	41.7	43.1	6.9	3.4	6	2,258
IE	43.9	43.3	41.9	43.6	43.6	43.6	44.6	44.1	43.2	42.6	40.9	41.3	39.4	-4.5	-3.9	13	18,097
EL	44.1	40.9	41.5	39.5	38.6	38.2	37.5	40.1	40.1	39.6	37.9	39.6	40.1	-3.9	-0.8	12	27,103
ES	33.2	35.1	34.4	33.8	34.9	35.2	35.5	34.9	32.1	30.6	29.6	33.3	32.5	-0.7	-2.6	23	108,481
FR	37.5	35.8	35.1	35.7	35.6	36.0	35.8	35.3	35.5	35.1	36.3	35.5	35.4	-2.1	-0.5	18	310,074
IT	31.1	36.4	35.5	36.0	34.7	35.3	35.9	36.0	34.8	32.9	32.2	33.6	33.8	2.7	-2.6	21	226,814
CY	42.6	40.6	41.0	41.7	47.9	49.8	47.2	48.0	46.8	46.3	43.6	43.8	41.9	-0.7	1.3	11	2,648
LV	42.4	41.8	41.3	39.7	42.4	41.8	43.9	43.3	41.3	38.3	41.0	42.2	42.1	-0.3	0.3	8	2,345
LT	43.5	41.9	42.8	43.9	41.8	39.8	40.0	38.9	40.2	39.5	40.3	44.7	45.6	2.1	3.8	4	3,661
LU	31.9	35.8	34.1	33.1	33.0	36.1	35.6	35.7	35.4	33.7	32.4	32.3	32.3	0.3	-3.5	24	5,119
HU	42.8	41.8	40.1	39.5	41.5	43.3	42.2	41.0	40.2	39.7	42.1	45.5	45.8	3.1	4.0	3	16,923
MT	45.9	44.1	43.8	41.9	41.6	44.8	45.6	45.4	43.7	43.6	41.7	42.0	42.3	-3.5	-1.7	7	928
NL	29.3	31.4	33.7	33.5	33.9	34.3	34.4	33.6	33.6	32.5	32.1	32.2	31.2	1.9	-0.2	25	72,038
AT	35.8	35.3	33.8	35.0	34.9	34.9	35.1	34.5	34.1	33.7	35.0	35.0	34.7	-1.1	-0.7	19	43,837
PL	38.3	38.8	38.8	40.3	40.9	41.5	42.3	42.8	41.4	42.1	41.2	43.5	43.3	5.0	4.5	5	51,873
PT	45.6	43.5	43.6	44.6	46.0	45.6	47.0	47.0	45.0	43.7	41.9	43.4	42.0	-3.6	-1.5	9	23,857
RO	33.7	40.2	39.5	41.3	44.3	43.1	46.4	44.9	43.4	42.7	40.8	45.2	46.9	13.2	6.7	2	17,389
SI	39.5	42.2	41.4	41.8	41.9	41.4	40.8	39.8	39.6	38.6	38.4	38.7	38.7	-0.8	-3.5	14	5,211
SK	35.9	36.7	34.3	34.4	36.4	39.0	40.4	39.2	39.0	36.8	36.9	37.2	37.9	2.0	1.3	15	7,482
FI	31.0	29.5	30.0	30.6	32.3	32.2	32.0	31.8	30.9	30.6	31.9	32.0	33.1	2.1	3.6	22	27,205
SE	33.2	31.9	33.2	35.1	35.0	34.3	34.0	34.7	35.4	39.1	40.5	39.7	42.0	8.7	10.1	10	72,122
UK	38.8	37.8	37.0	38.2	38.2	37.6	36.0	35.2	35.4	32.9	34.5	36.9	37.7	-1.1	-0.2	16	237,920
NO	38.1	32.0	31.3	31.2	30.8	29.5	28.2	28.0	29.1	26.4	28.5	28.2	27.2	-10.9	-4.7		40,832
IS	53.9	48.9	45.2	45.1	45.7	47.1	47.0	46.8	45.9	42.6	41.4	40.8	40.0	-14.0	-9.0		1,447
<b>EU-27</b>																<b>Total:</b>	<b>1,695,899</b>
<b>weighted</b>	32.9	33.9	33.9	34.4	34.4	34.5	34.5	34.3	34.1	33.3	33.6	34.5	34.5	1.6	0.6		
<b>arithmetic</b>	37.0	37.5	37.3	37.5	38.1	38.7	39.1	39.0	38.2	37.6	37.6	38.7	38.7	1.7	1.2		
<b>EA-17</b>																<b>Total:</b>	<b>1,228,725</b>
<b>weighted</b>	31.8	32.9	33.0	33.3	33.3	33.6	33.7	33.6	33.3	32.5	32.7	33.2	33.0	1.2	0.1		
<b>arithmetic</b>	36.5	36.9	36.6	36.7	37.2	37.9	38.2	38.1	37.4	36.3	36.0	36.6	36.3	-0.1	-0.6		
<b>EU-25</b>																	
<b>weighted</b>	32.9	33.9	33.8	34.3	34.3	34.5	34.4	34.2	34.0	33.1	33.5	34.3	34.4	1.5	0.5		
<b>arithmetic</b>	37.1	37.2	36.9	37.1	37.5	38.0	38.2	38.0	37.5	36.7	36.9	37.7	37.8	0.7	0.6		
<b>Convergence</b>																	
<b>St.dev/mean</b>	14.8	12.9	12.7	12.9	14.0	14.5	15.6	16.3	14.5	15.9	14.3	15.2	15.3	0.5	2.4		
<b>Max-min</b>	18.7	16.8	15.6	16.2	19.4	21.9	25.0	28.2	22.0	26.3	23.5	25.1	24.6	5.9	7.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 6: Indirect Taxes as % of GDP - VAT

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	6.6	7.2	6.9	6.9	6.8	6.9	7.0	7.1	7.1	7.0	6.9	7.1	7.0	0.4	-0.1	20	26,021
BG	7.0	8.3	8.4	7.3	8.6	9.9	10.2	10.7	10.4	10.9	9.0	9.2	8.7	1.8	0.4	4	3,352
CZ	6.0	6.2	6.1	6.0	6.1	7.0	6.9	6.4	6.3	6.8	6.9	6.9	7.0	1.1	0.8	18	10,994
DK	9.4	9.6	9.6	9.6	9.6	9.8	10.1	10.3	10.4	10.1	10.2	9.8	9.9	0.5	0.4	1	23,870
DE	6.5	6.8	6.6	6.4	6.4	6.3	6.3	6.4	7.0	7.1	7.5	7.2	7.3	0.8	0.5	16	189,920
EE	9.6	8.4	8.2	8.4	8.2	7.7	8.7	9.1	8.9	7.9	8.9	8.8	8.5	-1.1	0.1	6	1,363
IE	6.9	7.2	6.8	7.0	7.0	7.3	7.6	7.8	7.6	7.3	6.4	6.4	6.2	-0.8	-1.1	26	9,782
EL	6.1	7.2	7.5	7.6	7.0	6.8	6.9	7.1	7.4	7.3	6.5	7.3	7.2	1.1	0.0	17	15,027
ES	5.2	6.2	6.0	5.8	6.0	6.2	6.5	6.5	6.0	5.1	4.1	5.6	5.4	0.2	-0.8	27	57,376
FR	7.5	7.4	7.3	7.2	7.2	7.3	7.4	7.3	7.2	7.1	6.9	7.0	7.0	-0.4	-0.4	19	140,506
IT	5.5	6.5	6.2	6.2	5.9	5.8	5.9	6.2	6.2	5.9	5.7	6.3	6.2	0.7	-0.2	25	98,557
CY	4.6	5.5	5.7	6.6	7.8	8.4	9.1	9.7	10.2	10.6	9.2	9.2	8.4	3.8	3.0	8	1,517
LV	9.2	7.1	6.8	6.7	7.2	7.0	7.8	8.6	8.2	6.7	6.0	6.6	6.8	-2.4	-0.3	23	1,368
LT	7.4	7.5	7.3	7.3	6.7	6.4	7.1	7.6	8.1	8.0	7.4	7.9	7.9	0.5	0.4	13	2,444
LU	5.2	5.6	5.8	5.8	5.7	6.1	6.2	5.8	5.7	6.3	6.7	6.3	6.3	1.1	0.7	24	2,690
HU	7.5	8.9	8.1	7.8	8.2	8.9	8.4	7.6	8.1	7.8	8.6	8.7	8.5	1.0	-0.3	7	8,517
MT	6.1	5.7	6.1	6.2	6.3	7.1	8.0	7.9	7.5	7.7	7.6	7.6	7.9	1.9	2.2	12	520
NL	6.5	6.9	7.3	7.2	7.3	7.3	7.2	7.4	7.5	7.3	7.0	7.2	6.9	0.4	0.0	21	41,610
AT	7.7	8.1	8.1	8.1	8.0	7.9	7.9	7.6	7.7	7.8	8.0	7.9	7.8	0.1	-0.3	14	23,447
PL	6.2	6.9	6.8	7.2	7.1	7.2	7.7	8.1	8.3	8.0	7.4	7.8	8.1	1.8	1.1	11	29,843
PT	6.9	7.6	7.5	7.6	7.7	7.7	8.4	8.6	8.5	8.4	7.1	7.8	8.3	1.4	0.7	10	14,235
RO	4.9	6.5	6.2	7.1	7.2	6.7	8.1	7.9	8.1	7.9	6.6	7.6	8.7	3.8	2.2	5	11,412
SI	4.7	8.6	8.3	8.5	8.5	8.5	8.6	8.5	8.4	8.5	8.4	8.6	8.4	3.7	-0.2	9	3,049
SK	8.4	7.0	7.2	7.0	7.5	7.8	7.9	7.5	6.7	6.9	6.7	6.3	6.8	-1.5	-0.1	22	4,711
FI	7.9	8.2	8.0	8.1	8.6	8.5	8.7	8.7	8.4	8.4	8.7	8.5	8.9	1.0	0.7	3	16,915
SE	9.1	8.6	8.7	8.8	8.8	8.8	9.0	8.9	9.0	9.3	9.6	9.7	9.4	0.4	0.8	2	36,610
UK	6.4	6.6	6.6	6.7	6.8	6.8	6.6	6.6	6.5	6.4	5.7	6.5	7.3	1.0	0.8	15	128,299
NO	9.4	8.4	8.4	8.5	8.2	8.0	7.8	7.9	8.2	7.2	7.8	7.9	7.7	-1.7	-0.7		27,079
IS	9.7	10.6	9.4	9.4	9.7	10.4	11.1	11.3	10.5	9.1	8.0	8.0	8.1	-1.6	-2.6		812
<b>EU-27</b>																<b>Total:</b>	<b>903,952</b>
<b>weighted</b>	6.6	7.0	6.9	6.8	6.8	6.8	6.9	7.0	7.0	6.9	6.7	7.0	7.1	0.5	0.2		
<b>arithmetic</b>	6.7	7.3	7.2	7.2	7.3	7.5	7.8	7.8	7.8	7.7	7.4	7.6	7.7	1.0	0.4		
<b>EA-17</b>																<b>Total:</b>	<b>647,245</b>
<b>weighted</b>	6.5	7.0	6.8	6.7	6.6	6.6	6.8	6.8	6.9	6.8	6.6	6.9	6.9	0.4	-0.1		
<b>arithmetic</b>	6.3	7.1	7.0	7.1	7.2	7.3	7.6	7.6	7.5	7.4	7.2	7.4	7.3	1.0	0.3		
<b>EU-25</b>																	
<b>weighted</b>	6.6	7.0	6.9	6.8	6.8	6.8	6.9	7.0	7.0	6.9	6.7	7.0	7.1	0.5	0.1		
<b>arithmetic</b>	6.7	7.3	7.2	7.2	7.3	7.4	7.7	7.7	7.7	7.6	7.4	7.6	7.6	0.9	0.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	28.6	14.5	13.7	13.1	13.6	14.3	14.3	15.6	16.0	17.3	18.3	14.7	14.1	-14.5	-0.3		
<b>Max-min</b>	9.6	4.1	3.9	3.9	4.0	4.0	4.3	4.9	4.6	5.8	6.0	4.2	4.5	-5.1	0.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 7: Indirect Taxes as % of Total Taxation - VAT

	1995 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011													Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
														1995 to 2011	2000 to 2011	2011	2011
BE	15.1	15.9	15.2	15.3	15.2	15.4	15.7	15.9	16.2	15.7	16.0	16.2	16.0	0.9	0.0	26	26,021
BG	22.5	26.4	27.4	25.6	27.8	30.3	32.7	34.9	31.1	33.8	31.1	33.3	32.0	9.5	5.6	1	3,352
CZ	16.8	18.4	18.1	17.5	17.2	19.5	19.4	18.0	17.7	19.7	20.6	20.7	20.4	3.6	2.0	18	10,994
DK	19.4	19.4	19.9	20.2	20.1	19.9	19.8	20.8	21.2	21.0	21.3	20.7	20.8	1.5	1.4	16	23,870
DE	16.3	16.6	16.8	16.5	16.3	16.4	16.4	16.5	18.1	18.3	19.0	19.0	18.9	2.6	2.4	20	189,920
EE	26.5	27.2	27.0	27.0	26.5	25.1	28.3	29.6	28.2	24.9	24.8	25.7	26.0	-0.5	-1.2	4	1,363
IE	21.2	23.1	23.0	24.7	24.2	24.3	24.8	24.2	24.1	24.5	22.7	22.7	21.3	0.0	-1.8	15	9,782
EL	21.1	20.9	22.5	22.7	21.8	21.7	21.5	22.5	22.9	22.7	21.1	23.2	22.3	1.1	1.4	13	15,027
ES	16.3	18.1	17.7	17.1	17.7	17.7	18.1	17.8	16.1	15.5	13.5	17.4	17.2	0.9	-0.9	23	57,376
FR	17.5	16.9	16.6	16.5	16.6	16.8	16.8	16.6	16.7	16.5	16.4	16.5	16.0	-1.5	-0.8	25	140,506
IT	13.9	15.6	15.1	15.3	14.4	14.4	14.8	14.9	14.4	13.9	13.2	14.8	14.7	0.8	-0.9	27	98,557
CY	17.2	18.2	18.7	21.5	24.3	25.4	26.1	27.1	25.5	27.4	26.0	25.8	24.0	6.8	5.8	8	1,517
LV	27.8	23.9	23.6	23.5	25.3	24.4	26.8	28.1	26.9	23.0	22.5	24.3	24.6	-3.2	0.7	7	1,368
LT	26.9	25.2	25.4	26.0	23.9	22.9	25.0	25.9	27.5	26.6	25.2	29.3	30.5	3.5	5.3	3	2,444
LU	14.0	14.3	14.6	14.7	14.9	16.2	16.4	16.1	16.1	16.8	17.1	16.7	17.0	3.0	2.6	24	2,690
HU	18.4	22.3	21.1	20.6	21.6	23.5	22.5	20.4	19.9	19.3	21.3	23.0	23.1	4.7	0.8	11	8,517
MT	23.1	21.0	21.2	20.6	20.6	22.8	24.5	23.8	22.2	23.3	22.9	23.2	23.7	0.6	2.8	10	520
NL	16.2	17.3	18.9	19.1	19.5	19.4	19.2	18.9	19.4	18.5	18.3	18.7	18.0	1.8	0.7	22	41,610
AT	18.6	18.8	17.9	18.7	18.3	18.4	18.8	18.4	18.4	18.2	18.9	18.9	18.5	0.0	-0.2	21	23,447
PL	16.8	21.3	21.0	22.0	22.2	22.8	23.5	24.1	23.9	23.4	23.4	24.5	24.9	8.1	3.6	6	29,843
PT	23.4	24.6	24.2	24.2	24.4	25.4	26.8	26.6	25.8	25.6	22.9	24.8	25.1	1.6	0.5	5	14,235
RO	18.0	21.4	21.8	25.2	26.0	24.5	29.0	27.8	27.9	28.2	24.7	28.6	30.8	12.8	9.4	2	11,412
SI	:	23.1	22.1	22.6	22.3	22.3	22.3	22.3	22.4	22.8	22.5	22.6	22.6	:	-0.4	12	3,049
SK	20.8	20.4	21.9	21.2	22.7	24.7	25.1	25.5	23.0	23.6	23.3	22.6	23.9	3.1	3.5	9	4,711
FI	17.4	17.4	17.8	18.2	19.4	19.6	19.8	19.9	19.5	19.5	20.2	20.1	20.6	3.2	3.2	17	16,915
SE	18.9	16.7	17.6	18.6	18.5	18.3	18.4	18.5	19.1	20.0	20.7	21.3	21.3	2.4	4.6	14	36,610
UK	18.6	17.9	18.0	18.9	19.6	19.3	18.5	18.0	18.1	17.0	16.5	18.5	20.3	1.7	2.4	19	128,299
NO	22.4	19.7	19.5	19.6	19.4	18.6	18.1	18.1	19.1	17.1	18.6	18.5	18.1	-4.3	-1.6		27,079
IS	29.0	28.6	26.6	26.7	26.5	27.6	27.3	27.2	26.0	24.8	23.8	22.8	22.4	-6.6	-6.2		812
<b>EU-27</b>																Total:	903,952
<b>weighted</b>	16.8	17.3	17.4	17.5	17.5	17.6	17.7	17.7	17.9	17.6	17.4	18.3	18.4	1.6	1.1		
<b>arithmetic</b>	18.6	20.1	20.2	20.5	20.8	21.2	21.9	22.0	21.6	21.5	21.0	22.0	22.0	3.4	1.9		
<b>EA-17</b>																Total:	647,245
<b>weighted</b>	16.4	17.0	17.0	16.9	16.8	16.9	17.2	17.1	17.3	17.1	16.9	17.6	17.4	1.0	0.4		
<b>arithmetic</b>	17.6	19.4	19.5	19.7	20.0	20.4	20.9	21.0	20.5	20.5	19.9	20.5	20.3	2.8	1.0		
<b>EU-25</b>																	
<b>weighted</b>	16.8	17.3	17.3	17.5	17.5	17.6	17.7	17.6	17.8	17.5	17.3	18.2	18.3	1.5	1.0		
<b>arithmetic</b>	18.5	19.8	19.8	20.1	20.3	20.7	21.2	21.2	20.9	20.7	20.4	21.2	21.3	2.8	1.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	28.3	17.4	17.3	17.4	18.2	18.1	21.2	22.8	20.7	21.4	19.0	19.8	20.4	-8.0	3.0		
<b>Max-min</b>	27.8	12.9	12.7	12.3	13.4	15.9	17.9	19.9	16.7	19.9	17.9	18.5	17.3	-10.5	4.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 8: Indirect Taxes as % of GDP - Excise duties and consumption taxes

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.4	2.4	2.3	2.3	2.4	2.4	2.4	2.2	2.2	2.1	2.1	2.2	2.1	-0.3	-0.3	27	7,701
BG	2.7	3.9	3.7	3.9	4.4	4.8	4.7	4.8	5.8	5.9	5.5	5.1	5.1	2.4	1.2	1	1,980
CZ	3.5	3.1	3.1	3.1	3.3	3.4	3.6	3.6	3.9	3.3	3.7	3.6	3.9	0.4	0.8	5	6,098
DK	3.7	4.1	4.1	4.1	4.0	3.8	3.5	3.4	3.2	3.1	3.3	3.3	3.4	-0.3	-0.7	12	8,126
DE	2.6	2.8	2.9	3.0	3.2	3.0	2.9	2.8	2.6	2.6	2.7	2.5	2.6	0.0	-0.2	19	67,310
EE	2.7	3.0	3.3	3.2	3.1	3.6	3.7	3.4	3.6	3.3	5.1	4.3	4.5	1.7	1.5	2	711
IE	4.2	3.2	2.8	2.9	2.7	2.7	2.6	2.4	2.4	2.4	2.7	2.6	2.6	-1.6	-0.6	20	4,100
EL	4.2	3.1	3.1	2.9	2.8	2.6	2.6	2.5	2.6	2.3	2.6	3.3	3.8	-0.4	0.7	7	7,887
ES	2.5	2.6	2.5	2.5	2.5	2.5	2.4	2.2	2.2	2.2	2.2	2.3	2.1	-0.4	-0.5	25	22,757
FR	2.7	2.6	2.5	2.6	2.5	2.3	2.2	2.3	2.2	2.1	2.2	2.2	2.2	-0.5	-0.3	23	44,663
IT	3.2	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.1	1.9	2.1	2.0	2.1	-1.0	-0.5	26	33,632
CY	2.7	2.5	3.2	2.8	3.8	4.4	4.1	3.9	3.7	3.3	3.2	3.5	3.5	0.9	1.0	8	638
LV	2.1	3.5	3.1	3.1	3.3	3.5	3.6	3.3	2.9	3.2	3.7	3.5	3.4	1.3	-0.1	11	686
LT	2.3	3.2	3.3	3.2	3.3	3.0	2.9	2.9	2.9	3.0	3.5	3.3	3.1	0.8	-0.2	16	944
LU	4.1	4.5	4.2	4.4	4.3	4.6	4.2	3.8	3.6	3.7	3.6	3.3	3.3	-0.7	-1.2	13	1,423
HU	4.1	4.0	3.7	3.6	3.7	3.3	3.2	3.3	3.4	3.4	3.6	3.3	3.3	-0.9	-0.7	14	3,261
MT	1.8	2.4	2.7	2.6	2.5	2.7	3.0	3.0	3.3	3.0	2.9	2.9	3.1	1.3	0.7	15	202
NL	2.8	2.6	2.5	2.5	2.4	2.6	2.5	2.5	2.4	2.4	2.3	2.3	2.2	-0.6	-0.4	24	13,412
AT	2.6	2.7	2.7	2.7	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.4	2.5	0.0	-0.2	22	7,563
PL	4.6	3.7	3.7	4.0	4.1	4.2	4.2	4.0	4.2	4.4	3.8	4.2	4.1	-0.5	0.5	4	15,302
PT	3.6	2.6	2.8	3.0	3.2	3.1	3.0	3.1	2.8	2.7	2.7	2.8	2.8	-0.8	0.2	18	4,723
RO	1.7	3.0	2.8	2.6	3.5	3.6	3.3	3.2	3.0	2.7	3.2	3.3	3.5	1.7	0.5	9	4,564
SI	:	3.0	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3	4.1	4.3	4.2	:	1.1	3	1,510
SK	3.5	3.1	2.7	2.9	3.1	3.3	3.7	2.9	3.5	2.7	2.8	2.9	2.9	-0.6	-0.2	17	1,999
FI	4.5	4.3	4.1	4.2	4.3	3.9	3.8	3.7	3.3	3.3	3.4	3.5	3.9	-0.7	-0.4	6	7,309
SE	3.4	3.1	3.1	3.2	3.2	3.0	3.0	2.8	2.7	2.7	2.9	2.8	2.6	-0.9	-0.6	21	9,983
UK	4.1	4.0	3.8	3.8	3.6	3.6	3.4	3.2	3.2	3.2	3.5	3.5	3.4	-0.6	-0.5	10	60,234
NO	3.4	2.8	2.7	2.7	2.6	2.4	2.2	2.1	2.1	2.0	2.2	2.1	2.0	-1.4	-0.8		7,014
IS	2.9	2.6	2.0	1.9	2.1	2.2	2.7	2.8	2.6	1.9	1.7	2.1	2.1	-0.8	-0.4		213
<b>EU-27</b>																<b>Total:</b>	<b>338,718</b>
<b>weighted</b>	3.0	3.0	2.9	3.0	3.0	2.9	2.8	2.7	2.6	2.6	2.6	2.7	2.7	-0.4	-0.3		
<b>arithmetic</b>	3.0	3.2	3.1	3.1	3.2	3.3	3.2	3.1	3.1	3.0	3.2	3.2	3.2	0.1	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>227,540</b>
<b>weighted</b>	2.8	2.7	2.7	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.4	2.4	2.4	-0.4	-0.3		
<b>arithmetic</b>	2.9	2.9	2.9	3.0	3.0	3.1	3.0	2.9	2.8	2.7	2.9	2.9	3.0	0.0	0.0		
<b>EU-25</b>																	
<b>weighted</b>	3.0	3.0	2.9	3.0	3.0	2.9	2.8	2.7	2.6	2.6	2.6	2.6	2.7	-0.4	-0.3		
<b>arithmetic</b>	3.1	3.1	3.1	3.1	3.2	3.2	3.1	3.0	3.0	2.9	3.1	3.1	3.1	0.0	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	33.6	19.3	17.5	18.7	19.2	21.3	20.6	20.7	25.3	27.3	26.2	23.6	24.7	-8.9	5.3		
<b>Max-min</b>	4.6	2.2	1.9	2.1	2.0	2.6	2.5	2.7	3.7	4.0	3.4	3.0	3.1	-1.5	0.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 9: Indirect Taxes as % of Total Taxation - Excise duties and consumption taxes

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	5.4	5.3	5.0	5.1	5.3	5.4	5.4	5.0	5.0	4.7	4.9	4.9	4.7	-0.7	-0.5	27	7,701
BG	8.9	12.5	11.9	13.6	14.2	14.8	15.1	15.8	17.4	18.4	18.8	18.4	18.9	10.0	6.4	1	1,980
CZ	9.9	9.3	9.3	9.0	9.2	9.4	10.0	10.2	10.9	9.5	10.9	10.9	11.3	1.5	2.0	8	6,098
DK	7.5	8.2	8.5	8.5	8.3	7.7	7.0	6.8	6.6	6.6	6.8	7.0	7.1	-0.4	-1.1	19	8,126
DE	6.6	6.9	7.4	7.8	8.2	7.9	7.7	7.4	6.8	6.6	6.8	6.7	6.7	0.2	-0.1	21	67,310
EE	7.5	9.6	10.8	10.5	10.0	11.9	12.0	11.1	11.4	10.4	14.1	12.7	13.6	6.1	4.0	2	711
IE	12.7	10.3	9.6	10.1	9.5	9.0	8.4	7.6	7.6	8.2	9.6	9.2	8.9	-3.8	-1.3	15	4,100
EL	14.4	8.9	9.3	8.7	8.7	8.5	8.2	7.9	7.9	7.2	8.4	10.5	11.7	-2.7	2.8	7	7,887
ES	7.8	7.8	7.5	7.4	7.4	7.1	6.6	6.1	6.0	6.6	7.2	7.0	6.8	-1.0	-0.9	20	22,757
FR	6.4	5.8	5.6	5.9	5.7	5.3	5.0	5.2	5.0	4.9	5.1	5.1	5.1	-1.3	-0.7	25	44,663
IT	7.9	6.2	5.9	5.7	5.8	5.5	5.5	5.2	4.8	4.5	4.9	4.8	5.0	-2.9	-1.2	26	33,632
CY	9.9	8.5	10.4	9.1	11.9	13.4	11.6	10.9	9.2	8.6	9.1	9.8	10.1	0.2	1.6	11	638
LV	6.4	11.6	10.8	10.9	11.6	12.2	12.4	10.9	9.4	11.0	13.9	12.9	12.3	5.9	0.7	4	686
LT	8.4	10.7	11.6	11.3	11.6	10.7	10.3	10.0	9.8	10.1	11.9	12.1	11.8	3.4	1.0	6	944
LU	10.9	11.6	10.5	11.2	11.3	12.3	11.2	10.7	10.0	9.8	9.2	8.9	9.0	-1.9	-2.6	14	1,423
HU	10.1	10.0	9.6	9.5	9.7	8.8	8.6	9.0	8.4	8.3	8.9	8.7	8.8	-1.2	-1.1	17	3,261
MT	6.8	8.9	9.3	8.6	8.3	8.8	9.1	9.1	9.7	9.0	8.8	9.0	9.2	2.4	0.4	13	202
NL	7.0	6.5	6.5	6.5	6.5	6.8	6.6	6.4	6.3	6.0	6.0	5.9	5.8	-1.2	-0.7	24	13,412
AT	6.2	6.2	6.0	6.3	6.5	6.6	6.5	6.1	6.0	5.8	5.8	5.8	6.0	-0.2	-0.3	22	7,563
PL	12.4	11.2	11.5	12.1	12.7	13.2	12.8	11.9	12.0	13.0	11.9	13.2	12.8	0.3	1.6	3	15,302
PT	12.2	8.2	9.1	9.7	10.0	10.0	9.5	9.6	8.5	8.3	8.8	8.9	8.3	-3.9	0.1	18	4,723
RO	6.3	9.8	9.8	9.4	12.7	13.3	11.8	11.1	10.5	9.6	11.8	12.3	12.3	6.0	2.6	5	4,564
SI	:	8.1	9.0	9.0	8.8	8.9	8.6	8.6	8.7	9.0	11.0	11.2	11.2	:	3.1	9	1,510
SK	8.7	9.1	8.2	8.9	9.5	10.5	11.7	9.9	12.1	9.2	9.7	10.4	10.1	1.4	1.0	10	1,999
FI	9.9	9.0	9.1	9.3	9.7	9.0	8.6	8.4	7.8	7.7	8.0	8.3	8.9	-1.0	-0.1	16	7,309
SE	7.2	6.1	6.3	6.7	6.6	6.3	6.1	5.9	5.8	5.8	6.2	6.1	5.8	-1.4	-0.3	23	9,983
UK	11.8	10.8	10.4	10.7	10.4	10.1	9.4	8.8	8.8	8.5	10.0	9.8	9.5	-2.3	-1.3	12	60,234
NO	8.1	6.6	6.3	6.2	6.2	5.5	5.1	4.8	5.0	4.8	5.3	5.0	4.7	-3.4	-1.9		7,014
IS	8.8	6.9	5.6	5.4	5.8	5.9	6.6	6.6	6.4	5.2	5.1	5.9	5.9	-2.9	-1.0		213
<b>EU-27</b>																<b>Total:</b>	<b>338,718</b>
<b>weighted</b>	7.7	7.5	7.4	7.6	7.6	7.4	7.1	6.9	6.7	6.5	6.9	6.9	6.9	-0.8	-0.6		
<b>arithmetic</b>	8.5	8.8	8.9	8.9	9.3	9.4	9.1	8.7	8.6	8.4	9.2	9.3	9.3	0.8	0.5		
<b>EA-17</b>																<b>Total:</b>	<b>227,540</b>
<b>weighted</b>	7.1	6.6	6.7	6.8	7.0	6.7	6.5	6.3	5.9	5.8	6.1	6.1	6.1	-1.0	-0.5		
<b>arithmetic</b>	8.3	8.1	8.2	8.2	8.4	8.6	8.4	8.0	7.8	7.4	8.1	8.2	8.3	0.0	0.3		
<b>EU-25</b>																	
<b>weighted</b>	7.7	7.4	7.4	7.6	7.6	7.4	7.1	6.8	6.6	6.5	6.8	6.9	6.8	-0.9	-0.6		
<b>arithmetic</b>	8.6	8.6	8.7	8.7	8.9	9.0	8.8	8.4	8.2	8.0	8.7	8.8	8.8	0.3	0.2		
<b>Convergence</b>																	
<b>St.dev/mean</b>	34.4	22.5	22.1	23.1	25.2	28.4	28.7	28.7	32.2	34.0	34.9	34.0	34.8	0.4	12.2		
<b>Max-min</b>	14.4	7.2	6.8	8.5	8.9	9.4	10.1	10.7	12.5	13.9	13.9	13.5	14.2	-0.3	7.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 10: Indirect Taxes as % of GDP - Other taxes on Products (incl. import duties)

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.0	2.2	2.2	2.1	2.2	2.2	2.3	2.4	2.4	2.3	2.1	2.2	2.2	0.2	0.0	4	8,062
BG	2.4	1.0	0.8	0.8	0.8	0.9	1.0	1.1	0.4	0.4	0.4	0.3	0.4	-2.1	-0.6	26	138
CZ	1.4	0.9	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	-1.0	-0.5	24	648
DK	2.3	2.0	1.8	2.0	1.9	2.2	2.6	2.6	2.5	2.2	1.5	1.6	1.6	-0.7	-0.4	8	3,769
DE	1.1	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	0.9	0.9	0.9	-0.2	0.0	15	24,290
EE	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.5	0.2	0.3	20	76
IE	2.0	2.3	2.0	1.7	1.9	2.2	2.6	3.0	2.7	1.8	1.2	1.2	1.2	-0.8	-1.1	12	1,860
EL	1.9	3.3	2.7	2.4	2.3	2.2	2.2	2.7	2.6	2.7	2.1	1.6	1.4	-0.5	-1.9	9	2,975
ES	1.7	1.9	1.9	2.0	2.3	2.5	2.8	2.9	2.6	1.7	1.4	1.4	1.2	-0.4	-0.7	11	12,902
FR	1.7	1.7	1.6	1.6	1.6	1.8	1.9	1.7	1.7	1.6	1.6	1.7	1.9	0.2	0.2	6	37,437
IT	2.5	2.7	2.5	2.6	2.5	2.9	2.7	3.0	3.0	2.9	3.0	2.9	3.0	0.5	0.3	2	46,928
CY	2.9	3.1	2.7	2.4	2.0	1.7	1.4	1.4	1.9	1.6	1.1	0.9	0.7	-2.2	-2.3	18	131
LV	0.8	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.8	0.6	0.5	0.4	0.4	-0.4	-0.1	25	81
LT	1.8	1.2	1.0	1.2	1.1	1.1	0.8	0.4	0.4	0.4	0.4	0.4	0.4	-1.4	-0.7	22	135
LU	1.2	1.5	1.3	1.1	1.1	1.1	1.2	1.1	1.3	1.0	0.8	0.8	0.8	-0.4	-0.7	16	348
HU	5.6	3.3	3.2	3.1	3.4	3.5	3.5	3.7	4.0	4.0	3.9	4.1	4.1	-1.5	0.8	1	4,063
MT	3.9	3.6	3.5	3.4	3.4	3.8	3.4	3.6	3.5	3.2	2.8	2.6	2.6	-1.3	-1.0	3	172
NL	1.4	2.0	2.1	1.9	1.9	2.0	2.1	2.2	2.0	2.0	1.8	1.8	1.6	0.2	-0.3	7	9,931
AT	1.2	1.2	1.2	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	1.1	-0.1	-0.2	14	3,261
PL	1.8	0.8	0.6	0.6	0.6	0.4	0.3	0.3	0.4	0.4	0.3	0.3	0.3	-1.5	-0.5	27	1,032
PT	2.4	2.7	2.6	2.5	2.3	2.4	2.6	2.7	2.7	2.4	2.2	2.2	2.0	-0.5	-0.8	5	3,341
RO	2.0	2.2	1.6	1.3	1.0	1.0	1.0	1.2	0.7	0.6	0.4	0.4	0.4	-1.5	-1.8	21	587
SI	14.9	1.8	1.3	1.3	1.3	1.1	0.9	0.9	1.1	1.0	0.8	0.8	0.8	-14.1	-1.0	17	283
SK	1.7	1.7	0.7	0.7	0.7	0.5	0.3	0.3	0.4	0.4	0.4	0.4	0.4	-1.3	-1.3	23	287
FI	1.5	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	-0.2	0.0	10	2,443
SE	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.6	-0.2	0.0	19	2,505
UK	1.1	1.6	1.4	1.3	1.2	1.3	1.3	1.5	1.5	1.2	1.0	1.2	1.2	0.1	-0.4	13	20,391
NO	2.6	1.9	1.8	1.7	1.7	1.8	1.6	1.6	1.6	1.4	1.3	1.4	1.4	-1.2	-0.5		4,918
IS	2.7	1.9	1.7	1.9	2.1	2.3	2.4	2.1	2.2	1.7	1.6	1.7	1.8	-1.0	-0.1		180
<b>EU-27</b>																<b>Total:</b>	<b>188,075</b>
<b>weighted</b>	1.6	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.6	1.5	1.5	1.5	-0.1	-0.2		
<b>arithmetic</b>	2.4	1.8	1.6	1.5	1.5	1.6	1.6	1.6	1.6	1.5	1.3	1.3	1.2	-1.2	-0.5		
<b>EA-17</b>																<b>Total:</b>	<b>154,726</b>
<b>weighted</b>	1.6	1.7	1.7	1.7	1.7	1.8	1.9	2.0	1.9	1.7	1.6	1.6	1.6	0.0	-0.1		
<b>arithmetic</b>	2.6	2.0	1.8	1.7	1.7	1.8	1.8	1.9	1.9	1.7	1.5	1.4	1.4	-1.2	-0.6		
<b>EU-25</b>																	
<b>weighted</b>	1.6	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.6	1.5	1.5	1.5	-0.1	-0.2		
<b>arithmetic</b>	2.4	1.8	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.5	1.3	1.3	1.3	-1.1	-0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	113.3	51.5	55.4	55.0	56.3	60.7	62.1	65.5	65.5	67.4	71.8	73.0	74.0	-39.2	22.6		
<b>Max-min</b>	14.6	3.4	3.3	3.2	3.2	3.5	3.2	3.4	3.6	3.6	3.6	3.8	3.8	-10.8	0.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 11: Indirect Taxes as % of Total Taxation - Other taxes on products (incl. import duties)

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	4.5	4.9	4.8	4.7	4.9	4.9	5.2	5.3	5.4	5.1	4.9	5.0	4.9	0.5	0.0	5	8,062
BG	7.9	3.2	2.7	2.7	2.7	2.9	3.1	3.6	1.3	1.4	1.2	1.2	1.3	-6.6	-1.9	25	138
CZ	4.0	2.7	2.2	2.0	2.1	1.4	1.3	1.3	1.4	1.4	1.2	1.2	1.2	-2.8	-1.5	26	648
DK	4.7	4.0	3.7	4.2	4.0	4.6	5.1	5.3	5.2	4.5	3.2	3.4	3.3	-1.4	-0.7	11	3,769
DE	2.7	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.6	2.4	2.3	2.3	2.4	-0.3	0.2	15	24,290
EE	0.6	0.6	0.6	0.6	0.6	1.0	1.3	1.3	1.4	1.3	0.9	1.2	1.4	0.8	0.9	24	76
IE	6.0	7.2	6.7	5.9	6.7	7.3	8.3	9.3	8.5	6.2	4.1	4.3	4.0	-2.0	-3.2	9	1,860
EL	6.7	9.6	8.3	7.0	7.1	7.1	6.9	8.5	8.1	8.4	6.8	5.2	4.4	-2.3	-5.2	6	2,975
ES	5.2	5.7	5.7	5.9	6.7	7.3	7.7	7.9	7.0	5.2	4.7	4.5	3.9	-1.3	-1.8	10	12,902
FR	3.9	3.8	3.7	3.8	3.8	4.2	4.3	3.9	3.9	3.8	3.7	4.0	4.3	0.4	0.5	8	37,437
IT	6.3	6.5	6.0	6.3	6.1	7.1	6.9	7.2	7.1	6.8	7.0	6.9	7.0	0.7	0.5	3	46,928
CY	10.9	10.2	8.7	7.6	6.2	5.1	4.1	3.8	4.8	4.2	3.0	2.5	2.1	-8.8	-8.1	18	131
LV	2.5	1.5	1.5	1.5	1.6	1.7	1.6	1.7	2.6	2.1	1.9	1.6	1.5	-1.1	-0.1	22	81
LT	6.6	3.9	3.4	4.2	4.1	4.0	2.8	1.3	1.3	1.4	1.5	1.6	1.7	-4.9	-2.2	19	135
LU	3.3	3.9	3.4	2.8	2.8	3.1	3.1	3.2	3.6	2.7	2.1	2.2	2.2	-1.1	-1.7	16	348
HU	13.7	8.3	8.3	8.1	8.9	9.3	9.4	10.0	9.8	10.0	9.6	10.9	11.0	-2.7	2.7	1	4,063
MT	15.0	13.1	12.1	11.5	11.3	12.0	10.3	10.8	10.4	9.8	8.3	8.0	7.8	-7.1	-5.3	2	172
NL	3.5	5.0	5.5	5.1	5.0	5.2	5.7	5.6	5.3	5.2	4.6	4.6	4.3	0.8	-0.7	7	9,931
AT	3.0	2.9	2.7	2.6	2.7	2.7	2.6	2.8	2.7	2.5	2.6	2.6	2.6	-0.4	-0.3	14	3,261
PL	4.8	2.3	1.9	1.8	1.8	1.2	0.9	0.8	1.1	1.2	0.9	0.9	0.9	-4.0	-1.5	27	1,032
PT	8.3	8.7	8.3	7.9	7.4	8.0	8.4	8.5	8.3	7.3	7.2	7.0	5.9	-2.4	-2.8	4	3,341
RO	7.2	7.4	5.7	4.5	3.5	3.5	3.7	4.1	2.4	2.2	1.7	1.6	1.6	-5.6	-5.8	20	587
SI	38.2	4.8	3.6	3.5	3.5	2.8	2.4	2.4	2.8	2.6	2.1	2.1	2.1	-36.1	-2.7	17	283
SK	4.3	5.0	2.0	2.0	2.0	1.6	1.1	1.1	1.3	1.5	1.4	1.6	1.5	-2.8	-3.5	23	287
FI	3.4	2.6	2.6	2.6	2.7	2.9	3.1	3.0	3.1	2.8	3.0	3.0	3.0	-0.4	0.3	13	2,443
SE	1.8	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.5	1.6	1.5	-0.4	0.2	21	2,505
UK	3.1	4.3	3.8	3.7	3.5	3.7	3.7	4.1	4.2	3.1	3.0	3.3	3.2	0.1	-1.0	12	20,391
NO	6.3	4.5	4.1	4.0	3.9	4.2	3.8	3.7	3.8	3.2	3.2	3.4	3.3	-3.0	-1.2		4,918
IS	8.2	5.1	4.9	5.5	5.7	6.0	6.0	5.1	5.4	4.7	4.7	4.7	5.0	-3.3	-0.1		180
<b>EU-27</b>																<b>Total:</b>	<b>188,075</b>
<b>weighted</b>	4.0	4.1	4.0	4.0	4.0	4.3	4.4	4.6	4.5	4.0	3.9	3.9	3.8	-0.2	-0.3		
<b>arithmetic</b>	6.7	5.0	4.5	4.3	4.3	4.4	4.3	4.5	4.3	3.9	3.5	3.5	3.4	-3.4	-1.7		
<b>EA-17</b>																<b>Total:</b>	<b>154,726</b>
<b>weighted</b>	4.1	4.2	4.1	4.2	4.2	4.7	4.8	4.9	4.8	4.4	4.2	4.2	4.2	0.0	-0.1		
<b>arithmetic</b>	7.4	5.7	5.1	4.8	4.8	5.0	4.9	5.1	5.1	4.6	4.0	3.9	3.8	-3.6	-1.9		
<b>EU-25</b>																	
<b>weighted</b>	4.0	4.1	3.9	4.0	4.0	4.4	4.4	4.6	4.5	4.0	3.9	3.9	3.9	-0.2	-0.2		
<b>arithmetic</b>	6.7	5.0	4.5	4.4	4.4	4.5	4.4	4.5	4.5	4.1	3.7	3.7	3.5	-3.2	-1.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	105.7	60.1	62.1	59.3	59.8	63.4	63.5	67.4	65.9	66.9	68.9	69.8	70.4	-35.3	10.2		
<b>Max-min</b>	37.5	12.5	11.6	10.8	10.6	11.0	9.4	10.0	9.3	8.7	8.7	10.0	10.1	-27.4	-2.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 12: Indirect Taxes as % of GDP - Other taxes on production

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.9	1.9	1.9	1.8	1.9	1.9	1.8	1.9	1.6	1.8	1.8	1.8	1.8	-0.1	-0.1	7	6,559
BG	0.1	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.5	0.5	0.6	0.6	0.5	0.4	0.0	23	211
CZ	0.8	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	-0.4	-0.1	26	668
DK	1.6	1.6	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.9	2.0	2.0	2.1	0.5	0.5	5	5,085
DE	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.7	0.6	0.7	0.1	0.0	19	17,710
EE	0.6	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.7	0.1	0.0	20	108
IE	1.3	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.3	1.5	1.5	0.2	0.7	11	2,356
EL	0.5	0.6	0.5	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.6	0.0	0.0	22	1,214
ES	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.4	1.5	0.2	0.2	12	15,446
FR	4.2	4.2	4.1	4.1	4.1	4.2	4.3	4.2	4.3	4.3	4.7	4.2	4.4	0.2	0.2	2	87,468
IT	1.2	3.4	3.5	3.5	3.4	3.3	3.5	3.6	3.6	3.2	3.0	3.0	3.0	1.8	-0.3	4	47,697
CY	1.2	1.1	1.0	1.1	1.7	1.9	1.9	2.2	2.9	2.4	2.0	2.0	2.0	0.8	0.9	6	362
LV	1.9	1.4	1.6	1.1	1.1	1.0	0.9	0.8	0.7	0.6	0.8	0.9	1.0	-0.8	-0.4	15	210
LT	0.5	0.6	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.5	0.5	0.4	0.0	-0.2	25	138
LU	1.4	2.3	2.2	1.7	1.5	1.7	1.9	2.0	2.0	1.6	1.6	1.7	1.5	0.2	-0.8	9	658
HU	0.3	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.9	1.1	1.1	0.8	0.6	14	1,083
MT	0.3	0.3	0.3	0.4	0.4	0.4	0.6	0.5	0.5	0.5	0.6	0.6	0.5	0.3	0.2	24	34
NL	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.2	1.2	1.2	0.1	0.1	13	7,085
AT	3.3	3.2	3.3	3.2	3.2	3.1	3.1	3.0	3.0	3.1	3.3	3.2	3.2	-0.1	0.0	3	9,566
PL	1.6	1.3	1.4	1.4	1.3	1.4	1.7	2.0	1.5	1.6	1.6	1.6	1.5	0.0	0.3	10	5,697
PT	0.5	0.6	0.6	0.9	1.3	0.7	0.7	0.7	0.8	0.8	0.9	0.8	0.9	0.4	0.3	17	1,558
RO	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.8	0.8	0.7	0.7	0.6	0.0	0.1	21	827
SI	0.5	2.3	2.5	2.5	2.8	2.8	2.9	2.5	2.1	1.6	1.0	1.0	1.0	0.5	-1.3	16	369
SK	0.9	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7	-0.2	0.0	18	485
FI	0.1	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.1	0.1	27	538
SE	2.5	4.0	3.9	4.0	4.1	4.0	3.9	4.3	4.2	5.4	5.6	4.9	5.9	3.4	1.9	1	23,024
UK	1.8	1.8	1.7	1.7	1.6	1.6	1.6	1.6	1.5	1.6	1.7	1.9	1.7	-0.1	-0.1	8	28,996
NO	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.5	-0.1	0.0		1,821
IS	2.6	3.1	2.9	2.7	2.8	2.9	2.9	3.2	3.3	2.9	2.6	2.6	2.4	-0.2	-0.7		242
<b>EU-27</b>																<b>Total:</b>	<b>265,154</b>
<b>weighted</b>	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0	2.1	0.4	0.1		
<b>arithmetic</b>	1.2	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	0.3	0.1		
<b>EA-17</b>																<b>Total:</b>	<b>199,213</b>
<b>weighted</b>	1.7	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.2	2.1	2.1	0.4	0.0		
<b>arithmetic</b>	1.2	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.5	1.5	0.3	0.0		
<b>EU-25</b>																	
<b>weighted</b>	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	0.4	0.1		
<b>arithmetic</b>	1.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.5	1.6	0.3	0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	80.0	80.4	79.2	80.2	78.5	80.4	79.9	80.0	81.6	86.7	86.9	79.8	86.1	6.1	5.8		
<b>Max-min</b>	4.0	4.0	3.9	3.9	3.9	3.9	4.0	4.0	4.0	5.2	5.3	4.6	5.7	1.6	1.7		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 13: Indirect Taxes as % of Total Taxation - Other taxes on production

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	4.3	4.2	4.2	4.1	4.3	4.1	3.9	4.3	3.7	4.0	4.2	4.2	4.0	-0.3	-0.1	12	6,559
BG	0.5	1.7	1.7	2.2	2.2	2.2	2.3	1.9	1.4	1.7	1.9	2.0	2.0	1.6	0.3	21	211
CZ	2.2	1.7	1.5	1.5	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.3	1.2	-1.0	-0.4	26	668
DK	3.3	3.3	3.7	3.8	3.8	3.7	3.4	3.5	3.6	3.9	4.2	4.3	4.4	1.2	1.1	10	5,085
DE	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.7	1.6	1.6	1.7	1.7	1.8	0.2	0.1	23	17,710
EE	1.5	2.3	2.5	2.3	2.2	2.1	2.1	2.1	2.0	2.2	2.2	2.1	2.1	0.5	-0.3	20	108
IE	3.9	2.6	2.8	2.9	3.1	3.1	3.1	3.0	3.1	3.7	4.5	5.2	5.1	1.2	2.5	6	2,356
EL	1.9	1.6	1.4	1.0	1.0	1.0	0.9	1.2	1.2	1.3	1.5	0.8	1.8	-0.1	0.1	22	1,214
ES	3.9	3.6	3.6	3.4	3.2	3.1	3.1	3.1	3.0	3.4	4.2	4.3	4.6	0.7	1.1	8	15,446
FR	9.7	9.4	9.3	9.4	9.5	9.7	9.8	9.6	9.9	9.9	11.1	9.9	10.0	0.2	0.5	2	87,468
IT	2.9	8.1	8.5	8.8	8.4	8.2	8.7	8.6	8.5	7.6	7.1	7.1	7.1	4.2	-1.0	4	47,697
CY	4.6	3.7	3.2	3.4	5.4	5.9	5.4	6.2	7.2	6.1	5.6	5.7	5.7	1.1	2.0	5	362
LV	5.7	4.8	5.4	3.7	3.9	3.4	3.0	2.5	2.4	2.2	2.8	3.4	3.8	-1.9	-1.0	13	210
LT	1.7	2.1	2.3	2.4	2.2	2.1	1.9	1.8	1.7	1.4	1.7	1.8	1.7	0.1	-0.4	24	138
LU	3.7	6.0	5.6	4.4	4.0	4.5	5.0	5.7	5.7	4.4	4.0	4.5	4.1	0.5	-1.8	11	658
HU	0.6	1.2	1.2	1.2	1.3	1.6	1.7	1.7	2.0	2.0	2.3	2.8	2.9	2.3	1.7	15	1,083
MT	1.0	1.2	1.2	1.3	1.4	1.2	1.7	1.6	1.4	1.5	1.7	1.8	1.6	0.6	0.4	25	34
NL	2.7	2.6	2.8	2.9	2.8	2.9	2.9	2.7	2.7	2.8	3.1	3.1	3.1	0.4	0.5	14	7,085
AT	8.1	7.5	7.2	7.4	7.5	7.3	7.3	7.2	7.1	7.2	7.7	7.7	7.6	-0.5	0.1	3	9,566
PL	4.2	3.9	4.4	4.4	4.1	4.3	5.1	6.0	4.4	4.5	4.9	4.9	4.7	0.5	0.8	7	5,697
PT	1.7	1.9	2.1	2.8	4.2	2.2	2.2	2.3	2.4	2.6	2.9	2.7	2.7	1.1	0.8	16	1,558
RO	2.3	1.6	2.2	2.2	2.2	1.7	1.8	2.0	2.6	2.8	2.6	2.7	2.2	0.0	0.6	19	827
SI	1.3	6.2	6.7	6.7	7.3	7.4	7.5	6.5	5.6	4.3	2.7	2.7	2.7	1.4	-3.5	17	369
SK	2.2	2.1	2.2	2.3	2.2	2.2	2.5	2.7	2.6	2.4	2.6	2.6	2.5	0.3	0.3	18	485
FI	0.3	0.4	0.5	0.5	0.5	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.3	0.2	27	538
SE	5.3	7.8	7.8	8.4	8.5	8.3	8.0	8.8	8.9	11.6	12.0	10.7	13.4	8.1	5.6	1	23,024
UK	5.2	4.8	4.8	4.9	4.7	4.5	4.4	4.3	4.2	4.3	5.0	5.4	4.6	-0.6	-0.2	9	28,996
NO	1.4	1.2	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.4	1.3	1.2	-0.1	0.0		1,821
IS	7.9	8.3	8.1	7.6	7.6	7.6	7.1	7.8	8.1	7.9	7.7	7.3	6.7	-1.2	-1.6		242
<b>EU-27</b>																<b>Total:</b>	<b>265,154</b>
<b>weighted</b>	4.3	5.0	5.1	5.2	5.2	5.1	5.2	5.1	5.1	5.1	5.5	5.3	5.4	1.1	0.4		
<b>arithmetic</b>	3.2	3.6	3.7	3.7	3.8	3.7	3.7	3.8	3.7	3.7	3.9	3.9	4.0	0.8	0.4		
<b>EA-17</b>																<b>Total:</b>	<b>199,213</b>
<b>weighted</b>	4.2	5.1	5.2	5.3	5.3	5.3	5.4	5.3	5.3	5.2	5.5	5.3	5.4	1.1	0.3		
<b>arithmetic</b>	3.3	3.8	3.8	3.8	4.0	4.0	4.0	4.1	4.0	3.9	4.0	3.9	3.9	0.7	0.1		
<b>EU-25</b>																	
<b>weighted</b>	4.3	5.1	5.1	5.2	5.2	5.1	5.2	5.2	5.1	5.1	5.5	5.4	5.4	1.1	0.4		
<b>arithmetic</b>	3.3	3.8	3.9	3.8	3.9	3.9	3.9	4.0	3.9	3.9	4.1	4.0	4.2	0.8	0.4		
<b>Convergence</b>																	
<b>St.dev/mean</b>	70.7	67.0	65.6	66.3	65.3	67.6	67.9	68.1	70.0	72.5	71.1	65.7	71.0	0.3	4.0		
<b>Max-min</b>	9.4	9.0	8.8	9.0	9.0	9.0	9.2	9.0	9.3	11.1	11.4	10.1	12.7	3.3	3.7		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 14: Direct Taxes as % of GDP - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	16.7	17.5	17.8	17.6	17.2	17.5	17.6	17.3	17.0	17.2	15.9	16.3	16.8	0.1	-0.8	3	61,991
BG	9.0	6.9	7.5	6.4	6.2	6.0	4.9	5.2	8.2	6.7	5.9	5.4	5.2	-3.9	-1.7	26	1,985
CZ	9.2	7.9	8.3	8.8	9.2	9.2	8.9	8.9	9.0	8.0	7.2	6.9	7.3	-1.9	-0.7	20	11,356
DK	31.0	30.5	29.5	29.3	29.6	30.4	31.9	30.7	30.1	29.7	30.0	29.8	29.9	-1.1	-0.6	1	71,940
DE	12.1	13.0	11.4	11.0	11.0	10.8	11.1	11.9	12.2	12.4	11.7	11.1	11.6	-0.5	-1.4	14	300,840
EE	10.9	7.7	7.2	7.5	8.0	7.9	7.0	7.1	7.4	7.9	7.6	6.8	6.6	-4.3	-1.2	23	1,047
IE	13.5	13.4	12.7	11.6	11.8	12.3	12.3	13.2	12.9	11.7	10.9	10.8	12.5	-0.9	-0.8	10	19,945
EL	6.9	10.0	8.8	8.8	8.0	8.2	8.8	8.3	8.3	8.3	8.5	8.0	8.8	1.8	-1.2	17	18,281
ES	10.3	10.6	10.5	11.1	10.4	10.8	11.5	12.3	13.5	11.2	10.1	9.9	9.9	-0.4	-0.7	15	105,498
FR	8.4	12.5	12.6	11.8	11.4	11.7	11.9	12.2	12.0	12.0	10.3	11.0	11.8	3.4	-0.7	11	235,518
IT	14.9	14.4	14.7	14.0	14.7	13.9	13.3	14.3	15.0	15.2	15.5	14.8	14.8	-0.2	0.3	6	233,151
CY	8.9	11.2	11.3	11.3	9.7	8.8	10.2	10.8	13.8	12.9	11.2	11.1	11.7	2.8	0.6	12	2,108
LV	7.1	7.3	7.6	7.9	7.6	7.9	7.9	8.5	9.2	9.8	7.2	7.4	7.4	0.3	0.1	19	1,494
LT	8.4	8.4	7.8	7.4	7.9	8.7	9.0	9.5	9.2	9.3	6.0	4.7	4.4	-4.0	-4.0	27	1,360
LU	15.4	15.0	15.3	15.4	14.8	13.1	13.7	13.2	13.2	14.2	14.8	14.5	14.1	-1.3	-0.9	7	6,026
HU	8.7	9.9	10.2	10.2	9.6	9.1	9.1	9.5	10.4	10.6	10.0	8.6	6.9	-1.7	-3.0	22	6,902
MT	8.2	9.0	9.7	11.0	11.5	11.0	11.7	12.0	13.3	12.7	13.6	13.0	13.2	5.0	4.2	8	864
NL	12.5	12.0	11.7	11.8	11.0	10.7	11.7	11.9	12.2	12.0	12.1	12.2	11.7	-0.9	-0.3	13	70,168
AT	11.7	13.2	15.0	13.8	13.7	13.5	12.8	12.9	13.4	14.0	12.8	12.7	13.0	1.3	-0.2	9	39,046
PL	11.7	7.2	6.7	6.9	6.6	6.4	7.0	7.5	8.6	8.6	7.5	7.0	7.1	-4.7	-0.1	21	26,082
PT	8.3	9.6	9.1	9.1	8.5	8.3	8.3	8.6	9.5	9.7	9.0	8.8	9.9	1.6	0.3	16	16,968
RO	10.6	7.0	6.4	5.8	6.0	6.4	5.3	6.0	6.7	6.7	6.5	6.0	6.0	-4.6	-1.0	24	7,855
SI	6.9	7.4	7.6	7.8	8.0	8.2	8.7	9.1	9.2	8.9	8.3	8.2	7.9	1.0	0.5	18	2,860
SK	10.8	7.4	7.5	7.1	7.1	6.1	6.0	6.1	6.2	6.5	5.5	5.4	5.4	-5.4	-2.0	25	3,762
FI	17.4	21.4	19.3	19.1	18.1	17.8	17.8	17.6	17.8	17.8	16.4	16.2	16.5	-0.9	-4.8	4	31,314
SE	19.8	22.6	20.8	19.6	20.2	20.9	22.0	22.2	21.2	19.8	19.6	19.2	18.7	-1.1	-3.9	2	72,431
UK	15.0	16.7	16.9	15.8	15.2	15.4	16.2	17.0	16.7	18.5	16.0	15.7	15.9	0.9	-0.8	5	277,159
NO	16.2	20.1	20.2	19.8	19.5	21.0	22.2	22.7	21.5	22.1	20.2	21.0	21.5	5.3	1.4		75,702
IS	12.9	16.1	16.5	16.5	16.8	16.9	18.3	18.8	18.9	18.2	16.7	16.6	17.5	4.6	1.4		1,761
<b>EU-27</b>																<b>Total:</b>	<b>1,627,951</b>
<b>weighted</b>	12.7	14.1	13.6	13.1	12.9	12.8	13.1	13.7	13.8	13.8	12.8	12.6	12.9	0.2	-1.2		
<b>arithmetic</b>	12.0	12.2	12.0	11.8	11.6	11.5	11.7	12.0	12.5	12.3	11.5	11.2	11.3	-0.7	-0.9		
<b>EA-17</b>																<b>Total:</b>	<b>1,149,387</b>
<b>weighted</b>	11.7	13.0	12.6	12.2	12.0	11.9	12.0	12.6	12.9	12.7	12.0	11.8	12.2	0.5	-0.8		
<b>arithmetic</b>	11.4	12.1	11.9	11.8	11.5	11.2	11.4	11.7	12.2	12.0	11.4	11.2	11.5	0.1	-0.5		
<b>EU-25</b>																	
<b>weighted</b>	12.7	14.1	13.7	13.1	12.9	12.9	13.2	13.8	13.9	13.9	12.8	12.7	13.0	0.3	-1.1		
<b>arithmetic</b>	12.2	12.6	12.4	12.2	12.0	11.9	12.3	12.5	12.9	12.8	11.9	11.6	11.7	-0.4	-0.9		
<b>Convergence</b>																	
<b>St.dev/mean</b>	42.5	46.1	44.6	44.2	45.0	46.6	48.7	45.6	40.8	41.2	46.0	48.2	48.1	5.6	2.0		
<b>Max-min</b>	24.1	23.6	23.1	23.5	23.6	24.4	27.0	25.5	24.0	23.2	24.4	25.1	25.5	1.4	1.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 15: Direct Taxes as % of Total Taxation - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	38.0	38.9	39.4	39.0	38.4	39.0	39.3	38.9	38.7	38.9	36.7	37.3	38.0	0.0	-0.9	7	61,991
BG	29.1	21.9	24.5	22.3	19.9	18.3	15.7	16.9	24.5	20.6	20.3	19.5	18.9	-10.2	-3.0	25	1,985
CZ	25.8	23.5	24.7	25.3	26.0	25.5	24.9	25.1	25.2	23.2	21.7	20.6	21.1	-4.7	-2.4	22	11,356
DK	63.5	61.8	60.9	61.2	61.6	62.0	62.8	61.8	61.6	62.2	62.7	62.9	62.8	-0.7	1.0	1	71,940
DE	30.4	31.4	29.0	28.3	28.0	28.2	28.9	30.7	31.6	32.0	29.8	29.3	30.0	-0.4	-1.4	14	300,840
EE	30.0	25.0	23.9	24.3	26.2	26.0	22.8	23.0	23.7	24.7	21.2	19.8	20.0	-10.0	-5.0	23	1,047
IE	41.2	42.8	42.9	40.8	41.1	41.1	40.1	41.0	41.0	39.3	38.7	38.2	43.4	2.2	0.6	3	19,945
EL	23.8	28.8	26.6	26.2	24.9	26.1	27.3	26.1	25.6	25.8	27.9	25.2	27.1	3.3	-1.8	16	18,281
ES	32.1	31.2	31.1	32.3	30.6	31.0	32.0	33.4	36.4	33.8	32.8	30.8	31.6	-0.5	0.4	11	105,498
FR	19.7	28.3	28.9	27.3	26.5	26.9	27.1	27.7	27.6	27.7	24.5	25.8	26.9	7.2	-1.4	17	235,518
IT	37.6	34.8	35.8	34.6	35.8	34.3	33.3	34.4	35.2	35.7	36.0	34.8	34.7	-2.8	-0.1	9	233,151
CY	33.1	37.2	36.7	36.4	30.2	26.7	29.2	30.2	34.4	33.5	31.8	31.1	33.3	0.2	-3.9	10	2,108
LV	21.5	24.7	26.5	27.5	26.5	27.7	27.2	27.9	30.2	33.5	27.0	27.1	26.8	5.4	2.2	18	1,494
LT	30.4	28.0	27.2	26.3	28.3	30.8	31.6	32.6	31.0	31.0	20.6	17.4	17.0	-13.5	-11.1	27	1,360
LU	41.6	38.4	38.4	39.2	38.8	35.2	36.6	36.7	36.9	38.0	37.7	38.7	38.0	-3.6	-0.4	8	6,026
HU	21.1	24.9	26.4	26.7	25.3	24.1	24.3	25.3	25.7	26.3	24.9	22.6	18.7	-2.4	-6.2	26	6,902
MT	31.3	32.9	33.7	36.7	37.8	35.1	35.5	36.3	39.2	38.5	40.6	40.0	39.4	8.1	6.5	5	864
NL	31.2	30.0	30.6	31.3	29.3	28.6	31.2	30.5	31.6	30.5	31.8	31.4	30.4	-0.8	0.4	13	70,168
AT	28.3	30.6	33.4	31.7	31.5	31.3	30.5	31.0	32.1	32.9	30.1	30.3	30.9	2.6	0.3	12	39,046
PL	31.6	22.1	20.7	21.2	20.5	20.3	21.3	22.2	24.6	25.2	23.5	21.9	21.7	-9.9	-0.3	19	26,082
PT	28.1	30.8	29.7	28.9	26.8	27.3	26.3	26.8	29.0	29.5	29.0	28.1	29.9	1.8	-0.9	15	16,968
RO	38.5	23.1	22.2	20.5	21.6	23.3	19.2	21.1	23.1	24.0	24.4	22.6	21.2	-17.3	-1.9	21	7,855
SI	17.7	19.8	20.2	20.7	20.9	21.6	22.6	23.8	24.4	24.0	22.2	21.7	21.2	3.5	1.4	20	2,860
SK	26.8	21.9	22.6	21.3	21.7	19.4	19.2	20.7	21.0	22.2	19.1	19.1	19.1	-7.8	-2.8	24	3,762
FI	38.2	45.3	43.0	42.9	41.0	41.0	40.6	40.3	41.4	41.4	38.3	38.2	38.1	-0.1	-7.2	6	31,314
SE	41.2	43.9	42.1	41.2	42.2	43.5	45.0	46.0	44.9	42.7	42.1	42.2	42.2	0.9	-1.7	4	72,431
UK	43.7	45.4	46.1	44.9	43.7	43.7	45.4	46.5	46.3	49.0	46.1	44.4	43.9	0.2	-1.5	2	277,159
NO	38.5	47.1	47.2	46.0	46.1	48.8	51.3	52.1	50.1	52.6	48.1	49.3	50.5	12.0	3.3		75,702
IS	38.7	43.3	46.8	46.8	45.9	44.8	45.1	45.3	46.7	49.8	49.6	47.4	48.6	9.9	5.3		1,761
<b>EU-27</b>																<b>Total:</b>	<b>1,627,951</b>
<b>weighted</b>	32.4	34.8	34.5	33.7	33.1	33.2	33.7	34.6	35.1	35.1	33.2	32.8	33.2	0.8	-1.7		
<b>arithmetic</b>	32.4	32.1	32.1	31.8	31.3	31.0	31.1	31.7	32.8	32.8	31.2	30.4	30.6	-1.8	-1.5		
<b>EA-17</b>																<b>Total:</b>	<b>1,149,387</b>
<b>weighted</b>	29.6	31.9	31.5	30.8	30.3	30.2	30.5	31.5	32.3	32.2	30.6	30.3	30.9	1.3	-1.0		
<b>arithmetic</b>	31.1	32.2	32.1	31.9	31.1	30.5	30.7	31.3	32.3	32.3	31.1	30.6	31.3	0.2	-1.0		
<b>EU-25</b>																	
<b>weighted</b>	32.3	34.9	34.6	33.8	33.2	33.3	33.8	34.7	35.3	35.2	33.3	32.9	33.3	0.9	-1.6		
<b>arithmetic</b>	32.3	32.9	32.8	32.7	32.1	31.9	32.2	32.8	33.6	33.7	31.9	31.2	31.4	-0.9	-1.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	29.0	30.1	29.2	29.5	30.1	30.6	32.3	30.6	27.7	28.1	31.5	33.5	34.3	5.4	4.2		
<b>Max-min</b>	45.7	42.0	40.6	40.7	41.7	43.7	47.1	44.9	40.5	41.5	43.6	45.5	45.8	0.1	3.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 16: Direct Taxes as % of GDP - Personal income taxes

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	13.5	13.2	13.6	13.4	13.1	12.9	12.9	12.4	12.2	12.6	12.1	12.3	12.4	-1.1	-0.8	4	45,974
BG	4.2	4.0	3.5	3.2	3.2	3.1	2.7	2.6	3.2	2.9	3.0	3.0	2.9	-1.3	-1.1	26	1,104
CZ	4.6	4.4	4.3	4.5	4.7	4.7	4.4	4.2	4.3	3.7	3.6	3.5	3.7	-0.9	-0.7	23	5,807
DK	26.3	25.6	26.0	25.7	25.6	24.9	24.9	24.9	25.4	25.1	26.4	24.3	24.3	-2.0	-1.3	1	58,395
DE	9.4	9.5	9.1	8.8	8.6	8.0	8.0	8.2	8.6	9.0	9.1	8.3	8.4	-1.0	-1.0	9	218,150
EE	8.4	6.8	6.5	6.4	6.5	6.3	5.6	5.6	5.8	6.2	5.7	5.4	5.3	-3.1	-1.5	18	846
IE	10.2	9.2	8.7	7.5	7.6	8.3	8.3	8.7	8.9	8.3	7.9	7.6	9.2	-1.0	0.1	8	14,701
EL	3.6	5.0	4.5	4.5	4.3	4.4	4.7	4.6	4.8	4.8	5.0	4.4	4.7	1.1	-0.2	20	9,891
ES	7.7	6.7	6.8	7.0	6.4	6.5	6.7	7.2	7.8	7.4	7.1	7.4	7.4	-0.3	0.8	13	79,076
FR	5.3	8.4	8.2	7.9	8.0	7.9	8.1	7.9	7.6	7.8	7.6	7.6	7.9	2.6	-0.5	12	156,871
IT	10.4	11.4	11.0	10.6	10.5	10.4	10.4	10.9	11.3	11.7	11.7	11.7	11.5	1.1	0.1	5	181,781
CY	4.0	3.7	3.9	4.3	4.5	3.5	3.9	4.6	6.2	5.0	4.0	4.1	4.2	0.2	0.5	22	752
LV	5.3	5.6	5.6	5.6	5.8	6.0	5.7	6.1	6.1	6.4	5.4	6.1	5.6	0.3	0.0	16	1,131
LT	6.2	7.7	7.2	6.8	6.5	6.8	6.8	6.8	6.6	6.5	4.1	3.6	3.5	-2.7	-4.1	24	1,093
LU	8.0	7.2	7.0	6.4	6.5	6.7	7.1	7.5	7.1	8.1	8.1	7.9	8.3	0.2	1.1	10	3,517
HU	6.6	7.3	7.6	7.6	7.1	6.6	6.6	6.8	7.3	7.7	7.4	6.5	4.9	-1.7	-2.4	19	4,896
MT	5.0	4.8	5.7	6.2	6.2	6.6	6.6	6.9	6.2	5.9	6.6	6.2	6.4	1.4	1.6	14	419
NL	7.7	6.0	6.2	6.8	6.5	6.0	6.6	6.9	7.4	7.2	8.6	8.4	8.0	0.3	2.0	11	48,370
AT	9.3	10.0	10.7	10.4	10.4	10.1	9.5	9.6	9.8	10.4	9.9	9.7	9.7	0.5	-0.3	7	29,299
PL	8.4	4.4	4.5	4.3	4.2	3.6	3.9	4.6	5.2	5.3	4.6	4.5	4.5	-3.9	0.1	21	16,519
PT	5.4	5.3	5.4	5.2	5.2	5.0	5.1	5.3	5.5	5.6	5.7	5.6	6.1	0.8	0.8	15	10,516
RO	6.9	3.5	3.3	2.7	2.8	2.9	2.3	2.8	3.3	3.4	3.5	3.3	3.3	-3.6	-0.1	25	4,368
SI	5.8	5.6	5.7	5.7	5.7	5.7	5.5	5.7	5.5	5.8	5.8	5.7	5.6	-0.3	0.0	17	2,017
SK	3.6	3.4	3.5	3.3	3.2	2.7	2.6	2.5	2.6	2.7	2.4	2.3	2.5	-1.1	-0.9	27	1,741
FI	14.2	14.5	14.1	14.0	13.7	13.3	13.5	13.3	13.0	13.2	13.4	12.6	12.8	-1.4	-1.7	3	24,181
SE	16.7	18.1	17.6	17.0	17.5	17.5	17.9	18.1	17.2	16.6	16.4	15.5	15.0	-1.7	-3.1	2	58,135
UK	10.1	10.8	11.0	10.5	9.9	10.0	10.3	10.5	10.7	10.7	10.4	10.0	10.1	0.0	-0.7	6	176,129
NO	10.7	10.3	10.4	10.7	10.6	10.2	9.6	9.0	9.5	9.1	10.1	10.1	9.8	-0.9	-0.4		34,746
IS	10.5	13.1	13.8	13.9	14.2	14.3	14.7	14.6	14.5	14.4	13.1	13.2	13.7	3.3	0.7		1,385
<b>EU-27</b>																<b>Total:</b>	<b>1,155,678</b>
<b>weighted</b>	9.2	9.8	9.7	9.4	9.2	9.0	9.0	9.2	9.4	9.4	9.3	9.1	9.1	-0.1	-0.7		
<b>arithmetic</b>	8.4	8.2	8.2	8.0	7.9	7.8	7.8	8.0	8.1	8.2	8.0	7.7	7.7	-0.7	-0.5		
<b>EA-17</b>																<b>Total:</b>	<b>828,102</b>
<b>weighted</b>	8.5	9.1	8.9	8.7	8.5	8.3	8.4	8.5	8.7	8.9	8.9	8.7	8.8	0.3	-0.3		
<b>arithmetic</b>	7.7	7.7	7.7	7.6	7.5	7.3	7.4	7.5	7.7	7.8	7.7	7.5	7.7	-0.1	0.0		
<b>EU-25</b>																	
<b>weighted</b>	9.2	9.9	9.7	9.4	9.2	9.0	9.1	9.3	9.4	9.5	9.4	9.1	9.2	0.0	-0.6		
<b>arithmetic</b>	8.6	8.6	8.6	8.4	8.3	8.2	8.2	8.4	8.5	8.6	8.4	8.1	8.1	-0.5	-0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	58.0	61.1	61.5	61.6	62.0	62.6	63.2	61.1	58.5	58.2	62.7	60.7	60.4	2.4	-0.7		
<b>Max-min</b>	22.7	22.2	22.7	22.9	22.7	22.3	22.6	22.3	22.8	22.4	24.0	22.0	21.8	-0.9	-0.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 17: Direct Taxes as % of Total Taxation - Personal income taxes

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	30.8	29.4	30.1	29.6	29.2	28.9	28.8	27.9	27.8	28.4	28.0	28.1	28.2	-2.6	-1.2	5	45,974
BG	13.5	12.7	11.4	11.2	10.2	9.5	8.7	8.4	9.5	9.0	10.2	10.9	10.5	-2.9	-2.2	26	1,104
CZ	12.9	13.0	12.8	13.0	13.2	13.0	12.4	11.8	11.9	10.7	10.8	10.3	10.8	-2.1	-2.2	25	5,807
DK	53.9	51.9	53.6	53.6	53.2	50.9	49.0	50.1	51.8	52.6	55.2	51.2	50.9	-3.0	-0.9	1	58,395
DE	23.5	22.9	23.2	22.7	22.0	20.9	20.8	21.3	22.2	23.2	23.1	21.9	21.8	-1.8	-1.1	11	218,150
EE	23.3	22.1	21.5	20.7	21.0	20.5	18.2	18.2	18.5	19.5	16.0	15.9	16.1	-7.1	-5.9	17	846
IE	31.3	29.3	29.3	26.4	26.6	27.6	27.2	27.3	28.1	27.8	27.8	26.9	32.0	0.7	2.7	3	14,701
EL	12.5	14.4	13.6	13.5	13.6	14.2	14.5	14.6	14.8	15.0	16.3	14.0	14.6	2.1	0.2	19	9,891
ES	24.1	19.6	20.2	20.5	19.0	18.7	18.6	19.5	21.1	22.3	23.0	22.9	23.7	-0.4	4.1	8	79,076
FR	12.3	19.0	18.8	18.3	18.5	18.2	18.4	17.9	17.5	18.1	18.0	17.8	17.9	5.6	-1.0	16	156,871
IT	26.2	27.5	26.7	26.3	25.6	25.8	26.1	26.2	26.4	27.4	27.2	27.5	27.1	0.9	-0.5	7	181,781
CY	14.8	12.2	12.7	13.9	14.0	10.7	11.1	12.8	15.5	13.0	11.2	11.6	11.9	-2.9	-0.3	23	752
LV	16.0	18.8	19.3	19.7	20.4	20.8	19.6	19.8	20.1	21.8	20.4	22.5	20.3	4.3	1.5	13	1,131
LT	22.7	25.5	25.2	24.1	23.3	24.0	24.1	23.1	22.3	21.7	14.1	13.5	13.6	-9.1	-11.9	21	1,093
LU	21.7	18.3	17.7	16.2	17.2	17.8	19.0	20.9	20.0	21.7	20.6	21.1	22.2	0.5	3.9	10	3,517
HU	16.0	18.5	19.6	19.9	18.6	17.5	17.6	18.1	18.0	19.0	18.5	17.2	13.3	-2.8	-5.2	22	4,896
MT	18.9	17.5	19.7	20.7	20.3	20.9	20.2	20.9	18.3	17.9	19.7	19.0	19.1	0.2	1.6	14	419
NL	19.2	15.0	16.1	18.1	17.5	16.0	17.5	17.8	19.1	18.4	22.4	21.8	20.9	1.8	5.9	12	48,370
AT	22.4	23.3	23.9	24.0	23.9	23.4	22.7	23.2	23.6	24.4	23.4	23.2	23.2	0.7	-0.2	9	29,299
PL	22.6	13.5	13.9	13.1	13.1	11.6	12.0	13.6	15.0	15.6	14.6	14.0	13.8	-8.8	0.2	20	16,519
PT	18.1	17.1	17.4	16.6	16.4	16.5	16.4	16.3	16.7	17.0	18.4	17.7	18.5	0.4	1.4	15	10,516
RO	25.1	11.4	11.5	9.7	10.2	10.5	8.3	10.0	11.2	12.1	13.1	12.3	11.8	-13.4	0.3	24	4,368
SI	15.0	15.0	15.2	15.0	15.0	15.0	14.3	15.0	14.7	15.7	15.5	15.0	15.0	0.0	0.0	18	2,017
SK	8.9	9.9	10.6	9.9	9.8	8.5	8.4	8.6	8.7	9.4	8.4	8.2	8.8	-0.1	-1.1	27	1,741
FI	31.1	30.6	31.5	31.3	31.0	30.5	30.7	30.3	30.3	30.9	31.2	29.7	29.4	-1.7	-1.2	4	24,181
SE	34.8	35.2	35.6	35.9	36.5	36.4	36.7	37.5	36.3	35.8	35.1	34.2	33.8	-1.0	-1.4	2	58,135
UK	29.5	29.4	30.0	29.8	28.6	28.3	28.8	28.6	29.7	28.5	30.0	28.3	27.9	-1.6	-1.5	6	176,129
NO	25.5	24.1	24.3	24.8	24.9	23.7	22.2	20.7	22.2	21.5	24.1	23.6	23.2	-2.4	-0.9		34,746
IS	31.5	35.3	39.0	39.4	38.8	37.9	36.1	35.4	35.9	39.4	38.9	37.6	38.3	6.7	3.0		1,385
<b>EU-27</b>																<b>Total:</b>	<b>1,155,678</b>
<b>weighted</b>	23.4	24.3	24.4	24.2	23.6	23.1	23.2	23.3	23.8	24.0	24.3	23.7	23.5	0.1	-0.8		
<b>arithmetic</b>	22.3	21.2	21.5	21.2	21.0	20.6	20.4	20.7	21.1	21.4	21.2	20.6	20.6	-1.6	-0.6		
<b>EA-17</b>																<b>Total:</b>	<b>828,102</b>
<b>weighted</b>	21.3	22.3	22.4	22.1	21.6	21.1	21.2	21.3	21.8	22.5	22.7	22.3	22.3	0.9	-0.1		
<b>arithmetic</b>	20.8	20.2	20.5	20.2	20.0	19.7	19.6	19.9	20.2	20.6	20.6	20.1	20.6	-0.2	0.4		
<b>EU-25</b>																	
<b>weighted</b>	23.4	24.4	24.5	24.2	23.6	23.2	23.3	23.4	23.9	24.1	24.4	23.8	23.7	0.2	-0.7		
<b>arithmetic</b>	22.5	22.0	22.3	22.1	21.9	21.5	21.3	21.7	21.9	22.2	22.0	21.3	21.4	-1.1	-0.6		
<b>Convergence</b>																	
<b>St.dev/mean</b>	41.6	43.1	43.7	44.2	44.3	44.9	45.1	44.0	43.1	43.1	45.6	44.1	44.7	3.1	1.6		
<b>Max-min</b>	45.0	41.9	42.9	44.0	43.4	42.4	40.8	41.7	43.1	43.6	46.8	43.0	42.1	-2.9	0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 18: Direct Taxes as % of GDP - Corporate income tax

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.3	3.2	3.1	3.0	2.9	3.1	3.2	3.6	3.5	3.3	2.5	2.7	3.0	0.6	-0.2	8	11,037
BG	4.5	2.7	3.8	3.0	2.8	2.5	1.8	2.1	4.4	3.2	2.6	2.0	1.9	-2.6	-0.8	21	727
CZ	4.4	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4	3.4	-1.0	0.0	5	5,238
DK	2.3	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.8	2.8	0.4	-0.5	9	6,681
DE	2.0	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	2.6	0.6	-0.4	11	66,220
EE	2.4	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	1.3	-1.2	0.4	25	201
IE	2.7	3.7	3.6	3.7	3.8	3.7	3.5	3.9	3.6	2.9	2.4	2.5	2.4	-0.3	-1.4	13	3,793
EL	2.3	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.5	2.1	-0.2	-2.0	19	4,391
ES	1.9	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.9	1.9	0.0	-1.3	22	19,852
FR	1.8	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	2.3	0.5	-0.5	15	45,513
IT	3.3	2.4	3.2	2.7	2.3	2.4	2.3	2.9	3.3	3.1	2.5	2.4	2.3	-1.1	-0.2	16	35,789
CY	4.0	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	6.8	2.8	0.6	1	1,228
LV	1.8	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0	1.4	-0.4	-0.2	24	283
LT	2.0	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0	0.8	-1.2	0.1	27	253
LU	6.6	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.4	5.8	5.8	5.0	-1.5	-1.9	3	2,148
HU	1.9	2.2	2.3	2.3	2.2	2.1	2.1	2.3	2.8	2.6	2.2	1.2	1.2	-0.7	-1.1	26	1,151
MT	2.6	3.5	3.3	3.5	4.2	3.6	3.8	4.3	6.2	6.1	6.1	6.0	5.9	3.3	2.4	2	389
NL	3.3	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	2.2	-1.1	-2.1	17	13,322
AT	1.6	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	2.3	0.7	0.1	14	6,971
PL	2.7	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	2.1	-0.6	-0.3	20	7,704
PT	2.3	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	3.2	0.9	-0.5	6	5,508
RO	3.7	3.0	2.5	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	2.2	-1.5	-0.8	18	2,852
SI	0.5	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	1.7	1.2	0.5	23	611
SK	6.0	2.6	2.6	2.5	2.8	2.6	2.7	2.9	3.0	3.1	2.5	2.5	2.4	-3.6	-0.2	12	1,666
FI	2.3	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	2.7	0.4	-3.2	10	5,153
SE	2.6	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	3.4	0.8	-0.3	4	13,365
UK	2.7	3.6	3.5	2.9	2.7	2.9	3.3	3.9	3.4	3.6	2.8	3.1	3.1	0.4	-0.5	7	54,196
NO	4.4	8.9	8.9	8.1	8.0	9.8	11.7	12.7	11.0	12.2	9.1	10.0	10.7	6.3	1.7		37,626
IS	1.1	1.1	0.9	0.8	1.3	1.2	2.0	2.4	2.5	2.0	1.8	1.1	1.9	0.8	0.8		192
<b>EU-27</b>																<b>Total:</b>	<b>316,242</b>
<b>weighted</b>	2.4	3.1	2.9	2.6	2.4	2.7	2.9	3.3	3.3	3.0	2.2	2.4	2.5	0.1	-0.6		
<b>arithmetic</b>	2.8	3.2	3.1	3.0	2.9	2.9	3.1	3.3	3.6	3.4	2.7	2.6	2.7	-0.2	-0.5		
<b>EA-17</b>																<b>Total:</b>	<b>223,793</b>
<b>weighted</b>	2.3	3.0	2.8	2.6	2.4	2.6	2.8	3.2	3.3	2.9	2.0	2.2	2.4	0.1	-0.7		
<b>arithmetic</b>	2.8	3.5	3.4	3.3	3.1	3.0	3.2	3.4	3.7	3.5	2.9	2.9	2.9	0.1	-0.6		
<b>EU-25</b>																	
<b>weighted</b>	2.4	3.1	2.9	2.6	2.4	2.7	2.9	3.3	3.3	3.0	2.2	2.4	2.5	0.2	-0.6		
<b>arithmetic</b>	2.7	3.2	3.1	3.0	2.9	2.9	3.1	3.4	3.6	3.4	2.7	2.7	2.7	0.0	-0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	46.7	46.2	46.9	49.1	42.7	30.6	31.8	28.7	31.8	34.2	48.2	51.2	51.1	4.4	4.9		
<b>Max-min</b>	6.0	6.3	6.8	7.4	6.0	4.1	4.4	4.0	5.2	5.5	5.2	5.2	6.0	0.0	-0.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 19: Direct Taxes as % of Total Taxation - Corporate income tax

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	5.4	7.1	6.9	6.7	6.4	6.9	7.2	8.0	8.0	7.6	5.8	6.2	6.8	1.4	-0.3	12	11,037
BG	14.6	8.6	12.5	10.5	8.9	7.8	5.9	6.8	13.1	9.8	8.8	7.4	6.9	-7.6	-1.7	11	727
CZ	12.4	9.8	11.4	12.0	12.5	12.2	12.2	13.0	13.0	12.2	10.5	10.0	9.7	-2.6	-0.1	4	5,238
DK	4.8	6.6	5.8	6.0	6.1	6.5	7.7	8.8	7.8	6.9	4.9	5.9	5.8	1.0	-0.8	18	6,681
DE	5.0	7.1	4.3	4.2	4.6	5.7	6.5	7.6	7.6	6.9	5.1	5.8	6.6	1.6	-0.5	13	66,220
EE	6.7	2.9	2.3	3.6	5.1	5.4	4.7	4.9	5.2	5.1	5.2	4.0	3.8	-2.8	1.0	25	201
IE	8.3	12.0	12.1	13.1	13.1	12.2	11.4	12.3	11.3	9.8	8.6	9.0	8.3	-0.1	-3.7	8	3,793
EL	8.0	12.0	10.1	10.0	9.1	9.6	10.3	8.6	7.9	7.8	8.1	7.7	6.5	-1.5	-5.5	14	4,391
ES	5.9	9.2	8.5	9.5	9.2	10.0	10.9	11.5	12.8	8.8	7.6	5.8	5.9	0.1	-3.2	17	19,852
FR	4.2	6.3	7.0	5.9	5.0	5.4	5.3	6.6	6.7	6.3	3.0	4.5	5.2	1.0	-1.1	22	45,513
IT	8.4	5.9	7.8	6.6	5.7	5.9	5.8	7.1	7.6	7.2	5.7	5.6	5.3	-3.1	-0.5	21	35,789
CY	14.9	20.9	20.4	19.6	13.5	11.3	13.3	15.3	16.9	18.4	18.4	17.4	19.4	4.5	-1.4	1	1,228
LV	5.5	5.3	6.6	7.1	5.3	6.1	6.9	7.5	8.9	10.9	5.9	3.5	5.1	-0.4	-0.2	23	283
LT	7.4	2.3	1.9	2.1	4.9	6.6	7.3	9.4	8.7	9.1	6.3	3.7	3.2	-4.3	0.9	26	253
LU	17.7	17.8	18.4	20.4	19.2	15.3	15.4	13.8	14.8	14.3	14.7	15.4	13.5	-4.1	-4.3	3	2,148
HU	4.5	5.6	6.0	6.1	5.8	5.6	5.6	6.3	6.9	6.5	5.4	3.1	3.1	-1.4	-2.5	27	1,151
MT	10.1	12.9	11.5	11.8	13.8	11.5	11.6	12.9	18.2	18.5	18.3	18.4	17.8	7.7	4.9	2	389
NL	8.1	10.9	11.0	9.4	8.1	8.8	9.7	9.4	9.1	8.8	5.6	6.0	5.8	-2.4	-5.1	19	13,322
AT	3.8	5.0	7.2	5.5	5.3	5.6	5.5	5.6	6.2	6.2	4.4	4.8	5.5	1.7	0.5	20	6,971
PL	7.3	7.5	5.8	6.3	5.6	7.1	7.6	7.1	7.9	7.9	7.2	6.3	6.4	-0.9	-1.0	15	7,704
PT	7.8	12.0	10.6	10.5	8.8	9.4	8.5	9.1	10.9	11.1	9.2	9.0	9.7	1.9	-2.3	5	5,508
RO	13.4	9.8	8.8	9.3	10.1	11.6	9.8	10.0	10.5	10.7	9.9	8.5	7.7	-5.7	-2.1	10	2,852
SI	1.3	3.1	3.4	4.1	4.6	5.0	7.2	7.7	8.6	6.7	4.9	5.0	4.5	3.2	1.4	24	611
SK	15.0	7.7	7.8	7.6	8.4	8.2	8.7	9.9	10.2	10.7	8.7	9.0	8.4	-6.5	0.8	7	1,666
FI	5.0	12.5	9.4	9.3	7.7	8.1	7.6	7.7	9.0	8.1	4.7	6.0	6.3	1.2	-6.2	16	5,153
SE	5.4	7.3	5.3	4.3	4.6	6.0	7.3	7.5	8.1	6.3	6.4	7.4	7.8	2.4	0.5	9	13,365
UK	7.9	9.7	9.5	8.1	7.9	8.1	9.3	10.8	9.4	9.6	8.0	8.7	8.6	0.6	-1.1	6	54,196
NO	10.5	20.9	20.7	18.9	18.9	22.8	26.9	29.3	25.6	28.9	21.6	23.4	25.1	14.6	4.2		37,626
IS	3.4	3.1	2.6	2.2	3.4	3.1	5.0	5.9	6.3	5.6	5.3	3.0	5.3	1.9	2.2		192
<b>EU-27</b>																<b>Total:</b>	<b>316,242</b>
<b>weighted</b>	6.0	7.7	7.3	6.7	6.3	6.9	7.4	8.4	8.5	7.7	5.7	6.2	6.4	0.4	-1.3		
<b>arithmetic</b>	8.1	8.8	8.6	8.5	8.1	8.2	8.5	9.1	9.8	9.3	7.8	7.5	7.5	-0.6	-1.2		
<b>EA-17</b>																<b>Total:</b>	<b>223,793</b>
<b>weighted</b>	5.7	7.4	7.0	6.5	6.0	6.6	7.0	7.9	8.2	7.3	5.2	5.6	6.0	0.3	-1.4		
<b>arithmetic</b>	8.0	9.7	9.3	9.3	8.7	8.5	8.8	9.3	10.1	9.5	8.1	8.2	8.2	0.2	-1.5		
<b>EU-25</b>																	
<b>weighted</b>	6.0	7.7	7.3	6.7	6.3	6.9	7.4	8.4	8.4	7.7	5.7	6.1	6.4	0.4	-1.3		
<b>arithmetic</b>	7.6	8.8	8.4	8.4	8.0	8.1	8.5	9.1	9.7	9.3	7.7	7.5	7.6	-0.1	-1.2		
<b>Convergence</b>																	
<b>St.dev/mean</b>	50.1	48.5	49.4	50.9	44.7	32.9	31.5	29.0	32.5	36.0	49.5	51.9	51.3	1.2	2.9		
<b>Max-min</b>	16.3	18.6	18.5	18.4	14.7	10.3	10.8	10.5	13.0	13.3	15.4	15.3	16.3	0.0	-2.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 20: Direct Taxes as % of GDP - Other

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	0.8	1.1	1.1	1.2	1.2	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	0.5	0.2	6	4,981
BG	0.3	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.4	0.3	0.4	0.1	0.2	22	154
CZ	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.0	0.0	25	312
DK	2.3	1.6	0.7	0.7	1.1	2.3	3.1	1.5	1.0	1.3	1.3	2.8	2.9	0.5	1.2	1	6,864
DE	0.7	0.6	0.6	0.6	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	-0.1	0.0	16	16,470
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0
IE	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.9	0.4	0.4	10	1,451
EL	1.0	0.8	1.0	0.9	0.7	0.7	0.8	0.9	0.9	0.9	1.1	1.1	1.9	1.0	1.1	3	3,999
ES	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.7	0.7	0.6	-0.1	-0.2	17	6,570
FR	1.4	1.3	1.4	1.3	1.3	1.4	1.5	1.4	1.5	1.4	1.5	1.5	1.7	0.3	0.3	4	33,134
IT	1.2	0.6	0.6	0.7	1.8	1.1	0.6	0.5	0.5	0.5	1.3	0.7	1.0	-0.2	0.4	8	15,581
CY	0.9	1.3	1.1	0.9	0.9	1.5	1.7	0.7	0.8	0.8	0.8	0.8	0.7	-0.2	-0.5	14	128
LV	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.2	0.2	0.3	0.4	0.4	0.2	23	80
LT	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	26	15
LU	0.8	0.9	0.9	1.0	0.9	0.8	0.8	0.7	0.7	0.8	0.9	0.8	0.8	0.0	-0.1	13	361
HU	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.9	0.9	0.6	0.5	11	855
MT	0.6	0.7	0.7	1.3	1.1	0.8	1.2	0.8	1.0	0.7	0.9	0.8	0.8	0.2	0.2	12	56
NL	1.6	1.6	1.3	1.4	1.4	1.4	1.5	1.3	1.3	1.3	1.4	1.4	1.4	-0.2	-0.2	5	8,476
AT	0.8	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	0.1	0.0	9	2,776
PL	0.7	0.3	0.3	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.5	0.5	0.5	-0.2	0.2	20	1,860
PT	0.6	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.6	-0.1	0.0	18	944
RO	0.0	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.4	0.5	0.5	0.5	-0.1	21	635
SI	0.6	0.6	0.6	0.6	0.5	0.6	0.4	0.4	0.4	0.6	0.6	0.7	0.6	0.1	0.0	15	232
SK	1.2	1.5	1.4	1.3	1.2	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.5	-0.7	-0.9	19	354
FI	0.9	1.0	1.0	1.0	1.0	1.1	1.0	1.0	0.9	1.0	1.0	1.1	1.0	0.1	0.0	7	1,980
SE	0.5	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.2	0.3	0.3	0.3	0.2	-0.2	-0.5	24	931
UK	2.2	2.3	2.4	2.4	2.5	2.6	2.6	2.6	2.6	4.1	2.8	2.6	2.7	0.5	0.4	2	46,834
NO	1.0	0.9	0.9	1.0	1.0	1.0	1.0	0.9	1.0	0.9	1.0	0.9	0.9	-0.1	0.0		3,330
IS	1.3	1.8	1.8	1.8	1.3	1.5	1.7	1.7	1.8	1.8	1.8	2.4	1.8	0.6	0.0		183
<b>EU-27</b>																<b>Total:</b>	<b>156,031</b>
<b>weighted</b>	1.1	1.1	1.1	1.1	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.2	0.1	0.1		
<b>arithmetic</b>	0.8	0.8	0.7	0.8	0.8	0.8	0.9	0.7	0.7	0.8	0.8	0.8	0.9	0.1	0.1		
<b>EA-17</b>																<b>Total:</b>	<b>97,492</b>
<b>weighted</b>	1.0	0.9	0.9	0.9	1.1	1.0	0.9	0.9	0.9	0.9	1.0	0.9	1.0	0.0	0.2		
<b>arithmetic</b>	0.8	0.9	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.8	0.9	0.1	0.0		
<b>EU-25</b>																	
<b>weighted</b>	1.2	1.1	1.1	1.1	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.2	0.1	0.1		
<b>arithmetic</b>	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.1	0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	76.8	69.6	70.6	70.0	72.1	77.0	85.5	74.6	72.5	96.7	74.6	80.2	78.6	1.8	9.0		
<b>Max-min</b>	2.3	2.3	2.4	2.4	2.5	2.6	3.1	2.6	2.6	4.1	2.8	2.8	2.9	0.5	0.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 21: Direct Taxes as % of Total Taxation - Other

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	1.9	2.4	2.4	2.7	2.8	3.2	3.2	3.0	2.9	2.9	3.0	3.0	3.1	1.1	0.6	7	4,981
BG	1.1	0.6	0.6	0.7	0.8	1.0	1.2	1.7	1.9	1.9	1.2	1.3	1.5	0.4	0.9	22	154
CZ	0.5	0.7	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	0.1	-0.1	24	312
DK	4.8	3.3	1.5	1.6	2.3	4.7	6.1	2.9	2.0	2.7	2.6	5.8	6.0	1.2	2.7	2	6,864
DE	1.8	1.4	1.5	1.4	1.4	1.6	1.7	1.8	1.9	1.9	1.7	1.7	1.6	-0.2	0.2	20	16,470
EE	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	27	0
IE	1.5	1.5	1.4	1.3	1.5	1.4	1.4	1.5	1.6	1.8	2.3	2.3	3.2	1.6	1.6	6	1,451
EL	3.3	2.4	2.9	2.6	2.3	2.3	2.5	2.9	2.9	3.0	3.6	3.5	5.9	2.7	3.5	3	3,999
ES	2.2	2.4	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.7	2.2	2.1	2.0	-0.2	-0.5	15	6,570
FR	3.3	3.0	3.1	3.1	3.1	3.2	3.3	3.3	3.4	3.3	3.4	3.6	3.8	0.5	0.7	4	33,134
IT	3.0	1.4	1.3	1.7	4.4	2.6	1.4	1.2	1.1	1.2	3.0	1.7	2.3	-0.7	0.9	10	15,581
CY	3.4	4.2	3.6	3.0	2.8	4.6	4.8	2.1	2.0	2.1	2.2	2.1	2.0	-1.4	-2.1	14	128
LV	0.0	0.6	0.6	0.7	0.8	0.7	0.7	0.6	1.2	0.8	0.7	1.0	1.4	1.4	0.9	23	80
LT	0.3	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	-0.1	0.0	26	15
LU	2.2	2.4	2.3	2.5	2.4	2.0	2.2	2.0	2.1	2.0	2.4	2.1	2.3	0.0	-0.1	12	361
HU	0.6	0.8	0.8	0.8	0.9	1.0	1.1	1.0	0.8	0.8	1.1	2.3	2.3	1.7	1.5	11	855
MT	2.3	2.5	2.6	4.2	3.6	2.7	3.7	2.5	2.8	2.2	2.6	2.6	2.5	0.2	0.0	8	56
NL	3.9	4.1	3.5	3.7	3.7	3.8	3.9	3.3	3.4	3.4	3.8	3.7	3.7	-0.2	-0.4	5	8,476
AT	2.0	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.2	0.2	0.0	13	2,776
PL	1.8	1.1	1.0	1.8	1.8	1.7	1.7	1.5	1.7	1.7	1.7	1.6	1.6	-0.2	0.5	21	1,860
PT	2.1	1.7	1.7	1.8	1.5	1.4	1.4	1.4	1.3	1.4	1.3	1.4	1.7	-0.5	0.0	19	944
RO	0.0	1.9	1.9	1.5	1.2	1.2	1.1	1.2	1.4	1.2	1.4	1.9	1.7	1.7	-0.1	18	635
SI	1.4	1.7	1.7	1.5	1.4	1.5	1.1	1.1	1.1	1.6	1.7	1.8	1.7	0.3	0.1	17	232
SK	2.9	4.3	4.1	3.8	3.5	2.7	2.0	2.2	2.1	2.1	2.0	2.0	1.8	-1.1	-2.5	16	354
FI	2.0	2.2	2.2	2.3	2.2	2.4	2.4	2.2	2.1	2.4	2.4	2.5	2.4	0.4	0.3	9	1,980
SE	1.0	1.4	1.2	1.1	1.1	1.1	1.0	1.0	0.5	0.6	0.6	0.6	0.5	-0.5	-0.8	25	931
UK	6.3	6.3	6.6	6.9	7.2	7.3	7.2	7.1	7.2	10.9	8.1	7.4	7.4	1.1	1.1	1	46,834
NO	2.5	2.1	2.2	2.3	2.3	2.3	2.2	2.1	2.3	2.2	2.4	2.2	2.2	-0.3	0.1		3,330
IS	3.8	5.0	5.2	5.1	3.7	3.9	4.1	4.1	4.5	4.8	5.3	6.8	5.1	1.3	0.1		183
<b>EU-27</b>																<b>Total:</b>	<b>156,031</b>
<b>weighted</b>	2.9	2.8	2.8	2.9	3.2	3.2	3.1	2.9	2.9	3.4	3.2	3.0	3.2	0.3	0.4		
<b>arithmetic</b>	2.1	2.1	2.0	2.1	2.1	2.2	2.2	1.9	2.0	2.1	2.1	2.2	2.4	0.3	0.3		
<b>EA-17</b>																<b>Total:</b>	<b>97,492</b>
<b>weighted</b>	2.5	2.1	2.2	2.2	2.7	2.5	2.3	2.2	2.3	2.3	2.7	2.4	2.6	0.1	0.5		
<b>arithmetic</b>	2.3	2.3	2.3	2.4	2.4	2.4	2.3	2.1	2.1	2.1	2.3	2.2	2.5	0.2	0.1		
<b>EU-25</b>																	
<b>weighted</b>	2.9	2.8	2.8	2.9	3.2	3.2	3.1	2.9	2.9	3.4	3.2	3.0	3.2	0.3	0.4		
<b>arithmetic</b>	2.2	2.2	2.1	2.2	2.2	2.3	2.3	2.0	2.0	2.2	2.2	2.3	2.5	0.3	0.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	72.6	68.1	70.5	71.1	71.3	72.5	77.3	71.3	71.6	94.0	73.0	71.4	71.5	-1.1	3.3		
<b>Max-min</b>	6.3	6.3	6.5	6.9	7.2	7.3	7.2	7.1	7.2	10.9	8.1	7.4	7.4	1.1	1.1		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 22: Social Contributions as % of GDP - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	14.3	13.9	14.1	14.4	14.3	13.9	13.7	13.5	13.6	13.9	14.5	14.2	14.3	-0.1	0.4	7	52,730
BG	9.6	10.8	9.8	9.6	10.3	10.2	9.7	8.3	8.1	7.8	7.7	7.0	7.3	-2.3	-3.5	22	2,817
CZ	14.6	15.0	14.9	15.4	15.6	15.4	15.4	15.6	15.7	15.5	14.8	15.2	15.4	0.7	0.4	3	24,040
DK	1.1	1.8	1.7	1.2	1.2	1.2	1.1	1.0	1.0	1.0	1.0	1.0	1.0	-0.1	-0.8	27	2,430
DE	16.9	17.1	16.9	16.9	17.0	16.7	16.4	16.0	15.2	15.2	15.9	15.5	15.5	-1.3	-1.5	2	402,550
EE	12.3	10.9	10.7	11.0	10.6	10.3	10.3	10.1	10.5	11.6	13.2	13.1	12.1	-0.2	1.2	13	1,935
IE	4.9	4.4	4.5	4.4	4.4	4.6	4.7	4.8	5.0	5.4	5.8	5.8	5.0	0.1	0.6	26	7,918
EL	9.3	10.5	10.6	11.6	11.7	11.2	11.3	10.7	11.2	11.1	10.5	11.1	10.6	1.3	0.1	16	22,138
ES	11.8	12.0	12.2	12.1	12.2	12.1	12.1	12.1	12.2	12.3	12.4	12.4	12.1	0.3	0.1	12	129,030
FR	18.6	16.1	16.1	16.2	16.4	16.2	16.4	16.5	16.3	16.3	16.8	16.7	16.9	-1.7	0.8	1	336,690
IT	12.5	11.9	11.8	11.9	12.1	12.3	12.3	12.3	12.8	13.4	13.7	13.4	13.4	0.9	1.5	8	211,524
CY	6.6	6.6	6.8	6.8	7.1	7.8	8.3	7.8	7.5	7.8	8.7	8.9	8.7	2.2	2.1	20	1,566
LV	11.9	10.0	9.3	9.4	8.9	8.7	8.4	8.8	8.7	8.3	8.5	8.4	8.6	-3.4	-1.4	21	1,729
LT	7.2	9.3	8.9	8.6	8.5	8.3	8.1	8.4	8.5	8.9	11.6	10.3	9.8	2.6	0.5	17	3,018
LU	9.8	10.1	10.9	10.9	10.8	10.7	10.4	9.9	9.9	10.6	11.7	10.9	11.1	1.2	1.0	15	4,711
HU	14.8	13.3	13.0	12.9	12.6	12.3	12.5	12.6	13.8	13.7	13.2	12.1	13.1	-1.7	-0.1	9	13,106
MT	6.0	6.3	6.5	6.4	6.3	6.3	6.2	6.0	5.8	5.9	5.9	5.9	6.1	0.1	-0.2	25	400
NL	15.9	15.4	13.7	13.3	13.8	13.9	12.9	14.0	13.5	14.5	13.8	14.1	14.8	-1.1	-0.7	5	88,798
AT	14.9	14.7	14.8	14.6	14.6	14.6	14.5	14.3	14.1	14.3	14.8	14.6	14.6	-0.3	-0.2	6	43,759
PL	11.3	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.3	11.3	11.1	11.5	0.1	-1.5	14	42,369
PT	7.8	8.0	8.2	8.3	8.6	8.3	8.4	8.4	8.5	8.8	9.0	9.0	9.3	1.6	1.3	18	15,941
RO	7.6	11.1	10.9	10.7	9.4	9.1	9.6	9.7	9.7	9.3	9.4	8.6	9.0	1.4	-2.1	19	11,810
SI	16.7	14.2	14.4	14.2	14.2	14.2	14.0	13.7	14.1	14.9	15.2	15.0		-1.7	0.8	4	5,435
SK	15.0	14.1	14.3	14.6	13.8	13.1	12.6	11.7	11.7	12.0	12.7	12.3	12.3	-2.7	-1.9	11	8,480
FI	14.1	11.9	12.0	11.9	11.8	11.7	12.0	12.2	11.9	12.0	12.8	12.7	12.5	-1.6	0.6	10	23,713
SE	12.3	12.5	12.2	11.3	10.9	10.6	10.3	9.3	9.3	8.4	8.1	8.2	7.0	-5.2	-5.4	23	27,286
UK	6.0	6.2	6.2	5.9	6.3	6.6	6.7	6.7	6.6	6.8	6.7	6.6	6.7	0.7	0.5	24	116,658
NO	9.8	8.9	9.2	9.9	9.8	9.3	8.8	8.6	8.9	8.8	9.8	9.6	9.5	-0.3	0.6		33,467
IS	2.5	2.9	2.8	2.9	3.1	3.0	3.2	3.3	3.0	2.8	3.1	4.1	4.1	1.6	1.2		414
<b>EU-27</b>																Total:	1,602,581
<b>weighted</b>	13.7	12.7	12.6	12.5	12.7	12.6	12.5	12.4	12.2	12.5	12.9	12.7	12.7	-1.1	0.0		
<b>arithmetic</b>	11.3	11.1	11.1	11.0	11.0	10.8	10.8	10.6	10.6	10.8	11.1	10.9	10.9	-0.4	-0.3		
<b>EA-17</b>																Total:	1,357,317
<b>weighted</b>	15.4	14.5	14.3	14.3	14.5	14.3	14.2	14.1	13.9	14.1	14.5	14.4	14.4	-1.0	-0.1		
<b>arithmetic</b>	12.2	11.7	11.7	11.7	11.7	11.6	11.6	11.4	11.4	11.7	12.2	12.1	12.0	-0.2	0.4		
<b>EU-25</b>																	
<b>weighted</b>	13.8	12.7	12.6	12.5	12.7	12.6	12.5	12.4	12.2	12.5	12.9	12.7	12.7	-1.0	0.0		
<b>arithmetic</b>	11.5	11.2	11.1	11.1	11.1	10.9	10.9	10.8	10.8	10.9	11.3	11.1	11.1	-0.4	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	38.3	33.5	33.1	34.1	34.2	33.5	33.3	34.0	33.8	33.9	33.4	33.9	34.8	-3.5	1.3		
<b>Max-min</b>	17.5	15.3	15.1	15.7	15.8	15.5	15.3	15.4	15.3	15.3	15.8	15.7	15.9	-1.7	0.6		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 23: Social Contributions as % of Total Taxation - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	32.7	30.8	31.4	31.8	31.9	31.1	30.5	30.5	31.0	31.5	33.4	32.4	32.3	-0.3	1.5	14	52,730
BG	31.1	34.4	31.9	33.6	33.2	31.5	31.1	27.0	24.4	24.1	26.6	25.6	26.9	-4.3	-7.5	21	2,817
CZ	41.3	44.4	44.2	44.7	44.1	42.9	43.3	44.2	43.8	45.1	44.5	45.3	44.7	3.4	0.3	1	24,040
DK	2.2	3.6	3.6	2.5	2.5	2.4	2.2	2.1	2.0	2.0	2.1	2.1	2.1	-0.1	-1.5	27	2,430
DE	42.4	41.3	42.8	43.4	43.5	43.5	42.9	41.3	39.3	39.1	40.3	40.9	40.1	-2.2	-1.2	4	402,550
EE	33.9	35.3	35.3	35.4	34.4	33.9	33.5	32.9	33.3	36.6	36.8	38.5	36.9	3.1	1.7	9	1,935
IE	15.0	14.0	15.2	15.5	15.3	15.3	15.3	14.9	15.8	18.1	20.5	20.5	17.2	2.3	3.3	25	7,918
EL	32.1	30.3	31.9	34.4	36.5	35.7	35.2	33.8	34.4	34.7	34.2	35.1	32.8	0.7	2.4	13	22,138
ES	36.7	35.3	36.1	35.5	36.0	35.0	33.7	32.9	32.7	37.3	40.5	38.5	38.6	1.9	3.3	5	129,030
FR	43.5	36.5	36.8	37.5	38.1	37.5	37.3	37.4	37.5	37.7	39.9	39.2	38.4	-5.1	1.9	7	336,690
IT	31.4	28.8	28.6	29.3	29.6	30.4	30.8	29.6	30.0	31.4	31.8	31.6	31.5	0.1	2.7	16	211,524
CY	24.3	22.1	22.3	21.9	21.9	23.6	23.7	21.9	18.8	20.1	24.6	25.1	24.8	0.4	2.6	22	1,566
LV	36.1	33.5	32.3	32.8	31.1	30.5	28.9	28.8	28.6	28.3	32.0	30.7	31.1	-5.0	-2.5	17	1,729
LT	26.0	31.1	31.1	30.3	30.2	29.7	28.6	28.6	28.8	29.7	39.7	38.3	37.6	11.6	6.5	8	3,018
LU	26.5	25.7	27.5	27.7	28.2	28.7	27.8	27.6	27.6	28.3	29.9	29.0	29.7	3.2	4.0	18	4,711
HU	36.1	33.4	33.5	33.8	33.2	32.6	33.5	33.6	34.1	34.0	32.9	31.9	35.5	-0.6	2.1	10	13,106
MT	22.8	23.0	22.4	21.3	20.6	20.1	18.9	18.3	17.0	17.9	17.7	18.0	18.3	-4.6	-4.7	24	400
NL	39.5	38.6	35.7	35.2	36.9	37.1	34.5	35.9	34.8	37.0	36.2	36.4	38.4	-1.0	-0.2	6	88,798
AT	36.0	34.2	32.9	33.4	33.7	33.9	34.5	34.6	33.9	33.6	35.0	34.8	34.6	-1.4	0.4	12	43,759
PL	30.5	39.7	41.6	39.6	39.7	39.2	37.6	36.1	34.3	33.0	35.7	34.9	35.3	4.8	-4.4	11	42,369
PT	26.3	25.7	26.7	26.5	27.2	27.1	26.8	26.2	26.0	26.8	29.1	28.5	28.1	1.8	2.4	20	15,941
RO	27.8	36.7	38.3	38.2	34.1	33.6	34.4	34.0	33.4	33.3	34.9	32.2	31.9	4.1	-4.8	15	11,810
SI	43.0	38.1	38.5	37.6	37.2	37.2	36.9	36.6	36.3	37.7	39.8	40.1	40.4	-2.6	2.3	3	5,435
SK	37.3	41.5	43.1	44.2	42.0	41.6	40.4	40.1	39.9	41.1	43.9	43.7	43.0	5.7	1.5	2	8,480
FI	30.8	25.2	26.9	26.5	26.7	26.8	27.3	27.9	27.7	28.0	29.9	29.8	28.8	-2.0	3.6	19	23,713
SE	25.6	24.2	24.7	23.7	22.8	22.2	21.0	19.3	19.7	18.2	17.4	18.1	15.9	-9.7	-8.3	26	27,286
UK	17.5	16.8	16.9	16.9	18.1	18.7	18.7	18.4	18.3	18.1	19.5	18.7	18.5	1.0	1.7	23	116,658
NO	23.4	20.9	21.5	22.9	23.1	21.7	20.4	19.9	20.8	21.0	23.4	22.5	22.3	-1.1	1.4		33,467
IS	7.4	7.8	8.0	8.1	8.4	8.1	7.9	7.9	7.5	7.7	9.1	11.8	11.4	4.0	3.7		414
<b>EU-27</b>																<b>Total:</b>	<b>1,602,581</b>
<b>weighted</b>	35.0	31.5	31.9	32.1	32.7	32.5	32.0	31.3	31.0	31.8	33.5	33.0	33.5	-1.5	2.0		
<b>arithmetic</b>	30.7	30.5	30.8	30.9	30.7	30.4	30.0	29.4	29.0	29.7	31.4	31.1	30.9	0.2	0.3		
<b>EA-17</b>																<b>Total:</b>	<b>1,357,317</b>
<b>weighted</b>	38.9	35.5	35.8	36.2	36.6	36.4	35.9	35.2	34.6	35.7	37.1	36.8	36.5	-2.4	1.0		
<b>arithmetic</b>	32.6	31.0	31.4	31.6	31.8	31.7	31.2	30.7	30.4	31.6	33.1	33.1	32.6	0.0	1.6		
<b>EU-25</b>																	
<b>weighted</b>	35.0	31.5	31.9	32.1	32.7	32.5	32.0	31.3	31.0	31.9	33.5	33.0	32.7	-2.4	1.2		
<b>arithmetic</b>	30.8	30.1	30.5	30.5	30.5	30.3	29.7	29.3	29.0	29.8	31.5	31.3	31.0	0.2	0.9		
<b>Convergence</b>																	
<b>St.dev/mean</b>	30.4	30.4	30.1	30.8	30.4	30.0	30.2	31.1	31.3	31.5	30.6	30.7	31.4	1.1	1.1		
<b>Max-min</b>	41.3	40.8	40.7	42.2	41.6	41.2	41.1	42.1	41.8	43.1	42.4	43.2	42.6	1.2	1.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 24: Social Contributions as % of GDP - Employers

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	8.6	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.5	8.6	0.0	0.3	6	31,914
BG	9.1	8.6	7.7	7.3	7.9	7.8	6.9	5.6	5.5	4.8	4.6	4.5	4.8	-4.3	-3.9	22	1,829
CZ	9.5	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.3	9.7	9.8	0.3	0.1	3	15,352
DK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	27	133
DE	7.5	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.5	6.8	6.7	6.7	-0.8	-0.8	12	173,560
EE	12.1	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.5	12.2	11.2	-0.9	0.5	2	1,789
IE	2.8	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.1	3.3	3.3	3.2	3.5	0.6	0.8	25	5,547
EL	4.3	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.2	4.8	0.5	-0.1	20	9,927
ES	8.2	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.7	8.5	0.3	-0.2	7	90,541
FR	11.4	11.1	11.0	11.1	11.2	11.0	11.1	11.2	11.0	11.1	11.4	11.3	11.5	0.1	0.4	1	229,434
IT	8.3	8.3	8.3	8.3	8.6	8.6	8.6	8.5	8.8	9.2	9.3	9.2	9.2	0.9	0.9	4	145,070
CY	4.3	4.5	4.6	4.5	4.8	5.3	5.9	5.5	5.1	5.3	5.9	6.1	5.9	1.6	1.5	15	1,063
LV	11.6	7.5	6.9	6.9	6.4	6.3	6.1	6.4	6.3	6.0	6.2	6.0	6.3	-5.3	-1.1	14	1,278
LT	6.9	8.4	8.0	7.7	7.6	7.5	7.3	7.5	7.6	8.0	8.6	7.6	7.3	0.4	-1.1	9	2,247
LU	4.5	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.5	5.0	4.7	4.8	0.2	0.4	21	2,029
HU	11.9	10.7	10.3	10.1	9.8	9.4	9.7	9.5	9.8	9.8	9.3	7.8	7.9	-4.0	-2.8	8	7,876
MT	3.0	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.7	2.7	2.7	2.8	-0.2	0.0	26	183
NL	2.0	4.5	4.3	4.3	4.3	4.3	4.0	4.6	4.5	4.8	4.9	5.0	5.0	3.0	0.6	19	30,320
AT	7.3	7.1	7.0	6.9	6.9	6.8	6.8	6.7	6.7	6.7	6.9	6.8	6.8	-0.5	-0.3	11	20,465
PL	5.9	5.7	5.7	5.4	5.2	4.9	4.9	4.8	4.8	4.6	4.7	4.7	4.7	-1.2	-1.0	23	17,246
PT	3.8	4.7	4.8	4.9	4.6	4.6	4.7	4.5	4.8	4.9	5.0	5.2	5.3	1.5	0.6	18	9,072
RO	7.6	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.5	5.7	-2.0	-2.4	17	7,423
SI	8.0	5.5	5.4	5.4	5.4	5.4	5.6	5.5	5.4	5.5	5.7	5.8	5.7	-2.2	0.3	16	2,072
SK	9.6	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	6.6	-2.9	-2.5	13	4,591
FI	9.9	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	9.0	8.9	-1.0	0.1	5	16,859
SE	10.4	10.1	10.6	10.3	10.0	9.7	9.7	9.1	9.1	8.2	7.9	8.0	6.9	-3.5	-3.2	10	26,600
UK	3.3	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	3.8	3.9	0.6	0.4	24	67,424
NO	5.8	5.3	5.6	5.9	5.9	5.6	5.3	5.3	5.5	5.4	6.0	5.9	5.7	-0.1	0.4		20,266
IS	2.3	2.7	2.7	2.8	3.0	2.9	3.1	3.2	2.9	2.7	3.0	4.0	4.0	1.7	1.3		404
<b>EU-27</b>																<b>Total:</b>	<b>921,845</b>
<b>weighted</b>	7.4	7.2	7.2	7.2	7.3	7.2	7.2	7.1	7.1	7.2	7.4	7.3	7.3	-0.1	0.1		
<b>arithmetic</b>	7.1	6.9	6.8	6.7	6.7	6.6	6.5	6.4	6.4	6.5	6.6	6.5	6.4	-0.7	-0.5		
<b>EA-17</b>																<b>Total:</b>	<b>774,436</b>
<b>weighted</b>	8.1	8.2	8.1	8.2	8.2	8.1	8.1	8.0	8.0	8.1	8.3	8.2	8.2	0.1	0.0		
<b>arithmetic</b>	6.8	6.7	6.7	6.7	6.7	6.6	6.6	6.5	6.5	6.7	6.9	6.9	6.8	0.0	0.1		
<b>EU-25</b>																	
<b>weighted</b>	7.4	7.2	7.2	7.2	7.3	7.2	7.2	7.1	7.1	7.3	7.4	7.3	7.3	-0.1	0.1		
<b>arithmetic</b>	7.0	6.8	6.7	6.7	6.7	6.5	6.5	6.4	6.5	6.6	6.7	6.6	6.5	-0.5	-0.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	46.9	41.6	40.9	41.2	41.1	40.3	40.4	40.7	41.1	41.4	42.0	41.3	40.1	-6.8	-1.5		
<b>Max-min</b>	12.1	11.1	11.0	11.1	11.1	11.0	11.0	11.1	11.0	11.3	12.5	12.1	11.4	-0.6	0.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 25: Social Contributions as % of Total Taxation - Employers

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	19.6	18.5	18.7	19.1	19.2	18.7	18.4	18.4	18.8	19.0	20.1	19.5	19.6	0.0	1.1	12	31,914
BG	29.4	27.3	25.0	25.5	25.5	23.9	22.2	18.4	16.6	14.9	16.0	16.4	17.4	-12.0	-9.9	13	1,829
CZ	26.8	28.6	28.6	28.8	28.4	27.6	27.8	28.1	27.7	28.7	27.9	28.9	28.5	1.7	-0.1	2	15,352
DK	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1	27	133
DE	18.9	18.2	18.9	19.0	19.1	18.9	18.3	17.7	16.9	16.8	17.2	17.7	17.3	-1.6	-0.9	14	173,560
EE	33.3	34.7	34.8	34.0	33.1	32.5	32.2	32.0	32.4	35.5	34.9	35.6	34.1	0.9	-0.5	1	1,789
IE	8.7	8.5	9.6	9.5	9.2	8.9	8.9	9.1	9.7	11.0	11.6	11.1	12.1	3.4	3.6	24	5,547
EL	14.6	14.1	14.7	16.3	16.8	16.4	16.0	15.4	15.9	16.3	15.7	16.3	14.7	0.1	0.6	20	9,927
ES	25.6	25.4	26.2	25.7	26.1	25.3	24.5	23.9	23.9	26.8	28.2	26.9	27.1	1.5	1.7	4	90,541
FR	26.7	25.1	25.2	25.6	26.0	25.5	25.2	25.3	25.4	25.6	27.1	26.6	26.2	-0.5	1.1	5	229,434
IT	20.9	20.0	20.1	20.6	20.9	21.3	21.6	20.4	20.7	21.5	21.7	21.7	21.6	0.7	1.6	8	145,070
CY	16.0	14.9	14.9	14.7	14.8	16.2	16.8	15.4	12.8	13.7	16.7	17.0	16.8	0.9	1.9	15	1,063
LV	35.1	25.1	23.9	24.3	22.5	22.1	20.9	20.8	20.7	20.4	23.1	22.2	22.9	-12.1	-2.2	7	1,278
LT	25.0	28.0	27.9	27.3	27.2	26.7	25.6	25.6	25.7	26.5	29.5	28.3	28.0	3.0	0.0	3	2,247
LU	12.2	11.2	12.0	12.2	12.4	12.6	12.1	12.0	11.8	12.1	12.8	12.5	12.8	0.6	1.6	23	2,029
HU	29.0	26.8	26.5	26.5	25.9	25.1	26.0	25.4	24.2	24.2	23.1	20.7	21.3	-7.6	-5.5	9	7,876
MT	11.2	10.1	10.1	9.6	9.3	9.0	8.5	8.2	7.6	8.0	8.0	8.2	8.3	-2.9	-1.8	26	183
NL	5.0	11.2	11.3	11.5	11.6	11.5	10.7	11.7	11.7	12.2	13.0	13.0	13.1	8.2	1.9	22	30,320
AT	17.7	16.4	15.5	15.7	15.9	15.8	16.2	16.2	16.0	15.8	16.3	16.3	16.2	-1.5	-0.2	16	20,465
PL	15.8	17.4	17.8	16.4	16.1	15.7	15.0	14.3	13.8	13.5	14.7	14.9	14.4	-1.5	-3.1	21	17,246
PT	13.0	15.1	15.6	15.5	14.7	15.2	15.1	14.1	14.6	14.9	16.3	16.4	16.0	2.9	0.9	17	9,072
RO	27.8	26.7	24.9	23.0	22.4	21.7	23.0	22.1	21.4	21.6	22.1	20.7	20.0	-7.7	-6.7	11	7,423
SI	20.4	14.6	14.5	14.3	14.2	14.1	14.4	14.3	14.2	14.8	15.4	15.4	15.4	-5.0	0.8	19	2,072
SK	23.7	26.8	26.7	26.9	25.5	24.2	22.4	21.5	21.4	23.0	23.8	24.4	23.3	-0.5	-3.5	6	4,591
FI	21.6	18.5	20.1	19.9	20.1	20.3	20.4	20.4	20.3	20.9	22.0	21.1	20.5	-1.1	2.0	10	16,859
SE	21.7	19.6	21.3	21.7	20.8	20.3	19.8	18.8	19.2	17.7	16.9	17.6	15.5	-6.2	-4.2	18	26,600
UK	9.5	9.5	9.6	9.5	10.1	10.3	10.3	10.2	10.6	10.5	11.2	10.8	10.7	1.1	1.2	25	67,424
NO	13.9	12.5	13.0	13.8	13.9	13.1	12.4	12.2	12.7	12.9	14.3	13.7	13.5	-0.4	1.0		20,266
IS	6.8	7.3	7.6	7.8	8.1	7.8	7.6	7.7	7.3	7.5	8.9	11.6	11.2	4.4	3.8		404
<b>EU-27</b>																<b>Total:</b>	<b>921,845</b>
<b>weighted</b>	18.9	17.9	18.3	18.5	18.8	18.7	18.4	18.0	18.0	18.4	19.3	19.0	18.8	-0.1	0.8		
<b>arithmetic</b>	19.6	19.0	19.0	19.0	18.8	18.5	18.2	17.8	17.6	18.0	18.7	18.5	18.3	-1.3	-0.7		
<b>EA-17</b>																<b>Total:</b>	<b>774,436</b>
<b>weighted</b>	20.5	20.0	20.4	20.6	20.8	20.7	20.4	20.0	19.9	20.4	21.2	21.0	20.8	0.3	0.8		
<b>arithmetic</b>	18.2	17.9	18.2	18.2	18.2	18.0	17.7	17.4	17.3	18.1	18.9	18.8	18.5	0.4	0.7		
<b>EU-25</b>																	
<b>weighted</b>	18.8	17.9	18.3	18.5	18.8	18.6	18.3	18.0	18.0	18.4	19.3	19.0	18.8	0.0	0.9		
<b>arithmetic</b>	18.9	18.3	18.6	18.6	18.4	18.2	17.9	17.6	17.4	18.0	18.7	18.5	18.3	-0.6	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	43.8	41.7	40.3	40.0	39.4	38.3	38.6	38.9	39.4	40.8	39.6	39.3	38.8	-5.0	-3.0		
<b>Max-min</b>	35.1	34.6	34.8	33.9	33.0	32.5	32.1	31.9	32.3	35.5	34.9	35.5	34.0	-1.1	-0.6		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 26: Social Contributions as % of GDP - Employees

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	4.5	4.4	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.2	4.4	4.3	4.3	-0.1	-0.1	8	15,956
BG	0.0	1.7	1.5	1.8	1.9	1.9	2.1	2.1	2.1	2.5	2.6	2.0	2.0	2.0	0.4	22	787
CZ	3.6	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.1	3.1	-0.4	-0.3	12	4,883
DK	1.1	1.8	1.7	1.2	1.2	1.1	1.1	1.0	1.0	0.9	1.0	1.0	1.0	-0.1	-0.8	25	2,297
DE	6.8	6.8	6.8	6.7	6.7	6.5	6.5	6.4	6.1	6.1	6.3	6.2	6.3	-0.4	-0.5	3	164,200
EE	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.5	0.8	0.8	0.8	0.8	26	127
IE	1.8	1.5	1.5	1.5	1.6	1.7	1.7	1.6	1.7	1.9	2.3	2.5	1.3	-0.6	-0.2	24	2,040
EL	3.8	4.1	4.2	4.5	4.7	4.4	4.5	4.2	4.2	4.2	3.8	4.2	4.1	0.3	0.0	9	8,538
ES	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	1.9	1.9	0.0	0.0	23	20,408
FR	5.8	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.1	4.1	4.1	-1.7	0.1	10	81,415
IT	2.4	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.4	2.4	0.0	0.1	19	37,454
CY	1.8	1.8	1.9	1.9	2.0	2.1	2.1	2.0	2.1	2.1	2.4	2.5	2.4	0.6	0.6	18	431
LV	0.3	2.5	2.4	2.4	2.4	2.4	2.3	2.4	2.4	2.2	2.3	2.3	2.2	1.9	-0.3	21	441
LT	0.2	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.9	2.6	2.3	2.2	2.0	1.4	20	680
LU	3.9	4.5	4.9	4.8	4.7	4.5	4.6	4.4	4.5	4.9	5.3	5.0	5.1	1.1	0.6	5	2,160
HU	2.3	2.0	2.1	2.2	2.2	2.3	2.3	2.4	3.3	3.2	3.2	3.6	4.6	2.3	2.6	6	4,617
MT	2.5	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.6	2.7	2.6	2.8	0.3	0.0	15	181
NL	10.2	7.9	6.7	6.4	6.7	6.9	6.4	6.5	6.1	6.6	5.9	6.0	6.4	-3.8	-1.5	2	38,567
AT	6.3	6.0	6.1	6.0	6.0	5.9	5.9	5.8	5.7	5.8	6.0	5.9	5.9	-0.4	-0.1	4	17,720
PL	4.7	5.5	5.5	5.1	5.2	5.0	4.8	4.9	4.8	4.4	4.3	4.1	4.6	-0.1	-0.9	7	16,892
PT	3.5	2.8	3.0	3.1	3.4	3.2	3.2	3.6	3.5	3.5	3.6	3.5	3.7	0.2	0.8	11	6,281
RO	0.0	3.0	3.8	4.2	3.1	3.0	3.0	3.3	3.3	3.2	3.3	2.9	2.9	2.9	-0.1	13	3,833
SI	8.0	7.8	7.7	7.6	7.5	7.4	7.5	7.3	7.2	7.4	7.7	7.8	7.7	-0.3	-0.1	1	2,789
SK	2.8	2.9	3.0	3.0	2.8	2.9	3.0	2.8	2.8	2.9	3.0	3.2	2.9	0.1	0.0	14	2,016
FI	2.6	2.2	2.2	2.1	2.1	2.1	2.2	2.4	2.3	2.2	2.4	2.6	2.7	0.1	0.5	16	5,121
SE	1.6	2.1	1.4	0.7	0.7	0.7	0.3	0.0	0.0	0.0	0.0	0.0	0.0	-1.6	-2.1	27	0
UK	2.5	2.5	2.5	2.4	2.6	2.7	2.8	2.8	2.6	2.7	2.7	2.6	2.6	0.1	0.2	17	46,191
NO	3.4	3.1	3.1	3.4	3.3	3.2	3.0	2.9	3.0	2.9	3.3	3.2	3.2	-0.2	0.1		11,292
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
<b>EU-27</b>																Total:	486,023
<b>weighted</b>	4.7	4.1	4.0	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.8	3.8	3.8	-0.9	-0.2		
<b>arithmetic</b>	3.1	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	0.2	0.0		
<b>EA-17</b>																Total:	405,403
<b>weighted</b>	5.3	4.6	4.5	4.4	4.4	4.3	4.3	4.2	4.2	4.2	4.3	4.3	4.3	-1.0	-0.3		
<b>arithmetic</b>	4.0	3.8	3.7	3.7	3.8	3.7	3.7	3.7	3.6	3.7	3.8	3.9	3.8	-0.2	0.1		
<b>EU-25</b>																	
<b>weighted</b>	4.7	4.1	4.0	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.9	3.8	3.9	-0.9	-0.2		
<b>arithmetic</b>	3.4	3.4	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.4	3.4	3.4	0.0	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	81.1	61.4	59.9	60.0	60.2	59.7	59.2	59.6	57.7	58.0	53.4	53.3	55.7	-25.4	-5.7		
<b>Max-min</b>	10.2	7.9	7.7	7.3	7.2	7.2	7.2	7.3	7.2	7.4	7.7	7.8	7.7	-2.5	-0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 27: Social Contributions as % of Total Taxation - Employees

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	10.2	9.7	10.0	10.0	10.0	9.7	9.5	9.4	9.6	9.6	10.1	9.8	9.8	-0.4	0.1	12	15,956
BG	0.0	5.3	4.9	6.3	6.0	5.7	6.9	6.9	6.4	7.9	9.0	7.2	7.5	7.5	2.2	18	787
CZ	10.0	10.1	10.0	10.1	10.0	9.6	9.8	9.8	9.7	10.1	8.9	9.2	9.1	-0.9	-1.0	14	4,883
DK	2.2	3.6	3.5	2.4	2.4	2.3	2.1	2.0	2.0	2.0	2.0	2.0	2.0	-0.2	-1.6	26	2,297
DE	17.0	16.6	17.2	17.2	17.2	17.1	16.9	16.5	15.9	15.8	16.1	16.4	16.4	-0.6	-0.2	3	164,200
EE	0.0	0.0	0.0	0.9	0.9	0.9	0.9	0.5	0.5	0.6	1.5	2.4	2.4	2.4	2.4	25	127
IE	5.6	4.9	5.1	5.3	5.4	5.6	5.6	5.1	5.4	6.3	8.2	8.7	4.4	-1.2	-0.4	24	2,040
EL	13.2	11.9	12.6	13.3	14.5	14.0	14.0	13.1	13.0	13.1	12.6	13.1	12.6	-0.6	0.7	7	8,538
ES	5.9	5.6	5.7	5.6	5.7	5.5	5.3	5.3	5.2	5.9	6.4	6.0	6.1	0.2	0.5	22	20,408
FR	13.6	9.1	9.1	9.4	9.5	9.4	9.3	9.3	9.4	9.3	9.7	9.6	9.3	-4.3	0.2	13	81,415
IT	6.0	5.4	5.5	5.6	5.4	5.5	5.5	5.3	5.3	5.7	5.8	5.6	5.6	-0.5	0.1	23	37,454
CY	6.8	6.1	6.2	6.1	6.1	6.3	5.9	5.6	5.2	5.5	6.8	6.9	6.8	0.0	0.7	20	431
LV	0.9	8.4	8.2	8.4	8.4	8.3	7.8	7.8	7.7	7.6	8.6	8.3	7.9	7.0	-0.4	17	441
LT	0.8	2.7	2.7	2.6	2.6	2.7	2.6	2.7	2.7	2.8	8.8	8.6	8.5	7.7	5.8	15	680
LU	10.6	11.4	12.2	12.3	12.4	11.9	12.3	12.4	12.5	13.0	13.6	13.3	13.6	3.0	2.2	6	2,160
HU	5.6	5.1	5.4	5.8	5.8	6.1	6.0	6.5	8.3	8.1	8.0	9.6	12.5	6.9	7.4	8	4,617
MT	9.3	10.1	10.1	9.6	9.3	9.0	8.5	8.2	7.6	8.0	8.0	8.1	8.3	-1.1	-1.8	16	181
NL	25.3	19.8	17.6	17.0	17.9	18.3	17.1	16.6	15.7	16.9	15.4	15.5	16.7	-8.6	-3.1	2	38,567
AT	15.2	14.0	13.5	13.7	13.8	13.8	14.0	14.0	13.8	13.7	14.2	14.2	14.0	-1.2	0.0	5	17,720
PL	12.6	16.9	17.2	15.6	16.1	15.8	14.8	14.4	13.7	12.8	13.4	12.8	14.1	1.5	-2.8	4	16,892
PT	11.8	9.2	9.8	9.7	10.9	10.5	10.2	11.1	10.7	10.8	11.7	11.2	11.1	-0.7	1.9	9	6,281
RO	0.0	10.0	13.2	14.9	11.1	10.9	10.8	11.4	11.4	11.3	12.1	10.9	10.3	10.3	0.4	10	3,833
SI	20.6	20.9	20.5	20.0	19.6	19.5	19.4	19.2	19.1	19.9	20.7	20.7	20.7	0.1	-0.2	1	2,789
SK	7.1	8.5	9.0	9.0	8.6	9.2	9.6	9.4	9.4	10.0	10.4	11.2	10.2	3.2	1.7	11	2,016
FI	5.8	4.7	4.9	4.7	4.8	4.8	5.0	5.4	5.2	5.1	5.6	6.2	6.2	0.4	1.5	21	5,121
SE	3.3	4.1	2.8	1.5	1.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	0.0	-3.3	-4.1	27	0
UK	7.3	6.7	6.8	6.7	7.4	7.8	7.8	7.6	7.2	7.0	7.7	7.4	7.3	0.0	0.6	19	46,191
NO	8.1	7.2	7.3	7.8	7.8	7.4	6.9	6.6	6.9	7.0	7.8	7.5	7.5	-0.6	0.4		11,292
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
<b>EU-27</b>																Total:	486,023
<b>weighted</b>	12.0	10.1	10.1	10.0	10.1	10.0	9.8	9.6	9.4	9.6	10.0	9.9	9.9	-2.1	-0.2		
<b>arithmetic</b>	8.4	8.9	9.0	9.0	9.0	8.9	8.8	8.7	8.6	8.8	9.5	9.4	9.4	1.0	0.5		
<b>EA-17</b>																Total:	405,403
<b>weighted</b>	13.4	11.2	11.2	11.2	11.2	11.1	10.9	10.6	10.4	10.7	10.9	10.9	10.9	-2.5	-0.3		
<b>arithmetic</b>	10.8	9.9	9.9	10.0	10.1	10.1	9.9	9.8	9.6	10.0	10.4	10.5	10.3	-0.6	0.4		
<b>EU-25</b>																	
<b>weighted</b>	12.0	10.1	10.1	10.0	10.1	10.0	9.8	9.6	9.4	9.6	10.0	9.9	9.9	-2.1	-0.2		
<b>arithmetic</b>	9.1	9.0	9.0	8.9	9.0	9.0	8.8	8.7	8.6	8.8	9.4	9.5	9.4	0.3	0.4		
<b>Convergence</b>																	
<b>St.dev/mean</b>	76.5	58.1	57.1	56.5	56.6	56.5	56.0	56.6	55.6	54.7	48.5	47.9	50.6	-25.9	-7.5		
<b>Max-min</b>	25.3	20.9	20.5	19.0	18.7	18.6	18.7	19.2	19.1	19.9	20.7	20.7	20.7	-4.6	-0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 28: Social Contributions as % of GDP - Self-employed

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.3	1.3	0.0	0.1	11	4,859
BG	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4	0.5	0.6	0.5	0.0	0.0	17	201
CZ	1.6	1.9	1.9	2.0	2.0	2.1	2.0	2.2	2.3	2.2	2.6	2.4	2.4	0.9	0.5	4	3,804
DK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0
DE	2.6	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.5	2.5	2.7	2.6	2.5	-0.1	-0.2	3	64,790
EE	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	-0.1	-0.1	25	19
IE	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	22	331
EL	1.3	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.8	1.8	1.8	0.5	0.3	8	3,673
ES	1.7	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.8	1.8	1.7	0.0	0.3	9	18,081
FR	1.4	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	-0.1	0.3	12	25,841
IT	1.8	1.4	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.8	1.8	0.1	0.5	7	29,000
CY	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.4	0.4	0.4	0.0	0.1	19	72
LV	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	26	11
LT	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.3	0.2	0.2	21	91
LU	1.4	1.2	1.3	1.3	1.3	1.6	1.3	1.2	1.2	1.2	1.4	1.2	1.2	-0.1	0.0	13	523
HU	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.6	0.0	0.1	15	612
MT	0.6	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.0	-0.2	16	36
NL	3.7	3.1	2.6	2.5	2.8	2.7	2.5	2.9	2.9	3.1	3.0	3.1	3.3	-0.4	0.2	1	19,911
AT	1.3	1.6	1.7	1.7	1.7	1.9	1.8	1.8	1.8	1.8	1.9	1.8	1.9	0.6	0.2	6	5,574
PL	0.8	1.8	2.1	2.5	2.4	2.4	2.5	2.5	2.4	2.3	2.4	2.3	2.2	1.5	0.5	5	8,232
PT	0.4	0.4	0.4	0.4	0.5	0.4	0.5	0.3	0.2	0.3	0.3	0.3	0.3	-0.1	-0.1	20	587
RO	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.2	0.4	0.4	0.4	18	555
SI	0.8	1.0	1.3	1.3	1.3	1.4	1.2	1.2	1.1	1.1	1.4	1.5	1.6	0.8	0.6	10	575
SK	2.6	2.1	2.5	2.8	2.6	2.6	2.6	2.7	2.7	2.4	2.8	2.3	2.7	0.1	0.6	2	1,872
FI	1.6	1.0	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.1	0.9	-0.7	0.0	14	1,733
SE	0.3	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	-0.1	-0.1	23	686
UK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	24	3,043
NO	0.6	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.0	0.0		1,909
IS	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1		10
<b>EU-27</b>																Total:	194,712
<b>weighted</b>	1.6	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.5	1.6	1.6	1.5	-0.1	0.1		
<b>arithmetic</b>	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.1	0.1	0.2		
<b>EA-17</b>																Total:	177,478
<b>weighted</b>	2.0	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.8	1.9	1.9	1.9	-0.1	0.1		
<b>arithmetic</b>	1.4	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	0.0	0.2		
<b>EU-25</b>																	
<b>weighted</b>	1.6	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.4	1.5	1.6	1.6	1.6	-0.1	0.2		
<b>arithmetic</b>	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	0.1	0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	92.0	85.7	83.3	86.7	85.3	84.0	84.9	87.1	86.3	85.3	83.3	82.4	84.1	-7.9	-1.6		
<b>Max-min</b>	3.7	3.1	2.6	2.8	2.8	2.9	2.9	2.9	2.9	3.1	3.0	3.1	3.3	-0.4	0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 29: Social Contributions as % of Total Taxation - Self-employed

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.9	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.9	3.2	3.1	3.0	0.1	0.4	12	4,859
BG	1.7	1.7	2.0	1.8	1.8	1.9	2.0	1.7	1.4	1.3	1.6	2.0	1.9	0.2	0.2	15	201
CZ	4.4	5.7	5.7	5.8	5.7	5.7	5.7	6.3	6.4	6.4	7.6	7.2	7.1	2.6	1.4	3	3,804
DK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0
DE	6.6	6.5	6.7	7.2	7.2	7.5	7.6	7.2	6.5	6.4	6.9	6.9	6.5	-0.1	0.0	5	64,790
EE	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	-0.2	-0.3	25	19
IE	0.6	0.6	0.5	0.7	0.7	0.8	0.8	0.7	0.7	0.8	0.7	0.7	0.7	0.1	0.1	22	331
EL	4.3	4.3	4.6	4.8	5.1	5.3	5.3	5.3	5.5	5.3	6.0	5.8	5.4	1.1	1.1	6	3,673
ES	5.2	4.2	4.2	4.1	4.2	4.2	3.9	3.7	3.7	4.5	5.9	5.5	5.4	0.2	1.2	7	18,081
FR	3.2	2.3	2.5	2.5	2.6	2.7	2.8	2.7	2.7	2.8	3.1	3.1	2.9	-0.2	0.6	13	25,841
IT	4.4	3.3	3.0	3.1	3.2	3.6	3.7	3.8	4.0	4.3	4.3	4.3	4.3	-0.1	1.0	9	29,000
CY	1.6	1.1	1.1	1.1	1.1	1.1	1.0	0.9	0.9	0.9	1.1	1.2	1.1	-0.4	0.0	19	72
LV	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	26	11
LT	0.2	0.4	0.5	0.4	0.4	0.3	0.4	0.4	0.4	0.4	1.4	1.4	1.1	0.9	0.8	20	91
LU	3.7	3.1	3.2	3.2	3.4	4.2	3.4	3.3	3.3	3.3	3.5	3.2	3.3	-0.4	0.2	11	523
HU	1.6	1.4	1.6	1.5	1.5	1.4	1.5	1.7	1.6	1.7	1.8	1.6	1.7	0.1	0.2	16	612
MT	2.3	2.8	2.3	2.2	2.1	2.1	1.9	1.9	1.8	1.8	1.7	1.7	1.6	-0.6	-1.1	17	36
NL	9.2	7.7	6.8	6.6	7.4	7.3	6.7	7.5	7.4	7.9	7.8	7.9	8.6	-0.6	0.9	2	19,911
AT	3.0	3.8	3.8	3.9	4.0	4.3	4.3	4.4	4.2	4.1	4.5	4.3	4.4	1.4	0.6	8	5,574
PL	2.0	5.4	6.7	7.5	7.6	7.7	7.8	7.3	6.8	6.8	7.5	7.2	6.9	4.8	1.4	4	8,232
PT	1.5	1.4	1.3	1.3	1.7	1.4	1.4	1.0	0.7	1.1	1.1	1.0	1.0	-0.4	-0.4	21	587
RO	0.0	0.0	0.1	0.3	0.6	0.9	0.6	0.5	0.6	0.4	0.6	0.6	1.5	1.5	1.5	18	555
SI	2.0	2.6	3.5	3.3	3.5	3.7	3.2	3.1	3.0	3.1	3.8	4.0	4.3	2.3	1.7	10	575
SK	6.5	6.2	7.4	8.4	7.9	8.2	8.4	9.2	9.1	8.1	9.7	8.1	9.5	3.0	3.3	1	1,872
FI	3.4	2.0	2.0	1.9	1.8	1.8	1.9	2.1	2.1	2.0	2.2	2.5	2.1	-1.3	0.1	14	1,733
SE	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	-0.2	-0.1	24	686
UK	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	-0.1	-0.1	23	3,043
NO	1.4	1.2	1.2	1.3	1.3	1.2	1.2	1.1	1.2	1.2	1.3	1.3	1.3	-0.1	0.1		1,909
IS	0.6	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.3	-0.3	-0.1		10
<b>EU-27</b>																<b>Total:</b>	<b>194,712</b>
<b>weighted</b>	4.2	3.5	3.5	3.6	3.7	3.8	3.8	3.7	3.6	3.8	4.2	4.1	4.0	-0.2	0.5		
<b>arithmetic</b>	2.7	2.6	2.7	2.8	2.9	3.0	2.9	2.9	2.9	2.9	3.3	3.1	3.2	0.5	0.6		
<b>EA-17</b>																<b>Total:</b>	<b>177,478</b>
<b>weighted</b>	5.0	4.3	4.3	4.4	4.5	4.6	4.6	4.5	4.4	4.6	5.0	4.9	4.8	-0.2	0.5		
<b>arithmetic</b>	3.6	3.2	3.3	3.4	3.5	3.6	3.5	3.5	3.5	3.5	3.9	3.7	3.8	0.2	0.6		
<b>EU-25</b>																	
<b>weighted</b>	4.2	3.5	3.5	3.6	3.7	3.8	3.8	3.7	3.6	3.8	4.2	4.1	4.0	-0.2	0.5		
<b>arithmetic</b>	2.8	2.8	2.9	3.0	3.0	3.1	3.0	3.1	3.0	3.1	3.4	3.3	3.3	0.5	0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	87.0	84.1	84.2	88.2	86.4	85.8	87.4	90.3	90.2	87.4	86.7	83.8	86.0	-1.0	1.9		
<b>Max-min</b>	9.2	7.7	7.4	8.4	7.9	8.2	8.4	9.2	9.1	8.1	9.7	8.1	9.5	0.3	1.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 30: Taxes received by administrative level as % of GDP - Central Government

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	15.5	16.6	15.7	15.7	15.0	14.6	14.3	14.0	13.2	13.0	11.5	12.3	11.3	-4.2	-5.2	26	41,940
BG	17.8	17.5	17.5	15.7	20.2	21.8	21.0	21.7	24.0	23.1	20.2	19.4	18.8	1.0	1.4	17	7,251
CZ	26.5	24.7	25.1	25.2	25.8	26.0	24.8	24.5	25.0	23.8	22.8	22.9	23.7	-2.8	-1.1	7	36,982
DK	31.9	30.8	29.6	29.4	29.5	30.8	32.6	31.6	35.8	34.8	34.3	33.6	33.8	1.8	2.9	2	81,164
DE	11.1	11.6	11.0	10.9	11.1	10.6	10.8	11.0	11.5	11.6	11.9	11.4	11.8	0.7	0.2	25	305,910
EE	26.1	22.4	21.9	22.4	22.2	21.7	21.7	21.9	22.2	21.4	24.5	23.2	22.4	-3.8	0.0	10	3,568
IE	26.6	26.5	24.8	23.8	24.2	25.4	25.8	27.2	26.4	24.3	22.6	22.8	22.9	-3.7	-3.7	8	36,403
EL	19.0	23.4	22.0	21.5	19.9	19.8	20.6	20.2	20.6	20.2	19.4	20.4	21.6	2.6	-1.9	14	45,003
ES	15.9	16.3	16.0	13.0	12.0	12.2	12.9	13.5	13.8	10.4	8.2	11.1	9.2	-6.7	-7.1	27	97,577
FR	17.5	18.1	17.6	17.1	16.8	17.9	17.4	16.5	15.7	15.1	13.2	14.8	14.3	-3.2	-3.8	21	284,736
IT	23.9	23.1	22.7	22.0	22.0	21.5	21.1	22.6	22.9	22.4	23.0	22.6	22.5	-1.4	-0.6	9	355,120
CY	20.0	22.9	23.4	23.7	24.7	24.5	26.1	27.2	31.8	30.1	25.9	26.0	25.8	5.8	2.9	5	4,631
LV	14.7	14.7	14.6	14.3	14.6	14.5	15.5	16.1	16.1	15.1	12.8	13.0	13.3	-1.3	-1.4	23	2,696
LT	13.5	12.7	12.2	15.1	15.2	15.0	15.3	15.9	15.7	15.3	13.9	13.3	13.3	-0.1	0.7	22	4,111
LU	24.2	26.5	26.4	26.0	25.1	24.8	25.5	24.4	24.2	25.2	25.8	25.1	24.6	0.4	-2.0	6	10,465
HU	24.8	23.7	22.8	22.3	22.1	21.7	21.3	21.3	22.9	24.8	24.8	23.7	21.7	-3.1	-2.0	13	21,643
MT	26.3	27.3	28.9	30.0	30.4	31.0	32.4	32.6	33.5	32.5	33.0	32.2	33.2	6.8	5.9	3	2,170
NL	21.9	22.3	22.6	22.5	21.6	21.6	22.6	23.2	23.4	22.8	22.6	22.9	21.7	-0.2	-0.6	12	130,894
AT	20.2	22.2	24.0	23.4	23.5	23.2	22.4	22.0	22.2	22.3	20.8	20.6	20.5	0.3	-1.7	16	61,718
PL	21.3	16.8	15.9	16.7	16.5	15.1	16.3	17.3	18.1	18.2	16.1	16.5	16.8	-4.5	0.0	20	62,163
PT	20.6	21.2	20.9	21.5	21.6	20.7	21.3	22.0	22.3	22.1	20.3	20.8	22.2	1.6	1.0	11	38,014
RO	17.3	18.0	17.1	16.9	17.4	17.3	17.5	18.0	18.0	17.6	16.4	16.9	18.0	0.7	0.0	19	23,636
SI	20.2	20.6	20.5	21.0	21.2	21.0	21.4	21.2	20.3	19.7	18.7	18.5	18.0	-2.1	-2.5	18	6,528
SK	24.1	18.9	17.7	17.3	18.0	17.1	15.4	14.2	14.4	13.9	12.8	13.0	13.2	-10.9	-5.7	24	9,118
FI	20.8	24.6	22.4	23.0	22.7	22.5	22.6	22.1	21.7	21.2	19.6	19.3	20.5	-0.2	-4.1	15	38,919
SE	28.7	31.2	29.2	28.0	28.0	28.5	29.7	29.8	29.0	27.2	26.8	26.7	26.1	-2.6	-5.1	4	101,061
UK	32.0	34.6	34.5	33.2	32.7	33.2	33.7	34.5	34.0	35.6	32.5	33.3	34.1	2.1	-0.6	1	595,389
NO	24.0	27.3	26.6	27.6	26.3	27.8	28.6	29.4	28.6	28.3	26.3	27.2	27.8	3.8	0.5		98,123
IS	26.8	28.4	26.5	26.5	27.8	28.9	31.3	31.4	30.3	27.1	24.5	26.0	26.4	-0.4	-2.1		2,656
<b>EU-27</b>																<b>Total:</b>	<b>2,408,808</b>
<b>weighted</b>	19.4	21.3	20.8	20.2	19.9	20.0	20.2	20.6	20.6	19.9	18.5	19.2	19.1	-0.4	-2.3		
<b>arithmetic</b>	21.6	21.8	21.4	21.2	21.3	21.3	21.6	21.7	22.2	21.6	20.5	20.6	20.6	-1.0	-1.3		
<b>EA-17</b>																<b>Total:</b>	<b>1,472,713</b>
<b>weighted</b>	16.7	17.7	17.3	16.7	16.5	16.5	16.6	16.8	16.9	16.1	15.4	15.9	15.6	-1.0	-2.0		
<b>arithmetic</b>	20.8	21.4	21.1	20.9	20.7	20.6	20.9	20.9	21.2	20.5	19.6	19.8	19.7	-1.1	-1.7		
<b>EU-25</b>																	
<b>weighted</b>	19.4	21.3	20.8	20.2	19.9	20.0	20.2	20.6	20.6	19.9	18.6	19.2	19.1	-0.4	-2.3		
<b>arithmetic</b>	21.9	22.2	21.7	21.6	21.5	21.4	21.8	21.9	22.3	21.7	20.7	20.8	20.7	-1.2	-1.4		
<b>Convergence</b>																	
<b>St.dev/mean</b>	24.8	25.6	26.2	26.0	25.6	27.0	28.0	27.9	29.5	30.8	33.2	31.2	32.2	7.4	6.5		
<b>Max-min</b>	20.9	23.0	23.5	22.3	21.6	22.6	22.9	23.5	24.3	25.2	26.1	22.5	24.9	4.0	1.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 31: Taxes received by administrative level as % of Total Taxation - Central Government

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	35.4	36.7	34.8	34.7	33.5	32.7	31.9	31.5	30.2	29.3	26.4	28.1	25.7	-9.7	-11.0	27	41,940
BG	57.6	55.5	57.0	55.1	65.2	67.0	67.1	70.6	72.0	71.7	69.7	70.6	69.2	11.6	13.7	6	7,251
CZ	74.7	73.2	74.5	72.8	72.7	72.4	69.7	69.5	69.7	69.1	68.4	68.4	68.7	-6.0	-4.4	7	36,982
DK	65.4	62.4	61.0	61.5	61.4	62.8	64.2	63.7	73.2	72.9	71.8	70.8	70.8	5.4	8.4	5	81,164
DE	27.8	28.1	27.9	28.1	28.3	27.7	28.2	28.6	29.7	29.7	30.2	30.1	30.5	2.7	2.4	25	305,910
EE	72.1	72.2	72.6	72.2	72.2	71.2	71.0	71.2	70.7	67.3	68.2	67.9	68.1	-4.0	-4.2	8	3,568
IE	81.3	84.8	83.6	83.9	84.1	84.4	84.4	84.7	83.8	81.5	80.0	80.4	79.2	-2.1	-5.6	3	36,403
EL	65.1	67.8	66.1	63.9	62.1	63.2	63.8	63.8	63.3	62.8	63.7	64.2	66.6	1.6	-1.1	10	45,003
ES	49.6	47.8	47.6	38.0	35.6	35.2	35.9	36.6	37.2	31.4	26.8	34.5	29.2	-20.4	-18.6	26	97,577
FR	40.9	41.0	40.2	39.6	39.1	41.3	39.6	37.4	36.2	35.0	31.4	34.8	32.5	-8.4	-8.5	24	284,736
IT	60.0	55.7	55.2	54.3	53.7	53.2	52.7	54.3	53.6	52.5	53.4	53.3	52.9	-7.2	-2.8	16	355,120
CY	74.1	76.4	76.2	76.8	76.7	74.4	74.4	76.1	79.3	77.9	73.3	73.0	73.2	-0.9	-3.2	4	4,631
LV	44.4	49.5	50.5	50.0	51.1	50.8	52.9	52.8	52.5	51.5	48.0	47.7	48.4	4.0	-1.1	21	2,696
LT	49.0	42.3	42.8	53.6	54.1	53.2	53.8	54.3	53.0	51.0	47.6	49.1	51.2	2.2	8.9	18	4,111
LU	65.2	67.7	66.5	66.1	65.8	66.5	67.9	68.1	68.0	67.3	65.9	66.9	66.0	0.8	-1.7	11	10,465
HU	60.4	59.6	58.9	58.6	58.1	57.6	57.0	57.0	56.7	61.4	61.9	62.4	58.6	-1.8	-1.0	14	21,643
MT	100.0	100.0	100.0	100.0	100.0	99.0	98.6	98.8	98.7	98.6	99.0	99.0	99.0	-1.0	-1.0	1	2,170
NL	54.5	55.9	58.9	59.7	57.8	57.6	60.2	59.5	60.4	58.3	59.1	59.0	56.7	2.1	0.7	15	130,894
AT	48.9	51.7	53.5	53.7	54.1	54.0	53.3	52.9	53.2	52.3	49.1	49.1	48.8	-0.1	-2.9	19	61,718
PL	57.4	51.6	49.5	51.1	51.3	48.0	49.6	51.1	52.0	52.9	50.7	52.0	51.8	-5.6	0.2	17	62,163
PT	70.0	68.2	67.9	68.3	68.2	68.0	67.9	68.4	68.1	67.5	65.3	66.0	67.0	-3.0	-1.2	9	38,014
RO	63.1	59.5	59.7	60.1	62.8	63.4	63.0	63.0	62.2	62.9	61.1	63.4	63.8	0.7	4.3	12	23,636
SI	51.8	55.1	54.6	55.4	55.6	55.2	55.5	55.3	54.0	52.9	50.0	48.9	48.5	-3.3	-6.6	20	6,528
SK	59.9	55.3	53.3	52.5	54.8	54.3	49.3	48.7	49.0	47.3	44.4	46.4	46.2	-13.7	-9.1	23	9,118
FI	45.5	52.2	50.1	51.4	51.6	51.9	51.4	50.5	50.4	49.4	45.8	45.3	47.3	1.8	-4.9	22	38,919
SE	59.8	60.6	59.1	59.0	58.7	59.3	60.8	61.7	61.2	58.6	57.7	58.8	58.8	-1.0	-1.8	13	101,061
UK	93.4	94.3	94.4	94.3	94.1	94.3	94.3	94.5	94.4	94.5	93.9	94.0	94.3	0.8	0.0	2	595,389
NO	57.1	64.0	62.1	64.1	62.2	64.6	66.2	67.5	66.6	67.1	62.6	63.8	65.4	8.3	1.5		98,123
IS	80.5	76.6	75.0	75.2	75.7	76.4	77.1	75.7	74.9	74.1	72.6	74.3	73.4	-7.2	-3.2		2,656
<b>EU-27</b>																Total:	2,408,808
<b>weighted</b>	49.5	52.8	52.7	51.9	51.1	51.8	51.9	52.1	52.3	50.6	48.3	50.0	49.1	-0.4	-3.8		
<b>arithmetic</b>	60.3	60.2	59.9	59.8	60.1	60.0	60.0	60.2	60.5	59.5	57.9	58.7	58.3	-2.0	-1.9		
<b>EA-17</b>																Total:	1,472,713
<b>weighted</b>	42.0	43.1	43.1	42.3	41.9	42.2	42.1	42.1	42.1	40.8	39.4	40.9	39.6	-2.4	-3.6		
<b>arithmetic</b>	58.9	59.8	59.3	58.7	58.4	58.2	58.0	58.0	58.0	56.5	54.8	55.7	55.1	-3.8	-4.7		
<b>EU-25</b>																	
<b>weighted</b>	49.4	52.8	52.6	51.9	51.1	51.7	51.8	52.0	52.1	50.5	48.2	49.9	48.9	-0.5	-3.9		
<b>arithmetic</b>	60.3	60.4	60.0	60.0	59.8	59.5	59.6	59.6	59.9	58.9	57.3	58.0	57.6	-2.7	-2.8		
<b>Convergence</b>																	
<b>St.dev/mean</b>	26.9	27.2	27.6	27.6	27.7	27.8	27.8	28.1	28.5	29.4	31.4	29.8	30.7	3.8	3.5		
<b>Max-min</b>	72.2	71.9	72.1	71.9	71.7	71.3	70.4	70.2	69.0	69.3	72.5	70.9	73.2	1.1	1.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 32: Taxes received by administrative level as % of GDP - State Government

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	10.0	10.3	10.9	10.4	10.7	10.5	10.8	10.7	10.7	10.9	10.6	10.4	11.0	1.0	0.7	1	40,596
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DE	8.4	9.2	8.4	8.2	8.2	8.1	8.0	8.3	8.6	8.7	8.4	7.9	8.1	-0.3	-1.1	2	210,580
EE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES	1.5	2.6	2.5	6.3	6.9	7.4	7.8	8.0	7.4	7.3	5.8	7.3		5.7	4.7	3	77,288
FR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AT	3.2	3.3	3.3	3.2	3.1	3.1	3.0	3.0	3.5	4.1	4.1	4.2		0.9	0.9	4	12,599
PL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.
<b>Average</b>																Total:	341,062
<b>weighted</b>	7.1	7.6	7.1	7.6	7.7	7.8	7.8	8.1	8.2	8.2	8.0	7.4	7.9	0.8	0.3		
<b>arithmetic</b>	5.8	6.3	6.3	7.0	7.2	7.3	7.4	7.5	7.6	7.6	7.6	7.1	7.6	1.8	1.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	69.7	62.3	64.1	43.6	44.3	42.7	43.8	43.3	42.8	40.8	35.5	38.5	36.6	-33.1	-25.7		
<b>Max-min</b>	8.4	7.7	8.4	7.2	7.7	7.5	7.8	7.7	7.6	7.4	6.5	6.3	6.8	-1.6	-0.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 33: Taxes received by administrative level as % of Total Taxation - State Government

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	22.8	22.8	24.2	23.0	24.0	23.5	24.1	24.0	24.3	24.6	24.5	23.8	24.9	2.1	2.1	1	40,596
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DE	21.2	22.3	21.4	21.1	20.9	21.1	20.8	21.5	22.3	22.3	21.4	20.9	21.0	-0.1	-1.3	3	210,580
EE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES	4.8	7.7	7.5	18.3	20.3	21.4	21.8	21.9	21.4	22.4	23.7	18.2	23.1	18.3	15.5	2	77,288
FR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AT	7.8	7.7	7.4	7.3	7.0	7.1	7.1	7.1	7.3	8.2	9.8	9.8	10.0	2.1	2.3	4	12,599
PL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Average</b>																Total:	341,062
<b>weighted</b>	18.2	18.8	18.1	19.7	20.0	20.3	20.4	20.8	21.2	21.5	21.3	19.8	21.0	2.8	2.2		
<b>arithmetic</b>	14.1	15.1	15.1	17.4	18.1	18.3	18.4	18.6	18.8	19.4	19.9	18.2	19.8	5.6	4.7		
<b>Convergence</b>																	
<b>St.dev/mean</b>	64.6	56.9	59.0	40.2	41.6	41.1	41.7	41.5	41.4	39.0	34.5	33.2	34.0	-30.6	-22.9		
<b>Max-min</b>	18.0	15.1	16.8	15.7	16.9	16.4	17.0	16.9	17.1	16.5	14.8	14.0	14.9	-3.0	-0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 34: Taxes received by administrative level as % of GDP - Local Government

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.1	1.9	2.1	2.2	2.3	2.2	2.2	2.3	2.3	2.1	2.4	2.3	2.3	0.2	0.4	17	8,682
BG	3.5	3.2	3.4	3.2	0.5	0.5	0.6	0.7	0.9	0.9	0.8	0.8	0.8	-2.7	-2.4	24	315
CZ	4.2	3.9	3.6	4.1	4.3	4.5	5.2	5.0	5.1	4.9	4.7	4.7	4.8	0.6	0.9	8	7,474
DK	15.6	16.5	17.0	17.1	17.2	16.9	16.9	16.8	11.9	11.8	12.3	12.7	12.7	-2.8	-3.8	2	30,644
DE	2.5	2.8	2.6	2.5	2.5	2.7	2.8	3.0	3.1	3.1	2.9	2.8	3.0	0.4	0.2	13	77,290
EE	4.8	4.3	4.1	4.0	4.0	4.0	4.0	4.1	4.2	4.9	5.0	4.6	4.4	-0.4	0.1	9	698
IE	0.9	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	1.0	1.0	1.0	0.2	0.4	23	1,610
EL	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.0	-0.1	26	469
ES	2.8	3.1	3.0	2.9	2.8	3.0	3.1	3.2	3.2	3.0	2.9	3.1	3.0	0.2	-0.1	12	31,874
FR	4.5	4.3	4.1	4.1	4.2	4.5	4.8	4.8	5.0	5.0	5.3	4.3	5.5	1.0	1.2	5	109,387
IT	3.1	6.0	6.1	6.3	6.6	6.4	6.4	6.5	6.7	6.6	6.1	6.2	6.4	3.3	0.4	4	100,815
CY	0.4	0.4	0.5	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.1	0.1	25	90
LV	6.4	5.0	5.0	4.9	5.1	5.1	4.9	5.2	5.4	5.6	5.1	5.7	5.4	-1.0	0.4	6	1,097
LT	5.0	6.1	5.7	2.8	2.6	2.8	2.8	3.0	3.4	3.5	3.2	2.6		-2.4	-3.4	15	815
LU	2.4	2.3	2.2	2.4	2.3	1.8	1.7	1.6	1.6	1.7	1.8	1.6	1.7	-0.6	-0.5	19	742
HU	2.7	3.9	4.0	4.0	4.3	4.5	4.3	4.4	4.5	2.6	2.7	2.5	2.4	-0.3	-1.5	16	2,416
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.	n.a.	n.a.
NL	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.3	1.3	1.3	1.4	1.4	1.4	0.1	0.1	21	8,675
AT	5.0	5.0	5.2	4.9	4.7	4.7	4.6	4.6	4.6	4.9	5.0	5.0	5.1	0.1	0.0	7	15,231
PL	4.7	3.0	3.0	3.2	3.0	3.9	4.1	4.2	4.6	4.6	4.2	4.0	4.0	-0.6	1.1	10	14,920
PT	1.6	2.0	1.9	2.0	1.9	2.1	2.1	2.2	2.3	2.3	2.2	2.1	2.2	0.6	0.2	18	3,689
RO	2.5	1.2	1.1	0.9	1.0	0.9	0.9	1.0	1.2	0.9	0.9	1.1	1.1	-1.5	-0.1	22	1,410
SI	2.5	2.7	2.8	2.8	2.9	2.9	2.8	3.0	3.4	3.3	3.7	4.1	4.0	1.6	1.3	11	1,457
SK	1.6	1.4	1.5	1.4	1.3	1.3	3.3	3.1	3.0	3.2	3.3	2.7	3.0	1.4	1.6	14	2,052
FI	10.2	10.2	9.9	9.6	9.3	9.0	9.1	9.2	9.2	9.4	10.2	10.4	10.1	0.0	-0.1	3	19,166
SE	14.2	14.8	15.3	15.5	15.8	15.8	15.7	15.4	15.3	16.1	16.6	15.7	15.2	1.0	0.3	1	58,892
UK	1.3	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.8	1.7	0.5	0.3	20	30,230
NO	8.2	6.4	7.0	5.6	6.2	5.9	5.8	5.5	5.4	5.0	5.9	5.8	5.2	-3.0	-1.2		18,411
IS	6.5	8.7	8.8	8.7	8.9	8.9	9.3	10.1	10.2	9.5	9.3	9.0	9.6	3.1	0.9		965
<b>EU-27</b>																Total:	530,138
<b>weighted</b>	3.5	3.9	3.8	3.8	3.9	4.0	4.0	4.1	4.1	4.1	4.1	3.9	4.2	0.7	0.3		
<b>arithmetic</b>	4.1	4.1	4.1	4.0	4.0	4.0	4.1	4.1	4.0	4.0	4.1	4.0	4.0	-0.1	-0.1		
<b>EA-17</b>																Total:	381,925
<b>weighted</b>	3.1	3.7	3.6	3.6	3.6	3.7	3.8	3.9	4.0	4.0	3.9	3.7	4.1	0.9	0.4		
<b>arithmetic</b>	2.9	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.4	3.3	3.4	0.5	0.3		
<b>EU-25</b>																	
<b>weighted</b>	3.5	3.9	3.8	3.8	3.9	4.0	4.1	4.1	4.1	4.1	4.1	4.0	4.2	0.8	0.4		
<b>arithmetic</b>	4.2	4.3	4.3	4.2	4.2	4.3	4.4	4.4	4.3	4.3	4.4	4.3	4.3	0.1	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	93.7	97.3	99.3	102.1	106.6	103.7	100.5	98.9	87.6	90.4	92.1	92.7	91.0	-2.8	-6.3		
<b>Max-min</b>	15.3	16.2	16.7	16.8	16.9	16.6	16.6	16.6	15.1	15.8	16.3	15.4	15.0	-0.4	-1.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 35: Taxes received by administrative level as % of Total Taxation - Local Government

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	4.9	4.2	4.6	4.9	5.2	5.0	5.0	5.1	5.3	4.7	5.6	5.3	5.3	0.4	1.1	18	8,682
BG	11.2	10.2	11.1	11.3	1.6	1.6	1.8	2.3	2.6	2.9	2.8	2.9	3.0	-8.2	-7.2	24	315
CZ	11.8	11.6	10.7	12.0	12.2	12.5	14.7	14.2	14.1	14.4	14.2	14.0	13.9	2.1	2.3	6	7,474
DK	31.9	33.5	35.1	35.7	35.8	34.4	33.2	33.8	24.4	24.7	25.7	26.7	26.7	-5.2	-6.8	2	30,644
DE	6.4	6.9	6.6	6.5	6.4	7.0	7.3	7.8	7.9	8.1	7.5	7.5	7.7	1.3	0.9	15	77,290
EE	13.1	13.9	13.5	12.9	13.0	13.2	13.0	13.2	13.4	15.4	14.0	13.4	13.3	0.2	-0.5	7	698
IE	2.6	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.8	3.5	3.6	3.5	0.9	1.5	23	1,610
EL	0.9	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	-0.2	-0.2	26	469
ES	8.8	9.1	8.9	8.6	8.4	8.8	8.7	8.8	8.7	9.1	9.5	9.5	9.5	0.7	0.5	14	31,874
FR	10.6	9.7	9.4	9.5	9.7	10.5	10.9	11.0	11.5	11.5	12.5	10.1	12.5	1.9	2.8	8	109,387
IT	7.8	14.4	14.9	15.5	16.1	15.8	15.9	15.6	15.8	15.4	14.2	14.6	15.0	7.2	0.6	5	100,815
CY	1.6	1.4	1.5	1.3	1.4	1.4	1.3	1.4	1.3	1.4	1.4	1.4	1.4	-0.1	0.0	25	90
LV	19.5	17.0	17.3	17.3	17.8	17.9	16.9	17.2	17.8	19.2	19.1	20.9	19.7	0.2	2.8	4	1,097
LT	18.3	20.2	20.0	9.8	9.3	9.9	9.7	9.7	10.2	11.3	11.9	11.8	10.2	-8.2	-10.0	13	815
LU	6.4	5.7	5.6	6.1	5.9	4.9	4.4	4.4	4.5	4.5	4.5	4.4	4.7	-1.7	-1.1	20	742
HU	6.6	9.8	10.3	10.5	11.4	12.0	11.6	11.7	11.1	6.4	6.7	6.5	6.5	0.0	-3.2	16	2,416
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	3.2	3.4	3.6	3.7	3.9	4.0	4.1	3.3	3.3	3.3	3.7	3.7	3.8	0.5	0.3	22	8,675
AT	12.0	11.7	11.5	11.2	10.8	10.9	10.9	11.0	11.1	11.4	11.7	11.9	12.0	0.0	0.3	10	15,231
PL	12.5	9.1	9.3	9.8	9.4	12.5	12.4	12.4	13.2	13.5	13.2	12.7	12.4	-0.1	3.4	9	14,920
PT	5.4	6.4	6.2	6.4	6.1	6.7	6.7	6.7	7.1	7.1	7.1	6.8	6.5	1.1	0.1	17	3,689
RO	9.2	3.9	3.8	3.1	3.5	3.4	3.1	3.4	4.0	3.2	3.5	4.0	3.8	-5.4	-0.1	21	1,410
SI	6.3	7.3	7.4	7.4	7.6	7.6	7.4	7.7	9.1	8.9	10.0	10.8	10.8	4.5	3.5	11	1,457
SK	3.9	4.1	4.4	4.2	4.0	4.3	10.7	10.8	10.3	11.1	11.4	9.7	10.4	6.5	6.3	12	2,052
FI	22.3	21.6	22.1	21.5	21.1	20.8	20.7	21.1	21.3	22.0	23.8	24.4	23.3	1.0	1.7	3	19,166
SE	29.6	28.8	31.0	32.6	33.2	32.8	32.2	31.9	32.4	34.7	35.6	34.5	34.3	4.7	5.4	1	58,892
UK	3.7	4.0	4.1	4.4	4.7	4.7	4.7	4.6	4.6	4.6	5.2	5.0	4.8	1.1	0.8	19	30,230
NO	19.5	15.1	16.4	13.0	14.8	13.7	13.3	12.7	12.6	11.9	13.9	13.7	12.3	-7.3	-2.8		18,411
IS	19.5	23.4	25.0	24.8	24.3	23.6	22.9	24.3	25.1	25.9	27.4	25.7	26.6	7.2	3.2		965
<b>EU-27</b>																<b>Total:</b>	<b>530,138</b>
<b>weighted</b>	8.9	9.5	9.6	9.8	10.0	10.2	10.4	10.3	10.3	10.4	10.7	10.3	10.8	1.9	1.3		
<b>arithmetic</b>	10.4	10.4	10.6	10.4	10.1	10.2	10.4	10.5	10.3	10.5	10.7	10.6	10.6	0.2	0.2		
<b>EA-17</b>																<b>Total:</b>	<b>381,925</b>
<b>weighted</b>	7.9	9.0	9.0	9.1	9.2	9.5	9.7	9.8	10.0	10.0	10.1	9.6	10.3	2.4	1.3		
<b>arithmetic</b>	7.3	7.7	7.7	7.7	7.7	7.8	8.1	8.2	8.4	8.6	8.8	8.6	8.8	1.5	1.1		
<b>EU-25</b>																	
<b>weighted</b>	8.8	9.6	9.6	9.8	10.0	10.3	10.4	10.4	10.4	10.5	10.7	10.4	10.9	2.0	1.3		
<b>arithmetic</b>	10.4	10.7	10.9	10.6	10.7	10.9	11.1	11.1	10.9	11.1	11.4	11.2	11.2	0.8	0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	77.6	78.9	80.9	83.0	87.7	84.4	80.4	80.2	73.2	76.6	76.2	77.4	76.2	-1.4	-2.7		
<b>Max-min</b>	31.0	32.7	34.2	34.9	35.0	33.6	32.5	33.1	31.6	33.8	34.9	33.8	33.6	2.6	0.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 36: Taxes received by administrative level as % of GDP - Social security funds

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	15.1	15.4	15.6	16.1	15.9	16.7	16.8	16.8	16.9	17.6	18.2	18.1	18.8	3.6	3.3	2	69,432
BG	9.6	10.8	9.8	9.6	10.3	10.2	9.7	8.3	8.1	7.8	7.7	7.0	7.3	-2.3	-3.5	20	2,817
CZ	4.8	5.2	5.0	5.2	5.3	5.2	5.2	5.4	5.5	5.4	5.5	5.6	5.7	0.9	0.5	22	8,848
DK	1.1	1.8	1.7	1.2	1.2	1.2	1.1	1.0	1.0	0.9	1.0	1.0	1.0	-0.1	-0.8	25	2,403
DE	16.9	17.1	16.9	16.9	17.0	16.7	16.4	16.0	15.2	15.2	15.9	15.5	15.5	-1.3	-1.5	3	402,550
EE	5.4	4.3	4.2	4.6	4.6	4.6	4.6	4.4	4.6	5.2	6.1	6.1	5.8	0.4	1.5	21	922
IE	4.1	3.5	3.7	3.6	3.6	3.8	3.8	3.9	4.1	4.4	4.4	4.3	4.7	0.6	1.2	23	7,532
EL	9.1	10.3	10.5	11.5	11.6	11.0	11.1	11.0	11.4	11.4	10.6	10.8	10.3	1.2	0.0	14	21,582
ES	11.1	11.5	11.7	11.6	11.7	11.7	11.7	11.7	11.8	11.9	12.0	11.9	11.6	0.5	0.1	11	123,752
FR	19.9	21.2	21.5	21.6	21.7	20.7	21.4	22.5	22.5	22.8	23.4	23.2	23.9	4.0	2.7	1	477,265
IT	12.1	11.9	11.8	11.9	12.1	12.2	12.3	12.3	12.8	13.4	13.7	13.4	13.4	1.2	1.5	6	211,418
CY	6.6	6.6	6.8	6.8	7.1	7.8	8.3	7.8	7.5	7.8	8.7	8.9	8.7	2.2	2.1	17	1,566
LV	11.9	10.0	9.3	9.4	8.9	8.7	8.4	8.8	8.7	8.3	8.5	8.4	8.6	-3.4	-1.4	18	1,729
LT	9.0	11.2	10.6	10.4	10.2	10.2	10.0	10.2	10.5	10.9	11.4	10.2	9.7	0.8	-1.5	15	3,003
LU	9.7	9.8	10.7	10.6	10.5	10.5	10.2	9.7	9.6	10.4	11.4	10.6	10.8	1.1	0.9	13	4,584
HU	13.5	12.2	11.9	11.7	11.6	11.3	11.5	11.4	12.7	12.6	12.3	11.6	12.6	-0.9	0.4	7	12,621
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.	n.a.	n.a.
NL	15.9	15.4	13.7	13.3	13.8	13.9	12.9	14.0	13.5	14.5	13.8	14.1	14.8	-1.1	-0.7	5	88,798
AT	12.1	11.9	11.8	11.7	11.8	11.8	11.8	11.7	11.6	11.8	12.2	12.0	12.0	-0.1	0.2	10	36,179
PL	11.2	12.8	13.3	12.8	12.7	12.2	12.2	12.1	11.8	11.2	11.2	11.0	11.4	0.2	-1.4	12	41,977
PT	6.4	7.3	7.5	7.6	7.8	7.4	7.7	7.7	7.8	8.1	8.3	8.3	8.5	2.1	1.2	19	14,578
RO	7.6	11.1	10.4	10.4	9.3	9.0	9.4	9.6	9.6	9.2	9.3	8.5	9.0	1.4	-2.1	16	11,761
SI	16.3	14.0	14.3	14.1	14.0	14.0	14.1	13.8	13.5	13.9	14.7	15.0	14.8	-1.5	0.8	4	5,365
SK	14.6	13.8	14.0	14.3	13.5	12.9	12.2	11.6	11.5	11.8	12.5	12.0	12.1	-2.5	-1.8	9	8,337
FI	14.0	11.9	12.0	11.8	11.8	11.7	12.0	12.2	11.9	12.0	12.8	12.6	12.5	-1.5	0.6	8	23,696
SE	4.4	4.9	4.4	3.6	3.6	3.5	3.1	2.8	2.8	2.9	3.0	2.8	2.9	-1.5	-2.0	24	11,223
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.	n.a.	n.a.
NO	9.8	8.9	9.2	9.9	9.8	9.3	8.8	8.6	8.9	8.8	9.8	9.6	9.5	-0.3	0.6		33,467
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
<b>EU-27</b>																Total:	1,593,937
<b>weighted</b>	14.6	14.6	14.5	14.4	14.5	14.2	14.2	14.2	14.1	14.3	14.7	14.5	14.6	0.0	0.1		
<b>arithmetic</b>	10.5	10.6	10.5	10.5	10.5	10.3	10.3	10.3	10.3	10.5	10.7	10.5	10.7	0.2	0.0		
<b>EA-17</b>																Total:	1,497,556
<b>weighted</b>	15.5	15.5	15.3	15.3	15.5	15.1	15.2	15.3	15.1	15.5	15.9	15.7	15.9	0.4	0.4		
<b>arithmetic</b>	11.8	11.6	11.7	11.7	11.8	11.7	11.7	11.7	11.6	12.0	12.4	12.3	12.4	0.6	0.8		
<b>EU-25</b>																	
<b>weighted</b>	14.7	14.6	14.5	14.4	14.5	14.2	14.2	14.3	14.1	14.4	14.8	14.6	14.7	0.1	0.1		
<b>arithmetic</b>	10.7	10.6	10.6	10.5	10.5	10.4	10.4	10.4	10.4	10.6	10.9	10.8	10.9	0.2	0.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	44.8	42.6	43.1	44.0	44.1	43.5	44.1	45.7	45.2	45.4	45.0	45.8	46.3	1.5	3.7		
<b>Max-min</b>	18.8	19.4	19.8	20.4	20.5	19.5	20.3	21.5	21.5	21.9	22.5	22.2	22.9	4.1	3.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 37: Taxes received by administrative level as % of Total Taxation - Social security funds

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	34.5	34.2	34.5	35.7	35.6	37.3	37.4	37.8	38.6	39.7	41.9	41.3	42.6	8.0	8.3	2	69,432
BG	31.1	34.4	31.9	33.6	33.2	31.5	31.1	27.0	24.4	24.1	26.6	25.6	26.9	-4.3	-7.5	18	2,817
CZ	13.4	15.3	14.8	15.2	15.1	14.5	14.7	15.4	15.2	15.6	16.5	16.7	16.4	3.0	1.2	22	8,848
DK	2.2	3.6	3.6	2.5	2.5	2.4	2.2	2.1	2.0	2.0	2.0	2.1	2.1	-0.1	-1.5	25	2,403
DE	42.4	41.3	42.8	43.4	43.5	43.5	42.9	41.3	39.3	39.1	40.3	40.9	40.1	-2.2	-1.2	4	402,550
EE	14.8	13.9	13.9	14.9	14.9	14.9	14.9	14.4	14.7	16.2	16.9	17.9	17.6	2.8	3.7	21	922
IE	12.6	11.3	12.5	12.8	12.6	12.5	12.4	12.2	13.0	14.9	15.7	15.1	16.4	3.8	5.1	23	7,532
EL	31.4	29.8	31.6	34.2	36.1	35.1	34.5	34.5	35.0	35.4	34.8	34.2	32.0	0.5	2.1	11	21,582
ES	34.6	33.8	34.6	34.0	34.6	33.7	32.6	31.8	31.7	36.1	39.1	37.1	37.0	2.5	3.3	8	123,752
FR	46.6	48.0	49.0	49.8	50.4	47.7	48.9	51.1	51.8	52.8	55.6	54.6	54.5	7.9	6.5	1	477,265
IT	30.5	28.7	28.6	29.3	29.5	30.3	30.8	29.5	30.0	31.4	31.8	31.6	31.5	1.0	2.7	13	211,418
CY	24.3	22.1	22.3	21.9	21.9	23.6	23.7	21.9	18.8	20.1	24.6	25.1	24.8	0.4	2.6	20	1,566
LV	36.1	33.5	32.3	32.8	31.1	30.5	28.9	28.8	28.6	28.3	32.0	30.7	31.1	-5.0	-2.5	14	1,729
LT	32.7	37.5	37.3	36.6	36.6	36.2	35.1	34.8	35.5	36.1	39.1	37.9	37.4	4.7	-0.1	7	3,003
LU	26.1	25.1	26.8	27.1	27.6	28.0	27.1	27.0	27.0	27.7	29.2	28.4	28.9	2.8	3.8	15	4,584
HU	33.0	30.7	30.7	30.8	30.5	29.9	30.6	30.6	31.3	31.3	30.7	30.5	34.2	1.2	3.5	10	12,621
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.	n.a.	n.a.
NL	39.5	38.6	35.7	35.2	36.9	37.1	34.5	35.9	34.8	37.0	36.2	36.4	38.4	-1.0	-0.2	6	88,798
AT	29.3	27.6	26.4	26.8	27.1	27.4	28.0	28.2	27.7	27.5	28.9	28.7	28.6	-0.7	1.0	17	36,179
PL	30.1	39.3	41.2	39.1	39.3	38.8	37.2	35.7	34.0	32.8	35.4	34.6	35.0	4.9	-4.3	9	41,977
PT	21.6	23.6	24.5	24.2	24.7	24.4	24.5	24.1	23.9	24.7	26.8	26.3	25.7	4.1	2.1	19	14,578
RO	27.6	36.6	36.5	36.8	33.7	33.2	33.9	33.6	33.0	32.9	34.5	31.9	31.7	4.1	-4.9	12	11,761
SI	41.9	37.6	38.0	37.2	36.8	36.8	36.4	36.2	35.9	37.2	39.3	39.5	39.8	-2.0	2.2	5	5,365
SK	36.2	40.6	42.3	43.4	41.1	40.9	39.1	39.5	39.4	40.4	43.2	42.9	42.3	6.1	1.7	3	8,337
FI	30.8	25.2	26.9	26.5	26.7	26.8	27.3	27.9	27.7	28.0	29.8	29.8	28.8	-2.0	3.6	16	23,696
SE	9.2	9.5	9.0	7.7	7.4	7.3	6.4	5.8	5.9	6.2	6.4	6.2	6.5	-2.7	-3.0	24	11,223
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.	n.a.	n.a.
NO	23.4	20.9	21.5	22.9	23.1	21.7	20.4	19.9	20.8	21.0	23.4	22.5	22.3	-1.1	1.4		33,467
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
<b>EU-27</b>																<b>Total:</b>	<b>1,593,937</b>
<b>weighted</b>	36.5	35.5	36.1	36.3	36.5	36.0	35.7	35.5	35.1	36.2	37.8	37.3	37.3	0.7	1.8		
<b>arithmetic</b>	28.5	28.9	29.1	29.3	29.2	29.0	28.6	28.3	28.0	28.7	30.3	29.8	30.0	1.5	1.1		
<b>EA-17</b>																<b>Total:</b>	<b>1,497,556</b>
<b>weighted</b>	39.1	37.8	38.4	38.8	39.1	38.6	38.5	38.2	37.8	39.0	40.6	40.3	40.3	1.2	2.4		
<b>arithmetic</b>	31.1	30.1	30.6	31.0	31.2	31.3	30.9	30.8	30.6	31.8	33.4	33.1	33.1	2.0	3.0		
<b>EU-25</b>																	
<b>weighted</b>	36.6	35.5	36.1	36.3	36.6	36.0	35.8	35.5	35.1	36.2	37.8	37.3	37.3	0.8	1.9		
<b>arithmetic</b>	28.4	28.3	28.7	28.7	28.8	28.7	28.3	28.1	27.9	28.7	30.3	29.9	30.1	1.6	1.8		
<b>Convergence</b>																	
<b>St.dev/mean</b>	38.4	38.8	39.0	39.5	39.5	38.9	39.0	40.1	40.5	39.9	39.3	39.1	38.8	0.4	0.0		
<b>Max-min</b>	44.4	44.4	45.5	47.3	47.9	45.3	46.7	49.0	49.8	50.8	53.6	52.5	52.4	8.0	8.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 38: Taxes received by administrative level as % of GDP - EU Institutions

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.1	0.9	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.7	-0.4	-0.2	1	2,414
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.4	0.3	0.2	0.3	:	n.a.	14	100
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	:	n.a.	8	499
DK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	25	431
DE	0.9	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	-0.7	-0.4	17	6,290
EE	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.4	0.4	0.3	0.3	0.3	0.3	:	n.a.	6	52
IE	1.1	0.6	0.5	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.3	0.3	-0.9	-0.3	13	416
EL	0.7	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	-0.5	-0.3	22	468
ES	0.7	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3	-0.4	-0.2	5	3,525
FR	0.8	0.6	0.6	0.5	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	-0.6	-0.4	16	4,955
IT	0.6	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.4	-0.2	12	4,136
CY	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	:	n.a.	23	36
LV	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.4	0.4	0.4	0.3	0.2	0.2	0.2	:	n.a.	21	46
LT	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.4	0.3	0.4	0.5	0.4	0.3	0.3	:	n.a.	10	96
LU	0.9	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	-0.7	-0.4	27	66
HU	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.3	:	n.a.	15	251
MT	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.5	0.4	0.5	0.5	0.3	0.3	0.3	:	n.a.	3	23
NL	1.1	0.8	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	-0.7	-0.4	2	2,637
AT	0.8	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	-0.5	-0.4	18	722
PL	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	:	n.a.	20	873
PT	0.9	0.6	0.5	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.3	0.3	-0.6	-0.3	11	485
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.3	0.2	0.2	0.2	:	n.a.	24	249
SI	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.4	0.4	0.3	0.3	0.3	:	n.a.	7	116
SK	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.4	0.3	0.3	0.3	0.3	:	n.a.	9	217
FI	0.7	0.5	0.4	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	-0.4	-0.2	19	451
SE	0.7	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	-0.5	-0.3	26	664
UK	1.0	0.6	0.6	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	-0.7	-0.3	4	5,902
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.		n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.		n.a.
<b>EU-27</b>																<b>Total:</b>	<b>36,118</b>
<b>weighted</b>	0.8	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3		
<b>arithmetic</b>	0.8	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.5	-0.3		
<b>EA-17</b>																<b>Total:</b>	<b>27,008</b>
<b>weighted</b>	0.8	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.5	-0.3		
<b>arithmetic</b>	0.9	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3		
<b>EU-25</b>																	
<b>weighted</b>	0.8	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3		
<b>arithmetic</b>	0.8	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.5	-0.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	28.2	26.1	27.9	34.0	37.5	41.1	32.8	31.9	33.5	35.5	34.7	35.5	34.9	6.8	8.8		
<b>Max-min</b>	0.9	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	-0.4	-0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 39: Taxes received by administrative level as % of Total Taxation - EU Institutions

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.4	2.0	1.9	1.6	1.7	1.5	1.6	1.6	1.6	1.7	1.5	1.5	1.5	-0.9	-0.5	1	2,414
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	1.2	1.0	0.9	:	n.a.	8	100
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	0.6	0.9	0.9	0.9	0.9	0.8	0.9	0.9	:	n.a.	10	499
DK	0.5	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	-0.1	0.0	27	431
DE	2.2	1.5	1.3	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.6	0.6	0.6	-1.6	-0.9	19	6,290
EE	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1.1	1.1	1.2	1.1	0.9	0.9	1.0	:	n.a.	7	52
IE	3.5	1.9	1.8	1.0	1.0	0.7	0.9	0.8	0.9	0.9	0.8	0.9	0.9	-2.6	-1.0	11	416
EL	2.6	1.5	1.4	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.7	-1.9	-0.8	16	468
ES	2.2	1.7	1.5	1.1	1.1	0.8	1.0	0.9	0.9	0.9	0.9	0.7	1.1	-1.1	-0.6	5	3,525
FR	1.9	1.4	1.4	1.1	0.8	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.6	-1.4	-0.8	23	4,955
IT	1.6	1.2	1.3	0.9	0.7	0.7	0.7	0.6	0.6	0.8	0.6	0.6	0.6	-1.0	-0.6	20	4,136
CY	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.6	:	n.a.	22	36
LV	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1.2	1.2	1.2	1.1	0.9	0.8	0.8	:	n.a.	14	46
LT	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1.3	1.2	1.4	1.5	1.4	1.2	1.2	:	n.a.	2	96
LU	2.3	1.4	1.1	0.8	0.7	0.5	0.5	0.6	0.6	0.5	0.4	0.4	0.4	-1.9	-1.0	25	66
HU	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.8	0.8	0.9	0.9	0.7	0.7	0.7	:	n.a.	17	251
MT	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	1.4	1.3	1.3	1.4	1.0	1.0	1.0	:	n.a.	6	23
NL	2.8	2.0	1.8	1.4	1.4	1.3	1.3	1.3	1.4	1.4	0.9	1.0	1.1	-1.6	-0.9	3	2,637
AT	1.9	1.4	1.2	1.0	0.9	0.6	0.7	0.7	0.7	0.7	0.5	0.5	0.6	-1.3	-0.8	21	722
PL	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	0.8	0.7	0.8	0.8	0.7	0.7	0.7	:	n.a.	15	873
PT	3.0	1.8	1.5	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9	-2.1	-1.0	13	485
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	0.9	0.8	0.7	:	n.a.	18	249
SI	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	0.7	0.8	1.1	1.0	0.7	0.8	0.9	:	n.a.	12	116
SK	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.9	1.0	1.3	1.2	1.0	1.1	1.1	:	n.a.	4	217
FI	1.5	1.0	0.9	0.6	0.7	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.5	-0.9	-0.4	24	451
SE	1.4	1.0	0.9	0.7	0.7	0.6	0.6	0.6	0.4	0.5	0.4	0.5	0.4	-1.0	-0.6	26	664
UK	2.9	1.8	1.5	1.3	1.2	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	-2.0	-0.8	9	5,902
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.		n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	:	n.a.		n.a.
<b>EU-27</b>																<b>Total:</b>	<b>36,118</b>
<b>weighted</b>	2.1	1.5	1.4	1.1	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	-1.4	-0.7		
<b>arithmetic</b>	2.2	1.5	1.3	1.0	0.9	0.7	0.9	0.9	0.9	0.9	0.8	0.8	0.8	-1.4	-0.7		
<b>EA-17</b>																<b>Total:</b>	<b>27,008</b>
<b>weighted</b>	2.1	1.5	1.4	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	-1.4	-0.7		
<b>arithmetic</b>	2.3	1.6	1.4	1.1	1.0	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	-1.5	-0.7		
<b>EU-25</b>																	
<b>weighted</b>	2.1	1.5	1.4	1.1	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	-1.4	-0.7		
<b>arithmetic</b>	2.2	1.5	1.3	1.0	0.9	0.7	0.9	0.9	0.9	0.9	0.8	0.8	0.8	-1.4	-0.7		
<b>Convergence</b>																	
<b>St.dev/mean</b>	34.7	29.6	30.1	32.1	35.2	35.1	33.0	31.4	34.1	35.1	34.5	33.3	33.5	-1.2	3.9		
<b>Max-min</b>	3.0	1.6	1.5	1.3	1.4	1.1	1.1	1.1	1.2	1.3	1.1	1.1	1.1	-1.9	-0.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 40: Taxes on Consumption as % of GDP - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	10.7	11.3	10.9	10.9	10.9	11.0	11.1	11.1	10.9	10.7	10.6	10.8	10.7	-0.1	-0.6	22	39,421
BG	12.2	13.2	12.8	11.9	13.8	15.5	15.9	16.6	16.5	17.2	14.7	14.4	14.1	1.9	1.0	3	5,443
CZ	10.9	10.1	9.8	9.6	9.9	10.8	10.8	10.3	10.5	10.3	10.8	10.9	11.2	0.3	1.1	18	17,536
DK	15.4	15.7	15.7	15.8	15.6	15.8	16.2	16.3	16.1	15.4	15.2	14.9	15.1	-0.4	-0.6	1	36,208
DE	10.3	10.6	10.5	10.4	10.5	10.2	10.2	10.2	10.6	10.7	11.2	10.7	10.9	0.6	0.3	20	282,890
EE	12.6	11.7	11.7	11.9	11.6	11.7	12.8	13.0	13.0	11.7	14.5	13.6	13.6	1.0	1.9	6	2,166
IE	12.8	12.0	10.9	11.0	10.8	11.2	11.4	11.5	11.3	11.0	10.2	10.4	10.1	-2.8	-2.0	26	16,001
EL	12.0	12.5	12.7	12.4	11.4	11.3	11.3	11.6	11.9	11.6	10.8	12.3	12.5	0.5	0.0	12	26,018
ES	8.9	10.0	9.6	9.5	9.6	9.7	10.0	9.9	9.3	8.2	7.3	8.8	8.4	-0.5	-1.5	27	89,760
FR	12.2	11.7	11.4	11.4	11.3	11.3	11.4	11.2	11.0	10.8	10.8	10.9	11.1	-1.0	-0.6	19	222,118
IT	10.7	11.2	10.6	10.4	10.1	10.2	10.2	10.6	10.4	10.1	10.1	10.6	10.8	0.1	-0.5	21	169,849
CY	10.5	10.3	11.4	11.9	13.8	14.5	14.6	14.7	15.2	15.2	13.5	13.4	12.7	2.2	2.4	9	2,286
LV	12.2	11.2	10.6	10.5	11.2	11.1	12.0	12.6	11.8	10.5	10.2	10.6	10.5	-1.6	-0.7	23	2,131
LT	11.2	11.7	11.5	11.6	11.0	10.5	10.7	10.8	11.3	11.3	11.1	11.5	11.3	0.1	-0.4	17	3,482
LU	10.0	10.7	10.6	10.7	10.6	11.3	10.9	10.1	9.8	10.5	10.9	10.1	10.2	0.2	-0.6	25	4,328
HU	17.0	15.8	14.7	14.2	14.7	15.1	14.5	14.0	14.7	14.4	15.2	14.9	14.5	-2.5	-1.3	2	14,484
MT	11.3	11.6	12.2	12.3	12.1	12.8	14.0	13.7	13.6	13.3	13.1	12.9	13.4	2.1	1.8	7	880
NL	11.3	11.7	11.9	11.7	11.8	12.0	12.0	12.2	12.1	12.0	11.7	12.0	11.7	0.4	0.0	16	70,192
AT	11.6	12.3	12.3	12.4	12.3	12.3	12.1	11.6	11.6	11.6	12.0	11.8	11.7	0.1	-0.6	15	35,220
PL	12.7	11.3	11.2	11.9	11.9	11.8	12.4	12.7	13.0	13.0	11.7	12.5	12.7	0.0	1.3	10	46,857
PT	12.0	11.8	11.7	12.0	12.1	12.1	12.9	13.2	12.6	12.3	10.9	11.8	12.2	0.2	0.4	13	20,846
RO	0.0	11.5	10.6	10.9	11.5	11.1	12.3	12.1	11.8	11.2	10.3	11.3	12.6	12.6	1.1	11	16,495
SI	15.0	13.8	13.3	13.7	13.7	13.5	13.4	13.2	13.2	13.4	14.0	14.3	14.0	-1.0	0.2	4	5,076
SK	14.1	12.2	11.0	11.0	11.6	11.9	12.3	11.2	11.2	10.5	10.4	10.1	10.5	-3.6	-1.6	24	7,275
FI	13.8	13.6	13.2	13.4	14.0	13.6	13.6	13.5	12.8	12.8	13.3	13.2	14.0	0.2	0.4	5	26,516
SE	13.4	12.4	12.5	12.6	12.6	12.4	12.7	12.4	12.4	12.7	13.3	13.2	12.8	-0.6	0.4	8	49,430
UK	11.9	11.8	11.6	11.6	11.6	11.5	11.1	10.9	10.8	10.7	10.3	11.2	11.9	0.1	0.1	14	208,724
NO	14.7	12.7	12.6	12.8	12.4	12.1	11.6	11.6	11.9	10.6	11.4	11.5	11.0	-3.7	-1.7		38,845
IS	15.1	14.2	12.3	12.2	12.8	13.5	14.7	15.0	14.0	11.9	10.9	11.2	11.4	-3.7	-2.8		1,150
<b>EU-27</b>																Total:	1,421,633
<b>weighted</b>	11.3	11.4	11.2	11.1	11.1	11.1	11.1	11.1	11.0	10.9	10.7	11.1	11.2	0.0	-0.2		
<b>arithmetic</b>	12.2	12.0	11.7	11.8	11.9	12.1	12.3	12.3	12.2	12.0	11.8	12.0	12.0	-0.1	0.1		
<b>EA-17</b>																Total:	1,020,843
<b>weighted</b>	10.9	11.2	10.9	10.8	10.8	10.8	10.8	10.9	10.8	10.6	10.5	10.8	10.8	-0.1	-0.3		
<b>arithmetic</b>	11.8	11.7	11.5	11.6	11.7	11.8	12.0	11.9	11.8	11.6	11.5	11.6	11.7	-0.1	0.0		
<b>EU-25</b>																	
<b>weighted</b>	11.3	11.4	11.2	11.1	11.1	11.1	11.1	11.1	11.0	10.8	10.7	11.1	11.2	0.0	-0.2		
<b>arithmetic</b>	12.2	12.0	11.7	11.8	11.9	12.0	12.2	12.1	12.1	11.8	11.7	11.9	11.9	-0.2	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	14.8	11.9	11.8	11.7	12.5	13.4	13.4	14.4	14.8	16.1	16.1	13.5	13.2	-1.6	1.3		
<b>Max-min</b>	8.1	5.9	6.0	6.3	6.0	6.1	6.1	6.7	7.1	9.0	7.9	6.1	6.6	-1.5	0.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 41: Taxes on Consumption as % of Total Taxation - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	24.5	25.0	24.2	24.2	24.3	24.6	24.7	25.0	24.8	24.1	24.4	24.7	24.2	-0.3	-0.8	27	39,421
BG	39.4	41.8	41.6	41.6	44.5	47.7	50.8	54.0	49.4	53.3	50.8	52.5	51.9	12.5	10.2	1	5,443
CZ	30.7	29.9	28.9	27.9	27.9	30.0	30.2	29.1	29.4	30.0	32.4	32.4	32.6	1.9	2.7	16	17,536
DK	31.6	31.8	32.3	33.0	32.5	32.3	31.8	32.8	33.0	32.2	31.7	31.5	31.6	0.0	-0.2	18	36,208
DE	25.9	25.7	26.7	26.8	26.9	26.7	26.6	26.3	27.5	27.4	28.4	28.3	28.2	2.4	2.6	21	282,890
EE	34.6	37.7	38.9	38.4	37.6	38.2	41.8	42.3	41.3	36.8	40.3	39.8	41.3	6.7	3.7	4	2,166
IE	39.3	38.4	36.7	38.7	37.6	37.2	37.3	35.8	35.8	36.9	36.2	36.6	34.8	-4.5	-3.6	14	16,001
EL	41.3	36.0	38.1	36.7	35.7	36.0	35.0	36.6	36.5	36.0	35.5	38.9	38.5	-2.8	2.5	8	26,018
ES	27.9	29.3	28.6	27.7	28.3	28.0	27.9	26.9	25.0	24.9	23.7	27.4	26.9	-1.0	-2.4	24	89,760
FR	28.5	26.4	25.9	26.3	26.1	26.2	26.0	25.5	25.3	25.1	25.6	25.6	25.3	-3.1	-1.1	25	222,118
IT	26.8	27.0	25.8	25.7	24.7	25.3	25.4	25.3	24.4	23.6	23.5	25.0	25.3	-1.5	-1.7	26	169,849
CY	38.9	34.5	37.2	38.5	42.7	44.0	41.7	41.0	38.0	39.4	38.1	37.8	36.2	-2.7	1.6	13	2,286
LV	36.9	37.8	36.6	36.7	39.0	38.8	41.2	41.1	38.7	36.0	38.2	38.8	38.3	1.4	0.5	9	2,131
LT	40.7	39.1	40.1	41.2	39.3	37.4	37.9	36.9	38.3	37.7	38.2	42.5	43.4	2.7	4.3	3	3,482
LU	26.9	27.4	26.5	27.3	27.7	30.1	29.1	28.1	27.6	28.0	27.8	27.0	27.3	0.4	-0.1	23	4,328
HU	41.6	39.8	37.9	37.3	38.8	40.0	38.8	37.5	36.3	35.6	37.9	39.2	39.2	-2.4	-0.6	6	14,484
MT	43.0	42.5	42.1	41.1	40.0	40.9	42.6	41.5	40.2	40.4	39.4	39.6	40.1	-2.9	-2.4	5	880
NL	28.0	29.3	31.1	30.9	31.5	31.9	31.8	31.4	31.3	30.6	30.7	31.0	30.4	2.4	1.1	19	70,192
AT	28.1	28.6	27.4	28.5	28.4	28.5	28.7	28.1	27.7	27.3	28.2	28.1	27.9	-0.2	-0.7	22	35,220
PL	34.2	34.8	34.7	36.3	37.0	37.6	37.9	37.6	37.5	38.0	36.9	39.2	39.1	4.9	4.2	7	46,857
PT	40.6	37.9	38.0	38.1	38.2	39.8	41.0	40.9	38.6	37.5	35.3	37.3	36.7	-3.9	-1.2	12	20,846
RO	0.0	38.1	37.1	38.9	41.7	40.9	44.2	42.3	40.7	40.1	38.3	42.4	44.5	44.5	6.5	2	16,495
SI	38.5	37.0	35.6	36.1	36.1	35.4	34.7	34.4	35.0	35.9	37.4	37.7	37.7	-0.8	0.7	10	5,076
SK	35.0	35.7	33.2	33.4	35.3	37.9	39.4	38.2	38.1	35.8	35.9	36.1	36.9	1.9	1.2	11	7,275
FI	30.3	28.8	29.4	29.9	31.7	31.3	31.1	30.9	29.9	29.8	31.0	31.2	32.2	1.9	3.5	17	26,516
SE	27.9	24.0	25.3	26.6	26.4	25.9	25.9	25.7	26.3	27.4	28.5	29.0	28.8	0.8	4.7	20	49,430
UK	34.7	32.2	31.9	33.0	33.3	32.6	31.0	29.7	29.9	28.4	29.8	31.5	33.1	-1.6	0.8	15	208,724
NO	35.0	29.9	29.4	29.7	29.3	28.1	26.9	26.7	27.7	25.1	27.1	26.9	25.9	-9.1	-4.0		38,845
IS	45.4	38.3	34.9	34.6	34.8	35.8	36.1	36.2	34.7	32.4	32.2	32.0	31.8	-13.6	-6.5		1,150
<b>EU-27</b>																<b>Total:</b>	<b>1,421,633</b>
<b>weighted</b>	28.7	28.3	28.3	28.7	28.6	28.7	28.5	28.1	28.0	27.6	27.9	28.9	29.0	0.3	0.6		
<b>arithmetic</b>	33.7	33.2	33.0	33.4	33.8	34.3	34.6	34.3	33.6	33.3	33.5	34.5	34.5	0.8	1.3		
<b>EA-17</b>																<b>Total:</b>	<b>1,020,843</b>
<b>weighted</b>	27.6	27.3	27.3	27.4	27.3	27.5	27.4	27.1	26.9	26.6	26.9	27.6	27.4	-0.1	0.1		
<b>arithmetic</b>	32.8	32.2	32.1	32.3	32.5	33.1	33.2	32.8	32.2	31.7	31.8	32.5	32.4	-0.5	0.2		
<b>EU-25</b>																	
<b>weighted</b>	28.7	28.3	28.3	28.6	28.6	28.6	28.4	28.0	27.9	27.5	27.8	28.7	28.8	0.1	0.5		
<b>arithmetic</b>	33.5	32.7	32.5	32.8	33.1	33.5	33.6	33.1	32.6	32.2	32.6	33.4	33.4	0.0	0.8		
<b>Convergence</b>																	
<b>St.dev/mean</b>	17.3	16.7	16.8	16.6	17.6	18.1	20.0	20.9	19.1	20.1	18.7	19.3	19.6	2.3	3.0		
<b>Max-min</b>	18.6	18.5	18.0	17.4	20.2	23.1	26.0	28.9	25.0	29.7	27.3	27.8	27.7	9.2	9.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 42: Taxes on Consumption as % of GDP - Tobacco and Alcohol

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	0.7	0.8	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	-0.1	-0.1	25	2,320
BG	1.0	1.4	1.2	1.6	1.7	1.9	2.0	2.2	2.7	2.8	2.8	2.5	2.6	1.6	1.2	1	1,003
CZ	1.3	1.1	1.0	1.0	1.1	1.1	1.2	1.3	1.7	1.1	1.4	1.4	1.6	0.3	0.5	6	2,438
DK	1.1	0.9	0.9	0.9	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	-0.5	-0.3	26	1,425
DE	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	-0.1	0.0	22	17,773
EE	2.0	1.6	1.5	1.6	1.5	1.8	1.7	1.6	1.8	1.3	2.5	1.7	2.0	0.0	0.4	2	320
IE	2.5	1.7	1.7	1.6	1.5	1.4	1.3	1.2	1.2	1.3	1.4	1.3	1.2	-1.2	-0.5	16	1,956
EL	1.4	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.2	1.4	1.5	1.8	0.4	0.3	4	3,665
ES	0.7	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.1	0.0	19	8,885
FR	0.8	0.8	0.7	0.8	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.0	0.0	21	15,054
IT	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.1	0.1	20	12,332
CY	0.8	0.8	0.8	0.9	1.0	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	0.6	0.5	11	239
LV	1.0	1.4	1.3	1.2	1.2	1.3	1.3	1.3	1.1	1.5	1.6	1.5	1.4	0.4	0.0	9	288
LT	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.5	1.5	1.5	1.4	0.2	0.2	7	444
LU	1.5	2.1	1.7	2.0	1.9	1.9	1.6	1.5	1.4	1.4	1.4	1.3	1.3	-0.2	-0.8	12	556
HU	1.3	1.2	1.1	1.1	1.2	1.2	1.1	1.3	1.4	1.4	1.5	1.3	1.3	0.0	0.1	10	1,329
MT	1.0	1.1	1.2	1.3	1.3	1.5	1.5	1.5	1.3	1.2	1.2	1.3	1.3	0.3	0.2	14	83
NL	0.6	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	-0.1	0.0	27	2,841
AT	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	-0.3	-0.2	24	1,889
PL	2.3	1.7	1.9	1.9	1.9	1.9	2.0	1.9	1.8	2.2	1.6	2.0	2.0	-0.4	0.2	3	7,211
PT	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.1	0.8	0.9	0.8	0.9	1.0	-0.1	0.0	18	1,721
RO	0.0	0.0	0.9	1.0	1.2	1.2	1.2	1.2	1.3	1.2	1.5	1.5	1.8	1.8	1.8	5	2,298
SI	1.5	0.8	0.9	0.9	1.0	1.1	1.1	1.1	1.1	1.1	1.3	1.3	1.4	0.0	0.6	8	521
SK	1.4	1.1	1.0	1.1	1.0	1.1	1.5	0.9	1.7	0.9	1.1	1.3	1.3	-0.1	0.2	13	890
FI	1.8	1.4	1.4	1.4	1.3	1.1	1.0	1.0	0.9	0.9	1.1	1.1	1.1	-0.7	-0.3	17	1,995
SE	1.0	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	-0.4	-0.1	23	2,617
UK	1.7	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.1	1.2	1.3	1.3	1.3	-0.5	-0.2	15	22,156
NO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
IS	0.2	0.8	0.8	1.1	1.2	1.1	1.1	1.0	0.9	0.8	0.9	1.0	1.0	0.7	0.1		98
<b>EU-27</b>																Total:	114,251
<b>weighted</b>	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.0	0.0		
<b>arithmetic</b>	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.2	1.2	1.2	0.0	0.1		
<b>EA-17</b>																Total:	73,040
<b>weighted</b>	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.0	0.0		
<b>arithmetic</b>	1.2	1.1	1.0	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.1	-0.1	0.0		
<b>EU-25</b>																	
<b>weighted</b>	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.9	-0.1	0.0		
<b>arithmetic</b>	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	-0.1	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	46.5	40.4	33.1	34.1	32.8	36.6	36.5	36.4	42.6	45.6	44.0	38.8	41.8	-4.7	1.4		
<b>Max-min</b>	2.5	2.1	1.4	1.5	1.5	1.5	1.5	1.8	2.2	2.4	2.3	2.0	2.1	-0.3	0.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 43: Taxes on Consumption as % of Total Taxation - Tobacco and Alcohol

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	1.6	1.7	1.6	1.7	1.8	1.7	1.7	1.7	1.6	1.5	1.6	1.6	1.4	-0.2	-0.3	25	2,320
BG	3.3	4.3	3.8	5.6	5.3	5.8	6.3	7.2	8.0	8.8	9.5	9.0	9.6	6.2	5.3	1	1,003
CZ	3.6	3.2	2.8	2.9	3.0	3.0	3.3	3.7	4.6	3.2	4.2	4.3	4.5	0.9	1.4	8	2,438
DK	2.2	1.9	1.8	1.8	1.8	1.5	1.3	1.3	1.2	1.2	1.3	1.4	1.2	-1.0	-0.6	26	1,425
DE	1.9	1.8	1.9	2.1	2.1	2.0	2.1	2.0	1.9	1.8	1.8	1.8	1.8	-0.2	0.0	21	17,773
EE	5.4	5.1	5.1	5.2	5.0	6.0	5.7	5.2	5.7	4.2	7.0	5.0	6.1	0.7	1.0	3	320
IE	7.5	5.6	5.6	5.6	5.3	4.6	4.2	3.8	3.9	4.2	4.8	4.5	4.3	-3.2	-1.3	10	1,956
EL	4.7	4.3	4.7	4.5	4.5	4.4	4.2	4.1	4.1	3.6	4.5	4.7	5.4	0.7	1.1	6	3,665
ES	2.1	2.6	2.5	2.5	2.5	2.4	2.3	2.2	2.2	2.5	2.8	2.7	2.7	0.5	0.1	18	8,885
FR	1.8	1.7	1.7	1.8	1.7	1.3	1.3	1.6	1.6	1.5	1.7	1.7	1.7	-0.1	0.0	22	15,054
IT	1.6	1.7	1.6	1.7	1.7	1.7	1.8	1.8	1.7	1.8	1.8	1.8	1.8	0.2	0.1	20	12,332
CY	2.8	2.7	2.7	2.8	3.2	4.1	4.0	4.0	3.3	3.3	3.6	3.6	3.8	1.0	1.1	13	239
LV	3.1	4.7	4.4	4.1	4.0	4.4	4.5	4.2	3.6	5.2	5.9	5.4	5.2	2.1	0.5	7	288
LT	4.4	4.1	4.4	4.3	4.4	4.3	4.3	4.5	4.4	4.8	5.3	5.5	5.5	1.2	1.4	5	444
LU	4.2	5.3	4.2	5.0	4.9	5.2	4.3	4.1	3.9	3.8	3.7	3.5	3.5	-0.6	-1.8	16	556
HU	3.2	3.1	2.9	2.9	3.1	3.1	3.0	3.5	3.4	3.5	3.8	3.3	3.6	0.4	0.5	14	1,329
MT	3.8	4.0	4.3	4.2	4.4	4.9	4.6	4.5	3.7	3.8	3.7	3.9	3.8	0.0	-0.2	12	83
NL	1.4	1.2	1.3	1.2	1.2	1.3	1.2	1.2	1.1	1.2	1.2	1.2	1.2	-0.2	0.0	27	2,841
AT	2.1	1.9	1.6	1.7	1.7	1.6	1.6	1.6	1.6	1.4	1.5	1.5	1.5	-0.6	-0.4	24	1,889
PL	6.3	5.3	5.8	5.7	5.9	6.1	6.1	5.6	5.3	6.4	5.1	6.3	6.0	-0.3	0.7	4	7,211
PT	3.7	3.3	3.3	3.1	3.3	3.2	3.1	3.5	2.5	2.6	2.7	2.9	3.0	-0.6	-0.2	17	1,721
RO	0.0	0.0	3.1	3.5	4.4	4.4	4.4	4.3	4.4	4.4	5.6	5.5	6.2	6.2	6.2	2	2,298
SI	3.8	2.3	2.3	2.5	2.7	2.8	2.8	2.9	2.9	3.0	3.4	3.6	3.9	0.1	1.6	11	521
SK	3.5	3.3	3.0	3.2	3.0	3.5	4.9	3.1	5.8	3.1	3.8	4.6	4.5	1.0	1.2	9	890
FI	3.9	2.9	3.0	3.0	3.0	2.5	2.3	2.2	2.1	2.2	2.6	2.5	2.4	-1.5	-0.5	19	1,995
SE	2.2	1.6	1.6	1.7	1.6	1.4	1.4	1.4	1.4	1.4	1.6	1.5	1.5	-0.7	-0.1	23	2,617
UK	5.0	4.0	3.9	4.1	3.9	3.8	3.5	3.3	3.1	3.1	3.7	3.5	3.5	-1.5	-0.5	15	22,156
NO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
IS	0.7	2.3	2.2	3.1	3.2	2.9	2.6	2.4	2.3	2.2	2.8	2.8	2.7	2.0	0.4		98
<b>EU-27</b>																<b>Total:</b>	<b>114,251</b>
<b>weighted</b>	2.4	2.3	2.3	2.4	2.4	2.3	2.2	2.2	2.2	2.2	2.3	2.3	2.3	-0.1	0.0		
<b>arithmetic</b>	3.3	3.1	3.1	3.3	3.3	3.4	3.3	3.3	3.3	3.2	3.6	3.6	3.7	0.4	0.6		
<b>EA-17</b>																<b>Total:</b>	<b>73,040</b>
<b>weighted</b>	2.0	1.9	1.9	2.0	2.0	1.9	1.9	1.9	1.9	1.8	2.0	2.0	2.0	0.0	0.0		
<b>arithmetic</b>	3.3	3.0	3.0	3.1	3.1	3.1	3.1	2.9	2.9	2.7	3.1	3.0	3.1	-0.2	0.1		
<b>EU-25</b>																	
<b>weighted</b>	2.4	2.3	2.3	2.4	2.4	2.3	2.2	2.2	2.2	2.2	2.3	2.3	2.3	-0.1	0.0		
<b>arithmetic</b>	3.4	3.2	3.1	3.2	3.2	3.2	3.2	3.1	3.1	3.0	3.3	3.3	3.4	-0.1	0.2		
<b>Convergence</b>																	
<b>St.dev/mean</b>	49.3	47.2	41.8	42.4	41.6	45.3	46.0	45.9	50.8	53.6	53.7	51.4	54.0	4.7	6.8		
<b>Max-min</b>	7.5	5.6	4.5	4.5	4.8	4.8	5.1	6.1	6.9	7.7	8.3	7.8	8.3	0.8	2.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 44: Taxes on Labour as % of GDP - Total

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	24.3	24.2	24.7	24.8	24.5	24.0	23.7	23.0	23.0	23.6	23.9	23.8	24.0	-0.3	-0.2	3	88,820
BG	13.0	14.0	12.5	11.9	12.7	12.5	11.6	10.1	10.4	9.7	9.8	9.1	9.2	-3.8	-4.7	27	3,546
CZ	17.6	17.8	17.6	18.3	18.6	18.3	18.3	18.4	18.5	18.0	17.0	17.5	17.9	0.3	0.1	11	27,913
DK	27.3	26.6	26.9	26.1	26.0	25.2	24.8	24.6	25.0	25.4	27.0	24.5	24.4	-2.9	-2.2	2	58,615
DE	24.0	24.0	23.7	23.6	23.6	22.7	22.2	21.9	21.2	21.6	22.3	21.5	21.6	-2.4	-2.4	9	560,099
EE	20.2	17.3	16.8	16.9	16.6	16.3	15.3	15.2	15.8	17.5	18.7	18.2	17.1	-3.1	-0.2	14	2,728
IE	13.4	11.4	10.9	10.0	9.7	10.3	10.3	10.4	10.8	11.3	11.7	11.7	12.1	-1.3	0.7	23	19,235
EL	9.8	12.1	12.0	12.9	12.7	12.5	12.9	12.3	12.7	12.7	12.1	12.4	11.8	2.0	-0.3	24	24,641
ES	16.1	15.8	16.2	16.4	16.0	16.1	16.2	16.4	17.0	17.0	17.0	17.4	17.2	1.1	1.4	13	183,155
FR	22.6	22.4	22.4	22.3	22.4	22.3	22.5	22.4	22.0	22.3	22.8	22.5	22.9	0.3	0.5	5	456,577
IT	18.1	19.8	20.1	20.1	20.2	20.1	20.3	20.3	20.8	21.6	22.0	22.0	21.8	3.7	1.9	7	343,810
CY	10.0	9.6	10.0	10.0	10.8	10.6	11.3	11.1	10.8	11.1	12.3	12.6	12.6	2.6	3.0	21	2,261
LV	17.2	15.4	14.7	14.8	14.7	14.6	14.1	14.7	14.7	14.5	13.9	14.3	13.8	-3.4	-1.6	18	2,784
LT	12.9	16.4	15.5	14.8	14.5	14.5	14.3	14.4	14.0	14.5	14.9	13.3	12.7	-0.2	-3.6	19	3,919
LU	15.3	15.1	15.8	15.1	15.1	15.0	15.1	14.6	14.7	16.0	17.1	16.2	16.6	1.3	1.5	15	7,073
HU	20.4	19.4	19.3	19.1	18.6	18.0	18.3	18.3	20.1	20.7	19.4	18.0	17.5	-2.9	-1.9	12	17,484
MT	9.5	9.6	10.7	11.1	10.9	11.2	11.2	11.4	10.5	10.4	11.0	10.8	11.2	1.7	1.6	25	733
NL	22.0	20.7	18.5	18.8	19.2	19.0	18.7	20.0	19.8	20.7	21.1	21.4	21.6	-0.4	0.9	8	130,070
AT	23.7	23.9	24.1	24.1	24.3	23.8	23.3	23.2	23.1	23.8	24.0	23.8	23.8	0.2	-0.1	4	71,678
PL	17.0	14.2	14.4	13.4	13.2	12.5	12.8	13.4	13.0	12.7	12.3	12.0	12.5	-4.5	-1.8	22	46,121
PT	11.2	11.5	11.8	11.8	12.0	11.7	11.9	12.2	12.4	12.6	13.2	13.1	13.9	2.6	2.4	17	23,697
RO	0.0	13.2	12.9	12.3	11.1	10.7	11.0	11.6	11.8	11.6	11.8	11.1	11.2	11.2	-2.1	26	14,684
SI	21.8	20.2	20.8	20.6	20.6	20.6	20.4	20.0	18.9	19.1	19.4	19.6	19.3	-2.5	-0.9	10	6,993
SK	15.4	15.4	15.3	15.1	14.5	13.3	12.9	11.9	11.9	12.7	12.8	12.7	12.6	-2.8	-2.8	20	8,723
FI	25.2	23.3	23.4	23.3	23.0	22.4	22.9	22.7	21.9	22.6	23.6	22.6	22.7	-2.5	-0.6	6	42,979
SE	29.8	30.7	30.8	29.7	29.9	29.5	29.1	28.4	27.2	27.7	27.3	25.7	25.7	-4.0	-5.0	1	99,774
UK	13.6	14.3	14.4	13.8	13.6	13.9	14.2	14.3	14.4	14.6	14.3	14.2	14.2	0.6	-0.1	16	248,071
NO	18.4	17.2	17.7	18.6	18.5	17.8	16.6	16.0	16.6	16.2	18.0	17.7	17.4	-1.1	0.2		61,351
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																Total:	2,496,182
<b>weighted</b>	20.6	20.1	20.0	19.8	19.8	19.4	19.4	19.3	19.1	19.6	20.0	19.6	19.7	-0.8	-0.4		
<b>arithmetic</b>	17.5	17.7	17.6	17.4	17.4	17.1	17.0	16.9	16.9	17.3	17.5	17.1	17.1	-0.4	-0.6		
<b>EA-17</b>																Total:	1,973,272
<b>weighted</b>	21.4	21.2	21.0	20.9	20.9	20.5	20.4	20.3	20.1	20.6	21.0	20.8	20.9	-0.5	-0.2		
<b>arithmetic</b>	17.8	17.4	17.5	17.5	17.4	17.2	17.1	17.0	16.9	17.4	17.9	17.8	17.8	0.0	0.4		
<b>EU-25</b>																	
<b>weighted</b>	20.7	20.2	20.0	19.8	19.9	19.5	19.4	19.4	19.2	19.7	20.1	19.8	19.9	-0.8	-0.3		
<b>arithmetic</b>	18.3	18.0	18.0	17.9	17.8	17.5	17.5	17.4	17.4	17.8	18.0	17.7	17.7	-0.7	-0.4		
<b>Convergence</b>																	
<b>St.dev/mean</b>	37.7	30.7	31.0	30.9	31.3	30.9	30.4	30.2	29.4	29.9	30.1	29.3	29.2	-8.4	-1.5		
<b>Max-min</b>	29.8	21.2	20.8	19.7	20.2	19.2	18.7	18.3	16.8	18.0	17.5	16.6	16.5	-13.2	-4.6		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 45: Taxes on Labour as % of Total Taxation - Total

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	55.5	53.7	54.7	54.9	54.9	53.5	52.9	51.8	52.4	53.3	55.2	54.4	54.5	-1.0	0.8	6	88,820
BG	42.1	44.3	40.5	41.8	40.9	38.5	37.0	32.8	31.1	30.2	33.7	33.1	33.8	-8.2	-10.4	26	3,546
CZ	49.6	52.7	52.2	52.9	52.4	51.0	51.3	52.0	51.6	52.3	50.8	52.2	51.9	2.3	-0.8	11	27,913
DK	55.9	53.9	55.6	54.5	54.1	51.4	48.8	49.6	51.1	53.3	56.6	51.6	51.1	-4.8	-2.7	13	58,615
DE	60.4	58.2	60.3	60.7	60.3	59.3	58.0	56.8	54.7	55.5	56.7	56.7	55.9	-4.5	-2.3	4	560,099
EE	55.7	55.8	55.5	54.5	53.8	53.2	49.8	49.5	50.4	54.8	52.0	53.4	52.1	-3.7	-3.7	9	2,728
IE	40.9	36.3	37.0	35.2	33.7	34.4	33.8	32.5	34.2	38.0	41.5	41.2	41.9	0.9	5.6	19	19,235
EL	33.7	35.0	36.0	38.3	39.6	39.9	40.1	38.8	39.0	39.4	39.7	39.3	36.5	2.8	1.5	24	24,641
ES	50.1	46.3	48.0	48.0	47.4	46.3	45.0	44.5	45.7	51.5	55.5	54.0	54.8	4.7	8.5	5	183,155
FR	52.9	50.7	51.1	51.5	52.1	51.6	51.4	50.8	50.8	51.6	54.0	52.9	52.1	-0.8	1.4	8	456,577
IT	45.5	47.8	48.9	49.7	49.3	49.7	50.6	48.8	48.8	50.7	51.3	51.7	51.2	5.7	3.4	12	343,810
CY	37.0	31.9	32.6	32.5	33.4	32.3	32.4	31.0	27.0	28.8	34.8	35.5	35.8	-1.2	3.8	25	2,261
LV	52.0	51.7	51.1	51.7	51.3	51.1	48.4	48.2	48.0	49.7	52.0	52.5	50.0	-2.0	-1.7	14	2,784
LT	46.9	54.6	54.2	52.5	51.7	51.7	50.5	49.2	47.3	48.1	51.0	49.1	48.8	2.0	-5.7	15	3,919
LU	41.2	38.5	39.7	38.5	39.5	40.2	40.3	40.6	41.1	42.6	43.5	43.2	44.6	3.4	6.1	17	7,073
HU	49.8	48.7	49.8	50.3	48.8	47.8	48.9	49.1	49.7	51.4	48.2	47.3	47.3	-2.4	-1.4	16	17,484
MT	36.2	35.2	37.0	36.9	36.0	35.9	34.1	34.6	31.0	31.6	33.1	33.1	33.4	-2.8	-1.8	27	733
NL	54.8	51.9	48.3	49.7	51.2	50.6	49.7	51.3	51.1	52.7	55.4	55.0	56.3	1.5	4.4	3	130,070
AT	57.2	55.6	53.8	55.2	55.9	55.3	55.4	55.9	55.3	55.8	56.7	56.8	56.7	-0.5	1.1	2	71,678
PL	45.9	43.7	44.8	41.1	41.1	39.7	39.0	39.7	37.3	37.1	38.6	37.9	38.5	-7.4	-5.3	23	46,121
PT	38.0	37.0	38.2	37.7	38.0	38.3	38.0	37.9	38.0	38.5	42.5	41.6	41.7	3.7	4.8	20	23,697
RO	0.0	43.8	44.9	43.9	40.1	39.4	39.6	40.6	40.8	41.2	43.8	41.5	39.6	39.6	-4.2	21	14,684
SI	55.9	54.2	55.4	54.3	54.1	54.1	52.9	52.3	50.2	51.2	51.9	51.7	51.9	-4.0	-2.3	10	6,993
SK	38.2	45.3	46.3	45.8	44.2	42.2	41.2	40.8	40.6	43.5	44.5	45.3	44.2	6.0	-1.1	18	8,723
FI	55.2	49.3	52.2	52.2	52.2	51.6	52.1	51.7	51.1	52.7	55.1	53.2	52.3	-2.9	3.0	7	42,979
SE	62.1	59.7	62.3	62.5	62.5	61.5	59.5	58.7	57.6	59.7	58.7	56.6	58.1	-4.0	-1.6	1	99,774
UK	39.8	39.0	39.5	39.1	39.2	39.5	39.8	39.2	39.9	38.7	41.2	40.2	39.3	-0.6	0.3	22	248,071
NO	43.9	40.4	41.3	43.2	43.8	41.3	38.3	36.8	38.7	38.5	42.9	41.5	40.9	-3.0	0.5		61,351
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>2,496,182</b>
<b>weighted</b>	52.4	49.9	50.7	50.9	51.0	50.3	49.7	48.9	48.6	49.9	52.0	51.2	50.8	-1.6	0.9		
<b>arithmetic</b>	46.4	47.2	47.8	47.6	47.3	46.7	45.9	45.5	45.0	46.4	48.1	47.4	47.2	0.8	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>1,973,272</b>
<b>weighted</b>	54.0	51.8	52.5	52.9	52.9	52.2	51.7	50.7	50.3	52.0	53.8	53.4	53.0	-0.9	1.3		
<b>arithmetic</b>	47.6	46.0	46.8	46.8	46.8	46.4	45.7	45.3	44.8	46.6	48.4	48.2	48.0	0.4	1.9		
<b>EU-25</b>																	
<b>weighted</b>	52.6	49.9	50.7	50.9	51.0	50.3	49.8	48.9	48.7	50.0	52.1	51.3	51.0	-1.6	1.0		
<b>arithmetic</b>	48.4	47.5	48.2	48.0	47.9	47.3	46.6	46.2	45.8	47.3	48.8	48.3	48.0	-0.4	0.6		
<b>Convergence</b>																	
<b>St.dev/mean</b>	26.5	16.8	16.6	16.9	17.2	17.0	16.7	17.4	18.3	18.5	16.3	16.1	16.2	-10.3	-0.6		
<b>Max-min</b>	62.1	27.8	29.7	30.0	29.1	29.2	27.1	27.8	30.5	30.9	25.6	23.8	24.6	-37.4	-3.1		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 46: Taxes on Labour as % of GDP - Employed

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	22.3	22.2	22.6	22.7	22.4	22.1	21.9	21.3	21.2	21.7	22.0	21.9	22.0	-0.3	-0.1	2	81,534
BG	13.0	13.9	12.4	11.9	12.7	12.5	11.5	10.0	10.3	9.7	9.7	9.0	9.1	-3.8	-4.8	27	3,519
CZ	16.7	16.6	16.4	17.1	17.4	17.2	17.2	17.1	17.2	16.8	15.7	16.1	16.5	-0.2	-0.1	13	25,769
DK	21.1	21.7	22.1	21.2	20.9	20.3	20.0	19.9	20.3	20.6	20.6	19.4	19.3	-1.8	-2.4	6	46,450
DE	21.3	21.3	21.0	20.7	20.7	19.7	19.2	19.0	18.5	18.9	19.4	18.7	19.0	-2.4	-2.3	9	491,428
EE	20.2	17.1	16.6	16.7	16.4	15.9	14.9	14.9	15.6	17.1	18.2	17.8	16.7	-3.4	-0.4	12	2,670
IE	13.2	11.3	10.9	9.9	9.6	10.3	10.3	10.3	10.7	11.3	11.7	11.6	12.0	-1.2	0.7	21	19,113
EL	9.3	11.2	11.1	12.0	12.0	11.6	12.0	11.3	11.7	11.7	11.0	11.4	10.9	1.6	-0.4	25	22,672
ES	15.1	15.1	15.5	15.7	15.3	15.3	15.4	15.6	16.1	16.0	15.7	16.0	15.9	0.7	0.7	14	168,709
FR	21.5	20.9	21.0	20.9	21.0	20.8	21.0	21.0	20.7	20.8	21.2	20.8	21.2	-0.3	0.2	4	422,873
IT	16.2	17.8	18.0	18.0	18.1	17.9	18.1	18.1	18.6	19.3	19.5	19.3	19.2	2.9	1.3	7	302,710
CY	9.7	9.3	9.8	9.9	10.7	10.6	11.3	11.0	10.8	11.0	12.2	12.5	12.5	2.8	3.1	20	2,244
LV	17.2	15.3	14.6	14.7	14.6	14.5	14.0	14.6	14.6	14.4	13.7	14.0	13.5	-3.7	-1.8	17	2,725
LT	12.7	16.1	15.3	14.7	14.3	14.4	14.1	14.2	13.8	14.3	14.8	13.2	12.6	-0.1	-3.5	19	3,892
LU	13.8	13.8	14.6	14.0	13.8	13.6	13.8	13.3	13.4	14.6	15.6	14.9	15.2	1.4	1.4	15	6,480
HU	19.5	18.6	18.6	18.8	18.2	17.7	17.9	18.0	19.3	19.8	18.8	17.5	17.2	-2.4	-1.5	11	17,152
MT	8.9	8.9	9.9	10.2	10.0	10.2	10.2	10.3	9.5	9.4	9.9	9.7	10.1	1.2	1.2	26	660
NL	17.8	17.8	16.0	16.2	16.5	16.4	16.0	17.2	17.5	18.3	18.7	18.9	19.1	1.4	1.4	8	115,155
AT	21.7	21.6	21.7	21.5	21.7	21.2	20.9	20.8	20.7	21.3	21.5	21.3	21.2	-0.4	-0.4	3	63,885
PL	14.7	13.5	13.6	12.7	12.5	11.8	12.1	12.6	12.2	11.9	11.5	11.2	11.7	-3.0	-1.8	23	43,230
PT	10.8	11.0	11.2	11.3	11.4	11.0	11.2	11.4	11.6	11.7	12.2	12.1	12.7	2.0	1.8	18	21,777
RO	0.0	13.2	12.8	12.3	11.1	10.7	11.0	11.5	11.8	11.5	11.6	10.9	11.0	11.0	-2.2	24	14,440
SI	21.3	19.9	20.0	19.8	19.8	19.8	19.8	19.4	18.3	18.5	18.6	18.7	18.4	-2.9	-1.4	10	6,661
SK	15.4	14.8	14.7	14.6	14.0	12.7	12.2	11.2	11.3	12.1	12.2	12.2	11.9	-3.4	-2.9	22	8,240
FI	21.9	20.8	21.0	20.9	20.6	20.0	20.4	20.2	19.6	20.3	21.1	20.1	20.1	-1.8	-0.7	5	38,114
SE	25.2	26.9	26.9	25.7	25.3	25.0	24.8	24.1	23.4	24.0	23.4	22.3	22.6	-2.6	-4.3	1	87,534
UK	13.5	14.2	14.2	13.6	13.4	13.7	14.1	14.2	14.2	14.4	14.2	14.1	14.0	0.5	-0.2	16	244,072
NO	17.2	16.0	16.4	17.4	17.3	16.5	15.4	14.9	15.5	15.1	16.7	16.4	16.1	-1.1	0.1		56,850
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																Total:	2,263,707
<b>weighted</b>	18.7	18.4	18.3	18.1	18.0	17.7	17.6	17.6	17.5	17.9	18.1	17.8	17.9	-0.7	-0.5		
<b>arithmetic</b>	16.1	16.5	16.4	16.2	16.1	15.8	15.8	15.6	15.7	16.0	16.1	15.8	15.8	-0.3	-0.7		
<b>EA-17</b>																Total:	1,774,923
<b>weighted</b>	19.4	19.2	19.1	19.0	18.9	18.5	18.4	18.3	18.3	18.6	18.9	18.7	18.8	-0.6	-0.4		
<b>arithmetic</b>	16.5	16.2	16.2	16.2	16.1	15.8	15.8	15.7	15.6	16.1	16.5	16.3	16.4	-0.1	0.2		
<b>EU-25</b>																	
<b>weighted</b>	18.7	18.5	18.3	18.1	18.1	17.7	17.7	17.6	17.6	18.0	18.2	17.9	18.0	-0.7	-0.5		
<b>arithmetic</b>	16.8	16.7	16.7	16.5	16.4	16.2	16.1	16.0	16.0	16.4	16.5	16.2	16.2	-0.6	-0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	34.5	27.0	27.2	27.0	27.0	26.7	26.4	26.4	25.9	26.4	26.1	25.8	25.7	-8.8	-1.3		
<b>Max-min</b>	25.2	18.0	17.1	15.8	15.7	14.8	14.7	14.0	13.9	14.5	13.7	13.2	13.4	-11.8	-4.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 47: Taxes on Labour as % of Total Taxation - Employed

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	50.9	49.2	50.1	50.2	50.2	49.4	48.8	47.9	48.4	49.1	50.8	50.0	50.0	-0.9	0.8	5	81,534
BG	41.9	44.1	40.3	41.7	40.8	38.3	36.9	32.6	31.0	30.0	33.5	32.8	33.6	-8.4	-10.6	26	3,519
CZ	47.2	49.1	48.7	49.4	49.0	47.8	48.3	48.4	48.0	48.7	46.9	48.0	47.9	0.7	-1.2	12	25,769
DK	43.3	44.0	45.6	44.3	43.5	41.3	39.3	40.1	41.4	43.2	43.1	41.0	40.5	-2.8	-3.5	19	46,450
DE	53.5	51.5	53.4	53.3	52.9	51.6	50.1	49.3	47.9	48.6	49.3	49.4	49.0	-4.5	-2.5	8	491,428
EE	55.6	55.2	55.0	53.8	53.2	52.0	48.8	48.6	49.7	53.8	50.7	52.1	51.0	-4.7	-4.2	1	2,670
IE	40.5	36.0	36.7	35.0	33.4	34.2	33.6	32.2	34.0	37.8	41.2	40.9	41.6	1.1	5.6	17	19,113
EL	31.8	32.5	33.4	35.7	37.3	37.2	37.2	35.6	36.0	36.4	36.1	36.0	33.6	1.7	1.1	25	22,672
ES	47.2	44.3	45.9	45.7	45.2	44.0	42.8	42.3	43.4	48.6	51.2	49.7	50.5	3.3	6.2	4	168,709
FR	50.3	47.4	47.8	48.2	48.8	48.1	48.0	47.6	47.6	48.2	50.4	49.0	48.3	-2.1	0.9	11	422,873
IT	40.8	43.0	43.7	44.5	44.1	44.4	45.2	43.4	43.6	45.2	45.3	45.5	45.1	4.3	2.1	15	302,710
CY	36.0	31.2	31.8	32.2	33.1	32.1	32.1	30.7	26.8	28.6	34.6	35.2	35.5	-0.5	4.3	24	2,244
LV	52.0	51.4	50.8	51.4	51.0	50.8	48.0	47.9	47.9	49.3	51.2	51.5	48.9	-3.0	-2.5	9	2,725
LT	46.1	53.7	53.5	51.9	51.1	51.1	49.9	48.6	46.9	47.6	50.7	48.8	48.5	2.4	-5.2	10	3,892
LU	37.1	35.2	36.8	35.7	36.3	36.5	36.8	37.2	37.6	39.0	39.9	39.7	40.9	3.8	5.6	18	6,480
HU	47.7	46.8	48.0	49.5	48.0	46.9	47.9	48.2	47.7	49.0	46.8	46.1	46.4	-1.3	-0.4	13	17,152
MT	33.7	32.7	34.1	33.9	33.0	32.7	30.9	31.1	28.0	28.7	29.7	29.7	30.1	-3.6	-2.6	27	660
NL	44.2	44.5	41.7	43.0	44.2	43.6	42.7	44.2	45.2	46.6	49.1	48.7	49.8	5.6	5.4	6	115,155
AT	52.4	50.2	48.3	49.4	49.9	49.4	49.8	50.1	49.6	50.0	50.8	50.7	50.5	-1.9	0.3	3	63,885
PL	39.5	41.4	42.3	38.8	38.8	37.6	36.9	37.2	35.0	34.7	36.1	35.4	36.0	-3.4	-5.4	23	43,230
PT	36.5	35.3	36.4	35.8	35.9	36.1	35.7	35.5	35.4	35.8	39.3	38.4	38.4	1.9	3.0	22	21,777
RO	0.0	43.8	44.9	43.9	40.0	39.3	39.5	40.4	40.6	41.0	43.2	40.7	39.0	39.0	-4.8	20	14,440
SI	54.8	53.2	53.4	52.4	52.1	51.9	51.2	50.6	48.6	49.6	49.8	49.4	49.5	-5.3	-3.8	7	6,661
SK	38.1	43.4	44.5	44.1	42.6	40.4	39.1	38.2	38.4	41.2	42.1	43.3	41.8	3.7	-1.6	16	8,240
FI	47.9	44.0	47.0	46.7	46.7	46.0	46.4	46.2	45.7	47.4	49.2	47.3	46.3	-1.6	2.3	14	38,114
SE	52.6	52.2	54.4	54.1	53.1	52.0	50.8	49.8	49.5	51.6	50.3	49.0	50.9	-1.7	-1.3	2	87,534
UK	39.4	38.5	39.0	38.6	38.7	39.0	39.3	38.7	39.4	38.2	40.9	39.7	38.6	-0.7	0.1	21	244,072
NO	41.0	37.5	38.4	40.3	40.8	38.5	35.7	34.3	36.0	36.0	39.9	38.4	37.9	-3.2	0.4		56,850
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>2,263,707</b>
<b>weighted</b>	47.5	45.6	46.4	46.5	46.4	45.7	45.2	44.5	44.5	45.5	47.1	46.4	46.1	-1.4	0.5		
<b>arithmetic</b>	43.0	44.2	44.7	44.6	44.2	43.5	42.8	42.3	42.0	43.2	44.5	44.0	43.8	0.8	-0.4		
<b>EA-17</b>																<b>Total:</b>	<b>1,774,923</b>
<b>weighted</b>	48.9	46.9	47.7	47.9	47.8	47.1	46.6	45.8	45.6	47.1	48.5	48.0	47.7	-1.2	0.8		
<b>arithmetic</b>	44.2	42.9	43.5	43.5	43.5	42.9	42.3	41.8	41.5	43.2	44.7	44.4	44.2	0.0	1.3		
<b>EU-25</b>																	
<b>weighted</b>	47.7	45.7	46.4	46.5	46.5	45.8	45.3	44.6	44.5	45.6	47.2	46.4	46.2	-1.5	0.5		
<b>arithmetic</b>	44.8	44.2	44.9	44.7	44.5	43.8	43.2	42.8	42.5	43.9	45.0	44.6	44.4	-0.4	0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	25.5	15.8	15.3	15.3	15.1	15.0	15.0	15.6	16.6	16.9	14.5	14.6	14.6	-10.9	-1.2		
<b>Max-min</b>	55.6	24.0	23.2	22.0	20.1	20.0	20.3	19.8	22.8	25.2	21.5	22.4	20.9	-34.8	-3.1		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 48: Taxes on Labour as % of GDP - Employed paid by employers

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	8.6	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.5	8.6	0.0	0.3	8	31,923
BG	9.2	8.9	7.9	7.5	8.1	8.0	7.2	5.8	5.6	4.8	4.7	4.5	4.8	-4.4	-4.1	21	1,837
CZ	9.5	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.3	9.7	9.8	0.3	0.1	5	15,352
DK	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.2	0.2	27	1,528
DE	7.5	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.5	6.8	6.7	6.7	-0.8	-0.8	13	173,560
EE	12.1	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.5	12.2	11.2	-0.9	0.5	3	1,789
IE	2.8	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.1	3.3	3.3	3.2	3.5	0.6	0.8	25	5,547
EL	4.3	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.2	4.8	0.5	-0.1	22	9,927
ES	8.2	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.7	0.3	-0.2	9	90,541
FR	12.5	12.1	12.1	12.2	12.3	12.2	12.2	12.3	12.2	12.4	12.8	12.7	12.9	0.4	0.8	1	258,073
IT	8.6	9.9	10.0	10.1	10.3	10.3	10.4	10.3	10.6	10.7	10.9	10.7	10.7	2.2	0.8	4	169,501
CY	4.4	4.6	4.7	4.7	5.6	6.2	6.7	6.4	6.0	6.2	6.9	7.0	6.9	2.4	2.3	12	1,238
LV	11.6	7.5	6.9	6.9	6.5	6.4	6.1	6.4	6.3	6.0	6.2	6.1	6.3	-5.3	-1.1	15	1,281
LT	6.9	8.4	8.0	7.8	7.7	7.5	7.3	7.5	7.6	8.0	8.6	7.7	7.3	0.4	-1.1	11	2,252
LU	4.5	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.5	5.0	4.7	4.8	0.2	0.4	23	2,029
HU	11.9	10.8	10.4	10.2	10.0	9.6	9.9	9.7	10.0	10.0	9.5	8.3	8.4	-3.6	-2.5	10	8,336
MT	3.0	2.8	2.9	2.9	2.8	2.8	2.8	2.7	2.6	2.7	2.7	2.7	2.8	-0.2	0.0	26	183
NL	2.0	4.5	4.5	4.5	4.4	4.4	4.1	4.7	4.6	4.9	5.1	5.1	5.1	3.1	0.6	19	30,861
AT	10.0	9.7	9.6	9.5	9.5	9.3	9.3	9.2	9.1	9.4	9.7	9.6	9.5	-0.5	-0.1	6	28,700
PL	5.9	5.7	5.7	5.4	5.2	4.9	5.2	5.3	5.0	4.9	4.9	5.0	4.9	-0.9	-0.7	20	18,261
PT	4.0	4.7	4.8	4.9	4.6	4.6	4.7	4.5	4.8	4.9	5.0	5.2	5.3	1.3	0.6	18	9,072
RO	0.0	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.5	5.7	5.7	-2.4	17	7,423
SI	8.0	6.9	7.1	7.0	7.1	7.1	7.3	6.9	6.5	6.1	5.7	5.8	5.7	-2.3	-1.2	16	2,071
SK	9.6	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	6.6	-2.9	-2.5	14	4,591
FI	9.9	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	9.0	8.9	-1.0	0.1	7	16,859
SE	12.0	12.8	13.2	13.1	12.8	12.6	12.4	12.2	12.2	12.6	12.3	11.7	11.7	-0.2	-1.0	2	45,527
UK	3.3	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	4.1	3.9	0.6	0.4	24	67,424
NO	5.9	5.4	5.6	6.0	5.9	5.7	5.4	5.3	5.5	5.4	6.0	5.9	5.8	-0.1	0.4		20,311
IS	2.3	2.8	2.7	2.8	3.0	3.0	3.1	3.2	3.1	2.9	3.2	4.2	4.2	1.9	1.4		422
<b>EU-27</b>																Total:	1,005,686
<b>weighted</b>	7.7	7.8	7.8	7.7	7.9	7.8	7.7	7.7	7.7	7.8	8.0	8.0	8.0	0.2	0.2		
<b>arithmetic</b>	7.3	7.3	7.2	7.1	7.1	7.0	7.0	6.9	6.9	7.0	7.1	6.9	6.9	-0.4	-0.4		
<b>EA-17</b>																Total:	836,465
<b>weighted</b>	8.5	8.8	8.8	8.8	8.9	8.7	8.7	8.7	8.6	8.7	8.9	8.9	8.9	0.4	0.1		
<b>arithmetic</b>	7.1	7.1	7.1	7.2	7.2	7.1	7.1	6.9	6.9	7.1	7.3	7.3	7.2	0.2	0.1		
<b>EU-25</b>																	
<b>weighted</b>	7.7	7.8	7.8	7.8	7.9	7.8	7.7	7.7	7.7	7.9	8.1	8.0	8.0	0.2	0.2		
<b>arithmetic</b>	7.3	7.2	7.2	7.2	7.1	7.0	7.0	6.9	6.9	7.1	7.2	7.1	7.0	-0.2	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	48.2	42.8	42.3	42.7	42.4	42.0	42.1	42.5	42.9	43.7	44.3	43.4	42.6	-5.6	-0.2		
<b>Max-min</b>	12.0	12.3	12.7	12.5	12.3	12.1	12.0	11.8	11.7	12.0	12.3	12.2	12.3	0.2	0.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 49: Taxes on Labour as % of Total Taxation - Employed paid by employers

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	19.6	18.5	18.7	19.1	19.2	18.7	18.4	18.4	18.8	19.0	20.1	19.5	19.6	0.0	1.1	15	31,923
BG	29.6	28.2	25.8	26.4	26.2	24.6	22.9	18.9	16.8	15.0	16.1	16.4	17.5	-12.1	-10.6	16	1,837
CZ	26.8	28.6	28.6	28.8	28.4	27.6	27.8	28.1	27.7	28.7	27.9	28.9	28.5	1.7	-0.1	3	15,352
DK	1.0	0.9	1.2	1.1	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.3	0.4	0.4	27	1,528
DE	18.9	18.2	18.9	19.0	19.1	18.9	18.3	17.7	16.9	16.8	17.2	17.7	17.3	-1.6	-0.9	17	173,560
EE	33.3	34.7	34.8	34.0	33.1	32.5	32.2	32.0	32.4	35.5	34.9	35.6	34.1	0.9	-0.5	1	1,789
IE	8.7	8.5	9.6	9.5	9.2	8.9	8.9	9.1	9.7	11.0	11.6	11.1	12.1	3.4	3.6	24	5,547
EL	14.6	14.1	14.7	16.3	16.8	16.4	16.0	15.4	15.9	16.3	15.7	16.3	14.7	0.1	0.6	21	9,927
ES	25.6	25.4	26.2	25.7	26.1	25.3	24.5	23.9	23.9	26.8	28.2	26.9	27.1	1.5	1.7	5	90,541
FR	29.3	27.5	27.5	28.1	28.5	28.1	27.9	28.0	28.2	28.6	30.4	30.0	29.4	0.1	2.0	2	258,073
IT	21.5	23.9	24.3	25.0	25.2	25.4	25.9	24.8	24.8	25.2	25.3	25.3	25.2	3.7	1.3	7	169,501
CY	16.5	15.4	15.4	15.2	17.2	18.9	19.2	17.8	15.0	16.1	19.5	19.8	19.6	3.1	4.2	14	1,238
LV	35.1	25.1	23.9	24.3	22.8	22.3	21.0	20.9	20.7	20.5	23.2	22.3	23.0	-12.1	-2.1	9	1,281
LT	25.0	28.0	27.9	27.4	27.4	26.8	25.7	25.7	25.8	26.6	29.5	28.4	28.1	3.0	0.1	4	2,252
LU	12.2	11.2	12.0	12.2	12.4	12.6	12.1	12.0	11.8	12.1	12.8	12.5	12.8	0.6	1.6	23	2,029
HU	29.1	27.1	26.8	26.9	26.2	25.5	26.4	25.9	24.8	24.8	23.8	21.8	22.6	-6.5	-4.6	11	8,336
MT	11.2	10.1	10.1	9.6	9.3	9.0	8.5	8.2	7.6	8.0	8.0	8.2	8.3	-2.9	-1.8	26	183
NL	5.0	11.4	11.6	11.8	11.8	11.7	11.0	12.0	11.9	12.4	13.2	13.2	13.4	8.4	2.0	22	30,861
AT	24.2	22.5	21.4	21.7	21.9	21.7	22.2	22.2	21.9	21.9	22.8	22.8	22.7	-1.5	0.2	10	28,700
PL	15.8	17.4	17.8	16.4	16.1	15.7	15.7	15.6	14.5	14.2	15.5	15.7	15.2	-0.6	-2.2	20	18,261
PT	13.5	15.1	15.6	15.5	14.7	15.2	15.1	14.1	14.6	14.9	16.3	16.4	16.0	2.5	0.9	18	9,072
RO	0.0	26.7	24.9	23.0	22.4	21.7	23.0	22.1	21.4	21.6	22.1	20.7	20.0	20.0	-6.7	13	7,423
SI	20.5	18.5	18.8	18.6	18.7	18.7	18.9	18.0	17.2	16.4	15.4	15.4	15.4	-5.1	-3.2	19	2,071
SK	23.7	26.8	26.7	26.9	25.5	24.2	22.4	21.5	21.4	23.0	23.8	24.4	23.3	-0.5	-3.5	8	4,591
FI	21.6	18.5	20.1	19.9	20.1	20.3	20.4	20.4	20.3	20.9	22.0	21.1	20.5	-1.1	2.0	12	16,859
SE	24.9	24.8	26.8	27.5	26.9	26.1	25.5	25.3	25.8	27.1	26.5	25.8	26.5	1.6	1.7	6	45,527
UK	9.5	9.5	9.6	9.5	10.1	10.3	10.3	10.2	10.6	10.5	11.2	11.5	10.7	1.1	1.2	25	67,424
NO	14.0	12.6	13.0	13.8	13.9	13.2	12.4	12.2	12.7	12.9	14.4	13.8	13.5	-0.4	0.9		20,311
IS	6.9	7.4	7.7	7.9	8.3	7.9	7.7	7.8	7.6	7.9	9.3	12.1	11.7	4.8	4.3		422
<b>EU-27</b>																Total:	1,005,686
<b>weighted</b>	19.7	19.2	19.7	19.9	20.3	20.1	19.8	19.5	19.5	20.0	20.9	20.7	20.5	0.8	1.2		
<b>arithmetic</b>	19.9	19.9	20.0	20.0	19.9	19.6	19.3	18.9	18.6	19.1	19.8	19.6	19.4	-0.4	-0.4		
<b>EA-17</b>																Total:	836,465
<b>weighted</b>	21.4	21.4	21.9	22.2	22.4	22.3	22.1	21.6	21.5	22.0	22.8	22.7	22.5	1.1	1.0		
<b>arithmetic</b>	18.8	18.8	19.2	19.3	19.3	19.2	18.9	18.6	18.4	19.1	19.8	19.8	19.5	0.7	0.7		
<b>EU-25</b>																	
<b>weighted</b>	19.7	19.2	19.6	19.9	20.3	20.1	19.8	19.5	19.4	20.0	20.9	20.7	20.5	0.8	1.3		
<b>arithmetic</b>	19.5	19.3	19.6	19.6	19.5	19.3	19.0	18.7	18.5	19.1	19.8	19.7	19.5	0.0	0.2		
<b>Convergence</b>																	
<b>St.dev/mean</b>	43.8	40.3	38.8	38.8	38.0	37.2	37.6	37.8	38.5	39.8	38.6	38.3	37.8	-6.0	-2.5		
<b>Max-min</b>	34.1	33.7	33.6	32.9	32.0	31.5	31.2	31.0	31.3	34.4	33.8	34.4	32.8	-1.3	-0.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 50: Taxes on Labour as % of GDP - Employed paid by employees

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	13.7	13.8	14.1	14.1	13.8	13.8	13.6	13.1	13.0	13.3	13.3	13.3	13.4	-0.3	-0.4	3	49,611
BG	3.8	5.0	4.5	4.4	4.5	4.5	4.4	4.2	4.7	4.8	5.1	4.5	4.4	0.6	-0.7	27	1,683
CZ	7.2	6.9	6.8	7.1	7.3	7.3	7.3	7.2	7.3	6.9	6.4	6.4	6.7	-0.5	-0.2	20	10,417
DK	20.7	21.3	21.5	20.7	20.4	19.8	19.5	19.4	19.7	20.1	20.1	18.8	18.7	-2.0	-2.6	1	44,922
DE	13.8	13.8	13.6	13.4	13.2	12.5	12.2	12.2	12.0	12.3	12.6	12.0	12.3	-1.5	-1.5	5	317,868
EE	8.1	6.4	6.1	6.2	6.2	5.9	5.1	5.1	5.4	5.8	5.7	5.6	5.5	-2.6	-0.8	23	881
IE	10.4	8.6	8.1	7.2	7.0	7.6	7.5	7.4	7.7	8.0	8.4	8.4	8.5	-1.8	-0.1	12	13,565
EL	5.0	6.4	6.2	6.5	6.6	6.5	6.8	6.4	6.6	6.5	6.2	6.3	6.1	1.1	-0.2	21	12,745
ES	6.9	6.5	6.6	6.8	6.4	6.5	6.6	6.8	7.3	7.2	7.1	7.3	7.4	0.4	0.9	16	78,168
FR	9.0	8.8	8.9	8.7	8.8	8.7	8.8	8.6	8.4	8.5	8.4	8.1	8.3	-0.7	-0.6	14	164,800
IT	7.7	7.9	7.9	7.9	7.7	7.7	7.7	7.8	8.0	8.5	8.6	8.6	8.4	0.7	0.5	13	133,209
CY	5.2	4.7	5.0	5.2	5.1	4.3	4.5	4.6	4.7	4.8	5.3	5.5	5.6	0.3	0.9	22	1,007
LV	5.6	7.8	7.7	7.8	8.1	8.2	7.9	8.2	8.3	8.4	7.5	7.9	7.1	1.6	-0.7	18	1,444
LT	5.8	7.7	7.3	6.9	6.6	6.8	6.8	6.7	6.2	6.3	6.2	5.5	5.3	-0.5	-2.4	25	1,640
LU	9.2	9.4	9.8	9.2	9.1	8.9	9.3	9.0	9.2	10.1	10.6	10.2	10.4	1.2	1.0	9	4,451
HU	7.6	7.8	8.2	8.6	8.3	8.1	8.0	8.3	9.3	9.7	9.2	9.2	8.8	1.2	1.0	11	8,816
MT	5.9	6.2	7.0	7.3	7.2	7.4	7.4	7.6	6.9	6.8	7.3	7.0	7.3	1.4	1.1	17	477
NL	15.8	13.2	11.5	11.8	12.1	11.9	11.9	12.6	12.9	13.4	13.7	13.8	14.0	-1.8	0.8	2	84,294
AT	11.7	11.9	12.1	12.1	12.2	11.9	11.6	11.6	11.6	12.0	11.8	11.7	11.7	0.0	-0.2	6	35,185
PL	8.8	7.8	7.9	7.3	7.3	6.9	6.9	7.3	7.1	7.0	6.5	6.3	6.8	-2.0	-1.1	19	24,969
PT	6.8	6.3	6.4	6.4	6.7	6.4	6.5	6.9	6.8	6.8	7.1	6.9	7.4	0.6	1.1	15	12,704
RO	0.0	5.2	5.7	5.9	4.9	4.8	4.6	5.2	5.6	5.4	5.7	5.4	5.3	5.3	0.2	24	7,017
SI	13.4	12.9	13.0	12.8	12.7	12.7	12.5	12.5	11.8	12.4	12.9	12.9	12.7	-0.7	-0.3	4	4,589
SK	5.8	5.7	5.9	5.7	5.6	5.1	5.2	4.9	5.0	5.3	5.3	5.3	5.3	-0.5	-0.4	26	3,649
FI	12.0	12.0	12.1	12.0	11.7	11.2	11.4	11.3	10.9	11.3	11.6	11.1	11.2	-0.8	-0.8	7	21,255
SE	13.3	14.1	13.7	12.6	12.5	12.5	12.4	11.9	11.2	11.4	11.1	10.6	10.8	-2.4	-3.3	8	42,007
UK	10.2	10.7	10.7	10.2	9.9	10.1	10.4	10.4	10.4	10.4	10.3	10.0	10.1	-0.1	-0.6	10	176,648
NO	11.4	10.6	10.9	11.4	11.4	10.9	10.1	9.6	10.0	9.7	10.7	10.5	10.4	-1.0	-0.3		36,539
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>1,258,021</b>
<b>weighted</b>	10.9	10.7	10.5	10.3	10.2	9.9	9.9	9.9	9.9	10.0	10.1	9.8	10.0	-1.0	-0.7		
<b>arithmetic</b>	9.0	9.2	9.2	9.1	9.0	8.8	8.8	8.8	8.8	9.0	9.0	8.8	8.9	-0.1	-0.3		
<b>EA-17</b>																<b>Total:</b>	<b>938,458</b>
<b>weighted</b>	10.9	10.4	10.3	10.2	10.0	9.7	9.7	9.7	9.7	9.9	10.0	9.8	10.0	-0.9	-0.5		
<b>arithmetic</b>	9.4	9.1	9.1	9.0	9.0	8.8	8.7	8.7	8.7	9.0	9.2	9.1	9.1	-0.3	0.1		
<b>EU-25</b>																	
<b>weighted</b>	11.0	10.7	10.6	10.3	10.2	10.0	9.9	9.9	9.9	10.1	10.1	9.9	10.0	-1.0	-0.7		
<b>arithmetic</b>	9.6	9.5	9.5	9.4	9.3	9.1	9.1	9.1	9.1	9.3	9.3	9.2	9.2	-0.4	-0.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	47.7	41.6	41.1	39.8	40.1	40.0	39.6	38.9	38.1	38.6	39.0	38.2	38.2	-9.5	-3.5		
<b>Max-min</b>	20.7	16.5	17.1	16.3	15.9	15.4	15.1	15.2	15.0	15.3	15.0	14.3	14.3	-6.4	-2.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 51: Taxes on Labour as % of Total Taxation - Employed paid by employees

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	31.3	30.7	31.4	31.1	30.9	30.8	30.5	29.4	29.6	30.0	30.7	30.5	30.4	-0.8	-0.3	5	49,611
BG	12.3	16.0	14.6	15.3	14.6	13.7	14.0	13.7	14.2	15.0	17.4	16.4	16.0	3.7	0.1	26	1,683
CZ	20.3	20.4	20.2	20.6	20.6	20.3	20.5	20.3	20.3	20.1	19.0	19.1	19.4	-1.0	-1.1	20	10,417
DK	42.3	43.1	44.5	43.2	42.5	40.3	38.3	39.1	40.4	42.1	42.0	39.8	39.2	-3.2	-3.9	1	44,922
DE	34.7	33.3	34.5	34.4	33.8	32.7	31.8	31.7	31.0	31.8	32.1	31.8	31.7	-3.0	-1.6	4	317,868
EE	22.3	20.5	20.2	19.9	20.1	19.4	16.6	16.6	17.3	18.3	15.8	16.5	16.8	-5.5	-3.7	25	881
IE	31.8	27.5	27.2	25.5	24.2	25.3	24.7	23.1	24.3	26.7	29.6	29.8	29.5	-2.2	2.0	6	13,565
EL	17.2	18.4	18.7	19.4	20.5	20.8	21.2	20.2	20.2	20.1	20.4	19.7	18.9	1.7	0.5	22	12,745
ES	21.6	18.9	19.7	20.0	19.0	18.8	18.3	18.4	19.6	21.7	23.0	22.8	23.4	1.8	4.5	14	78,168
FR	21.0	19.9	20.3	20.1	20.3	20.0	20.1	19.6	19.4	19.6	20.0	19.0	18.8	-2.2	-1.1	23	164,800
IT	19.3	19.0	19.3	19.6	18.9	19.0	19.2	18.7	18.8	20.0	20.0	20.2	19.8	0.5	0.8	19	133,209
CY	19.5	15.8	16.4	17.0	15.9	13.1	13.0	12.9	11.8	12.5	15.1	15.5	15.9	-3.6	0.1	27	1,007
LV	16.9	26.3	26.9	27.1	28.2	28.5	26.9	26.9	27.1	28.8	28.1	29.2	25.9	9.1	-0.4	10	1,444
LT	21.1	25.7	25.6	24.4	23.7	24.3	24.2	22.9	21.0	21.0	21.1	20.4	20.4	-0.7	-5.3	18	1,640
LU	24.9	24.0	24.8	23.5	23.9	23.9	24.7	25.2	25.8	26.9	27.1	27.1	28.1	3.2	4.0	7	4,451
HU	18.6	19.7	21.1	22.6	21.8	21.4	21.5	22.3	22.9	24.1	23.0	24.3	23.9	5.3	4.2	13	8,816
MT	22.5	22.5	24.1	24.3	23.7	23.7	22.4	22.9	20.4	20.6	21.7	21.5	21.8	-0.7	-0.8	16	477
NL	39.3	33.1	30.1	31.1	32.4	31.8	31.7	32.2	33.3	34.2	35.8	35.5	36.5	-2.8	3.4	2	84,294
AT	28.2	27.8	27.0	27.7	28.1	27.7	27.6	27.9	27.7	28.0	27.9	27.9	27.8	-0.4	0.1	9	35,185
PL	23.6	24.0	24.6	22.5	22.7	21.9	21.1	21.7	20.5	20.5	20.6	19.7	20.8	-2.8	-3.2	17	24,969
PT	23.0	20.2	20.8	20.3	21.3	20.9	20.6	21.4	20.8	20.9	23.0	22.0	22.4	-0.6	2.1	15	12,704
RO	0.0	17.1	20.0	20.8	17.7	17.6	16.5	18.3	19.2	19.4	21.1	20.0	18.9	18.9	1.9	21	7,017
SI	34.3	34.7	34.6	33.8	33.4	33.2	32.3	32.5	31.4	33.2	34.4	34.0	34.1	-0.2	-0.6	3	4,589
SK	14.4	16.6	17.8	17.2	17.1	16.2	16.8	16.7	17.0	18.3	18.3	18.9	18.5	4.1	1.9	24	3,649
FI	26.3	25.5	27.0	26.8	26.6	25.8	25.9	25.8	25.3	26.4	27.2	26.2	25.8	-0.5	0.4	11	21,255
SE	27.7	27.4	27.6	26.6	26.2	25.9	25.4	24.5	23.7	24.5	23.9	23.2	24.4	-3.2	-2.9	12	42,007
UK	29.8	29.0	29.4	29.1	28.6	28.6	29.1	28.5	28.9	27.7	29.7	28.2	28.0	-1.9	-1.0	8	176,648
NO	27.1	24.9	25.4	26.5	26.9	25.3	23.2	22.1	23.3	23.1	25.5	24.7	24.4	-2.7	-0.6		36,539
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>1,258,021</b>
<b>weighted</b>	27.9	26.4	26.7	26.5	26.1	25.7	25.4	25.0	25.0	25.6	26.2	25.6	25.6	-2.2	-0.8		
<b>arithmetic</b>	23.9	24.3	24.7	24.6	24.3	23.9	23.5	23.5	23.4	24.2	24.7	24.4	24.3	0.5	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>938,458</b>
<b>weighted</b>	27.5	25.5	25.8	25.7	25.4	24.8	24.5	24.2	24.1	25.1	25.6	25.2	25.2	-2.2	-0.3		
<b>arithmetic</b>	25.4	24.0	24.3	24.2	24.1	23.7	23.4	23.3	23.1	24.1	24.8	24.6	24.7	-0.7	0.7		
<b>EU-25</b>																	
<b>weighted</b>	28.0	26.5	26.7	26.6	26.2	25.7	25.4	25.1	25.1	25.6	26.2	25.7	25.7	-2.3	-0.8		
<b>arithmetic</b>	25.3	25.0	25.3	25.1	25.0	24.6	24.2	24.1	23.9	24.7	25.2	24.9	24.9	-0.4	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	36.7	27.4	26.6	25.6	26.4	26.7	26.2	26.3	27.0	26.9	26.4	25.9	25.8	-10.8	-1.5		
<b>Max-min</b>	42.3	27.3	29.9	27.9	27.9	27.2	25.4	26.1	28.6	29.6	26.9	24.3	23.3	-19.1	-4.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 52: Taxes on Labour as % of GDP - Non-employed

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.0	2.0	2.1	2.1	2.1	1.8	1.8	1.7	1.8	1.9	1.9	2.0	2.0	0.0	0.0	8	7,286
BG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.0	27	26
CZ	0.9	1.2	1.2	1.2	1.2	1.1	1.1	1.3	1.3	1.2	1.3	1.4	1.4	0.5	0.2	11	2,144
DK	6.1	4.9	4.8	4.9	5.1	4.9	4.8	4.7	4.7	4.8	6.4	5.0	5.1	-1.1	0.2	1	12,165
DE	2.7	2.8	2.7	2.9	2.9	2.9	3.0	2.9	2.6	2.7	2.9	2.8	2.6	-0.1	-0.1	3	68,671
EE	0.0	0.2	0.1	0.2	0.2	0.4	0.3	0.3	0.2	0.3	0.5	0.4	0.4	0.3	0.2	19	58
IE	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0	26	123
EL	0.5	0.9	0.9	0.9	0.7	0.8	0.9	1.0	1.0	1.0	1.1	1.0	0.9	0.4	0.1	15	1,969
ES	1.0	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	1.0	1.3	1.4	1.4	0.4	0.7	12	14,446
FR	1.1	1.5	1.4	1.4	1.4	1.5	1.5	1.4	1.4	1.5	1.5	1.6	1.7	0.6	0.2	9	33,704
IT	1.8	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.3	2.6	2.7	2.6	0.8	0.6	4	41,100
CY	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	-0.1	24	17
LV	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.3	0.2	21	59
LT	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-0.1	-0.2	25	27
LU	1.5	1.3	1.2	1.1	1.2	1.4	1.3	1.2	1.3	1.3	1.4	1.3	1.4	-0.1	0.1	10	593
HU	0.8	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.8	1.0	0.6	0.5	0.3	-0.5	-0.4	20	332
MT	0.7	0.7	0.8	0.9	0.9	1.0	1.1	1.1	1.0	1.0	1.1	1.1	1.1	0.5	0.4	14	73
NL	4.2	3.0	2.5	2.6	2.7	2.6	2.6	2.8	2.3	2.4	2.4	2.4	2.5	-1.8	-0.5	7	14,915
AT	2.0	2.3	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.5	2.5	2.6	2.6	0.6	0.3	5	7,793
PL	2.4	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	-1.6	0.0	17	2,891
PT	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.0	1.1	0.7	0.6	13	1,921
RO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	23	244
SI	0.4	0.4	0.7	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.8	0.9	0.9	0.5	0.5	16	332
SK	0.0	0.6	0.6	0.6	0.5	0.6	0.7	0.8	0.6	0.7	0.7	0.5	0.7	0.7	0.1	18	483
FI	3.3	2.5	2.3	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.5	2.5	2.6	-0.7	0.1	6	4,865
SE	4.5	3.9	3.9	4.0	4.5	4.5	4.2	4.3	3.8	3.7	3.9	3.4	3.2	-1.4	-0.7	2	12,240
UK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2	0.1	0.1	22	3,999
NO	1.2	1.2	1.2	1.2	1.3	1.2	1.1	1.1	1.1	1.1	1.3	1.3	1.3	0.1	0.1		4,501
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>232,475</b>
<b>weighted</b>	1.9	1.7	1.7	1.7	1.8	1.8	1.7	1.7	1.6	1.7	1.9	1.9	1.8	-0.1	0.1		
<b>arithmetic</b>	1.4	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.4	1.3	1.3	0.0	0.1		
<b>EA-17</b>																<b>Total:</b>	<b>198,349</b>
<b>weighted</b>	2.0	2.0	1.9	2.0	2.0	2.0	2.0	2.0	1.9	1.9	2.1	2.1	2.1	0.1	0.1		
<b>arithmetic</b>	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.4	0.1	0.2		
<b>EU-25</b>																	
<b>weighted</b>	1.9	1.7	1.7	1.7	1.8	1.8	1.8	1.7	1.6	1.7	1.9	1.9	1.9	-0.1	0.1		
<b>arithmetic</b>	1.5	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.3	1.4	1.5	1.4	1.4	-0.1	0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	115.8	102.5	100.1	103.0	106.1	103.7	101.5	99.5	96.5	94.3	101.9	91.4	90.7	-25.1	-11.8		
<b>Max-min</b>	6.1	4.9	4.8	4.8	5.0	4.9	4.8	4.7	4.7	4.8	6.4	5.0	5.0	-1.2	0.1		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 53: Taxes on Labour as % of Total Taxation - Non-employed

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	4.6	4.5	4.6	4.6	4.7	4.0	4.1	3.9	4.0	4.2	4.4	4.5	4.5	-0.1	0.0	8	7,286
BG	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.3	0.1	0.1	27	26
CZ	2.4	3.6	3.5	3.4	3.4	3.2	3.0	3.6	3.6	3.6	3.9	4.1	4.0	1.5	0.4	10	2,144
DK	12.6	9.9	9.9	10.1	10.5	10.0	9.5	9.5	9.6	10.1	13.5	10.6	10.6	-2.0	0.7	1	12,165
DE	6.9	6.7	6.9	7.3	7.5	7.6	7.9	7.5	6.8	6.8	7.3	7.3	6.8	0.0	0.2	3	68,671
EE	0.1	0.6	0.5	0.7	0.7	1.2	1.1	0.9	0.7	1.0	1.3	1.3	1.1	1.0	0.5	19	58
IE	0.5	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	-0.2	0.0	26	123
EL	1.8	2.5	2.6	2.6	2.3	2.6	2.9	3.2	3.0	3.0	3.6	3.3	2.9	1.1	0.4	15	1,969
ES	3.0	2.0	2.2	2.3	2.2	2.2	2.2	2.2	2.2	2.9	4.2	4.3	4.3	1.4	2.3	9	14,446
FR	2.6	3.3	3.3	3.2	3.3	3.4	3.4	3.2	3.2	3.4	3.6	3.8	3.8	1.2	0.5	11	33,704
IT	4.6	4.9	5.2	5.2	5.2	5.3	5.4	5.3	5.2	5.5	5.9	6.3	6.1	1.5	1.3	6	41,100
CY	1.0	0.8	0.8	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	-0.7	-0.5	25	17
LV	0.0	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.4	0.7	1.1	1.1	1.1	0.8	20	59
LT	0.8	0.8	0.8	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.3	0.3	0.3	-0.4	-0.5	24	27
LU	4.1	3.3	2.9	2.8	3.2	3.7	3.5	3.5	3.5	3.6	3.7	3.6	3.7	-0.3	0.5	12	593
HU	2.0	1.9	1.8	0.8	0.8	0.8	0.9	0.9	2.0	2.4	1.5	1.3	0.9	-1.1	-1.0	21	332
MT	2.5	2.6	2.9	3.0	3.0	3.2	3.2	3.5	3.0	2.9	3.3	3.4	3.3	0.8	0.8	14	73
NL	10.6	7.4	6.6	6.8	7.1	7.0	7.0	7.1	5.9	6.0	6.3	6.3	6.5	-4.1	-1.0	4	14,915
AT	4.8	5.4	5.4	5.7	6.0	5.9	5.7	5.8	5.7	5.8	5.9	6.1	6.2	1.4	0.8	5	7,793
PL	6.4	2.3	2.5	2.3	2.3	2.1	2.2	2.5	2.3	2.4	2.6	2.5	2.4	-4.0	0.1	18	2,891
PT	1.5	1.6	1.8	1.9	2.0	2.2	2.3	2.4	2.6	2.7	3.2	3.2	3.4	1.8	1.7	13	1,921
RO	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.6	0.7	0.7	0.7	0.6	22	244
SI	1.1	1.0	2.0	1.9	2.1	2.2	1.7	1.7	1.6	1.6	2.2	2.3	2.5	1.4	1.5	16	332
SK	0.1	1.9	1.8	1.7	1.6	1.8	2.1	2.6	2.2	2.3	2.3	1.9	2.4	2.4	0.6	17	483
FI	7.2	5.3	5.2	5.5	5.5	5.6	5.7	5.5	5.4	5.4	5.9	6.0	5.9	-1.3	0.6	7	4,865
SE	9.5	7.5	7.9	8.4	9.5	9.4	8.6	8.9	8.0	8.1	8.3	7.6	7.1	-2.3	-0.4	2	12,240
UK	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.6	0.6	0.2	0.2	23	3,999
NO	2.9	2.9	2.9	2.9	3.0	2.8	2.6	2.5	2.7	2.6	3.1	3.0	3.0	0.1	0.1		4,501
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>232,475</b>
<b>weighted</b>	4.9	4.3	4.3	4.4	4.5	4.5	4.5	4.3	4.1	4.3	4.9	4.8	4.7	-0.1	0.5		
<b>arithmetic</b>	3.4	3.0	3.0	3.1	3.2	3.2	3.1	3.2	3.1	3.2	3.5	3.4	3.4	0.0	0.4		
<b>EA-17</b>																<b>Total:</b>	<b>198,349</b>
<b>weighted</b>	5.1	4.8	4.9	5.0	5.0	5.1	5.1	4.9	4.6	4.9	5.4	5.4	5.3	0.2	0.5		
<b>arithmetic</b>	3.4	3.2	3.2	3.3	3.4	3.4	3.4	3.5	3.3	3.4	3.8	3.8	3.8	0.4	0.6		
<b>EU-25</b>																	
<b>weighted</b>	4.9	4.3	4.3	4.4	4.6	4.6	4.5	4.4	4.1	4.4	4.9	4.9	4.8	-0.1	0.5		
<b>arithmetic</b>	3.6	3.2	3.3	3.3	3.4	3.4	3.4	3.4	3.3	3.4	3.8	3.7	3.6	0.0	0.4		
<b>Convergence</b>																	
<b>St.dev/mean</b>	102.9	88.5	86.4	90.8	93.0	90.1	88.2	86.7	84.4	82.1	86.7	78.7	78.3	-24.6	-10.2		
<b>Max-min</b>	12.6	9.8	9.9	10.1	10.5	10.0	9.4	9.3	9.5	9.9	13.3	10.4	10.4	-2.2	0.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 54: Taxes on Capital as % of GDP - Total

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	8.7	9.5	9.4	9.3	9.2	9.7	9.9	10.1	9.9	9.9	8.7	8.9	9.2	0.5	-0.3	6	34,164
BG	5.7	4.4	5.5	4.7	4.5	4.5	3.8	4.1	6.5	5.3	4.5	4.0	3.9	-1.8	-0.5	24	1,496
CZ	7.0	5.9	6.4	6.7	7.0	6.8	6.6	6.7	6.8	6.1	5.6	5.2	5.3	-1.6	-0.5	19	8,354
DK	6.4	7.2	6.0	6.1	6.6	8.2	10.0	8.9	7.9	7.1	5.8	8.2	8.5	2.1	1.3	8	20,397
DE	5.5	6.7	5.1	4.9	5.0	5.4	5.9	6.5	6.9	6.6	5.8	5.7	6.2	0.7	-0.5	16	159,631
EE	3.5	2.0	1.7	2.2	2.6	2.6	2.6	2.5	2.6	2.7	2.8	2.3	2.2	-1.3	0.1	26	345
IE	6.5	7.9	7.8	7.4	8.3	8.5	8.8	10.2	9.5	7.5	6.3	6.3	6.7	0.3	-1.2	12	10,724
EL	7.3	10.1	8.6	8.4	7.9	7.6	8.0	7.8	8.0	7.9	7.6	6.9	8.1	0.8	-2.0	9	16,863
ES	7.7	8.9	8.4	8.9	8.7	9.3	10.1	11.0	11.3	8.3	7.3	6.8	6.6	-1.1	-2.3	14	70,095
FR	8.3	10.4	10.4	9.8	9.5	9.8	10.0	10.6	10.6	10.3	8.9	9.4	10.2	1.9	-0.2	2	203,588
IT	11.0	10.4	10.4	10.0	10.7	10.1	9.6	10.8	11.5	11.0	10.9	9.9	10.0	-1.1	-0.4	4	157,830
CY	6.5	10.0	9.3	9.0	7.7	7.8	9.1	10.0	14.0	12.3	9.6	9.5	9.9	3.4	-0.2	5	1,775
LV	3.7	3.1	3.6	3.3	2.8	2.9	3.0	3.3	4.1	4.2	2.6	2.4	3.2	-0.5	0.1	25	654
LT	3.4	2.2	1.9	2.0	2.6	3.1	3.3	4.1	4.3	4.3	3.3	2.4	2.1	-1.4	-0.1	27	638
LU	11.8	13.3	13.4	13.5	12.5	11.1	11.5	11.2	11.2	11.0	11.2	11.1	10.5	-1.4	-2.9	1	4,454
HU	3.6	4.6	4.7	4.7	4.7	4.6	4.6	5.0	5.7	5.3	5.6	5.1	5.0	1.4	0.4	21	4,963
MT	5.5	6.1	6.0	6.6	7.3	7.3	7.7	7.9	9.7	9.2	9.2	8.9	8.9	3.4	2.8	7	580
NL	6.9	7.5	7.9	7.3	6.5	6.6	7.0	6.8	6.8	6.6	5.3	5.4	5.1	-1.8	-2.4	20	30,742
AT	6.1	6.8	8.5	7.2	6.9	7.0	6.7	6.7	7.1	7.3	6.5	6.4	6.6	0.4	-0.3	15	19,743
PL	7.5	7.2	7.0	7.7	7.4	7.5	7.9	8.1	8.9	8.6	7.9	7.4	7.4	-0.2	0.2	10	27,347
PT	6.3	7.8	7.3	7.6	7.5	6.7	6.6	6.8	7.7	7.9	6.9	6.6	7.1	0.8	-0.7	11	12,205
RO	0.0	5.5	5.1	4.8	5.0	5.4	4.5	4.9	5.4	5.2	4.8	4.3	4.5	4.5	-1.0	22	5,876
SI	2.2	3.3	3.4	3.7	3.7	4.1	4.9	5.2	5.7	4.9	4.1	4.2	4.0	1.7	0.7	23	1,437
SK	10.8	6.5	6.8	6.9	6.7	6.2	6.1	6.1	6.3	6.1	5.7	5.2	5.4	-5.4	-1.1	18	3,725
FI	6.6	10.4	8.2	8.0	7.1	7.4	7.4	7.6	8.2	7.5	6.0	6.6	6.7	0.1	-3.6	13	12,736
SE	4.8	8.4	6.1	5.2	5.3	6.1	7.2	7.5	7.6	6.0	5.9	6.5	5.9	1.1	-2.5	17	22,795
UK	8.7	10.6	10.5	9.8	9.6	9.8	10.5	11.4	10.9	12.4	10.1	10.0	10.0	1.3	-0.6	3	174,944
NO	8.8	12.7	12.6	11.7	11.4	13.2	15.1	15.9	14.4	15.3	12.6	13.5	14.1	5.3	1.4		49,805
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>1,008,099</b>
<b>weighted</b>	7.5	8.9	8.4	8.0	8.0	8.2	8.6	9.2	9.3	8.9	7.8	7.8	8.0	0.5	-0.9		
<b>arithmetic</b>	6.4	7.3	7.0	6.9	6.8	6.9	7.2	7.5	8.0	7.5	6.6	6.5	6.6	0.3	-0.7		
<b>EA-17</b>																<b>Total:</b>	<b>740,637</b>
<b>weighted</b>	7.4	8.7	8.2	7.9	7.9	8.0	8.3	8.9	9.2	8.6	7.7	7.5	7.9	0.4	-0.8		
<b>arithmetic</b>	7.1	8.1	7.8	7.7	7.5	7.5	7.8	8.1	8.6	8.1	7.2	7.1	7.2	0.1	-0.8		
<b>EU-25</b>																	
<b>weighted</b>	7.5	8.9	8.4	8.1	8.0	8.2	8.6	9.2	9.3	9.0	7.9	7.8	8.0	0.5	-0.9		
<b>arithmetic</b>	6.7	7.5	7.2	7.0	6.9	7.0	7.4	7.7	8.1	7.6	6.8	6.7	6.8	0.2	-0.6		
<b>Convergence</b>																	
<b>St.dev/mean</b>	41.8	39.1	38.8	38.3	36.1	33.4	35.0	34.6	33.1	33.7	35.2	37.4	37.3	-4.5	-1.8		
<b>Max-min</b>	11.8	11.3	11.7	11.5	9.9	8.4	8.9	8.8	11.4	9.7	8.6	8.8	8.4	-3.4	-2.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 55: Taxes on Capital as % of Total Taxation - Total

	1995 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011													Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
														1995 to 2011	2000 to 2011	2011	2011
BE	19.8	21.1	20.8	20.6	20.5	21.6	22.0	22.8	22.5	22.3	20.0	20.4	21.0	1.1	-0.1	12	34,164
BG	18.5	14.0	17.9	16.6	14.6	13.9	12.2	13.2	19.5	16.6	15.4	14.4	14.3	-4.2	0.3	20	1,496
CZ	19.7	17.4	18.8	19.3	19.6	19.0	18.4	18.9	19.0	17.7	16.9	15.4	15.5	-4.1	-1.9	18	8,354
DK	13.0	14.6	12.4	12.8	13.7	16.7	19.8	17.9	16.2	14.8	12.0	17.4	17.8	4.8	3.2	14	20,397
DE	13.7	16.1	13.1	12.5	12.7	14.0	15.4	16.9	17.8	17.1	14.9	15.0	15.9	2.2	-0.2	15	159,631
EE	9.7	6.6	5.6	7.1	8.5	8.6	8.3	8.2	8.3	8.4	7.7	6.8	6.6	-3.1	0.0	27	345
IE	19.8	25.3	26.3	26.0	28.7	28.4	28.9	31.8	30.0	25.1	22.4	22.3	23.3	3.6	-2.0	7	10,724
EL	25.1	29.1	25.9	25.0	24.7	24.2	24.9	24.6	24.5	24.6	24.9	21.8	25.0	-0.1	-4.1	5	16,863
ES	24.0	26.0	25.0	25.9	25.8	26.9	28.3	29.8	30.5	25.3	23.8	21.1	21.0	-3.0	-5.0	11	70,095
FR	19.3	23.5	23.8	22.7	22.0	22.6	22.8	24.1	24.4	23.9	21.1	22.1	23.2	3.9	-0.2	8	203,588
IT	27.8	25.1	25.4	24.6	26.1	25.0	24.0	25.9	26.8	25.8	25.2	23.3	23.5	-4.2	-1.6	6	157,830
CY	24.1	33.5	30.2	29.0	23.9	23.7	25.9	28.0	35.0	31.8	27.1	26.7	28.1	3.9	-5.4	2	1,775
LV	11.2	10.5	12.4	11.6	9.6	10.1	10.4	10.7	13.3	14.2	9.8	8.7	11.7	0.6	1.2	24	654
LT	12.4	7.3	6.8	6.9	9.3	11.2	11.8	14.1	14.4	14.4	11.5	8.8	8.0	-4.5	0.6	26	638
LU	31.9	34.1	33.8	34.3	32.8	29.7	30.6	31.2	31.3	29.4	28.7	29.7	28.1	-3.8	-6.0	1	4,454
HU	8.7	11.5	12.2	12.4	12.4	12.3	12.3	13.4	14.0	13.1	13.9	13.5	13.4	4.8	1.9	21	4,963
MT	20.8	22.3	20.9	21.9	24.0	23.2	23.3	23.9	28.8	28.0	27.6	27.4	26.5	5.6	4.2	4	580
NL	17.2	18.8	20.6	19.4	17.2	17.5	18.5	17.3	17.6	16.7	13.9	14.0	13.3	-3.9	-5.5	22	30,742
AT	14.8	15.9	18.9	16.5	15.9	16.3	16.0	16.2	17.1	17.1	15.2	15.2	15.6	0.8	-0.3	17	19,743
PL	20.3	22.0	21.7	23.7	22.9	23.7	24.1	23.8	25.6	25.2	24.8	23.3	22.8	2.5	0.8	9	27,347
PT	21.4	25.1	23.7	24.2	23.8	21.8	20.9	21.1	23.4	24.0	22.2	21.0	21.5	0.1	-3.6	10	12,205
RO	0.0	18.1	18.0	17.2	18.2	19.7	16.2	17.1	18.5	18.7	17.9	16.2	15.9	15.9	-2.3	16	5,876
SI	5.8	8.9	9.1	9.6	9.8	10.7	12.7	13.6	15.1	13.1	11.1	11.0	10.7	4.9	1.8	25	1,437
SK	26.8	19.0	20.4	20.8	20.4	19.8	19.4	21.0	21.3	20.7	19.6	18.6	18.9	-7.9	-0.2	13	3,725
FI	14.5	21.9	18.4	17.9	16.1	17.0	16.9	17.4	19.1	17.5	13.9	15.6	15.5	1.0	-6.5	19	12,736
SE	10.0	16.3	12.4	10.9	11.0	12.6	14.6	15.5	16.1	13.0	12.8	14.4	13.3	3.3	-3.0	23	22,795
UK	25.5	28.9	28.8	27.9	27.5	27.9	29.2	31.1	30.2	32.9	29.0	28.3	27.7	2.2	-1.2	3	174,944
NO	21.0	29.8	29.3	27.1	26.9	30.6	34.8	36.5	33.6	36.4	30.0	31.6	33.2	12.2	3.4		49,805
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	#VALUE!	:		:
<b>EU-27</b>																Total:	1,008,099
<b>weighted</b>	19.0	22.0	21.3	20.7	20.6	21.2	22.0	23.2	23.6	22.7	20.4	20.2	20.5	1.5	-1.4		
<b>arithmetic</b>	17.6	19.7	19.4	19.2	19.0	19.2	19.6	20.4	21.5	20.4	18.6	18.2	18.4	0.8	-1.3		
<b>EA-17</b>																Total:	740,637
<b>weighted</b>	18.8	21.2	20.5	19.9	20.0	20.5	21.1	22.4	23.0	21.7	19.7	19.3	19.9	1.1	-1.3		
<b>arithmetic</b>	19.8	21.9	21.3	21.1	20.8	20.7	21.1	22.0	23.2	21.8	19.9	19.5	19.9	0.1	-2.0		
<b>EU-25</b>																	
<b>weighted</b>	19.0	22.0	21.3	20.7	20.6	21.2	22.0	23.3	23.6	22.8	20.4	20.3	20.6	1.5	-1.4		
<b>arithmetic</b>	18.3	20.0	19.5	19.3	19.2	19.4	20.0	20.8	21.7	20.6	18.8	18.5	18.7	0.4	-1.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	41.9	37.6	36.7	36.7	35.5	31.8	32.0	32.3	30.9	31.1	33.8	33.6	33.3	-8.5	-4.3		
<b>Max-min</b>	31.9	27.5	28.1	27.4	24.3	21.1	22.3	23.5	26.7	24.5	21.3	23.0	21.5	-10.4	-6.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 56: Taxes on Capital as % of GDP - Capital and business income

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	5.8	6.1	6.1	5.9	5.7	5.9	6.2	6.3	6.2	6.2	5.1	5.2	5.5	-0.3	-0.6	11	20,404
BG	5.4	4.0	5.1	4.2	3.9	3.8	3.0	3.2	5.6	4.3	3.7	3.2	3.1	-2.3	-0.9	22	1,191
CZ	6.0	4.9	5.5	5.8	6.1	6.2	5.9	6.0	6.1	5.4	5.0	4.5	4.6	-1.4	-0.3	16	7,171
DK	4.5	4.8	3.4	3.5	3.8	5.4	7.3	6.2	5.2	4.2	2.9	5.4	5.6	1.1	0.9	9	13,570
DE	4.3	5.5	4.0	3.8	3.9	4.3	4.8	5.4	5.8	5.6	4.8	4.7	5.1	0.8	-0.5	13	131,781
EE	2.9	1.4	1.1	1.6	2.1	2.0	2.0	2.0	2.1	2.1	2.2	1.7	1.6	-1.3	0.2	26	254
IE	4.5	5.9	5.8	5.6	6.1	6.2	6.2	7.1	6.6	5.3	4.4	4.3	4.5	0.0	-1.4	18	7,185
EL	5.8	7.7	6.7	6.8	6.4	6.2	6.6	6.0	6.1	6.0	5.9	5.7	5.8	0.0	-1.9	6	12,117
ES	5.3	6.0	5.7	6.0	5.7	6.0	6.5	7.1	7.8	5.6	4.8	4.2	4.2	-1.1	-1.8	19	44,804
FR	4.1	5.9	6.1	5.5	5.2	5.3	5.4	6.1	5.9	5.8	4.3	5.1	5.6	1.4	-0.4	10	111,170
IT	7.5	8.1	8.2	7.4	8.3	7.5	7.2	8.3	9.0	8.8	7.9	7.5	7.4	0.0	-0.7	3	117,544
CY	5.1	7.6	7.4	7.4	6.0	5.3	6.4	7.7	10.6	9.7	7.8	7.6	8.1	3.1	0.6	1	1,463
LV	1.9	1.8	2.0	2.2	1.7	1.9	2.1	2.4	2.9	3.3	1.7	1.2	1.8	-0.1	0.0	25	363
LT	2.6	1.3	1.1	1.2	1.9	2.5	2.8	3.5	3.7	3.8	2.7	1.7	1.5	-1.1	0.2	27	450
LU	9.1	9.1	9.5	10.2	9.6	8.1	8.2	7.8	7.6	8.1	8.5	8.4	7.7	-1.4	-1.4	2	3,302
HU	2.9	3.6	3.7	3.7	3.6	3.3	3.3	3.7	4.2	3.8	4.0	2.6	2.4	-0.5	-1.2	24	2,432
MT	4.2	5.0	4.8	5.1	5.7	5.3	5.5	5.8	7.7	7.5	7.6	7.3	7.3	3.1	2.3	4	478
NL	5.1	5.3	5.7	5.0	4.3	4.3	4.6	4.7	4.7	4.6	3.5	3.7	3.5	-1.5	-1.8	20	21,209
AT	4.9	5.7	7.4	6.1	5.8	6.0	5.7	5.7	6.1	6.3	5.5	5.4	5.7	0.7	-0.1	8	17,019
PL	5.4	5.5	5.3	5.8	5.6	5.7	6.2	6.2	7.2	6.9	6.2	5.8	5.8	0.4	0.3	5	21,508
PT	4.4	5.7	5.2	5.1	4.7	4.6	4.4	4.4	5.2	5.5	4.5	4.3	4.8	0.5	-0.8	14	8,252
RO	0.0	4.3	3.9	3.8	4.0	4.5	3.6	3.9	4.2	4.2	3.8	3.2	3.4	3.4	-0.8	21	4,524
SI	1.6	2.4	2.5	2.8	2.9	3.2	3.9	4.3	4.8	4.0	3.2	3.2	3.1	1.4	0.6	23	1,106
SK	9.9	5.7	6.0	6.1	6.0	5.5	5.4	5.5	5.7	5.5	5.0	4.6	4.8	-5.2	-0.9	15	3,307
FI	5.5	9.0	7.0	6.7	5.9	6.0	6.0	6.3	6.9	6.2	4.6	5.2	5.3	-0.1	-3.7	12	10,132
SE	3.4	6.3	4.3	3.4	3.5	4.3	5.5	5.8	6.2	4.7	4.6	5.1	4.5	1.2	-1.7	17	17,598
UK	5.2	6.2	6.2	5.5	5.4	5.5	6.1	6.8	6.3	6.6	5.6	5.7	5.7	0.5	-0.5	7	98,914
NO	5.3	7.1	6.9	6.5	6.1	7.0	7.7	8.2	7.8	7.8	7.1	7.6	7.7	2.4	0.6		27,301
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	#VALUE!	:		:
<b>EU-27</b>																<b>Total:</b>	<b>679,245</b>
<b>weighted</b>	5.0	6.2	5.8	5.4	5.3	5.5	5.8	6.3	6.5	6.1	5.2	5.2	5.4	0.4	-0.8		
<b>arithmetic</b>	4.7	5.4	5.2	5.0	5.0	5.0	5.2	5.5	5.9	5.6	4.8	4.7	4.8	0.1	-0.6		
<b>EA-17</b>																<b>Total:</b>	<b>511,525</b>
<b>weighted</b>	5.0	6.3	5.8	5.5	5.5	5.5	5.7	6.3	6.6	6.2	5.2	5.2	5.4	0.4	-0.8		
<b>arithmetic</b>	5.3	6.0	5.8	5.7	5.5	5.4	5.6	5.9	6.4	6.0	5.3	5.2	5.3	0.0	-0.7		
<b>EU-25</b>																	
<b>weighted</b>	5.0	6.2	5.8	5.4	5.4	5.5	5.8	6.3	6.5	6.1	5.2	5.3	5.4	0.4	-0.8		
<b>arithmetic</b>	4.9	5.5	5.2	5.1	5.0	5.1	5.4	5.6	6.0	5.7	4.9	4.8	4.9	0.0	-0.6		
<b>Convergence</b>																	
<b>St.dev/mean</b>	44.6	38.3	39.1	38.8	36.5	30.5	30.9	29.5	30.0	30.7	35.8	38.5	37.9	-6.7	-0.4		
<b>Max-min</b>	9.9	7.8	8.4	9.0	7.9	6.2	6.3	6.3	8.5	7.6	6.8	7.2	6.7	-3.3	-1.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 57: Taxes on Capital as % of Total Taxation - Capital and business income

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	13.2	13.6	13.5	13.1	12.7	13.2	13.8	14.3	14.2	13.9	11.6	11.9	12.5	-0.7	-1.1	16	20,404
BG	17.3	12.7	16.6	14.7	12.6	11.7	9.7	10.5	16.7	13.3	12.6	11.6	11.4	-6.0	-1.4	20	1,191
CZ	17.0	14.6	16.2	16.8	17.3	17.1	16.5	16.9	17.1	15.8	15.1	13.5	13.3	-3.7	-1.2	13	7,171
DK	9.2	9.7	7.1	7.2	8.0	11.0	14.3	12.4	10.6	8.8	6.1	11.4	11.8	2.6	2.1	19	13,570
DE	10.8	13.4	10.3	9.8	10.0	11.1	12.5	14.0	14.9	14.4	12.2	12.3	13.1	2.3	-0.3	14	131,781
EE	8.1	4.4	3.6	5.1	6.7	6.7	6.5	6.4	6.6	6.5	6.0	4.9	4.8	-3.2	0.4	27	254
IE	13.8	19.0	19.7	19.8	21.3	20.6	20.2	22.0	21.0	17.7	15.4	15.3	15.6	1.9	-3.3	9	7,185
EL	19.9	22.2	20.0	20.1	19.9	19.9	20.5	18.8	18.6	18.5	19.3	18.0	17.9	-1.9	-4.3	4	12,117
ES	16.5	17.7	16.8	17.5	16.9	17.4	18.2	19.4	21.0	16.9	15.6	13.2	13.4	-3.1	-4.3	12	44,804
FR	9.7	13.4	13.8	12.8	12.0	12.3	12.3	13.7	13.6	13.5	10.2	12.0	12.7	3.0	-0.7	15	111,170
IT	18.8	19.6	20.0	18.2	20.4	18.7	18.0	20.0	21.0	20.6	18.3	17.7	17.5	-1.3	-2.1	6	117,544
CY	18.8	25.2	24.3	23.9	18.5	16.2	18.1	21.5	26.5	25.1	22.2	21.4	23.1	4.3	-2.1	1	1,463
LV	5.6	5.9	7.1	7.9	5.8	6.5	7.2	8.0	9.6	11.3	6.3	4.3	6.5	0.9	0.6	25	363
LT	9.3	4.3	4.0	4.1	6.8	8.8	9.7	12.1	12.6	12.6	9.2	6.4	5.6	-3.7	1.3	26	450
LU	24.6	23.3	23.9	25.9	25.1	21.7	21.9	21.8	21.3	21.7	21.7	22.3	20.8	-3.8	-2.5	3	3,302
HU	7.1	9.1	9.6	9.8	9.4	8.8	8.8	9.9	10.5	9.3	10.1	6.9	6.6	-0.5	-2.5	24	2,432
MT	16.1	18.3	16.7	17.0	18.9	16.9	16.8	17.7	22.6	22.8	22.7	22.4	21.8	5.7	3.5	2	478
NL	12.6	13.3	14.9	13.4	11.5	11.6	12.4	12.1	12.2	11.8	9.2	9.5	9.2	-3.4	-4.1	22	21,209
AT	11.9	13.4	16.4	14.0	13.3	13.9	13.6	13.7	14.7	14.9	12.9	12.9	13.5	1.5	0.1	11	17,019
PL	14.5	17.0	16.6	17.8	17.3	18.1	18.8	18.3	20.7	20.2	19.7	18.2	17.9	3.4	0.9	5	21,508
PT	14.8	18.3	16.8	16.2	14.8	15.0	13.9	13.8	15.8	16.6	14.4	13.7	14.5	-0.3	-3.7	10	8,252
RO	0.0	14.2	13.7	13.4	14.5	16.5	13.0	13.5	14.6	15.0	14.3	12.0	12.2	12.2	-2.0	18	4,524
SI	4.1	6.5	6.6	7.4	7.7	8.4	10.2	11.1	12.7	10.8	8.6	8.5	8.2	4.1	1.7	23	1,106
SK	24.7	16.7	18.1	18.5	18.2	17.4	17.2	18.8	19.3	18.6	17.4	16.4	16.8	-7.9	0.0	7	3,307
FI	12.0	19.1	15.7	15.0	13.3	13.9	13.6	14.3	16.0	14.4	10.8	12.3	12.3	0.4	-6.8	17	10,132
SE	7.0	12.2	8.7	7.2	7.4	9.0	11.2	12.0	13.1	10.1	9.8	11.3	10.2	3.3	-2.0	21	17,598
UK	15.0	16.9	17.0	15.7	15.4	15.7	17.0	18.6	17.5	17.5	16.3	16.2	15.7	0.6	-1.2	8	98,914
NO	12.7	16.8	16.1	15.0	14.3	16.2	17.8	18.8	18.1	18.4	16.9	17.7	18.2	5.5	1.4		27,301
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	#VALUE!	:		:
<b>EU-27</b>																Total:	679,245
<b>weighted</b>	12.7	15.3	14.6	13.8	13.8	14.1	14.8	16.0	16.4	15.6	13.5	13.6	13.8	1.2	-1.4		
<b>arithmetic</b>	13.1	14.6	14.4	14.2	13.9	14.0	14.3	15.0	16.1	15.3	13.6	13.2	13.3	0.3	-1.3		
<b>EA-17</b>																Total:	511,525
<b>weighted</b>	12.7	15.3	14.6	13.8	13.9	14.0	14.5	15.7	16.5	15.6	13.3	13.4	13.7	1.1	-1.6		
<b>arithmetic</b>	14.7	16.3	15.9	15.8	15.4	15.0	15.3	16.1	17.2	16.4	14.6	14.4	14.6	-0.1	-1.7		
<b>EU-25</b>																	
<b>weighted</b>	12.7	15.3	14.6	13.8	13.8	14.1	14.8	16.0	16.4	15.6	13.5	13.7	13.9	1.2	-1.4		
<b>arithmetic</b>	13.4	14.7	14.3	14.2	13.9	14.0	14.5	15.3	16.1	15.4	13.6	13.3	13.4	0.0	-1.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	45.0	37.6	38.7	38.9	37.1	30.9	29.0	28.3	28.5	29.6	36.1	36.8	35.9	-9.1	-1.7		
<b>Max-min</b>	24.7	20.9	20.7	21.7	19.3	15.1	15.5	15.6	19.9	18.7	16.7	18.1	18.3	-6.4	-2.6		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 58: Taxes on Capital as % of GDP - Income of Corporations

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.3	3.2	3.1	3.0	2.9	3.1	3.3	3.5	3.5	3.3	2.5	2.7	3.0	0.6	-0.2	8	11,035
BG	4.5	2.9	4.0	3.1	2.9	2.7	2.0	2.3	4.6	3.3	2.7	2.2	2.1	-2.4	-0.8	20	808
CZ	4.4	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4	3.4	-1.0	0.0	4	5,237
DK	2.3	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.8	2.8	0.4	-0.5	10	6,681
DE	2.0	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	2.6	0.6	-0.4	13	66,220
EE	2.4	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	1.3	-1.2	0.4	26	201
IE	2.7	3.7	3.6	3.7	3.8	3.7	3.5	3.9	3.6	2.9	2.4	2.5	2.4	-0.3	-1.4	14	3,793
EL	2.3	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.5	2.1	-0.2	-2.0	19	4,391
ES	1.9	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.9	1.9	0.0	-1.3	22	19,852
FR	1.8	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	2.3	0.5	-0.5	16	45,513
IT	2.9	2.9	3.7	3.1	3.5	3.1	2.9	3.5	4.0	3.7	3.0	2.9	2.8	0.0	-0.1	9	44,454
CY	4.3	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	6.8	2.6	0.6	1	1,228
LV	1.8	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0	1.4	-0.4	-0.2	24	283
LT	2.0	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0	0.8	-1.2	0.1	27	253
LU	6.6	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.4	5.8	5.8	5.0	-1.5	-1.9	3	2,148
HU	1.9	2.2	2.3	2.3	2.2	2.2	2.2	2.4	2.9	2.7	2.3	1.3	1.3	-0.6	-1.0	25	1,279
MT	2.7	3.5	3.3	3.6	4.2	3.6	3.8	4.3	6.2	6.1	6.1	6.0	6.0	3.3	2.4	2	390
NL	3.3	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	2.2	-1.1	-2.1	17	13,322
AT	1.6	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	2.3	0.7	0.1	15	6,971
PL	2.7	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	2.1	-0.6	-0.3	21	7,704
PT	2.3	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	3.2	0.9	-0.5	6	5,508
RO	0.0	3.0	2.7	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	2.2	2.2	-0.8	18	2,852
SI	0.5	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	1.7	1.2	0.5	23	611
SK	6.6	3.5	3.4	3.2	3.4	3.0	3.0	3.2	3.3	3.4	2.7	2.7	2.6	-4.1	-0.9	12	1,790
FI	2.3	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	2.7	0.4	-3.2	11	5,153
SE	2.6	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	3.3	0.7	-0.4	5	12,903
UK	2.7	3.6	3.5	2.9	2.7	2.9	3.3	3.9	3.4	3.6	2.8	3.1	3.1	0.4	-0.5	7	54,196
NO	3.2	5.2	4.9	4.5	4.2	5.2	5.8	6.5	5.9	6.1	5.1	5.6	5.8	2.6	0.6		20,394
IS	1.5	1.4	1.2	1.1	1.4	1.3	2.2	2.4	2.5	2.0	1.8	1.1	1.9	0.4	0.5		192
<b>EU-27</b>																<b>Total:</b>	<b>324,777</b>
<b>weighted</b>	2.3	3.2	2.9	2.7	2.6	2.8	3.0	3.4	3.4	3.1	2.3	2.4	2.6	0.3	-0.6		
<b>arithmetic</b>	2.8	3.3	3.1	3.0	2.9	3.0	3.1	3.3	3.6	3.4	2.8	2.7	2.7	-0.1	-0.5		
<b>EA-17</b>																<b>Total:</b>	<b>232,580</b>
<b>weighted</b>	2.2	3.1	2.9	2.6	2.6	2.7	2.9	3.3	3.4	3.0	2.1	2.3	2.5	0.3	-0.6		
<b>arithmetic</b>	2.8	3.6	3.4	3.4	3.2	3.1	3.2	3.4	3.8	3.5	2.9	3.0	3.0	0.1	-0.6		
<b>EU-25</b>																	
<b>weighted</b>	2.3	3.2	2.9	2.7	2.6	2.8	3.0	3.4	3.4	3.1	2.3	2.4	2.6	0.3	-0.6		
<b>arithmetic</b>	2.8	3.3	3.1	3.1	2.9	3.0	3.2	3.4	3.6	3.4	2.8	2.7	2.8	0.0	-0.5		
<b>Convergence</b>																	
<b>St.dev/mean</b>	49.9	45.0	46.2	48.2	41.8	29.7	30.8	28.0	31.4	33.7	47.4	50.2	49.9	0.0	4.9		
<b>Max-min</b>	6.1	6.3	6.8	7.4	6.0	4.1	4.4	4.0	5.2	5.5	5.2	5.2	6.0	-0.1	-0.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 59: Taxes on Capital as % of Total Taxation - Income of Corporations

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	5.4	7.1	6.9	6.7	6.4	6.9	7.4	7.9	7.9	7.6	5.8	6.2	6.8	1.4	-0.3	12	11,035
BG	14.6	9.1	12.9	11.0	9.3	8.4	6.3	7.4	13.8	10.4	9.4	8.1	7.7	-6.9	-1.4	9	808
CZ	12.4	9.8	11.4	12.0	12.5	12.2	12.2	13.0	13.0	12.2	10.5	10.0	9.7	-2.6	-0.1	4	5,237
DK	4.8	6.6	5.8	6.0	6.1	6.5	7.7	8.8	7.8	6.9	4.9	5.9	5.8	1.0	-0.8	19	6,681
DE	5.0	7.1	4.3	4.2	4.6	5.7	6.5	7.6	7.6	6.9	5.1	5.8	6.6	1.6	-0.5	14	66,220
EE	6.7	2.9	2.3	3.6	5.1	5.4	4.7	4.9	5.2	5.1	5.2	4.0	3.8	-2.8	1.0	25	201
IE	8.3	12.0	12.1	13.1	13.1	12.2	11.4	12.3	11.3	9.8	8.6	9.0	8.3	-0.1	-3.7	8	3,793
EL	8.0	12.0	10.1	10.0	9.1	9.6	10.3	8.6	7.9	7.8	8.1	7.7	6.5	-1.5	-5.5	15	4,391
ES	5.9	9.2	8.5	9.5	9.2	10.0	10.9	11.5	12.8	8.8	7.6	5.8	5.9	0.1	-3.2	18	19,852
FR	4.2	6.3	7.0	5.9	5.0	5.4	5.3	6.6	6.7	6.3	3.0	4.5	5.2	1.0	-1.1	22	45,513
IT	7.2	6.9	9.0	7.7	8.6	7.6	7.2	8.4	9.2	8.7	7.0	6.8	6.6	-0.6	-0.3	13	44,454
CY	15.8	20.9	20.4	19.6	13.5	11.3	13.3	15.3	16.9	18.4	18.4	17.4	19.4	3.6	-1.4	1	1,228
LV	5.5	5.3	6.6	7.1	5.3	6.1	6.9	7.5	8.9	10.9	5.9	3.5	5.1	-0.4	-0.2	23	283
LT	7.4	2.3	1.9	2.1	4.9	6.6	7.3	9.4	8.7	9.1	6.3	3.7	3.2	-4.3	0.9	27	253
LU	17.7	17.8	18.4	20.4	19.2	15.3	15.4	13.8	14.8	14.3	14.7	15.4	13.5	-4.1	-4.3	3	2,148
HU	4.5	5.6	6.0	6.1	5.9	5.7	5.8	6.4	7.1	6.7	5.8	3.5	3.5	-1.1	-2.2	26	1,279
MT	10.1	12.9	11.5	11.9	13.9	11.5	11.7	12.9	18.2	18.5	18.4	18.4	17.8	7.7	4.9	2	390
NL	8.1	10.9	11.0	9.4	8.1	8.8	9.7	9.4	9.1	8.8	5.6	6.0	5.8	-2.4	-5.1	20	13,322
AT	3.8	5.0	7.2	5.5	5.3	5.6	5.5	5.6	6.2	6.2	4.4	4.8	5.5	1.7	0.5	21	6,971
PL	7.3	7.5	5.8	6.3	5.6	7.1	7.6	7.1	7.9	7.9	7.2	6.3	6.4	-0.9	-1.0	16	7,704
PT	7.8	12.0	10.6	10.5	8.8	9.4	8.5	9.1	10.9	11.1	9.2	9.0	9.7	1.9	-2.3	5	5,508
RO	0.0	9.8	9.3	9.3	10.1	11.6	9.8	10.0	10.5	10.7	9.9	8.5	7.7	7.7	-2.1	10	2,852
SI	1.3	3.1	3.4	4.1	4.6	5.0	7.2	7.7	8.6	6.7	4.9	5.0	4.5	3.2	1.4	24	611
SK	16.5	10.1	10.2	9.8	10.3	9.4	9.4	10.8	11.1	11.6	9.4	9.7	9.1	-7.4	-1.1	6	1,790
FI	5.0	12.5	9.4	9.3	7.7	8.1	7.6	7.7	9.0	8.1	4.7	6.0	6.3	1.2	-6.2	17	5,153
SE	5.4	7.3	5.3	4.3	4.6	6.0	7.3	7.5	8.1	6.3	6.4	7.4	7.5	2.1	0.2	11	12,903
UK	7.9	9.7	9.5	8.1	7.9	8.1	9.3	10.8	9.4	9.6	8.0	8.7	8.6	0.6	-1.1	7	54,196
NO	7.6	12.1	11.5	10.5	10.0	12.1	13.4	15.0	13.7	14.4	12.3	13.1	13.6	6.0	1.5		20,394
IS	4.5	3.8	3.4	3.0	3.8	3.4	5.3	5.9	6.3	5.6	5.3	3.0	5.3	0.8	1.5		192
<b>EU-27</b>																<b>Total:</b>	<b>324,777</b>
<b>weighted</b>	5.8	7.9	7.5	6.8	6.7	7.1	7.6	8.6	8.7	7.9	5.9	6.3	6.6	0.8	-1.3		
<b>arithmetic</b>	7.9	8.9	8.8	8.7	8.3	8.4	8.6	9.2	9.9	9.5	7.9	7.7	7.6	-0.3	-1.3		
<b>EA-17</b>																<b>Total:</b>	<b>232,580</b>
<b>weighted</b>	5.5	7.6	7.2	6.7	6.6	6.9	7.2	8.2	8.5	7.6	5.5	5.9	6.3	0.7	-1.3		
<b>arithmetic</b>	8.0	9.9	9.5	9.5	9.0	8.7	8.9	9.4	10.2	9.7	8.2	8.3	8.3	0.3	-1.6		
<b>EU-25</b>																	
<b>weighted</b>	5.8	7.9	7.5	6.8	6.7	7.1	7.6	8.6	8.7	7.9	5.9	6.3	6.6	0.8	-1.3		
<b>arithmetic</b>	7.7	8.9	8.6	8.5	8.2	8.2	8.6	9.2	9.8	9.4	7.8	7.6	7.6	0.0	-1.3		
<b>Convergence</b>																	
<b>St.dev/mean</b>	52.6	47.4	48.8	50.0	43.6	32.0	30.5	28.4	32.2	35.5	48.7	50.9	50.3	-2.3	2.9		
<b>Max-min</b>	16.3	18.6	18.5	18.4	14.7	10.3	10.8	10.5	13.0	13.3	15.4	15.0	16.3	-0.1	-2.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 60: Taxes on Capital as % of GDP - Income of households

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.0	0.5	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.2	0.1	0.2	-0.8	-0.4	23	604
BG	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.2	0.2	0.2	0.2	21	91
CZ	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	25	128
DK	0.9	0.4	-0.6	-0.5	-0.1	1.2	2.3	0.7	0.3	0.1	-0.2	1.9	2.0	1.1	1.6	1	4,812
DE	0.3	0.4	0.3	0.3	0.4	0.4	0.4	0.5	0.7	0.7	0.6	0.5	0.5	0.3	0.2	16	14,037
EE	0.1	0.2	0.1	0.2	0.2	0.1	0.3	0.2	0.2	0.2	0.1	0.1	0.1	0.0	0.0	24	20
IE	0.5	1.1	1.1	0.8	1.4	1.5	1.6	2.1	2.0	1.3	0.9	0.8	0.9	0.5	-0.1	7	1,459
EL	1.7	1.2	1.0	1.0	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	1.2	-0.5	0.0	4	2,459
ES	1.1	0.9	0.8	0.8	0.7	0.7	0.8	1.1	1.2	1.0	0.9	0.8	0.8	-0.3	-0.1	11	8,051
FR	0.4	0.7	0.6	0.7	0.7	0.6	0.7	0.9	0.8	0.9	0.8	0.9	1.0	0.6	0.3	6	19,741
IT	1.7	1.9	1.3	1.2	1.0	1.0	1.1	1.3	1.3	1.4	1.3	1.1	1.1	-0.6	-0.8	5	17,703
CY	0.3	0.9	0.7	0.8	1.1	1.1	1.2	1.7	3.3	2.1	0.8	0.9	0.7	0.5	-0.1	12	132
LV	0.0	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.3	0.3	0.2	18	66
LT	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.6	0.5	0.2	0.2	0.2	0.1	0.1	22	61
LU	0.8	0.8	0.9	0.8	0.9	0.9	1.1	1.6	1.1	1.4	1.3	1.3	1.3	0.5	0.6	2	575
HU	0.3	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.7	0.4	1.1	0.7	0.6	0.3	-0.1	15	553
MT	0.5	0.3	0.4	0.4	0.4	0.5	0.5	0.4	0.4	0.3	0.4	0.3	0.3	-0.2	0.0	19	21
NL	-0.8	-1.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0	-0.9	-1.0	-0.9	-0.9	-1.0	-0.2	0.5	27	-5,757
AT	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.9	1.1	1.3	1.1	0.9	0.9	-0.1	0.0	8	2,691
PL	0.0	0.2	0.1	0.2	0.3	0.2	0.2	0.2	0.5	0.4	0.3	0.3	0.3	0.3	0.1	20	1,097
PT	1.2	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.9	1.0	0.8	0.7	0.8	-0.3	-0.2	9	1,377
RO	0.0	1.2	1.1	1.0	0.9	1.0	0.6	0.7	0.8	0.9	0.9	0.6	0.7	0.7	-0.5	13	910
SI	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.5	0.5	0.4	0.3	0.3	0.1	0.1	17	119
SK	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	-0.3	26	42
FI	0.4	1.1	0.9	0.6	0.6	0.7	0.8	0.9	1.1	0.9	0.7	0.8	0.8	0.3	-0.4	10	1,437
SE	0.1	1.8	0.9	0.6	0.6	0.7	1.1	1.5	1.7	1.1	0.9	1.1	0.7	0.5	-1.1	14	2,565
UK	1.0	1.1	1.2	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.4	1.3	1.3	0.3	0.2	3	23,236
NO	0.7	0.8	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.9	1.0	0.9	0.3	0.2		3,350
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>98,228</b>
<b>weighted</b>	0.7	0.8	0.7	0.6	0.6	0.7	0.7	0.9	0.9	0.9	0.8	0.8	0.8	0.1	0.0		
<b>arithmetic</b>	0.5	0.6	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.7	0.6	0.6	0.6	0.1	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>64,712</b>
<b>weighted</b>	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.8	0.8	0.8	0.7	0.7	0.7	0.1	0.0		
<b>arithmetic</b>	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.8	0.9	0.8	0.6	0.6	0.6	0.0	0.0		
<b>EU-25</b>																	
<b>weighted</b>	0.7	0.8	0.7	0.6	0.6	0.7	0.7	0.9	0.9	0.9	0.8	0.8	0.8	0.1	0.0		
<b>arithmetic</b>	0.5	0.6	0.5	0.5	0.5	0.6	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.1	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	112.6	103.4	94.3	90.5	90.5	88.5	96.6	92.0	96.5	88.6	93.5	90.4	91.8	-20.8	-11.6		
<b>Max-min</b>	2.5	3.4	1.9	1.8	2.2	2.4	3.3	3.1	4.2	3.1	2.3	2.7	3.0	0.5	-0.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 61: Taxes on Capital as % of Total Taxation - Income of households

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.2	1.2	1.3	1.2	1.0	1.1	1.3	1.2	1.2	1.1	0.5	0.3	0.4	-1.9	-0.8	24	604
BG	0.1	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.5	0.8	0.9	0.8	0.9	0.8	0.6	21	91
CZ	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	-0.3	-0.3	25	128
DK	1.8	0.8	-1.2	-1.0	-0.3	2.5	4.5	1.5	0.7	0.2	-0.4	3.9	4.2	2.4	3.4	1	4,812
DE	0.7	0.9	0.8	0.7	1.1	1.1	1.1	1.4	1.7	1.8	1.6	1.4	1.4	0.7	0.5	16	14,037
EE	0.3	0.5	0.4	0.6	0.7	0.4	1.0	0.8	0.8	0.6	0.2	0.3	0.4	0.1	-0.1	23	20
IE	1.4	3.4	3.8	2.7	4.8	4.8	5.3	6.5	6.5	4.3	3.1	2.7	3.2	1.8	-0.2	5	1,459
EL	5.9	3.4	3.1	2.9	2.8	2.7	2.8	2.9	2.9	3.0	2.8	2.8	3.6	-2.2	0.2	3	2,459
ES	3.4	2.6	2.4	2.3	2.1	1.9	2.2	3.0	3.1	3.0	2.8	2.3	2.4	-1.0	-0.2	9	8,051
FR	1.0	1.6	1.3	1.5	1.5	1.5	1.6	2.0	1.9	2.0	2.0	2.2	2.3	1.3	0.7	10	19,741
IT	4.3	4.6	3.2	2.9	2.5	2.5	2.7	3.1	3.1	3.2	3.0	2.6	2.6	-1.7	-2.0	6	17,703
CY	1.0	2.9	2.4	2.7	3.5	3.4	3.5	4.9	8.3	5.5	2.2	2.4	2.1	1.1	-0.8	12	132
LV	0.0	0.5	0.3	0.6	0.3	0.2	0.0	0.2	0.4	0.2	0.2	0.5	1.2	1.1	0.6	17	66
LT	0.4	0.4	0.4	0.5	0.4	0.5	0.6	1.2	1.9	1.8	0.8	0.8	0.8	0.4	0.3	22	61
LU	2.2	2.0	2.2	2.1	2.4	2.3	3.0	4.4	3.0	3.8	3.3	3.4	3.6	1.4	1.6	4	575
HU	0.7	1.7	1.6	1.8	1.8	1.5	1.6	1.7	1.8	1.1	2.6	1.9	1.5	0.8	-0.2	14	553
MT	2.0	1.2	1.3	1.3	1.3	1.6	1.5	1.2	1.1	1.0	1.1	0.9	0.9	-1.1	-0.3	18	21
NL	-1.9	-3.6	-1.6	-1.7	-2.1	-2.5	-2.6	-2.6	-2.3	-2.5	-2.3	-2.3	-2.5	-0.6	1.1	27	-5,757
AT	2.3	2.0	2.1	2.1	1.9	1.8	1.8	2.1	2.7	3.0	2.5	2.1	2.1	-0.2	0.1	11	2,691
PL	0.1	0.5	0.4	0.7	0.8	0.5	0.5	0.6	1.4	1.0	0.8	0.9	0.9	0.8	0.4	19	1,097
PT	3.9	3.3	3.1	2.9	2.9	2.6	2.4	2.3	2.6	3.0	2.6	2.3	2.4	-1.5	-0.8	8	1,377
RO	0.0	4.0	3.8	3.4	3.3	3.5	2.3	2.6	2.8	3.2	3.2	2.4	2.5	2.5	-1.5	7	910
SI	0.6	0.6	0.6	0.6	0.6	0.7	0.5	0.8	1.3	1.3	0.9	0.9	0.9	0.3	0.3	20	119
SK	0.6	1.0	1.0	0.7	0.6	0.4	0.2	0.3	0.3	0.3	0.2	0.2	0.2	-0.4	-0.8	26	42
FI	0.9	2.4	2.0	1.2	1.3	1.6	1.9	2.1	2.5	2.0	1.5	1.8	1.7	0.8	-0.6	13	1,437
SE	0.2	3.4	1.9	1.3	1.3	1.5	2.2	3.0	3.5	2.3	2.0	2.5	1.5	1.2	-1.9	15	2,565
UK	2.9	3.1	3.2	3.1	3.1	3.2	3.5	3.6	3.9	3.7	4.2	3.7	3.7	0.7	0.6	2	23,236
NO	1.6	1.8	1.7	1.5	1.4	1.3	1.5	1.5	1.9	1.8	2.2	2.3	2.2	0.7	0.4		3,350
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>98,228</b>
<b>weighted</b>	1.7	2.0	1.7	1.7	1.7	1.7	1.9	2.2	2.3	2.2	2.1	2.0	2.0	0.3	0.0		
<b>arithmetic</b>	1.4	1.7	1.5	1.4	1.5	1.6	1.7	1.9	2.1	1.9	1.6	1.6	1.7	0.3	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>64,712</b>
<b>weighted</b>	1.6	1.8	1.6	1.5	1.5	1.4	1.6	1.9	2.1	2.0	1.9	1.7	1.7	0.1	0.0		
<b>arithmetic</b>	1.8	1.8	1.7	1.6	1.7	1.6	1.8	2.1	2.4	2.1	1.7	1.6	1.6	-0.2	-0.1		
<b>EU-25</b>																	
<b>weighted</b>	1.7	2.0	1.7	1.7	1.7	1.7	1.9	2.2	2.3	2.2	2.1	2.0	2.0	0.3	0.0		
<b>arithmetic</b>	1.5	1.6	1.5	1.4	1.5	1.5	1.7	1.9	2.2	1.9	1.5	1.6	1.7	0.2	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	116.4	98.5	92.6	88.8	94.8	91.9	92.9	93.5	94.2	86.7	90.4	82.4	84.8	-31.6	-13.7		
<b>Max-min</b>	7.8	8.3	5.4	5.1	6.9	7.3	7.9	9.2	10.6	8.0	6.5	6.2	6.7	-1.1	-1.6		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 62: Taxes on Capital as % of GDP - Income of self-employed

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.4	2.4	-0.1	0.0	5	8,765
BG	0.8	1.1	1.0	1.0	0.9	1.0	1.0	0.9	0.8	0.7	0.7	0.8	0.8	-0.1	-0.3	20	292
CZ	1.5	1.4	1.4	1.5	1.6	1.6	1.4	1.3	1.3	1.1	1.4	1.1	1.2	-0.3	-0.3	15	1,806
DK	1.3	1.1	1.2	1.0	1.0	1.0	1.1	1.1	1.1	0.8	0.8	0.8	0.9	-0.4	-0.2	18	2,077
DE	2.0	2.2	2.0	1.9	1.7	1.7	1.9	1.9	2.2	2.2	2.2	2.0	2.0	0.0	-0.2	9	51,523
EE	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.2	-0.1	26	32
IE	1.3	1.1	1.1	1.1	1.0	1.1	1.1	1.0	1.1	1.1	1.0	1.0	1.2	-0.1	0.1	14	1,933
EL	1.7	2.4	2.3	2.4	2.6	2.4	2.4	2.3	2.6	2.5	2.6	2.4	2.5	0.8	0.2	3	5,267
ES	2.3	2.0	2.0	2.0	1.9	1.9	1.8	1.8	1.9	1.7	1.6	1.6	1.6	-0.7	-0.4	11	16,901
FR	2.0	2.4	2.4	2.3	2.4	2.3	2.4	2.3	2.2	2.2	2.2	2.3	2.3	0.3	-0.1	6	45,915
IT	2.9	3.3	3.2	3.1	3.8	3.5	3.3	3.5	3.7	3.7	3.5	3.5	3.5	0.6	0.2	1	55,387
CY	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.0	0.1	23	103
LV	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	27	14
LT	0.4	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.6	0.5	0.6	0.5	0.4	0.0	0.0	25	136
LU	1.7	1.4	1.3	1.3	1.3	1.5	1.3	1.3	1.3	1.4	1.4	1.3	1.4	-0.4	0.0	12	579
HU	0.7	0.7	0.8	0.7	0.6	0.6	0.5	0.7	0.6	0.6	0.7	0.6	0.6	-0.1	-0.1	21	599
MT	1.0	1.1	1.1	1.2	1.1	1.2	1.2	1.2	1.1	1.1	1.1	1.0	1.0	0.0	-0.1	17	67
NL	2.5	2.4	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.3	2.3	-0.3	-0.2	7	13,645
AT	2.4	2.7	3.2	2.8	2.7	2.8	2.6	2.5	2.4	2.4	2.6	2.5	2.4	0.1	-0.3	4	7,357
PL	2.6	2.9	3.3	3.6	3.5	3.3	3.5	3.6	4.0	3.9	3.7	3.5	3.4	0.8	0.5	2	12,708
PT	0.9	0.9	1.0	0.9	1.0	0.9	0.9	0.8	0.7	0.8	0.8	0.7	0.8	-0.1	-0.1	19	1,366
RO	0.0	0.1	0.2	0.2	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.6	0.6	0.5	22	763
SI	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.2	0.0	16	377
SK	3.0	1.9	2.3	2.6	2.4	2.4	2.3	2.3	2.3	2.0	2.2	1.8	2.1	-0.9	0.2	8	1,475
FI	2.7	2.0	1.9	2.0	1.9	1.8	1.8	2.0	1.9	1.8	1.9	1.9	1.9	-0.9	-0.2	10	3,542
SE	0.6	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.6	0.5	-0.1	-0.2	24	2,130
UK	1.4	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.4	1.3	1.2	-0.2	-0.3	13	21,481
NO	1.5	1.2	1.3	1.3	1.2	1.2	1.3	1.0	1.1	0.9	1.0	1.0	1.0	-0.5	-0.2		3,557
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>256,239</b>
<b>weighted</b>	2.0	2.2	2.1	2.0	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.0	2.0	0.0	-0.1		
<b>arithmetic</b>	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	-0.1	-0.1		
<b>EA-17</b>																<b>Total:</b>	<b>214,233</b>
<b>weighted</b>	2.2	2.4	2.3	2.2	2.3	2.2	2.2	2.3	2.3	2.4	2.3	2.3	2.3	0.1	-0.2		
<b>arithmetic</b>	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	-0.1	-0.1		
<b>EU-25</b>																	
<b>weighted</b>	2.0	2.2	2.1	2.1	2.1	2.0	2.1	2.1	2.1	2.2	2.1	2.1	2.0	0.0	-0.1		
<b>arithmetic</b>	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.6	1.5	1.6	1.5	1.5	-0.1	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	61.3	60.7	61.8	62.5	65.3	62.4	62.4	64.5	66.5	67.8	66.1	67.0	65.1	3.8	4.4		
<b>Max-min</b>	3.0	3.3	3.3	3.5	3.8	3.4	3.4	3.4	3.5	3.9	3.8	3.6	3.4	0.4	0.1		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 63: Taxes on Capital as % of Total Taxation - Income of self-employed

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	5.7	5.4	5.4	5.2	5.2	5.2	5.2	5.1	5.0	5.2	5.4	5.4	5.4	-0.3	0.0	7	8,765
BG	2.7	3.4	3.4	3.5	3.0	3.1	3.2	2.8	2.4	2.2	2.3	2.7	2.8	0.1	-0.6	18	292
CZ	4.1	4.3	4.3	4.4	4.4	4.5	4.1	3.7	3.8	3.3	4.3	3.3	3.4	-0.8	-0.9	15	1,806
DK	2.6	2.2	2.5	2.2	2.2	2.0	2.1	2.1	2.2	1.7	1.6	1.7	1.8	-0.8	-0.4	21	2,077
DE	5.1	5.4	5.2	4.9	4.3	4.4	4.9	5.0	5.6	5.7	5.5	5.2	5.1	0.1	-0.3	9	51,523
EE	1.1	1.1	1.0	1.0	0.9	0.8	0.8	0.8	0.7	0.7	0.6	0.6	0.6	-0.5	-0.4	26	32
IE	4.0	3.6	3.8	4.0	3.4	3.6	3.5	3.2	3.3	3.6	3.7	3.6	4.2	0.2	0.6	12	1,933
EL	6.0	6.8	6.8	7.1	8.1	7.6	7.4	7.3	7.9	7.7	8.4	7.5	7.8	1.8	1.0	3	5,267
ES	7.2	6.0	5.8	5.7	5.6	5.5	5.1	4.9	5.0	5.1	5.2	5.1	5.1	-2.2	-0.9	10	16,901
FR	4.6	5.5	5.5	5.3	5.5	5.4	5.4	5.2	5.0	5.2	5.3	5.4	5.2	0.7	-0.3	8	45,915
IT	7.3	8.1	7.8	7.6	9.3	8.6	8.2	8.5	8.7	8.7	8.2	8.3	8.2	0.9	0.2	2	55,387
CY	2.0	1.5	1.5	1.7	1.6	1.4	1.3	1.3	1.2	1.3	1.6	1.6	1.6	-0.4	0.1	23	103
LV	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.3	0.3	0.2	0.2	0.1	27	14
LT	1.5	1.6	1.7	1.6	1.5	1.6	1.7	1.5	2.0	1.7	2.1	2.0	1.7	0.2	0.1	22	136
LU	4.7	3.5	3.3	3.3	3.5	4.0	3.5	3.5	3.5	3.6	3.7	3.5	3.6	-1.1	0.2	13	579
HU	1.8	1.7	2.0	1.8	1.7	1.5	1.5	1.8	1.6	1.6	1.6	1.5	1.6	-0.2	-0.1	24	599
MT	4.0	4.2	3.9	3.9	3.7	3.8	3.6	3.6	3.4	3.2	3.2	3.1	3.1	-0.9	-1.2	16	67
NL	6.3	6.1	5.5	5.7	5.5	5.2	5.3	5.3	5.4	5.5	5.9	5.8	5.9	-0.4	-0.2	5	13,645
AT	5.8	6.3	7.1	6.5	6.2	6.5	6.3	6.0	5.8	5.7	6.1	5.9	5.8	0.0	-0.5	6	7,357
PL	7.1	9.0	10.3	10.9	11.0	10.6	10.7	10.6	11.4	11.2	11.6	11.0	10.6	3.5	1.6	1	12,708
PT	3.1	3.0	3.2	2.8	3.1	2.9	2.9	2.5	2.3	2.5	2.6	2.3	2.4	-0.7	-0.6	19	1,366
RO	0.0	0.4	0.6	0.6	1.0	1.3	1.0	1.0	1.2	1.2	1.2	1.2	2.1	2.1	1.7	20	763
SI	2.2	2.8	2.6	2.6	2.5	2.6	2.6	2.5	2.8	2.7	2.8	2.7	2.8	0.6	0.0	17	377
SK	7.6	5.6	7.0	8.0	7.2	7.7	7.5	7.7	7.9	6.8	7.7	6.5	7.5	-0.1	1.9	4	1,475
FI	6.0	4.3	4.3	4.5	4.4	4.2	4.2	4.5	4.5	4.3	4.5	4.5	4.3	-1.7	0.0	11	3,542
SE	1.3	1.5	1.6	1.5	1.5	1.5	1.7	1.5	1.5	1.5	1.4	1.4	1.2	-0.1	-0.2	25	2,130
UK	4.2	4.1	4.4	4.4	4.4	4.4	4.3	4.2	4.2	4.2	4.1	3.8	3.4	-0.8	-0.7	14	21,481
NO	3.5	2.9	2.9	3.0	2.8	2.8	2.9	2.3	2.4	2.2	2.5	2.4	2.4	-1.1	-0.5		3,557
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27</b>																<b>Total:</b>	<b>256,239</b>
<b>weighted</b>	5.2	5.4	5.4	5.3	5.4	5.2	5.2	5.2	5.4	5.5	5.5	5.3	5.2	0.1	-0.2		
<b>arithmetic</b>	4.0	4.0	4.1	4.1	4.1	4.1	4.0	3.9	4.0	3.9	4.1	3.9	4.0	0.0	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>214,233</b>
<b>weighted</b>	5.6	5.9	5.8	5.6	5.8	5.7	5.7	5.7	5.9	5.9	5.9	5.8	5.8	0.2	-0.2		
<b>arithmetic</b>	4.9	4.6	4.7	4.7	4.7	4.7	4.6	4.5	4.6	4.6	4.7	4.5	4.6	-0.2	0.0		
<b>EU-25</b>																	
<b>weighted</b>	5.2	5.4	5.4	5.3	5.4	5.3	5.3	5.3	5.4	5.5	5.5	5.3	5.2	0.1	-0.2		
<b>arithmetic</b>	4.2	4.1	4.3	4.3	4.3	4.2	4.2	4.1	4.2	4.1	4.3	4.1	4.1	-0.1	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	56.9	58.1	59.8	61.7	64.4	62.4	62.8	64.4	66.6	66.7	66.4	65.2	63.5	6.6	5.5		
<b>Max-min</b>	7.6	8.9	10.2	10.7	10.8	10.3	10.5	10.4	11.1	11.0	11.4	10.7	10.3	2.8	1.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 64: Taxes on Capital as % of GDP - Stocks of capital / wealth

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.9	3.4	3.3	3.4	3.5	3.7	3.7	3.8	3.7	3.7	3.6	3.7	3.7	0.8	0.4	3	13,760
BG	0.4	0.4	0.4	0.5	0.6	0.7	0.8	0.8	0.9	1.0	0.8	0.8	0.8	0.4	0.4	23	305
CZ	1.0	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.8	-0.2	-0.2	24	1,183
DK	1.8	2.4	2.6	2.7	2.8	2.8	2.8	2.7	2.7	2.9	2.9	2.8	2.8	1.0	0.4	4	6,827
DE	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	-0.1	-0.1	19	27,850
EE	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.0	-0.1	27	92
IE	2.0	2.0	2.0	1.8	2.1	2.3	2.7	3.1	2.8	2.2	2.0	2.0	2.2	0.3	0.2	11	3,539
EL	1.5	2.4	1.9	1.6	1.5	1.3	1.4	1.9	1.9	2.0	1.7	1.2	2.3	0.8	-0.1	10	4,746
ES	2.4	2.8	2.8	2.9	3.0	3.3	3.6	3.8	3.6	2.8	2.5	2.6	2.4	0.0	-0.5	8	25,291
FR	4.1	4.4	4.4	4.3	4.3	4.5	4.6	4.6	4.6	4.5	4.6	4.3	4.6	0.5	0.2	1	92,418
IT	3.6	2.3	2.2	2.6	2.3	2.5	2.4	2.5	2.5	2.2	3.0	2.4	2.6	-1.0	0.3	6	40,286
CY	1.4	2.5	1.8	1.6	1.7	2.5	2.7	2.3	3.4	2.6	1.7	1.9	1.7	0.3	-0.8	12	312
LV	1.8	1.4	1.5	1.1	1.1	1.0	0.9	0.8	1.1	0.9	0.9	1.2	1.4	-0.4	0.1	16	291
LT	0.9	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.7	0.6	0.6	-0.3	-0.3	25	188
LU	2.7	4.2	3.9	3.3	2.9	3.0	3.3	3.4	3.6	2.9	2.7	2.8	2.7	0.0	-1.5	5	1,152
HU	0.7	1.0	1.0	1.0	1.2	1.3	1.3	1.3	1.4	1.5	1.5	2.5	2.5	1.9	1.6	7	2,531
MT	1.3	1.1	1.2	1.5	1.5	2.0	2.1	2.1	2.1	1.7	1.6	1.6	1.6	0.3	0.5	15	102
NL	1.9	2.2	2.2	2.3	2.1	2.2	2.3	2.0	2.1	1.9	1.8	1.8	1.6	-0.3	-0.6	13	9,533
AT	1.2	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9	-0.3	-0.2	22	2,724
PL	2.2	1.6	1.6	1.9	1.8	1.8	1.7	1.9	1.7	1.7	1.6	1.6	1.6	-0.6	0.0	14	5,838
PT	2.0	2.1	2.1	2.5	2.8	2.1	2.2	2.3	2.5	2.4	2.4	2.3	2.3	0.4	0.2	9	3,954
RO	0.0	1.2	1.2	1.1	1.0	0.9	0.9	1.0	1.1	1.0	1.0	1.1	1.0	1.0	-0.2	20	1,352
SI	0.6	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.3	0.0	21	331
SK	0.9	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.6	-0.3	-0.2	26	418
FI	1.2	1.3	1.2	1.3	1.2	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.4	0.2	0.0	17	2,604
SE	1.4	2.1	1.8	1.8	1.7	1.7	1.7	1.7	1.4	1.3	1.4	1.4	1.3	-0.1	-0.7	18	5,197
UK	3.6	4.4	4.3	4.3	4.2	4.3	4.4	4.6	4.6	5.8	4.4	4.3	4.4	0.8	0.0	2	76,030
NO	3.5	5.5	5.7	5.2	5.3	6.2	7.4	7.7	6.7	7.6	5.5	5.9	6.4	2.9	0.8		22,505
IS	3.4	4.4	4.0	4.2	4.4	4.7	4.9	4.8	4.9	4.0	3.7	3.9	3.9	0.5	-0.5		390
<b>EU-27</b>																Total:	328,854
<b>weighted</b>	2.5	2.7	2.6	2.7	2.6	2.8	2.8	2.9	2.8	2.8	2.7	2.5	2.6	0.1	-0.1		
<b>arithmetic</b>	1.7	1.9	1.8	1.8	1.8	1.9	1.9	2.0	2.0	1.9	1.8	1.8	1.9	0.1	0.0		
<b>EA-17</b>																Total:	229,111
<b>weighted</b>	2.4	2.4	2.4	2.4	2.4	2.5	2.6	2.6	2.6	2.4	2.5	2.3	2.4	0.0	0.0		
<b>arithmetic</b>	1.8	2.1	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.0	2.0	1.9	1.9	0.1	-0.1		
<b>EU-25</b>																	
<b>weighted</b>	2.5	2.7	2.6	2.7	2.7	2.8	2.8	2.9	2.9	2.8	2.7	2.5	2.6	0.1	-0.1		
<b>arithmetic</b>	1.8	2.0	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.0	1.9	1.9	1.9	0.2	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	57.4	60.0	59.4	59.5	59.0	59.9	60.9	62.0	61.1	66.1	61.8	59.0	59.4	2.0	-0.6		
<b>Max-min</b>	3.8	4.0	4.0	3.8	3.8	3.9	4.0	4.0	4.1	5.3	4.0	3.7	4.1	0.3	0.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 65: Taxes on Capital as % of Total Taxation - Stocks of capital / wealth

	1995 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011													Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	6.6	7.5	7.3	7.5	7.8	8.4	8.2	8.5	8.3	8.3	8.3	8.5	8.4	1.9	1.0	3	13,760
BG	1.2	1.3	1.3	1.8	2.0	2.2	2.5	2.7	2.8	3.2	2.8	2.9	2.9	1.7	1.7	20	305
CZ	2.7	2.9	2.6	2.4	2.4	1.9	1.9	2.0	1.9	1.9	1.8	1.9	2.2	-0.5	-0.7	24	1,183
DK	3.8	4.9	5.3	5.6	5.7	5.7	5.5	5.5	5.6	6.0	6.0	5.9	6.0	2.2	1.0	11	6,827
DE	2.9	2.7	2.8	2.7	2.8	2.9	2.9	2.9	2.9	2.7	2.7	2.7	2.8	-0.1	0.0	21	27,850
EE	1.6	2.1	2.0	2.0	1.8	2.0	1.9	1.8	1.7	1.9	1.7	1.9	1.7	0.2	-0.4	27	92
IE	6.0	6.4	6.6	6.2	7.4	7.8	8.7	9.7	9.0	7.4	6.9	7.0	7.7	1.7	1.3	4	3,539
EL	5.2	6.9	5.9	4.9	4.8	4.3	4.5	5.9	5.9	6.1	5.6	3.8	7.0	1.8	0.1	7	4,746
ES	7.5	8.3	8.2	8.4	9.0	9.5	10.0	10.4	9.6	8.4	8.1	8.0	7.6	0.0	-0.7	5	25,291
FR	9.7	10.0	9.9	9.9	10.0	10.4	10.5	10.4	10.7	10.3	10.9	10.1	10.5	0.9	0.5	2	92,418
IT	8.9	5.5	5.3	6.4	5.7	6.3	5.9	6.0	5.8	5.2	7.0	5.6	6.0	-2.9	0.5	10	40,286
CY	5.3	8.3	5.9	5.0	5.4	7.6	7.8	6.5	8.5	6.7	4.9	5.3	4.9	-0.4	-3.4	13	312
LV	5.5	4.6	5.3	3.7	3.8	3.6	3.2	2.7	3.7	3.0	3.5	4.4	5.2	-0.3	0.6	12	291
LT	3.2	3.0	2.8	2.8	2.5	2.4	2.1	2.0	1.9	1.7	2.3	2.4	2.3	-0.8	-0.7	23	188
LU	7.3	10.8	9.9	8.4	7.7	8.0	8.7	9.5	10.0	7.7	7.0	7.4	7.3	0.0	-3.5	6	1,152
HU	1.6	2.4	2.6	2.6	3.0	3.5	3.5	3.5	3.6	3.7	3.8	6.6	6.9	5.2	4.4	9	2,531
MT	4.8	3.9	4.2	4.9	5.1	6.3	6.5	6.2	6.1	5.2	4.8	5.0	4.7	-0.1	0.7	15	102
NL	4.6	5.5	5.7	6.0	5.7	5.9	6.1	5.3	5.4	4.9	4.7	4.6	4.1	-0.5	-1.4	16	9,533
AT	2.9	2.6	2.5	2.5	2.5	2.4	2.4	2.5	2.4	2.2	2.3	2.3	2.2	-0.7	-0.4	25	2,724
PL	5.8	5.0	5.1	5.9	5.6	5.6	5.3	5.5	4.9	5.0	5.2	5.1	4.9	-1.0	-0.1	14	5,838
PT	6.6	6.8	6.9	8.0	8.9	6.9	7.1	7.3	7.6	7.4	7.8	7.4	7.0	0.3	0.1	8	3,954
RO	0.0	3.9	4.2	3.9	3.7	3.2	3.1	3.6	3.9	3.6	3.6	4.1	3.6	3.6	-0.3	17	1,352
SI	1.6	2.4	2.5	2.3	2.1	2.3	2.4	2.4	2.4	2.4	2.5	2.5	2.5	0.8	0.1	22	331
SK	2.2	2.3	2.3	2.3	2.3	2.4	2.3	2.2	2.1	2.0	2.2	2.2	2.1	0.0	-0.2	26	418
FI	2.5	2.8	2.8	2.8	2.8	3.2	3.2	3.0	3.1	3.1	3.1	3.3	3.2	0.6	0.4	18	2,604
SE	3.0	4.1	3.7	3.7	3.6	3.6	3.5	3.5	3.0	2.9	3.0	3.1	3.0	0.0	-1.0	19	5,197
UK	10.5	12.0	11.7	12.2	12.1	12.2	12.2	12.5	12.7	15.4	12.7	12.2	12.0	1.6	0.1	1	76,030
NO	8.3	13.0	13.2	12.1	12.6	14.3	17.0	17.7	15.5	18.0	13.0	13.9	15.0	6.7	2.0		22,505
IS	10.2	11.9	11.5	11.8	12.0	12.4	12.0	11.7	12.1	10.9	10.8	11.0	10.8	0.6	-1.1		390
<b>EU-27</b>																Total:	328,854
<b>weighted</b>	6.3	6.7	6.7	6.9	6.8	7.1	7.2	7.3	7.2	7.1	6.9	6.6	6.7	0.3	0.0		
<b>arithmetic</b>	4.7	5.1	5.0	5.0	5.0	5.2	5.3	5.3	5.4	5.1	5.0	5.0	5.1	0.4	0.0		
<b>EA-17</b>																Total:	229,111
<b>weighted</b>	6.1	5.9	5.9	6.1	6.1	6.5	6.6	6.6	6.5	6.1	6.4	6.0	6.2	0.1	0.3		
<b>arithmetic</b>	5.1	5.6	5.3	5.3	5.4	5.7	5.8	5.9	6.0	5.4	5.3	5.1	5.3	0.2	-0.3		
<b>EU-25</b>																	
<b>weighted</b>	6.4	6.7	6.7	6.9	6.8	7.1	7.2	7.3	7.2	7.2	7.0	6.6	6.7	0.4	0.0		
<b>arithmetic</b>	4.9	5.3	5.2	5.2	5.2	5.4	5.4	5.5	5.5	5.3	5.1	5.2	5.3	0.4	-0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	55.1	55.9	53.7	54.3	55.3	55.4	57.0	58.4	58.3	61.6	56.8	52.8	52.9	-2.2	-3.0		
<b>Max-min</b>	9.3	10.7	10.4	10.3	10.3	10.3	10.3	10.7	11.0	13.6	11.0	10.3	10.3	1.0	-0.4		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 66: Environmental taxes as % of GDP

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.2	2.3	2.3	2.2	2.3	2.4	2.3	2.1	2.1	2.0	2.0	2.1	2.1	-0.1	-0.2	22	7,726
BG	1.8	2.7	2.5	2.3	3.0	3.2	3.0	2.9	3.4	3.4	3.0	2.9	2.9	1.0	0.2	7	1,108
CZ	2.7	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.4	2.3	-0.4	0.0	20	3,664
DK	4.4	4.7	4.7	4.8	4.7	4.8	4.9	4.8	4.6	4.2	4.0	4.0	4.1	-0.4	-0.7	1	9,739
DE	2.3	2.4	2.5	2.5	2.7	2.6	2.5	2.4	2.2	2.2	2.3	2.2	2.3	-0.1	-0.1	21	58,375
EE	1.0	1.7	2.1	2.0	1.9	2.1	2.3	2.2	2.2	2.3	3.0	3.0	2.8	1.8	1.1	8	449
IE	3.0	2.8	2.4	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.4	2.6	2.6	-0.5	-0.3	12	4,070
EL	3.1	2.3	2.6	2.3	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.5	2.7	-0.5	0.3	10	5,595
ES	2.2	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.6	-0.6	-0.6	27	16,694
FR	2.5	2.2	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	1.8	-0.7	-0.3	25	36,368
IT	3.6	3.2	3.0	2.9	3.0	2.8	2.8	2.8	2.7	2.5	2.7	2.6	2.8	-0.8	-0.4	9	43,881
CY	2.9	2.7	3.0	3.0	3.8	4.0	3.5	3.3	3.4	3.2	2.9	2.9	2.9	0.0	0.2	6	519
LV	1.1	2.4	2.2	2.3	2.5	2.6	2.7	2.4	2.1	2.0	2.3	2.4	2.5	1.4	0.0	16	498
LT	1.9	2.5	2.6	2.8	2.8	2.7	2.3	1.8	1.8	1.6	2.0	1.9	1.7	-0.2	-0.7	26	528
LU	3.0	2.8	2.8	2.8	2.8	3.1	2.9	2.6	2.5	2.6	2.6	2.4	2.4	-0.6	-0.4	18	1,019
HU	2.9	3.0	2.9	2.8	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.7	2.5	-0.4	-0.5	14	2,517
MT	3.1	3.6	3.5	3.3	3.3	3.0	3.2	3.3	3.7	3.4	3.3	3.0	3.2	0.1	-0.4	4	209
NL	3.6	3.9	3.8	3.7	3.7	3.9	3.9	4.0	3.8	3.9	4.0	4.0	3.9	0.3	0.0	2	23,439
AT	2.1	2.4	2.6	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.4	2.4	0.3	0.0	17	7,359
PL	1.8	2.1	2.1	2.4	2.4	2.6	2.6	2.7	2.7	2.6	2.6	2.6	2.6	0.7	0.5	13	9,459
PT	3.4	2.6	2.9	3.0	3.0	3.0	3.0	2.9	2.8	2.6	2.5	2.6	2.4	-1.0	-0.3	19	4,031
RO	0.0	3.4	2.4	2.1	2.4	2.4	2.0	1.9	2.1	1.8	1.9	2.0	1.9	1.9	-1.5	23	2,488
SI	4.2	2.9	3.2	3.3	3.3	3.3	3.2	3.0	3.0	3.0	3.5	3.6	3.4	-0.7	0.5	3	1,246
SK	2.3	2.2	2.0	2.2	2.4	2.5	2.4	2.3	2.1	2.0	2.0	1.9	1.8	-0.5	-0.4	24	1,275
FI	2.9	3.1	3.0	3.1	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.8	3.1	0.2	0.0	5	5,904
SE	2.8	2.8	2.8	2.9	2.9	2.8	2.9	2.7	2.7	2.7	2.8	2.7	2.5	-0.3	-0.3	15	9,740
UK	2.9	3.0	2.8	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.6	2.6	2.6	-0.3	-0.4	11	44,829
NO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
IS	3.2	3.3	2.7	2.3	2.6	2.7	2.9	2.6	2.5	1.8	1.6	2.0	1.9	-1.3	-1.3		196
<b>EU-27</b>																Total:	302,728
weighted	2.7	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	2.4	-0.3	-0.3		
arithmetic	2.6	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	2.6	0.0	-0.2		
<b>EA-17</b>																Total:	218,159
weighted	2.7	2.6	2.5	2.5	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.3	2.3	-0.4	-0.3		
arithmetic	2.8	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.5	2.6	2.6	2.6	-0.2	-0.1		
<b>EU-25</b>																	
weighted	2.7	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	2.4	-0.3	-0.3		
arithmetic	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	2.6	-0.1	-0.1		
<b>Convergence</b>																	
St.dev/mean	37.1	22.9	22.5	22.4	22.1	22.4	22.9	24.9	25.8	25.6	23.2	23.0	23.4	-13.6	0.5		
Max-min	4.4	3.0	2.8	2.8	2.8	2.8	2.9	3.0	2.9	2.6	2.3	2.3	2.5	-1.9	-0.5		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 67: Environmental taxes as % of Total Taxation

														Difference <sup>1)</sup>		Ranking	Revenue <sup>2)</sup>
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011	2011	2011
BE	5.1	5.0	5.0	4.9	5.0	5.2	5.2	4.8	4.7	4.4	4.7	4.7	4.7	-0.4	-0.3	26	7,726
BG	5.9	8.4	8.3	8.2	9.5	9.8	9.6	9.5	10.1	10.7	10.5	10.6	10.6	4.6	2.1	1	1,108
CZ	7.7	7.0	7.3	6.9	6.9	7.1	7.2	7.0	6.7	6.8	7.2	7.1	6.8	-0.9	-0.2	16	3,664
DK	9.1	9.6	9.7	10.1	9.8	9.9	9.6	9.6	9.5	8.8	8.3	8.4	8.5	-0.6	-1.1	8	9,739
DE	5.8	5.8	6.4	6.5	6.8	6.7	6.5	6.2	5.8	5.7	5.9	5.8	5.8	0.0	0.0	22	58,375
EE	2.7	5.5	7.0	6.4	6.1	6.9	7.4	7.1	7.0	7.3	8.4	8.7	8.6	5.9	3.1	7	449
IE	9.2	9.1	7.9	8.3	8.1	8.3	8.2	7.7	7.9	8.4	8.5	9.1	8.9	-0.4	-0.2	6	4,070
EL	10.8	6.8	7.7	6.9	6.8	6.9	6.6	6.4	6.4	6.1	6.5	7.9	8.3	-2.5	1.5	9	5,595
ES	6.9	6.4	6.2	6.1	6.1	5.8	5.4	5.1	4.9	5.1	5.4	5.2	5.0	-1.9	-1.4	25	16,694
FR	5.8	4.9	4.5	4.7	4.6	4.7	4.4	4.3	4.2	4.1	4.3	4.1	4.1	-1.7	-0.7	27	36,368
IT	9.0	7.6	7.3	7.1	7.3	7.0	7.0	6.6	6.2	5.9	6.2	6.2	6.5	-2.5	-1.1	19	43,881
CY	10.7	9.0	9.7	9.6	11.8	12.2	10.1	9.2	8.4	8.2	8.2	8.2	8.2	-2.5	-0.8	10	519
LV	3.2	8.1	7.6	8.1	8.8	9.1	9.2	7.9	6.8	6.7	8.8	8.8	8.9	5.7	0.8	5	498
LT	6.8	8.2	9.0	10.0	9.9	9.6	8.1	6.1	6.0	5.5	7.0	6.9	6.6	-0.2	-1.6	18	528
LU	8.0	7.1	7.1	7.1	7.3	8.2	7.8	7.3	7.1	7.0	6.6	6.4	6.4	-1.6	-0.7	21	1,019
HU	7.2	7.6	7.4	7.3	7.4	7.7	7.5	7.6	7.0	6.8	6.7	7.0	6.8	-0.3	-0.7	15	2,517
MT	11.7	13.0	12.2	11.1	10.7	9.4	9.8	10.0	10.9	10.2	9.8	9.3	9.6	-2.2	-3.5	3	209
NL	9.1	9.8	9.9	9.7	9.9	10.3	10.5	10.3	9.8	9.9	10.4	10.3	10.1	1.1	0.4	2	23,439
AT	5.2	5.6	5.8	6.1	6.3	6.3	6.2	6.0	5.8	5.6	5.7	5.6	5.8	0.7	0.2	23	7,359
PL	4.9	6.4	6.4	7.3	7.6	8.2	8.0	8.1	7.7	7.6	8.0	8.1	7.9	3.0	1.5	11	9,459
PT	11.5	8.4	9.3	9.7	9.5	9.8	9.4	8.9	8.6	7.8	8.1	8.1	7.1	-4.4	-1.3	13	4,031
RO	0.0	11.4	8.2	7.6	8.5	8.7	7.2	6.8	7.1	6.3	7.0	7.5	6.7	6.7	-4.6	17	2,488
SI	10.8	7.9	8.6	8.6	8.7	8.7	8.3	7.9	8.0	8.1	9.5	9.6	9.3	-1.5	1.4	4	1,246
SK	5.8	6.5	5.9	6.6	7.4	7.9	7.6	7.8	7.2	7.0	6.8	6.6	6.5	0.7	-0.1	20	1,275
FI	6.4	6.6	6.6	6.8	7.2	7.4	7.0	6.9	6.4	6.3	6.2	6.5	7.2	0.8	0.5	12	5,904
SE	5.9	5.4	5.7	6.1	6.1	5.9	5.9	5.7	5.6	5.8	6.1	6.0	5.7	-0.2	0.2	24	9,740
UK	8.3	8.1	7.6	7.8	7.7	7.4	6.9	6.5	6.8	6.5	7.4	7.4	7.1	-1.2	-1.0	14	44,829
NO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
IS	9.6	8.8	7.6	6.6	7.0	7.0	7.0	6.3	6.1	5.0	4.8	5.6	5.4	-4.2	-3.4		196
<b>EU-27</b>																Total:	302,728
weighted	6.9	6.7	6.6	6.7	6.8	6.7	6.5	6.3	6.1	5.9	6.2	6.2	6.2	-0.7	-0.5		
arithmetic	7.2	7.6	7.6	7.6	7.8	8.0	7.7	7.3	7.1	7.0	7.3	7.4	7.3	0.2	-0.3		
<b>EA-17</b>																Total:	218,159
weighted	6.7	6.3	6.3	6.4	6.5	6.4	6.3	6.0	5.7	5.6	5.9	5.8	5.9	-0.9	-0.4		
arithmetic	7.9	7.4	7.5	7.4	7.6	7.7	7.5	7.2	7.0	6.9	7.1	7.2	7.2	-0.7	-0.2		
<b>EU-25</b>																	
weighted	6.9	6.7	6.6	6.7	6.8	6.7	6.5	6.2	6.0	5.9	6.2	6.2	6.2	-0.8	-0.5		
arithmetic	7.5	7.4	7.5	7.6	7.7	7.9	7.6	7.3	7.0	6.9	7.2	7.3	7.2	-0.3	-0.2		
<b>Convergence</b>																	
St.dev/mean	39.2	25.2	22.4	21.1	22.2	21.7	20.3	21.4	23.0	23.6	22.2	22.3	22.5	-16.7	-2.7		
Max-min	11.7	8.1	7.7	6.4	7.2	7.6	6.1	6.0	6.7	6.6	6.2	6.5	6.4	-5.3	-1.7		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 68: Environmental taxes as % of GDP - Energy

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.5	1.4	1.4	1.4	1.4	1.5	1.5	1.4	1.3	1.2	1.3	1.3	1.3	-0.2	-0.1	26	4,945
BG	1.7	2.5	2.4	2.1	2.6	2.8	2.6	2.5	3.0	3.0	2.7	2.6	2.6	0.9	0.1	2	983
CZ	2.2	2.1	2.2	2.1	2.2	2.3	2.4	2.3	2.2	2.2	2.2	2.2	2.2	0.0	0.1	6	3,404
DK	2.1	2.5	2.7	2.6	2.6	2.5	2.3	2.2	2.1	2.1	2.2	2.3	2.3	0.2	-0.2	4	5,610
DE	1.9	2.1	2.1	2.2	2.3	2.2	2.1	2.0	1.9	1.8	1.9	1.8	1.8	-0.1	-0.2	17	47,556
EE	0.6	1.2	1.6	1.5	1.5	1.8	1.9	1.8	1.8	2.0	2.6	2.6	2.5	1.9	1.2	3	391
IE	1.7	1.4	1.2	1.3	1.2	1.3	1.3	1.2	1.2	1.3	1.4	1.4	1.4	-0.3	0.0	25	2,259
EL	2.5	1.6	1.6	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.8	2.0	-0.5	0.4	11	4,216
ES	1.8	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.4	1.3	-0.5	-0.5	27	13,638
FR	1.9	1.8	1.6	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.5	1.4	1.5	-0.5	-0.3	24	29,336
IT	3.1	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.0	1.9	2.1	2.0	2.1	-1.0	-0.5	8	33,065
CY	0.5	0.7	1.0	1.0	1.9	2.1	1.9	1.8	1.8	1.6	1.6	1.8	2.0	1.4	1.3	13	356
LV	1.0	1.9	1.7	1.8	2.0	2.1	2.2	2.0	1.7	1.7	2.1	2.0	1.9	0.9	0.1	15	391
LT	1.1	1.7	1.8	2.0	2.0	1.8	1.7	1.6	1.5	1.9	1.8	1.6	1.6	0.5	-0.1	22	497
LU	2.8	2.7	2.7	2.6	2.7	2.9	2.8	2.5	2.4	2.5	2.4	2.2	2.2	-0.6	-0.4	5	951
HU	2.6	2.5	2.3	2.2	2.2	1.9	2.1	2.1	2.0	2.0	2.0	2.1	2.0	-0.7	-0.5	14	1,949
MT	0.8	1.3	1.5	1.3	1.2	1.2	1.3	1.3	1.8	1.4	1.5	1.5	1.6	0.8	0.3	21	107
NL	1.7	1.9	1.8	1.8	1.8	1.9	2.0	2.0	1.8	1.9	2.0	2.0	2.0	0.3	0.1	12	11,953
AT	1.4	1.6	1.7	1.7	1.8	1.8	1.8	1.6	1.6	1.6	1.6	1.6	1.7	0.2	0.1	20	5,004
PL	1.2	1.8	1.8	2.0	2.1	2.1	2.3	2.3	2.3	2.2	2.1	2.2	2.2	0.9	0.4	7	7,963
PT	2.5	1.6	1.8	2.1	2.2	2.1	2.0	2.0	2.0	1.9	1.9	1.9	1.8	-0.8	0.2	18	3,019
RO	0.0	3.2	1.9	1.7	2.0	2.1	1.8	1.7	1.7	1.4	1.6	1.8	1.7	1.7	-1.5	19	2,248
SI	3.1	2.3	2.6	2.6	2.4	2.5	2.4	2.3	2.3	2.3	2.9	3.0	2.8	-0.3	0.5	1	1,019
SK	2.1	2.0	1.7	1.9	2.2	2.2	2.1	2.0	1.8	1.8	1.7	1.6	1.6	-0.5	-0.4	23	1,114
FI	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.6	1.7	1.8	1.8	2.1	-0.1	0.1	9	3,928
SE	2.4	2.3	2.4	2.4	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.2	2.0	-0.4	-0.3	10	7,855
UK	2.3	2.4	2.2	2.2	2.1	2.0	1.9	1.8	1.8	1.8	1.9	1.9	1.9	-0.4	-0.5	16	32,343
NO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
IS	1.4	1.1	1.0	0.9	0.9	0.9	1.0	1.2	1.2	1.0	1.2	1.3	1.3	-0.1	0.1		126
<b>EU-27</b>																<b>Total:</b>	<b>226,100</b>
<b>weighted</b>	2.1	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.7	1.8	1.8	1.8	-0.3	-0.3		
<b>arithmetic</b>	1.9	1.9	1.9	1.9	2.0	2.0	2.0	1.9	1.9	1.8	1.9	1.9	1.9	0.0	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>162,857</b>
<b>weighted</b>	2.1	2.0	1.9	1.9	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.7	1.7	-0.4	-0.2		
<b>arithmetic</b>	1.9	1.7	1.8	1.8	1.9	1.9	1.9	1.8	1.7	1.7	1.8	1.8	1.9	0.0	0.1		
<b>EU-25</b>																	
<b>weighted</b>	2.1	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.7	1.8	1.8	1.8	-0.3	-0.3		
<b>arithmetic</b>	1.9	1.9	1.9	1.9	2.0	2.0	2.0	1.9	1.8	1.8	1.9	1.9	1.9	0.0	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	38.3	27.4	23.2	22.4	20.8	21.0	20.5	20.1	21.2	23.1	22.6	20.5	19.2	-19.0	-8.2		
<b>Max-min</b>	2.6	2.5	1.7	1.7	1.5	1.7	1.6	1.3	1.8	1.8	1.7	1.7	1.5	-1.0	-1.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 69: Environmental taxes as % of Total Taxation - Energy

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	3.5	3.2	3.1	3.0	3.2	3.3	3.3	3.1	3.0	2.8	2.9	3.0	3.0	-0.4	-0.1	27	4,945
BG	5.4	7.9	7.7	7.3	8.3	8.6	8.4	8.2	9.0	9.3	9.2	9.3	9.4	4.0	1.5	1	983
CZ	6.2	6.1	6.5	6.1	6.2	6.5	6.7	6.5	6.2	6.3	6.7	6.6	6.3	0.1	0.2	6	3,404
DK	4.4	5.1	5.5	5.4	5.4	5.1	4.6	4.5	4.4	4.4	4.6	4.8	4.9	0.5	-0.2	19	5,610
DE	4.9	5.0	5.4	5.6	6.0	5.7	5.5	5.2	4.8	4.8	4.9	4.8	4.7	-0.1	-0.2	22	47,556
EE	1.5	4.0	5.3	4.8	5.0	5.9	6.3	5.9	5.7	6.1	7.1	7.6	7.5	5.9	3.5	3	391
IE	5.2	4.5	4.0	4.5	4.3	4.4	4.2	3.8	3.8	4.2	5.0	5.0	4.9	-0.3	0.4	18	2,259
EL	8.6	4.6	4.7	4.1	4.2	4.1	3.9	3.7	3.8	3.6	4.0	5.8	6.2	-2.3	1.7	7	4,216
ES	5.6	5.1	4.9	4.9	4.8	4.6	4.2	3.9	3.7	4.0	4.4	4.2	4.1	-1.5	-1.0	24	13,638
FR	4.5	4.0	3.8	4.0	3.9	3.9	3.7	3.6	3.4	3.3	3.5	3.4	3.3	-1.2	-0.7	26	29,336
IT	7.8	6.2	5.9	5.6	5.8	5.5	5.4	5.2	4.8	4.4	4.8	4.7	4.9	-2.9	-1.2	17	33,065
CY	2.0	2.4	3.2	3.2	6.0	6.4	5.5	5.1	4.4	4.1	4.6	5.2	5.6	3.7	3.3	12	356
LV	3.1	6.2	5.8	6.2	6.9	7.5	7.7	6.5	5.6	5.7	7.7	7.3	7.0	4.0	0.8	4	391
LT	4.0	5.8	6.4	7.1	7.1	6.5	6.1	5.6	5.4	5.1	6.6	6.6	6.2	2.2	0.4	8	497
LU	7.6	6.8	6.8	6.7	7.0	7.9	7.6	7.0	6.6	6.6	6.1	5.9	6.0	-1.6	-0.8	10	951
HU	6.4	6.2	6.0	5.9	5.7	5.1	5.7	5.6	5.0	4.9	5.1	5.5	5.3	-1.2	-0.9	14	1,949
MT	3.1	4.9	5.1	4.4	4.0	3.9	3.8	3.9	5.2	4.4	4.3	4.5	4.9	1.8	0.0	20	107
NL	4.2	4.6	4.7	4.8	4.9	5.1	5.3	5.2	4.7	4.9	5.3	5.3	5.2	1.0	0.5	15	11,953
AT	3.4	3.7	3.8	4.0	4.1	4.3	4.2	3.9	3.9	3.8	3.8	3.8	4.0	0.5	0.3	25	5,004
PL	3.3	5.4	5.5	6.1	6.5	6.7	6.9	6.7	6.6	6.4	6.6	6.8	6.6	3.3	1.2	5	7,963
PT	8.6	5.0	5.8	6.6	6.8	6.9	6.5	6.2	6.0	5.7	6.1	6.0	5.3	-3.3	0.3	13	3,019
RO	0.0	10.7	6.7	6.2	7.3	7.9	6.6	6.0	5.8	5.0	6.0	6.7	6.1	6.1	-4.6	9	2,248
SI	8.0	6.1	6.9	6.8	6.4	6.4	6.1	5.9	6.0	6.2	7.8	7.9	7.6	-0.4	1.4	2	1,019
SK	5.2	5.8	5.2	5.7	6.5	7.1	6.8	6.8	6.3	6.1	5.9	5.8	5.6	0.5	-0.2	11	1,114
FI	4.7	4.2	4.4	4.4	4.5	4.5	4.2	4.1	3.8	4.0	4.2	4.2	4.8	0.1	0.6	21	3,928
SE	5.0	4.5	4.8	5.1	5.2	5.0	4.9	4.7	4.6	4.6	4.9	4.9	4.6	-0.4	0.0	23	7,855
UK	6.6	6.5	6.1	6.2	6.0	5.8	5.4	5.0	5.1	4.8	5.6	5.4	5.1	-1.5	-1.3	16	32,343
NO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
IS	4.1	3.0	2.7	2.6	2.4	2.4	2.5	3.0	2.9	2.7	3.4	3.7	3.5	-0.6	0.5		126
<b>EU-27</b>																Total:	226,100
weighted	5.4	5.1	5.1	5.2	5.2	5.1	4.9	4.7	4.5	4.4	4.7	4.7	4.6	-0.8	-0.5		
arithmetic	5.1	5.4	5.3	5.4	5.6	5.7	5.5	5.3	5.1	5.0	5.5	5.6	5.5	0.4	0.2		
<b>EA-17</b>																Total:	162,857
weighted	5.3	4.8	4.8	4.9	5.0	4.9	4.7	4.5	4.2	4.2	4.4	4.4	4.4	-0.9	-0.4		
arithmetic	5.2	4.7	4.9	4.9	5.1	5.3	5.1	4.9	4.7	4.7	5.0	5.1	5.2	0.0	0.5		
<b>EU-25</b>																	
weighted	5.4	5.1	5.1	5.2	5.2	5.1	4.9	4.7	4.5	4.4	4.7	4.6	4.6	-0.8	-0.5		
arithmetic	5.1	5.0	5.2	5.3	5.5	5.5	5.4	5.1	4.9	4.9	5.3	5.4	5.4	0.3	0.3		
<b>Convergence</b>																	
St.dev/mean	38.0	29.8	21.8	21.5	22.4	24.4	24.3	24.0	25.1	26.2	26.6	25.8	24.5	-13.5	-5.2		
Max-min	7.0	8.3	4.6	4.2	5.2	5.3	5.1	5.1	6.0	6.5	6.3	6.3	6.3	-0.7	-2.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 70: Energy taxes as % of GDP - Transport fuel taxes

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011
														1995 to 2011	2000 to 2011	
BE	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.1	1.1	-0.3	-0.2	25
BG	:	:	:	:	:	:	:	:	2.9	2.9	2.6	2.5	2.5	:	:	2
CZ	:	:	:	:	:	:	2.2	2.1	2.1	2.0	2.1	2.0	2.1	:	:	4
DK	:	:	1.4	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.1	1.0	1.0	:	:	27
DE	:	:	:	:	1.8	1.7	1.6	1.5	1.4	1.4	1.5	1.4	1.4	:	:	18
EE	:	1.1	1.5	1.4	1.4	1.7	1.8	1.7	1.7	1.7	2.2	2.1	2.0	:	0.8	5
IE	:	:	:	:	1.1	1.2	1.2	1.2	1.1	1.2	1.3	1.3	1.3	:	:	21
EL	:	:	:	:	1.2	1.2	1.1	1.1	1.1	0.9	1.0	1.5	1.6	:	:	12
ES	:	1.5	1.4	1.5	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.1	1.1	:	-0.5	26
FR	:	:	:	:	1.5	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.2	:	:	23
IT	:	:	:	:	1.8	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	:	:	15
CY	:	:	:	:	:	1.7	1.6	1.5	1.5	1.4	1.4	1.7	1.8	:	:	9
LV	:	:	:	:	:	:	2.2	2.0	1.7	1.7	2.0	2.0	1.9	:	:	6
LT	:	:	:	:	:	1.7	1.7	1.6	1.6	1.5	1.9	1.8	1.6	:	:	13
LU	:	:	:	:	2.6	2.9	2.8	2.5	2.3	2.4	2.3	2.2	2.2	:	:	3
HU	:	:	:	:	:	1.8	1.8	1.9	1.8	1.8	1.8	1.9	1.8	:	:	8
MT	:	:	:	:	:	1.2	1.2	1.2	1.7	1.4	1.2	1.4	1.6	:	:	14
NL	:	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	:	0.0	22
AT	:	1.2	1.3	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	:	0.1	19
PL	:	:	:	:	:	1.7	1.8	1.9	1.9	1.9	1.8	1.9	1.9	:	:	7
PT	:	:	:	:	1.9	2.0	1.9	1.9	1.9	1.7	1.8	1.8	1.7	:	:	10
RO	:	:	:	:	:	:	:	:	1.3	1.3	1.6	1.6	1.4	:	:	17
SI	:	2.1	2.4	2.4	2.2	2.2	2.1	2.1	2.1	2.2	2.7	2.7	2.6	:	0.5	1
SK	:	:	:	:	:	:	2.1	2.0	1.8	1.8	1.7	1.6	1.6	:	:	16
FI	:	:	:	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.4	1.4	1.3	:	:	20
SE	:	:	:	1.4	1.4	1.3	1.4	1.3	1.2	1.2	1.3	1.2	1.1	:	:	24
UK	:	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.6	1.6	1.7	1.7	1.7	:	-0.5	11
NO	:	:	:	:	:	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.7	:	:	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EU-27</b>																Total:
<b>weighted</b>	:	:	:	:	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.4	1.4	:	:	
<b>arithmetic</b>	:	:	:	:	1.6	1.6	1.7	1.6	1.6	1.5	1.6	1.6	1.6	:	:	
<b>EA-17</b>																Total:
<b>weighted</b>	:	:	:	:	1.6	1.5	1.5	1.4	1.4	1.3	1.4	1.3	1.3	:	:	
<b>arithmetic</b>	:	:	:	:	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	1.6	:	:	
<b>EU-25</b>																
<b>weighted</b>	:	:	:	:	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.4	1.4	:	:	
<b>arithmetic</b>	:	:	:	:	1.6	1.6	1.7	1.6	1.6	1.5	1.6	1.6	1.6	:	:	
<b>Convergence</b>																
<b>St.dev/mean</b>	:	:	:	:	24.2	24.0	24.9	23.9	27.0	28.9	28.5	26.0	25.6	:	:	
<b>Max-min</b>	:	:	:	:	1.5	1.7	1.7	1.4	1.8	2.0	1.7	1.7	1.6	:	:	

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 71: Energy taxes as % of Total Taxation - Transport fuel taxes

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011
														1995 to 2011	2000 to 2011	
BE	3.2	3.0	2.9	2.9	2.9	3.0	2.9	2.7	2.5	2.4	2.5	2.5	2.5	-0.7	-0.5	26
BG	:	:	:	:	:	:	:	:	8.7	9.0	8.9	9.1	9.1	:	:	1
CZ	:	:	:	:	:	:	6.2	6.1	5.8	5.7	6.4	5.9	6.0	:	:	5
DK	:	:	3.0	3.0	3.0	2.7	2.4	2.3	2.3	2.3	2.4	2.2	2.1	:	:	27
DE	:	:	:	:	4.5	4.4	4.1	4.0	3.7	3.7	3.8	3.7	3.6	:	:	19
EE	:	3.7	4.9	4.5	4.6	5.6	6.0	5.6	5.5	5.3	6.2	6.2	6.0	:	2.3	6
IE	:	:	:	:	3.9	4.1	4.0	3.6	3.6	3.9	4.7	4.5	4.4	:	:	17
EL	:	:	:	:	3.8	3.7	3.5	3.4	3.5	2.7	3.2	4.8	5.0	:	:	13
ES	:	4.5	4.3	4.3	4.2	4.0	3.6	3.4	3.2	3.4	3.6	3.5	3.3	:	-1.1	20
FR	:	:	:	:	3.4	3.3	3.2	3.0	3.0	2.9	2.9	2.8	2.7	:	:	24
IT	:	:	:	:	4.3	4.1	4.0	3.8	3.6	3.5	3.5	3.5	3.7	:	:	18
CY	:	:	:	:	:	5.2	4.6	4.2	3.7	3.6	4.1	4.7	5.0	:	:	11
LV	:	:	:	:	:	:	7.7	6.5	5.6	5.7	7.7	7.3	6.9	:	:	3
LT	:	:	:	:	:	6.2	5.9	5.4	5.3	5.0	6.4	6.5	6.1	:	:	4
LU	:	:	:	:	6.8	7.7	7.4	6.9	6.5	6.4	6.0	5.8	5.9	:	:	7
HU	:	:	:	:	:	4.8	4.9	5.2	4.5	4.4	4.6	5.0	4.8	:	:	14
MT	:	:	:	:	:	3.8	3.7	3.7	4.9	4.3	3.7	4.4	4.7	:	:	15
NL	:	3.2	3.1	3.3	3.4	3.6	3.4	3.3	3.2	3.2	3.5	3.3	3.3	:	0.1	21
AT	:	2.8	2.8	3.0	3.2	3.3	3.2	3.1	3.0	3.0	3.1	3.1	3.2	:	0.4	22
PL	:	:	:	:	:	5.3	5.5	5.5	5.6	5.4	5.7	5.9	5.8	:	:	8
PT	:	:	:	:	5.9	6.4	6.1	5.9	5.7	5.3	5.7	5.6	5.0	:	:	12
RO	:	:	:	:	:	:	:	:	4.6	4.8	5.8	5.9	5.1	:	:	10
SI	:	5.6	6.3	6.2	5.8	5.8	5.6	5.5	5.7	5.8	7.3	7.2	6.9	:	1.4	2
SK	:	:	:	:	:	:	6.8	6.8	6.2	6.1	5.8	5.6	5.4	:	:	9
FI	:	:	:	3.3	3.5	3.4	3.3	3.2	3.0	3.1	3.3	3.2	3.0	:	:	23
SE	:	:	:	3.0	2.9	2.8	2.8	2.6	2.6	2.7	2.8	2.7	2.6	:	:	25
UK	:	5.8	5.3	5.4	5.2	5.1	4.7	4.4	4.4	4.2	4.9	4.8	4.6	:	-1.2	16
NO	:	:	:	:	:	2.2	2.0	1.8	1.8	1.7	1.9	1.8	1.7	:	:	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EU-27</b>																<b>Total:</b>
weighted	:	:	:	:	:	:	3.9	3.7	3.6	3.5	3.7	3.7	3.6	:	:	
arithmetic	:	:	:	:	:	:	4.6	4.4	4.5	4.4	4.8	4.8	4.7	:	:	
<b>EA-17</b>																<b>Total:</b>
weighted	:	:	:	:	:	:	3.7	3.6	3.4	3.4	3.5	3.4	3.4	:	:	
arithmetic	:	:	:	:	:	:	4.4	4.2	4.2	4.0	4.3	4.4	4.3	:	:	
<b>EU-25</b>																
weighted	:	:	:	:	:	:	3.9	3.7	3.6	3.5	3.7	3.7	3.6	:	:	
arithmetic	:	:	:	:	:	:	4.6	4.4	4.3	4.2	4.5	4.6	4.5	:	:	
<b>Convergence</b>																
St.dev/mean	:	:	:	:	:	:	32.5	31.8	34.0	35.4	36.4	35.1	34.8	:	:	
Max-min	:	:	:	:	:	:	5.2	4.6	6.4	6.7	6.6	6.9	7.0	:	:	

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 72: Environmental taxes as % of GDP - Transport (excl. fuel)

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	0.6	0.6	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.1	0.0	11	2,265
BG	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.1	20	90
CZ	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	-0.2	-0.1	25	215
DK	2.1	1.8	1.7	1.9	1.8	2.0	2.2	2.3	2.2	1.8	1.5	1.5	1.5	-0.6	-0.3	1	3,575
DE	0.4	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.0	0.0	17	9,389
EE	0.3	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.1	-0.2	-0.1	26	10
IE	1.3	1.4	1.1	1.1	1.1	1.1	1.2	1.2	1.3	1.2	0.9	1.0	0.9	-0.4	-0.5	5	1,447
EL	0.6	0.8	1.0	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.0	-0.1	8	1,379
ES	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	-0.1	-0.2	18	2,821
FR	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.2	0.0	19	4,754
IT	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.2	0.1	9	10,330
CY	2.3	2.0	2.0	2.0	1.8	1.9	1.6	1.5	1.6	1.6	1.3	1.1	0.9	-1.4	-1.1	6	163
LV	0.0	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.3	0.5	0.5	0.1	14	91
LT	0.7	0.7	0.7	0.7	0.7	0.8	0.5	0.1	0.1	0.0	0.0	0.0	0.0	-0.7	-0.6	27	14
LU	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.0	0.0	24	64
HU	0.2	0.4	0.4	0.4	0.5	0.8	0.5	0.6	0.7	0.6	0.5	0.5	0.5	0.3	0.1	13	472
MT	2.3	2.2	2.0	1.9	2.0	1.7	1.7	1.8	1.6	1.6	1.6	1.4	1.4	-0.8	-0.8	2	93
NL	1.3	1.4	1.3	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.2	1.2	1.2	-0.1	-0.2	3	7,158
AT	0.7	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.8	0.1	0.0	7	2,292
PL	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.0	0.0	22	721
PT	0.9	1.1	1.1	1.0	0.8	0.9	0.9	0.9	0.9	0.7	0.6	0.7	0.6	-0.3	-0.5	12	1,005
RO	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.3	0.2	0.2	0.2	0.1	23	228
SI	1.0	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	-0.6	0.0	16	145
SK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	21	136
FI	0.8	1.1	1.0	1.0	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.9	1.0	0.2	-0.1	4	1,845
SE	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.1	0.1	15	1,741
UK	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.0	0.0	10	10,870
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.
IS	1.2	1.7	1.3	1.2	1.4	1.5	1.6	1.1	1.1	0.6	0.3	0.3	0.3	-1.0	-1.5		28
<b>EU-27</b>																Total:	63,312
<b>weighted</b>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0		
<b>arithmetic</b>	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.5	-0.1	-0.2		
<b>EA-17</b>																Total:	45,295
<b>weighted</b>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0		
<b>arithmetic</b>	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	-0.2	-0.2		
<b>EU-25</b>																	
<b>weighted</b>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0		
<b>arithmetic</b>	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	-0.2	-0.2		
<b>Convergence</b>																	
<b>St.dev/mean</b>	94.6	86.3	84.5	83.4	83.7	80.9	83.6	86.9	82.8	80.4	76.7	74.5	73.6	-21.0	-12.7		
<b>Max-min</b>	2.3	2.2	2.0	1.9	2.0	1.9	2.1	2.2	2.2	1.8	1.5	1.5	1.4	-0.9	-0.7		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 73: Environmental taxes as % of Total Taxation - Transport (excl. fuel)

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.4	1.3	1.4	0.1	0.0	13	2,265
BG	0.5	0.5	0.5	0.6	0.7	0.6	0.8	0.9	0.9	1.0	1.0	1.0	0.9	0.3	0.3	18	90
CZ	0.9	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	-0.5	-0.3	25	215
DK	4.3	3.7	3.5	3.9	3.7	4.1	4.3	4.6	4.5	3.8	3.1	3.2	3.1	-1.1	-0.6	3	3,575
DE	1.0	0.8	1.0	0.9	0.9	0.9	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.0	0.1	17	9,389
EE	0.8	0.7	0.7	0.6	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	-0.6	-0.5	26	10
IE	3.9	4.5	3.9	3.7	3.7	3.8	3.9	3.8	4.0	4.1	3.3	3.4	3.1	-0.8	-1.4	2	1,447
EL	2.2	2.2	3.0	2.7	2.6	2.8	2.7	2.6	2.6	2.5	2.5	2.1	2.0	-0.2	-0.2	7	1,379
ES	1.2	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.0	1.0	0.9	0.8	0.8	-0.4	-0.4	19	2,821
FR	1.0	0.6	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.5	-0.4	0.0	23	4,754
IT	1.1	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	0.4	0.2	12	10,330
CY	8.7	6.7	6.6	6.4	5.7	5.8	4.6	4.1	4.0	4.1	3.6	3.0	2.6	-6.1	-4.1	5	163
LV	0.0	1.1	1.1	1.2	1.3	1.2	1.1	1.0	0.9	0.8	0.8	1.2	1.6	1.6	0.5	11	91
LT	2.7	2.2	2.3	2.6	2.6	2.8	1.7	0.3	0.4	0.1	0.1	0.2	0.2	-2.5	-2.0	27	14
LU	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.5	0.4	0.4	0.0	0.1	24	64
HU	0.4	1.0	1.0	1.1	1.3	2.1	1.4	1.6	1.6	1.4	1.2	1.3	1.3	0.9	0.3	14	472
MT	8.6	8.1	7.1	6.4	6.7	5.5	5.3	5.4	4.8	4.9	4.7	4.3	4.2	-4.3	-3.9	1	93
NL	3.3	3.5	3.4	3.2	3.3	3.4	3.5	3.5	3.5	3.3	3.2	3.2	3.1	-0.2	-0.4	4	7,158
AT	1.7	1.9	1.9	2.0	2.1	1.9	2.0	2.0	1.8	1.8	1.8	1.8	1.8	0.1	-0.1	8	2,292
PL	0.5	0.6	0.5	0.7	0.7	1.1	0.9	0.7	0.7	0.7	0.7	0.7	0.6	0.1	0.1	22	721
PT	2.9	3.4	3.4	3.1	2.7	2.9	2.9	2.7	2.6	2.1	2.0	2.1	1.8	-1.2	-1.7	9	1,005
RO	0.0	0.2	0.2	0.3	0.2	0.2	0.2	0.5	1.2	1.3	1.0	0.8	0.6	0.6	0.4	21	228
SI	2.6	1.2	1.2	1.1	1.2	1.3	1.3	1.2	1.3	1.3	1.1	1.1	1.1	-1.5	-0.1	15	145
SK	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.1	0.0	20	136
FI	1.7	2.3	2.2	2.3	2.6	2.9	2.6	2.6	2.7	2.4	2.1	1.8	2.2	0.6	-0.1	6	1,845
SE	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.9	1.1	1.1	1.1	1.0	0.3	0.4	16	1,741
UK	1.7	1.6	1.3	1.4	1.4	1.4	1.3	1.3	1.5	1.4	1.6	1.7	1.7	0.0	0.2	10	10,870
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.
IS	3.7	4.7	3.7	3.4	3.9	4.0	3.9	2.6	2.7	1.7	0.8	0.7	0.8	-3.0	-3.9		28
<b>EU-27</b>																Total:	63,312
<b>weighted</b>	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.3	1.4	1.3	1.3	1.3	1.3	-0.1	0.0		
<b>arithmetic</b>	2.0	2.0	1.9	1.9	1.9	1.9	1.8	1.7	1.7	1.7	1.5	1.5	1.5	-0.5	-0.5		
<b>EA-17</b>																Total:	45,295
<b>weighted</b>	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.2	-0.1	0.0		
<b>arithmetic</b>	2.5	2.4	2.3	2.2	2.2	2.2	2.1	2.0	2.0	1.9	1.8	1.7	1.7	-0.9	-0.7		
<b>EU-25</b>																	
<b>weighted</b>	1.4	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.4	1.3	1.3	1.3	1.3	-0.1	0.0		
<b>arithmetic</b>	2.2	2.1	2.0	2.0	2.0	2.0	1.9	1.8	1.8	1.7	1.6	1.6	1.5	-0.6	-0.6		
<b>Convergence</b>																	
<b>St.dev/mean</b>	110.0	98.2	93.0	88.4	88.2	81.3	80.3	83.2	78.3	79.1	75.6	72.0	70.5	-39.5	-27.7		
<b>Max-min</b>	8.7	7.9	6.8	6.2	6.6	5.6	5.0	5.2	4.7	4.8	4.6	4.1	4.1	-4.6	-3.8		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 74: Environmental taxes as % of GDP - Pollution/Resources

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.0	-0.1	8	516
BG	0.0	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	12	35
CZ	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	20	46
DK	0.2	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.0	-0.1	3	554
DE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	15	1,430
EE	0.1	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.2	0.1	2	49
IE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	4	364
EL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0
ES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21	235
FR	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	9	2,278
IT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19	486
CY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0
LV	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	-0.1	13	16
LT	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	16	16
LU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24	4
HU	0.1	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.0	-0.1	10	95
MT	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.3	0.3	0.2	0.2	0.1	0.1	0.1	7	9
NL	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7	0.7	0.7	0.1	0.1	1	4,328
AT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22	63
PL	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.2	0.2	-0.2	0.1	6	775
PT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	7
RO	0.0	0.1	0.4	0.3	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	23	12
SI	0.1	0.2	0.2	0.3	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.0	5	83
SK	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	18	24
FI	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	14	131
SE	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	-0.1	17	144
UK	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	11	1,615
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a
IS	0.6	0.4	0.4	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.4	0.4	-0.2	0.0		42
<b>EU-27</b>																<b>Total:</b>	<b>13,316</b>
<b>weighted</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
<b>arithmetic</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>10,007</b>
<b>weighted</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
<b>arithmetic</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0		
<b>EU-25</b>																	
<b>weighted</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
<b>arithmetic</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0		
<b>Convergence</b>																	
<b>St.dev/mean</b>	161.1	135.9	134.0	116.8	119.8	121.7	120.1	118.1	127.6	130.0	135.0	135.8	131.0	-30.1	-4.8		
<b>Max-min</b>	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7	0.7	0.7	0.1	0.1		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 75: Environmental taxes as % of Total Taxation - Pollution/Resources

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.0	-0.1	9	516
BG	0.0	0.0	0.0	0.3	0.5	0.6	0.5	0.4	0.2	0.4	0.3	0.3	0.3	0.3	0.3	8	35
CZ	0.6	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.5	-0.1	18	46
DK	0.4	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.0	-0.2	6	554
DE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	16	1,430
EE	0.4	0.8	1.0	0.9	1.0	0.8	0.9	1.1	1.1	1.1	1.1	0.9	0.9	0.6	0.1	2	49
IE	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.8	0.8	0.7	0.7	3	364
EL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0
ES	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.0	21	235
FR	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.0	0.0	11	2,278
IT	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	20	486
CY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0
LV	0.2	0.7	0.7	0.7	0.6	0.4	0.4	0.3	0.2	0.2	0.2	0.3	0.3	0.1	-0.5	10	16
LT	0.1	0.2	0.3	0.3	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.0	14	16
LU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24	4
HU	0.3	0.4	0.4	0.4	0.5	0.5	0.3	0.4	0.4	0.4	0.4	0.3	0.3	-0.1	-0.1	12	95
MT	0.0	0.0	0.0	0.3	0.0	0.1	0.7	0.7	0.9	0.9	0.7	0.4	0.4	0.4	0.4	7	9
NL	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.9	1.9	1.9	0.3	0.2	1	4,328
AT	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	22	63
PL	1.1	0.4	0.4	0.4	0.4	0.4	0.3	0.7	0.4	0.5	0.7	0.6	0.6	-0.4	0.2	4	775
PT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	7
RO	0.0	0.5	1.3	1.2	1.0	0.6	0.4	0.3	0.1	0.0	0.0	0.0	0.0	0.0	-0.4	23	12
SI	0.2	0.6	0.5	0.7	1.0	0.9	0.9	0.7	0.6	0.6	0.6	0.6	0.6	0.4	0.0	5	83
SK	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	17	24
FI	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.1	0.1	15	131
SE	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	19	144
UK	0.0	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.1	13	1,615
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a
IS	1.8	1.1	1.2	0.5	0.7	0.7	0.6	0.6	0.5	0.5	0.6	1.2	1.2	-0.6	0.0		42
<b>EU-27</b>																Total:	13,316
weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.1	0.1		
arithmetic	0.2	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.0		
<b>EA-17</b>																Total:	10,007
weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.1	0.1		
arithmetic	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.1		
<b>EU-25</b>																	
weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.1	0.1		
arithmetic	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.0		
<b>Convergence</b>																	
St.dev/mean	160.4	132.3	136.2	116.2	118.9	117.6	117.1	115.1	126.7	128.1	131.4	129.8	126.4	-34.0	-5.9		
Max-min	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.9	1.9	1.9	0.3	0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services



Table 76: Taxes on property as % of GDP

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.4	2.8	2.8	2.8	2.9	3.2	3.1	3.2	3.1	3.1	3.0	3.1	3.2	0.8	0.4	2	11,892
BG	0.3	0.2	0.2	0.3	0.3	0.4	0.4	0.6	0.7	0.7	0.5	0.5	0.6	0.3	0.3	22	217
CZ	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.0	0.0	23	846
DK	1.7	2.3	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.7	2.6	2.6	2.7	1.0	0.4	4	6,392
DE	0.9	0.9	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.0	0.0	18	22,300
EE	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.4	0.4	0.3	0.0	-0.1	27	52
IE	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	1.2	1.2	1.2	0.4	0.6	10	1,844
EL	1.2	2.0	1.6	1.4	1.3	1.2	1.2	1.6	1.6	1.6	1.3	0.9	1.6	0.4	-0.4	7	3,352
ES	1.8	2.2	2.2	2.3	2.5	2.8	3.1	3.3	3.1	2.4	2.1	2.2	2.0	0.2	-0.2	6	21,322
FR	2.0	2.3	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.6	2.6	2.9	3.2	1.2	0.8	3	63,149
IT	2.0	1.9	1.8	1.9	1.8	2.1	2.0	2.1	2.0	1.8	2.2	1.8	2.1	0.1	0.2	5	33,181
CY	0.6	1.5	1.0	0.8	0.9	1.6	1.9	1.3	2.0	1.4	0.9	1.0	0.8	0.2	-0.7	20	142
LV	1.0	0.9	0.9	0.8	0.8	0.8	0.7	0.6	0.9	0.7	0.7	0.9	1.0	0.0	0.0	17	195
LT	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	-0.2	-0.2	25	144
LU	1.4	1.9	1.7	1.5	1.4	1.3	1.4	1.4	1.5	1.3	1.2	1.1	1.2	-0.2	-0.7	9	502
HU	0.5	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	1.1	1.1	0.6	0.5	13	1,095
MT	1.0	0.8	0.9	1.1	1.1	1.6	1.6	1.5	1.6	1.3	1.1	1.0	1.0	0.0	0.3	15	68
NL	1.5	2.0	1.8	1.8	1.8	1.8	1.9	1.7	1.7	1.5	1.3	1.3	1.1	-0.4	-0.9	12	6,609
AT	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	0.5	-0.1	0.0	24	1,509
PL	1.1	1.2	1.3	1.5	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	0.1	0.0	8	4,375
PT	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4	1.3	1.2	1.2	1.1	0.0	-0.1	14	1,872
RO	0.0	0.7	0.7	0.7	0.7	0.7	0.7	0.8	1.0	0.8	0.8	0.8	0.8	0.8	0.1	19	1,067
SI	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.0	0.0	21	216
SK	0.5	0.6	0.5	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	-0.1	-0.2	26	286
FI	1.0	1.1	1.0	1.1	1.0	1.1	1.2	1.1	1.1	1.1	1.1	1.2	1.1	0.1	0.0	11	2,138
SE	1.3	1.7	1.5	1.5	1.5	1.5	1.4	1.4	1.1	1.0	1.1	1.0	1.0	-0.3	-0.7	16	3,922
UK	3.4	4.2	4.2	4.2	4.1	4.2	4.3	4.5	4.5	5.7	4.3	4.2	4.2	0.8	-0.1	1	72,634
NO	1.2	1.0	1.0	1.0	1.0	1.0	1.0	0.9	1.1	1.0	1.1	1.1	1.1	-0.1	0.1		3,812
IS	2.4	2.4	2.3	2.3	2.1	2.3	2.5	2.0	2.3	2.1	2.0	2.2	2.2	-0.3	-0.2		218
<b>EU-27</b>																Total:	261,320.5
weighted	1.7	2.1	2.0	2.0	2.0	2.2	2.2	2.3	2.2	2.2	2.0	2.0	2.1	0.4	0.0		
arithmetic	1.1	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3	0.2	0.0		
<b>EA-17</b>																Total:	170,432.9
weighted	1.5	1.6	1.6	1.6	1.7	1.8	1.8	1.9	1.9	1.7	1.7	1.7	1.8	0.4	0.2		
arithmetic	1.2	1.4	1.3	1.3	1.3	1.4	1.4	1.4	1.5	1.3	1.3	1.3	1.3	0.2	-0.1		
<b>EU-25</b>																	
weighted	1.7	2.1	2.0	2.1	2.0	2.2	2.2	2.3	2.3	2.2	2.0	2.0	2.1	0.4	0.0		
arithmetic	1.2	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.3	1.3	1.4	0.2	0.0		
<b>Convergence</b>																	
St.dev/mean	66.3	68.3	69.8	70.8	70.9	71.4	72.2	74.5	71.3	82.9	73.0	72.5	72.9	6.6	4.7		
Max-min	3.4	4.0	3.9	3.9	3.8	3.9	4.0	4.2	4.3	5.4	4.0	3.8	3.8	0.5	-0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 77: Taxes on property as % of Total Taxation

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	5.5	6.3	6.2	6.3	6.6	7.0	6.9	7.2	7.2	7.0	6.9	7.2	7.3	1.8	1.0	2	11,892
BG	0.8	0.8	0.8	1.0	1.1	1.1	1.3	1.9	2.1	2.2	1.9	1.9	2.1	1.2	1.3	21	217
CZ	1.5	1.5	1.5	1.5	1.5	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.6	0.1	0.1	24	846
DK	3.5	4.6	4.9	5.2	5.3	5.2	5.1	5.2	5.2	5.6	5.5	5.5	5.6	2.1	1.0	5	6,392
DE	2.2	2.1	2.1	2.1	2.2	2.3	2.3	2.3	2.3	2.2	2.2	2.2	2.2	0.0	0.2	20	22,300
EE	1.0	1.3	1.2	1.1	1.1	1.0	0.9	0.8	0.7	0.9	1.0	1.0	1.0	0.0	-0.3	27	52
IE	2.4	1.8	1.9	2.0	2.1	2.1	2.1	2.1	2.1	2.5	4.4	4.3	4.0	1.6	2.2	8	1,844
EL	4.1	5.8	4.8	4.1	4.1	3.8	3.8	5.0	5.0	5.0	4.3	2.8	5.0	0.8	-0.8	6	3,352
ES	5.6	6.5	6.4	6.7	7.5	8.1	8.6	9.0	8.3	7.2	6.9	6.8	6.4	0.8	-0.1	4	21,322
FR	4.6	5.3	5.3	5.4	5.5	5.8	6.0	6.0	6.2	5.9	6.1	6.8	7.2	2.6	1.9	3	63,149
IT	5.0	4.6	4.4	4.6	4.5	5.1	5.0	4.9	4.8	4.1	5.0	4.3	4.9	-0.1	0.4	7	33,181
CY	2.3	5.0	3.2	2.5	2.7	4.9	5.3	3.6	5.0	3.6	2.4	2.7	2.2	-0.1	-2.8	19	142
LV	3.0	3.2	3.1	2.9	2.8	2.7	2.3	2.0	3.0	2.3	2.7	3.1	3.5	0.5	0.3	10	195
LT	2.6	2.4	2.1	2.1	1.9	1.7	1.5	1.4	1.2	1.3	1.7	2.0	1.8	-0.8	-0.6	22	144
LU	3.7	4.9	4.4	3.9	3.7	3.6	3.7	3.9	4.3	3.4	3.0	2.9	3.2	-0.6	-1.8	12	502
HU	1.2	1.6	1.7	1.8	2.1	2.2	2.2	2.1	1.9	2.1	2.0	3.0	3.0	1.8	1.3	14	1,095
MT	3.8	2.8	3.0	3.7	3.7	5.1	4.8	4.6	4.8	3.9	3.2	3.2	3.1	-0.7	0.3	13	68
NL	3.8	4.9	4.7	4.9	4.7	4.9	5.1	4.3	4.3	3.9	3.4	3.3	2.9	-1.0	-2.1	16	6,609
AT	1.4	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	-0.2	-0.1	26	1,509
PL	2.9	3.5	4.0	4.5	4.2	4.2	4.0	3.7	3.4	3.6	3.9	3.8	3.6	0.8	0.1	9	4,375
PT	3.6	4.0	3.8	3.9	3.8	3.8	4.0	4.0	4.3	4.0	3.8	3.8	3.3	-0.3	-0.7	11	1,872
RO	0.0	2.2	2.5	2.4	2.7	2.6	2.5	2.9	3.3	3.0	2.9	3.1	2.9	2.9	0.7	15	1,067
SI	1.4	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.6	1.5	1.6	1.6	1.6	0.2	-0.1	23	216
SK	1.3	1.7	1.7	1.7	1.7	1.7	1.6	1.5	1.4	1.3	1.5	1.5	1.5	0.2	-0.3	25	286
FI	2.2	2.4	2.3	2.4	2.3	2.6	2.7	2.5	2.6	2.6	2.6	2.7	2.6	0.4	0.2	17	2,138
SE	2.8	3.4	3.1	3.1	3.1	3.1	2.9	2.9	2.4	2.2	2.3	2.3	2.3	-0.5	-1.1	18	3,922
UK	9.9	11.5	11.4	11.9	11.8	11.9	12.0	12.3	12.5	15.1	12.4	11.9	11.5	1.7	0.0	1	72,634
NO	2.8	2.4	2.4	2.3	2.4	2.3	2.3	2.2	2.5	2.3	2.6	2.6	2.5	-0.3	0.2		3,812
IS	7.4	6.5	6.5	6.5	5.6	6.1	6.1	4.9	5.6	5.7	5.9	6.2	6.0	-1.3	-0.5		218
<b>EU-27</b>																<b>Total:</b>	<b>261,321</b>
weighted	4.3	5.1	5.1	5.3	5.2	5.6	5.6	5.7	5.7	5.7	5.2	5.3	5.3	1.1	0.2		
arithmetic	3.0	3.6	3.5	3.5	3.5	3.7	3.7	3.7	3.8	3.7	3.6	3.6	3.6	0.6	0.0		
<b>EA-17</b>																<b>Total:</b>	<b>170,433</b>
weighted	3.7	4.0	4.0	4.1	4.2	4.5	4.7	4.7	4.7	4.3	4.4	4.4	4.6	0.9	0.6		
arithmetic	3.2	3.7	3.4	3.4	3.5	3.8	3.9	3.8	3.9	3.5	3.5	3.4	3.5	0.3	-0.2		
<b>EU-25</b>																	
weighted	4.3	5.2	5.1	5.3	5.3	5.6	5.7	5.8	5.7	5.7	5.3	5.3	5.3	1.1	0.2		
arithmetic	3.2	3.8	3.6	3.6	3.7	3.9	3.9	3.8	3.9	3.7	3.6	3.7	3.7	0.4	-0.1		
<b>Convergence</b>																	
St.dev/mean	65.7	64.5	64.6	66.6	67.2	67.2	68.3	70.2	68.4	78.6	69.3	66.1	65.3	-0.4	0.8		
Max-min	9.9	10.8	10.6	10.9	10.8	10.9	11.0	11.5	11.8	14.2	11.5	10.8	10.5	0.7	-0.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 78: Recurrent Taxes on immovable property as % of GDP

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.2	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	0.1	0.1	4	4,879
BG	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.2	23	116
CZ	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.0	0.0	24	345
DK	1.1	1.7	1.8	1.9	1.9	1.9	1.8	1.8	1.8	1.9	2.1	2.1	2.1	1.0	0.4	2	5,079
DE	0.6	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	-0.1	0.0	18	11,680
EE	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.4	0.4	0.3	0.0	-0.1	21	52
IE	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.9	1.0	0.9	0.2	0.4	8	1,499
EL	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	1.1	1.0	1.0	6	2,229
ES	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.0	1.0	0.4	0.4	7	10,830
FR	1.1	1.3	1.3	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.6	1.8	1.9	0.7	0.6	3	37,586
IT	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.6	0.6	0.6	0.7	-0.1	-0.1	13	10,323
CY	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.9	1.5	1.0	0.6	0.6	0.5	0.2	0.1	15	96
LV	1.0	0.9	0.9	0.8	0.8	0.8	0.7	0.6	0.8	0.6	0.6	0.8	0.9	-0.1	-0.1	9	174
LT	0.3	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.0	-0.1	22	96
LU	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	26	31
HU	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.1	20	327
MT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0
NL	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.5	-0.1	-0.1	16	3,128
AT	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	25	626
PL	1.1	1.1	1.3	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	0.1	0.0	5	4,307
PT	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.3	0.3	12	1,138
RO	0.0	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.6	0.7	0.7	0.7	0.2	11	876
SI	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.1	0.0	17	176
SK	0.4	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.0	0.0	19	286
FI	0.5	0.4	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.2	0.2	14	1,199
SE	0.8	1.0	0.9	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.8	0.8	-0.1	-0.2	10	3,037
UK	2.9	3.1	3.2	3.3	3.3	3.2	3.2	3.2	3.2	3.3	3.5	3.4	3.4	0.5	0.2	1	59,111
NO	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.0	0.1		971
IS	1.2	1.2	1.1	1.1	1.2	1.2	1.3	1.3	1.5	1.7	1.8	1.7	1.6	0.3	0.4		158
<b>EU-27</b>																<b>Total:</b>	<b>159,224</b>
<b>weighted</b>	1.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.2	1.3	0.2	0.1		
<b>arithmetic</b>	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.2	0.1		
<b>EA-17</b>																<b>Total:</b>	<b>85,757</b>
<b>weighted</b>	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.9	0.9	0.2	0.2		
<b>arithmetic</b>	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.2	0.2		
<b>EU-25</b>																	
<b>weighted</b>	1.0	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.2	1.3	0.2	0.1		
<b>arithmetic</b>	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.8	0.2	0.1		
<b>Convergence</b>																	
<b>St.dev/mean</b>	92.5	93.5	95.7	96.1	95.0	94.3	94.7	94.0	91.9	95.6	95.7	91.2	87.5	-5.0	-6.1		
<b>Max-min</b>	2.9	3.0	3.1	3.2	3.2	3.1	3.2	3.2	3.1	3.2	3.4	3.3	3.3	0.4	0.3		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 79: Recurrent Taxes on immovable property as % of Total Taxation

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
														1995 to 2011	2000 to 2011		
BE	2.7	2.6	2.6	2.9	3.0	2.9	2.8	2.8	2.8	2.8	3.0	3.0	3.0	0.3	0.4	9	4,879
BG	0.2	0.4	0.4	0.5	0.5	0.4	0.4	0.5	0.5	0.6	0.9	1.0	1.1	0.9	0.7	21	116
CZ	0.7	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.7	0.6	0.0	0.1	24	345
DK	2.2	3.4	3.7	3.9	4.0	3.8	3.6	3.7	3.7	4.0	4.4	4.4	4.4	2.2	1.0	2	5,079
DE	1.5	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.1	1.1	1.2	1.2	1.2	-0.3	0.1	20	11,680
EE	1.0	1.3	1.2	1.1	1.1	1.0	0.9	0.8	0.7	0.9	1.0	1.0	1.0	0.0	-0.3	22	52
IE	2.4	1.8	1.9	2.0	2.1	2.1	2.1	2.1	2.1	2.5	3.2	3.4	3.3	0.9	1.5	6	1,499
EL	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.7	0.7	0.7	0.8	0.8	3.3	3.1	3.0	5	2,229
ES	2.0	2.0	2.0	1.9	2.0	2.0	2.0	2.0	2.0	2.4	2.9	3.0	3.2	1.2	1.3	7	10,830
FR	2.7	2.9	2.9	3.0	3.1	3.2	3.2	3.2	3.2	3.3	3.8	4.2	4.3	1.6	1.4	3	37,586
IT	2.0	1.9	1.9	2.0	2.0	2.0	2.0	1.9	1.9	1.4	1.4	1.5	1.5	-0.4	-0.3	13	10,323
CY	1.2	1.4	1.3	1.6	1.7	1.9	1.8	2.5	3.6	2.5	1.6	1.8	1.5	0.3	0.1	14	96
LV	3.0	3.2	3.1	2.9	2.8	2.7	2.3	2.0	2.6	2.0	2.4	2.8	3.1	0.1	0.0	8	174
LT	1.2	1.5	1.7	1.7	1.5	1.4	1.2	1.1	1.0	0.9	1.2	1.4	1.2	0.0	-0.3	19	96
LU	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.1	-0.1	26	31
HU	0.2	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.8	0.9	0.7	0.4	23	327
MT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0
NL	1.5	1.5	1.6	1.7	1.8	1.8	1.9	1.2	1.2	1.2	1.3	1.3	1.4	-0.2	-0.2	17	3,128
AT	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-0.1	0.0	25	626
PL	2.9	3.5	3.9	4.4	4.2	4.2	3.9	3.6	3.4	3.5	3.8	3.7	3.6	0.7	0.1	4	4,307
PT	1.2	1.3	1.3	1.4	1.5	1.7	1.7	1.7	1.8	2.0	2.0	1.9	2.0	0.8	0.7	11	1,138
RO	0.0	1.6	2.0	1.9	2.0	1.9	1.8	2.0	2.3	2.1	2.3	2.5	2.4	2.4	0.8	10	876
SI	0.9	1.2	1.2	1.2	1.1	1.1	1.1	1.2	1.1	1.1	1.3	1.3	1.3	0.4	0.1	18	176
SK	1.0	1.3	1.3	1.3	1.2	1.3	1.5	1.5	1.4	1.3	1.5	1.5	1.4	0.4	0.1	16	286
FI	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.3	1.5	1.5	0.5	0.5	15	1,199
SE	1.8	2.0	1.8	2.0	2.0	1.9	1.9	1.8	1.8	1.6	1.7	1.7	1.8	0.0	-0.2	12	3,037
UK	8.5	8.6	8.8	9.3	9.4	9.2	9.1	8.8	8.8	8.7	10.1	9.6	9.4	0.8	0.8	1	59,111
NO	2.8	2.4	2.4	2.3	2.4	2.3	2.3	2.2	2.5	2.3	2.6	2.6	2.5	-0.3	0.2		971
IS	7.4	6.5	6.5	6.5	5.6	6.1	6.1	4.9	5.6	5.7	5.9	6.2	6.0	-1.3	-0.5		158
<b>EU-27</b>																<b>Total:</b>	<b>159,224</b>
weighted	2.6	2.9	3.0	3.1	3.1	3.1	3.1	3.0	3.0	2.9	3.1	3.2	3.2	0.6	0.3		
arithmetic	1.7	1.8	1.9	2.0	2.0	2.0	1.9	1.9	1.9	1.9	2.1	2.2	2.3	0.6	0.4		
<b>EA-17</b>																<b>Total:</b>	<b>85,757</b>
weighted	1.9	1.8	1.8	1.9	1.9	2.0	2.0	1.9	1.9	1.9	2.1	2.2	2.3	0.4	0.5		
arithmetic	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.7	1.8	1.9	0.5	0.5		
<b>EU-25</b>																	
weighted	2.6	2.9	3.0	3.1	3.1	3.1	3.1	3.0	3.0	2.9	3.1	3.2	3.3	0.6	0.3		
arithmetic	1.8	1.9	1.9	2.0	2.0	2.0	2.0	1.9	2.0	2.0	2.2	2.2	2.3	0.5	0.4		
<b>Convergence</b>																	
St.dev/mean	97.1	91.3	92.5	94.3	93.9	92.2	92.5	90.8	90.3	90.4	93.5	86.9	82.2	-14.9	-9.1		
Max-min	8.4	8.3	8.6	9.1	9.1	8.9	8.8	8.6	8.6	8.5	9.9	9.4	9.2	0.8	0.9		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 80: Other taxes on property as % of GDP

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	1.2	1.6	1.6	1.5	1.6	1.9	1.8	2.0	1.9	1.9	1.7	1.8	1.9	0.7	0.2	1	7,013
BG	0.2	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.5	0.3	0.2	0.3	0.1	0.1	17	101
CZ	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.0	0.0	15	501
DK	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.8	0.7	0.7	0.5	0.5	0.5	-0.1	0.0	10	1,313
DE	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.1	0.0	14	10,620
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
IE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.2	0.2	0.2	0.2	20	345
EL	1.2	1.9	1.5	1.3	1.2	1.1	1.1	1.4	1.4	1.4	1.1	0.6	0.5	-0.6	-1.4	11	1,123
ES	1.1	1.5	1.5	1.6	1.9	2.1	2.4	2.6	2.3	1.6	1.2	1.2	1.0	-0.2	-0.5	6	10,492
FR	0.8	1.1	1.1	1.0	1.0	1.2	1.2	1.2	1.3	1.1	1.0	1.1	1.3	0.5	0.2	3	25,563
IT	1.2	1.1	1.0	1.1	1.0	1.2	1.2	1.2	1.2	1.1	1.5	1.2	1.4	0.2	0.3	2	22,858
CY	0.3	1.1	0.6	0.3	0.3	1.0	1.2	0.4	0.5	0.4	0.3	0.3	0.3	0.0	-0.8	18	46
LV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	24	21
LT	0.4	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	-0.2	-0.1	21	48
LU	1.3	1.8	1.6	1.4	1.3	1.3	1.3	1.3	1.5	1.2	1.1	1.0	1.1	-0.2	-0.7	4	470
HU	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.8	0.8	0.4	0.3	8	768
MT	1.0	0.8	0.9	1.1	1.1	1.6	1.6	1.5	1.6	1.3	1.1	1.0	1.0	0.0	0.3	5	68
NL	0.9	1.4	1.2	1.2	1.1	1.1	1.2	1.2	1.2	1.0	0.8	0.8	0.6	-0.4	-0.8	9	3,481
AT	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.1	0.0	16	882
PL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	68
PT	0.7	0.8	0.8	0.8	0.7	0.6	0.7	0.7	0.8	0.7	0.6	0.6	0.4	-0.3	-0.4	13	734
RO	0.0	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.1	0.1	0.0	22	191
SI	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	-0.1	-0.1	23	41
SK	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.1	26	0
FI	0.6	0.7	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.5	0.5	0.5	-0.1	-0.2	12	939
SE	0.5	0.7	0.6	0.5	0.5	0.6	0.5	0.5	0.3	0.3	0.3	0.3	0.2	-0.3	-0.5	19	885
UK	0.5	1.1	1.0	0.9	0.9	1.0	1.0	1.2	1.3	2.4	0.8	0.8	0.8	0.3	-0.3	7	13,524
NO	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.8	0.8	0.8	-0.1	0.0		2,841
IS	1.2	1.2	1.2	1.2	0.8	1.1	1.2	0.7	0.8	0.4	0.2	0.4	0.6	-0.6	-0.6		60
<b>EU-27</b>																<b>Total:</b>	<b>102,097</b>
<b>weighted</b>	0.7	0.9	0.8	0.8	0.8	0.9	1.0	1.1	1.1	1.1	0.8	0.8	0.8	0.2	-0.1		
<b>arithmetic</b>	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.0	-0.2		
<b>EA-17</b>																<b>Total:</b>	<b>84,676</b>
<b>weighted</b>	0.7	0.9	0.9	0.9	0.9	1.0	1.1	1.1	1.1	1.0	0.9	0.9	0.9	0.2	0.0		
<b>arithmetic</b>	0.7	0.9	0.8	0.8	0.8	0.9	1.0	0.9	1.0	0.8	0.8	0.7	0.7	0.0	-0.2		
<b>EU-25</b>																	
<b>weighted</b>	0.7	0.9	0.8	0.8	0.9	1.0	1.0	1.1	1.1	1.1	0.8	0.8	0.8	0.2	-0.1		
<b>arithmetic</b>	0.6	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.6	0.6	0.6	0.0	-0.2		
<b>Convergence</b>																	
<b>St.dev/mean</b>	70.3	78.3	77.8	78.6	79.3	84.7	86.0	89.7	85.1	88.6	82.2	81.7	87.0	16.8	8.8		
<b>Max-min</b>	1.3	1.9	1.6	1.6	1.9	2.1	2.4	2.6	2.3	2.4	1.7	1.8	1.9	0.6	0.0		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 81: Other taxes on property as % of Total Taxation

														Difference <sup>1)</sup>		Ranking 2011	Revenue <sup>2)</sup> 2011
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011		
BE	2.8	3.7	3.5	3.4	3.6	4.2	4.1	4.4	4.4	4.2	4.0	4.2	4.3	1.5	0.6	1	7,013
BG	0.6	0.4	0.4	0.5	0.6	0.7	0.9	1.3	1.6	1.6	1.0	0.9	1.0	0.3	0.6	15	101
CZ	0.8	0.9	1.0	1.0	1.0	0.7	0.8	0.8	0.8	0.8	0.6	0.6	0.9	0.2	0.0	16	501
DK	1.2	1.1	1.2	1.2	1.3	1.4	1.5	1.5	1.5	1.5	1.1	1.1	1.1	-0.1	0.0	12	1,313
DE	0.7	1.0	1.0	0.9	1.0	1.1	1.0	1.1	1.2	1.1	1.0	1.0	1.1	0.4	0.1	14	10,620
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
IE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.9	0.8	0.8	0.8	17	345
EL	4.0	5.5	4.5	3.9	3.8	3.5	3.5	4.3	4.3	4.2	3.5	2.0	1.7	-2.3	-3.8	9	1,123
ES	3.5	4.5	4.4	4.8	5.5	6.1	6.7	7.0	6.3	4.9	4.0	3.7	3.1	-0.4	-1.4	3	10,492
FR	1.9	2.4	2.4	2.4	2.4	2.7	2.8	2.8	3.0	2.6	2.3	2.7	2.9	1.0	0.5	6	25,563
IT	3.0	2.7	2.5	2.6	2.5	3.0	2.9	3.0	2.9	2.7	3.6	2.9	3.4	0.4	0.7	2	22,858
CY	1.1	3.6	1.9	1.0	1.0	3.0	3.5	1.1	1.3	1.1	0.8	0.9	0.7	-0.4	-2.9	18	46
LV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.3	0.3	0.3	0.4	0.4	0.4	23	21
LT	1.4	0.9	0.4	0.4	0.3	0.3	0.3	0.3	0.4	0.5	0.6	0.6	0.6	-0.8	-0.3	20	48
LU	3.4	4.7	4.1	3.6	3.5	3.4	3.5	3.6	4.1	3.2	2.8	2.7	3.0	-0.4	-1.7	5	470
HU	1.0	1.1	1.2	1.2	1.5	1.6	1.6	1.5	1.3	1.4	1.2	2.2	2.1	1.1	1.0	8	768
MT	3.8	2.8	3.0	3.7	3.7	5.1	4.8	4.6	4.8	3.9	3.2	3.2	3.1	-0.7	0.3	4	68
NL	2.3	3.4	3.1	3.2	2.9	3.0	3.2	3.1	3.1	2.7	2.1	2.0	1.5	-0.8	-1.9	10	3,481
AT	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.7	-0.2	-0.1	19	882
PL	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	25	68
PT	2.4	2.7	2.5	2.5	2.3	2.1	2.3	2.3	2.5	2.0	1.8	1.8	1.3	-1.1	-1.4	11	734
RO	0.0	0.6	0.5	0.5	0.7	0.7	0.7	0.9	1.1	0.9	0.6	0.6	0.5	0.5	-0.1	21	191
SI	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.3	0.3	0.3	-0.2	-0.2	24	41
SK	0.2	0.4	0.3	0.4	0.5	0.4	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.4	26	0
FI	1.2	1.5	1.4	1.4	1.3	1.5	1.7	1.5	1.5	1.4	1.3	1.2	1.1	-0.1	-0.4	13	939
SE	1.0	1.4	1.3	1.1	1.1	1.2	1.0	1.1	0.6	0.6	0.6	0.6	0.5	-0.5	-0.8	22	885
UK	1.3	3.0	2.6	2.6	2.4	2.8	2.9	3.4	3.6	6.4	2.3	2.3	2.1	0.8	-0.8	7	13,524
NO	2.1	1.9	1.9	1.8	2.0	1.9	1.8	1.6	1.9	1.7	2.0	1.9	1.9	-0.2	0.0		2,841
IS	3.6	3.3	3.4	3.3	2.3	3.0	3.0	1.6	1.9	1.1	0.7	1.3	1.6	-2.0	-1.7		60
<b>EU-27</b>																<b>Total:</b>	<b>102,097</b>
weighted	1.7	2.2	2.1	2.2	2.2	2.5	2.5	2.7	2.7	2.8	2.1	2.1	2.1	0.4	-0.2		
arithmetic	1.6	2.0	1.8	1.7	1.8	1.9	2.0	2.0	2.0	1.9	1.6	1.5	1.5	-0.2	-0.5		
<b>EA-17</b>																<b>Total:</b>	<b>84,676</b>
weighted	1.8	2.2	2.2	2.2	2.3	2.6	2.7	2.8	2.8	2.4	2.3	2.2	2.3	0.5	0.0		
arithmetic	2.0	2.5	2.2	2.2	2.2	2.5	2.6	2.5	2.5	2.2	2.0	1.9	1.8	-0.2	-0.7		
<b>EU-25</b>																	
weighted	1.7	2.2	2.1	2.2	2.2	2.5	2.6	2.7	2.7	2.8	2.2	2.1	2.1	0.4	-0.1		
arithmetic	1.7	2.1	1.9	1.9	1.9	2.0	2.1	2.0	2.1	1.9	1.6	1.6	1.5	-0.1	-0.6		
<b>Convergence</b>																	
St.dev/mean	75.1	79.9	78.5	79.7	81.5	86.6	87.6	90.6	86.2	89.5	79.4	76.5	79.5	4.4	-0.4		
Max-min	4.0	5.5	4.5	4.8	5.5	6.1	6.7	7.0	6.3	6.4	4.0	4.2	4.3	0.3	-1.2		

1) In percentage points 2) In millions of euro

See explanatory notes in Annex B

Source: Commission services

Table 82: Implicit tax rates in % - Consumption

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011
														1995 to 2011	2000 to 2011	
BE	20.4	21.8	21.0	21.4	21.4	22.0	22.3	22.4	22.1	21.2	20.8	21.2	21.0	0.6	-0.8	14
BG	17.3	18.5	17.7	16.6	19.5	22.0	22.8	23.5	22.6	24.7	22.0	21.4	22.4	5.1	4.0	9
CZ	20.9	18.8	18.2	18.4	18.8	20.8	21.1	20.3	21.3	20.5	20.7	20.8	21.4	0.5	2.7	12
DK	30.5	33.4	33.5	33.7	33.3	33.3	33.9	34.2	33.9	32.6	31.3	31.3	31.4	0.9	-2.0	1
DE	18.8	19.2	18.9	18.9	19.0	18.5	18.3	18.5	20.0	20.0	20.1	19.7	20.1	1.3	0.9	16
EE	21.2	19.5	19.6	19.9	19.8	19.7	22.0	22.7	23.6	21.1	26.0	25.4	26.1	4.8	6.6	7
IE	24.8	25.5	23.7	24.6	24.5	25.6	26.1	26.3	25.2	23.3	22.3	22.3	22.1	-2.8	-3.5	10
EL	:	16.5	16.7	16.1	15.5	15.3	15.5	16.0	16.5	15.4	14.6	16.4	16.3	:	-0.2	26
ES	14.2	15.8	15.4	15.5	15.9	16.1	16.7	16.6	15.7	13.9	12.5	14.7	14.0	-0.3	-1.9	27
FR	21.8	21.2	20.5	20.6	20.3	20.4	20.4	20.3	19.9	19.5	19.1	19.4	19.9	-2.0	-1.3	17
IT	17.9	18.3	17.6	17.5	16.9	17.2	17.1	17.7	17.6	16.9	16.6	17.4	17.4	-0.5	-1.0	24
CY	13.0	12.6	14.0	15.0	18.0	19.4	19.7	20.0	20.5	20.4	19.2	19.0	17.7	4.8	5.2	22
LV	19.5	18.4	17.1	17.0	18.3	18.1	19.9	19.8	19.6	17.4	16.9	16.9	17.2	-2.3	-1.2	25
LT	17.7	18.0	17.5	17.9	17.0	16.1	16.5	16.7	17.8	17.7	16.5	17.6	17.5	-0.2	-0.5	23
LU	21.0	23.0	22.6	22.6	23.8	25.4	26.3	26.4	27.1	27.1	27.4	27.1	27.2	6.2	4.2	3
HU	29.6	27.2	25.4	25.2	25.8	27.2	26.3	25.6	26.5	26.2	27.4	27.5	26.8	-2.8	-0.3	4
MT	15.2	15.6	16.4	17.1	16.7	17.5	19.5	19.4	19.6	19.0	19.0	18.7	19.0	3.9	3.5	19
NL	23.3	23.8	24.4	23.9	24.2	24.8	25.0	26.5	26.7	26.9	26.1	26.9	26.3	3.0	2.5	6
AT	20.6	22.2	22.1	22.5	22.2	22.1	21.7	21.3	21.6	21.7	21.6	21.3	21.2	0.6	-0.9	13
PL	20.7	17.8	17.3	17.9	18.3	18.5	19.8	20.6	21.6	21.4	19.3	20.5	20.8	0.1	3.0	15
PT	18.2	18.3	18.3	18.8	18.9	18.8	19.7	20.0	19.1	18.2	16.7	17.6	18.0	-0.2	-0.2	21
RO	0.0	17.0	15.6	16.2	17.7	16.4	17.9	17.8	18.0	17.7	16.9	18.1	21.6	21.6	4.6	11
SI	24.4	23.3	22.9	23.7	23.8	23.7	23.5	23.7	23.9	24.2	23.9	23.6	23.0	-1.4	-0.3	8
SK	26.4	21.7	18.8	19.0	20.7	21.1	21.8	19.9	20.2	18.7	17.3	17.7	18.7	-7.7	-3.0	20
FI	27.6	28.5	27.6	27.7	28.1	27.7	27.6	27.2	26.5	25.9	25.6	25.1	26.4	-1.2	-2.1	5
SE	27.9	26.3	26.6	26.8	26.9	26.8	27.2	27.2	27.4	27.8	27.5	27.9	27.3	-0.5	1.0	2
UK	19.5	19.0	18.7	18.7	18.8	18.8	18.1	18.0	17.9	17.9	17.0	18.3	19.5	0.0	0.5	18
NO	31.1	31.2	30.6	29.7	28.4	28.8	29.4	30.6	31.1	29.1	28.6	29.1	:	:	:	
IS	27.7	25.6	23.6	23.7	24.1	25.8	27.2	28.5	27.1	24.4	22.1	22.8	22.8	-4.9	-2.8	
<b>EU-27</b>																
<b>weighted</b>	20.1	20.1	19.7	19.7	19.7	19.8	19.7	19.9	20.1	19.7	19.1	19.7	20.1	0.0	-0.1	
<b>weighted (adj.)</b>	20.0	20.1	19.7	19.7	19.7	19.8	19.7	19.9	20.1	19.7	19.1	19.7	20.1	0.0	-0.1	
<b>arithmetic</b>	21.3	20.8	20.3	20.5	20.9	21.2	21.7	21.8	21.9	21.4	20.9	21.2	21.5	0.2	0.7	
<b>arithmetic (adj.)</b>	21.1	20.8	20.3	20.5	20.9	21.2	21.7	21.8	21.9	21.4	20.9	21.2	21.5	0.4	0.7	
<b>EA-17</b>																
<b>weighted</b>	19.6	19.8	19.4	19.4	19.3	19.3	19.4	19.6	19.8	19.3	18.8	19.3	19.4	-0.1	-0.4	
<b>weighted (adj.)</b>	19.5	19.8	19.4	19.4	19.3	19.3	19.4	19.6	19.8	19.3	18.8	19.3	19.4	-0.1	-0.4	
<b>arithmetic</b>	20.6	20.4	20.0	20.3	20.6	20.9	21.4	21.5	21.5	20.8	20.5	20.8	20.8	0.3	0.4	
<b>arithmetic (adj.)</b>	20.3	20.4	20.0	20.3	20.6	20.9	21.4	21.5	21.5	20.8	20.5	20.8	20.8	0.5	0.4	
<b>EU-25</b>																
<b>weighted</b>	20.1	20.1	19.7	19.7	19.7	19.8	19.7	19.9	20.1	19.7	19.1	19.7	20.0	-0.1	-0.1	
<b>weighted (adj.)</b>	20.0	20.1	19.7	19.7	19.7	19.8	19.7	19.9	20.1	19.7	19.1	19.7	20.0	0.0	-0.1	
<b>arithmetic</b>	21.5	21.0	20.6	20.8	21.1	21.4	21.9	21.9	22.1	21.4	21.0	21.4	21.4	0.0	0.4	
<b>arithmetic (adj.)</b>	21.3	21.0	20.6	20.8	21.1	21.4	21.9	21.9	22.1	21.4	21.0	21.4	21.4	0.2	0.4	
<b>Convergence</b>																
<b>St.dev/mean</b>	21.7	21.9	21.8	21.5	20.2	20.6	19.5	19.5	19.0	20.4	22.3	19.9	19.3	-2.3	-2.6	
<b>St.dev/mean (adj.)</b>	21.9	21.9	21.8	21.5	20.2	20.6	19.5	19.5	19.0	20.4	22.3	19.9	19.3	-2.5	-2.6	
<b>Max-min</b>	17.6	20.8	19.5	18.6	17.8	18.0	18.4	18.2	18.2	18.7	18.9	16.5	17.4	-0.1	-3.4	

1) in percentage points

See explanatory notes in Annex B

Source: Commission services

Table 83: Implicit tax rates in % - Labour

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		Ranking 2011
														1995 to 2011	2000 to 2011	
BE	43.6	43.6	43.3	43.3	43.2	43.8	43.6	42.4	42.4	42.4	42.0	42.7	42.8	-0.8	-0.8	1
BG	29.9	38.1	33.9	33.4	35.6	35.7	33.2	29.7	30.4	27.4	25.7	23.5	24.6	-5.3	-13.5	26
CZ	41.4	41.2	40.8	41.3	41.7	41.5	41.3	41.1	41.7	39.9	37.6	38.5	39.0	-2.4	-2.2	6
DK	40.2	41.0	40.8	38.8	38.1	37.5	37.1	36.9	36.6	36.6	34.8	34.6	34.6	-5.6	-6.4	13
DE	38.8	39.1	38.9	38.7	38.8	37.8	37.5	38.1	37.9	38.0	37.4	36.8	37.1	-1.8	-2.1	10
EE	38.6	37.8	37.3	37.8	36.9	35.8	33.8	33.6	33.9	33.8	35.0	36.8	36.2	-2.4	-1.6	11
IE	: 28.7	27.6	26.1	25.0	26.2	25.4	25.4	25.7	24.7	25.4	26.2	28.0		:	-0.8	22
EL	: 33.8	34.0	34.0	34.4	33.3	33.3	32.3	33.3	32.9	30.0	31.5	30.9		:	-2.9	21
ES	: 30.5	31.4	32.1	31.6	32.0	32.3	32.9	33.7	32.4	31.4	32.7	33.2		:	2.6	14
FR	40.5	39.4	39.2	38.7	39.0	38.9	39.3	39.3	39.0	39.0	38.6	38.1	38.6	-1.9	-0.8	7
IT	37.8	42.0	42.1	41.9	41.6	41.6	41.1	40.9	42.3	42.9	42.5	42.7	42.3	4.5	0.3	2
CY	22.1	21.6	22.9	22.3	22.8	22.7	24.4	23.9	23.9	24.6	26.2	26.9	26.7	4.6	5.1	23
LV	39.2	36.7	36.5	37.8	36.6	36.7	33.2	33.1	31.0	28.4	29.2	33.1	32.0	-7.2	-4.7	18
LT	34.1	41.1	40.3	38.2	36.8	35.8	34.8	33.3	32.2	32.3	32.9	31.7	32.0	-2.1	-9.1	17
LU	29.3	29.9	29.6	28.4	29.2	28.9	30.0	30.4	31.1	31.2	31.3	31.5	32.8	3.5	2.9	15
HU	42.3	41.4	40.9	41.2	39.3	38.3	38.4	38.9	41.0	42.3	40.2	38.4	38.4	-4.0	-3.1	8
MT	18.8	20.5	21.6	22.4	21.8	22.1	22.6	22.7	21.3	21.2	21.6	21.7	22.7	3.9	2.1	27
NL	34.8	35.0	31.4	31.5	32.0	31.9	32.3	35.1	35.6	36.8	35.9	37.0	37.5	2.7	2.5	9
AT	38.5	40.1	40.6	40.8	41.0	41.1	40.8	40.9	41.0	41.3	40.3	40.5	40.8	2.3	0.7	3
PL	36.8	33.6	33.2	32.4	32.7	32.7	33.8	35.4	34.0	31.7	30.9	30.3	32.2	-4.6	-1.3	16
PT	22.3	22.3	22.8	22.8	22.9	22.3	22.4	23.1	23.7	23.6	23.9	24.0	25.5	3.1	3.2	25
RO	:	:	:	:	:	:	28.1	30.1	30.2	27.3	28.6	30.0	31.4	:	:	20
SI	38.5	37.6	37.5	37.7	37.8	37.6	37.6	37.3	35.9	35.9	35.1	35.0	35.2	-3.3	-2.4	12
SK	38.5	36.3	37.1	36.7	36.1	34.5	32.9	30.5	31.1	33.2	31.7	32.2	31.9	-6.5	-4.4	19
FI	44.2	44.0	44.1	43.8	42.5	41.6	41.6	41.6	41.3	41.2	40.1	39.0	39.6	-4.7	-4.5	4
SE	46.8	46.8	45.5	43.8	43.5	43.5	43.6	42.9	41.2	41.2	39.4	39.1	39.4	-7.4	-7.4	5
UK	25.9	25.9	25.7	24.7	24.8	25.5	26.2	26.4	26.6	26.9	25.5	25.8	26.0	0.1	0.0	24
NO	36.7	37.1	37.2	37.5	37.7	37.8	37.1	36.6	36.1	35.7	35.7	36.3	36.2	-0.5	-0.9	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EU-27</b>																
<b>weighted</b>	37.2	36.4	36.1	35.6	35.7	35.5	35.5	35.7	35.9	36.1	35.4	35.4	35.8	-1.4	-0.6	
<b>weighted (adj.)</b>	37.2	36.4	36.1	35.6	35.7	35.5	35.5	35.7	35.9	36.1	35.4	35.4	35.8	-1.4	-0.6	
<b>arithmetic</b>	35.8	35.7	35.3	35.0	34.8	34.6	34.1	34.0	34.0	33.7	33.1	33.3	33.7	-2.0	-2.0	
<b>arithmetic (adj.)</b>	35.7	35.7	35.3	35.0	34.8	34.6	34.1	34.0	34.0	33.7	33.1	33.3	33.7	-2.0	-2.0	
<b>EA-17</b>																
<b>weighted</b>	38.7	38.3	38.0	37.8	37.7	37.4	37.3	37.5	37.8	37.9	37.3	37.4	37.7	-1.1	-0.6	
<b>weighted (adj.)</b>	38.6	38.3	38.0	37.8	37.7	37.4	37.3	37.5	37.8	37.9	37.3	37.4	37.7	-1.0	-0.6	
<b>arithmetic</b>	34.7	34.3	34.2	34.1	33.9	33.6	33.6	33.6	33.7	33.8	33.4	33.8	34.2	-0.5	-0.1	
<b>arithmetic (adj.)</b>	34.7	34.3	34.2	34.1	33.9	33.6	33.6	33.6	33.7	33.8	33.4	33.8	34.2	-0.5	-0.1	
<b>EU-25</b>																
<b>weighted</b>	37.2	36.4	36.1	35.7	35.7	35.5	35.6	35.8	36.0	36.2	35.5	35.5	35.8	-1.4	-0.5	
<b>weighted (adj.)</b>	37.2	36.4	36.1	35.7	35.7	35.5	35.6	35.8	36.0	36.2	35.5	35.5	35.8	-1.3	-0.5	
<b>arithmetic</b>	36.0	35.6	35.4	35.1	34.8	34.5	34.4	34.3	34.3	34.2	33.6	33.9	34.2	-1.8	-1.4	
<b>arithmetic (adj.)</b>	36.0	35.6	35.4	35.1	34.8	34.5	34.4	34.3	34.3	34.2	33.6	33.9	34.2	-1.8	-1.4	
<b>Convergence</b>																
<b>St.dev/mean</b>	21.1	20.2	19.6	19.7	19.3	18.9	18.4	18.1	18.3	19.4	18.2	17.7	16.7	-4.5	-3.5	
<b>St.dev/mean (adj.)</b>	20.8	20.2	19.6	19.7	19.3	18.9	18.4	18.1	18.3	19.4	18.2	17.7	16.7	-4.1	-3.5	
<b>Max-min</b>	28.0	26.2	23.8	21.5	21.7	21.6	21.2	20.3	21.1	21.7	20.9	21.0	20.1	-7.8	-6.1	

1) in percentage points

See explanatory notes in Annex B

Source: Commission services



Table 84: Implicit tax rates in % - Capital

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		
														1995 to 2011	2000 to 2011	
<b>BE</b>	25.5	29.5	29.4	30.5	31.4	32.5	32.6	32.9	31.2	32.0	29.4	28.7	30.3	4.8	0.9	
<b>BG</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>CZ</b>	22.4	18.7	19.6	21.3	22.1	21.8	20.4	20.0	20.2	18.5	17.7	16.6	17.6	-4.8	-1.2	
<b>DK</b>	29.9	36.0	31.0	30.8	36.9	45.9	49.9	44.5	46.2	42.4	39.0	:	:	:	:	
<b>DE</b>	21.3	27.0	20.7	19.4	19.6	19.7	20.5	21.1	21.6	21.5	21.6	19.7	22.0	0.7	-5.0	
<b>EE</b>	:	6.4	5.2	6.8	8.1	8.4	8.0	8.3	8.8	10.6	15.4	9.8	7.9	:	1.5	
<b>IE</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EL</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>ES</b>	:	29.3	27.8	29.4	29.4	31.9	35.5	39.4	41.6	31.0	26.3	:	:	:	:	
<b>FR</b>	32.5	40.1	39.9	39.0	38.1	39.3	40.3	42.5	40.9	39.8	38.0	39.7	44.4	11.9	4.4	
<b>IT</b>	26.6	28.1	27.7	27.7	30.3	28.7	28.2	32.6	34.7	34.5	36.5	33.0	33.6	7.1	5.5	
<b>CY</b>	18.0	24.8	23.7	24.0	23.0	24.5	27.1	30.9	41.7	32.5	29.5	30.6	24.7	6.7	-0.2	
<b>LV</b>	19.9	12.3	12.7	10.6	9.1	9.2	10.6	11.9	15.0	17.7	10.2	7.9	9.9	-10.0	-2.4	
<b>LT</b>	12.5	6.8	5.6	5.6	7.2	8.6	9.1	11.9	12.5	13.7	11.5	7.1	5.5	-7.0	-1.2	
<b>LU</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>HU</b>	14.9	18.5	18.2	17.1	18.0	17.2	17.1	16.8	20.0	19.5	23.2	19.9	17.3	2.3	-1.2	
<b>MT</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>NL</b>	21.0	20.0	21.0	22.9	19.8	19.3	17.1	16.2	14.8	15.6	14.1	13.0	12.9	-8.1	-7.0	
<b>AT</b>	26.8	27.2	35.2	28.9	27.6	26.8	24.2	23.9	25.1	26.4	25.2	23.3	23.6	-3.2	-3.6	
<b>PL</b>	20.9	20.5	20.5	22.4	20.7	19.0	20.4	21.0	23.0	23.1	19.7	18.6	18.3	-2.6	-2.2	
<b>PT</b>	21.2	31.1	29.9	31.9	31.9	27.7	29.3	30.6	33.3	37.2	31.6	28.4	31.6	10.4	0.6	
<b>RO</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>SI</b>	13.4	17.3	18.1	18.0	17.7	19.4	23.2	23.1	24.7	23.1	21.2	21.9	20.5	7.1	3.2	
<b>SK</b>	35.0	21.5	20.8	21.9	21.8	18.3	18.3	17.0	16.7	16.0	16.1	14.3	14.8	-20.3	-6.7	
<b>FI</b>	31.1	38.1	27.3	29.6	28.1	28.2	28.8	26.4	27.9	28.8	29.9	28.7	27.4	-3.7	-10.7	
<b>SE</b>	19.9	42.7	33.5	29.1	28.9	27.6	33.5	28.8	33.5	25.9	31.3	29.2	27.0	7.1	-15.7	
<b>UK</b>	33.0	44.0	45.0	41.6	36.3	37.4	38.4	41.7	40.7	45.1	37.3	35.7	34.9	1.9	-9.1	
<b>NO</b>	38.5	42.2	42.7	42.8	39.5	40.6	40.7	42.4	40.9	41.8	42.1	41.9	41.9	3.4	-0.3	
<b>IS</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EU-27</b>																
<b>weighted</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>arithmetic</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EA-17</b>																
<b>weighted</b>	25.5	30.2	28.1	27.5	27.7	27.9	28.6	30.5	30.8	29.4	28.5	27.2	28.9	3.4	-1.3	
<b>weighted (adj.)</b>	25.7	29.9	27.8	27.5	27.7	27.9	28.6	30.5	30.8	29.4	28.5	27.2	28.9	3.2	-1.0	
<b>arithmetic</b>	24.8	26.2	25.1	24.6	24.5	24.5	25.2	26.2	27.3	26.2	25.0	23.5	23.7	-1.1	-2.5	
<b>arithmetic (adj.)</b>	23.1	25.4	24.4	24.6	24.5	24.5	25.2	26.2	27.3	26.2	25.0	23.5	23.7	0.6	-1.7	
<b>EU-25</b>																
<b>weighted</b>	26.3	32.8	30.9	29.8	29.0	29.5	30.4	32.1	32.4	31.4	29.5	28.3	29.4	3.0	-3.4	
<b>weighted (adj.)</b>	26.4	32.6	30.7	29.8	29.0	29.5	30.4	32.1	32.4	31.4	29.5	28.3	29.4	2.9	-3.2	
<b>arithmetic</b>	23.5	25.7	24.4	23.8	23.8	24.1	25.1	25.6	27.0	26.0	24.5	23.0	23.1	-0.4	-2.6	
<b>arithmetic (adj.)</b>	22.6	25.2	24.0	23.8	23.8	24.1	25.1	25.6	27.0	26.0	24.5	23.0	23.1	0.5	-2.1	
<b>Convergence indicators</b>																
<b>St.dev/mean</b>	28.5	41.8	41.0	39.2	37.9	40.7	42.0	40.6	40.3	37.6	36.5	43.6	46.5	18.1	4.7	
<b>Convergence</b>	33.3	42.7	41.7	39.2	37.9	40.7	42.0	40.6	40.3	37.6	36.5	43.6	46.5	13.2	3.9	
<b>Max-min</b>	22.5	37.6	39.8	36.0	30.9	37.5	41.9	36.2	37.4	34.5	28.7	35.3	39.8	17.3	2.2	

1) in percentage points

See explanatory notes in Annex B

Source: Commission services

Table 85: Implicit tax rates in % - Capital and business income

														Difference <sup>1)</sup>	
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	1995 to 2011	2000 to 2011
BE	17.1	19.0	19.1	19.4	19.4	19.9	20.5	20.6	19.7	20.0	17.2	16.7	18.1	1.1	-0.9
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	19.3	15.6	16.9	18.6	19.5	19.7	18.2	17.9	18.1	16.6	15.8	14.5	15.1	-4.2	-0.6
DK	21.2	23.9	17.7	17.3	21.4	30.3	36.1	30.8	30.2	25.3	19.6	:	:	:	:
DE	16.8	22.4	16.3	15.2	15.4	15.6	16.6	17.5	18.1	18.1	17.7	16.1	18.2	1.4	-4.3
EE	:	4.3	3.4	4.9	6.4	6.5	6.2	6.5	7.0	8.2	12.0	7.1	5.8	:	1.5
IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
ES	:	20.0	18.7	19.9	19.2	20.6	22.9	25.7	28.6	20.7	17.3	:	:	:	:
FR	16.3	22.9	23.2	21.9	20.8	21.3	21.7	24.2	22.9	22.6	18.4	21.6	24.3	8.0	1.4
IT	18.0	21.9	21.9	20.5	23.7	21.5	21.2	25.1	27.2	27.6	26.4	25.1	25.0	7.0	3.1
CY	14.0	18.7	19.1	19.8	17.9	16.7	19.0	23.7	31.6	25.7	24.1	24.5	20.3	6.3	1.6
LV	10.0	6.9	7.3	7.2	5.5	6.0	7.4	8.9	10.8	14.0	6.6	3.9	5.5	-4.6	-1.4
LT	9.4	4.0	3.3	3.4	5.3	6.7	7.5	10.2	10.9	12.0	9.2	5.2	3.9	-5.5	-0.1
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	12.2	14.5	14.3	13.5	13.6	12.2	12.2	12.4	14.9	13.9	16.9	10.1	8.5	-3.7	-6.1
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	15.4	14.1	15.2	15.8	13.2	12.8	11.4	11.3	10.3	11.0	9.3	8.8	8.9	-6.5	-5.2
AT	21.6	22.9	30.5	24.5	23.2	22.8	20.6	20.2	21.6	22.9	21.4	19.7	20.4	-1.3	-2.5
PL	14.9	15.9	15.7	16.9	15.6	14.5	15.9	16.1	18.6	18.5	15.6	14.5	14.4	-0.5	-1.5
PT	14.7	22.6	21.2	21.4	19.9	19.0	19.4	20.0	22.5	25.8	20.5	18.4	21.4	6.7	-1.2
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	9.6	12.7	13.1	13.8	13.8	15.1	18.8	18.9	20.7	18.9	16.5	16.9	15.8	6.2	3.1
SK	32.2	18.9	18.5	19.4	19.4	16.1	16.2	15.2	15.1	14.4	14.3	12.6	13.1	-19.1	-5.8
FI	25.7	33.2	23.2	24.9	23.2	23.0	23.3	21.8	23.4	23.8	23.2	22.6	21.8	-3.9	-11.4
SE	13.9	32.0	23.4	19.1	19.4	19.7	25.6	22.3	27.2	20.1	24.1	23.0	20.8	6.9	-11.2
UK	19.4	25.7	26.7	23.5	20.3	21.1	22.4	24.9	23.6	24.0	20.9	20.4	19.7	0.3	-6.0
NO	23.2	23.7	23.5	23.7	21.1	21.6	20.8	21.8	22.1	21.1	23.8	23.5	22.9	-0.3	-0.8
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27</b>															
weighted	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
arithmetic	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EA-17</b>															
weighted	17.1	21.7	19.8	18.8	18.9	18.8	19.3	21.1	21.8	20.9	18.9	18.5	19.7	2.5	-2.0
weighted (adj.)	17.3	21.5	19.7	18.8	18.9	18.8	19.3	21.1	21.8	20.9	18.9	18.5	19.7	2.4	-1.9
arithmetic	18.3	19.5	18.7	18.0	17.7	17.4	18.0	19.0	20.2	19.4	17.8	16.8	17.0	-1.3	-2.5
arithmetic (adj.)	16.9	18.9	18.2	18.0	17.7	17.4	18.0	19.0	20.2	19.4	17.8	16.8	17.0	0.1	-1.9
<b>EU-25</b>															
weighted	17.4	22.5	20.9	19.5	19.1	19.3	20.2	21.7	22.2	21.2	19.1	18.8	19.6	2.2	-3.0
weighted (adj.)	17.5	22.4	20.8	19.5	19.1	19.3	20.2	21.7	22.2	21.2	19.1	18.8	19.6	2.0	-2.9
arithmetic	16.9	18.7	17.5	16.9	16.7	17.0	18.0	18.6	19.8	18.9	17.2	16.1	16.2	-0.8	-2.5
arithmetic (adj.)	16.2	18.3	17.3	16.9	16.7	17.0	18.0	18.6	19.8	18.9	17.2	16.1	16.2	-0.1	-2.2
<b>Convergence indicators</b>															
St.dev/mean	33.4	41.4	39.1	35.1	33.1	35.1	37.6	33.2	34.5	29.2	30.9	41.8	43.1	9.7	1.7
Convergence	37.2	42.0	39.6	35.1	33.1	35.1	37.6	33.2	34.5	29.2	30.9	41.8	43.1	5.9	1.0
Max-min	22.9	29.2	27.2	21.5	18.4	24.4	29.9	24.2	24.5	19.4	19.8	24.0	26.2	3.4	-3.0

1) in percentage points

See explanatory notes in Annex B

Source: Commission services

Table 86: Implicit tax rates in % - Corporate income

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>	
														1995 to 2011	2000 to 2011
BE	20.3	24.4	24.1	23.1	22.3	21.9	21.8	22.4	20.9	21.2	16.4	15.3	17.0	-3.3	-7.3
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	39.1	24.5	25.9	28.5	29.0	27.5	24.7	24.3	23.7	22.0	20.5	20.1	20.1	-19.0	-4.4
DK	19.3	23.0	21.1	20.0	22.3	24.9	26.7	28.7	28.0	23.0	18.2	:	:	:	:
DE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EE	:	4.1	3.0	4.7	6.5	6.9	5.7	5.8	6.7	7.9	15.3	7.3	5.8	:	1.7
IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
ES	:	28.8	27.0	29.6	29.1	32.8	39.7	45.8	55.4	31.7	21.8	:	:	:	:
FR	22.6	29.8	32.7	28.6	23.9	25.3	23.9	30.1	27.7	25.9	14.6	20.7	26.9	4.3	-2.9
IT	19.0	18.3	22.6	20.0	23.6	20.5	19.8	25.5	28.8	30.9	27.1	24.1	24.8	5.9	6.6
CY	24.3	31.1	32.7	32.8	26.5	24.0	26.6	31.8	37.3	32.7	35.9	35.9	26.9	2.6	-4.2
LV	55.6	9.0	9.2	8.7	6.7	8.1	9.9	11.3	13.1	18.5	8.1	4.7	6.3	-49.3	-2.7
LT	20.1	4.0	2.5	2.6	5.7	7.3	8.0	10.8	9.8	11.1	8.2	3.7	2.7	-17.5	-1.3
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	:	34.0	28.1	20.7	19.6	17.6	17.1	14.9	18.7	19.0	21.0	9.5	7.7	:	-26.4
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	19.8	18.4	17.2	18.0	14.4	14.4	12.4	12.0	10.2	10.9	7.4	6.8	7.1	-12.7	-11.3
AT	24.9	26.6	36.6	28.1	26.7	26.1	23.6	22.6	24.0	25.3	24.0	21.4	22.0	-2.9	-4.6
PL	46.8	37.1	37.2	37.0	21.9	18.7	21.0	19.4	20.3	20.3	15.0	12.5	12.7	-34.1	-24.4
PT	16.9	25.1	22.6	22.6	20.3	20.1	21.4	22.8	27.4	36.1	:	:	:	:	:
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	16.6	20.7	22.9	25.3	21.3	23.1	33.7	30.3	30.5	27.0	22.3	22.8	19.7	3.1	-1.0
SK	51.2	40.2	32.5	34.4	34.8	22.6	23.3	20.3	19.8	21.8	21.8	18.8	17.5	-33.7	-22.7
FI	18.4	31.3	19.1	22.3	20.1	19.7	18.8	16.5	18.3	19.3	17.8	17.7	16.9	-1.5	-14.4
SE	16.5	31.3	22.5	17.8	17.3	17.4	22.4	17.8	22.3	16.0	22.5	19.9	20.6	4.1	-10.7
UK	21.1	30.9	31.8	25.4	19.8	19.7	21.7	24.7	21.0	22.6	17.3	18.7	18.8	-2.4	-12.1
NO	23.7	21.7	21.2	21.7	19.3	20.0	18.8	20.3	19.4	18.5	20.7	20.8	20.0	-3.7	-1.6
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27</b>															
weighted	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
arithmetic	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EA-17</b>															
weighted	21.0	24.9	26.6	24.3	23.2	23.3	23.6	27.9	29.6	26.0	19.0	18.8	20.8	-0.3	-4.2
weighted (adj.)	21.9	24.6	26.2	24.3	23.2	23.3	23.6	27.9	29.6	26.0	19.0	19.2	20.8	-1.1	-3.8
arithmetic	23.4	24.9	24.4	23.0	21.5	20.5	21.6	22.8	24.3	23.0	19.5	17.8	17.2	-6.2	-7.7
arithmetic (adj.)	21.2	23.7	23.3	23.0	21.5	20.5	21.6	22.8	24.3	23.0	19.5	19.2	17.2	-4.1	-6.5
<b>EU-25</b>															
weighted	21.6	26.9	27.8	24.5	22.2	22.1	23.1	26.3	26.8	24.5	18.6	18.4	19.8	-1.9	-7.1
weighted (adj.)	22.2	26.6	27.5	24.5	22.2	22.1	23.1	26.3	26.8	24.5	18.6	18.7	19.8	-2.4	-6.8
arithmetic	26.6	24.6	23.6	21.9	20.1	19.4	20.6	21.3	22.5	21.5	18.3	16.0	15.7	-11.0	-9.0
arithmetic (adj.)	24.8	23.9	22.9	21.9	20.1	19.4	20.6	21.3	22.5	21.5	18.3	17.0	15.7	-9.2	-8.2
<b>Convergence indicators</b>															
St.dev/mean	48.5	40.5	41.9	42.8	39.0	35.8	40.1	43.3	48.5	36.5	38.3	49.5	47.5	-1.0	7.0
Convergence	52.6	43.0	44.1	42.8	39.0	35.8	40.1	43.3	48.5	36.5	38.3	52.3	47.5	-5.1	4.4
Max-min	39.1	36.2	34.6	34.4	29.1	25.9	34.0	39.9	48.7	28.1	28.5	32.2	24.2	-14.8	-12.0

1) in percentage points

See explanatory notes in Annex B

Source: Commission services

Table 87: Implicit tax rates in % - Capital and business income of households and self-employed

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference <sup>1)</sup>		
														1995 to 2011	2000 to 2011	
BE	13.6	12.9	13.0	13.7	14.1	14.8	15.6	15.2	14.7	14.9	13.9	14.2	15.4	1.8	2.6	
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	7.4	7.9	8.1	8.7	9.0	9.8	8.8	8.0	8.6	7.5	8.8	6.9	7.7	0.3	-0.2	
DK	21.9	22.2	8.6	9.0	15.3	34.5	50.0	27.0	26.3	22.4	16.8	:	:	:	:	
DE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EE	:	4.3	3.6	4.6	4.6	3.9	6.4	6.4	5.3	6.1	3.6	4.3	4.0	:	-0.3	
IE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EL	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
ES	:	14.0	13.4	13.4	12.6	12.7	12.8	14.1	14.6	13.4	12.8	:	:	:	:	
FR	12.0	16.5	15.5	15.7	16.2	15.6	16.6	16.8	16.0	16.5	16.6	17.9	18.3	6.4	1.8	
IT	12.8	16.4	14.2	13.6	15.8	14.6	14.6	16.2	16.9	17.3	17.7	17.3	17.3	4.5	0.9	
CY	4.2	6.0	5.3	7.2	9.5	9.1	9.7	13.0	21.4	13.7	7.3	7.5	7.0	2.9	1.0	
LV	0.3	1.1	0.7	1.1	0.7	0.5	0.5	1.0	1.6	1.0	0.9	1.5	2.5	2.2	1.4	
LT	2.0	1.9	2.0	1.9	1.9	2.3	2.7	3.3	6.0	5.6	3.9	3.3	3.1	1.2	1.2	
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	4.6	7.0	7.5	7.9	8.3	7.2	7.3	8.8	9.6	7.8	12.3	10.2	8.9	4.3	1.9	
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	10.0	6.1	9.5	10.1	9.3	7.7	7.2	7.8	8.6	9.1	12.8	14.1	12.7	2.7	6.6	
AT	10.2	7.9	8.9	9.6	8.5	7.3	6.4	7.1	8.5	9.7	9.1	8.9	9.2	-1.0	1.3	
PL	8.1	10.0	10.8	11.9	12.6	11.7	12.6	13.4	16.2	16.1	14.8	14.6	14.4	6.3	4.4	
PT	9.3	12.5	12.0	12.3	12.3	9.4	8.2	7.3	7.5	7.6	:	:	:	:	:	
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	7.9	9.2	8.9	8.5	9.0	9.6	8.9	9.8	11.8	11.9	11.5	11.8	12.0	4.1	2.8	
SK	17.2	10.0	11.4	12.6	11.8	11.8	11.6	11.2	11.0	8.9	9.7	8.0	9.5	-7.7	-0.5	
FI	28.0	26.1	24.2	22.1	20.9	20.5	23.5	25.5	25.9	23.9	22.4	22.5	22.5	-5.5	-3.6	
SE	7.7	27.1	20.0	17.3	19.2	21.0	26.1	27.7	29.3	22.2	19.1	22.2	14.7	7.0	-12.4	
UK	13.4	15.5	15.8	16.4	16.4	17.2	17.5	18.8	20.3	20.3	20.2	17.5	16.5	3.1	1.0	
NO	20.0	24.0	28.2	21.1	17.6	17.8	17.0	29.1	33.5	34.2	32.3	30.0	32.4	12.4	8.3	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27</b>																
<b>weighted</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>arithmetic</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EA-17</b>																
<b>weighted</b>	12.4	14.6	13.9	13.9	14.5	13.9	14.2	15.3	15.4	15.2	15.4	15.9	16.2	3.7	1.5	
<b>weighted (adj.)</b>	12.7	14.7	14.0	13.9	14.5	13.9	14.2	15.3	15.4	15.2	15.4	15.7	16.2	3.4	1.5	
<b>arithmetic</b>	12.5	11.8	11.7	12.3	12.7	12.3	12.8	14.1	15.0	13.6	13.0	13.3	13.7	1.2	1.9	
<b>arithmetic (adj.)</b>	12.3	12.2	12.0	12.3	12.7	12.3	12.8	14.1	15.0	13.6	13.0	12.8	13.7	1.4	1.5	
<b>EU-25</b>																
<b>weighted</b>	12.5	15.2	14.2	14.3	14.9	15.1	16.0	16.5	17.1	16.3	16.1	17.1	16.8	4.3	1.5	
<b>weighted (adj.)</b>	12.7	15.3	14.2	14.3	14.9	15.1	16.0	16.5	17.1	16.3	16.1	16.9	16.8	4.1	1.5	
<b>arithmetic</b>	10.6	11.7	10.7	11.1	11.8	12.6	13.9	13.9	14.9	13.3	12.6	14.4	14.3	3.8	2.6	
<b>arithmetic (adj.)</b>	10.7	12.0	11.0	11.1	11.8	12.6	13.9	13.9	14.9	13.3	12.6	14.1	14.3	3.6	2.4	
<b>Convergence indicators</b>																
<b>St.dev/mean</b>	64.5	62.2	53.9	46.4	46.9	61.7	77.3	61.2	57.0	50.1	47.0	75.3	77.0	12.5	14.8	
<b>Convergence</b>	61.8	60.1	52.5	46.4	46.9	61.7	77.3	61.2	57.0	50.1	47.0	75.8	77.0	15.2	16.9	
<b>Max-min</b>	27.7	26.0	23.4	21.0	20.2	34.0	49.5	31.7	31.7	23.4	21.4	51.1	51.4	23.6	25.4	

1) in percentage points

See explanatory notes in Annex B

Source: Commission services

Table 88: Implicit tax rates - Energy1)

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference		Ranking 2011
														1995 to 2011	2000 to 2011	
<b>BE</b>	96.2	96.7	95.8	101.4	101.6	114.1	122.2	121.7	128.9	114.9	125.3	129.3	127.2	31.1	30.5	20.0
<b>BG</b>	14.6	40.4	42.8	40.2	50.5	60.8	61.9	64.8	91.7	107.9	108.6	104.5	105.8	91.2	65.5	24.0
<b>CZ</b>	37.3	53.4	62.4	72.0	71.9	81.2	96.0	102.7	113.7	131.1	130.4	129.7	139.3	102.0	85.8	18.0
<b>DK</b>	199.5	299.2	314.1	324.5	324.2	322.7	314.3	309.9	309.9	317.3	330.0	345.3	382.2	182.6	83.0	1.0
<b>DE</b>	169.9	191.8	201.5	211.6	216.7	209.1	202.4	200.6	210.2	204.1	215.6	210.6	229.6	59.8	37.8	7.0
<b>EE</b>	6.3	31.4	42.0	44.5	48.7	61.9	75.1	84.1	93.8	104.0	127.4	128.4	137.5	131.2	106.1	19.0
<b>IE</b>	112.0	140.4	126.3	148.3	150.6	168.3	166.5	165.4	169.8	170.9	194.9	188.0	209.2	97.2	68.8	10.0
<b>EL</b>	160.4	117.9	118.7	112.1	112.0	116.3	117.9	115.1	125.1	126.2	135.8	215.1	223.8	63.4	105.9	8.0
<b>ES</b>	128.1	138.0	134.6	142.8	142.3	141.4	140.9	146.7	148.1	151.9	158.9	160.7	157.6	29.6	19.7	16.0
<b>FR</b>	163.3	166.5	153.0	170.4	165.9	171.7	170.6	174.9	175.6	172.1	177.6	175.1	198.1	34.9	31.6	12.0
<b>IT</b>	235.3	245.3	239.8	235.6	241.9	232.7	232.9	242.2	244.3	233.1	259.2	251.0	270.3	35.0	25.1	2.0
<b>CY</b>	25.6	43.2	61.3	64.6	125.8	145.6	145.4	146.0	147.2	137.8	142.2	167.9	188.1	162.5	144.9	13.0
<b>LV</b>	10.1	48.1	43.0	48.1	51.9	61.0	72.3	76.2	83.0	92.1	93.9	84.0	98.2	88.1	50.1	27.0
<b>LT</b>	12.3	57.5	63.7	74.0	77.8	75.5	79.0	80.2	89.0	98.2	111.9	103.4	105.9	93.6	48.4	23.0
<b>LU</b>	142.8	166.2	165.1	171.2	176.0	185.6	193.8	195.8	205.2	211.0	211.5	206.4	222.5	79.7	56.3	9.0
<b>HU</b>	56.8	77.1	80.5	92.8	90.2	90.7	104.2	105.4	119.8	122.9	113.9	120.5	119.8	63.0	42.7	22.0
<b>MT</b>	67.5	132.8	164.9	169.3	142.9	128.1	159.9	176.5	252.1	176.0	195.5	204.2	240.6	173.0	107.7	5.0
<b>NL</b>	111.8	153.5	158.7	162.5	167.8	179.0	195.4	213.9	206.7	224.8	232.1	222.6	235.9	124.1	82.4	6.0
<b>AT</b>	121.0	138.9	145.0	150.3	150.8	160.5	154.6	151.5	161.1	165.1	169.5	161.1	183.1	62.1	44.2	14.0
<b>PL</b>	20.9	58.7	66.5	77.1	72.3	74.7	95.3	101.5	115.5	127.7	107.0	115.0	122.5	101.7	63.8	21.0
<b>PT</b>	165.2	111.4	134.5	157.5	167.9	166.0	165.4	169.8	175.5	173.4	175.0	179.5	174.0	8.8	62.6	15.0
<b>RO</b>	0.0	57.7	37.6	36.3	43.6	53.1	58.7	66.5	86.9	79.4	85.7	99.3	99.6	99.6	41.9	26.0
<b>SI</b>	122.4	110.8	129.3	138.2	134.3	138.7	139.2	142.0	160.8	163.2	216.1	214.5	205.7	83.3	94.9	11.0
<b>SK</b>	29.4	41.3	37.0	44.0	59.0	72.2	74.1	82.0	94.3	104.9	105.0	93.1	103.2	73.8	61.9	25.0
<b>FI</b>	97.7	106.7	109.1	111.3	111.0	111.9	114.8	111.3	110.5	123.5	128.6	121.3	156.0	58.3	49.3	17.0
<b>SE</b>	133.6	179.9	176.5	191.0	202.4	207.4	211.8	218.4	220.0	221.4	210.7	223.4	244.2	110.6	64.3	4.0
<b>UK</b>	143.2	248.8	238.5	247.3	227.2	237.6	235.0	240.2	254.0	221.2	221.8	230.3	245.0	101.8	-3.8	3.0
<b>NO</b>	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>IS</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EU-27</b>																
<b>GDP-weighted</b>	157.6	186.8	184.3	192.3	190.3	191.4	190.1	193.5	198.8	190.6	198.8	199.5	214.8	57.2	28.0	
<b>GDP-weighted (adj.)</b>	157.6	186.8	184.3	192.3	190.3	191.4	190.1	193.5	198.8	190.6	198.8	199.5	214.8	57.2	28.0	
<b>base-weighted</b>	141.3	170.8	169.2	177.5	176.8	178.5	179.2	182.9	189.1	184.3	191.3	190.5	204.6	63.3	33.8	
<b>base-weighted (adj.)</b>	141.3	170.8	169.2	177.5	176.8	178.5	179.2	182.9	189.1	184.3	191.3	190.5	204.6	63.3	33.8	
<b>arithmetic</b>	99.3	120.5	123.8	131.1	134.3	139.5	144.4	148.3	159.0	158.4	166.1	169.8	182.4	83.1	61.9	
<b>arithmetic (adj.)</b>	99.3	120.5	123.8	131.1	134.3	139.5	144.4	148.3	159.0	158.4	166.1	169.8	182.4	83.1	61.9	
<b>EA-17</b>																
<b>GDP-weighted</b>	164.4	176.7	176.0	183.7	185.5	184.4	183.1	186.4	190.1	187.1	198.6	196.6	196.6	32.3	20.0	
<b>GDP-weighted (adj.)</b>	164.4	176.7	176.0	183.7	185.5	184.4	183.1	186.4	190.1	187.1	198.6	196.6	196.6	32.3	20.0	
<b>base-weighted</b>	160.0	172.2	171.6	179.9	182.7	182.1	181.4	185.0	188.5	186.0	197.7	193.4	193.4	33.3	21.2	
<b>base-weighted (adj.)</b>	160.0	172.2	171.6	179.9	182.7	182.1	181.4	185.0	188.5	186.0	197.7	193.4	193.4	33.3	21.2	
<b>arithmetic</b>	115.0	125.5	130.4	137.4	142.1	147.2	151.2	155.3	165.3	162.2	174.7	178.2	178.2	63.2	52.7	
<b>arithmetic (adj.)</b>	115.0	125.5	130.4	137.4	142.1	147.2	151.2	155.3	165.3	162.2	174.7	178.2	178.2	63.2	52.7	
<b>EU-25</b>																
<b>GDP-weighted</b>	157.8	187.6	185.2	193.3	191.3	192.5	191.3	194.9	200.2	192.1	200.2	200.9	200.9	43.1	13.2	
<b>GDP-weighted (adj.)</b>	157.8	187.6	185.2	193.3	191.3	192.5	191.3	194.9	200.2	192.1	200.2	200.9	200.9	43.1	13.2	
<b>base-weighted</b>	142.7	174.3	173.0	181.7	180.8	182.2	182.9	186.5	192.2	187.3	194.2	193.1	193.1	50.4	18.8	
<b>base-weighted (adj.)</b>	142.7	174.3	173.0	181.7	180.8	182.2	182.9	186.5	192.2	187.3	194.2	193.1	193.1	50.4	18.8	
<b>arithmetic</b>	102.7	126.2	130.5	138.5	141.3	146.2	151.2	155.0	164.6	163.6	171.6	175.2	175.2	72.5	49.0	
<b>arithmetic (adj.)</b>	102.7	126.2	130.5	138.5	141.3	146.2	151.2	155.0	164.6	163.6	171.6	175.2	175.2	72.5	49.0	
<b>Convergence</b>																
<b>St.dev/mean</b>	66.0	58.7	57.1	55.1	51.3	47.6	43.3	42.1	38.6	34.8	35.3	35.6	36.7	-29.3	-22.0	
<b>St.dev/mean (adj.)</b>	66.0	58.7	57.1	55.1	51.3	47.6	43.3	42.1	38.6	34.8	35.3	35.6	36.7	-29.3	-22.0	
<b>Max-min</b>	229.0	267.8	277.0	288.1	280.6	269.7	255.6	245.1	226.9	237.9	244.4	261.3	284.0	54.9	16.2	

<sup>1)</sup> Energy taxes in Euro per tons of oil equivalent (TOE), base year: 2000

See explanatory notes in Annex B

Source: Commission services

## Annex A: Tables

Table 89: Implicit tax rates, deflated - Energy<sup>1)</sup>

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Difference		Ranking 2009	
														1995 to 2009	2000 to 2009		
BE	98.5	96.7	94.1	98.4	97.2	106.7	111.3	107.6	110.8	95.6	105.3	106.7	101.6	3.0	4.8	18	
BG	19.4	40.4	40.5	36.4	45.4	53.0	50.6	51.8	67.3	73.9	73.3	68.8	67.2	47.8	26.8	25	
CZ	48.9	53.4	57.6	59.3	61.4	67.0	73.3	73.6	77.5	76.6	80.6	76.4	78.3	29.4	24.9	21	
DK	215.7	299.2	306.8	310.8	306.7	301.9	290.1	280.9	277.2	276.5	283.5	289.4	312.6	96.9	13.4	1	
DE	169.3	191.8	197.8	205.3	206.9	197.4	187.9	184.4	190.5	181.9	192.0	183.9	196.5	27.2	4.6	6	
EE	9.5	31.4	39.5	40.5	43.6	53.6	62.6	66.6	68.9	70.3	87.0	85.7	87.6	78.1	56.1	20	
IE	136.8	140.4	121.0	134.6	131.3	144.1	140.0	135.7	134.9	131.8	157.0	154.8	170.8	34.0	30.3	9	
EL	189.6	117.9	117.0	107.7	104.2	105.1	103.0	97.2	102.3	98.8	105.6	160.1	161.4	-28.2	43.5	11	
ES	143.7	138.0	130.2	134.2	129.6	124.3	119.7	120.3	117.7	116.5	123.4	121.9	115.9	-27.9	-22.1	17	
FR	170.6	166.5	150.0	165.3	158.0	160.1	156.2	156.9	154.4	147.0	152.6	148.6	164.9	-5.8	-1.7	10	
IT	295.2	245.3	233.7	223.3	223.1	209.2	204.7	207.6	204.9	189.5	211.0	201.2	211.0	-84.2	-34.2	4	
CY	29.7	43.2	59.7	61.4	117.2	132.9	127.2	123.9	122.4	110.3	112.9	130.7	142.0	112.4	98.8	14	
LV	17.4	48.1	42.3	48.4	55.3	62.6	71.4	71.1	70.8	67.9	67.3	60.7	67.4	50.1	19.3	24	
LT	22.7	57.5	60.3	68.0	72.4	70.4	72.0	69.8	73.2	72.8	79.4	72.4	71.2	48.5	13.7	23	
LU	152.0	166.2	161.9	167.0	168.0	173.0	175.6	173.2	177.6	177.6	176.2	169.6	176.0	24.0	9.8	8	
HU	72.1	77.1	72.6	74.9	72.9	68.9	75.3	78.5	79.3	77.4	77.1	76.9	74.2	2.1	-2.9	22	
MT	82.0	132.8	160.6	163.8	142.9	125.9	153.7	167.5	234.7	158.6	171.8	174.1	203.0	121.0	70.2	5	
NL	119.9	153.5	151.9	151.1	152.4	161.0	172.2	184.5	175.1	188.4	195.5	184.7	191.5	71.6	38.0	7	
AT	124.1	138.9	142.5	146.7	144.9	151.2	141.9	136.2	141.4	141.9	144.9	134.9	149.0	25.0	10.1	13	
PL	29.0	58.7	58.7	69.2	73.7	76.1	84.5	86.1	92.9	91.4	92.1	89.1	93.8	64.8	35.1	19	
PT	185.5	111.4	130.0	148.0	153.3	147.8	143.4	142.8	143.3	138.0	142.5	143.8	134.5	-51.0	23.0	15	
RO	0.0	57.7	36.5	35.2	43.9	51.1	47.2	49.7	58.6	53.7	64.4	68.8	65.6	65.6	7.9	26	
SI	134.4	110.8	126.8	130.7	125.0	128.1	126.0	125.6	136.6	131.5	174.9	171.2	160.6	26.3	49.8	12	
SK	37.8	41.3	35.6	40.6	49.6	54.6	52.6	53.6	54.5	53.7	51.7	45.4	48.5	10.8	7.2	27	
FI	104.0	106.7	106.5	106.4	106.6	107.1	109.1	104.2	101.3	109.4	112.4	104.0	129.9	25.9	23.2	16	
SE	155.3	179.9	189.3	199.7	207.4	210.8	216.7	220.0	218.6	221.9	228.4	214.6	219.3	64.0	39.4	3	
UK	213.6	248.8	240.8	250.5	248.9	250.5	243.7	242.0	250.4	245.3	271.2	260.6	269.8	56.2	21.0	2	
NO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>EU-27</b>																	
GDP-weighted	178.9	186.8	181.6	186.8	184.8	182.1	177.0	176.0	177.0	168.7	179.7	175.1	183.8	4.9	-3.0		
GDP-weighted (adj.)	178.9	186.8	181.6	186.8	184.8	182.1	177.0	176.0	177.0	168.7	179.7	175.1	183.8	4.9	-3.0		
base-weighted	163.0	170.8	166.4	171.8	171.2	169.1	165.6	165.1	166.5	161.3	172.4	166.0	173.3	10.4	2.5		
base-weighted (adj.)	163.0	170.8	166.4	171.8	171.2	169.1	165.6	165.1	166.5	161.3	172.4	166.0	173.3	10.4	2.5		
arithmetic	114.5	120.5	120.9	125.1	127.5	129.4	130.1	130.0	134.7	129.6	138.3	137.0	143.1	28.6	22.6		
arithmetic (adj.)	114.5	120.5	120.9	125.1	127.5	129.4	130.1	130.0	134.7	129.6	138.3	137.0	143.1	28.6	22.6		
<b>EA-17</b>																	
GDP-weighted	178.3	176.7	171.9	176.1	174.1	169.6	164.8	164.3	164.1	157.4	167.5	163.1	163.1	-15.2	-13.6		
GDP-weighted (adj.)	178.3	176.7	171.9	176.1	174.1	169.6	164.8	164.3	164.1	157.4	167.5	163.1	163.1	-15.2	-13.6		
base-weighted	174.2	172.2	167.6	172.5	171.4	167.6	163.3	163.2	162.7	156.6	167.0	160.6	160.6	-13.6	-11.6		
base-weighted (adj.)	174.2	172.2	167.6	172.5	171.4	167.6	163.3	163.2	162.7	156.6	167.0	160.6	160.6	-13.6	-11.6		
arithmetic	128.4	125.5	127.0	130.9	132.6	134.2	134.5	134.6	139.5	131.8	142.2	142.4	142.4	14.0	17.0		
arithmetic (adj.)	128.4	125.5	127.0	130.9	132.6	134.2	134.5	134.6	139.5	131.8	142.2	142.4	142.4	14.0	17.0		
<b>EU-25</b>																	
GDP-weighted	179.1	187.6	182.5	187.8	185.8	183.1	178.2	177.4	178.4	170.3	181.2	176.5	176.5	-2.6	-11.1		
GDP-weighted (adj.)	179.1	187.6	182.5	187.8	185.8	183.1	178.2	177.4	178.4	170.3	181.2	176.5	176.5	-2.6	-11.1		
base-weighted	164.6	174.3	170.1	175.9	175.0	172.6	169.2	168.6	169.8	164.5	175.4	168.7	168.7	4.2	-5.5		
base-weighted (adj.)	164.6	174.3	170.1	175.9	175.0	172.6	169.2	168.6	169.8	164.5	175.4	168.7	168.7	4.2	-5.5		
arithmetic	118.3	126.2	127.5	132.2	134.1	135.6	136.6	136.4	140.4	134.8	143.8	142.5	142.5	24.2	16.2		
arithmetic (adj.)	118.3	126.2	127.5	132.2	134.1	135.6	136.6	136.4	140.4	134.8	143.8	142.5	142.5	24.2	16.2		
<b>Convergence</b>																	
St.dev/mean	65.4	58.7	58.5	57.3	53.4	50.3	47.9	47.5	46.7	46.0	45.8	45.3	46.6	-18.8	-12.0		
St.dev/mean (adj.)	65.4	58.7	58.5	57.3	53.4	50.3	47.9	47.5	46.7	46.0	45.8	45.3	46.6	-18.8	-12.0		
Max-min	285.7	267.8	271.2	275.6	263.1	250.8	242.9	231.2	222.7	222.8	231.8	244.0	264.1	-21.6	-3.7		

<sup>1)</sup> Energy taxes in Euro per tons of oil equivalent (TOE), base year: 2000

See explanatory notes in Annex B

Source: Commission services

Table 90: Amounts assessed but unlikely to be collected

	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>BE</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>BG</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>CZ</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>DK</b>	0.3	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.2
<b>DE</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>EE</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>IE</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>EL</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>ES</b>	0.7	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.6	0.9	0.8	0.8
<b>FR</b>	0.3	0.3	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.2	0.3
<b>IT</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>CY</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>LV</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>LT</b>	0.0	0.3	0.3	0.2	0.1	0.1	0.0	0.1	0.0	0.1	0.2	0.1	0.1
<b>LU</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>HU</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>MT</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>NL</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>AT</b>	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>PL</b>	0.2	0.2	0.4	0.4	0.3	0.3	0.4	0.4	0.1	0.1	0.1	0.1	0.1
<b>PT</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>RO</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>SI</b>	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1
<b>SK</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>FI</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>SE</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>UK</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>NO</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>IS</b>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Table 91: Effective Average Tax rates, non-financial sector 1998-2012, in %

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
BE	34.5	34.5	34.5	34.4	34.5	29.5	29.5	29.5	25.7	25.4	24.9	24.7	25.3	25.9	26.3
BG	32.0	29.7	28.1	24.2	20.4	20.5	17.1	13.2	13.2	8.8	8.9	8.8	8.8	9.0	9.0
CZ	26.4	25.4	23.6	23.6	23.6	23.6	24.6	22.7	21.0	21.0	18.4	17.5	16.7	16.7	16.7
DK	30.0	28.3	28.3	26.8	26.8	26.8	26.8	25.1	25.1	22.5	22.6	22.6	22.6	22.6	22.0
DE	41.2	40.4	40.4	35.8	35.8	37.0	35.8	35.8	35.5	35.5	28.2	28.0	28.0	28.2	28.2
EE	22.4	22.4	20.4	20.4	20.4	20.4	20.4	18.8	18.1	17.3	16.5	16.5	16.5	16.5	16.5
IE	9.4	9.4	9.4	9.4	12.3	14.3	14.3	14.3	14.4	14.4	14.4	14.4	14.4	14.4	14.4
EL	30.4	30.4	30.4	30.4	30.4	30.4	30.4	27.8	25.2	21.7	21.8	30.5	21.0	17.5	17.5
ES	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	34.5	32.8	32.8	32.8	31.9	32.4
FR	39.8	38.4	36.6	35.8	34.9	35.0	35.0	34.8	34.4	34.6	34.6	34.7	31.0	32.8	34.2
IT	32.0	32.0	31.3	30.7	34.3	32.6	31.8	31.8	31.8	31.8	27.3	27.5	27.5	27.5	25.1
CY	27.5	27.5	27.5	26.5	26.9	14.8	14.8	10.6	10.6	10.6	10.6	10.6	10.6	10.6	11.2
LV	22.7	22.7	22.7	22.7	20.2	17.7	14.3	14.3	14.3	14.3	13.8	13.8	11.8	12.2	12.2
LT	23.0	23.0	19.1	19.1	12.7	12.7	12.7	12.7	16.0	15.2	12.7	16.8	12.7	12.7	12.7
LU	32.6	32.6	32.6	32.6	26.5	26.5	26.5	26.5	25.9	25.9	25.9	25.0	25.0	24.9	24.9
HU	19.0	19.3	19.7	19.7	19.7	19.7	17.8	16.6	16.3	19.5	19.5	19.5	19.1	19.3	19.3
MT	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2
NL	32.3	32.3	32.3	32.3	31.9	31.9	31.9	29.1	27.4	23.7	23.7	22.8	22.8	22.4	23.2
AT	29.7	29.7	29.7	31.2	31.0	31.0	31.2	23.0	23.0	23.0	23.0	22.7	22.7	23.0	23.0
PL	32.4	30.6	27.1	25.3	25.3	24.2	17.1	17.1	17.1	17.4	17.4	17.5	17.5	17.5	17.5
PT	33.4	33.4	31.5	31.5	29.5	29.4	24.6	24.6	24.6	23.7	23.7	23.7	24.8	24.8	27.1
RO	34.0	34.4	22.7	22.7	22.9	22.7	22.4	14.7	14.7	14.8	14.8	14.8	14.8	14.8	14.8
SI	20.9	20.9	20.9	20.9	20.9	21.5	21.5	22.1	22.3	20.9	20.0	19.1	18.2	18.2	16.4
SK	36.7	36.7	25.8	25.8	22.3	21.9	16.5	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8
FI	25.9	26.1	27.2	27.2	27.2	27.2	27.2	24.5	24.5	24.5	24.5	23.6	23.8	24.7	23.3
SE	23.8	23.8	23.8	23.1	23.1	23.1	23.1	24.6	24.6	24.6	24.6	23.2	23.2	23.2	23.2
UK	29.7	28.9	28.7	28.7	29.3	29.3	29.3	29.3	29.3	29.3	28.0	28.3	28.4	26.9	25.2
EU-27	29.3	28.9	27.5	27.0	26.4	25.6	24.6	23.3	23.0	22.4	21.5	21.8	21.1	21.0	20.9

Source: ZEW (2012)



# **A**nnex **B**

**Methodology and explanatory notes**

## Annex B: Methodology and explanatory notes

The 'Taxation trends' survey assesses the tax system from a number of angles. The examination of the tax structures by tax type and by level of government illustrates the relative importance of the different tax instruments used in raising revenues and the distribution of autonomous financial resources among the constituent elements of the state apparatus, respectively. The breakdown into taxes on consumption, labour and capital allows an assessment of the manner in which the tax burden is distributed among the different factors. In addition, environmental taxes and property taxes are specifically examined, as they are subject to increased attention/scrutiny/special focus. The implicit tax rates measure in turn the actual or effective average tax burden levied on different types of economic income or activities.

This methodological note explains the methods of, and the reasoning behind, the calculation of the various ratios presented in the survey; approaching them in the order in which they appear in each country table in Part II and in the tables in the Annex A of the report. Given that Parts A and B (Tax structure by tax type and Tax structure by level of government) follow ESA95 classifications, a simple description of the aggregates and the data sources is provided. Parts C to E (Tax structure by economic function, Environmental and Property Taxes) and Part F (Implicit tax rates) present statistics developed by the EU Commission Directorate-General for Taxation and Customs Union specifically for this publication, so the reasoning will be delved into in greater detail, with attention given to both their theoretical and practical limitations. This note concludes with an in-depth discussion of the approaches used in calculating the split of personal income tax according to its sources, a process critical to the creation of meaningful statistics for Parts C and F.

### Data sources

For the national accounts data used for this report **the cut-off date is 11 March 2013**. In addition, more disaggregated tax data submitted to Eurostat (the National Tax List or NTL) were used for the classification of revenue according to economic functions and to determine the level of environmental and property taxes. The cut-off date for these is also 11 March 2013. In very few cases, estimates at the detailed level have been used if statistics were not available; in those cases, the estimates were either supplied by Member States administrations or computed using proxies. In the case of the base of the ITR on consumption (P.31\_S.14dom – Final consumption of households on the economic territory (domestic concept)), no data were available for 2007-2011 for Bulgaria, for 2010-2011 for Lithuania and Romania and 2011 for Norway. Data for these years were estimated on the bases of growth rates of 'Private final consumption expenditure at current prices' from the macro-economic (AMECO) database of the European Commission's Directorate General for Economic and Financial Affairs <sup>(44)</sup>.

Although all Member States authorities have provided disaggregated data on their tax revenue (the National Tax List), their level of detail varies. Information on the level of disaggregation used for the computation of the indicators for each Member State (formerly included in the report as Annex B) is available on the homepage of the Directorate-General for Taxation and Customs Union (url: <http://ec.europa.eu/taxtrends> ).

The country chapters of the non-euro area Member States for illustrative reasons often contain not only data in national currency, but also rounded figures in euro, e.g. for income thresholds or changes in tax revenue. In these cases the exchange rates downloaded on 11 March 2013 were used.

### Data coverage

This publication presents time series of tax revenue (including taxes levied on behalf of the institutions of the European Union) and tax rates for the twenty-seven Member States, Norway and Iceland. The seven EU outermost regions - Martinique, Guadeloupe, French Guiana and Réunion, Saint-Barthélemy, Saint-Martin, Madeira, the Azores and the Canary Islands – are covered in the tables and maps presenting tax revenue data. However, they are not covered in the tables presenting tax rates.

<sup>(44)</sup> [http://ec.europa.eu/economy\\_finance/db\\_indicators/ameco/index\\_en.htm](http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm)

Tax revenue data for Greece is labelled provisional (both ESA table 9 and NTL).

Data coverage and reliability have generally improved over time. On the other hand, in some cases a reassessment of the quality of the data has led us to reconsider publication of some series or data points as problems of comparability appeared. In particular, the coverage of the ITR on capital is patchy as the computation of the ITR on capital is quite demanding in terms of the required level of detail in national accounts data. In many cases it was not possible to compute the implicit tax rate on capital even though data on capital tax revenue were available, because the data needed to compute the denominator of the ITR (i.e. the sum of revenues accruing to capital) are missing. Overall, the degree of cross-country comparability seems satisfactory.

## Ranking

In all the tables of Annex A, a ranking is given whereby the Member State with the highest ratio is listed with number 1, the second with number 2 and so on. The ranking refers to the order of the Member States for each specific ratio and only includes those Member States for which 2011 data are available in the respective table. The rankings are also shown in the country tables in Part II of the report. No ranking is given if more than 10 % of data points are missing.

## Averages

This report computes arithmetic and weighted averages for three groups of countries: the EU as a whole (EU-27), the EU-25 (i.e. the EU-27 minus Bulgaria and Romania which joined the Union on 1 January 2007) and the euro area in its current 17-country composition (EA-17). EU-27 averages are calculated and presented in the tables and graphs only if data are available for both Bulgaria and Romania; otherwise we typically refer to the EU-25 average. Occasionally, averages for other groupings (the former EU-15, the NMS-12, etc.) are used for illustrative purposes. The average computed for the taxes received by the State Government refers to the Länder in AT and DE, the gewesten en gemeenschappen / régions et communautés in BE and comunidades autónomas in ES. Only these four countries are included in the corresponding average.

The approach followed in the report, starting with the current 2013 edition, is to focus on the GDP-weighted average, in line with Eurostat standard practice. Note that most graphs and figures for EU aggregates in previous editions used simple (i.e. equal weights) averages and that this approach has now been abandoned, unless otherwise indicated.

Except for the Implicit Tax Rates (ITRs), no adjustments for missing values are made in the tables and graphs in the main parts of the report as well as in Annex A: the average shown is simply the result of the customary formula applied to the available data. However, for the purpose of calculating the EU averages of the ITRs on consumption, labour and capital missing values for Member States are substituted by the latest available data point (first available data point, if data for the beginning of the series are missing) for the respective country and the thus obtained EU average is indicated as "adjusted".

## Total

For some countries the sum of the taxes in percentage of GDP in each of the Parts A, B and C of the country chapters data table and in the corresponding Annex A tables adds up to more than the total. This is the case whenever the table contains the item 'amounts assessed but unlikely to be collected' (ESA code D.995) because this item in general cannot be attributed with certainty to any detailed category and is therefore listed 'below the line'<sup>(45)</sup>. The excess is, therefore, exactly equal to this amount.

<sup>(45)</sup> For some countries more detailed breakdown is available and accessible on <http://ec.europa.eu/taxtrends>.

## Part A: Tax structure by tax type

### Definitions

'Total taxes (incl. SSC)' are defined as: taxes on production and imports (D.2), current taxes on income and wealth (D.5), capital taxes (D.91), actual compulsory social contributions (D.61111 + D.61121 + D.61131). Indirect taxes, direct taxes and social contributions add up to the total of taxes received by the general government and the institutions of the European Union.

'Taxes (excl. SSC)' are defined as 'total taxes (incl. SSC)' minus actual compulsory social contributions.

'Indirect taxes' are defined as taxes linked to production and imports (code D.2 in the ESA95 system), i.e. as compulsory levies on producer units in respect of the production or importation of goods and services or the use of factors of production. They include VAT, import duties, excise duties and other specific taxes on services (transport, insurance etc.) and on financial and capital transactions. They also include taxes on production (D.29) defined as 'taxes that enterprises incur as a result of engaging in production', such as professional licences, taxes on land and building and payroll taxes.

Indirect taxes are defined as the sum of the following ESA95 tax categories:

- VAT: value added type taxes (D.211).
- Excise duties and consumption taxes: excise and consumption taxes (D.214A) + excise duties (D.2122C).
- Other taxes on products (incl. import duties): taxes and duties on imports excluding VAT (D.212), excluding excise duties (D.2122C), taxes on products, except VAT and import duties (D.214), excluding excise duties (D.214A).
- Other taxes on production (D.29).

'Direct taxes' are defined as current taxes on income and wealth (D.5) plus capital taxes including taxes such as inheritance or gift taxes (D.91). Income tax (D.51) is a subcategory, which includes personal income tax (PIT) and corporate income tax (CIT) as well as capital gains taxes.

Direct taxes are defined as the sum of the following ESA categories:

- personal income tax: taxes on individual or households income including holding gains (D.51A + D.51C1);
- corporate income tax: taxes on the income or profits of corporations including holding gains (D.51B + D.51C2);
- other income and capital taxes: other taxes on income corresponding to other taxes on holding gains (D.51C3), taxes on winnings from lottery or gambling (D.51D) and other taxes on income n.e.c. (D.51E); taxes on capital defined as other current taxes (D.59) and capital taxes (D.91).

Note that in some Member States, such as Italy and Sweden, the 'Taxes on individual or household holding gains' and 'Taxes on holding gains of corporations' are not included in D.51C1 and D.51C2, respectively, but in 'Other income and capital taxes'. This difference in reporting should be taken into consideration when comparing the levels of the three detailed categories of direct taxes between Member States.

'Actual compulsory social contributions' are paid by employers and employees on the basis of a work contract, or by self- and non-employed persons. They include three subcategories:

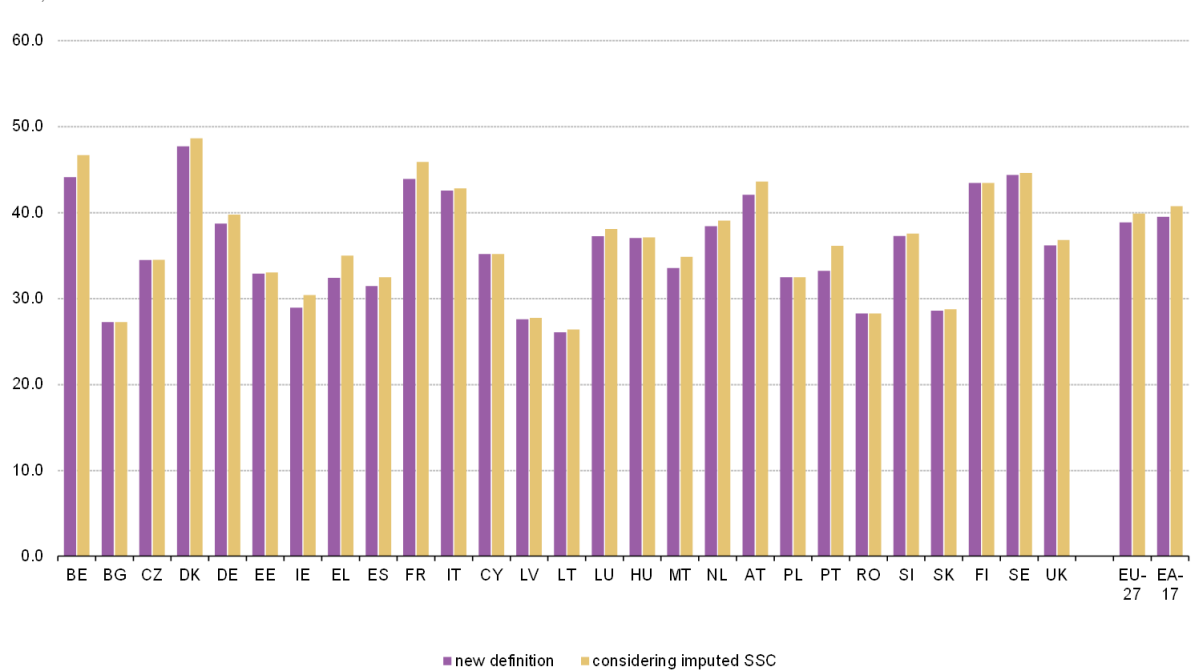
- compulsory employers' actual social contributions (D.61111);

- compulsory employees' social contributions (D.61121);
- compulsory social contributions by self- and non-employed persons (D.61131).

### Imputed social contributions

Prior to the 2003 edition actual social contributions (ESA95 code D.611), which include both compulsory and voluntary contributions, were used for the purposes of calculating the statistics. Voluntary contributions vary in their purpose (e.g. the purchase of 'extra years' for pensions and the wish to complete a gap in the social contributions due to years worked abroad) and may vary in the degree to which they are voluntary in a real economic sense, but, as they are essentially a form of household saving they should not be considered as compulsory levies imposed by the government. In addition, 'imputed social contributions' (D.612), which relate to unfunded social security schemes, are excluded such that the definition used in this survey corresponds to Indicator 2 of the four indicators of general government and European Union levies issued by Eurostat (see Box A.1).

**Graph A.1:** Sensitivity analysis: role of imputed social contributions  
2011, in %



Source: Commission services

In practice, imputed social contributions mainly relate to a number of EU governments, which do not pay actual contributions for their employees but nevertheless guarantee them a pension upon retirement; imputed social contributions represent the contributions the government should pay to a pension fund in order to provide a pension of an equivalent amount to the employees. Including imputed social contributions in the definition of compulsory levies would allow greater comparability over time and across countries, given that some governments make actual contributions for their employees while others simply pay social benefits to their employees as their entitlement arises. However, imputed social contributions are not based on actual transactions and the method for imputation may involve estimation errors (closely monitored at Eurostat). Ultimately it is found that, while including imputed social contributions in the definition of total taxes would result in a non-negligible level shift, yielding an increase of the tax ratio for the EU-27 average by around four fifths of a percentage point and for the EA-17 average by around one percentage point (see Graph A.1), the development of the ratios over time remain relatively stable.

**Box A.1:** Indicators on general government and European Union levies

In 2001, the Eurostat National Accounts Working Group defined four taxation indicators for general government and European Union levies, progressing from a narrower to a broader definition:

	Taxes on production and imports (D.2)
+	Current taxes on income, wealth, etc (D.5)
+	Capital taxes (D.91)
[-	Capital transfers from general government to relevant sectors representing taxes and social contributions assessed but unlikely to be collected (D.995)]
+	Compulsory actual social contributions payable to the social security funds sub-sector (S.1314) (D.61111 + D.61121 + D.61131, when payable to S.1314)
=	<b>INDICATOR 1</b> (Total taxes and compulsory social security contributions)
+	Compulsory actual social contributions payable to the central government (S.1311), state government (S.1312), and local government (S.1313) sub-sectors as employers (D.61111 + D.61121 + D.61131, when payable to S.1311, S.1312 and S.1313)
=	<b>INDICATOR 2</b> (Total taxes and compulsory actual social contributions payable to general government, including those for government as an employer)
+	Imputed social contributions (D.612) payable to general government as an employer
=	<b>INDICATOR 3</b> (Total taxes and compulsory social contributions payable to general government, including those for government as an employer)
+	Voluntary actual social contributions payable to the general government sector (S.13) (D.61112 + D.61122 + D.61132)
=	<b>INDICATOR 4</b> (Total taxes and social contributions payable to general government, including those for government as an employer)

Box B.1 shows a breakdown of taxes that Member States provide on a harmonised basis in the framework of European System of Accounts 95 (ESA95) Transmission Programme as well as the codes used in ESA95.

## Part B: Tax structure by level of government

### Definitions

'Total taxes received by the general government and the institutions of the EU' (institutional sector S.13\_S.212 in ESA95) are broken down as taxes received by:

- central government (S.1311);
- state (region) government for federal states (S.1312), only applicable for Belgium, Germany, Spain and Austria;
- local government (S.1313);
- social security funds (S.1314), not applicable for Malta, the United Kingdom and Norway (please see below);
- the EU institutions (S.212).

The taxes that are reported under these headings represent 'ultimately received' tax revenues. This means, for example, that not only the 'own' taxes are included, but also the part of the tax revenue that is automatically and unconditionally 'shared' between the government sub-sectors, even if these government sub-sectors have no power to vary the rate or the base of those particular taxes.

### Country specific information

Additional information was used for the classification of taxes for Belgium. Additional information was also used for Norway: data for the social security funds sub-sector (S.1314) is transmitted together with central government (S.1311) and later split according to ESA transactions. Furthermore, Denmark treats the VAT revenues (D.211) paid to the EU institutions in a different way from other Member States. They are recorded under S1311 instead of under S.212; subsequently, a current transfer from S.13 to S.212 (under ESA95 code: D.7PAY) is booked. This treatment affects also D.21 and D.2 for S.1311 (central government) and S.13 (general government); compared to the other Member States, this results in a higher estimate of central and general government revenue and a lower estimate of the revenue at the level of the EU institutions. In Hungary, since 2008, total personal income tax (D.51A+D.51C1) for the local government (S.1313) is accounted for by the general government (S.1311) and after transferred under D.7 to S.1313. This method of recording results in a lower estimate of local government tax revenue in 2008-2011 compared to those for the period 1995-2007.

### Averages

For the purpose of this report as opposed to data published on the Eurostat online database Eurobase, the EU and euro area aggregates for state government (but not social security funds) are computed over those four Member States (Belgium, Germany, Spain and Austria) which have a state government and not over all 27 Member States.

## Part C: Tax structure by type of tax base

### Data sources

The calculation of Part C ratios is done on the basis of specific assumptions and more detailed revenue data than the one published by Eurostat. The Eurostat database is therefore supplemented by a so-called National Tax List supplied by Member States to Eurostat. The allocation of taxes to a tax-base category (consumption, labour, capital) published in this report is applied to each tax contained in the National Tax List.

The availability of detailed revenue data and the economic allocation for each country and each tax is available on the homepage of the Directorate-General for Taxation and Customs Union (<http://ec.europa.eu/taxtrends>).

In addition to the supplementary data, some specific split/allocation have been assumed

- A split of the personal income tax to four subgroups is used.
- Compulsory social contributions of self-employed and non-employed (D.61131) are split between non-employed (considered as part of labour) and self-employed (considered as part of capital).

For some countries the split is directly available in the National Tax List or provided by Member States' authorities; for others the split was computed by applying to D.61131 the share paid by non- and self-employed as reported by the Member States as part of the social protection data in the Eurostat public database, the so-called ESSPROS module of Eurostat<sup>(46)</sup>; where no statistics were available the share paid by the non-employed was assumed to be negligible. The data used in the report covers the period up to 2011.

### Methodology and breakdown of taxes by type of tax base

Taxes on consumption, labour and capital add up to the total of taxes received by general government. The separation of taxes by type of tax base inevitably leads to simplifications and somewhat hybrid categories. The exercise is currently complicated by the fact that the harmonised classification of taxes in ESA95 is not always consistently applied at the detailed level of individual taxes across Member States. A number of borderline cases and approximations had to be taken into account to arrive at a final classification of taxes. Tax data are not always recorded in sufficient detail to identify individual taxes and allocate them to the corresponding tax base categories. In addition, some specific national features required a special treatment. The degree of decomposition provided by national statistical offices makes it sometimes difficult to identify sub-categories. General guidelines for the allocation of the taxes are given in the following Boxes C.1 to C.6. However, exceptions are made if necessary to reflect the true nature of a tax. Borderline cases, which mainly regard the split between taxes on stocks of capital and on consumption, are discussed with Member States.

A key methodological problem for classifying tax by type of tax base is that some taxes relate to multiple sources of income. This holds most notably for the personal income tax. Therefore, a method was developed to break down personal income tax revenue, in most cases using unpublished data supplied by the national tax administrations. A breakdown of the personal income tax according to four sources of taxable income (labour, capital, self-employment income, and social transfers and pensions) is carried out by Member States' authorities according to a country specific methodology (so-called PIT split). Member States use data sets of individual taxpayers (Belgium, Denmark, Germany, France, Ireland, Luxembourg, Latvia, Malta, Netherlands, Poland, Finland, Sweden, Slovenia and United Kingdom) or income class data based on the data set of individual taxpayers (Cyprus, Greece, Spain, Italy, Lithuania, Bulgaria) or tax receipts from withholding and income tax statistics with certain corrections (Czech Republic, Estonia, Hungary, Austria, Portugal, Romania)<sup>(47)</sup>.

<sup>(46)</sup> [http://epp.eurostat.ec.europa.eu/portal/page/portal/social\\_protection/introduction](http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/introduction).

<sup>(47)</sup> The methodology utilised by Member States to arrive at the PIT split is described in more detail in a separate section of this annex (see 'Methods used to split the revenue from personal income tax' in Part F).



Several Member States were not able to provide full time-series coverage for all calendar years. In these cases a trend has been assumed using simple linear interpolations or the fractions were assumed to remain constant, i.e. the 2011 split was considered equal to that of 2010. Tables D.2 to D.5 give all the details on the PIT-split provided by each Member State. In some cases the number of estimates for the PIT split still falls short of the ideal, which to a limited extent affects the accuracy of the distribution of taxes by type of tax base and, therefore, of the implicit tax rates (ITRs). Additional details are given in a later section of this methodological note.

Although, as a rule, taxes are classified under one single category of tax base, in some specific cases a breakdown of revenue has been carried out also for taxes other than the PIT. For example, local business taxes often relate to one or more sources of economic income and are allocated over the different categories of tax base where possible. In those cases, examples of which are mentioned below, estimates from Member States have been used to distribute their revenue across the different groups of tax base.

- The revenue from the French tax on types of accommodation (so-called *Taxe d'habitation*), for example, has been distributed among the categories 'consumption' and '(stocks of) capital', using estimates from the national administration. Note that the most appropriate economic function for this tax is currently being investigated by the French National Statistical Office, INSEE.
- The revenue from the Italian Regional tax on Productive Activities (IRAP), for example, has been distributed among the categories 'labour' and 'capital', using data communicated to us by the Ministry of Finance. The tax is charged on Public Administrations (state, regions, municipalities, etc.), corporations, partnerships, self-employment and non-commercial bodies. The tax base is the difference between items classified in the production value and items classified in the production cost, as defined in the Civil Code. For the Public Administrations, the tax base is equal to the total employees' compensation and, therefore, fully attributed to the 'employed labour' component. The part paid by the private bodies is divided between labour and capital by estimating the labour cost from data provided by withholding agents in the tax returns and further calculating the production value net of the estimated labour cost, thus determining the capital share of IRAP.
- The German local business tax (*Gewerbesteuer*), has been fully allocated to the category 'capital income (of corporations)', as the part on business capital stocks has been obsolete in recent years.
- The French local business tax (*Taxe professionnelle*) has been fully allocated to the category 'Stocks of capital', as it is mostly levied on buildings and real estate, and the French government reformed the tax with phasing out the payroll component from the tax base.
- In Italy, the earnings and the compulsory social contributions paid by self-employed persons working under the so called 'co.co.co' regime (coordinated and continuous collaboration, special work regime now abolished and substituted by project collaboration) are transferred from the category 'capital (income of self-employed)' to 'labour' (partly to employers and employees).

## Taxes on consumption

Taxes on consumption are defined as taxes levied on transactions between final consumers and producers and on the final consumption goods. In the ESA classification these can be identified as the following categories (see Box C.1).

- Value added-type taxes (D.211).
- Taxes and duties on imports excluding VAT (D.212).
- Taxes on products except VAT and import duties (D.214), which include excise duties. Those taxes paid by companies on products used for production have been excluded from the category of consumption taxes, whenever the level of detail enabled their identification<sup>(48)</sup>. But national accounts tax revenues do not allow

<sup>(48)</sup> A possible breakdown of car registration taxes between those paid by companies and those paid by households would only be available for some countries. Hence, to avoid a different treatment in different Member States, all revenue from car registration taxes has been attributed to consumption.

such a split for excise duties, which are paid for a substantial part by companies. Moreover, some categories have been allocated to capital such as the stamp taxes (D.214b), when they could be identified as related to the stock exchange market or real estate investment. Taxes on financial and capital transactions (D.214c) as well as export duties and monetary compensatory amounts on exports (D.214k) have also been recorded as capital taxes.

- Other taxes on production (D.29). These are a typical border case since this category includes several taxes or professional licences paid by companies 'as a result of engaging in production'. Total wage bill and payroll taxes (D.29c) have been classified as a tax on labour; taxes on land, building and other structures (D.29a) have, been classified as taxes on the stock of capital. However, taxes on international transactions (D.29d), taxes on pollution (D.29f) and the under-compensation of VAT (flat-rate system) (D.29g) have been considered as consumption taxes.
- Some taxes defined as current taxes (D.5) in ESA95 such as poll taxes, expenditure taxes, or payments by households for licences have been attributed to consumption since they are expenditures made by households to obtain specific goods and services.

#### Box C.1: Definition of taxes on consumption

D.211 Value added type taxes  
 D.212 Taxes and duties on imports excluding VAT  
 D.214 Taxes on products except VAT and import duties less  
     D.214b Stamp taxes  
     D.214c Taxes on financial and capital transactions  
     D.214k Export duties and monetary compensatory amounts on exports  
 From D.29 Other taxes on production:  
     D.29d Taxes on international transactions  
     D.29f Taxes on pollution  
     D.29g Under-compensation of VAT (flat rate system)  
 From D.59 Other current taxes:  
     D.59b Poll taxes  
     D.59c Expenditure taxes  
     D.59d Payments by households for licences

The ITR on consumption is split into four categories (only the numerator is broken down; the denominator remains the same for each subcategory). The categories are the following.

- VAT: the share of the ITR on consumption relating to VAT (D.211-type taxes).
- Energy: this subcategory includes all consumption taxes on energy listed in the National Tax List; these are mainly represented by excise duties on mineral oils, duties on electricity or similar taxes; this definition may differ slightly from the one utilised for Tables 69 and 70 in Annex A, notably as the latter may include also energy taxes levied on capital or labour.
- Tobacco and alcohol: these include all excise duties on alcohol and tobacco products listed in the National Tax List. For Italy, the revenues from stamp duties are included.
- Residual: all remaining consumption taxes are booked in this subcategory; they are obtained as a difference from the total.

The identification of the revenue is done on the basis of the National Tax List.

## VAT revenue ratio

The VAT revenue ratio consists of actual VAT revenues collected ( $VAT_{rev}$ ) divided by the product of the VAT standard rate ( $VAT_{rate}$ ) and net final consumption, i.e. final consumption expenditure ( $P3$ ) minus VAT receipts:

**Box C.2:** Definition of VAT revenue ratio

$$VAT \text{ revenue ratio} = \frac{VAT_{rev}}{VAT_{rate} (P3 - VAT_{rev})}$$

A low value of the ratio suggests that exemptions, reduced rates, or tax evasion have a significant impact.

The VAT revenues collected are reported in Table 7 of Annex A and the VAT standard rates are provided in Table 1.1 of the general part of this report. The final consumption expenditure ( $P3$ )<sup>(49)</sup> includes the household final consumption expenditure (private consumption), non-profit institutions serving households (NPISH) final consumption expenditure and general government final consumption expenditure (general government consumption). Total final consumption expenditure data can be downloaded from Eurostat (nama\_fcs\_c).

## Taxes on labour

### Taxes on employed labour income

Taxes on employed labour comprise all taxes, directly linked to wages and mostly withheld at source, paid by employers and employees, including actual compulsory social contributions (see Box C.3). They include compulsory actual employers' social contributions (D.61111) and payroll taxes (D.29c), compulsory social contributions paid by employees (D.61121) and the part of personal income tax (D.51a) that is related to earned income. The personal income tax is typically levied on different sources of income, labour income, but also social benefits, including pensions, dividend and interest income and self-employment income. The next section explains how taxpayers' data have been used to allocate the personal income tax revenue across different sources of income.

Under the definition of taxes on employed labour income adopted in this report, the categories 'personal income tax' and 'social security contributions' are used in a wide sense including all other taxes that are susceptible of increasing the cost of labour. Therefore, the recorded amount of 'personal income tax' in the Nordic countries does not only consist of central government income tax, but also includes the state income tax, or municipality income tax and sometimes also church tax. In France, the generalised social contribution (CSG) and the contribution for the reduction in the debt of the social security institutions (CRDS) are partially booked as income tax on labour income. In Austria, the 'contributions to chambers' and the 'promotion residential building' are also partially booked as tax on labour income (and booked as 'personal income tax' and 'employers' SSC and payroll tax', respectively). In Hungary, the communal tax on enterprises is allocated to labour as 'employers' SSC and payroll tax'. In Portugal, the stamp duty on wages and salaries is allocated to 'employers' SSC and payroll taxes'. In Italy, part of the revenue from the IRAP tax, which is levied on a measure of value added by enterprises, has been allocated to labour and 'employers' social contributions' in particular (and also included in the denominator of the tax ratio). In Belgium and Portugal, personal income taxes and social security contributions paid by EU civil servants to the EU Institutions were excluded from the calculations.

### Taxes on non-employed labour income

The category labour — non-employed comprises all taxes and compulsory social contributions raised on transfer income of non-employed persons, where these could be identified. This transfer income includes social transfers

<sup>(49)</sup> Note that the final consumption expenditure used for the computation of the ITR on consumption differs from the one used for the VAT revenue ratio as it excludes general government final consumption expenditure. See Box D.1 for more details.

that are paid by the state (e.g. unemployment, invalidity and health care benefits) and benefits from old-age pension schemes (both state and occupational pension schemes). Most of these benefits paid to non-employed persons are in some way or the other linked to employment; contributions for current unemployment and State pension benefits are, for example, for the most part, paid by the active labour force, while occupational pension schemes are mostly funded while being employed. The calculation of the implicit tax rate on labour is, however, limited to the category employed labour.

- In some Member States social transfer payments by the State are subject to personal income taxation. In this case, part of what is paid by the State is immediately refunded to the budget (but not necessarily at the same level) in the form of taxes. In many instances, however (e.g. for social assistance), the taxes raised on social transfers are more of an accounting convention than taxes in a proper sense, a means employed to yield a certain net transfer. Where such taxes could be identified they have been separated from other taxes and social contributions.
- Pension arrangements and their tax treatment vary considerably between, and in some cases within, Member States. Where there is up-front tax relief for contributions to funded pensions, this often tends to be given as an exemption from tax on labour income and estimates are not easy to make. The tax revenue collected on pension benefit payments is usually easier to estimate, but there is a conceptual and practical issue over whether to regard it as capital income (because pensions can be privately funded), deferred labour income (because they are actually taxed in this way) or a social transfer payment (because they are classified as such in national accounts or because they are guaranteed by the state). For state (first pillar) pensions, the solution is to treat them in the same way as social transfer payments but for occupational (second pillar) and private (third pillar) pensions the issue is more difficult, because they are generally privately funded and the benefits are not guaranteed by the state. The compromise solution adopted in this report classifies income tax on occupational pensions under the labour — non-employed category and does not include them in capital income. An important reason for doing this is that both state and occupational pension benefits are often treated as (deferred) labour income in the income tax, as they are directly linked to employment or the exercise of a profession. Another important argument is that occupational pension benefits are considered as (privately funded) social benefits in national accounts. In the United Kingdom, however, occupational pensions and also private pensions are allocated to capital giving an upward bias to the ITR on capital compared to other Member States.
- Private (third pillar) pensions may be used as a supplement for state or occupational pensions. They have many of the characteristics of occupational pensions, although participation is often not directly related to employment or the exercise of a profession, and is arranged individually by contract directly with a product provider (e.g. a life insurance company). It could therefore be argued that the taxes raised on private pension benefits should be allocated to capital income. It should however be noted that the statistical identification of private pension benefits is often complicated, and the amount of this type of income is so far not very significant in the majority of Member States (notable exceptions in this respect are Denmark, Belgium, the Netherlands and the United Kingdom).

### ***Taxes on income of the self-employed***

The question arose whether part of the self-employed income should be treated as a remuneration of labour and whether the related taxes should be included in taxes on labour. The best compromise between economic rationale and data availability was to consider self-employment income as income from capital: self-employed income is genuinely an entrepreneurial income and self-employed take the risk of incurring losses when exercising their activity. Personal income taxes as well as social contributions of self-employed are, therefore, allocated to the capital income subcategory for self-employed. This assumption includes the part of self-employment income equivalent to the remuneration of self-employment own labour. For some Member States, this assumption does not reflect the situation of some self-employed, whose economic status or income does not significantly differ from those of wage earners. In Italy, for example, the National Statistical Office (ISTAT) provides official estimates of the percentages of 'mixed income' that can be attributed to labour and capital.

**Box C.3:** Definition of taxes on labour**Employed labour**

From D.51 Taxes on income:

D.51a+D.51c1 Taxes on individual or household income including holding gains (part raised on labour income)

From D.29 Other current taxes:

D.29c Total wage bill and payroll taxes

From D.611 Actual social contributions:

D.61111 Compulsory employers' actual social contributions

D.61121 Compulsory employees' social contributions

**Non-employed labour**

From D.51 Taxes on income:

D.51a+D.51c1 Taxes on individual or household income including holding gains (part raised on social transfers and pensions)

From D.611 Actual contributions:

D.61131 Compulsory social contributions by self- and non-employed persons (part paid by social transfer recipients)

**Taxes on capital**

Capital is defined broadly, including physical capital, intangibles and financial investment and savings (see Box C.4). Capital taxes include taxes on business income in a broad sense: not only taxes on profits but also taxes and levies that could be regarded as a prerequisite for earning profit, such as the real estate tax or the motor vehicle tax paid by enterprises. In their empirical study Desai and Hines (2001) confirmed that these indirect taxes also influence investment decisions of American multinational firms. They also include taxes on capital stocks of households or their transaction (e.g. on real estate). A distinction is drawn between taxes on capital and business income and taxes on capital stock:

**Box C.4:** Definition of taxes on capital

<p><b>Capital and business income taxes:</b></p> <p>From D.51- Taxes on income:</p> <ul style="list-style-type: none"> <li>D.51a+D.51c1 Taxes on individual or household income including holding gains (part paid on capital and self-employed income)</li> <li>D.51b+D.51c2 Taxes on the income or profits of corporations including holding gains</li> <li>D.51c3 Other taxes on holding gains</li> <li>D.51d Taxes on winnings from lottery and gambling</li> <li>D.51e Other taxes on income n.e.c.</li> </ul> <p>From D.611- Actual social contributions:</p> <ul style="list-style-type: none"> <li>D.61131 Compulsory social contributions by self- and non-employed persons (part paid by self-employed)</li> </ul>
<p><b>Taxes on stocks (wealth):</b></p> <p>From D.214- Taxes on products, except VAT and import taxes:</p> <ul style="list-style-type: none"> <li>D.214b Stamp taxes</li> <li>D.214c Taxes on financial and capital transactions</li> <li>D.214k Export duties and monetary compensatory amounts on exports</li> </ul> <p>From D.29- Other taxes on production:</p> <ul style="list-style-type: none"> <li>D.29a Taxes on land, buildings or other structures</li> <li>D.29b Taxes on the use of fixed assets</li> <li>D.29e Business and professional licences</li> <li>D.29h Other taxes on production n.e.c.</li> </ul> <p>From D.59- Other current taxes:</p> <ul style="list-style-type: none"> <li>D.59a Current taxes on capital</li> <li>D.59f Other current taxes on capital n.e.c.</li> </ul> <p>D.91 Capital taxes</p>

'Taxes on capital and business income' that economic agents earn or receive from domestic resources or from abroad includes taxes on income or profits of corporations (Box C.5), taxes on income and social contributions of the self-employed, plus personal income tax raised on the capital income of households (rents, dividends and other property income) (Box C.6). In practice this is mainly the personal income tax paid on dividend, interest and entrepreneurial activity (part of D.51a + D.51c1) and corporate income tax (D.51b + D.51c2) as well as other taxes on holding gains (D.51c3). This metric is further subdivided into the 'Taxes on the income of corporations' (using the 'Taxes on the income or profits of corporations including holding gains' as a numerator) and 'Taxes on the income of households', which uses the residual of 'Capital and business income taxes'.

**Box C.5:** Definition of taxes on the income of corporations

<p><b>Taxes on the income of corporations</b></p> <p>From D.51-Taxes on income:</p> <ul style="list-style-type: none"> <li>D.51b+D.51c2 Taxes on the income or profits of corporations including holding gains</li> </ul>
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**Box C.6:** Definition of taxes on the capital and business income of households

<p>Taxes on capital and business income of households:</p> <p>From D.51 Taxes on income:</p> <p style="padding-left: 20px;">D.51a+D.51c1 Taxes on individual or household income including holding gains (part paid on capital and self-employed income)</p> <p style="padding-left: 20px;">D.51c3 Other taxes on holding gains</p> <p style="padding-left: 20px;">D.51d Taxes on winnings from lottery and gambling</p> <p style="padding-left: 20px;">D.51e Other taxes on income n.e.c.</p> <p>From D.611 Actual social contributions:</p> <p style="padding-left: 20px;">D.61131 Compulsory social contributions by self- and non-employed persons (part paid by self-employed)</p>
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'Taxes on capital stock' include the wealth tax (D.59a), capital taxes (D.91) including the inheritance tax (D.91a), the real estate tax (D.29a) or taxes on the use of fixed assets (D.29b), professional and business licences (D.29e), and some taxes on products (from the category D.214).

## Part D: Environmental Taxes

The definition of an environmental tax in "Environmental taxes – a statistical guideline" (European Commission 2001) refers to a tax 'whose tax base is a physical unit (or a proxy of it) of something that has a proven, specific negative impact on the environment'.<sup>(50)</sup> While the motivation for introducing the taxes – fiscal or environmental – is not decisive for the classification, its impact on costs and prices is. As the statistical guideline states: 'The environmental effect of a tax comes primarily through the impact it has on the relative prices of environmentally related products and activities, in combination with the relevant price elasticities. With this in mind, the definition of environmental taxes used in the statistical framework puts emphasis on the potential effect of a given tax in terms of its impact on costs and prices.'

Environmental taxes comprise taxes on energy, transport, pollution and resources, but value added type taxes are excluded because they are levied on all products. Environmental taxes represent a sub-category of indirect taxes, in general consumption taxes, but may sometimes also represent taxes on the capital stock.

In line with the definition of the statistical guideline, in this publication environmental taxes are divided in three groups: energy taxes, transport taxes (excl. fuel) and a category combining pollution and resource taxes. However, for the purposes of this report, the following additions and adaptations should be noted:

- Energy taxes include taxes on energy products used for both transport and stationary purposes (denoted E in the NTL). The most important energy products for transport purposes are petrol and diesel. Energy products for stationary use include fuel oils, natural gas, coal and electricity. CO<sub>2</sub> taxes are included under energy taxes rather than under pollution taxes, as it is often not possible to identify them separately in tax statistics.
- A further disaggregation is provided for energy taxes, namely a category giving the tax revenues stemming from the transport use of fuels. Transport fuel taxes include only those taxes which are levied on the transport use of fuels/energy products and hence form a subgroup of energy taxes. The derivation of these data is explained under the heading "Transport fuel taxes".
- Transport taxes (excl. fuel) mainly include taxes related to the ownership and use of motor vehicles (denoted T in the NTL). Taxes on other transport equipment (e.g. planes), and related transport services (e.g. duties on charter or schedule flights or air passenger tax) are also included here, when they conform to the general definition of environmental taxes. The transport taxes may be 'one-off' taxes related to imports or sales of the equipment or recurrent taxes such as an annual road tax. As indicated by the title, taxes on petrol, diesel and other transport fuels, are not included here but are included under energy taxes.
- The last group of pollution/resource taxes includes two groups of taxes (denoted P in the NTL). Pollution taxes are taxes on measured or estimated emissions to air and water, management of solid waste and noise – with the exception is the CO<sub>2</sub>-taxes, which, as discussed above, are included under energy taxes. The second group – resource taxes – includes any tax linked to extraction or use of a natural resource. This means that licences paid for hunting, fishing and the like are classified as resource taxes, because these activities deplete natural resources. Note that as of this year's edition of this publication taxes on the extraction of oil or gas are not anymore booked as resource taxes in line with the statistical guideline which excludes taxes on oil and gas extraction altogether from the definition of environmental taxes.

For Slovenia, the data for energy tax revenues before the introduction of VAT in July 1999 are obtained from a breakdown of turnover tax revenues by type of goods, supplied courtesy of the Slovenian Statistical Office. It should be noted that the reduction in energy taxes from 1998 to 2000 is essentially a statistical artefact. Up to 1998, the excise duty represented all taxation of mineral oils, because no general sales tax such as VAT existed; when VAT was adopted, it was levied on mineral oils, too, as is typical of any general consumption tax. The Slovenian authorities hence reduced the excise duty rate in order to leave the final sale price broadly unchanged.

<sup>(50)</sup> See also Regulation EU 691/2011 on "European environmental economic accounts", which uses the same definition.



Our methodology, however, counts only excise duties as energy taxes. Hence, the apparent decline in energy taxation was in fact a substitution of one tax for another, which left constant the tax burden for the final consumer.

The taxes included as environmental taxes and their respective categories are listed for each Member State on the homepage of the Taxation and Customs Union Directorate General. <sup>(51)</sup>

## Transport fuel taxes

Transport fuel taxes are defined as taxes on energy products used for transport purposes only. This category aims at representing the tax burden falling on transport energy products, i.e. transport fuels.

### Data sources

Twenty Member States (Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Spain, France, Italy, Latvia, Lithuania, Hungary, Netherlands, Austria, Romania, Slovenia, Slovakia, Finland, the United Kingdom) and Norway made ready-to-use data available. For the remaining Member States Commission Services estimated the transport fuel taxes applying the methodology described below. The following data sources were used for this estimation:

- National List of Taxes (NTL)
- The Taxation and Customs Union Excise Duty data (ED). <sup>(52)</sup> These tables collect information on 'revenue from taxes on consumption (excise duties and similar charges) other than VAT on energy products and electricity'. This information is supplied by the EU-27 national authorities, but not necessarily following ESA95 methodology. Revenue data are classified according to eight different product categories and two summary categories:

#### Box D.1: Energy products

I)	Leaded petrol/Lead substitute petrol
II)	Unleaded petrol
III)	Diesel
IV)	LPG and Methane
V)	Heavy fuel oil
VI)	Sum of I)-IV): Total revenues from all mineral oils
VII)	Natural gas
VIII)	Coal and Coke
IX)	Electricity
X)	Overall sum: Total revenues from all energy products & electricity

- Eurostat public database: The Eurostat public database provides data on environment and energy <sup>(53)</sup>. It contains information on final energy consumption volumes for transport use. It allows to separate final energy consumption volumes of different energy products for different uses (e.g. tons of petrol used for transport purposes or for industries). According to this sector categorisation final energy consumption for transport covers all transport sectors (rail, air and water) for all transport use (business, private) for different product categories.

<sup>(51)</sup> [http://ec.europa.eu/taxation\\_customs/taxation/gen\\_info/economic\\_analysis/tax\\_structures/article\\_5985\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/gen_info/economic_analysis/tax_structures/article_5985_en.htm)

<sup>(52)</sup> [http://ec.europa.eu/taxation\\_customs/resources/documents/taxation/excise\\_duties/energy\\_products/rates/excise\\_duties\\_energy\\_products\\_en.pdf](http://ec.europa.eu/taxation_customs/resources/documents/taxation/excise_duties/energy_products/rates/excise_duties_energy_products_en.pdf)

<sup>(53)</sup> Eurostat database on energy: [http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search\\_database](http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database)

**Time span covered**

Transport fuel tax revenues were calculated for the years 2003 – 2011 for the old Member States and for 2004 – 2011 for most new Member States due to limitations in data availability. The data provided by the Member States covers different time spans.

**Methodology: Estimating transport fuel tax revenues in ED data**

The ED data provides a split of taxes on energy products in revenues on VI) Mineral oils, VII) Natural gas, VIII) Coal and coke and IX) Electricity. As the energy products coal and coke, electricity and natural gas are only used to a negligible part for transport purposes, revenues in these categories are assumed to stem from stationary energy use only and hence disregarded further on.

To determine which part of the VI) Tax revenues on mineral oils according to the ED data can be attributed to the transport use of fuels, data on final energy consumption volumes provided by the Eurostat public database on final energy consumption is used.

The public Eurostat database allows to separate final energy consumption for different energy products according to different sectors/usage. In line with the product categories in the ED data, i.e. petrol, diesel, LPG and heavy fuel oil, the transport use of final energy consumption of corresponding product categories were downloaded (namely the amount in tonnes used for transport purposes of the following products: 3220 LPG, 3230 Motor Spirit, 3260 Gas/diesel Oil and 3270 Residual Fuel Oil). The calculated usage shares indicate that motor spirit was exclusively used for transport purposes while residual fuel oil was hardly used for transport purposes. Hence, revenues from ED categories I) Leaded petrol/Lead substitute petrol and II) Unleaded petrol can exclusively be attributed to the transport use of fuel. Revenues from III) Diesel and IV) LPG and Methane stem from the mixed use of transport and stationary purpose, while V) Heavy fuel oil is almost exclusively attributed to stationary purposes.

For the mixed-use categories III) Diesel and IV) LPG and Methane, the tax revenues stemming from the transport use are disentangled from non-transport tax revenues. Generally, multiplying the amount of the product used for transport by the respective tax rate applied in the respective year should give the tax revenues levied on that specific product used for transport (see Box C.8). Doing so, two difficulties need to be addressed:

- The Eurostat database on final energy consumption uses tonnes as a measure of the volume of liquid components, whereas tax rates for Petrol and Diesel are usually given as Euro/litre. Hence, a conversion factor has to be used to transform tonnes into litres before applying the tax rates. For diesel/gas oil - petrol revenues don't have to be disentangled - a 'typical' conversion factor suggested by Eurostat of 1185l/1000kg is used.
- Moreover, usually more than one tax rate is in place for a product category used for transport purposes. Tax rates on transport diesel are often differentiated according to the diesel's sulphur or bio diesel content; LPG used for public transport is often taxed at reduced rates or tax exempt altogether. In case multiple tax rates prevented the application of the general formula 'tax rate x amount of transport fuel in litres', a different approach was used. Transport tax revenues were derived as the difference between total tax revenues according to the product category given by the ED data, namely III) Diesel or IV) LPG and Methane, and the non-transport tax revenues. Calculating non-transport tax revenues by applying the general formula proved feasible as non-transport tax rates are usually less differentiated.

Taking the sum over the tax revenues of categories I) Leaded petrol/Lead substitute petrol II) Unleaded petrol and the derived fuel tax revenues in categories III) Diesel and IV) LPG and Methane gives the overall transport tax fuels according to ED data methodology.

As the ED data is not necessarily following the ESA95 methodology used in the NTL further adjustments have to be made to derive the amount of transport fuel taxes according to ESA95 methodology. First, the shares of transport fuel taxes in mineral oil taxes and in overall energy taxes in ED data are calculated. This is achieved by the division of the estimated transport fuel taxes by VI) Total revenues from all mineral oils and by X) Total revenues from all energy products & electricity, respectively. The resulting shares are then applied to the respective categories in the NTL. Preferably, the ED share of transport fuel taxes to mineral oil taxes is applied to

the NTL category of mineral oil tax revenues, as usually the concepts for mineral oil taxes as given in the NTL and in the ED data are linked closely. The application of this share gives hence a proxy of 'tax revenues stemming from the transport use of fuels' according to the ESA95 methodology, which is the one published in the report. In case of unavailability of the category mineral oil taxes in the NTL, the share of transport fuel taxes to energy taxes resulting from the ED data is applied to energy taxes in the NTL (See Box C.8 for the two methods).

Shares were also applied to data provided by the Member States in case the data were not provided according to ESA95 methodology. In this case the split between transport fuel tax revenues and other tax revenues as provided by the Member States – mostly in cash data - was applied to the respective category in the NTL, hence giving an approximation following the ESA95 methodology.

#### **Box D.2: Transport fuel taxes in ED data**

##### **Sum over revenues on:**

I) Leaded petrol/Lead substitute petrol

II) Unleaded petrol

Tax rate for diesel/1000l x amount of diesel used for transport in 1000 l

Tax rate for LPG/1000kg x amount of LPG used for transport in 1000 kg

Tax rate for residual/heavy fuel oil/1000kg x amount of heavy fuel oil used for transport in 1000 kg

##### **Share of transport fuel taxes in overall mineral oil taxes:**

Numerator: Transport fuel taxes

Denominator: VI) Total revenues from all mineral oils

##### **Share of transport fuel taxes in energy taxes:**

Numerator: Overall transport fuel taxes

Denominator: X) Total revenues from all energy products & electricity

## Part E: Property taxes

The classification of taxes on property applied in this report follows, with some adjustments, the approach employed in OECD (2011), which distinguishes six categories of property taxes: 1) recurrent taxes on immovable property; 2) recurrent taxes on net wealth; 3) estate, inheritance and gift taxes; 4) taxes on financial and capital transactions; 5) other non-recurrent taxes on property and 6) other recurrent taxes on property.

The following comparative table between System of National Accounts (2008 SNA) and European System of Accounts (ESA95) was used, with the current report distinguishing only between "Recurrent taxes on immovable properties" – category 1) in the above OECD classification - and "Other property taxes" – for all the other five categories of property taxes distinguished by the OECD - :

**Box E.1:** Taxes on property - classification.

OECD classification	2008 SNA	1995 ESA	ESA 95 classification	Taxation trends report
<b>4000 Taxes on property</b>				<b>Taxes on property</b>
4100 Recurrent taxes on immovable property				} Recurrent taxes on immovable property
4110 Households	D.59-8.63(a)	D.59A	Current taxes on capital	
4120 Other	D.29-7.97(b)	D.29A	Taxes on land, buildings or other structures	
4200 Recurrent net wealth taxes				} Other property taxes
4210 Individual	D.59-8.63b	D.59A	Current taxes on capital	
4220 Corporations	D.59-8.63b	D.59A	Current taxes on capital	
4300 Estate, inheritance and gift taxes				
4310 Estate and inheritance taxes	D.91-10.207b	D.91A	Taxes on capital transfers	
4320 Gift taxes	D.91-10.207b	D.91A	Taxes on capital transfers	
4400 Taxes on financial and capital transactions	D.59-7.95d; D.29-7.96e	D.214B, C	Stamp taxes Taxes on financial and capital transactions	
4500 Other non-recurrent taxes on property	D.91-10.207a	D.91B	Capital levies	
4600 Other recurrent taxes on property	D.59-8.63c	D.59A	Current taxes on capital	

In this publication the overall level of property taxes is thus obtained by aggregating the relevant revenue of the following ESA categories: D.214B, D.214C, D.29A, D.59A, D.91A, D.91B. The total is split between recurrent taxes (D.29A+D.59A (excl. wealth taxes)) on immovable property and other property taxes (D.214B, C + D.59A + D.91A, B). D.59A appears in the two groups of property taxes; wealth related taxes are excluded from recurrent property taxes and included only in the second group "Other property Taxes". Given the broad definition of the statistical categories some additional adjustments were made by National Statistical Offices: exclusion of taxes on motor vehicles, roads, boats, farm contributions, stamp taxes on alcohol, tobacco (from D.214B, C) and other exclusions from D.29A and D.59A in a number of countries (BE, CZ, DK, FR, IT, CY, LV, AT, PL, PT, RO, SI and UK). The detailed list of taxes included in the computation of property taxes for every country is available in the National Tax List published online at <http://ec.europa.eu/taxtrends>.

Possible discrepancies between results published by OECD and those presented in this report could stem from different allocation of tax payments in the two classifications - OECD and National Tax List (ESA95) – as well as from different time-points of data reporting.

## Part F: Implicit tax rates

In this last section of the methodological annex, information is given on the methodology followed for calculating implicit tax rates, for splitting personal income tax and for estimating Average effective tax rates.

The implicit tax rates are defined for each tax base category. They are computed as the ratio of total tax revenues of the category (consumption, labour, and capital) to a proxy of the potential tax base defined using the production and income accounts of the national accounts.

### Data sources

National accounts data used in the construction of the denominator are extracted from the Eurostat public database with further national accounts data acquired for calculating the bases of the implicit tax rates on capital and capital income. The numerators are taken from the ratios calculated in Part C. For a few countries limitations in data availability, particularly in the case of the denominator of the ITR on capital, affected or prevented the calculation of the ITR.

### Methodology

The tax revenue relative to GDP statistics presented in this survey can be described as macro backward-looking tax burden indicators. In Part C the taxes raised on different types of tax base are shown as percentages of total GDP. However, the consideration of tax revenue as a proportion of GDP provides limited information as no insight is given as to whether, for example, a high share of capital taxes in GDP is a result of high tax rates or a large capital tax base. These issues are tackled through the presentation of ITRs which do not suffer from this shortcoming.

ITRs measure the actual or effective average tax burden directly or indirectly levied on different types of tax base or activities that could potentially be taxed by Member States. Note, however, that the final economic incidence of the burden of taxation can often be shifted from one taxpayer to another through the interplay of demand and supply: a typical example is when firms increase sales prices in response to a hike in corporate income taxation; to a certain extent the firms' customers end up bearing part of the increased tax burden. The ITRs cannot take these effects into account, as this can only be done within a general equilibrium framework. Despite this limitation, ITRs allow the monitoring of tax burden levels over time (enabling the identification of shifts between the taxation of different types of tax base e.g. from capital to labour) and across countries. Alternative measures of effective tax rates exist, which, using tax legislation, simulate the tax burden generated by a given tax, and can be linked to individual behaviour. However, these 'forward-looking' effective tax rates do not allow the comparison of the tax burden implied by different taxes; nor do they facilitate the identification of shifts in the taxation of different economic income and activities.

The comparability of these indicators has been enhanced by the improved consistency and harmonised computation of ESA95 national accounts data. However, this improvement can only be fully exploited by using the same denominator for all countries and not accounting for country-specific peculiarities in national tax legislation. For capital, an average tax rate is estimated by dividing all taxes on capital by a broad approximation of the total capital and business income both for households and corporations. For labour, an average tax rate is estimated by dividing direct and indirect taxes on labour paid by employers and employees by the total compensation of employees. The attractiveness of the approach lies in the fact that all elements of taxation are implicitly taken into account, such as the combined effects of statutory rates, tax deductions and tax credits. They also include the effects due to the composition of income, or companies' profit distribution policies. Further, the effects of tax planning, as well as the tax relief available (e.g. tax bases which are exempted below a certain threshold, non-deductible interest expenses), are also taken implicitly into account. The advantage of the ITRs in capturing a wide set of influences on taxation is accompanied by difficulties in interpreting the trends when a complete and precise separation of the different forces of influence is not possible<sup>(54)</sup>. In addition, any timing differences that arise

<sup>(54)</sup> OECD (2000, 2002).

because of lags in tax payments and business-cycle effects may give rise to significant volatility in these measures. In short, they represent a reduced model of all variables influencing taxation, tax rates and bases.

### Implicit tax rate on consumption

The ITR on consumption is defined as all consumption taxes divided by the final consumption expenditure of private households on the economic territory (domestic concept) (see Box F.1)

#### Box F.1: Definition of the implicit tax rate on consumption

Implicit tax rate on consumption (ESA95)	Taxes on consumption / (P.31_S.14dom)
<i>Numerator:</i> see Box C.1 – taxes on consumption	
<i>Denominator:</i> P.31_S.14dom: Final consumption expenditure of households on the economic territory (domestic concept)	

This simple metric, which replaced the more complex version used prior to the 2003 edition, is considered preferable on a number of counts. Under the previous approach government consumption net of government salaries was added to consumption of households on the economic territory to obtain the denominator <sup>(55)</sup>, given that some of the 'consumption taxes' are levied on these government purchases. However, the figure for 'government consumption minus wages and salaries' was only ever a rough approximation of the intermediate consumption of the government <sup>(56)</sup><sup>(57)</sup>.

### Implicit tax rate on labour

The ITR on employed labour is defined as the sum of all direct and indirect taxes and employees' and employers' social contributions levied on employed labour income divided by the total compensation of employees working in the economic territory (see Box F.2). The ITR on labour is calculated for employed labour only (so excluding the tax burden falling on social transfers, including pensions). Direct taxes are defined as the revenue from personal income tax that can be allocated to labour income. Indirect taxes on labour income, currently applied in some Member States, are taxes such as payroll taxes paid by the employer. The compensation of employees is defined as total remuneration, in cash or in kind, payable by an employer to an employee in return for work done. It consists of gross wages (in cash or in kind) and thus also the amount paid as social insurance contributions and wage withholding tax. In addition, employers' contributions to social security (including imputed social contributions) as well as to private pensions and related schemes are included. Personal income taxes and social security contributions paid by EU civil servants to the EU Institutions are excluded. Compensation of employees is thus a broad measure of the gross economic income from employment before any charges are withheld.

#### Box F.2: Definition of the implicit tax rate on labour

Implicit tax rate on employed labour (ESA95)	Direct taxes, indirect taxes and compulsory actual social contributions paid by employers and employees, on employed labour income/ (D.1 + D.29c)
<i>Numerator:</i> see Box C.3 – Taxes on Labour: Employed labour	
<i>Denominator:</i> D.1 Compensation of employees, D.29c Wage bill and payroll taxes	

The fundamental methodological problem in calculating the ITR on labour and capital is that the personal income tax is typically broad-based and relates to multiple sources of income (i.e. employed labour, self-employed labour, income from capital and income in the form of social benefits and pensions received). The note on the PIT split explains the calculations for estimating the part of the revenue from personal income tax that can be attributed to labour income and other income sources.

<sup>(55)</sup> In this respect, the previous approach followed the formula proposed by Mendoza, Razin and Tesar (1994).

<sup>(56)</sup> An alternative solution, offered by the new availability of data on the intermediate consumption of the government under ESA95, would be to incorporate this figure into the denominator.

<sup>(57)</sup> A detailed analysis of the VAT on intermediate government consumption is contained in Annex C of the 2007 edition of this report (European Commission, 2007).

The resulting ITR on labour should be seen as a summary measure that approximates an average effective tax burden on labour income in the economy. It must be recognised that the tax ratio may hide important variation in effective tax rates across different household types or at different wage levels<sup>(58)</sup>. For example, cuts in taxes or social contribution rates that are targeted on low-wage, low-skill workers or families with children may have a small impact on the overall ITR and yet be effective in raising take-home pay for the beneficiaries. The decomposition of total tax wedges, for example, may be quite different at relatively low or relatively high wage levels. Also, in some Member States the recent fiscal reforms may have had more pronounced effects on low-wage, low-qualified workers or on families with children.

When interpreting the time-series comparisons, it should be borne in mind that the evolution refers to an *ex post* trend, which does not disentangle cyclical, structural and policy elements. This implies that the observed changes may only partially reflect discretionary tax policy measures. In some Member States, for example, strong economic growth may have decreased the importance of allowances and tax credits and, therefore increased the average tax rate or have moved taxpayers into higher personal income tax brackets resulting in higher real tax payments (bracket creep). Moreover, taxpayers at the top of the pay scale may have witnessed relatively high increases in incomes, and such changes may have induced a cyclical swing in the ITR on labour that may to some extent offset the (*ex ante*) expected fall driven by the tax reforms (aimed at reducing the tax burden at the bottom to the middle end of the distribution, say). Even in the absence of strong economic growth but in the case of inflation, the described 'bracket creep' can operate if tax brackets are not adjusted taking inflation into account.

In addition, it should be noted that the figures in the national accounts often do not follow a real accrual principle. According to the ESA95 rules for the national accounts, a general principle is that transactions should normally be recorded when the underlying economic event/transaction takes place rather than when the actual payment is made. However, ESA95 diverges from a strict application of this principle in the case of taxes, and different rules apply to different taxes. Moreover, to improve comparability and transparency among the Member States, ESA95 was amended to ensure that the recorded taxes and social contributions would be equivalent over time to the corresponding amounts actually received. The Regulation<sup>(59)</sup> specifies two ways of recording taxes and social contributions, one based on assessments and declarations, the other on time-adjusted cash receipts. However, even using the time-adjusted cash method, the time of recording might be when the amount of tax was determined. This means that the effects of tax reforms may be reflected in the national accounts figures with some delay, even when time-shifted cash figures are used. In contrast, tax policy changes are by definition immediately visible in the tax wedge indicators.

In the chapter analysing the trends in the ITR on labour, the ITR on labour is compared with the tax wedge for a single worker at two thirds of average earnings. In the 2004 edition of this publication a comparison between the ITR on labour and the tax wedge for a single worker without children at average earnings was computed for the EU-15. The ITR on labour was lower than the tax wedge at average earnings in all but three Member States. The difference amounted to a maximum of well above 10 percentage points and to eight percentage points on the weighted EU-15 average. Somewhat surprisingly then the ITR on labour was closer to the tax wedge at two thirds of the average earnings than the one at average earnings. This can be due to the fact that employees at the lower end of the pay scale are generally subject to relatively lower taxation or even no taxation at all and have a substantial weight in the calculation of the ITR on labour. Another explanation for the lower level of the ITR on labour with respect to the tax wedge for a single worker without children at average earnings is the fact that the former takes account of non-standard tax reliefs (e.g. medical expenses) which are not considered by the latter. See European Commission (2004b, pp. 101–104).

## Implicit tax rates on capital

### *Properties of the implicit tax rate on capital*

The overall implicit tax rate on capital is computed as the ratio between revenue from all capital taxes, and all (in principle) potentially taxable capital and business income in the economy. It aims at representing the average tax burden falling on capital income.

<sup>(58)</sup> See also Clark (2002).

<sup>(59)</sup> Regulation (EC) No 2516/2000 of the European Parliament and of the Council.

Our definition of taxes on capital does not stop at taxes levied on capital income streams, such as the corporate income tax, but includes taxes on stocks of wealth or capital assets, stemming from savings and private sector investments in previous periods; as well as taxes on asset transactions. In other words not only taxes on profits are included but also, for instance, taxes and levies that could be regarded as a prerequisite to earn them, like the real estate tax or the motor vehicle tax paid by enterprises; this kind of taxes have to be paid also by non-profitable entities, and, therefore, cannot properly be treated as taxes on income streams. Given that national accounts do not provide any indicator for the tax base of taxes levied on capital stocks or their transactions (e.g. a harmonised measure of the stock of capital or of asset transactions), the overall ITR on capital simply uses as a denominator potential capital and business income; however, this publication also includes a more narrowly defined ITR on capital and business income which excludes taxes on wealth or the capital stock but simply measures the average effective tax burden on private sector investment and saving, as a ratio between taxes paid on capital income streams and the aggregate of capital and business income.

Of the various implicit tax rates, the ITR on capital is the most complex <sup>(60)</sup>. Its trend can reflect a very wide range of factors, which can also vary for different Member States. In particular, three main factors may distort the ITR on capital and business income in the short and medium run.

- Time lags: theoretical considerations as well as empirical evidence suggest that the ITR on capital income is sensitive to the business cycle. Unlike other taxes the corporate income tax is characterised by long and variable lags between the emergence of income and its taxation, due notably to the possibilities to defer taxation because of previously incurred losses or group taxation.
- Capital gains: expansionary phases, for example in the late 1990s, are accompanied by booming stock markets all over the EU. As a result, capital gains and the corresponding tax revenues may rise substantially. However, given that capital gains are not included in the denominator of any ITR on capital, this development clearly leads to an overestimation of the average effective tax burden on capital and business income, and partly explains the rise in the ITR for some Member States.
- Structural changes in the financing of companies: for example, national accounts data show that from 1995 to 2002, in most Member States a relative shift in financing from debt to equity occurred such that capital income consists less of interest and more of dividend payments. This happened against the background of falling interest rates. Most tax systems in the EU are not neutral concerning financing and allow interest payments to be deducted from the tax base. The shift towards higher dividend distributions results in an increase in the measured average tax burden <sup>(61)</sup> at unchanged legislation.

Furthermore it is important to note that a cut in the statutory rate that is offset by an equivalent widening of the tax base will leave the ITR on capital unchanged. This is not a limitation of the indicator, but rather an advantage given that the ITR aims at measuring the effective tax burden. This property of the indicator may contribute to explain the relatively limited fall in the ITR on capital in the last years despite significant EU wide reductions in statutory corporate tax rates.

Interpreting the ITRs on capital one should bear in mind that the bases used for the computation are, particularly in the new Member States, not only narrower but also more volatile than GDP as a whole, and thus subject to wide swings. Hence, the overall volatility of this ratio is significantly higher than that of the other ITRs. A degree of caution is, therefore, advisable when making cross-country comparisons or comparisons of one Member State with the EU averages.

Large changes in backward-looking measures of the tax rate on capital are not unusual and not limited to macro indicators. Tests on Belgium and Sweden<sup>(62)</sup> report annual changes of several percentage points for effective tax rates derived both from national accounts data or tax statistics using micro data for companies. The calculations presented here have similar features.

<sup>(60)</sup> The construction of this indicator and its possible sources of bias in measuring the effective tax burden on capital are explained in detail in European Commission (2004a).

<sup>(61)</sup> European Commission (2001a).

<sup>(62)</sup> Valenduc (2001), Clarc (2002).



Moreover, statistical issues related to the sector data used to compute the denominator of the ITRs might also influence the results. National accounting data are in fact regularly revised. In 2006, complying with the EU legislation<sup>(63)</sup>, the Member States were required to introduce a number of important methodological revisions in their national accounts in order to improve the measurement of GDP. In particular, the main change, as for the sector accounts, was the allocation of the Financial Intermediation Services Indirectly Measured (FISIM<sup>(64)</sup>) to user sectors/industries, instead of intermediate consumption. Imports of FISIM have also been recorded. At the moment several Member States have not entirely conformed to the current methodological regulations. It is, therefore, possible that statistical artefacts influence the time series, particularly in those points where data compiled according to a new methodology are joined with old-series data.

### ***The implicit tax rate on capital and the ITR on capital and business income***

The implicit tax rate is calculated for total capital taxes and for the subcategory of taxes on capital income (which differs from capital taxes overall because it excludes taxes on the stock of capital)<sup>(65)</sup>. Both indicators have the same denominator, i.e. total profit and property income from both corporations and households. In the case of taxes on capital income, the denominator does not correspond to the actual tax base; it is in some ways narrower (omitting capital gains) and in other ways broader (excluding some deductions from the tax base). As for 'capital taxes on stocks and wealth', the denominator does not take into account any asset or wealth on which the tax is levied. In addition, two additional disaggregated ITRs, on corporate income and on capital and business income of households are computed. These do not add up to the ITR on capital and business income.

The computation of the ITRs for the whole 1995–2011 period is not possible for four (Bulgaria, Luxembourg, Malta and Romania) out of the 27 Member States and only partly possible for another four Member States (Denmark, Estonia, Ireland, Greece and Spain), mainly because of lack of data availability in the sector accounts. In order to obtain EU averages as accurate as possible, the missing values for the latter group of countries were replaced with the latest available figures and the average was labelled 'adjusted'. Likewise, if the data for the beginning of the series are missing, for the purpose of calculating EU averages only the value for the country is proxied by the first available data point. In the case of Luxembourg, following the methodological changes in national accounts regarding the FISIM and given the sizeable weight of the financial sector in this country, it no longer seems appropriate to employ a simplified methodology to compute the ITRs on capital as done until the 2007 publication of the report. The ITRs will be published when a complete set of sector accounts is available. Until the 2008 edition of the report, the ITR was computed with reference to a simplified set of data for Ireland. As of the 2009 edition, a full sector accounts dataset is available and the use of it resulted in a downward revision of the ITR.

Of the various implicit tax rates, the ITRs on capital are by far the most complex and given their limitations should be interpreted very carefully. A first problem is that as indicated below, the ITR on capital is broadly based and, therefore, reflects a wide range of factors. In particular, the definitions of the ITR denominators can only roughly approximate the worldwide capital income of a country's residents for domestic tax purposes. This does not mean that on the side of companies profits of foreign affiliates are consolidated within the (domestic) parent company. National accounts disregard the foreign ownership of subsidiaries located on the economic territory when the generation of profits is recorded. They are simply treated as domestic companies<sup>(66)</sup>. However, the base of the ITR does not measure the actual base of tax legislation, which drives tax revenues. So in practice it is not easy to link developments in the overall ITR on capital and business income to the various statutory tax rates and other policy changes.

<sup>(63)</sup> The legal reference for the definition, calculation and allocation of FISIM are Council Regulation (EC) No 448/98 of 16 February 1998 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of Financial Intermediation Services Indirectly Measured (FISIM) within the European system of national and regional accounts (ESA) and Commission Regulation (EC) No 1889/2002 of 23 October 2002 on the implementation of Council Regulation (EC) No 448/98 completing and amending Regulation (EC) No 2223/96 with respect to the allocation of Financial Intermediation Services Indirectly Measured (FISIM) within the European System of national and regional Accounts (ESA).

<sup>(64)</sup> Financial intermediaries provide services for which no explicit charges are made. The estimate of this latter is known in national accounts as the Financial Intermediation Services Indirectly Measured (FISIM) and it is fixed by convention. Up to now FISIM has been recorded as intermediate consumption of a notional industry, for want of relative observable variables. (See [http://europa.eu.int/estatref/info/sdds/en/na/na\\_changes2005.pdf](http://europa.eu.int/estatref/info/sdds/en/na/na_changes2005.pdf) for details).

<sup>(65)</sup> The methodology is described in: European Commission (2004a).

<sup>(66)</sup> The profits of foreign affiliates are recorded in the distribution of income as 'reinvested earnings on foreign direct investment' (D.43) between the parent and subsidiary company. The flow D.43 paid in national accounts means that subsidiaries in the host country have retained profits and this is attributed to the parents abroad in national accounts. The flow D.43 received consists of retained profits of subsidiaries abroad attributed to the parent companies in the investigated country. Both flows can have a negative sign in the case of losses of the subsidiaries. The solution for the ITR tax base is not taking reinvested earnings on foreign direct investments into account. On the one hand the profit (or loss) of a parent earned abroad is not counted. On the other hand the retained profits (or losses) of foreign subsidiaries in the home country is not deducted from the ITR tax base.

Capital and business income according to national accounts is defined as profits and property income. Profits are defined as net operating surplus (B.2n) of the private sector including corporations (and quasi-corporations), private households, and non-profit institutions and mixed income (B.3n) of the self-employed. The net operating surplus of the government sector is excluded, because losses or profits of the government are not subject to taxation.

There is no simple way of approximating the tax base for property income (mainly interest and dividends) for the whole private sector. Compared to the reports based on ESA79 data, we switched from net interest payments of the government to a specifically defined balance of property income of the private sector (received minus paid). The objective for the definition of this balance was to approximate the potentially taxable profit of a company and the taxable capital income of private households.

Taxable profits of companies consist of net operating profit and property income received (financial income) less certain deductible elements of property income paid. The property income deductible from the tax base includes interest (D.41), property income attributed to insurance policyholders (D.44) and rents on land (D.45). Dividends (part of distributed income of corporations — D.42) are part of the financial income but they cannot be deducted to calculate the taxable base in national tax legislation<sup>(67)</sup>. For private households, the taxable capital income consists almost completely of interest and dividend payments received and of property income attributed to policyholders received from insurance companies and pension funds.

The balance of D.44 received minus paid usually nets off for the whole private sector. The definition takes into account the received property income from abroad and improves the measurement of profits from banks and insurance companies. However, for the ITR on capital several sources of bias compared to taxable profits remain.

- Since the calculation of depreciation of fixed capital in national accounts uses prices of the current period, it differs a lot from methods used in profit and loss accounts. Additionally, the calculation of consumption of fixed capital is not comparable across countries. This could lead to additional biases in measuring the effective tax burden on capital.
- Capital gains are not part of profits in national accounts because they are not related to the production process. This important part of taxable profits of (financial) companies is disregarded in calculating the denominator and leads to an overestimation of the ITR on capital and business income as far as capital gains are taxed. The same is true as regards the capital gains of private households, which are often taxed under the personal income tax. All this is likely to affect international comparability, as some countries have a greater share of financial company profits including gains.
- Central banks are part of the financial corporations sector in national accounts. The inclusion of their (non-taxable) profits in the denominator leads to an underestimation of the ITR on capital and business income.
- For taxable third-pillar private pension benefits, treated as income from capital in the split of the personal income tax (PIT), no corresponding income flow is recorded in national accounts. Ignoring these benefits in the potentially taxable capital and business income in the denominator leads to an overestimation of the ITR.
- In the Eurostat data of national accounts for the EU Member States, interest payments by private households and self-employed are not available separately. Taking the total net interest as part of the denominator accounts for tax deductible interest payments of self-employed but leads to an overestimation of the ITR on capital because interest payments for mortgage and consumer loans are not tax deductible in most Member States.
- Unlike net operating surplus, taxable profits and tax revenues are reduced by losses carried forward, causing a cyclical mismatch with the base and cyclical fluctuation in the ITR, which sometimes makes the trend difficult to interpret. This may also distort international comparisons. In addition, the difference in the measurement of imputed rents on owner-occupied dwellings between national accounts and tax legislation is another source of bias.

<sup>(67)</sup> The ITRs for the whole private sector avoid double counting of dividends that are distributed by domestic companies out of their operating profits by deducting dividends paid to domestic private households or other domestic companies from the capital ITR tax base. For more details on this issue see European Commission (2004a).

**Box F.3: Definition of the implicit tax rate on capital (income)**

Implicit tax rate on capital (income)	Capital (income) taxes /
	B.2n_S.11-12 + B.2n_S.14-15 + B.3n_S.14 + D.41_S.11-12rec - D.41_S.11-12pay + D.44_S.11-12rec - D.44_S.11-12pay + D.45_S.11-12rec - D.45_S.11-12pay + D.42_S.11-12rec - D.42_S.11-12pay + D.42_S.13rec + D.42_S.2rec + D.41_S.14-15rec - D.41_S.14-15pay + D.45_S.14-15rec - D.45_S.14-15pay + D.42_S.14-15rec + D.44_S.14-15rec
<i>Numerator:</i>	see Box C.4 – taxes on capital
<i>Denominator:</i>	
B.2n_S.11-12	Net operating surplus of non-financial and financial corporations (incl. quasi-corporations)
B.2n_S.14-15	Imputed rents of private households and net operating surplus of non-profit institutions
B.3n_S.14	Net mixed income of self-employed
D.41_S.11-12rec	Interest received by non-financial and financial corporations
D.41_S.11-12pay	Interest paid by non-financial and financial corporations
D.44_S.11-12rec	Insurance property income attributed to policy holders received by non-financial and financial corporations
D.44_S.11-12pay	Insurance property income attributed to policy holders paid by non-financial and financial corporations
D.45_S.11-12rec	Rents on land received by non-financial and financial corporations
D.45_S.11-12pay	Rents on land paid by non-financial and financial corporations
D.42_S.11-12rec	Dividends received by non-financial and financial corporations
D.42_S.11-12pay	Dividends paid by non-financial and financial corporations
D.42_S.13rec	Dividends received by general government
D.42_S.2rec	Dividends received by rest of the world
D.41_S.14-15rec	Interest received by households, self-employed and non-profit organisations
D.41_S.14-15pay	Interest paid by households, self employed and non-profit organisations
D.45_S.14-15rec	Rents on land received by households, self employed and non-profit organisations
D.45_S.14-15pay	Rents on land paid by households, self employed and non-profit organisations
D.42_S.14-15rec	Dividends received by private households, self-employed and non-profit organisations
D.44_S.14-15rec	Insurance property income attributed to policyholders received by private households, self-employed and non-profit organisations

The overall ITR on capital and business income for corporations and households is influenced through various channels. Therefore, developments of this indicator are sometimes difficult to explain.

***The ITR on capital income of corporations and the ITR on capital income of households and self-employed***

The interpretation of the overall ITR on capital and business income of corporations and households is complicated by the overlapping effects of the various channels previously described. Although difficulties of interpretation stemming from the backward-looking character of the indicator remain, the reading of the ratios is in fact simplified when splitting the ITR between an ITR for the corporate sector and another ITR for the households sector. However the breakdown is not perfect as the denominators of the two indicators are partly overlapping.

The numerator of the overall ITR can be split using the allocation of taxes to the category 'income corporations', '(capital) income households' and 'income self-employed'<sup>(68)</sup>. In most countries, tax revenues raised on corporate income equal the aggregate D.51b + D.51c2 'Taxes on the income or profits of corporations including holding

<sup>(68)</sup> A detailed classification of taxes to the different categories for each Member State is available on the homepage of the Directorate-General for Taxation and Customs Union (<http://ec.europa.eu/taxtrends>).

gains' (Box F.3). For Germany, Italy and Austria revenues from local or regional business taxes are added. In general, the other tax categories of the overall ITR numerator are allocated to the households sector (Box F.4). The other two categories ('(capital) income households' and 'income self-employed') are taken as numerator of the ITR on capital and business income for households. This includes mainly taxes on holding gains of households, the share of personal income tax on capital and on the self-employed and the social contributions paid by the latter.

The denominator includes the mixed income of the self-employed, the net operating surplus of households, dividends and attributed insurance property income received and the difference between received and paid interest and rents<sup>(69)</sup>. The denominator for corporations consists of their net operating surplus, the difference between received and paid interest and rents and a specific definition of dividends minus property income from insurance companies and pension funds attributed to policyholders<sup>(70)</sup>.

When splitting the ITR on capital income for (non-financial and financial) corporations and households, the flows of property income between these two sectors are of particular importance. A clear split can be made for the national accounts categories interest payments (D.41) and rents (D.45).

In principle, dividends are part of the taxable financial income of a company. They are subject to double taxation because corporate taxes have been levied on the profit at the level of the distributing company. In order to limit or offset the double taxation at the level of the shareholder (corporation or individual) Member States apply different taxation schemes. However, most countries do not offset fully the double taxation. If the dividends received are part of the potentially taxable base, the ITR on corporate income will be lower in those countries which give greater relief for the double taxation of dividends compared to a country that fully applies the classical system.

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<sup>(69)</sup> Note that as far as rent income is concerned, the definition adopted here departs from the customary tax treatment of property income, which in most cases is based on gross property income (possibly with some deduction of interest expenses).

<sup>(70)</sup> Strictly speaking, it is the balance of attributed property income (D.44) paid mainly to private households and received property income attributed to insurance policyholders because also corporations and quasi- corporations can be insurance policyholders too.

**Box F.4:** Definition of the implicit tax rate on corporate income

Implicit tax rate on corporate income	Taxes on corporate income/ B.2n_S11-12 +  D.41_S11-12rec - D.41_S11-S12pay + D.45_S11-12rec - D.45_S11-12pay + D.42_S11-12rec - D.42_S11-12pay + D.42rec. by S13 + D.42rec. by S2 + D.42rec. by S14-15 + D.44_S11-12rec – D.44_S11-12pay
<i>Numerator:</i> D.51b+D.51c2	Taxes on the income or profits of corporations including holding gains
<i>Denominator:</i> B.2n_S11-12	Net operating surplus of non-financial and financial corporations (incl. quasi-corporations)
D.41_S11-12rec	Interest received by non-financial and financial corporations
D.41_S11-12pay	Interest paid by non-financial and financial corporations
D.45_S11-12rec	Rents on land received by non-financial and financial corporations
D.45_S11-12pay	Rents on land paid by non-financial and financial corporations
D.42_S11-12rec	Dividends received by non-financial and financial corporations
D.42_S11-12pay	Dividends paid by non-financial and financial corporations
D.42_S13rec	Dividends received by general government
D.42_S2rec	Dividends received by rest of the world
D.42_S14-15rec	Dividends received by households, self-employed and non-profit institutions
D.44_S11-12rec	Insurance property income attributed to policyholders received by non-financial and financial corporations
D.44_S11-12pay	Insurance property income attributed to policyholders paid by non-financial and financial corporations

However, it would be deceptive to count only the dividends received by financial and non-financial corporations. Because the net operating surplus out of which dividends are distributed is already part of the denominator the dividends would be partly counted twice. Dividends distributed by a company belonging to the sector for financial or non-financial corporations should not be counted. Only dividends received from abroad should be taken into account when constructing the ITR for all corporations.

Unfortunately, information on dividends distributed from the rest of the world to domestic corporations is not available in the Eurostat database of national accounts. For dividends (and nearly all other flows in national accounts) we only know what a specific sector receives from all other sectors and what it pays to all other sectors. However, this information can be used to approximate the dividends received by corporations from abroad. From the total sum of dividends received by corporations (D.42rec\_S11-12) we deduct the dividends distributed by domestic corporations (D.42pay\_S11-S12) in order to avoid double counting. However, this deduction is too large, as only the dividends distributed to domestic corporations should be subtracted. Therefore, dividends received by the government (D.42rec\_S13), the rest of the world (D.42rec\_S2) and households (D.42rec\_S14-15) are added to the denominator. This approximation is only fully correct under the assumption that the government and households do not receive dividends directly from abroad but through domestic banks and insurance companies. While this assumption seems reasonable for the government, for households it can be expected that they receive a certain part of dividends from abroad, meaning that the dividends included in the denominator are overestimated.

**Box F.5: Definition of the implicit tax rate on capital and business income of households and self-employed**

Implicit tax rate on capital and business income of households (incl. self-employed)	Taxes on capital and business income of households / B.2n_S14-15 + B.3n_S14 + D.41_S14-15rec - D.41_S14-15pay + D.45_S14-15rec - D.45_S14-15pay + D.42_S14-15rec + D.44_S14-15rec
<i>Numerator:</i>	see Box C.6 - taxes on the capital and business income of households
<i>Denominator:</i>	
B.2n_S14-15	Imputed rents of private households and net operating surplus of non-profit institutions
B.3n_S14	Net mixed income of self-employed
D.41_S14-S15rec	Interest received by households, self employed and non-profit organisations
D.41_S14-S15pay	Interest paid by households, self employed and non-profit organisations
D.45_S14-S15rec	Rents on land received by households, self employed and non-profit organisations
D.45_S14-S15pay	Rents on land paid by households, self employed and non-profit organisations
D.42_S14-15rec	Dividends received by private households, self-employed and non-profit organisations
D.44_S14-15rec	Insurance property income attributed to policyholders received by private households, self-employed and non-profit organisations

Due to the double taxation of dividends at the company level and at the shareholder level these payments (or the underlying profits) need to be included in both indicators, for corporations and for households. With these definitions the ITRs on capital and business income for households and on corporate income do not sum up to the overall ITR. For the overall implicit tax rate on business and capital income the dividend payments between the corporations and the households' sector need to be consolidated.

But with the 'property income attributed to insurance policyholders (D.44)' there exists another income flow for distributing profits from financial corporations to private households <sup>(71)</sup>. Insurance companies and pension funds collect contributions from their insurance policies or schemes, and after deducting their operating costs they invest them in the capital market or in other assets. From this (financial) investment they receive property income in the form of interest, dividends or rents as well as capital gains through trading stocks, bonds etc. This return on investment constitutes partly the profit of the insurance companies and partly belongs to the insurance policyholder as laid down in the insurance contract. It is that part attributed to the policyholders (excluding capital gains) <sup>(72)</sup>, which, in national accounts, is transferred via the D.44 mainly to private households in the period when this property income accrued.

In principle, most EU Member States provide a tax exemption of this income in the hands of the financial institution. Several methods are used. In some cases, the institution is tax exempt (certain pension funds); in other cases income is exempt or neutralised in the profit calculation by deducting an insurance technical reserve. However, some Member States levy a withholding/capital yield tax on this income which is not always neutralised on the level of the company.

The preliminary split of the ITR on capital income for corporations and households presented in the 2003 edition did not take the flow D.44 into account. This means that the return on investment was fully allocated to financial corporations. It was based on the fact that there is no actual flow of income in the period in which insurance companies earn income on behalf of policyholders. In national accounts, income received by insurance companies or pension funds by investing their technical reserves in financial assets or buildings is only 'attributed' to

<sup>(71)</sup> For the private sector as a whole, including or excluding D.44 (received minus paid) from the tax base has no major empirical impact on the ITR on capital income since the net D.44 is close to zero and represents nearly exclusively a flow from financial corporations to households.

<sup>(72)</sup> The capital gains are not recorded in the generation and distribution of income accounts. Some information can be found in the revaluation accounts. Up to now we have not tested whether these data could be used for our purposes.

insurance policyholders. It is 're-collected' afterwards through imputed higher insurance contributions. Because these flows are purely imputed within national accounts, no taxes — at this stage — are raised on the level of the insurance policyholder.

However, it seems that the tax exemption of such earnings is the dominant regime for the taxation of pension funds and insurance companies in Europe. It means that D.44 paid by financial corporations has to be deducted from the ITR tax base for corporate income. In the countries where capital yield taxes are levied on these earnings and the tax revenues are allocated to corporations, the ITR on corporations would be overestimated.

In turn, D.44 is added to the ITR tax base for the capital income of the households sector. In most countries, private households are taxed on the benefits or distributions by pension funds or insurance companies when the payoff period starts. This can be an amount of capital or an annuity. For the definition of an ITR on capital income for households this means that we encounter a problem of periodicity. With the property income earned on behalf of the policyholder period by period, insurance companies build up reserves (liabilities) in order to pay the benefits in later periods. However, D.44 could be regarded as proxy for the taxable part of pension benefits and insurance payoffs, which would not include the initial contributions or premiums.

The corporations sector in national accounts also comprises partly unincorporated enterprises, the so-called quasi-corporations. In many countries, these quasi-corporations also have to pay corporate income tax. However, there are some important exceptions. In Germany, partnerships (*Personengesellschaften*) constitute a large number of the country's companies and these are treated as quasi-corporations. Their production and profits etc. are recorded in the corporations sector in national accounts. Because they do not have an independent legal status, their owners are taxed under the PIT scheme. The related tax payments are recorded within the households sector in national accounts<sup>(73)</sup>. In the classification adopted in this publication, they are reported within 'taxes on self-employed'. This means that tax revenues are booked in a different sector than the underlying business income. Ignoring this booking principle by calculating ITRs on capital income for corporations or households (including self-employed), using the sector information of national accounts without corrections would lead to biased ITRs. Similar problems exist for Luxembourg, Austria, Finland and Portugal.

According to information from Statistics Finland, the bias in Finland's ITRs is of minor importance. For Austria and Portugal a correction of the ITR on corporations has been introduced. A fraction of PIT for owners of these quasi-corporations is not available. Therefore, the part of PIT from self-employed that includes the taxation of profits from partnerships is extracted from the ITR on households and allocated to the corporations sector. At the same time, the approximation of the tax base for self-employed is also assigned to the corporations sector, consisting of mixed income.

For Austria and Portugal the adjusted ITR represents the tax burden on all companies including the self-employed. For Germany, where partnerships are an important part of companies, it would be possible to employ a similar adjustment. However, the German authorities expressed doubts on whether this adjustment would lead to results that are fully comparable with other countries. The ITR on corporate income is generally lower than the statutory corporate tax rate. This can be explained by the fact that the ITR incorporates the effect of reduced rates (e.g. for certain assets, sectors or small profits), tax deductions affecting the base and the effects of tax planning by corporations in order to minimise their tax payments. It should furthermore be noted that the financial corporations described in national accounts include central banks and pension funds, while their profits, which are included in the denominator of the ITR, are not always subject to taxation. This is another element that explains the relatively low level of the ITRs. Making a comparison with an ITR using micro data from tax statistics, Valenduc (2001) finds that the ITR based on macro data tends to underestimate the effective taxation on company profits.

It is, however, possible that the ITR on corporate income exceeds the statutory corporate tax rate. This may depend, for instance, on the payment by corporation of taxes referring to profits earned earlier, or on taxes paid on capital gains (which are not included in our ITR denominator owing to a lack of statistics). A less straightforward but probably important effect is due to the impact of loss-making companies which not only individually display a zero ITR but curiously drive up the ITR for all profit-making companies; their own negative net operating surplus in fact offsets an equivalent but positive NOS realised by other businesses which turn a profit and pay taxes on it.

<sup>(73)</sup> PIT revenues are also recorded in the government sector which receives the payments.

The sensitivity to the business cycle is a general feature of backward-looking indicators that measure the average effective tax burden on economic activities. In principle, *ceteris paribus*, three different factors affect the ITR on capital income in an economic recovery.

- In countries with a progressive personal income tax, the ITR should rise in an upswing. If taxable income from capital and self-employment increases, the taxes raised on this income increase faster.
- Corporate tax schedules are generally not progressive and, therefore, the economic cycle should not affect the ITR via that channel of influence. However, some Member States do apply lower rates for small and medium-sized enterprises. In an ongoing upswing some of these companies will exceed the tax legislative thresholds resulting in a higher tax burden.
- Rules on carry forward of company losses will generally result in asymmetric effects on the ITR. First, there is an asymmetry with regards to the timing of tax payments: when relying on aggregate data from national accounts, corporate income tax revenues appearing in the numerator of the ITR are reduced by losses incurred in prior years, while the denominator is reduced by losses in current years. The numerator effect is caused by so-called loss 'carry forward' provisions in the tax legislation. The denominator effect results from the inclusion of loss-making firms, with current losses from loss-making firms offsetting profits of profitable firms in the aggregation. Losses are therefore incorporated in both the numerator and the denominator, but the losses are transmitted in the ITR asymmetrically in the sense that they refer to different periods. At the beginning of an economic upswing, more firms will make profits. Initially that the ITR on capital is reduced, because the resulting increase in profits is immediately reflected (in the denominator) but not fully in the tax payments (in the numerator) as losses from previous years are carried forward. However, one could expect that the latter effect diminishes over time, as loss-carry forward provisions are often restricted in time and more and more companies make profits as the upswing persists. This diminishing effect of loss carry-over provisions should therefore lead to a gradual increase in the ITR on capital due to progressive increases in tax payments. Second, a recessionary phase will generally exert an asymmetric impact on the numerator and the denominator of the ITR: the denominator will show the full amount of the decrease in aggregate corporate profits whereas the numerator will not reflect the full extent of the deterioration as a portion of taxpaying companies would have shown zero profits already in the preceding year and further deterioration is not taken into account (hence a greater effect on the denominator than on the numerator resulting in a slight anti-cyclical bias).

All in all, these effects are likely to offset each other to a certain extent in the initial phases of the cycle. However, in a long-lasting economic upturn these channels of influence will point most likely to an increase in the implicit tax rate on capital with a certain time lag.

### **Structural factors affecting the development of capital ITR**

Beyond the effects of the business cycle, the changes in the ITRs might also reflect more structural changes, in particular in the composition of income. For example, given the increase in stock market capitalisation in the years 1995–2000, it is likely that significant capital gains were achieved by both companies and households, resulting in an increase in financial income. This change in the composition of income is not clearly discernible from national accounts income data, nor is it included in the tax base of the ITR. The additional tax revenues related to this kind of income could therefore have induced a rise in the ITRs on capital income, leading to an overestimation of the effective tax burden on capital income of the private sector. Following the same line of reasoning, the subsequent downturn in stock markets could be an important element in explaining the reduction in the ITR on capital income in 2001.

Moreover, different tax provisions for different sources of income offer an additional explanation for the increase in the ITR on corporate income. Specific tax rates or special types of tax relief apply to different sources of income or expenditure. A common feature of corporate tax systems, for instance, is to favour debt finance relative to the financing of new investments by issuing new equity. For the ITR, dividend and interest payments are aggregated within the tax base. If financial markets induced a shift from interest to dividend payments, the taxable base would increase. In this case, companies will pay more taxes on capital since the deduction of interest expenditure for determining taxable profits is phased out. At the same time, however, the aggregate and consolidated tax base of



the ITR will net off all flows of dividend distributions or interest payments between different companies (for instance between non-financial companies as borrower and banks or insurance companies as creditor) and private households. If a shift occurs from interest to dividend payments, it will not show up in the denominators, and hence the capital ITR will remain constant. The overall result of the higher tax revenues would be an increase in the ITR reflecting a higher effective tax burden that is caused by the effects of the tax legislation <sup>(74)</sup>.

### Implicit tax rate on energy

The nominal ITR on energy is calculated as the ratio between total energy tax revenues and final energy consumption, as calculated by Eurostat aggregating different energy sources on the basis of each source's net calorific value. Although out of analogy with the ITRs on labour, consumption, and capital the name ITR is employed, it should be noted that the former three are dimensional numbers while the ITR on energy is expressed in euro per tonne of oil equivalent.

The real ITR on energy differs from the nominal in the sense that the nominal euro amount in the numerator of the ratio is deflated with the cumulative percentage change in the final demand deflator from 2000.

### Methods used to split the revenue from personal income tax:

#### *The sources of personal income tax*

Apart from the aggregate data in national accounts, additional data made available by Member States has been used to split recorded tax revenues into more detailed categories. This is of particular importance for the recorded personal income tax, which is typically broad-based, and relates to multiple sources of income. A method had to be developed to break down revenue from the personal income tax by economic function (i.e. labour, capital and consumption). This section describes the methods used by the Member States to generate estimates of this split of the personal income tax from tax return data. The methods attribute personal income tax to four main taxable income sources (see Box F.6):

<sup>(74)</sup> However, the tendency for the ITR to increase can be offset to some extent by the fact that interest is often more highly taxed than dividends in the hands of personal investors. Only countries with classical tax systems tax interest as much as dividends at the personal level. Others have some form of relief for double taxation of dividends. So there could be more personal income tax on interest than on dividends, offsetting some of the effect mentioned.

**Box F.6: Broad definition of the selected income sources**

Income source	Type of taxable income components included
Employed labour	Wages and salaries Fringe benefits in kind Directors' remuneration Foreign source earned income Financial participation schemes (e.g. stock options) Deemed income from private uses of company cars
Self-employed labour	Income from unincorporated businesses Profits from trade or business and proceeds from independent professional services (e.g. dividend distributions from closely held companies)
Capital	Income from movable property (e.g. dividends, interest, distributions, royalties) Income from immovable property (rents earned on letting a private dwelling, etc.) Periodic transfers and private pensions Taxable capital gains for some Member States Other (e.g. rental value owner-occupied housing)
Transfers and pensions	Taxable social benefits (e.g. unemployment, health care and social assistance benefits) State pension benefits Occupational pension benefits

The resulting estimates of the personal income tax revenue that could be attributed to these taxable income sources are used in the numerators for the implicit tax rates on labour and capital (using relevant aggregate economic incomes as denominators) and in the breakdown of taxes across the economic functions (i.e. taxes on consumption, labour and capital, as a percentage of GDP).

***The flaws of aggregate data and advantages of micro data***

Under an approach using only aggregate data, total personal income tax raised in respect of labour (capital) income is often estimated as the proportion of aggregate labour (capital) income in the aggregate taxpayer income. Another approach is to estimate a single average effective income tax rate on the basis of aggregate data. The total personal income tax revenue data is divided by the aggregate approximation of labour and capital income in the economy to get the overall effective personal income tax rate, which can subsequently be applied to the labour (capital) income in order to estimate the income tax levied from labour (capital) income<sup>(75)</sup>. This ignores the fact that effective rates on personal income tax vary across different taxable income components and groups of taxpayers. Even where, for example, labour and capital income are pooled together for tax purposes at the individual level, such an approach may be criticised where aggregate labour income is believed to be subject, on average across taxpayers, to a significantly different average effective tax burden than capital income<sup>(76)</sup>. A main concern associated with average effective (implicit) tax rate analysis is the manner in which estimates are derived for the aggregate amount of personal income tax revenue raised from different types of income included in a given country's personal income tax base. Under an approach using only aggregate data from national accounts, for example, total personal income tax raised in respect of labour (or capital or other forms of personal taxable income, for example social transfer or pension income) is often estimated as the proportion of aggregate labour (or capital) income in the aggregate taxpayer personal income. This approach implicitly assumes that labour and capital income (or other

<sup>(75)</sup> This approach has been introduced by Mendoza, Razin and Tesar (1994) and was used in internal studies by the Economics and Financial Affairs Departments of both the European Commission and the OECD. See Martinez-Mongay (2000) and Carey and Rabesona (2002) for more details.

<sup>(76)</sup> See also OECD (2000, 2002), Clark (2002) and De Haan, Sturm and Volkerink (2002).

forms of taxable income) is subject to one (common) average effective tax rate<sup>(77)</sup>. This assumption is generally unrealistic, and could be expected to lead to imprecise estimates of notional tax revenues raised in respect of different taxable income types and, therefore, imprecise estimates of average effective tax rates by economic income source<sup>(78)</sup>.

Relying on micro-level data — that is, confidential tax data at the individual taxpayer level — Member States are able to generate more accurate estimates of personal income tax revenues raised on separate sources of income. Generally, capital income will tend to be concentrated at the right side of the Lorenz curve and therefore, be subject to higher marginal and average tax rates as compared to income from labour. On the other hand, special tax concessions may apply to income from capital, so that the average tax rate for capital income might not be significantly different from that for income from labour. For example, some Member States apply a so-called 'dual' income tax system, in which capital income is usually taxed at a relatively lower (fixed) rate as compared to other earned taxable income. Forcing the latter assumption (of special tax concessions) on the data would however be a shortcoming to the analysis. Also, most Member States tend to tax pension benefits or social benefits more favourably than earned income from labour, either by way of increased tax allowances or tax credits that are age-based, or by partial exemptions from the tax base. Using micro-data sets that include separate reported figures at the taxpayer level for the items of income on which the personal income tax is raised, it is possible to account for such effects<sup>(79)</sup>.

### **The methodological approaches**

Most Member States basically multiply individual income tax payments by proportions of the selected income sources in the total taxpayer's income (Belgium, Denmark, Germany, France, the Netherlands, Ireland, Luxembourg, Finland and Sweden). This is done both by way of micro-simulation models relying on samples from the total taxpayer population and by way of use of exhaustive tax return data sets (e.g. Belgium and Ireland). The corresponding estimates obtained at the taxpayer level are consequently aggregated to obtain estimates of the personal income tax raised in respect of the selected sources of income. For example, the total amount of personal income tax raised in respect of labour income, *PIT (labour)* could be estimated as follows:

$$PIT(labour) = \sum_j (W_j / Y_j) * PIT_j = \sum_j w_j * PIT_j$$

where  $W_j$  measures the labour income of the  $j$ -th taxpayer in a sample of individuals ( $j = 1, \dots, n$ ) and where  $PIT_j$  measures the personal income tax payment of the  $j$ -th taxpayer on his total taxable income  $Y_j$ . The above equation therefore measures the total personal income tax raised on labour income as a weighted average of each individual taxpayer's payment  $PIT$ , with the weights  $w_j = (W_j/Y_j)$  attached to these individual payments reflecting the distribution of total wages and salaries across taxpayers.

Some Member States (Spain, Italy and Greece) instead use tax return data that is aggregated at the level of a number of income classes or income tax brackets ( $j = 1, \dots, n$ ), but essentially make the same calculations. The latter approach is likely to capture broadly comparable effects of the differences in tax treatment and the distribution of income sources across different groups of taxpayers.

Some Member States (Austria, Portugal) choose another approach and use tax receipts data from the wage (withholding) tax and (final) income tax statistics and apply a number of adjustments. Wage (withholding) tax is by its very nature designed to approximate the final income tax liability for wage earners as closely as possible, but in some cases there are certain adjustments for income tax assessments, because the wage tax withheld is not correct (e.g. because of different jobs or pensions during a single year). As this correction concerns only wage

<sup>(77)</sup> This approach has been introduced by Mendoza, Razin and Tesar (1994) and was used in internal studies by Economics and Financial Affairs departments of both the European Commission and the OECD. See Martínez-Mongay (2000) and Carey and Rabesona (2002) for more details.

<sup>(78)</sup> See also OECD (2000, 2002b) and De Haan, Sturm and Volkerink (2002).

<sup>(79)</sup> In order to illustrate the degree of precision that can be reached with using micro data rather than aggregate tax return data, the Ministries of Finance and Taxation in the Netherlands, Finland, Denmark and Italy have performed additional calculations on the basis of only aggregate tax return data for some years. It actually appeared that the differences for the estimated amounts of income tax raised on income from employed labour were rather small. The reason is that employed labour income is by far the most dominant income source, which means that the overall effective income tax rate (measured on the aggregate taxable income and across all taxpayers) is strongly influenced by the average effective tax rate on labour income. The differences were however significant for the other selected income sources. If only aggregate tax return data were used, generally higher fractions would be computed for capital income and income in the form of social transfers and pensions, and generally lower fractions would be computed for income from self-employed labour.

earners, in some cases the net amount of the correction is deducted from the total amount of recorded wage tax and, the amount of personal income tax is adjusted accordingly. Since wage tax can also be levied on social benefits (e.g. unemployment benefits, widower's benefits and invalidity benefits) or old-age pensions, the recorded wage tax is adjusted accordingly. The (adjusted) personal income tax is further split between income from self-employed businesses and capital income, either using aggregate proportions or information aggregated at the level of income classes (Austria). The latter approach is also likely to capture broadly comparable effects of the differences in tax treatment and the distribution of income sources across different groups of taxpayers as outlined above.

Finally, Hungary (from 2009 onwards) uses a combination of micro simulation and a correction on the aggregate figures from the micro simulation model.

While in most Member States the personal income tax system is comprehensive in the sense that all subcategories of taxable income are pooled at the individual level, and the result is taxed at ascending statutory tax rates. However, some Member States apply a given statutory rate on a specific income category, as can occur under a 'dual income tax' system. In the Netherlands, Finland and Sweden, for example, capital income is currently taxed at a relatively lower statutory rate as compared to other earned income. In most cases, however, the tax receipts data are used to isolate the amount of tax collected on that particular income category. In Slovenia, capital income is taxed according to a flat rate while active income is taxed according to a progressive rate. In the United Kingdom, the personal income tax law actually prioritises the order of different types of income. For example, labour income is treated as the bottom of the taxable income and dividend income is treated as the top slice of taxable income. Unlike the method used in other Member States, the United Kingdom calculation therefore does not assume that the individual taxpayer has the same average effective income tax rate over all income sources (see also above). Instead, income source specific income tax rates are multiplied by the selected income sources at the taxpayer level. [Note that SK is missing in the box F.7 and in the further methodology due to lack of information. I have sent an email to receive detailed information (see taxud-structures)]

#### Box F.7: Overview of methods to estimate the allocation of the personal income tax

Countries	Data	Basic method
BE, DK, DE, IE, FR, LV, LU, HU (from 2009), MT, NL, PL, SI, FI, SE, NO	Data set of individual taxpayers	Personal income tax payments multiplied by fractions of net taxable income sources (as percentage of the total tax base) at the level of the individual taxpayer
UK	Data set of individual taxpayers	Income source specific income tax rates multiplied by net taxable income sources at the level of the individual taxpayer
BG, CY, ES, EL, IT, LT	Income class data based on data set of individual taxpayers	Personal income tax payments multiplied by fractions of net taxable income sources (as percentage of the total tax base) at the level of income classes/tax brackets
CZ, EE, HU (before 2009), AT, PT, RO	Tax receipts data from withholding and income tax statistics	Approach using aggregate withholding tax and final assessment income tax data with certain adjustments.

#### Credits and deductions

Income sources are, insofar as it is possible, measured net of tax base deductions or allowances that are exclusively earned on these income sources (e.g. allowance for savings, expenses incurred in maintaining labour income). This is important, as tax breaks and concessions given in respect of the tax on capital income can be quite substantial, with the result that the estimated fraction for personal income tax raised on capital income can be rather low, and in some cases even negative (e.g. in the Netherlands and in Denmark). It is generally attempted to allocate income-specific tax credits (e.g. an additional tax credit that is earned exclusively on income from labour) to the base for splitting purposes to which it relates. Against this, the revenue effects of general tax base deductions and credits are proportionately allocated across all income sources. Further complications in calculating the bases for splitting

arise due to the fact that certain income tax receipts are collected at source and certain tax breaks are granted at source, whilst others are collected and granted in the framework of the individual taxpayer's tax return. This is particularly an issue with certain components of capital income (interest, dividends, pensions, etc.). There are further conceptual and practical issues with pensions and the self-employed to which there are no easy answers.

As a result of data set limitations and a degree of inconsistency between the approaches adopted by the Member States (which affects most notably the allocation of income tax to capital and social transfers and pensions), the accuracy and comparability of the estimates of the ITRs on labour and capital have been somewhat compromised. The sources of these inconsistencies are various. In some Member States, for example, tax return data are only available at income-class level rather than at the taxpayer level. For some countries not all the taxable benefits from social security or old-age pension schemes could be separately identified from the tax return data. Some Member States could not incorporate the revenue effects of tax base deductions or tax credits specifically related to the main income sources. Inconsistency may also arise where Member States permit a joint assessment of the taxable income of the household (e.g. in France before 2001). To give an example, the principal earner of the household may earn labour income whereas the spouse is actually a social benefit recipient with a relatively lower income. In these cases, however, the same effective tax rate was applied to the taxpayers jointly assessed. There are further conceptual and practical problems with the treatment of pensions for which there are no straightforward solutions.

Some Member States were not able to provide full time-series coverage for all calendar years. In these cases, a trend has been assumed using simple linear interpolations, or the fractions were assumed to remain constant. In reality changes in the fractions would reflect changes either in the distribution of income or in the tax parameters. Applying linear interpolation seems a valid method only in the absence of major tax reforms. Apart from certain simplifying assumptions and estimates of the share of personal income tax limited to specific years this new treatment of the personal income tax is a major improvement on the methodology used prior to the 2003 edition. It is found to be vastly better than an approach based on aggregate data in estimating the tax burden on non-wage income sources (in particular for social transfers and pensions and self-employment income).

### *Individual country approaches by type of approach:*

#### *(A) Approach using micro-tax receipts data*

- Belgium: The split of the personal income tax was estimated by the Ministry of Finance using detailed revenue statistics from the national tax administration based on individual tax returns. The data set covers any assessed income, and is exhaustive. In fact, the national tax administration already splits and allocates the aggregate personal income tax revenue raised on the so-called 'global income' to the different income sources on a case-by-case basis, in order to derive entitlements of individual taxpayers to certain tax credits that are related to specific income sources. For example, the tax credits for pensions, sickness or unemployment are limited to the income tax that relates proportionally to the corresponding net income. This allocation of the tax revenue raised on the 'global income' is calculated by multiplying individual tax payments by proportions of the income types in the total taxpayer's 'global income', as outlined above. The income types are measured net of tax base deductions that are exclusively earned on these income types. Subsequently, the estimated fractions of the aggregate personal tax revenue that is raised on the selected income types depend on a proportional division of the personal income tax that is due on the 'global income' and the income tax due on 'distinct income' sources that are taxed separately. The resulting fractions are consequently applied to the sum of revenues from advance payments on earnings, advance payments of tax on self-employed persons and the amount of the final income tax assessment. The revenue from withholding tax on income from movable capital and real estate tax is not included in the above calculations; they are directly assigned to the capital income.
- Denmark: The split of the personal income tax was estimated by the Ministry of Taxation using a micro-simulation model that is based on a sample of micro (taxpayer-level) data. The model incorporates the information of withholdings/prepayments and final income tax returns. The model is updated annually, and used in planning the national tax policies and estimating policy alterations on tax revenues and on the income tax liabilities of taxpayers on different income levels. The model also covers other legislative areas, such as unemployment benefits, housing subsidies, social assistance and so on. The method basically multiplies

individual tax payments by proportions of the income types in the total taxpayer's income, as outlined above. The income types are measured net of tax base deductions that are exclusively earned on these income types. By including net interest payments in the tax base of capital, for example, the Ministry of Taxation has taken into account the way the tax relief for mortgage interest payments and other interest payments on loans reduces the tax base of capital. This explains why the estimated part of capital income may be lower than zero. The method takes into account that from 2001 onwards negative capital income can only be deducted in the local income taxes (and from 2007 the so-called health care contribution as a consequence of the municipal reform) and that from 1998 to 2001 the after tax value of the deduction for negative capital income was gradually eroded. The so-called share income (which is taxed separately) is allocated directly to the part on capital income. As regards employed labour income, it should be recognised that in 1995 and 1999 wage income was taxed as follows: on the one hand the tax base for the municipal income tax and the lower limit central government tax was wage income less transport expenses and unemployment insurance contributions; on the other hand the tax base for the so-called middle bracket and top bracket income tax was the part of the wage income —without any reduction for expenses — that exceeded a certain amount. If one reduces the tax base with deductible 'wage expenses', then the part of the mean limit and an upper limit income tax that is attributed to wage income is too small. Whereas if it is not taken into account the part of the municipal income tax and lower limit central government tax that is attributed to wage income is too big. The Ministry of Taxation has chosen the latter approach as it is believed that the bias will be the smallest in this case.

- Germany: The split of the personal income tax was estimated by the Federal Ministry of Finance using a micro-simulation model. This model is based on a representative sample of micro (taxpayer-level) tax return data that is used for tax forecasting purposes and pre-assessing the consequences of changes in income tax legislation. In addition, the model allows the assessment of the solidarity tax, child benefits, the church tax and social contributions. The simulation model incorporates the information on withholdings/prepayments and final income tax returns (in Germany, nearly every private household liable to income tax must file an income tax return, employees only paying wage withholding tax are also included in the sample). The calculations do not take into account child benefits and tax-free cash grants for acquiring or constructing new occupational dwellings, which are credited against the income tax liability. These transfers are deemed as separate transfers in the context of social policy programmes. Basically, personal income tax payments were multiplied by the selected income sources at the micro level, as outlined above. The income sources are measured net of tax base deductions that are exclusively earned on these income sources. Germany employs a comprehensive income tax base. There are no income-specific rates such as lower flat-rates on income from capital investment as in countries with dual income tax systems, nor does Germany grant lower tax rates or tax credits on low wages. However, the tax base may be largely offset by income-specific allowances (such as the saving allowance), tax incentives or arrangements in computing income, but these effects are captured within the calculations, because the average effective tax rate is multiplied by the net taxable income sources.
- Ireland: The split of the personal income tax was estimated by the Inland Revenue using an exhaustive data set with micro (taxpayer-level) tax return data. The data set covers all taxpayers for which a return was received. The method basically multiplies individual tax payments by proportions of the income types in the total taxpayer's income, as outlined above. However, because there are some taxable personal income components that are taxed at a flat rate only, there is no actual split of tax revenues raised on these particular income components. The tax raised on such components is directly calculated from the tax return data. At this stage, the income types are not yet measured net of tax base deductions that are exclusively earned on these income types. This could be done in future updates of the split of the personal income tax.
- France: The decomposition of the PIT was based on a sample of around 500 000 tax declarations (2 % of the total). The method basically multiplies individual tax payments by proportions of the income types in the total taxpayer's income. The income types are measured net of tax base deductions that are exclusively earned on these income types. In addition, corrections were made for the revenue effects of tax credits that are exclusively earned on the selected income types (e.g. the reimbursable tax credit, the *prime pour l'emploi*, to encourage low-paid and low-skilled workers to resume active employment). It is worth noting that France employs a joint assessment of the taxable income in the household. For example, the principal earner in the household may earn labour income whereas the spouse receives social benefits, but the total amount of personal income is jointly assessed. In the calculations for the split of the personal income tax, however, in this case the same effective

tax rate has been applied to the partners jointly assessed. For the period 2001–2004 data provided by French authorities also include taxes paid on transfers. For the period 1999–2000 this was only possible if the household income included salary or self-employed labour revenues. In order to maintain comparability and consistency in the time series the split for 1999 and 2000 has been adjusted. Assuming that the changes in the shares from 2000 to 2001 are only due to the introduction of the category 'transfers', the absolute changes for the other three categories have been calculated accordingly and deducted from the original values provided.

- **Latvia:** The split of the personal income tax was estimated by the Ministry of Finance. Latvia's calculations are greatly simplified by the existence of one single rate of personal income tax. The calculations were based on data from personal income tax returns, in accordance with the individual taxpayers' data. The summary of salary declarations was used to calculate personal income tax revenue from employed labour income. Information on the personal income tax paid by the self-employed was derived from the Declaration of annual income and from the advance payment tax return. Information on tax on pension payments was obtained from the State Social Insurance Agency. The lack of any records of personal income capital taxation means that this amount was taken as the residual. A part of allowances (the non-taxable minimum and allowances for dependants) is applied at the moment of the tax calculation. The tax is collected, taking into account applicable allowances. Information on the applicable allowances is obtained from the tax returns. The other allowances are obtained only after submission of declarations of annual income to the State Revenue Service. The total PIT revenue is already shown in net form i.e. the PIT repayments made by the State Revenue Service are already taken away.
- **Luxembourg:** The split of the personal income tax was estimated by the National Statistical Office using detailed revenue statistics from the national tax administration (ACD) based on exhaustive household tax returns (in Luxembourg PIT is based on family taxation) and on withholding revenues on employed labour and transfers. For the part on tax returns, the method basically multiplies individual tax payments by proportions of the income types in the total taxpayer's income, as outlined above. Then the withholding revenues were considered, because it is not mandatory to compile tax return if there is only employed labour or pension income. Since the distinction between withheld amounts raised on labour employed and pension income is not available, data from the social security organisations were used. When only the total amount withheld was available from a social security organisation, the average rate of contribution was used as a proxy.
- **Hungary (from 2009):** The split of the personal income tax is based on a combination of a micro simulation using all individual tax returns and a correction on the aggregate figures from the micro simulation model. First, the distribution of the PIT revenue attributed to the four income types is derived for each individual, then it is aggregated across all taxpayers. Finally, PIT on incomes taxed at source (they include fringe benefits and most of the taxed interest income, and are not reported in the annual tax returns and were not included before 2009) is added to the relevant categories and the final PIT split is calculated from these revenue figures.
- **Malta:** The split of the personal income tax is based on the actual data available at the local tax authorities through the individual returns. When returning their annual declarations, all taxpayers are obliged to correctly indicate the exact source of their income on their individual tax form. This information is then captured at micro level, and is used to compile the figures submitted in the national PIT questionnaire. There is no further extrapolation on the data, except for the case of the withholding taxes on capital. Since the withholding tax is a flat percentage, this figure has been obtained based on the revenue generated from this particular source.
- **The Netherlands:** The split of the personal income tax was estimated by the Ministry of Finance using a micro-simulation model that is based on a sample with micro (taxpayer-level) data. The information is collected by Statistics Netherlands. The model is not updated annually, but annual projections are made for future years for planning the national tax policies and estimating policy alterations on tax revenues. It covers the combined tax burden of wage withholding tax, personal income tax, social contributions and wealth tax. The method basically multiplies individual tax payments by proportions of the income types in the total taxpayer's income, as outlined above. In the Netherlands, the lowest two income tax rates consist of personal income tax and social contributions; the highest two rates consist solely of personal income tax. The split has therefore been computed for both personal income tax and social contributions (which are in principle levied on all taxable personal income types). The income types are measured net of tax base deductions that are exclusively earned

*(Continued on the next page)*

on these income types. A special provision applies to the capital income of owner-occupied property. This is taxed at a notional rental value, which represents the balance of revenue and expenses connected with the use of the dwelling, and is assessed using statutory tables. As normal expenses are included in the notional rental value, no expenses other than mortgage interest and ground rent may be deducted. The deduction for mortgage interest payments explains why the estimated part of capital income is lower than zero for some years. A major tax reform was implemented in January 2001. Among a number of other important changes, this reform replaced the wealth tax and personal income taxation of interest, dividend and other capital income by a single tax on the imputed income from wealth. A 4 % yield imputed on all assets is now taxed at a flat rate of 30 %, which basically implies a 1.2 % tax rate on the total wealth. The tax reform also replaced the basic employed person's tax base allowance by a non-refundable tax credit for all employees and self-employed persons. Both measures are reflected in the estimates for 2001.

- Poland: The split of the personal income tax was estimated by the Ministry of Finance. Poland has a progressive tax system, hence the estimate is obtained with a bottom-up methodology, starting from taxpayer-level data and the aggregating the results. For taxes levied as lump sums, the method used simply multiplies the individual tax due by proportions of the income types in total taxpayer's income. The income types are measured net of estimated social security contributions. Adjustments were made for married couples' tax returns (their joint income was used in the calculations). Owing to an important reform in 1999, which introduced tax-deductible health insurance contributions, there are two different methodologies for the years 1995–1998 and 1999–2004. For the years after 1999, the Ministry of Finance arrives at the PIT due by subtracting the amounts due as health insurance contributions from the total revenue and the residual then represents the amount due for the PIT. The amounts due for the health insurance contributions are then split across economic functions and re-introduced in the PIT split so that the final PIT split given is homogeneous across the entire time period.
- Slovenia: The split of the personal income tax was estimated by the Ministry of Finance. The calculations were based on data sets for individual taxpayers, except in the case of pensions. As most of the PIT from pensions is only accounted for but not collected the PIT from pensions is subtracted. Actual PIT collected from pensions is very close to prepayment of PIT from pensions during the year. Therefore, these prepayments are added to PIT from the transfer and pensions category. The method multiplies PIT payments by fractions of net taxable income sources (as a percentage of the total tax base) at the level of individual taxpayers. The allowances were deducted at the individual level (except in the case of pensions). In 2006, major changes in the PIT system were introduced — schedular system for capital income was introduced and tax prepayments became final payments. This reform resulted into two different sets of data for 2006: accrual individual data for employed labour income, self-employed income and social transfers and pensions; and cash cumulative data for capital income.
- Finland: The split of the personal income tax was estimated by the Ministry of Finance using a micro-simulation model that is based on a sample of micro (taxpayer-level) data. The information is collected by Statistics Finland. The model is updated annually, and used in planning the national tax policies and estimating policy alterations on tax revenues and on the income tax liabilities of taxpayers on different income levels. The method basically multiplies individual tax payments by proportions of the income types in the total taxpayer's income, as outlined above. However, because of the dual income tax system, there is no actual split of tax revenues raised on capital income. The tax raised on capital income is directly calculated from the tax return data. The income types are measured net of tax base deductions that are exclusively earned on these income types. The statistical information on dividend income in the model contains both dividend income of the self-employed that is treated as the capital part of the income, and the dividend income from investors, that is not income from self-employed labour but capital income from for example owning shares in a listed company. The statistical information is split into dividend income from self-employment and dividend income from saving and investments using an estimate. From year 2002 the method of splitting dividend income between dividends from listed companies and the dividends of the self-employed owners has been improved. Mortgage interest payments are not deducted from the capital income, since no rental value taxation of income from home-ownership is applied.



Box (continued)

- Sweden: The split of the personal income tax was estimated by the Ministry of Finance using micro-simulation models that are mainly based on administrative sample data. The models are updated annually, and mainly used in planning the national tax policies and estimating policy alterations on tax revenues and on the income tax liabilities of taxpayers on different income levels. The method basically multiplies individual tax payments by proportions of the income types in the total taxpayer's income, as outlined above. However, because of the dual income tax system, there is no actual split of tax revenues raised on capital income. The tax raised on capital income is directly calculated from the tax return data. The income types are measured net of tax base deductions that are exclusively earned on these income types. An alternative way to describe the method is to say that the individual specific average effective income tax rate is calculated to split the personal income tax across different taxable income sources. Note, however, that these average effective tax rates are computed while incorporating the revenue effects of tax credits that are exclusively earned on the selected income sources. The revenue effects of general tax credits for all taxpayers are proportionally allocated across all selected income sources.
- Norway: The split of the personal income tax was estimated by the Ministry of Finance using a micro-simulation model called LOTTE. The model is based on a sample from the household income statistics of Statistics Norway. The personal income tax system has two tax bases: personal income, from which no deduction may be made, and ordinary income. Ordinary income includes all types of taxable income from labour, transfers, business and capital. Certain costs and expenses, including interest paid on debt, are deductible in the computation of ordinary income. Dividends are regarded solely as capital income in the calculations. With the exception of the standard allowance, the basic allowance and the allowance for gifts to voluntary organisations, all allowances are entirely allocated to one income source. The basic allowance is calculated as a certain percentage of wage and pension income with a lower and upper limit. In the calculations, the basic allowance is divided according to the size of wage and pension income, respectively, for each individual. Some basic allowance is reported separately for spouse supplementary pensions, child alimonies and pensions. These are allocated to transfer income. The allowance for gifts to voluntary organisations is a general allowance and is as such divided on all income sources. The SC and the central government income surtax are separated between the relevant income sources (labour, self-employed and transfer). The labour and transfer component in gross income is identified by the LOTTE model. Self-employed income is more difficult to identify because of some special limitation rules for this category of income included in the personal income tax base. Actual self-employed income might therefore be higher than the taxable self-employed income included in the gross personal income tax base. However, by hooking the LOTTE model to total gross personal income reported in the tax statistics, it is possible to identify the self-employed income in the tax base (by subtracting labour and transfer income from total gross personal income).

(1) See also Clark (2002).

### **(B) Approach using both micro and aggregate tax receipts data**

The method employed in the United Kingdom is based on combining micro and aggregate tax record data. Also, unlike the methods outlined above, the method does not assume that the individual taxpayer has the same average effective income tax rate over all income sources. Instead, income source specific tax rates are multiplied by the selected income sources at the taxpayer level.

- The United Kingdom: The split of the personal income tax was estimated by Her Majesty's Revenue & Customs using a micro-simulation model and aggregate tax receipt data. The micro-simulation model incorporates the information of withholding taxes (PAYE), self-assessment tax returns and claims by non-taxpayers for overpaid tax deducted at sources. The method does not assume that the individual taxpayer has the same average income tax rate over all selected income sources. Instead, income-source specific tax rates are computed, because the personal income tax law prioritises the order of different types of income. For example,

labour income is at the bottom of the taxable income and dividend income is treated as the top slice of the taxable income. The total tax liability that results from the micro-simulation model, grossed up to the total taxpayer population for sampling, does not exactly correspond to the total recorded tax receipts from macro-tax receipt data, due to differences in definition and sampling error. The main differences between the micro and macro-tax receipt data occur because some components (i.e. company income tax and unallocated tax receipts) are not modelled. Also, there are various repayments of personal income tax which are made directly at source and are not captured in the model data, including payments to pension funds, charities, special savings schemes, life insurance relief, mortgage interest relief at source, child tax credits, working tax credits and vocational training relief. These elements of the macro-tax receipt data have also been allocated across the selected income types, whenever this was possible.

### ***(C) Approach using tax return data aggregated at the level of income classes or tax brackets***

In some Member States tax return data is used that is aggregated at the level of a number of income classes or tax brackets. Basically, the recorded personal income tax payments are multiplied by the selected income types over the sum of the taxable personal income sources at the level of income classes or tax brackets. This approach thus implicitly assumes that a (common) average effective tax rate applies to all selected income types at the level of the income class. The corresponding estimates are consequently aggregated to obtain the estimate of the split of the personal income tax. Calculations by Italy have shown that differences from using either macro-tax return data or micro data aggregated by income classes turn out to be significant for the taxable personal income types that are less important from a quantitative point of view. Although the method cannot provide the degree of accuracy of micro (taxpayer-level) data, it is believed that it is likely to capture the effects of progression of the personal income tax system and the distribution of income sources across different groups of taxpayers.

- **Bulgaria:** The split of the personal income tax was calculated by the Ministry of Finance using information from the tax returns filed in the National Revenue Agency, representing aggregated micro data per tax return. The tax base of the different types of income besides labour income is divided over the total tax base and the ratio serves as weight to measure the share of the relevant income in the total tax due. The sum of the weighted tax revenues shall be the tax due for all income except labour income. For employees receiving only labour income, the PIT is withheld by the employer. The share of every type of non-labour income mentioned before is applied to the cash revenues from all types of income besides labour income. The revenues from labour income and from non-labour income form the total revenues. The share of the labour income revenues in total PIT revenues is known, the share of the total non-labour income revenues in total PIT revenues is also known, as well as the share of each type of non-labour income within the total non-labour income revenues. The relevant shares serve as the PIT split.
- **Greece:** The split of the personal income tax was estimated by the Ministry of Finance in cooperation with the National Statistical Service and Professor Geogakopoulos from the Athens University of Economics. The calculations were based on data from personal income tax returns, which were grouped by category of income and tax bracket. Basically, the method multiplies tax payments by proportions of the income types in the total taxpayer's income, as outlined above, but aggregated at the level of income classes. The income types are measured as net taxable personal incomes. In order to split between income from employed labour and transfers data from the General Secretariat of Information Systems were used. The final percentages are comprehensive of tax on savings, which is included in category D.51a in addition to tax revenue from personal income tax; the total amount of this category constitutes tax on capital and, given that this tax is not calculated on the total income of households, it was added to income tax from capital in the calculations.
- **Spain:** The split of the personal income tax was estimated by the Ministry of Finance and the methodology was revised as of 2010. The estimates are covering not only PIT taxpayers' population – those who submit a PIT return – but even those PIT taxpayers not directly obliged to do so but whose contribution to the tax is made only through monthly withholding taxes and advance tax payments. The allocation of tax liabilities arising from earned income – wages and social benefits – is made directly through observed advance tax payments data files rather than calculating the weights based on the values of such income in accordance with the Spanish National Accounts (CNE), as it had been done until 2010. This latter change appreciably affects the final estimates and now reflects much more accurately the allocation of each of those income sources, since, as noted

repeatedly in previous years, CNE data overstates the tax burden of pensions and other social benefits in the PIT. This is because it is not possible to deduct those pensions exempt from the tax, and furthermore under the former methodology it was not possible to take into account the different effective tax rates applied to both salaries and pensions, given that pensions usually pile up in lower income levels and therefore its taxation is substantially lower when applying a progressive tax schedule. Therefore, as of 2010 only tax data provided by the Spanish Tax Administration is used. The methodology is divided into three basic stages: (1) the final tax liability (by income sources) from PIT filers is directly obtained from tax data records broken down into 47 income brackets; (2) for non-PIT filers the final PIT tax liability distribution is obtained as the difference between the total amount of periodic withholding tax payments (filers and non-filers) and the advance payments of the latter obtained through annual tax returns submitted by third-parties; (3) the allocation of final tax liabilities arising from earned income among wages/salaries and social benefits is directly obtained through the annual observed tax statistics covering the whole tax population (filers and non-tax filers) related to periodic withholding and advance tax payments, and according to their own weight.

- Italy: The split of the personal income tax was estimated by the Ministry of Finance using a micro-data set containing IRPEF tax return data for all taxpayers. Instead of computing an average tax rate for each individual taxpayer, the information was allocated to 35 classes of gross income. Basically, the recorded personal income tax payments were multiplied by the selected net taxable income sources over the sum of the net taxable income sources at the income class level. The income types are measured net of tax base deductions that are exclusively earned on these income types. In addition, corrections were made for the revenue effects of tax credits that are exclusively earned on the selected income types. In addition to the recorded IRPEF tax revenues, IRPEF payments received by the treasury on denominations other than IRPEF were incorporated in the calculations. These include tax on dividend distributions and dividend withholdings, which were directly allocated to the capital income category.
- Cyprus: The split of the personal income tax was estimated by the Ministry of Finance. The calculations were based on tax assessment data, which were grouped by category of income and by tax bracket into 26 income classes. The recorded personal income tax payments are multiplied by the taxable income sources for each class and then divided by the aggregate taxable income of the class. The income types are measured as net taxable personal incomes. All deductions have been allocated to the correct base class and category for the purposes of the split. The personal allowances have been allocated in proportion to the income sources.
- Lithuania: The split of the personal income tax was estimated by the Ministry of Finance utilising data from the State Tax Inspectorate. Data coverage is very high (99.9 % to 100 % of actual payments by the different revenue group of personal income tax). Lithuania's calculations are simplified by the existence of a dual rate system for earned and unearned income. The categorisation of income taxes allowed most elements to be allocated to their economic functions without need for further individual or income class breakdowns. The split of personal income tax calculation breaks down the total amount of the tax refund across the various revenue groups. Payments from non-employment related or n.e.c. income were attributed to the payments from capital and income from individual activities, in proportion to the interrelation between respective incomes calculated according to tax return data. Adaptations to the methodology were done from 2002 to 2003 as a result of changes in the legislation which allowed deductions for life insurance and pension contributions and for certain interest payments. Note for the year 1999 data limitations required a special estimate which was based on a different methodology.

Taxes and social contributions paid by the self-employed are allocated to the capital and business income category<sup>(80)</sup>. Italy proposed to split tax revenues from income of self-employed in 80 % and 20 %, because most of the self-employed in Italy are more comparable to dependent employed workers. The 80 % are related to labour and the 20 % are linked to capital income of self-employed. The mixed income of self-employed should be split accordingly. Social contributions of self-employed are attributed to labour in the Italian method. The following table shows how this different treatment of self-employed would affect the ratios of table C and D.

<sup>(80)</sup> Except the income and taxes of 'continuous and coordinated collaborations' that are allocated to the labour category. The income of these self-employed workers is treated, for tax purposes, as income of employed workers.

Table F.1: Italian method

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>C. Structure according to economic function as % of GDP</b>																	
<b>Labour</b>	20.7	22.4	23.3	23.5	22.9	22.7	22.9	22.8	23.5	23.1	23.1	23.4	24.1	24.9	25.2	25.1	24.9
Employed	16.2	17.8	18.6	18.6	18.1	17.8	18.0	18.0	18.1	17.9	18.1	18.1	18.6	19.3	19.5	19.3	19.2
Paid by employers	8.6	10.1	10.4	10.3	9.9	9.9	10.0	10.1	10.3	10.3	10.4	10.3	10.6	10.7	10.9	10.7	10.7
Paid by employees	7.7	7.7	8.2	8.2	8.2	7.9	7.9	7.9	7.7	7.7	7.7	7.8	8.0	8.5	8.6	8.6	8.4
Self-employed (80% incl. SSC)	2.6	2.6	2.6	2.8	2.8	2.9	2.8	2.7	3.3	3.0	2.9	3.1	3.3	3.3	3.1	3.1	3.1
Non-employed	1.8	1.9	2.0	2.2	2.0	2.0	2.1	2.1	2.1	2.2	2.2	2.2	2.2	2.3	2.6	2.7	2.6
<b>Capital</b>	8.4	8.8	9.5	7.8	7.9	7.5	7.7	7.3	7.4	7.1	6.7	7.7	8.2	7.7	7.7	6.8	6.9
Capital and business income	4.9	5.6	6.1	4.9	5.3	5.2	5.5	4.7	5.1	4.5	4.4	5.2	5.7	5.5	4.7	4.4	4.3
Income of corporations	2.9	3.3	3.8	2.8	3.2	2.9	3.7	3.1	3.5	3.1	2.9	3.5	4.0	3.7	3.0	2.9	2.8
Income of households	1.7	1.9	2.0	1.6	1.6	1.9	1.3	1.2	1.0	1.0	1.1	1.3	1.3	1.4	1.3	1.1	1.1
Income of self-employed (20%)	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.4	0.5	0.4	0.4	0.4	0.4
Stocks of capital / wealth	3.6	3.2	3.4	2.9	2.6	2.3	2.2	2.6	2.3	2.5	2.4	2.5	2.5	2.2	3.0	2.4	2.6
<b>D. Implicit tax rates</b>																	
<b>Labour employed</b>	34.0	36.8	38.2	38.9	38.1	38.1	37.9	37.6	38.4	37.8	37.6	38.0	39.5	40.0	39.4	39.6	39.2
Capital	-59.6	-62.2	-67.7	-57.7	-58.0	-55.2	-56.1	-53.3	-53.3	-50.5	-49.8	-58.0	-62.5	-58.6	-58.1	-51.9	-51.9
<b>Capital and business income</b>	-34.4	-39.5	-43.4	-36.1	-38.8	-38.5	-40.0	-34.5	-36.5	-32.4	-32.2	-39.4	-43.6	-41.9	-35.6	-33.8	-32.7
Corporations	19.0	21.2	25.3	18.5	21.2	18.3	22.6	20.0	23.6	20.5	19.8	25.5	28.8	30.9	27.1	24.1	24.8
Households and self-employed	-14.2	-15.8	-16.4	-15.0	-15.2	-17.3	-13.0	-11.6	-11.2	-10.4	-11.0	-13.0	-13.6	-13.7	-12.9	-11.5	-11.5

Source: Commission services

### (D) Approach using aggregate withholding tax and final assessment income tax data with certain adjustments

In some Member States the estimates of the split of the personal income tax were computed on the basis of aggregate statistics of withholding tax and the final personal income tax by assessment.

- Czech Republic: The split of the personal income tax was estimated by the Ministry of Finance. Three PIT accounts exist; the first, wage tax withheld by the employer is purely labour, the second, withholding tax, is presumed to be purely capital, and the tax paid per tax return was split. The calculations were based on data from personal income tax returns, which were grouped by category of income and by tax bracket into 20 classes. The method multiplies tax payments by proportions of the income types in the total taxpayer's income, aggregated at the level of income classes. The income types are measured as net taxable personal incomes. In calculating the split between income from employed labour and transfers, it was found that almost all the transfers were tax exempt (0.001 % of the total PIT revenue) so all were allocated to employed labour. All deductions have been allocated to the correct base class and category for the purposes of the split.
- Estonia: The split of the personal income tax was estimated by the Ministry of Finance using micro-level data from the income tax returns and withholding tax statistics. Different approaches were used for determining the PIT splits depending on data availability. Thanks to the very good quality and detail of the data for 2004, the split for this year is the most thorough. Firstly, withholding tax returns were used to derive the split in the case of resident natural persons who didn't submit the 2004 income tax return. As in the case of withholding tax returns the income is already divided between 19 different income categories, the data was grouped between income from labour, capital and transfers. Secondly withholding tax returns, where payments to non-resident natural persons are declared and divided into 11 different income sources, were used and the PIT split obtained. In both cases the allowed deductions are taken into account finding the PIT split. In the third step, based on the income tax returns, firstly PIT from self-employed labour was estimated. As from 2004, the increased basic exemption in event of pension is declared on the income tax return; it was assumed that only resident natural persons who are entitled to pension declare it and would be able to use this deduction. In the case of other income sources, i.e. income from Estonia, gains from transfer of property, other income and income from abroad, all the deductions (including basic tax allowance) were allocated proportionally over the income sources, except the special deduction for self-employed persons in agriculture, which was allocated to their income. The split for the years 2001–2003 was made based on withholding tax returns of non-resident natural persons and on income tax returns. The estimates concerning 1996–2000 were made based solely on the income tax returns data.
- Hungary (before 2009): The split of the personal income tax was estimated by the Ministry of Finance using aggregate statistical information from individual personal income tax returns and the declarations of enterprises on withholding tax. The share of the personal income tax on labour is related to the total revenue from the personal income tax by deduction of shares pertaining to capital and to self-employed income together with a weighted proportion of the tax credits from the latter.

- **Austria:** The split of the personal income tax was estimated by the Ministry of Finance using statistical information from the wage withholding tax and the final income tax by assessment. Taxes raised on income from employed labour are withheld by the employer at source, and the wage tax system is designed to approximate the final personal income tax as closely as possible, but in some cases certain repayments have to be made by the tax administration. This can for example occur if the taxpayer receives income from several jobs or pensions during one year, or if there are different payments per month or deductions for special expenses etc. As these repayments concern only wage taxpayers, the total net amount of the repayments was deducted from the total recorded wage tax, and the recorded income tax was adjusted accordingly. Also, the income from employment includes income in the form of social transfers and pension benefits received. The recorded revenue of the wage tax was also corrected for the relevant amount to arrive at the fraction of income tax levied on labour income. The revenue of the personal income tax by assessment largely reflects entrepreneurial income and income from capital. The (corrected) recorded revenue from the personal income was split between the two sources, using tax return data aggregated at the level of a number of income classes as outlined above.
- **Portugal:** The split of the personal income tax was estimated by the Ministry of Finance using information from personal income tax returns except for the amount of tax raised on capital income, which was estimated using information of both withholding taxes and personal income tax returns. The estimates are based on three data sets: (1) aggregate net taxable incomes by category of income; (2) tax liabilities by category of income or groups of categories, depending on the type of tax returns. Some households only earn income from one category of income (e.g. income from labour), and so the tax liability is directly imputable to that category but other households simultaneously earn income from more than one category (e.g. income from labour and income from self-employed labour); (3) aggregate data from withholding tax returns relating to incomes subject to a final withholding tax, which, in general, are not reported in tax returns (e.g. interest on bank deposits). The split of the personal income tax was estimated according to the following procedure. As the first step, the tax liability of households with one source of taxable personal income was directly allocated. As the second step, from the aggregates of the net taxable incomes by category of income the net taxable incomes of households with one source of income were subtracted. Third, the aggregate tax liability of households which earn more than income was split. This split was made in proportion to the aggregate taxable incomes for each category that resulted from the second step. In this step it was thus assumed that all categories of income are subject to a common average effective tax rate. Finally, the revenue from the final withholding tax was added to the relevant categories. It should be noted that this assumes that none of the incomes subject to a final withholding tax is reported in the tax return and so could result in double counting. However, in practice, it is believed that the amounts concerned are not of great magnitude.
- **Romania:** The split of personal income tax was estimated by the Ministry of Finance in collaboration with the National statistical office using aggregate statistical information of the general personal income tax revenues, and the afferent taxable base, divided on the relevant categories.

### Estimates of the split of personal income tax

The following tables present the resulting estimates for the split of the personal income tax. Looking at the estimates, there are some noticeable differences, in particular for the income tax allocated to capital and social transfer and pension benefits. By including net interest payments in the tax base of capital, for example, some Member States (e.g. Denmark and the Netherlands) have taken into account the way the tax relief for mortgage interest payments and other interest payments on loans effectively reduces the tax base of capital. This explains why the estimated fraction for personal income tax raised on capital income is sometimes relatively low (or even negative) for a number of Member States. In some Member States such deductions are less significant or non-existent, while others were unable to take the revenue effects of such specific tax base deductions yet into account. Also, some Member States were unable to estimate the amount of personal income tax on (taxable) social transfers, while others could not distinguish between different types of pension benefits. Inevitably this may have had some consequences for the implicit tax rates on labour and capital. The estimates for the amount of personal income tax allocated to capital income and social transfers and pensions would benefit from future work. What is furthermore noteworthy from the table is the fact that the personal income tax revenue allocated to (employed) labour income appears to be relatively low in Greece, Spain and Italy.

**Table F.2: Estimates for the split of personal income tax**Personal income tax revenue allocated to employed labour income  
1995–2011, in % of total revenue of personal income tax

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BE	<b>74.9</b>	<b>74.1</b>	<b>74.7</b>	<b>74.0</b>	<b>74.4</b>	<b>75.0</b>	<b>74.7</b>	<b>74.9</b>	<b>74.8</b>	<b>76.5</b>	<b>76.5</b>	<b>76.7</b>	<b>76.8</b>	<b>76.9</b>	<b>77.7</b>	<b>77.8</b>	<b>77.8</b>
BG	:	:	:	91.3	<i>88.1</i>	<b>88.2</b>	<b>88.8</b>	<b>85.9</b>	<b>89.1</b>	<b>87.8</b>	<b>85.6</b>	<b>84.1</b>	<b>84.8</b>	<b>82.5</b>	<b>86.5</b>	<b>87.7</b>	<b>85.7</b>
CZ	<i>79.7</i>	<i>79.7</i>	<i>79.7</i>	<i>79.7</i>	<i>79.7</i>	<i>79.7</i>	<i>79.7</i>	<i>80.8</i>	<i>80.9</i>	<i>82.1</i>	<i>86.7</i>	<i>89.0</i>	<i>89.5</i>	<i>93.0</i>	<i>93.1</i>	<i>96.2</i>	<i>95.3</i>
DK	<b>72.4</b>	<b>72.8</b>	<b>73.8</b>	<b>72.5</b>	<b>72.8</b>	<b>75.5</b>	<b>75.8</b>	<b>75.5</b>	<b>74.5</b>	<b>73.7</b>	<b>72.6</b>	<b>72.6</b>	<b>72.8</b>	<b>75.9</b>	<b>75.0</b>	<b>72.4</b>	<b>71.4</b>
DE	<b>75.7</b>	<b>72.9</b>	<b>73.4</b>	<b>72.4</b>	<b>70.4</b>	<b>73.6</b>	<b>75.2</b>	<b>76.3</b>	<b>76.1</b>	<b>75.0</b>	<b>72.1</b>	<b>71.8</b>	<b>69.0</b>	<b>69.4</b>	<b>69.9</b>	<b>71.0</b>	<b>71.1</b>
EE	<b>95.9</b>	<b>95.9</b>	<b>93.7</b>	<b>94.5</b>	<b>93.6</b>	<b>92.9</b>	<b>93.8</b>	<b>91.5</b>	<b>91.3</b>	<b>90.2</b>	<b>86.4</b>	<b>88.6</b>	<b>90.4</b>	<b>90.4</b>	<b>89.3</b>	<b>88.8</b>	<b>89.2</b>
IE	<b>84.3</b>	<b>84.2</b>	<b>84.0</b>	<b>83.0</b>	<b>84.2</b>	<b>83.3</b>	<b>81.7</b>	<b>81.1</b>	<b>80.2</b>	<b>80.4</b>	<i>80.4</i>	<i>80.4</i>	<b>80.5</b>	<i>80.5</i>	<i>80.5</i>	<i>80.5</i>	<i>80.5</i>
EL	<b>47.3</b>	<b>48.4</b>	<b>49.7</b>	<b>48.4</b>	<b>49.8</b>	<b>49.5</b>	<b>49.4</b>	<b>48.7</b>	<b>46.4</b>	<b>50.7</b>	<b>51.9</b>	<b>51.0</b>	<b>50.7</b>	<b>50.0</b>	<b>50.3</b>	<b>50.5</b>	<b>47.7</b>
ES	<b>65.2</b>	<b>67.0</b>	<b>67.2</b>	<b>66.5</b>	<b>66.6</b>	<b>67.9</b>	<b>69.1</b>	<b>70.1</b>	<b>70.2</b>	<b>70.9</b>	<b>69.9</b>	<b>67.2</b>	<b>68.2</b>	<b>70.9</b>	<b>72.4</b>	<b>73.0</b>	<b>73.0</b>
FR	<b>60.3</b>	<b>60.3</b>	<b>60.3</b>	<b>60.3</b>	<b>60.3</b>	<b>58.3</b>	<b>60.3</b>	<b>59.3</b>	<b>59.3</b>	<b>59.3</b>	<b>59.4</b>	<b>58.2</b>	<b>58.4</b>	<b>58.1</b>	<b>57.8</b>	<b>54.2</b>	<b>54.2</b>
IT	<b>58.9</b>	<b>57.8</b>	<b>56.7</b>	<b>55.6</b>	<b>56.4</b>	<b>56.4</b>	<b>56.0</b>	<b>56.7</b>	<b>55.4</b>	<b>54.8</b>	<b>54.9</b>	<b>54.2</b>	<b>53.9</b>	<b>55.2</b>	<b>54.8</b>	<b>54.4</b>	<b>54.4</b>
CY	<i>89.1</i>	<i>89.1</i>	<i>89.1</i>	<i>89.1</i>	<i>89.1</i>	<i>89.1</i>	<i>89.1</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>	<i>91.5</i>
LV	<b>99.5</b>	<b>99.3</b>	<b>99.2</b>	<b>98.9</b>	<b>97.5</b>	<b>95.3</b>	<b>96.5</b>	<b>95.0</b>	<b>96.8</b>	<b>97.2</b>	<b>97.5</b>	<b>96.8</b>	<b>96.8</b>	<b>96.9</b>	<b>95.3</b>	<b>92.6</b>	<b>88.7</b>
LT	<b>89.4</b>	<b>88.9</b>	<b>89.1</b>	<b>89.3</b>	<b>88.9</b>	<b>90.2</b>	<b>90.7</b>	<b>90.4</b>	<b>90.8</b>	<b>90.0</b>	<b>89.4</b>	<b>87.6</b>	<b>82.2</b>	<b>83.7</b>	<b>87.2</b>	<b>87.8</b>	<b>87.8</b>
LU	<b>69.5</b>	<b>69.5</b>	<b>68.8</b>	<b>69.6</b>	<b>71.6</b>	<b>73.8</b>	<b>75.4</b>	<b>74.7</b>	<b>73.1</b>	<b>72.5</b>	<b>73.5</b>	<b>74.5</b>	<b>75.1</b>	<i>75.1</i>	<i>75.1</i>	<i>75.1</i>	<i>75.1</i>
HU	<b>81.3</b>	<b>80.5</b>	<b>80.5</b>	<b>80.9</b>	<b>80.2</b>	<b>79.0</b>	<b>80.3</b>	<b>84.5</b>	<b>84.9</b>	<b>86.3</b>	<b>86.2</b>	<b>85.6</b>	<b>79.6</b>	<b>82.8</b>	<b>79.4</b>	<b>82.8</b>	<b>82.8</b>
MT	<i>69.2</i>	<i>69.2</i>	<i>69.2</i>	<b>71.0</b>	<b>71.0</b>	<b>70.7</b>	<b>70.9</b>	<b>71.2</b>	<b>70.8</b>	<b>69.4</b>	<b>68.6</b>	<b>69.6</b>	<b>69.5</b>	<b>70.0</b>	<b>69.8</b>	<b>70.5</b>	<b>70.3</b>
NL	<b>65.5</b>	<b>65.1</b>	<b>64.7</b>	<b>65.9</b>	<b>67.0</b>	<b>68.2</b>	<b>64.3</b>	<i>65.9</i>	<i>67.4</i>	<i>68.8</i>	<b>70.2</b>	<i>70.2</i>	<b>73.0</b>	<i>73.0</i>	<i>73.0</i>	<i>73.0</i>	<i>73.0</i>
AT	<b>62.9</b>	<b>60.4</b>	<b>62.4</b>	<b>62.2</b>	<b>62.5</b>	<b>62.9</b>	<b>59.5</b>	<b>62.0</b>	<b>63.0</b>	<b>62.4</b>	<b>63.0</b>	<b>64.0</b>	<b>64.5</b>	<b>64.7</b>	<b>63.7</b>	<b>63.2</b>	<b>63.7</b>
PL	<b>48.8</b>	<b>52.0</b>	<b>51.7</b>	<b>51.0</b>	<b>52.5</b>	<b>52.6</b>	<b>53.0</b>	<b>51.9</b>	<b>50.9</b>	<b>53.1</b>	<b>51.5</b>	<b>50.1</b>	<b>45.0</b>	<b>49.3</b>	<b>48.4</b>	<b>48.9</b>	<b>47.8</b>
PT	<b>63.1</b>	<b>63.1</b>	<b>63.1</b>	<b>63.1</b>	<b>65.1</b>	<b>64.8</b>	<b>63.5</b>	<b>64.1</b>	<b>63.5</b>	<b>63.7</b>	<b>63.5</b>	<b>63.6</b>	<b>60.6</b>	<b>59.1</b>	<b>61.4</b>	<b>61.2</b>	<b>61.2</b>
RO	<b>62.1</b>	<b>62.1</b>	<b>62.1</b>	<b>62.1</b>	<b>62.1</b>	<b>62.1</b>	<b>62.1</b>	<b>62.1</b>	<b>64.3</b>	<b>63.4</b>	<b>69.0</b>	<b>69.2</b>	<b>68.9</b>	<b>67.1</b>	<b>68.6</b>	<b>74.3</b>	<b>73.0</b>
SI	<b>89.4</b>	<b>88.9</b>	<b>89.1</b>	<b>89.3</b>	<b>88.9</b>	<b>90.2</b>	<b>90.7</b>	<b>90.4</b>	<b>90.8</b>	<b>90.0</b>	<b>89.4</b>	<b>87.6</b>	<b>82.2</b>	<b>83.7</b>	<b>87.2</b>	<b>87.8</b>	<b>87.8</b>
SK	<i>81.9</i>	<i>81.9</i>	<i>81.9</i>	<i>81.9</i>	<i>81.9</i>	<b>81.9</b>	<b>83.0</b>	<b>83.0</b>	<b>87.3</b>	<b>82.6</b>	<b>84.8</b>	<b>85.4</b>	<b>86.4</b>	<b>88.1</b>	<b>93.9</b>	<b>94.3</b>	<b>93.8</b>
FI	<b>66.1</b>	<b>67.6</b>	<b>67.3</b>	<b>68.6</b>	<b>68.3</b>	<b>67.9</b>	<b>70.3</b>	<b>70.6</b>	<b>70.3</b>	<b>68.8</b>	<b>68.2</b>	<b>67.3</b>	<b>66.3</b>	<b>69.1</b>	<b>69.1</b>	<b>67.4</b>	<b>66.7</b>
SE	<b>71.5</b>	<b>70.9</b>	<b>70.6</b>	<b>71.1</b>	<b>68.8</b>	<b>67.6</b>	<b>71.1</b>	<b>71.6</b>	<b>69.0</b>	<b>68.4</b>	<b>68.3</b>	<b>66.3</b>	<b>66.3</b>	<b>69.8</b>	<b>68.9</b>	<b>69.1</b>	<b>73.1</b>
UK	<b>76.4</b>	<b>75.5</b>	<b>74.6</b>	<b>74.3</b>	<b>74.5</b>	<b>75.8</b>	<b>75.2</b>	<b>74.9</b>	<b>74.2</b>	<b>73.6</b>	<b>73.7</b>	<b>73.1</b>	<b>73.0</b>	<b>72.4</b>	<b>73.3</b>	<b>73.5</b>	<b>74.1</b>
NO	<b>74.3</b>	<b>74.2</b>	<b>74.6</b>	<b>75.4</b>	<b>75.2</b>	<b>73.8</b>	<b>74.1</b>	<b>75.4</b>	<b>76.3</b>	<b>75.6</b>	<b>73.6</b>	<b>75.0</b>	<b>73.6</b>	<b>74.9</b>	<b>73.4</b>	<b>72.7</b>	<b>72.7</b>

Note: The numbers printed in bold are the actual estimates; the numbers printed in italics represent either linear interpolation or fractions that were assumed to remain constant.

Source: Commission services

**Table F.3: Estimates for the split of personal income tax**Personal income tax revenue allocated to income of the self-employed  
1995–2011, in % of total revenue of personal income tax

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BE	<b>12.7</b>	<b>13.0</b>	<b>12.2</b>	<b>12.9</b>	<b>13.2</b>	<b>12.9</b>	<b>12.5</b>	<b>12.1</b>	<b>12.2</b>	<b>12.5</b>	<b>12.5</b>	<b>12.7</b>	<b>12.4</b>	<b>12.2</b>	<b>12.1</b>	<b>12.4</b>	<b>12.4</b>
BG	:	:	:	6.4	8.8	9.6	8.6	11.1	8.7	10.1	11.9	11.8	11.5	11.0	8.4	8.7	10.4
CZ	<i>16.5</i>	<i>16.5</i>	<i>16.5</i>	<i>16.5</i>	<i>16.5</i>	<i>16.5</i>	<i>16.5</i>	<i>16.0</i>	<i>15.9</i>	<i>15.1</i>	<i>10.8</i>	<i>8.8</i>	<i>8.2</i>	<i>4.6</i>	<i>4.6</i>	<i>1.9</i>	<i>2.5</i>
DK	<b>5.7</b>	<b>5.6</b>	<b>5.4</b>	<b>6.1</b>	<b>6.3</b>	<b>5.5</b>	<b>6.0</b>	<b>5.2</b>	<b>5.2</b>	<b>5.2</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>4.3</b>	<b>4.0</b>	<b>4.3</b>	<b>4.7</b>
DE	<b>19.0</b>	<b>22.1</b>	<b>21.4</b>	<b>22.4</b>	<b>24.2</b>	<b>21.3</b>	<b>20.1</b>	<b>19.2</b>	<b>17.1</b>	<b>18.3</b>	<b>20.8</b>	<b>20.5</b>	<b>22.7</b>	<b>22.3</b>	<b>21.6</b>	<b>21.1</b>	<b>21.1</b>
EE	<b>2.2</b>	<b>2.2</b>	<b>2.5</b>	<b>3.3</b>	<b>2.1</b>	<b>2.0</b>	<b>2.3</b>	<b>2.4</b>	<b>2.2</b>	<b>1.8</b>	<b>2.0</b>	<b>2.1</b>	<b>1.5</b>	<b>1.3</b>	<b>1.0</b>	<b>1.1</b>	<b>1.6</b>
IE	<b>10.9</b>	<b>10.8</b>	<b>10.9</b>	<b>11.2</b>	<b>11.1</b>	<b>11.1</b>	<b>11.9</b>	<b>13.3</b>	<b>11.8</b>	<b>11.4</b>	<i>11.4</i>	<i>11.4</i>	<b>11.2</b>	<b>11.2</b>	<b>11.2</b>	<b>11.2</b>	<b>11.2</b>
EL	<b>27.9</b>	<b>26.5</b>	<b>24.5</b>	<b>25.9</b>	<b>23.8</b>	<b>24.5</b>	<b>24.2</b>	<b>24.8</b>	<b>29.3</b>	<b>23.2</b>	<b>20.3</b>	<b>20.2</b>	<b>19.7</b>	<b>19.5</b>	<b>17.8</b>	<b>16.2</b>	<b>20.7</b>
ES	<b>15.1</b>	<b>14.5</b>	<b>14.9</b>	<b>14.6</b>	<b>14.4</b>	<b>13.3</b>	<b>12.7</b>	<b>12.7</b>	<b>12.8</b>	<b>12.5</b>	<b>11.7</b>	<b>10.9</b>	<b>10.9</b>	<b>9.1</b>	<b>7.9</b>	<b>7.9</b>	<b>7.9</b>
FR	<b>15.9</b>	<b>15.9</b>	<b>15.9</b>	<b>15.9</b>	<b>15.9</b>	<b>17.9</b>	<b>17.4</b>	<b>16.9</b>	<b>16.9</b>	<b>16.8</b>	<b>16.8</b>	<b>15.7</b>	<b>15.4</b>	<b>14.8</b>	<b>14.2</b>	<b>14.9</b>	<b>14.9</b>
IT	<b>16.2</b>	<b>16.9</b>	<b>17.5</b>	<b>18.2</b>	<b>18.6</b>	<b>19.0</b>	<b>18.6</b>	<b>17.6</b>	<b>18.9</b>	<b>18.6</b>	<b>18.1</b>	<b>19.1</b>	<b>19.8</b>	<b>18.3</b>	<b>16.7</b>	<b>16.6</b>	<b>16.6</b>
CY	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>3.3</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>	<i>5.1</i>
LV	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>
LT	<b>5.7</b>	<b>5.8</b>	<b>5.5</b>	<b>5.1</b>	<b>5.7</b>	<b>4.9</b>	<b>4.6</b>	<b>4.8</b>	<b>4.9</b>	<b>5.3</b>	<b>5.5</b>	<b>5.0</b>	<b>7.0</b>	<b>6.0</b>	<b>4.7</b>	<b>4.2</b>	<b>4.2</b>
LU	<b>12.1</b>	<b>12.1</b>	<b>11.6</b>	<b>13.3</b>	<b>10.2</b>	<b>10.5</b>	<b>8.2</b>	<b>9.8</b>	<b>9.7</b>	<b>10.1</b>	<b>9.5</b>	<b>10.0</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>	<b>9.9</b>
HU	<b>5.5</b>	<b>5.7</b>	<b>6.9</b>	<b>5.6</b>	<b>5.2</b>	<b>5.1</b>	<b>4.6</b>	<b>4.7</b>	<b>3.8</b>	<b>3.6</b>	<b>3.4</b>	<b>3.3</b>	<b>3.1</b>	<b>3.1</b>	<b>3.3</b>	<b>3.8</b>	<b>5.5</b>
MT	<i>9.0</i>	<i>9.0</i>	<i>9.0</i>	<b>8.1</b>	<b>7.9</b>	<b>8.2</b>	<b>8.0</b>	<b>8.0</b>	<b>8.1</b>	<b>8.1</b>	<b>8.3</b>	<b>8.2</b>	<b>8.5</b>	<b>7.9</b>	<b>7.6</b>	<b>6.9</b>	<b>7.4</b>
NL	<b>18.5</b>	<b>19.6</b>	<b>20.7</b>	<b>21.6</b>	<b>22.5</b>	<b>23.4</b>	<b>23.4</b>	<i>20.8</i>	<i>18.4</i>	<i>16.2</i>	<b>14.1</b>	<i>14.1</i>	<b>14.0</b>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>	<i>14.0</i>
AT	<b>17.6</b>	<b>19.5</b>	<b>17.4</b>	<b>17.8</b>	<b>17.2</b>	<b>17.0</b>	<b>20.4</b>	<b>16.9</b>	<b>15.1</b>	<b>16.5</b>	<b>16.3</b>	<b>14.8</b>	<b>14.3</b>	<b>13.8</b>	<b>14.9</b>	<b>14.7</b>	<b>14.1</b>
PL	<b>22.4</b>	<b>18.5</b>	<b>22.3</b>	<b>23.2</b>	<b>28.8</b>	<b>26.5</b>	<b>26.3</b>	<b>25.4</b>	<b>25.6</b>	<b>24.6</b>	<b>24.9</b>	<b>25.0</b>	<b>30.4</b>	<b>28.5</b>	<b>27.7</b>	<b>27.1</b>	<b>27.9</b>
PT	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>	<b>9.6</b>	<b>9.2</b>	<b>10.6</b>	<b>9.1</b>	<b>8.7</b>	<b>9.2</b>	<b>9.1</b>	<b>8.9</b>	<b>9.1</b>	<b>8.4</b>	<b>7.9</b>	<b>7.4</b>	<b>7.4</b>
RO	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.7</b>	<b>3.8</b>	<b>4.1</b>	<b>4.8</b>	<b>5.4</b>	<b>5.8</b>	<b>4.3</b>	<b>4.8</b>	<b>4.6</b>
SI	<b>5.7</b>	<b>5.8</b>	<b>5.5</b>	<b>5.1</b>	<b>5.7</b>	<b>4.9</b>	<b>4.6</b>	<b>4.8</b>	<b>4.9</b>	<b>5.3</b>	<b>5.5</b>	<b>5.0</b>	<b>7.0</b>	<b>6.0</b>	<b>4.7</b>	<b>4.2</b>	<b>4.2</b>
SK	<i>13.1</i>	<i>13.1</i>	<i>13.1</i>	<i>13.1</i>	<i>13.1</i>	<b>13.1</b>											

**Table F.4: Estimates for the split of personal income tax**

Personal income tax revenue allocated to social transfers and pensions  
1995–2011, in % of total revenue of personal income tax

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BE	14.0	14.5	14.7	14.6	14.1	13.7	13.9	14.0	14.4	12.1	12.1	12.2	12.7	13.1	13.7	14.1	14.1
BG	.	.	.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CZ	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DK	25.3	25.3	23.9	23.2	22.3	21.8	21.5	22.1	23.2	23.2	22.6	22.2	21.5	22.2	25.0	24.6	24.7
DE	3.3	2.7	2.9	2.7	2.8	2.5	2.4	2.3	2.8	2.8	3.2	3.3	3.3	3.4	3.5	3.6	3.6
EE	0.5	0.5	0.4	0.3	3.2	2.7	2.2	3.3	3.3	6.0	5.9	5.0	3.9	5.2	8.4	8.2	6.8
IE	1.5	1.5	1.3	1.2	1.0	1.0	0.8	0.8	1.2	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
EL	13.3	13.7	14.0	13.7	14.0	14.0	14.3	14.2	12.2	14.1	16.0	17.0	18.1	19.1	20.6	22.1	19.7
ES	5.5	6.0	6.4	6.3	5.4	5.7	6.2	6.2	6.2	6.3	6.6	6.6	6.2	6.6	7.4	8.9	8.9
FR	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	17.3	16.5	16.7	16.9	17.7	18.5	20.0	20.0
IT	20.1	20.5	20.8	21.3	19.3	20.2	21.0	21.2	21.2	21.7	21.9	21.7	21.0	21.3	23.1	23.5	23.5
CY	6.9	6.9	6.9	6.9	6.9	6.9	6.9	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
LV	0.0	0.0	0.1	0.4	1.5	1.6	1.6	1.6	1.6	1.7	1.9	1.7	0.9	2.1	3.6	4.7	5.2
LT	3.4	3.3	3.4	3.7	3.6	3.2	3.0	2.8	2.6	2.5	2.5	2.3	2.1	2.2	2.3	2.5	2.5
LU	12.7	12.6	13.5	11.6	11.5	10.8	9.8	9.7	11.5	11.4	11.9	11.7	11.4	11.4	11.4	11.4	11.4
HU	8.7	6.5	6.5	6.8	6.7	6.6	6.7	1.5	1.6	1.6	1.8	1.9	7.4	8.4	3.4	2.6	0.8
MT	13.2	13.2	13.2	13.8	14.3	14.5	14.5	14.6	14.8	15.1	15.7	16.5	16.3	16.3	16.9	17.8	17.4
NL	16.8	16.1	15.4	15.3	15.2	15.1	11.4	12.5	13.5	14.5	15.5	15.5	13.0	13.0	13.0	13.0	13.0
AT	17.2	17.5	17.8	17.6	18.3	18.2	17.8	19.2	20.1	19.1	18.3	18.6	18.5	18.6	18.9	19.6	19.8
PL	28.3	28.8	25.4	24.9	16.9	16.8	17.7	17.4	17.7	18.1	16.9	17.3	15.6	15.6	17.3	17.5	17.6
PT	8.7	8.7	8.7	8.7	9.1	9.6	10.4	11.3	12.4	13.5	14.2	14.9	15.6	15.8	17.4	18.3	18.3
RO	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.5	1.1	1.4	1.9	1.9	4.5	5.7	5.3
SI	3.4	3.3	3.4	3.7	3.6	3.2	3.0	2.8	2.6	2.5	2.5	2.3	2.1	2.2	2.3	2.5	2.5
SK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FI	23.3	22.1	20.7	19.2	18.1	17.2	16.4	17.5	17.9	18.4	18.5	18.3	17.8	17.4	19.0	20.1	20.1
SE	27.8	25.5	24.3	23.6	22.8	21.7	22.7	23.8	26.5	26.3	23.9	24.1	22.4	22.9	24.1	22.5	21.3
UK	1.5	1.6	1.5	1.6	1.5	1.5	1.6	1.7	1.7	1.7	1.6	1.7	1.7	1.7	1.2	1.9	2.2
NO	9.2	9.3	9.3	10.0	10.0	9.8	9.9	9.5	9.7	9.9	9.8	9.9	9.9	9.8	10.5	10.8	10.8

Note: The numbers printed in bold are the actual estimates; the numbers printed in italics represent either linear interpolation or fractions that were assumed to remain constant.

Source: Commission services

## Effective average tax rate

The methodology used for the calculation of the effective tax rates is set out by Devereux and Griffith (1999, 2003), and has also been used in an earlier study by the European Commission in 2001<sup>(81)</sup>.

The basic approach proposed by Devereux and Griffith (1999, 2003) is to consider a hypothetical incremental investment located in a specific country undertaken by a company resident possibly in the same country, but also possibly in another country. Given a post-tax real rate of return required by the company's shareholder, it is possible to use the tax code to compute the implied required pre-tax real rate of return, known as the cost of capital<sup>(82)</sup>. The proportionate difference between the cost of capital and the required post-tax real rate of return is known as the effective marginal tax rate (EMTR)<sup>(83)</sup>.

This approach is based on the presumption that firms undertake all investment projects which earn at least the required rate of return. For a given required post-tax rate of return, the more severe the tax system, the higher is the cost of capital, and hence the less likely that any specific investment project will be undertaken.

A complementary approach is to consider discrete choices for investment, and in particular the discrete location choice. If two locations are mutually exclusive, then the company must choose between them. In this case, the impact of taxation on the choice is measured by the proportion of total income taken in tax in each location. Devereux and Griffith (1999, 2003) proposed a measure of an effective average tax rate (EATR)<sup>(84)</sup> to identify the effect of taxation on such discrete location choices.

<sup>(81)</sup> European Commission (2001a)

<sup>(82)</sup> In the absence of personal taxes, the company is assumed to be required to earn a post-tax real rate of return of 5%. The cost of capital is the implied required pre-tax real rate of return. The cost of capital is calculated for each of 15 different types of investment (5 assets, each possibly financed from 3 sources).

<sup>(83)</sup> The EMTR is a straightforward calculation as the proportionate difference between the cost of capital and the post-tax real rate of return of 5%. The EMTR is not represented in the tables, since, in the absence of personal taxes, it does not provide more information than the cost of capital.

<sup>(84)</sup> The effective average tax rate is in principle the relevant rate for analysing discrete investment choices, such as where to locate. The EATR is calculated for each of 15 different types of investment (5 assets, each possibly financed from 3 sources). However, now there is not only a post-tax real rate of return required by the shareholder, but also a fixed pre-tax real rate of 20%, while the minimum required post-tax real rate of return (in the absence of personal taxes) remains at 5%. This generates an

In both cases, the hypothetical investment takes place in one period and generates a return in the next period. It is assumed throughout that the tax system is expected to remain unchanged over the life of the investment. The impact of taxation depends on a number of features of the tax system, including the statutory tax rate, capital allowances, the treatment of foreign source income, wealth taxes paid by the company, as well as possibly the treatment at the corporate and personal level of dividends paid by the company, and wealth and capital gains taxes at the personal level.

The forward-looking effective tax rates offer a convenient theoretical framework for summarising at a broad level the interaction of tax rules relating to capital investment. It should be noted that the indicator should be interpreted with caution, taking into account the assumptions related to the hypothetical investment as well as to the modelling detail of the tax systems under consideration. The measures presented here should also be distinguished from backward-looking approaches, as derived from published data on tax payments, either from company accounting records or from tax receipts. The latter offer the advantage that they are based on real-life data, but are subject to a number of limitations when analysing investment decisions: time lags in information and a lack of framework to distinguish between economic effects and tax effects, and the absence of a time perspective.

### **A) Economic assumptions**

Several assumptions need to be made in order to define the hypothetical investment project analysed in this report, and the economic conditions under which it would take place. The following is assumed:

- The investment is made in the manufacturing sector.
- The shareholder is assumed to be able to earn a real rate of return of 5% on an alternative investment. If the alternative investment is not taxed, this is also the post-tax return required by the shareholder on the hypothetical investment analysed. Any tax on the alternative asset reduces the required post-tax rate of return on the hypothetical investment.
- The inflation rate is assumed to be 2% in all countries.
- Separate investments in five different assets are considered. They are as follows, together with the true economic depreciation rate assumed in each case (based on a study from the Ifo Institute in Munich): intangibles (taken for tax purposes here to be the purchase of a patent) (depreciation rate of 15.35%); industrial buildings (3.1%); machinery (17.5%); financial assets (zero); and inventories (zero). In presenting averages over different forms of investment, these assets are weighted equally.
- Three sources of finance for investment in each asset are separately considered: retained earnings, new equity and debt. In presenting averages over different forms of investment, weights used are taken from OECD (1991): retained earnings 55%, new equity 10% and debt 35%.
- The shareholder taxation in the personal income tax is assumed to be zero. Only corporate taxation is considered.

### **B) Description of the tax parameters**

Common figures to all countries for the real rate of return, the inflation rate, the true economic depreciation on assets and the weights for investments and sources of finance are used in order to identify differences in effective tax rates due to tax regimes, rather than due to differences in underlying economic conditions.

The types of parameters incorporated into the model are as follows:

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investment project with a positive net present value. The EATR is a measure of the present value of taxes paid expressed as a proportion of the net present value of the income stream (excluding the initial cost of the investment).



- statutory corporation tax rates, including surcharges and typical local tax rates on profit, as well as various special rates which apply to specific forms of income or expenditure;
- corporate real estate taxes, net wealth taxes and other non-profit taxes on assets;

capital allowances for industrial buildings, machinery, intangibles (the purchase of a patent) and the tax treatment of financial assets and inventories.

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Luxembourg: Publications Office of the European Union

201%— %## pp. — 21 x 29,7 cm

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Publications Office

ISBN 978-92-79-28852-4

ISBN 978-92-79-28852-4



9 789279 288524