

Bulgaria

Table BG.1: Tax Revenue

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ranking 2019	Revenue 2019 (billion euros)
A. Structure by type of tax															
as % of GDP															
Indirect taxes	16.2	17.0	14.4	14.3	13.8	15.0	15.7	15.0	15.7	15.6	15.2	15.2	15.6	6	9.6
VAT	9.8	10.4	8.4	8.7	8.1	9.0	9.3	8.9	8.9	9.1	8.9	9.1	9.2	5	5.6
Taxes and duties on imports excluding VAT	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	15	0.1
Taxes on products, except VAT and import duties	5.6	5.8	5.2	5.0	5.0	5.1	5.2	4.9	5.4	5.3	5.1	4.6	4.8	5	2.9
Other taxes on production	0.4	0.5	0.5	0.5	0.5	0.8	0.9	1.0	1.2	1.0	1.0	1.3	1.5	14	0.9
Direct taxes	7.7	6.3	5.5	5.1	4.8	4.9	5.4	5.6	5.6	5.8	6.0	6.0	5.8	26	3.5
Personal income taxes	3.0	2.8	2.8	2.8	2.7	2.8	2.9	3.2	3.1	3.1	3.3	3.3	3.3	25	2.1
Corporate income taxes	4.1	3.0	2.4	1.9	1.8	1.7	2.1	2.0	2.1	2.2	2.2	2.2	2.0	21	1.2
Other	0.6	0.6	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.4	17	0.3
Social contributions	7.7	7.4	7.2	6.7	6.7	6.8	7.5	7.8	7.8	7.7	8.3	8.7	8.9	23	5.4
Employers'	5.3	4.6	4.3	4.3	4.3	4.0	4.5	4.7	4.7	4.7	5.0	5.3	5.4	19	3.3
Households'	2.4	2.8	2.9	2.4	2.4	2.8	2.9	3.1	3.1	3.1	3.3	3.4	3.5	19	2.1
Less: capital transfers (1)	:	:	:	:	:	:	:	:	:	:	:	:	:		
Total	31.6	30.7	27.1	26.1	25.4	26.7	28.5	28.5	29.1	29.1	29.4	30.0	30.3	24	18.5
B. Structure by level of government															
as % of total taxation															
Central government	72.4	72.2	70.0	71.0	69.9	71.0	70.2	68.9	69.7	69.5	68.3	67.3	67.2	8	12.5
State government (2)	:	:	:	:	:	:	:	:	:	:	:	:	:		
Local government	2.6	2.9	2.8	2.9	3.0	2.9	2.9	3.0	2.9	3.2	3.1	3.0	2.9	20	0.5
Social security funds	24.4	24.1	26.6	25.6	26.4	25.5	26.2	27.5	26.8	26.6	28.1	28.9	29.3	18	5.4
EU institutions	0.6	0.8	0.7	0.6	0.6	0.5	0.6	0.6	0.6	0.7	0.6	0.7	0.6	7	0.1
C. Structure by economic function															
as % of GDP															
Consumption	15.7	16.5	13.9	13.8	13.4	14.2	14.8	14.2	14.6	14.7	14.3	14.1	14.3	4	8.8
Labour	9.8	9.2	9.1	8.6	8.4	8.6	9.3	9.9	9.8	9.9	10.4	10.9	11.1	26	6.8
of which on income from employment	9.8	9.2	9.1	8.6	8.4	8.6	9.3	9.9	9.8	9.9	10.4	10.9	11.1	25	6.8
Paid by employers	5.3	4.6	4.4	4.3	4.3	4.0	4.5	4.8	4.7	4.7	5.0	5.3	5.4	21	3.3
Paid by employees	4.5	4.6	4.7	4.3	4.1	4.6	4.8	5.2	5.1	5.2	5.4	5.6	5.7	25	3.5
Paid by 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	0.0	27	0.0
Capital	6.1	5.0	4.2	3.8	3.6	3.9	4.4	4.4	4.7	4.5	4.7	5.0	4.8	21	3.0
Income of corporations	4.3	3.2	2.6	2.1	1.9	1.9	2.2	2.1	2.2	2.3	2.3	2.3	2.1	22	1.3
Income of households	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	21	0.2
Income of self-employed	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.8	0.8	16	0.5
Stock of capital	0.8	0.9	0.7	0.7	0.7	1.0	1.1	1.1	1.4	1.2	1.2	1.5	1.7	12	1.0

Table BG.1: Tax Revenue (continued)

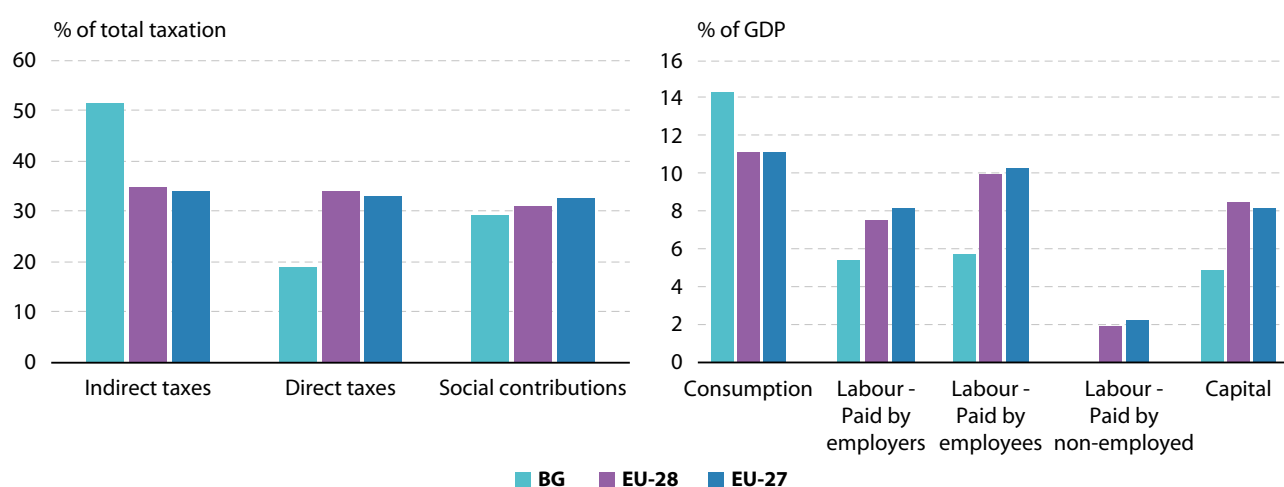
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ranking 2019	Revenue 2019 (billion euros)
D. Environmental taxes	as % of GDP														
Environmental taxes	3.2	3.3	2.8	2.8	2.7	2.7	2.9	2.8	3.1	2.9	2.9	2.9	3.1	8	1.9
Energy	2.8	2.8	2.5	2.4	2.4	2.4	2.6	2.5	2.8	2.5	2.5	2.6	2.8	4	1.7
of which transport fuel taxes	2.7	2.8	2.4	2.4	2.3	2.3	2.4	2.3	2.4	2.1	2.1	1.8	1.9	5	
Transport	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	18	0.2
Pollution and resources	0.08	0.13	0.07	0.08	0.08	0.05	0.08	0.07	0.07	0.07	0.06	0.06	0.05	14	0.0
E. Property taxes	as % of GDP														
Taxes on property	0.7	0.7	0.5	0.5	0.5	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	20	0.5
Recurrent taxes on immovable property	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	21	0.2
Other taxes on property	0.5	0.5	0.3	0.2	0.2	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	18	0.3
F. Implicit tax rates	%														
Consumption	19.4	21.3	18.8	18.2	18.0	18.4	19.9	18.9	20.1	20.7	20.2	19.9	20.7	9	
Labour	30.4	27.4	25.7	23.4	23.8	23.5	23.4	24.3	23.9	23.8	24.4	24.7	25.4	26	
G. Payable tax credits	as % of GDP														
Total payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Tax expenditure component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Transfer component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Total tax revenue adjusted for payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	

(¹) Representing taxes assessed but unlikely to be collected.

(²) This level refers to the *Länder* in Austria and Germany, the *gewesten and gemeenschappen / régions et communautés* in Belgium, and the *comunidades autónomas* in Spain.

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Figure BG.1: Tax revenues by main taxes, 2019
(in % of total taxation (left graph) and in % of GDP (right graph))



Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Table BG.2: Latest tax reforms

Description of measure	Change	Date
Personal income tax: Earned income		
Increase of tax relief for children (Art. 22c, PITA) - BGN 4 500 (previously BGN 200) deduction from the sum total of the annual tax bases per each child (up to 3rd) who has not attained legal majority and tax relief for children with disabilities (Art. 22d, PITA) - BGN 9 000 (previously BGN 2 000) deduction from the sum total of the annual tax bases per child with disability of 50 per cent and more.	Base decrease	Legislation: 8-12-2020 In force from: 1-1-2021
Introduction of tax relief for improvements and/or renovation of residential property - deduction of the payments made during the year for labour remuneration in relation to improvements and/or renovation of a residential property amounting up to BGN 2 000 from the total sum of the annual tax bases, when certain conditions are simultaneously fulfilled.	Base decrease	Legislation: 8-12-2020 In force from: 1-1-2021
Social security contributions: Employee		
Increase in minimum monthly insurance incomes on which the social security contributions of employees are levied and which are set at the level of the national minimum wage - from BGN 610 to BGN 650.	Base increase	Legislation: 4-12-2020 In force from: 1-1-2021
Social security contributions: Employer		
Increase in minimum monthly insurance incomes of employees on which the social security contributions of employers are levied and which are set at the level of the national minimum wage - from BGN 610 to BGN 650.	Base increase	Legislation: 4-12-2020 In force from: 1-1-2021
Social security contributions: Self-employed		
Increase in minimum monthly insurance income for self-employed persons to the level of the national minimum wage - from BGN 610 to BGN 650.	Base increase	Legislation: 4-12-2020 In force from: 1-1-2021
Value-added tax		
Reduction the VAT tax rate from 20% to 9% for the supply of restaurant and catering services (excluding spirits), books, food suitable for babies or young children, baby diapers and similar baby hygiene products, certain touristic services and the use of sport facilities.	Rate decrease	Announcement: 19-06-2020 Legislation: 19-06-2020 In force from: 1-07-2020
Exemption with deductibility of VAT paid at the preceding stage in respect of the supply and Intra-Community acquisitions of COVID-19 vaccines and in vitro diagnostic medical devices. Such an exemption applies also to the services closely linked to such vaccines and devices.	Rate decrease	Announcement: 10-12-2020 Legislation: 10-12-2020 In force from: 1-1-2021
Pursuant to Commission's Decision 2020/491, Council Decree № 75 of 2007 of the Council of Ministers of Republic of Bulgaria allowed for exemption from VAT and customs duties of the importation of certain medical goods necessary to combat the effects of the COVID-19 pandemic outbreak. The relief applied to importations made from 30 January 2020 to 30 April 2021. Eligible for the relief and exemption of VAT were the goods imported by State organisations. The goods and organisations are exhaustively listed in annexes to Council Decree № 75.	Rate decrease	Announcement: 23-04-2020 26-08-2020 Legislation: 23-04-2020 26-08-2020 In force from: 30-01-2020
Introduction of the VAT package for e-commerce in the national VATA. New rules are introduced in accordance with the provisions of: Council Directive (EU) 2017/2455 of 5 December 2017 amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods; Council Directive (EU) 2019/1995 of 21 November 2019 amending Directive 2006/112/EC as regards provisions relating to distance sales of goods and certain domestic supplies of goods; Council Implementing Regulation (EU) 2019/2026 of 21 November 2019 amending Implementing Regulation (EU) No 282/2011 as regards supplies of goods or services facilitated by electronic interfaces and the special schemes for taxable persons supplying services to non-taxable persons, making distance sales of goods and certain domestic supplies of goods.	Neutral	Legislation: 8-12-2020 In force from: 1-7-2021