

# Taxation trends in the European Union

Data for the EU Member States, Iceland and Norway



2015 edition



**DG Taxation and  
Customs Union**

**eurostat** 



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## Preface

Taxation affects the lives of every one of us. It shapes the relationship between citizens, businesses and the state, and has an impact on politics, the economy and society. In the European Union, many policy makers, academics and ordinary citizens are interested to know more about how Member States' tax revenues and tax systems compare with each other. The 2015 edition of *Taxation trends in the European Union*, now in its ninth issue, provides some answers to these questions. The aim of the report is to give an overview of trends in taxation revenues, tax structures and reforms over recent years.

'Taxation trends' continues to evolve, and some new features can be found in this year's edition. The content and layout of the country chapters have been revamped, with the descriptive text on national tax reforms and the main features of the tax systems being replaced by summary tables, which it is hoped will enhance readability and comparability. These tables were drawn up with valuable contributions from experts of the Ministries of Finance in all the countries covered by the report. We would like to express our special thanks for their many inputs and help without which the report would not have been possible.

The report is structured in separate country chapters covering the 28 EU Member States, Iceland and Norway. For each country, statistics are provided on total tax revenues as a percentage of GDP and their main components for the years 2004 to 2013. These are supplemented by factual tables presenting the latest tax reforms in each country and the main features of the national tax systems for personal and corporate taxes, VAT, social contributions and wealth and transaction taxes.

The statistics in this edition are based on the new European System of National and Regional Accounts (ESA 2010), which is a major development of the previous system of 1995. Progress has been achieved in the harmonisation of methodology and in the precision and accuracy of the concepts, definitions, classifications and accounting rules.

For reasons of timing, the detailed statistical annexes have not been included in this paper publication, but will be made available in due course on the websites of Eurostat and DG Taxation and Customs Union. Further useful information is 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 most important taxes in force in the EU Member States.

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## Background information

*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 Union.

The Commission staff wishes to thank the Working Group on the Structures of the Taxation Systems, composed of experts from the national Finance Ministries and run by DG TAXUD, for their very helpful oral and written contributions to the report. 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 obtained via the EU bookshop (<http://bookshop.europa.eu>).

## Additional information

The National Tax Lists for all EU countries, showing tax revenues for all major taxes, will be published online (see the sites 'Economic analysis of taxation' and '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 (TEDB).

# Acknowledgements

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## Introduction

This year's report on 'Taxation trends in the EU' contains a number of innovations in structure and content compared with previous editions. As before, the publication presents taxation data and information for the twenty-eight Member States, Iceland and Norway. However, the presentation of information by country has been substantially revamped to make it easier to find specific information on tax reforms and features of the tax systems, while also enhancing the comparability of information across countries.

The main body of the report is a set of 'country chapters' which give an overview of the main trends in taxation for each of the 30 countries covered by the report. The chapters have a standardised layout:

- The first page of each chapter contains a summary table of the country's tax revenues under the main tax headings for the period 2004 to 2013, along with some graphs highlighting trends in these tax indicators. The data come from Eurostat's [on-line database](#) and were extracted on 8 October 2015. For more detailed and updated data the reader should consult this website. In the tables, two indicators of total tax revenue to GDP are presented which differ in terms of their treatment of social contributions. The first includes only actual compulsory contributions; the second includes actual compulsory contributions, but also imputed and voluntary contributions. The graphs presented use the first of these indicators.
- This is followed by a table of the main tax reforms in the country concerned. The period covered is from mid-2014 to mid-2015. The reforms are categorized by type of measure (VAT, corporate income tax, personal income tax, etc.) and a brief description is provided along with the direction of change of the reform (base increase/decrease, rate increase/decrease).
- The final set of tables in the country chapters provides a snapshot of the main features of the national tax systems (personal and corporate taxes, VAT, social contributions and wealth and transaction taxes). The content of these tables reflects the legislation in place on 1 January 2015, unless otherwise indicated, and is derived from more extensive information provided by national Finance Ministries which is available on-line in the 'Taxes in Europe Database' ([TEDB](#)).

At the end of the report the reader will find reference tables containing series on statutory tax rates — for corporate income, personal income and VAT, as well as tables of effective tax rates and tax wedges.

As a complement to this report, a new [DG TAXUD website](#) has been created dedicated to the economic analysis of taxation. As well as enabling users to download the information contained in the 'Taxation trends' report, the site provides links to numerous other sources of data, information and analytical reports in the field of taxation.

Regular readers of 'Taxation trends' will note some other changes in this edition. The detailed statistical annexes, and in particular the data by economic function, which were included in previous editions of the report, have not been included this year for reasons of timing related to the implementation of the new national accounts system. However, these data will be published on-line on the [Eurostat website](#) (online data code: [gov\\_10a\\_taxag](#)) and on the [DG TAXUD website](#).

Finally, it is important to note that the data in the report are based on the methodology of the *European System of Accounts (ESA 2010)*. The previous system (ESA 95) was replaced last year by ESA 2010 which differs in scope as well as in concepts from its predecessor. Consequently, the data in this year's edition will differ slightly from those published in previous years. For more information, please see the methodological note at the end of the report.

# **National tax systems: Structure and recent developments**



# Austria

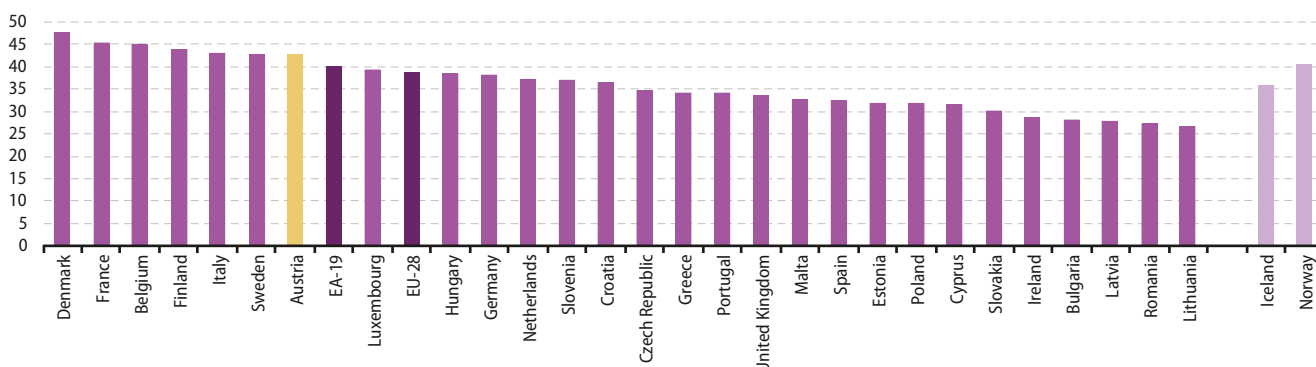
## Structure and development of tax revenues

Table AT.1: Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. Indirect taxes	14.6	14.4	14.0	13.9	14.0	14.4	14.3	14.4	14.6	14.5
VAT	7.7	7.7	7.4	7.4	7.5	7.7	7.7	7.6	7.7	7.7
II. Direct taxes	13.3	12.8	12.7	13.2	13.7	12.5	12.5	12.6	12.9	13.5
Personal income	10.0	9.6	9.6	9.8	10.3	9.8	9.7	9.7	10.0	10.2
Corporate income	2.3	2.3	2.2	2.5	2.6	1.8	2.0	2.1	2.1	2.2
III. Social Contributions ( compulsory actual contributions)	14.1	14.0	13.9	13.6	13.8	14.2	14.1	14.1	14.2	14.6
Employers'	6.6	6.6	6.5	6.4	6.5	6.6	6.6	6.6	6.7	6.8
Households'	7.5	7.4	7.4	7.2	7.3	7.6	7.5	7.5	7.5	7.8
IV. 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
<b>V. Total (I + II + III – IV)</b>	<b>42.0</b>	<b>41.1</b>	<b>40.5</b>	<b>40.7</b>	<b>41.6</b>	<b>41.1</b>	<b>41.0</b>	<b>41.1</b>	<b>41.8</b>	<b>42.7</b>
VI. Social contributions (imputed + voluntary contributions)	1.2	1.0	0.9	0.9	0.8	0.9	0.8	0.8	0.7	0.7
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	<b>43.2</b>	<b>42.1</b>	<b>41.5</b>	<b>41.5</b>	<b>42.4</b>	<b>42.0</b>	<b>41.8</b>	<b>41.9</b>	<b>42.5</b>	<b>43.4</b>

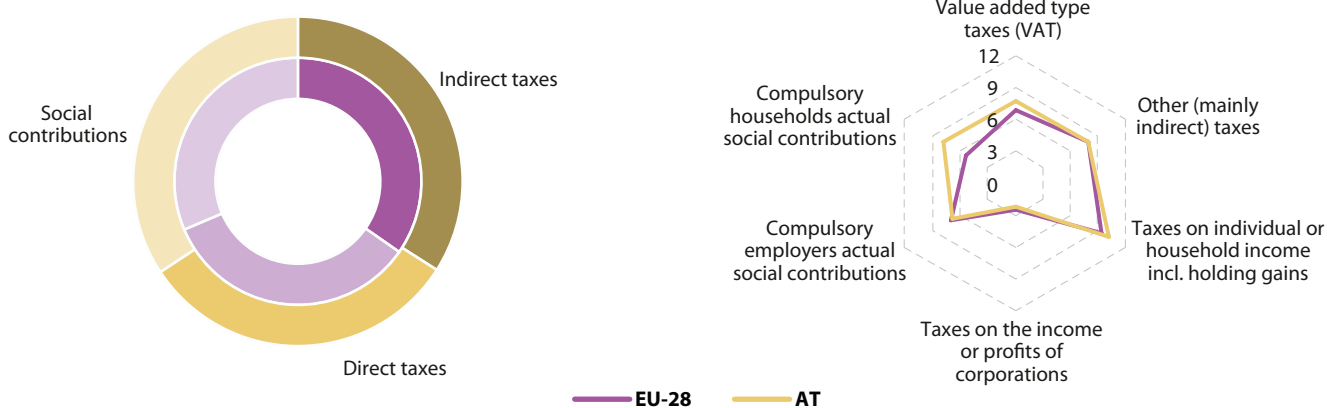
Source: Eurostat (online data code: gov\_10a\_taxag)

Figure AT.1: Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

Figure AT.2: Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table AT.2:** Latest tax reforms

Description of measure	Change	Date
<b>Corporate income tax</b>		
Extension of non-deductability of certain interest and royalty payments.	Base increase	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Tightening of the voluntary disclosure rules: abolishment of partial disclosures; increase of penalties for voluntary disclosure following tax audits.	Base decrease	In force from: 1.10.2014

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table AT.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 11 000 + tax credits: employee, traffic, pensioner, sole earner and single parents
Rate schedule	progressive, rates: 36.5 %, 43.21 % and 50 % top marginal rate: 50 % (> EUR 60 000)
Surtaxes	–
Regional and local surcharges	–
Top statutory PIT rate (including surcharges)	50 %
Owner-occupied dwelling	not included
Capital income	–
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	included
Capital gains (movable property)	included
Dividends	25 % (final withholding)
Interests on deposits and special savings accounts	25 % (final withholding)
Interests on corporate and government bonds	25 % (final withholding)
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	lump-sum OR based on real expenses
Pension savings	yes
Mortgage	yes (interests)
Others (not exhaustive)	child care, educational, medical and travel expenses, loan interest, alimony, donations, life insurance contributions, union fees, national regional or local taxes
Treatment of losses (business/self-employed income)	3-year carry forward (small businesses, specific restrictions)

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table AT.4: VAT

Tax rates	
Standard	20 %
Reduced rate(s)	10 %

Table AT.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	25 %
Central government surcharge	–
Regional government surcharge	–
Local government surcharge	–
Top CIT statutory rate (incl. surcharges)	25 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (financing costs related to acquisitions of participations within a group are not deductible; nor is interest paid to a related entity if taxed at less than 10 %)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table AT.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind, pension income
<b>Employers' contributions</b>	
Total rate	21.73 %
of which:	pensions 12.55 %, healthcare 3.83 %, unemployment 3 %, illness/accident 1.4 %, accommodation promotion 0.5 %, insolvency guarantee funds 0.45 %
Capped contributions	yes (EUR 4 650 per month)
<b>Employees' contributions</b>	
Total rate	18.07 %
of which:	pensions 10.25 %, healthcare 3.82 %, unemployment 3 %, accommodation promotion 0.5 %, chamber contribution 0.5 %
Capped contributions	yes (EUR 4 650 per month)

Table AT.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	no
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Belgium

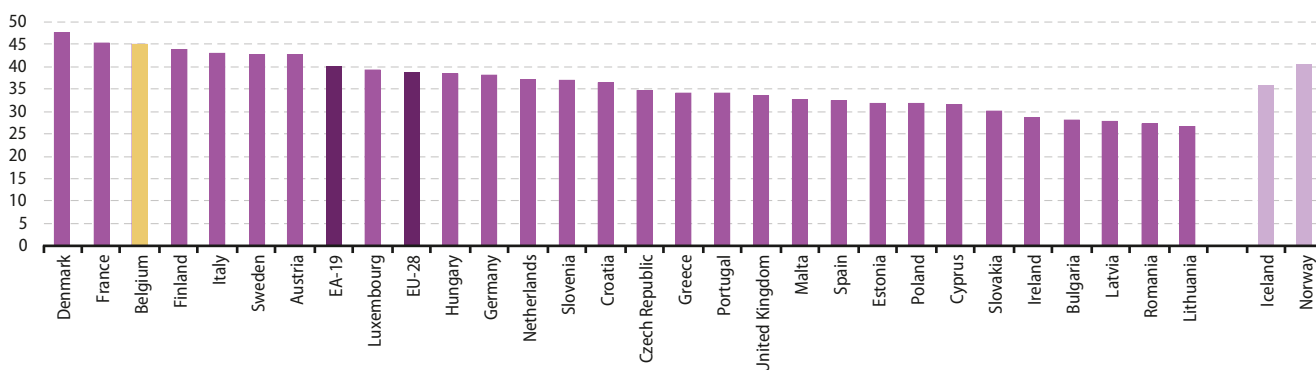
## Structure and development of tax revenues

**Table BE.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	13.1	13.3	13.2	13.1	12.9	12.8	13.1	13.1	13.4	13.2
VAT	6.7	6.9	6.9	6.9	6.8	6.7	6.9	6.8	6.9	6.9
<b>II. Direct taxes</b>	17.0	17.0	16.9	16.5	16.9	15.6	16.0	16.5	17.1	17.8
Personal income	12.6	12.6	12.1	11.9	12.4	12.1	12.2	12.5	12.6	13.2
Corporate income	3.0	3.2	3.5	3.4	3.3	2.3	2.5	2.8	3.0	3.1
<b>III. Social Contributions ( compulsory actual contributions)</b>	13.4	13.2	13.1	13.2	13.6	14.1	13.8	14.0	14.1	14.2
Employers'	8.0	7.9	7.9	8.0	8.2	8.5	8.3	8.5	8.6	8.7
Households'	5.4	5.3	5.2	5.2	5.4	5.6	5.5	5.5	5.5	5.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	43.6	43.4	43.1	42.9	43.3	42.5	42.9	43.5	44.6	45.2
<b>VI. Social contributions (imputed + voluntary contributions)</b>	2.2	2.2	2.2	2.2	2.2	2.4	2.4	2.4	2.6	2.6
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	45.8	45.6	45.3	45.1	45.6	44.9	45.3	46.0	47.1	47.8

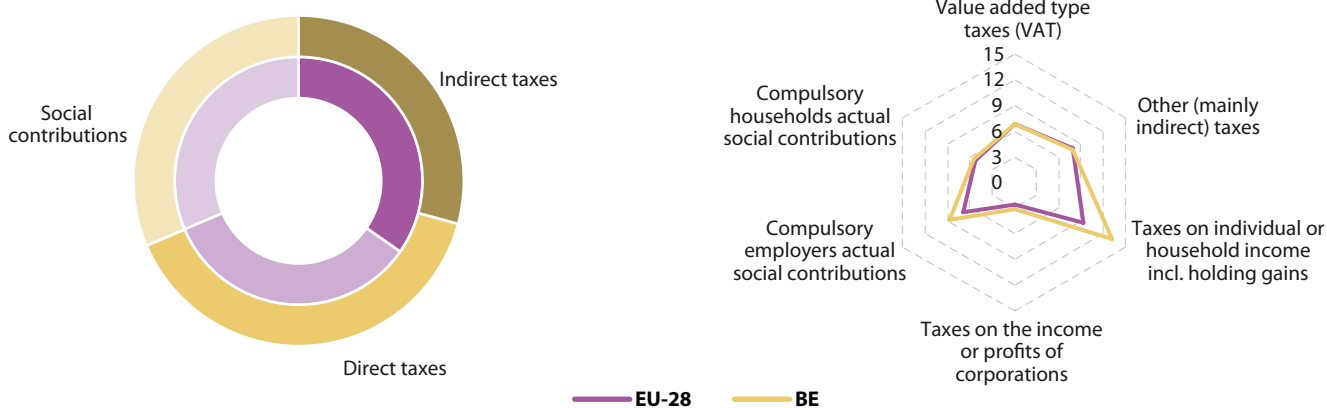
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure BE.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure BE.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)



## Latest tax reforms

**Table BE.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase in lump-sum professional expenses deduction ( <i>frais professionnels forfaitaires</i> ): by around EUR 14/month in 2015, repeated in 2016.	Base decrease	In force from: 1.1.2015
Non-indexation of ceiling for most tax expenditures incl. pension savings (income years 2014–17, assessment years 2015–18).	Base decrease	In force from: 1.1.2015
Most tax reductions were devolved to the regions. Some tax reductions have already either been redefined / reduced as of assessment year 2016 (housing bonus in VL and W, service cheques in W), or even abolished (tax credit for securisation against burglary and fire in VL and W). However, the main tax reductions still have – until now – the same features than previously at federal level.	Base decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
[Applies to Market-sector <i>Intercommunales</i> (i.e. public sector companies organising the cooperation of local entities to provide public services)] Now liable to CIT instead of <i>imposition des personnes morales</i> .	Base decrease	In force from: 1.1.2015
Reduction of ‘Secret commission tax’ on hidden profits or expenses.	Rate increase	In force from: 29.12.2014
[Applies to SMEs] Favourable tax treatment of anticipated taxation of liquidation surpluses, by modification of the existing transitional system which also became permanent.	N/A	In force from: 1.1.2015
<b>Value-added tax</b>		
Transposition of Council Implementing Regulation (EU) No 1042/2013: application of the supply rule for electronic, broadcasting and telecommunication services (MOSS).	N/A	In force from: 1.1.2015
<b>Energy excises</b>		
Rate increase by way of indexation has been decided (with some discretionary power by government). It will be repeated in 2016.	Rate increase	In force from: 1.1.2015
<b>Alcohol excises</b>		
[Applies to all alcohol excises except beer; wine will compensate beer] Rate increase by way of indexation has been decided (with some discretionary power by government).	Rate increase	In force from: 1.1.2015
<b>Tobacco excises</b>		
Increase of rates; Modification of the rate structure.	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Environmental levy on specific products, in particular non-returnable, non-recyclable packing ( <i>ecotaxes</i> ), to be abolished.	Phase-out (decrease)	In force from: 1.1.2015
<b>Property taxes</b>		
Increase of the tax on stock-market transactions: tax on standard shares increased from 0.25 % to 0.27 %, on capitalisation shares from 1 % to 1.32 % (and raising of max tax ceilings).	Rate increase	In force from: 1.1.2015
Tax on returns from long term (pension) savings, perceived at the 60th birthday: rate reduction (from 10 % to 8 %) but anticipated collection (5 x 1 % starting from + 3 % at the 60th birthday).	N/A	In force from: 1.1.2015
<b>Other types of tax</b>		
Modernisation and simplification of <i>droits de greffe</i> .	N/A	In force from: 1.1.2015
Transparency tax, ie tax on revenues from trusts and similar bodies.	Introduction (increase)	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Gift and inheritance, registration taxes (regionalised since resp. 1989 or 2001) are now, for VL, integrated in the VL tax code.	N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms database](#).

## Main features of the tax system

**Table BE.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation (limited) marital quotient
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 7 090 (increased for lower income) + allowances for children (increasing with rank, refundable up to EUR 430 per child) and other dependents
Rate schedule	progressive, 5 brackets: 25 %, 30 %, 40 %, 45 %, 50 % <sup>(1)</sup> top marginal rate: 50 % (> EUR 37 870)
Surtaxes	–
Regional and local surcharges	<sup>(1)</sup> ; local additional surtaxes: 7.54 % on average (max: 9 %, Brussels: 7 %)
Top statutory PIT rate (including surcharges)	53.77 %
Owner-occupied dwelling	exempted
Capital income	general rule: final withholding tax of 25 % <sup>(2)</sup>
Income from renting movable property	included
Income from renting immovable property	included in global income (specific rules)
Capital gains (immovable property)	no, except in principle for some short-term capital gains
Capital gains (movable property)	no, but some exceptions : separate taxation of 0.4 % on capital gains on shares which are normally totally exempted and which are realised by another company than a SME
Dividends	25 % <sup>(3)</sup>
Interests on deposits and special savings accounts	standard saving accounts exempted (15 % when > EUR 1 880 interest income); other deposits: 25 %
Interests on corporate and government bonds	25 % (15 % on some specific government bonds)
Other specific features and alternative regimes	
Sport or entertainment; prizes and awards	16.5 %
Occasional activities	25 % or 33 %
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	yes (lump sum proportional OR based on real expenses, capped)
Pension savings	yes
Mortgage	yes (interest and/or capital)
Others (not exhaustive)	educational travel expenses, alimony, child care expenses, donations, investment in particular eco friendly or energy efficient goods; several refundable tax credits (incl for low income workers)
Treatment of losses (business/self-employed income)	indefinite carry forward, can be transferred to spouse or partner

<sup>(1)</sup> Federal and regional rates are summed in the table. Indeed, since the 2014 income year, the regions can determine the regional additional tax. The federal tax is complemented by a regional additional surcharge of 35.117 % (at present identical in all regions) applied on (a share of) the federal taxes.

<sup>(2)</sup> Special social security contributions are paid by residents employees (not deductible). First EUR 18 592 are exempted, 9 % rate applies for income up to EUR 21 070.96 and 1.3 % for income up to EUR 60 161.85.

<sup>(3)</sup> With some exceptions, such as for dividends from 'residential' real estate investment companies: 15 %.

**Source:** DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table BE.4: VAT

Tax rates	
Standard	21 %
Reduced rate(s)	6 % and 12 %

Table BE.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	33 %
Central government surcharge	3 %
Regional government surcharge	–
Local government surcharge	–
Top CIT statutory rate (incl. surcharges)	33.99 %
Special tax rate for SMEs (all-in rate)	24.98 % (income < EUR 25 000); 31.93 % (EUR 25 000 < income < EUR 90 000); 35.54 % (EUR 90 000 < income < EUR 322 500)
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (thin cap rule of 5:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	yes (notional rate 1.63 % for non-SMEs; 2.13 % for SMEs)

Table BE.6: Social contributions

Base	
	employment income, benefits in kind
Employers' contributions	
Total rate	34.7 % (although several reductions exist)
of which:	pensions 8.86 %, healthcare 6.15 %, unemployment 3.16 %, childcare 0.05 %, illness/accident 1.33 %, education leave 0.05 %, other 15.1 %
Capped contributions	no
Employees' contributions	
Total rate	13.07 % (several reductions exist)
of which:	pensions 7.5 %, healthcare 4.7 %, unemployment 0.87 %
Capped contributions	no

Table BE.7: Wealth and transaction taxes

Inheritance and gift tax	
	yes (regional)
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no (but reductions for modest dwellings, family encumbrances, etc)
Real estate transfer tax	yes (regional)
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Bulgaria

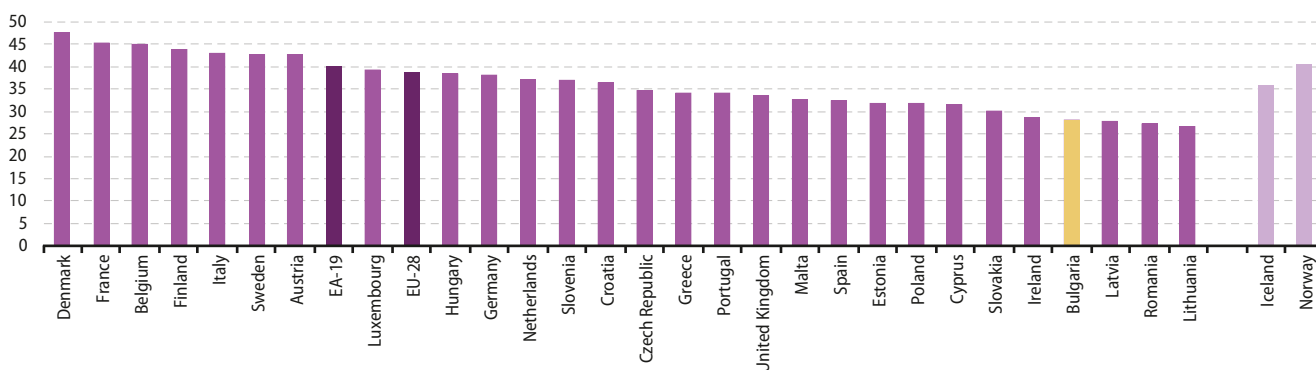
## Structure and development of tax revenues

**Table BG.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	15.9	16.4	17.0	16.4	17.3	14.9	14.8	14.2	15.2	15.2
VAT	9.6	10.1	10.6	10.0	10.6	8.7	9.0	8.4	9.4	9.2
<b>II. Direct taxes</b>	5.8	4.9	5.1	7.9	6.5	5.7	5.2	4.9	5.0	5.3
Personal income	3.0	2.7	2.5	3.1	2.8	2.9	2.9	2.8	2.9	2.9
Corporate income	2.4	1.6	1.8	4.0	2.8	2.3	1.8	1.7	1.7	1.9
<b>III. Social Contributions ( compulsory actual contributions)</b>	10.0	9.5	8.2	7.9	7.6	7.5	6.9	6.9	7.0	7.6
Employers'	7.6	6.8	5.6	5.4	4.7	4.5	4.4	4.4	4.1	4.6
Households'	2.4	2.7	2.6	2.5	2.9	3.0	2.5	2.5	2.9	3.0
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III – IV)</b>	31.7	30.8	30.3	32.2	31.4	28.1	27.0	26.1	27.2	28.1
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.0	0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	31.7	30.8	30.3	32.2	31.4	28.1	27.0	26.1	27.2	28.1

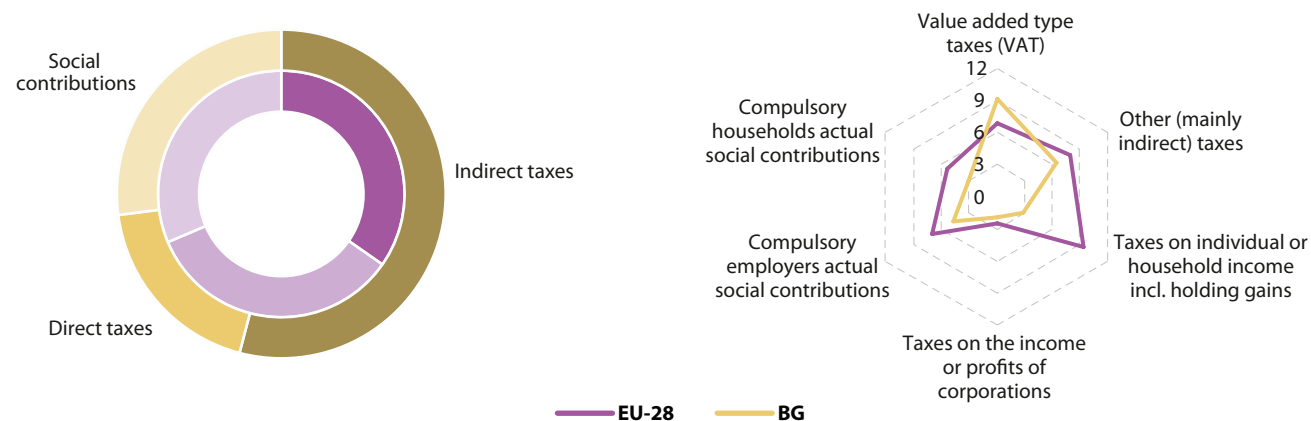
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure BG.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure BG.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table BG.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Tax deductions for up to three children. The annual taxable income of one of the parents is reduced by BGN 200 for one child, by BGN 400 for two children and by BGN 600 for three or more children; by BGN 2 000 per child for children with disability.	Base decrease	In force from: 1.1.2015
Repeal of the tax relief for minimum wages.	Base increase	In force from: 1.1.2015
Repeal of the tax exemption for income from interest from bank accounts which will be taxed at the rate of 8%. Previously only income from interest from term deposits was subject to taxation.	Base increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
Exemption from withholding tax on the interest and royalty payments made from a Bulgarian economic operator to associated companies of another Member State.	Base decrease	In force from: 1.1.2015
<b>Energy excises</b>		
Repeal of the exemption from excise duty on electricity used by railroad transport.	Base increase	In force from: 1.1.2015
Reduced excise duty rate for gas oil used in primary agricultural production.	Rate decrease	In force from: 1.1.2014
<b>Tobacco excises</b>		
Increase of the excise duty on cigarettes from 2016.	Rate increase	In force from: 1.1.2015
<b>Other types of tax</b>		
Repeal of the fee (in reality a tax) on the production of electricity from wind and solar energy.	Rate decrease	Legislation: 31.7.2014
<b>Employers' social contributions</b>		
Increase of the minimum thresholds for the social security contributions on average by 4.4% compared to 2014. The maximum monthly amount of the insurance income is increased from BGN 2 400 to BGN 2 600.	Base increase	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Allowing the use of the 'personal identification code', in addition to the existing paid e-signature, for accessing e-services provided by the tax administration.	N/A	In force from: 1.1.2015
Clarifying national rules related to excise duties, aligning the national legislation with EU law (including Court jurisprudence) for excise duties and VAT.	N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table BG.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	global income, also incl. awards & gifts
Basic allowance	-; LEI 200 per child (max. LEI 600)
Rate schedule	flat rate 10 %
Surtaxes	-
Regional and local surcharges	-
Top statutory PIT rate (including surcharges)	10 %
Owner-occupied dwelling	not included
<b>Capital income</b>	
Income from renting movable property	included in global income
Income from renting immovable property	included in global income
Capital gains (immovable property)	included in global income
Capital gains (movable property)	included in global income (except if sold on EEA stock exchange)
Dividends	5 % final withholding tax
Interests on deposits and special savings accounts	8 % final withholding tax
Interests on corporate and government bonds	exempted
<b>Other specific features and alternative regimes</b>	
Pension and other social security payments	exempted
Personal business income	'sole traders' (merchant activities): 15 % final withholding tax
Small business, not VAT registered	lump sum
<b>Other tax provisions</b>	
<b>Main tax credits &amp; deductions</b>	
Professional expenses	no
Pension savings	yes, also to life insurance funds
Mortgage	yes (interest), in certain conditions ('young married couples')
Others (not exhaustive)	BGN 7 920 per year (BGN 660 per month) deduction from taxable income for persons with 50 % or more reduced capacity for work
Treatment of losses (business/self-employed income)	yes (deduction), in certain conditions (income from sale or exchange of stocks, shares, compensatory instruments, investment bonds, etc.)

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table BG.4:** VAT

<b>Tax rates</b>	
Standard	20 %
Reduced rate(s)	9 %

**Table BG.5:** Corporate taxation (CIT)

<b>Tax rates</b>	
Nominal corporate income tax rate	10 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	10 %
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (thin cap rule of 3:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
<b>Allowance for Corporate Equity</b>	
	no

**Table BG.6:** Social contributions

<b>Base</b>	employment income, income from business or self-employed activities
<b>Employers' contributions</b>	
Total rate	18.10 %
of which:	pensions 9.9 %, healthcare 4.8 %, unemployment 0.6 %, occupational disease/work accident 0.7 %, illness/maternity leave 2.1 %
Capped contributions	cap for all social security contributions (BGN 2 600 per month)
<b>Employees' contributions</b>	
Total rate	12.90 %
of which:	pensions 7.9 %, healthcare 3.2 %, unemployment 0.4 %, illness/maternity leave 1.4 %
Capped contributions	cap for all social security contributions (BGN 2 600 per month)

**Table BG.7:** Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	tax rate is set by each municipality within a range set by law
Tax discount for primary dwelling	yes, 50 % reduction
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Croatia

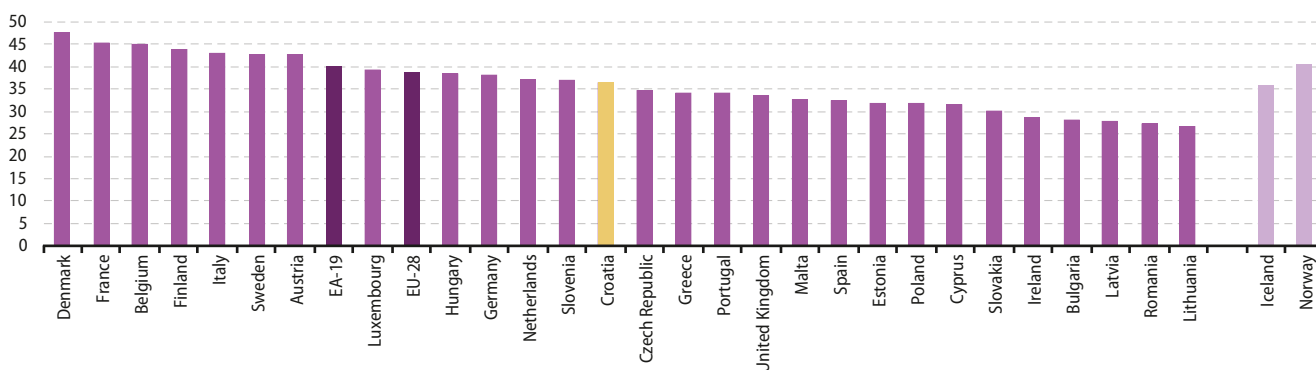
## Structure and development of tax revenues

**Table HR.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	18.8	18.5	18.5	18.2	18.0	17.2	18.0	17.5	18.3	18.9
VAT	11.9	12.0	12.0	11.9	11.8	11.2	11.6	11.3	12.3	12.6
<b>II. Direct taxes</b>	5.9	6.1	6.8	7.3	7.1	7.1	6.4	6.2	6.1	6.3
Personal income	3.7	3.5	3.6	3.9	3.8	3.9	3.5	3.5	3.7	3.9
Corporate income	1.8	2.3	2.8	3.1	2.9	2.6	1.9	2.3	2.0	2.0
<b>III. Social Contributions ( compulsory actual contributions)</b>	11.8	11.6	11.5	11.6	11.7	12.1	11.8	11.6	11.5	11.2
Employers'	6.3	6.2	6.1	6.2	6.3	6.5	6.3	6.2	6.0	5.7
Households'	5.5	5.4	5.4	5.4	5.4	5.6	5.5	5.4	5.5	5.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III – IV)</b>	36.4	36.2	36.8	37.1	36.8	36.4	36.1	35.2	35.9	36.5
<b>VI. Social contributions (imputed + voluntary contributions)</b>	-0.1	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	36.4	36.2	36.8	37.1	36.8	36.4	36.1	35.2	35.9	36.5

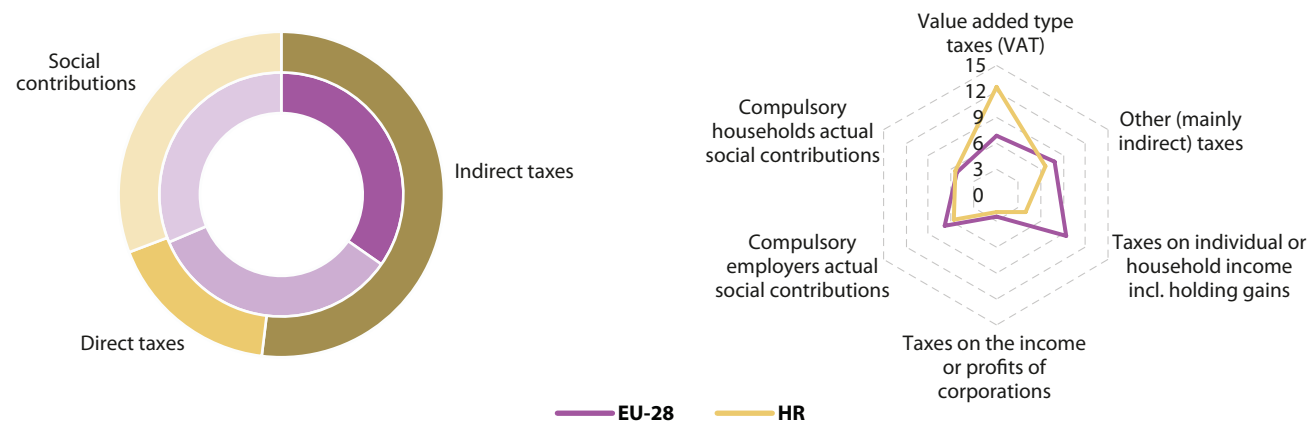
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure HR.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure HR.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)



## Latest tax reforms

**Table HR.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase of the basic personal allowance.	Base decrease	In force from: 1.1.2015
Increase of the personal allowance for pensioners.	Base decrease	In force from: 1.1.2015
Increase of the basic personal allowance for residents of the areas under special government protection of category I and the city of Vukovar.	Base decrease	In force from: 1.1.2015
Increase of the personal allowance for residents in the areas under special government protection of category II.	Base decrease	In force from: 1.1.2015
Increase of the threshold for the highest income tax rate of 40%.	Base decrease	In force from: 1.1.2015
Introduction of tax exemption for gross income up to the minimum monthly wage.	Base decrease	In force from: 1.1.2015
Introduction of a 12% tax on capital gains from financial instruments.	Base increase	Announcement; in force from: 1.1.2016
Introduction of a withholding tax on interest on savings account with fixed rate of 12%.	Base increase	In force from: 1.1.2015
Abolishment of the non-taxable threshold for dividends and profit shares.	Base increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
Incentives to investments by exempting profits reinvested in long-term assets used in business activities from corporate income tax introduced in 2012, but the criteria for the use of this incentives are tighten after legislative changes which are in force from 1.1.2015.	Base increase	In force from: 1.1.2015
<b>Value-added tax</b>		
VAT exemption for the supply of buildings or parts thereof, and of the land on which they stand, other than supply before the first occupation or use, that is, supply where not more than 2 years have passed from the date of the first occupation or use to the date of the next supply.	Base decrease	In force from: 1.1.2015
VAT exemption for the supply of land other than building land.		
Taxable persons who are established or have a fixed establishment, permanent address or habitual residence in the Country whose value of supplies of goods or services, in the previous calendar year did not exceed HRK 3.000.000,00, excluding the VAT, can calculate and pay VAT on the basis of considerations received for performed supplies.	Base N/A	In force from: 1.1.2015
Introduction of the mini one stop shop (MOSS) for VAT on e-services.	Base decrease	In force from: 1.1.2015
<b>Energy excises</b>		
Increase of excise duty tax rate for energy products.	Rate increase	In force from: 18.4.2014
<b>Tobacco excises</b>		
Increase of excise duties on cigarettes and tobacco.	Rate increase	In force from: 17.4.2015
Increase of excise duty tax rate for cigarettes, fine-cut tobacco and other smoking tobacco.	Rate increase	In force from: 18.4.2015
<b>Other types of tax</b>		
Taxation on winnings from betting games.	Base increase	In force from: 1.1.2015
<b>Employers' social contributions</b>		
Incentive to employ young people.	Base decrease	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Introduction of the obligation to register for real estate transactions to the Tax Administration for vendors of real estate that are in the VAT system.	N/A	In force from: 1.1.2015
Establishment of a new anti-fraud unit.	N/A	Legislation: 25.11.2014
Reorganisation of the tax administration.	N/A	Legislation: 23.12.2014
Introduction of more stringent reporting requirements for non-residents.	N/A	In force from: 1.1.2015
Amendment to the General Tax Law to make possible concluding tax settlements between the tax authorities and taxpayers in tax inspection procedures and delivering a written record of the tax review.	N/A	In force from: 13.3.2015
Temporary tax debt relief programme.	N/A	Legislation: 15.1.2015
The obligation for submission of annual reports VAT (PDV-K) was abolished as of 1.1.2015.	N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table HR.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>Main rates</b>	
Global / Labour income scheme	
Basic allowance	HRK 31 200; child allowance increasing with rank (HRK 15 600 for 1st child)
Rate schedule	progressive, 3 rates: 12 %, 25 %, 40 % top rate: 40 % (> HRK 158 400)
Surtaxes	–
Regional and local surcharges	max 18 % surcharge, depending on municipality size
Top statutory PIT rate (including surcharges)	47.2 %
Owner-occupied dwelling	not included
Capital income	
Income from renting movable property <sup>(1)</sup>	12 % <sup>(2)</sup>
Income from renting immovable property <sup>(1)</sup>	12 % <sup>(2)</sup>
Capital gains (immovable property) <sup>(1)</sup>	25 %
Capital gains (movable property) <sup>(3)</sup>	exempt
Dividends	12 %
Interests on deposits and special savings accounts	12 %
Interests on corporate and government bonds	not included
Other specific features and alternative regimes	
Business income	20 % (gross income > HRK 3 million) <sup>(4)</sup>
Occasional activities	25 %
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	in percentage of income or based on real expenses [self-employed] <sup>(5)</sup>
Pension savings	yes
Mortgage	no
Others (not exhaustive)	donations
Treatment of losses (business/self-employed income)	5-year carry forward

<sup>(1)</sup> Income from property.

<sup>(2)</sup> Except for the tax assessment based on a flat rate and the tax on the independent activity of letting.

<sup>(3)</sup> Capital gains from movable property will be taxed at a 12 % rate as of 1.1.2016; capital gains from the disposal of proprietary rights are already taxed at a 25 % rate.

<sup>(4)</sup> The gross receipt should be higher than HRK 3 million. The law stipulates other conditions in order to the apply 20 % rate.

<sup>(5)</sup> A natural person carrying out independent activities and keeping accounts shall demonstrate the actual amount of expenditure if such expenditure is directly linked to the actual income except for those expenditures laid down in the Act and determined on a certain percentage.

*Source:* DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table HR.4: VAT**

<b>Tax rates</b>	
Standard	25 %
Reduced rate(s)	5 % and 13 %

**Table HR.5: Corporate taxation (CIT)**

<b>Tax rates</b>	
Nominal corporate income tax rate	20 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	20 %
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (thin cap rule of 4:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
<b>Allowance for Corporate Equity</b>	
	no

**Table HR.6: Social contributions**

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind, income from occasional activities
<b>Employers' contributions</b>	
Total rate	17.2 %
of which:	healthcare 15 %, unemployment 1.7 %, illness/accident 0.5 %
Capped contributions	no
<b>Employees' contributions</b>	
Total rate	20 %
of which:	pensions 20 %
Capped contributions	highest monthly base is HRK 47 658

**Table HR.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes (tax on holiday homes)
Regional differentiation	no
Tax discount for primary dwelling	–
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Cyprus

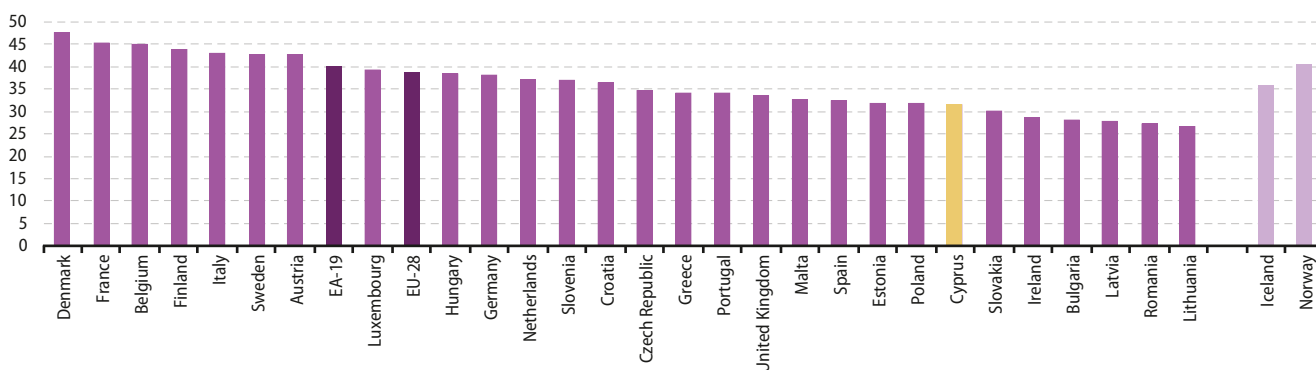
## Structure and development of tax revenues

**Table CY.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	15.1	15.3	15.9	17.4	16.7	14.4	14.6	13.9	14.0	13.8
VAT	7.6	8.3	8.8	9.4	9.7	8.4	8.4	7.8	8.1	7.7
<b>II. Direct taxes</b>	7.9	9.2	9.7	12.4	11.6	10.1	9.9	10.6	9.9	10.3
Personal income	3.2	3.5	4.2	5.7	4.6	3.6	3.8	3.8	3.6	2.9
Corporate income	3.4	4.3	5.0	6.2	6.5	5.9	5.6	6.3	5.7	6.5
<b>III. Social Contributions ( compulsory actual contributions)</b>	7.1	7.6	7.1	6.9	7.1	8.0	8.1	8.1	7.8	7.5
Employers'	4.9	5.4	5.0	4.7	4.8	5.4	5.5	5.5	5.3	5.1
Households'	2.2	2.2	2.1	2.2	2.3	2.6	2.6	2.6	2.5	2.4
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III – IV)</b>	30.1	32.1	32.7	36.8	35.5	32.5	32.6	32.5	31.8	31.6
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	-0.1	0.0	0.0
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	30.1	32.1	32.7	36.8	35.5	32.5	32.6	32.5	31.8	31.6

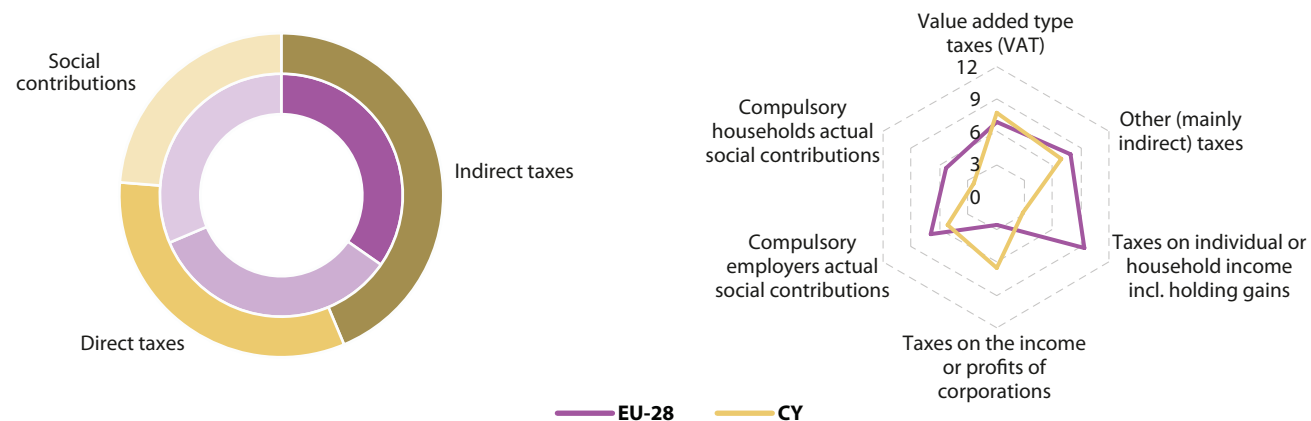
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure CY.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure CY.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table CY.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Intergovernmental Agreement between Cyprus and USA on FATCA (Intergovernmental Model 1 Agreement Foreign Account Tax Compliance Act).	N/A	In force from: 2.12.2014
<b>Administrative, compliance related measures</b>		
Establishment of a Large Taxpayer Office (LTO). The office will be in charge of handling the cases (for direct and indirect taxation) of the 350 to Establishment of a Large Taxpayer Office (LTO). The office will be in charge of handling the cases (for direct and indirect taxation) of the 266 larger taxpayers in Cyprus, that currently represent 40% of total revenue with a view to increase the taxpayers to reach 50% of total revenue.	N/A	In force from: 1.1.2015
Online payment of income tax assessments.	N/A	In force from: 15.12.2014

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table CY.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	up to EUR 19 500 tax free progressive, brackets: 20 %, 25 %, 30 %, 35 %
Rate schedule	top rate: 35 % (> EUR 60 000)
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	35 %
Owner-occupied dwelling	not included
Capital income	dividends, interest from government and corporate bonds, special savings accounts and deposits are exempt from income tax, but subject to the Special Defence Contribution royalties, sale of commercial goodwill relating to reputation and customers are taxed according to general rules
Income from renting movable property	included in general income
Income from renting immovable property	included in general income
Capital gains (immovable property)	20 %
Capital gains (movable property)	
Dividends	17 % (final withholding tax under Special Defence Contribution)
Interests on deposits and special savings accounts	30 % (final withholding tax under Special Defence Contribution)
Interests on corporate and government bonds	30 % (final withholding tax under Special Defence Contribution), except for government bonds which are 3 %
Other specific features and alternative regimes	
Pension income for employment exercised abroad	5 %
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	based on real expenses
Pension savings	yes
Mortgage	can be deducted by the self-employed ('business mortgage')
Others (not exhaustive)	travel expenses, loan interest, donations, life insurance contributions, union fees
Treatment of losses (business/self-employed income)	5-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table CY.4: VAT

Tax rates	
Standard	19%
Reduced rate(s)	5% and 9%

Table CY.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	12.50%
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	12.50%
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (no interest deduction up to 7 years for the purchase of private vehicles and assets not used in business, except purchase of shares as from 2012 of directly or indirectly wholly owned subsidiary; no thin cap rules)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table CY.6: Social contributions

Base	
	employment income, income from business and self-employed activities, income from occasional activities
Employers' contributions	
Total rate	7.8% (Social Insurance Fund, up to a ceiling of EUR 4 533 per month)
of which:	
Capped contributions	yes
Employees' contributions	
Total rate	7.8% (up to a ceiling of EUR 4 533 per month)
of which:	
Capped contributions	yes

Table CY.7: Wealth and transaction taxes

Inheritance and gift tax	
	no
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	no
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Czech Republic

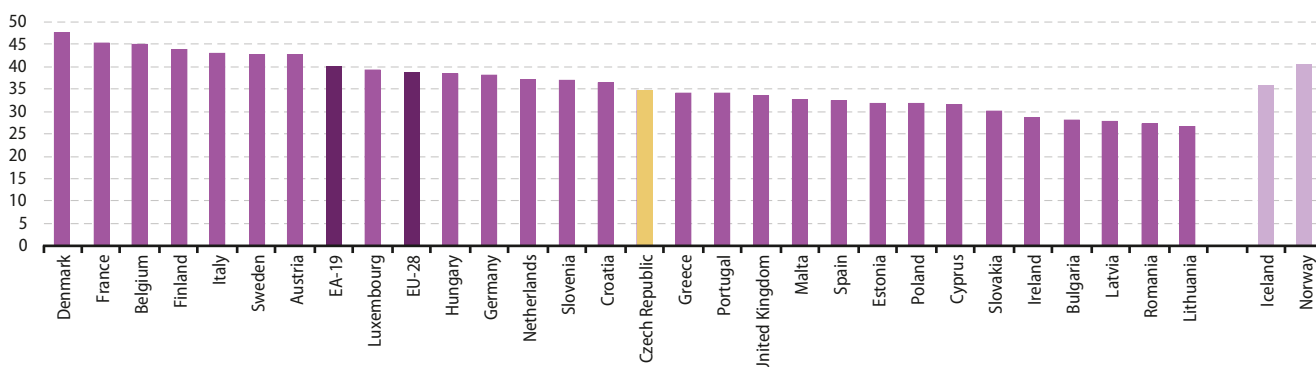
## Structure and development of tax revenues

**Table CZ.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	11.0	11.0	10.5	10.7	10.5	11.0	11.3	12.1	12.5	13.0
VAT	6.7	6.6	6.1	6.1	6.5	6.6	6.7	6.9	7.1	7.4
<b>II. Direct taxes</b>	8.7	8.4	8.4	8.6	7.6	6.9	6.6	6.8	6.8	7.0
Personal income	4.5	4.2	3.9	4.1	3.5	3.5	3.3	3.5	3.6	3.7
Corporate income	4.2	4.1	4.4	4.5	4.0	3.4	3.2	3.2	3.1	3.2
<b>III. Social Contributions ( compulsory actual contributions)</b>	14.8	14.8	14.9	15.0	14.9	14.2	14.6	14.7	14.8	14.8
Employers'	9.5	9.5	9.5	9.5	9.5	8.9	9.3	9.4	9.5	9.5
Households'	5.3	5.3	5.4	5.5	5.4	5.3	5.3	5.3	5.3	5.3
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	34.5	34.2	33.8	34.4	33.1	32.1	32.5	33.7	34.1	34.8
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.0	0.0
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	34.6	34.2	33.9	34.4	33.1	32.1	32.6	33.7	34.2	34.9

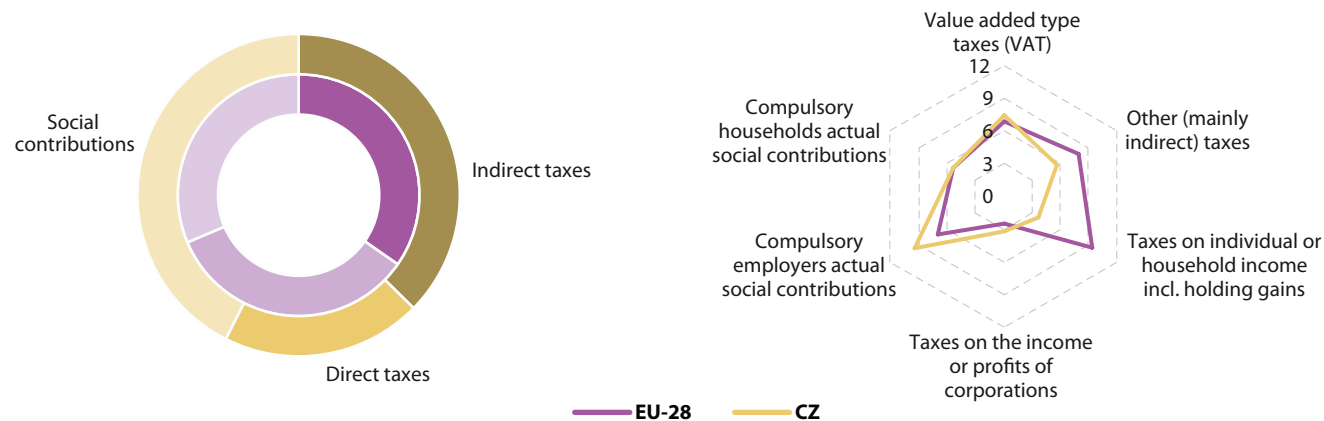
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure CZ.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure CZ.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)



## Latest tax reforms

**Table CZ.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Introduction of threshold for flat-rate business expenses.	Base increase/decrease	In force from: 1.1.2015
Higher deductibles for children.	Base decrease	In force from: 1.1.2015
Reintroduction of possibility of applying the basic credit for pensioners.	Base decrease	In force from: 1.1.2015
<b>Value-added tax</b>		
Change of place of supply for electronically supplied services to non-tax payers / mini one stop shop in line with the changes of the EU law.	Base increase	In force from: 1.1.2015
Introduction of the second reduced tax rate at 10%.	Both base and rate decrease	In force from: 1.1.2015
Application of reverse charge on emission allowances and selected goods.	Base	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table CZ.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	CZK 24 840; other credits depending on family and level of income
Rate schedule	flat rate 15 %
Surtaxes	7 % solidarity surcharge on high incomes (> 4 times average wage)
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	22.0 %
Owner-occupied dwelling	not included
Capital income	
Income from renting movable property	included in global income (occasional income from renting movable property is exempted up to the limit of CZK 30 000/year)
Income from renting immovable property	included in global income
Capital gains (immovable property)	included in global income, but exempt if property used for permanent housing at least 2 years before sale or owned more than 5 years
Capital gains (movable property)	exempt
Dividends	15 %
Interests on deposits and special savings accounts	15 %
Interests on corporate and government bonds	15 %
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
Main tax credits & deductions	yes, in % of income or based on real expenses; capped
Professional expenses	
Pension savings	yes
Mortgage	yes (interest)
Others (not exhaustive)	childcare and educational expenses; donations for purposes of science, education, culture, medicine, ecology, sports, and religion are deductible up to 15 % of the tax base
Treatment of losses (business/self-employed income)	5-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table CZ.4: VAT**

<b>Tax rates</b>	
Standard	21 %
Reduced rate(s)	10% and 15 %

**Table CZ.5: Corporate taxation (CIT)**

<b>Tax rates</b>	
Nominal corporate income tax rate	19 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	19 %
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (arm's length test and thin cap rule of 4:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
<b>Allowance for Corporate Equity</b>	
	no

**Table CZ.6: Social contributions**

<b>Base</b>	employment income, Income from business or self-employed activities
<b>Employers' contributions</b>	
Total rate	34 %
of which:	pensions 21.5 %, healthcare 9 %, unemployment 1.2 %, illness 2.3 %
Capped contributions	yes (except for health)
<b>Employees' contributions</b>	
Total rate	11 %
of which:	pensions 6.5 % <sup>(1)</sup> , healthcare 4.5 %
Capped contributions	yes (for pensions)

<sup>(1)</sup> 3.5 % for taxpayers who opted for the voluntary pension saving scheme.

**Table CZ.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	yes (regulated in income tax)
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Denmark

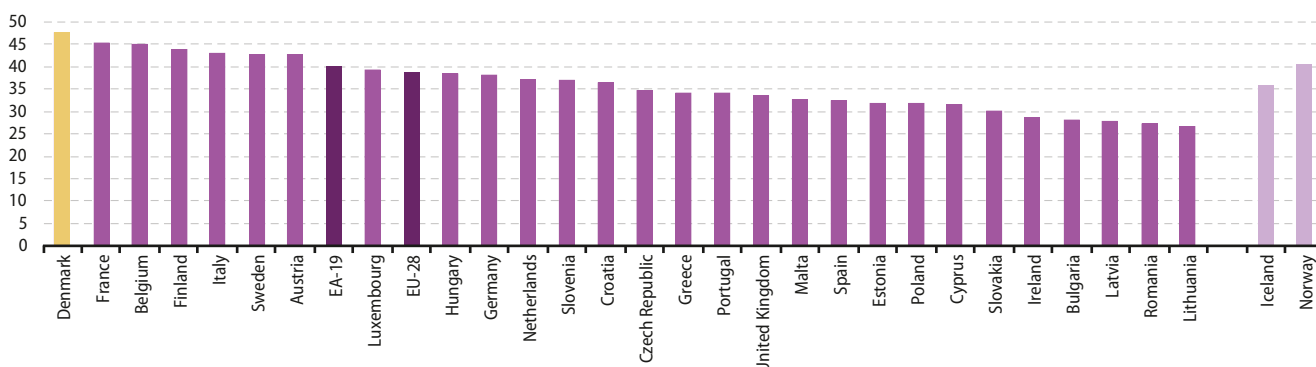
## Structure and development of tax revenues

**Table DK.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	17.3	17.6	17.5	17.7	16.7	16.6	16.5	16.6	16.7	16.9
VAT	9.4	9.7	9.9	10.0	9.7	9.8	9.5	9.6	9.7	9.6
<b>II. Direct taxes</b>	29.2	30.5	29.0	28.8	28.3	28.7	28.9	28.9	29.8	30.8
Personal income	24.9	25.7	24.0	24.1	24.1	25.2	25.1	25.1	25.6	26.6
Corporate income	2.9	3.4	3.7	3.2	2.6	1.9	2.3	2.2	2.6	2.7
<b>III. Social Contributions ( compulsory actual contributions)</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1	0.0
Employers'	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Households'	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2
<b>V. Total (I + II + III - IV)</b>	46.4	48.0	46.4	46.4	44.9	45.2	45.3	45.4	46.4	47.6
<b>VI. Social contributions (imputed + voluntary contributions)</b>	1.5	1.4	1.3	1.3	1.2	1.3	1.2	1.1	1.1	1.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	47.9	49.4	47.8	47.7	46.1	46.5	46.6	46.6	47.5	48.6

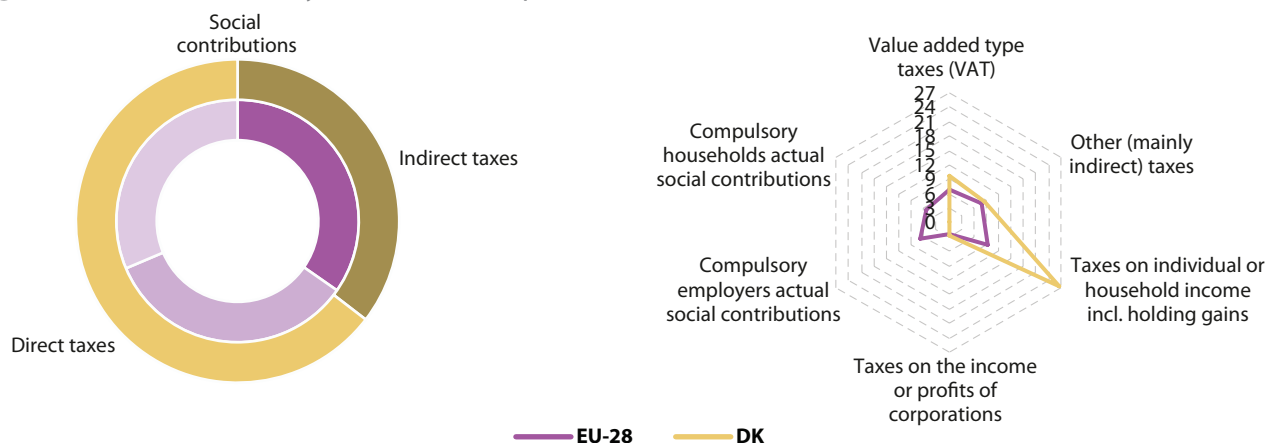
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure DK.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure DK.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table DK.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Decrease in monthly minimum salary requirement for qualifying for the Danish expatriate regime by DKK 1 000 to DKK 59 500 from income year 2015.	Base decrease	In force from: 1.1.2015
Increase in deductibility of labour union fees from DKK 3 000 to DKK 6 000.	Base decrease	In force from: 28.12.2014
Increase in the percentage applied for taxation of bottom bracket income by 0.28 percentage point over the next five years, resulting in a total rate for the bottom bracket of 8.08% in 2015, 9.08% in 2016, 10.08% in 2017, 11.10% in 2018, 12.10% in 2019, and 12.11% in 2020 and the tax ceiling going from 51.95% in 2015 up to 51.98% in 2020.	Rate increase	In force from: 1.1.2015
Reduction in green check over the next five year: basic green check going from DK 1 300 to DKK 955 in 2015, DKK 950 in 2016, DKK 940 in 2017, DKK 930 in 2018, DKK 900 in 2019 and DKK 875 in 2020; supplementary green check going from DKK 300 to DKK 220 in 2015, DKK 220 in 2016, DKK 215 in 2017, DKK 215 in 2018, DKK 210 in 2019 and DKK 200 in 2020; the maximum supplement going from DKK 600 to DKK 440 in 2015, DKK 440 in 2016, DKK 430 in 2017, DKK 430 in 2018, DKK 420 in 2019 and DKK 400 in 2020; and addition to basic allowance going from DKK 17 333 to DKK 12 733 in 2015, DKK 12 667 in 2016, DKK 12 533 in 2017, DKK 12 400 in 2018, DKK 12 000 in 2019 and DKK 11 667 in 2020.	Base increase	In force from: 1.1.2015
Reduction in tax base of employees investing part of income in their workplace through newly created Employee Investment Company, but only by up to a maximum of 7.5% of the cash-based income (minus labour market contribution) and capped at DKK 30 000 per annum.	Base decrease	In force from: 10.12.2014
Extending definition of outer regions from which workers are entitled to higher allowance for transport cost from 16 communes to 25 communes.	Base decrease	In force from: 1.1.2015
Prolonged reduction in the tax due upon conversion of capital pension of 2.7%	Rate increase	In force from: 1.1.2015
Tax treatment of income derived from shares in newly created concept of Employee Investment Company.	N/A	In force from: 10.12.2014
Carry-over of the 2011 property valuation with a view to serve as basis for valuation in 2015 accompanied by a reduction of 2.5% as a rebate, before the expected introduction of a new property valuation system in 2017.	Base decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
Deferred payment of exit tax for companies, by which the tax is paid in installments over 7 years, provided the company files the tax return for the tax year of migration/reallocation on time, notifies the tax authorities of the decision to defer the payment together with the tax return regarding the tax year of migration/reallocation, files a tax return every year during the deferral period and in case of failure to do so, notifies the tax authorities of the location (country) of the assets in respect of which the exit tax was levied, and immediately pays the exit tax.	Base decrease	In force from: 1.3.2014
Reduction in taxation of dividends received from unlisted shares by including only 70% in the taxable base of a company, thereby lowering the effective tax rate on such dividends from 24.5% in 2014 to 16% in 2015 and 15% in 2016.	Base decrease	In force from: 1.1.2015
Increase in scope of the tonnage tax regime by allowing for more ship types, based on their particular activity.	Base increase	Announcement: 28.1.2015
Increase in deduction of VAT related to hotel accommodation from 75% to 100%.	Rate decrease	In force from: 1.1.2015
Providing for newly created concept of Employee Investment Company to be covered by Corporate Income Tax Law.	Introduction (neutral)	In force from: 10.12.2014
Adaptation of the rules limiting deduction of interest for thinly capitalised companies in order to avoid inadvertent consequences for those companies which are sufficiently capitalised.	Base neutral	In force from: 1.3.2015
Increase in share of CIT attributed to municipals up from 13.41% in 2014 to 15.25% in 2016.	N/A	In force from: 1.1.2015

Table DK.2: Latest tax reforms (continued)

Description of measure	Change	Date
<b>Corporate income tax</b>		
Transposition of changes resulting from amendments to Mother/Daughter Directive, making dividends received by mother company taxable if deductible by daughter company having allocated the said dividends.	Base neutral	In force from: 1.3.2015
Introduction of General Anti-Abuse Rule as a novelty in Danish law.	Introduction (N/A)	Announcement: 20.3.2015
Measures to counter exploitation of company taxation arrangements through inclusion of private debt.	N/A	In force from: 15.9.2014
<b>Value-added tax</b>		
Elimination of exemption for importation of small consignments if in the form of Danish-language magazines.	Base increase	In force from: 1.7.2015
Adaptation and clarification of rules governing customs and fiscal warehousing, including tax treatment of supplies of goods made whilst in storage and supplies to tourist leaving for places outside the EU.	N/A	In force from: 1.1.2015
<b>Energy excises</b>		
Reduction in excise duty on electricity used for heating by DKK 0.068 parallel to reduction in ( <i>forsyningsikkerhedsafgiften</i> ).	Rate decrease	In force from: 1.1.2015
Rolling back the increase in excise duty on fossil fuel reducing the duty by DKK 7.9 per GJ and lowering excise duty on VE products.	Rate decrease	In force from: 1.1.2015
Reduction in fee paid for the public service obligation partly off-set by increase in excise duty on electricity, seeing the duty go up from DKK 0.031 per kWh in 2015 to DKK 0.051 per kWh in 2017.	Rate decrease	In force from: 1.1.2015
Simplification of procedure for requesting reimbursement of excise duty paid on energy products subject to the duty upon their exportation.	N/A	In force from: 1.7.2015
<b>Alcohol excises</b>		
Abolishment of system under which producers of alcoholic beverages are obliged from the tax administration for a fixed fee to acquire fiscal stamps ( <i>bandaroler på spiritus</i> ) and attach them to products sold.	Phase-out (N/A)	In force from: 1.1.2015
Simplification of procedure for requesting reimbursement of excise duty paid on alcoholic products subject to the duty upon their exportation.	N/A	In force from: 1.7.2015
<b>Tobacco excises</b>		
Increase in excise duty on tobacco products, notably for cigarillos up from DKK 0.198/pc in 2014 to DKK 0.425/pc in 2015, DKK 0.5/pc in 2016, DKK 0.509/pc in 2017, DKK 0.518/pc in 2018, DKK 0.527/pc in 2019, and DKK 0.537/pc in 2020 (in addition to the 10 pct on top of retail price that remains unchanged).	Rate increase	In force from: 1.1.2015
Simplification of procedure for requesting reimbursement of excise duty paid on tobacco products subject to the duty upon their exportation.	N/A	In force from: 1.7.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table DK.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income subject to double-tax relief (pension tax, local tax), domestic income (state tax, church tax) non-resident: 'limited income' (domestic income)
Taxation of couples and families	separate taxation, joint taxation of net positive capital income and of pension nb: children are also tax liable
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	DKK 43 400 (DKK 32 600 for <18y); can be transferred between spouses additional employment allowance 8.05 %, maximum DKK 28 500
Rate schedule <sup>(1)</sup>	state tax: progressive: 8.08 % and 15 % (> DKK 459 200 in 2015) labour market contribution: 8 % (flat) <sup>(2)</sup> ; health tax: 4 % (2015)
Surtaxes	–
Regional and local surcharges	local tax: between 22.5 % and 27.8 %, avg: 24.904 % <sup>(3)</sup>
Top statutory PIT rate (including surcharges)	55.8 % <sup>(4)</sup>
Owner-occupied dwelling	not included
<b>Capital income</b>	
Income from renting movable property	–
Income from renting immovable property	included in global income
Capital gains (immovable property)	taxable as capital income (except owner-occupied dwellings)
Capital gains (movable property)	progressive: 27 %, and 42 % (> DKK 49 899)
Dividends	progressive: 27 %, and 42 % (> DKK 49 899)
Interests on deposits and special savings accounts	included in global income
Interests on corporate and government bonds	included in global income
<b>Other specific features and alternative regimes</b>	
<b>Other tax provisions</b>	
<b>Main tax credits &amp; deductions</b>	
Professional expenses	yes, based on real expenses
Pension savings	yes <sup>(5)</sup>
Mortgage	deductible by 33.61 % (<DKK 50 000) and 29.61 % (>DKK 50 000)
Others (not exhaustive)	donations; labour market contributions are deducted
Treatment of losses (business/self-employed income)	deductible in top tax and dividend tax, rest is passed on to spouse, and then indefinite carry forward

<sup>(1)</sup> The tax rates are applied to different tax bases.

<sup>(2)</sup> The 8 % labour market contribution is applied to the whole of employment income (i.e. irrespective of the basic allowance).

<sup>(3)</sup> The optional church tax rate varies locally; avg. incl. non payers: 0.709 % (2015).

<sup>(4)</sup> The total rate based on average local taxes (excl. church tax and labour market contribution) is 51.98 %. The top rate is however capped at 51.95 %, by reduction of state tax due to the so-called tax ceiling. The top rate in the table above includes the labour market contribution and is calculated as: 8 % + (100 – 8 %) x 51.95 % = 55.8 %.

<sup>(5)</sup> For certain pension schemes.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table DK.4: VAT**

<b>Tax rates</b>	
Standard	25 %
Reduced rate(s)	– (†)

(†) Only reduced rates in minor areas.

**Table DK.5: Corporate taxation (CIT)**

<b>Tax rates</b>	
Nominal corporate income tax rate	23.5 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	23.5 %
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	domestic income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (arm's length test and thin cap rule of 4:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	yes
<b>Allowance for Corporate Equity</b>	
	no

**Table DK.6: Social contributions**

<b>Base</b>	fixed contributions by employees
<b>Employers' contributions</b>	
Total rate	private employers, who are recorded to pay VAT, must pay contributions to cover the expenses of the The Wage Guarantee Fund. The claim about registration does not count for companies in the Faroe Islands and Greenland. For 2015 the financing contribution is set to DKK 380 per employee. The shipping companies pay the contribution pr. full time seaman in foreign trade according to the Danish State's actual held average expenses to sickness assistance pr. full time seaman the year before.
of which:	
Capped contributions	N/A
<b>Employees' contributions</b>	
Total rate	employees pay fixed social security contributions for unemployment insurance, early retirement, and flexible benefits. unemployment insurance and early retirement contributions for a full-time insured person are DKK 3 972 and DKK 5 784. For a part-time insured person the contributions are DKK 2 640 and DKK 3 852. The flexible benefit contribution is DKK 1 447 per quarter.
of which:	
Capped contributions	N/A

**Table DK.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.



# Estonia

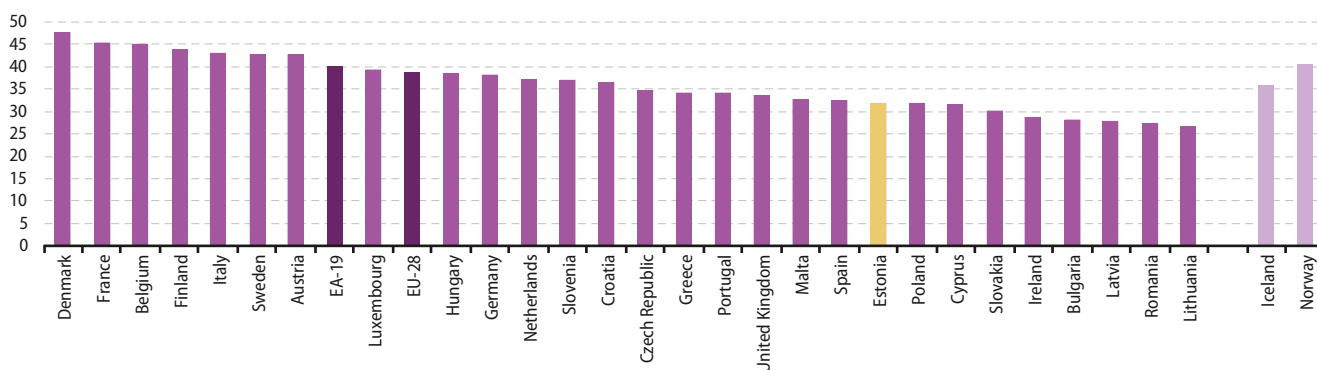
## Structure and development of tax revenues

**Table EE.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.9	12.8	13.4	13.4	12.1	14.7	13.8	13.7	14.0	13.5
VAT	8.3	8.1	9.0	8.8	7.8	8.7	8.5	8.3	8.6	8.3
<b>II. Direct taxes</b>	7.9	6.9	7.0	7.4	7.7	7.4	6.6	6.4	6.7	7.2
Personal income	6.3	5.5	5.5	5.8	6.1	5.6	5.3	5.2	5.3	5.5
Corporate income	0.6	0.5	0.4	0.4	0.4	0.3	0.2	0.2	0.3	0.3
<b>III. Social Contributions ( compulsory actual contributions)</b>	10.3	10.2	10.0	10.4	11.4	12.9	12.7	11.8	11.4	11.1
Employers'	9.9	9.8	9.7	10.1	11.1	12.2	11.8	10.9	10.5	10.4
Households'	0.4	0.4	0.3	0.3	0.3	0.7	0.9	0.9	0.9	0.7
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	31.1	29.9	30.4	31.1	31.3	34.9	33.2	31.9	32.1	31.8
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.1	0.2
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	31.2	30.0	30.5	31.2	31.4	35.1	33.4	32.1	32.2	32.0

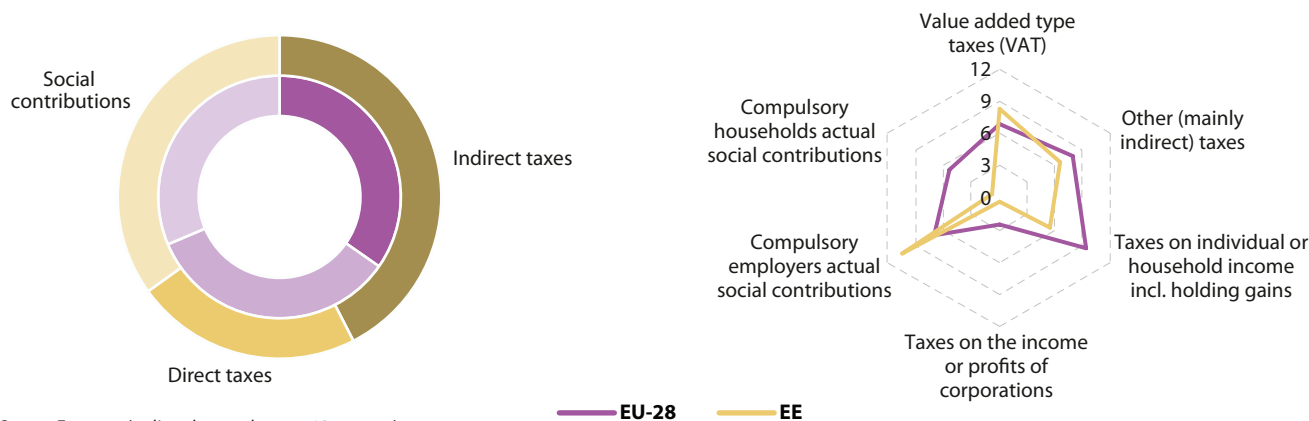
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure EE.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure EE.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

Table EE.2: Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase in the basic tax allowance from EUR 1 728 to EUR 1 848 per year.	Base decrease	In force from: 1.1.2015
Increase of additional allowance for pensions from EUR 2 304 to EUR 2 520 per year.	Base decrease	In force from: 1.1.2014
Increase of additional allowance for pensions from EUR 2 520 to EUR 2 640 per year.	Base decrease	In force from: 1.1.2015
Lowering employees' unemployment insurance rate from 2.0% to 1.6%.	Base increase	In force from: 1.1.2015
Measure to extend the taxation of agricultural subsidies to individuals not registered as self-employed.	Base increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
Increase of CIT tax base due to raising exemption limit for the personal use of company cars from EUR 256 to EUR 355 and abolition of compensation without a logbook.	Base increase	In force from: 1.1.2015
<b>Value-added tax</b>		
Introduction of a scheme subjecting precious metals, if supplied to persons not having a waste permit, to the reverse charge mechanism.	Base increase	In force from: 1.7.2014
Implementation of the Mini One Stop Shop for telecommunication services — measure originates from EU legislation.	Base increase	In force from: 1.1.2015
Restriction of the right to deduct 50% (but no more than EUR 2 000) of the input tax incurred on the acquisition, hire or lease of passenger cars and on acquisition of goods and services connected to passenger cars when the car is used for private purposes.	Base increase	In force from: 1.12.2014
Increase in excise duty rates 1.1.2015; 1.1.2016; 1.1.2017; 1.1.2018	Base increase	In force from: 1.1.2015
<b>Energy excises</b>		
Abolition of excise for biogas.	Both base and rate decrease	In force from: 1.1.2015
<b>Alcohol excises</b>		
Increase in excise duty rate on all alcohol products of 15% in 2015 and of 10% per year for 2016–18.	Rate increase	In force from: 1.1.2015
<b>Tobacco excises</b>		
Increase in tobacco excise rate of 5% annually for the years 2016–18.	Rate increase	In force from: 1.1.2016
<b>Other, non-harmonised excises</b>		
Abolition of reduced excise rate of specially marked fuel.	Rate increase	In force from: 1.1.2015
Natural gas excise rate increase of 20% per year for 2015–17.	Rate increase	In force from: 1.1.2015
<b>Other types of tax</b>		
Changes to the tax base for gambling machines and tournament of game of chance; and changes to the date of submission of gambling tax returns.	Base increase	In force from: 1.2.2015
<b>Employers' social contributions</b>		
Increase in the base for employers' SSC due to raising the exemption limit for the personal use of company cars from EUR 256 to EUR 355 and abolition of compensation without a logbook.	Base increase	In force from: 1.1.2015
Reduction in employers' rate for unemployment insurance from 1.0% to 0.8%.	Rate decrease	In force from: 1.1.2015
<b>Employees' social contributions</b>		
Reduction in employees' rate for unemployment insurance from 2.0% to 1.6%.	Rate decrease	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Obligation to register employees.	Base increase	In force from: 1.7.2014
More detailed data collection of VAT declarations.	Base increase	In force from: 1.11.2014

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table EE.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Tax unit/ taxation of couples and families	separate taxation possibility of joint declaration
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 1 848 additional allowance for children and old age dependants
Rate schedule	flat rate: 20%
Surtaxes	–
Regional and local surcharges	–
Top statutory PIT rate (including surcharges)	20%
Owner-occupied dwelling	not included
Capital income	included in global income
Income from renting movable property	included in global income
Income from renting immovable property	included in global income
Capital gains (immovable property)	included in global income
Capital gains (movable property)	included in global income
Dividends	included in global income
Interests on deposits and special savings accounts	included in global income
Interests on corporate and government bonds	creditable withholding tax
Other specific features and alternative regimes	
artistic or sport activities	10%
(specific) insurance payments	10%
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	based on real expenses (for entrepreneur income only)
Pension savings	yes
Mortgage	yes (interests)
Others (not exhaustive)	donations, educational expenses
Treatment of losses (business/self-employed income)	7-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table EE.4: VAT

Tax rates	
Standard	20%
Reduced rate(s)	9%

Table EE.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	20%
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	20%
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	no
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table EE.6: Social contributions

Base	
	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind
Employers' contributions	
Total rate	33.8%
of which:	pensions 20%, healthcare 13%, unemployment 0.8%
Capped contributions	no (except sole proprietor limit of EUR 70 200 per year)
Employees' contributions	
Total rate	1.6%
of which:	unemployment insurance 1.6%
Capped contributions	no

Table EE.7: Wealth and transaction taxes

Inheritance and gift tax	
	no
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	yes
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Finland

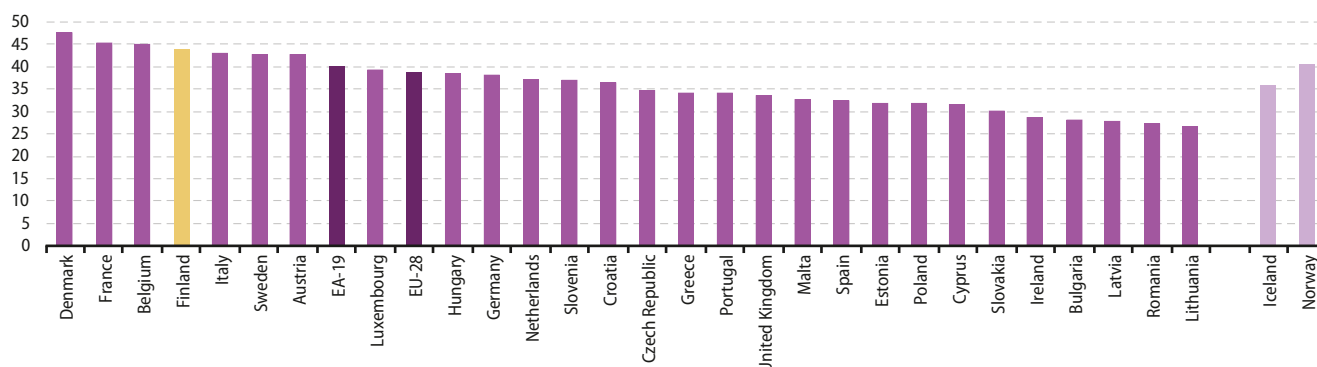
## Structure and development of tax revenues

**Table FI.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	13.3	13.4	13.3	12.8	12.5	13.0	13.0	13.9	14.2	14.6
VAT	8.2	8.4	8.4	8.2	8.1	8.4	8.3	8.8	9.0	9.3
<b>II. Direct taxes</b>	17.3	17.2	17.1	17.2	17.1	15.7	15.6	16.1	15.9	16.6
Personal income	12.7	12.9	12.8	12.5	12.7	12.7	12.0	12.3	12.5	12.9
Corporate income	:	:	:	:	:	:	:	:	:	:
<b>III. Social Contributions ( compulsory actual contributions)</b>	11.2	11.5	11.8	11.4	11.5	12.2	12.1	12.1	12.6	12.7
Employers'	8.5	8.6	8.6	8.4	8.6	9.0	8.6	8.6	8.8	8.9
Households'	2.7	2.9	3.2	3.0	2.9	3.2	3.5	3.5	3.8	3.8
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	41.8	42.1	42.2	41.5	41.2	40.9	40.8	42.0	42.7	43.9
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	42.0	42.3	42.3	41.6	41.3	41.1	40.9	42.2	42.8	44.0

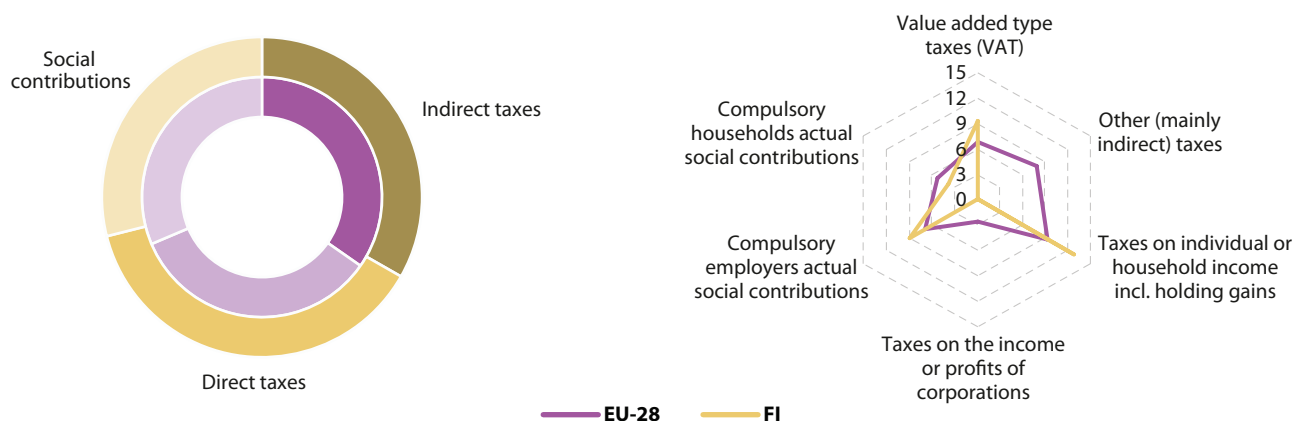
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure FI.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure FI.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

Table FI.2: Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Introduction of the Child Tax Credit.	Introduction (decrease)	In force from: 1.1.2015
Further limitation of interest deduction eligibility of owner-occupied mortgages.	Rate increase	In force from: 1.1.2015
Correction for bracket creep.	Rate decrease	In force from: 1.1.2015
Pension income allowance.	Rate decrease	In force from: 1.1.2015
Increased progression in capital income taxation.	Both base and rate increase	In force from: 1.1.2015
Raised EITC.	Rate decrease	In force from: 1.1.2015
Raised basic allowance.	Rate decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
Reintroduction of deductibility of representation expenses.	Base decrease	In force from: 1.1.2015
Doubling of the maximum depreciation rates of productive investments (2015–16).	Base decrease	In force from: 1.1.2015
Removing churches from being a CIT recipient.	N/A	In force from: 1.1.2015
<b>Value-added tax</b>		
Implementation of reversed charge in scrap metal business.	N/A	In force from: 1.1.2015
Removal of VAT exemption for importation of small consignments from Åland to mainland Finland for imported mail ordered newspapers and periodicals that are published once a week or less frequently.	Base increase	In force from: 1.1.2015
Implementation of reversed charge in scrap metal business.	Rate increase	In force from: 1.1.2015
<b>Energy excises</b>		
Increase of energy content tax on petrol and diesel.	Rate increase	In force from: 1.1.2015
Increase of CO <sub>2</sub> tax on heating oil, machinery fuels, etc.	Rate increase	In force from: 1.1.2015
Increase of tax on electricity (class I).	Rate increase	In force from: 1.1.2015
Decrease for electricity made from peat and turf.	Rate decrease	In force from: 1.1.2015
Removal of tax expenditures on mining sector.	Rate increase	In force from: 1.1.2015
Decrease of tax on peat.	Rate decrease	In force from: 1.1.2015
<b>Tobacco excises</b>		
Increase of tax on tobacco.	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Increase of annual vehicle tax.	Rate increase	In force from: 1.1.2015
Increase of landfill tax.	Rate increase	In force from: 1.1.2015
<b>Other types of tax</b>		
Repeal of power plant tax.	Base decrease	In force from: 1.1.2015
The Bank tax (in force from 2013; 0.125% of risky assets) is abolished at 1.1.2015. It is replaced by compulsory deductible contributions to the national and European resolution funds.	Phase-out (N/A)	In force from: 1.1.2015
A 1 percentage point increase to all marginal tax rates of the estate and gift tax.	Rate increase	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table FI.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	for national income tax, no tax on earned income below EUR 16 500 for municipal tax, earned income allowance maximum EUR 2 970 per year
Rate schedule	progressive, 5 rates from 6.5% to 31.75 % top marginal rate: 31.75 % (> EUR 90 000)
Surtaxes	
Regional and local surcharges	municipal income tax varying between 16.5% and 22.5% (weighted average 19.84%); church tax of between 1 and 2% depending on the municipality (average 1.43%)
Top statutory PIT rate (including surcharges)	51.6% <sup>(1)</sup>
Owner-occupied dwelling	not included
Capital income	30% (up to EUR 30 000); 33% (over EUR 30 000)
Income from renting movable property	included in capital income
Income from renting immovable property	included in capital income
Capital gains (immovable property)	included in capital income
Capital gains (movable property)	included in capital income
Dividends	creditable withholding tax 7.5% (non-listed companies), 25.5% (listed companies), 27% (dividends exceeding EUR 150 000)
Interests on deposits and special savings accounts	30% (final withholding)
Interests on corporate and government bonds	30% (final withholding)
Other specific features and alternative regimes	
Partnerships	partnerships are not taxed separately; income is divided among the partners and taxed as personal income
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	standard lump-sum deduction (EUR 620) OR based on real expenses
Pension savings	no
Mortgage	65% is deductible from capital income
Others (not exhaustive)	travel expenses, alimony, donations (deductible from earned income); interest from loans (deductible from capital income)
Treatment of losses (business/self-employed income)	10-year carry forward

<sup>(1)</sup> Including the average of municipal income taxes; church "tax" not included. In national accounting the church tax is recorded as a transfer to non-profit institutions.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table FI.4: VAT

Tax rates	
Standard	24 %
Reduced rate(s)	10 % and 14 %

Table FI.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	20 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	20 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	Worldwide income
Anti-avoidance	
Limits to interest deductions	yes (deductibility of interest on intra-group loans restricted to 25 % of earnings before interest, taxes, depreciation, and amortisation subject to certain safe harbours from 2014 onwards; no thin cap rules)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table FI.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind, income from occasional activities
Employers' contributions	
Total rate	20.98 %
of which:	pensions 18%, healthcare 2.08 %, unemployment 0.8 % (3.15 above EUR 2 025 000), accident insurance 0.1 % (up to 7 %)
Capped contributions	no
Employees' contributions	
Total rate	8.45 %
of which:	pensions 5.7 % (plus 1.5 % for over 53), healthcare 2.1 %, unemployment 0.65 %
Capped contributions	no

Table FI.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.



# France

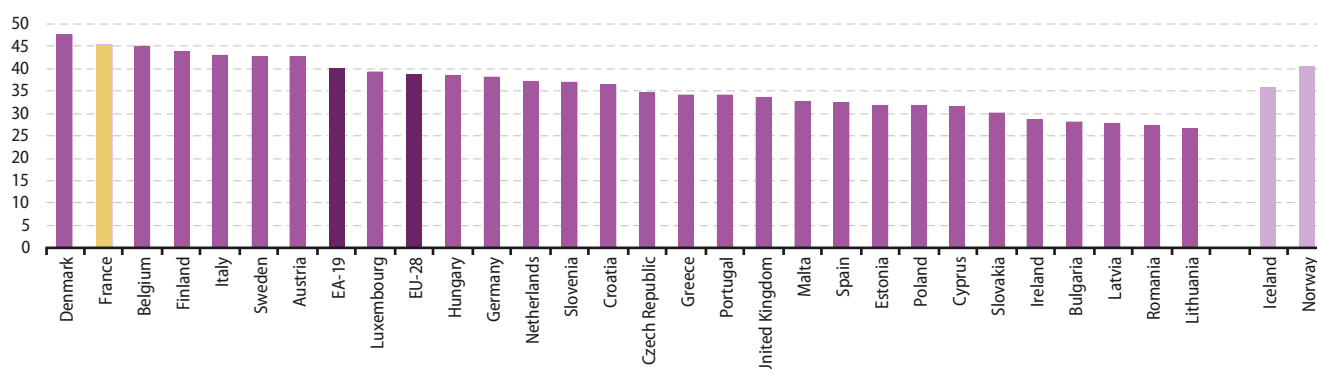
## Structure and development of tax revenues

**Table FR.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	15.1	15.3	15.2	15.0	14.8	15.0	14.8	15.2	15.4	15.6
VAT	7.0	7.1	7.1	7.0	6.9	6.7	6.8	6.8	6.8	6.8
<b>II. Direct taxes</b>	11.4	11.6	12.2	12.1	12.1	10.9	11.4	12.1	12.8	13.2
Personal income	7.8	8.0	7.9	7.7	8.0	7.9	7.8	8.0	8.7	9.0
Corporate income	2.3	2.3	2.9	2.9	2.8	1.7	2.2	2.5	2.5	2.7
<b>III. Social Contributions ( compulsory actual contributions)</b>	15.7	15.9	16.0	15.8	15.8	16.4	16.2	16.4	16.6	16.9
Employers'	10.7	10.8	10.8	10.7	10.7	11.1	11.0	11.2	11.3	11.4
Households'	5.0	5.1	5.2	5.1	5.1	5.3	5.2	5.2	5.3	5.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.2	0.1	0.2	0.2	0.2	0.3	0.2	0.3	0.3	0.3
<b>V. Total (I + II + III - IV)</b>	42.1	42.7	43.1	42.6	42.5	42.0	42.2	43.3	44.5	45.3
<b>VI. Social contributions (imputed + voluntary contributions)</b>	1.8	1.7	1.7	1.7	1.8	1.9	1.9	1.9	2.0	1.9
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	43.9	44.5	44.9	44.3	44.3	43.9	44.1	45.2	46.4	47.3

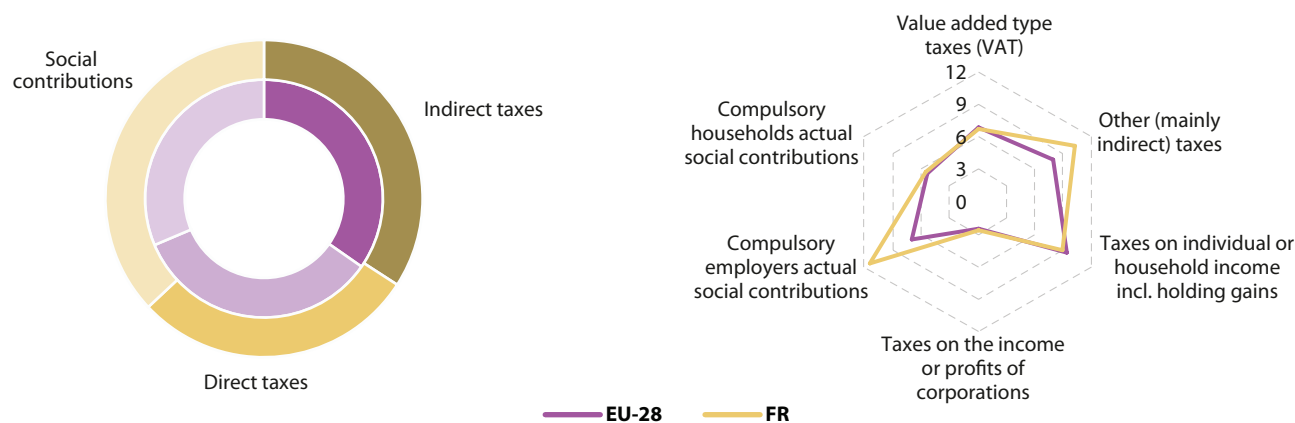
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure FR.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure FR.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table FR.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Overhaul of the personal income tax rates system, in particular with: i) abolition of the 1st tax bracket at 5.5 % and decrease of the lower limit to EUR 9 690 for the bracket at 14 %, ii) strengthening of the rebate ( <i>décote</i> ) (increase of the ceiling below which the rebate apply and differentiation according to the family situation).	Both base and rate decrease	In force from: 1.1.2015
Energy transition tax credit to support households eco-friendly home renovation.	Base decrease	In force from: 1.1.2015
The tax credit for employment ( <i>prime pour l'emploi</i> ) aimed at low-income households would be abolished. This measure would apply to income earned as from 1.1.2015.	Both base and rate increase	In force from: 1.1.2015
Exceptional PIT cut for low income.	Both base and rate decrease	In force from: 9.8.2014
<b>Personal income tax</b>		
Phasing out of the solidarity surcharge on companies (C3S) (base allowance of EUR 3.25 million).	Base decrease	In force from: 1.1.2015
Extension (time and scope) of the zero interest rate loan until December 2017.	Base decrease	In force from: 1.1.2015
Deferral to 2016 of the abolition of the surcharge on CIT.	Phase-out (decrease)	In force from: 9.8.2014
Incidence on CIT of the reduction of employer social security contributions and of the abolition of the solidarity surcharge on companies (C3S).	Base increase	In force from: 9.8.2014
Non-deductibility from (accounting) results of a range of taxes (e.g. systemic risk tax, office tax).	Base increase	In force from: 10.1.2015
50 % increase of the tax on retail space for buildings whose the sales area exceeds 2 500 m <sup>2</sup> .	Both base and rate increase	In force from: 10.1.2015
<b>Value-added tax</b>		
Tickets for admission to sporting events will be subject to VAT from 1.1.2015, at a reduced rate of 5.5 %.	Base increase	In force from: 1.1.2015
<b>Energy excises</b>		
Increase of the excise rate on diesel (2 cents increase per liter).	Rate increase	In force from: 1.1.2015
<b>Employers' social contributions</b>		
Decrease in employer social security contributions for family benefits (3.45 % instead of 5.25 % for wages up to 1.6 the minimum wage SMIC, 2.15 % for certain self-employed workers).	Rate decrease	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Tax measures to simplify the business environment.	N/A	Legislation: 20.12.2014
Charter on principle of non-retroactivity of tax legislation.	N/A	In force from: 1.12.2014
Fight against tax fraud (transfer pricing and VAT).	N/A	In force from: 10.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table FR.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	joint taxation (tax unit is the household) <i>quotient familial</i> (1 share per parent, 1/2 share for the first two children or dependents, 1 additional share for each additional child or dependent)
<b>System and Applicable rates</b>	PIT includes the general income tax ( <i>l'impôt sur le revenu</i> ), the social levy ( <i>Prélèvements sociaux sur les revenus du capital</i> ), the general social welfare contribution (CGS) and the welfare debt repayment levy (CRDS)
Global / Labour income scheme	
Basic allowance	up to EUR 9 690 tax free
Rate schedule	progressive — 5 brackets: 0%, 14%, 30%, 41%, 45% top marginal rate on earnings: 45% (> EUR 151 956) exceptional contribution on incomes: 3% (> EUR 250 000/individual) or 4% (> EUR 500 000/individual)
Surtaxes <sup>(1)</sup>	general social welfare contribution (CSG) (partially deductible): 7.5% (earnings) welfare debt repayment levy (CRDS): 0.5%
Regional and local surcharges	–
Top statutory PIT rate (including surcharges) <sup>(1)(2)</sup>	50.3%
Owner-occupied dwelling	not included
Capital income	income tax, plus social contributions (15.5% = social levy: 6.8% + CSG: 8.2% (capital income) + CRDS: 0.5%)
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	19% flat rate (exemptions apply) + 15.5% social contributions capital gains on securities subject to progressive income tax, with reduction regime depending on length of time securities held, and whether SME; gains on business assets held < 2 yrs taxed as business income, >2 yrs 16% flat rate
Capital gains (movable property)	subject to progressive income tax for 60% of amount + 15.5% social contributions; 21% withholding tax creditable against final tax liability (possible exemption < EUR 50 000/individual)
Dividends	subject to progressive income tax + 15.5% social contributions; 24% withholding tax creditable against final tax liability (possible exemption < EUR 25 000/individual); certain special savings accounts are exempted
Interests on deposits and special savings accounts	subject to progressive income tax + 15.5% social contributions; 24% withholding tax creditable against final tax liability (possible exemption < EUR 25 000/individual)
Interests on corporate and government bonds	subject to progressive income tax + 15.5% social contributions; 24% withholding tax creditable against final tax liability (possible exemption < EUR 25 000/individual)
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
<b>Main tax credits &amp; deductions</b>	
Professional expenses	income tax: yes, in percentage (10%) OR based on real expenses; capped (EUR 12 157) CSG/CRDS: yes, 1.75%, capped (EUR 2 663)
Pension savings	yes
Mortgage	tax credit for (pre-Sep. 2011) purchase of main home refundable tax credits: earned income tax credit ( <i>prime pour l'emploi</i> ), childcare for young children; tax credit or reduction for home employees
Others (not exhaustive)	tax reductions: low income households, certain type of investment, charitable or other donations
Treatment of losses (business/self-employed income)	6-year carry forward (can be transferred to spouse or partner)

Note: These rules are the ones in force on 1.1.2015, and therefore applicable in 2015 for the assessment of 2014 revenues.

<sup>(1)</sup> The CSG rate varies depending on income source. Values given are rates applicable to earnings.

<sup>(2)</sup> At top marginal rate, the base is reduced to 93.9% of total earnings, following the deduction of SC (1%) and partial CGS (5.1%) payments. The calculation goes as follows:  
45% (100% – 5.1% – 1%) + 7.5% + 0.5%.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table FR.4: VAT

Tax rates	
Standard	20 %
Reduced rate(s)	2.1 % (super-reduced rate), 5.5 % and 10 %

Table FR.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	33.33 % (standard rate) <sup>(1)</sup>
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	33.33 % (standard rate) <sup>(1)</sup>
Special tax rate for SMEs (all-in rate)	15 %
Tax base	
domestic income	
Anti-avoidance	
Limits to interest deductions	yes (75 % of net interest charges for companies generating more than EUR 3 million of net interest expenses; thin cap rules, ratio and arm's length test)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	
Allowance for Corporate Equity	
	no

<sup>(1)</sup> The rate is 38 % if the following surcharges are included: 3.3 % additional social surcharge for large companies; temporary corporate income tax surcharge of 10.7 % for large companies with a turnover exceeding EUR 250 million.

Table FR.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities <sup>(1)</sup>
<b>Employers' contributions</b>	
Total rate	from 11.29 % to 40.63 %
of which:	pensions 16.15 % (up to EUR 38 040; 15.25 % from EUR 38 040 to EUR 114 120; 1.8 % thereafter); healthcare 12.8 %, unemployment 4 %, child care 5.25 % (3.45 % for income < 1.6 times min wage), illness/accident 2.44 %
Capped contributions	yes (proportional up to EUR 38 040, then decreasing); deductible
<b>Employees' contributions</b>	
Total rate	14.2 %
of which:	pensions 11.05 % (up to EUR 38 040; 9.3 % from EUR 38 040 to EUR 114 120; 0.3 % thereafter), healthcare 0.75 %, unemployment 2.4 %
Capped contributions	yes (proportional up to EUR 38 040, then decreasing); deductible

<sup>(1)</sup> Capital income is subject to 15.5 % social contributions (social welfare levy: 6.8 % + CSG: 8.2 % + CRDS: 0.5 %) — see above.

Table FR.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	yes

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Germany

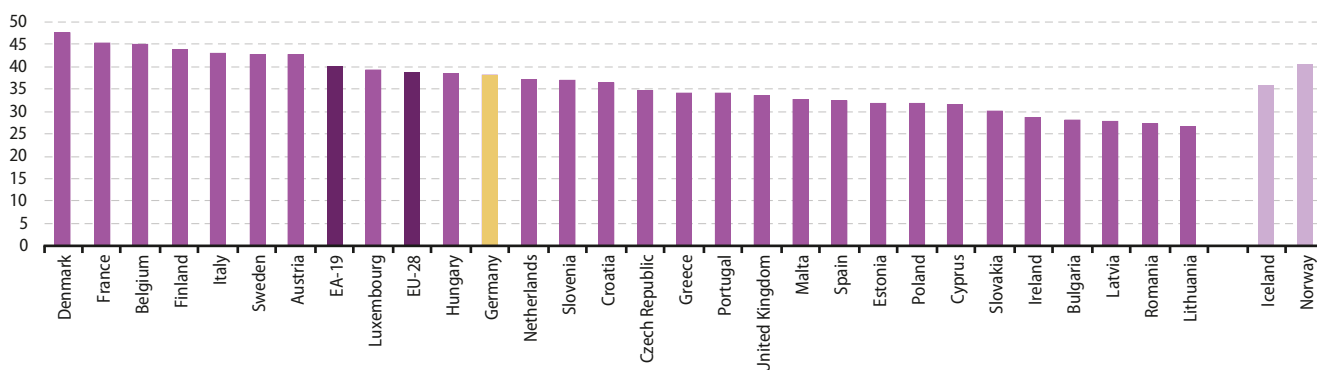
## Structure and development of tax revenues

**Table DE.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	10.5	10.5	10.5	10.9	10.9	11.4	10.9	11.1	11.1	11.0
VAT	6.1	6.1	6.2	6.8	6.9	7.2	7.0	7.0	7.1	7.0
<b>II. Direct taxes</b>	10.4	10.7	11.5	11.9	12.2	11.4	10.8	11.3	11.8	12.1
Personal income	7.8	7.8	8.0	8.4	9.0	8.9	8.1	8.2	8.6	8.9
Corporate income	2.0	2.3	2.8	2.8	2.5	1.9	2.1	2.4	2.5	2.5
<b>III. Social Contributions ( compulsory actual contributions)</b>	16.1	15.9	15.4	14.6	14.7	15.4	15.0	14.9	15.0	15.1
Employers'	7.0	6.8	6.6	6.3	6.3	6.6	6.5	6.4	6.5	6.6
Households'	9.1	9.1	8.8	8.3	8.4	8.8	8.5	8.5	8.5	8.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	37.0	37.0	37.3	37.4	37.8	38.1	36.8	37.3	37.9	38.1
<b>VI. Social contributions (imputed + voluntary contributions)</b>	1.6	1.5	1.5	1.5	1.4	1.5	1.5	1.5	1.5	1.5
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	38.6	38.6	38.8	38.9	39.2	39.7	38.3	38.7	39.4	39.6

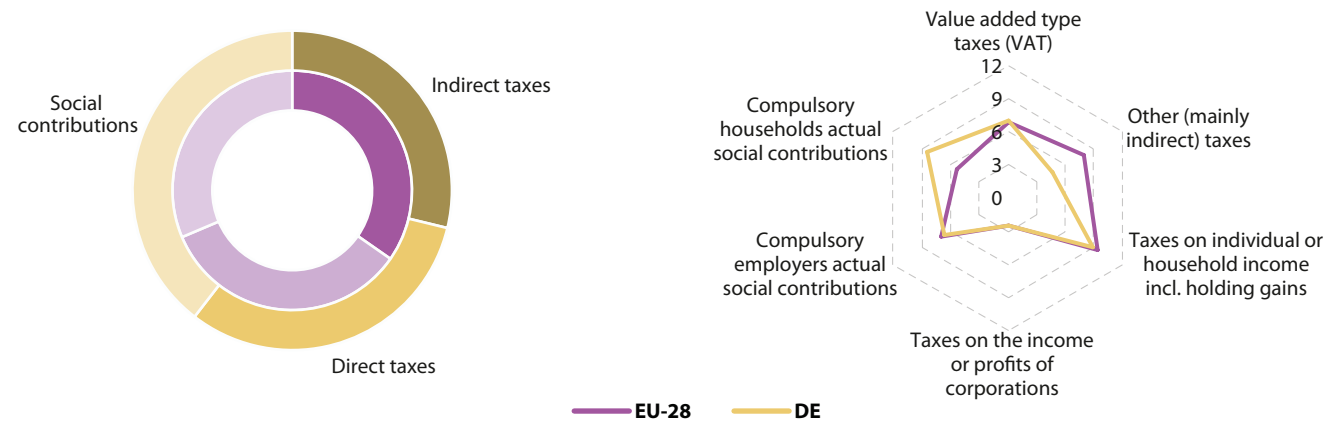
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure DE.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure DE.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table DE.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase of basic allowance by EUR 118 to EUR 8 472 on 1.1.2015 and by EUR 180 to EUR 8 652 on 1.1.2016.	Base decrease	In force from: 1.1.2015
Increase of the basic allowance for children ( <i>Kinderfreibetrag</i> ) by EUR 144 to EUR 7 152 on 1.1.2015 and by EUR 96 to EUR 7 248 on 1.1.2016.	Base decrease	In force from: 1.1.2015
Increase of the relief for lone parents by EUR 600 to EUR 1 908, furthermore, an extra allowance for lone parents of EUR 240 for the second and each subsequent child.	Base decrease	In force from: 1.1.2015
Increase of child credit by EUR 48 to EUR 2 256 for the first and second child, to EUR 2 328 for the third child and to EUR 2 628 for the fourth and subsequent child.	Base decrease	In force from: 1.1.2015
<b>Property taxes</b>		
Increase of real estate transfer tax from 5.5 % to 6.5 % in Saarland.	Rate increase	In force from: 1.1.2015
Increase of real estate transfer tax from 5 % to 6 % in Hessen.	Rate increase	In force from: 1.8.2014
Increase of real estate transfer tax from 5 % to 6.5 % in Nordrhein-Westfalen.	Rate increase	In force from: 1.1.2015
<b>Employers' social contributions</b>		
Reduction of pension contribution rate from 18.9 % to 18.7 % (9.35 % each for employers and employees).	Rate decrease	In force from: 1.1.2015
Increase of maximum wage for SSC's.	Base increase	In force from: 1.1.2015
<b>Employees' social contributions</b>		
Increase of overall contribution for social long term care insurance by 0.3 pp to 2.35 % (1.175 % each for employers and employees).	Rate increase	In force from: 1.1.2015
Reduction of general contribution for general health insurance by an average of 0.9 pp to fix a general contribution of 14.6 % plus a possible supplement, estimated to be 0.9 pp, to be paid by employees.	Rate decrease	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table DE.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	joint taxation and full marital quotient separate taxation possible, but will always yield tax liabilities → joint
<b>System and Applicable rates</b>	
Global / Labour income scheme	personal income tax and wage tax. Wage taxes ( <i>Lohnsteuer</i> ) provisions apply to the collection of (withholding) taxes on labour income
Basic allowance	EUR 8 472; child credit or allowance, special provisions for lone parents
Rate schedule	marginal rate increasing with income (formula <sup>(1)</sup> ): from 14% till 42% (45% for very high incomes) top marginal rate 42% (≥ EUR 52 882), 45% (≥ EUR 250 731)
Surtaxes	5.5% on income tax liability [solidarity surtax] (an exemption limit is applied)
Regional and local surcharges	no
Top statutory PIT rate (including surcharges)	47.5% (50.5% ≥ EUR 250 731)
Owner-occupied dwelling	not included
Capital income	included in general taxation
Income from renting movable property	included in general taxation
Income from renting immovable property	included in general taxation
Capital gains (immovable property)	included in general taxation
Capital gains (movable property)	included in general taxation
Dividends	25% (final withholding) — possibility to opt-out if marginal effective tax rate below 25%
Interests on deposits and special savings accounts	25% (final withholding) — possibility to opt-out if marginal effective tax rate below 25%
Interests on corporate and government bonds	25% (final withholding) — possibility to opt-out if marginal effective tax rate below 25%
Other specific features and alternative regimes	
Preferential regime for retained earnings	28.3%
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	yes, lump sum (employees; EUR 1 000/year) / based on real expenses, capped (business)
Pension savings	yes
Mortgage	no
Others (not exhaustive)	yes, partly capped
Treatment of losses (business/self-employed income)	1-year carry backward; unlimited carry forward

<sup>(1)</sup> In the two linear-progressive zones, the proportion of any additional income taken in tax (the marginal rate) increases in a straight line, but at differing gradients. In the upper proportional zone it remains constant. The total size of the burden imposed by the tax structure (the average rate) increases as income rises, approaching the top tax rate for very large incomes.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table DE.4: VAT**

<b>Tax rates</b>	
Standard	19 %
Reduced rate(s)	7 %

**Table DE.5: Corporate taxation (CIT)**

<b>Tax rates</b>	
Nominal corporate income tax rate	15 %
Central government surcharge	0.825 %
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	15.825 % (!)
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (deduction of interest up to a value of 30 % of earnings before interest, taxes, depreciation and amortisation)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	yes
<b>Allowance for Corporate Equity</b>	
	no

(!) There is also a trade tax whose rate consists of a 0.035 general rate and a local multiplier ('Hebesatz') (e. g. 410 % = sub-central government trade tax rate for Berlin = 14.35 %). For Berlin, the combined corporate income tax rate therefore amounts to 30.18 %.

**Table DE.6: Social contributions**

<b>Base</b>	employment income, income from business and self-employed activities, benefits in kind, pension income
<b>Employers' contributions</b>	
Total rate	19.33 %
of which:	pensions 9.35 %, healthcare 7.3 %, unemployment 1.5 %, other 1.18 %
Capped contributions	yes
<b>Employees' contributions</b>	
Total rate	20.23 %
of which:	pensions 9.35 %, healthcare 8.2 %, unemployment 1.5 %, other 1.18 %
Capped contributions	yes

**Table DE.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.



# Greece

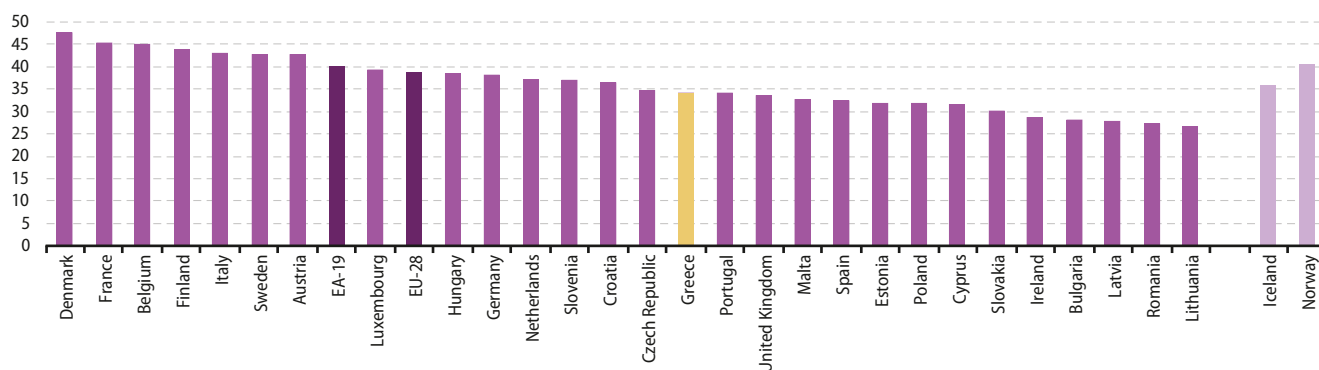
## Structure and development of tax revenues

**Table EL.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	:	:	12.3	12.7	12.7	11.8	12.6	13.5	13.1	13.4
VAT	:	:	6.8	7.1	7.0	6.3	7.1	7.2	7.1	6.9
<b>II. Direct taxes</b>	:	:	8.3	8.4	8.4	8.7	8.3	9.2	10.7	10.4
Personal income	:	:	4.4	4.6	4.6	4.8	4.4	4.8	7.0	6.0
Corporate income	:	:	2.8	2.6	2.6	2.5	2.5	2.2	1.2	1.3
<b>III. Social Contributions ( compulsory actual contributions)</b>	:	:	10.3	10.7	10.7	10.2	11.0	10.7	10.8	10.6
Employers'	:	:	4.7	4.9	5.0	4.7	5.1	4.8	4.8	4.6
Households'	:	:	5.6	5.8	5.7	5.5	5.9	5.9	6.0	6.0
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	:	:	31.0	31.8	31.8	30.7	31.8	33.4	34.5	34.3
<b>VI. Social contributions (imputed + voluntary contributions)</b>	:	:	1.6	1.7	2.0	2.2	2.1	2.4	2.8	2.7
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	:	:	32.6	33.5	33.7	32.9	34.0	35.9	37.4	37.1

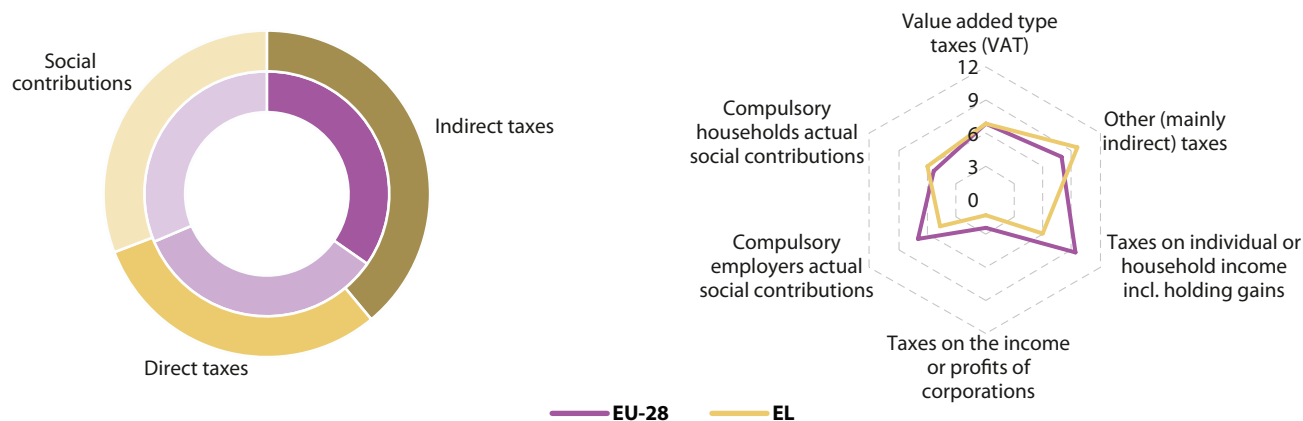
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure EL.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure EL.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table EL.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Carry forward of capital losses arising from certain transactions in securities is limited to 5 years.	Base increase	Legislation: 7.4.2014
Tax at 15% on the capital gains earned by Individuals from the transfer of listed shares or other securities: holding of at least 0.5% of the share capital and the shares have been acquired on or after 1.1.2009.	Rate increase	Legislation: 7.4.2014
Suspension of capital gains tax on real estate transfers.	Phase-out (decrease)	In force from: 1.1.2015
Flat rate scheme for farmers is applicable only for farmers whose annual turnover was below EUR 15 000 and who had the right to single payment scheme below EUR 5 000 during the previous year.	Base N/A	In force from: 1.1.2014
The solidarity contribution has been extended for 2015–16 with increased rate.	Rate increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
Sale and lease-back of real estate: alignment with IFRS 17.	Base neutral	In force from: 1.1.2014
Re-introduction of 20% WHT on extraordinary fees to employees.	Base increase	Legislation: 7.4.2014
Participation exemption: restriction on the scope of application — it explicitly only covers dividends that Greek legal entities earn under the PSD whilst the previous provision seemed to also apply to dividends flowing in from outside the EU.	Base increase	Legislation: 7.4.2014
Exclusion of domestic royalty payments from 20% WHT. This provision applies only to payments received by legal persons or legal entities that are Greek tax residents or have a permanent establishment in Greece.	Base decrease	Legislation: 7.4.2014
Tax exemption of foreign investors' gains from Greek state bonds.	Base decrease	Legislation: 7.4.2014
Disallowance of business expense deductibility in specific cases & carve-out clause.	Base increase	In force from: 21/03/2015
Companies that belong to the general government entities, except for those, in which the State or a legal person governed by public law holds 100%, are excluded from the exemption from CIT.	Base increase	Legislation: 7.4.2014
Interest on bonds issued by the EFSF as well as capital gains from the exchange of Greek government bonds or corporate bonds guaranteed by the Greek government with other securities, under the implementation of the participation programme for restructuring the Greek debt, are exempt from CIT.	Base decrease	Legislation: 7.4.2014
Thin capitalisation rules do not apply to leasing companies mentioned in Law 1665/1986 and factoring companies as mentioned in Law 1905/1990 that are authorised by the Bank of Greece and the respective regulatory authorities of other EU Member States.	Base N/A	Legislation: 7.4.2014
The permanent loss due to credit risk arising for creditors of the legal persons supervised by the Bank of Greece (mentioned in Art. 26 of the same Law) by deleting debtors' debts, is deducted from their gross income (in 15 equal annual installments)	Introduction (increase)	Legislation: 15.11.2014
Option to convert the deferred tax assets on temporary differences in final claims against the Greek State.	Introduction (N/A)	Legislation: 17.10.2014
Broaden the scope of the Special Scheme for Small Enterprises — every taxable person with an annual turnover up to EUR 10 000 has the ability to choose this special scheme.	N/A	In force from: 1.1.2015
Corporate income tax rate increased from 26% to 29%.	Rate increase	In force from: 1.1.2015
<b>Description of measure</b>	<b>Change</b>	<b>Date</b>

Table EL.2: Latest tax reforms (continued)

<b>Value-added tax</b>		
Donated goods: taxable persons are no longer liable to pay VAT on the purchase or cost price of goods that they donate under certain limited circumstances.	Phase-out (decrease)	In force from: 17.2.2014
VAT cash accounting system for taxable persons with a turnover which did not exceed EUR 500 000 the previous tax year.	Base decrease	In force from: 1.10.2014
<b>Property taxes</b>		
Amendment to ENFIA to address initial failures.	Both base and rate decrease	Legislation: 19.9.2014
A beneficial provision is introduced regarding the calculation of the supplementary tax of ENFIA of hotel building and furnished rooms-to-let/apartments that are privately used by hotel sole proprietorships.	N/A	In force from: 1.1.2015
<b>Other types of tax</b>		
Capital accumulation tax: no longer applicable to newly established entities — it is clarified by Ministerial Decision that this abolition does not trigger stamp tax liabilities.	Phase-out (decrease)	In force from: 7.4.2014
<b>Administrative, compliance related measures</b>		
Waiver of surcharges, interest and penalties for assessed tax liabilities if overdue tax debts (or part thereof) are paid off until 27.3.2015.	N/A	In force from: 19.3.2015
Tax debts which became due until 1.3.2015 can be settled through monthly instalments ranging from one-off payment to 100 monthly instalments. Fewer instalments provide higher waivers of: a) additional taxes/levies, imposed by Law 2523/1997, late submission, non-submission or incorrect submission fines assessed together with the basic debt and b) surcharges and interest of overdue debts; debtors may apply for settlement until 26.5.2015. (According to Art. 6, Law 4321/2015 this date may be extended, by Ministerial Decision, for up to one month).	N/A	In force from: 7.4.2015
Overdue debts and tax debts which became assessed until 1.10.2014 can be settled through monthly instalments ranging from: a) one-off payments to 100 monthly instalments for tax debtors with overdue debt lower or equal to EUR 15 000 and b) one-off payments to 72 monthly instalments. The installment plan is limited to debts with a total amount less than EUR 1 000 000 and debtors were eligible for settlement until 31.3.2015.	N/A	In force from: 24.11.2014

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table EL.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation joint tax form but separate assessment
<b>System and Applicable rates</b>	there are 4 categories of income with specific taxation rules: income from employment and pensions, income from business activities, capital income and capital gains income
Global / Labour income scheme	
Basic allowance	none
Rate schedule	progressive, 3 rates: 22 % ( $\leq$ EUR 25 000), 32 % (EUR 25 000–42 000), 42 % ( $>$ EUR 42 000) top rate: 42 % ( $>$ 42 000)
Surtaxes	special solidarity contribution: 0.7 % (EUR 12 001–20 000), 1.4 % (EUR 20 001–30 000), 2 % (EUR 30 001–50 000), 4 % (EUR 50 001– 100 000), 6 % (EUR 100 001–500 000), 8 % ( $>$ EUR 500 000) on annual total net income
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	48 %
Owner-occupied dwelling	included
Capital income	
Income from renting movable property	N/A
Income from renting immovable property	11 % (up to EUR 12 000), 33 % ( $>$ EUR 12 000)
Capital gains (immovable property)	15 %
Capital gains (movable property)	15 %
Dividends	10 % (final withholding)
Interests on deposits and special savings accounts	15 % (final withholding)
Interests on corporate and government bonds	15 % (final withholding)
Other specific features and alternative regimes	
Self-employed or personal businesses	2 rates: 26 % (up to EUR 50 000), 33 % ( $>$ EUR 50 000)
Personal agricultural businesses	flat rate: 13 %
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	yes, based on real expenses, capped
Pension savings	included
Mortgage	included
Others (not exhaustive)	child care, educational and medical expenses, alimony, donations, life insurance contributions, investment in eco-friendly goods
Treatment of losses (business/self-employed income)	5-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table EL.4: VAT

Tax rates	
Standard	23 %
Reduced rate(s)	6.5 % and 13 %

Table EL.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	29 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	29 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income (subject to double-tax relief)
Anti-avoidance	
Limits to interest deductions	yes (deduction of interest up to a value of 50% of earnings before interest, taxes, depreciation and amortization (40 % from 1.1.2016 and 30 % from 1.1.2017))
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	yes
Allowance for Corporate Equity	
	no

Table EL.6: Social contributions

Base	
	employment income
Employers' contributions	
Total rate	24.56 % (26.71 % for blue collar workers engaged in heavy work)
of which:	
Capped contributions	yes (EUR 5 546.80 per month)
Employees' contributions	
Total rate	15.5 % (18.95 % for blue collar workers engaged in heavy work)
of which:	healthcare 2.55 %, unemployment 2.93 %
Capped contributions	yes (EUR 5 546.80 per month)

Table EL.7: Wealth and transaction taxes

Inheritance and gift tax	
	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Hungary

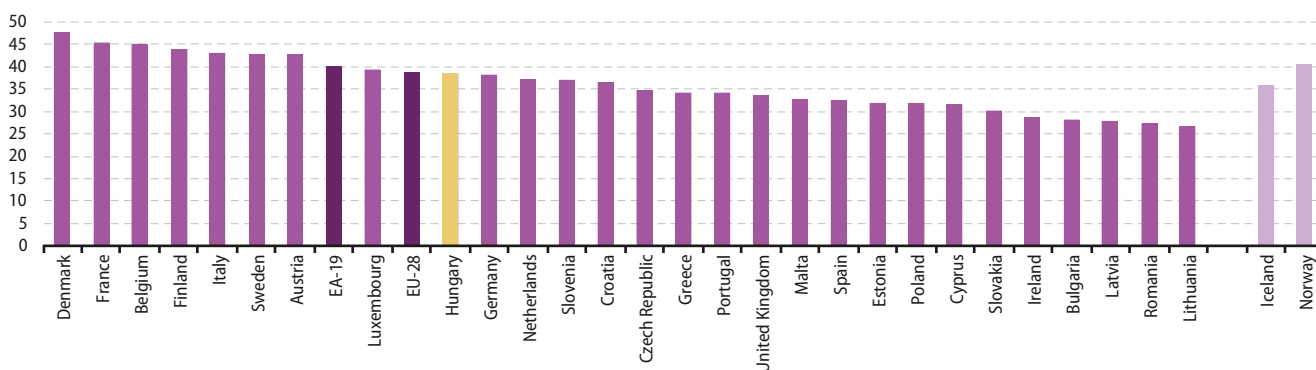
## Structure and development of tax revenues

**Table HU.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	16.2	15.6	15.1	16.0	15.8	16.6	17.7	17.5	18.8	18.7
VAT	8.8	8.3	7.5	7.9	7.7	8.4	8.6	8.5	9.2	9.0
<b>II. Direct taxes</b>	8.9	8.9	9.3	10.2	10.5	9.8	7.9	6.3	6.8	6.7
Personal income	6.5	6.5	6.7	7.1	7.5	7.2	6.4	4.9	5.3	5.0
Corporate income	:	:	:	:	:	:	:	:	:	:
<b>III. Social Contributions ( compulsory actual contributions)</b>	12.1	12.4	12.4	13.5	13.5	13.0	11.9	13.0	13.0	13.0
Employers'	9.3	9.6	9.4	9.6	9.6	9.1	7.7	7.8	7.6	7.5
Households'	2.8	2.8	3.0	3.9	3.9	3.9	4.2	5.2	5.4	5.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III – IV)</b>	37.2	36.9	36.8	39.7	39.7	39.3	37.6	36.9	38.6	38.4
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.1	0.1	0.1	0.1	0.1	0.0	0.2	0.1	0.1	0.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	37.3	37.0	36.9	39.8	39.8	39.4	37.7	37.0	38.7	38.5

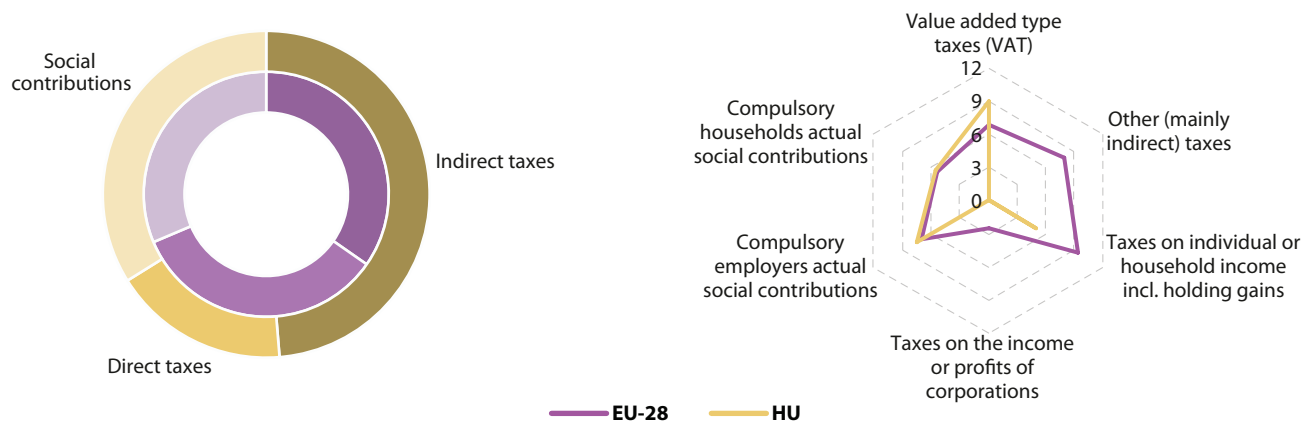
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure HU.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure HU.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table HU.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Tax relief for families with 2 children, increase from 2016 to 2019 by HUF 2 500/month (from HUF 10 000 to HUF 20 000).	Base decrease	In force from: 1.1.2016
Tax relief for newly-weds: HUF 5 000/month for two years or up to entitlement to family benefit after child.	Base decrease	In force from: 1.1.2015
PIT rate is reduced from 16 % to 15 %.	Rate decrease	In force from: 1.1.2016
<b>Corporate income tax</b>		
Loss generated from 2015 may only be carried forward until 2020.	N/A	In force from: 1.1.2015
Modification of the tax credit scheme linked to supporting sport.	Base decrease	In force from: 1.1.2015
Reduction of CIT obligations for banks in 2015 (or in the case of a remaining negative difference, also in following years) in view of recalculated interest income in years 2008–14.	Base decrease	In force from: 1.11.2014
<b>Value-added tax</b>		
Start-up companies will be subject to monthly filing of VAT returns, no yearly filing in excess of a certain turnover.	N/A	In force from: 1.1.2015
Detailed VAT reporting applies to invoice indicating at least HUF 1 million (reduced from HUF 2 million).	N/A	In force from: 1.1.2015
VAT rate is reduced from 27 % to 5 % on sale of cattle, sheep and goat and the sale of their meat as intermediary products.	Rate decrease	In force from: 1.1.2015
Introduction of exemption for the supply of goods and services intended specifically for military.	Rate decrease	In force from: 1.1.2015
No exemption on portfolio management services for private clients.	Rate increase	In force from: 1.1.2015
VAT rate is reduced from 27 % to 5 % on pork carcass meat.	Rate decrease	In force from: 1.1.2016
<b>Alcohol excises</b>		
Re-introduction of a 50 % reduced rate on production of fruit distillates by licenced distilleries (up to 50 litres/year intended for personal consumption in the household).	Introduction (increase)	In force from: 1.1.2015
Single standard rate (HUF 333 385) is re-instated instead of a dual standard rate.	Rate decrease	In force from: 1.1.2015
Introduction of flat rate tax of HUF 1 000/year on production of fruit distillates by a fruit grower (up to 50 litres/year intended for personal consumption in the household).	Rate increase	In force from: 1.1.2015
Complying with minimum excise duty rates set in the EU Energy Tax Directive, due to changes in the HUF/EUR exchange rate, the refund on commercial diesel was decreased by HUF 6 per litre.	Rate increase	In force from: 1.1.2015
<b>Energy excises</b>		
Raise in the excise duty rate on oils used for heating and gas used as motor fuel (about + 5 %).	Rate increase	In force from: 1.1.2015
Energy tax is raised: electricity HUF 310.5/MWh (up from HUF 295), natural gas: HUF 93.5/GJ (up from HUF 88.5), coal: HUF 2 516/1 000 kg (up from HUF 2 390).	Rate increase	In force from: 1.1.2015
Introduction of tax refund for uses energy products in mineralogical processes (brick, cement, ceramics).	Rate decrease	In force from: 1.1.2015
<b>Tobacco excises</b>		
Raise in the excise duty rate of cigarettes: cigarettes HUF 15 700/1 000 pieces + 25 % of retail price (from 31 %), but at least HUF 28 000/1 000 pieces (+ 12 %); fine cut and other tobacco: HUF 14 000/kg (+ 12 %) and abolition of retail price (52 %).	Rate N/A	In force from: 4.1.2015

Table HU.2: Latest tax reforms (continued)

Description of measure	Change	Date
<b>Other, non-harmonised excises</b>		
Increase of security deposit for authorised wholesalers: mineral oils: HUF 600 million, tobacco: HUF 22 million, other HUF 20 million.	N/A	In force from: 3.11.2015
<b>Other types of tax</b>		
Public health tax on alcoholic beverages: indirect tax based on alcoholic content (HUF 20/l for 1.2–5 %, HUF 100/l for 5–15 %, HUF 300/l for 15–25 %, HUF 500/l for 25–35 %, HUF 700/l for 35–45 %, HUF 900/l for over 45 %). Fruit distillates and herbal bitters are exempt.	Introduction (increase)	In force from: 1.1.2015
Tax on tobacco companies: progressive tax on the turnover of companies in the tobacco sector, tax base: 0.2 % up to HUF 30 billion, 2,5 % from HUF 30 billion to HUF 60 billion, 4.5 % in excess of HUF 60 billion.	Introduction (increase)	In force from: 1.2.2015
Food inspection fee: progressive levy on the turnover of companies in the FMCG sector. Tax base: 0.1 % from HUF 500 million to HUF 50 billion, 1 % from HUF 50 billion to HUF 100 billion, 2 % from HUF 150 billion to HUF 200 billion, 3 % from HUF 200 billion to HUF 250 billion, 4 % from HUF 250 billion to HUF 300 billion, 6 % in excess of HUF 300 billion.	Rate increase	In force from: 1.1.2015
Sectoral tax on financial institutions is extended to investment funds (tax is 0.05 %), and it is abolished for investment management.	Introduction (increase)	In force from: 1.1.2015
Introduction of an annual flat rate on bank card (HUF 800/year and HUF 500/year for card with contactless payment function) instead of the volume-based method.	Rate neutral	In force from: 1.1.2015
The environmental product charge is extended to paper and certain chemicals and plastics.	Introduction (increase)	In force from: 1.1.2015
Local taxes: authorisation granted to local municipalities to levy local tax on natural persons on any taxable event (save those that are taxed at national level).	Introduction (increase)	In force from: 1.1.2015
Modification of treasury taxation in financial transaction levy (exemption for certain transactions).	Base decrease	In force from: 1.1.2015
A temporary tax credit linked to Ukrainian crisis introduced within sectoral tax on financial institutions tax.	Base decrease	In force from: 1.1.2015
Local taxes: buyer-seller cooperatives are exempt from local business tax.	Base decrease	In force from: 1.1.2015
The rate of financial organisations tax on banks is reduced from 0.53 % to 0.31 % from 2016 and to 0.21 % from 2017.	Rate decrease	In force from: 1.1.2016
<b>Employers' social contributions</b>		
Phase-out of Job protection Act in public sector.	Base neutral	In force from: 1.1.2015
Modification of the Job protection Act for mothers (returning from child care leave).	Base decrease	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Introduction of a system monitoring the movement of goods for the purpose of risk analysis (EKAER).	N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table HU.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Tax unit/ taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	there are 4 categories of income with specific taxation rules: income from employment and pensions, income from business activities, capital income and capital gains income
Global / Labour income scheme	
Basic allowance	– children: The basis of income tax can be reduced by HUF 750 000 per year/each dependent for families having one or two children, or HUF 2 475 000 per year/each dependent for families having at least three children) (child allowances can also offset SSC liabilities). first marriage: The tax base can be reduced by HUF 375 000 per year per marriage, provided at least one of the couple is getting married for the first time. The allowance can be used for maximum 2 years.
Rate schedule	flat rate 16 %
Surtaxes	–
Regional and local surcharges	–
Top statutory PIT rate (including surcharges)	16 %
Owner-occupied dwelling	included
Capital income	included
Income from renting movable property	16 %
Income from renting immovable property	16 %
Capital gains (immovable property)	16 %
Capital gains (movable property)	16 %
Dividends	16 % creditable withholding
Interests on deposits and special savings accounts	16 % final withholding; interests from LT accounts: 0 %, 10 %, 16 %
Interests on corporate and government bonds	16 % final withholding
Other specific features and alternative regimes	
benefits in kind & other non-monetary income (games)	16 % on 1.19 times the value
pension income	exempted
small-scale agricultural producers	exempted if revenues < HUF 600 000
<b>Other tax provisions</b>	
Main tax credits & deductions	
Professional expenses	10 % of income OR based on real expenses (only for self-employed)
Pension savings	yes (20 %, capped, tax refunds)
Health savings	yes (20 %, capped, tax refund)
Disabled persons	yes (capped, tax credit)
Small-scale agricultural producers	yes (capped, tax credit)
Mortgage	no
Others (not exhaustive)	union membership fees
Treatment of losses (business/self-employed income)	(limited) 5-year carry forward, (limited) 2-year carry backward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table HU.4: VAT

Tax rates	
Standard	27 %
Reduced rate(s)	5 % and 18 %

Table HU.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	19% (over HUF 500 million of the positive tax base)/10% (below HUF 500 million of the positive tax base)
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges) <sup>(1)</sup>	20.6 %
Special tax rate for SMEs (all-in rate)	small business tax 16% (special conditions e.g. 25 employees or less and revenue and balance sheet below HUF 500 million) <sup>(2)</sup>
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (thin cap rule of 3:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

<sup>(1)</sup> Including the local business tax of maximum 2 % that applies on the gross operating profit.

<sup>(2)</sup> Taxpayers taxed under the small business tax scheme shall be exempted from the declaration and payment of: corporate tax, social contribution tax and vocational training contribution.

Table HU.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, income from occasional activities
Employers' contributions	
Total rate	27 % <sup>(1)</sup>
of which:	
Capped contributions	no
Employees' contributions	
Total rate	18.5 %
of which:	pensions 10%, healthcare 7%, unemployment 1.5%
Capped contributions	no

<sup>(1)</sup> There is an additional + 1.5 % vocational training contribution, not paid by all employers.

Table HU.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no <sup>(1)</sup>
Real estate transfer tax	yes
Net wealth tax	
	no

<sup>(1)</sup> Exemption is available for handicapped and retired people.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Ireland

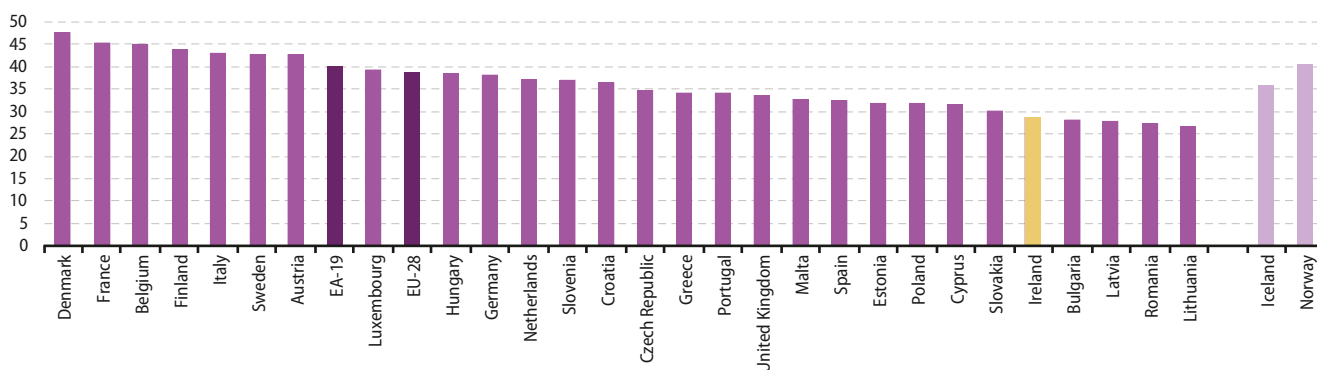
## Structure and development of tax revenues

**Table IE.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.6	13.1	13.6	13.1	12.0	10.9	11.0	10.4	10.7	11.0
VAT	7.1	7.3	7.5	7.3	7.0	6.1	6.1	5.7	5.9	5.9
<b>II. Direct taxes</b>	13.3	13.3	14.1	13.7	12.7	12.4	12.2	12.5	13.3	13.5
Personal income	9.3	9.3	9.8	9.7	9.3	9.2	9.1	9.3	9.9	9.9
Corporate income	3.4	3.3	3.6	3.2	2.7	2.3	2.4	2.2	2.3	2.4
<b>III. Social Contributions ( compulsory actual contributions)</b>	3.8	3.8	3.9	4.1	4.5	4.6	4.3	4.4	4.2	4.4
Employers'	2.6	2.6	2.8	2.9	3.2	3.2	3.0	3.1	2.9	3.0
Households'	1.2	1.2	1.1	1.2	1.3	1.4	1.3	1.3	1.3	1.4
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	29.7	30.1	31.6	30.9	29.1	27.7	27.5	27.4	28.1	28.8
<b>VI. Social contributions (imputed + voluntary contributions)</b>	1.4	1.4	1.3	1.3	1.4	1.5	1.5	1.4	1.4	1.5
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	31.0	31.5	32.9	32.2	30.5	29.3	29.0	28.8	29.5	30.3

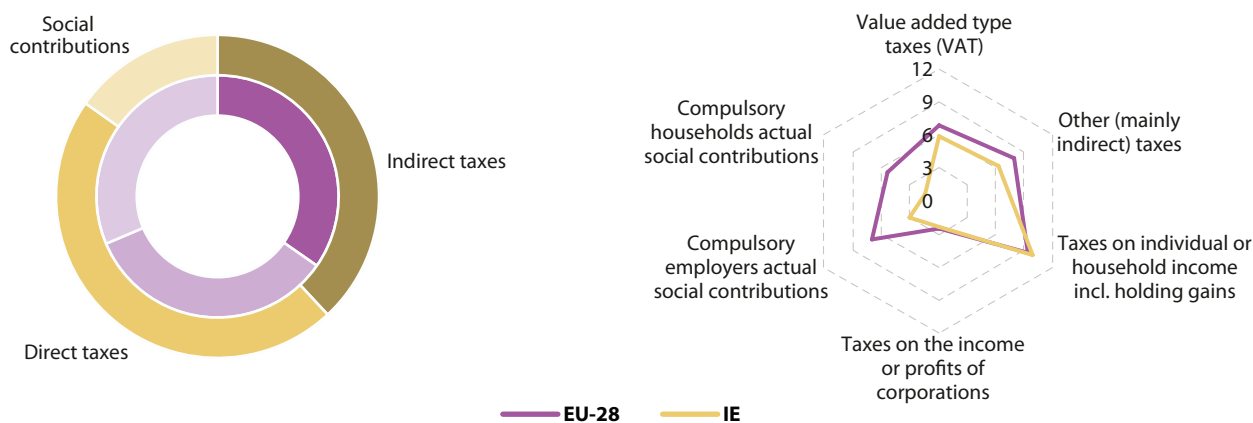
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure IE.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure IE.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table IE.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase of standard rate band and decrease of the higher rate of income tax from 41 % to 40 %.	Both base and rate decrease	In force from: 1.1.2015
Changes in the rates and rate bands of the Universal Social Charge (USC).	Both base and rate decrease	In force from: 1.1.2015
Extension and amendment of Foreign Earnings Deduction until December 2017.	Base decrease	In force from: 1.1.2015
Extension and amendment of Special Assignee Relief Program until December 2017.	Base decrease	In force from: 1.1.2015
Amendment of Home Renovation Incentive.	Base decrease	In force from: 1.1.2015
Various extensions of farm leasing relief.	Base decrease	In force from: 1.1.2015
Amendments of farmers income averaging scheme.	Base decrease	In force from: 1.1.2015
Amendment of Artists Exemption.	Base decrease	In force from: 1.1.2015
Amendment of Rent A Room Scheme.	Base decrease	In force from: 1.1.2015
Amendment of Employment and Investment Incentive.	Base decrease	Legislation: 23.12.2014
Amendment of care of an incapacitated individual.	Base decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
Extension of R & D tax credit.	Base decrease	In force from: 1.1.2015
Extension of relief for start-up companies.	Base decrease	Legislation: 23.12.2014
Removal of restriction on capital allowances on intangibles.	Base decrease	In force from: 1.1.2015
Extension of accelerated capital allowance scheme for energy efficient equipment.	Base decrease	Legislation: 23.12.2014
<b>Energy excises</b>		
Natural Gas as a Propellant set at EU minimum rate for 8 year period.	Base increase	Legislation: 23.12.2014
<b>Alcohol excises</b>		
Extension of excise duty rate reduction to microbreweries producing not more than 30 000 hectolitres per annum.	Rate decrease	Legislation: 23.12.2014
<b>Tobacco excises</b>		
Increase of duty on tobacco.	Rate increase	In force from: 14.10.2014
<b>Other, non-harmonised excises</b>		
Extension of Betting Duty to online bookmakers and betting exchanges, etc.	Base increase	In force from: 1.1.2015
<b>Other types of tax</b>		
Extension of Capital Gains Tax (CGT) relief for farm restructuring.	Base decrease	Legislation: 23.12.2014
Capital Acquisitions Tax — Restriction of Agricultural Relief.	Base increase	In force from: 1.1.2015
Stamp Duty — Extension of Consanguinity Relief.	Base decrease	Legislation: 23.12.2014
Deposit Interest Retention Rate (DIRT) — Relief for first time house buyers.	Base decrease	In force from: 14.10.2014
Vehicle Registration Tax (VRT): Extension of relief available for hybrid electric, plug-in hybrid electric and electric vehicles and electric motorcycles to 31.12.2016.	Base decrease	Legislation: 23.12.2014
Capital Gains Tax (CGT) retirement relief amendments.	Base decrease	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table IE.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	joint assessment of married couples
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 1 650; additional tax credits for Pay-As-You-Earn (PAYE) employees (EUR 1 650) depending on family situation
Rate schedule	2 rates: 20%, 40 % top marginal rate: 40 % (> EUR 33 800 (single), > EUR 42 800 (one income couple))
Surtaxes	universal Social Charge: 1.5 % to 8 % depending on income (11 % top rate for self-employed)
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	48 % (51 % for self employed > EUR 100 000)
Owner-occupied dwelling	not included
Capital income	
Income from renting movable property	included in general taxation
Income from renting immovable property	included in general taxation
Capital gains (immovable property)	33 % ordinary rate (with some exemptions and reliefs)
Capital gains (movable property)	33 % ordinary rate (with some exemptions and reliefs)
Dividends	withholding tax 20 %
Interests on deposits and special savings accounts	41 % (Deposit Interest Retention Tax)
Interests on corporate and government bonds	included in general taxation
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes, based on real expenses, capped
Pension savings	yes
Mortgage	yes (interests)
Others (not exhaustive)	medical expenses, donations
Treatment of losses (business/self-employed income)	3-year carry backward; unlimited carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table IE.4: VAT

Tax rates	
Standard	23 %
Reduced rate(s)	4.8 % (super-reduced rate), 9 % and 13.5 %

Table IE.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	12.5 % (on trading income) (25 % on non-trading income)
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	12.5 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (deductions wholly and exclusively for business purposes; some restrictions on related party payments and borrowing; no thin cap rules)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table IE.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, benefits in kind, pensions, dividends, interest, income from renting property, income from occasional activities
Employers' contributions	
Total rate	10.75 % (reduced rate 8.5 % for low earners)
of which:	rate structure reflects a total rate and is not split into rates per benefit type
Capped contributions	no
Employees' contributions	
Total rate	4 %
of which:	rate structure reflects a total rate and is not split into rates per benefit type
Capped contributions	no

Table IE.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	33 % ordinary rate with some exemptions and reliefs
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Italy

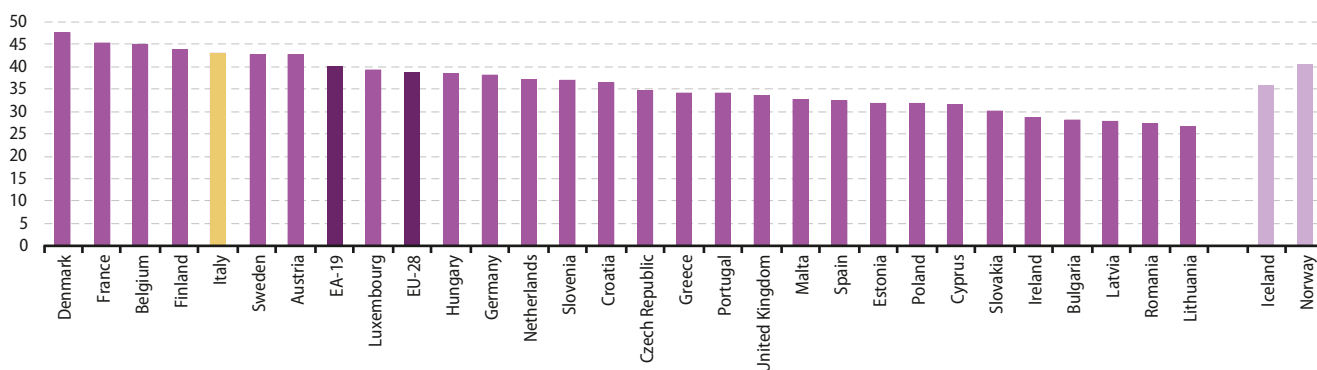
## Structure and development of tax revenues

**Table IT.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	13.9	14.1	14.7	14.5	13.7	13.6	14.1	14.2	15.2	14.9
VAT	5.6	5.7	6.0	5.9	5.7	5.5	6.1	6.0	5.9	5.8
<b>II. Direct taxes</b>	13.4	12.9	13.8	14.5	14.7	14.9	14.3	14.2	14.8	15.2
Personal income	10.1	10.1	10.5	10.9	11.3	11.3	11.3	11.1	11.8	11.9
Corporate income	2.1	2.2	2.8	3.1	2.9	2.4	2.3	2.2	2.3	2.5
<b>III. Social Contributions ( compulsory actual contributions)</b>	11.9	11.9	11.6	12.3	12.8	13.2	13.0	12.9	13.0	13.0
Employers'	8.4	8.3	8.1	8.5	8.7	9.1	9.0	8.9	8.9	8.9
Households'	3.5	3.6	3.5	3.8	4.1	4.1	4.0	4.0	4.1	4.1
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	39.1	38.9	40.1	41.4	41.2	41.7	41.4	41.4	43.0	43.1
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	39.4	39.2	40.3	41.6	41.5	42.0	41.7	41.7	43.3	43.4

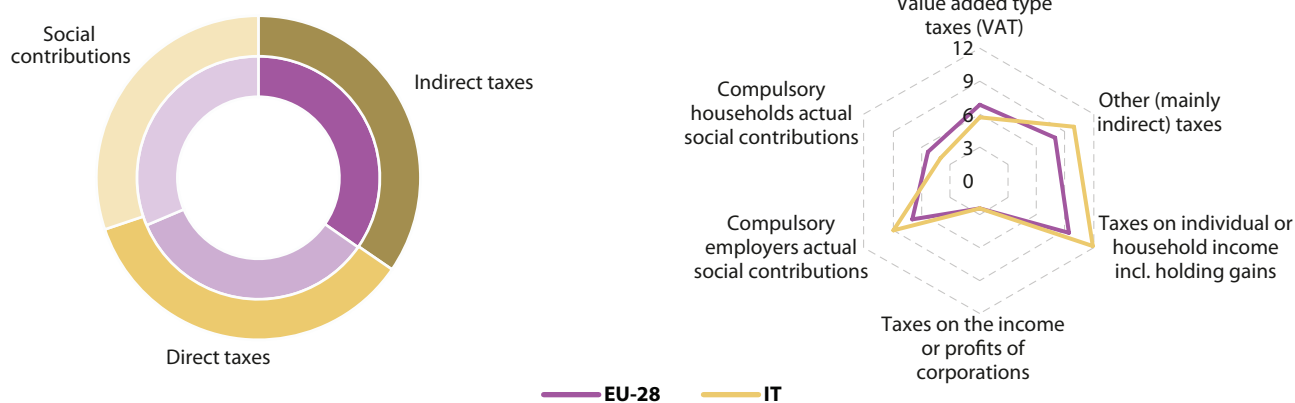
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure IT.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure IT.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table IT.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Introduction of an additional refundable Employee Tax Credit, without any change to the PIT statutory rates structure, of EUR 960/year for employed taxpayers with a gross earning up to EUR 24 000/year. The credit decreases to EUR 0 when gross earnings reach EUR 26 000/year.	Base decrease	In force from: 1.1.2015
Self-employed and businesses under a fixed income threshold can opt for a substitute tax instead of Personal Income Tax, its regional and municipal additional and IRAP. The amount to be paid is determined applying a 15% rate to the tax base calculated by applying a ratio to the amount of fees or payments received. The income threshold and the ratio vary, depending on the activity sector.	Base decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
Introduction of a new form of R & D tax credit.	Base decrease	In force from: 1.1.2015
Introduction of an R & D patent box.	Base decrease	In force from: 1.1.2015
Increase of the withholding tax on Income accruing from the revaluations of pension funds and severance payment.	Rate increase	In force from: 1.1.2015
<b>Value-added tax</b>		
Extension of the reverse charge mechanism to additional services in the real estate and energy sectors: cleaning, demolition, equipment installation and completion services in relation to immovable property. For a period of four years, to the transfer of allowances to emit greenhouse gases and electricity certificates; supplies of gas and electricity to a taxable dealer.	N/A	In force from: 1.1.2015
Introduction of a split payment system for goods and services supplied to Italian public administration.	N/A	In force from: 1.1.2015
<b>Other types of tax</b>		
Full IRAP deduction of labour costs in relation to employees with a permanent contract.	Base decrease	In force from: 1.1.2015
Increase of the standard IRAP rate to 3.9%.	Rate increase	In force from: 23.12.2014
Increase of the substitute tax rate for capital gains and capital income from 20% to 26%.	Rate increase	In force from: 1.7.2014
<b>Employers' social contributions</b>		
Exemption from paying social security contributions for newly hired employees for 2015, 2016 and 2017.	Both base and rate decrease	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table IT.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Tax unit/ taxation of couples and families	separate taxation possibility of joint declaration
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	income tax credits, varying with level and source of income, family etc. spouse: EUR 800; children: EUR 1 220/EUR 950 (decreasing with income)
Rate schedule	progressive, 5 brackets: 23 %, 27 %, 38 %, 41 %, 43 % top rate: 43 % (> EUR 75 000)
Surtaxes	solidarity contribution: 3 % (> EUR 300 000); deductible
Regional and local surcharges	3.33 % (regional) + 0.9 % (local) (values given for Roma) <sup>(1)</sup>
Top statutory PIT rate (including surcharges)	48.9%
Owner-occupied dwelling	not included (only luxury owner-occupied dwellings are taxed)
Capital income	substitute tax (26 %) in most cases
Income from renting movable property	included
Income from renting immovable property	included, optionally separate taxation at 21% or for some contracts at 15 % (10% for 2014–17)
Capital gains (immovable property)	included, optionally substitute taxation at 20 %; exempt if kept more than 5 years
Capital gains (movable property)	in case of qualified shares partially included in PIT, otherwise 26 %
Dividends	in case of qualified shares partially included in PIT, otherwise 26 %
Interests on deposits and special savings accounts	26 %; 20 % for pension funds
Interests on corporate and government bonds	26 %; governments bonds are taxed at 12.5 %
Other specific features and alternative regimes	
Professional and business income	also subject to IRAP
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes, based on real expenses, capped
Pension savings	yes
Mortgage	yes, interests (through tax credits)
Others (not exhaustive)	renovation and insulation works, child care, educational, sport, medical expenses, alimonies, donations, (cash registers for merchants)
Treatment of losses (business/self-employed income)	5-year carry forward (+ losses of the 1st 3 activity years can be carried forward indefinitely)

<sup>(1)</sup> The rate is 31.4% if IRAP (rate 3.90%) is included. This is a local tax levied on a tax base broader than corporate income. The rate may vary up to 0.92 percentage point depending on location.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table IT.4: VAT

Tax rates	
Standard	22 %
Reduced rate(s)	4% (super-reduced rate) and 10%

Table IT.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	27.5 % (standard rate) <sup>(1)</sup>
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	27.5 % (standard rate) <sup>(1)</sup>
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (net interest expenditure is deductible up to a value of 30% of earnings before interest, taxes, depreciation and amortization; no thin cap rules)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	yes (notional rate 4.5 % for tax year 2015)

<sup>(1)</sup> The rate is 31.4% if IRAP (rate 3.90%) is included. This is a local tax levied on a tax base broader than corporate income. The rate may vary up to 0.92 percentage point depending on location.

Table IT.6: Social contributions

<b>Base</b>	employment income, income from sports/entertainment, benefits in kind
Employers' contributions	
Total rate	32.08 %; varies depending on characteristics of the business and the employee
of which:	pensions 23.81 %, redundancy funds 3.4 %, unemployment 1.61 %, childcare 0.68 %, illness/accident 2.22 %, maternity leave 0.46 %, severance pay guarantee 0.2 %; various thresholds apply
Capped contributions	yes: for 2015, 100.324 x the applicable rate
Employees' contributions	
Total rate	9.49 %; varies depending on characteristics of the business and the employee
of which:	pensions 9.19 %, unemployment 0.3 %; various thresholds apply
Capped contributions	yes: for 2015, 100.324 x the applicable rate

Table IT.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes (thresholds apply)
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes (applied at municipal level)
Tax discount for primary dwelling	yes
Real estate transfer tax	yes
Net wealth tax	
	yes (stamp duty on bank accounts and financial assets)

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Latvia

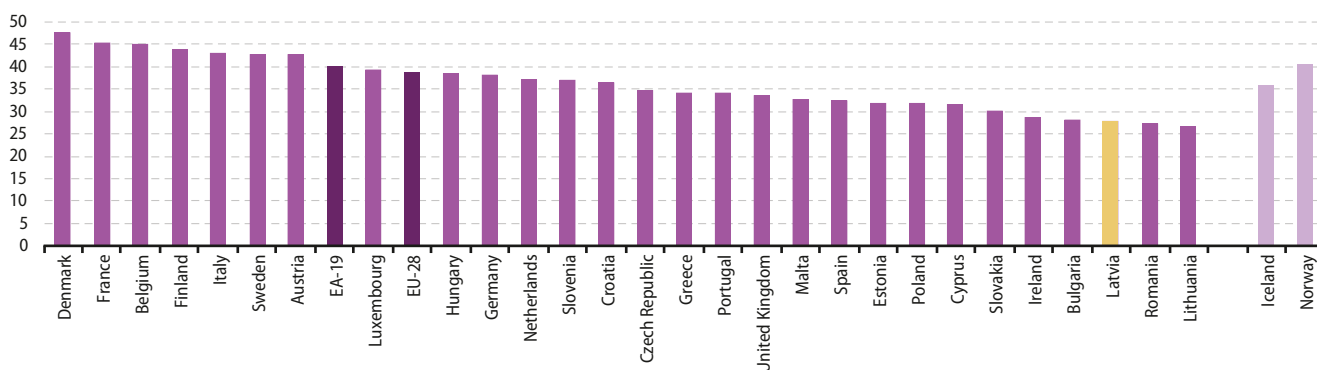
## Structure and development of tax revenues

**Table LV.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	11.6	12.4	12.7	12.0	10.6	10.8	11.6	11.7	11.9	12.0
VAT	6.6	7.4	8.0	7.7	6.3	5.9	6.6	6.8	7.1	7.3
<b>II. Direct taxes</b>	7.5	7.5	7.9	8.3	9.0	7.0	7.3	7.3	7.6	7.6
Personal income	5.7	5.4	5.6	5.7	6.0	5.3	6.1	5.6	5.7	5.7
Corporate income	1.7	1.9	2.1	2.5	3.0	1.5	1.0	1.4	1.6	1.6
<b>III. Social Contributions ( compulsory actual contributions)</b>	8.3	7.9	8.0	7.9	7.9	9.3	8.6	8.7	8.6	8.3
Employers'	6.0	5.7	5.8	5.7	5.7	6.7	6.2	5.9	5.9	5.7
Households'	2.3	2.2	2.2	2.2	2.2	2.6	2.4	2.8	2.7	2.6
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	27.4	27.8	28.7	28.2	27.6	27.1	27.4	27.7	28.1	27.9
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.1	0.2	0.3	0.2	0.5	0.3	0.2	0.1	0.2	0.2
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	27.6	28.0	28.9	28.4	28.0	27.4	27.6	27.9	28.3	28.1

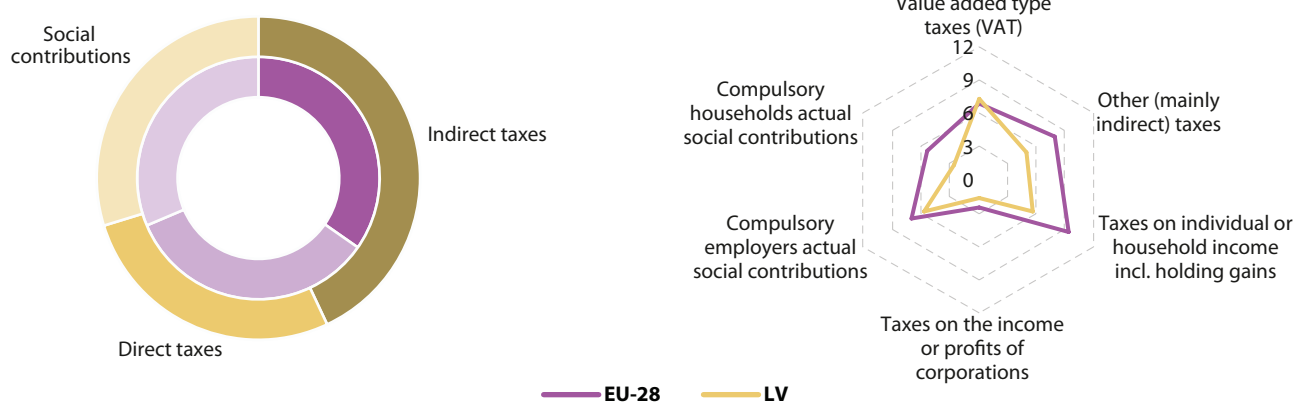
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure LV.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure LV.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table LV.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Decrease of PIT rate by 1 pp to 23 %.	Rate decrease	In force from: 1.1.2015
The minimum monthly salary is increased to EUR 360.	Base increase	In force from: 1.1.2015
Re-evaluation of non-taxable minimum from EUR 235 per month to EUR 75 per month for individuals who have not reached the retirement age provided by Latvian national law and who receive pensions.	Base increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
The rate of micro-enterprise tax is retained at 9%. After three years of being micro-enterprise for the part of turnover exceeding EUR 7 000/year the tax will be applied at 12%.	Rate increase	In force from: 1.1.2015
Allowance for research and development costs resulting in the registration of a trade mark or a patent is abolished.	Base increase	In force from: 1.1.2015
<b>Energy excises</b>		
Increased rate for biofuel B30.	Rate increase	In force from: 1.1.2015
Definition of the types of tractor machinery, in which it is allowed to use diesel fuel intended for the agricultural production, to which the reduced excise duty rate is applied.	Base increase	In force from: 1.7.2015
<b>Alcohol excises</b>		
Excise tax increase for alcoholic beverages.	Rate increase	In force from: 1.8.2015
Differentiation of excise tax for fermented beverages.	Rate increase	In force from: 1.8.2015
<b>Tobacco excises</b>		
Excise tax introduced for tobacco leaves.	Introduction (increase)	In force from: 1.4.2015
Excise duty rate increase on cigars and cigarillos.	Rate increase	In force from: 1.1.2016
Excise duty rate increase for cigarettes in 2015, 2016, 2017.	Rate increase	In force from: 1.7.2015
<b>Employers' social contributions</b>		
Imposition of ceiling on state social insurance contributions in 2015 at EUR 48 600.	Base increase	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Under certain conditions the board members of a company may be personally liable for the payment of tax debt to the tax authorities.	N/A	In force from: 1.1.2015
Making information of legal persons tax payments publicly available.	N/A	In force from: 1.1.2015
Consumer creditors (non-banking institutions) shall inform the State Revenue Service about the payments received from natural persons as payments for leasing or credit.	N/A	In force from: 1.1.2015
The State Revenue Service can prohibit cash transactions for tax debtors.	N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table LV.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Tax unit/ taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 900 (EUR 2 820 for pensioners) EUR 1 980 per child
Rate schedule	flat rate: 23 % top marginal rate: 23 %
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	23.0 %
Owner-occupied dwelling	exempt
Capital income	10%, 15% (final withholding tax)
Income from renting movable property	10%, 23% (exempted if not related to business activity)
Income from renting immovable property	10%, 23% (business activity)
Capital gains (immovable property)	15%, 2% if non resident sells to entrepreneur, and owner-occupied generally exempt
Capital gains (movable property)	10%, 15%
Dividends	10%
Interests on deposits and special savings accounts	10%
Interests on corporate and government bonds	corporate: 10%, 15%; government bonds: 0%
Other specific features and alternative regimes	
Optional tax rate for individual business activity (all-in rate)	9% micro-enterprise tax, 15% of the income of a seasonal agricultural worker, 5% of fixed income, 10% of income of sale of a standing forest and income of selling timber, the rate of the licence fee for the performance of separate types of economic activities shall be between EUR 43 and EUR 100 per month (depending on the field of economic activity)
Donations and gifts	donations — exempt, gifts — 23% included if > EUR 1 425
Scrap sales	10%
Employment income of sailors	23% of specific taxable income
Agricultural, rural tourism activity with turnover < EUR 3 000	exempt
Income from occasional activities	23%
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes (royalties 15–40% of taxable income, income of sale of a standing forest 25% of taxable income, income of selling timber 50% of taxable income)
Pension savings	yes, limited to 10% of taxable income (contributions to private pension funds)
Mortgage	not included
Others (not exhaustive)	education and medical expenses, alimonies, donations, social contributions and tax on real estate (if used in prof activity)
Treatment of losses (business/self-employed income)	3-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table LV.4: VAT

Tax rates	
Standard	21 %
Reduced rate(s)	12 %

Table LV.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	15 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	15 %
Special tax rate for SMEs (all-in rate)	9 %
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (no deductions for interest exceeding the lower of: 1.57 times the average short term credit rate; or thin cap rule of 4:1 debt to equity ratio)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table LV.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, benefits in kind, dividends, interest from deposits, royalties, income from renting movable/immovable property, capital gains on immovable property, annuities from life insurance
Employers' contributions	
Total rate	23.59 %
of which:	pensions 16.88 %, unemployment 1.45 %, childcare 0.79 %, illness/accident 0.37 %, maternity 1.93 %, other 2.17 %
Capped contributions	yes (maximum annual taxable base is EUR 48 600)
Employees' contributions	
Total rate	10.5 %
of which:	pensions 7.51 %, unemployment 0.65 %, childcare 0.35 %, illness/accident 0.16 %, maternity 0.86 %, other 0.97 %
Capped contributions	yes (maximum annual taxable base is EUR 48 600)

Table LV.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	gift tax provision
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	no
Tax discount for primary dwelling	no
Real estate transfer tax	no
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Lithuania

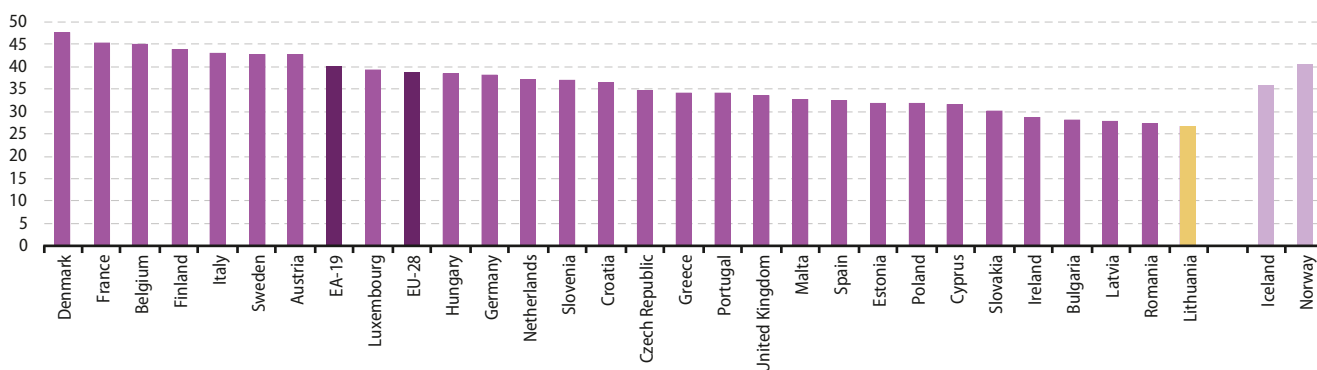
## Structure and development of tax revenues

Table LT.1: Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. Indirect taxes	11.2	11.3	11.4	11.7	11.7	11.6	12.0	11.8	11.4	11.3
VAT	6.4	7.1	7.6	8.0	7.9	7.3	7.8	7.8	7.6	7.5
II. Direct taxes	8.7	8.9	9.5	9.1	9.2	5.9	4.6	4.3	4.8	5.0
Personal income	6.8	6.8	6.8	6.5	6.5	4.1	3.6	3.5	3.5	3.6
Corporate income	1.9	2.1	2.8	2.5	2.7	1.8	1.0	0.8	1.3	1.4
III. Social Contributions ( compulsory actual contributions)	9.1	8.8	9.1	9.1	9.5	12.6	11.7	11.1	10.8	10.8
Employers'	7.5	7.2	7.5	7.5	7.9	8.5	7.5	7.2	7.2	7.2
Households'	1.6	1.6	1.6	1.6	1.6	4.1	4.2	3.9	3.6	3.6
IV. Less: amounts assessed but unlikely to be collected	0.1	0.0	0.1	0.0	0.1	0.2	0.1	0.1	0.0	0.0
V. Total (I + II + III - IV)	28.7	28.9	29.7	29.7	30.2	29.8	28.1	27.0	26.8	26.9
VI. Social contributions (imputed + voluntary contributions)	0.1	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2
VII. Total (incl. Imputed + voluntary contributions (V+VI))	29.0	29.2	30.0	30.0	30.6	30.2	28.5	27.4	27.2	27.2

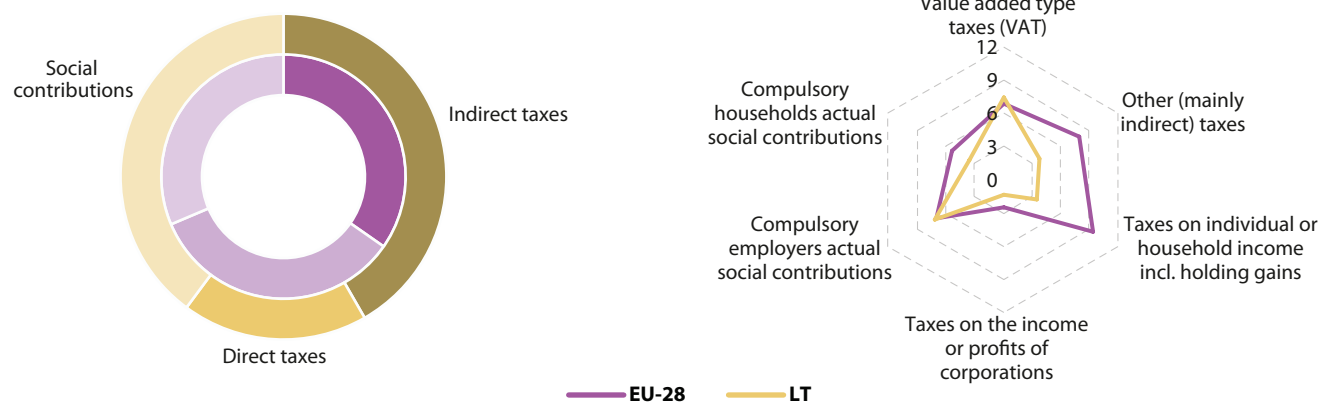
Source: Eurostat (online data code: gov\_10a\_taxag)

Figure LT.1: Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

Figure LT.2: Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table LT.2:** Latest tax reforms

Description of measure	Change	Date
<b>Value-added tax</b>		
Extension of 9% VAT reduced rate for residential heating until 31.12.2016.	Rate neutral	In force from: 1.1.2015
<b>Alcohol excises</b>		
Increase of excise tax rates on ethyl alcohol and alcoholic beverages.	Rate increase	In force from: 1.3.2015
<b>Tobacco excises</b>		
Increase of excise tax rate on tobacco products, cigarettes, cigars and cigarillos.	Rate increase	In force from: 1.3.2015
Increase of excise tax rate on tobacco products — smoking tobacco.	Rate increase	In force from: 1.1.2015
<b>Property taxes</b>		
Reduction of tax rate applicable to immovable property owned by natural persons for non-commercial purposes and broadening of the tax base.	Both base and rate N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table LT.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	worldwide income (resident) domestic income (non-resident)
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 3 480; EUR 720 per child earned income allowance (max. EUR 1 992), decreasing with income
Rate schedule	flat rate: 15 % top rate: 15 %
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	15 %
Owner-occupied dwelling	not included
Capital income	15 % as a general rule, see exceptions below
Income from renting movable property	
Income from renting immovable property	
Capital gains (immovable property)	exempted
Capital gains (movable property)	0% on shares up to EUR 3 000
Dividends	specific exemptions
Interests on deposits and special savings accounts	
Interests on corporate and government bonds	
Other specific features and alternative regimes	
business income, except from liberal professions	5 %
'business certificate' <sup>(1)</sup>	lump sum (locally fixed)
pension income	exempted
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes, in percentage OR based on real expenses
Pension savings	yes, including to life insurance funds
Mortgage	yes (interests)
Others (not exhaustive)	education expenses
Treatment of losses (business/self-employed income)	1-year carry forward

<sup>(1)</sup> Certain services like barber shop services, accommodation services, etc.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table LT.4: VAT

Tax rates	
Standard	21 %
Reduced rate(s)	5 % and 9 %

Table LT.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	15 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	15 %
Special tax rate for SMEs (all-in rate)	5 %
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (thin cap rule for loans from controlling parties: 4:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table LT.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind, royalties
Employers' contributions	
Total rate	30.8 %
of which:	pensions 23.3 %, healthcare 3 %, unemployment 1.1 %, illness/maternity 3.4 %
Capped contributions	no
Employees' contributions	
Total rate	9 %
of which:	pensions 3 %, healthcare 6 %
Capped contributions	no

Table LT.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	no
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Luxembourg

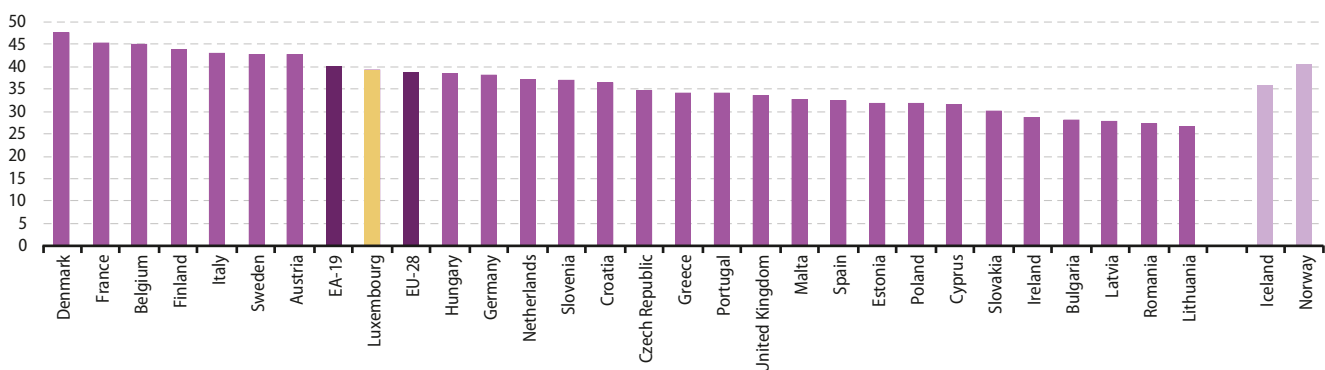
## Structure and development of tax revenues

**Table LU.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	13.4	13.6	12.9	13.4	12.5	12.8	12.4	12.4	12.8	13.3
VAT	6.0	6.3	5.8	6.2	6.2	6.8	6.5	6.7	7.1	7.7
<b>II. Direct taxes</b>	13.0	13.9	13.4	13.7	14.1	14.7	14.7	14.3	14.5	14.8
Personal income	6.6	7.3	7.6	7.4	8.1	8.1	8.0	8.4	8.4	9.0
Corporate income	5.7	5.9	5.0	5.5	5.3	5.7	5.9	5.1	5.2	4.9
<b>III. Social Contributions ( compulsory actual contributions)</b>	10.7	10.6	10.1	10.3	10.6	11.7	11.1	10.9	11.2	11.3
Employers'	4.7	4.6	4.4	4.4	4.5	5.0	4.8	4.7	4.8	4.8
Households'	6.0	6.0	5.7	5.9	6.1	6.7	6.3	6.2	6.4	6.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	37.2	38.2	36.4	37.4	37.3	39.2	38.1	37.6	38.5	39.4
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.9	0.9	0.8	0.8	0.9	1.0	0.9	1.1	1.0	1.0
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	38.1	39.2	37.2	38.2	38.2	40.2	39.1	38.6	39.5	40.5

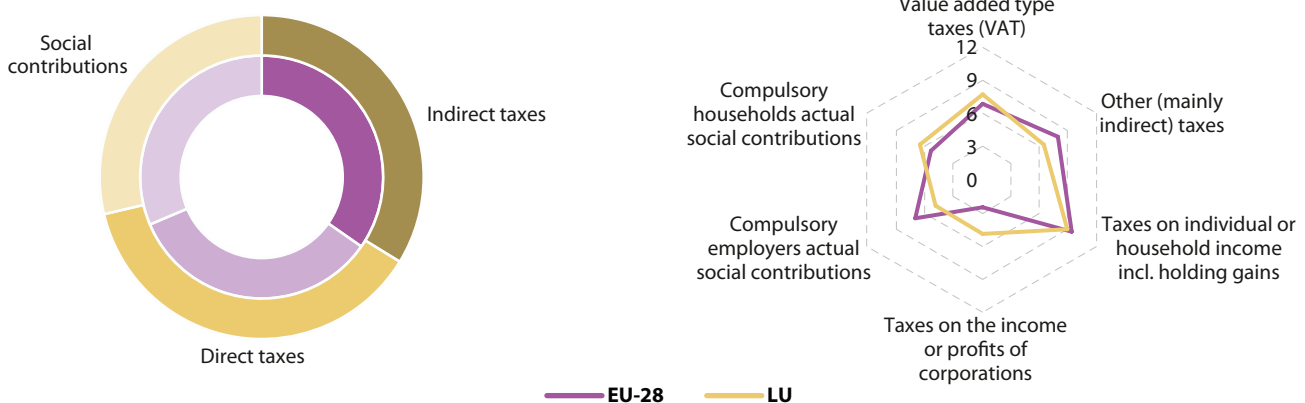
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure LU.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure LU.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table LU.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Introduction of a new contribution of 0.5 % levied on personal income ( <i>impôt d'équilibrage budgétaire temporaire</i> ).	Introduction (increase)	In force from: 1.1.2015
<b>Value-added tax</b>		
All real estate investments except those made in respect of a main residence, as well as the consumption of alcoholic beverages, will become subject to the standard rate (instead of the super-reduced rate of 3 %).	Base increase	In force from: 1.1.2015
Abolition of the super-reduced rate (3%) for e-books (which will become subject to the standard rate).	Base increase	In force from: 1.5.2015
Entry into force of the increase of the standard VAT rate (from 15 % to 17 %), of the parking rate (from 12 % to 14 %) and from the reduced rate (from 6 % to 8 %).	Rate increase	In force from: 1.1.2015
<b>Employers' social contributions</b>		
Increase of the social contributions for employers from between '12.73 % and 14.89%' to '12.77 % and 15.30%'.	Rate increase	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Grand-Ducal Regulation that formalises the practice of advance tax rulings and foresees that applications concerning business taxation are to be submitted to the Commission of Advance Tax Confirmation.	Introduction (neutral)	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table LU.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	joint taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 11 264 (1st income bracket taxed at 0%) also child, spouse and extraprofessional allowances
Rate schedule	progressive: 19 brackets from 0% to 40% top marginal rate: 40% (> EUR 100 000)
Surtaxes	'solidarity surcharge' 7% or 9% depending on income; <i>Impôt d'équilibrage budgétaire temporaire</i> 0.5% <sup>(1)</sup>
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	43.6% <sup>(1)</sup>
Owner-occupied dwelling	included
Capital income	
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	included
Capital gains (movable property)	included
Dividends	15% (final withholding)
Interests on deposits and special savings accounts	10% (final withholding)
Interests on corporate and government bonds	
Other specific features and alternative regimes	tax credits for hiring unemployed, lifelong learning, new investments, single parent families, wage earners, retired, independents
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	lump sum OR based on real expenses
Pension savings	yes
Mortgage	yes (interests)
Others (not exhaustive)	child care, alimony, loan interest, life insurance contributions
Treatment of losses (business/self-employed income)	999-year carry forward

<sup>(1)</sup> IEBT (*Impôt d'équilibrage budgétaire temporaire*) of 0.5% is not included in the top marginal PIT rate (but added to social contributions).

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table LU.4: VAT**

<b>Tax rates</b>	
Standard	17 %
Reduced rate(s)	3 % (super-reduced rate), 8 % and 14 %

**Table LU.5: Corporate taxation (CIT)**

<b>Tax rates</b>	
Nominal corporate income tax rate	21 %
Central government surcharge	7 %
Regional government surcharge	
Local government surcharge	6.75 %
Top CIT statutory rate (incl. surcharges)	29.22 %
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (no specific thin cap rules, but tend to use 85:15 debt equity ratio)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
<b>Allowance for Corporate Equity</b>	
	no

**Table LU.6: Social contributions**

<b>Base</b>	
	employment income
<b>Employers' contributions</b>	
Total rate	12.77 % to 15.3 %
of which:	pension 8 %, health insurance 3.05 %, mutual healthcare/sick leave 0.51 % to 3.04 %, occupational injury 1.1 %, health at work 0.11 %
Capped contributions	yes (EUR 9 614.82 per month)
<b>Employees' contributions</b>	
Total rate	12.95 %
of which:	pensions 8 %, healthcare 3.05 %, dependency insurance 1.4 %, other 0.5 % (!)
Capped contributions	yes (EUR 9 614.82 per month)

(!) Other 0.5 %: IEBT ("Impôt d'équilibrage budgétaire temporaire") see also under PIT.

**Table LU.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	
	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Malta

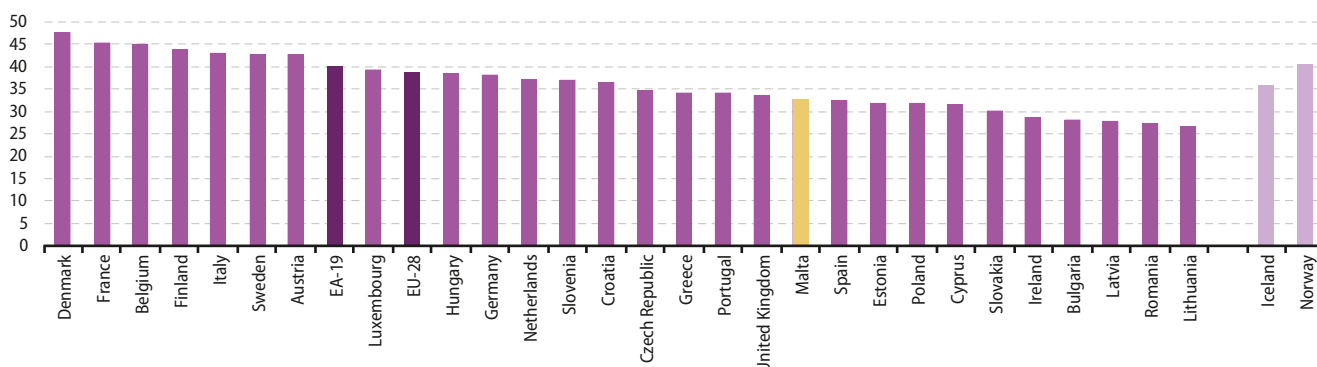
## Structure and development of tax revenues

Table MT.1: Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. Indirect taxes	13.5	14.4	14.5	14.3	14.0	13.5	13.1	13.4	13.1	13.1
VAT	6.9	7.7	7.6	7.3	7.5	7.4	7.2	7.5	7.4	7.7
II. Direct taxes	10.6	11.2	11.6	12.9	12.3	13.2	12.4	12.5	13.1	14.0
Personal income	6.3	6.3	6.7	5.9	5.7	6.4	5.9	6.4	6.5	6.9
Corporate income	2.6	2.8	3.2	4.5	4.8	5.0	4.9	4.5	5.0	5.6
III. Social Contributions ( compulsory actual contributions)	6.0	6.0	5.8	5.6	5.8	5.7	5.6	5.8	5.7	5.8
Employers'	2.7	2.7	2.6	2.5	2.6	2.6	2.5	2.7	2.6	2.7
Households'	3.3	3.3	3.2	3.1	3.2	3.1	3.1	3.1	3.1	3.1
IV. Less: amounts assessed but unlikely to be collected	:	:	:	:	:	:	:	:	:	:
V. Total (I + II + III - IV)	30.1	31.5	31.9	32.8	32.1	32.5	31.2	31.8	32.0	32.8
VI. Social contributions (imputed + voluntary contributions)	1.4	1.4	1.4	1.3	1.2	1.4	1.3	1.3	1.3	1.1
VII. Total (incl. Imputed + voluntary contributions (V+VI))	31.4	33.0	33.3	34.1	33.4	33.8	32.5	33.0	33.2	34.0

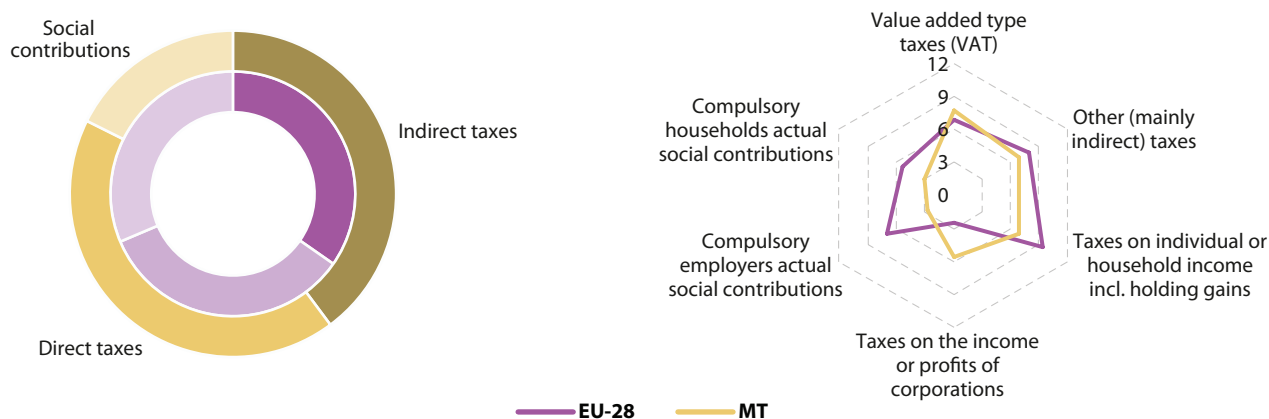
Source: Eurostat (online data code: gov\_10a\_taxag)

Figure MT.1: Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

Figure MT.2: Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table MT.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
The top income tax band for income up to EUR 60 000 per annum is further reduced from 29% to 25% for single, married and parental computations.	Base decrease	In force from: 1.1.2015
Dividend income falling within the new 25% tax band remains taxable at the rate of 35%.	Rate neutral	In force from: 1.1.2013
The tax ceiling for minimum wage earners is raised to take the Cost of Living Allowance (COLA) into account.	Base decrease	In force from: 1.1.2015
Pensioners whose pension does not exceed the minimum wage are exempt from paying income tax.	Base decrease	In force from: 1.1.2014
The abolition of the option of income tax on capital gains at the normal income tax rates up to 35% upon transfers of immovable property.	Base neutral	In force from: 1.1.2015
The final property transfer tax is reduced to 5%, 8% or 10% depending on various criteria.	Rate decrease	In force from: 1.1.2015
<b>Value-added tax</b>		
Introduction of a reduced VAT rate on audio books, books and similar printed matter, supplied on all physical means of support which include, and are not limited to a CD, DVD, SD-card and USB but which excludes all electronically supplied services.	Rate decrease	In force from: 1.1.2015
Introduction of scheme for non-EU visitors to obtain VAT refund before leaving the country.	Base decrease	Legislation: 19.6.2015
Removal of the VAT registration exemption threshold of EUR 7 000, such that all persons carrying out a commercial activity must be registered for VAT purposes, regardless of annual turnover.	N/A	In force from: 1.1.2015
<b>Energy excises</b>		
The rate of excise tax on fuel was revised upwards (per 1 000 litres: leaded petrol EUR 648.18 ; unleaded petrol EUR 519.38; gas oil, biodiesel and kerosene EUR 442.40; heavy fuel oil EUR 36).	Rate increase	In force from: 1.1.2015
<b>Alcohol excises</b>		
Excise duty will be introduced on wine (EUR 200 per 1 000 litres).	Rate increase	In force from: 1.1.2015
<b>Tobacco excises</b>		
The rate of excise tax on cigarettes and tobacco will be revised upwards.	Rate increase	In force from: 18.11.2014
<b>Other, non-harmonised excises</b>		
The rate of excise tax on cement will be revised upwards (EUR 35.00 per 1 000 kgs).	Rate increase	In force from: 1.1.2015
There will be a revision of excise tax on mobile phone lines (4%)	Rate increase	In force from: 1.1.2015
Excise Duty will be introduced on pneumatic tyres (EUR 0.70 per kg up to a maximum of EUR 24.50 for each item).	Rate increase	In force from: 1.1.2015
Excise Duty will be introduced on ammunition cartridges (EUR 0.70 per kg).	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
The eco-contribution on electronic and white goods will be eliminated by 1.9.2015.	Phase-out (N/A)	In force from: 1.9.2015
The eco-contribution on tyres, ammunition and petroleum oils will be replaced by excise tax.	Phase-out (N/A)	Legislation: 4.12.2014
Reduction in registration tax on quad bikes to promote the use of less-polluting vehicles.	Rate decrease	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table MT.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Tax unit/ taxation of couples and families	separate taxation married couple may opt for joint assessment or separate computation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	individual assessment: EUR 8 500; joint assessment: EUR 11 900; parent: EUR 9 800 for specific provisions and variations pls consult TEDB
Rate schedule	progressive: 15 %; 25 % and 35 % top marginal rate: 35 % > EUR 60 000 (> EUR 7 800 for non-EU/EEA non-residents)
Surtaxes	no
Regional and local surcharges	no
Top statutory PIT rate (including surcharges)	35 %
Owner-occupied dwelling	not included
Capital income	mostly globalised
Income from renting movable property	
Income from renting immovable property	option of 15 % on gross rental income
Capital gains (immovable property)	included
Capital gains (movable property)	
Dividends	35 % (creditable); non-residents: no (N.B.: full imputation)
Interests on deposits and special savings accounts	15 % (final); non-residents: no (if no PE)
Interests on corporate and government bonds	15 % (final); non-residents: no (if no PE)
Other specific features and alternative regimes	
International professionals	15 %
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes, where necessarily incurred
Pension savings	no
Mortgage	no
Others (not exhaustive)	alimony; child care, education, culture and sport expenses
Treatment of losses (business/self-employed income)	can be set-off against other sources of income

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table MT.4: VAT

Tax rates	
Standard	18 %
Reduced rate(s)	5 % and 7 %

Table MT.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	35 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	35 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide (passive income)
Anti-avoidance	
Limits to interest deductions	no
Transfer pricing rules	no
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table MT.6: Social contributions

<b>Base</b>	employment income, income from business or self-employed activities
Employers' contributions	
Total rate	10 %
of which:	the social security rate is not related to any particular benefit
Capped contributions	yes (up to EUR 41.83 per week depending on age)
Employees' contributions	
Total rate	10 %
of which:	the social security rate is not related to any particular benefit
Capped contributions	yes (up to EUR 41.83 per week depending on age)

Table MT.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes on inheritance tax only in respect of immovable property and shares
Real estate taxation	
Recurrent real estate tax	no
Regional differentiation	–
Tax discount for primary dwelling	–
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Netherlands

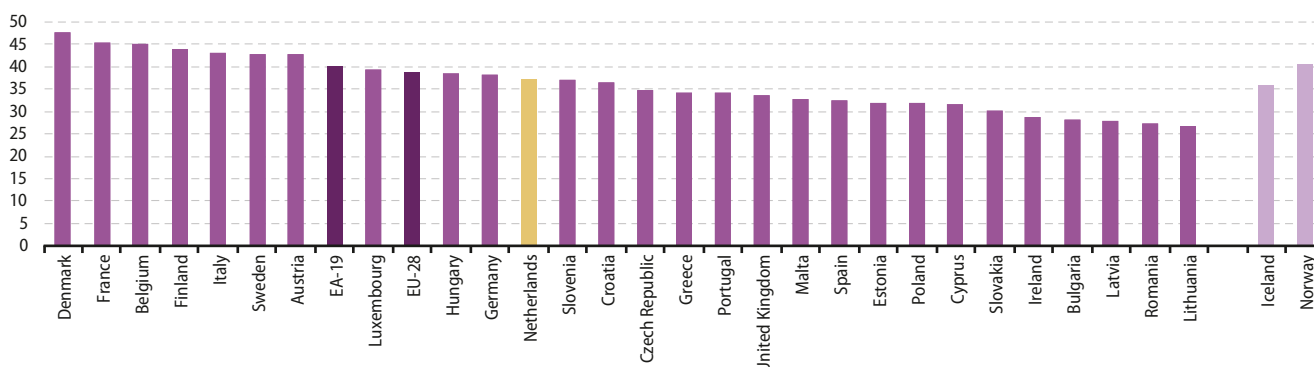
## Structure and development of tax revenues

**Table NL.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.1	12.3	12.3	12.2	11.9	11.3	11.6	11.2	11.1	11.5
VAT	6.9	6.8	7.0	7.0	6.8	6.5	6.8	6.5	6.5	6.6
<b>II. Direct taxes</b>	10.1	11.1	11.2	11.5	11.2	11.3	11.4	10.9	10.4	10.5
Personal income	5.7	6.3	6.5	6.8	6.6	7.8	7.7	7.4	7.0	7.0
Corporate income	3.1	3.5	3.5	3.5	3.3	2.2	2.3	2.2	2.1	2.2
<b>III. Social Contributions ( compulsory actual contributions)</b>	13.2	12.3	13.2	12.7	13.6	12.8	13.1	13.8	14.8	15.2
Employers'	4.1	3.8	4.3	4.3	4.5	4.6	4.6	4.7	5.1	5.0
Households'	9.1	8.5	8.9	8.4	9.1	8.2	8.5	9.1	9.7	10.2
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	35.4	35.7	36.8	36.3	36.6	35.4	36.1	35.9	36.3	37.2
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.8	0.8	0.6	0.5	0.5	0.6	0.6	0.5	0.5	0.5
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	36.3	36.5	37.3	36.9	37.1	35.9	36.7	36.4	36.9	37.7

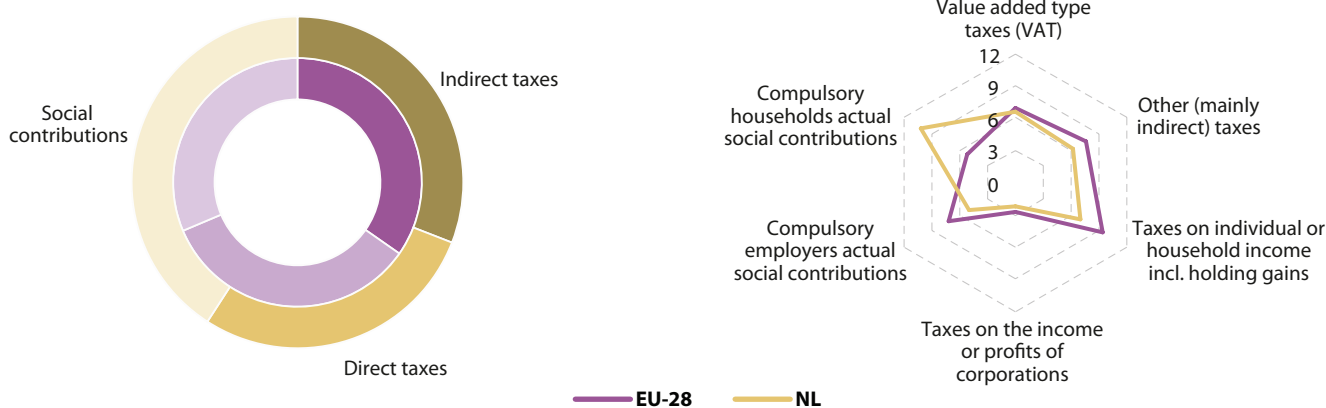
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure NL.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure NL.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table NL.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase lowest rate from 36.25 % to 36.50 % instead of 36.76 %.	Rate N/A	In force from: 1.1.2015
Increase of the reduction of the general levy credit. The general tax credit will decrease in 2015 with 2.32 % of every euro earned. In 2016, this rate will be 3.32 %.	N/A	In force from: 1.1.2015
The decrease of EITC with income starts at higher income — above EUR 49 900 in 2015, EUR 50 300 in 2016 and EUR 51 100 in 2017 and onwards.	N/A	In force from: 1.1.2015
Changes to the usual wage scheme. Director-owners of companies must pay themselves a higher wage. For wages above EUR 44 000, this wage can now be no more than 25 % lower than the market wage for comparable jobs. It used to be 30 %.	Base increase	In force from: 1.1.2015
<b>Value-added tax</b>		
Extension of the scope of VAT exemption for medical services.	Base decrease	In force from: 1.1.2015
Extension of the low VAT rate to renovation services (until 1.7.2015).	Rate N/A	In force from: 1.1.2015
Limitation of the application of the exemption for joint services (Art. 132(1)f VAT Directive).	Base increase	In force from: 1.1.2015
<b>Energy excises</b>		
Extension to landlords of the energy tax exemption for locally generated environment-friendly energy (if used by tenants).	N/A	In force from: 1.1.2015
Increase of energy tax rate for electricity and natural gas.	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Withdrawal of planned extension of tapwater tax to quantities above 300 m <sup>3</sup> per connection.	Base decrease	In force from: 1.1.2015
Extension of the scope of waste tax to incinerated waste.	Both base and rate increase	In force from: 1.1.2015
More precise definition of cars vs trucks with respect to vehicles with a double cabin ( in relation to the purchase tax and the motorised vehicle tax).	N/A	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table NL.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	worldwide income (resident) domestic income (non-resident)
Taxation of couples and families	separate taxation <i>possibility to allocate income and deductions between 'fiscal partners'</i>
<b>System and Applicable rates</b>	
Global / Labour income scheme	(Box 1)
Basic allowance	EUR 2 203 (max basic tax credit, decreasing with income) + EUR 1 042 for old-age dependent if income is not more than EUR 35 770; EUR 152 if income is more than EUR 35 770
Rate schedule	progressive: 36.5 %, 42 %, 52 % <sup>(1)</sup> <sup>(2)</sup> top rate: 52 % (> EUR 57 585)
Surtaxes	–
Regional and local surcharges	–
Top statutory PIT rate (including surcharges)	52 %
Owner-occupied dwelling	(Box 1) Base: standard rate of income (= percentage of the value of the property) minus mortgage interests
Capital income	Box 1, Box 2, 25 % of actual income or else Box 3, Base: net assets in excess of EUR 21 330; Rate: 30% of a deemed 4 % return
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	included
Capital gains (movable property)	included
Dividends	included; the dividend tax of 15% is creditable against PIT
Interests on deposits and special savings accounts	included
Interests on corporate and government bonds	included
<b>Other specific features and alternative regimes</b>	
Income from substantial participation (> 5 %)	(Box 2): 25 %
Sport or entertainment	20 %, possibly final (non-residents)
<b>Other tax provisions</b>	
<b>Main tax credits &amp; deductions</b>	
Professional expenses	no
Pension savings	yes; contributions up to an income of EUR 100 000. EET-system (contributions are exempt; investment income and capital gains are exempt; benefits are taxed).
Mortgage	yes, interests deductible for owner-occupants (subject to certain conditions)
Others (not exhaustive)	educational, medical, travel expenses; alimonies; fixed deduction of EUR 7 280 and 14% of profits for not incorporated entrepreneurs
Treatment of losses (business/self-employed income)	3-year carry backward; 9-year carry forward (Box1) and 1-year carry backward; 9-year carry forward (Box 2), separately

<sup>(1)</sup> Including social security contributions.

<sup>(2)</sup> 18.6 %, 24.1 %, 42 %, 52 % not including old age contribution.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table NL.4: VAT**

<b>Tax rates</b>	
Standard	21 %
Reduced rate(s)	6 %

**Table NL.5: Corporate taxation (CIT)**

<b>Tax rates</b>	
Nominal corporate income tax rate	first bracket: 20 %, second bracket 25 % (above EUR 200 000)
Central government surcharge	–
Regional government surcharge	–
Local government surcharge	–
Top CIT statutory rate (incl. surcharges)	25 %
Special tax rate for SMEs (all-in rate)	no
<b>Tax base</b>	
	worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	from 2013 thin cap rules have been replaced by rules on interest paid on loans considered to finance participations. If these payments exceed EUR 750 000, they cannot be deducted from taxable profits. The Netherlands also have anti-base erosion provisions limiting deductibility of interest on loans relating to 'tainted' transactions. Deductibility of interest on 'acquisition debt' and hybrid loans is also restricted.
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
<b>Allowance for Corporate Equity</b>	
	no

**Table NL.6: Social contributions**

<b>Base</b>	
	employment income, income from business activities (Box 1)
<b>Employers' contributions</b>	
Total rate	18.08 % (of max. income EUR 51 976)
of which:	health insurance (ZVW) 6.95 %
Capped contributions	yes
<b>Employees' contributions</b>	
Total rate	28.15 % (10.25 % persons over retirement age)
of which:	pensions 17.9 % (not applied to retired persons)
Capped contributions	yes

**Table NL.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	
	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no; deemed income tax (Box 3): rate: 30 % of a deemed 4 % return

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Poland

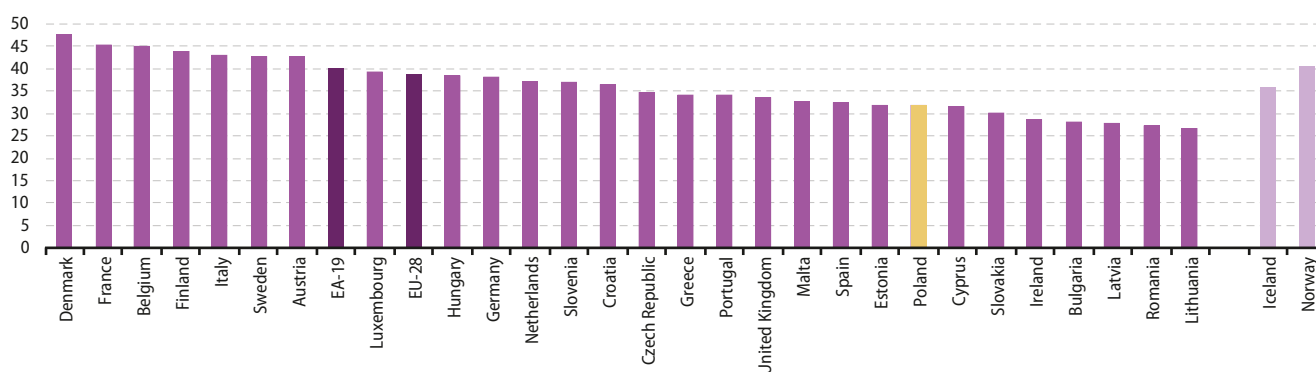
## Structure and development of tax revenues

**Table PL.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	13.6	14.0	14.3	14.6	14.6	13.0	13.7	13.9	13.1	12.8
VAT	7.1	7.7	8.1	8.2	8.0	7.3	7.6	7.9	7.2	7.0
<b>II. Direct taxes</b>	6.3	6.9	7.4	8.3	8.4	7.2	6.7	6.8	7.0	6.8
Personal income	4.0	4.3	4.6	5.2	5.3	4.6	4.4	4.4	4.5	4.5
Corporate income	2.0	2.1	2.4	2.7	2.7	2.3	2.0	2.0	2.1	1.8
<b>III. Social Contributions ( compulsory actual contributions)</b>	12.3	12.3	12.2	11.9	11.4	11.3	11.0	11.4	12.1	12.3
Employers'	4.9	4.9	4.9	4.8	4.7	4.7	4.7	4.7	4.9	5.2
Households'	7.4	7.4	7.3	7.1	6.7	6.6	6.3	6.7	7.2	7.1
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>V. Total (I + II + III - IV)</b>	32.1	33.1	33.8	34.6	34.4	31.4	31.3	31.9	32.2	31.8
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	33.0	34.0	34.6	35.5	35.2	32.3	32.2	32.7	33.0	32.7

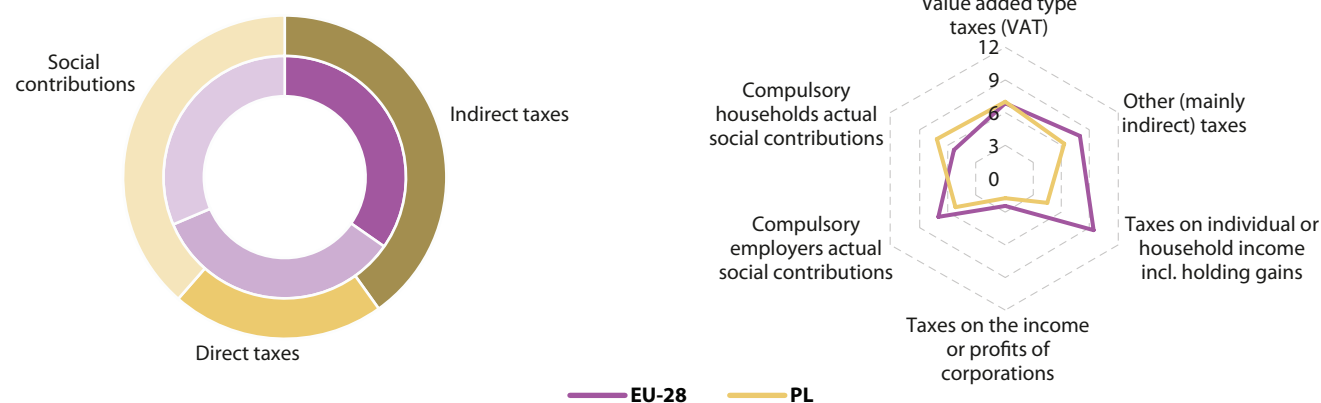
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure PL.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure PL.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table PL.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Increase of tax credit for children. The amount of tax credit is increased depending on the number of children.	Base decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
Corporate Income Tax act amendments, introducing controlled foreign company rules.	Base increase	In force from: 1.1.2015
<b>Value-added tax</b>		
Amendments to the VAT law as regards rules on reverse charge mechanism. The reverse charge mechanism was extended to supply of certain electronic goods such as notebooks, laptops, tablets, mobile phones including smartphones, video game consoles (for transactions of the value above PLN 20 000), certain steel and gold products, and raw non-ferrous metals: aluminium, lead, zinc, tin, nickel.	N/A	In force from: 1.7.2015
Extension of obligation to use cash registers — most of all in relation to the supply of perfumes and toilet waters, vehicle repair services, medical services provided by doctors and dentists, legal services, hairdressing services and certain services relating to providing food.	N/A	In force from: 1.1.2015
Amendment to the VAT law as regards joint and several tax liability. Adjustment of the list of goods covered by the joint and several tax liability and by obligation of monthly settlement: 1) exclusion of gold in the form of raw material or intermediate as covered by the reverse charge; 2) extension to silver and platinum in the form of raw material or intermediate, consumable materials for printers, and digital cameras. Increase of guarantee deposit for fuel supplies.	N/A	In force from: 1.7.2015
Amendments to the VAT law as regards rules on determining the proportion. Introduction of the rules on determining the relevant factor (proportion) which allows to deduct input tax in the correct amount in relation to the purchased goods and services used for mixed purposes (i.e. used for purposes related to the economic activity carried out by a taxable person as well as for other purposes than the economic activity), including exemplary data that can be used on selecting methods for determining the proportion.	N/A	In force from: 1.1.2016
<b>Other types of tax</b>		
President's proposal to amend the Tax Ordinance Act.	N/A	In force from: 1.1.2016
Introduction of hydrocarbon tax on profits derived from exploration of gas and oil. Also the application of the tax on extraction will be extended to gas and oil.	Introduction (N/A)	In force from: 1.1.2016
<b>Administrative, compliance related measures</b>		
Development of electronic services for tax issues, including introduction of tax portal, case files in electronic format, electronic copies of paper documents, electronic filing of documents.	N/A	In force from: 11.5.2014
Amendments to laws on customs and tax administrations, including 'merger' of tax offices and tax chambers, consolidation of support services, flexibility in personnel allocation, improvements in services for taxpayers and for customs procedures.	N/A	In force from: 1.4.2015
Creation of the Committee on VAT lottery to monitor and supervise the implementation of the VAT lottery project by the Ministry of Finance and external providers (public procurement procedure launched in February 2015).	N/A	In force from: 31.3.2015
Introduction of pre-filled tax returns. Limited pre-filling of tax returns is available for the first time for the tax year 2014 for certain income taxed under the PIT.	N/A	In force from: 16.3.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table PL.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation possibility of joint taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	basic personal allowance PLN 3 091
Rate schedule	18 % (PLN 3 091 to PLN 85 528) 32 % (above PLN 85 528)
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	32 %
Owner-occupied dwelling	not included
Capital income	
Income from renting movable property	included in general taxation
Income from renting immovable property	included in general taxation
Capital gains (immovable property)	included in general taxation
Capital gains (movable property)	included in general taxation
Dividends	19 %
Interests on deposits and special savings accounts	19 %
Interests on corporate and government bonds	19 %
Other specific features and alternative regimes	
Business income	choice between progressive tax scale, 19% flat rate, lump-sum taxation (< EUR 150 000) or 'tax card'
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes, a lump-sum amount OR in percentage OR based on real expenses
Pension savings	yes
Mortgage	generally not deductible (except interest on pre-2006 loans until 2027)
Others (not exhaustive)	obligatory social contributions, internet expenses, donations, expenditure on acquiring new technology
Treatment of losses (business/self-employed income)	5-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table PL.4: VAT

Tax rates	
Standard	23 %
Reduced rate(s)	5 % and 8 %

Table PL.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	19 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	19 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (interest on loans is deductible up to the tax value of assets multiplied by the repo rate of the National Bank of Poland increased by 1.25 %. Total tax deductible interest may not exceed 50% of operational profit . Alternatively, taxpayer may opt for thin cap rule of 1:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table PL.6: Social contributions

Base	
	employment income, income from business and self-employed activities
Employers' contributions	
Total rate	16.26 %
of which <sup>(1)</sup> :	pensions 9.76 %, invalidity pension 6.5 %
Capped contributions	PLN 118 770 per year
Employees' contributions	
Total rate	13.71 %
of which <sup>(2)</sup> :	pensions 9.76 %, maternity 2.45 %, invalidity pension 1.5 %
Capped contributions	PLN 118 770 per year

<sup>(1)</sup> Employers also pay accident insurance of between 0.67 % and 3.86 % (with no ceiling).

<sup>(2)</sup> An obligatory health care contribution of 9 % is also payable by employees.

Table PL.7: Wealth and transaction taxes

Inheritance and gift tax	
	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the TEDB database contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Portugal

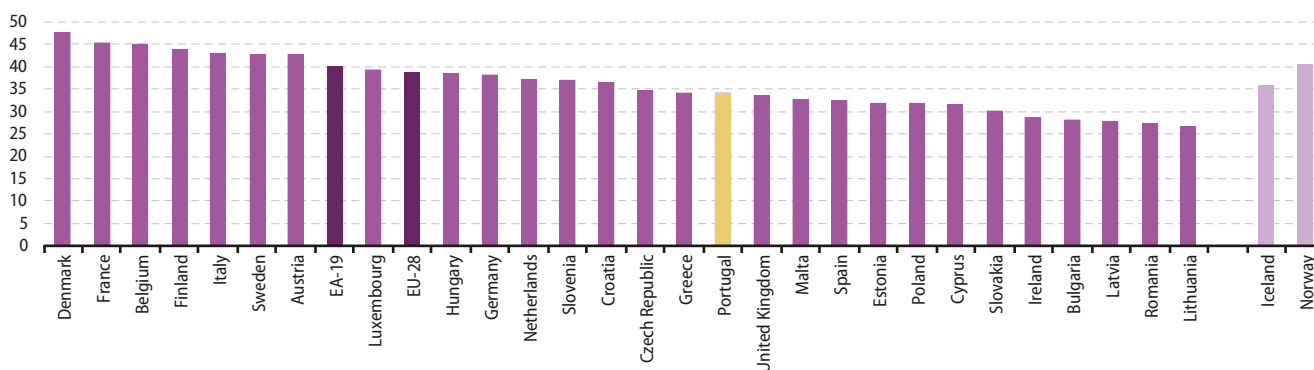
## Structure and development of tax revenues

**Table PT.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	13.9	14.6	14.9	14.5	14.1	12.7	13.3	14.0	14.0	14.0
VAT	7.6	8.2	8.3	8.2	8.1	6.8	7.5	8.1	8.3	8.1
<b>II. Direct taxes</b>	8.3	8.1	8.5	9.4	9.5	8.8	8.6	9.6	9.4	11.6
Personal income	5.0	5.0	5.1	5.3	5.4	5.5	5.4	6.0	5.9	7.8
Corporate income	2.9	2.7	3.0	3.6	3.6	2.8	2.9	3.3	2.9	3.4
<b>III. Social Contributions ( compulsory actual contributions)</b>	:	:	:	:	:	:	:	:	:	:
Employers'	:	:	:	:	:	:	:	:	:	:
Households'	:	:	:	:	:	:	:	:	:	:
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	30.3	30.9	31.5	32.0	31.9	30.0	30.6	32.5	32.0	34.3
<b>VI. Social contributions (imputed + voluntary contributions)</b>	:	:	:	:	:	:	:	:	:	:
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	33.5	34.3	34.9	35.2	35.1	33.6	33.9	35.6	34.9	37.6

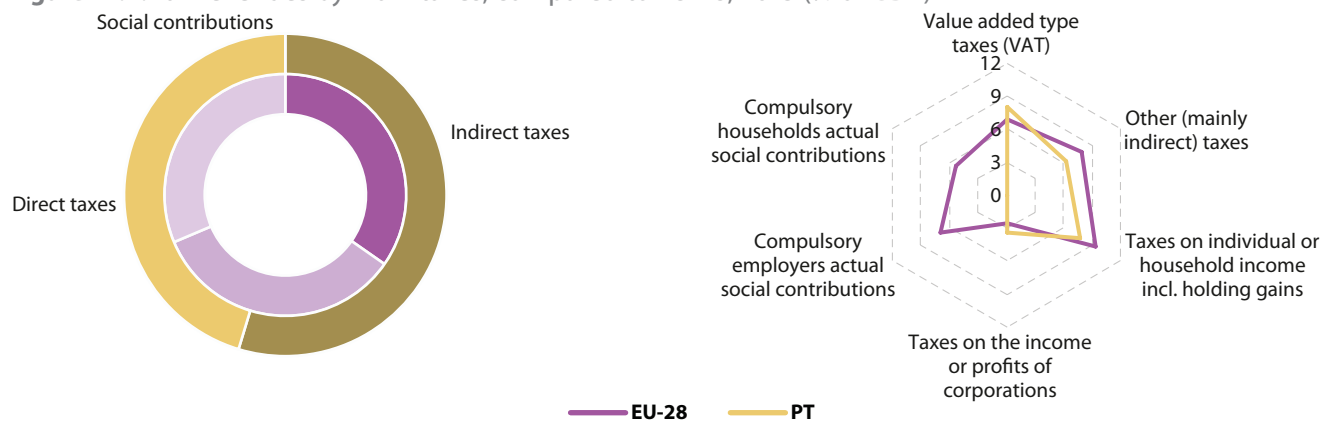
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure PT.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure PT.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

Table PT.2: Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Employment income up to a maximum of EUR 10 000 is exempt for short-term assignments abroad (90 days, of which 60 are consecutive).	Base decrease	In force from: 1.1.2015
Separate taxation becomes the standard rule. However, families may opt for joint taxation.	N/A	In force from: 1.1.2015
PIT tax deductions have been reformulated: health expenses (15 % with limit of EUR 1 000); family general expenses (35 % of expenses capped at EUR 250/taxpayer); education and training expenses tax credit of 30 % of expenses up to a limit of EUR 800. Tax credits have a global limit, depending on income.	Base decrease	In force from: 1.1.2015
The application of the extraordinary surtax of 3.5 % is extended to 2015 under the same conditions as established by the 2013 State Budget Law (it was extended in 2014 too)	Rate increase	In force from: 1.1.2015
The family coefficient has been modified. Each taxpayer has an equal weight of 1, and every dependent has a weight of 0.3 (0.15 if the household files separate tax returns, as the dependent will be included in both parents' annual tax returns). A limit to the benefit arising from the introduction of the family coefficient has also been introduced.	Base decrease	In force from: 1.1.2015
Broadening of the concept of deductible expenses against rental income. It is now possible to deduct expenses incurred in the 24 months prior to the beginning of the lease/rent, provided that during such period the property has not been used for another purpose than leasing.	Base decrease	In force from: 1.1.2015
Exempt education vouchers. Extension of the age of dependants (from 7 to 25 years old) for which it is allowed to attribute 'education tickets', granted to parents for payment of school fees. Education vouchers are exempt up to the limit of EUR 1 100 per dependant. Vouchers cannot accumulate with education tax credits.	Base decrease	In force from: 1.1.2015
Revamp of items (express typification) falling under investment income and capital gains.	Base N/A	In force from: 1.1.2015
Harmonisation of the tax rate applicable to investment income and capital gains to a flat rate of 28 %.	Rate N/A	In force from: 1.1.2015
<b>Corporate income tax</b>		
Transposition of Directive No 2014/86/UE.	Base decrease	In force from: 1.1.2015
CIT rate reduced from 23 % to 21 %.	Rate decrease	In force from: 1.1.2015
Group taxation is allowed for horizontal structures of Portuguese companies with at least 75 % holding by EU-based parent companies, following the EU Court of Justice decision on SCA Holding (C-40/13).	N/A	In force from: 1.1.2015
<b>Value-added tax</b>		
Introduction of tax compensation under flat-rate VAT scheme for SMEs involved in agricultural production. Enables farmers to opt out of standard VAT arrangements and recover part of input VAT (flat-rate compensation).	Base decrease	In force from: 1.1.2015
Option for the VAT simplified cash accounting scheme (the scheme was introduced in 2013) set for month of October each year.	N/A	In force from: 1.1.2015
Possibility of deducting VAT incurred on the acquisition of electric or hybrid passenger vehicles, and of deducting 50 % for vehicles using liquified petroleum gas and natural gas. (Green tax reform).	Base decrease	In force from: 1.1.2015
Repair services for bikes are now subject to the reduced VAT rate. (Green tax reform).	Base decrease	In force from: 1.1.2015
<b>Energy excises</b>		
Oil and energy products that are not exempt from excise duties are subject to a surcharge ( <i>fator de adiccionamiento</i> ) which is indexed to the price of carbon determined in the EU Emissions Trading System (previous year). (Green tax reform).	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Introduction of a new contribution for plastic bags used in the retail business (EUR 0.08/bag). The final consumer bears the cost. (Green tax reform).	Base increase	In force from: 1.1.2015

Table PT.2: Latest tax reforms (continued)

Description of measure	Change	Date
<b>Property taxes</b>		
Reduction up to 15 % of the rate of Municipal Property Tax ( <i>Imposto Municipal sobre Imoveis</i> ) applicable to those properties classified as energy efficient. (Green tax reform).	Rate decrease	In force from: 1.1.2015
<b>Other types of tax</b>		
Bank Levy ( <i>contribuicao sobre o sector bancario</i> ) increased to a rate that can range between 0.01 % and 0.085 % of the institutions' liabilities. The Executive Order No 176-A/2015, of 12 June established a tax rate of 0.085 %.	Rate increase	In force from: 1.1.2015
Pharmaceutical contribution enacted ( <i>contribuicao sobre a industria farmaceutica</i> ). Rates range from 2.5 % to 14.3 % per medicine, but can vary depending on the type of medicine and use.	Rate increase	In force from: 1.1.2015
The Energy Extraordinary Contribution ( <i>contribuicao extraordinaria sobre o sector energetico</i> ), initially designed to be in force for 2014, is extended to 2015.	Base increase	In force from: 1.1.2015
Increase of the rates of Vehicles Registration Tax ( <i>Imposto sobre Veiculos</i> ) applicable to the purchase of passenger vehicles, either for personal or professional use. (Green tax reform).	Rate increase	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table PT.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	worldwide income (resident) domestic income (non-resident)
Taxation of couples and families	joint taxation, with family quotient (1 for taxpayers and 0.3 for dependants) possibility to fill in a separate tax form
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 4 104 ; personal tax credit linked to min wage and family <sup>(1)</sup> EUR 325 per child; EUR 300 per old-age dependent (both tax credits)
Rate schedule	progressive; 14.5 %, 28.5 %, 37 %, 45 %, 48 % (non-residents: 25 %) top marginal rate: 48 % (> EUR 80 000) <sup>(2)</sup>
Surtaxes	extraordinary surtax: 3.5 % (net income > min wage) additional solidarity surcharge: 2.5 % (> EUR 80 000), 5 % (> EUR 250 000)
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	56.5 %
Owner-occupied dwelling	not included
Capital income	
Income from renting movable property	not included
Income from renting immovable property	included, or taxed separately at 28 %
Capital gains (immovable property)	included (base = 50 %)
Capital gains (movable property)	28 %
Dividends	28 % (base reduced if resident) <sup>(3)</sup>
Interests on deposits and special savings accounts	28 % (base reduced if resident) <sup>(3)</sup>
Interests on corporate and government bonds	28 % (base reduced if resident) <sup>(3)</sup>
Other specific features and alternative regimes	
Self-employed (< EUR 200 000)	professional expenses: % income (rate varies with activity)
Employment or pension income	tax amount capped so that after-tax income ≥ EUR 8 500
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	(self-employed) % OR real expenses; (immovable property) real expenses including tax
Pension savings	yes
Mortgage	yes (interest and capital)
Others (not exhaustive)	union fees, taxes (5 % VAT) deductible; child care, education, medical expenses, alimonies, donations are tax credits
Treatment of losses (business/self-employed income)	12-year carry forward (limited to 75 % of profits)

<sup>(1)</sup> Complex system based on a proportion of household's expenses, usually capped.

<sup>(2)</sup> A special rate of 60 % is applied to 'unjustified wealth increase of more than EUR 100 000'.

<sup>(3)</sup> Azores reduced by 20 % (which base).

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table PT.4: VAT

Tax rates	
Standard	23 %
Reduced rate(s)	6 % and 13 %

Table PT.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	21 %
Central government surcharge	7 % (for profit before deduction of losses of over EUR 35 million)
Regional government surcharge	
Local government surcharge	1.5 %
Top CIT statutory rate (incl. surcharges)	29.5 %
Special tax rate for SMEs (all-in rate)	17 % (for taxable profit up to EUR 15 000)
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (maximum of 30 % of EBIT or EUR 1 million; no thin cap rules)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	yes (notional rate 5 %)

Table PT.6: Social contributions

<b>Base</b>	employment income, income from business or self-employed activities, Income from sport and entertainment, benefits in kind, pension income
Employers' contributions	
Total rate	23.75 %
of which:	
Capped contributions	no
Employees' contributions	
Total rate	11 %
of which:	
Capped contributions	no

Table PT.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	yes
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Romania

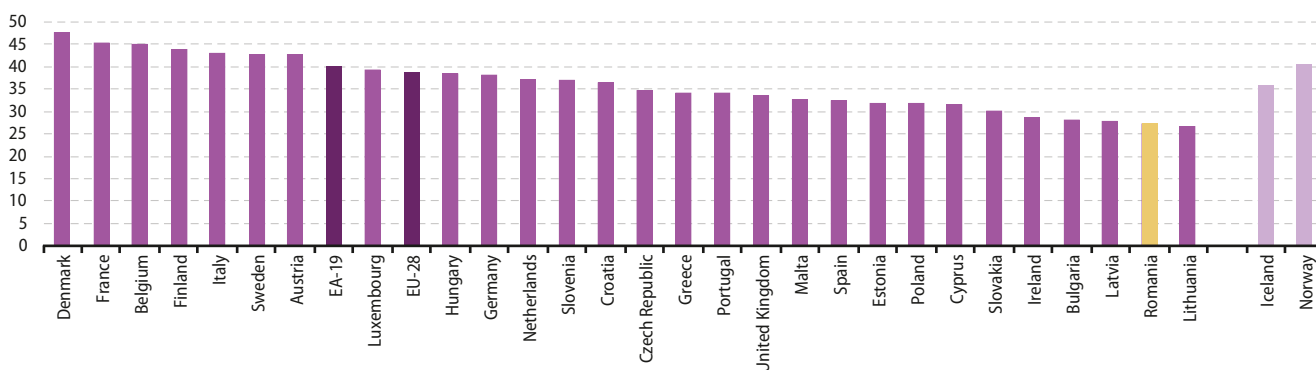
## Structure and development of tax revenues

**Table RO.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	11.7	12.8	12.7	12.5	11.8	10.8	11.9	13.0	13.2	12.8
VAT	6.6	8.0	7.9	8.0	7.8	6.5	7.5	8.6	8.4	8.3
<b>II. Direct taxes</b>	6.4	5.3	6.0	6.7	6.6	6.4	6.0	6.1	6.0	5.9
Personal income	2.9	2.3	2.8	3.2	3.3	3.4	3.2	3.3	3.4	3.4
Corporate income	3.2	2.7	2.8	3.0	2.9	2.6	2.3	2.3	2.1	2.0
<b>III. Social Contributions ( compulsory actual contributions)</b>	9.2	9.6	9.7	9.8	9.2	9.3	8.5	9.0	8.8	8.6
Employers'	5.9	6.4	6.3	6.2	5.9	5.8	5.4	5.6	5.6	5.6
Households'	3.3	3.2	3.4	3.6	3.3	3.5	3.1	3.4	3.2	3.0
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	27.2	27.7	28.4	29.0	27.6	26.5	26.4	28.1	28.0	27.4
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.4	0.6	0.6	0.6	0.7	0.7	0.8	0.0	0.0	0.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	27.7	28.3	29.0	29.6	28.3	27.2	27.1	28.1	28.1	27.4

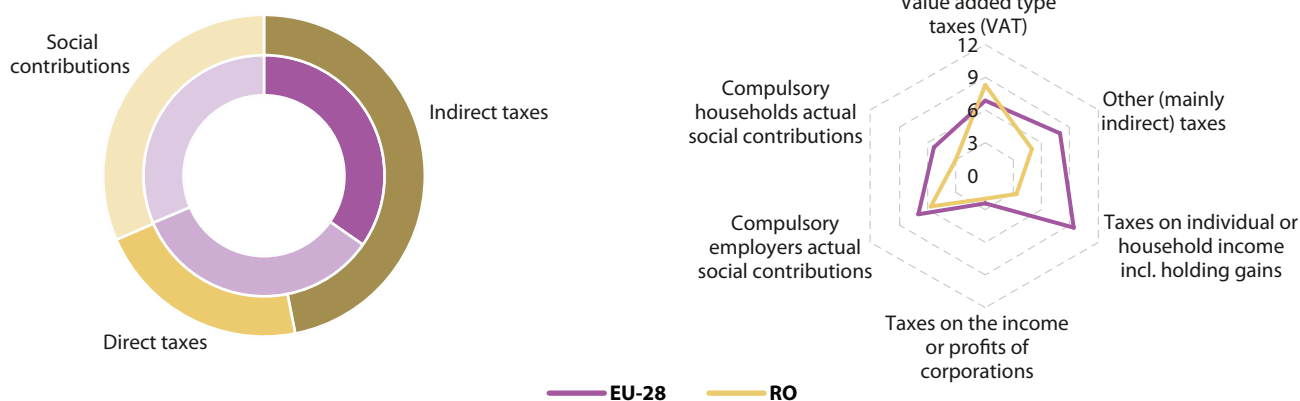
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure RO.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure RO.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)



## Latest tax reforms

**Table RO.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Proposed increase the amount of monthly exempt pension allowance from RON 1 000 to RON 1 050 in 2016 and by RON 500 every subsequent year until reaching the value of RON 1 200.	Base increase	In force from: 1.1.2016
Proposed increase the personal deductions for individuals with a monthly income below RON 1 500.	Base decrease	In force from: 1.1.2016
Proposal Reform Tax Code: 5 % WHT on income from dividends.	Rate decrease	In force from: 1.1.2017
<b>Corporate income tax</b>		
Exemption of reinvested profits in new technological equipment.	Base decrease	In force from: 1.7.2014
Change of calculation methodology for new start-up small enterprises income tax. The new income tax rates for start-up small enterprises that have at least 1 employee for the first 24 months from the date of creation is of 1 %. Thereafter, the rate will become 3 % from income.	Introduction (N/A)	In force from: 1.1.2016
<b>Value-added tax</b>		
VAT refund — application must be certified by a tax consultant (no prior tax audit if less than RON 45 000).	Base N/A	In force from: 1.6.2014
Reduced VAT rate of 9 % (from 24 %) for all tourism packages offering accommodation; previously applicable only to packages that included accommodation or accommodation and breakfast.	Rate decrease	In force from: 1.1.2015
Reduced VAT rate on the supply of foodstuffs, non-alcoholic drinks to 9 % (from standard 24 %).	Base decrease	In force from: 1.6.2015
Proposed introduction the reverse charge mechanism for the supply of buildings and land.	N/A	In force from: 1.1.2016
Proposed reduction of the standard 24 % VAT rate to 20 % as of 1.1.2016.	Rate decrease	In force from: 1.1.2016
Proposed VAT reduction rate for draught beer from 24 % to 9 % as of 1.1.2016.	Rate decrease	In force from: 1.1.2016
Proposed VAT reduction rate for books and cultural services from 9 % to 5 % as of 1.1.2016.	Rate decrease	In force from: 1.1.2016
<b>Energy excises</b>		
Partial refund of excises on fuel to some taxpayers until March 2019.	Base decrease	In force from: 1.4.2014
Excise duties will be expressed in Romanian currency (RON) as of 2016, adapted by consumption index.	Base N/A	In force from: 1.1.2015
Decrease of excise duty on energy products: gasoline, diesel, kerosene.	Rate decrease	In force from: 1.1.2017
<b>Tobacco excises</b>		
Proposed increase of the excise duties on cigarettes from RON 412.02/1 000 cigarettes.	Rate increase	In force from: 1.1.2016
<b>Property taxes</b>		
Tax on special constructions reduced to 1 % (from previous 1.5 %).	Rate decrease	In force from: 1.1.2015
Proposal Reform Tax Code: abolition of the tax on special constructions as of 1.1.2017.	Phase-out (decrease)	In force from: 1.1.2017
Changes to local taxes (buildings, land and vehicles) — increase of the <i>cote aditionale</i> (additional share) from 20 % to 50 %; systematic annual indexation.	N/A	In force from: 1.1.2016
<b>Employees' social contributions</b>		
Proposal Reform of Tax Code: Eliminating the exception that establishes that individuals who derive income from independent activities due SSC if not performed and salary income.	Base decrease	In force from: 1.1.2016
Increase in the ceiling for health insurance contributions for pension income of RON 740 (as it is now) to an annual pension point value.	Rate N/A	In force from: 1.1.2016
Introduction of a ceiling for the monthly calculation basis of social health insurance contributions. The maximum is set at 5 average gross wages.	N/A	In force from: 1.1.2017

Table RO.2: Latest tax reforms (continued)

Description of measure	Change	Date
<b>Administrative, compliance related measures</b>		
Refund procedure of excess withholding tax on payments to non-residents (i.e. if a more favourable rate is available) will be excluded from the Tax Code. A new general procedure is put in place in the Fiscal Procedures Code, unitary for all refunds of WHT taxes (to residents and non-residents). The refund is to be done by the income payer at the request of the taxpayer, and the refunded amounts would be compensated with similar tax liabilities owed by the income payer for the same tax period.	N/A	In force from: 1.6.2014
Package... 2) establishing the receipts' lottery, a system under which persons that register information on their tax receipts participate in a monthly draw with cash prizes.	Introduction (increase)	In force from: 1.3.2015
Virtual space for taxpayer — NAFA communication (tax returns, SSC by employer and unpaid tax liabilities).	Introduction (neutral)	In force from: 1.9.2014
VAT registration — new rules.	Introduction (neutral)	In force from: 1.2.2015
Payment of tax debts by card by individuals (info also on online payments)	Introduction (N/A)	Legislation: 6.10.2014
Tips will appear on a separate bill, will exclude VAT and will be taxed as the company's profit, if the employees don't receive them, or as employee income, if the staff get them .	N/A	In force from: 8.5.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table RO.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	domestic income (resident and non-resident)
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	up to RON 250 (if gross monthly income less than RON 1 000 and no dependants) additional RON 100 for each dependant <sup>(1)</sup>
Rate schedule	flat rate 16%
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	16%
Owner-occupied dwelling	
Capital income	
Income from renting movable property	16%
Income from renting immovable property	16%
Capital gains (immovable property)	3% up to RON 200 000; over RON 200 000, RON 6 000 + 2% calculated at a value exceeding RON 200 000 <sup>(2)</sup>
Capital gains (movable property)	16%
Dividends	16% final withholding
Interests on deposits and special savings accounts	16% final withholding
Interests on corporate and government bonds	16% final withholding
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	no
Pension savings	yes
Mortgage	no
Others (not exhaustive)	no
Treatment of losses (business/self-employed income)	annual tax losses can be carried over and offset against income from the same source for the following 5 fiscal years.

<sup>(1)</sup> For monthly gross incomes from wages over RON 3 000 the personal deduction is not granted.

<sup>(2)</sup> For constructions and their related lands, as well as for lands without constructions acquired within 3 years. For real estates acquired within more than 3 years: 2% up to RON 200 000 inclusive; over RON 200 000, RON 4 000 + 1% calculated at a value exceeding RON 200 000.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table RO.4: VAT

Tax rates	
Standard	24 %
Reduced rate(s)	5 % and 9 %

Table RO.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	16 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	16 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (thin cap rule of 3:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table RO.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, pensions, income from occasional activities
Employers' contributions	
Total rate	22.75 %
of which:	pensions 15.8 %, healthcare 5.2 %, unemployment 0.5 %, accidents and occupational diseases 0.15 %, national salary guarantee fund 0.25 %, contribution holidays and health insurance 0.85 %
Capped contributions	yes, for pensions contributions: the equivalent of 5 times the average gross wage earnings
Employees' contributions	
Total rate	16.50 %
of which:	pensions 10.5 %, healthcare 5.5 %, unemployment 0.5 %
Capped contributions	yes

Table RO.7: Wealth and transaction taxes

Inheritance and gift tax	
	no
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	yes
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Slovakia

## Structure and development of tax revenues

**Table SK.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.0	12.4	11.2	11.2	10.6	10.5	10.2	10.7	10.1	10.5
VAT	7.6	7.7	7.3	6.6	6.8	6.6	6.2	6.7	6.0	6.4
<b>II. Direct taxes</b>	6.4	6.3	6.4	6.4	6.8	5.9	5.7	5.8	5.9	6.4
Personal income	3.0	3.0	2.9	2.9	3.1	2.8	2.7	2.9	2.9	2.9
Corporate income	2.5	2.7	2.8	2.9	3.1	2.5	2.5	2.4	2.4	2.9
<b>III. Social Contributions ( compulsory actual contributions)</b>	12.9	12.4	11.6	11.4	11.7	12.4	12.1	12.1	12.4	13.4
Employers'	7.5	6.8	6.2	6.1	6.5	6.7	6.7	6.5	6.7	7.5
Households'	5.4	5.6	5.4	5.3	5.2	5.7	5.4	5.6	5.7	5.9
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	31.3	31.1	29.2	29.1	29.0	28.7	28.0	28.6	28.3	30.2
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.1	0.1	0.1	0.2	0.1	0.1	0.2	0.2	0.1	0.1
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	31.4	31.2	29.3	29.2	29.1	28.9	28.2	28.8	28.4	30.4

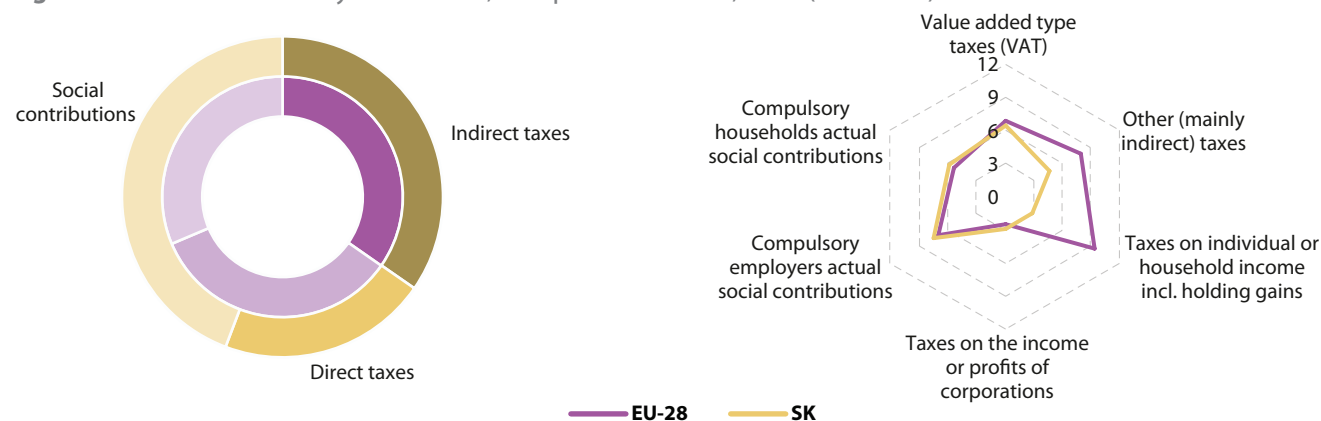
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure SK.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure SK.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table SK.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Interest expenses on mortgages and expenses on fees related to mortgages may be claimed as tax deductible expenses when calculating the taxable income of individuals on transfer of real estate.	Base decrease	In force from: 1.1.2015
The share of PIT yield which is revenue of self-governing regions has been increased from 21.9% to 29.2%.	N/A	In force from: 1.1.2015
The share of PIT yield which is revenue of municipalities has been increased from 65.4% to 68.5%.	N/A	In force from: 1.1.2015
<b>Corporate income tax</b>		
New depreciation rules has been introduced: 1) Extension of depreciation for office buildings from 20 to 40 years; 2) Limitation of accelerated depreciation method; 3) Abolishment of favourable leasing depreciation; 4) Amortisation of certain expenditures with VAT coefficient.	Base increase	In force from: 1.1.2015
Some limitations for deductibility of certain expenses are introduced as a result of tax expenditures' audit: (i) costs of marketing and other related studies, costs of market research, costs related to payments made in favour of taxpayers from non-contracting states, costs of advisory and legal services, rental costs, costs of mediation services, and costs of obtaining standards and certificates are tax deductible upon payment; (ii) costs of mediation services could be claimed as tax deductible expenses only up to 20% from the value of the mediated transaction.	Base increase	In force from: 1.1.2015
The introduction of thin capitalisation rules. The deduction of interest expenses (including of other related expenses) on loans from related parties is limited to 25% of a company's earnings before interest, taxes, depreciation, and amortization (EBITDA).	Base increase	In force from: 1.1.2015
The introduction of R & D tax credit. Measures include a direct deduction of 25% of the total amount of R & D expenditure, along with 25% of the year-on-year increase in expenditure (increment part) and 25% of the expenditure on wages for newly hired graduates.	Base decrease	In force from: 1.1.2015
<b>Value-added tax</b>		
The temporary increase of the standard VAT rate from 19% to 20% introduced in 2011 will be repealed and the standard VAT rate would remain at 20%.	Rate neutral	In force from: 1.1.2015
<b>Property taxes</b>		
In case the real estate tax due is higher than EUR 33 000, the tax will be paid in two equal instalments.	N/A	In force from: 15.10.2014
<b>Other types of tax</b>		
Centralisation and unification of the motor centralisation and unification of the motor vehicle tax. Tax will be treated as state tax (instead of local tax) and the tax rates will be unified. Furthermore tax will be administered by revenue authority, not by municipalities as previously.	Base neutral	In force from: 1.1.2015
Withholding tax for pharmaceutical companies on financial and non-financial benefits provided to physicians.	Base increase	In force from: 1.1.2015

Table SK.2: Latest tax reforms (continued)

Description of measure	Change	Date
<b>Employers' social contributions</b>		
Introduction of health insurance contribution (HIC) allowance. The allowance decreases the assessment base for health insurance contribution for both employees and employers. It amounts to EUR 380 per month and decreases with rising income up to EUR 570 when it reaches zero. With EUR 1 rise in income the allowance is reduced by EUR 2. The HIC allowance is applicable only on standard employment income (non self-employed income or income based on temporary contracts). However, to determine the amount of allowance all types of incomes are assessed, to target only low income workers.	Base decrease	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Cancellation of paper stamps and replacement by the electronic fee system.	Phase-out (neutral)	In force from: 1.1.2015
Income obtained by non-residents for performing services should be considered obtained from SK if the services are performed within the territory of SK.	Base N/A	In force from: 1.1.2015
Introduction of a package of amendments to implement Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.	Base N/A	In force from: 1.1.2015
Extension of the obligation to use electronic cash registers (to hotels and restaurants, professional scientific and technical activities, general practitioners, specialist physicians, dentists, etc.).	N/A	In force from: 1.4.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table SK.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 3 803.33 (allowance depends on the minimum subsistence level and taxpayer's taxable income) also allowance for spouse on no or low income
Rate schedule	19% up to EUR 35 022.32 25% above EUR 35 022.32
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	25%
Owner-occupied dwelling	included
Capital income	
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	included
Capital gains (movable property)	included
Dividends	not included
Interests on deposits and special savings accounts	19% (final withholding)
Interests on corporate and government bonds	19% (final withholding)
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	% income OR based on real expenses; cap for deductions in % of income
Pension savings	supplementary pension contributions (maximum EUR 180 per year)
Mortgage	no
Others (not exhaustive)	voluntary contributions to the privately managed fully funded pillar are tax-deductible (maximum 2% x 60 x average wage (t-2) per year)
Treatment of losses (business/self-employed income)	4-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.



Table SK.4: VAT

Tax rates	
Standard	20 %
Reduced rate(s)	10 %

Table SK.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	22 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	22 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (deduction of interest up to 25 % of earnings before interest, taxes, depreciation and amortisation))
Transfer pricing rules	no
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table SK.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind, dividends, prizes and awards, income from occasional activities, revenue from lotteries and games
Employers' contributions	
Total rate	35.2 %
of which:	pensions 14 %, healthcare 10 %, unemployment 1 %, illness/accident 2.2 %, other 8 %
Capped contributions	yes
Employees' contributions	
Total rate	13.4 %
of which:	pensions 4 %, healthcare 4 %, unemployment 1 %, illness/accident 1.4 %, other 3 %
Capped contributions	yes

Table SK.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	no
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	no
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Slovenia

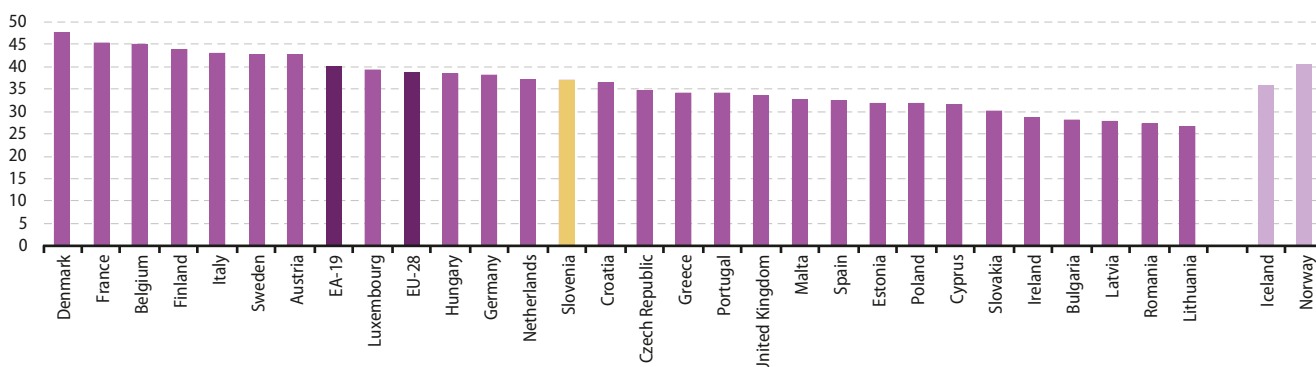
## Structure and development of tax revenues

**Table SI.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	15.5	15.5	15.0	14.7	14.1	13.7	14.1	14.0	14.4	15.0
VAT	8.4	8.5	8.4	8.3	8.3	7.9	8.1	8.1	8.0	8.4
<b>II. Direct taxes</b>	8.1	8.5	9.0	9.0	8.7	8.1	8.0	7.8	7.5	7.3
Personal income	5.6	5.4	5.6	5.5	5.7	5.7	5.6	5.6	5.7	5.3
Corporate income	1.9	2.7	2.9	3.2	2.5	1.8	1.8	1.7	1.2	1.2
<b>III. Social Contributions ( compulsory actual contributions)</b>	14.0	14.0	13.8	13.5	13.8	14.6	14.9	14.7	14.9	14.8
Employers'	5.3	5.5	5.4	5.3	5.4	5.6	5.7	5.6	5.7	5.7
Households'	8.7	8.5	8.4	8.2	8.4	9.0	9.2	9.1	9.2	9.1
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	37.4	38.0	37.6	37.1	36.6	36.4	37.0	36.5	36.9	37.0
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.2
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	37.7	38.2	37.9	37.3	36.8	36.7	37.2	36.8	37.1	37.3

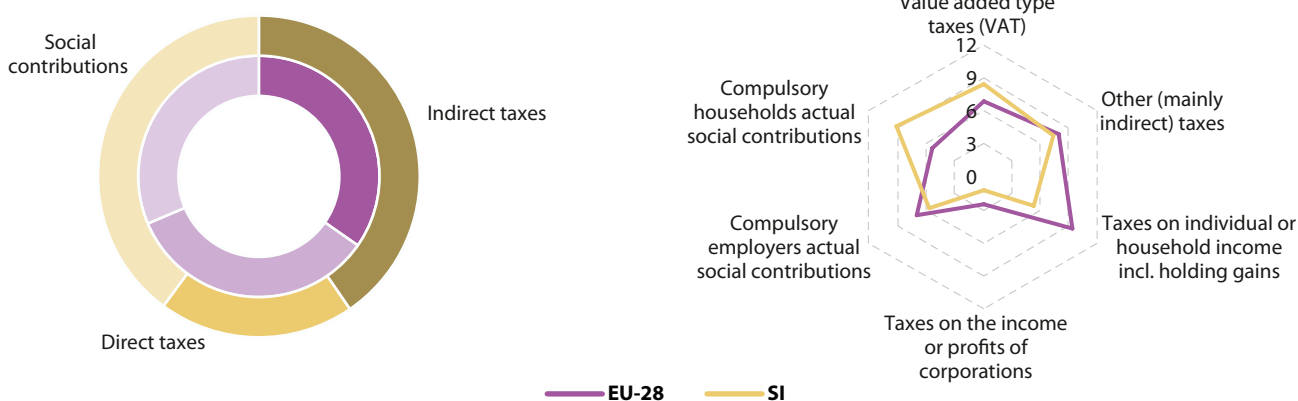
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure SI.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure SI.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table SI.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Amendments that will broaden the existing scope of tax incentives to entrepreneurs investing in passenger buses with an engine emission complying with the EURO VI standards. Based on the proposal, up to 40 % of those investments will be deductible from the taxable base.	Base decrease	In force from: 4.4.2015
Amendment with regard to the deductibility of expenses, for entrepreneurs who choose for a lump-sum deduction. The threshold for taxation increased from EUR 50 000 (valid for 2013 and 2014) to EUR 100 000 together with an increase in the level of flat-rate expenses from 70 % (for 2013 and 2014) to 80 % of business income. In order to be able to opt for this lump-sum expense deduction, the taxpayer must employ at least one person full-time continuously for at least five months.	Base N/A	In force from: 1.1.2015
The validity of the fourth tax class was originally established as a temporary measure only for 2013 and 2014 already with the Fiscal Balance Act (ZUJF) in mid-2012, but the measure has been extended for another year and will have an impact on revenue in 2015.	Rate increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
Amendments that will broaden the existing scope of tax incentives to companies investing in passenger buses with an engine emission complying with the EURO VI standards. Based on the proposal, up to 40 % of those investments will be deductible from the taxable base.	Base decrease	In force from: 4.4.2015
Amendment with regard to the deductibility of expenses, for taxpayers that choose a lump-sum deduction of expenses. The threshold for taxation increased from EUR 50 000 to EUR 100 000. In order to be able to opt for this lump-sum deduction, the taxpayer that did not exceed EUR 100 000 revenues in the previous tax year must employ one person for full time for at least 5 months. The taxpayer pays the tax on the basis of revenues and lump-sum expenses in the amount of 80 percent (70 % in year 2013 and 2014) of the revenues.	Base N/A	In force from: 1.1.2015
<b>Energy excises</b>		
Unleaded petrol excise duty was changed on several occasions from mid-2014 to mid-2015 starting at EUR 524.52 at the beginning of June 2014 and ending at EUR 493.48 per 1 000 litres in June. the excise duty on gas oil used as propellant was changed on several occasions from June 2014 to June 2015 (starting at EUR 422.77 at the beginning of June 2014 and ending at EUR 409.98 per 1 000 litres in June 2015), so was the excise duty on heating gas oil (increasing from EUR 104.89 in June 2014 to EUR 105.80 per 1 000 litres in June 2015).	Rate N/A	In force from: 1.6.2015
<b>Tobacco excises</b>		
Modification of excise duties on cigarettes increase; specific excise duty for 1 000 pieces is now EUR 68.3730 — proportional excise duty is now 22.0686 % of the retail price.	Rate N/A	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Tax rate on CO <sub>2</sub> emissions was increased by 20 % from EUR 0.0144 to EUR 0.0173 for 1 kg of CO <sub>2</sub> .	Rate increase	In force from: 6.1.2015
<b>Other types of tax</b>		
Insurance premiums will be subject to a tax rate of 8.5 % (currently, 6.5 %).	Rate increase	In force from: 1.1.2015
Financial services will be subject to a tax rate of 8.5 % (currently, 6.5 %).	Rate increase	In force from: 1.1.2015
Abolishment of Tax on total assets of banks.	Phase-out (decrease)	In force from: 1.1.2015
<b>Administrative, compliance related measures</b>		
Some additional solutions were introduced regarding invoices issued for cash payment transactions, without the use of a computer software or an electronic device (i.e. virtual tax register). Such invoices must be issued from a bound book of invoices previously numbered by the tax authority. Implementation of the agreement FATCA (Foreign Account Tax Compliance Act), which complements the current arrangements on cooperation between the Republic of Slovenia and the United States on avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and wealth, which will be the basis for enhancing the sharing of information with other countries.	N/A	In force from: 1.1.2015
The merger of the tax and customs administrations into a joint Finance Administration of the Republic of Slovenia with the goal to increase resources for tax audit and thereby have a significant impact with regard to reducing tax evasion.	N/A	In force from: 1.8.2014

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table SI.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	worldwide income (resident) domestic income (non-resident)
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	EUR 3 302.7 + depending on income (higher for low income) child: EUR 2 436.92 (increasing with rank); old-age dependent: EUR 2 436.92
Rate schedule	progressive: 16 %, 27 %, 41 %, 50 % top rate: 50 % (> EUR 70 907.2)
Surtaxes	–
Regional and local surcharges	–
Top statutory PIT rate (including surcharges)	50.0 %
Owner-occupied dwelling	not included
Capital income	separate (flat)
Income from renting movable property	not included (flat rate)
Income from renting immovable property	25 %
Capital gains (immovable property)	from 25 % to 0 % (dep. on holding period)
Capital gains (movable property)	from 25 % to 0 % (dep. on holding period)
Dividends	25 %
Interests on deposits and special savings accounts	25 %
Interests on corporate and government bonds	0 %
Other specific features and alternative regimes	
Personal business income	if revenues < EUR 50 000, or < 100 000 when taxpayer employs one person full time for at least 5 months: specific rules (80 % income deducted); rate = 20 %
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	% income OR based or real expenses
Pension savings	yes
Mortgage	
Others (not exhaustive)	donations, investments in eco-friendly or energy efficient goods special allowances for business income
Treatment of losses (business/self-employed income)	indefinite carry forward (max. 50 % of the tax base)

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table SI.4: VAT

Tax rates	
Standard	22 %
Reduced rate(s)	9.5 %

Table SI.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	17 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	17 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (thin cap rule of 4:1 debt to equity)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	no
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table SI.6: Social contributions

Base	
	employment income, income from occasional activities
Employers' contributions	
Total rate	16.10 %
of which:	pensions 8.85 %, healthcare 7.09 %, unemployment 0.06 %, maternity leave 0.1 %
Capped contributions	no
Employees' contributions	
Total rate	22.1 %
of which:	pension/disability insurance 15.5 %, health 6.36 %, unemployment 0.14 %, maternity leave 0.1 %
Capped contributions	no

Table SI.7: Wealth and transaction taxes

Inheritance and gift tax	
	yes
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	no
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Spain

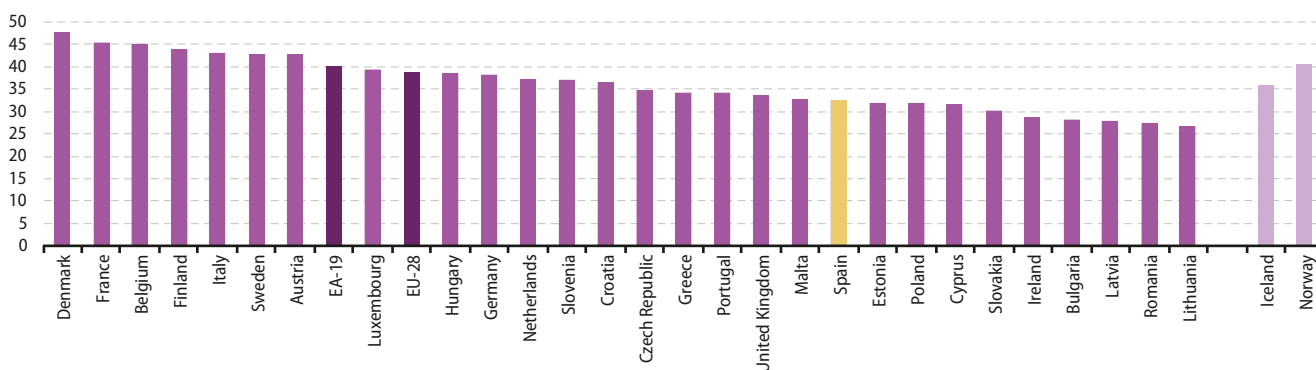
## Structure and development of tax revenues

**Table ES.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.0	12.4	12.4	11.7	9.8	8.7	10.4	10.1	10.5	11.1
VAT	6.1	6.3	6.3	5.9	5.0	3.9	5.4	5.3	5.5	5.9
<b>II. Direct taxes</b>	10.6	11.3	12.1	13.2	10.8	9.8	9.7	9.9	10.5	10.5
Personal income	6.4	6.6	7.1	7.7	7.2	6.9	7.2	7.5	7.6	7.6
Corporate income	:	:	:	:	:	:	:	:	:	:
<b>III. Social contributions (compulsory actual contributions)</b>	11.9	11.9	11.9	11.9	11.9	12.2	12.0	12.0	11.7	11.4
Employers'	8.6	8.6	8.6	8.7	8.6	8.5	8.4	8.4	8.1	7.9
Households'	3.3	3.3	3.3	3.2	3.3	3.7	3.6	3.6	3.6	3.5
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.4	0.4	0.4	0.4	0.6	0.9	0.8	0.8	0.8	0.6
<b>V. Total (I + II + III – IV)</b>	34.1	35.2	36.0	36.4	32.2	29.8	31.3	31.1	31.9	32.4
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.8	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.8	0.8
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	34.9	35.9	36.7	37.1	32.9	30.6	32.1	31.9	32.7	33.2

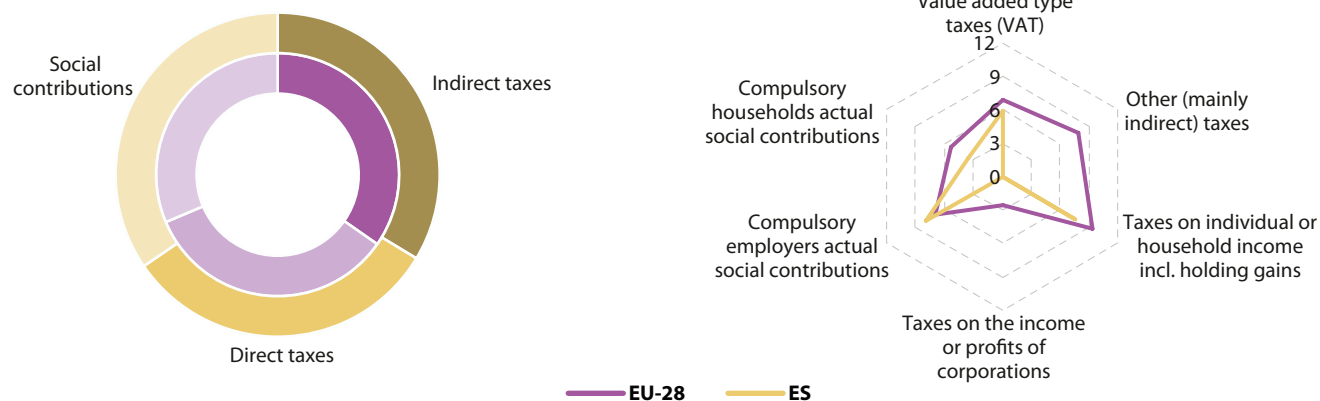
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure ES.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure ES.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table ES.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Repeal of exemption of dividends (up to EUR 1 500) and limit for exemption of severance pay up to EUR 180 000.	Base increase	In force from: 1.1.2015
Exemption of income from long-term savings plans. Up to EUR 5 000 per year during 5 years.	Base decrease	In force from: 1.1.2015
New EUR 2 000 allowance for labour and business income	Base decrease	In force from: 1.1.2015
General reduction for labour and business income limited to those earning EUR 14 450 or less.	Base increase	In force from: 1.1.2015
Repeal of 100% reduction of rental income in case of young and low income tenants.	Base increase	In force from: 1.1.2015
Important reduction of scope for calculation of business income through parameters.	Base increase	In force from: 1.1.2016
Repeal of value updating coefficients to calculate capital gains from the transfer of immovable property.	Base increase	In force from: 1.1.2015
New exemption of capital gains when exchanging wealth for life annuity for those older than 65 and up to EUR 240 000.	Base decrease	In force from: 1.1.2015
Up to 30% reduction in value of benefit in kind for environment-friendly cars.	Base decrease	In force from: 1.1.2015
Capital gains from the period shorter than a year are taxed again in the savings schedule.	Both base and rate N/A	In force from: 1.1.2015
New ceilings for deduction of pension plans/insurance for personal damages: EUR 8 000 euros or 30% of net income from labour or business.	Base increase	In force from: 1.1.2015
Increase in personal and family allowances.	Base decrease	In force from: 1.1.2015
Reductions in number of brackets and rates in the general and the savings schedules.	Rate decrease	In force from: 1.1.2015
Reduction in tax credit for reinvestment of profits for self-employed: 5% of reinvested profits in assets connected to activity.	Base increase	In force from: 1.1.2015
New tax credit for large families and disabled: EUR 1 200 as a basis, subsequently extended to those receiving unemployment/social benefits and in the case of single parents with two children.	Base decrease	In force from: 1.1.2015
Repeal of tax credits: rents, EUR 400 for labour and self-employed.	Base increase	In force from: 1.1.2015
New exit tax on those losing Spanish tax residence on deemed capital gains on shares. Condition: Market value of shares over EUR 4 000 000 or EUR 1 000 000 if over 25% shareholding.	Base increase	In force from: 1.1.2015
<b>Corporate income tax</b>		
General non-deductibility of impairment losses until actually incurred.	Base increase	In force from: 1.1.2015
Limit on deduction of corporate gifts for customers at 1% of turnover.	Base increase	In force from: 1.1.2015
Repeal of value updating coefficients to calculate capital gains from the transfer of immovable property.	Base increase	In force from: 1.1.2015
Repeal of elimination of internal double taxation for holdings below 5% and below EUR 20 million.	Base increase	In force from: 1.1.2015
New requirement for exemption in double taxation of income from permanent establishment: minimum tax of 10% of that foreign income.	Base increase	In force from: 8.1.2015
New limits to offset losses: 70% of tax base with a minimum of EUR 1 million.	Base increase	In force from: 1.1.2017
New reduction of tax base of up to 10% of increase in equity not from shareholders contributions or reserves.	Base decrease	In force from: 1.1.2015
Reduction of general tax rate from 30 to 28%.	Rate decrease	In force from: 1.1.2015
Reduction of general tax rate from 28% to 25%.	Rate decrease	In force from: 1.1.2016
Broader scope for exemption of capital gains from shares, including holdings below 5%, but over EUR 20 million acquisition value.	Base decrease	In force from: 1.1.2015

Table ES.2: Latest tax reforms (continued)

Description of measure	Change	Date
<b>Corporate income tax</b>		
New deduction to eliminate international double taxation: for holdings below 5 %, but acquisition value over EUR 20 million; deduction in the tax base of the excess of the foreign tax over national tax.	Base decrease	In force from: 1.1.2015
Repeal of tax credit for reinvestment of profits.	Base increase	In force from: 1.1.2015
Repeal of tax credit for environmental investment.	Base increase	In force from: 1.1.2015
Repeal of tax credit for staff training.	Base increase	In force from: 1.1.2015
Improving the scope of the R & D and innovation tax credit.	Base decrease	In force from: 1.1.2015
New and extended tax credit for films and theatre and live entertainment.	Base decrease	In force from: 1.1.2015
Repeal of 90 % allowance for house renting entities concerning houses for disabled.	Base increase	In force from: 1.1.2015
Repeal of reduced rate for SMEs.	Rate increase	In force from: 1.1.2016
SMEs: new stabilisation reserve up to 10 % of tax base with limit of EUR 1 million.	Base decrease	In force from: 1.1.2015
Extension of free depreciation for low price assets to all taxpayers. Limits: EUR 300 per asset and up to EUR 25 000 a year.	Base decrease	In force from: 1.1.2015
SMEs: repeal of accelerated depreciation in case of reinvestment.	Base increase	In force from: 1.1.2015
CFC: broader scope of income accrued and of cases under CFC.	Base increase	In force from: 1.1.2015
Increase in rate of depreciation of intangible assets with indefinite life from 2 to 5 % per year of acquisition value.	Base decrease	In force from: 1.1.2016
New depreciation rates for tangible fixed assets.	Base increase	In force from: 1.1.2015
<b>Value-added tax</b>		
Removal of exemption for mediation services supplied by notaries in financial transactions.	Base increase	In force from: 1.1.2015
Increase to standard rate for some medical products and medical equipment.	Rate increase	In force from: 1.1.2015
Widening of the educational exemption which now includes after-school childcare services.	Base decrease	In force from: 1.1.2015
Removal of exemption for certain immovable property transactions.	Base increase	In force from: 1.1.2015
Widening of the possibility to waive the immovable property transactions exemption.	Base increase	In force from: 1.1.2015
Reverse charge for supplies of silver and other metals, mobiles phones, digital devices.	N/A	In force from: 1.1.2015
The reduced rate of 10 % is reintroduced to ornamental flowers and plants.	Rate decrease	In force from: 1.1.2015
Widening of the non-subjection to VAT of the transfer of a totality of assets or part thereof.	Base decrease	In force from: 1.1.2015
The calculation of the taxable base in respect of transactions partially paid in cash is modified. The value of such transactions will be the value agreed by the parties and not market value.	Base decrease	In force from: 1.1.2015
<b>Energy excises</b>		
Broad reconfiguration on the Tax on Electricity.	Both base and rate neutral	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Technical adjustments to the Tax on Fluorinated Greenhouse Gases.	Both base and rate decrease	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table ES.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	worldwide income of resident or spanish nationals posted abroad (or in tax havens) non-resident: special law, mostly domestic income
Taxation of couples and families	separate taxation possibility of joint family taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	individual: EUR 5 550; couple: EUR 3 400; children: EUR 2 400 to 4 500 <sup>(1)</sup>
Rate schedule	5 rates, from 19.50 % to 46 % top marginal rate: 46 % (> EUR 60 000)
Surtaxes	no
Regional and local surcharges	regional governments can implement their own tax schedule
Top statutory PIT rate (including surcharges)	46 %
Owner-occupied dwelling	not included
Capital income	3 brackets, from 19.5 % to 23.5 % (> EUR 50 000)
Income from renting movable property	yes
Income from renting immovable property	yes
Capital gains (immovable property)	yes
Capital gains (movable property)	yes
Dividends	20 % creditable withholding tax; 19.5 % applies since 12 July
Interests on deposits and special savings accounts	20 % creditable withholding tax; 19.5 % applies since 12 July
Interests on corporate and government bonds	20 % creditable withholding tax; 19.5 % applies since 12 July
Other specific features and alternative regimes	
Lottery winnings	20 % (> EUR 2 500)
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes, based on real expenses; capped <sup>(2)</sup>
Pension savings	yes, also to life insurance funds
Mortgage	yes, interest and capital (only for personal dwellings acquired up to 2013)
Others (not exhaustive)	alimony; unions; national, regional or local taxes; investment in new companies etc.
Treatment of losses (business/self-employed income)	4-year carry forward

<sup>(1)</sup> Can also offset savings income tax liabilities.

<sup>(2)</sup> Specific personal business income allowance of EUR 2 000.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table ES.4: VAT

Tax rates	
Standard	21 %
Reduced rate(s)	4% (super-reduced rate) and 10%

Table ES.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	28 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	28 %
Special tax rate for SMEs (all-in rate)	25 %
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (net financial expenses deductible up to 30% of operating profit, subject to maximum of EUR 1 million)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	yes
Allowance for Corporate Equity	
	no

Table ES.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, income from sports/entertainment, benefits in kind, income from occasional activities
<b>Employers' contributions</b>	
Total rate	29.90%
of which:	general benefits fund 23.6%, unemployment 5.5%, wage guarantee fund 0.2%, professional training 0.6%
Capped contributions	yes (maximum base EUR 43 272 per year)
<b>Employees' contributions</b>	
Total rate	6.35 %
of which:	general benefits fund 4.7%, unemployment 1.55%, professional training 0.1 %
Capped contributions	yes (maximum base EUR 43 272 per year)

Table SI.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
<b>Net wealth tax</b>	yes

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# Sweden

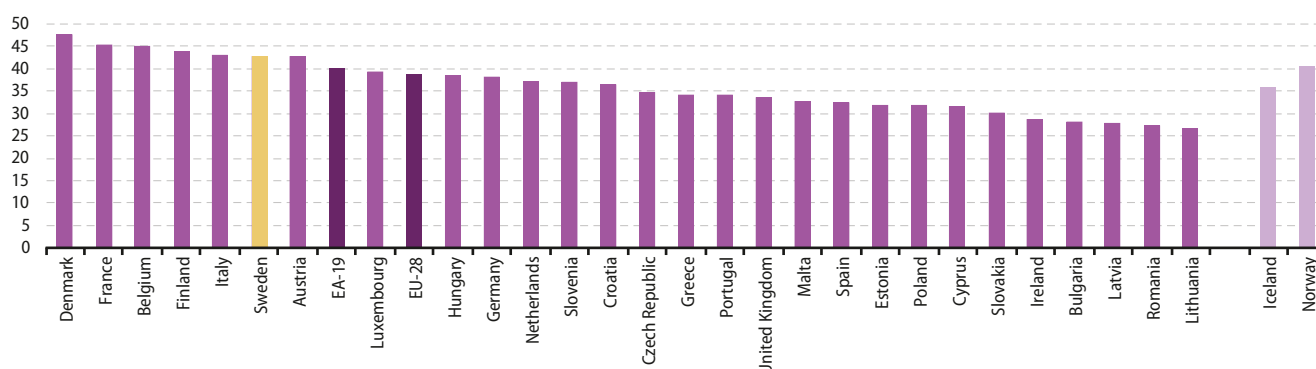
## Structure and development of tax revenues

**Table SE.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	22.5	22.7	22.2	22.2	22.5	22.8	22.4	22.1	22.3	22.3
VAT	8.3	8.5	8.5	8.6	8.8	9.1	9.2	9.0	8.9	8.9
<b>II. Direct taxes</b>	19.9	20.9	21.1	20.1	18.7	18.5	18.2	17.6	17.4	17.8
Personal income	16.6	17.1	17.2	16.3	15.7	15.4	14.7	14.3	14.6	14.8
Corporate income	2.8	3.4	3.4	3.6	2.8	2.8	3.2	3.1	2.6	2.7
<b>III. Social Contributions ( compulsory actual contributions)</b>	3.3	3.0	2.7	2.7	2.8	2.8	2.7	2.8	2.8	2.8
Employers'	2.6	2.6	2.6	2.6	2.7	2.7	2.6	2.7	2.7	2.7
Households'	0.7	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>IV. Less: amounts assessed but unlikely to be collected</b>	:	:	:	:	:	:	:	:	:	:
<b>V. Total (I + II + III - IV)</b>	45.6	46.6	46.0	45.0	44.0	44.1	43.2	42.5	42.5	42.8
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.9	0.8	0.8	0.8	0.8	1.0	1.8	1.8	1.9	1.9
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	46.5	47.5	46.8	45.8	44.9	45.1	45.0	44.3	44.4	44.7

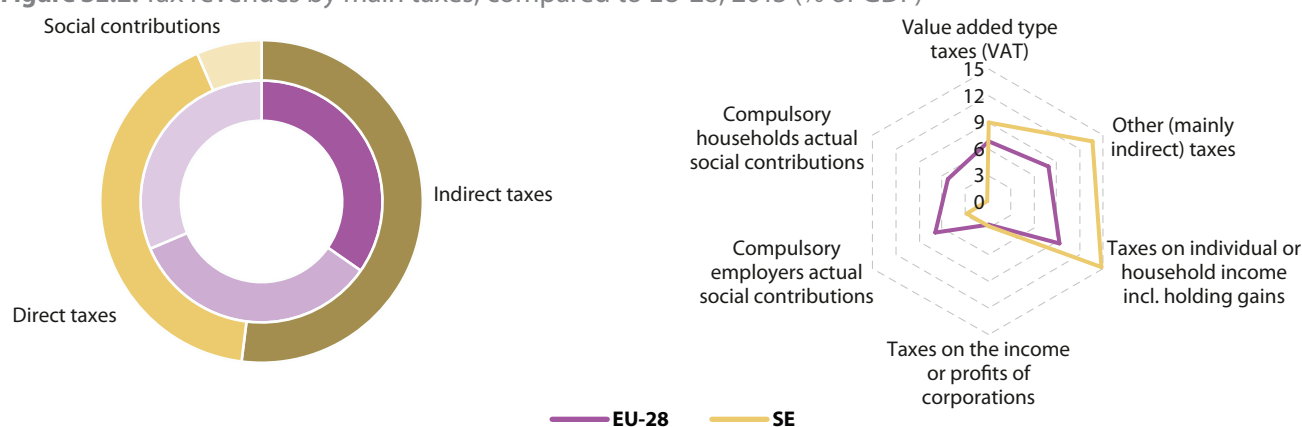
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure SE.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure SE.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table SE.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Reduction of the deductability for private pension savings to SEK 1 800 per year.	N/A	In force from: 1.1.2015
Tax reduction on microgeneration of renewable electricity.	N/A	In force from: 1.1.2015
<b>Value-added tax</b>		
Increase of VAT on dental technical products and services.	Rate increase	In force from: 1.1.2015
Increase of VAT regarding sales of telecom services.	Rate increase	In force from: 1.1.2015
<b>Energy excises</b>		
Amendments of the taxation of biofuels.	Base increase	In force from: 1.1.2015
<b>Alcohol excises</b>		
Increase of the rate of 9% on beer and wine and of 1% on hard liquor.	Rate increase	In force from: 1.1.2015
<b>Tobacco excises</b>		
Increase of the rate of 6% on tobacco products and 12% on moist powder tobacco or 'snus' (Swedish snuff).	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Change in taxation of light commercial vehicles.	Rate increase	In force from: 1.1.2015
Increase of the tax on waste (landfills).	Rate increase	In force from: 1.1.2015
<b>Other types of tax</b>		
Extension of congestion tax to vehicles registered abroad.	Introduction (increase)	In force from: 1.1.2015
<b>Employers' social contributions</b>		
Decrease of social security contributions for young workers (increased reduction).	Rate decrease	In force from: 1.5.2015
Decrease and abolished reduction of social security contributions for young workers.	Rate increase	In force from: 1.1.2016
<b>Administrative, compliance related measures</b>		
Limits to private imports of cigarettes without Swedish excise duty from Bulgaria, Croatia, Latvia, Lithuania, Hungary and Romania. The limit is set at 300 cigarettes per individual (temporary until end 2017).	Base increase	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table SE.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	national and local income tax apply to income of residents non-residents are taxed on domestic income under specific tax (optional)
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	SEK 13 100 (up to SEK 34 300, depending on income) <sup>(1)</sup> + in-work tax credit of max SEK 26 486 / SEK 30 000 (State tax)
Rate schedule	20 %, 25 % 20 % (SEK 430 200 – SEK 616 100), 25 % (> SEK 616 100)
Surtaxes	
Regional and local surcharges	(additional local tax) 31.99 % (average)
Top statutory PIT rate (including surcharges)	57.0 %
Owner-occupied dwelling	not included
Capital income	30 % (22 % for capital gains immovable property) <sup>(2)</sup>
Income from renting movable property	imputed rent (government borrowing rate) on assets taxed by 30 % (insurance endowments) or 15 % (pension endowment)
Income from renting immovable property	allowance for income up to SEK 40 000 per year for housing
Capital gains (immovable property)	22 % (can be deferred in case of property re-acquisition)
Capital gains (movable property)	included in individual capital income tax
Dividends	included in individual capital income tax
Interests on deposits and special savings accounts	included in individual capital income tax
Interests on corporate and government bonds	included in individual capital income tax
Other specific features and alternative regimes	
Income of non-residents	20 %
Non-resident artists and others	15 % with exemptions
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	yes (real expenses)
Pension savings	yes
Mortgage	
Others (not exhaustive)	travel expenses; household services, renovation works, etc. (50 % tax credit, capped)
Treatment of losses (business/self-employed income)	indefinite carry forward

<sup>(1)</sup> An increased basic allowance for persons older than 65 was introduced in 2009 and extended in 2010, 2011, 2013 and 2014.

<sup>(2)</sup> Payment can be postponed in case of property re-acquisition.

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table SE.4: VAT

Tax rates	
Standard	25 %
Reduced rate(s)	6 % and 12 %

Table SE.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	22 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	22 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	yes (Main rule limits deductibility for all loans between related parties. Exception if interest income related to expenses is taxable at rate of 10 % in the hands of the beneficial owner. Also 'business reasons exemption'. No thin cap rules.)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
Allowance for Corporate Equity	
	no

Table SE.6: Social contributions

<b>Base</b>	employment income, income from business and self-employed activities, benefits in kind
Employers' contributions	
Total rate	31.42 % (28.97 % on average for the self-employed)
of which:	pensions 10.21 %, healthcare 4.35 %, unemployment 2.64 %, illness/accident 0.3 %, maternity leave 2.6 %, survivor's pension 1.17 %, general wage tax 10.15 %
Capped contributions	no
Employees' contributions <sup>(1)</sup>	
Total rate	7 % (pension insurance)
of which:	
Capped contributions	yes (for income up to SEK 468 867)

<sup>(1)</sup> Employees' contributions are matched by a tax reduction of the same amount.

Table SE.7: Wealth and transaction taxes

<b>Inheritance and gift tax</b>	no
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	no
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# United Kingdom

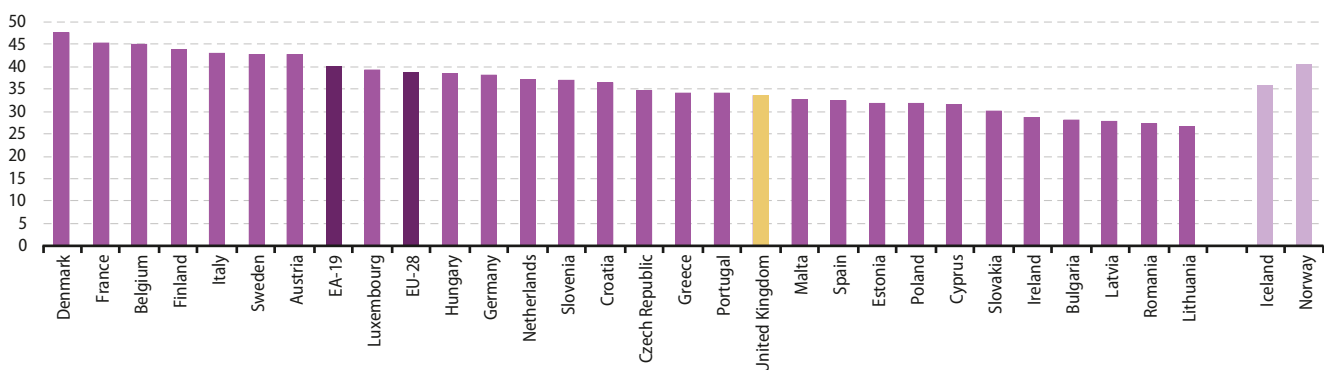
## Structure and development of tax revenues

**Table UK.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.7	12.3	12.2	12.2	11.8	11.3	12.4	12.9	12.9	13.0
VAT	6.5	6.3	6.3	6.2	6.1	5.4	6.2	6.9	6.9	6.9
<b>II. Direct taxes</b>	15.0	15.7	16.5	16.3	17.9	15.5	15.2	15.2	14.5	14.4
Personal income	9.9	10.1	10.3	10.5	10.5	10.2	9.8	9.7	9.3	9.3
Corporate income	2.6	3.0	3.6	3.0	3.2	2.5	2.8	2.8	2.6	2.4
<b>III. Social Contributions ( compulsory actual contributions)</b>	6.4	6.4	6.4	6.3	6.6	6.5	6.3	6.3	6.4	6.2
Employers'	3.5	3.5	3.5	3.6	3.8	3.7	3.6	3.6	3.7	3.6
Households'	2.9	2.9	2.9	2.7	2.8	2.8	2.7	2.7	2.7	2.6
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	34.1	34.4	35.1	34.8	36.2	33.3	33.8	34.4	33.8	33.7
<b>VI. Social contributions (imputed + voluntary contributions)</b>	1.4	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.5	1.7
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	35.5	36.0	36.6	36.2	37.7	35.0	35.5	36.0	35.4	35.3

Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure UK.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure UK.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table UK.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
Personal allowance: increase to GBP 10 600 in 2015–16 with full gains to higher rate taxpayers.	Base decrease	In force from: 1.4.2015
<b>Alcohol excises</b>		
Alcohol duties: 2 % cut in beer, cider and spirits duty, freeze in wine duty.	Rate decrease	In force from: 23.3.2015
<b>Other types of tax</b>		
Bank Levy Rate Change.	Rate increase	In force from: 1.4.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.



## Main features of the tax system

**Table UK.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	separate taxation
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	basic personal allowance GBP 10 000 (higher for elderly) marriage and married couple's allowances, dependent on income/ age; child tax credits, working (low-income) tax credits
Rate schedule	progressive 3 brackets 20%, 40%, 45 % top rate 45 % (above GBP 150 000)
Surtaxes	
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	45 %
Owner-occupied dwelling	included
Capital income	
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	18 % on net gains where below income tax basic rate threshold; 28 % thereafter
Capital gains (movable property)	as above
Dividends	progressive scale 10%, 37.5 %, 42.5 %
Interests on deposits and special savings accounts	20% withholding tax
Interests on corporate and government bonds	included
Other specific features and alternative regimes	
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	based on real expenses
Pension savings	yes
Mortgage	
Others (not exhaustive)	child care, educational, medical and travel expenses, alimony, donations, union fees, loan interest
Treatment of losses (business/self-employed income)	indefinite carry forward; 3-year carry backwards

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

**Table UK.4: VAT**

<b>Tax rates</b>	
Standard	20 %
Reduced rate(s)	5 %

**Table UK.5: Corporate taxation (CIT)**

<b>Tax rates <sup>(1)</sup></b>	
Nominal corporate income tax rate	20 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	20 %
Special tax rate for SMEs (all-in rate)	20 % ('Small Profits Rate')
<b>Tax base</b>	
	Worldwide income
<b>Anti-avoidance</b>	
Limits to interest deductions	yes (thin cap rules incorporated within transfer pricing rules; apply arm's length principle; worldwide debt cap restricts the deduction for financing expenses of large groups based on gross financing expenses of the worldwide group)
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	no
<b>Allowance for Corporate Equity</b>	
	no

<sup>(1)</sup> For financial year starting April 2015.

**Table UK.6: Social contributions**

<b>Base</b>	employment income, Income from business or self-employed activities, benefits in kind
<b>Employers' contributions <sup>(1)</sup></b>	
Total rate	12 % (for annual earnings up to GBP 42 380, 2 % thereafter)
of which:	
Capped contributions	no
<b>Employees' contributions <sup>(1)</sup></b>	
Total rate	13.8 % (for annual earnings over GBP 8 112)
of which:	
Capped contributions	no

<sup>(1)</sup> For financial year starting April 2015.

**Table UK.7: Wealth and transaction taxes**

<b>Inheritance and gift tax</b>	yes
<b>Real estate taxation</b>	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no — some discount for second or holiday homes
Real estate transfer tax	yes
<b>Net wealth tax</b>	
	no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# European Union

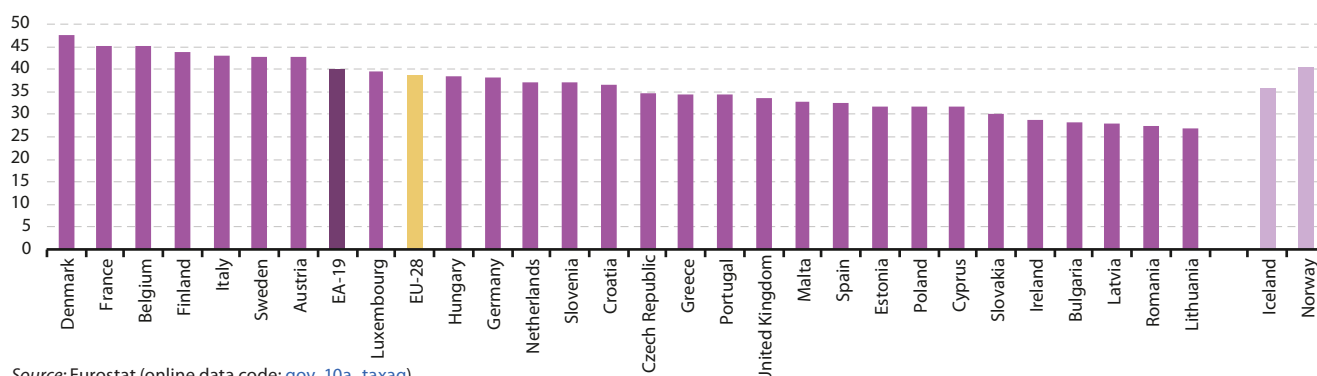
## Structure and development of tax revenues

**Table EU.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. Indirect taxes	:	:	13.3	13.2	12.8	12.6	13.0	13.2	13.4	13.5
VAT	:	:	6.7	6.8	6.7	6.4	6.8	6.9	6.9	6.9
II. Direct taxes	:	:	13.2	13.5	13.4	12.5	12.3	12.6	12.9	13.2
Personal income	:	:	9.0	9.2	9.3	9.2	8.9	9.0	9.3	9.4
Corporate income (including holding gains)	:	:	3.2	3.2	2.9	2.2	2.3	2.4	2.4	2.5
IIIa. Social contributions (compulsory actual contributions)	:	:	:	:	:	:	:	:	:	:
IIIb. Social contributions (compulsory and voluntary actual contributions)	:	:	12.0	11.9	12.1	12.5	12.3	12.3	12.4	12.6
Employers' actual social contributions	:	:	6.8	6.8	6.9	7.1	7.0	7.0	7.0	7.1
Households' actual social contributions	:	:	5.2	5.1	5.2	5.4	5.3	5.3	5.4	5.5
IV. Less: amounts assessed but unlikely to be collected	:	:	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
V. Total (I + II + IIIa – IV)	:	:	38.2	38.2	38.1	37.3	37.2	37.7	38.4	38.8
VI. Social contributions (imputed + voluntary contributions)	:	:	:	:	:	:	:	:	:	:
VII. Total (incl. Imputed + voluntary contributions (V+VI))	:	:	39.4	39.4	39.2	38.6	38.5	39.0	39.6	40.0

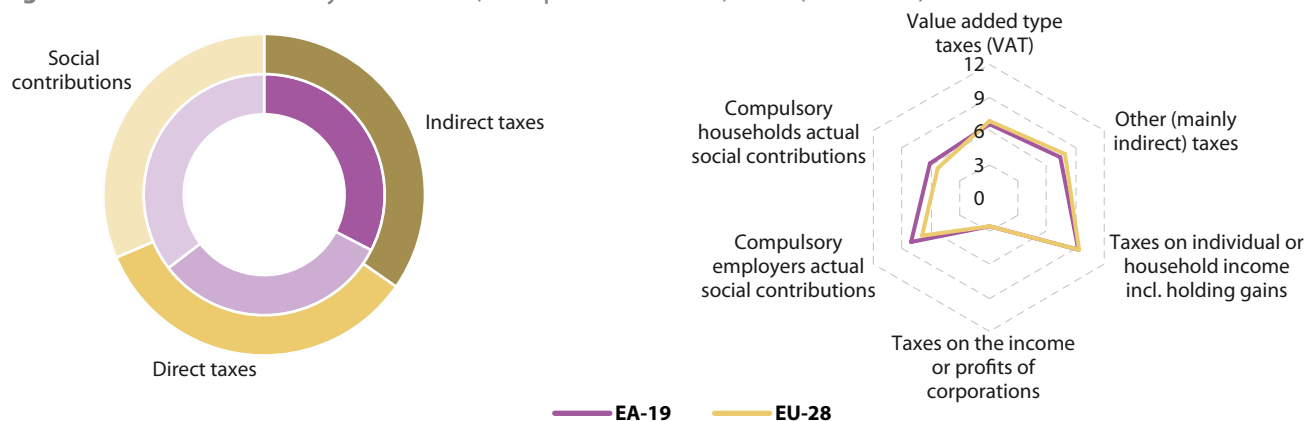
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure EU.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure EU.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

# Euro Area

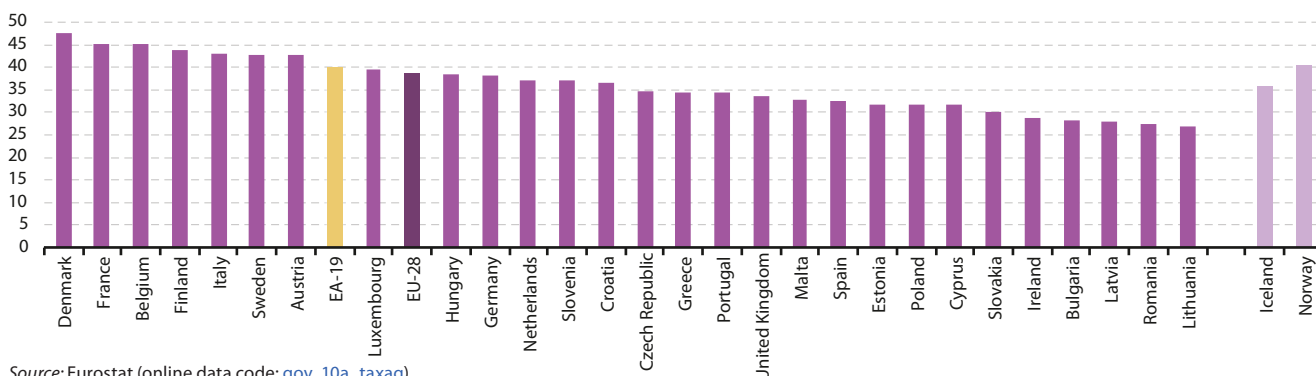
## Structure and development of tax revenues

Table EA.1: Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. Indirect taxes	:	:	:	:	:	:	:	:	:	:
VAT	:	:	6.6	6.7	6.5	6.4	6.6	6.6	6.7	6.7
II. Direct taxes	:	:	12.3	12.7	12.5	11.8	11.7	12.0	12.5	12.8
Personal income	:	:	8.4	8.6	8.8	8.7	8.6	8.6	9.1	9.3
Corporate income (including holding gains)	:	:	3.1	3.2	2.8	2.1	2.2	2.3	2.4	2.5
IIIa. Social contributions (compulsory actual contributions)	:	:	:	:	:	:	:	:	:	:
IIIb. Social contributions (compulsory and voluntary actual contributions)	:	:	13.6	13.4	13.7	14.1	13.9	13.9	14.2	14.3
Employers' actual social contributions	:	:	7.7	7.7	7.8	8.0	7.9	7.9	8.0	8.0
Households' actual social contributions	:	:	5.9	5.7	5.9	6.1	6.0	6.0	6.2	6.3
IV. Less: amounts assessed but unlikely to be collected	:	:	0.1	0.1	0.1	0.2	0.1	0.2	0.1	0.1
V. Total (I + II + IIIa – IV)	:	:	38.7	38.9	38.4	38.0	38.0	38.4	39.4	40.0
VI. Social contributions (imputed + voluntary contributions)	:	:	:	:	:	:	:	:	:	:
VII. Total (incl. Imputed + voluntary contributions (V+VI))	:	:	39.9	40.0	39.6	39.3	39.2	39.7	40.7	41.2

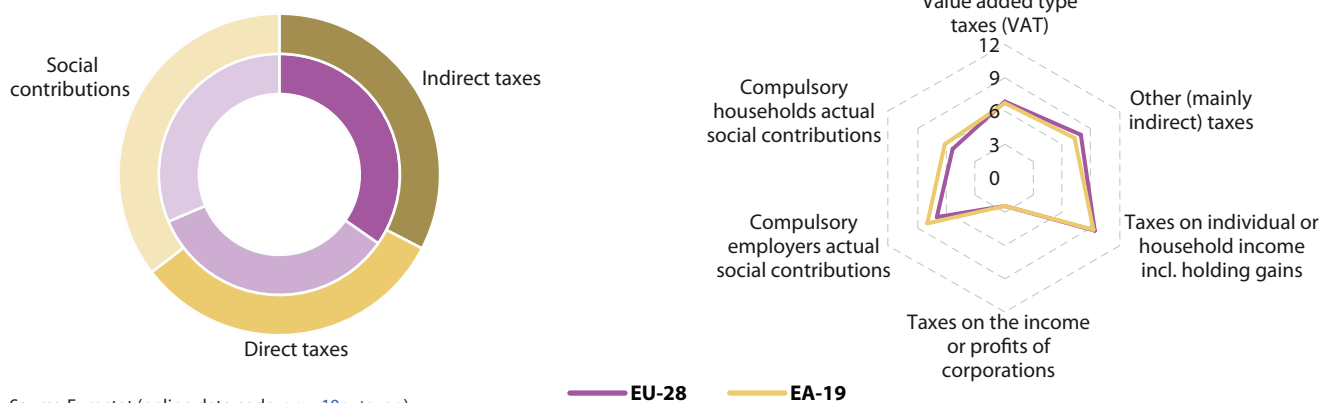
Source: Eurostat (online data code: gov\_10a\_taxag)

Figure EA.1: Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

Figure EA.2: Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Iceland

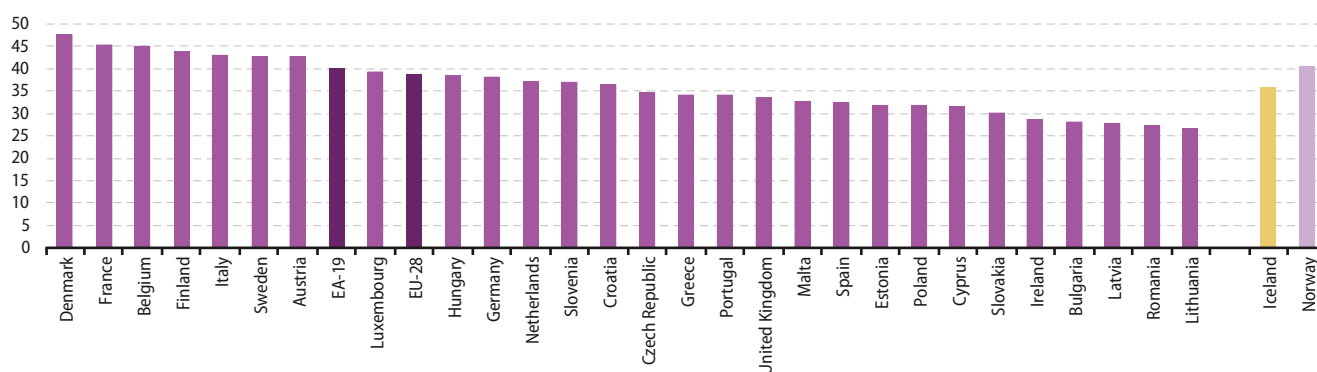
## Structure and development of tax revenues

Table IS.1: Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
I. Indirect taxes	17.2	18.5	18.9	17.8	15.0	13.3	13.6	13.7	14.3	14.2
VAT	10.1	10.8	11.0	10.1	8.8	7.7	7.6	7.7	8.0	8.0
II. Direct taxes	16.4	17.8	18.3	18.2	17.5	15.9	15.9	16.8	17.2	18.0
Personal income	13.8	14.2	14.3	13.9	13.8	12.4	12.5	13.2	13.4	13.9
Corporate income	1.1	2.0	2.4	2.4	1.9	1.7	1.0	1.8	1.9	2.2
III. Social contributions (compulsory actual contributions)	2.9	3.1	3.2	2.9	2.7	2.9	3.9	3.9	3.6	3.7
Employers'	2.9	3.1	3.2	2.9	2.7	2.9	3.9	3.9	3.6	3.7
Households'	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
IV. Less: amounts assessed but unlikely to be collected	:	:	:	:	:	:	:	:	:	:
V. Total (I + II + III - IV)	36.6	39.4	40.5	38.8	35.2	32.1	33.4	34.4	35.2	35.9
VI. Social contributions (imputed + voluntary contributions)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VII. Total (incl. Imputed + voluntary contributions (V+VI))	36.6	39.4	40.5	38.8	35.2	32.1	33.4	34.4	35.2	35.9

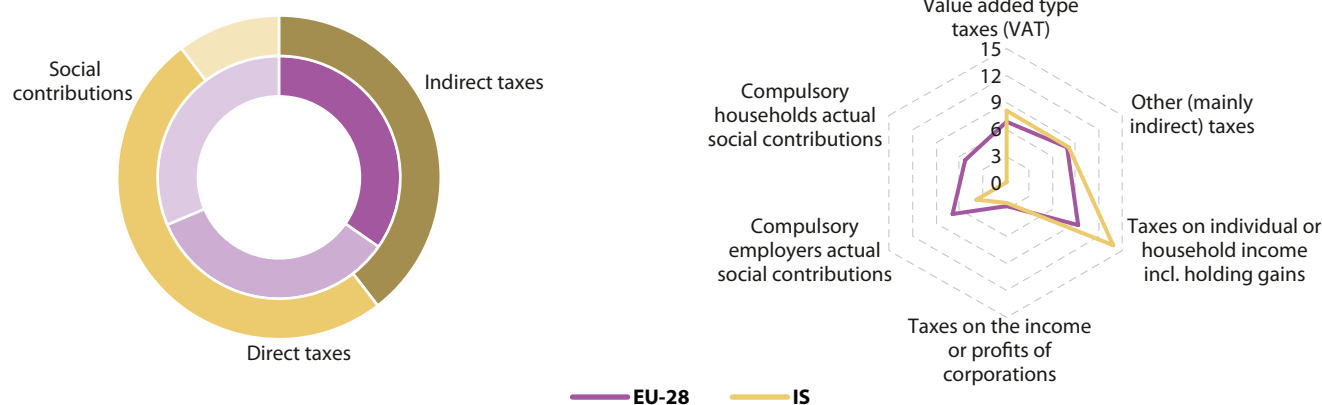
Source: Eurostat (online data code: gov\_10a\_taxag)

Figure IS.1: Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

Figure IS.2: Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table IS.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
The temporary decrease of the lowest income tax rate for individuals to 22.86 %, in force until end 2014, will now apply in 2015.	Rate neutral	In force from: 1.1.2015
<b>Value-added tax</b>		
The standard VAT rate has been decreased from 25.5 % to 24 %.	Rate decrease	In force from: 1.1.2015
The reduced VAT rate has been raised from 7 % to 11 %.	Rate increase	In force from: 1.1.2015
<b>Other types of tax</b>		
The commodity tax has been discontinued as of 1.1.2015. The abolition of the tax applies to various electrical equipment items and large household appliances, building supplies, motor vehicle spare parts, and goods containing sugar and other sweeteners.	Phase-out	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table IS.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	joint taxation (employment and investment income); separate taxation for all other income
<b>System and Applicable rates</b>	
Global / Labour income scheme	
Basic allowance	ISK 610 825 personal tax credit
Rate schedule	progressive: 22.86 %, 25.3 %, 31.8 %
Surtaxes	
Regional and local surcharges	municipal tax — rate varies (average rate 14.44 %)
Top statutory PIT rate (including surcharges)	46.2 %
Owner-occupied dwelling	included
<b>Capital income</b>	
Income from renting movable property	20 %
Income from renting immovable property	20 %
Capital gains (immovable property)	not included
Capital gains (movable property)	included (in taxable investment income)
Dividends	20 % creditable withholding tax
Interests on deposits and special savings accounts	20 % creditable withholding tax
Interests on corporate and government bonds	included (in taxable investment income)
<b>Other specific features and alternative regimes</b>	
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	
Pension savings	yes
Mortgage	yes (interest compensation tax credit)
Others (not exhaustive)	
Treatment of losses (business/self-employed income)	10-year carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table IS.4: VAT

Tax rates	
Standard	24 %
Reduced rate(s)	11 %

Table IS.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	20 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	20 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income
Anti-avoidance	
Limits to interest deductions	no
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	
Allowance for Corporate Equity	
	no

Table IS.6: Social contributions

Base		employment income
Employers' contributions		
Total rate		7.49 % (8.14 % for seamen)
of which:		
Capped contributions		no
Employees' contributions		
Total rate		none (except for 4 % pension insurance premium)
of which:		
Capped contributions		

Table IS.7: Wealth and transaction taxes

Inheritance and gift tax		yes
Real estate taxation		
Recurrent real estate tax		yes
Regional differentiation		yes
Tax discount for primary dwelling		no
Real estate transfer tax		yes
Net wealth tax		no

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.



# Norway

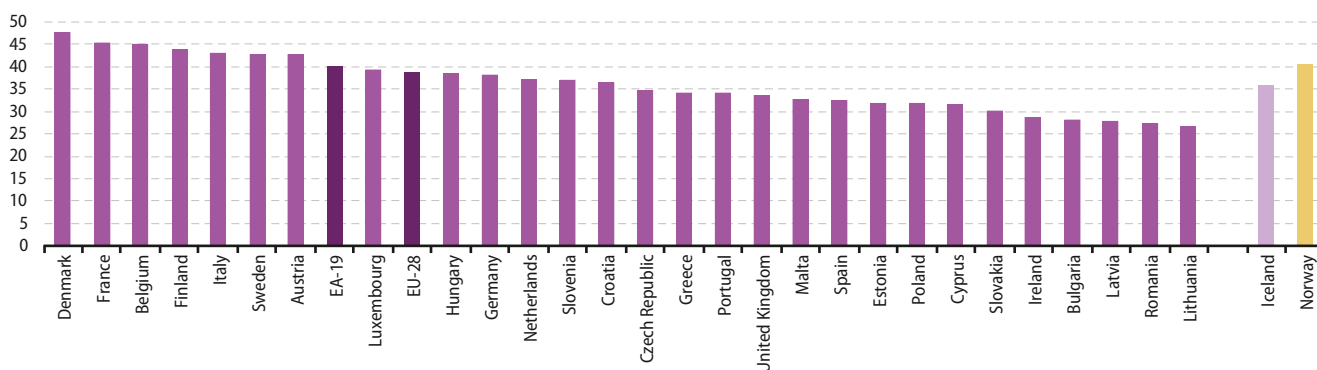
## Structure and development of tax revenues

**Table NO.1:** Revenue (% of GDP)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>I. Indirect taxes</b>	12.5	12.0	12.0	12.3	11.0	11.8	11.9	11.5	11.2	11.4
VAT	7.9	7.7	7.8	8.0	7.1	7.7	7.8	7.6	7.5	7.7
<b>II. Direct taxes</b>	20.6	21.9	22.3	21.2	21.8	19.8	20.7	21.4	21.0	19.6
Personal income	10.0	9.5	8.9	9.4	8.9	9.9	9.9	9.7	9.7	9.9
Corporate income	:	:	:	:	:	:	:	:	:	:
<b>III. Social contributions (compulsory actual contributions)</b>	9.1	8.7	8.5	8.7	8.6	9.6	9.4	9.3	9.4	9.5
Employers'	5.5	5.3	5.2	5.3	5.2	5.8	5.7	5.6	5.7	5.8
Households'	3.6	3.4	3.3	3.4	3.4	3.8	3.7	3.7	3.7	3.7
<b>IV. Less: amounts assessed but unlikely to be collected</b>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>V. Total (I + II + III - IV)</b>	42.3	42.6	42.8	42.1	41.4	41.2	42.0	42.1	41.5	40.5
<b>VI. Social contributions (imputed + voluntary contributions)</b>	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0
<b>VII. Total (incl. Imputed + voluntary contributions (V+VI))</b>	42.4	42.6	42.9	42.2	41.5	41.2	42.0	42.1	41.5	40.5

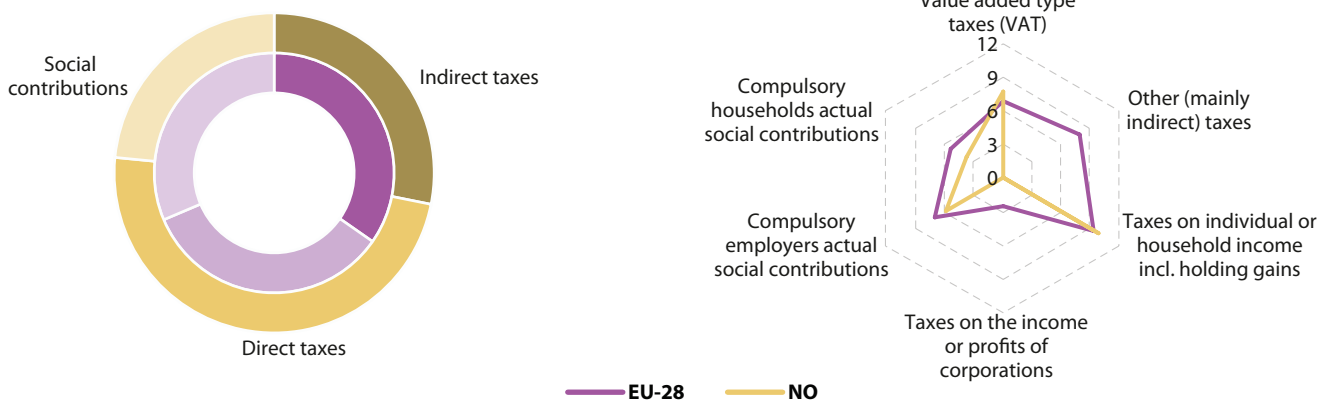
Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure NO.1:** Total receipts from taxes and compulsory social contributions, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

**Figure NO.2:** Tax revenues by main taxes, compared to EU-28, 2013 (% of GDP)



Source: Eurostat (online data code: gov\_10a\_taxag)

## Latest tax reforms

**Table NO.2:** Latest tax reforms

Description of measure	Change	Date
<b>Personal income tax</b>		
The first bracket for surtax has been increased to NOK 550 550 – NOK 885 600 (previously NOK 527 400 – NOK 857 300).	Base decrease	In force from: 1.1.2015
The maximum amount of the personal allowance has been increased from NOK 84 150 (2014) to NOK 89 050 (2015).	Base decrease	In force from: 1.1.2015
The maximum allowance for pension income is increased from NOK 70 400 in 2014 to NOK 72 200 in 2015, and the rate is increased to 29% (27% in 2014).	Base and rate decrease	In force from: 1.1.2015
<b>Corporate income tax</b>		
Simplification of rules for partners.	Base increase	In force from: 1.1.2015
Increase of tax deduction limits for R & D expenses.	Base decrease	In force from: 1.1.2015
Increase of depreciation rates for lorries, heavy goods vehicles and buses to 22%.	Base decrease	In force from: 1.1.2015
<b>Value-added tax</b>		
Stricter rules for the leasing and renting of vehicles.	Base increase	In force from: 1.1.2015
<b>Energy excises</b>		
Increase of biofuel sales requirement and abolishment of road tax on bioethanol.	Base and rate decrease	In force from: 1.7.2015
Increase of electricity tax by NOK 0.01 per kWh.	Rate increase	In force from: 1.1.2015
<b>Non-energy environmental taxes</b>		
Reduction of the re-registration tax on vehicles by 33.6%.	Rate decrease	In force from: 1.1.2015
Reduction of registration tax for certain hybrid cars.	Base decrease	In force from: 1.1.2015
Abolishment of boat engine tax.	Phase-out	In force from: 1.7.2014
<b>Property taxes</b>		
Reduction of net wealth tax rate to 0.85 per cent, increase of allowance to NOK 1.2 million, reduction of valuation discounts for certain types of buildings.	Base and rate decrease	In force from: 1.1.2015
<b>Other types of tax</b>		
The registration tax for motorbikes and snowmobiles has been reduced by 30%.	Rate decrease	In force from: 1.1.2015
<b>Employees' social contributions</b>		
The threshold for the social security contribution by employed and self-employed individuals has been increased from NOK 39 600 in 2014 to NOK 49 650 in 2015.	Base decrease	In force from: 1.1.2015

Source: DG Taxation and Customs Union. Further information on national tax reforms, including announcements of forthcoming measures, can be found in the [tax reforms](#) database.

## Main features of the tax system

**Table NO.3:** Individual taxation (PIT)

<b>General</b>	
Base and jurisdiction	resident: worldwide income (subject to double-tax relief) non-resident: domestic income
Taxation of couples and families	joint taxation, but can request separate taxation (if 2 incomes)
<b>System and Applicable rates</b>	
Global / Labour income scheme	dual system: flat rate for all income, plus progressive rates for wages, pensions, self-employed income
Basic allowance	NOK 50 400 personal allowance for single persons also married couple allowance and single parent allowance
Rate schedule	27% tax on ordinary (net) income, a national, county and municipal tax covering all kinds of income
Surtaxes	national income tax on gross income (wage, pension self-employed income) — progressive: 0%, 9%, 12%
Regional and local surcharges	
Top statutory PIT rate (including surcharges)	39%
Owner-occupied dwelling	not included
<b>Capital income</b>	
Income from renting movable property	included
Income from renting immovable property	included
Capital gains (immovable property)	included
Capital gains (movable property)	included
Dividends	27% (on dividends above the risk free rate of return allowance)
Interests on deposits and special savings accounts	27%
Interests on corporate and government bonds	27%
<b>Other specific features and alternative regimes</b>	
<b>Other tax provisions</b>	
Main tax credits & deductions:	
Professional expenses	in percentage of income (for wage earners depending on income bracket) or based on real expenses
Pension savings	yes
Mortgage	yes
Others (not exhaustive)	child care, alimony, donations
Treatment of losses (business/self-employed income)	indefinite carry forward

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

Table NO.4: VAT

Tax rates	
Standard	25 %
Reduced rate(s)	8 % and 15 %

Table NO.5: Corporate taxation (CIT)

Tax rates	
Nominal corporate income tax rate	27 %
Central government surcharge	
Regional government surcharge	
Local government surcharge	
Top CIT statutory rate (incl. surcharges)	27 %
Special tax rate for SMEs (all-in rate)	no
Tax base	
	worldwide income, territorial for resident oil companies
Anti-avoidance	
Limits to interest deductions	earnings based interest deduction limitation
Transfer pricing rules	yes, arm's length principle
Controlled foreign company (CFC)	yes
Controlled foreign company (CFC) for passive income only	
Allowance for Corporate Equity	
	no

Table NO.6: Social contributions

Base	
	employment income, benefits in kind, pensions
Employers' contributions	
Total rate	14.1 % <sup>(1)</sup>
of which:	
Capped contributions	no
Employees' contributions	
Total rate	8.20 %
of which:	
Capped contributions	yes

<sup>(1)</sup> Reduced rates apply to certain regions.

Table NO.7: Wealth and transaction taxes

Inheritance and gift tax	
	no
Real estate taxation	
Recurrent real estate tax	yes
Regional differentiation	yes
Tax discount for primary dwelling	no
Real estate transfer tax	yes
Net wealth tax	
	yes

Source: DG Taxation and Customs Union, on the basis of information provided by the national Ministries of Finance. For more detail, the [TEDB database](#) contains an extensive inventory of the main taxes in force in the EU Member States, including their legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification.

# 2

## Reference tables

**Table 1: VAT rates in the EU Member States, 2001–15**  
(%)

	VAT rate	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Belgium	Standard	21	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	6/12
Bulgaria	Standard	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
	Reduced	–	–	–	–	–	–	7	7	7	7	9	9	9	9	9
Czech Republic	Standard	22	22	22	19	19	19	19	19	19	20	20	20	21	21	21
	Reduced	5	5	5	5	5	5	5	9	9	10	10	14	15	15	10/15
Denmark	Standard	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
	Reduced	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Germany	Standard	16	16	16	16	16	16	19	19	19	19	19	19	19	19	19
	Reduced	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Estonia	Standard	18	18	18	18	18	18	18	18	20	20	20	20	20	20	20
	Reduced	5	5	5	5	5	5	5	5	9	9	9	9	9	9	9
Ireland	Standard	20	21	21	21	21	21	21	21	21.5	21	21	23	23	23	23
	Reduced	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)	9/13.5 (4.8)	9/13.5 (4.8)	9/13.5 (4.8)	9/13.5 (4.8)	9/13.5 (4.8)
Greece	Standard	18	18	18	18	19	19	19	19	19	23	23	23	23	23	23
	Reduced	8 (4)	8 (4)	8 (4)	8 (4)	9 (4.5)	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	6.5/13
Spain	Standard	16	16	16	16	16	16	16	16	16	18	18	18	18	21	21
	Reduced	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	7 (4)	8 (4)	8 (4)	8 (4)	8 (4)	10 (4)	10 (4)
France	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	20.0	20.0
	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)	5.5/7 (2.1)	5.5/7 (2.1)	5.5/10 (2.1)	5.5/10 (2.1)
Croatia	Standard	22	22	22	22	22	22	22	22	22	23	23	25	25	25	25
	Reduced	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Italy	Standard	20	20	20	20	20	20	20	20	20	20	20	21	21	22	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)	10 (4)
Cyprus	Standard	10	13	15	15	15	15	15	15	15	15	15	17	18	19	19
	Reduced	5	5	5	5	5	5/8	5/8	5/8	5/8	5/8	5/8	5/8	5/8	5/8	5/9
Latvia	Standard	18	18	18	18	18	18	18	18	18	21	22	22	22	21	21
	Reduced	–	–	9	5	5	5	5	5	10	10	12	12	12	12	12
Lithuania	Standard	18	18	18	18	18	18	18	18	18	19	21	21	21	21	21
	Reduced	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9	5/9
Luxembourg	Standard	15	15	15	15	15	15	15	15	15	15	15	15	15	15	17
	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)	8/14 (3)
Hungary	Standard	25	25	25	25	25	20	20	20	25	25	25	27	27	27	27
	Reduced	12 (0)	12 (0)	12 (0)	5/15	5/15	5/15	5	5	5/18	5/18	5/18	5/18	5/18	5/18	5/18
Malta	Standard	15	15	15	18	18	18	18	18	18	18	18	18	18	18	18
	Reduced	5	5	5	5	5	5	5	5	5	5	5/7	5/7	5/7	5/7	5/7
Netherlands	Standard	19	19	19	19	19	19	19	19	19	19	19	19	19	21	21
	Reduced	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Austria	Standard	20	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	10
Poland	Standard	22	22	22	22	22	22	22	22	22	22	23	23	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	5/8

	VAT rate 2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Portugal	Standard	17	19	19	21	21	21	20	20	21	23	23	23	23	23
	Reduced	5/12	5/12	5/12	5/12	5/12	5/12	5/12	5/12	6/13	6/13	6/13	6/13	6/13	6/13
Romania	Standard	19	19	19	19	19	19	19	19	24	24	24	24	24	24
	Reduced	–	–	–	9	9	9	9	5/9	5/9	5/9	5/9	5/9	5/9	5/9
Slovenia	Standard	19	20	20	20	20	20	20	20	20	20	20	22	22	22
	Reduced	8	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	9.5	9.5	9.5
Slovakia	Standard	23	20	19	19	19	19	19	19.0	19	20	20	20	20	20
	Reduced	10	14	–	–	–	10	10	10	6/10	10	10	10	10	10
Finland	Standard	22	22	22	22	22	22	22	22	23	23	23	24	24	24
	Reduced	8/17	8/17	8/17	8/17	8/17	8/17	8/17	8/17	9/13	9/13	9/13	10/14	10/14	10/14
Sweden	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
United Kingdom	Standard	17.5	17.5	17.5	17.5	17.5	17.5	17.5	15	17.5	20.0	20.0	20.0	20.0	20.0
	Reduced	5	5	5	5	5	5	5	5	5	5	5	5	5	5
<b>Simple averages</b>															
EU-28	Standard	19.4	19.6	19.6	19.5	19.6	19.6	19.5	19.9	20.5	20.8	21.1	21.5	21.5	21.6
EA-19	Standard	18.1	18.5	18.5	18.6	18.7	18.9	18.8	19.2	19.7	19.9	20.1	20.6	20.7	20.8

## Notes:

Rates given in the table are rates applicable (for more than 6 month in the year considered, or) on the 1st July of that year. When change of rates occurred during the year (not on 1st January) the exact date is available in the notes. Super-reduced rates (below 5 %) are shown in brackets. Note that 'Parking rates' are not included in this table, as they are 'historic rates' below 15 % negotiated by Member States, and an exception to the EU directive (only 5 Member States retain them).

Full information on VAT rates is available at VAT rates – European Commission including full information on reduced rates and products to which they are applicable.

## Country notes:

Bulgaria: Reduced rate increased to 9 % on 1.4.2011.  
 Czech Rep.: Standard rate decreased to 19 % on 1.5.2004.  
 Denmark: In respect of Article 81, Denmark reduces the taxable amount to 20 % to which the 25 % rate is applied, resulting in an effective rate of 5 % for imports of both works of art and antiques, the same applies in respect of supplies by creators.  
 Estonia: Standard rate increased to 20 % on 1.07.2009.  
 Greece: All rates were increased on 1.4.2005. A further general increase occurred on 15.3.2010 (to 5/10 % and 21 %, followed the same year by the increase to 5.5/11 and 23 %, which occurred on 1 July. Reduced rate increased to 13 % and super reduced rate to 6.5 % on 1.1.2011. Super reduced rate is lowered to 6 % as of 20.7.2015.  
 Spain: The 2010 increase (reduced rate to 8 % and standard rate to 18 %) occurred on 1st July. Both rates were further increased on 1.9.2012 (to 10 % and 21 %).  
 France: Before 1.4.2000, standard rate was equal to 20.6 %.  
 Croatia: Standard rate increased to 23 % on 1.8.2009. A further increase — to 25 % — took place on 1.3.2012.  
 Ireland: The (super-) reduced rate was 4 % on 1.3.1999. It increased to 4.2 % on 1.3.2000. The rate increased to 4.3 % on 1.1.2001 and it increased to 4.4 % on 1.1.2004. The rate increased to 4.8 % on 1.1.2005 and remains at this rate at present. Standard rate increased to 21 % on 1.3.2002. Standard rate increased further to 21.5 % on 1.12.2008. Standard rate decreased to 21 % on 1.1.2010. Standard rate increased to 23 % on 1.1.2012 and remains at this rate. An additional reduced rate of 9 % was introduced on 1.7.2011.  
 Italy: Standard rate increased to 21 % on 1.7.9.2011. A further increase — to 22 % — took place on 1.10.2013.  
 Cyprus: The reduced rate of 5 % was introduced on 01.07.2000 together with the increase of the standard rate from 8 % to 10 %. Standard rate increased to 13 % on 01.07.2002. The second reduced rate of 8 % was introduced on 01.08.2005. Standard rate increased to 17 % on 1.3.2012, and further increased to 18 % on 14.1.2013. On 13.1.2014 the second reduced rate increased to 9 % and the standard rate increased to 19 %.  
 Latvia: Reduced rate decreased to 5 % on 1.5.2004. Standard rate decreased to 21 % on 1.7.2012.  
 Lithuania: Reduced rate (5 %) introduced on 01.05.2000. Standard rate increased to 19 % on 1.1.2009 and further increased to 21 % on 1.9.2009.  
 Luxembourg: The second reduced rate in the table is actually a 'parking rate'.  
 Hungary: The second reduced rate (15 %) was abolished on 1.9.2006. Reintroduced on 1.7.2009 at 18 % together with the increased of the standard rate to 25 %.  
 Netherlands: Standard rate increased to 21 % on 1.10.2012.  
 Poland: The (super-)reduced rate of 3 % was introduced on 4.9.2000.  
 Portugal: Standard rate increased to 19 % on 3.6.2002. Standard rate further increased to 21 % on 1.7.2005. Standard rate decreased to 20 % on 1.7.2008. All rates increased by 1 % on 1.7.2010.  
 Romania: The second reduced rate (5 %) introduced on 1.12.2008. Standard rate increased to 24 % on 1.7.2010.  
 Slovenia: Reduced rate increased to 9.5 % and standard rate increased to 22 % on 1.07.2013.  
 Slovakia: The second reduced rate (6 %) introduced on 1.5.2010. Abolished on 1.1.2011 together with the standard rate increase to 20 %.  
 Finland: Second reduced rate decreased to 12 % on 1.10.2009. Second reduced rate subsequently increased to 13 % on 1.7.2010 together with the increase of the first reduced rate to 9 % and the increase of the standard rate to 23 %.  
 United Kingdom: Standard rate increased to 20 % on 4.1.2011.

Source: DG Taxation and Customs Union

**Table 2: Top statutory personal income tax rates (including surcharges), 1996–2015**  
(%)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Belgium	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	53.8	53.8	53.8	53.8	
Bulgaria	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	10.0	10.0	10.0
Czech Republic	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	22.0	22.0	22.0	22.0	22.0
Denmark	64.7	63.2	61.4	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.3	62.1	55.4	55.4	55.4	55.6	55.6	55.6	55.8	55.8
Germany	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	47.5	47.5	47.5
Estonia	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	21.0	20.0
Ireland	48.0	48.0	46.0	46.0	44.0	42.0	42.0	42.0	42.0	42.0	42.0	41.0	41.0	46.0	47.0	48.0	48.0	48.0	48.0	48.0	48.0	48.0
Greece	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	46.0	46.0	46.0	48.0
Spain	56.0	56.0	56.0	48.0	48.0	48.0	48.0	45.0	45.0	45.0	45.0	43.0	43.0	43.0	43.0	45.0	52.0	52.0	52.0	52.0	46.0	46.0
France	59.6	57.7	59.0	59.0	59.0	58.3	57.8	54.8	53.4	53.5	45.4	45.4	45.4	45.4	45.4	46.6	50.3	50.3	50.3	50.3	50.3	50.3
Croatia	41.3	41.3	41.3	41.3	41.3	41.3	41.3	53.1	53.1	53.1	53.1	53.1	53.1	56.1	50.2	47.2	47.2	47.2	47.2	47.2	47.2	47.2
Italy	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	47.3	47.3	47.9	48.9
Cyprus	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	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Latvia	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	24.0	24.0	24.0	23.0
Lithuania	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	15.0	15.0	15.0
Luxembourg	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	43.6	43.6	43.6	43.6
Hungary	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	16.0	16.0	16.0	16.0
Malta	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	35.0	35.0	35.0
Netherlands	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	52.0	52.0	52.0	52.0
Austria	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	50.0	50.0	50.0
Poland	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	32.0	32.0	32.0	32.0
Portugal	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	45.9	50.0	49.0	56.5	56.5	56.5	56.5	56.5
Romania	40.0	40.0	48.0	40.0	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	16.0	16.0	16.0
Slovenia	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	50.0	50.0	50.0	50.0
Slovakia	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	25.0	25.0	25.0	25.0	25.0
Finland	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	51.1	51.1	51.5	51.6
Sweden	61.4	54.4	56.7	53.6	51.5	53.1	55.5	54.7	56.5	56.6	56.6	56.6	56.6	56.4	56.6	56.6	56.6	56.7	56.7	56.7	56.9	57.0
United Kingdom	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	45.0	45.0	45.0	45.0
Iceland	46.9	45.9	44.0	45.3	45.4	45.5	45.8	45.6	43.6	41.7	38.7	35.7	35.7	35.7	46.1	46.2	46.2	46.2	46.2	46.2	46.2	46.2
Norway	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	40.0	40.0	39.0	39.0



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>Simple averages</b>																					
<b>EU-28</b>	47.0	46.2	45.9	45.2	44.6	43.7	42.9	42.6	41.8	40.4	39.9	39.7	38.4	38.0	38.5	38.4	38.7	39.4	39.5	39.3	39.3
<b>EA-19</b>	46.9	46.7	46.0	45.5	45.2	44.1	43.3	42.3	41.0	40.6	39.9	39.4	39.1	38.8	39.7	40.6	41.1	42.3	42.3	42.1	42.1

**Definition:**

- The indicator reported in the table is the 'top statutory personal income tax rate'. The top statutory personal income tax rate indicator does not differentiate by source of income and therefore as well surcharges and deduction specific to income source are not taken into account. The 'top marginal tax rate from employment income', which is also sometimes used, can differ from the 'top statutory personal income tax rate' with respect to (1) source of income: any personal income vs. earnings income and to (2) statutory vs. marginal tax rate. The marginal tax rate calculation (increase in tax revenue for a unit increase in gross earnings) is only possible for the latter type of indicator. The existence of differences between the two indicators relate directly to the design and complexity of the tax system.
- General surcharges are included even when not part of PIT or not legally a tax (see country notes below).
- Local and regional taxes are normally added (see country notes below). The reader is referred to the 'Taxes in Europe Database' and to Part II of this report for detailed information about the specificities of each country PIT, and in particular for the level of income from which the top statutory income rate applies.

**General notes:**

Figures in italics represent flat-rate tax.

**Country notes:**

Belgium: including crisis tax (1993–2002) and (average) local surcharges. Special ssc (capped) is not included.

Bulgaria: (not included in the table) the net income of sole proprietors is taxed separately (15 % final flat tax).

Czech Republic: including a 7 % solidarity surcharge added to the flat tax rate of 15 % since 2013. The surcharge applies to the employment business and professional income above four times the average wage.

Denmark: including local taxes and labour market contribution (8 % in 2015), but excl. church tax. The top rate is further capped (to 51.7 % in 2013–14 and 51.95 % in 2015), by decrease of the state tax if needed. The top rate in the table above includes the labour market contribution: e.g. for 2015 it is calculated as:  $8\% + (100 - 8\%) \times 51.95\% = 55.8\%$ .

Germany: in addition, a solidarity surcharge of 5.5 % of the tax liability is applied subject to an exemption limit.

Ireland: including the 'universal social charge' of 8 % (for self-employed income > EUR 100 000, it is 11 %).

Greece: including solidarity contribution for years 2011–15 (for the period 2011–14, rate ranges from 1 % to 4 % with the top 4 % rate applicable on net annual income exceeding EUR 100 000). From 2015 rates changed, with a 6 % rate for annual income of EUR 100 000–500 000, and 8 % for income over EUR 500 000. The top rate calculation for 2015 in the above table includes the solidarity contribution for the income band EUR 100 000–500 000 at the rate of 6 %.

Spain: Regional government can use their own tax schedule.

France: Several contributions are added to PIT; but while the PIT applies to individualised global net personal income, the contributions may vary depending on the income source. The value in the table reflects the top statutory rate for earnings; it includes the top PIT rate (45 %), the general social welfare contribution (CSG, applicable rate: 7.5 % of which 5.1 % are deductible) and the welfare debt repayment levy (CRDS, rate: 0.5 %). 1.05 % of social contributions are deductible from the base of calculation of the PIT. For other property income, in addition to CSG (applicable rate: 8.2 % of which 5.1 % are deductible) and CRDS, additional social and solidarity levies (4.5 % + 0.3 % and 2 %) apply, leading to a top all-in rate around 58.3 %. The exceptional contribution for incomes above EUR 250 000 is not shown in the table.

Croatia: including average crisis tax (2009–11) and surtax for Zagreb (maximal local surtax rate of 18 %).

Italy: including regional and municipal surcharge (values given for Rome) and 3 % solidarity contribution (deductible from the tax base); the increases of 0.5 % in 2014, and of 1 % on 2015 correspond to increases in the Latium regional surcharge.

Cyprus: not including the (tax deductible) special contribution on gross wages (2012–16), of up to 3.5 % (up to 4 % for (semi) public employees).

Luxembourg: including crisis contribution in 2011, solidarity surcharge for Unemployment Fund (since 2002) of 9 % (for top incomes) and not the IEBT (Impôt d'équilibre budgétaire temporaire) of 0.5 % since 2015 (which is added to SSC).

Hungary: including solidarity tax (2007–09). In 2010–12 rates include the effect of a base increasing component which was applicable in 2010 and 2011 to total earnings, and in 2012 to the part of monthly earnings above HUF 202 000 (EUR 653), roughly the average wage, leading to a two-rate system: 16 % and 20.3 %. In 2013, the base increasing component was phased out and the 16 % tax rate applies to all income.

Portugal: including a surcharge of 3.5 % levied on all aggregated categories of income (applicable since 2013), and an additional solidarity surcharge (top rate 5 % since 2013). (not included; the special rate of 60 % applied to 'unjustified increases' in personal wealth (above EUR 100 000)).

Finland: including general government taxes plus (average of) municipality taxes. Variation to be attributed to variation in average local taxes.

Sweden: including general government taxes plus (average of) municipality taxes. Variation to be attributed to variation in average local taxes.

United Kingdom: Rates given are rate for the fiscal year starting in April. An additional higher rate of 50 % was introduced for income exceeding GBP 150 000 from fiscal year 2010–11, cut to 45 % as of 2013.

Iceland: including surcharges when appropriate and (average of) municipality taxes. The lump-sum taxes for elderly fund and radio broadcast services are excluded.

Norway: including the 12 % surtax.

**Source:** DG Taxation and Customs Union

**Table 3: Top statutory corporate income tax rates (including surcharges), 1996–2015**  
(%)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
Belgium	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	34.0	34.0	34.0	
Bulgaria	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	10.0	10.0	10.0	10.0
Czech Republic	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	19.0	19.0	19.0	19.0
Denmark	34.0	34.0	34.0	32.0	32.0	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	24.5	24.5	23.5	23.5
Germany	56.7	56.7	56.0	51.6	51.6	38.3	38.3	39.6	38.3	38.7	38.7	38.7	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2	30.2
Estonia	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	21.0	20.0
Ireland	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	12.5	12.5	12.5	12.5
Greece	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	20.0	26.0	26.0	26.0	29.0
Spain	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	30.0	30.0	30.0	28.0
France	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	36.1	36.1	36.1	38.0	38.0	38.0	38.0
Croatia	25.0	35.0	35.0	35.0	35.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Italy	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	31.4	31.4	31.4	31.4
Cyprus	25.0	25.0	25.0	25.0	29.0	28.0	28.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	12.5	12.5	12.5	12.5
Latvia	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	15.0	15.0	15.0	15.0
Lithuania	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	15.0	15.0	15.0	15.0
Luxembourg	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	28.8	29.2	29.2	29.2	29.2
Hungary	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	20.6	20.6	20.6	20.6
Malta	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	35.0	35.0	35.0
Netherlands	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	25.0	25.0	25.0	25.0
Austria	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	25.0	25.0	25.0	25.0
Poland	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	19.0	19.0	19.0	19.0
Portugal	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	31.5	31.5	29.5	29.5
Romania	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	16.0	16.0	16.0
Slovenia	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	23.0	23.0	22.0	21.0	20.0	20.0	18.0	17.0	17.0	17.0	17.0	17.0
Slovakia	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	19.0	22.0	22.0	22.0	22.0
Finland	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	24.5	24.5	20.0	20.0
Sweden	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	22.0	22.0	22.0
United Kingdom	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	30.0	28.0	28.0	24.0	24.0	23.0	21.0	20.0	20.0
Iceland	33.0	33.0	35.0	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	20.0	20.0	20.0	20.0
Norway	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	28.0	27.0	27.0

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>Simple averages</b>																					
<b>EU-28</b>	35.0	35.2	34.2	34.4	33.5	32.0	30.4	29.0	27.8	26.6	25.3	25.1	24.4	23.8	23.2	23.0	22.9	23.2	22.9	22.8	22.8
<b>EA-19</b>	35.9	36.0	34.9	34.4	33.3	32.1	30.4	28.7	27.8	26.7	26.6	25.7	25.1	25.3	24.5	24.4	24.3	25.0	24.8	24.6	24.6

## Notes:

- The 'basic' (non-targeted) top rate is presented here; some countries 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.
- Existing surcharges and local taxes are included — when they are targeted to large enterprises or when their level vary, the top rate is used in the table (see country notes below).

## Country notes:

Belgium: (a) A 3 % 'crisis' surcharge is applicable since 1993; (b) since 1.1.2006 Belgium applies a system of notional interest deduction (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.

Cyprus: Public corporate bodies were subject to higher 25 % rate (2003–08). The 5 % surcharge levied on all companies (incl public bodies) with taxable income exceeding EUR 1.7 million in 2003 and 2004 is not included. In 2013, under the macro-financial adjustment programme and prior to the first disbursement of assistance, the corporate income tax rate was increased to 12.5 % (with effect on 1.1.2013).

France: 33.33 %; 34.43 % including 3.3 % additional social surcharge for large companies; 36.1 % (2011–12) and 38.0 % (2013–15) including the temporary surcharge (contribution exceptionnelle) for very large companies (turnover above EUR 250 million). Companies can benefit from a tax credit equal to 6 % (since 2014) of the payroll for (most) employees. The local business tax (contribution économique territoriale) is not included (capped to 3 % of value added).

Germany: The rate includes the solidarity surcharge of 5.5 % and the Berlin rate for the trade tax ('Gewerbesteuer': 14.35 %; in 2012 average trade tax rate for former federal territory was 13.825 % and 12.985 % for new Länder). 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 around 30 %.

Greece: 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).

Hungary: Including the local business tax of maximum 2 % that applies on the gross operating profit (turnover minus costs) and which is deductible from the CIT. In the typical case of a local tax of 2 %, the total tax paid is  $2 + (19 \times 0.98) = 20.62$ . For energy providers and other utilities, a cca. 50 % CIT rate applies. An 'Innovation tax' of 0.3 % is also due on the same base as the local business tax while micro and small enterprises are exempted from paying (not included in the calculation).

Ireland: 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.

Italy: 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 percentage point depending on location. 'Robin tax' on financial institutions is not included. From 2012, an ACE is in force, reducing the effective tax rate (see also previous note on Belgium).

Lithuania: 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 %. As from 2012, the threshold has been increased to LTL 1 000 000 (about EUR 289 603) and from 2015 to EUR 300 000.

Luxembourg: 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.

Malta: The rate shown does not take into account the corporate tax refund system.

Portugal: As from 2007 the rate for Portugal includes the maximum 1.5 % rate of a municipal surcharge. As from 1.1.2014 the State tax is 3 % on taxable profits between EUR 1.5 and 7.5 million, 5 % on taxable profits between EUR 7.5 and 35 million and 7 % on profits exceeding EUR 35 million.

Slovakia: the standard CIT rate has been reduced to 22 % on the 1.1.2014, together with the introduction of a minimum (lumpsum) tax, whose value vary with turnover (EUR 480 for not VAT registered companies, EUR 960 if small VAT registered companies and EUR 2880 if annual turnover above EUR 500 000).

United Kingdom: Rates given are rates for the tax year starting in April.

**Source:** DG Taxation and Customs Union

**Table 4:** Effective average tax rates, non-financial sector, 2000 and 2005–14 (%)

	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Difference 2005–14	Ranking 2014
Belgium	34.5	29.5	25.7	25.4	24.9	24.7	25.3	25.9	26.3	26.5	26.7	-7.8	6
Bulgaria	28.1	13.2	13.2	8.8	8.9	8.8	8.8	9.0	9.0	9.0	9.0	-19.1	28
Czech Republic	23.6	22.7	21.0	21.0	18.4	17.5	16.7	16.7	16.7	16.7	16.7	-6.9	19
Denmark	28.3	25.1	25.1	22.5	22.6	22.6	22.6	22.6	22.0	22.0	22.2	-6.1	13
Germany	40.4	35.8	35.5	35.5	28.2	28.0	28.0	28.2	28.2	28.2	28.2	-12.2	4
Estonia	20.4	18.8	18.1	17.3	16.5	16.5	16.5	16.5	16.5	16.5	16.5	-3.9	20
Ireland	9.4	14.3	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	14.4	5.0	25
Greece	30.4	27.8	25.2	21.7	21.8	30.5	21.0	17.5	17.5	24.1	24.1	-6.3	8
Spain	36.5	36.5	36.5	34.5	32.8	32.8	32.8	31.9	32.4	33.7	32.6	-3.9	2
France	36.6	34.8	34.4	34.6	34.6	34.7	32.8	32.8	34.3	35.4	39.4	2.8	1
Croatia	23.6	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	16.5	-7.1	20
Italy	31.3	31.8	31.8	31.8	27.3	27.5	27.5	24.9	25.1	25.1	24.0	-7.3	9
Cyprus	27.5	10.6	10.6	10.6	10.6	10.6	11.6	11.6	11.9	15.2	15.2	-12.3	23
Latvia	22.7	14.3	14.3	14.3	13.8	13.8	11.8	12.2	12.2	12.1	14.3	-8.4	26
Lithuania	19.1	12.7	16.0	15.2	12.7	16.8	12.7	12.7	12.7	13.6	13.6	-5.5	27
Luxembourg	32.6	26.5	25.9	25.9	25.9	25.0	25.0	24.9	24.9	25.5	25.5	-7.1	7
Hungary	19.7	16.6	16.3	19.5	19.5	19.5	19.1	19.3	19.3	19.3	19.3	-0.4	16
Malta	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	0.0	3
Netherlands	32.3	28.4	26.7	23.1	23.1	22.2	22.2	21.8	22.6	21.6	22.6	-9.7	11
Austria	29.7	23.0	23.0	23.0	23.0	22.7	22.7	23.0	23.0	23.0	23.0	-6.7	10
Poland	27.1	17.1	17.1	17.4	17.4	17.5	17.5	17.5	17.5	17.5	17.5	-9.6	18
Portugal	31.5	24.6	24.6	23.7	23.7	23.7	24.8	24.8	27.1	27.1	27.1	-4.4	5
Romania	22.7	14.7	14.7	14.8	14.8	14.8	14.8	14.8	14.8	14.8	14.8	-7.9	24
Slovenia	20.9	22.1	22.3	20.9	20.0	19.1	18.2	18.2	16.4	15.5	15.5	-5.4	22
Slovakia	25.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	16.8	20.3	19.4	-6.4	14
Finland	27.2	24.5	24.5	24.5	24.5	23.6	23.8	24.7	23.3	22.3	18.4	-8.8	17
Sweden	23.8	24.6	24.6	24.6	24.6	23.2	23.2	23.2	23.2	19.4	19.4	-4.4	14
United Kingdom	28.7	29.3	29.2	29.3	28.0	28.3	28.4	26.9	25.2	24.3	22.4	-6.3	12

**Simple averages**

<b>EU-28</b>	27.4	23.0	22.7	22.1	21.3	21.6	21.0	20.8	20.8	21.1	21.1	-6.3	
<b>EA-19</b>	28.5	24.5	24.1	23.4	22.5	22.9	22.1	21.8	22.0	22.8	22.8	-5.7	

Source and methodology: ZEW (2014), Effective tax levels using the Devereux/Griffith methodology — Final report 2014, project for EU Commission TAXUD/2013/CC/120, Manheim.

**Table 5: Tax wedges for a single worker with 67 % of average earnings, no children, 2005–14 (%)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Difference 2005–14
Belgium	49.4	49.5	49.7	50.3	50.0	50.4	50.6	50.5	50.0	49.9	0.4
Bulgaria	:	:	:	35.1	33.8	32.5	33.6	33.6	33.6	:	:
Czech Republic	42.0	40.1	40.6	40.1	38.8	39.0	39.7	39.4	39.4	39.7	-2.3
Denmark	38.9	38.9	38.9	38.6	38.0	36.7	36.9	37.0	36.6	36.4	-2.4
Germany	47.3	47.5	47.0	46.5	45.9	44.9	45.6	45.5	45.1	45.1	-2.2
Estonia	38.1	37.3	37.6	37.1	37.8	38.7	39.0	39.2	38.8	39.0	0.9
Ireland	16.9	16.1	15.0	15.1	16.2	16.8	20.0	20.1	21.5	22.1	5.2
Greece	35.5	36.5	36.5	36.3	36.6	35.8	40.0	39.8	37.1	35.7	0.2
Spain	35.7	36.0	35.7	34.1	34.4	36.5	36.8	37.2	37.2	37.3	1.5
France	46.5	46.3	46.5	46.6	46.6	46.8	47.0	47.0	45.6	45.2	-1.3
Croatia	:	:	:	:	:	:	:	:	34.9	:	:
Italy	42.5	42.8	42.9	43.3	43.5	44.0	44.5	44.7	44.9	42.4	-0.2
Cyprus	11.9	11.9	11.9	:	:	:	:	:	:	:	:
Latvia	41.8	41.8	41.2	39.9	41.5	43.5	43.5	43.6	43.1	:	:
Lithuania	42.6	40.6	41.2	40.3	38.9	38.8	38.9	39.2	39.5	:	:
Luxembourg	28.7	29.2	30.0	28.2	27.4	27.7	29.5	29.2	30.1	30.4	1.6
Hungary	43.1	43.3	46.1	46.8	46.2	43.8	45.2	47.9	49.0	49.0	5.9
Malta	17.9	18.4	17.9	17.9	17.7	18.1	18.6	18.9	19.2	:	:
Netherlands	41.7	33.2	33.4	34.1	33.3	33.6	33.5	33.6	32.3	32.1	-9.7
Austria	43.3	43.8	44.2	44.5	43.3	43.5	43.9	44.2	44.6	44.8	1.4
Poland	37.5	37.9	37.1	33.6	33.1	33.3	33.4	34.7	34.8	34.8	-2.7
Portugal	32.1	32.8	32.5	32.2	31.9	32.2	32.3	32.6	35.2	35.0	2.8
Romania	:	:	:	40.9	43.1	43.4	43.4	43.4	43.5	:	:
Slovenia	41.8	41.4	40.9	40.3	39.7	38.6	38.7	38.6	38.5	38.5	-3.3
Slovakia	34.8	35.3	35.5	36.1	34.4	34.7	36.1	36.9	38.5	38.6	3.7
Finland	39.3	38.9	38.6	38.7	37.2	36.8	36.8	36.8	37.6	38.4	-1.0
Sweden	46.6	46.0	43.3	42.6	41.3	40.7	40.7	40.8	40.9	40.5	-6.1
United Kingdom	30.6	30.6	30.8	29.7	29.1	29.4	28.5	27.9	26.8	26.4	-4.2
Iceland	28.3	28.3	27.1	27.6	26.1	28.4	29.4	29.3	29.8	29.1	0.8
Norway	34.3	34.4	34.2	34.2	34.1	34.1	34.3	34.2	34.1	33.9	-0.4

**Simple averages**

EU-28 <sup>(1)</sup>	:	:	:	:	:	:	:	:	36.8	36.7	:
EU-27 <sup>(1)</sup>	37.2	36.7	36.6	36.3	36.0	36.0	36.6	36.8	36.9	36.7	-0.5
EA-19 <sup>(1)</sup>	36.2	35.7	35.7	35.4	35.2	35.4	36.2	36.3	36.3	36.2	0.0

<sup>(1)</sup> Data are estimated.

Source: DG Taxation and Customs Union



## Methodological note

## Methodological note

The statistics in this report have been provided by Member States to Eurostat and follow the methodology prescribed by the *European System of Accounts (ESA 2010)*. The previous system (ESA 95) was replaced last year by ESA 2010 which differs in scope as well as in concepts from its predecessor, reflecting developments in measuring modern economies, advances in methodological research and the needs of users. The impact of the implementation of ESA 2010 on key indicators of the national accounts in Europe differs from country to country.

As a result, the data series in this year's edition, which are based on the new ESA 2010 methodology, may differ slightly from those published in previous years. Two important changes affecting tax revenues statistics relate to gross domestic product (GDP) and payable tax credits.

The change in GDP will affect the denominators and therefore the values of the tax revenue to GDP ratios. For most Member States GDP has risen, and as a result their ratios will be lower than under ESA 95.

For payable tax credits systems, the ESA 2010 rule is that the whole of the payable tax credits should be registered as a 'tax expense', in other words a subsidy or social benefit, irrespective of how much was used to reduce tax liability, and how much was paid direct to beneficiaries. This is a change in treatment from ESA 95, although tax credits are not specifically mentioned in it. The taxes and benefits associated with payable tax credits systems are now shown in the national accounts on a gross basis — i.e. the tax payments show the full liability before payable tax credits are allowed for, and the whole of the credits under the payable tax credits system will be shown as subsidies or social benefits.

For more information, the reader should visit Eurostat's [ESA 2010 website](#) or consult the various pages listed below.

### Further information:

Dunn M., '[Annual national accounts — how ESA 2010 has changed the main GDP aggregates](#)', Statistics Explained, January 2015 (only available online).

European Commission, *Manual on the changes between ESA 95 and ESA 2010*, Publications Office of the European Union, Luxembourg, 2014.

European Commission, *European System of Accounts — ESA 2010*, Publications Office of the European Union, Luxembourg, 2013.

'[Implementation of the European System of Accounts \(ESA 2010\)](#)', *EURONA – Eurostat Review on National Accounts and Macro-economic Indicators*, Special issue 2/2014, Publications Office of the European Union, Luxembourg, 2014.



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## Taxation trends in the European Union

### Data for the EU Member States, Iceland and Norway

This report contains a detailed statistical and economic analysis of the tax systems of the Member States of the European Union, plus Iceland and Norway, which are Members of the European Economic Area.

The main body of the report is a set of 'country chapters' which give an overview of the main trends in taxation for each of the 30 countries covered by the report. The chapters have a standardized layout: the first page contains a summary table and graphs showing trends in the country's tax revenues under the main tax headings for the period 2004 to 2013; this is followed by a table of the main tax reforms in the country concerned categorized by type of measure; and the final set of tables in the country chapters provides a snapshot of the main features of the national tax systems (personal and corporate taxes, VAT, social contributions and wealth and transaction taxes). The data in the report are presented within a unified statistical framework (the ESA 2010 harmonised system of national and regional accounts).

At the end of the report are reference tables containing series on statutory tax rates — for corporate income, personal income and VAT, as well as tables of effective tax rates and tax wedges.

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