

# Taxation trends in the European Union

Data for the EU Member States, Iceland and Norway



**2012 edition**



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Taxation and Customs Union

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## Preface

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

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

This year, a major effort was made to bring forward the publication date of the report. This objective was set in order to make available the data and analysis contained in it during the European Semester, as the proper functioning of tax systems is a key prerequisite for economic growth. The data on the tax burden in the various Member States can thus be used as an input for the formulation of the Country-Specific Recommendations on tax reform that will be announced at the end of the European Semester.

Besides the earlier publication date, the 2012 edition of the report presents for the first time data on property taxation, an area of taxation with a high policy relevance, for which until now no harmonised data were published for all EU Member States. This year's report fills that gap. The 2012 edition also features a more streamlined and readable layout and text.

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

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## Origin of this report

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

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

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## Language and dissemination

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

## Additional information

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

## Acknowledgements

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# Glossary

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





## Introduction

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

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

The data on tax revenues by type of tax and by level of government are obtained by aggregating the tax transactions in National Accounts. These are provided by Member States to Eurostat and follow the classification prescribed by the 'European System of Accounts' (ESA95)<sup>(1)</sup>. The economic classification of taxes and the categorisation of environmental and property taxes is not standard and is computed specifically for this publication, using more detailed tax revenue data provided by the Member States along with National Accounts data, the National Tax List. The computation of the ITRs requires additional assumptions and calculations. Ministries of Finance in the Member States have in particular helped to produce the required data. A comprehensive overview of the methodology and data used for this purpose is available at the following page: <http://ec.europa.eu/taxtrends>.

This edition of the publication 'Taxation trends in the European Union' covers the 1995-2010 period, corresponding to the years for which National Accounts data are generally available in the ESA95 format.

The publication is divided in two parts. Part I reviews the major trends and developments in taxation across the EU. It also includes for the first time this year data on property taxation for all EU Member States. Part II contains 29 country chapters, which review the main trends in the development of the overall tax burden and give an overview of the tax system and of the main recent policy changes. The table of statistics provided for each country contains four blocks of data: A - Structure of revenues in % of GDP, including cyclically adjusted tax revenues; B - Structure according to level of government in % of total taxation; C - Structure by type of tax base in % of GDP, including the sub-group of environmental taxes; D - Implicit tax rates.

Annex A presents the same data organised differently: each table presents a single tax category, in % of GDP or in % of total taxes, or an implicit tax rate, for all years and Member States for which they are available together with arithmetic and weighted EU averages. Annex B gives information about the source of the data used for the calculations presented in the report as well as about any country specific adjustments made during the computations. A more detailed methodology can be found on the European Union's Europa website at the following page: <http://ec.europa.eu/taxtrends>. This describes in detail the approach followed in calculating the ratios included in Annex A and the methods employed by the Ministries of Finance and the Commission Services to allocate the revenue of the personal income tax to labour, capital or other sources of taxable income together with the lists of all taxes for which revenue data were submitted by the Member States and their respective allocation to the different tax base, property and environmental tax categories.

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



A large, bold, purple letter 'I' is positioned on the left side of the page. The background is a solid purple color that curves upwards from the bottom left towards the top right, creating a sense of depth and movement.

Overall tax revenue



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

## Level and long-term trends

### The EU is a high tax area

The European Union is, taken as a whole, a high tax area. In 2010, the overall tax ratio, i.e. the sum of taxes and social security contributions in the 27 Member States (EU-27) amounted to 38.4% in the GDP-weighted average, more than 40% above the levels recorded in the United States and Japan. The tax level in the EU is high not only compared to those two countries but also compared to other advanced economies; among the major non-European OECD members, only Canada and New Zealand have tax ratios that exceed 30% of GDP<sup>(2)</sup>. As for less developed countries, they are typically characterised by relatively low tax ratios.

**Graph 1.1:** Overall tax-to-GDP ratio (incl. SSC) in the EU, US and Japan 2010, %



Note: EU-27 weighted average  
Source: Commission Services and Eurostat (ESA95) ([gov a tax ag](#)) for the EU, OECD (SNA2008) for the US and Japan

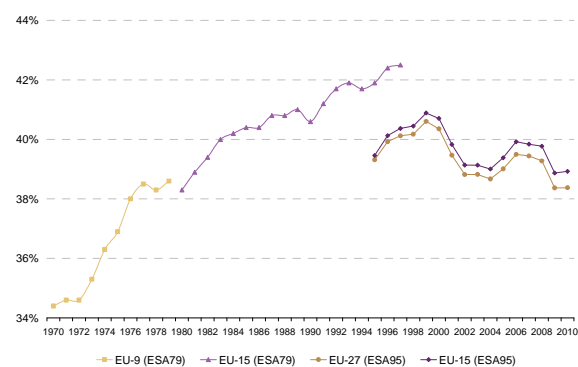
### Increasing trend from the 1970s until the end of the century

High EU tax levels are not new, dating back essentially to the last third of the 20th century. In those years, the role of the public sector became more extensive, leading to a strong growth of tax ratios in the 1970s, and to a lesser extent also in the 1980s and early 1990s. In the late 1990s, first the Maastricht Treaty and then the Stability and Growth Pact led EU Member States to adopt a series of fiscal consolidation packages. In some Member States, the consolidation process relied

<sup>(2)</sup> See OECD (2011).

primarily on restricting or scaling back primary public expenditures, in others the focus was rather on increasing taxes (in some cases temporarily). By the end of that decade, however, a number of countries took advantage of buoyant tax revenues to reduce the tax burden, through cuts in the personal and corporate income tax as well as in social security contributions.

**Graph 1.2:** Long-term trends in the overall tax ratio (including SSC) % of GDP



Note: The statistical break is due to the change from ESA79 to ESA95. All data are GDP-weighted.

Source: 1970-1994: Commission services (reproduced from 2007 edition of the report); 1995-2010: Eurostat ([gov a tax ag](#))

The overall tax ratio started decreasing from 2000 but only for a couple of years. Owing at least partly to the need, in several countries, to reduce the general government deficit, efforts to cut taxes petered out. Tax ratios picked up again until 2007 (see Graph 1.2).

### Tax revenues dropped as a result of the crisis, but stabilised already in 2010

The first effects of the global economic crisis were felt on revenues already in 2008 even though in the EU the annual growth turned negative only the following year. As discussed in the 2011 edition of this report<sup>(3)</sup> mainly measures on the expenditure side were taken by the Member States during the trough of the recession. Those countries that introduced tax cuts directed them at cutting labour taxes and, to a smaller extent, capital taxation. The overall tax ratio reached its lowest value since the beginning of the decade in 2009. Initial consolidation measures and a modest recovery of the economy stabilised tax revenues in 2010, as expenditure side saw consolidation in almost all countries (see Box 1.1).

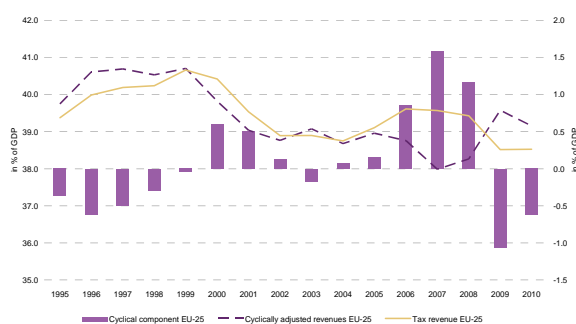
<sup>(3)</sup> See European Commission (2011c)

As detailed in subsequent sections of this chapter, the developments since 2009 differ significantly by type of tax. Consumption taxes such as VAT and excise duties significantly increased since 2009; in addition, a number of Member States raised the top rate in the area of personal income taxation. CIT rates continued to decline after 2009 but at a lower pace in comparison with the beginning of the decade and in 2012 the EU average even increased marginally. However, the tax revenue data presented in this report are available only until 2010 and hence the effect of many of the above mentioned rate hikes is still not visible. Overall, the tax-to-GDP ratio (unweighted average) declined by 1.4 percentage points with respect to 2000 and by 0.2 compared to 2009.

### Cyclical factors behind revenue developments

Comparing cyclically adjusted tax revenues<sup>(4)</sup> with actual ones reveals the effects of the economic cycle behind tax revenue developments (Graph 1.3). While tax hikes were behind the revenue increase in the 1995-1999 period, it was entirely due to the cycle that tax revenue rose from 2004 until 2006. The tax-to-GDP ratios show a structural reduction in the midst of the economic and financial crisis (2007-2008), while a trend reversal is visible in 2009-2010, mostly driven by hikes in VAT and PIT rates on the back of consolidation measures adopted.

**Graph 1.3:** Cyclically adjusted tax revenues 1995-2010, in % of GDP, GDP-weighted average



Source: Commission services

### Upward revenue trend expected after 2010

As for future trends, the EU Commission forecast from November 2011<sup>(5)</sup> projects the EU-27 general

<sup>(4)</sup> The Hodrick Prescott (HP) filter is used in this report to identify the underlying trend in GDP and revenues. This HP filter is a purely statistical method, which can be easily applied to any time series, including GDP and tax bases. The HP method needs to be clearly distinguished from the Production Function Approach (PFA), which is the reference methodology (endorsed by ECOFIN Council on 12 July 2002) for the cyclical adjustment of public finance aggregates. For more details, see European Commission (2011c) and the detailed methodology of the report available <http://ec.europa.eu/taxtrends/>.

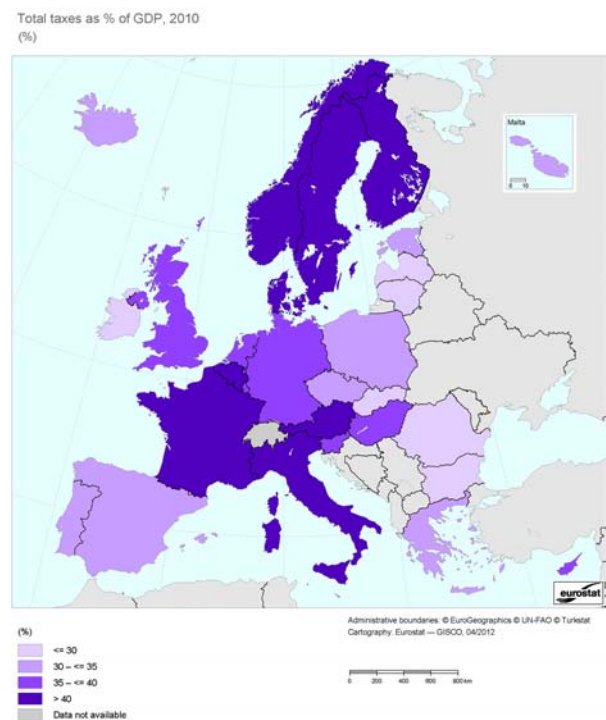
<sup>(5)</sup> See European Commission (2011a)

government tax revenue, a measure that is slightly different but closely linked to the overall tax ratio used in this report<sup>(6)</sup>, to increase markedly (by one point of GDP, in the weighted average), until 2013. Also general government expenditure has increased considerably: from 2007 to 2010 it rose by more than five points of GDP, surpassing the 50 % mark. However, the expenditure ratio started declining already in 2011 and the trend is forecast to continue until 2013 when the expenditure ratio is forecast to be two points of GDP lower than in 2010.

### Wide disparities in tax levels across Member States

Differences in levels across the Union are quite marked; the overall tax ratio ranges over more than twenty points of GDP, from 27.1 % in Lithuania to 47.6 % in Denmark (see Map 1.1 and Table 1 in Annex A). In other words, the tax burden in the highest-taxing EU Member State is over 75 % higher than in the least taxing one.

**Map 1.1:** Distribution of total tax burden, 2010



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

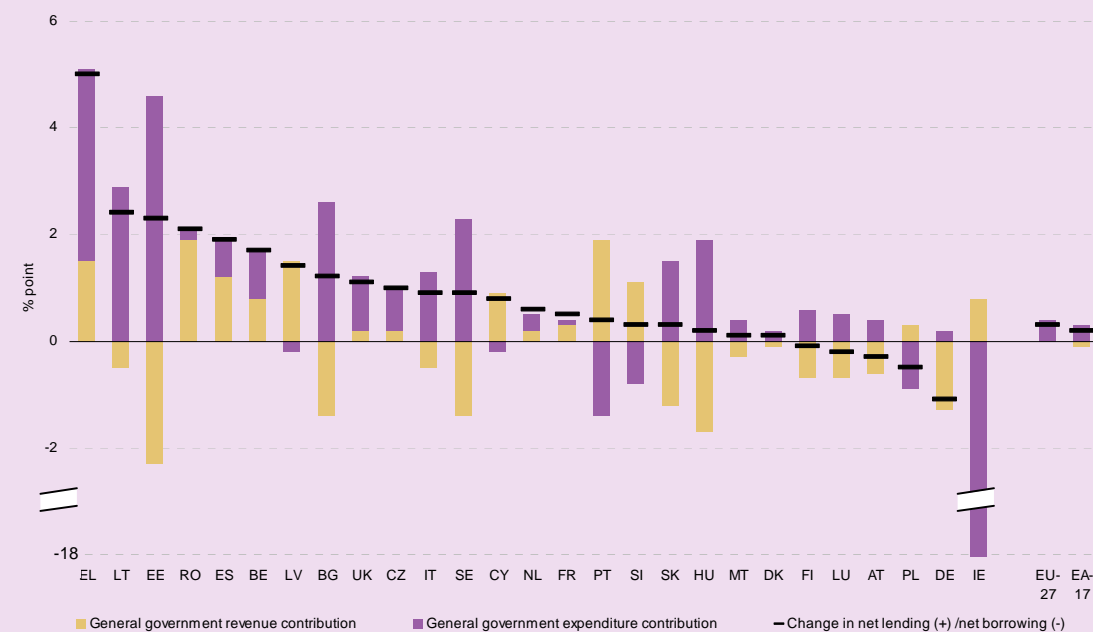
<sup>(6)</sup> General government tax revenue for 2011-2013 does not exclude voluntary social contributions and do not cover indirect taxes levied by national governments on behalf of the EU institutions.

**Box 1.1: Change in net lending/net borrowing, 2010.**

After two years of increased government expenditure aiming to alleviate the impact of the crisis and consequently deteriorating budgetary positions, the majority of the EU Member States faced the need to consolidate their budgets. In 2010, in all but six Member States the general government balance improved through both cuts in expenditure and revenue increases. Only one country – Ireland - witnessed a significant increase in expenditure, which was driven by the extraordinary measures enacted to support the banking sector.

As for the revenue side, the decline in government revenue experienced in 13 countries was equal to the growth of receipts in the remaining 14 Member States, so that the average for the EU does not show a change in the average. Only in six countries the drop in revenues exceeded the 1 % mark but often this was coupled with large decreases in spending. For detailed discussion of government revenue and expenditure development, please see European Commission (2011b).

**Figure: Change in net lending/net borrowing ESA95, 2010 <sup>(1)</sup>**



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

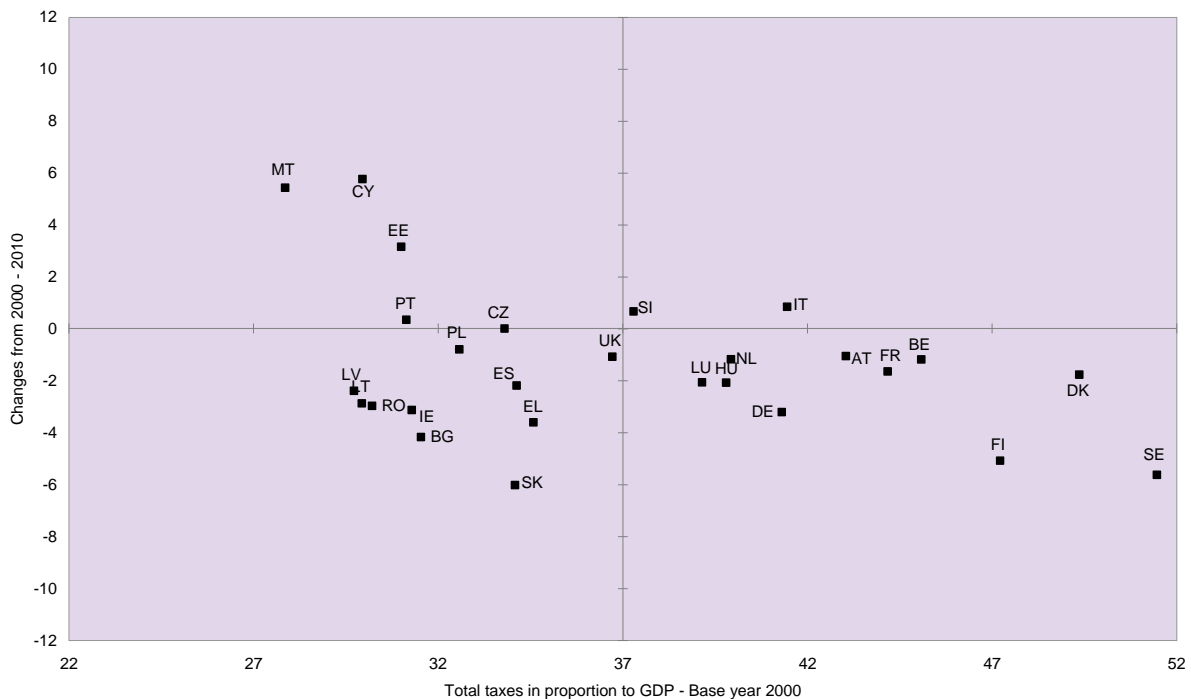
<sup>(1)</sup> General government expenditure contribution for Ireland is -17.9% leading to a change in net lending/net borrowing of -17.1%

These large differences depend mainly on social policy choices like public or private provision of services such as old age pensions, health insurance and education, on the extent of public employment, or of State activities, etc. Technical factors also play a role: some Member States provide social or economic assistance via tax reductions rather than direct government spending, while social transfers are exempted from taxes and social security contributions in some Member States but not in others. It should also be highlighted that the GDP value, that constitutes the denominator of the overall tax ratio, includes estimates of production by the informal sector (the 'grey' and 'black' economy); so that not only low taxes, but also high tax evasion can result in a low overall tax ratio.

Tax-to-GDP ratios generally are significantly higher in the EU-15 Member States (i.e. the 15 Member States that joined the Union before 2004) than in the NMS-12 Members (the 12 Member States that joined the EU in 2004 and 2007); the first nine positions in terms of overall tax ratio are indeed occupied by EU-15 countries (see Table 1 in Annex A). The exceptions are Ireland and Greece, whose tax ratios are amongst the lowest in the EU; the Portuguese overall tax ratio, having increased by half a point in 2010, is now ranking just above Greece's. Consequently, since the euro area (EA-17) is mostly composed of old Member States, it shows a slightly higher overall tax ratio than the EU-27 (just above half a percentage point difference in the arithmetic average).

**Graph 1.4:** Level in 2000 and change of tax-to-GDP ratio until 2010

in %



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

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

The overall tax ratio tended to converge from the beginning of the century until 2007, as shown by a falling ratio between the standard deviation and the mean. In 2008-2010, however, tax ratios diverged again, possibly owing to the rather different depth of the recession among Member States and to the diverse policy reaction to the crisis.

Graph 1.4 charts, for every country, the changes in the tax-to-GDP ratios between 2000 and 2010 in percentage points of GDP, in comparison with their starting point in the base year 2000. The main purpose of the graph is to show to what extent countries starting with a higher than average tax ratio tend to reduce it over time.

Several facts are highlighted by the graph. First, all countries, except Italy (and Slovenia although less pronounced), that had above average tax ratio in 2000 reduced it over the period until 2010. Sweden and Finland have cut the tax burden significantly since 2000, by 5.6 and 5.1 points respectively. Secondly, the development of the tax ratio for the group of countries having below average tax-to-GDP in 2000 is less

uniform. Four countries increased their tax ratio, three of which markedly. The increase in revenue in Cyprus stands out for its size (5.8 % points of GDP) while another large increase, 5.4 % points of GDP, took place in another Mediterranean country, Malta. In Estonia too the increase was relatively marked at 3.2 % points; it was almost entirely realised in 2009. Spain, also with below 2000 average ratio, saw a significant increase in revenue from 2000 to 2007, over 3 % points of GDP, but this was more than reversed by the steep drop in revenue since then, amounting to around 5.2 % points of GDP. As for reductions, over the entire 2000-2010 period the most remarkable case is Slovakia, which, after having cut the overall tax ratio by 6.2 % points of GDP from 1995 to 2000, reduced the tax burden by an additional six percentage points of GDP after 2000. Bulgaria, too, reduced significantly its already low tax ratio by 4.2 points. Lastly, the lack of convergence over the 2000-2010 period is due predominantly to the fact that Member States with low tax ratio in 2000 decreased it even further until 2010. In most of the cases the decline was realised from 2008 onwards, as the crisis took its toll.



**Box 1.2: Revenue structure by level of government.**

In 2010 about 60 % of the 'ultimately received' aggregate tax revenue in the EU-27 (including social contributions) was claimed by the central or federal government, roughly 30 % accrued to the social security funds, and around 10 % to local government. Less than 1 % of revenue accrues to the institutions of the European Union. There are considerable differences in structure from one Member State to another; for instance, some Member States are federal or grant regions a very high degree of fiscal autonomy (Belgium, Germany, Austria, Spain). In the United Kingdom and Malta, the social security system is not separate from the central government level from an accounting viewpoint, whereas in Denmark most social security is financed through general taxation.



Note: EU averages for state government are computed only over those Member States which have this level of government and not over all 27 Member States.

Source: Eurostat ([gov a tax ag](http://gov.a.tax.ag))

(Continued on the next page)

Box (continued)

The share of sub-federal revenue (defined as municipalities plus the state level where it exists) varies from less than 1 % to just over one third of the total. Sweden, Spain, Germany, and Belgium in particular show high shares of total taxes received by the non-central authorities. At the other end, this share is just below 1 % in Greece, while in Malta local government does not receive directly any tax funds. As for the share of revenue accruing to social security funds, the highest values in the EU are reported by France and Slovakia. The amount of the ultimately received shares of revenue, however, is a very imperfect indicator of fiscal autonomy, as a given government level may be assigned revenue streams which it has little legal authority to increase or decrease.

In several EU Member States decentralisation has been an important feature for several years already. Accordingly, data show that the share of total tax revenue accruing to state and local government has been gradually increased. However, in 2010 the trend has been reversed given that tax revenues were maintained mainly by proceeds from VAT and excise duties and these accrue mostly to the central government level.

## Revenue structure by type of tax

Taxes are traditionally classified as direct<sup>(7)</sup> or indirect<sup>(8)</sup>; generally, the first group allows greater redistribution as it is impractical to introduce progressivity in indirect taxes. Therefore, the recourse to direct taxes, which are more 'visible' to the electorate, tends to be greater in the countries where tax redistribution objectives are more pronounced; this usually results also in higher top personal income tax rates. Social security contributions are, as a rule, directly linked with a right to benefits such as old age pensions or unemployment and health insurance; in theory, a strict application of actuarial equivalence would preclude redistribution, but in practice the modalities for calculating contributions and benefits allow considerable leeway in this respect and the situation is quite diversified among Member States.

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

Generally, the NMS-12 Member States have a different structure compared with the EU-15; in particular, while most EU-15 Member States raise roughly equal shares of revenues from direct taxes, indirect taxes, and social security contributions, the NMS-12 countries, with the notable exception of Malta, typically display a lower share of direct taxes in the total (see Graph 1.5). The lowest shares of direct taxes are recorded in Lithuania (only 17.4 % of the total, markedly down from 31 % in 2008), Bulgaria (18.8 % of the total), Slovakia (19.1 %) and Estonia (19.9 %). All of these countries have adopted flat rate systems, which typically induce a stronger reduction in direct than indirect tax rates.

<sup>(7)</sup> Personal income taxes, corporate income taxes and other income and capital taxes.

<sup>(8)</sup> VAT, excise duties and consumption taxes, other taxes on products and production.

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

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

### Significant differences between Member States

The three panels in Graph 1.6 show the share of the overall tax revenue from the three different tax bases (consumption, labour and capital). Member States are ranked by overall tax burden and a breakdown of the revenue by tax base for the year 2010 is shown. The graph shows quite a lot of variation both in terms of the overall level and in its composition. In particular, despite the fact that the most important indirect taxes are harmonised at EU level, there is substantial variation in the amount of revenues raised from consumption taxes.

**Graph 1.5:** Structure of tax revenues by major type of taxes  
2010, % of total tax burden



Source: Commission services

This is due to the fact that harmonisation usually does not translate into the setting of actual tax rates (e.g. equalizing them), but that legal form and some minimum requirements are imposed (e.g. minimum excise duties on mineral oils). Typically NMS-12 countries show a high share of consumption taxes. Apart from the fact that generally final domestic consumption amounts to a large share of GDP in the NMS-12 purely statistically, the comparatively lower taxation of labour in these countries symmetrically

tends to boost the share of consumption taxation. Also, the energy intensity of the economy in these Member States is generally higher (as an important element of consumption taxes is represented by mineral oil excise duties).

Even greater variation is visible in revenues from capital and business income, while some smaller revenue sources, such as taxation of stocks of capital/wealth and taxation of non-employed labour

**Graph 1.6:** Distribution of the total tax burden according to type of tax base  
2010, % of total tax burden



Source: Commission services

(essentially pensions and social security benefits) range from significant to negligible. This primarily reflects the choice made in the different Member States to provide social benefits and pensions either on a gross or a net basis.

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

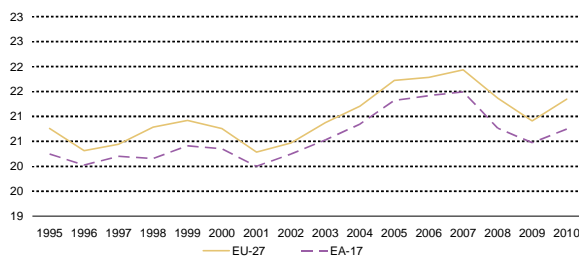
## Taxation of consumption

### Increase of consumption taxes in 2010

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

Data for the ITR on consumption<sup>(9)</sup>, although significantly affected by the cycle<sup>(10)</sup>, show that consumption taxes, which had been on a downward trend since 2007, increased sharply in 2010 (see Graph 1.7).

**Graph 1.7:** Implicit tax rate on consumption 1995-2010, in %



Source: Commission services

The upward trend in 2010 was quite broad; compared with the year before; the ITR increased in most of the Member States (see Table 77 in Annex A). Only in eight countries the indicator decreased. In four cases (Denmark, Germany, Cyprus and Hungary) did the ratio decrease very marginally, while in Estonia, Malta, Austria and Finland the drop was relatively marked, about half a percentage point.

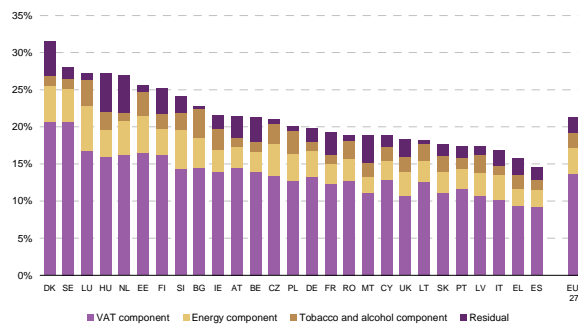
<sup>(9)</sup> Implicit tax rates, in general, measure the effective average tax burden on different types of economic income or activities, i.e. on labour, consumption and capital, as the ratio between revenue from the tax type under consideration and its (maximum possible) base. The ITR on consumption is the ratio between the revenue from all consumption taxes and the final consumption expenditure of households.

<sup>(10)</sup> As discussed in the 2010 edition of this report the sharpness of the drop in 2008-2009 was probably the result of a combination of factors, such as a shift in consumption patterns towards primary goods, typically subject to lower VAT rates, or involuntary inventory build-ups by businesses, which due to the severity of the downturn at the end of 2008 might have led to significant VAT refunds by tax administrations

### Weight of VAT in taxation of consumption

Not surprisingly, the VAT component is the largest accounting for more than half of the overall indicator's value. However, non-VAT taxes are not negligible; their share in the ITR ranges from 26.6 % in Sweden to 41.4 % in the United Kingdom. Taxes on energy (typically, excise duties on mineral oils), tobacco and alcohol make up, on average, around one quarter of the revenue from consumption taxes. The differences in consumption of excisable goods are such that their revenue effects go well beyond the spread in tax rates: in percent of GDP Bulgaria raises from alcohol and tobacco excise duties about five times as much revenue as the Netherlands.

**Graph 1.8:** Decomposition of the ITR on Consumption 2010



Source: Commission services

### Sharp hikes of VAT rates over the last four years

The broad rise of the ITR on consumption in 2010 can be largely attributed to hikes of VAT rates. Stagnant since 2002, VAT standard rates have often increased from 2009 onwards<sup>(11)</sup>. The EU-27 average has risen strongly by 1.5 points in only four years and currently stands at 21 %.

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

<sup>(11)</sup> Only in two cases was the VAT rate decreased. In the United Kingdom the rate was temporarily cut by two points in 2009 in order to support consumption and in Ireland the rate was decreased by half a point in 2010 after a temporary increase in 2009. Both countries are currently applying higher rates.

## Box 1.3: VAT revenue ratio

The VAT revenue ratio consists of actual VAT revenues collected ( $VAT_{rev}$ ) divided by the product of the VAT standard rate ( $VAT_{rate}$ ) and net final consumption, i.e. final consumption expenditure ( $P3$ ) minus VAT receipts:

$$VAT \text{ revenue ratio} = \frac{VAT_{rev}}{VAT_{rate} (P3 - VAT_{rev})}$$

A low value of the ratio suggests that exemptions, reduced rates, or tax evasion have a significant impact.

The VAT revenues collected are reported in Table 7 of Annex A and the VAT standard rates are provided in Table 1.1 of the general part of this report. The final consumption expenditure (P3) includes the household final consumption expenditure (private consumption), non-profit institutions serving households (NPISH) final consumption expenditure and general government final consumption expenditure (general government consumption). Total final consumption expenditure data can be downloaded from Eurostat [nama\_fcs\_c].

Table 1.1: VAT rates in the Member States  
2000-2012, in %

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

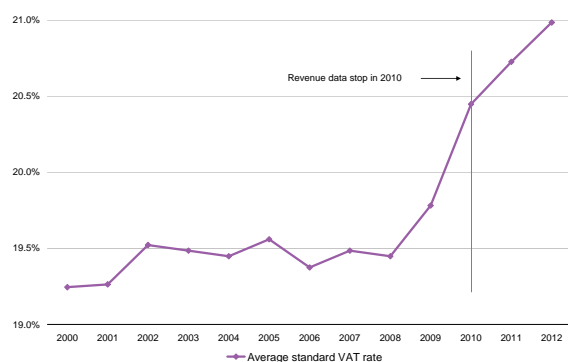
Note: If two VAT rates were applicable during a year the one being in force for more than six months or introduced on 1 July is indicated in the table. Super reduced rates (below 5%) are shown in brackets. IT: Standard rate was increased in September 2011; CY: Standard rate was increased in March 2012; FI: Reduced 17% rate was decreased to 12% on 1.10.2009. Standard rate as well as reduced rates were increased by one percentage point on 1.7.2010.

Source: Commission services

**Table 1.2:** Implicit tax rate on labour in the Union 1995-2010, in %

																	Difference	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995-2010	2000-2010
BE	43.6	43.2	43.8	44.0	43.4	43.6	43.3	43.3	43.2	43.8	43.6	42.5	42.5	42.4	41.9	42.5	-1.1	-1.1
BG	30.8	31.6	34.3	33.5	34.7	38.1	33.9	33.4	35.6	35.7	33.2	29.7	30.4	27.4	25.7	24.4	-6.4	-13.7
CZ	41.4	40.2	40.4	41.0	41.0	41.2	40.8	41.3	41.7	41.5	41.3	41.1	41.7	40.0	37.6	39.0	-2.4	-2.2
DK	40.2	40.2	40.7	38.9	40.2	41.0	40.8	38.8	38.1	37.5	37.1	36.9	36.6	36.6	35.2	34.8	-5.4	-6.2
DE	38.8	38.3	39.2	39.2	39.0	39.1	38.9	38.7	38.8	37.8	37.5	37.6	37.5	38.0	37.8	37.4	-1.4	-1.7
EE	38.6	37.8	37.6	38.9	39.3	37.8	37.3	37.8	36.9	35.8	33.8	33.6	33.9	33.7	35.1	37.0	-1.5	-0.8
IE	29.7	29.3	29.3	28.5	28.7	28.5	27.4	26.0	25.0	26.3	25.4	25.3	25.6	24.6	25.2	26.1	-3.6	-2.4
EL	:	:	:	:	:	34.5	34.6	34.4	34.7	33.6	33.7	33.0	33.9	32.9	29.7	31.3	:	-3.2
ES	31.0	31.9	30.4	30.4	30.1	30.5	31.4	32.1	31.6	32.0	32.3	32.9	33.7	32.7	31.7	33.0	2.0	2.5
FR	41.1	41.4	41.7	42.1	42.3	41.9	41.5	41.1	41.4	41.3	41.7	41.7	41.4	41.5	41.3	41.0	-0.1	-0.8
IT	37.8	41.5	43.1	43.1	42.3	41.8	41.9	41.8	41.6	41.5	41.1	40.8	42.2	42.8	42.3	42.6	4.8	0.8
CY	22.1	20.8	21.1	22.5	21.8	21.6	22.9	22.3	22.8	22.7	24.4	23.9	23.9	24.6	26.2	27.0	4.8	5.4
LV	39.2	34.6	36.1	37.2	36.9	36.7	36.5	37.8	36.6	36.7	33.2	33.1	31.1	28.4	29.1	32.5	-6.7	-4.2
LT	34.5	35.0	38.4	38.3	38.7	41.2	40.2	38.1	36.9	36.0	34.9	33.6	33.1	32.7	32.6	31.7	-2.8	-9.5
LU	29.3	29.6	29.3	28.8	29.6	29.9	29.6	28.4	29.2	28.9	30.0	30.4	31.1	31.6	31.6	32.0	2.7	2.1
HU	42.3	42.1	42.6	41.8	41.9	41.4	40.9	41.2	39.3	38.3	38.4	38.9	41.0	42.3	40.8	39.4	-3.0	-2.1
MT	20.1	18.8	20.7	19.3	20.2	21.8	22.1	22.3	21.7	21.8	22.1	21.9	20.9	20.7	20.8	21.7	1.6	-0.1
NL	34.8	33.8	33.0	33.6	34.5	35.0	31.4	31.5	32.0	31.9	32.3	35.1	35.6	36.8	35.9	36.9	2.0	1.9
AT	38.5	39.4	40.7	40.3	40.5	40.1	40.6	40.8	41.0	41.1	40.8	40.9	41.0	41.3	40.3	40.5	2.0	0.4
PL	36.8	36.3	35.9	35.6	35.8	33.6	33.2	32.4	32.7	32.7	33.8	35.4	34.0	32.5	30.9	30.1	-6.8	-3.5
PT	22.3	21.9	21.8	21.6	22.0	22.3	22.8	22.8	22.9	22.3	22.4	23.1	23.7	23.5	23.4	23.4	1.1	1.1
RO	31.6	29.8	31.4	31.7	37.6	33.6	31.2	31.2	29.7	29.1	28.1	30.1	30.2	27.3	28.6	27.4	-4.2	-6.2
SI	38.5	36.7	36.9	37.5	37.8	37.6	37.5	37.7	37.8	37.6	37.6	37.3	35.9	35.9	35.1	35.0	-3.5	-2.6
SK	38.5	39.4	38.3	38.0	37.4	36.3	37.1	36.7	36.1	34.5	32.9	30.5	31.1	33.2	31.4	32.0	-6.4	-4.3
FI	44.2	45.3	43.5	43.8	43.3	44.0	44.1	43.8	42.5	41.6	41.6	41.6	41.3	41.2	40.1	39.3	-5.0	-4.8
SE	46.8	48.0	48.4	49.3	48.5	46.8	45.5	43.8	43.5	43.5	43.6	42.9	41.2	41.2	39.3	39.0	-7.8	-7.8
UK	25.9	25.0	24.5	25.3	25.6	25.9	25.7	24.7	24.8	25.5	26.2	26.5	26.8	26.9	25.7	25.7	-0.2	-0.3
NO	36.7	37.0	37.3	37.3	37.1	37.1	37.2	37.5	37.7	37.8	37.1	36.6	36.1	35.8	35.8	36.1	-0.7	-1.0
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
EU-27	35.3	35.0	35.5	35.5	35.8	35.8	35.3	35.0	34.7	34.5	34.2	34.1	34.1	33.8	33.2	33.4	-1.9	-2.3
EA-17	34.3	34.3	34.4	34.5	34.5	34.5	34.4	34.2	34.1	33.8	33.7	33.7	33.8	34.0	33.5	34.0	-0.3	-0.5

Source: Commission services

**Graph 1.9:** Development of average standard VAT rate, EU-27

Source: Commission services

Hikes in VAT rates continued, although at a lower pace, also in 2011 and 2012. Out of the four countries that raised the standard rate in 2012 only one, Cyprus, was applying below average rate before the hike – only 15 %. At the other extreme, Hungary, where a 25 % rate was already in force since 2008, increased it further by two points in 2012. As discussed in the 2011

edition of this report<sup>(12)</sup>, revenue raising measures since 2009 were heavily concentrated on consumption taxes. Except for the Nordic countries, many of the Member States applying above average VAT rates in 2012 are those experiencing financial difficulties and strong pressure for consolidation needs.

### Only half of theoretical VAT revenues are collected

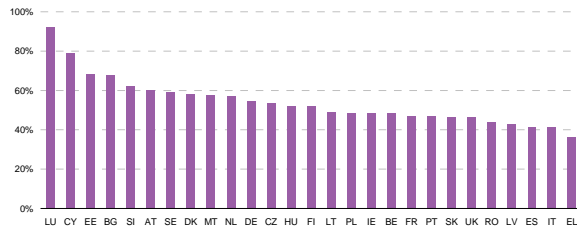
An indicator which gives an idea of the broadness of the tax base and the level of tax compliance is the VAT revenue ratio. It compares the actual VAT revenue with the theoretical one, which would arise if the standard VAT rate were applied to total final consumption.

The indicator shows that in 2010 exemptions, reduced VAT rates and evasion resulted in only around 50 % of the theoretical VAT revenues being collected. The situation varies from country to country with the VAT revenue ratio as low as 36 % in Greece and as high as 92 % collected in Luxembourg. Half of the Member States collect less than 50 % of the theoretical amounts. Another nine countries collect between 50 and 60 %

<sup>(12)</sup> See European Commission (2011c)

and only for five countries - Slovenia, Bulgaria, Estonia, Cyprus and Luxembourg - the VAT revenue ratio was above 60 % and for the latter two it was 79 % and 92 % respectively.

**Graph 1.10:** VAT revenue ratio, 2010, in %



Source: Commission services

## Taxation of labour

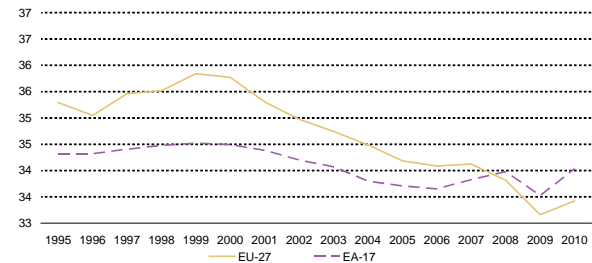
### The tax burden on labour increased in 2010, reversing the earlier trend

Despite a wide consensus on the desirability of lower taxes on labour, the high levels of the ITR on labour<sup>(13)</sup> confirm the widespread difficulty in achieving this aim. Although the ratio is off the peaks reached around the turn of the century, its downward trend essentially came to a halt as several countries witnessed increases in the last year of observation (see Graph 1.11).

Unlike for the ITR on consumption, the crisis did not induce any visible reduction of the ITR on labour in 2008, possibly because of the tendency for labour markets to lag behind cyclical developments. The EU-25 average remained almost constant and the euro area even recorded an increase in the ITR on labour, so that the marginal (0.3 percentage points) decline in the adjusted EU-27 average was mainly due to reductions in Romania and Bulgaria (see Table 1.2). The effect of the global economic crisis was visible in 2009 as the ITR declined more markedly by 0.6 points. However, in 2010 the trend was reversed and in more than half of the Member States the tax burden on labour started increasing, although remaining below its pre-crisis levels. The growth could have been even higher if there have not been large drops in several new Member States like Bulgaria, Romania and Hungary.

<sup>(13)</sup> The ITR on labour is calculated as the ratio of taxes and social security contributions on employed labour income to total compensation of employees and payroll taxes.

**Graph 1.11:** Implicit tax rate on Labour 1995-2010, in % (arithmetic averages - adjusted for missing data)

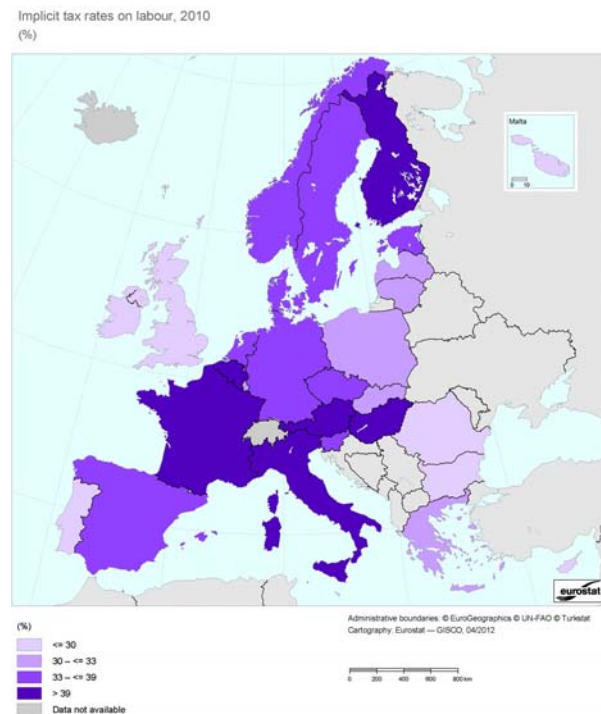


Source: Commission services

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

Since the beginning of the decade the NMS-12 Member States show, in general, a much stronger decline than the EU-15 countries: the average in these Member States has gone down by about 3.6 percentage points since 2000, while the EU-27 average decreased by only 2.3 points.

**Map 1.2:** Tax burden on labour, 2010





Looking at a country-by-country breakdown, the highest reductions in the ITR on labour since 2000 have taken place in Bulgaria and Lithuania (all above 8 percentage points), as well as in Denmark, Latvia, Romania, Slovakia, Finland, Sweden and the United Kingdom; it is quite interesting to note that all three Nordic Member States, which are characterised by a high overall tax ratio, have striven forcefully to bring the tax burden on labour closer to the EU average in recent years. On the other hand, the ITR increased markedly in Cyprus and Spain but it remained below the Union average. In all the other Member States the change amounted to less than 2.5 percentage points.

The lowest overall ITR on labour in 2010 is found in Malta, Portugal and Bulgaria, while the highest is recorded in Italy (at 42.6 %) followed by Belgium (42.5 %). It should also be noted that despite the generally lower level of overall taxation in the new Member States, this does not always apply to labour taxation as highlighted for example by Hungary (fifth highest ITR on labour); the Czech Republic, too, has an above-average ITR.

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

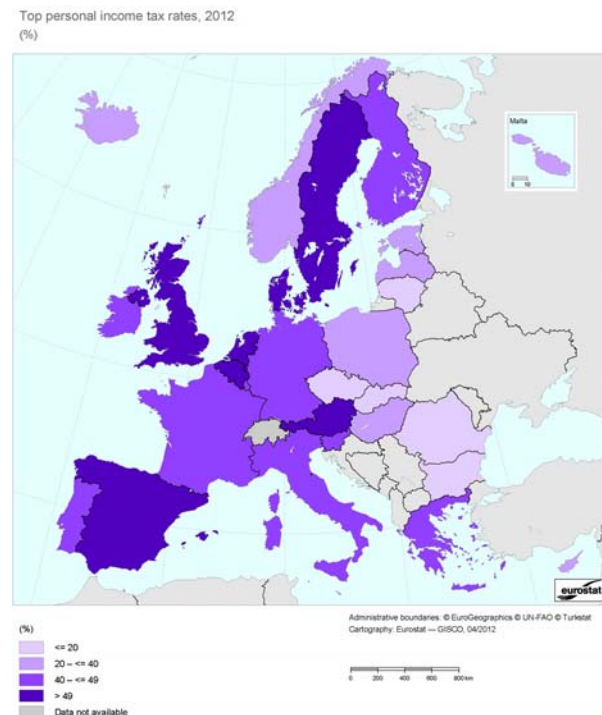
The tax burden on labour is essentially composed of personal income taxes and social security contributions. Currently, the top personal income tax (PIT) rate<sup>(14)</sup> amounts to 38.1 %, on average, in the EU. This rate varies very substantially within the Union, ranging from a minimum of 10 % in Bulgaria to a maximum of 56.6 % in Sweden, as Denmark, which levied the highest PIT maximum rate until 2009, has cut it to 55.4 % (see Map 1.3).

As a rule the NMS-12 Member States, with the exception of Slovenia and Cyprus, display below-average top rates, while the highest rates are typical of Member States with the most elevated overall tax ratios, such as the Nordic countries<sup>(15)</sup>. The lowest rates are observed in Bulgaria, the Czech Republic, Lithuania and Romania. In all of them but the Czech Republic the overall tax ratio (excluding SSCs) is among the lowest in the Union (see Table 3 in Annex A).

<sup>(14)</sup> The top statutory personal income tax rate reflects the tax rate for the highest income bracket. The rates also include surcharges, state and local taxes. Adjustments have been carried for Belgium, Denmark, Germany, Greece, Spain, Cyprus, France, Hungary, Italy, Luxembourg, Portugal, Romania, Finland, Sweden, the United Kingdom and Norway. For details the interested reader can find a complete description of the rate system and the brackets in force in the Member States in the 'Taxes in Europe' database on the EU website at the following url: <http://ec.europa.eu/tedb>. The database is accessible free of charge and updated annually.

<sup>(15)</sup> Although the Netherlands show the fourth highest top personal income rate while ranking 13<sup>th</sup> in terms of the tax ratio (excluding social security contributions), PIT tax rates in the Netherlands are very progressive but their progressivity is limited when social contributions are taken into account.

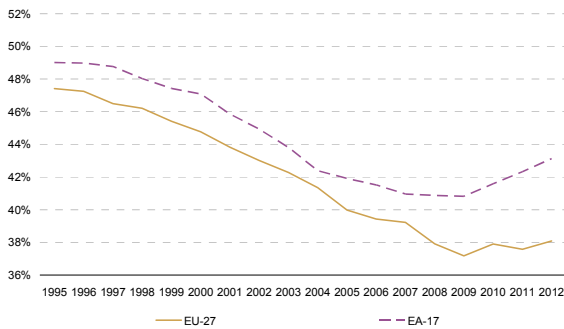
Map 1.3: Distribution of PIT rates, 2012



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

There has been a broad trend to increase top PIT rates since 2010. Every year five to six Member States were raising the rates and as a consequence the EU average reached in 2012 its highest level since 2008, 38.1 % (see Graph 1.12).

**Graph 1.12:** Development of top personal income tax rate 1995-2012, in %



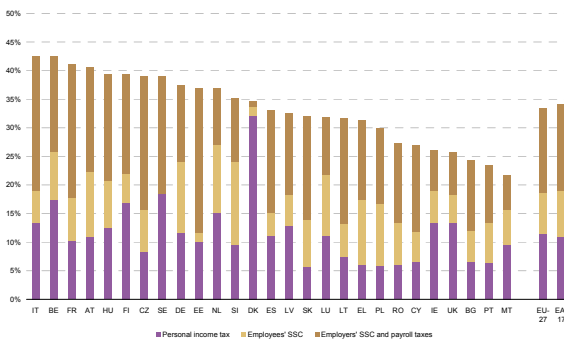
Source: Commission services

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

Of course, the picture given by the PIT rates is incomplete. Not only the level and change of the top

PIT rate is relevant, but also the income level at which they are applied. Moreover, the progression of PIT rates applied, the structure of allowances and tax credits, and the definition of the tax base play a key role in defining the effective tax burden. This is very aptly illustrated by the fact that the ITR on labour declined only marginally in the 1995–2009 period, despite the strong reduction in the top PIT rates.

**Graph 1.13:** Composition of the implicit tax rate on labour 2010, in %



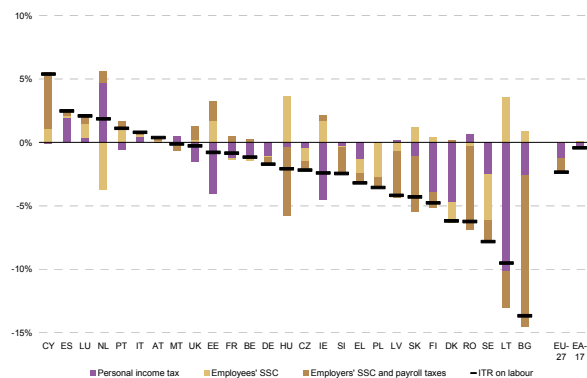
Source: Commission services

In most Member States, social security contributions account for a much greater share of labour taxes than the personal income tax. On average, about two thirds of the overall ITR on labour consists of non-wage labour costs paid by both employees and employers (see Graph 1.13). Only in Denmark, Ireland and the United Kingdom do personal income taxes form a relatively large part of the total charges paid on labour income, while in countries like Poland, Greece or Slovakia less than 20 % of the ITR on labour consists of the personal income tax.

Between 2000 and 2010 the components of the ITR on labour changed markedly in several Member States (see Graph 1.14). Personal income taxation of labour as well as employers' SSC and payroll taxes went down markedly, while employees' SSC only slightly decreased (all as a percentage of total labour costs). For the euro area the declines were considerably smaller on average, and mainly consisted of a reduction in personal income taxation.

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

**Graph 1.14:** Evolution of the composition of the implicit tax rate on labour 2000-2010, differences in percentage points



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

This increase can be plausibly attributed to the effect of the economic and financial crisis as until 2009, there had been a clear, steady and widespread downward trend in the top rate. Indeed, from 1995 to 2009, almost all EU Member States cut their top rate, with only three keeping it unchanged (Malta, Austria and the United Kingdom) and one (Portugal) increasing it slightly. Even taking into account the subsequent rate increase in 2010, all in all, the EU-27 average has gone down by 9.3 percentage points since 1995, accelerating after 2000 (see Table 1.3). The fall was most noticeable in the Central and Eastern European countries, with the biggest cuts taking place in four countries that adopted flat rate systems, Bulgaria (– 30.0 percentage points), the Czech Republic (– 17.0), Romania (– 24.0) and Slovakia (– 23.0); the acceleration after 2000 was, however, visible also in the EU-15 Member States.

**Table 1.3: Top personal income tax rates**  
1995-2012 income, in %

																			Difference	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	1995-2012	2000-2012
BE	60.6	60.6	60.6	60.6	60.6	60.6	60.1	56.4	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	53.7	-6.9	-6.9
BG	50.0	50.0	40.0	40.0	40.0	40.0	38.0	29.0	29.0	29.0	24.0	24.0	24.0	10.0	10.0	10.0	10.0	10.0	-40.0	-30.0
CZ	43.0	40.0	40.0	40.0	40.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	15.0	15.0	15.0	15.0	15.0	-28.0	-17.0
DK	65.7	64.7	65.9	64.5	64.2	62.9	62.8	63.0	63.0	62.3	62.3	62.3	62.3	62.3	62.3	55.4	55.4	55.4	-10.3	-7.5
DE	57.0	57.0	57.0	55.9	55.9	53.8	51.2	51.2	51.2	47.5	44.3	44.3	47.5	47.5	47.5	47.5	47.5	47.5	-9.5	-6.3
EE	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	24.0	23.0	22.0	21.0	21.0	21.0	21.0	21.0	-5.0	-5.0
IE	48.0	48.0	48.0	46.0	46.0	44.0	42.0	42.0	42.0	42.0	42.0	42.0	41.0	41.0	41.0	41.0	41.0	41.0	-7.0	-3.0
EL	45.0	45.0	45.0	45.0	45.0	45.0	42.5	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	49.0	49.0	4.0	4.0
ES	56.0	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	-4.0	4.0
FR	59.1	59.6	57.7	59.0	59.0	59.0	58.3	57.8	54.8	53.4	53.5	45.8	45.8	45.8	45.8	45.8	46.7	46.8	-12.3	-12.2
IT	51.0	51.0	51.0	46.0	46.0	45.9	45.9	46.1	46.1	46.1	44.1	44.1	44.9	44.9	44.9	45.2	47.3	47.3	-3.7	1.4
CY	40.0	40.0	40.0	40.0	40.0	40.0	40.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	38.5	-1.5	-1.5
LV	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	23.0	26.0	25.0	0.0	0.0
LT	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	27.0	27.0	24.0	15.0	15.0	15.0	15.0	15.0	-18.0	-18.0
LU	51.3	51.3	51.3	47.2	47.2	47.2	43.1	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	39.0	42.1	41.3	-9.9	-5.8
HU	44.0	44.0	44.0	44.0	44.0	44.0	40.0	40.0	40.0	38.0	38.0	36.0	40.0	40.0	40.0	40.6	20.3	20.3	-23.7	-23.7
MT	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	0.0	0.0
NL	60.0	60.0	60.0	60.0	60.0	60.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	-8.0	-8.0
AT	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	0.0	0.0
PL	45.0	45.0	44.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	32.0	32.0	32.0	32.0	-13.0	-8.0
PT	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	42.0	42.0	42.0	42.0	45.9	50.0	49.0	9.0	9.0
RO	40.0	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	-24.0	-24.0
SI	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	41.0	41.0	41.0	41.0	41.0	41.0	-9.0	-9.0
SK	42.0	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	-23.0	-23.0
FI	62.2	61.2	59.5	57.8	55.6	54.0	53.5	52.5	52.2	52.1	51.0	50.9	50.5	50.1	49.1	49.0	49.2	49.0	-13.2	-5.0
SE	61.3	61.4	54.4	56.7	53.6	51.5	53.1	55.5	54.7	56.5	56.6	56.6	56.6	56.4	56.5	56.6	56.6	56.6	-4.7	5.1
UK	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	50.0	50.0	50.0	10.0	10.0
NO	41.7	41.7	41.7	41.7	41.5	47.5	47.5	47.5	47.5	47.5	43.5	40.0	40.0	40.0	40.0	40.0	40.0	40.0	-1.7	-7.5
IS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46.1	46.1	31.8	-	-
EU-27	47.4	47.2	46.5	46.2	45.4	44.8	43.8	43.0	42.3	41.3	40.0	39.4	39.2	37.9	37.2	37.9	37.6	38.1	-9.3	-6.7
EA-17	49.0	49.0	48.8	48.0	47.4	47.1	45.9	44.9	43.8	42.4	41.9	41.5	41.0	40.9	40.8	41.6	42.3	43.1	-5.9	-4.0

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

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

**Source:** Commission services

**Table 1.4:** Tax wedges for a single example worker at two-thirds of average earnings 2000-2010, in %

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Difference 2000-2010
BE	51.3	50.7	50.5	49.6	49.0	49.3	49.4	49.6	50.2	49.4	49.5	-1.8
BG	40.0	36.9	36.2	36.0	35.8	36.3	31.5	32.3	35.1	33.9	33.9	-6.1
CZ	41.3	41.3	41.5	41.7	41.9	42.0	40.0	40.5	40.1	38.7	38.9	-2.4
DK	40.8	40.1	39.5	39.4	38.9	38.9	38.9	38.9	38.5	38.0	36.7	-4.1
DE	47.5	46.6	47.1	47.9	46.9	47.3	47.4	47.0	46.6	46.0	44.9	-2.6
EE	39.8	39.3	40.6	40.9	39.6	38.1	37.3	37.6	37.0	37.7	38.6	-1.2
IE	27.4	24.6	23.2	22.9	22.7	22.4	21.5	20.2	20.1	22.7	23.4	-4.0
EL	34.3	34.3	34.3	34.4	34.4	34.4	34.4	34.4	34.4	34.4	34.4	0.1
ES	34.8	35.3	35.8	34.8	35.3	35.7	35.9	35.7	34.0	34.3	36.4	1.6
FR	47.4	47.6	47.4	45.0	42.4	41.4	45.5	45.3	45.3	45.1	45.5	-1.9
IT	43.5	43.1	43.0	41.6	41.9	42.2	42.5	42.6	43.3	43.5	43.6	0.1
CY	16.7	17.0	17.3	18.6	18.6	11.9	11.9	11.9	11.9	11.9	11.9	-4.8
LV	42.2	42.0	42.2	41.4	41.9	41.8	41.8	41.1	39.9	41.5	41.5	-0.7
LT	42.9	42.9	43.1	40.9	41.6	42.6	40.6	41.2	40.3	38.9	38.9	-4.0
LU	31.5	29.7	27.4	27.8	28.1	28.7	29.1	29.9	28.2	27.3	27.5	-4.0
HU	51.4	50.9	48.2	44.5	44.8	43.1	43.3	46.0	46.7	46.2	43.6	-7.8
MT	16.6	17.0	17.7	17.4	17.6	17.9	18.6	17.9	17.9	17.7	17.7	1.1
NL	42.0	38.9	39.1	40.0	40.8	41.6	33.1	33.1	33.4	33.2	34.0	-8.0
AT	43.2	42.9	43.1	43.5	43.9	43.3	43.7	44.1	44.4	43.2	43.3	0.1
PL	37.0	36.8	36.7	37.0	37.2	37.5	37.8	37.1	33.6	33.2	33.4	-3.6
PT	33.2	32.2	32.9	32.8	32.8	32.1	32.3	32.9	32.9	32.7	32.8	-0.4
RO	44.7	45.2	44.6	43.4	42.9	42.4	42.2	41.8	40.9	43.1	43.1	-1.6
SI	42.6	43.5	43.5	43.5	43.6	41.8	41.3	40.9	40.3	39.7	38.5	-4.1
SK	40.6	41.2	40.6	40.8	39.2	34.8	35.2	35.5	36.0	34.4	34.5	-6.1
FI	43.0	41.4	40.9	40.0	39.4	39.5	38.8	38.6	38.6	36.9	36.3	-6.7
SE	48.6	47.8	46.8	47.0	47.2	46.6	45.9	43.3	42.5	41.3	40.6	-8.0
UK	29.1	28.6	28.7	30.3	30.5	30.5	30.6	30.8	29.7	29.3	29.6	0.5
NO	35.1	35.2	35.2	34.9	35.0	34.2	34.3	34.2	34.2	33.7	33.7	-1.4
IS	19.8	20.9	22.6	23.8	24.5	24.7	24.8	23.4	23.6	22.2	25.2	5.4
EU-27	39.0	38.4	38.2	37.9	37.7	37.2	36.7	36.7	36.4	36.1	36.0	-3.0
EA-17	37.4	36.8	36.7	36.6	36.2	35.4	35.2	35.1	35.0	34.7	34.9	-2.5

Note: DE, LV, LT, AT, RO and SI: data refer to 2008, CY data refer to 2007  
Source: Commission services

### Cut in tax wedge since 2000

The discussion in the preceding section is based on the ITR on labour, which give a picture of the average tax burden on labour across all income classes. However, even at an unchanged overall tax level, the burden of taxation may be shifted between high and low-income taxpayers resulting not only in redistribution but notably also in a different impact on employment. In particular, over the last decade policymakers have often resorted to cuts in labour taxes that are targeted to the bottom end of the wage scale in order to boost employability of low-skilled workers. To evaluate progress in this direction, this section looks at the evolution of the tax wedge — i.e. the difference between labour costs to the employer and the corresponding net take-home pay of the employee.

Table 1.4 focuses on the 'Tax wedge on low wage workers', which is the tax wedge for a single worker

without children at two-thirds of average earnings and its developments since 2000<sup>(16)</sup>.

The figures display a long and steady downward trend indicating a clear impact from targeted cuts in taxes and social security contributions more intensively at the beginning and towards the end of the decade. While the tax wedge is lower in 21 Member States in 2010 compared to 2000, the reductions appear to be particularly large in Sweden, the Netherlands, Hungary, Finland, Slovakia and Bulgaria. Among the countries that have increased the tax wedge in this period, Spain shows the biggest increase with 1.6 percentage points.

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

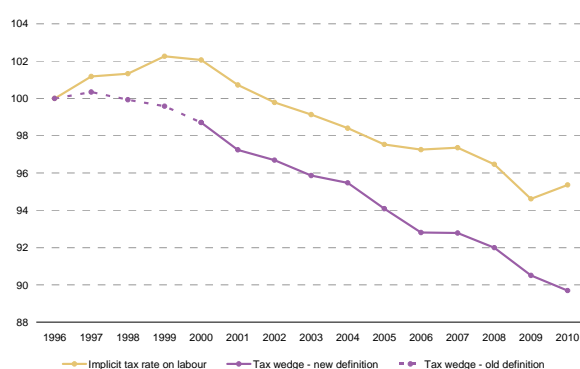
Graph 1.15 compares the trends over time in the tax wedge indicator and the ITR on labour (with 1996 = 100). For each year EU-27 arithmetic averages

<sup>(16)</sup> Pre-2000 data are not fully comparable due to changes in the definition of the average wage (see OECD, 2006, and European Commission, 2007).

are computed <sup>(17)</sup>. When comparing the trends it should be borne in mind that tax policy changes are immediately integrated in the Taxing Wages model but might be reflected with some time lag only in the ITR on labour.

Overall during the 1996–2010 period, the EU average tax burden on labour was on a downward trend. This trend is visible in the development of both indicators. However, the indicators do not always develop in parallel. Up to 2000 the ITR on labour increased, whereas the tax wedge started to decrease markedly already as of 1998. The gap between the two indicators opened up indicating that targeted tax cuts were playing a growing role. In the second period, from 2001–2008, the two series run roughly parallel, both showing a downward trend. However, the gap overall increased in 2006 and shows the same tendency for 2010. While the ITR on labour picked up after several years of decline, the tax wedge continued its decreasing trend <sup>(18)</sup>. A reason for this could be the targeted measures enacted after the outbreak of the economic crisis to alleviate its effects on the low-wage earners.

**Graph 1.15:** Evolution of micro and macro indicators of tax burden on labour  
EU-27, 1996-2010, index 1996=100



Source: Commission services and Eurostat ([tsiem050](#))

<sup>(17)</sup> As discussed in the 2007 edition of the report (European Commission, 2007), data for the 1996-1999 period are based on a different definition of average wages. Therefore, the time series for the tax wedge contains a structural break in 2000. In order to calculate a series without a break, the growth rates of the EU-27 average of the indicator are used for the calculation of the time trend of the tax wedge. The growth rate for the years 1997 to 2000 are calculated based on the data using the old definition (wage of the average production worker). Growth rates for 2001 onward refer to the new average wage definition.

<sup>(18)</sup> The EA-17 average increased slightly by 0.2 percentage points

**Table 1.5:** Adjusted top statutory tax rate on corporate income  
1995-2012, in %

																				Difference	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	1995-2012	2000-2012	
BE	40.2	40.2	40.2	40.2	40.2	40.2	40.2	40.2	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	-6.2	-6.2
BG	40.0	40.0	40.2	37.0	34.3	32.5	28.0	23.5	23.5	19.5	15.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-30.0	-22.5
CZ	41.0	39.0	39.0	35.0	35.0	31.0	31.0	31.0	31.0	28.0	26.0	24.0	24.0	21.0	20.0	19.0	19.0	19.0	19.0	-22.0	-12.0
DK	34.0	34.0	34.0	34.0	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	25.0	-9.0	-7.0
DE	56.8	56.7	56.7	56.0	51.6	51.6	38.3	38.3	39.6	38.3	38.7	38.7	38.7	29.8	29.8	29.8	29.8	29.8	29.8	-27.0	-21.8
EE	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	24.0	23.0	22.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	-5.0	-5.0
IE	40.0	38.0	36.0	32.0	28.0	24.0	20.0	16.0	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	-27.5	-11.5
EL	40.0	40.0	40.0	40.0	40.0	40.0	37.5	35.0	35.0	35.0	32.0	29.0	25.0	35.0	35.0	34.0	30.0	30.0	30.0	-10.0	-10.0
ES	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	32.5	30.0	30.0	30.0	30.0	30.0	30.0	-5.0	-5.0
FR	36.7	36.7	41.7	41.7	40.0	37.8	36.4	35.4	35.4	35.4	35.0	34.4	34.4	34.4	34.4	34.4	34.4	34.4	36.1	-0.6	-1.7
IT	52.2	53.2	53.2	41.3	41.3	41.3	40.3	40.3	38.3	37.3	37.3	37.3	37.3	31.4	31.4	31.4	31.4	31.4	31.4	-20.8	-9.9
CY	25.0	25.0	25.0	25.0	25.0	29.0	28.0	28.0	15.0	15.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	-15.0	-19.0
LV	25.0	25.0	25.0	25.0	25.0	25.0	25.0	22.0	19.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	-10.0	-10.0
LT	29.0	29.0	29.0	29.0	29.0	24.0	24.0	15.0	15.0	15.0	15.0	19.0	18.0	15.0	20.0	15.0	15.0	15.0	15.0	-14.0	-9.0
LU	40.9	40.9	39.3	37.5	37.5	37.5	37.5	30.4	30.4	30.4	30.4	29.6	29.6	29.6	28.6	28.6	28.8	28.8	28.8	-12.1	-8.7
HU	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	19.6	17.6	17.5	17.5	21.3	21.3	21.3	20.6	20.6	20.6	1.0	1.0	1.0
MT	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0	0.0	0.0
NL	35.0	35.0	35.0	35.0	35.0	35.0	35.0	34.5	34.5	34.5	31.5	29.6	25.5	25.5	25.5	25.5	25.0	25.0	25.0	-10.0	-10.0
AT	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	-9.0	-9.0
PL	40.0	40.0	38.0	36.0	34.0	30.0	28.0	28.0	27.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	-21.0	-11.0
PT	39.6	39.6	39.6	37.4	37.4	35.2	35.2	33.0	33.0	27.5	27.5	27.5	26.5	26.5	26.5	29.0	29.0	31.5	31.5	-8.1	-3.7
RO	38.0	38.0	38.0	38.0	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	-22.0	-9.0
SI	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	23.0	22.0	21.0	20.0	20.0	20.0	20.0	-5.0	-5.0
SK	40.0	40.0	40.0	40.0	40.0	29.0	29.0	25.0	25.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0	-21.0	-10.0
FI	25.0	28.0	28.0	28.0	28.0	29.0	29.0	29.0	29.0	29.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	24.5	-0.5	-4.5
SE	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	26.3	26.3	26.3	26.3	26.3	-1.7	-1.7
UK	33.0	33.0	31.0	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	28.0	28.0	26.0	24.0	24.0	-9.0	-6.0
IS	33.0	33.0	33.0	33.0	30.0	30.0	30.0	18.0	18.0	18.0	18.0	18.0	18.0	15.0	15.0	18.0	20.0	20.0	20.0	-13.0	-10.0
NO	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	0.0	0.0
EU-27	35.3	35.3	35.2	34.1	33.5	31.9	30.7	29.3	28.3	27.0	25.5	25.3	24.5	24.0	23.9	23.7	23.4	23.5	23.5	-11.9	-8.4
EA-17	36.8	37.0	37.0	35.8	35.2	34.4	33.0	31.8	30.4	29.6	28.1	27.7	26.8	26.3	26.2	26.2	25.9	26.1	26.1	-10.8	-8.3

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

- Belgium: a) A 3 % 'crisis' surcharge is applicable since 1993; b) since 1/1/2006 Belgium, applies a system of notional interest (ACE) which reduces the 'effective tax rate' by several percentage points, depending on the difference between the rate of return and the rate of the notional interest deduction.
- Cyprus: In 2003 and 2004 the rate includes the additional 5 % surcharge on companies with income exceeding €1.7 million.
- Estonia: As from 2000 the rate for Estonia refers only to the gross amount of distributed profits; the tax rate on retained earnings is zero.
- France: France applies a standard CIT rate of 33.3 %. Large companies (turnover over €7 630 000 and taxable profit over €2 289 000) are subject to an additional surcharge of 3.3 % levied on the part of aggregate corporate tax which exceeds €763 000. For fiscal years 2012 and 2013, an additional 5% surcharge on gross income exceeding EUR 250 million is levied. An annual minimum lump-sum tax (IFA) based on turnover is payable when turnover is more than €15 million.
- Germany: The rate includes the solidarity surcharge of 5.5 % and the average rate for the trade tax ('Gewerbesteuer'). From 1995 to 2000 the rates for Germany refer only to retained profits. For distributed profits lower rates applied. Until 2007 the trade tax was an allowable expense for the purpose of calculating the income on which corporation tax is payable. As from 2008 enterprises are subject to an overall tax burden of 29.8 % nominally. This is the result of the reduction of the corporate tax rate from 25 % to 15 % and the reduction of the base measure for trade tax from 5 % to 3.5 %. The adjusted top statutory tax rate is calculated with an average multiplier of 400 % for the trade tax.
- Greece: The rate includes a special contribution introduced in 2009 (2008 income) on companies with net income above €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 €100 000, top rate being 10 % (income above €5 million).
- Hungary: An 'Innovation tax' of 0.3 % is due on the same base as the local business tax while micro and small enterprises are exempted from paying. In 2010 the corporate income tax in Hungary consists of two components: the standard CIT rate of 19 %, a local tax of maximum 2 % that applies on the gross operating profit (turnover minus costs). Starting from a gross operating profit of 100, companies would pay the local tax of 2. The CIT base is calculated as the profit before tax of 98. A CIT rate of 19 % gives a tax of 18.62. In total the tax paid is 18.62 + 2 = 20.62.
- 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 1 percentage point depending on location. "Robin tax" on financial institutions is not included. From 2012, an ACE allowance is in force, reducing the effective tax rate (see also previous note on Belgium).
- 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.
- 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 %.
- Malta: The rate shown does not take into account the corporate tax refund system.
- 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.
- Portugal: As from 2007 the rate for Portugal includes the maximum 1.5 % rate of a municipal surcharge. As from 1.1.2012 the State tax is 3 % on taxable profits between EUR 1.5 and 10 million and 5 % on profits exceeding EUR 10 million.
- United Kingdom: As of the 1st January 2012 the rate was still 26%. From 1st April the rate has been reduced to 24% as a result of a Budget change (in stead of the foreseen 25%).

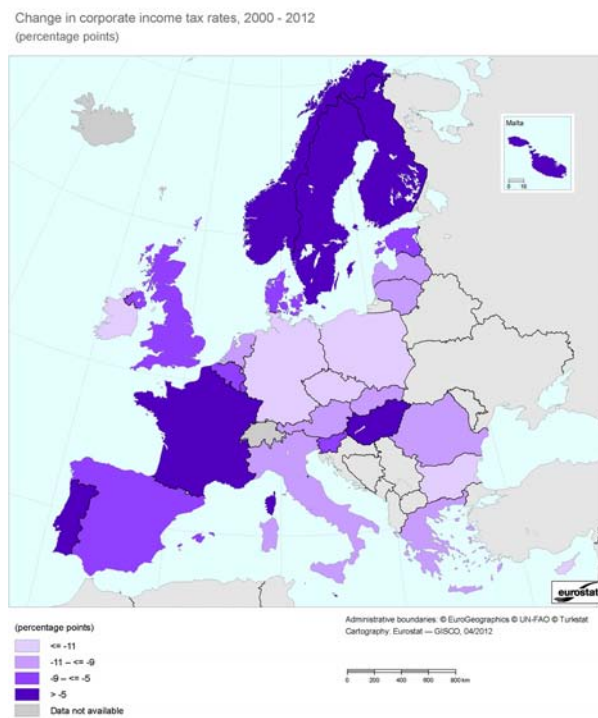
Source: Commission services

## Taxation of capital

### Corporate income tax rates stop declining

Similarly to the trend recorded for the PIT, since the second half of the 1990s, the adjusted top corporate income tax (CIT) rates<sup>(19)</sup> in Europe were cut forcefully since the mid-nineties, from a 35.3 % average to 23.5 % now (see Table 1.5). The crisis, however, first slowed down this trend and then stopped it, as the introduction of a series of surcharges in several countries led to a stabilisation in the EU average in 2012 and even a slight increase in the euro area

**Map 1.4:** Distribution of changes in CIT rates 2000-2012



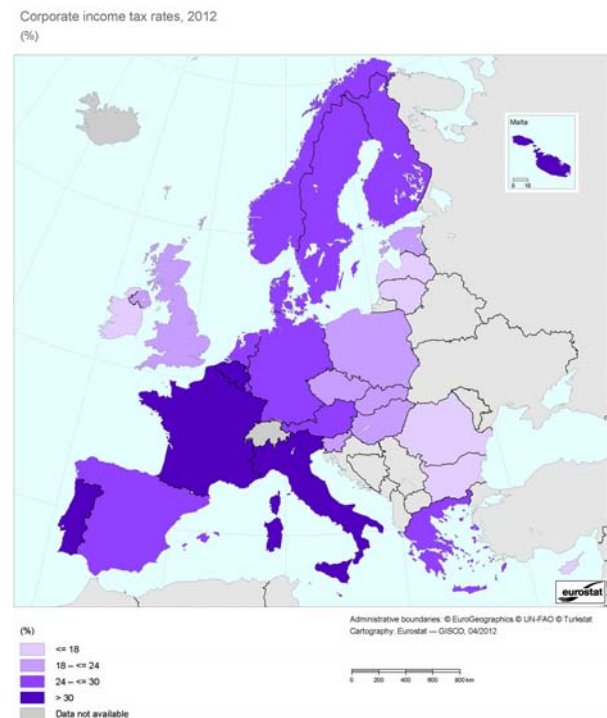
### Lower CIT rate typical of NMS-12

Although the downward trend has been quite general, corporate tax rates still vary substantially within the Union (see Map 1.6).

<sup>(19)</sup> Taxation of corporate income is not only conducted through the CIT, but, in some Member States, also through surcharges or even additional taxes levied on tax bases that are similar but often not identical to the CIT. In order to take these features into account, the simple CIT rate has been adjusted for comparison purposes: notably, if several rates exist, only the 'basic' (non-targeted) top rate is presented; existing surcharges and averages of local taxes are added to the standard rate. Adjustments have been carried out for Belgium, Germany, Estonia, Greece, France, Cyprus, Hungary, Ireland, Italy, Lithuania, Luxembourg and Portugal.

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

**Map 1.5:** Distribution of corporate tax rates 2012



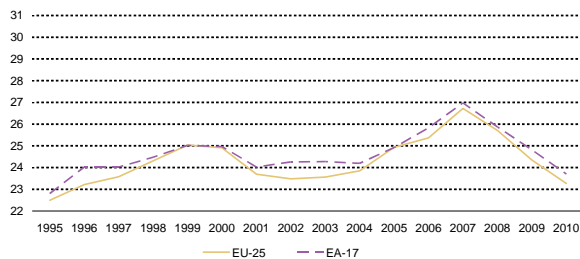
### Capital taxation: revenue held up well until 2007 but now set to decrease under impact of recession and rate cuts

Despite the sizeable decline in rates, revenues from the corporate income tax, the most important tax on capital income, have grown steadily from 2003 to 2007 and underwent a major reduction since then, a decline of 1 % of GDP in the EU-27 average. The downward trend was soothed in 2010 with a drop of only 0.1

points of GDP. A broadly similar trend is visible also in other related indicators such as revenue from taxes on capital and business income taxes. The ITR on capital<sup>(20)</sup> shows a stronger decline for 2010, 1.1 points in the EU-25 average, and this level remains broadly in line with the 2002 one (see Graph 1.16).

Various factors could explain this development. First, the ITR on capital has historically been sensitive to the business cycle: the EU-25 ITR on capital reached a peak between 1999 and 2000, then declined, and picked up again, in line with the business cycle. Inevitably, the effects of the recession affected the ITR already in 2009 and 2010.

**Graph 1.16:** Implicit tax rate on capital 1995-2010, in % (arithmetic average - adjusted for missing data)



Source: Commission services

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

Table 79 in Annex A presents the development of the ITR on capital for all the Member States and years available, showing a broad downward trend similar to that of the rates.

<sup>(20)</sup> The ITR on capital is the ratio between taxes on capital and aggregate capital and savings income. Specifically it includes taxes levied on the income earned from savings and investments by households and corporations and taxes, related to stocks of capital stemming from savings and investment in previous periods. The denominator of the capital ITR is an approximation of world-wide capital and business income of residents for domestic tax purposes.

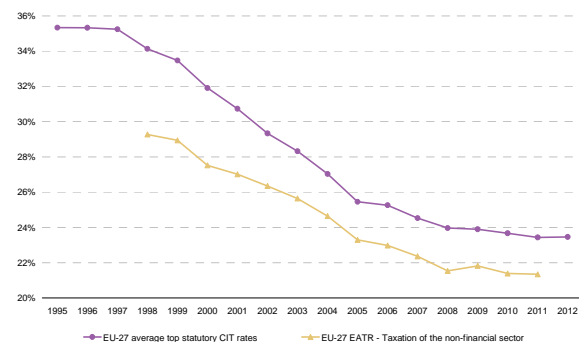
### Stabilisation in effective tax rates at the current end

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

For the EU-27, the average EATR in 2011 is 21.3 %, but this overall average hides considerable dispersion in the EATR levels across the individual Member States (see Table 86 in Annex A). The EATR is the lowest in Bulgaria (8.9 %), Cyprus (10.6 %) and Latvia (12.6 %), and the highest in France (32.8 %), Malta (32.2 %) and Spain (31.9 %). All NMS-12 Member States, except Malta, have effective tax rates below 20 % (16.4 % on average); all EU-15 Member States, except the Netherlands and Ireland, levy taxes at 23 % and higher (25 % on average).

Over the last decade, a significant downward trend in the effective corporate tax levels can be observed on the EU level. Over the same time period, the differential in effective tax levels between the EU-15 Member States and the NMS-12 Member States increased due to intensified tax cuts in the later after EU accession. The fall in EATRs over the last decade largely followed the decrease of the CIT rate with a drop in 2008 more pronounced for the former than for the latter probably due to the numerous tax measures, other than rate cuts supporting the business that many governments introduced at the outbreak of the crisis<sup>(21)</sup>. However, the latest data show a stabilisation.

**Graph 1.17:** Corporate Income Tax rates and Average Effective Taxation indicators, EU-27, 1995-2012, in %



Source: Commission services

<sup>(21)</sup> For detailed list of measures see European Commission (2010b)



**Box 1.4: Capital tax base.**

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

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

**Table: Capital tax base to GDP, 1995-2010, in %**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BE	34.1	33.1	32.7	32.5	30.7	32.3	31.9	30.5	29.1	29.7	30.3	30.8	31.7	30.8	29.6	30.8
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	31.2	30.4	29.0	31.6	31.8	31.5	32.4	31.2	31.5	31.3	32.3	33.3	33.7	32.8	31.5	31.1
DK	21.3	20.4	20.1	17.8	17.9	20.0	19.4	20.0	17.9	17.8	20.1	20.0	17.2	16.5	14.7	:
DE	25.6	25.7	26.5	26.6	25.3	24.7	24.8	25.1	25.4	27.2	28.8	31.0	31.8	30.9	27.1	28.4
EE	:	:	:	:	:	31.8	32.5	32.4	32.2	31.5	31.8	30.3	29.6	25.1	18.5	23.7
IE	:	:	:	:	:	:	:	50.2	49.5	47.8	45.4	46.7	48.7	43.4	40.9	46.5
EL	:	:	:	:	:	:	:	:	:	:	44.0	44.3	42.6	41.0	40.5	39.7
ES	:	:	:	:	:	29.4	29.5	29.2	28.7	28.3	27.7	26.7	26.0	26.1	27.6	:
FR	25.6	25.2	25.7	26.4	25.8	26.1	26.3	25.2	24.9	24.9	24.7	25.0	25.8	25.9	23.5	23.6
IT	41.6	42.2	39.8	37.8	36.4	36.9	37.4	35.7	35.0	35.0	33.8	32.9	32.8	31.7	29.0	29.2
CY	36.2	36.2	35.8	38.1	38.9	40.6	39.7	37.3	32.0	32.2	33.3	33.5	34.2	37.7	32.1	30.7
LV	18.2	20.7	22.5	19.1	20.5	25.4	28.2	31.3	30.4	31.4	28.5	27.4	27.1	23.5	25.6	29.4
LT	27.3	31.0	30.4	28.5	27.0	32.4	34.6	34.9	36.1	36.5	36.6	34.7	34.0	31.6	29.5	33.6
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	23.8	25.4	28.0	27.7	27.4	24.8	26.0	27.6	26.2	27.0	27.0	29.8	28.4	27.0	23.9	27.0
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	32.8	33.7	36.4	35.5	35.3	37.7	37.5	31.9	32.6	34.0	40.6	41.8	45.9	42.0	36.9	43.5
AT	23.0	23.7	24.1	24.8	24.2	25.2	24.2	25.0	25.1	26.3	27.8	28.1	28.4	27.7	25.3	26.7
PL	36.1	34.0	33.6	34.1	32.4	34.9	34.0	34.6	35.7	39.3	38.7	38.4	38.7	37.4	40.0	39.4
PT	29.7	28.6	27.4	26.6	26.3	24.8	24.2	23.5	23.3	23.8	22.2	21.9	23.1	21.2	21.4	22.5
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	16.8	16.8	19.5	19.6	20.6	19.1	18.9	20.3	21.2	21.0	21.1	22.5	23.0	21.3	19.5	18.7
SK	30.9	29.3	28.8	28.4	30.0	30.2	32.5	31.5	30.8	34.0	33.3	36.1	37.5	37.9	34.9	36.4
FI	21.3	21.1	23.0	24.0	24.7	27.2	30.1	27.0	25.3	26.2	25.7	28.8	29.4	25.9	20.4	22.9
SE	24.1	21.7	22.0	20.9	19.9	19.6	18.4	17.8	18.3	22.0	21.3	26.0	22.8	23.2	18.5	19.1
UK	25.8	27.3	27.9	27.6	25.3	24.5	23.9	24.3	26.5	26.5	26.8	27.1	26.6	28.1	27.0	:
NO	23.0	24.8	25.0	21.1	21.8	30.1	29.4	27.3	28.9	31.7	36.0	36.7	34.1	34.8	28.3	30.1

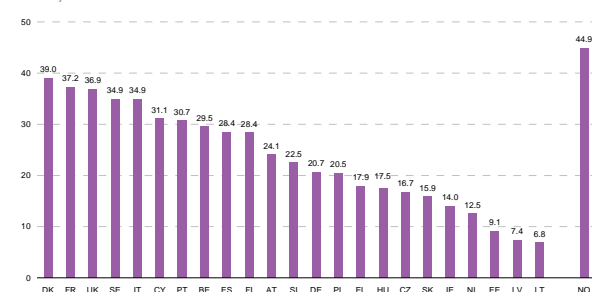
Source: Eurostat ([nasa\\_nf\\_tr](#)), own calculations

**Large differences in taxation of capital stocks/wealth**

The absolute levels of the ITRs on capital differ widely within the EU, ranging from 37.2 % in France (39 % in Denmark based on 2009 data) to a mere 9.1 % in Estonia (see Graph 1.18). A breakdown of the ITR on capital shows that in most cases, the ITRs on capital and business income cluster around 20 % so the variation in the tax burden on capital derives largely from wide differences in the taxation of capital stocks/wealth. Their proceeds are very limited in some Member States, but contribute a significant amount of revenue in several others, depending not only on the tax rates but also on the size and profitability of the capital stock.

In terms of absolute levels, the most striking features are the very high levels of the ITR on corporate income

in Sweden, Italy and Cyprus and its very low levels in the three Baltic Member States and Hungary.

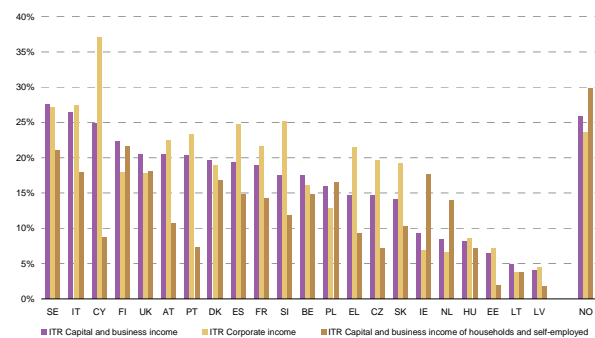
**Graph 1.18: Implicit tax rate on capital 2010, in %**

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

As explained above, the ITR on capital and business income differs from the general ITR on capital as it excludes the taxes on the stock of capital/wealth. It can be broken down further into corporate income or

capital and business income of households and the self-employed (in the form of rents, dividends, interest, insurance income, etc.)<sup>(22)</sup>.

**Graph 1.19:** Implicit tax rate on capital and business income 2010, in %



Note: no data for BG, DE, LU, MT, RO and IS; data for DK, ES and UK refer to 2009; data for PT (corporate income, household and self-employed) refer to 2008

Source: Commission services

## Environmental taxation

### Environmental taxation gaining importance lately

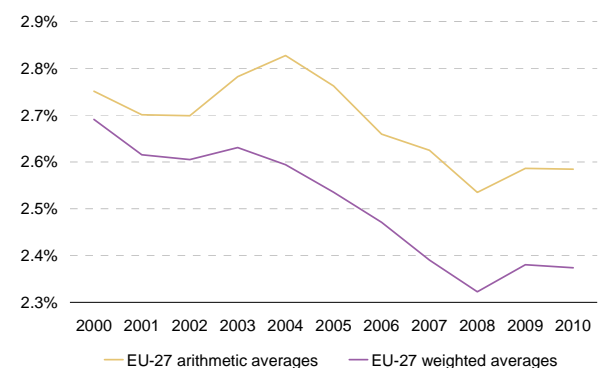
Environmental taxes (officially denoted as "environmentally related taxes") are defined as a tax whose tax base is a physical unit (or a proxy of a physical unit) of something that has a proven, specific negative impact on the environment. Main examples of such taxes are excise duties on energy products,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

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

<sup>(22)</sup> No data are available for Bulgaria, Luxembourg, Malta and Romania. Data coverage for Estonia and Spain starts in 2000, for Ireland in 2002, for Greece in 2005. Data for 2010 for Denmark, Spain and the United Kingdom refer to 2009. In addition, the coverage of the last two ITRs is lower than for the ITR on capital and business income and some adjustments are necessary. For Austria and Portugal the ITR on corporate income represents the tax burden on all companies including the self-employed. This correction is necessary because of the sectoral mismatch in the recording of unincorporated partnerships in national accounts. The profits of partnerships, treated as quasi-corporations in national accounts, are booked in the corporations sector while the corresponding tax payments are recorded in the households sector, given that the owners of the partnership are taxed under the personal income tax scheme. In theory, also for Germany, where partnerships are an important part of companies, a similar correction could be calculated. However, owing to reservations regarding comparability with other Member States, it has been decided not to publish these results.

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

**Graph 1.20:** Environmental tax revenues, 2000-2010, % of GDP



Source: Commission services

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

Table 1.6 shows the environmental tax-to-GDP ratio by Member State. The vast majority of Member States tend to fall in a band ranging from 2 % to 3 % of GDP. Only four Member States show levels below 2 % of GDP, while in three other countries environmental tax revenues exceed 3.5 % of GDP. At 4.0 % in 2010, Denmark and the Netherlands display the highest level of 'green' taxes followed by Slovenia (3.6 %). The lowest environmental tax revenues in relation to GDP are instead found in Spain, France and Lithuania and Slovakia, all below 2 % in 2010.

The predominance of energy taxes is common to most Member States; however, in some countries the contribution of taxes on vehicles is significant: for instance, in Denmark, Ireland, Cyprus and Malta they account for between 36 % and 44 % of environmental taxes. In 2010 tax revenue from these taxes amounted to 0.5 % of GDP in the EU-27, while taxes on pollution/resources raised only 0.1 % of GDP (see Annex A).

**Table 1.6:** Environmental tax revenue in the Union 1995-2010, in % of GDP

																				Difference (% points)	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995-2010	2000-2010			
BE	2.2	2.5	2.5	2.4	2.5	2.3	2.3	2.2	2.3	2.3	2.3	2.1	2.1	2.0	2.0	2.1	-0.2	-0.2			
BG	1.8	1.1	1.3	2.3	2.4	2.7	2.5	2.3	2.9	3.2	3.0	2.9	3.4	3.4	3.0	2.9	1.1	0.3			
CZ	2.7	2.5	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.4	-0.3	0.0			
DK	4.4	4.7	4.7	5.1	5.2	4.7	4.7	4.8	4.7	4.8	4.9	4.8	4.6	4.2	3.9	4.0	-0.4	-0.7			
DE	2.3	2.2	2.2	2.1	2.3	2.4	2.5	2.5	2.7	2.6	2.5	2.4	2.2	2.2	2.3	2.2	-0.1	-0.2			
EE	1.0	1.5	1.6	1.9	1.7	1.7	2.1	2.0	1.9	2.1	2.3	2.2	2.2	2.3	3.0	3.0	2.0	1.3			
IE	3.0	3.1	3.0	3.0	2.9	2.8	2.3	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.4	2.4	-0.7	-0.5			
EL	3.1	3.1	3.1	2.9	2.7	2.3	2.5	2.3	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.4	-0.7	0.1			
ES	2.2	2.2	2.1	2.3	2.3	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.6	1.6	1.6	-0.5	-0.5			
FR	2.5	2.5	2.4	2.4	2.4	2.2	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	-0.7	-0.4			
IT	3.6	3.5	3.4	3.3	3.5	3.2	3.0	2.9	3.0	2.8	2.8	2.8	2.7	2.5	2.7	2.6	-1.0	-0.6			
CY	2.9	2.8	2.5	2.5	2.5	2.7	3.0	3.0	3.8	4.0	3.5	3.3	3.4	3.2	2.9	2.9	0.0	0.2			
LV	1.2	1.7	2.2	3.0	2.5	2.4	2.2	2.3	2.5	2.6	2.7	2.4	2.1	2.0	2.3	2.4	1.2	0.0			
LT	1.9	1.9	2.1	2.5	2.9	2.4	2.5	2.7	2.7	2.7	2.3	1.8	1.8	1.6	2.0	1.9	0.0	-0.6			
LU	3.0	2.9	3.0	2.9	2.8	2.8	2.8	2.8	2.8	3.1	2.9	2.6	2.5	2.5	2.5	2.4	-0.6	-0.4			
HU	2.9	2.9	2.9	3.4	3.3	3.0	2.9	2.8	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.6	-0.3	-0.4			
MT	3.2	3.1	3.5	3.9	4.1	3.6	3.6	3.4	3.3	3.0	3.3	3.4	3.8	3.4	3.4	3.1	-0.1	-0.6			
NL	3.6	3.8	3.8	3.8	3.9	3.9	3.8	3.7	3.7	3.9	3.9	4.0	3.8	3.9	4.0	4.0	0.4	0.1			
AT	2.1	2.1	2.4	2.3	2.3	2.4	2.6	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.4	0.2	-0.1			
PL	1.8	1.9	1.8	1.8	2.1	2.1	2.1	2.4	2.5	2.6	2.7	2.8	2.7	2.6	2.6	2.6	0.7	0.5			
PT	3.4	3.4	3.2	3.4	3.3	2.6	2.9	3.0	3.0	3.0	3.0	2.9	2.8	2.6	2.5	2.5	-0.9	-0.1			
RO	1.8	1.8	2.8	3.1	3.9	3.4	2.4	2.1	2.4	2.4	2.0	1.9	2.1	1.8	1.9	2.1	0.3	-1.4			
SI	4.2	4.3	4.5	5.0	4.1	2.9	3.2	3.3	3.3	3.3	3.2	3.0	3.0	3.0	3.6	3.6	-0.5	0.7			
SK	2.3	2.1	2.0	1.9	2.0	2.2	2.0	2.2	2.4	2.5	2.4	2.3	2.1	2.0	1.9	1.9	-0.5	-0.4			
FI	2.9	3.1	3.3	3.3	3.4	3.1	3.0	3.1	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.8	-0.2	-0.4			
SE	2.8	3.1	3.0	3.0	2.9	2.8	2.8	2.9	2.9	2.8	2.9	2.7	2.6	2.7	2.8	2.8	0.0	0.0			
UK	2.9	2.9	2.9	3.1	3.1	3.0	2.8	2.7	2.7	2.6	2.5	2.4	2.5	2.4	2.6	2.6	-0.3	-0.4			
NO	3.4	3.5	3.5	3.4	3.3	3.0	3.0	3.1	3.1	3.0	2.8	2.8	2.8	2.4	2.6	2.6	-0.8	-0.4			
IS	2.8	3.0	3.0	3.3	3.5	3.3	2.7	2.3	2.6	2.7	2.8	2.5	2.4	1.8	1.6	1.8	-1.0	-1.5			
<b>EU-27 averages</b>																					
weighted	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	-0.3	-0.3			
arithmetic	2.7	2.7	2.8	2.9	2.9	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	-0.1	-0.2			
<b>EA-17 averages</b>																					
weighted	2.7	2.7	2.6	2.6	2.7	2.6	2.5	2.5	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.3	-0.4	-0.3			
arithmetic	2.8	2.8	2.9	2.9	2.9	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.5	2.6	2.6	-0.2	-0.1			

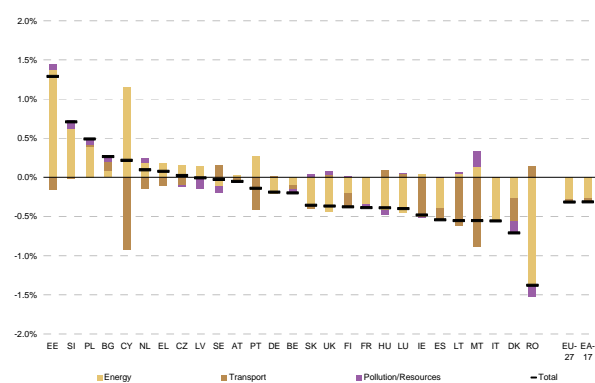
Source: Commission services

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

Graph 1.21 shows the evolution in the structure of environmental taxes between 2000 and 2010. The graph highlights that the moderate decrease in the EU average conceals a number of opposing changes in composition in some Member States. For instance, the overall slight decline in energy taxation should be put in the context of marked increases in several countries. Over the period the highest increase in energy taxation took place in Estonia, over 1 % of GDP, while other countries with non-negligible increases were Cyprus, Slovenia, Slovakia, Portugal and Poland. On the other hand, there has been a strong decrease of energy taxes in Romania amounting to almost 1.5 % of GDP. One can also observe that the level of transport taxes has decreased quite strongly in Cyprus and Malta, the two countries where transport taxes form an important share of environmental taxation, but the fall is partly offset

by increases in energy taxes (Cyprus) or pollution/resources taxes (Malta).

**Graph 1.21:** Evolution of the structure of environmental taxes 2000-2010, difference in % of GDP



Note: Weighted averages  
Source: Commission services

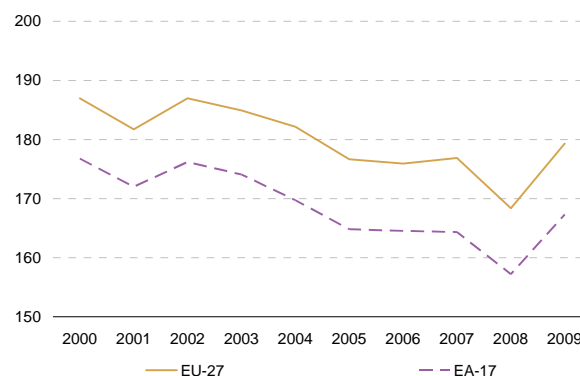
### Increase of the implicit tax rate on energy since 2009

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

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

Data show that in real terms taxation on energy has been trending downward in the 2002-2008 period and that the fall has been sharpest towards the end of that period. However, in 2009, the real ITR on energy at the (GDP-weighted) average level increased sharply and stood above its 2005-2007 levels. Concerning individual countries, the real burden of taxation on energy has increased in 2009 from 2008 levels in nearly all EU Member States, with the exception of Luxemburg, Hungary, Bulgaria and Slovakia where it remained almost unchanged.

**Graph 1.22:** Energy tax revenues in relation to final energy consumption (real ITR on energy) Euro per tonne of oil equivalent, deflated with cumulative % change in final demand deflator (2000=100)

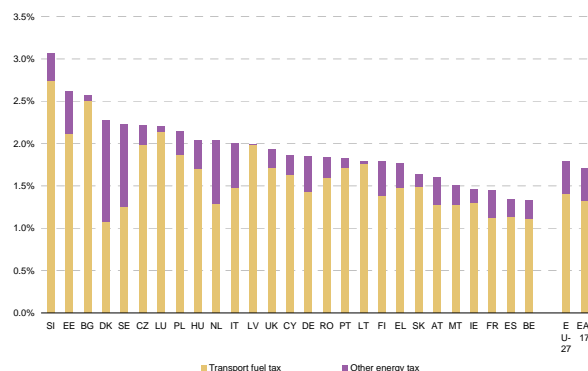


Note: GDP weighted average  
Source: Commission services

### Large share of energy taxes levied on transport fuel

Energy taxes comprise taxes on both transport fuels and stationary<sup>(23)</sup> use of energy products. Graph 1.23 shows the energy tax-to-GDP ratio by Member State and displays which share is stemming from transport fuel taxes. The graph highlights that transport fuels predominate in most countries, with few exceptions (Slovakia, Denmark, Sweden, Italy, the Netherlands). Energy tax revenue is highest in Slovenia, Estonia and Bulgaria (3.1 %, 2.6% and 2.6 % of GDP respectively). This is due, however, not to high tax rates as such but to the high level of final energy consumption.

**Graph 1.23:** Energy tax revenues by Member State 2010, in % of GDP



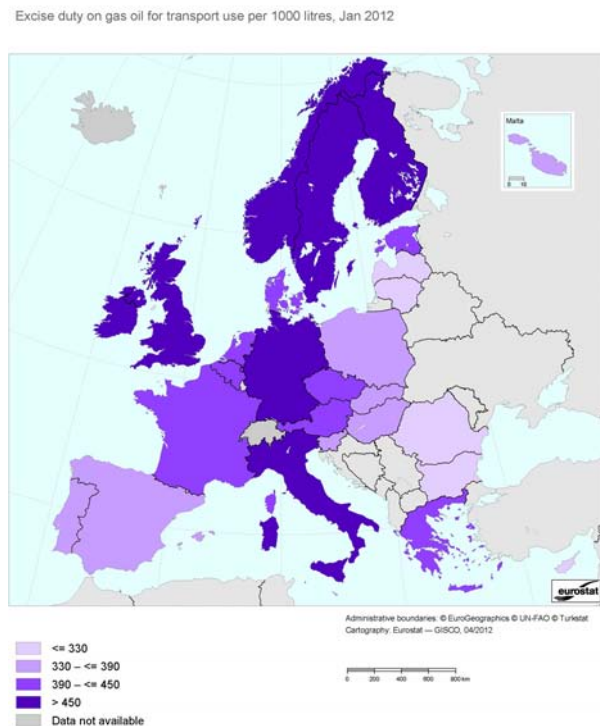
Note: weighted averages  
Source: Commission services

<sup>(23)</sup> Stationary use means the use for stationary business applications (such as industrial processes) and for heating purposes.

### Importance of fuel taxes varies across Member States

The share of fuel taxes differs a lot across the EU, from above 90 % in Latvia, Lithuania, Bulgaria and Luxembourg to only about 50 % in Denmark and Sweden.

**Map 1.6:** Distribution of excise duty of gas oil, Jan 2012

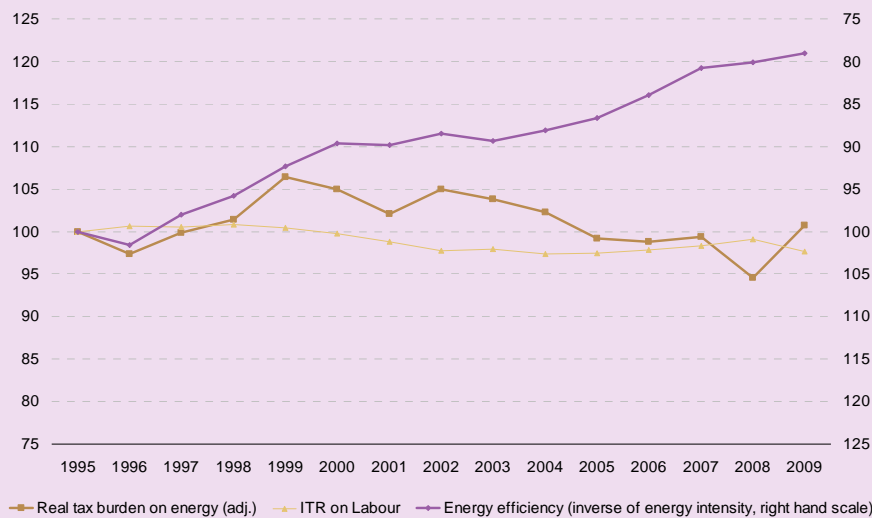


The predominance of transport fuel taxes is striking in the NMS-12 as most of them apply the minimum excise duty, or at least rates close to the minimum, for taxing energy products such as electricity, natural gas and coal. The revenues collected from taxing these products are therefore low compared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

**Box 1.5: Impact on the energy intensity.**

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

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



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

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

## 2. The taxation of property in the EU

### Introduction

The tax regime of property is attracting growing attention from policymakers. This is due to several reasons.

First, a recent strand of the literature on tax reform has identified taxes on immovable property as one of the least detrimental to GDP (see e.g. Arnold (2008), Johansson *et al.* (2008) and Arnold *et al.* (2011)). Given the severity of the recession, it is relevant to examine forms of taxation that are more growth-friendly. Accordingly, one key element emphasized in the Council recommendations<sup>(24)</sup> and the 2012 Annual Growth Survey is the need to shift the burden of taxation away from labour taxes, that discourage employment, towards taxes on consumption and property.

Second, given the need in many countries to find new sources of revenue, and the fact that property taxes are low in many countries, increasing them may offer treasuries a convenient funding solution already in the short term. Furthermore, these taxes are usually characterised by low compliance costs for taxpayers and, once a system is set up, administrative costs for tax authorities are also moderate, particularly for some types of property levies.

Third, recurrent taxes on property offer the advantage of a high stability of tax revenue, which facilitates budgetary planning, an attractive feature particularly for highly indebted countries, for which achieving budgetary targets with certainty is important to obtain favourable debt financing conditions on the capital market.

Fourth, the favourable tax treatment of mortgages is regarded as one of the contributing factors to the housing price bubble that has played an important role in the crisis in several countries. Thus, it is important to ensure a more balanced tax treatment of residential housing. This need was stressed in European Commission (2011d).

Finally, discretionary increases in property taxes might theoretically offer some potential for limiting 'boom and bust' cycles in housing prices, by dampening excessive price increases in the build-up phase<sup>(25)</sup>.

This would not be a trivial advantage: large drops in immovable property prices have typically been an important component in banking crises<sup>(26)</sup> and recessions tend to be deeper when they are accompanied by a 'bust'<sup>(27)</sup>. Reinhart and Rogoff provide considerable evidence that collapses in real estate prices are the main cause of many financial crises<sup>(28)</sup>. Furthermore, volatility in real estate prices varies substantially from one country to another, and this might also be linked to different tax treatment of housing (Catte *et al.*, 2004). There is therefore an interest in exploring the suitability of reforms in tax systems to counter such extreme price fluctuations.

### Measurement issues

Until now, no harmonised data on property tax revenues have been made available on a regular basis for all EU Member States, as the ESA95 system of national accounts does not foresee a specific category for this type of taxes. Data are available only for OECD Members, leaving out six EU Member States. Housing prices, too, are difficult to measure owing to the special characteristics (heterogeneity, infrequent sale and negotiated prices; see Thwaites, Wood, 2003); available statistics often follow different methodologies.

Given the policy importance of property taxes, it has been decided to include in this year's edition of the report an overview of property tax revenue in general with a special focus on recurrent taxes on immovable properties for the entire EU. The approach taken was bottom-up, aggregating property-related taxes in the National Tax List (ESA 95) by applying the OECD classification (see Box 2.1 for more details). Two subgroups were identified – recurrent and other taxes. While the former concerns only immovable property the latter includes also other taxes such as stamp taxes and capital levies. In practice, these taxes are found under the ESA95 categories D.29A and D.59A for recurrent taxes on immovable property and D.91A, B and D.214B, C for non-recurrent taxes - property levies.

<sup>(24)</sup> European Council conclusions, 1-2 March 2012 (EUCO 4/1/12 REV 1)

<sup>(25)</sup> See Allen, F. and Carletti, E., 2011.

<sup>(26)</sup> Eichengreen and Bordo (2003) find that all major banking crises in industrial countries during the postwar period coincided with housing price busts. n addition.

<sup>(27)</sup> See Claessens, Stijn, M. Ayhan Kose, and Marco E. Terrones, 2008, "What Happens During Recessions, Crunches and Busts?," IMF Working Paper No. 08/274.

<sup>(28)</sup> Reinhart, C., Rogoff, K., *This time is Different: Eight Centuries of Financial Folly*, Oxford and Princeton: Princeton University Press, 2009.

Table 2.1: Nominal House Price Indices, 2000=100

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BE	96.1	100.0	103.1	113.0	121.4	128.6	168.2	188.0	204.2	210.9	215.1	224.5
BG	100.8	100.0	100.3	102.2	114.6	169.1	231.0	264.9	341.5	426.7	335.6	301.7
CZ	85.6	100.0	106.9	132.5	146.7	146.5	148.3	148.4	191.8	217.1	:	:
DK	92.6	100.0	102.7	106.0	113.1	127.3	157.7	182.2	184.0	165.9	161.3	163.8
DE	99.0	100.0	101.0	101.0	100.0	100.6	104.2	104.5	104.2	108.7	107.3	108.0
EE	:	:	:	100.0	119.7	170.9	242.7	293.5	314.6	224.9	151.4	:
IE	78.8	100.0	104.5	118.4	134.4	146.2	159.9	178.7	166.4	151.8	123.7	110.3
EL	89.4	100.0	114.4	130.3	137.3	140.5	155.8	176.4	186.9	190.0	183.0	174.4
ES	92.3	100.0	111.1	130.4	154.5	181.1	204.2	222.8	233.5	226.0	211.8	204.4
FR	92.1	100.0	108.1	117.9	131.4	154.5	177.2	194.8	205.9	199.9	191.1	209.1
IT	96.1	100.0	105.7	118.4	125.6	133.3	143.5	151.9	159.4	163.6	162.9	163.1
CY	:	:	:	:	:	:	:	:	:	:	:	:
LV	:	:	:	:	:	:	:	:	:	:	:	:
LT	:	:	:	:	:	:	:	:	:	:	:	:
LU	93.6	100.0	110.4	121.2	136.0	154.4	172.2	178.2	180.9	185.8	181.9	190.1
HU	53.8	100.0	117.3	134.5	160.4	173.0	177.2	186.3	195.2	197.3	184.9	174.4
MT	96.8	100.0	104.3	110.6	122.8	153.8	160.3	175.0	171.9	167.3	158.9	160.6
NL	81.8	100.0	111.1	118.3	122.5	127.7	132.7	138.7	144.6	148.8	143.9	141.0
AT	:	:	100.0	99.7	100.1	97.4	102.1	105.2	109.1	109.1	112.4	118.1
PL	:	:	:	:	:	:	100.0	139.6	191.2	198.7	196.8	205.2
PT	92.2	100.0	105.4	106.0	107.2	107.9	:	:	:	:	:	:
RO	:	:	:	:	:	:	:	:	:	:	:	:
SI	:	:	:	:	:	:	:	:	:	:	:	:
SK	:	:	100.0	139.6	194.9	225.0	201.9	235.8	292.0	356.6	317.0	304.6
FI	:	:	:	:	:	:	:	:	:	:	:	:
SE	89.0	100.0	108.0	114.8	122.4	134.2	147.1	163.9	181.4	186.7	190.5	204.6
UK	85.7	100.0	108.4	126.8	146.7	164.1	173.1	184.0	204.1	202.1	186.4	200.1
EU27	89.4	100.0	106.8	116.4	128.3	144.0	161.4	178.5	193.6	196.1	184.3	185.3

Note: Standardised national house price indices on national values

Source: Hypostat 2010, European Mortgage Federation

There are a number of methodological issues in measuring property tax revenue. Our source, the National Tax List, may in some cases subsume property taxes under a more general category, particularly when the levies are minor or have a purely local character. Similarly to what happens in environmental taxation, there also might be cases where similar levies are booked as 'fees for service' in some countries and as taxes in others. In both instances, the revenue would not be reported in our statistics and would therefore be underestimated.

Another issue, potentially quite important for some countries, is linked with cases of taxes with several tax bases, of which one is based on some measure of property holdings, or one on a base that is a proxy of a property holding. The French 'economic territorial contribution' tax (until 2009 'taxe professionnelle')<sup>(29)</sup> is a good example of this. The tax is designed to collect revenues from both immovable property and total value added, which is composed of labour and capital. It is based on the annual rental value of immovable property and a tax of up to 1.5 % on the added value of the business. Theoretically, the best solution might perhaps be to attribute a portion of the revenue to property taxes, but this is not straightforward, either practically or methodologically. The choice made here was to exclude this tax, similarly to the approach followed by

the OECD<sup>(30)</sup>, but this might skew the comparison notably with the United Kingdom and Ireland, in both of which revenue from taxes levied on the surface of the property occupied by businesses is substantial.

Finally, there is the issue of the taxation of immovable property under the PIT. Many systems tax owner-occupied housing in the PIT by attributing a deemed or imputed (i.e. fictitious) rental income to the property, which is then added to revenues from other sources and taxed at the ordinary marginal progressive rate. In practice, the effective level of taxation here is bound to depend largely on the rules determining the value of the property, which may at times underestimate considerably its real value and may differ significantly from one country to another.

In addition, the effective level of taxation depends strongly on the degree of deductibility of mortgage interest payments or other housing-related costs (insurance premia, etc.), which goes in the opposite direction. Table 5.13 of the Commission report 'Tax reform in EU Member States'<sup>(31)</sup> gives an overview of mortgage deductibility rules for a number of the euro area countries. Although these factors are likely to have an impact on the effective tax rate on property, this element was left out of the scope of the analysis.

<sup>(29)</sup> More detailed information about the legal and assessment base of this tax is available in the "Taxes in Europe" database (<http://ec.europa.eu/tebd>)

<sup>(30)</sup> OECD classifies "taxe professionnelle" under 6100, Other taxes payable solely by businesses

<sup>(31)</sup> European Commission (2011d)



**Box 2.1: Taxes on property - classification.**

The classification of taxes on property applied in this report follows, with some adjustments, the approach employed in OECD (2011), which distinguishes six categories of property taxes: 1) recurrent taxes on immovable property; 2) recurrent taxes on net wealth; 3) estate, inheritance and gift taxes; 4) taxes on financial and capital transactions; 5) other non-recurrent taxes on property and 6) other recurrent taxes on property. The following comparative table between System of National Accounts (2008 SNA) and European System of Accounts (1995 ESA) was used:

OECD classification	2008 SNA	1995 ESA	ESA 95 classification	Taxation trends report
<b>4000 Taxes on property</b>				<b>Taxes on property</b>
4100 Recurrent taxes on immovable property				} Recurrent taxes on immovable property
4110 Households	D.59-8.63(a)	D.59A	Current taxes on capital	
4120 Other	D.29-7.97(b)	D.29A	Taxes on land, buildings or other structures	
4200 Recurrent net wealth taxes				} Other property taxes
4210 Individual	D.59-8.63b	D.59A	Current taxes on capital	
4220 Corporations	D.59-8.63b	D.59A	Current taxes on capital	
4300 Estate, inheritance and gift taxes				
4310 Estate and inheritance taxes	D.91-10.207b	D.91A	Taxes on capital transfers	
4320 Gift taxes	D.91-10.207b	D.91A	Taxes on capital transfers	
4400 Taxes on financial and capital transactions	D.59-7.95d; D.29-7.96e	D.214B, C	Stamp taxes Taxes on financial and capital transactions	
4500 Other non-recurrent taxes on property	D.91-10.207a	D.91B	Capital levies	
4600 Other recurrent taxes on property	D.59-8.63c	D.59A	Current taxes on capital	

For the purpose of this publication the overall level of property taxes is obtained by aggregating the revenue of the following ESA categories: D.214B, C, D.29A, D.59A, D.91A, B. The total is split to recurrent taxes (D.29A+D.59A (excl. wealth taxes)) and other property taxes (D.214B, C + D.59A + D.91A, B). D.59A appears in the two groups of property taxes as wealth related taxes were excluded from recurrent property taxes and included only in non-recurrent. Given the broad definition of the statistical categories some additional adjustments were made such as excluding taxes on motor vehicles, roads, boats, farm contributions, stamp taxes on alcohol, tobacco (from D.214B, C) and others from D.29A and D.59A in a number of countries (BE, CZ, DK, FR, IT, CY, LV, AT, PL, PT, RO, SI and UK). The detailed list of taxes included in the computation of property taxes for every country is available in the National Tax List published online at <http://ec.europa.eu/taxtrends>.

Possible discrepancies between results published by OECD and those presented in this report could stem from different allocation of tax payments in the two classifications - OECD and National Tax List (ESA95) – as well as from different time-point of data reporting. With few exceptions, the results obtained for those countries which are included in both samples are very close to the OECD data.

Overall, it seems likely that the deductibility of mortgage interest largely offsets, or may even exceed, the deemed revenue component. If that is true, this would tend to reduce the net tax revenue from property shown here.

## Revenue from property taxes

Table 2.2 below shows the development since 1995 of revenue from property taxes as such in the EU Member States. Two features of property taxation stand out clearly. One is that revenue levels differ very substantially across Member States. While no Member State exempts property completely from taxation, revenue levels in the country with the lowest levels of such taxes (Estonia, 0.4 % of GDP) are almost twelve times lower than in the country with the highest level of property tax revenues (the United Kingdom at 4.2 % of GDP). The share of total property taxes on the overall tax revenue also varies widely, from 1 % to 11.9 % (see Table 2.3).

The level of property taxes correlates weakly with the total tax burden: it is fairly low in a number of countries with above-average tax levels (for example, Austria or Germany), but there are also instances of relatively high levels in countries with moderate overall tax-to-GDP ratios (e.g. in Spain or the United Kingdom).

## Types of property taxes

Property taxes include different types of levies. One important distinction is between *recurrent taxes on immovable property*, which typically take the form of annual payments due by the owner, whose amount is linked to some measure of the value of the property, measured at a point in time and periodically revalued using an index; and *transaction taxes* that are typically charged on the occasion of the sale or transfer of the property (these include not only immovable property but also net wealth and other non-financial and financial assets).

**Table 2.2:** Taxes on property - total  
% of GDP, 1995-2010

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Revenue <sup>1)</sup> 2010
BE	2.4	2.6	2.7	2.9	2.9	2.8	2.8	2.8	2.9	3.2	3.1	3.2	3.1	3.1	3.0	3.1	11 037
BG	0.3	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.4	0.6	0.7	0.7	0.5	0.5	187
CZ	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	662
DK	1.7	1.6	1.7	1.8	1.8	1.6	1.7	1.7	1.8	1.8	1.9	1.9	1.9	2.0	1.9	1.9	4 523
DE	0.9	0.9	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.8	21 010
EE	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.4	51
IE	1.5	1.6	1.6	1.6	1.7	1.7	1.7	1.5	1.9	2.1	2.4	2.8	2.5	1.9	1.6	1.6	2 471
EL <sup>2)</sup>	1.2	1.3	1.4	1.4	1.9	2.0	1.6	1.4	1.3	1.2	1.2	1.6	1.6	1.6	1.3	0.9	1 998
ES	1.8	1.8	2.0	2.1	2.2	2.2	2.2	2.3	2.6	2.8	3.1	3.3	3.1	2.4	2.1	2.1	22 571
FR	2.6	2.8	2.9	3.0	3.1	2.9	2.9	2.9	3.0	3.2	3.3	3.3	3.4	3.3	3.3	3.4	66 501
IT	2.0	2.0	2.7	2.4	2.0	1.9	1.8	1.9	1.8	1.9	1.8	2.0	2.0	1.7	2.2	1.9	28 902
CY	0.6	0.5	0.5	0.6	0.6	1.5	1.0	0.8	0.9	1.6	1.9	1.3	2.0	1.4	0.9	1.0	167
LV	1.0	1.0	1.1	1.2	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.6	0.9	0.7	0.7	0.9	154
LT	0.7	0.8	0.7	0.7	0.8	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	147
LU	1.4	1.5	1.6	1.8	1.9	1.9	1.7	1.5	1.4	1.3	1.4	1.4	1.5	1.2	1.1	1.1	435
HU	0.5	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	1.1	1 105
MT	1.0	0.9	0.9	0.8	0.8	0.8	0.9	1.1	1.2	1.6	1.6	1.6	1.7	1.3	1.1	1.1	66
NL	1.5	1.7	1.8	1.8	1.9	2.0	1.8	1.8	1.8	1.8	1.9	1.7	1.7	1.5	1.3	1.3	7 569
AT	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.5	1 488
PL	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	4 194
PT	1.1	1.0	1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.4	1.3	1.2	1.2	2 096
RO	0.3	0.2	0.2	0.4	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.8	1.0	0.8	0.8	0.9	1 038
SI	0.6	0.5	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	219
SK	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	277
FI	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.0	1.1	1.2	1.1	1.1	1.1	1.1	1.2	2 087
SE	1.3	1.8	1.9	1.8	1.8	1.7	1.5	1.5	1.5	1.5	1.4	1.4	1.1	1.0	1.1	1.1	3 656
UK	3.4	3.5	3.6	3.7	3.9	4.2	4.2	4.2	4.1	4.2	4.3	4.5	4.5	5.7	4.3	4.2	71 854
EU-27	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.3	1.3	1.4	1.5	1.5	1.5	1.4	1.3	1.3	256 465
EU-17	1.2	1.3	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.6	1.6	1.6	1.4	1.4	1.3	168 945

1) In millions of euro

2) Data for Greece is provisional for years 2003-2010

Source: Commission services

Property transactions may also be taxed through a capital gains tax. This latter form of taxation is however not specifically discussed in this paper<sup>(32)</sup>. In addition, property, like other forms of capital, may be subject to extraordinary levies.

Another distinction that is particularly relevant for policy purposes is that by type of taxpayer, i.e. households or business, or equivalently by destination of the immovable property (private or business use). This distinction draws its importance from the fact that the immovable property owned by businesses serves as an input in the production process; hence, taxing them creates a distortion in the choice of inputs, whereas this difficulty does not arise in the case of private homes<sup>(33)</sup>. A relatively high level of taxation of business property is found, for example, in the United Kingdom where business rates account for some 1.5 % of GDP. Unfortunately, the data in the National Tax

List do not allow at this point in time to reliably separate the two for all countries<sup>(34)</sup>.

Recurrent and transaction taxes have vastly different economic properties, with substantial policy implications. Transaction taxes on immovable property, if they represent more than an insignificant fraction of the sale cost, suffer from substantial disadvantages. Generally speaking, by inserting a wedge between buyers and sellers, they reduce market efficiency and, depending on their amount, may affect its depth. Disequilibria created by high transaction taxes on immovable property may also spill over to other markets: if they are high enough to discourage transactions, they might hinder labour mobility within and between countries and thus slow down the adjustment of the labour market to asymmetric shocks or structural imbalances. They may also lead people to hoard housing: if they make transactions more costly, people may buy a larger house than necessary in

<sup>(32)</sup> Catte et al. (2004) suggest that the taxation of capital gains on housing assets can be seen as having similar effects to transaction costs if the tax is levied when the gains are realised, as is usually the case. However, while most OECD countries apply capital gains taxes to residential property, a majority exempt owner-occupied dwellings that are the owner's main residence.

<sup>(33)</sup> Exemption of business use of housing may however create some avenues for evasion in the case of mixed business/residential use of property by e.g. the self-employed or through assignment of residential property to business uses.

<sup>(34)</sup> A third distinction is between land and housing taxes. This distinction is important from a theoretical viewpoint because the two types have different economic properties, partly linked to the fact that land, unlike housing, is in a fixed amount, thus creating rents, and is not subject to economic wear and tear; in practice however housing taxes implicitly include a tax on the land surface. For a discussion of this distinction and its theoretical and policy implications see Mirrlees et al. (2011), chapter 16.

**Table 2.3:** Taxes on property - total  
% of total taxation, 1995-2010

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BE	5.5	5.9	6.1	6.4	6.3	6.3	6.2	6.3	6.6	7.0	6.9	7.2	7.1	7.0	6.9	7.1
BG	0.8	0.8	0.3	0.8	0.8	0.8	0.8	1.0	1.1	1.1	1.3	1.9	2.1	2.2	1.9	1.9
CZ	1.5	1.5	1.6	1.7	1.5	1.5	1.5	1.5	1.5	1.1	1.2	1.2	1.2	1.2	1.2	1.3
DK	3.5	3.3	3.4	3.6	3.6	3.2	3.4	3.6	3.8	3.7	3.7	3.8	3.8	4.1	4.0	4.0
DE	2.2	2.3	2.1	2.2	2.2	2.1	2.1	2.1	2.2	2.3	2.3	2.3	2.3	2.2	2.2	2.2
EE	1.0	1.1	1.1	1.1	1.1	1.3	1.2	1.1	1.1	1.0	0.9	0.8	0.7	0.9	1.0	1.0
IE	4.7	4.8	4.9	5.1	5.5	5.5	5.7	5.3	6.4	6.9	7.8	8.9	8.1	6.3	5.7	5.6
EL <sup>1)</sup>	4.1	4.4	4.7	4.4	5.6	5.8	4.8	4.1	4.1	3.8	3.8	5.0	5.0	5.0	4.3	2.8
ES	5.7	5.6	6.0	6.2	6.4	6.5	6.5	6.8	7.5	8.1	8.7	9.0	8.3	7.3	7.0	6.7
FR	6.2	6.3	6.6	6.8	6.8	6.6	6.6	6.8	7.0	7.3	7.5	7.5	7.7	7.5	7.9	8.1
IT	4.9	4.9	6.1	5.6	4.9	4.6	4.3	4.6	4.4	4.6	4.6	4.8	4.7	4.1	5.2	4.4
CY	2.3	2.0	2.0	2.3	2.0	5.0	3.2	2.5	2.7	4.9	5.3	3.6	5.0	3.6	2.4	2.7
LV	3.0	3.2	3.3	3.6	2.8	3.2	3.1	2.9	2.8	2.7	2.3	2.0	3.0	2.3	2.7	3.1
LT	2.6	2.8	2.4	2.2	2.4	2.4	2.1	2.1	1.9	1.7	1.5	1.4	1.2	1.3	1.7	2.0
LU	3.7	4.1	4.1	4.4	5.0	4.9	4.4	3.9	3.7	3.6	3.7	3.9	4.3	3.4	3.0	2.9
HU	1.2	1.5	1.5	1.6	1.6	1.7	1.8	1.8	2.1	2.2	2.2	2.2	2.0	2.1	2.0	3.0
MT	3.8	3.7	3.3	3.3	3.0	2.8	3.0	3.7	3.7	5.0	4.8	4.6	4.8	3.9	3.2	3.2
NL	3.8	4.2	4.4	4.6	4.8	4.9	4.7	4.9	4.7	4.9	5.1	4.3	4.3	3.9	3.4	3.3
AT	1.4	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.2
PL	2.8	2.9	3.0	3.1	3.3	3.5	4.0	4.4	4.2	4.2	4.0	3.7	3.4	3.5	3.8	3.7
PT	3.6	3.2	3.2	3.6	4.0	4.0	3.8	3.9	3.8	3.8	4.0	4.0	4.3	4.0	4.0	3.9
RO	1.0	1.0	0.7	1.3	1.9	2.2	2.5	2.4	2.7	2.6	2.5	2.9	3.3	3.0	2.9	3.1
SI	1.4	1.4	1.7	1.9	1.9	1.7	1.7	1.6	1.5	1.5	1.5	1.6	1.6	1.5	1.6	1.6
SK	1.3	1.5	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.5	1.4	1.3	1.5	1.5
FI	2.2	2.3	2.3	2.4	2.4	2.4	2.3	2.4	2.3	2.6	2.7	2.5	2.6	2.6	2.6	2.7
SE	2.8	3.6	3.8	3.6	3.5	3.4	3.1	3.1	3.1	3.1	2.9	2.9	2.4	2.2	2.3	2.3
UK	9.9	10.1	10.3	10.4	10.7	11.5	11.4	11.9	11.8	11.9	11.9	12.2	12.4	15.1	12.5	11.9
EU-27	3.2	3.3	3.4	3.5	3.6	3.7	3.6	3.6	3.7	3.9	3.9	4.0	4.0	3.8	3.6	3.6
EU-17	3.4	3.5	3.6	3.7	3.8	4.0	3.7	3.7	3.8	4.1	4.3	4.3	4.3	3.9	3.7	3.6

1) Data for Greece is provisional for years 2003-2010

Source: Commission services

anticipation of family growth and perhaps hold on to an unnecessarily large home later in life, leading to wasteful usage of the building stock<sup>(35)</sup>.

With regards to the business cycle, revenue from transaction taxes is more cyclical, peaking during housing booms and dropping during busts as not only prices vary but also the number of transactions<sup>(36)</sup>.

According to some studies, the difficulty of accounting for booms and bust cycles in cyclical adjustment may have contributed to an overestimation of the structural budget balance as temporary tax revenues, e.g. on transactions, were considered to be permanent<sup>(37)</sup>. At any rate, revenues from transaction taxes on immovable properties are more erratic compared with the regular and foreseeable behaviour of recurrent taxes<sup>(38)</sup>.

<sup>(35)</sup> See for example Chiuri, M, and Jappelli, T, 2008

<sup>(36)</sup> Transaction volumes drop significantly more than both income and asset prices. See Gurdjev (2009).

<sup>(37)</sup> European Commission (2010a)

<sup>(38)</sup> See Gurdjev, (2009), for a detailed comparison of the properties of recurrent vs. transaction taxes in Ireland.

Finally, transaction taxes on immovable property are rather questionable from an equity perspective as there seems to be no valid reason to penalise those who buy and sell property more frequently compared to buy-and-hold agents. They also offer some opportunity, through underreporting of sales prices, of tax evasion.

Recurrent annual taxes are not affected by these disadvantages. To the extent that they, at least partly, effectively fall on land values, they tax a rent and thus do not affect output. Tax capitalisation implies that a discretionary increase may be effective in dampening booms, while another advantage is that their revenue is highly predictable. Although the difficulty of instantaneously and fully adjusting for immovable property values does imply a certain pro-cyclicality of these taxes, as their burden will tend to increase in a phase of declining prices, in principle nothing prevents governments from enacting discretionary cuts in a slump. Moreover, recurrent immovable property taxes can be made to be progressive and they are more difficult to evade than taxes such as the PIT or the CIT,

**Table 2.4:** Recurrent taxes on immovable property  
% of GDP, 1995-2010

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Revenue <sup>1)</sup> 2010
BE	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.3	4 494
BG	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	98
CZ	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	346
DK	1.0	1.0	1.0	1.0	1.1	1.0	1.1	1.1	1.2	1.2	1.1	1.1	1.1	1.2	1.4	1.4	3 244
DE	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	11 310
EE	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.4	51
IE	0.8	0.8	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1 385
EL <sup>2)</sup>	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.3	0.3	0.4	0.4	0.3	592
ES	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.9	1.0	10 082
FR	1.8	1.9	1.9	2.0	2.0	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.1	2.1	2.3	2.3	44 512
IT	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.6	0.6	9 193
CY	0.3	0.3	0.3	0.4	0.3	0.4	0.4	0.5	0.5	0.6	0.6	0.9	1.5	1.0	0.6	0.6	111
LV	1.0	1.0	1.1	1.2	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.6	0.8	0.6	0.6	0.8	138
LT	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.4	102
LU	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	30
HU	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	299
MT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
NL	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	3 040
AT	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	615
PL	1.0	1.0	1.1	1.1	1.1	1.1	1.3	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	4 121
PT	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	1 045
RO	0.3	0.2	0.2	0.2	0.4	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.7	0.6	0.6	0.7	844
SI	0.4	0.4	0.5	0.5	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	173
SK	0.4	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	277
FI	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.6	0.6	1 169
SE	0.8	1.3	1.4	1.2	1.1	1.0	0.9	1.0	0.9	0.9	0.9	0.8	0.8	0.7	0.8	0.8	2 715
UK	3.0	3.0	3.0	3.0	3.0	3.1	3.2	3.2	3.2	3.2	3.3	3.2	3.2	3.3	3.5	3.4	58 144
EU-27	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	158 130
EU-17	0.5	0.6	0.5	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	88 079

1) In millions of euro

2) Data for Greece is provisional for years 2003-2010

Source: Commission services

making them, at least potentially, attractive from an equity point of view<sup>(39)</sup>.

### Revenue by type of tax

Tables 2.4 and 2.5 show respectively the levels of revenue from recurrent taxes on immovable property and transaction taxes on property in general (proxied as non-recurrent taxes) up to 2010. Despite the above-mentioned advantages, the data show that recurrent taxes on immovable property raise, on average, only the same amount of taxes as transaction taxes. In some cases, transaction taxes actually contribute more income than recurrent taxes (Luxembourg, Malta, Italy, Belgium). At the other end, the United Kingdom, France, Poland and Denmark all show significantly higher levels of recurrent taxes on immovable properties than transaction taxes on property as such<sup>(40)</sup>.

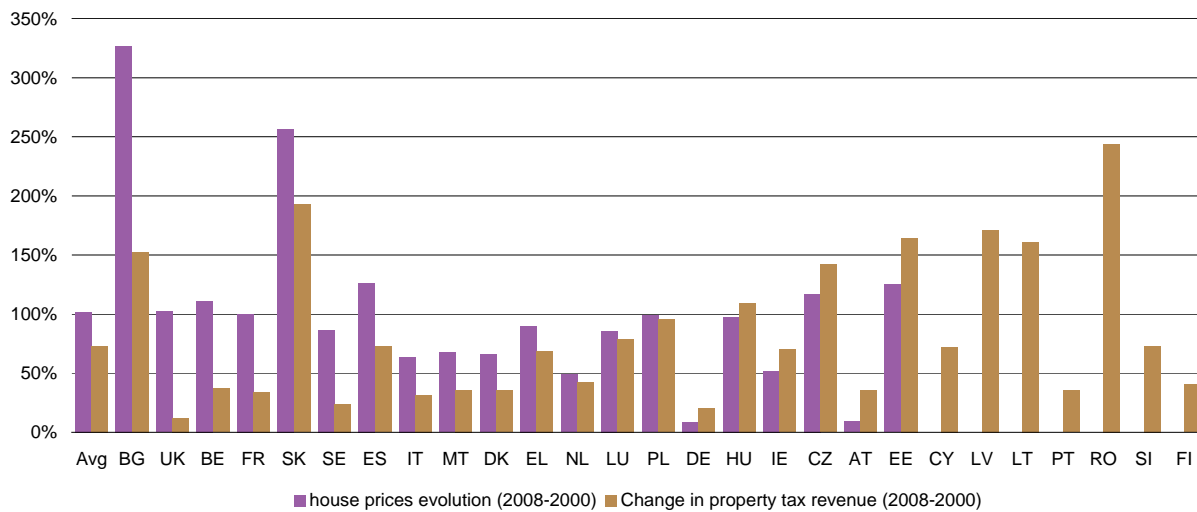
<sup>(39)</sup> One difficulty in this respect, however, is that in many cases the housing values retained for the tax base have not been updated in a way that effectively tracks market values, leading to distortions. Modern technology may make this easier in the future. Italy is currently reforming its land property registry with the aim of achieving a closer link to market prices.

<sup>(40)</sup> In the case of Denmark this is partly due to a decline in transaction tax revenues in the current slump. In France and the United Kingdom revenue levels for transaction taxes have not declined much.

Looking at recurrent taxes on immovable property, the wide gap between Member States suggests that, given its attractive efficiency properties, in many of them some room exists for increasing this type of tax: the EU-27 average is 0.7 % of GDP compared to revenue levels close to or above 1.5 % for the United Kingdom, France and Denmark. This would not imply an increase of the general level of taxation, as the funds raised could be directed at cutting tax rates on highly distortionary taxes such as labour taxes or the CIT. Italy, which was characterised by the highest ITR on labour in the EU-27 in 2010, while exhibiting below-average recurrent immovable property taxation has recently gone in that direction in the December 2012 tax package, as a sharp increase in recurrent property taxation was used in part to finance cuts in labour taxes for some disadvantaged categories of workers<sup>(41)</sup>.

An interesting question is whether over the medium term, recurrent taxes hold up with the increase in house prices. The main reason why they might not is because tax administrations have in the past not actively sought to keep the values used to determine the tax base closely linked to actual values, partly owing to cost reasons, and have therefore typically opted for some

<sup>(41)</sup> See the Country Chapter for Italy in this report.

**Graph 2.1:** Growth in house prices and revenue from recurrent immovable property taxes, 2000-2008

Note: Avg: The average only include those countries for which data on the house price evolution and on the change in property tax revenue are available  
Source: Commission services

sort of indexation instead. However, national-level indexation is likely to be an imperfect tool in this area as price changes are likely to be driven to a large extent by local factors. Furthermore, increases in recurrent housing taxes are quite visible and therefore unpopular. Graph 2.1 shows the relationship between the growth of recurrent immovable property tax revenue and house prices in EU Member States from 2000 to 2008. The picture shows indeed a certain prevalence of house price increases over tax revenue increases, in line with expectations (in those countries for which both type of data were available, in the period in question house prices increased by 102 % on average, while nominal tax revenue rose 73 %); but this should be interpreted with caution particularly for countries where strong drops in prices were registered in the last few years.

Although our data on transaction taxes look broadly at property as such, if one observes the EU average, revenues from transaction taxes have varied surprisingly little over the 1995-2010 period, remaining in a narrow 0.6 %-0.8 % of GDP band despite the wide gap in growth between the peak of the cycle and the current deep recession. However, the developments in the countries most affected by the crisis provide a powerful reminder of the risks for budgetary stability of relying on revenue from transaction taxes (see Table 2.5). In Greece, Ireland, and Spain annual revenue levels fell by between 0.4 % and 0.6 % of GDP between 2008 and 2010<sup>(42)</sup>; for the latter two countries, the destabilising effect was even greater

<sup>(42)</sup> In the United Kingdom too annual revenue fell by a strong 1.5 % of GDP from 2008 to 2010, but this was almost entirely due to a capital levy on the banking sector introduced as a one-off in 2008.

considering that by 2008 revenues had already dropped by about 1 % of GDP compared to their peak two years earlier. In Italy and Portugal, in contrast, revenue levels were only slightly down<sup>(43)</sup>. Estonia was unaffected (from a budgetary viewpoint) by a near halving of house prices between 2006 and 2009 because it does not raise any significant direct revenue from property transactions, while recurrent tax revenue held up well and even increased in that period, highlighting the stability of this tax.

In addition, given the negative impact of high immovable property transaction taxes on labour market adjustment, it seems noteworthy that some of the countries with a highest gap between transaction and recurrent tax revenue (Italy and Belgium) are also characterised by significant regional differences in employment ratios<sup>(44)</sup>.

It is worth casting a more detailed look at the six EU countries for which no OECD data on property taxation are available, i.e. Bulgaria, Cyprus, Latvia, Lithuania, Malta and Romania. With regard to recurrent taxes on immovable property, two of them (Romania and Latvia) show revenue levels that are close to the EU arithmetic average of 0.74 % of GDP, Cyprus is slightly below, while Bulgaria's and Lithuania's revenue levels are about half of the EU average. Malta is the only EU country not raising any revenue from recurrent immovable property taxes.

<sup>(43)</sup> House prices were unchanged in Italy from 2006 to 2010. Our source (Hypostat 2010) does not provide data on housing prices in Portugal for this period. However, other sources such as Confidencial Imobiliário produce such data, but for country comparability reasons was not used in this report.

<sup>(44)</sup> The negative impact of high transaction taxes on internal labour migration is however likely not to apply to Malta and Luxembourg as their limited geographic size facilitates internal mobility.

**Table 2.5:** Transaction taxes on property in general  
% of GDP, 1995-2010

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Revenue <sup>1)</sup> 2010
BE	1.2	1.3	1.5	1.6	1.6	1.6	1.6	1.5	1.6	1.9	1.8	2.0	1.9	1.9	1.7	1.8	6 543
BG	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.3	0.4	0.5	0.5	0.3	0.2	89
CZ	0.3	0.3	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	316
DK	0.7	0.7	0.7	0.8	0.7	0.5	0.6	0.6	0.6	0.7	0.8	0.8	0.7	0.7	0.5	0.5	1 279
DE	0.3	0.3	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	9 700
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
IE	0.7	0.8	0.9	1.0	1.1	1.2	1.1	0.9	1.3	1.4	1.7	2.2	1.9	1.1	0.7	0.7	1 086
EL <sup>2)</sup>	1.0	1.1	1.3	1.3	1.7	1.8	1.4	1.2	1.1	1.0	1.1	1.2	1.3	1.2	0.9	0.6	1 406
ES	1.2	1.2	1.3	1.4	1.5	1.6	1.5	1.7	1.9	2.1	2.4	2.6	2.4	1.6	1.2	1.2	12 489
FR	0.8	0.8	1.0	1.0	1.0	1.1	1.1	1.0	1.0	1.2	1.2	1.2	1.3	1.1	1.0	1.1	21 989
IT	1.2	1.2	1.8	1.6	1.2	1.1	1.0	1.0	1.0	1.0	1.0	1.2	1.2	1.1	1.6	1.3	19 709
CY	0.3	0.3	0.3	0.3	0.2	1.1	0.6	0.3	0.3	1.0	1.2	0.4	0.5	0.4	0.3	0.3	56
LV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	16
LT	0.4	0.4	0.3	0.3	0.3	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	45
LU	1.3	1.4	1.5	1.6	1.8	1.8	1.6	1.4	1.3	1.3	1.3	1.3	1.5	1.1	1.1	1.0	405
HU	0.4	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.8	806
MT	1.0	0.9	0.9	0.8	0.8	0.8	0.9	1.1	1.2	1.6	1.6	1.6	1.7	1.3	1.1	1.1	66
NL	0.9	1.1	1.2	1.2	1.3	1.4	1.2	1.2	1.1	1.1	1.2	1.2	1.2	1.0	0.8	0.8	4 529
AT	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	873
PL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	73
PT	0.7	0.6	0.6	0.7	0.8	0.8	0.8	0.8	0.7	0.6	0.7	0.7	0.8	0.7	0.6	0.6	1 051
RO	0.0	0.0	0.0	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	194
SI	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.1	0.1	46
SK	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0
FI	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.5	0.5	918
SE	0.5	0.5	0.5	0.6	0.7	0.7	0.6	0.5	0.5	0.6	0.5	0.5	0.3	0.3	0.3	0.3	941
UK	0.5	0.5	0.6	0.7	0.9	1.1	1.0	0.9	0.8	1.0	1.0	1.3	1.3	2.4	0.8	0.8	13 710
EU-27	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.7	0.8	0.8	0.8	0.7	0.6	0.6	98 335
EU-17	0.7	0.7	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.9	1.0	1.0	1.0	0.8	0.7	0.7	80 866

1) In millions of euro

2) Data for Greece is provisional for years 2003-2010

Source: Commission services

Looking at transaction taxes<sup>(45)</sup>, the situation is exactly reversed for Malta, which raises a high amount of revenue (1.1 %, almost double the EU average) from transaction taxes, while all remaining five countries show rather low revenue levels at half the EU average or less. For Cyprus, however, this development appears linked to the boom-bust property cycle in this Member State, as current revenues (0.3 %) are one fourth of the level reached in 2005. In Bulgaria too transaction tax revenue follows fairly closely the boom-bust price cycle. The volatility of the number of transactions of

immovable properties can affect revenue substantially even when prices fluctuate less, as shown by the relatively strong drop in revenue in Malta between 2005 and 2010 even at unchanged house prices<sup>(46)</sup>. Slowdowns in the housing market indeed tend to affect the number of transactions more than their prices.

<sup>(45)</sup> It should be noted that under the current methodology the category "transaction taxes" is too broad and does not concern immovable properties only

<sup>(46)</sup> The drop in the revenue as measured by its share of GDP was not only due to sluggish market conditions, which accounted for about 0.2% of GDP, but also to revenue not keeping pace with the strong GDP growth.

### Property taxes as a tool to dampen housing booms

The large negative impact of boom-busts episodes on growth raise the issue of whether property taxes could be used to dampen their amplitude, by restraining price growth in the upswing. The advantage of using property taxes would be that monetary policy is a blunt and not very effective instrument for this purpose. This is because housing price cycles often do not correlate well with the general business cycle. Monetary policy may be particularly ineffective in cases of housing bubbles, as pervasive expectations of strong appreciation would require an inappropriately high increase in financing costs to achieve the desired effect<sup>(47)</sup>. An increase in interest rates affects negatively the whole economy, whereas property taxes, provide a targeted instrument. Of course, a major difficulty would be to identify in time the existence of a bubble, but this difficulty applies equally, or even more, to the use of monetary policy instrument.

The need for a non-monetary policy instrument to address the risk of a housing bubble may apply even

<sup>(47)</sup> See Crowe *et al.* (2011a)

more strongly to EU Members. For example, a catching-up country with fixed or pegged exchange rate and high capital mobility, as is the case for several of the NMS-12, as monetary policy is subject to very tight constraints in these cases. In several of these countries there have been boom-bust episodes in housing (e.g. Latvia, Hungary, Slovakia). Malta and Cyprus too have seen sharp price fluctuations. In general, Allen and Carletti (2010) find that in large, heterogeneous economies such as the Euro area monetary policy and control of credit are unlikely to be effective in preventing real estate bubbles. That is partly because bubbles are often regional.

Both an increase in property transaction taxes and an increase in recurrent housing taxes might in principle dampen price booms. An increase in transaction taxes will generally reduce the after-tax return to the owner of property, upon realisation, and therefore should reduce the propensity to bid prices upward. Recurrent taxes do the same as they make holding property more expensive. There is some evidence as to either effect: Crowe et al. (2011b) find that, using data for 243 U.S. areas, a one standard deviation increase in property tax rates is associated with a 0.9 percentage point decline in average annual price growth (compared to annual growth of around 5.6 percent per year). As for transaction taxes, the use of time-limited tax credits linked to house purchases in the U.S. and the suspension of stamp duty in the U.K. helped stabilize the housing market, while increases in stamp duty seem to have dampened demand in China and Hong Kong SAR, although this seems to have affected volumes more than prices<sup>(48)</sup>.

Recurrent taxes seem to offer some advantages over transaction taxes. First, if the boom is a real bubble, i.e. a situation characterised by the belief that a further price rise is inevitable, the hike in transaction taxes might reduce, in the short term, the offer of property as the sellers want to recoup the cost of the tax hike; this might accentuate the price spike. Moreover, there might be anticipation effects: people bring forward their acquisitions to beat the tax increase, exacerbating the tightness of the market in the short-term. This would not happen in the case of a hike in the annual housing tax. Furthermore, the Crowe et al (2011) paper finds that these taxes reduce volatility: a one standard deviation increase in tax rates cuts it by about one fourth. In contrast, transaction taxes might increase volatility if they thin the market. In contrast, Barthelemy and Prigent (2008) find that transaction taxes result in longer holding periods for illiquid assets

such as property. Investors will tend to hold excessive property during booms, while in a bust phase the same investors will tend to stay out of the property market for a longer period of time. They estimate that a doubling of an ad-valorem tax from 5 % to 10 % increases the holding period by about 10 %, while a cut to 0 % would shorten the reselling period by 8 %. Gurdjev (2009) finds that higher rates of transactions-based property taxes will lead to higher volatility in economic fundamentals.

Furthermore, higher recurrent taxes create an incentive to reduce holdings of under-utilised housing, thus putting more housing on the market and fostering efficiency.

Overall, given the limitations of monetary policy, property taxes may represent a useful additional tool in the hands of the authorities, if they detect the existence of a price bubble. Compared to the other available policy lever, i.e. direct controls on credit, they have the advantage of raising revenue, which could be used to cut other, more distortionary taxes. A number of practical difficulties, however, exist. First, determining the existence and size of the bubble is known to be a challenging exercise; this is bound to make a political decision to increase housing taxes discretionarily quite difficult; that might be addressed somewhat by coupling it with a cut of the same size in another tax. It should be noted, however, that the same uncertainties also apply to the other available policy levers. Second, it is probably easier to increase, in a boom, transaction taxes than recurrent taxes, as these only affect the relatively small percentage of the population buying or selling a house, but that is, as we have seen above, at the price of possibly thinning the market and hence increasing one risk factor for price spikes, in addition to generating the longer-term costs discussed above.

An additional practical difficulty is that in many countries housing tax rates, particularly recurrent ones, are set at municipality level; this creates substantial coordination problems, as it may require a change in the financing arrangements between central and local government. The devolution of taxing powers may also interact with the actualisation of the tax base, as found by Valenduc and Reybrouck (2012) for Belgium: whenever the central government is responsible for setting property tax bases, but does not receive the revenue of the tax, it is in no position to compensate losers when updating the cadastral values. This situation may be present in other countries as well<sup>(49)</sup>. Overall, it seems that no 'silver bullet' exists to address

<sup>(48)</sup> See Crowe et al. (2011b) for details. There might however be endogeneity problems in this study as municipalities might be induced to cut housing tax rates in a boom, given that revenues are strong.

<sup>(49)</sup> See Valenduc, C. Van Reybrouck, G. (forthcoming 2012)

boom-bust cycles; policymakers have to make pragmatic choices among all available instruments.

### Conclusions

The modest levels of recurrent immovable property taxes in many Member States suggest the existence of room for a tax shift away from distortionary taxes on labour and capital towards recurrent immovable property taxes. This seems to be, on balance, even more the case for the group of EU Member States for which OECD data are not available.

By and large, the existing near balance between recurrent taxes on immovable properties and transaction taxes appears hard to justify. Transaction taxes are unattractive from a fairness viewpoint, have been shown to pose non-negligible risks to budgetary stability in case of a boom-bust cycle, as highlighted by several cases, and in the case of transaction taxes on housing, likely contribute to a higher unemployment rate by hindering mobility.



# III

## Developments in the Member States

<b>AUSTRIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010		
<b>A. Structure of revenues</b>												% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	15.2	15.2	15.3	15.2	15.0	14.8	14.3	14.2	14.4	14.9	14.7	7	42.1	
VAT	8.1	8.1	8.1	8.0	7.9	7.9	7.6	7.7	7.8	8.1	7.9	9	22.7	
Excise duties and consumption taxes	2.7	2.7	2.7	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.4	22	7.0	
Other taxes on products (incl. import duties)	1.2	1.2	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	14	3.1	
Other taxes on production	3.2	3.3	3.2	3.2	3.1	3.1	3.0	3.0	3.1	3.3	3.2	3	9.2	
Direct taxes	13.2	15.0	13.8	13.7	13.5	12.8	12.9	13.4	14.0	12.8	12.7	9	36.4	
Personal income	10.0	10.7	10.4	10.4	10.1	9.5	9.6	9.8	10.4	10.0	9.7	7	27.9	
Corporate income	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	18	5.8	
Other	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	8	2.7	
Social contributions	14.7	14.8	14.6	14.6	14.6	14.5	14.3	14.1	14.3	14.9	14.6	5	41.9	
Employers'	7.1	7.0	6.9	6.9	6.8	6.8	6.7	6.7	6.7	6.9	6.8	12	19.6	
Employees'	6.0	6.1	6.0	6.0	5.9	5.9	5.8	5.7	5.8	6.0	5.9	4	17.0	
Self- and non-employed	1.6	1.7	1.7	1.7	1.9	1.8	1.8	1.8	1.8	1.9	1.9	6	5.3	
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1			
<b>TOTAL</b>	<b>43.0</b>	<b>44.9</b>	<b>43.6</b>	<b>43.4</b>	<b>43.0</b>	<b>42.1</b>	<b>41.5</b>	<b>41.7</b>	<b>42.7</b>	<b>42.6</b>	<b>42.0</b>	<b>7</b>	<b>120.2</b>	
Cyclically adjusted total tax to GDP ratio	42.1	44.6	43.6	44.0	43.3	42.2	40.9	40.3	41.4	43.6	42.7			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	51.7	53.5	53.7	54.1	54.0	53.3	52.9	53.2	52.3	49.1	49.1	19	59.0	
State government <sup>2)</sup>	7.7	7.4	7.3	7.0	7.1	7.1	7.1	7.3	8.2	9.8	9.8	4	11.7	
Local government	11.7	11.5	11.2	10.8	10.9	10.9	11.0	11.1	11.4	11.7	11.8	9	14.2	
Social security funds	27.7	26.5	27.0	27.3	27.5	28.2	28.3	27.9	27.7	29.0	28.9	16	34.8	
EU institutions	1.4	1.2	1.0	0.9	0.6	0.7	0.7	0.7	0.7	0.5	0.5	23	0.6	
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	12.3	12.3	12.4	12.3	12.3	12.1	11.6	11.6	11.6	12.0	11.8	13	33.8	
Labour	23.9	24.1	24.1	24.3	23.8	23.3	23.2	23.1	23.8	24.2	23.8	3	68.2	
Employed	21.6	21.7	21.5	21.7	21.2	20.9	20.8	20.7	21.3	21.6	21.3	4	61.1	
Paid by employers	9.7	9.6	9.5	9.5	9.3	9.3	9.2	9.1	9.4	9.7	9.6	6	27.4	
Paid by employees	11.9	12.1	12.1	12.2	11.9	11.6	11.6	11.6	12.0	11.9	11.8	6	33.7	
Non-employed	2.3	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.5	2.5	2.5	4	7.1	
Capital	6.8	8.5	7.2	6.9	7.0	6.7	6.7	7.1	7.3	6.5	6.4	16	18.4	
Capital and business income	5.7	7.4	6.1	5.8	6.0	5.7	5.7	6.1	6.3	5.5	5.5	7	15.6	
Income of corporations	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	19	5.8	
Income of households	0.9	0.9	0.9	0.8	0.8	0.8	0.9	1.1	1.3	1.1	0.9	7	2.7	
Income of self-employed (incl. SSC)	2.7	3.2	2.8	2.7	2.8	2.6	2.5	2.4	2.4	2.5	2.5	3	7.1	
Stocks of capital / wealth	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	21	2.8	
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	2.4	2.6	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.4	19	6.8	
Energy	1.6	1.7	1.7	1.8	1.8	1.8	1.6	1.6	1.6	1.6	1.6	22	4.6	
Of which transport fuel taxes	1.2	1.3	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	21		
Transport (excl. fuel)	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	7	2.1	
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19	0.1	
<b>E. Implicit tax rates</b>												%		
Consumption	22.2	22.1	22.5	22.2	22.1	21.7	21.3	21.6	21.6	21.8	21.4	11		
Labour employed	40.1	40.6	40.8	41.0	41.1	40.8	40.9	41.0	41.3	40.3	40.5	4		
Capital	27.2	35.1	28.8	27.5	26.7	24.2	23.8	25.1	26.4	25.6	24.1			
Capital and business income	22.8	30.4	24.4	23.1	22.7	20.5	20.2	21.6	22.9	21.8	20.4			
Corporations	26.8	36.8	28.1	26.7	26.1	23.7	22.9	24.2	25.4	24.6	22.4			
Households	7.8	8.8	9.5	8.4	7.2	6.3	7.0	8.4	9.7	10.6	10.6			
Real GDP growth (annual rate)	3.7	0.9	1.7	0.9	2.6	2.4	3.7	3.7	1.4	-3.8	2.3			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Austria

## Overall trends in taxation

### Structure and development of tax revenues

In Austria, the overall tax burden (including social contributions) is at 42.0 % more than six percentage points of GDP above the EU average (EU-27 35.6 %), with only the Nordic Countries, Belgium, France and Italy recording higher rates.

Austria derives 35.0 % of tax revenues from indirect taxes (EU-27 38.6 %), of which VAT accounts for more than half. Austria raises a substantial amount from other taxes on production (7.7 % of total taxation, EU-27 3.9 %), in particular from an employers' contribution to the fund for equalisation of family burdens and a payroll tax payable to communes. By contrast, excise duties account for relatively little revenue. This reflects the moderate rates imposed, in particular on alcoholic beverages. Direct taxes account for a proportion of revenue (30.3 %) in line with the EU average of 30.4 % of total taxation. Compared to the EU-27 average, PITs contribute more heavily (23.2 %, EU-27 20.6 %) to total tax revenues than CIT (4.8 %, EU-27 7.6 %). Social contributions account for more than one third of total tax receipts (34.9 %, EU-27 31.1 %).

Among the EU countries with federal public finance systems, Austrian states receive the lowest proportion of total tax revenues (less than 10 % as against around 20 % in Belgium, Germany and Spain). The share of local governments (11.8 %) is slightly above the EU-27 average (10.6 %). The 2009 increase in tax shares of lower levels of government is due to an increased share in revenues agreed as part of the financial equalisation procedure, replacing former transfers to lower levels of government. The 2009 increase in tax shares of lower levels of governments is however a statistical artefact, as some former transfers from the federal budget to the lower levels (dependent on overall tax revenues) are now directly booked as tax revenues of these authorities.

The peak total tax revenues of 44.9 % of GDP in 2001 were the result of the political goal of achieving a balanced budget position. Despite a considerable economic slowdown, base-broadening measures and above all significantly increased tax pre-payments, stimulated by the introduction of interest charges on tax arrears increased tax revenues. Reforms enacted since then resulted in a continuous decline of the tax-to-GDP ratio until 2006. In particular the two steps of the tax reform 2004/05, focusing on the reduction of wage and corporate taxation, led to an estimated tax relief of about €3 billion (1.2 % of GDP). The renewed increase of the tax-to-GDP ratio by more than one percentage point to 42.7 % of GDP from 2006 to 2008 was rather due to the strong economic growth (increases in the wage sum and sustained corporate profits) than significant changes in the tax system. In 2009, the pertained high overall tax ratio in percent of GDP, at 42.6 % despite a tax reform targeting an annual tax relief of about 1.1 % of GDP, was the result of stable domestic demand and a decrease in GDP. Indirect taxes but also SSC increased both in nominal terms and – as GDP was falling – even more considerably in percent of GDP while only direct taxes fell due to the enacted PIT reforms and temporary CIT measures. The drop of the tax ratio to 42.0 % in 2010 can largely be attributed to negative composition effects (slow wage-sum growth) and some tax cuts (full effect of the 2009 PIT reform), although profit-related taxes rebounded somewhat from their depressed crisis levels.

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

Taxes on consumption as a percentage of GDP (11.8%) are in line with the EU-27 average (11.9 %). The decrease in the implicit tax rate on consumption to 21.4 % in 2010, which brings it back in line with the increased EU-27 average of 21.3 %, was not due to rate reductions or base narrowing measures.

Taxes on employed labour represented 21.3 % of GDP in 2010, constituting around one half of the total tax burden. As in most EU countries, the tax burden on employed labour consists to a high degree of social security contributions. In addition to the personal income tax, levied in the form of a withholding tax on wages and salaries, indirect labour taxes — such as the contribution by employers to the Family Burdens Equalisation Fund and the payroll tax — also contribute substantially to the labour tax burden. The Austrian implicit tax rate on labour was

more than seven percentage points above the EU-27 average in 2010 (40.5 %, EU-27 33.4 %): slightly increasing after the 2009 drop which was caused by the income tax reform.

The share of taxes on capital in GDP (6.4 %) is slightly below the EU-27 average and below the euro area average (EU-27 6.6 %, EA-17 7.2 %). This is partly due to the fact that the tax on capital stocks and wealth yield considerably less than in the euro area (1.0 % of GDP, EA-17 1.9 % of GDP). Moreover, capital taxes raised on income of corporations in relation to GDP are in general low (2.0 %, EU-27 2.7 %) because of the large number of unincorporated businesses in Austria. Nevertheless the fluctuations in the ITR on capital basically reflect the developments in the ITR on corporate income. The 2001 hike in the ITR of capital was caused by increased corporate tax prepayments, in reaction to the introduction of interest payments on tax arrears for corporations. The fall of the ITR on capital by 2.5 percentage points in 2005 is also driven by the fall in the ITR on corporations, in line with the decrease in the corporate income tax rate from 34 % to 25 %. Since 2008, the ITR on capital has been slightly above the Euro area average (EA-17: 23.7% in 2010).

Environmental taxes gradually increased until 2003 but have fallen back to their 2000 ratio since, also due to the declining energy intensity of the economy. Their revenues in 2010 are below the EU-27 average (2.4 % of GDP, EU-27 2.6 %). The contrasting increase in the implicit tax rate on energy reflects the rise in mineral oil taxes on gasoline and diesel in July 2007 as well as the shift towards energy products that are used for transport purposes and taxed at higher rates. Transport taxes are relatively important in Austria, contributing nearly one third to the overall revenue from environmental taxes, compared to an EU-27 average share of only one fifth.

### Current topics and prospects; policy orientation

After the advanced tax reform targeting an annual tax relief of about €3 billion (1.1 % of GDP) – relief in the income tax system (€2.3 billion), relief of families (€0.5 billion) – in 2009 (*Steuerreformgesetz 2009*), no major changes to the tax system were introduced in 2010. In 2011, capital gains of financial assets were made subject to a final withholding tax of 25% and capital income tax rates were harmonised at 25 %. A solidarity bank levy based on the balance sheet total and a solidarity levy on derivative positions in the trading book were introduced. Environmental tax measures covered an introduction of a flight tax, an adjustment of the car registration tax to the CO<sub>2</sub> emission of the vehicles, and an increase in the mineral oil tax of diesel and petrol. Furthermore, excise duties on tobacco were increased significantly in three steps, in January and June 2011 and in January 2012.

The 2012 budget law does not include any significant tax measures. However, the recently announced stability law contains several revenue raising measures. Measures comprise a temporary progressive solidarity contribution for high incomes (from approximately €186 000), and the reduction of the state premium for building saving and (third pillar) pension saving. Social contribution rates for farmers and self-employed are increased and an additional increase of the ceiling for the SSC base is planned. Moreover, unemployment contributions will be levied on formerly exempt older workers (from 59 onwards) until they reach the legal minimum retirement age. Employers terminating an employment contract will be subject to a process fee. Deductibility and reclaiming input VAT will be restricted. Mineral oil tax reimbursement for agriculture and public transport is abolished. The loss deductibility for losses made in foreign subsidiaries is restricted in the group taxation. Capital gains stemming from rezoning of land property will be taxed and the holding period, after which realised gains from real estate sales are tax exempt, is abolished (formerly 10 years). Additional tax revenues are expected from the introduction of the financial transaction tax (if introduced on an EU/Euro area level), a bilateral tax agreement with Switzerland on untaxed interest and dividends of Austrian citizens and in the context of a tax amnesty for self-reporting of undeclared assets held in Switzerland. Furthermore, the introduction of an additional stability surcharge on banks is foreseen, as well as an advance tax payment on certain company pensions.

## Main features of the tax system

### Personal income tax

Austria has a comprehensive and progressive personal income tax scheme. During the 2004/2005 tax reform a new system with four brackets came into force in 2005 replacing the old five bracket system. From 2005 till 2008, the four brackets had marginal rates of 0 %, 38.333 %, 43.596 % and 50 %. With the 2009 tax reform the marginal tax

rates applied for the brackets were changed to: 0 %, 36.5 %, 43.2143 % and 50 % from 2009 onwards. Since then, the zero-rate bracket goes up to a taxable income of €11 000 (2008: €10 000), which means that — as a result of other tax credits — annual gross earnings of about €16 800 for employees and €15 000 for pensioners are tax-free (2008: €15 800 and €13 500, respectively). The top rate of 50 % applies as of a taxable income of €60 000 (2008: €51 000). As employees' remunerations amounting to 1/6 of yearly wages – basically Christmas and holiday remunerations – are only taxed at a flat rate of 6 %, the effective top rate is roughly 43 % for employees (before temporary solidarity contribution). For partnerships and other unincorporated enterprises the tax allowance for profit income was increased to 13 % (before temporary solidarity contribution) while the favourable tax treatment of retained earnings was abolished in 2010. As a substantial proportion of enterprises are unincorporated, the reform of PIT affects both individuals and enterprises to a greater extent than elsewhere. Capital gains of financial assets – together with income from interests, dividends, etc. – are subjected to a final withholding tax of 25 % from 2011 onwards. Other capital gains (e.g. from immovable property) remain within the income tax schedule.

### Corporate taxation

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

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

### VAT and excise duties

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

### Wealth and transaction taxes

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

### Social contributions

In principle, the entire labour force must be insured under the social security system. For employees, they and their employers must pay contributions as a percentage of their earnings up to the annually increasing ceiling of €59 220 (2010: €58 500); this ceiling is also applicable to self-employed. The overall employees' contribution rate is about 18 % in general. The rate for the employers is slightly above at 21 ½ %. However, in certain cases additional contribution rates or reduced rates apply. The rate for self-employed is about 25 %.

<b>BELGIUM</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	13.6	13.2	13.2	13.2	13.4	13.5	13.6	13.3	13.1	13.0	13.3	15	47.2
VAT	7.2	6.9	6.9	6.8	6.9	7.0	7.1	7.1	7.0	6.9	7.1	18	25.2
Excise duties and consumption taxes	2.4	2.3	2.3	2.4	2.4	2.4	2.2	2.2	2.1	2.1	2.2	25	7.7
Other taxes on products (incl. import duties)	2.2	2.2	2.1	2.2	2.2	2.3	2.4	2.4	2.3	2.1	2.2	4	7.8
Other taxes on production	1.9	1.9	1.8	1.9	1.9	1.8	1.9	1.6	1.8	1.8	1.8	8	6.5
Direct taxes	17.5	17.8	17.6	17.2	17.5	17.6	17.2	17.0	17.2	15.9	16.3	3	57.9
Personal income	13.2	13.6	13.4	13.1	12.9	12.9	12.4	12.2	12.6	12.1	12.3	4	43.7
Corporate income	3.2	3.1	3.0	2.9	3.1	3.2	3.6	3.5	3.4	2.5	2.7	9	9.6
Other	1.1	1.1	1.2	1.2	1.4	1.4	1.3	1.3	1.3	1.2	1.3	5	4.6
Social contributions	13.9	14.1	14.4	14.3	13.9	13.7	13.5	13.6	13.9	14.5	14.2	6	50.5
Employers'	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.6	7	30.4
Employees'	4.4	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.2	4.4	4.3	6	15.3
Self- and non-employed	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.4	11	4.8
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>45.1</b>	<b>45.1</b>	<b>45.2</b>	<b>44.7</b>	<b>44.8</b>	<b>44.8</b>	<b>44.4</b>	<b>43.9</b>	<b>44.2</b>	<b>43.4</b>	<b>43.9</b>	<b>3</b>	<b>155.6</b>
Cyclically adjusted total tax to GDP ratio	44.2	44.8	45.2	45.2	44.7	44.7	43.9	42.7	43.3	44.4	44.5		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	36.7	34.8	34.7	33.5	32.7	32.0	31.5	30.2	29.3	26.5	28.0	27	43.5
State government <sup>2)</sup>	22.8	24.2	23.0	24.0	23.5	24.1	24.1	24.3	24.6	24.6	23.9	1	37.2
Local government	4.2	4.6	4.9	5.2	5.0	5.0	5.1	5.2	4.6	5.5	5.2	18	8.1
Social security funds	34.2	34.5	35.7	35.6	37.3	37.4	37.8	38.6	39.7	41.9	41.4	3	64.4
EU institutions	2.0	1.9	1.6	1.7	1.5	1.6	1.6	1.6	1.7	1.5	1.5	1	2.4
<b>C. Structure by type of tax base<sup>3)</sup></b>	% of GDP												
Consumption	11.3	10.9	10.9	10.9	11.0	11.1	11.1	10.9	10.7	10.6	10.9	20	38.5
Labour	24.2	24.7	24.8	24.5	24.0	23.7	23.0	23.0	23.6	23.9	23.8	4	84.2
Employed	22.2	22.6	22.7	22.4	22.2	21.9	21.3	21.2	21.7	22.0	21.9	3	77.5
Paid by employers	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.6	9	30.4
Paid by employees	13.8	14.1	14.1	13.8	13.8	13.7	13.1	13.0	13.3	13.2	13.3	3	47.0
Non-employed	2.0	2.1	2.1	2.1	1.8	1.8	1.7	1.8	1.9	1.9	1.9	8	6.8
Capital	9.5	9.4	9.3	9.2	9.7	9.9	10.1	9.9	9.8	8.7	9.1	6	32.2
Capital and business income	6.1	6.1	5.9	5.7	5.9	6.2	6.4	6.2	6.2	5.2	5.4	8	19.1
Income of corporations	3.2	3.1	3.0	2.9	3.1	3.3	3.5	3.5	3.3	2.5	2.7	10	9.6
Income of households	0.5	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.3	0.3	19	1.2
Income of self-employed (incl. SSC)	2.4	2.4	2.4	2.3	2.3	2.3	2.3	2.2	2.3	2.3	2.3	6	8.3
Stocks of capital / wealth	3.4	3.3	3.4	3.5	3.7	3.7	3.8	3.6	3.7	3.6	3.7	3	13.1
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.3	2.3	2.2	2.3	2.3	2.3	2.1	2.1	2.0	2.0	2.1	22	7.3
Energy	1.4	1.4	1.4	1.4	1.5	1.5	1.4	1.3	1.2	1.3	1.3	27	4.7
Of which transport fuel taxes	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.1	26	
Transport (excl. fuel)	0.6	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	11	2.1
Pollution/resources	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	7	0.5
<b>E. Implicit tax rates<sup>3)</sup></b>	%												
Consumption	21.8	21.0	21.4	21.5	22.1	22.3	22.4	22.1	21.2	20.8	21.4	12	
Labour employed	43.6	43.3	43.3	43.2	43.8	43.6	42.5	42.5	42.4	41.9	42.5	2	
Capital	29.5	29.4	30.5	31.4	32.5	32.5	32.8	31.1	31.9	29.5	29.5		
Capital and business income	19.0	19.1	19.4	19.4	19.9	20.5	20.6	19.7	20.0	17.4	17.5		
Corporations	24.4	24.1	23.1	22.3	21.9	21.8	22.4	20.9	21.2	16.4	16.0		
Households	12.9	13.0	13.7	14.1	14.8	15.6	15.2	14.7	14.8	14.3	14.8		
Real GDP growth (annual rate)	3.7	0.8	1.4	0.8	3.3	1.7	2.7	2.9	1.0	-2.8	2.3		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

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

n.a. not applicable, ; not available

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

# Belgium

## Overall trends in taxation

### Structure and development of tax revenues

Belgium belongs to the group of EU countries with the highest tax levels, alongside the Nordic countries, Austria, France and Italy. Although it has slightly declined over time, the tax-to-GDP ratio (2010: 43.9 %) is the third highest in the EU, after Denmark and Sweden, and significantly above the EU average (2010: 35.6 %). The structure of the Belgian tax system, in terms of the share of revenue raised by the broad categories of taxes, has remained relatively stable since 2000.

A far-reaching tax reform of direct taxation that was gradually implemented in the first half of the last decade, reduced PIT revenue, expressed as % of GDP, from 13.4 % in 2002 to 12.4 %, in 2006. The structure is however still characterised by a relatively high share of direct taxes in GDP (3<sup>rd</sup> highest in the EU), reflecting a broad reliance on personal and corporate income taxes, and social security contributions (6<sup>th</sup> highest in the EU). By contrast, with 13.3 %, the share of indirect taxes is just below the EU average (EU-27 13.5 %). Following the 2002 corporate tax reform and a favourable business cycle, the share of corporate tax revenue had significantly increased until 2006. A reduction in the tax base of corporations due to the ACE system and the unfavourable economic conditions since 2008 seem to have reversed this trend. The subsequent introduction or increase of several tax expenditures put the personal income tax revenues on a downward trend since 2003. The tax reform was complemented by successive targeted reductions in employers' social security contributions. Since 2007, the trend of SSC is reversed.

Belgium is a federal state with a large fiscal autonomy for the regions. This translates into varying specific tax legislations across regions, e.g. registration duties, inheritance and estate taxes. While the revenue level of the federal state is on the decline since the turn of the century, the revenues from the regions have remained relatively stable over time. Regions benefited from the buoyant real estate markets. A larger share of tax revenue has also been allocated to the Social Security Funds.

Keeping relatively stable until 2002, the overall tax burden declined almost continuously between 2003 and 2007. (by 1.3 percentage points), notably owing to a drop in revenues from corporate and personal income taxes, and SSC contributions, linked to the income tax reform, successive targeted reductions and the introduction of the ACE system in 2005. Since 2008, an increasing trend of the tax-to-GDP ratio is masked by the economic cycle.

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

The implicit tax rate on consumption increased in 2010 due to improved economic conditions compared to 2009. At 21.4 %, it was just above the EU average (EU-27 21.3 %), as for most of the last decade. As a percentage of GDP, VAT and excise duties collection are at the lower end in the EU at respectively 7.1 % and 2.2 % (EU average: 7.6 % and 3.2 %).

Despite noticeable labour taxation reforms, Belgium still imposes relatively heavy taxes on labour with an implicit tax rate of 42.5 %, the second highest in the EU. Targeted rebates in employers' social contributions were used as the main instrument to reduce labour costs. The 2000–2006 reform programme paved the way for easing the tax burden on labour and led to a decrease in the ITR by 1.3 percentage points between 2004 and 2006. The ITR on labour has been relatively stable since 2006, although it has declined in 2009 due to the economic slowdown. However, the ITR on labour does not take into account wage subsidies, which have been increasingly used over the past five years and should reduce the ITR further by 3 percentage points over the 2002-2009. (See Valenduc (2011).

The ITR on capital increased from 29.5 % in 2000 to 32.8 % in 2006, after which it declined to 29.5 % in 2010. This reflects on one side the gradual increase on the household side since 2000, explained in part by the boom in the real estate market that has resulted in an increase of registration duties. In 2010, taxes on stocks of

capital/wealth amounted to 3.7 % of GDP. This level is relatively stable since the second half of the period concerned and is the third highest value in the EU. After a gradual decrease during most of the period, the ITR on corporations has significantly dropped since 2008 due to the lagged effect of the introduction of the ACE system and the economic slowdown, which put the ITR on capital on a declining path.

Revenues from environmental taxation have declined in percentage of GDP since 2005. In 2010 environmental tax revenue amounted to 2.1 % of GDP, below the EU average (2.6 %). Revenues from energy taxation are the lowest in the EU (1.3 % compared to an EU average of 2.0 %).

### Current topics and prospects; policy orientation

Bringing the public debt on a declining path remains a priority for the government in order to prepare the public finances for the budgetary impact of an ageing population. In spite of a steady decline between 1999 and 2007, the debt to GDP ratio remains well above the EU average and has been rising again since 2008 due to the economic slowdown and massive support to the financial sector. The initial 2012 budget, based on a growth forecast of 1.6 %, with a provision accounting for a drop of the growth rate to 0.8 %, was expected to bring the deficit just below 3 % through a combined effort of the federal government (2.4 %) and the regions (0.4 %). The bulk of the effort is generated by lowering public expenditure (42 %). Additional tax revenues account for 34 % of total effort, the fight for fraud would account for 24 %. A revised budget will be passed to the Parliament in April. It includes an additional consolidation package of €2 billions, with most of it on the spending sides. On the tax side, it includes an increase in excise duties on tobacco.

The federal government agreed on raising new revenues mainly in the area of capital taxation. Since 1 January the withholding tax on interest and dividends rose from 15 % to 21 %, and a solidarity charge of 4 % is introduced on the share of financial income exceeding €20 020. The tax on financial transactions rose by 30 %. In addition, the 2012 budget introduces a tax on the conversion of bearer shares. In the field of company taxation, the budget lowers the cap to 3 % for the notional interest deduction for 2012 to 2014, with a possibility for renegotiating as of 2015, and increases the base for taxation of company cars (catalogue value) both for the company and for the user of the car. Company car taxation also takes into account car-specific CO<sub>2</sub> emission levels.

The federal budget identifies specific activities and sectors for raising additional revenue. VAT on digital television is raised from 12 % to 21 %. Mortgage interest deductions under the personal income tax scheme on the federal level will disappear as of 2014 as competence will pass on to the regions. As of 2013, the tax-free share of low and middle incomes will be raised by €200 and social contributions are lowered for the first three employees hired by medium-sized enterprises. Tax expenditure cuts in the PIT include the abolishment of federal subsidies for environmental cars and energy saving investments, which will only partly be replaced by regional subsidies. Finally, the government expect to raise revenues by stepping up the fight against fiscal and social fraud and focusing on risk sectors through a strengthening of fraud fighting authorities, increased cooperation between fiscal and social control authorities and the introduction of an automatic procedure to check fiscal and social debts in the field of inheritance taxation.

## Main features of the tax system

### Personal income tax

There are four categories of income: financial, real estate, professional (including labour income) and other various income. In principle, the general rates are applied to global income, but there are exceptions, e.g. in relation to financial income, income from private pension arrangements and other various income.

In practice, the basis for taxation at the marginal rate consists of (deemed) property and professional income. Spouses are taxed separately, although a marital quotient exists: 30 % of the higher income is transferred to the lower one, provided it does not exceed €9 470. A major reform was implemented in 2000–2006, introducing changes in brackets, rates, deductions and exemptions as well as a tax credit for low income earners. For wage earners, the income tax credit was changed into a reduction in employee's SSC starting from 1st January 2005 and a new tax credit for low income workers was introduced from income year 2011 onwards. There are currently 5



brackets (beside the basic allowance) between 25 and 50 % and a municipal surcharge up to 9 % (7.4 % on average). Within certain limits, regions have the option to levy additional surcharges or to grant tax reductions.

Since January 2012, the withholding tax rate is 21 % for most interest income (excluding ordinary savings accounts) as well as for a large part of dividend income, with an extra levy of 4 % via the PIT return for interest and dividend income above €20 020. Taxation of private capital gains is almost non-existent (except for those on some capitalisation vehicles), interest on ordinary saving accounts is exempt up to €1 830 and pension savings enjoy a special regime resulting in negative effective rates, as in other EU countries.

### Corporate taxation

Companies in Belgium and the subsidiaries of foreign companies are subject to a fixed tax rate of 33.99 % (3 % crisis surcharge included) regardless of the origin and the destination of the profits. There is no tax consolidation of companies. Under certain conditions, a special scheme applies to SMEs having an assessed income lower than €322 500: a tax rate of 24.98 % is applied on the part from €0 to €25 000, 31.93 % on the part of €25 000 to €90 000 and 35.54 % on the remaining part up to €322 500 (all including the 3 % crisis surcharge).

An allowance for corporate equity (ACE), referred to as 'notional interest on corporate capital', was introduced in 2006 to stimulate the self-financing capability of companies. The tax-free presumptive rate of return on equity applied under the ACE system is based on the rate of 10-year government bonds (OLO 10) with a cap of 3 % as of 2012 (3.5% for SMEs). In 2011, the rate was 3.425 % (3.925 % for SMEs). A tax-free reserve for new investments financed by retained earnings exists for SMEs benefiting from reduced rates.

### VAT and excise duties

There are four VAT rates. The standard rate has remained unchanged at 21 % since 1996. A reduced 6 % rate applies to public housing, refurbishment of old housing, food, water, pharmaceuticals, animals, art and publications and some labour intensive services; the 2009 'recovery plan' also includes the above-mentioned temporary reduction of the VAT rate to 6 % for a maximum amount of €50 000 on invoices of newly constructed private dwellings. An intermediate rate of 12 % applies to a limited number of transactions and, since 1st January 2010, to food in restaurants and catering services. A zero rate applies to newspapers and certain weeklies. Excise duties in a strict sense yield relatively low revenue in Belgium, but this is supplemented by above average levels of other taxes on products.

### Wealth and transaction taxes

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

### Social contributions

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

<b>BULGARIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	13.8	13.4	12.6	14.5	16.3	16.6	17.2	17.0	17.8	15.4	15.2	5	5.5
VAT	8.3	8.4	7.3	8.6	9.9	10.2	10.7	10.4	10.9	9.0	9.2	3	3.3
Excise duties and consumption taxes	3.9	3.7	3.9	4.4	4.8	4.7	4.8	5.8	5.9	5.5	5.1	1	1.8
Other taxes on products (incl. import duties)	1.0	0.8	0.8	0.8	0.9	1.0	1.1	0.4	0.4	0.4	0.3	26	0.1
Other taxes on production	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.5	0.5	0.6	0.6	22	0.2
Direct taxes	6.9	7.5	6.4	6.2	6.0	4.9	5.2	8.2	6.7	5.9	5.1	26	1.9
Personal income	4.0	3.5	3.2	3.2	3.1	2.7	2.6	3.2	2.9	3.0	2.9	26	1.0
Corporate income	2.7	3.8	3.0	2.8	2.5	1.8	2.1	4.4	3.2	2.6	1.9	20	0.7
Other	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.4	0.3	22	0.1
Social contributions	10.8	9.8	9.6	10.3	10.2	9.7	8.3	8.1	7.8	7.7	7.1	23	2.5
Employers'	8.6	7.7	7.3	7.9	7.8	6.9	5.6	5.5	4.8	4.6	4.5	23	1.6
Employees'	1.7	1.5	1.8	1.9	1.9	2.1	2.1	2.1	2.5	2.6	2.0	23	0.7
Self- and non-employed	0.5	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4	0.5	0.6	17	0.2
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.5</b>	<b>30.8</b>	<b>28.5</b>	<b>31.0</b>	<b>32.5</b>	<b>31.3</b>	<b>30.7</b>	<b>33.3</b>	<b>32.3</b>	<b>29.0</b>	<b>27.4</b>	<b>24</b>	<b>9.9</b>
Cyclically adjusted total tax to GDP ratio	32.5	31.8	29.4	31.6	32.4	30.5	29.1	30.8	28.8	28.8	28.0		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	55.5	57.0	55.1	65.2	67.0	67.1	70.6	72.0	71.7	69.7	70.5	6	6.9
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	10.2	11.1	11.3	1.6	1.6	1.8	2.3	2.6	2.9	2.8	2.9	24	0.3
Social security funds	34.4	31.9	33.6	33.2	31.5	31.1	27.0	24.4	24.1	26.6	25.8	19	2.5
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	1.2	1.0	0.9	n.a.	n.a.
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	13.2	12.8	11.9	13.8	15.5	15.9	16.6	16.5	17.2	14.7	14.5	3	5.2
Labour	14.0	12.5	11.9	12.7	12.5	11.6	10.1	10.4	9.7	9.8	9.0	27	3.2
Employed	13.9	12.4	11.9	12.7	12.5	11.5	10.0	10.3	9.7	9.7	8.9	27	3.2
Paid by employers	8.9	7.9	7.5	8.1	8.0	7.2	5.8	5.6	4.8	4.7	4.5	23	1.6
Paid by employees	5.0	4.5	4.4	4.5	4.5	4.4	4.2	4.7	4.8	5.1	4.4	27	1.6
Non-employed	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	25	0.0
Capital	4.4	5.5	4.7	4.5	4.5	3.8	4.1	6.5	5.3	4.5	3.9	24	1.4
Capital and business income	4.0	5.1	4.2	3.9	3.8	3.0	3.2	5.6	4.3	3.7	3.1	23	1.1
Income of corporations	2.9	4.0	3.1	2.9	2.7	2.0	2.3	4.6	3.3	2.7	2.1	18	0.8
Income of households	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.2	21	0.1
Income of self-employed (incl. SSC)	1.1	1.0	1.0	0.9	1.0	1.0	0.9	0.8	0.7	0.7	0.7	19	0.3
Stocks of capital / wealth	0.4	0.4	0.5	0.6	0.7	0.8	0.8	0.9	1.0	0.8	0.8	23	0.3
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.7	2.5	2.3	2.9	3.2	3.0	2.9	3.4	3.4	3.0	2.9	7	1.1
Energy	2.5	2.4	2.1	2.6	2.8	2.6	2.5	3.0	3.0	2.7	2.6	3	0.9
Of which transport fuel taxes	:	:	:	:	:	:	:	2.9	2.9	2.6	2.5	2	
Transport (excl. fuel)	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	19	0.1
Pollution/resources	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	11	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	18.5	17.7	16.6	19.5	22.0	22.8	23.7	23.0	24.9	22.5	22.8	9	
Labour employed	38.1	33.9	33.4	35.6	35.7	33.2	29.7	30.4	27.4	25.7	24.4	25	
Capital	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	5.7	4.2	4.7	5.5	6.7	6.4	6.5	6.4	6.2	-5.5	0.2		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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

# Bulgaria

## Overall trends in taxation

### Structure and development of tax revenues

In 2010 Bulgaria was the country with the fourth lowest tax-to-GDP ratio in the EU, 27.4 %, which represented around 77 % of the Union average. Compared to neighbouring Romania, Bulgaria's total tax ratio was only marginally higher, 0.2 percentage points. Of the countries that joined the EU in 2004, Latvia and Lithuania raised similar level of tax revenue, around 27 % of GDP, while Hungary's and Slovenia's tax revenues were more than 10 percentage points above Bulgaria's (37.7 % and 38 % respectively).

Bulgaria is the EU Member State most reliant on indirect taxation; the share of indirect taxes in total taxation amounted to 55.4 % in 2010. In terms of its share in GDP the level of indirect taxation was also well above the EU average (15.2 %, EU-27 13.5 %) being the fifth highest in the EU. VAT accounted for 61 % and excise duties for 33 % of indirect taxes' revenue. Consequently direct taxes represented only 18.8 % of total taxation (5.1 % of GDP), which was the second lowest value in the Union. The rates of the social security contributions have been reduced significantly over the last years and in 2010 they accounted for only 25.8 % of total taxation (EU-27 31.1 %) and 7.1 % of GDP (EU-27 10.9 %).

Most of the tax receipts are collected by the central government, 70.5 % in 2010, and about a quarter by the social security funds (25.8 %). Revenues collected by the local government were marginal, 2.9 %, due to the 2003 abolition of the local CIT surcharge and the discontinuing of PIT sharing. In comparison with the EU-27 average the Bulgarian central government collected with 11.7 percentage points more in tax receipts, while local government received with 7.7 points less. The share collected by the social security funds is somewhat closer to the EU average (EU-27 29.9 %).

The decline in the overall tax-to-GDP ratio since the outbreak of the global economic crisis continued also in 2010. Although the decrease in 2010 (5.7 %) was somewhat less important than the one experienced the year before (10.1 %) it was strong enough to bring the total tax revenue (in terms of GDP) to its lowest value since 1995. Over the last decade the general tax strategy was to lower direct taxation and increase reliance on indirect taxation. The main objective was to decrease taxes on labour, to promote job creation, and on corporations, to attract investment and incite businesses to go out of the shadow economy. The cyclically adjusted tax revenues confirm this general downward trend of the tax-to-GDP ratio which in 2000 was 4.5 percentage points higher than in 2010.

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

Taxes on consumption in Bulgaria amounted to 14.5 % of GDP in 2010, and in spite of the decrease by 2.7 percentage points since 2008, the revenue is the third highest in the EU. This is mainly due to a high share of domestic final consumption in GDP — close to 64 %. The rate of taxation contributes somewhat less to this high level as shown by the ITR on consumption which — at 22.8 % — is only the ninth highest in the EU. The increase of the ITR over the last decade was notably due to the continuous increase of excise duty rates, the lowering of the VAT registration threshold and the introduction of VAT accounts.

In 2010, revenue from labour taxation amounted to only 9.0 % of GDP, the lowest value in the Union and 8.1 percentage points below the EU average. Among other factors, this is due to the relatively low level of compensation of employees (37 % of GDP) and the very low proceeds from employed labour taxation. At 24.4 %, the ITR on labour, is also well below the EU average (33.4 %). The ratio was decreasing steadily for the last several years largely due to the government's effort to reduce the tax burden falling on employers by cutting down progressively social contributions.

Revenues from taxes on capital amounted to 3.9 % of GDP in 2010, the fourth lowest in the EU. Developments over the years are mainly driven by proceeds from corporate income taxation, which in 2010 ranked 18<sup>th</sup> in the EU. Government efforts to attract investment and combat the shadow economy by, among other measures, lowering the

CIT rate almost every year to reach 10 % in 2007 explain the fluctuations in the revenue. In addition, the unfavourable economic conditions since the end of 2008 affected strongly the proceeds from corporate taxation, which dropped by 1.2 percentage points since then, decreasing down the country ranking by six places.

At 2.9 % of GDP, revenues from environmental taxes are the seventh highest in the EU (2.6 %). This is due to high revenue from energy taxation in terms of GDP, which in 2010 — at 2.6 % of GDP — was the third highest in the EU. The high ranking of the country in this category of taxation is mainly due to the high energy consumption — indeed, in 2009 Bulgaria was the country with the highest energy intensity of the economy. Given that more than 90 % of the energy tax revenue stems from excise duties on fuel, the country also ranks second in revenues from energy taxes levied on transport fuel – 2.5 % of GDP in 2010. Transport taxes excluding fuel are of somewhat lesser importance amounting to only 0.3 % of GDP.

### Current topics and prospects; policy orientation

The Government is pursuing a strict fiscal policy and conducting structural reforms in the public sector with the aim of preserving a favourable fiscal position of the country. In 2011 the Organic Budget Law was amended with requirements to keep the consolidated budget deficit below 2 % and limit the government expenditure to 40 % of GDP. These enter in to force as of 2012. The tax strategy of the Bulgarian government aims at maintaining a uniform and low level of taxation of different types of incomes. Efforts are targeted at improving tax collection and fighting tax evasion. In 2012, the rates of the corporate and personal income taxes, which are already among the lowest in the EU, are kept unchanged; while the increase of several excise duties (for details see below) continues the process of shifting the tax burden towards indirect taxation. Some other small changes in the tax system were enacted in 2012. In the area of VAT these were aimed at harmonising the legislation with the EU Directive, while in the area of personal taxation the modifications were targeted at clarifying and correcting the current Law for gaps and loopholes.

## Main features of the tax system

### Personal income tax

As of 2008 Bulgaria has introduced a 10 % flat-rate tax system, which replaced the previous progressive income tax rates (20 %, 22 % and 24 %).

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

Interest income on savings accounts with banks resident in Bulgaria or another EEA country, on Bulgarian or another EEA country government securities, on state or state-guaranteed loans, and on corporate bonds and debentures, is exempt.

### Corporate taxation

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

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

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

### VAT and excise duties

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

Excise duty rates have been increased nearly every year mainly due to bringing legislation in line with EU regulations and reaching EU minima. In 2012 excise duties on kerosene, gasoline and natural gas (used for transport purposes) have been increased. In June 2012 an excise rate for natural gas (for heating) when used by the businesses will be introduced.

### Wealth and transaction taxes

Gift/inheritance tax is levied at rates set by the municipalities within the limits set by the law. The rates may vary between 0.4 % and 0.8 % (if received by relatives in the lateral line) and between 3.3 % and 6.6 % (if received by any other beneficiary). No gift/inheritance tax is levied on property donated to/inheritance received by a spouse or relatives in the direct line. The first BGN 250 000 (€127 823) of the value of the inheritance is tax exempt.

A real estate tax applies at rates of 0.01 % to 0.45 % of the value of the immovable property, depending on the municipality. A 50 % discount is granted if the property is the main residence of the taxpayer.

### Social contributions

Contributions are due for the public social insurance funds, covering pension rights (17.8 %), general sickness and maternity (3.5 %), health (8 %), and unemployment (1 %). The share paid by the employer and employee is 60:40. The base is the gross employee's income subject to a monthly minimum and a ceiling set in the legislation. The minimum income is updated on a yearly basis and depends on the economic sector of activity and the job position of the employee. The monthly maximum is BGN 2 000 (€1 023). Furthermore, the employer has to pay additional contributions to the Labour Accident and Professional Disease Fund (0.4 %–1.1 %) and to the Guaranteed Receivables Fund (0.1 %, suspended for 2011 and 2012). The contribution base for the self-employed is determined by the self-employed themselves, subject to a minimum monthly base ranging from BGN 420 (€215) to BGN 550 (€281) depending on their 2010 income and a maximum of BGN 2 000 (€1 023).

<b>CYPRUS</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010		
<b>A. Structure of revenues</b>												% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.2	12.6	12.9	15.4	16.4	16.5	17.2	18.7	17.9	15.4	15.6	4	2.7	
VAT	5.5	5.7	6.6	7.8	8.4	9.1	9.7	10.2	10.6	9.2	9.2	4	1.6	
Excise duties and consumption taxes	2.5	3.2	2.8	3.8	4.4	4.1	3.9	3.7	3.3	3.2	3.5	8	0.6	
Other taxes on products (incl. import duties)	3.1	2.7	2.4	2.0	1.7	1.4	1.4	1.9	1.6	1.1	0.9	15	0.2	
Other taxes on production	1.1	1.0	1.1	1.7	1.9	1.9	2.2	2.9	2.4	2.0	2.1	6	0.4	
Direct taxes	11.2	11.3	11.3	9.7	8.8	10.2	10.8	13.8	12.9	11.2	11.1	12	1.9	
Personal income	3.7	3.9	4.3	4.5	3.5	3.9	4.6	6.2	5.0	4.0	4.2	22	0.7	
Corporate income	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	2	1.1	
Other	1.3	1.1	0.9	0.9	1.5	1.7	0.7	0.8	0.8	0.8	0.8	12	0.1	
Social contributions	6.6	6.8	6.8	7.1	7.8	8.3	7.8	7.5	7.8	8.7	9.0	19	1.6	
Employers'	4.5	4.6	4.5	4.8	5.3	5.9	5.5	5.1	5.3	5.9	6.1	15	1.1	
Employees'	1.8	1.9	1.9	2.0	2.1	2.1	2.0	2.1	2.1	2.4	2.5	19	0.4	
Self- and non-employed	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.4	0.4	18	0.1	
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
<b>TOTAL</b>	<b>29.9</b>	<b>30.7</b>	<b>30.9</b>	<b>32.2</b>	<b>33.0</b>	<b>35.0</b>	<b>35.8</b>	<b>40.1</b>	<b>38.6</b>	<b>35.3</b>	<b>35.7</b>	<b>13</b>	<b>6.2</b>	
Cyclically adjusted total tax to GDP ratio	29.6	30.2	30.9	32.8	33.2	34.9	35.2	38.6	36.6	34.9	35.6			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	76.4	76.2	76.8	76.7	74.4	74.4	76.1	79.3	77.9	73.3	73.0	4	4.5	
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Local government	1.4	1.5	1.3	1.4	1.4	1.3	1.4	1.3	1.4	1.4	1.4	25	0.1	
Social security funds	22.1	22.3	21.9	21.9	23.6	23.7	21.9	18.8	20.1	24.6	25.1	20	1.6	
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	0.7	0.6	0.6	0.6	0.6	0.5	21	0.0	
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	10.3	11.4	11.9	13.8	14.5	14.6	14.7	15.2	15.2	13.5	13.5	6	2.3	
Labour	9.6	10.0	10.0	10.8	10.6	11.3	11.1	10.8	11.1	12.3	12.7	20	2.2	
Employed	9.3	9.8	9.9	10.7	10.6	11.3	11.0	10.8	11.0	12.2	12.6	19	2.2	
Paid by employers	4.6	4.7	4.7	5.6	6.2	6.7	6.4	6.0	6.2	6.9	7.1	12	1.2	
Paid by employees	4.7	5.0	5.2	5.1	4.3	4.5	4.6	4.7	4.8	5.3	5.5	23	1.0	
Non-employed	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	24	0.0	
Capital	10.0	9.3	9.0	7.7	7.8	9.1	10.0	14.0	12.3	9.6	9.5	4	1.7	
Capital and business income	7.6	7.4	7.4	6.0	5.3	6.4	7.7	10.6	9.7	7.8	7.6	4	1.3	
Income of corporations	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	2	1.1	
Income of households	0.9	0.7	0.8	1.1	1.1	1.2	1.7	3.3	2.1	0.8	0.9	10	0.2	
Income of self-employed (incl. SSC)	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	22	0.1	
Stocks of capital / wealth	2.5	1.8	1.6	1.7	2.5	2.7	2.3	3.4	2.6	1.7	1.9	11	0.3	
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	2.7	3.0	3.0	3.8	4.0	3.5	3.3	3.4	3.2	2.9	2.9	6	0.5	
Energy	0.7	1.0	1.0	1.9	2.1	1.9	1.8	1.8	1.6	1.6	1.9	14	0.3	
Of which transport fuel taxes	:	:	:	:	1.7	1.6	1.5	1.5	1.4	1.4	1.6	12		
Transport (excl. fuel)	2.0	2.0	2.0	1.8	1.9	1.6	1.5	1.6	1.6	1.3	1.1	4	0.2	
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0.0	
<b>E. Implicit tax rates</b>												%		
Consumption	12.6	14.0	15.0	18.0	19.4	19.7	20.0	20.5	20.4	19.2	18.8	19		
Labour employed	21.6	22.9	22.3	22.8	22.7	24.4	23.9	23.9	24.6	26.2	27.0	22		
Capital	24.7	23.3	24.0	24.1	24.3	27.2	29.9	41.0	32.5	29.8	31.1			
Capital and business income	18.6	18.8	19.8	18.7	16.6	19.1	23.0	31.1	25.7	24.4	24.9			
Corporations	29.9	30.7	31.9	28.3	23.0	26.2	29.4	35.8	32.5	35.9	37.1			
Households	6.2	5.4	7.4	9.8	9.4	9.9	13.3	21.7	13.9	7.4	8.7			
Real GDP growth (annual rate)	5.0	4.0	2.1	1.9	4.2	3.9	4.1	5.1	3.6	-1.9	1.1			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Cyprus

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, the overall tax burden (including social contributions) increased by 0.4 percentage points to 35.7 % of GDP. It hence only partly offsets last year's drop of more than 3 percentage points. These developments bring Cyprus' tax burden back to the EU average of 35.6 %.

The tax structure of Cyprus' tax system stands out in several respects. Cyprus displays the fifth highest share of indirect taxes in the EU-27. It derives 43.8 % of tax revenues from indirect taxes (EU-27 38.6 %), of which VAT accounts for almost 60 %. This is due to the high share of consumption in the economy, as VAT rates are among the lowest in the EU. Direct taxes account for a proportion of revenue (31.1 %) slightly above the EU average. However, they are more heavily based on CIT revenues (17.4 %) than in all other EU-27 countries except for Malta; the steady increase since 2004 is only interrupted in 2010. On the contrary, PIT taxes do not contribute much more than half of EU-27 average to the total tax revenues (11.6 %, EU-27 20.6 %). Social contributions account for one quarter of receipts, six percentage points below EU-27 average.

The share of taxes received by local government is negligible (1.4 % of total taxation in 2010); only the Greek local government has a lower share in tax revenues, while Malta has no tax collection at local level.

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

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

Revenues from taxes on consumption as a percentage of GDP (13.5 %) are well above the EU-27 average (11.9 %). As mentioned above, this level of revenues is largely due to a high consumption share in the economy, which is the second highest in the EU, only exceeded by Greece's consumption tax share. In addition, Cyprus has been following a strategy of raising primarily consumption taxes. VAT and excise duties revenues were boosted by increases in minimum tax rates prescribed by the *acquis*. With the 2010 increase of tax rates on transport diesel and petrol, these minimum rates have been attained.

In 2000, the implicit tax rate on consumption was by far the lowest of the EU-27 Member States; it now ranks 19th. The 2009 drop in the ITR on consumption was sustained in 2010, now amounting to 18.8 % (EU-27: 21.3 %). These drops are likely to be at least partly due to the decrease in the construction boom of the last years, as VAT spent on building and renovation is counted as consumption tax revenue in this report<sup>(50)</sup>, as well as to the reduction of tax rates for the tourism sector, which could not be offset by the increase in excise duty rates.

Taxes on labour represented 12.7 % of GDP in 2010, constituting a bit more than one third of the overall tax burden. The increase in the ITR on labour by more than 5.0 percentage points since 2000 was driven by the 2.4 percentage point increase since 2008 – resulting from an increase of social security contributions in April 2009. This marked increase results in an ITR on labour of 27.0 % - closer to the EU average of 33.4 % than ever before.

<sup>(50)</sup> The numerator of the ITR comprises VAT revenue on construction, whereas the denominator, in line with national accounts, excludes expenditure in construction, as that is considered investment rather than consumption. This results in an upwardly biased measure of the ITR on consumption. Owing to lack of data, it is at present not possible to correct for this effect.

The share of taxes on capital in GDP (9.5 %) is - despite a considerable drop in 2009 - still over 40 % above the EU-27 average. This is due to the capital income taxation of corporations, which includes the Defence Contributions, and amounts to more than twice the EU-27 average. While these taxes continued to fall in 2010 other taxes on capital such as the capital income of households and taxes on the stocks of capital/wealth picked up slightly.

Albeit on a decreasing path, the share of environmental taxes in GDP in Cyprus (2.9 %) is still above EU-27 average. This is mainly due to the large share of transport taxes (1.1 % of GDP), which has been trending downwards since 2007, but is still twice the EU-27 average. Revenue from energy taxes has almost tripled since 2000 as a proportion of GDP; the 2010 hike of 0.3 percentage points was bringing it in line with EU-27 average (1.9 % of GDP). This development is also reflected in the ITR on energy.

### Current topics and prospects; policy orientation

Given that despite tax increasing measures taken at the beginning of 2011 the budget deficit was expected to increase further to around 6 %, three additional austerity packages were passed in 2011.

With the package of 26.8.2011 an additional tax bracket with a top rate of 35 % for personal income over €60 000 was introduced. Registered companies have to pay an annual levy of €350. The defence contribution on interest payments on deposits of local banks was increase from 10 % to 15 % and the tax rate on dividends was increased from 15 % to 17 %. Tax rates of the real estate tax were increased now ranging from 0 % to 0.8 %, depending on the property value (previously 0 % - 0.4 %). The construction/purchase of first residences is now only subject to a 5 % VAT rate, while at the same time the existing funding scheme was abolished. Moreover, a permanent contribution of 3 % on gross earnings of current government employees towards the government pension schemes was introduced and the contribution to the widows and orphans fund was increased by 1.25 pp to 2 % of gross earnings. A temporary special contribution to strengthen public finances was introduced. It is levied on gross wages at progressive rates for 24 months, starting on 01.09.2011 for public sector employees. This special contribution was extended to private sector employees and pensioners in the package of the 14.12.2011 coming into effect on 01.12.2012. The rates for public and private sector employees were set at 2.5 % for income between €2 501 - €3 500, 3 % in the tax bracket €3 501 to €4 500 and 3.5 % above. The defence contribution for dividends was raised to 20 % for two years as of 01.01.2012. Finally, with the last austerity package that completed the legal process on 16.12.2011 an increase of the VAT from 15 % to 17 % as from 01.03.2012 was passed.

## Main features of the tax system

### Personal income tax

Cyprus applies a personal income tax with a progressive rate structure. After 1991, three brackets were used, with rates set at 20 %, 30 % and 40 %. The rates were reduced, however, in 2003 to 20 %, 25 % and 30 %. In 2011 an additional tax bracket with a top rate of 35% for income over €60 000 was introduced. There is a standard relief (basic allowance) which was progressively raised from €8 500 in 1995 up to €19 500 since 2008, as a result of which the number of people subject to personal income tax has decreased substantially. Special provisions apply to high earning individuals not having been resident of Cyprus before taking up the employment for the first 5 years.

A special contribution to strengthen public finances is levied on gross wages at progressive rates for 24 months, at rates of 2.5% for income between €2.501 - €3.500, 3% in the tax bracket €3501 to €4500 and 3.5% above. The special contribution is shared equally between the employer and the employee and deductible from taxable income.

Capital gains, in particular dividends, interest income and income from the sale of securities are exempt from income taxation. They are taxed under the Defence Contribution and a capital gains tax on the disposal of immovable property.



### Corporate taxation

Cyprus has lowered its corporate tax rate from 20–25 % (stable since 1991) to 10 % from 1 January 2003. For semi-governmental bodies the tax rate was only reduced to 10 % in 2009, bringing it in line with the CIT rate applied to non-governmental corporations. Alongside the reduction of the tax rate, several tax incentives were abolished. In the years 2003 and 2004, there was an additional 5 % corporate tax for chargeable income exceeding €1.7 million. Special regimes apply, however, to the shipping sector. Companies can carry forward trading losses indefinitely (up to 2002 a five-year limit applied), but carrying back is not allowed. Inventories may be valued at the lower of cost or net realisable value. An annual levy on registered companies of €350 applies since 2011.

### Other taxes (Defence Contribution)

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

### VAT and excise duties

On 01.03.2012 the standard VAT rate was increased to 17 % (it had been 15 % since 2003), keeping the two reduced rates constant at 5 % and 8 %, respectively. In addition Cyprus exempts certain products – letting of immovable property, cultural, sport, banking, insurance, medical and hospital services – from VAT altogether, and applies a zero rate on supplies of goods and services to sea-going vessels, and international transportation, as well as exports and intra-Community dispatches of goods and services. Since 2011 formerly exempt foodstuff and pharmaceutical products as well as the formerly higher taxed construction/purchase of the first residence have been subject to a 5 % VAT rate. The reduced VAT rates for hotel accommodation and restaurant services (5 % formerly 8 %) – originally temporarily introduced in 2009 to fight the crisis – were extended in 2012. The excise duties on energy, in particular on unleaded petrol and on diesel were aligned with the EU minima in 2010. The 2011 increase in excise duties focused on tobacco products namely an increase by 40 cents by packet.

### Wealth and transaction taxes

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

### Social contributions

Employers' social contributions are due for the Social Security Fund, redundancy insurance and for the Training Development Fund. Altogether, the employers' contribution rate amounts to 8.5 %. Employers must also pay a payroll tax (2 % of gross wage) to the social cohesion fund, which is not deductible for corporate income purposes. Employees pay 6.8 % of their salary as social contribution up to a ceiling of €52 104. Public sector employees pay 3% of their gross salaries towards the government pension scheme since 2011. The self-employed pay 12.6 % of notional income as social contribution. SSC of employed and self-employed are augmented by a 4.3 % payment of the state. In general, employers have to contribute to the Central Holiday Fund; the rates vary according to the annual leave entitlement of the employee.

CZECH REPUBLIC												2010		
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	% of GDP	Ranking <sup>1)</sup>	€ bn
<b>A. Structure of revenues</b>												% of GDP		
Indirect taxes	10.8	10.5	10.3	10.6	11.3	11.3	10.8	11.1	10.9	11.4	11.5		24	17.2
VAT	6.2	6.1	6.0	6.1	7.0	6.9	6.4	6.3	6.8	6.9	7.0		20	10.4
Excise duties and consumption taxes	3.1	3.1	3.1	3.3	3.4	3.6	3.6	3.9	3.3	3.7	3.7		5	5.5
Other taxes on products (incl. import duties)	0.9	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.5	0.4	0.4		24	0.6
Other taxes on production	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4		25	0.6
Direct taxes	7.9	8.3	8.8	9.2	9.2	8.9	8.9	9.0	8.0	7.3	7.0		21	10.5
Personal income	4.4	4.3	4.5	4.7	4.7	4.4	4.2	4.3	3.7	3.6	3.6		24	5.3
Corporate income	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4		5	5.0
Other	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		25	0.1
Social contributions	15.0	14.9	15.4	15.6	15.4	15.4	15.6	15.7	15.5	14.9	15.3		3	22.8
Employers'	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.4	9.7		3	14.5
Employees'	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.1		13	4.6
Self- and non-employed	1.9	1.9	2.0	2.0	2.1	2.0	2.2	2.3	2.2	2.6	2.4		2	3.6
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
<b>TOTAL</b>	<b>33.8</b>	<b>33.7</b>	<b>34.6</b>	<b>35.4</b>	<b>35.9</b>	<b>35.7</b>	<b>35.3</b>	<b>35.9</b>	<b>34.4</b>	<b>33.6</b>	<b>33.8</b>		<b>16</b>	<b>50.5</b>
Cyclically adjusted total tax to GDP ratio	34.5	34.5	35.7	36.5	36.6	35.3	33.7	33.4	31.9	33.7	33.8			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	73.2	74.5	72.8	72.7	72.4	69.7	69.5	69.7	69.1	68.4	68.4		7	34.5
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
Local government	11.6	10.7	12.0	12.2	12.5	14.7	14.2	14.1	14.4	14.2	14.0		6	7.1
Social security funds	15.3	14.8	15.2	15.1	14.5	14.7	15.4	15.2	15.6	16.5	16.7		22	8.4
EU institutions	n.a.	n.a.	n.a.	n.a.	0.6	0.9	0.9	0.9	0.9	0.8	0.9		10	0.4
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	10.1	9.8	9.6	9.9	10.8	10.8	10.3	10.5	10.3	10.9	10.9		18	16.3
Labour	17.8	17.6	18.3	18.6	18.3	18.3	18.4	18.5	18.0	17.0	17.7		13	26.4
Employed	16.6	16.4	17.1	17.4	17.2	17.2	17.1	17.2	16.8	15.7	16.3		13	24.3
Paid by employers	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.4	9.7		5	14.5
Paid by employees	6.9	6.8	7.1	7.3	7.3	7.3	7.2	7.3	6.9	6.4	6.5		19	9.8
Non-employed	1.2	1.2	1.2	1.2	1.1	1.1	1.3	1.3	1.2	1.3	1.4		9	2.1
Capital	5.9	6.4	6.7	7.0	6.8	6.6	6.7	6.8	6.1	5.7	5.2		20	7.8
Capital and business income	4.9	5.5	5.8	6.1	6.2	5.9	6.0	6.1	5.4	5.1	4.5		16	6.8
Income of corporations	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4		5	5.0
Income of households	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		25	0.1
Income of self-employed (incl. SSC)	1.4	1.4	1.5	1.6	1.6	1.4	1.3	1.3	1.1	1.4	1.1		14	1.7
Stocks of capital / wealth	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.7		24	1.0
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.4		17	3.6
Energy	2.1	2.2	2.1	2.2	2.3	2.4	2.3	2.2	2.2	2.2	2.2		6	3.3
Of which transport fuel taxes	:	:	:	:	:	2.2	2.1	2.1	2.0	2.2	2.0		5	
Transport (excl. fuel)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1		25	0.2
Pollution/resources	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		15	0.1
<b>E. Implicit tax rates</b>												%		
Consumption	18.8	18.2	18.4	18.8	20.8	21.1	20.3	21.3	20.5	21.0	21.1		13	
Labour employed	41.2	40.8	41.3	41.7	41.5	41.3	41.1	41.7	40.0	37.6	39.0		7	
Capital	18.7	19.6	21.3	22.1	21.8	20.4	20.0	20.2	18.5	18.0	16.7			
Capital and business income	15.6	16.9	18.6	19.5	19.7	18.2	17.9	18.1	16.6	16.1	14.6			
Corporations	24.5	25.9	28.5	29.0	27.5	24.7	24.3	23.7	22.0	20.2	19.6			
Households	7.9	8.1	8.7	9.0	9.8	8.8	8.0	8.6	7.5	9.1	7.2			
Real GDP growth (annual rate)	4.2	3.1	2.1	3.8	4.7	6.8	7.0	5.7	3.1	-4.7	2.7			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Czech Republic

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, the total tax-to-GDP ratio (including social contributions) stood at 33.8 % in the Czech Republic. This tax ratio is below the EU-27 average (35.6 %). Compared to neighbouring countries, the ratio is lower than in Austria and Germany but higher than in Slovakia and Poland.

The main source of tax revenue is social security contributions, which reach 45.2 % of total taxes and are over 14 percentage points above the EU-27 average (31.1 %) – the highest in the EU. The share of Czech social contributions in total revenues has been the highest in the EU for several years, followed by Slovakia and Germany in 2010. The share of direct taxes (20.8 % of total taxation) is conversely 9.6 percentage points below the Union average (30.4 %), as these levies play a less important role than indirect taxes (34 %). Given the predominance of social security contributions, the other sources of revenue tend to fall below the EU average. In particular, indirect tax revenue is one of the lowest in the EU as a share of revenue being along with Austria, Italy and Spain. PIT revenue stands at 3.6 % of GDP, among the lowest values of the EU. In 2010 CIT revenues are close to PIT revenues (10 % vs. 10.6 % of total taxation) and exceed the EU-27 average by 2.4 percentage points. Only three other EU countries, i.e. Cyprus, Luxembourg, Malta and Sweden collect more tax revenues with the means of CIT than the Czech Republic. Despite the forceful cut in the CIT rate from 55 % in 1991 to 19 % in 2010, CIT revenues have not markedly declined until 2008 when the reductions of the rate coincided with unfavourable economic conditions.

Since the structure of the tax system is quite centralised, local government receives 14 % of total tax revenues (3.4 percentage points above the EU-27 average). The central government receives 68.4 % of total taxes, by almost 10 percentage points more than the EU-27 average (58.8 %). This level is the seventh highest in the EU.

The total tax burden rose steadily from 2001 to 2004 peaking at 35.9 % of GDP. In the 2005–2010 period the tax-to-GDP ratio has remained below this level (being 33.8 % in 2010, 1.8 percentage points below the EU-27 average). In the 2005–2008 period, the cyclically-adjusted tax ratio has been declining much faster than the unadjusted tax ratio, suggesting that the reforms enacted since 2004 have effectively reduced the tax burden beyond the relatively modest decline in the headline ratio. The increase of the VAT rate and social contributions base in 2010 counterbalanced the decrease of the CIT rate and the overall tax revenue in terms of GDP recorded a modest increase of 0.2 percentage points.

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

The tax mix by economic function is consistent with the structure described above: taxation on labour is the main source of revenue (52.3 %, 5 percentage points above the EU-27 average), followed by consumption (32.3 %) and capital (15.4 %). In 2010 the share of labour taxation revenues increased again to the level of 2008 after a sudden drop from 52.3 % in 2008 to 50.8 % in 2009, mainly due to the decrease of the employers' and employees' social contribution rate in 2009. The share of capital taxation revenues has declined by 4.2 percentage points since 2003, more markedly in 2008 due to the CIT rate cut in that year and the relatively low economic growth in the last years.

The implicit tax rate (ITR) on consumption is at 21.1 % broadly in line with the EU-27 average. It grew substantially in 2004 following a revision of consumption taxes preceding the EU accession and remained mostly stable since then. Selected goods and services earlier taxed at a reduced 5 % VAT rate were made subject to the standard EU rate in two steps; from 1 January 2004 (e.g. telecommunications) and from 1 May (e.g. construction works). The pick-up observed since 2009 is probably driven by the hike of the standard and reduced VAT rates.

The ITR on labour income has been declining from its peak level of 41.7 % in 2003 until 2006. In 2007 the rate peaked again but the 2008 PIT reform which introduced a flat tax rate of 15 % led to another decline in 2008. The

ratio dropped further in 2009 due to the cut in the social contributions rate. The ITR on labour income increased in 2010 from the level of 37.6 % to 39 % probably following the increase of the social contributions base. This level is still comparatively high, more than 5 percentage points above the EU-27 average. The elevated ratio is due to the high level of social security contributions.

The ITR on capital increased gradually from 2000 to 2003, but then the trend inverted. During 2004–2010, the ITR on capital declined to 16.7 % (6.6 percentage points below the EU-25 average (EU-27 not available)). The marked decline as of 2008 could be largely explained by the cut of the CIT rate in the last three years under observation.

Environmental taxes represent 2.4 % of GDP. This value is slightly below the EU average (2.6 %) and has remained roughly constant in the last decade. As in the majority of Member States, most of this revenue is realised on energy (2.2 % of GDP).

### Current topics and prospects; policy orientation

In 2008 a tax reform introduced important changes in the tax system of the country. Furthermore, in 2010 the corporate income tax rate was cut to 19 % and the value added tax rate was increased by 1 %. The basic VAT rate is currently set at 20 %, while the reduced rate was increased from 10 % to 14 % in 2012. For 2013 the unification of the VAT rates at 17.5 % is foreseen. Changes to the VAT rates are to cover the fallout of revenues from the social insurance in relation to the introduction of the second pension pillar.

A comprehensive tax reform was adopted on 27 December 2011 and the changes will generally apply from 1 January 2015. In the area of individual taxation it foresees, among others, the introduction of a 19 % personal income tax rate, changes in the tax base and tax deductible amounts, health insurance contributions at 6.5 % of the contribution base, a new tax relief in the form an employment tax credit. As far as corporate taxation is concerned, the reform envisages replacement of the social and health insurance contributions paid by employers with a 32.5 % payroll tax. Also, the rate applicable to income derived by collective investment vehicles is reduced from 5 % to 0 %. Finally, flat inheritance and gift tax rates of 9.5 % and 19 % respectively will be introduced and the amount up to which movable personal belongings and financial means are exempt will be increased.

The reform also introduces a one-stop-shop for all taxes, duties, and social security and health insurance contributions.

## Main features of the tax system

### Personal income tax

Until 2007, the Czech Republic applied progressive personal income taxation with four brackets, where the top rate was 32 %. A flat tax rate of 15 % was introduced in 2008. The tax base for income from employment is a so-called super gross wage (a gross wage increased by the amount corresponding to social insurance and general health insurance, which is paid from the said income by the employer). Business, rent and other personal income is usually taxed via filing a personal income tax return in which the respective income is declared. The expenditure lump-sums valid for 2012 are 80 % for incomes from agriculture and crafts, 60 % for businesses except the crafts and 40 % for other incomes.

Recently introduced tax reform envisages that as of 2015 the personal income tax rate will be increased to 19 % and social security and health insurance contributions paid by the employer (or the newly introduced payroll tax) will not be included in the tax base. The deductible amount of mortgage interest for the taxpayer's main residence is reduced up to CZK 80 000 (€ 3 023) per year (currently, CZK 300 000). The currently applicable 10 % deduction of the tax base for qualifying donations is increased to 15 %. However, the amount of in-kind benefits that could be exempt from the individual income tax is reduced to up to CZK 10 000 (€ 378) per year (currently, CZK 20 000). Also, a new tax relief in the form of an employment tax credit of up to CZK 3 000 (€ 113) will be introduced and if the amount of the tax credit exceeds the employee's tax liability the difference will be refunded. The basic tax credit could be claimed only by taxpayer whose individual income tax base did not exceed four times the average annual salary. Finally, dividends and other profit distributions will be exempt. This exemption will not

apply in respect of distributions made by collective investment vehicles. Capital gains from the sale of securities will be also exempt after a holding period of three years.

### Corporate taxation

Corporate income tax is levied mainly on corporate entities, limited liability companies and limited partnership. Legal persons with their registered office in the Czech Republic are subject to tax liability, which is related to incomes resulting from both resources in the Czech Republic and resources abroad. The corporate income tax rate was gradually reduced from 24 % in 2007 to 19 % in 2010. The rate for all withholding taxes is 15 % and applies to interest, dividends and royalties for both residents and non-residents and for both corporations and individuals. Dividends paid and capital gains derived by parent companies registered in an EU Member State are exempt from the withholding tax.

As of 2015 the rate applicable to income derived by collective investment vehicles will be 0 % (currently 5 %). Also, the tax credit for employed disabled people will be abolished as of 2015.

### VAT and excise duties

VAT in the Czech Republic is charged at two rates. The standard rate of 20 % applies on the sale of goods and services; the reduced rate of 14 % applies on the sale of certain goods such as food products, pharmaceuticals products as well as on some services. Certain services (e.g. postal, broadcasting, banking, insurance, financial, health and social welfare, transfer and lease of land and buildings or structures, provision of lotteries and similar games of chance and education) are exempted without credit for input tax.

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

### Wealth and transaction taxes

There is an inheritance and gift tax, a real estate transfer tax and a real property tax. For movable assets, the tax base is the market price. For immovable assets, the tax base is in most cases the official valuation of the assets. The acquisition of movable property by inheritance is exempt from taxes for direct and indirect (since 2008) relatives and spouses of the owner. The tax rate is based on the value of property. This ranges for the gift tax from 7 % to 40 % and from 3.5 % to 20 % for the inheritance tax. The real estate transfer tax rate is 3 % of the price of the property.

As of 2015 the inheritance and gift tax rates will be replaced by flat 9.5 % and 19 % rates respectively and movable personal belongings and financial means will be exempt up to CZK 50 000 (€1 890).

### Social contributions

Employers, employees and self-employed persons must make social security contributions that cover health, occupational disability, old-age pension and unemployment insurance. Since the introduction of the flat rate, social security contributions are fully taxable. The employees' total rate of social and health insurance is 11.0 % (comprised of 6.5 % contributions to pension insurance and 4.5 % of compulsory health insurance). Employers' contributions total rate is 34 % and as of 2015 will be replaced by a payroll tax of 32.4 %. In 2012, two separate ceilings apply for social security and health insurance contributions. The ceiling on social security contributions is set at CZK 1 206 576 (€47 383, i.e. four times the average annual salary), whilst the ceiling on health insurance contributions equals CZK 1 809 864 (€71 075, i.e. six times the average annual salary). As of 2015 both employees and the self-employed will pay health insurance contributions at 6.5 % of the contribution base. In addition, the health insurance contribution base for the self-employed will be 100 % of their income tax base.

DENMARK	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	17.2	17.4	17.5	17.4	17.6	18.0	18.1	17.9	17.2	17.0	16.9	3	39.8
VAT	9.6	9.6	9.6	9.6	9.8	10.1	10.3	10.4	10.1	10.1	9.9	1	23.2
Excise duties and consumption taxes	4.1	4.1	4.1	4.0	3.8	3.5	3.4	3.2	3.1	3.3	3.3	11	7.8
Other taxes on products (incl. import duties)	2.0	1.8	2.0	1.9	2.2	2.6	2.6	2.5	2.2	1.5	1.6	8	3.8
Other taxes on production	1.6	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.9	2.0	2.1	5	4.8
Direct taxes	30.5	29.5	29.3	29.6	30.4	31.9	30.7	30.1	29.7	29.9	29.9	1	70.3
Personal income	25.6	26.0	25.7	25.6	24.9	24.9	24.9	25.4	25.1	26.3	24.3	1	57.3
Corporate income	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.7	8	6.5
Other	1.6	0.7	0.7	1.1	2.3	3.1	1.5	1.0	1.3	1.2	2.8	1	6.6
Social contributions	1.8	1.7	1.2	1.2	1.2	1.1	1.0	1.0	1.0	1.0	1.0	27	2.4
Employers'	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	27	0.1
Employees'	1.8	1.7	1.2	1.2	1.1	1.1	1.0	1.0	0.9	1.0	1.0	25	2.3
Self- and non-employed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0.0
Less: amounts assessed but unlikely to be collected	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1		
<b>TOTAL</b>	<b>49.4</b>	<b>48.5</b>	<b>47.9</b>	<b>48.0</b>	<b>49.0</b>	<b>50.8</b>	<b>49.6</b>	<b>48.9</b>	<b>47.8</b>	<b>47.7</b>	<b>47.6</b>	<b>1</b>	<b>112.2</b>
Cyclically adjusted total tax to GDP ratio	48.2	47.9	47.9	48.7	49.2	50.4	48.0	46.9	46.7	49.6	48.9		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	62.7	61.3	61.8	61.7	63.1	64.5	64.0	73.5	73.2	72.1	71.1	5	79.7
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	33.5	35.1	35.7	35.8	34.4	33.2	33.8	24.4	24.7	25.7	26.7	2	30.0
Social security funds	3.6	3.6	2.5	2.5	2.4	2.2	2.1	2.0	2.0	2.0	2.1	25	2.4
EU institutions	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.4	0.4	27	0.4
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	15.7	15.7	15.8	15.6	15.8	16.2	16.3	16.1	15.4	15.1	15.0	1	35.3
Labour	26.6	26.9	26.1	26.0	25.2	24.8	24.6	25.0	25.4	27.0	24.6	2	58.0
Employed	21.7	22.1	21.2	20.9	20.3	20.0	19.9	20.3	20.6	20.7	19.5	6	45.9
Paid by employers	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	27	1.4
Paid by employees	21.3	21.5	20.7	20.4	19.8	19.5	19.4	19.7	20.1	20.2	18.9	1	44.6
Non-employed	4.9	4.8	4.9	5.1	4.9	4.8	4.7	4.7	4.8	6.3	5.1	1	12.1
Capital	7.2	6.0	6.1	6.6	8.2	10.0	8.9	7.9	7.1	5.7	8.1	8	19.1
Capital and business income	4.8	3.4	3.5	3.8	5.4	7.3	6.2	5.2	4.2	2.9	5.3	10	12.5
Income of corporations	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.7	9	6.5
Income of households	0.4	-0.6	-0.5	-0.1	1.2	2.3	0.7	0.3	0.1	-0.2	1.7	1	4.1
Income of self-employed (incl. SSC)	1.1	1.2	1.0	1.0	1.0	1.1	1.1	1.1	0.8	0.8	0.8	18	1.9
Stocks of capital / wealth	2.4	2.6	2.7	2.8	2.8	2.8	2.7	2.7	2.9	2.9	2.8	4	6.6
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	4.7	4.7	4.8	4.7	4.8	4.9	4.8	4.6	4.2	3.9	4.0	1	9.4
Energy	2.5	2.7	2.6	2.6	2.5	2.3	2.2	2.1	2.1	2.2	2.3	4	5.3
Of which transport fuel taxes	:	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.1	1.1	27	
Transport (excl. fuel)	1.8	1.7	1.9	1.8	2.0	2.2	2.3	2.2	1.8	1.5	1.5	1	3.6
Pollution/resources	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	4	0.5
<b>E. Implicit tax rates</b>	%												
Consumption	33.4	33.5	33.7	33.3	33.3	33.9	34.2	33.9	32.6	31.6	31.5	1	
Labour employed	41.0	40.8	38.8	38.1	37.5	37.1	36.9	36.6	36.6	35.2	34.8	13	
Capital	36.0	31.0	30.8	36.9	45.9	49.9	44.5	46.2	42.8	39.0	:		
Capital and business income	23.9	17.7	17.3	21.4	30.3	36.1	30.8	30.2	25.5	19.6	:		
Corporations	23.0	21.1	20.0	22.3	24.9	26.7	28.7	28.0	23.5	18.9	:		
Households	22.2	8.6	9.0	15.3	34.5	50.0	27.0	26.3	21.7	16.8	:		
Real GDP growth (annual rate)	3.5	0.7	0.5	0.4	2.3	2.4	3.4	1.6	-0.8	-5.8	1.3		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

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# Denmark

## Overall trends in taxation

### Structure and development of tax revenues

Although the tax-to-GDP ratio dropped by over three percentage points from 2005 to 47.6 % in 2010, Denmark still shows the highest ratio in the EU, almost two percentage points above the Swedish figure and around five and five and a half percentage point above Norway and Finland, respectively. However, it should be noted that the tax-to-GDP ratio overestimates the Danish tax burden somewhat in relation to some other countries, since transfer incomes (for example, pensions) in Denmark are taxed, although transfers are not taken into account when measuring GDP.

The Danish tax structure stands out in a number of respects. Social contributions are very low as most welfare spending is financed out of general taxation, notably personal income taxation. Correspondingly direct taxes form 62.7 % of total tax revenues (EU-27 30.4 %). Personal income taxes form the bulk of it, representing 51.1 % of total taxation in 2010. The proportion of indirect taxes was 35.4 %, well below the EU-27 average (38.6 %).

In terms of the distribution of revenue between levels of government, Denmark differs substantially from the EU average because of the small role played by social security funds. As a result, the share of taxes raised by central government and particularly local government is elevated, respectively 71.1 % and 26.7 % (EU-27 58.8 % and 10.6 %).

The tax-per-GDP ratio fluctuated within the band of 47.6 % and 50.8 % in the last decade. The peak was reached in the year 2005 followed by a substantial decline, with the 2010 value being the lowest one in more than a decade. The structure of revenues remained stable, except for social security contributions that reached almost 2 % of GDP in the beginning of the decade but have been around 1 % since 2002.

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

The implicit tax rate on consumption, at 31.5 % (EU-27 21.3 %), remains the highest within the European Union, thanks to a 25 % VAT rate and the absence of reduced rates. The ITR on consumption has declined though since its highest value in 2006 (34.2%).

Despite the generally high level of taxation, the ITR on labour, at 34.8 %, is not amongst the EU's highest, but is exceeded in twelve other Member States. It has been steadily falling since 2000, resulting at least partly from labour tax cuts introduced since the first tax reform in 1999. The two percentage points drop in the GDP share of personal income taxes from 26.3 % in 2009 to 24.3 % in 2010 is due to the cuts specified by the Spring Package adopted in 2009.

At 39.0 % (2009), the overall ITR on capital is among the highest in the EU, but has decreased considerably from its peak of 49.9 % in 2005. The ITR on capital displays a strong fluctuation over the years, reflecting the fluctuation in the yield from pension scheme assets and thus the tax on these. 2010 was a year of very high pension yields and a corresponding tax revenue hike was registered, reflected in the hike in tax receipts from the capital income of households.

Denmark stands out also by its high level of environmental taxation. In 2010 environmental taxes yielded 4.0 % of GDP, close to the values for the previous two years but somewhat below the average of the period 2000-2007. Nevertheless, Danish environmental tax yields remain the highest in the EU by a wide margin. This reflects a comprehensive and ambitious energy tax system, in which all energy projects are subject to both energy and CO<sub>2</sub> tax, a wide range of other taxes levied on environmentally harmful substances and products as well as a significant car registration tax. Further increases in environmental taxation are phased in between 2010 and 2019 (see below).

### Current topics and prospects; policy orientation

In the conditions of the global economic crisis the downturn of the Danish economy was rather deep in 2009 with GDP falling by 5.8 % on a yearly basis. Since the end of 2009 the economic prospects, are improving but at 1.3 % and 1.2 %, in 2010 and 2011 respectively, economic growth has remained weak and is expected to hold similarly faint in 2012. The budget balance (net lending/net borrowing under the EDP) turned from a surplus (3.2 % in 2008) to a deficit of 2.6 % of GDP in 2010. According to the Danish Ministry of Finance the deficit was 1.9 % in 2011 and is expected to be even larger in 2012, 5.5 % of GDP, before sinking below 3 % in 2013. Half of the weakening of general government budget balance from 2008 to 2010 is estimated to be caused by discretionary fiscal policy, which includes several public investment projects and cuts in personal income taxation as part of the tax reform adopted in 2009, the so called *Spring Package 2.0*. The reform is implemented between 2010-2019, reducing the high marginal tax rates on personal income and thus stimulating labour supply in the medium to long-term. The tax reform was designed to be revenue neutral as a whole, but was underfinanced in the short run in order to stimulate the economy. However, due to deficit expected to exceed 3 % of GDP, the Ecofin council recommended that Denmark tightens fiscal policy by at least 0.5 % of GDP per year in the period 2011-2013. Hence, to consolidate the budget, a *Fiscal Consolidation Agreement* was reached in May 2010, somewhat modifying the prescriptions of the *Spring Package* of 2009. Thanks to large surpluses accumulated in the past, as well as the low level of public debt, the state of public finances is, however, more sustainable than in most other EU Member States.

The specific provisions of the *Fiscal Consolidation Agreement* include the suspension from 2011 until 2013 of automatic adjustments in various tax thresholds (including personal allowances); postponing from 2011 to 2014 the increase of the threshold for the top income tax rate (15 %) from DKK 389 900 to 409 100 (€52 400 to 54 980); limiting labour union membership fees' tax deductibility to DKK 3 000 (€403) from the year 2011; limiting from 2011 the annual amount of child allowance to DKK 35 000 (€4 700), irrespective of the number of children (the limit was abolished as of 2012). Child allowances will be gradually reduced by 5 % until 2013. At the beginning of 2011, the lower rate of the PIT was slightly reduced to 3.64 % to offset an average increase in the municipality tax while the ordinary tax allowance of DKK 42 900 (€5 765) remained. Furthermore, a 6 % tax is imposed from 2011 on pension payments exceeding DKK 362 800 (€48 755). The bulk of the *Spring Package* remain unchanged, however, including higher energy, transport and environmental taxes to support the energy and climate policy objectives of the government, as well as increases of excise rates on health-related goods (fat, candy, sugary drinks, tobacco).

The fiscal stance in 2012 is again slightly expansionary; although increased spending is offset by new tax measures. As part of the new government's "kick start"-package a frontloading in public investments by DKK 11 billion (€1.48 billion) in 2012 and DKK 8 billion (€1.1 billion) in 2013 as well as the reimbursement of the Voluntary Early Retirement Pension (VERP) contributions underpin economic activity. Further spending on health and in other prioritized areas in the Fiscal Bill for 2012 is offset by tax hikes amounting to permanent DKK 5 billion (€ 671 million), targeted especially at unhealthy products such as candies, soft and alcoholic drinks and cigarettes, as well as intensified taxation of multinational enterprises. The latter includes stricter rules in loss carry-forward and tighter control of loss-making companies and transfer pricing. Also, the deductibility of payments to individual pension insurance schemes with less than lifelong coverage is further limited to DKK 50 000 a year.

## Main features of the tax system

### Personal income tax

Personal income taxation in Denmark is characterised by relatively high average and marginal tax rates. Individuals pay an 8 % labour market contribution, levied on the gross wage before the deduction of any allowance. As in the other Nordic countries, local taxes play an important role: rates are flat and vary from one municipality to the next. The average local PIT rate is 25.7 % (including the church tax). The personal allowance of DKK 42 900 (€5 765) is deducted.

Since the 2009 tax cuts, which removed the middle tax bracket, the state income tax system has consisted of two tax brackets. The rate of the bottom bracket is 4.64 % to which a 7 % health tax is added. Hence, 11.64 % is paid on labour and positive net capital income from which a labour market contribution and the personal allowance of



DKK 42 900 (€5 765) is deducted. The top 15 % rate is levied on a similar tax base, but only on the amounts exceeding the top tax threshold, DKK 389 900 (€52 400). The top bracket tax rate for positive net capital income is separated from the top bracket tax on other income and is gradually reduced from 15 % till 5.5 % from 2010 to 2014. Overall, the system is highly progressive with marginal rates ranging from 8 % (up to the amount of personal allowance) to about 56.1 % (the upper ceiling plus the labour market contribution and the average church tax of 0.7 %).

Net capital income (positive or negative) is included in the tax base for local income taxes and the health tax. Negative capital income consists typically of interest payments connected to mortgages. The tax value of net capital income and deductible expenses is gradually reduced from 33.7 % to 25.7 % between 2012-2019. For negative capital income below DKK 50 000 (DKK 100 000 for married couples) the tax value remains at 33.7 %. Positive net capital income is part of the tax base for all the PIT except the labour market contribution. From 2010 the first DKK 40 000 (DKK 80 000 for married couples, corresponding to €5 375 and €10 750) of positive net capital income is taxed at the bottom tax rate (37.3 %) irrespective of the person's total income above the personal allowance. Dividend income is taxed at two different rates: 27 % and 42 % depending on the level of dividend income. Also capital gains on selling shares are taxed at the same two rates.

### Corporate taxation

The corporate tax rate has been gradually reduced from 30 % in 2005 to 25 % in 2007. There are no local taxes on corporations, but municipalities receive a share of CIT revenue. Since 2004 there are mandatory national tax consolidation rules for permanent establishments and resident subsidiaries, while resident group-related subsidiaries of non-resident companies may apply for international consolidation. Loss carry-forward is allowed without limitation, but no carry-back is permitted. The CIT reform of 2007 introduced a limitation of interest deductibility through an EBIT rule and a ceiling over deductible interest (corresponding to 6.5 % of the tax assets except shares plus 20 % of the cost price of shares in foreign subsidiaries). Tax depreciation is straight line over a 20-year period for buildings used for business purposes (not offices) and at a declining base for machinery and equipment (up to 25 %). The depreciation rate for buildings was reduced from 5 % to 4 % in 2008 as a part of the CIT reform, extending the depreciation period to 25 years. The depreciation rate for infrastructure was also reduced from 25 % to 7 % in 2008. Tax depreciation for ships, drilling rigs, aircraft, and trains is gradually lowered from 25 % in 2007 to 15 % in 2016. Inventories are valued on a FIFO basis. Acquired goodwill and the acquisition costs of know-how, patents, copyrights and other intangibles may be depreciated over 7 years using the straight-line method.

### VAT and excise duties

The VAT rate is 25 % and only newspapers are taxed at a zero rate. As part of financing the 2009 tax reform the energy taxes, except on petrol and diesel, are increased by 15 % and also business and industry will pay energy taxes in the future at the rate of DKK 15 per GJ (€2/ GJ) (to be fully implemented by 2013). Energy taxes have been indexed with inflation from 2008 and the tax reform provides the continuation of indexation from 2016 onwards. A number of other environmentally or health related taxes are introduced or increased in the context of the tax reform. As part of the Fiscal Bill for 2012 certain duties, which had been included in the former government's tax freeze, are indexed again in 2012 and 2013 as well as other health related duties are increased.

### Wealth and transaction taxes

Immovable property situated in Denmark is subject to municipal real estate tax. The rates vary between 1.6 % and 3.4 %.

### Social contributions

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

<b>ESTONIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.3	12.3	12.5	12.1	12.3	13.4	13.5	13.5	12.3	15.0	14.2	9	2.0
VAT	8.4	8.2	8.4	8.2	7.7	8.7	9.1	8.9	7.9	8.8	8.8	5	1.3
Excise duties and consumption taxes	3.0	3.3	3.2	3.1	3.6	3.7	3.4	3.6	3.3	5.0	4.3	2	0.6
Other taxes on products (incl. import duties)	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.3	0.4	25	0.1
Other taxes on production	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	19	0.1
Direct taxes	7.7	7.2	7.5	8.0	7.9	7.0	7.1	7.4	7.8	7.6	6.8	23	1.0
Personal income	6.8	6.5	6.4	6.5	6.3	5.6	5.6	5.8	6.2	5.7	5.4	19	0.8
Corporate income	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	24	0.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0.0
Social contributions	10.9	10.7	11.0	10.6	10.3	10.3	10.1	10.5	11.6	13.1	13.1	9	1.9
Employers'	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.4	12.2	1	1.7
Employees'	0.0	0.0	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.5	0.8	26	0.1
Self- and non-employed	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	25	0.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.0</b>	<b>30.2</b>	<b>31.0</b>	<b>30.8</b>	<b>30.6</b>	<b>30.6</b>	<b>30.7</b>	<b>31.4</b>	<b>31.7</b>	<b>35.7</b>	<b>34.2</b>	<b>15</b>	<b>4.9</b>
Cyclically adjusted total tax to GDP ratio	31.9	31.1	31.2	30.6	30.2	29.2	27.6	27.1	29.5	38.5	36.8		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	72.2	72.6	72.2	72.2	71.2	71.0	71.2	70.7	67.3	68.2	67.9	8	3.3
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	13.9	13.5	12.9	13.0	13.2	13.0	13.2	13.4	15.4	14.0	13.4	7	0.7
Social security funds	13.9	13.9	14.9	14.9	14.9	14.9	14.4	14.7	16.2	16.9	17.9	21	0.9
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	1.1	1.1	1.2	1.1	0.9	0.9	9	0.0
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	11.7	11.7	11.9	11.6	11.7	12.8	13.0	13.0	11.7	14.4	13.6	5	1.9
Labour	17.5	16.9	17.1	16.7	16.4	15.4	15.3	16.0	17.5	18.7	18.4	11	2.6
Employed	17.1	16.6	16.7	16.4	15.9	14.9	14.9	15.6	17.1	18.1	17.8	11	2.5
Paid by employers	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.4	12.2	2	1.7
Paid by employees	6.4	6.1	6.2	6.2	5.9	5.1	5.1	5.4	5.8	5.6	5.6	22	0.8
Non-employed	0.4	0.3	0.4	0.3	0.5	0.5	0.4	0.4	0.5	0.6	0.6	18	0.1
Capital	1.8	1.6	2.1	2.5	2.5	2.4	2.4	2.5	2.5	2.6	2.2	27	0.3
Capital and business income	1.2	0.9	1.4	1.9	1.9	1.9	1.8	2.0	1.9	2.0	1.5	26	0.2
Income of corporations	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	24	0.2
Income of households	0.2	0.1	0.2	0.2	0.1	0.3	0.2	0.2	0.2	0.1	0.1	24	0.0
Income of self-employed (incl. SSC)	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	27	0.0
Stocks of capital / wealth	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	26	0.1
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	1.7	2.1	2.0	1.9	2.1	2.3	2.2	2.2	2.3	3.0	3.0	5	0.4
Energy	1.2	1.6	1.5	1.5	1.8	1.9	1.8	1.8	1.9	2.5	2.6	2	0.4
Of which transport fuel taxes	1.1	1.5	1.4	1.4	1.7	1.8	1.7	1.7	1.7	2.2	2.1	4	
Transport (excl. fuel)	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	26	0.0
Pollution/resources	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.3	2	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	19.5	19.6	19.9	19.8	19.7	22.0	22.7	23.6	21.2	26.2	25.6	6	
Labour employed	37.8	37.3	37.8	36.9	35.8	33.8	33.6	33.9	33.7	35.1	37.0	10	
Capital	5.8	4.8	6.3	7.7	8.0	7.7	7.9	8.4	10.0	14.0	9.1		
Capital and business income	3.7	2.9	4.5	6.0	6.0	5.8	6.1	6.6	7.6	10.7	6.4		
Corporations	4.1	3.0	4.7	6.5	6.9	5.7	5.8	6.7	7.6	13.0	7.1		
Households	2.6	2.3	3.2	3.3	2.5	5.0	4.7	3.8	4.0	2.0	2.0		
Real GDP growth (annual rate)	14.0	6.3	6.6	7.8	6.3	8.9	10.1	7.5	-3.7	-14.3	2.3		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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n.a. not applicable, : not available

Date of extraction: 13/01/2012

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

# Estonia

## Overall trends in taxation

### Structure and development of tax revenues

The tax-to-GDP ratio of Estonia (including social security contributions) at 34.2 % in 2010 remained at the level clearly higher than in the pre-crisis years, but represents, however, a reduction of more than 1 percentage point with respect to the previous year. This may reflect partly the economic recovery, which increased tax revenues, but also deliberate tax policy measures, mainly increases of VAT and excise duty rates that took place in 2009 and 2010. Temporary factors, such as the suspension of payments to the second pension pillar, may have also somewhat increased the tax burden with respect to pre-2008 years. The 2010 tax-to-GDP ratio is close to the EU-27 average level (35.6 %) and clearly higher than in other Baltic States.

As in many other new Member States, the share of indirect taxes in total taxation is relatively high in Estonia (41.7 % in 2010), which is somewhat above the EU average (38.6 %). Social security contributions also form an important proportion of total taxation (38.5 % in 2010, more than seven percentage points above the Union average). The share of direct taxes, 19.9 % in 2010, has fallen by more than ten percentage points since the late 1990s, following reforms that increased the basic allowance and decreased the tax rates on both personal and corporate income.

Local governments receive 13.4 % of tax revenues, which is the seventh highest proportion in the EU-27. Since 2004, the funding of local authorities is calculated based on gross income of residents before deductions instead of actual tax revenue, as was the case previously. This implies that the basic exemption and other deductions from taxable income impact only on the central government budget. Central government revenue accounts for 67.9 % of total taxation.

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

Consumption tax revenues in relation to GDP displays an increasing trend from 2004 onwards, with the exception of the crisis year 2008, in which the VAT revenues fell from their trend level. The ITR on consumption shows a similar trend with rapid increases from 2004 onwards, a fall in 2008 and record high levels in 2009 and 2010. The rising trend of the effective taxation of consumption undoubtedly reflects sharp increases in VAT and excise duty rates as a part of the government's strategy to shift the tax burden from labour towards consumption and the environment. At 25.6 % in 2010 the ITR on consumption is the sixth highest in the European Union.

The ITR on labour has been declining up to 2008, reflecting the cuts in personal income tax rates and the gradual increase in the basic allowance introduced by the tax reform. Since 2008 the basic allowance and the income tax rate have been kept unchanged, which may have contributed to the rise of ITR on labour in 2009 and 2010. In 2010 the ITR on labour was 37 %; the tenth highest in the European Union, and nearly two percentage points higher than in the previous year.

Taxes on capital represent only 6.3 % of total tax revenues, the lowest proportion in the EU-27, in accordance with the very low effective taxation of capital income. The ITR on capital (9.1 %) is among the lowest in the EU, being lower than this only in two other Baltic states, Latvia and Lithuania.

Revenue from environmental taxes forms 8.7 % of total taxation in 2010, exceeding the EU average by more than one percentage point. The share of environmental tax revenues displays a steadily rising trend from 1995 onwards, reflecting partly the need to adjust the excise duties up to the EU minimum rates, but also a deliberate policy of the government to finance the cuts of personal income taxes by increases in consumption and environmental taxation.

### Current topics and prospects; policy orientation

After a deep economic recession in 2008-2009 the recovery of the Estonian economy has been rapid and strong. The GDP growth rate reached 8 % in 2011, much higher than expected in the 2011 spring forecast. The rapid growth was mainly driven by strong export performance, but private consumption and investment also played a role. In 2012 the GDP growth is expected to decline to 3.2 %, due to global slowdown and weaker external demand. The unemployment rate reached 16.9 % in 2010, but is expected to decline to 12.5 % in 2011 and further to 11.2 % in 2012. The general government budget position became negative due to the economic recession in 2008 and 2009, but turned positive again in 2010 (0.2 % of GDP) and 2011 (0.8 % according to Autumn 2011 Commission forecast). This was a result of a higher than expected rise of tax revenues, but was also affected by the sales of tradable "Kyoto" units (AAUs) in 2010-2011. The end of AAU sales and the fact that the bulk of funds received from these sales needs to be invested in 2012-2013 will deteriorate the general government budgets position somewhat in 2012-2013 (the deficit is projected to be -1.8 % of GDP in 2012 and -0.8 % of GDP in 2013 in Autumn 2011 Commission forecast), but thanks to a projected strong GDP growth, will not raise the level of public debt-to-GDP ratio, which is expected to remain at around 6 %, the lowest level in the EU.

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

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

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

## Main features of the tax system

### Personal income tax

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

The basic allowance makes the personal income tax system as a whole progressive, in the sense that the average tax rate increases with the income level, although the marginal tax rate remains constant.

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

### Corporate taxation

The corporate tax system was reformed in 2000 with the aim of providing more funds for investment and accelerating economic growth. The basic idea of the reform was to postpone the taxation of corporate income until

the distribution of profits. Hence, the tax rate on retained earnings is zero, and distributed profits in gross terms are taxed at the same rate as personal income, i.e. at 21 % since 2008. This tax rate is applied also to gifts, donations, non-enterprise expenses and fringe benefits. The system is applied to Estonian resident companies and permanent establishments of non-resident companies. The 21 % withholding tax applied on the dividends paid to non-residents was removed as of 1 January 2009. A withholding tax may still apply to other payments to non-residents, if they do not have a permanent establishment in Estonia or unless the tax treaties provide otherwise. The measures to reduce fraud and tax evasion include CFC rules and regulations for minimising the use of transfer-pricing schemes, as well as a withholding tax of 21 % on the payments to off-shore companies for services.

### VAT and excise duties

The VAT regime has been brought in line with the sixth Directive. The standard rate is 20 % since July 2009. A 9 % reduced rate applies to a limited list of goods (books, periodicals, medicine, accommodation).

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

### Social contributions

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

The social tax, comparable to the employers' social security contributions in other countries, is a fiscally important tax in Estonia. In 2010 these contributions represented 35.6 % of total taxation, which is by far the highest proportion in the EU. Employees' social contributions, in contrast, represented only 2.4 % of tax revenues.

<b>FINLAND</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	13.9	13.4	13.7	14.2	14.0	14.1	13.9	13.3	13.1	13.6	13.5	14	24.3
VAT	8.2	8.0	8.1	8.6	8.5	8.7	8.7	8.4	8.4	8.6	8.5	8	15.3
Excise duties and consumption taxes	4.3	4.1	4.2	4.3	3.9	3.8	3.7	3.3	3.3	3.4	3.5	7	6.3
Other taxes on products (incl. import duties)	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.3	11	2.3
Other taxes on production	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3	26	0.5
Direct taxes	21.4	19.3	19.1	18.1	17.8	17.8	17.6	17.8	17.8	16.3	16.1	4	29.0
Personal income	14.5	14.1	14.0	13.7	13.3	13.5	13.3	13.0	13.2	13.3	12.5	3	22.5
Corporate income	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	11	4.6
Other	1.0	1.0	1.0	1.0	1.1	1.0	1.0	0.9	1.0	1.0	1.1	7	1.9
Social contributions	11.9	12.0	11.9	11.8	11.7	12.0	12.2	11.9	12.0	12.7	12.5	10	22.6
Employers'	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	8.9	5	16.0
Employees'	2.2	2.2	2.1	2.1	2.1	2.2	2.4	2.3	2.2	2.4	2.6	17	4.7
Self- and non-employed	1.0	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.1	14	1.9
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>47.2</b>	<b>44.8</b>	<b>44.7</b>	<b>44.1</b>	<b>43.5</b>	<b>43.9</b>	<b>43.8</b>	<b>43.0</b>	<b>42.9</b>	<b>42.6</b>	<b>42.1</b>	<b>6</b>	<b>76.0</b>
Cyclically adjusted total tax to GDP ratio	45.9	44.0	44.5	44.3	43.2	43.6	42.6	40.4	40.7	44.6	43.3		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	52.2	50.1	51.4	51.6	51.9	51.4	50.5	50.4	49.4	45.8	45.4	23	34.5
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	21.6	22.1	21.5	21.1	20.8	20.7	21.1	21.3	22.0	23.8	24.4	3	18.5
Social security funds	25.2	26.9	26.5	26.7	26.8	27.3	27.9	27.7	28.0	29.8	29.7	15	22.6
EU institutions	1.0	0.9	0.6	0.7	0.5	0.5	0.6	0.6	0.6	0.5	0.5	24	0.4
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	13.6	13.2	13.4	14.0	13.6	13.6	13.5	12.8	12.8	13.2	13.1	9	23.7
Labour	23.3	23.4	23.3	23.0	22.4	22.9	22.7	21.9	22.6	23.5	22.5	6	40.6
Employed	20.8	21.1	20.9	20.6	20.0	20.4	20.2	19.6	20.3	20.9	20.1	5	36.3
Paid by employers	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	8.9	7	16.0
Paid by employees	12.0	12.1	12.0	11.7	11.2	11.4	11.3	10.9	11.3	11.6	11.3	7	20.3
Non-employed	2.5	2.3	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.5	2.4	6	4.3
Capital	10.4	8.2	8.0	7.1	7.4	7.4	7.6	8.2	7.5	5.9	6.5	15	11.7
Capital and business income	9.0	7.0	6.7	5.9	6.0	6.0	6.3	6.9	6.2	4.6	5.1	13	9.2
Income of corporations	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	13	4.6
Income of households	1.1	0.9	0.6	0.6	0.7	0.8	0.9	1.1	0.9	0.7	0.6	14	1.1
Income of self-employed (incl. SSC)	2.0	1.9	2.0	1.9	1.8	1.8	2.0	1.9	1.8	1.9	2.0	10	3.5
Stocks of capital / wealth	1.3	1.2	1.3	1.2	1.4	1.4	1.3	1.3	1.3	1.3	1.4	16	2.5
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	3.1	3.0	3.1	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.8	8	5.0
Energy	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.6	1.7	1.8	1.8	19	3.2
Of which transport fuel taxes	:	:	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.4	1.4	18	
Transport (excl. fuel)	1.1	1.0	1.0	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.9	5	1.7
Pollution/resources	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	13	0.1
<b>E. Implicit tax rates</b>	%												
Consumption	28.5	27.6	27.7	28.1	27.7	27.6	27.2	26.5	25.9	25.6	25.2	7	
Labour employed	44.0	44.1	43.8	42.5	41.6	41.6	41.6	41.3	41.2	40.1	39.3	6	
Capital	38.1	27.3	29.6	28.1	28.2	28.8	26.4	27.9	28.9	29.0	28.4		
Capital and business income	33.2	23.2	24.9	23.2	23.0	23.3	21.8	23.4	23.8	22.5	22.3		
Corporations	31.3	19.1	22.3	20.1	19.7	18.8	16.5	18.3	19.4	16.9	18.0		
Households	26.1	24.2	22.1	20.9	20.5	23.5	25.5	25.9	23.8	22.1	21.6		
Real GDP growth (annual rate)	5.3	2.3	1.8	2.0	4.1	2.9	4.4	5.3	1.0	-8.2	3.6		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Finland

## Overall trends in taxation

### Structure and development of tax revenues

In Finland the overall tax burden (including social security contributions) was 42.1 % of GDP in 2010, slightly below the level of the previous year. The Finnish tax burden is among the highest in the EU, exceeded only by five countries (Denmark, Sweden, Belgium, France and Italy).

Direct taxes, in particular on personal income, represent the most important category of revenue, accounting for 38.2 % of total taxation. The share of indirect taxes (32 %) is below the EU-27 average (38.6 %). Social contributions, mainly paid by employers, account for 29.8 %, which is less than in most other Member States.

Local governments receive a rather large proportion of total tax revenues (24.4 % in 2010). These taxes consist mainly of municipal income and real estate taxes. In this regard the tax structure of Finland is similar to those of Denmark and Sweden, where roughly a third of tax receipts go to the municipalities. Central government collects somewhat less than half of all tax revenues and social security funds almost a third.

Since 1995 the overall tax burden displays a downward trend, reflecting partly the deliberate efforts of the government to reduce the tax burden, in particular on labour, during the period considered. This is demonstrated by a slightly declining trend of labour taxation in relation to GDP. However, the efforts of the government to reduce the tax rates of state income taxation have to some extent been counteracted by the increases of municipals taxes (also levied on labour income), the level of which in relation to GDP has steadily increased from 2005 onwards. Also social security contributions in relation to GDP have increased in 2000s.

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

The tax structure by economic factor in Finland (consumption 31.2 %, labour 53.4 % and capital 15.4 %) is marked by a somewhat higher share of labour and a correspondingly lower shares of consumption and capital taxation compared with the EU-27 averages (34.4 %, 47.3 % and 18.4 %).

The lower share of consumption taxation, however, reflects the high level of other taxes rather than a low tax burden on consumption. Indeed, the implicit tax rate (ITR) on consumption (25.2 %) is the seventh highest in the Union, although it has fallen somewhat relative to other countries and from the levels of late 1990s (29.3 % in 1999).

Labour taxes represented 22.5 % of GDP in 2010 (EU-27 17.1 %), which is three percentage points lower than in 1995, but still among the six highest ratios in the EU. In the 2000s the decline in labour tax revenues has slowed down compared with the late 1990s, mainly due to the increases in municipal taxes, but nevertheless, thanks to regular reductions in state income taxes, the drop in the ITR on labour has been significant, from 44.1 % in 2001 to 39.3 % in 2010.

The revenue from taxes on capital relative to GDP has dropped from its 2000 peak level (10.4 %) to 6.5 % in 2010, which is somewhat higher than in the previous year (5.9 %), but still less than in the preceding years. The fall of tax revenues on capital income from 7.5 % to 5.9 % between 2008 and 2009 undoubtedly reflects the impact of the exceptionally sharp economic downturn in 2009, which affected strongly corporate and business income. The ITR on capital does not display a similar downward shift in 2009 and 2010 perhaps due to the impact of the economic recession on tax bases.

Environmental tax revenues represent 2.8 % of GDP in 2010, close to the EU-27 average level (2.6 %) and the eighth highest in EU-27. The level of energy taxation in relation to GDP (1.8 %) is below the EU average in 2010 (1.9 %), while that of transport taxes (0.9 %, EU average 0.5 %) is higher due to relatively heavy vehicle taxation in Finland.

### Current topics and prospects; policy orientation

The growth prospects of the Finnish economy deteriorated towards the end of 2011 mainly due to shrinking export markets and the consequent slowdown of industrial production. Relatively strong domestic demand and the good export performance of the first half of the year, however, kept the growth rate close to 3 % for the whole year, which is less than in 2010 (3.6 %) but clearly exceeding the EU average. The prospects for 2012 are much gloomier: according to recent forecasts the growth rate would remain only about ½ % on the positive side. The deterioration of the euro zone crisis could make the situation in Finland, however, even worse than currently projected.

In spite of the slowdown of economic activity the fiscal balance improved, and the general government budget deficit (net lending/net borrowing under EDP) shrank from 2.5 % of GDP in 2010 to about 1 % of GDP in 2011 (according to autumn 2011 Commission forecasts). This reflects partly a delayed impact of the economic recovery of 2010 and of the first half of 2011, but is also due to deliberate measures to increase certain indirect taxes (VAT in July 2010 and energy taxes in January 2011). Both factors increased the tax revenues of both central and local governments, and the tax-to-GDP ratio rose from 42.1 % in 2010 to estimated 43.1 % in 2011 (according to the above mentioned forecast), while at the same time public expenditure in relation to GDP fell from 55.7 % to forecasted 54.5 %.

In 2012 the government has carried out a number of tax policy changes in accordance with its general aim to strengthen the financial basis of the welfare state and secure the long-term sustainability of public finances.

Hence the government has increased a number of health- and environmentally motivated indirect taxes, such as taxes on alcohol, tobacco, sweets, soft drinks, ice cream, transport fuels, vehicles, and reduce at the same time taxes on labour and entrepreneurship. The reduction of labour taxes remains modest: there is a 3.3 % inflation adjustment to state income tax scales and an increase of the labour income tax credit as well as the basic allowances in municipal income taxation in order to ease the tax burden on low incomes. At the counterpart there are increases in a number of social security contributions and municipal income tax rates. The government will also gradually decrease the deductibility of mortgage interest payments. The corporate income tax rate is decreased from 26 % to 24.5 %.

With the aim to increase the fairness of the tax system the rates of capital income and inheritance taxes are increased and also made more progressive. The taxation of dividends is tightened by decreasing the threshold for tax-free dividends paid by unlisted companies.

## Main features of the tax system

### Personal income tax

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

Central government taxation of earned income is progressive. From 2007 onwards there are four tax brackets. Marginal rates range from 6.5 % to 29.75 %, the taxable income threshold being €16 100 in 2012. The municipal income tax is levied at flat rates on earned income and the estates of deceased persons. The rate varies between 16.25 % and 21.75 %, the average being 19.25 in 2012 (up from 19.16 % in 2011). The church tax rate varies between 1 % and 2 %.

An earned income allowance in municipal taxation was introduced in 1997 with the intention of increasing the take-home pay of low- and medium-income earners. It reaches its maximum at a low income level, and gradually decreases thereafter. Since 2006 a labour income tax credit targeted to low- and medium-income earners has also been granted in state income taxation.

Capital income is taxed at a rate of 30 % on income up to €50 000 and at 32 % on income exceeding €50 000. It is levied on dividends, rental income, interest income, capital gains, income from the sale of timber and a share of business income. All expenses from acquiring or maintaining capital income, including interest payments, are



deductible from taxable capital income. In addition, interest payments on owner-occupied housing and student loans guaranteed by the state are deductible. If these deductions exceed taxable capital income, 30 % of the deficit, up to a €1 400 limit, can be credited against taxes paid on earned income. The tax deductibility of mortgage interest payments is limited to 85 % of the payments in 2012, and further to 80 % in 2013 and 75 % in 2014.

### Corporate taxation

Corporate tax is levied at a 24.5 % rate on all corporate income, out of which expenses incurred for the purpose of acquiring or maintaining business income are deducted. Exceptions to this rule are certain capital gains and dividends which are not included in taxable corporate income, certain expenses related to tax-free income and certain capital losses. No local taxes are levied on corporate income so that 24.5 % is the final tax rate. Depreciation allowances for fixed assets are calculated according to the pool basis declining balance method; the maximum annual rates with regard to the most common items are 25 % for machinery and equipment and between 4 % and 7 % for buildings. The acquisition costs of intangible assets may be depreciated using a straight-line method over a period of 10 years. Losses are carried forward and set off in the subsequent ten tax years. No loss carry-back is allowed.

### VAT and excise duties

The standard VAT rate is 23 % since 1 July 2010. The reduced rate of 13 % is applied on selected goods and services, including food and restaurants. Reduced rate of 9 % is applied e.g. on hotels, medicines, books and tickets to cultural events. From 2012 onwards the rate of 9 % is applied also on newspapers.

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

### Wealth and transaction taxes

Municipalities levy a real estate tax on land and buildings at rates that usually vary between 0.6 % and 1.35 % (0.32 and 0.75 for permanent residents). The state levies a property transfer tax on the purchases of real estate or shares; purchases of the first owner-occupied dwelling are exempt. Inheritance and gift tax is levied by the state at a progressive scale ranging from 7 % to 16 %. The inheritance tax is paid on inheritances exceeding the value of €20 000 and the gift tax on the gift exceeding the value of €4 000.

### Social contributions

Social security contributions are paid both by employers and employees. The health insurance contribution for medical care is also paid by pensioners. In 2012 the rate is 1.22 % on employment income and 1.39 % on other income (pension and other benefits). Employees also pay an unemployment insurance contribution (0.60 % of gross income) and pension insurance contribution (6.5 % out of gross income for those above 53 years and 5.15 % for others), and a health insurance contribution for daily allowance (0.82 % of gross income for wage-earners and 0.97 % for the self-employed). These contributions are deductible in earned income taxation.

<b>FRANCE</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	15.8	15.4	15.4	15.3	15.6	15.7	15.6	15.4	15.2	15.3	15.1	6	291.7
VAT	7.4	7.3	7.2	7.2	7.3	7.4	7.3	7.2	7.1	6.9	7.0	19	135.5
Excise duties and consumption taxes	2.6	2.5	2.6	2.5	2.3	2.2	2.3	2.2	2.1	2.2	2.1	26	41.5
Other taxes on products (incl. import duties)	1.7	1.6	1.6	1.6	1.8	1.9	1.7	1.7	1.6	1.6	1.7	7	33.2
Other taxes on production	4.2	4.1	4.1	4.1	4.2	4.3	4.2	4.3	4.3	4.6	4.2	2	81.4
Direct taxes	12.5	12.6	11.8	11.4	11.7	11.9	12.2	12.0	12.0	10.3	11.0	13	211.8
Personal income	8.4	8.2	7.9	8.0	7.9	8.1	7.9	7.6	7.8	7.6	7.6	12	146.2
Corporate income	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	22	36.4
Other	1.3	1.4	1.3	1.3	1.4	1.5	1.4	1.5	1.4	1.4	1.5	3	29.3
Social contributions	16.1	16.1	16.2	16.4	16.2	16.4	16.5	16.3	16.3	16.8	16.7	1	322.7
Employers'	11.1	11.0	11.1	11.2	11.0	11.1	11.2	11.0	11.1	11.4	11.3	2	219.0
Employees'	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.1	4.1	8	78.7
Self- and non-employed	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	12	25.0
Less: amounts assessed but unlikely to be collected	0.3	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.3	0.2		
<b>TOTAL</b>	<b>44.2</b>	<b>43.8</b>	<b>43.3</b>	<b>43.1</b>	<b>43.3</b>	<b>43.8</b>	<b>44.1</b>	<b>43.4</b>	<b>43.2</b>	<b>42.5</b>	<b>42.5</b>	<b>4</b>	<b>822.1</b>
Cyclically adjusted total tax to GDP ratio	43.4	43.2	43.1	43.3	43.1	43.5	43.4	42.2	42.5	42.9	43.2		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	41.2	40.6	39.8	39.1	41.4	39.6	37.4	36.4	35.2	31.7	35.0	25	287.8
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	9.7	9.4	9.5	9.7	10.5	10.9	11.0	11.5	11.5	12.5	10.1	12	82.7
Social security funds	48.4	49.4	50.1	50.7	48.0	49.1	51.5	52.1	53.2	56.0	54.9	1	451.4
EU institutions	1.4	1.4	1.1	0.8	0.5	0.6	0.6	0.6	0.6	0.5	0.5	22	4.4
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	11.6	11.3	11.3	11.2	11.3	11.3	11.2	11.0	10.8	10.7	10.9	19	210.4
Labour	23.0	22.9	22.8	23.0	22.9	23.1	23.0	22.6	22.8	23.3	23.1	5	446.4
Employed	22.2	22.2	22.2	22.3	22.2	22.4	22.3	21.9	22.2	22.6	22.4	1	433.8
Paid by employers	12.1	12.1	12.2	12.3	12.2	12.2	12.3	12.2	12.4	12.8	12.8	1	246.6
Paid by employees	10.1	10.1	10.0	10.1	10.0	10.1	10.0	9.7	9.8	9.9	9.7	11	187.2
Non-employed	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.7	17	12.6
Capital	9.9	10.0	9.3	9.0	9.3	9.5	10.1	10.1	9.8	8.3	8.8	7	169.5
Capital and business income	5.4	5.6	5.0	4.6	4.8	4.8	5.5	5.4	5.3	3.7	4.5	18	86.4
Income of corporations	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	22	36.4
Income of households	0.9	0.9	0.9	0.9	0.8	0.9	1.0	1.0	1.1	0.9	1.0	6	19.6
Income of self-employed (incl. SSC)	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.6	1.6	11	30.4
Stocks of capital / wealth	4.5	4.4	4.3	4.4	4.5	4.6	4.6	4.7	4.5	4.6	4.3	2	83.1
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.2	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	26	34.2
Energy	1.8	1.6	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.5	1.4	25	27.9
Of which transport fuel taxes	:	:	:	1.4	1.4	1.3	1.3	1.2	1.1	1.2	1.1	25	
Transport (excl. fuel)	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	20	4.8
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	10	1.5
<b>E. Implicit tax rates</b>	%												
Consumption	21.1	20.4	20.5	20.2	20.4	20.4	20.2	19.9	19.5	19.1	19.3	16	
Labour employed	41.9	41.5	41.1	41.4	41.3	41.7	41.7	41.4	41.5	41.3	41.0	3	
Capital	37.8	38.0	37.0	36.1	37.3	38.3	40.3	38.9	37.9	35.4	37.2		
Capital and business income	20.5	21.2	19.7	18.6	19.1	19.5	21.8	20.9	20.6	15.8	19.0		
Corporations	29.0	32.1	28.7	24.0	25.4	24.3	30.0	27.7	25.9	14.7	21.6		
Households	13.5	13.0	12.7	13.2	12.7	13.4	13.7	13.3	13.8	13.3	14.2		
Real GDP growth (annual rate)	3.7	1.8	0.9	0.9	2.5	1.8	2.5	2.3	-0.1	-2.7	1.5		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# France

## Overall trends in taxation

### Structure and development of tax revenues

In 2010 the tax-to-GDP ratio in France stood at 42.5 %, the fourth highest in EU-27 and almost seven percentage points above the EU-27 average (35.6 %).

The share of indirect taxes as a percentage of GDP was at 15.1 %, above the EU-27 average (13.5 %), while the share of direct taxes <sup>(51)</sup> was just below average at 11.0 %. Social contributions represented the highest share relative to GDP in the EU at 16.7 %. Employers' contributions make up more than two thirds of social contributions; as a percentage of GDP employers' contributions were more than 70 % higher than the EU-27 average. The central government raised 35.0 % of total taxes, the lowest share of any not fiscally federal Member State. 54.9 % of total taxes collected in France (representing 23.4 % of GDP) go to the Social Security Funds, the highest level in Europe. The local governments' share of tax revenue (10.1 %) is close to the EU average (10.6 %) It consists mainly of the local business tax, patent levies, real estate and housing taxes.

Between 2003 and 2006 the overall tax burden ratio adjusted for the cycle has remained substantially stable in the range of 43 %. It declined for 2007-2008 due to the crisis but started to recover in 2009. A particular development is noticeable for CIT revenues, which suffered in 2009 from the economic slowdown and the recovery packages dedicated to improve the cash flow of companies. This decline was moderated by a rise in revenue from social security contributions. CIT collection partially recovered in 2010.

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

In 2010, the ITR on consumption was 2 percentage points below the EU average (21.3 %). The ITR remained remarkably stable from 2001 to 2006. Since 2007, the ITR has decreased by 0.6 percentage points.

The ITR on labour income, 41.0 % in 2010, is among the highest in the Union (EU-27 33.4 %). Under the definition of labour taxation used in this report, the increases in the CSG, the CRDS as well as the social levy of 2.2 %, booked in national accounts as taxes on personal income, have offset the effects of reductions in social contributions at the aggregate level.

The ITR on capital of 37.2 % is well above the EU-25 average (23.3 %). After declining in 2002 and 2003, the ITR picked up again rising 4.2 percentage points between 2003 and 2006. The decline between 2006 and 2009 reflects mainly the dynamics in revenue from taxation on corporations. The French system relies on a number of other taxes on capital, such as the real estate tax, the housing tax, the wealth tax and the local business tax. Most of them are classified as taxes on stocks of capital/wealth, which altogether represented 4.3 % of GDP, the second highest value in the EU (EU-27 1.8 %).

France has the second lowest share of environmental taxes on GDP. Their level declined from 2.2 to 1.8 % over the period concerned compared to the EU-27 average of 2.6 %.

### Current topics and prospects; policy orientation

The Finance Law 2011 increased the top PIT rate from 40 % to 41 %. The 3 % allowance which reduces the employment income subject to the generalized social contribution (*contribution sociale généralisée, CSG*) and the social security deficit contribution (*contribution pour le remboursement de la dette sociale, CRDS*) is capped. This allowance has been reduced to 1.75 % since January 2012. The optional final levy on dividends, interests and capital gains was increased from 18 % to 19 % (i.e. 31.3 % with the social taxes). Since January 2012, the overall

<sup>(51)</sup> These shares are based on the Eurostat definition, which is based on the ESA95 codes (see Annex B for details). The French national definition differs in some important respects.

amount of tax incentives (*niches fiscales*) that a taxpayer may obtain during a fiscal year for individual income tax purposes has been further capped on the level of the household (*foyer fiscal*) to €18 000 (2011: €18 000; 2010: €20 000) plus 4 % (2011: 6 %; 2010: 8 %) of the net taxable income. Many tax credits were abolished or reduced as part of a government plan to reduce the budget deficit. As of 2010, certain passive income became fully subject to SSC at an overall rate of 12.1 % (*prélèvement social sur les revenus du patrimoine et produits de placement*). This social contribution was raised from 2 % to 2.2 % and further to 3.4 % in 2011. As a result, the overall rate of social taxes (i.e. social levies, CSG and CRDS) applicable to passive income is now 13.5 %. This overall rate will be increased to 15.5 % as of July 2012. The final levy on gains derived from the exercise of employee stock options exceeding €152 500 was increased from 40 % to 41 % (53.3 % with the social taxes, plus 8 % of employee contribution). The employer SSC due on gains derived from the exercise of employee stock options was increased from 10 % to 14 %. The tax shield (*Bouclier Fiscal*) has been abolished. Several measures have been proposed by the government including a freeze in tax brackets and an increase in withholding rates on dividends and interests.

In VAT, a new reduced rate of 7 % has been introduced as of 2012. It covers all products and services previously taxed at 5.5 % (including restaurants), bar those for disabled, food and subscriptions to gas and electricity which remain taxed at 5.5 %. A specific contribution of €7.16 per hectolitre has been introduced on suppliers of beverages (sodas) with added sugar or sweeteners.

The main initiative in corporate taxation is the German-French cooperation to make their corporate income tax converge, which led to the publication of a Green Paper in February 2012 discussing options. France also introduces a temporary CIT surcharge of 5 % on companies with (group) gross income exceeding EUR 250 million. France also announced the introduction of a Financial Transaction Tax to be operational in August 2012. Its rate will be 0.1 % on the transaction of shares of publicly traded resident companies whose capital exceeds EUR 1 billion and 0.01 % on High Frequency and automated Trading and on 'naked' Credit Default Swaps for European sovereign debt.

France also announced a tax shift from labour towards consumption. This *TVA Sociale* would raise the standard VAT rate from 19.6 % to 21.2 % from October 2012. The social contribution rate would be raised from 3.4 % to 5.4 % for certain types of income (*prélèvement social sur les revenus du patrimoine et produits de placement*). In counterpart, the 5.4 % family contribution paid by employers would be fully or partially abolished.

## Main features of the tax system

### Personal income tax

The PIT (IR) is levied annually on worldwide income according to a single progressive scale. For 2012 the top marginal rate is 41 % (applicable above €70 830). The system takes into account the specific situation of each household by applying a family quotient. A noteworthy feature is the high number of thresholds and exemptions applied. In response to the crisis, in 2009 a temporary PIT reduction for low income households was introduced resulting in a cut of the PIT of 2/3 for these households. Investment income, such as bank and bond interest, and qualifying capital gains from the sale of monetary investments are taxed at a flat rate of 19 %. Real estate gains are taxed at a 19% rate as well. Capital gains realized by individuals on the disposal of shares are subject to SSC (CSG, CRDS) at an overall rate of 13.5 % since October 2011 (previously 12.3 %). France also applies a payroll tax on employers who are not liable for VAT on at least 90% of their turnover, therefore including the financial sector (*taxe sur les salaires*). This tax, which shares similarities with a Financial Activity Tax, raised €11.35 billion in 2010 (about 0.6% GDP).

In 2006, the income tax scale was overhauled through the reduction in the number of brackets, and simplification and lowering of the rates. The earned income tax credit was increased by 50 %. The total amount of taxes paid by individuals, including income, wealth and local taxes, was capped at 50 % of their income (*bouclier fiscal*). This system will be abolished as of 2013.

### Corporate taxation

The corporate tax affects all profits realised in France by companies and other legal entities. The standard rate is 33.33 %. SMEs are taxed at a reduced rate of 15 % on the first €38 120 of the profits. Large companies (turnover over €7 630 000 and taxable profit over €2 289 000) are subject to an additional surcharge of 3.3 % (CSB) levied on the part of aggregate corporate tax which exceeds €763 000. Hence, the effective tax rate is 34.43 %. For 2012 and 2013, an addition surcharge of 5 % is applied to companies with gross income over €250 million (before using tax credits).

France imposes a local business tax (*contribution économique territoriale*) payable by the self-employed and companies. The actual tax varies with location and depends on the value of the business' immovable property and value added and is capped to 3 % of value added. This tax was created in 2010, and the previous *taxe professionnelle* was abolished. France also applies a minimum annual corporate tax of €20 500 for gross income between €15 million and €75 million, €32 750 between €75 million and €500 million, and €10 000 above.

R&D reimbursable tax credit (*credit d'impôt recherche*) was extended in 2008 and amended in 2010. The amount of 30 % of all R&D expenses until €100 million and 5 % above is maintained. Some restrictions have been included: since 2010, the immediate reimbursement is only available for SMEs, pioneering new corporations, or failing industries; since 2011, the tax credit rate has been reduced to 40 % for the first year of use, and to 35 % for the second year.

In 2011, the carry-back of losses was reduced from three to one year and the carry-forward of losses limited to 60 % over €1 million taxable profit. The worldwide tax consolidation regime was abolished.

### VAT and excise duties

The standard VAT rate is 19.6 % and would be increased to 21.2 % by end of 2012. Two reduced rates apply to essential goods (5.5 %), the housing sector, accommodation and restaurant services (7 %). A super reduced rate of 2.1 % applies to newspapers, theatre performances and approved medicines.

### Wealth and transaction taxes

A net wealth tax (ISF) is levied on resident individuals on the value of assets owned, minus liabilities, if the net value of these assets exceeds €790 000. Business assets, qualified shareholdings, certain life insurance policies, and various other assets are excluded from this tax. A 75 % exemption applies to certain nominative shares held by employees, managers or shareholders and a 50 % deduction from income tax applies to capital investment in SMEs (ISF PME).

### Social contributions

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

<b>GERMANY</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	11.3	11.1	11.0	11.2	10.8	10.8	10.8	11.3	11.2	11.7	11.4	25	281.1
VAT	6.8	6.6	6.4	6.4	6.3	6.3	6.4	7.0	7.1	7.5	7.3	15	180.2
Excise duties and consumption taxes	2.8	2.9	3.0	3.2	3.0	2.9	2.8	2.6	2.6	2.7	2.6	21	63.4
Other taxes on products (incl. import duties)	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	0.9	0.9	16	22.1
Other taxes on production	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	21	15.4
Direct taxes	13.0	11.4	11.0	11.0	10.8	11.1	11.9	12.2	12.4	11.7	11.2	11	277.9
Personal income	9.5	9.1	8.8	8.6	8.0	8.0	8.2	8.6	9.0	9.1	8.4	9	207.2
Corporate income	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	17	54.8
Other	0.6	0.6	0.6	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6	16	15.9
Social contributions	17.1	16.9	16.9	17.0	16.7	16.4	16.0	15.2	15.2	15.8	15.5	2	384.7
Employers'	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.6	6.9	6.8	13	168.2
Employees'	6.8	6.8	6.7	6.7	6.5	6.5	6.4	6.1	6.1	6.4	6.3	2	156.7
Self- and non-employed	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.5	2.5	2.5	2.4	3	59.8
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>41.3</b>	<b>39.4</b>	<b>38.9</b>	<b>39.1</b>	<b>38.3</b>	<b>38.3</b>	<b>38.6</b>	<b>38.7</b>	<b>38.9</b>	<b>39.2</b>	<b>38.1</b>	<b>9</b>	<b>943.7</b>
Cyclically adjusted total	40.7	38.8	38.7	39.6	38.8	39.0	38.3	37.6	37.8	40.7	38.7		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	28.1	27.9	28.1	28.3	27.7	28.2	28.6	29.7	29.7	30.1	30.1	26	284.4
State government <sup>2)</sup>	22.3	21.4	21.1	20.9	21.1	20.8	21.5	22.3	22.2	21.5	21.0	2	197.8
Local government	6.9	6.6	6.5	6.4	7.0	7.3	7.8	7.9	8.1	7.5	7.5	15	71.1
Social security funds	41.3	42.8	43.4	43.5	43.5	42.9	41.3	39.3	39.1	40.3	40.8	4	384.7
EU institutions	1.5	1.3	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.6	0.6	19	5.7
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	10.6	10.5	10.4	10.5	10.2	10.2	10.2	10.6	10.7	11.2	10.8	21	267.7
Labour	24.0	23.7	23.6	23.6	22.7	22.2	21.7	20.9	21.5	22.3	21.4	8	530.3
Employed	21.3	21.0	20.7	20.7	19.7	19.2	18.8	18.3	18.9	19.6	19.1	8	472.0
Paid by employers	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.6	6.9	6.8	14	168.2
Paid by employees	13.8	13.6	13.4	13.2	12.5	12.2	12.0	11.8	12.3	12.7	12.3	5	303.7
Non-employed	2.8	2.7	2.9	2.9	2.9	3.0	2.9	2.6	2.6	2.7	2.4	7	58.3
Capital	6.6	5.1	4.9	5.0	5.4	5.9	6.7	7.1	6.7	5.8	5.9	17	145.7
Capital and business income	5.5	4.0	3.8	3.9	4.3	4.8	5.6	6.0	5.6	4.8	4.9	15	120.3
Income of corporations	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	17	54.8
Income of households	0.4	0.3	0.3	0.4	0.4	0.4	0.5	0.6	0.6	0.6	0.6	16	14.6
Income of self-employed (incl. SSC)	2.2	2.0	1.9	1.7	1.7	1.9	2.2	2.5	2.3	2.2	2.1	9	50.9
Stocks of capital / wealth	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	19	25.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.4	2.5	2.5	2.7	2.6	2.5	2.4	2.2	2.2	2.3	2.2	21	54.7
Energy	2.1	2.1	2.2	2.3	2.2	2.1	2.0	1.9	1.8	1.9	1.8	15	45.8
Of which transport fuel taxes	:	:	:	1.8	1.7	1.6	1.5	1.4	1.4	1.5	1.4	17	
Transport (excl. fuel)	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.4	16	8.9
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	19.2	18.9	18.9	19.0	18.5	18.4	18.5	20.1	20.1	20.2	19.8	15	
Labour employed	39.1	38.9	38.7	38.8	37.8	37.5	37.6	37.5	38.0	37.8	37.4	9	
Capital	27.0	20.7	19.3	19.5	19.7	20.4	21.8	22.4	21.6	21.4	20.7		
Capital and business income	22.4	16.3	15.2	15.4	15.6	16.6	18.2	18.9	18.2	17.6	17.1		
Corporations	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	3.1	1.5	0.0	-0.4	1.2	0.7	3.7	3.3	1.1	-5.1	3.7		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a.: not applicable, : not available

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# Germany

## Overall trends in taxation

### Structure and development of tax revenues

Germany's tax-to-GDP ratio (including social security contributions) stands at 38.1 % in 2010. This is slightly above both the EU-27 and the euro area averages (EU-27 35.6 %, EA-17 36.4 %). Compared to its neighbouring countries the overall tax ratio is higher than in Poland, Luxembourg and the Czech Republic, but lower than in Denmark, Belgium, France and Austria. The Netherlands has about the same tax-to-GDP ratio.

Germany stands out for a high share of social contributions in total receipts (40.8 %, EU-27 31.1 %), while the shares of direct taxes (29.4 %) and especially indirect taxes (29.8 %) are below the EU averages. This feature is unchanged, although in 2007 a shift away from SSC to direct and in particular indirect taxes could be observed. This change is mainly due to that year's increase in the VAT rate by three percentage points and simultaneous cut in the unemployment insurance rate. In Germany, the share of SSC in GDP exceeds the EU average by 4.6 percentage points: this is mainly due to employees' contributions, which are the second highest in the EU, whereas employers' contributions are in line with the average.

Compared with the other fiscally federal countries, state governments in Germany receive a proportion of total tax revenue (21.0 %) which is between the levels in Spain (18.5 %) and Belgium (23.9 %), but high compared to Austria (9.8 %). The German *Länder* receive a substantial share of revenue from VAT, the wage withholding tax, the PIT collected by assessment, the CIT and the withholding tax on interest. The *Länder* are also entitled to all revenue from other taxes such as inheritance and gift taxes and taxes on property transfer. Social security institutions receive the fourth largest share of revenues in the EU (40.8 %) exceeded as a proportion only by France (54.9 %), Slovakia (42.9 %), and Belgium (41.4 %). The end result is that, at 30.1 %, the federal government receives the second smallest portion of tax receipts of any EU central government (EU-27 58.8 %). Lower levels can only be found in Belgium.

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

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

Consumption taxes as a percentage of GDP are below average (10.8 %, EU-27 11.9 %). This is also reflected in the low ITR on consumption (19.8 %, EU-27 21.3 %). After having remained roughly stable since 2000, the ITR on consumption increased by 1.6 percentage points in 2007 owing to the VAT hike and remained on the same level in 2008 and 2009 with a slight decrease in 2010.

Taxes on labour as a percentage of GDP (21.4 %, EU-27 17.1 %) are relatively high, ranking eighth in the Union. Social contributions account for around two thirds of the taxes on employed labour, driving the ITR on labour to 37.4 %, well above the European average (EU-27 33.4 %).

Despite a strong increase in recent years, Germany still derives lower than average revenues from taxation of capital (5.9 % of GDP, EU-27 6.6 %). In 2009, the ratio dropped by almost one percentage point but stabilised in 2010. The low contribution of capital is partly due to a low level of taxes on stocks of capital/wealth (1.0 %, EU-27 1.8 %). Moreover, as a result of the fact that in Germany a very low share of businesses is incorporated, a lower

overall level of taxes on income of corporations is observed (2.2 %, EU-27 2.7 %). On the other hand relatively high revenues are raised by the tax on the income of the self-employed (2.1 %, EU-27 1.4 %). These factors are reflected in the rather low implicit tax rate on capital (20.7 %).

Environmental taxes were strongly increased in the 1999–2003 period as a consequence of the ecological tax reform (from a pre-reform level of 2.1 % of GDP to 2.7 % in 2003). In the following years, however, their revenue declined again to 2.2 % of GDP (in 2010) which is below the EU-27 average (2.6 %).

### Current topics and prospects; policy orientation

Major reforms of the tax system were introduced when the current German government took office. The coalition treaty contained some immediate tax changes which came into force in 2010 (see 2009 report for more information). The Bill on acceleration of growth (*Wachstumsbeschleunigungsgesetz*) which came into force on 1 January 2010 contains most of the immediate tax changes of the coalition agreement.

In 2010, the government agreed on new tax measures in the context of budget consolidation. The annual tax act 2010 (*Jahressteuergesetz 2010*), the supplementary Budget Bill 2011 (*Haushaltsbegleitgesetz 2011*) and the nuclear fuel tax (*Kernbrennstoffsteuer*) in particular included the new tax measures. Since January 2011, a duty on all airline tickets booked after 1 September 2010 has been levied for flights departing from Germany.

In 2012 the government has proposed draft legislation reforming the personal income tax schedule by addressing the fiscal drag in two steps in 2013 and 2014. The proposal to adjust the income brackets to take into account cold progression has however to be adopted by both chambers of parliament, Bundestag and Bundesrat.

## Main features of the tax system

### Personal income tax

The bottom PIT rate is at 14 % with a basic allowance at €8 004 as from 1 January 2010. PIT rates increase in two-linear progressive zones from the basic rate of 14 % to 42 % (applicable above €52 882 as from 1 January 2010). Since 2007, a top rate of 45 % applies to incomes above €250 000. This value was increased to €250 400 as from 1 January 2009 and €250 730 as from 1 January 2010. A 5.5 % solidarity surcharge is levied on top of the PIT rates. Spouses living together are in general jointly assessed, their combined personal allowance thus being €16 008 in 2012. Husband and wife each pay income tax on half the total of their combined incomes. On 1 January 2009 a final 25 % withholding tax (plus solidarity surcharge) on private households' capital income came into force, with an option on the assessment of private investment income and capital gains. A €801 allowance (€1 602 for married couples) per year applies to investment income.

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

### Corporate taxation

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



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

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

### VAT and excise duties

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

### Wealth and transaction taxes

No general wealth tax is applied in Germany. Property tax is levied annually by all municipalities on the assessed tax value of land and buildings located in their region. The real estate transfer tax basically stands at 3.5 %, but since 1 January 2007 the German *Länder* can set the rate themselves and half of them have increased the rate since 2007. Inheritance and gift taxes were reformed in 2008. They are levied at rates ranging from 7 % to 50 % depending on the amount involved if it exceeds certain allowances. For siblings and children of siblings the tax rate range has been reduced to rates ranging from 15 % to 43 % (previously between 30 % and 50 %) as of 1 January 2010. Inheritance of self-occupied housing is tax free within certain limits. The same holds for company successions where the taxation depends on how long the company is held by the heirs and how the payroll of the company changes.

### Social contributions

Social security contributions to old-age insurance (19.9 % in 2010), unemployment insurance (2.8 %) nursing care insurance (1.95 %) and health insurance (14.0 %) are in general paid half by employers and half by employees up to a contribution assessment ceiling. However, employees pay a 0.9 % additional income linked contribution to health insurance leading to a total rate of 14.9 %. Employees without children pay an additional 0.25 % for nursing care insurance.

<b>GREECE</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	14.2	13.8	13.3	12.4	12.0	12.1	12.7	13.1	12.7	11.5	12.3	19	27.9
VAT	7.2	7.5	7.6	7.0	6.8	6.9	7.1	7.5	7.3	6.4	7.2	17	16.3
Excise duties and consumption taxes	3.1	3.1	2.9	2.8	2.6	2.6	2.5	2.6	2.3	2.6	3.3	15	7.4
Other taxes on products (incl. import duties)	3.3	2.7	2.4	2.3	2.2	2.2	2.7	2.6	2.7	2.1	1.6	9	3.6
Other taxes on production	0.6	0.5	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.2	27	0.6
Direct taxes	10.0	8.8	8.8	8.0	8.2	8.8	8.3	8.3	8.3	8.5	7.8	19	17.8
Personal income	5.0	4.5	4.5	4.3	4.4	4.7	4.6	4.8	4.8	5.0	4.3	21	9.9
Corporate income	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.4	13	5.4
Other	0.8	1.0	0.9	0.7	0.7	0.8	0.9	0.9	0.9	1.1	1.1	6	2.5
Social contributions	10.5	10.6	11.6	11.7	11.2	11.3	10.7	11.2	11.2	10.4	10.9	15	24.7
Employers'	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.0	19	11.5
Employees'	4.1	4.2	4.5	4.7	4.4	4.5	4.2	4.2	4.2	3.8	4.1	9	9.2
Self- and non-employed	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.8	1.8	9	4.0
Less: amounts assessed but unlikely to be collected	0.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>34.6</b>	<b>33.2</b>	<b>33.7</b>	<b>32.1</b>	<b>31.3</b>	<b>32.2</b>	<b>31.7</b>	<b>32.6</b>	<b>32.2</b>	<b>30.5</b>	<b>31.0</b>	<b>21</b>	<b>70.4</b>
Cyclically adjusted total tax to GDP ratio	35.2	33.7	34.2	31.6	30.3	31.3	29.3	29.4	29.3	28.9	30.6		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	67.6	65.8	63.9	62.1	63.2	63.8	63.8	63.3	62.8	63.7	64.2	11	45.2
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	26	0.6
Social security funds	30.0	31.6	34.2	36.1	35.1	34.5	34.5	35.0	35.4	34.8	34.2	10	24.1
EU institutions	1.7	1.7	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.8	0.8	12	0.6
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	12.4	12.7	12.4	11.4	11.2	11.3	11.6	11.9	11.6	10.8	12.1	11	27.4
Labour	12.4	12.2	13.1	12.9	12.6	13.1	12.4	12.9	12.9	12.2	12.4	21	28.1
Employed	11.5	11.3	12.2	12.1	11.8	12.1	11.4	11.9	11.9	11.1	11.3	23	25.7
Paid by employers	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.0	20	11.5
Paid by employees	6.6	6.4	6.7	6.7	6.6	6.9	6.5	6.7	6.6	6.3	6.3	21	14.2
Non-employed	0.9	0.9	0.9	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	11	2.4
Capital	9.8	8.4	8.2	7.8	7.4	7.9	7.7	7.8	7.7	7.4	6.5	13	14.9
Capital and business income	7.4	6.4	6.6	6.2	6.1	6.4	5.8	5.9	5.8	5.7	5.4	9	12.2
Income of corporations	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.4	14	5.4
Income of households	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.6	15	1.4
Income of self-employed (incl. SSC)	2.5	2.3	2.5	2.7	2.4	2.4	2.4	2.6	2.5	2.6	2.4	4	5.4
Stocks of capital / wealth	2.4	2.0	1.6	1.5	1.3	1.4	1.9	1.9	2.0	1.7	1.2	17	2.7
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.3	2.5	2.3	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.4	15	5.5
Energy	1.6	1.5	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.8	20	4.0
Of which transport fuel taxes	:	:	:	1.2	1.2	1.1	1.1	1.1	0.9	1.0	1.5	16	
Transport (excl. fuel)	0.8	1.0	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.7	9	1.5
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	16.5	16.7	16.1	15.5	15.3	15.5	16.0	16.4	15.4	14.5	15.8	26	
Labour employed	34.5	34.6	34.4	34.7	33.6	33.7	33.0	33.9	32.9	29.7	31.3	19	
Capital	:	:	:	:	:	17.9	17.3	18.4	18.8	18.3	16.5		
Capital and business income	:	:	:	:	:	14.6	13.1	13.9	14.0	14.1	13.5		
Corporations	:	:	:	:	:	21.5	16.7	18.5	17.0	18.3	17.8		
Households	:	:	:	:	:	9.2	9.4	9.2	10.6	10.9	10.5		
Real GDP growth (annual rate)	3.5	4.2	3.4	5.9	4.4	2.3	5.5	3.0	-0.2	-3.3	-3.5		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Greece

## Overall trends in taxation

### Structure and development of tax revenues

Greece's total tax-to-GDP ratio (including social security contributions) amounted to 31 % in 2010, well below the EU-27 average (35.6 %). This is among the lowest tax-to-GDP ratio for the countries in the euro area, where the average value stands at 36.4 %.

Revenues from indirect taxes account for 12.3 percentage points of GDP, whereas social contributions supply 10.9% of GDP in terms of revenue. Although their contribution is lower than the EU-27 average which stands at 13.5 % of GDP, in Greece indirect taxes play a more important role than direct taxes. Revenue from direct taxes expressed as a percentage of GDP is slightly above two thirds of the EU-27 average (7.8% as compared with 11.2 %). Revenues from personal income taxes in particular account for a mere 4.3 % of GDP, compared with an EU-27 average of 7.7 % of GDP.

The vast majority of revenues, roughly 64 % of the total, flow to the central government while social security funds receive almost all of the remainder. Local government levies only a limited share of overall taxation, amounting to 0.8 % of GDP. While the share of the local government has remained fairly constant over time, the fraction of the taxes destined to the central government has declined since 2000, with a corresponding increase in receipts to the social security funds.

The overall tax burden increased rapidly from 1995 to 2000, when it reached a peak of 34.6 % of GDP (35.2 % if adjusted for the cycle), reflecting the effort to combat tax evasion and to reduce the government deficit in the run-up to the euro. The strongest relative increases in that period were recorded for corporate income and personal income taxes. From 2002 to 2004, the cyclically adjusted tax burden dropped by almost four percentage points of GDP with declines being recorded mostly for indirect taxes, employers' social security contributions and corporate taxes, following cuts in the rates. After reaching 31.3 % in 2005, it remained in the range of 29 percentage points in the years before the crisis, and at its outbreak. In 2010, reflecting increased revenues from VAT and excises duties, it stood at 30.6 % of GDP, up from 28.9 % in 2009.

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

In 2010 the implicit tax rate on consumption in Greece was 15.8 %, some 5.5 percentage points below the EU-27 average (21.3 %) and the second lowest value in the area after Spain. This is due to a relatively broad application of reduced VAT rates as compared to the standard rate. The generalized increases in VAT rates and excises in the course of 2010 have reversed the declining trend of the Greek ITR on consumption since 2007.

The implicit tax rate on labour is, at 31.3 %, roughly two percentage points below the EU-27 average. Given low direct taxes, the influence of social security contributions on the overall developments of the indicator is significant, and particularly relevant for the rise experienced in 2010. The ITR on labour, in the range of 34.5 % in the period 2000-2003, was on a downward trend from 2007 to 2009.

Data on the ITR on capital are only available as of 2005, when the ITR on capital stood at 17.9 %. The ITR has reached 18.8 % in 2008, remaining well below the EU-25 average of 23.3 %. The indicator has declined to 16.5 % in 2010.

Reflecting increased taxes on energy products, including transportation fuel, environmental taxes have also displayed an inverted trend in 2010 compared to the decline over previous years: their share of revenues in terms of GDP decreased by a cumulative 0.5 percentage points from 2001 to 2009, reaching 2 %, while picking up to 2.4 % in 2010.

### Current topics and prospects; policy orientation

A number of measures have been adopted since 2010 as a part of the broader fiscal consolidation effort linked to the EU and IMF package of financial assistance. In particular, the PIT system was reformed with law 3842/2010, and further modified in 2011, to increase its progressivity and abolish existing exemptions (see below). Moreover, in July 2011 a new solidarity contribution was introduced on individuals, which applies to income earned in the years from 2010 to 2014. The rates range from 1% for income above €12 000 to 4% above €100 000. The contribution rate is 5% for high-ranking state officers. The tax law of March 2011 reduced the CIT rate to 20 % for income earned in 2011 and abandoned the split system on retained and distributed profits introduced in 2010. The extra contribution charged on large profitable corporations (at progressive rates, initially, of 5, 7 and 10% and since 2010, for income earned in 2009, at progressive rates of 4, 6, 8 and 10%) had been previously extended until 2014. The highest revenue yield has materialised from the measures taken on indirect taxation. In February 2010 a generalised increase in VAT rates was approved, with the standard rate raised by two points to 21 % and the reduced rate increased from 9 % to 10 %. A further increase brought the standard and the reduced rate to 23 and 11 %, respectively, since July 2010. With effect from 1<sup>st</sup> January 2011, the reduced rate was increased to 13 %, whereas the super-reduced rate was raised to 6.5 % and its applicability extended to hotel accommodation services. Excise duties on cigarettes, alcohol and fuel, as well, have been increased repeatedly. Other new measures introduced in 2011 include the move of some non-basic goods and services from the reduced to the standard VAT rate, and a special real estate duty on residential property, calculated on the surface area of buildings, taking into account also its age and location. The duty is collected through payment of electricity bills <sup>(52)</sup>.

The government has announced a comprehensive tax reform, to be enacted by end-June 2012, aimed at simplifying the tax system and enhancing its growth-friendliness. The reform package will include a simplification of the main tax codes, and of the VAT and property tax rate structures, the elimination of several tax exemptions and preferential regimes under the corporate income tax and the VAT, and a more uniform treatment of individual capital income.

## Main features of the tax system

### Personal income tax

The PIT system, overhauled in 2010, was further modified with laws 3986 and 4024 in 2011. There are now eight tax brackets (replacing the previous four), with tax rates from 10 % to 45 % (applicable above €100 000) <sup>(53)</sup>. In 2011 the basic tax-free threshold has been reduced to €5 000 (from €12 000). The application of the tax free bracket, for income up to €60 000, is granted only to taxpayers submitting invoices for living expenses covering at least 25 % of the taxable income. If the collected receipts do not cover this amount, a 10 % tax is levied on the difference between the value of collected receipts and the required amount. The new unified scale applies to all sources of income, thus eliminating the different treatment of employment income and pensions, and of other income in place in the previous system.

There are no local income taxes. Greek law defines six categories of taxable income: income from immovable property; income from movable property, i.e. investment income; from business; from agriculture; from employment; and from professional activities and other sources. Income earned from renting land and buildings is subject to an additional 1.5 % rate beyond the progressive income tax. In case of residential property, the rate rises to 3 % where the surface area of the residence is greater than 300 m<sup>2</sup>. The amount of additional tax may not be greater than the amount payable on the taxpayer's total net income. Law 3842/2010 abolished the capital gains tax on gains from the sale of real estate, making transfer of real estate which is not subject to VAT taxable with a transfer tax (see below).

There are no personal allowances. In 2003 previous tax deductions were transformed into tax credits. After the reform with law 4024 of October 2011, credits are still granted for medical expenses, home rent, annual educational expenses, for environment friendly interventions in buildings (including heating systems), for the

<sup>(52)</sup> The constitutionality of such duty has been challenged before the Council of State, and a decision is pending.

<sup>(53)</sup> On top of the headline rate, a solidarity contribution is applied (see Current topics and prospects; policy orientation). Bonuses paid to executives of credit institutions above certain thresholds are taxed at higher rates, up to 90 %.

annual mortgage interest on the taxpayer's principal home and for life insurance premiums. In 2011 the ceiling has been reduced to 10% of the expense, subject to certain thresholds depending on the type of outlays. Social security contributions, which previously were fully deductible, are now included in these tax credits, i.e. 10% of the amount paid for them shall be deducted from tax.

### Corporate taxation

Greece has been cutting the statutory corporate tax rate from a high 40 % in 2000. Under the tax law enacted in March 2011, a headline rate of 20 % applies to the total taxable income since the year 2011 (the rate was 24 % for 2010) <sup>(54)</sup>. The tax rate for civil law companies and associations, and joint ventures is 25%. The same rate applies to partnerships for the proportion corresponding to legal entities, whereas for the part relating to partners who are individuals the rate is 20 %. An additional tax of 3 % is levied on gross income derived from immovable property. This additional tax cannot exceed the tax calculated on the company's income. A 25 % withholding tax is levied from 2012 on profits distributed by corporations, limited liability companies and cooperatives; for the year 2011 the withholding tax rate was 21 %.

Companies are subject to real estate taxes, while local taxes are not significant. There is no group taxation, i.e. all entities are taxed separately. In general, tax losses may be carried forward for five years. No tax loss carry-backs are allowed. Expenses are deductible only if they are incurred for the purpose of earning income.

### VAT and excise duties

VAT rates have been subject to generalised increases in the course of 2010 (see above). The standard rate is 23 % (up from 19 % in 2009). The reduced rate - applicable to goods such as fresh food products, some pharmaceuticals, transportation and electricity, as well as to certain professional services, and (non-exempt) services by doctors and dentists – was raised to 13 % from January 2011 (up from 9 % in 2009). A 6.5 % rate (previously 4.5 and then 5.5 %) applies to hotel accommodation services, newspapers, periodicals and books. For the region of the Dodecanese, the Cyclades and Eastern Aegean islands the above rates are reduced by 30 %. In addition to VAT, excise duties are levied on mineral oils, gasoline, tobacco, alcohol, beer and wine. Excises on electricity – with the exception of that produced by renewable resources – were introduced in early 2010.

### Wealth and transaction taxes

There is no net wealth tax. After the reform of 2010, large properties are subject to a recurrent tax levied at progressive rates ranging from 0.2 to 1 %. The marginal rate applies above €800 000, while property values below €200 000 are exempted. Until 2012 real estate with taxable value exceeding €5 million is taxed at 2 %. A real estate transfer tax is in place as well, at rates of 8 % for the first €20 000 and 10 % for the part of value in excess.

### Social contributions

Both employees and employers are obliged to pay contributions to social insurance (IKA). Employees' contributions are withheld by the employer. With effect from August 2011, the rate for white-collar employees is 16.5 % and that for blue-collar workers is 19.95 %. The contributions are paid up to a defined maximum monthly wage. Following a generalized freeze on wages, the monthly ceiling for 2011 are the same as in 2010, that is €2 432.25 if the employment has started prior to 1 January 1993 and €5 543.55 if employment started thereafter.

<sup>(54)</sup> A social responsibility contribution applies to highly profitable corporations since the fiscal year 2009. See *Current topics and prospects; policy orientation*.

<b>HUNGARY</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	16.6	15.5	15.0	15.8	16.3	15.8	15.3	16.3	16.0	16.9	17.2	2	16.7
VAT	8.9	8.1	7.8	8.2	8.9	8.4	7.6	8.1	7.8	8.6	8.7	6	8.4
Excise duties and consumption taxes	4.0	3.7	3.6	3.7	3.3	3.2	3.3	3.4	3.4	3.6	3.3	13	3.2
Other taxes on products (incl. import duties)	3.3	3.2	3.1	3.4	3.5	3.5	3.7	4.0	4.0	3.9	4.1	1	4.0
Other taxes on production	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.9	1.1	14	1.0
Direct taxes	9.9	10.2	10.2	9.6	9.1	9.1	9.5	10.4	10.6	10.0	8.5	17	8.3
Personal income	7.3	7.6	7.6	7.1	6.6	6.6	6.8	7.3	7.7	7.4	6.5	14	6.3
Corporate income	2.2	2.3	2.3	2.2	2.1	2.1	2.3	2.8	2.6	2.2	1.2	25	1.1
Other	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.9	9	0.9
Social contributions	13.3	13.0	12.9	12.6	12.3	12.5	12.6	13.8	13.7	13.2	12.0	13	11.7
Employers'	10.7	10.3	10.1	9.8	9.4	9.7	9.5	9.8	9.8	9.3	7.8	9	7.6
Employees'	2.0	2.1	2.2	2.2	2.3	2.3	2.4	3.3	3.2	3.2	3.6	10	3.5
Self- and non-employed	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.7	0.7	0.7	0.6	15	0.6
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>39.8</b>	<b>38.7</b>	<b>38.0</b>	<b>38.0</b>	<b>37.7</b>	<b>37.4</b>	<b>37.3</b>	<b>40.4</b>	<b>40.3</b>	<b>40.1</b>	<b>37.7</b>	<b>11</b>	<b>36.6</b>
Cyclically adjusted total tax to GDP ratio	40.4	39.3	38.1	37.8	36.6	35.7	34.8	38.5	38.5	41.7	39.0		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	59.6	58.9	58.6	58.1	57.6	57.0	57.0	56.7	61.4	61.9	62.4	13	22.8
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	9.8	10.3	10.5	11.4	12.0	11.6	11.7	11.1	6.4	6.7	6.5	17	2.4
Social security funds	30.7	30.7	30.8	30.5	29.9	30.6	30.6	31.3	31.3	30.7	30.5	14	11.2
EU institutions	n.a.	n.a.	n.a.	n.a.	0.5	0.8	0.8	0.9	0.9	0.7	0.7	18	0.2
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	15.8	14.7	14.2	14.7	15.1	14.5	14.0	14.7	14.3	15.2	14.8	2	14.3
Labour	19.4	19.3	19.1	18.6	18.0	18.3	18.3	20.1	20.7	20.0	18.2	12	17.7
Employed	18.6	18.6	18.8	18.2	17.7	17.9	18.0	19.3	19.8	19.0	17.4	12	16.9
Paid by employers	10.8	10.4	10.2	10.0	9.6	9.9	9.7	10.0	10.0	9.5	8.2	10	8.0
Paid by employees	7.8	8.2	8.6	8.3	8.1	8.0	8.3	9.3	9.7	9.5	9.2	12	8.9
Non-employed	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.8	1.0	1.0	0.9	15	0.8
Capital	4.6	4.7	4.7	4.7	4.6	4.6	5.0	5.7	5.3	4.9	4.7	21	4.6
Capital and business income	3.6	3.7	3.7	3.6	3.3	3.3	3.7	4.2	3.8	3.4	2.2	24	2.2
Income of corporations	2.2	2.3	2.3	2.2	2.2	2.2	2.4	2.9	2.7	2.3	1.3	25	1.3
Income of households	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.7	0.4	0.4	0.4	17	0.4
Income of self-employed (incl. SSC)	0.7	0.8	0.7	0.6	0.6	0.5	0.7	0.6	0.6	0.6	0.5	23	0.5
Stocks of capital / wealth	1.0	1.0	1.0	1.2	1.3	1.3	1.3	1.4	1.5	1.5	2.5	7	2.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	3.0	2.9	2.8	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.6	11	2.5
Energy	2.5	2.3	2.2	2.2	1.9	2.1	2.1	2.0	2.0	2.0	2.0	9	2.0
Of which transport fuel taxes	:	:	:	:	1.8	1.8	1.9	1.8	1.8	1.8	1.7	11	
Transport (excl. fuel)	0.4	0.4	0.4	0.5	0.8	0.5	0.6	0.7	0.6	0.5	0.5	14	0.5
Pollution/resources	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.1	8	0.1
<b>E. Implicit tax rates</b>	%												
Consumption	27.2	25.4	25.2	25.8	27.2	26.3	25.6	26.5	26.2	27.4	27.2	4	
Labour employed	41.4	40.9	41.2	39.3	38.3	38.4	38.9	41.0	42.3	40.8	39.4	5	
Capital	18.5	18.2	17.1	18.0	17.2	17.1	16.8	20.0	19.5	20.7	17.5		
Capital and business income	14.5	14.3	13.5	13.6	12.2	12.2	12.4	14.9	13.9	14.3	8.2		
Corporations	34.0	28.1	20.7	19.6	17.6	17.1	14.9	18.7	19.0	21.1	8.6		
Households	7.0	7.5	7.9	8.3	7.2	7.3	8.8	9.6	7.8	7.9	7.1		
Real GDP growth (annual rate)	4.2	3.7	4.5	3.9	4.8	4.0	3.9	0.1	0.9	-6.8	1.3		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

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# Hungary

## Overall trends in taxation

### Structure and development of tax revenues

As of 2010, with a total tax-to-GDP ratio of 37.7 % (including social security contributions), Hungary's tax burden is the eleventh highest in the EU. This follows a 2.4 percentage point decrease since the previous year when Hungary ranked ninth. It is noteworthy that the drop in the structurally adjusted tax to GDP ratio is somewhat larger (from 41.7 % to 39.0 %), indicating that a structural tax reduction took place, partly mitigated by cyclical effects (GDP contracted by 6.8 % in 2009 and grew by 1.3 % in 2010). Looking at neighbouring countries, Austria displays a higher unadjusted tax ratio (42.0 %), Slovenia has a roughly equal one (38.0 %) while both Slovakia's and Romania's ratios (28.1 % and 27.2 % respectively) lie well below the Hungarian value.

Already substantial revenues from indirect taxes further increased to 45.5 % of total tax revenues in 2010, the second highest figure in the EU. VAT revenues yielded 8.7 % of GDP which exceeds the EU average by 1.1 percentage point. Revenues from 'other taxes on products' are the highest in the EU (4.1 % compared to the EU average of 1.3 %) mainly because of revenues from the local business tax, classified as an indirect tax. In contrast, direct taxes are relatively low at 8.5% of GDP (EU-27 11.2 %). Social contributions in relation to GDP are above the European average (12.0 % v. 10.9 %). The majority of them fall on employers; a reduction in this component from 2009 to 2010 had the largest single revenue impact that year.

As to the structure of tax revenues by level of government, the central government remains by far the largest recipient of tax revenue, with over 60 % of the total, while local government taxes represent 6.5 % of total taxation. Local taxes grew rapidly until 2004 and since then they are showing a decreasing trend<sup>(55)</sup>.

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

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

The high level of indirect taxation in Hungary leads to a correspondingly elevated ITR on consumption (27.2 % in 2010), the fourth highest in the EU. The ITR on consumption shows a general decline up to 2002 in line with the reduction in indirect tax revenue, however it bounced back thereafter in line with the hike in the VAT rate.

The ITR on labour amounted to 39.4 % in 2009. This value is the fifth highest in the EU and it is well above the EU average (33.4 %). Since 2000, the ITR on labour showed a gradual decline over time until 2004, but increased to 42.3 % in 2008, then substantially decreased in 2009 and 2010. The contrast between relatively high ITR on labour and average labour tax revenues in terms of GDP is a consequence of the low employment rate.

The revenues from taxes on capital are, at 4.7 % of GDP, one of the lowest in the EU, due notably to low business income taxation. The ITR on capital remained stable between 2000 and 2006, it has increased significantly in the following years, although remaining still well below the EU average, and then sharply dropped in 2010 to 17.5 %. This is due to the removal of the solidarity surcharge on corporations, an increased threshold for the application of the regular corporate income tax rate and to the deductibility of the sectoral surtaxes from the CIT base. The abrupt rise in revenue from taxes on stocks of capital is largely due to the December 2010 introduction of the sectoral surtaxes, retroactively covering 2010.

<sup>(55)</sup> The decreased share of local taxes in 2008 is purely due to statistical reclassification

Environmental taxes represented 2.6 % of GDP. This share is equal to the EU average and has remained roughly stable between 2003 and 2010. Taxes on energy, especially transport fuels, account for the largest part of environmental tax revenues.

### Current topics and prospects; policy orientation

After the general elections in April 2010 the new government made encompassing changes in economic policy, including the tax system, with the declared goal of increased growth, reduction of public debt and administrative simplification. These include the reform of the PIT system, with changes introduced both in 2011 and 2012 (see below), a lower CIT burden and sector specific surtaxes. To further simplify the tax system minor taxes, such as the community tax on entrepreneurs, the tourism tax on buildings and water management shareholding contributions were abolished. However, some new taxes have been introduced, like a tax on unhealthy food in September 2011, an accident tax, and a "cultural tax" (on pornographic material) in January 2012.

The European Court of Justice stated in its judgement of 28 July 2011 that Hungary's VAT regulations are incompatible with EU law as it limited the right of companies to reclaim VAT, even permanently. The judgement obliged the government to pay out close to 1 % of GDP in VAT refunds.

## Main features of the tax system

### Personal income tax

On 1 January 2011 the progressive personal income tax (PIT) system was replaced by a 16 % flat rate system. It applies not only to salaries but also to all categories of income subject to PIT such as sale of real estate, dividends and interests. Since 2010, the so called super-grossing had been in effect, meaning that the tax base included the employers' social security contributions (27 %). This yielded a de facto 20.3 % rate ( $16\% \cdot 1.27$ ) in 2011. In 2012, however, the 27 % base increasing component was removed for the part of monthly earnings below HUF 202 000 (€653), roughly the average wage, in fact leading to a two rate system with rates 16 % and 20.3 %.

As of 1 January 2011 a new family tax credit system has been introduced. The government has significantly increased children's allowances. Families with one or two children can reduce their PIT payment by HUF 10 000 (€32) and those with three or more children by HUF 33 000 (€110) a month for each child, provided that their tax base is sufficient (no negative tax is possible). An employment tax credit – which until 2010 decreased the PIT obligation of low earners by HUF 15 000 (€48), making the minimum wage PIT-free, and, thanks to a gradual phase-out, reduced taxes even for average earners – was cut back by 20 % in 2011 and entirely removed in 2012.

### Corporate taxation

In recent years there has been a strong tendency to reduce corporate tax rates, particularly in new Member States. In this context Hungary has an established position as a low tax country, given that it introduced a corporate tax rate of 18 % already in 1995, further reduced to 16 % in 2004. Although on 1 January 2010 a broader tax base was introduced and the tax rate was increased to 19 %, at the same time the 4 % solidarity surcharge was discontinued with the result that the effective tax burden was lowered further by approximately one percentage point. A tax rate of 10 % is still applicable to for the part of the tax base below HUF 500 million (€1.62 million) (the threshold was increased tenfold in July 2010 from HUF 50 million).

Small enterprises with less than HUF 30 million (€97 000) annual turnover may choose the simplified corporate income tax regime (EVA) with an overall 37 % tax rate. Besides the corporate income tax, municipalities may levy a local business tax (up to 2 % of a broad corporate tax base which roughly corresponds to business value added).

In 2010 a surtax on financial institutions was introduced. In 2011 the amount is 0.15 % and 0.53 % of the adjusted amount of balance sheet of 31 December 2009 up to and over HUF 50 billion (€162 million) respectively. For insurance companies progressive tax rates apply with a minimum of 1.5 % for income below HUF 1 billion (€3.2 million) and a maximum of 6.4 % if the adjusted income exceeds HUF 8 billion (€26 million). Credit institutions also pay 30 % surtax on their pre-tax profit but the total amount to be paid cannot exceed the amount



calculated for the surtax on financial institutions. The surtax on pre-tax profit is deductible from the surtax on balance sheet, but the calculated difference can not be a negative amount. The rates of this surtax will be halved in 2013.

On 4 December 2010 a sector specific surtax came into force which retroactively covered 2010 and will be phased out on 31 December 2012. Retail trading, telecommunication and energy supplier activities are subject to it. The tax is 0.3 % and 1.05 % of the taxable turnover up to and over HUF 5 billion (€16 million) respectively for energy supply activities. Different progressive rates are applied for retail traders with a maximum rate of 2.5 % (over HUF 100 billion (€320 million) taxable turnover) and telecommunication activities with a maximum rate of 6.5 % (over HUF 5 billion (€16 million) taxable turnover).

## VAT

The standard VAT rate was increased from 20 % to 25 % in July 2009 and to 27 % in 2012 while milk, milk products, bread, bakery products, and accommodation services became subject to a reduced 18 % rate. VAT rate on district heating services was first cut to 18 % on 1 August 2009, and on 15 January 2010 it was set to 5 %. This preferential reduced rate of 5 % applies also to a few other products such as specific medicines and medical materials, books, newspapers, etc. In accordance with Council Directive 2008/8/EC the place of supply of services to taxable persons was changed on 1 January 2010.

In 2009 and 2010 the excise duties on tobacco, alcohol and fuel were increased and as a second step, from 1 January 2010 an additional increase in excise duties took place. With a further increase in 2011 the excise duties for tobacco products are in line with the corresponding Council Directive 2008/118/EC. Excise duties on alcohol, fuel and tobacco (the latter in two steps, in February and in July) was further raised in 2012.

## Other taxes

From 1 January 2009 a new tax is to be levied on energy suppliers — the Special Energy Tax. The tax base is the pre-tax profit subject to certain tax base adjusting items.

A company car tax was introduced in 2009 at HUF 7 000 (€23) per month per car below 1 600 cm<sup>3</sup> and HUF 15 000 (€49) for cars over 1 600 cm<sup>3</sup>. This tax was increased in 2012; the tax due is determined by the car's performance and environmental properties and varies between HUF 7 700 and 44 000 (€25-142) per month.

Municipalities may levy a real estate tax on building and land; however, most of them apply a rate significantly lower than the maximum and exempt housing real estate. 0.3 % of the GDP is collected by municipalities in the form of property and communal taxes but the real estate tax revenue raised on the first residence of individuals amounts to only about 2,5 % of this total. Taxes on the transfer of real estate and other valuable property amount to 0.6 % of GDP. A tax on valuable property was introduced in 2010 but its real estate section was swiftly set aside by the Constitutional Court and the rest revoked by Parliament later that year.

## Social contributions

In 2012 employers' contributions amount to 28.5% and consist of a training contribution (1.5 %), a pension contribution, a health insurance contribution and contribution to the unemployment fund. The latter three amount to 27 % and are collectively renamed 'social contribution tax' as from 2012. Employees' contribution is composed by a 10 % pension contribution (whose base is capped at HUF 7.94 million (€25 700) yearly), a 7 % health care contribution (up by one percentage point compared to 2011) and a 1.5 % unemployment fund contribution.

A tax credit equal to 20 % of payments to voluntary funds or pension savings accounts is provided, up to HUF 100 000 (€320) a year.

<b>IRELAND</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	13.5	12.4	12.3	12.5	13.1	13.6	14.1	13.5	12.6	11.5	11.7	22	18.2
VAT	7.2	6.8	7.0	7.0	7.3	7.6	7.7	7.5	7.3	6.4	6.4	23	10.1
Excise duties and consumption taxes	3.2	2.8	2.8	2.7	2.7	2.6	2.4	2.4	2.4	2.7	2.6	20	4.1
Other taxes on products (incl. import duties)	2.3	2.0	1.7	1.9	2.2	2.5	3.0	2.6	1.8	1.1	1.1	13	1.8
Other taxes on production	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.3	1.5	11	2.3
Direct taxes	13.4	12.6	11.5	11.8	12.3	12.2	13.1	12.8	11.7	10.8	10.7	14	16.6
Personal income	9.2	8.6	7.5	7.6	8.3	8.3	8.7	8.8	8.2	7.8	7.6	11	11.9
Corporate income	3.7	3.6	3.7	3.8	3.6	3.5	3.9	3.5	2.9	2.5	2.6	10	4.0
Other	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	18	0.8
Social contributions	4.4	4.5	4.4	4.4	4.6	4.7	4.8	5.0	5.4	5.8	5.8	26	9.1
Employers'	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.0	3.3	3.3	3.2	25	4.9
Employees'	1.5	1.5	1.5	1.6	1.7	1.7	1.6	1.7	1.9	2.3	2.5	18	3.9
Self- and non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	22	0.3
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.3</b>	<b>29.5</b>	<b>28.3</b>	<b>28.7</b>	<b>30.0</b>	<b>30.5</b>	<b>32.0</b>	<b>31.3</b>	<b>29.6</b>	<b>28.2</b>	<b>28.2</b>	<b>22</b>	<b>43.9</b>
Cyclically adjusted total tax to GDP ratio	29.5	28.4	27.2	28.1	29.3	29.3	29.9	28.1	28.1	29.6	30.0		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	84.8	83.6	83.9	84.1	84.4	84.4	84.7	83.8	81.5	80.0	80.4	3	35.3
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.8	3.4	3.4	23	1.5
Social security funds	11.3	12.5	12.8	12.6	12.5	12.4	12.2	13.0	14.9	15.9	15.2	23	6.7
EU institutions	1.9	1.8	1.0	1.0	0.7	0.9	0.8	0.9	0.9	0.8	0.9	7	0.4
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	12.0	10.8	10.9	10.8	11.1	11.4	11.4	11.2	10.9	10.0	10.0	25	15.6
Labour	11.3	10.9	10.0	9.7	10.3	10.3	10.4	10.7	11.3	11.7	11.7	23	18.2
Employed	11.3	10.8	9.9	9.6	10.3	10.2	10.3	10.7	11.2	11.7	11.6	22	18.1
Paid by employers	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.0	3.3	3.3	3.2	25	4.9
Paid by employees	8.6	8.0	7.2	7.0	7.6	7.5	7.4	7.6	7.9	8.4	8.4	14	13.2
Non-employed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.1
Capital	7.9	7.8	7.4	8.3	8.5	8.8	10.2	9.4	7.5	6.4	6.5	14	10.1
Capital and business income	5.9	5.8	5.6	6.1	6.2	6.2	7.0	6.6	5.2	4.4	4.3	19	6.7
Income of corporations	3.7	3.6	3.7	3.8	3.6	3.5	3.9	3.5	2.9	2.5	2.6	12	4.0
Income of households	1.1	1.1	0.8	1.4	1.4	1.6	2.1	2.0	1.3	0.9	0.8	12	1.2
Income of self-employed (incl. SSC)	1.1	1.1	1.1	1.0	1.1	1.1	1.0	1.0	1.1	1.0	1.0	16	1.6
Stocks of capital / wealth	2.0	2.0	1.8	2.2	2.4	2.7	3.1	2.8	2.2	2.0	2.2	10	3.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.8	2.3	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.4	2.4	20	3.7
Energy	1.4	1.2	1.3	1.3	1.4	1.3	1.3	1.2	1.3	1.5	1.5	24	2.3
Of which transport fuel taxes	:	:	:	1.1	1.2	1.2	1.2	1.1	1.2	1.3	1.3	19	
Transport (excl. fuel)	1.4	1.1	1.0	1.1	1.1	1.2	1.2	1.2	1.2	0.9	0.9	6	1.4
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	25.5	23.6	24.5	24.3	25.4	26.0	26.2	25.0	23.0	21.6	21.6	10	
Labour employed	28.5	27.4	26.0	25.0	26.3	25.4	25.3	25.6	24.6	25.2	26.1	23	
Capital	:	:	14.7	16.8	17.9	19.5	21.8	19.4	17.2	15.6	14.0		
Capital and business income	:	:	11.2	12.4	12.9	13.6	15.1	13.5	12.1	10.7	9.3		
Corporations	:	:	9.4	9.6	9.7	9.7	10.2	8.8	8.5	7.6	6.8		
Households	:	:	15.9	21.1	22.5	25.5	33.2	30.1	21.6	19.5	17.7		
Real GDP growth (annual rate)	9.3	4.8	5.9	4.2	4.5	5.3	5.3	5.2	-3.0	-7.0	-0.4		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

n.a. not applicable, : not available

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

# Ireland

## Overall trends in taxation

### Structure and development of tax revenues

At 28.2 % in 2010, the total tax-to-GDP ratio in Ireland (including social security contributions) is the fifth lowest in the Union and the second lowest in the euro area. While this ratio has shown an upward trend from 2002 to 2006, it decreased by almost four percentage points from 2006 to 2009 and remained stable in 2010. Over the same period, the cyclically adjusted ratio has not changed significantly. One can therefore attribute the variation in the unadjusted ratio to the strong effects of the recent crisis.

The taxation structure is characterised by a strong reliance on taxes rather than social security contributions. Indirect and direct taxation make up 41.4 % and 37.9 % of the total revenue in 2010 respectively, whereas the social security contributions raise only 20.7 % of total tax revenue. However, the share of the latter increased by almost 6 percentage points since 2006. Despite this increase, the structure of taxation differs considerably from the typical structure of the EU-27, where each item contributes roughly a third of the total. As in the majority of Member States, the largest share of indirect taxes is constituted by VAT receipts, which provide 55.3 % of total indirect taxes (56.9 % for the EU-27). The structure of direct taxation is similar to that found in the EU-27. The shares of personal income taxes and corporate income taxes are in line with the EU-27 average and represent 7.6 % and 2.6 % of GDP. Social security contributions represent a meagre 5.8 % of GDP (second lowest in the Union after Denmark), compared to an EU-27 average of 10.9 %. Employers' and employees' contributions are at 3.2 % and 2.5 % of GDP, respectively.

Ireland is one of the most fiscally centralised countries in Europe; local government has only low revenues (3.4 % of tax revenues). The social security fund receives just 15.2 % of tax revenues (EU-27 29.9 %), while the vast majority (80.4 %) of tax revenue accrues to central government. This ratio is exceeded only by Malta and the United Kingdom.

From 1999 to 2002, Ireland reduced the total tax burden across the board from 31.5 % to just 28.3 % of GDP. Since 2002, however, the total tax ratio has increased every year, reaching 32.0 % in 2006, in large part due to a surge in VAT receipts, capital gains tax and stamp duties. This upward trend was interrupted in 2007 when the total tax ratio decreased by almost one percentage point. In 2009, total tax revenue to GDP reached the lowest value and remained at the same level in 2010. This decrease was mainly driven by lower ratios of VAT, PIT, other taxes on products (incl. import duties), and corporate income taxes to GDP, caused by the worsening economic situation in Ireland.

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

The tax structure by economic function (consumption 35.5 %, labour 41.4 %, capital 23.1 %) differs notably from the EU-27 average (34.4 %, 47.3 %, 18.4 %), with the tax system deriving one of the smallest proportion of tax receipts from labour of any EU country. Conversely, it raises a large proportion from capital taxes. However, compared to 2006 the share of labour has increased by almost nine percentage points while the capital share decreased by more than eight percentage points over the same period. Possible reasons for this could be profits reacting much stronger to the economic crisis compared to employment, the introduction in 2009 of a pension levy on public sector wages and the two step increase in the employees' social security contributions ceiling. In addition, revenue from housing related transfer taxes fell substantially after the slump of the housing market from 2007 onwards.

Taxes on consumption in relation to GDP are at 10.0 % (EU-27 11.9 %). After a declining period from 12.8 % in 1995 to 10.8 % in 2003, this ratio increased slightly to 11.4 % in 2006. This principally reflects buoyant economic activity in that period, which has driven VAT receipts up. However, the value decreased in response to the economic crisis and is now at 10.0 %. The weight of indirect taxes other than VAT and excise duties is also high by EU standards.

The very low social security contributions result in one of the lowest level of taxes on labour in the EU (11.7 % of GDP compared with 17.1 % in EU-27). As in many EU countries the implicit tax rate on labour increased steadily from the early 1970s until the late 1980s <sup>(56)</sup>. Having attained stability in the early 1990s, the rate fell from 29.3 % in 1996 to 26.1 % in 2010, as a result of successive cuts in personal income tax and social contributions.

The Irish case is notable in that the strong economic growth until 2007 offset the effects of the contemporaneous reductions in corporate income tax rates; the CIT rate was cut in half between 2000 and 2003. However, revenues from taxes on capital dropped to a historic low of 6.4 % of GDP in 2009 and increased only slightly to 6.5 % in 2010. This pronounced effect could be a result of the recent economic crisis which reduced the returns on capital. Similarly, the ITR on capital decreased, too. While the ITR on capital increased from 2002 to 2006 by more than seven percentage points due to soaring receipts from the capital gains tax and stamp duty it is at 14.0 % in 2010 and therefore below the level of 2002.

As for environmental taxation, it has almost continuously declined over the last decade in terms of GDP, moving from an average level in 2000 (2.8 % for Ireland and the EU-27) to a below average level of 2.4 % (compared to 2.6 % for the EU-27). Transport taxation excluding fuel (0.9 % of GDP) is higher compared to the EU-27 average (0.5 %) while taxation on energy (1.5 %) was the fourth lowest in the Union in 2010.

### Current topics and prospects; policy orientation

Tax policy in Ireland still reflects the need for consolidation after the crisis, but also tries to further improve the economic outlook, notably by implementing measures improving employment. In the 2012 budget, adjustment measures worth about €3.8 billion are foreseen. Most notably, the standard VAT rate was increased from 21 % to 23 % as from January 2012. The standard rate of tax on capital gains made on or after 7 December 2011 is now 30% (before 25%). For certain windfall gains the windfall gains tax rate is 80%.

While there are a number of tax increases, the Finance Bill 2012 also foresees increasing the lower exemption threshold of the Universal Social Charge, exempting around 330 000 people. The Bill also plans to create tax incentives to attract high-skilled foreign employees. Under the Special Assignee Relief programme (SARP) individuals from abroad receive an exemption from income tax on 30 % of salary between €75 000 and €500 000 if they are assigned for a minimum of one year to a maximum of five years. Furthermore, a deduction for foreign earnings (FED) is granted for employees assigned from Ireland to work in certain emerging market countries in order to increase Irish exports to these countries. In addition, it is also planned to amend the Research and Development Tax Credit, where the first €100 000 expenditure will be allowable on a volume basis. Also, the outsourcing rules tax credits will be changed to increase the attractiveness of the regime for SMEs.

## Main features of the tax system

### Personal income tax

The two statutory personal income tax rates have been reduced substantially over the last decade. The standard rate is currently at 20 % and the top rate at 41 %; tax allowances were also replaced by tax credits for equity reasons. The threshold for the higher rate in 2011 is €32 800 for a single person with no dependants. A Universal Social Charge was introduced in 2011. The following rates and thresholds apply. The levy is zero for income below €4 004; for people with a higher income, the levy will be 2 % for income up to €10 036, 4 % from €10 037 to €16 016 and 7 % for income above the latter amount. Taxation of individuals on capital gains is made at 30 % with an annual exemption of €1 270.

### Corporate taxation

While significant tax changes took place in the tax system during the recent crisis, the CIT has not changed. Companies resident in Ireland and non-resident companies which carry out a trade in Ireland through a branch or agency, are, with a small number of specific exceptions, liable to corporation tax on their taxable profits. The

<sup>(56)</sup> ESA79 data

corporation tax rate of 12.5 % is applied to trading profits in all sectors since 1 January 2003. The 10 % rate, which was introduced in 1981, has been phased out; it only applied to a small group of manufacturing companies until 2010. A 25 % rate applies to other passive (non-trading) income. Capital gains are subject to tax at 30 %. A profit resource rent tax of between 5 % and 15 %, based on the profit ratio of a petroleum/gas field, was introduced in 2008 for exploration and production activities, which is in addition to the existing corporation tax rate of 25 % for non-trading income.

While withholding taxes on interest, dividends and patent royalties are imposed at 20 %, a number of specific exemptions mean that some payments received by companies are not subject to withholding tax. A surcharge of 20 % is levied on undistributed investment or estate income of a closely held company or a company providing professional services. Losses may be carried forward indefinitely: back one year in the case of continuing business and back three years in the case of a discontinued business. A substantial change in the ownership of a company, combined with a change in the nature of the trade, may result in the restriction of these losses. There are no controlled foreign company rules and no general schemes of transfer pricing or thin capitalisation rules.

### VAT and excise duties

The standard VAT rate is 23 % as of 1<sup>st</sup> January 2012. A reduced rate of 13.5 % was not changed and applies to various services, newspapers, building work and household energy and fuels, while a zero rate applies to basic food, children's clothing, children's footwear and books.

### Wealth and transaction taxes

Capital acquisitions tax is charged at a rate of 30 % on gifts and inheritances over a certain value, depending on the relationship of the beneficiary to the donor or deceased (just over €542 544 for direct line). Stamp duty applies to sales, gifts, conveyances and leases of property. Rates of stamp duty ranging up to 6 % apply depending on whether property is for residential or non-residential purposes. There is a residential stamp duty rate of 1 % up to €1 million and a 2 % rate on the excess. Shares and securities carry a fixed rate of 1 % while leases are subject to rates of 1 % to 12 % of the average annual rent depending on the amount. Capital duty on the issue of share capital was abolished in 2005. There is no net wealth tax.

### Other taxes

There are no local taxes as such in Ireland, except for a levy imposed on businesses by local authorities called rates, calculated as a percentage of the notional rental value of the business premises, and certain service charges.

### Social contributions

Employers' contributions amount to 10.75 % of the salary, without any ceiling. A reduced employers' contribution rate of 8.5 % applies in respect of employees with earnings below €352 per week. Both rates include a national training fund levy of 0.7 %. The rate for employees' pay-related-social-insurance (PRSI) contributions stands at 4 %. The ceiling for this employee contribution is currently €75 036. The self-employed pay a 4 % PRSI rate on all income above €3 174 per annum, with no annual ceiling, and a minimum payment of €253 per year applies.

ITALY	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	15.1	14.6	14.6	14.2	14.3	14.4	15.0	14.9	14.0	13.8	14.2	10	220.4
VAT	6.5	6.2	6.2	5.9	5.8	5.9	6.2	6.2	5.9	5.7	6.2	25	96.8
Excise duties and consumption taxes	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.1	1.9	2.1	2.0	27	31.7
Other taxes on products (incl. import duties)	2.7	2.5	2.6	2.5	2.9	2.7	3.0	3.0	2.9	3.0	2.9	2	45.6
Other taxes on production	3.4	3.5	3.5	3.4	3.3	3.5	3.6	3.6	3.2	3.0	3.0	4	46.3
Direct taxes	14.4	14.7	14.0	14.7	13.9	13.3	14.3	15.0	15.2	15.4	14.7	6	229.4
Personal income	11.4	11.0	10.6	10.5	10.4	10.4	10.9	11.3	11.7	11.7	11.7	5	182.4
Corporate income	2.4	3.2	2.7	2.3	2.4	2.3	2.9	3.3	3.1	2.4	2.3	14	36.3
Other	0.6	0.6	0.7	1.8	1.1	0.6	0.5	0.5	0.5	1.3	0.7	13	10.7
Social contributions	11.9	11.8	11.9	12.1	12.3	12.3	12.3	12.8	13.4	13.6	13.4	8	208.3
Employers'	8.3	8.3	8.3	8.6	8.6	8.6	8.5	8.8	9.2	9.3	9.1	4	142.2
Employees'	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.4	20	37.8
Self- and non-employed	1.4	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.8	7	28.3
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>41.5</b>	<b>41.1</b>	<b>40.5</b>	<b>41.0</b>	<b>40.4</b>	<b>40.1</b>	<b>41.7</b>	<b>42.7</b>	<b>42.7</b>	<b>42.8</b>	<b>42.3</b>	<b>5</b>	<b>658.2</b>
Cyclically adjusted total tax to GDP ratio	41.0	40.4	40.2	41.2	40.2	39.8	40.6	41.0	41.7	44.3	43.1		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	55.7	55.2	54.3	53.7	53.2	52.7	54.3	53.6	52.5	53.4	53.3	16	350.9
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	14.4	14.9	15.5	16.1	15.8	15.9	15.6	15.8	15.4	14.2	14.5	5	95.2
Social security funds	28.7	28.6	29.3	29.5	30.3	30.8	29.5	30.0	31.4	31.8	31.6	12	208.2
EU institutions	1.2	1.3	0.9	0.7	0.7	0.7	0.6	0.6	0.8	0.6	0.6	20	3.9
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	10.9	10.3	10.1	9.9	10.0	9.9	10.3	10.2	9.8	9.7	10.2	23	159.4
Labour	19.7	20.0	20.0	20.1	20.0	20.2	20.3	20.8	21.5	21.8	21.8	7	339.6
Employed	17.7	17.9	18.0	18.1	17.9	18.1	18.1	18.6	19.2	19.3	19.3	7	299.6
Paid by employers	9.9	10.0	10.1	10.3	10.3	10.4	10.3	10.6	10.7	10.8	10.7	4	165.9
Paid by employees	7.8	7.9	7.9	7.7	7.6	7.7	7.7	8.0	8.5	8.5	8.6	13	133.7
Non-employed	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.5	2.6	3	40.0
Capital	10.9	10.8	10.3	11.0	10.4	9.9	11.1	11.8	11.3	11.2	10.2	2	159.2
Capital and business income	8.3	8.3	7.5	8.4	7.6	7.3	8.4	9.1	8.9	8.3	7.7	3	120.5
Income of corporations	2.9	3.7	3.1	3.5	3.1	2.9	3.5	4.0	3.7	3.4	3.0	7	46.8
Income of households	2.1	1.4	1.3	1.1	1.1	1.2	1.4	1.4	1.5	1.4	1.2	4	18.8
Income of self-employed (incl. SSC)	3.3	3.2	3.1	3.8	3.4	3.2	3.5	3.7	3.7	3.5	3.5	1	55.0
Stocks of capital / wealth	2.6	2.5	2.8	2.6	2.8	2.6	2.7	2.7	2.5	2.8	2.5	8	38.7
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	3.2	3.0	2.9	3.0	2.8	2.8	2.8	2.7	2.5	2.7	2.6	12	40.4
Energy	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.0	1.9	2.1	2.0	11	31.2
Of which transport fuel taxes	:	:	:	1.8	1.7	1.6	1.6	1.5	1.5	1.5	1.5	15	
Transport (excl. fuel)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	12	8.8
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17	0.5
<b>E. Implicit tax rates</b>	%												
Consumption	17.8	17.2	17.0	16.5	16.8	16.6	17.2	17.2	16.4	16.1	16.8	25	
Labour employed	41.8	41.9	41.8	41.6	41.5	41.1	40.8	42.2	42.8	42.3	42.6	1	
Capital	29.5	28.8	28.8	31.4	29.7	29.3	33.8	36.0	35.7	38.4	34.9		
Capital and business income	22.4	22.2	20.9	24.0	21.7	21.5	25.5	27.7	28.0	28.7	26.4		
Corporations	19.2	23.6	21.0	24.7	21.4	20.8	27.1	30.6	32.2	33.4	27.4		
Households	16.7	14.2	13.7	15.9	14.9	14.8	16.5	17.4	17.7	18.3	18.0		
Real GDP growth (annual rate)	3.7	1.9	0.5	0.0	1.7	0.9	2.2	1.7	-1.2	-5.1	1.5		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Italy

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, the total tax-to-GDP ratio (including social contributions) stood at 42.3 % in Italy, marking the first decline, by ½ % of GDP, since 2005. Italy's overall tax burden ranked fifth highest in the EU, exceeding the EU-27 average by 6.7 points and the average for the euro area by 5.9 percentage points.

The share of indirect taxes on the total (33.5 %) lay well below the EU-27 average (38.6 %) in 2010, reflecting a heavy reliance on direct taxes (34.9 % vs. 30.4 % for the EU-27); the social contributions share was closer to the average. The direct taxes share declined in 2010 for the first time in five years, partly owing to a reversal of 'other direct taxes' to normal levels, as revenue from two one-off levies, the Tax Shield and the levy on the adjustment to IAS accounting principles, petered out. Revenues from VAT picked up by a strong 0.5 % of GDP to reach 6.2 %, although this still represents the third lowest level in the EU. In contrast, the comparatively high revenue from 'other taxes on production' is due to the IRAP business tax (*see section on corporate taxation*).

Local government collects a fairly elevated share of revenue (14.5 %, fifth highest in the EU, although well below its 2003 peak). The social security revenue share is above average and has been showing a marked upward trend.

The total tax-to-GDP ratio peaked in 1997 at 43.4 % as the country consolidated public finances ahead of euro adoption. Subsequently it tended to decline, reaching a 40.1 % trough in 2005. The ratio then picked up again, reaching 42.8 % of GDP in 2009. Finally, the total tax ratio declined by half a point in 2010 to 42.3%, essentially due to the above-mentioned extraordinary receipts tapering off.

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

Despite the 1998 VAT rate increase from 19 % to 20 % and the abolition of a 16 % intermediate rate, the ITR on consumption was in 2010 the third lowest in the EU. This is also due to a favourable VAT regime to housing<sup>(57)</sup>. However, substantial increases in excise duties and in VAT were introduced in the second half of 2011, which are not yet reflected in the data.

In contrast, Italy's ITR on labour is at 42.6 % the highest in the EU, exceeding the average by almost 30 %. The ITR on labour peaked in 1997 at 43.1 %, and then declined regularly until 2006, but the subsequent increases have brought its level again close to historical peaks. Some recent reforms aimed at decreasing labour taxes have primarily focussed on lower incomes, and may therefore not visibly affect the ratio, which depends on the average tax burden across the entire income distribution. It is also worth noting that the IRAP tax partly falls on labour<sup>(58)</sup>.

Capital taxes currently yield, as a percent of GDP, the second highest revenue in the EU. Revenue, boosted by the lagged effects of high growth in 2006, peaked in 2007 at 11.8 % of GDP, declining to 10.2 % over the next three years due to the global recession. All major types of capital income taxes contribute to the relatively high Italian value. Furthermore, under the methodology used here, taxes and social contributions paid by the self-employed, a large group in Italy, are booked as capital income taxes<sup>(59)</sup>. Taxes on the stocks of capital or wealth, too, are above-average. Significant reforms in capital taxation were introduced in 2011 (see following sub-section).

Italy had one of the highest levels of environmental taxation in the EU in the late 1990s, mainly on account of energy taxes. Environmental tax revenues subsequently declined markedly, as a percentage of GDP, and in 2010 just equalled the EU average. The 2011 increases in excise duties herald however a revenue increase for the future.

<sup>(57)</sup> Strictly speaking, VAT paid on housing should not be counted in the ITR on consumption but as a tax on the capital stock. However, owing to statistical limitations, the data presented in this report attribute VAT paid on housing, for all countries, to consumption taxes. This tends to reduce the ITR on consumption for countries with a more favourable regime for housing (see methodology for details).

<sup>(58)</sup> Accordingly, our methodology allocates part of the tax revenue from IRAP to labour income. The remainder is attributed to the capital income of corporations or the self-employed. The December 2011 package introduced partial deductibility of certain labour costs from IRAP, notably for new hirings of women and persons aged up to 35.

<sup>(59)</sup> The number of self-employed is the fourth highest in the Union, exceeding the EU-27 average by about half.

### Current topics and prospects; policy orientation

The year 2011 was marked by a succession of tax measures, as the government reacted to a confidence crisis in the financial markets. The December tax package in particular included substantial reforms of consumption, property and, to a lesser extent, personal and business taxation and social contributions. The reforms clearly go in the direction of increasing the share of indirect and property taxes in overall tax revenue.

Following a 1 % hike on 17 September 2011, the government announced an additional 2-point increase in both the standard and the reduced VAT rates from October 2012, to be followed by a third 0.5 % hike in 2014; these hikes may however not enter into force, if a comprehensive reform of the tax system is put in place by next October. Excise duties also increased sharply (by about 10 cents per litre on fuels) from 1.1.2012. The package also sharply hiked taxes on high-powered automobiles, private boats and aircraft (at rates diminishing over the time elapsed since their registration) and introduced a retroactive tax on the amounts regularised under the 'Tax shield' amnesty.

Local property tax was increased sharply by abolishing the exemption on main residences and raising cadastral values by 60 %, with some reductions depending on household composition; properties held abroad, too, were made subject to a 0.76 % tax on their value. The regional PIT surcharge was raised by 0.3 % and a temporary 3 % solidarity contribution on high incomes was introduced. The withholding tax on interest (except those from government bonds) and dividends was unified at 20 % and a stamp duty on securities accounts was introduced. The CIT rate was not modified, but a new allowance for corporate equity (Aiuto alla Crescita Economica, ACE), similar to the Belgian notional interest deduction, was introduced. The ACE is retroactive to 2011 and applies to capital *increases* of corporations and even unincorporated businesses<sup>(60)</sup>. It effectively eliminates the tax advantage to debt over equity for new capital increases, and should thus contribute to reducing high leverage, a feature of Italy's business sector. In addition, the tax package widened significantly the deductibility from IRAP of labour costs relating to females or to employees below 35 years of age, to boost their low employment rates.

## Main features of the tax system

### Personal income tax

PIT rates range from 23 % to 43 %; the top rate applies to incomes above €75 000<sup>(61)</sup>; a 3 % surcharge applies to income above €300 000 from 2011 to 2013. Regions levy surcharges on the PIT, ranging from 1.2 % to 2.0 %. Finally, most municipalities levy an additional surcharge of up to 0.9%. PIT is withheld at source for salaried workers. In 2007, most allowances were replaced by tax credits, typically sliding-scale or subject to limits, of variable amount depending on the form of income (e.g. employment or self-employed income, pension income), on personal circumstances and on admissible expenditure (e.g. for dependent persons, medical treatment, life and health insurance, mortgage interest, tuition fees, and the renting of the main dwelling). Until 31 December 2012, a 36 % tax credit on home restructuring expenses (of up to €48 000 per property), can be claimed in ten equal annual instalments. Individuals earning professional and business income, besides PIT, are subject to the IRAP tax (see below). Professional fees paid by businesses and professionals are subject to a 20 % advance withholding tax.

All categories of capital income are taxed. Final withholding tax rates of 12.5 % and 20 % apply, except for Government bond interest, taxed at a 12.5% rate. However, as from 2009, 49.72 % (previously 40 %) of the earnings realised on qualified shareholdings are taxed at basic PIT rates; capital gains on non-qualified shareholdings and bonds are instead taxed at 20.0 %. Stock options are taxed as ordinary labour income. As from 2012, individuals setting up a new business or professional activity may choose a 5 % substitute tax regime for the first five years or up to the age of 35. In addition, since 2011 landlords may opt for a substitute 21 % tax on rents, in lieu of the ordinary PIT (19 % in areas with a housing shortage). As from 2012, after the introduction of the new municipal property tax (IMU), PIT will no longer be charged on owner-occupied immovable property.

Individuals setting up a new business or professional activity may choose, if proceeds do not exceed €61 974.83 (€30 987.41 in the case of services), a 10 % substitute tax regime for the first three years; those already running

<sup>(60)</sup> For the latter, a new government decree will specify how the allowance will be calculated

<sup>(61)</sup> In July, however, the Delegated Law on the Reform of the Tax System called on the government to work towards cutting PIT brackets from five to three and fix the new rates at 20 %, 30 % and 40 %.



small businesses may opt for a 20 % substitute tax regime. PIT is charged on immovable property; the amount due is determined on the basis of the higher between cadastral income and any rent received (subject to deductions); However, since 2011 the landlord may opt for a substitute 21 % tax (19 % in areas with a housing shortage).

### Corporate taxation

The IRES corporate income tax rate is set at 27.5 %. Special regimes exist for investment and pension funds and for non-operating companies, for which a minimum taxable income is deemed, based on assets. IRAP is not deductible (except, from 2012, for the labour costs portion). A surcharge on the CIT applies to companies operating in the energy sector ('Robin tax'): the December 2011 package hiked its rate to 10.5 % until 2013.

Resident companies are taxed on their worldwide income, non-resident entities (including partnerships) on income arising in Italy. Losses can be carried forward indefinitely and offset up to 80 % of taxable income. As from 1 January 2008, net interest expenditure is deductible only up to 30 % of gross operating income (EBITDA); the excess may, under certain conditions, be carried forward for deduction in following years.

Dividends received by resident companies from other resident companies are exempt from tax for 95 % of their amount. The treatment of capital gains depends on whether the assets are covered by the participation exemption regime; if applicable, 95 % of gains on the sale of shares or equivalent financial instruments are exempted after a one-year holding period (under some conditions). Other types of capital gain are taxed as ordinary income, with an option to spread the tax due over four years. Besides national group consolidation, worldwide group consolidation is allowed, if the parent controls at least 50 % of the subsidiary. Finally, companies located in depressed areas of the *Mezzogiorno* may apply for a tax credit on investments carried out in the 2007–2013 period, with exceptions.

The IRAP business tax is levied on net production value, i.e. the difference between the value of production and production inputs *excluding* most personnel and interest costs as well as losses on bad debts. The basic 3.9 % rate can be augmented or reduced by up to one percentage point by the regions. The general non-deductibility of labour and financial costs results in a wide base; indeed, typically IRAP raises more revenue than the CIT. Since 2007, social contributions, certain training costs incurred on new employees, the costs of R&D personnel, and a basic amount for each employee have been made exempt, and since 2009, 10 % of IRAP paid by employers is deductible from PIT and CIT. The December 2011 package increased the deduction of labour costs for women and younger employees by €6 000 and introduced a deduction of the labour costs portion of IRAP from CIT and PIT. Special rules apply to SMEs and businesses in the *Mezzogiorno*.

### VAT and excise duties

The standard VAT rate was increased by one point to 21 % in September 2011. A reduced (10 %) and a super-reduced (4 %) rate exist. The super-reduced rate applies mostly to staple foodstuffs, newspapers, some medical appliances, and residential housing; while the reduced rate generally applies to non-luxury housing, other foodstuffs, electricity, mineral oil, medicines and artistic performances.

### Wealth and transaction taxes

No wealth taxes as such exist but stamp duties are levied on bank and securities accounts (0.1%, to increase to 0.15 in 2013). The replacement of the ICI property tax by the new IMU will result in significantly higher revenue owing to the hike in the cadastral values and also to the repeal of the 2008 exemption of owner's residences. Transaction taxes exist, applying e.g. on property transfers; stamp duties are often due on official documents.

### Social contributions

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

<b>LATVIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010		
<b>A. Structure of revenues</b>												% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.4	11.9	11.3	12.1	11.9	12.8	13.2	12.6	11.2	10.9	11.5		23	2.1
VAT	7.1	6.8	6.7	7.2	7.0	7.8	8.6	8.2	6.7	6.0	6.6		21	1.2
Excise duties and consumption taxes	3.5	3.1	3.1	3.3	3.5	3.6	3.3	2.9	3.2	3.7	3.5		6	0.6
Other taxes on products (incl. import duties)	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.8	0.6	0.5	0.4		21	0.1
Other taxes on production	1.4	1.6	1.1	1.1	1.0	0.9	0.8	0.7	0.6	0.8	0.9		16	0.2
Direct taxes	7.3	7.6	7.9	7.6	7.9	7.9	8.5	9.2	9.8	7.2	7.4		20	1.3
Personal income	5.6	5.6	5.6	5.8	6.0	5.7	6.1	6.1	6.4	5.4	6.2		15	1.1
Corporate income	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0		27	0.2
Other	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.2	0.2	0.3		23	0.0
Social contributions	10.0	9.3	9.4	8.9	8.7	8.4	8.8	8.7	8.3	8.5	8.4		21	1.5
Employers'	7.5	6.9	6.9	6.4	6.3	6.1	6.4	6.3	6.0	6.2	6.1		14	1.1
Employees'	2.5	2.4	2.4	2.4	2.4	2.3	2.4	2.4	2.2	2.3	2.3		22	0.4
Self- and non-employed	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1		26	0.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.			
<b>TOTAL</b>	<b>29.7</b>	<b>28.9</b>	<b>28.6</b>	<b>28.6</b>	<b>28.6</b>	<b>29.2</b>	<b>30.6</b>	<b>30.6</b>	<b>29.2</b>	<b>26.7</b>	<b>27.3</b>		<b>25</b>	<b>4.9</b>
Cyclically adjusted total tax to GDP ratio	30.9	29.8	29.4	29.0	28.2	27.5	27.0	25.3	25.6	28.7	29.8			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	49.5	50.5	50.0	51.1	50.8	52.9	52.8	52.5	51.5	48.0	47.6		21	2.3
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
Local government	17.0	17.3	17.3	17.8	17.9	16.9	17.2	17.8	19.2	19.1	20.8		4	1.0
Social security funds	33.5	32.3	32.8	31.1	30.5	28.9	28.8	28.6	28.3	32.0	30.7		13	1.5
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	1.2	1.2	1.2	1.1	0.9	0.8		14	0.0
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	11.4	10.7	10.7	11.4	11.3	12.3	12.8	11.9	10.6	10.3	10.8		22	1.9
Labour	15.4	14.7	14.8	14.7	14.6	14.1	14.7	14.7	14.5	13.9	14.4		16	2.6
Employed	15.3	14.6	14.7	14.6	14.5	14.0	14.6	14.6	14.4	13.6	13.9		17	2.5
Paid by employers	7.5	6.9	6.9	6.5	6.4	6.1	6.4	6.3	6.0	6.2	6.1		15	1.1
Paid by employees	7.8	7.7	7.8	8.1	8.2	7.9	8.2	8.3	8.4	7.4	7.8		15	1.4
Non-employed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4		19	0.1
Capital	2.9	3.4	3.1	2.5	2.6	2.8	3.0	4.0	4.1	2.5	2.2		26	0.4
Capital and business income	1.8	2.0	2.2	1.7	1.9	2.1	2.4	2.9	3.3	1.7	1.2		27	0.2
Income of corporations	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0		27	0.2
Income of households	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.2		23	0.0
Income of self-employed (incl. SSC)	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1		26	0.0
Stocks of capital / wealth	1.2	1.3	0.8	0.9	0.8	0.7	0.6	1.0	0.8	0.8	1.0		20	0.2
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	2.4	2.2	2.3	2.5	2.6	2.7	2.4	2.1	2.0	2.3	2.4		16	0.4
Energy	1.9	1.7	1.8	2.0	2.1	2.2	2.0	1.7	1.7	2.1	2.0		12	0.4
Of which transport fuel taxes	:	:	:	:	:	2.2	2.0	1.7	1.7	2.0	2.0		6	
Transport (excl. fuel)	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.3		17	0.1
Pollution/resources	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1		12	0.0
<b>E. Implicit tax rates</b>												%		
Consumption	18.7	17.4	17.4	18.7	18.5	20.3	20.2	19.7	17.6	17.1	17.3		24	
Labour employed	36.7	36.5	37.8	36.6	36.7	33.2	33.1	31.1	28.4	29.1	32.5		15	
Capital	11.5	12.0	9.9	8.3	8.4	9.8	11.1	14.6	17.3	9.8	7.4			
Capital and business income	6.9	7.3	7.2	5.4	6.0	7.4	8.9	10.8	14.0	6.6	4.1			
Corporations	7.3	8.0	8.8	6.8	8.1	9.9	11.3	13.1	18.5	8.1	4.5			
Households	1.4	0.9	1.1	0.6	0.5	0.5	1.0	1.6	1.0	0.9	1.7			
Real GDP growth (annual rate)	6.1	7.3	7.2	7.6	8.9	10.1	11.2	9.6	-3.3	-17.7	-0.3			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Latvia

## Overall trends in taxation

### Structure and development of tax revenues

The overall tax burden (including social security contributions) in Latvia amounted to 27.3 % in 2010, a value markedly below the EU-average (35.6 %). This tax-to-GDP ratio is the third lowest in the European Union after Lithuania and Romania with 27.1 points and 27.2 points of GDP respectively.

The major share of total tax in Latvia is comprised of indirect taxes. In 2010 revenues from indirect taxes represented 42.2 % of total revenues, which is 3.6 % higher than the EU-27 average. The largest share of indirect taxes is constituted by VAT receipts, which provide 24.3 % of total taxes revenues. The direct taxes account for only 7.4 % of GDP and 27.1 % of total taxation. In 2010, the share of direct taxes remained stable after significant drop by 6.5 percentage points in 2009. It was ensured by an increase of the share of personal income tax by 2.1 percentage points, due to a PIT rate hike, and strong decrease of the share of corporate income tax. In 2010 compared with 2009 the share of CIT revenue decreased by 2.4 percentage points being the second lowest in the EU. Social security contributions in relation to GDP are clearly below the European average (8.4 % vs. 10.9 %); the majority of them being paid by employers.

There are only central government taxes in Latvia as local governments do not have any fiscal autonomy. Nevertheless, they ultimately receive 20.8 % of the total tax revenues, an almost double value than the EU-27 average (10.6 %). Since 2006, the bulk of local government receipts are obtained through a majority share of PIT revenue (80 % in 2012).

In the 2002-2007 period tax revenues as a share of GDP increased from 28.6 % to 30.6 %. This upward trend was interrupted in 2008 when the total tax ratio decreased by 1.4 percentage points and continued to decline in 2009 when it reached its lowest value on record since 1995, 26.7 % of GDP. In 2010 the combined effect of tax rate hikes and stabilisation in economy led to increase in proceeds from value added tax and personal income taxation and the total tax revenue in 2010 stood at 27.3 % of GDP.

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

The level of Latvian taxes on consumption as a share of GDP at 10.8 % is among the lowest in the European Union. The implicit tax rate (ITR) on consumption was growing up in the period of 2003-2005 than the trend turned down reaching the lowest value of 17.1 % in 2009. In 2010 it stood at 17.3 %, being 4.0 percentage points below the EU-27 average.

The ITR on labour is, at 32.5 %, 0.9 percentage points below the EU-27 average. It has declined significantly, by more than nine percentage points, from its peak in 2002 to its lowest value of 28.4 % in 2008 when the trend turned upward due to the increase of the personal income tax rate by 3 % as from January 2010. Over the past decade, employers' social security contributions have been brought down, while employees' contributions have remained mostly constant, as a percentage of GDP.

After a five-year decreasing phase and an 8.3 % trough in 2003, the ITR on capital trended upwards in 2004-2008, reaching 17.3 % in 2008 boosted by very high growth. In 2009, however, owing to the slump and the increasing number of insolvent companies, it dropped sharply by almost ten percentage points. The decline continued also in 2010 when tax revenue from income of corporations yielded only 1 % of GDP and the ITR on capital represented one of the lowest rates in the EU, as the EU-25 average is 23.3 %. The ITR on capital income of households and the self-employed with 1.7 % in 2010 is significantly below the EU-25 average (12.2 %).

In comparison with the previous years, in 2010 the revenue from environmental taxes grew up and was 2.4 % of GDP slightly below the European average. As in the majority of Member States, it is mostly concentrated on energy taxes levied on transport fuel.

### Current topics and prospects; policy orientations

Despite significant reform in 2011, Latvia commits to implement further fiscal consolidation measures aiming at a general budget deficit reduction to less than 3 % of GDP in 2012. The key measures in the State budget 2012 include: increase of the tax on gambling, slot machines and gambling tables by 15 %, increase for the annual financial stability duty rate from 0.036 % to 0.072 %, broadening the VAT base by applying reverse VAT on construction activities and scrap metal and applying 10 % withholding personal income tax on sales of scrap material.

Additionally, the base of real estate tax is broadened to include auxiliary buildings, parking slots and houses and lands owned by religious organisations but not used for religious purpose. As of 2012, the municipalities are able to abolish the 25 % upper limit on the annual increase in the real estate tax on land.

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

## Main features of the tax system

### Personal income tax

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

Latvian residents are taxed on annual employment income and any other worldwide income; non-residents are taxed only on income sourced in Latvia. Individuals resident in the EU or EEA that receive more than 75 % of their income in Latvia, are granted nearly all tax exemptions. Furthermore, the income obtained as a result of inheritance is tax exempt, except for author's copyrights. All pension payments determined under the State Pensions law are taxable to the extent that they exceed LVL 1 980 (€2 794) per year.

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

### Corporate income tax

The corporate income tax rate fell gradually during 2001-2004 from 25 % to 15 %. The tax is levied on the income of resident companies (with some exemptions) and of non-resident companies operating through a permanent establishment in Latvia.

Dividends are exempt from tax if received from domestic subsidiaries or subsidiaries in EEA countries. Dividends received from entities in third countries also are exempt if the Latvian company holds more than 25 % of the capital. Interest income paid out to a corporate non-resident related party is subject to a final 10 % withholding tax (5 % if paid by a bank). Otherwise, interest income paid to non-residents is not subject to the withholding tax.

In the case where a company is not distributing dividends partially or fully, taxable income is reduced by the amount of interest, which the company would have to pay for an equal loan. The reference rate used to calculate this notional interest amount is the Central Bank's average lending rate for national currency in the respective year.

CIT allowances for large investments (defined as LVL 5 million (€7 055 171) or more) are available to tax payers that have invested in supported priority sectors. The tax allowance is 25 % for the initial long-term investments up to LVL 35 million (€49 386 200) and 15 % for the investments exceeding LVL 35 million (€49 386 200).

The law on 'Micro-Enterprise Tax' enables small businesses (criteria: turnover doesn't exceed LVL 70 000 (€98 772), maximum number of employees/board members is 5) to pay flat-tax rate of 9 % on their turnover. It includes state social security contributions, the personal income tax, the corporate income tax and business risk charge for micro-enterprise employees. If micro-enterprise's turnover is more than LVL 70 000 (€98 772), the excess part is taxable at 20 % tax rate.

### VAT and excise duties

The standard rate of value added tax is 22 % (21 % before 1 January 2011), and the reduced rate is 12 %. Furthermore the reduced rate is applicable only on the following transactions: supplies of medicines, medical devices and medical goods, specialized products intended for infants, the inland public transport services, supply of heating to households and guest accommodation services.

Excise tax is imposed on oil products, gas, tobacco products, alcoholic and non-alcoholic beverages and coffee. The minimal level of the excise tax for cigarettes is LVL 64 (€90) for 100 cigarettes, the excise tax rate for wine, fermented drinks and intermediate products with the absolute concentration not in excess of 15 % is LVL 45 (€63), for soft drinks is LVL 5.2 (€7). The rate of excise tax for gas is LVL 12 (€17) per 1 000 cubic meters of gas used for heating, and at the rate of LVL 70 (€99) per 1 000 cubic meters of gas used as car fuel.

### Social contributions

Since 1995, a pension system based on the concept of notional defined-contribution (NDC) accounts is in force. Unlike in the previous PAYG system, the benefits are calculated on the basis of a person's contributions to a notional individual account, utilising a rate of return determined by the government taking into account economic and demographic indicators. No real funds are accumulated into the accounts, and financing the current cohort of retirees is based on payroll contributions. The contribution rate is 35.09 %. This rate includes the 24.09 % rate that falls to employers and the 11.0 % rate payable by employees (increased by 2 % in 2011). The rate for the self-employed is marginally lower (32.46 %). The minimum taxable base for the self-employed is twelve times the minimum monthly wage (LVL 2 400 (€3 382)).

### Other taxes

A real property tax is applicable to land, buildings and engineering constructions and is equal to 1.5 % of the cadastral value of land and buildings. The tax rate for residential property ranges from 0.2 % to 0.6 % of cadastral value of the property. A 3 % tax is levied on agricultural land not in use.

There is a duty on the registration of the title to immovable property. The person requesting registration of ownership is liable to a 2 % stamp duty up to the limit of LVL 30 000. The taxable base is the value of the property.

LITHUANIA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010		
<b>A. Structure of revenues</b>												% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.5	12.2	12.4	11.7	11.2	11.3	11.4	11.9	11.8	11.8	12.1		20	3.3
VAT	7.5	7.3	7.3	6.7	6.4	7.1	7.6	8.1	8.0	7.4	7.9		10	2.2
Excise duties and consumption taxes	3.2	3.3	3.2	3.3	3.0	2.9	2.9	2.9	3.0	3.5	3.3		14	0.9
Other taxes on products (incl. import duties)	1.2	1.0	1.2	1.1	1.1	0.8	0.4	0.4	0.4	0.4	0.4		23	0.1
Other taxes on production	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.5	0.5		24	0.1
Direct taxes	8.4	7.8	7.4	7.9	8.7	9.0	9.5	9.2	9.3	6.0	4.7		27	1.3
Personal income	7.7	7.2	6.8	6.5	6.8	6.8	6.8	6.6	6.5	4.1	3.6		23	1.0
Corporate income	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0		26	0.3
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1		26	0.0
Social contributions	9.3	8.9	8.6	8.5	8.3	8.1	8.4	8.5	8.9	11.6	10.4		17	2.9
Employers'	8.4	8.0	7.7	7.6	7.5	7.3	7.5	7.6	7.9	8.6	7.7		10	2.1
Employees'	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.9	2.6	2.3		21	0.6
Self- and non-employed	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4		19	0.1
Less: amounts assessed but unlikely to be collected	0.3	0.3	0.2	0.1	0.1	0.0	0.1	0.0	0.1	0.2	0.1			
<b>TOTAL</b>	<b>29.9</b>	<b>28.5</b>	<b>28.2</b>	<b>28.0</b>	<b>28.1</b>	<b>28.4</b>	<b>29.2</b>	<b>29.5</b>	<b>30.0</b>	<b>29.2</b>	<b>27.1</b>		<b>27</b>	<b>7.5</b>
Cyclically adjusted total tax to GDP ratio	31.5	29.8	29.2	27.9	27.6	27.2	27.2	26.0	26.6	30.9	29.0			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	42.2	42.6	53.5	54.0	53.2	53.8	54.3	53.0	51.0	47.6	49.1		18	3.7
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	n.a.
Local government	20.2	20.0	9.8	9.4	9.9	9.7	9.7	10.2	11.3	11.9	11.8		10	0.9
Social security funds	38.5	38.5	37.3	36.9	36.5	35.3	35.1	35.6	36.3	39.7	38.3		6	2.9
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	1.3	1.2	1.4	1.5	1.4	1.2		2	0.1
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	11.7	11.5	11.6	11.0	10.5	10.7	10.8	11.3	11.3	11.2	11.5		16	3.2
Labour	16.2	15.4	14.8	14.5	14.6	14.4	14.6	14.5	14.8	15.0	13.4		18	3.7
Employed	16.2	15.3	14.6	14.3	14.5	14.2	14.4	14.2	14.5	14.7	13.1		18	3.6
Paid by employers	8.4	8.0	7.8	7.7	7.5	7.3	7.5	7.6	8.0	8.6	7.7		11	2.1
Paid by employees	7.8	7.3	6.9	6.7	6.9	6.9	6.8	6.6	6.5	6.1	5.5		24	1.5
Non-employed	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3		21	0.1
Capital	2.3	2.0	2.0	2.5	3.1	3.3	4.0	3.8	3.9	3.2	2.3		25	0.6
Capital and business income	1.4	1.3	1.2	1.9	2.4	2.7	3.4	3.2	3.4	2.6	1.7		25	0.5
Income of corporations	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0		26	0.3
Income of households	0.1	0.2	0.3	0.2	0.3	0.4	0.3	0.3	0.3	0.2	0.2		22	0.0
Income of self-employed (incl. SSC)	0.6	0.5	0.4	0.3	0.2	0.2	0.3	0.3	0.4	0.6	0.5		24	0.1
Stocks of capital / wealth	0.9	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.5	0.7	0.7		25	0.2
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	2.4	2.5	2.7	2.7	2.7	2.3	1.8	1.8	1.6	2.0	1.9		25	0.5
Energy	1.7	1.8	2.0	2.0	1.8	1.7	1.6	1.6	1.5	1.9	1.8		18	0.5
Of which transport fuel taxes	:	:	:	:	1.7	1.7	1.6	1.6	1.5	1.9	1.8		8	
Transport (excl. fuel)	0.7	0.7	0.7	0.7	0.8	0.5	0.1	0.1	0.0	0.0	0.0		27	0.0
Pollution/resources	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0		18	0.0
<b>E. Implicit tax rates</b>												%		
Consumption	18.0	17.5	17.9	17.0	16.1	16.5	16.7	17.8	17.7	16.5	18.2		21	
Labour employed	41.2	40.2	38.1	36.9	36.0	34.9	33.6	33.1	32.7	32.6	31.7		18	
Capital	7.1	5.8	5.6	7.0	8.4	9.0	11.4	11.1	12.5	11.0	6.8			
Capital and business income	4.5	3.7	3.5	5.2	6.5	7.3	9.7	9.5	10.8	8.8	4.9			
Corporations	4.0	2.5	2.6	5.7	7.3	8.0	10.8	9.8	11.1	8.1	3.7			
Households	2.4	2.5	2.1	1.8	2.0	2.4	2.6	3.5	3.9	3.5	3.7			
Real GDP growth (annual rate)	12.3	6.7	6.8	10.3	7.4	7.8	7.8	9.8	2.9	-14.8	1.4			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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# Lithuania

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, Lithuania exhibits the lowest total tax burden of 27.1 % of GDP (including social contributions) in the EU. Compared to the two other Baltic countries the Lithuanian tax-to-GDP ratio is close to that of Latvia (27.3 %), but 7.1 percentage points lower than the one of Estonia (34.2 %).

In terms of revenue structure, Lithuania relies most on indirect taxes (12.1 % of GDP and 44.7 % of total taxation). VAT revenue in GDP terms increased slightly from 7.4 % in 2009 to 7.9 % in 2010 while revenue from excise duties and consumption taxes decreased marginally from 3.5 % to 3.3 %. At the same time, the revenue share of direct taxes to GDP decreased considerably by 1.3 percentage points compared to the previous year marking the lowest share of direct taxation in the EU-27. This development is due to the revenue fall from personal income taxes (from 4.1 % in 2009 to 3.6 % in 2010) and the significant decrease of 44 % in corporate income taxes (from 1.8 % in 2009 to 1 % in 2010). Personal income taxes in GDP terms declined considerably by 53 % from 7.7 % in 2000 to 3.6 % in 2010 due to significant cuts in the flat PIT rate from 33 % to 15 % in the same period. The fall in corporate taxes reflects the reduction of the general CIT rate from 20 % to 15 % due to advanced payments in 2010. Also revenue from social contributions decreased by 1.2 percentage points of GDP from 11.6 % (2009) to 10.4 % (2010). This development is due to a drop in employers' and employees' contributions from 8.6 % to 7.7 % and from 2.6 % to 2.3 % respectively.

In Lithuania, the proportion of total tax revenue received by central government of 49.1 % in total taxation lies in 2010 well below the EU-27 average (58.8 %). The local government however receives 11.8 % of total tax revenue, which is above EU-27 average (10.6 %). Remarkable is the fact that in Lithuania 38.3 % of total tax revenue is received by the social security funds; this contribution is the sixth highest among the EU Member States.

By observing the development of the tax-to-GDP ratio in Lithuania, one realises that despite remarkable economic growth from 2000 to 2007 the overall tax burden decreased slightly from 29.9 % to 29.5 % in the same period. Since then the tax to GDP ratio has declined significantly exhibiting the largest fall of 2.1 % in 2010 in respect to the year before. This development was not due to the economic cycle as the cyclically adjusted total tax revenue decreased considerably as well from 30.9 % in 2009 to 29 % in 2010.

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

Consumption tax revenue in percent of GDP increased moderately from 11.2 % in 2009 to 11.5 % in 2010. The ITR on consumption rose significantly by 1.7 percentage points in the same period reaching the highest level since 2000 due to an increase in the standard VAT rate by 2 percentage points as from September 2009. In spite of that development however the Lithuanian ITR on consumption is the seventh lowest among EU Member States.

Overall, labour taxes are the most important revenue source for the Lithuanian budget and bring in about half of all tax revenues. The share of labour taxes as a percentage of GDP declined however markedly by 1.6 percentage points, from 2009 to 2010. In the same vein the ITR on labour decreased from 32.6 % to 31.7 %. At this level the ITR on labour is slightly below EU average (33.4 %), although it decreased steadily from its 41.2 % peak in 2000, due notably to the increase in basic tax allowances and the successive cuts in the PIT rate.

In Lithuania, taxes on capital to GDP are the third lowest in the EU, yielding only 35 % of the EU-27 average (2.3 % versus 6.6 % for the EU-27). In addition, the share of capital taxes decreased significantly from 3.2 % (2009) to 2.3 % in 2010 due to the cuts in the standard CIT rate and in the reduced rate for small companies. Tax revenue from capital stocks is also one of the lowest in the EU-27. All of this is reflected in the Lithuanian ITR on capital, a ratio which decreased substantially by 4.2 percentage points from 11 % in 2009 to 6.8 % in 2010 marking the highest drop in the ITR on capital since 2000.

At 1.9 % of GDP, revenue from environmental taxation is the third lowest in the EU, due in particular to transport taxes which are the lowest in the EU-27. Compared to the 2000 level, environmental revenue declined in 2010 by 21 % from 2.4 % to 1.9 % in GDP terms. The Lithuanian ITR on energy (116.4 %) is the seventh lowest in the EU-27 accounting for less than 70 % of the EU-27 average (166.5) in 2009.

### Current topics and prospects; policy orientation

After significant reforms in 2006, 2008 and 2009 Lithuania introduced some tax policy changes during 2011. From 1 January 2012 the VAT registration threshold was increased from 100 000 LTL (€29 000) to 155 000 LTL (€45 000). The application of a 5 % reduced VAT rate on medicines was prolonged until the end of 2012; similarly, the 9 % reduced rate for residential heating is extended to 31 December 2012 (see VAT). With effect from 1 January 2011 the excise duty applicable to gas oil used as motor fuel was increased from €274.27 to €302.07 per 1000 l. Likewise, from 1 March 2012 the excise duty for cigarettes was increased from €64 to 67.19 per 1000 cigarettes and for cigars and cigarillos from €23.16 to 24.32 per kilogram of the product.

As from 1 January 2012 Lithuania broadened the immovable properties tax base and introduced an annual property tax of 1 % on properties whose value exceeds LTL 1 000 000 (€290 000). Regarding corporate taxation, the threshold of the maximum annual income of small companies with up to 10 employees subject to a lower rate of 5 % was increased from LTL 500 000 (€145 000) to LTL 1 000 000 (€290 000).

## Main features of the tax system

### Personal income tax

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

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

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

### Corporate taxation

The CIT rate was progressively reduced from 29 % in 1995 to 15 % now, although there was a temporary increase in 2009. Small companies with up to 10 employees and taxable income not exceeding LTL 1 000 000 — approximately €290 000 (as from 1 January 2012) — benefit from a lower 5 % rate.



From 2009 to 2013, an up to 50 % reduction in taxable profit, subject to conditions, has been granted to firms acquiring assets such as plant and machinery, structures, ICT equipment, and rights on intangible assets. Companies employing 20 % or more disabled persons also benefit from generous tax credits.

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

### VAT and excise duties

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

With effect from 1 January 2011 the excise duty applicable to gas oil used as motor fuel was increased from € 274.27 to €302.07 per 1000 l. Similarly, with effect from 1 March 2012, the excise duty applicable for tobacco products was increased: for cigarettes from €64 to 67.19 per 1000 cigarettes and for cigars and cigarillos from € 23.16 to 24.32 per kilogram of the product.

### Wealth and transaction taxes

Land tax is levied at 1.5 % of land value, while an immovable property tax ranges between 0.3 % and 1 % but applies only to legal persons or premises used for economic activities. With effect from 1 January 2012 Lithuania introduced an annual property tax of 1 % on properties whose value exceeds LTL 1 000 000 (€290 000).

Inheritance tax is levied at 5 % and 10 %, while gifts are taxed under the PIT. There is no net wealth tax.

### Other taxes

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

### Social contributions

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

<b>LUXEMBOURG</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	14.0	13.6	13.0	12.6	13.5	13.4	12.8	12.6	11.9	12.1	11.9	21	4.8
VAT	5.6	5.8	5.8	5.7	6.1	6.2	5.8	5.8	5.9	6.3	6.1	26	2.5
Excise duties and consumption taxes	4.5	4.2	4.4	4.3	4.6	4.2	3.8	3.6	3.5	3.5	3.3	12	1.3
Other taxes on products (incl. import duties)	1.5	1.3	1.1	1.1	1.1	1.2	1.1	1.3	1.0	0.8	0.8	18	0.3
Other taxes on production	2.3	2.2	1.7	1.5	1.7	1.9	2.0	2.0	1.5	1.5	1.7	9	0.7
Direct taxes	15.0	15.3	15.4	14.8	13.1	13.7	13.2	13.2	13.5	14.2	14.4	7	5.8
Personal income	7.2	7.0	6.4	6.5	6.6	7.1	7.5	7.1	7.7	7.8	7.9	10	3.2
Corporate income	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.1	5.5	5.7	3	2.3
Other	0.9	0.9	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.9	0.8	11	0.3
Social contributions	10.1	10.9	10.9	10.8	10.7	10.4	9.9	9.9	10.1	11.3	10.8	16	4.4
Employers'	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.3	4.8	4.7	22	1.9
Employees'	4.5	4.9	4.8	4.7	4.5	4.6	4.4	4.5	4.6	5.1	5.0	5	2.0
Self- and non-employed	1.2	1.3	1.3	1.3	1.6	1.3	1.2	1.2	1.2	1.3	1.2	13	0.5
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>39.1</b>	<b>39.8</b>	<b>39.3</b>	<b>38.1</b>	<b>37.3</b>	<b>37.6</b>	<b>35.9</b>	<b>35.7</b>	<b>35.5</b>	<b>37.6</b>	<b>37.1</b>	<b>12</b>	<b>14.9</b>
Cyclically adjusted total tax to GDP ratio	37.5	39.1	38.7	38.8	37.7	37.1	34.5	32.5	33.1	38.8	37.9		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	67.7	66.5	66.1	65.8	66.5	67.9	68.1	68.0	67.3	65.8	66.7	9	10.0
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	5.7	5.6	6.1	5.9	4.9	4.4	4.4	4.5	4.5	4.5	4.4	20	0.7
Social security funds	25.1	26.8	27.1	27.6	28.0	27.1	27.0	27.0	27.7	29.3	28.5	17	4.3
EU institutions	1.4	1.1	0.8	0.7	0.5	0.5	0.6	0.6	0.5	0.4	0.4	26	0.1
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	10.7	10.6	10.7	10.6	11.3	10.9	10.1	9.8	9.9	10.4	9.9	26	4.0
Labour	15.1	15.8	15.1	15.1	15.0	15.1	14.6	14.7	15.1	16.5	16.1	15	6.5
Employed	13.8	14.6	14.0	13.8	13.6	13.8	13.3	13.4	13.9	15.1	14.7	15	5.9
Paid by employers	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.3	4.8	4.7	22	1.9
Paid by employees	9.4	9.8	9.2	9.1	8.9	9.3	9.0	9.2	9.6	10.2	10.1	9	4.1
Non-employed	1.3	1.2	1.1	1.2	1.4	1.3	1.2	1.3	1.3	1.4	1.3	10	0.5
Capital	13.3	13.4	13.5	12.5	11.1	11.5	11.2	11.2	10.4	10.8	11.1	1	4.5
Capital and business income	9.1	9.5	10.2	9.6	8.1	8.2	7.8	7.6	7.7	8.2	8.3	1	3.4
Income of corporations	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.1	5.5	5.7	3	2.3
Income of households	0.8	0.9	0.8	0.9	0.9	1.1	1.6	1.1	1.3	1.3	1.3	2	0.5
Income of self-employed (incl. SSC)	1.4	1.3	1.3	1.3	1.5	1.3	1.3	1.3	1.3	1.4	1.3	13	0.5
Stocks of capital / wealth	4.2	3.9	3.3	2.9	3.0	3.3	3.4	3.6	2.7	2.6	2.7	5	1.1
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.8	2.8	2.8	2.8	3.1	2.9	2.6	2.5	2.5	2.5	2.4	18	1.0
Energy	2.7	2.7	2.6	2.7	2.9	2.8	2.5	2.4	2.3	2.3	2.2	7	0.9
Of which transport fuel taxes	:	:	:	2.6	2.9	2.8	2.5	2.3	2.3	2.3	2.1	3	
Transport (excl. fuel)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	24	0.1
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	23.0	22.6	22.6	23.8	25.4	26.3	26.4	27.1	27.3	27.1	27.3	3	
Labour employed	29.9	29.6	28.4	29.2	28.9	30.0	30.4	31.1	31.6	31.6	32.0	17	
Capital	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	8.4	2.5	4.1	1.5	4.4	5.4	5.0	6.6	0.8	-5.3	2.7		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Luxembourg

## Overall trends in taxation

### Structure and development of tax revenues

At 37.1 %, the tax-to-GDP ratio in Luxembourg was above the EU average (35.6 %) in 2010. This ratio was lower than in the three neighbouring countries — Belgium, France and Germany.

Direct tax revenues, which were, as a percentage of GDP, 3.2 percentage points above the EU average in 2010, have been on an upward trend in recent years. Despite relatively low rates the revenues from corporate income tax (CIT) (5.7 %) are among the highest in the EU (2.7 %), which is partly due to the importance of the financial sector in the economy and the high degree of openness of the economy leading to substantial earnings from cross-border trade. PIT revenues are slightly above the Union average. Revenue from indirect taxes as a percentage of GDP overall lay 1.6 percentage points below the EU average. VAT revenue is among the lowest in the EU owing to moderate VAT nominal rates. Revenue from social contributions paid by employees (5 %) are relatively high, while employers' SSC (4.7 %) are low compared to the EU average (3.3 % and 6.5 % respectively).

Two thirds of levies accrue to the central administration and over a quarter to the social security funds. At 4.4 % of total revenues, tax revenues accruing directly to local government are very low in comparison to the 10.6 % EU average and decreased by around one fifth since 2000.

The overall tax burden has been decreasing nearly continuously since 2001. The lagged impacts of below potential growth in 2001–2003 and the 2001 and 2002 cuts in PIT and CIT placed tax revenues on a downward trajectory, so that by 2006 revenues from CIT as a percentage of GDP were down by more than one third from their 2002 peak. Since 2007, all tax and social security revenues have markedly increased in absolute terms, a phenomenon masked by real GDP growth. The 2009 increase in tax-to-GDP ratio is explained by the combination of rising corporate, social security and indirect tax revenues with negative GDP growth. In 2010 revenue from excise duties and social security contributions dropped, causing the tax-to-GDP to decline in spite of further increasing corporate tax revenues.

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

Consumption taxes (9.9 % of GDP) were 2 percentage points below the EU average in 2010. The interpretation of the ITR on consumption for Luxembourg is affected by the small size of the territory and the high degree of openness of the economy. In particular, purchases of excisable goods by non-residents (minus purchases of these goods by Luxembourg residents abroad) are likely to push upward the ITR on consumption. Overall, the ITR on consumption stood at 27.3 % and is 6 percentage points above the EU-27 average (21.3 %).

Although it has increased in recent years, the ITR on labour (32 %) was, as of 2010, 1.4 percentage points lower than the EU average (33.4 %). The lower level of labour taxation is a result of moderate levels of taxation of personal income and a relatively low level of social contributions.

Between 2000 and 2003, taxes on capital represented roughly one third of total revenue, the highest value in the EU. Although the share of capital taxes in total revenue has decreased to 29.9 % in 2010, it is still considerably above the EU average (18.4 %). This is nearly entirely related to the high proceeds of the CIT, which, despite a marked decline compared to the beginning of the decade, remains among the highest in the EU as a share of GDP. The high revenue from taxes on capital in general and the CIT in particular, is linked to Luxembourg's large financial sector with a highly internationalised customer base.

Environmental taxation accounted for 2.4 % of GDP in 2010, down from 3.1 % in 2004. This drop, driven by lower energy tax revenues, caused Luxembourg's environmental tax revenues to fall below the EU-27 average (2.6 %).

### Current topics and prospects; policy orientation

As of January 2011, the top personal income tax rate was increased from 38 % to 38.95 %. Following an evaluation of the country's economic and financial outlook in 2012, the increased aggregate top personal income tax rate is maintained. The temporary crisis tax amounting to 0.8 % levied on total income except minimum wage salaries introduced for the year 2011, is abolished as of January 2012. The 2011 increase of the surcharge for the employment fund (solidarity tax) from 2.5 % to 4 % for income up to € 150 000 and to 6 % for income above € 150 000 is maintained.

The corporate tax rate remains unchanged. However, the 2011 increase of the surcharge from 4 % to 5 % for contributing to unemployment social security leading to a combined tax rate for Luxembourg City of 28.8 %, instead of 28.59 %, is maintained. The same applies to the minimum fixed corporate income tax of € 1 500 per year, levied on holding companies (*Soparfis*) and resident companies which do not carry out commercial activities and to the tax incentives for investments introduced to promote energy saving and to protect the environment which were also introduced in 2011. The 2012 budget introduces a new table with revaluation coefficients for the valuation of business assets and participations and grants a tax credit to employers hiring unemployed employees until 2014.

As of January 2012, the excise duty rates on manufactured tobacco are increased to 10 % of purchase price with a maximum of € 10 per kg.

## Main features of the tax system

### Personal income tax

The main categories of income are employment income, business income, income from movable capital and miscellaneous income. Taxable income is computed on a cash basis, except for business income (accrual basis) and capital gains from a substantial participation (time of transaction). The top marginal rate is 41.34 %, applying to incomes of more than € 165 000 (€ 300 000 for couples jointly taxed). Otherwise tax rates range from 0 % to 40.56 %. In general, expenses incurred to obtain or preserve income are deductible from taxable income. In addition, a resident taxpayer may claim deductions for special expenses and an allowance for extraordinary expenses from his aggregate income. Some former tax allowances have taken on the form of tax credits. They notably refer to child benefits and the compensatory amounts attributed to single parent taxpayers, the employed and the retired.

Married couples are jointly taxed, but a splitting system applies in the calculation of the tax due. Salaries, wages and pensions derived from former employment are subject to a wage withholding tax. The PIT is increased by a 4 % surcharge for the Employment Fund.

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

### Corporate taxation

Corporate income is subject to CIT, increased by a surcharge for the employment fund and a municipal business tax. The corporate tax system is, in principle, classical. The tax on profit is calculated by adding up the general CIT rate of 21 % (previously 22 %), a 5 % solidarity tax surcharge for the employment fund (the effective rate is 21.84 %) and a municipal business tax (which for Luxembourg City amounts to 6.75 %), taking the all-in effective rate to 28.8 % (for Luxembourg City). For SMEs whose taxable income is not more than € 15 000, the basic rate is 20 %.

Luxembourg also applies a system of investment credits and provides for specific tax incentives for new industrial investment (tax credit up to 12 %), venture capital investment and audiovisual investment (investment credit).

### VAT and excise duties

Six VAT rates exist. The standard rate is 15 %; a super-reduced rate of 3 % applies to food and beverages, pharmaceutical products, books and newspapers and passenger transport. A reduced rate of 6 % applies to gas, electric power, flowers and labour-intensive services such as hairdressing and window cleaning. An intermediary rate of 12 % applies to wine and coal. Finally, flat rates of 4 % or 10 % apply to farmers and foresters subject to a specific regime.

Regarding excise duties on car fuels, the applicable rate for diesel-driven cars amounts to €310 per 1 000 litres from 1 January 2010. Tobacco taxation has changed from 1 February 2010. The new excise rates applying to cigarettes are 47.84 % (proportional element) and €16.89 per 1 000 cigarettes (specific element). The excise rates applying to fine-cut tobacco and other smoking tobaccos are 31.5 % (proportional element) and €4 per kg (specific element).

### Wealth and transaction taxes

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

### Local taxes

The most important local tax accruing directly to municipalities is the municipal business tax. It is levied on all business establishments located in Luxembourg. As explained in the chapter on corporation tax, the municipal business tax adds on to the general corporate tax rate of 21 % and the solidarity tax surcharge of 5 %.

Generally speaking, the volume of local taxes in terms of GDP is low compared to the EU average. Municipalities derive the most important part of their funding from the *Fonds Communal de Dotation financière*. This is a special fund redistributing part of the income collected by the central government from PIT, VAT, motor vehicle tax and excise tax on alcohol to municipalities in addition to a direct allocation from the budget.

### Social contributions

Social security contributions for pension, health insurance and family allowances are levied on the gross wage. The pension scheme is financed by central government, and employers' and employees' contributions. A contribution of 16 % of gross wages is paid by both employers and employees. The central government participates with 8 % of total contributions paid on salaries. The health care scheme is financed by central government, and employers' and employees' contributions. A health care contribution of about 5 % of gross wages is paid by both employers and employees. The central government participates with 37 % of total contributions paid on salaries. For family allowances, the rate of 1.7 % is borne by the employee on his/her salary.

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

<b>MALTA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.3	13.0	12.8	12.9	14.8	15.4	15.4	15.2	14.8	14.3	13.9	11	0.9
VAT	5.8	6.3	6.3	6.4	7.3	8.3	8.1	7.7	7.9	7.9	7.8	14	0.5
Excise duties and consumption taxes	2.5	2.8	2.6	2.6	2.8	3.1	3.1	3.4	3.1	3.0	3.0	16	0.2
Other taxes on products (incl. import duties)	3.6	3.6	3.5	3.5	3.9	3.5	3.7	3.6	3.3	2.8	2.6	3	0.2
Other taxes on production	0.3	0.4	0.4	0.4	0.8	0.6	0.6	0.5	0.5	0.6	0.5	23	0.0
Direct taxes	9.2	10.0	11.2	11.7	11.3	12.0	12.3	13.6	13.0	13.9	13.4	8	0.8
Personal income	5.6	6.1	6.1	6.2	6.4	6.3	6.5	5.9	5.6	5.9	6.0	16	0.4
Corporate income	2.9	3.2	3.8	4.4	4.1	4.5	5.0	6.8	6.7	7.1	6.5	1	0.4
Other	0.7	0.8	1.4	1.2	0.9	1.3	0.9	1.0	0.8	0.9	0.9	10	0.1
Social contributions	6.4	6.7	6.5	6.4	6.5	6.4	6.2	5.9	6.0	6.1	6.0	25	0.4
Employers'	2.8	3.0	2.9	2.9	2.9	2.9	2.8	2.7	2.7	2.7	2.7	26	0.2
Employees'	2.8	3.0	2.9	2.9	2.9	2.9	2.8	2.6	2.7	2.7	2.7	15	0.2
Self- and non-employed	0.8	0.7	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	16	0.0
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>27.9</b>	<b>29.7</b>	<b>30.6</b>	<b>31.1</b>	<b>32.6</b>	<b>33.7</b>	<b>34.0</b>	<b>34.8</b>	<b>33.8</b>	<b>34.3</b>	<b>33.3</b>	<b>17</b>	<b>2.0</b>
Cyclically adjusted total tax to GDP ratio	26.3	29.4	30.1	31.3	33.7	34.3	34.5	34.5	32.7	34.7	33.4		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	100.0	100.0	100.0	100.0	99.1	98.6	98.8	98.7	98.6	99.0	99.0	1	2.0
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Social security funds	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EU institutions	n.a.	n.a.	n.a.	n.a.	0.9	1.4	1.3	1.3	1.4	1.0	1.0	5	0.0
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	11.8	12.5	12.6	12.4	13.2	14.4	14.1	14.0	13.7	13.5	13.2	8	0.8
Labour	10.4	11.2	11.1	11.1	11.2	11.0	11.2	10.4	10.3	10.6	10.7	26	0.7
Employed	9.6	10.3	10.2	10.1	10.3	10.1	10.1	9.5	9.4	9.6	9.7	26	0.6
Paid by employers	2.8	3.0	2.9	2.9	2.9	2.9	2.8	2.7	2.7	2.7	2.7	26	0.2
Paid by employees	6.8	7.3	7.3	7.3	7.4	7.2	7.3	6.8	6.7	6.9	7.0	17	0.4
Non-employed	0.8	0.9	0.9	0.9	1.0	1.0	1.1	0.9	0.9	1.0	1.0	12	0.1
Capital	5.6	6.0	6.9	7.6	8.2	8.3	8.7	10.4	9.9	10.2	9.4	5	0.6
Capital and business income	4.5	4.8	5.4	6.0	5.8	6.1	6.6	8.3	8.1	8.5	7.8	2	0.5
Income of corporations	2.9	3.2	3.8	4.5	4.1	4.5	5.0	6.8	6.7	7.1	6.5	1	0.4
Income of households	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.3	0.3	0.3	0.3	20	0.0
Income of self-employed (incl. SSC)	1.2	1.2	1.2	1.1	1.2	1.2	1.2	1.1	1.1	1.0	1.0	17	0.1
Stocks of capital / wealth	1.1	1.2	1.5	1.6	2.4	2.2	2.1	2.1	1.8	1.7	1.6	14	0.1
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	3.6	3.6	3.4	3.3	3.0	3.3	3.4	3.8	3.4	3.4	3.1	4	0.2
Energy	1.4	1.5	1.3	1.2	1.2	1.3	1.3	1.8	1.5	1.5	1.5	23	0.1
Of which transport fuel taxes	:	:	:	:	1.2	1.3	1.3	1.7	1.4	1.3	1.3	22	
Transport (excl. fuel)	2.3	2.1	2.0	2.1	1.8	1.8	1.8	1.7	1.7	1.6	1.4	2	0.1
Pollution/resources	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.3	0.3	0.2	0.2	5	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	15.6	16.4	17.1	16.7	17.3	19.3	19.4	19.7	19.2	19.3	18.9	18	
Labour employed	21.8	22.1	22.3	21.7	21.8	22.1	21.9	20.9	20.7	20.8	21.7	27	
Capital	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	:	-1.5	2.8	0.1	-0.5	3.7	2.8	4.3	4.3	-2.6	2.9		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Malta

## Overall trends in taxation

### Structure and development of tax revenues

In 2010 the tax-to-GDP ratio (including social security contributions) stood at 33.3 % in Malta, 2.3 percentage points lower than the EU average (35.6 %). With respect to other countries bordering the Mediterranean, this level of taxation is well below that of Italy and below the level of Cyprus, but somewhat higher than that of Spain.

Malta relies heavily on indirect taxes and direct taxes; their shares of the total tax lie above the EU average and each represent around 40% of total taxation. so that the overall taxation structure is similar to that in the United Kingdom (indirect taxes, direct taxes, social contributions in a ratio of around 2:2:1), perhaps reflecting the historical ties to that country. Although the Maltese are, on the whole, relatively lightly taxed the level of direct taxation is higher than the EU average (Malta 13.4 % of GDP, EU-27 11.2 %). Indirect taxes absorb a proportion of GDP (13.9 %) which is slightly higher than the EU average (13.5 %), while social security contributions yield little revenue, only roughly half of the EU average in GDP terms (6.0 % of GDP, EU-27 10.9 %). Within social security contributions, employees contribute less than the European average (Malta 2.7 %, EU-27 3.3 %), while employers contribute less than half the EU average (Malta 2.7 %, EU-27 6.5 %).

Malta has no sub-central level of government collecting taxes, and does not maintain a social security fund separate from the central exchequer. The country has experienced almost a 20 % increase in tax revenue when expressed in terms of its share of GDP between 2000 and 2010. This increase was most notable in direct taxation; where revenues grew by 45%. This stems mostly from increase in CIT arising from the broadening of the base, and efforts to improve efficiency in collection. As a result Malta ranks in the top 5 since 2002 and first since 2009 in the EU for corporate income tax revenues as expressed in percentage of GDP. The increase in indirect taxes was 13 % while social security revenue decreased by 6 %, being one of the lowest values in the EU after Ireland (5.8 %) and Denmark (1 %).

### Taxation of consumption, labour and capital

Taxes on consumption generate revenues of 13.2 % of GDP (EU-27 11.9 %), having increased by 1.4 percentage points since 2000. This is mainly due to the increase of the VAT standard rate in 2004, the widening of the VAT base and the raising of excise duties to bring them in line with EU minimum rates. The ITR on consumption (18.9 %) also reflects this rise, having increased from 15.6 % in 2000. However, the rate remains well below the EU average (EU-27 21.3 %), due partly to the high ratio of consumption to GDP.

The amount of revenue raised from taxation of labour is the second lowest in the Union (Malta 10.7 % of GDP, EU-27 17.1 %) which is mainly due to the low employers' social security contributions. In 2010 labour taxes increased slightly driven by those paid by employees. The ITR on labour is, at 21.7 %, 11.7 percentage points below the EU average (33.4 %), the lowest in the EU by a wide margin.

The taxation of capital yields substantial revenue (9.4 % of GDP, EU-27 6.6 %), putting Malta in fifth place in the EU. This is primarily due to the high tax revenue from corporations (at 6.5 % of GDP, the highest revenue in the EU) which decreased with respect to 2009. By contrast the revenue from taxation of the self-employed is below the Union average. Unfortunately, owing to data limitations, no ITR on capital is available for Malta.

Environmental taxes are relatively high (Malta 3.1 % of GDP, EU-27 2.6 % of GDP). The high level of environmental tax revenue is attributable to taxation on transport (1.4 % of GDP, EU-27 0.5 %), while revenue from taxation on energy is below the EU average (1.5 %, EU-27 1.9 %).

### Current topics and prospects; policy orientation

Malta's budget plan for 2012 foresees an increase of several taxes. The net deficit-reducing impact due to taxation reforms is around 0.5 % of GDP for 2012. The reforms announced in the budget include several tax deductions and incentives for income tax as well as the introduction of a new category for parents with different income tax brackets to make the job market more attractive for parents (for details see below). At the same time several excise duties will be increased (for details see below). Tax burden will hence be shifted from direct to indirect taxation.

## Main features of the tax system

### Personal income tax

In 2007 Malta reformed substantially the personal income tax, with the aim of decreasing the tax burden. Now Malta employs a four bracket system (0 %, 15 %, 25 % and 35 %) with different brackets for single individuals or married couples. The 2012 budget introduces a third category: parents computation in order to make the job market more attractive for parents. To facilitate the return of women to labour market the current tax credit of up to €5 000 had been extended to include self-employed mothers. From 2011 self-employed women working on a part-time basis will be given the opportunity to choose to pay a 15 % pro-rata contribution on their income, as per employed person, instead of the minimum currently stipulated by law (€26.37 per week).

Individuals who are permanent resident and domiciled in Malta are taxable on their worldwide income. Apart from the basic personal relief of €8 500 for single individuals, of €11 900 for married couples and since 2012 of €9 300, the Maltese personal income tax system introduced income tax exemption from certain copyrights such as books, film scripts, music and art. In addition, income tax deduction up to €2300 will be granted for school fees and of €100 for cultural and creative education. In order to attract high quality labour to Malta a tax credit up to €15 000 is provided to companies for the development of educational digital games and the 15 % PIT rate scheme is extended to international professionals. The 2012 budget also foresees amendments in the income tax on part-time work of pensioners and government employees.

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

### Corporate taxation

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

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

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



### VAT and excise duties

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

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

### Environmental taxes

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

From 2011, registration taxes of commercial vehicles up to Euro Standard 3 have been increased in order to encourage the purchase newer and cleaner vehicles. Companies can also benefit from a reduction in company tax up to 125 % on the amounts spent on electric cars. All motor vehicles with Euro 1 to 3 emissions (or worse) will have an increased registration tax from January 2012.

In 2011, an excise duty of €9 was introduced on every tonne of cement. This is increase by 3 euro per tonne for 2012.

### Wealth and transaction taxes

There is no wealth tax but the transfer of immovable property by individuals and companies is normally subject to a rate of 5 % of the transfer value (3.5 % on the first €117000 in the case of acquisitions for the purpose of establishing the purchaser's own residence). Transfers of immovable property situated in Malta are subject to a 12% withholding tax on the transfer value. Various exceptions to this rule are applicable, e.g. where the transfer is made within 7 years after the acquisition, in which case the transferor has the option to be charged to tax at the said 12% or in accordance with the general rules. The 2012 budget introduces a reduction of the final withholding tax to 10% in case a person invests in restoration of the property for the purpose of selling.

While there is no withholding tax on dividends or royalties, the distribution of untaxed corporate income, the interest paid by Maltese banks and government and the capital gains arising from the disposal of shares in investment schemes are subject to withholding tax at 15 %.

### Social contributions

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

<b>NETHERLANDS</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.5	12.9	12.7	12.7	12.9	12.9	13.1	13.0	12.7	12.3	12.5	17	73.5
VAT	6.9	7.3	7.2	7.3	7.3	7.2	7.4	7.5	7.3	7.0	7.2	16	42.7
Excise duties and consumption taxes	2.6	2.5	2.5	2.4	2.6	2.5	2.5	2.4	2.4	2.3	2.3	23	13.4
Other taxes on products (incl. import duties)	2.0	2.1	1.9	1.9	2.0	2.1	2.2	2.0	2.0	1.8	1.8	6	10.4
Other taxes on production	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.2	1.2	13	7.0
Direct taxes	12.0	11.7	11.8	11.0	10.7	11.7	11.9	12.2	12.0	12.2	12.2	10	71.8
Personal income	6.0	6.2	6.8	6.5	6.0	6.6	6.9	7.4	7.2	8.6	8.5	8	49.7
Corporate income	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	15	13.6
Other	1.6	1.3	1.4	1.4	1.4	1.5	1.3	1.3	1.3	1.4	1.4	4	8.4
Social contributions	15.4	13.7	13.3	13.8	13.9	12.9	14.0	13.5	14.5	13.9	14.1	7	82.8
Employers'	4.5	4.3	4.3	4.3	4.3	4.0	4.6	4.5	4.8	5.0	4.9	20	29.1
Employees'	7.9	6.7	6.4	6.7	6.9	6.4	6.5	6.1	6.6	5.9	6.0	3	35.5
Self- and non-employed	3.1	2.6	2.5	2.8	2.7	2.5	2.9	2.9	3.1	3.0	3.1	1	18.2
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>39.9</b>	<b>38.3</b>	<b>37.7</b>	<b>37.4</b>	<b>37.5</b>	<b>37.6</b>	<b>39.0</b>	<b>38.7</b>	<b>39.2</b>	<b>38.3</b>	<b>38.8</b>	<b>8</b>	<b>228.1</b>
Cyclically adjusted total tax to GDP ratio	38.6	37.3	37.6	38.0	38.0	38.0	38.8	37.6	37.9	39.0	39.2		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	55.9	58.9	59.7	57.8	57.6	60.2	59.5	60.4	58.3	59.1	59.1	14	134.7
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	3.4	3.6	3.7	3.9	4.0	4.1	3.3	3.3	3.3	3.7	3.7	22	8.4
Social security funds	38.6	35.7	35.2	36.9	37.1	34.5	35.9	34.8	37.0	36.2	36.3	8	82.8
EU institutions	2.0	1.8	1.4	1.4	1.3	1.3	1.3	1.4	1.4	1.0	1.0	6	2.2
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	11.7	11.9	11.7	11.8	12.0	12.0	12.2	12.1	12.0	11.8	12.0	12	70.7
Labour	20.7	18.5	18.8	19.2	19.0	18.7	20.0	19.8	20.7	21.2	21.3	9	125.4
Employed	17.8	16.0	16.2	16.5	16.4	16.0	17.2	17.5	18.3	18.8	18.9	9	111.0
Paid by employers	4.5	4.5	4.5	4.4	4.4	4.1	4.7	4.6	4.9	5.1	5.0	19	29.7
Paid by employees	13.2	11.5	11.8	12.1	11.9	11.9	12.6	12.9	13.4	13.7	13.8	2	81.3
Non-employed	3.0	2.5	2.6	2.7	2.6	2.6	2.8	2.3	2.4	2.4	2.4	5	14.4
Capital	7.5	7.9	7.3	6.5	6.6	7.0	6.8	6.8	6.6	5.3	5.4	19	32.0
Capital and business income	5.3	5.7	5.0	4.3	4.3	4.6	4.7	4.7	4.6	3.5	3.7	20	21.6
Income of corporations	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	15	13.6
Income of households	-1.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0	-0.9	-1.0	-0.9	-0.9	27	-5.3
Income of self-employed (incl. SSC)	2.4	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.2	2.2	2.3	7	13.3
Stocks of capital / wealth	2.2	2.2	2.3	2.1	2.2	2.3	2.0	2.1	1.9	1.8	1.8	13	10.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	3.9	3.8	3.7	3.7	3.9	3.9	4.0	3.8	3.9	4.0	4.0	2	23.5
Energy	1.9	1.8	1.8	1.8	1.9	2.0	2.0	1.8	1.9	2.0	2.0	10	12.0
Of which transport fuel taxes	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.3	1.3	20	
Transport (excl. fuel)	1.4	1.3	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.2	1.2	3	7.3
Pollution/resources	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7	0.7	1	4.2
<b>E. Implicit tax rates</b>	%												
Consumption	23.8	24.4	23.9	24.2	24.8	25.0	26.5	26.7	26.9	26.2	27.0	5	
Labour employed	35.0	31.4	31.5	32.0	31.9	32.3	35.1	35.6	36.8	35.9	36.9	11	
Capital	20.0	21.0	22.9	19.8	19.3	17.1	16.2	14.8	15.6	14.4	12.5		
Capital and business income	14.1	15.2	15.8	13.2	12.8	11.4	11.3	10.3	11.0	9.5	8.5		
Corporations	18.4	17.2	18.0	14.4	14.4	12.4	12.0	10.2	10.9	7.7	6.5		
Households	6.1	9.5	10.1	9.3	7.7	7.2	7.8	8.6	9.1	12.7	14.0		
Real GDP growth (annual rate)	3.9	1.9	0.1	0.3	2.2	2.0	3.4	3.9	1.8	-3.5	1.7		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Netherlands

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, the tax-to-GDP ratio was 38.8 % in the Netherlands. This value is 3.2 percentage points above the EU-27 average (35.6 %) and somewhat above the euro area average (36.4 %). Compared to the neighbouring countries, the Dutch tax-to-GDP ratio is lower than the ratio for Belgium and Denmark but close to the ratio for Germany and Luxembourg.

Indirect taxes, direct taxes and social contributions each account for about one third of total tax revenues. Although indirect tax revenues decreased over the last 4 years due to the crisis, for 2010 there has been a small increase. After the reduction in 2009 of the statutory income tax rate, which resulted in a decrease of the CIT, the weight of corporate income tax (CIT) remained stable. The 2001 tax reform lowered the burden on taxes and the social security premium. Most allowances were replaced by tax credits; these apply not only to the PIT but to social security contributions as well. Therefore, the relief of the 2001 tax reform is found mainly in social security contributions. This relief is followed by an increase of social security contributions in 2006 (see below). Yet, social security contributions on employees and self-employed are fairly high in the EU.

From a fiscal viewpoint, the Netherlands display a fairly centralised tax structure as local government taxes account for merely 3.7 % of total tax revenues, a share which is just above a third of the EU-27 average (10.6 %). In contrast, the share of social security funds (36.3 %) is well above the European average (29.9 %). Revenues received by the central government are slightly above the EU-27 average.

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

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

Since 2002, with the exception of 2009 due to the crisis, the implicit tax rate on consumption shows an increasing trend, partly as a result of increases in revenues from VAT and environmental taxes. In 2010, the implicit tax rate for the Netherlands was ranked fifth in EU-27 and 5.7 percentage points higher than the EU average (21.3 %).

The ITR on labour dropped significantly in 2001 as a result of the PIT reform reducing substantially employees' social contributions. Since then, however, the ITR has increased by 5.5 percentage points. A large share of this increase is due to the replacement of private health care insurance contributions by a new public health care insurance system in 2006<sup>(62)</sup>. In 2010, the ITR (36.9 %) was well above the EU average (33.4 %).

From 2003 onwards the ITR on capital and business income and on corporations has been declining. This drives down the general ITR on capital which declined by 45% since its peak in 2002. In 2010, the ITR on capital in the Netherlands was 12.5 %, almost 11 percentage points below the EU-25 average (23.3%). Revenue from taxes on the capital income of households is negative and, at -0.9 % of GDP, the lowest in the EU. The negative value is

<sup>(62)</sup> Under the accounting conventions followed in this report, this replacement leads to an increase in the ITR on labour although disposable income of households is unaffected.

mainly due to the mortgage interest deduction (balanced with the deemed rental value of owner-occupied houses) and the deduction of contributions to pillar 2 pensions in the wage tax/income tax.

At 4.0 % of GDP, the Netherlands has the second highest level of environmental taxes as a percentage of GDP in the EU after Denmark. The Netherlands raises significant revenue from transport taxes and is one of the few countries in the Union with a non-negligible contribution of pollution taxes, originating from a tax on pollution of surface waters and sewerage charges (0.7 % of GDP, EU-27 0.1 %).

### Current topics and prospects; policy orientation

For 2012, the tax rate in the first bracket is fixed at 33.1% of which personal income tax and wages tax is set at 1.95 % and social contributions are 31.15 %. In addition, the imputed income for the owner-occupied dwelling is increased for a dwelling with a value of €1 040 000 and amounts to 1.30 % for the part of the value exceeding €1 040 000.

In the Dutch tax system, there are several tax reliefs and allowances for self-employed entrepreneurs and starting companies. In 2012, the deduction for self-employed, which was regressive, was set at € 7,280. The profit exemption for SMEs, granted under the tax plan 2009, was kept at 12 %

Since January 2010, the 'patents box' scheme was turned into an 'innovation box' for innovative entrepreneurs: the tax level for income derived from R&D is reduced from 20 % - 25 % to a low rate of 5 % and the ceilings were abolished. Furthermore, a 3-year carry-back period was introduced for losses incurred in 2009 and 2010. The wage tax reduction for R&D activities amounts to 42% of the wage up to €110 000 and 14% of the excess (with a maximum reduction of €14 million). The 2012 tax plan keeps the environment investment deduction at 13.5 %, 27 % and 36 %, depending on the type of investment. The tax deduction for R&D activities for self-employed is increased to €12 310 for entrepreneurs and can be increased by €6 157 for starting entrepreneurs. Since 2012 a new tax facility provides for 40% deduction for R&D capital- & current expenses.

From 2011, an exemption for business succession, of 100 % for businesses with a maximum value up to €1 006 000, and to 83 % for the excess, exists. For the tax due, a 10-year tax deferral is granted. Excise duties on alcohol remain the same as for 2011. For tobacco and cigarettes the yearly adjustment is foreseen for April 2012 and for mineral oils there is an increase of €0.01 per litre (only for LPG per kg) as of January 2012 to adjust for inflation. In order to stimulate the housing market, the property transfer tax is reduced from 6 % to 2 % of owner-occupied dwellings from June 2011 till July 2012.

The 2012 budget plan also foresees several changes on vehicle taxation. They aim to stabilize the tax revenue and at the same time give car manufacturers an incentive to continue putting fuel efficient cars on the Dutch market. In 2013 the gradual conversion from a registration tax based on the purchase price to a tax based on CO<sub>2</sub>-emission will be completed. As of July 2012 the CO<sub>2</sub> limits will be tightened each year to ensure a stable tax revenue. At the same time the fixed surcharge for diesel cars will be replaced by a surcharge depending on amount of CO<sub>2</sub>-emission. At this moment fuel efficient cars are exempted from motor vehicles tax. This exemption will expire on January 1 2014, except for highly efficient cars with CO<sub>2</sub> emissions of no more than 50 g/km. For these highly efficient cars the exemption will expire in 2016. The private use of company cars is taxed with 25% of the consumer price. Lower rates of 20%, 14% and 0% apply to 'relatively efficient', 'efficient' and 'zero-emission' cars respectively. As of July 1 2012 the CO<sub>2</sub> limits for the categories 'relatively efficient' and 'efficient' will be tightened. The 'zero emission' category will be extended to highly efficient cars with CO<sub>2</sub> emissions of no more than 50 g/km, while the present 0% rate will be increased to 7% in 2014.

## Main features of the tax system

### Personal income tax

The Dutch PIT system consists of three so-called boxes: Box 1 consists of labour income items as well as some capital income items, such as the proceeds of capital that proprietors employ in their own businesses, the presumptive income from owner-occupied housing, balanced with paid interest on mortgages. The sum of income

in Box 1 is taxed at progressive rates ranging from 33.10 % to 52 % (income tax and social security contributions). The highest rate applies to income above of €56 491. Box 2 contains profit distributions and capital gains in connection with closely held companies, in which particular shareholders have a substantial interest. The nominal PIT rate on these income items is 25 %, but the effective overall tax rate is higher, because these items are also subject to the corporation tax at the level of the company. Box 3 includes the returns on individually held assets such as saving deposits, stocks, bonds, and real estate (except owner-occupied housing). The items in this box are subject to the presumptive capital income tax. The statutory rate is 30 % on a presumptive return of 4 % on the average value of the net assets during the taxable year.

### Corporate taxation

The current profits of corporations (publicly and closely held companies) are subject to the corporation tax at a rate of 25 % (20 % for profits up to €200 000). In the Netherlands, profit for fiscal purposes is not necessarily calculated on the basis of the annual financial statements. Profits should be determined according to 'sound business practice', a concept that has mainly been developed in case law. One of its requirements is the use of consistent accounting methods. This means that the method of determining profits may be changed only if this is compatible with sound business practice.

Under certain conditions a parent company may be taxed as a group together with one or more of its subsidiaries. For corporate income tax (CIT) purposes this means that the parent company and subsidiary are deemed to be one fiscal entity. The main advantages of group taxation are that the losses of one company can be offset against profits from another company within the group, and that fixed assets can in principle be transferred tax free from one company to another.

### VAT and excise duties

There are two rates. The standard rate is 19 % and the reduced rate of 6 % applicable to, inter alia, food, water, pharmaceuticals, art, cultural events and publications. The Netherlands applies a wide range of green taxes: environmental taxes (taxes on groundwater, tap water, waste materials, fuels and the regulatory energy tax), excise duties on petroleum oils and taxes on vehicles (goods vehicle tax, tax on private cars and motorcycles and tax on heavy goods vehicles). In 2012 the taxes on groundwater and waste materials were abolished. The packaging tax, tax on tap water and the tax on soft drinks will follow in 2013.

### Wealth and transaction taxes

There is no net wealth tax. As of 2010, inheritance and gift taxes are levied at rates ranging from 10 % to 40 % depending on the relationship between the donor and the beneficiary and the amount involved if the amounts exceed certain allowances.

### Social contributions

The social security system is composed of national insurance and employee insurance. The national insurance applies to all inhabitants and its financing is integrated in the income tax and wage (withholding) tax levy. The employee insurance applies to employees and is financed by a levy calculated on gross salaries (with a maximum amount) and depends on the economic sector. For basic health insurance each adult pays a fixed amount close to, €1 200 a year. In addition, 7.1 % of gross earnings are paid up by employees to a maximum income of €50 064. For the latter contribution an employee receives mandatory full compensation from his employer. This compensation is subject to the personal income tax. For self employed and pensioners, the contribution is 5% of taxable earnings.

<b>POLAND</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.6	12.5	13.2	13.2	13.1	13.9	14.5	14.4	14.4	13.1	13.8	12	49.0
VAT	6.9	6.8	7.2	7.1	7.2	7.7	8.1	8.3	8.0	7.4	7.8	13	27.5
Excise duties and consumption taxes	3.7	3.7	4.0	4.1	4.2	4.2	4.0	4.2	4.4	3.8	4.2	4	14.9
Other taxes on products (incl. import duties)	0.8	0.6	0.6	0.6	0.4	0.3	0.3	0.4	0.4	0.3	0.3	27	1.0
Other taxes on production	1.3	1.4	1.4	1.3	1.4	1.7	2.0	1.5	1.6	1.6	1.6	10	5.5
Direct taxes	7.2	6.7	6.9	6.6	6.4	7.0	7.5	8.6	8.6	7.5	7.0	22	24.7
Personal income	4.4	4.5	4.3	4.2	3.6	3.9	4.6	5.2	5.3	4.6	4.5	20	15.8
Corporate income	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	19	7.1
Other	0.3	0.3	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.5	0.5	20	1.8
Social contributions	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.3	11.3	11.1	14	39.3
Employers'	5.7	5.7	5.4	5.2	4.9	4.9	4.8	4.8	4.7	4.7	4.7	21	16.8
Employees'	5.5	5.5	5.1	5.2	5.0	4.8	4.9	4.8	4.6	4.3	4.1	7	14.5
Self- and non-employed	1.8	2.1	2.5	2.4	2.4	2.5	2.5	2.4	2.0	2.4	2.3	4	8.1
Less: amounts assessed but unlikely to be collected	0.2	0.4	0.4	0.3	0.3	0.4	0.4	0.1	0.1	0.1	0.1		
<b>TOTAL</b>	<b>32.6</b>	<b>32.2</b>	<b>32.7</b>	<b>32.2</b>	<b>31.5</b>	<b>32.8</b>	<b>33.8</b>	<b>34.8</b>	<b>34.3</b>	<b>31.8</b>	<b>31.8</b>	<b>19</b>	<b>112.6</b>
Cyclically adjusted total tax to GDP ratio	31.8	32.3	33.6	33.2	32.1	33.6	33.9	34.1	33.3	31.6	31.5		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	51.8	50.0	51.6	51.8	48.5	50.1	51.6	52.0	52.9	50.7	52.0	17	58.5
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	9.1	9.5	9.9	9.5	12.8	12.6	12.7	13.2	13.5	13.2	12.7	8	14.3
Social security funds	39.7	41.6	39.6	39.7	39.2	37.6	36.1	34.3	33.0	35.7	34.9	9	39.3
EU institutions	n.a.	n.a.	n.a.	n.a.	0.7	0.8	0.7	0.8	0.8	0.7	0.7	15	0.8
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	11.3	11.1	11.8	11.9	11.8	12.3	12.6	12.9	12.9	11.5	12.3	10	43.5
Labour	14.2	14.4	13.4	13.2	12.5	12.8	13.4	13.0	13.1	12.3	11.5	24	40.9
Employed	13.5	13.6	12.7	12.5	11.8	12.1	12.6	12.2	12.2	11.5	11.3	24	39.9
Paid by employers	5.7	5.7	5.4	5.2	4.9	5.2	5.3	5.0	5.0	4.9	5.0	21	17.7
Paid by employees	7.8	7.9	7.3	7.3	6.9	6.9	7.3	7.1	7.2	6.5	6.3	20	22.2
Non-employed	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.3	20	1.0
Capital	7.2	7.0	7.8	7.4	7.5	8.0	8.1	9.1	8.5	8.1	8.1	9	28.6
Capital and business income	5.5	5.3	5.8	5.6	5.7	6.2	6.2	7.2	6.6	6.3	6.3	5	22.2
Income of corporations	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	20	7.1
Income of households	0.2	0.1	0.2	0.3	0.2	0.2	0.2	0.5	0.4	0.3	0.8	11	2.8
Income of self-employed (incl. SSC)	2.9	3.3	3.6	3.5	3.3	3.5	3.6	4.0	3.5	3.7	3.5	2	12.4
Stocks of capital / wealth	1.6	1.7	1.9	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.8	12	6.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.1	2.1	2.4	2.5	2.6	2.7	2.8	2.7	2.6	2.6	2.6	13	9.2
Energy	1.8	1.8	2.0	2.1	2.1	2.3	2.3	2.3	2.2	2.1	2.1	8	7.6
Of which transport fuel taxes	:	:	:	:	1.7	1.8	1.9	1.9	1.9	1.8	1.9	7	
Transport (excl. fuel)	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.2	0.2	21	0.8
Pollution/resources	0.2	0.1	0.2	0.1	0.1	0.1	0.3	0.2	0.2	0.2	0.2	3	0.8
<b>E. Implicit tax rates</b>	%												
Consumption	17.8	17.2	17.9	18.3	18.4	19.7	20.5	21.4	21.1	19.0	20.2	14	
Labour employed	33.6	33.2	32.4	32.7	32.7	33.8	35.4	34.0	32.5	30.9	30.1	20	
Capital	20.5	20.7	22.5	20.7	19.1	20.7	21.2	23.4	22.6	20.2	20.5		
Capital and business income	15.9	15.7	16.9	15.6	14.5	15.9	16.1	18.6	17.6	15.6	15.9		
Corporations	37.1	37.2	37.0	21.9	18.7	21.0	19.1	20.3	20.3	14.9	12.8		
Households	10.0	10.8	11.9	12.6	11.7	12.6	13.5	16.2	14.9	14.8	16.5		
Real GDP growth (annual rate)	4.3	1.2	1.4	3.9	5.3	3.6	6.2	6.8	5.1	1.6	3.9		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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n.a. not applicable, : not available

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

# Poland

## Overall trends in taxation

### Structure and development of tax revenues

In Poland the overall tax burden in 2010 stood at 31.8 % of GDP, roughly 4 percentage points below the EU-27 average (35.6 %). Among neighbouring countries, this value remains higher than in Slovakia (28.1 %), but is lower than the tax to-GDP-ratios in both the Czech Republic (33.8 %) and Germany (38.1 %).

Indirect taxes (13.8 % of GDP) accounted for 43.5 % of total tax receipts and continue to play a more important role than direct taxes, which in 2010 raised 21.9 % of total tax revenues. This trend continues to get stronger and the ratio reflects the EU-27 trend where indirect and direct taxes make up respectively 38.6 % and 30.4 % of total taxes, even though this proportion is in this case more balanced. Social security contributions (11.1 % of GDP) accounted for over a third of total tax revenues in 2010 (34.9 %), slightly above the EU-27 average (31.1 %). Over the last ten years, Poland has experienced one of the strongest de-taxation of labour through the social security contributions component (-4.8 percentage points). Following the 1999 reform of the social security system, large parts of the personal income tax were moved directly to the social security contributions, increasing immediately their participation in tax revenues. After the one-off peak a downward trend of the social security contributions' share in Poland's tax revenues followed, which, however, was not accompanied by a corresponding rise of personal income taxes. Instead, Poland has experienced one of Europe's strongest moves towards consumption taxes, which over the last ten years raised 4.4 percentage points more of tax revenues.

The share of receipts collected by the decentralised administration has been increasing steadily since the major administrative reform of 1999 and the local finance law enacted in 2004 (9.1 % in 1999). It has remained stable since 2007, oscillating around 13 % (12.7 % in 2010). The allocation to the central government (52.0 % in 2010) has also remained rather stable in the period under consideration. The share accruing to social security funds continues a generally downward trend, interrupted only but the 2009 slight increase and stood at 34.9 % in 2010.

The overall tax burden decreased progressively from 37.1 % of GDP in 1995 to 31.5 % in 2004, reflecting mostly the reduction of statutory tax rates. In contrast, the 2005–2007 period was characterised by an increase in the tax-to-GDP ratio, which reached a level of 34.8 % in 2007. This strong upward trend was driven mostly by an increase of VAT revenues as a result of a strong domestic consumption, and by robust growth of PIT revenue due to the rise of employment. It has decreased in years 2008–2009, mostly due to the changes in PIT made in 2009: introduction of the two rates of 18 % and 32 %, scrapping the old rates of 19 %, 30 % and 40 %, which change implied, all else equal, a net loss of the budget revenue coming from direct taxes. The hope was to compensate this loss with larger disposable income and thus higher revenues fuelled by the consumption taxes, which, indeed increased further in 2010 by over 2 percentage points (to 38.6 %).

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

The consumption taxes in Poland mirror the EU trend; after their 2009 slight decrease they bounced back in 2010 to the level of 12.3 % of the GDP, reflecting the EU-27 average movements standing in 2010 at 11.9 % of GDP. This is reflected as well in the corresponding ITR, which stood at 19.0 % in 2009 (lowest since 2004), but bounced back to 20.2 % in 2010, as did the EU-average (at 21.3 % in 2010). The ITR on consumption, on a declining trend from 1995 to 2001, picked up since as a result of a strong VAT and excise duties revenue growth after the introduction of excise duties on energy, increased VAT rates on certain items in 2002, broadening of the VAT base, and in the aftermath of Poland's accession to the EU. The decrease in 2009 was most likely caused by lower consumption levels triggered by the economic downturn and lowering receipts from the VAT and excise but also change to the structure of VAT receipts (shift towards goods and services taxed at a preferential rate). The 2010 recovery, common for most EU countries, was most likely caused by the growing market confidence.

Taxes on labour, amounting to 11.5 % of GDP, are among the lowest in the EU (the EU-27 average is 17.1 %) and they continue to decrease. In fact, over the last 15 years Poland has experienced an unmatched tax shift away from

labour taxation (-5.5 percentage points). The ITR on labour has been steadily decreasing since its 10-year peak in 2006 (35.4 %), to reach the new record low of 30.1 % in 2010, over 3 percentage points below the EU-27 average (33.4 %).

In 2010 the ITR on capital stood at 20.5 % — a value below the EU- average of 21.5 %. The continued increase registered after the 2004 low of 19.1 % has to be attributed mainly to the more effective collection of corporate taxes. In 2012 Poland will introduce anti-avoidance measures aimed at combating one-day deposit practices to avoid capital gains tax due on income derived from loan interest, interest and discounts on securities as well as interest on deposits and other savings and investment income.

The ratio of environmental taxation to GDP was on a crawling upwards trend since 1995 and peaked in 2006 to start its equally steady decline. In 2010 it remained at its 2008 and 2009 level (2.6 %), which equals the average value in the EU.

### Current topics and prospects; policy orientation

In August 2010 the Polish government adopted a Multiannual Financial Plan proposing increase in indirect taxes (about 0.4 % of the GDP). A series of measures in the VAT area came into force in 2011, of which the most important is the temporary increase (for the years 2011-2013) of the VAT rates by 1 percentage point, from 7 % to 8 % and from 22 % to 23 %. At the same time, a new reduced rate of 5 % has been introduced for, amongst others, basic foodstuff. It is foreseen as well that should this increase in VAT rates not help to reduce the public debt (which is its main objective), two more such rises, each of 1 percentage point, will take place in the years to come. Moreover, as of 2012 the VAT rates for certain products, including medical devices, clothing and clothing accessories for infants and children's footwear, are due to increase from 8 to 23 %. The 23 % rate will also apply to the hitherto exempted services connected to the conservation and restoration of registered historical monuments and archive materials as well as to the services delivered by public institutions. On the other hand, services related to the management of voluntary pension funds will be VAT free. All these changes result from the expiring in 2012 transitional agreement for lower VAT rates on certain products and services.

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

In May 2010 Poland's government introduced reforms to the pension system scheme aimed at preventing public debt from rising to excessive levels. The transfers to privately managed pension funds were cut from 7.3 % to 2.3 % of workers' salaries and the 5 % difference was redirected into the public old-age pension system. After two years this ratio will gradually change until the privately managed pension funds contributions reach 3.5 %, planned for the year 2017. This will not change the tax burden on neither the employees nor the employers. According to the forecasts, this reform will help cut the deficit by 1 % of GDP.

## Main features of the tax system

### Personal income tax

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

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



Poland grants a personal allowance of PLN 556.02 (around €125), deductible from the PIT due and granted to all taxpayers. There are a limited number of allowed deductions that may reduce aggregate taxable income, e.g. donations to religious and public utility organisations. Individuals are required to pay individual income tax and spouses are taxed separately. However, spouses may file a joint tax return, provided that they meet certain conditions. Under specific conditions it is also possible to file a joint tax return with one's child.

### Corporate taxation

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

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

### VAT and excise duties

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

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

### Wealth and transaction taxes

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

### Social contributions

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

<b>PORTUGAL</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	13.5	13.5	14.0	14.6	14.0	14.8	15.2	14.8	14.3	12.9	13.6	13	23.5
VAT	7.7	7.5	7.6	7.7	7.8	8.5	8.6	8.5	8.4	7.1	7.8	11	13.5
Excise duties and consumption taxes	2.6	2.8	3.0	3.2	3.1	3.0	3.1	2.8	2.7	2.7	2.8	19	4.8
Other taxes on products (incl. import duties)	2.7	2.6	2.5	2.3	2.4	2.6	2.7	2.7	2.4	2.2	2.1	5	3.7
Other taxes on production	0.6	0.6	0.9	1.3	0.7	0.7	0.7	0.8	0.8	0.9	0.8	17	1.4
Direct taxes	9.6	9.2	9.1	8.5	8.4	8.3	8.7	9.5	9.7	9.0	8.9	16	15.4
Personal income	5.3	5.4	5.2	5.2	5.0	5.2	5.3	5.5	5.6	5.7	5.6	18	9.6
Corporate income	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	7	4.9
Other	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	19	0.9
Social contributions	8.0	8.3	8.4	8.6	8.3	8.4	8.4	8.5	8.8	9.0	9.0	18	15.5
Employers'	4.7	4.8	4.9	4.6	4.6	4.8	4.5	4.8	4.9	5.1	5.2	18	8.9
Employees'	2.9	3.0	3.1	3.5	3.2	3.2	3.6	3.5	3.5	3.7	3.5	11	6.1
Self- and non-employed	0.4	0.4	0.4	0.5	0.4	0.5	0.3	0.2	0.3	0.3	0.3	20	0.5
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>31.1</b>	<b>30.9</b>	<b>31.5</b>	<b>31.7</b>	<b>30.6</b>	<b>31.5</b>	<b>32.3</b>	<b>32.8</b>	<b>32.8</b>	<b>31.0</b>	<b>31.5</b>	<b>20</b>	<b>54.4</b>
Cyclically adjusted total tax to GDP ratio	30.1	29.8	30.8	32.0	30.8	31.7	32.2	31.9	32.0	31.1	31.0		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	68.2	67.9	68.3	68.2	68.0	67.9	68.4	68.1	67.5	65.3	66.0	10	35.9
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	6.4	6.2	6.4	6.1	6.7	6.7	6.7	7.1	7.1	7.1	6.8	16	3.7
Social security funds	23.6	24.5	24.2	24.7	24.4	24.6	24.1	23.9	24.7	26.8	26.3	18	14.3
EU institutions	1.8	1.5	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.9	11	0.5
<b>C. Structure by type of tax base<sup>3)</sup></b>	% of GDP												
Consumption	11.8	11.7	12.0	12.1	12.1	12.9	13.1	12.6	12.2	10.9	11.7	14	20.2
Labour	11.5	11.8	11.9	12.1	11.7	12.0	12.2	12.4	12.6	13.0	12.9	19	22.3
Employed	11.0	11.3	11.3	11.4	11.0	11.3	11.5	11.6	11.7	12.1	12.0	21	20.7
Paid by employers	4.7	4.8	4.9	4.6	4.6	4.8	4.5	4.8	4.9	5.1	5.2	18	8.9
Paid by employees	6.3	6.4	6.4	6.8	6.4	6.5	6.9	6.8	6.8	7.0	6.8	18	11.8
Non-employed	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	0.9	13	1.6
Capital	7.9	7.4	7.7	7.6	6.7	6.6	6.9	7.8	8.0	7.0	6.9	11	11.9
Capital and business income	5.7	5.2	5.1	4.7	4.6	4.4	4.5	5.2	5.5	4.6	4.5	17	7.8
Income of corporations	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	8	4.9
Income of households	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.9	1.0	1.0	0.9	8	1.6
Income of self-employed (incl. SSC)	0.9	1.0	0.9	1.0	0.9	0.9	0.8	0.7	0.8	0.8	0.7	20	1.3
Stocks of capital / wealth	2.2	2.2	2.6	2.9	2.2	2.3	2.4	2.6	2.5	2.4	2.4	9	4.1
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.6	2.9	3.0	3.0	3.0	3.0	2.9	2.8	2.6	2.5	2.5	14	4.3
Energy	1.6	1.8	2.1	2.2	2.1	2.0	2.0	2.0	1.9	1.9	1.8	17	3.2
Of which transport fuel taxes	:	:	:	1.9	2.0	1.9	1.9	1.9	1.7	1.8	1.7	9	
Transport (excl. fuel)	1.1	1.1	1.0	0.9	0.9	0.9	0.9	0.9	0.7	0.6	0.7	8	1.2
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	0.0
<b>E. Implicit tax rates<sup>3)</sup></b>	%												
Consumption	18.2	18.2	18.7	18.8	18.7	19.6	19.9	19.0	18.1	16.4	17.4	23	
Labour employed	22.3	22.8	22.8	22.9	22.3	22.4	23.1	23.7	23.5	23.4	23.4	26	
Capital	31.6	30.5	32.6	32.6	28.3	30.0	31.5	33.6	37.6	32.8	30.7		
Capital and business income	22.9	21.4	21.7	20.2	19.2	19.7	20.4	22.5	25.8	21.5	20.1		
Corporations	25.5	23.0	23.1	20.6	20.5	21.9	23.3	27.4	36.0	:	:		
Households	12.5	12.0	12.3	12.3	9.4	8.2	7.3	7.5	7.7	:	:		
<b>Real GDP growth (annual rate)</b>	<b>3.9</b>	<b>2.0</b>	<b>0.7</b>	<b>-0.9</b>	<b>1.6</b>	<b>0.8</b>	<b>1.4</b>	<b>2.4</b>	<b>0.0</b>	<b>-2.5</b>	<b>1.4</b>		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

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

n.a. not applicable, : not available

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# Portugal

## Overall trends in taxation

### Structure and development of tax revenues

In 2010 the Portuguese overall tax burden (including social contributions) stands at 31.5 % of GDP, well below the EU-27 average (35.6 %). Although in 2010 the tax-to-GDP ratio increased by 0.5 percentage points compared to the previous year Portugal, exhibits the eighth lowest tax burden in the EU-27.

Portugal's budget relies relatively heavily on indirect taxation for collecting tax revenue. In 2010, the proportion of indirect taxes in total taxation is the seventh highest in the EU (43.1 % against EU-27 average 38.6 %). Revenue from indirect taxes in GDP terms, increased in Portugal from 12.9 % in 2009 to 13.6 % in 2010 due to an augmentation in VAT revenue. The latter rose by 0.7 percentage points compared to the previous year due to the 1 percentage point increase in the standard, intermediate and reduced VAT rate with effect from 1 July 2010. The share of direct taxes in GDP and in total taxation declined moderately in 2010. This development was partly due to the modest decline in corporate taxes which are the seventh highest in the EU-27 in 2010. There was no change in social security contributions revenue since the decrease in employees' contributions from 3.7 % to 3.5 % was compensated by an increase in employers' contributions from 5.1 % to 5.2 % in the 2009-2010 period.

In Portugal, the proportion of total tax revenue (66 % of total taxation) collected by central government lies in 2010 well above the EU-27 (58.8 %). At the same time the local government receives 6.8 % of total receipts, which is noticeably below EU-27 average (10.6 %). The revenue share received by social security institutions (26.3 % of total taxation) is also smaller than the EU-27 average (29.9 %).

The tax-to-GDP ratio oscillated around the 30 % to 32 % band in the 2000–2005 period. In the following four years the ratio went up moderately, reaching its peak of 32.8 % in 2007 and 2008. Whereas the augmentation in the ratio in 2005 was mainly due to higher VAT revenue following a rate increase, rising growth rates led to higher revenue, in particular from corporate income taxes, in 2007. In 2008, despite the growth slowdown, revenue from direct taxes and social contributions continued to grow. The moderate increase in the total tax burden in 2010 is to a large extent the result of tax reforms since the cyclically adjusted tax-to-GDP ratio decreased only marginally by 0.1 percentage points compared to the previous year.

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

In line with high revenue from indirect taxes, taxes on consumption play an important role in Portugal, representing 37.1 % of total tax revenue. Despite the fact that this number is far from its peak in 2005 (40.8 %), the share of consumption taxes in total taxation is still well above EU-27 average (34.4 %). In 2010 consumption taxes increased from 10.9 % to 11.7 % of GDP compared to the previous year. This augmentation is due to the above mentioned VAT rate increase in 2010. Although the Portuguese ITR on consumption grew from 16.4 % (2009) to 17.4 % (2010) it exhibits the fifth lowest value in the EU-27.

In 2010, taxes on labour display the most important revenue source for Portugal. In total revenue terms, labour taxes yield 40.9 %, but stand significantly below EU-27 average (47.3 %). The amount of labour taxes in GDP terms decreased slightly from 13 % in 2009 to 12.9 % in 2010. The ITR on labour however remains unchanged compared to the previous year. Against this background, it stands out that the Portuguese ITR on labour is the second lowest among EU Member States.

Taxes on capital declined in Portugal moderately from 7.0 % in 2009 to 6.9 % in 2010 in GDP terms. This fall is due to a decline in capital and business income taxes by 0.1 percentage points. The importance of this revenue source for Portugal is significant; capital taxes yield 21.9 % of total taxes, well above EU-27 average (18.4 %). The Portuguese ITR on capital (30.7 % in 2010) is 31 % higher than the ITR on labour and significantly higher than the ITR on consumption. Nonetheless it decreased considerably by 6.9 percentage points from its 2008 peak of 37.6 % to 30.7 % in 2010.

At 2.5 % of GDP, Portugal's level of environmental taxes is close to the EU-27 average of 2.6 %. The 2010 level is however well below the 2002-2005 value (3.0 % of GDP). Energy taxes are the most important environmental tax revenue source representing 72 % of total environmental taxes.

### Current topics and prospects; policy orientation

After significant reforms in 2010 Portugal introduced some tax policy measures in 2011. In May 2011 a Memorandum of Understanding on Specific Economic Policy Conditionality (MoU) agreed between the EC, the ECB, the IMF and Portugal was signed. The MoU includes several measures aimed at improving the economic situation and reducing the budget deficit. Among other things, a simplification of Portugal's tax structure will be implemented by the end of 2012. The government also plans to set up a new entity, by merging the tax administration, the customs administration and the information technology service. The share of total tax administration staff devoted to auditing is also to be raised to at least 30 % by the end of 2012, and a review of audit performance, based on both qualitative and quantitative indicators, is to be carried out by the end of 2012.

One important measure to comply with the MoU was the introduction of a new annual surtax on individual income, which was approved on 3 August 2011. The new surcharge is levied at a rate of 3.5 % on all aggregated categories of income subject to individual income tax and applies only to income gained in 2011. Furthermore, in 2012 and 2013 a surtax of 2.5 % will be applied to the highest income bracket.

Moreover, as announced by the Portuguese Ministry of Finance on the 12 August 2011, the VAT rate on electricity and natural gas was increased from the reduced rate of 6 % to the standard rate of 23 % and became effective as of October 2011.

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

Regarding individual taxation the tax rate applicable to capital gains on the sale of shares and other securities is increased from 20 % to 25 % with effect from 1 January 2012. Furthermore, an increase in withholding taxes from 21.5 % to 25 % on income from dividends, interest and other forms of remuneration on shareholders' loans and share capital derived by resident and non-resident individuals was adopted in 2011.

Regarding corporate taxation the withholding tax on investment income gained by legal entities without a permanent establishment in Portugal is increased from 21.5 % to 25 %.

## Main features of the tax system

### Personal income tax

In Portugal the personal income tax (IRS) is levied on the aggregated base of six income categories. There is no personal allowance, but a single personal tax credit which is linked to the minimum wage and to the family situation of the taxpayer. The Portugal's personal income tax system is progressive with eight brackets, the top marginal rate being levied at an income over €153 300. 'Unjustified' increase of the personal income of more than €100 000 is taxed at a special rate of 60 %. An increase in withholding taxes from 21.5 % to 25 % on income from dividends, interest and other forms of remuneration on shareholders' loans and share capital derived by resident and non-resident individuals was adopted in 2011. Capital gains from the sale of shares and other securities exceeding annually 500 EUR are taxed as from 1 January 2012 at a tax rate of 25 %.

Spouses living in a single household have to file a joint return including the aggregated family income. However, they benefit from an income-splitting relief. The deduction of alimony payments is now subject to a limit of 2.5

times the Social Benefits Index and taxpayers have to fiscally identify their dependents on the personal income tax return to be able to benefit from related tax deductions.

### Corporate taxation

Until the end of December 2011, two corporate income tax rates (IRC) - a standard and a reduced one were applicable in Portugal. Taxable profits up to €12 500 (included) were subject to a reduced rate of 12.5 %. A 25 % rate was applied to taxable profits surpassing €12 500. As of 1 January 2012 the reduced CIT rate of 12.5 % was abolished. A State surtax of 3 % is levied on corporate income between EUR 1.5 and 10 million and a 5 % rate is levied on taxable profits surpassing EUR 10 million with effect from 1 January 2012. On top of corporate income tax, municipalities may levy a non-deductible surcharge of up to 1.5% of taxable profit. In line with 2011 budget, dividends distributed from resident to EU and EEA parent company are no longer exempt from withholding tax in case the participation rate is below 10 %. A tax measure in line with the 2012 budget is the increase of the withholding tax on capital income gained by non-resident company from 21.5 % to 25 %.

As from 1 January 2011 a new bank levy, which is not deductible for corporate income purposes, was introduced. The charge is applied to domestic credit institutions and to local subsidiaries and branches of credit institutions whose head office and management are not in Portugal. The bank levy refers to specified liabilities at rates varying from 0.01 % to 0.05 % and the notional amount of derivative instruments at rates from 0.0001 % to 0.0002 %.

### VAT and excise duties

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

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

### Wealth and real estate taxes

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

### Local taxes

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

### Social contributions

Employees pay contributions equal to 11 % of their gross salary without any ceiling. The applicable social contributions rate for employers differs according to the employment contract. In 2011 a rate of 23.75 % applies to permanent contracts and 26.1 % to fixed term contracts. For self-employed the contribution rate increased to 29.6% while employers have a contribution of 5 % if benefiting of at least 80 % of the self-employed activity. In 2010 the Portuguese government adopted measures for broadening the social security contributions base and against tax evasion.

ROMANIA	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.2	11.3	11.6	12.3	11.7	12.9	12.8	12.6	12.0	11.0	12.3	18	15.0
VAT	6.5	6.2	7.1	7.2	6.7	8.1	7.9	8.1	7.9	6.6	7.8	12	9.5
Excise duties and consumption taxes	3.0	2.8	2.6	3.5	3.6	3.3	3.2	3.0	2.7	3.2	3.4	10	4.1
Other taxes on products (incl. import duties)	2.2	1.6	1.3	1.0	1.0	1.0	1.2	0.7	0.6	0.4	0.4	22	0.5
Other taxes on production	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.8	0.8	0.7	0.7	18	0.9
Direct taxes	7.0	6.4	5.8	6.0	6.4	5.3	6.0	6.7	6.7	6.5	6.2	24	7.5
Personal income	3.5	3.3	2.7	2.8	2.9	2.3	2.8	3.3	3.4	3.5	3.3	25	4.1
Corporate income	3.0	2.5	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	16	2.8
Other	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.4	0.5	21	0.6
Social contributions	11.1	10.9	10.7	9.4	9.1	9.6	9.7	9.7	9.3	9.4	8.8	20	10.7
Employers'	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.6	17	6.9
Employees'	3.0	3.8	4.2	3.1	3.0	3.0	3.3	3.3	3.2	3.3	3.0	14	3.6
Self- and non-employed	0.0	0.0	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.2	24	0.2
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>30.2</b>	<b>28.6</b>	<b>28.1</b>	<b>27.7</b>	<b>27.2</b>	<b>27.8</b>	<b>28.5</b>	<b>29.0</b>	<b>28.0</b>	<b>26.9</b>	<b>27.2</b>	<b>26</b>	<b>33.2</b>
Cyclically adjusted total tax to GDP ratio	32.4	30.0	29.2	28.4	26.8	27.4	27.1	26.8	24.6	26.3	27.9		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	59.5	59.7	60.1	62.8	63.4	63.0	63.0	62.2	62.9	61.1	63.4	12	21.1
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	3.9	3.8	3.1	3.5	3.4	3.1	3.4	4.0	3.2	3.5	4.0	21	1.3
Social security funds	36.6	36.5	36.8	33.7	33.2	33.9	33.6	33.0	32.9	34.5	31.9	11	10.6
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	0.9	0.8	0.7	n.a.	n.a.
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	11.5	10.6	10.9	11.5	11.1	12.3	12.1	11.8	11.2	10.3	11.5	15	14.1
Labour	13.2	12.9	12.3	11.1	10.7	11.0	11.6	11.8	11.6	11.8	11.3	25	13.8
Employed	13.2	12.8	12.3	11.1	10.7	11.0	11.5	11.8	11.5	11.6	11.1	25	13.5
Paid by employers	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.6	17	6.9
Paid by employees	5.2	5.7	5.9	4.9	4.8	4.6	5.2	5.6	5.4	5.7	5.5	25	6.7
Non-employed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	22	0.2
Capital	5.5	5.1	4.8	5.0	5.4	4.5	4.9	5.4	5.2	4.8	4.4	22	5.4
Capital and business income	4.3	3.9	3.8	4.0	4.5	3.6	3.9	4.2	4.2	3.8	3.3	21	4.0
Income of corporations	3.0	2.7	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	16	2.8
Income of households	1.2	1.1	1.0	0.9	1.0	0.6	0.7	0.8	0.9	0.9	0.6	13	0.8
Income of self-employed (incl. SSC)	0.1	0.2	0.2	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.3	25	0.4
Stocks of capital / wealth	1.2	1.2	1.1	1.0	0.9	0.9	1.0	1.1	1.0	1.0	1.1	18	1.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	3.4	2.4	2.1	2.4	2.4	2.0	1.9	2.1	1.8	1.9	2.1	23	2.5
Energy	3.2	1.9	1.7	2.0	2.1	1.8	1.7	1.7	1.4	1.6	1.8	16	2.2
Of which transport fuel taxes	:	:	:	:	:	:	:	1.3	1.3	1.6	1.6	13	
Transport (excl. fuel)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.3	0.2	22	0.3
Pollution/resources	0.1	0.4	0.3	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	21	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	17.0	15.6	16.2	17.7	16.4	17.9	17.8	18.0	17.7	16.9	18.9	17	
Labour employed	33.6	31.2	31.2	29.7	29.1	28.1	30.1	30.2	27.3	28.6	27.4	21	
Capital	:	:	:	:	:	:	:	:	:	:	:		
Capital and business income	:	:	:	:	:	:	:	:	:	:	:		
Corporations	:	:	:	:	:	:	:	:	:	:	:		
Households	:	:	:	:	:	:	:	:	:	:	:		
Real GDP growth (annual rate)	2.4	5.7	5.1	5.2	8.5	4.2	7.9	6.3	7.3	-6.6	-1.9		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Romania

## Overall trends in taxation

### Structure and development of tax revenues

The overall tax-to-GDP ratio of Romania was 27.2 % in 2010, more than eight percentage points lower than the EU-27 average (35.6 %). The level of taxation in Romania is the lowest in the EU apart from Lithuania (27.1 %), but comparable to the level of taxation in Latvia (27.3 %) and Bulgaria (27.4 %).

The tax structure of Romania stands out in several respects. As of 2010, Romania had the third highest reliance on indirect taxes in the EU. Indirect taxes supplied 45.2 % of total tax revenue compared to 38.6 % for the EU-27 average, while the share of social contributions accounted for 32.2 % (EU-27 31.1 %) and direct taxes only for 22.6 % (EU-27 30.4 %).

Central government revenue forms more than half of the total (63.4 %), while local government revenues are marginal, consisting of only 4 %. The revenue shares received by social security funds account for 31.9 %, two percentage points above the EU-27 average (29.9 %). In percent of GDP, however, the revenues of the social security funds are 2 percentage points below the EU average.

The tax-to-GDP ratio declined noticeably between 2000 and 2004, then picked up until 2007 as GDP growth accelerated. In the subsequent two years the tax ratio fell by two points due mainly to a sharp drop in VAT revenue. In 2009 the short term economic outlook for Romania was worse than expected with a huge GDP drop of 6.6 percentage points (annual average) compared to 2008. However, hikes in excise duty rates in 2009 and VAT standard rate in 2010 ensured higher revenues from indirect taxes, which compensated for the continued drop in revenues from direct taxes and social contributions. As a consequence, in 2010 the overall tax-to-GDP ratio increased by 0.4 percentage points with respect to the year before.

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

Although Romania relies primarily on indirect taxation, revenue from consumption taxes is below the EU average. The ITR on consumption is at 18.9 % in 2010, 2.4 percentage points lower than the EU-27 average (21.3 %). However, the ratio increased by two percentage points compared to 2009 and it is expected to grow even further in 2011 when the full effect of the 2010 VAT rate hike will be visible.

The ITR on labour has decreased by 6.2 percentage points between 2000 and 2010, while the same figure for the EU-27 has decreased by 2.4 percentage points. The decrease could be largely explained by the significant cut of the PIT rate in 2005 and subsequent reduction of the social contribution rates. It should also be noted that according to our methodology the introduction of a second pillar pension scheme in 2008 results in a reduction of the ITR on labour, although payments to these funds have an impact on workers' disposable income which is analogous to traditional social security contributions.

Taxation of capital is one of the lowest in the EU (ranking 22), yielding merely 4.4 % of GDP as compared with 6.6 % in the EU average. This is mainly due to below average proceeds from corporate income taxation and very low tax revenue from self-employed income. While the latter remained relatively constant over the last three years (0.3 % of GDP), the former decreased from 3.1 % of GDP in 2007 to 2.3 % in 2010. Due to data limitations, no ITRs on capital are available for Romania.

Environmental tax revenue, at 2.1 % of GDP in 2010, lies well below the EU-27 average (2.6 %); in fact, this value is the fourth lowest in the EU. Most of this revenue is realised from energy (1.8 %), none from pollution and only 0.2 % from transport (excluding fuel). The excise duty rates, however, have been increased in 2010.

### Current topics and prospects; policy orientation

Romania has received financial assistance (through a borrowing mechanism) from the EU in 2009, 2010 and 2011 in exchange for a package of fiscal measures such as adoption of a draft pension reform, adoption of a Fiscal Responsibility Law and implementation of fiscal consolidation measures. On the revenue side, a number of minor measures were agreed: a broadening of the personal income tax base to include lunch vouchers, incomes from capital gains, income from interests on bank deposits and severance payments; broadening of the tax base for social security contributions to include intellectual property rights. Significant increases in tobacco excise duties and the standard VAT rate (from 19 to 24 %) as well as higher fuel prices contributed to high inflation.

The tax code was amended in December 2011. Positive differences resulting from the valuation of securities and long-term bonds are no longer exempt for corporate income tax purposes. There have been numerous changes in the rules on corporate expenses admissible for corporate income tax purposes, e.g. expenses incurred due to losses in the value of securities have been excluded from the category of non-deductible expenses. Furthermore, expenses with remuneration granted to employees consisting of equity instruments with shares settlement are non-deductible for corporate income tax purposes. Taxpayers will be able to opt between paying corporate income tax quarterly, or annually with four advance payments, based on the corporate income tax owed for the preceding year with effect from 1 January 2013.

The decision on amendments of the methodological norms for the application of the tax code entered into force in January 2012. Amendments to the Fiscal Procedures Code also entered into force in January 2012. The pollution tax legislation entered into force in mid January 2012. Pollution tax will be paid (both for new and second-hand vehicles produced in Romania or abroad) on their first registration in Romania. The pollution tax will also be paid for vehicles registered in Romania before 1 January 2007, at the moment of their first sale after the entry into force of the law. However, the application of pollution tax for vehicles registered in Romania before 2007 was postponed until 1 January 2013. The pollution tax will be reduced by up to 25 % and taxpayers who, after 1 July 2008 paid a higher amount, may apply for refund of the excess.

## Main features of the tax system

### Personal income tax

As from 2005, a flat rate tax system has replaced the previous four-bracket system, with tax rates ranging from 18 % to 40 %. The flat tax rate has been set at 16 %, the same applied on taxable corporate profits. This rate in general applies to income from independent work activity, royalties, income from movable and immovable property (such as rents), but also to short-term capital gains on listed shares. Interest income, too, is subject to a final withholding tax of 16 %. The national electronic tax payment system was launched in March 2011.

### Corporate taxation

Romanian corporate income tax follows the classical system: corporate profits are taxed at the company level and distributed profits are taxed again at the level of both corporate and individual shareholders. The standard flat-tax rate is 16 % (before 2005 it was 25 %). Dividends received from other Romanian resident companies are exempt from taxation. Capital gains are generally treated as ordinary business income and subject to the same rate.

A minimum corporate income tax has been introduced since 1 May 2009 and it may vary from RON 2 200 (€550) to RON 43 000 (€10 750) depending on the gross income. Expenses incurred for business purposes are generally deductible, but fuel expenses for company vehicles are not deductible in case the weight is below 3 500 kg or they have less than nine seats and are used only for passenger transport. However, fuel expenses for vehicles used for transportation of staff to and from work, as courier services or for a car driving school services are deductible from the corporate income tax. The same rules are valid for the self-employed individuals as well. For 2010 the advance payment system is used where CIT is paid in advance by a trimester, adjusted to inflation, on an annual basis. The deadlines for the annual income tax declaration are extended. Since April 2011 the certification of the corporate income tax return by tax consultants is suspended.



### VAT and excise duties

The standard VAT rate is 24 %; a reduced rate of 9 % applies to goods such as pharmaceutical products, medical equipment for disabled persons, books, newspapers, admission to cultural services and hotel accommodation. As of 2009, a 5 % reduced rate applies to the supply of social and some private dwellings. The definition of a taxable person was broadened.

VAT exemptions without right of deduction apply to, among others, medical treatments, some educational and cultural activities, public postal services, certain banking and financial transactions, insurance and reinsurance.

### Wealth and transaction taxes

There are neither net wealth taxes nor gift or inheritance taxes in Romania.

Immovable property located in Romania is subject to a local building tax. The tax is levied at rates varying between 0.1 % for buildings owned by individuals and 0.25 % to 1.5 % for company-owned buildings. If the building has not been revalued during the last three years, the rates for company owned buildings vary from 5 % to 10 %. Land both inside and outside city limits is in general subject to local land tax. Local taxes have increased by approximately 20 % in 2010.

### Social contributions

Social security contributions are payable at a combined rate for the employer and the employee. As of 1 February 2009, employees with normal working conditions must contribute for social security at 10.5 %. Employers contribute at a rate of 20.8 %. Higher rates for the employers may apply in certain cases. In addition, employees and employers both contribute to the health insurance fund and to the national unemployment fund. All social contributions are deductible for income tax purposes.

<b>SLOVAKIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.5	11.3	11.4	11.9	12.3	12.6	11.5	11.4	10.8	10.6	10.4	27	6.9
VAT	7.0	7.2	7.0	7.5	7.8	7.9	7.5	6.7	6.9	6.7	6.3	24	4.2
Excise duties and consumption taxes	3.1	2.7	2.9	3.1	3.3	3.7	2.9	3.5	2.7	2.8	2.9	17	1.9
Other taxes on products (incl. import duties)	1.7	0.7	0.7	0.7	0.5	0.3	0.3	0.4	0.4	0.4	0.4	20	0.3
Other taxes on production	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.7	0.7	20	0.5
Direct taxes	7.4	7.5	7.1	7.1	6.1	6.0	6.1	6.2	6.5	5.5	5.4	25	3.5
Personal income	3.4	3.5	3.3	3.2	2.7	2.6	2.5	2.6	2.7	2.4	2.3	27	1.5
Corporate income	2.6	2.6	2.5	2.8	2.6	2.7	2.9	3.0	3.1	2.5	2.5	12	1.7
Other	1.5	1.4	1.3	1.2	0.8	0.6	0.6	0.6	0.6	0.6	0.6	17	0.4
Social contributions	14.1	14.3	14.6	13.8	13.1	12.6	11.7	11.7	12.0	12.7	12.3	12	8.1
Employers'	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	11	4.5
Employees'	2.9	3.0	3.0	2.8	2.9	3.0	2.8	2.8	2.9	3.0	3.2	12	2.1
Self- and non-employed	2.1	2.5	2.8	2.6	2.6	2.6	2.7	2.7	2.4	2.8	2.3	5	1.5
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>34.1</b>	<b>33.1</b>	<b>33.0</b>	<b>32.9</b>	<b>31.5</b>	<b>31.3</b>	<b>29.3</b>	<b>29.3</b>	<b>29.2</b>	<b>28.8</b>	<b>28.1</b>	<b>23</b>	<b>18.5</b>
Cyclically adjusted total tax to GDP ratio	35.0	34.2	34.0	33.8	32.3	31.7	28.7	27.2	26.7	28.8	27.9		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	55.3	53.3	52.5	54.8	54.3	49.3	48.7	49.0	47.3	44.4	46.4	22	8.6
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	4.1	4.4	4.2	4.0	4.3	10.7	10.8	10.3	11.1	11.4	9.7	13	1.8
Social security funds	40.6	42.3	43.4	41.1	40.9	39.1	39.5	39.4	40.4	43.2	42.9	2	7.9
EU institutions	n.a.	n.a.	n.a.	n.a.	0.5	0.9	1.0	1.3	1.2	1.0	1.1	3	0.2
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	12.2	11.0	11.0	11.6	11.9	12.3	11.2	11.2	10.5	10.3	10.1	24	6.7
Labour	15.0	15.1	15.0	14.4	12.7	12.2	11.2	11.3	12.1	12.1	12.2	22	8.0
Employed	14.8	14.7	14.6	14.0	12.7	12.2	11.2	11.3	12.1	12.1	12.2	20	8.0
Paid by employers	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	13	4.5
Paid by employees	5.7	5.9	5.7	5.6	5.1	5.2	4.9	5.0	5.3	5.3	5.3	26	3.5
Non-employed	0.2	0.3	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0.0
Capital	6.9	7.0	7.0	6.9	6.8	6.7	6.9	6.9	6.7	6.3	5.8	18	3.8
Capital and business income	6.1	6.3	6.3	6.1	6.1	6.0	6.3	6.3	6.1	5.7	5.1	12	3.4
Income of corporations	3.5	3.4	3.2	3.4	3.0	3.0	3.2	3.3	3.4	2.7	2.7	11	1.8
Income of households	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.0
Income of self-employed (incl. SSC)	2.3	2.6	2.8	2.5	3.0	3.0	3.0	3.0	2.6	2.9	2.4	5	1.6
Stocks of capital / wealth	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	27	0.4
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.2	2.0	2.2	2.4	2.5	2.4	2.3	2.1	2.0	1.9	1.9	24	1.2
Energy	2.0	1.7	1.9	2.2	2.2	2.1	2.0	1.8	1.8	1.7	1.6	21	1.1
Of which transport fuel taxes	:	:	:	:	:	2.1	1.9	1.8	1.7	1.6	1.5	14	
Transport (excl. fuel)	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	23	0.1
Pollution/resources	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	14	0.0
<b>E. Implicit tax rates</b>	%												
Consumption	21.7	18.8	19.0	20.7	21.1	21.8	19.9	20.2	18.7	17.3	17.7	22	
Labour employed	36.3	37.1	36.7	36.1	34.5	32.9	30.5	31.1	33.2	31.4	32.0	16	
Capital	22.9	21.6	22.4	22.3	20.0	20.3	19.1	18.4	17.7	18.1	15.9		
Capital and business income	20.2	19.3	19.9	19.9	17.8	18.1	17.3	16.8	16.1	16.3	14.1		
Corporations	40.2	32.5	34.4	34.8	22.6	23.3	20.3	19.8	21.7	22.5	19.2		
Households	11.8	12.5	13.2	12.5	14.5	14.7	14.7	14.0	11.8	12.5	10.2		
Real GDP growth (annual rate)	1.4	3.5	4.6	4.8	5.1	6.7	8.3	10.5	5.9	-4.9	4.2		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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# Slovakia

## Overall trends in taxation

### Structure and development of tax revenues

In Slovakia the overall tax burden (including social security contributions) stood at 28.1 % of GDP in 2010, a value markedly below the EU-27 average (35.6 %). The tax-to-GDP ratio is the fifth lowest in the European Union, with only Bulgaria, Lithuania, Romania and Latvia displaying lower ratios.

Indirect taxes raised 10.4 % of GDP, 3.1 percentage points below the EU-27 average. Accounting for 37.2 % of total tax receipts, they play a much more important role in Slovakia than direct taxes (19.1 % of total revenues). Not surprisingly therefore, direct tax revenue is only 5.4 % of GDP compared to a 11.2 % of EU-27 average. The share of SSC in total tax revenue is 43.7% in 2010 – the second highest value in the EU. The ratio of tax revenues from social security contributions to GDP has decreased over the recent years by 1.8 percentage points, from 14.1 % in 2000, to 12.3 % in 2010. It was decreasing from 2002 to 2007 and started growing from 2008 onwards but still not reaching the level of 2000. The decrease was mainly driven by reduction of employers' social security contributions and, since 2005–2006, the introduction of a 'second pillar' fully funded pension scheme, as contributions to privately managed funds are not booked as government revenue.

The central government receives less than half of overall revenue, a comparatively low share, while social security funds receive most of the remainder; their share of revenue is the second highest in the Union after France. The proportion of tax receipts collected by local governments increased markedly (from 4.3 % in 2004 to 11.4 % in 2009) due to the implementation of a new financing system for regional self-government from 1 January 2005. However it decreased to 9.7 % in 2010.

Slovakia's tax ratio has decreased significantly over the last decade. It stood at 40.3 % of GDP in 1995, well above the EU average, whereas the 28.1 % of GDP in 2010 falls short of the EU-27 average by seven and a half percentage points. This declining trend is reflected in the cyclical adjusted tax ratio, which reduced by some seven percentage points between 2000 and 2010 (35.0 % vs. 27.9 %) as a consequence of the overall cut in corporate and personal income tax rates. Despite the increase of the real GDP in 2010 (4.2 %), the tax-to-GDP ratio remained relatively stable, dropping only by 0.7 percentage points probably as a result of lower revenues from VAT and social contributions.

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

Measured in terms of final consumption expenditure of households, taxation of consumption (ITR on consumption) stood at 17.7 % in 2010. This value is the sixth lowest in the EU and places Slovakia 3.6 points below the EU-27 average. After an increasing phase in 2001-2005, due to stronger excise duties and VAT revenues in correspondence with changes in the VAT rates, the Slovak ITR on consumption started declining, reaching in 2009 its lowest value since 1995. However, it slightly increased in 2010 by 0.4 percentage points. The decline in consumption tax revenue in percent of GDP was influenced by a shift of final demand towards exports, which are not subject to consumption taxation, and by the fact that, a reduced VAT rate of 10 % has been in force since 1 January 2007.

The ratio of taxes on labour income to GDP stood at 12.2 % in 2010, almost five percentage points below the EU-27 average (17.1 %). The ITR on labour in Slovakia has tended to decline over time in line with the decrease in tax levels, and has accelerated after the introduction of a 19 % flat PIT rate in 2004. One should note, however, that the introduction of a second pillar pension scheme in 2005–2006 also results, under our methodology, in a reduction of the ITR on labour, although payments to these funds have an impact on workers' disposable income which is analogous to traditional social security contributions. The ITR on labour rose again in 2008 up to 33.2 % following the increase in the social contribution ceilings, only to drop again in 2009 to 31.4 % (EU-27 33.2 %) due to the introduction of an employee tax credit and the increase in the PIT allowance. In 2010 it rose to 32 % (EU-27 33.4 %).

The ratio of capital taxes has remained constant between 2005 and 2008 but decreased by almost one percentage points to 5.8 % of GDP in 2010. The drop of 0.5 percentage points from 2009 to 2010 was driven by the decrease in revenue from taxes on the income of self-employed probably due to lower revenue from social contributions paid by self-employed. The relatively low contribution of taxes on capital to total tax revenue and the relatively high share of capital base on GDP are also reflected in the low ITR on capital, 15.9 % in 2010. The fall of the ITR since 2000 is mainly driven by the progressive decrease in the corporate income tax rate since then.

As in 2009, the ratio of environmental taxation stood at 1.9 % of GDP in 2010, the fourth lowest value in the EU, 0.7 percentage points below the EU-27 average (2.6 %). Revenues from environmental taxation have been declining from 2004 mainly due to shrinking receipts from energy taxation.

### Current topics and prospects; policy orientation

The adoption of the Euro on 1<sup>st</sup> January 2009 helped to protect Slovakia from possible exchange rate pressure and brought confidence during the crisis. The Government allowed full operation of automatic stabilisers and adopted anti-crisis measures, which complied with recommendations under the European Economic Recovery Plan. However, in 2009, after the Slovak Republic has reported to the European Commission that it expected to have a deficit of 6.3 % of GDP, Slovakia together with eight other Member States was put under the Excessive Deficit Procedure (EDP). The Council addressed a recommendation specifying that the excessive deficit had to be corrected by 2013.

With effect from 1 January 2012, Slovak banks and branches of foreign banks operating in the Slovak Republic, established according to special legislation on banks, are subject to a bank levy. The amount of the levy is 0.1 % and is due on the 20th day of every calendar quarter. The levy is calculated over the bank's liabilities at the end of the previous calendar quarter (adjusted by certain items defined by law).

## Main features of the tax system

### Personal income tax

The introduction of the 19 % flat tax rate in 2004 has superseded the previous system of progressive rates. The new tax law has scrapped the majority of exceptions, exemptions and deductions. In 2009, an employee tax credit was introduced. It is a form of negative income tax which is paid to low income employees. As of 1 January 2011, the basic personal allowances can be claimed only with respect to aggregate income from employment, business activities and independent professional activities. The amount of the basic personal allowance and the relevant ceilings are generally based on the amount of the living minimum applicable on 1 January of the tax year, which is €189.83 for 2012.

The PIT tax rate is 19 % of aggregate income. Income is defined broadly as any benefit in cash or in kind. Aggregate income includes income from employment, occupational pensions, business, rent, capital and other occasional activities. Capital gains are generally included in aggregate income with exception of income from the sale of immovable property owned for at least five years; gains from the sale of movable property owned for at least five years; and gains from the sale of shares and other securities up to a total annual amount equal to five times the living minimum. No tax deductions are allowed and even deductions for contributions to supplementary pension insurance and pension savings schemes are abolished as of 1 January 2011. There are two kinds of tax allowances: the basic allowance available to every taxpayer and the supplementary allowance for a spouse whose income, after deducting social security contributions, is below the basic allowance level.

A final withholding tax of 19 % is levied on income from participation certificates, vouchers and investment coupons; interest on bank deposits and current accounts; income from private life or pension insurance and payments from the supplementary pension insurance. However, a taxpayer may opt for including such income into the aggregate income so that the tax withheld is treated as a prepayment.

### Corporate taxation

The corporate tax rate was reduced from 25 % to 19 % with effect from 1 January 2004. Exceptions and exemptions such as tax holidays, tax breaks, individual tax bases and special tax rates applicable under the old tax regime have been eliminated from the corporate income tax law, providing for more transparency. A number of amendments have been made to the tax law in order to adapt it to EU regulations on direct taxation such as the Parent-Subsidiary Directive, the Merger Directive, the Interest and Royalties Directive and the Savings Directive.

Taxable income is calculated based on the income computed according to the accounting rules and is adjusted for several items for tax purposes. For depreciation purposes, a straight-line or a specific accelerated depreciation method may be used. Capital gains are included in the company's taxable ordinary income. Income from participation certificates and interest on corporate bonds, bearer deposit certificates, deposit accounts or current bank accounts are subject to a 19 % withholding tax. This is treated as an advance payment of CIT and the income is included in the taxable corporate income of resident companies. Tax losses may be carried forward for up to seven years. No group taxation provisions exist; all entities are taxed separately. The thin capitalisation rules which were abolished with effect in 2004 were initially planned to be reintroduced in 2010; however, this decision was revoked.

### VAT and excise duties

Prior to the tax reform in 2004 Slovakia applied two VAT rates: a standard rate of 20 % and a reduced rate of 14 %. As of 2004 a unified 19 % VAT rate was introduced for all goods and services and as of 2011 it is temporarily increased to 20 %. In 2007, a 10 % reduced rate was reintroduced; applicable to medicines, certain other medical and pharmaceutical products, and, since 2008, to books. Zero rate applies to intra-Community supply of goods, export of goods, provision of services consisting of work on movable assets returned to a third country, transport services and passenger transport, and services directly related to import and export of goods.

Higher excise duties on natural gas are collected and excise duties on electricity and coal were introduced as from July 2008 in application of the EU energy taxation directive. In January 2010 a reduction of the excise duties on diesel fuel was approved, which would take diesel prices in line with those in Austria, but below those in Hungary and the Czech Republic. In 2011 only minor changes were introduced in the legislation relative to excise duties on alcohol, mineral oil, tobacco products, electricity, coal and natural gas. For the excise duties on alcohol a unique taxation was established, that depends on the percentage of the alcohol in the final product.

### Social contributions

Both employees and employers have to pay contributions for pension insurance (4 % and 14 % respectively), health insurance (4 % and 10 % respectively), disability insurance (both 3 %) and sick leave insurance (both 1.4 %), as well as unemployment insurance (both 1 %). Additionally, employers have to pay 0.8 % of employees' wages for accident insurance, 4.75 % to a solidarity fund and 0.25 % to the guarantee fund. A contributions ceiling applies to all types of insurance except accident insurance. Part of social contributions (nine percentage points) is accumulated in private pension funds. As of 1 January 2012 the contribution ceilings for employers' and employees' social security contributions are €3 076.00 for reserve fund as well as for pension, disability and unemployment insurance, €2 307.00 for health insurance and €1 153.50 for sick leave insurance and guarantee fund. As of 1 January 2011, non-monetary benefits to an employee and income of executives considered as taxable employment income are also subject to social and health insurance contributions.

<b>SLOVENIA</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	
<b>A. Structure of revenues</b>	% of GDP											Ranking <sup>1)</sup>	€ bn
Indirect taxes	15.7	15.5	15.8	16.0	15.8	15.8	15.2	14.9	14.4	14.4	14.6	8	5.2
VAT	8.6	8.3	8.5	8.5	8.5	8.6	8.5	8.5	8.5	8.5	8.5	7	3.0
Excise duties and consumption taxes	3.0	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3	4.1	4.3	3	1.5
Other taxes on products (incl. import duties)	1.8	1.3	1.3	1.3	1.1	0.9	0.9	1.1	1.0	0.8	0.8	17	0.3
Other taxes on production	2.3	2.5	2.5	2.8	2.8	2.9	2.5	2.1	1.6	1.0	1.0	15	0.4
Direct taxes	7.4	7.6	7.8	8.0	8.2	8.7	9.1	9.2	8.9	8.3	8.3	18	2.9
Personal income	5.6	5.7	5.7	5.7	5.7	5.5	5.7	5.5	5.8	5.8	5.7	17	2.0
Corporate income	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	21	0.7
Other	0.6	0.6	0.6	0.5	0.6	0.4	0.4	0.4	0.6	0.6	0.7	14	0.2
Social contributions	14.2	14.4	14.2	14.2	14.2	14.2	14.0	13.7	14.0	15.0	15.2	4	5.4
Employers'	5.5	5.4	5.4	5.4	5.4	5.6	5.5	5.4	5.5	5.8	5.8	16	2.1
Employees'	7.8	7.7	7.6	7.5	7.4	7.5	7.3	7.2	7.4	7.8	7.9	1	2.8
Self- and non-employed	1.0	1.3	1.3	1.3	1.4	1.2	1.2	1.1	1.1	1.4	1.5	10	0.5
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2		
<b>TOTAL</b>	<b>37.3</b>	<b>37.5</b>	<b>37.8</b>	<b>38.0</b>	<b>38.1</b>	<b>38.6</b>	<b>38.3</b>	<b>37.7</b>	<b>37.2</b>	<b>37.6</b>	<b>38.0</b>	<b>10</b>	<b>13.4</b>
Cyclically adjusted total tax to GDP ratio	37.2	37.9	38.2	38.7	38.5	38.7	37.2	34.8	33.7	38.3	38.6		
<b>B. Structure by level of government</b>	% of total taxation												
Central government	55.1	54.6	55.4	55.6	55.3	55.7	55.5	54.2	53.1	50.3	49.1	20	6.6
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	7.3	7.4	7.4	7.6	7.6	7.4	7.7	9.1	8.9	10.0	10.8	11	1.5
Social security funds	37.7	38.1	37.2	36.8	36.8	36.5	36.3	36.0	37.3	39.4	39.7	5	5.3
EU institutions	n.a.	n.a.	n.a.	n.a.	0.4	0.7	0.8	1.1	1.0	0.7	0.8	13	0.1
<b>C. Structure by type of tax base</b>	% of GDP												
Consumption	13.8	13.4	13.7	13.7	13.5	13.4	13.2	13.2	13.4	14.1	14.2	4	5.0
Labour	20.2	20.8	20.6	20.6	20.6	20.4	20.0	18.9	19.1	19.5	19.7	10	7.0
Employed	19.9	20.0	19.8	19.8	19.8	19.8	19.4	18.3	18.5	18.7	18.8	10	6.7
Paid by employers	6.9	7.1	7.0	7.1	7.1	7.3	6.9	6.5	6.1	5.8	5.8	16	2.1
Paid by employees	12.9	13.0	12.8	12.7	12.7	12.5	12.5	11.8	12.4	12.9	12.9	4	4.6
Non-employed	0.4	0.7	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.8	0.9	14	0.3
Capital	3.3	3.4	3.6	3.7	4.1	4.9	5.2	5.7	4.9	4.2	4.2	23	1.5
Capital and business income	2.4	2.5	2.8	2.9	3.2	3.9	4.3	4.8	4.0	3.2	3.3	22	1.2
Income of corporations	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	21	0.7
Income of households	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.5	0.5	0.4	0.3	18	0.1
Income of self-employed (incl. SSC)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	15	0.4
Stocks of capital / wealth	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	22	0.3
<b>D. Environmental taxes</b>	% of GDP												
Environmental taxes	2.9	3.2	3.3	3.3	3.3	3.2	3.0	3.0	3.0	3.6	3.6	3	1.3
Energy	2.4	2.7	2.7	2.6	2.6	2.5	2.3	2.3	2.4	3.0	3.1	1	1.1
Of which transport fuel taxes	2.1	2.4	2.4	2.2	2.2	2.1	2.1	2.1	2.2	2.7	2.7	1	
Transport (excl. fuel)	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	15	0.1
Pollution/resources	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	6	0.1
<b>E. Implicit tax rates</b>	%												
Consumption	23.3	22.9	23.7	23.8	23.7	23.5	23.7	24.0	23.9	24.0	24.1	8	
Labour employed	37.6	37.5	37.7	37.8	37.6	37.6	37.3	35.9	35.9	35.1	35.0	12	
Capital	17.2	18.0	18.0	17.6	19.3	23.1	23.0	24.8	22.9	21.3	22.5		
Capital and business income	12.7	13.1	13.8	13.8	15.1	18.8	18.9	20.8	18.9	16.6	17.5		
Corporations	20.7	22.9	25.3	21.3	23.1	33.7	30.3	30.6	28.6	23.5	25.1		
Households	9.2	8.9	8.5	9.0	9.6	8.9	9.8	11.9	11.4	11.3	11.8		
Real GDP growth (annual rate)	4.3	2.9	3.8	2.9	4.4	4.0	5.8	6.9	3.6	-8.0	1.4		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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# Slovenia

## Overall trends in taxation

### Structure and development of tax revenues

Slovenia's total tax-to-GDP ratio (including social security contributions) amounted to 38 % in 2010, a value that exceeds the EU average (35.6 %) and the euro area average (36.4 %). Compared to its neighbours, Slovenia's tax ratio lies well below Italy's (42.3 %) and Austria's (42.0 %) but slightly above Hungary's (37.7 %).

There was a downward trend in the share of indirect taxes since 2000. In 2010, the share of 38.5% of total taxes is largely in line with the EU average. Social contributions, with a share of 40.1 % of total tax revenue, that ranks Slovenia fourth in the Union, also play an important role. This share has peaked in 2001 at 38.5 %, declined regularly until 2007; and increased again in the last three years, reaching its highest value since 1996. It is worth of notice that employers liable for payment of social security contributions were also subject to a payroll tax (until 2008), introduced in the second half of 1996 to finance a cut of social security contributions from 42 % to 38 % of wages. As for employees' social contributions, measured as a percentage of GDP (7.9 %), they are the highest in the EU more than doubling its average. Given the predominance of indirect taxes and social contributions, direct taxes, experiencing a downward trend since they peaked in 2007, yield in 2010 a low share of 21.8 % of the total<sup>(63)</sup> (EU-27 30.4 %).

Taxes collected by central government account for the largest part of total tax revenue (49.1 %). Local governments collect only 10.8 % of total taxes, i.e. 0.2 percentage points above the EU average (10.6 %) and 2.2 percentage points above the euro area average (8.6 %).

The total tax-to-GDP ratio has fluctuated within a narrow band ever since 2000. Several changes in the tax system have been enacted since 2005 – the gradual decrease of the CIT rate, the phasing out of payroll taxes, the introduction of dual system in the PIT taxation, combined with a reduction of the top tax rate, the number of tax brackets and the increase of the general allowances. As a result in the period 2005–2009, the total tax-to-GDP ratio dropped by 1 percentage point. However, the small decline was largely due to favourable economic conditions until 2008 as shown by the cyclically adjusted figures and stable revenues from indirect taxes from 2008 to 2009 resulting from increasing excise duty rates. In 2010, the total tax-to-GDP ratio rose by 0.4 percentage points to 38% in comparison to the previous year.

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

At 14.2 % of GDP, revenue from consumption taxes lies above the EU and euro area averages (11.9 % and 11.6 % of GDP, respectively). The ratio has remained relatively stable since 2000 and consequently the ITR has varied little overall, oscillating around 24 %.

In line with the overall constancy of taxation levels, the ITR on labour has remained quite stable in the period 2000-2006 at around 37.5 %. However, it dropped by 2.3 percentage points during the last four years in observation, reaching 35 % in 2010, its lowest value since 1995. This decrease could be explained by the government's efforts to unburden the qualified workers (by reducing tax rates) and to enhance the incentives to work for low income earners (by increasing the general allowances). Given a relatively high level of employees' social security contributions, the ITR on labour still lies, in 2010, 1.6 percentage points above the EU average.

Revenues from taxes on capital were constantly increasing since 2000 and peaked in 2007 at 5.7 % of GDP. Since then a rather sharp downward trend is observed leading to a value of 4.2 % in 2010. This development was mainly driven by the proceeds from corporate income taxation, which experienced an almost threefold increase in the period 2000-2007 and a rapid decrease over the next three years dropping to 1.9 % of GDP. The latter resulted

<sup>(63)</sup> The difference between the level of the total tax revenue and the sum of the revenues from indirect, direct taxes and social contributions is due to the item 'amounts assessed but unlikely to be collected' (ESA code D.995). For more detailed information see Methodology.

from a gradual decrease of CIT rates and unfavourable economic conditions. Consequently, both indicators remain significantly lower than their EU averages (6.6 % and 2.7 % of GDP respectively) in 2010. Although the ITR on corporate income at 25.1 % is still well above the EU averages (EU-25 18.1 %, EA-17 20.4 %), the overall ITR on capital (22.5 %) lies at around one point below the EU-25 (23.3 %) and euro area average (23.7 %).

In 2010, environmental taxes represented 3.6 % of GDP, the third highest in the EU. This share rose by 0.6 percentage points from a 3.0 % value in 2006–2008 mainly due to increasing revenues from excise duties on mineral oil and gas. As in most countries, taxes on energy account for the lion's share of environmental tax revenues, which are high also in the international comparison as Slovenia ranks first in the Union in this respect. Despite their lower absolute revenue, pollution/resource taxes, too, are well developed in Slovenia, taking the sixth highest level in the EU.

### Current topics and prospects; policy orientation

After the election on 4 December 2011, the leaders of several Slovenian parties came together in January 2011 and agreed to introduce the golden fiscal rule into the constitution. In March 2012, the government adopted a constitutional law introducing this change. At the time of writing, the law is expected to be passed in parliament with the necessary two-thirds majority. The rule is to be formally implemented as from 2015. If it should be adopted this would mean that any expenditure financed through debt would only be spent on investment-related initiatives.

Some tax related measures in recent years included an increase in excise duties, with further increases being planned, thus gradually moving the tax burden away from incomes, towards indirect taxes. There are several changes in the tax system that have been approved in the past and took mostly place in 2010. One of them is the reduction of the CIT rate from 21 % to 20 % in 2010, being the last step of a gradual reduction of the rate that started in 2007. In 2011 the government introduced a 'bank tax' with a rate of 0.1 % of the tax base.

## Main features of the tax system

### Personal income tax

A reform launched in 2005 introduced a differentiation in the taxation of individual incomes according to their character - 'active' income is taxed at progressive rates applied to the annual tax base, while 'passive' income (i.e. income from interest, dividends and capital gains) is taxed at a flat rate, as in dual income systems. In 2006, the number of PIT brackets was reduced from five to three and the top tax rate from 50 % to 41 %; the scheduler taxation of 'passive' income at a single 20 % rate was retained. In 2009, a new tax at the rate of 49 % was introduced, which is imposed on the income of management in companies receiving state aid.

The personal income tax is levied at central government level, part of the revenues being attributed to municipalities. Net 'active' income is taxed according to a progressive rate with three brackets: 16 %, 27 % and 41 %. The top rate applies to income above €15 681.03. Each individual is taxed separately. There are general allowances ranging, in 2012 from €3 228.45 to €6 373.24 and special allowances for students, disabled persons, taxpayers older than 65, family allowances for every dependent child, etc. A tax credit limited to 13.5 % of the income is granted to pensioners and recipients of compensations for occupational disability. Dividends, interest and capital gains ('passive' income) are taxed according to a 20 % flat rate; the rate for capital gains is reduced progressively (by five points) every five years of the holding period.

### Corporate taxation

The corporate tax rate has been gradually reduced from 25 % in 2006 to 20 % in 2010. A special rate of 0 % is applicable for investment funds, pension funds, insurance undertakings for pension plans and venture capital companies. Since 2008, qualifying taxpayers may opt to pay a tonnage tax instead of paying income tax under general rules, insofar as they render international maritime services using vessels of more than 100 gross tonnes each. Companies may carry forward losses indefinitely, but carry back is not allowed. There are depreciation



allowances, for example, at a maximum rate of 3 % on building projects (including investment property), 20 % on equipment, vehicles and machinery, and 50 % on computers and computer equipment.

The taxable base is calculated following accounting principles for business. In general, capital gains from regular income are included in taxable profit and taxed at the regular tax rate. Various exemptions exist such as the participation exemption for dividends and capital gains on the alienation of shares (under special conditions). Regarding incentives, two-fifths of the amounts spent on R&D (50% or 60% in certain regions), not exceeding the amount of the taxable base, are deductible; companies may also apply for an investment allowance equal to 30 % of the amount invested in equipment and intangible assets, up to €30 000 or up to the amount of the taxable base. Other incentives are in place for employment of disabled persons as well as for establishment in a special economic zone. As of 2010, taxpayers employing a person younger than 26 or older than 55 years, who had been registered with the employment service of Slovenia as unemployed for at least six months prior to employment, may apply for a tax allowance of 45 % of the salary of such employee, provided the employer does not reduce the average number of employees during that period. This allowance can be applied over a period of 24 months. The dividend withholding tax rate is 15 % (unless a Double Taxation Treaty specifies otherwise).

With effect from 1 August 2011, a tax has been levied on the assets of a bank. The tax is applicable to Slovenian banks and to branches of non-resident banks located in Slovenia.

### VAT and excise duties

VAT was introduced on 1 July 1999 replacing the previous General Sales Tax. The current rate is 20 %. The reduced rate of 8.5 % applies to supply of goods and services including, inter alia, books, food, agricultural and pharmaceutical products, certain services provided at the local level. Subject to several conditions the flat rate of 8 % applies to the sale by farmers of certain agricultural products deriving from farming and forestry activities.

Excise duties are regulated in the Excise Duty Act, which transposes relevant EU legislation in this area. Excise duties are levied on tobacco products, alcohol and alcoholic beverages, oil, gas, coke, coal and electricity (since 2007). Increases to excise duties were implemented in 2011 and 2012 for tobacco, gasoline, diesel and light fuel oil.

### Wealth and transaction taxes

There is a property tax on premises owned by individuals and a charge for the use of a building land, which is levied on vacant and constructed building land. The property tax on premises depends on the type and the value of the property with progressive rates ranging from 0.1 % to 1.5 % (several exemptions apply). Inheritance and gift tax is levied at progressive rates, ranging from 5 % to 39 %, depending on the relationship between the deceased/donor and the beneficiary and the amounts involved. Spouses and all direct descendants are exempt. Tax on transfer of immovable property is levied on the selling price of real property at a rate of 2 % if VAT on the transaction was not charged (exemptions for certain types of immovable property apply).

### Social contributions

Social security contributions cover pension, health, unemployment insurance and maternity leave. Employees contribute 22.1 % of their total gross wage, of which the pension insurance (15.5 %) is the biggest amount. Social contributions are also payable by employers on behalf of their employees (the total rate paid by employers is 16.1 %). The taxable base for both the employer and the employee is the amount of the gross wage, which includes gross leave pay, fringe benefits and remuneration of expenses related to work above a certain threshold. Contributions are deductible both from CIT and the PIT.

<b>SPAIN</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010		
<b>A. Structure of revenues</b>												% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	12.0	11.6	11.6	11.8	12.2	12.7	12.8	11.9	10.1	9.1	10.6	26	111.0	
VAT	6.2	6.0	5.8	6.0	6.2	6.5	6.5	6.0	5.1	4.1	5.5	27	57.8	
Excise duties and consumption taxes	2.6	2.5	2.5	2.5	2.5	2.4	2.2	2.2	2.2	2.2	2.3	24	23.7	
Other taxes on products (incl. import duties)	1.9	1.9	2.0	2.3	2.5	2.8	2.9	2.6	1.7	1.4	1.4	10	15.0	
Other taxes on production	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.4	12	14.5	
Direct taxes	10.6	10.5	11.1	10.4	10.8	11.5	12.3	13.5	11.2	10.1	9.9	15	103.8	
Personal income	6.7	6.8	7.0	6.4	6.5	6.7	7.2	7.8	7.4	7.1	7.4	13	77.5	
Corporate income	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.8	23	19.4	
Other	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.7	0.7	15	6.8	
Social contributions	12.0	12.2	12.1	12.2	12.1	12.1	12.1	12.2	12.3	12.4	12.3	11	129.7	
Employers'	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.6	6	90.6	
Employees'	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	1.9	24	20.4	
Self- and non-employed	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.8	1.8	8	18.7	
Less: amounts assessed but unlikely to be collected	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.6	0.9	0.8			
<b>TOTAL</b>	<b>34.1</b>	<b>33.7</b>	<b>34.2</b>	<b>33.9</b>	<b>34.7</b>	<b>35.9</b>	<b>36.8</b>	<b>37.1</b>	<b>33.0</b>	<b>30.7</b>	<b>31.9</b>	<b>18</b>	<b>335.9</b>	
Cyclically adjusted total tax to GDP ratio	33.8	33.3	34.1	33.7	34.5	35.3	35.5	35.2	31.3	31.0	32.6			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	48.8	48.5	39.0	36.6	36.1	36.8	37.5	38.1	32.7	29.1	36.3	24	122.1	
State government <sup>2)</sup>	7.8	7.7	18.4	20.4	21.5	21.9	22.0	21.6	22.6	23.9	18.5	3	62.1	
Local government	9.1	8.9	8.6	8.4	8.8	8.7	8.8	8.7	9.1	9.5	9.4	14	31.7	
Social security funds	34.3	35.1	34.5	35.0	34.0	32.8	32.1	32.0	36.4	39.5	37.6	7	126.4	
EU institutions	1.7	1.5	1.1	1.1	0.8	1.0	0.9	0.9	0.9	0.9	0.7	17	2.3	
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	10.0	9.6	9.5	9.6	9.7	10.0	9.9	9.3	8.2	7.3	8.7	27	91.4	
Labour	15.6	16.0	16.2	15.8	15.8	15.9	16.1	16.7	16.7	16.5	16.7	14	175.4	
Employed	15.1	15.5	15.7	15.3	15.3	15.4	15.6	16.1	16.0	15.7	15.9	14	167.3	
Paid by employers	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.6	8	90.6	
Paid by employees	6.5	6.6	6.8	6.4	6.5	6.6	6.8	7.3	7.2	7.1	7.3	16	76.7	
Non-employed	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.8	16	8.1	
Capital	9.1	8.6	9.1	9.0	9.6	10.4	11.2	11.6	8.7	7.8	7.4	10	77.7	
Capital and business income	6.2	5.9	6.2	5.9	6.3	6.8	7.3	8.0	5.9	5.3	4.9	14	51.3	
Income of corporations	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.8	23	19.4	
Income of households	0.9	0.8	0.8	0.7	0.7	0.8	1.1	1.2	1.0	0.9	0.9	9	9.4	
Income of self-employed (incl. SSC)	2.2	2.2	2.2	2.1	2.2	2.1	2.0	2.1	2.0	2.1	2.1	8	22.5	
Stocks of capital / wealth	2.8	2.8	2.9	3.0	3.3	3.6	3.8	3.6	2.8	2.5	2.5	6	26.4	
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.6	1.6	1.6	27	17.3	
Energy	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.3	26	14.1	
Of which transport fuel taxes	1.5	1.4	1.5	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.1	24		
Transport (excl. fuel)	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	18	3.0	
Pollution/resources	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20	0.2	
<b>E. Implicit tax rates</b>												%		
Consumption	15.8	15.4	15.5	15.9	16.1	16.7	16.6	15.7	13.9	12.6	14.6	27		
Labour employed	30.5	31.4	32.1	31.6	32.0	32.3	32.9	33.7	32.7	31.7	33.0	14		
Capital	30.8	29.3	31.1	31.3	33.9	37.5	41.8	44.5	33.2	28.4	:			
Capital and business income	21.2	19.9	21.2	20.7	22.2	24.5	27.5	30.8	22.6	19.4	:			
Corporations	30.7	28.5	31.4	31.2	35.2	43.5	51.9	63.3	35.1	24.7	:			
Households	15.1	14.5	14.7	13.9	14.1	14.0	15.2	15.8	14.9	14.8	:			
Real GDP growth (annual rate)	5.0	3.7	2.7	3.1	3.3	3.6	4.1	3.5	0.9	-3.7	-0.1			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a.: not applicable, : not available

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# Spain

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, the tax-to-GDP ratio in Spain amounted to a 31.9 % of GDP. This value ranks 18<sup>th</sup> in the EU and is among the lowest among the western Member states, alongside with Ireland, Greece and Portugal.

Spain collects revenues almost equally from social contributions, direct taxes and indirect taxes (respectively 12.3, 9.9 and 10.6 % of GDP). Together with Slovakia, Spain has the lowest indirect taxes collection in percentage of GDP in the EU (almost 3 percentage points lower than the EU-27 average). The main reason is that standard VAT rates remain lower than the EU-27 average, even after the increase from 16 % to 18 % that became effective as of 1 July 2010. Compared to the year before, the share of VAT revenues in GDP increased again from a low of 4.1 % to 5.5 % in 2010. But despite this increase, the share of VAT in GDP remains by far the lowest among Member States. The share of excise duties in GDP remains relatively stable at 2.3 %. The shares of direct taxes and of social contributions in GDP are both in the lower midrange of the EU-27 average. The decline in tax revenues from direct taxation is mainly due to the continued drop in tax on corporate income. The impact of the economic crisis on this type of tax revenues was bigger in Spain than in other EU Member States; tax revenues fell continuously from 4.8 % in 2007 to only 1.8 % in 2010 (EU-27: from 3.6 % to 2.7 %, but about stable between 2009 and 2010). Social security contributions have remained impressively stable over the period, with the lion's share of the burden resting on employers.

Spain has a quasi-federal tax system, with three levels of government. Traditionally, the central government and the social security funds used to collect the majority of the revenues. Since the reform of the financing system of the regions (*Comunidades Autónomas*, "State" in the table) in 1997, the share of regional taxes as a percentage of total taxation practically quintupled from less than 5 % in 1995 up to 23.9 % in 2009. This increase in the share of regional taxes was mirrored in a similar sharp decrease in revenues collected by the central government, from 50.8 % in 1995 down to 29.1 % in 2009. 2010 witnessed a abrupt drop, as the share of regional taxes fell to 18.5 %, while the share of taxes collected by the central government increased sharply by more than 7 percentage points to 36.3 %. To tackle the impacts of the economic crisis, the increase in the share of social security funds from 32.0 % in 2007 to 39.5 % in 2009 took place at the expense of revenue collection by the central government. In 2010, the share of social security funds dropped by some 2 percentage points to 37.6 %.

Between 2000 and 2007, Spain enjoyed a booming economy, with annual growth rates between 2.7 % and 5 %, boosting also tax revenues until 2007. Coming from a low level compared to EU-27, the total tax-to-GDP ratio in Spain peaked in 2007 at 37.1 %, the EU-27 arithmetic average. During the years after, Spain experienced a strong impact from the economic crisis; GDP growth crashed from an increase of 3.5 % in 2007 down to a 3.7 % fall in 2009, and in 2010 still faced a slight reduction of 0.1 %. Tax revenues dropped thus from a high of 37.1 % of GDP in 2007 to a new low of only 30.7 % in 2009, and increased only slightly in 2010 to now 31.9 %. The steep decline of more than 5 percentage points between 2007 and 2010 compares to a much more limited decline of tax revenues at the level of EU-27 of only 1.5 percentage points over the last three years. This implies that after having reached the EU-27 average in 2007, within three years the total tax ratio in Spain is now again some 3.7 percentage points lower than the EU-27 arithmetic average.

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

After the plunge in the ratio of consumption taxes in proportion to GDP from 10 % in 2005 to 7.3 % in 2009, this share has recovered in 2010 to 8.7 %. This remains by far the lowest level in the EU-27 (11.9 %). The implicit tax rate on consumption increased from 12.6 % in 2009 to 14.6 %, but continues to be the lowest in the Union. This development mimics VAT collection in percentage of GDP.

The ratio of taxes on labour income to GDP stood at 16.7 % in 2010, 0.4 percentage points below the EU-27 average (17.1 %). Throughout the years 2000–2010, Spain has displayed an average implicit tax rate (ITR) on

labour that ranks slightly below the EU-27, although this difference has decreased from slightly more than five percentage points in 2000 to around half of a percentage point in 2010. It now stands at 33 %.

While the ratio of capital taxes on GDP has increased slowly but monotonously during the previous two decades until 2007, it dropped since then very fast as a consequence of the economic crisis from 11.6 % in 2007 to only 7.4 % in 2010 – a share last seen in the early nineties. The sharp decline in the last years is all due to a drop in tax collection on income of corporations and on stock of capital and wealth. Similarly, the Implicit Tax Rates on capital experienced a large decline from a peak of 44.5 % in 2007 to 28.4 % in 2009 (values for 2010 not yet available). The Implicit Tax Rates on corporations collapsed from 63.3 % in 2007 to 24.7 % in 2009, partly due to the cut in Corporate Income Tax rates and partly to lower taxable profits following the economic crisis.

Environmental taxation remained constant albeit at the lowest in the EU-27 (1.6 % of GDP, far below the average in the EU-27 of 2.6 %). As in the majority of Member States, it is mostly concentrated on energy (1.3 % of GDP).

### Current topics and prospects; policy orientation

Since 2008, several measures have been taken in order to alleviate the consequences of the global financial and economic crisis. The objectives of the Royal Decree passed in 2011 are to reinforce social protection for vulnerable sectors of the public, to improve the sustainability of public finances, and to further support entrepreneurs. For instance, the law allows local entities the cancelling of debts to companies and independent contractors, and includes measures to support mortgagors and to provide for incentives for real estate auctions. With respect to individual income tax, the Decree introduced a new exemption on capital gains tax with very strict conditions on the type of company (non-listed limited liability company with equity not exceeding €200 000) and on the holding period of the shares (minimum of 3½ years). In the area of corporate taxation, as of 1st January 2011, new measures to encourage investment and employment extend the special tax regime for SMEs.

## Main features of the tax system

### Personal income tax

Since 2007, the personal income tax system provided for a tax scale applicable to the general component of taxable income with four brackets (24 %, 28 %, 37 %, 43 %). In January 2011, the government introduced two additional tax bands/rates for taxpayers over €120 000 and €175 000 raising the former top marginal personal income tax rate to 44 % and 45 %, respectively). Furthermore, in January 2012 the government has introduced a temporary supplementary progressive levy (covering years 2012 and 2013) applied to each tax band of the general government tax base, which implies now the existence of seven brackets (24.75 %, 30 %, 40 %, 47 %, 49 %, 51 % and 52 %). The top PIT rate refers to income above €300 000. Since 2011 regional governments are liable to set up their own PIT schedule to tax the general income tax base. As a general rule, personal and family allowances are included in the first income bracket, which is taxed at a zero rate. Also, savings and capital gains will be taxed during 2012 and 2013 under a progressive tax schedule with three brackets of 21 % on the first €6 000, 25 % up to €24 000, and 27 % on income above (in 2011, they were taxed at 19 % on the first €6 000, and 21 % on income above). In the context of measures taken to alleviate the consequences of the global financial crisis, Spain has in the past increased and newly introduced tax credits like the additional tax credit of €400 to working and self-employed taxpayers to support household purchasing power, which were phased-out in 2010, except for low income taxpayers. As from January 2012, (and with effect from 1 January 2011), the government re-introduced the 15 % tax credit for the acquisition or restoration of the taxpayer's primary residence for all taxpayers, regardless on their tax base. Similarly, the tax credit for each child born or adopted has been repealed.

### Corporate taxation

The tax rate has been reduced from 35 % to 32.5 % in 2007 and to 30 % in 2008 (from 40 % to 37.5 % and 35 % for 2007 and 2008, respectively, for entities engaging in oil exploration, research, and exploitation). The main measures to encourage investment and employment that became effective as of 1 January 2011 are the following: firstly, the annual turnover threshold to be included within the scope of the special regime for small and medium sized enterprises (SMEs) increases from €8 million to €10 million. Secondly, the taxable amount taxed at the

reduced tax rate has been increased from €120 202.41 to €300 000. Companies that have less than 25 employees, a turnover below €5 million are taxed on their annual profits below €300 000 at 20 %, annual profits above this threshold are taxed at 25 %. Companies that do no longer qualify for the SME special tax regime will nevertheless be able to apply the regime for three years following the loss for the SME qualification. Free depreciation is granted for all companies up to 2015. Some tax credits, including those for exports, are to be gradually phased out by 2011, 2012 or 2014. The rules regarding tax credits for reinvestment have also been revised, in particular with reference to the kind of assets involved. Finally, the R&D tax credit, whose projected phase-out will not take place, has been expanded to companies with more than 25 % of their research activity in another EU Member State or member of the EEA.

### VAT and excise duties

The standard VAT rate is 18 %. Two reduced rates of 8 % and 4 % apply to specific categories of goods as a consequence of the reform which came into force on 1 July 2010. Previously, a special VAT consolidation regime applicable to corporate groups, and the possibility of claiming immediate VAT refunds had been introduced. Tax rates for tobacco and hydrocarbons had been slightly increased in June 2009 and once more tobacco tax rates were raised again in December 2010.

### Wealth and transaction taxes

Inheritance and gift taxes are levied on behalf of the 17 autonomous regions, which set their own tax rates within certain limits. A tax on wealth transfers applies to rights and assets located in Spain. Since 2011, a stamp duty tax exemption applies in case of company formation, capital raising, partner contributions, and when Head Offices from countries outside the EU are being moved to Spain. For the transfer of real estate, this tax is levied depending on the Autonomous Community where the land is located. If no specific rate is set, a 7 % rate is levied on the value of real estate. In September 2011, Spain restored temporarily the wealth tax for 2011 and 2012, with two main changes compared to the former version: The value up to which dwelling houses are exempt was doubled up to a value of €300 000, and the general tax-free amount increased from around €108 000 to now €700 000.

### Local taxes

Regional governments received a significant share of total tax revenue (33 % of personal income tax; 35 % of VAT; 40 % of excise duties on hydrocarbons, tobacco, beer and alcohol; 100 % of excise duties on electricity and car registration). Indirect tax revenues are transferred according to a territorial consumption index. Statutory personal income tax rates can be modified by the regional governments provided the structure retains progression and the number of tax brackets is unchanged. Taxes on inheritance and gift tax, registration duties and fees on lotteries and gambling are wholly assigned to territorial governments with almost complete jurisdictional powers.

Under the system applied since 2009, about 90 % of all autonomous communities' resources come from taxes. In this regard, autonomous communities benefit from an increased share in the ceded taxes (50 % of Personal Income Tax and VAT and 58 % of Excise Taxes), as well as increased discretionary powers.

As of January 2012 a temporary surcharge (up to 2013) applies in the Real Estate Tax (municipal tax) for immovable properties with an updated cadastral value over the average value in each municipality.

### Social contributions

Each professional category has minimum and maximum contribution bases. Since 2012, the maximum monthly base is €3 262.50; the minimum varies depending on the type of work (ranging from 748.20 to 1 045.20 €/month). The total rate for the general regime (including general risk, unemployment insurance and professional education training) is 4.7 % of covered earnings for the employees and 23.6 % for employers for a total contribution of 28.3 %. Self-employed persons contribute between 26.5 % and 29.8 % of their earnings, with a minimum payment of €250 per month.

SWEDEN												2010	
A. Structure of revenues											% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	16.4	16.4	16.6	16.7	16.5	16.6	16.8	16.7	18.1	18.9	18.2	1	63.1
VAT	8.6	8.7	8.8	8.8	8.8	9.0	8.9	9.0	9.3	9.7	9.8	2	33.8
Excise duties and consumption taxes	3.1	3.1	3.2	3.2	3.0	3.0	2.8	2.7	2.7	2.9	2.8	18	9.7
Other taxes on products (incl. import duties)	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.7	19	2.5
Other taxes on production	4.0	3.9	4.0	4.1	4.0	3.9	4.3	4.2	5.4	5.6	4.9	1	17.0
Direct taxes	22.6	20.8	19.6	20.2	20.9	22.0	22.2	21.2	19.8	19.7	19.4	2	67.1
Personal income	18.1	17.6	17.0	17.5	17.5	17.9	18.1	17.2	16.6	16.4	15.7	2	54.3
Corporate income	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	4	11.9
Other	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.2	0.3	0.3	0.3	24	0.9
Social contributions	12.5	12.2	11.3	10.9	10.6	10.3	9.3	9.3	8.4	8.1	8.3	22	28.7
Employers'	10.1	10.6	10.3	10.0	9.7	9.7	9.1	9.1	8.2	7.9	8.1	8	27.9
Employees'	2.1	1.4	0.7	0.7	0.7	0.3	0.0	0.0	0.0	0.0	0.0	27	0.0
Self- and non-employed	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	21	0.8
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
<b>TOTAL</b>	<b>51.5</b>	<b>49.4</b>	<b>47.5</b>	<b>47.8</b>	<b>48.0</b>	<b>48.9</b>	<b>48.3</b>	<b>47.3</b>	<b>46.4</b>	<b>46.7</b>	<b>45.8</b>	<b>2</b>	<b>158.9</b>
Cyclically adjusted total tax to GDP ratio	50.4	49.2	47.4	48.0	47.6	48.2	46.7	45.1	45.6	49.3	46.8		
B. Structure by level of government											% of total taxation		
Central government	60.6	59.1	59.0	58.7	59.3	60.8	61.7	61.2	58.6	57.7	58.8	15	93.5
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	28.8	31.0	32.6	33.2	32.8	32.2	31.9	32.4	34.7	35.6	34.5	1	54.8
Social security funds	9.5	9.0	7.7	7.4	7.3	6.4	5.8	5.9	6.2	6.3	6.2	24	9.9
EU institutions	1.0	0.9	0.7	0.7	0.6	0.6	0.6	0.4	0.5	0.4	0.4	25	0.7
C. Structure by type of tax base											% of GDP		
Consumption	12.4	12.5	12.6	12.6	12.4	12.7	12.4	12.4	12.7	13.3	13.3	7	46.1
Labour	30.7	30.8	29.7	29.9	29.5	29.1	28.4	27.2	27.7	27.4	25.9	1	89.6
Employed	26.9	26.9	25.7	25.3	25.0	24.8	24.1	23.4	24.0	23.5	22.4	2	77.6
Paid by employers	12.8	13.2	13.1	12.8	12.6	12.4	12.2	12.2	12.6	12.4	11.8	3	41.0
Paid by employees	14.1	13.7	12.6	12.5	12.5	12.4	11.9	11.2	11.4	11.1	10.6	8	36.6
Non-employed	3.9	3.9	4.0	4.5	4.5	4.2	4.3	3.8	3.7	3.9	3.5	2	12.1
Capital	8.4	6.1	5.2	5.3	6.1	7.2	7.5	7.6	6.0	6.0	6.7	12	23.2
Capital and business income	6.3	4.3	3.4	3.5	4.3	5.5	5.8	6.2	4.7	4.6	5.3	11	18.3
Income of corporations	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	4	11.9
Income of households	1.8	0.9	0.6	0.6	0.7	1.1	1.5	1.7	1.1	1.0	1.2	3	4.3
Income of self-employed (incl. SSC)	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.6	21	2.1
Stocks of capital / wealth	2.1	1.8	1.8	1.7	1.7	1.7	1.7	1.4	1.3	1.4	1.4	15	4.9
D. Environmental taxes											% of GDP		
Environmental taxes	2.8	2.8	2.9	2.9	2.8	2.9	2.7	2.6	2.7	2.8	2.8	9	9.6
Energy	2.3	2.4	2.4	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.2	5	7.7
Of which transport fuel taxes	:	:	1.4	1.4	1.3	1.4	1.3	1.2	1.2	1.3	1.2	23	
Transport (excl. fuel)	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	13	1.7
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	16	0.1
E. Implicit tax rates											%		
Consumption	26.3	26.6	26.8	26.9	26.8	27.2	27.2	27.4	27.8	27.7	28.1	2	
Labour employed	46.8	45.5	43.8	43.5	43.5	43.6	42.9	41.2	41.2	39.3	39.0	8	
Capital	42.7	33.5	29.1	28.9	27.6	33.5	28.8	33.5	25.9	32.3	34.9		
Capital and business income	32.0	23.4	19.1	19.4	19.7	25.6	22.3	27.2	20.1	24.8	27.6		
Corporations	32.7	23.7	18.8	18.1	18.1	23.3	18.4	23.2	17.2	25.4	27.2		
Households	25.7	18.7	16.1	17.7	19.3	24.1	25.5	27.0	19.2	17.6	21.1		
Real GDP growth (annual rate)	4.5	1.3	2.5	2.3	4.2	3.2	4.3	3.3	-0.6	-5.2	5.6		

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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

# Sweden

## Overall trends in taxation

### Structure and development of tax revenues

Swedish taxation levels are the second highest in the EU. In 2010, the tax-to-GDP ratio (including social security contributions) stood at 45.8 % (EU-27 average was 35.6 %). Compared to the neighbouring countries, the rate is slightly lower than in Denmark (47.6 %) – the leader in the category - but higher than in Finland (42.1 %) or Norway (42.9 %).

The Swedish tax system traditionally relied largely on direct taxation. Still in 2007 the difference in tax revenues from direct and indirect taxes was of more than nine percentage points of total tax revenues. Since then however this gap has begun to close down even though in 2010 revenues from indirect taxes dropped back by 0.8 percentage point year-on-year (39.7 %) while revenues from direct taxes remained constant (42.2 %). This tax mix still differs quite markedly from the EU-27 average where the direct and indirect taxes raise respectively 30.4 and 38.6 % of revenues, with the latter actually increasing in 2010 by one percentage point year-on-year. Sweden's neighbours exhibit similar bias towards direct taxation whilst Sweden's tax mix is the most balanced and closest to the EU average.

The revenues raised by social contributions have long been steadily decreasing, even though they picked up slightly from the record low of 17.3 % (2009) and in 2010 raised 18.1 % of total tax revenues. In the EU, only Denmark with social contributions generating as little as 2.1 % of tax revenues, was behind Sweden. In the region, only Finland (29.8 %) was within the range of the EU average of 31.1 %.

Most of the taxes are collected at the central government level (58.8 %) and this ratio corresponds to the EU-27 average (58.8 %). Significant changes occur however when considering the local government (municipalities, municipal associations and county councils) and social security funds: the former, amounting in Sweden to 34.5 % of tax revenues remain more than three times higher than the EU-27 average of 10.6 %. This continues to be by far the highest value in the EU, followed by Denmark (26.7 %) and Finland (24.4 %). It could be explained by the large part of the personal income tax collected at the municipal level (which varies across the municipalities and can be as high as 56.4 %). Exactly the opposite can be noted for social security funds raising only 6.2 % of the Swedish taxes as opposed to the EU-27 average of 29.9 %. The only lower value can be observed in the neighbouring Denmark (2.1 %) and distance to the next in line Ireland (15.2 %) is nine percentage points.

The overall tax burden decreased from its peak level of 51.5 % of GDP in 2000 staying below 50 % since (45.8 % in 2010). The accelerated decline of the overall tax-to-GDP ratio since 2007 was driven by equally faster decline of the PIT share in total tax revenues (in 2010 down by 0.7 percentage point year-on-year) and social security contributions. This was due to the 2007 introduction of an earned-income tax credit, further developed in the years 2008-2010 and subsequent reduction in the rates of social contributions for different groups. It implied an automatic reduction in tax liability of eligible individuals. Finally, the scrapping of certain taxes (see: *Wealth and transaction taxes*) might have played some role in the process.

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

Revenue from consumption taxes (13.3 % of GDP) is relatively close to the EU-27 average (11.9 %) and rather stable. However, over the last 10 years Sweden has experienced an unprecedented increase in the relative share of consumption taxes (+ 5 percentage points), exceeded only by Bulgaria (11.3 percentage points). This could be easiest explained not as much by the changes within consumption taxes but rather de-taxing production and thus increasing the disposable income. At the same time, the implicit tax rate on consumption, at 28.1 % in 2010 and on a growing trend, was the second highest in the EU (after Denmark's 31.5 %) and roughly seven percentage points above the EU-27 average (21.3 %). This could be explained by the fact that Sweden has one of the highest statutory VAT rates (25 %) in the EU and above average rates for excise duties.

The ratio of taxes on labour to GDP, standing at 25.9 %, is invariably the highest in the EU, followed by Denmark (24.6 %) and Austria (23.8 %). In the region, only Norway (17.8 %) oscillates around the EU average of 17.1 %. Admittedly, a clear downwards trend can be observed in Sweden in the last decade (change of -4.9 percentage points). Similarly, the implicit tax rate on labour declined steadily from its peak level in 1998, to reach a new record low of 39.0 %. Again, this can mostly be explained by all the measures taken in the recent years to decrease tax burden on labour (See: section "*Personal income tax*").

The implicit tax rate on capital in Sweden has been fluctuating in the period under consideration. In 1995 it stood at 19.9 % and rocketed to peak in 2000 (42.7 %). So did the revenues from capital taxes (10.0 and 16.3 % of total taxation respectively). This rapid increase was largely due to high economic growth. Since then the ITR was decreasing steadily and entered a sinusoidal trend in 2004. In 2010 it rose by 2.6 percentage points year-to-year (34.9 %). This increase could have been driven by higher revenues from corporate taxes, which in 2010 picked up alongside economic growth. As a matter of fact, Sweden was amongst the few EU countries that saw increasing revenues from corporate taxes in 2009 and 2010

Environmental taxes as a proportion of GDP (2.8 % in 2010) are in line with the EU-27 average (2.6 %). Their level has been rather constant over the period under consideration. As a share of total taxation, revenue from environmental taxes remained equally stable at a rather low (as compared to other EU Member States) level of 6.0 % in 2010, and consists mostly of energy taxes.

### Current topics and prospects; policy orientation

In 2010 Sweden's economy observed a healthy GDP growth of + 5.6 %, the highest in the EU. Moreover, such a recovery was done without running up vast budget deficits. In fact, the 2010 budget closed with 0.2 % of surplus (matched only by Estonia). This resistance to the global economic downturn lay within strong public finances. The main focus has been on increasing employment and reducing social exclusion. In 2010 the Swedish government introduced the fourth stage of the earned-income tax credit, reducing over four years the tax due by a total of SEK 71 billion (€7.77 billion). A possible fifth step is planned (even though temporarily adjourned), coming up to an estimated total of SEK 82.1 billion (€8.99 billion).

The unemployment rate dropped from 9.3 % at the beginning of 2010 to 7.4 % at its end. The youth and non-EU immigrants unemployment rates in Sweden (both above the EU average) remain nevertheless a concern. To mitigate this problem, the Swedish 2012 bill included a reduced VAT on restaurant and catering services.

## Main features of the tax system

### Personal income tax

Since 1991 Sweden has a dual income tax system; on earned income, individuals pay the national income tax and municipal income tax. The national income tax rate of 20 % applies to income above SEK 401 100 (€43 890) and 25 % to income above SEK 574 300 (€62 842). A municipal income tax applies at a flat rate which varies between municipalities. The weighted average for 2012 is 31.6 %. This tax is not deductible in computing tax liability at the national level. Broadly defined capital income is taxed at a flat national rate of 30 %. There is no tax-free amount, no municipal tax and capital losses are deductible from capital gains.

The tax payer can deduct a personal tax allowance from the income earned. For 2012, standard allowance is SEK 18 700 (€2 046) for taxable income up to SEK 44 000 (€4 814). The allowance is gradually increased to a maximum of SEK 33 900 (€3 709) for a given income bracket and then gradually reduced to SEK 12 900 (€1 411) for income above SEK 346 700 (€37 937). Basic tax allowance is higher for individuals over 65 years old, ranging from SEK 55 800 (€6 105) for a given income bracket, through the standard allowance of SEK 43 200 (€4 727) for income up to SEK 43 900 (€4 803) to the lowest SEK 26 400 (€2 888) for income above SEK 537 300 (€57 688). Spouses and children are taxed separately on their own income.



### Corporate taxation

Taxation of companies follows the classical system, based on the principle of broad tax base with relatively low statutory tax rate of 26.3 % (reduced from 28 % in 2009). The same basic rules apply to all businesses regardless of size and legal status. Capital gains are taxed as regular corporate profit and dividends paid to the shareholders are not deductible. Capital losses, generally deductible against profit, can normally be carried forward indefinitely. The notion of a tax group does not apply in Sweden. However, the transfers of profits between companies within wholly owned domestic groups are allowed, making consolidation of income for tax purposes possible.

### VAT and excise duties

The standard VAT rate is 25 % and it applies to some 85 % of the non-export turnover. A reduced rate of 12 % applies to foodstuffs and to services related to tourism. A reduced rate of 6 % applies to domestic daily and weekly newspapers and periodicals; domestic transportation of persons and ski-lift services; cinema, circus and concert admission fees. The purchase and rental of immovable property; medical, dental and social care; education; banking and other financial services; certain cultural and sporting activities are exempt from VAT. Zero-rated goods and services include prescription medicines, gold for investment purposes, and a number of financial services as well as insurance and reinsurance services. From 2012, a 12 % VAT rate will also apply to restaurant and catering services.

Excise duties, historically an important source of government revenues, in modern times make up a mere 6.1 % of total tax revenue (together with other consumption taxes) and consist of mostly energy taxes.

### Wealth and transaction taxes

The inheritance and gift tax was abolished as of 2005 and the wealth tax in 2007. The stamp duty is levied on the acquisition of real estate and registration of mortgages: for the former at a standard rate of 1.5 % of the property value for individuals and, as of 2011, 4.25 % for legal entities; for the latter at 1, 2, or 0.4 % depending on the collateral.

Concerning the tax on real estate as of 2008, a municipal fee replaces the central government real estate tax. The fee is the lower of SEK 6 825 or 0.75 % of the property's assessed value. New built dwellings have a reduced fee for 10 years (with first five years exempted and the next five with the halved fee). Real estate tax for pensioners is reduced to 4 %.

### Social contributions

Social security contributions account for half of the taxes on labour. The employer's contributions are made up of: old-age pension contribution, survivor's pension contribution, sickness insurance, parental insurance, occupational injury insurance, unemployment contribution and general payroll contribution, all amounting to 31.42 %. Employees pay an additional pension insurance premium of 7 % of net employment and business income, which may be fully credited against their income tax liability and does not apply to the part of income that exceeds SEK 440 622 (€48 214).

No premiums are due from individuals who are 65 or older and the employers' contributions are limited to 10.21 % (old-age pension contribution only). The employers' contributions for persons under 26 years are reduced to 15.49 % (old-age pension contribution and  $\frac{1}{4}$  of the other charges). Self-employed taxpayers must pay their own social security contributions computed on their net business income at a rate of 28.97 %.

As of July 2010, the total amount of social security contributions for the self-employed between the age of 26 and 65 is reduced, under certain conditions, by 5 % with a fixed maximum reduction. Furthermore, the total of social security contributions for self-employed individuals between the age of 18 and 25 is reduced to 14.88 %. As from 2007, social security contributions are waived for persons who have been in receipt of unemployment benefits, sickness benefits, disability pension or social allowance for more than one year. This relief is valid for a period equal to the length of the person's unemployment (up to a maximum of five years).

<b>UNITED KINGDOM</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010		
<b>A. Structure of revenues</b>												% of GDP	Ranking <sup>1)</sup>	€ bn
Indirect taxes	13.9	13.5	13.4	13.2	13.2	12.9	12.9	12.8	12.4	12.0	13.2	16	223.7	
VAT	6.6	6.6	6.6	6.8	6.8	6.7	6.6	6.5	6.4	5.7	6.6	22	111.9	
Excise duties and consumption taxes	4.0	3.8	3.7	3.6	3.5	3.4	3.2	3.2	3.2	3.5	3.5	9	59.2	
Other taxes on products (incl. import duties)	1.6	1.4	1.3	1.2	1.3	1.3	1.5	1.5	1.2	1.0	1.2	12	20.0	
Other taxes on production	1.8	1.7	1.7	1.6	1.6	1.6	1.6	1.5	1.6	1.7	1.9	7	32.6	
Direct taxes	16.7	16.8	15.7	15.2	15.4	16.3	17.1	16.8	18.6	16.1	15.8	5	269.1	
Personal income	10.8	11.0	10.4	9.9	10.0	10.4	10.5	10.8	10.8	10.5	10.1	6	171.6	
Corporate income	3.6	3.5	2.8	2.7	2.9	3.4	4.0	3.4	3.6	2.8	3.1	6	52.6	
Other	2.3	2.4	2.4	2.5	2.6	2.6	2.6	2.6	4.1	2.8	2.6	2	44.8	
Social contributions	6.2	6.2	5.9	6.3	6.6	6.7	6.7	6.6	6.9	6.8	6.7	24	113.5	
Employers'	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	3.9	24	65.6	
Employees'	2.5	2.5	2.4	2.5	2.7	2.8	2.8	2.6	2.7	2.7	2.6	16	44.9	
Self- and non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	23	3.0	
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			
<b>TOTAL</b>	<b>36.7</b>	<b>36.5</b>	<b>34.9</b>	<b>34.7</b>	<b>35.2</b>	<b>36.0</b>	<b>36.7</b>	<b>36.3</b>	<b>37.9</b>	<b>34.8</b>	<b>35.6</b>	<b>14</b>	<b>606.0</b>	
Cyclically adjusted total tax to GDP ratio	36.4	36.2	34.8	34.2	34.4	35.3	35.7	34.4	36.8	35.9	36.3			
<b>B. Structure by level of government</b>												% of total taxation		
Central government	94.3	94.5	94.3	94.1	94.3	94.4	94.5	94.5	94.6	93.9	94.1	2	570.0	
State government <sup>2)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Local government	4.0	4.1	4.4	4.7	4.7	4.7	4.6	4.6	4.6	5.2	5.0	19	30.2	
Social security funds	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
EU institutions	1.8	1.5	1.3	1.2	0.9	0.9	0.9	0.9	0.9	0.9	1.0	4	6.0	
<b>C. Structure by type of tax base</b>												% of GDP		
Consumption	11.8	11.6	11.5	11.6	11.5	11.1	10.9	10.8	10.8	10.3	11.2	17	190.9	
Labour	14.3	14.4	13.7	13.6	13.9	14.3	14.4	14.5	14.7	14.5	14.3	17	243.7	
Employed	14.1	14.2	13.5	13.4	13.7	14.2	14.2	14.3	14.5	14.3	14.1	16	240.4	
Paid by employers	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	4.1	24	69.6	
Paid by employees	10.7	10.7	10.2	9.9	10.1	10.5	10.5	10.5	10.5	10.4	10.0	10	170.8	
Non-employed	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	23	3.3	
Capital	10.6	10.5	9.7	9.5	9.8	10.5	11.4	11.0	12.4	10.0	10.1	3	171.7	
Capital and business income	6.2	6.2	5.5	5.3	5.5	6.1	6.8	6.4	6.6	5.5	5.8	6	98.1	
Income of corporations	3.6	3.5	2.8	2.7	2.9	3.4	4.0	3.4	3.6	2.8	3.1	6	52.6	
Income of households	1.1	1.2	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.2	1.2	5	20.2	
Income of self-employed (incl. SSC)	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.5	1.5	12	25.3	
Stocks of capital / wealth	4.4	4.3	4.3	4.2	4.3	4.4	4.6	4.6	5.8	4.4	4.3	1	73.6	
<b>D. Environmental taxes</b>												% of GDP		
Environmental taxes	3.0	2.8	2.7	2.7	2.6	2.5	2.4	2.5	2.4	2.6	2.6	10	44.6	
Energy	2.4	2.2	2.2	2.1	2.0	2.0	1.9	1.8	1.8	1.9	1.9	13	32.8	
Of which transport fuel taxes	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.6	1.6	1.7	1.7	10		
Transport (excl. fuel)	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	10	10.2	
Pollution/resources	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	9	1.6	
<b>E. Implicit tax rates</b>												%		
Consumption	18.9	18.6	18.5	18.7	18.7	18.1	17.9	17.9	17.8	17.0	18.4	20		
Labour employed	25.9	25.7	24.7	24.8	25.5	26.2	26.5	26.8	26.9	25.7	25.7	24		
Capital	43.3	43.9	40.1	35.9	37.1	39.3	42.1	41.2	44.3	36.9	:			
Capital and business income	25.4	26.0	22.6	20.1	20.9	22.9	25.2	23.9	23.6	20.5	:			
Corporations	31.0	31.8	23.9	19.4	19.6	23.5	26.0	22.6	22.9	17.7	:			
Households	15.2	15.4	16.1	15.8	17.0	16.8	18.1	19.4	18.7	18.1	:			
Real GDP growth (annual rate)	4.5	3.1	2.7	3.5	3.0	2.1	2.6	3.5	-1.1	-4.4	1.8			

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

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

n.a. not applicable, : not available

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

# United Kingdom

## Overall trends in taxation

### Structure and development of tax revenues

In 2010, the United Kingdom tax-to-GDP ratio (including social security contributions) stood at 35.6 %, an increase by 0.8 % compared to 2009 but below its record 37.9 % of 2008 (which was marked by a sharp increase in revenue from capital levies resulting from the national accounting treatment of certain financial sector interventions, booked under "other direct taxes" <sup>(64)</sup>). The bulk of the recovery is due to a rebound in corporate income tax and VAT collection.

The tax structure shows a comparatively high weight of direct taxes (at 15.8 % of GDP, the fifth highest ratio amongst Member States). Direct taxes represent the primary source of revenues (44.4 % of the total taxes, the second level after Denmark), markedly larger than indirect taxes (36.9 %), and far outweighing social contributions (18.7 %), the fourth lowest share of taxes in the EU after Denmark, Sweden and Malta. Revenue from personal income taxes at 10.1 % was at the lower end of a range of just under 10 % to 11 % over the last decade. Corporate income taxes, which increased from 2.8 % of GDP to 4.0 % of GDP between 2002 and 2006, went back to 3.4 % and 3.6 % of GDP in 2007 and 2008 respectively but dropped to 2.8 % in 2009. The 2010 value of 3.1 % is above the EU-27 average (2.7 %). Direct taxes other than corporate and personal income taxes were brought back to 2.8 % of GDP in 2009 and 2.6 % in 2010, a result in line with their historical levels (compared to an EU-27 average of 0.8 %). This category includes in particular council taxes on land and buildings and motor vehicle duties, but also financial sector interventions by public sector authorities between 2007 and August 2009 referred to above. Property taxation in the United Kingdom is high in proportion of GDP (4.2 % in 2010, of which 3.4 % is recurrent).<sup>(65)</sup>

The United Kingdom is a highly centralised country in terms of tax collection with 94.1 % of revenues accruing to the central government.

Finally, the overall tax burden increased by 2 percentage points from 1995 to 2000 but tended to decline between 2000 and 2003 (– 2 percentage points), and increased again between 2003 and 2006 (+ 2 percentage points). It eased in 2007 to 36.3 % of GDP, but rose – for reasons explained above – to 37.9 % of GDP in 2008, before decreasing to 34.8% in 2009.

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

The ITR on consumption increased to 18.4 % in 2010 (partly reflecting the increase in VAT from a temporary 15 % back to 17.5 % in January 2010). This however still sets the United Kingdom well below the EU-27 average (21.3 %). As a result of relatively low social security contributions (6.7 % GDP compared to EU-27 at 10.9 %), labour taxes revenue (14.3 % of GDP) is lower than in most other European countries (EU-27 17.1 %). The ITR on labour employed is, at 25.7 %, the fourth lowest in the EU-27 and lies well below the EU-27 average (33.4 %). This index has decreased by more than one percentage point compared to 2008.

Revenues from taxes on capital (10.1 % of GDP) dropped back to their 2004 levels but in 2010 the United Kingdom remained the third highest in the EU-27 after Luxembourg and Italy (EU-27 average at 6.6 %). The high contribution of taxes on capital to total tax revenue (9.9 percentage points over the 18.4 % EU-27 average) is reflected in the relatively high implicit tax rate on capital <sup>(66)</sup> (36.9 % in 2009). Taxes on the capital stock (mainly

<sup>(64)</sup> In a number of financial sector interventions during 2008 the Financial Services Compensation Scheme (FSCS) was assigned rights over the assets of financial institutions. The realisation of these assets of failed institutions to finance the compensation of depositors has been classified as a capital tax for national accounting purposes (see: <http://www.statistics.gov.uk/articles/nojournalfinancial-crisis.pdf> page 33 and followings.). The United Kingdom is the main example of this type of intervention. The increase in capital levies revenue in 2008 was equivalent to approx. 1.3% of GDP.

<sup>(65)</sup> The highest for the OECD countries (source: OECD Revenue Statistics, <http://stats.oecd.org/Index.aspx?DataSetCode=REV>)

<sup>(66)</sup> It should also be kept in mind that both the ITR on capital and capital income are biased upwards (compared to other EU countries) because the ITR base does not capture the full extent of taxable profits of financial companies, particularly capital gains. A further reason is that the UK figures allocate all tax on occupational (second pillar) and private pension benefits (third pillar) to capital income whilst for most other Member States the second pillar is allocated to transfer income and income of the non-employed.

recurrent property taxes in the form of national domestic rates on business properties and council tax paid by owner-occupiers and tenants on the value of their dwellings) contribute substantially to the United Kingdom's relatively high tax burden on capital as their bases are not captured in the capital base of the ITR. Taxes on capital are amongst the highest in the EU-27, even when accounting for the statistical break due to 2008 capital levies.

Revenues from environmental taxes are relatively stable at around 2.5 % of GDP despite the evolution of the collection of customs duty on mineral oils in recent years whose level has risen slower than GDP since 2001.

### Current topics and prospects; policy orientation

The standard CIT rate has been gradually reduced by 4 percentage point to 24 % and will be further reduced in stages to 22 % by 2014. The small profits rate has also been reduced to 20 %. The standard VAT rate was increased by 2.5 percentage points to 20 % in 2011 and several environmentally-related taxes were increased in recent years such as air passenger duty or landfill taxes. The system of capital gains tax has also been reformed. A bank levy was introduced in January 2011 based on bank balance sheets. The full rate of 0.088 % (previously 0.075 % from May to December 2011) will increase to 0.105 % since January 2013. Finally, specific efforts have been made to simplify taxes with the establishment of an independent office of tax simplification, various public consultations on tax changes and on the possible abolition of a series of tax reliefs that are not in line with a fair and simple tax system or that failed to meet their policy objective.

## Main features of the tax structure

### Personal income tax

The basic and higher rates of income tax are 20 % and 40 % respectively. The basic rate limit is lowered from GBP 35 000 in 2011-2012 to GBP 34 370 in 2012-2013 and the personal allowance is increased to GBP 8 105 for 2012-2013. Since the 2010-11 tax year, this personal allowance is reduced when the income is above GBP 100 000 - by GBP 1 for every GBP 2 of income above the GBP 100 000 limit. This reduction applies irrespective of age. A higher tax rate (50 %, to be reduced to 45 % since April 2013) applies to annual incomes above GBP 150 000 since 2010. Higher personal allowances are available for those aged 65 and over (GBP 10 500). Two tax credits are available; the child tax credit (CTC) and the working tax credit (WTC) aimed at low income working adults.

The capital gains tax rates for gains realised after June 2010 are 18 % and 28 % depending on the individual's total taxable income. The annual exempt amount is GBP 10 600 in 2011-2012 and 2012-2013. A 10 % rate also applies to gains qualifying for entrepreneurs relief. For dividends three rates apply: 10 % starting rate, 32.5 % upper rate and an additional rate of 42.5 %.

Since April 2011 the annual allowance for tax-privileged pension saving is reduced from its current level of GBP 255 000 to GBP 50 000. The life time allowance for tax-privileged pension saving is GBP 1.5 million (reduced from GBP 1.8 million in 2010-2011).

The inheritance tax allowance is frozen at its April 2009 level of GBP 325 000 for individuals until 2014-2015. Tax is payable at 40 % above this threshold.

### Corporate taxation

Corporate income tax is charged at two rates; the main rate and the small profits rate (for profits up to GBP 300 000). Marginal relief is available on profits between GBP 300 000 and GBP 1.5 million. The main rate of corporate income tax is 24 % since April 2012. Further phased reductions in the rate are planned bringing it at 23 % in 2013 and 22 % in 2014. The small profits rate is 20 % since April 2011. As part of the reform the capital allowance rate on plant and machinery is reduced from 20 % to 18 % and the special rate from 10 % to 8 % from April 2012. The maximum amount of the Annual Investment Allowance for business investment in most plant and machinery will be reduced from GBP 100 000 to GBP 25 000 a year from April 2012. An R&D tax credit is also available with two schemes in place claiming relief depending on the size of the company or organisation. The rate of tax relief for investment by SMEs has been increased to 200 % in April 2011.

### VAT and excise duties

Since 2011, the standard VAT rate has been increased from 17.5 % to 20 % (between 1 December 2008 and 31 December 2009, the rate was temporarily reduced to 15 %). Several reductions and exemptions apply. In particular, a reduced rate of 5 % applies, for example to fuel and power and also on the installation of energy-saving materials. A zero-rate is used extensively as it applies to some food items, books, new constructions, passenger transport, some supplies to charities and to children's clothing and footwear.

A review of alcohol taxation measures was implemented to discourage the consumption of higher strength beers. New additional duty has been introduced on beers over 7.5 % alcohol by volume (abv) at a rate of 25 % of general beer duty. A reduced rate of 50 % of general duty has been introduced for beers of 2.8 % abv or below. General alcohol duty rates increased by 2 % above inflation in March 2011.

Cigarette duties are also being restructured to support health objectives. Tobacco duty rates increased by 2 % above inflation in March 2011. The ad valorem duty on cigarettes decreased and specific duty increased to target cheaper cigarette brands

The current rate of fuel duty is 57.95 ppl. The fuel duty escalator has been abolished and replaced by a fair fuel stabiliser. As part of the stabiliser, fuel duty increases by inflation only when oil prices are high. In years when the oil price falls below a certain level, fuel duty increases by inflation plus one penny per litre. Fuel duty was reduced by GBP 0.01 per litre in March 2011 but the proposed GBP 0.0302 per litre increase due to take place in January 2012 was postponed to August 2012.

Air Passenger Duty rates range from GBP 12 for low-distance economy class to GBP 170 for long-distance flights, with exemptions (e.g. transit, infants without own seat, etc.). Its scope will be extended in 2013 to include business jets. The climate change levy – a tax on the taxable supply of specified energy products for use as fuels, that is for lighting, heating and power, by business consumers – will increase in line with inflation in April 2012.

### Property taxation

The current system is made up of the taxes. The Stamp Duty Land Tax (SDLT) is charged on land and property transactions at increasing rates by bands based on the transfer price and whose rates vary between 0% and 4% (with increased allowances for first-time buyers). Since 22 March 2012, a new 7 % rate (increased to 15% if the buyer is a non-natural person) applies to the purchase of residential property over GBP 2 million. The Council Tax is a recurrent tax paid by the residing tenant or landlord and that has increasing tax rates by bands (with discounts).

### Social contributions

The main and additional rates of National Insurance Contributions (NICs) increased by one percentage point in April 2011.

There are six National Insurance Contributions (NICs) classes: Class 1 for employees (12 % between the Primary Threshold (GBP 107 per week) and the Upper Earnings Limit (GBP 817 per week) and 2 % above this) and Class 1 for employers (13.8 % on all earnings over the Secondary Threshold (GBP 144)); Class 1A, paid by employers and certain third parties on benefits in kind; Class 1B paid by employers on Pay As You Earn (PAYE) settlements; Class 2 for self-employed (at GBP 2.65 per week); Class 3 for voluntary contributions (fixed amount of GBP 13.25 per week); and Class 4 for the self-employed at a rate of 9 % on profits between the Lower Profits Limit (GBP 7 605) and the Upper Profits Limit (GBP 42 475 per year) and 2 % rate on profits above this threshold. Class 1 NICs are lower (by 1.4 %) for those who have contracted out of the State Second Pension and moved to a private pension scheme.

## EURO AREA 17

### ARITHMETIC AVERAGES

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
<b>A. Structure of revenues</b>	% of GDP											€ bn
Indirect taxes	13.5	13.3	13.3	13.4	13.7	13.9	13.9	13.8	13.3	13.0	13.1	1 183.3
VAT	7.1	7.0	7.1	7.2	7.3	7.6	7.6	7.5	7.4	7.2	7.3	629.1
Excise duties and consumption taxes	2.9	2.9	3.0	3.0	3.1	3.0	2.9	2.8	2.7	2.9	2.9	217.2
Other taxes on products (incl. import duties)	2.0	1.8	1.7	1.7	1.8	1.8	1.9	1.9	1.7	1.5	1.4	149.9
Other taxes on production	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.5	187.1
Direct taxes	12.1	11.9	11.8	11.5	11.2	11.5	11.7	12.2	12.0	11.4	11.2	1 083.9
Personal income	7.7	7.7	7.6	7.5	7.3	7.3	7.5	7.6	7.7	7.6	7.5	797.0
Corporate income	3.5	3.4	3.3	3.1	3.1	3.2	3.4	3.7	3.5	2.9	2.9	201.1
Other	0.9	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.8	85.8
Social contributions	11.7	11.7	11.7	11.8	11.6	11.6	11.5	11.4	11.7	12.2	12.1	1 314.3
Employers´	6.7	6.7	6.7	6.7	6.6	6.6	6.5	6.5	6.7	6.9	6.9	752.0
Employees´	3.8	3.7	3.7	3.8	3.7	3.7	3.7	3.6	3.7	3.8	3.9	392.7
Self- and non-employed	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	169.6
<b>TOTAL</b>	<b>37.2</b>	<b>36.8</b>	<b>36.7</b>	<b>36.6</b>	<b>36.5</b>	<b>36.9</b>	<b>37.0</b>	<b>37.3</b>	<b>36.9</b>	<b>36.5</b>	<b>36.4</b>	<b>3 568.4</b>
<b>B. Structure by level of government</b>	% of total taxation											
Central government	59.9	59.4	58.8	58.5	58.3	58.1	58.1	58.1	56.6	55.0	55.8	1 468.3
State government <sup>1)</sup>	15.1	15.2	17.4	18.1	18.3	18.5	18.7	18.9	19.4	19.9	18.3	308.8
Local government	7.7	7.7	7.7	7.7	7.8	8.1	8.2	8.3	8.6	8.8	8.6	340.4
Social security funds	30.2	30.7	31.1	31.3	31.3	31.0	30.9	30.6	31.8	33.5	33.2	1 440.2
EU institutions	1.6	1.4	1.1	1.0	0.8	0.9	0.9	0.9	0.9	0.8	0.8	23.8
<b>C. Structure by type of tax base</b>	% of GDP											
Consumption	11.7	11.5	11.6	11.7	11.8	12.0	11.9	11.8	11.5	11.4	11.6	979.6
Labour	17.5	17.5	17.5	17.5	17.2	17.1	17.0	16.9	17.4	17.8	17.7	1 905.6
Employed	16.3	16.3	16.3	16.2	15.9	15.9	15.7	15.7	16.2	16.5	16.4	1 748.9
Paid by employers	7.1	7.1	7.2	7.2	7.1	7.1	6.9	6.9	7.1	7.3	7.3	811.9
Paid by employees	9.2	9.2	9.1	9.0	8.8	8.8	8.8	8.8	9.0	9.2	9.2	937.0
Non-employed	1.2	1.2	1.2	1.3	1.2	1.2	1.2	1.2	1.2	1.3	1.3	156.6
Capital	8.1	7.8	7.7	7.5	7.6	7.8	8.2	8.7	8.1	7.3	7.2	695.6
Capital and business income	6.0	5.8	5.7	5.5	5.4	5.6	6.0	6.5	6.1	5.4	5.3	480.7
Income of corporations	3.6	3.4	3.4	3.2	3.1	3.3	3.5	3.8	3.6	3.0	3.0	211.7
Income of households	0.6	0.6	0.6	0.6	0.6	0.6	0.8	0.9	0.8	0.6	0.6	67.1
Income of self-employed (incl. SSC)	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.7	1.8	1.7	201.9
Stocks of capital / wealth	2.1	2.0	2.0	2.0	2.1	2.2	2.2	2.3	2.0	1.9	1.9	214.9
<b>D. Environmental taxes</b>	% of GDP											
Environmental taxes	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.5	2.6	2.6	207.4
Energy	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.7	1.7	1.8	1.8	156.8
Of which transport fuel taxes	:	:	:	1.6	1.6	1.6	1.5	1.5	1.4	1.5	1.5	
Transport (excl. fuel)	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	43.2
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	7.3
<b>E. Implicit tax rates</b>	%											
Consumption	20.3	20.0	20.2	20.5	20.8	21.3	21.4	21.5	20.8	20.5	20.7	
Labour employed	34.5	34.4	34.2	34.1	33.8	33.7	33.7	33.8	34.0	33.5	34.0	
Capital <sup>2)</sup>	25.0	24.0	24.3	24.3	24.2	24.9	25.8	27.0	25.9	24.8	23.7	
Capital and business income	18.6	17.9	17.8	17.5	17.3	17.8	18.7	19.9	19.2	17.8	17.1	
Corporations	23.6	23.2	23.1	21.9	20.8	22.0	22.8	24.5	23.0	21.1	20.4	
Households	11.8	11.7	11.9	12.3	12.1	12.6	13.8	14.4	13.2	12.7	12.6	
Real GDP growth (annual rate)	3.8	2.0	0.9	0.7	2.2	1.7	3.2	3.0	0.4	-4.2	1.9	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

2) Adjusted averages

n.a. not applicable, : not available

Date of extraction: 13/01/2012

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

## EURO AREA 17

### GDP-WEIGHTED AVERAGES

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
<b>A. Structure of revenues</b>	% of GDP											€ bn
Indirect taxes	13.5	13.2	13.2	13.2	13.2	13.3	13.4	13.3	12.9	12.8	12.9	1 183.3
VAT	7.0	6.8	6.7	6.6	6.6	6.8	6.8	6.9	6.8	6.6	6.9	629.1
Excise duties and consumption taxes	2.7	2.7	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.4	2.4	217.2
Other taxes on products (incl. import duties)	1.7	1.7	1.7	1.7	1.8	1.9	2.0	1.9	1.7	1.6	1.6	149.9
Other taxes on production	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	187.1
Direct taxes	13.0	12.6	12.2	12.0	11.9	12.0	12.6	12.9	12.7	12.0	11.8	1 083.9
Personal income	9.1	8.9	8.7	8.5	8.3	8.4	8.5	8.7	8.9	8.9	8.7	797.0
Corporate income	3.0	2.8	2.6	2.4	2.6	2.8	3.2	3.3	2.9	2.0	2.2	201.1
Other	0.9	0.9	0.9	1.1	1.0	0.9	0.9	0.9	0.9	1.0	0.9	85.8
Social contributions	14.5	14.3	14.3	14.5	14.3	14.2	14.1	13.9	14.1	14.5	14.3	1 314.3
Employers´	8.2	8.1	8.2	8.2	8.1	8.1	8.0	8.0	8.1	8.3	8.2	752.0
Employees´	4.6	4.5	4.4	4.4	4.3	4.3	4.2	4.2	4.2	4.3	4.3	392.7
Self- and non-employed	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.8	1.9	1.9	169.6
<b>TOTAL</b>	<b>40.9</b>	<b>40.0</b>	<b>39.5</b>	<b>39.5</b>	<b>39.2</b>	<b>39.4</b>	<b>40.0</b>	<b>40.0</b>	<b>39.6</b>	<b>39.0</b>	<b>38.9</b>	<b>3 568.4</b>
<b>B. Structure by level of government</b>	% of total taxation											
Central government	43.3	43.3	42.4	41.9	42.3	42.1	42.2	42.3	40.9	39.7	41.1	1 468.3
State government <sup>1)</sup>	18.8	18.1	19.7	20.1	20.4	20.4	20.8	21.2	21.5	21.4	19.9	308.8
Local government	9.0	9.0	9.1	9.2	9.5	9.7	9.8	10.0	10.0	10.1	9.5	340.4
Social security funds	38.0	38.5	38.9	39.2	38.7	38.6	38.4	37.9	39.2	40.7	40.4	1 440.2
EU institutions	1.5	1.4	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	23.8
<b>C. Structure by type of tax base</b>	% of GDP											
Consumption	11.1	10.9	10.8	10.7	10.7	10.8	10.8	10.7	10.5	10.4	10.7	979.6
Labour	21.3	21.1	21.0	21.0	20.6	20.5	20.3	20.1	20.6	21.0	20.8	1 905.6
Employed	19.5	19.3	19.2	19.2	18.8	18.6	18.5	18.5	18.9	19.3	19.1	1 748.9
Paid by employers	8.8	8.8	8.8	8.9	8.7	8.7	8.7	8.6	8.7	8.9	8.9	811.9
Paid by employees	10.7	10.6	10.4	10.3	10.0	9.9	9.9	9.9	10.2	10.3	10.2	937.0
Non-employed	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.7	156.6
Capital	8.7	8.2	7.8	7.9	8.0	8.3	9.0	9.3	8.6	7.7	7.6	695.6
Capital and business income	6.2	5.8	5.4	5.4	5.4	5.6	6.3	6.6	6.1	5.2	5.2	480.7
Income of corporations	3.1	2.9	2.6	2.6	2.7	2.9	3.3	3.4	3.0	2.2	2.3	211.7
Income of households	0.8	0.7	0.6	0.6	0.6	0.7	0.8	0.9	0.8	0.8	0.7	67.1
Income of self-employed (incl. SSC)	2.3	2.2	2.1	2.2	2.1	2.1	2.2	2.3	2.3	2.2	2.2	201.9
Stocks of capital / wealth	2.5	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.4	2.5	2.3	214.9
<b>D. Environmental taxes</b>	% of GDP											
Environmental taxes	2.6	2.5	2.5	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.3	207.4
Energy	2.0	1.9	1.9	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.7	156.8
Of which transport fuel taxes	:	:	:	1.6	1.5	1.5	1.4	1.3	1.3	1.3	1.3	
Transport (excl. fuel)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	43.2
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	7.3
<b>E. Implicit tax rates</b>	%											
Consumption	19.7	19.3	19.3	19.2	19.3	19.3	19.5	19.7	19.2	18.7	19.2	
Labour employed	38.8	38.5	38.3	38.2	37.9	37.8	37.9	38.2	38.4	37.9	38.1	
Capital <sup>2)</sup>	29.6	27.5	27.2	27.4	27.6	28.3	30.4	30.9	29.2	28.3	27.5	
Capital and business income	21.1	19.3	18.5	18.6	18.5	19.0	20.9	21.7	20.7	18.9	18.8	
Corporations	24.7	26.4	24.8	23.8	23.9	24.5	28.9	30.9	26.5	21.3	21.6	
Households	13.8	13.2	13.1	13.7	13.2	13.4	14.4	14.7	14.5	14.7	14.9	
Real GDP growth (annual rate)	3.8	2.0	0.9	0.7	2.2	1.7	3.2	3.0	0.4	-4.2	1.9	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

2) Adjusted averages

n.a. not applicable, - not available

Date of extraction: 13/01/2012

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

## EUROPEAN UNION 27

### ARITHMETIC AVERAGES

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
<b>A. Structure of revenues</b>	% of GDP											€ bn
Indirect taxes	13.6	13.3	13.3	13.6	13.8	14.0	14.1	14.0	13.6	13.3	13.5	1 618.6
VAT	7.3	7.2	7.2	7.3	7.5	7.8	7.9	7.8	7.7	7.4	7.6	860.7
Excise duties and consumption taxes	3.2	3.1	3.1	3.2	3.3	3.2	3.1	3.1	3.0	3.2	3.2	325.0
Other taxes on products (incl. import duties)	1.8	1.6	1.5	1.5	1.6	1.6	1.6	1.6	1.5	1.3	1.3	182.7
Other taxes on production	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	250.1
Direct taxes	12.2	12.0	11.8	11.6	11.5	11.7	12.0	12.5	12.3	11.5	11.2	1 545.9
Personal income	8.2	8.2	8.0	7.9	7.8	7.8	7.9	8.1	8.1	7.9	7.7	1 114.9
Corporate income	3.2	3.1	3.0	2.9	2.9	3.1	3.3	3.6	3.4	2.8	2.7	289.3
Other	0.8	0.7	0.8	0.8	0.8	0.9	0.7	0.7	0.8	0.8	0.8	141.7
Social contributions	11.2	11.1	11.0	11.0	10.8	10.8	10.6	10.6	10.7	11.1	10.9	1 550.2
Employers'	6.9	6.8	6.7	6.7	6.6	6.5	6.4	6.4	6.5	6.6	6.5	896.2
Employees'	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	467.8
Self- and non-employed	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	186.2
<b>TOTAL</b>	<b>37.0</b>	<b>36.3</b>	<b>36.0</b>	<b>36.1</b>	<b>36.1</b>	<b>36.5</b>	<b>36.7</b>	<b>37.1</b>	<b>36.6</b>	<b>35.8</b>	<b>35.6</b>	<b>4 700.7</b>
<b>B. Structure by level of government</b>	% of total taxation											
Central government	60.2	59.9	59.9	60.2	60.0	60.0	60.2	60.5	59.6	58.0	58.8	2 361.4
State government <sup>1)</sup>	15.1	15.2	17.4	18.1	18.3	18.5	18.7	18.9	19.4	19.9	18.3	308.8
Local government	10.4	10.6	10.4	10.1	10.2	10.4	10.5	10.3	10.5	10.7	10.6	482.7
Social security funds	29.0	29.2	29.3	29.2	29.0	28.7	28.3	28.0	28.8	30.4	29.9	1 528.9
EU institutions	1.5	1.3	1.0	0.9	0.7	0.9	0.9	0.9	0.9	0.8	0.8	32.6
<b>C. Structure by type of tax base</b>	% of GDP											
Consumption	12.0	11.7	11.8	11.9	12.1	12.3	12.3	12.2	11.9	11.7	11.9	1 350.5
Labour	17.8	17.7	17.5	17.4	17.1	17.0	16.9	16.9	17.2	17.5	17.1	2 405.1
Employed	16.6	16.5	16.3	16.1	15.9	15.8	15.7	15.7	16.0	16.1	15.8	2 216.7
Paid by employers	7.3	7.2	7.1	7.1	7.0	7.0	6.9	6.9	7.0	7.1	6.9	975.8
Paid by employees	9.3	9.3	9.1	9.0	8.9	8.8	8.8	8.9	9.1	9.1	8.9	1 240.9
Non-employed	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	188.4
Capital	7.3	7.0	6.9	6.8	6.9	7.2	7.5	8.0	7.5	6.6	6.6	958.4
Capital and business income	5.3	5.2	5.0	4.9	5.0	5.2	5.5	6.0	5.5	4.8	4.7	646.5
Income of corporations	3.2	3.1	3.1	2.9	3.0	3.1	3.4	3.7	3.4	2.8	2.7	300.0
Income of households	0.6	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.7	0.5	0.6	99.9
Income of self-employed (incl. SSC)	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	246.6
Stocks of capital / wealth	1.9	1.8	1.8	1.8	1.9	2.0	2.0	2.0	1.9	1.8	1.8	311.8
<b>D. Environmental taxes</b>	% of GDP											
Environmental taxes	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	290.8
Energy	2.0	1.9	1.9	2.0	2.0	2.0	1.9	1.9	1.8	1.9	1.9	219.6
Of which transport fuel taxes	:	:	:	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.6	
Transport (excl. fuel)	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.5	60.6
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	10.6
<b>E. Implicit tax rates</b>	%											
Consumption	20.8	20.3	20.5	20.9	21.2	21.7	21.8	21.9	21.4	20.9	21.3	
Labour employed	35.8	35.3	35.0	34.7	34.5	34.2	34.1	34.1	33.8	33.2	33.4	
Capital	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	
Corporations	:	:	:	:	:	:	:	:	:	:	:	
Households	:	:	:	:	:	:	:	:	:	:	:	
<b>Real GDP growth (annual rate)</b>	<b>3.9</b>	<b>2.2</b>	<b>1.3</b>	<b>1.4</b>	<b>2.5</b>	<b>2.0</b>	<b>3.3</b>	<b>3.2</b>	<b>0.3</b>	<b>-4.3</b>	<b>1.9</b>	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

2) Adjusted averages

n.a. not applicable, : not available

Date of extraction: 13/01/2012

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



## EUROPEAN UNION 27

### GDP-WEIGHTED AVERAGES

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
<b>A. Structure of revenues</b>	% of GDP											€ bn
Indirect taxes	13.7	13.4	13.3	13.3	13.3	13.4	13.5	13.5	13.1	12.9	13.2	1 618.6
VAT	7.0	6.9	6.8	6.8	6.8	6.9	7.0	7.0	6.9	6.7	7.0	860.7
Excise duties and consumption taxes	3.0	2.9	3.0	3.0	2.9	2.8	2.7	2.6	2.6	2.6	2.7	325.0
Other taxes on products (incl. import duties)	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.6	1.5	1.5	182.7
Other taxes on production	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0	250.1
Direct taxes	14.1	13.6	13.1	12.9	12.8	13.2	13.7	13.9	13.8	12.8	12.6	1 545.9
Personal income	9.8	9.6	9.4	9.2	8.9	9.1	9.2	9.4	9.4	9.3	9.1	1 114.9
Corporate income	3.1	2.9	2.6	2.4	2.7	2.9	3.3	3.3	3.0	2.2	2.4	289.3
Other	1.1	1.1	1.1	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.2	141.7
Social contributions	12.7	12.6	12.5	12.7	12.6	12.5	12.4	12.2	12.5	12.9	12.7	1 550.2
Employers´	7.2	7.2	7.2	7.3	7.2	7.2	7.1	7.1	7.2	7.4	7.3	896.2
Employees´	4.1	4.0	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.9	3.8	467.8
Self- and non-employed	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.5	1.6	1.5	186.2
<b>TOTAL</b>	<b>40.4</b>	<b>39.5</b>	<b>38.8</b>	<b>38.8</b>	<b>38.7</b>	<b>39.0</b>	<b>39.5</b>	<b>39.4</b>	<b>39.3</b>	<b>38.4</b>	<b>38.4</b>	<b>4 700.7</b>
<b>B. Structure by level of government</b>	% of total taxation											
Central government	52.9	52.8	52.0	51.2	51.8	52.0	52.2	52.4	50.8	48.5	50.2	2 361.4
State government <sup>1)</sup>	18.8	18.1	19.7	20.1	20.4	20.4	20.8	21.2	21.5	21.4	19.9	308.8
Local government	9.5	9.6	9.8	10.0	10.3	10.4	10.3	10.3	10.4	10.7	10.3	482.7
Social security funds	35.6	36.2	36.4	36.6	36.1	35.8	35.6	35.2	36.3	37.9	37.4	1 528.9
EU institutions	1.5	1.4	1.1	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	32.6
<b>C. Structure by type of tax base</b>	% of GDP											
Consumption	11.4	11.1	11.1	11.1	11.1	11.1	11.1	11.0	10.8	10.7	11.0	1 350.5
Labour	20.2	20.1	19.8	19.8	19.5	19.5	19.3	19.2	19.6	20.0	19.6	2 405.1
Employed	18.6	18.5	18.2	18.2	17.9	17.8	17.7	17.7	18.1	18.4	18.1	2 216.7
Paid by employers	7.8	7.8	7.7	7.9	7.8	7.7	7.7	7.7	7.9	8.0	8.0	975.8
Paid by employees	10.9	10.7	10.5	10.4	10.1	10.1	10.1	10.0	10.2	10.3	10.1	1 240.9
Non-employed	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.5	188.4
Capital	8.9	8.4	8.0	8.0	8.2	8.5	9.2	9.3	8.9	7.8	7.8	958.4
Capital and business income	6.1	5.7	5.3	5.3	5.4	5.7	6.3	6.5	6.1	5.2	5.3	646.5
Income of corporations	3.2	2.9	2.7	2.6	2.8	3.0	3.4	3.4	3.1	2.3	2.4	300.0
Income of households	0.9	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	0.8	0.8	99.9
Income of self-employed (incl. SSC)	2.1	2.0	1.9	2.0	1.9	1.9	2.0	2.1	2.1	2.1	2.0	246.6
Stocks of capital / wealth	2.8	2.7	2.7	2.7	2.8	2.8	2.9	2.9	2.8	2.6	2.5	311.8
<b>D. Environmental taxes</b>	% of GDP											
Environmental taxes	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	290.8
Energy	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.7	1.8	1.8	219.6
Of which transport fuel taxes	:	:	:	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.4	
Transport (excl. fuel)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	60.6
Pollution/resources	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	10.6
<b>E. Implicit tax rates</b>	%											
Consumption	20.0	19.6	19.6	19.6	19.7	19.7	19.8	20.0	19.6	19.1	19.7	
Labour employed	36.7	36.4	36.0	36.1	35.9	35.9	36.0	36.2	36.5	36.0	36.0	
Capital	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	
Corporations	:	:	:	:	:	:	:	:	:	:	:	
Households	:	:	:	:	:	:	:	:	:	:	:	
<b>Real GDP growth (annual rate)</b>	<b>3.9</b>	<b>2.2</b>	<b>1.3</b>	<b>1.4</b>	<b>2.5</b>	<b>2.0</b>	<b>3.3</b>	<b>3.2</b>	<b>0.3</b>	<b>-4.3</b>	<b>1.9</b>	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

2) Adjusted averages

n.a. not applicable, - not available

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

<b>NORWAY</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
<b>A. Structure of revenues</b>	% of GDP											€ bn
Indirect taxes	13.6	13.4	13.4	13.0	12.7	12.2	12.2	12.5	11.1	12.1	12.1	38.2
VAT	8.4	8.4	8.5	8.2	8.0	7.8	7.9	8.2	7.2	7.9	8.0	25.1
Excise duties and consumption taxes	2.8	2.7	2.7	2.6	2.4	2.2	2.1	2.1	2.0	2.3	2.2	6.8
Other taxes on products (incl. import duties)	1.9	1.8	1.7	1.7	1.8	1.6	1.6	1.6	1.4	1.3	1.5	4.6
Other taxes on production	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	1.7
Direct taxes	20.1	20.2	19.8	19.5	21.0	22.2	22.7	21.5	22.1	20.4	21.1	66.6
Personal income	10.3	10.4	10.7	10.6	10.2	9.6	9.0	9.5	9.1	10.2	10.1	31.8
Corporate income <sup>1</sup>	8.9	8.9	8.1	8.0	9.8	11.7	12.7	11.0	12.2	9.2	10.1	31.8
Other	0.9	0.9	1.0	1.0	1.0	1.0	0.9	1.0	0.9	1.0	1.0	3.0
Social contributions	8.9	9.2	9.9	9.8	9.3	8.8	8.6	8.9	8.8	10.0	9.7	30.4
Employers'	5.3	5.6	5.9	5.9	5.6	5.3	5.3	5.5	5.4	6.1	5.9	18.6
Employees'	3.1	3.1	3.4	3.3	3.2	3.0	2.9	3.0	2.9	3.3	3.2	10.1
Self- and non-employed	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.6	0.5	
Less: amounts assessed but unlikely to be collected	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
<b>TOTAL</b>	<b>42.6</b>	<b>42.9</b>	<b>43.1</b>	<b>42.3</b>	<b>43.0</b>	<b>43.2</b>	<b>43.5</b>	<b>42.9</b>	<b>42.1</b>	<b>42.4</b>	<b>42.9</b>	<b>135.2</b>
<b>B. Structure by level of government</b>	% of total taxation											
Central government	64.0	62.1	64.1	62.2	64.6	66.2	67.5	66.6	67.1	62.6	63.9	86.4
State government	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	15.1	16.4	13.0	14.8	13.7	13.3	12.7	12.6	11.9	13.9	13.6	18.4
Social security funds	20.9	21.5	22.9	23.1	21.7	20.4	19.9	20.8	21.0	23.4	22.5	30.4
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>C. Structure by type of tax base</b>	% of GDP											
Consumption	12.7	12.6	12.8	12.4	12.1	11.6	11.6	11.9	10.6	11.5	11.6	36.5
Labour	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	17.2	56.1
Employed	16.0	16.4	17.4	17.3	16.5	15.4	14.9	15.5	15.1	16.9	16.5	52.1
Paid by employers	5.4	5.6	6.0	5.9	5.7	5.4	5.3	5.5	5.4	6.1	5.9	18.7
Paid by employees	10.6	10.9	11.4	11.4	10.9	10.1	9.6	10.0	9.7	10.8	10.6	33.4
Non-employed	1.2	1.2	1.2	1.3	1.2	1.1	1.1	1.1	1.1	1.3	1.3	4.0
Capital	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	42.6
Capital and business income	7.1	6.9	6.5	6.1	7.0	7.7	8.2	7.8	7.8	7.2	7.8	24.5
Income of corporations <sup>1</sup>	5.2	4.9	4.5	4.2	5.2	5.8	6.5	5.9	6.1	5.2	5.8	18.4
Income of households	0.8	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.9	0.9	2.9
Income of self-employed	1.2	1.3	1.3	1.2	1.2	1.3	1.0	1.1	0.9	1.0	1.0	3.2
Stocks of capital / wealth	5.5	5.7	5.2	5.3	6.2	7.4	7.7	6.7	7.6	5.5	5.8	18.1
<b>D. Environmental taxes</b>	% of GDP											
Environmental taxes	3.0	3.0	3.1	3.1	3.0	2.8	2.8	2.8	2.4	2.6	2.6	8.2
Energy	1.5	1.5	1.5	1.5	1.3	1.2	1.2	1.2	1.1	1.2	1.2	3.8
Of which transport fuel taxes	:	:	:	:	0.9	0.9	0.8	0.8	0.7	0.8	0.8	
Transport (excl. fuel)	1.2	1.3	1.4	1.4	1.5	1.4	1.4	1.4	1.1	1.2	1.2	3.9
Pollution/resources	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.5
<b>E. Implicit tax rates</b>	%											
Consumption	31.2	30.6	29.7	28.4	28.8	29.4	30.6	31.1	29.1	28.6	29.1	
Labour employed	37.1	37.2	37.5	37.7	37.8	37.1	36.6	36.1	35.8	35.8	36.1	
Capital	42.2	42.7	42.8	39.3	41.5	41.9	43.3	42.3	44.0	44.9	44.9	
Capital and business income	23.7	23.5	23.7	20.9	22.0	21.4	22.3	22.8	22.3	25.3	25.8	
Corporations	21.6	21.2	21.6	19.3	20.6	19.4	20.8	20.1	19.5	22.5	23.6	
Households	24.0	28.2	21.1	17.5	17.7	17.2	29.6	34.3	36.1	31.8	29.8	
<b>Real GDP growth (annual rate)</b>	<b>3.3</b>	<b>2.0</b>	<b>1.5</b>	<b>1.0</b>	<b>4.0</b>	<b>2.6</b>	<b>2.5</b>	<b>2.7</b>	<b>0.0</b>	<b>-1.7</b>	<b>0.7</b>	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

1) The difference between the revenue from "corporate income" taxes in part A of the table and that from "income of corporations" in part C is mainly due to the exclusion from the latter of the special tax on petroleum income, which is booked under stocks of capital/wealth.

n.a. not applicable, : not available

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

# Norway

## Overall trends in taxation

### Structure and development of tax revenues

Norway's total tax-to-GDP ratio amounted to 42.9 % in 2010; a value which exceeds the weighted European Union average by 4.5 percentage points. Compared with other Nordic countries, Norway's ratio is slightly higher than Finland's, but well below the Danish and Swedish level. The level and structure of revenues in Norway are clearly influenced by the important role played by oil and gas extraction in the economy.

The Norwegian tax system is characterised by a high share of direct taxes, although a sharp decline was experienced from 52.6 % of revenue in 2008 to 48.1 % in 2009. In 2010 the ratio increased to the level of 49.2 %. The high revenue from direct taxes is attributable in particular to the corporate tax which yielded, with 10.1 % of GDP in 2010, more than four times the EU-27 weighted average. Note that this is the result of the statistical classification of the special tax on petroleum income, which is considered as corporate tax revenue alongside the ordinary corporate income tax, thereby doubling its revenue. Revenues from indirect taxes and from social contributions cover a smaller share of budgetary revenue; they are also lower than the EU average in terms of their ratio to GDP. Indirect taxes, standing at 12.1 % of GDP, are well below EU-27 weighted average (13.2 % of GDP) mainly due to below average revenue from excise duties (2.2 % of GDP) and other taxes on production (0.5 % of GDP); however, VAT revenue in percent of GDP was one percentage point higher in Norway than in the EU-27.

In 2010, 63.9 % of taxes were paid to the central government, while local government (municipalities and counties) received 13.6 % of the total; a share somewhat above the EU weighted average (10.3 %). Social security funds receive a relatively low share of government receipts, 22.5 % compared with 37.4 % in the EU-27 weighted average.

The overall tax ratio has not fluctuated much between 2000 and 2010. The developments till 2007 were mainly driven by the trend in the revenues from direct taxation and more specifically from corporate taxation. However, the unfavourable economic conditions in 2008 negatively affected the revenues from indirect taxes and the tax-to-GDP ratio reached its lowest value since 1998 – 42.1 %. Stable revenues from personal income and indirect taxation compensated the slump in corporate taxation in 2009. In 2010 the overall tax level was back to 2007 levels, 42.9 % of GDP, mainly due to recovered proceeds from corporate taxation.

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

Revenue from taxation of consumption was on a downward trend between 2002 (12.8 % of GDP) and 2008 (10.6 % of GDP), but bounced back to 11.6 % in 2010. This is somewhat higher than the EU-27 weighted average (11 % of GDP). The ITR on consumption (29.1 % in 2010), is well above the EU-27 weighted average (19.7 %), with only Denmark displaying a higher rate. This discrepancy between a very high ITR on consumption and a GDP share of consumption tax revenue that is close to average is due to a high VAT rate (25 %) and a remarkably low share of the final consumption expenditure of households when compared to Norway's GDP (about 40 %).

Taxation of labour was on a downward trend for half a decade before 2008 both in revenue terms and by the ITR measure. An increase, however, was experienced in 2010 when the ITR on labour, at 36.1 % in 2010 is close to the EU-27 weighted average (36.0 %).

Capital taxation yield, at 13.5 % of GDP, although down by almost two percentage points from 2008 to 2010, the highest level of revenue of all countries analysed in the report, 5.7 percentage points above the EU-27 weighted average. As mentioned earlier, oil taxation contributes significantly to this peculiarity. These high tax revenues are mirrored in the ITR on capital, which exceeds the EU-25 weighted average by approximately 16 percentage points.

Norway levies a wide range of environmental taxes, including not only the traditional excises on mineral oils but also significant levies on electricity consumption, CO<sub>2</sub> emissions, greenhouse gases, pesticides, sulphur and a tax

on NOX emissions. Transport taxes, in particular, are high (1.2 % of GDP) — more than twice the EU-27 weighted average — owing to a heavy tax burden on vehicles. In contrast, energy taxes, at 1.2 % of GDP, yield less revenue than the EU weighted average. Pollution/resource taxes yield 0.2 % of GDP, a comparatively high value; note that this amount does not include the special tax on oil companies' profits. Overall, in 2010 the share of environmental related tax revenues on GDP was 2.6 %, down from 3 % of GDP in 2000.

### Current topics and prospects; policy orientation

Tax measures in The Budget Bill for 2012 are deemed to have a largely neutral effect on the overall level of taxes. This is in line with the Government's commitment from 2005 to return taxes to the 2004 level and to keep them at this level. No major changes in the area of personal taxation have been introduced in 2012 – there was a small increase of personal allowances and of the threshold above which the national wealth tax is imposed. Furthermore, the special tax allowance for high expenses due to illness is being phased out. The resources that are made available are used in the health sector on the expense side of the Budget. In the area of corporate taxation amendments to the scope of the 3 % rule in the exemption method, to the bad debts deductibility and to the tax rates in Svalbard have been implemented. Also, as of 2012 the VAT rate on foodstuff is increased from 14 % to 15 %.

## Main features of the tax system

### Personal income tax

Norway, like several other Nordic countries, has adopted a dual tax system. Income from labour and pensions is taxed at progressive rates, while the remaining forms of income are (mainly) taxed at a flat rate.

The basic element of the personal income tax is levied on so-called ordinary income, which includes all kinds of income, but also various allowances. The tax rate on ordinary income is 28 %; this rate combines central government, county and municipal taxes (*Finnmark* and *Nord-Troms* benefit, however, from a lower 24.5 % rate). The surtax (*toppskatt*) is the progressive element of the PIT. It is levied on the so-called personal income — i.e. gross wage income, gross pension income and a calculated income for the self-employed — provided annual personal income exceeds NOK 490 000 (€62 927). The surtax is levied at a rate of 9 % on income between this threshold and NOK 796 400 (€102 275) (7 % in *Finnmark* and *Nord-Troms*) and at a rate of 12 % on income above.

A main element of the tax reform in 2006 was to replace the split model and the imputation system with the shareholder model. The shareholder model involves a dividend and gains tax equipped with a cost of capital allowance to ensure neutral treatment of different sources of financing. The taxation of self-employed and partnerships was also adjusted along these lines, saving higher tax rates than the basic rate of 28 percent for returns above a cost of capital.

The top marginal tax rates on labour income were reduced in order to narrow the difference in marginal tax rates between share income and labour income and to stimulate labour supply. A main objective was to solve the problem of labour income being shifted to shareholder income at lower tax rates.

### Corporate taxation

Companies are subject to corporate income tax of 28 %. Income and capital gains are pooled and taxed at the same rate. Special regimes apply to activities related to the exploration and exploitation of petroleum resources.

Since 2004 an exemption regime for corporate shareholders has been in force. Dividends derived by corporate shareholders from resident companies, savings banks and unit trusts are in principle exempt from tax, as well as capital gains on the disposal of shares in such entities. However, 3 % of such dividend income is taxable in order to balance the deduction of costs related to such income. In general, all expenses incurred in acquiring, securing and maintaining income are deductible. Royalties and management fees are usually deductible, but must be made on an arm's-length basis if such payments are made to related parties. Capital gains derived from the sale of business

assets are normally included in taxable income (with profit and loss account deferral). Losses may be carried forward to be set off against profits in succeeding years. A tax credit is granted to companies engaging in research and development projects approved by the Research Council of Norway.

### VAT and excise duties

The Norwegian VAT standard rate is 25 %, and has fairly general use. There is a reduced rate of 15 % on foodstuffs and a rate of 8 % on passenger transport, broadcasting services, admission to cinemas, accommodation in hotels and camping sites and business letting of holiday homes. A zero rate applies to the sale of books and newspapers.

### Wealth and transaction taxes

In 2006, a substantial base broadening combined with increased basic allowances has made the wealth tax more uniform and more re-distributive. Resident individuals are subject to national net wealth tax (tax rate 0.4 %) and municipal net wealth tax (0.7 %) above a threshold of NOK 750 000 (€96 317) with respect to their worldwide net wealth. The tax base was broadened in 2007, 2008, 2009 and in 2010, by increasing tax values for homes and for commercial real estate and by broadening the base for securities, but at the same time higher basic allowances were granted. The wealth tax is due independently of the income tax. A new system to assess the value of business premises and private homes was introduced in 2009 and 2010 in order to increase the system's fairness.

There is an inheritance and gift tax, with a zero rate up to taxable amounts of NOK 470 000 (€60 358). From this level, the rates range from 6 % to 15 % depending on the status of the beneficiary and the size of the taxable amount.

### Social contributions

The national insurance contributions payable by employees are computed on gross salary and pension income. The general rate of 7.8 % applies to employment income including benefits in kind and remuneration of directors, members of committees, and so on. A reduced rate of 4.7 % (up from 3 % in 2010) applies to pensions and life annuities, as well as to employment income earned by individuals under 17 or over 69 years. There is an exemption for incomes up to NOK 39 950 (€5 130) from the contributions. For income above this amount, the contributions are at a balancing rate of 25 % until the general rate of 7.8 % on employment income is achieved. The contributions payable by individuals are not deductible for income tax purposes. Regionally differentiated rates in employers' social security contributions were reintroduced in 2007 ranging from 0 % to 14.1 %. The self-employed pay national insurance contributions at a rate of 11 %.

<b>ICELAND</b>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010
<b>A. Structure of revenues</b>	% of GDP											€ bn
Indirect taxes	18.2	15.9	15.9	16.7	17.8	19.1	19.4	18.6	15.6	14.0	14.3	1.4
VAT	10.6	9.4	9.4	9.7	10.4	11.1	11.3	10.5	9.1	8.0	8.0	0.8
Excise duties and consumption taxes	2.6	2.0	1.9	2.1	2.2	2.7	2.8	2.6	1.9	1.7	2.1	0.2
Other taxes on products (incl. import duties)	1.9	1.7	1.9	2.1	2.3	2.4	2.1	2.2	1.7	1.6	1.7	0.2
Other taxes on production	3.1	2.9	2.7	2.8	2.9	2.9	3.2	3.3	2.9	2.6	2.6	0.2
Direct taxes	16.1	16.5	16.5	16.8	16.9	18.3	18.8	18.9	18.2	16.7	16.6	1.6
Personal income	13.1	13.8	13.9	14.2	14.3	14.7	14.6	14.5	14.4	13.1	13.2	1.2
Corporate income	1.1	0.9	0.8	1.3	1.2	2.0	2.4	2.5	2.0	1.8	1.1	0.1
Other	1.8	1.8	1.8	1.3	1.5	1.7	1.7	1.8	1.8	1.8	2.4	0.2
Social contributions	2.9	2.8	2.9	3.1	3.0	3.2	3.3	3.0	2.8	3.1	4.1	0.4
Employers'	2.7	2.7	2.8	3.0	2.9	3.1	3.2	2.9	2.7	3.0	4.0	0.4
Employees'	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self- and non-employed	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0
Less: amounts assessed but unlikely to be collected	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>TOTAL</b>	<b>37.1</b>	<b>35.3</b>	<b>35.2</b>	<b>36.7</b>	<b>37.8</b>	<b>40.6</b>	<b>41.4</b>	<b>40.5</b>	<b>36.6</b>	<b>33.8</b>	<b>35.0</b>	<b>3.3</b>
<b>B. Structure by level of government</b>	% of total taxation											
Central government	76.6	75.0	75.2	75.7	76.4	77.1	75.7	74.9	74.1	72.6	74.3	2.5
State government <sup>1)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Local government	23.4	25.0	24.8	24.3	23.6	22.9	24.3	25.1	25.9	27.4	25.7	0.9
Social security funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EU institutions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>C. Structure by type of tax base</b>	% of GDP											
Consumption	15.0	13.1	13.3	13.9	14.6	15.8	16.0	15.1	12.7	11.9	12.2	1.2
Labour	:	:	:	:	:	:	:	:	:	:	:	
Employed	:	:	:	:	:	:	:	:	:	:	:	
Paid by employers	2.8	2.7	2.8	3.0	3.0	3.1	3.2	3.1	2.9	3.2	4.2	0.4
Paid by employees	:	:	:	:	:	:	:	:	:	:	:	
Non-employed	:	:	:	:	:	:	:	:	:	:	:	
Capital	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	
Income of corporations	1.4	1.2	1.1	1.4	1.3	2.2	2.4	2.5	2.0	1.8	1.1	0.1
Income of households	:	:	:	:	:	:	:	:	:	:	:	
Income of self-employed (incl. SSC)	:	:	:	:	:	:	:	:	:	:	:	
Stocks of capital / wealth	3.6	3.3	3.1	3.2	3.6	3.7	3.8	3.9	3.1	2.7	2.8	0.3
<b>D. Environmental taxes</b>	% of GDP											
Environmental taxes	3.3	2.7	2.3	2.6	2.7	2.8	2.5	2.4	1.8	1.6	1.8	0.2
Energy	1.1	1.0	0.9	0.9	0.9	1.0	1.2	1.2	1.0	1.2	1.3	0.1
Of which transport fuel taxes	:	:	:	:	:	:	:	:	:	:	:	
Transport (excl. fuel)	1.7	1.3	1.2	1.4	1.5	1.5	1.0	1.0	0.6	0.2	0.2	0.0
Pollution/resources	0.4	0.4	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.0
<b>E. Implicit tax rates</b>	%											
Consumption	27.1	25.0	25.8	26.3	27.9	29.3	30.6	29.1	26.2	24.2	24.8	
Labour employed	:	:	:	:	:	:	:	:	:	:	:	
Capital	:	:	:	:	:	:	:	:	:	:	:	
Capital and business income	:	:	:	:	:	:	:	:	:	:	:	
Corporations	:	:	:	:	:	:	:	:	:	:	:	
Households	:	:	:	:	:	:	:	:	:	:	:	
<b>Real GDP growth (annual rate)</b>	<b>4.3</b>	<b>3.9</b>	<b>0.1</b>	<b>2.4</b>	<b>7.8</b>	<b>7.2</b>	<b>4.7</b>	<b>6.0</b>	<b>1.3</b>	<b>-6.7</b>	<b>-4.0</b>	

See Annex B for explanatory notes. For classification of taxes please visit: <http://ec.europa.eu/taxtrends>

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

n.a. not applicable, : not available

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

# Iceland

## Overall trends in taxation

### Structure and development of tax revenues

Iceland's total tax-to-GDP ratio amounted to 35 % in 2010; a value which falls below the weighted European Union average (38.4 %) by almost three percentage points. The level of taxation in Iceland is significantly lower compared with other Nordic countries; Iceland's ratio is lower by 8 percentage points than Norway's (42.9 %) and 10.8 percentage points of GDP lower than the Swedish level (45.8%).

A characteristic of the Icelandic tax system, which is common to the other Nordic countries as well, is the high share of direct taxation, accounting to 47.4 % of the total taxation in 2010; compared to the EU-27 weighted average (32.9 %) it is 14.5 percentage points higher. Amongst the other Nordic countries this is not the highest share of direct tax revenues, with for instance Denmark yielding 62.7 %. The high level of revenue from direct taxes can be accounted for by the relatively high personal income taxes which bring in revenue of 13.2 % of GDP which is about four percentage points more than the EU-27 weighted average (9.1 %). The level of indirect taxes is also significant, standing at 40.8 % of total taxation, while the same figure for the weighted EU average is 34.4 %. This level is the highest in comparison to the other Nordic countries. Revenues from social contributions cover a very small share with only 11.8 % of total taxation, almost three times lower than the EU-27 weighted average (33 %).

In 2010, 74.3 % of overall tax revenue was received by the central government, while local government received 25.7 % of the total; a share well above the EU weighted average of 50.2 % and 10.3% respectively. The social security funds do not receive any share of government receipts.

The tax-to-GDP ratio in 2010 is at 35 %, almost equal to the level in 2002 (35.2 %). After 2000, this ratio increased steadily until 41.1 %, its peak in 2006. However, it fell by 6.4 percentage points since then due mainly to a slump in indirect tax revenues. Direct taxes from personal income relative to GDP had almost the same value in 2009 and 2010, while taxes on corporate income continued to decrease and dropped by 0.7 percentage points in 2010. However, revenue from social security contributions relative to GDP increased by one percentage point from 2009 to 2010.

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

Revenues from taxation of consumption amounted to 12.2 % of GDP in 2010. Current levels are by 1.2 percentage points above the EU-27 weighted average (11 % of GDP). The ITR on consumption in 2010 is 24.8 %, which is well above the EU-27 weighted average (19.7 %). In 2010 the ITR on consumption showed a modest increase after a three year period of decrease. This is due to the decrease of the ratios of VAT to GDP and excise duties to GDP from 2006 to 2009.

Due to data limitations, the level of taxation on labour and capital, and the ITRs on labour and on capital are not available for Iceland.

According to the available data, environmental tax revenue, at 1.8 % of GDP in 2010 lies well below the EU-27 weighted average (2.4 %). Most of this revenue is raised on energy (1.3 %). Revenues from environmental taxes have decreased by 1.5 percentage point in the last ten years. This was mainly driven by changes in transport tax revenue, which fell by 1.5 percentage points from 2000 to 2010.

### Current topics and prospects; policy orientation

The budget law for 2012 contains the following main changes: The special tax on financial institutions is increased from 0.041 % to 0.1285 %; the tax deductible part of voluntary pension insurance premiums is decreased from 4 % to 2 % for the fiscal years 2012, 2013 and 2014.

In 2011, the parliament adopted legislation introducing a Financial Activities Tax (the Tax): for financial institutions a tax of 5.45 % is imposed on all remunerations (i.e. salaries, benefits in kind, presumptive employment income of self-employed) paid to their employees; pension funds are not included within the definition of "financial institutions" for the purposes of the Tax. The financial institutions covered are all types of licensed insurance companies, banks and other lending institutions, securities and brokerage companies, and pension funds; institutions fully owned by the government are generally exempt except for the Icelandic Housing Financing Fund. The VAT Act is amended so that the financial institutions belonging to the scope of the Tax will no longer be obliged to calculate VAT on goods and services that they produce exclusively for their own use in competition with taxable parties. The Tax is a deductible expense for its payer.

Environmental and natural resource taxes are increased in 2012.

## Main features of the tax system

### Personal income tax

In the last decade personal income taxes were reduced by gradually lowering the standard income tax rate and introducing a flat tax on capital income previously subject to the common personal income tax rate. A special tax on higher income was abolished in 2006, but reintroduced in 2009. In 2010 the PAYE (pay as you earn) system which had been basically a flat rate system with or without a temporary surcharge, was replaced by a three-rate system. It includes the central government and the municipal income taxes. The rates for 2010 were set at 37.22 % for monthly incomes of up to ISK 200 000, 40.12 % for incomes from ISK 200 000 to ISK 650 000 and 46.12 % for incomes above ISK 650 000 monthly. Thereof the municipal tax is a flat rate of 24.1 %. Compared to 2009, the lowest rate increased by 0.02 percentage points and the two higher brackets were added. There are two annual flat taxes; ISK 8 400 (€52) for the elderly fund and ISK 17 700 (€109) for radio broadcast services, collected from each individual between 16 and 69 years with an income over the non-taxable ISK 1 425 218 (€8 804) per year. Investment income is taxed separately at a rate of 18 %. In 2011 the income tax rates for resident and non-resident individuals were progressive with a top rate of 31.8 % above ISK 7 800 000 (€47 000).

In 2010, no personal income tax was levied on annual income below ISK 1 425 218 (€8 804). The basic annual tax credit amounting to ISK 530 466 (€3 277) is non-refundable and non-transferable between years but transferable between spouses. Seamen get a tax reduction of ISK 987 (€6.1) per day. Compulsory payments to pension funds are deductible from taxable income. Annual interest rebates are granted to purchasers of personal dwellings. The maximum level of this rebate in 2010 is ISK 246 944 (€1 525) for a single person; ISK 317 589 (€1 962) for a single parent and ISK 408 374 (€2 523) for a couple. Child benefits are granted subject to income thresholds and category.

### Corporate taxation

Since 1999 Iceland has a classical corporate taxation system. The corporate net wealth tax has been abolished. Inflation accounting had been in effect for years but was replaced in 2002 by conventional historical accounting in conformity with international norms. As of 2002 accounting in foreign currency is allowed. There is a deduction system for inter-company dividends and for capital gains both for residents and non-resident companies. International companies trading exclusively with goods and services outside of Iceland have benefited from a favourable 5 % offshore corporate tax, which was however abolished in 2009. Profits and capital gains are taxed at the same corporate tax rate of 20 % in 2012; it was cut steadily from 50 % in 1989 to 15 % in 2008 and 2009 and raised back to 18 % in 2010. The rate for partnerships is 32.7 %. No taxes are levied by municipalities on corporate profits and all proceeds of the CIT accrue to the Treasury. All foreign entities, receiving interest income from Iceland are subject to limited tax liability as of 1 September 2009. Since 2008 significant amendments have been introduced, such as: no tax is levied on capital gains from the corporate sale of shares in companies; the rate on



dividends paid to resident and non-resident companies is the same at 10 %; the withholding 10 % tax on dividends paid to EEA member state countries is reimbursable. In the beginning of 2012 withholding tax on interest paid to non-resident legal entities was reduced from 20 % to 10 %.

### VAT and excise duties

In 2011, the standard VAT rate is 25.5 %, while the reduced VAT rate is 7 %. Also in 2011, the parliament approved an amendment to the VAT Act. Accordingly, the VAT rate on the supply of electronic books and music (without images), including the sale of printed notes, would be subject to a reduced VAT rate of 7 % (previously subject to the general VAT rate of 25.5 %). The amendment became effective on 1 November 2011. In addition, the VAT Act is amended so that the financial institutions belonging to the scope of the Financial Activities Tax will no longer be obliged to calculate VAT on goods and services that they produce exclusively for their own use in competition with taxable parties.

In 2012 excise duties on alcohol and tobacco are increased.

### Wealth and transaction taxes

Net wealth tax was abolished in 2006 but reintroduced temporarily in 2010-2012. The rate is 1.25 % and the tax exempt amount is ISK 90 million (€543 000) for individuals and ISK 120 million (€724 000) for couples. In 2012 a new tax rate of 2 % is introduced for net wealth over ISK 150 million (€924 425) for individuals and ISK 200 million (€1 232 391) for jointly taxed couples; net wealth between ISK 75 million (€462 212) and ISK 150 million (€924 425) for individuals and between ISK 100 million (€616 380) and ISK 200 million (€1 232 391) for jointly taxed couples is taxed at the rate of 1.5 %. Property tax is levied annually by municipalities on the basis of assessed value as registered in a government agency's database, and subject to a maximum of 0.5 % on residential housing or 1.32 % on hospitals, schools, industrial and commercial buildings. The sale of a home, owned for at least 2 years by the taxpayer, is exempt of taxes. No special tax is levied on the transfer of property, shares, bonds and other securities. Inheritance tax is imposed at a rate of 5 %. Stamp duties are levied on legal documents, varying between 0.25 % and 2 %.

### Local taxes

The flat municipal income tax rate ranges from 11.24 % to 13.28 % and the average rate in 2010 is 13.12 %.

### Social contributions

Social security contributions are levied on gross wages and paid by employers. In 2010 the rate was raised to 8.65 %. In the beginning of 2012, social security contribution imposed on all remunerations paid for dependent personal services decreased by 0.86 %.



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<sup>(67)</sup> As modified — notably — by Regulation (EC) No 2516/2000 of the European Parliament and of the Council, 7 November 2000. A consolidated version of the Regulation is available online at the eur-Lex website: <http://ec.europa.eu/eur-lex/en/index.html>

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# **A**nnex A

**Tables**

Table 1: Total Taxes (including SSC) as % of GDP

																				Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	43.8	44.3	44.8	45.4	45.4	45.1	45.1	45.2	44.7	44.8	44.8	44.4	43.9	44.2	43.4	43.9	0.1	-1.2	3	155 617			
BG	30.8	28.6	27.6	32.1	30.8	31.5	30.8	28.5	31.0	32.5	31.3	30.7	33.3	32.3	29.0	27.4	-3.5	-4.2	24	9 861			
CZ	35.5	34.1	34.6	33.4	34.2	33.8	33.7	34.6	35.4	35.9	35.7	35.3	35.9	34.4	33.6	33.8	-1.7	0.0	16	50 484			
DK	48.8	49.2	48.9	49.3	50.1	49.4	48.5	47.9	48.0	49.0	50.8	49.6	48.9	47.8	47.7	47.6	-1.2	-1.8	1	112 151			
DE	39.8	40.1	40.1	40.4	41.3	41.3	39.4	38.9	39.1	38.3	38.3	38.6	38.7	38.9	39.2	38.1	-1.7	-3.2	9	943 710			
EE	36.3	34.3	34.3	34.0	32.5	31.0	30.2	31.0	30.8	30.6	30.6	30.7	31.4	31.7	35.7	34.2	-2.1	3.2	15	4 888			
IE	32.7	32.8	32.1	31.4	31.5	31.3	29.5	28.3	28.7	30.0	30.5	32.0	31.3	29.6	28.2	28.2	-4.6	-3.1	22	43 924			
EL <sup>(3)</sup>	29.1	29.4	30.6	32.5	33.3	34.6	33.2	33.7	32.1	31.3	32.2	31.7	32.6	32.2	30.5	31.0	1.9	-3.6	21	70 427			
ES	32.1	32.6	32.7	33.4	33.9	34.1	33.7	34.2	33.9	34.7	35.9	36.8	37.1	33.0	30.7	31.9	-0.1	-2.2	18	335 850			
FR	42.7	44.0	44.2	44.1	44.9	44.2	43.8	43.3	43.1	43.3	43.8	44.1	43.4	43.2	42.0	42.5	-0.2	-1.6	4	822 097			
IT	39.8	41.5	43.4	42.3	42.0	41.5	41.1	40.5	41.0	40.4	40.1	41.7	42.7	42.7	42.8	42.3	2.5	0.8	5	658 180			
CY	26.9	26.4	25.9	27.6	27.8	29.9	30.7	30.9	32.2	33.0	35.0	35.8	40.1	38.6	35.3	35.7	8.8	5.8	13	6 192			
LV	33.2	30.8	32.1	33.7	32.0	29.7	28.9	28.6	28.6	28.6	29.2	30.6	30.6	29.2	26.7	27.3	-5.8	-2.4	25	4 914			
LT	27.5	27.1	30.6	31.7	31.7	29.9	28.5	28.2	28.0	28.1	28.4	29.2	29.5	30.0	29.2	27.1	-0.5	-2.9	27	7 453			
LU	37.1	37.6	39.3	39.4	38.3	39.1	39.8	39.3	38.1	37.3	37.6	35.9	35.7	35.5	37.6	37.1	0.0	-2.1	12	14 936			
HU	41.0	39.9	38.3	38.2	38.9	39.8	38.7	38.0	38.0	37.7	37.4	37.3	40.4	40.3	40.1	37.7	-3.2	-2.1	11	36 632			
MT	26.8	25.4	27.5	25.6	27.3	27.9	29.7	30.6	31.1	32.6	33.7	34.0	34.8	33.8	34.3	33.3	6.5	5.4	17	2 049			
NL	40.2	40.2	39.7	39.4	40.4	39.9	38.3	37.7	37.4	37.5	37.6	39.0	38.7	39.2	38.3	38.8	-1.4	-1.2	8	228 064			
AT	41.4	42.8	44.2	44.1	43.8	43.0	44.9	43.6	43.4	43.0	42.1	41.5	41.7	42.7	42.6	42.0	0.6	-1.0	7	120 192			
PL	37.1	37.2	36.5	35.4	34.9	32.6	32.2	32.7	32.2	31.5	32.8	33.8	34.8	34.3	31.8	31.8	-5.3	-0.8	19	112 616			
PT	29.5	30.2	30.2	30.3	31.0	31.1	30.9	31.5	31.7	30.6	31.5	32.3	32.8	32.8	31.0	31.5	2.0	0.4	20	54 416			
RO	27.5	25.9	26.4	29.0	31.0	30.2	28.6	28.1	27.7	27.2	27.8	28.5	29.0	28.0	26.9	27.2	-0.2	-3.0	26	33 226			
SI	39.0	37.8	36.7	37.9	37.3	37.5	37.8	38.0	38.1	38.6	38.3	37.7	37.2	37.2	37.6	38.0	-1.0	0.7	10	13 447			
SK	40.3	39.4	37.3	36.7	35.4	34.1	33.1	33.0	32.9	31.5	31.3	29.3	29.3	29.2	28.8	28.1	-12.2	-6.0	23	18 496			
FI	45.7	47.1	46.4	46.3	45.9	47.2	44.8	44.7	44.1	43.5	43.9	43.8	43.0	42.9	42.6	42.1	-3.5	-5.1	6	75 959			
SE	47.9	50.3	50.7	51.2	51.5	51.5	49.4	47.5	47.8	48.0	48.9	48.3	47.3	46.4	46.7	45.8	-2.1	-5.6	2	158 863			
UK	34.7	34.4	34.8	35.9	36.2	36.7	36.5	34.9	34.7	35.2	36.0	36.7	36.3	37.9	34.8	35.6	1.0	-1.1	14	606 016			
NO	42.0	42.4	42.2	42.0	42.3	42.6	42.9	43.1	42.3	43.0	43.2	43.5	42.9	42.1	42.4	42.9	0.9	0.3		135 240			
IS	33.3	34.3	34.6	34.4	36.8	37.1	35.3	35.2	36.7	37.8	40.6	41.4	40.5	36.6	33.8	35.0	1.7	-2.1		3 321			
<b>EU-27 averages</b>																							<b>4 700 658</b>
weighted	39.3	39.9	40.1	40.2	40.6	40.4	39.5	38.8	38.8	38.7	39.0	39.5	39.4	39.3	38.4	38.4	-0.9	-2.0					
arithmetic	36.6	36.4	36.7	37.0	37.2	37.0	36.3	36.0	36.1	36.1	36.5	36.7	37.1	36.6	35.8	35.6	-1.0	-1.4					
<b>EA-17 averages</b>																							<b>3 568 442</b>
weighted	39.7	40.4	40.8	40.7	41.2	40.9	40.0	39.5	39.5	39.2	39.4	40.0	40.0	39.6	39.0	38.9	-0.7	-2.0					
arithmetic	36.7	36.8	37.0	37.1	37.2	37.2	36.8	36.7	36.6	36.5	36.9	37.0	37.3	36.9	36.5	36.4	-0.3	-0.8					
<b>EU-25 averages</b>																							
weighted	39.4	40.0	40.2	40.2	40.7	40.4	39.5	38.9	38.9	38.7	39.1	39.6	39.6	39.4	38.5	38.5	-0.9	-1.9					
arithmetic	37.2	37.2	37.4	37.6	37.7	37.4	36.9	36.7	36.6	36.6	37.1	37.2	37.5	37.1	36.4	36.2	-0.9	-1.2					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

**Table 2: Cyclically adjusted total taxes (including SSC) as % of GDP**

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Difference <sup>(1)</sup>	
																	1995 to 2010	2000 to 2010
BE	44.2	45.1	45.0	45.7	45.1	44.2	44.8	45.2	45.2	44.7	44.7	43.9	42.7	43.3	44.4	44.5	0.3	0.3
BG	:	:	:	:	32.3	32.5	31.8	29.4	31.6	32.4	30.5	29.1	30.8	28.8	28.8	28.0	-	-4.5
CZ	34.8	32.7	34.4	34.1	35.3	34.5	34.5	35.7	36.5	36.6	35.3	33.7	33.4	31.9	33.7	33.8	-0.9	-0.7
DK	49.0	49.1	48.6	49.0	49.6	48.2	47.9	47.9	48.7	49.2	50.4	48.0	46.9	46.7	49.6	48.9	-0.1	0.7
DE	39.7	40.4	40.4	40.6	41.4	40.7	38.8	38.7	39.6	38.8	39.0	38.3	37.6	37.8	40.7	38.7	-1.0	-2.1
EE	36.6	35.0	33.8	33.7	34.2	31.9	31.1	31.2	30.6	30.2	29.2	27.6	27.1	29.5	38.5	36.8	0.2	4.9
IE	34.7	33.5	31.7	31.1	30.4	29.5	28.4	27.2	28.1	29.3	29.3	29.9	28.1	28.1	29.6	30.0	-4.7	0.5
EL <sup>(3)</sup>	29.9	30.3	31.4	33.3	34.2	35.2	33.7	34.2	31.6	30.3	31.3	29.3	29.4	29.3	28.9	30.6	0.7	-4.7
ES	33.0	33.7	33.7	34.0	34.1	33.8	33.3	34.1	33.7	34.5	35.3	35.5	35.2	31.3	31.0	32.6	-0.3	-1.1
FR	43.2	44.9	45.2	44.5	44.9	43.4	43.2	43.1	43.3	43.1	43.5	43.4	42.2	42.5	42.9	43.2	0.0	-0.3
IT	40.0	42.0	43.8	42.8	42.6	41.0	40.4	40.2	41.2	40.2	39.8	40.6	41.0	41.7	44.3	43.1	3.1	2.1
CY	26.6	26.7	26.6	28.0	27.9	29.6	30.2	30.9	32.8	33.2	34.9	35.2	38.6	36.6	34.9	35.6	8.9	6.0
LV	32.7	31.2	31.9	34.1	33.2	30.9	29.8	29.4	29.0	28.2	27.5	27.0	25.3	25.6	28.7	29.8	-2.9	-1.1
LT	27.5	27.2	30.2	30.8	32.6	31.5	29.8	29.2	27.9	27.6	27.2	27.2	26.0	26.6	30.9	29.0	1.6	-2.4
LU	38.1	39.9	41.4	40.8	38.3	37.5	39.1	38.7	38.8	37.7	37.1	34.5	32.5	33.1	38.8	37.9	-0.2	0.3
HU	40.2	40.5	39.1	38.9	39.7	40.4	39.3	38.1	37.8	36.6	35.7	34.8	38.5	38.5	41.7	39.0	-1.1	-1.4
MT	27.5	25.9	27.5	25.5	26.9	26.3	29.4	30.1	31.3	33.7	34.3	34.5	34.5	32.7	34.7	33.4	5.9	7.1
NL	40.9	40.8	39.8	39.3	39.5	38.6	37.3	37.6	38.0	38.0	38.0	38.8	37.6	37.9	39.0	39.2	-1.7	0.6
AT	41.7	43.2	44.7	44.1	43.3	42.1	44.6	43.6	44.0	43.3	42.2	40.9	40.3	41.4	43.6	42.7	1.0	0.6
PL	38.0	37.6	35.9	34.7	34.1	31.8	32.3	33.6	33.2	32.1	33.6	33.9	34.1	33.3	31.6	31.5	-6.5	-0.3
PT	30.6	31.2	30.7	30.2	30.5	30.1	29.8	30.8	32.0	30.8	31.7	32.2	31.9	32.0	31.1	31.0	0.4	1.0
RO	25.8	23.9	26.3	30.1	33.1	32.4	30.0	29.2	28.4	26.8	27.4	27.1	26.8	24.6	26.3	27.9	2.1	-4.4
SI	39.1	38.2	36.9	38.0	37.9	37.2	37.9	38.2	38.7	38.5	38.7	37.2	34.8	33.7	38.3	38.6	-0.5	1.4
SK	40.6	38.7	36.4	35.7	35.6	35.0	34.2	34.0	33.8	32.3	31.7	28.7	27.2	26.7	28.8	27.9	-12.8	-7.2
FI	47.6	48.7	46.7	45.9	45.4	45.9	44.0	44.5	44.3	43.2	43.6	42.6	40.4	40.7	44.6	43.3	-4.3	-2.6
SE	48.6	51.4	51.8	51.6	51.1	50.4	49.2	47.4	48.0	47.6	48.2	46.7	45.1	45.6	49.3	46.8	-1.9	-3.6
UK	35.3	35.0	35.4	36.3	36.4	36.4	36.2	34.8	34.2	34.4	35.3	35.7	34.4	36.8	35.9	36.3	1.1	-0.1

EU-27 averages																		
weighted	:	:	:	:	40.7	39.8	39.0	38.7	39.0	38.6	38.9	38.6	37.9	38.1	39.4	39.0	-	-0.8
arithmetic	:	:	:	:	37.4	36.7	36.3	36.2	36.4	36.1	36.1	35.4	34.9	34.7	36.7	36.3	-	-0.4

EA-17 averages																		
weighted	40.0	41.1	41.3	41.0	41.3	40.3	39.4	39.4	39.8	39.3	39.4	39.3	38.6	38.4	40.0	39.6	-0.4	-0.7
arithmetic	37.3	37.6	37.4	37.2	37.2	36.6	36.5	36.6	36.9	36.6	36.7	36.1	35.4	35.2	37.3	37.0	-0.3	0.4

EU-25 averages																		
weighted	39.7	40.6	40.7	40.5	40.7	39.8	39.0	38.8	39.1	38.7	39.0	38.8	38.0	38.3	39.6	39.2	-0.6	-0.7
arithmetic	37.6	37.7	37.7	37.7	37.8	37.0	36.8	36.7	36.9	36.6	36.7	36.0	35.4	35.3	37.4	37.0	-0.6	-0.1

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 3: Total Taxes (excluding SSC) as % of GDP

	1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010																			Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	29.5	30.1	30.7	31.2	31.2	31.2	30.9	30.8	30.4	30.9	31.1	30.9	30.3	30.3	28.9	29.7	0.2	-1.5	3	105 132			
BG	21.2	20.4	19.5	22.9	20.9	20.7	21.0	18.9	20.7	22.3	21.5	22.4	25.2	24.5	21.3	20.3	-0.9	-0.4	20	7 320			
CZ	20.8	19.5	19.5	18.6	19.3	18.8	18.8	19.1	19.8	20.5	20.2	19.7	20.2	18.9	18.6	18.5	-2.3	-0.2	24	27 682			
DK	47.7	48.1	47.9	48.3	48.5	47.6	46.7	46.7	46.8	47.9	49.7	48.6	47.9	46.8	46.7	46.6	-1.1	-1.0	1	109 776			
DE	22.9	22.7	22.4	22.9	24.0	24.2	22.5	22.0	22.1	21.6	21.9	22.6	23.5	23.7	23.4	22.6	-0.4	-1.7	15	559 020			
EE	24.0	22.7	22.9	22.8	21.5	20.1	19.6	20.0	20.2	20.2	20.4	20.6	21.0	20.1	22.5	21.0	-3.0	1.0	18	3 008			
IE	27.8	28.2	27.8	27.3	27.3	26.9	25.0	23.9	24.3	25.4	25.8	27.2	26.4	24.3	22.3	22.3	-5.5	-4.6	17	34 821			
EL <sup>(3)</sup>	19.8	19.8	20.6	22.2	23.1	24.1	22.6	22.1	20.4	20.1	20.9	21.0	21.4	21.0	20.0	20.1	0.3	-4.0	21	45 691			
ES	20.3	20.6	20.8	21.5	22.0	22.1	21.5	22.1	21.7	22.6	23.8	24.7	25.0	20.7	18.3	19.6	-0.7	-2.5	22	206 109			
FR	24.1	25.3	26.0	28.0	28.6	28.1	27.7	27.0	26.7	27.0	27.5	27.6	27.1	26.9	25.3	25.8	1.7	-2.2	11	499 391			
IT	27.3	27.4	29.0	30.1	30.2	29.5	29.3	28.6	28.9	28.1	27.7	29.4	29.9	29.3	29.2	28.9	1.6	-0.6	6	449 862			
CY	20.4	19.7	19.0	20.6	21.1	23.3	23.8	24.1	25.2	25.2	26.7	27.9	32.5	30.8	26.6	26.8	6.4	3.4	9	4 639			
LV	21.2	20.0	21.4	23.0	21.3	19.7	19.5	19.2	19.7	19.9	20.8	21.8	21.9	21.0	18.1	18.9	-2.3	-0.8	23	3 403			
LT	20.4	19.5	22.2	22.7	22.5	20.6	19.6	19.6	19.5	19.8	20.3	20.9	21.0	21.1	17.6	16.7	-3.7	-3.9	26	4 597			
LU	27.3	27.7	29.3	29.2	28.2	29.1	28.8	28.4	27.4	26.6	27.1	25.9	25.8	25.4	26.3	26.3	-1.0	-2.8	10	10 575			
HU	26.2	26.1	24.3	24.4	25.7	26.5	25.7	25.2	25.4	25.4	24.9	24.8	26.7	26.6	26.9	25.7	-0.5	-0.8	12	24 941			
MT	20.6	19.1	20.7	19.4	21.2	21.5	23.0	24.1	24.7	26.1	27.4	27.8	28.9	27.8	28.3	27.3	6.6	5.8	8	1 678			
NL	24.3	25.0	24.6	24.5	24.8	24.5	24.7	24.5	23.6	23.6	24.6	25.0	25.2	24.7	24.5	24.7	0.4	0.2	13	145 279			
AT	26.5	27.9	29.1	29.1	28.8	28.3	30.1	29.0	28.8	28.4	27.5	27.1	27.6	28.4	27.7	27.4	0.9	-1.0	7	78 285			
PL	25.8	25.6	24.7	23.7	21.2	19.6	18.8	19.8	19.4	19.1	20.5	21.6	22.9	23.0	20.5	20.7	-5.1	1.1	19	73 318			
PT	21.8	22.6	22.4	22.5	23.2	23.1	22.6	23.1	23.1	22.3	23.1	23.8	24.3	24.0	21.9	22.5	0.7	-0.6	16	38 886			
RO	19.9	18.6	19.4	19.7	20.0	19.1	17.7	17.4	18.2	18.1	18.2	18.8	19.3	18.7	17.5	18.5	-1.4	-0.7	25	25 524			
SI	22.2	22.9	22.6	23.3	23.9	23.1	23.1	23.6	23.9	23.9	24.4	24.2	24.0	23.2	22.6	22.7	0.5	-0.4	14	8 050			
SK	25.3	23.5	22.3	21.8	21.4	19.9	18.8	18.4	19.1	18.4	18.6	17.5	17.6	17.2	16.2	15.8	-9.5	-4.2	27	10 405			
FI	31.6	33.4	33.5	33.6	33.3	35.3	32.7	32.8	32.3	31.8	31.9	31.6	31.1	30.9	29.9	29.6	-2.0	-5.7	4	53 355			
SE	35.7	37.1	37.7	38.3	40.1	39.0	37.2	36.2	36.9	37.4	38.6	39.0	38.0	38.0	38.6	37.6	1.9	-1.4	2	130 186			
UK	28.6	28.4	28.8	29.9	30.1	30.5	30.3	29.1	28.4	28.6	29.3	30.0	29.7	31.0	28.0	29.0	0.4	-1.6	5	492 538			
NO	32.2	32.8	32.6	31.8	32.2	33.7	33.6	33.2	32.6	33.7	34.4	34.9	34.0	33.3	32.5	33.3	1.1	-0.5		104 817			
IS	30.8	31.6	31.9	31.7	34.0	34.2	32.5	32.4	33.6	34.8	37.4	38.1	37.5	33.8	30.7	30.8	0.0	-3.4		2 928			

EU-27 averages																	3 150 473	
weighted	25.6	25.9	26.4	27.2	27.7	27.7	26.9	26.3	26.1	26.1	26.5	27.1	27.2	26.8	25.5	25.7	0.2	-1.9
arithmetic	25.3	25.3	25.5	26.0	26.0	25.8	25.3	25.0	25.1	25.2	25.7	26.0	26.4	25.9	24.7	24.6	-0.7	-1.2
EA-17 averages																	2 254 186	
weighted	24.2	24.6	25.1	26.0	26.5	26.4	25.7	25.2	25.1	24.9	25.3	25.9	26.2	25.5	24.6	24.6	0.4	-1.8
arithmetic	24.5	24.6	24.9	25.3	25.5	25.5	25.1	25.0	24.9	24.8	25.3	25.6	26.0	25.2	24.3	24.3	-0.2	-1.3
EU-25 averages																		
weighted	25.6	26.0	26.4	27.2	27.8	27.7	26.9	26.4	26.2	26.2	26.6	27.2	27.3	26.9	25.6	25.8	0.2	-1.9
arithmetic	25.7	25.7	26.0	26.4	26.5	26.3	25.8	25.6	25.5	25.6	26.2	26.4	26.8	26.2	25.2	25.1	-0.6	-1.2

(1) In percentage points  
(2) In millions of euro  
(3) Data for Greece is provisional for years 2003-2010  
See explanatory notes in Annex B  
Source: Eurostat (online data code gov\_a\_tax\_ag)  
Date of extraction: 13/01/2012









Table 7: Indirect Taxes as % of GDP - VAT

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	6.6	6.8	6.8	6.7	7.1	7.2	6.9	6.9	6.8	6.9	7.0	7.1	7.1	7.0	6.9	7.1	0.5	-0.1	18	25 230		
BG	6.9	7.3	6.2	8.4	7.8	8.3	8.4	7.3	8.6	9.9	10.2	10.7	10.4	10.9	9.0	9.2	2.3	0.9	3	3 322		
CZ	6.0	6.1	6.1	5.9	6.4	6.2	6.1	6.0	6.1	7.0	6.9	6.4	6.3	6.8	6.9	7.0	1.0	0.8	20	10 420		
DK	9.4	9.7	9.7	9.8	9.8	9.6	9.6	9.6	9.6	9.8	10.1	10.3	10.4	10.1	10.1	9.9	0.4	0.3	1	23 245		
DE	6.5	6.5	6.4	6.6	6.9	6.8	6.6	6.4	6.4	6.3	6.3	6.4	7.0	7.1	7.5	7.3	0.8	0.4	15	180 220		
EE	9.6	9.4	9.6	8.1	7.8	8.4	8.2	8.4	8.2	7.7	8.7	9.1	8.9	7.9	8.8	8.8	-0.8	0.3	5	1 257		
IE	7.0	7.1	7.0	7.0	7.0	7.2	6.8	7.0	7.0	7.3	7.6	7.7	7.5	7.3	6.4	6.4	-0.5	-0.8	23	10 056		
EL <sup>(3)</sup>	6.1	6.2	6.4	6.7	7.1	7.2	7.5	7.6	7.0	6.8	6.9	7.1	7.5	7.3	6.4	7.2	1.0	0.0	17	16 308		
ES	5.2	5.4	5.6	5.8	6.2	6.2	6.0	5.8	6.0	6.2	6.5	6.5	6.0	5.1	4.1	5.5	0.3	-0.7	27	57 845		
FR	7.5	7.8	7.8	7.7	7.8	7.4	7.3	7.2	7.2	7.3	7.4	7.3	7.2	7.1	6.9	7.0	-0.5	-0.4	19	135 498		
IT	5.5	5.4	5.6	6.0	6.1	6.5	6.2	6.2	5.9	5.8	5.9	6.2	6.2	5.9	5.7	6.2	0.7	-0.2	25	96 834		
CY	4.6	4.6	4.6	4.6	4.5	5.5	5.7	6.6	7.8	8.4	9.1	9.7	10.2	10.6	9.2	9.2	4.6	3.8	4	1 597		
LV	9.2	8.3	8.0	8.0	7.4	7.1	6.8	6.7	7.2	7.0	7.8	8.6	8.2	6.7	6.0	6.6	-2.6	-0.5	21	1 192		
LT	7.4	6.8	8.3	8.0	7.9	7.5	7.3	7.3	6.7	6.4	7.1	7.6	8.1	8.0	7.4	7.9	0.5	0.4	10	2 181		
LU	5.2	5.2	5.4	5.6	5.4	5.6	5.8	5.8	5.7	6.1	6.2	5.8	5.8	5.9	6.3	6.1	0.9	0.5	26	2 455		
HU	7.5	7.4	7.6	7.7	8.1	8.9	8.1	7.8	8.2	8.9	8.4	7.6	8.1	7.8	8.6	8.7	1.2	-0.2	6	8 442		
MT	6.1	5.9	6.0	4.5	5.3	5.8	6.3	6.3	6.4	7.3	8.3	8.1	7.7	7.9	7.9	7.8	1.6	1.9	14	477		
NL	6.5	6.7	6.7	6.8	7.0	6.9	7.3	7.2	7.3	7.3	7.2	7.4	7.5	7.3	7.0	7.2	0.8	0.3	16	42 654		
AT	7.7	8.1	8.3	8.2	8.4	8.1	8.1	8.1	8.0	7.9	7.9	7.6	7.7	7.8	8.1	7.9	0.3	-0.1	9	22 735		
PL	6.2	6.9	7.4	7.1	7.5	6.9	6.8	7.2	7.1	7.2	7.7	8.1	8.3	8.0	7.4	7.8	1.5	0.8	13	27 536		
PT	6.9	7.2	7.1	7.3	7.4	7.7	7.5	7.6	7.7	7.8	8.5	8.6	8.5	8.4	7.1	7.8	0.9	0.2	11	13 517		
RO	4.9	4.7	4.6	6.2	6.1	6.5	6.2	7.1	7.2	6.7	8.1	7.9	8.1	7.9	6.6	7.8	2.8	1.3	12	9 494		
SI	n.a.	n.a.	n.a.	n.a.	4.7	8.6	8.3	8.5	8.5	8.5	8.6	8.5	8.5	8.5	8.5	8.5	-	-0.1	7	3 012		
SK	8.4	7.6	7.2	7.5	6.8	7.0	7.2	7.0	7.5	7.8	7.9	7.5	6.7	6.9	6.7	6.3	-2.0	-0.6	24	4 182		
FI	7.9	8.1	8.5	8.3	8.3	8.2	8.0	8.1	8.6	8.5	8.7	8.7	8.4	8.4	8.6	8.5	0.5	0.2	8	15 261		
SE	9.1	8.5	8.6	8.7	8.8	8.6	8.7	8.8	8.8	8.8	9.0	8.9	9.0	9.3	9.7	9.8	0.7	1.2	2	33 834		
UK	6.5	6.6	6.6	6.4	6.6	6.6	6.6	6.6	6.8	6.8	6.7	6.6	6.5	6.4	5.7	6.6	0.1	0.0	22	111 867		
NO	9.4	9.3	9.4	9.7	9.4	8.4	8.4	8.5	8.2	8.0	7.8	7.9	8.2	7.2	7.9	8.0	-1.4	-0.4		25 135		
IS	9.7	9.8	9.8	10.0	11.0	10.6	9.4	9.4	9.7	10.4	11.1	11.3	10.5	9.1	8.0	8.0	-1.7	-2.7		756		
<b>EU-27 averages</b>																						860 670
weighted	6.6	6.7	6.7	6.8	7.0	7.0	6.9	6.8	6.8	6.8	6.9	7.0	7.0	6.9	6.7	7.0	0.4	0.0				
arithmetic	6.7	6.7	6.7	6.8	7.0	7.3	7.2	7.2	7.3	7.5	7.8	7.9	7.8	7.7	7.4	7.6	0.9	0.4				
<b>EA-17 averages</b>																						629 138
weighted	6.5	6.6	6.6	6.8	6.9	7.0	6.8	6.7	6.6	6.6	6.8	6.8	6.9	6.8	6.6	6.9	0.4	-0.1				
arithmetic	6.3	6.3	6.4	6.3	6.7	7.1	7.0	7.1	7.2	7.3	7.6	7.6	7.5	7.4	7.2	7.3	1.0	0.3				
<b>EU-25 averages</b>																						
weighted	6.6	6.7	6.8	6.8	7.0	7.0	6.9	6.8	6.8	6.8	6.9	7.0	7.0	6.9	6.7	7.0	0.4	0.0				
arithmetic	6.7	6.7	6.9	6.8	7.0	7.3	7.2	7.2	7.3	7.4	7.7	7.7	7.7	7.6	7.4	7.6	0.8	0.3				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 9: Indirect Taxes as % of GDP - Excise duties and consumption taxes

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	2.4	2.5	2.5	2.5	2.5	2.4	2.3	2.3	2.4	2.4	2.4	2.2	2.2	2.1	2.1	2.2	-0.2	-0.2	25	7 674	
BG	2.7	1.6	2.1	3.5	3.7	3.9	3.7	3.9	4.4	4.8	4.7	4.8	5.8	5.9	5.5	5.1	2.3	1.1	1	1 821	
CZ	3.5	3.3	3.2	3.1	3.3	3.1	3.1	3.1	3.3	3.4	3.6	3.6	3.9	3.3	3.7	3.7	0.2	0.5	5	5 480	
DK	3.7	3.9	3.8	4.1	4.2	4.1	4.1	4.1	4.0	3.8	3.5	3.4	3.2	3.1	3.3	3.3	-0.3	-0.7	11	7 845	
DE	2.6	2.7	2.6	2.5	2.8	2.8	2.9	3.0	3.2	3.0	2.9	2.8	2.6	2.6	2.7	2.6	0.0	-0.3	21	63 440	
EE	2.7	3.2	3.3	3.6	3.2	3.0	3.3	3.2	3.1	3.6	3.7	3.4	3.6	3.3	5.0	4.3	1.6	1.4	2	619	
IE	4.2	4.0	3.8	3.6	3.4	3.2	2.8	2.8	2.7	2.7	2.6	2.4	2.4	2.4	2.7	2.6	-1.6	-0.6	20	4 050	
EL <sup>(3)</sup>	4.2	4.2	3.7	3.5	3.3	3.1	3.1	2.9	2.8	2.6	2.6	2.5	2.6	2.3	2.6	3.3	-0.9	0.2	15	7 423	
ES	2.5	2.6	2.6	2.8	2.7	2.6	2.5	2.5	2.5	2.4	2.2	2.2	2.2	2.2	2.2	2.3	-0.3	-0.4	24	23 698	
FR	2.7	2.7	2.7	2.7	2.7	2.6	2.5	2.6	2.5	2.3	2.2	2.3	2.2	2.1	2.2	2.1	-0.6	-0.4	26	41 546	
IT	3.2	3.0	3.0	2.9	2.9	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.1	1.9	2.1	2.0	-1.1	-0.5	27	31 708	
CY	2.7	2.6	2.2	2.2	2.3	2.5	3.2	2.8	3.8	4.4	4.1	3.9	3.7	3.3	3.2	3.5	0.8	0.9	8	604	
LV	2.1	2.6	3.2	4.1	3.6	3.5	3.1	3.1	3.3	3.5	3.6	3.3	2.9	3.2	3.7	3.5	1.4	0.1	6	635	
LT	2.3	2.5	2.9	3.6	3.7	3.2	3.3	3.2	3.3	3.0	2.9	2.9	2.9	3.0	3.5	3.3	1.0	0.1	14	903	
LU	4.1	4.0	4.4	4.3	4.5	4.5	4.2	4.4	4.3	4.6	4.2	3.8	3.6	3.5	3.5	3.3	-0.8	-1.2	12	1 328	
HU	4.1	3.9	3.8	4.2	4.2	4.0	3.7	3.6	3.7	3.3	3.2	3.3	3.4	3.4	3.6	3.3	-0.8	-0.7	13	3 202	
MT	1.9	1.8	2.4	3.0	2.8	2.5	2.8	2.6	2.6	2.8	3.1	3.1	3.4	3.1	3.0	3.0	1.2	0.6	16	186	
NL	2.8	2.7	2.7	2.8	2.8	2.6	2.5	2.5	2.4	2.6	2.5	2.5	2.4	2.4	2.3	2.3	-0.5	-0.3	23	13 381	
AT	2.6	2.6	2.8	2.8	2.8	2.7	2.7	2.7	2.8	2.8	2.7	2.5	2.5	2.5	2.5	2.4	-0.1	-0.2	22	7 011	
PL	4.6	4.4	3.5	3.6	3.9	3.7	3.7	4.0	4.1	4.2	4.2	4.0	4.2	4.4	3.8	4.2	-0.4	0.6	4	14 915	
PT	3.6	3.6	3.3	3.4	3.2	2.6	2.8	3.0	3.2	3.1	3.0	3.1	2.8	2.7	2.7	2.8	-0.8	0.2	19	4 835	
RO	1.7	1.6	2.0	2.5	3.3	3.0	2.8	2.6	3.5	3.6	3.3	3.2	3.0	2.7	3.2	3.4	1.6	0.4	10	4 100	
SI	0.0	0.0	0.0	0.0	1.7	3.0	3.4	3.4	3.4	3.4	3.3	3.3	3.3	3.3	4.1	4.3	4.3	1.3	3	1 515	
SK	3.5	3.3	3.0	2.9	3.1	3.1	2.7	2.9	3.1	3.3	3.7	2.9	3.5	2.7	2.8	2.9	-0.6	-0.2	17	1 931	
FI	4.5	4.6	4.7	4.6	4.7	4.3	4.1	4.2	4.3	3.9	3.8	3.7	3.3	3.3	3.4	3.5	-1.0	-0.8	7	6 289	
SE	3.4	3.7	3.5	3.5	3.3	3.1	3.1	3.2	3.2	3.0	3.0	2.8	2.7	2.7	2.9	2.8	-0.6	-0.3	18	9 704	
UK	4.1	4.1	4.0	4.1	4.1	4.0	3.8	3.7	3.6	3.5	3.4	3.2	3.2	3.2	3.5	3.5	-0.6	-0.5	9	59 200	
NO	3.4	3.3	3.3	3.2	3.2	2.8	2.7	2.7	2.6	2.4	2.2	2.1	2.1	2.0	2.3	2.2	-1.2	-0.6		6 834	
IS	2.9	3.1	2.8	2.8	2.9	2.6	2.0	1.9	2.1	2.2	2.7	2.8	2.6	1.9	1.7	2.1	-0.9	-0.5		197	
<b>EU-27 averages</b>																					<b>325 042</b>
weighted	3.0	3.0	3.0	3.0	3.1	3.0	2.9	3.0	3.0	2.9	2.8	2.7	2.6	2.6	2.7		-0.4	-0.4			
arithmetic	3.1	3.0	3.0	3.2	3.3	3.2	3.1	3.1	3.2	3.3	3.2	3.1	3.1	3.0	3.2	3.2	0.1	0.0			
<b>EA-17 averages</b>																					<b>217 238</b>
weighted	2.8	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.6	2.5	2.5	2.4	2.3	2.4	2.4	-0.4	-0.3			
arithmetic	2.9	2.9	2.9	2.9	3.0	2.9	2.9	3.0	3.0	3.1	3.0	2.9	2.8	2.7	2.9	2.9	0.0	0.0			
<b>EU-25 averages</b>																					
weighted	3.0	3.1	3.0	3.0	3.1	3.0	2.9	3.0	3.0	2.9	2.8	2.7	2.6	2.6	2.6	2.6	-0.4	-0.4			
arithmetic	3.1	3.1	3.1	3.2	3.3	3.1	3.1	3.1	3.2	3.2	3.2	3.0	3.0	2.9	3.1	3.1	0.0	-0.1			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 10: Indirect Taxes as % of Total Taxation - Excise duties and consumption taxes

																				Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	5.4	5.6	5.6	5.5	5.5	5.3	5.0	5.1	5.3	5.4	5.4	5.1	5.0	4.7	4.9	4.9	-0.5	-0.3	26	7 674			
BG	8.9	5.4	7.8	11.0	11.9	12.5	11.9	13.6	14.2	14.8	15.1	15.8	17.4	18.4	18.8	18.5	9.6	6.0	1	1 821			
CZ	9.9	9.7	9.3	9.3	9.7	9.3	9.3	9.0	9.2	9.4	10.0	10.2	10.9	9.5	10.9	10.9	1.0	1.6	8	5 480			
DK	7.5	7.8	7.7	8.3	8.5	8.2	8.5	8.5	8.3	7.7	7.0	6.8	6.6	6.6	6.8	7.0	-0.5	-1.2	20	7 845			
DE	6.6	6.6	6.5	6.3	6.7	6.9	7.4	7.8	8.2	7.9	7.7	7.4	6.8	6.6	6.8	6.7	0.2	-0.1	21	63 440			
EE	7.5	9.4	9.7	10.6	9.7	9.6	10.8	10.5	10.0	11.9	12.0	11.1	11.4	10.4	14.1	12.7	5.2	3.1	4	619			
IE	12.7	12.3	11.9	11.5	10.9	10.3	9.6	10.1	9.5	9.0	8.4	7.6	7.6	8.2	9.7	9.2	-3.5	-1.0	13	4 050			
EL <sup>(3)</sup>	14.4	14.4	12.2	10.9	10.0	8.9	9.3	8.7	8.7	8.5	8.2	7.9	7.9	7.2	8.4	10.5	-3.9	1.7	9	7 423			
ES	7.8	7.9	7.9	8.4	8.1	7.8	7.5	7.4	7.4	7.1	6.6	6.1	6.0	6.6	7.2	7.1	-0.8	-0.7	19	23 698			
FR	6.4	6.1	6.1	6.1	5.9	5.8	5.6	5.9	5.7	5.3	5.0	5.2	5.0	4.9	5.1	5.1	-1.3	-0.7	25	41 546			
IT	7.9	7.3	6.9	6.8	6.9	6.2	5.9	5.7	5.8	5.5	5.5	5.2	4.8	4.5	4.9	4.8	-3.1	-1.4	27	31 708			
CY	9.9	9.7	8.6	8.0	8.3	8.5	10.4	9.1	11.9	13.4	11.6	10.9	9.2	8.6	9.1	9.8	-0.2	1.3	12	604			
LV	6.4	8.5	9.9	12.3	11.3	11.6	10.8	10.9	11.6	12.2	12.4	10.9	9.4	11.0	13.9	12.9	6.5	1.3	3	635			
LT	8.4	9.1	9.4	11.4	11.8	10.7	11.7	11.4	11.6	10.7	10.3	10.0	9.8	10.1	11.9	12.1	3.7	1.4	6	903			
LU	10.9	10.6	11.2	11.0	11.7	11.6	10.5	11.2	11.3	12.3	11.2	10.7	10.0	9.8	9.2	8.9	-2.0	-2.7	15	1 328			
HU	10.1	9.8	9.9	11.1	10.9	10.0	9.6	9.5	9.7	8.8	8.6	9.0	8.4	8.3	8.9	8.7	-1.3	-1.2	17	3 202			
MT	6.9	7.1	8.8	11.6	10.3	8.9	9.3	8.6	8.3	8.6	9.1	9.1	9.7	9.0	8.8	9.1	2.1	0.2	14	186			
NL	7.0	6.6	6.8	7.0	6.9	6.5	6.5	6.5	6.5	6.8	6.6	6.4	6.3	6.0	6.0	5.9	-1.1	-0.7	23	13 381			
AT	6.2	6.1	6.4	6.3	6.3	6.2	6.0	6.3	6.5	6.6	6.5	6.1	6.0	5.8	5.8	5.8	-0.4	-0.4	24	7 011			
PL	12.4	11.8	9.7	10.0	11.1	11.2	11.5	12.1	12.7	13.2	12.8	11.9	12.0	13.0	11.9	13.2	0.8	2.0	2	14 915			
PT	12.2	11.8	11.1	11.2	10.3	8.2	9.1	9.7	10.0	10.0	9.5	9.6	8.5	8.3	8.8	8.9	-3.3	0.6	16	4 835			
RO	6.3	6.3	7.6	8.7	10.6	9.8	9.8	9.4	12.7	13.3	11.8	11.1	10.5	9.6	11.8	12.3	6.0	2.6	5	4 100			
SI	0.0	0.0	0.0	0.0	4.6	8.1	9.0	9.0	8.8	8.9	8.6	8.6	8.7	9.0	11.0	11.3	11.3	3.1	7	1 515			
SK	8.7	8.4	8.1	8.0	8.6	9.1	8.2	8.9	9.5	10.5	11.7	9.9	12.1	9.2	9.7	10.4	1.7	1.3	10	1 931			
FI	9.9	9.7	10.2	10.0	10.2	9.0	9.1	9.3	9.7	9.0	8.6	8.4	7.8	7.7	8.0	8.3	-1.7	-0.7	18	6 289			
SE	7.2	7.4	6.8	6.8	6.5	6.1	6.3	6.7	6.6	6.3	6.1	5.9	5.8	5.8	6.2	6.1	-1.1	0.0	22	9 704			
UK	11.8	11.9	11.5	11.4	11.3	10.8	10.4	10.7	10.4	10.1	9.4	8.8	8.9	8.5	9.9	9.8	-2.1	-1.1	11	59 200			
NO	8.1	7.7	7.8	7.5	7.5	6.6	6.3	6.2	6.2	5.5	5.1	4.8	5.0	4.8	5.3	5.1	-3.0	-1.5		6 834			
IS	8.8	9.0	8.2	8.1	7.8	6.9	5.6	5.4	5.8	5.9	6.6	6.6	6.4	5.2	5.1	5.9	-2.9	-1.0		197			
<b>EU-27 averages</b>																						<b>325 042</b>	
weighted	7.7	7.6	7.6	7.6	7.6	7.5	7.4	7.6	7.6	7.4	7.1	6.9	6.7	6.5	6.9	6.9	-0.8	-0.5					
arithmetic	8.5	8.4	8.4	8.9	9.1	8.8	8.9	8.9	9.3	9.4	9.1	8.7	8.6	8.4	9.2	9.3	0.8	0.5					
<b>EA-17 averages</b>																						<b>217 238</b>	
weighted	7.1	6.9	6.8	6.8	6.8	6.6	6.7	6.8	7.0	6.7	6.5	6.3	5.9	5.8	6.1	6.1	-1.0	-0.6					
arithmetic	8.3	8.2	8.1	8.2	8.3	8.1	8.2	8.2	8.4	8.6	8.4	8.0	7.8	7.4	8.1	8.2	-0.1	0.1					
<b>EU-25 averages</b>																							
weighted	7.7	7.6	7.6	7.6	7.6	7.4	7.4	7.6	7.6	7.4	7.1	6.8	6.6	6.5	6.8	6.9	-0.9	-0.6					
arithmetic	8.6	8.6	8.5	8.8	8.9	8.6	8.7	8.7	8.9	9.0	8.8	8.4	8.2	8.0	8.7	8.8	0.2	0.2					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 11: Indirect Taxes as % of GDP - Other taxes on Products (incl. import duties)

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.1	2.2	2.2	2.3	2.4	2.4	2.3	2.1	2.2	0.3	0.0	4	7 826
BG	2.4	2.2	2.1	2.0	1.3	1.0	0.8	0.8	0.8	0.9	1.0	1.1	0.4	0.4	0.4	0.3	-2.1	-0.7	26	121
CZ	1.4	1.4	1.1	1.0	0.9	0.9	0.7	0.7	0.7	0.5	0.5	0.5	0.5	0.4	0.4	0.4	-1.0	-0.5	24	612
DK	2.3	2.3	2.4	2.7	2.5	2.0	1.8	2.0	1.9	2.2	2.6	2.6	2.5	2.2	1.5	1.6	-0.7	-0.3	8	3 826
DE	1.1	0.9	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	0.9	0.9	-0.2	0.0	16	22 120
EE	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.2	0.2	25	58
IE	2.0	2.0	2.0	2.0	2.2	2.3	2.0	1.7	1.9	2.2	2.5	3.0	2.6	1.8	1.1	1.1	-0.9	-1.1	13	1 761
EL <sup>(3)</sup>	1.9	2.0	2.6	2.7	3.1	3.3	2.7	2.4	2.3	2.2	2.2	2.7	2.6	2.7	2.1	1.6	-0.3	-1.7	9	3 638
ES	1.7	1.5	1.6	1.8	1.9	1.9	1.9	2.0	2.3	2.5	2.8	2.9	2.6	1.7	1.4	1.4	-0.2	-0.5	10	14 960
FR	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.8	1.9	1.7	1.7	1.6	1.6	1.7	0.1	0.1	7	33 245
IT	2.5	2.6	2.6	2.9	2.9	2.7	2.5	2.6	2.5	2.9	2.7	3.0	3.0	2.9	3.0	2.9	0.4	0.2	2	45 598
CY	2.9	2.7	2.3	2.0	1.9	3.1	2.7	2.4	2.0	1.7	1.4	1.4	1.9	1.6	1.1	0.9	-2.0	-2.2	15	156
LV	0.8	0.7	0.7	0.6	0.6	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.8	0.6	0.5	0.4	-0.4	0.0	21	79
LT	1.8	1.7	1.7	1.5	1.4	1.2	1.0	1.2	1.1	1.1	0.8	0.4	0.4	0.4	0.4	0.4	-1.4	-0.7	23	118
LU	1.2	1.2	1.3	1.4	1.4	1.5	1.3	1.1	1.1	1.1	1.2	1.1	1.3	1.0	0.8	0.8	-0.4	-0.7	18	321
HU	5.6	5.2	3.6	3.2	3.5	3.3	3.2	3.1	3.4	3.5	3.5	3.7	4.0	4.0	3.9	4.1	-1.5	0.8	1	3 989
MT	4.1	3.7	3.7	3.6	4.0	3.6	3.6	3.5	3.5	3.9	3.5	3.7	3.6	3.3	2.8	2.6	-1.5	-1.0	3	161
NL	1.4	1.6	1.8	1.8	1.9	2.0	2.1	1.9	1.9	2.0	2.1	2.2	2.0	2.0	1.8	1.8	0.4	-0.2	6	10 420
AT	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.1	1.1	-0.1	-0.2	14	3 093
PL	1.8	1.6	1.5	1.1	0.9	0.8	0.6	0.6	0.6	0.4	0.3	0.3	0.4	0.4	0.3	0.3	-1.5	-0.5	27	1 001
PT	2.5	2.4	2.4	2.6	2.9	2.7	2.6	2.5	2.3	2.4	2.6	2.7	2.7	2.4	2.2	2.1	-0.3	-0.6	5	3 664
RO	2.0	2.2	2.3	2.3	2.3	2.2	1.6	1.3	1.0	1.0	1.2	0.7	0.6	0.4	0.4	0.4	-1.5	-1.8	22	526
SI	14.9	14.6	13.6	14.0	8.0	1.8	1.3	1.3	1.3	1.1	0.9	0.9	1.1	1.0	0.8	0.8	-14.1	-1.0	17	284
SK	1.7	1.7	2.0	1.7	1.8	1.7	0.7	0.7	0.7	0.5	0.3	0.3	0.4	0.4	0.4	0.4	-1.3	-1.3	20	290
FI	1.5	1.4	1.4	1.4	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.3	-0.3	0.0	11	2 314
SE	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.7	-0.1	0.1	19	2 544
UK	1.1	1.0	1.2	1.3	1.4	1.6	1.4	1.3	1.2	1.3	1.3	1.5	1.5	1.2	1.0	1.2	0.1	-0.4	12	20 017
NO	2.6	2.7	2.5	2.5	2.2	1.9	1.8	1.7	1.7	1.8	1.6	1.6	1.6	1.4	1.3	1.5	-1.2	-0.4		4 572
IS	2.7	2.7	2.6	1.9	1.9	1.9	1.7	1.9	2.1	2.3	2.4	2.1	2.2	1.7	1.6	1.7	-1.1	-0.2		157

EU-27 averages																		182 741		
weighted	1.6	1.5	1.6	1.7	1.7	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.6	1.5	1.5	-0.1	-0.2		
arithmetic	2.4	2.3	2.3	2.3	2.0	1.8	1.6	1.5	1.5	1.6	1.6	1.6	1.6	1.5	1.3	1.3	-1.1	-0.5		

EA-17 averages																		149 909		
weighted	1.6	1.6	1.7	1.8	1.8	1.7	1.7	1.7	1.7	1.8	1.9	2.0	1.9	1.7	1.6	1.6	0.0	-0.1		
arithmetic	2.6	2.6	2.6	2.6	2.3	2.0	1.8	1.7	1.7	1.8	1.8	1.9	1.9	1.7	1.5	1.4	-1.2	-0.6		

EU-25 averages																				
weighted	1.6	1.5	1.6	1.7	1.7	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.6	1.5	1.5	-0.1	-0.1		
arithmetic	2.4	2.3	2.3	2.3	2.0	1.8	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.5	1.3	1.3	-1.1	-0.5		

(1) In percentage points  
(2) In millions of euro  
(3) Data for Greece is provisional for years 2003-2010  
See explanatory notes in Annex B  
Source: Eurostat (online data code gov\_a\_tax\_ag)  
Date of extraction: 13/01/2012



Table 12: Indirect Taxes as % of Total Taxation - Other taxes on products (incl. import duties)

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	4.5	4.7	4.8	4.9	4.9	4.9	4.8	4.7	4.9	4.9	5.2	5.3	5.4	5.1	4.8	5.0	0.6	0.1	6	7 826		
BG	7.9	7.6	7.5	6.4	4.1	3.2	2.7	2.7	2.7	2.9	3.1	3.6	1.3	1.4	1.2	1.2	-6.7	-1.9	24	121		
CZ	4.0	4.1	3.3	3.1	2.5	2.7	2.2	2.0	2.1	1.4	1.3	1.3	1.4	1.4	1.2	1.2	-2.7	-1.4	25	612		
DK	4.7	4.7	5.0	5.5	4.9	4.0	3.7	4.2	4.0	4.6	5.1	5.3	5.2	4.5	3.2	3.4	-1.3	-0.5	11	3 826		
DE	2.7	2.3	2.4	2.4	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.6	2.4	2.3	2.3	-0.4	0.1	16	22 120		
EE	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.6	0.6	1.0	1.3	1.3	1.4	1.3	0.9	1.2	0.5	0.6	26	58		
IE	6.2	6.1	6.3	6.5	6.9	7.2	6.7	5.9	6.7	7.3	8.3	9.3	8.4	6.1	3.8	4.0	-2.2	-3.2	10	1 761		
EL <sup>(3)</sup>	6.7	6.9	8.6	8.4	9.3	9.6	8.3	7.0	7.1	7.1	6.9	8.5	8.1	8.4	6.9	5.2	-1.5	-4.4	5	3 638		
ES	5.2	4.7	5.0	5.4	5.6	5.7	5.7	5.9	6.7	7.3	7.7	7.9	7.0	5.2	4.7	4.5	-0.7	-1.3	8	14 960		
FR	3.9	3.8	3.8	3.9	3.8	3.8	3.7	3.8	3.8	4.2	4.3	3.9	3.9	3.8	3.8	4.0	0.1	0.3	9	33 245		
IT	6.3	6.2	6.1	6.8	7.0	6.5	6.0	6.3	6.1	7.1	6.9	7.2	7.1	6.8	7.0	6.9	0.6	0.4	3	45 598		
CY	10.9	10.4	8.8	7.3	6.8	10.2	8.7	7.6	6.2	5.1	4.1	3.8	4.8	4.2	3.0	2.5	-8.4	-7.7	15	156		
LV	2.5	2.4	2.2	1.9	1.7	1.5	1.5	1.5	1.6	1.7	1.6	1.7	2.6	2.1	1.9	1.6	-0.9	0.1	19	79		
LT	6.6	6.3	5.7	4.9	4.3	3.9	3.4	4.2	4.1	4.0	2.8	1.3	1.3	1.4	1.5	1.6	-5.0	-2.3	21	118		
LU	3.3	3.2	3.3	3.6	3.7	3.9	3.4	2.8	2.8	3.1	3.1	3.2	3.6	2.7	2.1	2.1	-1.2	-1.8	17	321		
HU	13.7	12.9	9.3	8.4	9.0	8.3	8.3	8.1	8.9	9.3	9.4	10.0	9.8	10.0	9.6	10.9	-2.8	2.6	1	3 989		
MT	15.2	14.8	13.4	14.3	14.5	13.1	12.1	11.5	11.3	11.9	10.3	10.8	10.4	9.8	8.3	7.8	-7.4	-5.3	2	161		
NL	3.5	4.0	4.5	4.5	4.8	5.0	5.5	5.1	5.0	5.2	5.7	5.6	5.3	5.2	4.6	4.6	1.1	-0.4	7	10 420		
AT	3.0	2.8	2.8	2.8	2.8	2.9	2.7	2.6	2.7	2.7	2.6	2.8	2.7	2.5	2.6	2.6	-0.4	-0.3	14	3 093		
PL	4.8	4.3	4.0	3.0	2.6	2.3	1.9	1.8	1.8	1.2	0.9	0.8	1.1	1.2	0.9	0.9	-4.0	-1.4	27	1 001		
PT	8.3	7.9	8.0	8.4	9.2	8.7	8.3	7.9	7.4	8.0	8.4	8.5	8.3	7.3	7.1	6.7	-1.6	-2.0	4	3 664		
RO	7.2	8.5	8.7	8.0	7.6	7.4	5.7	4.5	3.5	3.5	3.7	4.1	2.4	2.2	1.7	1.6	-5.6	-5.8	22	526		
SI	38.2	38.6	37.0	37.3	21.2	4.8	3.6	3.5	3.5	2.8	2.4	2.4	2.8	2.6	2.1	2.1	-36.1	-2.7	18	284		
SK	4.3	4.3	5.5	4.6	5.0	5.0	2.0	2.0	2.0	1.6	1.1	1.1	1.3	1.5	1.4	1.6	-2.7	-3.4	23	290		
FI	3.4	3.1	3.1	3.0	2.9	2.6	2.6	2.6	2.7	2.9	3.1	3.0	3.1	2.8	3.0	3.0	-0.3	0.4	13	2 314		
SE	1.8	1.5	1.3	1.4	1.3	1.3	1.4	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.5	1.6	-0.2	0.3	20	2 544		
UK	3.1	3.0	3.3	3.5	3.7	4.3	3.8	3.7	3.5	3.7	3.7	4.1	4.2	3.1	3.0	3.3	0.2	-1.0	12	20 017		
NO	6.3	6.4	5.9	5.9	5.2	4.5	4.1	4.0	3.9	4.2	3.8	3.7	3.8	3.2	3.2	3.4	-2.9	-1.1		4 572		
IS	8.2	7.8	7.4	5.5	5.3	5.1	4.9	5.5	5.7	6.0	6.0	5.1	5.4	4.7	4.7	4.7	-3.5	-0.4		157		
<b>EU-27 averages</b>																						182 741
weighted	4.0	3.9	4.0	4.1	4.2	4.1	4.0	4.0	4.0	4.3	4.4	4.6	4.5	4.0	3.9	3.9	-0.1	-0.2				
arithmetic	6.8	6.7	6.5	6.3	5.7	5.0	4.5	4.3	4.3	4.4	4.3	4.5	4.3	3.9	3.5	3.5	-3.3	-1.6				
<b>EA-17 averages</b>																						149 909
weighted	4.1	4.0	4.2	4.3	4.3	4.2	4.1	4.2	4.2	4.7	4.8	4.9	4.8	4.4	4.2	4.2	0.1	0.0				
arithmetic	7.4	7.3	7.3	7.3	6.5	5.7	5.1	4.8	4.8	5.0	4.9	5.1	5.1	4.6	4.0	3.9	-3.5	-1.8				
<b>EU-25 averages</b>																						
weighted	4.0	3.9	4.0	4.1	4.1	4.1	3.9	4.0	4.0	4.4	4.4	4.6	4.5	4.0	3.9	3.9	-0.1	-0.2				
arithmetic	6.7	6.5	6.3	6.2	5.6	5.0	4.5	4.4	4.4	4.5	4.4	4.5	4.5	4.1	3.7	3.6	-3.1	-1.4				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 13: Indirect Taxes as % of GDP - Other taxes on production

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	1.9	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.9	1.9	1.8	1.9	1.6	1.8	1.8	1.8	-0.1	-0.1	8	6 471			
BG	0.1	0.1	0.0	0.1	0.6	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.5	0.5	0.6	0.6	0.4	0.0	22	201			
CZ	0.8	0.7	0.6	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	-0.4	-0.1	25	649			
DK	1.6	1.5	1.7	1.8	1.8	1.6	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.9	2.0	2.1	0.5	0.4	5	4 837			
DE	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.0	-0.1	21	15 350			
EE	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.8	0.7	0.2	0.0	19	104			
IE	1.2	1.2	1.0	1.0	0.9	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	1.3	1.5	0.3	0.7	11	2 308			
EL <sup>(3)</sup>	0.5	0.7	0.5	0.5	0.6	0.6	0.5	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.2	-0.3	-0.3	27	557			
ES	1.3	1.2	1.2	1.3	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.3	1.4	0.1	0.2	12	14 465			
FR	4.2	4.4	4.4	4.4	4.3	4.2	4.1	4.1	4.1	4.2	4.3	4.2	4.3	4.3	4.6	4.2	0.1	0.0	2	81 445			
IT	1.2	1.2	1.4	3.8	3.3	3.4	3.5	3.5	3.4	3.3	3.5	3.6	3.6	3.2	3.0	3.0	1.8	-0.4	4	46 277			
CY	1.2	1.2	1.2	1.9	1.7	1.1	1.0	1.1	1.7	1.9	1.9	2.2	2.9	2.4	2.0	2.1	0.8	0.9	6	355			
LV	1.9	1.4	2.0	2.2	2.1	1.4	1.6	1.1	1.1	1.0	0.9	0.8	0.7	0.6	0.8	0.9	-1.0	-0.5	16	168			
LT	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.5	0.5	0.0	-0.1	24	132			
LU	1.4	1.5	1.6	1.8	2.0	2.3	2.2	1.7	1.5	1.7	1.9	2.0	2.0	1.5	1.5	1.7	0.3	-0.7	9	677			
HU	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.8	0.9	1.1	0.8	0.6	14	1 024			
MT	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.8	0.6	0.6	0.5	0.5	0.6	0.5	0.3	0.2	23	32			
NL	1.1	1.1	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.2	1.2	0.1	0.2	13	7 036			
AT	3.3	3.3	3.3	3.3	3.2	3.2	3.3	3.2	3.2	3.1	3.1	3.0	3.0	3.1	3.3	3.2	-0.1	0.0	3	9 223			
PL	1.6	1.5	1.5	1.3	1.3	1.3	1.4	1.4	1.3	1.4	1.7	2.0	1.5	1.6	1.6	1.6	0.0	0.3	10	5 539			
PT	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.9	1.3	0.7	0.7	0.7	0.8	0.8	0.9	0.8	0.3	0.2	17	1 442			
RO	0.6	0.3	0.2	0.3	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.8	0.8	0.7	0.7	0.1	0.2	18	895			
SI	0.5	1.0	1.6	1.9	2.0	2.3	2.5	2.5	2.8	2.8	2.9	2.5	2.1	1.6	1.0	1.0	0.5	-1.3	15	362			
SK	0.9	1.2	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.7	0.7	0.7	-0.2	0.0	20	473			
FI	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.1	0.1	26	474			
SE	2.5	3.4	3.8	4.3	5.6	4.0	3.9	4.0	4.1	4.0	3.9	4.3	4.2	5.4	5.6	4.9	2.4	0.9	1	17 003			
UK	1.8	1.8	1.8	1.8	1.7	1.8	1.7	1.7	1.6	1.6	1.6	1.6	1.5	1.6	1.7	1.9	0.1	0.1	7	32 627			
NO	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.6	0.5	0.0	0.0		1 702			
IS	2.6	2.6	2.6	2.8	2.8	3.1	2.9	2.7	2.8	2.9	2.9	3.2	3.3	2.9	2.6	2.6	0.0	-0.5		244			
<b>EU-27 averages</b>																						250 129	
weighted	1.7	1.8	1.8	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0	0.3	0.0					
arithmetic	1.2	1.2	1.3	1.5	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	0.3	0.1					
<b>EA-17 averages</b>																						187 053	
weighted	1.7	1.7	1.8	2.2	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	0.4	0.0					
arithmetic	1.2	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.5	0.2	0.0					
<b>EU-25 averages</b>																							
weighted	1.7	1.8	1.8	2.1	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	0.4	0.0					
arithmetic	1.3	1.3	1.4	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.5	0.3	0.1					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 14: Indirect Taxes as % of Total Taxation - Other taxes on production

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	4.3	4.5	4.6	4.4	4.4	4.2	4.2	4.1	4.3	4.1	3.9	4.3	3.7	4.0	4.2	4.2	-0.1	0.0	12	6 471	
BG	0.5	0.5	0.1	0.5	1.9	1.7	1.7	2.2	2.2	2.2	2.3	1.9	1.4	1.7	1.9	2.0	1.6	0.3	21	201	
CZ	2.2	2.1	1.7	1.6	1.7	1.7	1.5	1.5	1.4	1.3	1.2	1.1	1.1	1.1	1.1	1.3	-0.9	-0.4	25	649	
DK	3.3	3.1	3.4	3.6	3.6	3.3	3.7	3.8	3.8	3.7	3.4	3.5	3.6	3.9	4.2	4.3	1.0	1.0	10	4 837	
DE	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.7	1.6	1.6	1.6	1.6	0.1	0.0	23	15 350	
EE	1.5	1.7	1.7	1.8	1.9	2.3	2.5	2.3	2.2	2.1	2.1	2.1	2.0	2.2	2.2	2.1	0.6	-0.2	20	104	
IE	3.7	3.7	3.3	3.1	2.9	2.6	2.8	2.9	3.1	3.1	3.1	3.0	3.1	3.7	4.6	5.3	1.5	2.6	7	2 308	
EL <sup>(3)</sup>	1.9	2.3	1.7	1.6	1.8	1.6	1.4	1.0	1.0	1.0	0.9	1.2	1.2	1.3	1.5	0.8	-1.1	-0.9	26	557	
ES	3.9	3.8	3.8	3.8	3.7	3.6	3.6	3.4	3.2	3.1	3.1	3.1	3.0	3.4	4.2	4.3	0.4	0.8	11	14 465	
FR	9.7	9.9	9.9	9.9	9.6	9.4	9.3	9.4	9.5	9.7	9.8	9.6	9.9	9.9	11.1	9.9	0.2	0.5	2	81 445	
IT	2.9	2.8	3.1	8.9	8.0	8.1	8.5	8.8	8.4	8.2	8.7	8.6	8.5	7.6	7.1	7.0	4.1	-1.1	4	46 277	
CY	4.6	4.7	4.8	7.1	6.1	3.7	3.2	3.4	5.4	5.9	5.4	6.2	7.2	6.1	5.6	5.7	1.1	2.0	5	355	
LV	5.7	4.6	6.2	6.5	6.7	4.8	5.4	3.7	3.9	3.4	3.0	2.5	2.4	2.2	2.8	3.4	-2.3	-1.3	13	168	
LT	1.7	2.1	2.0	1.9	2.0	1.9	2.1	2.2	2.0	2.1	1.9	1.8	1.7	1.4	1.7	1.8	0.1	-0.2	22	132	
LU	3.7	3.9	4.2	4.6	5.2	6.0	5.6	4.4	4.0	4.5	5.0	5.7	5.7	4.4	4.0	4.5	0.9	-1.4	9	677	
HU	0.6	0.9	1.1	1.0	1.2	1.2	1.2	1.2	1.3	1.6	1.7	1.7	2.0	2.0	2.3	2.8	2.2	1.6	15	1 024	
MT	1.0	1.0	0.9	1.2	1.2	1.2	1.2	1.3	1.4	2.5	1.7	1.6	1.4	1.5	1.8	1.6	0.6	0.4	24	32	
NL	2.7	2.7	2.5	2.5	2.6	2.6	2.8	2.9	2.8	2.9	2.9	2.7	2.7	2.8	3.1	3.1	0.4	0.5	14	7 036	
AT	8.1	7.7	7.4	7.4	7.4	7.5	7.2	7.4	7.5	7.3	7.3	7.2	7.1	7.2	7.7	7.7	-0.4	0.2	3	9 223	
PL	4.2	4.0	4.1	3.8	3.8	3.9	4.4	4.4	4.1	4.3	5.1	6.0	4.4	4.5	4.9	4.9	0.7	1.0	8	5 539	
PT	1.7	1.6	1.7	1.8	1.8	1.9	2.1	2.8	4.2	2.2	2.2	2.3	2.4	2.5	2.8	2.7	1.0	0.7	18	1 442	
RO	2.3	1.1	0.7	1.1	1.6	1.6	2.2	2.2	2.2	1.7	1.8	2.0	2.6	2.8	2.6	2.7	0.4	1.1	16	895	
SI	1.3	2.6	4.4	5.0	5.2	6.2	6.7	6.7	7.3	7.4	7.5	6.5	5.6	4.3	2.7	2.7	1.4	-3.5	17	362	
SK	2.2	3.0	2.1	2.0	2.0	2.1	2.2	2.3	2.2	2.2	2.5	2.7	2.6	2.4	2.6	2.6	0.4	0.4	19	473	
FI	0.3	0.4	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.3	0.2	27	474	
SE	5.3	6.8	7.5	8.5	10.8	7.8	7.8	8.4	8.5	8.3	8.0	8.8	8.9	11.6	12.0	10.7	5.4	2.9	1	17 003	
UK	5.2	5.2	5.1	4.9	4.8	4.8	4.8	4.9	4.7	4.5	4.4	4.3	4.2	4.3	5.0	5.4	0.2	0.6	6	32 627	
NO	1.4	1.4	1.5	1.4	1.4	1.2	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.4	1.3	-0.1	0.0		1 702	
IS	7.9	7.7	7.4	8.0	7.6	8.3	8.1	7.6	7.6	7.6	7.1	7.8	8.1	7.9	7.7	7.3	-0.5	-1.0		244	
<b>EU-27 averages</b>																				<b>250 129</b>	
weighted	4.3	4.4	4.5	5.3	5.2	5.0	5.1	5.2	5.2	5.1	5.2	5.1	5.1	5.1	5.5	5.3	1.0	0.3			
arithmetic	3.2	3.3	3.3	3.7	3.9	3.6	3.7	3.7	3.8	3.8	3.7	3.8	3.7	3.7	3.9	3.9	0.7	0.3			
<b>EA-17 averages</b>																				<b>187 053</b>	
weighted	4.2	4.3	4.3	5.4	5.1	5.1	5.2	5.3	5.3	5.3	5.4	5.3	5.3	5.2	5.5	5.2	1.0	0.1			
arithmetic	3.2	3.4	3.4	4.0	3.9	3.8	3.8	3.8	4.0	4.0	4.0	4.1	4.0	3.9	4.0	3.9	0.7	0.1			
<b>EU-25 averages</b>																					
weighted	4.3	4.4	4.5	5.3	5.2	5.1	5.1	5.2	5.2	5.1	5.2	5.2	5.1	5.1	5.5	5.3	1.0	0.3			
arithmetic	3.3	3.5	3.6	4.0	4.0	3.8	3.9	3.8	3.9	3.9	3.9	4.0	3.9	3.9	4.1	4.0	0.7	0.3			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 15: Direct Taxes as % of GDP - Total

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	16.7	16.7	17.2	17.8	17.4	17.5	17.8	17.6	17.2	17.5	17.6	17.2	17.0	17.2	15.9	16.3	-0.3	-1.2	3	57 931
BG	9.0	9.3	9.1	8.7	7.7	6.9	7.5	6.4	6.2	6.0	4.9	5.2	8.2	6.7	5.9	5.1	-3.8	-1.8	26	1 855
CZ	9.2	8.0	8.5	8.0	8.2	7.9	8.3	8.8	9.2	9.2	8.9	8.9	9.0	8.0	7.3	7.0	-2.1	-0.9	21	10 521
DK	31.0	31.0	30.5	30.1	30.3	30.5	29.5	29.3	29.6	30.4	31.9	30.7	30.1	29.7	29.9	29.9	-1.1	-0.7	1	70 332
DE	12.1	12.0	11.7	12.1	12.7	13.0	11.4	11.0	11.0	10.8	11.1	11.9	12.2	12.4	11.7	11.2	-0.9	-1.8	11	277 890
EE	10.9	9.2	9.2	10.4	9.8	7.7	7.2	7.5	8.0	7.9	7.0	7.1	7.4	7.8	7.6	6.8	-4.1	-1.0	23	970
IE	13.5	13.9	13.9	13.6	13.7	13.4	12.6	11.5	11.8	12.3	12.2	13.1	12.8	11.7	10.8	10.7	-2.8	-2.7	14	16 646
EL <sup>(3)</sup>	6.9	6.6	7.3	8.8	9.1	10.0	8.8	8.8	8.0	8.2	8.8	8.3	8.3	8.3	8.5	7.8	0.9	-2.2	19	17 765
ES	10.3	10.6	10.6	10.5	10.5	10.6	10.5	11.1	10.4	10.8	11.5	12.3	13.5	11.2	10.1	9.9	-0.4	-0.8	15	103 802
FR	8.4	9.0	9.7	11.8	12.5	12.5	12.6	11.8	11.4	11.7	11.9	12.2	12.0	12.0	10.3	11.0	2.5	-1.5	13	211 849
IT	14.9	15.3	16.4	14.6	14.9	14.4	14.7	14.0	14.7	13.9	13.3	14.3	15.0	15.2	15.4	14.7	-0.2	0.3	6	229 445
CY	8.9	8.6	8.7	9.9	10.8	11.2	11.3	11.3	9.7	8.8	10.2	10.8	13.8	12.9	11.2	11.1	2.2	0.0	12	1 927
LV	7.1	7.0	7.5	8.0	7.7	7.3	7.6	7.9	7.6	7.9	7.9	8.5	9.2	9.8	7.2	7.4	0.3	0.1	20	1 329
LT	8.4	8.0	8.7	9.0	9.1	8.4	7.8	7.4	7.9	8.7	9.0	9.5	9.2	9.3	6.0	4.7	-3.7	-3.7	27	1 295
LU	15.4	15.9	16.5	16.1	14.9	15.0	15.3	15.4	14.8	13.1	13.7	13.2	13.2	13.5	14.2	14.4	-1.0	-0.7	7	5 794
HU	8.7	9.2	8.9	8.9	9.5	9.9	10.2	10.2	9.6	9.1	9.1	9.5	10.4	10.6	10.0	8.5	-0.1	-1.4	17	8 285
MT	8.3	7.4	8.3	8.0	8.8	9.2	10.0	11.2	11.7	11.3	12.0	12.3	13.6	13.0	13.9	13.4	5.1	4.2	8	823
NL	12.5	13.0	12.4	12.2	12.1	12.0	11.7	11.8	11.0	10.7	11.7	11.9	12.2	12.0	12.2	12.2	-0.3	0.2	10	71 788
AT	11.7	12.7	13.5	13.7	13.3	13.2	15.0	13.8	13.7	13.5	12.8	12.9	13.4	14.0	12.8	12.7	1.0	-0.4	9	36 411
PL	11.7	11.3	11.1	10.9	7.7	7.2	6.7	6.9	6.6	6.4	7.0	7.5	8.6	8.6	7.5	7.0	-4.8	-0.2	22	24 679
PT	8.3	8.9	9.0	8.7	9.1	9.6	9.2	9.1	8.5	8.4	8.3	8.7	9.5	9.7	9.0	8.9	0.6	-0.7	16	15 427
RO	10.6	9.8	10.3	8.4	7.8	7.0	6.4	5.8	6.0	6.4	5.3	6.0	6.7	6.7	6.5	6.2	-4.4	-0.8	24	7 510
SI	6.9	7.4	7.4	7.4	7.4	7.4	7.6	7.8	8.0	8.2	8.7	9.1	9.2	8.9	8.3	8.3	1.4	0.9	18	2 932
SK	10.8	9.7	9.2	9.0	9.0	7.4	7.5	7.1	7.1	6.1	6.0	6.1	6.2	6.5	5.5	5.4	-5.5	-2.1	25	3 529
FI	17.4	19.2	18.7	19.1	18.8	21.4	19.3	19.1	18.1	17.8	17.8	17.6	17.8	17.8	16.3	16.1	-1.3	-5.3	4	29 017
SE	19.8	20.7	21.1	21.0	21.7	22.6	20.8	19.6	20.2	20.9	22.0	22.2	21.2	19.8	19.7	19.4	-0.4	-3.2	2	67 102
UK	15.2	14.9	15.2	16.4	16.3	16.7	16.8	15.7	15.2	15.4	16.3	17.1	16.8	18.6	16.1	15.8	0.7	-0.8	5	269 079
NO	16.2	17.0	16.8	15.8	16.9	20.1	20.2	19.8	19.5	21.0	22.2	22.7	21.5	22.1	20.4	21.1	5.0	1.0		66 575
IS	12.9	13.3	14.1	14.2	15.3	16.1	16.5	16.5	16.8	16.9	18.3	18.8	18.9	18.2	16.7	16.6	3.7	0.5		1 574
<b>EU-27 averages</b>																				<b>1 545 931</b>
weighted	12.7	13.0	13.3	13.7	13.9	14.1	13.6	13.1	12.9	12.8	13.2	13.7	13.9	13.8	12.8	12.6	-0.1	-1.4		
arithmetic	12.0	12.0	12.3	12.3	12.2	12.2	12.0	11.8	11.6	11.5	11.7	12.0	12.5	12.3	11.5	11.2	-0.8	-1.0		
<b>EA-17 averages</b>																				<b>1 083 944</b>
weighted	11.7	12.0	12.3	12.6	13.0	13.0	12.6	12.2	12.0	11.9	12.0	12.6	12.9	12.7	12.0	11.8	0.1	-1.2		
arithmetic	11.4	11.5	11.7	12.0	12.0	12.1	11.9	11.8	11.5	11.2	11.5	11.7	12.2	12.0	11.4	11.2	-0.2	-0.9		
<b>EU-25 averages</b>																				
weighted	12.7	13.0	13.3	13.7	13.9	14.1	13.7	13.1	12.9	12.9	13.2	13.8	14.0	13.9	12.8	12.7	0.0	-1.4		
arithmetic	12.2	12.2	12.5	12.6	12.6	12.6	12.4	12.2	12.0	12.0	12.3	12.5	12.9	12.7	11.9	11.6	-0.6	-1.0		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 16: Direct Taxes as % of Total Taxation - Total

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	38.0	37.8	38.3	39.1	38.3	38.9	39.4	39.0	38.4	39.0	39.3	38.8	38.7	38.9	36.7	37.2	-0.8	-1.7	8	57 931
BG	29.1	32.4	32.9	27.3	24.9	21.9	24.5	22.3	19.9	18.3	15.7	16.9	24.5	20.6	20.3	18.8	-10.3	-3.1	26	1 855
CZ	25.8	23.4	24.6	24.1	23.9	23.5	24.7	25.3	26.0	25.5	24.9	25.1	25.2	23.2	21.7	20.8	-5.0	-2.7	23	10 521
DK	63.5	63.0	62.3	61.0	60.6	61.8	60.9	61.2	61.6	62.0	62.8	61.8	61.6	62.2	62.7	62.7	-0.8	0.9	1	70 332
DE	30.4	29.9	29.3	30.0	30.7	31.4	29.0	28.3	28.0	28.2	28.9	30.7	31.6	32.0	29.9	29.4	-1.0	-2.0	14	277 890
EE	30.0	27.0	27.0	30.5	30.0	25.0	23.9	24.3	26.2	26.0	22.8	23.0	23.7	24.7	21.2	19.9	-10.1	-5.1	24	970
IE	41.2	42.5	43.3	43.4	43.6	42.8	42.9	40.8	41.1	41.1	40.1	41.0	41.0	39.4	38.3	37.9	-3.3	-4.9	7	16 646
EL <sup>(3)</sup>	23.8	22.5	23.9	27.0	27.2	28.8	26.6	26.2	24.9	26.1	27.3	26.1	25.6	25.8	27.9	25.2	1.4	-3.6	18	17 765
ES	32.1	32.7	32.2	31.4	30.9	31.2	31.1	32.3	30.6	31.0	32.0	33.4	36.4	33.8	32.8	30.9	-1.2	-0.3	12	103 802
FR	19.7	20.5	21.9	26.8	27.7	28.3	28.9	27.3	26.5	26.9	27.1	27.7	27.6	27.7	24.5	25.8	6.0	-2.5	17	211 849
IT	37.6	36.8	37.8	34.4	35.6	34.8	35.8	34.6	35.8	34.3	33.3	34.4	35.2	35.7	36.0	34.9	-2.7	0.0	9	229 445
CY	33.1	32.5	33.8	35.8	38.7	37.2	36.7	36.4	30.2	26.7	29.2	30.2	34.4	33.5	31.8	31.1	-2.0	-6.1	11	1 927
LV	21.5	22.6	23.5	23.7	24.0	24.7	26.5	27.5	26.5	27.7	27.2	27.9	30.2	33.5	27.0	27.1	5.6	2.4	16	1 329
LT	30.4	29.4	28.5	28.3	28.8	28.1	27.3	26.4	28.3	30.8	31.6	32.6	31.0	31.0	20.6	17.4	-13.0	-10.7	27	1 295
LU	41.6	42.3	42.0	40.9	39.0	38.4	38.4	39.2	38.8	35.2	36.6	36.7	36.9	38.0	37.8	38.8	-2.8	0.4	5	5 794
HU	21.1	23.1	23.3	23.2	24.3	24.9	26.4	26.7	25.3	24.1	24.3	25.3	25.7	26.3	24.9	22.6	1.5	-2.2	19	8 285
MT	31.1	29.0	30.2	31.3	32.1	32.9	33.7	36.7	37.8	34.6	35.5	36.3	39.2	38.5	40.6	40.1	9.1	7.2	4	823
NL	31.2	32.3	31.2	30.9	30.0	30.0	30.6	31.3	29.3	28.6	31.2	30.5	31.6	30.5	31.8	31.5	0.3	1.5	10	71 788
AT	28.3	29.7	30.6	31.0	30.3	30.6	33.4	31.7	31.5	31.3	30.5	31.0	32.1	32.9	30.1	30.3	2.0	-0.3	13	36 411
PL	31.6	30.5	30.4	30.7	22.2	22.1	20.7	21.2	20.5	20.3	21.3	22.2	24.6	25.2	23.5	21.9	-9.7	-0.2	21	24 679
PT	28.1	29.6	29.8	28.7	29.4	30.8	29.7	28.9	26.8	27.3	26.3	26.8	29.0	29.5	29.2	28.4	0.3	-2.5	15	15 427
RO	38.5	38.0	39.2	28.9	25.1	23.1	22.2	20.5	21.6	23.3	19.2	21.1	23.1	24.0	24.4	22.6	-15.9	-0.5	20	7 510
SI	17.7	19.5	20.2	19.8	19.6	19.8	20.2	20.7	20.9	21.6	22.6	23.8	24.4	24.0	22.2	21.8	4.1	2.0	22	2 932
SK	26.8	24.6	24.8	24.5	25.5	21.9	22.6	21.3	21.7	19.4	19.2	20.7	21.0	22.2	19.1	19.1	-7.8	-2.8	25	3 529
FI	38.2	40.7	40.2	41.3	40.9	45.3	43.0	42.9	41.0	41.0	40.6	40.3	41.4	41.4	38.3	38.2	0.0	-7.1	6	29 017
SE	41.2	41.1	41.6	41.0	42.2	43.9	42.1	41.2	42.2	43.5	45.0	46.0	44.9	42.7	42.1	42.2	1.0	-1.7	3	67 102
UK	43.7	43.4	43.6	45.6	45.0	45.4	46.1	44.9	43.7	43.7	45.4	46.5	46.4	49.1	46.2	44.4	0.7	-1.0	2	269 079
NO	38.5	40.0	39.9	37.7	39.9	47.1	47.2	46.0	46.1	48.8	51.3	52.1	50.1	52.6	48.1	49.2	10.7	2.1		66 575
IS	38.7	38.9	40.7	41.2	41.6	43.3	46.8	46.8	45.9	44.8	45.1	45.3	46.7	49.8	49.6	47.4	8.7	4.1		1 574
<b>EU-27 averages</b>																			<b>1 545 931</b>	
weighted	32.4	32.5	33.1	34.0	34.2	34.8	34.5	33.7	33.1	33.2	33.7	34.6	35.2	35.1	33.2	32.9	0.5	-2.0		
arithmetic	32.4	32.5	32.8	32.6	32.2	32.1	32.1	31.8	31.3	31.0	31.1	31.7	32.8	32.8	31.2	30.4	-2.0	-1.7		
<b>EA-17 averages</b>																			<b>1 083 944</b>	
weighted	29.6	29.8	30.2	30.9	31.4	31.9	31.5	30.8	30.3	30.2	30.5	31.5	32.3	32.2	30.7	30.4	0.8	-1.5		
arithmetic	31.1	31.2	31.6	32.2	32.3	32.2	32.1	31.9	31.1	30.5	30.7	31.3	32.3	32.3	31.1	30.6	-0.5	-1.6		
<b>EU-25 averages</b>																				
weighted	32.3	32.5	33.1	34.0	34.3	34.9	34.6	33.8	33.2	33.3	33.8	34.8	35.3	35.2	33.3	33.0	0.6	-1.9		
arithmetic	32.3	32.2	32.6	33.0	32.8	32.9	32.8	32.7	32.1	31.8	32.2	32.8	33.6	33.7	31.9	31.2	-1.1	-1.7		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 17: Direct Taxes as % of GDP - Personal income taxes

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	13.5	13.1	13.3	13.4	13.0	13.2	13.6	13.4	13.1	12.9	12.9	12.4	12.2	12.6	12.1	12.3	-1.1	-0.9	4	43 732
BG	4.2	4.0	3.9	4.6	4.4	4.0	3.5	3.2	3.2	3.1	2.7	2.6	3.2	2.9	3.0	2.9	-1.3	-1.1	26	1 038
CZ	4.6	4.6	4.6	4.6	4.3	4.4	4.3	4.5	4.7	4.7	4.4	4.2	4.3	3.7	3.6	3.6	-1.0	-0.8	24	5 348
DK	26.3	26.2	25.9	25.5	25.8	25.6	26.0	25.7	25.6	24.9	24.9	24.9	25.4	25.1	26.3	24.3	-2.0	-1.3	1	57 305
DE	9.4	8.9	8.7	8.9	9.3	9.5	9.1	8.8	8.6	8.0	8.0	8.2	8.6	9.0	9.1	8.4	-1.0	-1.1	9	207 200
EE	8.5	7.7	7.5	7.9	7.8	6.8	6.5	6.4	6.5	6.3	5.6	5.6	5.8	6.2	5.7	5.4	-3.0	-1.4	19	776
IE	10.2	10.3	10.2	9.8	9.4	9.2	8.6	7.5	7.6	8.3	8.3	8.7	8.8	8.2	7.8	7.6	-2.6	-1.6	11	11 857
EL <sup>(3)</sup>	3.6	3.7	4.0	4.9	5.1	5.0	4.5	4.5	4.3	4.4	4.7	4.6	4.8	4.8	5.0	4.3	0.7	-0.7	21	9 869
ES	7.7	7.9	7.1	7.1	6.8	6.7	6.8	7.0	6.4	6.5	6.7	7.2	7.8	7.4	7.1	7.4	-0.3	0.7	13	77 542
FR	5.3	5.5	5.9	8.0	8.2	8.4	8.2	7.9	8.0	7.9	8.1	7.9	7.6	7.8	7.6	7.6	2.3	-0.8	12	146 151
IT	10.4	10.7	11.0	11.1	11.5	11.4	11.0	10.6	10.5	10.4	10.4	10.9	11.3	11.7	11.7	11.7	1.3	0.3	5	182 355
CY	4.0	3.2	3.3	3.8	3.7	3.7	3.9	4.3	4.5	3.5	3.9	4.6	6.2	5.0	4.0	4.2	0.2	0.5	22	721
LV	5.3	5.1	5.4	5.7	5.6	5.6	5.6	5.6	5.8	6.0	5.7	6.1	6.1	6.4	5.4	6.2	0.9	0.6	15	1 107
LT	6.2	6.2	7.1	7.6	8.2	7.7	7.2	6.8	6.5	6.8	6.8	6.8	6.6	6.5	4.1	3.6	-2.6	-4.0	23	1 005
LU	8.0	8.1	8.1	7.5	7.2	7.2	7.0	6.4	6.5	6.6	7.1	7.5	7.1	7.7	7.8	7.9	-0.2	0.7	10	3 162
HU	6.6	7.1	6.7	6.5	6.9	7.3	7.6	7.6	7.1	6.6	6.6	6.8	7.3	7.7	7.4	6.5	-0.1	-0.9	14	6 297
MT	5.0	4.5	5.0	4.8	5.3	5.6	6.1	6.1	6.2	6.4	6.3	6.5	5.9	5.6	5.9	6.0	0.9	0.4	16	367
NL	7.7	7.2	6.3	6.1	6.0	6.0	6.2	6.8	6.5	6.0	6.6	6.9	7.4	7.2	8.6	8.5	0.7	2.5	8	49 731
AT	9.3	9.8	10.4	10.4	10.4	10.0	10.7	10.4	10.4	10.1	9.5	9.6	9.8	10.4	10.0	9.7	0.5	-0.3	7	27 861
PL	8.4	8.0	7.6	7.7	5.0	4.4	4.5	4.3	4.2	3.6	3.9	4.6	5.2	5.3	4.6	4.5	-3.9	0.0	20	15 795
PT	5.4	5.6	5.3	5.1	5.1	5.3	5.4	5.2	5.2	5.0	5.2	5.3	5.5	5.6	5.7	5.6	0.2	0.2	18	9 629
RO	6.9	6.7	5.3	4.6	3.5	3.5	3.3	2.7	2.8	2.9	2.3	2.8	3.3	3.4	3.5	3.3	-3.6	-0.1	25	4 075
SI	5.8	5.9	5.9	5.6	5.5	5.6	5.7	5.7	5.7	5.7	5.5	5.7	5.5	5.8	5.8	5.7	-0.1	0.1	17	2 027
SK	3.6	4.0	4.3	4.3	4.3	3.4	3.5	3.3	3.2	2.7	2.6	2.5	2.6	2.7	2.4	2.3	-1.3	-1.1	27	1 514
FI	14.2	15.4	14.3	13.9	13.5	14.5	14.1	14.0	13.7	13.3	13.5	13.3	13.0	13.2	13.3	12.5	-1.7	-2.0	3	22 545
SE	16.7	17.6	17.7	17.8	17.9	18.1	17.6	17.0	17.5	17.5	17.9	18.1	17.2	16.6	16.4	15.7	-1.0	-2.5	2	54 291
UK	10.2	9.5	9.1	10.2	10.4	10.8	11.0	10.4	9.9	10.0	10.4	10.5	10.8	10.8	10.5	10.1	-0.1	-0.7	6	171 629
NO	10.7	10.7	10.9	11.7	11.4	10.3	10.4	10.7	10.6	10.2	9.6	9.0	9.5	9.1	10.2	10.1	-0.6	-0.2		31 784
IS	10.5	11.3	11.3	11.6	12.4	13.1	13.8	13.9	14.2	14.3	14.7	14.6	14.5	14.4	13.1	13.2	2.7	0.1		1 249
<b>EU-27 averages</b>																				<b>1 114 928</b>
weighted	9.2	9.1	9.0	9.6	9.7	9.8	9.6	9.4	9.2	8.9	9.1	9.2	9.4	9.4	9.3	9.1	-0.1	-0.7		
arithmetic	8.4	8.4	8.3	8.4	8.3	8.2	8.2	8.0	7.9	7.8	7.8	7.9	8.1	8.1	7.9	7.7	-0.7	-0.6		
<b>EA-17 averages</b>																				<b>797 039</b>
weighted	8.5	8.4	8.4	8.9	9.1	9.1	8.9	8.7	8.5	8.3	8.4	8.5	8.7	8.9	8.9	8.7	0.2	-0.4		
arithmetic	7.7	7.7	7.7	7.8	7.8	7.7	7.7	7.6	7.5	7.3	7.3	7.5	7.6	7.7	7.6	7.5	-0.3	-0.3		
<b>EU-25 averages</b>																				
weighted	9.2	9.1	9.1	9.6	9.7	9.9	9.7	9.4	9.2	9.0	9.1	9.3	9.5	9.5	9.4	9.2	0.0	-0.7		
arithmetic	8.6	8.6	8.6	8.7	8.7	8.6	8.6	8.4	8.3	8.2	8.2	8.4	8.5	8.5	8.3	8.1	-0.6	-0.6		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 18: Direct Taxes as % of Total Taxation - Personal income taxes

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	30.8	29.6	29.8	29.4	28.7	29.4	30.1	29.6	29.2	28.9	28.8	27.9	27.8	28.5	28.0	28.1	-2.7	-1.3	5	43 732
BG	13.5	14.0	14.1	14.3	14.2	12.7	11.4	11.2	10.2	9.5	8.7	8.4	9.5	9.0	10.2	10.5	-2.9	-2.2	26	1 038
CZ	12.9	13.4	13.4	13.6	12.6	13.0	12.8	13.0	13.2	13.0	12.4	11.8	11.9	10.8	10.8	10.6	-2.3	-2.4	25	5 348
DK	53.9	53.4	52.9	51.8	51.6	51.9	53.6	53.6	53.2	50.9	49.0	50.1	51.8	52.6	55.2	51.1	-2.8	-0.8	1	57 305
DE	23.5	22.1	21.6	22.1	22.5	22.9	23.2	22.7	22.0	20.9	20.8	21.3	22.2	23.2	23.1	22.0	-1.6	-1.0	11	207 200
EE	23.3	22.3	21.8	23.3	23.9	22.1	21.5	20.7	21.0	20.5	18.2	18.2	18.5	19.5	16.0	15.9	-7.4	-6.2	18	776
IE	31.3	31.5	31.9	31.3	29.8	29.3	29.3	26.4	26.6	27.6	27.2	27.3	28.2	27.8	27.8	27.0	-4.3	-2.3	7	11 857
EL <sup>(3)</sup>	12.5	12.4	13.2	15.1	15.4	14.4	13.6	13.5	13.6	14.2	14.5	14.6	14.8	15.0	16.3	14.0	1.5	-0.4	21	9 869
ES	24.1	24.3	21.7	21.4	19.9	19.6	20.2	20.5	19.0	18.7	18.6	19.5	21.1	22.3	23.0	23.1	-1.0	3.5	9	77 542
FR	12.3	12.5	13.2	18.1	18.3	19.0	18.8	18.3	18.5	18.2	18.4	17.9	17.5	18.1	18.0	17.8	5.5	-1.2	15	146 151
IT	26.2	25.7	25.4	26.3	27.3	27.5	26.7	26.3	25.6	25.8	26.1	26.2	26.4	27.4	27.3	27.7	1.6	0.2	6	182 355
CY	14.8	12.0	12.7	13.7	13.5	12.2	12.7	13.9	14.0	10.7	11.1	12.8	15.5	13.0	11.2	11.6	-3.1	-0.6	24	721
LV	16.0	16.7	16.8	16.8	17.6	18.8	19.3	19.7	20.4	20.8	19.6	19.8	20.1	21.8	20.4	22.5	6.5	3.7	10	1 107
LT	22.7	22.7	23.3	24.0	26.0	25.6	25.3	24.2	23.3	24.0	24.1	23.1	22.3	21.7	14.1	13.5	-9.2	-12.1	22	1 005
LU	21.7	21.7	20.6	19.1	18.8	18.3	17.7	16.2	17.2	17.8	19.0	20.9	20.0	21.7	20.7	21.2	-0.5	2.9	13	3 162
HU	16.0	17.9	17.6	17.0	17.7	18.5	19.6	19.9	18.6	17.5	17.6	18.1	18.0	19.0	18.5	17.2	1.2	-1.3	17	6 297
MT	18.8	17.7	18.4	18.7	19.3	19.9	20.4	19.8	19.8	19.5	18.5	19.0	17.0	16.5	17.3	17.9	-0.9	-2.0	14	367
NL	19.2	17.9	15.9	15.5	14.9	15.0	16.1	18.1	17.5	16.0	17.5	17.8	19.1	18.4	22.4	21.8	2.6	6.8	12	49 731
AT	22.4	22.9	23.6	23.7	23.9	23.3	23.9	24.0	23.9	23.4	22.7	23.2	23.6	24.4	23.4	23.2	0.7	-0.2	8	27 861
PL	22.6	21.5	21.0	21.7	14.2	13.5	13.9	13.1	13.1	11.6	12.0	13.6	15.0	15.6	14.6	14.0	-8.5	0.5	20	15 795
PT	18.1	18.5	17.5	16.9	16.4	17.1	17.4	16.6	16.4	16.5	16.4	16.3	16.7	17.0	18.5	17.7	-0.5	0.6	16	9 629
RO	25.1	26.0	20.0	15.8	11.4	11.4	11.5	9.7	10.2	10.5	8.3	10.0	11.2	12.1	13.1	12.3	-12.9	0.8	23	4 075
SI	15.0	15.7	16.0	14.8	14.6	15.0	15.2	15.0	15.0	15.0	14.3	15.0	14.7	15.7	15.5	15.1	0.1	0.1	19	2 027
SK	8.9	10.1	11.6	11.8	12.2	9.9	10.6	9.9	9.8	8.5	8.4	8.6	8.7	9.4	8.4	8.2	-0.7	-1.7	27	1 514
FI	31.1	32.7	30.8	30.0	29.4	30.6	31.5	31.3	31.0	30.5	30.7	30.3	30.3	30.9	31.2	29.7	-1.4	-0.9	3	22 545
SE	34.8	34.9	34.9	34.7	34.8	35.2	35.6	35.9	36.5	36.4	36.7	37.5	36.3	35.8	35.1	34.2	-0.6	-1.0	2	54 291
UK	29.5	27.8	26.1	28.4	28.8	29.4	30.0	29.8	28.6	28.3	28.9	28.7	29.8	28.6	30.1	28.3	-1.1	-1.1	4	171 629
NO	25.5	25.2	25.8	27.8	26.9	24.1	24.3	24.8	24.9	23.7	22.2	20.7	22.2	21.5	24.1	23.5	-2.0	-0.6		31 784
IS	31.5	32.9	32.8	33.8	33.8	35.3	39.0	39.4	38.8	37.9	36.1	35.4	35.9	39.4	38.9	37.6	6.1	2.4		1 249
<b>EU-27 averages</b>																			1 114 928	
weighted	23.4	22.8	22.5	23.9	23.9	24.3	24.4	24.2	23.6	23.1	23.2	23.3	23.8	24.0	24.3	23.7	0.3	-0.6		
arithmetic	22.3	22.1	21.7	21.8	21.4	21.3	21.6	21.2	21.0	20.6	20.3	20.7	21.0	21.3	21.1	20.6	-1.7	-0.7		
<b>EA-17 averages</b>																			797 039	
weighted	21.3	20.8	20.6	21.9	22.0	22.3	22.4	22.1	21.6	21.1	21.2	21.3	21.8	22.5	22.8	22.3	1.0	0.0		
arithmetic	20.8	20.6	20.3	20.7	20.5	20.3	20.5	20.2	20.0	19.6	19.5	19.8	20.1	20.5	20.5	20.1	-0.7	-0.2		
<b>EU-25 averages</b>																				
weighted	23.4	22.8	22.5	23.9	24.0	24.4	24.5	24.2	23.6	23.2	23.3	23.4	23.9	24.1	24.4	23.8	0.4	-0.6		
arithmetic	22.5	22.3	22.1	22.4	22.1	22.1	22.4	22.1	21.9	21.4	21.3	21.6	21.9	22.2	21.9	21.3	-1.2	-0.7		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 19: Direct Taxes as % of GDP - Corporate income tax

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	2.3	2.7	2.8	3.4	3.2	3.2	3.1	3.0	2.9	3.1	3.2	3.6	3.5	3.4	2.5	2.7	0.4	-0.5	9	9 598			
BG	4.5	5.0	5.1	4.0	3.1	2.7	3.8	3.0	2.8	2.5	1.8	2.1	4.4	3.2	2.6	1.9	-2.6	-0.8	20	692			
CZ	4.4	3.2	3.7	3.3	3.7	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4	-1.0	0.1	5	5 031			
DK	2.3	2.5	2.7	3.0	2.4	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.7	0.4	-0.5	8	6 467			
DE	2.0	2.4	2.5	2.6	2.8	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	0.2	-0.7	17	54 770			
EE	2.4	1.6	1.8	2.4	2.0	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	-1.1	0.5	24	194			
IE	2.7	3.1	3.2	3.3	3.8	3.7	3.6	3.7	3.8	3.6	3.5	3.9	3.5	2.9	2.5	2.6	-0.2	-1.2	10	3 978			
EL <sup>(3)</sup>	2.3	2.0	2.3	2.8	3.2	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.4	2.4	0.1	-1.7	13	5 446			
ES	1.9	2.0	2.7	2.5	2.9	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.8	0.0	-1.3	23	19 425			
FR	1.8	2.1	2.3	2.3	2.7	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	0.1	-0.9	22	36 352			
IT	3.3	3.8	4.1	2.5	2.8	2.4	3.2	2.7	2.3	2.4	2.3	2.9	3.3	3.1	2.4	2.3	-1.0	-0.1	14	36 349			
CY	4.0	4.4	4.4	4.9	6.0	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	2.2	0.0	2	1 075			
LV	1.8	1.8	2.2	2.3	2.0	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0	-0.8	-0.6	27	174			
LT	2.0	1.7	1.5	1.3	0.8	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0	-1.0	0.3	26	276			
LU	6.6	6.8	7.5	7.6	6.7	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.1	5.5	5.7	-0.8	-1.2	3	2 310			
HU	1.9	1.8	1.9	2.1	2.3	2.2	2.3	2.3	2.2	2.1	2.1	2.3	2.8	2.6	2.2	1.2	-0.7	-1.1	25	1 135			
MT	2.6	2.3	2.6	2.5	2.7	2.9	3.2	3.8	4.4	4.1	4.5	5.0	6.8	6.7	7.1	6.5	3.9	3.6	1	402			
NL	3.3	4.1	4.5	4.5	4.5	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	-0.9	-2.0	15	13 629			
AT	1.6	2.1	2.2	2.3	1.9	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	0.4	-0.1	18	5 803			
PL	2.7	2.7	2.7	2.6	2.4	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	-0.7	-0.4	19	7 073			
PT	2.3	2.7	3.1	3.1	3.5	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	0.5	-0.9	7	4 910			
RO	3.7	3.1	4.2	3.7	3.8	3.0	2.5	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	-1.4	-0.6	16	2 817			
SI	0.5	0.9	1.0	1.0	1.2	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	1.4	0.7	21	668			
SK	6.0	4.3	3.6	3.2	3.1	2.6	2.6	2.5	2.8	2.6	2.7	2.9	3.0	3.1	2.5	2.5	-3.5	-0.1	12	1 652			
FI	2.3	2.8	3.5	4.3	4.3	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	0.2	-3.4	11	4 559			
SE	2.6	2.6	2.8	2.6	3.0	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	0.8	-0.3	4	11 880			
UK	2.8	3.2	3.9	3.9	3.5	3.6	3.5	2.8	2.7	2.9	3.4	4.0	3.4	3.6	2.8	3.1	0.3	-0.5	6	52 604			
NO	4.4	5.2	5.0	3.2	4.5	8.9	8.9	8.1	8.0	9.8	11.7	12.7	11.0	12.2	9.2	10.1	5.7	1.2		31 762			
IS	1.1	0.9	1.0	1.1	1.5	1.1	0.9	0.8	1.3	1.2	2.0	2.4	2.5	2.0	1.8	1.1	-0.1	-0.1		100			
<b>EU-27 averages</b>																						<b>289 270</b>	
weighted	2.4	2.7	3.1	2.9	3.0	3.1	2.9	2.6	2.4	2.7	2.9	3.3	3.3	3.0	2.2	2.4	0.0	-0.8					
arithmetic	2.8	2.9	3.1	3.1	3.1	3.2	3.1	3.0	2.9	2.9	3.1	3.3	3.6	3.4	2.8	2.7	-0.2	-0.5					
<b>EA-17 averages</b>																						<b>201 120</b>	
weighted	2.3	2.6	2.9	2.7	2.9	3.0	2.8	2.6	2.4	2.6	2.8	3.2	3.3	2.9	2.0	2.2	-0.1	-0.8					
arithmetic	2.8	2.9	3.2	3.3	3.4	3.5	3.4	3.3	3.1	3.1	3.2	3.4	3.7	3.5	2.9	2.9	0.1	-0.6					
<b>EU-25 averages</b>																							
weighted	2.4	2.7	3.1	2.9	3.0	3.1	2.9	2.6	2.4	2.7	2.9	3.3	3.3	3.0	2.2	2.4	0.0	-0.8					
arithmetic	2.7	2.8	3.0	3.1	3.1	3.2	3.1	3.0	2.9	2.9	3.2	3.4	3.6	3.4	2.8	2.7	0.0	-0.5					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 20: Direct Taxes as % of Total Taxation - Corporate income tax

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	5.4	6.0	6.3	7.4	7.1	7.1	6.9	6.7	6.4	6.9	7.2	8.0	8.0	7.6	5.8	6.2	0.8	-0.9	14	9 598			
BG	14.6	17.6	18.4	12.4	10.2	8.6	12.5	10.5	8.9	7.8	5.9	6.8	13.1	9.8	8.8	7.0	-7.6	-1.6	12	692			
CZ	12.4	9.4	10.6	9.8	10.8	9.8	11.4	12.0	12.5	12.2	12.1	13.0	13.0	12.2	10.5	10.0	-2.4	0.2	4	5 031			
DK	4.8	5.1	5.5	6.1	4.8	6.6	5.8	6.0	6.1	6.5	7.7	8.8	7.8	6.9	4.9	5.8	1.0	-0.9	19	6 467			
DE	5.0	5.9	6.2	6.4	6.7	7.1	4.3	4.2	4.6	5.7	6.5	7.6	7.6	6.9	5.1	5.8	0.8	-1.3	17	54 770			
EE	6.7	4.6	5.1	7.1	6.0	2.9	2.3	3.6	5.1	5.4	4.7	4.9	5.2	5.1	5.2	4.0	-2.7	1.1	24	194			
IE	8.3	9.4	9.9	10.6	12.1	12.0	12.1	13.1	13.1	12.2	11.4	12.3	11.3	9.8	8.7	9.1	0.7	-2.9	5	3 978			
EL <sup>(3)</sup>	8.0	6.8	7.5	8.6	9.5	12.0	10.1	10.0	9.1	9.6	10.3	8.6	7.9	7.8	8.1	7.7	-0.3	-4.2	10	5 446			
ES	5.9	6.2	8.3	7.6	8.6	9.2	8.5	9.5	9.2	10.0	10.9	11.5	12.8	8.8	7.6	5.8	-0.1	-3.4	18	19 425			
FR	4.2	4.7	5.2	5.3	5.9	6.3	7.0	5.9	5.0	5.4	5.3	6.6	6.7	6.3	3.0	4.4	0.3	-1.9	23	36 352			
IT	8.4	9.1	9.5	5.9	6.7	5.9	7.8	6.6	5.7	5.9	5.8	7.1	7.6	7.1	5.7	5.5	-2.9	-0.4	20	36 349			
CY	14.9	16.8	17.1	17.9	21.5	20.9	20.4	19.6	13.5	11.3	13.3	15.3	16.9	18.4	18.4	17.4	2.5	-3.5	2	1 075			
LV	5.5	5.9	6.8	6.8	6.4	5.3	6.6	7.1	5.3	6.1	6.9	7.5	8.9	10.9	5.9	3.5	-1.9	-1.7	26	174			
LT	7.4	6.4	5.0	4.1	2.6	2.3	1.9	2.1	4.9	6.6	7.3	9.4	8.7	9.1	6.3	3.7	-3.7	1.4	25	276			
LU	17.7	18.1	19.0	19.4	17.4	17.8	18.4	20.4	19.2	15.3	15.4	13.8	14.8	14.3	14.7	15.5	-2.2	-2.3	3	2 310			
HU	4.5	4.5	4.9	5.5	5.9	5.6	6.0	6.1	5.8	5.6	5.6	6.3	6.9	6.5	5.4	3.1	-1.4	-2.5	27	1 135			
MT	9.8	9.0	9.4	9.6	10.0	10.4	10.7	12.4	14.3	12.5	13.3	14.8	19.4	19.8	20.7	19.6	9.8	9.2	1	402			
NL	8.1	10.1	11.4	11.4	11.0	10.9	11.0	9.4	8.1	8.8	9.7	9.4	9.1	8.8	5.6	6.0	-2.1	-4.9	16	13 629			
AT	3.8	4.9	5.0	5.3	4.5	5.0	7.2	5.5	5.3	5.6	5.5	5.6	6.2	6.2	4.4	4.8	1.0	-0.2	22	5 803			
PL	7.3	7.1	7.5	7.3	6.9	7.5	5.8	6.3	5.6	7.1	7.6	7.1	7.9	7.9	7.2	6.3	-1.0	-1.2	13	7 073			
PT	7.8	8.9	10.2	10.1	11.3	12.0	10.6	10.5	8.8	9.4	8.5	9.1	10.9	11.1	9.2	9.0	1.2	-3.0	6	4 910			
RO	13.4	12.0	16.1	12.8	12.3	9.8	8.8	9.3	10.1	11.6	9.8	10.0	10.5	10.7	9.9	8.5	-4.9	-1.3	9	2 817			
SI	1.3	2.4	2.8	2.6	3.1	3.1	3.4	4.1	4.6	5.0	7.2	7.7	8.6	6.7	4.9	5.0	3.6	1.9	21	668			
SK	15.0	10.9	9.8	8.8	8.8	7.7	7.8	7.6	8.4	8.2	8.7	9.9	10.2	10.7	8.7	8.9	-6.0	1.3	7	1 652			
FI	5.0	6.0	7.5	9.4	9.4	12.5	9.4	9.3	7.7	8.1	7.6	7.7	9.0	8.1	4.7	6.0	1.0	-6.5	15	4 559			
SE	5.4	5.1	5.6	5.1	5.9	7.3	5.3	4.3	4.6	6.0	7.3	7.5	8.1	6.3	6.4	7.5	2.1	0.2	11	11 880			
UK	7.9	9.2	11.1	10.8	9.8	9.7	9.5	8.2	7.9	8.1	9.3	10.8	9.4	9.6	8.0	8.7	0.7	-1.0	8	52 604			
NO	10.5	12.3	11.8	7.5	10.7	20.9	20.7	18.9	18.9	22.8	26.9	29.3	25.6	28.9	21.6	23.5	13.0	2.6		31 762			
IS	3.4	2.6	3.0	3.1	4.0	3.1	2.6	2.2	3.4	3.1	5.0	5.9	6.3	5.6	5.3	3.0	-0.4	-0.1		100			
<b>EU-27 averages</b>																						289 270	
weighted	6.0	6.8	7.6	7.2	7.4	7.7	7.3	6.7	6.3	6.9	7.4	8.4	8.5	7.7	5.7	6.2	0.1	-1.6					
arithmetic	8.1	8.2	8.9	8.7	8.7	8.7	8.6	8.5	8.1	8.3	8.6	9.1	9.9	9.4	7.9	7.6	-0.5	-1.1					
<b>EA-17 averages</b>																						201 120	
weighted	5.7	6.5	7.2	6.7	7.1	7.4	7.0	6.5	6.0	6.6	7.0	7.9	8.2	7.3	5.2	5.6	-0.1	-1.8					
arithmetic	8.0	8.2	8.8	9.0	9.4	9.6	9.3	9.3	8.7	8.6	8.9	9.4	10.1	9.6	8.3	8.3	0.3	-1.3					
<b>EU-25 averages</b>																							
weighted	6.0	6.8	7.6	7.2	7.4	7.7	7.3	6.7	6.3	6.9	7.4	8.4	8.4	7.7	5.7	6.1	0.1	-1.6					
arithmetic	7.6	7.7	8.3	8.4	8.5	8.7	8.4	8.4	8.0	8.1	8.6	9.2	9.7	9.3	7.8	7.6	-0.1	-1.1					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 21: Direct Taxes as % of GDP - Other

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	0.8	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.4	1.4	1.3	1.3	1.3	1.2	1.3	0.5	0.2	5	4 600			
BG	0.3	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.6	0.6	0.4	0.3	0.0	0.2	22	125			
CZ	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	25	142			
DK	2.3	2.2	2.0	1.6	2.1	1.6	0.7	0.7	1.1	2.3	3.1	1.5	1.0	1.3	1.2	2.8	0.5	1.2	1	6 561			
DE	0.7	0.8	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.6	-0.1	0.1	16	15 920			
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0			
IE	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.0	0.0	18	810			
EL <sup>(3)</sup>	1.0	0.9	1.0	1.1	0.8	0.8	1.0	0.9	0.7	0.7	0.8	0.9	0.9	0.9	1.1	1.1	0.1	0.2	6	2 450			
ES	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.7	0.7	-0.1	-0.2	15	6 835		
FR	1.4	1.5	1.6	1.5	1.6	1.3	1.4	1.3	1.3	1.4	1.5	1.4	1.5	1.4	1.4	1.5	0.1	0.2	3	29 346			
IT	1.2	0.8	1.3	0.9	0.6	0.6	0.6	0.7	1.8	1.1	0.6	0.5	0.5	1.3	0.7	-0.5	0.1	13	10 741				
CY	0.9	1.0	1.0	1.1	1.0	1.3	1.1	0.9	0.9	1.5	1.7	0.7	0.8	0.8	0.8	0.8	-0.2	-0.5	12	131			
LV	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0.2	0.2	0.3	0.3	0.1	23	48			
LT	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	26	14			
LU	0.8	1.0	1.0	1.0	1.1	0.9	0.9	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.9	0.8	0.0	-0.1	11	321			
HU	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.9	0.6	0.6	9	853			
MT	0.7	0.6	0.7	0.8	0.8	0.7	0.8	1.4	1.2	0.9	1.3	0.9	1.0	0.8	0.9	0.9	0.2	0.2	10	54			
NL	1.6	1.7	1.6	1.6	1.6	1.6	1.3	1.4	1.4	1.4	1.5	1.3	1.3	1.3	1.4	1.4	-0.1	-0.2	4	8 428			
AT	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.1	0.0	8	2 747			
PL	0.7	0.7	0.7	0.6	0.4	0.3	0.3	0.6	0.6	0.5	0.6	0.5	0.6	0.6	0.5	0.5	-0.1	0.2	20	1 811			
PT	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	-0.1	0.0	19	888			
RO	0.0	0.0	0.9	0.1	0.4	0.6	0.5	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.4	0.5	0.5	-0.1	21	618			
SI	0.6	0.5	0.5	0.9	0.7	0.6	0.6	0.6	0.5	0.6	0.4	0.4	0.4	0.6	0.6	0.7	0.1	0.0	14	237			
SK	1.2	1.4	1.2	1.4	1.6	1.5	1.4	1.3	1.2	0.8	0.6	0.6	0.6	0.6	0.6	0.6	-0.6	-0.9	17	363			
FI	0.9	1.0	0.9	0.9	0.9	1.0	1.0	1.0	1.0	1.1	1.0	1.0	0.9	1.0	1.0	1.1	0.1	0.0	7	1 913			
SE	0.5	0.6	0.6	0.6	0.7	0.7	0.6	0.5	0.5	0.5	0.5	0.5	0.2	0.3	0.3	0.3	-0.2	-0.4	24	931			
UK	2.2	2.2	2.2	2.3	2.3	2.3	2.4	2.4	2.5	2.6	2.6	2.6	2.6	4.1	2.8	2.6	0.4	0.3	2	44 846			
NO	1.0	1.1	1.0	1.0	1.0	0.9	0.9	1.0	1.0	1.0	1.0	0.9	1.0	0.9	1.0	1.0	-0.1	0.0		3 029			
IS	1.3	1.2	1.7	1.5	1.4	1.8	1.8	1.8	1.3	1.5	1.7	1.7	1.8	1.8	1.8	2.4	1.1	0.5		225			
<b>EU-27 averages</b>																						141 734	
weighted	1.1	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.3	1.2	1.2	1.2	1.3	1.2	1.2		0.0	0.0					
arithmetic	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.8	0.9	0.7	0.8	0.8	0.8	0.1	0.0					
<b>EA-17 averages</b>																						85 785	
weighted	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	1.1	1.0	0.9	0.9	0.9	1.0	0.9		-0.1	0.1					
arithmetic	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	0.8	0.0	-0.1					
<b>EU-25 averages</b>																							
weighted	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.2	0.0	0.0					
arithmetic	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.9	0.0	0.0					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

**Table 22: Direct Taxes as % of Total Taxation - Other**

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	1.9	2.2	2.2	2.3	2.4	2.4	2.4	2.7	2.8	3.2	3.2	2.9	2.9	2.8	2.9	3.0	1.0	0.5	6	4 600		
BG	1.1	0.8	0.3	0.6	0.6	0.6	0.6	0.7	0.8	1.0	1.2	1.7	1.9	1.9	1.2	1.3	0.2	0.7	22	125		
CZ	0.5	0.7	0.6	0.6	0.5	0.7	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.2	-0.4	25	142		
DK	4.8	4.5	4.0	3.2	4.2	3.3	1.5	1.6	2.3	4.7	6.1	2.9	2.0	2.7	2.6	5.8	1.1	2.5	2	6 561		
DE	1.8	2.0	1.4	1.5	1.5	1.4	1.5	1.4	1.4	1.6	1.7	1.8	1.9	1.9	1.7	1.7	-0.2	0.3	18	15 920		
EE	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	27	0		
IE	1.5	1.6	1.5	1.5	1.6	1.5	1.4	1.3	1.5	1.4	1.4	1.5	1.6	1.8	1.9	1.8	0.3	0.3	16	810		
EL <sup>(3)</sup>	3.3	3.2	3.2	3.3	2.4	2.4	2.9	2.6	2.3	2.3	2.5	2.9	2.9	3.0	3.6	3.5	0.2	1.1	5	2 450		
ES	2.2	2.2	2.3	2.3	2.4	2.4	2.3	2.3	2.3	2.3	2.4	2.4	2.5	2.7	2.2	2.0	-0.2	-0.4	13	6 835		
FR	3.3	3.4	3.5	3.4	3.5	3.0	3.1	3.1	3.1	3.2	3.3	3.3	3.4	3.3	3.4	3.6	0.3	0.5	4	29 346		
IT	3.0	2.0	2.9	2.2	1.5	1.4	1.3	1.7	4.4	2.6	1.4	1.2	1.1	1.2	3.0	1.6	-1.4	0.2	19	10 741		
CY	3.4	3.7	4.0	4.2	3.7	4.2	3.7	3.0	2.8	4.6	4.8	2.1	2.0	2.1	2.2	2.1	-1.3	-2.1	12	131		
LV	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.7	0.8	0.7	0.7	0.6	1.2	0.8	0.7	1.0	1.0	0.4	23	48		
LT	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	-0.1	0.0	26	14		
LU	2.2	2.6	2.4	2.5	2.8	2.4	2.3	2.5	2.4	2.0	2.2	2.0	2.1	2.0	2.4	2.2	-0.1	-0.2	11	321		
HU	0.6	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.9	1.0	1.1	1.0	0.8	0.8	1.1	2.3	1.8	1.5	9	853		
MT	2.5	2.4	2.5	3.0	2.9	2.6	2.6	4.5	3.7	2.6	3.7	2.5	2.8	2.2	2.6	2.6	0.1	0.0	7	54		
NL	3.9	4.2	4.0	4.1	4.0	4.1	3.5	3.7	3.7	3.8	3.9	3.3	3.4	3.4	3.8	3.7	-0.2	-0.4	3	8 428		
AT	2.0	1.9	1.9	2.0	2.0	2.2	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	0.2	0.1	10	2 747		
PL	1.8	1.8	1.9	1.7	1.0	1.1	1.0	1.8	1.8	1.7	1.7	1.5	1.7	1.7	1.7	1.6	-0.2	0.5	21	1 811		
PT	2.1	2.1	2.0	1.8	1.7	1.7	1.7	1.8	1.5	1.4	1.4	1.4	1.3	1.4	1.5	1.6	-0.5	-0.1	20	888		
RO	0.0	0.0	3.2	0.3	1.4	1.9	1.9	1.5	1.2	1.2	1.1	1.2	1.4	1.2	1.4	1.9	1.9	0.0	15	618		
SI	1.4	1.4	1.4	2.3	1.9	1.7	1.7	1.5	1.4	1.5	1.1	1.1	1.1	1.6	1.7	1.8	0.3	0.1	17	237		
SK	2.9	3.6	3.3	3.9	4.6	4.3	4.1	3.8	3.5	2.7	2.0	2.2	2.1	2.1	2.0	2.0	-1.0	-2.3	14	363		
FI	2.0	2.0	1.9	1.9	2.1	2.2	2.2	2.3	2.2	2.4	2.4	2.2	2.1	2.4	2.4	2.5	0.5	0.4	8	1 913		
SE	1.0	1.1	1.2	1.2	1.4	1.4	1.2	1.1	1.1	1.1	1.0	1.0	0.5	0.6	0.6	0.6	-0.4	-0.8	24	931		
UK	6.3	6.4	6.4	6.4	6.4	6.3	6.6	6.9	7.2	7.3	7.2	7.1	7.2	10.9	8.1	7.4	1.1	1.1	1	44 846		
NO	2.5	2.5	2.4	2.4	2.3	2.1	2.2	2.3	2.3	2.3	2.2	2.1	2.3	2.2	2.4	2.2	-0.3	0.1		3 029		
IS	3.8	3.4	4.9	4.3	3.9	5.0	5.2	5.1	3.7	3.9	4.1	4.1	4.5	4.8	5.3	6.8	3.0	1.8		225		
<b>EU-27 averages</b>																					<b>141 734</b>	
weighted	2.9	2.9	3.0	2.9	2.8	2.8	2.8	2.9	3.2	3.2	3.1	2.9	2.9	3.4	3.2	3.0	0.1	0.2				
arithmetic	2.1	2.1	2.2	2.1	2.1	2.1	2.0	2.1	2.1	2.2	2.2	1.9	1.9	2.1	2.1	2.2	0.2	0.1				
<b>EA-17 averages</b>																					<b>85 785</b>	
weighted	2.5	2.5	2.5	2.4	2.3	2.1	2.2	2.2	2.7	2.5	2.3	2.2	2.3	2.3	2.7	2.4	-0.1	0.3				
arithmetic	2.3	2.4	2.4	2.5	2.4	2.4	2.3	2.4	2.4	2.4	2.3	2.1	2.1	2.1	2.3	2.2	-0.1	-0.1				
<b>EU-25 averages</b>																						
weighted	2.9	2.9	3.0	2.9	2.9	2.8	2.8	2.9	3.2	3.2	3.1	2.9	2.9	3.4	3.2	3.0	0.1	0.3				
arithmetic	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.2	2.2	2.3	2.3	2.0	2.0	2.2	2.2	2.3	0.1	0.1				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012





Table 25: Social Contributions as % of GDP - Employers

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	8.6	8.5	8.6	8.6	8.7	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.6	0.0	0.3	7	30 427			
BG	9.1	7.7	7.6	8.5	8.7	8.6	7.7	7.3	7.9	7.8	6.9	5.6	5.5	4.8	4.6	4.5	-4.6	-4.1	23	1 623			
CZ	9.5	9.6	9.9	9.6	9.6	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.4	9.7	0.2	0.1	3	14 544			
DK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	27	123			
DE	7.5	7.6	7.7	7.6	7.6	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.6	6.9	6.8	-0.7	-0.7	13	168 240			
EE	12.1	11.4	11.2	11.0	10.9	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.4	12.2	0.1	1.4	1	1 742			
IE	2.8	2.6	2.5	2.5	2.5	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.0	3.3	3.3	3.2	0.3	0.5	25	4 947			
EL <sup>(3)</sup>	4.3	4.5	4.6	4.8	4.6	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.0	0.8	0.1	19	11 453			
ES	8.2	8.4	8.4	8.4	8.5	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.6	0.4	-0.1	6	90 631			
FR	11.4	11.3	11.3	11.2	11.3	11.1	11.0	11.1	11.2	11.0	11.1	11.2	11.0	11.1	11.4	11.3	-0.1	0.3	2	219 022			
IT	8.3	9.9	10.2	8.5	8.3	8.3	8.3	8.6	8.6	8.6	8.5	8.8	9.2	9.3	9.1	0.8	0.8	4	142 239				
CY	4.3	4.5	4.6	4.7	4.5	4.6	4.5	4.8	5.3	5.9	5.5	5.1	5.3	5.9	6.1	1.8	1.6	15	1 054				
LV	11.6	9.9	8.0	8.2	8.1	7.5	6.9	6.9	6.4	6.3	6.1	6.4	6.3	6.0	6.2	6.1	-5.6	-1.4	14	1 093			
LT	6.9	7.3	8.0	8.6	8.8	8.4	8.0	7.7	7.6	7.5	7.3	7.5	7.6	7.9	8.6	7.7	0.8	-0.7	10	2 109			
LU	4.5	4.5	4.5	4.6	4.4	4.4	4.8	4.8	4.7	4.6	4.3	4.2	4.3	4.8	4.7	0.1	0.3	22	1 881				
HU	11.9	11.2	11.4	11.3	10.5	10.7	10.3	10.1	9.8	9.4	9.7	9.5	9.8	9.8	9.3	7.8	-4.1	-2.9	9	7 565			
MT	3.0	3.1	3.3	3.0	2.9	2.8	3.0	2.9	2.9	2.9	2.8	2.7	2.7	2.7	2.7	2.7	-0.3	-0.1	26	168			
NL	2.0	2.0	1.8	4.5	4.5	4.5	4.3	4.3	4.3	4.0	4.6	4.5	4.8	5.0	4.9	3.0	0.5	20	29 116				
AT	7.3	7.3	7.4	7.2	7.2	7.1	7.0	6.9	6.8	6.8	6.7	6.7	6.7	6.7	6.9	6.8	-0.5	-0.2	12	19 577			
PL	5.9	5.9	6.1	6.1	5.9	5.7	5.7	5.4	5.2	4.9	4.9	4.8	4.8	4.7	4.7	4.7	-1.1	-1.0	21	16 757			
PT	3.9	4.1	4.1	4.6	4.6	4.7	4.8	4.9	4.6	4.6	4.8	4.5	4.8	4.9	5.1	5.2	1.3	0.5	18	8 917			
RO	7.6	7.2	7.0	7.0	7.8	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.6	-2.0	-2.4	17	6 883			
SI	8.0	6.2	5.5	5.4	5.4	5.5	5.4	5.4	5.4	5.4	5.6	5.5	5.4	5.5	5.8	5.8	-2.1	0.4	16	2 070			
SK	9.6	9.9	9.8	9.7	8.9	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	-2.7	-2.3	11	4 517			
FI	9.9	9.6	9.1	9.2	9.3	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	8.9	-1.0	0.1	5	16 003			
SE	10.4	10.9	10.4	9.9	8.4	10.1	10.6	10.3	10.0	9.7	9.7	9.1	9.1	8.2	7.9	8.1	-2.3	-2.1	8	27 921			
UK	3.3	3.3	3.3	3.3	3.4	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	3.9	0.6	0.4	24	65 595			
NO	5.8	5.7	5.7	6.1	6.1	5.3	5.6	5.9	5.9	5.6	5.3	5.3	5.5	5.4	6.1	5.9	0.1	0.6		18 624			
IS	2.3	2.5	2.5	2.6	2.7	2.7	2.7	2.8	3.0	2.9	3.1	3.2	2.9	2.7	3.0	4.0	1.8	1.3		384			
<b>EU-27 averages</b>																						896 216	
weighted	7.4	7.6	7.5	7.4	7.3	7.2	7.2	7.2	7.3	7.2	7.2	7.1	7.1	7.2	7.4	7.3	-0.1	0.1					
arithmetic	7.1	7.0	6.9	7.0	6.9	6.9	6.8	6.7	6.7	6.6	6.5	6.4	6.5	6.6	6.5		-0.6	-0.4					
<b>EA-17 averages</b>																						752 004	
weighted	8.1	8.4	8.5	8.3	8.3	8.2	8.1	8.2	8.2	8.1	8.1	8.0	8.0	8.1	8.3	8.2	0.1	0.0					
arithmetic	6.8	6.8	6.7	6.8	6.7	6.7	6.7	6.7	6.7	6.6	6.6	6.5	6.5	6.7	6.9	6.9	0.1	0.2					
<b>EU-25 averages</b>																							
weighted	7.4	7.6	7.5	7.4	7.3	7.2	7.2	7.2	7.3	7.2	7.2	7.1	7.1	7.3	7.4	7.3	-0.1	0.1					
arithmetic	7.0	6.9	6.9	6.9	6.7	6.8	6.7	6.7	6.7	6.6	6.5	6.4	6.5	6.6	6.7	6.6	-0.4	-0.2					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 27: Social Contributions as % of GDP - Employees

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	4.5	4.4	4.4	4.4	4.4	4.4	4.5	4.5	4.5	4.4	4.3	4.2	4.2	4.2	4.4	4.3	-0.2	-0.1	6	15 254	
BG	0.0	0.3	0.4	0.5	0.7	1.7	1.5	1.8	1.9	1.9	2.1	2.1	2.1	2.5	2.6	2.0	2.0	0.3	23	718	
CZ	3.6	3.4	3.5	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0	3.1	-0.5	-0.3	13	4 620	
DK	1.1	1.1	1.0	1.0	1.6	1.8	1.7	1.2	1.2	1.1	1.1	1.0	1.0	0.9	1.0	1.0	-0.1	-0.8	25	2 252	
DE	6.8	6.9	7.0	7.0	6.9	6.8	6.8	6.7	6.7	6.5	6.5	6.4	6.1	6.1	6.4	6.3	-0.4	-0.5	2	156 660	
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.5	0.8	0.8	0.8	26	116	
IE	1.8	1.7	1.5	1.4	1.5	1.5	1.5	1.5	1.6	1.7	1.7	1.6	1.7	1.9	2.3	2.5	0.6	0.9	18	3 861	
EL <sup>(3)</sup>	3.8	3.9	4.0	4.0	4.0	4.1	4.2	4.5	4.7	4.4	4.5	4.2	4.2	4.2	3.8	4.1	0.2	-0.1	9	9 237	
ES	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.0	2.0	1.9	0.0	0.0	24	20 389	
FR	5.8	5.9	5.5	3.9	4.0	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.1	4.0	4.1	4.1	-1.8	0.1	8	78 652	
IT	2.4	2.5	2.6	2.4	2.3	2.3	2.3	2.2	2.2	2.2	2.2	2.2	2.3	2.4	2.5	2.4	0.0	0.2	20	37 813	
CY	1.8	1.8	1.9	1.9	1.8	1.8	1.9	1.9	2.0	2.1	2.1	2.0	2.1	2.1	2.4	2.5	0.6	0.6	19	427	
LV	0.3	0.9	2.6	2.5	2.6	2.5	2.4	2.4	2.4	2.4	2.3	2.4	2.4	2.2	2.3	2.3	2.0	-0.2	22	409	
LT	0.2	0.2	0.3	0.3	0.3	0.8	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.9	2.6	2.3	2.1	1.5	21	641	
LU	3.9	4.0	4.2	4.3	4.4	4.5	4.9	4.8	4.7	4.5	4.6	4.4	4.5	4.6	5.1	5.0	1.0	0.5	5	1 995	
HU	2.3	2.1	2.1	2.0	2.2	2.0	2.1	2.2	2.2	2.3	2.3	2.4	3.3	3.2	3.2	3.6	1.4	1.6	10	3 524	
MT	2.5	2.6	2.7	2.5	2.6	2.8	3.0	2.9	2.9	2.9	2.9	2.8	2.6	2.7	2.7	2.7	0.2	-0.1	15	167	
NL	10.2	9.8	9.8	7.6	8.0	7.9	6.7	6.4	6.7	6.9	6.4	6.5	6.1	6.6	5.9	6.0	-4.1	-1.9	3	35 450	
AT	6.3	6.2	6.2	6.1	6.1	6.0	6.1	6.0	6.0	5.9	5.8	5.7	5.8	6.0	5.9	5.9	-0.4	-0.1	4	17 002	
PL	4.7	4.7	4.9	4.9	6.3	5.5	5.5	5.1	5.2	5.0	4.8	4.9	4.8	4.6	4.3	4.1	-0.6	-1.4	7	14 460	
PT	3.5	3.1	3.1	2.7	2.8	2.9	3.0	3.1	3.5	3.2	3.2	3.6	3.5	3.5	3.7	3.5	0.0	0.7	11	6 077	
RO	0.0	0.0	0.0	2.2	2.9	3.0	3.8	4.2	3.1	3.0	3.0	3.3	3.3	3.2	3.3	3.0	3.0	0.0	14	3 628	
SI	8.0	7.8	7.7	7.7	7.7	7.8	7.7	7.6	7.5	7.4	7.5	7.3	7.2	7.4	7.8	7.9	-0.2	0.1	1	2 785	
SK	2.8	3.2	3.1	2.9	2.8	2.9	3.0	3.0	2.8	2.9	3.0	2.8	2.8	2.9	3.0	3.2	0.3	0.3	12	2 077	
FI	2.6	2.6	2.4	2.3	2.3	2.2	2.2	2.1	2.1	2.1	2.2	2.4	2.3	2.2	2.4	2.6	0.0	0.4	17	4 702	
SE	1.6	2.0	2.4	2.8	2.8	2.1	1.4	0.7	0.7	0.7	0.3	0.0	0.0	0.0	0.0	0.0	-1.6	-2.1	27	0	
UK	2.5	2.4	2.6	2.6	2.5	2.5	2.5	2.4	2.5	2.7	2.8	2.8	2.6	2.7	2.7	2.6	0.1	0.2	16	44 880	
NO	3.4	3.3	3.3	3.5	3.5	3.1	3.1	3.4	3.3	3.2	3.0	2.9	3.0	2.9	3.3	3.2	-0.2	0.1		10 091	
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0	
<b>EU-27 averages</b>																					<b>467 797</b>
weighted	4.7	4.7	4.6	4.2	4.2	4.1	4.0	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.9	3.8	-0.9	-0.3			
arithmetic	3.1	3.2	3.3	3.2	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	0.2	0.0			
<b>EA-17 averages</b>																					<b>392 665</b>
weighted	5.3	5.3	5.2	4.7	4.6	4.6	4.5	4.4	4.4	4.3	4.3	4.2	4.2	4.2	4.3	4.3	-1.0	-0.3			
arithmetic	4.0	4.0	4.0	3.7	3.7	3.8	3.7	3.7	3.8	3.7	3.7	3.7	3.6	3.7	3.8	3.9	-0.2	0.1			
<b>EU-25 averages</b>																					
weighted	4.7	4.7	4.6	4.2	4.2	4.1	4.0	3.9	3.9	3.9	3.8	3.8	3.7	3.8	3.9	3.8	-0.9	-0.2			
arithmetic	3.4	3.4	3.5	3.3	3.4	3.4	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.4	3.4	0.0	0.0			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 28: Social Contributions as % of Total Taxation - Employees

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	10.2	10.0	9.7	9.6	9.6	9.7	10.0	10.0	10.0	9.7	9.5	9.4	9.6	9.6	10.1	9.8	-0.4	0.1	11	15 254
BG	0.0	0.9	1.5	1.6	2.4	5.3	4.9	6.3	6.0	5.7	6.9	6.9	6.4	7.9	9.0	7.3	7.3	2.0	20	718
CZ	10.0	10.0	10.1	10.2	9.9	10.1	10.0	10.1	10.0	9.6	9.8	9.8	9.7	10.1	8.9	9.2	-0.9	-0.9	14	4 620
DK	2.2	2.2	2.1	2.1	3.3	3.6	3.5	2.4	2.4	2.3	2.1	2.0	2.0	2.0	2.0	2.0	-0.2	-1.6	26	2 252
DE	17.0	17.1	17.5	17.2	16.7	16.6	17.2	17.2	17.2	17.1	16.9	16.5	15.9	15.8	16.4	16.6	-0.4	0.0	2	156 660
EE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.9	0.9	0.5	0.5	0.6	1.5	2.4	2.4	2.4	25	116
IE	5.6	5.3	4.7	4.3	4.7	4.9	5.1	5.3	5.4	5.6	5.6	5.1	5.4	6.3	8.2	8.8	3.2	3.9	15	3 861
EL <sup>(3)</sup>	13.2	13.3	13.2	12.3	12.1	11.9	12.6	13.3	14.5	14.0	14.0	13.1	13.0	13.1	12.6	13.1	-0.1	1.2	6	9 237
ES	5.9	6.0	5.8	5.6	5.6	5.6	5.7	5.6	5.7	5.5	5.3	5.3	5.2	5.9	6.4	6.1	0.2	0.4	23	20 389
FR	13.6	13.3	12.4	8.9	8.9	9.1	9.1	9.4	9.5	9.4	9.3	9.3	9.4	9.3	9.8	9.6	-4.1	0.5	13	78 652
IT	6.0	6.1	5.9	5.7	5.5	5.4	5.5	5.6	5.4	5.5	5.5	5.3	5.3	5.7	5.8	5.7	-0.3	0.3	24	37 813
CY	6.8	6.9	7.2	6.8	6.5	6.1	6.2	6.1	6.1	6.3	5.9	5.6	5.2	5.5	6.8	6.9	0.1	0.8	21	427
LV	0.9	2.9	8.0	7.5	8.1	8.4	8.2	8.4	8.4	8.3	7.8	7.8	7.7	7.6	8.6	8.3	7.4	0.0	17	409
LT	0.8	0.9	0.9	0.9	0.9	2.7	2.7	2.6	2.6	2.7	2.6	2.7	2.7	2.8	8.8	8.6	7.8	5.9	16	641
LU	10.6	10.7	10.6	10.8	11.6	11.4	12.2	12.3	12.4	11.9	12.3	12.4	12.5	13.0	13.6	13.4	2.8	1.9	5	1 995
HU	5.6	5.2	5.6	5.3	5.6	5.1	5.4	5.8	5.8	6.1	6.0	6.5	8.3	8.1	8.0	9.6	4.1	4.5	12	3 524
MT	9.3	10.1	9.9	9.7	9.5	10.1	10.1	9.6	9.3	8.9	8.5	8.2	7.6	8.0	8.0	8.2	-1.2	-1.9	18	167
NL	25.3	24.3	24.6	19.2	19.9	19.8	17.6	17.0	17.9	18.3	17.1	16.6	15.7	16.9	15.4	15.5	-9.8	-4.2	3	35 450
AT	15.2	14.6	14.1	13.8	13.9	14.0	13.5	13.7	13.8	13.8	14.0	14.0	13.8	13.7	14.2	14.1	-1.1	0.2	4	17 002
PL	12.6	12.7	13.4	13.8	18.1	16.9	17.2	15.6	16.1	15.8	14.8	14.4	13.7	13.4	13.4	12.8	0.2	-4.0	7	14 460
PT	11.8	10.2	10.4	8.9	8.9	9.2	9.8	9.7	10.9	10.5	10.2	11.1	10.7	10.8	11.8	11.2	-0.6	2.0	9	6 077
RO	0.0	0.0	0.0	7.7	9.5	10.0	13.2	14.9	11.1	10.9	10.8	11.4	11.4	11.3	12.1	10.9	10.9	1.0	10	3 628
SI	20.6	20.6	21.0	20.5	20.2	20.9	20.5	20.0	19.6	19.5	19.4	19.2	19.1	19.9	20.7	20.7	0.1	-0.2	1	2 785
SK	7.1	8.0	8.3	8.0	8.0	8.5	9.0	9.0	8.6	9.2	9.6	9.4	9.4	10.0	10.4	11.2	4.2	2.8	8	2 077
FI	5.8	5.5	5.2	5.0	5.1	4.7	4.9	4.7	4.8	4.8	5.0	5.4	5.2	5.1	5.6	6.2	0.4	1.5	22	4 702
SE	3.3	4.0	4.7	5.5	5.4	4.1	2.8	1.5	1.5	1.4	0.7	0.0	0.0	0.0	0.0	0.0	-3.3	-4.1	27	0
UK	7.3	7.1	7.5	7.1	7.0	6.7	6.8	6.7	7.4	7.8	7.8	7.6	7.2	7.0	7.7	7.4	0.1	0.7	19	44 880
NO	8.1	7.8	7.8	8.4	8.2	7.2	7.3	7.8	7.8	7.4	6.9	6.6	6.9	7.0	7.8	7.5	-0.7	0.3		10 091
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
<b>EU-27 averages</b>																				<b>467 797</b>
weighted	12.0	11.7	11.4	10.4	10.3	10.1	10.1	10.0	10.1	10.0	9.8	9.6	9.4	9.6	10.1	10.0	-2.0	-0.1		
arithmetic	8.4	8.4	8.7	8.5	8.8	8.9	9.0	9.0	9.0	8.9	8.8	8.7	8.6	8.9	9.5	9.5	1.1	0.6		
<b>EA-17 averages</b>																				<b>392 665</b>
weighted	13.4	13.0	12.7	11.4	11.3	11.2	11.2	11.2	11.1	10.9	10.6	10.4	10.7	11.0	11.0		-2.4	-0.2		
arithmetic	10.8	10.7	10.6	9.8	9.8	9.9	9.9	10.0	10.1	10.1	9.9	9.8	9.6	10.0	10.4	10.6	-0.3	0.7		
<b>EU-25 averages</b>																				
weighted	12.0	11.7	11.4	10.4	10.3	10.1	10.1	10.0	10.1	10.0	9.8	9.6	9.4	9.6	10.1	10.0	-2.1	-0.1		
arithmetic	9.1	9.1	9.3	8.8	9.0	9.0	9.0	8.9	9.0	9.0	8.8	8.7	8.6	8.8	9.4	9.5	0.4	0.5		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 29: Social Contributions as % of GDP - Self-employed

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.4	1.4	0.1	0.2	11	4 804	
BG	0.5	0.2	0.1	0.2	0.4	0.5	0.6	0.5	0.6	0.6	0.6	0.5	0.5	0.4	0.5	0.6	0.0	0.0	17	200	
CZ	1.6	1.6	1.6	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.0	2.2	2.3	2.2	2.6	2.4	0.9	0.5	2	3 638	
DK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0	
DE	2.6	3.0	3.0	2.9	2.9	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.5	2.5	2.5	2.4	-0.2	-0.3	3	59 790	
EE	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	-0.1	0.0	25	21	
IE	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	22	295	
EL <sup>(3)</sup>	1.3	1.2	1.3	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	1.8	1.7	1.8	1.8	0.5	0.3	9	4 046	
ES	1.7	1.6	1.6	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.5	1.8	1.8	0.1	0.3	8	18 721
FR	1.4	1.5	1.4	1.0	1.0	1.0	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.2	1.3	1.3	-0.1	0.3	12	25 032	
IT	1.8	1.7	1.6	1.3	1.2	1.4	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.8	1.8	0.1	0.5	7	28 266	
CY	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.4	0.3	0.3	0.4	0.3	0.4	0.4	0.0	0.1	18	72	
LV	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	26	9	
LT	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.4	0.3	0.3	19	106	
LU	1.4	1.3	1.3	1.3	1.3	1.2	1.3	1.3	1.3	1.6	1.3	1.2	1.2	1.2	1.3	1.2	-0.2	0.0	13	484	
HU	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.7	0.7	0.7	0.6	0.0	0.1	15	602	
MT	0.6	0.7	0.7	0.6	0.7	0.8	0.7	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.0	-0.2	16	36	
NL	3.7	3.5	3.6	2.9	3.0	3.1	2.6	2.5	2.8	2.7	2.5	2.9	2.9	3.1	3.0	3.1	-0.6	0.0	1	18 219	
AT	1.3	1.3	1.4	1.7	1.7	1.6	1.7	1.7	1.7	1.9	1.8	1.8	1.8	1.8	1.9	1.9	0.6	0.2	6	5 328	
PL	0.8	0.9	0.7	0.6	1.5	1.8	2.1	2.5	2.4	2.4	2.5	2.5	2.4	2.0	2.4	2.3	1.5	0.5	4	8 081	
PT	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.5	0.4	0.5	0.3	0.2	0.3	0.3	0.3	-0.1	-0.1	20	535	
RO	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.2	24	191	
SI	0.8	0.9	1.0	1.1	1.0	1.0	1.3	1.3	1.3	1.4	1.2	1.2	1.1	1.1	1.4	1.5	0.8	0.6	10	541	
SK	2.6	2.9	2.1	2.3	2.3	2.1	2.5	2.8	2.6	2.6	2.6	2.7	2.7	2.4	2.8	2.3	-0.3	0.2	5	1 498	
FI	1.6	1.4	1.3	1.1	1.0	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9	1.0	1.1	-0.5	0.1	14	1 899	
SE	0.3	0.3	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.0	0.0	21	756	
UK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	23	3 003	
NO	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.0	0.0		1 708
IS	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1		9	
<b>EU-27 averages</b>																				<b>186 172</b>	
weighted	1.6	1.7	1.6	1.5	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.4	1.5	1.6	1.5	-0.1	0.1			
arithmetic	1.0	1.0	1.0	0.9	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.0	1.1	0.1	0.1			
<b>EA-17 averages</b>																				<b>169 587</b>	
weighted	2.0	2.1	2.1	1.8	1.8	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.8	1.9	1.9	-0.1	0.1			
arithmetic	1.4	1.4	1.4	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.4	0.0	0.1			
<b>EU-25 averages</b>																					
weighted	1.6	1.7	1.7	1.5	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.4	1.5	1.6	1.5	-0.1	0.1			
arithmetic	1.1	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	0.1	0.1			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 30: Social Contributions as % of Total Taxation - Self-employed

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	2.9	2.9	2.8	2.7	2.7	2.6	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.9	3.2	3.1	0.2	0.5	12	4 804
BG	1.7	0.9	0.5	0.6	1.2	1.7	2.0	1.8	1.8	1.9	2.0	1.7	1.4	1.3	1.6	2.0	0.3	0.3	15	200
CZ	4.4	4.7	4.8	5.3	5.6	5.7	5.7	5.8	5.7	5.7	5.7	6.3	6.4	6.4	7.6	7.2	2.8	1.5	3	3 638
DK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27	0
DE	6.6	7.4	7.6	7.3	6.9	6.5	6.7	7.2	7.2	7.5	7.6	7.2	6.5	6.4	6.4	6.3	-0.2	-0.2	5	59 790
EE	0.6	0.5	0.5	0.5	0.5	0.6	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	-0.1	-0.2	25	21
IE	0.6	0.6	0.7	0.7	0.7	0.6	0.5	0.7	0.7	0.8	0.8	0.7	0.7	0.8	0.7	0.7	0.0	0.1	21	295
EL <sup>(3)</sup>	4.3	4.2	4.3	4.7	4.5	4.3	4.6	4.8	5.1	5.3	5.3	5.3	5.5	5.3	6.0	5.7	1.5	1.4	6	4 046
ES	5.2	5.1	5.0	4.7	4.3	4.2	4.2	4.1	4.2	4.2	3.9	3.7	3.7	4.5	5.9	5.6	0.3	1.3	7	18 721
FR	3.2	3.4	3.2	2.3	2.3	2.3	2.5	2.5	2.6	2.7	2.8	2.7	2.7	2.8	3.1	3.0	-0.1	0.7	13	25 032
IT	4.4	4.1	3.7	3.0	2.8	3.3	3.0	3.1	3.2	3.6	3.7	3.8	4.0	4.3	4.3	4.3	-0.1	1.0	9	28 266
CY	1.6	1.5	1.5	1.5	1.3	1.1	1.1	1.1	1.1	1.1	1.0	0.9	0.9	0.9	1.1	1.2	-0.4	0.0	19	72
LV	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	26	9
LT	0.2	0.2	0.2	0.2	0.4	0.4	0.5	0.4	0.4	0.3	0.4	0.4	0.4	0.4	1.4	1.4	1.2	1.1	18	106
LU	3.7	3.4	3.4	3.2	3.4	3.1	3.2	3.2	3.4	4.2	3.4	3.3	3.3	3.6	3.2	3.2	-0.4	0.1	11	484
HU	1.6	1.5	1.3	1.3	1.3	1.4	1.6	1.5	1.5	1.4	1.5	1.7	1.6	1.7	1.8	1.6	0.1	0.2	17	602
MT	2.3	2.6	2.7	2.5	2.5	2.8	2.3	2.2	2.1	2.0	1.9	1.9	1.8	1.8	1.7	1.7	-0.5	-1.0	16	36
NL	9.2	8.7	8.9	7.3	7.5	7.7	6.8	6.6	7.4	7.3	6.7	7.5	7.4	7.9	7.8	8.0	-1.2	0.3	2	18 219
AT	3.0	3.1	3.3	3.8	3.8	3.8	3.8	3.9	4.0	4.3	4.3	4.4	4.2	4.1	4.5	4.4	1.4	0.6	8	5 328
PL	2.0	2.5	1.9	1.7	4.2	5.4	6.7	7.5	7.6	7.7	7.8	7.3	6.8	5.8	7.5	7.2	5.1	1.8	4	8 081
PT	1.5	1.7	1.8	1.6	1.5	1.4	1.3	1.3	1.7	1.4	1.4	1.0	0.7	1.1	1.1	1.0	-0.5	-0.4	20	535
RO	0.0	0.0	0.0	0.0	0.8	0.0	0.1	0.3	0.6	0.9	0.6	0.5	0.6	0.4	0.6	0.6	0.6	0.6	22	191
SI	2.0	2.3	2.7	3.0	2.6	2.6	3.5	3.3	3.5	3.7	3.2	3.1	3.0	3.1	3.8	4.0	2.1	1.5	10	541
SK	6.5	7.3	5.7	6.2	6.4	6.2	7.4	8.4	7.9	8.2	8.4	9.2	9.1	8.1	9.7	8.1	1.6	1.9	1	1 498
FI	3.4	2.9	2.7	2.3	2.2	2.0	2.0	1.9	1.8	1.8	1.9	2.1	2.1	2.0	2.2	2.5	-0.9	0.5	14	1 899
SE	0.6	0.5	0.5	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-0.1	0.0	24	756
UK	0.6	0.7	0.6	0.5	0.6	0.6	0.6	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	-0.1	-0.1	23	3 003
NO	1.4	1.3	1.3	1.4	1.4	1.2	1.2	1.3	1.3	1.2	1.2	1.1	1.2	1.2	1.3	1.3	-0.1	0.1		1 708
IS	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3	-0.3	-0.1		9
<b>EU-27 averages</b>																				<b>186 172</b>
weighted	4.2	4.3	4.1	3.6	3.5	3.5	3.5	3.6	3.7	3.8	3.8	3.7	3.6	3.8	4.1	4.0	-0.2	0.5		
arithmetic	2.7	2.7	2.6	2.5	2.6	2.6	2.7	2.8	2.9	3.0	2.9	2.9	2.9	2.9	3.2	3.1	0.5	0.5		
<b>EA-17 averages</b>																				<b>169 587</b>
weighted	5.0	5.2	5.1	4.5	4.4	4.3	4.3	4.4	4.5	4.6	4.6	4.5	4.4	4.6	4.8	4.8	-0.3	0.4		
arithmetic	3.6	3.6	3.6	3.4	3.3	3.2	3.3	3.4	3.5	3.6	3.5	3.5	3.5	3.5	3.9	3.7	0.1	0.5		
<b>EU-25 averages</b>																				
weighted	4.2	4.3	4.1	3.6	3.5	3.5	3.5	3.6	3.7	3.8	3.8	3.7	3.6	3.8	4.1	4.0	-0.2	0.5		
arithmetic	2.8	2.9	2.8	2.7	2.7	2.8	2.9	3.0	3.0	3.1	3.0	3.1	3.0	3.0	3.4	3.3	0.5	0.5		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 31: Taxes received by administrative level as % of GDP - Central Government

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	15.5	15.6	15.7	16.2	16.0	16.6	15.7	15.0	14.7	14.3	14.0	13.3	13.0	11.5	12.3	-3.2	-4.3	25	43 545	
BG	17.8	17.0	16.1	19.0	17.4	17.5	15.7	20.2	21.8	21.0	21.7	24.0	23.1	20.2	19.3	1.5	1.8	16	6 947	
CZ	26.5	25.4	25.6	24.5	25.0	24.7	25.1	25.2	25.8	26.0	24.8	24.5	25.0	23.8	23.0	23.1	-3.4	-1.6	9	34 539
DK	32.2	32.4	32.1	32.0	32.1	31.0	29.7	29.6	29.6	30.9	32.8	31.7	35.9	34.9	34.4	33.8	1.7	2.9	1	79 707
DE	11.1	10.6	10.5	10.7	11.5	11.6	11.0	10.9	11.1	10.6	10.8	11.0	11.5	11.6	11.8	11.5	0.4	-0.1	27	284 400
EE	26.2	29.0	25.0	24.7	23.3	22.4	21.9	22.4	22.2	21.7	21.7	21.9	22.2	21.4	24.3	23.2	-3.0	0.8	8	3 319
IE	26.6	27.2	27.0	26.4	26.7	26.5	24.7	23.7	24.2	25.3	25.7	27.1	26.3	24.2	22.5	22.6	-4.0	-3.9	11	35 327
EL <sup>(3)</sup>	19.0	19.0	20.1	21.8	22.5	23.4	21.9	21.5	19.9	19.8	20.6	20.2	20.6	20.2	19.4	19.9	0.9	-3.5	15	45 207
ES	16.3	16.8	16.0	16.2	16.5	16.6	16.3	13.4	12.4	12.5	13.2	13.8	14.2	10.8	8.9	11.6	-4.7	-5.0	26	122 071
FR	17.7	18.4	18.5	18.5	19.0	18.2	17.8	17.2	16.8	17.9	17.3	16.5	15.8	15.2	13.3	14.9	-2.8	-3.3	21	287 795
IT	23.9	23.4	25.1	23.9	24.4	23.1	22.7	22.0	22.0	21.5	21.1	22.6	22.9	22.4	22.8	22.5	-1.3	-0.5	12	350 866
CY	20.0	19.3	18.5	20.1	20.7	22.9	23.4	23.7	24.7	24.5	26.1	27.2	31.8	30.1	25.9	26.1	6.1	3.2	5	4 518
LV	14.7	13.7	16.2	17.5	16.3	14.7	14.6	14.3	14.6	14.5	15.5	16.1	16.1	15.1	12.8	13.0	-1.7	-1.7	23	2 341
LT	13.5	12.7	15.5	14.5	13.9	12.6	12.2	15.1	15.1	15.0	15.3	15.9	15.7	15.3	13.9	13.3	-0.2	0.7	22	3 661
LU	24.2	24.8	26.4	26.4	25.7	26.5	26.4	26.0	25.1	24.8	25.5	24.4	24.2	23.9	24.8	24.7	0.6	-1.8	6	9 963
HU	24.8	24.4	22.5	22.3	23.1	23.7	22.8	22.3	22.1	21.7	21.3	21.3	22.9	24.8	24.8	23.5	-1.2	-0.2	7	22 848
MT	26.8	25.4	27.5	25.6	27.3	27.9	29.7	30.6	31.1	32.3	33.3	33.6	34.3	33.4	34.0	33.0	6.2	5.1	3	2 028
NL	21.9	22.7	22.2	22.2	22.6	22.3	22.6	22.5	21.6	21.6	22.6	23.2	23.4	22.8	22.7	22.9	1.0	0.6	10	134 709
AT	20.2	21.4	22.5	22.7	22.6	22.2	24.0	23.4	23.5	23.2	22.4	22.0	22.2	22.3	20.9	20.6	0.4	-1.6	14	59 000
PL	21.3	21.3	20.5	19.7	18.2	16.9	16.1	16.9	16.7	15.2	16.4	17.4	18.1	18.2	16.1	16.5	-4.8	-0.3	20	58 509
PT	20.7	21.2	21.0	20.7	21.3	21.2	21.0	21.5	21.6	20.8	21.4	22.1	22.3	22.1	20.2	20.8	0.1	-0.4	13	35 932
RO	17.3	16.2	17.0	17.9	17.1	18.0	17.1	16.9	17.4	17.3	17.5	18.0	18.0	17.6	16.4	17.3	-0.1	-0.7	19	21 070
SI	20.2	20.6	20.3	21.0	21.4	20.6	20.5	21.0	21.2	21.1	21.5	21.2	20.4	19.8	18.9	18.6	-1.5	-1.9	18	6 600
SK	24.1	22.3	21.1	20.9	20.2	18.9	17.7	17.3	18.0	17.1	15.4	14.2	14.4	13.8	12.8	13.0	-11.1	-5.8	24	8 576
FI	20.8	22.1	22.9	23.1	22.8	24.6	22.4	23.0	22.7	22.5	22.6	22.1	21.7	21.2	19.5	19.1	-1.7	-5.5	17	34 452
SE	28.7	29.8	30.4	30.9	31.5	31.2	29.2	28.0	28.0	28.5	29.7	29.8	29.0	27.2	27.0	27.0	-1.7	-4.2	4	93 472
UK	32.4	32.2	32.9	33.8	34.2	34.6	34.4	33.0	32.6	33.2	34.0	34.7	34.3	35.8	32.7	33.5	1.1	-1.1	2	569 983
NO	24.0	25.0	24.8	24.6	24.9	27.3	26.6	27.6	26.3	27.8	28.6	29.4	28.6	28.3	26.6	27.4	3.5	0.1		86 419
IS	26.8	27.8	26.9	26.4	28.5	28.4	26.5	26.5	27.8	28.9	31.3	31.4	30.3	27.1	24.5	26.0	-0.8	-2.4		2 469
<b>EU-27 averages</b>																			<b>2 361 381</b>	
weighted	19.5	19.8	20.6	20.8	21.3	21.4	20.9	20.2	19.9	20.1	20.3	20.6	20.7	19.9	18.6	19.3	-0.2	-2.1		
arithmetic	21.6	21.7	21.8	22.0	22.0	21.9	21.4	21.2	21.3	21.3	21.6	21.8	22.2	21.6	20.6	20.7	-1.0	-1.2		
<b>EA-17 averages</b>																			<b>1 468 306</b>	
weighted	16.8	17.0	17.4	17.4	18.0	17.7	17.3	16.8	16.6	16.6	16.6	16.9	16.9	16.2	15.5	16.0	-0.7	-1.7		
arithmetic	20.9	21.2	21.2	21.2	21.5	21.5	21.2	20.9	20.8	20.7	20.9	21.0	21.3	20.5	19.7	19.8	-1.0	-1.7		
<b>EU-25 averages</b>																				
weighted	19.5	19.8	20.6	20.8	21.4	21.4	20.9	20.2	19.9	20.1	20.3	20.6	20.7	20.0	18.6	19.3	-0.2	-2.1		
arithmetic	22.0	22.1	22.2	22.3	22.4	22.2	21.7	21.6	21.5	21.5	21.8	21.9	22.3	21.7	20.8	20.8	-1.1	-1.4		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 32: Taxes received by administrative level as % of Total Taxation - Central Government

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	35.4	35.3	35.0	35.6	35.2	36.7	34.8	34.7	33.5	32.7	32.0	31.5	30.2	29.3	26.5	28.0	-7.4	-8.8	27	43 545
BG	57.6	59.4	58.4	59.4	56.5	55.5	57.0	55.1	65.2	67.0	67.1	70.6	72.0	71.7	69.7	70.5	12.8	15.0	6	6 947
CZ	74.7	74.4	73.9	73.5	73.0	73.2	74.5	72.8	72.7	72.4	69.7	69.5	69.7	69.1	68.4	68.4	-6.3	-4.8	7	34 539
DK	65.9	66.0	65.5	64.9	64.0	62.7	61.3	61.8	61.7	63.1	64.5	64.0	73.5	73.2	72.1	71.1	5.1	8.3	5	79 707
DE	27.8	26.4	26.1	26.5	27.7	28.1	27.9	28.1	28.3	27.7	28.2	28.6	29.7	29.7	30.1	30.1	2.3	2.0	26	284 400
EE	72.1	84.7	72.9	72.6	71.6	72.2	72.6	72.2	72.2	71.2	71.0	71.2	70.7	67.3	68.2	67.9	-4.2	-4.3	8	3 319
IE	81.3	83.0	84.1	84.1	84.7	84.8	83.6	83.9	84.1	84.4	84.4	84.7	83.8	81.5	80.0	80.4	-0.9	-4.4	3	35 327
EL <sup>(3)</sup>	65.1	64.4	65.8	67.0	67.7	67.6	65.8	63.9	62.1	63.2	63.8	63.8	63.3	62.8	63.7	64.2	-0.9	-3.5	11	45 207
ES	50.8	51.4	48.8	48.5	48.8	48.8	48.5	39.0	36.6	36.1	36.8	37.5	38.1	32.7	29.1	36.3	-14.5	-12.4	24	122 071
FR	41.4	41.8	41.9	42.0	42.4	41.2	40.6	39.8	39.1	41.4	39.6	37.4	36.4	35.2	31.7	35.0	-6.4	-6.2	25	287 795
IT	60.0	56.3	57.7	56.5	58.2	55.7	55.2	54.3	53.7	53.2	52.7	54.3	53.6	52.5	53.4	53.3	-6.7	-2.4	16	350 866
CY	74.1	73.0	71.7	73.0	74.4	76.4	76.2	76.8	76.7	74.4	74.4	76.1	79.3	77.9	73.3	73.0	-1.1	-3.5	4	4 518
LV	44.4	44.3	50.6	52.0	51.0	49.5	50.5	50.0	51.1	50.8	52.9	52.8	52.5	51.5	48.0	47.6	3.2	-1.9	21	2 341
LT	49.0	46.7	50.8	45.8	43.9	42.2	42.6	53.5	54.0	53.2	53.8	54.3	53.0	51.0	47.6	49.1	0.1	6.9	18	3 661
LU	65.2	66.0	67.1	67.0	67.2	67.7	66.5	66.1	65.8	66.5	67.9	68.1	68.0	67.3	65.8	66.7	1.5	-1.0	9	9 963
HU	60.4	61.2	58.8	58.2	59.3	59.6	58.9	58.6	58.1	57.6	57.0	57.0	66.7	61.4	61.9	62.4	1.9	2.8	13	22 848
MT	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	99.1	98.6	98.8	98.7	98.6	99.0	99.0	-1.0	-1.0	1	2 028
NL	54.5	56.3	56.0	56.2	56.1	55.9	58.9	59.7	57.8	57.6	60.2	59.5	60.4	58.3	59.1	59.1	4.5	3.1	14	134 709
AT	48.9	50.0	51.0	51.4	51.6	51.7	53.5	53.7	54.1	54.0	53.3	52.9	53.2	52.3	49.1	49.1	0.2	-2.6	19	59 000
PL	57.4	57.1	56.2	55.8	52.1	51.8	50.0	51.6	51.8	48.5	50.1	51.6	52.0	52.9	50.7	52.0	-5.4	0.2	17	58 509
PT	69.9	70.2	69.7	68.2	68.5	68.2	67.9	68.3	68.2	68.0	67.9	68.4	68.1	67.5	65.3	66.0	-3.9	-2.1	10	35 932
RO	63.1	62.4	64.5	61.9	55.2	59.5	59.7	60.1	62.8	63.4	63.0	63.0	62.2	62.9	61.1	63.4	0.3	3.9	12	21 070
SI	51.8	54.5	55.2	56.0	56.3	55.1	54.6	55.4	55.6	55.3	55.7	55.5	54.2	53.1	50.3	49.1	-2.7	-6.1	20	6 600
SK	59.9	56.5	56.6	56.8	57.3	55.3	53.3	52.5	54.8	54.3	49.3	48.7	49.0	47.3	44.4	46.4	-13.5	-9.0	22	8 576
FI	45.5	47.1	49.4	49.8	49.8	52.2	50.1	51.4	51.6	51.9	51.4	50.5	50.4	49.4	45.8	45.4	-0.1	-6.8	23	34 452
SE	59.8	59.1	59.9	60.3	61.3	60.6	59.1	59.0	58.7	59.3	60.8	61.7	61.2	58.6	57.7	58.8	-1.0	-1.8	15	93 472
UK	93.4	93.7	94.3	94.2	94.4	94.3	94.5	94.3	94.1	94.3	94.4	94.5	94.5	94.6	93.9	94.1	0.6	-0.2	2	569 983
NO	57.1	58.8	58.7	58.6	58.8	64.0	62.1	64.1	62.2	64.6	66.2	67.5	66.6	67.1	62.6	63.9	6.8	-0.1		86 419
IS	80.5	81.0	77.8	76.7	77.5	76.6	75.0	75.2	75.7	76.4	77.1	75.7	74.9	74.1	72.6	74.3	-6.2	-2.2		2 469
<b>EU-27 averages</b>																			<b>2 361 381</b>	
weighted	49.7	49.7	51.3	51.7	52.5	52.9	52.8	52.0	51.2	51.8	52.0	52.2	52.4	50.8	48.5	50.2	0.6	-2.7		
arithmetic	60.4	60.8	60.8	60.6	60.3	60.2	59.9	59.9	60.2	60.0	60.0	60.2	60.5	59.6	58.0	58.8	-1.6	-1.5		
<b>EA-17 averages</b>																			<b>1 468 306</b>	
weighted	42.2	42.1	42.7	42.7	43.6	43.3	43.3	42.4	41.9	42.3	42.1	42.2	42.3	40.9	39.7	41.1	-1.1	-2.1		
arithmetic	59.0	59.8	59.4	59.5	59.8	59.9	59.4	58.8	58.5	58.3	58.1	58.1	58.1	56.6	55.0	55.8	-3.2	-4.1		
<b>EU-25 averages</b>																				
weighted	49.6	49.6	51.3	51.7	52.5	52.9	52.8	52.0	51.1	51.8	51.9	52.1	52.3	50.6	48.4	50.1	0.5	-2.8		
arithmetic	60.4	60.8	60.8	60.6	60.7	60.5	60.1	60.1	59.9	59.6	59.7	60.0	59.0	57.4	58.1		-2.3	-2.4		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 33: Taxes received by administrative level as % of GDP - State Government

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	10.0	10.2	10.4	10.6	10.7	10.3	10.9	10.4	10.7	10.5	10.8	10.7	10.7	10.9	10.7	10.5	0.5	0.2	1	37 225
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DE	8.4	8.8	8.6	8.8	9.1	9.2	8.4	8.2	8.2	8.1	8.0	8.3	8.6	8.6	8.4	8.0	-0.4	-1.2	2	197 770
EE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EL <sup>(3)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES	1.5	1.5	2.4	2.5	2.7	2.7	2.6	6.3	6.9	7.5	7.9	8.1	8.0	7.5	7.3	5.9	4.4	3.2	3	62 091
FR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AT	3.2	3.4	3.4	3.5	3.4	3.3	3.3	3.2	3.1	3.1	3.0	3.0	3.0	3.5	4.2	4.1	0.9	0.8	4	11 749
PL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>EU-27 averages</b>																				<b>308 835</b>
weighted	7.1	7.3	7.3	7.4	7.6	7.6	7.1	7.6	7.8	7.8	7.8	8.1	8.3	8.2	8.0	7.4	0.3	-0.2		
arithmetic	5.8	6.0	6.2	6.3	6.5	6.4	6.3	7.0	7.2	7.3	7.4	7.5	7.6	7.6	7.6	7.1	1.3	0.8		
<b>EA-17 averages</b>																				<b>308 835</b>
weighted	7.1	7.3	7.3	7.4	7.6	7.6	7.1	7.6	7.8	7.8	7.8	8.1	8.3	8.2	8.0	7.4	0.3	-0.2		
arithmetic	5.8	6.0	6.2	6.3	6.5	6.4	6.3	7.0	7.2	7.3	7.4	7.5	7.6	7.6	7.6	7.1	1.3	0.8		
<b>EU-25 averages</b>																				
weighted	7.1	7.3	7.3	7.4	7.6	7.6	7.1	7.6	7.8	7.8	7.8	8.1	8.3	8.2	8.0	7.4	0.3	-0.2		
arithmetic	5.8	6.0	6.2	6.3	6.5	6.4	6.3	7.0	7.2	7.3	7.4	7.5	7.6	7.6	7.6	7.1	1.3	0.8		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 34: Taxes received by administrative level as % of Total Taxation - State Government

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	22.8	23.0	23.2	23.3	23.7	22.8	24.2	23.0	24.0	23.5	24.1	24.1	24.3	24.6	24.6	23.9	1.2	1.1	1	37 225
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
DE	21.2	21.9	21.4	21.8	22.1	22.3	21.4	21.1	20.9	21.1	20.8	21.5	22.3	22.2	21.5	21.0	-0.2	-1.3	2	197 770
EE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EL <sup>(3)</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES	4.8	4.7	7.3	7.6	7.8	7.8	7.7	18.4	20.4	21.5	21.9	22.0	21.6	22.6	23.9	18.5	13.7	10.7	3	62 091
FR	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
CY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
LU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
HU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
AT	7.8	7.9	7.7	7.8	7.7	7.7	7.4	7.3	7.0	7.1	7.1	7.1	7.3	8.2	9.8	9.8	1.9	2.1	4	11 749
PL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
PT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>EU-27 averages</b>																				<b>308 835</b>
weighted	18.2	18.5	18.5	18.7	18.9	18.8	18.1	19.7	20.1	20.4	20.4	20.8	21.2	21.5	21.4	19.9	1.7	1.0		
arithmetic	14.1	14.4	14.9	15.1	15.3	15.1	15.2	17.4	18.1	18.3	18.5	18.7	18.9	19.4	19.9	18.3	4.1	3.2		
<b>EA-17 averages</b>																				<b>308 835</b>
weighted	18.2	18.5	18.5	18.7	18.9	18.8	18.1	19.7	20.1	20.4	20.4	20.8	21.2	21.5	21.4	19.9	1.7	1.0		
arithmetic	14.1	14.4	14.9	15.1	15.3	15.1	15.2	17.4	18.1	18.3	18.5	18.7	18.9	19.4	19.9	18.3	4.1	3.2		
<b>EU-25 averages</b>																				
weighted	18.2	18.5	18.5	18.7	18.9	18.8	18.1	19.7	20.1	20.4	20.4	20.8	21.2	21.5	21.4	19.9	1.7	1.0		
arithmetic	14.1	14.4	14.9	15.1	15.3	15.1	15.2	17.4	18.1	18.3	18.5	18.7	18.9	19.4	19.9	18.3	4.1	3.2		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 35: Taxes received by administrative level as % of GDP - Local Government

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	2.1	2.2	2.2	2.1	2.2	1.9	2.1	2.2	2.3	2.2	2.2	2.2	2.3	2.0	2.4	2.3	0.1	0.4	17	8 052	
BG	3.5	3.4	3.4	3.9	3.6	3.2	3.4	3.2	0.5	0.5	0.6	0.7	0.9	0.9	0.8	0.8	-2.7	-2.4	24	284	
CZ	4.2	3.9	4.1	3.9	4.1	3.9	3.6	4.1	4.3	4.5	5.2	5.0	5.1	4.9	4.8	4.7	0.5	0.8	7	7 078	
DK	15.6	15.7	15.8	16.2	16.3	16.5	17.0	17.1	17.2	16.9	16.9	16.8	11.9	11.8	12.3	12.7	-2.9	-3.8	2	29 962	
DE	2.5	2.6	2.6	2.8	2.9	2.8	2.6	2.5	2.5	2.7	2.8	3.0	3.1	3.1	2.9	2.9	0.3	0.0	14	71 110	
EE	4.8	0.5	4.7	4.9	4.8	4.3	4.1	4.0	4.0	4.0	4.0	4.1	4.2	4.9	5.0	4.6	-0.2	0.3	8	653	
IE	0.9	0.8	0.8	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.8	1.0	1.0	0.1	0.3	23	1 506	
EL <sup>(3)</sup>	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.0	0.0	26	555	
ES	2.8	2.8	3.0	3.1	3.1	3.1	3.0	2.9	2.8	3.0	3.1	3.2	3.2	3.0	2.9	3.0	0.2	-0.1	13	31 730	
FR	4.5	4.7	4.7	4.7	4.6	4.3	4.1	4.1	4.2	4.5	4.8	4.8	5.0	5.0	5.3	4.3	-0.2	0.0	9	82 707	
IT	3.1	3.4	3.5	5.6	5.3	6.0	6.1	6.3	6.6	6.4	6.4	6.5	6.7	6.6	6.1	6.1	3.0	0.1	4	95 204	
CY	0.4	0.4	0.5	0.5	0.5	0.4	0.5	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.1	0.1	25	88	
LV	6.5	6.3	5.2	5.4	5.0	5.0	5.0	4.9	5.1	5.1	4.9	5.2	5.4	5.6	5.1	5.7	-0.8	0.7	5	1 024	
LT	5.0	5.0	4.4	6.0	6.5	6.1	5.7	2.8	2.6	2.8	2.8	2.8	3.0	3.4	3.5	3.2	-1.9	-2.9	12	878	
LU	2.4	2.4	2.4	2.2	2.2	2.2	2.2	2.4	2.3	1.8	1.7	1.6	1.6	1.6	1.7	1.6	-0.7	-0.6	20	655	
HU	2.7	2.9	3.1	3.5	3.7	3.9	4.0	4.0	4.3	4.5	4.3	4.4	4.5	2.6	2.7	2.4	-0.2	-1.4	16	2 375	
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
NL	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5	1.3	1.3	1.3	1.4	1.4	0.1	0.1	21	8 391	
AT	5.0	5.2	5.3	5.2	5.1	5.0	5.2	4.9	4.7	4.7	4.6	4.6	4.6	4.9	5.0	5.0	0.0	-0.1	6	14 239	
PL	4.7	4.5	4.5	4.2	3.2	3.0	3.1	3.3	3.1	4.0	4.1	4.3	4.6	4.6	4.2	4.0	-0.6	1.1	11	14 321	
PT	1.6	1.7	1.7	1.8	2.0	2.0	1.9	2.0	1.9	2.1	2.1	2.2	2.3	2.3	2.2	2.1	0.5	0.1	18	3 697	
RO	2.5	2.5	2.4	2.0	2.9	1.2	1.1	0.9	1.0	0.9	0.9	1.0	1.2	0.9	0.9	1.1	-1.4	-0.1	22	1 322	
SI	2.5	2.5	2.5	2.5	2.7	2.7	2.8	2.8	2.9	2.9	2.8	3.0	3.4	3.3	3.7	4.1	1.6	1.4	10	1 454	
SK	1.6	1.7	1.6	1.5	1.5	1.4	1.5	1.4	1.3	1.3	3.3	3.1	3.0	3.2	3.3	2.7	1.1	1.3	15	1 789	
FI	10.2	10.7	10.1	10.1	10.0	10.2	9.9	9.6	9.3	9.0	9.1	9.2	9.2	9.4	10.2	10.3	0.1	0.1	3	18 535	
SE	14.2	15.4	15.1	15.1	15.1	14.8	15.3	15.5	15.8	15.8	15.7	15.4	15.3	16.1	16.6	15.8	1.6	1.0	1	54 805	
UK	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.8	1.8	0.5	0.3	19	30 239	
NO	8.2	7.9	7.8	7.1	7.4	6.4	7.0	5.6	6.2	5.9	5.8	5.5	5.4	5.0	5.9	5.8	-2.4	-0.6		18 398	
IS	6.5	6.5	7.7	8.0	8.3	8.7	8.8	8.7	8.9	8.9	9.3	10.1	10.2	9.5	9.3	9.0	2.5	0.3		852	
<b>EU-27 averages</b>																					<b>482 653</b>
weighted	3.5	3.6	3.6	3.9	3.8	3.9	3.8	3.8	3.9	4.0	4.0	4.1	4.1	4.1	4.1	3.9	0.5	0.1			
arithmetic	4.1	4.0	4.1	4.3	4.3	4.1	4.2	4.0	4.0	4.0	4.1	4.1	4.1	4.0	4.1	4.0	-0.1	-0.1			
<b>EA-17 averages</b>																					<b>340 364</b>
weighted	3.1	3.3	3.3	3.7	3.7	3.7	3.6	3.6	3.6	3.7	3.8	3.9	4.0	4.0	3.9	3.7	0.6	0.0			
arithmetic	2.9	2.7	2.9	3.1	3.1	3.0	3.0	3.0	3.0	3.0	3.1	3.1	3.2	3.3	3.4	3.3	0.4	0.2			
<b>EU-25 averages</b>																					
weighted	3.5	3.6	3.6	3.9	3.9	3.9	3.8	3.8	3.9	4.0	4.1	4.1	4.1	4.1	4.1	4.0	0.5	0.1			
arithmetic	4.2	4.1	4.2	4.4	4.3	4.3	4.3	4.2	4.2	4.3	4.4	4.4	4.3	4.3	4.4	4.3	0.1	0.0			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



**Table 36: Taxes received by administrative level as % of Total Taxation - Local Government**

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	4.9	5.0	5.0	4.7	4.8	4.2	4.6	4.9	5.2	5.0	5.0	5.1	5.2	4.6	5.5	5.2	0.3	0.9	18	8 052	
BG	11.2	12.0	12.2	12.0	11.6	10.2	11.1	11.3	1.6	1.6	1.8	2.3	2.6	2.9	2.8	2.9	-8.4	-7.3	24	284	
CZ	11.8	11.4	11.7	11.6	11.9	11.6	10.7	12.0	12.2	12.5	14.7	14.2	14.1	14.4	14.2	14.0	2.2	2.5	6	7 078	
DK	31.9	31.9	32.3	32.9	32.6	33.5	35.1	35.7	35.8	34.4	33.2	33.8	24.4	24.7	25.7	26.7	-5.2	-6.8	2	29 962	
DE	6.4	6.4	6.5	6.9	6.9	6.9	6.6	6.5	6.4	7.0	7.3	7.8	7.9	8.1	7.5	7.5	1.1	0.7	15	71 110	
EE	13.1	1.4	13.6	14.4	14.9	13.9	13.5	12.9	13.0	13.2	13.0	13.2	13.4	15.4	14.0	13.4	0.2	-0.5	7	653	
IE	2.6	2.5	2.4	2.2	2.1	2.0	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.8	3.4	3.4	0.8	1.4	23	1 506	
EL <sup>(3)</sup>	0.9	1.0	1.0	0.9	0.8	0.8	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	-0.1	-0.1	26	555	
ES	8.8	8.7	9.0	9.3	9.3	9.1	8.9	8.6	8.4	8.8	8.7	8.8	8.7	9.1	9.5	9.4	0.6	0.4	14	31 730	
FR	10.6	10.7	10.6	10.6	10.3	9.7	9.4	9.5	9.7	10.5	10.9	11.0	11.5	11.5	12.5	10.1	-0.5	0.4	12	82 707	
IT	7.8	8.2	8.0	13.3	12.5	14.4	14.9	15.5	16.1	15.8	15.9	15.6	15.8	15.4	14.2	14.5	6.6	0.1	5	95 204	
CY	1.6	1.7	1.9	1.8	1.6	1.4	1.5	1.3	1.4	1.4	1.3	1.4	1.3	1.4	1.4	1.4	-0.1	0.0	25	88	
LV	19.5	20.5	16.2	16.1	15.6	17.0	17.3	17.3	17.8	17.9	16.9	17.2	17.8	19.2	19.1	20.8	1.3	3.9	4	1 024	
LT	18.3	18.5	14.4	18.8	20.5	20.2	20.0	9.8	9.4	9.9	9.7	9.7	10.2	11.3	11.9	11.8	-6.5	-8.4	10	878	
LU	6.4	6.5	6.1	6.1	5.7	5.7	5.6	6.1	5.9	4.9	4.4	4.4	4.5	4.5	4.5	4.4	-2.0	-1.4	20	655	
HU	6.6	7.3	8.2	9.0	9.6	9.8	10.3	10.5	11.4	12.0	11.6	11.7	11.1	6.4	6.7	6.5	-0.1	-3.3	17	2 375	
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	3.2	3.4	3.5	3.6	3.4	3.4	3.6	3.7	3.9	4.0	4.1	3.3	3.3	3.3	3.7	3.7	0.5	0.2	22	8 391	
AT	12.0	12.2	11.9	11.8	11.7	11.7	11.5	11.2	10.8	10.9	10.9	11.0	11.1	11.4	11.7	11.8	-0.2	0.1	9	14 239	
PL	12.5	12.1	12.2	11.9	9.1	9.1	9.5	9.9	9.5	12.8	12.6	12.7	13.2	13.5	13.2	12.7	0.2	3.7	8	14 321	
PT	5.4	5.5	5.5	5.9	6.4	6.4	6.2	6.4	6.1	6.7	6.7	6.7	7.1	7.1	7.1	6.8	1.4	0.4	16	3 697	
RO	9.2	9.7	9.1	7.0	9.5	3.9	3.8	3.1	3.5	3.4	3.1	3.4	4.0	3.2	3.5	4.0	-5.2	0.0	21	1 322	
SI	6.3	6.6	6.8	6.5	7.1	7.3	7.4	7.4	7.6	7.6	7.4	7.7	9.1	8.9	10.0	10.8	4.5	3.5	11	1 454	
SK	3.9	4.2	4.2	4.1	4.1	4.1	4.4	4.2	4.0	4.3	10.7	10.8	10.3	11.1	11.4	9.7	5.7	5.6	13	1 789	
FI	22.3	22.8	21.7	21.8	21.7	21.6	22.1	21.5	21.1	20.8	20.7	21.1	21.3	22.0	23.8	24.4	2.1	2.8	3	18 535	
SE	29.6	30.6	29.8	29.5	29.3	28.8	31.0	32.6	33.2	32.8	32.2	31.9	32.4	34.7	35.6	34.5	4.9	5.7	1	54 805	
UK	3.7	3.7	3.8	3.8	3.9	4.0	4.1	4.4	4.7	4.7	4.7	4.6	4.6	4.6	5.2	5.0	1.3	1.0	19	30 239	
NO	19.5	18.6	18.6	17.0	17.4	15.1	16.4	13.0	14.8	13.7	13.3	12.7	12.6	11.9	13.9	13.6	-5.9	-1.5		18 398	
IS	19.5	19.0	22.2	23.3	22.5	23.4	25.0	24.8	24.3	23.6	22.9	24.3	25.1	25.9	27.4	25.7	6.2	2.2		852	
<b>EU-27 averages</b>																				482 653	
weighted	8.9	9.1	8.9	9.7	9.5	9.5	9.6	9.8	10.0	10.3	10.4	10.3	10.3	10.4	10.7	10.3	1.4	0.7			
arithmetic	10.4	10.2	10.3	10.6	10.6	10.4	10.6	10.4	10.1	10.2	10.4	10.5	10.3	10.5	10.7	10.6	0.2	0.2			
<b>EA-17 averages</b>																				340 364	
weighted	7.9	8.0	8.0	9.1	8.9	9.0	9.0	9.1	9.2	9.5	9.7	9.8	10.0	10.0	10.1	9.5	1.6	0.5			
arithmetic	7.3	6.7	7.4	7.7	7.7	7.7	7.7	7.7	7.7	7.8	8.1	8.2	8.3	8.6	8.8	8.6	1.3	0.9			
<b>EU-25 averages</b>																					
weighted	8.8	9.1	8.9	9.7	9.5	9.6	9.6	9.8	10.0	10.3	10.4	10.4	10.4	10.5	10.7	10.3	1.5	0.8			
arithmetic	10.4	10.1	10.3	10.7	10.7	10.7	10.9	10.6	10.7	10.9	11.1	11.1	10.9	11.1	11.4	11.2	0.8	0.5			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 37: Taxes received by administrative level as % of GDP - Social security funds

	1995																Difference <sup>(1)</sup>		Ranking 2010	Revenue <sup>(2)</sup> 2010
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010		
BE	15.1	15.3	15.6	15.6	15.7	15.4	15.6	16.1	15.9	16.7	16.8	16.8	16.9	17.6	18.2	18.2	3.0	2.7	2	64 383
BG	9.6	8.2	8.1	9.2	9.8	10.8	9.8	9.6	10.3	10.2	9.7	8.3	8.1	7.8	7.7	7.1	-2.6	-3.8	20	2 541
CZ	4.8	4.8	5.0	5.0	5.2	5.2	5.0	5.2	5.3	5.2	5.2	5.4	5.5	5.4	5.6	5.6	0.9	0.5	22	8 422
DK	1.1	1.1	1.0	1.0	1.6	1.8	1.7	1.2	1.2	1.2	1.1	1.0	1.0	0.9	1.0	1.0	-0.1	-0.8	25	2 352
DE	16.9	17.4	17.7	17.5	17.3	17.1	16.9	16.9	17.0	16.7	16.4	16.0	15.2	15.2	15.8	15.5	-1.3	-1.5	3	384 690
EE	5.4	4.8	4.6	4.4	4.4	4.3	4.2	4.6	4.6	4.6	4.6	4.4	4.6	5.2	6.0	6.1	0.7	1.8	21	873
IE	4.1	3.8	3.6	3.4	3.5	3.5	3.7	3.6	3.6	3.8	3.8	3.9	4.1	4.4	4.5	4.3	0.2	0.7	23	6 691
EL <sup>(3)</sup>	9.1	9.5	9.5	9.8	9.9	10.4	10.5	11.5	11.6	11.0	11.1	10.9	11.4	11.4	10.6	10.6	1.4	0.2	13	24 082
ES	11.4	11.6	11.6	11.5	11.6	11.7	11.8	11.8	11.9	11.8	11.8	11.8	11.9	12.0	12.1	12.0	0.7	0.3	10	126 350
FR	20.0	20.5	20.6	20.6	20.9	21.4	21.6	21.7	21.8	20.8	21.5	22.7	22.6	23.0	23.6	23.4	3.4	2.0	1	451 434
IT	12.1	14.1	14.4	12.2	11.8	11.9	11.8	11.9	12.1	12.2	12.3	12.3	12.8	13.4	13.6	13.4	1.2	1.5	6	208 186
CY	6.6	6.7	6.8	6.9	6.7	6.6	6.8	6.8	7.1	7.8	8.3	7.8	7.5	7.8	8.7	9.0	2.4	2.3	16	1 552
LV	12.0	10.8	10.6	10.8	10.7	10.0	9.3	9.4	8.9	8.7	8.4	8.8	8.7	8.3	8.5	8.4	-3.6	-1.6	18	1 511
LT	9.0	9.4	10.7	11.2	11.5	11.5	11.0	10.5	10.3	10.3	10.0	10.3	10.5	10.9	11.6	10.4	1.4	-1.2	15	2 856
LU	9.7	9.6	9.8	9.9	9.8	10.7	10.6	10.5	10.5	10.2	9.7	9.6	9.8	11.0	10.6		0.9	0.7	14	4 258
HU	13.5	12.6	12.6	12.5	12.1	12.2	11.9	11.7	11.6	11.3	11.5	11.4	12.7	12.6	12.3	11.5	-2.0	-0.7	11	11 167
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NL	15.9	15.2	15.1	15.0	15.5	15.4	13.7	13.3	13.8	13.9	12.9	14.0	13.5	14.5	13.9	14.1	-1.8	-1.4	5	82 785
AT	12.1	12.1	12.2	12.1	12.1	11.9	11.9	11.8	11.8	11.8	11.9	11.7	11.6	11.8	12.4	12.1	0.0	0.2	8	34 757
PL	11.3	11.6	11.7	11.6	13.7	12.9	13.4	12.9	12.8	12.3	12.3	12.2	12.0	11.3	11.3	11.1	-0.2	-1.8	12	39 298
PT	6.4	6.7	6.8	7.2	7.2	7.4	7.6	7.6	7.8	7.5	7.7	7.8	7.8	8.1	8.3	8.3	1.9	0.9	19	14 320
RO	7.6	7.2	7.0	9.0	11.0	11.1	10.4	10.4	9.3	9.0	9.4	9.6	9.6	9.2	9.3	8.7	1.1	-2.4	17	10 598
SI	16.4	14.7	14.0	14.1	13.9	14.1	14.3	14.1	14.0	14.0	14.1	13.9	13.6	13.9	14.8	15.1	-1.3	1.0	4	5 341
SK	14.6	15.5	14.6	14.4	13.7	13.8	14.0	14.3	13.5	12.9	12.2	11.6	11.5	11.8	12.4	12.0	-2.5	-1.8	9	7 935
FI	14.0	13.6	12.8	12.6	12.6	11.9	12.0	11.8	11.8	11.7	12.0	12.2	11.9	12.0	12.7	12.5	-1.5	0.6	7	22 587
SE	4.4	4.6	4.6	4.6	4.4	4.9	4.4	3.6	3.6	3.5	3.1	2.8	2.8	2.9	3.0	2.9	-1.6	-2.1	24	9 890
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
NO	9.8	9.6	9.6	10.3	10.1	8.9	9.2	9.9	9.8	9.3	8.8	8.6	8.9	8.8	10.0	9.7	-0.2	0.7		30 423
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0
<b>EU-27 averages</b>																				<b>1 528 859</b>
weighted	14.7	15.1	15.1	14.7	14.7	14.6	14.5	14.4	14.5	14.2	14.2	14.3	14.1	14.3	14.7	14.5	-0.2	-0.1		
arithmetic	10.5	10.5	10.4	10.5	10.7	10.7	10.6	10.5	10.5	10.4	10.3	10.3	10.3	10.5	10.8	10.5	0.0	-0.1		
<b>EA-17 averages</b>																				<b>1 440 225</b>
weighted	15.6	16.1	16.1	15.6	15.6	15.5	15.4	15.4	15.5	15.2	15.2	15.3	15.2	15.5	15.9	15.7	0.2	0.2		
arithmetic	11.9	11.9	11.9	11.7	11.7	11.7	11.7	11.8	11.8	11.7	11.7	11.7	11.7	12.0	12.4	12.3	0.5	0.7		
<b>EU-25 averages</b>																				
weighted	14.7	15.1	15.2	14.7	14.7	14.7	14.5	14.5	14.6	14.2	14.2	14.3	14.2	14.4	14.8	14.6	-0.1	-0.1		
arithmetic	10.7	10.7	10.7	10.6	10.7	10.7	10.6	10.6	10.5	10.4	10.4	10.4	10.4	10.6	11.0	10.8	0.1	0.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

**Table 38: Taxes received by administrative level as % of Total Taxation - Social security funds**

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	34.5	34.6	34.7	34.3	34.5	34.2	34.5	35.7	35.6	37.3	37.4	37.8	38.6	39.7	41.9	41.4	6.8	7.1	3	64 383		
BG	31.1	28.6	29.4	28.6	31.9	34.4	31.9	33.6	33.2	31.5	31.1	27.0	24.4	24.1	26.6	25.8	-5.4	-8.6	19	2 541		
CZ	13.4	14.2	14.4	15.0	15.1	15.3	14.8	15.2	15.1	14.5	14.7	15.4	15.2	15.6	16.5	16.7	3.2	1.4	22	8 422		
DK	2.2	2.2	2.1	2.1	3.3	3.6	3.6	2.5	2.5	2.4	2.2	2.1	2.0	2.0	2.0	2.1	-0.1	-1.5	25	2 352		
DE	42.4	43.5	44.2	43.3	41.9	41.3	42.8	43.4	43.5	43.5	42.9	41.3	39.3	39.1	40.3	40.8	-1.6	-0.5	4	384 690		
EE	14.8	13.9	13.6	13.0	13.5	13.9	13.9	14.9	14.9	14.9	14.9	14.4	14.7	16.2	16.9	17.9	3.0	4.0	21	873		
IE	12.6	11.7	11.2	10.9	10.9	11.3	12.5	12.8	12.6	12.5	12.4	12.2	13.0	14.9	15.9	15.2	2.6	3.9	23	6 691		
EL <sup>(3)</sup>	31.4	32.2	31.2	30.2	29.9	30.0	31.6	34.2	36.1	35.1	34.5	34.5	35.0	35.4	34.8	34.2	2.8	4.2	10	24 082		
ES	35.4	35.6	35.3	34.5	34.1	34.3	35.1	34.5	35.0	34.0	32.8	32.1	32.0	36.4	39.5	37.6	2.2	3.3	7	126 350		
FR	46.8	46.5	46.5	46.8	46.6	48.4	49.4	50.1	50.7	48.0	49.1	51.5	52.1	53.2	56.0	54.9	8.1	6.6	1	451 434		
IT	30.5	34.0	33.2	28.9	28.2	28.7	28.6	29.3	29.5	30.3	30.8	29.5	30.0	31.4	31.8	31.6	1.1	2.9	12	208 186		
CY	24.3	25.3	26.4	25.1	24.0	22.1	22.3	21.9	21.9	23.6	23.7	21.9	18.8	20.1	24.6	25.1	0.7	2.9	20	1 552		
LV	36.1	35.2	33.2	31.9	33.3	33.5	32.3	32.8	31.1	30.5	28.9	28.8	28.6	28.3	32.0	30.7	-5.3	-2.8	13	1 511		
LT	32.7	34.8	34.9	35.4	36.5	38.5	38.5	37.3	36.9	36.5	35.3	35.1	35.6	36.3	39.7	38.3	5.6	-0.2	6	2 856		
LU	26.1	25.7	24.9	25.4	25.2	25.7	25.1	26.8	28.0	27.1	27.0	27.0	27.0	27.7	29.3	28.5	2.4	3.4	17	4 258		
HU	33.0	31.5	33.0	32.8	31.1	30.7	30.7	30.8	30.5	29.9	30.6	30.6	31.3	31.3	30.7	30.5	-2.5	-0.2	14	11 167		
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
NL	39.5	37.9	38.0	38.0	38.5	38.6	35.7	35.2	36.9	37.1	34.5	35.9	34.8	37.0	36.2	36.3	-3.2	-2.3	8	82 785		
AT	29.3	28.3	27.7	27.5	27.7	27.7	26.5	27.0	27.3	27.5	28.2	28.3	27.9	27.7	29.0	28.9	-0.4	1.2	16	34 757		
PL	30.5	31.2	32.1	32.9	39.3	39.7	41.6	39.6	39.7	39.2	37.6	36.1	34.3	33.0	35.7	34.9	4.4	-4.8	9	39 298		
PT	21.6	22.1	22.5	23.8	23.2	23.6	24.5	24.2	24.7	24.4	24.6	24.1	23.9	24.7	26.8	26.3	4.7	2.7	18	14 320		
RO	27.6	27.9	26.4	31.1	35.4	36.6	36.5	36.8	33.7	33.2	33.9	33.6	33.0	32.9	34.5	31.9	4.3	-4.7	11	10 598		
SI	42.0	39.0	38.2	37.6	36.6	37.7	38.1	37.2	36.8	36.8	36.5	36.3	36.0	37.3	39.4	39.7	-2.3	2.0	5	5 341		
SK	36.2	39.3	39.2	39.1	38.6	40.6	42.3	43.4	41.1	40.9	39.1	39.5	39.4	40.4	43.2	42.9	6.7	2.3	2	7 935		
FI	30.8	28.8	27.6	27.2	27.5	25.2	26.9	26.5	26.7	26.8	27.3	27.9	27.7	28.0	29.8	29.7	-1.0	4.5	15	22 587		
SE	9.2	9.1	9.0	9.0	8.5	9.5	9.0	7.7	7.4	7.3	6.4	5.8	5.9	6.2	6.3	6.2	-3.0	-3.3	24	9 890		
UK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		
NO	23.4	22.6	22.7	24.4	23.9	20.9	21.5	22.9	23.1	21.7	20.4	19.9	20.8	21.0	23.4	22.5	-0.9	1.6		30 423		
IS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0		
<b>EU-27 averages</b>																					<b>1 528 859</b>	
weighted	36.7	37.0	36.8	35.8	35.4	35.6	36.2	36.4	36.6	36.1	35.8	35.6	35.2	36.3	37.9	37.4	0.7	1.8				
arithmetic	28.6	28.5	28.4	28.2	28.6	29.0	29.2	29.3	29.2	29.0	28.7	28.3	28.0	28.8	30.4	29.9	1.4	0.9				
<b>EA-17 averages</b>																					<b>1 440 225</b>	
weighted	39.2	39.7	39.5	38.4	37.8	38.0	38.5	38.9	39.2	38.7	38.6	38.4	37.9	39.2	40.7	40.4	1.2	2.4				
arithmetic	31.2	31.1	30.9	30.3	30.1	30.2	30.7	31.1	31.3	31.3	31.0	30.9	30.6	31.8	33.5	33.2	2.0	3.0				
<b>EU-25 averages</b>																						
weighted	36.7	37.0	36.8	35.9	35.4	35.6	36.2	36.4	36.7	36.1	35.9	35.7	35.2	36.4	37.9	37.4	0.7	1.8				
arithmetic	28.5	28.5	28.4	28.0	28.2	28.4	28.8	28.8	28.9	28.7	28.3	28.2	28.0	28.8	30.4	30.0	1.5	1.6				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 39: Taxes received by administrative level as % of GDP - EU Institutions

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	1.1	1.0	1.0	0.9	0.8	0.9	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.6	0.7	-0.4	-0.2	1	2 411
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.4	0.3	0.2	n.a.	n.a.	15	88
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.3	0.3	0.3	0.3	n.a.	n.a.	8	446
DK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	26	440
DE	0.9	0.8	0.7	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	-0.7	-0.4	17	5 740
EE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.4	0.4	0.3	0.3	0.3	n.a.	n.a.	6	44
IE	1.1	0.9	0.7	0.9	0.7	0.6	0.5	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.3	-0.9	-0.3	11	400
EL <sup>(3)</sup>	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.5	-0.3	12	583
ES	0.7	0.7	0.7	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.2	-0.5	-0.4	20	2 269
FR	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.5	0.3	0.2	0.3	0.3	0.3	0.3	0.2	0.2	-0.6	-0.4	18	4 353
IT	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.4	-0.2	13	3 924
CY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.2	0.2	0.2	0.2	0.2	0.2	n.a.	n.a.	24	34
LV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.4	0.4	0.4	0.3	0.2	0.2	n.a.	n.a.	22	38
LT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.4	0.3	0.4	0.5	0.4	0.3	n.a.	n.a.	5	90
LU	0.9	0.7	0.7	0.6	0.5	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	-0.7	-0.4	27	60	
HU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.3	0.4	0.3	0.3	n.a.	n.a.	14	243
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.5	0.4	0.5	0.5	0.4	0.3	n.a.	n.a.	4	20
NL	1.1	0.9	1.0	0.9	0.8	0.8	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	-0.7	-0.4	2	2 179
AT	0.8	0.7	0.8	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	-0.6	-0.4	19	636
PL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.3	0.3	0.2	0.2	n.a.	n.a.	16	841
PT	0.9	0.7	0.7	0.6	0.6	0.6	0.5	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.3	-0.6	-0.3	10	467
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	0.3	0.2	0.2	n.a.	n.a.	25	236
SI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.4	0.4	0.3	0.3	n.a.	n.a.	7	107
SK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.2	0.3	0.3	0.4	0.3	0.3	0.3	n.a.	n.a.	9	196
FI	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.3	0.3	0.2	0.2	0.3	0.3	0.2	0.2	0.2	-0.5	-0.3	21	385
SE	0.7	0.6	0.7	0.6	0.5	0.5	0.5	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	-0.5	-0.3	23	695
UK	1.0	0.9	0.7	0.7	0.6	0.6	0.6	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.4	-0.6	-0.3	3	6 045
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

EU-27 averages																			32 971
weighted	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3	
arithmetic	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.5	-0.3	
EA-17 averages																			23 809
weighted	0.8	0.7	0.7	0.6	0.6	0.6	0.6	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3	
arithmetic	0.9	0.7	0.7	0.7	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3	
EU-25 averages																			
weighted	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.3	
arithmetic	0.8	0.7	0.7	0.6	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.5	-0.3	

(1) In percentage points  
(2) In millions of euro  
(3) Data for Greece is provisional for years 2003-2010  
See explanatory notes in Annex B  
Source: Eurostat (online data code gov\_a\_tax\_ag)  
Date of extraction: 13/01/2012

**Table 40: Taxes received by administrative level as % of Total Taxation - EU Institutions**

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	2.4	2.2	2.1	2.1	1.8	2.0	1.9	1.6	1.7	1.5	1.6	1.6	1.6	1.7	1.5	1.5	-0.9	-0.4	1	2 411	
BG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.0	1.2	1.0	0.9	n.a.	n.a.	8	88	
CZ	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.6	0.9	0.9	0.9	0.9	0.8	0.9	n.a.	n.a.	10	446	
DK	0.5	0.4	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.4	0.4	-0.1	0.0	27	440	
DE	2.2	1.9	1.8	1.5	1.3	1.5	1.3	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.6	0.6	-1.6	-0.9	19	5 740	
EE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1.1	1.1	1.2	1.1	0.9	0.9	n.a.	n.a.	9	44	
IE	3.5	2.8	2.3	2.7	2.2	1.9	1.8	1.0	1.0	0.7	0.9	0.8	0.9	0.9	0.8	0.9	-2.6	-1.0	7	400	
EL <sup>(3)</sup>	2.6	2.4	2.0	1.9	1.8	1.7	1.7	1.2	1.1	0.9	0.9	0.9	0.9	0.9	0.8	0.8	-1.7	-0.9	12	583	
ES	2.2	2.1	2.0	1.9	1.7	1.7	1.5	1.1	1.1	0.8	1.0	0.9	0.9	0.9	0.9	0.7	-1.5	-1.0	17	2 269	
FR	1.9	1.6	1.6	1.4	1.3	1.4	1.4	1.1	0.8	0.5	0.6	0.6	0.6	0.6	0.5	0.5	-1.4	-0.8	22	4 353	
IT	1.6	1.5	1.1	1.3	1.1	1.2	1.3	0.9	0.7	0.7	0.7	0.6	0.6	0.8	0.6	0.6	-1.0	-0.6	20	3 924	
CY	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	0.7	0.6	0.6	0.6	0.6	0.5	n.a.	n.a.	21	34	
LV	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1.2	1.2	1.2	1.1	0.9	0.8	n.a.	n.a.	14	38	
LT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	1.3	1.2	1.4	1.5	1.4	1.2	n.a.	n.a.	2	90	
LU	2.3	1.8	1.8	1.6	1.4	1.4	1.1	0.8	0.7	0.5	0.5	0.6	0.6	0.5	0.4	0.4	-1.9	-1.0	26	60	
HU	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.8	0.8	0.9	0.9	0.7	0.7	n.a.	n.a.	18	243	
MT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	1.4	1.3	1.3	1.4	1.0	1.0	n.a.	n.a.	5	20	
NL	2.8	2.3	2.5	2.3	2.1	2.0	1.8	1.4	1.4	1.3	1.3	1.3	1.4	1.4	1.0	1.0	-1.8	-1.1	6	2 179	
AT	1.9	1.7	1.8	1.5	1.3	1.4	1.2	1.0	0.9	0.6	0.7	0.7	0.7	0.7	0.5	0.5	-1.4	-0.9	23	636	
PL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	0.8	0.7	0.8	0.8	0.7	0.7	n.a.	n.a.	15	841	
PT	3.0	2.2	2.3	2.1	1.9	1.8	1.5	1.1	1.0	0.9	0.8	0.8	0.8	0.8	0.8	0.9	-2.1	-1.0	11	467	
RO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.9	0.9	0.8	0.7	n.a.	n.a.	16	236
SI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.4	0.7	0.8	1.1	1.0	0.7	0.8	n.a.	n.a.	13	107	
SK	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.9	1.0	1.3	1.2	1.0	1.1	n.a.	n.a.	3	196	
FI	1.5	1.3	1.3	1.1	1.1	1.0	0.9	0.6	0.7	0.5	0.5	0.6	0.6	0.6	0.5	0.5	-1.0	-0.5	24	385	
SE	1.4	1.2	1.3	1.2	1.0	1.0	0.9	0.7	0.7	0.6	0.6	0.6	0.4	0.5	0.4	0.4	-0.9	-0.6	25	695	
UK	2.9	2.5	2.0	2.0	1.8	1.8	1.5	1.3	1.2	0.9	0.9	0.9	0.9	0.9	0.9	1.0	-1.9	-0.8	4	6 045	
NO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>EU-27 averages</b>																				<b>32 971</b>	
weighted	2.1	1.8	1.7	1.6	1.4	1.5	1.4	1.1	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	-1.4	-0.8			
arithmetic	2.2	1.9	1.8	1.7	1.5	1.5	1.3	1.0	0.9	0.7	0.9	0.9	0.9	0.9	0.8	0.8	-1.4	-0.7			
<b>EA-17 averages</b>																				<b>23 809</b>	
weighted	2.1	1.8	1.7	1.6	1.4	1.5	1.4	1.0	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	-1.4	-0.8			
arithmetic	2.3	2.0	1.9	1.8	1.6	1.6	1.4	1.1	1.0	0.8	0.9	0.9	0.9	0.9	0.8	0.8	-1.5	-0.8			
<b>EU-25 averages</b>																					
weighted	2.1	1.8	1.7	1.6	1.4	1.5	1.4	1.1	0.9	0.7	0.8	0.8	0.8	0.8	0.7	0.7	-1.4	-0.8			
arithmetic	2.2	1.9	1.8	1.7	1.5	1.5	1.3	1.0	0.9	0.7	0.9	0.9	0.9	0.9	0.8	0.8	-1.4	-0.7			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 41: Taxes on Consumption as % of GDP - Total

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	10.7	11.1	11.1	11.0	11.4	11.3	10.9	10.9	10.9	11.0	11.1	11.1	10.9	10.7	10.6	10.9	0.1	-0.4	20	38 506
BG	12.2	11.1	10.3	14.0	12.6	13.2	12.8	11.9	13.8	15.5	15.9	16.6	16.5	17.2	14.7	14.5	2.4	1.3	3	5 231
CZ	10.9	10.7	10.3	9.8	10.4	10.1	9.8	9.6	9.9	10.8	10.8	10.3	10.5	10.3	10.9	10.9	0.0	0.8	18	16 330
DK	15.4	15.8	15.9	16.3	16.4	15.7	15.7	15.8	15.6	15.8	16.2	16.3	16.1	15.4	15.1	15.0	-0.5	-0.7	1	35 281
DE	10.3	10.2	10.0	10.1	10.6	10.6	10.5	10.4	10.5	10.2	10.2	10.2	10.6	10.7	11.2	10.8	0.5	0.2	21	267 730
EE	12.6	12.8	13.1	11.9	11.1	11.7	11.7	11.9	11.6	11.7	12.8	13.0	13.0	11.7	14.4	13.6	1.0	1.9	5	1 945
IE	12.8	12.7	12.4	12.2	12.0	12.0	10.8	10.9	10.8	11.1	11.4	11.4	11.2	10.9	10.0	10.0	-2.9	-2.0	25	15 583
EL <sup>(3)</sup>	12.0	12.1	12.2	12.3	12.5	12.4	12.7	12.4	11.4	11.2	11.3	11.6	11.9	11.6	10.8	12.1	0.0	-0.4	11	27 428
ES	8.9	9.1	9.3	9.8	10.1	10.0	9.6	9.5	9.6	9.7	10.0	9.9	9.3	8.2	7.3	8.7	-0.3	-1.3	27	91 405
FR	12.1	12.4	12.3	12.2	12.2	11.6	11.3	11.3	11.2	11.3	11.3	11.2	11.0	10.8	10.7	10.9	-1.2	-0.7	19	210 417
IT	10.3	10.0	10.3	10.7	10.9	10.9	10.3	10.1	9.9	10.0	9.9	10.3	10.2	9.8	9.7	10.2	-0.1	-0.6	23	159 380
CY	10.5	10.1	9.3	9.0	8.9	10.3	11.4	11.9	13.8	14.5	14.6	14.7	15.2	15.2	13.5	13.5	3.0	3.2	6	2 341
LV	12.2	11.7	12.1	13.1	11.9	11.4	10.7	10.7	11.4	11.3	12.3	12.8	11.9	10.6	10.3	10.8	-1.4	-0.6	22	1 942
LT	11.2	10.6	12.6	12.9	12.8	11.7	11.5	11.6	11.0	10.5	10.7	10.8	11.3	11.3	11.2	11.5	0.3	-0.2	16	3 164
LU	10.0	9.9	10.5	10.6	10.5	10.7	10.6	10.7	10.6	11.3	10.9	10.1	9.8	9.9	10.4	9.9	-0.1	-0.8	26	3 997
HU	17.0	16.2	14.7	14.9	15.5	15.8	14.7	14.2	14.7	15.1	14.5	14.0	14.7	14.3	15.2	14.8	-2.3	-1.1	2	14 345
MT	11.6	11.1	11.8	11.0	12.0	11.8	12.5	12.6	12.4	13.2	14.4	14.1	14.0	13.7	13.5	13.2	1.6	1.3	8	810
NL	11.3	11.5	11.5	11.6	11.9	11.7	11.9	11.7	11.8	12.0	12.0	12.2	12.1	12.0	11.8	12.0	0.8	0.3	12	70 730
AT	11.6	12.0	12.5	12.5	12.6	12.3	12.3	12.4	12.3	12.3	12.1	11.6	11.6	11.6	12.0	11.8	0.2	-0.5	13	33 761
PL	12.7	13.0	12.4	11.8	12.3	11.3	11.1	11.8	11.9	11.8	12.3	12.6	12.9	12.9	11.5	12.3	-0.4	0.9	10	43 475
PT	11.9	12.2	11.9	12.2	12.2	11.8	11.7	12.0	12.1	12.1	12.9	13.1	12.6	12.2	10.9	11.7	-0.2	-0.1	14	20 205
RO	8.6	8.5	9.0	10.9	11.5	11.5	10.6	10.9	11.5	11.1	12.3	12.1	11.8	11.2	10.3	11.5	2.9	0.1	15	14 080
SI	15.0	14.7	13.7	14.3	14.8	13.8	13.4	13.7	13.7	13.5	13.4	13.2	13.2	13.4	14.1	14.2	-0.8	0.4	4	5 046
SK	14.1	13.2	12.7	12.5	12.0	12.2	11.0	11.0	11.6	11.9	12.3	11.2	11.2	10.5	10.3	10.1	-4.0	-2.0	24	6 676
FI	13.8	13.9	14.5	14.1	14.1	13.6	13.2	13.4	14.0	13.6	13.6	13.5	12.8	12.8	13.2	13.1	-0.7	-0.4	9	23 679
SE	13.4	13.0	12.9	13.0	12.8	12.4	12.5	12.6	12.6	12.4	12.7	12.4	12.4	12.7	13.3	13.3	-0.1	0.9	7	46 103
UK	12.0	12.1	12.0	11.9	12.1	11.8	11.6	11.5	11.6	11.5	11.1	10.9	10.8	10.8	10.3	11.2	-0.8	-0.6	17	190 914
NO	14.7	14.5	14.4	14.8	14.3	12.7	12.6	12.8	12.4	12.1	11.6	11.6	11.9	10.6	11.5	11.6	-3.1	-1.2		36 484
IS	15.3	15.6	15.2	14.8	15.8	15.0	13.1	13.3	13.9	14.6	15.8	16.0	15.1	12.7	11.9	12.2	-3.1	-2.8		1 159
<b>EU-27 averages</b>																			<b>1 350 504</b>	
weighted	11.2	11.3	11.3	11.3	11.6	11.4	11.1	11.1	11.1	11.1	11.1	11.1	11.0	10.8	10.7	11.0	-0.2	-0.4		
arithmetic	12.0	11.9	11.9	12.1	12.1	12.0	11.7	11.8	11.9	12.1	12.3	12.3	12.2	11.9	11.7	11.9	-0.1	0.0		
<b>EA-17 averages</b>																			<b>979 639</b>	
weighted	10.9	10.9	10.9	11.0	11.3	11.1	10.9	10.8	10.7	10.7	10.8	10.8	10.7	10.5	10.4	10.7	-0.2	-0.4		
arithmetic	11.7	11.7	11.7	11.6	11.7	11.7	11.5	11.6	11.7	11.8	12.0	11.9	11.8	11.5	11.4	11.6	-0.2	-0.1		
<b>EU-25 averages</b>																				
weighted	11.2	11.3	11.3	11.3	11.6	11.4	11.1	11.1	11.1	11.1	11.1	11.0	11.0	10.8	10.7	11.0	-0.2	-0.4		
arithmetic	12.2	12.1	12.1	12.1	12.1	12.0	11.7	11.8	11.9	12.0	12.2	12.1	12.0	11.8	11.7	11.9	-0.3	-0.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 43: Taxes on Consumption as % of GDP - Tobacco and Alcohol

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.0	-0.1	21	2 506		
BG	1.0	0.6	0.8	1.3	1.4	1.4	1.2	1.6	1.7	1.9	2.0	2.2	2.7	2.8	2.8	2.5	1.5	1.1	1	893		
CZ	1.3	1.2	1.2	1.2	1.2	1.1	1.0	1.0	1.1	1.1	1.2	1.3	1.7	1.1	1.4	1.4	0.2	0.4	8	2 160		
DK	1.1	1.1	1.0	1.0	1.0	0.9	0.9	0.9	0.8	0.7	0.7	0.7	0.6	0.6	0.6	0.6	-0.5	-0.3	25	1 521		
DE	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	-0.1	-0.1	24	16 677		
EE	2.0	2.0	2.0	1.9	1.7	1.6	1.5	1.6	1.5	1.8	1.7	1.6	1.8	1.3	2.5	1.7	-0.3	0.1	3	245		
IE	2.5	2.3	2.1	2.0	1.9	1.7	1.7	1.6	1.5	1.4	1.3	1.2	1.2	1.2	1.4	1.3	-1.2	-0.5	15	1 986		
EL <sup>(3)</sup>	1.4	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.2	1.4	1.5	0.1	0.0	7	3 309		
ES	0.7	0.7	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.2	0.0	19	8 944		
FR	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.8	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.0	-0.1	22	13 646		
IT	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.8	0.8	0.8	0.1	0.1	20	12 010		
CY	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.9	1.0	1.4	1.4	1.4	1.3	1.3	1.3	1.3	0.5	0.5	14	223		
LV	1.0	1.1	1.3	1.4	1.5	1.4	1.3	1.2	1.2	1.3	1.3	1.3	1.1	1.5	1.6	1.5	0.4	0.1	6	263		
LT	1.2	1.3	1.6	1.8	1.4	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.5	1.6	1.5	0.3	0.3	5	412		
LU	1.5	1.5	1.8	1.8	2.1	2.1	1.7	2.0	1.9	1.9	1.6	1.5	1.4	1.3	1.4	1.3	-0.2	-0.8	12	521		
HU	1.3	1.2	1.2	1.1	1.2	1.2	1.1	1.1	1.2	1.2	1.2	1.3	1.4	1.4	1.6	1.3	0.0	0.1	13	1 251		
MT	1.0	1.0	1.2	1.4	1.2	1.1	1.3	1.3	1.4	1.6	1.5	1.5	1.3	1.3	1.3	1.3	0.3	0.2	11	80		
NL	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.4	0.5	0.5	0.5	-0.1	0.0	27	2 771		
AT	0.9	0.9	0.9	0.9	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	-0.2	-0.2	26	1 829		
PL	2.3	2.3	2.2	2.0	2.0	1.7	1.9	1.9	1.9	1.9	2.0	1.9	1.8	2.2	1.6	2.0	-0.3	0.3	2	7 117		
PT	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.1	0.8	0.9	0.8	1.0	-0.1	0.0	18	1 695		
RO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	1.0	1.2	1.2	1.2	1.3	1.2	1.5	1.5	1.5	1.5	4	1 837		
SI	1.5	1.4	1.3	1.2	1.0	0.8	0.9	0.9	1.0	1.1	1.1	1.1	1.1	1.1	1.3	1.4	-0.1	0.5	9	480		
SK	1.4	1.4	1.2	1.2	1.3	1.1	1.0	1.1	1.0	1.1	1.5	0.9	1.7	0.9	1.1	1.3	-0.1	0.2	10	859		
FI	1.8	1.7	1.6	1.5	1.5	1.4	1.4	1.4	1.3	1.1	1.0	1.0	0.9	0.9	1.1	1.1	-0.7	-0.3	17	1 934		
SE	1.0	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	-0.4	-0.1	23	2 414		
UK	1.7	1.7	1.6	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.2	1.1	1.2	1.3	1.3	-0.5	-0.2	16	21 441		
NO	1.2	1.2	1.2	1.2	1.2	1.1	1.0	1.0	1.0	0.9	0.8	0.8	0.7	0.7	0.8	0.8	-0.5	-0.3		2 384		
IS	0.2	0.9	0.9	0.9	0.9	0.8	0.8	1.1	1.2	1.1	1.1	1.0	0.9	0.8	0.9	1.0	0.7	0.1		91		
<b>EU-27 averages</b>																						<b>109 025</b>
weighted	0.9	0.9	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	-0.1	0.0				
arithmetic	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.2	1.2	0.0	0.1			
<b>EA-17 averages</b>																						<b>69 715</b>
weighted	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.8	0.8	0.0	0.0				
arithmetic	1.2	1.2	1.1	1.1	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.0	1.0	0.9	1.1	1.1	-0.1	0.0				
<b>EU-25 averages</b>																						
weighted	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9	-0.1	-0.1				
arithmetic	1.2	1.2	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.1	-0.1	0.0				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



**Table 44: Taxes on Consumption as % of Total Taxation - Tobacco and Alcohol**

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	1.6	1.6	1.6	1.6	1.7	1.7	1.6	1.7	1.8	1.7	1.7	1.7	1.6	1.5	1.6	1.6	0.0	-0.1	23	2 506
BG	3.3	2.0	2.9	4.1	4.5	4.3	3.8	5.6	5.3	5.8	6.3	7.2	8.0	8.8	9.5	9.1	5.7	4.7	1	893
CZ	3.6	3.6	3.5	3.5	3.5	3.2	2.8	2.9	3.0	3.0	3.3	3.7	4.6	3.2	4.2	4.3	0.6	1.1	10	2 160
DK	2.2	2.2	2.1	2.1	2.0	1.9	1.8	1.8	1.8	1.5	1.3	1.3	1.2	1.2	1.3	1.4	-0.9	-0.5	26	1 521
DE	1.9	2.0	1.9	1.9	1.9	1.8	1.9	2.1	2.1	2.0	2.1	2.0	1.9	1.8	1.8	1.8	-0.2	0.0	21	16 677
EE	5.4	5.8	5.7	5.5	5.2	5.1	5.1	5.2	5.0	6.0	5.7	5.2	5.7	4.2	7.0	5.0	-0.4	-0.1	6	245
IE	7.5	7.1	6.6	6.2	5.9	5.6	5.6	5.6	5.3	4.6	4.2	3.8	3.9	4.2	4.8	4.5	-3.0	-1.0	9	1 986
EL <sup>(3)</sup>	4.7	4.7	4.7	4.5	4.5	4.3	4.7	4.5	4.5	4.4	4.2	4.1	4.1	3.6	4.5	4.7	0.0	0.4	7	3 309
ES	2.1	2.3	2.5	2.7	2.6	2.6	2.5	2.5	2.5	2.4	2.3	2.2	2.2	2.5	2.8	2.7	0.5	0.1	18	8 944
FR	1.8	1.7	1.7	1.7	1.6	1.7	1.7	1.8	1.7	1.3	1.3	1.6	1.6	1.5	1.7	1.7	-0.1	-0.1	22	13 646
IT	1.6	1.5	1.4	1.5	1.6	1.7	1.6	1.7	1.6	1.7	1.8	1.8	1.7	1.8	1.8	1.8	0.2	0.1	20	12 010
CY	2.8	2.8	2.8	2.6	2.8	2.7	2.7	2.8	3.2	4.1	4.0	4.0	3.3	3.3	3.6	3.6	0.8	0.9	12	223
LV	3.1	3.5	4.2	4.2	4.5	4.7	4.4	4.1	4.0	4.4	4.5	4.2	3.6	5.2	5.9	5.4	2.3	0.7	5	263
LT	4.4	5.0	5.1	5.7	4.5	4.1	4.4	4.4	4.4	4.3	4.3	4.5	4.4	4.8	5.3	5.5	1.2	1.4	3	412
LU	4.2	3.9	4.6	4.6	5.4	5.3	4.2	5.0	4.9	5.2	4.3	4.1	3.9	3.8	3.7	3.5	-0.7	-1.9	15	521
HU	3.2	3.1	3.0	3.0	3.2	3.1	2.9	2.9	3.1	3.1	3.1	3.5	3.5	3.5	3.9	3.4	0.3	0.3	16	1 251
MT	3.8	3.8	4.2	5.3	4.5	4.0	4.2	4.2	4.3	4.8	4.5	4.4	3.7	3.7	3.7	3.9	0.1	-0.1	11	80
NL	1.4	1.4	1.3	1.2	1.2	1.2	1.3	1.2	1.2	1.3	1.2	1.2	1.1	1.2	1.2	1.2	-0.2	0.0	27	2 771
AT	2.1	2.0	2.0	2.1	2.1	1.9	1.6	1.7	1.7	1.6	1.6	1.6	1.6	1.4	1.5	1.5	-0.6	-0.4	24	1 829
PL	6.3	6.1	5.9	5.6	5.6	5.3	5.8	5.7	5.9	6.1	6.1	5.6	5.3	6.4	5.1	6.3	0.0	1.0	2	7 117
PT	3.7	3.6	3.5	3.5	3.4	3.3	3.3	3.1	3.3	3.2	3.1	3.5	2.5	2.6	2.7	3.1	-0.5	-0.2	17	1 695
RO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.1	3.5	4.4	4.4	4.4	4.3	4.4	4.4	5.6	5.5	5.5	4	1 837
SI	3.8	3.8	3.6	3.2	2.7	2.3	2.3	2.5	2.7	2.8	2.8	2.9	2.9	3.0	3.4	3.6	-0.2	1.3	13	480
SK	3.5	3.6	3.2	3.4	3.6	3.3	3.0	3.2	3.0	3.5	4.9	3.1	5.8	3.1	3.8	4.6	1.1	1.3	8	859
FI	3.9	3.6	3.5	3.3	3.3	2.9	3.0	3.0	3.0	2.5	2.3	2.2	2.1	2.2	2.6	2.5	-1.4	-0.3	19	1 934
SE	2.2	2.0	1.8	1.7	1.7	1.6	1.6	1.7	1.6	1.4	1.4	1.4	1.4	1.4	1.6	1.5	-0.7	-0.1	25	2 414
UK	5.0	4.9	4.7	4.3	4.2	4.0	3.9	4.0	4.0	3.8	3.5	3.3	3.2	3.1	3.6	3.5	-1.5	-0.4	14	21 441
NO	2.9	2.8	2.9	2.9	2.9	2.5	2.3	2.3	2.3	2.1	1.9	1.7	1.7	1.7	1.9	1.8	-1.1	-0.7		2 384
IS	0.7	2.7	2.5	2.5	2.4	2.3	2.2	3.1	3.2	2.9	2.6	2.4	2.3	2.2	2.8	2.8	2.0	0.5		91
<b>EU-27 averages</b>																				<b>109 025</b>
weighted	2.4	2.4	2.4	2.3	2.3	2.3	2.4	2.4	2.3	2.2	2.2	2.2	2.2	2.3	2.3	2.3	-0.1	0.0		
arithmetic	3.3	3.3	3.3	3.3	3.2	3.1	3.1	3.3	3.3	3.4	3.3	3.3	3.3	3.3	3.6	3.6	0.3	0.5		
<b>EA-17 averages</b>																				<b>69 715</b>
weighted	2.0	2.0	1.9	1.9	1.9	1.9	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.8	2.0	2.0	0.0	0.0		
arithmetic	3.3	3.3	3.2	3.2	3.2	3.0	3.0	3.1	3.1	3.1	3.1	2.9	2.9	2.7	3.1	3.0	-0.3	0.0		
<b>EU-25 averages</b>																				
weighted	2.4	2.4	2.4	2.3	2.3	2.3	2.4	2.4	2.3	2.2	2.2	2.2	2.2	2.3	2.3	2.3	-0.1	0.0		
arithmetic	3.4	3.4	3.4	3.4	3.3	3.2	3.1	3.2	3.2	3.2	3.1	3.1	3.0	3.3	3.3	3.3	-0.1	0.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 45: Taxes on Labour as % of GDP - Total

	1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010																			Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995 to 2010	2000 to 2010	2010	2010																			
BE	24.3	24.2	24.4	24.5	24.3	24.2	24.7	24.8	24.5	24.0	23.7	23.0	23.0	23.6	23.9	23.8	-0.5	-0.4	4	84 237			
BG	13.0	11.6	11.6	13.0	13.4	14.0	12.5	11.9	12.7	12.5	11.6	10.1	10.4	9.7	9.8	9.0	-4.0	-5.0	27	3 243			
CZ	17.6	17.5	18.1	17.8	17.7	17.8	17.6	18.3	18.6	18.3	18.3	18.4	18.5	18.0	17.0	17.7	0.1	-0.1	13	26 392			
DK	27.3	27.3	26.9	26.3	27.0	26.6	26.9	26.1	26.0	25.2	24.8	24.6	25.0	25.4	27.0	24.6	-2.6	-2.0	2	58 032			
DE	24.0	23.9	24.1	24.0	23.9	24.0	23.7	23.6	23.6	22.7	22.2	21.7	20.9	21.5	22.3	21.4	-2.6	-2.6	8	530 260			
EE	20.4	19.0	18.4	18.7	18.6	17.5	16.9	17.1	16.7	16.4	15.4	15.3	16.0	17.5	18.7	18.4	-2.0	0.9	11	2 633			
IE	13.4	13.0	12.6	11.9	11.6	11.3	10.9	10.0	9.7	10.3	10.3	10.4	10.7	11.3	11.7	11.7	-1.7	0.3	23	18 196			
EL <sup>(3)</sup>	10.5	10.9	11.4	12.0	12.2	12.4	12.2	13.1	12.9	12.6	13.1	12.4	12.9	12.9	12.2	12.4	1.9	0.0	21	28 112			
ES	16.2	16.6	16.0	15.9	15.7	15.6	16.0	16.2	15.8	15.8	15.9	16.1	16.7	16.7	16.5	16.7	0.5	1.1	14	175 397			
FR	22.7	23.0	23.0	22.8	23.2	23.0	22.9	22.8	23.0	22.9	23.1	23.0	22.6	22.8	23.3	23.1	0.4	0.1	5	446 383			
IT	18.1	19.8	20.7	20.7	20.1	19.7	20.0	20.0	20.1	20.0	20.2	20.3	20.8	21.5	21.8	21.8	3.7	2.1	7	339 599			
CY	10.0	9.5	9.8	10.2	9.8	9.6	10.0	10.0	10.8	10.6	11.3	11.1	10.8	11.1	12.3	12.7	2.7	3.1	20	2 196			
LV	17.2	15.9	15.9	16.4	16.2	15.4	14.7	14.8	14.7	14.6	14.1	14.7	14.7	14.5	13.9	14.4	-2.9	-1.0	16	2 580			
LT	12.9	13.3	14.9	15.9	16.7	16.2	15.4	14.8	14.5	14.6	14.4	14.6	14.5	14.8	15.0	13.4	0.5	-2.8	18	3 687			
LU	15.3	15.3	15.6	15.0	14.9	15.1	15.8	15.1	15.1	15.0	15.1	14.6	14.7	15.1	16.5	16.1	0.8	1.0	15	6 471			
HU	20.4	19.7	19.7	19.3	19.0	19.4	19.3	19.1	18.6	18.0	18.3	18.3	20.1	20.7	20.0	18.2	-2.2	-1.1	12	17 703			
MT	9.7	9.4	10.2	9.5	10.0	10.4	11.2	11.1	11.1	11.2	11.0	11.2	10.4	10.3	10.6	10.7	1.1	0.3	26	660			
NL	22.0	21.0	20.1	20.0	20.7	20.7	18.5	18.8	19.2	19.0	18.7	20.0	19.8	20.7	21.2	21.3	-0.7	0.6	9	125 360			
AT	23.7	23.8	24.6	24.4	24.5	23.9	24.1	24.1	24.3	23.8	23.3	23.2	23.1	23.8	24.2	23.8	0.2	-0.1	3	68 238			
PL	17.0	17.2	16.9	16.9	15.7	14.2	14.4	13.4	13.2	12.5	12.8	13.4	13.0	13.1	12.3	11.5	-5.5	-2.7	24	40 898			
PT	11.2	11.2	11.1	11.0	11.2	11.5	11.8	11.9	12.1	11.7	12.0	12.2	12.4	12.6	13.0	12.9	1.7	1.4	19	22 279			
RO	11.8	11.3	10.2	12.1	13.0	13.2	12.9	12.3	11.1	10.7	11.0	11.6	11.8	11.6	11.8	11.3	-0.5	-1.9	25	13 777			
SI	21.8	20.4	20.1	20.1	19.8	20.2	20.8	20.6	20.6	20.6	20.4	20.0	18.9	19.1	19.5	19.7	-2.1	-0.6	10	6 965			
SK	15.4	16.5	16.6	16.3	15.5	15.0	15.1	15.0	14.4	12.7	12.2	11.2	11.3	12.1	12.1	12.2	-3.2	-2.9	22	8 021			
FI	25.2	26.0	24.1	23.7	23.3	23.3	23.4	23.3	23.0	22.4	22.9	22.7	21.9	22.6	23.5	22.5	-2.7	-0.8	6	40 564			
SE	29.8	31.5	31.4	32.0	31.6	30.7	30.8	29.7	29.9	29.5	29.1	28.4	27.2	27.7	27.4	25.9	-3.9	-4.9	1	89 605			
UK	13.8	13.1	12.8	13.6	13.8	14.3	14.4	13.7	13.6	13.9	14.3	14.4	14.5	14.7	14.5	14.3	0.5	0.0	17	243 651			
NO	18.4	18.2	18.4	19.9	19.5	17.2	17.7	18.6	18.5	17.8	16.6	16.0	16.6	16.2	18.2	17.8	-0.6	0.6		56 127			
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:			
<b>EU-27 averages</b>																							<b>2 405 138</b>
weighted	20.7	20.7	20.5	20.4	20.4	20.2	20.1	19.8	19.8	19.5	19.5	19.3	19.2	19.6	20.0	19.6	-1.0	-0.6					
arithmetic	17.9	17.8	17.8	17.9	17.9	17.8	17.7	17.5	17.4	17.1	17.0	16.9	16.9	17.2	17.5	17.1	-0.9	-0.7					
<b>EA-17 averages</b>																							<b>1 905 570</b>
weighted	21.5	21.6	21.7	21.5	21.4	21.3	21.1	21.0	21.0	20.6	20.5	20.3	20.1	20.6	21.0	20.8	-0.7	-0.5					
arithmetic	17.9	17.8	17.8	17.7	17.6	17.5	17.5	17.5	17.5	17.2	17.1	17.0	16.9	17.4	17.8	17.7	-0.2	0.2					
<b>EU-25 averages</b>																							
weighted	20.7	20.8	20.5	20.5	20.4	20.2	20.1	19.9	19.9	19.6	19.5	19.4	19.3	19.7	20.1	19.8	-1.0	-0.5					
arithmetic	18.4	18.4	18.4	18.4	18.3	18.1	18.1	17.9	17.8	17.5	17.5	17.4	17.4	17.8	18.0	17.6	-0.7	-0.4					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 46: Taxes on Labour as % of Total Taxation - Total

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	55.5	54.5	54.4	53.9	53.6	53.7	54.7	54.9	54.9	53.5	52.9	51.8	52.4	53.3	55.0	54.1	-1.3	0.5	6	84 237	
BG	42.1	40.6	41.9	40.5	43.7	44.3	40.5	41.8	40.9	38.5	37.0	32.8	31.1	30.2	33.7	32.9	-9.2	-11.4	26	3 243	
CZ	49.6	51.5	52.2	53.3	51.8	52.7	52.2	52.9	52.4	51.0	51.3	52.0	51.7	52.3	50.8	52.3	2.7	-0.4	10	26 392	
DK	55.9	55.5	55.0	53.3	53.8	53.9	55.6	54.5	54.1	51.4	48.8	49.6	51.1	53.3	56.6	51.7	-4.2	-2.1	13	58 032	
DE	60.4	59.6	60.1	59.4	57.9	58.2	60.3	60.7	60.3	59.3	58.0	56.2	54.1	55.4	56.8	56.2	-4.2	-2.0	3	530 260	
EE	56.3	55.4	53.6	55.0	57.2	56.4	56.0	55.0	54.3	53.6	50.2	49.9	50.8	55.3	52.4	53.9	-2.4	-2.5	7	2 633	
IE	40.9	39.8	39.2	38.0	37.0	36.3	37.0	35.2	33.7	34.4	33.8	32.5	34.2	38.0	41.6	41.4	0.5	5.1	20	18 196	
EL <sup>(3)</sup>	36.1	37.0	37.4	37.1	36.6	35.9	36.7	38.9	40.1	40.3	40.5	39.2	39.5	40.0	40.1	39.9	3.8	4.0	23	28 112	
ES	50.4	51.0	48.9	47.8	46.3	45.8	47.5	47.4	46.7	45.6	44.4	43.9	45.1	50.5	53.7	52.2	1.9	6.4	11	175 397	
FR	53.2	52.2	51.9	51.7	51.6	52.0	52.2	52.7	53.4	52.9	52.8	52.1	52.0	52.7	55.4	54.3	1.1	2.3	5	446 383	
IT	45.5	47.5	47.6	48.9	47.9	47.5	48.7	49.5	49.1	49.6	50.5	48.6	48.6	50.4	51.1	51.6	6.1	4.1	14	339 599	
CY	37.0	36.0	38.0	36.8	35.1	31.9	32.6	32.5	33.4	32.3	32.4	31.0	27.0	28.8	34.8	35.5	-1.5	3.5	25	2 196	
LV	52.0	51.6	49.7	48.5	50.7	51.7	51.1	51.7	51.3	51.1	48.4	48.2	48.0	49.7	52.0	52.5	0.5	0.8	9	2 580	
LT	46.8	48.9	48.6	50.2	52.6	54.1	53.9	52.4	51.9	52.0	50.7	49.8	49.0	49.3	51.3	49.5	2.7	-4.7	15	3 687	
LU	41.2	40.8	39.5	38.2	38.8	38.5	39.7	38.5	39.5	40.2	40.3	40.6	41.1	42.6	43.7	43.3	2.1	4.8	18	6 471	
HU	49.8	49.5	51.4	50.5	48.8	48.7	49.8	50.3	48.8	47.8	48.9	49.1	49.7	51.4	49.8	48.3	-1.4	-0.4	16	17 703	
MT	36.1	36.8	37.0	37.3	36.6	37.3	37.7	36.2	35.6	34.4	32.7	32.9	29.9	30.4	31.0	32.2	-3.9	-5.1	27	660	
NL	54.8	52.1	50.7	50.7	51.3	51.9	48.3	49.7	51.2	50.6	49.7	51.3	51.1	52.7	55.4	55.0	0.2	3.1	4	125 360	
AT	57.2	55.6	55.7	55.3	56.0	55.6	53.8	55.2	55.9	55.3	55.4	55.9	55.3	55.8	56.7	56.8	-0.4	1.2	1	68 238	
PL	45.9	46.1	46.4	47.6	45.0	43.7	44.8	41.1	41.1	39.7	39.0	39.7	37.3	38.1	38.6	36.3	-9.6	-7.4	24	40 898	
PT	38.0	37.0	36.8	36.2	36.0	37.0	38.2	37.7	38.0	38.3	38.0	37.9	38.0	38.4	42.1	40.9	2.9	4.0	21	22 279	
RO	43.0	43.8	38.6	41.7	41.8	43.8	44.9	43.9	40.1	39.4	39.6	40.6	40.8	41.2	43.8	41.5	-1.6	-2.4	19	13 777	
SI	55.9	54.0	54.7	53.6	52.2	54.2	55.4	54.3	54.1	54.1	52.9	52.3	50.2	51.2	52.0	51.8	-4.1	-2.4	12	6 965	
SK	38.2	41.9	44.4	44.5	43.8	44.1	45.5	45.3	43.8	40.4	39.1	38.2	38.4	41.2	42.1	43.4	5.2	-0.7	17	8 021	
FI	55.2	55.3	52.0	51.3	50.6	49.3	52.2	52.2	52.2	51.6	52.1	51.7	51.1	52.7	55.1	53.4	-1.8	4.1	8	40 564	
SE	62.1	62.5	61.8	62.5	61.4	59.7	62.3	62.5	62.5	61.5	59.5	58.7	57.6	59.7	58.7	56.4	-5.7	-3.3	2	89 605	
UK	39.8	38.1	36.8	37.8	38.2	39.0	39.5	39.2	39.2	39.5	39.8	39.2	40.0	38.7	41.7	40.2	0.4	1.2	22	243 651	
NO	43.9	42.9	43.6	47.4	46.0	40.4	41.3	43.2	43.8	41.3	38.3	36.8	38.7	38.5	42.9	41.5	-2.4	1.1		56 127	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 averages</b>																			<b>2 405 138</b>		
weighted	52.6	51.9	51.1	50.9	50.2	50.1	50.8	51.0	51.1	50.4	49.9	48.9	48.6	50.0	52.1	51.2	-1.4	1.1			
arithmetic	48.1	48.0	47.6	47.5	47.3	47.3	47.8	47.6	47.4	46.6	45.9	45.4	45.0	46.4	48.0	47.3	-0.8	0.0			
<b>EA-17 averages</b>																			<b>1 905 570</b>		
weighted	54.1	53.4	53.0	52.8	52.0	52.0	52.7	53.1	53.1	52.4	51.9	50.8	50.3	52.1	53.9	53.4	-0.7	1.4			
arithmetic	47.8	47.5	47.2	46.8	46.4	46.2	46.8	46.8	46.8	46.3	45.6	45.1	44.6	46.5	48.2	48.0	0.2	1.8			
<b>EU-25 averages</b>																					
weighted	52.7	51.9	51.1	50.9	50.2	50.1	50.8	51.1	51.2	50.5	49.9	49.0	48.7	50.1	52.2	51.3	-1.4	1.2			
arithmetic	48.5	48.4	48.2	48.0	47.6	47.6	48.2	48.0	47.9	47.2	46.5	46.1	45.7	47.3	48.7	48.1	-0.4	0.6			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 47: Taxes on Labour as % of GDP - Employed

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	22.3	22.1	22.3	22.3	22.3	22.2	22.6	22.7	22.4	22.2	21.9	21.3	21.2	21.7	22.0	21.9	-0.4	-0.3	3	77 463
BG	12.9	11.6	11.6	13.0	13.4	13.9	12.4	11.9	12.7	12.5	11.5	10.0	10.3	9.7	9.7	8.9	-4.0	-5.0	27	3 216
CZ	16.7	16.6	17.1	16.7	16.4	16.6	16.4	17.1	17.4	17.2	17.2	17.1	17.2	16.8	15.7	16.3	-0.5	-0.3	13	24 308
DK	21.1	21.2	21.4	21.0	21.8	21.7	22.1	21.2	20.9	20.3	20.0	19.9	20.3	20.6	20.7	19.5	-1.6	-2.2	6	45 926
DE	21.3	20.9	21.0	21.0	21.0	21.3	21.0	20.7	20.7	19.7	19.2	18.8	18.3	18.9	19.6	19.1	-2.3	-2.2	8	471 981
EE	20.2	18.8	18.2	18.5	18.2	17.1	16.6	16.7	16.4	15.9	14.9	14.9	15.6	17.1	18.1	17.8	-2.4	0.7	11	2 548
IE	13.2	12.9	12.4	11.8	11.6	11.3	10.8	9.9	9.6	10.3	10.2	10.3	10.7	11.2	11.7	11.6	-1.6	0.3	22	18 097
EL <sup>(3)</sup>	9.8	10.2	10.6	11.1	11.2	11.5	11.3	12.2	12.1	11.8	12.1	11.4	11.9	11.9	11.1	11.3	1.5	-0.2	23	25 678
ES	15.1	15.6	15.1	15.1	14.9	15.1	15.5	15.7	15.3	15.3	15.4	15.6	16.1	16.0	15.7	15.9	0.8	0.8	14	167 320
FR	21.8	22.0	22.1	22.1	22.5	22.2	22.2	22.2	22.3	22.2	22.4	22.3	21.9	22.2	22.6	22.4	0.6	0.2	1	433 810
IT	16.2	17.8	18.6	18.6	18.1	17.7	17.9	18.0	18.1	17.9	18.1	18.1	18.6	19.2	19.3	19.3	3.0	1.5	7	299 626
CY	9.7	9.3	9.6	9.9	9.5	9.3	9.8	9.9	10.7	10.6	11.3	11.0	10.8	11.0	12.2	12.6	2.9	3.2	19	2 181
LV	17.2	15.9	15.9	16.3	16.1	15.3	14.6	14.7	14.6	14.5	14.0	14.6	14.6	14.4	13.6	13.9	-3.3	-1.4	17	2 504
LT	12.8	13.2	14.8	15.9	16.6	16.2	15.3	14.6	14.3	14.5	14.2	14.4	14.2	14.5	14.7	13.1	0.3	-3.0	18	3 617
LU	13.8	13.9	14.0	13.8	13.6	13.8	14.6	14.0	13.8	13.6	13.8	13.3	13.4	13.9	15.1	14.7	1.0	0.9	15	5 937
HU	19.5	19.1	19.1	18.7	18.3	18.6	18.6	18.8	18.2	17.7	17.9	18.0	19.3	19.8	19.0	17.4	-2.2	-1.3	12	16 869
MT	9.0	8.8	9.5	8.9	9.2	9.6	10.3	10.2	10.1	10.3	10.1	10.1	9.5	9.4	9.6	9.7	0.7	0.1	26	596
NL	17.8	17.1	16.5	17.0	17.7	17.8	16.0	16.2	16.5	16.4	16.0	17.2	17.5	18.3	18.8	18.9	1.1	1.1	9	110 976
AT	21.7	21.7	22.3	22.1	22.1	21.6	21.7	21.5	21.7	21.2	20.9	20.8	20.7	21.3	21.6	21.3	-0.3	-0.3	4	61 101
PL	14.7	14.9	15.0	15.0	14.9	13.5	13.6	12.7	12.5	11.8	12.1	12.6	12.2	12.2	11.5	11.3	-3.4	-2.2	24	39 870
PT	10.8	10.7	10.6	10.5	10.7	11.0	11.3	11.4	11.0	11.3	11.5	11.6	11.7	12.1	12.0	1.2	1.0	21	20 669	
RO	11.8	11.3	10.2	12.1	12.9	13.2	12.8	12.3	11.1	10.7	11.0	11.5	11.8	11.5	11.6	11.1	-0.7	-2.1	25	13 539
SI	21.3	19.9	19.5	19.5	19.4	19.9	20.0	19.8	19.8	19.8	19.8	19.4	18.3	18.5	18.7	18.8	-2.6	-1.1	10	6 652
SK	15.4	16.3	16.4	16.2	15.2	14.8	14.7	14.6	14.0	12.7	12.2	11.2	11.3	12.1	12.1	12.2	-3.2	-2.6	20	8 021
FI	21.9	22.6	21.2	21.1	20.8	20.8	21.1	20.9	20.6	20.0	20.4	20.2	19.6	20.3	20.9	20.1	-1.8	-0.7	5	36 287
SE	25.2	27.1	27.1	27.9	27.6	26.9	26.9	25.7	25.3	25.0	24.8	24.1	23.4	24.0	23.5	22.4	-2.8	-4.5	2	77 552
UK	13.6	12.9	12.7	13.4	13.7	14.1	14.2	13.5	13.4	13.7	14.2	14.2	14.3	14.5	14.3	14.1	0.5	0.0	16	240 374
NO	17.2	17.0	17.1	18.5	18.1	16.0	16.4	17.4	17.3	16.5	15.4	14.9	15.5	15.1	16.9	16.5	-0.7	0.5	52	101
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 averages</b>																				<b>2 216 718</b>
weighted	18.8	18.8	18.6	18.7	18.7	18.6	18.5	18.2	18.2	17.9	17.8	17.7	17.7	18.1	18.4	18.1	-0.7	-0.5		
arithmetic	16.6	16.5	16.5	16.6	16.7	16.6	16.5	16.3	16.1	15.9	15.8	15.7	15.7	16.0	16.1	15.8	-0.7	-0.7		
<b>EA-17 averages</b>																				<b>1 748 943</b>
weighted	19.5	19.5	19.6	19.6	19.5	19.5	19.3	19.2	19.2	18.8	18.6	18.5	18.5	18.9	19.3	19.1	-0.4	-0.4		
arithmetic	16.5	16.5	16.5	16.4	16.4	16.3	16.3	16.3	16.2	15.9	15.9	15.7	15.7	16.2	16.5	16.4	-0.1	0.2		
<b>EU-25 averages</b>																				
weighted	18.8	18.8	18.7	18.7	18.7	18.6	18.5	18.3	18.3	17.9	17.9	17.8	17.8	18.2	18.5	18.2	-0.6	-0.5		
arithmetic	16.9	16.9	16.9	17.0	16.9	16.8	16.8	16.6	16.5	16.2	16.2	16.1	16.1	16.5	16.6	16.3	-0.6	-0.5		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 48: Taxes on Labour as % of Total Taxation - Employed

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	50.9	49.8	49.6	49.2	49.1	49.2	50.1	50.2	50.2	49.5	48.9	47.9	48.4	49.1	50.7	49.8	-1.1	0.6	7	77 463	
BG	41.9	40.6	41.9	40.5	43.6	44.1	40.3	41.7	40.8	38.3	36.9	32.6	31.0	30.0	33.5	32.6	-9.3	-11.5	26	3 216	
CZ	47.2	48.8	49.4	49.9	48.0	49.1	48.7	49.4	49.0	47.8	48.3	48.4	48.0	48.8	46.9	48.1	1.0	-0.9	12	24 308	
DK	43.3	43.2	43.8	42.7	43.6	44.0	45.6	44.3	43.5	41.3	39.3	40.1	41.4	43.2	43.3	41.0	-2.4	-3.0	18	45 926	
DE	53.5	52.0	52.4	51.9	50.7	51.5	53.4	53.3	52.9	51.6	50.1	48.8	47.3	48.6	49.9	50.0	-3.5	-1.5	5	471 981	
EE	55.6	54.8	53.0	54.4	55.9	55.2	55.0	53.8	53.2	52.0	48.8	48.6	49.7	53.8	50.7	52.1	-3.5	-3.0	2	2 548	
IE	40.5	39.3	38.7	37.6	36.7	36.0	36.7	35.0	33.4	34.2	33.6	32.3	34.0	37.8	41.4	41.2	0.7	5.2	17	18 097	
EL <sup>(3)</sup>	33.7	34.6	34.8	34.3	33.7	33.2	34.0	36.2	37.7	37.6	37.5	36.0	36.4	36.8	36.4	36.5	2.7	3.3	23	25 678	
ES	47.2	48.0	46.1	45.2	44.0	44.3	45.9	45.7	45.2	44.0	42.8	42.3	43.4	48.6	51.3	49.8	2.6	5.5	6	167 320	
FR	51.1	50.1	49.9	50.2	50.0	50.3	50.6	51.2	51.8	51.2	51.1	50.6	50.5	51.3	53.8	52.8	1.7	2.4	1	433 810	
IT	40.8	43.0	42.9	43.9	43.1	42.8	43.5	44.4	44.0	44.3	45.1	43.3	43.5	45.0	45.2	45.5	4.7	2.8	15	299 626	
CY	36.0	35.1	37.1	35.9	34.2	31.2	31.8	32.2	33.1	32.1	32.1	30.7	26.8	28.6	34.6	35.2	-0.8	4.0	25	2 181	
LV	52.0	51.6	49.7	48.5	50.4	51.4	50.8	51.4	51.0	50.8	48.0	47.9	47.9	49.3	51.0	51.0	-1.0	-0.5	3	2 504	
LT	46.7	48.8	48.5	50.1	52.5	54.0	53.5	51.9	51.3	51.4	50.1	49.1	48.2	48.2	50.2	48.5	1.9	-5.4	11	3 617	
LU	37.1	37.0	35.7	35.0	35.5	35.2	36.8	35.7	36.3	36.5	36.8	37.2	37.6	39.0	40.0	39.7	2.6	4.5	20	5 937	
HU	47.7	47.8	49.9	48.8	47.0	46.8	48.0	49.5	48.0	46.9	47.9	48.2	47.7	49.0	47.4	46.0	-1.7	-0.8	14	16 869	
MT	33.6	34.5	34.6	34.7	33.8	34.4	34.7	33.3	32.6	31.5	29.8	29.8	27.2	27.8	28.1	29.1	-4.5	-5.3	27	596	
NL	44.2	42.5	41.6	43.2	43.8	44.5	41.7	43.0	44.2	43.6	42.7	44.2	45.2	46.6	49.0	48.7	4.4	4.2	10	110 976	
AT	52.4	50.7	50.6	50.0	50.5	50.2	48.3	49.4	49.9	49.4	49.8	50.1	49.6	50.0	50.8	50.8	-1.6	0.6	4	61 101	
PL	39.5	39.9	41.1	42.2	42.6	41.4	42.3	38.8	38.8	37.6	36.9	37.2	35.0	35.7	36.1	35.4	-4.1	-6.0	24	39 870	
PT	36.5	35.4	35.3	34.8	34.5	35.3	36.4	35.8	35.9	36.1	35.7	35.5	35.3	35.8	39.0	38.0	1.5	2.7	22	20 669	
RO	42.9	43.7	38.6	41.7	41.8	43.8	44.9	43.9	40.0	39.3	39.5	40.4	40.6	41.0	43.2	40.7	-2.2	-3.0	19	13 539	
SI	54.8	52.7	53.2	52.0	51.0	53.2	53.4	52.4	52.1	51.9	51.2	50.6	48.6	49.6	49.8	49.5	-5.3	-3.8	8	6 652	
SK	38.1	41.3	44.1	44.0	43.1	43.4	44.5	44.1	42.6	40.4	39.1	38.2	38.4	41.2	42.1	43.4	5.3	-0.1	16	8 021	
FI	47.9	48.1	45.6	45.6	45.3	44.0	47.0	46.7	46.7	46.0	46.4	46.2	45.7	47.4	49.2	47.8	-0.2	3.7	13	36 287	
SE	52.6	53.8	53.5	54.5	53.5	52.2	54.4	54.1	53.1	52.0	50.8	49.8	49.5	51.6	50.3	48.8	-3.8	-3.4	9	77 552	
UK	39.4	37.6	36.4	37.3	37.8	38.5	39.0	38.6	38.7	39.0	39.4	38.7	39.5	38.2	41.1	39.7	0.3	1.2	21	240 374	
NO	41.0	40.0	40.7	44.1	42.7	37.5	38.4	40.3	40.8	38.5	35.7	34.3	36.0	36.0	39.9	38.5	-2.5	1.0		52 101	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EU-27 averages</b>																				<b>2 216 718</b>	
weighted	47.8	47.0	46.4	46.5	46.0	46.1	46.8	47.0	46.9	46.3	45.7	44.9	44.8	46.1	47.8	47.2	-0.6	1.0			
arithmetic	44.7	44.6	44.4	44.4	44.3	44.4	44.9	44.7	44.3	43.6	42.9	42.4	42.1	43.4	44.6	44.1	-0.6	-0.3			
<b>EA-17 averages</b>																				<b>1 748 943</b>	
weighted	49.1	48.3	48.0	48.0	47.4	47.6	48.3	48.6	48.5	47.8	47.3	46.3	46.1	47.8	49.4	49.0	-0.1	1.4			
arithmetic	44.4	44.1	43.8	43.6	43.2	43.2	43.8	43.7	43.6	43.0	42.4	41.9	41.6	43.4	44.8	44.7	0.3	1.5			
<b>EU-25 averages</b>																					
weighted	47.8	47.1	46.4	46.5	46.0	46.1	46.9	47.0	47.0	46.3	45.8	45.0	44.9	46.2	47.9	47.2	-0.6	1.1			
arithmetic	44.9	44.8	44.7	44.6	44.4	44.5	45.1	44.8	44.6	43.9	43.3	42.9	42.6	44.0	45.1	44.7	-0.2	0.3			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 49: Taxes on Labour as % of GDP - Employed paid by employers

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	8.6	8.5	8.6	8.6	8.7	8.3	8.4	8.6	8.6	8.4	8.2	8.2	8.2	8.4	8.7	8.6	0.0	0.3	9	30 434
BG	9.1	7.7	7.6	8.5	9.0	8.9	7.9	7.5	8.1	8.0	7.2	5.8	5.6	4.8	4.7	4.5	-4.6	-4.4	23	1 630
CZ	9.5	9.6	9.9	9.6	9.6	9.7	9.6	10.0	10.1	9.9	9.9	9.9	9.9	9.9	9.4	9.7	0.2	0.1	5	14 544
DK	0.5	0.5	0.5	0.7	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.1	0.1	27	1 368
DE	7.5	7.6	7.7	7.6	7.6	7.5	7.4	7.4	7.5	7.2	7.0	6.8	6.6	6.6	6.9	6.8	-0.7	-0.7	14	168 240
EE	12.1	11.4	11.2	11.0	10.9	10.7	10.5	10.5	10.2	9.9	9.9	9.8	10.2	11.3	12.4	12.2	0.1	1.4	2	1 742
IE	2.8	2.6	2.5	2.5	2.5	2.7	2.8	2.7	2.6	2.7	2.7	2.9	3.0	3.3	3.3	3.2	0.3	0.5	25	4 947
EL <sup>(3)</sup>	4.3	4.5	4.6	4.8	4.6	4.9	4.9	5.5	5.4	5.1	5.1	4.9	5.2	5.2	4.8	5.0	0.8	0.1	20	11 453
ES	8.2	8.4	8.4	8.4	8.5	8.7	8.8	8.8	8.8	8.8	8.8	8.8	8.9	8.9	8.7	8.6	0.4	-0.1	8	90 631
FR	12.5	12.5	12.5	12.2	12.4	12.1	12.1	12.2	12.3	12.2	12.2	12.3	12.2	12.4	12.8	12.8	0.2	0.6	1	246 580
IT	8.6	10.1	10.7	10.5	9.9	9.9	10.0	10.1	10.3	10.3	10.4	10.3	10.6	10.7	10.8	10.7	2.1	0.7	4	165 950
CY	4.4	4.6	4.8	4.8	4.7	4.6	4.7	4.7	5.6	6.2	6.7	6.4	6.0	6.2	6.9	7.1	2.6	2.4	12	1 224
LV	11.6	9.9	8.0	8.2	8.1	7.5	6.9	6.9	6.5	6.4	6.1	6.4	6.3	6.0	6.2	6.1	-5.5	-1.4	15	1 096
LT	6.9	7.3	8.0	8.6	8.8	8.4	8.0	7.8	7.7	7.5	7.3	7.5	7.6	8.0	8.6	7.7	0.8	-0.7	11	2 113
LU	4.5	4.5	4.5	4.6	4.4	4.4	4.8	4.8	4.7	4.7	4.6	4.3	4.2	4.3	4.8	4.7	0.1	0.3	22	1 881
HU	11.9	11.3	11.5	11.4	10.6	10.8	10.4	10.2	10.0	9.6	9.9	9.7	10.0	10.0	9.5	8.2	-3.7	-2.6	10	7 978
MT	3.0	3.1	3.3	3.0	2.9	2.8	3.0	2.9	2.9	2.9	2.9	2.8	2.7	2.7	2.7	2.7	-0.3	-0.1	26	168
NL	2.0	2.0	1.8	4.5	4.5	4.5	4.5	4.5	4.4	4.4	4.1	4.7	4.6	4.9	5.1	5.0	3.1	0.5	19	29 708
AT	10.0	10.0	10.1	9.9	9.9	9.7	9.6	9.5	9.5	9.3	9.3	9.2	9.1	9.4	9.7	9.6	-0.4	-0.1	6	27 434
PL	5.9	5.9	6.1	6.1	5.9	5.7	5.7	5.4	5.2	4.9	5.2	5.3	5.0	5.0	4.9	5.0	-0.9	-0.7	21	17 688
PT	4.0	4.2	4.2	4.6	4.6	4.7	4.8	4.9	4.6	4.6	4.8	4.5	4.8	4.9	5.1	5.2	1.2	0.5	18	8 917
RO	7.6	7.2	7.0	7.0	7.8	8.1	7.1	6.5	6.2	5.9	6.4	6.3	6.2	6.0	5.9	5.6	-2.0	-2.4	17	6 883
SI	8.0	6.8	6.5	6.6	6.6	6.9	7.1	7.0	7.1	7.1	7.3	6.9	6.5	6.1	5.8	5.8	-2.1	-1.1	16	2 070
SK	9.6	9.9	9.8	9.7	8.9	9.1	8.9	8.9	8.4	7.6	7.0	6.3	6.3	6.7	6.9	6.9	-2.7	-2.3	13	4 517
FI	9.9	9.6	9.1	9.2	9.3	8.8	9.0	8.9	8.9	8.8	9.0	8.9	8.7	9.0	9.4	8.9	-1.0	0.1	7	16 004
SE	12.0	12.9	12.5	12.8	12.6	12.8	13.2	13.1	12.8	12.6	12.4	12.2	12.2	12.6	12.4	11.8	-0.1	-1.0	3	40 969
UK	3.3	3.3	3.3	3.3	3.4	3.5	3.5	3.3	3.5	3.6	3.7	3.7	3.8	4.0	3.9	4.1	0.8	0.6	24	69 623
NO	5.9	5.7	5.7	6.2	6.1	5.4	5.6	6.0	5.9	5.7	5.4	5.3	5.5	5.4	6.1	5.9	0.1	0.6		18 673
IS	2.3	2.5	2.6	2.6	2.7	2.8	2.7	2.8	3.0	3.0	3.1	3.2	3.1	2.9	3.2	4.2	1.9	1.5		401
<b>EU-27 averages</b>																			<b>975 792</b>	
weighted	7.8	8.0	7.9	8.0	7.9	7.8	7.8	7.7	7.9	7.8	7.7	7.7	7.7	7.9	8.0	8.0	0.2	0.2		
arithmetic	7.3	7.3	7.2	7.4	7.3	7.3	7.2	7.1	7.1	7.0	7.0	6.9	6.9	7.0	7.1	6.9	-0.4	-0.3		
<b>EA-17 averages</b>																			<b>811 899</b>	
weighted	8.5	8.8	8.9	9.0	8.8	8.8	8.8	8.8	8.9	8.7	8.7	8.7	8.6	8.7	8.9	8.9	0.4	0.1		
arithmetic	7.1	7.1	7.1	7.2	7.1	7.1	7.1	7.2	7.2	7.1	7.1	6.9	6.9	7.1	7.3	7.3	0.2	0.2		
<b>EU-25 averages</b>																				
weighted	7.8	8.0	7.9	8.0	7.9	7.8	7.8	7.7	7.9	7.8	7.7	7.7	7.7	7.9	8.1	8.0	0.2	0.2		
arithmetic	7.3	7.2	7.2	7.3	7.2	7.2	7.2	7.2	7.1	7.0	7.0	6.9	6.9	7.1	7.2	7.1	-0.2	-0.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 51: Taxes on Labour as % of GDP - Employed paid by employees

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	13.7	13.5	13.7	13.7	13.6	13.8	14.1	14.1	13.8	13.8	13.7	13.1	13.0	13.3	13.2	13.3	-0.4	-0.6	3	47 029	
BG	3.8	3.9	4.0	4.5	4.4	5.0	4.5	4.4	4.5	4.5	4.4	4.2	4.7	4.8	5.1	4.4	0.6	-0.6	27	1 586	
CZ	7.2	7.0	7.2	7.0	6.8	6.9	6.8	7.1	7.3	7.3	7.3	7.2	7.3	6.9	6.4	6.5	-0.7	-0.4	19	9 764	
DK	20.7	20.8	20.9	20.4	21.3	21.3	21.5	20.7	20.4	19.8	19.5	19.4	19.7	20.1	20.2	18.9	-1.7	-2.3	1	44 558	
DE	13.8	13.3	13.3	13.4	13.4	13.8	13.6	13.4	13.2	12.5	12.2	12.0	11.8	12.3	12.7	12.3	-1.5	-1.5	5	303 741	
EE	8.1	7.3	7.0	7.5	7.3	6.4	6.1	6.2	6.2	5.9	5.1	5.1	5.4	5.8	5.6	5.6	-2.5	-0.7	22	806	
IE	10.4	10.3	9.9	9.3	9.0	8.6	8.0	7.2	7.0	7.6	7.5	7.4	7.6	7.9	8.4	8.4	-2.0	-0.2	14	13 151	
EL <sup>(3)</sup>	5.6	5.7	6.0	6.4	6.6	6.6	6.4	6.7	6.7	6.6	6.9	6.5	6.7	6.6	6.3	6.3	0.7	-0.3	21	14 225	
ES	6.9	7.2	6.7	6.6	6.4	6.5	6.6	6.8	6.4	6.5	6.6	6.8	7.3	7.2	7.1	7.3	0.4	0.8	16	76 689	
FR	9.3	9.5	9.6	9.9	10.1	10.1	10.1	10.0	10.1	10.0	10.1	10.0	9.7	9.8	9.9	9.7	0.4	-0.4	11	187 230	
IT	7.7	7.7	7.9	8.0	8.2	7.8	7.9	7.9	7.7	7.6	7.7	7.7	8.0	8.5	8.5	8.6	0.9	0.8	13	133 677	
CY	5.2	4.7	4.8	5.1	4.9	4.7	5.0	5.2	5.1	4.3	4.5	4.6	4.7	4.8	5.3	5.5	0.3	0.8	23	957	
LV	5.6	6.0	7.9	8.2	8.1	7.8	7.7	7.8	8.1	8.2	7.9	8.2	8.3	8.4	7.4	7.8	2.2	0.0	15	1 408	
LT	5.9	5.9	6.8	7.3	7.8	7.8	7.3	6.9	6.7	6.9	6.9	6.8	6.6	6.5	6.1	5.5	-0.5	-2.3	24	1 504	
LU	9.2	9.4	9.5	9.2	9.2	9.4	9.8	9.2	9.1	8.9	9.3	9.0	9.2	9.6	10.2	10.1	0.8	0.7	9	4 056	
HU	7.6	7.8	7.6	7.3	7.7	7.8	8.2	8.6	8.3	8.1	8.0	8.3	9.3	9.7	9.5	9.2	1.5	1.3	12	8 891	
MT	6.0	5.7	6.2	5.9	6.4	6.8	7.3	7.3	7.3	7.4	7.2	7.3	6.8	6.7	6.9	7.0	1.0	0.2	17	428	
NL	15.8	15.1	14.7	12.5	13.1	13.2	11.5	11.8	12.1	11.9	11.9	12.6	12.9	13.4	13.7	13.8	-2.0	0.6	2	81 268	
AT	11.7	11.7	12.3	12.2	12.2	11.9	12.1	12.1	12.2	11.9	11.6	11.6	12.0	11.9	11.8		0.1	-0.2	6	33 667	
PL	8.8	8.9	8.8	8.8	8.9	7.8	7.9	7.3	7.3	6.9	6.9	7.3	7.1	7.2	6.5	6.3	-2.5	-1.6	20	22 181	
PT	6.8	6.5	6.4	5.9	6.1	6.3	6.4	6.4	6.8	6.4	6.5	6.9	6.8	6.8	7.0	6.8	0.0	0.5	18	11 752	
RO	4.2	4.1	3.2	5.1	5.1	5.2	5.7	5.9	4.9	4.8	4.6	5.2	5.6	5.4	5.7	5.5	1.3	0.3	25	6 656	
SI	13.4	13.2	13.0	12.9	12.7	12.9	13.0	12.8	12.7	12.7	12.5	12.5	11.8	12.4	12.9	12.9	-0.4	0.0	4	4 582	
SK	5.8	6.4	6.7	6.5	6.3	5.7	5.9	5.7	5.6	5.1	5.2	4.9	5.0	5.3	5.3	5.3	-0.5	-0.3	26	3 504	
FI	12.0	13.0	12.0	11.9	11.5	12.0	12.1	12.0	11.7	11.2	11.4	11.3	10.9	11.3	11.6	11.3	-0.8	-0.8	7	20 283	
SE	13.3	14.2	14.6	15.1	14.9	14.1	13.7	12.6	12.5	12.5	12.4	11.9	11.2	11.4	11.1	10.6	-2.7	-3.5	8	36 584	
UK	10.3	9.7	9.4	10.1	10.3	10.7	10.7	10.2	9.9	10.1	10.5	10.5	10.5	10.5	10.4	10.0	-0.3	-0.6	10	170 752	
NO	11.4	11.2	11.4	12.3	12.0	10.6	10.9	11.4	11.4	10.9	10.1	9.6	10.0	9.7	10.8	10.6	-0.8	0.0		33 428	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 averages</b>																				<b>1 240 927</b>	
weighted	11.0	10.8	10.7	10.7	10.8	10.9	10.7	10.5	10.4	10.1	10.1	10.1	10.0	10.2	10.3	10.1	-0.9	-0.7			
arithmetic	9.2	9.2	9.3	9.3	9.4	9.3	9.3	9.1	9.0	8.9	8.8	8.8	8.9	9.1	9.1	8.9	-0.3	-0.4			
<b>EA-17 averages</b>																				<b>937 043</b>	
weighted	11.0	10.7	10.7	10.6	10.7	10.7	10.6	10.4	10.3	10.0	9.9	9.9	9.9	10.2	10.3	10.2	-0.8	-0.5			
arithmetic	9.5	9.4	9.4	9.2	9.2	9.2	9.2	9.1	9.0	8.8	8.8	8.8	8.8	9.0	9.2	9.2	-0.3	0.0			
<b>EU-25 averages</b>																					
weighted	11.1	10.8	10.7	10.8	10.9	10.9	10.8	10.5	10.4	10.2	10.2	10.1	10.1	10.3	10.4	10.2	-0.9	-0.7			
arithmetic	9.6	9.6	9.7	9.6	9.7	9.6	9.6	9.4	9.4	9.2	9.2	9.2	9.2	9.4	9.4	9.2	-0.4	-0.4			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012





Table 53: Taxes on Labour as % of GDP - Non-employed

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	2.0	2.1	2.1	2.1	2.0	2.0	2.1	2.1	2.1	1.8	1.8	1.7	1.8	1.9	1.9	1.9	-0.1	-0.1	8	6 774	
BG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.0	0.0	25	27	
CZ	0.9	0.9	1.0	1.1	1.3	1.2	1.2	1.2	1.2	1.1	1.1	1.3	1.3	1.2	1.3	1.4	0.5	0.2	9	2 084	
DK	6.1	6.0	5.5	5.2	5.1	4.9	4.8	4.9	5.1	4.9	4.8	4.7	4.7	4.8	6.3	5.1	-1.0	0.3	1	12 106	
DE	2.7	3.0	3.1	3.0	3.0	2.8	2.7	2.9	2.9	2.9	3.0	2.9	2.6	2.6	2.7	2.4	-0.4	-0.4	7	58 279	
EE	0.2	0.2	0.2	0.2	0.4	0.4	0.3	0.4	0.3	0.5	0.5	0.4	0.4	0.5	0.6	0.6	0.3	0.2	18	84	
IE	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	0.0	26	99	
EL <sup>(3)</sup>	0.7	0.7	0.8	0.9	1.0	0.9	0.9	0.9	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1	0.4	0.1	11	2 434	
ES	1.0	1.0	0.9	0.9	0.8	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.6	0.6	0.7	0.8	-0.3	0.3	16	8 077	
FR	0.9	1.0	0.9	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.7	-0.3	-0.1	17	12 573	
IT	1.8	1.9	2.0	2.2	2.0	2.0	2.1	2.1	2.1	2.1	2.2	2.2	2.2	2.3	2.5	2.6	0.7	0.6	3	39 972	
CY	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	-0.1	24	16	
LV	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.4	0.3	19	76	
LT	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.2	0.2	21	70	
LU	1.5	1.4	1.5	1.2	1.3	1.3	1.2	1.1	1.2	1.4	1.3	1.2	1.3	1.3	1.4	1.3	-0.2	0.1	10	535	
HU	0.8	0.7	0.6	0.7	0.7	0.7	0.7	0.3	0.3	0.3	0.3	0.3	0.8	1.0	1.0	0.9	0.0	0.1	15	834	
MT	0.7	0.6	0.7	0.7	0.8	0.8	0.9	0.9	0.9	1.0	1.0	1.1	0.9	0.9	1.0	1.0	0.4	0.2	12	64	
NL	4.2	3.9	3.6	3.0	3.0	3.0	2.5	2.6	2.7	2.6	2.6	2.8	2.3	2.4	2.4	2.4	-1.8	-0.5	5	14 384	
AT	2.0	2.1	2.3	2.3	2.4	2.3	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.5	2.5	2.5	0.5	0.2	4	7 137	
PL	2.4	2.3	1.9	1.9	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.3	-2.1	-0.5	20	1 028	
PT	0.5	0.5	0.5	0.4	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.8	0.9	0.9	1.0	0.9	0.5	0.4	13	1 610	
RO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.2	0.2	22	238	
SI	0.4	0.5	0.6	0.6	0.4	0.4	0.7	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.8	0.9	0.5	0.5	14	313	
SK	0.0	0.2	0.1	0.2	0.2	0.2	0.3	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	27	0	
FI	3.3	3.4	3.0	2.7	2.4	2.5	2.3	2.4	2.4	2.4	2.5	2.4	2.3	2.3	2.5	2.4	-0.9	-0.1	6	4 277	
SE	4.5	4.4	4.2	4.1	4.0	3.9	3.9	4.0	4.5	4.5	4.2	4.3	3.8	3.7	3.9	3.5	-1.1	-0.4	2	12 052	
UK	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	23	3 277	
NO	1.2	1.2	1.2	1.4	1.4	1.2	1.2	1.2	1.3	1.2	1.1	1.1	1.1	1.1	1.3	1.3	0.1	0.1		4 026	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27 averages</b>																				<b>188 420</b>	
weighted	1.9	1.9	1.9	1.8	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.5	-0.4	0.0			
arithmetic	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	-0.1	0.1			
<b>EA-17 averages</b>																				<b>156 627</b>	
weighted	2.0	2.1	2.1	2.0	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.8	1.7	-0.3	-0.1			
arithmetic	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.2	1.2	1.2	1.2	1.3	1.3	-0.1	0.1			
<b>EU-25 averages</b>																					
weighted	1.9	2.0	1.9	1.8	1.7	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.7	1.6	-0.3	0.0			
arithmetic	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.4	1.3	-0.2	0.1			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

**Table 54: Taxes on Labour as % of Total Taxation - Non-employed**

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	4.6	4.7	4.8	4.7	4.5	4.5	4.6	4.6	4.7	4.0	4.1	3.9	4.0	4.2	4.4	4.4	-0.2	-0.1	8	6 774	
BG	0.1	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2	0.2	0.3	0.2	0.2	24	27	
CZ	2.4	2.7	2.8	3.4	3.7	3.6	3.5	3.4	3.4	3.2	3.0	3.6	3.6	3.6	3.9	4.1	1.7	0.5	9	2 084	
DK	12.6	12.3	11.1	10.6	10.2	9.9	9.9	10.1	10.5	10.0	9.5	9.5	9.6	10.1	13.2	10.8	-1.8	0.9	1	12 106	
DE	6.9	7.6	7.7	7.4	7.1	6.7	6.9	7.3	7.5	7.6	7.9	7.4	6.7	6.8	6.9	6.2	-0.7	-0.5	4	58 279	
EE	0.7	0.6	0.6	0.6	1.3	1.2	1.0	1.2	1.1	1.7	1.5	1.3	1.1	1.5	1.8	1.7	1.0	0.5	17	84	
IE	0.5	0.5	0.4	0.4	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.3	0.0	26	99	
EL <sup>(3)</sup>	2.4	2.5	2.6	2.8	2.9	2.7	2.8	2.7	2.4	2.7	3.0	3.3	3.1	3.2	3.7	3.5	1.1	0.8	11	2 434	
ES	3.2	3.0	2.8	2.6	2.2	1.5	1.6	1.6	1.5	1.5	1.6	1.6	1.6	1.9	2.4	2.4	-0.8	0.9	14	8 077	
FR	2.1	2.2	2.0	1.6	1.6	1.7	1.6	1.5	1.6	1.7	1.7	1.6	1.5	1.5	1.5	1.5	-0.6	-0.1	19	12 573	
IT	4.6	4.6	4.7	5.1	4.8	4.8	5.2	5.1	5.1	5.3	5.4	5.3	5.1	5.4	5.9	6.1	1.4	1.3	5	39 972	
CY	1.0	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3	-0.7	-0.5	25	16	
LV	0.0	0.0	0.0	0.1	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.4	1.0	1.5	1.5	1.3	18	76	
LT	0.1	0.1	0.1	0.1	0.1	0.2	0.4	0.5	0.6	0.6	0.6	0.7	0.8	1.1	1.1	0.9	0.8	0.8	20	70	
LU	4.1	3.8	3.8	3.2	3.4	3.3	2.9	2.8	3.2	3.7	3.5	3.5	3.5	3.6	3.7	3.6	-0.5	0.3	10	535	
HU	2.0	1.7	1.5	1.7	1.8	1.9	1.8	0.8	0.8	0.8	0.9	0.9	2.0	2.4	2.4	2.3	0.2	0.4	16	834	
MT	2.5	2.3	2.4	2.6	2.8	2.9	3.0	2.9	2.9	3.0	2.9	3.1	2.7	2.6	2.8	3.1	0.6	0.2	12	64	
NL	10.6	9.6	9.0	7.5	7.5	7.4	6.6	6.8	7.1	7.0	7.0	7.1	5.9	6.0	6.3	6.3	-4.3	-1.1	3	14 384	
AT	4.8	4.9	5.1	5.3	5.5	5.4	5.4	5.7	6.0	5.9	5.7	5.8	5.7	5.8	5.9	5.9	1.2	0.6	6	7 137	
PL	6.4	6.2	5.3	5.4	2.4	2.3	2.5	2.3	2.3	2.1	2.2	2.5	2.3	2.4	2.6	0.9	-5.5	-1.4	21	1 028	
PT	1.5	1.6	1.5	1.5	1.5	1.6	1.8	1.9	2.0	2.2	2.3	2.4	2.6	2.7	3.1	3.0	1.4	1.3	13	1 610	
RO	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.6	0.7	0.6	0.7	22	238	
SI	1.1	1.2	1.5	1.6	1.2	1.0	2.0	1.9	2.1	2.2	1.7	1.7	1.6	1.6	2.2	2.3	1.2	1.3	15	313	
SK	0.1	0.6	0.3	0.5	0.7	0.7	1.0	1.3	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	-0.7	27	0	
FI	7.2	7.2	6.4	5.8	5.3	5.3	5.2	5.5	5.5	5.6	5.7	5.5	5.4	5.4	5.9	5.6	-1.6	0.4	7	4 277	
SE	9.5	8.7	8.3	8.0	7.8	7.5	7.9	8.4	9.5	9.4	8.6	8.9	8.0	8.1	8.3	7.6	-1.9	0.1	2	12 052	
UK	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.1	0.1	23	3 277	
NO	2.9	2.9	2.9	3.3	3.2	2.9	2.9	2.9	3.0	2.8	2.6	2.5	2.7	2.6	3.1	3.0	0.1	0.1		4 026	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27 averages</b>																				<b>188 420</b>	
weighted	4.8	4.9	4.7	4.4	4.2	3.9	4.0	4.1	4.2	4.2	4.1	4.0	3.7	3.9	4.3	4.0	-0.8	0.1			
arithmetic	3.4	3.3	3.2	3.1	3.0	2.9	2.9	3.0	3.1	3.0	3.0	3.0	2.9	3.0	3.4	3.2	-0.2	0.3			
<b>EA-17 averages</b>																				<b>156 627</b>	
weighted	5.0	5.1	5.1	4.8	4.6	4.4	4.4	4.5	4.6	4.6	4.6	4.4	4.1	4.3	4.6	4.4	-0.6	0.0			
arithmetic	3.4	3.4	3.3	3.2	3.1	3.0	3.1	3.1	3.2	3.2	3.2	3.2	3.0	3.1	3.4	3.3	-0.1	0.3			
<b>EU-25 averages</b>																					
weighted	4.8	4.9	4.7	4.4	4.2	3.9	4.0	4.1	4.2	4.2	4.1	4.0	3.8	3.9	4.3	4.0	-0.8	0.1			
arithmetic	3.7	3.6	3.5	3.3	3.2	3.1	3.2	3.2	3.3	3.3	3.2	3.2	3.1	3.3	3.6	3.4	-0.3	0.3			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 55: Taxes on Capital as % of GDP - Total

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	8.7	8.9	9.2	9.8	9.6	9.5	9.4	9.3	9.2	9.7	9.9	10.1	9.9	9.8	8.7	9.1	0.4	-0.4	6	32 191		
BG	5.7	5.9	5.7	5.1	4.7	4.4	5.5	4.7	4.5	4.5	3.8	4.1	6.5	5.3	4.5	3.9	-1.9	-0.6	24	1 387		
CZ	7.0	5.8	6.2	5.8	6.1	5.9	6.4	6.7	7.0	6.8	6.6	6.7	6.8	6.1	5.7	5.2	-1.8	-0.7	20	7 763		
DK	6.4	6.3	6.4	6.9	6.9	7.2	6.0	6.1	6.6	8.2	10.0	8.9	7.9	7.1	5.7	8.1	1.8	0.9	8	19 148		
DE	5.4	6.1	6.0	6.3	6.8	6.6	5.1	4.9	5.0	5.4	5.9	6.7	7.1	6.7	5.8	5.9	0.4	-0.8	17	145 721		
EE	3.3	2.5	2.8	3.5	2.9	1.8	1.6	2.1	2.5	2.5	2.4	2.4	2.5	2.5	2.6	2.2	-1.1	0.3	27	310		
IE	6.5	7.0	7.1	7.3	7.9	7.9	7.8	7.4	8.3	8.5	8.8	10.2	9.4	7.5	6.4	6.5	0.0	-1.4	14	10 144		
EL <sup>(3)</sup>	6.6	6.4	7.0	8.1	8.7	9.8	8.4	8.2	7.8	7.4	7.9	7.7	7.8	7.7	7.4	6.5	0.0	-3.2	13	14 887		
ES	7.6	7.6	8.3	8.3	8.7	9.1	8.6	9.1	9.0	9.6	10.4	11.2	11.6	8.7	7.8	7.4	-0.3	-1.7	10	77 709		
FR	8.2	8.8	9.2	9.4	9.8	9.9	10.0	9.3	9.0	9.3	9.5	10.1	10.1	9.8	8.3	8.8	0.5	-1.1	7	169 490		
IT	11.4	11.8	12.5	10.9	11.0	10.9	10.8	10.3	11.0	10.4	9.9	11.1	11.8	11.3	11.2	10.2	-1.1	-0.6	2	159 201		
CY	6.5	6.8	6.7	8.4	9.2	10.0	9.3	9.0	7.7	7.8	9.1	10.0	14.0	12.3	9.6	9.5	3.0	-0.5	4	1 655		
LV	3.7	3.2	4.0	4.2	3.9	2.9	3.4	3.1	2.5	2.6	2.8	3.0	4.0	4.1	2.5	2.2	-1.6	-0.7	26	393		
LT	3.5	3.3	3.1	2.9	2.6	2.3	2.0	2.0	2.5	3.1	3.3	4.0	3.8	3.9	3.2	2.3	-1.2	0.0	25	634		
LU	11.8	12.4	13.3	13.8	12.9	13.3	13.4	13.5	12.5	11.1	11.5	11.2	11.2	10.4	10.8	11.1	-0.7	-2.3	1	4 465		
HU	3.6	3.9	3.9	4.1	4.4	4.6	4.7	4.7	4.7	4.6	5.0	5.7	5.3	4.9	4.7		1.2	0.1	21	4 584		
MT	5.5	5.0	5.5	5.1	5.4	5.6	6.0	6.9	7.6	8.2	8.3	8.7	10.4	9.9	10.2	9.4	3.9	3.8	5	579		
NL	6.9	7.8	8.0	7.9	7.8	7.5	7.9	7.3	6.5	6.6	7.0	6.8	6.8	6.6	5.3	5.4	-1.5	-2.1	19	31 974		
AT	6.1	7.0	7.0	7.3	6.7	6.8	8.5	7.2	6.9	7.0	6.7	6.7	7.1	7.3	6.5	6.4	0.3	-0.4	16	18 382		
PL	7.5	7.2	7.3	6.9	7.1	7.2	7.0	7.8	7.4	7.5	8.0	8.1	9.1	8.5	8.1	8.1	0.5	0.9	9	28 594		
PT	6.4	6.9	7.2	7.1	7.6	7.9	7.4	7.7	7.6	6.7	6.6	6.9	7.8	8.0	7.0	6.9	0.5	-1.0	11	11 918		
RO	7.0	6.0	7.2	6.0	6.5	5.5	5.1	4.8	5.0	5.4	4.5	4.9	5.4	5.2	4.8	4.4	-2.6	-1.1	22	5 369		
SI	2.2	2.7	2.9	3.1	3.4	3.3	3.4	3.6	3.7	4.1	4.9	5.2	5.7	4.9	4.2	4.2	2.0	0.9	23	1 490		
SK	10.8	9.7	8.1	7.9	7.9	6.9	7.0	7.0	6.9	6.8	6.7	6.9	6.9	6.7	6.3	5.8	-5.0	-1.1	18	3 800		
FI	6.6	7.1	7.8	8.4	8.5	10.4	8.2	8.0	7.1	7.4	7.4	7.6	8.2	7.5	5.9	6.5	-0.1	-3.9	15	11 716		
SE	4.8	5.8	6.5	6.2	7.1	8.4	6.1	5.2	5.3	6.1	7.2	7.5	7.6	6.0	6.0	6.7	1.9	-1.7	12	23 155		
UK	8.8	9.2	10.0	10.5	10.3	10.6	10.5	9.7	9.5	9.8	10.5	11.4	11.0	12.4	10.0	10.1	1.3	-0.5	3	171 704		
NO	8.9	9.7	9.3	7.3	8.6	12.7	12.6	11.7	11.4	13.2	15.1	15.9	14.4	15.3	12.7	13.5	4.7	0.8		42 629		
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:	
<b>EU-27 averages</b>																						<b>958 361</b>
weighted	7.5	8.0	8.5	8.5	8.7	8.9	8.4	8.0	8.0	8.2	8.5	9.2	9.3	8.9	7.8	7.8	0.3	-1.0				
arithmetic	6.6	6.7	7.0	7.1	7.2	7.3	7.0	6.9	6.8	6.9	7.2	7.5	8.0	7.5	6.6	6.6	0.0	-0.7				
<b>EA-17 averages</b>																						<b>695 631</b>
weighted	7.5	8.1	8.4	8.3	8.6	8.7	8.2	7.8	7.9	8.0	8.3	9.0	9.3	8.6	7.7	7.6	0.1	-1.1				
arithmetic	7.1	7.3	7.6	7.8	7.9	8.1	7.8	7.7	7.5	7.6	7.8	8.2	8.7	8.1	7.3	7.2	0.1	-0.9				
<b>EU-25 averages</b>																						
weighted	7.5	8.1	8.5	8.5	8.7	8.9	8.4	8.0	8.0	8.2	8.6	9.2	9.4	9.0	7.9	7.9	0.4	-1.0				
arithmetic	6.6	6.8	7.0	7.2	7.3	7.5	7.2	7.0	6.9	7.1	7.4	7.8	8.2	7.6	6.8	6.8	0.1	-0.7				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

**Table 56: Taxes on Capital as % of Total Taxation - Total**

	Difference <sup>(1)</sup>																	Ranking Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	19.8	20.1	20.5	21.6	21.1	21.1	20.8	20.6	20.5	21.6	22.0	22.8	22.4	22.2	20.1	20.7	0.9	-0.4	11	32 191	
BG	18.5	20.7	20.7	15.8	15.3	14.0	17.9	16.6	14.6	13.9	12.2	13.2	19.5	16.6	15.4	14.1	-4.4	0.1	21	1 387	
CZ	19.7	17.0	17.9	17.3	17.9	17.4	18.8	19.3	19.6	19.0	18.4	18.9	19.0	17.6	16.8	15.4	-4.3	-2.1	18	7 763	
DK	13.0	12.8	13.0	14.0	13.8	14.6	12.4	12.8	13.7	16.7	19.8	17.9	16.2	14.8	12.0	17.1	4.1	2.4	14	19 148	
DE	13.7	15.1	14.8	15.6	16.5	16.1	13.0	12.5	12.7	14.0	15.4	17.5	18.4	17.1	14.8	15.4	1.8	-0.7	16	145 721	
EE	9.1	7.3	8.3	10.2	8.8	5.9	5.2	6.6	8.1	8.2	7.9	7.8	7.9	7.9	7.3	6.3	-2.8	0.4	27	310	
IE	19.8	21.3	22.0	23.2	25.1	25.4	26.4	26.1	28.9	28.5	29.0	31.8	30.1	25.2	22.7	23.1	3.3	-2.3	8	10 144	
EL <sup>(3)</sup>	22.6	21.7	22.8	25.0	26.1	28.3	25.2	24.4	24.3	23.7	24.5	24.2	24.0	24.0	24.4	21.1	-1.5	-7.1	10	14 887	
ES	23.8	23.5	25.2	24.8	25.6	26.5	25.6	26.6	26.5	27.6	28.9	30.4	31.1	26.2	25.5	23.1	-0.7	-3.4	7	77 709	
FR	19.3	20.1	20.8	21.4	21.9	22.3	22.8	21.5	20.9	21.4	21.6	22.9	23.2	22.7	19.8	20.6	1.3	-1.7	12	169 490	
IT	28.6	28.3	28.7	25.9	26.2	26.2	26.2	25.4	26.8	25.7	24.7	26.7	27.6	26.6	26.2	24.2	-4.4	-2.0	6	159 201	
CY	24.1	25.6	25.9	30.5	33.1	33.5	30.2	29.0	23.9	23.7	25.9	28.0	35.0	31.8	27.1	26.7	2.6	-6.8	4	1 655	
LV	11.3	10.5	12.4	12.6	12.2	9.8	11.7	10.8	8.8	9.3	9.6	10.0	12.9	13.9	9.4	8.0	-3.3	-1.9	26	393	
LT	12.6	12.0	10.3	9.0	8.1	7.7	7.0	6.9	9.0	10.9	11.6	13.5	12.8	13.1	11.1	8.5	-4.1	0.8	25	634	
LU	31.9	32.9	33.7	34.9	33.8	34.1	33.8	34.3	32.8	29.7	30.6	31.2	31.3	29.4	28.8	29.9	-2.0	-4.2	1	4 465	
HU	8.7	9.8	10.2	10.7	11.3	11.5	12.2	12.4	12.4	12.3	13.4	14.0	13.1	12.3	12.5	3.8	3.8	1.0	23	4 584	
MT	20.6	19.7	19.9	19.8	19.6	20.2	20.2	22.7	24.5	25.2	24.7	25.6	29.9	29.2	29.7	28.3	7.6	8.1	3	579	
NL	17.2	19.3	20.3	19.9	19.2	18.8	20.6	19.4	17.2	17.5	18.5	17.3	17.6	16.7	13.9	14.0	-3.2	-4.8	22	31 974	
AT	14.8	16.3	16.0	16.6	15.4	15.9	18.9	16.5	15.9	16.3	16.0	16.2	17.1	17.1	15.2	15.3	0.5	-0.6	19	18 382	
PL	20.3	19.4	20.0	19.6	20.3	22.0	21.9	23.8	22.9	23.9	24.4	24.1	26.0	24.6	25.4	25.4	5.1	3.4	5	28 594	
PT	21.6	22.7	23.9	23.5	24.6	25.2	23.9	24.3	23.9	22.0	21.1	21.4	23.7	24.2	22.7	21.9	0.3	-3.3	9	11 918	
RO	25.5	23.3	27.3	20.8	20.9	18.1	18.0	17.2	18.2	19.7	16.2	17.1	18.5	18.7	17.9	16.2	-9.4	-2.0	15	5 369	
SI	5.7	7.2	8.0	8.3	8.9	8.8	9.1	9.6	9.8	10.6	12.6	13.5	15.1	13.1	11.0	11.1	5.4	2.2	24	1 490	
SK	26.8	24.6	21.7	21.5	22.3	20.2	21.2	21.3	20.9	21.7	21.5	23.6	23.5	22.9	22.0	20.5	-6.3	0.3	13	3 800	
FI	14.5	15.1	16.8	18.2	18.6	21.9	18.4	17.9	16.1	17.0	16.9	17.4	19.1	17.5	13.9	15.4	0.9	-6.5	17	11 716	
SE	10.0	11.6	12.8	12.2	13.7	16.3	12.4	10.9	11.0	12.6	14.6	15.5	16.1	13.0	12.8	14.6	4.6	-1.7	20	23 155	
UK	25.5	26.9	28.8	29.1	28.5	28.9	28.8	27.9	27.5	27.9	29.2	31.1	30.2	32.9	28.7	28.3	2.8	-0.5	2	171 704	
NO	21.1	23.0	22.2	17.5	20.2	29.8	29.3	27.1	26.9	30.6	34.8	36.5	33.6	36.4	30.0	31.5	10.4	1.8		42 629	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 averages</b>																				<b>958 361</b>	
weighted	19.1	20.2	21.1	21.1	21.5	21.9	21.2	20.6	20.5	21.2	21.9	23.3	23.7	22.7	20.4	20.4	1.3	-1.6			
arithmetic	18.5	18.7	19.4	19.3	19.6	19.7	19.3	19.2	18.9	19.3	19.6	20.5	21.6	20.5	18.8	18.4	0.0	-1.2			
<b>EA-17 averages</b>																				<b>695 631</b>	
weighted	18.8	19.9	20.5	20.4	20.9	21.1	20.4	19.8	19.9	20.4	21.0	22.4	23.1	21.7	19.7	19.5	0.7	-1.7			
arithmetic	19.6	20.0	20.5	21.2	21.6	21.8	21.3	21.1	20.8	20.9	21.3	22.2	23.4	22.0	20.3	19.9	0.2	-1.9			
<b>EU-25 averages</b>																					
weighted	19.1	20.2	21.1	21.1	21.5	22.0	21.2	20.6	20.5	21.2	21.9	23.3	23.7	22.7	20.4	20.4	1.3	-1.5			
arithmetic	18.2	18.4	19.0	19.4	19.7	20.0	19.5	19.3	19.1	19.5	20.1	20.9	21.8	20.7	18.9	18.7	0.5	-1.3			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 57: Taxes on Capital as % of GDP - Capital and business income

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	5.8	5.8	5.9	6.4	6.1	6.1	6.1	5.9	5.7	5.9	6.2	6.4	6.2	6.2	5.2	5.4	-0.4	-0.8	8	19 070	
BG	5.3	5.6	5.5	4.8	4.3	4.0	5.1	4.2	3.9	3.8	3.0	3.2	5.6	4.3	3.7	3.1	-2.3	-0.9	23	1 104	
CZ	6.0	4.8	5.3	4.8	5.2	4.9	5.5	5.8	6.1	6.2	5.9	6.0	6.1	5.4	5.1	4.5	-1.5	-0.4	16	6 789	
DK	4.5	4.5	4.6	4.9	4.9	4.8	3.4	3.5	3.8	5.4	7.3	6.2	5.2	4.2	2.9	5.3	0.8	0.5	10	12 500	
DE	4.3	4.9	4.9	5.2	5.6	5.5	4.0	3.8	3.9	4.3	4.8	5.6	6.0	5.6	4.8	4.9	0.6	-0.7	15	120 311	
EE	2.7	1.8	2.2	2.8	2.2	1.2	0.9	1.4	1.9	1.9	1.9	1.8	2.0	1.9	2.0	1.5	-1.2	0.3	26	217	
IE	4.5	4.9	5.1	5.3	5.8	5.9	5.8	5.6	6.1	6.2	6.2	7.0	6.6	5.2	4.4	4.3	-0.2	-1.6	19	6 744	
EL <sup>(3)</sup>	5.1	4.7	5.1	6.3	6.4	7.4	6.4	6.6	6.2	6.1	6.4	5.8	5.9	5.8	5.7	5.4	0.3	-2.0	9	12 212	
ES	5.2	5.3	5.8	5.6	5.9	6.2	5.9	6.2	5.9	6.3	6.8	7.3	8.0	5.9	5.3	4.9	-0.3	-1.3	14	51 311	
FR	4.0	4.4	4.6	4.7	5.1	5.4	5.6	5.0	4.6	4.8	4.8	5.5	5.4	5.3	3.7	4.5	0.5	-0.9	18	86 397	
IT	7.5	8.2	8.7	7.6	8.0	8.3	8.3	7.5	8.4	7.6	7.3	8.4	9.1	8.9	8.3	7.7	0.3	-0.5	3	120 518	
CY	5.1	5.4	5.4	6.9	7.8	7.6	7.4	7.4	6.0	5.3	6.4	7.7	10.6	9.7	7.8	7.6	2.6	0.1	4	1 325	
LV	1.9	1.9	2.2	2.4	2.1	1.8	2.0	2.2	1.7	1.9	2.1	2.4	2.9	3.3	1.7	1.2	-0.7	-0.6	27	215	
LT	2.6	2.3	2.2	2.0	1.6	1.4	1.3	1.2	1.9	2.4	2.7	3.4	3.2	3.4	2.6	1.7	-0.9	0.2	25	454	
LU	9.1	9.4	10.0	10.3	9.1	9.1	9.5	10.2	9.6	8.1	8.2	7.8	7.6	7.7	8.2	8.3	-0.8	-0.8	1	3 358	
HU	2.9	3.1	3.1	3.2	3.5	3.6	3.7	3.7	3.6	3.3	3.3	3.7	4.2	3.8	3.4	2.2	-0.7	-1.4	24	2 155	
MT	4.2	3.8	4.3	3.9	4.2	4.5	4.8	5.4	6.0	5.8	6.1	6.6	8.3	8.1	8.5	7.8	3.6	3.3	2	481	
NL	5.1	5.8	6.0	5.8	5.6	5.3	5.7	5.0	4.3	4.3	4.6	4.7	4.7	4.6	3.5	3.7	-1.4	-1.6	20	21 621	
AT	4.9	5.8	5.9	6.2	5.7	5.7	7.4	6.1	5.8	6.0	5.7	5.7	6.1	6.3	5.5	5.5	0.5	-0.3	7	15 607	
PL	5.4	5.1	5.2	5.0	5.4	5.5	5.3	5.8	5.6	5.7	6.2	6.2	7.2	6.6	6.3	6.3	0.9	0.7	5	22 219	
PT	4.4	4.9	5.3	5.1	5.4	5.7	5.2	5.1	4.7	4.6	4.4	4.5	5.2	5.5	4.6	4.5	0.1	-1.2	17	7 788	
RO	6.4	5.8	6.3	5.4	5.4	4.3	3.9	3.8	4.0	4.5	3.6	3.9	4.2	4.2	3.8	3.3	-3.1	-1.0	21	4 002	
SI	1.6	2.1	2.2	2.2	2.5	2.4	2.5	2.8	2.9	3.2	3.9	4.3	4.8	4.0	3.2	3.3	1.7	0.9	22	1 161	
SK	9.9	8.5	7.2	7.1	7.1	6.1	6.3	6.3	6.1	6.1	6.0	6.3	6.3	6.1	5.7	5.1	-4.8	-1.0	12	3 389	
FI	5.5	5.8	6.5	7.1	7.2	9.0	7.0	6.7	5.9	6.0	6.0	6.3	6.9	6.2	4.6	5.1	-0.4	-3.9	13	9 205	
SE	3.4	3.8	4.3	4.1	5.0	6.3	4.3	3.4	3.5	4.3	5.5	5.8	6.2	4.7	4.6	5.3	1.9	-1.0	11	18 290	
UK	5.2	5.6	6.3	6.5	6.2	6.2	6.2	5.5	5.3	5.5	6.1	6.8	6.4	6.6	5.5	5.8	0.6	-0.4	6	98 089	
NO	5.3	5.6	5.7	4.8	5.5	7.1	6.9	6.5	6.1	7.0	7.7	8.2	7.8	7.8	7.2	7.8	2.4	0.6		24 499	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27 averages</b>																				<b>646 533</b>	
weighted	5.0	5.4	5.7	5.8	6.0	6.1	5.7	5.3	5.3	5.4	5.7	6.3	6.5	6.1	5.2	5.3	0.3	-0.8			
arithmetic	4.9	5.0	5.2	5.3	5.3	5.3	5.2	5.0	4.9	5.0	5.2	5.5	6.0	5.5	4.8	4.7	-0.2	-0.6			
<b>EA-17 averages</b>																				<b>480 716</b>	
weighted	5.0	5.5	5.8	5.7	6.0	6.2	5.8	5.4	5.4	5.4	5.6	6.3	6.6	6.1	5.2	5.2	0.3	-0.9			
arithmetic	5.2	5.4	5.6	5.8	5.9	6.0	5.8	5.7	5.5	5.4	5.6	6.0	6.5	6.1	5.4	5.3	0.0	-0.7			
<b>EU-25 averages</b>																					
weighted	5.0	5.4	5.7	5.8	6.0	6.1	5.7	5.3	5.3	5.4	5.7	6.3	6.5	6.1	5.2	5.3	0.3	-0.8			
arithmetic	4.8	4.9	5.1	5.3	5.3	5.4	5.2	5.1	5.0	5.1	5.4	5.7	6.0	5.6	4.9	4.9	0.0	-0.6			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 58: Taxes on Capital as % of Total Taxation - Capital and business income

	1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>				
																	1995 to 2010	2000 to 2010	2010	2010			
BE	13.2	13.2	13.2	14.2	13.5	13.6	13.5	13.1	12.7	13.2	13.8	14.3	14.2	13.9	11.9	12.3	-1.0	-1.4	15	19 070			
BG	17.3	19.6	20.1	14.9	14.0	12.7	16.6	14.7	12.6	11.7	9.7	10.5	16.7	13.3	12.6	11.2	-6.1	-1.5	19	1 104			
CZ	17.0	14.0	15.3	14.5	15.3	14.6	16.2	16.8	17.3	17.1	16.5	16.9	17.0	15.8	15.1	13.4	-3.5	-1.1	12	6 789			
DK	9.2	9.2	9.3	10.0	9.8	9.7	7.1	7.2	8.0	11.0	14.3	12.4	10.6	8.8	6.0	11.1	1.9	1.5	20	12 500			
DE	10.8	12.1	12.1	12.8	13.6	13.4	10.3	9.8	10.0	11.1	12.5	14.6	15.6	14.4	12.2	12.7	1.9	-0.6	14	120 311			
EE	7.5	5.4	6.4	8.4	6.8	3.8	3.1	4.6	6.3	6.2	6.1	6.0	6.2	6.0	5.6	4.4	-3.1	0.6	26	217			
IE	13.8	15.0	15.9	17.0	18.5	19.0	19.7	19.8	21.3	20.6	20.2	22.0	21.0	17.7	15.5	15.4	1.6	-3.6	9	6 744			
EL <sup>(3)</sup>	17.4	16.0	16.7	19.5	19.3	21.4	19.3	19.5	19.5	19.4	20.0	18.3	18.1	17.9	18.8	17.3	-0.1	-4.0	7	12 212			
ES	16.3	16.3	17.6	16.9	17.4	18.2	17.4	18.1	17.6	18.1	18.9	20.0	21.6	17.8	17.4	15.3	-1.0	-3.0	10	51 311			
FR	9.4	10.0	10.3	10.7	11.4	12.1	12.7	11.5	10.7	11.0	11.0	12.4	12.5	12.4	8.8	10.5	1.1	-1.6	21	86 397			
IT	18.8	19.7	20.0	18.0	19.1	19.9	20.2	18.4	20.5	18.8	18.2	20.1	21.2	20.8	19.5	18.3	-0.5	-1.6	6	120 518			
CY	18.8	20.5	20.7	24.9	28.0	25.2	24.3	23.9	18.5	16.2	18.1	21.5	26.5	25.1	22.2	21.4	2.6	-3.8	3	1 325			
LV	5.6	6.1	7.0	7.1	6.6	5.9	7.1	7.9	5.8	6.5	7.2	8.0	9.6	11.3	6.3	4.4	-1.2	-1.5	27	215			
LT	9.4	8.4	7.1	6.2	5.0	4.8	4.5	4.4	6.7	8.5	9.5	11.5	10.9	11.4	8.8	6.1	-3.3	1.3	24	454			
LU	24.6	25.1	25.5	26.1	23.7	23.3	23.9	25.9	25.1	21.7	21.9	21.8	21.3	21.7	21.8	22.5	-2.1	-0.8	2	3 358			
HU	7.1	7.8	8.1	8.4	8.9	9.1	9.6	9.8	9.4	8.8	8.8	9.9	10.5	9.3	8.5	5.9	-1.2	-3.2	25	2 155			
MT	15.8	15.0	15.6	15.2	15.5	16.3	16.0	17.7	19.4	17.7	18.2	19.4	23.8	23.9	24.8	23.5	7.7	7.2	1	481			
NL	12.6	14.3	15.2	14.6	13.9	13.3	14.9	13.4	11.5	11.6	12.4	12.1	12.2	11.8	9.2	9.5	-3.1	-3.8	22	21 621			
AT	11.9	13.6	13.5	14.0	12.9	13.4	16.4	14.0	13.3	13.9	13.6	13.7	14.7	14.9	12.9	13.0	1.0	-0.4	13	15 607			
PL	14.5	13.8	14.2	14.3	15.5	17.0	16.6	17.8	17.3	18.1	18.8	18.3	20.7	19.2	19.7	19.7	5.2	2.7	4	22 219			
PT	14.8	16.3	17.4	16.9	17.4	18.3	16.8	16.2	14.8	15.0	13.9	13.8	15.8	16.7	14.9	14.3	-0.5	-4.0	11	7 788			
RO	23.2	22.2	23.8	18.8	17.4	14.2	13.7	13.4	14.5	16.5	13.0	13.5	14.6	15.0	14.3	12.0	-11.2	-2.2	17	4 002			
SI	4.1	5.6	6.1	6.0	6.5	6.5	6.6	7.4	7.7	8.4	10.2	11.1	12.7	10.8	8.6	8.6	4.5	2.1	23	1 161			
SK	24.7	21.4	19.4	19.3	20.0	17.9	18.9	19.0	18.6	19.3	19.3	21.4	21.5	20.9	19.8	18.3	-6.4	0.4	5	3 389			
FI	12.0	12.4	14.1	15.4	15.8	19.1	15.7	15.0	13.3	13.9	13.6	14.3	16.0	14.4	10.8	12.1	0.2	-7.0	16	9 205			
SE	7.0	7.6	8.5	8.1	9.7	12.2	8.7	7.2	7.4	9.0	11.2	12.0	13.1	10.1	9.8	11.5	4.5	-0.7	18	18 290			
UK	15.0	16.2	18.0	18.2	17.2	16.9	17.0	15.7	15.4	15.7	17.0	18.6	17.5	17.5	15.9	16.2	1.1	-0.7	8	98 089			
NO	12.7	13.2	13.4	11.5	13.0	16.8	16.1	15.0	14.3	16.2	17.8	18.8	18.1	18.4	16.9	18.1	5.4	1.4		24 499			
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		
<b>EU-27 averages</b>																						<b>646 533</b>	
weighted	12.6	13.6	14.3	14.3	14.7	15.1	14.5	13.6	13.6	13.9	14.6	15.9	16.4	15.5	13.5	13.8	1.1	-1.4					
arithmetic	13.8	14.0	14.5	14.4	14.5	14.5	14.3	14.2	13.9	14.0	14.4	15.1	16.1	15.3	13.8	13.4	-0.4	-1.1					
<b>EA-17 averages</b>																						<b>480 716</b>	
weighted	12.6	13.6	14.1	14.1	14.6	15.1	14.4	13.6	13.6	13.8	14.3	15.7	16.5	15.5	13.4	13.5	0.9	-1.6					
arithmetic	14.5	14.8	15.3	15.9	16.1	16.2	15.9	15.7	15.3	15.1	15.4	16.3	17.3	16.5	15.0	14.7	0.2	-1.5					
<b>EU-25 averages</b>																							
weighted	12.6	13.6	14.3	14.3	14.7	15.1	14.5	13.6	13.6	13.9	14.6	15.9	16.4	15.5	13.5	13.8	1.2	-1.4					
arithmetic	13.3	13.4	13.9	14.3	14.4	14.6	14.3	14.2	13.9	14.0	14.6	15.4	16.2	15.4	13.8	13.5	0.3	-1.1					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 59: Taxes on Capital as % of GDP - Income of Corporations

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	2.3	2.7	2.8	3.4	3.2	3.2	3.1	3.0	2.9	3.1	3.3	3.5	3.5	3.3	2.5	2.7	0.4	-0.5	10	9 598
BG	4.5	5.0	5.1	4.0	3.3	2.9	4.0	3.1	2.9	2.7	2.0	2.3	4.6	3.3	2.7	2.1	-2.4	-0.7	18	761
CZ	4.4	3.2	3.7	3.3	3.7	3.3	3.9	4.2	4.4	4.4	4.3	4.6	4.7	4.2	3.5	3.4	-1.0	0.1	5	5 031
DK	2.3	2.5	2.7	3.0	2.4	3.3	2.8	2.9	2.9	3.2	3.9	4.4	3.8	3.3	2.3	2.7	0.4	-0.5	9	6 467
DE	2.0	2.4	2.5	2.6	2.8	2.9	1.7	1.6	1.8	2.2	2.5	2.9	2.9	2.7	2.0	2.2	0.2	-0.7	17	54 770
EE	2.4	1.6	1.8	2.4	2.0	0.9	0.7	1.1	1.6	1.7	1.4	1.5	1.6	1.6	1.9	1.4	-1.1	0.5	24	194
IE	2.7	3.1	3.2	3.3	3.8	3.7	3.6	3.7	3.8	3.6	3.5	3.9	3.5	2.9	2.5	2.6	-0.2	-1.2	12	3 978
EL <sup>(3)</sup>	2.3	2.0	2.3	2.8	3.1	4.1	3.4	3.4	2.9	3.0	3.3	2.7	2.6	2.5	2.5	2.4	0.1	-1.7	14	5 446
ES	1.9	2.0	2.7	2.5	2.9	3.1	2.9	3.3	3.1	3.5	3.9	4.2	4.8	2.9	2.3	1.8	0.0	-1.3	23	19 425
FR	1.8	2.1	2.3	2.3	2.7	2.8	3.1	2.6	2.1	2.4	2.3	2.9	2.9	2.7	1.3	1.9	0.1	-0.9	22	36 352
IT	2.9	3.3	3.8	2.8	3.2	2.9	3.7	3.1	3.5	3.1	2.9	3.5	4.0	3.7	3.4	3.0	0.2	0.1	7	46 770
CY	4.3	4.7	4.7	5.9	6.7	6.2	6.3	6.0	4.4	3.7	4.7	5.5	6.8	7.1	6.5	6.2	1.9	0.0	2	1 075
LV	1.8	1.8	2.2	2.3	2.0	1.6	1.9	2.0	1.5	1.8	2.0	2.3	2.7	3.2	1.6	1.0	-0.8	-0.6	27	174
LT	2.0	1.7	1.5	1.3	0.8	0.7	0.5	0.6	1.4	1.9	2.1	2.8	2.6	2.7	1.8	1.0	-1.0	0.3	26	276
LU	6.6	6.8	7.5	7.6	6.7	7.0	7.3	8.0	7.3	5.7	5.8	5.0	5.3	5.1	5.5	5.7	-0.8	-1.2	3	2 310
HU	1.9	1.8	1.9	2.1	2.3	2.2	2.3	2.3	2.2	2.2	2.2	2.4	2.9	2.7	2.3	1.3	-0.5	-0.9	25	1 270
MT	2.6	2.3	2.6	2.5	2.7	2.9	3.2	3.8	4.5	4.1	4.5	5.0	6.8	6.7	7.1	6.5	3.9	3.6	1	402
NL	3.3	4.1	4.5	4.5	4.5	4.3	4.2	3.6	3.0	3.3	3.6	3.7	3.5	3.4	2.1	2.3	-0.9	-2.0	15	13 629
AT	1.6	2.1	2.2	2.3	1.9	2.2	3.2	2.4	2.3	2.4	2.3	2.3	2.6	2.6	1.9	2.0	0.4	-0.1	19	5 804
PL	2.7	2.7	2.7	2.6	2.4	2.4	1.9	2.0	1.8	2.2	2.5	2.4	2.8	2.7	2.3	2.0	-0.7	-0.4	20	7 073
PT	2.3	2.7	3.1	3.1	3.5	3.7	3.3	3.3	2.8	2.9	2.7	2.9	3.6	3.7	2.9	2.8	0.5	-0.9	8	4 910
RO	3.8	3.2	4.3	3.7	3.8	3.0	2.7	2.6	2.8	3.2	2.7	2.8	3.1	3.0	2.7	2.3	-1.5	-0.6	16	2 817
SI	0.5	0.9	1.0	1.0	1.2	1.2	1.3	1.6	1.7	1.9	2.8	3.0	3.2	2.5	1.8	1.9	1.4	0.7	21	668
SK	6.6	5.0	4.3	4.1	4.1	3.5	3.4	3.2	3.4	3.0	3.0	3.2	3.3	3.4	2.7	2.7	-3.9	-0.7	11	1 783
FI	2.3	2.8	3.5	4.3	4.3	5.9	4.2	4.2	3.4	3.5	3.3	3.4	3.9	3.5	2.0	2.5	0.2	-3.4	13	4 559
SE	2.6	2.6	2.8	2.6	3.0	3.8	2.6	2.0	2.2	2.9	3.6	3.6	3.8	2.9	3.0	3.4	0.8	-0.3	4	11 880
UK	2.8	3.2	3.9	3.9	3.5	3.6	3.5	2.8	2.7	2.9	3.4	4.0	3.4	3.6	2.8	3.1	0.3	-0.5	6	52 604
NO	3.2	3.5	3.6	2.8	3.5	5.2	4.9	4.5	4.2	5.2	5.8	6.5	5.9	6.1	5.2	5.8	2.6	0.7		18 370
IS	1.5	1.2	1.5	1.4	1.8	1.4	1.2	1.1	1.4	1.3	2.2	2.4	2.5	2.0	1.8	1.1	-0.4	-0.4		100
<b>EU-27 averages</b>																				<b>300 027</b>
weighted	2.3	2.6	3.0	3.0	3.1	3.2	2.9	2.7	2.6	2.8	3.0	3.4	3.4	3.1	2.3	2.4	0.1	-0.7		
arithmetic	2.9	2.9	3.2	3.2	3.2	3.2	3.1	3.1	2.9	3.0	3.1	3.4	3.7	3.4	2.8	2.7	-0.2	-0.5		
<b>EA-17 averages</b>																				<b>211 674</b>
weighted	2.2	2.6	2.9	2.8	3.0	3.1	2.9	2.6	2.6	2.7	2.9	3.3	3.4	3.0	2.2	2.3	0.1	-0.8		
arithmetic	2.8	3.0	3.2	3.4	3.5	3.6	3.4	3.4	3.2	3.1	3.3	3.5	3.8	3.6	3.0	3.0	0.1	-0.6		
<b>EU-25 averages</b>																				
weighted	2.3	2.6	3.0	3.0	3.1	3.2	2.9	2.7	2.6	2.8	3.0	3.4	3.4	3.1	2.3	2.5	0.2	-0.7		
arithmetic	2.8	2.8	3.0	3.1	3.2	3.3	3.1	3.1	2.9	3.0	3.2	3.4	3.6	3.4	2.8	2.7	0.0	-0.5		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 60: Taxes on Capital as % of Total Taxation - Income of Corporations

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	5.4	6.0	6.3	7.4	7.1	7.1	6.9	6.7	6.4	6.9	7.4	7.9	7.9	7.6	5.8	6.2	0.8	-0.9	15	9 598
BG	14.6	17.6	18.4	12.6	10.7	9.1	12.9	11.0	9.3	8.4	6.3	7.4	13.8	10.4	9.4	7.7	-6.9	-1.3	11	761
CZ	12.4	9.4	10.6	9.8	10.8	9.8	11.4	12.0	12.5	12.2	12.1	13.0	13.0	12.2	10.5	10.0	-2.4	0.2	4	5 031
DK	4.8	5.1	5.5	6.1	4.8	6.6	5.8	6.0	6.1	6.5	7.7	8.8	7.8	6.9	4.9	5.8	1.0	-0.9	20	6 467
DE	5.0	5.9	6.2	6.4	6.7	7.1	4.3	4.2	4.6	5.7	6.5	7.6	7.6	6.9	5.1	5.8	0.8	-1.3	18	54 770
EE	6.7	4.6	5.1	7.1	6.0	2.9	2.3	3.6	5.1	5.4	4.7	4.9	5.2	5.1	5.2	4.0	-2.7	1.1	24	194
IE	8.3	9.4	9.9	10.6	12.1	12.0	12.1	13.1	13.1	12.2	11.4	12.3	11.3	9.8	8.7	9.1	0.7	-2.9	6	3 978
EL <sup>(3)</sup>	8.0	6.8	7.5	8.6	9.5	12.0	10.1	10.0	9.1	9.6	10.3	8.6	7.9	7.8	8.1	7.7	-0.3	-4.2	10	5 446
ES	5.9	6.2	8.3	7.6	8.6	9.2	8.5	9.5	9.2	10.0	10.9	11.5	12.8	8.8	7.6	5.8	-0.1	-3.4	19	19 425
FR	4.2	4.7	5.2	5.3	5.9	6.3	7.0	5.9	5.0	5.4	5.3	6.6	6.7	6.3	3.0	4.4	0.3	-1.9	23	36 352
IT	7.2	8.0	8.7	6.7	7.7	6.9	9.0	7.7	8.6	7.6	7.2	8.4	9.2	8.7	8.0	7.1	-0.1	0.2	13	46 770
CY	15.8	17.8	18.0	21.2	24.2	20.9	20.4	19.6	13.5	11.3	13.3	15.3	16.9	18.4	18.4	17.4	1.6	-3.5	2	1 075
LV	5.5	5.9	6.8	6.8	6.4	5.3	6.6	7.1	5.3	6.1	6.9	7.5	8.9	10.9	5.9	3.5	-1.9	-1.7	26	174
LT	7.4	6.4	5.0	4.1	2.6	2.3	1.9	2.1	4.9	6.6	7.3	9.4	8.7	9.1	6.3	3.7	-3.7	1.4	25	276
LU	17.7	18.1	19.0	19.4	17.4	17.8	18.4	20.4	19.2	15.3	15.4	13.8	14.8	14.3	14.7	15.5	-2.2	-2.3	3	2 310
HU	4.5	4.5	4.9	5.5	5.9	5.6	6.0	6.1	5.9	5.7	5.8	6.4	7.1	6.7	5.8	3.5	-1.1	-2.2	27	1 270
MT	9.8	9.0	9.5	9.7	10.0	10.4	10.7	12.5	14.4	12.6	13.3	14.8	19.5	19.8	20.7	19.6	9.8	9.2	1	402
NL	8.1	10.1	11.4	11.4	11.0	10.9	11.0	9.4	8.1	8.8	9.7	9.4	9.1	8.8	5.6	6.0	-2.1	-4.9	17	13 629
AT	3.8	4.9	5.0	5.3	4.5	5.0	7.2	5.5	5.3	5.6	5.5	5.6	6.2	6.2	4.4	4.8	1.0	-0.2	22	5 804
PL	7.3	7.1	7.5	7.3	6.9	7.5	5.8	6.3	5.6	7.1	7.6	7.1	7.9	7.9	7.2	6.3	-1.0	-1.2	14	7 073
PT	7.8	8.9	10.2	10.1	11.3	12.0	10.6	10.5	8.8	9.4	8.5	9.1	10.9	11.1	9.2	9.0	1.2	-3.0	7	4 910
RO	13.8	12.5	16.3	12.8	12.3	9.8	9.3	9.3	10.1	11.6	9.8	10.0	10.5	10.7	9.9	8.5	-5.3	-1.3	9	2 817
SI	1.3	2.4	2.8	2.6	3.1	3.1	3.4	4.1	4.6	5.0	7.2	7.7	8.6	6.7	4.9	5.0	3.6	1.9	21	668
SK	16.5	12.7	11.7	11.2	11.7	10.1	10.2	9.8	10.3	9.4	9.4	10.8	11.1	11.6	9.4	9.6	-6.8	-0.5	5	1 783
FI	5.0	6.0	7.5	9.4	9.4	12.5	9.4	9.3	7.7	8.1	7.6	7.7	9.0	8.1	4.7	6.0	1.0	-6.5	16	4 559
SE	5.4	5.1	5.6	5.1	5.9	7.3	5.3	4.3	4.6	6.0	7.3	7.5	8.1	6.3	6.4	7.5	2.1	0.2	12	11 880
UK	7.9	9.2	11.1	10.8	9.8	9.7	9.5	8.2	7.9	8.1	9.3	10.8	9.4	9.6	8.0	8.7	0.7	-1.0	8	52 604
NO	7.6	8.3	8.5	6.6	8.2	12.1	11.5	10.5	10.0	12.1	13.4	15.0	13.7	14.4	12.3	13.6	6.0	1.5		18 370
IS	4.5	3.6	4.2	4.0	4.8	3.8	3.4	3.0	3.8	3.4	5.3	5.9	6.3	5.6	5.3	3.0	-1.5	-0.8		100
<b>EU-27 averages</b>																				<b>300 027</b>
weighted	5.9	6.6	7.5	7.4	7.6	7.9	7.5	6.8	6.7	7.1	7.6	8.6	8.7	7.9	6.1	6.4	0.5	-1.5		
arithmetic	8.2	8.3	9.0	8.9	9.0	8.9	8.7	8.7	8.3	8.4	8.7	9.3	10.0	9.5	8.1	7.7	-0.4	-1.1		
<b>EA-17 averages</b>																				<b>211 674</b>
weighted	5.5	6.3	7.0	6.8	7.3	7.6	7.2	6.7	6.6	6.9	7.2	8.2	8.5	7.6	5.7	5.9	0.4	-1.7		
arithmetic	8.0	8.3	9.0	9.4	9.8	9.8	9.5	9.5	9.0	8.7	9.0	9.5	10.3	9.8	8.4	8.4	0.4	-1.4		
<b>EU-25 averages</b>																				
weighted	5.8	6.6	7.5	7.3	7.6	7.9	7.5	6.8	6.7	7.1	7.6	8.6	8.7	7.9	6.0	6.4	0.5	-1.5		
arithmetic	7.7	7.8	8.4	8.6	8.8	8.8	8.5	8.6	8.2	8.3	8.7	9.3	9.8	9.4	7.9	7.7	0.0	-1.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 61: Taxes on Capital as % of GDP - Income of households

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	1.0	0.7	0.7	0.6	0.5	0.5	0.6	0.5	0.5	0.5	0.6	0.5	0.5	0.5	0.3	0.3	-0.6	-0.2	19	1 207	
BG	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.2	0.2	0.1	21	75	
CZ	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	25	100	
DK	0.9	0.8	0.8	0.6	1.2	0.4	-0.6	-0.5	-0.1	1.2	2.3	0.7	0.3	0.1	-0.2	1.7	0.9	1.3	1	4 117	
DE	0.3	0.3	0.3	0.3	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.3	0.2	16	14 592	
EE	0.1	0.1	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.1	0.3	0.2	0.2	0.2	0.1	0.1	0.0	-0.1	24	15	
IE	0.5	0.5	0.6	0.7	0.8	1.1	1.1	0.8	1.4	1.4	1.6	2.1	2.0	1.3	0.9	0.8	0.3	-0.3	12	1 180	
EL <sup>(3)</sup>	0.7	0.7	0.8	1.0	0.8	0.8	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.7	0.6	0.6	-0.1	-0.2	15	1 373	
ES	1.1	1.0	0.8	0.9	0.9	0.9	0.8	0.8	0.7	0.7	0.8	1.1	1.2	1.0	0.9	0.9	-0.2	0.0	9	9 355	
FR	0.5	0.5	0.6	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.9	1.0	1.0	1.1	0.9	1.0	0.5	0.1	6	19 611	
IT	1.7	1.9	2.0	1.6	1.6	2.1	1.4	1.3	1.1	1.1	1.2	1.4	1.4	1.5	1.4	1.2	-0.5	-0.9	4	18 766	
CY	0.3	0.2	0.2	0.5	0.6	0.9	0.7	0.8	1.1	1.1	1.2	1.7	3.3	2.1	0.8	0.9	0.6	0.0	10	150	
LV	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.2	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.2	0.1	0.0	23	28	
LT	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.2	0.3	0.4	0.3	0.3	0.3	0.2	0.2	0.1	0.0	22	46	
LU	0.8	0.9	0.8	0.9	0.9	0.8	0.9	0.8	0.9	0.9	1.1	1.6	1.1	1.3	1.3	1.3	0.4	0.5	2	514	
HU	0.3	0.5	0.4	0.4	0.5	0.7	0.6	0.7	0.7	0.6	0.6	0.6	0.7	0.4	0.4	0.4	0.1	-0.3	17	383	
MT	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.3	0.3	0.3	0.3	-0.2	-0.1	20	18
NL	-0.8	-0.8	-0.9	-0.9	-1.2	-1.4	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0	-0.9	-1.0	-0.9	-0.9	-0.1	0.5	27	-5 280	
AT	1.0	1.1	1.0	1.0	0.9	0.9	0.9	0.9	0.8	0.8	0.8	0.9	1.1	1.3	1.1	0.9	0.0	0.1	7	2 699	
PL	0.0	0.1	0.0	0.1	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.2	0.5	0.4	0.3	0.8	0.7	0.6	11	2 786	
PT	1.2	1.2	1.1	1.1	1.0	1.0	1.0	0.9	0.9	0.8	0.8	0.7	0.9	1.0	1.0	0.9	-0.2	-0.1	8	1 611	
RO	2.3	2.2	1.8	1.6	1.2	1.2	1.1	1.0	0.9	1.0	0.6	0.7	0.8	0.8	0.9	0.6	-1.6	-0.6	13	787	
SI	0.2	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3	0.5	0.5	0.4	0.3	0.1	0.1	18	123	
SK	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.2	-0.3	26	44	
FI	0.4	0.5	0.6	0.7	0.9	1.1	0.9	0.6	0.6	0.7	0.8	0.9	1.1	0.9	0.7	0.6	0.2	-0.5	14	1 122	
SE	0.1	0.6	0.8	0.8	1.3	1.8	0.9	0.6	0.6	0.7	1.1	1.5	1.7	1.1	1.0	1.2	1.1	-0.5	3	4 268	
UK	1.0	1.0	1.0	1.2	1.2	1.1	1.2	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.2	1.2	0.2	0.0	5	20 214	
NO	0.7	0.7	0.7	0.6	0.7	0.8	0.7	0.6	0.6	0.6	0.7	0.8	0.7	0.9	0.9	0.9	0.3	0.2		2 906	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27 averages</b>																				<b>99 906</b>	
weighted	0.7	0.7	0.7	0.8	0.8	0.9	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	0.8	0.8	0.2	0.0			
arithmetic	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.6	0.7	0.8	0.7	0.5	0.6	0.1	0.0			
<b>EA-17 averages</b>																				<b>67 100</b>	
weighted	0.6	0.7	0.7	0.7	0.7	0.8	0.7	0.6	0.6	0.6	0.7	0.8	0.9	0.8	0.8	0.7	0.1	-0.1			
arithmetic	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.8	0.9	0.8	0.6	0.6	0.0	-0.1			
<b>EU-25 averages</b>																					
weighted	0.7	0.7	0.7	0.8	0.8	0.9	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	0.8	0.8	0.2	0.0			
arithmetic	0.5	0.5	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.6	0.7	0.7	0.8	0.7	0.5	0.6	0.1	0.0			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 62: Taxes on Capital as % of Total Taxation - Income of households

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	2.2	1.5	1.5	1.2	1.0	1.2	1.3	1.2	1.0	1.1	1.3	1.2	1.2	1.2	0.8	0.8	-1.5	-0.4	20	1 207	
BG	0.1	0.1	0.1	0.3	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.3	0.5	0.8	0.9	0.8	0.7	0.5	21	75	
CZ	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2	0.2	-0.3	-0.3	26	100	
DK	1.8	1.5	1.5	1.3	2.4	0.8	-1.2	-1.0	-0.3	2.5	4.5	1.5	0.7	0.2	-0.5	3.7	1.9	2.8	1	4 117	
DE	0.7	0.8	0.7	0.8	0.9	0.9	0.8	0.7	1.1	1.1	1.1	1.3	1.5	1.6	1.6	1.5	0.8	0.6	15	14 592	
EE	0.3	0.3	0.7	0.4	0.3	0.5	0.4	0.6	0.7	0.4	1.0	0.8	0.8	0.6	0.2	0.3	0.0	-0.2	24	15	
IE	1.4	1.7	2.0	2.3	2.5	3.4	3.8	2.7	4.8	4.8	5.3	6.5	6.5	4.3	3.1	2.7	1.3	-0.7	8	1 180	
EL <sup>(3)</sup>	2.3	2.4	2.5	3.0	2.4	2.2	2.1	2.1	2.1	2.0	2.2	2.3	2.3	2.2	2.2	2.0	-0.4	-0.3	14	1 373	
ES	3.4	3.0	2.5	2.7	2.7	2.6	2.4	2.3	2.1	1.9	2.2	3.0	3.1	2.9	2.8	2.8	-0.6	0.2	6	9 355	
FR	1.1	1.1	1.3	2.0	2.0	2.1	2.0	2.0	2.0	1.9	2.0	2.3	2.4	2.5	2.1	2.4	1.3	0.3	11	19 611	
IT	4.3	4.6	4.5	3.7	3.8	5.0	3.5	3.2	2.7	2.8	2.9	3.3	3.3	3.5	3.3	2.9	-1.5	-2.1	5	18 766	
CY	1.0	0.8	0.7	1.8	2.0	2.9	2.4	2.7	3.5	3.4	3.5	4.9	8.3	5.5	2.2	2.4	1.4	-0.4	10	150	
LV	0.0	0.1	0.1	0.1	0.1	0.5	0.3	0.6	0.3	0.2	0.0	0.2	0.4	0.2	0.2	0.6	0.5	0.0	23	28	
LT	0.4	0.4	0.4	0.4	0.4	0.5	0.7	0.9	0.8	1.2	1.4	1.0	1.1	1.1	0.5	0.6	0.3	0.1	22	46	
LU	2.2	2.4	2.1	2.2	2.5	2.0	2.2	2.1	2.4	2.3	3.0	4.4	3.0	3.8	3.3	3.4	1.2	1.5	2	514	
HU	0.7	1.3	1.1	1.1	1.4	1.7	1.6	1.8	1.8	1.5	1.6	1.7	1.8	1.1	1.1	1.0	0.3	-0.7	17	383	
MT	2.0	1.8	1.8	1.5	1.5	1.4	1.4	1.5	1.3	1.5	1.4	1.1	1.0	1.0	1.0	0.9	-1.1	-0.6	19	18	
NL	-1.9	-2.0	-2.3	-2.4	-3.0	-3.6	-1.6	-1.7	-2.1	-2.5	-2.6	-2.6	-2.3	-2.5	-2.3	-2.3	-0.4	1.3	27	-5 280	
AT	2.3	2.5	2.3	2.2	2.0	2.0	2.1	2.1	1.9	1.8	1.8	2.1	2.7	3.0	2.6	2.2	-0.1	0.2	13	2 699	
PL	0.1	0.2	0.1	0.2	0.3	0.5	0.4	0.7	0.8	0.5	0.5	0.6	1.4	1.0	0.8	2.5	2.4	1.9	9	2 786	
PT	3.9	4.0	3.8	3.6	3.1	3.3	3.1	2.9	2.9	2.6	2.4	2.3	2.6	3.1	3.2	3.0	-0.9	-0.3	4	1 611	
RO	8.3	8.6	6.7	5.4	3.9	4.0	3.8	3.4	3.3	3.5	2.3	2.6	2.8	3.2	3.2	2.4	-6.0	-1.6	12	787	
SI	0.6	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.5	0.8	1.3	1.3	0.9	0.9	0.3	0.3	18	123	
SK	0.6	0.7	0.8	0.9	1.0	1.0	1.0	0.7	0.6	0.4	0.2	0.3	0.3	0.3	0.2	0.2	-0.4	-0.7	25	44	
FI	0.9	1.1	1.4	1.5	1.9	2.4	2.0	1.2	1.3	1.6	1.9	2.1	2.5	2.0	1.5	1.5	0.6	-0.9	16	1 122	
SE	0.2	1.1	1.5	1.7	2.5	3.4	1.9	1.3	1.3	1.5	2.2	3.0	3.5	2.3	2.0	2.7	2.4	-0.7	7	4 268	
UK	2.9	3.0	2.9	3.5	3.3	3.1	3.2	3.1	3.1	3.3	3.5	3.6	3.9	3.7	3.4	3.3	0.4	0.2	3	20 214	
NO	1.6	1.8	1.7	1.4	1.7	1.8	1.7	1.5	1.4	1.3	1.5	1.5	1.9	1.8	2.2	2.1	0.6	0.4		2 906	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27 averages</b>																				<b>99 906</b>	
weighted	1.7	1.8	1.8	2.0	2.0	2.1	1.9	1.8	1.8	1.8	2.0	2.2	2.4	2.3	2.0	2.1	0.4	0.0			
arithmetic	1.6	1.6	1.6	1.6	1.6	1.7	1.5	1.4	1.5	1.6	1.7	1.9	2.1	1.9	1.5	1.7	0.1	0.0			
<b>EA-17 averages</b>																				<b>67 100</b>	
weighted	1.6	1.7	1.7	1.8	1.7	1.9	1.7	1.6	1.6	1.6	1.7	2.0	2.2	2.1	2.0	1.9	0.3	-0.1			
arithmetic	1.6	1.6	1.6	1.7	1.6	1.7	1.7	1.6	1.7	1.6	1.8	2.1	2.4	2.1	1.7	1.6	0.0	-0.1			
<b>EU-25 averages</b>																					
weighted	1.7	1.8	1.8	1.9	2.0	2.1	1.9	1.8	1.8	1.8	2.0	2.2	2.4	2.3	2.0	2.1	0.5	0.0			
arithmetic	1.4	1.4	1.4	1.5	1.5	1.6	1.5	1.4	1.5	1.6	1.8	1.9	2.1	1.8	1.5	1.7	0.3	0.0			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 63: Taxes on Capital as % of GDP - Income of self-employed

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	2.5	2.5	2.4	2.5	2.5	2.4	2.4	2.4	2.3	2.3	2.3	2.2	2.3	2.3	2.3	-0.2	-0.1	6	8 264		
BG	0.8	0.5	0.4	0.7	0.9	1.1	1.0	1.0	0.9	1.0	1.0	0.9	0.8	0.7	0.7	-0.1	-0.3	19	268		
CZ	1.5	1.4	1.4	1.4	1.4	1.4	1.4	1.5	1.6	1.6	1.4	1.3	1.3	1.1	1.4	-0.4	-0.3	14	1 658		
DK	1.3	1.2	1.1	1.3	1.3	1.1	1.2	1.0	1.0	1.0	1.1	1.1	1.1	0.8	0.8	-0.5	-0.3	18	1 916		
DE	2.0	2.2	2.1	2.2	2.5	2.2	2.0	1.9	1.7	1.7	1.9	2.2	2.5	2.3	2.2	0.0	-0.2	9	50 949		
EE	0.2	0.2	0.2	0.3	0.2	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	27	9		
IE	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.0	1.1	1.1	1.0	1.0	1.1	1.0	-0.3	-0.1	16	1 586		
EL <sup>(3)</sup>	2.1	2.0	2.1	2.5	2.5	2.5	2.3	2.5	2.7	2.4	2.4	2.4	2.6	2.5	2.6	0.3	-0.1	4	5 392		
ES	2.3	2.3	2.2	2.2	2.1	2.2	2.2	2.2	2.1	2.2	2.1	2.0	2.1	2.0	2.1	-0.1	-0.1	8	22 531		
FR	1.8	1.8	1.7	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.6	-0.2	-0.1	11	30 435		
IT	2.9	2.9	2.9	3.2	3.2	3.3	3.2	3.1	3.8	3.4	3.2	3.5	3.7	3.7	3.5	0.6	0.2	1	54 982		
CY	0.5	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.0	0.1	22	100		
LV	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	26	12		
LT	0.4	0.4	0.5	0.5	0.6	0.6	0.5	0.4	0.3	0.2	0.2	0.3	0.3	0.4	0.6	0.0	-0.1	24	132		
LU	1.7	1.8	1.8	1.8	1.4	1.4	1.3	1.3	1.3	1.5	1.3	1.3	1.3	1.4	1.3	-0.4	0.0	13	533		
HU	0.7	0.8	0.8	0.6	0.6	0.7	0.8	0.7	0.6	0.6	0.5	0.7	0.6	0.6	0.5	-0.2	-0.2	23	502		
MT	1.1	1.1	1.2	1.0	1.1	1.2	1.2	1.2	1.1	1.2	1.2	1.1	1.1	1.0	1.0	-0.1	-0.2	17	61		
NL	2.5	2.5	2.4	2.2	2.4	2.4	2.1	2.1	2.1	2.0	2.1	2.1	2.2	2.2	2.3	-0.3	-0.2	7	13 272		
AT	2.4	2.7	2.7	2.9	2.8	2.7	3.2	2.8	2.7	2.8	2.6	2.5	2.4	2.4	2.5	0.1	-0.2	3	7 104		
PL	2.6	2.4	2.4	2.4	2.9	2.9	3.3	3.6	3.5	3.3	3.5	3.6	4.0	3.5	3.7	0.9	0.6	2	12 360		
PT	0.9	1.0	1.0	1.0	0.9	0.9	1.0	0.9	1.0	0.9	0.9	0.8	0.7	0.8	0.8	-0.2	-0.2	20	1 267		
RO	0.3	0.3	0.2	0.2	0.4	0.1	0.2	0.2	0.3	0.4	0.3	0.3	0.4	0.3	0.3	0.0	0.2	25	398		
SI	0.9	0.9	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.2	0.0	15	370		
SK	3.0	3.2	2.6	2.7	2.6	2.3	2.6	2.8	2.5	3.0	3.0	3.0	3.0	2.6	2.9	-0.7	0.0	5	1 562		
FI	2.7	2.5	2.4	2.1	2.0	2.0	1.9	2.0	1.9	1.8	1.8	2.0	1.9	1.8	1.9	-0.8	-0.1	10	3 524		
SE	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.8	0.7	0.7	0.7	0.7	0.0	-0.1	21	2 142		
UK	1.4	1.4	1.4	1.4	1.5	1.5	1.6	1.6	1.5	1.5	1.5	1.5	1.5	1.6	1.5	0.0	0.0	12	25 271		
NO	1.5	1.3	1.4	1.5	1.3	1.2	1.3	1.3	1.2	1.2	1.3	1.0	1.1	0.9	1.0	-0.4	-0.2		3 223		
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		
<b>EU-27 averages</b>																					<b>246 600</b>
weighted	2.0	2.1	2.0	2.0	2.1	2.1	2.0	1.9	2.0	1.9	1.9	2.0	2.1	2.1	2.0	0.0	0.0				
arithmetic	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.4	-0.1	-0.1				
<b>EA-17 averages</b>																					<b>201 942</b>
weighted	2.2	2.3	2.2	2.2	2.3	2.3	2.2	2.1	2.2	2.1	2.1	2.2	2.3	2.3	2.2	0.0	-0.1				
arithmetic	1.8	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.8	1.7	1.8	-0.1	-0.1				
<b>EU-25 averages</b>																					
weighted	2.0	2.1	2.0	2.0	2.1	2.1	2.0	2.0	2.0	1.9	2.0	2.0	2.1	2.1	2.1	0.0	0.0				
arithmetic	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.5	1.5	1.5	1.6	1.5	1.6	-0.1	-0.1				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 64: Taxes on Capital as % of Total Taxation - Income of self-employed

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	5.7	5.6	5.4	5.5	5.4	5.4	5.4	5.2	5.2	5.2	5.2	5.1	5.0	5.2	5.3	5.3	-0.4	-0.1	9	8 264	
BG	2.7	1.9	1.5	2.0	2.9	3.4	3.4	3.5	3.0	3.1	3.2	2.8	2.4	2.2	2.3	2.7	0.0	-0.7	18	268	
CZ	4.1	4.1	4.1	4.2	4.0	4.3	4.3	4.4	4.4	4.5	4.1	3.7	3.8	3.3	4.3	3.3	-0.8	-1.0	15	1 658	
DK	2.6	2.5	2.3	2.6	2.6	2.2	2.5	2.2	2.2	2.0	2.1	2.1	2.2	1.7	1.6	1.7	-0.9	-0.5	21	1 916	
DE	5.1	5.4	5.2	5.5	6.0	5.4	5.2	4.9	4.3	4.4	4.9	5.7	6.5	5.9	5.5	5.4	0.3	0.0	8	50 949	
EE	0.5	0.5	0.5	0.8	0.5	0.4	0.5	0.5	0.5	0.4	0.4	0.4	0.3	0.3	0.2	0.2	-0.3	-0.3	27	9	
IE	4.0	4.0	4.1	4.1	3.9	3.6	3.8	4.0	3.4	3.6	3.5	3.2	3.3	3.6	3.7	3.6	-0.4	0.0	13	1 586	
EL <sup>(3)</sup>	7.1	6.8	6.7	7.8	7.4	7.2	7.1	7.4	8.3	7.8	7.5	7.4	8.0	7.9	8.5	7.7	0.6	0.5	4	5 392	
ES	7.0	7.0	6.9	6.6	6.0	6.5	6.4	6.4	6.2	6.2	5.8	5.5	5.6	6.1	7.0	6.7	-0.3	0.2	5	22 531	
FR	4.1	4.2	3.9	3.5	3.5	3.7	3.8	3.6	3.8	3.7	3.7	3.5	3.4	3.6	3.8	3.7	-0.4	0.0	12	30 435	
IT	7.3	7.0	6.8	7.6	7.7	8.0	7.7	7.6	9.2	8.4	8.1	8.4	8.7	8.7	8.2	8.4	1.0	0.3	3	54 982	
CY	2.0	1.9	1.9	1.9	1.7	1.5	1.5	1.7	1.6	1.4	1.3	1.3	1.2	1.3	1.6	1.6	-0.4	0.1	22	100	
LV	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.2	0.3	0.2	0.3	0.3	0.2	0.1	26	12	
LT	1.6	1.6	1.7	1.7	2.0	2.1	1.9	1.4	1.0	0.7	0.7	1.1	1.1	1.2	2.0	1.8	0.2	-0.3	20	132	
LU	4.7	4.7	4.5	4.5	3.8	3.5	3.3	3.3	3.5	4.0	3.5	3.5	3.5	3.7	3.7	3.6	-1.1	0.1	14	533	
HU	1.8	1.9	2.1	1.7	1.6	1.7	2.0	1.8	1.7	1.5	1.5	1.8	1.6	1.6	1.6	1.4	-0.4	-0.3	23	502	
MT	4.0	4.2	4.4	4.0	4.0	4.4	3.9	3.8	3.7	3.6	3.5	3.4	3.3	3.1	3.0	3.0	-1.0	-1.4	16	61	
NL	6.3	6.2	6.1	5.7	5.8	6.1	5.5	5.7	5.5	5.2	5.3	5.3	5.4	5.5	5.9	5.8	-0.5	-0.3	7	13 272	
AT	5.8	6.2	6.1	6.5	6.4	6.3	7.1	6.5	6.2	6.5	6.3	6.0	5.8	5.7	6.0	5.9	0.1	-0.4	6	7 104	
PL	7.1	6.5	6.5	6.8	8.3	9.0	10.3	10.9	11.0	10.6	10.7	10.6	11.4	10.3	11.6	11.0	3.9	2.0	1	12 360	
PT	3.1	3.4	3.4	3.2	3.0	3.0	3.2	2.8	3.1	2.9	2.9	2.5	2.3	2.5	2.5	2.3	-0.8	-0.7	19	1 267	
RO	1.1	1.1	0.7	0.6	1.2	0.4	0.6	0.6	1.0	1.3	1.0	1.0	1.2	1.2	1.2	1.2	0.1	0.8	25	398	
SI	2.2	2.5	2.6	2.6	2.8	2.8	2.6	2.6	2.5	2.6	2.6	2.5	2.8	2.7	2.8	2.8	0.6	0.0	17	370	
SK	7.6	8.0	6.9	7.3	7.3	6.8	7.7	8.5	7.7	9.5	9.6	10.3	10.1	9.0	10.1	8.4	0.9	1.6	2	1 562	
FI	6.0	5.3	5.2	4.6	4.4	4.3	4.3	4.5	4.4	4.2	4.2	4.5	4.5	4.3	4.5	4.6	-1.4	0.4	10	3 524	
SE	1.3	1.4	1.4	1.4	1.3	1.5	1.6	1.5	1.5	1.5	1.7	1.5	1.5	1.5	1.4	1.3	0.0	-0.1	24	2 142	
UK	4.2	4.0	3.9	3.9	4.1	4.1	4.4	4.4	4.4	4.4	4.3	4.2	4.2	4.2	4.4	4.2	0.0	0.1	11	25 271	
NO	3.5	3.2	3.2	3.5	3.1	2.9	2.9	3.0	2.8	2.8	2.9	2.3	2.4	2.2	2.5	2.4	-1.1	-0.5		3 223	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		:
<b>EU-27 averages</b>																				<b>246 600</b>	
weighted	5.1	5.2	4.9	5.0	5.1	5.1	5.1	5.0	5.1	5.0	5.0	5.1	5.3	5.3	5.4	5.2	0.2	0.1			
arithmetic	4.0	4.0	3.9	3.9	4.0	4.0	4.1	4.1	4.1	4.1	4.0	4.0	4.0	3.9	4.2	4.0	0.0	0.0			
<b>EA-17 averages</b>																				<b>201 942</b>	
weighted	5.5	5.6	5.4	5.5	5.6	5.6	5.5	5.3	5.5	5.3	5.3	5.5	5.8	5.7	5.7	5.7	0.2	0.1			
arithmetic	4.9	4.9	4.7	4.8	4.7	4.6	4.6	4.6	4.6	4.7	4.6	4.6	4.7	4.6	4.8	4.6	-0.2	0.0			
<b>EU-25 averages</b>																					
weighted	5.1	5.2	5.0	5.0	5.2	5.1	5.1	5.0	5.1	5.0	5.0	5.1	5.4	5.3	5.4	5.3	0.2	0.2			
arithmetic	4.2	4.2	4.1	4.1	4.2	4.2	4.2	4.2	4.2	4.2	4.1	4.2	4.2	4.1	4.4	4.2	-0.1	0.0			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 65: Taxes on Capital as % of GDP - Stocks of capital / wealth

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	2.9	3.1	3.3	3.4	3.4	3.4	3.3	3.4	3.5	3.7	3.7	3.8	3.6	3.7	3.6	3.7	0.8	0.3	3	13 122
BG	0.4	0.3	0.2	0.3	0.4	0.4	0.4	0.5	0.6	0.7	0.8	0.8	0.9	1.0	0.8	0.8	0.4	0.4	23	283
CZ	1.0	1.0	0.9	0.9	0.9	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.7	-0.3	-0.3	24	973
DK	1.8	1.8	1.8	2.0	2.0	2.4	2.6	2.7	2.8	2.8	2.8	2.7	2.7	2.9	2.9	2.8	1.0	0.4	4	6 648
DE	1.1	1.2	1.1	1.1	1.2	1.1	1.1	1.0	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	-0.1	-0.1	19	25 410
EE	0.6	0.7	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.1	0.0	26	93
IE	2.0	2.1	1.9	2.0	2.1	2.0	2.0	1.8	2.2	2.4	2.7	3.1	2.8	2.2	2.0	2.2	0.2	0.2	10	3 400
EL <sup>(3)</sup>	1.5	1.7	1.9	1.8	2.3	2.4	2.0	1.6	1.5	1.3	1.4	1.9	1.9	2.0	1.7	1.2	-0.3	-1.2	17	2 675
ES	2.4	2.4	2.5	2.7	2.8	2.8	2.8	2.9	3.0	3.3	3.6	3.8	3.6	2.8	2.5	2.5	0.1	-0.3	6	26 398
FR	4.2	4.5	4.6	4.7	4.7	4.5	4.4	4.3	4.4	4.5	4.6	4.6	4.7	4.5	4.6	4.3	0.1	-0.2	2	83 093
IT	3.9	3.6	3.8	3.3	2.9	2.6	2.5	2.8	2.6	2.8	2.6	2.7	2.7	2.5	2.8	2.5	-1.4	-0.1	8	38 683
CY	1.4	1.4	1.4	1.6	1.4	2.5	1.8	1.6	1.7	2.5	2.7	2.3	3.4	2.6	1.7	1.9	0.5	-0.6	11	330
LV	1.9	1.4	1.7	1.9	1.8	1.2	1.3	0.8	0.9	0.8	0.7	0.6	1.0	0.8	0.8	1.0	-0.9	-0.2	20	178
LT	0.9	1.0	1.0	0.9	1.0	0.9	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.5	0.7	0.7	-0.2	-0.2	25	179
LU	2.7	2.9	3.2	3.5	3.9	4.2	3.9	3.3	2.9	3.0	3.3	3.4	3.6	2.7	2.6	2.7	0.1	-1.5	5	1 107
HU	0.7	0.8	0.8	0.9	0.9	1.0	1.0	1.0	1.2	1.3	1.3	1.3	1.4	1.5	1.5	2.5	1.8	1.5	7	2 429
MT	1.3	1.2	1.2	1.2	1.1	1.1	1.2	1.5	1.6	2.4	2.2	2.1	2.1	1.8	1.7	1.6	0.3	0.5	14	98
NL	1.9	2.0	2.0	2.1	2.2	2.2	2.2	2.3	2.1	2.2	2.3	2.0	2.1	1.9	1.8	1.8	-0.1	-0.4	13	10 353
AT	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-0.2	-0.1	21	2 775
PL	2.2	2.1	2.1	1.9	1.7	1.6	1.7	1.9	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.8	-0.4	0.2	12	6 375
PT	2.0	1.9	2.0	2.0	2.2	2.2	2.2	2.6	2.9	2.2	2.3	2.4	2.6	2.5	2.4	2.4	0.4	0.2	9	4 130
RO	0.6	0.3	0.9	0.6	1.1	1.2	1.2	1.1	1.0	0.9	0.9	1.0	1.1	1.0	1.0	1.1	0.5	-0.1	18	1 367
SI	0.6	0.6	0.7	0.9	0.9	0.9	0.9	0.9	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.3	0.1	22	329
SK	0.9	1.2	0.9	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.7	0.6	0.6	0.6	0.6	-0.2	-0.2	27	411
FI	1.2	1.2	1.3	1.3	1.3	1.3	1.2	1.3	1.2	1.4	1.4	1.3	1.3	1.3	1.3	1.4	0.2	0.1	16	2 511
SE	1.4	2.0	2.2	2.1	2.1	2.1	1.8	1.8	1.7	1.7	1.7	1.7	1.4	1.3	1.4	1.4	0.0	-0.7	15	4 864
UK	3.6	3.7	3.8	3.9	4.1	4.4	4.3	4.3	4.2	4.3	4.4	4.6	4.6	5.8	4.4	4.3	0.7	-0.1	1	73 615
NO	3.5	4.1	3.7	2.5	3.0	5.5	5.7	5.2	5.3	6.2	7.4	7.7	6.7	7.6	5.5	5.8	2.2	0.2		18 130
IS	3.1	3.1	3.2	3.2	3.3	3.6	3.3	3.1	3.2	3.6	3.7	3.8	3.9	3.1	2.7	2.8	-0.3	-0.7		271
<b>EU-27 averages</b>																				<b>311 828</b>
weighted	2.5	2.6	2.7	2.7	2.8	2.8	2.7	2.7	2.7	2.8	2.8	2.9	2.9	2.8	2.6	2.5	0.0	-0.2		
arithmetic	1.7	1.7	1.8	1.8	1.9	1.9	1.8	1.8	1.8	1.9	2.0	2.0	2.0	1.9	1.8	1.8	0.1	-0.1		
<b>EA-17 averages</b>																				<b>214 916</b>
weighted	2.5	2.5	2.6	2.6	2.6	2.5	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.4	2.5	2.3	-0.1	-0.1		
arithmetic	1.9	1.9	2.0	2.0	2.1	2.1	2.0	2.0	2.0	2.1	2.2	2.2	2.3	2.0	1.9	1.9	0.0	-0.2		
<b>EU-25 averages</b>																				
weighted	2.6	2.6	2.7	2.7	2.8	2.8	2.7	2.7	2.7	2.8	2.9	2.9	2.9	2.9	2.7	2.6	0.0	-0.2		
arithmetic	1.8	1.9	1.9	1.9	2.0	2.0	1.9	1.9	1.9	2.0	2.0	2.1	2.1	2.0	1.9	1.9	0.1	-0.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 66: Taxes on Capital as % of Total Taxation - Stocks of capital / wealth

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	6.6	6.9	7.3	7.5	7.5	7.5	7.3	7.5	7.8	8.4	8.2	8.5	8.3	8.3	8.2	8.4	1.8	1.0	3	13 122
BG	1.2	1.2	0.6	0.9	1.3	1.3	1.3	1.8	2.0	2.2	2.5	2.7	2.8	3.2	2.8	2.9	1.7	1.6	20	283
CZ	2.7	2.9	2.6	2.8	2.6	2.9	2.6	2.4	2.4	1.9	1.9	2.0	1.9	1.9	1.8	1.9	-0.8	-1.0	26	973
DK	3.8	3.6	3.7	4.0	4.0	4.9	5.3	5.6	5.7	5.7	5.5	5.5	5.6	6.0	6.0	5.9	2.1	1.0	9	6 648
DE	2.9	3.0	2.7	2.8	2.9	2.7	2.7	2.7	2.7	2.9	2.9	2.8	2.9	2.7	2.6	2.7	-0.2	0.0	21	25 410
EE	1.6	1.9	1.9	1.9	2.0	2.1	2.0	2.0	1.8	2.0	1.9	1.8	1.7	1.9	1.7	1.9	0.3	-0.2	27	93
IE	6.1	6.3	6.1	6.2	6.6	6.4	6.6	6.3	7.5	7.9	8.8	9.8	9.1	7.5	7.2	7.7	1.7	1.3	5	3 400
EL <sup>(3)</sup>	5.2	5.7	6.1	5.5	6.8	6.9	5.9	4.9	4.8	4.3	4.5	5.9	5.9	6.1	5.6	3.8	-1.4	-3.1	16	2 675
ES	7.5	7.2	7.6	8.0	8.2	8.3	8.2	8.4	9.0	9.5	10.0	10.4	9.6	8.4	8.1	7.9	0.3	-0.4	4	26 398
FR	9.9	10.1	10.5	10.7	10.5	10.2	10.1	10.0	10.1	10.5	10.6	10.5	10.7	10.4	10.9	10.1	0.2	-0.1	2	83 093
IT	9.8	8.6	8.7	7.8	7.0	6.3	6.0	7.0	6.3	6.9	6.6	6.6	6.4	5.8	6.6	5.9	-3.9	-0.4	10	38 683
CY	5.3	5.1	5.2	5.6	5.1	8.3	5.9	5.0	5.4	7.6	7.8	6.5	8.5	6.7	4.9	5.3	0.0	-3.0	12	330
LV	5.7	4.4	5.4	5.5	5.6	3.9	4.6	2.9	3.0	2.7	2.4	2.0	3.4	2.6	3.1	3.6	-2.0	-0.3	17	178
LT	3.2	3.6	3.2	2.8	3.0	2.9	2.6	2.5	2.3	2.4	2.1	2.0	1.9	1.7	2.3	2.4	-0.8	-0.5	23	179
LU	7.3	7.8	8.2	8.9	10.1	10.8	9.9	8.4	7.7	8.0	8.7	9.5	10.0	7.7	7.0	7.4	0.2	-3.4	7	1 107
HU	1.6	2.1	2.1	2.3	2.4	2.4	2.6	2.6	3.0	3.5	3.5	3.5	3.6	3.7	3.8	6.6	5.0	4.2	8	2 429
MT	4.8	4.7	4.2	4.5	4.2	3.9	4.2	4.9	5.1	7.5	6.5	6.2	6.1	5.3	5.0	4.8	-0.1	0.8	13	98
NL	4.6	5.0	5.1	5.3	5.4	5.5	5.7	6.0	5.7	5.9	6.1	5.3	5.4	4.9	4.7	4.5	-0.1	-1.0	14	10 353
AT	2.9	2.7	2.5	2.6	2.5	2.6	2.5	2.5	2.5	2.4	2.4	2.5	2.4	2.2	2.3	2.3	-0.6	-0.2	24	2 775
PL	5.8	5.7	5.8	5.3	4.8	5.0	5.3	5.9	5.6	5.8	5.6	5.8	5.3	5.4	5.8	5.7	-0.2	0.7	11	6 375
PT	6.8	6.4	6.5	6.6	7.1	7.0	7.1	8.1	9.1	7.0	7.2	7.5	7.8	7.6	7.8	7.6	0.8	0.6	6	4 130
RO	2.3	1.1	3.6	2.0	3.5	3.9	4.2	3.9	3.7	3.2	3.1	3.6	3.9	3.6	3.6	4.1	1.8	0.2	15	1 367
SI	1.6	1.6	1.9	2.4	2.3	2.3	2.5	2.3	2.1	2.3	2.4	2.4	2.4	2.3	2.4	2.4	0.9	0.1	22	329
SK	2.2	3.1	2.3	2.2	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.2	2.1	2.0	2.2	2.2	0.1	-0.1	25	411
FI	2.5	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	3.2	3.2	3.0	3.1	3.1	3.1	3.3	0.8	0.5	18	2 511
SE	3.0	4.0	4.3	4.1	4.0	4.1	3.7	3.7	3.6	3.6	3.5	3.5	3.0	2.9	3.0	3.1	0.1	-1.0	19	4 864
UK	10.5	10.7	10.8	10.9	11.3	12.0	11.7	12.2	12.1	12.2	12.2	12.5	12.7	15.3	12.7	12.1	1.7	0.2	1	73 615
NO	8.4	9.7	8.8	6.0	7.2	13.0	13.2	12.1	12.6	14.3	17.0	17.7	15.5	18.0	13.0	13.4	5.0	0.4		18 130
IS	9.4	9.1	9.2	9.3	9.0	9.6	9.3	8.7	8.8	9.5	9.2	9.1	9.6	8.6	7.9	8.1	-1.3	-1.5		271
<b>EU-27 averages</b>																				<b>311 828</b>
weighted	6.5	6.6	6.8	6.8	6.8	6.8	6.8	7.0	6.9	7.2	7.3	7.4	7.3	7.2	6.9	6.6	0.2	-0.2		
arithmetic	4.7	4.7	4.9	4.9	5.0	5.2	5.0	5.0	5.0	5.2	5.3	5.3	5.4	5.2	5.0	5.1	0.4	-0.1		
<b>EA-17 averages</b>																				<b>214 916</b>
weighted	6.2	6.3	6.4	6.4	6.3	6.1	6.0	6.2	6.2	6.6	6.7	6.7	6.6	6.2	6.4	6.0	-0.2	0.0		
arithmetic	5.1	5.2	5.3	5.4	5.5	5.6	5.4	5.4	5.5	5.8	5.9	6.0	6.0	5.5	5.3	5.2	0.1	-0.4		
<b>EU-25 averages</b>																				
weighted	6.5	6.6	6.8	6.8	6.8	6.8	6.8	7.0	6.9	7.2	7.3	7.4	7.3	7.3	6.9	6.7	0.2	-0.2		
arithmetic	4.9	5.0	5.1	5.2	5.2	5.4	5.2	5.2	5.2	5.5	5.5	5.5	5.6	5.3	5.2	5.2	0.2	-0.2		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 67: Environmental taxes as % of GDP

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	2.2	2.5	2.5	2.4	2.5	2.3	2.3	2.2	2.3	2.3	2.3	2.1	2.1	2.0	2.0	2.1	-0.2	-0.2	22	7 324
BG	1.8	1.1	1.3	2.3	2.4	2.7	2.5	2.3	2.9	3.2	3.0	2.9	3.4	3.4	3.0	2.9	1.1	0.3	7	1 051
CZ	2.7	2.5	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.5	2.6	2.5	2.4	2.4	2.4	2.4	-0.3	0.0	17	3 571
DK	4.4	4.7	4.7	5.1	5.2	4.7	4.7	4.8	4.7	4.8	4.9	4.8	4.6	4.2	3.9	4.0	-0.4	-0.7	1	9 446
DE	2.3	2.2	2.2	2.1	2.3	2.4	2.5	2.5	2.7	2.6	2.5	2.4	2.2	2.2	2.3	2.2	-0.1	-0.2	21	54 669
EE	1.0	1.5	1.6	1.9	1.7	1.7	2.1	2.0	1.9	2.1	2.3	2.2	2.2	2.3	3.0	3.0	2.0	1.3	5	426
IE	3.0	3.1	3.0	3.0	2.9	2.8	2.3	2.3	2.3	2.5	2.5	2.5	2.5	2.5	2.4	2.4	-0.7	-0.5	20	3 690
EL <sup>(3)</sup>	3.1	3.1	3.1	2.9	2.7	2.3	2.5	2.3	2.2	2.2	2.1	2.0	2.1	2.0	2.0	2.4	-0.7	0.1	15	5 488
ES	2.2	2.2	2.1	2.3	2.3	2.2	2.1	2.1	2.1	2.0	1.9	1.9	1.8	1.6	1.6	1.6	-0.5	-0.5	27	17 333
FR	2.5	2.5	2.4	2.4	2.4	2.2	2.0	2.1	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.8	-0.7	-0.4	26	34 240
IT	3.6	3.5	3.4	3.3	3.5	3.2	3.0	2.9	3.0	2.8	2.8	2.8	2.7	2.5	2.7	2.6	-1.0	-0.6	12	40 425
CY	2.9	2.8	2.5	2.5	2.5	2.7	3.0	3.0	3.8	4.0	3.5	3.3	3.4	3.2	2.9	2.9	0.0	0.2	6	506
LV	1.2	1.7	2.2	3.0	2.5	2.4	2.2	2.3	2.5	2.6	2.7	2.4	2.1	2.0	2.3	2.4	1.2	0.0	16	433
LT	1.9	1.9	2.1	2.5	2.9	2.4	2.5	2.7	2.7	2.7	2.3	1.8	1.8	1.6	2.0	1.9	0.0	-0.6	25	512
LU	3.0	2.9	3.0	2.9	2.8	2.8	2.8	2.8	2.8	3.1	2.9	2.6	2.5	2.5	2.5	2.4	-0.6	-0.4	18	958
HU	2.9	2.9	2.9	3.4	3.3	3.0	2.9	2.8	2.8	2.9	2.8	2.8	2.8	2.7	2.7	2.6	-0.3	-0.4	11	2 545
MT	3.2	3.1	3.5	3.9	4.1	3.6	3.6	3.4	3.3	3.0	3.3	3.4	3.8	3.4	3.4	3.1	-0.1	-0.6	4	189
NL	3.6	3.8	3.8	3.8	3.9	3.9	3.8	3.7	3.7	3.9	3.9	4.0	3.8	3.9	4.0	4.0	0.4	0.1	2	23 536
AT	2.1	2.1	2.4	2.3	2.3	2.4	2.6	2.7	2.7	2.7	2.6	2.5	2.4	2.4	2.4	2.4	0.2	-0.1	19	6 783
PL	1.8	1.9	1.8	1.8	2.1	2.1	2.1	2.4	2.5	2.6	2.7	2.8	2.7	2.6	2.6	2.6	0.7	0.5	13	9 158
PT	3.4	3.4	3.2	3.4	3.3	2.6	2.9	3.0	3.0	3.0	3.0	2.9	2.8	2.6	2.5	2.5	-0.9	-0.1	14	4 306
RO	1.8	1.8	2.8	3.1	3.9	3.4	2.4	2.1	2.4	2.4	2.0	1.9	2.1	1.8	1.9	2.1	0.3	-1.4	23	2 503
SI	4.2	4.3	4.5	5.0	4.1	2.9	3.2	3.3	3.3	3.3	3.2	3.0	3.0	3.0	3.6	3.6	-0.5	0.7	3	1 291
SK	2.3	2.1	2.0	1.9	2.0	2.2	2.0	2.2	2.4	2.5	2.4	2.3	2.1	2.0	1.9	1.9	-0.5	-0.4	24	1 230
FI	2.9	3.1	3.3	3.3	3.4	3.1	3.0	3.1	3.2	3.2	3.1	3.0	2.7	2.7	2.6	2.8	-0.2	-0.4	8	4 975
SE	2.8	3.1	3.0	3.0	2.9	2.8	2.8	2.9	2.9	2.8	2.9	2.7	2.6	2.7	2.8	2.8	0.0	0.0	9	9 559
UK	2.9	2.9	2.9	3.1	3.1	3.0	2.8	2.7	2.7	2.6	2.5	2.4	2.5	2.4	2.6	2.6	-0.3	-0.4	10	44 609
NO	3.4	3.5	3.5	3.4	3.3	3.0	3.0	3.1	3.1	3.0	2.8	2.8	2.8	2.4	2.6	2.6	-0.8	-0.4		8 207
IS	2.8	3.0	3.0	3.3	3.5	3.3	2.7	2.3	2.6	2.7	2.8	2.5	2.4	1.8	1.6	1.8	-1.0	-1.5		170
<b>EU-27 averages</b>																				<b>290 755</b>
weighted	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	-0.3	-0.3		
arithmetic	2.7	2.7	2.8	2.9	2.9	2.8	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	-0.1	-0.2		
<b>EA-17 averages</b>																				<b>207 368</b>
weighted	2.7	2.7	2.6	2.6	2.7	2.6	2.5	2.5	2.6	2.5	2.5	2.4	2.3	2.2	2.3	2.3	-0.4	-0.3		
arithmetic	2.8	2.8	2.9	2.9	2.9	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.5	2.6	2.6	-0.2	-0.1		
<b>EU-25 averages</b>																				
weighted	2.7	2.7	2.7	2.7	2.8	2.7	2.6	2.6	2.6	2.6	2.5	2.5	2.4	2.3	2.4	2.4	-0.3	-0.3		
arithmetic	2.7	2.8	2.8	3.0	2.9	2.7	2.7	2.7	2.8	2.8	2.8	2.7	2.6	2.5	2.6	2.6	-0.1	-0.1		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 68: Environmental taxes as % of Total Taxation

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	5.1	5.6	5.6	5.4	5.4	5.0	5.0	4.9	5.0	5.2	5.2	4.8	4.7	4.4	4.7	4.7	-0.4	-0.3	26	7 324			
BG	5.9	3.7	4.8	7.1	7.8	8.4	8.2	8.2	9.5	9.8	9.6	9.5	10.1	10.7	10.5	10.7	4.7	2.2	1	1 051			
CZ	7.7	7.4	6.9	6.8	7.1	7.0	7.3	6.9	6.9	7.1	7.2	7.0	6.7	6.8	7.2	7.1	-0.6	0.1	15	3 571			
DK	9.1	9.5	9.5	10.3	10.3	9.6	9.7	10.1	9.8	9.9	9.6	9.6	9.5	8.8	8.3	8.4	-0.6	-1.1	7	9 446			
DE	5.8	5.5	5.4	5.3	5.6	5.8	6.4	6.5	6.8	6.7	6.5	6.2	5.8	5.7	5.8	5.8	0.0	0.0	23	54 669			
EE	2.7	4.3	4.6	5.7	5.2	5.5	7.0	6.4	6.1	6.9	7.4	7.1	7.0	7.3	8.4	8.7	6.0	3.3	6	426			
IE	9.2	9.4	9.3	9.4	9.3	9.1	7.9	8.3	8.1	8.3	8.2	7.7	7.9	8.4	8.4	8.4	-0.8	-0.7	8	3 690			
EL <sup>(3)</sup>	10.7	10.5	10.1	8.9	8.2	6.8	7.7	6.8	6.7	6.9	6.6	6.3	6.4	6.1	6.4	7.8	-2.9	1.0	12	5 488			
ES	6.8	6.7	6.5	6.8	6.8	6.4	6.2	6.1	6.1	5.8	5.4	5.1	4.9	5.0	5.3	5.2	-1.7	-1.3	25	17 333			
FR	5.8	5.8	5.5	5.5	5.3	4.9	4.5	4.7	4.6	4.7	4.4	4.3	4.2	4.1	4.3	4.2	-1.7	-0.7	27	34 240			
IT	9.0	8.4	7.9	7.9	8.3	7.6	7.3	7.1	7.3	7.0	7.0	6.6	6.2	5.9	6.2	6.1	-2.9	-1.5	21	40 425			
CY	10.7	10.7	9.8	9.2	8.9	9.0	9.7	9.6	11.8	12.2	10.1	9.2	8.4	8.2	8.2	8.2	-2.5	-0.9	9	506			
LV	3.7	5.5	6.8	9.0	7.7	8.1	7.6	8.1	8.8	9.1	9.2	7.9	6.8	6.7	8.7	8.8	5.2	0.7	5	433			
LT	6.8	6.9	7.0	8.0	9.1	8.1	8.8	9.7	9.8	9.6	8.1	6.1	6.0	5.5	7.0	6.9	0.1	-1.2	17	512			
LU	8.0	7.8	7.5	7.4	7.3	7.1	7.1	7.1	7.3	8.2	7.8	7.3	7.1	7.0	6.6	6.4	-1.6	-0.7	20	958			
HU	7.2	7.2	7.5	8.8	8.6	7.6	7.4	7.3	7.4	7.6	7.4	7.6	7.0	6.7	6.6	6.9	-0.2	-0.6	16	2 545			
MT	11.9	12.0	12.8	15.4	14.9	13.0	12.2	11.1	10.7	9.3	9.8	10.0	10.9	10.2	9.8	9.2	-2.7	-3.8	4	189			
NL	9.1	9.6	9.5	9.7	9.8	9.8	9.9	9.7	9.9	10.3	10.5	10.3	9.8	9.9	10.4	10.3	1.3	0.5	2	23 536			
AT	5.2	5.0	5.4	5.2	5.3	5.6	5.8	6.1	6.3	6.3	6.2	6.0	5.8	5.6	5.7	5.6	0.5	0.0	24	6 783			
PL	5.0	5.2	5.0	5.2	6.0	6.4	6.4	7.3	7.6	8.2	8.1	8.2	7.7	7.6	8.1	8.1	3.2	1.7	10	9 158			
PT	11.5	11.4	10.7	11.2	10.5	8.5	9.3	9.7	9.5	9.8	9.4	8.9	8.6	7.8	8.1	7.9	-3.6	-0.5	11	4 306			
RO	6.4	6.8	10.6	10.6	12.6	11.4	8.2	7.6	8.5	8.7	7.2	6.8	7.1	6.3	7.0	7.5	1.1	-3.8	13	2 503			
SI	10.8	11.5	12.2	13.4	10.9	7.9	8.6	8.6	8.7	8.7	8.3	7.9	8.0	8.1	9.5	9.6	-1.2	1.7	3	1 291			
SK	5.8	5.4	5.5	5.2	5.6	6.5	5.9	6.6	7.4	7.9	7.6	7.8	7.2	7.0	6.8	6.7	0.9	0.1	18	1 230			
FI	6.4	6.6	7.2	7.2	7.5	6.6	6.6	6.8	7.2	7.4	7.0	6.9	6.4	6.3	6.2	6.5	0.1	-0.1	19	4 975			
SE	5.9	6.3	5.9	5.9	5.6	5.4	5.7	6.1	6.0	5.9	5.8	5.7	5.6	5.8	6.1	6.0	0.2	0.6	22	9 559			
UK	8.3	8.5	8.3	8.6	8.6	8.1	7.6	7.8	7.7	7.4	6.9	6.5	6.8	6.5	7.5	7.4	-1.0	-0.8	14	44 609			
NO	8.1	8.2	8.2	8.2	7.8	7.0	7.0	7.2	7.2	6.9	6.5	6.4	6.4	5.8	6.1	6.1	-2.1	-0.9		8 207			
IS	8.5	8.8	8.7	9.7	9.4	8.8	7.6	6.6	7.0	7.0	6.9	6.0	5.9	4.8	4.6	5.1	-3.4	-3.7		170			
<b>EU-27 averages</b>																						290 755	
weighted	6.9	6.8	6.7	6.8	6.9	6.7	6.6	6.7	6.8	6.7	6.5	6.3	6.1	5.9	6.2	6.2	-0.7	-0.5					
arithmetic	7.4	7.5	7.7	8.1	8.1	7.6	7.6	7.6	7.8	8.0	7.7	7.3	7.1	7.0	7.3	7.4	0.0	-0.2					
<b>EA-17 averages</b>																						207 368	
weighted	6.7	6.6	6.4	6.4	6.5	6.3	6.3	6.4	6.5	6.4	6.3	6.0	5.7	5.6	5.9	5.8	-0.9	-0.5					
arithmetic	7.9	8.0	8.0	8.2	7.9	7.4	7.5	7.4	7.6	7.7	7.5	7.2	7.0	6.9	7.1	7.1	-0.8	-0.2					
<b>EU-25 averages</b>																							
weighted	6.9	6.8	6.7	6.8	6.9	6.6	6.6	6.7	6.8	6.7	6.5	6.2	6.0	5.9	6.2	6.2	-0.7	-0.5					
arithmetic	7.5	7.7	7.7	8.1	7.9	7.4	7.5	7.6	7.7	7.9	7.6	7.2	7.0	6.9	7.2	7.2	-0.3	-0.2					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 69: Environmental taxes as % of GDP - Energy

	Difference <sup>(1)</sup>																Ranking		Revenue <sup>(2)</sup>			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	1.5	1.6	1.6	1.6	1.5	1.4	1.4	1.4	1.4	1.5	1.5	1.4	1.3	1.2	1.3	1.3	-0.2	-0.1	27	4 711		
BG	1.7	0.9	1.3	2.2	2.2	2.5	2.4	2.1	2.6	2.8	2.6	2.5	3.0	3.0	2.7	2.6	0.9	0.1	3	927		
CZ	2.2	2.1	2.0	2.0	2.1	2.1	2.2	2.1	2.2	2.3	2.4	2.3	2.2	2.2	2.2	2.2	0.0	0.1	6	3 315		
DK	2.1	2.3	2.2	2.4	2.6	2.5	2.7	2.6	2.6	2.5	2.3	2.2	2.1	2.1	2.2	2.3	0.1	-0.3	4	5 341		
DE	1.9	1.8	1.8	1.7	1.9	2.1	2.1	2.2	2.3	2.2	2.1	2.0	1.9	1.8	1.9	1.8	-0.1	-0.2	15	45 769		
EE	0.6	1.0	1.2	1.6	1.4	1.2	1.6	1.5	1.5	1.8	1.9	1.8	1.8	1.9	2.5	2.6	2.1	1.4	2	374		
IE	1.7	1.7	1.7	1.6	1.6	1.4	1.2	1.3	1.3	1.4	1.3	1.3	1.2	1.3	1.5	1.5	-0.3	0.0	24	2 275		
EL <sup>(3)</sup>	2.5	2.5	2.3	2.1	1.8	1.6	1.5	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.8	-0.7	0.2	20	4 004		
ES	1.8	1.8	1.7	1.9	1.8	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.4	1.3	1.3	1.3	-0.4	-0.4	26	14 135		
FR	1.9	2.0	1.9	1.9	1.9	1.8	1.6	1.7	1.7	1.7	1.6	1.6	1.5	1.4	1.5	1.4	-0.5	-0.3	25	27 942		
IT	3.1	3.0	3.0	2.8	2.9	2.6	2.4	2.3	2.4	2.2	2.2	2.2	2.0	1.9	2.1	2.0	-1.1	-0.5	11	31 179		
CY	0.5	0.5	0.5	0.5	0.6	0.7	1.0	1.0	1.9	2.1	1.9	1.8	1.8	1.6	1.6	1.9	1.3	1.1	14	322		
LV	1.0	1.5	1.8	2.7	2.1	1.9	1.7	1.8	2.0	2.1	2.2	2.0	1.7	1.7	2.1	2.0	1.0	0.1	12	359		
LT	1.1	1.1	1.3	1.7	2.1	1.7	1.8	2.0	2.0	1.8	1.7	1.6	1.6	1.5	1.9	1.8	0.7	0.0	18	492		
LU	2.8	2.8	2.8	2.8	2.7	2.7	2.7	2.6	2.7	2.9	2.8	2.5	2.4	2.3	2.3	2.2	-0.6	-0.5	7	887		
HU	2.6	2.4	2.4	2.8	2.8	2.5	2.3	2.2	2.2	1.9	2.1	2.1	2.0	2.0	2.0	2.0	-0.6	-0.4	9	1 983		
MT	0.9	0.8	1.3	1.6	1.6	1.4	1.5	1.3	1.2	1.2	1.3	1.3	1.8	1.5	1.5	1.5	0.7	0.1	23	93		
NL	1.7	1.7	1.8	1.8	1.9	1.9	1.8	1.8	1.8	1.9	2.0	2.0	1.8	1.9	2.0	2.0	0.4	0.2	10	12 006		
AT	1.4	1.4	1.7	1.6	1.6	1.6	1.7	1.7	1.8	1.8	1.8	1.6	1.6	1.6	1.6	1.6	0.2	0.0	22	4 580		
PL	1.2	1.4	1.3	1.5	1.8	1.8	1.8	2.0	2.1	2.1	2.3	2.3	2.3	2.2	2.1	2.1	0.9	0.4	8	7 601		
PT	2.5	2.5	2.3	2.4	2.1	1.6	1.8	2.1	2.2	2.1	2.0	2.0	2.0	1.9	1.9	1.8	-0.7	0.3	17	3 153		
RO	1.4	1.4	2.3	2.5	3.7	3.2	1.9	1.7	2.0	2.1	1.8	1.7	1.7	1.4	1.6	1.8	0.4	-1.4	16	2 236		
SI	3.1	3.3	3.5	3.9	3.2	2.4	2.7	2.7	2.6	2.6	2.5	2.3	2.3	2.4	3.0	3.1	0.0	0.6	1	1 086		
SK	2.1	1.9	1.8	1.7	1.8	2.0	1.7	1.9	2.2	2.2	2.1	2.0	1.8	1.8	1.7	1.6	-0.5	-0.3	21	1 077		
FI	2.1	2.1	2.3	2.2	2.2	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.6	1.7	1.8	1.8	-0.3	-0.2	19	3 222		
SE	2.4	2.7	2.6	2.6	2.5	2.3	2.4	2.4	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.2	-0.2	-0.1	5	7 719		
UK	2.3	2.3	2.3	2.4	2.4	2.4	2.2	2.2	2.1	2.0	2.0	1.9	1.8	1.8	1.9	1.9	-0.4	-0.4	13	32 816		
NO	2.0	1.8	1.9	1.7	1.7	1.5	1.5	1.5	1.5	1.3	1.2	1.2	1.2	1.1	1.2	1.2	-0.8	-0.3		3 790		
IS	1.4	1.4	1.3	1.1	1.1	1.1	1.0	0.9	0.9	0.9	1.0	1.2	1.2	1.0	1.2	1.3	-0.1	0.2		124		
<b>EU-27 averages</b>																						219 603
weighted	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.7	1.8	1.8	-0.3	-0.3				
arithmetic	1.9	1.9	1.9	2.1	2.1	2.0	1.9	1.9	2.0	2.0	2.0	1.9	1.9	1.8	1.9	1.9	0.1	0.0				
<b>EA-17 averages</b>																						156 814
weighted	2.1	2.1	2.0	2.0	2.1	2.0	1.9	1.9	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.7	-0.4	-0.3				
arithmetic	1.9	1.9	1.9	2.0	1.9	1.8	1.8	1.8	1.9	1.9	1.9	1.8	1.7	1.7	1.8	1.8	-0.1	0.1				
<b>EU-25 averages</b>																						
weighted	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.8	1.7	1.8	1.8	-0.3	-0.3				
arithmetic	1.9	1.9	2.0	2.1	2.0	1.9	1.9	1.9	2.0	2.0	2.0	1.9	1.8	1.8	1.9	1.9	0.0	0.0				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 70: Environmental taxes as % of Total Taxation - Energy

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	3.5	3.6	3.5	3.4	3.3	3.2	3.1	3.0	3.2	3.3	3.3	3.1	3.0	2.8	2.9	3.0	-0.4	-0.1	27	4 711			
BG	5.4	3.3	4.7	6.7	7.3	7.9	7.7	7.3	8.3	8.6	8.4	8.2	9.0	9.3	9.2	9.4	4.0	1.5	1	927			
CZ	6.2	6.1	5.9	5.9	6.2	6.1	6.5	6.1	6.2	6.5	6.7	6.5	6.2	6.3	6.7	6.6	0.3	0.4	8	3 315			
DK	4.4	4.6	4.4	4.9	5.2	5.1	5.5	5.4	5.4	5.1	4.6	4.5	4.4	4.4	4.6	4.8	0.4	-0.4	20	5 341			
DE	4.9	4.6	4.4	4.3	4.7	5.0	5.4	5.6	6.0	5.7	5.5	5.2	4.8	4.7	4.9	4.8	0.0	-0.1	19	45 769			
EE	1.5	3.0	3.5	4.7	4.2	4.0	5.3	4.8	5.0	5.9	6.3	5.9	5.7	6.1	7.1	7.7	6.1	3.7	3	374			
IE	5.2	5.2	5.2	5.2	5.0	4.5	4.0	4.5	4.4	4.5	4.3	3.9	3.9	4.3	5.2	5.2	0.0	0.6	17	2 275			
EL <sup>(3)</sup>	8.5	8.4	7.4	6.4	5.5	4.6	4.6	4.1	4.1	4.0	3.9	3.7	3.8	3.6	3.9	5.7	-2.8	1.1	12	4 004			
ES	5.6	5.5	5.3	5.6	5.4	5.1	4.9	4.8	4.8	4.6	4.2	3.9	3.7	3.9	4.3	4.2	-1.3	-0.9	24	14 135			
FR	4.5	4.5	4.4	4.4	4.2	4.0	3.8	4.0	3.9	3.9	3.7	3.6	3.4	3.3	3.5	3.4	-1.1	-0.6	26	27 942			
IT	7.8	7.2	6.8	6.7	6.8	6.2	5.9	5.6	5.8	5.5	5.4	5.2	4.8	4.4	4.8	4.7	-3.1	-1.4	21	31 179			
CY	2.0	2.1	1.9	1.9	2.0	2.4	3.2	3.2	6.0	6.4	5.5	5.1	4.4	4.1	4.6	5.2	3.2	2.8	16	322			
LV	3.1	5.0	5.6	7.9	6.4	6.2	5.8	6.2	6.9	7.5	7.7	6.5	5.6	5.7	7.7	7.3	4.2	1.1	4	359			
LT	4.0	4.1	4.1	5.4	6.8	5.8	6.4	7.1	7.1	6.5	6.1	5.6	5.4	5.1	6.6	6.6	2.6	0.8	7	492			
LU	7.6	7.4	7.2	7.1	7.0	6.8	6.8	6.7	7.0	7.9	7.6	7.0	6.6	6.6	6.1	5.9	-1.7	-0.8	9	887			
HU	6.4	6.0	6.2	7.4	7.2	6.2	6.0	5.9	5.7	5.1	5.6	5.6	5.0	4.9	5.0	5.4	-1.0	-0.8	14	1 983			
MT	3.2	3.2	4.6	6.2	5.8	4.9	5.1	4.4	4.0	3.8	3.8	3.9	5.2	4.4	4.3	4.5	1.3	-0.4	22	93			
NL	4.2	4.3	4.6	4.6	4.6	4.6	4.7	4.8	4.9	5.1	5.3	5.2	4.7	4.9	5.3	5.3	1.1	0.6	15	12 006			
AT	3.4	3.4	3.8	3.5	3.6	3.7	3.8	4.0	4.1	4.3	4.2	3.9	3.9	3.8	3.8	3.8	0.4	0.1	25	4 580			
PL	3.3	3.7	3.6	4.1	5.1	5.4	5.5	6.1	6.5	6.7	6.9	6.7	6.6	6.4	6.6	6.7	3.4	1.4	5	7 601			
PT	8.6	8.2	7.6	7.8	6.9	5.0	5.8	6.6	6.8	6.9	6.5	6.2	6.0	5.7	6.1	5.8	-2.8	0.8	11	3 153			
RO	5.1	5.4	8.8	8.8	12.0	10.7	6.7	6.2	7.3	7.9	6.6	6.0	5.8	5.0	6.0	6.7	1.6	-3.9	6	2 236			
SI	8.0	8.7	9.4	10.4	8.5	6.5	7.3	7.1	6.7	6.7	6.4	6.1	6.2	6.3	8.0	8.1	0.1	1.5	2	1 086			
SK	5.2	4.8	4.9	4.6	5.0	5.8	5.2	5.7	6.5	7.1	6.8	6.3	6.1	5.9	5.8	5.8	0.6	0.0	10	1 077			
FI	4.7	4.5	5.0	4.7	4.8	4.2	4.4	4.4	4.5	4.5	4.2	4.1	3.8	4.0	4.2	4.2	-0.4	0.0	23	3 222			
SE	5.0	5.4	5.0	5.1	4.8	4.5	4.8	5.1	5.2	5.0	4.9	4.7	4.6	4.6	4.9	4.9	-0.2	0.3	18	7 719			
UK	6.6	6.7	6.6	6.7	6.7	6.5	6.1	6.2	6.0	5.8	5.4	5.0	5.0	4.8	5.6	5.4	-1.2	-1.0	13	32 816			
NO	4.7	4.4	4.4	4.1	4.0	3.6	3.6	3.4	3.4	2.9	2.8	2.7	2.7	2.6	2.9	2.8	-1.9	-0.8		3 790			
IS	4.1	4.0	3.7	3.3	3.1	3.0	2.7	2.6	2.4	2.4	2.5	3.0	2.9	2.7	3.4	3.7	-0.3	0.8		124			
<b>EU-27 averages</b>																						219 603	
weighted	5.4	5.3	5.2	5.2	5.3	5.1	5.1	5.2	5.2	5.1	4.9	4.7	4.5	4.4	4.7	4.7	-0.7	-0.5					
arithmetic	5.1	5.1	5.3	5.7	5.7	5.4	5.3	5.4	5.6	5.7	5.5	5.3	5.1	5.0	5.5	5.6	0.5	0.2					
<b>EA-17 averages</b>																						156 814	
weighted	5.3	5.1	5.0	4.9	5.0	4.8	4.8	4.9	5.0	4.9	4.7	4.5	4.2	4.2	4.4	4.4	-0.9	-0.4					
arithmetic	5.2	5.2	5.3	5.4	5.1	4.7	4.9	4.9	5.2	5.3	5.1	4.9	4.7	4.7	5.0	5.1	-0.1	0.4					
<b>EU-25 averages</b>																							
weighted	5.4	5.3	5.2	5.2	5.3	5.1	5.1	5.2	5.2	5.1	4.9	4.7	4.5	4.4	4.7	4.6	-0.7	-0.5					
arithmetic	5.1	5.2	5.2	5.6	5.4	5.1	5.2	5.3	5.5	5.5	5.4	5.1	4.9	4.9	5.3	5.4	0.3	0.3					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 71: Energy taxes as % of GDP - Transport fuel taxes

																Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	1.4	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.1	-0.3	-0.2	26	
BG	:	:	:	:	:	:	:	:	:	:	:	:	2.9	2.9	2.6	2.5	:	:	2	
CZ	:	:	:	:	:	:	:	:	:	2.2	2.1	2.1	2.0	2.2	2.0	:	:	5		
DK	:	:	:	:	:	:	1.3	1.3	1.3	1.3	1.2	1.1	1.1	1.1	1.1	1.1	:	:	27	
DE	:	:	:	:	:	:	:	1.8	1.7	1.6	1.5	1.4	1.4	1.5	1.4	:	:	17		
EE	:	:	:	:	1.1	1.5	1.4	1.4	1.7	1.8	1.7	1.7	1.7	2.2	2.1	:	1.0	4		
IE	:	:	:	:	:	:	:	1.1	1.2	1.2	1.2	1.1	1.2	1.3	1.3	:	:	19		
EL <sup>(3)</sup>	:	:	:	:	:	:	:	1.2	1.2	1.1	1.1	1.1	0.9	1.0	1.5	:	:	16		
ES	:	:	:	1.6	1.5	1.4	1.5	1.4	1.4	1.3	1.2	1.2	1.1	1.1	1.1	:	-0.4	24		
FR	:	:	:	:	:	:	:	1.4	1.4	1.3	1.3	1.2	1.1	1.2	1.1	:	:	25		
IT	:	:	:	:	:	:	:	1.8	1.7	1.6	1.6	1.5	1.5	1.5	1.5	:	:	15		
CY	:	:	:	:	:	:	:	1.7	1.6	1.5	1.5	1.4	1.4	1.4	1.6	:	:	12		
LV	:	:	:	:	:	:	:	:	:	2.2	2.0	1.7	1.7	2.0	2.0	:	:	6		
LT	:	:	:	:	:	:	:	1.7	1.7	1.6	1.6	1.5	1.9	1.8	:	:	8			
LU	:	:	:	:	:	:	:	2.6	2.9	2.8	2.5	2.3	2.3	2.3	2.1	:	:	3		
HU	:	:	:	:	:	:	:	1.8	1.8	1.9	1.8	1.8	1.8	1.7	:	:	11			
MT	:	:	:	:	:	:	:	1.2	1.3	1.3	1.7	1.4	1.3	1.3	:	:	22			
NL	:	:	:	:	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.2	1.3	1.3	:	0.0	20			
AT	:	:	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3	:	0.1	21		
PL	:	:	:	:	:	:	:	1.7	1.8	1.9	1.9	1.9	1.8	1.9	:	:	7			
PT	:	:	:	:	:	:	:	1.9	2.0	1.9	1.9	1.9	1.7	1.8	1.7	:	:	9		
RO	:	:	:	:	:	:	:	:	:	:	1.3	1.3	1.6	1.6	:	:	13			
SI	:	:	:	:	2.1	2.4	2.4	2.2	2.2	2.1	2.1	2.1	2.2	2.7	2.7	:	0.7	1		
SK	:	:	:	:	:	:	:	:	:	2.1	1.9	1.8	1.7	1.6	1.5	:	:	14		
FI	:	:	:	:	:	:	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.4	1.4	:	:	18		
SE	:	:	:	:	:	:	1.4	1.4	1.3	1.4	1.3	1.2	1.2	1.3	1.2	:	:	23		
UK	:	:	:	2.2	2.1	1.9	1.9	1.8	1.8	1.7	1.6	1.6	1.6	1.7	1.7	:	-0.4	10		
NO	:	:	:	:	:	:	:	0.9	0.9	0.8	0.8	0.7	0.8	0.8	:	:	:			
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		
<b>EU-27 averages</b>																			<b>0</b>	
weighted	:	:	:	:	:	:	:	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.4	:	:			
arithmetic	:	:	:	:	:	:	:	1.6	1.6	1.6	1.6	1.6	1.5	1.6	1.6	:	:			
<b>EA-17 averages</b>																			<b>0</b>	
weighted	:	:	:	:	:	:	:	1.6	1.5	1.5	1.4	1.3	1.3	1.3	1.3	:	:			
arithmetic	:	:	:	:	:	:	:	1.6	1.6	1.6	1.5	1.5	1.4	1.5	1.5	:	:			
<b>EU-25 averages</b>																				
weighted	:	:	:	:	:	:	:	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.4	:	:			
arithmetic	:	:	:	:	:	:	:	1.6	1.6	1.6	1.6	1.5	1.5	1.6	1.6	:	:			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 72: Energy taxes as % of Total Taxation - Transport fuel taxes

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	3.2	3.3	3.3	3.2	3.1	3.0	2.9	2.9	2.9	3.0	2.9	2.7	2.5	2.4	2.5	2.5	-0.7	-0.5	26	
BG	:	:	:	:	:	:	:	:	:	:	:	:	8.7	9.0	8.9	9.1	:	:	1	
CZ	:	:	:	:	:	:	:	:	:	:	6.2	6.1	5.8	5.7	6.4	5.9	:	:	6	
DK	:	:	:	:	:	:	2.7	2.7	2.7	2.6	2.3	2.3	2.3	2.3	2.4	2.3	:	:	27	
DE	:	:	:	:	:	:	:	:	4.5	4.4	4.1	4.0	3.7	3.7	3.8	3.7	:	:	18	
EE	:	:	:	:	:	3.7	4.9	4.5	4.6	5.6	6.0	5.6	5.5	5.3	6.2	6.2	:	2.5	5	
IE	:	:	:	:	:	:	:	:	3.9	4.1	4.0	3.6	3.6	3.9	4.7	4.6	:	:	14	
EL <sup>(3)</sup>	:	:	:	:	:	:	:	:	3.8	3.7	3.5	3.4	3.5	2.7	3.2	4.8	:	:	13	
ES	:	:	:	:	4.8	4.5	4.3	4.3	4.2	4.0	3.6	3.4	3.2	3.4	3.6	3.5	:	-0.9	19	
FR	:	:	:	:	:	:	:	:	3.3	3.3	2.9	2.8	2.8	2.6	2.7	2.6	:	:	25	
IT	:	:	:	:	:	:	:	:	4.3	4.1	4.0	3.8	3.6	3.5	3.5	3.5	:	:	20	
CY	:	:	:	:	:	:	:	:	5.2	4.6	4.2	3.7	3.6	4.1	4.6	:	:	15		
LV	:	:	:	:	:	:	:	:	:	7.7	6.5	5.6	5.7	7.7	7.3	:	:	2		
LT	:	:	:	:	:	:	:	:	6.2	5.9	5.4	5.3	5.0	6.4	6.5	:	:	4		
LU	:	:	:	:	:	:	:	:	6.8	7.7	7.4	6.9	6.5	6.5	6.0	5.8	:	:	9	
HU	:	:	:	:	:	:	:	:	4.8	4.9	5.0	4.5	4.4	4.6	4.5	:	:	16		
MT	:	:	:	:	:	:	:	:	3.8	3.7	3.7	4.9	4.3	3.7	3.8	:	:	17		
NL	:	:	:	:	3.2	3.1	3.3	3.4	3.6	3.4	3.3	3.2	3.2	3.5	3.3	:	0.1	21		
AT	:	:	2.8	2.9	2.8	2.8	3.0	3.2	3.3	3.2	3.1	3.0	3.0	3.1	3.1	:	0.2	23		
PL	:	:	:	:	:	:	:	:	5.3	5.5	5.5	5.6	5.4	5.7	5.9	:	:	7		
PT	:	:	:	:	:	:	:	5.9	6.4	6.1	5.9	5.7	5.3	5.7	5.5	:	:	10		
RO	:	:	:	:	:	:	:	:	:	:	:	4.6	4.8	5.8	5.9	:	:	8		
SI	:	:	:	:	5.6	6.3	6.2	5.8	5.8	5.6	5.5	5.7	5.8	7.3	7.2	:	1.6	3		
SK	:	:	:	:	:	:	:	:	6.6	6.6	6.0	5.9	5.6	5.3	:	:	:	11		
FI	:	:	:	:	:	:	3.3	3.5	3.4	3.3	3.2	3.0	3.1	3.3	3.3	:	:	22		
SE	:	:	:	:	:	:	3.0	2.9	2.8	2.8	2.6	2.6	2.7	2.8	2.7	:	:	24		
UK	:	:	:	6.0	5.8	5.3	5.4	5.2	5.1	4.6	4.4	4.4	4.2	4.9	4.8	:	-0.9	12		
NO	:	:	:	:	:	:	:	:	2.2	2.0	1.8	1.8	1.7	1.9	1.8	:	:			
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:		
<b>EU-27 averages</b>																			<b>0</b>	
weighted	:	:	:	:	:	:	:	:	:	3.8	3.7	3.6	3.5	3.7	3.7	:	:			
arithmetic	:	:	:	:	:	:	:	:	:	4.6	4.4	4.4	4.3	4.7	4.7	:	:			
<b>EA-17 averages</b>																			<b>0</b>	
weighted	:	:	:	:	:	:	:	:	:	3.7	3.5	3.4	3.3	3.4	3.4	:	:			
arithmetic	:	:	:	:	:	:	:	:	:	4.4	4.2	4.1	4.0	4.3	4.3	:	:			
<b>EU-25 averages</b>																				
weighted	:	:	:	:	:	:	:	:	:	3.8	3.7	3.6	3.5	3.7	3.6	:	:			
arithmetic	:	:	:	:	:	:	:	:	:	4.6	4.4	4.3	4.1	4.5	4.5	:	:			

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 73: Environmental taxes as % of GDP - Transport (excl. fuel)

	Difference <sup>(1)</sup>																Ranking		Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010	
BE	0.6	0.7	0.7	0.7	0.7	0.6	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.6	0.6	0.6	0.0	-0.1	11	2 081	
BG	0.2	0.1	0.0	0.1	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.1	0.1	19	96	
CZ	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	-0.2	-0.1	25	204	
DK	2.1	2.1	2.1	2.3	2.2	1.8	1.7	1.9	1.8	2.0	2.2	2.3	2.2	1.8	1.5	1.5	-0.5	-0.3	1	3 601	
DE	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.0	0.0	16	8 880	
EE	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.1	0.1	0.1	0.1	0.0	0.0	0.0	-0.2	-0.2	26	7	
IE	1.3	1.3	1.3	1.3	1.4	1.4	1.1	1.0	1.1	1.1	1.2	1.2	1.2	1.2	0.9	0.9	-0.4	-0.5	6	1 412	
EL <sup>(3)</sup>	0.6	0.6	0.8	0.8	0.9	0.8	1.0	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.0	-0.1	9	1 484	
ES	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3	0.3	-0.1	-0.2	18	2 993	
FR	0.4	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	-0.2	0.0	20	4 760	
IT	0.5	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.1	0.0	12	8 756	
CY	2.3	2.3	2.0	2.0	1.9	2.0	2.0	2.0	1.8	1.9	1.6	1.5	1.6	1.6	1.3	1.1	-1.3	-0.9	4	184	
LV	0.0	0.0	0.0	0.1	0.2	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.3	0.3	0.0	17	61	
LT	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.8	0.5	0.1	0.1	0.0	0.0	0.0	-0.7	-0.6	27	13	
LU	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.0	0.0	24	66	
HU	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.8	0.5	0.6	0.7	0.6	0.5	0.5	0.3	0.1	14	462	
MT	2.3	2.2	2.3	2.3	2.5	2.3	2.1	2.0	2.1	1.8	1.8	1.8	1.7	1.7	1.6	1.4	-1.0	-0.9	2	84	
NL	1.3	1.5	1.3	1.4	1.5	1.4	1.3	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.2	1.2	-0.1	-0.1	3	7 311	
AT	0.7	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	0.8	0.8	0.8	0.8	0.7	0.8	0.7	0.0	-0.1	7	2 142	
PL	0.2	0.2	0.3	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.3	0.2	0.2	0.0	0.0	21	754	
PT	0.9	0.9	0.9	1.0	1.1	1.1	1.1	1.0	0.9	0.9	0.9	0.9	0.9	0.7	0.6	0.7	-0.2	-0.4	8	1 153	
RO	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.4	0.3	0.2	0.2	0.1	22	252	
SI	1.0	1.0	1.0	1.1	0.9	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	-0.6	0.0	15	146	
SK	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-0.1	-0.1	23	128	
FI	0.8	1.0	1.0	1.1	1.2	1.1	1.0	1.0	1.2	1.2	1.2	1.1	1.0	0.9	0.8	0.9	0.1	-0.2	5	1 650	
SE	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.2	0.2	13	1 720	
UK	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.0	0.0	10	10 191	
NO	1.4	1.5	1.4	1.5	1.4	1.2	1.3	1.4	1.4	1.5	1.4	1.4	1.4	1.1	1.2	1.2	-0.2	0.0		3 882	
IS	1.2	1.4	1.5	1.8	1.9	1.7	1.3	1.2	1.4	1.5	1.5	1.0	1.0	0.6	0.2	0.2	-1.0	-1.5		20	
<b>EU-27 averages</b>																				<b>60 589</b>	
weighted	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0			
arithmetic	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.5	-0.1	-0.2			
<b>EA-17 averages</b>																				<b>43 237</b>	
weighted	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0			
arithmetic	0.8	0.9	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.6	0.6	-0.2	-0.2			
<b>EU-25 averages</b>																					
weighted	0.5	0.5	0.5	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0			
arithmetic	0.7	0.8	0.8	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	-0.2	-0.2			

(1) In percentage points  
(2) In millions of euro  
(3) Data for Greece is provisional for years 2003-2010  
See explanatory notes in Annex B  
Source: Eurostat (online data code gov\_a\_tax\_ag)  
Date of extraction: 13/01/2012

Table 74: Environmental taxes as % of Total Taxation - Transport (excl. fuel)

																Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010
BE	1.3	1.5	1.5	1.4	1.6	1.4	1.5	1.5	1.5	1.4	1.5	1.4	1.4	1.3	1.4	1.3	0.1	-0.1	11	2 081
BG	0.5	0.4	0.1	0.3	0.5	0.5	0.5	0.6	0.7	0.6	0.8	0.9	0.9	1.0	1.0	1.0	0.4	0.5	17	96
CZ	0.9	0.9	0.6	0.6	0.7	0.7	0.7	0.6	0.6	0.5	0.5	0.5	0.4	0.4	0.4	0.4	-0.5	-0.3	25	204
DK	4.3	4.3	4.4	4.6	4.3	3.7	3.5	3.9	3.7	4.1	4.3	4.6	4.5	3.8	3.1	3.2	-1.0	-0.5	3	3 601
DE	1.0	0.9	1.0	1.0	0.9	0.8	1.0	0.9	0.9	0.9	1.0	1.0	0.9	0.9	0.9	0.9	0.0	0.1	18	8 880
EE	0.8	0.9	0.7	0.6	0.6	0.7	0.7	0.6	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	-0.6	-0.5	27	7
IE	3.9	4.1	4.0	4.1	4.3	4.5	3.9	3.7	3.7	3.8	3.9	3.8	4.0	4.1	3.2	3.2	-0.7	-1.3	2	1 412
EL <sup>(3)</sup>	2.2	2.0	2.6	2.6	2.8	2.2	3.0	2.7	2.6	2.8	2.7	2.6	2.6	2.5	2.5	2.1	-0.1	-0.1	8	1 484
ES	1.2	1.2	1.1	1.3	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.1	1.1	1.0	1.0	0.9	-0.3	-0.4	19	2 993
FR	1.0	1.0	0.9	0.9	0.8	0.6	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	-0.4	0.0	23	4 760
IT	1.1	1.0	1.0	1.1	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.3	1.3	0.2	0.0	12	8 756
CY	8.7	8.6	7.8	7.3	6.9	6.7	6.6	6.4	5.7	5.8	4.6	4.1	4.0	4.1	3.6	3.0	-5.7	-3.7	5	184
LV	0.0	0.0	0.1	0.3	0.5	1.1	1.1	1.2	1.3	1.2	1.1	1.0	0.9	0.8	0.8	1.2	1.2	0.1	14	61
LT	2.7	2.6	2.7	2.4	2.2	2.2	2.3	2.6	2.6	2.8	1.7	0.3	0.4	0.1	0.1	0.2	-2.5	-2.1	26	13
LU	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.5	0.4	0.1	0.1	24	66
HU	0.4	0.8	0.8	0.8	1.0	1.0	1.0	1.1	1.3	2.1	1.4	1.6	1.6	1.4	1.2	1.3	0.9	0.3	13	462
MT	8.7	8.8	8.2	9.1	9.0	8.1	7.1	6.4	6.7	5.4	5.3	5.4	4.8	4.9	4.7	4.1	-4.6	-4.0	1	84
NL	3.3	3.7	3.2	3.5	3.6	3.5	3.4	3.2	3.3	3.4	3.5	3.5	3.5	3.3	3.2	3.2	-0.1	-0.3	4	7 311
AT	1.7	1.6	1.6	1.6	1.6	1.9	1.9	2.0	2.1	1.9	2.0	2.0	1.8	1.8	1.8	1.8	0.1	-0.1	9	2 142
PL	0.5	0.6	0.7	0.3	0.4	0.6	0.5	0.7	0.7	1.1	0.9	0.7	0.7	0.7	0.7	0.7	0.2	0.1	22	754
PT	2.9	3.1	3.1	3.4	3.6	3.4	3.4	3.1	2.7	3.0	2.9	2.7	2.6	2.1	2.0	2.1	-0.8	-1.3	7	1 153
RO	0.0	0.0	0.3	0.2	0.4	0.2	0.2	0.3	0.2	0.2	0.2	0.5	1.2	1.3	1.0	0.8	0.8	0.6	20	252
SI	2.6	2.7	2.6	2.9	2.3	1.2	1.2	1.1	1.2	1.3	1.3	1.2	1.3	1.3	1.1	1.1	-1.5	-0.1	15	146
SK	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.1	0.0	21	128
FI	1.7	2.0	2.1	2.3	2.5	2.3	2.2	2.3	2.6	2.9	2.6	2.6	2.4	2.1	1.8	2.2	0.5	-0.2	6	1 650
SE	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.9	1.1	1.1	1.1	0.4	0.4	16	1 720
UK	1.7	1.7	1.7	1.7	1.7	1.6	1.3	1.4	1.4	1.4	1.3	1.2	1.5	1.4	1.6	1.7	0.0	0.1	10	10 191
NO	3.3	3.6	3.4	3.6	3.2	2.9	2.9	3.3	3.3	3.5	3.3	3.3	3.2	2.7	2.8	2.9	-0.4	0.0		3 882
IS	3.7	4.2	4.4	5.3	5.2	4.7	3.7	3.4	3.9	4.0	3.8	2.4	2.4	1.5	0.6	0.6	-3.1	-4.1		20
<b>EU-27 averages</b>																				<b>60 589</b>
weighted	1.4	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.3	1.4	1.3	1.4	1.3	1.3	1.3	-0.1	0.0		
arithmetic	2.0	2.1	2.0	2.1	2.1	2.0	1.9	1.9	1.9	1.9	1.8	1.7	1.7	1.7	1.5	1.5	-0.5	-0.5		
<b>EA-17 averages</b>																				<b>43 237</b>
weighted	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.2	1.2	-0.1	0.0		
arithmetic	2.5	2.6	2.5	2.6	2.6	2.4	2.3	2.2	2.2	2.2	2.1	2.0	2.0	1.9	1.8	1.7	-0.8	-0.7		
<b>EU-25 averages</b>																				
weighted	1.4	1.4	1.3	1.4	1.4	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.4	1.3	1.3	1.3	-0.1	0.0		
arithmetic	2.2	2.2	2.2	2.2	2.2	2.1	2.0	2.0	2.0	2.0	1.9	1.8	1.8	1.7	1.6	1.6	-0.6	-0.5		

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012

Table 75: Environmental taxes as % of GDP - Pollution/Resources

																	Difference <sup>(1)</sup>		Ranking	Revenue <sup>(2)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010		
BE	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.0	0.0	7	532		
BG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	11	29		
CZ	0.2	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	0.0	15	52		
DK	0.2	0.3	0.3	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.0	-0.1	4	504		
DE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24	20		
EE	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.4	0.3	0.2	0.1	2	45		
IE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23	3		
EL <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0		
ES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20	205		
FR	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	10	1 538		
IT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17	490		
CY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0		
LV	0.2	0.2	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	12	13		
LT	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	18	7		
LU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22	5		
HU	0.1	0.2	0.2	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.2	0.1	0.0	-0.1	8	101		
MT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	5	12		
NL	0.6	0.6	0.7	0.6	0.6	0.7	0.7	0.6	0.6	0.6	0.6	0.7	0.6	0.7	0.7	0.7	0.1	0.1	1	4 219		
AT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19	61		
PL	0.4	0.3	0.3	0.3	0.2	0.2	0.1	0.2	0.1	0.1	0.1	0.3	0.2	0.2	0.2	0.2	-0.2	0.1	3	803		
PT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	1		
RO	0.4	0.4	0.4	0.5	0.0	0.1	0.4	0.3	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0	-0.3	-0.1	21	16		
SI	0.1	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	6	59		
SK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	14	26		
FI	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	13	103		
SE	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	-0.1	16	120		
UK	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	9	1 602		
NO	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.0		535		
IS	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.2	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.3	0.0	-0.1		25		
<b>EU-27 averages</b>																						<b>10 563</b>
weighted	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0				
arithmetic	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0				
<b>EA-17 averages</b>																						<b>7 317</b>
weighted	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0				
arithmetic	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0				
<b>EU-25 averages</b>																						
weighted	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0				
arithmetic	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0				

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012



Table 76: Environmental taxes as % of Total Taxation - Pollution/Resources

																	Difference <sup>(1)</sup>		Ranking Revenue <sup>(2)</sup>				
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	2010	2010			
BE	0.4	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.4	0.3	0.3	0.3	0.3	0.0	-0.1	7	532			
BG	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	0.6	0.5	0.4	0.2	0.4	0.3	0.3	0.3	0.3	8	29			
CZ	0.6	0.4	0.4	0.3	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	-0.5	-0.1	15	52			
DK	0.4	0.6	0.7	0.8	0.8	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.6	0.4	0.0	-0.3	5	504			
DE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24	20			
EE	0.4	0.4	0.4	0.4	0.5	0.8	1.0	0.9	1.0	0.8	0.9	1.1	1.1	1.1	1.1	0.9	0.6	0.1	2	45			
IE	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	23	3			
EL <sup>(3)</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0			
ES	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.0	19	205			
FR	0.3	0.3	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	-0.1	-0.1	12	1 538			
IT	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	18	490			
CY	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	26	0			
LV	0.6	0.5	1.1	0.8	0.8	0.7	0.7	0.7	0.6	0.4	0.4	0.3	0.2	0.2	0.2	0.3	-0.3	-0.5	10	13			
LT	0.1	0.2	0.2	0.1	0.2	0.0	0.0	0.0	0.1	0.3	0.3	0.2	0.2	0.2	0.2	0.1	0.0	0.1	16	7			
LU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22	5			
HU	0.3	0.5	0.5	0.6	0.4	0.4	0.4	0.4	0.5	0.5	0.3	0.4	0.4	0.4	0.4	0.3	0.0	-0.1	9	101			
MT	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.1	0.7	0.7	0.7	0.9	0.9	0.7	0.6	0.6	0.6	4	12			
NL	1.6	1.6	1.6	1.6	1.6	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.9	1.8	0.3	0.2	1	4 219			
AT	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	20	61			
PL	1.1	0.8	0.7	0.7	0.5	0.5	0.4	0.5	0.4	0.4	0.3	0.8	0.4	0.5	0.7	0.7	-0.4	0.2	3	803			
PT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25	1			
RO	1.3	1.4	1.6	1.6	0.1	0.5	1.3	1.2	1.0	0.6	0.4	0.3	0.1	0.0	0.0	0.0	-1.2	-0.4	21	16			
SI	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.4	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	0.3	6	59			
SK	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.1	0.1	0.1	13	26			
FI	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.0	14	103			
SE	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	17	120			
UK	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.1	11	1 602			
NO	0.2	0.2	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.4	0.4	0.2	-0.1		535			
IS	0.7	0.7	0.7	1.1	1.1	1.1	1.2	0.5	0.7	0.7	0.6	0.6	0.5	0.5	0.6	0.8	0.1	-0.3		25			
<b>EU-27 averages</b>																						10 563	
weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0					
arithmetic	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0	0.0					
<b>EA-17 averages</b>																						7 317	
weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0					
arithmetic	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.1	0.1					
<b>EU-25 averages</b>																							
weighted	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0					
arithmetic	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0	0.0					

(1) In percentage points

(2) In millions of euro

(3) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

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

Date of extraction: 13/01/2012





Table 79: Implicit tax rates in % - Capital

																		Difference <sup>(1)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	
BE	25.5	26.9	28.2	30.3	31.2	29.5	29.4	30.5	31.4	32.5	32.5	32.8	31.1	31.9	29.5	29.5	4.0	0.1	
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
CZ	22.4	19.0	21.4	18.2	19.3	18.7	19.6	21.3	22.1	21.8	20.4	20.0	20.2	18.5	18.0	16.7	-5.7	-2.0	
DK	29.9	30.9	31.7	38.7	38.6	36.0	31.0	30.8	36.9	45.9	49.9	44.5	46.2	42.8	39.0	:	:	:	
DE	21.3	23.6	22.5	23.6	27.0	27.0	20.7	19.3	19.5	19.7	20.4	21.8	22.4	21.6	21.4	20.7	-0.6	-6.3	
EE	:	:	:	:	:	5.8	4.8	6.3	7.7	8.0	7.7	7.9	8.4	10.0	14.0	9.1	:	3.3	
IE	:	:	:	:	:	:	:	14.7	16.8	17.9	19.5	21.8	19.4	17.2	15.6	14.0	:	:	
EL <sup>(2)</sup>	:	:	:	:	:	:	:	:	:	:	17.9	17.3	18.4	18.8	18.3	16.5	:	:	
ES	:	:	:	:	:	30.8	29.3	31.1	31.3	33.9	37.5	41.8	44.5	33.2	28.4	:	:	:	
FR	32.2	35.1	35.8	35.7	38.2	37.8	38.0	37.0	36.1	37.3	38.3	40.3	38.9	37.9	35.4	37.2	5.1	-0.5	
IT	27.3	27.8	31.4	28.9	30.1	29.5	28.8	28.8	31.4	29.7	29.3	33.8	36.0	35.7	38.4	34.9	7.6	5.4	
CY	18.0	18.7	18.7	22.1	23.7	24.7	23.3	24.0	24.1	24.3	27.2	29.9	41.0	32.5	29.8	31.1	13.1	6.4	
LV	20.5	15.7	17.6	22.2	19.1	11.5	12.0	9.9	8.3	8.4	9.8	11.1	14.6	17.3	9.8	7.4	-13.1	-4.1	
LT	12.7	10.5	10.3	10.1	9.5	7.1	5.8	5.6	7.0	8.4	9.0	11.4	11.1	12.5	11.0	6.8	-5.8	-0.3	
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
HU	14.9	15.5	13.9	14.7	16.0	18.5	18.2	17.1	18.0	17.2	17.1	16.8	20.0	19.5	20.7	17.5	2.6	-1.0	
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
NL	21.0	23.1	22.1	22.1	22.0	20.0	21.0	22.9	19.8	19.3	17.1	16.2	14.8	15.6	14.4	12.5	-8.5	-7.5	
AT	26.6	29.3	29.2	29.5	27.9	27.2	35.1	28.8	27.5	26.7	24.2	23.8	25.1	26.4	25.6	24.1	-2.5	-3.1	
PL	20.9	21.3	21.7	20.3	21.8	20.5	20.7	22.5	20.7	19.1	20.7	21.2	23.4	22.6	20.2	20.5	-0.4	0.0	
PT	21.5	24.0	26.4	26.8	29.0	31.6	30.5	32.6	32.6	28.3	30.0	31.5	33.6	37.6	32.8	30.7	9.2	-0.9	
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
SI	13.3	16.1	15.0	16.0	16.3	17.2	18.0	18.0	17.6	19.3	23.1	23.0	24.8	22.9	21.3	22.5	9.2	5.2	
SK	35.0	33.0	28.1	27.8	26.3	22.9	21.6	22.4	22.3	20.0	20.3	19.1	18.4	17.7	18.1	15.9	-19.2	-7.0	
FI	31.1	33.6	33.8	35.1	34.6	38.1	27.3	29.6	28.1	28.2	28.8	26.4	27.9	28.9	29.0	28.4	-2.7	-9.7	
SE	19.9	26.8	29.5	29.9	35.5	42.7	33.5	29.1	28.9	27.6	33.5	28.8	33.5	25.9	32.3	34.9	15.1	-7.8	
UK	34.3	33.9	35.9	37.9	40.8	43.3	43.9	40.1	35.9	37.1	39.3	42.1	41.2	44.3	36.9	:	:	:	
NO	38.6	39.3	37.4	34.8	39.3	42.2	42.7	42.8	39.3	41.5	41.9	43.3	42.3	44.0	44.9	44.9	6.4	2.8	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EU-27 average</b>																			
weighted	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
arithmetic	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EA-17 average</b>																			
weighted	25.6	27.7	28.2	28.3	30.4	30.1	28.0	27.4	27.6	27.9	28.3	30.4	30.9	29.2	28.3	27.4	1.9	-2.7	
weighted (adj.)	25.7	27.7	28.1	28.1	29.9	29.6	27.5	27.2	27.4	27.6	28.3	30.4	30.9	29.2	28.3	27.5	1.8	-2.1	
arithmetic	24.8	26.5	26.5	27.1	27.8	26.3	25.2	24.7	24.7	24.6	24.9	25.8	27.0	25.9	24.8	23.4	-1.4	-2.9	
arithmetic (adj.)	22.8	24.0	24.0	24.5	25.0	25.0	24.0	24.3	24.3	24.2	24.9	25.8	27.0	25.9	24.8	23.7	0.9	-1.3	
<b>EU-25 average</b>																			
weighted	26.5	28.4	29.4	29.9	32.2	32.6	30.7	29.5	28.9	29.4	30.3	32.1	32.5	31.1	29.3	27.0	0.5	-5.5	
weighted (adj.)	26.6	28.3	29.1	29.6	31.7	32.1	30.3	29.3	28.7	29.2	30.3	32.1	32.5	31.1	29.3	28.8	2.2	-3.4	
arithmetic	23.6	24.5	24.9	25.8	26.7	25.7	24.4	23.7	23.8	24.1	24.9	25.4	26.7	25.7	24.4	21.5	-2.0	-4.2	
arithmetic (adj.)	22.5	23.2	23.6	24.3	25.0	24.9	23.7	23.5	23.6	23.9	24.9	25.4	26.7	25.7	24.4	23.3	0.8	-1.6	
<b>Convergence indicators</b>																			
St.dev/mean	28.6	29.6	30.4	31.2	32.3	41.5	40.5	39.0	38.1	40.7	42.2	41.0	41.0	37.8	36.7	44.0	15.3	2.4	
St.dev/mean (adj.)	33.8	34.8	35.5	36.4	37.6	42.4	41.0	38.8	38.0	40.6	42.2	41.0	41.0	37.8	36.7	43.2	9.4	0.8	
Max-min	22.4	24.6	25.6	28.6	31.3	37.6	39.1	34.6	29.8	37.9	42.2	36.6	37.8	34.3	29.3	30.4	8.0	-7.2	

(1) in percentage points

(2) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

Source: Commission services

**Table 80: Implicit tax rates in % - Capital and business income**

																	Difference <sup>(1)</sup>	
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010
BE	17.1	17.6	18.1	19.8	20.0	19.0	19.1	19.4	19.4	19.9	20.5	20.6	19.7	20.0	17.4	17.5	0.4	-1.6
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
CZ	19.3	15.8	18.2	15.3	16.5	15.6	16.9	18.6	19.5	19.7	18.2	17.9	18.1	16.6	16.1	14.6	-4.7	-1.0
DK	21.2	22.1	22.7	27.6	27.4	23.9	17.7	17.3	21.4	30.3	36.1	30.8	30.2	25.5	19.6	:	:	:
DE	16.8	19.0	18.4	19.4	22.2	22.4	16.3	15.2	15.4	15.6	16.6	18.2	18.9	18.2	17.6	17.1	0.3	-5.4
EE	:	:	:	:	:	3.7	2.9	4.5	6.0	6.0	5.8	6.1	6.6	7.6	10.7	6.4	:	2.7
IE	:	:	:	:	:	:	:	11.2	12.4	12.9	13.6	15.1	13.5	12.1	10.7	9.3	:	:
EL <sup>(2)</sup>	:	:	:	:	:	:	:	:	:	:	14.6	13.1	13.9	14.0	14.1	13.5	:	:
ES	:	:	:	:	:	21.2	19.9	21.2	20.7	22.2	24.5	27.5	30.8	22.6	19.4	:	:	:
FR	15.7	17.4	17.8	17.9	19.9	20.5	21.2	19.7	18.6	19.1	19.5	21.8	20.9	20.6	15.8	19.0	3.3	-1.5
IT	18.0	19.4	21.9	20.2	22.1	22.4	22.2	20.9	24.0	21.7	21.5	25.5	27.7	28.0	28.7	26.4	8.4	4.0
CY	14.0	14.9	14.9	18.0	20.0	18.6	18.8	19.8	18.7	16.6	19.1	23.0	31.1	25.7	24.4	24.9	10.9	6.3
LV	10.2	9.2	9.9	12.4	10.3	6.9	7.3	7.2	5.4	6.0	7.4	8.9	10.8	14.0	6.6	4.1	-6.2	-2.9
LT	9.5	7.3	7.1	6.9	5.9	4.5	3.7	3.5	5.2	6.5	7.3	9.7	9.5	10.8	8.8	4.9	-4.6	0.5
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	12.2	12.2	11.1	11.5	12.6	14.5	14.3	13.5	13.6	12.2	12.2	12.4	14.9	13.9	14.3	8.2	-3.9	-6.3
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	15.4	17.1	16.6	16.2	15.9	14.1	15.2	15.8	13.2	12.8	11.4	11.3	10.3	11.0	9.5	8.5	-6.9	-5.7
AT	21.5	24.5	24.6	24.9	23.4	22.8	30.4	24.4	23.1	22.7	20.5	20.2	21.6	22.9	21.8	20.4	-1.0	-2.4
PL	14.9	15.1	15.4	14.8	16.6	15.9	15.7	16.9	15.6	14.5	15.9	16.1	18.6	17.6	15.6	15.9	1.0	0.0
PT	14.7	17.2	19.2	19.2	20.6	22.9	21.4	21.7	20.2	19.2	19.7	20.4	22.5	25.8	21.5	20.1	5.3	-2.8
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	9.6	12.6	11.5	11.4	12.0	12.7	13.1	13.8	13.8	15.1	18.8	18.9	20.8	18.9	16.6	17.5	7.9	4.8
SK	32.2	28.8	25.2	25.0	23.6	20.2	19.3	19.9	19.9	17.8	18.1	17.3	16.8	16.1	16.3	14.1	-18.1	-6.1
FI	25.7	27.6	28.3	29.7	29.4	33.2	23.2	24.9	23.2	23.0	23.3	21.8	23.4	23.8	22.5	22.3	-3.4	-10.9
SE	13.9	17.6	19.6	19.8	25.0	32.0	23.4	19.1	19.4	19.7	25.6	22.3	27.2	20.1	24.8	27.6	13.7	-4.5
UK	20.2	20.4	22.4	23.7	24.6	25.4	26.0	22.6	20.1	20.9	22.9	25.2	23.9	23.6	20.5	:	:	:
NO	23.2	22.6	22.6	22.9	25.3	23.7	23.5	23.7	20.9	22.0	21.4	22.3	22.8	22.3	25.3	25.8	2.6	2.1
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 average</b>																		
weighted	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
arithmetic	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EA-17 average</b>																		
weighted	17.0	18.8	19.3	19.4	21.2	21.4	19.6	18.6	18.7	18.6	19.0	20.9	21.7	20.7	18.9	18.8	1.8	-2.6
weighted (adj.)	17.2	18.9	19.2	19.3	20.9	21.1	19.3	18.5	18.6	18.5	19.0	20.9	21.7	20.7	18.9	18.8	1.6	-2.3
arithmetic	18.2	19.6	19.7	20.2	20.8	19.5	18.7	18.0	17.8	17.5	17.8	18.7	19.9	19.2	17.8	16.9	-1.3	-2.6
arithmetic (adj.)	16.8	17.8	17.8	18.2	18.6	18.6	17.9	17.8	17.5	17.3	17.8	18.7	19.9	19.2	17.8	17.1	0.3	-1.6
<b>EU-25 average</b>																		
weighted	17.4	18.9	19.7	20.2	21.9	22.3	20.6	19.2	18.8	19.1	20.0	21.6	22.2	20.9	19.1	18.7	1.4	-3.5
weighted (adj.)	17.5	19.0	19.6	20.0	21.6	22.0	20.4	19.1	18.8	19.0	20.0	21.6	22.2	20.9	19.1	19.0	1.5	-3.0
arithmetic	17.0	17.7	18.0	18.6	19.4	18.7	17.5	16.9	16.8	17.0	18.0	18.4	19.6	18.7	17.1	15.6	-1.3	-3.1
arithmetic (adj.)	16.2	16.8	17.1	17.6	18.2	18.2	17.1	16.8	16.7	16.9	18.0	18.4	19.6	18.7	17.1	16.2	0.0	-2.0
<b>Convergence indicators</b>																		
St.dev/mean	33.3	31.4	30.8	31.6	31.4	41.3	38.7	35.1	33.5	35.4	37.5	33.8	35.7	30.0	32.6	45.1	11.7	3.8
St.dev/mean (adj.)	37.0	35.8	35.4	36.4	36.6	41.6	38.7	34.6	33.0	35.0	37.5	33.8	35.7	30.0	32.6	41.5	4.4	-0.1
Max-min	22.7	21.5	21.2	22.8	23.5	29.5	27.5	21.3	18.8	24.4	30.3	24.7	24.5	20.4	22.1	23.5	0.8	-6.0

(1) in percentage points

(2) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

Source: Commission services

Table 81: Implicit tax rates in % - Corporate income

																	Difference <sup>(1)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	
BE	20.3	23.4	24.5	28.2	27.9	24.4	24.1	23.1	22.3	21.9	21.8	22.4	20.9	21.2	16.4	16.0	-4.3	-8.3	
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
CZ	39.1	27.8	40.2	25.8	27.8	24.5	25.9	28.5	29.0	27.5	24.7	24.3	23.7	22.0	20.2	19.6	-19.5	-4.9	
DK	19.3	21.1	21.1	27.4	19.7	23.0	21.1	20.0	22.3	24.9	26.7	28.7	28.0	23.5	18.9	:	:	:	
DE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
EE	:	:	:	:	:	4.1	3.0	4.7	6.5	6.9	5.7	5.8	6.7	7.6	13.0	7.1	:	3.1	
IE	:	:	:	:	:	:	:	9.4	9.6	9.7	9.7	10.2	8.8	8.5	7.6	6.8	:	:	
EL <sup>(2)</sup>	:	:	:	:	:	:	:	:	:	:	21.5	16.7	18.5	17.0	18.3	17.8	:	:	
ES	:	:	:	:	:	30.7	28.5	31.4	31.2	35.2	43.5	51.9	63.3	35.1	24.7	:	:	:	
FR	22.1	26.5	26.5	24.7	28.4	29.0	32.1	28.7	24.0	25.4	24.3	30.0	27.7	25.9	14.7	21.6	-0.5	-7.4	
IT	19.6	21.9	26.2	19.0	22.5	19.2	23.6	21.0	24.7	21.4	20.8	27.1	30.6	32.2	33.4	27.4	7.8	8.2	
CY	23.7	26.7	27.9	31.2	35.5	29.9	30.7	31.9	28.3	23.0	26.2	29.4	35.8	32.5	35.9	37.1	13.4	7.2	
LV	61.6	47.9	14.9	17.1	12.6	7.3	8.0	8.8	6.8	8.1	9.9	11.3	13.1	18.5	8.1	4.5	-57.1	-2.9	
LT	20.1	12.7	10.5	10.3	7.4	4.0	2.5	2.6	5.7	7.3	8.0	10.8	9.8	11.1	8.1	3.7	-16.4	-0.2	
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
HU	:	:	27.2	26.0	29.6	34.0	28.1	20.7	19.6	17.6	17.1	14.9	18.7	19.0	21.1	8.6	:	-25.4	
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
NL	19.8	23.5	22.3	22.7	21.8	18.4	17.2	18.0	14.4	14.4	12.4	12.0	10.2	10.9	7.7	6.5	-13.3	-11.9	
AT	24.8	27.7	28.0	28.7	26.9	26.8	36.8	28.1	26.7	26.1	23.7	22.9	24.2	25.4	24.6	22.4	-2.4	-4.4	
PL	46.8	51.6	46.2	42.7	42.5	37.1	37.2	37.0	21.9	18.7	21.0	19.1	20.3	20.3	14.9	12.8	-34.0	-24.3	
PT	17.0	18.9	21.1	19.5	21.9	25.5	23.0	23.1	20.6	20.5	21.9	23.3	27.4	36.0	:	:	:	:	
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
SI	16.6	28.0	20.5	18.9	16.5	20.7	22.9	25.3	21.3	23.1	33.7	30.3	30.6	28.6	23.5	25.1	8.5	4.4	
SK	51.2	52.8	49.8	52.7	49.7	40.2	32.5	34.4	34.8	22.6	23.3	20.3	19.8	21.7	22.5	19.2	-32.0	-21.0	
FI	18.4	21.9	23.9	26.8	26.2	31.3	19.1	22.3	20.1	19.7	18.8	16.5	18.3	19.4	16.9	18.0	-0.4	-13.3	
SE	16.8	19.1	20.3	19.8	24.0	32.7	23.7	18.8	18.1	18.1	23.3	18.4	23.2	17.2	25.4	27.2	10.3	-5.5	
UK	23.3	24.6	29.1	29.3	30.2	31.0	31.8	23.9	19.4	19.6	23.5	26.0	22.6	22.9	17.7	:	:	:	
NO	23.7	21.8	21.4	21.7	23.7	21.6	21.2	21.6	19.3	20.6	19.4	20.8	20.1	19.5	22.5	23.6	-0.1	2.0	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 average</b>																			
weighted	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
arithmetic	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EA-17 average</b>																			
weighted	21.0	24.4	25.8	23.2	25.5	25.2	26.9	24.9	23.8	23.9	24.5	28.9	30.9	26.5	20.9	20.6	-0.4	-4.6	
weighted (adj.)	22.1	24.9	25.9	23.8	25.7	24.7	26.4	24.8	23.8	23.9	24.5	28.9	30.9	26.5	21.3	21.6	-0.4	-3.1	
arithmetic	23.3	27.1	27.1	27.2	27.7	25.0	24.5	23.2	21.9	20.7	22.0	22.8	24.5	23.0	19.9	18.7	-4.6	-6.3	
arithmetic (adj.)	21.4	24.1	24.0	24.2	24.5	23.6	23.2	23.1	21.9	20.8	22.0	22.8	24.5	23.0	21.1	20.4	-1.0	-3.2	
<b>EU-25 average</b>																			
weighted	22.1	24.9	26.8	25.2	26.9	27.1	28.0	24.6	22.6	22.6	24.1	27.3	28.1	25.0	20.2	20.2	-1.9	-6.9	
weighted (adj.)	22.7	25.2	26.8	25.4	26.8	26.8	27.6	24.5	22.5	22.6	24.1	27.3	28.1	25.0	20.5	20.5	-2.2	-6.2	
arithmetic	27.1	28.0	26.7	26.2	26.2	24.7	23.6	22.0	20.3	19.6	21.0	21.5	22.8	21.7	18.7	16.7	-10.3	-7.9	
arithmetic (adj.)	25.1	25.9	24.8	24.4	24.4	23.8	22.9	22.0	20.4	19.7	21.0	21.5	22.8	21.7	19.5	18.1	-7.0	-5.7	
<b>Convergence indicators</b>																			
St.dev/mean	50.7	41.3	37.3	36.7	37.9	41.1	41.9	42.6	39.6	36.7	40.6	46.0	52.0	37.3	41.6	55.6	4.9	14.5	
St.dev/mean (adj.)	53.6	46.3	43.6	43.0	44.0	42.8	43.3	41.6	38.5	35.7	40.6	46.0	52.0	37.3	43.3	52.1	-1.5	9.3	
Max-min	44.9	40.0	39.3	42.5	42.3	36.2	34.7	34.4	29.1	28.3	37.8	46.1	56.6	28.5	28.3	33.3	-11.6	-2.9	

(1) in percentage points

(2) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

Source: Commission services

**Table 82: Implicit tax rates in % - Capital and business income of households and self-employed**

																	Difference <sup>(1)</sup>		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1995 to 2010	2000 to 2010	
BE	13.6	13.1	13.1	13.0	13.1	12.9	13.0	13.7	14.1	14.8	15.6	15.2	14.7	14.8	14.3	14.8	1.3	2.0	
BG	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
CZ	7.4	7.6	7.3	7.4	7.4	7.9	8.1	8.7	9.0	9.8	8.8	8.0	8.6	7.5	9.1	7.2	-0.2	-0.8	
DK	21.9	21.6	23.0	24.7	39.0	22.2	8.6	9.0	15.3	34.5	50.0	27.0	26.3	21.7	16.8	:	:	:	
DE	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
EE	:	:	:	:	:	2.6	2.3	3.2	3.3	2.5	5.0	4.7	3.8	4.0	2.0	2.0	:	-0.6	
IE	:	:	:	:	:	:	:	15.9	21.1	22.5	25.5	33.2	30.1	21.6	19.5	17.7	:	:	
EL <sup>(2)</sup>	:	:	:	:	:	:	:	:	:	:	9.2	9.4	9.2	10.6	10.9	10.5	:	:	
ES	:	:	:	:	:	15.1	14.5	14.7	13.9	14.1	14.0	15.2	15.8	14.9	14.8	:	:	:	
FR	11.3	11.9	11.7	12.4	13.2	13.5	13.0	12.7	13.2	12.7	13.4	13.7	13.3	13.8	13.3	14.2	2.9	0.6	
IT	12.7	13.1	13.9	14.5	14.7	16.7	14.2	13.7	15.9	14.9	14.8	16.5	17.4	17.7	18.3	18.0	5.3	1.3	
CY	4.3	3.6	3.4	4.9	4.8	6.2	5.4	7.4	9.8	9.4	9.9	13.3	21.7	13.9	7.4	8.7	4.4	2.5	
LV	0.3	0.4	0.3	0.4	0.5	1.4	0.9	1.1	0.6	0.5	0.5	1.0	1.6	1.0	0.9	1.7	1.4	0.3	
LT	2.1	2.1	2.4	2.6	3.0	2.4	2.5	2.1	1.8	2.0	2.4	2.6	3.5	3.9	3.5	3.7	1.6	1.3	
LU	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
HU	4.6	5.5	5.6	5.3	5.6	7.0	7.5	7.9	8.3	7.2	7.3	8.8	9.6	7.8	7.9	7.1	2.6	0.1	
MT	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
NL	10.0	9.4	8.5	7.3	6.8	6.1	9.5	10.1	9.3	7.7	7.2	7.8	8.6	9.1	12.7	14.0	4.0	7.9	
AT	10.1	10.3	9.6	9.3	8.1	7.8	8.8	9.5	8.4	7.2	6.3	7.0	8.4	9.7	10.6	10.6	0.6	2.8	
PL	8.1	7.9	8.0	8.0	10.0	10.0	10.8	11.9	12.6	11.7	12.6	13.5	16.2	14.9	14.8	16.5	8.5	6.6	
PT	9.3	11.3	12.0	13.8	12.0	12.5	12.0	12.3	12.3	9.4	8.2	7.3	7.5	7.7	:	:	:	:	
RO	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
SI	7.9	8.7	8.1	8.4	9.5	9.2	8.9	8.5	9.0	9.6	8.9	9.8	11.9	11.4	11.3	11.8	4.0	2.7	
SK	17.2	16.3	13.5	13.9	13.0	11.8	12.5	13.2	12.5	14.5	14.7	14.7	14.0	11.8	12.5	10.2	-6.9	-1.5	
FI	28.0	27.9	27.3	26.6	26.1	26.1	24.2	22.1	20.9	20.5	23.5	25.5	25.9	23.8	22.1	21.6	-6.4	-4.5	
SE	7.5	12.6	15.5	16.8	22.2	25.7	18.7	16.1	17.7	19.3	24.1	25.5	27.0	19.2	17.6	21.1	13.6	-4.6	
UK	13.3	12.6	12.4	14.1	15.0	15.2	15.4	16.1	15.8	17.0	16.8	18.1	19.4	18.7	18.1	:	:	:	
NO	20.0	21.5	22.0	20.9	23.3	24.0	28.2	21.1	17.5	17.7	17.2	29.6	34.3	36.1	31.8	29.8	9.8	5.8	
IS	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:
<b>EU-27 average</b>																			
weighted	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
arithmetic	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
<b>EA-17 average</b>																			
weighted	12.1	12.5	12.5	12.9	13.1	13.9	13.3	13.2	13.9	13.3	13.4	14.4	14.7	14.5	14.9	15.2	3.0	1.3	
weighted (adj.)	12.5	12.7	12.8	13.1	13.2	13.8	13.2	13.1	13.7	13.2	13.4	14.4	14.7	14.5	14.7	14.9	2.5	1.1	
arithmetic	12.4	12.6	12.1	12.4	12.1	11.7	11.5	12.1	12.6	12.3	12.6	13.8	14.4	13.2	13.0	12.8	0.4	1.1	
arithmetic (adj.)	11.9	12.0	11.7	11.9	11.7	11.8	11.7	11.9	12.3	12.1	12.6	13.8	14.4	13.2	12.7	12.6	0.7	0.8	
<b>EU-25 average</b>																			
weighted	12.2	12.5	12.7	13.4	14.4	14.6	13.6	13.7	14.3	14.6	15.2	15.7	16.2	15.4	15.4	15.2	2.9	0.6	
weighted (adj.)	12.5	12.7	12.8	13.5	14.4	14.5	13.6	13.6	14.2	14.5	15.2	15.7	16.2	15.4	15.2	15.6	3.1	1.0	
arithmetic	10.5	10.9	10.9	11.3	12.4	11.6	10.5	10.9	11.7	12.5	13.6	13.5	14.3	12.7	12.3	11.7	1.2	0.1	
arithmetic (adj.)	10.6	10.9	10.8	11.2	12.1	11.7	10.7	10.9	11.6	12.3	13.6	13.5	14.3	12.7	12.1	12.2	1.7	0.5	
<b>Convergence indicators</b>																			
St.dev/mean	64.7	61.0	61.7	60.9	73.6	61.3	53.4	46.5	47.3	62.1	77.1	61.3	56.6	48.6	46.6	51.4	-13.2	-9.9	
St.dev/mean (adj.)	62.1	59.1	59.6	59.1	70.9	58.6	51.2	45.8	46.8	61.6	77.1	61.3	56.6	48.6	46.9	47.5	-14.6	-11.1	
Max-min	27.7	27.5	26.9	26.2	38.4	24.7	23.3	21.0	20.4	34.0	49.5	32.3	28.5	22.8	21.2	19.9	-7.8	-4.7	

(1) in percentage points

(2) Data for Greece is provisional for years 2003-2010

See explanatory notes in Annex B

Source: Commission services







**Table 85: Tax revenue sensitivity percent change in tax revenues (as a ratio to GDP) in reaction to a 1% change in the output gap**

Member State	Tax revenue sensitivity	Member State	Tax revenue sensitivity
BE	0.47	LU	0.48
BG	0.35	HU	0.45
CZ	0.36	MT	0.35
DK	0.50	NL	0.39
DE	0.40	AT	0.43
EE	0.29	PL	0.33
IE	0.36	PT	0.41
EL	0.42	RO	0.28
ES	0.38	SI	0.42
FR	0.44	SK	0.27
IT	0.49	FI	0.41
CY	0.39	SE	0.48
LV	0.26	UK	0.40
LT	0.26		
Euro area	0.42	EU-25	0.39

Source: OECD, Commission services

**Table 86: Effective average tax rates, non-financial sector, 1998-2011, in%**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
BE	34.5	34.5	34.5	34.4	34.5	29.5	29.5	29.5	25.7	25.4	24.9	24.9	24.6	25.9
BG	32.0	29.7	28.1	24.2	20.4	20.5	17.1	13.2	13.2	8.8	8.9	8.8	8.8	8.9
CZ	26.4	25.4	23.6	23.6	23.6	23.6	24.6	22.7	21.0	21.0	18.4	17.5	16.7	16.7
DK	30.0	28.3	28.3	26.8	26.8	26.8	26.8	25.1	25.1	22.5	22.5	22.5	22.5	22.6
DE	41.2	40.4	40.4	35.8	35.8	37.0	35.8	35.8	35.5	35.5	28.2	28.0	28.0	28.2
EE	22.4	22.4	20.4	20.4	20.4	20.4	20.4	18.8	18.1	17.3	16.5	16.5	16.5	16.5
IE	9.4	9.4	9.4	9.4	12.3	14.3	14.3	14.3	14.4	14.4	14.4	14.4	14.4	14.4
EL	30.4	30.4	30.4	30.4	30.4	30.4	30.4	27.8	25.2	21.7	21.8	30.5	29.6	26.2
ES	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	36.5	34.5	32.8	32.8	32.8	31.9
FR	39.8	38.4	36.6	35.8	34.9	35.0	35.0	34.8	34.4	34.6	34.6	34.7	31.0	32.8
IT	32.0	32.0	31.3	30.7	34.3	32.6	31.8	31.8	31.8	31.8	27.2	27.4	27.4	27.4
CY	27.5	27.5	27.5	26.5	26.9	14.8	14.8	10.6	10.6	10.6	10.6	10.6	10.6	10.6
LV	22.7	22.7	22.7	22.7	20.2	17.7	14.3	14.3	14.3	14.3	13.8	13.8	12.6	12.6
LT	23.0	23.0	19.1	19.1	12.7	12.7	12.7	12.7	16.0	15.2	12.7	16.8	12.7	12.7
LU	32.6	32.6	32.6	32.6	26.5	26.5	26.5	26.5	25.9	25.9	25.9	25.0	25.0	24.9
HU	19.0	19.3	19.7	19.7	19.7	19.7	17.8	16.6	16.3	19.5	19.5	19.5	19.1	19.3
MT	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2	32.2
NL	32.3	32.3	32.3	32.3	31.9	31.9	31.9	29.1	27.4	23.7	23.7	23.6	23.6	22.4
AT	29.7	29.7	29.7	31.2	31.0	31.0	31.2	23.0	23.0	23.0	23.0	22.7	22.7	23.0
PL	32.4	30.6	27.1	25.3	25.3	24.2	17.1	17.1	17.1	17.4	17.4	17.5	17.5	17.5
PT	33.4	33.4	31.5	31.5	29.5	29.4	24.6	24.6	24.6	23.7	23.7	23.7	23.9	24.8
RO	34.0	34.4	22.7	22.7	22.9	22.7	22.4	14.7	14.7	14.8	14.8	14.8	14.8	14.8
SI	20.9	20.9	20.9	20.9	20.9	21.5	21.5	22.1	22.3	20.9	20.0	19.1	18.2	18.2
SK	36.7	36.7	25.8	25.8	22.3	21.9	16.5	16.8	16.8	16.8	16.8	16.8	16.8	16.8
FI	25.9	26.1	27.2	27.2	27.2	27.2	27.2	24.5	24.5	24.5	24.5	23.6	23.8	24.7
SE	23.8	23.8	23.8	23.1	23.1	23.1	23.1	24.6	24.6	24.6	24.6	23.2	23.2	23.2
UK	29.7	28.9	28.7	28.7	29.3	29.3	29.3	29.3	29.3	29.3	28.0	28.3	28.4	27.0
EU-27	29.3	28.9	27.5	27.0	26.4	25.6	24.6	23.3	23.0	22.4	21.5	21.8	21.4	21.3

Source: ZEW Mannheim

Note: 2010 data for Greece has been updated



# **A**nnex **B**

**Methodology and explanatory  
notes**

## Annex B: Methodology and explanatory notes

The 'Taxation trends' survey assesses the tax system from a number of angles. The examination of the tax structures by tax type and by level of government illustrates the relative importance of the different tax instruments used in raising revenues and the distribution of financial resources among the constituent elements of the state apparatus, respectively. The breakdown into taxes on consumption, labour and capital allows an assessment of the manner in which the tax burden is distributed among the different factors. The implicit tax rates measure in turn the actual or effective average tax burden levied on different types of economic income or activities.

For the purposes of assembling these backward-looking aggregate metrics, national accounts provide time series for observing changes in the overall effective tax burden and a coherent framework for matching tax revenues with income flow data and economic aggregates. Given the consistency and harmonised computation of the ESA95 system, national accounts data provided by the Member States also allow a good degree of international comparability. However, it should be kept in mind that the tax base derived from national accounts data does not correspond to the actual or legal tax base used in computing tax liabilities. The bases calculated using national accounts are in some instances narrower (omitting capital gains on capital for instance) and in others broader (due to the exclusion of some deductions from the tax base).

A detailed methodological note available in electronic format<sup>(68)</sup> explains the methods of, and the reasoning behind, the calculation of the various ratios presented in the survey; approaching them in the order in which they appear in Annex A.

### Data coverage

This publication presents time series of tax revenue (including taxes levied on behalf of the institutions of the European Union) and tax rates for the twenty-seven Member States, Norway and Iceland. The seven EU outermost regions - Martinique, Guadeloupe, French Guiana and Réunion, Saint-Barthélemy, Saint-Martin, Madeira, the Azores and the Canary Islands – are covered in the tables and maps presenting tax revenue data. However, they are not covered in the tables and maps presenting tax rates.

Data coverage and reliability have generally improved over time. On the other hand, in some cases a reassessment of the quality of the data has led us to reconsider publication of some series or data points as problems of comparability appeared. In particular, the coverage of the ITR on capital is patchy as the computation of the ITR on capital is quite demanding in terms of the required level of detail in national accounts data. In many cases it was not possible to compute the implicit tax rate on capital even though data on capital tax revenue were available, because the data needed to compute the denominator of the ITR (i.e. the sum of revenues accruing to capital) are missing. Overall, the degree of cross-country comparability seems satisfactory.

### Ranking

In all the tables of Annex A, a ranking is given whereby the Member State with the highest ratio is listed with number 1, the second with number 2 and so on. The ranking refers to the order of the Member States for each specific ratio and only includes those Member States for which 2010 data are available in the respective table. The rankings are also shown in the country tables in Part II. No ranking is given if more than 10 % of data points are missing.

### Total

Total taxes (incl. SSC) are defined as: taxes on production and imports (D.2), current taxes on income and wealth (D.5), capital taxes (D.91), actual compulsory social contributions (D.61111 + D.61121 + D.61131). Indirect taxes, direct taxes and social contributions add up to the total of taxes received by the general government.

Taxes (excl. SSC) are defined as total taxes (incl. SSC) minus actual compulsory social contributions

<sup>(68)</sup> <http://ec.europa.eu/taxtrends>

In some countries the sum of the taxes in percentage of GDP in each of the Parts A, B and C of the country chapters data table and in the corresponding Annex A tables adds up to more than the total. This is the case whenever the table contains the item 'amounts assessed but unlikely to be collected' (ESA code D.995) because this item in general cannot be attributed with certainty to any detailed category and is therefore listed 'below the line'<sup>(69)</sup>. The excess is, therefore, exactly equal to this amount.

## Averages

This report computes arithmetic and weighted averages for three groups of countries: the EU as a whole (EU-27), the EU-25 (i.e. the EU-27 minus Bulgaria and Romania which joined the Union on 1 January 2007) and the euro area in its current 17-country composition (EA-17). EU-27 averages are calculated and presented in the tables and graphs only if data are available for both Bulgaria and Romania; otherwise we typically refer to the EU-25 average. Occasionally, averages for other groupings (the former EU-15, the NMS-12, etc.) are used for illustrative purposes. When the type of average is not indicated explicitly, the arithmetic average is used.

The average computed for the taxes received by the State Government refers to the Länder in AT and DE, the gewesten en gemeenschappen / régions et communautés in BE and comunidades autónomas in ES. Only these four countries are included in the EU average.

Except for the Implicit Tax Rates (ITRs), no adjustments for missing values are made in the tables and graphs in the main part of the report as well as in Annex A: the average shown is simply the result of the customary formula applied to the available data. However, for the purpose of calculating the EU averages of the ITRs on consumption, labour and capital missing values for Member States are substituted by the latest available data point (first available data point, if data for the beginning of the series are missing) for the respective country and the thus obtained EU average is indicated as "adjusted".

## Data sources

The national accounts data utilised for this report were extracted from the Eurostat public database Eurobase on 16 January 2012. In addition, more disaggregated tax data submitted to Eurostat (the National Tax List) were used for the classification of revenue according to economic functions and to determine the level of environmental taxes. In very few cases, estimates at the detailed level have been used if statistics were not available; in those cases, the estimates were either supplied by Member States administrations or computed using proxies. In the case of the base of the ITR on consumption (P.31\_S.14dom – Final consumption of households on the economic territory (domestic concept)), no data were available for 2007-2010 for Bulgaria, for 2009-2010 for Portugal, and 2010 for Lithuania and Romania. Data for these years were estimated on the bases of growth rates of 'Private final consumption expenditure at current prices' from the macro-economic (AMECO) database of the European Commission's Directorate General for Economic and Financial Affairs<sup>(70)</sup>.

For the calculation of cyclically adjusted tax revenues (CAR), this report relies on the cyclical component of revenues (C) as published in the AMECO database<sup>(71)</sup>. Note, however, that the cyclically adjusted tax revenues in this report do not coincide with the ones published in the AMECO database, because the latter also includes other government revenues in addition to taxes and social security contributions.

The country chapters of the non-euro area Member States for illustrative reasons often contain not only data in national currency, but also rounded figures in euro, e.g. for income thresholds or changes in tax revenue. In these cases the exchange rates downloaded on 12 December 2011 were used.

Although all Member States authorities have provided disaggregated data on their tax revenue (the National Tax List), their level of detail varies. Information on the level of disaggregation utilised for the computation of the indicators for each Member State (formerly included in the report as Annex B) is available on the homepage of the Directorate-General for Taxation and Customs Union (url: <http://ec.europa.eu/taxtrends> ).

<sup>(69)</sup> For some countries more detailed breakdown is available and accessible on <http://ec.europa.eu/taxtrends>.

<sup>(70)</sup> [http://ec.europa.eu/economy\\_finance/db\\_indicators/ameco/index\\_en.htm](http://ec.europa.eu/economy_finance/db_indicators/ameco/index_en.htm)

<sup>(71)</sup> The data can be found in the AMECO database: 17. Cyclical adjustment of public finance variables. 17.2 Based on trend GDP, cyclical component of revenue, % of GDP. [http://ec.europa.eu/economy\\_finance/ameco/user/serie/SelectSerie.cfm](http://ec.europa.eu/economy_finance/ameco/user/serie/SelectSerie.cfm).

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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, Iceland and Norway. The data are presented within a unified statistical framework (the ESA95 harmonised system of national and regional accounts), which makes it possible to assess the heterogeneous national tax systems on a fully comparable basis. The standard classifications of tax revenues (by major type of tax or by level of government) presented in most international tax revenue statistics are hard to interpret in economic terms. This publication stands out for offering a breakdown of tax revenues by type of tax base (i.e. according to whether they are raised on consumption, labour or capital). This classification is based on disaggregated tax data and on a breakdown of the revenue from the personal income tax. In addition, the report contains indicators of the average effective tax burden on consumption, labour and capital.

Country chapters give an overview of the tax system in each of the 29 countries covered, the revenue trends and the main recent policy changes. Detailed tables allow comparison between the individual countries and European averages. Data cover the 1995-2010 period and are presented both as a percentage of GDP and as a percentage of total taxation.

<http://ec.europa.eu/eurostat>

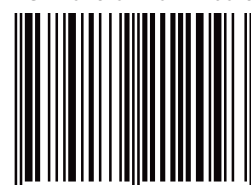
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