

# Tax reforms

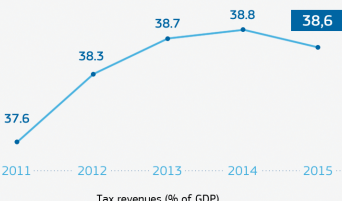
IN EU MEMBER STATES

2015

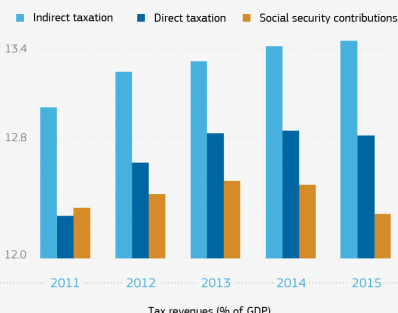
Carefully designed tax systems can help ensure stable public finances, boost growth, employment and competitiveness, and contribute to a fair distribution of income.

## LATEST TRENDS IN TAXATION

Over the last years, Member States have increased the overall tax burden. However, in 2015, it is expected to slightly decrease.



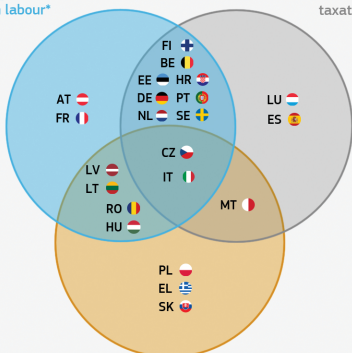
In particular, because social security contributions are expected to decrease.



## POLICY CHALLENGES

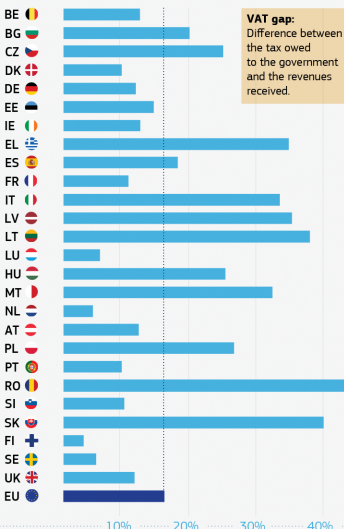
High taxation on labour\*

Housing taxation



## VAT COMPLIANCE

Around 15% of the EU's potential VAT revenue (EUR 168 billion) is lost due to fraud and evasion, tax avoidance, bankruptcy, financial insolvency and miscalculations.



VAT gap in the EU as % of VAT theoretical tax liability (2013: no data for CY and HR)



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