

234/2016 - 25 November 2016

Taxation in the EU Member States

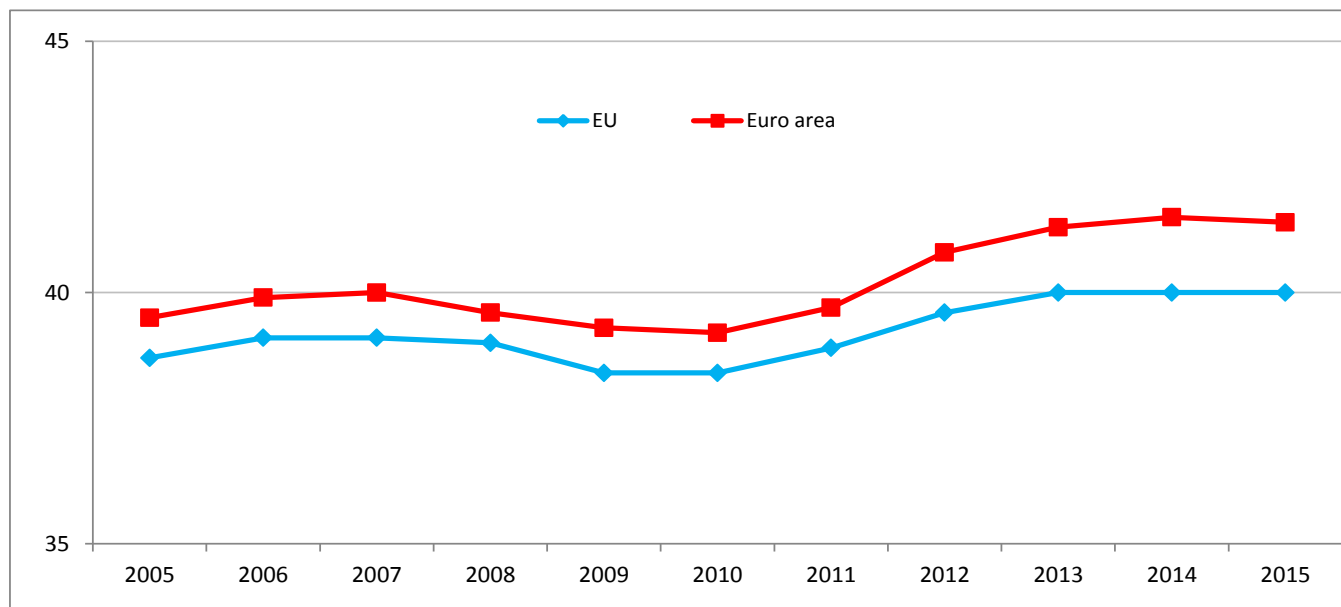
The tax-to-GDP ratio in 2015 continued to vary by 1 to 2 across the EU Member States

Taxes on production and imports main category in the EU

The overall tax-to-GDP ratio, meaning the sum of taxes and net social contributions as a percentage of GDP, stood at 40.0% in the **European Union** (EU) in 2015, stable compared with 2014. In the **euro area**, tax revenue accounted in 2015 for 41.4% of GDP, slightly down from 41.5% in 2014. This is the first time since its low point in 2010 that the tax-to-GDP ratio in both zones did not increase.

This information comes from an [article](#) issued by **Eurostat, the statistical office of the European Union**. Tax indicators are compiled in a harmonised framework based on the European System of Accounts (ESA 2010), enabling an accurate comparison of the tax systems and tax policies between EU Member States.

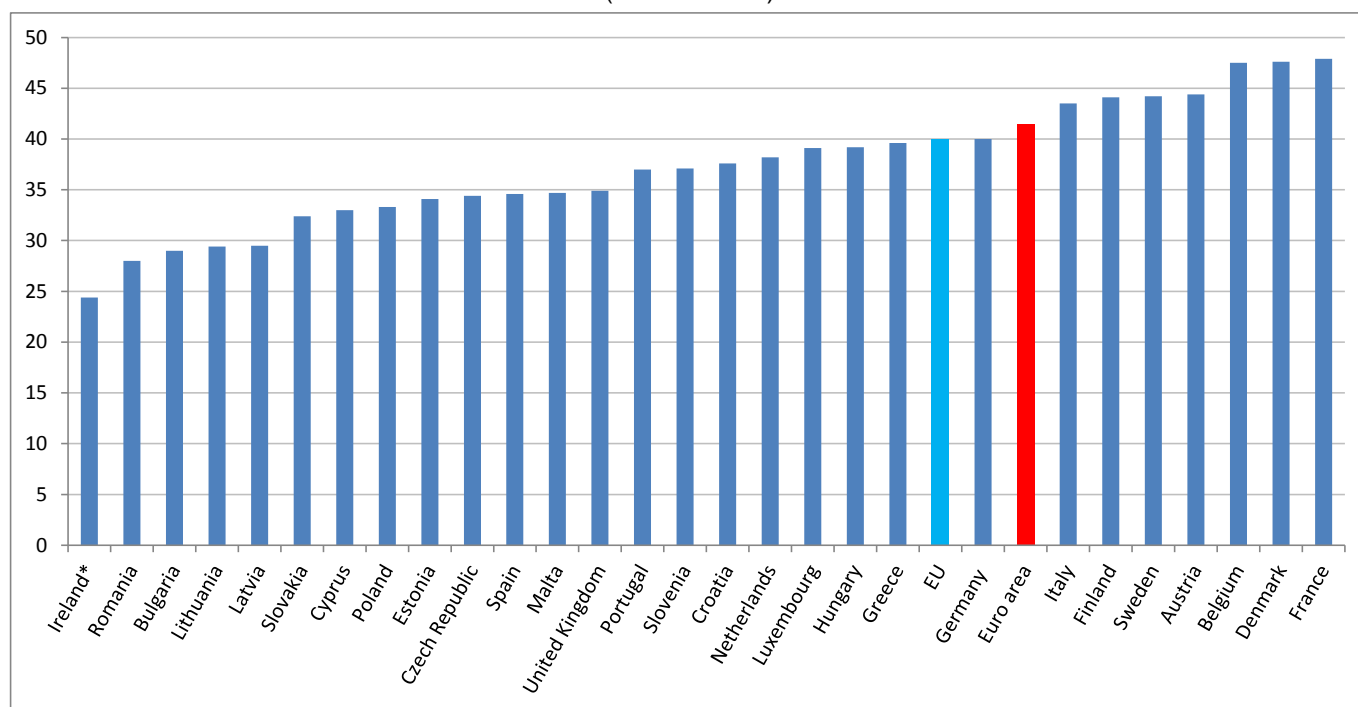
Overall tax-to-GDP ratio in the EU and the euro area, 2005-2015



Highest tax-to-GDP ratio in France, Denmark and Belgium

The tax-to-GDP ratio varies significantly between Member States, with the highest share of taxes and social contributions in percentage of GDP in 2015 being recorded in **France** (47.9%) **Denmark** (47.6%) as well as **Belgium** (47.5%), followed by **Austria** (44.4%), **Sweden** (44.2%), **Finland** (44.1%) and **Italy** (43.5%). At the opposite end of the scale, **Ireland** (24.4% - see country note), **Romania** (28.0%), **Bulgaria** (29.0%), **Lithuania** (29.4%) and **Latvia** (29.5%) registered the lowest ratios.

Total revenue from taxes and social contributions in the EU Member States, 2015 (as % of GDP)

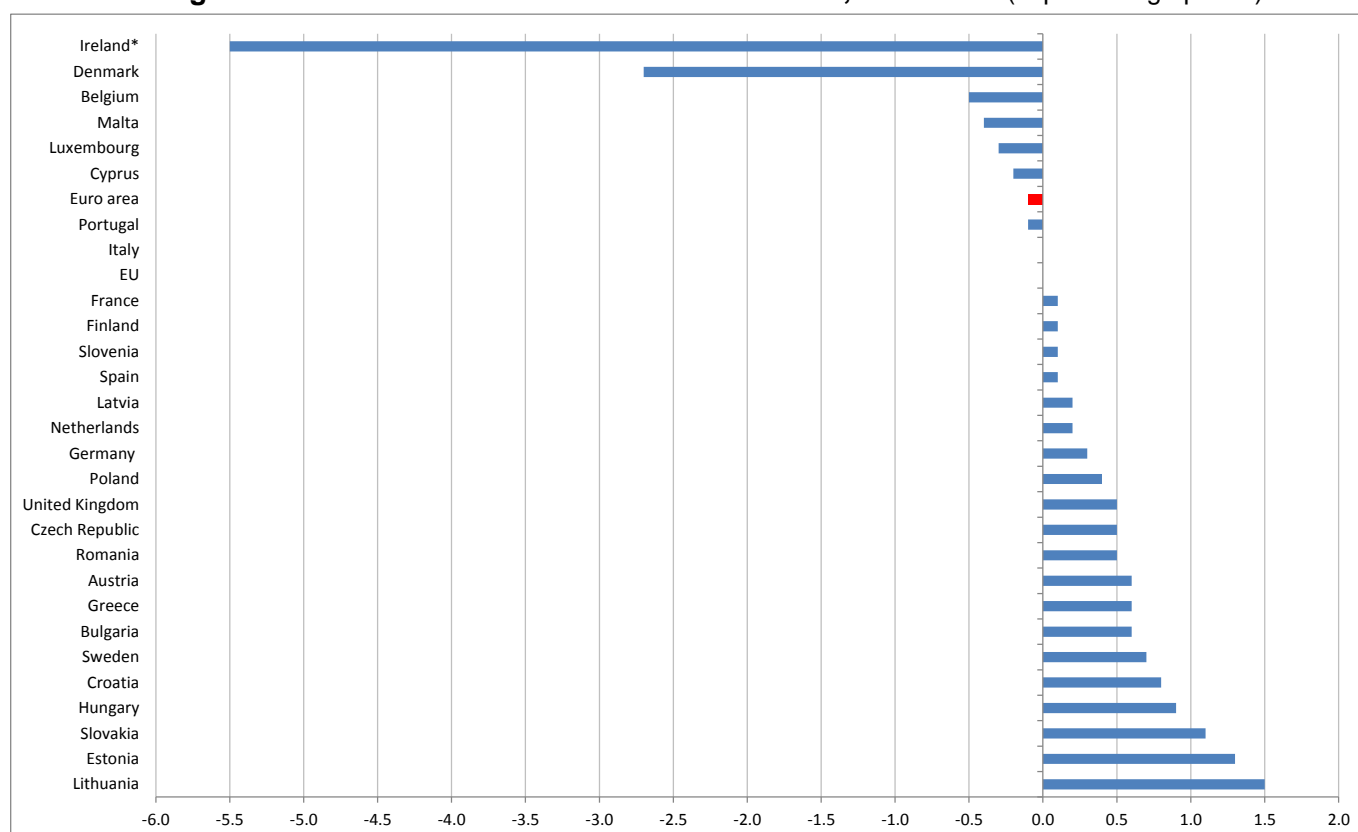


* See country note

Largest growth of tax-to-GDP ratio in Lithuania and Estonia

Compared with 2014, the tax-to-GDP ratio increased in 2015 in a majority of Member States, with the largest rises being observed in **Lithuania** (from 27.9% in 2014 to 29.4% in 2015) and **Estonia** (from 32.8% to 34.1%), ahead of **Slovakia** (from 31.3% to 32.4%), **Hungary** (from 38.3% to 39.2%) and **Croatia** (from 36.8% to 37.6%). In contrast, decreases were recorded in eight Member States, notably in **Ireland** (from 29.9% in 2014 to 24.4% in 2015 – see country note) and **Denmark** (from 50.3% to 47.6%).

Change in tax-to-GDP ratio in the EU Member States, 2015/2014 (in percentage points)



* See country note

Highest ratio of taxes on production and imports in Sweden, of taxes on income and wealth in Denmark and of net social contributions in France

Looking at the main tax categories, a clear diversity prevails across the EU Member States. In 2015, the share of taxes on production and imports was highest in **Sweden** (where they accounted for 22.1% of GDP), **Croatia** (19.7%) and **Hungary** (18.9%), while they were lowest in **Ireland** (8.9% – see country note), **Germany** and **Slovakia** (both 11.0%).

For taxes related to income and wealth, the highest share by far was registered in **Denmark** (30.4% of GDP), ahead of **Sweden** (18.4%), **Belgium** (16.7%) and **Finland** (16.6%). In contrast, **Bulgaria** (5.4%), **Lithuania** (5.5%) and **Croatia** (6.0%) recorded the lowest taxes on income and wealth as a percentage of GDP. Net social contributions accounted for a significant proportion of GDP in **France** (18.9%), **Belgium** (16.7%) and **Germany** (16.5%), while the lowest shares were observed in **Denmark** (1.0% of GDP) and **Sweden** (3.7%).

In 2015, taxes on production and imports made up the largest part of tax revenue in the EU (accounting for 13.6% of GDP), closely followed by net social contributions (13.2%) and taxes on income and wealth (13.0%). The ordering of tax categories was slightly different in the euro area. The largest part of tax revenue came from net social contributions (15.3%), ahead of taxes on production and imports (13.3%) and taxes on income and wealth (12.6%).

Methods and definitions

Data are collected by Eurostat on the basis of the European system of national and regional accounts (ESA 2010). According to ESA2010, taxes and social contributions should be recorded on an accrual basis.

The data relate to the general government sector of the economy, as defined in ESA2010, comprising the subsectors central government, state government (where applicable), local government, and social security funds (where applicable). Data for taxes collected on behalf of the EU institutions is also included in the analysis. Thus revenue data for taxes and social contributions represent all tax and social contributions revenues collected at the EU level.

The overall **tax-to-GDP ratio** presented in this news release corresponds to the total amount of taxes and net social contributions (including imputed contributions) payable to general government and the institutions of the European Union, including voluntary contributions, net of uncollectible amounts; expressed as a percentage of GDP. It is one measure of the tax burden. It encompasses the wide diversity of social security systems in the EU.

Taxes are defined as compulsory, unrequited payments to governments or institutions of the European Union.

Taxes on production and imports include value added tax (VAT), import duties, excise duties and consumption taxes, stamp taxes, payroll taxes, taxes on pollution, and others.

Taxes on income, wealth, etc. include corporate and personal income taxes, taxes on holding gains, payments by households for licences to own or use cars, hunt or fish, current taxes on capital that are paid periodically, and others.

Net social contributions are the actual or imputed contributions made by households to social insurance schemes to make provision for social benefits to be paid. They include employers' actual social contributions, households' actual social contributions, imputed social contributions and households' social contribution supplements. Social insurance scheme service charges are deducted from the items above to reach net social contributions. Actual social contributions are those paid on a compulsory or voluntary basis by employers or employees or the self- or non-employed to insure against social risks (sickness, invalidity, disability, old age, survivors, family and maternity). Imputed social contributions are those payable under unfunded social insurance schemes (in which employers pay social benefits to their employees, ex-employees or their dependents out of their own resources without creating special reserve for the purpose). Net social contributions also contain two transactions related to funded pension schemes, wherever such schemes are classified in general government.

The tax-to-GDP ratio includes also capital taxes, which are generally of minor importance.

Capital transfers representing amounts assessed but not collected are deducted from the total taxes and net social contributions to ensure the comparability of the tax-to-GDP ratios across countries.

Country note: Ireland

The Irish Gross Domestic Product for 2015, used as a denominator in tax-to-GDP ratios presented in this News Release, was substantially affected by the relocation from outside the EU to Ireland of balance sheets of large multi-national enterprises. More information can be found on the [Eurostat website](#).

For more information

Eurostat [Statistics Explained article](#) on tax revenue statistics.

Eurostat [website section](#) dedicated to government finance statistics.

Eurostat [database](#) on government statistics.

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Total revenue from taxes and social contributions in the EU Member States
(as % of GDP)

	2005	2010	2014	2015
EU	38.7	38.4	40.0	40.0
Euro area	39.5	39.2	41.5	41.4
Belgium	45.6	45.5	48.0	47.5
Bulgaria	30.5	26.0	28.4	29.0
Czech Republic	34.2	32.6	33.9	34.4
Denmark	49.4	46.3	50.3	47.6
Germany	38.5	38.2	39.7	40.0
Estonia	30.1	33.5	32.8	34.1
Ireland*	31.3	28.5	29.9	24.4
Greece	33.5	34.2	39.0	39.6
Spain	35.9	32.1	34.5	34.6
France	44.5	44.1	47.8	47.9
Croatia	36.2	36.1	36.8	37.6
Italy	39.2	41.7	43.5	43.5
Cyprus	31.4	31.9	33.2	33.0
Latvia	28.1	28.1	29.3	29.5
Lithuania	29.5	28.7	27.9	29.4
Luxembourg	39.2	38.6	39.4	39.1
Hungary	36.8	37.5	38.3	39.2
Malta	33.0	32.5	35.1	34.7
Netherlands	36.1	36.7	38.0	38.2
Austria	42.4	42.1	43.8	44.4
Poland	33.8	32.3	32.9	33.3
Portugal	34.2	33.7	37.1	37.0
Romania	28.3	26.9	27.5	28.0
Slovenia	38.2	37.4	37.0	37.1
Slovakia	31.4	28.2	31.3	32.4
Finland	42.3	40.9	44.0	44.1
Sweden	47.5	44.1	43.5	44.2
United Kingdom	34.6	35.2	34.4	34.9
Iceland	39.7	33.4	38.6	36.7
Norway	42.6	42.0	38.9	38.8
Switzerland	26.7	26.7	27.0	28.1
Serbia	38.9	38.5	37.4	37.3

* See country note.

The source dataset can be found [here](#).

Structure of tax revenue in the EU Member States, by main tax category, 2015
(as % of GDP)

	Taxes on production and imports	Of which:	Taxes on income, wealth, etc.	Of which:		Net social contributions
		VAT		Taxes on individual or household income*	Taxes on the income or profits of corporations*	
EU	13.6	7.0	13.0	9.4	2.5	13.2
Euro area	13.3	6.8	12.6	9.3	2.5	15.3
Belgium	13.2	6.7	16.7	12.6	3.4	16.7
Bulgaria	15.5	9.0	5.4	3.1	2.1	7.9
Czech Republic	12.5	7.3	7.3	3.6	3.4	14.6
Denmark	16.4	9.4	30.4	26.5	2.6	1.0
Germany	11.0	7.0	12.3	9.1	2.4	16.5
Estonia	14.6	9.2	7.9	5.8	2.1	11.6
Ireland**	8.9	4.7	10.9	7.7	2.7	4.5
Greece	16.2	7.3	9.4	5.4	2.2	13.9
Spain	12.0	6.5	10.1	7.4	2.4	12.3
France	16.0	6.9	12.6	8.8	2.6	18.9
Croatia	19.7	13.0	6.0	3.6	1.9	11.9
Italy	15.3	6.2	14.8	12.2	2.0	13.3
Cyprus	14.9	8.6	9.7	2.7	5.9	8.4
Latvia	13.0	7.7	7.9	5.9	1.6	8.7
Lithuania	12.0	7.7	5.5	3.9	1.5	11.9
Luxembourg	12.2	6.8	14.6	9.2	4.5	12.2
Hungary	18.9	9.7	7.0	5.0	1.7	13.2
Malta	13.7	7.8	14.1	6.8	6.7	6.8
Netherlands	11.7	6.6	11.6	7.7	2.7	14.7
Austria	14.6	7.7	14.4	10.9	2.3	15.4
Poland	13.0	7.0	6.9	4.7	1.8	13.5
Portugal	14.6	8.6	10.8	7.3	3.1	11.6
Romania	13.4	8.1	6.6	3.7	2.3	8.1
Slovenia	15.0	8.3	7.3	5.1	1.5	14.8
Slovakia	11.0	6.9	7.4	3.1	3.7	14.0
Finland	14.3	9.1	16.6	13.3	2.2	12.9
Sweden	22.1	9.1	18.4	15.1	3.0	3.7
United Kingdom	13.0	6.9	13.9	9.2	2.5	7.8
Iceland	15.1	8.3	17.8	13.8	2.4	3.6
Norway	12.0	8.2	16.3	10.7	4.9	10.5
Switzerland	6.1	3.5	15.2	9.2	2.9	6.9
Serbia	19.4	10.2	5.5	3.6	1.7	12.4

* Including taxes on holding gains

** See country note

The shares do not add up to the total due to rounding and other taxes not included in this table.

The source dataset can be found [here](#).