NET EARNINGS : Illustrative calculations : Single person

Portugal The tax/benefit position of single in		1999 Is			
Earnings (per cent of		67	100	167	
Number of c		none	none	none	
Gross earnings		972841	1459261	2432102	9728
Standard tax allowances					
Basic allowance		529632	529632	529632	529
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	
Other					
	Total	529632	529632	529632	529
Tax credits or cash transfers included in taxable income		0	0	0	
Central government taxable income (1 - 2 + 3)		443209	929629	1902470	4432
Central government income tax liability (exclusive of tax credits)		62049	132444	358117	620
Tax credits		020.0	.02	000111	0_
Basic credit		36000	36000	36000	360
Married or head of family		00000	00000	00000	00.
Children		0	0	0	39
Other		· ·	Ü	· ·	00
Culci	Total	36000	36000	36000	75
Central government income tax finally paid (5-6)	Total	26049	96444	322117	13
State and local taxes		0	0	0	
otato ana roca: taxos		J	V	V	
Employees' compulsory social security contributions					
Gross earnings		107012	160519	267531	1070
Taxable income		107012	100013	207001	107
Taxable Income	Total	107012	160519	267531	1070
	Total	107012	100010	207001	107
Total payments to general government (7 + 8 + 9)		133062	256963	589649	1070
Cash transfers from general government:		100002	200000	000010	101
For head of family					
For two children		0	0	0	730
	Total	0	0	0	736
Take-home pay (1-10+11) = NET EARNINGS		839779	1202298	1842453	939
Employer's compulsory social security contributions		231050	346574	577624	2310
Average rates of tax		20.000	0.007.	002.	
Income tax		2,7%	6,6%	13,2%	0,
Employees' social security contributions		11,0%	11,0%	11,0%	11,
Total payments less cash transfers. The tax rate = (1 - row12/row1) x 100		13,7%		24,2%	3,
Total tax wedge including employer's social security contributions		30,2%	17,6% 33,4%	38,8%	
Marginal rates of tax		30,270	33,4%	30,0%	22,
<u> </u>		25.00/	26.00/	26.00/	4.4
Total payments less cash transfers: Principal earner		25,0%	26,0%	36,0%	11,
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	r
			711 70/		.,,Q
Total tax wedge: Principal earner Total tax wedge: Spouse		39,4% n.a.	40,2% n.a.	48,3% n.a.	28, r

NET EARNINGS : Illustrative calculations : Married couple

	Portugal	•	1999			
	The tax/benefit position of married	coup	oles			
	Earnings (per cent of AF	PW)	100-0	100-33	100-67	100-33
	Number of child	Iren	2	2	2	none
1.	Gross earnings		1459261	1945681	2432102	1945681
2.	Standard tax allowances					
	Basic allowance		529632	870126	1059264	870126
	Married or head of family Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses		0	0	0	0
	Other					
	1	Total	529632	870126	1059264	870126
3.	Tax credits or cash transfers included in taxable income		0	0	0	0
4.	Central government taxable income (1 - 2 + 3)		929629	1075555	1372838	1075555
5.	Central government income tax liability (exclusive of tax credits)		130148	150578	192197	150578
6.	Tax credits					
	Basic credit		54800	54800	54800	54800
	Married or head of family		00000	00000	00000	0
	Children		39600	39600	39600	0
	Other	Total	94400	94400	94400	54800
7.	Central government income tax finally paid (5-6)	I Olai	35748	56178	97797	95778
	3					
8.	State and local taxes		0	0	0	0
8. 9.	State and local taxes Employees' compulsory social security contributions		0	0	0	0
			0 160519	0 214025	0 267531	0 214025
	Employees' compulsory social security contributions Gross earnings Taxable income		160519	214025	267531	214025
	Employees' compulsory social security contributions Gross earnings Taxable income	Γotal				
	Employees' compulsory social security contributions Gross earnings Taxable income	Γotal	160519	214025	267531	214025
9.	Employees' compulsory social security contributions Gross earnings Taxable income	Γotal	160519 160519	214025 214025	267531 267531	214025 214025
9.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9)	Γotal	160519 160519	214025 214025	267531 267531	214025 214025
9.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children		160519 160519 196267 73680	214025 214025 270203 73680	267531 267531 365328 73680	214025 214025 309803
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income T Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children	Γotal Γ	160519 160519 196267 73680 73680	214025 214025 270203 73680 73680	267531 267531 365328 73680 73680	214025 214025 309803 0
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income T Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children T Take-home pay (1-10+11) = NET EARNINGS		160519 160519 196267 73680 73680 1336674	214025 214025 270203 73680 73680 1749159	267531 267531 365328 73680 73680 2140453	214025 214025 309803 0 0 1635879
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income T Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children T Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions		160519 160519 196267 73680 73680	214025 214025 270203 73680 73680	267531 267531 365328 73680 73680	214025 214025 309803 0
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income T Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children T Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax		160519 160519 196267 73680 73680 1336674 346574	214025 214025 270203 73680 73680 1749159 462099	267531 267531 365328 73680 73680 2140453 577624	214025 214025 309803 0 0 1635879 462099
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax		160519 160519 196267 73680 73680 1336674 346574 2,4%	214025 214025 270203 73680 73680 1749159 462099 2,9%	267531 267531 365328 73680 73680 2140453 577624 4,0%	214025 214025 309803 0 0 1635879 462099 4,9%
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income T Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children T Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax Employees' social security contributions		160519 160519 196267 73680 73680 1336674 346574 2,4% 11,0%	214025 214025 270203 73680 73680 1749159 462099 2,9% 11,0%	267531 267531 365328 73680 73680 2140453 577624 4,0% 11,0%	214025 214025 309803 0 0 1635879 462099 4,9% 11,0%
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax		160519 160519 196267 73680 73680 1336674 346574 2,4%	214025 214025 270203 73680 73680 1749159 462099 2,9%	267531 267531 365328 73680 73680 2140453 577624 4,0%	214025 214025 309803 0 0 1635879 462099 4,9% 11,0% 15,9%
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax Employees' social security contributions Total payments less cash transfers. The tax rate = (1 - row12/row1) x 100		160519 160519 196267 73680 73680 1336674 346574 2,4% 11,0% 8,4%	214025 214025 270203 73680 73680 1749159 462099 2,9% 11,0% 10,1%	267531 267531 365328 73680 73680 2140453 577624 4,0% 11,0% 12,0%	214025 214025 309803 0 0 1635879 462099 4,9% 11,0%
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax Employees' social security contributions Total payments less cash transfers. The tax rate = (1 - row12/row1) x 100 Total tax wedge including employer's social security contributions		160519 160519 196267 73680 73680 1336674 346574 2,4% 11,0% 8,4%	214025 214025 270203 73680 73680 1749159 462099 2,9% 11,0% 10,1%	267531 267531 365328 73680 73680 2140453 577624 4,0% 11,0% 12,0%	214025 214025 309803 0 0 1635879 462099 4,9% 11,0% 15,9%
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax Employees' social security contributions Total payments less cash transfers. The tax rate = (1 - row12/row1) x 100 Total tax wedge including employer's social security contributions Marginal rates of tax		160519 160519 196267 73680 73680 1336674 346574 2,4% 11,0% 8,4% 26,0%	214025 270203 73680 73680 1749159 462099 2,9% 11,0% 10,1% 27,4%	267531 267531 365328 73680 73680 2140453 577624 4,0% 11,0% 12,0% 28,9%	214025 214025 309803 0 0 1635879 462099 4,9% 11,0% 15,9% 32,1%
9. 10. 11.	Employees' compulsory social security contributions Gross earnings Taxable income Total payments to general government (7 + 8 + 9) Cash transfers from general government For head of family For two children Take-home pay (1-10+11) = NET EARNINGS Employer's compulsory social security contributions Average rates of tax Income tax Employees' social security contributions Total payments less cash transfers. The tax rate = (1 - row12/row1) x 100 Total tax wedge including employer's social security contributions Marginal rates of tax Total payments less cash transfers: Principal earner		160519 160519 196267 73680 73680 1336674 2,4% 11,0% 8,4% 26,0%	214025 270203 73680 73680 1749159 462099 2,9% 11,0% 10,1% 27,4% 25,0%	267531 267531 365328 73680 73680 2140453 577624 4,0% 11,0% 12,0% 28,9% 25,0%	214025 214025 309803 0 0 1635879 462099 4,9% 11,0% 15,9% 32,1% 25,0%