

Taxation in 2019

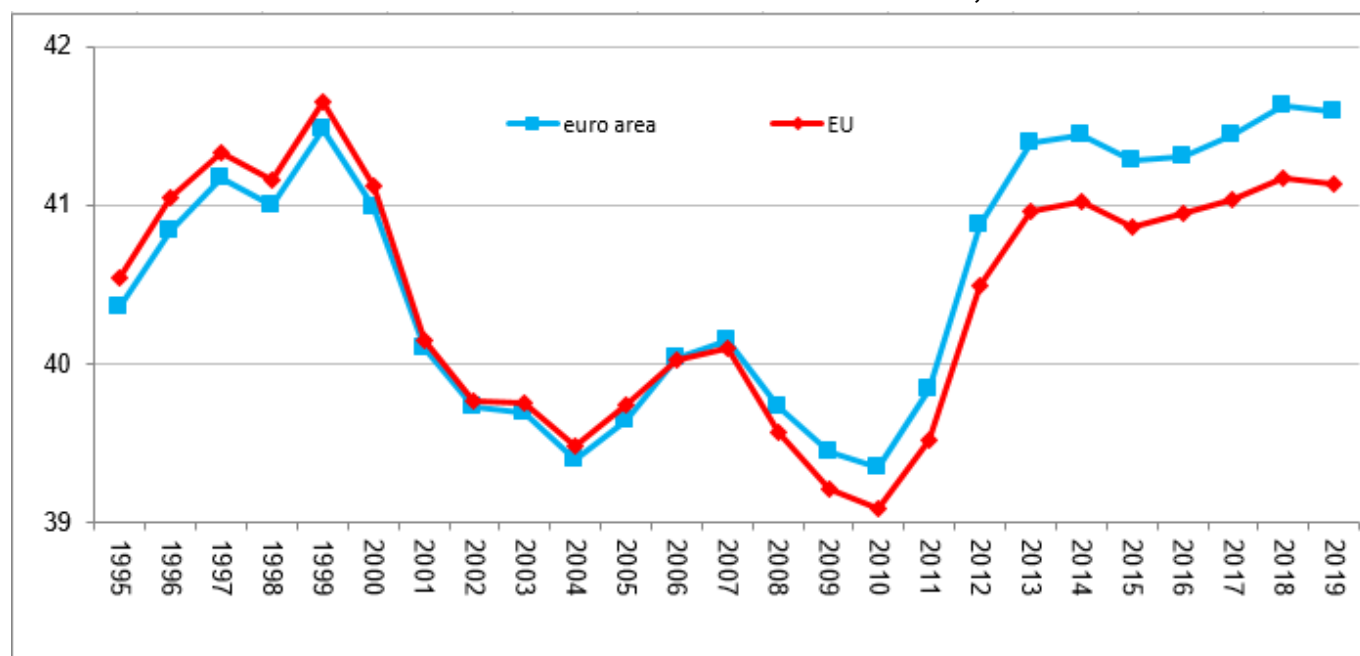
Tax-to-GDP ratio at 41.1% in EU

A one-to-two ratio across Member States

The overall tax-to-GDP ratio, meaning the sum of taxes and net social contributions as a percentage of gross domestic product, stood at 41.1% in the **European Union (EU)** in 2019, a decrease compared with 2018 (41.2%). In the **euro area**, tax revenue accounted for 41.6% of GDP in 2019, unchanged compared to 2018.

This information comes from a [publication](#) 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, 1995-2019

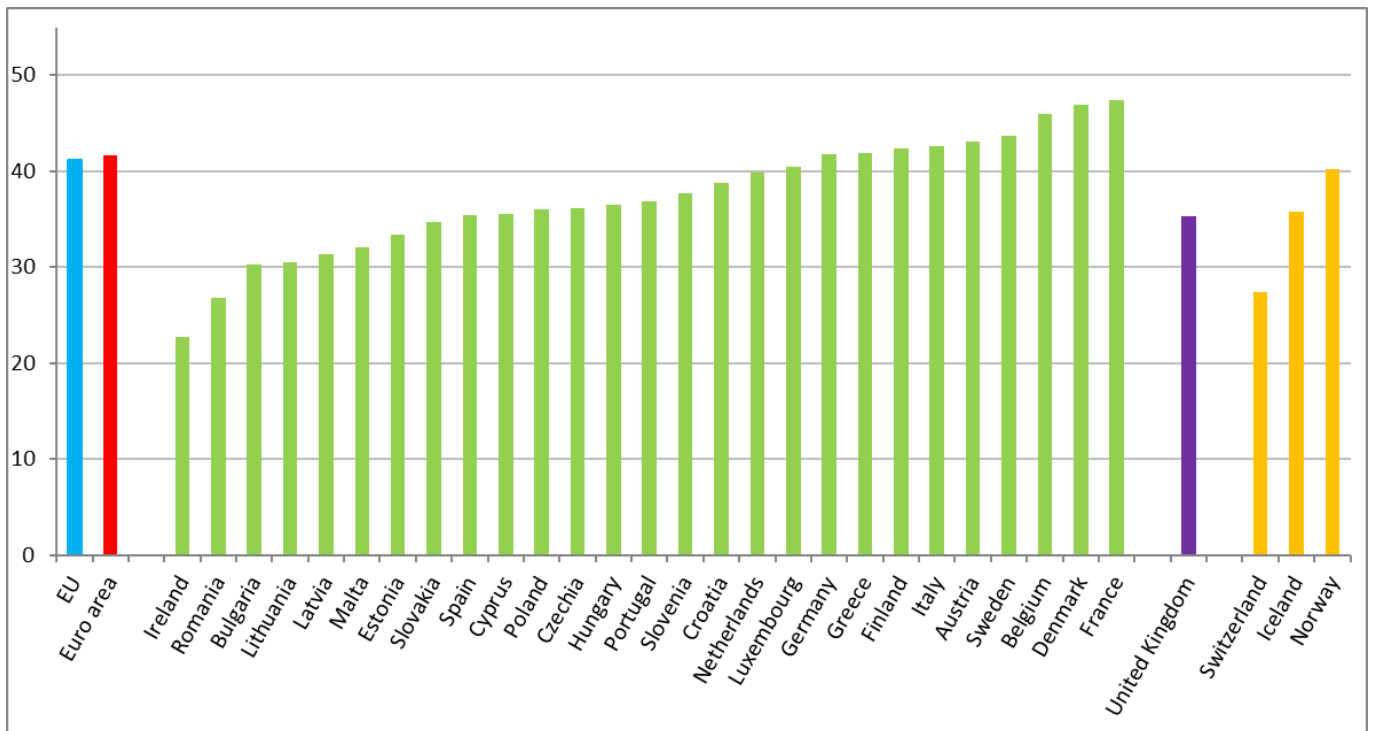


Highest tax-to-GDP ratio in France, Denmark and Belgium

The tax-to-GDP ratio varies significantly between Member States, with the highest share of taxes and social contributions in percentage of GDP in 2019 being recorded in **France (47.4%)**, **Denmark (46.9%)** and **Belgium (45.9%)**, followed by **Sweden (43.6%)**, **Austria (43.1%)**, **Italy (42.6%)** and **Finland (42.3%)**.

At the opposite end of the scale, **Ireland (22.7%)** and **Romania (26.8%)**, ahead of **Bulgaria (30.3%)**, **Lithuania (30.4%)** and **Latvia (31.3%)** registered the lowest ratios.

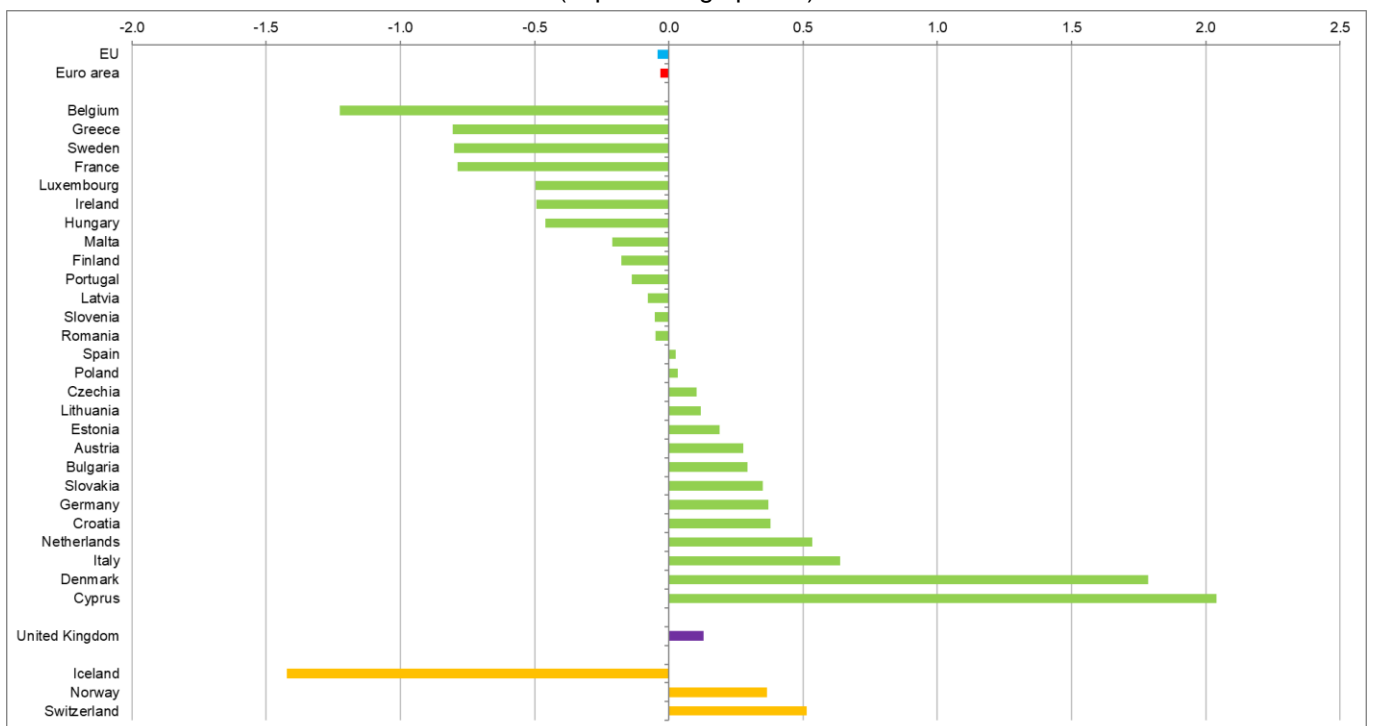
Total revenue from taxes and social contributions in the EU Member States, 2019 (as % of GDP)



Largest increase of tax-to-GDP ratio in Cyprus, largest decrease in Belgium

Compared with 2018, the tax-to-GDP ratio increased in twelve Member States in 2019, with the largest rise being observed in **Cyprus** (from 33.5% in 2018 to 35.6% in 2019), ahead of **Denmark** (from 45.1% to 46.9%). In contrast, decreases were recorded in thirteen Member States, notably in **Belgium** (from 47.1% in 2018 to 45.9% in 2019), **Greece** (from 42.7% to 41.9%), **Sweden** (from 44.4% to 43.6%) and **France** (from 48.2% to 47.4%).

Change in tax-to-GDP ratio in the EU Member States, 2019/2018 (in percentage points)



Diverse tax policies in EU Member States

In 2019, net social contributions made up the largest part of tax revenue in the **EU** (accounting for 14.2% of GDP), closely followed by taxes on production and imports (13.7% of GDP) and taxes on income and wealth (13.0%).

Looking at the main tax categories, a clear diversity prevails across the EU Member States. In 2019, the share of taxes on production and imports was highest in **Sweden** (where they accounted for 22.2% of GDP), **Croatia** (20.3%) and **Hungary** (18.1%), while they were lowest in **Ireland** (7.8%), **Romania** (10.7%) and **Germany** (10.9%).

For taxes related to income and wealth, the highest share by far was registered in **Denmark** (30.7% of GDP), ahead of **Sweden** (18.0%) and **Luxembourg** (16.5%). In contrast, **Romania** (4.8%), **Bulgaria** (5.5%) as well as **Croatia** and **Hungary** (both 6.6%) recorded the lowest taxes on income and wealth as a percentage of GDP.

Net social contributions accounted for a large proportion of GDP in **Germany** (17.3%), **France** (16.8%) and **Slovenia** (16.0%), while the lowest shares were observed in **Denmark** (0.8% of GDP), **Sweden** (3.4%) and **Ireland** (4.5%).

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 total taxes and net social contributions to ensure the comparability of the tax-to-GDP ratios across countries.

For this news release, the GDP transmitted in the EDP notifications at the end of September 2020 was used.

For more information

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

Eurostat [database](#) on government statistics.

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

European Statistics [Code of Practice](#)

Eurostat Press Office

Ana Maria MAROLA
Tel: +352-4301-33 408
eurostat-pressoffice@ec.europa.eu

Production of data:

Floris JANSEN
Lukas RUCKA
Vaida SAVICKAITE
Laura WAHRIG
Kurt WASS
Tel: +352-4301-37 687
estat-gfs@ec.europa.eu



 **Media requests:** eurostat-mediasupport@ec.europa.eu Tel: +352-4301-33 408



[@EurostatStatistics](#)



[@EU Eurostat](#)



ec.europa.eu/eurostat

Total revenue from taxes and social contributions
(as % of GDP)

	1995	2005	2015	2016	2017	2018	2019
EU27*	40.5	39.7	40.9	40.9	41.0	41.2	41.1
EU28	39.2	38.9	39.7	39.9	40.1	40.3	40.2
Euro area	40.4	39.6	41.3	41.3	41.4	41.6	41.6
Belgium	45.3	45.9	47.4	46.6	47.1	47.1	45.9
Bulgaria	21.4	30.2	29.1	29.1	29.4	30.0	30.3
Czechia	34.4	34.4	34.3	35.1	35.4	36.0	36.1
Denmark	48.2	49.4	47.3	46.6	46.5	45.1	46.9
Germany	40.8	39.1	40.1	40.5	40.8	41.3	41.7
Estonia	35.1	29.9	33.3	33.5	32.8	33.1	33.3
Ireland	33.8	31.4	24.1	24.5	23.3	23.2	22.7
Greece	29.7	33.5	39.8	42.1	42.2	42.7	41.9
Spain	32.2	36.1	34.7	34.4	34.7	35.4	35.4
France	43.9	44.6	47.7	47.6	48.3	48.2	47.4
Croatia	41.1	36.3	37.3	37.8	37.7	38.3	38.7
Italy	40.3	39.1	43.1	42.4	42.1	41.9	42.6
Cyprus	24.9	31.4	33.2	32.3	33.2	33.5	35.6
Latvia	30.6	28.1	30.1	31.0	31.4	31.4	31.3
Lithuania	27.7	29.5	29.3	30.0	29.8	30.3	30.4
Luxembourg	37.4	39.2	37.6	37.8	38.9	41.0	40.5
Hungary	40.4	36.7	38.9	39.2	38.0	37.0	36.5
Malta	27.4	32.9	30.5	31.5	31.9	32.3	32.1
Netherlands	38.4	35.8	37.5	38.9	39.2	39.3	39.8
Austria	42.9	42.2	43.9	42.4	42.5	42.9	43.1
Poland	37.5	33.9	33.4	34.3	35.0	36.0	36.0
Portugal	31.4	34.4	37.0	36.6	36.5	37.0	36.8
Romania	27.8	28.7	28.1	26.7	25.8	26.8	26.8
Slovenia	39.3	39.4	37.9	37.9	37.6	37.8	37.7
Slovakia	39.5	31.5	32.8	33.2	34.2	34.3	34.6
Finland	45.1	42.2	43.7	43.9	43.1	42.5	42.3
Sweden	46.3	47.0	43.2	44.7	44.7	44.4	43.6
United Kingdom	31.0	34.8	34.2	34.8	35.2	35.2	35.3
Iceland	:	39.4	35.4	50.8	37.6	37.2	35.8
Norway	40.7	42.8	38.7	39.2	39.1	39.9	40.2
Switzerland	25.1	25.9	26.7	26.7	27.4	26.8	27.4

: not available

* EU27 represents the European Union of 27 Member States after 1 February 2020.

Source dataset: [gov_10a_taxag](#)

Structure of tax revenue, by main tax category, 2019 (as % of GDP)

	Taxes on production and imports	<i>Of which:</i>		<i>Of which:</i>		Net social contributions
		VAT	Taxes on income, wealth, etc.	<i>Taxes on individual or household income*</i>	<i>Taxes on the income or profits of corporations*</i>	
EU27**	13.7	7.2	13.0	9.6	2.7	14.2
EU28	13.6	7.2	13.1	9.6	2.6	13.3
Euro area	13.3	6.9	13.0	9.5	2.7	15.1
Belgium	13.9	6.8	15.8	11.4	3.7	15.7
Bulgaria	15.6	9.2	5.5	3.3	2.0	8.9
Czechia	12.1	7.6	8.4	4.9	3.3	15.6
Denmark	15.7	9.5	30.7	26.5	3.1	0.8
Germany	10.9	7.1	13.3	9.8	2.7	17.3
Estonia	14.2	8.8	7.3	5.4	1.8	11.8
Ireland	7.8	4.3	10.3	6.9	3.1	4.5
Greece	17.5	8.4	9.7	5.9	2.2	14.6
Spain	11.7	6.5	10.4	8.0	2.1	12.9
France	17.0	7.2	13.1	9.5	2.8	16.8
Croatia	20.3	13.7	6.6	3.6	2.4	11.8
Italy	14.6	6.2	14.4	11.8	1.9	13.5
Cyprus	15.1	9.3	9.7	3.3	5.9	10.7
Latvia	14.2	8.6	7.0	6.5	0.2	10.0
Lithuania	11.8	7.9	8.7	7.1	1.6	10.0
Luxembourg	11.6	6.0	16.5	9.3	5.9	12.1
Hungary	18.1	9.5	6.6	5.1	1.2	11.8
Malta	12.2	7.0	13.6	7.4	5.7	6.0
Netherlands	12.5	7.2	13.2	8.5	3.7	14.0
Austria	14.1	7.6	13.7	9.8	2.8	15.4
Poland	14.0	8.0	7.9	5.3	2.2	14.2
Portugal	15.2	8.8	9.8	6.4	3.1	11.9
Romania	10.7	6.2	4.8	2.3	2.1	11.3
Slovenia	13.8	8.0	7.9	5.3	2.0	16.0
Slovakia	12.2	7.3	7.2	3.8	3.0	15.3
Finland	14.2	9.1	15.9	12.2	2.5	11.9
Sweden	22.2	9.2	18.0	14.7	3.0	3.4
United Kingdom	13.0	7.0	13.9	9.2	2.4	8.1
Iceland	14.0	8.2	18.3	15.0	2.1	3.3
Norway	12.3	8.6	17.1	10.4	5.8	10.8
Switzerland	5.3	3.1	15.4	8.5	3.1	6.6

* Including taxes on holding gains

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

** EU27 represents the European Union of 27 Member States after 1 February 2020.

Source dataset: [gov_10a_taxag](#)