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Tax revenue in the European Union

In 2010 tax revenues stabilised as a proportion of GDP, after a three-year decline

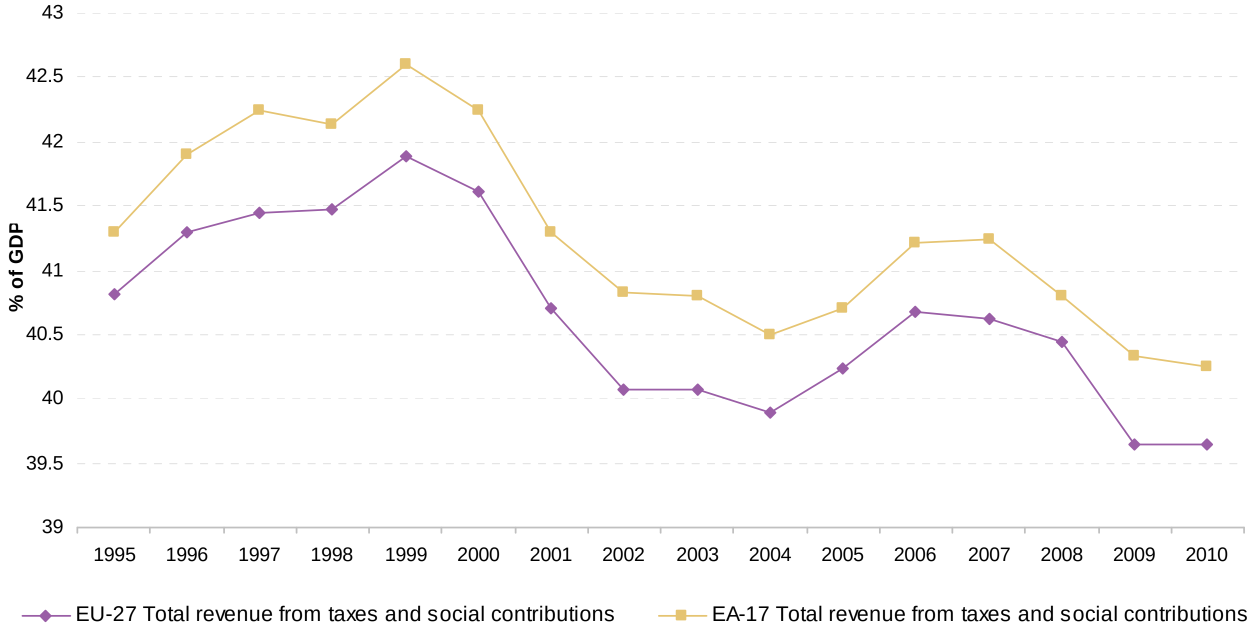
Tax revenues (including social contributions) accounted for over 91 % of total general government revenue in the European Union. Tax revenue made up 39.6 % of GDP in 2010 in the European Union (EU-27) and 40.2 % of GDP in the euro area (EA-17).

Taxes on production and imports accounted for 33.3 % and current taxes on income, wealth, etc. 31.2 % of total tax revenue. The share of current taxes on income, wealth, etc. has decreased from 2007 onwards with no recovery in 2010. The share of social contributions increased noticeably from 2008 to 2009 but decreased slightly from 2009 to 2010 to stand at 35.1 % of total tax revenue.

Evolution of tax revenue

In 2010, EU-27 tax revenue (including social contributions, please refer to the methodological note) of general government (including institutions of the EU) in terms of GDP stayed quite stable at 39.6 % of GDP, following three years of decline. In the EA-17 the downward trend in tax revenues continued, but decelerated in 2010, with a slight drop to 40.2 % of GDP. As would be expected, the pattern for EU-27 and EA-17 is fairly similar in recent years, although from 2006 to 2007 the tax-to-GDP ratio still increased slightly in the euro area. Both in the EU-27 and in the EA-17, the drop in terms of GDP was most marked between 2008 and 2009 and tax revenues in terms of GDP are now at their lowest point in the 1995-2010 period.

Figure 1: Total revenue from taxes and social contributions in the EU-27 and EA-17 as a percentage of GDP, 1995-2010



Source: Eurostat (online data code: gov_a_tax_ag)

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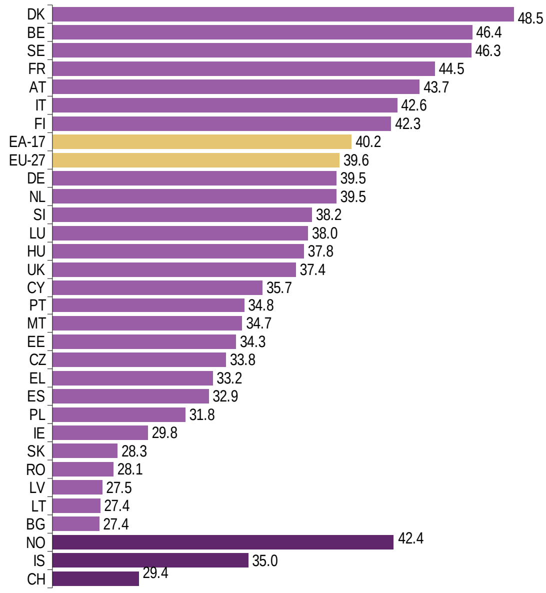
Tax revenue-to-GDP ratio: Denmark, Belgium and Sweden show the highest ratios

In 2010, tax revenue (including social contributions) in the EU-27 stood at 39.6 % of GDP, accounting for over 91 % of total government revenue. The ratio of tax revenue to GDP in the euro area (EA-17) was slightly higher than in the EU-27, at 40.2 %. As figure 2 shows, the ratio of tax revenue to GDP was highest in Denmark, Belgium and Sweden (48.5 %, 46.4 % and 46.3 % respectively in 2010), whereas it tended to be lower than average in the countries which have joined the EU since 2004; the lowest shares were recorded in Bulgaria and Lithuania (both 27.4 % of GDP) and Latvia (27.5 % of GDP).

Among the countries which have joined the EU since 2004, Slovenia posted the highest tax revenue-to-GDP ratio. Even so, tax revenues in Slovenia are still nearly 1.4 pp. of GDP lower than in the EU-27. Amongst the countries which joined the EU before 2004, Ireland (29.8 % of GDP), Spain (32.9 % of GDP) and Greece (33.2 % of GDP) record the lowest revenues from taxes. It is interesting to note that the arithmetical average of the 27 countries is somewhat lower (36.5 %) than the GDP-weighted EU average, due to the relatively low levels of GDP (and therefore low weight) for the countries which tend to have the lower tax revenues.

Figure 2: Ranking of total tax revenue by Member States and EFTA countries in 2010 as a percentage of GDP



Source: Eurostat (online data code: gov_a_tax_ag)

The economic and financial crisis continues to affect tax revenues

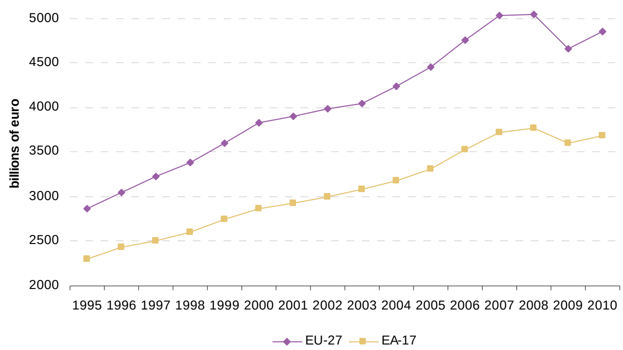
When looking at the evolution of tax revenues in the last decade, the effects of the economic and financial crisis on tax revenues from 2007 onwards are striking. From its last spike in 2006 in the EU-27 the ratio of tax revenue to GDP decreased by 1 percentage point to 39.6 %, while the ratio for the EA-17 also decreased by 1 percentage point of GDP from its peak of 41.2 % in 2007 to 40.2 % in 2010. This means that both in the euro area and in the European Union, tax revenue in terms of GDP has fallen to its lowest point in the period from 1995 onwards. Euro area tax revenue as a percentage of GDP remains at a slightly higher level than EU tax revenue (please refer to figure 1).

There are many reasons why government tax revenue varies from year to year as a percentage of GDP. It would take a more in-depth analysis in order to explain the causes of such variations in particular countries. However, in general, the main reasons are changes in economic activity (affecting levels of employment, sales of goods and services, etc.) and in tax legislation (affecting tax rates, the tax base, thresholds, exemptions, etc.) as well as changes in the level of GDP. The economic and financial crisis – together with measures of fiscal policy adopted in the countries – has a strong impact on the level and composition of tax revenue in 2009 and 2010, although first effects had already become visible in 2008. It should be noted, that even when using accrual methods of recording, the effects of changes in legislation or economic activity tend to have a delayed impact on tax revenue.

As shown in table 1, tax revenue in terms of GDP fell in 14 EU Member States and 2 EFTA countries from 2009 to 2010. It increased in 13 Member States and Iceland. Hungary (-2.4 percentage points of GDP) and Lithuania (-2.3 pp) recorded the largest declines relative to GDP. The strongest increases in tax revenue relative to GDP were seen in Spain (1.3 pp) and Iceland (1.2 pp). In both these countries, tax revenue also increased in absolute terms.

Even in absolute terms, tax revenue fell in the EU and the euro area between 2008 and 2009 - for the first time in the period from 1995 onwards (see figure 3), before effecting a partial recovery from 2009 to 2010 – although absolute revenues still remain below their pre-crisis levels.

Figure 3: Evolution of tax revenue in the EU-27 and EA-17, billions of euro, 1995-2010



Source: Eurostat (online data code: gov_a_tax_ag)

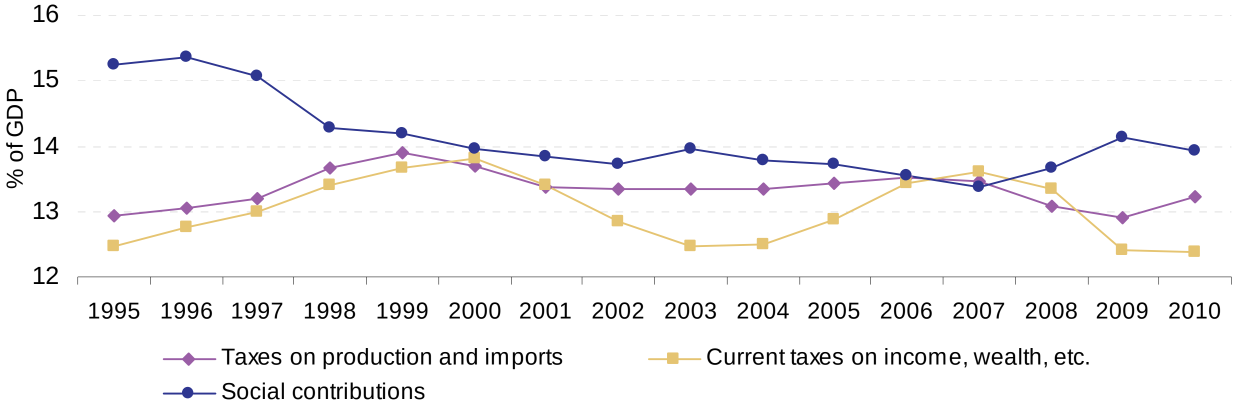
The recovery in absolute tax revenues was more marked in the EU-27 than in the EA-17. Indeed, from 2008 to 2009 tax revenues experienced a stronger decline than nominal GDP. From 2009 to 2010 GDP at current prices in the EU-27 grew by around 4.2 % and in the EA-17 by around 2.6 %. Tax revenues grew at a similar pace (also by 4.2 % and 2.6 %). Of the 14 countries which had experienced double-digit falls in absolute tax revenues from 2008 to 2009, five countries went on to experience a double-digit growth in absolute tax revenue from 2009 to 2010 – Poland (14.1 %), Sweden (16.5 %), the United Kingdom (11.1 %), Iceland (13.4 %, strong contraction in previous two years) and Norway (16.5 %). In the Czech Republic, Cyprus and Romania, tax revenue also grew while in Bulgaria, Ireland, Latvia, Lithuania and Hungary tax revenues contracted further. Of these latter countries, nominal GDP still contracted in Ireland and Latvia. In Luxembourg, Malta and Switzerland absolute tax revenues grew even though they had not previously contracted.

Indirect taxes, direct taxes and social contributions continue to contribute roughly equal shares to tax revenue in the EU-27

Tax revenue can be grouped into three main categories or types: indirect taxes defined as taxes linked to production and imports (such as value added taxes - VAT), direct taxes consisting of current taxes on income and wealth plus capital taxes, and social contributions that include actual social contributions (for paying into social security funds or other social insurance schemes) as well as imputed social contributions. In the ESA 95 classification, these categories correspond to the following transactions: taxes on production and imports (D.2), current taxes on income, wealth, etc. (D.5), capital taxes (D.91), social contributions (D.61) composed of actual social contributions (D.611) and imputed social contributions (D.612). Figure 4 shows the recent historical trend of D.2, D.5, and D.61 for the EU-27 relative to GDP.

In 2010 tax revenue in the EU-27 was still relatively equally distributed between social contributions (35.1 % of total tax revenue), taxes on production and imports (33.3 %), and current taxes on income, wealth, etc. (31.2 %). The revenue share of social contributions has increased noticeably from 2008 to 2009 and decreased slightly from 2009 to 2010. However, the share of current taxes on income, wealth, etc. has decreased from 2007 onwards with no recovery in 2010. From 2008 to 2009 it decreased more than GDP, which could be due to the economic crisis affecting the profits of corporations and increased unemployment. Taxes on production and imports have slightly increased their share of total taxation in 2010 (see figure 4). For the euro area, a less even share of tax revenue was recorded among the main categories, with social contributions accounting for 38.9 % in 2010, while current taxes on income, wealth, etc. accounted for the lowest share, at 28.7 % and taxes on production and imports for 32.1 % of total tax revenues. This last category is expected to have a shorter lag in reaction to the renewed growth in output.

Figure 4: Evolution of the main components of tax revenue in the EU-27 in percentage of GDP, 1995-2010



Source: Eurostat (online data code: gov_a_tax_ag)

As shown in figure 5, in terms of GDP, EU-27 government revenue from taxes on production and imports (D.2) amounted to 13.2 % in 2010; 12.4 % was accounted for by current taxes on income, wealth, etc. (D.5), and 12.9 % and 1.0 % were recorded for actual (D.611) and imputed (D.612) social contributions respectively. Because of differing national tax structures, indirect taxes, direct taxes and social contributions vary considerably in importance from country to country in terms of the tax revenue they generate.

Taxes on production and imports (D.2) are divided into taxes on products (D.21) payable per unit of some good or service produced or transacted and other taxes on production (D.29). Taxes on products are further split into value added type taxes (VAT; D.211), taxes and duties on imports excluding VAT (D.212) and taxes on products except VAT and import taxes (D.214). The most important type of taxes on production and imports is VAT. In the EU-27, revenue from taxes on products accounted for nearly 85 % and VAT for over 50 % of the total taxes on production and imports in 2010. The biggest ratios of taxes on production and imports relative to GDP were recorded in Sweden (18.2 %) and Denmark (16.9 %), in line with the high overall level of taxation in these two countries, with a high share also now being recorded for Hungary (17.2 %), even though the total tax burden decreased. The lowest ratios of these indirect taxes were recorded for Spain (10.6 %) and Switzerland (6.9 %), the latter having a low overall level of taxation (please refer to table 2).

Current taxes on income, wealth, etc. (D.5) include taxes on income (D.51) and other current taxes (D.59). Taxes on income cover both taxes on individual or household income and the income or profits of corporations, and include taxes on holding gains. The contribution of these taxes by country varies significantly: Denmark is an outlier by raising 29.6 % of GDP from these taxes in 2010. However, the comparatively high ratio for Denmark is due to the fact that most welfare spending is financed via taxes on income and, consequently, the figures for actual social contributions are very low relative to other countries. The next-highest relative figures are recorded by Norway and Sweden, which raise 20.5 % and 19.4 % of GDP respectively from current taxes on income, wealth, etc. At the other end of the scale, Lithuania (4.7 % of GDP in 2010) and Bulgaria (4.9 % of GDP in 2010) had relatively small revenues from these taxes.

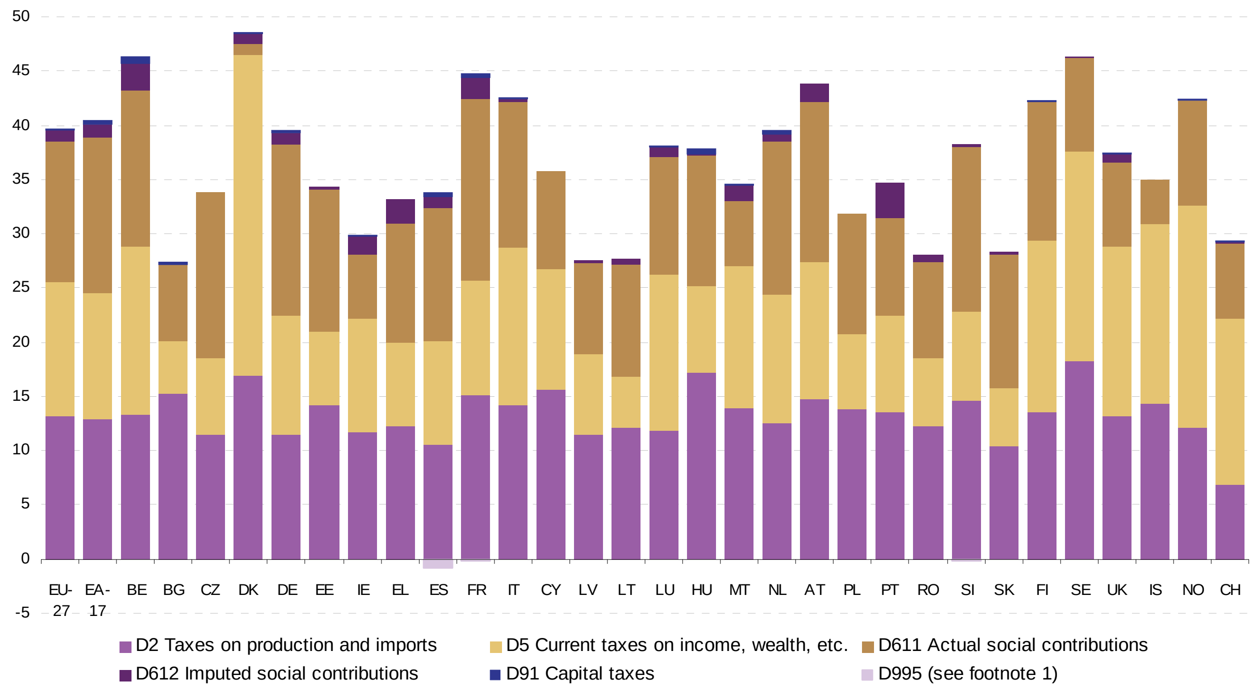
Actual social contributions (D.611) are the main component of social contributions. This source of government revenue covers the compulsory and voluntary contributions paid to government by employees, employers, self- and non-employed persons. They also include any amounts payable to government as an employer. Actual social contributions accounted for the highest ratios in GDP terms in France (16.7 %) and Germany (15.8 %) and for the lowest shares in Iceland, Ireland and Malta (4.1 %, 5.8 % and 6.0 % respectively). Thus, as with taxes on income, the importance of revenue from actual social contributions differs widely among countries. The case of Denmark mentioned above is an exception, in that its share only represented 1.0 % of GDP in 2010 for this type of tax revenue. In National Accounts, imputed social contributions (D.612) represent the counterpart of unfunded social benefits provided by the government as an employer. In 2010, they accounted for 3.2 % in Portugal, 2.5 % in Belgium and 2.2 % in Greece in terms of GDP, but for less than 0.1 % of GDP in Cyprus, Iceland, Norway, the Czech Republic, Switzerland and Hungary.

More detailed breakdowns of D.2, D.5 and D.611 by country for 2010 are shown in table 2. Besides the main transactions, figure 5 also shows two minor components that are included in the definition of tax revenue: capital taxes (D.91) and capital transfers from general government to relevant sectors, representing taxes and social contributions assessed but unlikely to be collected (D.995).

Capital taxes (D.91) are taxes levied at irregular and infrequent intervals on the net worth or value of assets owned, or transferred in the form of legacies or gifts. These taxes accounted for 0.2 % of GDP in the EU-27 in 2010, with low ratios mainly recorded for the new Member States (Bulgaria being an exception) and some of the Nordic countries. They range from 0.7 % of GDP in Belgium and 0.5 % in Hungary to less than 0.02 % of GDP or being non-existent in several countries.

For the countries having implemented the assessment method of accrual recording (see methodological notes), capital transfers from general government to other sectors of the economy (D.995), representing taxes and social contributions assessed but unlikely to be collected, have to be deducted from tax revenue. In 2010, for the EU-27, this adjustment amounted to 0.1 % of GDP, with the highest shares being registered for Spain (0.8 %), followed by France and Slovenia (both 0.2 %).

Figure 5: Breakdown of tax revenue by country and by main tax category in 2010 (% of GDP) [1]



Source: Eurostat (online data code: gov_a_tax_ag)

[1] *The negative amounts represent capital transfers to the relevant sectors, relating to taxes and social contributions assessed but unlikely to be collected (D.995)*

Table 1: Total tax revenue by country, 1999-2010 (% of GDP and millions of euro)

	Tax revenue in % of GDP												Tax revenue in millions of euro											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EU-27	41.9	41.6	40.7	40.1	40.1	39.9	40.2	40.7	40.6	40.4	39.7	39.6	3 597 915	3 829 069	3 903 173	3 985 041	4 050 115	4 233 402	4 450 441	4 757 264	5 035 293	5 042 020	4 660 058	4 854 683
EA-17	42.6	42.3	41.3	40.8	40.8	40.5	40.7	41.2	41.2	40.8	40.3	40.2	2 746 834	2 865 977	2 924 801	2 993 120	3 079 011	3 183 193	3 314 833	3 529 088	3 724 005	3 771 802	3 602 159	3 687 207
BE	47.6	47.3	47.3	47.5	47.0	47.1	47.0	46.7	46.1	46.6	45.9	46.4	113 742	119 396	122 999	127 583	129 789	137 139	142 725	148 723	154 881	161 139	156 111	164 429
BG	31.1	31.5	30.8	28.5	31.0	32.5	31.3	30.7	33.3	32.3	29.0	27.4	3 869	4 426	4 787	4 853	5 700	6 633	7 270	8 133	10 254	11 431	10 134	9 861
CZ	34.3	33.9	33.8	34.6	35.5	35.9	35.7	35.4	35.9	34.5	33.6	33.8	19 969	21 593	24 293	28 845	29 957	33 016	37 344	41 825	47 352	53 158	47 537	50 535
DK	50.9	50.2	49.4	48.8	49.0	50.0	51.7	50.5	49.8	48.6	48.6	48.5	83 142	87 181	88 459	90 094	92 275	98 444	107 312	110 502	113 240	114 283	108 940	114 337
DE	43.0	42.8	40.9	40.4	40.6	39.7	39.7	40.0	40.0	40.2	40.7	39.5	859 660	877 340	859 520	860 790	872 000	871 700	883 670	924 660	971 340	994 220	966 260	977 700
EE	32.6	31.0	30.3	31.1	30.8	30.6	30.7	30.8	31.5	31.8	35.8	34.3	1 745	1 911	2 109	2 418	2 690	2 968	3 437	4 123	5 066	5 192	4 961	4 911
IE	32.8	32.5	30.7	29.5	30.1	31.3	31.8	33.3	32.7	31.1	29.8	29.8	29 979	34 420	36 309	38 786	42 371	47 140	52 023	59 348	62 051	55 973	47 886	46 551
EL	35.4	36.6	35.2	35.7	34.1	33.4	34.4	33.4	34.4	34.2	32.8	33.2	46 642	50 415	51 561	55 885	58 844	61 956	66 387	69 764	76 586	79 725	75 868	75 442
ES	34.8	35.0	34.5	35.1	34.7	35.5	36.7	37.6	38.0	33.9	31.6	32.9	201 647	220 240	234 823	255 704	271 598	298 999	333 832	370 201	399 867	368 261	331 487	346 279
FR	46.7	46.0	45.6	45.1	44.9	45.1	45.6	45.9	45.2	45.0	44.0	44.5	638 931	661 833	682 247	695 472	713 348	746 756	783 805	824 772	852 117	870 467	830 928	859 841
IT	42.4	41.8	41.5	40.8	41.3	40.7	40.3	42.0	43.0	43.0	43.1	42.6	480 670	501 149	521 041	531 359	554 604	568 469	579 448	626 550	668 508	676 901	657 617	662 719
CY	27.8	30.0	30.7	30.9	32.2	33.0	35.0	35.8	40.1	38.6	35.3	35.7	2 532	2 980	3 288	3 422	3 757	4 152	4 762	5 245	6 374	6 624	5 955	6 192
LV	32.3	29.9	29.0	28.8	28.8	28.8	29.4	30.8	30.8	29.7	27.0	27.5	2 199	2 523	2 673	2 824	2 865	3 208	3 803	4 924	6 484	6 794	5 002	4 950
LT	31.7	30.0	28.5	28.2	28.0	28.4	28.7	29.6	29.9	30.4	29.7	27.4	3 262	3 730	3 892	4 271	4 641	5 185	6 009	7 124	8 583	9 858	7 899	7 554
LU	39.2	40.0	40.6	40.2	39.0	38.2	38.5	36.7	36.5	36.3	38.6	38.0	7 794	8 798	9 172	9 634	10 081	10 496	11 644	12 448	13 672	14 330	14 437	15 319
HU	39.0	39.9	38.8	38.1	38.1	37.8	37.5	37.4	40.5	40.4	40.2	37.8	17 668	20 076	22 815	26 846	28 159	31 022	33 320	33 542	40 303	42 678	36 764	36 728
MT	28.7	29.0	31.2	32.1	32.5	34.1	35.2	35.4	36.1	35.1	35.6	34.6	1 050	1 244	1 363	1 460	1 474	1 549	1 696	1 795	1 967	2 048	2 077	2 135
NL	41.5	40.9	39.4	38.7	38.4	38.5	38.6	39.8	39.5	39.9	39.1	39.5	160 138	171 149	176 355	180 173	183 075	189 192	197 945	214 890	225 627	237 238	223 147	232 180
AT	45.9	45.1	46.8	45.3	45.2	44.6	43.6	43.0	43.2	44.2	44.3	43.7	91 408	93 977	100 148	100 003	101 665	104 609	107 029	111 486	118 458	125 059	121 704	125 032
PL	34.9	32.6	32.2	32.7	32.2	31.5	32.8	33.8	34.8	34.3	31.8	31.8	54 956	60 490	68 340	68 563	61 739	64 265	80 152	91 892	108 290	124 574	98 727	112 616
PT	33.4	33.7	33.4	34.3	34.7	33.9	35.0	35.7	35.9	35.9	34.4	34.8	39 559	42 839	44 867	48 051	49 687	50 431	53 808	57 183	60 737	61 810	58 052	60 062
RO	31.3	30.6	28.9	28.5	28.1	27.7	28.5	29.2	29.8	28.8	27.7	28.1	10 581	12 420	13 099	13 857	14 794	16 941	22 722	28 499	37 161	40 251	32 773	34 288
SI	38.1	37.5	37.7	38.1	38.3	38.4	38.9	38.5	37.9	37.5	37.9	38.2	7 949	8 075	8 610	9 363	9 877	10 451	11 168	11 957	13 110	13 977	13 368	13 546
SK	35.4	34.1	33.2	33.1	33.0	31.7	31.5	29.4	29.5	29.4	29.0	28.3	6 803	7 528	7 820	8 604	9 743	10 770	12 106	13 099	16 148	18 967	18 245	18 656
FI	46.3	47.4	44.9	44.8	44.3	43.6	44.1	43.9	43.1	43.0	42.7	42.3	56 586	62 684	62 569	64 413	64 408	66 416	69 349	72 844	77 497	79 872	74 055	76 214
SE	52.0	52.1	49.9	47.9	48.3	48.5	49.3	48.7	47.8	46.9	47.3	46.3	126 324	139 861	126 544	127 820	134 655	141 520	147 210	155 071	161 564	156 451	137 849	160 589
UK	37.5	38.1	38.0	36.5	36.2	36.7	37.6	38.3	37.9	39.5	36.6	37.4	529 112	610 794	623 470	623 948	596 319	649 974	690 465	746 667	778 058	710 743	572 275	636 018
IS	36.8	37.1	35.3	35.2	36.7	37.8	40.6	41.4	40.5	36.6	33.8	35.0	3 016	3 497	3 118	3 338	3 560	4 035	5 324	5 513	6 049	3 771	2 930	3 321
NO	42.3	42.7	42.9	43.1	42.4	43.1	43.2	43.5	43.0	42.1	42.5	42.4	63 158	77 898	81 926	88 043	84 270	90 235	105 757	117 898	123 598	131 168	114 623	133 548
CH	28.6	30	29.5	29.8	29.3	28.9	29.3	29.2	29.0	29.3	29.7	29.4	72 097	81 152	83 936	88 348	84 273	84 495	87 751	91 027	92 038	100 575	105 197	117 282

Source: Eurostat (online data code: gov_a_tax_ag)

Table 2: Breakdown of tax revenue by country and by detailed tax categories in 2010 (millions of euro and % of GDP)

	D2 Taxes on production and imports		D21 Taxes on products		D211 Value added type taxes		D212 Taxes and duties on imports excluding VAT		D214 Taxes on products, except VAT and import taxes		D29 Other taxes on production	
	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP
EU-27	1 618 582	13.2	1 368 453	11.2	860 670	7.0	49 203	0.4	458 580	3.7	250 129	2.0
EA-17	1 183 338	12.9	996 285	10.9	629 138	6.9	40 834	0.4	326 312	3.6	187 053	2.0
BE	47 201	13.3	40 730	11.5	25 230	7.1	2 178	0.6	13 323	3.8	6 471	1.8
BG	5 465	15.2	5 264	14.6	3 322	9.2	51	0.1	1 891	5.2	201	0.6
CZ	17 161	11.5	16 511	11.1	10 420	7.0	2 011	1.3	4 080	2.7	649	0.4
DK	39 754	16.9	34 917	14.8	23 245	9.9	440	0.2	11 232	4.8	4 837	2.1
DE	281 130	11.4	265 780	10.7	180 220	7.3	19 000	0.8	66 560	2.7	15 350	0.6
EE	2 038	14.2	1 934	13.5	1 257	8.8	642	4.5	34	0.2	104	0.7
IE	18 175	11.7	15 867	10.2	10 056	6.4	3 217	2.1	2 594	1.7	2 308	1.5
EL	27 926	12.3	27 369	12.0	16 308	7.2	531	0.2	10 530	4.6	557	0.2
ES	110 968	10.6	96 503	9.2	57 845	5.5	1 642	0.2	37 016	3.5	14 465	1.4
FR	291 734	15.1	210 289	10.9	135 498	7.0	2 179	0.1	72 612	3.8	81 445	4.2
IT	220 417	14.2	174 140	11.2	96 834	6.2	2 279	0.1	75 027	4.8	46 277	3.0
CY	2 713	15.6	2 357	13.6	1 597	9.2	103	0.6	657	3.8	355	2.1
LV	2 074	11.5	1 906	10.6	1 192	6.6	38	0.2	675	3.8	168	0.9
LT	3 334	12.1	3 202	11.6	2 181	7.9	81	0.3	940	3.4	132	0.5
LU	4 781	11.9	4 104	10.2	2 455	6.1	1 346	3.3	303	0.8	677	1.7
HU	16 657	17.2	15 633	16.1	8 442	8.7	129	0.1	7 062	7.3	1 024	1.1
MT	856	13.9	823	13.4	477	7.7	12	0.2	335	5.4	32	0.5
NL	73 491	12.5	66 455	11.3	42 654	7.2	6 290	1.1	17 511	3.0	7 036	1.2
AT	42 063	14.7	32 840	11.5	22 735	7.9	340	0.1	9 765	3.4	9 223	3.2
PL	48 992	13.8	43 452	12.3	27 536	7.8	1 195	0.3	14 721	4.2	5 539	1.6
PT	23 459	13.6	22 017	12.7	13 517	7.8	712	0.4	7 788	4.5	1 442	0.8
RO	15 015	12.3	14 120	11.6	9 494	7.8	465	0.4	4 161	3.4	895	0.7
SI	5 172	14.6	4 810	13.6	3 012	8.5	70	0.2	1 728	4.9	362	1.0
SK	6 876	10.4	6 403	9.7	4 182	6.3	143	0.2	2 078	3.2	473	0.7
FI	24 338	13.5	23 864	13.2	15 261	8.5	151	0.1	8 452	4.7	474	0.3
SE	63 085	18.2	46 081	13.3	33 834	9.8	539	0.2	11 708	3.4	17 003	4.9
UK	223 710	13.2	191 083	11.2	111 867	6.6	3 419	0.2	75 797	4.5	32 627	1.9
IS	1 354	14.3	1 110	11.7	756	8.0	37	0.4	317	3.3	244	2.6
NO	38 230	12.1	36 525	11.6	25 135	8.0	307	0.1	11 084	3.5	1 705	0.5
CH	27 441	6.9	24 649	6.2	14 965	3.8	4 733	1.2	4 951	1.2	2 792	0.7

	D5 Current taxes on income, wealth etc.		D51 Taxes on income		D59 Other current taxes		D91 Capital taxes		Total tax receipts	
	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP
EU-27	1 516 712	12.4	1 410 798	11.5	105 914	0.9	29 219	0.2	3 164 514	25.8
EA-17	1 059 009	11.6	1 004 443	11.0	54 567	0.6	24 935	0.3	2 267 282	24.7
BE	55 441	15.6	53 466	15.1	1 975	0.6	2 490	0.7	105 132	29.7
BG	1 768	4.9	1 736	4.8	32	0.1	87	0.2	7 320	20.3
CZ	10 512	7.0	10 379	7.0	133	0.1	9	0.0	27 682	18.5
DK	69 825	29.6	63 815	27.1	6 010	2.6	507	0.2	110 086	46.7
DE	273 480	11.0	265 880	10.7	7 600	0.3	4 410	0.2	559 020	22.6
EE	970	6.8	970	6.8		0.0	:	:	3 008	21.0
IE	16 409	10.5	15 838	10.2	571	0.4	237	0.2	34 821	22.3
EL	17 516	7.7	15 588	6.9	1 928	0.8	249	0.1	45 691	20.1
ES	99 698	9.5	96 967	9.2	2 731	0.3	4 104	0.4	214 770	20.4
FR	204 111	10.6	182 515	9.4	21 596	1.1	7 738	0.4	503 583	26.1
IT	226 053	14.5	219 386	14.1	6 667	0.4	3 392	0.2	449 862	28.9
CY	1 926	11.1	1 799	10.4	127	0.7	1	0.0	4 639	26.8
LV	1 327	7.4	1 281	7.1	46	0.3	2	0.0	3 403	18.9
LT	1 294	4.7	1 281	4.7	13	0.0	1	0.0	4 629	16.8
LU	5 744	14.3	5 472	13.6	271	0.7	50	0.1	10 575	26.3
HU	7 761	8.0	7 494	7.7	267	0.3	524	0.5	24 941	25.7
MT	808	13.1	770	12.5	38	0.6	15	0.2	1 678	27.2
NL	70 068	11.9	63 581	10.8	6 487	1.1	1 720	0.3	145 279	24.7
AT	36 366	12.7	34 475	12.0	1 891	0.7	45	0.0	78 474	27.4
PL	24 606	6.9	22 888	6.5	1 718	0.5	73	0.0	73 670	20.8
PT	15 342	8.9	14 551	8.4	791	0.5	85	0.0	38 886	22.5
RO	7 510	6.2	7 077	5.8	432	0.4		0.0	22 525	18.5
SI	2 918	8.2	2 702	7.6	217	0.6	14	0.0	8 104	22.9
SK	3 529	5.4	3 318	5.0	211	0.3		0.0	10 405	15.8
FI	28 630	15.9	27 164	15.1	1 466	0.8	387	0.2	53 355	29.6
SE	67 101	19.4	66 171	19.1	930	0.3	1	0.0	130 187	37.6
UK	265 999	15.6	224 233	13.2	41 766	2.5	3 080	0.2	492 789	29.0
IS	1 573	16.6	1 480	15.6	93	1.0	1	0.0	2 928	30.8
NO	64 556	20.5	62 072	19.7	2 483	0.8	297	0.1	103 083	32.7
CH	61 114	15.3	53 979	13.5	7 135	1.8	826	0.2	89 381	22.4

	D611 Actual social contributions		D6111 Employers' actual social contributions		D6112 Employees' actual social contributions		D6113 Social contributions by self- and non-employed persons		D612 Imputed social contributions		D995 Capital transfers from gen. government to rel. sectors representing taxes assessed but unlikely to be collected	
	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP	in millions of euro	in % of GDP
EU-27	1 578 001	12.9	908 674	7.4	475 958	3.9	193 369	1.6	126 209	1.0	14041	0.1
EA-17	1 321 953	14.4	752 076	8.2	393 291	4.3	176 586	1.9	111 068	1.2	13096	0.1
BE	50 547	14.3	30 427	8.6	15 255	4.3	4 865	1.4	8 751	2.5	:	:
BG	2 541	7.1	1 623	4.5	718	2.0	200	0.6	:	:	:	:
CZ	22 829	15.3	14 544	9.7	4 620	3.1	3 664	2.5	24	0.0	:	:
DK	2 452	1.0	200	0.1	2 252	1.0	:	:	2 110	0.9	310	0.1
DE	391 120	15.8	168 240	6.8	156 660	6.3	66 220	2.7	27 560	1.1	:	:
EE	1 879	13.1	1 742	12.2	116	0.8	21	0.1	24	0.2	:	:
IE	9 103	5.8	4 947	3.2	3 861	2.5	295	0.2	2 627	1.7	:	:
EL	24 736	10.9	11 453	5.0	9 237	4.1	4 046	1.8	5 015	2.2	:	:
ES	129 741	12.3	90 631	8.6	20 389	1.9	18 721	1.8	10 429	1.0	8661	0.8
FR	322 706	16.7	219 022	11.3	78 652	4.1	25 032	1.3	37 744	2.0	4192	0.2
IT	208 816	13.4	142 273	9.1	37 854	2.4	28 689	1.8	4 041	0.3	:	:
CY	1 552	9.0	1 054	6.1	427	2.5	72	0.4		0.0	:	:
LV	1 511	8.4	1 093	6.1	409	2.3	9	0.1	36	0.2	:	:
LT	2 858	10.4	2 109	7.7	641	2.3	108	0.4	98	0.4	32	0.1
LU	4 383	10.9	1 881	4.7	1 995	5.0	507	1.3	361	0.9	0	0.0
HU	11 697	12.0	7 565	7.8	3 524	3.6	608	0.6	90	0.1	:	:
MT	371	6.0	168	2.7	167	2.7	36	0.6	86	1.4	:	:
NL	82 785	14.1	29 116	4.9	35 450	6.0	18 219	3.1	4 116	0.7	:	:
AT	42 247	14.8	19 577	6.8	17 324	6.1	5 346	1.9	4 500	1.6	189	0.1
PL	39 298	11.1	16 757	4.7	14 460	4.1	8 081	2.3	:	:	352	0.1
PT	15 588	9.0	8 917	5.2	6 122	3.5	549	0.3	5 587	3.2	:	:
RO	10 869	8.9	6 883	5.6	3 632	3.0	354	0.3	895	0.7	:	:
SI	5 397	15.2	2 070	5.8	2 785	7.9	541	1.5	99	0.3	54	0.2
SK	8 123	12.3	4 517	6.9	2 077	3.2	1 529	2.3	129	0.2	:	:
FI	22 859	12.7	16 041	8.9	4 919	2.7	1 899	1.1	:	:	:	:
SE	29 692	8.6	28 823	8.3	114	0.0	756	0.2	711	0.2	:	:
UK	132 302	7.8	77 001	4.5	52 297	3.1	3 003	0.2	11 178	0.7	251	0.0
IS	393	4.1	384	4.0		0.0	9	0.1		0.0	:	:
NO	30 426	9.7	18 628	5.9	11 798	3.7		0.0	39	0.0	:	:
CH	27 662	6.9	12 674	3.2	12 664	3.2	2 325	0.6	239	0.1	:	:

Source: Eurostat (online data code: gov_a_tax_ag)

METHODOLOGICAL NOTES

This box gives some background explanation on government revenue in the form of taxes and social contributions. More exhaustive information and data can be found on Eurostat's website in the section dedicated to government finance statistics.

Reporting of data to Eurostat

Data are collected by Eurostat on the basis of the European System of Accounts (ESA 95) transmission programme, table 0900, 'Detailed tax and social contributions receipts by type and receiving sub-sector'. The legal requirement for transmission of data by EU Member States is at year t+9 months. The data in this publication mainly corresponds to the end-September 2011 transmission, with some Member States (DK, SE) having updated their data since.

In all cases, the data is consistent with the ESA table 0200 'main aggregates of general government' data released on 21 October 2011 (and which was updated by DK and SE), except for some differences for PL for years before 2007.

Provisional data

Data for Greece is labelled provisional for 2003-2010.

Major revisions

Scheduled national accounts revisions in some of the largest Member States have lead to revisions of tax revenues and also to reclassifications of taxes. The main components of tax revenues are affected by this. Most notably a shift from taxes on production and imports (D.2) to current taxes on income, wealth, etc. (D.5) is observed.

Definition of government

The data relate to the general government sector of the economy, as defined in ESA95, comprising the sub-sectors central government, state government (where applicable), local government, and social security funds (where applicable). For the purpose of this publication the term 'general government' also includes taxes collected on behalf of the EU institutions. Thus it presents all tax revenues collected at the EU level.

Definition of tax revenue

The definition used in this *Statistics in Focus* is 'Total taxes and social contributions payable to general government, including those for government as an employer'. This corresponds to 'Indicator 4', the broadest of four indicators defined by the Eurostat National Accounts Working Group in June 2001. This indicator fully covers the series reported under table 0900 of the ESA 95 transmission programme. In particular it encompasses the wide diversity of social security systems in the EU.

The four Indicators are defined as follows (the codes in brackets refer to the ESA95 codes):

Taxes on production and imports (D.2)
+ Current taxes on income, wealth, etc (D.5)
+ Capital taxes (D.91)
- Capital transfers from general government to relevant sectors representing taxes and social contributions assessed but unlikely to be collected (D.995)
+ Compulsory actual social contributions (D.61111, D.61121, D.61131) payable to the social security funds (S.1314)
= Indicator 1 (Total taxes and compulsory social security contributions)
+ Compulsory actual social contributions payable to the central government (S.1311), state government (S.1312), and local government (S.1313) sub-sectors as employers
= Indicator 2 (Total taxes and compulsory actual social contributions payable to general government, including those for government as an employer)
+ Imputed social contributions (D.612) payable to general government as an employer
= Indicator 3 (Total taxes and compulsory social contributions payable to general government, including those for government as an employer)
+ Voluntary actual social contributions payable to the general government sector
= Indicator 4 (Total taxes and social contributions payable to general government, including those for government as an employer).

It has been found that, when comparing the four indicators, the trend in tax revenue is very similar. In terms of level of tax revenue, Indicator 4 is roughly one percentage point of GDP higher than the Indicator 2 measure. For a full analysis of tax structures, see the Eurostat / DG TAXUD joint publication 'Taxation trends in the European Union', 2011 edition.

Time of recording

According to ESA 95, taxes and social contributions should be recorded on an accrual basis. Council Regulation 2516/2000 details the rules to be followed on the time of recording and the amounts to be recorded. Two methods can be used:

a) 'time-adjusted' cash – the cash is attributed when the activity took place to generate the tax liability or when the amount of taxes was determined in the case of some income taxes. This adjustment may be based on the average time difference between the activity and cash receipt;

b) a method based on declarations and assessments. In this case, an adjustment needs to be made for amounts assessed or declared but unlikely to be collected. These amounts have to be eliminated from government revenue, either by using a tax-specific coefficient based on past experience and future expectations or by recording a capital transfer for the same adjustment (ESA 95 code D.995) to the relevant sectors.

Abbreviations

Euro area 17 (EA-17): BE (Belgium), DE (Germany), EE (Estonia), IE (Ireland), EL (Greece), ES (Spain), FR (France), IT (Italy), CY (Cyprus), LU (Luxembourg), MT (Malta), NL (the Netherlands), AT (Austria), PT (Portugal), SI (Slovenia), Slovakia (SK) and FI (Finland). In this publication, the euro area is defined as including Estonia, even though Estonia only joined the euro area on 1 January 2011.

EU or EU-27 (European Union of 27 Member States): Euro area countries plus BG (Bulgaria), CZ (the Czech Republic), DK (Denmark), LV (Latvia), LT (Lithuania), HU (Hungary), PL (Poland), RO (Romania), SE (Sweden) and UK (the United Kingdom).

pp: percentage points

ESA 95 classifications and codes

D.2: TAXES ON PRODUCTION AND IMPORTS
D.21: Taxes on products
D.211: Value added type taxes (VAT)
D.212: Taxes and duties on imports excluding VAT
D.214: Taxes on products, except VAT and import taxes
D.29: Other taxes on production
D.5: CURRENT TAXES ON INCOME, WEALTH, ETC.
D.51: Taxes on income
D.59: Other current taxes
D.91: Capital taxes
D.2_D.5_D.91: TOTAL TAX RECEIPTS
D.611: Actual social contributions
D.6111: Employers' actual social contributions
D.6112: Employees' social contributions
D.6113: Social contributions by self- and non-employed persons
D.612: Imputed social contributions
D.995: Capital transfers from general government to relevant sectors representing taxes and social contributions assessed but unlikely to be collected
TOTAL (D.2_D.5_D.91_D.611_D.612_M_D.995): total receipts from taxes and social contributions (including imputed social contributions) after deduction of amounts assessed but unlikely to be collected.

Total general government revenue (TR) includes total taxes and social contributions as well as market output (P.11), output for final use (P.12), payments for other non-market output (P.131), other subsidies on production, receivable (D.39rec), property income, receivable (D.4rec), other current transfers, receivable (D.7rec) and capital transfers, receivable (D.9rec).

GDP at current prices (nominal GDP) is used throughout.

More data

Data used in this report is collected from the Member States, by the European Commission. More data can be found in Eurostat's online database under the theme economy and finance.

Symbols

"-" 'not applicable', 'real zero' or 'zero by default
":" not available

Further information

Eurostat Website: http://ec.europa.eu/eurostat

Data on “Government finance statistics”
http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database

Further information about “Government finance statistics”
http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/introduction

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European Statistical Data Support:

With the members of the ‘European statistical system’, Eurostat has set up a network of support centres in nearly every Member State and in some EFTA countries.

Their role is to provide help and guidance to Internet users of European statistics.

Contact details for this support network can be found on the Eurostat website at: http://ec.europa.eu/eurostat/.

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