

Cyprus

Table CY.1: Tax Revenue

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
A. Structure by type of tax															
as % of GDP															
Indirect taxes	15.8	17.4	16.7	14.4	14.4	13.7	14.0	13.8	15.0	15.0	14.9	15.6	16.0	7	3.4
VAT	8.7	9.3	9.6	8.3	8.2	7.7	8.1	7.8	8.7	8.5	8.8	9.2	9.9	2	2.1
Taxes and duties on imports excluding VAT	0.9	1.1	1.0	0.7	0.5	0.4	0.3	0.2	0.2	0.2	0.2	0.3	0.2	13	0.1
Taxes on products, except VAT and import duties	3.8	3.7	3.4	3.3	3.4	3.5	3.4	3.7	4.0	4.2	4.0	4.1	3.8	17	0.8
Other taxes on production	2.4	3.3	2.7	2.1	2.2	2.1	2.2	2.2	2.2	2.1	1.9	2.0	2.0	9	0.4
Direct taxes	9.2	11.9	11.1	9.6	9.4	10.1	9.9	10.4	10.4	9.9	9.3	9.2	9.1	17	1.9
Personal income taxes	3.8	5.3	4.3	3.3	3.4	3.5	3.5	2.8	2.7	2.7	2.8	3.0	3.2	27	0.7
Corporate income taxes	4.9	6.1	6.4	5.9	5.5	6.2	5.7	6.5	6.4	5.9	5.5	5.5	5.5	3	1.2
Other	0.4	0.4	0.4	0.4	0.4	0.4	0.6	1.1	1.3	1.3	1.0	0.6	0.5	16	0.1
Social contributions	7.1	6.8	7.0	7.8	8.0	7.9	7.8	7.6	8.3	8.3	8.2	8.5	8.7	22	1.8
Employers'	5.0	4.6	4.8	5.3	5.4	5.4	5.3	5.1	5.6	5.6	5.6	5.8	5.9	14	1.3
Households'	2.1	2.2	2.2	2.5	2.6	2.5	2.5	2.4	2.7	2.7	2.6	2.7	2.8	22	0.6
Less: capital transfers (1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total	32.1	36.1	34.8	31.8	31.7	31.7	31.7	31.8	33.8	33.2	32.4	33.3	33.8	20	7.1
B. Structure by level of government															
as % of total taxation															
Central government	75.8	78.8	77.6	73.1	72.8	73.1	73.8	74.1	73.5	72.7	72.9	72.6	72.4	6	5.2
State government (2)	:	:	:	:	:	:	:	:	:	:	:	:	:		
Local government	1.4	1.3	1.4	1.4	1.4	1.4	1.3	1.8	1.5	1.5	0.9	1.1	1.1	26	0.1
Social security funds	22.0	18.9	20.2	24.7	25.2	24.9	24.5	23.8	24.6	25.0	25.3	25.6	25.8	20	1.8
EU institutions	0.8	1.0	0.9	0.8	0.6	0.5	0.4	0.3	0.4	0.8	0.9	0.7	0.7	4	0.0
C. Structure by economic function															
as % of GDP															
Consumption	13.4	13.9	14.0	12.4	12.2	11.7	12.0	11.9	13.1	12.8	12.9	13.3	13.9	7	2.9
Labour	10.0	9.8	10.0	11.1	11.3	11.4	11.5	10.8	11.4	11.6	11.3	11.6	11.9	25	2.5
of which on income from employment	9.9	9.7	10.0	11.0	11.2	11.3	11.4	10.7	11.4	11.5	11.3	11.5	11.8	25	2.5
Paid by employers	5.7	5.4	5.6	6.2	6.3	6.3	6.1	6.0	6.5	6.6	6.5	6.8	7.0	13	1.5
Paid by employees	4.2	4.3	4.4	4.8	4.9	5.0	5.3	4.7	4.8	4.9	4.8	4.7	4.8	28	1.0
Paid by non-employed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	26	0.0
Capital	8.7	12.3	10.8	8.3	8.2	8.7	8.2	9.2	9.2	8.8	8.2	8.4	8.1	10	1.7
Income of corporations	4.9	6.1	6.4	5.9	5.5	6.2	5.7	6.5	6.4	5.9	5.5	5.5	5.5	3	1.2
Income of households	1.3	2.7	1.6	0.4	0.5	0.4	0.3	0.2	0.3	0.3	0.4	0.6	0.6	16	0.1
Income of self-employed	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	23	0.1
Stock of capital	2.1	3.0	2.3	1.5	1.7	1.5	1.7	2.0	2.0	2.2	1.7	1.7	1.5	16	0.3

Table CY.1: Tax Revenue (continued)

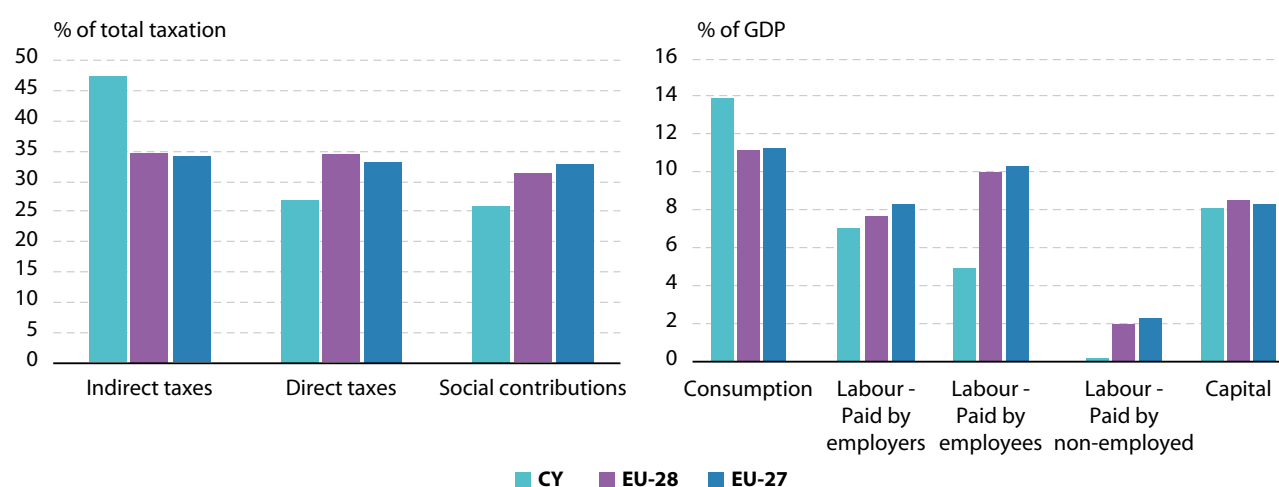
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Ranking 2018	Revenue 2018 (billion euros)
D. Environmental taxes	as % of GDP														
Environmental taxes	3.1	3.1	3.0	2.8	2.8	2.8	2.6	2.7	3.1	2.9	2.8	2.8	2.8	10	0.6
Energy	1.8	1.7	1.6	1.6	1.8	1.9	1.9	2.1	2.4	2.3	2.2	2.2	2.2	10	0.5
of which transport fuel taxes	1.4	1.3	1.4	1.4	1.6	1.6	1.5	1.8	2.0	2.0	2.0	1.9	1.8	6	
Transport	1.3	1.4	1.4	1.2	0.9	0.8	0.7	0.6	0.7	0.6	0.6	0.6	0.6	11	0.1
Pollution and resources	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	26	0.0
E. Property taxes	as % of GDP														
Taxes on property	1.6	2.5	1.8	1.1	1.2	1.0	1.0	1.3	1.3	1.5	1.1	1.1	0.9	20	0.2
Recurrent taxes on immovable property	1.3	2.0	1.4	0.8	1.0	0.8	0.8	1.1	1.2	0.8	0.4	0.3	0.2	23	0.1
Other taxes on property	0.4	0.5	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.7	0.7	0.8	0.7	13	0.1
F. Implicit tax rates	%														
Consumption	18.2	18.8	18.4	17.2	16.6	15.6	15.7	15.1	16.5	16.2	16.6	17.3	18.2	16	
Labour	22.5	21.9	22.2	22.7	23.2	23.1	23.2	22.7	24.6	25.4	25.4	25.8	26.6	25	
G. Payable tax credits	as % of GDP														
Total payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Tax expenditure component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Transfer component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Total tax revenue adjusted for payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	

(¹) Representing taxes assessed but unlikely to be collected.

(²) This level refers to the *Länder* in Austria and Germany, the *gewesten and gemeenschappen / régions et communautés* in Belgium, and the *comunidades autónomas* in Spain.

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Figure CY.1: Tax revenues by main taxes, compared to EU-28 and EU-27, 2018
(in % of total taxation (left graph) and in % of GDP (right graph))



Source: European Commission, DG Taxation and Customs Union, based on Eurostat data
Note: EU-27 represents EU Member States without UK

Table CY.2: Latest tax reforms

Description of measure	Change	Date
Personal income tax: Earned income		
According to the article 2 of the amending law 173(I)/2019 amending the Income Tax Law, 1/6 of the insurance fees paid (for life insurance, social insurance, health insurance system etc.) is deducted from chargeable income.	Neutral	Announcement: 19-12-2019 Legislation: 19-12-2019 In force from: 19-12-2019
According to article 2 of the amending Law 158(I)/2019 replaced and added new definitions describe in article 2 of the Basic VAT Law of 2000	Neutral	Announcement: 05-12-2019 Legislation: 05-12-2019
Social security contributions: Employee		
According to the amendment 193(I)/2012 of the Social Insurance Law, Law 59(I)/2010, employee's contribution to Social Insurance Fund was increased from 7,8% to 8,3% on insurable earnings. Also, the Government contribution, Government as a third part, was increased from 4,6% to 4,9%.	Rate increase	Announcement: 21-12-2012 Legislation: 01-01-2013 In force from: 01-01-2019
Social security contributions: Employer		
According to the amendment 193(I)/2012 of the Social Insurance Law, Law 59(I)/2010, employer's contribution to Social Insurance Fund was increased from 7,8% to 8,3% on insurable earnings. Also, the Government contribution, Government as a third part, was increased from 4,6% to 4,9%.	Rate increase	Announcement: 21-12-2012 Legislation: 01-01-2013 In force from: 01-01-2019
Social security contributions: Self-employed		
According to the amendment 193(I)/2012 of the Social Insurance Law, Law 59(I)/2010, self employee's contribution to Social Insurance Fund was increased from 14,6% to 15,6% on insurable earnings. Also, the Government contribution, Government as a third part, was increased from 4,6% to 4,9%.	Rate increase	Announcement: 21-12-2012 Legislation: 01-01-2013 In force from: 07-01-2019
Corporate income tax		
According to article 2 of the amending Law 158(I)/2019 replaced and added new definitions described in article 2 of the Basic VAT Law of 2000	Neutral	Announcement: 05-12-2019 Legislation: 05-12-2019
Value-added tax		
According to article 2 of the VAT amending Law 121(I)/2018, the lease that transfers the right to the lessee to dispose immovable property is defined as supply of good and not provision of services.	Neutral	Announcement: 30-07-2018 Legislation: 30-07-2018 In force from: 01-01-2019
According to article 3 of the VAT amending Law 121(I)/2018, VAT is imposed on transfer of the right to dispose immovable property (long term lease).	Rate increase	Announcement: 30-07-2018 Legislation: 30-07-2018 In force from: 01-01-2019
According to article 2 of the amending Law 31(I)/2019 the article 2 of the Basic Law of VAT was amended to extend the definition of borrower	Neutral	Announcement: 15-03-2019 Legislation: 15-03-2019
According to article 2 of the amending Law 70(I)/2019 addition of the new article 42Z is to harmonise the VAT Law with the Council Directive 2006/112/EE on the taxation of vouchers	Neutral	Announcement: 21-05-2019 Legislation: 01-01-2019 In force from: 01-01-2019
According to article 2 of the amending Law 158(I)/2019 replaced and added new definitions described in article 2 of the Basic VAT Law of 2000	Neutral	Announcement: 05-12-2019 Legislation: 05-12-2019
Health-related taxes		
According to The General Healthcare System (Amending) Law of 2017 (N.74 (I)/2017), the GHS will provide universal health coverage, based on the principles of equality, solidarity and free choice of healthcare providers. The system will be financed primarily from contributions from employers, employees, the self-employed pensioners and the State. Beneficiaries will also co-pay for the services and medicines they receive. The first phase of the GHS implementation (outpatient services) begins on the 1 st of June 2019, followed by the second (final) phase a year later (inpatient services, allied health professionals, A&E/Ambulance services and preventive dental care).	Rate increase; base increase	Announcement: 2017-06-26 Legislation: 2017-06-26 In force from: 2019-03-01