Economy and finance

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Tax revenue in the European Union

The economic crisis affects the relative shares of tax components

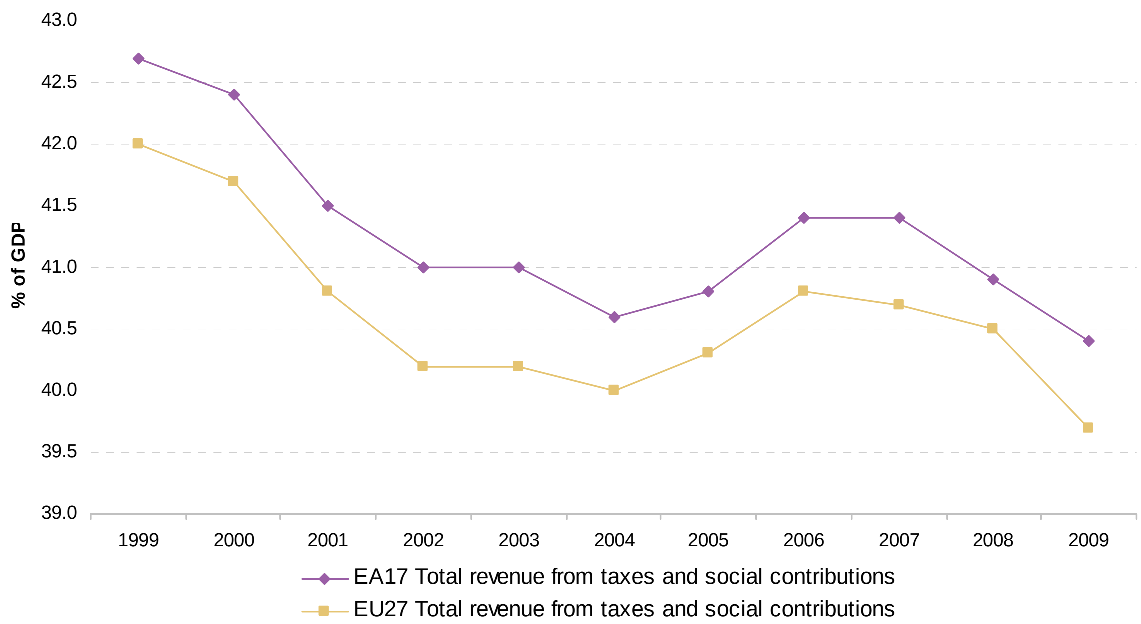
Tax revenues (including social contributions) account for just over 90 % of total general government revenue in the European Union. In the EU-27 in 2009 the revenue from social contributions has proven to be more stable in absolute terms than the revenue from current taxes on income, wealth, etc. These two types of revenue made up 35.5 % and 30.9 % respectively of total tax revenue, while taxes on production and imports made up 33.1 % of tax revenue. The share of social contributions has increased noticeably from 2008 to 2009, while the share of current taxes on income, wealth, etc. has fallen.

The impact of the economic and financial crisis together with counter-measures of fiscal policy adopted in the countries has now become fully visible for tax revenues, with tax revenues falling, both relative to GDP and in absolute terms, as well as the relative weight of tax components changing.

Evolution of tax revenue

In 2009, EU-27 tax revenue (including social contributions) of general government (including institutions of the EU) fell to 39.7 % of GDP, which means that tax revenues in terms of GDP have fallen for the third year running. Between 2007 and 2008, the fall in tax revenues was marked in the euro area (EA–17) than in the EU as a whole. Then revenues in the EA–17 fell by 0.5 percentage points of GDP to 40.9 % in 2008. The downward trend continued in 2009, with a fall to 40.4 % of GDP. Both in the EU–27 and in the EA–17, tax revenues in terms of GDP are now at their lowest point in the 1995-2009 period.

Figure 1: Total revenue from taxes and social contributions in the EU–27 and EA–17 as a percentage of GDP, 1999-2009



Source: Eurostat (online data code: gov_a_tax_ag)

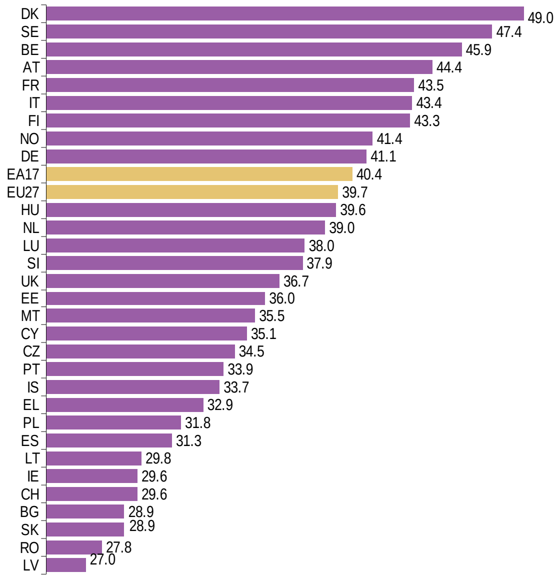
Tax revenue-to-GDP ratio in 2009: Denmark and Sweden show the highest ratios

In 2009, tax revenue (including social contributions) in the EU-27 stood at 39.7 % of GDP, accounting for over 90 % 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 40.4%.

As Figure 2 shows, the ratio of tax revenue to GDP was highest in Denmark and Sweden (49.0 % and 47.4 % respectively in 2009), whereas it tended to be lower than average in the countries which have joined the EU since 2004; the lowest shares were recorded in Latvia (27.0 % of GDP) and Romania (27.8 % of GDP).

In addition to Denmark and Sweden, Belgium had a ratio of tax revenue to GDP well above the EU-27 average at 45.9 %. Among the countries which have joined the EU since 2004, Hungary posted the highest tax revenue-to-GDP ratio, almost reaching the same level as the EU average. It is interesting to note that the arithmetical average of the 27 countries is somewhat lower (36.7 %) 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 2009 as a percentage of GDP



Source: Eurostat (online data code: gov_a_tax_ag)

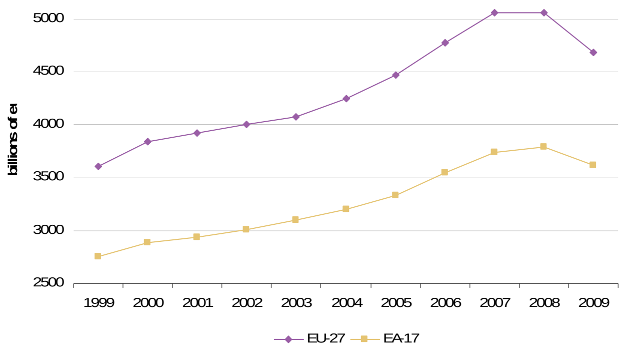
The evolution of tax revenues in the context of the economic and financial crisis

When looking at the evolution of tax revenues in the last decade, the striking effects of the economic and financial crisis which affect 2008 and 2009 data stand out. The ratio of EU-27 tax revenue to GDP decreased by 0.8 percentage points compared with 2008 to 39.7 % of GDP, while the ratio for the EA-17 decreased by 0.5 percentage points of GDP to 40.4 % of GDP. This means that both in the euro area and in the European Union as a whole, tax revenue in terms of GDP has fallen to its lowest point in the period from 1995 onwards. Euro area tax revenue remains at a slightly higher level than EU tax revenue. In the euro area (EA-17) the fall in tax revenues was more marked than in the EU as a whole from 2007 to 2008, when revenues fell by 0.5 percentage points of GDP to 40.9 %.

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.). 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, although first effects had already become visible in 2008. It should be noted, however, 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 dropped in 16 EU Member States and 2 EFTA countries from 2008 to 2009. It increased or remained stable in 11 Member States and Switzerland. Cyprus (-4 percentage points of GDP – pp), Bulgaria (-3.4 pp) and Iceland (-3 pp) all recorded drops of 3 percentage points of GDP or more. On the other hand, tax revenue in terms of GDP increased by 3.8 pp in Estonia (even though revenue fell in absolute terms), by 1.8 pp in Luxembourg and by 0.8 pp in Malta. The strong increase in the tax revenue to GDP ratio in Estonia can largely be attributed to changes in fiscal policy in response to the economic and financial crisis.

Figure 3: Evolution of tax revenue in the EU-27 and EA-17, billions of Euro, 1999-2009



Source: Eurostat (online data code: gov_a_tax_ag)

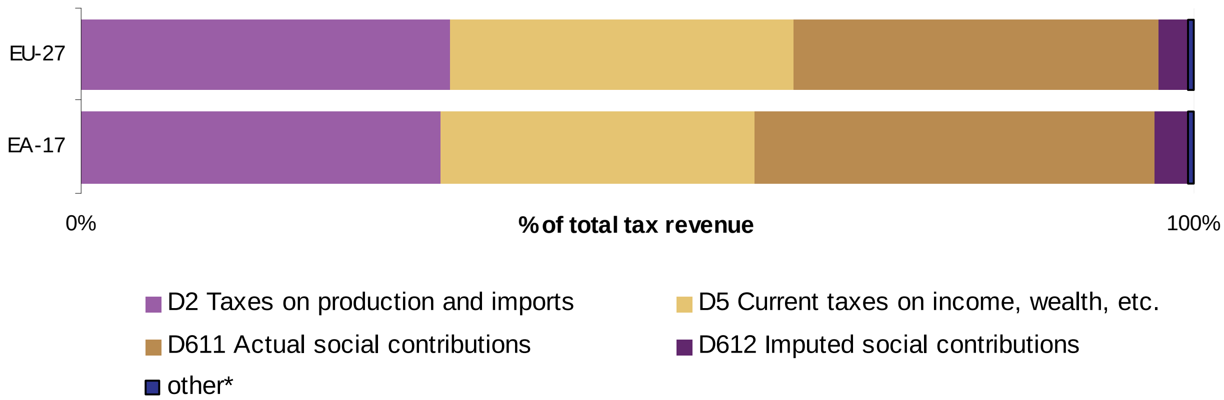
Even in absolute terms, tax revenue fell in the EU and the euro area between 2008 and 2009 - for the first time in the period from 1995 onwards (see figure 3). Indeed, tax revenues experienced a stronger decline than GDP. While the EU as a whole experienced a drop in tax revenues of about 7.5 %, the euro area tax revenues contracted by 4.5 %. The only countries which have not experienced a fall in absolute tax revenues between 2008 and 2009 are Luxembourg, Malta and Switzerland. In contrast, Latvia (-26.4 %), Iceland (-22.3 %), Poland (-20.7 %) all experienced large falls in tax revenues amounting to more than 20 % of the previous year's revenues, confirming once again the severity of the economic crisis. In a further ten countries, absolute tax revenues including social contributions fell by between 10 % and 20 %: Lithuania (-19.9 %), the United Kingdom (-19.1 %), Romania (-18.8 %), Ireland (-16.2 %), Norway (-14.3 %), Hungary (-13.9 %), Cyprus (-11.9 %), Sweden (-11.9 %), Bulgaria (-11.5 %) and Spain (-10.7 %).

In 2009 indirect taxes, direct taxes and social contributions contributed 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).

In 2009, an analysis of the breakdown of tax revenues into its main components in the EU-27 and the euro area shows that the relative shares of the tax components are affected by the financial crisis. As shown in Figure 4, tax revenue in the EU-27 was still relatively equally distributed between social contributions (35.5 %), taxes on production and imports (33.1 %), and current taxes on income, wealth, etc. (30.9 %). However the revenue share of social contributions has increased noticeably from 2008 to 2009, while the share of current taxes on income, wealth, etc. has decreased more than GDP, mainly due to the economic crisis affecting the profits of corporations and increased unemployment. A less balanced distribution of tax revenue was recorded for the euro area, with social contributions accounting for 39.0 % in 2009, while current taxes on income, wealth, etc. accounted for the lowest share, at 28.2 %. Taxes on production and imports represented 32.4 % of total tax revenues.

Figure 4: Composition of EU-27 and EA-17 tax revenue in 2009



*other: capital taxes (D91) minus capital transfers to relevant sectors representing taxes and social contributions assessed but unlikely to be collected (D.995)
Source: Eurostat (online data code: gov_a_tax_ag)

In terms of GDP, EU-27 government revenue from taxes on production and imports (D.2) amounted to 13.1 % in 2009; 12.3 % was accounted for by current taxes on income, wealth, etc. (D.5) and 13.1 % and 1.0 % were recorded for actual (D.611) and imputed (D.612) social contributions respectively (see Figure 4). 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 over 80 % and VAT for over 50 % of the total taxes on production and imports in 2009. The biggest shares of taxes on production and imports relative to GDP were recorded in Sweden (19.0 %) and Denmark (17.0 %), which reflects the high overall level of tax revenue in these two countries, while the lowest ratios of these indirect taxes were recorded for Spain (9.0 %) and Switzerland (6.8 %), the latter having a low overall level of taxation.

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 30.0% of GDP from these taxes in 2009. 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 figure is recorded by Sweden, which raises 19.7 % of GDP from current taxes on income, wealth, etc. At the other end of the scale, Slovakia (5.5 % of GDP in 2009) and Bulgaria (5.6 %) had relatively small revenues from these taxes.

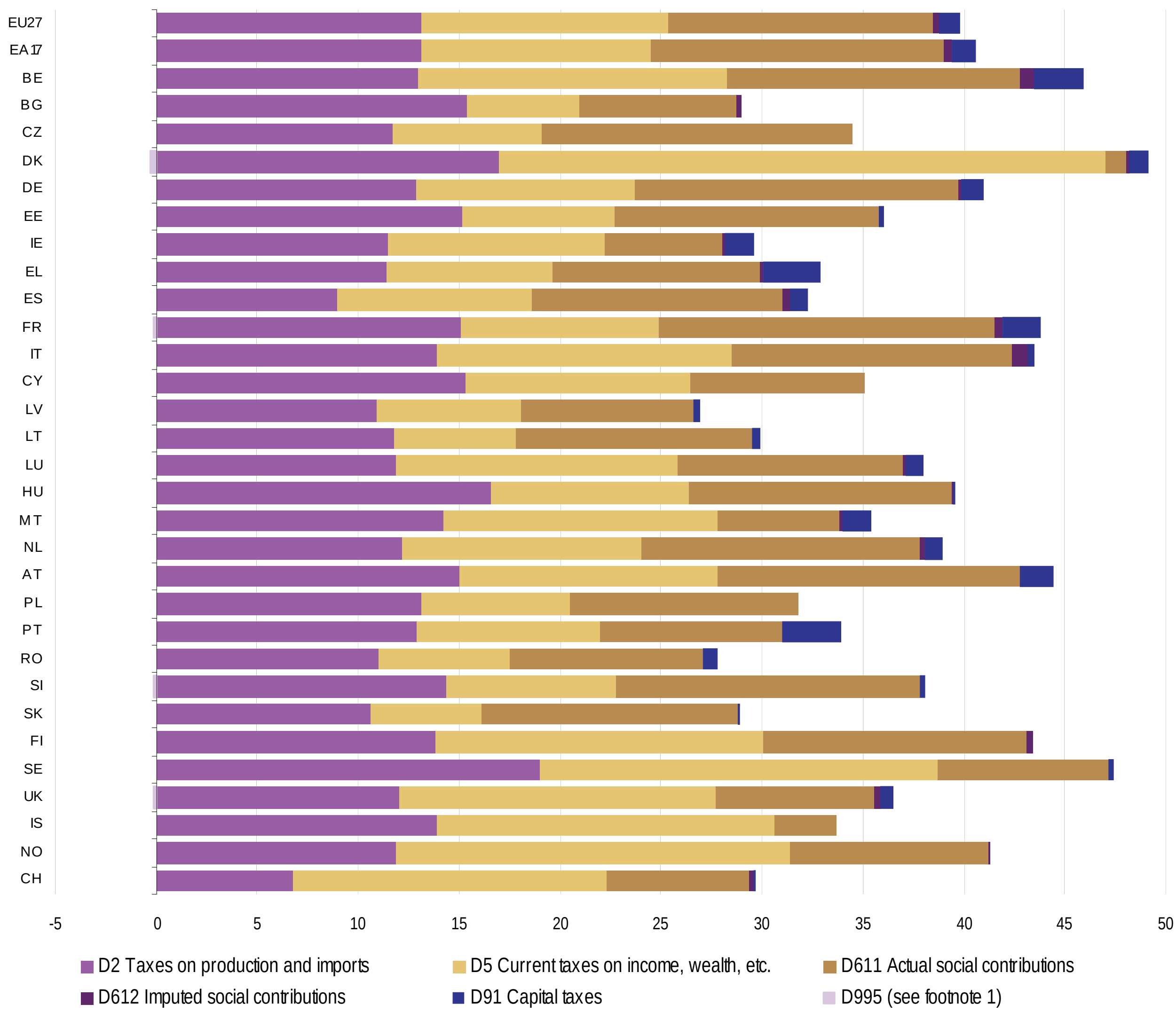
Actual social contributions (D.611) are the main component of social contributions. This source of government revenue covers the compulsory and voluntary contributions paid to government by employees, employers, self- and non-employed persons. They also include any amounts payable to government as an employer. Actual social contributions accounted for the highest ratios in GDP terms in France (16.6 %) and Germany (16.0 %) and for the lowest shares in Iceland, Ireland and Malta (3.1 %, 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 2009 for this type of tax revenue. In the national accounts system imputed social contributions (D.612) represent the counterpart of unfunded social benefits provided by the government as an employer. In 2009, they accounted for 2.9 % in Portugal and 2.8 % in Greece in terms of GDP, but for less than 0.1 % in the Czech Republic, Cyprus, Hungary, Iceland, Norway and Switzerland. More detailed breakdowns of D.2, D.5 and D.611 by country for 2009 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 0.3 % of GDP in the EU-27 in 2009, with low ratios mainly recorded for the new Member States (Bulgaria being an exception) and some of the Nordic countries. They range from 0.8 % of GDP in Italy and 0.7 % in Belgium to less than 0.02 % of GDP or being non-existent in the Czech Republic, Estonia, Cyprus, Lithuania, Portugal, Romania, Slovakia and Sweden.

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 2009, for the EU-27, this adjustment amounted to 0.1 % of GDP, with the highest shares being registered for Spain (0.9 %) and France (0.3 %).

Figure 5: Breakdown of tax revenue by country and by main tax categories in 2009 (percentage 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, 1999-2009 (% of GDP and millions of euro)

Tax revenue in % of GDP

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU27	42	41.7	40.8	40.2	40.2	40.0	40.3	40.8	40.7	40.5	39.7
EA17	42.7	42.4	41.5	41.0	41.0	40.6	40.8	41.4	41.4	40.9	40.4
BE	47.7	47.4	47.4	47.6	47.1	47.2	47.1	46.7	46.2	46.7	45.9
BG	31.1	31.5	30.8	28.5	31.0	32.5	31.3	30.7	33.3	32.3	28.9
CZ	34.1	33.9	34.0	34.8	35.8	37.5	37.2	36.7	37.3	35.6	34.5
DK	50.9	50.2	49.4	48.8	49.0	50.0	51.7	50.5	49.8	48.9	49.0
DE	43.2	43.3	41.4	41.0	41.1	40.2	40.2	40.5	40.6	40.7	41.1
EE	32.6	31.0	30.3	31.1	30.8	30.6	30.7	30.8	32.0	32.2	36.0
IE	33.2	32.8	31.0	29.7	30.3	31.6	32.2	33.6	32.9	31.3	29.6
EL	35.4	36.6	35.2	35.7	34.1	33.4	34.1	33.4	34.2	34.0	32.9
ES	34.4	34.8	34.3	34.7	34.7	35.3	36.4	37.2	37.9	34.0	31.3
FR	46.7	45.9	45.6	44.9	44.7	45.0	45.4	45.7	44.9	44.7	43.5
IT	42.9	42.1	41.8	41.2	41.7	40.9	40.7	42.3	43.3	43.2	43.4
CY	28.0	30.0	30.9	31.2	33.0	33.4	35.5	36.5	40.9	39.1	35.1
LV	32.3	29.7	28.7	28.5	28.7	28.7	29.2	30.7	30.7	29.5	27.0
LT	31.7	30.1	28.7	28.4	28.1	28.6	28.8	29.7	30.0	30.5	29.8
LU	39.2	40.0	40.6	40.2	39.0	38.2	38.5	36.7	36.5	36.2	38.0
HU	38.4	39.0	38.2	37.9	37.9	37.5	37.6	37.4	40.0	40.1	39.6
MT	28.7	29.3	31.9	33.0	32.8	34.4	35.2	35.4	36.0	34.7	35.5
NL	41.5	40.9	39.4	38.7	38.4	38.5	38.6	39.8	39.5	39.8	39.0
AT	46.2	45.3	47.1	45.7	45.5	44.9	43.9	43.4	43.6	44.2	44.4
PL	34.9	32.6	32.2	32.7	32.2	31.5	32.8	33.8	34.8	34.3	31.8
PT	33.4	33.7	33.4	34.3	34.7	33.9	35.0	35.7	36.0	35.7	33.9
RO	31.3	30.6	28.9	28.5	28.1	27.7	28.5	29.2	29.8	28.8	27.8
SI	38.4	37.7	37.9	38.2	38.4	38.6	38.9	38.6	38.0	37.5	37.9
SK	24.2	24.1	23.1	23.4	24.0	23.8	24.5	23.8	26.2	28.3	28.9
FI	46.3	47.4	44.9	44.9	44.3	43.7	44.1	44.0	43.1	43.3	43.3
SE	52.0	52.1	49.9	47.9	48.3	48.5	49.3	48.7	47.8	46.9	47.4
UK	37.5	38.1	37.9	36.5	36.2	36.7	37.6	38.3	37.9	39.1	36.7
IS	36.8	37.1	35.3	35.2	36.7	37.9	40.6	41.4	40.5	36.7	33.7
NO	42.3	42.7	42.9	43.1	42.3	43.3	43.6	44.0	43.9	43.1	41.4
CH	28.6	30	29.5	29.8	29.3	28.9	29.3	29.2	29.0	29.3	29.6

Tax revenue in millions of euro

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU27	3607135	3843771	3918093	4002783	4068842	4248831	4467239	4774380	5054384	5059617	4679035
EA17	2756787	2881433	2940519	3011830	3098723	3198568	3331736	3546264	3742884	3791565	3619784
BE	113762	119441	122987	127642	129854	137265	142672	148659	154680	161024	155735
BG	3869	4426	4787	4853	5700	6633	7270	8133	10254	11431	10121
CZ	19237	20839	23496	27878	28971	33071	37239	41765	47455	52573	47321
DK	83142	87181	88459	90094	92275	98444	107312	110502	113240	114194	109060
DE	868890	893080	875070	879230	889290	888040	900510	942010	988620	1010820	984560
EE	1745	1911	2109	2418	2690	2968	3437	4121	5066	5192	4993
IE	29979	34428	36319	38787	42373	47151	52198	59650	62394	56385	47233
EL	46642	50415	51561	55885	58844	61956	66386	70649	77609	80626	77341
ES	199716	219035	233424	253263	271901	296987	330988	366585	399390	370109	330391
FR	639119	661989	682440	695718	713635	747116	784264	825412	851286	870419	829031
IT	483084	501825	522357	533676	556264	568903	581668	628097	670094	677266	660744
CY	2564	3022	3339	3484	3885	4255	4851	5350	6520	6763	5955
LV	2199	2523	2673	2824	2865	3208	3803	4924	6484	6794	5002
LT	3262	3730	3892	4271	4641	5185	6009	7124	8583	9858	7899
LU	7794	8798	9172	9634	10081	10496	11644	12448	13678	14336	14457
HU	17668	20076	22815	26846	28159	31022	33320	33542	40303	42678	36764
MT	1050	1237	1371	1481	1452	1549	1696	1795	1967	2048	2078
NL	160138	171149	176355	180173	183075	189192	197945	214890	225627	237219	222793
AT	91409	93978	100148	100004	101665	104610	107030	111495	118468	125070	121729
PL	54956	60490	68340	68563	61739	64265	80152	91892	108290	124574	98727
PT	39559	42839	44867	48051	49687	50431	53808	57183	60709	61473	57031
RO	10581	12420	13099	13857	14794	16941	22722	28499	37161	40242	32676
SI	7949	8075	8610	9363	9877	10463	11186	11976	13130	13977	13405
SK	6803	7528	7820	8604	9743	10770	12106	13101	16149	18968	18251
FI	56586	62684	62569	64416	64408	66416	69349	72844	77497	79872	74058
SE	126324	139861	126544	127820	134655	141520	147210	155071	161564	156451	137833
UK	529112	610794	623470	623948	596319	649974	690465	746667	778167	709259	573848
IS	3016	3497	3118	3338	3560	4035	5324	5513	6049	3771	2930
NO	63158	77898	81926	88043	84270	90235	105809	118094	124266	131797	112960
CH	72097	81152	83936	88348	84273	84495	87751	91027	92038	100448	104880

Source: Eurostat (online data code: gov_a_tax_ag)

Table 2: Breakdown of tax revenue by country and by detailed tax categories in 2009 (millions of euro and % of GDP)

	D2 Taxes on production and imports – in millions of euro	in % of GDP	D21 Taxes on products – in millions of euro	in % of GDP	D211 Value added type taxes – in millions of euro	in % of GDP	D212 Taxes and duties on imports excluding VAT – in millions of euro	in % of GDP	D214 Taxes on products, except VAT and import taxes – in millions of euro	in % of GDP	D29 Other taxes on production – in millions of euro	in % of GDP
EU27	1548179	13.1	1269492	10.8	783677	6.6	46194	0.4	439487	3.7	278687	2.4
EA17	1171319	13.1	948361	10.6	587815	6.6	39313	0.4	321233	3.6	222959	2.5
BE	44120	13.0	37895	11.2	23600	7.0	2001	0.6	12293	3.6	6225	1.8
BG	5380	15.4	5184	14.8	3156	9.0	67	0.2	1961	5.6	197	0.6
CZ	16034	11.7	15509	11.3	9784	7.1	1530	1.1	4196	3.1	525	0.4
DK	37891	17.0	33355	15.0	22477	10.1	402	0.2	10341	4.6	4537	2.0
DE	310160	12.9	262890	11.0	177680	7.4	18560	0.8	66650	2.8	47270	2.0
EE	2105	15.2	1995	14.4	1255	9.1	717	5.2	23	0.2	110	0.8
IE	18404	11.5	16262	10.2	10227	6.4	3428	2.1	2607	1.6	2142	1.3
EL	26740	11.4	25649	10.9	14912	6.3	601	0.3	10136	4.3	1091	0.5
ES	94488	9.0	81465	7.7	43396	4.1	1451	0.1	36618	3.5	13023	1.2
FR	288451	15.1	201052	10.5	129421	6.8	1836	0.1	69795	3.7	87399	4.6
IT	210839	13.9	164539	10.8	86537	5.7	2068	0.1	75934	5.0	46300	3.0
CY	2595	15.3	2264	13.4	1546	9.1	131	0.8	587	3.5	331	2.0
LV	2025	10.9	1886	10.2	1109	6.0	47	0.3	729	3.9	140	0.8
LT	3137	11.8	3004	11.3	1961	7.4	68	0.3	974	3.7	133	0.5
LU	4520	11.9	3958	10.4	2360	6.2	1316	3.5	282	0.7	562	1.5
HU	15451	16.6	14694	15.8	7820	8.4	131	0.1	6742	7.3	758	0.8
MT	833	14.2	798	13.6	457	7.8	12	0.2	329	5.6	36	0.6
NL	69938	12.2	63277	11.1	40086	7.0	5785	1.0	17406	3.0	6661	1.2
AT	41012	15.0	31980	11.7	22158	8.1	320	0.1	9501	3.5	9032	3.3
PL	40632	13.1	35758	11.5	23056	7.4	1051	0.3	11650	3.8	4874	1.6
PT	21744	12.9	20248	12.0	11973	7.1	757	0.5	7519	4.5	1496	0.9
RO	12935	11.0	12115	10.3	7852	6.7	218	0.2	4045	3.4	820	0.7
SI	5093	14.4	4728	13.4	2984	8.4	67	0.2	1678	4.7	365	1.0
SK	6696	10.6	6233	9.9	4221	6.7	112	0.2	1900	3.0	463	0.7
FI	23582	13.8	23129	13.5	15004	8.8	152	0.1	7973	4.7	453	0.3
SE	55179	19.0	38799	13.3	28226	9.7	397	0.1	10176	3.5	16380	5.6
UK	188196	12.0	160830	10.3	90420	5.8	2969	0.2	67441	4.3	27366	1.7
IS	1212	13.9	985	11.3	696	8.0	31	0.4	258	3.0	227	2.6
NO	32592	11.9	31074	11.4	21335	7.8	267	0.1	9472	3.5	1519	0.6
CH	23945	6.8	21728	6.1	13116	3.7	4317	1.2	4295	1.2	2217	0.6

	D5 Current taxes on income, wealth etc. – in millions of euro	in % of GDP	D51 Taxes on income – in millions of euro	in % of GDP	D59 Other current taxes – in millions of euro	in % of GDP	D91 Capital taxes – in millions of euro	in % of GDP	Total tax receipts – in millions of euro	in % of GDP
EU27	1445211	12.3	1349488	11.4	95724	0.8	40120	0.3	3033510	25.7
EA17	1019917	11.4	968846	10.8	51072	0.6	33970	0.4	2225207	24.8
BE	51855	15.3	49986	14.7	1869	0.6	2234	0.7	98209	29.0
BG	1947	5.6	1926	5.5	22	0.1	98	0.3	7425	21.2
CZ	10106	7.4	9993	7.3	113	0.1	10	0.0	26150	19.1
DK	66700	30.0	64453	29.0	2247	1.0	497	0.2	105087	47.2
DE	259960	10.8	252920	10.6	7040	0.3	4540	0.2	574660	24.0
EE	1045	7.5	1045	7.5	0	0.0	:	:	3150	22.7
IE	17080	10.7	16493	10.3	587	0.4	256	0.2	35740	22.4
EL	19308	8.2	17925	7.6	1383	0.6	505	0.2	46553	19.8
ES	101010	9.6	98484	9.3	2526	0.2	4231	0.4	199729	19.0
FR	186780	9.8	166922	8.8	19858	1.0	7479	0.4	482710	25.3
IT	222655	14.6	215623	14.2	7032	0.5	12247	0.8	445741	29.3
CY	1895	11.2	1767	10.4	127	0.8	2	0.0	4491	26.5
LV	1329	7.2	1297	7.0	33	0.2	3	0.0	3358	18.1
LT	1598	6.0	1586	6.0	12	0.0	2	0.0	4737	17.9
LU	5292	13.9	5012	13.2	280	0.7	52	0.1	9864	25.9
HU	9093	9.8	8834	9.5	259	0.3	49	0.1	24593	26.5
MT	795	13.6	759	13.0	36	0.6	14	0.2	1643	28.1
NL	67666	11.8	61512	10.8	6154	1.1	1817	0.3	139421	24.4
AT	35114	12.8	33295	12.1	1819	0.7	130	0.0	76255	27.8
PL	23111	7.4	21537	6.9	1574	0.5	72	0.0	63814	20.6
PT	15214	9.1	14530	8.6	684	0.4	12	0.0	36970	22.0
RO	7651	6.5	7307	6.2	344	0.3	0	0.0	20586	17.5
SI	2955	8.4	2747	7.8	209	0.6	11	0.0	8059	22.8
SK	3474	5.5	3261	5.2	212	0.3	0	0.0	10169	16.1
FI	27821	16.3	26565	15.5	1256	0.7	440	0.3	51843	30.3
SE	57288	19.7	56471	19.4	817	0.3	0	0.0	112467	38.7
UK	246471	15.7	207238	13.2	39233	2.5	5420	0.3	440087	28.1
IS	1450	16.7	1389	16.0	61	0.7	2	0.0	2664	30.6
NO	53186	19.5	50875	18.6	2311	0.8	279	0.1	86057	31.5
CH	54934	15.5	48393	13.7	6541	1.8	571	0.2	79449	22.4

	D611 Actual social contributions – in millions of euro	in % of GDP	D6111 Employers' actual social contributions – in millions of euro	in % of GDP	D6112 Employees' actual social contributions – in millions of euro	in % of GDP	D6113 Social contributions by self- and non-employed persons – in millions of euro	in % of GDP	D612 Imputed social contributions – in millions of euro	in % of GDP	D995 Capital transfers from gen. government assessed but unlikely to be collected – in millions of euro	in % of GDP	Total tax revenue – in millions of euro	in % of GDP
EU27	1541053	13.1	882653	7.5	461573	3.9	196827	1.7	120771	1.0	16299	0.1	4679035	39.7
EA17	1302543	14.5	739458	8.2	383312	4.3	179773	2.0	107397	1.2	15364	0.2	3619784	40.4
BE	49270	14.5	29679	8.8	14860	4.4	4731	1.4	8256	2.4	:	:	155735	45.9
BG	2696	7.7	1623	4.6	915	2.6	158	0.4	:	:	:	:	10121	28.9
CZ	21140	15.4	13241	9.7	4243	3.1	3656	2.7	31	0.0	:	:	47321	34.5
DK	2291	1.0	106	0.0	2185	1.0	:	:	2015	0.9	333	0.1	109060	49.0
DE	383680	16.0	161290	6.7	150280	6.3	72110	3.0	26220	1.1	:	:	984560	41.1
EE	1819	13.1	1723	12.4	75	0.5	22	0.2	23	0.2	:	:	4993	36.0
IE	9316	5.8	5281	3.3	3721	2.3	315	0.2	2177	1.4	:	:	47233	29.6
EL	24151	10.3	11050	4.7	8875	3.8	4226	1.8	6637	2.8	:	:	77341	32.9
ES	130700	12.4	91317	8.7	20465	1.9	18918	1.8	9627	0.9	9665	0.9	330391	31.3
FR	315760	16.6	213815	11.2	77718	4.1	24227	1.3	36047	1.9	5486	0.3	829031	43.5
IT	210917	13.9	144098	9.5	39147	2.6	27672	1.8	4086	0.3	:	:	660744	43.4
CY	1464	8.6	994	5.9	403	2.4	67	0.4	0	0.0	:	:	5955	35.1
LV	1580	8.5	1142	6.2	427	2.3	11	0.1	64	0.3	:	:	5002	27.0
LT	3091	11.7	2291	8.6	686	2.6	114	0.4	118	0.4	47	0.2	7899	29.8
LU	4255	11.2	1810	4.8	1926	5.1	518	1.4	339	0.9	:	:	14457	38.0
HU	12086	13.0	8473	9.1	2935	3.2	677	0.7	85	0.1	:	:	36764	39.6
MT	352	6.0	159	2.7	159	2.7	34	0.6	83	1.4	:	:	2078	35.5
NL	78959	13.8	28042	4.9	33787	5.9	17130	3.0	4413	0.8	:	:	222793	39.0
AT	41271	15.0	19105	7.0	16916	6.2	5251	1.9	4373	1.6	171	0.1	121729	44.4
PL	35226	11.3	14340	4.6	12997	4.2	7889	2.5	:	:	313	0.1	98727	31.8
PT	15131	9.0	8419	5.0	6103	3.6	609	0.4	4930	2.9	:	:	57031	33.9
RO	11224	9.6	7031	6.0	3859	3.3	335	0.3	866	0.7	:	:	32676	27.8
SI	5291	15.0	2039	5.8	2744	7.8	508	1.4	97	0.3	42	0.1	13405	37.9
SK	7993	12.7	4322	6.9	1887	3.0	1783	2.8	89	0.1	:	:	18251	28.9
FI	22215	13.0	16316	9.5	4246	2.5	1653	1.0	:	:	:	:	74058	43.3
SE	24730	8.5	23761	8.2	272	0.1	697	0.2	636	0.2	:	:	137833	47.4
UK	124445	7.9	71186	4.5	49743	3.2	3517	0.2	9558	0.6	242	0.0	573848	36.7
IS	266	3.1	260	3.0	0	0.0	6	0.1	0	0.0	0	0.0	2930	33.7
NO	26847	9.8	16423	6.0	10425	3.8	0	0.0	56	0.0	:	:	112960	41.4
CH	25239	7.1	11570	3.3	11561	3.3	2108	0.6	192	0.1	:	:	104880	29.6

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 correspond to the end-September 2010 transmission, with some Member States having updated their data since.
Accordingly, there could be slight differences compared to data collected on the basis of table 0200, 'Main aggregates of general government' (transmitted at t+3 and t+9 months) which correspond to the end-March 2011 transmission that has been released recently.

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 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', 2010 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), Cyprus (CY), LU (Luxembourg), Malta (MT), 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
D2: TAXES ON PRODUCTION AND IMPORTS
D21: Taxes on products
D211: Value added type taxes (VAT)
D212: Taxes and duties on imports excluding VAT
D214: Taxes on products, except VAT and import taxes
D29: Other taxes on production
D5: CURRENT TAXES ON INCOME, WEALTH, ETC.
D51: Taxes on income
D59: Other current taxes
D91: Capital taxes
D2_D5_D91: TOTAL TAX RECEIPTS
D611: Actual social contributions
D6111: Employers' actual social contributions
D6112: Employees' social contributions
D6113: Social contributions by self- and non-employed persons
D612: Imputed social contributions
D995: Capital transfers from general government to relevant sectors representing taxes and social contributions assessed but unlikely to be collected

TOTAL (D2_D5_D91_D611_D612_M_D995): total receipts from taxes and social contributions (including imputed social contributions) after deduction of amounts assessed but unlikely to be collected

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/.

All Eurostat publications can be ordered via the 'EU Bookshop': http://bookshop.europa.eu/.

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