



European Commission /
Taxation and Customs Union

Taxation trends in the European Union

Edition 2010

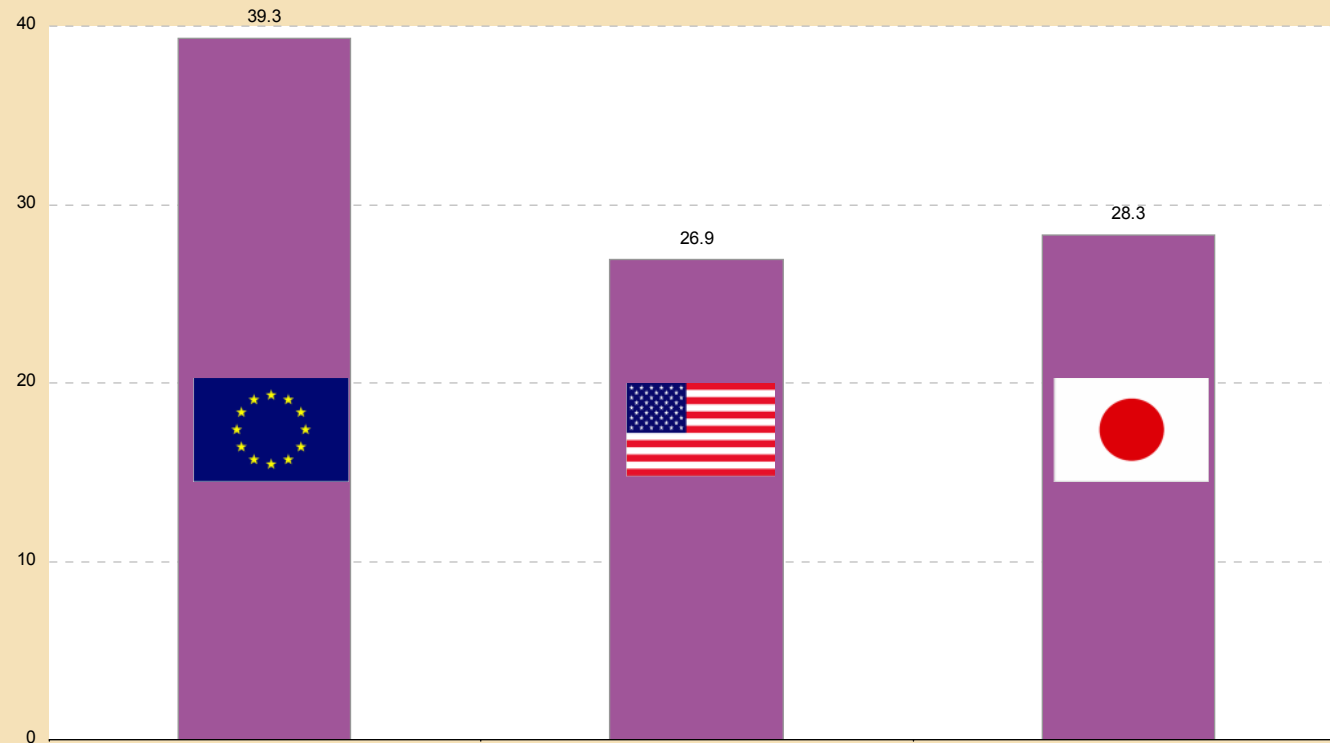
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Taxation and Customs Union DG
European Commission



EU is a high tax area...

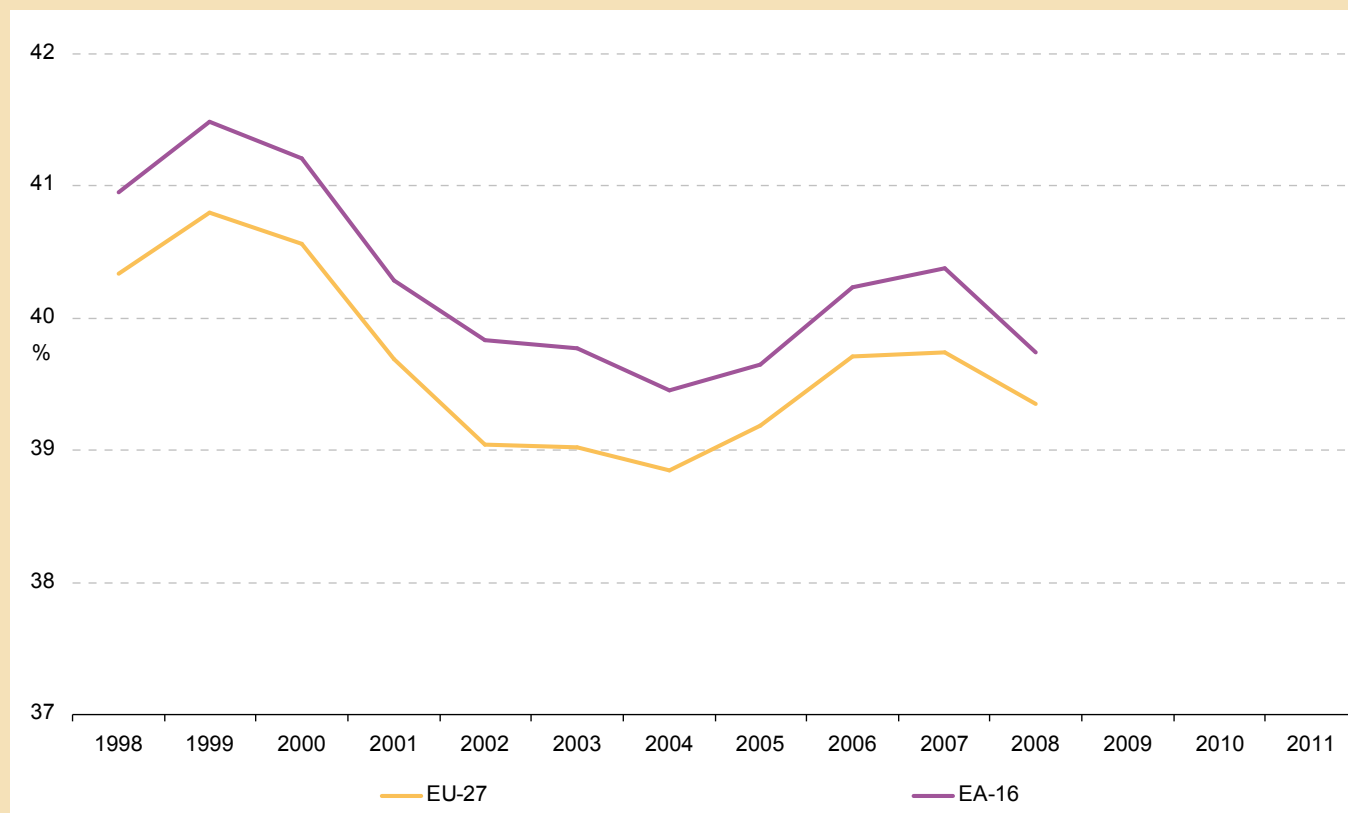
2008 tax and social contributions revenue as % of GDP; EU, US, Japan





Development of overall tax ratio

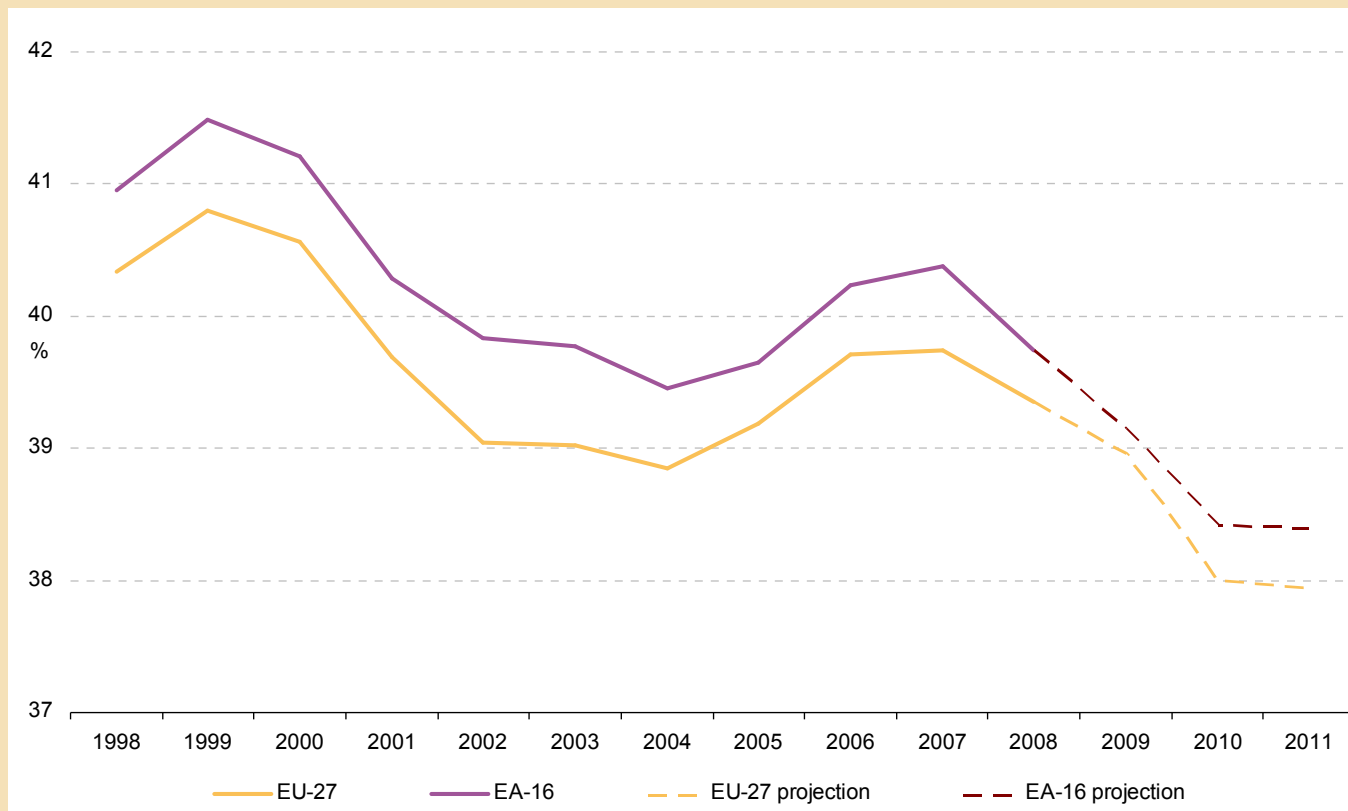
% of GDP, weighted; projection based on Commission spring 2010 forecasts





Development of overall tax ratio

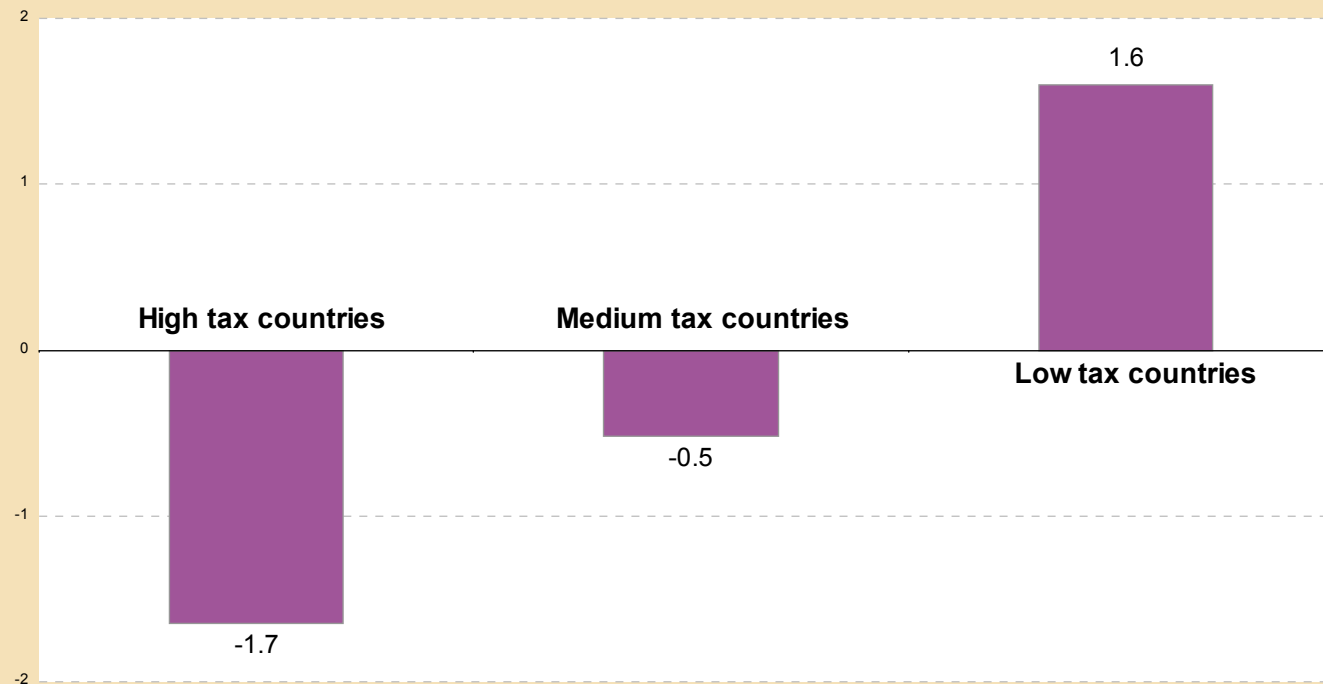
% of GDP, weighted; projection based on Commission spring 2010 forecasts





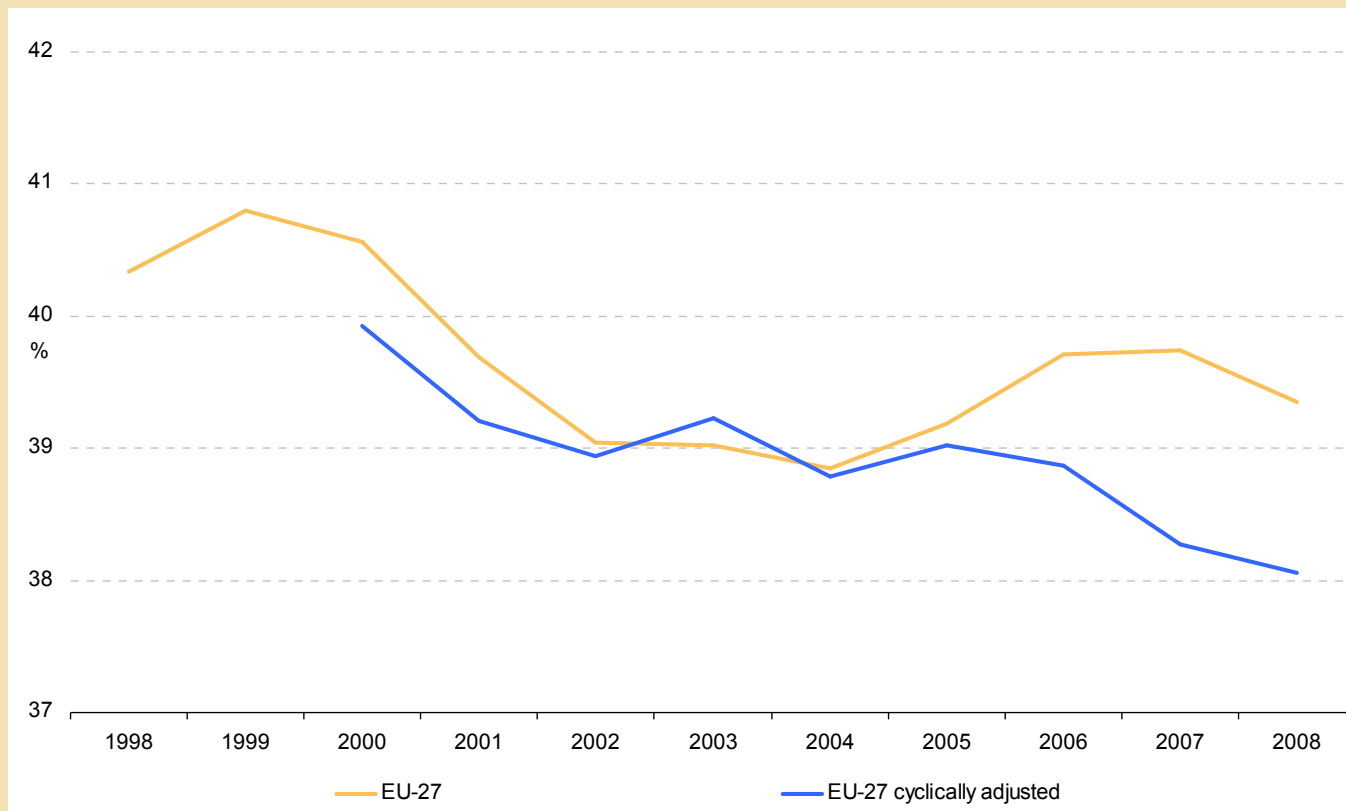
Development of tax ratio since 2000 by level of taxation

Average change in total tax-to-GDP between 2000 and 2008
in percentage points



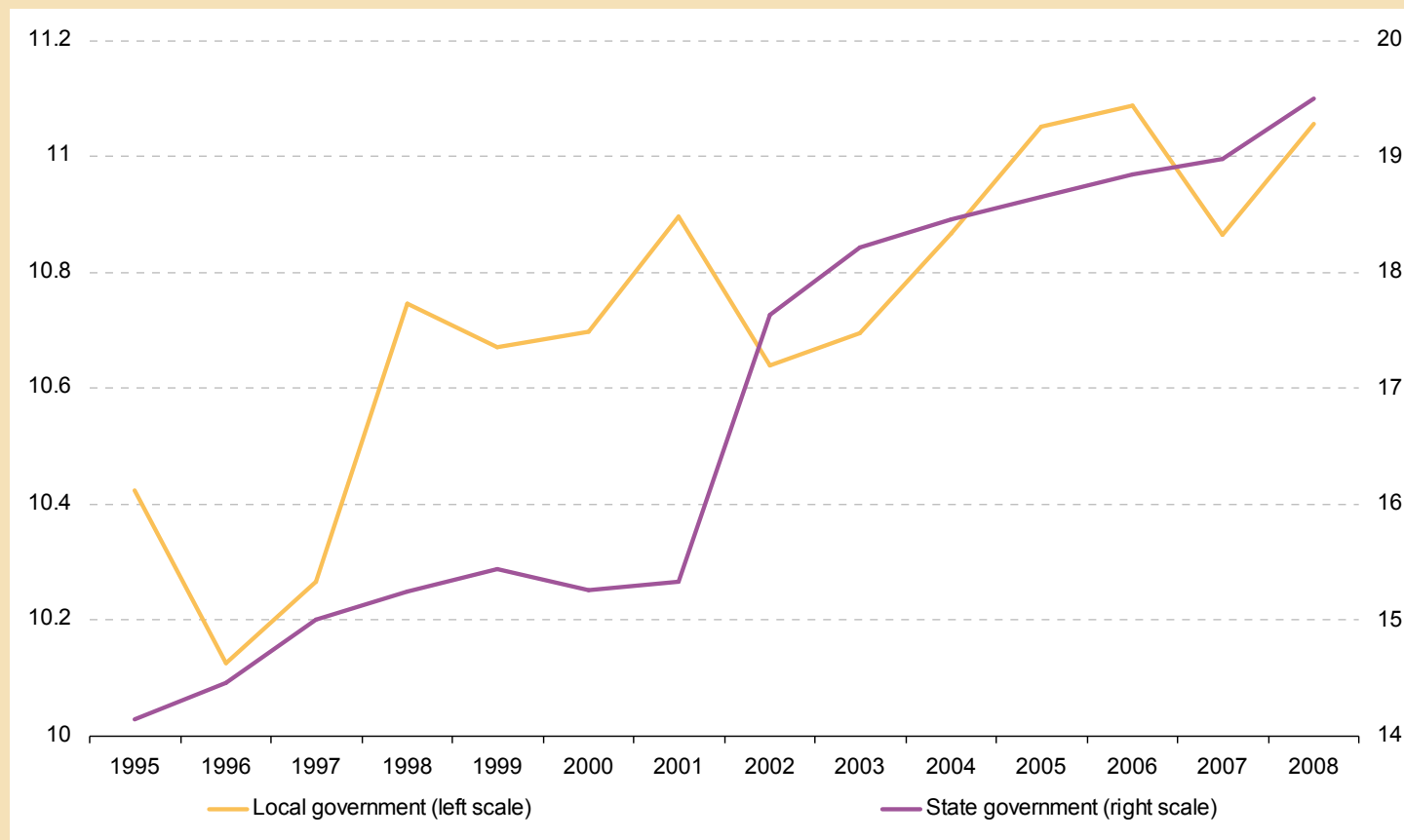


Growth-adjusted figures do not show 2004-2007 increase



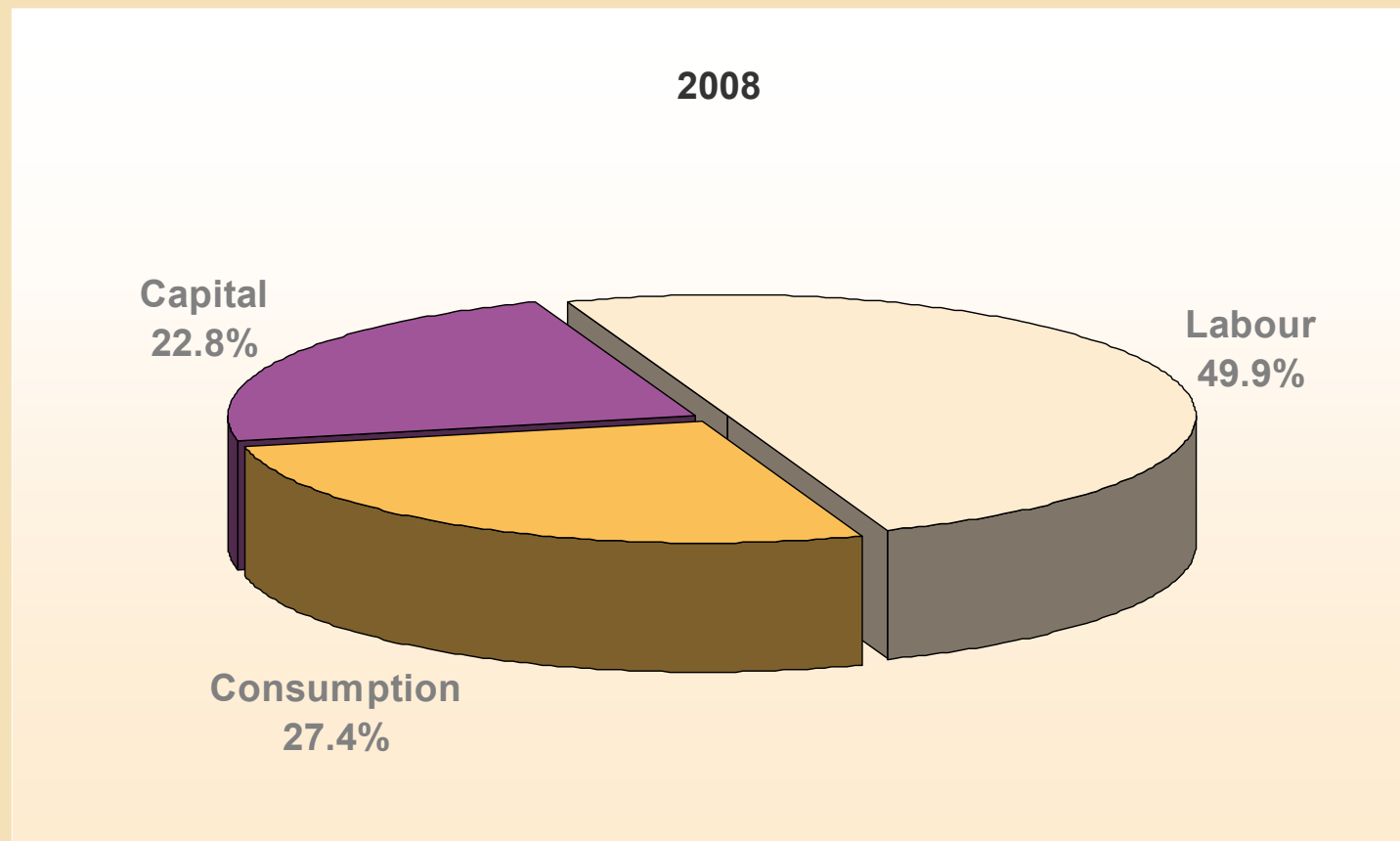


Share of revenue accruing to sub-central level



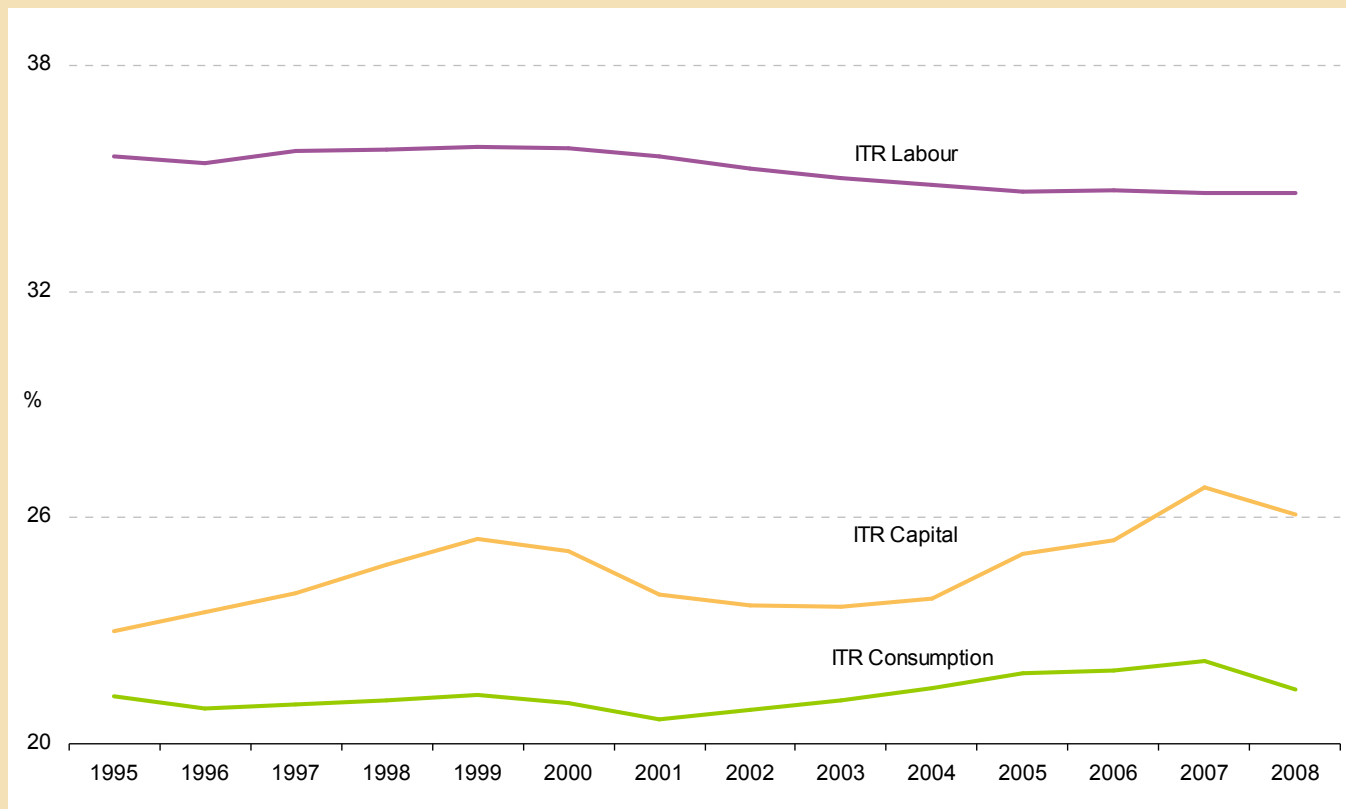


Revenue by function





Implicit tax rates (ITRs)





Type of measures adopted: CIT

Corporate Income Taxation		
Base or special regimes	Statutory rate	Timing (revenue effect)
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- This table shows the number of measures adopted during the crisis and their impact (widening or narrowing of the base, changes in the rate, timing of tax payment)
- Most measures in corporate taxation involved tax relief
- Changes in the **rate** have been overwhelmingly cuts
- Most of the time the reforms have **narrowed** the CIT base although the opposite took place too
- Many measures **eased** the terms for paying taxes



Type of measures adopted: PIT

Personal Income Taxation		
Base or special regimes	Rates	Timing (revenue effect)
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- Most measures in personal taxation have involved tax relief, but also many increases are present
- Slightly higher number of **rate** cuts than increases
- As in CIT, most reforms have **narrowed** the base but the opposite has frequently happened, too
- Many measures **eased** the terms of payment



Type of measures adopted: VAT

VAT		
Base or special regimes	Rates	Timing (revenue effect)
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- VAT stands out for its clear-cut patterns
- Clear prevalence of **rate** increases over cuts
- ... but also clear use of **base narrowing** measures to favour particular categories of goods
- Significant recourse of measures to **ease** the business liquidity



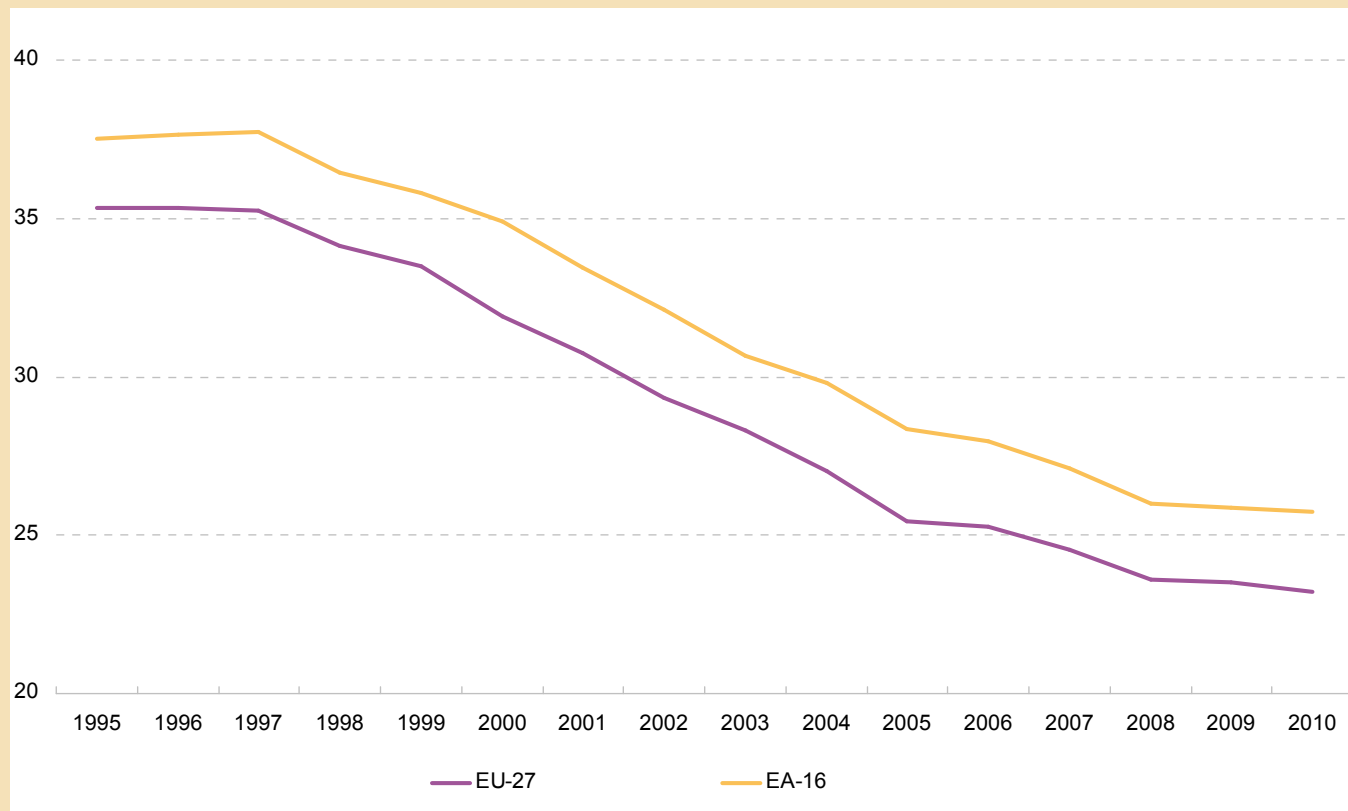
Type of measures adopted: excise duties

Excise duties		
Base or special regimes	Rates	Timing (revenue effect)
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- Excise duties have been **widely used** to raise revenue
- Clear prevalence of **rate** increases over cuts
- Limited use of **base** measures – mostly to widen base
- No business liquidity measures

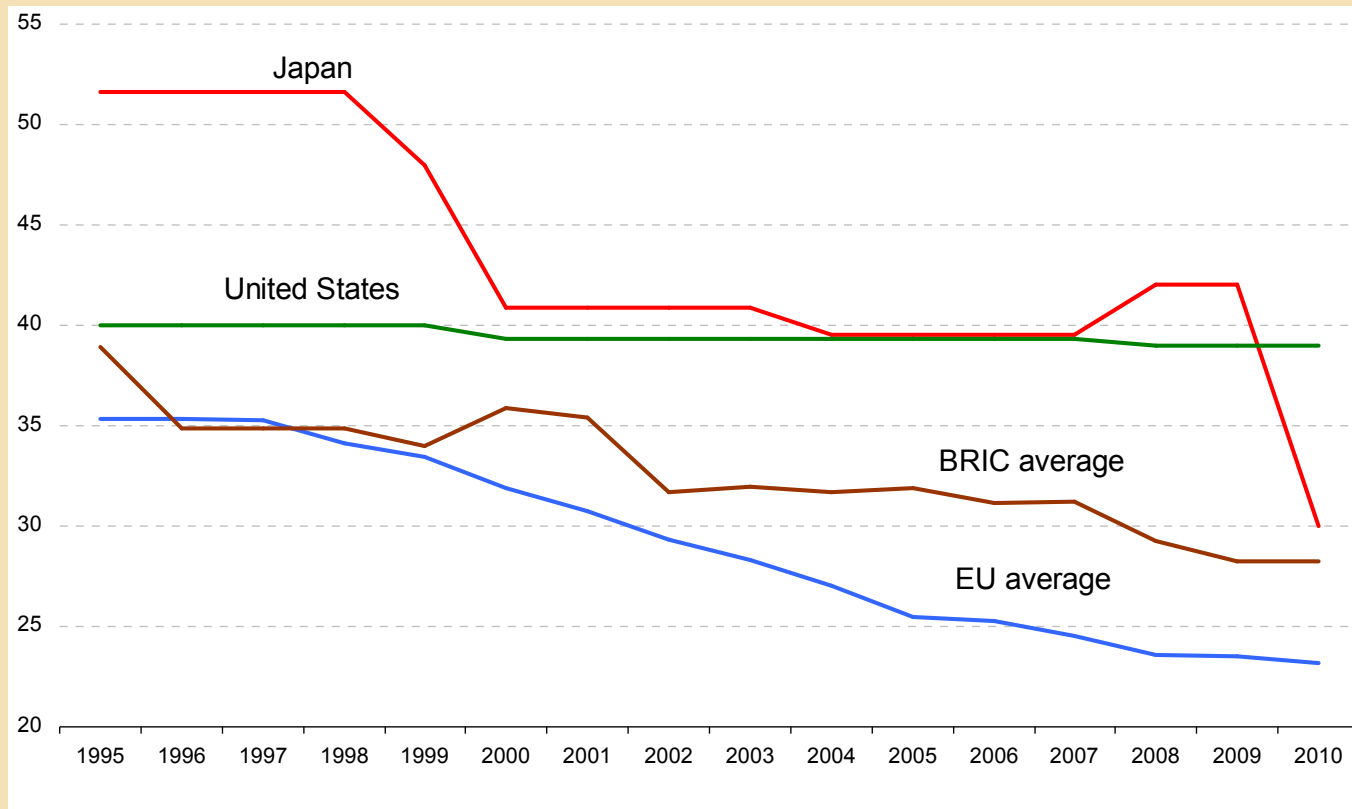


Corporate income tax rates



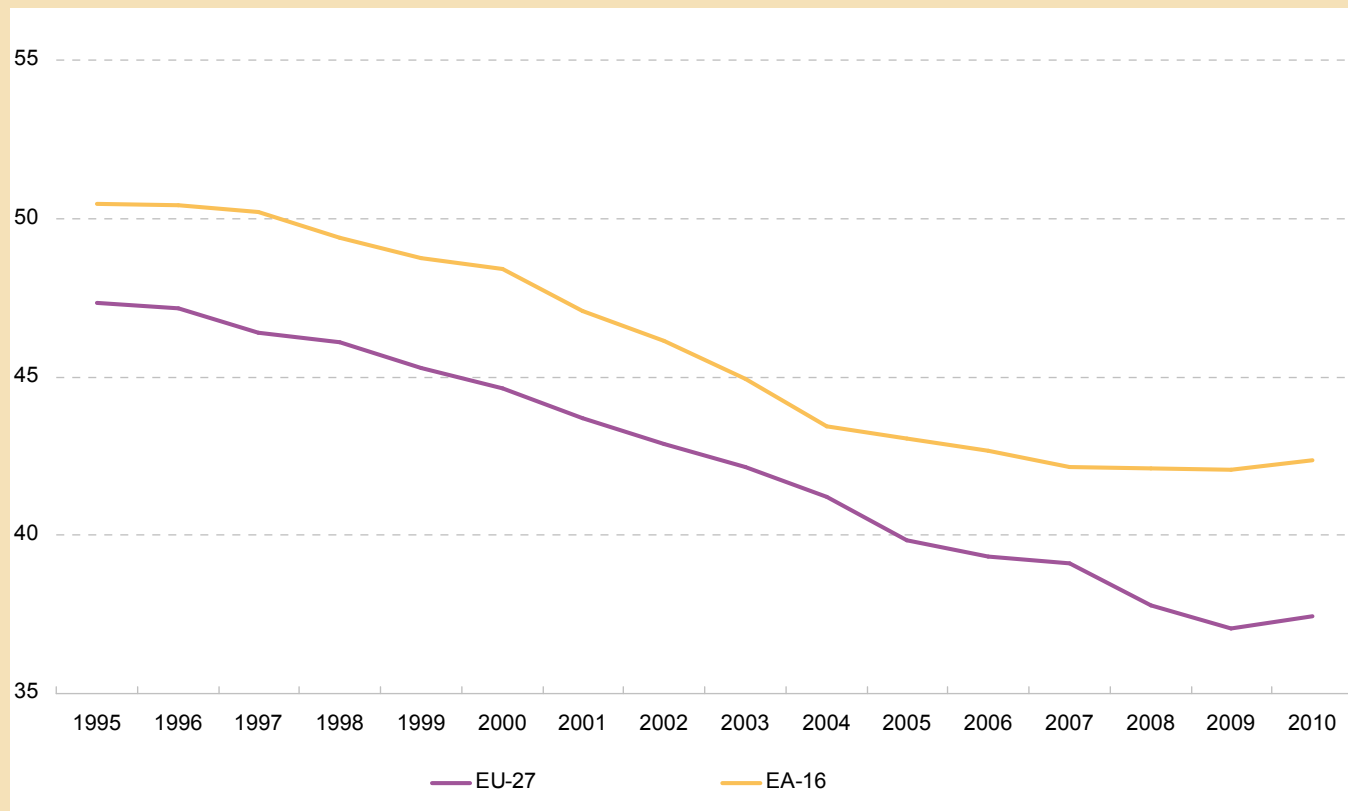


Corporate income tax rates



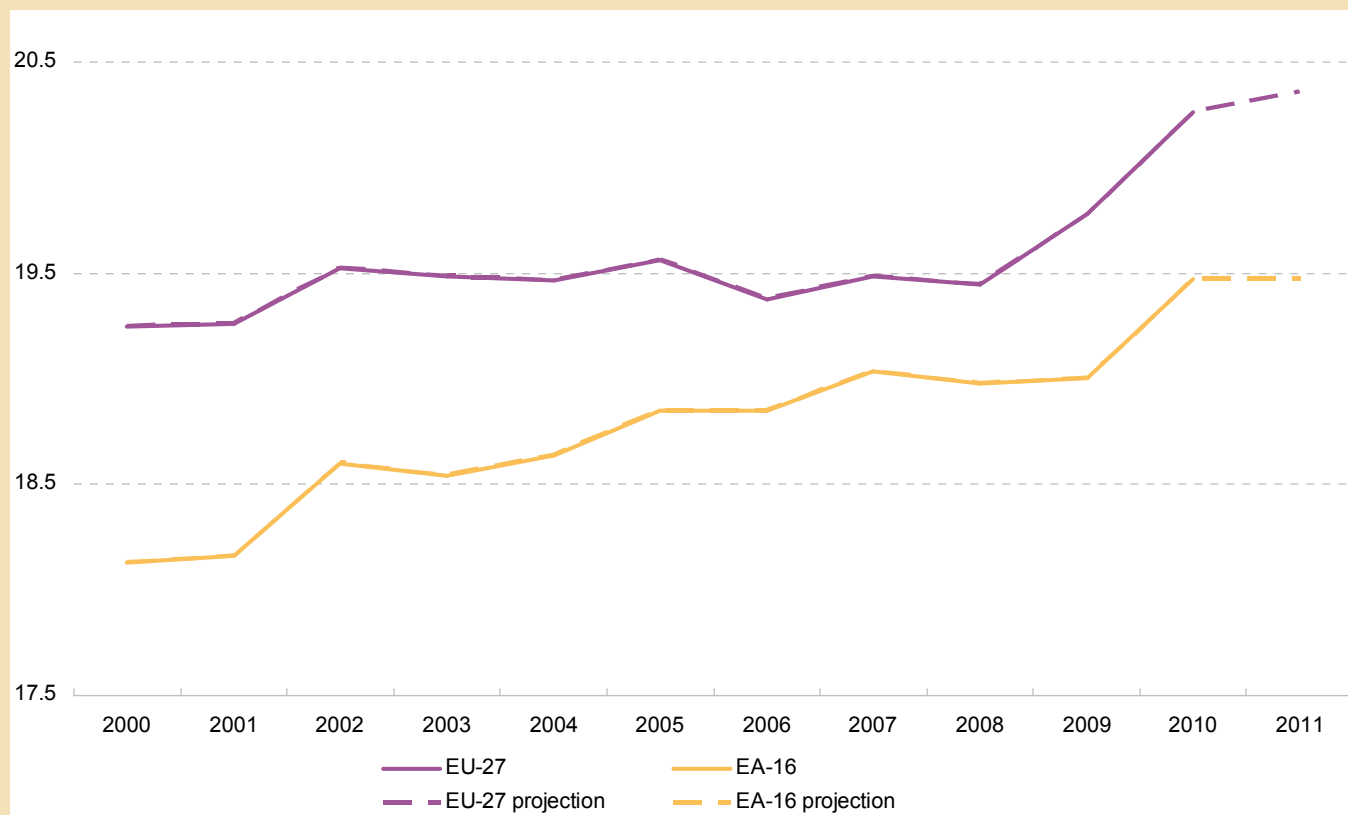


Development of top statutory personal income tax rates





Development of standard VAT rate





Notable increases in VAT standard rates

EE: 18 -> 20

LV: 18 -> 21

LT: 18 -> 21

HU: 20 -> 25

ES: 16 -> 18

FI: 22 -> 23

EL: 19 -> 23

UK: 17.5 -> 20 (2011)

RO: 19 -> 24 (announced)



Additional information

- The full report and an executive summary are available at the following address:
- <http://ec.europa.eu/taxtrends>