

# Tax Policy Trends in OECD countries

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# Top challenges following the crisis

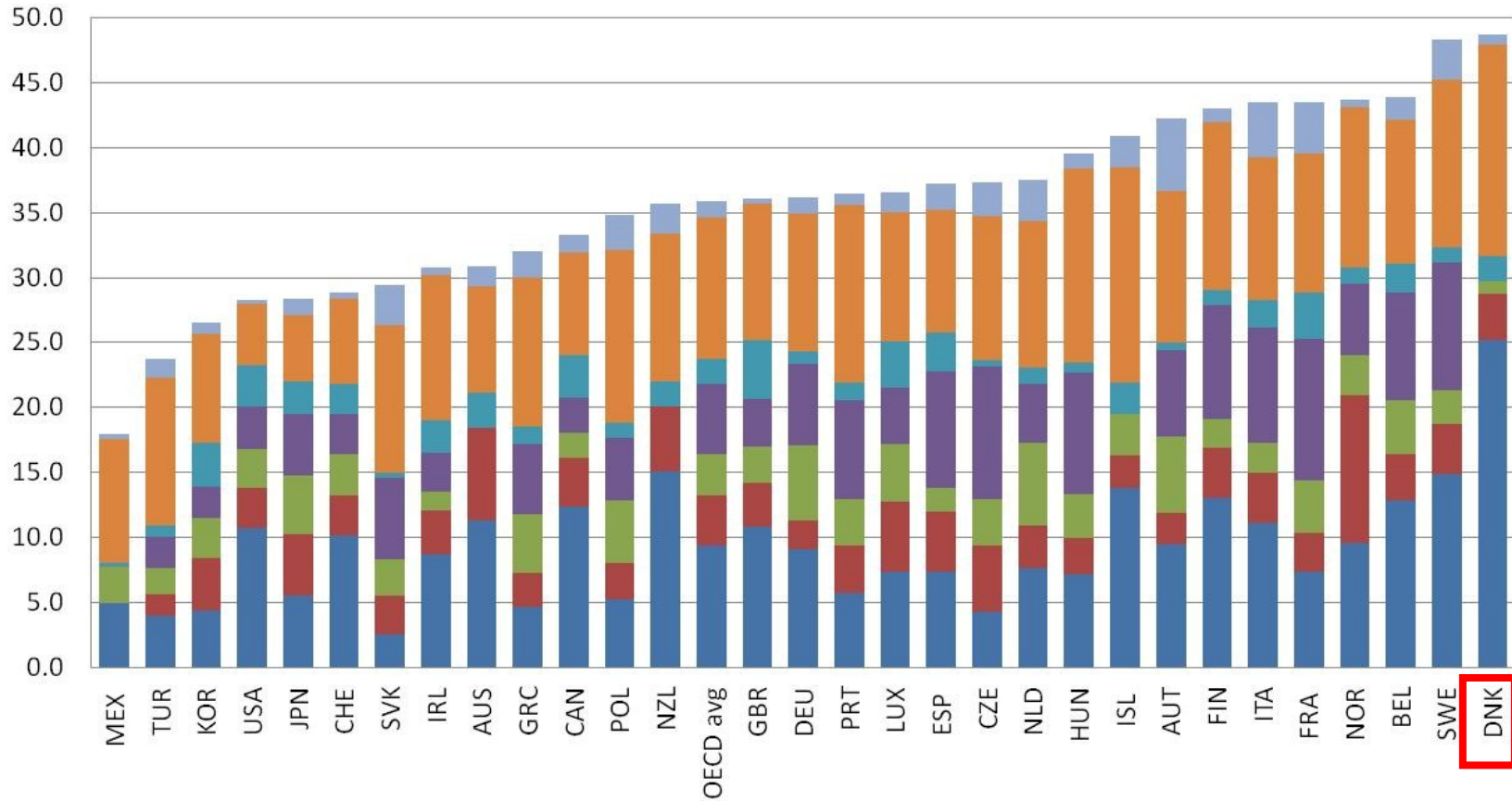
- Public debt has risen strongly following the crisis
  - The scale of fiscal consolidation required in some countries means that both spending cuts and tax increases are necessary
  
- Economic growth potential is weakened
  - Tax reform might be part of the answer

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# Tax-to-GDP ratios

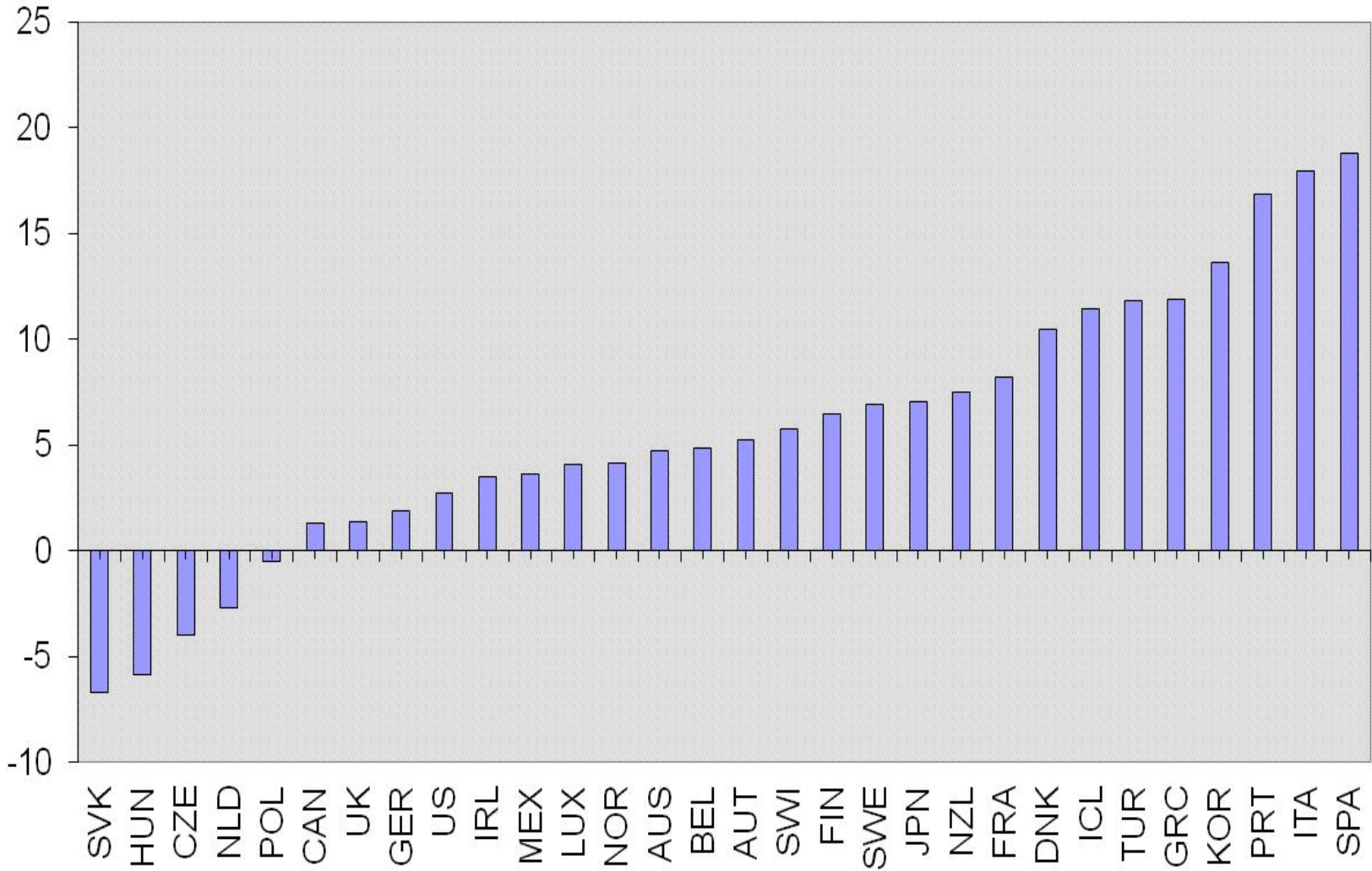
### Tax revenue as percentage of GDP, 2007

- Personal income tax
- Employee social security contributions
- Property taxes
- Other (incl. payroll and self-employed SSC)
- Corporate income tax
- Employer social security contributions
- Taxes on goods and services



Source: Revenue Statistics (OECD)

Change in tax as % of GDP (1975-2007)



**Earliest data available MEX: 1980; HUN-POL: 91; CZE: 93; SVK: 98**  
**Source: Revenue Statistics (OECD)**

# The tax mix

# Revenue shares of major taxes in the OECD-area over time

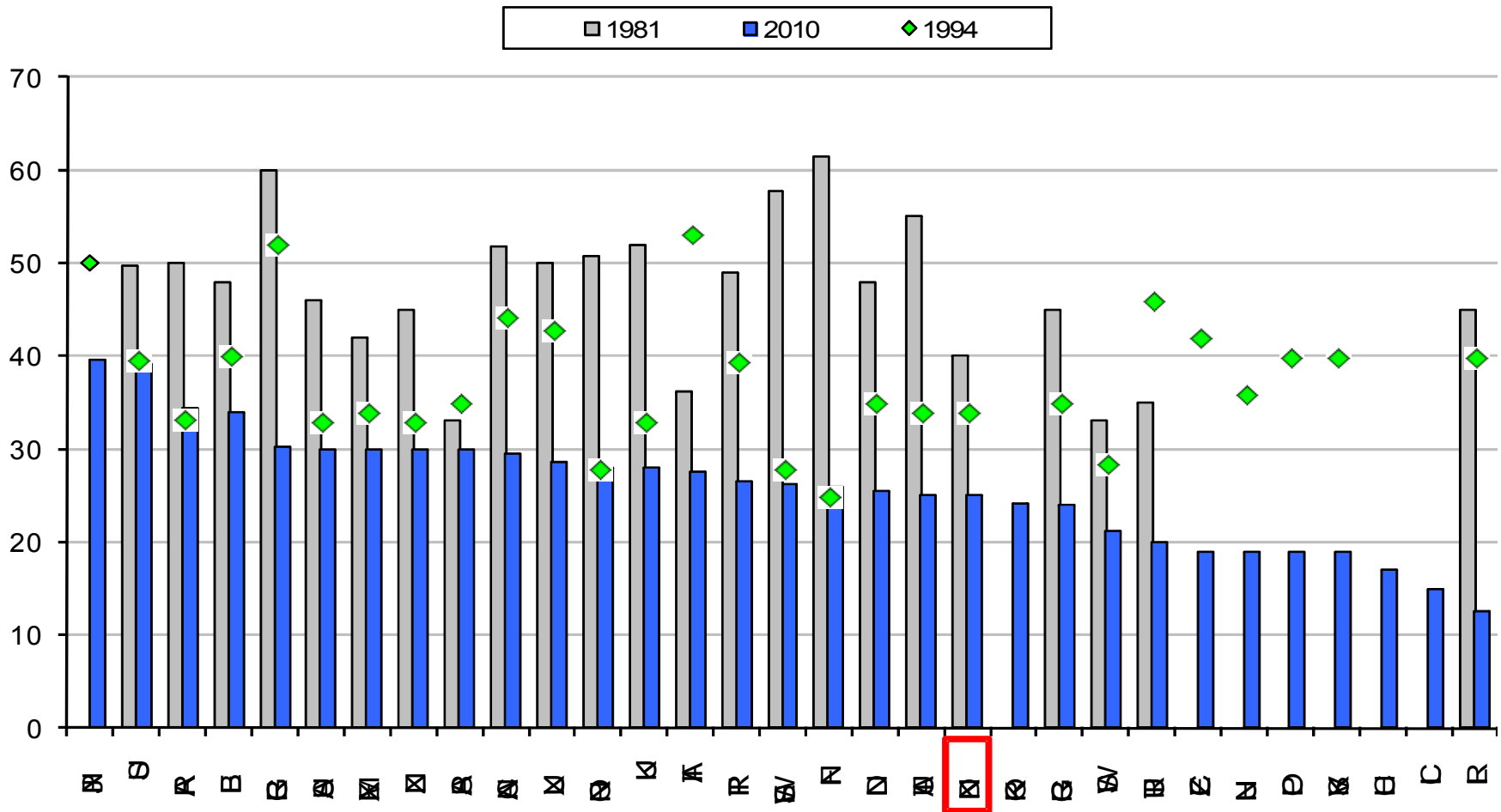
	1965	1975	1985	1995	2007
Personal income tax	26	30	30	27	25
Corporate income tax	9	8	8	8	11
Social security contributions	18	22	22	25	25
<i>(employee)</i>	<i>(6)</i>	<i>(7)</i>	<i>(7)</i>	<i>(8)</i>	<i>(9)</i>
<i>(employer)</i>	<i>(10)</i>	<i>(14)</i>	<i>(13)</i>	<i>(14)</i>	<i>(15)</i>
Payroll taxes	1	1	1	1	1
Property taxes	8	6	5	6	6
General consumption taxes	12	13	16	18	19
Specific consumption taxes	24	18	16	13	11
Other taxes	2	2	2	3	3
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

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# Capital income taxation at corporate and personal level



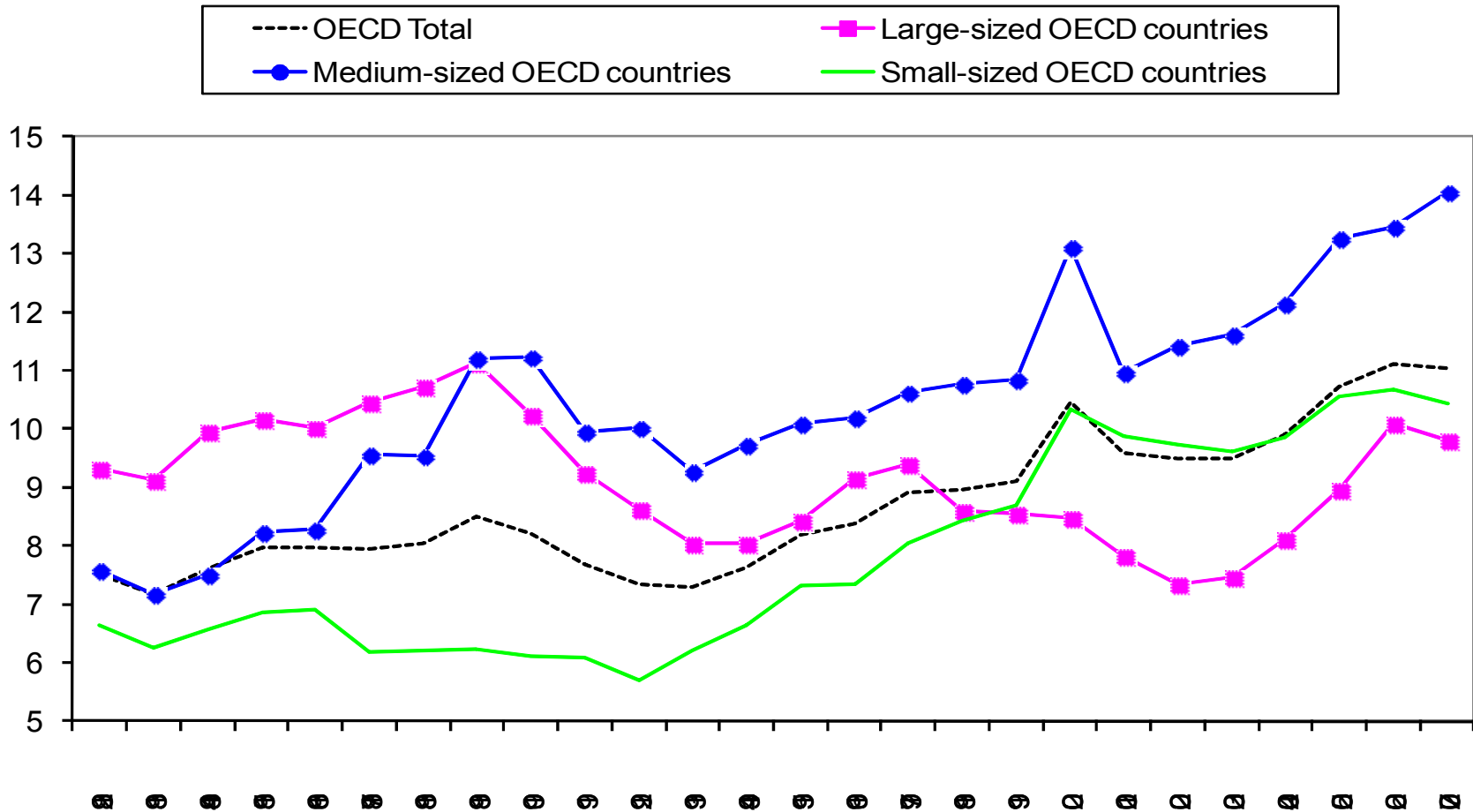
# Corporate income tax rate



# Corporate tax rates and GDP across the OECD

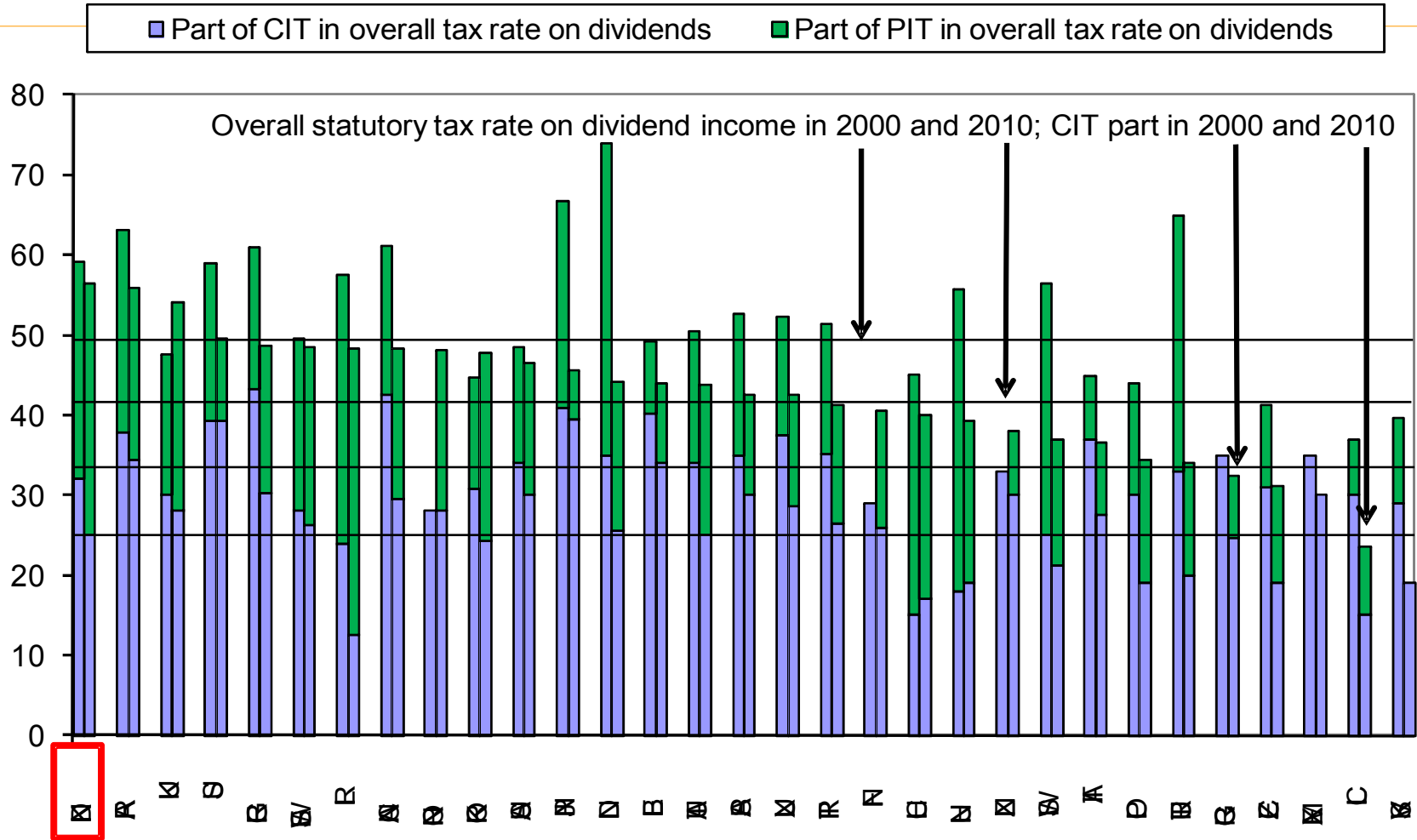
	Statutory corporate income tax rate			
	2000	2004	2007	2010
<b>Large-sized OECD countries</b> US-JPN-GER-UK-FRA-ITA	39.5	36.0	35.9	33.1
<b>Medium-sized OECD countries</b> CAN-SPA-KOR-MEX-AUS-NLD	35.7	33.1	29.9	28
<b>Small-sized OECD countries</b> BEL-SWI-TUR-SWE-AUT-POL NOR-GRC-DNK-IRL-FIN-PRT CZE-HUN-NZL-SVK-LUX-ICL	30.9	26.6	24.1	22.7
<b>OECD Total</b>	33.6	29.8	27.6	25.9

# Taxes on corporate income as % of total tax revenue



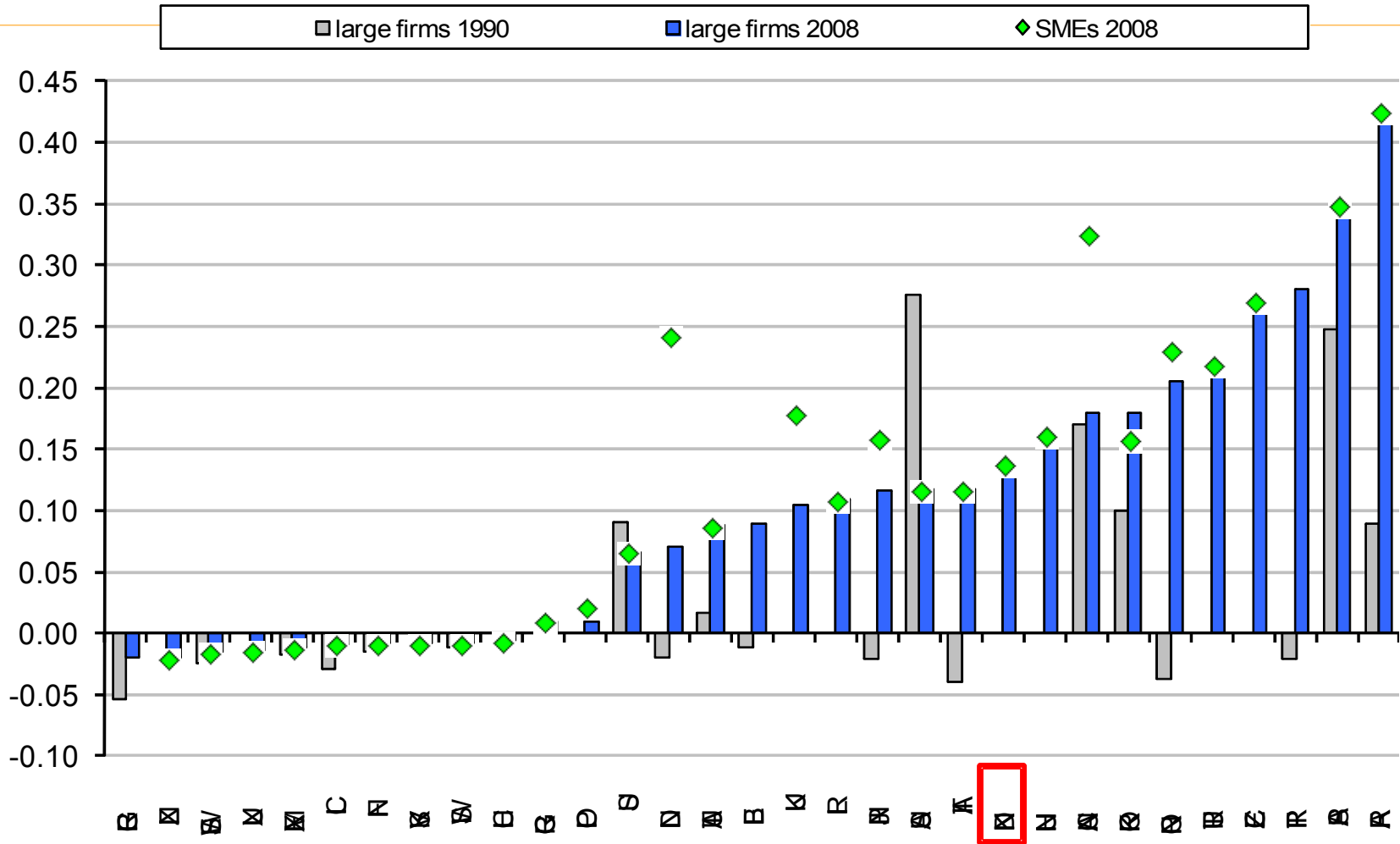
Source: Revenue Statistics

# Top statutory marginal tax rates on dividend income



Source: OECD Tax Database: [www.oecd.org/ctp/taxdatabase](http://www.oecd.org/ctp/taxdatabase)

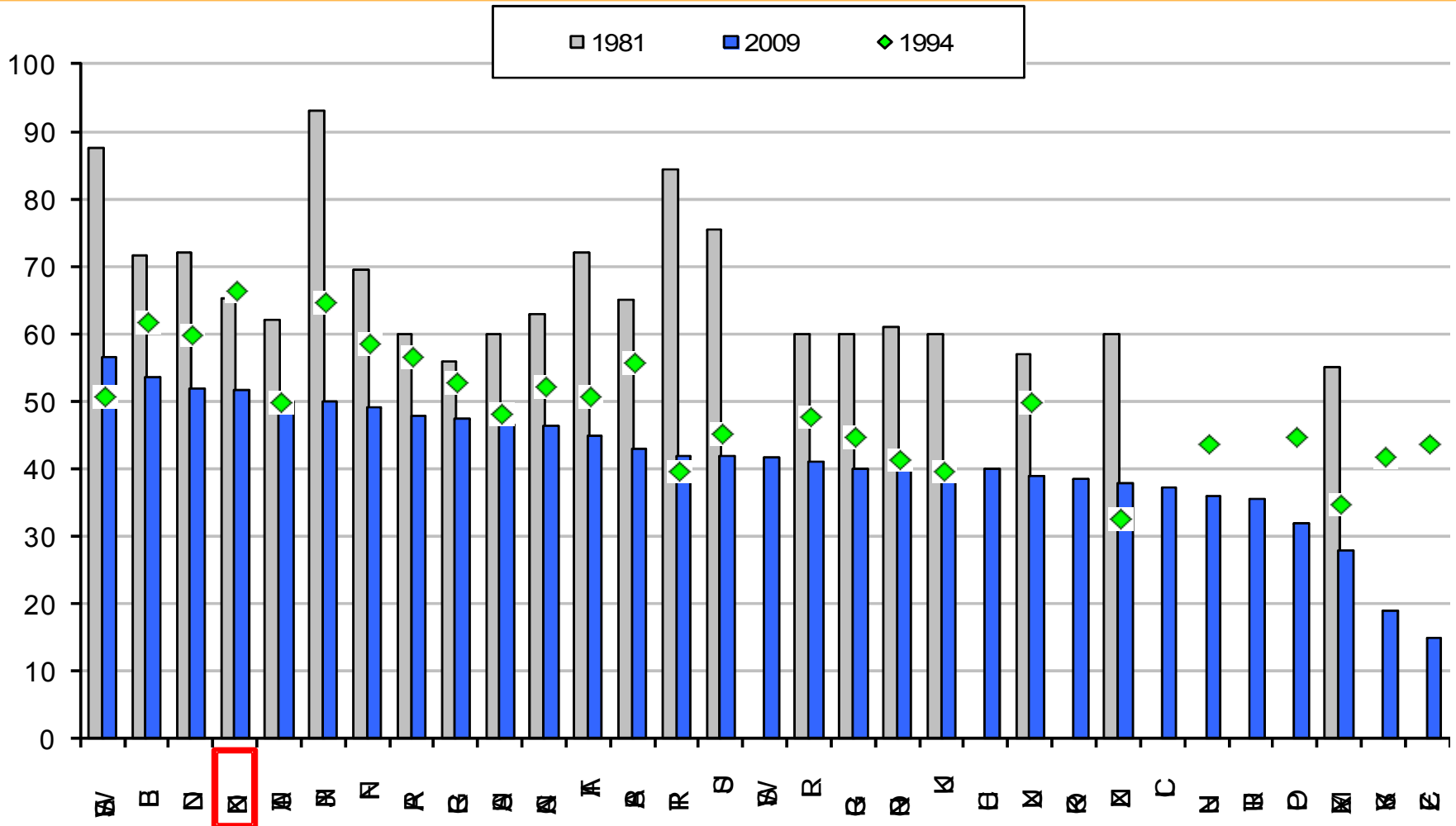
# Trend towards more R&D tax incentives



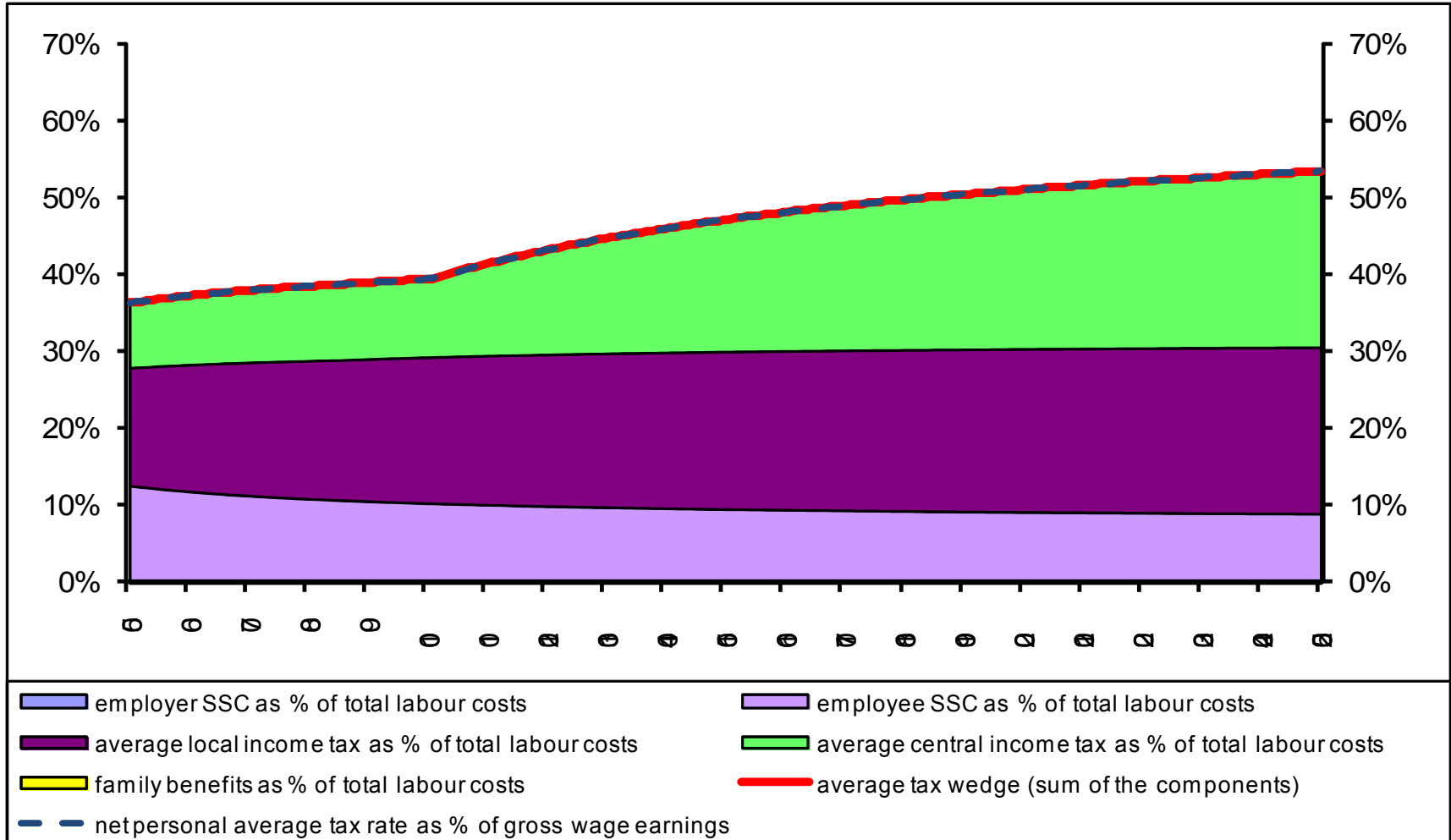
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# Labour income taxation

# Top statutory personal income tax rates



# Average tax wedge for single workers without children in Denmark (income from 50-250% of the AW) in 2009

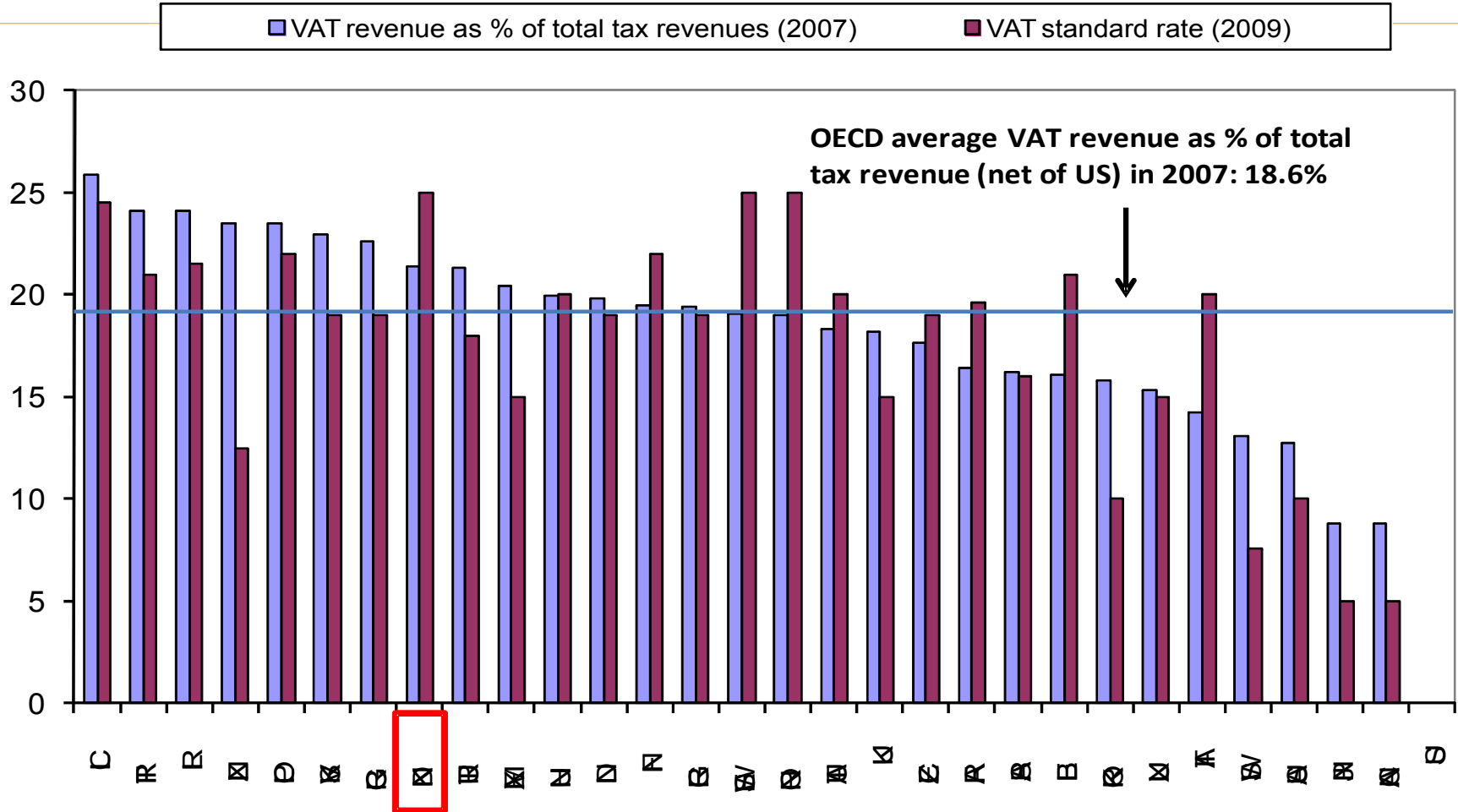




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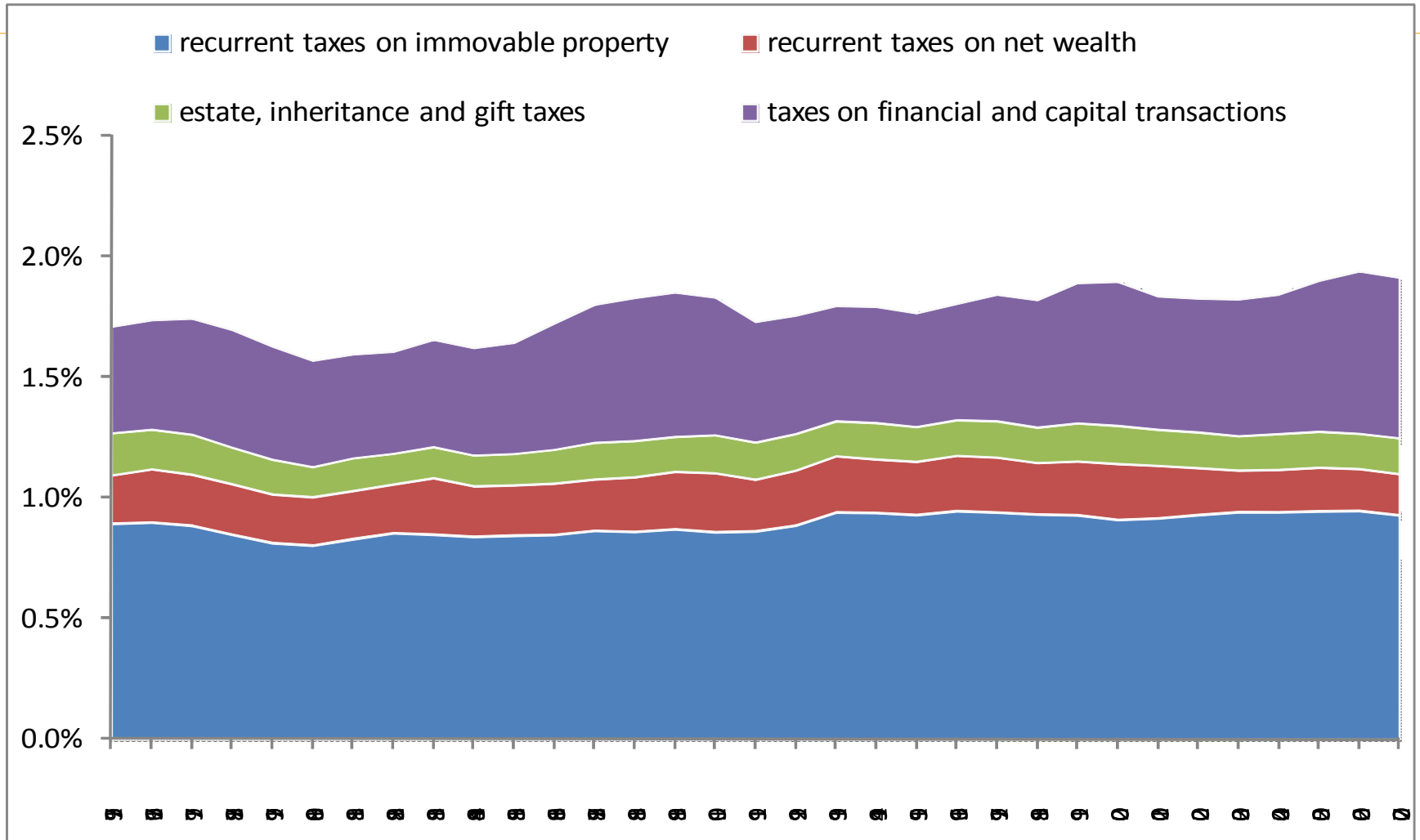
# Consumption taxes

# VAT revenues (2007) and rates (2009)



Source: Revenue Statistics (OECD)  
 OECD Tax Database: [www.oecd.org/ctp/taxdatabase](http://www.oecd.org/ctp/taxdatabase)

# Property taxes



# How does Denmark compare to other OECD countries: overview

	TAX / GDP  2008 provisional	% OF TOTAL TAX REVENUES				Top	Top	Average	Tax	Top Rate	Standard
		Personal	Corporate	Social	Consumption	Statutory	Corporate	Effective	Wedge	on	VAT
		Income	Tax	Security	Taxes	Personal	Income	Corporate		Dividends	Rate
	2007	2007	2007	2007	2009	2010	2005	2009	2010	2009	
Belgium	44.3	29.3	8.2	31.0	25.2	53.7	34.0	26.4	55.2	43.9	21.0
Canada	32.2	37.4	11.0	14.4	23.6	46.4	29.5	28.4	30.8	48.2	5.0
<b>Denmark</b>	<b>48.3</b>	<b>51.7</b>	<b>7.4</b>	<b>2.0</b>	<b>33.6</b>	<b>51.6</b>	<b>25.0</b>	<b>--</b>	<b>39.4</b>	<b>56.5</b>	<b>25.0</b>
Finland	42.8	30.3	9.0	27.7	30.1	49.1	26.0	20.7	42.4	40.5	22.0
France	43.1	17.0	6.8	37.0	24.7	47.8	34.43 (#)	25.4	49.2	55.9 (#)	19.6
Germany	36.4	25.1	6.1	36.6	29.3	47.5	30.2	31.5	50.9	48.6	19.0
Ireland	28.3	28.4	10.9	15.4	36.1	41.0	12.5	10.9	28.6	48.4	21.5
Italy	43.2	25.6	8.8	30.0	25.2	44.9	27.5	26.0	46.5	36.6	20.0
Japan	28.3 (**)	19.6	16.8	36.4	18.0	50.0	39.54	31.7	29.2	45.6	5.0
Netherlands	37.5 (**)	20.4	8.7	36.2	29.9	52.0	25.5 (#)	25.1	38.0	44.125 (#)	19.0
Norway	42.1	22.1	26.0	20.8	28.4	40.0	28.0	24.2	37.4	48.2	25.0
Spain	33.0	19.8	12.4	32.6	25.5	43.0	30.0	26.1	38.2	42.6	16.0
Sweden	47.1	30.9	7.9	26.1	26.6	56.5	26.3	20.9	43.2	48.4	25.0
Switzerland	29.4	35.3	10.6	23.3	22.6	41.7	21.2	25.1	29.3	36.9	7.6
United Kingdom	35.7	30.1	9.4	18.4	29.2	50.0 (*)	28.0 (**)	23.9	32.5	54.0	20.0(***)
United States	26.9	38.1	11.0	23.4	16.6	41.9	39.2	29.0	29.4	49.5	-
OECD average	35.8 (**)	25.3	10.8	25.2	30.9	41.5	26.2 (#)	--	36.4	41.7 (#)	17.6
G7 average	35.1 (**)	27.6	10.0	28.0	23.8	45.5	32.6 (#)	28.0	38.4	48.3 (#)	13.9
EU15 average	39.7 (**)	25.5	9.0	28.2	29.5	46.5	26.9 (#)	--	41.6	45.3 (#)	19.9