Revenue Statistics in Asian Countries

TRENDS IN INDONESIA AND MALAYSIA

1990-2012

OECD

Revenue Statistics in Asian Countries 2014

TRENDS IN INDONESIA AND MALAYSIA

BETTER POLICIES FOR BETTER LIVES

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Foreword

Revenue Statistics in Asian Countries: Trends in Indonesia and Malaysia is a joint publication by the OECD Centre for Tax Policy and Administration and the OECD Development Centre. It presents detailed, internationally comparable data on tax revenues for four Asian economies, two of which (Korea and Japan) are OECD members. Its approach is based on the well-established methodology of the OECD Revenue Statistics database (OECD, 2013), which has become an essential reference source for OECD member countries. Comparisons are also made with the average for OECD economies.

In this publication is confined to compulsory, unrequited payments to general government. As outlined in the Interpretative guide to the Revenue Statistics, taxes are "unrequited" in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments. The OECD methodology classifies a tax according to its base: income, profits and capital gains (classified under heading 1000), payroll (heading 3000), property (heading 4000), goods and services (heading 5000) and other taxes (heading 6000). Compulsory social security contributions paid to general government are treated as taxes, and are classified under heading 2000. Much greater detail on the tax concept, the classification of taxes and the accrual basis of reporting is set out in the Interpretative Guide in Annex A.

Extending the OECD methodology to Asian countries makes possible comparisons of tax systems on a consistent basis both across Asia and Latin America and between OECD, Asian and Latin American countries.

The report provides an overview of the main taxation trends in Indonesia and Malaysia. It examines changes in both the level and the composition from the available data of taxation plus the attribution of tax collection by sub-level of government between 1990 and 2012. For following editions, the coverage of countries will be expanded to other Asian countries.

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Part I

Tax Revenue Trends 1990-2012

Part II

Tax Levels and Tax Structures 1990-2012

Executive summary

Tax revenues as a proportion of national incomes in Indonesia and Malaysia are substantially lower than in Korea and Japan. In 2011 (the latest available year for all countries covered in the Report), the ratios in Indonesia and Malaysia ranged from 12-16% compared with 26-28% in the two countries that are OECD members. The OECD average was higher still at 34.1%.

The tax ratios in this group of four Asian countries have risen since the year 2000 but they are still lower than the average for OECD countries as a whole. There were increases of 4 percentage points in Indonesia (9% to 13%) and Korea (23% to 27%) and of 2 to 3 percentage points in Japan (27% to 29%) and Malaysia (14% to 17%). This compared with the OECD average estimated at 34.6% in 2012 which represented a marginal decline compared with 2000.

The Report provides internationally comparable data on tax levels and tax structures for the four Asian countries. It is a joint publication by the OECD Development Centre and the Centre for Tax Policy and Administration. Using the same methodology as the *OECD Revenue Statistics* database, it presents cross-country comparisons between the Asian economies and OECD economies.

The term “taxes” in this publication is confined to compulsory, unrequited payments to general government. As outlined in the Interpretative Guide to the Revenue Statistics, taxes are “unrequited” in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments. The OECD methodology classifies a tax according to its base: income, profits and capital gains (classified under heading 1000), payroll (heading 3000), property (heading 4000), goods and services (heading 5000) and other taxes (heading 6000). Compulsory social security contributions paid to general government are treated as taxes, and are classified under heading 2000. Much greater detail on the tax concept, the classification of taxes and the accrual basis of reporting is set out in the Interpretative Guide in Annex A.

Key findings

Tax to GDP ratios

- In 2012, the tax burden increased by 0.1 percentage points in Indonesia to 12.9% and 1 percentage point in Malaysia to 16.7%.

- The corresponding increases between 2000 and 2012 were an increase of 4.3 percentage points in Indonesia and 2.6 percentage points in Malaysia.

- In Indonesia, the tax burden ranged between 7.4% and 14.2% between 1997 and 2012. On average, it was higher after the year 2000 than in in the 1990’s.

- In Malaysia, the tax burden ranged between 14.1% and 19.8% between 1990 and 2012. On average, the tax burden was higher in the 1990s than after the year 2000.

Tax structures

- Taxes on incomes and profits represent 44% of tax revenues in Indonesia and 71% in Malaysia. This compares with 30% in both Japan and Korea and 34% for OECD countries.

- Revenues from corporates account for 77% of total income taxes in Malaysia and 70% in Indonesia.

- The relatively high proportion of revenues coming from income and profits in Indonesia and Malaysia is partially offset by the smaller collection of revenues from social security contributions. If we consider the sum of revenues from income profits and social security contributions, this grouping accounts for as much as 73% in Malaysia and 44% in Indonesia compared with the OECD average of 60%, 72% of revenues in Japan and 53% in Korea.

- The tax structure in Indonesia was fairly stable between 2000 and 2012. In Malaysia there was a growth in the revenues from income and profits and a decline in the revenues from consumption taxes.

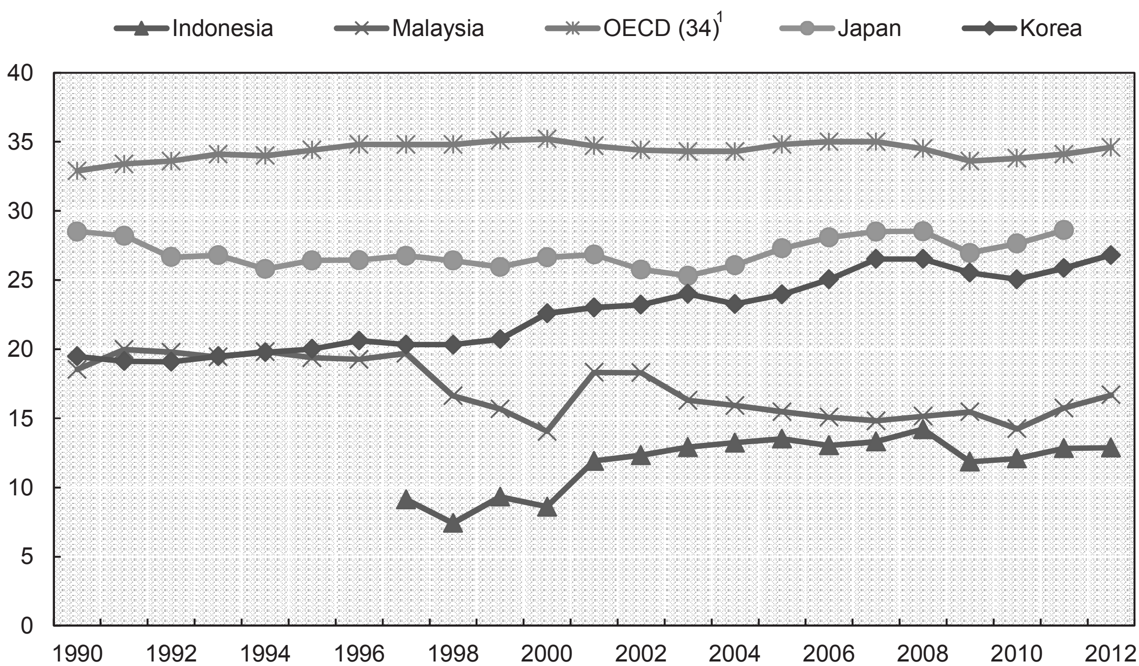
PART I

TAX REVENUE TRENDS 1990-2012

A. Tax ratios

The trends in the total tax revenues, including social security contributions, as a proportion of gross domestic product (GDP) in Indonesia and Malaysia have shown differing patterns over the past two decades. For example, both Chart A and Table A show that towards the end of the period, the countries showed differing recovery patterns following reduced tax revenues arising from the fall in the level of economic activity associated with the financial crisis.

Chart A. **Total tax revenues as percentage of GDP, 1990-2012**



1. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

Source: Table 1 in Part II A.

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Table A. **Total tax revenue as percentage of GDP**[1]

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	8.6	13.5	14.2	11.9	12.1	12.8	12.9
Malaysia	18.5	19.4	14.1	15.5	15.1	15.5	14.2	15.7	16.7
OECD (34)[2]	32.9	34.4	35.2	34.8	34.5	33.6	33.8	34.1	n.a.
Japan	28.5	26.4	26.6	27.3	28.5	27.0	27.6	28.6	n.a.
Korea	19.5	20.0	22.6	24.0	26.5	25.5	25.1	25.9	26.8

n.a. indicates not available

1. The figures exclude sub-central government revenues for Malaysia and social security contributions for Indonesia.

2. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011610

At 12.9%, the 2012 tax to GDP ratio in Indonesia is almost 4 percentage points higher than the corresponding rate in 1997 – the first year for which firm figures are available. Indonesia saw a rising ratio in the years following 2000 which reached 14.2% by 2008 compared with around 9% in both 1997 and 2000. The upgrading of the tax administration from 2002 onwards has made a substantial contribution to this increase. In 2009, there was then a sharp decline by more than two percentage points before subsequently rising again to 12.9% in 2012. However, the 2012 figure had not reached the pre-crisis level.

In Malaysia the ratio of 16.7 percentage points in 2012 represented a decline of around two percentage points compared with 1990. It remained fairly stable between 1990 and 1997 (between 18 and 20%) before falling slightly to a range of 14-18% in subsequent years. In 2010, the ratio fell to 14.2% compared with 15.5% in the previous year and then increased in successive years to 2012. However, in contrast with Indonesia, these increases exceeded the pre-financial crisis level.

In the OECD area, the ratio has been relatively stable – in 2011 it stood as 34.1% – just one percentage point above its level in 1990. The same was true in Japan where the levels in the two years were close to 28.5%. In another Asian OECD member country, Korea, the figures show increasing trend - except for a small decline associated with the fall in economic activity resulting from the financial crisis, the ratio rose by 6 percentage points from 19.5% in 1990 to 25.9% in 2012.

Tax revenues from incomes, profits and capital gains represent almost half of total tax revenues in Indonesia and nearly three quarters in Malaysia. Table B shows the trends in this component of revenues as a percentage of GDP.

Table B. **Taxes on income, profits and capital gains (1000) as percentage of GDP**

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	4.1	6.3	6.6	5.7	5.5	5.8	5.6
Malaysia	8.2	9.2	7.7	9.4	10.3	10.6	9.4	11.1	11.9
OECD (34)[1]	12.5	11.8	12.5	12.2	12.3	11.3	11.2	11.4	n.a.
Japan	14.3	10.1	9.3	9.2	9.6	8.0	8.3	8.6	n.a.
Korea	6.4	6.0	6.5	7.0	8.2	7.3	7.1	7.8	8.0

n.a. indicates not available

1. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011629

In Indonesia, there has also been an increase in the income tax to GDP ratio – from 4.1% in the year 2000 to 5.6% in 2012 – but the level has remained fairly stable between 2005 and 2012 even though a fall and subsequent rise associated with the financial crisis can still be observed.

In Malaysia, tax revenues from incomes and gains have increased by more than three percentage points of GDP over the past twenty years from 8.3% in 1990 to 11.9% in 2012. There were several factors associated with these increases. After the 1980 economic crisis, action was taken to reduce income taxes on individuals and corporates, with the aim to promote economic growth. Certain taxes were subsequently abolished and income tax rates were lowered to almost half in addition to increased tax deductions. In the second half of the period, improved collection of revenues through changes to the tax administration added to the positive trend. The most important were more autonomy for the tax administration by making it into a statutory authority in 1996; a change in the tax collection from formal to self-assessment (2000-04): and deployment of more of the workforce to compliance programs and enforcement tasks.

As with many countries both outside and inside the OECD, income tax revenues declined following the financial crisis and this is observed in a fall of over one percentage point in 2010. However the subsequent increase has taken the 2012 figure to a point above the pre-crisis levels. This latest increase was partially a reflection of further changes to working practices and the organisation of the tax administration that improved the efficiency of the tax collection process.

In the OECD tax revenues from income, profits and capital gains as a percentage of GDP have been fairly stable between 11% and 13% since 1990. There was a decline of around one percentage point following the crisis and the 2011 figure is still below the corresponding 2008 level. In Japan, the contribution from this tax base declined sharply from 14% in 1990 to 9.3% in the year 2000 and since then the trend has been very similar to that observed in the OECD as a whole. In Korea, the trend has also been similar to the OECD average with stability around the level of 6% to 8%.

B. Tax structures

Table C1. **Tax structures as percentage of total taxation in Indonesia**[1]

	1990	2000	2005	2009	2010	2011	2012
Taxes on income and profits	n.a.	48	47	48	46	45	44
Social security contributions[2]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Payroll taxes	-	-	-	-	-	-	-
Property taxes	n.a.	4	5	5	5	3	3
General consumption taxes	n.a.	29	27	29	30	29	32
Specific consumption taxes	n.a.	15	13	11	12	14	14
Other taxes[3]	n.a.	4	8	7	8	9	8
Total		100	100	100	100	100	100

Table C2. **Tax structures as percentage of total taxation in Malaysia**[1]

	1990	2000	2005	2009	2010	2011	2012
Taxes on income and profits	44	55	61	68	66	70	71
Social security contributions	n.a.	2	2	2	2	2	1
Payroll taxes	-	-	-	-	-	-	-
Property taxes	0	0	0	-	-	-	-
General consumption taxes	11	12	9	8	7	6	6
Specific consumption taxes	35	20	21	15	17	15	15
Other taxes[3]	9	11	8	7	8	7	7
Total	100	100	100	100	100	100	100

n.a. indicates not available.

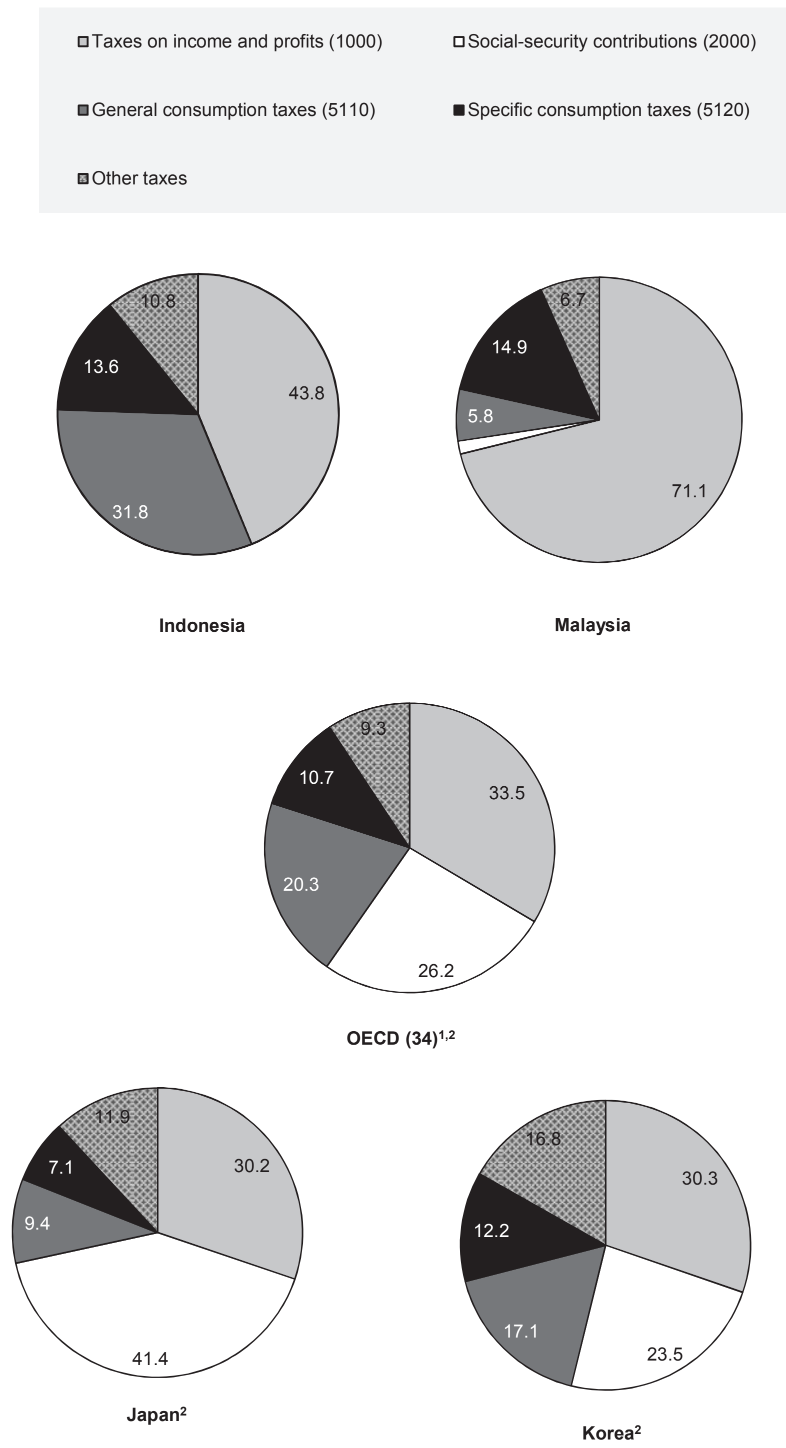
1. Represents the shares of major tax categories in total tax revenue.

2. In Indonesia, the figures for social security contributions are not available but they are thought to be negligible as they relate only to the "Asuransi Kesehatan" – a health insurance programme for employees in for-profit state-owned enterprises.

3. Including certain taxes on goods and services (heading 5200) and other taxes (heading 6000).

StatLink http://dx.doi.org/10.1787/888933011648

Chart B. **Tax structures as percentage of total taxation in 2012**



1. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

2. Data for Japan, Korea and the OECD refer to 2011.

Source: Table 2B in Part II A.

StatLink http://dx.doi.org/10.1787/888933011534

In Indonesia, the tax ‘mix’ remained remarkably stable between 2000 and 2012.

- The share of revenues from taxes on incomes, profits and gains in Indonesia showed a small decline from 48% to 44%. In this case, the changes in the levels of revenues from corporate incomes and profits were similar to those for individuals.

- The revenues from taxes on goods and services to GDP increased from 3.9% to 5.9% over the period. However, the proportion of revenues accounted for by consumption taxes was largely unchanged, ending the period at 46% compared with 44% in 2000. The share of general consumption tax revenues increased a little compared with specific consumption because the revenues from import and export taxes rose less quickly than the corresponding amounts from VAT and excise taxes.

- There is a strong reliance on corporate income tax revenues compared to those from personal taxes – 70% of total income tax revenues were paid by corporates in 2012. One possible explanation for this is the relatively high level of natural resource wealth Indonesia.

In Malaysia, although the overall level of the tax to GDP ratios has varied within a range of around five percentage points (14-20%) between 1990 and 2012, Table C2 shows that the tax structure (defined as the share of the major taxes in total tax revenue) has changed significantly. The most important of these changes relate to taxes on income and profits and consumption taxes.

- The revenues from taxes on goods and services declined steadily from 10% of GDP in 1990 to 4% in 2012 (Table 6A). At the same time the share of consumption taxes in total revenues declined from 46% to 21% (Tables 6, 7 & 8). This decline was faster for the specific consumption taxes as opposed to general consumption or sales taxes (largely because of the substantial falls in import and export duties).

- Over the same period, the share of tax revenues from incomes, profits and gains increased from 44% to 71% (Table 3B). This steadily increasing share was interrupted in 2010 as the aftermath of the financial crisis had a larger impact on the revenues from incomes and profits than those from goods and services. The upward trend resumed in 2011 and 2012. Revenues from corporate incomes taxes rose slightly faster than those paid by individuals.

- As with Indonesia, there is a heavy reliance on revenues from corporate income taxes. In 2012, they represented 55% of total tax revenues and 77% of total income tax revenues.

There are no payroll taxes on the workforce in Indonesia and Malaysia and social security contributions are not an important source of government revenues. The latter accounted for around only 1.5-2% of revenues in Malaysia between 2000 and 2012 (Table C2). In Indonesia, the relevant revenue figures are not available but they are thought to be relatively small as they relate only to the “Asuransi Kesehatan” – a health insurance programme for employees in for-profit state-owned enterprises.

For Malaysia, the missing data at sub-central government level makes it difficult to fully analyse the impact of property taxes (sub-central governments also collect taxes on income, profits and gains). In Indonesia, the share of property taxes rose from 4% to 5%

of total taxation between 2000 and 2005 and then steadily fell back to less than 3% down to 2012.

Turning to the comparison of Indonesia and Malaysia with OECD countries and in particular for Japan and Korea, the tax structures for the latest year's available data in each case are shown in Chart B. The main difference concerns the relative unimportance of social security contributions as a revenue source in Indonesia and Malaysia compared with the others. These revenues represent 26% of revenues in OECD countries, 41% in Japan and 24% in Korea compared with 2% or less in Indonesia and Malaysia. The picture changes somewhat if we consider a comparison of the sum of revenues from income and profits and social security contributions. This grouping accounts for as much as 73% of revenues in Malaysia and 44% in Indonesia compared with the OECD average of 60%, 72% of revenues in Japan and 53% in Korea. This means that the relatively small collection of social security revenues in Indonesia and Malaysia is partially offset by a higher proportion of revenues coming from taxes on incomes and profits.

Revenues from personal income taxes contributed as much as 24% of the aggregate tax collection in OECD area in 2012. This compared with 18% in Japan and 14% in Korea. The corresponding percentages in Indonesia and Malaysia were on a par with Korea at 14% and 15% respectively.

C. Taxes by level of government

Table D. **Attribution of tax revenues to sub-sectors of general government as percentage of total tax revenue**

	Central government			State or regional government			Local government			Social security funds		
	1995	2000	2010	1995	2000	2010	1995	2000	2010	1995	2000	2010
Federal countries												
Malaysia	-	98.0	98.2	-	-	-	-	-	-	-	2.0	1.6
OECD[1]	53.3	56.5	53.8	15.9	15.3	16.3	7.7	6.9	7.9	22.9	21.1	21.8
Unitary countries												
Indonesia	-	96.8	92.8	-	-	-	-	3.2	7.2	-	-	-
Japan	41.2	38.7	33.0	-	-	-	25.3	26.1	25.9	33.5	35.2	41.1
Korea	69.2	68.2	60.4	-	-	-	18.7	15.1	16.7	12.1	16.7	22.8
OECD[2]	65.8	66.4	63.4	-	-	-	10.7	11.0	11.9	23.2	22.3	24.4

1. Represents the unweighted average for OECD federal member countries.
2. Represents the unweighted average for OECD unitary countries.

StatLink http://dx.doi.org/10.1787/888933011667

An analysis of tax revenues in Indonesia and Malaysia by level of government is limited by data availability. Information on the property and income taxes by state and local governments in Malaysia is not readily available. Some information on the total amount of local revenues is available for Indonesia but the breakdown into different taxes is limited. The available information for these two countries is compared with that for Japan, Korea and the OECD in Table D. The main conclusions are:

- The proportion of total revenues collected by local government in Indonesia is rising and had reached 7% by 2010. However, this figure is substantially below the corresponding percentages in Japan and Korea which were 25.9% and 16.7% respectively. The average in the OECD was 11.9%.

- Amongst unitary countries in the OECD as a whole, the proportion of revenues collected by local governments has risen slowly (by one percentage point) since 1995. In Japan the trend has been stable and in Korea, there has been a decline of two percentage points. Relative to these other countries, Indonesia is currently expanding its share of revenues attributed to local governments.

- The proportion of total revenues collected in social security funds in Indonesia and Malaysia is negligible. This compares with 41.1% in Japan, 22.8% in Korea and 24.4% for the OECD as a whole in 2010. The share of revenues from social security contributions has expanded in both Japan (by 8 percentage points) and in Korea (11 percentage points) since 1995.

D. Policy challenges for Indonesia and Malaysia

There are some major policy challenges underlying the figures described above both in Indonesia and Malaysia. Some of the more important ones are briefly described below.

In Indonesia, fuel price increases are politically sensitive. For several years, the government has been working to cut energy subsidies, and many attempted reforms have faced public resistance. For example, in 1998, a fuel price hike, which led to riots, is generally thought to have contributed towards the downfall of the Suharto government. More recently, in May 2012, a government proposal to raise fuel prices sparked violent clashes between protesters and the police and subsequently led to the rejection of the proposal by the parliament. Finally, after much delay, Indonesia's parliament voted in June 2013 to revise the national budget and allow an increase of up to 44% in the prices of subsidised gas and diesel fuel. This was after the president insisted that the price hike would make funds available for a cash handout program that would benefit the country's 15.5 million poorest households. The Indonesian government in recent years has spent more funds on this kind of substantial subsidies than on education and infrastructure development.

However, subsidy reform needs to be accompanied by broader tax reforms (Mourougane, 2010). For example, it could be implemented together with other tax reform measures aimed at encouraging a shift toward cleaner, less-polluting sources of energy. Proceeds from, for example, the implementation of a carbon tax, could be recycled to finance programmes in renewables. It is especially important to ensure policy coherence by involving all the Ministries that deal with energy subsidies. The main reason for the backlash against past subsidy reforms both in Indonesia and in other countries is the difficulty of dealing with the short-run social impacts from the dismantling of subsidies (OECD, 2006). To help soften the financial pain of those who will lose from the change and give them time to adapt, it is important to implement such reforms in stages. As the purchasing power of the poorest households would be reduced by energy subsidy reforms, it is important that there are compensating measures to support their real incomes in more direct and effective ways. Transition support must be carefully planned and well-targeted, as well as consistent with broader economic policies. Cash transfers could be a useful option as they also distort markets and incentives less than other compensatory programmes.

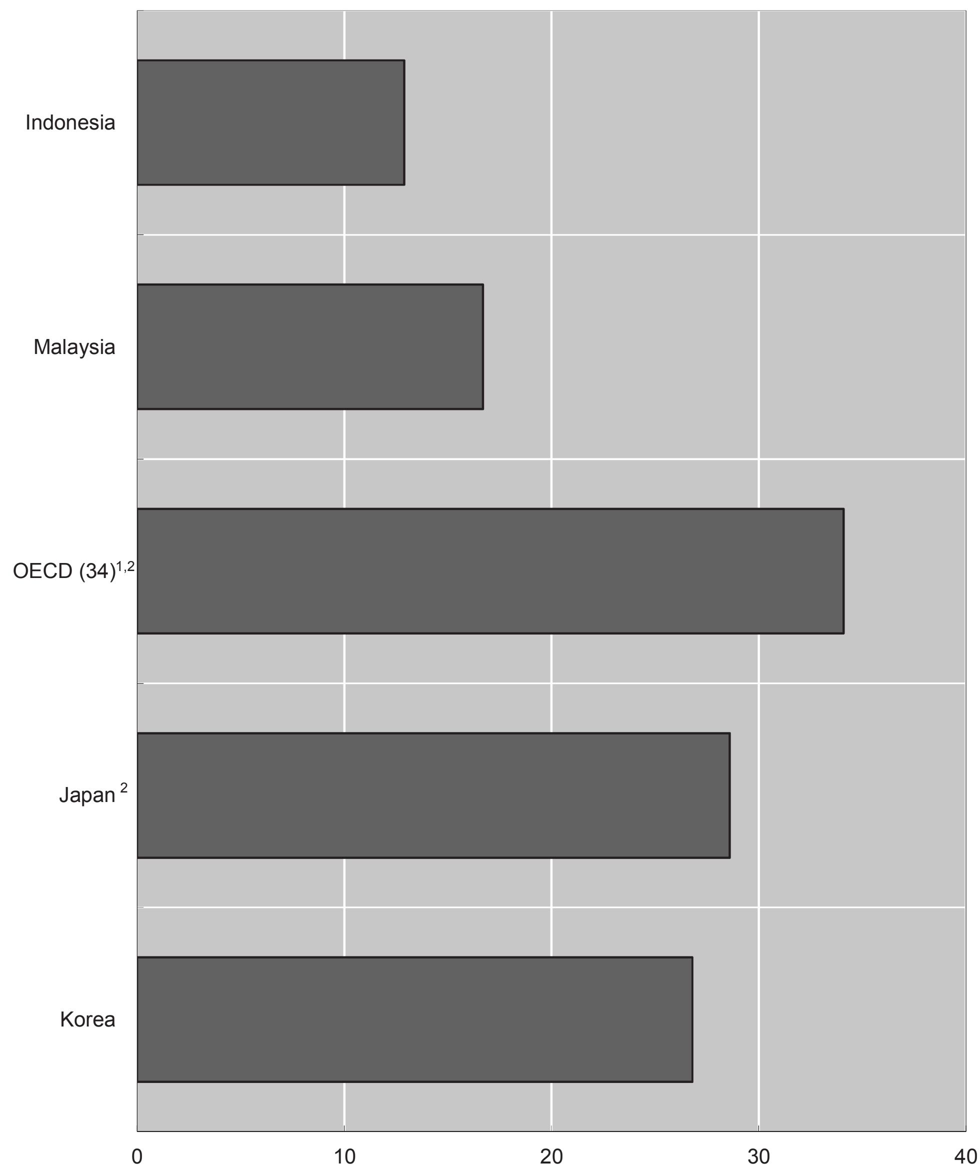
In Malaysia, the smooth introduction of a value-added tax (VAT) or a goods and services tax (GST), is critical (OECD, 2013). Being based on consumption rather than income, a GST spreads the tax burden more evenly and widens the tax base. In addition, a broad-based GST has the potential produce significant revenue.

For the successful introduction of the GST, strong and clear political commitment is critical. There is fear that policy flip-flops in the face of years of public opposition could see commitment to implement the GST waver again. The GST was first introduced in the 2005 Budget speech for implementation in 2007 but it was deferred. In 2009, it was again tabled in the Malaysian Parliament for its first reading for implementation in late 2011; however, that did not happen as the second and third readings of the GST Bill were repeatedly postponed. A major criticism of the GST has been related to is its regressive quality. Introduction of the GST means that the poor, who currently do not pay income tax, will have to pay a consumption tax. There are also concerns about the resulting burden on consumers whose incomes have remained stagnant. To alleviate its regressive feature, the GST is usually designed to be zero-rated or exempted for essential goods and services, though that can increase compliance costs.

Some attach importance to having a single standard GST rate on all goods and services. A standard rate makes the GST much easier for the government to manage. But, in the case of Malaysia, two different rates have been proposed: a) zero-rates and exemptions for essential goods and services, to alleviate the regressive feature of the GST; and b) the standard rate for all other goods and services. A single standard rate has advantage in terms of its low cost of administration. Multiple rate structures with numerous exemptions, on the other hand, make compliance more difficult for taxpayers and for tax administrations. They may also lead to legal uncertainty, as similar products can be subject to the standard or reduced rate depending on their nature. Such disputes can open up opportunities for lobbying and unwarranted tax manipulation or avoidance.

E. Comparative charts

Chart C. **Total tax ratio as percentage of GDP, 2012**



1. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.
2. Data for Japan and OECD refer to 2011.

Source: Table 1 in Part II.A.

StatLink http://dx.doi.org/10.1787/888933011553

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PART II

TAX LEVELS AND TAX STRUCTURES, 1990-2012

Part II

A. Comparative Tables, 1990-2012

In all of the following tables a dash (-) indicates zero. The main series in this volume cover the years 1990 to 2012.

Table 1

Total tax revenue as percentage of GDP[1]

	1990	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Indonesia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9.1	7.4	9.3	8.6	11.9
Malaysia	18.5	19.4	19.4	19.8	19.4	19.3	19.7	16.6	15.7	14.1	18.3
OECD (34)[2]	32.9	33.6	34.1	34.0	34.4	34.8	34.8	34.8	35.1	35.2	34.7
Japan	28.5	26.7	26.8	25.8	26.4	26.4	26.8	26.4	25.9	26.6	26.8
Korea	19.5	19.1	19.5	19.8	20.0	20.6	20.3	20.3	20.7	22.6	23.0

Table 1 (cont'd)

Total tax revenue as percentage of GDP[1]

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Indonesia	12.3	12.9	13.2	13.5	13.0	13.3	14.2	11.9	12.1	12.8	12.9
Malaysia	18.3	16.3	15.9	15.5	15.1	14.8	15.1	15.5	14.2	15.7	16.7
OECD (34)[2]	34.4	34.3	34.3	34.8	35.0	35.0	34.5	33.6	33.8	34.1	n.a.
Japan	25.8	25.3	26.1	27.3	28.1	28.5	28.5	27.0	27.6	28.6	n.a.
Korea	23.2	24.0	23.3	24.0	25.0	26.5	26.5	25.5	25.1	25.9	26.8

n.a. indicates not available.

1 The figures exclude sub-central government revenues for Malaysia and social security contributions for Indonesia.

2 Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011686

Table 2

Tax revenue of main headings
A. As percentage of GDP, 2012

	1000 Income & profits	2000 Social security	3000 Payroll	4000 Property	5000 Goods & services	6000 Other
Indonesia	5.6	n.a.[1]	-	0.4	5.9	1.0
Malaysia	11.9	0.2	-	-	4.0	0.6
OECD (34)[2,3]	11.4	9.1	0.4	1.8	11.0	0.2
Japan[3]	8.6	11.9	-	2.8	5.3	0.1
Korea	8.0	6.6	0.1	2.8	8.4	0.9

B. As percentage of total taxation, 2012

	1000 Income & profits	2000 Social security	3000 Payroll	4000 Property	5000 Goods & services	6000 Other
Indonesia	43.8	n.a.[1]	-	2.7	45.4	8.1
Malaysia	71.1	1.5	-	-	23.8	3.5
OECD (34)[2,3]	33.5	26.2	1.1	5.4	32.9	0.6
Japan[3]	30.2	41.4	-	9.7	18.4	0.3
Korea	29.9	24.7	0.3	10.6	31.2	3.4

n.a. indicates not available.

1 In Indonesia, the figures for social security contributions are not available but they are thought to be negligible as they relate only to the "Asuransi Kesehatan" – a health insurance programme for employees in for-profit state-owned enterprises.

2 Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

3 The data for OECD and Japan refer to 2011.

StatLink http://dx.doi.org/10.1787/888933011705

Table 3

Taxes on income and profits (1000)

A. As percentage of GDP

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	4.1	6.3	6.6	5.7	5.5	5.8	5.6
Malaysia	8.2	9.2	7.7	9.4	10.3	10.6	9.4	11.1	11.9
OECD (34)[1]	12.5	11.8	12.5	12.2	12.3	11.3	11.2	11.4	n.a.
Japan	14.3	10.1	9.3	9.2	9.6	8.0	8.3	8.6	n.a.
Korea	6.4	6.0	6.5	7.0	8.2	7.3	7.1	7.8	8.0

B. As percentage of total taxation

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	47.7	46.8	46.6	47.8	45.8	45.2	43.8
Malaysia	44.0	47.5	54.6	60.7	67.8	68.3	66.1	70.4	71.1
OECD (34)[1]	37.1	34.0	35.0	34.4	35.3	33.5	33.1	33.5	n.a.
Japan	50.2	38.3	34.8	33.8	33.6	29.5	30.2	30.2	n.a.
Korea	32.8	30.1	28.8	29.2	31.0	28.7	28.2	30.3	n.a.

n.a. indicates not available.

[1] Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011724

Table 4

Social security contributions (2000)

A. As percentage of GDP

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malaysia	n.a.	n.a.	0.3	0.3	0.2	0.3	0.3	0.2	0.2
OECD (34)[2]	7.6	9.0	8.9	8.8	8.9	9.2	9.1	9.1	n.a.
Japan	7.5	8.8	9.4	10.1	11.1	11.0	11.3	11.9	n.a.
Korea	2.0	2.4	3.8	5.1	5.8	5.8	5.7	6.1	n.a.

B. As percentage of total taxation

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia[1]	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malaysia	n.a.	n.a.	2.0	1.6	1.6	1.7	1.8	1.6	1.5
OECD (34)[2]	22.0	25.1	24.6	25.1	25.4	26.6	26.5	26.2	n.a.
Japan	26.4	33.5	35.2	36.9	38.8	41.0	41.1	41.4	n.a.
Korea	10.1	12.1	16.7	21.2	21.8	22.9	22.8	23.5	n.a.

n.a. indicates not available.

[1] In Indonesia, the figures for social security contributions are not available but they are thought to be negligible as they relate only to the "Asuransi Kesehatan" – a health insurance programme for employees in for-profit state-owned enterprises.

[2] Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011743

Table 5

Taxes on property (4000)

A. As percentage of GDP

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	0.3	0.7	0.6	0.5	0.6	0.4	0.4
Malaysia	0.0	0.0	0.0	0.0	-	-	-	-	-
OECD (34)[1]	1.8	1.7	1.9	1.9	1.8	1.8	1.8	1.8	n.a.
Japan	2.7	3.2	2.8	2.6	2.7	2.7	2.7	2.8	n.a
Korea	2.3	2.8	2.8	2.9	3.2	3.0	2.9	3.0	n.a

B. As percentage of total taxation

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	3.7	5.2	4.4	4.6	4.7	3.1	2.7
Malaysia	0.1	0.0	0.0	0.0	-	-	-	-	-
OECD (34)[1]	5.7	5.3	5.5	5.6	5.4	5.5	5.5	5.4	n.a
Japan	9.4	12.2	10.5	9.7	9.4	10.1	9.7	9.7	n.a.
Korea	11.8	14.0	12.4	11.9	11.9	11.7	11.4	11.4	n.a.

n.a. indicates not available.

[1] Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011762

Table 6

Taxes on goods and services (5000)

A. As percentage of GDP

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	3.9	5.4	6.0	4.8	5.1	5.5	5.9
Malaysia	9.8	9.2	5.6	5.4	4.2	4.2	4.0	3.9	4.0
OECD (34)[1]	10.4	11.3	11.3	11.3	10.8	10.7	11.0	11.0	n.a.
Japan	3.9	4.2	5.1	5.3	5.1	5.1	5.2	5.3	n.a.
Korea	8.6	8.2	8.7	8.2	8.4	8.2	8.5	8.1	n.a.

B. As percentage of total taxation

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	-	-	44.7	39.9	42.3	40.4	41.8	42.9	45.4
Malaysia	52.9	47.3	39.8	34.7	27.6	27.0	28.4	24.5	23.8
OECD (34)[1]	33.0	33.8	33.0	33.2	32.1	32.5	33.1	32.9	n.a.
Japan	13.7	15.8	19.3	19.4	17.9	19.1	18.7	18.4	n.a.
Korea	44.3	40.7	38.4	34.3	31.6	32.0	33.9	31.4	n.a.

n.a. indicates not available.

[1] Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011781

Table 7

Taxes on general consumption (5110)

A. As percentage of GDP

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	2.5	3.7	4.2	3.4	3.6	3.7	4.1
Malaysia	2.1	2.2	1.7	1.4	1.1	1.2	1.0	1.0	1.0
OECD (34)[1]	5.8	6.6	6.8	7.0	6.8	6.7	6.9	6.9	n.a.
Japan	1.3	1.4	2.4	2.6	2.5	2.6	2.6	2.7	n.a.
Korea	3.6	3.6	3.8	4.2	4.3	4.4	4.4	4.4	n.a.

B. As percentage of total taxation

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	29.4	27.0	29.8	29.0	29.6	29.1	31.8
Malaysia	11.1	11.3	11.9	9.2	7.2	7.8	7.2	6.2	5.8
OECD (34)[1]	18.1	19.5	19.7	20.2	19.8	20.0	20.5	20.3	n.a.
Japan	4.4	5.4	9.1	9.5	8.9	9.6	9.6	9.4	n.a.
Korea	18.7	17.8	17.0	17.4	16.1	17.3	17.6	17.1	n.a.

n.a. indicates not available.

[1] Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011800

Table 8

Taxes on specific goods and services (5120)

A. As percentage of GDP

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	1.3	1.7	1.8	1.3	1.5	1.8	1.8
Malaysia	6.6	5.8	2.9	3.2	2.5	2.4	2.5	2.3	2.5
OECD (34)[1]	4.0	4.1	3.8	3.6	3.4	3.4	3.5	3.5	n.a.
Japan	2.2	2.2	2.1	2.1	2.0	2.0	2.0	2.0	n.a
Korea	4.7	4.1	4.4	3.8	3.9	3.5	3.8	3.2	n.a.

B. As percentage of total taxation

	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	n.a.	n.a.	15.3	12.9	12.5	11.3	12.2	13.8	13.6
Malaysia	35.4	29.8	20.5	20.8	16.8	15.3	17.3	14.9	14.9
OECD (34)[1]	13.2	12.6	11.5	11.1	10.5	10.6	10.8	10.7	n.a.
Japan	7.5	8.3	8.0	7.7	6.9	7.3	7.2	7.1	n.a.
Korea	24.3	20.7	19.7	15.9	14.5	13.7	15.2	12.2	n.a.

n.a. indicates not available.

[1] Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

StatLink http://dx.doi.org/10.1787/888933011819

Table 9

Gross domestic product for tax reporting years at market prices, in billions of national currency units

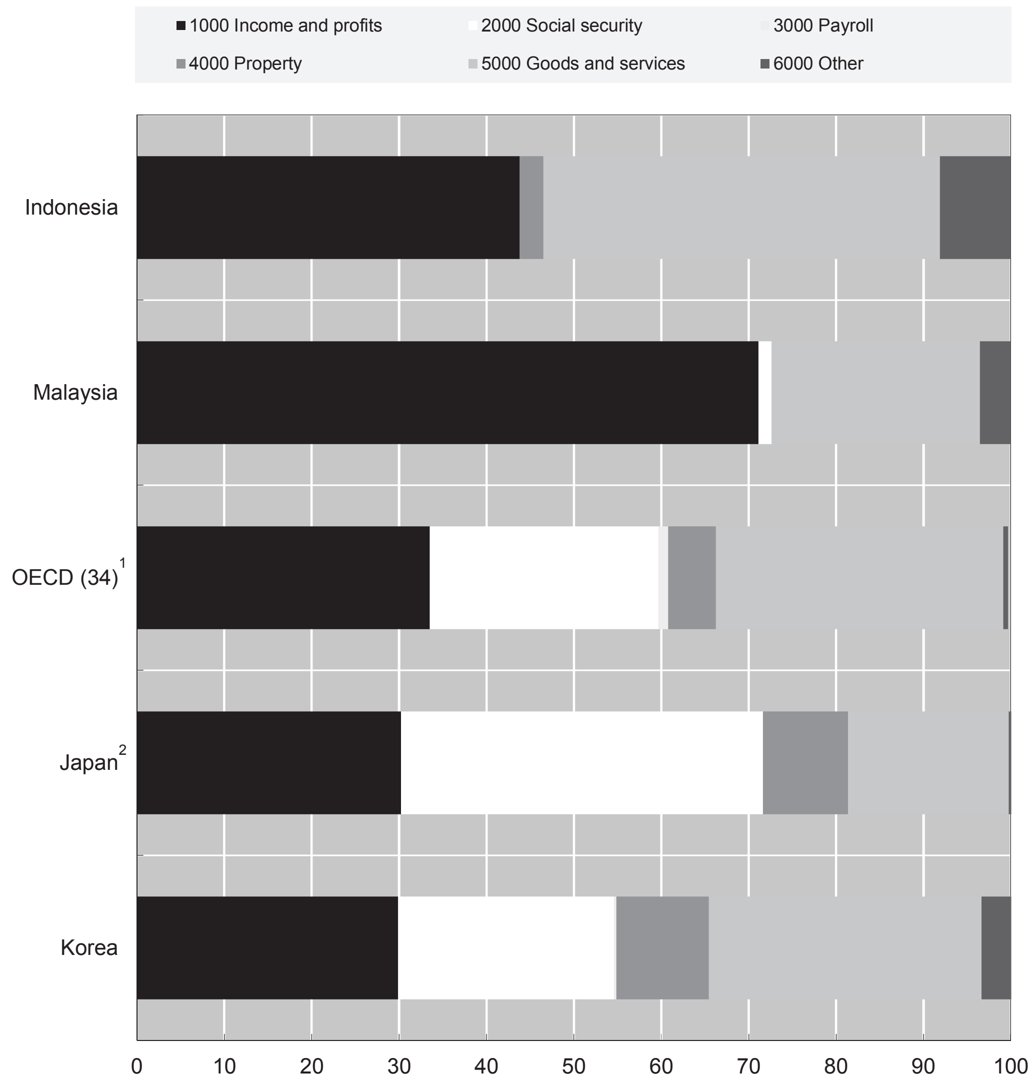
	1990	1995	2000	2005	2008	2009	2010	2011	2012
Indonesia	195 597	454 514	1 389 770	2 774 281	4 948 688	5 606 203	6 446 852	7 422 781	8 241 864
Malaysia	119	222	356	544	770	713	797	884	941
Japan	458 418	504 494	510 835	505 349	489 520	473 934	480 002	473 276	474 605
Korea	191 383	409 654	603 236	865 241	1 026 452	1 065 037	1 173 275	1 235 161	1 272 460

Source: National statistical offices and CEIC for Indonesia and Malaysia and OECD National Accounts data for Japan and Korea.

StatLink http://dx.doi.org/10.1787/888933011838

B. Comparative charts

Chart 1. **Tax revenue of main headings as percentage of total tax revenue, 2012**

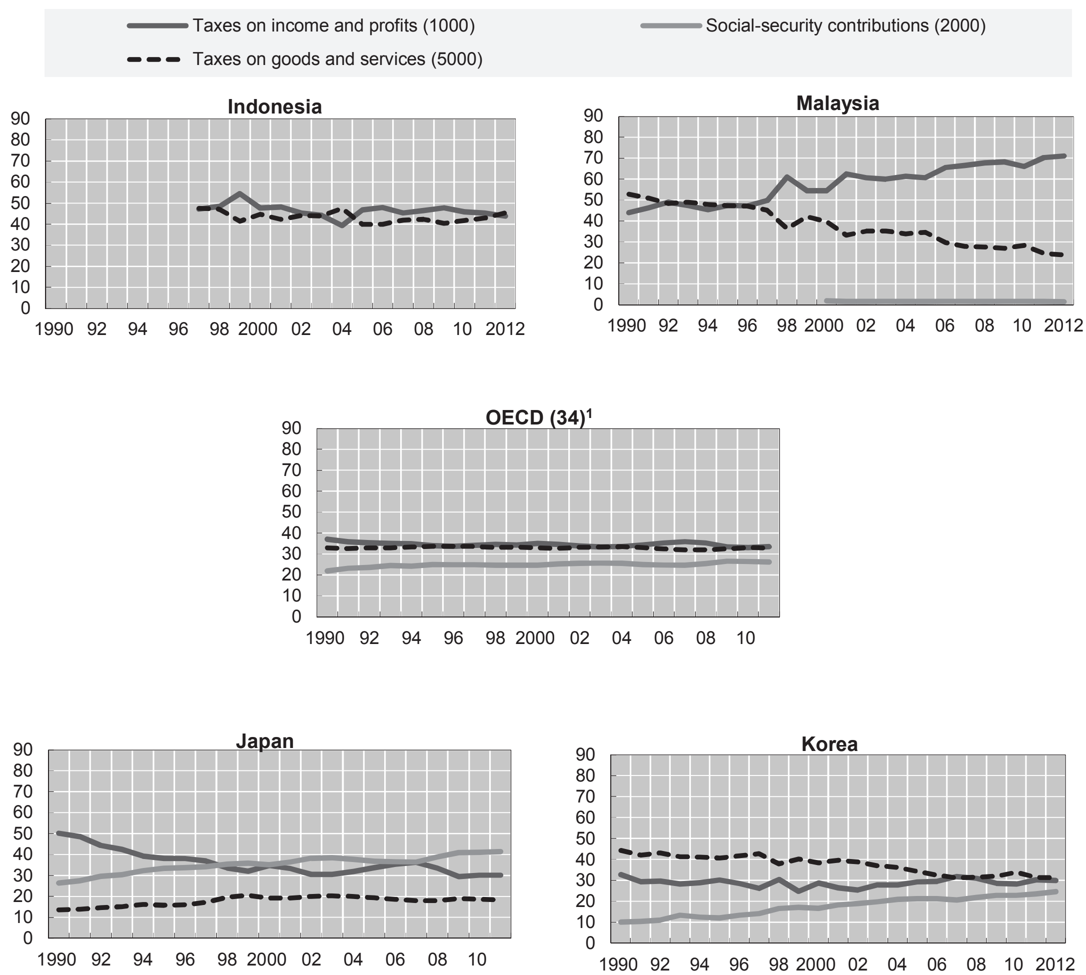


1. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.
2. Data for Japan and OECD refer to 2011.

Source: Table 2B in Part II.A.

StatLink http://dx.doi.org/10.1787/888933011572

Chart 2. Tax structures as percentage of total taxation in 1990-2012



1. Represents the unweighted average for OECD member countries. Japan and Korea are also part of the OECD (34) group.

Source: Tables 3B, 4B and 6B in Part II A.

StatLink http://dx.doi.org/10.1787/888933011591

PART III

COUNTRY TABLES, 1990-2012 – TAX REVENUES

Part III

Country Tables, 1990-2012

In all of the following tables a dash (-) indicates zero and a blank space not available or not applicable. The main series in this volume cover the years 1990 to 2012.

Table 10
INDONESIA
Details of tax revenue, in billions of indonesian rupiahs (IDR)

	1990	1995	2000	2005	2009	2010	2011	2012
Total tax revenue			119 697	375 088	665 056	779 488	953 179	1 062 242
1000 Taxes on income, profits and capital gains			57 073	175 493	317 630	357 050	431 093	465 061
1100 Of individuals				50 750	89 286	99 077	120 898	143 800
1110 On income and profits								
1120 On capital gains								
1200 Corporate				124 743	228 344	257 973	310 195	321 261
1210 On profits								
1220 On capital gains								
1300 Unallocable between 1100 and 1200				-	-	-	-	-
2000 Social security contributions			-	-	-	-	-	-
2100 Employees								
2110 On a payroll basis								
2120 On an income tax basis								
2200 Employers								
2210 On a payroll basis								
2220 On an income tax basis								
2300 Self-employed or non-employed								
2310 On a payroll basis								
2320 On an income tax basis								
2400 Unallocable between 2100, 2200 and 2300								
2410 On a payroll basis								
2420 On an income tax basis								
3000 Taxes on payroll and workforce			-	-	-	-	-	-
4000 Taxes on property			4 456	19 649	30 735	36 607	29 894	28 969
4100 Recurrent taxes on immovable property			3 525	16 217	24 270	28 581	29 893	28 969
4110 Households								
4120 Others								
4200 Recurrent taxes on net wealth			-	-	-	-	-	-
4210 Individual								
4220 Corporate								
4300 Estate, inheritance and gift taxes			-	-	-	-	-	-
4310 Estate and inheritance taxes								
4320 Gift taxes								
4400 Taxes on financial and capital transactions			931	3 432	6 465	8 026	1	-
Tax on Acquisition of Land and Buildings			931	3 432	6 465	8 026	1	-
4500 Non-recurrent taxes			-	-	-	-	-	-
4510 On net wealth								
4520 Other non-recurrent taxes								
4600 Other recurrent taxes on property			-	-	-	-	-	-
5000 Taxes on goods and services			53 547	149 791	268 451	325 685	408 932	482 264
5100 Taxes on production, sale, transfer, etc			53 547	149 791	268 451	325 685	408 932	482 264
5110 General taxes			35 232	101 296	193 068	230 605	277 800	337 581
5111 Value added taxes			35 232	101 296	193 068	230 605	277 800	337 581
5112 Sales tax			-	-	-	-	-	-
5113 Other			-	-	-	-	-	-

Table 10 (cont'd)

INDONESIA

Details of tax revenue, in billions of indonesian rupiahs (IDR)

	1990	1995	2000	2005	2009	2010	2011	2012
5120 Taxes on specific goods and services			18 315	48 495	75 384	95 080	131 132	144 684
5121 Excises			11 287	33 256	56 719	66 166	77 010	95 027
5122 Profits of fiscal monopolies			-	-	-	-	-	-
5123 Customs and import duties			6 697	14 921	18 100	20 017	25 266	28 419
5124 Taxes on exports			331	318	565	8 898	28 856	21 238
5125 Taxes on investment goods			-	-	-	-	-	-
5126 Taxes on specific services			-	-	-	-	-	-
5127 Other taxes on internat trade and transactions			-	-	-	-	-	-
5128 Other taxes			-	-	-	-	-	-
5130 Unallocable between 5110 and 5120			-	-	-	-	-	-
5200 Taxes on use of goods and perform activities			-	-	-	-	-	-
5210 Recurrent taxes								
5211 Paid by households: motor vehicles								
5212 Paid by others: motor vehicles								
5213 Paid in respect of other goods								
5220 Non-recurrent taxes								
5300 Unallocable between 5100 and 5200			-	-	-	-	-	-
6000 Other taxes			4 621	30 155	48 241	60 146	83 260	85 948
6100 Paid solely by business			-	-	-	-	-	-
6200 Other			837	2 050	3 116	3 969	3 928	4 211
Other local level			3 784	28 105	45 125	56 177	79 332	81 737
Total tax revenue on cash basis			119 697	375 088	665 056	779 488	953 179	1 062 242

Year ending 31st December.

The data are on cash basis.

Source: Ministry of Finance of the Republic of Indonesia.

StatLink http://dx.doi.org/10.1787/888933011857

Table 11
JAPAN
Details of tax revenue, in billions of yen

	1990	1995	2000	2005	2009	2010	2011	2012
Total tax revenue	130 823	133 277	136 125	137 939	127 768	132 480	135 487	
1000 Taxes on income, profits and capital gains	65 682	51 007	47 398	46 631	37 739	40 034	40 910	41 789
1100 Of individuals	36 394	29 798	28 677	25 222	25 518	24 663	24 951	25 525
1110 On income and profits	36 394	29 798	28 677	25 222	25 518	24 663	24 951	25 525
Income tax	25 996	19 515	18 789	16 702	12 914	12 984	13 476	13 651
Prefectural inhabitants tax	3 675	3 500	3 621	2 606	5 052	4 699	4 608	4 778
Municipal inhabitants tax	6 475	6 532	6 044	5 699	7 349	6 795	6 688	6 920
Enterprise tax	249	250	223	216	204	184	179	176
1120 On capital gains	-	-	-	-	-	-	-	-
1200 Corporate	29 288	21 210	18 721	21 408	12 221	15 372	15 959	16 264
1210 On profits	29 288	21 210	18 721	21 408	12 221	15 372	15 959	16 264
Corporation tax	18 384	13 740	11 747	13 274	6 356	8 968	9 351	9 498
Prefectural inhabitants tax	1 414	961	879	979	715	777	800	799
Municipal inhabitants tax	3 198	2 274	2 176	2 457	1 775	1 954	2 011	1 988
Enterprise tax	6 293	4 235	3 918	4 698	2 701	2 253	2 240	2 321
Local special corporate tax	-	-	-	-	-	-	-	-
1220 On capital gains	-	-	-	-	-	-	-	-
1300 Unallocable between 1100 and 1200	-	-	-	-	-	-	-	-
2000 Social security contributions	34 593	44 639	47 857	50 844	52 342	54 456	56 140	
2100 Employees	13 883	18 347	19 786	20 980	22 484	23 590	24 355	
2110 On a payroll basis	13 883	-	-	20 980	22 484	23 590	24 355	
2120 On an income tax basis	0	-	-	-	-	-	-	
2200 Employers	16 642	21 333	22 388	23 151	23 575	24 672	25 737	
2210 On a payroll basis	16 642	-	-	23 151	23 575	24 672	25 737	
2220 On an income tax basis	0	-	-	-	-	-	-	
2300 Self-employed or non-employed	4 069	4 958	5 683	6 712	6 282	6 194	6 048	
2310 On a payroll basis	4 069	-	-	6 712	6 282	6 194	6 048	
2320 On an income tax basis	0	-	-	-	-	-	-	
2400 Unallocable between 2100, 2200 and 2300	0	-	-	-	-	-	-	
2410 On a payroll basis								
2420 On an income tax basis								
3000 Taxes on payroll and workforce	-	-	-	-	-	-	-	-
4000 Taxes on property	12 296	16 213	14 294	13 327	12 949	12 878	13 100	12 673
4100 Recurrent taxes on immovable property	7 099	10 271	10 414	10 116	10 128	10 225	10 237	9 804
Prefectural property tax	15	10	11	16	19	5	3	2
Municipal property tax	6 023	8 430	9 041	8 862	8 874	8 961	8 966	8 589
City planning tax	942	1 305	1 318	1 233	1 233	256	1 268	1 210
Special landholding tax	-	121	43	4	2	3	1	3
Water and land utilization tax	-	-	-	0	0	0	0	0
Land value tax	-	-	-	-	0	0	0	0
4110 Households								
4120 Others								
4200 Recurrent taxes on net wealth	-	-	-	-	-	-	-	-
4210 Individual								
4220 Corporate								
4300 Estate, inheritance and gift taxes	1 918	2 690	1 782	1 566	1 350	1 250	1 474	1 504
4310 Estate and inheritance taxes								
Inheritance tax								
4320 Gift taxes								
Tax on gifts								

Table 11 (cont'd)

JAPAN

Details of tax revenue, in billions of yen

	1990	1995	2000	2005	2009	2010	2011	2012
4400 Taxes on financial and capital transactions	3 280	3 252	2 099	1 646	1 472	1 403	1 388	1 365
Bourse tax	41	44	0	0	0	-	-	-
Securities transaction	748	479	0	0	0	-	-	-
Bank of Japan note issue tax	-	0	-	-	-	-	-	-
Stamp revenues	1 894	1 941	1 532	1 169	1 068	1 024	1 047	1 032
Real property acquisition tax	596	788	567	477	404	379	342	333
4500 Non-recurrent taxes	-	-	-	-	-	-	-	-
4510 On net wealth								
4520 Other non-recurrent taxes								
4600 Other recurrent taxes on property	-	-	-	-	-	-	-	-
5000 Taxes on goods and services	**17 917**	**21 088**	**26 227**	**26 786**	**24 364**	**24 730**	**24 966**	**24 906**
5100 Taxes on production, sale, transfer, etc	15 647	18 327	23 180	23 722	21 561	22 160	22 410	22 421
5110 General taxes	-	-	-	13 135	12 221	12 675	12 745	12 895
5111 Value added taxes	5 778	7 238	12 350	13 135	12 221	12 675	12 745	12 895
5112 Sales tax	0	0	0	-	-	-	-	-
5113 Other	0	0	0	-	-	-	-	-
5120 Taxes on specific goods and services	9 868	11 089	10 830	10 588	9 340	9 485	9 665	9 526
5121 Excises	8 637	9 806	9 837	9 571	8 527	8 622	8 719	8 542
Liquor tax	1 935	2 061	1 816	1 585	1 417	1 389	1 369	1 339
Sugar excises	0	0	0	-	-	-	-	-
Local road tax	361	264	296	311	291	294	283	279
Gasoline tax	2 007	2 463	2 769	2 908	2 715	2 750	2 648	2 611
Liquefied petroleum gas tax	-	31	28	29	25	24	23	22
Aviation fuel tax	-	101	104	105	94	89	60	57
Commodity tax	5	0	0	0	0	-	-	-
Playing-card tax	0		-	-	-	-	-	-
Prefectural tobacco tax	361	378	282	275	250	256	293	283
Municipal tobacco tax	636	669	865	845	767	788	900	868
Timber delivery tax	0	0	0	-	-	-	-	-
Mineral product tax	3	2	2	2	2	2	2	2
Electricity and gas tax	0	0	0	-	-	-	-	-
Light oil delivery tax	834	1 332	1 208	1 086	908	918	932	917
Vehicle acquisition tax	-	611	464	453	231	192	168	198
Promotion of power resources development tax	-	339	375	359	329	349	331	329
Petroleum and coal tax	-	-	489	493	487	502	519	546
Tobacco tax	-	-	876	887	822	908	1 032	945
Special tobacco tax	-	-	-	-	-	163	160	146
5122 Profits of fiscal monopolies	0	0	-	-	-	-	-	-
Monopoly profits								
5123 Customs and import duties	928	1 032	877	930	732	786	874	910
Customs duty	928	1 032	877	930	732	786	874	910
5124 Taxes on exports	-	-	-	-	-	-	-	-
5125 Taxes on investment goods	-	-	-	-	-	-	-	-
5126 Taxes on specific services	303	252	116	87	81	77	72	74
Travel tax	0	0	0	0	-	-	-	-
Admission tax	0	0	0	-	-	-	-	-
Local entertainment tax	0	0	0	-	-	-	-	-
Golf course utilization tax	-	-	-	62	58	55	51	51
Meal and lodging tax	0	0	0	-	-	-	-	-
Special local consumption tax	-	-	-	0	0	0	0	0
Bathing tax	18	21	23	24	23	22	21	22

Table 11 (cont'd)

JAPAN

Details of tax revenue, in billions of yen

	1990	1995	2000	2005	2009	2010	2011	2012
5127 Other taxes on internat trade and transactions	-	-	-	-	-	-	-	-
5128 Other taxes	-	-	-	-	-	-	-	-
5130 Unallocable between 5110 and 5120	-	-	-	-	-	-	-	-
5200 Taxes on use of goods and perform activities	2 270	2 761	3 047	3 064	2 803	2 570	2 557	2 485
5210 Recurrent taxes	2 250	2 742	3 027	3 043	2 783	2 548	2 535	2 463
Automobile tax	1 276	1 587	1 765	1 753	1 654	1 616	1 597	1 575
Light vehicle tax	88	106	125	152	174	178	180	182
Motor vehicle tonnage tax	-	1 045	1 134	1 136	953	753	755	703
Hunter licence tax	-	2	2	0	0	0	-	-
Hunting tax	-	1	1	3	2	2	2	2
Mine lot tax	1	1	1	0	0	0	0	0
5211 Paid by households: motor vehicles								
5212 Paid by others: motor vehicles								
5213 Paid in respect of other goods								
5220 Non-recurrent taxes	20	20	20	21	20	21	22	23
5300 Unallocable between 5100 and 5200	-	-	-	-	-	-	-	-
6000 Other taxes	335	329	348	351	374	381	371	366
6100 Paid solely by business	-	307	324	297	328	330	339	345
Business office tax	-	307	324	297	328	330	339	345
6200 Other	47	22	24	54	46	52	32	20
Taxes not in local tax law	47	22	24	54	46	52	32	20
Other	-	-	-	-	-	-	-	-
Total tax revenue on accrual basis	130 823	133 277	136 125	137 939	127 768	132 480	135 487	

Data are on a fiscal year basis beginning 1st April.

From 1990, data are on accrual basis.

The figures for different groups of taxes are reported on different reporting bases, namely: Social security contributions (heading 2000): in principle accrual basis, Central government taxes: accrual basis (revenues accrued during the fiscal year plus cash receipts collected before the end of May (the end of April until 1977), Local government taxes: accrual basis (due to be paid during the fiscal year and cash receipts collected before the end of May).

The Japanese authorities take the view that the Enterprise tax (classified in 1100 and 1200) and the Mineral product tax (classified in 5121) should be classified in heading 6000 since under articles 72 and 519 of the Local Tax Law these taxes are regarded as levies on the business or mining activity itself.

Heading 2000 includes some unidentifiable voluntary contributions.

Heading 2300: Includes contibutions to the National pension, National Health Insurance and the Farmer's pension fund. Contributions to the Farmer's pension fund are not available for the years before 1999.

Heading 4100: Municipal property tax, includes Prefectural property tax from 1990 to 1994 because data is not available to provide a breakdown.

Heading 5121: Municipal tobacco tax, includes Prefectural tobacco tax from 1990 to 1994 because data is not available to provide a breakdown.

Heading 5121: In sub-item Petroleum and coal tax, the data before 2003 refer to petroleum tax.

Source: Tax Bureau, Ministry of Finance.

StatLink http://dx.doi.org/10.1787/888933011876

Table 12
KOREA
Details of tax revenue, in billions of won

	1990	1995	2000	2005	2009	2010	2011	2012
Total tax revenue	37 262	82 003	136 295	207 345	271 873	294 007	319 997	341 092
1000 Taxes on income, profits and capital gains	12 203	24 704	39 254	60 609	77 897	82 905	96 845	101 944
1100 Of individuals	7 440	14 850	19 950	27 570	38 618	42 098	47 299	51 185
1110 On income and profits	0	0	0	0	0	0	0	0
Income tax	0	0	-	-	-	-	-	-
Dividends and interest income tax	0	0	-	-	-	-	18 337	19 627
Wages and salaries income tax	0	0	-	-	-	-	3 365	3 595
Other income tax	4 723	11 857	-	-	-	-	8 300	9 938
Global income tax	938	-	0	0	0	0	0	0
Defence tax on income tax	325	0	0	0	-	-	-	-
Education tax on income tax	0	-	156	116	-	-	-	-
Rural development tax on interest, bus Inc & capgains relief	341	-	-	-	3 996	4 459	4 856	5 293
Inhabitant tax on income tax (local)	6 327	-	-	23 118	31 310	33 935	39 910	43 730
1120 On capital gains	1 113	-	-	4 452	7 308	8 163	7 389	7 455
Capital gains tax	1 113	-	-	4 452	7 308	8 163	7 389	7 455
1200 Corporate	4 757	9 552	19 271	33 039	39 279	40 807	49 546	50 759
1210 On profits	677	3 463	8 577	5 682	4 681	9 095	10 534	11 516
Corporation tax - Withholding	2 549	-	-	24 123	30 570	28 173	34 339	34 416
Corporation tax - Final returns	1 323	-	-	0	0	0	0	0
Defence tax on corporation tax	207	565	1 142	2 696	-	-	-	-
Inhabitant tax on corporation tax (local)	0	-	-	538	472	445	720	569
Rural development tax corporate income	4 757	-	-	-	39 279	40 807	49 546	50 759
Excess profit tax	0	-	-	-	-	-	-	-
1220 On capital gains	0	0	-	-	-	-	-	-
Capital gains tax								
1300 Unallocable between 1100 and 1200	6	302	33	0	0	0	-	-
Business income tax	0	0	-					
Real estate income tax	0	0	-					
Defence tax on real estate & business income	0	0	-					
Rural dev tax on bus inc & cap gains relief	0	-	-					
Inhabitant tax before 1990 (local)	0	1	0					
Farm land tax (local)	6	2	3					
Inhabitant tax on farm land tax (local)	0	-	-					
2000 Social security contributions	3 760	9 913	22 759	43 902	62 165	67 129	75 316	84 136
2100 Employees	1 464	4 539	8 578	17 632	25 527	28 039	31 758	35 518
Veterans' relief fund	0	0	0	-	-	-	-	-
Soldiers' annuity fund	0	-	-	-	-	-	-	-
Unemployment assurance	0	-	-	-	1 346	1 358	1 698	2 138
National welfare pension fund	429	-	-	7 746	10 358	11 004	11 832	12 867
Social benefit fund	0	-	-	-	-	-	-	-
Health Insurance	483	-	-	6 060	10 581	11 752	13 923	15 650
Teachers' pensions	86	-	-	520	621	789	940	1 222
Government employees pensions	406	-	-	2 004	2 308	2 814	3 020	3 268
Military personal pensions	60	-	-	286	313	322	345	373
2110 On a payroll basis	-	-	-	-	-	28 039	31 758	35 518
2120 On an income tax basis	-	-	-	-	-	-	-	-

Table 12 (cont'd)

KOREA

Details of tax revenue, in billions of won

	1990	1995	2000	2005	2009	2010	2011	2012
2200 Employers	1 694	3 918	9 409	18 486	27 404	29 154	32 663	36 911
Ind works' insurance fund	550	1 130	1 876	3 182	4 732	4 632	4 806	5 508
Soldiers' annuity fund	0	-	-	-	-	-	-	-
Pneumoconiosis fund	0	-	-	-	-	-	-	-
Unemployment insurance	0	-	-	-	2 843	2 860	3 347	4 166
Veterans' relief fund	0	-	-	-	-	-	-	-
National welfare pension fund	430	-	-	7 759	10 393	11 052	11 833	12 930
Social benefit fund	0	-	-	-	-	-	-	-
Health Insurance	658	-	-	4 997	8 980	10 016	12 012	13 576
Teachers' pensions	56	-	-	384	456	594	665	731
Government employees pensions	0	-	-	-	-	-	-	-
2210 On a payroll basis			-	-	-	29 154	32 663	36 911
2220 On an income tax basis			-	-	-	-	-	-
2300 Self-employed or non-employed	602	-	-	7 784	9 234	9 936	10 895	11 707
2310 On a payroll basis	0	-	-	-	-	-	-	-
2320 On an income tax basis	602	-	-	7 784	9 234	9 936	10 895	11 707
2400 Unallocable between 2100, 2200 and 2300	0	-	-	-	-	-	-	-
2410 On a payroll basis								
2420 On an income tax basis								
3000 Taxes on payroll and workforce	153	-	258	514	681	714	803	868
Workshop tax on workforce (local)	124	-	258	514	681	714	803	868
Vocational training promotion fund	29	-	0	0	-	-	-	-
4000 Taxes on property	4 389	11 442	16 846	24 697	31 803	33 516	36 555	36 213
4100 Recurrent taxes on immovable property	980	2 742	3 385	5 030	8 859	9 270	9 779	10 315
Property tax (local)	227	466	728	2 588	4 423	4 817	7 617	8 049
City planning tax on urban real estate (local)	244	653	815	1 352	2 269	2 465	5	3
Community facilities tax (local)	86	204	341	446	591	650	705	766
Tax on excessive land holdings (local)	1	-	-	0	-	-	-	-
Tax on aggregate land holdings (local)	400	-	-	2	0	0	0	0
Rural dev tax on local agg land holdings tax	0	-	-	-	0	0	0	0
Tax on excessively increased land value	0	-	-	-	0	-	-	-
Comprehensive real estate tax	-	-	-	-	-	-	1 102	1 131
Rural dev tax on comprehensive real estate tax	-	-	-	-	-	-	223	228
4110 Households	0	-	-	-	-	-	-	-
4120 Others	22	-	-	107	127	101	127	138
Workshop tax on property (local)	22	-	-	107	127	101	127	138
4200 Recurrent taxes on net wealth	0	-	-	-	-	-	-	-
4210 Individual								
4220 Corporate								
4300 Estate, inheritance and gift taxes	354	1 029	989	1 873	2 431	3 076	3 333	4 021
4310 Estate and inheritance taxes	85	606	449	702	1 221	1 203	1 259	1 719
Inheritance tax	71	606	449	702	1 221	1 203	1 259	1 719
Defence tax on inheritance tax	14	-	0	0	-	-	-	-
4320 Gift taxes	269	424	540	1 171	1 210	1 873	2 074	2 302
Gift tax	225	424	540	1 171	1 210	1 873	2 074	2 302
Defence tax on gift tax	44	-	0	0	-	-	-	-

Table 12 (cont'd)
KOREA
Details of tax revenue, in billions of won

	1990	1995	2000	2005	2009	2010	2011	2012
4400 Taxes on financial and capital transactions	2 960	7 582	11 935	17 796	20 513	21 170	23 443	21 877
Registration tax (local)	1 378	-	4 528	6 784	7 131	7 370	7 680	7 645
Registration tax	0	0	-	-	-	-	-	-
Defence tax on registration tax	0	0	-	-	-	-	-	-
Rural dev tax on local acquisition tax	0	-	-	-	621	632	982	853
Rural dev tax on local registration tax	0	-	-	-	169	144	2	2
Securities transactions tax	224	-	-	2 370	3 534	3 667	4 279	3 681
Rural dev tax on securities transaction tax	0	-	-	-	1 870	2 010	2 515	1 769
Acquisition tax (local)	1 165	2 691	3 148	6 649	6 644	6 825	7 361	7 326
Stamp tax	193	320	388	500	544	522	624	601
4500 Non-recurrent taxes	95	89	537	-2	0	0	0	0
Asset revaluation tax	95	89	537	-2				
4510 On net wealth								
4520 Other non-recurrent taxes								
4600 Other recurrent taxes on property	0	-	-	-	-	-	-	-
5000 Taxes on goods and services	16 497	33 388	52 271	71 041	87 043	99 769	100 551	106 402
5100 Taxes on production, sale, transfer, etc	16 024	31 634	50 023	69 069	84 135	96 573	93 983	99 731
5110 General taxes	6 964	14 637	23 212	36 118	46 992	51 800	54 868	58 702
5111 Value added taxes	6 964	-	23 212	36 118	46 992	51 800	0	0
Value added tax	6 964	-	23 212	36 118	46 992	51 800	0	0
5112 Sales tax	0	0	-	-	-	-	-	-
Business tax								
5113 Other	0	-	-	-	-	-	-	-
5120 Taxes on specific goods and services	9 059	16 997	26 811	32 951	37 143	44 773	39 115	41 029
5121 Excises	4 924	11 055	18 155	24 888	25 341	31 340	25 401	28 410
Commodity tax	0	0	-	-	-	-	-	-
Defence tax on commodity tax	0	0	-	-	-	-	-	-
Liquor tax	1 022	1 825	1 963	2 601	2 771	2 878	2 529	2 999
Defence tax on liquor tax	0	0	0	-	-	-	-	-
Education tax on liquor tax	81	-	516	693	713	724	644	774
Textile tax	0	0	-	-	-	-	-	-
Petroleum tax	0	0	-	-	-	-	-	-
Transport tax on petrol products	0	-	-	-	10 092	13 970	11 546	13 809
Education tax on transport tax	0	-	-	-	-	2 133	1 726	2 030
Electricity and gas tax	0	0	-	-	-	-	-	-
Special excise tax	1 912	-	2 985	4 399	3 642	5 066	5 537	5 336
Defence tax on special excise tax	337	-	0	0	-	-	-	-
Education tax on special excise tax	0	-	-	-	322	501	589	525
Rural development on special excise tax	0	-	-	-	20	24	45	56
Tobacco sales tax (local)	0	-	0	-	-	-	-	-
Tobacco consumption tax (local)	1 572	-	-	2 448	3 011	2 875	2 785	2 881
Motor fuel tax (local)	0	-	-	-	-	3 169	0	0
5122 Profits of fiscal monopolies	0	0	0	-	-	-	-	-
Monopoly profit								
5123 Customs and import duties	3 692	4 768	5 936	6 530	9 486	11 046	11 350	10 220
Customs duties	2 765	4 633	5 800	6 317	9 169	10 666	10 990	9 816
Defence tax on customs duties	919	0	0	0	-	-	-	-
Special customs duties	0	-	-	-	-	-	-	-
Tonnage tax	0	0	-	-	-	-	-	-
Education tax on imports	7	-	-	173	273	336	322	375
Rural dev tax on customs exemptions	0	-	-	-	44	44	38	29
Previous year receipts	0	0	0	-	-	-	-	-

Table 12 (cont'd)

KOREA

Details of tax revenue, in billions of won

	1990	1995	2000	2005	2009	2010	2011	2012
5124 Taxes on exports	0	-	-	-	-	-	-	-
5125 Taxes on investment goods	0	-	-	-	-	-	-	-
5126 Taxes on specific services	444	1 174	2 720	1 533	2 316	2 387	2 364	2 399
Telephone tax	262	543	1 457	0	0	0	-	-
Defence tax on telephone tax	0	0	0	-	-	-	-	-
Entertainment tax	0	-	-	-	-	-	-	-
Defence tax on entertainment tax	0	-	-	-	-	-	-	-
Entertainment tax (local)	0	0	-	-	-	-	-	-
Travel tax	0	0	-	-	-	-	-	-
Admission tax	0	0	-	-	-	-	-	-
Defence tax on admission tax	0	0	-	-	-	-	-	-
Education tax on banking & insurance	108	-	473	537	964	951	966	932
Horse race tax (local)	56	217	566	692	1 002	1 068	1 072	1 129
Rural dev tax on horse race tax	0	-	-	-	203	215	214	221
Butchery tax (local)	18	34	51	47	56	58	5	0
Regional development tax (local)	0	-	-	-	91	95	107	117
5127 Other taxes on internat trade and transactions	0	-	-	-	-	-	-	-
5128 Other taxes	0	-	-	-	-	-	-	-
5130 Unallocable between 5110 and 5120	0	-	-	-	-	-	-	-
5200 Taxes on use of goods and perform activities	474	1 754	2 248	1 972	2 908	3 196	6 568	6 671
5210 Recurrent taxes	474	1 754	2 248	1 972	2 908	3 196	6 568	6 671
License tax (local)	48	209	241	70	74	76	78	78
Automobile tax (local)	426	1 545	2 007	1 902	2 834	3 120	6 490	6 593
5211 Paid by households: motor vehicles								
5212 Paid by others: motor vehicles								
5213 Paid in respect of other goods								
5220 Non-recurrent taxes	0	-	-	-	-	-	-	-
5300 Unallocable between 5100 and 5200	0	-	-	-	-	-	-	-
6000 Other taxes	259	2 319	4 907	6 582	12 284	9 974	9 927	11 529
6100 Paid solely by business	0	-	-	-	-	-	-	-
6200 Other	259	2 319	4 907	6 582	12 284	9 974	9 927	11 529
Unallocable tax revenue	0	0	0	-	-	-	-	-
Previous year tax	213	-	-	2 111	6 890	4 449	4 232	5 768
Previous year tax (local)	47	-	474	633	600	654	728	680
Unallocable defence tax	0	-	-	-	0	0	0	0
Education tax on local taxes	0	-	-	-	4 794	4 871	4 967	5 081
Total tax revenue on cash basis	37 262	82 003	136 295	207 345	271 873	294 007	319 997	341 092

Year ending 31st December.

Data are on cash basis.

Heading 2000: From 1997 the contributions to the three funds (civil servant pension fund, private school teachers' pension fund and medical insurance fund) are classified as security social contributions. The reasons for the change are that the contributions either became mandatory or the fund started to be managed by public authorities in that year, thereby meeting the OECD definition of social security contributions.

Heading 2200: From 2007, this includes long-term care insurance.

Source: Ministry of Finance and Economy, Ministry of Home Affairs.

StatLink http://dx.doi.org/10.1787/888933011895

Table 13
MALAYSIA
Details of tax revenue, in millions of malaysian ringgits (MYR)

	1990	1995	2000	2005	2009	2010	2011	2012
Total tax revenue	22 066	43 096	50 083	84 141	110 283	113 573	139 288	157 062
1000 Taxes on income, profits and capital gains	9 719	20 456	27 339	51 040	75 269	75 058	98 018	111 727
1100 Of individuals	2 506	6 203	7 015	8 649	15 590	17 805	20 203	22 445
1110 On income and profits	2 506	6 203	7 015	8 649	15 590	17 805	20 203	22 445
1120 On capital gains	-	-	-	-	-	-	-	-
1200 Corporate	7 141	13 892	19 923	40 962	57 725	55 156	74 653	86 118
1210 On profits	7 141	13 892	19 923	40 962	57 725	55 156	74 653	86 118
Company income tax	4 497	11 706	13 905	26 381	30 199	36 266	46 888	54 136
Petroleum income tax	2 644	2 185	6 010	14 566	27 231	18 713	27 748	31 962
Offshore business activity tax	-	1	8	15	15	15	17	20
Levy on Electricity	-	-	-	-	280	162	-	-
1220 On capital gains	-	-	-	-	-	-	-	-
1300 Unallocable between 1100 and 1200	72	361	402	1 429	1 954	2 097	3 162	3 164
Cooperatives income tax	3	89	87	63	546	378	357	323
Withholding income tax	-	-	-	1 110	1 328	1 268	1 519	1 800
Other income tax	-	-	-	20	23	21	17	21
Real property gains tax	69	272	247	236	42	303	509	546
Exit levy	-	-	41	-	-	-	-	-
Windfall levy on crude palm oil	-	-	0	-	-	-	-	-
Windfal levy on crude palm kernel oil	-	-	26	-	0	0	-	-
Levy on fresh fruit bunch	-	-	-	-	16	127	761	474
2000 Social security contributions	-	-	990	1 382	1 867	2 008	2 172	2 326
2100 Employees			218	304	409	439	475	508
2110 On a payroll basis			218	304	409	439	475	508
2120 On an income tax basis			-	-	-	-	-	-
2200 Employers			772	1 079	1 458	1 569	1 697	1 818
2210 On a payroll basis			772	1 079	1 458	1 569	1 697	1 818
2220 On an income tax basis			-	-	-	-	-	-
2300 Self-employed or non-employed			-	-	-	-	-	-
2310 On a payroll basis								
2320 On an income tax basis								
2400 Unallocable between 2100, 2200 and 2300			-	-	-	-	-	-
2410 On a payroll basis								
2420 On an income tax basis								
3000 Taxes on payroll and workforce	-	-	-	-	-	-	-	-
4000 Taxes on property	25	8	2	5	-	-	-	-
4100 Recurrent taxes on immovable property	-	-	-	-				
4110 Households								
4120 Others								
4200 Recurrent taxes on net wealth	-	-	-	-				
4210 Individual								
4220 Corporate								
4300 Estate, inheritance and gift taxes	25	8	2	5				
4310 Estate and inheritance taxes	25	8	2	5				
Estate Duty	25	8	2	5				
4320 Gift taxes	-	-	-	-				
4400 Taxes on financial and capital transactions	-	-	-	-				
4500 Non-recurrent taxes	-	-	-	-				
4510 On net wealth								
4520 Other non-recurrent taxes								
4600 Other recurrent taxes on property	-	-	-	-				

Table 13 (cont'd)

MALAYSIA

Details of tax revenue, in millions of malaysian ringgits (MYR)

	1990	1995	2000	2005	2009	2010	2011	2012
5000 Taxes on goods and services	11 669	20 402	19 910	29 216	29 746	32 268	34 114	37 438
5100 Taxes on production, sale, transfer, etc	10 842	18 971	17 990	27 051	27 834	30 218	31 883	35 194
5110 General taxes	2 442	4 869	5 968	7 709	8 603	8 171	8 577	9 185
5111 Value added taxes	-	-	-	-	-	-	-	-
5112 Sales tax	2 442	4 869	5 968	7 709	8 603	8 171	8 577	9 185
Sales tax on local goods	1 604	3 204	3 894	5 403	5 348	4 886	4 995	5 219
Sales tax on imported goods	838	1 664	2 074	2 306	3 255	3 285	3 583	3 966
5113 Other	-	-	-	-	-	-	-	-
5120 Taxes on specific goods and services	7 820	12 824	10 245	17 511	16 822	19 624	20 765	23 342
5121 Excises	2 266	5 280	3 803	9 322	10 068	11 770	11 517	12 338
Excise duties on local goods	2 266	5 280	3 803	8 641	8 474	9 350	8 415	8 461
Excise duties on imported goods	-	-	-	680	1 595	2 420	3 102	3 878
5122 Profits of fiscal monopolies	-	-	-	-	-	-	-	-
5123 Customs and import duties	3 421	5 622	3 599	3 385	2 114	1 966	2 026	2 245
5124 Taxes on exports	1 970	853	1 032	2 085	1 152	1 810	2 081	2 393
5125 Taxes on investment goods	-	-	-	-	-	-	-	-
5126 Taxes on specific services	121	1 016	1 701	2 582	3 344	3 926	4 982	6 197
Pool betting duties and sweepstakes	-	-	-	0	-	-	-	-
Service tax	121	1 016	1 701	2 582	3 344	3 926	4 982	6 197
5127 Other taxes on internat trade and transactions	43	53	110	137	143	151	159	168
5128 Other taxes	-	-	-	-	-	-	-	-
5130 Unallocable between 5110 and 5120	580	1 279	1 777	1 831	2 409	2 423	2 541	2 667
5200 Taxes on use of goods and perform activities	827	1 431	1 920	2 165	1 912	2 050	2 231	2 243
5210 Recurrent taxes	821	1 425	1 918	2 163	1 909	2 047	2 227	2 240
5211 Paid by households: motor vehicles	821	1 415	1 909	2 147	1 856	1 992	2 183	2 230
Motor vehicle licences	821	1 415	1 909	2 147	1 856	1 992	2 183	2 230
5212 Paid by others: motor vehicles	-	9	9	15	17	18	5	2
Commercial vehicle licences		9	9	14	16	17	5	2
Tour vehicle licences		-	-	1	1	1	1	0
5213 Paid in respect of other goods	0	0	0	1	36	38	39	8
Petroleum Permits	0	0	0	1	1	1	1	1
Bank Licences Fees	-	-	-	-	35	37	38	7
5220 Non-recurrent taxes	6	6	2	2	2	2	4	4
Environment Pollution Licences	1	1	2	2	2	2	4	4
Film rental tax	5	5	-	-	-	-	-	-
5300 Unallocable between 5100 and 5200	-	-	-	-	-	-	-	-
6000 Other taxes	653	2 230	1 841	2 499	3 401	4 240	4 984	5 572
6100 Paid solely by business	-	-	-	-	-	-	-	-
6200 Other	653	2 230	1 841	2 499	3 401	4 240	4 984	5 572
Share transfer tax	1	1	-	-	-	-	-	-
Stamp duties	645	2 192	1 799	2 460	3 349	4 192	4 929	5 570
Other direct taxes	8	37	42	38	52	48	55	2
Total tax revenue on cash basis	22 066	43 096	50 083	84 141	110 283	113 573	139 288	157 062

Year ending 31st December.

The data are on cash basis.

Source: Ministry of Finance of Malaysia.

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ANNEX A

The OECD Classification of Taxes and Interpretative Guide

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The OECD Interpretative Guide[1]

A. Coverage

General criteria

1. In the OECD classification the term "taxes" is confined to compulsory unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments.

2. The term 'tax' does not include fines unrelated to tax offences and compulsory loans paid to government. Borderline cases between tax and non-tax revenues in relation to certain fees and charges are discussed in §9–13.

3. General government consists of the central administration, agencies whose operations are under its effective control, state and local governments and their administrations, certain social security schemes and autonomous governmental entities, excluding public enterprises. This definition of government follows that of the 2008 *System of National Accounts* (SNA).[2] In that publication, the general government sector and its sub-sectors are defined in chapter 4, section F, pages 80-84.

4. Compulsory payments to supra-national bodies and their agencies are no longer included as taxes as from 1998, with some exceptions. However, custom duties collected by EU member states on behalf of the European Union are still identified as memorandum items and included in overall tax revenue amounts in the country tables (Part III) of the country in which they are collected. (See §95). In countries where the church forms part of general government church taxes are included, provided they meet the criteria set out in §1 above. As the data refer to receipts of general government, levies paid to non-government bodies, welfare agencies or social insurance schemes outside general government, trade unions or trade associations, even where such levies are compulsory, are excluded. Compulsory payments to general government earmarked for such bodies are, however, included, provided that the government is not simply acting in an agency capacity.[3] Profits from fiscal monopolies are distinguished from those of other public enterprises and are treated as taxes because they reflect the exercise of the taxing power of the state by the use of monopoly powers (see §62–64), as are profits received by the government from the purchase and sale of foreign exchange at different rates (see §70).

5. Taxes paid by governments (e.g. social security contributions and payroll taxes paid by governments in their capacity as an employer, consumption taxes on their purchases or taxes on their property) are not excluded from the data provided. However, where it is possible to identify the amounts of revenue involved,[4] they are shown in section III.C of this Report.

6. The relationship between this classification and that of the System of National Accounts (SNA) is set out in Sections H and J below. Because of the differences between the two classifications, the data shown in national accounts are sometimes calculated or classified differently from the practice set out in this guide. These and other differences are mentioned where appropriate (e.g. in §13 and §26 below) but it is not possible to refer to all

of them. There may also be some differences between this classification and that employed domestically by certain national administrations (e.g. see §10 below), so that OECD and national statistics data may not always be consistent: any such differences, however, are likely to be very slight in terms of amounts of revenues involved.

Social security contributions

7. Compulsory social security contributions, as defined in §35 below, paid to general government, are treated here as tax revenues. Being compulsory payments to general government they clearly resemble taxes. They may, however, differ from other taxes in that the receipt of social security benefits depends, in most countries, upon appropriate contributions having been made, although the size of the benefits is not necessarily related to the amount of the contributions. Better comparability between countries is obtained by treating social security contributions as taxes, but they are listed under a separate heading so that they can be distinguished in any analysis.

8. Social security contributions which are either voluntary or not payable to general government (see §1) are not treated as taxes, though in some countries, as indicated in the country footnotes, there are difficulties in eliminating voluntary contributions and certain compulsory payments to the private sector.

Fees, user charges and licence fees

9. Apart from vehicle licence fees, which are universally regarded as taxes, it is not easy to distinguish between those fees and user charges which are to be treated as taxes and those which are not, since, whilst a fee or charge is levied in connection with a specific service or activity, the strength of the link between the fee and the service provided may vary considerably, as may the relation between the amount of the fee and the cost of providing the service. Where the recipient of a service pays a fee clearly related to the cost of providing the service, the levy may be regarded as requited and under the definition of §1 would not be considered as a tax. In the following cases, however, a levy could be considered as 'unrequited':

a) where the charge greatly exceeds the cost of providing the service;

b) where the payer of the levy is not the receiver of the benefit (e.g. a fee collected from slaughterhouses to finance a service which is provided to farmers);

c) where government is not providing a specific service in return for the levy which it receives even though a licence may be issued to the payer (e.g. where the government grants a hunting, fishing or shooting licence which is not accompanied by the right to use a specific area of government land);

d) where benefits are received only by those paying the levy but the benefits received by each individual are not necessarily in proportion to his payments (e.g. a milk marketing levy paid by dairy farmers and used to promote the consumption of milk).

10. In marginal cases, however, the application of the criteria set out in §1 can be particularly difficult. The solution adopted – given the desirability of international uniformity and the relatively small amounts of revenue usually involved – is to follow the predominant practice among tax administrations rather than to allow each country to adopt its own view as to whether such levies are regarded as taxes or as non-tax revenue.[5]

11. A list of the main fees and charges in question and their normal[6] treatment in this publication is as follows:

Non-tax revenues:	court fees; driving licence fees; harbour fees; passport fees; radio and television licence fees where public authorities provide the service.
Taxes within heading 5200:	permission to perform such activities as distributing films; hunting, fishing and shooting; providing entertainment or gambling facilities; selling alcohol or tobacco; permission to own dogs or to use or own motor vehicles or guns; severance taxes.

12. In practice it may not always be possible to isolate tax receipts from non-tax revenue receipts when they are recorded together. If it is estimated that the bulk of the receipts derive from non-tax revenues, the whole amount involved is treated as a non-tax revenue; otherwise, such government receipts are included and classified according to the rules provided in §28 below.

13. Two differences between the OECD classification and SNA regarding the borderline between tax and non-tax revenues are:

a) SNA classifies a number of levies as indirect taxes if paid by enterprises, but as non-tax revenues if paid by households, a distinction which is regarded as irrelevant in this classification for distinguishing between tax and non-tax revenues.[7]

b) Predominant practice among most OECD tax administrations, which is occasionally used in this classification for distinguishing between tax and non-tax revenues, is not a relevant criterion for SNA purposes.

Royalties

14. Royalty payments for the right to extract oil and gas or to exploit other mineral resources are normally regarded as non-tax revenues since they are property income from government-owned land or resources.

Fines and penalties

15. Receipts from fines and penalties paid for infringement of regulations identified as relating to a particular tax and interest on payments overdue in respect of a particular tax are recorded together with receipts from that tax. Other kinds of fines identifiable as relating to tax offences are classified in the residual heading 6000. Fines not relating to tax offences (e.g. for parking offences), or not identifiable as relating to tax offences, are not treated as taxes.

B. Basis of reporting

Accrual reporting

16. The data reported in this publication for recent years are predominantly recorded on an accrual basis, i.e. recorded at the time that the tax liability was created. Further information is provided in the footnotes to the country table in Part III of the Report.

17. However, data for earlier years are still predominantly recorded on a cash basis, i.e. at the time at which the payment was received by government. Thus, for example, taxes

withheld by employers in one year but paid to the government in the following year and taxes due in one year but actually paid in the following year are both included in the receipts of the second year. Corrective transactions, such as refunds, repayments and drawbacks, are deducted from gross revenues of the period in which they are made.

18. Data on tax revenues are recorded without offsets for the administrative expenses connected with tax collection. Similarly, where the proceeds of tax are used to subsidise particular members of the community, the subsidy is not deducted from the yield of the tax, though the tax may be shown net of subsidies in the national records of some countries.

19. As regards fiscal monopolies (heading 5122), only the amount actually transferred to the government is included in government revenues. However, if any expenditures of fiscal monopolies are considered to be government expenditures (e.g. social expenditures undertaken by fiscal monopolies at the direction of the government) they are added back for the purpose of arriving at tax revenue figures (see §62 below).

The distinction between tax and expenditure provisions[8]

20. Because this publication is concerned only with the revenue side of government operations, no account being taken of the expenditure side, a distinction has to be made between tax and expenditure provisions. Normally there is no difficulty in making this distinction as expenditures are made outside the tax system and the tax accounts and under legislation separate from the tax legislation. In borderline cases, cash flow is used to distinguish between tax provisions and expenditure provisions. Insofar as a provision affects the flow of tax payments from the taxpayer to the government, it is regarded as a tax provision and is taken into account in the data shown in this publication. A provision which does not affect this flow is seen as an expenditure provision and is disregarded in the data recorded in this publication.

21. Tax allowances, exemptions and deductions against the tax base clearly affect the amount of tax paid to the government and are therefore considered as tax provisions. At the other extreme, those subsidies which cannot be offset against tax liability and which are clearly not connected with the assessment process, do not reduce tax revenues as recorded in this publication. Tax credits are amounts deductible from tax payable (as distinct from deductions from the tax base). Two types of tax credits are distinguished, those (referred to here as wastable tax credits) which are limited to the amount of the tax liability and therefore cannot give rise to a payment by the authorities to the taxpayer, and those (referred to as non-wastable tax credits) which are not so limited, so that the excess of the credit over the tax liability can be paid to the taxpayer.[9] A wastable tax credit, like a tax allowance, clearly affects the amount of tax paid to the government, and is therefore considered as a tax provision. The practice followed for non-wastable tax credits[10] is to distinguish between the 'tax expenditure component',[11] which is that portion of the credit that is used to reduce or eliminate a taxpayer's liability, and the 'transfer component', which is the portion that exceeds the taxpayer's liability and is paid to that taxpayer. Reported tax revenues should be reduced by the amount of the tax expenditure component but not by the amount of the transfer component. In addition, the amounts of the tax expenditure and transfer components should be reported as memorandum items in the country tables. Countries that are unable to distinguish between the tax expenditure and transfer components should indicate whether or not the tax revenues have been reduced by the total of these components, and provide any available estimates of the amounts of the two components. Further information is given in section C of Part I of the Report, which illustrates the effect of alternative treatments of non-wastable tax credits on Tax to GDP.

Calendar and fiscal years

22. National authorities whose fiscal years do not correspond to the calendar year show data, where possible, on a calendar year basis to permit maximum comparability with the data of other countries. There remain a few countries where data refer to fiscal years. For these the GDP data used in the comparative tables also correspond to the fiscal years.

C. General classification criteria

The main classification criteria

23. The classification of receipts among the main headings (1000, 2000, 3000, 4000, 5000 and 6000) is generally governed by the base on which the tax is levied: 1000 income, profits and capital gains; 2000 and 3000 earnings, payroll or number of employees; 4000 property; 5000 goods and services; 6000 multiple bases, other bases or unidentifiable bases. Where a tax is calculated on more than one base, the receipts are, where possible, split among the various headings (see §28 and §78). The headings 4000 and 5000 cover not only taxes where the tax base is the property, goods or services themselves but also certain related taxes. Thus, taxes on the transfer of property are included in 4400[12] and taxes on the use of goods or on permission to perform activities in 5200. In headings 4000 and 5000 a distinction is made in certain sub-headings between recurrent and non-recurrent taxes: recurrent taxes are defined as those levied at regular intervals (usually annually) and non-recurrent taxes are levied once and for all (see also §43 to §46, §49, §50 and §76 for particular applications of this distinction).

24. Earmarking of a tax for specific purposes does not affect the classification of tax receipts. However, as explained in §35 on the classification of social security contributions, the conferment of an entitlement to social benefits is crucial to the definition of the 2000 main heading.

25. The way that a tax is levied or collected (e.g. by use of stamps) does not affect classification.

Classification of taxpayers

26. In certain sub-headings distinctions are made between different categories of taxpayers. These distinctions vary from tax to tax:

a) Between individuals and corporations in relation to income and net wealth taxes

The basic distinction is that corporation income taxes, as distinct from individual income taxes, are levied on the corporation as an entity, not on the individuals who own it, and without regard to the personal circumstances of these individuals. The same distinction applies to net wealth taxes on corporations and those on individuals. Taxes paid on the profits of partnerships and the income of institutions, such as life insurance or pension funds, are classified according to the same rule. They are classified as corporate taxes (1200) if they are charged on the partnership or institution as an entity without regard to the personal circumstances of the owners. Otherwise, they are treated as individual taxes (1100). Usually, there is different legislation for the corporation taxes and for the individual taxes.[13] The distinction made here between individuals and corporations does not follow the sector classification between households, enterprises, and so on of the System of National Accounts for income and outlay accounts. The SNA classification requires certain unincorporated businesses[14] to be excluded from the household sector and included with non-financial enterprises and financial institutions. The tax on the profits of these businesses, however, cannot always be separated from the tax on the other income of their owners, or can be separated only on an arbitrary basis. No attempt at this separation is made here and the whole of the individual income tax is shown together without regard to the nature of the income chargeable.

b) Between households and others in relation to taxes on immovable property

Here the distinction is that adopted by the SNA for the production and consumption expenditure accounts. The distinction is between households as consumers (i.e. excluding non-incorporated business) on the one hand and producers on the other hand. However, taxes on dwellings occupied by households, whether paid by owner-occupiers, tenants or landlords, are classified under households. This follows the common distinction made between taxes on domestic property versus taxes on business property. Some countries are not, however, in a position to make this distinction.

c) Between households and others in relation to motor vehicle licences

Here the distinction is between households as consumers on the one hand and producers on the other, as in the production and consumption expenditure accounts of the SNA.

d) Between business and others in relation to the residual taxes (6000)

The distinction is the same as in c) above between producers on the one hand and households as consumers on the other hand. Taxes which are included under the heading 6000 because they involve more than one tax base or because the tax base does not fall within any of the previous categories but which are identifiable as levyable only on producers and not on households are included under 'business'. The rest of the taxes which are included under the heading 6000 are shown as 'other' or non-identified.

Surcharges

27. Receipts from surcharges in respect of particular taxes are usually classified with the receipts from the relevant tax whether or not the surcharge is temporary. If, however, the surcharge has a characteristic which would render it classifiable in a different heading of the OECD list, receipts from the surcharge are classified under that heading separately from the relevant tax.

Unidentifiable tax receipts and residual sub-headings

28. A number of cases arise where taxes cannot be identified as belonging entirely to a heading or sub-heading of the OECD classification and the following practices are applied in such cases:

a) The heading is known, but it is not known how receipts should be allocated between sub-headings: receipts are classified in the appropriate residual sub-heading (1300, 2400, 4520, 4600, 5130, 5300 or 6200).

b) It is known that the bulk of receipts from a group of taxes (usually local taxes) is derived from taxes within a particular heading or sub-heading, but some of the taxes in the group whose amount cannot be precisely ascertained may be classifiable in other headings or sub-headings: receipts are shown in the heading or sub-heading under which most of the receipts fall.

c) Neither the heading nor sub-heading of a tax (usually local) can be identified: the tax is classified in 6200 unless it is known that it is a tax on business in which case it is classified in 6100.

D. Commentaries on items of the list

1000 – *Taxes on income, profits and capital gains*

29. This heading covers taxes levied on the net income or profits (i.e. gross income minus allowable tax reliefs) of individuals and enterprises. Also covered are taxes levied on the capital gains of individuals and enterprises, and gains from gambling.

30. Included in the heading are:

a) taxes levied predominantly on income or profits, though partially on other bases. Taxes on various bases which are not predominantly income or profits are classified according to the principles laid down in §28 and §78;

b) taxes on property, which are levied on a presumed or estimated income as part of an income tax (see also §43(a), (c) and (d));

c) compulsory payments to social security fund contributions that are levied on income but do not confer an entitlement to social benefits. When such contributions do confer an entitlement to social benefits, they are included in heading 2000 (see §35);

d) receipts from integrated scheduler income tax systems are classified as a whole in this heading, even though certain of the scheduler taxes may be based upon gross income and may not take into account the personal circumstances of the taxpayer.

31. The main subdivision of this heading is between levies on individuals (1100) and those on corporate enterprises (1200). Under each subdivision a distinction is made between taxes on income and profits (1110 and 1210), and taxes on capital gains (1120 and 1220). If certain receipts cannot be identified as appropriate to either 1100 or 1200, or if in practice this distinction cannot be made (e.g. because there are no reliable data on the recipients of payments from which withholding taxes are deducted) they are classified in 1300 as not-allocable.

Treatment of credits under imputation systems

32. Under imputation systems of corporate income tax, a company's shareholders are wholly or partly relieved of their liability to income tax on dividends paid by the company out of income or profits liable to corporate income tax. In countries with such systems,[15] part of the tax on the company's profits is available to provide relief against the shareholders' own tax liability. The relief to the shareholder takes the form of a tax credit, the amount of which may be less than, equal to, or more than the shareholder's overall tax liability. If the tax credit exceeds this tax liability the excess may be payable to the shareholder. As this type of tax credit is an integral part of the imputation system of corporate income tax, any payment to the shareholders is treated as a repayment of tax and not as expenditure (compare the treatment of other tax credits described in §21).

33. As the tax credit under imputation systems (even when exceeding tax liability) is to be regarded as a tax provision, the question arises whether it should be deducted from individual income tax receipts (1110) or corporate income tax receipts (1210). In this Report, the full amount of corporate income tax paid is shown under 1210 and no imputed

tax is included under 1110. Thus, the full amount of the credit reduces the amount of 1110 whether the credit results in a reduction of personal income tax liability or whether an actual refund is made because the credit exceeds the income tax liability. (Where, however, such tax credits are deducted from corporation tax in respect of dividends paid to corporations the amounts are deducted from the receipts of 1210.)

1120 and 1220 – *Taxes on capital gains*

34. These sub-headings comprise taxes imposed on capital gains, 1120 covering those levied on the gains of individuals and 1220 those levied on the gains of corporate enterprises, where receipts from such taxes can be separately identified. In many countries this is not the case and the receipts from such taxes are then classified with those from the income tax. Heading 1120 also includes taxes on gains from gambling.

2000 – *Social security contributions*

35. Classified here are all compulsory payments that confer an entitlement to receive a (contingent) future social benefit. Such payments are usually earmarked to finance social benefits and are often paid to institutions of general government that provide such benefits. However, such earmarking is not part of the definition of social security contributions and is not required for a tax to be classified here. However, conferment of an entitlement is required for a tax to be classified under this heading. So, levies on income or payroll that are earmarked for social security funds but do not confer an entitlement to benefit are excluded from this heading and shown under personal income taxes (1100) or taxes on payroll and workforce (3000). Taxes on other bases, such as goods and services, which are earmarked for social security benefits are not shown here but are classified according to their respective bases because they generally confer no entitlement to social security benefits.

36. Contributions for the following types of social security benefits would, *inter alia*, be included: unemployment insurance benefits and supplements, accident, injury and sickness benefits, old-age, disability and survivors' pensions, family allowances, reimbursements for medical and hospital expenses or provision of hospital or medical services. Contributions may be levied on both employees and employers.

37. Contributions may be based on earnings or payroll ('on a payroll basis') or on net income after deductions and exemptions for personal circumstances ('on an income tax basis'), and the revenues from the two bases should be separately identified if possible. However, where contributions to a general social security scheme are on a payroll basis, but the contributions of particular groups (such as the self-employed) cannot be assessed on this basis and net income is used as a proxy for gross earnings, the receipts may still be classified as being on a payroll basis. In principle, this heading excludes voluntary contributions paid to social security schemes. When separately identifiable these are shown in the memorandum item on the financing of social security benefits. In practice, however, they cannot always be separately identified from compulsory contributions, in which case they are included in this heading.

38. Contributions to social insurance schemes which are not institutions of general government and to other types of insurance schemes, provident funds, pension funds, friendly societies or other saving schemes are not considered as social security contributions. Provident funds are arrangements under which the contributions of each employee and of the corresponding employer on his/her behalf are kept in a separate account earning interest and withdrawable under specific circumstances. Pension funds are separately organised schemes negotiated between employees and employers and carry provisions for different contributions and benefits, sometimes more directly tied to salary levels and length of

service than under social security schemes. When contributions to these schemes are compulsory or quasi-compulsory (e.g. by virtue of agreement with professional and union organisations) they are shown in the memorandum item (refer to Section III.B of the Report).

39. Contributions by government employees and by governments in respect of their employees, to social security schemes classified within general government are included in this heading. Contributions to separate schemes for government employees, which can be regarded as replacing general social security schemes, are also regarded as taxes.[16] Where, however, a separate scheme is not seen as replacing a general scheme and has been negotiated between the government, in its role as an employer, and its employees, it is not regarded as social security and contributions to it are not regarded as taxes, even though the scheme may have been established by legislation.

40. This heading excludes 'imputed' contributions, which correspond to social benefits paid directly by employers to their employees or former employees or to their representatives (e.g. when employers are legally obliged to pay sickness benefits for a certain period).

41. Contributions are divided into those of employees (2100), employers (2200), and self-employed or non-employed (2300), and then further sub-divided according to the basis on which they are levied. Employees are defined for this purpose as all persons engaged in activities of business units, government bodies, private non-profit institutions, or other paid employment, except the proprietors and their unpaid family members in the case of unincorporated businesses. Members of the armed forces are included, irrespective of the duration and type of their service, if they contribute to social security schemes. The contributions of employers are defined as their payments on account of their employees to social security schemes. Where employees or employers are required to continue the payment of social security contributions when the employee becomes unemployed these contributions, data permitting, are shown in 2100 and 2200 respectively. Accordingly, the sub-heading 2300 is confined to contributions paid by the self-employed and by those outside of the labour force (e.g. disabled or retired individuals).

3000 – *Taxes on payroll and workforce*

42. This heading covers taxes paid by employers, employees or the self-employed either as a proportion of payroll or as a fixed amount per person, and which do not confer entitlement to social benefits. Examples of taxes classified here are the United Kingdom national insurance surcharge (introduced in 1977), the Swedish payroll tax (1969-1979), and the Austrian Contribution to the Family Burden Equalisation Fund and Community Tax.

4000 – *Taxes on property*

43. This heading covers recurrent and non-recurrent taxes on the use, ownership or transfer of property. These include taxes on immovable property or net wealth, taxes on the change of ownership of property through inheritance or gift and taxes on financial and capital transactions. The following kinds of tax are excluded from this heading:

a) taxes on capital gains resulting from the sale of a property (1120 or 1220);

b) taxes on the use of goods or on permission to use goods or perform activities (5200); see §73;

c) taxes on immovable property levied on the basis of a presumed net income which take into account the personal circumstances of the taxpayer. They are classified as income taxes along with taxes on income and capital gains derived from property (1100);

d) taxes on the use of property for residence, where the tax is payable by either proprietor or tenant and the amount payable is a function of the user's personal circumstances (pay, dependants, and so on). They are classified as taxes on income (1100);

e) taxes on building in excess of permitted maximum density, taxes on the enlargement, construction or alteration of certain buildings beyond a permitted value and taxes on building construction. They are classified as taxes on permission to perform activities (5200);

f) taxes on the use of one's own property for special trading purposes like selling alcohol, tobacco, meat or for exploitation of land resources (e.g. United States severance taxes). They are classified as taxes on permission to perform activities (5200).

4100 – *Recurrent taxes on immovable property*

44. This sub-heading covers taxes levied regularly in respect of the use or ownership of immovable property.

- these taxes are levied on land and buildings;
- they can be in the form of a percentage of an assessed property value based on a national rental income, sales price, or capitalised yield; or in terms of other characteristics of real property, (for example size or location) from which a presumed rent or capital value can be derived.
- such taxes can be levied on proprietors, tenants, or both. They can also be paid by one level of government to another level of government in respect of property under the jurisdiction of the latter.
- debts are not taken into account in the assessment of these taxes, and they differ from taxes on net wealth in this respect.

45. Taxes on immovable property are further sub-divided into those paid by households (4110) and those paid by other entities (4120), according to the criteria set out in §26(*b*) above.

4200 – *Recurrent taxes on net wealth*

46. This sub-heading covers taxes levied regularly (in most cases annually) on net wealth, i.e. taxes on a wide range of movable and immovable property, net of debt. It is sub-divided into taxes paid by individuals (4210) and taxes paid by corporate enterprises (4220) according to the criteria set out in §26(*a*) above. If separate figures exist for receipts paid by institutions, the tax payments involved are added to those paid by corporations.

4300 – *Estate, inheritance and gift taxes*

47. This sub-heading is divided into taxes on estates and inheritances (4310) and taxes on gifts (4320).[17] Estate taxes are charged on the amount of the total estate whereas inheritance taxes are charged on the shares of the individual recipients; in addition the latter may take into account the relationship of the individual recipients to the deceased.

4400 – *Taxes on financial and capital transactions*

48. This sub-heading comprises, *inter alia*, taxes on the issue, transfer, purchase and sale of securities, taxes on cheques, and taxes levied on specific legal transactions such as validation of contracts and the sale of immovable property. The heading does not include:

a) taxes on the use of goods or property or permission to perform certain activities (5200);

b) fees paid to cover court charges, charges for birth, marriage or death certificates, which are normally regarded as non-tax revenues (see §9);

c) taxes on capital gains (1000);

d) recurrent taxes on immovable property (4100);

e) recurrent taxes on net wealth (4200);

f) once-and-for-all levies on property or wealth (4500).

4500 – *Other non-recurrent taxes on property*[16]

49. This sub-heading covers once-and-for-all, as distinct from recurrent, levies on property. It is divided into taxes on net wealth (4510) and other non-recurrent taxes on property (4520). Heading 4510 would include taxes levied to meet emergency expenditures, or for redistribution purposes. Heading 4520 would cover taxes levied to take account of increases in land value due to permission given to develop or provision of additional local facilities by general government, any taxes on the revaluation of capital and once-and-for-all taxes on particular items of property.

4600 – *Other recurrent taxes on property*

50. These rarely exist in OECD member countries, but the heading would include taxes on goods such as cattle, jewellery, windows, and other external signs of wealth.

5000 – *Taxes on goods and services*

51. All taxes and duties levied on the production, extraction, sale, transfer, leasing or delivery of goods, and the rendering of services (5100), or in respect of the use of goods or permission to use goods or to perform activities (5200) are included here. The heading thus covers:

a) multi-stage cumulative taxes;

b) general sales taxes – whether levied at manufacture/production, wholesale or retail level;

c) value-added taxes;

d) excises;

e) taxes levied on the import and export of goods;

f) taxes levied in respect of the use of goods and taxes on permission to use goods, or perform certain activities;

g) taxes on the extraction, processing or production of minerals and other products.

52. Borderline cases between this heading and heading 4000 (taxes on property) and 6100 (other taxes on business) are referred to in §43, §48 and §75. Residual sub-headings (5300) and (5130) cover tax receipts which cannot be allocated between 5100 and 5200 and between 5110 and 5120, respectively; see §28.

5100 – *Taxes on the production, sale, transfer, leasing and delivery of goods and rendering of services*

53. This sub-heading consists of all taxes, levied on transactions in goods and services on the basis of their intrinsic characteristics (e.g. value, weight of tobacco, strength of alcohol, and so on) as distinct from taxes imposed on the use of goods, or permission to use goods or perform activities, which fall under 5200.

5110 – *General taxes on goods and services*

54. This sub-heading includes all taxes, other than import and export duties (5123 and 5124), levied on the production, leasing, transfer, delivery or sales of a wide range of goods and/or the rendering of a wide range of services, irrespective of whether they are domestically produced or imported and irrespective of the stage of production or distribution at which they are levied. It thus covers value-added taxes, sales taxes and multi-stage cumulative taxes. Receipts from border adjustments in respect of such taxes when goods are imported are added to gross receipts for this category, and repayments of such taxes when goods are exported are deducted. These taxes are subdivided into 5111 value-added taxes, 5112 sales taxes, 5113 other general taxes on goods and services.

55. Borderline cases arise between this heading and taxes on specific goods (5120) when taxes are levied on a large number of goods, for example, the United Kingdom purchase tax (repealed in 1973) and the Japanese commodity tax (repealed in 1988). In conformity with national views, the former United Kingdom purchase tax is classified as a general tax (5112) and the former Japanese commodity tax as excises (5121).

5111 – *Value-added taxes*

56. All general consumption taxes charged on value-added are classified in this sub-heading, irrespective of the method of deduction and the stages at which the taxes are levied. In practice, all OECD countries with value-added taxes normally allow immediate deduction of taxes on purchases by all but the final consumer and impose tax at all stages. In some countries the heading may include certain taxes, such as those on financial and insurance activities, either because receipts from them cannot be identified separately from those from the value-added tax, or because they are regarded as an integral part of the value-added tax, even though similar taxes in other countries might be classified elsewhere (e.g. 5126 as taxes on services or 4400 as taxes on financial and capital transactions).

5112 – *Sales taxes*

57. All general taxes levied at one stage only, whether at manufacturing or production, wholesale or retail stage are classified here.

5113 – *Other general taxes on goods and services*

58. This sub-heading covers multi-stage cumulative taxes (also known as ‘cascade taxes’) where tax is levied each time a transaction takes place without deduction for tax paid on inputs, and also those general consumption taxes where elements of value-added, sales or cascade taxes are combined.

5120 – *Taxes on specific goods and services*

59. Excises, profits generated and transferred from fiscal monopolies, and customs and imports duties as well as taxes on exports, foreign exchange transactions, investment goods and betting stakes and special taxes on services, which do not form part of a general tax of 5110, are included in this category.

5121 – *Excises*

60. Excises are taxes levied on particular products, or on a limited range of products, which are not classifiable under 5110 (general taxes), 5123 (import duties) and 5124 (export duties). They may be imposed at any stage of production or distribution and are usually assessed by reference to the weight or strength or quantity of the product, but sometimes by reference to value. Thus, special taxes on, for example, sugar, beetroot, matches, chocolates, and taxes at varying rates on a certain range of goods, as well as those levied in most countries on tobacco goods, alcoholic drinks and hydrocarbon oils and other energy sources, are included in this sub-heading.

61. Excises are distinguished from:

a) 5110 (general taxes). This is discussed in §54-55;

b) 5123 (import duties). If a tax collected principally on imported goods also applies, or would apply, under the law by which the tax is imposed to comparable home-produced goods, the receipts there from would be classified as excises (5121). This principle applies even if there is no comparable home production or no possibility of it (see also §65);

c) 5126 (taxes on services). The problem here arises in respect of taxes on electricity, gas and energy. All of these are regarded as taxes on goods and are included under 5121.

5122 – *Profits of fiscal monopolies*

62. This sub-heading covers that part of the profits of fiscal monopolies which is transferred to general government or which is used to finance any expenditures considered to be government expenditures (see §19). Amounts are shown when they are transferred to general government or used to make expenditures considered to be government expenditures

63. Fiscal monopolies reflect the exercise of the taxing power of government by the use of monopoly powers. Fiscal monopolies are non-financial public enterprises exercising a monopoly in most cases over the production or distribution of tobacco, alcoholic beverages, salt, matches, playing cards and petroleum or agricultural products (i.e. on the kind of products which are likely to be, alternatively or additionally, subject to the excises of 5121), to raise the government revenues which in other countries are gathered through taxes on dealings in such commodities by private business units. The government monopoly may be at the production stage or, as in the case of government-owned and controlled liquor stores, at the distribution stage.

64. Fiscal monopolies are distinguished from public utilities such as rail transport, electricity, post offices, and other communications, which may enjoy a monopoly or quasi-monopoly position but where the primary purpose is normally to provide basic services rather than to raise revenue for government. Transfers from such other public enterprises to the government are considered as non-tax revenues. The traditional concept of fiscal monopoly has not been extended to include state lotteries, the profits of which are accordingly regarded as non-tax revenues. Fiscal monopoly profits are distinguished from export and import monopoly profits (5127) transferred from marketing boards or other enterprises dealing with international trade.

5123 – *Customs and other import duties*

65. Taxes, stamp duties and surcharges restricted by law to imported products are included here. Also included are levies on imported agricultural products which are imposed in

member countries of the European Union and amounts paid by certain of these countries under the Monetary Compensation Accounts (MCA) system.[18] Starting from 1998, customs duties collected by European Union member states on behalf of the European Union are no longer reported under this heading in the country tables (in Part III of the Report). Excluded here are taxes collected on imports as part of a general tax on goods and services, or an excise applicable to both imported and domestically produced goods.

5124 – *Taxes on exports*

66. In the 1970s, export duties were levied in Australia, Canada and Portugal as a regular measure and they have been used in Finland for counter-cyclical purposes. Some member countries of the European Union pay, as part of the MCA system, a levy on exports (see note 18 to §65). Where these amounts are identifiable, they are shown in this heading. This heading does not include repayments of general consumption taxes or excises or customs duties on exported goods, which should be deducted from the gross receipts under 5110, 5121 or 5123, as appropriate.

5125 – *Taxes on investment goods*

67. This sub-heading covers taxes on investment goods, such as machinery. These taxes may be imposed for a number of years or temporarily for counter-cyclical purposes. Taxes on industrial inputs which are also levied on consumers [e.g. the Swedish energy tax which is classified under (5121)] are not included here.

5126 – *Taxes on specific services*

68. All taxes assessed on the payment for specific services, such as taxes on insurance premiums, banking services, gambling and betting stakes (e.g. from horse races, football pools, lottery tickets), transport, entertainment, restaurant and advertising charges, fall into this category. Taxes levied on the gross income of companies providing the service (e.g. gross insurance premiums or gambling stakes received by the company) are also classified under this heading. Tax revenues from bank levies and payments to deposit insurance and financial stability schemes are provisionally included here for the 2012 edition. The detailed classification is set out in paragraph 105.

69. Excluded from this sub-heading are:

a) taxes on services forming part of a general tax on goods and services (5110);

b) taxes on electricity, gas and energy (5121 as excises);

c) taxes on individual gains from gambling (1120 as taxes on capital gains of individuals and non-corporate enterprises) and lump-sum taxes on the transfer of private lotteries or on the permission to set up lotteries (5200);[19]

d) taxes on cheques and on the issue, transfer or redemption of securities (4400 as taxes on financial and capital transactions).

5127 – *Other taxes on international trade and transactions*

70. This sub-heading covers revenue received by the government from the purchase and sale of foreign exchange at different rates. When the government exercises monopoly powers to extract a margin between the purchase and sales price of foreign exchange, other than to cover administrative costs, the revenue derived constitutes a compulsory levy exacted in indeterminate proportions from both purchaser and seller of foreign exchange. It is the common equivalent of an import duty and export duty levied in a single exchange rate system or of a tax on the sale or purchase of foreign exchange. Like the profits of fiscal

monopolies and import or export monopolies transferred to government, it represents the exercise of monopoly powers for tax purposes and is included in tax revenues.

71. The sub-heading covers also the profits of export or import monopolies, which do not however exist in OECD countries, taxes on purchase or sale of foreign exchange, and any other taxes levied specifically on international trade or transactions.

5128 – *Other taxes on specific goods and services*

72. This item includes taxes on the extraction of minerals, fossil fuels and other exhaustible resources from deposits owned privately or by another government together with any other unidentifiable receipts from taxes on specific goods and services. Taxes on the extraction of exhaustible resources are usually a fixed amount per unit of quality or weight, but can be a percentage of value. The taxes are recorded when the resources are extracted. Payments from the extraction of exhaustible resources from deposits owned by the government unit receiving the payment are classified as rent.

5200 – *Taxes on use of goods or on permission to use goods or perform activities*

73. This sub-heading covers taxes which are levied in respect of the use of goods as distinct from taxes on the goods themselves. Unlike the latter taxes – reported under 5100 –, they are not assessed on the value of the goods but usually as fixed amounts. Taxes on permission to use goods or to perform activities are also included here, as are pollution taxes not based upon the value of particular goods. It is sometimes difficult to distinguish between compulsory user charges and licence fees which are regarded as taxes and those which are excluded as non-tax revenues. The criteria which are employed are noted in §9–10.

74. Although the sub-heading refers to the 'use' of goods, registration of ownership rather than use may be what generates liability to tax, so that the taxes of this heading may apply to the ownership of animals or goods rather than their use (e.g. race horses, dogs and motor vehicles) and may apply even to unusable goods (e.g. unusable motor vehicles or guns).

75. Borderline cases arise with:

a) taxes on the permission to perform business activities which are levied on a combined income, payroll or turnover base and, accordingly, are classified following the rules in §78;

b) taxes on the ownership or use of property of headings 4100, 4200 and 4600. The heading 4100 is confined to taxes on the ownership or tenancy of immovable property and – unlike the taxes of 5200 – they are related to the value of the property. The net wealth taxes and taxes on chattels of 4200 and 4600 respectively are confined to the ownership rather than the use of assets, apply to groups of assets rather than particular goods and again are related to the value of the assets

5210 – *Recurrent taxes on use of goods and on permission to use goods or perform activities*

76. The principal characteristic of taxes classified here is that they are levied at regular intervals and that they are usually fixed amounts. The most important item in terms of revenue receipts is vehicle licence taxes. This sub-heading also covers taxes on permission to hunt, shoot, fish or to sell certain products and taxes on the ownership of dogs and on the performance of certain services, provided that they meet the criteria set out in §9–10. The sub-divisions of 5210 are user taxes on motor vehicles paid by households (5211) and those paid by others (5212).[20] Sub-heading 5213 covers dog licences and user charges for

permission to perform activities such as selling meat or liquor when the levies are on a recurring basis. It also covers recurrent general licences for hunting, shooting and fishing where the right to carry out these activities is not granted as part of a normal commercial transaction (e.g. the granting of the licence is not accompanied by the right to use a specific area which is owned by government).

5220 – *Non-recurrent taxes on use of goods and on permission to use goods or perform activities*

77. This section covers non-recurrent taxes levied on the use of goods or on permission to use goods or perform activities and taxes levied each time goods are used. It includes taxes levied on the emission or discharge into the environment of noxious gases, liquids or other harmful substances.

- Payments for tradable emission permits issued by governments under cap and trade schemes should be recorded here at the time the emissions occur. No revenue should be recorded for permits that governments issue free of charge. The accrual basis of recording means that there can be a timing difference between the cash being received by government for the permits and the time the emission occurs. In the national accounts, this timing gives rise to a financial liability for government during the period.

- Payments made for the collection and disposal of waste or noxious substances by public authorities should be excluded as they constitute a sale of services to enterprises.

78. Other taxes falling under heading 5200 that are not levied recurrently are also included here. Thus, once-and-for-all payments for permission to sell liquor or tobacco or to set up betting shops are included provided they meet the criteria set out in §9–10.

6000 – *Other taxes*

79. Taxes levied on a base, or bases, other than those described under headings 1000, 3000, 4000 and 5000, or on bases of which none could be regarded as being predominantly the same as that of any one of these headings, are covered here. As regards taxes levied on a multiple base, if it is possible to estimate receipts related to each base (e.g. the Austrian and German 'Gewerbesteuer') this is done and the separate amounts included under the appropriate headings. If the separate amounts cannot be estimated, but it is known that most of the receipts are derived from one base, the whole of the receipts are classified according to that base. If neither of these procedures can be followed, they are classified here. The sub-headings may also include receipts from taxes which governments are unable to identify or isolate (see §28). Included here also are fines and penalties paid for infringement of regulations relating to taxes but not identifiable as relating to a particular category of taxes (see §15). A subdivision is made between taxes levied wholly or predominantly on business (6100) and those levied on others (6200).

E. Conciliation with National Accounts

80. This section of the tables provides a re-conciliation between the OECD calculation of total tax revenues and the total of all taxes and social contributions paid to general government as recorded in the country's National Accounts. Where the country is a member of the European Union (EU), the comparison is between the OECD calculation of total tax

revenues and the sum of tax revenues and social contributions recorded in the combination of the general government and the institutions of the EU sectors of the National Accounts.

F. Memorandum item on the financing of social security benefits

81. In view of the varying relationship between taxation and social security contributions and the cases referred to in §35 to §41, a memorandum item collects together all payments earmarked for social security-type benefits, other than voluntary payments to the private sector. Data are presented as follows (refer section III.B of the Report):

a) Taxes of 2000 series.

b) Taxes earmarked for social security benefits.

c) Voluntary contributions to the government.

d) Compulsory contributions to the private sector.

Guidance on the breakdown of (a) to (d) above is provided in §35 to §41.

G. Memorandum item on identifiable taxes paid by government

82. Identifiable taxes actually paid by government are presented in a memorandum item classified by the main headings of the OECD classification of taxes. In the vast majority of countries, only social security contributions and payroll taxes paid by government can be identified. These are, however, usually the most important taxes paid by governments (refer section III.C of the Report).

H. Relation of OECD classification of taxes to national accounting systems

83. A system of national accounts (SNA) seeks to provide a coherent framework for recording and presenting the main flows relating respectively to production, consumption, accumulation and external transactions of a given economic area, usually a country or a major region within a country. Government revenues are an important part of the transactions recorded in SNA. The final version of the 2008 SNA was jointly published by five international organisations: the United Nations, the International Monetary Fund, the European Union, the Organisation for Economic Co-operation and Development, and the World Bank in August 2009. The *System* is a comprehensive, consistent and flexible set of macroeconomic accounts. It is designed for use in countries with market economies, whatever their stage of economic development, and also in countries in transition to market economies. The important parts of the SNA's conceptual framework and its definitions of the various sectors of the economy have been reflected in the OECD's classification of taxes.

84. There are, however, some differences between the OECD classification of taxes and SNA concepts that are listed below. They arise because the aim of the former is to provide the maximum disaggregation of statistical data on what are generally regarded as taxes by tax administrations.

a) OECD includes social security contributions in total tax revenues (§7 and §8 above);

b) there are different points of view on whether or not some levies and fees are classified as taxes (§9 and §10 above);

c) OECD excludes imputed taxes or subsidies resulting from the operation of official multiple exchange rates;

d) there are differences in the treatment of non-wastable tax credits.

85. As noted in §1 and §2, headings 1000 to 6000 of the OECD list of taxes cover all unrequited payments to general government, other than compulsory loans and fines. Such unrequited payments including fines, but excluding compulsory loans can be obtained from adding together the following figures in the 2008 SNA

- value-added type taxes (D.211);
- taxes and duties on imports, excluding VAT (D.212);
- export taxes (D.213);
- taxes on products, excluding VAT, import and export taxes (D.214);
- other taxes on production (D.29);
- taxes on income (D.51);
- other current taxes (D.59);
- social contributions (D.61), excluding voluntary contributions;
- capital taxes (D.91).

I. The OECD classification of taxes and the International Monetary Fund (GFS) system

86. The coverage and valuation of tax revenues in the GFS system and the 2008 SNA are very similar. Therefore, with the exception of the treatment of non-wastable tax credits, the differences between the OECD classification and that of the 2008 SNA (see §84 above) also apply to the GFS. In addition the International Monetary Fund subdivides the OECD 5000 heading into section IV (Domestic Taxes on Goods and Services) and section V (Taxes on International Trade and Transactions). This reflects the fact that while the latter usually yield insignificant amounts of revenue in OECD countries, this is not the case in many non-OECD countries.

J. Comparison of the OECD classification of taxes with other international classifications

87. The table below describes an item by item comparison of the OECD classification of taxes and the classifications used in the following:

i) System of National Accounts (2008 SNA);
ii) European System of Accounts (1995 ESA);
iii) IMF *Government Finance Statistics Manual* (GFSM2001).

88. These comparisons represent those that would be expected to apply in the majority of cases. However in practice some flexibility should be used in their application. This is because in particular cases, countries can adopt varying approaches to the classification of revenues in National Accounts.

OECD Classification		2008 SNA	1995 ESA	GFSM2001
1000	Taxes on income, profits and capital gains			
	1100 Individuals			
	1110 Income/profits	D51-8.61a	D51A	1111
	1120 Capital gains	D51-8.61c,d	D51C,D	1111
	1200 Corporations			
	1210 Income/profits	D51-8.61b	D51B	1112
	1220 Capital gains	D51-8.61c	D51C	1112
	1300 Unallocable as between 1100 and 1200			1113
2000	Social security contributions			
	2100 Employees	D613-8.85	D61111	1211
	2200 Employers	D611-8.83	D61121	1212
	2300 Self-employed, non-employed	D613-8.85	D61131	1213
	2400 Unallocable as between 2100, 2200 and 2300			1214
3000	Taxes on payroll and workforce	D29-7.97a	D29C	112
4000	Taxes on property			
	4100 Recurrent taxes on immovable property			
	4110 Households	D59-8.63a	D59A	1131
	4120 Other	D29-7.97b	D29A	1131
	4200 Recurrent net wealth taxes			
	4210 Individual	D59-8.63b	D59A	1132
	4220 Corporations	D59-8.63b	D59A	1132
	4300 Estate, inheritance and gift taxes			
	4310 Estate and inheritance taxes	D91-10.207b	D91A	1133
	4320 Gift taxes	D91-10.207b	D91A	1133
	4400 Taxes on financial and capital transactions	D59-7.96d; D29-7.97e	D214B,C	1134:1161
	4500 Other non-recurrent taxes on property	D91-10.207a	D91B	1135
	4600 Other recurrent taxes on property	D59-8.63c	D59A	1136
5000	Taxes on goods and services			
	5100 Taxes on production, sale and transfer of goods and services			
	5110 General sales taxes			
	5111 Value-added taxes	D211-7.89	D211; D29G	11411
	5112 Sales taxes	D2122-7.94a; D214-7.96a	D2122D; D214I	11412
	5113 Other general taxes	D214-7.96a	D214I	11413
	5120 Taxes on specific goods and services			
	5121 Excises	D2122-7.94b; D214-7.96b	D2122C; D214A,B,D	1142
	5122 Profits of fiscal monopolies	D214-7.96e	D214J	1143
	5123 Customs/import duties	D2121-7.93	D2121; D2122A,B	1151
	5124 On exports	D213-7.95a	D214K	1152-4
	5125 On investment goods			
	5126 On specific services	D2122-7.94c; D214-7.96c	D2122E; D214E,F,G; D29F	1144; 1156
	5127 Other taxes on international trade and transactions	D2122-7.94d D29-7.95b D29-7.97g D59-8.64d	D2122F; D29D; D59E	1153 1155-6
	5128 Other taxes on specific goods and services			1146
	5130 Unallocable as between 5110 and 5120			
	5200 Taxes on use of goods			
	5210 Recurrent taxes			
	5211 Motor vehicle taxes households	D59-8.64c	D59D	11451
	5212 Motor vehicles taxes others	D29-7.97d	D214D; D29B	11451
	5213 Other recurrent taxes	D29-7.97c,d,f D59-8.64c	D29B,E,F;D59 D	11452
	5220 Non-recurrent taxes			
	5300 Unallocable as between 5100 and 5200			
6000	Other taxes			
	6100 Paid solely by business			
	6200 Paid by other than business, or unidentifiable	D59-8.64a,b	D59B,C	1162

K. Attribution of tax revenues by sub-sectors of general government

89. The OECD classification requires a breakdown of tax revenues by sub-sectors of government. The definition of each sub-sector and the criteria to be used to attribute tax revenues between these sub-sectors are set out below. They follow the guidance of the 2008 SNA and GFSM2001.

Sub-sectors of general government to be identified

a) Central government

90. The central government sub-sector includes all governmental departments, offices, establishments and other bodies which are agencies or instruments of the central authority whose competence extends over the whole territory, with the exception of the administration of social security funds. Central government therefore has the authority to impose taxes on all resident and non-resident units engaged in economic activities within the country.

b) State, provincial or regional government

91. This sub-sector consists of intermediate units of government exercising a competence at a level below that of central government. It includes all such units operating independently of central government in a part of a country's territory encompassing a number of smaller localities, with the exception of the administration of social security funds. In unitary countries, regional governments may be considered to have a separate existence where they have substantial autonomy to raise a significant proportion of their revenues from sources within their control and their officers are independent of external administrative control in the actual operation of the unit's activities.

92. At present, federal countries comprise the majority of cases where revenues attributed to intermediate units of government are identified separately. Spain is the only unitary country in this position. In the remaining unitary countries, regional revenues are included with those of local governments.

c) Local government

93. This sub-sector includes all other units of government exercising an independent competence in part of the territory of a country, with the exception of the administration of social security funds. It encompasses various urban and/or rural jurisdictions (e.g. local authorities, municipalities, cities, boroughs, districts).

d) Social security funds

94. Social security funds form a separate sub-sector of general government. The social security sub-sector is defined in the 2008 SNA by the following extracts from paragraphs 4.124 to 4.126 and 4.147:

"Social security schemes are social insurance schemes covering the community as a whole or large section of the community that are imposed and controlled by government units. The schemes cover a wide variety of programmes, providing benefits in cash or in kind for old age, invalidity or death, survivors, sickness and maternity, work injury, unemployment, family allowance, health care, etc. There is not necessarily a direct link between the amount of the contribution paid by an individual and the benefits he or she may receive." (Paragraph 4.124).

"When social security schemes are separately organised from the other activities of government units and hold their assets and liabilities separately from the latter and engage in financial transactions on their own account they qualify as institutional units that are described as social security funds" (Paragraph 4.125).

"The amounts raised, and paid out, in social security contributions and benefits may be deliberately varied in order to achieve objectives of government policy that have no direct connection with the concept of social security as a scheme to provide social benefits to members of the community. They may be raised or lowered in order to influence the level of aggregate demand in the economy, for example. Nevertheless, so long as they remain separately constituted funds, they must be treated as separate institutional units in the SNA. (Paragraph 4.126)

"The social security funds sub-sector (of general government) consists of the social security funds operating at all levels of government. Such funds are social insurance schemes covering the community as a whole or large section of the community that are imposed by government units" (Paragraph 4.147).

95. This definition of social security funds is followed in the OECD classification with the two following exceptions which are excluded

- Schemes imposed by government and operated by bodies outside the general government sector, as defined in §3 of this manual; and
- Schemes to which all contributions are voluntary.

Supra-national Authorities

96. This sub-sector covers the revenue-raising operations of supra-national authorities within a country. In practice, the only relevant supra-national authority in the OECD area is that of the institutions of the European Union (EU). As from 1998, supra-national authorities are no longer included in the *Revenue Statistics*, to achieve consistency with the SNA definition of general government which excludes them. For example, income taxes and social security contributions collected by European Institutions and paid by European civil servants who are resident of EU member countries should not be included. However the specific levies paid by the member states of the EU continue to be included in total tax revenues and they are shown under this heading.

Criteria to be used for the attribution of tax revenues

97. When a government collects taxes and pays them over in whole or in part to other governments, it is necessary to determine whether the revenues should be considered to be those of the collecting government which it distributes to others as grants, or those of the beneficiary governments which the collecting government receives and passes on only as their agent. The criteria to be used in the attribution of revenues are set out in §98 to §101 which replicate paragraphs 3.70 to 3.73 from the 2008 SNA.

98. In general, a tax is attributed to the government unit that:

a) exercises the authority to impose the tax (either as a principal or through the delegated authority of the principal);

b) has final discretion to set and vary the rate of the tax.

99. Where an amount is collected by one government for and on behalf of another government, and the latter government has the authority to impose the tax, and set and vary its rate, then the former is acting as an agent for the latter and the tax is reassigned. Any amount retained by the collecting government as a collection charge should be treated as a payment for a service. Any other amount retained by the collecting government, such as under a tax-sharing arrangement, should be treated as a current grant. If the collecting government was delegated the authority to set and vary the rate, then the amount collected should be treated as tax revenue of this government.

100. Where different governments jointly and equally set the rate of a tax and jointly and equally decide on the distribution of the proceeds, with no individual government having ultimate overriding authority, then the tax revenues are attributed to each government according to its respective share of the proceeds. If an arrangement allows one government unit to exercise ultimate overriding authority, then all of the tax revenue is attributed to that unit.

101. There may also be the circumstance where a tax is imposed under the constitutional or other authority of one government, but other governments individually set the tax rate in their jurisdictions. The proceeds of the tax generated in each respective government's jurisdiction are attributed as tax revenues of that government.

Levies paid by member states of the European Union

102. The levies paid by the member states of the EU take the form:

- VAT own resources; and
- Specific levies which include:
  - *a)* custom duties and levies on agricultural goods (5123);
  - *b)* gross monetary compensation accounts (5123 if relating to imports and 5124 if relating to exports); and
  - *c)* Steel, coal, sugar and milk levies (5128).

103. The custom duties collected by member states on behalf of the EU are recorded:

- on a gross of collection fee basis;
- using figures adjusted so that duties are shown on a 'final destination' as opposed to a 'country of first entry' basis where such adjustments can be made. These adjustments concern in particular duties collected at important (sea) ports. Although the EU duties are collected by the authorities of the country of first entry, when possible these duties should be excluded from the revenue of the collecting country and be included in the revenue of the country of final destination.

This is the specific EU levy that most clearly conforms to the attribution criterion described in §96 above. Consequently as from 1998, these amounts are footnoted as a memorandum item to the EU member state country tables (in Part III) and no longer shown under heading 5123. However the figures are included in the total tax revenue figures on the top line for all the relevant years shown in the tables.

104. The VAT own resources, which are determined by applying a rate not exceeding 1 per cent to an assessment basis specified in the Sixth Directive,[21] are more of a borderline case. They have some of the characteristics of a transfer (they are not derived from a clearly identifiable source of funds that are actually collected) and some of a tax (the amount of the transfer is determined by the receiving sub-sector of government). In this publication they are *not* shown as a tax of the European Union (but as a tax of the EU member states), though the amounts involved are footnoted in the tables contained in Part IV.

L. Provisional classification of revenues from bank levies and payments to deposit insurance and financial stability schemes

105. The OECD have adopted the following interim approach to reporting revenue from bank levies plus deposit insurance and stability fees for the 2012 edition of *OECD Revenue Statistics*; the amounts should be recorded under category 5126.

- Compulsory payments of stability fees, bank levies and deposit insurance should generally be treated as tax revenues where the payments are made to General Government and allocated to the governments' consolidated or general funds so that the Government is free to make immediate use of the money for the purposes that it chooses. This principle would apply regardless of whether the Government is promising to make payments to guarantee the banks' customer deposits in some future contingency.

- If the compulsory payments are made to general government and placed in funds that are earmarked to be entirely channelled back to the sector of the economy that comprises the companies that are subject to the payment, they would still generally be treated as tax revenues on the grounds that the funds would be available for the government and would reduce its budget deficit, the fee is unrequited for an individual entity and the amounts raised could be unrelated to any eventual pay out to depositors or expenditure on wider support for the financial sector.

- Payments to made to the smaller long-standing schemes for insuring 'retail' deposits, where the payment levels are consistent with the costs of insurance should be classified as fee for service.

- Any payments which involve governments realising the assets of a failed institution or receiving a priority claim on its assets in liquidation in order to fund payments of compensation to customers for their lost deposits would be treated as a fee for a service as opposed to tax revenues.

- Compulsory payments that are made to funds operated outside the government sector and non-state institutions backed by the deposit takers and all payments to voluntary schemes should not be treated as tax revenues.

Notes

1. References in the OECD Interpretative Guide to Sections or Parts of “this Report” refer to OECD (2013), *Revenue Statistics 1965-2012*, OECD Publishing, Paris.

2. All references to SNA are to the 2008 edition.

3. See section K of this guide for a discussion of the concept of agency capacity.

4. It is usually possible to identify amounts of social security contributions and payroll taxes, but not other taxes paid by government.

5. If, however, a levy which is considered as non-tax revenue by most countries is regarded as a tax – or raises substantial revenue – in one or more countries, the amounts collected are footnoted at the end of the relevant country tables, even though the amounts are not included in total tax revenues.

6. Names, however, can frequently be misleading. For example, though a passport fee would normally be considered a non-tax revenue, if a supplementary levy on passports (as is the case in Portugal) were imposed in order to raise substantial amounts of revenue relative to the cost of providing the passport, the levy would be regarded as a tax under 5200.

7. There are practical difficulties in operating the distinction made by 1993 SNA.

8. A more detailed explanation of this distinction can be found in the special feature, ‘Current issues in reporting tax revenues’, in the 2001 edition of the *Revenue Statistics*.

9. Sometimes the terms ‘non-refundable’ and ‘refundable’ are used, but it may be considered illogical to talk of ‘refundable’ when nothing has been paid.

10. A different treatment, however, is accorded to non-wastable tax credits under imputation systems of corporate income tax (§32–34).

11. This is not strictly a true tax expenditure in the formal sense. Such tax expenditures require identification of a benchmark tax system for each country or, preferably, a common international benchmark. In practice it has not been possible to reach agreement on a common international benchmark.

12. Unless based on the profit made on a sale, in which case they would be classified as capital gains taxes under 1120 or 1220.

13. In some countries the same legislation applies to both individual and corporate enterprises for particular taxes on income. However, the receipts from such taxes are usually allocable between individuals and enterprises and can therefore be shown in the appropriate sub-heading.

14. For example, “…sufficiently self-contained and independent that they behave in the same way as corporations…….(including) keeping a complete set of accounts” (2008SNA, section 4.44).

15. In Canada – a country also referred to as having an imputation system – the (wastable) tax credit for the shareholder is in respect of domestic corporation tax deemed to have been paid whether or not a corporation tax liability has arisen.As there is no integral connection between the corporation tax liability and the credit given against income tax under such systems, these credits for dividends are treated, along with other tax credits, on the lines described in §21.

16. This may also apply where a scheme for government employees existed prior to the introduction of a general social security scheme.

17. In the 2008 SNA these are regarded as capital transfers and not as taxes (see section G).

18. This is the system by which the European Union adjusts for differences between the exchange rates used to determine prices under the Common Market Agricultural Policy and actual exchange rates. Payments under the system may relate to imports or exports and where these amounts are

separately identifiable they are shown under the appropriate heading (5123 or 5124). In this Report, these amounts are shown gross (i.e. without deducting any subsidies paid out under the MCA system).

19. Transfers of profits of State lotteries are regarded as non-tax revenues (see also §64).

20. See §26(*c*) as regards this distinction.

21. At the Edinburgh Summit (1992) EU Member countries have decided to gradually reduce this percentage from 1.4 to 1, and to effectuate this reduction between years 1995 and 1999. During the period 1970–1983 this percentage also amounted to 1.

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