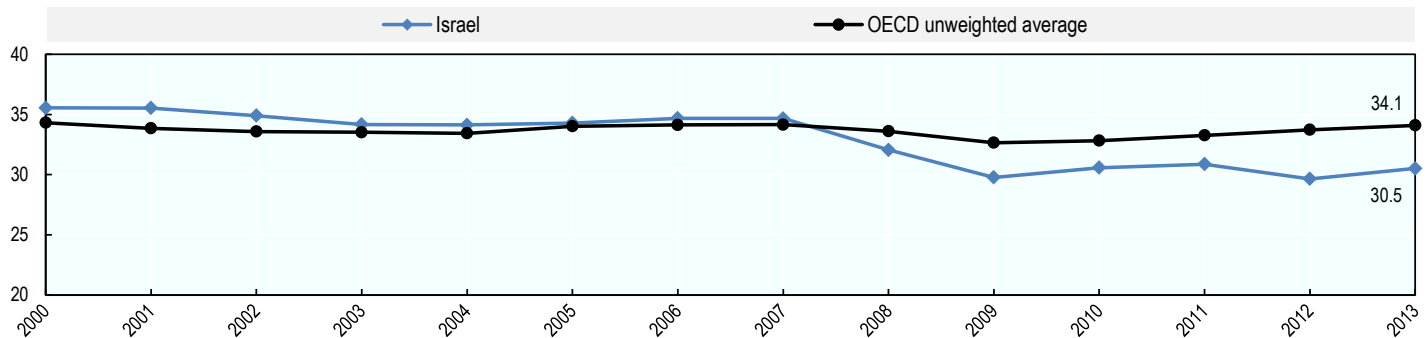


Revenue Statistics 2014 - Israel

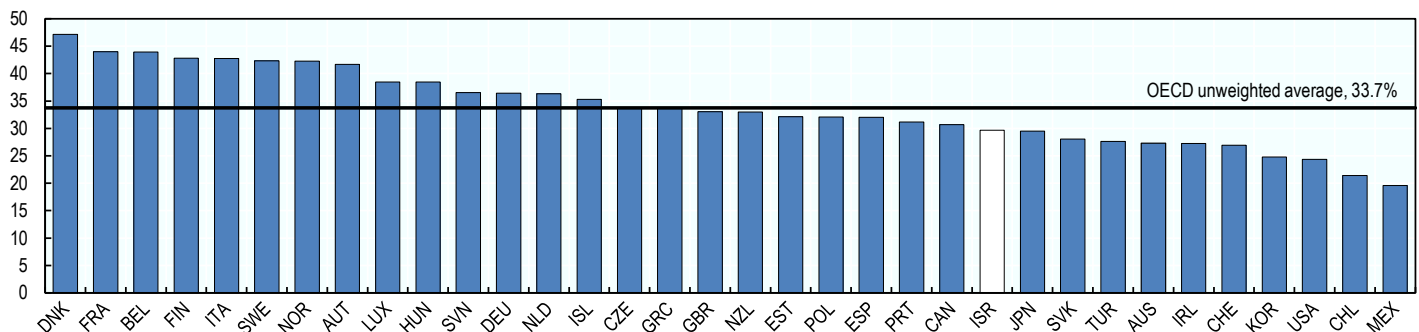
Tax burden over time

The OECD's annual *Revenue Statistics* report found that the tax burden in Israel increased by 0.9 percentage points from 29.6% to 30.5% in 2013. The corresponding figure for the OECD average was an increase of 0.4 percentage points from 33.7% to 34.1%. Since the year 2000, the tax burden in Israel has declined from 35.6% to 30.5%. Over the same period, the OECD average in 2013 was slightly less than in 2000 (34.1% compared with 34.3%).



Tax burden compared to the OECD

Israel ranked 24th out of 34 member countries in terms of the tax to GDP ratio in 2012 (the latest year for which tax revenue data is available for all OECD countries). In that year Israel had a tax to GDP ratio of 29.6% compared with the OECD average of 33.7%.



Tax structure

The structure of tax receipts in Israel compared with the OECD average is characterised by:

- Higher revenues from taxes on payroll, property and goods and services.
- A lower proportion of revenues from taxes on income, profits and gains, and social security contributions.

	Israel		OECD unweighted average (%)
	Millions ILS	%	
Taxes on income, profits and gains	90,719	31	34
Social security contributions	50,296	17	26
Payroll taxes	11,550	4	1
Taxes on property	26,576	9	6
Taxes on goods and services	115,324	39	33
Of which VAT is	72,811	25	20
Other	-	0	1
TOTAL	294,465	100	100

[Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding]
Source: OECD Revenue Statistics 2014 <http://www.oecd.org/tax/tax-policy/revenue-statistics.htm>

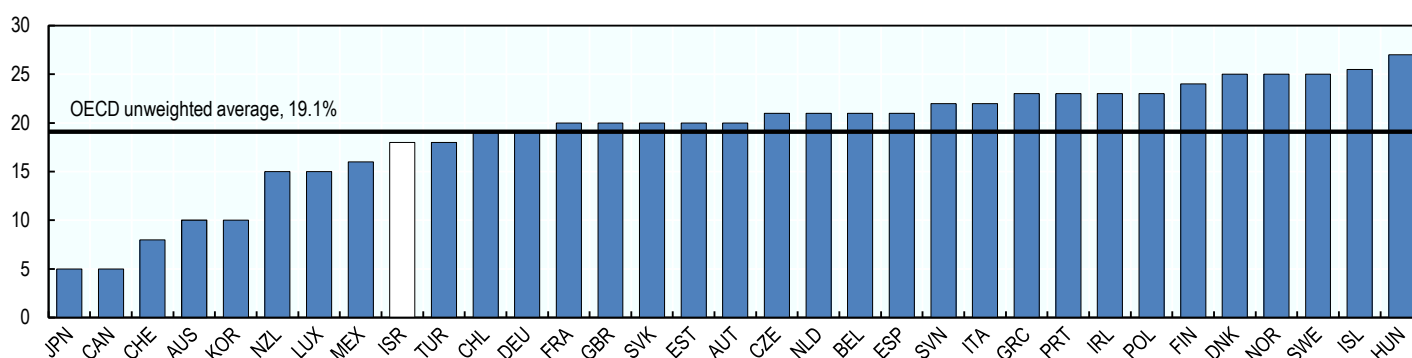
Consumption Tax Trends 2014 - Israel

VAT share of total tax revenues

The OECD's biennial *Consumption Tax Trends* report found that VAT revenues in Israel accounted for 24.7% of total tax revenue in 2012, above the OECD average of 19.5%.

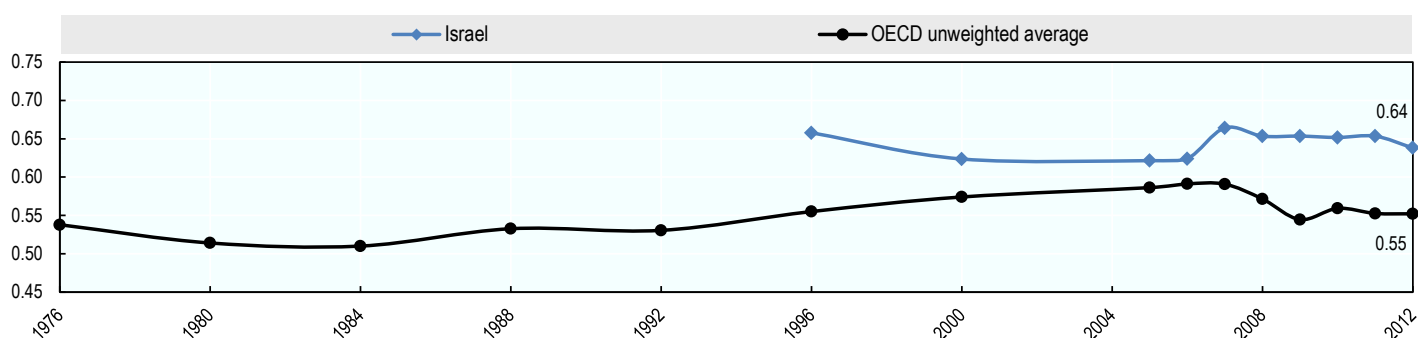
VAT rates

The Israeli standard VAT rate is 18%, which is below the OECD average. The average VAT/GST standard rate in the OECD was 19.1% on 1 January 2014, up from 17.6% on 1 January 2009. Israel applies a reduced rate of 0% to a limited number of goods and services. In the last five years, 20 of the 34 OECD countries have raised their standard VAT/GST rate at least once. In line with this trend, Israel increased its standard rate from 16% to 17% in 2012 and to 18% in 2013.



VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Israel was 0.64 in 2012, above the OECD average of 0.55. The VRR is a measure of the revenue raising performance of a VAT system. A ratio of 1 would reflect a VAT system that applies a single VAT rate to a comprehensive base of all expenditure on goods and services consumed in an economy - with perfect enforcement of the tax. The VRR for Israel has remained stable since 2007, unlike many other OECD countries that faced a decline of their VRR coinciding with the advent of the global economic crisis.



[VAT: value added tax. GST: goods and services tax]

Source: OECD Consumption Tax Trends 2014 <http://www.oecd.org/tax/consumption/consumption-tax-trends-19990979.htm>

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OECD Revenue Statistics

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OECD Consumption Tax Trends

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