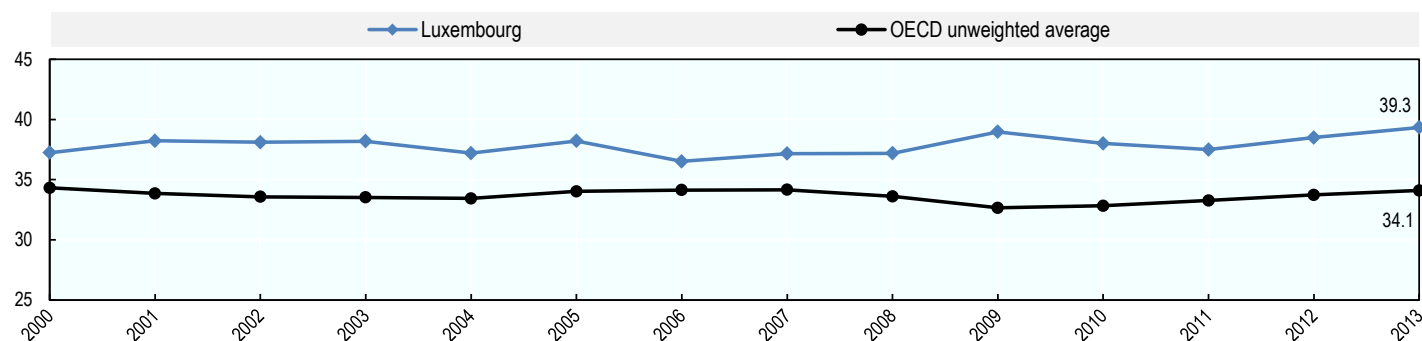


## Revenue Statistics 2014 - Luxembourg

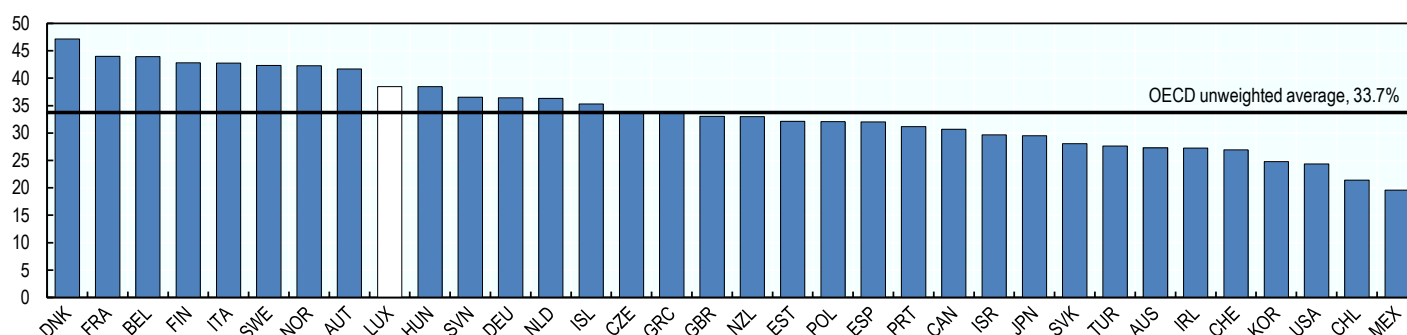
### Tax burden over time

The OECD's annual *Revenue Statistics* report found that the tax burden in Luxembourg increased by 0.8 percentage points from 38.5% to 39.3% 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 Luxembourg has increased from 37.2% to 39.3%. 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

Luxembourg ranked 9<sup>th</sup> 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 Luxembourg had a tax to GDP ratio of 38.5% compared with the OECD average of 33.7%.



### Tax structure

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

- Higher revenues from taxes on corporate income, property, and social security contributions.
- A lower proportion of revenues from taxes on personal income, and goods and services.
- No revenues from payroll taxes.

	Luxembourg Millions EUR	%	OECD unweighted average (%)
Taxes on personal income, profits and gains	3,699	22	25
Taxes on corporate income and gains	2,257	13	9
Social security contributions	4,936	29	26
Payroll taxes	-	0	1
Taxes on property	1,199	7	6
Taxes on goods and services	4,733	28	33
Of which VAT is	3,068	18	20
Other	40	0	1
<b>TOTAL</b>	<b>16,800</b>	<b>100</b>	<b>100</b>

[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>

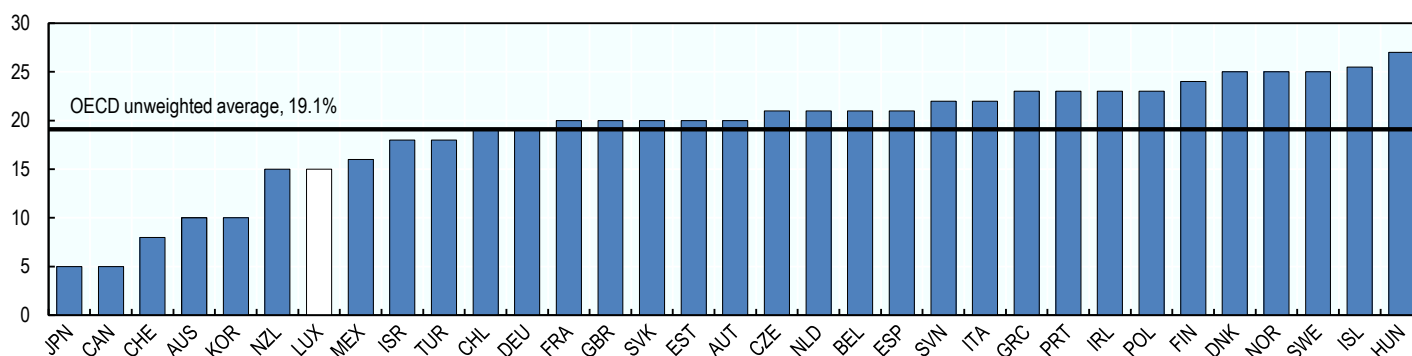
## Consumption Tax Trends 2014 - Luxembourg

### VAT share of total tax revenues

The OECD's biennial *Consumption Tax Trends* report found that VAT revenues in Luxembourg accounted for 18.2% of total tax revenue in 2012, below the OECD average of 19.5%.

### VAT rates

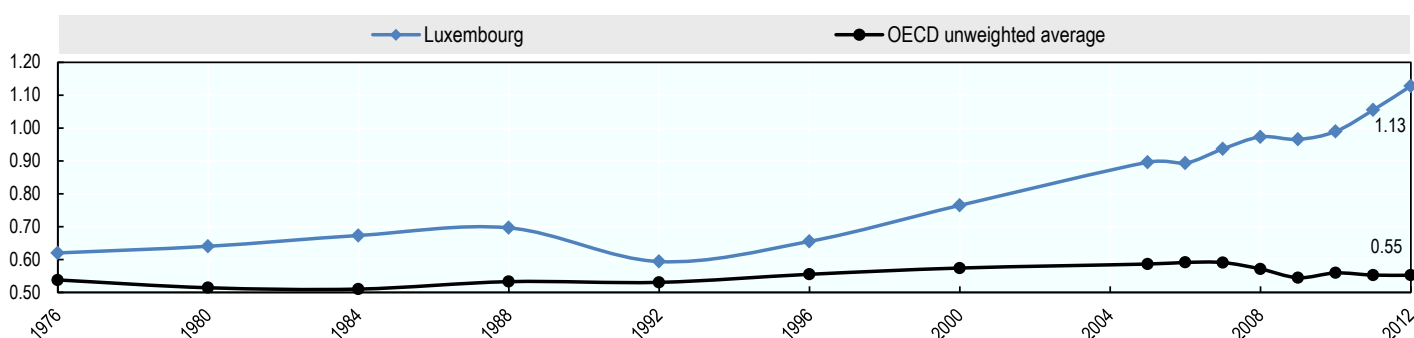
Luxembourg's standard VAT rate is 15%, which is below the OECD average. The average VAT/GST standard rate in the OECD was 19.1% on 1 January 2014, up from 17.6% on 1 January 2009. Luxembourg applies several reduced rates of 3%, 6% and 12% to a number of goods and services. In contrast to the 20 OECD countries that have raised their standard VAT/GST rate at least once in the last five years, Luxembourg has not changed its standard VAT rate since 1992.



### VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Luxembourg was 1.13 in 2012, far 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 Luxembourg has constantly increased since the late 1990s and is now above the theoretical maximum of 1. It is reasonable to assume that the position of Luxembourg as a financial centre and as a hub for European e-commerce has strongly contributed to its high VRR.

Financial services provided from Luxembourg to other EU countries are exempt from VAT in Luxembourg without a right for the service provider to recover the VAT paid input on its inputs. These financial services are therefore "input-taxed" in Luxembourg. Electronic services, telecommunication and broadcasting services supplied from Luxembourg to consumers in other EU countries are subject to VAT in Luxembourg. This rule will change as of 2015, when supplies of e-services, telecommunication and broadcasting services to consumers in the EU will become taxable in the country of the consumer.



[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>

### Contacts

**David Bradbury**  
Centre for Tax Policy and Administration  
Head, Tax Policy and Statistics Division  
David.Bradbury@oecd.org

*OECD Revenue Statistics*  
**Maurice Nettley**  
Centre for Tax Policy and Administration  
Head, Tax Data & Statistical Publications  
Maurice.Nettley@oecd.org

*OECD Consumption Tax Trends*  
**Stéphane Buydens**  
Centre for Tax Policy and Administration  
VAT Policy Advisor  
Stephane.Buydens@oecd.org