Revenue Statistics 2014 - France

Tax burden over time

The OECD’s annual Revenue Statistics report found that the tax burden in France increased by 1 percentage point from 44.0% to 45.0% 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 France has increased from 43.1% to 45.0%. 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

France ranked 2nd 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 France had a tax to GDP ratio of 44.0% compared with the OECD average of 33.7%.

Tax structure

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

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

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>OECD unweighted average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxes on personal income, profits and gains</strong></td>
<td>166,021</td>
<td>25</td>
</tr>
<tr>
<td><strong>Taxes on corporate income and gains</strong></td>
<td>51,809</td>
<td>9</td>
</tr>
<tr>
<td><strong>Social security contributions</strong></td>
<td>344,078</td>
<td>26</td>
</tr>
<tr>
<td><strong>Payroll taxes</strong></td>
<td>29,539</td>
<td>1</td>
</tr>
<tr>
<td><strong>Taxes on property</strong></td>
<td>78,432</td>
<td>6</td>
</tr>
<tr>
<td><strong>Taxes on goods and services</strong></td>
<td>225,501</td>
<td>33</td>
</tr>
<tr>
<td><strong>Of which VAT is</strong></td>
<td>142,356</td>
<td>20</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>24,719</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>920,101</td>
<td>100</td>
</tr>
</tbody>
</table>

[Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding]

Consumption Tax Trends 2014 - France

VAT share of total tax revenues

The OECD’s biennial Consumption Tax Trends report found that VAT revenues in France accounted for 15.5% of total tax revenue in 2012, below the OECD average of 19.5%.

VAT rates

The French standard VAT rate is 20%, which is slightly above 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. Reduced VAT rates of 2.1%, 5.5% and 10% apply to a 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, France raised its standard VAT rate from 19.6% to 20% in 2014 and one of its reduced rates from 7% to 10%.

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for France was 0.48 in 2012, below 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. As in many OECD countries, this ratio fell in France in 2008 and 2009 coinciding with the advent of the global economic crisis. It has stabilised at 0.48 in 2011 and 2012, below its pre-crisis level of 0.51.

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


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