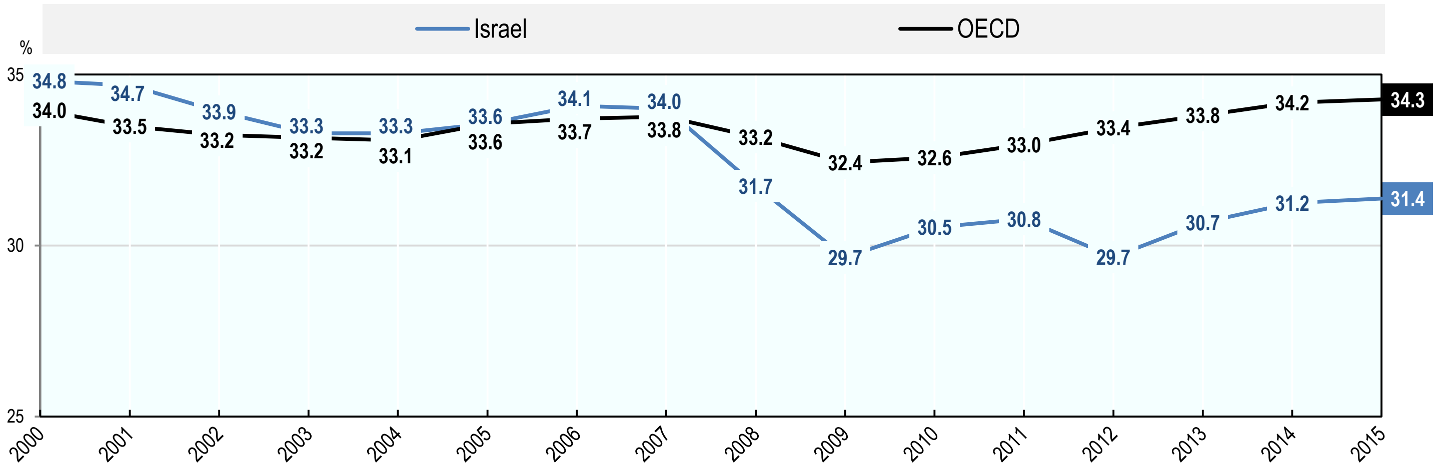
Revenue Statistics 2016 - Israel

Tax-to-GDP ratio

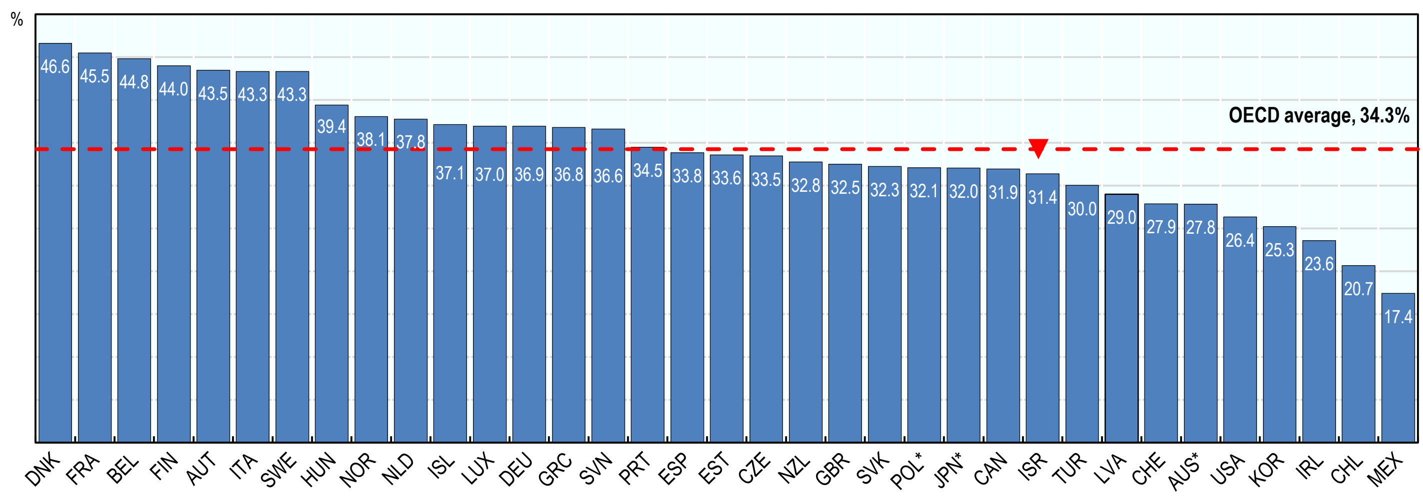
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Israel increased by 0.2 percentage points, from 31.2% in 2014 to 31.4% in 2015. The corresponding figures for the OECD average were an increase of 0.1 percentage point from 34.2% to 34.3% over the same period. Since the year 2000, the tax-to-GDP ratio in Israel has decreased from 34.8% to 31.4%. Over the same period, the OECD average in 2015 was slightly above that in 2000 (34.3% compared with 34.0%).



Tax-to-GDP ratio compared to the OECD

Israel ranked 26th out of 35 OECD countries in terms of the tax-to-GDP ratio in 2015.* In 2015, Israel had a tax-to-GDP ratio of 31.4% compared with the OECD average of 34.3%. In 2014, Israel was ranked 25th out of the 35 OECD countries in terms of the tax-to-GDP ratio.



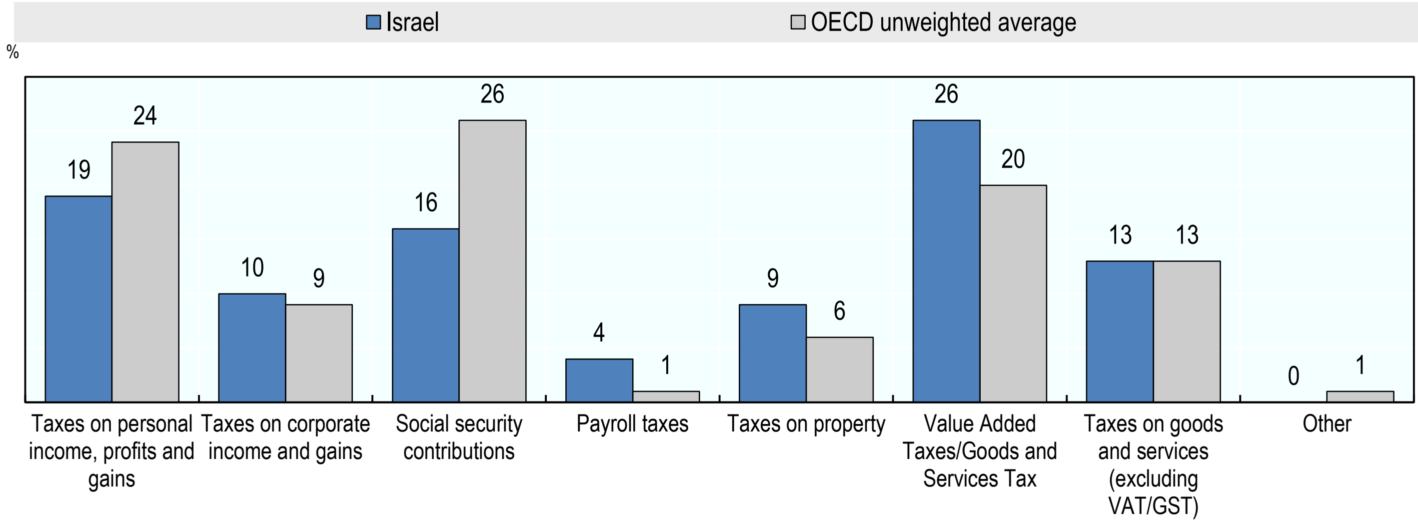
* Australia, Japan and Poland are unable to provide provisional 2015 data, therefore their latest 2014 data are presented within this country note.

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.

Tax structures

Tax structure compared to the OECD average

The structure of tax receipts in Israel compared with the OECD average is shown in the figure below.



Relative to the OECD average, the tax structure in Israel is characterised by:

» Higher revenues from taxes on corporate income and gains; payroll; property and value added taxes.

» Equal to the OECD average from taxes on goods and services (excluding VAT/GST)

» A lower proportion of revenues from taxes on personal income, profits and gains and social security contributions.

Tax structure

Tax structure	Tax Revenues in national currency			Tax structure in Israel			Position in OECD[2]		
	New Israeli Sheqel, millions			%					
	2014	2013	Δ	2014	2013	Δ	2014	2013	Δ
Taxes on income, profits and capital gains	105 628	101 879	+ 3 749	31	31	-	20th	20th	-
of which									
Personal income, profits and gains	63 402	57 709	+ 5 693	19	18	+ 1	25th	25th	-
Corporate income and gains	34 957	36 639	- 1 682	10	11	- 1	13th	9th	- 4
Social security contributions	56 130	53 364	+ 2 765	16	16	-	29th	29th	-
Payroll taxes	12 967	12 274	+ 693	4	4	-	4th	4th	-
Taxes on property	32 416	31 241	+ 1 175	9	10	- 1	6th	5th	- 1
Taxes on goods and services	134 573	125 137	+ 9 436	39	39	-	8th	8th	-
of which VAT	87 812	81 524	+ 6 288	26	25	+ 1	5th	5th	-
Other[1]	-	-	-	-	-	-	34th	33rd	- 1
TOTAL	341 714	323 895	+ 17 819	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.

1. Includes income taxes not allocable to either personal or corporate income.

2. The country with the highest share being 1st and the country with the lowest share being 35th.

Source: OECD Revenue Statistics 2016 http://www.oecd.org/tax/tax-policy/revenue-statistics.htm

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