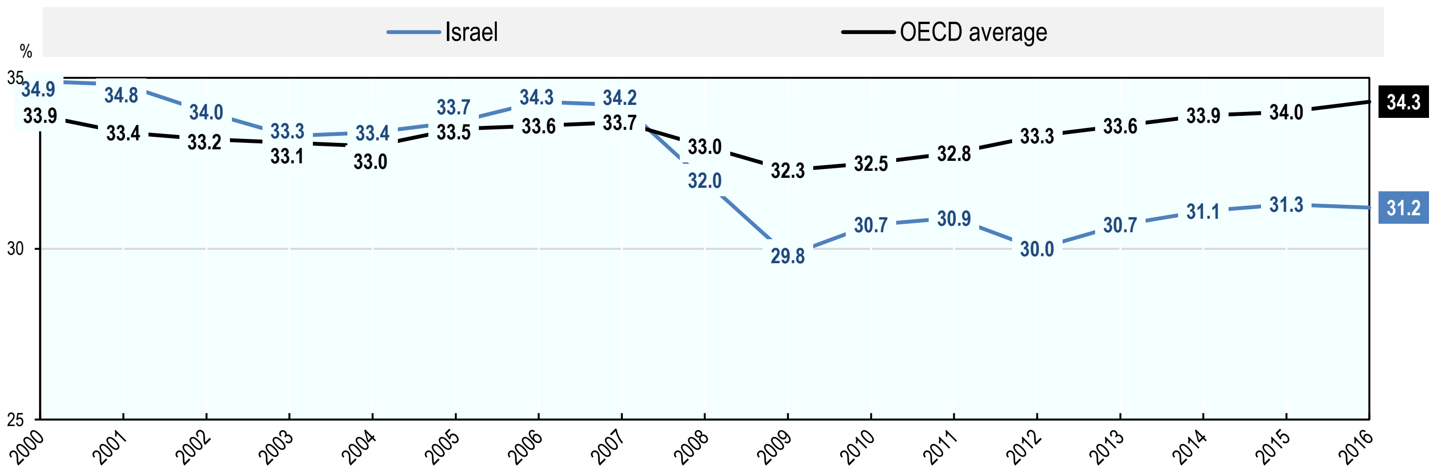
Revenue Statistics 2017 - Israel

Tax-to-GDP ratio

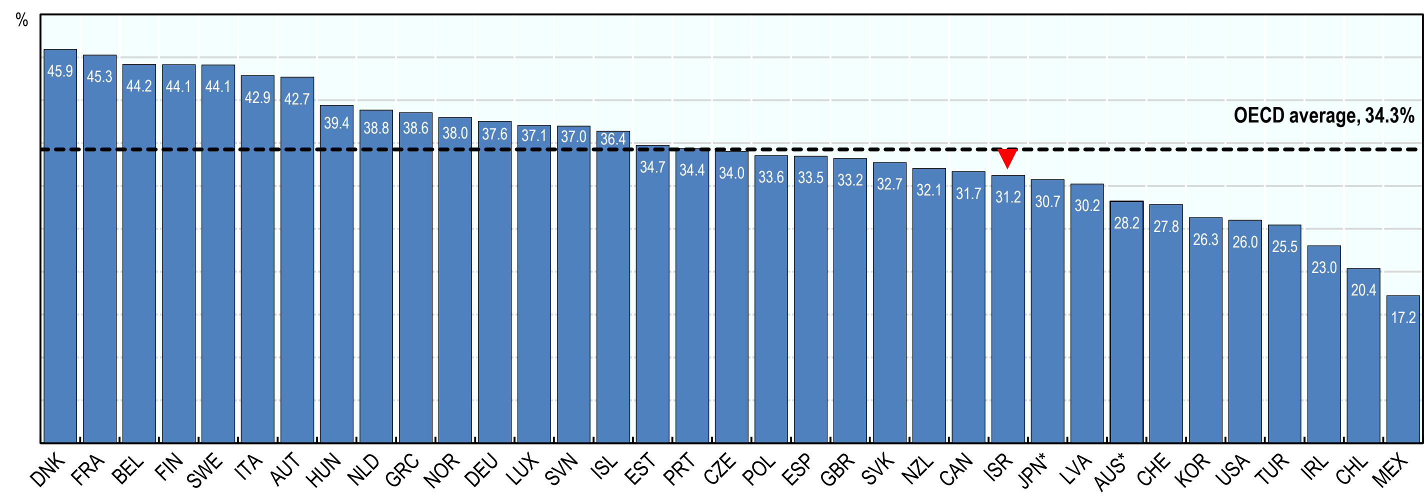
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Israel decreased by 0.1 percentage points, from 31.3% in 2015 to 31.2% in 2016. The corresponding figures for the OECD average were an increase of 0.3 percentage points from 34.0% to 34.3% over the same period. The tax-to-GDP ratio in Israel in 2016 has decreased from 34.9% in 2000 to 31.2% in 2016. Over the same period, the OECD average in 2016 was slightly above that in 2000 (34.3% compared with 33.9%). During that period the highest tax-to-GDP ratio in Israel was 34.9% in 2000, with the lowest being 29.8% in 2009.



Tax-to-GDP ratio compared to the OECD, 2016

Israel ranked 25th out of 35 OECD countries in terms of the tax-to-GDP ratio in 2016.* In 2016, Israel had a tax-to-GDP ratio of 31.2% compared with the OECD average of 34.3%. In 2015, Israel was also ranked 25th out of the 35 OECD countries in terms of the tax-to-GDP ratio.



* Australia and Japan are unable to provide provisional 2016 data, therefore their latest 2015 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.

OECD Revenue Statistics 2017

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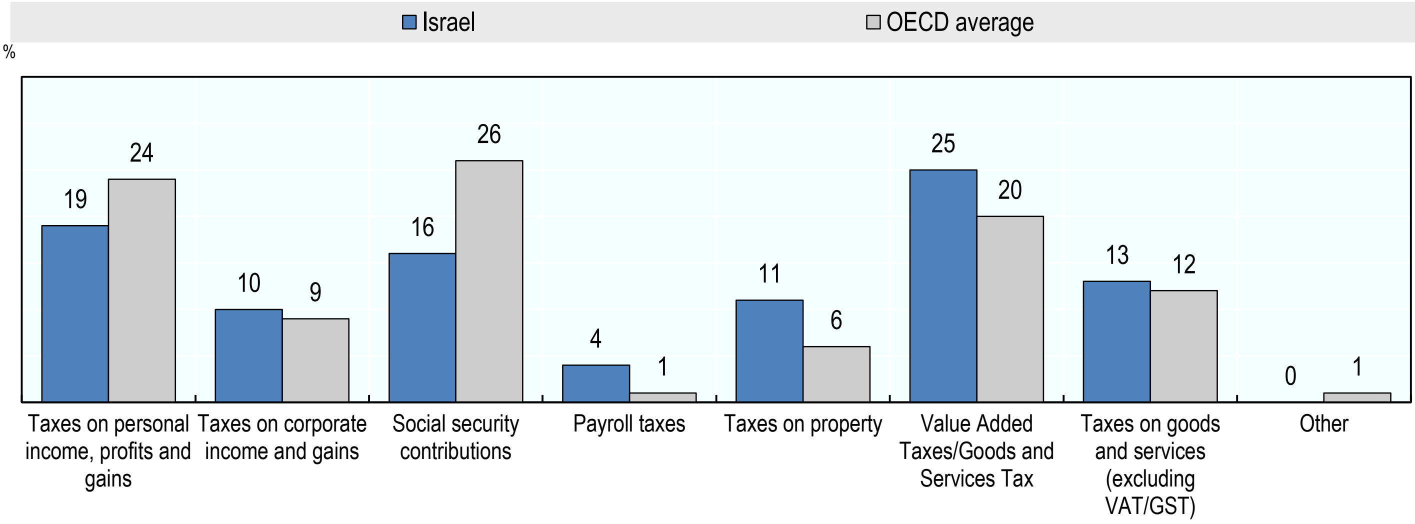
Tax structures

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 & gains; payroll taxes; property taxes; value-added taxes; and goods & services taxes (excluding VAT/GST).
- A lower proportion of revenues from taxes on personal income, profits & gains and social security contributions.

Tax structure

	Tax Revenues in national currency			Tax structure in Israel			Position in OECD[2]		
	New Israeli Sheqel, millions			%					
	2015	**2014**	**Δ**	**2015**	**2014**	**Δ**	**2015**	**2014**	**Δ**
Taxes on income, profits and capital gains[1]	113 711	105 047	+ 8 664	31	31	-	18th	21st	+ 3
of which									
Personal income, profits and gains	70 630	62 810	+ 7 820	19	18	+ 1	23rd	25th	+ 2
Corporate income and gains	34 676	34 967	- 291	10	10	-	14th	13th	- 1
Social security contributions	59 561	56 130	+ 3 432	16	16	-	28th	28th	-
Payroll taxes	13 800	13 556	+ 244	4	4	-	4th	4th	-
Taxes on property	38 715	34 461	+ 4 253	11	10	+ 1	5th	6th	+ 1
Taxes on goods and services	138 265	134 566	+ 3 699	38	39	- 1	11th	7th	- 4
of which VAT	90 824	87 812	+ 3 012	25	26	- 1	5th	6th	+ 1
Other	-	-	-	-	-	-	33rd	34th	+ 1
TOTAL	364 053	343 760	+ 20 293	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 2017 http://www.oecd.org/tax/tax-policy/revenue-statistics.htm

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