Revenue Statistics 2018 - Latvia

**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 Latvia did not change between 2016 and 2017. The tax-to-GDP ratio remained at 30.4%. The corresponding figures for the OECD average were an increase of 0.2 percentage points from 34.0% to 34.2%. Since the year 2000, the tax-to-GDP ratio in Latvia has increased from 29.1% to 30.4%. Over the same period, the OECD average in 2017 was slightly above that in 2000 (34.2% compared with 33.8%). During that period the highest tax-to-GDP ratio in Latvia was 30.4% in 2016 and 2017, with the lowest being 27.5% in 2003.

![Graph showing tax-to-GDP ratio over time](image)

**Tax-to-GDP ratio compared to the OECD, 2017**

Latvia ranked 27th out of 36 OECD countries in terms of the tax-to-GDP ratio in 2017. In 2017, Latvia had a tax-to-GDP ratio of 30.4% compared with the OECD average of 34.2%. In 2016, Latvia was also ranked 27th out of the 36 OECD countries in terms of the tax-to-GDP ratio.

![Graph showing tax-to-GDP ratio compared to OECD](image)

* Australia and Japan are unable to provide provisional 2017 data, therefore their latest 2016 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 structure compared to the OECD average

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

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

- Higher revenues from social security contributions; value-added taxes; and goods & services taxes (excluding VAT/GST).
- A lower proportion of revenues from taxes on personal income, profits & gains; taxes on corporate income & gains; and property taxes.
- No revenues from payroll taxes.

### Tax structure

<table>
<thead>
<tr>
<th>Tax Revenues in national currency</th>
<th>Tax structure in Latvia</th>
<th>Position in OECD²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td><strong>2015</strong></td>
<td>Δ</td>
</tr>
<tr>
<td>Taxes on income, profits and capital gains¹</td>
<td>2 011</td>
<td>1 833</td>
</tr>
<tr>
<td>Personal income, profits and gains</td>
<td>1 587</td>
<td>1 445</td>
</tr>
<tr>
<td>Corporate income and gains</td>
<td>424</td>
<td>389</td>
</tr>
<tr>
<td>Social security contributions</td>
<td>2 067</td>
<td>2 030</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Taxes on property</td>
<td>263</td>
<td>241</td>
</tr>
<tr>
<td>Taxes on goods and services</td>
<td>3 178</td>
<td>2 959</td>
</tr>
<tr>
<td>of which VAT</td>
<td>2 032</td>
<td>1 876</td>
</tr>
<tr>
<td>Other</td>
<td>47</td>
<td>40</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7 570</td>
<td>7 107</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.

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 36th.


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**Contacts**

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

**Michelle Harding**
Centre for Tax Policy and Administration
Head, Tax Data & Statistical Analysis Unit
Michelle.Harding@oecd.org