

Tax Policy Reforms 2017: OECD and Selected Partner Economies provides comparative information on tax reforms across countries and tracks tax policy trends over time. This year's report covers the tax reforms that were implemented, legislated or announced in 2016. In addition to the 35 OECD countries, Argentina and South Africa, have been included in this year's edition.

Key tax policy trends

Towards growth oriented reforms

- Low growth rates in conjunction with improved public budgets have led to growth-oriented tax reforms.
- Fiscal stimulus was provided to both businesses, in particular through corporate tax rate cuts, and individuals.

Fairness also a key policy priority

- Many personal income tax cuts targeted at low and middle-income earners and families were introduced to enhance fairness.

Driving changes in behaviour

- Many excise duty and environmentally-related tax increases were aimed at simultaneously raising revenue and changing behaviours.

More international co-operation

- Progress on the implementation of Base Erosion and Profit Shifting (BEPS) measures.
- Continued co-operation on the exchange of information for tax purposes.
- New countries aligning their rules on cross-border supplies of services and intangibles with the OECD International VAT/GST Guidelines.

Estimated revenue effects of the tax reforms implemented, legislated and announced in 2016

Countries undertaking major tax reforms

Austria
Belgium
Greece
Hungary
Luxembourg
The Netherlands
Norway

Revenue ↓			Revenue ↑	
ARG AUS AUT BEL CZE DEU EST FIN GBR HUN IRL ISL ISR LUX MEX NLD PRT SVN		PIT	CAN CHE DNK GRC ITA KOR NOR SWE	
BEL CHE DEU EST HUN ISL LUX ITA POL		SSCs	ESP FIN GBR GRC SVK SWE	
ARG AUT GBR HUN ISL ISR LUX MEX NZL POL PRT SVK TUR		CIT	CHL ESP (EST) KOR LVA SVN SWE ZAF	
ARG FIN HUN JPN MEX PRT SWE TUR		VAT/GST	AUS AUT BEL CAN CZE ESP GBR GRC ITA LVA NOR NZL POL	
		Excise duties	ARG AUS BEL ESP EST (GBR) GRC HUN IRL ISL LUX LVA NLD NZL PRT SVK SVN SWE ZAF	
	DNK GBR	Environmental taxes	BEL CAN EST FIN FRA GRC HUN ISL KOR LVA NLD NOR POL SWE	
DNK IRL ITA NLD NOR TUR		Property taxes	AUT BEL CHL DEU GBR FIN FRA ISR LUX ZAF	

Tax-by-tax trends in 2016

Personal income tax reductions

- Personal income taxes on low and middle income earners, and families have been reduced in a number of countries, but the effects on redistribution are expected to be limited.

Limited SSC reforms

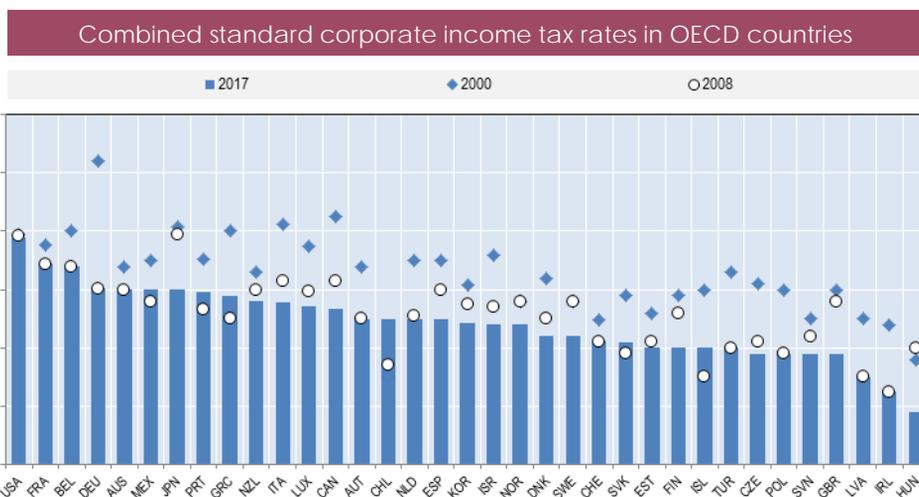
- With a few exceptions, reductions in social security contributions have been limited and tax wedges on labour will remain high in many countries.

Progress on BEPS related measures

- The adoption of measures to fight against international tax avoidance as part of the OECD/G20 BEPS project has continued.
- There have also been domestic base broadening efforts, in particular involving restrictions to loss carryover provisions.

Intensifying corporate tax competition

- Corporate tax rate competition has intensified, with corporate tax rate cuts often introduced over several years.
- There is evidence of increased competition through new or enhanced tax incentives for R&D and intellectual property related activities.



Progress on the application of VAT in the digital sector

- Increases in standard VAT rates appear to have come to an end.
- Countries are aligning their tax rules on cross-border supplies of services and intangibles with the OECD International VAT/GST Guidelines.

Increases in health related taxes

- Many countries raised excise taxes, in particular on tobacco products.
- Several countries announced new taxes on sugar-sweetened beverages.

Increased transport fuel taxes

- Taxes on transport fuels continued to be raised in many countries.
- This differs from fuels in other sectors which, despite also causing considerable harm, often remain taxed at low rates.

Property tax increases

- There were more property tax changes reported than last year and reforms were often aimed at raising taxes.
- Inheritance tax reforms, however, mostly involved tax reductions.

Access the full report: <http://oe.cd/tax-policy-reforms>

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