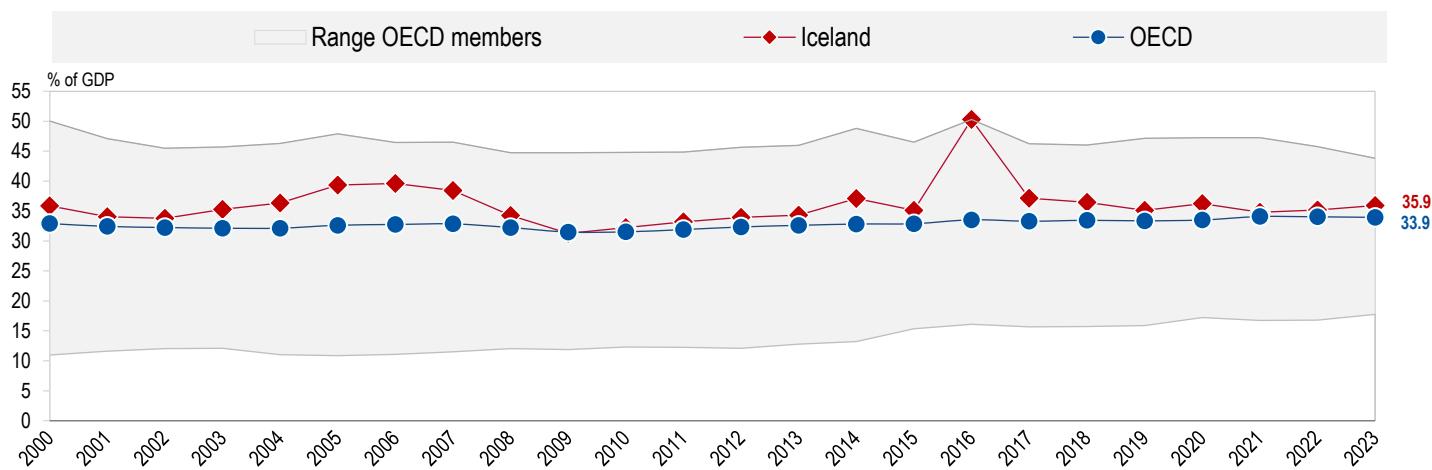


Revenue Statistics 2024 - Iceland

Tax-to-GDP ratio

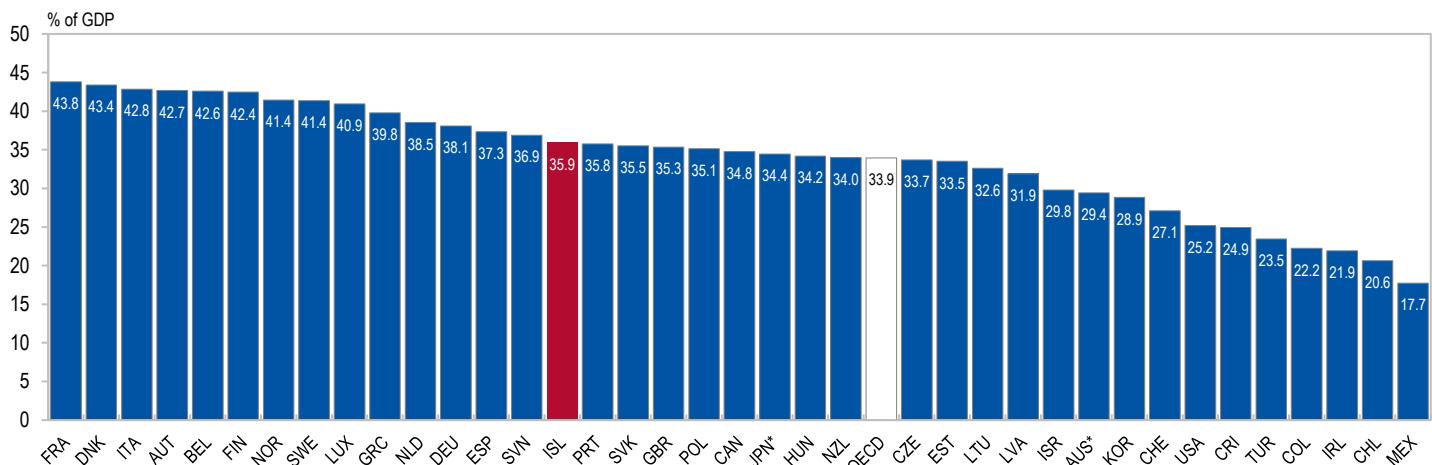
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Iceland[†] increased by 0.8 percentage points from 35.2% in 2022 to 35.9% in 2023. Between 2022 and 2023, the OECD average decreased from 34.0% to 33.9%. The tax-to-GDP ratio in Iceland has did not change from 35.9% in 2000 to 35.9% in 2023. Over the same period, the OECD average in 2023 was above that in 2000 (33.9% compared with 32.9%). During that period, the highest tax-to-GDP ratio in Iceland was 50.3% in 2016, with the lowest being 31.3% in 2009.



Tax-to-GDP ratio compared to the OECD, 2023

Iceland ranked 15th¹ out of 38 OECD countries in terms of the tax-to-GDP ratio in 2023. In 2023, Iceland had a tax-to-GDP ratio of 35.9% compared with the OECD average of 33.9%. In 2022, Iceland was ranked 17th out of the 38 OECD countries in terms of the tax-to-GDP ratio.



* Australia and Japan are unable to provide provisional 2017 data, therefore their latest 2016 data are presented within this country note.

[†] In 2016, Iceland received revenues from one-off stability contributions from entities that previously operated as commercial or savings banks and were concluding operations. The revenue from these contributions led to unusually high tax revenues for a single year and consequently, Iceland's tax-to-GDP ratio rose from 35.1% in 2015 to 50.3% in 2016, before dropping to 37.1% in 2017.

1. In this note, the country with the highest level or share is ranked first and the country with the lowest level or share is ranked 38th.

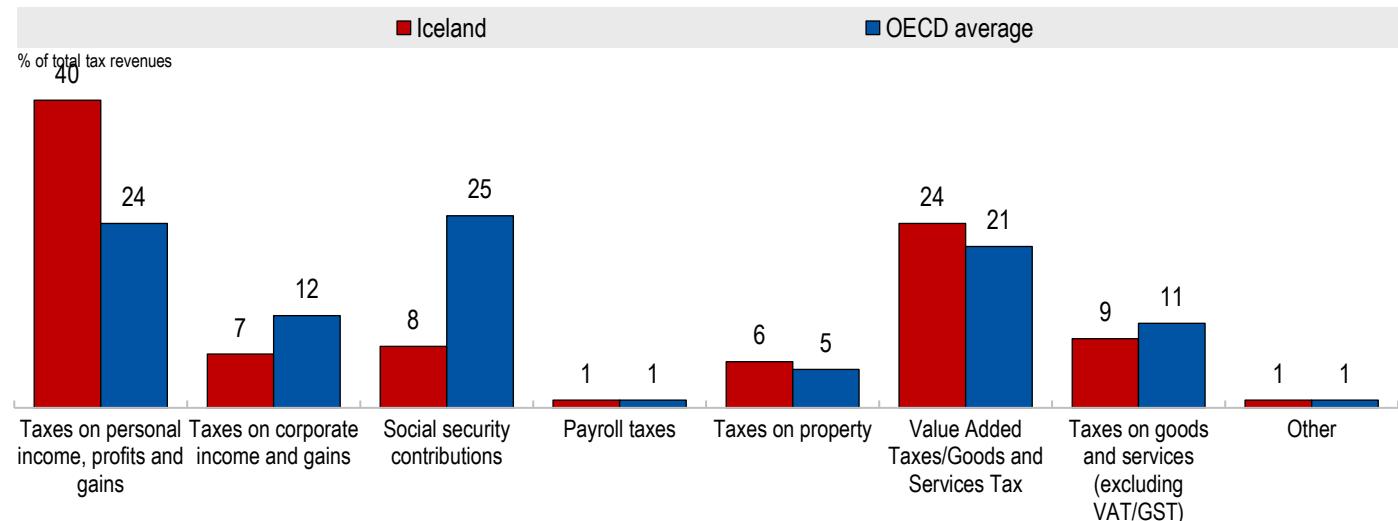
Note: In the OECD classification the term "taxes" is confined to compulsory unrequited payments to general government or to a supranational authority. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments.



Tax structures

Tax structure compared to the OECD average, 2022

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



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

- » Substantially higher revenues from taxes on personal income, profits & gains, and higher revenues from property taxes and value-added taxes.
- » Equal to the OECD average from payroll taxes.
- » A lower proportion of revenues from taxes on corporate income & gains and goods & services taxes (excluding VAT/GST), and substantially lower revenues from social security contributions.

Tax structure

Tax structure	Tax Revenues in national currency			Tax structure in Iceland			Position in OECD		
	Iceland Krona, millions			%					
	2021	2022	Δ	2021	2022	Δ	2021	2022	Δ
Taxes on income, profits and capital gains ¹	569 645	702 954	+ 133 309	50	51	+ 1	5th	7th	- 2
of which	-	-	-	-	-	-	0	0	-
Personal income, profits and gains	471 865	545 134	+ 73 269	41	40	- 1	3rd	5th	- 2
Corporate income and gains	65 454	100 909	+ 35 455	6	7	+ 1	32nd	28th	+ 4
Social security contributions	97 414	115 564	+ 18 150	9	8	- 1	34th	33rd	+ 1
Payroll taxes	-	-	-	1	1	-	13th	13th	-
Taxes on property [†]	67 752	76 161	+ 8 408	6	6	-	15th	17th	- 2
Taxes on goods and services	382 756	446 508	+ 63 752	34	33	- 1	17th	15th	+ 2
of which VAT	277 808	323 469	+ 45 661	24	24	-	10th	11th	- 1
Other	13 251	14 223	+ 973	1	1	-	7th	9th	- 2
TOTAL	1 139 978	1 365 413	+ 225 435	100	100	-	-	-	-

Tax revenue includes net receipts for all levels of government; figures in the chart and table may not sum to the total due to rounding.

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

† Please refer to the footnote at the bottom of page one.

OECD (2024), Revenue Statistics 2024: Health taxes in OECD countries, OECD Publishing, Paris, <https://oe.cd/revenue-statistics-2024>

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