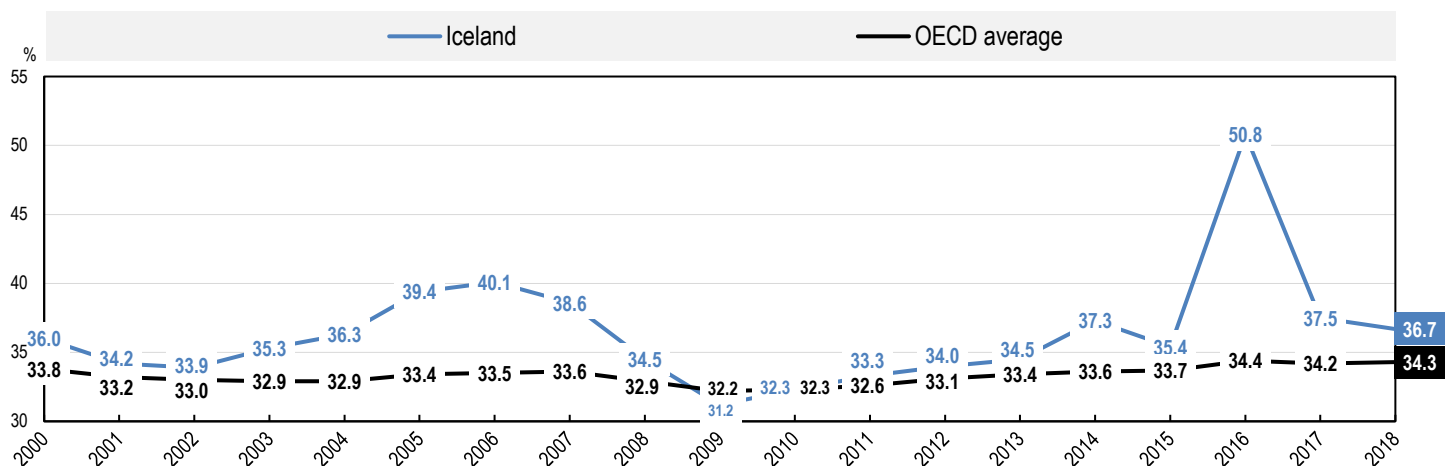


# Revenue Statistics 2019 - Iceland

## Tax-to-GDP ratio

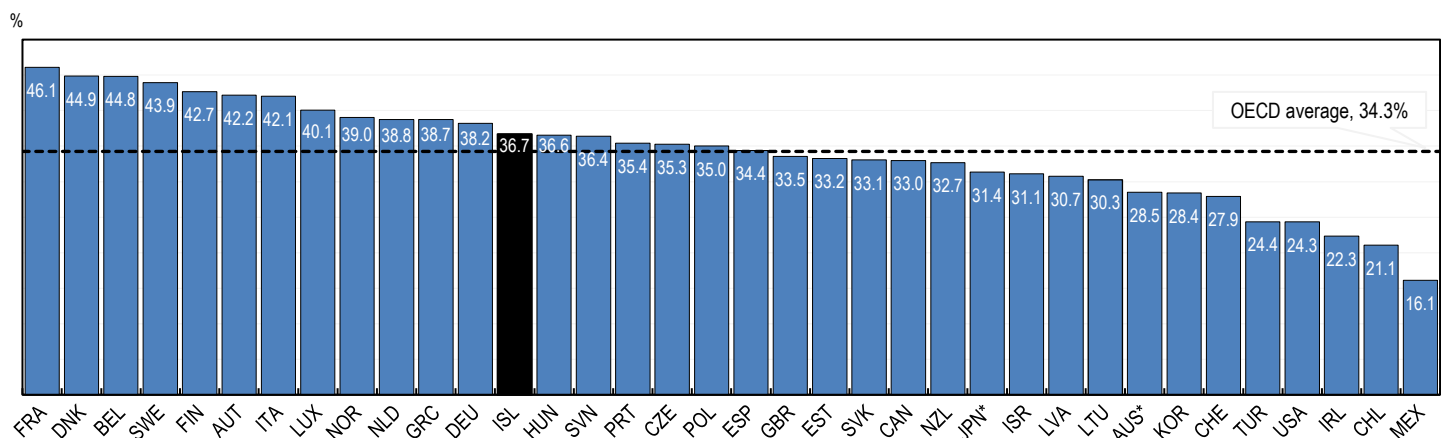
### Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Iceland<sup>†</sup> decreased by 0.8 percentage points from 37.5% in 2017 to 36.7% in 2018. The corresponding figure for the OECD average was a slight increase of 0.1 percentage point from 34.2% to 34.3% over the same period. The tax-to-GDP ratio in Iceland has increased from 36.0% in 2000 to 36.7% in 2018. Over the same period, the OECD average in 2018 was slightly above that in 2000 (34.3% compared with 33.8%). During that period the highest tax-to-GDP ratio in Iceland was 50.8% in 2016, with the lowest being 31.2% in 2009.



### Tax-to-GDP ratio compared to the OECD, 2018

Iceland ranked 13th out of 36 OECD countries in terms of the tax-to-GDP ratio in 2018. In 2018, Iceland had a tax-to-GDP ratio of 36.7% compared with the OECD average of 34.3%. In 2017, Iceland was ranked 14th out of the 36 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.

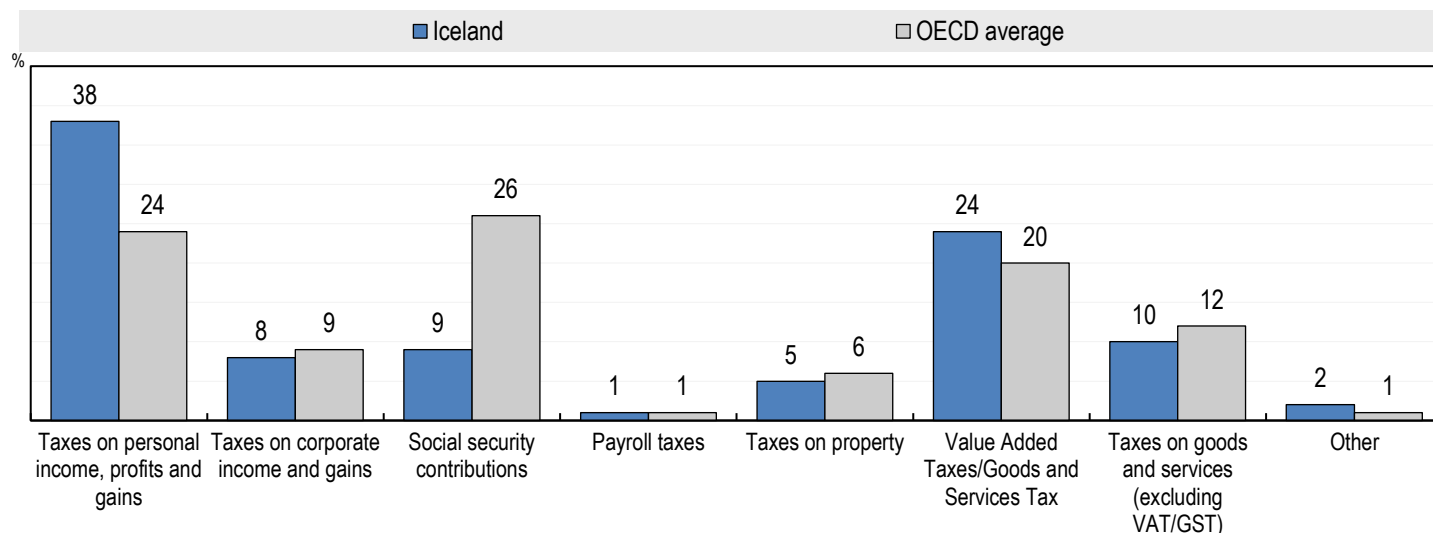
In the OECD classification the term "taxes" is confined to compulsory unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments.

<sup>†</sup> 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 one-off stability contributions amounted to 15.4% of Iceland's GDP in 2016. Iceland's tax-to-GDP ratio therefore rose from 35.4% in 2015 to 50.8% in 2016, before dropping 13.3 percentage points to 37.5% in 2017.

## Tax structures

### Tax structure compared to the OECD average, 2017

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

### Tax structure

	Tax Revenues in national currency			Tax structure in Iceland			Position in OECD		
	Iceland Krona, millions			%					
	2017	2016	Δ	2017	2016	Δ	2017	2016	Δ
Taxes on income, profits and capital gains <sup>1</sup>	482 568	429 545	+ 53 023	49	34	+ 15	4th	15th	+ 11
<i>of which</i>									
<i>Personal income, profits and gains</i>	373 009	337 457	+ 35 551	38	27	+ 11	4th	13th	+ 9
<i>Corporate income and gains</i>	79 993	62 152	+ 17 841	8	5	+ 3	19th	34th	+ 15
Social security contributions	89 649	85 370	+ 4 279	9	7	+ 2	32nd	33rd	+ 1
Payroll taxes	7 946	7 375	+ 572	1	1	-	9th	12th	+ 3
Taxes on property <sup>†</sup>	53 958	432 554	- 378 596	5	34	- 29	17th	1st	- 16
Taxes on goods and services	330 795	295 844	+ 34 951	34	23	+ 11	14th	32nd	+ 18
<i>of which VAT</i>	233 951	205 435	+ 28 516	24	16	+ 8	8th	27th	+ 19
Other	16 448	14 921	+ 1 527	2	1	+ 1	4th	7th	+ 3
<b>TOTAL</b>	<b>981 364</b>	<b>1 265 609</b>	<b>- 284 245</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

<sup>†</sup> Please refer to the footnote at the bottom of page one.

Source: OECD Revenue Statistics 2019 <http://oe.cd/revenue-statistics>

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