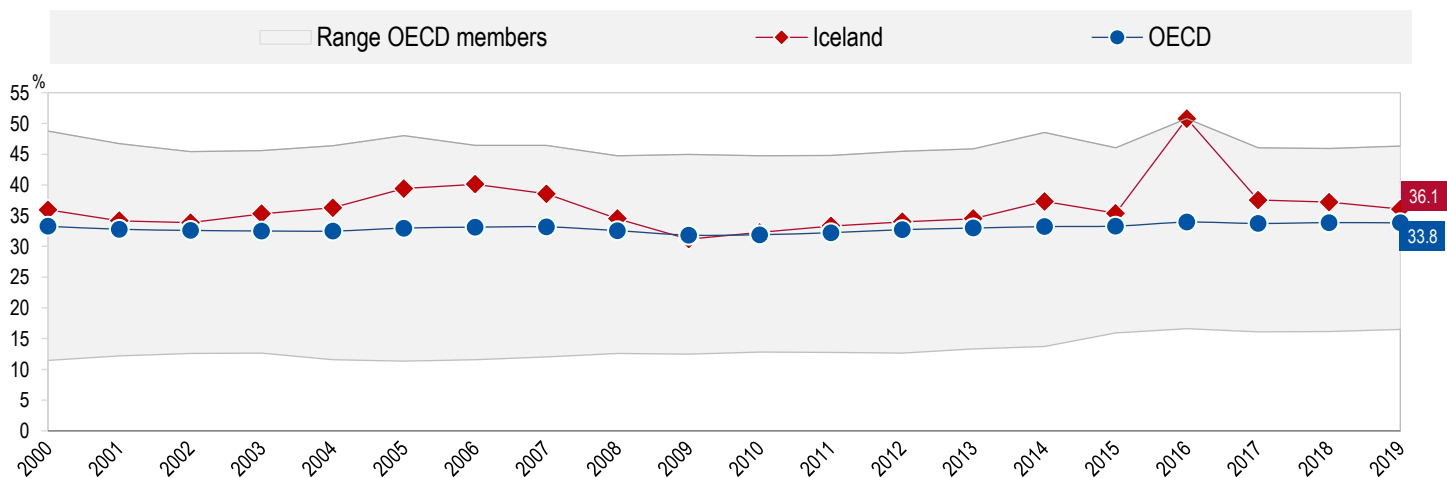


Revenue Statistics 2020 - Iceland

Tax-to-GDP ratio

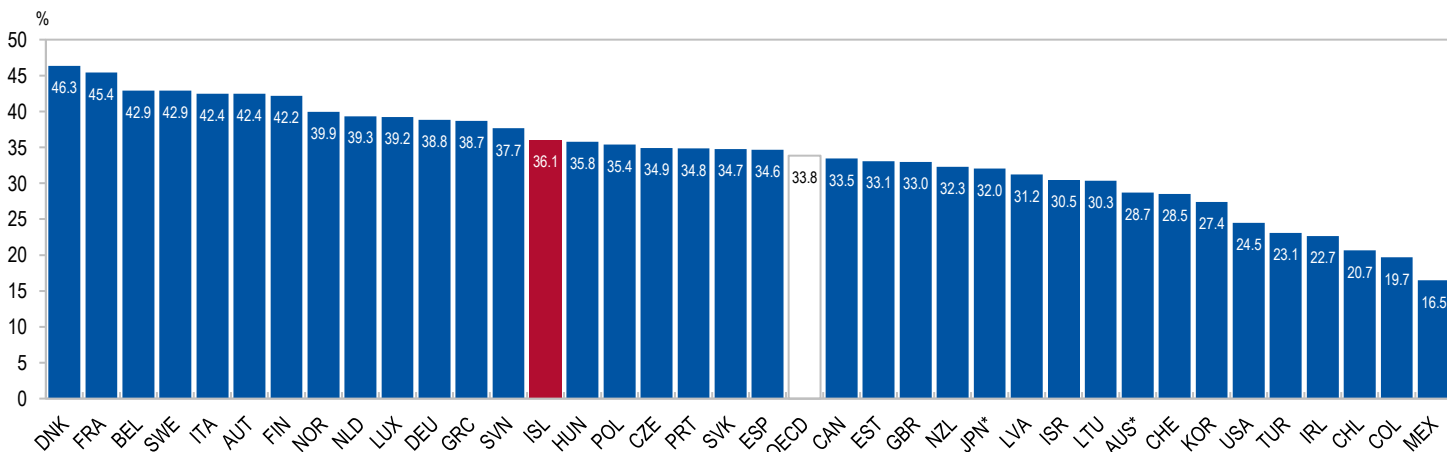
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Iceland[†] 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, 2019

Iceland ranked 14th out of 37 OECD countries in terms of the tax-to-GDP ratio in 2019. In 2019, Iceland had a tax-to-GDP ratio of 36.1% compared with the OECD average of 33.8%. In 2018, Iceland was ranked 15th out of the 37 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.

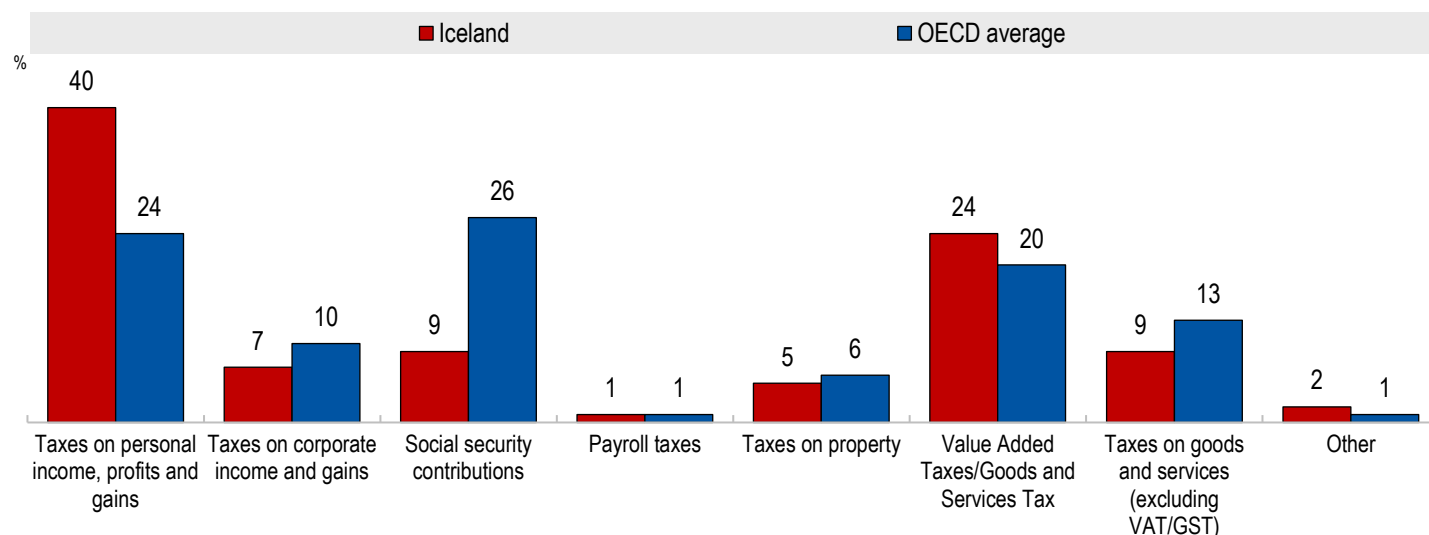
[†] In 2016, Iceland received revenues from one-off stability contributions from entities that previously operated as commercial or savings banks and were concluding operations. The revenue from these contributions led to unusually high tax revenues for a single year and consequently, Iceland's tax-to-GDP ratio rose from 35.4% in 2015 to 50.8% in 2016, before dropping to 37.6% in 2017.

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 structures

Tax structure compared to the OECD average, 2018

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	2018	Δ	2017	2018	Δ	2017	2018	Δ
Taxes on income, profits and capital gains ¹	483 996	511 724	+ 27 727	49	49	-	4th	4th	-
<i>of which</i>	-	-		-	-		0	0	
<i>Personal income, profits and gains</i>	374 437	412 430	+ 37 993	38	40	+ 2	4th	4th	-
<i>Corporate income and gains</i>	79 993	67 724	- 12 269	8	7	- 1	19th	22nd	- 3
Social security contributions	89 649	98 230	+ 8 580	9	9	-	32nd	33rd	- 1
Payroll taxes	7 946	8 542	+ 596	1	1	-	10th	10th	-
Taxes on property [†]	53 958	56 798	+ 2 840	5	5	-	18th	18th	-
Taxes on goods and services	330 795	345 295	+ 14 501	34	33	- 1	16th	17th	- 1
<i>of which VAT</i>	233 951	244 624	+ 10 674	24	24	-	9th	11th	- 2
Other	16 448	17 019	+ 571	2	2	-	4th	5th	- 1
TOTAL	982 792	1 037 608	+ 54 816	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.

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

Source: OECD Revenue Statistics 2020 <http://oe.cd/revenue-statistics>

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

Nicolas Miranda
Centre for Tax Policy and Administration
Statistician, Tax Data & Statistical Analysis Unit
Nicolas.Miranda@oecd.org