# Revenue Statistics in Latin America and the Caribbean 2020 - El Salvador

Tax-to-GDP ratio

**Tax-to-GDP ratio compared to other Latin American and Caribbean (LAC) countries and regional averages, 2018**

El Salvador's tax-to-GDP ratio in 2018 (21.1%) was below the LAC average (23.1%)[1] in this year's Revenue Statistics in Latin America and the Caribbean publication by 2.0 percentage points and below the OECD average (34.3%).
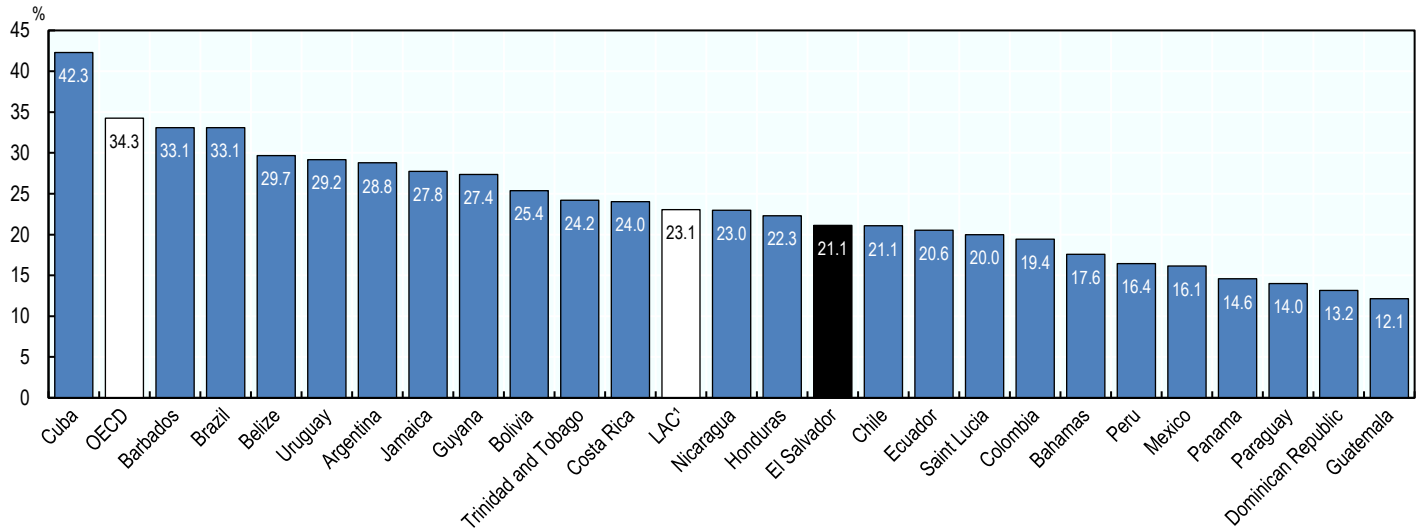
1. Represents the unweighted average of 25 Latin American and Caribbean countries included in this publication and excludes Venezuela due to data availability issues.

Tax-to-GDP ratio over time

The tax-to-GDP ratio in El Salvador increased by 0.3 percentage points from 20.8% in 2017 to 21.1% in 2018. In comparison, the LAC average increased by 0.4 percentage points between 2017 and 2018 to 23.1%. Over a longer time period, the LAC average has increased by 4.4 percentage points, from 18.7% in 2000 to 23.1% in 2018, whereas over the same period the tax-to-GDP ratio in El Salvador has increased by 6.9 percentage points, from 14.2% to 21.1%. Since 2000, the highest tax-to-GDP ratio in El Salvador was 21.1% in 2018, and the lowest was 14.2% in 2000.
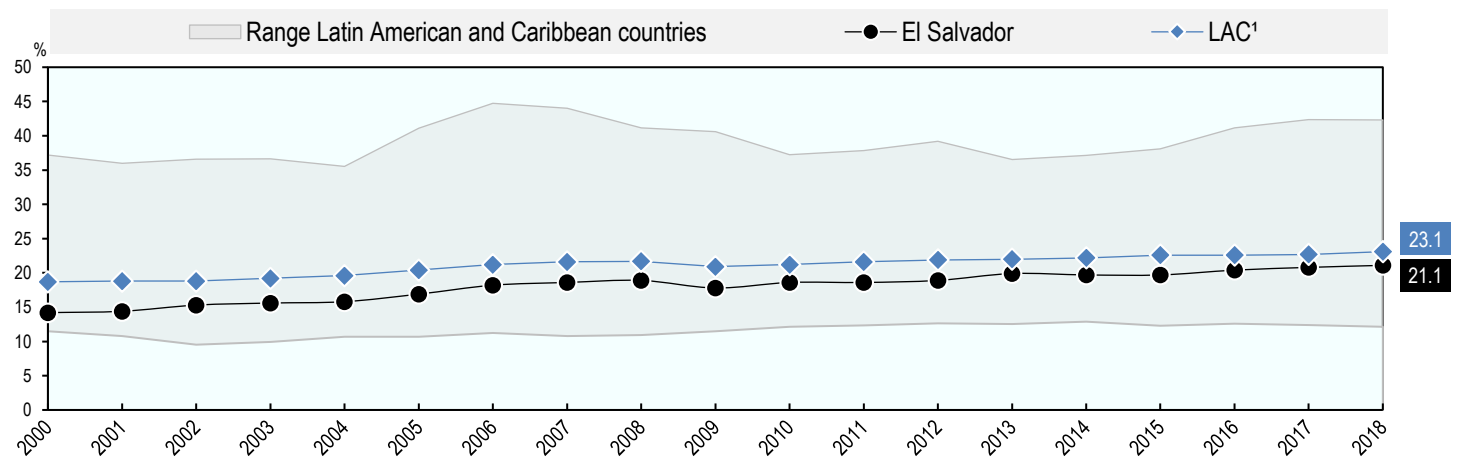
1. Represents the unweighted average of 25 Latin American and Caribbean countries included in this publication and excludes Venezuela due to data availability issues.

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.   http://www.oecd.org/tax/tax-policy/oecd-classification-taxes-interpretative-guide.pdf

Tax structures

Tax structure compared to the regional averages

Tax structure refers to the share of each tax revenue category in total tax revenues. The highest share of tax revenues in El Salvador in 2018 was derived from value added taxes / goods and services tax (37.4%). The second-highest share of tax revenues in 2018 was derived from corporate income tax (15.4%).

Legend:
- ■ Personal income tax
- ☐ Corporate income tax
- ■ Social security contributions
- ■ Taxes on property
- ■ Value added taxes / Goods and services tax
- ☐ Other taxes on goods and services
- ⊠ Other taxes

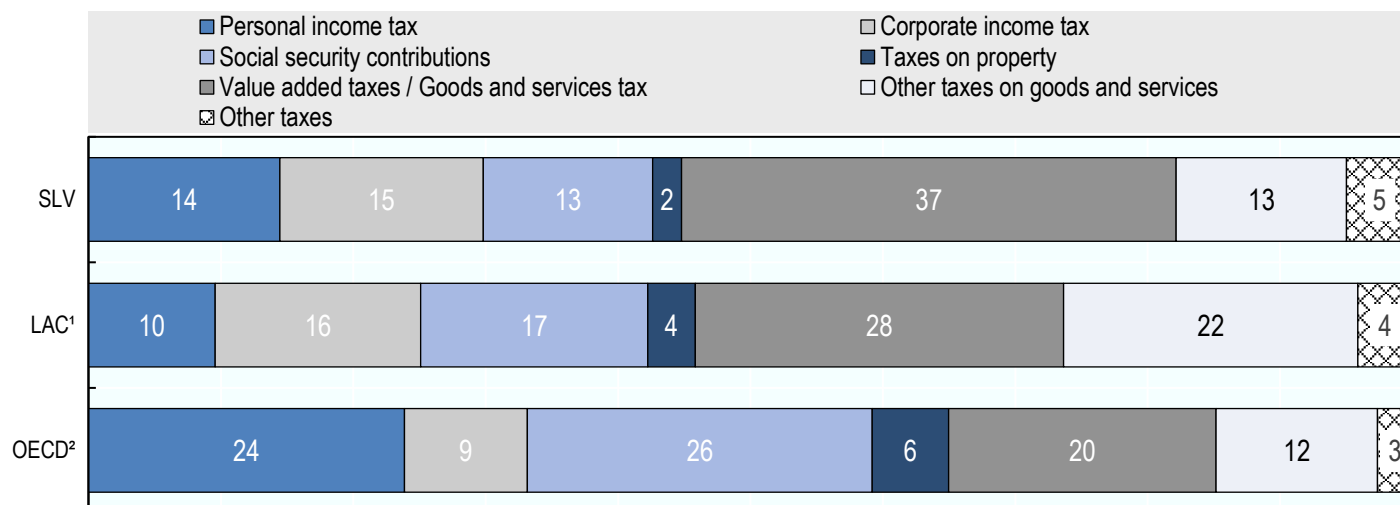|	Personal income tax	Corporate income tax	Social security contributions	Taxes on property	Value added taxes / Goods and services tax	Other taxes on goods and services	Other taxes
SLV	14	15	13	2	37	13	5
LAC¹	10	16	17	4	28	22	4
OECD²	24	9	26	6	20	12	3

1. Represents the unweighted average of 25 LAC countries included in this publication and excludes Venezuela due to data availability issues. Ecuador and Nicaragua are excluded from the LAC average for CIT and PIT revenue as a sufficient breakdown is not available.
2. Data for 2017 are used for the OECD average as the 2018 data are not available. All figures within the chart are rounded.

Summary of the tax structure in El Salvador

	Tax revenues in national currency			Tax structure in El Salvador		
	US Dollar, Millions			% in GDP		
	2017	2018	Δ	2017	2018	Δ
Taxes on income, profits and capital gains¹	1 733	1 819	+ 87	7.0	7.0	+ 0.0
of which	-	-	-	0.0	0.0	-
Personal income, profits and gains	*759*	*795*	*+ 36*	*3.0*	*3.1*	*+ 0.0*
Corporate income, profits and gains	*804*	*845*	*+ 41*	*3.2*	*3.2*	*+ 0.0*
Social security contributions	683	704	+ 21	2.7	2.7	- 0.0
Taxes on property	112	119	+ 7	0.5	0.5	+ 0.0
Taxes on goods and services	2 578	2 763	+ 185	10.3	10.6	+ 0.3
of which	-	-	-	-	-	-
Value added taxes / Goods and services tax	*1 903*	*2 054*	*+ 151*	*7.6*	*7.9*	*+ 0.2*
Taxes on specific goods and services	*647*	*678*	*+ 31*	*2.6*	*2.6*	*+ 0.0*
of which	-	-	-	-	-	-
Excises	*423*	*437*	*+ 13*	*1.7*	*1.7*	*- 0.0*
Customs and import duties	*211*	*227*	*+ 17*	*0.8*	*0.9*	*+ 0.0*
Other taxes²	*88*	*93*	*+ 6*	0.4	0.4	+ 0.0
TOTAL	*5 193*	*5 498*	*+ 305*	**20.8**	**21.1**	**+ 0.3**

1. The revenue from taxes on income, profits and gains may not add up to the sum of revenue from personal income tax and corporate income tax due to revenue that could not be allocated to these categories.
2. In this country note, "other taxes" is calculated as total tax minus taxes on income, profits and capital gains, social security contributions, taxes on property and taxes on goods and services. It includes taxes on payroll and workforce, and other taxes (as defined in the OECD Interpretative Guide).

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

For further information, please see: oe.cd/RevStatsLatam