

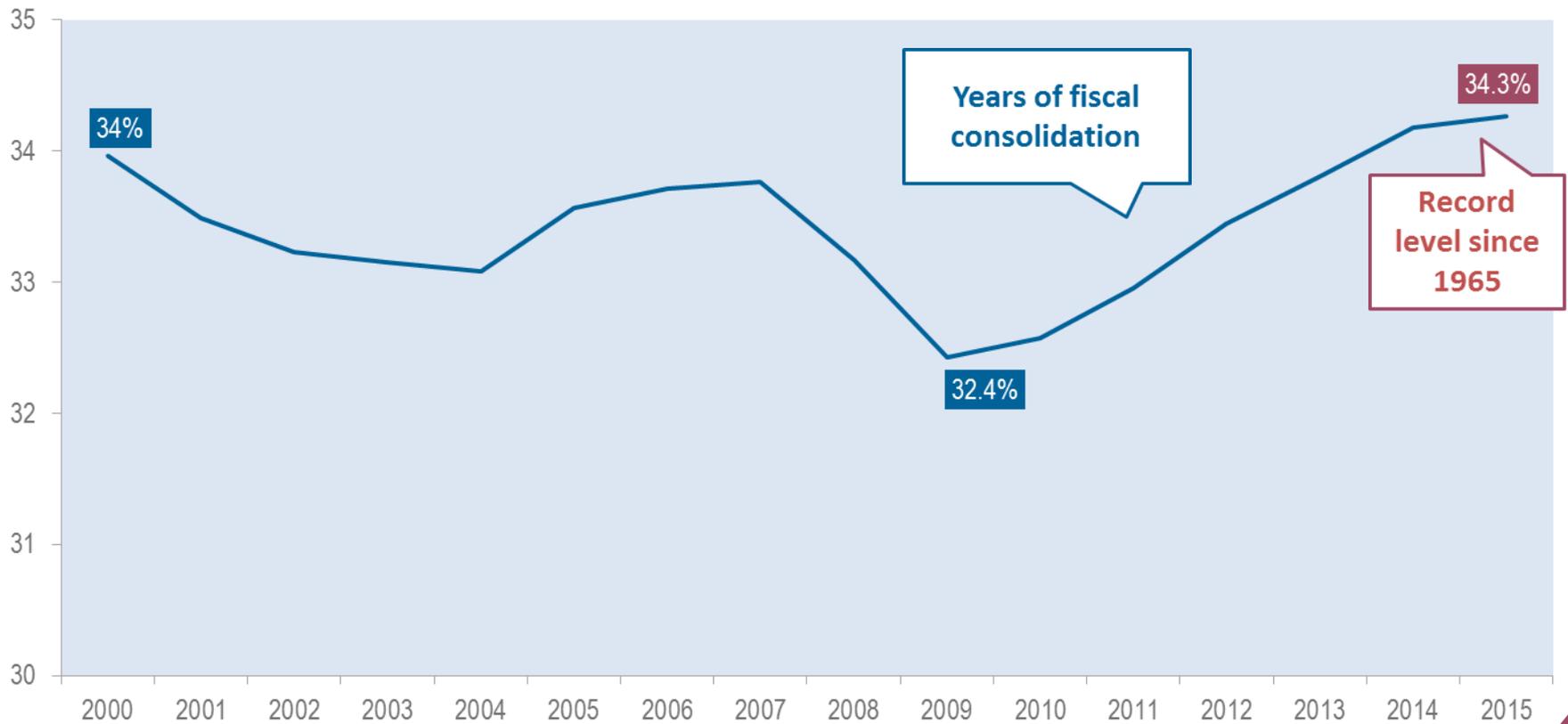


GENERAL TRENDS



2015: Record tax revenue levels

Evolution of the OECD average tax-to-GDP ratio between 2000 and 2015



Source: OECD Revenue Statistics



Shift in tax reform focus in 2016: Growth and fairness

Low growth
Weak investment
Improved public budgets
High income inequality



↓ Corporate taxes

↓ Personal income taxes, in particular on low and middle incomes



Most comprehensive tax reforms in 2016

COUNTRIES THAT UNDERTOOK MAJOR TAX REFORMS

Austria
Belgium
Greece
Hungary
Luxembourg
The Netherlands
Norway

- **Almost all EU countries**
- **Large countries missing**



Increased international co-operation

- **Implementation of BEPS measures within the Inclusive Framework**
- **Continued co-operation on the exchange of information for tax purposes**
- **Widespread implementation of the International VAT/GST Guidelines**



OVERVIEW OF TAX-BY-TAX TRENDS

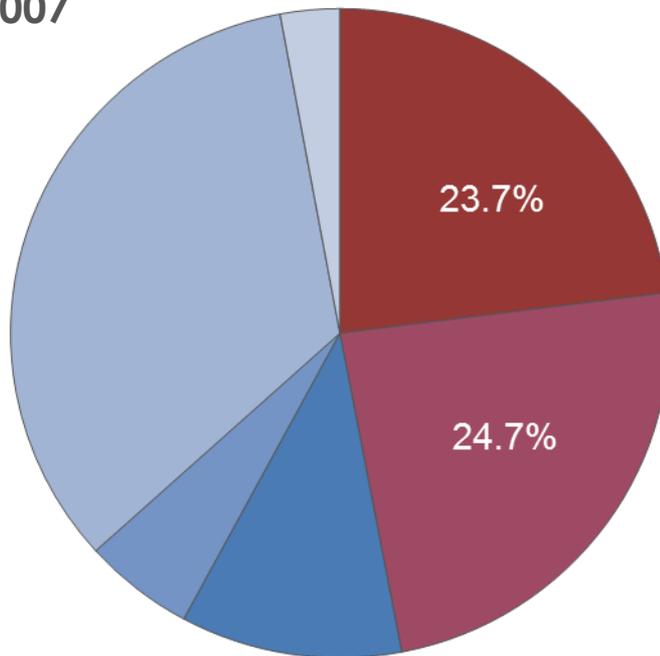


Labour taxes have been a major and increasing source of revenues

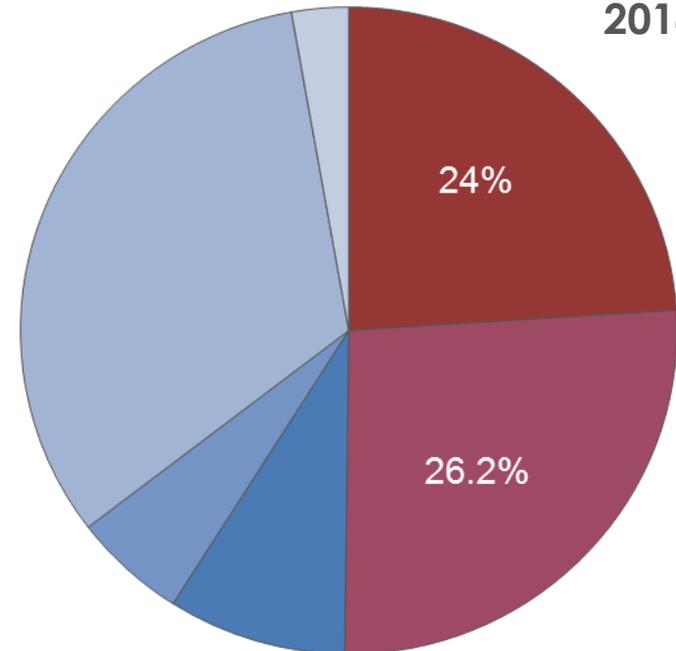
Breakdown of OECD tax revenues – average

■ PIT ■ SSCs ■ CIT ■ Property ■ Consumption taxes ■ Other taxes

2007



2014





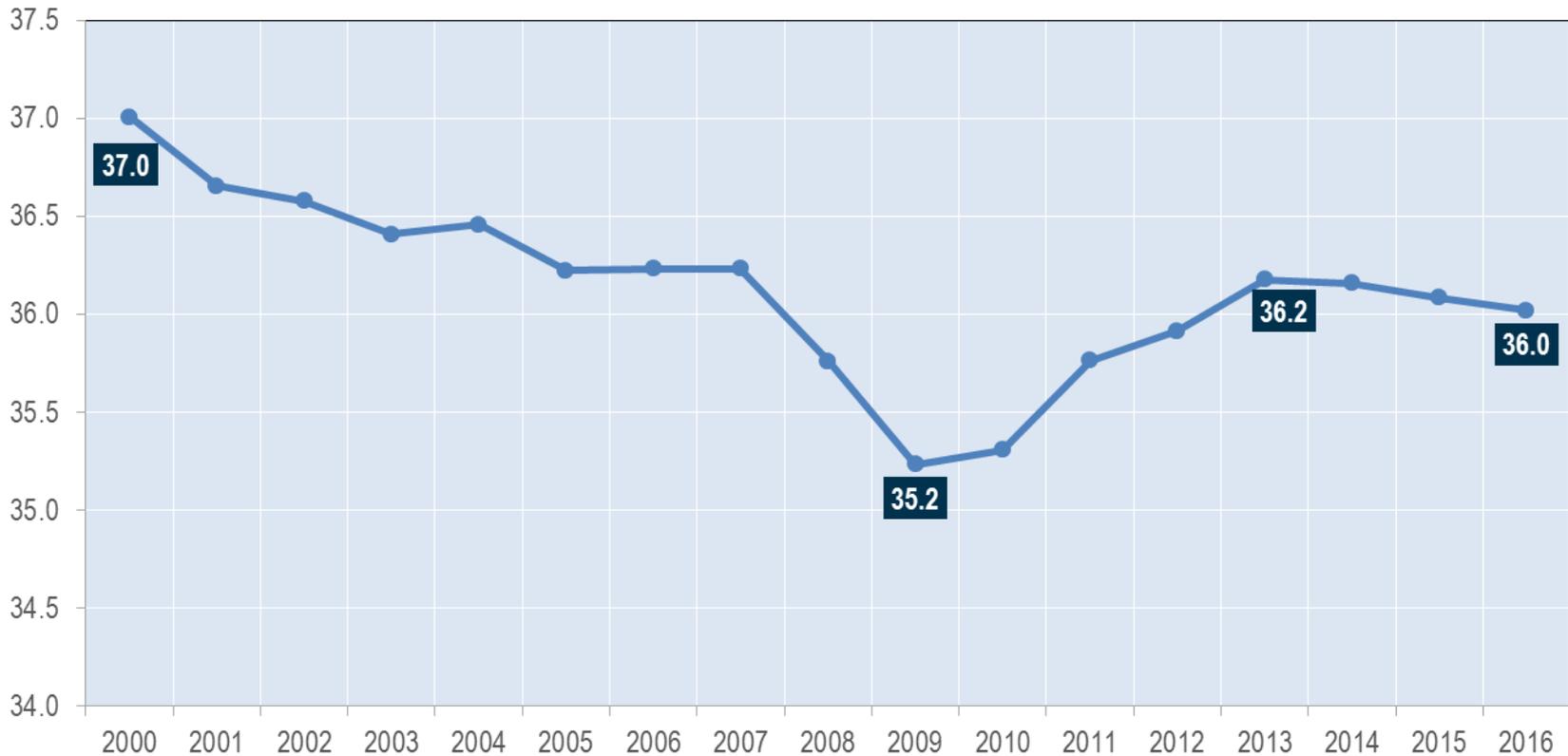
Personal income taxes have been reduced in many countries

- **Many tax reductions for low and middle income earners** (e.g. AUT, BEL, CAN, ISR, LUX, SVN)
- **Incentives to attract highly-skilled individuals** (ISR, ITA and PRT)
- **Continued tax increases on dividends and interests** (BEL, FIN, GRC, LUX, NOR, SVK, SWE)
- **No major cuts in social security contributions** except BEL, HUN, ITA



But overall effects on tax wedges are expected to be small

Evolution of the average tax wedge in the OECD between 2000 and 2016

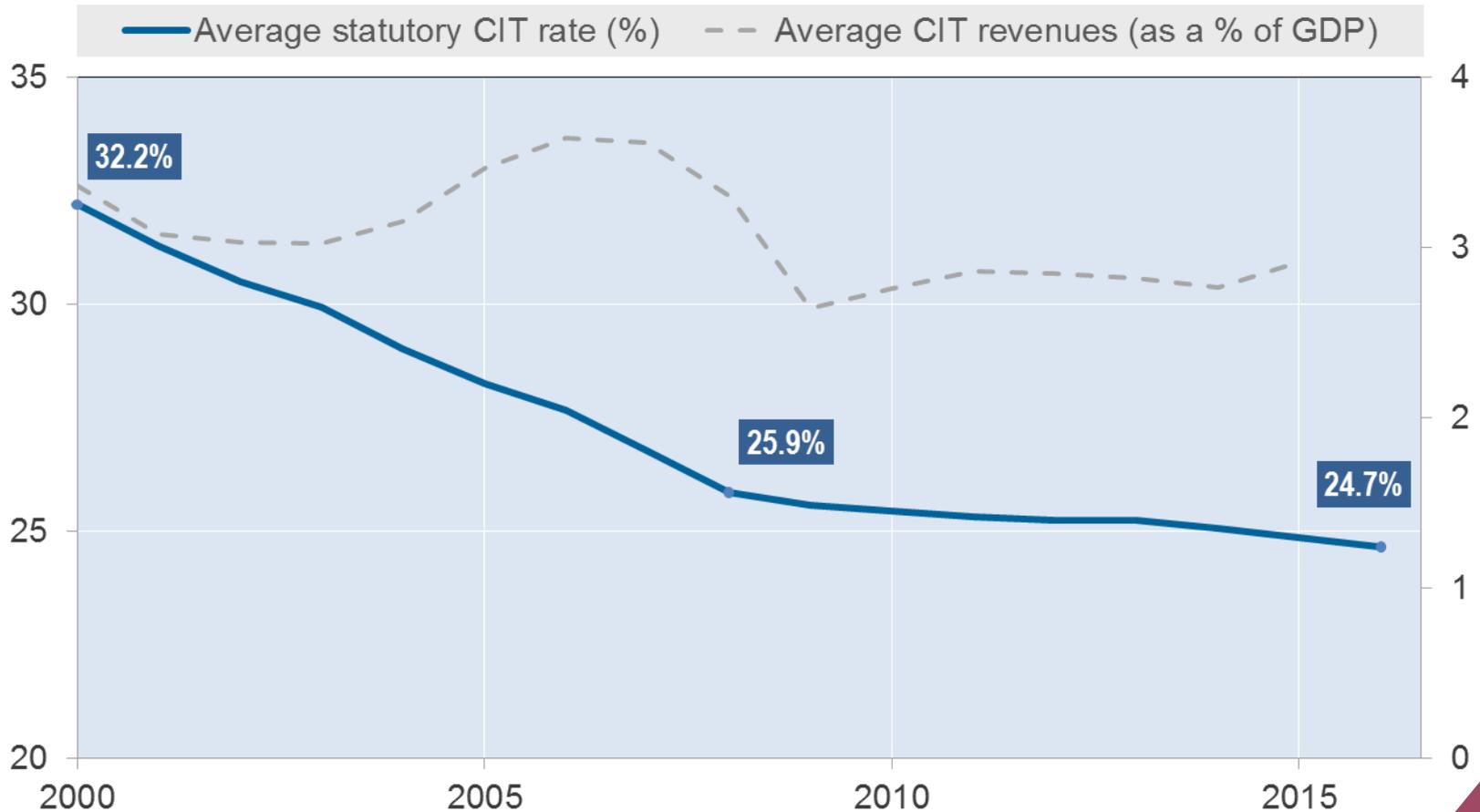


Source: OECD Taxing Wages Database



CIT rates have been falling, but less so in recent years

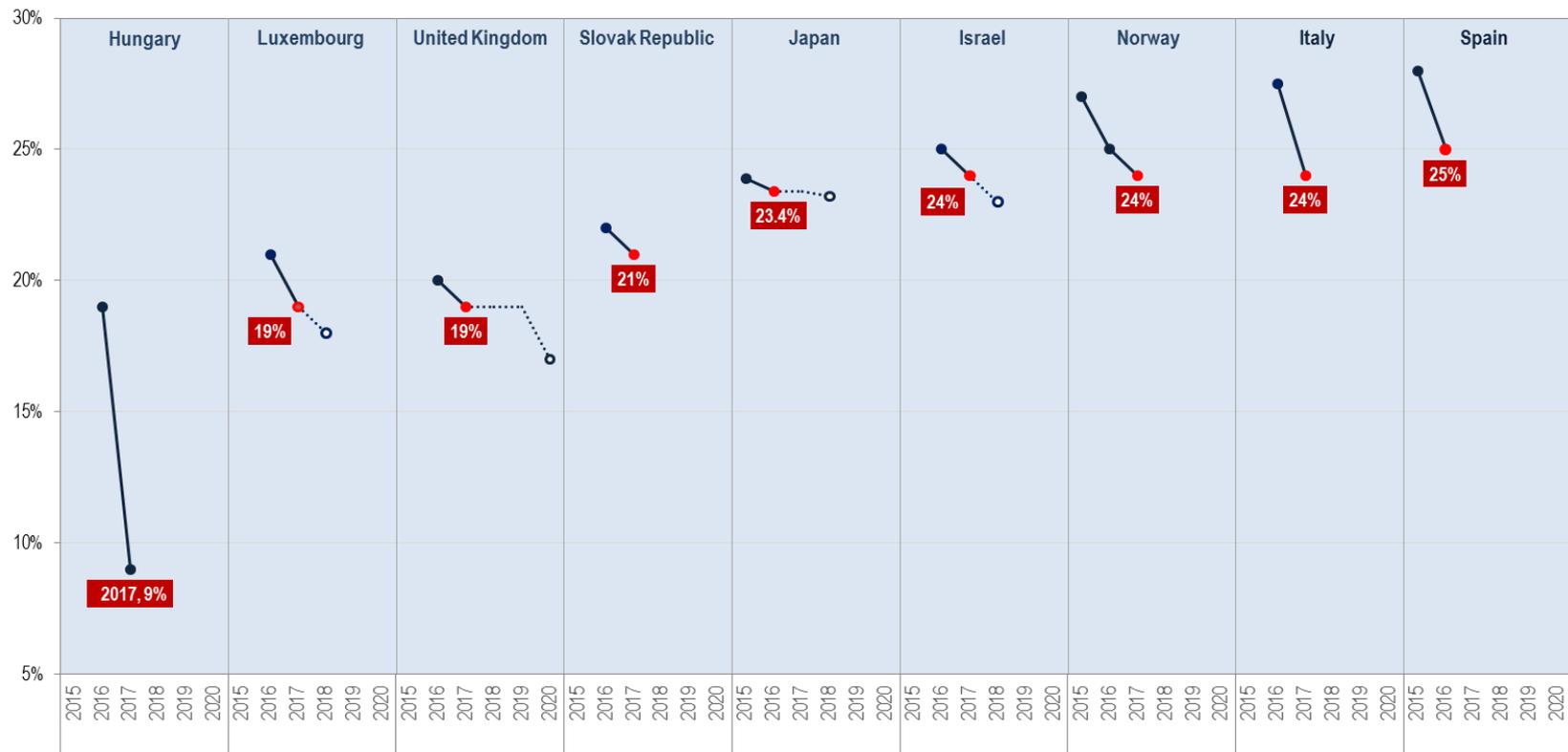
Evolution of the average statutory CIT rates and CIT revenues in the OECD





Competition on corporate tax rates is intensifying again

Changes to central statutory CIT rates implemented or legislated in 2016





In parallel, efforts have been made to broaden corporate tax bases

- **The implementation of BEPS-counter measures continued**

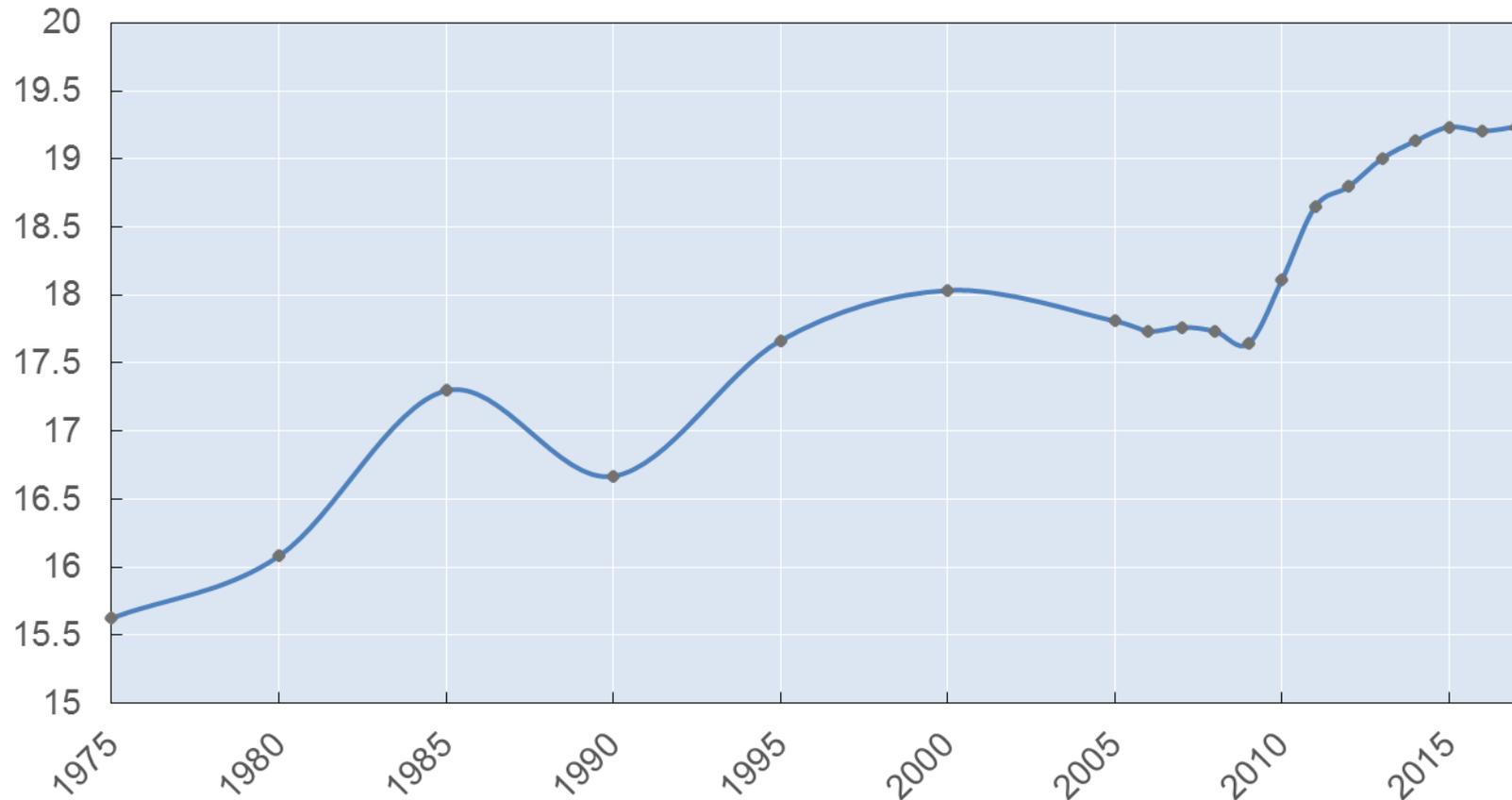
- **Domestic base broadening**, in particular restrictions to loss carryover provisions (ESP, GBR, JPN, KOR, LUX, LVA)

- **Base narrowing provisions: new or enhanced tax incentives**, in particular for IP-related income or R&D (e.g. HUN, ISL, ITA, MEX, POL)



The trend towards increasing standard VAT rates appears to have come to an end

Evolution of the average standard VAT rate in the OECD between 1975 and 2017





Excise duties were raised

- **Increased excise duties, especially on tobacco**
- **Increasing popularity of taxes on soft drinks**, new taxes in BEL and PRT and announcements in ESP, EST, GBR, IRL and ZAF
- **Taxes on transport fuels continued to be raised**, while fuels in other sectors remain taxed at low rates



Modest changes in property taxes

- **Increases in recurrent taxes on real estate and transaction taxes**
- **Tax increases on owners of multiple homes or buy-to-let properties to cool housing markets** (ISR, GBR)
- **Inheritance taxes, on the other hand, were generally lowered** (DNK, IRL, FIN, GBR and NLD)



Questions?

Send questions to Lawrence.Speer@oecd.org

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