Trends in labour taxes across OECD countries

The COVID-19 crisis resulted in the largest decrease in the average tax wedge since the global financial crisis of 2008-2009

Income tax plus employee & employer social security contributions minus cash benefits, as % of labour costs for the average OECD worker, 2000-2020

The tax wedge for the average single worker increased in 7 countries, remained unchanged in 1 and decreased in 29 between 2019 and 2020

Change in the average tax wedge in OECD countries between 2019 and 2020, in percentage points

Labour taxes vary considerably across OECD countries with the tax wedge for the average single worker ranging from 0% in Colombia to 51% in Belgium

Tax wedge for the average single worker in OECD countries, as % of labour costs (2020)

One-earner married couples with two children face a lower tax wedge than the average single worker

Tax wedge for one-earner married couples with 2 children vs single worker, as % of labour costs (2020)

Source: Taxing Wages 2021  http://oe.cd/taxingwages  #TaxingWages