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REVENUE STATISTICS OF OECD MEMBER COUNTRIES 1965-1991

The ratio of total tax revenues to Gross Domestic Product is widely used as an indicator of the relative weight of taxation in any one country over a period of time, or when countries are compared for the same period. For valid comparisons to be made, all taxes and compulsory contributions paid to governments have to be included in a consistent manner. Data published by the OECD for many years are designed to do this. The latest figures just published relate to 1990 with provisional estimates for 1991. They show that for 1990, Denmark, Luxembourg, the Netherlands, Norway and Sweden had the highest ratios (over 45 per cent for 1990). At the other extreme are Turkey and the United States, with ratios below 30 per cent (see Table 1 and Chart 1).

The data provided in this annual publication suggest the general upward trend in tax levels between 1965 and 1985 - a period when tax to GDP ratios increased in all OECD countries - has been reversed in many countries, particularly those which have undertaken major tax reforms. Since 1985 tax levels have fallen in Austria, Belgium, Denmark, France, Germany, Ireland, Norway, Switzerland and the United Kingdom; increased in Australia, Canada, Finland, Greece, Luxembourg, Iceland, Italy, Japan, the Netherlands, New Zealand, Portugal, Spain, Sweden, Turkey and the United States. Between 1989 and 1990 these tax ratios decreased in eight countries and increased in fourteen. Comparison of 1990 data with provisional estimates for 1991 show that in eight of the eighteen countries where data are available, the level of taxation fell and in ten it increased.

The publication enables comparisons to be made of the relative reliance on different sources of revenue in Member countries. In 1990 (see Table 2 and Chart 2) Australia, Denmark, Finland and New Zealand obtained more than 50 per cent of tax revenues from taxes on income and profits, whereas consumption taxes were the major source of revenue in Greece, Iceland, Ireland, Norway and Portugal and social security contributions in Austria, France, Germany, the Netherlands and Spain. In all countries, except Turkey, these sources of revenue account for at least 85 per cent of total tax receipts.

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Since 1985 the trend in a number of countries (Finland, Greece, Iceland, New Zealand, Portugal and Spain) has been to increase the relative reliance on consumption taxes, particularly the VAT which is now in operation in 21 Member countries (all except Australia, Switzerland and in the United States). Another recent tendency is the reduction in the relative importance of personal income tax. In New Zealand and Turkey, for example, the proportion of tax revenues obtained from this tax has substantially fallen.

Journalists may obtain a copy of the report from the OECD Press Division, 2 rue André-Pascal, 75775 Paris cedex 16 (Tel. 45 24 80 88 or 80 89).

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