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SPECIAL FEATURE:
TAXING FAMILIES

2001-2002

Les impôts sur les salaires

ÉTUDE SPÉCIALE :
LES IMPÔTS DES FAMILLES



TAXING WAGES

*Income Tax, Social Security Contributions
and Cash Family Benefits*

2001-2002

LES IMPÔTS SUR LES SALAIRES

*Impôts sur le revenu des personnes physiques,
cotisations de sécurité sociale et transferts sociaux*

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ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT
ORGANISATION DE COOPÉRATION ET DE DÉVELOPPEMENT ÉCONOMIQUES

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FOREWORD

This annual publication provides details of taxes paid on wages in all thirty member countries of the OECD.* The information contained in the report covers the personal income tax and social security contributions paid by employees and their employers, and cash benefits received by families with children. The objective of the report is to illustrate how personal income taxes and social security contributions are calculated and to examine how these levies and cash family benefits impact on net household incomes. The results also allow quantitative cross-country comparisons of labour cost levels and of the overall tax and benefit position of single persons and families.

The report shows the amounts of taxes, social security contributions and cash benefits for eight family-types, which differ by income level and household composition. It also presents the resulting average and marginal tax rates. Average tax rates show that part of gross wage earnings or total labour costs which is taken in tax and social security contributions. Marginal tax rates show the part of an increase of gross earnings or total labour costs that is paid in these levies.

Starting this year, the focus of the report has shifted to presenting accurate estimates of the tax/benefit position of employees in the edition year (2002). It is felt that this change of focus increases the relevance of the report for policy-making. In addition, the report shows definitive data on the tax/benefit position of employees for the year 2001.

The report is structured as follows. Part I reviews the main results for 2002 and 2001. Also, Part I offers a Special Feature describing the methods used by governments to provide special fiscal treatment to families. Generally, these policies imply that the effective tax rates faced by married couples and taxpayers with children are lower than those faced by single individuals. The main results are summarised in the comparative tables and charts included in Part II of the report. The methodology used – and its limitations – are set out in Part III. Country tables specifying the wage levels considered and the associated tax burdens for eight separate family-types are found in Part IV. The tax/benefit system of each country is described in greater detail in Part V.

The report has been prepared under the auspices of the Working Party on Tax Policy Analysis and Tax Statistics of the Committee on Fiscal Affairs and has benefited from financial support provided by the Commission of the European Communities. It is published on the responsibility of the Secretary-General of the OECD.

* Previous editions were published under the title *The Tax/Benefit Position of Employees* (1996-1998 editions) and *The Tax/Benefit Position of Production Workers* (editions published before 1996).

AVANT-PROPOS

Cette publication annuelle fournit une information unique sur la situation des salariés au regard de l'impôt et des transferts sociaux dans l'ensemble des trente pays membres de l'OCDE*. L'information contenue dans ce rapport couvre l'impôt sur le revenu des personnes physiques, les cotisations de sécurité sociale payées par les salariés et leurs employeurs ainsi que les allocations reçues par les familles ayant des enfants. Son objectif est de montrer comment sont calculés les impôts sur le revenu des personnes physiques et les cotisations de sécurité sociale ainsi que leur impact sur les revenus nets des ménages. De plus, les résultats permettent des comparaisons quantitatives entre pays sur les niveaux des coûts du travail et la situation globale des salariés célibataires et des familles au regard de l'impôt et des transferts sociaux.

Pour tous les pays de l'OCDE les montants d'impôts, des cotisations de sécurité sociale et d'allocations familiales sont détaillées cas par cas pour huit catégories de familles qui diffèrent selon le niveau des revenus et la composition familiale. Le rapport présente également les taux d'imposition moyens et marginaux qui en résultent. Les taux moyens d'imposition montrent quelle part des salaires bruts et des coûts du travail est contribué au fisc. Les taux marginaux montrent quelle partie de l'augmentation des salaires bruts (respectivement des coûts du travail) est payée en impôt sur les revenus et en cotisations de sécurité sociale.

A partir de cette année, le rapport met l'accent sur la présentation d'estimations exactes de la situation des salariés au regard de l'impôt et des prestations sociales pour l'année d'édition (2002). Il semble que ce changement d'orientation soit de nature à rehausser l'intérêt de ce rapport pour les responsables de la politique fiscale. En outre, le rapport indique des données précises sur la situation des salariés au regard de l'impôt et des prestations sociales pour l'année 2001.

La partie I du rapport résume les résultats de 2002 et 2001. Par ailleurs, la partie I contient une étude spéciale qui décrit les méthodes utilisées pour accorder un régime fiscal spécial aux familles. Il résulte en général de ces dispositions que les taux d'imposition effectifs applicables aux couples mariés et aux contribuables ayant des enfants à charge sont plus faibles que ceux qui sont applicables aux personnes isolées. Les résultats détaillés sont rapportés dans les tableaux comparatifs et les graphiques à la partie II du rapport. La méthodologie utilisée – et ses limites – est explicitée à la partie III. Les tableaux par pays spécifiant les niveaux des revenus pris en compte et les taux d'imposition associés pour huit catégories de familles se trouvent à la partie IV. Les systèmes nationaux décrivant la situation des salariés au regard de l'impôt sont à la partie V.

Ce rapport a été réalisé sous l'égide du Groupe de travail sur l'analyse des politiques et les statistiques fiscales du Comité des affaires fiscales et a bénéficié du soutien financier de la Commission des Communautés européennes. Il est publié sous la responsabilité du Secrétaire général de l'OCDE.

* Les éditions antérieures de ce rapport étaient publiées sous les titres *La situation des salariés au regard de l'impôt et des transferts sociaux* (éditions 1996 à 1998) et *La situation des ouvriers au regard de l'impôt et des transferts sociaux* (éditions avant 1996).

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Part I

BASIC METHODOLOGY AND MAIN RESULTS

Every year, the OECD releases the *Revenue Statistics*, a publication providing internationally comparative data on tax levels and tax structures in its thirty member countries. However, the *Revenue Statistics* report is silent on tax burdens experienced by representative taxpayers. This companion volume tries to fill part of that gap by indicating how much tax is paid by particular categories of taxpayer. The methodology is set out briefly in Section A and described in more detail in Part III of this report.

The present edition provides estimates of tax burdens and of the tax “wedge” between labour costs and net take-home pay for 2002, summarised in Section B below. Section C in Part III specifies how wage levels of the average production worker in 2002 have been estimated. The report also presents definitive results for 2001 and discusses the changes between 2001 and 2002 (see Section C). Section D traces trends in tax burdens of average production workers over the past twenty-three years. Section E reviews major changes of the tax “wedge” between labour costs and net take-home pay in recent years.

A. BASIC METHODOLOGY

This section briefly introduces the methodology employed for this report, which focuses on employees. It is assumed that their annual income from employment is equal to a given fraction of the average gross wage earnings of adult, full-time workers in the manufacturing sector of each OECD economy. Additional assumptions are made regarding other relevant personal circumstances of these wage earners to enable their tax/benefit position to be determined. The taxes included in the present report are confined to personal income tax, social security contributions, and more rarely payroll taxes, (which, in this report are aggregated with employers' social contributions in the calculation of tax rates), payable on gross wage earnings. Consequently, any income tax that might be due on non-wage income, as well as all other kinds of taxes – *e.g.* corporate income tax, net wealth tax and consumption taxes – are not taken into account in this report. The benefits included are those paid by general government as universal cash transfers in respect of dependent children.

Personal average tax rate is the term used when personal income tax and/or employees' social security contributions are expressed as a percentage of gross wage earnings.

Tax wedges – between labour costs to the employer and the corresponding net take-home pay of the employee – are calculated by expressing the sum of personal income tax, employee plus employer social security contributions together with any payroll tax, minus benefits as a percentage of labour costs. To determine total labour costs, employer social security contributions and – in some countries – payroll taxes must be added to gross wage earnings of employees.

Thus, *Taxing Wages* seeks to determine the combined effect of personal income taxes, social security contributions and universal family cash benefits on the net incomes of various illustrative family-types. Information is provided on employees at comparable levels of income.

B. RESULTS FOR 2002

Table I.1 shows gross wage earnings of the average production worker in each OECD member country for years 2001 (column 2) and 2002 (column 3). The annual change of the nominal wage of an average production worker – shown in column 4 – varied between –1.3 per cent (Japan) and 28.2 per cent (Turkey). To a large extent, this significant spread reflects the different inflation levels of individual OECD countries – see column 5 of Table I.1. The annual change of real wage levels (before personal income tax and employee social security contributions) is found to be in the 0-4 per cent range for almost all countries; see column 6 of Table I.1. Only Hungary (5 per cent), the Slovak Republic –1.9 per cent) and Turkey (–20.5 per cent) show changes in real wage before tax outside this range. It is important to note that figures reported here do not necessarily represent the change of the purchasing power of average employees at the individual level, for a number of reasons that are discussed in Part III dealing with the limitations of the methodology used for this report.

The real disposable wage of the average production worker is also influenced by the change in the personal average tax rate – shown in column 7 of Table I.1. In 2002, in almost all countries the change of the tax burden at the average production workers' wage level remained between minus one and plus a half per cent. In 2002, the average tax rate fell steepest in Hungary (–2.6 percentage points), Luxembourg (–2.7 percentage points) and the Netherlands (–4.2 points).¹

Table I.1. Comparison of wage levels

	Gross wage in national currency		Annual change 2002/2001 (in percentage)			
	2001	2002	Gross wage	Inflation ¹	Real wage before tax	Change in tax burden ²
Australia	44 215	45 851	3.70	2.8	0.90	0.30
Austria	23 401	23 963	2.40	1.7	0.70	0.40
Belgium	30 032	31 173	3.80	1.8	2.00	–0.30
Canada	37 627	38 568	2.50	1.9	0.60	0.20
Czech Republic	192 024	206 042	7.30	3.2	4.10	0.50
Denmark	293 000	305 306	4.20	2.1	2.10	–0.20
Finland	27 045	28 126	4.00	1.7	2.30	–0.70
France	21 371	21 884	2.40	1.6	0.80	–0.50
Germany	32 384	33 226	2.60	1.5	1.10	0.50
Greece	10 961	11 575	5.60	3.4	2.20	–1.20
Hungary	956 412	1 056 835	10.50	5.5	5.00	–2.60
Iceland	2 128 700	2 277 709	7.00	6.2	0.80	0.30
Ireland	23 762	25 330	6.60	3.7	2.90	–0.50
Italy	20 901	21 466	2.70	2.3	0.40	0.30
Japan	4 310 304	4 254 270	–1.30	–1.2	–0.10	0.00
Korea	20 428 200	21 653 892	6.00	3.3	2.70	–0.50
Luxembourg	30 303	31 363	3.50	2.1	1.40	–2.70
Mexico	55 223	58 812	6.50	4.6	1.90	0.20
Netherlands	29 474	30 919	4.90	3.4	1.50	–4.20
New Zealand	38 078	39 411	3.50	2.5	1.00	0.50
Norway	278 000	291 900	5.00	1.2	3.80	0.00
Poland	24 118	25 396	5.30	3.5	1.80	0.00
Portugal	7 981	8 325	4.30	3.1	1.20	0.00
Slovak Republic	148 380	153 696	3.58	5.5	–1.92	–0.90
Spain	15 716	16 219	3.20	2.8	0.40	0.30
Sweden	231 134	241 766	4.60	2.6	2.00	–1.30
Switzerland	62 726	64 231	2.40	0.6	1.80	0.10
Turkey	7 751 832 876	9 938 274 440	28.21	48.7	–20.49	–0.90
United Kingdom	18 950	19 708	4.00	2.3	1.70	0.10
United States	31 220	32 188	3.10	1.8	1.30	–0.10

1. Measured as projected changes in consumer prices.

2. Difference between the personal average tax rate of the average production worker (single without children) in 2001 and 2002, respectively.

Sources: Country submissions; OECD *Economic Outlook*, June 2002, page 225.

Table I.2 summarises personal average tax rates – defined as income tax plus employee social security contributions as a percentage of gross wage earnings – in 2002. At the average earnings level, single workers without children pay over 40 per cent of their annual wages in personal income tax and employee social security contributions in Denmark, Belgium and Germany. In Greece, Ireland, Japan, Korea, Mexico, Portugal, the Slovak Republic and Spain the personal average tax rate was below 20 per cent. The mix of taxes paid out of gross wage earnings varies greatly between countries. Chart I.1 details the mix of personal income tax and employee social security contributions for single workers in all OECD member countries. For married one-earner couples with two young children, the gap between gross wage earnings and net take-home pay is generally smaller than it is for single workers, with Greece, Mexico and Turkey being exceptions. And in Iceland, Ireland and Luxembourg, when cash benefits for children are taken into account, the net transfer becomes positive (see Chart I.2).

In most OECD countries, employers contribute significantly to financing the social security system. In addition, some countries impose un-earmarked payroll taxes. Apart from non-cash fringe benefits, labour costs consist of gross wages paid to employees plus these employer social security contributions and payroll taxes (if any). In 2002, the tax wedge between total labour costs to the employer and the corresponding net take-home pay to workers, at average earnings levels, ranged from a low 16 per cent in Korea and Mexico to 51 per cent in Germany and 55 per cent in Belgium (see Table I.3).

In Greece, Korea and Mexico, single employees at average earnings pay hardly any income tax, whereas in Denmark they pay 32 per cent. Employees' contributions to their social security also vary

Table I.2. **Income tax plus employee social security contributions¹**
(as % of gross wage earnings), 2002

Country ²	Income tax	Social security contributions	Total payment ³	Gross wage earnings ⁴
Denmark	33	11	43	36 476
Germany	21	21	41	34 975
Australia	24	0	24	33 964
Switzerland	10	12	21	33 806
Belgium	27	14	41	33 519
Luxembourg	8	14	22	33 014
Netherlands	7	22	29	32 546
Canada	19	6	26	32 410
United States	17	8	24	32 188
Norway	21	8	29	32 148
United Kingdom	16	8	23	29 861
Korea	2	7	9	29 575
Japan	6	10	16	29 215
Finland	26	6	32	28 410
Italy	19	9	28	26 833
New Zealand	20	0	20	26 629
Austria	11	18	29	26 333
Sweden	23	7	30	25 106
Ireland	11	5	16	25 079
Iceland	22	0	22	24 118
France	13	13	27	23 281
Spain	13	6	19	20 794
Greece	1	16	16	16 076
Turkey	15	15	30	14 294
Czech Republic	11	13	24	13 801
Poland	6	25	31	13 509
Portugal	5	11	16	12 425
Slovak Republic	7	13	19	9 618
Hungary	17	13	29	9 041
Mexico	2	2	4	8 965

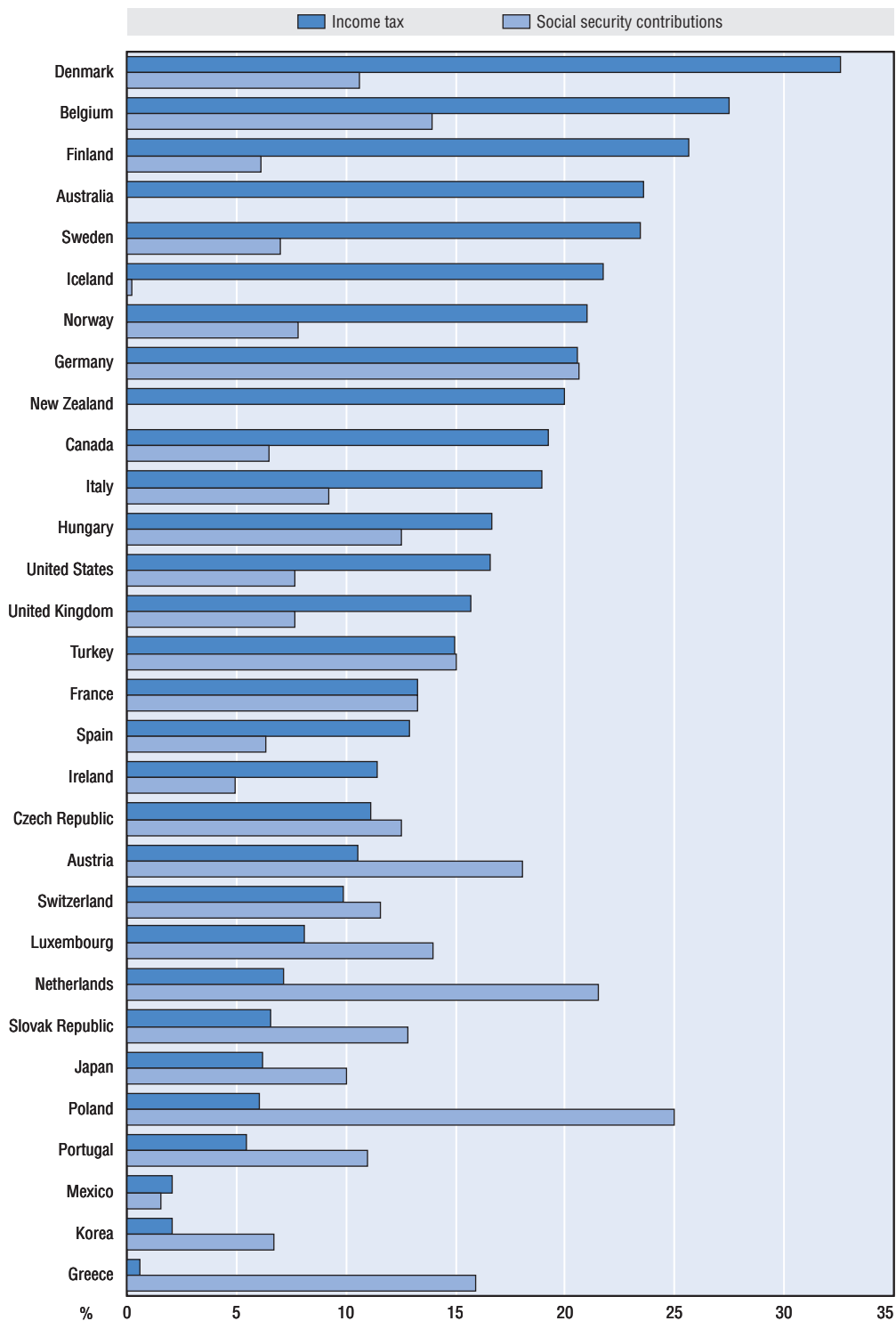
1. Single individual without children at the income level of the average production worker. Note that such workers do not receive family benefits.

2. Countries ranked by decreasing gross wage earnings.

3. Due to rounding total may differ one percentage point from aggregate of columns for income tax and social security contributions.

4. Dollars with equal purchasing power.

Chart I.1. Percentage of gross wage earnings paid in income tax and employees social security contributions, 2002^{1,2}

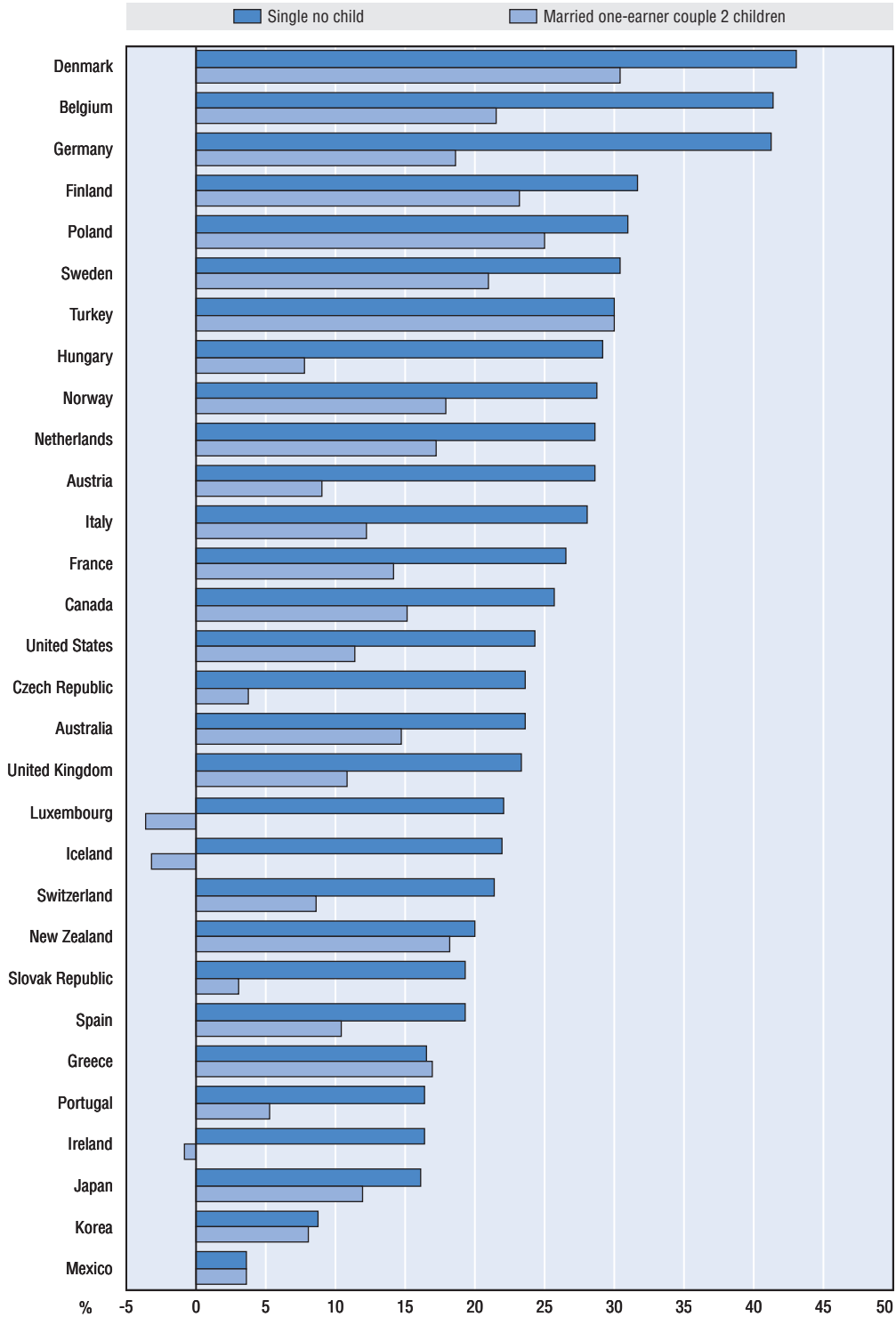


1. Countries ranked by decreasing tax burden.

2. Single workers at the income level of the average production worker.

Source: OECD.

Chart I.2. **Income tax plus employee social security contributions less cash benefits, by family-type**
(as % of gross wage earnings), 2002^{1, 2}



1. Countries ranked by decreasing single no child rates.
 2. Corresponds to Table 4, columns 2 and 5.
 Source: OECD.

Table I.3. **Income tax plus employees' and employers' social security contributions (as % of labour costs), 2002¹**

Country ²	Income tax	Social security contributions		Total ³	Labour costs ⁴
		Employee	Employer		
Belgium	21	11	24	55	43 906
Germany	17	17	17	51	42 197
Switzerland	9	10	10	30	37 710
Luxembourg	7	12	12	32	37 573
Denmark	32	11	1	43	36 690
Norway	19	7	11	37	36 262
Netherlands	6	19	10	36	36 019
Italy	14	7	25	46	35 709
Finland	20	5	20	45	35 513
Canada	18	6	7	31	34 793
United States	15	7	7	30	34 650
Austria	8	14	23	45	34 030
Australia	24	0	0	24	33 964
Sweden	18	5	25	48	33 345
France	9	9	29	48	32 856
United Kingdom	14	7	8	30	32 557
Japan	6	9	10	24	32 287
Korea	2	6	8	16	32 116
Ireland	10	4	10	24	27 775
Spain	10	5	23	38	27 156
New Zealand	20	0	0	20	26 629
Iceland	21	0	5	26	25 379
Greece	0	12	22	35	20 570
Czech Republic	8	9	26	43	18 631
Turkey	12	12	18	42	17 367
Poland	5	21	17	43	16 268
Portugal	4	9	19	32	15 376
Slovak Republic	5	9	28	42	13 249
Hungary	13	9	24	46	11 934
Mexico	2	1	13	16	10 295

1. Single individual without children at the income level of the average production worker. Note that such workers do not receive family benefits.
2. Countries ranked by decreasing labour costs.
3. Due to rounding total may differ one percentage point from aggregate of columns for income tax and social security contributions.
4. Dollars with equal purchasing power.

widely, ranging from zero per cent in Australia, Iceland and New Zealand to 21 per cent of labour costs in Poland. Employers pay 29 per cent of total labour costs in social security contributions in France, 28 per cent in the Slovak Republic and 26 per cent in the Czech Republic. In contrast, employers in Australia and New Zealand are not subject to these levies, while in Denmark employer contributions are negligible.

Clearly, the impact of taxes and benefits on worker's take-home pay varies greatly among OECD countries. Such wide variations in the size and make-up of tax wedges reflect in part differences in:

- i) the overall ratio of aggregate tax revenues to Gross Domestic Product (see Annex II);
- ii) the share of personal income tax and social security contributions in national tax mixes;
- iii) the proportion of public expenditures financed by tax revenues.

This Section continues by commenting on Tables 1-11 and Charts 1-6 included in Part II, Sections A and C. All these summary tables show results for eight family-types, characterised by different family status (single/married, 0-2 children), economic status (one-/two-earner household) and wage level (33 per cent, 67 per cent, 100 per cent and 167 per cent of annual gross wage earnings of an average production worker).

Table 1 in Part II, Section A shows personal income tax due as a percentage of gross wage earnings. For single persons without children at the wage level of an average production worker (APW) – see column 2 of the table – the average income tax rate varies between 0.6 per cent (Greece) and 32.5 per cent (Denmark). In most OECD member countries, at the APW wage level, the income tax burden for one-earner married couples with two children is substantially lower than that faced by single persons (compare columns 2 and 5). This is clearly illustrated in Chart 1 (see Part II, Section C). Australia, Finland, Mexico, New Zealand, Sweden and Turkey are the exceptions here, because they impose the same tax rate on one-earner married couples and single persons (with identical wage earnings).

Germany is the only OECD member country where a married average production worker does not pay any personal income tax and is entitled to a so-called non-wastable tax credit which explains the tax burden of –2 per cent. Similarly, in four countries – Germany, Mexico, the United Kingdom and the United States – single parents with two children earning two-thirds of the APW wage receive a transfer payment through the income tax system which exceeds the amount of tax due. As a consequence, for these cases column 4 of Table 1 also shows a negative tax burden. In six other countries – Greece, Hungary, Ireland, Luxembourg, Portugal and Spain – this family-type effectively pays no income tax.

A comparison of columns 5 and 6 in Table 1 demonstrates that if the spouse finds a job which pays one-third of the APW wage level, the income tax burden of the family (now expressed as a percentage of 1.33 times the APW wage level) will in most cases (slightly) rise. However, the tax burden actually falls in thirteen countries: Greece (–0.3 point), Korea (–0.4 point), France and Hungary (–0.6 point), New Zealand and Turkey (–0.8 point), the Netherlands (1 point), Sweden (–1.3 points), Austria (–1.4 points), Australia (–3.3 points), Finland (–3.5 points), and Mexico (–4.7 points).

Table 2 shows employees' social security contributions as a percentage of their gross wage earnings. For a single worker without children at the APW wage level (column 2) the rate of contributions varies between zero per cent (Australia and New Zealand) and 25 per cent (Poland). Only two OECD member countries – Australia and New Zealand – levy no social security contributions at all on employees, though they are very low for employees in Iceland and Mexico. Social security contributions are usually levied at a flat rate on all earnings, *i.e.* without any exempt threshold. In a number of OECD member countries a ceiling applies. However, this “capping” provision usually applies to wage levels higher than 167 per cent of the APW wage. This particular rate structure is reflected in a roughly constant average burden of employee social security contributions over the whole range of 33 per cent to 167 per cent of APW earnings as indicated in Table 2. Some typical examples of the proportional burden of employee social security contributions for all family-types at all wage levels considered here, are Poland (25 per cent), Austria (18.1 per cent), Greece (15.9 per cent), Turkey (15 per cent), Luxembourg (14 per cent), the Czech Republic and Hungary (12.5 per cent), Portugal (11 per cent), Norway (7.8 per cent), the United States (7.7 per cent) and Korea (6.7 per cent).

Also, with the exception of the Netherlands, at the 100 per cent APW wage level all OECD member countries impose the same burden of social security contributions on employees, regardless of their family status (see Chart 2 on page 109).

Table 3 presents the combined burden of the personal income tax (shown in Table 1) and social security contributions (shown in Table 2), again expressed in the form of average tax rates. The spread between the highest and the lowest personal average tax rate is considerably narrower than the variation in employee social security contribution burdens, because countries with high contribution rates tend to levy personal income tax at relatively lower rates, and conversely. Also, in most OECD countries social security contributions are deductible for personal income tax purposes, reducing the average burden of income tax. A single person without children at the APW wage level is liable to an average tax plus contributions burden of over 40 per cent in Denmark (43.1), Belgium (41.4) and Germany (41.2). At the other extreme, the personal average tax rate is below 20 per cent in Mexico (3.6), Korea (8.7), Japan (16.2), Ireland (16.4), Greece and Portugal (16.5), Spain (19.2), and the Slovak Republic (19.3).

Table 4 exhibits the combined burden of income tax and employee social security contributions, still in the form of personal average tax rates, but in this case after levies due have been reduced by the

amount of universal cash benefits each specific family-type is entitled to. Chart 3 (see page 110) illustrates this burden for single individuals without children and married one-earner couples with two children, respectively. Comparing Tables 3 and 4, only the average tax rates for families with children (columns 4-7) are in a number of cases lower in Table 4, because many OECD countries support families with children through cash benefits. That is why the average rates for Germany, Greece, Japan, Korea, Mexico, Spain, Turkey and the United States – all countries without universal cash child allowances – are identical in Tables 3 and 4.

Table 5 and Chart 4 (see page 111) extend the presentation to include employers' social security contributions. In this case total levies due minus transfers received are expressed as a percentage of total labour costs, that is gross wage *plus* employers' social security contributions. The gap between labour costs and the corresponding net take-home pay is also known as the "wedge". The wedges shown reflect the fact that most countries with high personal average tax rates tend to levy employers' social security contributions at relatively lower rates, and conversely. In the case of a single person at the APW wage level the wedge ranges from around 16 per cent (Korea, Mexico) and 20 per cent (New Zealand) to 51.3 per cent (Germany) and 55.3 per cent (Belgium).

The negative numbers for Australia, Iceland, Ireland and the United Kingdom in column 4 of Table 5 are due to the fact that for single parents with two children earning two-thirds of the APW wage, cash benefits received exceed income tax and contributions due.

Table 6 and Chart 5 (see page 112) show the additional personal income tax and employee social security contributions paid when gross wage earnings rise marginally. In most cases, personal income tax and employee social security contributions absorb 30-50 per cent of a worker's pay rise. However, in three OECD countries single workers without children at the APW wage level face significantly higher marginal rates. *i.e.* in Belgium (54.8 per cent), Germany (57.2 per cent) and Denmark (62.9 per cent). Korea (12.3 per cent) and Mexico (15.7 per cent) have the lowest marginal tax rates.

In most countries, the marginal tax rate for married one-earner couples at the APW wage level is the same as for single persons with no children, or it is a couple of points lower. Luxembourg (23.2 percentage points lower) and France (2.1 points) show much lower rates for married one-earner couples. By contrast, in the Czech Republic (almost 13 points higher), the United States (21 points), New Zealand (30 points) and the United Kingdom (over 37 points) the marginal rate for married one-earner couples with two children is much higher than it is for single persons with no children. High marginal rates at the lower end of the wage distribution are in these cases due to the existence of income-tested family support in the Czech Republic, the Earned Income Tax Credit (United States), various tax credits for families with children (New Zealand) and the Working Families Tax Credit (WFTC) in the United Kingdom, respectively. These programmes are set out in greater detail in the relevant country chapters, in Part V of the report.

Of all cases considered in Table 6, the highest marginal rates (69.4 per cent) for lone parents with two children at two-thirds of the APW wage level and for one-earner families with two children at the APW wage level occur in the United Kingdom. Such high rates are a direct consequence of the reduction in the value of the WFTC as income rises, which in the case of the United Kingdom adds 37.4 percentage points to the implicit marginal tax rate (compare columns 1 and 4 of Table 6).

Table 7 and Chart 6 (see page 113), which also take into account employers' social security contributions, trace the "all-in" marginal tax rate, or marginal wedge. Assuming a marginal increase in labour costs, Table 7 shows the percentage of the rise in labour costs that ends up in the public sector through the personal income tax and both employee and employer social security contributions. In most OECD member countries these marginal wedges are higher than the marginal rates paid by workers, which illustrates the importance of employers' contributions to financing social security.

The numbers in Tables 6 and 7 are identical for Australia and New Zealand, since in these countries employers do not pay any compulsory contributions to finance the social security system (so labour costs are equal to gross wage earnings). In the case of Denmark, the difference is very small and shown as zero. Only in Poland (45.3 per cent) are the "all-in" marginal tax rates the same for all family-types

under review, although in the case of Norway and Turkey the marginal wedge is identical for seven out of the eight family-types considered.

Table 8 shows the percentage increase in net income when gross wage earnings increase by 1 per cent, *i.e.* the elasticity of after-tax income. Under a proportional tax system, net income would also increase by 1 per cent, in which case the elasticity is equal to 1. When an increase of gross wage by 1 per cent leads to a corresponding rise of net take-home pay by only 0.8 per cent, the elasticity is measured as 0.8. The more progressive the system is – at the income level considered – the lower this elasticity will be. In the case, for example, of the married one-earner household at the APW wage level, column 5 of Table 8 shows that of all OECD member countries the United Kingdom (0.34), New Zealand (0.45), Iceland (0.55) and the United States (0.56) have, on this measure, the most progressive system of income tax plus employee social security contributions at this income level. At the other extreme, France and Japan (0.92), Korea (0.95) and Turkey (0.96) are close to a nearly proportional system of income tax plus employee social security contributions – at least at the wage level of average production workers.

In the case of single parents with two children earning two-thirds of the APW wage, an extremely low elasticity figure is shown for the UK (0.26), reflecting the very high marginal rates experienced by this family-type (compare Table 6, column 4).

Table 9 provides a different measure of income after tax: the percentage increase in net income when labour costs (*i.e.* gross wage earnings plus employer social security contributions) rise by 1 per cent. In this case social security contributions paid by employers have also been included in the analysis. In most OECD member countries the value of this elasticity lies between 0.70 and 0.90 for most of the family-types considered. For one-earner married households at the APW wage level the elasticity is below 0.5 in the United Kingdom (0.33) and New Zealand (0.45). Korea shows an elasticity of nearly 1.

Table 10 specifies gross wage earnings and net income for the eight selected family-types. After all amounts have been converted into US dollars with the same purchasing power, single workers with the APW wage take home (see Table 10, column 4) the highest amount in Korea (USD 26 989) and Switzerland (USD 26 553). Average production workers pocket only USD 6 406 after taxes in Hungary, USD 7 758 in the Slovak Republic, USD 8 639 in Mexico and USD 9 316 in Poland, reflecting the stage of economic development of these countries.

The ordering of countries may slightly change if the focus is on other family-types, depending on the relative tax burden countries impose on single persons in relation to one- and two-earner families, and the amount of universal cash transfers to families.

Labour costs and net income for the selected eight family-types are shown in Table 11. The “net” columns in Tables 10 and 11 are identical, but in Table 11 the amounts in the “gross” column refer to total labour costs for employers instead of wage earnings of employees. Usually, labour costs are found to be much higher, because any employers’ social security contributions are now taken into account, except in the cases of Australia and New Zealand, where employers pay no such contributions. In Denmark, employer contributions for social security are negligible. If measured in US dollars with equal purchasing power, labour costs for single workers earning average wages are the highest in Belgium (USD 43 906) and Germany (USD 42 197), and the lowest in Mexico (USD 10 295) and Hungary (USD 11 934).

C. RESULTS FOR 2001

This section reviews very briefly the definitive results for 2001 reported in Tables 12-22 of Section B in Part II of the report and what they show about changes between 2001 and 2002. The format of Tables 12-22 is identical to that of Tables 1-11 reviewed in the preceding Section B. Thus, changes between 2001 and 2002 for the various cases considered can be traced by comparing the same columns in

Tables 12-22, to those in Tables 1-11. The following commentary on Tables 12-22 focuses on changes in tax burdens and marginal tax rates for single employees without children at the APW wage level (column 2 of the tables) and for married one-earner families with two children at the APW wage level (column 5 of the tables). Comparing the columns 1, 3-4 and 6-8 of the tables would give the results for the remaining six family-types distinguished in this report. Moreover, generally only changes exceeding 1 percentage point (average effective rates) and 5 percentage points (marginal effective rates) are flagged.

Table 12 provides information on personal income tax due as a percentage of gross wage earnings. In half of the OECD member countries, in year 2002 single persons at average earnings paid (slightly) more in income tax than in year 2001. In contrast, in the remaining countries the average income tax rate fell (somewhat). Changes between 2002 and 2001 in average income tax rates rarely exceeded one percentage point, exceptions being Greece and Sweden where the burden dropped by 1.2 percentage points, the Netherlands (-1.7),² Luxembourg (-2.7) and Hungary where it fell by 2.6 points; compare column 2 of Tables 1 and 12.

The reduction in the income tax burden of one-earner married couples at the APW wage level exceeded one percentage point in Sweden (-1.2 percentage points), the Slovak Republic (-1.3), Hungary and Italy (-1.6) and the Netherlands (-1.7). The average income tax rate of one-earner married couples did not increase by more than one percentage point in any OECD member country compare column 5 of Tables 1 and 12.

Table 13 provides information on employee social security contributions as a percentage of gross wage earnings. For single persons at average earnings, changes between 2002 and 2001 in the average burden of employee social security contributions did not exceed one percentage point, except in the case of the Netherlands where the burden of such contributions fell by 2.6 points; compare column 2 of Tables 2 and 13. The burden of contributions of one-earner married couples at this income level fell by 3.2 points in the Netherlands; compare column 5 of Tables 2 and 13.

Table 14 presents the combined burden of income tax and employee social security contributions in the form of personal average tax rates. There is no need for commentary given that the results presented represent the sum of the figures shown in Tables 12 and 13.

Table 15 provides the combined burden of income tax and social security contributions while levies due have been reduced by the amount of cash family benefits received by each qualifying family-type. For single persons at average earnings, changes between 2002 and 2001 are identical to those reported in Table 14. Reductions in the average tax rate of one-earner married couples exceeding one percentage point are noted for Italy (-1.3), the Slovak Republic (-1.6), Hungary (-2.1), Luxembourg (-2.9), Ireland (-3.1) and the Netherlands (-4.9). On the other hand, the average tax rate increased in New Zealand by 1.5 points; compare column 5 of Tables 4 and 15.

Table 16 extends the presentation to include employers' social security contributions. In this case all amounts due (less transfers received) are expressed as a percentage of total labour costs, that is gross wage plus employers' social security contributions. In nearly all countries, changes in the gap between total labour costs and the corresponding net take-home pay in 2002 as compared to 2001 remain within plus or minus two percentage points. However, for the single average production worker, the wedge in Luxembourg (-2.4 points), Hungary (-2.7 points) and the Netherlands (-6.7 points) was reduced substantially more. At the other extreme, Mexico shows an increase of the wedge by 1.7 percentage points; compare column 2 of Tables 5 and 16. For married one-earner couples also, the wedge increased nowhere by more than 1.7 percentage points (Mexico). At the other extreme, the wedge for married one-earner couples shrank by more than two points in Luxembourg (-2.5), Hungary (-2.6), Ireland (-3.8) and the Netherlands (-7.8); compare column 5 of Tables 5 and 16.

Table 17 shows the marginal rate of income tax plus employee social security contributions minus benefits by family-type and wage level. Generally, changes between 2001 and 2002 in the marginal rate remain within the range of plus or minus five percentage points. Only changes outside this range are summarised. For single workers at average earnings in Denmark the marginal rate increases by just over 13 points. In Luxembourg their counterparts saw the marginal rate drop by 3.6 points; compare column 2 of Tables 6 and 17.

For one-earner married families with two children at average earnings there is between 2001 and 2002 a significant increase in the marginal rate of income tax plus employee social security contributions in Denmark (13.1 points). In Australia the marginal rate for this family-type decreased by a hefty 30 points; compare column 5 of Tables 6 and 17.

Table 18 shows the marginal wedge (rate of income tax plus employee and employer social security contributions minus benefits) in 2001. For the two family-types considered here, changes in this marginal wedge are very similar to those reported in Table 17. Therefore, they are not reviewed separately.

Table 19 shows the increase in net income (in per cent) after a 1 per cent increase in gross wage. At the margin, between 2001 and 2002 single workers at the average wage level gained 0.23 percentage point in Denmark, and lost 0.02 point in Luxembourg; compare column 2 of Tables 8 and 19. For married one-earner couples the most significant changes occurred in Australia (a loss of 0.35 point) and Denmark (plus 0.19); compare column 5 of Tables 8 and 19.

Table 20 shows the increase in net income (in per cent) after a 1 per cent increase in labour costs. At the margin, single workers at the average wage level gained most in Denmark (an increase in the ratio of 0.23 point) and the Netherlands (0.09 point), and lost 0.02 point in Luxembourg; compare column 2 of Tables 9 and 20. For married one-earner couples the most significant changes occurred in Australia (a drop in the ratio of 0.35 point), the Netherlands (plus 0.07 point) and Denmark (plus 0.18 point); compare column 5 of Tables 9 and 20.

Tables 21 and 22 report background information on levels of labour costs, gross wages and net wages in 2001 and do not require further discussion.

D. TAX BURDEN TRENDS, 1979-2002

Annex I to this report contains six tables showing trends in personal average tax rates and tax wedges for average production workers in OECD countries, as from 1979. Tables 1-3 in Annex I show personal average tax rates and tax wedges for the single average production worker without children over the 1979-2002 period for those countries where data were available. Similarly, Tables 4-6 in Annex I show personal average tax rates and tax wedges for the married average production worker (one-earner household with two young children) over the same period.

Single person without children

Table I.1 in Annex I reveals that over the last twenty-three years the average personal income tax rate has (slightly) increased in many OECD countries, with the exception of (rounded figures): Turkey (-27 percentage points), Sweden (-13), Ireland (-12), Luxembourg (-9), the Netherlands³ and the United Kingdom (-8), New Zealand (-6), Norway (-5), the United States (-4), Denmark (-3) and Finland, Greece, Japan and Switzerland (-1). Lower personal income tax burdens for Poland (-11) and Mexico (-5) took place in the 1990s. However, in some cases personal income tax reductions were more than offset by higher social security contributions.

This becomes clear from Table I.2 in Annex I, which presents the burden of income tax plus employees' social security contributions. During this 23-year period the average personal tax rate (including contributions) of single workers without children has tended to increase in most OECD countries. While in many countries this rise was limited to 2-6 percentage points, Belgium (+16), Germany (+10) and Italy (+8), show stronger increases. On the other hand, the personal average tax rate fell between the late 1970s and the early-2000s in Turkey (by 19 points), Ireland (-12), Luxembourg and the Netherlands (-7), New Zealand, Norway, Sweden and the United Kingdom (-6) and the United States (-3).

Table I.3 in Annex I extends the presentation to include employers' social security contributions. Over the 1979-2002 period, the tax wedge for a single worker with no children at the APW wage level increased in nearly all OECD countries. The largest increases are reported for Germany (+10 percentage points), Greece (+9), Austria, Belgium, and Canada (+8), Japan and Iceland (+7) and Finland and Portugal (+4). In contrast, the wedge was substantially reduced in the Netherlands and Turkey (by -12 percentage points), and to a lesser degree in Ireland (-9), Norway (-7), New Zealand and the United Kingdom (-6).

One-earner family with two young children

The information in Table I.4 in Annex I parallels that in Table I.1, but now focussing on the one-earner married couple with two children at the average earnings level. Average income tax rate reductions after 1978 are considerable in Turkey (by -27 percentage points), Germany (-12), Sweden (-10) and Ireland and the United Kingdom (-9). In 1996, the income tax rate for this family-type in Germany dropped by 8 points, basically because a former cash child allowance was replaced with a tax credit.

Likewise, the information in Table I.5 in Annex I parallels that in Table I.2 of that annex, but focussing on the married one-earner couple with two children at the APW wage level and subtracting cash benefits. Trends shown here are largely in line with tax trends for single individuals, but in most countries the tax and employee contributions burden of one-earner married couples is (much) lower than is the burden of single individuals. In a number of countries, families with children have lower burdens because the universal cash benefits they receive have offset the tax amounts due.

Finally, Table I.6 in Annex I extends the one-earner married couple analysis to include employers' social security contributions. Over the 1979-2002 period significant increases of the wedge are reported for Greece (+26 percentage points), Austria, Canada and Japan (+9). At the other extreme, the Netherlands (-14 percentage points), Turkey (-12) and Ireland (-11) show substantial reductions in the combined burden of the personal income tax and (all) social security contributions.

E. TAX WEDGES, 1996-2002

Tax wedges – between labour costs to the employer and the corresponding net take-home pay of the employee – express the sum of personal income tax and all social security contributions minus cash benefits as a percentage of labour costs (see Section A). Generally, changes in the tax wedge between two successive years are limited to between plus and minus two percentage points. Larger changes generally have one of four causes:

- i) changes in national tax and benefit legislation;
- ii) the impact of inflation;
- iii) changes in countries reporting practices;
- iv) the income level of selected family-types crosses the boundaries of tax brackets of progressive rate schedules.

Between 1996 and 1997, six countries show changes in the tax wedge exceeding plus or minus 2 percentage points. There were two examples of case *i*), *i.e.* changes in the tax/benefit legislation. In Iceland the increase of the wedge (by +3.8 points) was the consequence of a revision of the transfer system. For the average production worker in Mexico the wedge decreased by 4.6 percentage points as a consequence of the newly introduced tax rebate. Comparing wedges in 1996 and 1997, there are two examples of case *iii*). The change of the wedge in Austria (+4.2 percentage points) is due to the fact that payroll taxes are included in the tax calculations only as from 1997, so the time series is not consistent.

The change in the case of Korea (+6.3 points) is due to the fact that as from 1997 additional social security contributions are taken into account.

Between 1997 and 1998, four countries show changes in the tax wedge exceeding plus or minus 2 percentage points. There were some examples of revisions of national tax and benefit legislation resulting in a significant change of the wedge. Korea introduced higher rates of employee and employer social security contributions. As a consequence, the wedge increased by 2.3 percentage points. Comparing wedges in 1997 and 1998, there is one example of a change in reporting practice. As from 1998, the Czech Republic includes income-tested family cash benefits which were introduced in 1997. As a consequence, the wedge for 1998 was 8 points lower for the one-earner family with two children at average earnings.

Between 1998 and 1999, various countries show changes in the tax wedge exceeding plus or minus two percentage points. There were several examples of revisions of national tax and benefit legislation resulting in a significant change of the wedge. Reforms of the personal income tax system in Hungary, Ireland, Spain, Turkey and the United States resulted in clearly lower personal tax burdens. In particular, in Turkey rate reductions diminished the wedge by almost 10 points for the family-types considered in this report. Increased social security contributions in Japan led to an increase in the tax wedge of between 4 and 6 percentage points.

Comparing wedges in 1998 and 1999, there is one example of a change in reporting practice. Mexico no longer reports employers' contributions to privatised social security. This concerns contributions for individual retirement accounts (2 per cent) and for the INFONAVIT housing fund (5 per cent). See the country chapter for an explanation why this reporting practice was changed.

Between 1999 and 2000, several countries show changes in the average tax wedge exceeding plus or minus two percentage points as a consequence of revisions of national tax and benefit legislation. Lower income tax rates compressed the wedge in Australia by around 3 points. Ireland implemented rate cuts which reduced the average wedge by between 3.5 and 4.6 percentage points for the family-types selected for this report. In Turkey, rampant inflation pushed households into higher taxed brackets. As a result, the wedge for family-types at wage levels selected for this report increased by 5 to 10 percentage points.

Between 2000 and 2001, there were four examples of revisions of national tax and benefit legislation resulting in a significant change of the wedge. Ireland reduced its personal income tax rates and increased social security contributions for lower paid workers. As a consequence, the wedge decreased by some 3 percentage points. The Netherlands enacted a major tax reform under which personal allowances in the income tax were replaced by tax credits and the mix of income tax and social security contributions was re-designed. Also, the standard rate of the value-added tax and environmentally related taxes were raised with the additional revenues used to lower taxes on labour. As a result, the wedge for all family-types fell by at least 2.5 points. In the United Kingdom and the United States the wedge for (working) families with children was reduced by approximately 3 points, because of higher tax relief for young dependents.

In Turkey, high inflation continued pushing families into higher taxed brackets. Most family-types saw the wedge go up by 3-4 percentage points, but for single workers at 167 per cent of the APW wage level the increase was 8 points.

Between 2001 and 2002, four countries show changes in the tax wedge for most of the family-types considered in this report exceeding plus or minus 2 percentage points. There are three examples of revisions of national tax and benefit legislation resulting in a significant change of the wedge: Ireland reduced its personal income tax rates by 2 percentage points, Hungary introduced an important enrichment to their basic credit as well as increasing the cash transfer for children, and Luxembourg completed its two-year reduction of personal income tax rates.

The comparison of the results for 2002 with those of 2001 in the case of the Netherlands yields an illustration of the impact of a growth in income that leads to a family crossing an important boundary within the national tax structure. Earners in the Netherlands and their employers are required to make

contributions to a national health insurance plan when gross wage earnings are below a specified amount, and the contributions made by employers are included in these earners' taxable income. In 2001, the earnings of the average production worker were just below the ceiling for that year while in 2002, the earnings are just above the ceiling. Consequently, the worker and the employer no longer contribute to the national insurance scheme resulting in a significant reduction in the tax wedge (and other measures reflecting social security contributions). Of course, it is important to remember that such an average production worker would be expected to obtain private medical insurance and, as such, the change in the overall welfare of this worker would depend upon the cost of this private insurance relative to the reduction in the tax burden.

NOTES

1. The results for the Netherlands were distorted by a one-time event in 2002 that exaggerated the reduction in taxes. Dutch workers earning the average production wage passed a government eligibility threshold and shifted from mandatory government health insurance to private health insurance. Employee and employer health taxes were replaced by premium payments to private insurers, which do not count as tax. A more detailed explanation can be found in the last paragraph of Section E.
2. See note 1.
3. See note 1.

SPECIAL FEATURE

Taxing Families

I. Introduction

Households play an important redistributive role among their members: they share resources both between earners and non-earners (children, dependent spouse, disabled and elderly living in the household), and between earners of unequal incomes. This redistribution process operates by giving all family members access to shared resources even if they don't have any income or a job of their own. From the point of view of the earners, this redistribution can be seen as a cost¹ that reduces their ability to pay tax.

Governments of OECD member countries recognise the household as one of the most important means to redistribute welfare and the costs that this imposes on income-earners, and in many cases they provide special fiscal treatment to taxpayers with a dependent spouse or dependent children. In particular, most governments provide households with financial support through the benefit system and/or a more favourable tax regime. There are three major ways in which policy makers take into account family status:

- By application of a tax schedule that varies according to family-status. In these cases the tax unit is the family instead of the individual: different brackets and lower statutory tax rates are available for married taxpayers or families with dependent children (*e.g.* United States). Sometimes a “family quotient” or “splitting method” is applied to taxable family income, which allows incomes to be taxed at a lower rate on a progressive marginal rate schedule (*e.g.* France and Germany). In these cases, the favourable measures related to family status can be considered as basic elements of the overall tax system.
- By providing tax credits and allowances related to marital status and the presence of dependent children. In this case, the tax system is used as a means to deliver financial support to households.
- By supplying cash transfers to families with children, or providing benefits linked to marital status. These financial transfers – which flow from the government to households – are an integral part of the benefit system.

Together, these policies imply that the effective tax rates faced by married couples and taxpayers with children are usually lower than those faced by single individuals earning the same level of family income.

This special feature focuses on the methods used by governments to provide a special fiscal treatment to families. It summarises the provisions applying in each OECD country in 2001 and reports on the effect of those provisions on both average and marginal effective tax rates. The approach chosen follows the *Taxing Wages* methodology and provides figures for the five “standard” family types containing more than one person.

2. Tax and benefit provisions

2.1. The tax unit

Table S.1 provides basic information on the definition of the tax unit in each OECD country in 2001. Most OECD countries now practice individual taxation, although sometimes with modifications in specific circumstances. However, a few countries have chosen to use the family as the basis of income taxation.

2.2. Standard tax reliefs

For each OECD country, Table S.2 reports standard tax reliefs related to marital status and dependent children. The reliefs are called “standard” as they are unrelated to the actual expenditures incurred by families, and are automatically available to all taxpayers that satisfy the eligibility rules specified in the legislation. These reliefs may take the form of tax allowances (which reduce taxable income) or tax credits (which reduce the tax payable). Tax credits may be wastable (where they cannot result in a net payment to the taxpayer) or non-wastable (where any excess of the credit over the tax liability is paid to the taxpayer). The effect of an allowance on tax paid depends on the marginal tax rate, while the effect of a credit does not.

Marital status relief

Most of the tax allowances and credits provided by governments are associated with the presence in the household of a spouse with no income or a low income of her/his own. In many cases, the amount of this allowance or credit depends both on the taxpayer's and the spouse's income.

Example:

In Italy, a dependent spouse tax credit is available for married taxpayers. This tax credit is provided if the spouse's income does not exceed a certain amount. The amount of the tax credit is calculated according to income brackets.

Single parent family reliefs

Quite a few OECD countries offer a favourable fiscal treatment to single parent families, taking into account the difficulties faced by single parents in raising children.

Example:

The Irish government provides a tax allowance to single parent families, and its amount is equivalent to the basic tax credit.

Standard reliefs for dependent children

Most of the OECD countries provide tax credits and/or allowances which are related to the presence of dependent children. In some cases, the relief is gradually withdrawn at higher income levels.

Example:

In April 2001, the UK government has introduced a children tax credit, designed to help families who have at least one child under 16 living with them. The Children tax credit (CTC) is a wastable credit, and it is expressed as an additional allowance given at the flat rate of 10 per cent. For higher rate taxpayers the credit is reduced at the rate of 1 GBP for every 15 GBP of income in the higher rate band.

2.3. Cash transfers related to family-status

As shown in Table S.3, many OECD tax-benefit systems provide cash transfers to families with dependent children, while the amount of these transfers varies greatly among countries. The cash transfers can be a fixed amount or they can be related to the family income and they may also vary with the age and number of children. Sometimes higher benefits are granted to single parents or to children with a handicap. Only Italy grants families a cash transfer related to the presence of a dependent spouse (and it does not apply in the circumstances of any of the *Taxing Wages* households).

Example:

In Norway cash transfers are available for each dependent child. The amount is related to the number of children but not to family income; single parents receive transfers for one more child than the actual number. For children who are 1-2 years old there is an entitlement to additional child support. Families living in the northernmost part of Norway receive extra child support for each child aged 18 or under.

3. The impact on effective tax rates

Table S.4 reports the differences between the average tax rates actually paid by the five types of multi-person households and the rates they would have paid if the tax unit had been the individual and none of the tax reliefs or cash transfers related to family composition had been available. Throughout this special feature, the tax rates shown correspond to the total tax wedge: personal income tax plus employee and employer social security contributions (and payroll taxes) minus cash transfers, expressed as a percentage of labour costs (which comprise gross wages plus employer social security contributions and payroll taxes). Marital status or number of children does not normally influence the amount of social security contributions and payroll taxes due, so all of the differences shown in the tables are due to personal income tax and transfers.

Table S.4 shows great variety between countries and family types. At one extreme, Mexico and Turkey give no special fiscal treatment for either marriage or children. At the other, the United Kingdom reduces the average tax rate on single parents by 35.3 percentage points and Luxembourg lowers that on single-earner couples by 22.4 percentage points. However, several patterns emerge clearly. First, the single parent household receives the largest fiscal advantages in most OECD countries (except France, Greece, Japan and Spain). This results both from the low income in the selected household (only 67 per cent of the APW wage level) and the fact that there is usually recognition of the particular financial difficulties that single parents face. Second, for couples with children, the fiscal advantages are generally highest in the case where one of the partners is economically inactive (except France). Third, couples without children obtain a reduction in taxes in only nine OECD countries: Denmark, France, Germany, Ireland, Iceland, Korea, Luxembourg, Switzerland and the United States.² Even in these countries, the fiscal benefits are substantially smaller than those provided to the other family types distinguished in this report.

These patterns suggest that it is appropriate to focus on two main family types for deeper analysis:

- Single parents earning a salary equal to 67 per cent of the APW wage level, and with two dependent children.
- Married couples with a sole earner at the APW wage level, with two dependent children.

The analysis will first consider average tax rates, which are most relevant for analysing the distributional effects of the fiscal advantages. It will then turn to incentive issues, by considering the effects on marginal tax rates.

3.1. Average tax rates

Table S.5 shows actual average tax rates paid by a single parent (and her/his employer) with two children, earning 67 per cent of the APW wage level. In addition, the table shows the increase in average

rates that would result from removing all special tax treatment (family taxation and tax reliefs) and transfers. Actual average tax rates are negative in four countries (Australia, Iceland, Ireland and the United Kingdom) and range from -11.8 per cent in Australia to 42.6 per cent in Turkey. The total increase in average tax rates that would result from removing all special fiscal treatment (taxes and transfers) ranges from zero (Greece, Mexico and Turkey) to 35.3 percentage points (United Kingdom).

As well as showing a wide range of fiscal support for single parent families, countries show considerable diversity in the way this support is delivered. A small number of countries, notably Germany, Hungary, Netherlands, the United Kingdom and the United States provide high standard tax reliefs linked with the presence of dependent children. Of these, Germany and the United States have a family tax unit, and the change of the tax unit does not lead to any change in their average tax rates. On the other hand, the tax unit issue plays an important part in determining average tax rates in countries like Switzerland, Spain and Norway. In Norway, the entire 3.9 percentage points tax change depends on the tax unit choice. In Switzerland 5 percentage points of the total 5.3 point tax change is related to the fact that single parents face different brackets and lower statutory tax rates than do single individuals without children. In Spain, about 1.5 of the 5.1 percentage points change is associated with the tax unit choice. About one third of the OECD countries provide no tax reductions (family taxation, tax credits or allowances) to the example single parent household.

Focusing now on cash transfers related to the presence of children, Australia, Austria, the Czech Republic, Iceland and Denmark grant transfers which reduce the average tax rate by more than 20 per cent. Eight countries (Germany, Greece, Japan, Korea, Mexico, Spain, Turkey and the United States) provide no transfers to single parents. In most countries (apart from the United Kingdom and those without transfers), the effect of the transfers is larger than that of the special tax treatment.

Table S.6 shows the changes in average tax rates for single-earner couples (at the APW wage level) with two children, if all existing tax and benefit provisions for families were removed. A large number of countries provide tax reductions linked to this combination of marital status and presence of dependent children. These reliefs reduce average tax rates up to 15.4 percentage points (Germany).

The structure of the tax system is important in determining the average tax rates in almost all countries having a family tax unit. In France, 4.2 points of the total rate reduction of 4.6 points is due to the "quotient familial". Similarly, in Switzerland 5.4 of the 5.9 percentage points rate reduction is associated with the tax unit choice.

Focusing now on cash transfers related to the presence of children, only one quarter of the OECD countries provide no benefits to families with children. Austria, the Czech Republic, Iceland and Luxembourg grant transfers that reduce the average tax rates by 10-14 percentage points. For the remaining countries providing benefits, the average tax rates are reduced by 2.8 points (New Zealand) to 9.1 points (Australia and Slovak Republic).

Observing the total change in average tax rates associated with the removal of all tax and benefit provisions related to family composition, once again the large differences among OECD countries are striking. Mexican and Turkish tax systems exhibit no changes in the average tax rates at all. Countries like Greece, Korea and New Zealand provide benefits reducing average rates by less than 3 percentage points. On the other hand, countries like Austria, Germany, Hungary, Iceland and Luxembourg acknowledge the marital status of taxpayers and the presence of children by providing them with a range of fiscal benefits leading to an overall reduction of average tax rates by 15-25 percentage points.

3.2. Marginal tax rates

Table S.7 reports actual marginal effective tax rates faced by single parents at 67 per cent of the APW wage level, and the change that would occur if all special fiscal provisions (family taxation, tax allowances, tax credits and transfers) were removed. In just over half of the OECD countries, there would be no change in the marginal tax rate. However, the remaining countries show great diversity, the change in marginal rates ranging from -38.5 percentage points (Australia) to 20.9 points (Hungary). Marginal rates tend to be high in cases where fiscal preferences (normally tax credits or transfers) are

targeted on low-income families, and are withdrawn as income rises. This can produce very high marginal effective tax rates, such as 72.7 per cent in the United Kingdom and 61.1 per cent in the Czech Republic. The removal of these fiscal preferences, therefore, substantially reduces the marginal tax rate faced by the families concerned but, of course, one direct consequence of this would be a lower reward to labour market participation for those affected. On the other hand, the removal of family taxation or the removal of tax allowances under a progressive marginal rate tax structure is likely to increase the marginal rate, as in the cases of Luxembourg and Spain. However, the increase in the marginal rate for Hungary is for a different reason: the removal of the (wastable) child tax credit moves the single parent from having a zero to a positive personal income tax liability, and so from a zero to a positive marginal income tax rate.

Table S.8 reports actual marginal rates for the single-earner couple with two children at the APW wage level, and the effect on those rates of removing all special fiscal provisions for families. The marginal tax rate for the principal earner follows the standard definition of additional tax paid on a unit increase in gross wages. In contrast, the marginal tax rate for the inactive spouse is defined as the proportion of the labour cost associated with moving into work paid at 33 per cent of the APW wage level that is paid in tax. This approach is consistent with the treatment of inactive spouses throughout *Taxing Wages*.

Table S.8 shows that just over half of the OECD countries show no change in the marginal tax rate for the principal earner, but less than a third show no change in the marginal tax rate for the spouse. This difference arises because many countries target their tax reliefs for marriage on those couples where the lower-earner earns little or nothing. That aside, the pattern of marginal tax rate changes is fairly similar to the pattern shown in Table S.7. The significant drop in marginal rates for the principal earner reflects situations where the tax credits or cash transfers are targeted on families with low total income, and are withdrawn as income rises. The reason why the reduction in the spouse's marginal rate is typically smaller in these cases is that their move into work will have lifted the family out of the income range where the tax credits and/or transfers are withdrawn.

The countries with family taxation, such as France, Germany and Luxembourg show substantial increases in marginal rates for the principal earner after removing current fiscal provisions for families, because they lose the advantage inherent in splitting their income with their non-employed spouse, which currently moves them into a lower tax bracket. However, the advantage for the spouse is smaller.

4. Conclusions

This special feature illustrates the enormous diversity in the fiscal advantages families in OECD countries enjoy. This diversity partly reflects different views as to the extent to which the state should support different types of families. In addition, there is a wide choice of instruments to provide financial support to families. Some countries prefer the family to the individual as the tax unit, other countries have opted to use tax allowances and credits, while still others favour cash transfers. Many countries use a combination of these various instruments. Finally, countries vary widely in their targeting of financial support to families, which has significant consequences for marginal effective tax rates on labour.

NOTES

1. Of course, families can also be expected to produce benefits for the earners.
2. In Belgium and Portugal, such couples actually pay slightly more tax than if they were single, because the amount of the basic tax credit is less for married people than for singles.

Table S.1. Tax unit, 2001

	Tax unit 2001
Australia	Individual
Austria	Individual
Belgium	Family. However, couples who both receive earned income are taxed separately on that income. If one spouse has no earned income, the couple can benefit from a "quotient conjugal" system: a fraction of taxpayer earned income can be attributed to the other spouse, and the two incomes are taxed separately according to the tax schedule.
Canada	Individual
Czech Republic	Individual
Denmark	Individual
Finland	Individual
France	Family. The "quotient familial" takes into account the marital status of taxpayer and the dependent children. The system divides the income by the number of parts (1 for the husband, 1 for the wife, ½ for each child and other dependent persons, 1 for the 3rd child, a supplementary ½ for handicapped household members). The total amount of tax due is equal to the amount of tax for one part multiplied by the total number of parts.
Germany	Family. Income tax is computed by the income splitting method. Spouses have however the option of being separately assessed. The income of dependent children is not assessable with that of the parents.
Greece	Individual
Hungary	Individual
Iceland	Individual, except for unearned income of married couples, which is taxed jointly.
Ireland	Family. An option allows either spouse to opt for assessment as a single person, in which case they are treated as separate units.
Italy	Individual
Japan	Individual
Korea	Individual in most cases, but in the case of a married couple receiving rental income from real estate property or interest and dividend income (in excess of a threshold amount), the income of both spouses is combined to determine their taxable income.
Luxembourg	Family. Non-salary income of children under 18 is combined with that of parents in the calculation of taxable income.
Mexico	Individual
Netherlands	Individual
New Zealand	Individual
Norway	Individual in most cases (tax class 1), but in some cases, when spouse has no income or low income, optional taxation as a couple is more favourable (tax class 2). Single parents will be taxed under the class 2 schedule. Children less than 17 are generally taxed with their parents, but may be taxed individually. All other income earners are taxed individually (tax class 1).
Poland	Individual, but couples married during the whole calendar year can opt to be taxed on their joint income. In the latter case, the "splitting" system applies: the tax bill for the couple is twice the income tax due on half of joint income, provided the joint income does not include capital income.
Portugal	Family. The total taxable income is calculated using the "splitting system".
Slovak Republic	Individual
Spain	Choice. Individual as a general rule, but families have the option of being taxed: As married couples filing jointly on the combined income of both spouses and dependents. As heads of households (only unmarried or separated individuals with dependents).
Sweden	Individual. Spouses are taxed separately.
Switzerland	Family: the incomes of married couples are combined together. Spouses living together and widowed, separated and unmarried taxpayers living with their own children face a more favourable tax schedule than persons living alone. The earned income of children is taxed separately.
Turkey	Individual. Spouses are taxed separately on earned income.
United Kingdom	Individual, but certain reliefs depend on family circumstances.
United States	Choice. Families are generally taxed in one of three ways: As married couples filing jointly on the combined income of both spouses. As married individuals filing separately and reporting actual income of each spouse. As heads of household (only unmarried or separated individuals with dependants). All others, including dependent children with sufficient income, file as single individuals.

Table S.2. Standard tax reliefs related to marital status and dependent children, 2001

	Marital status	Dependent children
Australia	<p>A standard tax credit is available when a taxpayer contributes to the maintenance of a dependent spouse (legal or de facto). The amount for a dependent spouse without children is fixed, and it is reduced at a certain rate when the spouse's separate net income exceeds a specific amount. The rebate for a dependent spouse with a dependent child has been replaced by the Family Tax Benefit Part B (FTB(B)).</p> <p>To contribute towards the cost of basic medical and hospital care, a medical levy is imposed on the taxable incomes of resident payers. Certain thresholds are applied before the levy is imposed: the thresholds vary according to the family status of the taxpayer.</p>	<p>From 1 July 2000 the "new family benefit" (FTB) has replaced several forms of tax relief and cash transfers. The FTB can be claimed either through the taxation system or as a cash transfer: in this report it is treated as a cash transfer.</p> <p>From 1 July 2001 a non-wastable tax credit, called "baby bonus", was introduced. This tax relief cannot be considered in the calculations, as <i>Taxing Wages</i> considers only children between 5 and 12 years old.</p>
Austria	Sole earner's (if married) and sole parent's tax credit: the sole earner's credit is not given when a spouse's income exceeds a certain amount, and is different if there are dependent children.	Children's tax credit for each child.
Belgium	The amount of basic credit depends on the marital status of the taxpayer. Deduction related to particular family status, as for example dependent persons other than children, spouse without income or with handicap, single parents.	Deduction related to the number of dependent children: the amount is doubled for children with a handicap.
Canada	A taxpayer supporting a dependent spouse or partner receives a tax credit, reduced by 16 per cent of the dependant's income above a threshold. The same amount is available to heads of single-parent families with respect to eligible dependants.	A credit is provided for eligible dependants, including children under age 18. The amount is reduced by 16 per cent of the dependant's net income above a threshold. The non-wastable Goods and Services Tax credit provides an additional amount for each qualified dependent under age 19. Single parents can claim a higher adult credit amount for one dependent child in lieu of a spouse. The total credit is reduced when family net income exceeds a threshold. (<i>Note: this latter credit is not included in the APW calculation.</i>)
Czech Republic	Marital status relief: an allowance is given in respect of a spouse living in a common household if the spouse income is less than a certain amount.	<p>One spouse may claim an allowance for each dependent child who is:</p> <ol style="list-style-type: none"> 1. aged below 18; 2. or aged below 26 and receiving full-time education; 3. aged below 26 and physically or mentally disabled, provided that the child is not in receipt of a state disability payment. <p>The allowances are given irrespective of the child's own income.</p>
Denmark	Each person is granted a personal allowance, which is converted to a wastable tax credit by applying the marginal tax rate of the first bracket of the income tax schedule. If a married person cannot utilise the personal allowance, the unutilised part is transferred to the spouse.	None
Finland	None	None
France	The "prime pour l'emploi", is a tax credit for low-wage employees: the basic threshold to obtain the "prime pour l'emploi" changes according to the family status. Also, the "prime pour l'emploi" has a supplement for an inactive spouse and a single parent.	The system of "quotient familial" provides tax relief to taxpayers with children. If the taxpayer has dependent children, the amount of "prime pour l'emploi" increases.
Germany	An allowance is provided for single parents.	A tax credit is provided for children: its amount depends on the number of children.
Greece	None	Tax credit: its amount depends on the number of children.

Table S.2. Standard tax reliefs related to marital status and dependent children, 2001 (cont.)

	Marital status	Dependent children
Hungary	None	Tax can be reduced by the family allowance, which is different for the 1st or 2nd child, and in the case of three and more dependent children.
Iceland	Married couples may utilise up to 85 per cent of each spouse's unutilised portion of his/her basic tax credit (a fixed tax credit is granted to all individuals 16 years and older, regardless of their marital status. Unutilised tax credits or portions thereof are wastable).	None
Ireland	Married taxpayers are allowed an additional tax credit equal to the basic tax credit. An allowance is provided to single parent families, and its amount is equivalent to that of the basic tax credit.	Exemptions from income tax are available to individuals with small income. The exemption limit is increased by a fixed amount per child for the first two qualifying children and by a higher amount for the third and subsequent children.
Italy	Dependent spouse tax credit: provided if the spouse's income does not exceed a certain amount. The amount of tax credit is calculated according to income brackets.	Children tax credit: the amount is related to the number of children.
Japan	Allowance for spouse. A further special allowance is provided according to the income of the spouse, provided certain requirements are met.	An allowance is given for each child. The amount of the allowance depends on the age of the child.
Korea	A taxpayer can deduct a certain amount from his/her income if his/her spouse's taxable income is below a specific threshold amount. A special allowance for single income earners with a dependent (spouse, child).	A taxpayer can deduct a certain amount per person from his/her income if his/her children aged 20 or under have a taxable income below a specific threshold. An additional allowance is provided when the dependants fall into certain categories (e.g. child under 6 years of age of a single parent).
Luxembourg	An extra deduction is designed for a spouse who receives a positive wage.	A tax credit is available for each dependent child. The amount is fixed.
Mexico	None	None
Netherlands	All taxpayers are entitled to (at least) a general tax credit. The tax credits are wastable. If, however, a spouse/partner with insufficient income to fully exploit his/her tax credit has a partner with a surplus of tax & premiums payable over his/her own tax credit, the tax credit of the first mentioned taxpayer is increased by (at most) the surplus of tax & premiums payable of his/ her fiscal partner. As a consequence, the tax credit of the first mentioned taxpayer will exceed his/her tax & premiums payable, resulting in a pay out of the residual tax credit to the taxpayer by the tax authority; A single parent is under certain conditions entitled to the single parent credit; A single parent who is entitled to the single parent credit receives an additional credit of 4.3 per cent of his or her income from work, with a maximum.	A single parent or the highest earner of a couple receives a child credit if the taxpayer supports a child below 16 years of age if his or her income does not exceed a certain amount. If a person receives the ordinary child credit and the joint income does not exceed a certain amount, he or she is also entitled to the additional child credit. A taxpayer with a child below the age of 12 years is entitled to a combination credit if the individual income from work exceeds a specific threshold.
New Zealand	None	None
Norway	None	None
Poland	None	None
Portugal	The basic tax credit provided to taxpayers depends on the family status. The tax unit is the family and the tax evaluation is based on the splitting method.	A tax credit is available for each dependent child. If there is a child with handicap, this tax credit is increased by 50 per cent .

Table S.2. **Standard tax reliefs related to marital status and dependent children, 2001** (cont.)

	Marital status	Dependent children
Slovak Republic	An allowance is given in respect of a spouse living in a common household if that spouse earns no more than a certain income.	One spouse may claim an allowance per child for children of the household who satisfy one of the following criteria: 1. aged below 18; 2. aged below 26 and receiving full-time education; 3. aged below 26 and physically or mentally disabled provided that the child is not in receipt of a state disability payment. The allowances are given irrespective of the child's own income.
Spain	An allowance is provided to married taxpayers (twice the basic allowance) if one spouse has no income. An allowance is provided to single parent families (approximately 1.64 times the basic allowance).	An allowance per child is provided for the first two dependent children under 25 years. This allowance is increased for subsequent children (3rd and 4th). A supplementary allowance is provided for each child between 3 and 16 years of age to cover part of the costs of education.
Sweden	None	None
Switzerland	An allowance is provided if taxpayer's partner receives a positive salary.	An allowance is provided for each child below 18, or for older dependent children receiving full-time education.
Turkey	None	None
United Kingdom	None	The Children's Tax Credit is a wastable tax credit for families who have at least one child under 16 living with them. If an adult in the family is a higher rate taxpayer, the credit is reduced at the rate of GBP 1 for every GBP 15 of the highest earner's income in the higher rate band. Working Families' Tax Credit (WFTC): A non-wastable tax credit available to low and middle income families where one earner works at least 16 hours a week and who have at least one child under 16 (or 19 if still in full time non advanced education). The amount depends upon the hours worked, the number and ages of children. This credit is reduced by 55 pence for each GBP 1 of net income above a weekly threshold.
United States	Married couples generally benefit from a more favorable schedule of tax rates for joint returns of spouses. There are no other general tax reliefs for marriage. A personal exemption is given to every taxpayer, including both the husband and the wife when filing a joint return and the exemption depends on the family status.	For each child and other person claimed as a dependent on a taxpayer return, the taxpayer is entitled to a dependency exemption. Low income workers with dependent children are allowed a non-wastable earned income credit, which is phased down when income exceeds a certain amount. Taxpayers are permitted a tax credit for each qualifying child under the age of 17. The maximum credit is reduced for taxpayers with income in excess of certain threshold amounts.

Note: Not all reliefs for children are included in the tax equations because of the age of the children to which they apply. Also, no additional reliefs for disabled people are included in the tax equations.

Table S.3. **Standard cash transfers related to dependent children, 2001**

Australia	<p>FTB has 2 parts: families may be entitled to one or both parts depending on their family circumstances. Part A: eligibility is based upon the combined taxable income of the parents. There is an income ceiling, over which the transfer is reduced by 30 per cent, and the amount increases with the number of children. Part B: targeted at single income families, eligibility contingent upon the spouse meeting a separate income test and the existence of at least 1 dependent child under the age of 16 (or under the age of 18 if a full time student). FTB(B) is payable at a higher rate where the family has a child aged under 5. There is no income ceiling, but there is a spouse income threshold above which the amount is reduced by 30 per cent.</p> <p>Parenting Payment (at single and partnered rates) is a taxable payment available for low income sole parent and couple families with a qualifying child aged under 16. The payments are subject to income and asset tests. Pharmaceutical Allowance is a standard non-taxable supplement to Parenting Payment (single).</p> <p>Parents with entitlements to these payments receive the maximum amount of FTB(A).</p>
Austria	A family allowance is granted for each child: the monthly payment depends on the number of children. This allowance is increased for children above 10 years of age and for students.
Belgium	The annual amount of cash transfer for children depends on the number of children (up to the 3rd child) and on the age of children.
Canada	The Canada Child Tax Benefit (CCTB) provides a benefit for each child under age 18, with additional amounts for a third and subsequent child. An additional amount is provided for each child under 7 where no child care expenses are deducted. The CCTB consists of a base benefit for low- and middle-income families and a supplement (called the National Child Benefit supplement) for low-income families. Benefits are reduced when family income exceeds a threshold.
Czech Republic	A cash transfer is provided for each dependent child, if the family income does not exceed three times the relevant minimum living standard (MLS). An additional allowance is paid to low income families. A family is also entitled to a social allowance if there is at least one child in the family and the net monthly income of the family is below 1.6 MLS.
Denmark	Cash transfers for dependent children, independent of the parents' income. The amount of the transfer is related to the age of children. Special amounts for single parents and a state transfer per year for each dependent child in case an "absent parent" does not contribute to the family.
Finland	The government provides an allowance for dependent children. The amount depends on the number of children. The child subsidy is increased for single parents.
France	Cash transfers for dependent children: the amount depends on the number of children. There is also an allowance for young children under 3 years old.
Germany	None
Greece	None
Hungary	The amount of cash transfers for dependent children varies according to the number of children, and it is increased for single earner families, and for disabled children.
Iceland	Allowances are provided for dependent children: the amount is related to the number of children and to the family status (a higher amount is provided to single parent families). The allowances are available to married couples and to single parents with income below certain thresholds.
Ireland	Cash transfers are available for children under the age of 16 (or under 19 years, if the child is undergoing full-time education or is incapacitated). These payments do not depend on any insurance or on the means of the claimant. Transfers for low income families: payable where either the principal earner and/or the spouse are in full-time employment. The level of this cash transfer is dependent on the amount of family income and the number of children, and there is a fixed ceiling.
Italy	The cash transfers for dependent children take into account both family income and the number of dependent persons: transfers are reduced when family income increases.
Japan	Cash transfers are provided for children less than 3 years old: the amount is related to the number of children.
Korea	None
Luxembourg	Cash transfers are provided for dependent children: the amount of these transfers is related to the number of children.
Mexico	None
Netherlands	Families with children receive a tax exempt benefit, depending on the number and age of the children.
New Zealand	The "Parent Tax Credit" provides a cash transfer per week for the first eight weeks of each child's life. The "Family Support Tax Credit" is available for each dependant, while the "Child Tax Credit" is an additional transfer per dependant, available to families not receiving any of the main social welfare benefits. The total of these three credits is abated against the combined income of the parents.

Table S.3. **Standard cash transfers related to dependent children, 2001** (*cont.*)

Norway	Cash transfers are available for each dependent child. The amount is related to the number of children. For children who are 1-2 years old there is additional child support. Families living in the northernmost part of Norway receive extra child support for each child aged 18 or under.
Poland	A non-taxable family benefit per child is paid to employees whose annual income per each household member, in a calendar year preceding a period of collecting benefit, did not exceed 50 per cent of the national average wage for the same calendar year.
Portugal	A cash transfer is provided for each dependent child. The amount of this transfer is related to the family income, to the age of children (first 12 months of life, and subsequent age) and to the number of children. A special cash transfer is available for children with handicap.
Slovak Republic	The government pays an allowance in respect of each dependent child based on the family income level and provided that family income does not exceed two times the relevant minimum living standard. The amount of this transfer is related to the age of children. An additional allowance is paid to low income families. The transferred amount varies according to the types of allowance and the income of family.
Spain	A cash transfer is provided for each dependent child, to taxpayers with annual gross earnings below a fixed amount. This transfer is not taken into account in the tax equations because the APW gross wage earnings level (and even 67 per cent of the APW wage level) is always higher than the threshold.
Sweden	A cash transfer is available for each dependent child. The amount depends on the number of children.
Switzerland	None
Turkey	None
United Kingdom	Child benefit is paid in respect of each child in the family up to the age of 16 (or 19 if still in full-time non-advanced education). The amount of this benefit is related to the number of children. For eligible one parent families there is a higher rate of child benefit in respect of the first child. None of these payments is subject to tax.
United States	None

Note: Not all cash transfers for children are included in the tax equations because of the age of the children to which they apply. Also, no additional cash transfers for disabled people are included in the tax equations.

Table S.4. **Fiscal treatment of families, 2001**

	Increase in average tax rate if fiscal provisions for families were removed (% of labour costs)				
	Single parent earning 67 per cent of APW	Couple with children earning 100 and 0 per cent of APW	Couple with children earning 100 and 33 per cent of APW	Couple with children earning 100 and 67 per cent of APW	Couple without children earning 100 and 33 per cent of APW
Australia	31.0	9.1	3.5	2.8	0.0
Austria	24.4	15.5	10.8	8.6	0.0
Belgium	16.1	12.2	6.6	5.2	-0.5
Canada	22.5	10.0	3.5	1.9	0.0
Czech Republic	24.4	14.9	6.8	3.5	0.0
Denmark	25.6	8.5	6.3	4.0	1.4
Finland	14.3	7.1	5.3	4.3	0.0
France	7.5	8.9	10.0	9.1	4.6
Germany	16.3	15.4	13.4	12.9	6.8
Greece	0.0	1.2	1.0	0.8	0.0
Hungary	26.2	16.3	12.2	9.8	0.0
Iceland	26.8	24.2	8.7	4.3	1.5
Ireland	18.9	13.0	11.6	13.3	7.9
Italy	16.5	10.7	3.0	2.0	0.0
Japan	2.8	3.9	1.5	1.2	0.0
Korea	0.4	0.7	0.5	0.2	0.1
Luxembourg	23.7	22.4	22.0	22.1	9.8
Mexico	0.0	0.0	0.0	0.0	0.0
Netherlands	18.1	9.8	4.2	3.4	0.0
New Zealand	18.5	2.8	0.0	0.0	0.0
Norway	20.6	10.0	5.6	4.5	0.0
Poland	4.9	3.3	2.4	2.0	0.0
Portugal	10.4	6.3	4.9	5.0	-0.2
Slovak Republic	15.7	11.2	5.6	4.5	0.0
Spain	5.1	6.8	1.2	1.7	0.0
Sweden	11.1	7.4	5.6	4.5	0.0
Switzerland	14.6	11.6	9.9	9.2	3.0
Turkey	0.0	0.0	0.0	0.0	0.0
United Kingdom	35.3	11.3	6.9	5.4	0.0
United States	22.4	9.8	8.1	8.8	2.9

Note: The tax rates correspond to the "total tax wedge": income taxes plus employee and employer social security contributions (and payroll taxes) minus cash transfers, expressed as a percentage of labour costs (gross wage earnings plus employer social security contributions).

Table S.5. Average tax rates single parent (at 67% of APW wage level) with two children, 2001 (%)

	Actual rate	Removal of special tax treatment	Removal of transfers	Total increase
Australia	-11.8	0.8	30.2	31.0
Austria	15.3	2.9	21.5	24.4
Belgium	33.1	5.1	11.0	16.1
Canada	3.9	5.6	16.9	22.5
Czech Republic	17.2	4.0	20.4	24.4
Denmark	14.9	0.0	25.6	25.6
Finland	26.7	0.0	14.3	14.3
France	30.8	0.5	7.0	7.5
Germany	29.2	16.3	0.0	16.3
Greece	34.3	0.0	0.0	0.0
Hungary	19.5	11.0	15.2	26.2
Iceland	-7.9	0.0	26.8	26.8
Ireland	-1.9	2.9	16.3	19.2
Italy	26.3	4.6	11.9	16.5
Japan	20.4	2.8	0.0	2.8
Korea	14.7	0.4	0.0	0.4
Luxembourg	5.1	4.4	19.3	23.7
Mexico	9.2	0.0	0.0	0.0
Netherlands	18.7	11.0	7.1	18.1
New Zealand	0.2	0.0	18.5	18.5
Norway	13.2	3.9	16.7	20.6
Poland	36.5	0.0	4.9	4.9
Portugal	19.1	1.4	9.0	10.4
Slovak Republic	25.3	2.0	13.7	15.7
Spain	28.3	5.1	0.0	5.1
Sweden	35.7	0.0	11.1	11.1
Switzerland	12.4	5.3	9.2	14.6
Turkey	42.6	0.0	0.0	0.0
United Kingdom	-10.8	24.6	10.7	35.3
United States	5.0	22.4	0.0	22.4

Note: The tax rates correspond to the "total tax wedge": income taxes plus employee and employer social security contributions (and payroll taxes) minus cash transfers, expressed as a percentage of labour costs (gross wage earnings plus employer social security contributions).

Table S.6. Average tax rates single-earner couple (at APW wage level) with two children, 2001 (%)

	Actual rate	Removal of special tax treatment	Removal of transfers	Total increase
Australia	14.2	0.0	9.1	9.1
Austria	29.0	1.2	14.3	15.5
Belgium	40.3	4.9	7.2	12.2
Canada	20.4	3.7	6.3	10.0
Czech Republic	28.2	3.3	11.6	14.9
Denmark	30.7	1.8	6.6	8.5
Finland	38.8	0.0	7.1	7.1
France	39.4	4.6	4.3	8.9
Germany	32.7	15.4	0.0	15.4
Greece	35.9	1.2	0.0	1.2
Hungary	32.8	7.5	8.8	16.3
Iceland	1.4	12.2	12.0	24.2
Ireland	12.8	8.1	4.9	13.0
Italy	35.4	3.9	6.8	10.7
Japan	20.4	3.9	0.0	3.9
Korea	15.9	0.7	0.0	0.7
Luxembourg	11.5	9.5	12.9	22.4
Mexico	14.4	0.0	0.0	0.0
Netherlands	33.0	5.1	4.7	9.8
New Zealand	16.7	0.0	2.8	2.8
Norway	26.9	2.6	7.4	10.0
Poland	37.8	0.0	3.3	3.3
Portugal	24.1	2.3	4.0	6.3
Slovak Republic	30.9	2.1	9.1	11.2
Spain	31.1	6.8	0.0	6.8
Sweden	41.1	0.0	7.4	7.4
Switzerland	17.9	5.9	5.7	11.6
Turkey	43.6	0.0	0.0	0.0
United Kingdom	18.2	4.8	6.5	11.3
United States	18.3	9.8	0.0	9.8

Note: The tax rates correspond to the "total tax wedge": income taxes plus employee and employer social security contributions (and payroll taxes) minus cash transfers, expressed as a percentage of labour costs (gross wage earnings plus employer social security contributions).

Table S.7. Marginal tax rates, single parent (at 67% of APW wage level) with two children, 2001 (%)

	Actual rate	Change after removing special fiscal provisions
Australia	70.0	-38.5
Austria	62.6	-11.4
Belgium	65.6	0.0
Canada	54.7	-20.9
Czech Republic	61.1	-16.2
Denmark	49.8	0.0
Finland	52.9	0.0
France	62.6	0.0
Germany	56.1	2.6
Greece	34.3	0.0
Hungary	34.7	20.9
Iceland	46.7	-7.9
Ireland	64.6	-34.7
Italy	49.1	0.0
Japan	25.2	0.0
Korea	17.4	0.0
Luxembourg	24.4	15.7
Mexico	15.4	0.0
Netherlands	49.8	3.7
New Zealand	39.0	-18.0
Norway	43.1	0.0
Poland	45.3	0.0
Portugal	28.1	9.7
Slovak Republic	44.4	0.0
Spain	28.3	20.5
Sweden	52.7	0.0
Switzerland	28.2	3.8
Turkey	45.6	0.0
United Kingdom	72.7	-33.4
United States	49.4	-14.9

Note: The tax rates correspond to the "total tax wedge": income taxes plus employee and employer social security contributions (and payroll taxes) minus cash transfers, expressed as a percentage of labour costs (gross wage earnings plus employer social security contributions).

Table S.8. Marginal tax rates, single-earner couple (at APW wage level) with two children, 2001 (%)

	Actual rate		Change after removing special fiscal provisions	
	Principal earner	Spouse	Principal earner	Spouse ¹
Australia	61.5	22.7	-30.0	-13.3
Austria	55.6	39.1	0.0	-3.6
Belgium	63.6	60.0	2.8	-10.9
Canada	46.7	34.9	-4.7	-16.0
Czech Republic	57.9	55.8	-9.8	-17.5
Denmark	44.3	45.5	5.5	-0.2
Finland	57.4	34.3	0.0	0.0
France	44.2	35.0	8.8	13.7
Germany	58.3	56.1	8.8	7.3
Greece	44.1	34.3	0.0	0.0
Hungary	55.6	40.7	0.0	0.0
Iceland	46.7	42.7	-7.9	-37.8
Ireland	33.9	29.2	0.0	-7.2
Italy	54.5	40.7	0.0	-7.4
Japan	26.3	26.6	2.7	-5.6
Korea	20.4	14.1	0.0	0.0
Luxembourg	24.4	24.4	23.5	20.9
Mexico	25.0	3.7	0.0	0.0
Netherlands	51.0	39.0	0.0	-12.7
New Zealand	63.0	25.1	-30.0	-8.5
Norway	43.1	34.6	0.0	-7.7
Poland	45.3	42.6	0.0	0.0
Portugal	37.8	31.0	1.6	0.5
Slovak Republic	44.4	48.8	5.1	-11.3
Spain	41.2	44.2	4.3	-15.9
Sweden	50.4	44.8	0.0	0.0
Switzerland	31.6	27.4	5.5	4.9
Turkey	45.6	41.0	0.0	0.0
United Kingdom	72.7	15.9	-33.4	-7.2
United States	54.0	36.2	-19.6	3.0

1. The tax rates correspond to the "total tax wedge": income taxes plus employee and employer social security contributions (and payroll taxes) minus cash transfers, expressed as a percentage of labour costs (gross wage earnings plus employer social security contributions).

1. The marginal tax rate for the spouse is defined as the proportion of labour costs that would be paid in tax if the spouse moved into work at 33 per cent of the APW.

Partie I

MÉTHODOLOGIE DE BASE ET PRINCIPAUX RÉSULTATS

Chaque année, l'OCDE publie les *Statistiques des recettes publiques*, qui contiennent des données comparatives internationales sur les niveaux d'imposition et les structures fiscales dans ses trente pays membres. Cependant, cette publication n'indique pas la charge fiscale de certains types de contribuables représentatifs. Ce document parallèle s'efforce de combler en partie cette lacune en indiquant l'impôt acquitté par plusieurs catégories de contribuables. La méthodologie utilisée est décrite brièvement à la section A et commentée plus en détail dans la partie III du présent rapport.

Cette édition présente des estimations de la charge fiscale et du « coin fiscal » entre les coûts de main-d'œuvre et le revenu disponible net après impôt pour 2002, ces résultats étant résumés dans la section B. La section C de la partie III précise comment on a estimé les niveaux de salaire de l'ouvrier moyen pour 2002. Ce rapport présente également les résultats définitifs pour 2001 et commente l'évolution intervenue entre 2001 et 2002 (voir la section C). La section D retrace l'évolution de la charge fiscale de l'ouvrier moyen au cours des vingt-trois dernières années. La section E passe en revue les principales modifications du coin fiscal entre les coûts de main-d'œuvre et le salaire net disponible qu'on a pu observer ces dernières années.

A. MÉTHODOLOGIE DE BASE

Cette section expose brièvement la méthodologie utilisée en vue du présent rapport, qui n'est consacré qu'aux salariés. Par hypothèse, le revenu annuel de leur emploi est égal à une fraction donnée du salaire brut moyen des travailleurs adultes à temps complet des industries manufacturières de chaque économie de l'OCDE. Des hypothèses additionnelles sont formulées concernant d'autres éléments de la situation personnelle de ces salariés, afin de permettre la détermination de leur situation au regard de l'impôt et des transferts sociaux. Les impôts pris en compte dans le présent rapport se limitent à l'impôt sur le revenu des personnes physiques, aux cotisations de sécurité sociale et, plus rarement, aux taxes sur les salaires (regroupées dans le présent rapport avec les cotisations patronales de sécurité sociale pour le calcul des taux d'imposition), payables sur le salaire brut. Par conséquent, tout impôt sur le revenu pouvant être dû au titre des revenus non salariaux, de même que tous les autres types d'impôts – par exemple, l'impôt sur les sociétés, l'impôt sur le patrimoine net et les impôts sur la consommation – ne sont pas pris en compte dans le présent rapport. Les prestations prises en compte sont celles d'application générale versées par les administrations publiques sous la forme de transferts en espèces au titre des enfants à charge. Les taux moyens de l'impôt sur le revenu des personnes physiques sont calculés en exprimant le montant de l'impôt sur le revenu et les cotisations de sécurité sociale à la charge des salariés en pourcentage des salaires bruts. Pour déterminer les coûts totaux de main-d'œuvre, les cotisations patronales de sécurité sociale et – dans certains pays – les impôts sur les salaires doivent être ajoutés au salaire brut.

On entend par « taux moyen d'imposition des personnes physiques » le pourcentage du salaire brut que représentent l'impôt sur le revenu des personnes physiques et/ou les cotisations salariales de sécurité sociale.

Le coin fiscal – écart entre les coûts de main-d'œuvre pour l'employeur et le salaire net disponible après impôt du salarié – est calculé en exprimant la somme de l'impôt sur le revenu des personnes physiques, des cotisations salariales et patronales de sécurité sociale et des éventuelles taxes sur les salaires, moins les prestations visées, en pourcentage des coûts de main-d'œuvre. Pour déterminer les coûts totaux de main-d'œuvre, on ajoute au salaire brut du salarié les cotisations patronales de sécurité sociale et, dans certains pays, les taxes sur les salaires.

Par conséquent, *Les impôts sur les salaires* s'efforcent de déterminer l'effet conjugué de l'impôt sur le revenu des personnes physiques, des cotisations de sécurité sociale et des prestations familiales en espèces d'application générale sur le revenu net de certaines catégories de ménages représentatifs. Les informations concernent les salariés ayant des niveaux comparables de revenu. Les tableaux et graphiques comparatifs de la partie II fournissent également des informations sur certaines prestations en espèces perçues par les familles.

B. RÉSULTATS POUR L'ANNÉE 2002

Le tableau I.1 indique le salaire brut de l'ouvrier moyen dans chaque pays membre de l'OCDE pour les années 2001 (colonne 2) et 2002 (colonne 3). La variation annuelle du salaire nominal de l'ouvrier moyen – indiquée à la colonne 4 – oscillait entre –1.3 pour cent (Japon) et +28.2 pour cent (Turquie). Dans une large mesure, cet écart très marqué reflète les niveaux différents d'inflation dans les pays de l'OCDE ; voir la colonne 5 du tableau I.1. La variation annuelle des niveaux de salaire réel (avant impôt sur le revenu des personnes physiques et cotisations salariales de sécurité sociale) se situe entre 0 et 4 pour cent pour presque tous les pays ; voir la colonne 6 du tableau I.1. Seules la Hongrie (+5 pour cent), la République slovaque (–1.9 pour cent) et la Turquie (–20.5 pour cent) présentent une variation du salaire réel avant impôt qui n'entre pas dans cette fourchette. On notera que les chiffres indiqués ici ne correspondent pas nécessairement à la variation du pouvoir d'achat du salarié moyen au niveau individuel, et ce pour un certain nombre de raisons qui sont commentées dans la partie III, qui traite des limites de la méthodologie utilisée dans le présent rapport.

Le salaire réel disponible de l'ouvrier moyen est également influencé par la variation du taux moyen d'imposition des personnes physiques, qui apparaît à la colonne 7 du tableau I.1. En 2002, dans presque tous les pays, la variation de la pression fiscale au niveau du salaire de l'ouvrier moyen s'est maintenue entre plus un demi pour cent et moins deux pour cent. En 2002, le taux moyen d'imposition a diminué le plus en Hongrie (–2.6 points), au Luxembourg (–2.7 points) et aux Pays-Bas (–4.2 points)¹.

Le tableau I.2 présente le taux moyen d'imposition des personnes physiques (impôt sur le revenu et cotisations salariales de sécurité sociale) en pourcentage du salaire brut en 2002. Au niveau du salaire moyen, les célibataires sans enfant paient plus de 40 pour cent de leur salaire annuel en impôt sur le revenu des personnes physiques et en cotisations salariales de sécurité sociale en Allemagne, en Belgique et au Danemark. En Corée, en Espagne, en Grèce, en Irlande, au Japon, au Mexique, au Portugal et en République slovaque, le taux moyen d'imposition des personnes physiques était inférieur à 20 pour cent. La structure des impôts acquittés sur le salaire brut est très variable d'un pays à l'autre. Le graphique I.1 détaille la structure de l'impôt sur le revenu des personnes physiques et des cotisations salariales de sécurité sociale pour les travailleurs célibataires dans tous les pays membres de l'OCDE. Pour les couples mariés qui ont un seul apporteur de revenu et deux enfants à charge, l'écart entre le salaire brut et le salaire net disponible est généralement plus faible que pour les travailleurs célibataires, sauf dans le cas de la Grèce, du Mexique et de la Turquie. Par ailleurs, en Irlande, en Islande et au Luxembourg, lorsqu'on prend en

¹ 42

Tableau I.1. Comparaison des niveaux de salaires

	Salaires bruts en monnaie nationale		Accroissement annuel 2002/2001 (en pourcentage)			
	2001	2002	Salaire brut	Inflation ¹	Salaire réel avant impôt	Changement de la pression fiscale ²
Australie	44 215	45 851	3.70	2.8	0.90	0.30
Autriche	23 401	23 963	2.40	1.7	0.70	0.40
Belgique	30 032	31 173	3.80	1.8	2.00	-0.30
Canada	37 627	38 568	2.50	1.9	0.60	0.20
République tchèque	192 024	206 042	7.30	3.2	4.10	0.50
Danemark	293 000	305 306	4.20	2.1	2.10	-0.20
Finlande	27 045	28 126	4.00	1.7	2.30	-0.70
France	21 371	21 884	2.40	1.6	0.80	-0.50
Allemagne	32 384	33 226	2.60	1.5	1.10	0.50
Grèce	10 961	11 575	5.60	3.4	2.20	-1.20
Hongrie	956 412	1 056 835	10.50	5.5	5.00	-2.60
Islande	2 128 700	2 277 709	7.00	6.2	0.80	0.30
Irlande	23 762	25 330	6.60	3.7	2.90	-0.50
Italie	20 901	21 466	2.70	2.3	0.40	0.30
Japon	4 310 304	4 254 270	-1.30	-1.2	-0.10	0.00
Corée	20 428 200	21 653 892	6.00	3.3	2.70	-0.50
Luxembourg	30 303	31 363	3.50	2.1	1.40	-2.70
Mexique	55 223	58 812	6.50	4.6	1.90	0.20
Pays-Bas	29 474	30 919	4.90	3.4	1.50	-4.20
Nouvelle-Zélande	38 078	39 411	3.50	2.5	1.00	0.50
Norvège	278 000	291 900	5.00	1.2	3.80	0.00
Pologne	24 118	25 396	5.30	3.5	1.80	0.00
Portugal	7 981	8 325	4.30	3.1	1.20	0.00
République slovaque	148 380	153 696	3.58	5.5	-1.92	-0.90
Espagne	15 716	16 219	3.20	2.8	0.40	0.30
Suède	231 134	241 766	4.60	2.6	2.00	-1.30
Suisse	62 726	64 231	2.40	0.6	1.80	0.10
Turquie	7 751 832 876	9 938 274 440	28.21	48.7	-20.49	-0.90
Royaume-Uni	18 950	19 708	4.00	2.3	1.70	0.10
États-Unis	31 220	32 188	3.10	1.8	1.30	-0.10

1. Mesurée en évolution projetée des prix à la consommation.

2. Différence entre le taux moyen d'imposition sur le salaire de l'ouvrier moyen (célibataire sans enfant) de 2002 et 2001.

Sources: Soumissions nationales; OCDE, *Perspectives économiques*, juin 2002, page 225.

compte les prestations en espèces pour enfants à charge, les transferts nets deviennent positifs (voir le graphique I.2).

Dans la plupart des pays de l'OCDE, les employeurs contribuent dans une proportion importante au financement du système de sécurité sociale. En outre, quelques pays appliquent des taxes sur les salaires qui ne sont pas affectées. Mis à part les avantages accessoires en nature, les coûts de main-d'œuvre comprennent le salaire brut versé au salarié, plus ces cotisations patronales de sécurité sociale et taxes sur les salaires (le cas échéant). En 2002, le coïncidence fiscale entre les coûts totaux de main-d'œuvre pour l'employeur et le salaire net disponible correspondant pour le salarié variait, au niveau moyen de salaire, entre le faible chiffre de 16 pour cent en Corée et au Mexique et 51 pour cent en Allemagne et 55 pour cent en Belgique (voir le tableau I.3).

En Corée, en Grèce et au Mexique, les salariés célibataires ne paient pratiquement pas d'impôt sur le revenu au niveau du salaire moyen, alors qu'ils en paient 32 pour cent au Danemark. Les cotisations salariales de sécurité sociale varient elles aussi très largement, puisqu'elles vont de 0 pour cent en Australie, en Islande et en Nouvelle-Zélande à 21 pour cent des coûts de main-d'œuvre en Pologne. L'employeur verse 29 pour cent des coûts totaux de main-d'œuvre sous forme de cotisations de sécurité sociale en France, 28 pour cent en République slovaque et 26 pour cent en République tchèque. En revanche, les employeurs ne sont pas soumis à ces prélèvements en Australie et en Nouvelle-Zélande, tandis qu'au Danemark les cotisations patronales sont négligeables.

Tableau I.2. **Impôt sur le revenu et cotisations de sécurité sociale des salariés¹**
(en pourcentage des salaires bruts), 2002

Pays ²	Impôt sur le revenu	Cotisations de sécurité sociale	Paiement total ³	Salaires bruts ⁴
Danemark	33	11	43	36 476
Allemagne	21	21	41	34 975
Australie	24	0	24	33 964
Suisse	10	12	21	33 806
Belgique	27	14	41	33 519
Luxembourg	8	14	22	33 014
Pays-Bas	7	22	29	32 546
Canada	19	6	26	32 410
États-Unis	17	8	24	32 188
Norvège	21	8	29	32 148
Royaume-Uni	16	8	23	29 861
Corée	2	7	9	29 575
Japon	6	10	16	29 215
Finlande	26	6	32	28 410
Italie	19	9	28	26 833
Nouvelle-Zélande	20	0	20	26 629
Autriche	11	18	29	26 333
Suède	23	7	30	25 106
Irlande	11	5	16	25 079
Islande	22	0	22	24 118
France	13	13	27	23 281
Espagne	13	6	19	20 794
Grèce	1	16	16	16 076
Turquie	15	15	30	14 294
République tchèque	11	13	24	13 801
Pologne	6	25	31	13 509
Portugal	5	11	16	12 425
République slovaque	7	13	19	9 618
Hongrie	17	13	29	9 041
Mexique	2	2	4	8 965

1. Célibataire disposant d'un salaire unique égal à celui de l'ouvrier moyen.

2. Pays classés par ordre décroissant des salaires bruts.

3. En raison de l'arrondi le total peut différer d'un point par rapport à la somme de colonnes impôt sur le revenu et cotisations de sécurité sociale.

4. Dollars convertis à l'aide des parités de pouvoir d'achat.

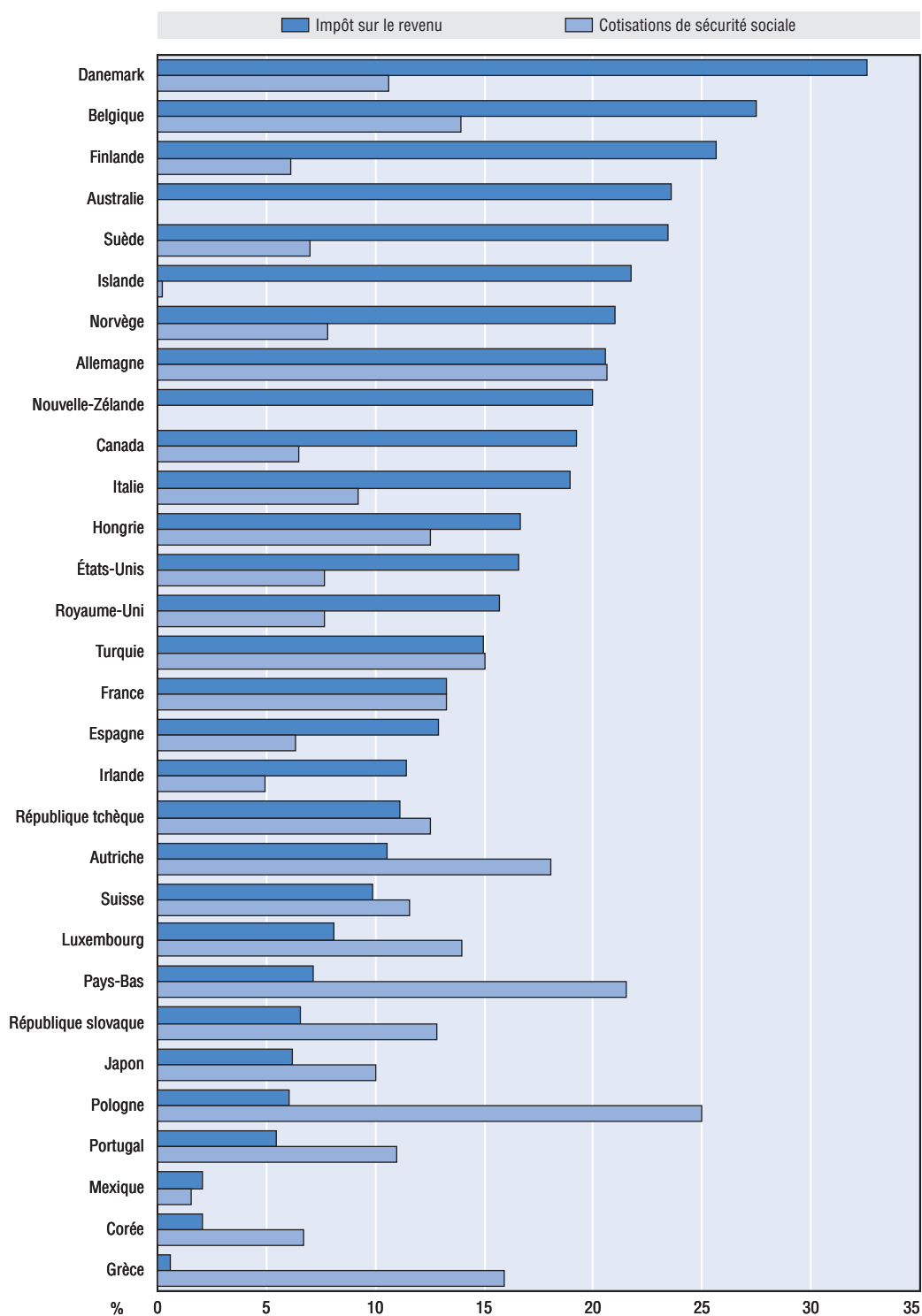
Manifestement, l'impact de l'impôt et des prestations sociales sur le revenu net disponible du salarié varie beaucoup d'un pays à l'autre de l'OCDE. Ces fortes variations dans le montant et la composition du « coin fiscal » reflètent en partie les différences dans :

- i) le rapport global entre le total des prélèvements et le Produit Intérieur Brut (voir annexe II) ;
- ii) la part de l'impôt sur le revenu des personnes physiques et des cotisations de sécurité sociale dans l'ensemble des prélèvements nationaux ;
- iii) la part des dépenses publiques financées par l'impôt.

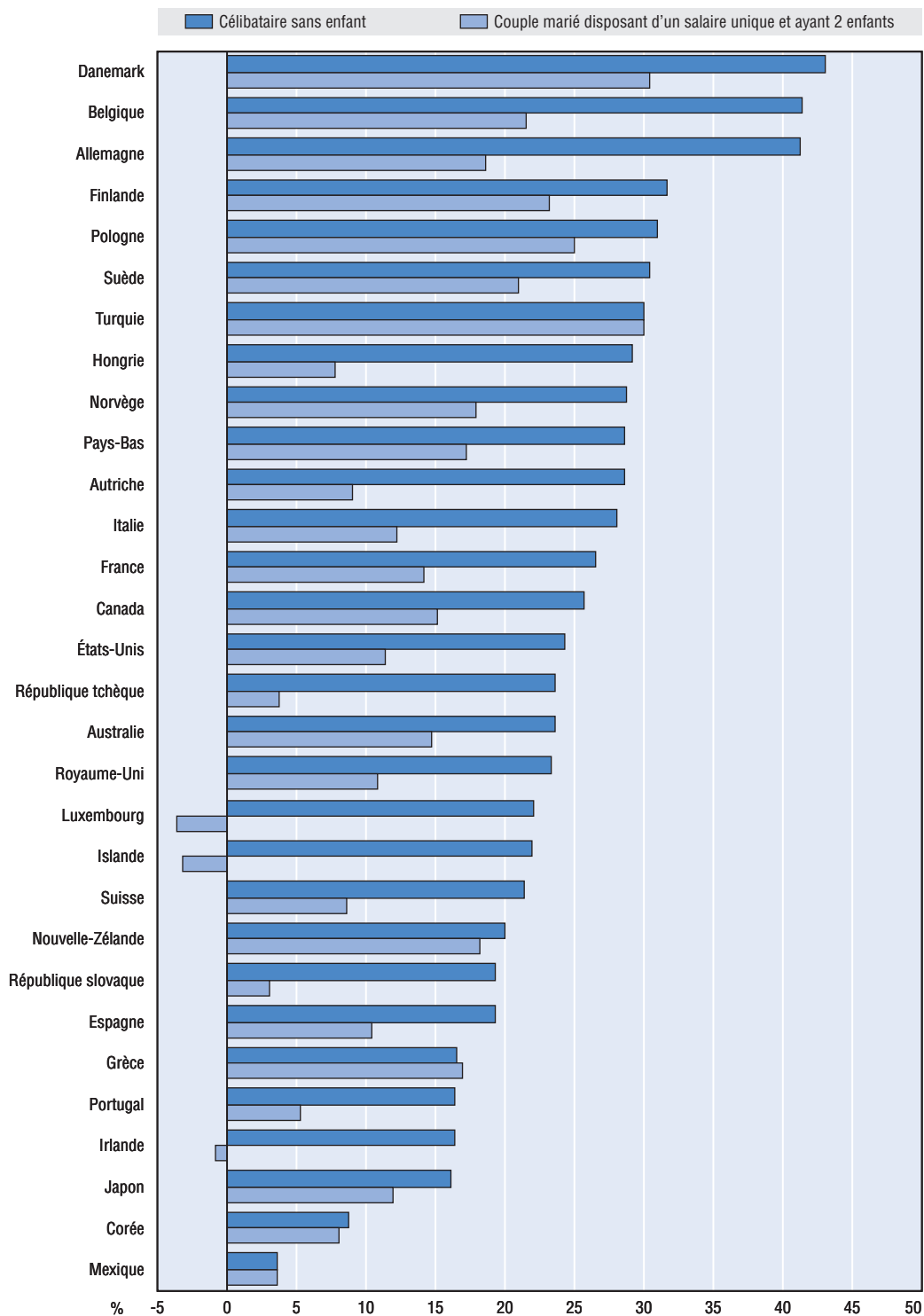
On commentera maintenant les tableaux 1 à 11 et les graphiques 1 à 6 qui figurent dans la partie II, sections A et C. Tous ces tableaux récapitulatifs font apparaître les résultats pour huit catégories de ménages, dont les caractéristiques diffèrent quant à la situation de famille (célibataire/marié, zéro/deux enfants), à la situation économique (ménage à un/deux apporteurs de revenu) et au niveau de salaire (33 pour cent, 67 pour cent, 100 pour cent et 167 pour cent du salaire annuel brut de l'ouvrier moyen).

Le tableau 1 de la partie II, section A, illustre l'impôt sur le revenu des personnes physiques dû en pourcentage du salaire brut. Pour les célibataires sans enfant dont le niveau de salaire est égal à celui de l'ouvrier moyen (colonne 2), le taux moyen de l'impôt sur le revenu varie entre 0.6 pour cent (Grèce) et 32.5 pour cent (Danemark). Dans la plupart des pays membres de l'OCDE, l'impôt sur le revenu au

Graphique I.1. **Pourcentage des salaires bruts payés en impôts sur le revenu et en cotisations salariales de sécurité sociale, 2002^{1, 2}**



1. Pays classés par ordre décroissant de l'impôt sur le revenu.
 2. Célibataires au niveau de revenu égal au salaire de l'ouvrier moyen.
 Source : OCDE.

Graphique I.2. **Impôt sur le revenu et cotisations des salariés diminués des prestations versées, par catégorie de famille (en % du salaire brut), 2002^{1, 2}**

1. Pays classés par ordre décroissant des taux célibataire sans enfant.

2. Correspondant au tableau 4, colonnes 2 et 5.

Source : OCDE.

Tableau I.3. **Impôt sur le revenu et cotisations de sécurité sociale à la charge des salariés et des employeurs (en % des coûts de main-d'œuvre), 2002¹**

Pays ²	Impôt sur le revenu	Cotisation de sécurité sociale		Total ³	Coûts de main-d'œuvre ⁴
		Salarié	Employeur		
Belgique	21	11	24	55	43 906
Allemagne	17	17	17	51	42 197
Suisse	9	10	10	30	37 710
Luxembourg	7	12	12	32	37 573
Danemark	32	11	1	43	36 690
Norvège	19	7	11	37	36 262
Pays-Bas	6	19	10	36	36 019
Italie	14	7	25	46	35 709
Finlande	20	5	20	45	35 513
Canada	18	6	7	31	34 793
États-Unis	15	7	7	30	34 650
Autriche	8	14	23	45	34 030
Australie	24	0	0	24	33 964
Suède	18	5	25	48	33 345
France	9	9	29	48	32 856
Royaume-Uni	14	7	8	30	32 557
Japon	6	9	10	24	32 287
Corée	2	6	8	16	32 116
Irlande	10	4	10	24	27 775
Espagne	10	5	23	38	27 156
Nouvelle-Zélande	20	0	0	20	26 629
Islande	21	0	5	26	25 379
Grèce	0	12	22	35	20 570
République tchèque	8	9	26	43	18 631
Turquie	12	12	18	42	17 367
Pologne	5	21	17	43	16 268
Portugal	4	9	19	32	15 376
République slovaque	5	9	28	42	13 249
Hongrie	13	9	24	46	11 934
Mexique	2	1	13	16	10 295

1. Célibataire disposant d'un salaire unique égal à celui de l'ouvrier moyen.

2. Pays classés par ordre décroissant des coûts de main-d'œuvre.

3. En raison de l'arrondi le total peut différer d'un point par rapport à la somme de colonnes impôt sur le revenu et cotisations de sécurité sociale.

4. Dollars convertis à l'aide des parités de pouvoir d'achat.

niveau de salaire de l'ouvrier moyen est nettement plus faible pour les couples mariés qui ont un seul apporteur de revenu et deux enfants que pour les célibataires (comparer les colonnes 2 et 5). Cela ressort clairement du graphique 1 (voir la partie II, section C). L'Australie, la Finlande, le Mexique, la Nouvelle-Zélande, la Suède et la Turquie constituent à cet égard des exceptions en ce que ces pays appliquent le même taux d'imposition aux couples mariés à un seul apporteur de revenu et aux célibataires (à niveau de salaire identique).

L'Allemagne est le seul pays membre de l'OCDE où l'ouvrier moyen marié ne paie pas d'impôt sur le revenu des personnes physiques et a droit à un crédit d'impôt remboursable, ce qui explique l'imposition de -2 pour cent. De même, dans quatre pays – l'Allemagne, les États-Unis, le Mexique et le Royaume-Uni – les personnes seules ayant deux enfants à charge et dont le salaire est égal aux deux tiers de celui de l'ouvrier moyen ont droit, dans le cadre de l'impôt sur le revenu des personnes physiques, à un transfert qui dépasse le montant de l'impôt dû. En conséquence, la colonne 4 du tableau 1 fait également apparaître dans ces cas un impôt négatif. Dans six autres pays – Espagne, Grèce, Hongrie, Irlande, Luxembourg et Portugal – ce type de ménages ne paie en fait aucun impôt sur le revenu.

Une comparaison des colonnes 5 et 6 du tableau 1 montre que, si le conjoint trouve un emploi rémunéré à 33 pour cent du salaire de l'ouvrier moyen, l'impôt sur le revenu dû par le ménage (exprimé en pourcentage de 1.33 fois le salaire de l'ouvrier moyen) augmente dans la plupart des cas

(légèrement). Toutefois, l'impôt diminue en fait dans treize pays : en Grèce (-0.3 point), en Corée (-0.4 point), en France et en Hongrie (-0.6 point), en Nouvelle-Zélande et en Turquie (-0.8 point), aux Pays-Bas (-1 point), en Suède (-1.3 point), en Autriche (-1.4 point), en Australie (-3.3 points), en Finlande (-3.5 points) et au Mexique (-4.7 points).

Le tableau 2 fait apparaître les cotisations salariales de sécurité sociale en pourcentage du salaire brut. Pour un travailleur célibataire sans enfant dont le niveau de salaire est celui de l'ouvrier moyen (colonne 2), le taux de cotisation varie entre zéro (Australie et Nouvelle-Zélande) et 25 pour cent (Pologne). Seulement deux pays membres de l'OCDE – l'Australie et la Nouvelle-Zélande – ne prélèvent pas du tout de cotisations de sécurité sociale sur les salariés, et ces cotisations sont très faibles pour les salariés en Islande et au Mexique. Les cotisations de sécurité sociale sont généralement prélevées à un taux uniforme sur la totalité du salaire, c'est-à-dire sans seuil d'exonération. Dans un certain nombre de pays membres de l'OCDE, un plafonnement s'applique. Toutefois, ce plafonnement concerne généralement les niveaux de salaire supérieurs à 167 pour cent de celui de l'ouvrier moyen. Cette structure de taux se traduit par une charge moyenne à peu près constante de cotisations salariales de sécurité sociale pour les niveaux de salaire se situant entre 33 et 167 pour cent du salaire de l'ouvrier moyen, comme l'indique le tableau 2. On peut citer comme exemples de la charge proportionnelle des cotisations salariales de sécurité sociale pour toutes les catégories de ménages à tous les niveaux de salaire envisagés ici la Pologne (25 pour cent), l'Autriche (18.1 pour cent), la Grèce (15.9 pour cent), la Turquie (15 pour cent), le Luxembourg (14 pour cent), la République tchèque et la Hongrie (12.5 pour cent), le Portugal (11 pour cent), la Norvège (7.8 pour cent), les États-Unis (7.7 pour cent) et la Corée (6.7 pour cent).

Par ailleurs, à 100 pour cent du salaire de l'ouvrier moyen, tous les pays membres de l'OCDE, à l'exception des Pays-Bas, appliquent les mêmes cotisations de sécurité sociale aux salariés, quelle que soit leur situation de famille (voir le graphique 2, page 109).

Le tableau 3 fait apparaître la charge cumulée que représentent l'impôt sur le revenu des personnes physiques (tableau 1) et les cotisations de sécurité sociale (tableau 2), exprimée cette fois encore en taux moyen d'imposition. L'écart entre le taux moyen d'imposition des personnes physiques le plus élevé et celui le plus faible est nettement moins marqué que l'écart entre les cotisations salariales de sécurité sociale, parce que les pays à taux élevés de cotisations de sécurité sociale ont souvent des taux comparativement plus faibles pour l'impôt sur le revenu des personnes physiques, et inversement. En outre, dans la plupart des pays de l'OCDE, les cotisations de sécurité sociale sont déductibles au titre de l'impôt sur le revenu des personnes physiques, ce qui réduit ainsi l'impôt moyen sur le revenu. Une personne seule sans enfant ayant le niveau de salaire de l'ouvrier moyen est soumise à une charge moyenne d'impôt sur le revenu et de cotisations sociales de plus de 40 pour cent au Danemark (43.1), en Belgique (41.4) et en Allemagne (41.2). À l'autre extrême, le taux moyen d'imposition des personnes physiques est inférieur à 20 pour cent au Mexique (3.6), en Corée (8.7), au Japon (16.2), en Irlande (16.4), en Grèce et au Portugal (16.5), en Espagne (19.2) et en République slovaque (19.3).

Le tableau 4 illustre, toujours sous la forme de taux moyens d'imposition des personnes physiques, la charge cumulée de l'impôt sur le revenu et des cotisations de sécurité sociale, mais dans ce cas après avoir retranché des prélèvements le montant des prestations en espèces d'application générale auxquelles a droit la catégorie de ménages considérée. Le graphique 3 (voir page 110) fait apparaître cette charge pour les célibataires sans enfant et pour les couples mariés à un seul apporteur de revenu qui ont deux enfants. Si l'on compare les tableaux 3 et 4, seul le taux moyen d'imposition des ménages ayant des enfants (colonnes 4 à 7) est dans certains cas plus faible dans le tableau 4, parce que beaucoup de pays membres de l'OCDE aident les familles qui ont des enfants en leur accordant des prestations en espèces. C'est pourquoi les taux moyens pour l'Allemagne, la Corée, l'Espagne, les États-Unis, la Grèce, le Japon, le Mexique et la Turquie – dans tous ces pays, il n'existe pas de prestations sociales pour enfant d'application générale – sont identiques dans les tableaux 3 et 4.

Le tableau 5 et le graphique 4 (voir page 111) élargit cette présentation aux cotisations patronales de sécurité sociale. Dans ce cas, les prélèvements totaux (diminués des prestations

reçues) sont exprimés en pourcentage des coûts totaux de main-d'œuvre, c'est-à-dire le salaire brut augmenté des cotisations patronales de sécurité sociale. On appelle également « coin fiscal » l'écart entre les coûts de main-d'œuvre et le salaire net disponible. Ce coin fiscal tient au fait que la plupart des pays à taux moyen élevé d'imposition des personnes physiques ont tendance à prélever des cotisations patronales de sécurité sociale à des taux comparativement plus faibles, et inversement. Pour les célibataires dont le niveau de salaire est celui de l'ouvrier moyen, le coin fiscal va de 16 pour cent (Corée, Mexique) et 20 pour cent (Nouvelle-Zélande) à 51.3 pour cent (Allemagne) et 55.3 pour cent (Belgique).

Les chiffres négatifs pour l'Australie, l'Irlande, l'Islande et le Royaume-Uni, qui apparaissent à la colonne 4 du tableau 5, tiennent à ce que, pour les parents isolés qui ont deux enfants et qui perçoivent les deux tiers du salaire de l'ouvrier moyen, les prestations en espèces sont supérieures à l'impôt sur le revenu et aux cotisations de sécurité sociale.

Le tableau 6 et le graphique 5 (voir page 112) indiquent l'augmentation de l'impôt sur le revenu des personnes physiques et des cotisations salariales de sécurité sociale pour une augmentation marginale du salaire brut. Dans la plupart des cas, l'impôt sur le revenu des personnes physiques et les cotisations salariales de sécurité sociale absorbent 30 à 50 pour cent de l'augmentation de salaire. Toutefois, dans trois pays membres de l'OCDE, les célibataires sans enfant dont le niveau de salaire est celui de l'ouvrier moyen sont soumis à des taux marginaux sensiblement plus élevés ; il s'agit de la Belgique (54.8 pour cent), de l'Allemagne (57.2 pour cent) et du Danemark (62.9 pour cent). Ce sont la Corée (12.3 pour cent) et le Mexique (15.7 pour cent) qui ont les taux marginaux d'imposition les plus faibles.

Dans la plupart des pays, le taux marginal d'imposition applicable aux couples mariés à un seul apporteur de revenu percevant le salaire de l'ouvrier moyen est le même que celui applicable aux célibataires sans enfant, ou lui est inférieur de quelques points. Le Luxembourg (à hauteur de 23.2 points) et la France (2.1 points) ont des taux beaucoup plus faibles pour les couples mariés à un seul apporteur de revenu. En revanche, le taux marginal applicable aux couples mariés à un seul apporteur de revenu qui ont deux enfants est bien plus élevé que celui applicable aux célibataires sans enfant en République tchèque (près de 13 points de plus), aux États-Unis (21 points), en Nouvelle-Zélande (30 points) et au Royaume-Uni (plus de 37 points). Ces taux marginaux élevés pour les bas salaires sont dus, dans ces cas, à l'existence de prestations familiales subordonnées à un critère de revenu (République tchèque), au crédit d'impôt au titre des revenus du travail (États-Unis), à divers crédits d'impôt pour les familles ayant des enfants à charge (Nouvelle-Zélande) et au crédit d'impôt en faveur des familles qui travaillent (Royaume-Uni). Ces mesures sont détaillées dans les chapitres par pays de la partie V du présent rapport.

Parmi tous les cas pris en compte dans le tableau 6, c'est au Royaume-Uni qu'on observe les taux marginaux les plus élevés (69.4 pour cent) pour les parents isolés qui ont deux enfants et qui perçoivent les deux tiers du salaire de l'ouvrier moyen et pour les ménages qui ont un seul apporteur de revenu et deux enfants et perçoivent le salaire de l'ouvrier moyen. Ces taux élevés sont la conséquence directe de la réduction du crédit d'impôt en faveur des familles qui travaillent à mesure qu'augmente le revenu, cette réduction augmentant de 37.4 points, dans le cas du Royaume-Uni, le taux marginal implicite d'imposition (comparer les colonnes 1 et 4 du tableau 6).

Le tableau 7 et le graphique 6 (voir page 113), qui prennent également en compte les cotisations patronales de sécurité sociale, font apparaître le taux marginal global d'imposition, le « coin marginal ». Le tableau 7 indique, en cas d'augmentation marginale des coûts de main-d'œuvre, le pourcentage de l'augmentation des coûts de main-d'œuvre qui est prélevé par le secteur public via l'impôt sur le revenu des personnes physiques et via les cotisations salariales et patronales de sécurité sociale. Dans la plupart des pays membres de l'OCDE, le coin marginal est plus élevé que le taux marginal qui s'applique au salarié, ce qui illustre l'importance des cotisations patronales pour le financement de la sécurité sociale.

Les chiffres des tableaux 6 et 7 sont identiques pour l'Australie et la Nouvelle-Zélande, car dans ces pays les employeurs ne sont pas soumis à des cotisations obligatoires pour le financement du

système de sécurité sociale (de sorte que les coûts de main-d'œuvre sont égaux au salaire brut). Dans le cas du Danemark, la différence est extrêmement faible et considérée comme égale à zéro. Le taux marginal global d'imposition n'est le même qu'en Pologne pour tous les types de ménages examinés (45.3 pour cent). Dans le cas de la Norvège et de la Turquie, le coin marginal est le même pour sept des huit types de ménages.

Le tableau 8 fait apparaître l'augmentation en pourcentage du revenu net lorsque le salaire brut augmente de 1 pour cent, c'est-à-dire l'élasticité du revenu après impôt. Avec un système d'impôt proportionnel, le revenu net augmente de 1 pour cent, l'élasticité étant alors égale à 1. Lorsqu'une augmentation du salaire brut de 1 pour cent induit une hausse correspondante du salaire net disponible de 0.8 pour cent seulement, l'élasticité est de 0.8. Plus le système d'imposition est progressif – au niveau de revenu considéré – plus l'élasticité est faible. Dans le cas, par exemple, du couple marié à un seul apporteur de revenu percevant le salaire de l'ouvrier moyen, la colonne 5 du tableau 8 montre que, dans les pays membres de l'OCDE, ce sont le Royaume-Uni (0.34), la Nouvelle-Zélande (0.45), l'Islande (0.55) et les États-Unis (0.56) qui ont, d'après cet indicateur, le système combiné d'impôt sur le revenu et de cotisations salariales de sécurité sociale le plus progressif à ce niveau de revenu. A l'autre extrême, la France et le Japon (0.92), la Corée (0.95) et la Turquie (0.96) sont très proches d'un système proportionnel pour l'impôt sur le revenu et les cotisations salariales de sécurité sociale considérés ensemble, au moins au niveau de salaire de l'ouvrier moyen.

Dans le cas des parents isolés qui ont deux enfants et qui perçoivent les deux tiers du salaire de l'ouvrier moyen, l'élasticité est extrêmement faible pour le Royaume-Uni (0.26), ce qui s'explique par les taux marginaux très élevés auxquels est soumis ce type de ménages (voir le tableau 6, colonne 4).

Le tableau 9 mesure l'élasticité du revenu après impôt sous un angle différent : le pourcentage d'augmentation du revenu net lorsque les coûts de main-d'œuvre (salaire brut, plus cotisations patronales de sécurité sociale) augmentent de 1 pour cent. Dans ce cas, les cotisations patronales de sécurité sociale ont été également prises en compte. Dans la plupart des pays membres de l'OCDE, l'élasticité se situe entre 0.70 et 0.90 pour la plupart des types de ménages considérés. Pour les couples mariés qui ont un seul apporteur de revenu percevant le niveau de salaire de l'ouvrier moyen, cette élasticité est inférieure à 0.5 au Royaume-Uni (0.33) et en Nouvelle-Zélande (0.45). Pour la Corée cette élasticité est proche de 1.

Le tableau 10 indique le salaire brut et le revenu net pour les huit catégories de ménages. Après conversion de tous les montants en dollars des États-Unis à parité de pouvoir d'achat, les travailleurs célibataires percevant le salaire de l'ouvrier moyen ont le salaire disponible (tableau 10, colonne 4) le plus élevé en Corée (26 989 dollars) et en Suisse (26 553 dollars). A l'autre extrême, l'ouvrier moyen ne perçoit que 6 406 dollars après impôt en Hongrie, 7 758 en République slovaque, 8 639 au Mexique et 9 316 en Pologne, ce qui traduit le stade de développement économique de ces pays.

Le classement des pays peut se trouver légèrement modifié si l'on met l'accent sur d'autres types de ménages, en fonction de la charge fiscale à laquelle sont soumis les célibataires par rapport aux familles à un ou deux apporteurs de revenu et en fonction du niveau des prestations en espèces d'application générale accordées aux familles.

Le tableau 11 illustre les coûts de main-d'œuvre et le revenu net pour les huit catégories de ménages retenues. Les colonnes « net » des tableaux 10 et 11 sont identiques, mais les montants qui figurent dans la colonne « brut » du tableau 11 ne correspondent plus au salaire perçu, mais aux coûts de main-d'œuvre pour l'employeur. Généralement, les coûts de main-d'œuvre sont bien supérieurs, parce que les cotisations patronales de sécurité sociale sont maintenant prises en compte. Tel n'est pas le cas en Australie et en Nouvelle-Zélande, parce que l'employeur n'acquitte pas de telles cotisations. Au Danemark, les cotisations patronales de sécurité sociale sont négligeables. En dollars des États-Unis à parité de pouvoir d'achat, les coûts de main-d'œuvre pour un travailleur célibataire percevant le salaire moyen sont les plus élevés en Belgique (43 906 dollars) et en Allemagne (42 197 dollars), et c'est au Mexique (10 295 dollars) et en Hongrie (11 934 dollars) qu'ils sont les plus faibles.

C. RÉSULTATS POUR L'ANNÉE 2001

On commentera maintenant très brièvement les résultats définitifs pour 2001 qui figurent dans les tableaux 12 à 22 de la section B de la partie II du rapport et l'évolution intervenue entre 2001 et 2002. La présentation des tableaux 12 à 22 est identique à celle des tableaux 1 à 11 commentés dans la section B qui précède. Par conséquent, pour savoir quels sont les changements intervenus entre 2001 et 2002 pour les divers cas considérés, il suffit de comparer les mêmes colonnes des tableaux 12 à 22 et des tableaux 1 à 11. Les commentaires qui suivent sur les tableaux 12 à 22 ne concernent que l'évolution de la charge fiscale et du taux marginal d'imposition pour les salariés célibataires sans enfant percevant le salaire de l'ouvrier moyen (colonne 2 des tableaux) et pour les couples mariés qui ont deux enfants et un seul apporteur de revenu percevant le salaire de l'ouvrier moyen (colonne 5 des tableaux). En comparant les colonnes 1, 3 et 4 et 6 à 8 des tableaux, on obtiendra les résultats pour les six autres catégories de ménages retenues dans le présent rapport. De plus, on ne commentera généralement que les changements dépassant 1 point (taux effectif moyen) et 5 points (taux effectif marginal).

Le tableau 12 fait apparaître l'impôt sur le revenu des personnes physiques en pourcentage du salaire brut. Dans la moitié des pays membres de l'OCDE, les célibataires percevant le salaire moyen ont payé (légèrement) plus d'impôt sur le revenu qu'en 2001. En revanche, dans les autres pays, le taux moyen de l'impôt sur le revenu a diminué (légèrement). La variation du taux moyen de l'impôt sur le revenu entre 2001 et 2002 dépasse rarement un point, sauf pour la Grèce et la Suède, où ce taux a diminué de 1.2 point, les Pays-Bas (-1.7)² et la Hongrie (-2.6) ; voir la colonne 2 des tableaux 1 et 12.

La diminution de l'impôt sur le revenu pour des couples mariés à un seul apporteur de revenu percevant le salaire de l'ouvrier moyen a été supérieure à un point en Suède (-1.2 point), en République slovaque (-1.3), en Hongrie et en Italie (-1.6) et aux Pays-Bas (-1.7). Le taux moyen de l'impôt sur le revenu dans le cas des couples mariés n'ayant qu'un seul revenu n'a pas augmenté de plus d'un pour cent dans aucun pays membre de l'OCDE ; voir la colonne 5 des tableaux 1 et 12.

Le tableau 13 indique les cotisations salariales de sécurité sociale en pourcentage du salaire brut. Pour les célibataires percevant le salaire moyen la variation des cotisations salariales moyennes de sécurité sociale n'a pas dépassé un point entre 2001 et 2002, sauf dans le cas des Pays-Bas, où la baisse a été de 2.6 points ; voir la colonne 2 des tableaux 2 et 13. Pour les couples mariés à un seul apporteur de revenu percevant le salaire moyen, les cotisations ont diminué de 3.2 points aux Pays-Bas ; voir la colonne 5 des tableaux 2 et 13.

Le tableau 14 illustre, la charge combinée entre l'impôt sur le revenu et les charges salariales sous forme d'un taux fiscal moyen personnel. Ces résultats ne requièrent aucun commentaire, étant donné qu'ils sont la somme des chiffres correspondants aux tableaux 12 et 13.

Le tableau 15 fait apparaître la charge globale que représentent l'impôt sur le revenu et les cotisations de sécurité sociale une fois retranché le montant des prestations familiales en espèces perçues par chaque type de ménage y ayant droit. Pour les célibataires percevant le salaire moyen, les variations entre 2001 et 2002 sont identiques à celles indiquées dans le tableau 14. La diminution du taux moyen d'imposition des couples mariés à un seul apporteur de revenu a dépassé un point en Italie (-1.3), en République slovaque (-1.6), en Hongrie (-2.1), au Luxembourg (-2.9), en Irlande (-3.1) et aux Pays-Bas (-4.9). En revanche, le taux moyen d'imposition a augmenté de 1.5 en Nouvelle-Zélande ; voir la colonne 5 des tableaux 4 et 15.

Le tableau 16 élargit la présentation en prenant en compte les cotisations patronales de sécurité sociale. Dans ce cas, toutes les sommes dues (diminuées des transferts reçus) sont exprimées en pourcentage des coûts totaux de main-d'œuvre, c'est-à-dire le salaire brut majoré des cotisations patronales de sécurité sociale. Dans presque tous les pays, les variations de l'écart entre les coûts totaux de main-d'œuvre et le salaire brut disponible, si l'on compare 2002 à 2001, restent comprises dans un intervalle de plus ou moins 2 points. Toutefois, pour l'ouvrier moyen célibataire, la diminution du coin fiscal est plus importante au Luxembourg (-2.4 points), en Hongrie (-2.7 points) et aux Pays-Bas

(-6.7 points). A l'autre extrême, le coin fiscal s'est accru de 1.7 point au Mexique ; voir la colonne 2 des tableaux 5 et 16. Pour les couples mariés à un seul apporteur de revenu, le coin fiscal n'a augmenté nulle part de plus de 1.7 point (Mexique). A l'autre extrême, le coin fiscal pour les couples mariés à un seul apporteur de revenu a diminué de plus de deux points au Luxembourg (-2.5), en Hongrie (-2.6), en Irlande (-3.8) et aux Pays-Bas (-7.8) ; voir la colonne 5 des tableaux 5 et 16.

Le tableau 17 illustre le taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales de sécurité sociale, moins les prestations familiales, par type de ménage et niveau de salaire. En général, les variations de ce taux marginal entre 2001 et 2002 restent comprises dans un intervalle de plus ou moins cinq points. On ne commentera que les variations supérieures à cet intervalle. Pour les célibataires percevant le salaire moyen, le taux marginal a augmenté de 13 points au Danemark. En revanche, il a diminué de 3.6 points au Luxembourg ; voir la colonne 2 des tableaux 6 et 17.

Dans le cas des couples mariés ayant deux enfants et un seul apporteur de revenu percevant le salaire moyen, on constate entre 2001 et 2002 une nette augmentation du taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales de sécurité sociale au Danemark (13.1 points). En Australie, le taux marginal pour ce type de ménage a considérablement diminué, de 30 points ; voir la colonne 5 des tableaux 6 et 17.

Le tableau 18 présente le coin marginal (taux de l'impôt sur le revenu plus les cotisations patronales et salariales de sécurité sociale, moins les prestations familiales) en 2001. Pour les deux types de ménages considérés ici, les variations de ce coin marginal sont très similaires à celles qui figurent dans le tableau 17. On ne les examinera donc pas spécifiquement.

Le tableau 19 illustre l'augmentation du revenu net (en pourcentage) lorsque le salaire brut augmente de 1 pour cent. A la marge, les travailleurs célibataires recevant le niveau moyen de salaire ont obtenu entre 2001 et 2002 un gain de 0.23 point au Danemark, alors qu'ils ont perdu 0.02 point au Luxembourg ; voir la colonne 2 des tableaux 8 et 19. Dans le cas des couples mariés à un seul apporteur de revenu, les évolutions les plus importantes sont intervenues en Australie (perte de 0.35 point) et au Danemark (gain de 0.19 point) ; voir la colonne 5 des tableaux 8 et 19.

Le tableau 20 fait apparaître l'augmentation du revenu net (en pourcentage) lorsque les coûts de main-d'œuvre augmentent de 1 pour cent. A la marge, les célibataires percevant le niveau moyen de salaire ont obtenu un gain au Danemark (0.23 point) et aux Pays-Bas (0.09 point), alors qu'ils ont perdu 0.02 point au Luxembourg ; voir la colonne 2 des tableaux 9 et 20. Pour les couples mariés à un seul apporteur de revenu, l'évolution la plus importante a eu lieu en Australie (perte de 0.35 point), aux Pays-Bas (gain de 0.07 point) et au Danemark (gain de 0.18 point) ; voir la colonne 5 des tableaux 9 et 20.

Les tableaux 21 et 22 présentent des informations de base sur le niveau des coûts de main-d'œuvre, du salaire brut et du salaire net en 2001 et n'exigent donc pas de commentaires.

D. ÉVOLUTION DES CHARGES D'IMPÔTS, 1979-2002

L'annexe I du présent rapport contient six tableaux qui font apparaître l'évolution, depuis 1979, des taux moyens d'imposition des personnes physiques et des coins fiscaux pour l'ouvrier moyen dans les pays de l'OCDE. Les tableaux 1 à 3 de l'annexe I présentent les taux moyens d'imposition des personnes physiques et les coins fiscaux pour l'ouvrier moyen célibataire sans enfant au cours de la période 1979-2002 dans les pays pour lesquels des données étaient disponibles. De même, les tableaux 4 à 6 de l'annexe I indiquent les taux moyens d'imposition et les coins fiscaux pour l'ouvrier moyen marié (ménages n'ayant qu'un seul apporteur de revenu et deux enfants) au cours de la même période.

Célibataires sans enfants

Le tableau I.1 de l'annexe montre qu'au cours de ces vingt-trois dernières années le taux moyen de l'impôt sur le revenu a (légèrement) augmenté dans un grand nombre de pays membres de l'OCDE, à l'exception (chiffres arrondis) de la Turquie (-27 points), de la Suède (-13), de l'Irlande (-12), du Luxembourg (-9), des Pays-Bas³ et du Royaume-Uni (-8), de la Nouvelle-Zélande (-6), de la Norvège (-5), des États-Unis (-4), du Danemark et de la Finlande (-3), de la Grèce, du Japon et de la Suisse (-1). La baisse de l'impôt sur le revenu des personnes physiques en Pologne (-11) et au Mexique (-5) a eu lieu dans les années 90. Toutefois, dans certains cas, la baisse de l'impôt sur le revenu des personnes physiques a été plus que compensée par la hausse des cotisations de sécurité sociale.

Cela ressort clairement du tableau I.2 de l'annexe I, qui indique la charge cumulée de l'impôt sur le revenu des personnes physiques et des cotisations de sécurité sociale. Durant cette période de 23 ans, le taux moyen d'imposition (y compris les cotisations de sécurité sociale) des célibataires sans enfant a eu tendance à augmenter dans la plupart des pays de l'OCDE. Cette augmentation n'a été que de 2 à 6 points dans de nombreux pays, mais la Belgique (+16), l'Allemagne (+10) et l'Italie (+8) ont enregistré une plus forte augmentation. En revanche, le taux moyen d'imposition a diminué entre la fin des années 70 et le début des années 2000 en Turquie (-19 points), en Irlande (-12), au Luxembourg et aux Pays-Bas (-7), en Nouvelle-Zélande, Norvège, Suède et au Royaume-Uni (-6) et aux États-Unis (-3).

Le tableau I.3 de l'annexe I élargit la présentation aux cotisations patronales de sécurité sociale. Entre 1979 et 2002, le coin fiscal pour un célibataire sans enfant percevant le salaire de l'ouvrier moyen a augmenté dans presque tous les pays de l'OCDE. Les augmentations les plus fortes ont été enregistrées en Allemagne (+10 points), en Autriche, en Belgique et au Canada (+8), en Islande (+7) ainsi qu'en Finlande et Portugal (+4). En revanche, le coin fiscal a nettement diminué aux Pays-Bas et en Turquie (-12 points) et, dans une moindre mesure, en Irlande (-9), en Norvège (-7), en Nouvelle-Zélande et au Royaume-Uni (-6).

Couples mariés disposant d'un seul salaire et ayant deux enfants

Les informations du tableau I.4 de l'annexe I correspondent à celles du tableau I.1, mais en mettant maintenant l'accent sur le cas d'un couple marié ayant deux enfants et un seul apporteur de revenu percevant le salaire moyen. La baisse du taux moyen de l'impôt sur le revenu après 1978 est très marquée en Turquie (-27 points), en Allemagne (-12), en Suède (-10) et en Irlande et au Royaume-Uni (-9). En 1996, le taux de l'impôt sur le revenu pour ce type de ménage a diminué en Allemagne de 8 points, essentiellement parce qu'une allocation en espèces pour enfants à charge a été remplacée par un crédit d'impôt.

De même, les informations du tableau I.5 de l'annexe I correspondent à celles du tableau I.2, mais en examinant le cas d'un couple ayant deux enfants et un seul apporteur de revenu et percevant le salaire de l'ouvrier moyen, étant entendu qu'on a déduit également les prestations en espèces. L'évolution indiquée correspond largement à celle observée pour les célibataires, mais dans la plupart des pays la charge que représentent l'impôt et les cotisations salariales de sécurité sociale est (nettement) plus faible pour les couples mariés à un seul apporteur de revenu que pour un célibataire. Dans un certain nombre de pays, les ménages ayant des enfants subissent une charge fiscale plus faible parce que les prestations en espèces d'application générale qu'ils ont perçues ont annulé l'impôt dû.

Enfin, le tableau I.6 de l'annexe I élargit l'analyse portant sur les couples mariés à un seul apporteur de revenu en prenant en compte les cotisations patronales de sécurité sociale. Entre 1979 et 2002, le coin fiscal a nettement augmenté en Grèce (+26 points) ainsi qu'en Autriche, au Canada et au Japon (+9). A l'autre extrême, les Pays-Bas (-14 points), en Turquie et l'Irlande (-11) ont connu une nette diminution de la charge globale que représente l'impôt sur le revenu des personnes physiques et (toutes) les cotisations de sécurité sociales.

E. COIN FISCAL, 1996-2002

Le coin fiscal – écart entre les coûts de main-d'œuvre pour l'employeur et le salaire net disponible correspondant du salarié – est exprimé par la somme de l'impôt sur le revenu des personnes physiques et de l'ensemble des cotisations de sécurité sociale, moins les prestations en espèces, en pourcentage des coûts de main-d'œuvre (voir la section A). En général, les variations du coin fiscal entre deux années consécutives se situent dans un intervalle de plus ou moins deux points. Des variations plus importantes sont généralement dues à l'un des quatre facteurs suivants :

- i) modifications de la législation nationale en matière d'impôts et de transferts sociaux ;
- ii) incidence de l'inflation ;
- iii) modifications des modalités de déclaration des pays ;
- iv) le niveau de revenu de certains types de familles dépasse les limites des tranches des systèmes progressifs d'imposition.

Entre 1996 et 1997, six pays ont enregistré une variation du coin fiscal supérieure à plus ou moins 2 points. On observe deux exemples du cas *i*), c'est-à-dire d'une modification de la législation en matière d'impôts et de transferts sociaux. En Islande, l'augmentation du coin fiscal (+3.8 points) a résulté d'une révision du système de transferts. Pour l'ouvrier moyen au Mexique, le coin fiscal a diminué de 4.6 pour cent en conséquence de nouvelles réductions d'impôt. Si l'on compare le coin fiscal en 1996 et 1997, on a deux exemples du cas *iii*). La variation du coin fiscal en Autriche (+4.2 points) tient au fait que les taxes sur les salaires ne sont prises en compte dans le calcul de l'impôt qu'à partir de 1997, de sorte que la série chronologique n'est pas cohérente. La variation dans le cas de la Corée (+6.3 points) s'explique par le fait qu'à partir de 1997 de nouvelles cotisations de sécurité sociale sont prises en compte.

Entre 1997 et 1998, plusieurs pays ont enregistré des variations du coin fiscal de plus de deux points. On a quelques exemples de modification de la législation nationale en matière d'impôt et de transferts sociaux ayant entraîné une variation importante du coin fiscal. La Corée a relevé le taux des cotisations de sécurité sociale salariales et patronales. Si l'on compare le coin fiscal en 1997 et 1998, on a un exemple de modification des modalités de déclaration. A partir de 1998, la République tchèque a pris en compte les prestations familiales en espèces accordées sous condition de revenu qui ont été instaurées en 1997. En conséquence, le coin fiscal pour 1998 a été de 8 points plus bas pour les ménages ayant deux enfants et un seul apporteur de revenu percevant le salaire moyen.

Entre 1998 et 1999, plusieurs pays ont connu des variations du coin fiscal de plus de deux points. On a quelques exemples de modifications de la législation nationale en matière d'impôts et de transferts qui se sont traduites par une variation sensible du coin fiscal. Les réformes de l'impôt sur le revenu des personnes physiques en Espagne, aux États-Unis, en Hongrie, en Irlande et en Turquie ont diminué nettement cet impôt. En Turquie, en particulier, la baisse du coin fiscal s'est traduite par une baisse de presque 10 points pour les types de ménages envisagés dans le présent rapport. Au Japon, des charges de sécurité sociale plus importantes ont abouti à un coin fiscal se situant entre 4 et 6 points en pourcentage.

Si l'on compare le coin fiscal en 1998 et en 1999, on a un exemple de modification des modalités de déclaration. Le Mexique ne prend plus en compte les cotisations patronales à la sécurité sociale privatisée. Cela concerne les cotisations aux comptes individuels de retraite (2 pour cent) et au fonds INFONAVIT pour le logement (5 pour cent) ; voir le chapitre consacré au Mexique pour des informations plus détaillées sur ces nouvelles modalités de déclaration.

Entre 1999 et 2000, plusieurs pays ont enregistré une variation du coin fiscal moyen supérieure à deux points en conséquence d'une modification de la législation nationale en matière d'impôts et de transferts. La baisse des taux de l'impôt sur le revenu a réduit le coin fiscal en Australie par à peu près 3 points. L'Irlande a appliqué une baisse des taux qui a réduit le coin fiscal moyen de 3.5 à 4.6 points pour les types de ménages choisis pour le présent rapport.

En Turquie, les ménages se sont retrouvés dans des tranches d'imposition plus élevées du fait de l'inflation rampante. En conséquence, le coin fiscal des différentes catégories de ménages aux niveaux de salaire retenus pour le présent rapport a augmenté de 5 à 10 points.

Entre 2000 et 2001, nous avons quatre exemples de modification de la législation nationale en matière d'impôts et de transferts ayant sensiblement modifié le coin fiscal. L'Irlande a réduit ses taux pour l'impôt sur le revenu des personnes physiques et relevé ses cotisations de sécurité sociale pour les titulaires de bas salaires. En conséquence, le coin fiscal a diminué de 3 points. Les Pays-Bas ont mis en œuvre une vaste réforme fiscale en vertu de laquelle les abattements personnels pour l'impôt sur le revenu ont été remplacés par des crédits d'impôt et le dosage de l'impôt sur le revenu et des cotisations de sécurité sociale a été revu. Par ailleurs, le taux normal de la taxe sur la valeur ajoutée et des taxes environnementales ont été relevés, les recettes supplémentaires ainsi obtenues étant utilisées pour diminuer l'impôt sur le travail. En conséquence, le coin fiscal pour tous les types de ménages a diminué d'au moins 2.5 points. Au Royaume-Uni et aux États-Unis, le coin fiscal pour les familles (exerçant un emploi) ayant des enfants a été réduit approximativement de 3 points, en raison du relèvement de la déduction pour jeunes enfants à charge.

En Turquie, les ménages se sont encore retrouvés dans des tranches d'imposition plus élevées du fait d'une forte inflation. Pour la plupart des types de ménages, le coin fiscal s'est accru de 3 à 4 points, mais pour les salariés célibataires percevant 167 pour cent du salaire de l'ouvrier moyen, la hausse a été de 8 points.

Entre 2001 et 2002, quatre pays ont enregistré, pour la plupart des types de ménages envisagés dans le présent rapport, une variation du coin fiscal supérieure à 2 points. On a trois exemples de modification de la législation nationale en matière d'impôts et de transferts se traduisant par une variation sensible du coin fiscal : l'Irlande a réduit de 2 points ses taux pour l'impôt sur le revenu des personnes physiques ; la Hongrie a nettement élargi son crédit d'impôt de base et également augmenté sa prestation en espèces pour enfants à charge ; et le Luxembourg a achevé la réduction sur deux ans de ses taux d'imposition sur les revenus des personnes physiques.

La comparaison des résultats pour 2001 et 2002 dans le cas des Pays-Bas illustre bien l'impact d'une augmentation du revenu aboutissant au franchissement par les ménages d'un seuil important pour l'impôt national. Aux Pays-Bas, les salariés et leurs employeurs sont tenus de cotiser au régime national d'assurance maladie lorsque le salaire brut est inférieur à certains montants, et les cotisations patronales sont incluses dans le revenu imposable de ces salariés. En 2001, le salaire de l'ouvrier moyen était légèrement inférieur au plafond pour cette même année, alors qu'en 2002, il était légèrement supérieur. Dès lors, le salarié et l'employeur ne contribuent plus à ce niveau de salaire au régime national d'assurance maladie, ce qui entraîne une nette réduction du coin fiscal (et d'autres mesures qui tiennent compte des cotisations de sécurité sociale). Bien entendu, il convient de ne pas oublier que l'ouvrier moyen devra souscrire une assurance médicale privée et que, dès lors, ce changement, du point de vue du bien-être global du salarié percevant le salaire de l'ouvrier moyen, dépendra du coût de cette assurance privée par rapport à la réduction de la charge fiscale.

NOTES

1. Les résultats concernant les Pays-Bas ont été faussés par un événement exceptionnel intervenu en 2002 qui a anormalement amplifié la réduction d'impôt. Les salariés néerlandais disposant d'un revenu égal à celui de l'ouvrier moyen ont dépassé le seuil d'admission au régime public et sont passés de l'assurance-maladie publique obligatoire à une assurance-maladie privée. Les cotisations d'assurance-maladie à la charge des salariés et des employeurs ont été remplacées par des versements de primes à des assureurs privés, qui ne sont pas considérés comme des impôts. On peut trouver une explication plus détaillée dans le dernier paragraphe de la section E.
2. Voir la note 1.
3. Voir la note 1.

ÉTUDE SPÉCIALE

Les impôts des familles

1. Introduction

Les ménages jouent un rôle important dans la redistribution des revenus entre leurs membres : ils partagent des ressources aussi bien entre salariés et non salariés (enfants, conjoint à charge, handicapés et personnes âgées vivant dans le ménage) qu'entre salariés de revenus inégaux. Ce processus de redistribution consiste à permettre à tous les membres d'une famille d'accéder à des ressources mises en commun même s'ils ne disposent d'aucun revenu ni d'aucun emploi. Du point de vue des salariés, cette redistribution peut être considérée comme un coût¹ qui réduit leur capacité contributive, en matière d'impôt.

Les gouvernements des pays membres de l'OCDE reconnaissent que les ménages constituent l'un des principaux moyens de redistribution de l'aide sociale tout en étant conscients des coûts qui en résultent pour les salariés, et, dans de nombreux cas, ils réservent un régime fiscal spécial aux contribuables ayant un conjoint ou des enfants à charge. En particulier, la plupart des gouvernements accordent aux ménages des aides financières par le biais du système de prestations et/ou par un régime fiscal plus favorable. Les décideurs utilisent trois méthodes principales pour prendre en compte la situation de famille :

- L'application d'un barème d'imposition qui varie selon la situation de famille. Dans ces cas, l'unité d'imposition est la famille et non l'individu : des tranches d'imposition différentes et des taux légaux d'imposition plus faibles sont applicables aux contribuables mariés ou aux familles ayant des enfants à charge (c'est le cas par exemple aux États-Unis). Parfois un « quotient familial » ou une « méthode de fractionnement » est appliqué au revenu familial imposable, ce qui permet d'imposer les revenus à un taux plus faible selon un barème de taux marginaux progressifs (par exemple en France et en Allemagne). Dans ces cas, les dispositions favorables liées à la situation de famille peuvent être considérées comme des éléments de base du système fiscal d'ensemble.
- L'octroi de crédits d'impôt et d'abattements en fonction de la situation de famille et de la présence d'enfants à charge. Dans ce cas, le système fiscal est utilisé comme un moyen de fournir une aide financière aux ménages.
- L'octroi de prestations en espèces aux familles ayant des enfants ou de prestations liées à la situation de famille. Ces transferts financiers – versés par l'administration aux ménages – font partie intégrante du système de prestations.

Du fait de l'ensemble de ces politiques, les taux d'imposition effectifs applicables aux couples mariés et aux contribuables ayant des enfants à charge sont généralement plus faibles que ceux qui s'appliquent aux individus isolés percevant le même niveau de revenu familial.

Cette étude spéciale met l'accent sur les méthodes utilisées par les administrations publiques pour accorder un régime fiscal spécial aux familles. Elle résume les dispositions applicables dans tous les pays de l'OCDE en 2001 et rend compte des effets de ces dispositions sur les taux moyens comme sur les taux marginaux effectifs d'imposition. L'approche choisie suit la méthodologie indiquée dans Les

impôts sur les salaires et fournit des chiffres pour les cinq catégories « types » de familles de plus d'une personne.

2. Dispositions relatives aux impôts et prestations

2.1. L'unité d'imposition

Le tableau S.1 donne des informations de base sur la définition de l'unité d'imposition dans tous les pays de l'OCDE en 2001. La plupart des pays de l'OCDE pratiquent désormais l'imposition individuelle en y apportant parfois des modifications dans des circonstances spécifiques. Cependant, quelques pays ont choisi d'utiliser la famille comme base de l'impôt sur le revenu.

2.2. Allègements fiscaux forfaitaires

Pour chaque pays de l'OCDE, le tableau S.2 indique les allègements fiscaux forfaitaires liés à la situation de famille et aux enfants à charge. Les allègements sont qualifiés de « forfaitaires » du fait qu'ils sont indépendants des dépenses réellement effectuées par les familles et sont automatiquement accordés à tous les contribuables qui remplissent les conditions requises par la législation pour en bénéficier. Ces allègements peuvent prendre la forme d'abattements (qui réduisent le revenu imposable) ou de crédits d'impôt (qui réduisent l'impôt à verser). Les crédits d'impôt peuvent être non récupérables (lorsqu'ils ne peuvent aboutir à un versement net au contribuable) ou récupérables (lorsque tout excédent du crédit d'impôt par rapport à l'impôt dû est versé au contribuable). L'effet d'un abattement sur l'impôt versé dépend du taux marginal d'imposition tandis que l'effet d'un crédit d'impôt n'en dépend pas.

Allègements au titre de la situation de famille

La plupart des abattements fiscaux et crédits d'impôt accordés par les pouvoirs publics sont liés à la présence dans le ménage d'un conjoint dont le revenu personnel est nul ou faible. Dans de nombreux cas, le montant de cet abattement ou crédit d'impôt dépend à la fois des revenus du contribuable et de ceux de son conjoint.

Exemple :

En Italie, un crédit d'impôt pour conjoint à charge est accordé aux contribuables mariés. Ce crédit d'impôt est accordé si le revenu du conjoint n'excède pas un certain montant. Le montant du crédit d'impôt est calculé en fonction des tranches de revenu.

Allègements accordés aux familles monoparentales

Un certain nombre de pays de l'OCDE accordent un régime fiscal favorable aux familles monoparentales, pour tenir compte des difficultés qu'elles rencontrent pour élever leurs enfants.

Exemple :

En Irlande, le gouvernement accorde aux familles monoparentales un abattement d'impôt dont le montant est équivalent au crédit d'impôt de base.

Allégements forfaitaires au titre des enfants à charge

La plupart des pays de l'OCDE accordent des crédits d'impôt et/ou des abattements qui sont liés à la présence d'enfants à charge. Dans certains cas, l'allégement est progressivement retiré pour les niveaux de revenu plus élevés.

Exemple :

En avril 2001, le gouvernement du Royaume-Uni a instauré un crédit d'impôt au titre des enfants à charge destiné à aider les familles qui hébergent un enfant de moins de 16 ans. Le crédit d'impôt au titre des enfants à charge (« Child Tax Credit ») est un crédit d'impôt non récupérable et qui prend la forme d'une déduction additionnelle accordée au taux uniforme de 10 pour cent. Pour les contribuables assujettis à un taux plus élevé, le crédit est réduit dans la proportion d'une livre pour 15 livres de revenu de la tranche d'imposition la plus élevée.

2.3. Transferts en espèces liés à la situation de famille

Comme l'indique le tableau S.3, beaucoup de systèmes d'impôts et de prestations sociales de pays de l'OCDE prévoient des prestations en espèces aux familles ayant des enfants à charge, tandis que le montant de ces transferts varie fortement d'un pays à l'autre. Les prestations en espèces peuvent être fixes ou variables en fonction des revenus de la famille et elles peuvent également varier avec l'âge et le nombre d'enfants. Parfois, des prestations plus élevées sont accordées aux familles monoparentales ou lorsque les enfants sont handicapés. Seule l'Italie accorde aux familles un transfert en espèces lié à la présence d'un conjoint à charge (et ces dispositions ne s'appliquent dans aucun des cas envisagés dans *Les impôts sur les salaires*).

Exemple :

En Norvège, des prestations en espèces peuvent être accordées pour chaque enfant à charge. Le montant est lié au nombre d'enfants mais non au revenu familial ; les parents isolés reçoivent des prestations pour un enfant de plus que leur nombre réel d'enfants. Une aide additionnelle est accordée lorsque les enfants ont entre un et deux ans. Les familles qui vivent dans la partie septentrionale de la Norvège reçoivent une aide additionnelle pour chaque enfant âgé de 18 ans ou moins.

3. L'incidence sur les taux d'imposition effectifs

Le tableau S.4 indique les différences entre les taux moyens d'imposition réellement payés par les cinq catégories de ménages de plusieurs personnes et les taux qu'ils auraient payés si l'unité d'imposition avait été l'individu et si aucun des allégements fiscaux ou des prestations en espèces liés à la composition de la famille n'avaient existé. Tout au long de cette étude spéciale, les taux d'imposition indiqués correspondent au coin fiscal total : impôts sur le revenu des personnes physiques plus cotisations salariales et patronales de sécurité sociale (et impôts sur les salaires) diminués des prestations en espèces, exprimées en pourcentage des coûts de main-d'œuvre (qui comprennent les salaires bruts plus les cotisations patronales de sécurité sociale et les taxes sur les salaires). La situation de famille ou le nombre d'enfants n'influe pas normalement sur le montant des cotisations de sécurité sociale et des taxes sur les salaires qui sont dues, de sorte que toutes les différences qui figurent dans les tableaux sont dues à l'impôt sur le revenu des personnes physiques et aux transferts.

Le tableau S.4 fait apparaître une grande diversité selon les pays et les catégories de familles. Le Mexique et la Turquie, qui n'accordent pas de régime fiscal spécial ni au titre du mariage ni au titre des enfants à charge, constituent deux cas extrêmes. A l'autre extrême, le Royaume-Uni réduit le taux moyen

d'imposition des parents isolés de 35.3 points et le Luxembourg réduit celui qui est applicable aux couples disposant d'un seul revenu de 22.4 points. Cependant, plusieurs schémas se dégagent nettement. En premier lieu, les familles monoparentales reçoivent les avantages fiscaux les plus importants dans la plupart des pays de l'OCDE (à l'exception de la France, de la Grèce, du Japon et de l'Espagne). Cela résulte à la fois de la faiblesse du revenu du ménage qui a été choisi (67 pour cent seulement du salaire de l'ouvrier moyen) et du fait que les difficultés financières particulières auxquelles doivent faire face les parents isolés sont généralement reconnues. En second lieu, dans le cas des couples ayant des enfants, les avantages fiscaux sont généralement les plus élevés dans le cas où l'un des conjoints est inactif (sauf en France). En troisième lieu, les couples sans enfants n'obtiennent une réduction d'impôt que dans neuf pays de l'OCDE : Danemark, France, Allemagne, Irlande, Islande, Corée, Luxembourg, Suisse et États-Unis². Même dans ces pays, les avantages fiscaux sont sensiblement moindres que ceux qui sont accordés aux autres catégories de familles signalées dans ce rapport.

Ces caractéristiques montrent qu'il y a lieu de mettre l'accent sur deux catégories de familles afin de les analyser de manière plus approfondie :

- Les parents isolés qui perçoivent un salaire égal à 67 pour cent de celui de l'ouvrier moyen et qui ont deux enfants à charge.
- Les couples mariés disposant d'un seul revenu du niveau de celui de l'ouvrier moyen et qui ont deux enfants à charge.

L'analyse portera tout d'abord les taux moyens d'imposition, qui sont les plus significatifs pour l'étude des effets redistributifs des avantages fiscaux. Elle portera ensuite sur les aspects incitatifs, en examinant les effets sur les taux marginaux d'imposition.

3.1. Taux moyens d'imposition

Le tableau S.5 indique les taux moyens d'imposition effectivement versés par un parent isolé (et par son employeur) ayant deux enfants, et disposant d'un salaire égal à 67 pour cent de celui de l'ouvrier moyen. En outre, ce tableau fait apparaître l'augmentation des taux moyens d'imposition qui résulterait de la suppression du régime fiscal spécial (imposition et allègements fiscaux tenant compte de la situation de famille) et des transferts. Les taux moyens réels sont négatifs dans quatre pays (Australie, Islande, Irlande et Royaume-Uni) et s'échelonnent entre -11.8 pour cent en Australie et 42.6 pour cent en Turquie. L'augmentation totale des taux moyens d'imposition qui résulterait de la suppression de tout régime fiscal spécial (impôts et transferts) varie de zéro (Grèce, Mexique et Turquie) à 35.3 pour cent (Royaume-Uni).

Tout en faisant apparaître une large gamme d'aides fiscales aux familles monoparentales, les pays diffèrent considérablement dans les modalités d'octroi de ces aides. Un petit nombre d'entre eux, notamment l'Allemagne, la Hongrie, les Pays-Bas, le Royaume-Uni et les États-Unis, accordent des allègements fiscaux forfaitaires élevés liés à la présence d'enfants à charge. Parmi ces pays, seuls l'Allemagne et les États-Unis se réfèrent à une unité d'imposition familiale et les modifications de l'unité d'imposition n'entraînent pas de modification des taux moyens d'imposition. En revanche, la question de l'unité d'imposition joue un rôle important dans la détermination des taux moyens d'imposition dans des pays comme la Suisse, l'Espagne et la Norvège. En Norvège, la totalité de la variation d'impôt de 3.9 points dépend du choix de l'unité d'imposition. En Suisse, sur une variation totale d'impôt de 5.3 points, 5 points résultent du fait que les familles monoparentales se voient appliquer des tranches d'imposition différentes et des taux légaux d'imposition plus faibles que les personnes seules sans enfants. En Espagne, 1.5 point sur la variation totale de 5.1 points est lié au choix de l'unité d'imposition. Près du tiers des pays de l'OCDE n'accordent pas de réductions d'impôt (imposition familiale, crédits d'impôt ou abattements) aux familles monoparentales choisies comme exemple.

En ce qui concerne plus particulièrement les transferts en espèces liés à la présence d'enfants, l'Australie, l'Autriche, la République tchèque, l'Islande et le Danemark accordent des transferts, ce qui réduit les taux moyens d'imposition de plus de 20 pour cent. Huit pays (l'Allemagne, la Grèce, le Japon,

la Corée, le Mexique, l'Espagne, la Turquie et les États-Unis) n'accordent pas de transferts aux parents isolés. Dans la plupart des pays (à l'exception du Royaume-Uni et des pays qui n'appliquent pas de transferts), l'effet des transferts est plus important que celui du régime fiscal spécial.

Le tableau S.6 fait apparaître les variations des taux moyens d'imposition des couples disposant d'un seul revenu (du niveau de celui de l'ouvrier moyen) et ayant deux enfants, lorsque toutes les dispositions applicables aux familles en matière d'impôts et de prestations sociales ont été supprimées. Un grand nombre de pays accordent des réductions d'impôt liées à cette combinaison de situation de famille et de présence d'enfants à charge. Ces allègements ont pour effet de réduire les taux moyens d'imposition jusqu'à 15.4 points (en Allemagne).

La structure fiscale joue un rôle important dans la détermination des taux moyens d'imposition de presque tous les pays qui pratiquent l'imposition du foyer fiscal. En France, sur une variation totale de 4.6 points, 4.2 points sont dus à l'existence du « quotient familial ». De même, en Suisse, sur une variation totale de 5.7 points, 5.4 points sont liés au choix de l'unité d'imposition.

En ce qui concerne plus particulièrement les transferts en espèces liés à la présence d'enfants, un quart seulement des pays de l'OCDE n'accordent pas de prestations aux familles ayant des enfants. L'Autriche, la République tchèque, l'Islande et le Luxembourg accordent des transferts qui réduisent les taux moyens d'imposition de 10 à 14 points. Pour les autres pays qui accordent des prestations, les taux moyens d'imposition sont réduits entre 2.8 points (Nouvelle-Zélande) et 9.1 points (Australie et République slovaque).

Si l'on observe la variation totale des taux moyens d'imposition liés à la suppression de l'ensemble des dispositions en matière d'impôts et de prestations liés à la situation de famille, une fois de plus les importantes différences entre les pays de l'OCDE sont frappantes. Les systèmes fiscaux du Mexique et de la Turquie ne font apparaître aucun changement des taux moyens d'imposition. Des pays tels que la Grèce, la Corée et la Nouvelle-Zélande accordent des prestations qui aboutissent à une réduction de moins de 3 points des taux moyens d'imposition. En revanche, des pays comme l'Autriche, l'Allemagne, la Hongrie, l'Islande et le Luxembourg tiennent compte de la situation de famille des contribuables et de la présence d'enfants en leur offrant toute une gamme d'avantages fiscaux qui se traduisent par une réduction d'ensemble de 15 à 25 points des taux moyens d'imposition.

3.2. Taux marginaux d'imposition

Le tableau S.7 indique les taux marginaux effectifs d'imposition applicables aux parents isolés dont le salaire est égal à 67 pour cent de celui de l'ouvrier moyen et la variation qui se produirait si toutes les dispositions fiscales spéciales (imposition au niveau de la famille, abattements d'impôt, crédits d'impôt et transferts) étaient supprimées. Dans un peu plus de la moitié des pays de l'OCDE, il n'y aurait pas de variation du taux marginal d'imposition. Cependant, les autres pays font apparaître une grande diversité, la variation des taux marginaux allant de -38.5 points (Australie) à 20.9 points (Hongrie). Les taux marginaux sont généralement élevés dans les cas où les dispositions fiscales préférentielles (qui prennent normalement la forme de crédits d'impôt ou de transferts) sont ciblées sur les familles à faibles revenus et sont retirées à mesure que le revenu s'élève. Cela peut se traduire par des taux marginaux effectifs très élevés, par exemple de 72.7 pour cent au Royaume-Uni et de 61.1 pour cent en République tchèque. La suppression de ces dispositions fiscales préférentielles réduit donc sensiblement le taux marginal d'imposition applicable aux familles concernées mais, bien entendu, une des conséquences directes d'une telle mesure serait de réduire l'incitation à l'activité pour les personnes concernées. En revanche, la suppression de l'imposition familiale ou des abattements d'impôt dans le cadre d'une structure progressive de taux marginaux d'imposition est susceptible d'augmenter le taux marginal comme dans les cas du Luxembourg et de l'Espagne.

Toutefois, l'augmentation du taux marginal dans le cas de la Hongrie est due à une raison différente : du fait de la suppression du crédit d'impôt (non récupérable) pour enfant à charge, le parent isolé passe d'un impôt sur le revenu des personnes physiques nul à un impôt positif, et par conséquent d'un taux marginal d'impôt sur le revenu nul à un taux positif.

Le tableau S.8 indique les taux marginaux réels applicables à un couple ne disposant que d'un seul revenu égal à celui de l'ouvrier moyen et ayant deux enfants, ainsi que les effets de la suppression de toutes les dispositions fiscales spéciales en faveur des familles sur ces taux. Le taux marginal d'imposition applicable au principal apporteur de revenu suit la définition normalisée de l'impôt additionnel versé sur une augmentation d'une unité du salaire brut. En revanche, le taux marginal d'imposition applicable au conjoint inactif est défini comme la part du coût de main-d'œuvre qui est taxée en cas d'exercice d'un emploi rémunéré à 33 pour cent du salaire de l'ouvrier moyen. Cette approche correspond au régime applicable au conjoint inactif dans l'ensemble de cette étude.

Le tableau S.8 montre qu'un peu plus de la moitié des pays de l'OCDE n'indiquent aucune modification du taux marginal d'imposition applicable au principal apporteur de revenu mais que moins d'un tiers d'entre eux n'indiquent pas de modification du taux marginal d'imposition applicable au conjoint. Cette différence résulte du fait que beaucoup de pays ciblent leurs allègements fiscaux au profit des personnes mariées sur les couples pour lesquels le revenu le plus bas est faible ou nul. Cela mis à part, la structure des variations de taux marginaux d'imposition est à peu près similaire à celle qui est indiquée dans le tableau S.7. L'importante chute des taux marginaux applicables au principal apporteur de revenu s'explique par le fait que dans certains cas les crédits d'impôt ou prestations en espèces sont ciblés sur les familles dont le revenu total est faible et sont retirés à mesure que le revenu s'élève. La raison pour laquelle la réduction du taux marginal d'imposition applicable au conjoint est généralement plus faible dans ces cas est liée au fait que son entrée dans la vie active a fait sortir la famille de l'intervalle de revenu à l'intérieur duquel les crédits d'impôt et/ou les transferts sont retirés.

Dans les pays qui appliquent l'imposition au niveau de la famille, comme la France, l'Allemagne et le Luxembourg, on constate de fortes augmentations des taux marginaux du principal apporteur de revenu si on supprime les dispositions fiscales actuelles en faveur des familles. Ceci s'explique par le fait qu'il perd dans ce cas l'avantage résultant du partage de son revenu avec son conjoint sans emploi et donc de son appartenance à une tranche inférieure d'imposition. Toutefois, l'avantage dont bénéficie le conjoint est plus faible.

4. Conclusions

Cette étude spéciale illustre la diversité considérable des avantages fiscaux dont bénéficient les familles dans les pays de l'OCDE. Cette diversité reflète en partie les divergences de vues sur la question de savoir dans quelle mesure l'État doit soutenir les différents types de familles. En outre, il existe un large choix d'instruments permettant de fournir une aide financière aux familles. Certains pays préfèrent retenir la famille plutôt que l'individu comme unité d'imposition, d'autres ont opté pour l'utilisation d'abattements et de crédits d'impôt, tandis que d'autres encore préfèrent recourir à des transferts en espèces. Beaucoup de pays utilisent une combinaison de ces différents instruments. Enfin, on observe de grandes différences entre les pays quant à la manière dont l'aide financière aux familles est ciblée, ce qui a des conséquences considérables sur les taux marginaux effectifs d'imposition de la main-d'œuvre.

NOTES

1. Bien entendu, il est également probable que les familles font bénéficier les salariés de certains avantages.
2. En Belgique et au Portugal, ces couples payent en fait un peu plus d'impôts que s'ils étaient célibataires, du fait que le montant du crédit d'impôt de base est plus faible pour les couples mariés que pour les célibataires.

Tableau S.1. Unité d'imposition, 2001

Unité d'imposition 2001	
Australie	Individu
Autriche	Individu
Belgique	Famille. Cependant, les couples dont les deux conjoints perçoivent des revenus du travail sont imposés séparément sur ces revenus. Si l'un d'entre eux ne dispose pas de revenus du travail, les deux conjoints peuvent bénéficier d'un système de « quotient conjugal » : une partie des revenus du contribuable peut être attribuée à l'autre conjoint et les deux revenus sont imposés séparément en fonction du barème d'imposition.
Canada	Individu
République tchèque	Individu
Danemark	Individu
Finlande	Individu
France	Famille. Le « quotient familial » tient compte de la situation de famille du contribuable et de ses enfants à charge. Dans le cadre de ce système, le revenu est divisé par le nombre de parts (une pour le mari, une pour la femme, une demie part pour chaque enfant et les autres personnes à charge, une part pour le troisième enfant, et une demie part supplémentaire pour les membres handicapés du ménage). Le montant total de l'impôt dû est égal au montant de l'impôt applicable à une part multiplié par le nombre total de parts.
Allemagne	Famille. L'impôt sur le revenu est calculé par la méthode de fractionnement du revenu. Les conjoints ont cependant la possibilité d'opter pour une imposition séparée. Les revenus des enfants à charge ne sont pas imposables avec ceux des parents.
Grèce	Individu
Hongrie	Individu
Islande	Individu sauf pour les revenus autres que ceux du travail des couples mariés, qui sont imposés conjointement.
Irlande	Famille. Chacun des conjoints a la possibilité d'opter pour une imposition individuelle, auquel cas ils sont considérés comme des unités distinctes.
Italie	Individu
Japon	Individu
Corée	Individu dans la plupart des cas mais dans le cas d'un couple marié percevant des revenus locatifs de biens immobiliers ou des intérêts et dividendes (seulement au-delà d'un certain seuil) les revenus des deux conjoints sont cumulés pour déterminer leur revenu imposable.
Luxembourg	Famille. Les revenus non salariaux des enfants de moins de 18 ans sont cumulés avec ceux des parents dans le calcul du revenu imposable.
Mexique	Individu
Pays-Bas	Individu
Nouvelle-Zélande	Individu
Norvège	Individu dans la plupart des cas (régime fiscal n° 1) mais dans certains cas, lorsque le conjoint dispose d'un revenu nul ou faible, l'option pour une imposition au niveau du couple est plus favorable (régime fiscal n° 2). Les parents isolés peuvent être imposés selon le barème du régime n° 2. Les enfants de moins de 17 ans sont généralement imposés conjointement avec leurs parents, mais ils peuvent être imposés individuellement. Tous les autres titulaires de revenus sont imposés individuellement (régime fiscal n° 1).
Pologne	Individu mais les couples mariés pendant toute l'année civile peuvent opter pour une imposition sur leurs revenus cumulés. Dans ce dernier cas, le système de « fractionnement » s'applique : l'impôt dû par le couple est le double de celui qui est dû sur la moitié du revenu cumulé, sous réserve que celui-ci n'inclue pas de revenus du capital.
Portugal	Famille. Le revenu imposable total est calculé en utilisant le « système de fractionnement ».
République slovaque	Individu
Espagne	Au choix. Individu en règle générale, mais les familles peuvent opter pour une imposition : en tant que couples mariés établissant une déclaration conjointe sur le revenu cumulé des deux conjoints ; en tant que chefs de famille (uniquement pour les personnes non mariées ou séparées ayant des personnes à charge).
Suède	Individu. Les conjoints sont imposés séparément.

Tableau S.1. **Unité d'imposition, 2001** (suite)

Unité d'imposition 2001	
Suisse	Famille. Les revenus des couples mariés sont cumulés. Les conjoints vivant ensemble ainsi que les contribuables veufs, séparés et non mariés vivant avec leurs enfants sont soumis à un barème d'imposition plus favorable que les personnes vivant seules. Les revenus du travail des enfants sont imposés séparément.
Turquie	Individu. Les conjoints sont imposés séparément sur leurs revenus du travail.
Royaume-Uni	Individu mais certains allègements sont accordés selon la situation de famille.
États-Unis	Au choix. Les familles sont généralement imposées de l'une des trois manières suivantes : en tant que couples mariés établissant une déclaration conjointe sur le revenu cumulé des deux conjoints ; en tant que personnes mariées établissant séparément la déclaration du revenu réel de chaque conjoint ; en tant que chefs de famille (uniquement pour les personnes non mariées ou séparées ayant des personnes à charge). Dans tous les autres cas, y compris ceux où les enfants à charge disposent de revenus suffisants, les familles effectuent leurs déclarations comme des personnes seules.

Tableau S.2. Allègements fiscaux forfaitaires liés à la situation de famille et à la présence d'enfants à charge, 2001

	Situation de famille	Enfants à charge
Australie	<p>Un crédit d'impôt forfaitaire est accordé lorsqu'un contribuable contribue à l'entretien d'un conjoint à sa charge (en droit ou en fait). Le montant applicable lorsque le conjoint à charge n'a pas d'enfants est fixe et est ramené à un certain taux lorsque le revenu distinct net du conjoint excède un montant spécifique. L'abattement au profit d'un conjoint ayant un enfant à charge a été remplacé par l'avantage fiscal au profit des familles (« Family Tax Benefit »).</p> <p>Pour contribuer au financement des soins médicaux et hospitaliers de base, un prélèvement médical est appliqué aux revenus imposables des contribuables résidents. Ce prélèvement est effectué au-delà de certains seuils qui varient selon la situation de famille du contribuable.</p>	<p>A compter du 1^{er} juillet 2000, la « nouvelle prestation familiale » (« new family benefit ») a remplacé plusieurs formes d'allègements fiscaux et de transferts en espèces. Cette prestation peut être demandée soit par le biais du système fiscal, soit par celui d'un transfert en espèces : dans cette étude, elle est considérée comme un transfert en espèces.</p> <p>A compter du 1^{er} juillet 2001, un crédit d'impôt récupérable désigné sous le nom de « prime au bébé » (« baby bonus ») a été instauré. Cet allègement fiscal ne peut être pris en compte dans les calculs car <i>Les impôts sur les salaires</i> n'envisagent que les enfants d'un âge compris entre 5 et 12 ans.</p>
Autriche	<p>Crédit d'impôt pour salaire unique (si la personne est mariée) et au profit des parents isolés : le crédit d'impôt au titre du salaire unique n'est pas accordé lorsque les revenus d'un conjoint excèdent un certain montant, qui est différent si le contribuable a des enfants à charge.</p>	<p>Crédit d'impôt au titre des enfants à charge pour chaque enfant.</p>
Belgique	<p>Le montant du crédit d'impôt de base dépend de la situation de famille du contribuable. Déduction liée à la situation de famille particulière, par exemple lorsque le contribuable a des personnes à charge qui ne sont pas ses enfants, lorsque son conjoint ne dispose d'aucun revenu ou est handicapé, ou pour les parents isolés.</p>	<p>Déduction liée au nombre d'enfants à charge : son montant est doublé lorsque les enfants sont handicapés.</p>
Canada	<p>Un contribuable qui a un conjoint ou un partenaire à charge perçoit un crédit d'impôt, réduit de 16 pour cent du revenu de son conjoint au-delà d'un certain seuil. Le même montant est accordé aux chefs de familles monoparentales au titre des personnes qui sont à leur charge.</p>	<p>Un crédit est accordé pour les personnes à charge remplissant les conditions requises, y compris les enfants de moins de 18 ans. Son montant est réduit de 16 pour cent du revenu net des personnes à charge au-delà d'un certain seuil. Le crédit pour taxe sur les produits et services comporte un montant additionnel pour chaque personne à charge remplissant les conditions requises et âgée de moins de 19 ans. Les parents isolés peuvent demander à bénéficier du crédit d'impôt plus élevé applicable aux adultes, comme pour un conjoint, lorsqu'ils ont un enfant à charge. Le montant total du crédit d'impôt est réduit lorsque le revenu net de la famille excède un certain seuil. (<i>Note</i> : ce dernier crédit d'impôt n'est pas inclus dans les calculs concernant l'ouvrier moyen).</p>
République tchèque	<p>Allègement au titre de la situation de famille : un abattement est accordé lorsque le conjoint vit au domicile du ménage si son revenu est inférieur à un certain montant.</p>	<p>Un conjoint peu demander à bénéficier d'un abattement au titre de chaque enfant à charge qui est :</p> <ol style="list-style-type: none"> 1. âgé de moins de 18 ans ; 2. âgé de moins de 26 ans et suivant un enseignement à temps complet ; 3. ou âgé de moins de 26 ans et handicapé physique ou mental, sous réserve que l'enfant ne perçoive pas une pension d'invalidité. <p>Les abattements sont accordés quels que soient les revenus propres de l'enfant.</p>

Tableau S.2. **Allégements fiscaux forfaitaires liés à la situation de famille et à la présence d'enfants à charge, 2001 (suite)**

	Situation de famille	Enfants à charge
Danemark	Chaque personne bénéficie d'un abattement personnel qui est converti en crédit d'impôt non récupérable en appliquant le taux marginal d'imposition de la première tranche du barème de l'impôt sur le revenu. Si une personne mariée ne peut utiliser l'abattement personnel, la partie non utilisée est transférée à son conjoint.	Néant
Finlande	Néant	Néant
France	La « prime pour l'emploi » est un crédit d'impôt au profit des salariés à faibles revenus : le seuil de base applicable pour l'obtention de cette prime varie selon la situation de famille. Par ailleurs, la « prime pour l'emploi » comporte un supplément lorsque le conjoint est inactif et dans le cas de parents isolés.	Le système du « quotient familial » accorde un allégement d'impôt aux contribuables ayant des enfants. Si le contribuable a des enfants à charge, le montant de la « prime pour l'emploi » augmente.
Allemagne	Un abattement est accordé aux parents isolés.	Un crédit d'impôt est accordé au titre des enfants à charge : son montant dépend du nombre d'enfants.
Grèce	Néant	Crédit d'impôt qui dépend du nombre d'enfants.
Hongrie	Néant	L'impôt peut être réduit par l'application de l'abattement pour charges de famille, qui est différent selon qu'il s'agit du premier ou du deuxième enfant où si le nombre d'enfants à charge est supérieur ou égal à trois.
Islande	Les couples mariés peuvent utiliser jusqu'à 85 pour cent de la part inutilisée du crédit d'impôt de base de chaque conjoint (un crédit d'impôt fixe est accordé à toutes les personnes âgées de 16 ans et plus quelle que soit leur situation de famille. Les crédits d'impôt ou parts de crédit d'impôt inutilisés ne sont pas récupérables).	Néant
Irlande	Les contribuables mariés bénéficient d'un crédit d'impôt additionnel égal au crédit d'impôt de base. Un abattement dont le montant est équivalent à celui du crédit d'impôt de base est accordé aux familles monoparentales.	Les particuliers titulaires de faibles revenus sont exonérés de l'impôt sur le revenu. Le seuil d'exonération est majoré d'un montant fixe par enfant pour les deux premiers enfants qui y donnent droit et d'un montant plus élevé à partir du troisième enfant.
Italie	Crédit d'impôt au titre du conjoint à charge : sous réserve que les revenus du conjoint n'excèdent pas un certain montant. Le montant du crédit d'impôt est calculé en tenant compte des tranches d'imposition.	Crédit d'impôt au titre des enfants à charge : le montant est lié au nombre d'enfants.
Japon	Abattement au titre du conjoint. Un abattement spécial additionnel est accordé en fonction des revenus du conjoint au contribuable résident sous réserve que certaines conditions soient remplies.	Un abattement est accordé pour chaque enfant. Le montant de l'abattement dépend de l'âge de l'enfant.
Corée	Un contribuable peut déduire un certain montant de ses revenus si le revenu imposable de son conjoint est inférieur à un seuil spécifique. Un abattement spécial est accordé aux titulaires de revenu unique ayant une personne à charge (conjoint, enfant).	Un contribuable peut déduire de son revenu un certain montant par personne si ses enfants de moins de 20 ans disposent d'un revenu imposable inférieur à un seuil spécifique. Un abattement additionnel est accordé lorsque les personnes à charge appartiennent à certaines catégories (par exemple enfant de moins de 6 ans d'un parent isolé).
Luxembourg	Une déduction supplémentaire est accordée lorsque le conjoint perçoit un salaire positif.	Un crédit d'impôt est accordé pour chaque enfant à charge. Le montant est fixe.
Mexique	Néant	Néant

Tableau S.2. **Allégements fiscaux forfaitaires liés à la situation de famille et à la présence d'enfants à charge, 2001 (suite)**

	Situation de famille	Enfants à charge
Pays-Bas	Tous les contribuables ont droit (au moins) à un crédit d'impôt général. Les crédits d'impôt ne sont pas récupérables. Si cependant l'un des conjoints/partenaires a des revenus insuffisants pour utiliser totalement son crédit d'impôt alors que son conjoint/partenaire dispose d'un excédent d'impôts et de primes à verser par rapport à son propre crédit d'impôt, le crédit d'impôt du premier contribuable mentionné est majoré (au plus) de l'excédent d'impôts et de primes dû par son partenaire fiscal. En conséquence, le crédit d'impôt du premier contribuable mentionné excède le montant des impôts et primes dont il est redevable, ce qui se traduit par un remboursement du crédit d'impôt résiduel à ce contribuable par les autorités fiscales. Dans certaines conditions, un crédit d'impôt peut être accordé aux parents isolés. Un parent isolé qui a droit à ce crédit d'impôt bénéficie d'un crédit additionnel de 4.3 pour cent de ses revenus du travail dans la limite d'un plafond.	Un parent isolé ou celui des conjoints dont le salaire est le plus élevé bénéficie d'un crédit d'impôt pour enfant à charge si le contribuable élève un enfant de moins de 16 ans lorsque son revenu n'excède pas un certain montant. <ul style="list-style-type: none"> – Si une personne bénéficie du crédit d'impôt normal pour enfant à charge et si le revenu cumulé n'excède pas un certain montant, elle a également droit au crédit d'impôt additionnel pour enfant à charge. – Un contribuable ayant un enfant de moins de 12 ans a droit à un crédit d'impôt spécial si son revenu individuel du travail excède un seuil spécifique.
Nouvelle-Zélande	Néant	Néant
Norvège	Néant	Néant
Pologne	Néant	Néant
Portugal	Le crédit d'impôt de base accordé aux contribuables dépend de leur situation de famille. L'unité d'imposition est la famille et l'évaluation de l'impôt est fondée sur la méthode du fractionnement.	Un crédit d'impôt est accordé pour chaque enfant à charge. Si un enfant est handicapé, ce crédit d'impôt est majoré de 50 pour cent.
République slovaque	Un abattement est accordé au titre du conjoint vivant dans le même foyer si ce conjoint a des revenus inférieurs à un certain seuil.	L'un des conjoints peut demander le bénéfice d'un abattement au titre des enfants à charge du ménage remplissant l'un des critères suivants : <ol style="list-style-type: none"> 1. être âgés de moins de 18 ans ; 2. être âgés de moins de 26 ans et suivre un enseignement à plein-temps ; 3. être âgés de moins de 26 ans et être handicapés physiques ou mentaux sous réserve que l'enfant ne bénéficie pas d'une allocation de l'État au titre de son handicap. Les abattements sont accordés quels que soient les revenus personnels de l'enfant.
Espagne	Un abattement est accordé aux contribuables mariés (soit deux fois plus grand que l'abattement de base) si un des conjoints n'a pas de revenu. Un abattement est accordé aux familles monoparentales (soit un montant qui est environ 1.64 fois plus grand que l'abattement de base).	Un abattement par enfant est accordé au titre des deux premiers enfants à charge âgés de moins de 25 ans. Cet abattement est majoré pour les autres enfants (troisième et quatrième). Un abattement supplémentaire est accordé pour chaque enfant âgé de 3 à 16 ans pour couvrir une partie du coût de ses études.
Suède	Néant	Néant
Suisse	Un abattement est accordé si le partenaire du contribuable perçoit un salaire positif.	Un abattement est accordé au titre de chaque enfant âgé de moins de 18 ans ou pour les enfants à charge plus âgés qui suivent un enseignement à temps complet.
Turquie	Néant	Néant

Tableau S.2. Allègements fiscaux forfaitaires liés à la situation de famille et à la présence d'enfants à charge, 2001 (suite)

	Situation de famille	Enfants à charge
Royaume-Uni	Néant	<p>Le crédit d'impôt au titre des enfants à charge (« Child Tax Credit ») est un crédit d'impôt non récupérable accordé aux familles qui ont au moins un enfant de moins de 16 ans vivant à leur foyer. Si l'un des adultes de la famille est un contribuable soumis à un taux plus élevé, le crédit est réduit d'une livre pour 15 livres de revenu de ce contribuable situé dans la tranche d'imposition la plus élevée.</p> <p>Working Families' Tax Credit (WFTC) : crédit d'impôt récupérable accordé aux familles à revenus faibles et moyens dont l'un des salariés travaille au moins 16 heures par semaine et qui ont au moins un enfant de moins de 16 ans (ou 19 s'il suit encore un enseignement secondaire à temps complet). Le montant dépend du nombre d'heures de travail, ainsi que du nombre d'enfants et de leur âge. Ce crédit d'impôt est réduit de 55 pence par livre de revenu net au-delà d'un certain seuil hebdomadaire.</p>
États-Unis	<p>Les couples mariés bénéficient généralement d'un barème d'imposition plus favorable lorsque les conjoints font une déclaration commune. Il n'y a pas d'autres allègements fiscaux généraux au profit des personnes mariées. Une exemption personnelle est accordée à chaque contribuable, y compris au mari et à la femme qui effectuent une déclaration conjointe, et les exemptions sont différentes selon la situation de famille.</p>	<p>Pour chaque enfant et pour toute autre personne déclarée comme personne à charge dans la déclaration d'un contribuable, celui-ci a droit à une exonération pour personne à charge. Les titulaires de faibles revenus ayant des enfants à charge ont droit à un crédit d'impôt récupérable sur leur salaire, qui est progressivement réduit lorsque le revenu excède un certain montant. Les contribuables ont droit à un crédit d'impôt pour chaque enfant âgé de moins de 17 ans remplissant les conditions requises. Le crédit maximum est réduit pour les contribuables dont les revenus excèdent un certain seuil.</p>

Note : Tous les allègements au titre des enfants à charge ne sont pas inclus dans les équations fiscales en raison de l'âge des enfants auxquels ils s'appliquent. Les équations fiscales ne prennent pas non plus en compte les allègements additionnels au titre des personnes handicapées.

Tableau S.3. Transferts en espèces au titre des enfants à charge, 2001

Australie	<p>Le FTB comporte deux parties : les familles peuvent avoir droit à l'une ou l'autre de ces parties selon leur situation.</p> <p>Partie A : le bénéfice de ce régime dépend du revenu imposable cumulé des parents. Il existe un plafond de revenu au-delà duquel le transfert est réduit de 30 pour cent et le montant augmente avec le nombre d'enfants.</p> <p>Partie B : ciblée sur les familles n'ayant qu'un seul apporteur de revenu, le bénéfice de ce dispositif étant accordé lorsque le conjoint remplit un critère de revenu distinct et lorsque le ménage a au moins un enfant à charge âgé de moins de 16 ans (ou de moins de 18 ans s'il est étudiant à temps complet). Le FTB(B) est payable à un taux plus élevé lorsque la famille a un enfant âgé de moins de 5 ans. Il n'y a pas de plafond de revenu mais il existe un seuil de revenu du conjoint au-delà duquel le montant est réduit de 30 pour cent.</p> <p>Le « Parenting Payment » (versement au profit des parents) applicable à des taux différents selon que les personnes vivent seules ou en couple est un versement imposable accordé aux familles monoparentales et aux couples disposant de faibles revenus et ayant un enfant de moins de 16 ans remplissant les conditions requises. Les paiements sont soumis à des critères de revenus et de patrimoine. La « Pharmaceutical Allowance » (allocation pour l'achat de produits pharmaceutiques) est un versement forfaitaire non imposable qui s'ajoute à l'allocation au profit des parents (isolés).</p> <p>Les parents qui ont droit à ces versements bénéficient du montant maximum de FTB(A).</p>
Autriche	Un abattement au titre des charges de famille est accordé pour chaque enfant : le paiement mensuel dépend du nombre d'enfants. Cet abattement est majoré pour les enfants de plus de 10 ans et pour les étudiants.
Belgique	Le montant annuel des transferts en espèces au profit des enfants dépend du nombre d'enfants (jusqu'au troisième) et de leur âge.
Canada	La prestation fiscale pour enfant comporte un transfert par enfant âgé de moins de 18 ans assorti de suppléments à partir du troisième enfant. Un montant additionnel est accordé pour chaque enfant de moins de 7 ans lorsqu'aucune dépense encourue pour l'entretien des enfants n'est déduite. La prestation fiscale pour enfant consiste en un transfert de base pour les familles à revenus faibles et moyens ainsi qu'une prestation complémentaire (désignée sous le nom de prestation nationale pour enfant) au profit des familles à faibles revenus. Les avantages accordés sont réduits lorsque le revenu net de la famille excède un seuil.
République tchèque	<p>Un transfert en espèces est accordé pour chaque enfant à charge si le revenu familial n'excède pas le triple de la norme de niveau de vie minimale. Une allocation additionnelle est versée aux familles à faibles revenus.</p> <p>Les familles ont également droit à des allocations sociales si elles ont au moins un enfant et si leur revenu mensuel net est inférieur à 1.6 fois la norme minimale de niveau de vie.</p>
Danemark	<p>Transferts en espèces au titre des enfants à charge, indépendamment des revenus des parents. Le montant du transfert est lié à l'âge des enfants.</p> <p>Des versements spéciaux sont effectués au profit des parents isolés et un transfert de l'État est versé chaque année pour chaque enfant à charge au cas où un « parent absent » ne contribue pas aux charges de la famille.</p>
Finlande	Le gouvernement accorde une allocation au titre des enfants à charge. Son montant dépend du nombre d'enfants. L'aide au titre des enfants à charge est majorée pour les parents isolés.
France	Transferts en espèces au titre des enfants à charge : le montant dépend du nombre d'enfants. Il existe aussi une allocation pour les enfants de moins de 3 ans.
Allemagne	Néant
Grèce	Néant
Hongrie	Le montant des transferts en espèces au titre des enfants à charge varie selon leur nombre et il est majoré pour les familles comportant un seul apporteur de revenu et pour les enfants handicapés.
Islande	Des allocations sont accordées pour les enfants à charge : leur montant est lié au nombre d'enfants et à la situation de famille (un montant plus élevé est accordé aux familles monoparentales). Les allocations sont accordées aux couples mariés et aux parents isolés dont les revenus sont inférieurs à certains seuils.
Irlande	<p>Des transferts en espèces sont accordés pour les enfants de moins de 16 ans (ou de moins de 19 ans si l'enfant suit un enseignement à temps complet ou est handicapé). Ces paiements ne dépendent pas de l'existence d'une assurance ou des ressources du demandeur.</p> <p>Transferts au profit des familles à faibles revenus : ils sont versés lorsque le principal apporteur de revenu et/ou son conjoint occupe un emploi à temps complet. Le montant de ce transfert en espèces dépend des revenus de la famille et du nombre d'enfants dans la limite d'un plafond.</p>
Italie	Les transferts en espèces au titre des enfants à charge tiennent compte à la fois des revenus familiaux et du nombre de personnes à charge. Les transferts sont réduits lorsque le revenu familial augmente.
Japon	Des transferts en espèces sont accordés au titre des enfants de moins de 3 ans : leur montant dépend du nombre d'enfants.
Corée	Néant

Tableau S.3. **Transferts en espèces au titre des enfants à charge, 2001** (suite)

Luxembourg	Des transferts en espèces sont accordés au titre des enfants à charge : le montant de ces transferts est lié au nombre d'enfants.
Mexique	Néant
Pays-Bas	Les familles ayant des enfants perçoivent une allocation exonérée d'impôts selon le nombre et l'âge des enfants.
Nouvelle-Zélande	Le « Parent Tax Credit » (crédit d'impôt parental) consiste en un transfert hebdomadaire en espèces au cours des huit premières semaines de la vie de chaque enfant. Le « Family Support Tax Credit » (crédit d'impôt au profit des familles) est accordé pour chaque personne à charge tandis que le « Child Tax Credit » (crédit d'impôt pour enfant à charge) est un transfert additionnel par personne à charge accordé aux familles qui ne perçoivent aucune des principales prestations d'aide sociale. Le montant total de ces trois crédits d'impôt est réduit compte tenu du revenu cumulé des parents.
Norvège	Des transferts en espèces sont versés pour chaque enfant à charge. Leur montant dépend du nombre d'enfants. Pour les enfants âgés de 1 à 2 ans, une aide additionnelle est accordée. Les familles qui vivent dans la partie septentrionale de la Norvège bénéficient d'une aide supplémentaire pour chaque enfant à charge âgé de moins de 18 ans.
Pologne	Une allocation familiale non imposable est versée pour chaque enfant aux salariés dont le revenu annuel par membre du ménage n'excède pas au cours de l'année civile précédant la période de perception de l'allocation, 50 % du salaire national moyen pour la même année civile.
Portugal	Un transfert en espèces est versé pour chaque enfant à charge. Le montant de ce transfert est lié au revenu familial, à l'âge des enfants (12 premiers mois de vie, et au-delà) et au nombre d'enfants. Une prestation spéciale en espèces est versée pour les enfants handicapés.
République slovaque	Le gouvernement verse une allocation pour chaque enfant à charge sur la base du niveau de revenu familial et sous réserve que celui-ci n'excède pas le double de la norme de niveau de vie minimale applicable. Le montant de cette prestation est lié à l'âge des enfants. Une allocation additionnelle est versée aux familles à faibles revenus. Le montant transféré varie selon le type d'allocation et les revenus de la famille.
Espagne	Un transfert en espèces est versé pour chaque enfant à charge aux contribuables dont les gains annuels bruts sont inférieurs à un montant fixe. Ce transfert n'est pas pris en compte dans les équations fiscales dans la mesure où le revenu de l'ouvrier moyen (et même 67 pour cent de ce revenu) est toujours supérieur à ce seuil.
Suède	Un transfert en espèces est accordé pour chaque enfant à charge. Son montant dépend de l'âge des enfants.
Suisse	Néant
Turquie	Néant
Royaume-Uni	La prestation pour enfant à charge est versée pour chaque enfant de la famille âgé de moins de 16 ans (ou de 19 ans s'il suit encore un enseignement secondaire à temps complet). Le montant de cette prestation est lié au nombre d'enfants. Une prestation complémentaire est versée au titre du premier enfant aux familles monoparentales. Aucun de ces versements n'est soumis à l'impôt.
États-Unis	Néant

Note : Tous les transferts en espèces au titre des enfants à charge ne sont pas inclus dans les équations fiscales en raison de l'âge des enfants auxquels ils s'appliquent. Par ailleurs, aucun transfert additionnel en espèces au profit des personnes handicapées n'est inclus dans les équations fiscales.

Tableau S.4. Régime fiscal des familles, 2001

Augmentation du taux moyen d'imposition lorsque le régime fiscal spécial est supprimé
(en % des coûts de main-d'œuvre)

	Parent isolé gagnant 67 % du salaire de l'ouvrier moyen	Couple avec enfants gagnant 100 et 0 % du salaire de l'ouvrier moyen	Couple avec enfants gagnant 100 et 33 % du salaire de l'ouvrier moyen	Couple avec enfants gagnant 100 et 67 % du salaire de l'ouvrier moyen	Couple sans enfants gagnant 100 et 33 % du salaire de l'ouvrier moyen
Australie	31.0	9.1	3.5	2.8	0.0
Autriche	24.4	15.5	10.8	8.6	0.0
Belgique	16.1	12.2	6.6	5.2	-0.5
Canada	22.5	10.0	3.5	1.9	0.0
République tchèque	24.4	14.9	6.8	3.5	0.0
Danemark	25.6	8.5	6.3	4.0	1.4
Finlande	14.3	7.1	5.3	4.3	0.0
France	7.5	8.9	10.0	9.1	4.6
Allemagne	16.3	15.4	13.4	12.9	6.8
Grèce	0.0	1.2	1.0	0.8	0.0
Hongrie	26.2	16.3	12.2	9.8	0.0
Islande	26.8	24.2	8.7	4.3	1.5
Irlande	18.9	13.0	11.6	13.3	7.9
Italie	16.5	10.7	3.0	2.0	0.0
Japon	2.8	3.9	1.5	1.2	0.0
Corée	0.4	0.7	0.5	0.2	0.1
Luxembourg	23.7	22.4	22.0	22.1	9.8
Mexique	0.0	0.0	0.0	0.0	0.0
Pays-Bas	18.1	9.8	4.2	3.4	0.0
Nouvelle-Zélande	18.5	2.8	0.0	0.0	0.0
Norvège	20.6	10.0	5.6	4.5	0.0
Pologne	4.9	3.3	2.4	2.0	0.0
Portugal	10.4	6.3	4.9	5.0	-0.2
République slovaque	15.7	11.2	5.6	4.5	0.0
Espagne	5.1	6.8	1.2	1.7	0.0
Suède	11.1	7.4	5.6	4.5	0.0
Suisse	14.6	11.6	9.9	9.2	3.0
Turquie	0.0	0.0	0.0	0.0	0.0
Royaume-Uni	35.3	11.3	6.9	5.4	0.0
États-Unis	22.4	9.8	8.1	8.8	2.9

Note : Les taux d'imposition correspondent au « coin fiscal total » : impôts sur le revenu plus cotisations patronales et salariales de sécurité sociale (et taxes sur les salaires) moins transferts en espèces, exprimés en pourcentage des coûts de main-d'œuvre (salaires plus cotisations patronales de sécurité sociale).

Tableau S.5. Taux moyens d'imposition applicables à un parent isolé (percevant 67 % du revenu de l'ouvrier moyen) ayant deux enfants, 2001

	Taux réel	Suppression du régime fiscal spécial	Suppression des transferts	Augmentation totale
Australie	-11.8	0.8	30.2	31.0
Autriche	15.3	2.9	21.5	24.4
Belgique	33.1	5.1	11.0	16.1
Canada	3.9	5.6	16.9	22.5
République tchèque	17.2	4.0	20.4	24.4
Danemark	14.9	0.0	25.6	25.6
Finlande	26.7	0.0	14.3	14.3
France	30.8	0.5	7.0	7.5
Allemagne	29.2	16.3	0.0	16.3
Grèce	34.3	0.0	0.0	0.0
Hongrie	19.5	11.0	15.2	26.2
Islande	-7.9	0.0	26.8	26.8
Irlande	-1.9	2.9	16.3	19.2
Italie	26.3	4.6	11.9	16.5
Japon	20.4	2.8	0.0	2.8
Corée	14.7	0.4	0.0	0.4
Luxembourg	5.1	4.4	19.3	23.7
Mexique	9.2	0.0	0.0	0.0
Pays-Bas	18.7	11.0	7.1	18.1
Nouvelle-Zélande	0.2	0.0	18.5	18.5
Norvège	13.2	3.9	16.7	20.6
Pologne	36.5	0.0	4.9	4.9
Portugal	19.1	1.4	9.0	10.4
République slovaque	25.3	2.0	13.7	15.7
Espagne	28.3	5.1	0.0	5.1
Suède	35.7	0.0	11.1	11.1
Suisse	12.4	5.3	9.2	14.6
Turquie	42.6	0.0	0.0	0.0
Royaume-Uni	-10.8	24.6	10.7	35.3
États-Unis	5.0	22.4	0.0	22.4

Note : Les taux d'imposition correspondent au « coin fiscal total » : impôts sur le revenu plus cotisations patronales et salariales de sécurité sociale (et taxes sur les salaires) moins transferts en espèces, exprimés en pourcentage des coûts de main-d'œuvre (salaires plus cotisations patronales de sécurité sociale).

Tableau S.6. Taux moyens d'imposition applicables à un couple comportant un seul apporteur de revenu (revenu égal à celui de l'ouvrier moyen) et ayant deux enfants, 2001

	Taux réel	Suppression du régime fiscal spécial	Suppression des transferts	Augmentation totale
Australie	14.2	0.0	9.1	9.1
Autriche	29.0	1.2	14.3	15.5
Belgique	40.3	4.9	7.2	12.2
Canada	20.4	3.7	6.3	10.0
République tchèque	28.2	3.3	11.6	14.9
Danemark	30.7	1.8	6.6	8.5
Finlande	38.8	0.0	7.1	7.1
France	39.4	4.6	4.3	8.9
Allemagne	32.7	15.4	0.0	15.4
Grèce	35.9	1.2	0.0	1.2
Hongrie	32.8	7.5	8.8	16.3
Islande	1.4	12.2	12.0	24.2
Irlande	12.8	8.1	4.9	13.0
Italie	35.4	3.9	6.8	10.7
Japon	20.4	3.9	0.0	3.9
Corée	15.9	0.7	0.0	0.7
Luxembourg	11.5	9.5	12.9	22.4
Mexique	14.4	0.0	0.0	0.0
Pays-Bas	33.0	5.1	4.7	9.8
Nouvelle-Zélande	16.7	0.0	2.8	2.8
Norvège	26.9	2.6	7.4	10.0
Pologne	37.8	0.0	3.3	3.3
Portugal	24.1	2.3	4.0	6.3
République slovaque	30.9	2.1	9.1	11.2
Espagne	31.1	6.8	0.0	6.8
Suède	41.1	0.0	7.4	7.4
Suisse	17.9	5.9	5.7	11.6
Turquie	43.6	0.0	0.0	0.0
Royaume-Uni	18.2	4.8	6.5	11.3
États-Unis	18.3	9.8	0.0	9.8

Note : Les taux d'imposition correspondent au « coin fiscal total » : impôts sur le revenu plus cotisations patronales et salariales de sécurité sociale (et taxes sur les salaires) moins transferts en espèces, exprimés en pourcentage des coûts de main-d'œuvre (salaires plus cotisations patronales de sécurité sociale).

Tableau S.7. **Taux marginaux d'imposition, parent isolé
(67 % du revenu de l'ouvrier moyen) et ayant deux enfants, 2001**

	Taux réel	Changement à la suite de la suppression des dispositions fiscales spéciales
Australie	70.0	-38.5
Autriche	62.6	-11.4
Belgique	65.6	0.0
Canada	54.7	-20.9
République tchèque	61.1	-16.2
Danemark	49.8	0.0
Finlande	52.9	0.0
France	62.6	0.0
Allemagne	56.1	2.6
Grèce	34.3	0.0
Hongrie	34.7	20.9
Islande	46.7	-7.9
Irlande	64.6	-34.7
Italie	49.1	0.0
Japon	25.2	0.0
Corée	17.4	0.0
Luxembourg	24.4	15.7
Mexique	15.4	0.0
Pays-Bas	49.8	3.7
Nouvelle-Zélande	39.0	-18.0
Norvège	43.1	0.0
Pologne	45.3	0.0
Portugal	28.1	9.7
République slovaque	44.4	0.0
Espagne	28.3	20.5
Suède	52.7	0.0
Suisse	28.2	3.8
Turquie	45.6	0.0
Royaume-Uni	72.7	-33.4
États-Unis	49.4	-14.9

Note : Les taux d'imposition correspondent au « coin fiscal total » : impôts sur le revenu plus cotisations patronales et salariales de sécurité sociale (et taxes sur les salaires) moins transferts en espèces, exprimés en pourcentage des coûts de main-d'œuvre (salaires plus cotisations patronales de sécurité sociale).

Tableau S.8. Taux marginaux d'imposition, couple comportant un seul apporteur de revenu (salaire égal à celui de l'ouvrier moyen) et ayant deux enfants, 2001 (en %)

	Taux réel		Variation après suppression des dispositions fiscales spéciales	
	Principal apporteur de revenu	Conjoint	Principal apporteur de revenu	Conjoint ¹
Australie	61.5	22.7	-30.0	-13.3
Autriche	55.6	39.1	0.0	-3.6
Belgique	63.6	60.0	2.8	-10.9
Canada	46.7	34.9	-4.7	-16.0
République tchèque	57.9	55.8	-9.8	-17.5
Danemark	44.3	45.5	5.5	-0.2
Finlande	57.4	34.3	0.0	0.0
France	44.2	35.0	8.8	13.7
Allemagne	58.3	56.1	8.8	7.3
Grèce	44.1	34.3	0.0	0.0
Hongrie	55.6	40.7	0.0	0.0
Islande	46.7	42.7	-7.9	-37.8
Irlande	33.9	29.2	0.0	-7.2
Italie	54.5	40.7	0.0	-7.4
Japon	26.3	26.6	2.7	-5.6
Corée	20.4	14.1	0.0	0.0
Luxembourg	24.4	24.4	23.5	20.9
Mexique	25.0	3.7	0.0	0.0
Pays-Bas	51.0	39.0	0.0	-12.7
Nouvelle-Zélande	63.0	25.1	-30.0	-8.5
Norvège	43.1	34.6	0.0	-7.7
Pologne	45.3	42.6	0.0	0.0
Portugal	37.8	31.0	1.6	0.5
République slovaque	44.4	48.8	5.1	-11.3
Espagne	41.2	44.2	4.3	-15.9
Suède	50.4	44.8	0.0	0.0
Suisse	31.6	27.4	5.5	4.9
Turquie	45.6	41.0	0.0	0.0
Royaume-Uni	72.7	15.9	-33.4	-7.2
États-Unis	54.0	36.2	-19.6	3.0

Note : Les taux d'imposition correspondent au « coin fiscal total » : impôts sur le revenu plus cotisations patronales et salariales de sécurité sociale (et taxes sur les salaires) moins transferts en espèces, exprimés en pourcentage des coûts de main-d'œuvre (salaires plus cotisations patronales de sécurité sociale).

1. Le taux marginal d'imposition applicable au conjoint est défini comme la part des coûts de main-d'œuvre qui serait versée sous forme d'impôt si le conjoint prenait un emploi rémunéré à 33 pour cent du salaire de l'ouvrier moyen.

Part II

COMPARATIVE TABLES AND CHARTS

Partie II

TABLEAUX ET GRAPHIQUES COMPARATIFS

A. TAX BURDENS, 2002 (TABLES)

A. CHARGES D'IMPÔTS, 2002 (TABLEAUX)

Table 1. Income tax, by family-type and wage level (as % of gross wage), 2002

Tableau 1. Impôt sur le revenu, par catégorie de famille et niveau de salaire
(en % du salaire brut), 2002

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	19.7	23.6	32.0	20.2	23.6	20.3	22.0	20.3
Austria	4.3	10.6	17.3	1.0	9.0	7.6	8.1	7.6
Belgium	20.9	27.5	34.4	14.4	17.0	21.4	24.6	23.4
Canada	15.3	19.2	24.8	9.3	15.2	16.5	17.7	16.5
Czech Republic	9.0	11.2	14.3	3.8	5.3	6.4	7.7	9.6
Denmark	28.0	32.5	41.5	28.0	26.3	28.1	30.7	28.1
Finland	19.4	25.6	32.8	19.4	25.6	22.1	23.1	22.1
France	7.4	13.3	17.9	6.6	6.9	6.3	8.8	8.9
Germany	14.1	20.5	29.5	-6.2	-2.0	5.4	10.6	14.1
Greece	0.0	0.6	7.6	0.0	1.1	0.8	0.7	1.3
Hungary	11.0	16.6	27.8	0.0	7.6	7.0	8.9	13.8
Iceland	14.9	21.8	27.2	14.9	8.7	15.0	19.0	15.0
Ireland	7.1	11.4	22.2	0.0	2.4	7.1	9.7	7.1
Italy	14.5	18.9	24.2	7.1	11.8	12.4	14.3	14.9
Japan	5.1	6.2	9.4	2.0	1.9	3.6	4.4	5.3
Korea	0.7	2.0	6.7	0.4	1.4	1.0	1.3	1.3
Luxembourg	3.3	8.1	16.7	0.0	0.0	0.0	0.4	1.7
Mexico	-4.2	2.1	9.3	-4.2	2.1	-2.6	-0.4	-2.6
Netherlands	3.6	7.2	21.2	2.3	6.6	5.6	5.7	5.7
New Zealand	18.8	20.0	25.7	18.8	20.0	19.2	19.5	19.2
Norway	17.5	21.0	28.4	13.2	18.1	18.3	19.6	18.3
Poland	4.5	6.0	7.3	4.5	4.0	4.5	5.4	4.5
Portugal	1.7	5.5	12.2	0.0	0.1	0.1	2.3	2.6
Slovak Republic	4.9	6.5	11.0	1.7	3.2	3.3	4.4	5.2
Spain	7.3	12.9	17.8	0.0	4.0	8.2	8.4	9.7
Sweden	21.2	23.4	30.8	21.2	23.4	22.1	22.5	22.1
Switzerland	7.0	9.9	14.6	3.0	5.1	5.8	8.1	7.4
Turkey	13.6	15.0	17.3	13.6	15.0	14.2	14.4	14.2
United Kingdom	12.5	15.7	18.2	-14.6	10.1	10.5	12.8	12.5
United States	14.1	16.6	22.6	-10.0	3.7	9.1	11.6	14.7

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 2. **Employee contributions, by family-type and wage level (as % of gross wage), 2002**Tableau 2. **Cotisations des salariés, par catégorie de famille et niveau de salaire (en % du salaire brut), 2002**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Austria	18.1	18.1	18.1	18.1	18.1	18.1	18.1	18.1
Belgium	13.1	13.9	14.0	13.1	13.9	14.0	14.0	14.0
Canada	6.3	6.5	3.9	6.3	6.5	6.3	6.4	6.3
Czech Republic	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Denmark	11.9	10.6	9.5	11.9	10.6	11.9	11.1	11.9
Finland	6.0	6.1	6.2	6.0	6.1	6.0	6.1	6.0
France	13.3	13.3	12.5	13.3	13.3	13.3	13.3	13.3
Germany	20.7	20.7	18.2	20.7	20.7	20.7	20.7	20.7
Greece	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9
Hungary	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Iceland	0.3	0.2	0.1	0.3	0.2	0.2	0.3	0.2
Ireland	2.4	5.0	5.1	2.4	5.0	3.7	3.9	3.7
Italy	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Japan	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Korea	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Luxembourg	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Mexico	1.3	1.5	2.0	1.3	1.5	1.5	1.4	1.5
Netherlands	23.4	21.5	13.9	10.7	16.0	19.2	21.5	20.1
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Norway	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Poland	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Portugal	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Slovak Republic	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Spain	6.3	6.4	6.3	6.3	6.4	6.4	6.3	6.4
Sweden	7.0	7.0	5.4	7.0	7.0	7.0	7.0	7.0
Switzerland	11.6	11.6	11.5	11.6	11.6	11.6	11.6	11.6
Turkey	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
United Kingdom	6.5	7.7	7.9	6.5	7.7	6.5	7.2	6.5
United States	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 3. **Income tax plus employee contributions, by family-type and wage level**
(as % of gross wage), 2002
 Tableau 3. **Impôt sur le revenu et cotisations des salariés, par catégorie de famille**
et niveau de salaire (en % du salaire brut), 2002

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	19.7	23.6	32.0	20.2	23.6	20.3	22.0	20.3
Austria	22.4	28.6	35.4	19.1	27.1	25.6	26.1	25.6
Belgium	33.9	41.4	48.4	27.5	31.0	35.4	38.6	37.4
Canada	21.6	25.7	28.7	15.6	21.7	22.8	24.1	22.8
Czech Republic	21.5	23.7	26.8	16.3	17.8	18.9	20.2	22.1
Denmark	39.9	43.1	51.0	39.9	36.9	40.0	41.8	40.0
Finland	25.5	31.7	39.0	25.5	31.7	28.2	29.2	28.2
France	20.6	26.5	30.3	19.9	20.1	19.5	22.1	22.1
Germany	34.8	41.2	47.8	14.4	18.6	26.0	31.3	34.8
Greece	15.9	16.5	23.5	15.9	17.0	16.7	16.6	17.2
Hungary	23.5	29.1	40.3	12.5	20.1	19.5	21.4	26.3
Iceland	15.2	22.0	27.4	15.2	9.0	15.1	19.3	15.1
Ireland	9.5	16.4	27.3	2.4	7.3	10.8	13.6	10.8
Italy	23.7	28.1	33.4	16.3	21.0	21.6	23.5	24.1
Japan	15.1	16.2	19.4	12.0	11.9	13.6	14.4	15.3
Korea	7.4	8.7	13.4	7.1	8.1	7.7	8.0	8.0
Luxembourg	17.3	22.1	30.6	14.0	14.0	14.0	14.3	15.7
Mexico	-2.9	3.6	11.3	-2.9	3.6	-1.1	1.0	-1.1
Netherlands	27.0	28.7	35.1	13.0	22.6	24.8	27.2	25.8
New Zealand	18.8	20.0	25.7	18.8	20.0	19.2	19.5	19.2
Norway	25.3	28.8	36.2	21.0	25.9	26.1	27.4	26.1
Poland	29.5	31.0	32.3	29.5	29.0	29.5	30.4	29.5
Portugal	12.7	16.5	23.2	11.0	11.1	11.1	13.3	13.6
Slovak Republic	17.7	19.3	23.8	14.5	16.0	16.1	17.2	18.0
Spain	13.6	19.2	24.2	6.3	10.4	14.5	14.8	16.0
Sweden	28.2	30.4	36.2	28.2	30.4	29.1	29.5	29.1
Switzerland	18.5	21.5	26.2	14.6	16.7	17.4	19.6	18.9
Turkey	28.6	30.0	32.3	28.6	30.0	29.2	29.4	29.2
United Kingdom	19.0	23.3	26.1	-8.1	17.7	17.0	20.0	19.0
United States	21.7	24.3	30.3	-2.3	11.3	16.8	19.3	22.3

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 4. **Income tax plus employee contributions less cash benefits,
by family-type and wage level (as % of gross wage), 2002**

Tableau 4. **Impôt sur le revenu et cotisations des salariés diminués des prestations
versées, par catégorie de famille et niveau de salaire (en % du salaire brut), 2002**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	19.7	23.6	32.0	-10.5	14.7	16.8	19.2	20.3
Austria	22.4	28.6	35.4	-8.1	9.0	12.0	15.3	25.6
Belgium	33.9	41.4	48.4	13.4	21.6	28.3	33.0	37.4
Canada	21.6	25.7	28.7	-2.2	15.1	19.1	22.1	22.8
Czech Republic	21.5	23.7	26.8	-10.8	3.7	12.8	18.1	22.1
Denmark	39.9	43.1	51.0	15.0	30.5	35.2	38.0	40.0
Finland	25.5	31.7	39.0	8.3	23.2	21.7	24.1	28.2
France	20.6	26.5	30.3	10.9	14.2	15.1	18.5	22.1
Germany	34.8	41.2	47.8	14.4	18.6	26.0	31.3	34.8
Greece	15.9	16.5	23.5	15.9	17.0	16.7	16.6	17.2
Hungary	23.5	29.1	40.3	-8.7	7.8	10.3	14.1	26.3
Iceland	15.2	22.0	27.4	-12.0	-3.2	7.7	14.7	15.1
Ireland	9.5	16.4	27.3	-22.9	-0.8	4.7	8.7	10.8
Italy	23.7	28.1	33.4	0.8	12.2	19.2	22.6	24.1
Japan	15.1	16.2	19.4	12.0	11.9	13.6	14.4	15.3
Korea	7.4	8.7	13.4	7.1	8.1	7.7	8.0	8.0
Luxembourg	17.3	22.1	30.6	-12.4	-3.6	0.8	3.8	15.7
Mexico	-2.9	3.6	11.3	-2.9	3.6	-1.1	1.0	-1.1
Netherlands	27.0	28.7	35.1	5.0	17.2	20.8	24.0	25.8
New Zealand	18.8	20.0	25.7	1.6	18.2	19.2	19.5	19.2
Norway	25.3	28.8	36.2	3.0	17.9	20.1	22.6	26.1
Poland	29.5	31.0	32.3	23.5	25.0	29.5	30.4	29.5
Portugal	12.7	16.5	23.2	-0.3	5.2	6.7	9.7	13.6
Slovak Republic	17.7	19.3	23.8	-5.0	3.1	9.2	11.7	18.0
Spain	13.6	19.2	24.2	6.3	10.4	14.5	14.8	16.0
Sweden	28.2	30.4	36.2	14.0	21.0	22.0	23.8	29.1
Switzerland	18.5	21.5	26.2	2.5	8.6	11.4	14.8	18.9
Turkey	28.6	30.0	32.3	28.6	30.0	29.2	29.4	29.2
United Kingdom	19.0	23.3	26.1	-19.2	10.8	11.8	15.8	19.0
United States	21.7	24.3	30.3	-2.3	11.3	16.8	19.3	22.3

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 5. **Income tax plus employee and employer contributions
less cash benefits, by family-type and wage level (as % of labour costs), 2002**

Tableau 5. **Impôt sur le revenu plus cotisations des salariés et des employeurs
diminués des prestations versées, par catégorie de famille et niveau de salaire
(en % des coûts de main-d'œuvre), 2002**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	19.7	23.6	32.0	-10.5	14.7	16.8	19.2	20.3
Austria	39.9	44.8	50.0	16.3	29.6	31.9	34.4	42.5
Belgium	48.9	55.3	61.1	32.9	40.1	42.5	48.5	49.8
Canada	26.8	30.8	31.8	4.6	20.9	24.5	27.4	27.9
Czech Republic	41.8	43.5	45.8	18.0	28.7	35.4	39.3	42.3
Denmark	40.4	43.4	51.2	15.8	30.9	35.7	38.4	40.5
Finland	40.4	45.4	51.2	26.7	38.5	37.4	39.3	42.5
France	37.8	47.9	50.5	30.1	39.2	37.8	39.9	43.0
Germany	45.9	51.3	55.8	29.1	32.5	38.7	43.0	45.9
Greece	34.3	34.7	40.2	34.3	35.1	34.9	34.8	35.3
Hungary	42.0	46.3	54.8	17.7	30.2	32.1	34.9	44.2
Iceland	19.4	25.8	31.0	-6.4	1.9	12.3	19.0	19.4
Ireland	16.6	24.5	34.4	-13.3	9.0	13.5	16.9	19.1
Italy	42.7	46.0	49.9	25.4	34.0	39.3	41.8	42.9
Japan	23.2	24.2	27.1	20.4	20.3	21.8	22.6	23.3
Korea	14.8	16.0	20.3	14.4	15.4	15.0	15.3	15.3
Luxembourg	27.3	31.5	39.0	1.3	9.0	12.8	15.4	25.9
Mexico	11.4	16.1	22.4	11.4	16.1	13.4	14.2	13.4
Netherlands	37.2	35.6	40.4	18.2	25.2	29.1	32.6	33.6
New Zealand	18.8	20.0	25.7	1.6	18.2	19.2	19.5	19.2
Norway	33.8	36.9	43.5	14.0	27.2	29.2	31.4	34.5
Poland	41.4	42.7	43.8	36.5	37.7	41.4	42.2	41.4
Portugal	29.5	32.5	38.0	18.9	23.4	24.6	27.1	30.2
Slovak Republic	40.3	41.4	44.7	23.8	29.6	34.1	35.9	40.5
Spain	33.9	38.2	41.9	28.3	31.4	34.5	34.7	35.7
Sweden	45.9	47.6	52.0	35.3	40.5	41.3	42.7	46.6
Switzerland	27.0	29.6	33.8	12.6	18.1	20.5	23.6	27.3
Turkey	41.3	42.4	44.3	41.3	42.4	41.7	41.9	41.7
United Kingdom	24.7	29.7	32.9	-10.8	18.2	18.0	22.4	24.7
United States	27.3	29.6	35.2	5.0	17.6	22.7	25.0	27.8

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 6. Marginal rate of income tax plus employee contributions
less cash benefits, by family-type and wage level (as % of gross wage), 2002¹

Tableau 6. Taux marginal applicable à l'impôt sur le revenu et aux cotisations des
salariés diminués des prestations versées,
par catégorie de famille et niveau de salaire (en % du salaire brut), 2002¹

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	31.5	31.5	48.5	70.0	31.5	31.5	31.5	31.5
Austria	36.8	42.6	49.8	51.6	42.6	42.6	42.6	42.6
Belgium	55.4	54.8	59.7	55.4	50.7	55.1	55.1	55.1
Canada	29.2	38.1	38.9	51.7	43.1	43.1	43.1	38.1
Czech Republic	25.6	30.0	34.4	25.6	42.9	42.9	25.6	30.0
Denmark	49.1	62.9	62.9	49.1	57.4	62.9	62.9	62.9
Finland	40.0	45.7	51.4	40.0	45.7	45.7	45.7	45.7
France	31.9	32.9	36.0	31.9	20.9	20.9	29.5	45.0
Germany	50.7	57.2	49.6	47.8	50.2	50.5	53.8	50.7
Greece	15.9	28.5	41.1	15.9	28.5	28.5	28.5	28.5
Hungary	40.5	40.5	50.5	12.5	40.5	40.5	40.5	40.5
Iceland	35.5	35.5	35.5	42.8	42.8	42.8	42.8	35.5
Ireland	24.0	26.0	44.6	61.6	26.0	26.0	26.0	26.0
Italy	31.8	39.1	45.4	31.8	39.1	39.1	39.1	39.1
Japan	17.4	21.6	30.8	17.4	18.6	18.6	18.6	21.6
Korea	9.4	12.3	23.6	9.4	12.3	11.1	12.3	12.3
Luxembourg	26.4	37.1	46.1	13.9	14.0	14.0	30.0	24.7
Mexico	8.9	15.7	27.2	8.9	15.7	15.7	15.7	15.7
Netherlands	45.0	44.9	52.0	40.6	44.9	44.9	44.9	44.9
New Zealand	21.0	33.0	39.0	39.0	63.0	33.0	33.0	33.0
Norway	35.8	35.8	49.3	35.8	35.8	35.8	35.8	35.8
Poland	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2
Portugal	23.0	25.0	35.0	11.0	23.0	23.0	23.0	23.0
Slovak Republic	21.5	30.2	37.2	21.5	21.5	21.5	21.5	30.2
Spain	33.0	29.0	33.0	7.0	23.0	29.0	29.0	29.0
Sweden	36.0	32.9	50.5	36.0	32.9	32.9	32.9	32.9
Switzerland	23.9	30.2	34.4	19.8	23.5	28.3	29.1	28.3
Turkey	32.6	32.6	36.8	32.6	32.6	32.6	32.6	32.6
United Kingdom	32.0	32.0	22.0	69.4	69.4	32.0	32.0	32.0
United States	29.3	29.3	41.3	45.3	50.3	29.3	29.3	29.3

Note : ch = children / enfants.

1. Assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

On suppose que le revenu brut principal du ménage augmente. Le résultat peut être différent si le salaire du conjoint augmente, surtout si les deux conjoints sont imposés séparément.

2. Two-earner family / famille disposant de deux revenus.

Table 7. **Marginal rate of income tax plus employee and employer contributions less cash benefits, by family-type and wage level (as % of labour costs), 2002¹**Tableau 7. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés et des employeurs diminués des prestations versées, par catégorie de famille et niveau de salaire (en % des coûts de main-d'œuvre), 2002¹**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	31.5	31.5	48.5	70.0	31.5	31.5	31.5	31.5
Austria	51.1	55.6	61.1	62.6	55.6	55.6	55.6	55.6
Belgium	66.8	66.4	70.1	66.8	63.4	66.7	66.7	66.7
Canada	34.3	42.6	38.9	55.2	47.2	47.2	47.2	42.6
Czech Republic	44.9	48.1	51.4	44.9	57.7	57.7	44.9	48.1
Denmark	49.1	62.9	62.9	49.1	57.4	62.9	62.9	62.9
Finland	52.0	56.6	61.1	52.0	56.6	56.6	56.6	56.6
France	65.3	52.5	54.0	65.3	43.9	43.9	50.0	61.1
Germany	59.1	64.5	49.6	56.8	58.7	59.0	61.7	59.1
Greece	34.3	44.1	54.0	34.3	44.1	44.1	44.1	44.1
Hungary	54.9	54.9	62.5	33.7	54.9	54.9	54.9	54.9
Iceland	38.7	38.7	38.7	45.7	45.7	45.7	45.7	38.7
Ireland	30.0	33.2	50.0	64.6	33.2	33.2	33.2	33.2
Italy	48.8	54.2	59.0	48.8	54.2	54.2	54.2	54.2
Japan	25.2	29.0	37.4	25.2	26.3	26.3	26.3	29.0
Korea	16.6	19.2	29.7	16.6	19.2	18.1	19.2	19.2
Luxembourg	35.4	44.8	52.6	24.4	24.4	24.4	38.5	33.8
Mexico	16.9	25.8	35.9	16.9	25.8	25.8	25.8	25.8
Netherlands	53.6	50.9	52.0	49.9	50.9	50.9	50.9	50.9
New Zealand	21.0	33.0	39.0	39.0	63.0	33.0	33.0	33.0
Norway	43.1	43.1	55.1	43.1	43.1	43.1	43.1	43.1
Poland	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Portugal	37.8	39.4	47.5	28.1	37.8	37.8	37.8	37.8
Slovak Republic	43.0	49.4	54.4	43.0	43.0	43.0	43.0	49.4
Spain	48.5	45.8	48.9	28.5	41.2	45.8	45.8	45.8
Sweden	51.8	49.5	62.7	51.8	49.5	49.5	49.5	49.5
Switzerland	31.8	37.5	40.9	28.1	31.4	35.7	36.5	35.7
Turkey	44.5	44.5	48.0	44.5	44.5	44.5	44.5	44.5
United Kingdom	39.2	39.2	30.2	72.6	72.6	39.2	39.2	39.2
United States	34.3	34.3	45.4	49.2	53.9	34.3	34.3	34.3

Note : ch = children / enfants.

1. Assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

On suppose que le revenu brut principal du ménage augmente. Le résultat peut être différent si le salaire du conjoint augmente, surtout si les deux conjoints sont imposés séparément.

2. Two-earner family / famille disposant de deux revenus.

Table 8. Increase in net income¹ after 1% increase in gross wage,
by family-type and wage level (%), 2002
Tableau 8. Augmentation du revenu net¹ après augmentation de 1%
du salaire brut, par catégorie de famille et niveau de salaire (en %), 2002

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	0.85	0.90	0.76	0.27	0.80	0.82	0.85	0.86
Austria	0.81	0.80	0.78	0.45	0.63	0.65	0.68	0.77
Belgium	0.68	0.77	0.78	0.51	0.63	0.63	0.67	0.72
Canada	0.90	0.83	0.86	0.47	0.67	0.70	0.73	0.80
Czech Republic	0.95	0.92	0.90	0.67	0.59	0.65	0.91	0.90
Denmark	0.85	0.65	0.76	0.60	0.61	0.57	0.60	0.62
Finland	0.80	0.80	0.80	0.65	0.71	0.69	0.72	0.76
France	0.86	0.91	0.92	0.77	0.92	0.93	0.86	0.71
Germany	0.76	0.73	0.97	0.61	0.61	0.67	0.67	0.76
Greece	1.00	0.86	0.77	1.00	0.86	0.86	0.86	0.86
Hungary	0.78	0.84	0.83	0.81	0.65	0.66	0.69	0.81
Iceland	0.76	0.83	0.89	0.51	0.55	0.62	0.67	0.76
Ireland	0.84	0.88	0.76	0.31	0.73	0.78	0.81	0.83
Italy	0.89	0.85	0.82	0.69	0.69	0.75	0.79	0.80
Japan	0.97	0.94	0.86	0.94	0.92	0.94	0.95	0.93
Korea	0.98	0.96	0.88	0.97	0.95	0.96	0.95	0.95
Luxembourg	0.89	0.81	0.78	0.77	0.83	0.87	0.73	0.89
Mexico	0.88	0.88	0.82	0.88	0.88	0.83	0.85	0.83
Netherlands	0.75	0.77	0.74	0.62	0.67	0.70	0.73	0.74
New Zealand	0.97	0.84	0.82	0.62	0.45	0.83	0.83	0.83
Norway	0.86	0.90	0.79	0.66	0.78	0.80	0.83	0.87
Poland	0.93	0.95	0.97	0.86	0.88	0.93	0.95	0.93
Portugal	0.88	0.90	0.85	0.89	0.81	0.83	0.85	0.89
Slovak Republic	0.95	0.86	0.82	0.75	0.81	0.86	0.89	0.85
Spain	0.78	0.88	0.88	0.99	0.86	0.83	0.83	0.85
Sweden	0.89	0.96	0.78	0.74	0.85	0.86	0.88	0.95
Switzerland	0.93	0.89	0.89	0.82	0.84	0.81	0.83	0.88
Turkey	0.94	0.96	0.93	0.94	0.96	0.95	0.96	0.95
United Kingdom	0.84	0.89	1.05	0.26	0.34	0.77	0.81	0.84
United States	0.90	0.93	0.84	0.53	0.56	0.85	0.88	0.91

Note : ch = children /enfants.

1. Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity. Le revenu net est calculé à partir des revenus bruts diminués de l'impôt sur le revenu des personnes physiques, des cotisations de sécurité sociale et augmentés des prestations versées aux familles. L'augmentation qui est rapportée dans le tableau représente une sorte d'élasticité. Dans un système fiscal proportionnel, l'élasticité serait égale à 1. A ces niveaux de revenu, plus le système est progressif plus l'élasticité est faible.
2. Two-earner family. Assumes a rise in gross earnings of the principal earner in the household. Famille avec deux revenus. On fait l'hypothèse que le revenu brut principal du ménage augmente.

Table 9. Increase in net income¹ after 1% increase in labour costs,
by family-type and wage level (%), 2002
Tableau 9. Augmentation du revenu net¹ après augmentation de 1% des coûts
bruts de main-d'œuvre, par catégorie de famille et niveau de salaire (en %), 2002

Family type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	0.85	0.90	0.76	0.27	0.80	0.82	0.85	0.86
Austria	0.81	0.80	0.78	0.45	0.63	0.65	0.68	0.77
Belgium	0.65	0.75	0.77	0.49	0.61	0.58	0.65	0.66
Canada	0.90	0.83	0.90	0.47	0.67	0.70	0.73	0.80
Czech Republic	0.95	0.92	0.90	0.67	0.59	0.65	0.91	0.90
Denmark	0.85	0.66	0.76	0.60	0.62	0.58	0.60	0.62
Finland	0.80	0.80	0.80	0.65	0.71	0.69	0.72	0.76
France	0.56	0.91	0.93	0.50	0.92	0.90	0.83	0.68
Germany	0.76	0.73	1.14	0.61	0.61	0.67	0.67	0.76
Greece	1.00	0.86	0.77	1.00	0.86	0.86	0.86	0.86
Hungary	0.78	0.84	0.83	0.81	0.65	0.66	0.69	0.81
Iceland	0.76	0.83	0.89	0.51	0.55	0.62	0.67	0.76
Ireland	0.84	0.88	0.76	0.31	0.73	0.77	0.80	0.83
Italy	0.89	0.85	0.82	0.69	0.69	0.75	0.79	0.80
Japan	0.97	0.94	0.86	0.94	0.92	0.94	0.95	0.93
Korea	0.98	0.96	0.88	0.97	0.95	0.96	0.95	0.95
Luxembourg	0.89	0.81	0.78	0.77	0.83	0.87	0.73	0.89
Mexico	0.94	0.88	0.83	0.94	0.88	0.86	0.86	0.86
Netherlands	0.74	0.76	0.81	0.61	0.66	0.69	0.73	0.74
New Zealand	0.97	0.84	0.82	0.62	0.45	0.83	0.83	0.83
Norway	0.86	0.90	0.79	0.66	0.78	0.80	0.83	0.87
Poland	0.93	0.95	0.97	0.86	0.88	0.93	0.95	0.93
Portugal	0.88	0.90	0.85	0.89	0.81	0.83	0.85	0.89
Slovak Republic	0.95	0.86	0.82	0.75	0.81	0.86	0.89	0.85
Spain	0.78	0.88	0.88	1.00	0.86	0.83	0.83	0.84
Sweden	0.89	0.96	0.78	0.74	0.85	0.86	0.88	0.95
Switzerland	0.93	0.89	0.89	0.82	0.84	0.81	0.83	0.88
Turkey	0.94	0.96	0.93	0.94	0.96	0.95	0.96	0.95
United Kingdom	0.81	0.86	1.04	0.25	0.33	0.74	0.78	0.81
United States	0.90	0.93	0.84	0.53	0.56	0.85	0.88	0.91

Note : ch = children /enfants.

1. Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity.

Le revenu net est calculé à partir des revenus bruts diminués de l'impôt sur le revenu des personnes physiques, des cotisations de sécurité sociale et augmentés des prestations versées aux familles. L'augmentation qui est rapportée dans le tableau représente une sorte d'élasticité. Dans un système fiscal proportionnel, l'élasticité serait égale à 1. A ces niveaux de revenu, plus le système est progressif plus l'élasticité est faible.

2. Two-earner family. Assumes a rise in the labour costs associated with the principal earner in the household.

Famille avec deux revenus. On fait l'hypothèse que les coûts de main d'œuvre associés au revenu principal du ménage augmentent.

Table 10. Annual gross wage and net income, by family-type and wage level
(in US dollars), 2002

Tableau 10. Salaire brut annuel et revenu net, par catégorie de famille et niveau de salaire
(en dollars des ÉU), 2002

Family-type:	single		single		single		single	
	no ch		no ch		no ch		2 ch	
Wage level (% of APW):	67		100		167		67	
	gross	net	gross	net	gross	net	gross	net
Australia	22642	18192	33964	25947	56606	38500	22642	25021
Austria	17555	13623	26333	18796	43888	28352	17555	18981
Belgium	22346	14762	33519	19634	55866	28801	22346	19362
Canada	21607	16944	32410	24076	54017	38508	21607	22073
Czech Republic	9200	7225	13801	10536	23001	16828	9200	10190
Denmark	24317	14620	36476	20749	60794	29765	24317	20658
Finland	18940	14116	28410	19395	47350	28871	18940	17361
France	15521	12318	23281	17103	38801	27026	15521	13823
Germany	23317	15208	34975	20571	58292	30446	23317	19955
Greece	10717	9013	16076	13425	26793	20498	11789	9914
Hungary	6028	4613	9041	6406	15069	8999	6028	6550
Iceland	16079	13631	24118	18819	40197	29197	16079	18010
Ireland	16719	15127	25079	20979	41799	30370	16719	20550
Italy	17888	13652	26833	19287	44721	29798	17888	17754
Japan	19477	16526	29215	24489	48691	39228	19477	17137
Korea	19717	18252	29576	26989	49293	42668	19717	18326
Luxembourg	22009	18209	33014	25733	55023	38171	22009	24735
Mexico	5977	6152	8965	8639	14942	13260	5977	6152
Netherlands	21698	15830	32546	23213	54244	35221	21698	20615
New Zealand	17753	14410	26629	21308	44382	32972	17753	17476
Norway	21432	16013	32148	22893	53579	34177	21432	20795
Poland	9006	6351	13509	9316	22514	15246	9006	6887
Portugal	8284	7229	12425	10381	20709	15898	8284	8312
Slovak Republic	6412	5275	9618	7758	16030	12208	6412	6732
Spain	13862	11972	20794	16793	34656	26280	13862	12982
Sweden	16737	12022	25106	17473	41843	26677	16737	14390
Switzerland	22537	18359	33806	26553	56343	41589	22537	21966
Turkey	9529	6800	14294	10011	23824	16130	9529	6800
United Kingdom	19907	16125	29861	22894	49768	36798	19907	23739
United States	21459	16793	32188	24382	53647	37400	21459	21952

Note : ch = children / enfants.

Table 10 (cont'd). Annual gross wage and net income,
by family-type and wage level (in US dollars), 2002Tableau 10 (suite). Salaire brut annuel et revenu net, par catégorie de famille
et niveau de salaire (en dollars des ÉU), 2002

Family-type:	married		married		married		married	
	2 ch		2 ch		2 ch		no ch	
	100-0		100-33 ¹		100-67 ¹		100-33 ¹	
Wage level (% of APW)	gross	net	gross	net	gross	net	gross	net
Australia	33964	28986	45285	37673	56606	45712	45285	36100
Austria	26333	23967	35111	30880	43888	37190	35111	26109
Belgium	33519	26293	44692	32048	55866	37444	44692	27987
Canada	32410	27521	43213	34969	54017	42081	43213	33368
Czech Republic	13801	13289	18401	16040	23001	18847	18401	14339
Denmark	36476	25368	48635	31526	60794	37711	48635	29184
Finland	28410	21826	37880	29646	47350	35941	37880	27215
France	23281	19981	31041	26366	38801	31628	31041	24178
Germany	34975	28466	46633	34487	58292	40060	46633	30416
Greece	19291	16015	24649	20522	30008	25028	23042	19081
Hungary	9041	8334	12055	10811	15069	12947	12055	8882
Iceland	24118	24891	32157	29669	40197	34277	32157	27290
Ireland	25079	25286	33439	31864	41799	38145	33439	29825
Italy	26833	23570	35777	28915	44721	34618	35777	27166
Japan	29215	25740	38953	33645	48691	41657	38953	33004
Korea	29576	27179	39434	36401	49293	45349	39434	36265
Luxembourg	33014	34205	44019	43674	55023	52949	44019	37121
Mexico	8965	8639	11954	12088	14942	14790	11954	12088
Netherlands	32546	26934	43395	34383	54244	41230	43395	32195
New Zealand	26629	21770	35505	28705	44382	35717	35505	28705
Norway	32148	26390	42863	34250	53579	41475	42863	31681
Poland	13509	10128	18012	12703	22514	15668	18012	12703
Portugal	12425	11774	16567	15460	20709	18690	16567	14312
Slovak Republic	9618	9323	12824	11646	16030	14162	12824	10516
Spain	20794	18638	27725	23700	34656	29534	27725	23284
Sweden	25106	19841	33474	26108	41843	31863	33474	23740
Switzerland	33806	30888	45074	39956	56343	48007	45074	36543
Turkey	14294	10011	19059	13503	23824	16811	19059	13503
United Kingdom	29861	26643	39814	35125	49768	41893	39814	32251
United States	32188	28549	42917	35719	53647	43308	42917	33335

Note : ch = children /enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 11. Annual labour costs and net income, by family-type and wage level
(in US dollars), 2002

Tableau 11. Coûts annuels bruts de main-d'œuvre et revenu net,
par catégorie de famille et niveau de salaire (en dollars des ÉU), 2002

Family-type:	single		single		single		single	
	no ch		no ch		no ch		2 ch	
Wage level (% of APW):	67		100		167		67	
	gross	net	gross	net	gross	net	gross	net
Australia	22642	18192	33964	25947	56606	38500	22642	25021
Austria	22686	13623	34030	18796	56716	28352	22686	18981
Belgium	28869	14762	43906	19634	73979	28801	28869	19362
Canada	23149	16944	34793	24076	56432	38508	23149	22073
Czech Republic	12420	7225	18631	10536	31051	16828	12420	10190
Denmark	24531	14620	36690	20749	61007	29765	24531	20658
Finland	23675	14116	35513	19395	59188	28871	23675	17361
France	19788	12318	32856	17103	54576	27026	19788	13823
Germany	28132	15208	42197	20571	68914	30446	28132	19955
Greece	13714	9013	20570	13425	34284	20498	15085	9914
Hungary	7956	4613	11934	6406	19891	8999	7956	6550
Iceland	16920	13631	25379	18819	42299	29197	16920	18010
Ireland	18141	15127	27775	20979	46292	30370	18141	20550
Italy	23806	13652	35709	19287	59514	29798	23806	17754
Japan	21525	16526	32287	24489	53812	39228	21525	17137
Korea	21411	18252	32116	26989	53527	42668	21411	18326
Luxembourg	25049	18209	37573	25733	62622	38171	25049	24735
Mexico	6941	6152	10295	8639	17090	13260	6941	6152
Netherlands	25187	15830	36019	23213	59090	35221	25187	20615
New Zealand	17753	14410	26629	21308	44382	32972	17753	17476
Norway	24175	16013	36262	22893	60437	34177	24175	20795
Poland	10846	6351	16268	9316	27114	15246	10846	6887
Portugal	10251	7229	15376	10381	25627	15898	10251	8312
Slovak Republic	8833	5275	13249	7758	22081	12208	8833	6732
Spain	18104	11972	27156	16793	45261	26280	18104	12982
Sweden	22230	12022	33345	17473	55575	26677	22230	14390
Switzerland	25140	18359	37710	26553	62850	41589	25140	21966
Turkey	11578	6800	17367	10011	28946	16130	11578	6800
United Kingdom	21429	16125	32557	22894	54813	36798	21429	23739
United States	23100	16793	34650	24382	57751	37400	23100	21952

Note : ch = children / enfants.

Table 11 (cont'd). **Annual labour costs and net income, by family-type and wage level (in US dollars), 2002**Tableau 11 (suite). **Coûts annuels bruts de main-d'œuvre et revenu net, par catégorie de famille et niveau de salaire (en dollars des ÉU), 2002**

Family-type:	married		married		married		married	
	2 ch		2 ch		2 ch		no ch	
Wage level (% of APW):	100-0		100-33 ¹		100-67 ¹		100-33 ¹	
	gross	net	gross	net	gross	net	gross	net
Australia	33964	28986	45285	37673	56606	45712	45285	36100
Austria	34030	23967	45373	30880	56716	37190	45373	26109
Belgium	43906	26293	55775	32048	72774	37444	55775	27987
Canada	34793	27521	46299	34969	57943	42081	46299	33368
Czech Republic	18631	13289	24841	16040	31051	18847	24841	14339
Denmark	36690	25368	49062	31526	61221	37711	49062	29184
Finland	35513	21826	47350	29646	59188	35941	47350	27215
France	32856	19981	42396	26366	52644	31628	42396	24178
Germany	42197	28466	56263	34487	70329	40060	56263	30416
Greece	24685	16015	31541	20522	38398	25028	29484	19081
Hungary	11934	8334	15913	10811	19891	12947	15913	8882
Iceland	25379	24891	33839	29669	42299	34277	33839	27290
Ireland	27775	25286	36846	31864	45916	38145	36846	29825
Italy	35709	23570	47612	28915	59514	34618	47612	27166
Japan	32287	25740	43049	33645	53812	41657	43049	33004
Korea	32116	27179	42822	36401	53527	45349	42822	36265
Luxembourg	37573	34205	50098	43674	62622	52949	50098	37121
Mexico	10295	8639	13959	12088	17236	14790	13959	12088
Netherlands	36019	26934	48494	34383	61206	41230	48494	32195
New Zealand	26629	21770	35505	28705	44382	35717	35505	28705
Norway	36262	26390	48350	34250	60437	41475	48350	31681
Poland	16268	10128	21691	12703	27114	15668	21691	12703
Portugal	15376	11774	20502	15460	25627	18690	20502	14312
Slovak Republic	13249	9323	17665	11646	22081	14162	17665	10516
Spain	27156	18638	36209	23700	45261	29534	36209	23284
Sweden	33345	19841	44460	26108	55575	31863	44460	23740
Switzerland	37710	30888	50280	39956	62851	48007	50280	36543
Turkey	17367	10011	23156	13503	28946	16811	23156	13503
United Kingdom	32557	26643	42857	35125	53985	41893	42857	32251
United States	34650	28549	46201	35719	57751	43308	46201	33335

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

B. TAX BURDENS, 2001 (TABLES)

B. CHARGES D'IMPÔTS, 2001 (TABLEAUX)

Table 12. Income tax, by family-type and wage level (as % of gross wage), 2001

Tableau 12. Impôt sur le revenu, par catégorie de famille et niveau de salaire (en % du salaire brut), 2001

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-331	100-671	100-331
Australia	19.2	23.3	31.4	19.0	23.3	19.8	21.7	19.8
Austria	4.0	10.2	17.0	0.3	8.7	7.3	7.8	7.3
Belgium	21.0	27.8	34.7	14.4	17.1	21.9	24.9	23.9
Canada	15.4	19.3	24.8	9.4	15.3	16.6	17.7	16.6
Czech Republic	8.7	10.7	13.8	3.2	4.8	5.9	7.4	9.1
Denmark	28.0	32.6	41.3	28.0	26.2	28.0	30.8	28.0
Finland	19.7	25.9	33.1	19.7	25.9	22.3	23.4	22.3
France	7.4	13.5	18.2	6.8	7.0	6.8	9.1	9.6
Germany	13.8	20.1	29.1	-5.9	-1.7	5.7	10.8	13.8
Greece	0.0	1.8	7.8	0.0	2.0	1.6	1.3	2.1
Hungary	14.8	19.2	28.4	0.0	9.2	8.9	11.4	16.4
Iceland	14.3	21.4	27.1	14.3	8.6	14.5	18.6	14.5
Ireland	8.0	12.0	23.1	0.0	2.9	8.0	10.4	8.0
Italy	14.3	18.6	23.9	8.1	13.4	12.9	15.2	14.4
Japan	5.2	6.2	9.6	2.1	2.0	3.7	4.5	5.4
Korea	1.0	2.5	7.6	0.6	1.8	1.3	1.7	1.7
Luxembourg	5.0	10.8	20.3	0.0	0.0	0.0	2.2	2.9
Mexico	-4.8	1.9	9.0	-4.8	1.9	-2.9	-0.8	-2.9
Netherlands	3.5	8.8	20.5	2.3	8.3	6.9	6.6	6.9
New Zealand	18.8	19.5	25.2	18.8	19.5	18.8	19.2	18.8
Norway	17.6	21.0	28.9	13.2	18.1	18.2	19.6	18.2
Poland	4.4	6.0	7.3	4.4	4.0	4.4	5.4	4.4
Portugal	1.7	5.4	12.1	0.0	0.1	1.0	2.3	3.5
Slovak Republic	5.8	7.4	11.9	3.0	4.5	4.4	5.6	5.8
Spain	6.7	12.6	17.5	0.0	3.6	7.9	8.0	9.4
Sweden	22.3	24.6	32.0	22.3	24.6	23.4	23.7	23.4
Switzerland	7.0	9.9	14.6	2.9	5.0	5.6	7.9	7.3
Turkey	13.7	14.9	17.8	13.7	14.9	14.1	14.4	14.1
United Kingdom	12.3	15.5	18.1	-14.2	10.3	10.3	12.6	12.4
United States	14.2	16.8	23.0	-9.9	4.3	9.2	11.7	14.8

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 13. **Employee contributions, by family-type and wage level (as % of gross wage), 2001**Tableau 13. **Cotisations des salariés, par catégorie de famille et niveau de salaire (en % du salaire brut), 2001**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Austria	18.1	18.1	18.1	18.1	18.1	18.1	18.1	18.1
Belgium	13.1	13.9	14.0	13.1	13.9	14.0	14.0	14.0
Canada	6.0	6.2	3.8	6.0	6.2	6.0	6.1	6.0
Czech Republic	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Denmark	12.0	10.7	9.6	12.0	10.7	12.0	11.2	12.0
Finland	6.5	6.5	6.6	6.5	6.5	6.4	6.5	6.4
France	13.5	13.5	12.5	13.5	13.5	13.5	13.5	13.5
Germany	20.6	20.6	18.4	20.6	20.6	20.6	20.6	20.6
Greece	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9
Hungary	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Iceland	0.3	0.2	0.1	0.3	0.2	0.2	0.3	0.2
Ireland	2.3	4.9	5.0	2.3	4.9	3.7	3.9	3.7
Italy	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Japan	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Korea	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Luxembourg	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Mexico	1.3	1.6	2.0	1.3	1.6	1.5	1.4	1.5
Netherlands	23.3	24.1	14.3	11.7	19.2	21.3	23.2	22.0
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Norway	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Poland	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0
Portugal	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Slovak Republic	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8
Spain	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Sweden	7.0	7.0	5.5	7.0	7.0	7.0	7.0	7.0
Switzerland	11.6	11.6	11.6	11.6	11.6	11.6	11.6	11.6
Turkey	16.0	16.0	13.9	16.0	16.0	16.0	16.0	16.0
United Kingdom	6.4	7.6	8.0	6.4	7.6	6.4	7.1	6.4
United States	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 14. **Income tax plus employee contributions, by family-type and wage level**
(as % of gross wage), 2001

Tableau 14. **Impôt sur le revenu et cotisations des salariés, par catégorie de famille**
et niveau de salaire (en % du salaire brut), 2001

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-331	100-671	100-331
Australia	19.2	23.3	31.4	19.0	23.3	19.8	21.7	19.8
Austria	22.1	28.3	35.1	18.3	26.7	25.4	25.8	25.4
Belgium	34.0	41.7	48.8	27.5	31.1	35.8	38.9	37.9
Canada	21.3	25.5	28.6	15.3	21.5	22.6	23.8	22.6
Czech Republic	21.2	23.2	26.3	15.7	17.3	18.4	19.9	21.6
Denmark	40.0	43.3	50.9	40.0	36.9	40.0	42.0	40.0
Finland	26.2	32.4	39.7	26.2	32.4	28.8	29.9	28.8
France	20.9	27.0	30.7	20.3	20.5	20.3	22.6	23.1
Germany	34.3	40.7	47.5	14.6	18.9	26.3	31.4	34.3
Greece	15.9	17.7	23.7	15.9	17.9	17.5	17.2	18.0
Hungary	27.3	31.7	40.9	12.5	21.7	21.4	23.9	28.9
Iceland	14.7	21.7	27.3	14.7	8.8	14.7	18.9	14.7
Ireland	10.3	16.9	28.1	2.3	7.8	11.6	14.2	11.6
Italy	23.5	27.8	33.0	17.3	22.6	22.1	24.3	23.6
Japan	15.2	16.2	19.6	12.1	12.0	13.7	14.5	15.4
Korea	7.7	9.2	14.3	7.3	8.5	8.0	8.4	8.4
Luxembourg	18.9	24.8	34.2	14.0	14.0	14.0	16.2	16.8
Mexico	-3.5	3.4	11.0	-3.5	3.4	-1.4	0.7	-1.4
Netherlands	26.7	32.9	34.8	13.9	27.5	28.1	29.8	28.9
New Zealand	18.8	19.5	25.2	18.8	19.5	18.8	19.2	18.8
Norway	25.4	28.8	36.7	21.0	25.9	26.0	27.4	26.0
Poland	29.4	31.0	32.3	29.4	29.0	29.4	30.4	29.4
Portugal	12.7	16.4	23.1	11.0	11.1	12.0	13.3	14.5
Slovak Republic	18.6	20.2	24.7	15.8	17.3	17.2	18.4	18.6
Spain	13.0	18.9	23.9	6.4	10.0	14.2	14.4	15.8
Sweden	29.3	31.7	37.6	29.3	31.7	30.4	30.7	30.4
Switzerland	18.5	21.4	26.2	14.5	16.6	17.2	19.5	18.8
Turkey	29.7	30.9	31.7	29.7	30.9	30.1	30.4	30.1
United Kingdom	18.7	23.2	26.2	-7.8	17.9	16.7	19.7	18.8
United States	21.9	24.4	30.6	-2.2	12.0	16.8	19.3	22.5

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 15. Income tax plus employee contributions less cash benefits,
by family-type and wage level (as % of gross wage), 2001

Tableau 15. Impôt sur le revenu et cotisations des salariés diminués des prestations
versées, par catégorie de famille et niveau de salaire (en % du salaire brut), 2001

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	19.2	23.3	31.4	-11.8	14.2	16.3	18.9	19.8
Austria	22.1	28.3	35.1	-9.5	8.2	11.5	14.7	25.4
Belgium	34.0	41.7	48.8	13.2	21.6	28.7	33.2	37.9
Canada	21.3	25.5	28.6	-2.7	14.8	18.8	21.8	22.6
Czech Republic	21.2	23.2	26.3	-11.8	3.1	12.4	17.6	21.6
Denmark	40.0	43.3	50.9	14.1	30.2	35.0	38.0	40.0
Finland	26.2	32.4	39.7	8.4	23.5	22.1	24.6	28.8
France	20.9	27.0	30.7	11.3	14.4	15.8	19.0	23.1
Germany	34.3	40.7	47.5	14.6	18.9	26.3	31.4	34.3
Greece	15.9	17.7	23.7	15.9	17.9	17.5	17.2	18.0
Hungary	27.3	31.7	40.9	-7.8	9.9	12.5	16.9	28.9
Iceland	14.7	21.7	27.3	-13.5	-3.8	7.1	14.3	14.7
Ireland	10.3	16.9	28.1	-10.5	2.3	7.6	11.0	11.6
Italy	23.5	27.8	33.0	1.3	13.5	19.6	23.5	23.6
Japan	15.2	16.2	19.6	12.1	12.0	13.7	14.5	15.4
Korea	7.7	9.2	14.3	7.3	8.5	8.0	8.4	8.4
Luxembourg	18.9	24.8	34.2	-8.0	-0.7	3.0	7.4	16.8
Mexico	-3.5	3.4	11.0	-3.5	3.4	-1.4	0.7	-1.4
Netherlands	26.7	32.9	34.8	5.8	22.1	24.1	26.6	28.9
New Zealand	18.8	19.5	25.2	0.2	16.7	18.8	19.2	18.8
Norway	25.4	28.8	36.7	2.1	17.5	19.7	22.4	26.0
Poland	29.4	31.0	32.3	23.6	25.0	26.5	28.0	29.4
Portugal	12.7	16.4	23.1	-0.2	6.1	8.2	10.2	14.5
Slovak Republic	18.6	20.2	24.7	-3.1	4.7	10.9	13.3	18.6
Spain	13.0	18.9	23.9	6.4	10.0	14.2	14.4	15.8
Sweden	29.3	31.7	37.6	14.5	21.8	23.0	24.8	30.4
Switzerland	18.5	21.4	26.2	2.3	8.4	11.1	14.6	18.8
Turkey	29.7	30.9	31.7	29.7	30.9	30.1	30.4	30.1
United Kingdom	18.7	23.2	26.2	-19.3	10.8	11.4	15.5	18.8
United States	21.9	24.4	30.6	-2.2	12.0	16.8	19.3	22.5

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 16. **Income tax plus employee and employer contributions
less cash benefits, by family-type and wage level (as % of labour costs), 2001**

Tableau 16. **Impôt sur le revenu plus cotisations des salariés et des employeurs
diminués des prestations versées, par catégorie de famille et niveau de salaire
(en % des coûts de main-d'œuvre), 2001**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ¹	100-67 ¹	100-33 ¹
Australia	19.2	23.3	31.4	-11.8	14.2	16.3	18.9	19.8
Austria	39.7	44.5	49.7	15.3	29.0	31.5	34.0	42.3
Belgium	49.1	55.6	61.4	33.1	40.3	45.0	48.9	52.1
Canada	26.4	30.4	31.5	3.9	20.4	24.0	26.9	27.5
Czech Republic	41.6	43.1	45.4	17.2	28.2	35.1	39.0	41.9
Denmark	40.6	43.6	51.1	14.9	30.7	35.6	38.4	40.6
Finland	41.0	45.9	51.7	26.7	38.8	37.7	39.7	43.0
France	38.4	48.3	50.7	30.8	39.4	38.4	40.5	43.8
Germany	45.5	50.8	55.6	29.2	32.7	38.9	43.1	45.5
Greece	34.3	35.7	40.3	34.3	35.9	35.5	35.3	35.9
Hungary	45.8	49.0	55.9	19.5	32.8	34.7	38.0	46.9
Iceland	18.9	25.5	30.9	-7.9	1.4	11.7	18.6	18.9
Ireland	17.3	25.8	35.8	-1.9	12.8	16.8	19.5	20.5
Italy	42.8	46.1	50.0	26.3	35.4	40.0	42.8	42.9
Japan	23.2	24.2	27.2	20.4	20.4	21.9	22.6	23.4
Korea	15.1	16.6	21.2	14.7	15.9	15.4	15.8	15.8
Luxembourg	28.8	33.9	42.2	5.1	11.5	14.7	18.6	26.9
Mexico	9.2	14.4	21.0	9.2	14.4	11.6	12.3	11.6
Netherlands	36.8	42.3	40.1	18.7	33.0	34.5	36.7	38.7
New Zealand	18.8	19.5	25.2	0.2	16.7	18.8	19.2	18.8
Norway	33.8	36.9	43.9	13.2	26.9	28.8	31.2	34.4
Poland	41.4	42.7	43.8	36.5	37.8	39.0	40.2	41.4
Portugal	29.5	32.5	37.9	19.1	24.1	25.8	27.5	30.9
Slovak Republic	41.0	42.1	45.5	25.3	30.9	35.4	37.2	41.0
Spain	33.4	37.9	41.7	28.3	31.1	34.3	34.4	35.5
Sweden	46.8	48.5	53.0	35.7	41.1	42.0	43.4	47.6
Switzerland	26.9	29.5	33.8	12.4	17.9	20.3	23.4	27.2
Turkey	42.6	43.6	42.9	42.6	43.6	42.9	43.2	42.9
United Kingdom	24.5	29.5	33.0	-10.8	18.2	17.7	22.1	24.5
United States	27.4	29.8	35.6	5.0	18.3	22.7	25.1	28.0

Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 17. Marginal rate of income tax plus employee contributions
less cash benefits, by family-type and wage level (as % of gross wage), 2001¹

Tableau 17. Taux marginal applicable à l'impôt sur le revenu et aux cotisations des
salariés diminués des prestations versées,
par catégorie de famille et niveau de salaire (en % du salaire brut), 2001¹

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	31.5	31.5	48.5	70.0	61.5	31.5	31.5	31.5
Austria	36.9	42.7	49.9	51.6	42.7	42.7	42.7	42.7
Belgium	53.7	55.1	60.1	53.7	51.0	55.5	55.5	55.5
Canada	28.8	37.8	38.7	51.3	42.8	42.8	42.8	37.8
Czech Republic	25.6	30.0	34.4	47.5	43.2	43.2	25.6	30.0
Denmark	49.8	49.8	62.9	49.8	44.3	49.8	49.8	49.8
Finland	41.1	46.8	52.5	41.1	46.8	46.8	46.8	46.8
France	26.6	33.6	36.1	26.6	21.1	21.1	30.6	46.1
Germany	50.3	56.6	48.8	47.1	49.8	50.1	53.3	50.3
Greece	15.9	28.5	41.1	15.9	28.5	28.5	28.5	28.5
Hungary	40.5	40.5	50.5	12.5	40.5	40.5	40.5	40.5
Iceland	35.7	35.7	35.7	43.9	43.9	43.9	43.9	35.7
Ireland	24.0	26.0	44.6	61.6	26.0	26.0	26.0	26.0
Italy	31.8	39.1	45.4	31.8	39.1	39.1	39.1	39.1
Japan	17.3	21.6	30.8	17.3	18.6	18.6	18.6	21.6
Korea	10.2	13.5	26.0	10.2	13.5	13.5	13.5	13.5
Luxembourg	31.8	40.7	51.4	14.0	14.0	14.0	33.6	30.0
Mexico	8.9	15.8	27.3	8.9	15.8	15.8	15.8	15.8
Netherlands	44.9	45.0	52.0	40.6	45.0	45.0	45.0	45.0
New Zealand	21.0	33.0	39.0	39.0	63.0	33.0	33.0	33.0
Norway	35.8	35.8	49.3	35.8	35.8	35.8	35.8	35.8
Poland	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2
Portugal	23.0	25.0	35.0	11.0	23.0	23.0	23.0	23.0
Slovak Republic	23.3	30.2	34.6	23.3	23.3	23.3	23.3	30.2
Spain	33.1	28.8	32.9	6.4	23.2	28.8	28.8	28.8
Sweden	37.2	34.2	50.5	37.2	34.2	34.2	34.2	34.2
Switzerland	24.1	29.9	35.0	19.9	23.7	28.5	29.4	28.5
Turkey	33.4	33.4	25.6	33.4	33.4	33.4	33.4	33.4
United Kingdom	32.0	32.0	22.0	69.4	69.4	32.0	32.0	32.0
United States	29.5	29.5	42.0	45.5	50.5	29.5	29.5	29.5

Note : ch = children / enfants.

1. Assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

On suppose que le revenu brut principal du ménage augmente. Le résultat peut être différent si le salaire du conjoint augmente, surtout si les deux conjoints sont imposés séparément.

2. Two-earner family / famille disposant de deux revenus.

Table 18. **Marginal rate of income tax plus employee and employer contributions less cash benefits, by family-type and wage level (as % of labour costs), 2001¹**

Tableau 18. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés et des employeurs diminués des prestations versées, par catégorie de famille et niveau de salaire (en % des coûts de main-d'œuvre), 20011**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	31.5	31.5	48.5	70.0	61.5	31.5	31.5	31.5
Austria	51.1	55.6	61.2	62.6	55.6	55.6	55.6	55.6
Belgium	65.6	66.7	70.4	65.6	63.6	67.0	67.0	67.0
Canada	33.8	42.1	38.7	54.7	46.7	46.7	46.7	42.1
Czech Republic	44.9	48.1	51.4	61.1	57.9	57.9	44.9	48.1
Denmark	49.8	49.8	62.9	49.8	44.3	49.8	49.8	49.8
Finland	52.9	57.4	62.0	52.9	57.4	57.4	57.4	57.4
France	62.6	53.0	53.6	62.6	44.2	44.2	50.9	61.8
Germany	58.8	64.0	48.8	56.1	58.3	58.6	61.3	58.8
Greece	34.3	44.1	54.0	34.3	44.1	44.1	44.1	44.1
Hungary	55.6	55.6	63.1	34.7	55.6	55.6	55.6	55.6
Iceland	38.9	38.9	38.9	46.7	46.7	46.7	46.7	38.9
Ireland	30.0	33.9	50.5	64.6	33.9	33.9	33.9	33.9
Italy	49.1	54.5	59.2	49.1	54.5	54.5	54.5	54.5
Japan	25.2	29.0	37.4	25.2	26.3	26.3	26.3	29.0
Korea	17.4	20.4	32.0	17.4	20.4	20.4	20.4	20.4
Luxembourg	40.1	47.9	57.3	24.4	24.4	24.4	41.6	38.5
Mexico	15.4	25.0	35.2	15.4	25.0	25.0	25.0	25.0
Netherlands	53.5	51.0	52.0	49.8	51.0	51.0	51.0	51.0
New Zealand	21.0	33.0	39.0	39.0	63.0	33.0	33.0	33.0
Norway	43.1	43.1	55.1	43.1	43.1	43.1	43.1	43.1
Poland	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Portugal	37.8	39.4	47.5	28.1	37.8	37.8	37.8	37.8
Slovak Republic	44.4	49.4	52.6	44.4	44.4	44.4	44.4	49.4
Spain	48.8	45.5	48.6	28.3	41.2	45.5	45.5	45.5
Sweden	52.7	50.4	62.8	52.7	50.4	50.4	50.4	50.4
Switzerland	31.9	37.1	41.8	28.2	31.6	35.9	36.7	35.9
Turkey	45.6	45.6	25.6	45.6	45.6	45.6	45.6	45.6
United Kingdom	39.2	39.2	30.3	72.7	72.7	39.2	39.2	39.2
United States	34.5	34.5	46.1	49.4	54.0	34.5	34.5	34.5

Note : ch = children / enfants.

1. Assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

On suppose que le revenu brut principal du ménage augmente. Le résultat peut être différent si le salaire du conjoint augmente, surtout si les deux conjoints sont imposés séparément.

2. Two-earner family / famille disposant de deux revenus.

Table 19. **Increase in net income¹ after 1% increase in gross wage,
by family-type and wage level (%), 2001**
Tableau 19. **Augmentation du revenu net¹ après augmentation de 1%
du salaire brut, par catégorie de famille et niveau de salaire (en %), 2001**

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²
Australia	0.85	0.89	0.75	0.27	0.45	0.82	0.84	0.85
Austria	0.81	0.80	0.77	0.44	0.62	0.65	0.67	0.77
Belgium	0.70	0.77	0.78	0.53	0.62	0.62	0.67	0.72
Canada	0.90	0.83	0.86	0.47	0.67	0.70	0.73	0.80
Czech Republic	0.94	0.91	0.89	0.47	0.59	0.65	0.90	0.89
Denmark	0.84	0.88	0.76	0.58	0.80	0.77	0.81	0.84
Finland	0.80	0.79	0.79	0.64	0.70	0.68	0.71	0.75
France	0.93	0.91	0.92	0.83	0.92	0.94	0.86	0.70
Germany	0.76	0.73	0.98	0.62	0.62	0.68	0.68	0.76
Greece	1.00	0.87	0.77	1.00	0.87	0.87	0.86	0.87
Hungary	0.82	0.87	0.84	0.81	0.66	0.68	0.72	0.84
Iceland	0.75	0.82	0.88	0.49	0.54	0.60	0.65	0.75
Ireland	0.85	0.89	0.77	0.35	0.76	0.80	0.83	0.84
Italy	0.89	0.84	0.82	0.69	0.70	0.76	0.80	0.80
Japan	0.97	0.94	0.86	0.94	0.93	0.94	0.95	0.93
Korea	0.97	0.95	0.86	0.97	0.95	0.94	0.94	0.95
Luxembourg	0.84	0.79	0.74	0.80	0.85	0.89	0.72	0.84
Mexico	0.88	0.87	0.82	0.88	0.87	0.83	0.85	0.83
Netherlands	0.75	0.82	0.74	0.63	0.71	0.72	0.75	0.77
New Zealand	0.97	0.83	0.82	0.61	0.44	0.82	0.83	0.82
Norway	0.86	0.90	0.80	0.66	0.78	0.80	0.83	0.87
Poland	0.93	0.95	0.97	0.86	0.88	0.90	0.91	0.93
Portugal	0.88	0.90	0.85	0.89	0.82	0.84	0.86	0.90
Slovak Republic	0.94	0.87	0.87	0.74	0.81	0.86	0.89	0.86
Spain	0.77	0.88	0.88	1.00	0.85	0.83	0.83	0.85
Sweden	0.89	0.96	0.79	0.73	0.84	0.86	0.88	0.95
Switzerland	0.93	0.89	0.88	0.82	0.83	0.80	0.83	0.88
Turkey	0.95	0.96	1.09	0.95	0.96	0.95	0.96	0.95
United Kingdom	0.84	0.88	1.06	0.26	0.34	0.77	0.80	0.84
United States	0.90	0.93	0.84	0.53	0.56	0.85	0.87	0.91

Note : ch = children /enfants.

1. Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity.

Le revenu net est calculé à partir des revenus bruts diminués de l'impôt sur le revenu des personnes physiques, des cotisations de sécurité sociale et augmentés des prestations versées aux familles. L'augmentation qui est rapportée dans le tableau représente une sorte d'élasticité. Dans un système fiscal proportionnel, l'élasticité serait égale à 1. A ces niveaux de revenu, plus le système est progressif plus l'élasticité est faible.

2. Two-earner family. Assumes a rise in gross earnings of the principal earner in the household.

Famille avec deux revenus. On fait l'hypothèse que le revenu brut principal du ménage augmente.

Table 20. Increase in net income¹ after 1% increase in labour costs,
by family-type and wage level (%), 2001
Tableau 20. Augmentation du revenu net¹ après augmentation de 1% des coûts
bruts de main-d'œuvre, par catégorie de famille et niveau de salaire (en %), 2001

Family type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of APW):	67	100	167	67	100-0	100-33 ²	100-67 ²	100-33 ²	
Australia	0.85	0.89	0.75	0.27	0.45	0.82	0.84	0.85	
Austria	0.81	0.80	0.77	0.44	0.62	0.65	0.67	0.77	
Belgium	0.68	0.75	0.77	0.51	0.61	0.60	0.65	0.69	
Canada	0.90	0.83	0.89	0.47	0.67	0.70	0.73	0.80	
Czech Republic	0.94	0.91	0.89	0.47	0.59	0.65	0.90	0.89	
Denmark	0.84	0.89	0.76	0.59	0.80	0.78	0.81	0.84	
Finland	0.80	0.79	0.79	0.64	0.70	0.68	0.71	0.75	
France	0.61	0.91	0.94	0.54	0.92	0.91	0.83	0.68	
Germany	0.76	0.73	1.15	0.62	0.62	0.68	0.68	0.76	
Greece	1.00	0.87	0.77	1.00	0.87	0.87	0.86	0.87	
Hungary	0.82	0.87	0.84	0.81	0.66	0.68	0.72	0.84	
Iceland	0.75	0.82	0.88	0.49	0.54	0.60	0.65	0.75	
Ireland	0.85	0.89	0.77	0.35	0.76	0.79	0.82	0.83	
Italy	0.89	0.84	0.82	0.69	0.70	0.76	0.80	0.80	
Japan	0.97	0.94	0.86	0.94	0.93	0.94	0.95	0.93	
Korea	0.97	0.95	0.86	0.97	0.95	0.94	0.94	0.95	
Luxembourg	0.84	0.79	0.74	0.80	0.85	0.89	0.72	0.84	
Mexico	0.93	0.88	0.82	0.93	0.88	0.85	0.86	0.85	
Netherlands	0.74	0.85	0.80	0.62	0.73	0.75	0.77	0.80	
New Zealand	0.97	0.83	0.82	0.61	0.44	0.82	0.83	0.82	
Norway	0.86	0.90	0.80	0.66	0.78	0.80	0.83	0.87	
Poland	0.93	0.95	0.97	0.86	0.88	0.90	0.91	0.93	
Portugal	0.88	0.90	0.85	0.89	0.82	0.84	0.86	0.90	
Slovak Republic	0.94	0.87	0.87	0.74	0.81	0.86	0.89	0.86	
Spain	0.77	0.88	0.88	1.00	0.85	0.83	0.83	0.85	
Sweden	0.89	0.96	0.79	0.73	0.84	0.86	0.88	0.95	
Switzerland	0.93	0.89	0.88	0.82	0.83	0.80	0.83	0.88	
Turkey	0.95	0.96	1.30	0.95	0.96	0.95	0.96	0.95	
United Kingdom	0.80	0.86	1.04	0.25	0.33	0.74	0.78	0.81	
United States	0.90	0.93	0.84	0.53	0.56	0.85	0.87	0.91	

Note : ch = children /enfants.

1. Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity.
Le revenu net est calculé à partir des revenus bruts diminués de l'impôt sur le revenu des personnes physiques, des cotisations de sécurité sociale et augmentés des prestations versées aux familles. L'augmentation qui est rapportée dans le tableau représente une sorte d'élasticité. Dans un système fiscal proportionnel, l'élasticité serait égale à 1. A ces niveaux de revenu, plus le système est progressif plus l'élasticité est faible.
2. Two-earner family. Assumes a rise in the labour costs associated with the principal earner in the household.
Famille avec deux revenus. On fait l'hypothèse que les coûts de main d'œuvre associés au revenu principal du ménage augmentent.

Table 21. **Annual gross wage and net income, by family-type and wage level**
(in US dollars), 2001

Tableau 21. **Salaire brut annuel et revenu net, par catégorie de famille et niveau de salaire**
(en dollars des ÉU), 2001

Family-type:	single		single		single		single	
	no ch		no ch		no ch		2 ch	
Wage level (% of APW):	67		100		167		67	
	gross	net	gross	net	gross	net	gross	net
Australia	22501	18177	33752	25883	56253	38604	22501	25147
Austria	16096	12542	24144	17312	40240	26133	16096	17624
Belgium	21965	14489	32948	19203	54913	28139	21965	19064
Canada	20731	16310	31097	23179	51828	37018	20731	21296
Czech Republic	9365	7382	14047	10789	23412	17258	9365	10467
Denmark	23116	13865	34675	19666	57791	28374	23116	19846
Finland	17290	12761	25935	17534	43226	26080	17290	15842
France	14268	11279	21402	15626	35671	24726	14268	12659
Germany	21878	14373	32818	19464	54696	28736	21878	18683
Greece	10018	8425	15027	12370	25045	19119	11020	9268
Hungary	5671	4121	8507	5809	14178	8379	5671	6115
Iceland	16342	13947	24513	19205	40855	29719	16342	18553
Ireland	16684	14964	25025	20803	41709	29988	16684	18438
Italy	16626	12725	24939	18000	41565	27830	16626	16404
Japan	19140	16236	28710	24046	47851	38480	19140	16827
Korea	18764	17318	28146	25544	46910	40198	18764	17401
Luxembourg	20082	16278	30123	22667	50206	33028	20082	21692
Mexico	5816	6022	8724	8423	14540	12935	5816	6022
Netherlands	21082	15444	31623	21205	52704	34352	21082	19862
New Zealand	17152	13935	25728	20704	42881	32056	17152	17110
Norway	17256	12880	25885	18419	43141	27307	17256	16889
Poland	8418	5939	12627	8711	21045	14253	8418	6434
Portugal	7948	6937	11922	9964	19869	15270	7948	7960
Slovak Republic	6789	5529	10184	8131	16973	12774	6789	7002
Spain	13018	11324	19527	15830	32545	24770	13018	12191
Sweden	16254	11486	24381	16664	40635	25374	16254	13891
Switzerland	22483	18322	33724	26506	56206	41491	22483	21972
Turkey	11750	8263	17625	12176	29374	20049	11750	8263
United Kingdom	19436	15794	29154	22403	48590	35878	19436	23183
United States	20813	16258	31220	23598	52033	36088	20813	21280

Note : ch = children / enfants.

Table 21 (cont'd). **Annual gross wage and net income, by family-type and wage level (in US dollars), 2001**Tableau 21 (suite). **Salaires bruts annuels et revenus nets, par catégorie de famille et niveau de salaire (en dollars des ÉU), 2001**

Family-type:	married		married		married		married	
	2 ch		2 ch		2 ch		no ch	
Wage level (% of APW)	100-0		100-33 ¹		100-67 ¹		100-33 ¹	
	gross	net	gross	net	gross	net	gross	net
Australia	33752	28954	45003	37656	56253	45632	45003	36084
Austria	24144	22163	32192	28495	40240	34330	32192	24019
Belgium	32948	25843	43930	31329	54913	36676	43930	27286
Canada	31097	26506	41462	33680	51828	40539	41462	32112
Czech Republic	14047	13615	18729	16412	23412	19283	18729	14689
Denmark	34675	24189	46233	30050	57791	35850	46233	27730
Finland	25935	19841	34581	26941	43226	32602	34581	24634
France	21402	18312	28537	24021	35671	28893	28537	21944
Germany	32818	26622	43757	32254	54696	37546	43757	28745
Greece	18033	14800	23042	19013	28051	23225	21539	17657
Hungary	8507	7666	11342	9920	14178	11787	11342	8063
Iceland	24513	25446	32684	30370	40855	35005	32684	27893
Ireland	25025	24440	33367	30846	41709	37130	33367	29482
Italy	24939	21575	33252	26730	41565	31815	33252	25417
Japan	28710	25271	38281	33037	47851	40915	38281	32403
Korea	28146	25756	37528	34526	46910	42975	37528	34367
Luxembourg	30123	30332	40165	38972	50206	46483	40165	33402
Mexico	8724	8423	11632	11793	14540	14445	11632	11793
Netherlands	31623	24637	42164	32017	52704	38708	42164	29960
New Zealand	25728	21437	34305	27865	42881	34640	34305	27865
Norway	25885	21342	34513	27711	43141	33472	34513	25539
Poland	12627	9464	16836	12374	21045	15145	16836	11878
Portugal	11922	11198	15896	14592	19869	17836	15896	13590
Slovak Republic	10184	9705	13579	12102	16973	14707	13579	11055
Spain	19527	17583	26036	22329	32545	27871	26036	21926
Sweden	24381	19069	32508	25026	40635	30554	32508	22621
Switzerland	33724	30885	44965	39988	56206	47998	44965	36507
Turkey	17625	12176	23499	16425	29374	20439	23499	16425
United Kingdom	29154	25993	38872	34439	48590	41065	38872	31571
United States	31220	27475	41627	34625	52033	41966	41627	32273

Note : ch = children /enfants.

1. Two-earner family / famille disposant de deux revenus.

Table 22. Annual labour costs and net income, by family-type and wage level
(in US dollars), 2001

Tableau 22. Coûts annuels bruts de main-d'œuvre et revenu net,
par catégorie de famille et niveau de salaire (en dollars des ÉU), 2001

Family-type:	single		single		single		single	
	no ch		no ch		no ch		2 ch	
Wage level (% of APW):	67		100		167		67	
	gross	net	gross	net	gross	net	gross	net
Australia	22501	18177	33752	25883	56253	38604	22501	25147
Austria	20800	12542	31201	17312	52001	26133	20800	17624
Belgium	28480	14489	43260	19203	72821	28139	28480	19064
Canada	22151	16310	33289	23179	54080	37018	22151	21296
Czech Republic	12642	7382	18964	10789	31606	17258	12642	10467
Denmark	23328	13865	34886	19666	58003	28374	23328	19846
Finland	21613	12761	32419	17534	54032	26080	21613	15842
France	18299	11279	30242	15626	50107	24726	18299	12659
Germany	26374	14373	39562	19464	64764	28736	26374	18683
Greece	12819	8425	19229	12370	32048	19119	14101	9268
Hungary	7599	4121	11399	5809	18998	8379	7599	6115
Iceland	17197	13947	25795	19205	42992	29719	17197	18553
Ireland	18102	14964	28028	20803	46714	29988	18102	18438
Italy	22259	12725	33389	18000	55648	27830	22259	16404
Japan	21153	16236	31730	24046	52883	38480	21153	16827
Korea	20410	17318	30615	25544	51024	40198	20410	17401
Luxembourg	22856	16278	34283	22667	57139	33028	22856	21692
Mexico	6633	6022	9844	8423	16371	12935	6633	6022
Netherlands	24433	15444	36747	21205	57395	34352	24433	19862
New Zealand	17152	13935	25728	20704	42881	32056	17152	17110
Norway	19465	12880	29198	18419	48663	27307	19465	16889
Poland	10138	5939	15207	8711	25345	14253	10138	6434
Portugal	9835	6937	14753	9964	24588	15270	9835	7960
Slovak Republic	9369	5529	14054	8131	23423	12774	9369	7002
Spain	17002	11324	25502	15830	42504	24770	17002	12191
Sweden	21589	11486	32383	16664	53972	25374	21589	13891
Switzerland	25079	18322	37619	26506	62698	41491	25079	21972
Turkey	14393	8263	21590	12176	35129	20049	14393	8263
United Kingdom	20921	15794	31795	22403	53544	35878	20921	23183
United States	22406	16258	33608	23598	56014	36088	22406	21280

Note : ch = children / enfants.

Table 22 (cont'd). **Annual labour costs and net income, by family-type and wage level
(in US dollars), 2001**Tableau 22 (suite). **Coûts annuels bruts de main-d'œuvre et revenu net,
par catégorie de famille et niveau de salaire (en dollars des ÉU), 2001**

Family-type:	married		married		married		married	
	2 ch		2 ch		2 ch		no ch	
Wage level (% of APW):	100-0		100-33 ¹		100-67 ¹		100-33 ¹	
	gross	net	gross	net	gross	net	gross	net
Australia	33752	28954	45003	37656	56253	45632	45003	36084
Austria	31201	22163	41601	28495	52001	34330	41601	24019
Belgium	43260	25843	56959	31329	71740	36676	56959	27286
Canada	33289	26506	44302	33680	55440	40539	44302	32112
Czech Republic	18964	13615	25285	16412	31606	19283	25285	14689
Denmark	34886	24189	46656	30050	58214	35850	46656	27730
Finland	32419	19841	43226	26941	54032	32602	43226	24634
France	30242	18312	39024	24021	48541	28893	39024	21944
Germany	39562	26622	52749	32254	65936	37546	52749	28745
Greece	23075	14800	29484	19013	35894	23225	27561	17657
Hungary	11399	7666	15199	9920	18998	11787	15199	8063
Iceland	25795	25446	34393	30370	42992	35005	34393	27893
Ireland	28028	24440	37079	30846	46130	37130	37079	29482
Italy	33389	21575	44518	26730	55648	31815	44518	25417
Japan	31730	25271	42306	33037	52883	40915	42306	32403
Korea	30615	25756	40819	34526	51024	42975	40819	34367
Luxembourg	34283	30332	45711	38972	57139	46483	45711	33402
Mexico	9844	8423	13344	11793	16476	14445	13344	11793
Netherlands	36747	24637	48850	32017	61180	38708	48850	29960
New Zealand	25728	21437	34305	27865	42881	34640	34305	27865
Norway	29198	21342	38930	27711	48663	33472	38930	25539
Poland	15207	9464	20276	12374	25345	15145	20276	11878
Portugal	14753	11198	19671	14592	24588	17836	19671	13590
Slovak Republic	14054	9705	18738	12102	23423	14707	18738	11055
Spain	25502	17583	34003	22329	42504	27871	34003	21926
Sweden	32383	19069	43177	25026	53972	30554	43177	22621
Switzerland	37619	30885	50159	39988	62698	47998	50159	36507
Turkey	21590	12176	28787	16425	35983	20439	28787	16425
United Kingdom	31795	25993	41841	34439	52715	41065	41841	31571
United States	33608	27475	44811	34625	56014	41966	44811	32273

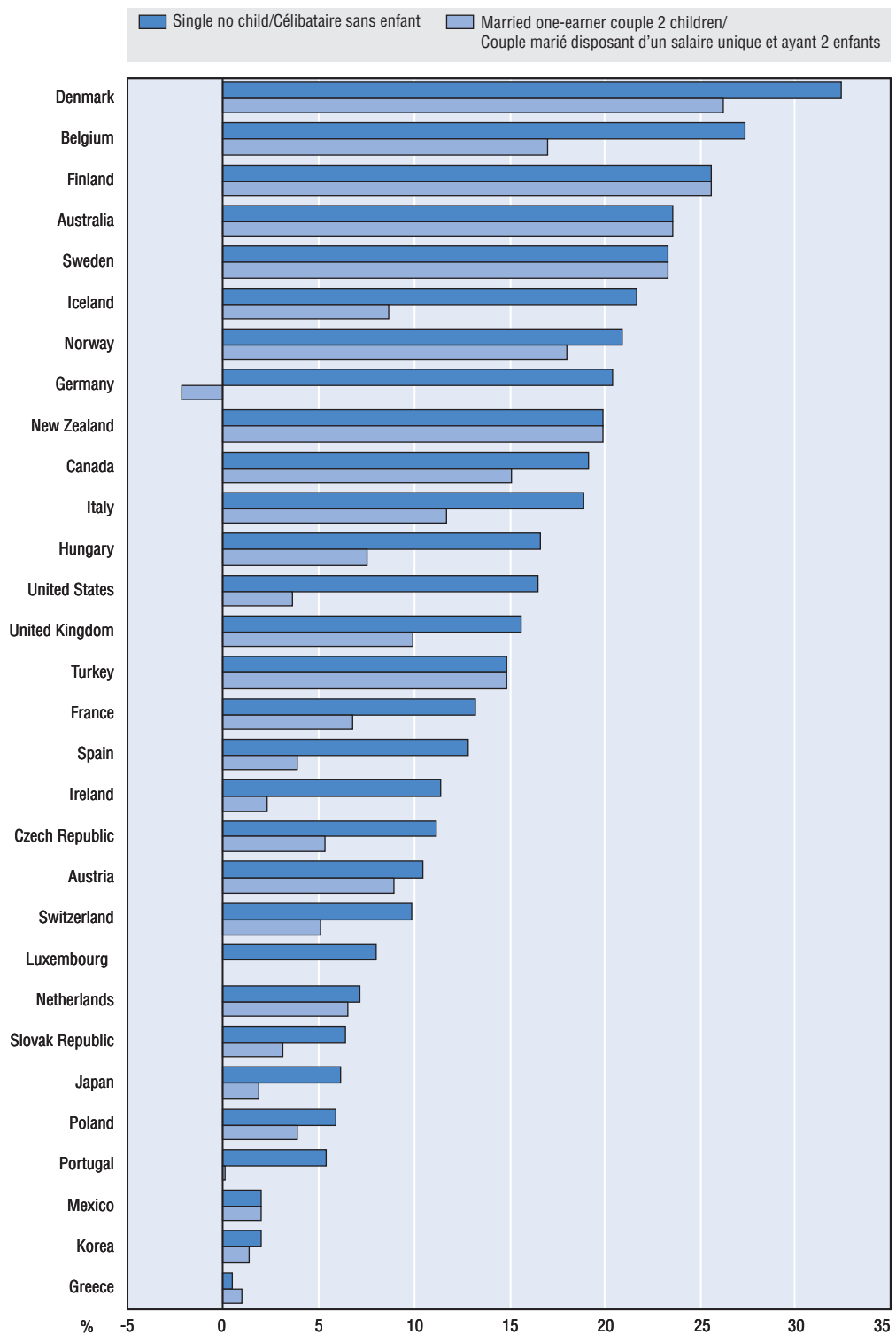
Note : ch = children / enfants.

1. Two-earner family / famille disposant de deux revenus.

C. TAX BURDENS, 2002 (CHARTS)

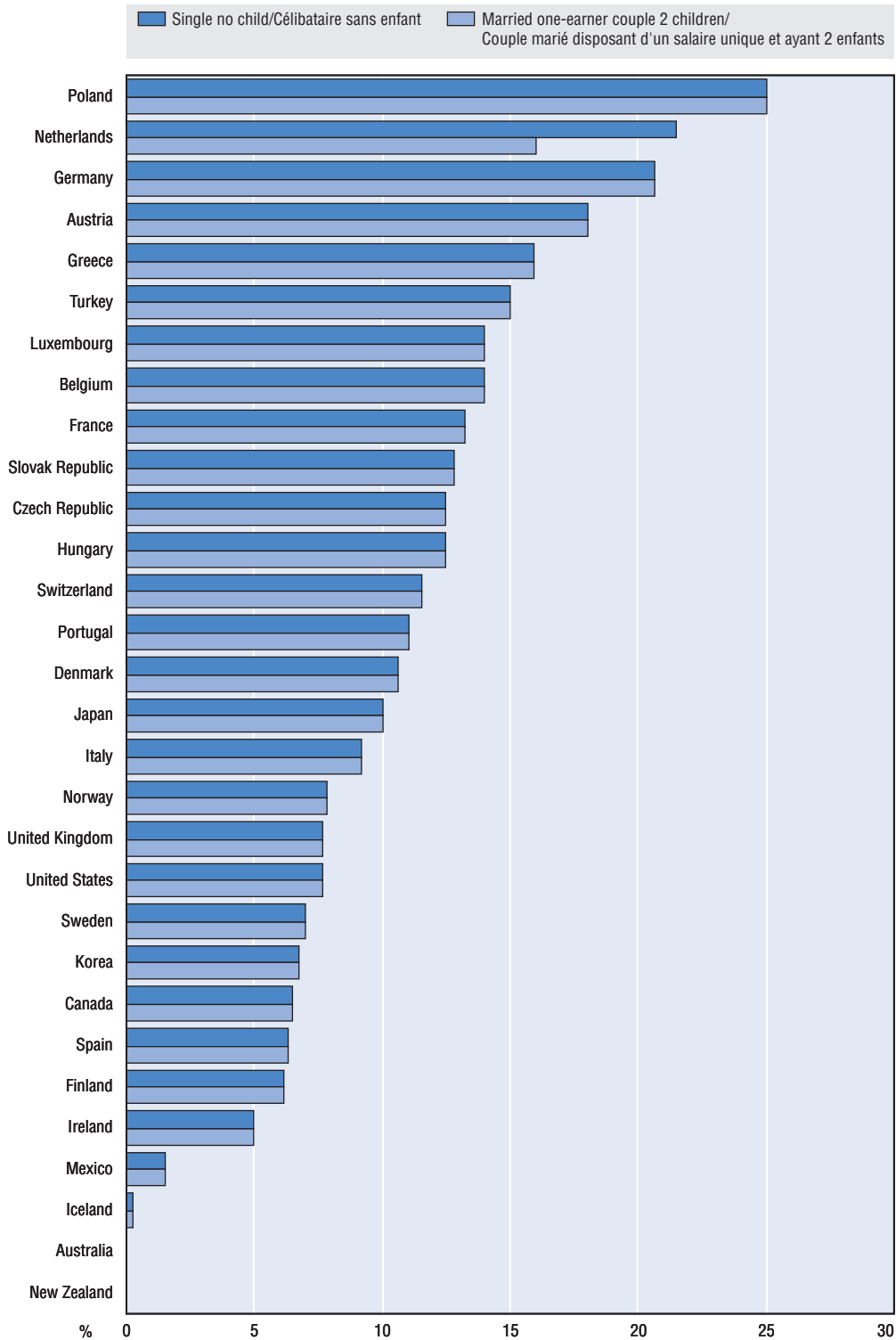
C. CHARGES D'IMPÔTS, 2002 (GRAPHIQUES)

Chart 1. **Income tax, by family-type (as % of gross wage), 2002**
 Graphique 1. **Impôt sur le revenu, par catégorie de famille (en % du salaire brut), 2002**



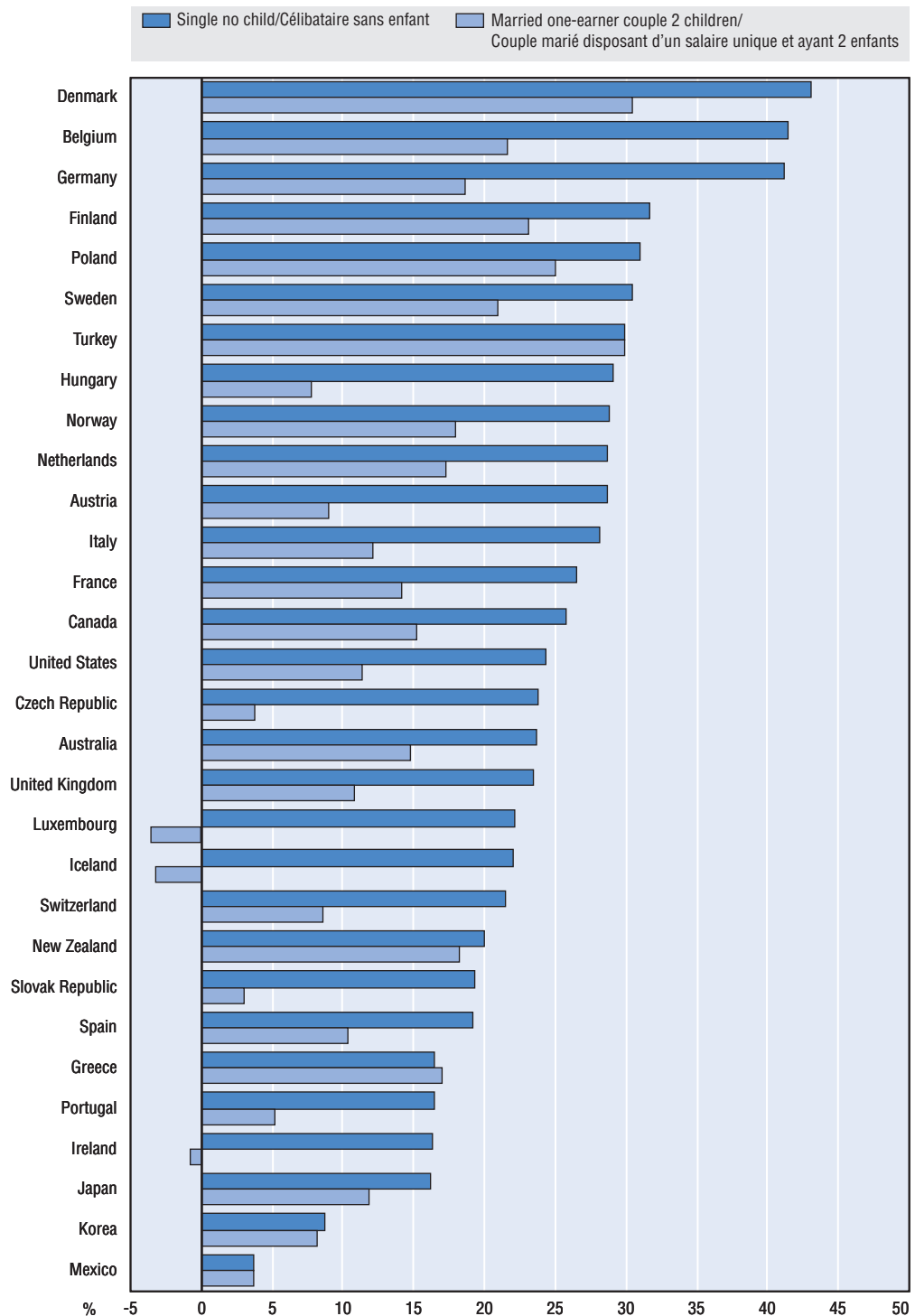
Note: Corresponds to Table 1, columns 2 and 5/Correspond au tableau 1, colonnes 2 et 5.
 Source: OECD/OCDE.

Chart 2. **Employee contributions, by family-type (as % of gross wage), 2002**
 Graphique 2. **Cotisations des salariés, par catégorie de famille (en % du salaire brut), 2002**



Note: Corresponds to Table 2, columns 2 and 5/Correspond au tableau 2, colonnes 2 et 5.
 Source: OECD/OCDE.

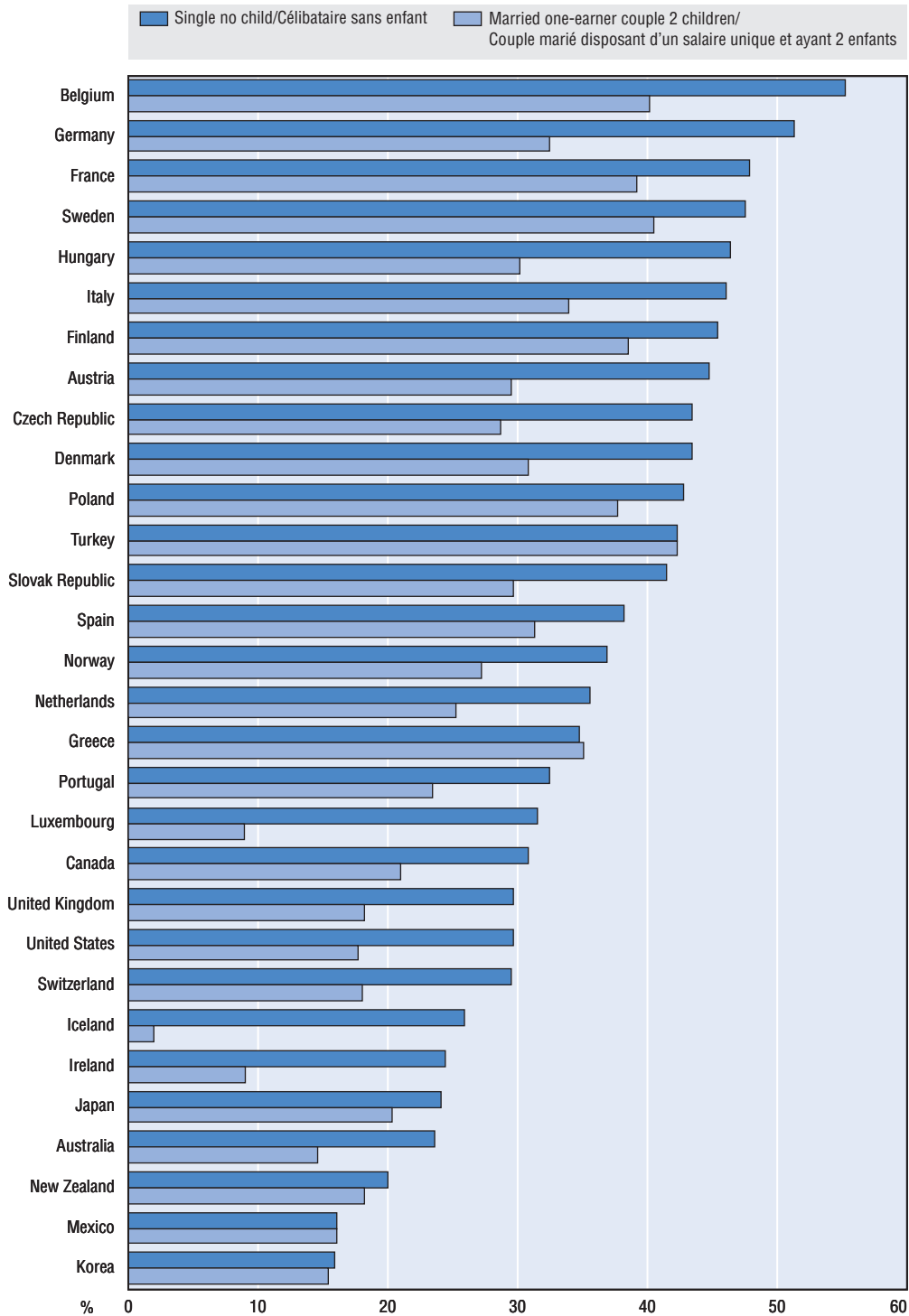
Chart 3. **Income tax plus employee contributions less cash benefits, by family-type (as % of gross wage), 2002**
 Graphique 3. **Impôt sur le revenu et cotisations des salariés diminués des prestations versées, par catégorie de famille (en % du salaire brut), 2002**



Note: Corresponds to Table 4, columns 2 and 5/Correspond au tableau 4, colonnes 2 et 5.
 Source: OECD/OCDE.

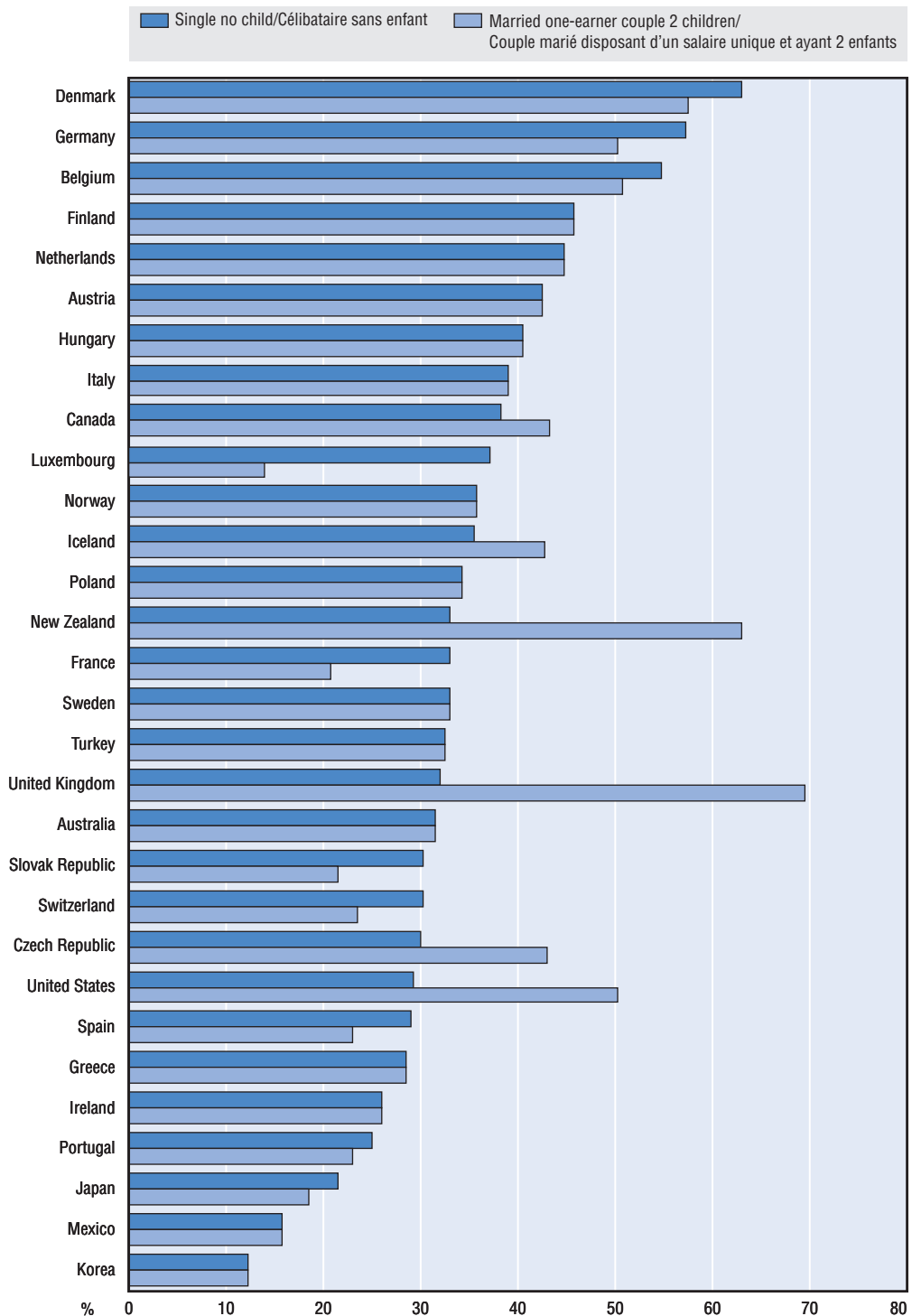
Chart 4. **Income tax plus employee and employer contributions less cash benefits, by family-type (as % of labour costs), 2002**

Graphique 4. **Impôt sur le revenu plus cotisations des salariés et des employeurs diminués des prestations versées, par catégorie de famille (en % des coûts de main-d'œuvre), 2002**



Note: Corresponds to Table 5, columns 2 and 5/Correspond au tableau 5, colonnes 2 et 5.
Source: OECD/OCDE.

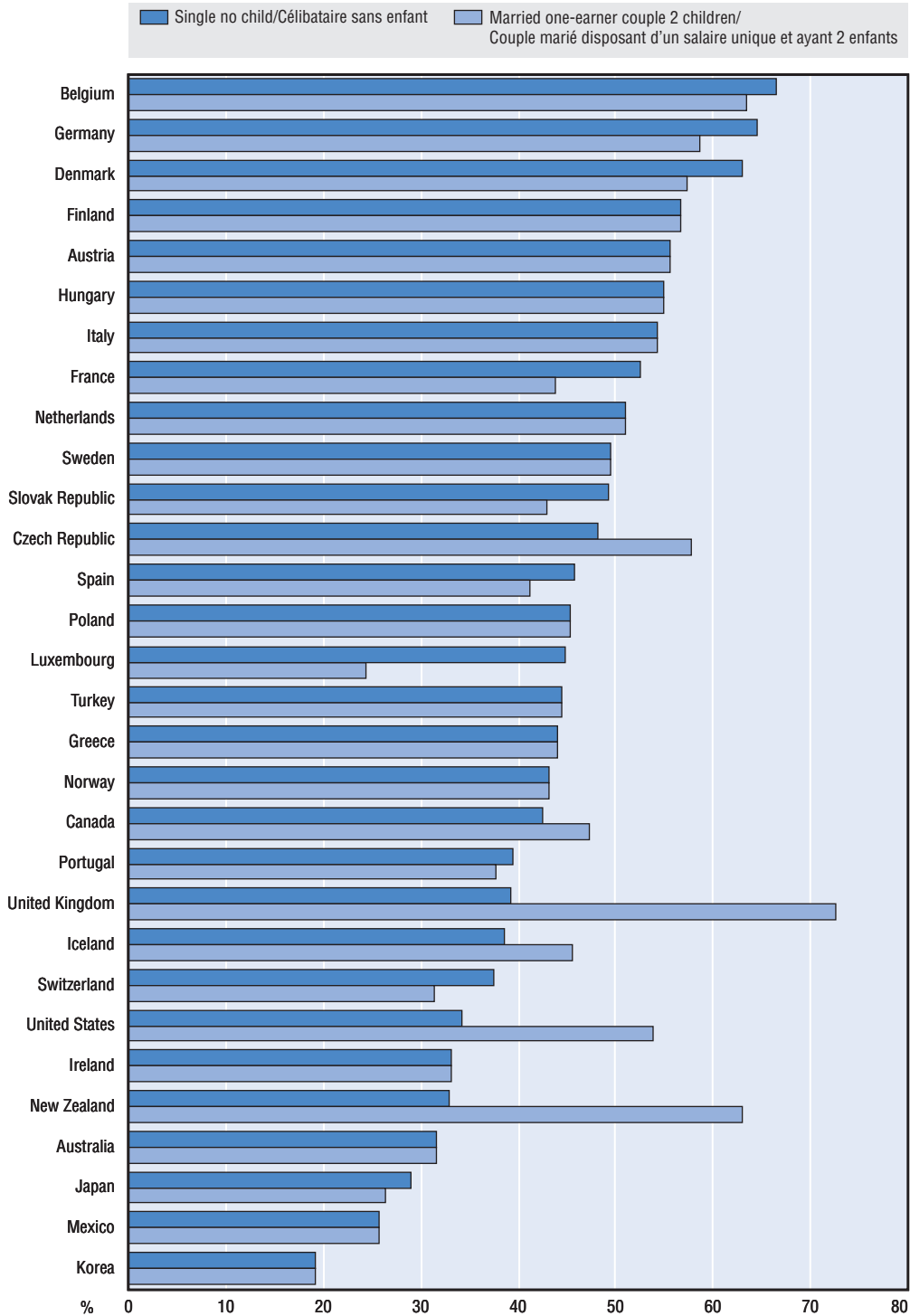
Chart 5. **Marginal rate of income tax plus employee contributions less cash benefits, by family-type (as % of gross wage), 2002**
 Graphique 5. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés diminués des prestations versées, par catégorie de famille (en % du salaire brut), 2002**



Note: Corresponds to Table 6, columns 2 and 5/Correspond au tableau 6, colonnes 2 et 5.
 Source: OECD/OCDE.

Chart 6. **Marginal rate of income tax plus employee and employer contributions less cash benefits, by family-type (as % of labour costs), 2002**

Graphique 6. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés et des employeurs diminués des prestations versées, par catégorie de famille (en % des coûts de main-d'œuvre), 2002**



Note: Corresponds to Table 7, columns 2 and 5/Correspond au tableau 7, colonnes 2 et 5.
Source: OECD/OCDE.

Part III

METHODOLOGY AND LIMITATIONS

METHODOLOGY

A. Introduction

The personal circumstances of taxpayers vary greatly. To identify representative taxpayers and to calculate the amount of their taxes, this report uses a specific methodology. The focus is on employees. It is assumed that their annual income from employment is equal to a given fraction of the average gross wage earnings of adult, full-time production workers in the manufacturing sector of each OECD economy. Additional assumptions are made regarding other relevant personal circumstances of these wage earners to enable their tax/benefit position to be determined. Table III.1 sets out the terminology used in this report.

Starting with the 1997 edition, the number of family-types covered has been increased from two to eight in order to enhance the descriptive and analytical value of the report. Taxes paid and universal cash transfers received by employees are presented for one-earner and two-earner families at various fractions of average gross wage earnings. The number of taxpayers with the defined characteristics and the wage level of average production workers differ significantly between OECD economies. The final two columns of Table III.2 provide a rough indication of the number of wage and salary earners, including white-collar workers, found in the manufacturing sector.

The guidelines described in this part of the report have been used by all OECD countries to calculate the figures shown in Parts I, II and IV. Where a country had to depart from the guidelines, this is noted in the text.

B. Calculation of gross wage earnings

This section sets out the standard definition of “production workers” for which the average earnings figure is then determined. Table III.2 indicates how countries have implemented the standard definition. Levels of gross wage earnings in 2001 have been established using sample data. Further information on the calculation of the earnings figure is provided in the country chapters in Part V, and in Annex III. Earnings levels for the edition year 2002 had to be estimated, as relevant sample data will only become available around the Summer of the year 2003. The estimation procedures followed are explained in Section C below.

Sector covered

The relevant sector is manufacturing as defined in Division D of the *International Standard Industrial Classification of All Economic Activities* (ISIC Revision 3, United Nations, New York 1989). Column 1 of Table III.2 shows that a few countries include firms in the mining sector. These differences do not significantly affect the comparability of the data since in most of these countries the mining sector is either very small or has wage levels more or less similar to those in the manufacturing sector.

Table III.1. **Terminology**

General terms	
Average production worker (APW)	An adult full-time production worker in the manufacturing sector whose wage earnings are equal to the average wage earnings of such workers
Single persons	Unmarried men and women
Couple with two children	Husband and wife with two dependent children between five and twelve years of age
Labour costs	Gross wage earnings plus employers' social security contributions and payroll taxes
Net take-home pay	Gross wage earnings less personal income tax and employee social security contributions, plus universal cash transfers received from general government
Personal average tax rate	Personal income tax plus employee social security contributions expressed as a percentage of gross wage earnings
Tax burden	See Personal average tax rate
Tax wedge	Sum of personal income tax and employee plus employer social security contributions together with any payroll tax, expressed as a percentage of labour costs
Elasticity of income after tax	Shows percentage change in after-tax income following a 1 per cent change of income before tax (defined more precisely as one minus a marginal tax rate divided by one minus a corresponding average tax rate)
Terms used under the income tax	
Tax reliefs	A generic term to cover all the means of giving favourable income tax treatment to employees, married couples and parents
Tax allowances	Amounts deducted from gross earnings to arrive at taxable income
Tax credits	Amounts which a taxpayer may subtract from his tax liability. They are described as wastable if they cannot exceed tax liability and non-wastable if they can exceed tax liability (sometimes the terms "refundable" and "non-refundable" are used)
Standard tax reliefs	Reliefs unrelated to the actual expenses incurred by taxpayers and automatically available to all taxpayers who satisfy the eligibility rules specified in the legislation are counted as standard reliefs, including also deductions for compulsory social security contributions
Basic relief	Any standard tax relief which is available irrespective of marital or family status
Marriage allowance	Additional tax relief given to married couples. (In some countries, this is not distinguished from the basic relief which may be doubled on marriage)
Non-standard tax reliefs	Reliefs wholly determined by reference to actual expenses incurred
Average rate of income tax	Amount of income tax payable calculated on the basis of the tax provisions covered in this report, divided by gross wage earnings
Schedule rate	The rate which appears in the schedule of the income tax and in the schedule of social security contributions
Terms used under cash transfers	
Universal cash transfers	Cash payments made by general government (agencies) universally paid to families in respect of dependent children

Geographical coverage

The data relate to average earnings in the manufacturing sector for the country as a whole.

Type of worker

The type of worker referred to is an adult worker directly engaged in a production activity. This definition includes manual workers and minor shop-floor supervisory workers. White-collar workers are excluded, except in New Zealand – where the inclusion of this group of workers probably increases the earnings level by between 5 per cent to 10 per cent – and in the Netherlands.

Table III.2. Identification of an average production worker and number of employees in the manufacturing sector, 2001

Identification of an Average Production Worker					Wage- and salary-earners in manufacturing (including white-collar workers) 2001	
Sector	Geographical coverage	Type of work	Sex	Thousands	Percentage of all employees	
Australia	Manufacturing	Whole country	Production workers	Male and female	1 012	13
Austria	Manufacturing	Whole country	Production workers	Male and female	721 ³	22
Belgium	Manufacturing	Whole country	Production workers	Male and female	621 ³	20
Canada	Manufacturing	Whole country	Production workers	Male and female	2 027 ⁴	17
Czech Republic	Manufacturing	Whole country	Production workers	Male and female	1 340 ⁴	30
Denmark	Manufacturing	(Members of employers federation) Whole country	Production workers	Male and female	467	19
Finland	Manufacturing including mining	(Members of employers federation) Whole country	Production workers ¹	Male and female	419 ⁴	22
France	Manufacturing including mining	Whole country	Production workers	Male and female	3 833 ³	19
Germany	Manufacturing	Whole country	Production workers	Male and female	8 157 ⁴	26
Greece	Manufacturing	(Above 10 employees) Whole country	Production workers	Male and female	398 ³	19
Hungary	Manufacturing	(Above 5 employees) Whole country	Production workers	Male and female	724	27
Iceland	Manufacturing	(Members of employers federation) Whole country	Production workers	Male and female	21	16
Ireland	Manufacturing	Whole country	Production workers ¹	Male and female	277	20
Italy	Manufacturing	Whole country	Production workers ²	Male and female	4 061	27
Japan	Manufacturing	(Above 10 employees) Whole country	Production workers	Male and female	11 850	22
Korea	Manufacturing	Whole country	Production workers	Male and female	3 461	26
Luxembourg	Manufacturing	Whole country	Production workers	Male and female	35 ⁵	14
Mexico	Manufacturing	Whole country	Production workers	Male and female	5 529	23
Netherlands	Manufacturing	Whole country	All workers	Male and female	1 055 ³	15
New Zealand	Manufacturing	Whole country	All workers	Male and female	284 ⁵	14
Norway	Manufacturing	(Members of employers federation) Whole country	Production workers	Male and female	286 ³	13
Poland	Manufacturing	Whole country	Production workers	Male and female	2 632	26
Portugal	Manufacturing	Excludes the Azores and Madeira	Production workers	Male and female	949	26
Slovak Republic	Manufacturing	Whole country	Production workers	Male and female	923 ⁵	44
Spain	Manufacturing	Whole country	Production workers	Male and female	2 312 ⁵	21
Sweden	Manufacturing	Whole country	Production workers	Male and female	726	18
Switzerland	Manufacturing	Whole country	Production workers	Male and female	1 032 ⁵	26
Turkey	Manufacturing	(Above 25 employees) Whole country	Production workers ¹	Male and female	2 801 ⁵	28
United Kingdom	Manufacturing	Excludes Northern Ireland	Production workers	Male and female	4 376	18
United States	Manufacturing	Whole country	Production workers	Male and female	17 695	16

1. The data are not limited to adult full-time workers since part-time production workers and youths are also included.

2. As from 1990 on, data on wages have been revised to include only production workers (excluding employees).

3. Year 1999.

4. Year 1998.

5. Year 2000.

Source: OECD Main Economic Indicators.

Sex

The earnings data refer to the average earnings of all production workers, both male and female.

Full-time worker

The worker is assumed to be fully employed during the year, although Finland, Ireland and Turkey are unable to separate and exclude part-time workers.

Sickness and unemployment

The worker is assumed not to be sick or unemployed during the year.

Determination of earnings

The ways in which earnings data are built up in each country are set out in Table III.3. In most of the OECD countries where sickness payments are made by the employer, either on behalf of the government or on behalf of private sickness schemes, these amounts are included in the wage calculations. Unemployment benefits paid directly by the employer are also included. It is unlikely that these differences have a marked impact on the results since employers usually make these payments during a short period and the amounts usually correspond very closely to normal hourly wages.

Average amounts of overtime and regular cash supplements (*e.g.* Christmas bonuses, thirteenth month) paid to workers with characteristics similar to those defined above are included in the earnings calculation, as are vacation payments typically paid to production workers. Profit-sharing schemes which take the form of dividend distributions are excluded from the calculations.

Calculation method used

Table III.3 notes the calculation method used in each country and more details are provided in Part V. It was suggested that countries calculate annual earnings by referring to the average of hourly earnings in the manufacturing sector in each quarter or month, weighted by the hours worked during each period, and multiplied by the average number of hours worked during the year, assuming that the worker is neither unemployed nor sick and including periods of paid vacation. A similar procedure was recommended to calculate overtime earnings. However, most countries cannot follow this procedure because of the ways in which the earnings samples are constructed. In practice, the differences in calculation methods do not influence the results unduly. The sources of the earnings data are provided in Annex III.

The treatment of fringe benefits

Fringe benefits – which include, for example, provision of food, housing or clothing by the employer either free of charge or below the market-price – are, where possible, excluded from the calculation of average earnings. This decision was taken because these types of benefits would be difficult to evaluate in a consistent way (they may be valued at the actual cost to the employer, their taxable value to the employee or their fair market value) and in most countries are of slight importance for production workers at the average wage level. Generally, such benefits rarely account for more than 1 per cent of gross wage earnings. However, in the case of employers' contributions to private pension, family allowance or health and life insurance schemes, the amounts involved can be significant. In the United States, for example, these contributions would typically account for more than 5 per cent of the earnings of production workers. While these contributions are excluded from the earnings base (and therefore do not affect the tax calculation), in a number of cases country chapters provide an indication of the schemes which may be relevant for an average production worker. These schemes are excluded from the present report, because if they act as substitutes for compulsory state social security schemes their inclusion would require employers' contributions to these schemes to be also taken into account

Table III.3. Method used to calculate average earnings

	Items included and excluded from the earnings base						Basic method of calculation used	Income tax year ends	Period to which the earnings calculation refers
	Unemployment	Sickness ¹	Vacations	Overtime	Recurring cash payments	Fringe benefits			
Australia	Exc.	Inc.	Inc.	Inc.	Inc.	Exc.	Average weekly earnings × 52	30th June	Fiscal year
Austria	Exc.	Exc.	Inc.	Inc.	Inc.	Taxable value inc.	Average annual earnings	31st December	Calendar year
Belgium	Exc.	Exc.	Exc.	Inc.	Inc.	Taxable value inc.	Daily average × days worked	31st December	Calendar year
Canada	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Average weekly hours × average hourly earnings × 52	31st December	Calendar year
Czech Republic	Exc.	Exc.	Exc.	Inc.	Inc.	Inc.	Average monthly earnings × 12	31st December	Calendar year
Denmark	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Hourly earnings × hours worked	31st December	Calendar year
Finland	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Hourly wages × hours worked + vacation payments	31st December	Calendar year
France	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Annual earnings	31st December	Calendar year
Germany	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Hourly earnings × hours worked	31st December	Calendar year
Greece	Exc.	Exc.	Inc.	Inc.	Inc. ²	Inc.	Hourly earnings × hours worked	31st December	Calendar year
Hungary	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Average monthly earnings × 12	31st December	Calendar year
Iceland	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Hourly earnings × hours worked × 12	31st December	Calendar year
Ireland	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Hourly earnings × hours worked × 52	5th April	Fiscal year
Italy	Exc.	Inc.	Inc.	Inc.	Inc.	Exc.	Average monthly earnings in each quarter × 12	31st December	Calendar year
Japan	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Monthly earnings in June × 12	31st December	Calendar year
Korea	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Average monthly earnings × 12	31st December	Calendar year
Luxembourg	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Hourly earnings × hours worked	31st December	Calendar year
Mexico	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Average hourly earnings × weekly hours × 52	31st December	Calendar year
Netherlands	Exc.	Exc.	Inc.	Exc.	Inc.	Exc.	90 per cent of annual gross earnings	31st December	Calendar year
New Zealand	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Average weekly earnings in each quarter × 13	31st March	Tax year
Norway	Exc.	Exc.	Exc.	Inc.	Inc.	Exc.	Annual wages + average monthly overtime × 12	31st December	Calendar year
Poland	Exc.	Exc.	Exc.	Inc.	Inc.	Inc.	Average monthly earnings × 12	31st December	Calendar year
Portugal	Exc.	Exc.	Inc.	Inc.	Inc.	Taxable value inc.	Weighted monthly average × 12	31st December	Calendar year
Slovak Republic	Exc.	Exc.	Inc.	Inc.	Inc.	Inc.	Average monthly earnings × 12	31st December	Calendar year
Spain	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Weighted monthly average × 12	31st December	Calendar year
Sweden	Exc.	Exc.	Inc.	Inc.	Inc.	Actual value inc.	Average hourly earnings in September × hours worked	31st December	Calendar year
Switzerland	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Monthly earnings × 12	31st December	Calendar year
Turkey	Exc.	Exc.	Inc.	Inc.	Inc.	Actual value inc.	Monthly earnings × 12 (observed quarterly)	31st December	Calendar year
United Kingdom	Exc.	Exc.	Inc.	Inc.	Inc.	Exc.	Average weekly earnings at beginning and end of fiscal year × 52	5th April	Fiscal year
United States	Exc.	Exc.	Inc.	Inc.	Inc. ²	Exc.	Weekly average hourly earnings × 52 + average overtime hours × 50	31st December	Calendar year

Note: Exc. = Excluded; Inc. = Included.

1. Usually includes compensation paid by employer whether paid on behalf of the government or as part of a private sickness scheme.

2. In the United States, end of the year bonuses and profit sharing bonuses are excluded. In Greece, Christmas and Easter bonuses are excluded.

for reasons of consistency. Furthermore, the tax treatment of both contributions and benefits paid out would have to be included, which is beyond the scope of this report.

C. Estimating gross wage earnings in 2002

Sample data on average gross wage earnings in 2002 will not be available before the Summer of the year 2003. Still, it is felt that including estimates of the tax/benefit position of employees in the edition year increases the relevance of the report for policy-making. Therefore, starting with the year 1999 edition, the report presents preliminary data for the current edition year. Estimates of gross wage earnings of average production workers in 2002 were derived by the Secretariat on the basis of a uniform approach: all year 2001 earnings levels are multiplied by the country-specific annual percentage change of wages reported in the most recently published edition of the OECD *Economic Outlook*.¹ This transparent procedure is intended to avoid any bias in the results. Only in the cases of the Slovak Republic and Turkey national estimates are used, because necessary inputs for Secretariat estimates were lacking.

There are gaps between wage levels reported in this publication and those contained in the OECD Analytical Data Base (ADB) corresponding to what is shown in the *Economic Outlook*. Presumably, a gap of up to 15-25 per cent might satisfactorily be explained by different definitions used. Data in the ADB include 1) all employees in the business sector, 2) wages in cash and in kind, 3) fringe benefits and profit sharing schemes and 4) allowances to cover certain costs, notably to commute to work. In contrast, this report includes 1) only employees in the manufacturing sector, 2) cash wages, 3) generally, no fringe benefits and no profit sharing schemes and 4) generally, no allowances to cover costs. In addition, for a number of countries the methodology for determining the average wage level is different. For year 2001, the gap between average wage levels reported in *Taxing Wages* and in the Analytical Data Base, respectively, exceeded 25 per cent in the case of six countries: Germany, Hungary, Mexico, New Zealand, Portugal, and Turkey.

For the current exercise the most relevant comparison is not between levels of average earnings but between the annual change of wage levels reported in both statistics. A comparison of the wage rises between 2000 and 2001 using data from both sources shows that growth rates differed by more than 2.5 percentage points only in the case of six countries: the Czech Republic, Mexico, Norway, Turkey, the United Kingdom and the United States. It may therefore be concluded that the procedure for estimating wage levels for the year of publication of this report results in an acceptable approximation of actual wage increases and does not significantly distort the results. In this connection, it is important to realise that – given the rate structure of the personal income tax (brackets taxed at flat rates) and social security contributions (flat rates, with caps only applying to wage levels higher than 167 per cent of average wages) – the impact of a difference of a few percentage points between estimates of wage increases based on sample data and found in the Analytical Data Base, respectively, on measured marginal and average tax rates will generally be negligible, except in the case of marginal rates where the employee's taxable wage is close to the upper limit of an income tax bracket.

About two-thirds of the OECD countries have opted to provide national estimates of the level of gross wage earnings of average production workers in 2002. These estimates were not used as they may not be consistent, but they are included in Table III.4 to allow a comparison to be made of estimates by applying the Secretariat formula and those from national sources. In all cases, Secretariat estimates of wage levels in 2002 and wage levels provided by national respondents are (fairly) close.

D. Coverage of taxes and benefits

The report is concerned with personal income tax and employee and employer social security contributions payable on wage earnings. In addition, payroll taxes (see Section I below) and in one case church tax (see Section J below) are included in the calculation of the total wedge between labour costs to the employer and the corresponding net take-home pay of the employee.

Table III.4. Estimated gross wage earnings, 2001-2002 (in national currencies)*

	APW 2001	APW 2002 (Secret. estim.)	APW 2002 (country estim.)	EO71 forecasted rates for 2002 ¹ in percentage
Australia	44 215	45 851	47 100	3.7
Austria	23 401	23 963		2.4
Belgium	30 032	31 173		3.8
Canada	37 627	38 568	38 605	2.5
Czech Republic	192 024	206 042	208 000	7.3
Denmark	293 000	305 306		4.2
Finland	27 045	28 126		4.0
France	21 371	21 884		2.4
Germany	32 384	33 226		2.6
Greece	10 961	11 575		5.6
Hungary	956 412	1 056 835	1 090 310	10.5
Iceland	2 128 700	2 277 709	2 277 709	7.0
Ireland	23 762	25 330	24 400	6.6
Italy	20 901	21 466	21 430	2.7
Japan	4 310 304	4 254 270	4 254 270	-1.3
Korea	20 428 200	21 653 892		6.0
Luxembourg	30 303	31 363	31 090	3.5
Mexico	55 223	58 812	58 484	6.5
Netherlands	29 474	30 919	30 594	4.9
New Zealand	38 078	39 411	38 000	3.5
Norway	278 000	291 900	293 300	5.0
Poland	24 118	25 396	24 793	5.3
Portugal	7 981	8 325		4.3
Slovak Republic ²	148 380	n.a.	153 696	n.a.
Spain	15 716	16 219		3.2
Sweden	231 134	241 766	239 207	4.6
Switzerland	62 726	64 231		2.4
Turkey ²	7 751 832 876	n.a.	9 938 274 440	n.a.
UK	18 950	19 708	19 640	4.0
USA	31 220	32 188		3.1

* In euros for the 12 countries of the Eurozone.

1. Increase of compensation per employee in the business sector (EO71 Annex Table 12).

2. Country estimates for year 2002.

The calculation of the after-tax income includes family benefits paid by general government as universal cash transfers (see Section K below). Income tax due on capital income and non-wage labour income, several direct taxes (net wealth tax, corporate income tax) and all indirect taxes are not considered in this report. However, all central, state and local government income taxes are included in the data, although no detailed description is provided of sub-central government income taxes.²

In exceptional cases, the coverage of taxes and benefits in the report may change, basically for one of two reasons. One reason is a change in the rules determining which government programmes should be taken into account. Such a change must explicitly have been agreed by the Working Party on Tax Policy Analysis and Tax Statistics. The other reason for a change in the taxes and benefits covered is that, upon reconsideration, national correspondents and/or the Working Party may conclude that in the case of a particular country, – applying the existing rules – certain taxes or benefits, which previously had been excluded, should be included (or *vice versa*).

In recent years, a number of OECD countries have introduced tax concessions for low-wage workers. Typically, such concessions increase net take-home pay (*e.g.* the Earned Income Tax Credit in the United States) and/or reduce gross labour costs. For example, employers of low-wage workers may be entitled to a credit against wage tax/social security contributions otherwise due. Such credits for employers exist for example in Belgium, France and the Netherlands. Starting with the 1998 edition, tax concessions for low-wage employees – whether they are aimed at employers or their employees – are mostly included in the description of national tax/benefit systems and – where appropriate – in the relevant tax equations.

In this study, compulsory social security contributions paid to general government are treated as tax revenues. Being compulsory payments to general government they clearly resemble taxes. They may, however, differ from taxes in that the receipt of social security benefits depends, in most countries, upon appropriate contributions having been made, although the size of the benefits is not necessarily related to the amount of the contributions. Countries finance their compulsory public social security programmes to a varying degree from general tax and non-tax revenue and earmarked contributions, respectively. Better comparability between countries is obtained by treating social security contributions as taxes, but they are listed under a separate heading so that their amounts can be identified in any analysis.

E. Taxpayer characteristics

Further assumptions are required to calculate the tax/benefit position of employees. The present report identifies eight types of taxpayers, as set out in Table III.5:

- a single individual with no children earning 67, 100 and 167 per cent of APW earnings, respectively;
- a lone parent with two children earning 67 per cent of APW earnings;
- a married couple with two children and a single earner at the APW level; and
- three cases of two-earner married couples, with earnings split between the two partners at 100-33 per cent of APW earnings, both with and without children, and finally a couple with children with the earnings split 100-67 per cent of APW earnings.

Table III.5. Characteristics of taxpayers

Marital status	Children	Principal earner	Secondary earner
Single individual	No children	67% APW	–
Single individual	No children	100% APW	–
Single individual	No children	167% APW	–
Single individual	2 children	67% APW	–
Married couple	2 children	100% APW	–
Married couple	2 children	100% APW	33% APW
Married couple	2 children	100% APW	67% APW
Married couple	No children	100% APW	33% APW

In cases of families with children, the children are assumed to be aged between five and twelve.

The family is assumed to have no income source other than employment and – depending on family-size – universal cash benefits.

F. Calculation of personal income taxes

The method by which income tax payments are calculated can be gauged from the country tables in Part IV. First, the tax allowances applicable to a taxpayer with the characteristics and income level related to gross annual wage earnings of an average production worker are determined. Next, the schedule of tax rates is applied and the resulting tax liability is reduced by any relevant tax credits. An important issue that arises in the calculation of personal income tax due involves determining which tax reliefs should be taken into account. Two broad categories of reliefs may be distinguished:

- *Standard tax reliefs*: reliefs which are unrelated to actual expenditures incurred by the taxpayer and are automatically available to all taxpayers who satisfy the eligibility rules specified in the legislation. Standard tax reliefs are usually fixed amounts or fixed percentages of income and are typically the

most important set of reliefs in the determination of the income tax paid by workers. Standard reliefs are taken into account in calculating the initial tax position of employees and include:

- The *basic relief* which is fixed and is available to all taxpayers or all wage earners, irrespective of their marital or family status;
- The *standard relief* which is available to taxpayers depending on their *marital status*;
- The *standard child relief* granted to a family with two children between the ages of five and twelve;
- The *standard relief* in respect of *work expenses*, which is usually a fixed amount or fixed percentage of (gross) wage earnings;
- Tax reliefs allowed for *social security contributions* and other (sub-central government) *income taxes* are also considered as standard reliefs since they apply to all wage earners and relate to compulsory payments to general government.³
- *Non-standard tax reliefs*: These are reliefs which are wholly determined by reference to actual expenses incurred. They are neither fixed amounts nor fixed percentages of income. Examples of non-standard tax reliefs include reliefs for interest on qualifying loans (*e.g.* for the purchase of a house), private insurance premiums, contributions to private pension schemes, and charitable donations.

Standard reliefs are separately identified and their impact on average tax rates is calculated in the country tables. A brief description of the main non-standard reliefs is provided in most country chapters. A comparison of the effect of these reliefs claimed by an average production worker on effective income tax rates is provided in Table III.6. The value of non-standard relief has been calculated as follows.

First, the reliefs which could be claimed by a taxpayer with the family-type characteristics and income level of an APW, or for a wider group of taxpayers which would include the APW are identified. It follows that allowances that are not consistent with the assumption of an average production worker (*e.g.* allowances for the self-employed) are not taken into account. Then, for each identified relief measure, the average expense-related relief is determined, taking into account also those who do *not* have that specific income component (and the related tax relief) to give an average value of that relief for all APW-type taxpayers (in the wider group). The impact of these different reliefs on the average rate of income tax is then calculated. Consider as an example the case where it is determined that 20 per cent of all taxpayers in the income class that includes the APW owns their own house and on average deduct 10,000 currency units in mortgage interest. In this case, taxpayers in the income class that includes the APW would be assumed on average to deduct 2 000 units in mortgage interest (because one in five actually deducts 10 000 units). At a typical marginal tax rate of 30 per cent, the resulting tax relief is 600 units, and the average tax rate of the APW would be re-calculated accordingly.

Non-standard reliefs which are not related to specific sources of income are wholly offset against the tax liability. In contrast, for reliefs which are related to specific sources of income (*e.g.* mortgage interest reliefs which in some countries must be offset against imputed rent from home ownership), only the excess over the associated income is taken into account in the calculations shown in Table III.6.

G. State and local income taxes

Personal income taxes levied by sub-central levels of government – state, provincial, cantonal or local – are included in the scope of this study. State income taxes exist in Canada, Switzerland and the United States. In 1997, Spain introduced an income tax for the Autonomous Regions (see § 1.1 of the country chapter in Part V). Local income taxes are imposed in Belgium, Denmark, Finland, Japan, Korea, Norway, Sweden, Switzerland and the United States. In Belgium, Canada (other than Quebec), Denmark, Korea, Norway and Spain they are calculated as a percentage of taxable income or of the tax paid to central government. In Finland, Japan, Sweden and Switzerland, local government provides different tax reliefs from central government. In the United States, the sub-central level of government operates a separate system of income taxation under which it has discretion over both the tax base and tax rates (see Table III.7). Except for Japan, Switzerland and the United States, the rate schedule of these local taxes consists of a single rate.

Table III.6. **Main non-standard income tax reliefs received by an APW**

	Average amount of each relief typically received by APW (national currency) ¹		Rate of income tax paid by an Average Production Worker				Calculations refer to following taxpayers ²
	Single persons	Couples	Before taking into account these reliefs		After taking into account these reliefs		
			Single persons	Couples	Single persons	Couples	
AUSTRALIA (1996-1997)			22.7	21.5	21.5	21.6	All non-business income earners around APW's income level
Work related expenses (TA)	1 270	1 141					
Other deductions (TA)	207	268					
AUSTRIA (1994)		1 400	7.5	1.9	5.9	0.3	Average of all employees
BELGIUM (2000)		8 943	27.9	17.1	17.1	16.3	All workers
CANADA (1998)	2 143	1 415	21.6	12.2	19.1	10.4	APW type taxpayers
Registered pension plan (TA)							
Registered retirement savings plan (TA)							
Union and professional dues (TA)							
Charitable donations (TC)							
Other (TA)							
DENMARK (1998)			33.7	32.0	26.7	24.9	All workers around the APW's income level
Contributions/premiums paid to private pension saving plans (TA)	14 300	18 300					
Interest payments (net of interest earned and imputed rent) (TA)	-16 200	-37 100					
Transportation cost (TA)	3 600	6 200					
Contributions to trade unions (TA)	4 110	6 950					
Other deductions	3 400	1 810					
FINLAND (1997)			28.0	28.0	26.4	25.6	APW Type
Work related expenses (TA)	3 402	4032					
Credit for interest expenses (TC)	646	1611					
HUNGARY (2001)			18.4		14.9		All taxpayers around APW's income level
Family tax credit (TC)	25 032	-					
Heavily disabled persons (TC)	383	-		-		-	
Payments to insurance funds (TC)	1 384	-		-		-	
Supplementary membership dues in private pension fund (TC)	110	-		-		-	
Intellectual activities (TC)	253	-		-		-	
Amortizing credit related to housing purposes (TC)	1 394	-		-		-	
Tuition fees (TC)	526	-		-		-	
Payments to foundations (TC)	175	-		-		-	
Insurance contracts (TC)	4 004	-		-		-	
Investment tax credit (TC)	317	-		-		-	
Savings for housing purposes (TC)	40	-		-		-	
ICELAND (1994)			20.5	3.3	19.6	1.5	All wage earners around APW's income level
Interest paid on personal dwelling (IC)	11 250	22 000					

Table III.6. **Main non-standard income tax reliefs received by an APW** (cont.)

	Average amount of each relief typically received by APW (national currency) ¹		Rate of income tax paid by an Average Production Worker				Calculations refer to following taxpayers ²
			Before taking into account these reliefs		After taking into account these reliefs		
	Single persons	Couples	Single persons	Couples	Single persons	Couples	
IRELAND (1999)			19.3	10.1	18.5	9.4	All income earners in the range of IR£ 15 000-17 500 of total income in manufacturing sector
Work-related expenses (TA)	80						
Medical insurance relief (TC)	17						
Interest paid in full (TC)	75						
LUXEMBOURG (2001)			10.8				All income earners
Work expenses (5 %) (TA)	75 000	75 000					
Special allowances (3.5 %) (TA)	45 000	70 000					
Exceptional expenses (1.1 %) (TA)	27 000	80 000					
Interest on personal dwelling (TA)	45 000	180 000					
NORWAY (2000)			29.2		26.3		All income earners around the APW's income level
Travel expenses related to work exceeding NOK 8500 (TA)	3 600						
Labour union fees (TA)	600						
Premiums and contributions to occupational pension schemes in the private and public sector (TA)	2 300						
Premiums and contributions to individual pension agreement schemes (TA)	400						
Unlimited allowance for interest payments (TA)	25 000						
SPAIN (1995)			13.2	6.4	8.9	2.2	17% of all taxpayers around the APW's income level
Mortgage interest (TA)	123 557						
15 % House depreciation (TC)							
SWEDEN (2000)			34.9		33.5		All income earners around APW's income level
Travel expenses to work, exceeding Skr 7000 (TA)	2 928						
Other work-related expenses (TA)	731						
Premiums to pension schemes (TA)	2 321						
Allowances for interest payments (TC)	10 657						
SWITZERLAND (1994)			10.2	5.0	9.1	4.3	All income earners around APW's income level
Work-related expenses (TA)	3 200						
UNITED KINGDOM (2001-2002)			15.5	10.3	15.5	10.3	All wage earners around APW's income level
Work-related expenses (TA)	10	10					
UNITED STATES (2000)			18.0		n.a.		All taxpayers around APW's wage level
Medical expenses (TA)	376						
Taxes paid (TA)	1 116						
Interest paid (TA)	1 972						
Contributions (TA)	596						

TA = Tax Allowance; TC = Tax Credit.

1. Relates to the non-standard tax reliefs typically claimed by taxpayers around the APW's income level. The value of each relief is calculated by dividing the total amount received by APW-type taxpayers by the total number of such taxpayers, including those who do not claim the relief. Calculated this way the amounts of all the separate reliefs are then added up to arrive at the total relief by the APW.
2. Within APW's income range can be taken to mean in most countries within +/-5 per cent of APW's income.

Table III.7. State and local personal income taxes, 2002

	Tax base	Schedule rate variation within a country or region selected		Region or rate selected here
		Single rate schedule minimum and maximum rate within country	Progressive rate schedule as applied in region selected	
Belgium	Central income tax paid	Up to maximum of 8%		7%
Canada ¹ (excluding Quebec)	Central taxable income		See Part V	49.5% of federal taxes
Denmark	Central taxable income	27.6% to 35.82%		Weighted average (33.2%)
Finland	Adjusted central taxable income ²	15% to 19.75%		Weighted average (17.78%)
Iceland	Central taxable income	Up to maximum of 12.04%		Weighted average (12.79%)
Italy	Central taxable income	0.9% to 1.9%		0.9%
Japan	Adjusted central taxable income ²		Standard schedule applies throughout the country (5% to 15% + fixed amount)	Standard schedule
Korea	Central income tax paid	3.75% to 11.25%		10%
Norway	Central taxable income (minus one special deduction)	28% throughout the country		28%
Spain	Central taxable income	3% to 8.4% throughout the country		Standard schedule
Sweden	Central taxable income	Max. 33.17% , min. 27.15%		30.52% (weighted average rate)
Switzerland	Adjusted central taxable income ²		0% to 30.55% (Zurich)	Zurich (progressive rate schedule)
United States	Adjusted central taxable income of separate tax bases		0% to 10%	Michigan and Detroit (flat rate 4.2% and 2.75% respectively)

1. Quebec operates a separate personal income tax system. Provincial tax is calculated as a percentage of taxable income.
2. Income subject to tax is usually the same as under the central government income tax, but tax reliefs are not the same.

When tax rates and/or the tax base of sub-central government income taxes vary within a country, it is sometimes assumed that the average production worker lives in a typical manufacturing area. The income taxes (and benefits) applicable in this area are presented. This is the procedure followed in Switzerland and the United States where the tax base and tax rates vary very widely throughout the country. Canada, Denmark, Finland and Sweden have preferred to select the average rate of sub-central government income taxes for the country as a whole. No problem arises in Norway where the local rate does not vary. Japan has used the widely prevalent standard schedule and Belgium the widely prevalent rate of local income tax. Table III.7 summarises the ways in which these taxes are calculated and the method used to determine the amount of state and local income taxes paid by an average production worker.

H. Social security contributions

Compulsory social security contributions paid by employees and employers to general government or to social security funds under the effective control of government are included in the coverage of this report. In most countries, contributions are levied on gross earnings and earmarked to provide social security benefits. In Finland, France, the Netherlands and Norway, some contributions are levied as a function of taxable income (*i.e.* gross wage earnings after allowances and deductions).

Contributions to social security schemes outside the general government sector are not included in the calculations.

I. Payroll taxes

The tax base of payroll taxes is either a proportion of the payroll or a fixed amount per employee. In the OECD *Revenue Statistics* payroll taxes are reported under heading 3000.⁴ Fourteen OECD countries report revenue from payroll taxes: Australia, Austria, Canada, the Czech Republic, Denmark, France, Greece, Hungary, Ireland, Korea, Mexico, New Zealand, Poland and Sweden. In principle, payroll taxes are included in total tax wedges reported in this publication, given that they increase the gap between gross labour costs and net take-home pay in the same way as income tax and social security contributions do. The main difference with the latter is that in the case of payroll taxes a less direct link exists between payment of the tax and the constituent components of individual worker's labour compensation. Also, the tax base of payroll taxes may differ from the tax base of employer social security contributions. For example, certain fringe benefits may only be liable to payroll tax. Because this report presents the standard case, the payroll tax base is – depending on the relevant legislation – gross wage (excluding fringe benefits and other items of compensation that vary per employee), gross wage plus employer social security contributions, or a fixed amount per employee.

Starting with the 1998 edition, Austria has included its payroll tax in the tax/benefit calculations. For a variety of reasons, several countries reporting payroll tax revenue in *Revenue Statistics* have not included these taxes in the calculations for the present report.

In the case of the Czech Republic, Greece, Ireland and Poland revenues reported in *Revenue Statistics* are of no quantitative importance or are linked to taxes that are no longer imposed.

In Denmark, employers pay a fixed amount per employee. Tax revenues thus collected are fed into a fund. This fund provides subsidies to employers hiring medium and low-skilled trainees. This payroll tax is not included in the tax equations for Denmark.

Hungary does take into account the employer lump sum health insurance contribution. However, the communal tax on corporations is not included, since not all municipalities levy the tax.

Korea does not take into account the Business Office Tax that is imposed on employers with over 150 employees (see § 5.4 of the country chapter in Part V).

New Zealand has not included its payroll taxes in the tax calculations, mainly because its Fringe Benefit Tax is not a function of the employee's income and the authorities have inadequate information to allocate the tax to all employees, pro-rated by income (see Note after § 5.2 of the country chapter in Part V). An added argument is that probably not all employees in the manufacturing sector receive

taxable fringe benefits. It follows that the Fringe Benefit Tax is not a “standard” item; therefore, it should not be included in the tax/benefit calculations.

J. Church tax

Several OECD member countries impose a levy known as “church tax”. With one exception, countries do not report revenues from the church tax in the OECD *Revenue Statistics*. Denmark does report revenues from its Church tax since the Danish State Church is classified as a part of general government. Denmark argues that this inclusion of the church in general government is appropriate because of the high degree of control that the government exercises over the church. Since the Working Party on Tax Policy Analysis and Tax Statistics has agreed that church taxes should be treated consistently in its two main statistical publications, only the Danish church tax is included in the calculations for *Taxing Wages*.

K. Family cash benefits from general government

Tax reliefs and family cash transfers universally paid in respect of dependent children between five and twelve years of age who are attending school are included in the scope of the study. It follows that only children of age 6, 7, 8, 9, 10 and 11 are relevant in determining the tax relief for children and/or the amount of child benefit. If tax reliefs or cash transfers vary within this age range, the most generous provisions are taken. The case of twins is explicitly disregarded. Suppose the child benefit programme of a country is structured as follows:

Age group	Benefits per child
Children 6-8	100 units
Children 9-10	120 units
Children 11-14	150 units

The most favourable outcome arises in the case of 11-year old twins: 300 units. However, as the case of twins is excluded, the best outcome now becomes 270 units (one child 11 years old, one child 9 or 10 years old). This amount would be included in the country table. Often, the amount in benefits is raised once children become one year older. By assuming that children have been born on the first of January, the annual amount received in child benefits may be calculated from the benefit schedule that is in place at the start of the year. Revisions of these amounts during the year are taken into account.

Relevant universal cash payments include those made by central, state and local governments. For most of the families in this study, these constitute the only major cash transfer received from general government.

L. Non-wastable tax credits

The 2001 edition of *Taxing Wages* introduced a minor change to include memorandum item reporting of non-wastable tax credits. Non-wastable tax credits are tax credits that can exceed tax liability, where the excess, if any, can be paid as a cash transfer to the taxpayer. In principle, these credits can be treated in different ways according to whether they are regarded as tax provisions or cash transfers or a combination of these. A Special Feature in the 2001 edition of *Revenue Statistics* discusses these alternative treatments and the conceptual and practical difficulties that arise in deciding which is the most appropriate approach for the purpose of reporting internationally comparable tax revenue figures.⁵ Based on this review and assessment, editions of the *Revenue Statistics* from 2002 continue to follow the Interpretative Guide which requires that only the tax expenditure component of non-wastable tax credits be taken into account when measuring tax revenues (see below). However, additional information will be provided in *Revenue Statistics* on aggregate tax expenditure components and aggregate transfer components of non-wastable tax credits to show the effect of alternative treatments.⁶

Beginning with the 2001 edition, the treatment of non-wastable tax credits in *Taxing Wages* is also being modified to include memorandum item reporting of tax expenditure and cash transfer components. However, aside from the memorandum reporting, both the treatment of such credits and their impact on figures reported in *Taxing Wages* will remain unchanged. In particular, the taxpayer calculations in the country tables continue to apply the full amount of non-wastable tax credits against personal income tax. As noted above, the Interpretative Guide of the *Revenue Statistics* requires that:

- i) only the portion of a non-wastable tax credit that is claimed to reduce or eliminate a taxpayer's liability (the "tax expenditure" component)⁷ should be deducted in the reporting of tax revenues;
- ii) the part of the tax credit that exceeds a taxpayer's tax liability and is paid to him (the "cash transfer" component) should be treated as an expenditure item and not deducted in the reporting of tax revenues.

Strict consistency with the Interpretative Guide to the *Revenue Statistics* would require that only the tax expenditure component derived in *Taxing Wages* be offset against derived income tax, with the excess (if any) treated as a cash transfer. However, this approach would diminish rather than strengthen the informational content of the derived results. In particular, limiting tax credit claims to tax expenditure amounts would yield a zero income tax liability and zero average income tax rate where cash refunds are provided. Where tax credits claims are not constrained in this way, negative income tax liabilities and negative average income tax rates would result where cash transfers are provided. Arguably, these negative amounts more clearly convey the taxpayer's position (which is improved relative to the no-tax situation). Also, not including the cash transfer portion of non-wastable tax credits in the section (11) of the country tables focusing on "pure" cash transfers permits greater transparency of the latter amounts

Thus, in order to improve the informational content of country tables as regards non-wastable tax credits, the memorandum item reporting at the bottom of the relevant country tables shows tax expenditure amounts on one line, with a second line showing cash transfer amounts. Where more than one non-wastable tax credit program applies, the figures show aggregate tax expenditure and aggregate cash transfer amounts (rather than separate amounts for each program). Total program costs in each of the household cases considered can be derived by adding the tax expenditure and cash transfer amounts.

LIMITATIONS

A. General limitations

The simple approach of comparing the tax/benefit position of example families avoids many of the conceptual and definitional problems involved in more complex international comparisons of tax burdens and transfer programmes. However, a drawback of this methodology is that the earnings of an average production worker will usually occupy a different position in the overall income distribution in different economies, although the earnings relate to workers in similar jobs in various OECD member countries.

Because of the limitations on the taxes and benefits covered in the report, the data cannot be taken as an indication of the overall impact of the government sector on the welfare of taxpayers and their families. Complete coverage would require studies of the impact of indirect taxes, the treatment of non-wage labour income and other income components under personal income taxes and the effect of other tax allowances and cash benefits. Complete coverage would also require that consideration be given to the effect on welfare of services provided by the state, either free or below cost, and the incidence of corporate and other direct taxes on earnings and prices. Such a broad coverage is not

possible in an international comparison of all OECD countries. The differences between the results shown here and those of a full study of the overall impact on employees of government interventions in the economy would vary from one country to another. They would depend on the relative shares of different kinds of taxes in government revenues (see Annex II) and on the scope and nature of government social expenditures.

The report shows only the formal incidence of taxes on employees and employers. The final, economic incidence of taxes may be quite different, because the tax burden may be shifted from employers onto employees and *vice versa* by market adjustments to gross wages.

The income left at the disposal of a taxpayer may represent different standards of living in various countries because the range of goods and services on which the income is spent and their relative prices differ as between countries. In those countries where the general government sector provides a wide range of goods and services (generous basic old age pension, free health services, public housing, university education, etcetera), the taxpayer may be left with less cash income but may enjoy the same living standards as a taxpayer receiving a higher cash income but living in a country where there are fewer publicly provided goods and services.

B. Some specific limitations on the income tax calculation

The exclusion of non-wage income and the limited number of tax reliefs covered imply that the average rates of income tax in the tables in this publication will not necessarily reflect the actual rates confronting taxpayers at these levels of earnings. Actual rates may be lower than the calculated rates because the latter do not take into account non-standard expense-related reliefs (see Table III.6). On the other hand, actual rates may be higher than calculated rates because the latter do not take into account tax on non-wage income received by employees.

The decision to exclude non-wage income (*e.g.* dividends, interest) was taken because the main focus of this study is on the tax treatment of wage income. For taxpayers at the income level of average production workers (APW), non-wage income is generally not significant. In Australia, Austria, Finland and Ireland, for example, non-wage income constitutes less than 0.5 per cent of the average production worker's total earnings. There are, however, some countries where APW-type taxpayers do typically have non-wage income. In the United States, for example, over 60 per cent of such taxpayers have non-wage income which accounts, on average, for about 5 per cent of their incomes.

The decision not to calculate separately average rates of income tax taking into account the effect of non-standard tax reliefs was taken because:

- In many cases, expense-related reliefs are substitutes for direct cash subsidies. To take into account these reliefs while ignoring any corresponding direct subsidies would distort comparisons of take-home pay plus cash transfers.
- The special tax treatment of certain expenses may be linked to special treatment of any income associated with these expenses (*e.g.* the tax treatment of social security contributions and pension income) which is beyond the scope of this study.
- A few countries were unable to estimate the value of these reliefs and even those countries which could do so could not limit their estimates to taxpayers with the characteristics assumed in Sections B, D and E in the above part on methodology.
- In the majority of countries these reliefs do not significantly affect the income tax rates shown in this publication and in most cases only a minority of APW-type taxpayers receive a particular relief.
- Not all countries could calculate separately the reliefs available to different family-types. Where a split is provided between single individuals and families with children, there are large differences in the value of the reliefs typically received by these two categories of households.

Table III.6, which was introduced earlier, shows that for most of the countries which can provide information on these reliefs their inclusion would have significantly reduced the income tax rates, notably in Luxembourg and Spain.

When comparisons are made of income tax rates, some readers may prefer to use the sort of rates shown in columns five and six of Table III.6 for countries like Luxembourg and Spain where an APW would typically be able to claim large amounts of non-standard reliefs. Nevertheless, tax rates have been calculated for all countries using the standard methodology and these are the figures used in the main comparative tables and graphs.

C. Limitations to time-series comparisons

It should be noted that previous editions of this publication up to and including the 1995 edition covered just two family-types: single individuals without children and married one-earner couples with two children. The earnings were the same in both cases and equal to those of an average production worker. This limited coverage can explain why the tables in Annex I report figures over the 1979-2002 period for these two family-types only.

There are also a number of limitations which apply to the interpretation of the results over time. Any dynamic analysis of the results has to take into account the following qualifications:

- The earnings data do not necessarily relate to the same taxpayer throughout the period. The average earnings in manufacturing industry are calculated for each year. As such, the results do not refer to the changing earnings and tax position of particular individuals over time but rather to the position of workers earning a wage equal to average earnings in the manufacturing industry in each particular year. This, in turn, may mean that the earnings levels referred to may be at different points in the income distribution over the period covered and changes in tax rates may be influenced by these trends.
- For technical reasons, the procedures countries follow to determine the benchmark earnings level of the national average production worker may change over time. For example, as from the 1998 edition France establishes the APW wage level on the basis of improved statistical data; as a consequence, the report registers for 1997 a one-off additional increase in the APW wage level of 5 to 7 per cent (see for details Section 5 of the country chapter in Part V). In the same vein, § 5.1 of the country chapter for the Netherlands sets out that since 1994 its Central Bureau of Statistics no longer reports separate earnings data for manual workers. Starting with the 1999 edition, the Netherlands assumes that the wage for manual workers in industry is on average equal to 90 per cent of the wage for all industrial workers, including white collar workers and supervisors.
- In exceptional cases, the taxes covered in the report for a given country may differ over the years. Starting with the 1998 edition, Korea has extended the coverage of its social security contributions. This extended coverage largely explains why the wedge between labour costs and net take-home pay of a single average production worker in the case of Korea doubles from 6.3 per cent (1996) to 12.4 per cent (1997).
- In two (Switzerland and the United States) of the twelve countries with state and/or local income taxes, the rates of tax applied to an APW refer to a typical manufacturing region (see Table III.7). Consequently, if movements in tax rates in this region are unrepresentative of changes in income taxes elsewhere in the country, they will provide a poor indication of how country-wide average rates of taxes are evolving.

Particular care is required in interpreting the results where many of the limitations set out above apply to one particular country since, while taken individually, each limitation may not significantly distort the results, cumulatively the impact may be important.

To conclude, the data are comparable for the specific situations referred to and the results show the proportion of gross wage earnings retained. This net cash income (including universal cash benefits) is the amount over which the household is able to exercise a free choice in the allocation of its expenditure.

D. Limitations to marginal rates

In the calculation of marginal tax wedges for the spouse, editions before the 1998 edition considered the situation where the spouse upon entering the labour market saw his or her income increase from zero to one currency unit of employment income. This case seems to be hardly representative and therefore less interesting, given that typically a spouse entering the workforce will experience a more significant (discrete) jump in earnings than of just one single currency unit.

Moreover, the former approach disregarded discrete jumps in social security contributions and wastable tax credits that occur in certain tax/benefit systems when the spouse's employment income increases from zero to one currency unit. Such payments/transfers which are not proportional to income were not factored into spousal marginal tax rates in the (100-0) case, given that their inclusion would result in misleadingly large (positive/negative) tax wedge values (*e.g.* in excess of 1 000 per cent).

To avoid the necessity of “fudging” the approach in this way, it has been decided – starting with the 1998 edition – to reconstruct the calculation of the marginal tax wedge in the (100-0) case to reflect the situation where the spouse, upon entering the workforce, experiences an increase in labour income from zero monetary units to 33 per cent of the gross wage earnings of an average production worker.

Also, it is important to note that a number of OECD member countries means-test universal cash benefits: benefits are reduced as income increases. For employees the benefit reduction is equivalent to an additional tax, which raises their combined (explicit and implicit) marginal rate.

A NOTE ON THE TAX EQUATIONS

Each country chapter contains a table of equations in a standard format which shows the calculations required to derive the amounts of income tax, social security contributions and cash transfers. These algorithms represent in algebraic form the legal provisions described in the chapter and are consistent with the figures shown in the country and comparative tables. This section describes the conventions used in the definition of the equations and how they could be used by those wishing to implement the equations for their own research.

The earlier sections of the country chapters describe how the tax and other systems work and present the values of the parameters of those systems such as the levels of allowances and credits, and the schedule of tax rates.

The first part of the equations section is the table of equations. The four columns contain information as follows:

- The first two columns give a description and a variable name for the result of the equation on that row of the table. These always include the thirteen main financial value entries in the country tables. Additional rows define any intermediate values which are calculated either to show the detail included in the tables (such as the subdivision of total tax allowances into the different categories) or values which make the calculation clearer.
- The third column shows the range of the calculation in that row. This is necessary to allow for the different way that tax may be calculated for married couples. The options are:
 - B The calculation is carried out separately for both the principal earner and the spouse using their individual levels of earnings. This applies in the case of independent income tax and usually also in respect of social security contributions.
 - P The calculation applies for the principal earner only. An example is where the principal earner can use any of the basic tax allowance of the spouse which cannot be set against the income of the spouse.
 - S The calculation applies for the lower earning spouse only.

- J The calculation is carried out only once on the basis of joint income. This applies to systems of joint or family taxation and is also usual for the calculation of cash transfers in respect of children.
- The final column contains the equation itself. The equation may refer to the variables in the parameters table (see below) and to variables which result from one of the rows of the equations table itself. Use is also made of the two standard variables “Married”, which has the value 1 if the family consists of a married couple and 0 in the case of a single individual, and “Children” which denotes the number of children. Sometimes there is a reference to a variable with the affix “_total” which indicates the sum of the relevant variable values for the principal earner and the spouse. Similarly, the affixes “_princ” and “_spouse” indicate the value for the principal earner and spouse, respectively.

In the equations a number of functions are used. Some of these are used in the same way as in a number of widely available “spreadsheet” computer packages. For example, MAX(X,Y) and MIN(X,Y) find the maximum and minimum of the two values, respectively. IF(condition X,Y) chooses the expression X if the condition is true and the expression Y if it is false. Boolean expressions are also used and are taken to have the value 1 if true and 0 if false. As an example, (Children = 2*CB_2) is equivalent to IF(Children = 2, CB_2,0).

There are also three special functions which denote calculations often required in tax and social security systems. These are:

- Tax (taxinc, tax_sch): This calculates the result of applying the schedule of tax rates and thresholds in “tax_sch” to the value of taxable income represented by “taxinc”. This function may be used in any part of the equations, not just in the income tax calculation. For some countries it is used for social security contributions or even for allowance levels which may be income dependent.
- Positive (X): This gives the result X when this value is positive and zero otherwise. It is therefore equivalent to MAX(0,X).
- Taper (value, income, threshold, rate): This gives the amount represented by “value” if “income” is less than “threshold”. Otherwise, it gives “value” reduced by “rate” multiplied by (income-threshold), unless this produces a negative result in which case zero is returned. This provides the calculation which is sometimes required when a tax credit, for example, is available in full provided that total income is below a threshold but is then withdrawn at a given rate for each currency unit in excess of the threshold until it is withdrawn completely.

Anyone wishing to make their own implementation of the equations will have to write functions corresponding to these special functions or make appropriate modifications to any equations that use them.

After the table of equations is a table showing a brief description of each parameter (such as “Basic tax credit”), the name of the parameter as used in the algebraic equation (“Basic_cred”) and the actual value for the relevant year (such as “1098”). Where there is a table of values – for example a schedule of tax rates and the associated thresholds of taxable income – a name is given to the entire table (for example “tax_sch”). These variable names are those used in the equations.

NOTES

1. Wage estimates reported in the *Economic Outlook* are consistent with information in the Analytical Data Base (ADB) of the Economics Department (ECO) of the OECD. These estimates are prepared by the ECO country desks. Data in the ADB/EO71 are consistent with the June 2002 issue (No. 71) of the *Economic Outlook*, at the moment this report was drafted being the most recent issue.
2. More details may be found in the publication *Taxing powers of state and local government*, OECD Tax Policy Studies No. 1 (Paris, 1999).
3. In this case, the amount of tax relief is related to actual social security contributions paid by the employee or withheld from his wage – thus in this respect this item deviates from the general definition of standard tax relief under which relief is *unrelated* to actual expenses incurred.
4. OECD, *Revenue Statistics 1965-1998*, p. 287.
5. OECD, *Revenue Statistics 1965-2000*, p. 28-31.
6. OECD, *Revenue Statistics 1965-2001*, pp. 22-24.
7. This characterisation must be viewed as informal, as the determination of tax expenditures requires the identification of a benchmark tax system for each country, or preferably, a common international benchmark. In practice it has not been possible to reach agreement on a common international benchmark for such purposes.

Partie III

MÉTHODES ET LIMITES DE L'ÉTUDE

LES MÉTHODES

A. Introduction

La situation personnelle des contribuables est très variable. Par conséquent, la manière dont il faut identifier un contribuable représentatif ou typique et calculer les impôts qu'il paye n'apparaît pas immédiatement. Pour identifier les contribuables représentatifs et calculer le montant d'impôt qu'ils payent, ce rapport utilise une méthodologie spécifique. L'accent est mis sur les salariés. Par hypothèse, leur rémunération annuelle est égale à une fraction donnée des salaires bruts moyens d'ouvriers adultes travaillant à temps complet dans le secteur manufacturier de chaque économie de l'OCDE. Des hypothèses supplémentaires sont formulées concernant d'autres éléments significatifs de la situation personnelle de ces salariés, afin de permettre la détermination de leur situation au regard de l'impôt et des prestations sociales. Le tableau III.1 indique la terminologie utilisée dans le présent rapport.

A partir de l'édition de 1997, le nombre de catégories de famille envisagées a été porté de deux à huit afin de rehausser l'intérêt des descriptions et des analyses qui figurent dans le rapport. Les impôts payés et les prestations sociales d'application générale reçues par les salariés sont indiqués pour les familles disposant d'un salaire unique et de deux salaires et dont les revenus sont égaux à divers pourcentages du revenu moyen. Le nombre de contribuables qui présentent ces caractéristiques et le niveau de salaire de l'ouvrier moyen diffèrent sensiblement selon les économies des pays l'OCDE. Les deux dernières colonnes du tableau III.2 donnent une indication approximative du nombre de titulaires de salaires et traitements, y compris les employés, dans le secteur manufacturier.

Les orientations indiquées dans cette section ont été utilisées par tous les pays pour calculer les données figurant dans les parties I, II et IV de ce rapport. Lorsqu'il a été nécessaire qu'un pays s'écarte de ces principes, cela est indiqué dans le texte.

B. Calcul des salaires bruts

Cette section expose la définition normalisée de l'ouvrier dont on calcule le salaire moyen. Le tableau III.2 indique comment les pays ont mis en application cette définition normalisée. Les niveaux des salaires bruts en 2001 ont été établis à partir d'échantillons. D'autres informations sur le calcul des revenus sont indiquées dans les chapitres par pays de la partie V et de l'annexe III. Les montants des salaires bruts pour 2002, année d'édition, ont dû être estimés, dans la mesure où les données d'enquêtes nécessaires ne seront disponibles qu'à l'été 2003. Les procédures d'estimation suivies sont exposées à la section C ci-dessous.

Secteur couvert

Il s'agit de l'industrie manufacturière telle qu'elle est définie dans la Division D de la classification internationale type par industrie (CITI Révision 3, Nations Unies, New York 1989). Il ressort de la colonne 1 du tableau III.2 que quelques pays incluent les entreprises du secteur des industries

Tableau III.1. Termes utilisés

Termes d'utilisation générale	
Ouvrier moyen (OM)	Ouvrier adulte employé à plein-temps dans l'industrie manufacturière et dont le salaire est égal au salaire des ouvriers en cause
Célibataire	Hommes et femmes non mariés
Couple avec deux enfants	Mari et femme avec deux enfants à charge d'un âge compris entre 5 et 12 ans
Coûts bruts de main-d'œuvre	Salaire brut plus cotisations patronale de sécurité sociale
Rémunération nette	Rémunération après impôt diminuée des cotisations obligatoires de sécurité sociale des salariés versées aux administrations publiques
Taux moyen de l'impôt	Le montant de l'impôt sur le revenu et les cotisations de sécurité sociale à la charge des salariés en pourcentage du salaire brut
Coin fiscal	La somme de l'impôt sur le revenu, des cotisations de sécurité sociale à la charge des salariés et des employeurs et des taxes sur les salaires en pourcentage des coûts de main-d'œuvre
Elasticité du revenu après impôt	Ce terme indique le pourcentage de variation d'un revenu donné après impôt à la suite d'une variation de 1 pour cent d'un revenu donné avant impôt (selon une définition plus précise, ce terme correspond à un moins un taux marginal d'imposition divisé par un moins le taux moyen d'imposition correspondant)
Termes utilisés en matière d'impôt sur le revenu	
Allégements fiscaux	Terme générique qui couvre l'ensemble des moyens par lesquels est donné un traitement favorable du point de vue de l'impôt sur le revenu aux salariés, aux couples mariés et aux personnes ayant des enfants à charge
Abattements fiscaux	Montants déduits du salaire brut pour obtenir le revenu imposable
Crédits d'impôt	Montant de la déduction que le contribuable peut opérer sur son imposition. Un crédit d'impôt est considéré comme non remboursable s'il ne peut excéder l'impôt dû ; s'il peut excéder l'impôt dû il est considéré comme remboursable (les termes « restituable » et « non restituable » sont parfois utilisés)
Allégements forfaitaires	Les allégements non liés à des dépenses effectivement supportées par le contribuable et accordés automatiquement à tous ceux qui remplissent les conditions requises en vertu de la loi sont également comptés comme allégements forfaitaires, y compris les déductions des cotisations obligatoires de sécurité sociale
Abattement à la base	Tout abattement forfaitaire qui peut être accordé quelle que soit la situation de famille
Abattement en raison du mariage	Abattement fiscal complémentaire attribué aux couples mariés (dans certains pays, il ne se distingue pas de l'abattement à la base qui peut être doublé en cas de mariage)
Allégements non forfaitaires	Allégements entièrement déterminés par référence à des dépenses réellement effectuées
Taux moyen de l'impôt sur le revenu	Montant de l'impôt sur le revenu à verser calculé sur la base des dispositions fiscales envisagées dans cette étude, divisé par le salaire brut
Taux du barème	Taux qui figure dans le barème de l'impôt sur le revenu et des cotisations de sécurité sociale
Termes utilisés en matière de prestations en espèces	
Prestations sociales d'application générale	Versements en espèces effectués par les administrations publiques (agences) au profit des familles ayant des enfants à charge

extractives. Ces différences n'affectent pas sensiblement la comparabilité des données dès lors que, dans la plupart de ces pays, ce secteur est de très faible importance ou comporte des niveaux de salaires plus ou moins analogues à ceux de l'industrie manufacturière.

Zone géographique couverte

Tableau III.2. Identification d'un ouvrier moyen et nombre de salariés dans le secteur manufacturier, 2001

Identification d'un ouvrier moyen					Salariés des industries manufacturières (y compris les employés) 2001		
Secteur	Extension géographique du secteur retenu	Catégorie de travailleurs	Sexe	Milliers	Pourcentage de l'ensemble des salariés		
Australie	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	1 012	13	
Autriche	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	721 ³	22	
Belgique	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	621 ³	20	
Canada	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	2 027 ⁴	17	
Rép. tchèque	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	1 340 ⁴	30	
Danemark	Industries manufacturières	(Entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers	Masculin et féminin	467	19
Finlande	Industries manufacturières et industrie extractive	(Entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers ¹	Masculin et féminin	419 ⁴	22
France	Industries manufacturières et industrie extractive	Ensemble du pays	Ouvriers	Masculin et féminin	3 833 ³	19	
Allemagne	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	8 157 ⁴	26	
Grèce	Industries manufacturières	(Entreprises de plus de 10 salariés)	Ensemble du pays	Ouvriers	Masculin et féminin	398 ³	19
Hongrie	Industries manufacturières	(Entreprises de plus de 5 salariés)	Ensemble du pays	Ouvriers	Masculin et féminin	724	27
Islande	Industries manufacturières	(Entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers	Masculin et féminin	21	16
Irlande	Industries manufacturières	Ensemble du pays	Ouvriers ¹	Masculin et féminin	277	20	
Italie	Industries manufacturières	Ensemble du pays	Ouvriers ²	Masculin et féminin	4 061	27	
Japon	Industries manufacturières	(Entreprises de plus de 10 salariés)	Ensemble du pays	Ouvriers	Masculin et féminin	11 850	22
Corée	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	3 461	26	
Luxembourg	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	35	14	
Mexique	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	5 529	23	
Pays-Bas	Industries manufacturières	Ensemble du pays	Ensemble des travailleurs	Masculin et féminin	1 055 ³	15	
Nlle-Zélande	Industries manufacturières	Ensemble du pays	Ensemble des travailleurs	Masculin et féminin	284 ⁵	14	
Norvège	Industries manufacturières	(Entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers	Masculin et féminin	286 ³	13
Pologne	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	2 632	26	
Portugal	Industries manufacturières	Açores et Madère non compris	Ouvriers	Masculin et féminin	949	26	
Rép. slovaque	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	923 ⁵	44	
Espagne	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	2 312 ⁵	21	
Suède	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	726	18	
Suisse	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	1 032 ⁵	26	
Turquie	Industries manufacturières	(Entreprises de plus de 25 salariés)	Ensemble du pays	Ouvriers ¹	Masculin et féminin	2 801 ⁵	28
Royaume-Uni	Industries manufacturières	Irlande du Nord non compris	Ouvriers	Masculin et féminin	4 376	18	
États-Unis	Industries manufacturières	Ensemble du pays	Ouvriers	Masculin et féminin	17 695	16	

1. Les données ne sont pas limitées aux travailleurs adultes à plein-temps. Elles comprennent aussi les travailleurs à temps partiel et les jeunes.

2. A partir de 1990, les données sur les salaires ont été révisées afin de ne prendre en compte que les ouvriers (à l'exclusion des employés).

3. Année 1999.

4. Année 1998.

5. Année 2000.

Source : OCDE Principaux indicateurs économiques.

Catégorie de travailleurs retenue

On a pris comme référence les travailleurs adultes directement engagés dans une activité de production. Cette définition couvre les travailleurs manuels ainsi que les travailleurs chargés de certaines tâches de petit encadrement au niveau de l'atelier. Les employés (« cols blancs ») sont exclus sauf en Nouvelle-Zélande où leur prise en compte a probablement pour effet d'accroître le niveau des salaires d'environ 5 à 10 pour cent – et aux Pays-Bas.

Sexe

Les chiffres de salaires bruts indiqués correspondent aux salaires moyens des ouvriers tant masculins que féminins.

Emploi à plein-temps

Le travailleur est supposé être employé à plein-temps au cours de l'année, bien que la Finlande, l'Irlande et la Turquie ne soient pas en mesure d'isoler les travailleurs à temps partiel.

Maladie et chômage

Il est fait l'hypothèse que le travailleur n'est en situation ni de maladie ni de chômage au cours de l'année.

Mode de détermination des gains

Le tableau III.3 indique la manière dont ont été établies dans chaque pays les données relatives aux revenus du travail. Dans la plupart des pays où les indemnités-maladie sont versées par l'employeur, pour le compte du régime général public ou de régimes privés d'assurance, les montants correspondants sont inclus dans le calcul des salaires. Les indemnités de chômage versées directement par l'employeur sont également incluses. Il est peu vraisemblable que ces divergences puissent avoir un impact sensible sur les résultats obtenus dès lors que les versements ainsi effectués par les employeurs ne couvrent que des périodes de durée limitée et que les montants de ces versements sont en général très proches des salaires horaires normaux.

Les montants moyens des heures supplémentaires et des compléments de salaires de caractère régulier (tels que primes de fin d'année, treizième mois) qui sont versés aux salariés présentant des caractéristiques analogues à celles définies ci-dessus sont inclus dans le calcul des rémunérations de même que les indemnités de congés payés normalement versées aux ouvriers. En revanche, les systèmes de participation aux bénéfices sous la forme de distribution de dividendes n'ont pas été pris en compte.

Méthode de calcul utilisée

Le tableau III.3 indique la méthode de calcul utilisée dans chaque pays qui fait l'objet d'une description plus détaillée dans la partie V. Il a été suggéré que chaque pays calcule les gains annuels en prenant la moyenne mensuelle ou trimestrielle des gains horaires dans l'industrie manufacturière, pondérée par le nombre d'heures travaillées au cours de la période et en la multipliant par le nombre moyen d'heures travaillées au cours de l'année, y compris les périodes de congés payés, en supposant que le travailleur n'a été ni malade ni au chômage. Le recours à une méthode analogue a été recommandé pour le calcul des heures supplémentaires. Toutefois, la plupart des pays ne peuvent suivre cette méthode en raison du mode de construction des échantillons de salaires. En pratique, les différences observées dans les méthodes de calcul n'affectent pas les résultats obtenus. Les sources des données concernant les salaires sont indiquées dans l'annexe III.

Tableau III.3. Mode de calcul des salaires moyens

	Éléments compris ou non compris dans la base de calcul						Méthode de base utilisée pour le calcul ¹	Fin de l'exercice budgétaire	Période à laquelle se réfère le calcul des gains
	Chômage	Maladie	Vacances	Heures supplémentaires	Paiements en espèces réguliers	Primes			
Australie	NC	C	C	C	C	NC	Gain hebdomadaire moyen × 52	30 juin	Année fiscale
Autriche	NC	NC	C	C	C	C valeur imposable	Gain annuel	31 décembre	Année civile
Belgique	NC	NC	NC	C	C	C valeur imposable	Moyenne journalière × le nombre de journées de travail	31 décembre	Année civile
Canada	NC	NC	C	C	C	NC	Moyenne horaire hebdomadaire × gain horaire moyen × 52	31 décembre	Année civile
Rép. tchèque	NC	NC	NC	C	C	C	Gain mensuel moyen × 12	31 décembre	Année civile
Danemark	NC	NC	C	C	C	NC	Salaires horaires × nombre d'heures travaillées	31 décembre	Année civile
Finlande	NC	NC	C	C	C	NC	Salaires horaires × nombre d'heures travaillées + indemnités de congés payés	31 décembre	Année civile
France	NC	NC	C	C	C	NC	Gain annuel	31 décembre	Année civile
Allemagne	NC	NC	C	C	C	NC	Salaires horaires × nombre d'heures travaillées	31 décembre	Année civile
Grèce	NC	NC	C	C	C ¹	C	Salaires horaires × nombre d'heures travaillées	31 décembre	Année civile
Hongrie	NC	NC	C	C	C	NC	Salaires mensuels moyens × 12	31 décembre	Année civile
Islande	NC	NC	C	C	C	NC	Salaires horaires × nombre d'heures travaillées × 12	31 décembre	Année civile
Irlande	NC	NC	C	C	C	NC	Salaires horaires × nombre d'heures travaillées × 52	5 avril	Année fiscale
Italie	NC	C	C	C	C	NC	Salaires mensuels moyens sur chaque trimestre × 12	31 décembre	Année civile
Japon	NC	NC	C	C	C	NC	Salaires mensuels en juin × 12	31 décembre	Année civile
Corée	NC	NC	C	C	C	NC	Salaires mensuels moyens × 12	31 décembre	Année civile
Luxembourg	NC	NC	C	C	C	NC	Salaires horaires × nombre d'heures travaillées	31 décembre	Année civile
Mexique	NC	NC	C	C	C	NC	Salaires horaires moyens × nombre d'heures hebdomadaires × 52	31 décembre	Année civile
Pays-Bas	NC	NC	C	NC	C	NC	90 pour cent des gains bruts annuels	31 décembre	Année civile
Nlle-Zélande	NC	NC	C	C	C	NC	Gain hebdomadaire moyen pour chaque trimestre × 13	31 mars	Année fiscale
Norvège	NC	NC	NC	C	C	NC	Gain annuel + moyenne mensuelle des heures supplémentaires × 12	31 décembre	Année civile
Pologne	NC	NC	NC	C	C	C	Gain mensuel moyen × 12	31 décembre	Année civile
Portugal	NC	NC	C	C	C	C valeur imposable	Gain mensuel pondéré × 12	31 décembre	Année civile
Rép. slovaque	NC	NC	C	C	C	C	Salaires mensuels moyens × 12	31 décembre	Année civile
Espagne	NC	NC	C	C	C	NC	Gain mensuel pondéré × 12	31 décembre	Année civile
Suède	NC	NC	C	C	C	C valeur réelle	Gain moyen horaire en septembre × nombre d'heures travaillées	31 décembre	Année civile
Suisse	NC	NC	C	C	C	NC	Gain mensuel × 12	31 décembre	Année civile
Turquie	NC	NC	C	C	C	C valeur réelle	Gain mensuel × 12 (observé trimestriellement)	31 décembre	Année civile
Royaume-Uni	NC	NC	C	C	C	NC	Gain hebdomadaire moyen en début et fin d'exercice budgétaire × 52	5 avril	Année fiscale
États-Unis	NC	NC	C	C	C ²	NC	Moyenne hebdomadaire × 52 + moyenne des heures supplémentaires × 50	31 décembre	Année civile

NC = non compris C = compris

1. Indemnités versées par l'employeur pour le compte du régime général ou d'un régime privé d'assurance maladie.

2. Aux États-Unis, les primes de fin d'année et les primes de participation aux bénéfices ne sont pas prises en compte. En Grèce les primes de Noël et de Pâques sont exclues.

Le traitement des compléments de salaires

Ces avantages, qui consistent, par exemple, dans la fourniture par l'employeur de produits alimentaires, de services (logement) ou de vêtements gratuitement ou à des prix inférieurs à la valeur vénale sont, lorsque cela est possible, exclus du calcul des salaires moyens. Cette décision a été prise en raison de la difficulté d'évaluer les avantages de ce type d'une manière cohérente (ils peuvent être évalués en fonction soit de leur coût réel pour l'employeur soit de leur valeur imposable, soit de leur valeur vénale) et parce que ces avantages ont, dans la plupart des pays, une importance négligeable pour les ouvriers de ce niveau de revenu (rarement plus de 1 pour cent des salaires bruts).

S'agissant toutefois des cotisations versées par les employeurs pour le compte de leurs salariés à des caisses de retraites complémentaires ou à des systèmes privés d'allocations familiales, d'assurance-maladie ou d'assurance-vie, les montants en cause peuvent être non négligeables. Aux États-Unis, par exemple, il est courant que ces cotisations représentent 5 pour cent des salaires des ouvriers. Bien que ces cotisations soient exclues de la base salariale (et n'affectent donc pas le calcul de l'impôt) les chapitres par pays donnent une indication des systèmes susceptibles de s'appliquer à un ouvrier moyen. Ces systèmes sont exclus de la présente étude, dans la mesure où, s'ils se substituent à des systèmes publics obligatoires de sécurité sociale, leur inclusion nécessiterait la prise en compte des cotisations patronales à des fins de cohérence. En outre, il faudrait inclure le régime fiscal des cotisations et des prestations versées ce qui sort du cadre de cette étude.

C. Estimations des salaires bruts en 2002

Les données d'enquêtes concernant les salaires bruts moyens en 2002 ne seront pas disponibles avant l'été 2003. Cependant, il semble que l'insertion d'estimations de la situation des salariés au regard de l'impôt et des transferts sociaux au cours de l'année d'édition rehausse l'intérêt du rapport pour les décideurs. Par conséquent, à partir de l'édition de 1999, le rapport présente des données préliminaires concernant l'année d'édition en cours. Des estimations des salaires bruts des ouvriers moyens en 2002 ont été établies par le Secrétariat en adoptant une approche uniforme. L'ensemble des montants des gains enregistrés en 2001 sont multipliés par la variation annuelle des salaires en pourcentage indiquée dans l'édition la plus récente des *Perspectives économiques de l'OCDE* pour le pays considéré¹. Cette procédure transparente permet de donner des résultats non biaisés. Seules les estimations nationales de la Turquie et de la République slovaque ont été utilisées du fait que les données sur la variation annuelle des salaires n'étaient pas disponibles au Secrétariat.

Il existe des écarts entre les niveaux de salaires indiqués dans cette publication et ceux qui figurent dans la base de données analytiques de l'OCDE correspondant aux données qui figurent dans les *Perspectives économiques*. On peut supposer qu'un écart allant jusqu'à 15 à 25 pour cent pourrait s'expliquer de manière satisfaisante par les différences dans les définitions utilisées. Les données de la base de données analytique incluent 1) tous les salariés du secteur des entreprises, 2) les salaires en espèces et en nature, 3) les avantages accessoires et les systèmes de participation aux bénéfices et 4) les allocations versées pour couvrir certains coûts, notamment les frais de transport pour se rendre au travail. Au contraire, cette étude ne s'applique 1) qu'aux salariés du secteur manufacturier, 2) qu'aux salaires en espèces, 3) en général ni aux avantages accessoires ni aux systèmes de participation aux bénéfices et 4) en général pas aux allocations versées pour couvrir des dépenses. En outre, pour un certain nombre de pays, la méthodologie utilisée pour déterminer le niveau de salaire moyen est différente. En 2001, l'écart entre les niveaux de salaires moyens indiqués respectivement dans *Les impôts sur les salaires* et dans la Base de données analytique excédait 25 pour cent dans le cas de six pays de l'OCDE : Allemagne, Hongrie, Mexique, Nouvelle-Zélande, Portugal et Turquie.

Pour l'exercice en cours, la comparaison la plus significative n'est pas entre les niveaux des gains moyens mais entre la variation annuelle des salaires indiquée dans les deux statistiques. Une comparaison des hausses de salaires entre 2000 et 2001 utilisant des données de ces deux sources montre que les taux de croissance ne diffèrent de plus de 2.5 points que dans le cas de six pays : République tchèque, Mexique, Norvège, Turquie, Royaume-Uni et États-Unis. On pourrait donc conclure que la procédure d'estimation des niveaux de salaires pour l'année d'édition de cette étude

aboutit à une approximation acceptable des augmentations réelles de salaires et ne fausse pas les résultats de manière significative. A cet égard, il est important de tenir compte du fait que – étant donné la structure des taux de l'impôt sur le revenu des personnes physiques (le taux d'imposition est uniforme à l'intérieur d'une tranche) et des cotisations de sécurité sociale (taux uniformes, les plafonds ne s'appliquant qu'aux niveaux de salaires supérieurs à 167 pour cent du salaire moyen) – l'incidence d'une différence de quelques points entre les estimations de hausses de salaire fondées respectivement sur des données d'enquêtes et tirées de la base de données analytique sur les taux d'imposition marginaux et moyens mesurés sera en général négligeable sauf pour les taux marginaux lorsque le salaire imposable est proche de la limite supérieure d'une tranche d'imposition du revenu.

Environ deux-tiers des pays de l'OCDE ont choisi de fournir des estimations nationales du niveau de salaire brut des ouvriers moyens en 2002. Ces estimations – qui n'ont pas été utilisées par le Secrétariat – sont néanmoins indiquées dans le tableau III.4 pour permettre une comparaison entre les estimations du Secrétariat et celles de sources nationales. Dans tous les cas les estimations des niveaux de salaires en 2002 effectuées par le Secrétariat et les niveaux de salaires indiqués par les différents pays sont très proches.

D. Impôts et prestations sociales versées pris en compte

L'étude traite de l'impôt sur le revenu des personnes physiques et des cotisations de sécurité sociale à la charge des salariés et des employeurs dus sur les salaires. De plus, les taxes sur les salaires

Tableau III.4. Revenus salariaux bruts estimés, 2001-2002 (en monnaies nationales)*

	SOM 2001	SOM 2002 (Estim. Secrétar.)	SOM 2002 (Estim. pays)	EO71 taux prévus pour 2002 ¹ en pourcentage
Australie	44 215	45 851	47 100	3.7
Autriche	23 401	23 963		2.4
Belgique	30 032	31 173		3.8
Canada	37 627	38 568	38 605	2.5
République tchèque	192 024	206 042	208 000	7.3
Danemark	293 000	305 306		4.2
Finlande	27 045	28 126		4.0
France	21 371	21 884		2.4
Allemagne	32 384	33 226		2.6
Grèce	10 961	11 575		5.6
Hongrie	956 412	1 056 835	1 090 310	10.5
Islande	2 128 700	2 277 709	2 277 709	7.0
Irlande	23 762	25 330	24 400	6.6
Italie	20 901	21 466	21 430	2.7
Japon	4 310 304	4 254 270	4 254 270	-1.3
Corée	20 428 200	21 653 892		6.0
Luxembourg	30 303	31 363	31 090	3.5
Mexique	55 223	58 812	58 484	6.5
Pays-Bas	29 474	30 919	30 594	4.9
Nouvelle-Zélande	38 078	39 411	38 000	3.5
Norvège	278 000	291 900	293 300	5.0
Pologne	24 118	25 396	24 793	5.3
Portugal	7 981	8 325		4.3
République slovaque ²	148 380	n.d.	153 696	n.d.
Espagne	15 716	16 219		3.2
Suède	231 134	241 766	239 207	4.6
Suisse	62 726	64 231		2.4
Turquie ²	7 751 832 876	n.d.	9 938 274 440	n.d.
Royaume-Uni	18 950	19 708	19 640	4.0
États-Unis	31 220	32 188		3.1

* En euros pour les 12 pays de l'Eurozone.

1. Accroissement de la rémunération par employé dans le secteur des entreprises (EO71 Annexe tableau 12).

2. Estimations nationales pour l'année 2002.

(voir section I ci-dessous) et dans un cas l'impôt paroissial (voir section J ci-dessous) sont inclus dans le calcul du « coin fiscal » total entre les coûts de main-d'œuvre pour l'employeur et le revenu net disponible du salarié.

Le calcul du revenu après impôt inclut les prestations familiales versées par les administrations publiques sous forme de prestations sociales d'application générale (voir section K ci-dessous). L'impôt sur les revenus du capital et du travail non salarié, divers impôts directs (impôt sur l'actif net, impôt sur les bénéfices des sociétés), ainsi que l'ensemble des impôts indirects, ne sont pas pris en compte dans ce rapport. Toutefois, tous les impôts sur le revenu prélevés par les administrations centrales et locales sont inclus dans les données bien qu'aucune description détaillée des impôts sur le revenu des administrations infranationales ne soit fournie².

Dans certains cas exceptionnels, le champ d'application de l'étude au regard des impôts et transferts sociaux peut se trouver modifié, essentiellement pour l'une des deux raisons suivantes. L'une est un changement dans les règles permettant de déterminer les programmes gouvernementaux qui doivent être pris en compte. Un tel changement doit avoir été approuvé explicitement par le Groupe de travail sur l'analyse des politiques et les statistiques fiscales. L'autre raison d'une modification des impôts et transferts sociaux pris en compte est liée au fait qu'après examen, les correspondants nationaux et/ou le Groupe de travail peuvent conclure que dans le cas d'un pays donné – qui applique les règles existantes – certains impôts ou transferts qui étaient auparavant exclus, doivent être pris en compte (ou vice versa).

Ces dernières années, un certain nombre de pays de l'OCDE ont instauré des déductions fiscales au profit des titulaires de faibles salaires. En général, ces avantages fiscaux ont pour effet de majorer le revenu disponible net (c'est le cas par exemple du crédit d'impôt pour les revenus salariaux (« Earned Income Tax Credit ») aux États-Unis) et/ou de réduire les coûts bruts de main-d'œuvre. Par exemple, les employeurs de salariés faiblement rémunérés ont droit à un crédit d'impôt déductible des taxes sur les salaires/des cotisations de sécurité sociale qui seraient normalement dues. Ces crédits au profit des employeurs existent par exemple en Belgique, en France et aux Pays-Bas. À partir de l'édition de 1998, les avantages fiscaux au profit des titulaires de faibles revenus – qu'ils visent les employeurs ou leurs salariés – figurent dans la plupart des cas dans la description des systèmes nationaux d'impôts et de transferts sociaux et dans les équations fiscales correspondantes.

Dans cette étude, les cotisations de sécurité sociale versées aux administrations publiques sont traitées comme des recettes fiscales. Dans la mesure où elles constituent des paiements obligatoires aux administrations publiques, il est évident qu'elles ressemblent à des impôts. Elles peuvent cependant en différer du fait que, dans la plupart des pays, l'obtention de prestations sociales est subordonnée au versement préalable de cotisations, bien que le montant des prestations ne soit pas nécessairement lié au montant des cotisations. Les pays financent à des degrés divers leurs programmes de sécurité sociale obligatoire à l'aide des recettes fiscales et non fiscales du budget général. On obtient une meilleure comparabilité entre les pays en traitant les cotisations de sécurité sociale comme des impôts mais elles sont énumérées sous une rubrique différente de sorte qu'elles puissent être analysées d'une manière distincte.

E. Caractéristiques des contribuables visés

D'autres hypothèses sont nécessaires pour calculer la situation au regard de l'impôt et des prestations sociales. Huit catégories de contribuables sont identifiées, comme l'indique le tableau III.5 :

- une personne célibataire sans enfant, gagnant 67, 100 et 167 pour cent du salaire de l'ouvrier moyen ;
- un parent isolé ayant deux enfants et dont le salaire est égal à 67 pour cent de celui de l'ouvrier moyen ;
- un couple marié disposant d'un salaire unique du niveau de celui de l'ouvrier moyen ;
- trois cas de couples mariés disposant de deux salaires déclarés séparément et égaux respectivement à 100 et à 33 pour cent du salaire de l'ouvrier moyen, avec ou sans enfant, et

enfin un couple avec enfant dont les salaires imposés séparément sont égaux respectivement à 100 et à 67 pour cent de celui de l'ouvrier moyen (OM).

Tableau III.5. **Caractéristiques des contribuables étudiés**

Situation de famille	Enfants	Salaire principal	Salaire d'appoint
Célibataire	Pas d'enfant	67 % du salaire de l'OM	–
Célibataire	Pas d'enfant	100 % du salaire de l'OM	–
Célibataire	Pas d'enfant	167 % du salaire de l'OM	–
Célibataire	2 enfants	67 % du salaire de l'OM	–
Couple marié	2 enfants	100 % du salaire de l'OM	–
Couple marié	2 enfants	100 % du salaire de l'OM	33 % du salaire de l'OM
Couple marié	2 enfants	100 % du salaire de l'OM	67 % du salaire de l'OM
Couple marié	Pas d'enfant	100 % du salaire de l'OM	33 % du salaire de l'OM

Dans les cas de familles avec enfants, on admet que l'âge de ceux-ci est compris entre 5 et 12 ans.

On suppose que la famille ne dispose pas d'autres sources de revenus que ses salaires et dépendant de la taille de la famille les prestations sociales d'application générale.

F. Calcul des impôts sur le revenu

Les tableaux par pays de la partie IV indiquent la méthode utilisée pour le calcul des impôts sur le revenu. On détermine d'abord les allègements fiscaux applicables au salaire brut d'un contribuable présentant les caractéristiques et se situant au niveau de revenu de l'ouvrier moyen. En second lieu, on applique le barème d'imposition au revenu imposable et l'impôt exigible ainsi calculé est diminué des crédits d'impôt éventuels. La principale difficulté que soulève ce calcul réside dans la détermination des allègements fiscaux à retenir. On peut distinguer deux grandes catégories d'allègements fiscaux :

- *Les allègements à caractère forfaitaire* : il s'agit de mesures d'allègement fiscal qui sont sans lien avec les dépenses réellement exposées par le contribuable et qui sont automatiquement consentis à tous les contribuables qui remplissent les conditions prévues par la législation. Ils prennent généralement la forme de montants forfaitaires ou de pourcentages fixes du revenu et constituent la principale catégorie d'allègement prise en compte pour déterminer l'impôt sur le revenu versé par les ouvriers. Les allègements forfaitaires sont pris en compte pour le calcul de la situation initiale de l'ouvrier moyen au regard de l'impôt. Ils comprennent :
 - *l'abattement à la base* qui est fixe et dont bénéficient tous les contribuables ou tous les salariés quel que soit leur état matrimonial ou leur situation de famille ;
 - *l'abattement forfaitaire* accordé aux contribuables en fonction de leur *état matrimonial* ;
 - *l'abattement forfaitaire* accordé aux familles ayant deux *enfants* de 5 à 12 ans ;
 - *l'abattement forfaitaire pour frais professionnels* qui est généralement fixe ou déterminé en pourcentage du salaire ;
 - les *allègements fiscaux* autorisés au titre des *cotisations de sécurité sociale* et des autres *impôts sur le revenu* sont également considérés comme des allègements forfaitaires dès lors qu'ils s'appliquent à l'ensemble des salariés et qu'ils concernent des versements obligatoires aux administrations³.
- *Déductions non forfaitaires* : Il s'agit de mesures d'allègement fiscal qui sont entièrement déterminées par référence à des charges effectivement supportées. Leur montant n'est ni forfaitaire ni calculé par application de pourcentages fixes du revenu. On peut en donner comme exemples les déductions au titre des intérêts des emprunts remplissant certaines conditions

(par exemple pour l'acquisition d'un logement) des primes d'assurance, des cotisations à des régimes de retraite complémentaire et des dons aux organismes de bienfaisance.

Les allègements forfaitaires sont appréhendés de manière distincte et leur incidence sur le taux moyen de l'impôt sur le revenu fait l'objet d'un calcul séparé dans les tableaux par pays. Une brève description des principaux allègements non forfaitaires figure dans les chapitres par pays. Une comparaison de l'incidence de ces allègements sur le taux de l'impôt sur le revenu est donnée dans le tableau III.6. La valeur des déductions non forfaitaires a été calculée de la manière suivante

En premier lieu, on identifie les déductions auxquelles peut prétendre un contribuable dont la situation de famille et le niveau de revenu sont ceux d'un ouvrier moyen ou un groupe plus large de contribuables englobant l'ouvrier moyen. Les abattements qui ne correspondent pas aux hypothèses retenues pour un ouvrier moyen (par exemple les abattements accordés aux travailleurs indépendants) ne sont donc pas pris en compte. Par conséquent, pour chaque déduction identifiée, le montant moyen de l'allègement lié aux dépenses est déterminé, compte tenu de celles qui ne correspondent pas à cet élément spécifique de revenu (et à la déduction correspondante) afin d'obtenir une valeur moyenne de cet allègement pour l'ensemble des contribuables qui présentent les caractéristiques de l'ouvrier moyen (dans le groupe plus large). On calcule ensuite l'incidence de ces différents allègements sur le taux moyen de l'impôt sur le revenu. On considère par exemple le cas où l'on estime que 20 pour cent de l'ensemble des contribuables de la tranche de revenu correspondant à celle de l'ouvrier moyen sont propriétaires de leur logement et déduisent en moyenne 10 000 unités monétaires d'intérêts de prêts hypothécaires. Dans ce cas, on admettrait qu'en moyenne les contribuables de la tranche de revenu correspondant à celle de l'ouvrier moyen déduisent 2 000 unités monétaires d'intérêts de prêts hypothécaires (c'est-à-dire le cinquième de 10 000 unités). Au taux marginal de 30 pour cent, l'allègement fiscal correspondant est de 600 unités, et l'on recalcule en conséquence le taux moyen d'imposition de l'ouvrier moyen.

Les allègements fiscaux non forfaitaires qui ne correspondent pas à des sources de revenu spécifiques sont totalement déduits de l'impôt. En revanche, pour les déductions qui ne sont pas liées à des sources de revenu spécifiques (par exemple les déductions d'intérêts de prêts hypothécaires qui doivent être, dans certains pays, déduits des loyers imputés aux propriétaires de leurs logements) seul l'excédent par rapport au revenu correspondant est pris en compte dans les calculs indiqués au tableau III.6.

G. Impôts sur le revenu perçus à un niveau autre que celui de l'administration centrale

Les impôts sur le revenu perçus par les niveaux intermédiaires d'administration dans les États fédéraux (États, provinces, cantons) et par les collectivités locales sont inclus dans le champ de la présente étude. Des impôts sur le revenu sont perçus à l'échelon des États fédérés au Canada, aux États-Unis et en Suisse. En 1997, l'Espagne a introduit un impôt sur le revenu pour les régions autonomes. Des taxes sont perçues à l'échelon local en Belgique, au Canada, en Corée, au Danemark, aux États-Unis, en Finlande, au Japon, en Norvège, en Suède et en Suisse. En Belgique, au Canada (en dehors du Québec), en Corée, au Danemark, en Espagne et en Norvège, ces impôts sont calculés en pourcentage du revenu imposable ou de l'impôt d'État. En Finlande, au Japon, en Suède et en Suisse, les collectivités décentralisées appliquent des allègements fiscaux différents de ceux applicables dans le cadre du système de l'impôt sur le revenu de l'administration centrale ; aux États-Unis, les niveaux inférieurs d'administration appliquent un système d'imposition du revenu distinct et disposent d'un pouvoir discrétionnaire à l'égard de l'assiette et du taux d'imposition (voir tableau III.7). Sauf aux États-Unis, au Japon et en Suisse, où existe des barèmes progressifs ces impôts locaux sont perçus sur la base d'un taux unique.

En raison des différences pouvant exister à l'intérieur d'un même pays dans le taux et l'assiette des impôts sur le revenu des collectivités décentralisées, il est parfois fait l'hypothèse que le contribuable percevant le salaire moyen de l'industrie manufacturière a son domicile dans une zone où ce secteur est particulièrement important et ce sont les impôts sur le revenu (et les prestations

Tableau III.6. Principaux allègements fiscaux non forfaitaires dont bénéficie un ouvrier moyen

	Montant moyen des allègements normalement reçus par l'ouvrier moyen (monnaie nationale) ¹		Taux de l'impôt sur le revenu payé par un ouvrier moyen				Contribuables auxquels s'appliquent les calculs ²
	Célibataire	Couple	Avant prise en compte de ces allègements		Ayant prise en compte de ces allègements		
			Célibataire	Couple	Célibataire	Couple	
AUSTRALIE (1996-1997)			22.7	21.5	21.5	21.6	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Frais professionnels (AF)	1 270	1 141					
Autres déductions (AF)	207	268					
AUTRICHE (1994)		1 400	7.5	1.9	5.9	0.3	Ensemble des salariés
BELGIQUE (2000)		8 943	27.9	17.1	27.6	16.6	Ensemble des salariés
CANADA (1998)		2 143	21.6	12.2	19.3	9.1	Salariés du type de l'ouvrier moyen
Système de retraite agréé (AF)							
Système d'épargne retraite agréé (AF)							
Cotisations syndicales et professionnelles (AF)							
Dons aux œuvres (CI) Autres (AF)							
DANEMARK (1998)			33.7	32.0	26.7	24.9	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Cotisations/ primes versées à des systèmes de retraite privée (AF)	14 300	18 300					
Intérêts versés (nets des intérêts perçus et des loyers imputés) (AF)	-16 200	-37 100					
Frais de déplacement (AF)	3 600	6 200					
Cotisations syndicales (AF) Autres déductions	4 110 3 400	6 950 1 810					
FINLANDE (1997)			28.0	28.0	26.4	25.6	Salariés du type de l'ouvrier moyen
Frais professionnels (AF)	3 402	4 032					
Crédit d'impôt au titre des intérêts versés (CI)	646	1 611					
HONGRIE (2001)			18.4		14.9		Ensemble des contribuables dont le revenu est proche de celui de l'ouvrier moyen
Crédit d'impôt familiaux (CI)	25 032	-					
Personnes avec un lourd handicap (CI) ^o	383	-		-		-	
Cotisations à des fonds d'assurances (CI)	1 384	-		-		-	
Frais complémentaires d'appartenance à un fond de pension privé (CI)	110	-		-		-	
Activités intellectuelles (CI)	253	-		-		-	
Amortissement de crédit relatif à l'acquisition d'un logement (CI)	1 394	-		-		-	
Frais de scolarité (CI)	526	-		-		-	
Dons à des fondations (CI)	175	-		-		-	
Contrats d'assurance (CI)	4 004	-		-		-	
Crédit fiscal pour l'investissement (CI)	317	-		-		-	
Épargne relative à l'acquisition d'un logement (CI)	40	-		-		-	

Tableau III.6. Principaux allègements fiscaux non forfaitaires dont bénéficie un ouvrier moyen (suite)

	Montant moyen des allègements normalement reçus par l'ouvrier moyen (monnaie nationale) ¹		Taux de l'impôt sur le revenu payé par un ouvrier moyen				Contribuables auxquels s'appliquent les calculs ²
	Célibataire	Couple	Avant prise en compte de ces allègements		Ayant prise en compte de ces allègements		
			Célibataire	Couple	Célibataire	Couple	
ISLANDE (1994)							
Intérêts versés au titre de l'habitation personnelle (IC)	11 250	22 000	20.5	3.3	19.6	1.5	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
IRLANDE (1999)							
Frais professionnels (AF)		80	19.3	10.1	18.5	9.4	Ensemble des salariés de l'industrie manufacturière dont le revenu est compris entre 15 000 et 17 500 €IR
Allègement au titre de l'assurance maladie (CI)		17					
Ensemble des intérêts versés (CI)		75					
LUXEMBOURG (2001)							
Frais professionnels (5 %) (AF)	75 000	75 000	10.8				Ensemble des salariés
Déductions spécifiques (3.5 %) (AF)	45 000	70 000					
Déductions exceptionnelles (1.1 %) (AF)	27 000	80 000					
Intérêts versés au titre de l'habitation personnelle (AF)	45 000	180 000					
NORVÈGE (2000)							
Frais de déplacement exceptionnels au-delà de NOK 8 500 (AF)		3 600	29.2		26.3		Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Cotisations syndicales (AF)		600					
Primes et cotisations aux régimes professionnels de retraites publiques et privées (AF)		2 300					
Primes aux régimes de retraites complémentaires individuelles (AF)		400					
Abattement illimité au titre des intérêts versés (AF)		25 000					
ESPAGNE (1995)							
Intérêts sur emprunts hypothécaires (AF)		123 557	13.2	6.4	8.9	2.2	17 % de l'ensemble des contribuables dont le revenu est proche de celui de l'ouvrier moyen
15 % de l'amortissement du logement (CI)							
SUÈDE (2000)							
Frais de déplacement au travail excédent Skr 7000 (AF)		2 928	34.9		33.5		Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Autres frais professionnels (AF)		731					
Primes aux régimes de retraites (AF)		2 321					
Indemnités pour versements d'intérêts (CI)		10 657					
SUISSE (1999)							
Frais professionnels (AF)		3 200	10.2	5.0	9.1	4.3	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
ROYAUME-UNI (2000-2001)							
Frais professionnels (AF)	10	10	15.5	10.3	15.5	10.3	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen

Tableau III.6. Principaux allègements fiscaux non forfaitaires dont bénéficie un ouvrier moyen (suite)

	Montant moyen des allègements normalement reçus par l'ouvrier moyen (monnaie nationale) ¹		Taux de l'impôt sur le revenu payé par un ouvrier moyen				Contribuables auxquels s'appliquent les calculs ²
	Célibataire	Couple	Avant prise en compte de ces allègements		Ayant prise en compte de ces allègements		
			Célibataire	Couple	Célibataire	Couple	
ÉTATS-UNIS (2000)			18.0		n.d.		Ensemble des contribuables dont le revenu est proche de celui de l'ouvrier moyen
Frais médicaux (AF)	376						
Impôts versés (AF)	1 116						
Intérêts versés (AF)	1 972						
Cotisations (AF)	596						

Note : AF = abattement fiscal ; CI = crédit d'impôt.

Tableau III.7. Impôts sur le revenu des collectivités décentralisées, 2001

	Assiette de l'impôt	Écarts des taux du barème à l'intérieur du pays ou de la région retenue		Région ou taux d'imposition retenu pour l'étude
		Barème à un seul taux minimum et maximum à l'intérieur du pays	Barème progressif appliqué dans la région retenue	
Belgique	Impôt versé à l'administration centrale	Jusqu'à un maximum de 8 %		7 %
Canada ¹ (à l'exclusion du Québec)	Impôt versé à l'administration centrale		Voir partie V	49,5 % des impôts fédéraux
Corée	Impôt versé à l'administration centrale	3,75 % à 11,25 %		10 %
Danemark	Revenu imposable à l'impôt d'État	27,6 % à 35,82 %		Moyenne pondérée (33,2 %)
Espagne	Revenu imposable à l'impôt d'État	3 % à 8,4 % dans l'ensemble du pays		Barème général
Finlande	Revenu imposable à l'impôt d'État ajusté ²	15 % à 19,75 %		Moyenne pondérée (17,78 %)
Islande	Revenu imposable à l'impôt d'État	Jusqu'à un maximum de 12,04 %		Moyenne pondérée (12,79 %)
Italie	Revenu imposable à l'impôt d'État	0,9 % à 1,9 %		0,9 %
Japon	Revenu imposable à l'impôt d'État ajusté ²		Barème normal applicable dans l'ensemble du pays (5 % à 15 % plus montant fixe)	Barème général
Norvège	Revenu imposable à l'impôt d'État (moins une déduction spécifique)	28 % dans l'ensemble du pays		28 %
Suède	Revenu imposable à l'impôt d'État	Max. 33,17 %, min. 27,15 %		30,52 % moyenne pondérée
Suisse	Revenu imposable à l'impôt d'État ajusté ²		0 % à 30,55 % (Zurich)	Zurich (barème progressif)
États-Unis	Revenu imposable à l'impôt d'État ajusté à partir d'assiettes fiscales distinctes.		0 % à 10 %	Michigan et Detroit (taux uniforme 4,2 % et 2,75 % respectivement)

1. Le Québec applique son propre système d'impôt sur le revenu des personnes physiques. L'impôt provincial est calculé en pourcentage de l'impôt versé à l'administration centrale.

2. Le revenu soumis à l'impôt est le même que dans le système d'impôt sur le revenu de l'administration centrale mais les allègements fiscaux applicables ne sont pas identiques.

sociales) applicables dans cette zone qui sont indiqués. C'est la formule qui a été adoptée par la Suisse et les États-Unis où l'assiette et les taux de l'impôt sont très variables sur l'étendue du territoire. Le Canada, le Danemark, la Finlande et la Suède ont préféré, pour leur part, retenir le taux moyen des impôts sur le revenu des collectivités décentralisées pour l'ensemble du pays. En Norvège, ce problème ne se pose pas, les taux des impôts locaux n'étant pas différents les uns des autres ; le Japon a retenu le barème général le plus largement appliqué et la Belgique le taux le plus généralement appliqué de l'impôt local sur le revenu. Le tableau III.7 résume les modes de calcul de ces impôts et la méthode utilisée pour déterminer le montant des impôts sur le revenu versé aux collectivités décentralisées par un ouvrier moyen.

H. Cotisations de sécurité sociale

La présente étude prend en compte les cotisations sociales obligatoires versées par les salariés se situant au niveau de revenu de l'ouvrier moyen à l'État ou à des organismes de sécurité sociale effectivement contrôlés par l'État. Dans la plupart des pays, ces cotisations sont calculées sur les salaires bruts et affectées au financement de prestations sociales. En Finlande, en France, aux Pays-Bas et en Norvège certaines de ces cotisations dépendent du revenu imposable (c'est-à-dire les salaires bruts après allocations et déductions).

Les cotisations à des systèmes de sécurité sociale extérieurs à l'administration ne sont pas incluses dans les calculs.

I. Taxes sur les salaires et la main-d'œuvre

La base d'imposition des taxes sur les salaires est soit un pourcentage des salaires, soit un montant fixe par salarié. Toutes les taxes sur les salaires sont indiquées à la rubrique 3000 des *Statistiques des recettes publiques*⁴. Quatorze pays de l'OCDE déclarent des recettes des taxes sur les salaires relevant de la rubrique 3000 : Australie, Autriche, Canada, République tchèque, Danemark, France, Grèce, Hongrie, Irlande, Corée, Mexique, Nouvelle-Zélande, Pologne et Suède. Les taxes sur les salaires sont incluses dans les 'coins fiscaux' totaux indiqués dans cette publication, dans la mesure où elles ont pour effet d'accroître l'écart entre les coûts bruts de main-d'œuvre et la rémunération nette disponible après impôt de la même manière que l'impôt sur le revenu et les cotisations de sécurité sociale. La principale différence avec ces dernières est le fait que, dans le cas des taxes sur les salaires, il existe un lien moins direct entre le paiement de l'impôt et les éléments constitutifs de la rémunération de chaque salarié. Par ailleurs, la base des taxes sur les salaires peut différer de la base des cotisations de sécurité sociale à la charge des employeurs. Par exemple, certains avantages accessoires peuvent n'être assujettis qu'à la taxe sur les salaires. Comme ce rapport porte sur le cas général, la base de la taxe sur les salaires est – selon la législation en vigueur – le salaire brut (à l'exclusion des avantages accessoires et autres éléments de rémunération, qui varient selon les salariés) plus les cotisations patronales de sécurité sociale ou un montant fixe par salarié.

Depuis l'édition de 1998, l'Autriche inclut ses taxes sur les salaires et la main-d'œuvre dans les calculs des impôts et des transferts sociaux. Pour diverses raisons, plusieurs pays qui font état de recettes de taxes sur les salaires dans les *Statistiques des recettes publiques* n'ont pas fait figurer ces taxes dans les calculs effectués en vue de la présente étude.

Dans le cas de la République tchèque, de la Grèce, de l'Irlande et de la Pologne les revenus reportés dans les *Statistiques des recettes publiques* ne sont pas quantitativement significatifs ou sont en rapport avec des impôts qui ne s'appliquent plus.

Au Danemark, les employeurs paient un montant fixe par employé. Les recettes fiscales ainsi collectées alimentent un fond qui permet de subventionner les employeurs qui recrutent des stagiaires dont les qualifications sont faibles ou moyennes. Cet impôt sur les salaires n'est pas inclus dans les équations fiscales du Danemark.

La Hongrie prend en compte la cotisation des employeurs pour l'assurance médicale; toutefois la taxe communale sur les entreprises n'est pas comprise puisque toutes les municipalités ne prélèvent pas cet impôt.

La Corée ne tient pas compte de l'impôt sur les bureaux commerciaux (« Business Office Tax ») qui s'applique aux entreprises de plus de 150 salariés (voir § 5.4 du chapitre par pays à la partie V).

La Nouvelle-Zélande n'a pas inclus les taxes sur salaires et la main-d'œuvre dans les calculs de ses impôts pour la raison principale que l'impôt sur les avantages annexes (« Fringe Benefit Tax ») n'est pas fonction du revenu du salarié et que les autorités n'ont pas d'information précise pour allouer l'impôt à tous les salariés au pro rata de leur revenu. Il s'en suit que l'impôt sur les avantages annexes n'est pas une catégorie « standard » et qu'en conséquence il ne doit pas être inclus dans le calcul des impôts et des transferts sociaux des salariés.

J. Impôt paroissial

Plusieurs pays de l'OCDE prélèvent une taxe appelée « impôt paroissial ». Mais à une exception près, les pays ne rapportent pas les revenus procurés par cette taxe dans les *Statistiques des recettes publiques*. Le Danemark qui lui rapporte ces impôts étant donné que l'Église d'État danoise est classée comme faisant partie des Administrations publiques estime que ce classement est justifié du fait du haut degré de contrôle qu'exerce l'État sur l'Église. Le Groupe de travail sur l'analyse des politiques et des statistiques fiscales ayant souhaité que les impôts paroissiaux soient traités de façon consistante dans ses deux principales publications statistiques a admis que les impôts paroissiaux du Danemark soient aussi inclus dans les calculs des « impôts sur les salaires ».

K. Prestations en espèces versées aux familles par l'administration

Les déductions fiscales et les prestations familiales en espèces de caractère général versées au titre des enfants à charge de cinq à douze ans en cours de scolarité sont incluses dans le champ de l'étude. Par conséquent, seuls les enfants de six, sept, huit, neuf, dix et onze ans sont pris en compte dans la détermination de la déduction fiscale au titre des enfants à charge et/ou dans le montant des prestations familiales. Si les déductions fiscales ou les transferts en espèces varient à l'intérieur de ce groupe d'âges, ce sont les dispositions les plus avantageuses qui sont retenues. Le cas des jumeaux est explicitement laissé de côté. Supposons que le programme de prestations familiales d'un pays présente la structure suivante :

Groupe d'âges	Prestations par enfant à charge
Enfants 6-8 ans	110 unités
Enfants 9-10 ans	120 unités
Enfants 11-14 ans	150 unités

Le résultat le plus favorable est obtenu dans le cas des jumeaux de 11 ans : 300 unités. Toutefois, comme on exclut le cas des jumeaux, le meilleur résultat devient 270 unités (un enfant de 11 ans, et un enfant de 9 ou 10 ans). Ce montant serait inclus dans le tableau par pays. Souvent, le montant des prestations se trouve relevé lorsque l'âge des enfants augmente d'une année. En supposant que les enfants sont nés le 1er janvier, le montant annuel des allocations familiales reçues peut être calculé à partir du barème de prestations en vigueur au début de l'année en question. Les révisions de ces montants intervenues au cours de l'année sont prises en compte

Les prestations sociales d'application générale pertinentes comprennent celles dispensées par les administrations centrales et locales. Pour la plupart des familles de cette étude elles constituent le seul transfert en espèce d'importance reçue des administrations publiques.

L. Crédits d'impôts récupérables

L'édition 2001 de la publication intitulée *Les impôts sur les salaires* comporte une légère modification : l'inclusion pour mémoire des crédits d'impôt récupérables. Il s'agit du cas où des crédits d'impôt sont supérieurs à la somme due au fisc et où la différence peut être remboursée sous forme de versement au contribuable. En principe, on peut traiter ces crédits d'impôt de différentes manières, en les considérant comme des dispositions fiscales ou des transferts en espèces, ou encore une combinaison des deux. Une étude spéciale figurant dans l'édition 2001 de *Statistiques des recettes publiques* examine ces différentes solutions, ainsi que les problèmes d'ordre conceptuel et pratique qui se posent pour choisir la méthode qui convient le mieux à la présentation de statistiques internationalement comparables des recettes fiscales⁵. Sur la base de cet examen et de ses conclusions, les prochaines éditions des *Statistiques des recettes publiques*, à compter de 2002, continueront à se conformer au guide d'interprétation qui prévoit que seule la composante dépenses fiscales des crédits d'impôt récupérables doit être retenue pour le calcul des recettes fiscales (voir plus bas). Toutefois, les *Statistiques des recettes publiques* donneront des informations complémentaires sur les montants totaux réclamés par le fisc et la composante transferts totale des crédits d'impôt récupérables, pour montrer les résultats de différents traitements statistiques⁶.

A dater de l'édition 2001, on a également modifié la présentation des crédits d'impôt récupérables dans *Les impôts sur les salaires*, pour inclure une rubrique pour mémoire où figurent les composantes dépenses fiscales et transferts en espèces. Mais, à part l'introduction de cette rubrique, le traitement de ces crédits d'impôt et leur incidence sur les statistiques présentées dans *Les impôts sur les salaires* ne changeront pas. En particulier, les calculs d'impôt sur le revenu des personnes physiques des tableaux par pays continueront à imputer la totalité des crédits d'impôt récupérables. Comme on l'a indiqué ci-dessus, le guide d'interprétation des *Statistiques des recettes publiques* demande :

- i) que seule la fraction du crédit d'impôt récupérable qui a pour effet de réduire ou d'effacer la dette fiscale du contribuable (la composante « dépense fiscale »)⁷ soit déduite dans la présentation des recettes ; et
- ii) que la fraction du crédit d'impôt qui est supérieure à la somme à payer par le contribuable et qui lui est remboursée (la composante « transfert en espèces ») soit traitée comme une dépense et ne soit pas déduite des chiffres de recettes fiscales.

Si l'on s'en tenait strictement au guide d'interprétation des *Statistiques des recettes publiques*, il faudrait que seule la composante dépenses fiscales des *Impôts sur les salaires* soit imputée sur l'impôt sur le revenu, tout dépassement éventuel étant traité comme un transfert en espèces. Cependant, cette méthode aurait pour effet d'affaiblir et non de renforcer la valeur informative des résultats obtenus. En particulier, limiter les demandes de crédits d'impôt à la dépense fiscale se traduirait par un impôt nul et un taux moyen d'impôt sur le revenu également nul quand des remboursements en espèces sont effectués. Si l'on ne limite pas de cette façon les demandes de crédits d'impôt, on fera apparaître, quand des remboursements en espèces ont lieu, un impôt négatif sur le revenu et des taux moyens également négatifs d'impôt sur le revenu. On peut soutenir que ces montants négatifs donnent une idée plus claire de la situation du contribuable (plutôt que de considérer une situation de non-imposition). Enfin, le fait de ne pas inclure la fraction correspondant à des transferts en espèces des crédits d'impôts récupérables à la section (11) des tableaux par pays, consacrée strictement aux transferts en espèces, permet une plus grande transparence.

Ainsi, pour étoffer les informations données dans les tableaux par pays sur les crédits d'impôt récupérables, la rubrique pour mémoire qui se trouve au bas des tableaux des pays concernés indique, sur une ligne, les montants de dépenses fiscales et, sur une deuxième ligne, les montants des transferts en espèces. Là où il existe plusieurs dispositifs de crédits d'impôt récupérables, les données présentées font ressortir le total des dépenses fiscales et le total des transferts en espèces (au lieu de faire apparaître distinctement le coût de chaque dispositif). Pour chaque catégorie de ménages considérée, on peut, en faisant la somme des dépenses fiscales et des transferts en espèces, obtenir le coût global de ces mesures.

LIMITES DE L'ÉTUDE

A. Limites de caractère général

L'utilisation de la méthode simple consistant à comparer la situation au regard de l'impôt et des avantages sociaux de l'ouvrier moyen permet d'échapper aux nombreux problèmes conceptuels et de définition que soulèvent des comparaisons plus complexes. Toutefois, l'une des faiblesses de cette méthode est liée au fait que la place de la rémunération de l'ouvrier moyen sur l'éventail des salaires varie d'une économie à l'autre bien que les salaires en question concernent des ouvriers accomplissant des tâches de même nature dans les différents pays membres de l'OCDE.

En raison des limites qui affectent les impôts et les prestations sociales couvertes par le rapport, les données réunies ne peuvent être considérées comme représentatives de l'impact global des administrations sur le niveau de vie des contribuables et de leurs familles. Il faudrait pour cela étudier l'incidence des impôts indirects, le régime applicable en matière d'imposition des revenus du travail non salariaux ainsi que des autres revenus et l'incidence des autres mesures d'allégement fiscal et prestations en espèces. Il faudrait aussi tenir compte de l'incidence sur le niveau de vie des services fournis par l'État soit gratuitement soit en dessous de leur coût et l'incidence sur les salaires et les prix des impôts sur les sociétés et des autres impôts directs. Il est impossible de couvrir un champ d'étude aussi étendu dans le cadre d'une comparaison internationale concernant l'ensemble des pays de l'OCDE. L'importance des écarts entre les résultats présentés ici et ceux auxquels aboutirait une étude complète de l'impact global des interventions publiques sur la situation des salariés serait variable d'un pays à l'autre, notamment en fonction de la part relative des différents impôts dans les recettes publiques et de l'étendue et de la nature des dépenses sociales des administrations (voir annexe II).

Le rapport indique l'incidence formelle de l'impôt sur les salariés et les employeurs. L'incidence économique finale de la charge fiscale peut être répercutée des employeurs aux salariés et *vice versa* à la suite d'ajustements des salaires bruts opérés sur le marché.

Le revenu restant à la disposition du contribuable peut correspondre à des niveaux de vie différents selon les pays, parce que l'éventail des biens et services auxquels le revenu est affecté ainsi que leurs prix relatifs diffèrent d'un pays à l'autre. Dans les pays où les administrations fournissent une gamme importante de biens et services (services de santé gratuits, logements sociaux etc.) le contribuable peut disposer d'un revenu en espèces plus faible tout en ayant un niveau de vie identique à celui d'un contribuable percevant un revenu en espèces plus élevé mais vivant dans un pays où les biens et services publics sont plus limités.

B. Exemples de limites spécifiques affectant le calcul de l'impôt sur le revenu

Étant donné le nombre limité des allègements fiscaux considérés ainsi que l'exclusion des revenus non salariaux, les taux moyens d'impôt sur le revenu calculés dans les tableaux de cette publication ne rendent pas nécessairement compte des taux effectifs des impôts versés par les contribuables se situant aux niveaux de salaires indiqués. L'exclusion des abattements de caractère non forfaitaire liés à des frais réels (voir tableau III.6) peut conduire à surestimer les taux réels d'imposition dans le calcul. D'autre part, l'exclusion des revenus autres que ceux du travail peut tendre à les sous-estimer.

La décision d'exclure les revenus non salariaux (tels que dividendes et intérêts perçus) a été prise parce que l'objet principal de la présente étude est le régime fiscal des revenus du travail. Les contribuables ayant le niveau de revenu de l'ouvrier moyen ne perçoivent généralement pas de revenus significatifs en dehors de leurs salaires. En Australie, en Autriche, en Finlande, et en Irlande par exemple, les revenus non salariaux représentent moins de 0.5 pour cent de la rémunération totale de l'ouvrier moyen. Dans certains pays, toutefois, les contribuables du type de l'ouvrier moyen disposent effectivement de revenus non salariaux. Ainsi, aux États-Unis, plus de 60 pour cent des contribuables de ce type disposent de revenus autres que ceux du travail qui représentent en moyenne environ 5 pour cent des revenus professionnels.

La décision de ne pas procéder à un calcul séparé de l'impôt sur le revenu après prise en compte de l'effet des allègements fiscaux non forfaitaires a été prise pour les raisons suivantes :

- Dans de nombreux cas, les allègements liés à des dépenses effectives représentent des substituts d'aides financières directes. Prendre en considération ces allègements sans prendre en compte par ailleurs les éventuelles aides directes correspondantes conduirait à fausser les comparaisons des rémunérations nettes plus transferts en espèces.
- Le régime fiscal particulier de certaines dépenses peut s'accompagner d'un régime spécial des revenus associés à ces dépenses (par exemple, le régime fiscal des cotisations de sécurité sociale et des pensions de retraite) qui se situe en dehors du champ de la présente étude.
- Quelques pays n'ont pas été en mesure d'estimer la valeur de ces allègements et même les pays qui ont pu effectuer une telle estimation n'ont pas été capables de la limiter aux contribuables présentant les caractéristiques prises par hypothèse dans les rubriques B, D et E de la section précédente.
- Dans la majorité des pays, ces allègements n'affectent pas de manière significative les taux de l'impôt sur le revenu indiqués dans la présente publication et, dans la plupart des cas, seule une minorité de contribuables bénéficient d'un allègement particulier.
- Tous les pays n'ont pas été en mesure de calculer séparément les allègements applicables aux différents types de familles. Lorsqu'on calcule séparément les allègements applicables aux célibataires et aux familles avec enfants, on observe des écarts importants entre les montants des allègements dont bénéficient normalement ces deux catégories de ménages.

Le tableau III.6, qui a été inséré ultérieurement, montre que pour la plupart des pays qui sont en mesure de fournir des informations sur ces allègements, leur prise en compte aurait conduit à une réduction significative des taux de l'impôt sur le revenu, notamment en Espagne et au Luxembourg.

Pour les comparaisons des taux de l'impôt sur le revenu, certains lecteurs peuvent préférer se référer aux taux figurant dans les cinquième et sixième colonnes du tableau III.6 s'agissant de pays tels que le Luxembourg et l'Espagne dans lesquels un ouvrier moyen bénéficierait normalement d'allègements non forfaitaires pour des montants importants. On a néanmoins calculé aussi les taux de l'impôt en utilisant la méthode normale pour l'ensemble des pays et ce sont les chiffres découlant de cette méthode qui sont utilisés dans les principaux tableaux et graphiques comparatifs

C. Limites relatives aux comparaisons de séries chronologiques

Il y a lieu de noter que les éditions précédentes de cette publication, jusqu'à celle de 1995 incluse, ne portaient que sur deux types de familles : les célibataires sans enfants et les couples mariés disposant d'un salaire unique et ayant deux enfants. Les revenus étaient les mêmes dans les deux cas et étaient égaux à ceux d'un ouvrier moyen. Ce champ d'application limité peut expliquer pourquoi les tableaux de l'annexe I n'indiquent des chiffres portant sur la période 1979-2002 que pour ces deux types de familles.

L'interprétation de l'évolution des résultats obtenus sur une certaine période de temps est également sujette à certaines limitations. Toute analyse dynamique de ces résultats doit tenir compte des réserves suivantes :

- Les données relatives aux salaires ne se réfèrent pas nécessairement au même contribuable pendant toute la période considérée. Les salaires moyens dans l'industrie manufacturière sont calculés pour chaque année. De ce fait, les résultats ne se réfèrent pas à l'évolution dans le temps des gains et de la situation de certains individus au regard de l'impôt mais plutôt à la situation d'ouvriers qui, pour chaque année considérée, gagnent un salaire égal au salaire moyen dans l'industrie manufacturière. Cela peut signifier par ailleurs que le montant des salaires auquel il est fait référence peut se situer, au cours de la période considérée, à des niveaux différents sur l'éventail des revenus et les modifications des taux de l'impôt peuvent être influencées par ces évolutions.

- Pour des raisons techniques les procédures suivies par les pays, pour établir les salaires de référence de l'ouvrier moyen, peuvent changer au cours du temps. Par exemple, à compter de l'édition de 1998, la France établit le salaire de l'ouvrier moyen sur la base de statistiques améliorées; en conséquence le rapport enregistre pour 1997 un accroissement additionnel de 5 à 7 pour cent (voir détails à la section 5 du chapitre par pays à la partie V de ce rapport). De même, au § 5.1 du chapitre par pays des Pays-Bas, il est mentionné que depuis 1994 le Bureau central de statistiques ne rapporte plus séparément les revenus des ouvriers manuels. A compter de l'édition de 1999 les Pays-Bas font l'hypothèse que le salaire des ouvriers dans l'industrie est en moyenne égal à 90 pour cent du salaire de l'ensemble des travailleurs de l'industrie, y compris les travailleurs à « cols blancs » ainsi que leurs superviseurs.
- Dans des cas exceptionnels, les impôts compris dans ce rapport pour un pays donné peuvent différer au cours du temps. A compter de l'édition de 1998, la Corée a élargi le champ des cotisations de sécurité sociale. Cette extension explique largement pourquoi le « coin fiscal » entre les coûts du travail et le salaire net d'un célibataire gagnant le SOM passe, dans le cas de la Corée, de 6.3 pour cent en 1996 à 12.4 pour cent en 1997.
- Dans deux (Suisse et États-Unis) des douze pays où existent des impôts sur le revenu des collectivités décentralisées (États et collectivités locales) les taux de l'impôt appliqués à l'ouvrier moyen se réfèrent à une région où l'industrie manufacturière est particulièrement représentée (voir tableau III.7). En conséquence, si l'évolution des taux de l'impôt dans ces régions n'est pas représentative de celle observée dans les autres régions du pays, elle fournit une indication peu satisfaisante de l'évolution des taux moyens d'imposition au niveau national.

L'interprétation des résultats obtenus appelle des précautions particulières lorsque plusieurs des limitations énumérées ci-dessous sont applicables à un pays donné. En effet, si chacune de ces limitations prises individuellement n'est pas susceptible de déformer les résultats obtenus, leur cumul peut avoir un impact important sur ces derniers. En conclusion, les données sont comparables pour les situations particulières auxquelles il est fait référence et les résultats obtenus montrent bien la part du salaire brut qui est conservée par le titulaire. Ce revenu net disponible peut être considéré comme la somme dont dispose le ménage pour exercer son libre choix en matière de dépenses.

D. Limites relatives aux taux marginaux

Dans le calcul des « coins fiscaux » marginaux concernant le conjoint, les éditions précédentes envisageaient le cas où le conjoint qui entre dans la vie active voyait son revenu augmenter de zéro à une unité monétaire donnée de revenu d'activité. Certes, ce cas n'est guère significatif et il est par conséquent moins intéressant étant donné qu'en général un conjoint qui entre dans la vie active bénéficiera d'une augmentation (discontinue) de ses gains plus importante qu'une seule unité monétaire.

De plus, l'approche précédente ne tenait pas compte des « sauts » discontinus des cotisations de sécurité sociale et des crédits d'impôt non-remboursables qui s'appliquent dans le cadre de certains systèmes d'impôts et de prestations sociales lorsque le revenu d'activité du conjoint passe de zéro à une unité monétaire. Ces paiements/transferts qui ne sont pas proportionnels au revenu n'ont pas été pris en compte dans les taux d'imposition marginaux du conjoint dans le cas (100-0) étant donné que leur inclusion aurait abouti à des valeurs exceptionnellement élevées (positives/négatives) du « coin fiscal » (par exemple excédant 1 000 pour cent) qui risqueraient d'induire en erreur.

Afin de pouvoir appliquer cette approche d'une manière plus rigoureuse, il a été décidé – à partir de l'édition de 1998 – de reconstituer le calcul du « coin fiscal » marginal dans le cas (100-0) pour tenir compte du cas où le conjoint, lorsqu'il entre dans la vie active, bénéficie d'une augmentation de ses revenus salariaux de zéro unité monétaire à 33 pour cent du salaire de l'ouvrier moyen.

Il est par ailleurs important de noter qu'un certain nombre de pays membres de l'OCDE font dépendre les prestations sociales d'application générale des revenus. Les prestations se trouvent réduites à mesure que le revenu augmente. Pour les salariés, la réduction de la prestation équivaut à un impôt additionnel et a donc pour effet d'augmenter leur taux marginal combiné (explicite et implicite) d'imposition.

NOTE SUR LES ÉQUATIONS FISCALES

Chaque chapitre par pays contient un tableau d'équations présenté sous une forme normalisée qui indique les calculs nécessaires pour obtenir le montant de l'impôt sur le revenu, des cotisations de sécurité sociale et des transferts en espèces. Ces algorithmes représentent sous une forme algébrique les dispositions légales décrites dans le chapitre et correspondent aux chiffres indiqués dans les tableaux par pays et les tableaux comparatifs. Cette section décrit les conventions utilisées dans la définition des équations et indique la manière dont elles pourraient être appliquées à d'autres recherches.

Les sections précédentes des chapitres par pays décrivent le mode de fonctionnement des systèmes fiscaux et des autres systèmes ainsi que les valeurs des paramètres de ces systèmes, tels que le montant des abattements et des crédits d'impôt et les barèmes d'imposition.

La première partie de la section concernant les équations est le tableau d'équations. Les quatre colonnes contiennent les informations suivantes.

- Les premières deux colonnes contiennent une description et indiquent le nom de la variable correspondant au résultat de l'équation mentionnée sur la même ligne. Elles incluent toujours les treize principales rubriques financières des tableaux par pays. Des lignes supplémentaires définissent des valeurs intermédiaires qui sont calculées soit pour faire apparaître de manière plus détaillée les données figurant dans les tableaux (telles que la ventilation des abattements fiscaux totaux entre les différentes catégories) ou des montants qui facilitent les calculs.
- La troisième colonne indique l'intervalle de calcul dans cette ligne. Cette indication est nécessaire pour tenir compte des différents modes de calcul possibles de l'impôt dû par les couples mariés. Les différentes options sont les suivantes :
 - B Le calcul est effectué séparément aussi bien en ce qui concerne le revenu principal que celui du conjoint et en utilisant les niveaux de rémunération de chacun d'entre eux. Cela vaut pour les cas où il y a imposition séparée et aussi en général pour les cotisations de sécurité sociale.
 - P Le calcul s'applique uniquement au revenu principal. On peut citer comme exemple le cas où le titulaire du revenu principal peut utiliser tous les abattements à la base de son conjoint qui ne peuvent être déduits des revenus de celui-ci.
 - S Le calcul s'applique seulement au conjoint dont le revenu est le plus faible.
 - J Le calcul est effectué une seule fois sur la base du revenu cumulé. Cela vaut pour les systèmes d'imposition conjointe ou familiale et cette méthode est également courante pour le calcul des prestations en espèces au titre des enfants à charge.
- La dernière colonne contient l'équation elle-même. Celle-ci peut se référer aux variables figurant dans le tableau des paramètres (voir ci-dessous) et aux variables qui résultent de l'une des lignes du tableau d'équations lui-même. On utilise également deux variables standards, « marié », qui prend la valeur 1 si la famille est constituée par un couple marié et 0 dans le cas d'un célibataire, et « enfants », qui indique le nombre d'enfants. Parfois, il est fait référence à une variable à laquelle s'ajoute l'affixe « total » qui indique la somme des valeurs des variables à prendre en compte pour le titulaire du revenu principal et son conjoint. De même les affixes « _princ » et « _conjoint » indiquent respectivement les valeurs concernant le titulaire du revenu principal et son conjoint.

Dans les équations, un certain nombre de fonctions sont utilisées. Certaines d'entre elles sont utilisées de la même manière que dans un certain nombre de programmes informatiques d'utilisation courante. Par exemple, $\text{MAX}(X, Y)$ et $\text{MIN}(X, Y)$ permettent de trouver respectivement la valeur maximum et la valeur minimum. $\text{IF}(\text{condition}, X, Y)$ choisit l'expression X si la condition est vérifiée et l'expression Y si elle ne l'est pas. Des expressions booléennes sont également utilisées et l'on admet

qu'elles ont la valeur 1 si l'expression est vérifiée et 0 si elle ne l'est pas. Par exemple, $(\text{enfants} = 2 * \text{CB}_2)$ est équivalent à $\text{IF}(\text{enfant} = 2, \text{CB}_2, 0)$.

Il y a aussi trois fonctions spéciales qui font apparaître les calculs souvent nécessaires dans le cadre des systèmes d'impôt et de sécurité sociale. Ces fonctions sont les suivantes :

- Tax (taxinc, tax_sch) : cette fonction calcule le résultat obtenu en appliquant le barème d'imposition et les différents seuils dans « tax_sch » à la valeur du revenu imposable représenté par « taxinc ». Cette fonction peut être utilisée dans toutes les parties des équations et non pas seulement dans le calcul de l'impôt sur le revenu. Pour certains pays, elle est utilisée en ce qui concerne les cotisations de sécurité sociale ou même pour les niveaux de prestations qui pourraient dépendre des revenus.
- Positive (X) : cette fonction donne le résultat X lorsque cette valeur est positive et 0 dans les autres cas. Elle est donc équivalente à $\text{MAX}(0, X)$.
- Taper (valeur, revenu, seuil, taux) : cette fonction indique le montant représenté par « valeur » si le « revenu » est inférieur au « seuil ». Sinon elle indique la « valeur » réduite par le « taux » multiplié par $(\text{revenu} - \text{seuil})$ à moins que cela ne donne un résultat négatif auquel cas on revient à zéro. Cette fonction indique le calcul qui est parfois nécessaire lorsque, par exemple, un crédit d'impôt peut être accordé en totalité sous réserve que le revenu total soit inférieur à un certain seuil mais se trouve ensuite retiré à un taux donné pour chaque unité monétaire à partir de ce seuil jusqu'à son retrait complet.

Quiconque souhaite utiliser ces équations à d'autres fins devra établir des fonctions correspondant à ces fonctions spéciales ou apporter les modifications appropriées aux équations qui les utilisent.

A la suite du tableau d'équations se trouve un tableau qui décrit brièvement chaque paramètre (tel que le « Crédit d'impôt de base »), indique le nom du paramètre tel qu'il est utilisé dans l'équation algébrique (« Basic_cred ») et la valeur actuelle pour l'année considérée (telle que « 1098 »). Lorsqu'il existe un tableau de valeurs – par exemple un barème des taux d'imposition et des seuils de revenu imposable correspondants – un nom est donné à l'ensemble du tableau (par exemple « tax_sch »). Ces noms de variables sont ceux qui sont utilisés dans les équations.

NOTES

1. Les estimations des salaires indiqués dans les *Perspectives économiques* correspondent aux informations qui figurent dans la Base de données analytique du Département des affaires économiques de l'OCDE. Ces estimations sont établies par les bureaux du Département des affaires économiques chargés des différents pays. Les données qui figurent dans la Base de données analytique EO71 correspondent au numéro de juin 2002 (n° 71) des *Perspectives économiques*, qui était le numéro le plus récent au moment où cette étude a été effectuée.
2. On trouvera plus de précisions dans la publication intitulée *Les pouvoirs fiscaux des administrations infranationales*, Études de politique fiscale de l'OCDE n° 1 (Paris, 1999).
3. Dans ce cas, le montant de la déduction d'impôt est lié aux cotisations de sécurité sociale réellement versées par le salarié ou retenues sur son salaire – par conséquent, ce poste s'écarte de la définition générale des abattements forfaitaires selon laquelle ces abattements sont indépendants des dépenses effectivement encourues.
4. *Statistiques des recettes publiques de l'OCDE*, 1965-1998, p. 287.
5. *Statistiques des recettes publiques de l'OCDE*, 1965-2000, pp. 28-31.
6. *Statistiques des recettes publiques de l'OCDE*, 1965-2001, pp. 22-24.
7. Cette caractérisation doit être considérée comme informelle car il faudrait, pour déterminer les dépenses fiscales, trouver un système fiscal de référence pour chaque pays ou, mieux encore, une référence internationale commune. Dans les faits, il n'a pas été possible de s'accorder sur le choix d'une référence internationale à cette fin.

Part IV
COUNTRY TABLES, 2002

All thirty country tables in this part of the report have a similar format. The left hand page of each table specifies the tax-benefit position of single persons in four cases, which differ by wage level (67/100/167 per cent of the APW wage level), and the presence of children (0/2). The right hand page of the table specifies the tax-benefit position of married couples, again discerning between four cases, which now differ by wage level (0/33/67/100 per cent of the APW wage level), the presence of children (0/2) and one-/two-earner situations.

All tables start with gross wage earnings (line 1) and derive taxable income for the personal income tax levied by central government (line 4), taking into account a number of standard tax allowances (line 2) and taxable cash transfers (line 3). Taxable income allows the determination of central government income tax paid (line 7), including reductions in the form of tax credits (line 6). Total payments to general government (line 10) also include state and local income taxes (line 8) and employees' compulsory social security contributions (line 9). Take-home pay (line 12) is calculated as gross wage earnings less all payments to general government, plus universal cash transfers received from general government (line 11).

Line 13 reports employers' compulsory social security contributions.

Average tax rates (line 14) are then calculated as:

- the share of income tax in gross wage earnings;
- the share of employees' social security contributions in gross wage earnings;
- the share of income tax and employees' social security contributions minus benefits in gross wage earnings;
- the share of income tax and all social security contributions minus benefits in gross labour costs.

Marginal tax rates (line 15) are calculated similarly as:

- the increase in income tax and employees' contributions minus benefits as a share of the related increase in gross wage earnings (both for the principal earner and the spouse);
- the increase in tax and all social security contributions minus benefits as a share of the related increase in gross labour costs (both for the principal earner and the spouse).

Partie IV

TABLEAUX PAR PAYS, 2002

Les trente tableaux par pays qui figurent dans cette partie de l'ouvrage sont présentés de la même manière. La page de gauche de chaque tableau précise la situation au regard de l'impôt et des prestations sociales de personnes physiques dans quatre cas, qui diffèrent par le niveau de salaire (67/100/167 pour cent du niveau de salaire de l'ouvrier moyen) et la présence d'enfants (0/2). La page de droite du tableau précise la situation, au regard de l'impôt et des prestations sociales, des couples mariés, en distinguant là encore quatre cas, qui diffèrent ici par le niveau de salaire (0/33/67/100 pour cent du niveau de salaire de l'ouvrier moyen), la présence d'enfants (0/2) et l'existence d'un seul ou de deux salaires.

Tous les tableaux commencent par le salaire brut (ligne 1) et en déduisent le revenu imposable au titre de l'impôt sur le revenu des personnes physiques perçu par l'administration centrale (ligne 4) compte tenu d'un certain nombre d'abattements forfaitaires (ligne 2) et de prestations en espèces imposables (ligne 3). Le revenu imposable permet de déterminer l'impôt sur le revenu versé à l'administration centrale (ligne 7) compte tenu des réductions sous forme de crédits d'impôt (ligne 6). L'ensemble des versements aux administrations publiques (ligne 10) inclut également les impôts sur le revenu versés à un niveau autre que celui de l'administration centrale (ligne 8) et les cotisations de sécurité sociale obligatoires des salariés (ligne 9). Le revenu disponible (ligne 12) est calculé à partir du salaire brut dont on retranche l'ensemble des versements aux administrations publiques et auquel on ajoute les prestations sociales en espèces d'application générale reçues des administrations publiques (ligne 11).

La ligne 13 indique les cotisations patronales de sécurité sociale obligatoires.

Les taux moyens d'imposition (ligne 14) sont ensuite calculés sous la forme suivante :

- la part de l'impôt sur le revenu dans le salaire brut ;
- la part des cotisations salariales de sécurité sociale dans le salaire brut ;
- la part de l'impôt sur le revenu et des cotisations de sécurité sociale des salariés moins les avantages dans le salaire brut ;
- la part de l'impôt sur le revenu et de l'ensemble des cotisations de sécurité sociale moins les avantages dans les coûts bruts de main-d'œuvre.

Les taux marginaux d'imposition (ligne 15) sont exprimés de même sous la forme suivante :

- l'augmentation de l'impôt sur le revenu et des cotisations de sécurité sociale moins les avantages des salariés en pourcentage de l'augmentation correspondante du salaire brut (pour le titulaire du revenu principal et pour son conjoint) ;
- l'augmentation des impôts et des cotisations dues moins les avantages en pourcentage de l'augmentation correspondante des coûts bruts de main-d'œuvre (à la fois pour le titulaire du revenu principal et pour son conjoint).

Australia		2002			
		The tax/benefit position of single individuals			
Wage level (per cent of APW)		67	100	167	67
Number of children		none	none	none	2
1. Gross wage earnings		30567	45851	76418	30567
2. Standard tax allowances					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses				
	Other				
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	662
4. Central government taxable income (1 - 2 + 3)		30567	45851	76418	31230
5. Central government income tax liability (exclusive of tax credits)					
	Income tax	5550	10135	23297	5749
	Medicare Levy	459	688	1146	438
	Total	6009	10823	24443	6187
6. Tax credits					
	Basic credit	0	0	0	0
	Married or head of family	0	0	0	0
	Children				
	Other				
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		6009	10823	24443	6187
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions		0	0	0	0
10. Total payments to general government (7 + 8 + 9)		6009	10823	24443	6187
11. Cash transfers from general government					
	For head of family	0	0	0	813
	For two children	0	0	0	8585
	Total	0	0	0	9398
12. Take-home pay (1-10+11)		24559	35028	51975	33778
13. Employers' compulsory social security contributions		0	0	0	0
14. Average rates					
	Income tax	19.7%	23.6%	32.0%	20.2%
	Employees' social security contributions	0.0%	0.0%	0.0%	0.0%
	Total payments less cash transfers	19.7%	23.6%	32.0%	-10.5%
	Total tax wedge including employer's social security contributions	19.7%	23.6%	32.0%	-10.5%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	31.5%	31.5%	48.5%	70.0%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	31.5%	31.5%	48.5%	70.0%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

Australia		2002			
The tax/benefit position of married couples					
	Wage level (per cent of APW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross wage earnings		45851	61135	76418	61135
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		45851	61135	76418	61135
5. Central government income tax liability (exclusive of tax credits)					
Income tax		10135	11714	15686	11714
Medicare Levy		688	837	1146	837
	Total	10823	12550	16832	12550
6. Tax credits					
Basic credit		0	150	0	150
Married or head of family		0	0	0	0
Children					
Other					
	Total	0	150	0	150
7. Central government income tax finally paid (5-6)		10823	12400	16832	12400
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions		0	0	0	0
10. Total payments to general government (7 + 8 + 9)		10823	12400	16832	12400
11. Cash transfers from general government					
For head of family		0	0	0	0
For two children		4103	2124	2124	0
	Total	4103	2124	2124	0
12. Take-home pay (1-10+11)		39131	50859	61711	48734
13. Employers' compulsory social security contributions		0	0	0	0
14. Average rates					
Income tax		23.6%	20.3%	22.0%	20.3%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		14.7%	16.8%	19.2%	20.3%
Total tax wedge including employer's social security contributions		14.7%	16.8%	19.2%	20.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		31.5%	31.5%	31.5%	31.5%
Total payments less cash transfers: Spouse		23.3%	37.0%	31.5%	37.0%
Total tax wedge: Principal earner		31.5%	31.5%	31.5%	31.5%
Total tax wedge: Spouse		23.3%	37.0%	31.5%	37.0%

Austria		2002			
The tax/benefit position of single people					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		15975	23963	39938	15975
2. Standard tax allowances					
	Basic allowance	60	60	60	60
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes	2885	4327	7212	2885
	Work-related expenses	132	132	132	132
	Other	940	1099	1419	940
	Total	4016	5618	8822	4016
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		11959	18345	31116	11959
5. Central government income tax liability (excl. of tax credits)		1925	3764	8158	1756
6. Tax credits					
	Basic credit	887	887	887	887
	Married or head of family	0	0	0	364
	Children				
	Other	345	345	345	345
	Total	1232	1232	1232	1596
7. Central government income tax finally paid (5-6)		693	2532	6926	160
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	2885	4327	7212	2885
	Taxable income				
	Total	2885	4327	7212	2885
10. Total payments to general government (7 + 8 + 9)		3578	6859	14138	3045
11. Cash transfers from general government					
	For head of family				
	For two children	0	0	0	4342
	Total	0	0	0	4342
12. Take-home pay (1-10+11)		12397	17104	25800	17272
13. Employer's wage dependent contributions and taxes					
	Employer's social security contributions	3471	5207	8678	3471
	Pay-roll taxes	1198	1797	2995	1198
	Total	4669	7004	11673	4669
14. Average rates					
	Income tax	4.3%	10.6%	17.3%	1.0%
	Employees' social security contributions	18.1%	18.1%	18.1%	18.1%
	Total payments less cash transfers	22.4%	28.6%	35.4%	-8.1%
	Total tax wedge incl. employer's social security contr. and pay-roll taxes	39.9%	44.8%	50.0%	16.3%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	36.8%	42.6%	49.8%	51.6%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	51.1%	55.6%	61.1%	62.6%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.
	Memorandum item: Non-wastable tax credits				
	tax expenditure component	54	54	54	418
	cash transfer component	0	0	0	0

Austria		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1.	Gross earnings		23963	31951	39938	31951
2.	Standard tax allowances					
	Basic allowance		60	120	120	120
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		4327	5769	7212	5769
	Work-related expenses		132	264	264	264
	Other		1099	1879	2039	1879
	Total		5618	8032	9634	8032
3.	Tax credits or cash transfers included in taxable income		0	0	0	0
4.	Central government taxable income (1 - 2 + 3)		18345	23918	30304	23918
5.	Central government income tax liability (excl. of tax credits)		3764	4102	5689	4102
6.	Tax credits					
	Basic credit		887	1774	1774	1774
	Married or head of family		364	0	0	0
	Children					
	Other		345	690	690	690
	Total		1596	2464	2464	2464
7.	Central government income tax finally paid (5-6)		2168	2422	3225	2422
8.	State and local taxes		0	0	0	0
9.	Employees' compulsory social security contributions					
	Gross earnings		4327	5769	7212	5769
	Taxable income					
	Total		4327	5769	7212	5769
10.	Total payments to general government (7 + 8 + 9)		6495	8191	10437	8191
11.	Cash transfers from general government					
	For head of family					
	For two children		4342	4342	4342	0
	Total		4342	4342	4342	0
12.	Take-home pay (1-10+11)		21810	28101	33843	23759
13.	Employer's wage dependent contributions and taxes					
13.1	Employer's social security contributions		5207	6942	8678	6942
13.2	Pay-roll taxes		1797	2396	2995	2396
	Total		7004	9339	11673	9339
14.	Average rates					
	Income tax		9.0%	7.6%	8.1%	7.6%
	Employees' social security contributions		18.1%	18.1%	18.1%	18.1%
	Total payments less cash transfers		9.0%	12.0%	15.3%	25.6%
	Total tax wedge incl. employer's social security contr. and pay-roll taxes		29.6%	31.9%	34.4%	42.5%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		42.6%	42.6%	42.6%	42.6%
	Total payments less cash transfers: Spouse		21.2%	18.1%	36.8%	18.1%
	Total tax wedge: Principal earner		55.6%	55.6%	55.6%	55.6%
	Total tax wedge: Spouse		39.1%	36.6%	51.1%	36.6%
	Memorandum item: Non-wastable tax credits					
	tax expenditure component		418	164	108	164
	cash transfer component		0	0	0	0

Belgium		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		20782	31173	51955	20782
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		2716	4074	6791	2716
Work-related expenses		1849	2120	2662	1849
Other					
	Total	4565	6194	9452	4565
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		16217	24979	42503	16217
5. Central government income tax liability (exclusive of tax credits)		5432	9375	17923	5432
6. Tax credits					
Basic credit		9	0	0	9
Married or head of family		1370	1370	1370	1660
Children		0	0	0	967
Other					
	Total	1379	1370	1370	2636
7. Central government income tax finally paid (5-6)		4053	8005	16719	2796
8. State and local taxes		284	560	1159	196
9. Employees' compulsory social security contributions					
Gross earnings		2716	4074	6791	2716
Taxable income		0	274	502	0
	Total	2716	4348	7292	2716
10. Total payments to general government (7 + 8 + 9)		7053	12914	25170	5709
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	2933
	Total	0	0	0	2933
12. Take-home pay (1-10+11)		13729	18259	26785	18006
13. Employer's compulsory social security contributions		6066	9659	16846	6066
14. Average rates					
Income tax		20.9%	27.5%	34.4%	14.4%
Employees' social security contributions		13.1%	13.9%	14.0%	13.1%
Total payments less cash transfers		33.9%	41.4%	48.4%	13.4%
Total tax wedge including employer's social security contributions		48.9%	55.3%	61.1%	32.9%
15. Marginal rates					
Total payments less cash transfers: Principal earner		55.4%	54.8%	59.7%	55.4%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		66.8%	66.4%	70.1%	66.8%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.
Memorandum item: Non-wastable tax credits					
tax expenditure component		9	0	0	976
cash transfer component		0	0	0	0

Belgium		2002				
		The tax/benefit position of married couples				
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			31173	41564	51955	41564
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		4074	5432	6791	5432
	Work-related expenses		2120	3585	3968	3585
	Other					
	Total		6194	9018	10759	9018
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			24979	32546	41196	32546
5. Central government income tax liability (exclusive of tax credit)			7915	11259	14807	11259
6. Tax credits						
	Basic credit		0	78	9	78
	Married or head of family		2175	2175	2175	2175
	Children		781	781	781	0
	Other					
	Total		2956	3034	2965	2253
7. Central government income tax finally paid (5-6)			4959	8307	11960	9096
8. State and local taxes			347	581	830	636
9. Employees' compulsory social security contributions						
	Gross earnings		4074	5432	6791	5432
	Taxable income		274	372	485	372
	Total		4348	5805	7275	5805
10. Total payments to general government (7 + 8 + 9)			9654	14693	20065	15536
11. Cash transfers from general government						
	For head of family					
	For two children		2933	2933	2933	0
	Total		2933	2933	2933	0
12. Take-home pay (1-10+11)			24452	29804	34823	26028
13. Employer's compulsory social security contributions			9659	10307	15725	10307
14. Average rates						
	Income tax		17.0%	21.4%	24.6%	23.4%
	Employees' social security contributions		13.9%	14.0%	14.0%	14.0%
	Total payments less cash transfers		21.6%	28.3%	33.0%	37.4%
	Total tax wedge including employer's social security contributions		40.1%	42.5%	48.5%	49.8%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		50.7%	55.1%	55.1%	55.1%
	Total payments less cash transfers: Spouse		48.5%	54.3%	56.9%	54.3%
	Total tax wedge: Principal earner		63.4%	66.7%	66.7%	66.7%
	Total tax wedge: Spouse		51.5%	66.0%	68.0%	66.0%
	Memorandum item: Non-wastable tax credits					
	tax expenditure component		781	859	790	78
	cash transfer component		0	0	0	0

Canada		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		25712	38568	64280	25712
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		25712	38568	64280	25712
5. Central government income tax liability (exclusive of tax credits)		4114	6584	12278	4114
6. Tax credits					
Basic credit		1221	1221	1221	2259
Married or head of family		0	0	0	0
Children		0	0	0	0
Other		258	399	405	258
	Total	1479	1621	1626	2516
7. Central government income tax finally paid (5-6)		2635	4963	10652	1598
8. State and local taxes		1304	2457	5273	791
9. Employees' compulsory social security contributions					
Gross earnings		1610	2497	2531	1610
Taxable income					
	Total	1610	2497	2531	1610
10. Total payments to general government (7 + 8 + 9)		5549	9917	18455	3998
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	4554
	Total	0	0	0	4554
12. Take-home pay (1-10+11)		20163	28651	45825	26267
13. Employers' compulsory social security contributions		1836	2836	2874	1836
14. Average rates					
Income tax		15.3%	19.2%	24.8%	9.3%
Employees' social security contributions		6.3%	6.5%	3.9%	6.3%
Total payments less cash transfers		21.6%	25.7%	28.7%	-2.2%
Total tax wedge including employer's social security contributions		26.8%	30.8%	31.8%	4.6%
15. Marginal rates					
Total payments less cash transfers: Principal earner		29.2%	38.1%	38.9%	51.7%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		34.3%	42.6%	38.9%	55.2%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Canada		2002			
The tax/benefit position of married couples					
Wage level (per cent of APW)		100-0	100-33	100-67	100-33
Number of children		2	2	2	none
1. Gross wage earnings		38568	51424	64280	51424
2. Standard tax allowances					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses				
	Other				
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		38568	51424	64280	51424
5. Central government income tax liability (exclusive of tax credits)		6584	8641	10698	8641
6. Tax credits					
	Basic credit	2259	2443	2443	2443
	Married or head of family	0	0	0	0
	Children	0	0	0	0
	Other	399	515	657	515
	Total	2658	2958	3100	2958
7. Central government income tax finally paid (5-6)		3926	5683	7598	5683
8. State and local taxes		1944	2813	3761	2813
9. Employees' compulsory social security contributions					
	Gross earnings	2497	3219	4106	3219
	Taxable income				
	Total	2497	3219	4106	3219
10. Total payments to general government (7 + 8 + 9)		8367	11716	15466	11716
11. Cash transfers from general government					
	For head of family				
	For two children				
	Total	2548	1905	1262	0
12. Take-home pay (1-10+11)		32749	41613	50076	39708
13. Employers' compulsory social security contributions		2836	3672	4672	3672
14. Average rates					
	Income tax	15.2%	16.5%	17.7%	16.5%
	Employees' social security contributions	6.5%	6.3%	6.4%	6.3%
	Total payments less cash transfers	15.1%	19.1%	22.1%	22.8%
	Total tax wedge including employer's social security contributions	20.9%	24.5%	27.4%	27.9%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	43.1%	43.1%	43.1%	38.1%
	Total payments less cash transfers: Spouse	31.1%	34.2%	34.2%	29.2%
	Total tax wedge: Principal earner	47.2%	47.2%	47.2%	42.6%
	Total tax wedge: Spouse	35.3%	38.9%	38.9%	34.3%

Czech Republic		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		137361	206042	343403	137361
2. Standard tax allowances					
Basic allowance		38040	38040	38040	38040
Married or head of family		0	0	0	0
Dependent children		0	0	0	47040
Deduction for social security contributions and income taxes		17170	25755	42925	17170
Work-related expenses					
Other					
	Total	55210	63795	80965	102250
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		82151	142247	262438	35111
5. Central government income tax liability (exclusive of tax credits)		12323	22989	49229	5267
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		12323	22989	49229	5267
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		17170	25755	42925	17170
Taxable income					
	Total	17170	25755	42925	17170
10. Total payments to general government (7 + 8 + 9)		29493	48745	92155	22437
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	37206
	Total	0	0	0	37206
12. Take-home pay (1-10+11)		107868	157297	251248	152130
13. Employers' compulsory social security contributions		48076	72115	120191	48076
14. Average rates					
Income tax		9.0%	11.2%	14.3%	3.8%
Employees' social security contributions		12.5%	12.5%	12.5%	12.5%
Total payments less cash transfers		21.5%	23.7%	26.8%	-10.8%
Total tax wedge including employer's social security contributions		41.8%	43.5%	45.8%	18.0%
15. Marginal rates					
Total payments less cash transfers: Principal earner		25.6%	30.0%	34.4%	25.6%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		44.9%	48.1%	51.4%	44.9%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Czech Republic		2002			
The tax/benefit position of married couples					
Wage level (per cent of APW)		100-0	100-33	100-67	100-33
Number of children		2	2	2	none
1. Gross wage earnings		206042	274723	343403	274723
2. Standard tax allowances					
Basic allowance		38040	76080	76080	76080
Married or head of family		21720	0	0	0
Dependent children		47040	47040	47040	0
Deduction for social security contributions and income taxes		25755	34340	42925	34340
Work-related expenses					
Other					
	Total	132555	157460	166045	110420
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		73487	117262	177358	164302
5. Central government income tax liability (exclusive of tax credits)		11023	17589	26604	26298
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		11023	17589	26604	26298
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		25755	34340	42925	34340
Taxable income					
	Total	25755	34340	42925	34340
10. Total payments to general government (7 + 8 + 9)		36778	51930	69529	60638
11. Cash transfers from general government					
For head of family					
For two children		29136	16681	7512	0
	Total	29136	16681	7512	0
12. Take-home pay (1-10+11)		198400	239474	281386	214085
13. Employers' compulsory social security contributions		72115	96153	120191	96153
14. Average rates					
Income tax		5.3%	6.4%	7.7%	9.6%
Employees' social security contributions		12.5%	12.5%	12.5%	12.5%
Total payments less cash transfers		3.7%	12.8%	18.1%	22.1%
Total tax wedge including employer's social security contributions		28.7%	35.4%	39.3%	42.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		42.9%	42.9%	25.6%	30.0%
Total payments less cash transfers: Spouse		40.2%	42.9%	25.6%	25.6%
Total tax wedge: Principal earner		57.7%	57.7%	44.9%	48.1%
Total tax wedge: Spouse		55.7%	57.7%	44.9%	44.9%

Denmark		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		203537	305306	508843	203537
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		17105	25247	41530	17105
Work-related expenses		7056	7056	7056	7056
Other					
	Total	24161	32303	48586	24161
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		179376	273003	460257	179376
5. Central government income tax liability (exclusive of tax credits)		10378	21619	71241	10378
6. Tax credits					
Basic credit		1837	1837	1837	1837
Married or head of family					
Children					
Other					
	Total	1837	1837	1837	1837
7. Central government income tax finally paid (5-6)		8541	19782	69404	8541
8. State and local taxes		48464	79548	141717	48464
9. Employees' compulsory social security contributions					
Gross earnings		24161	32303	48586	24161
Taxable income					
	Total	24161	32303	48586	24161
10. Total payments to general government (7 + 8 + 9)		81166	131633	259707	81166
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	50540
	Total	0	0	0	50540
12. Take-home pay (1-10+11)		122371	173673	249137	172911
13. Employer's compulsory social security contributions		1789	1789	1789	1789
14. Average rates					
Income tax		28.0%	32.5%	41.5%	28.0%
Employees' social security contributions		11.9%	10.6%	9.5%	11.9%
Total payments less cash transfers		39.9%	43.1%	51.0%	15.0%
Total tax wedge including employer's social security contributions		40.4%	43.4%	51.2%	15.8%
15. Marginal rates					
Total payments less cash transfers: Principal earner		49.1%	62.9%	62.9%	49.1%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		49.1%	62.9%	62.9%	49.1%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Denmark		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			305306	407075	508843	407075
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		25247	34211	42352	34211
	Work-related expenses		7056	14112	14112	14112
	Other					
	Total		32303	48323	56464	48323
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			273003	358752	452379	358752
5. Central government income tax liability (exclusive of tax credits)			15489	21229	31996	21229
6. Tax credits						
	Basic credit		3674	3674	3674	3674
	Married or head of family					
	Children					
	Other					
	Total		3674	3674	3674	3674
7. Central government income tax finally paid (5-6)			11815	17555	28322	17555
8. State and local taxes			68459	96928	128012	96928
9. Employees' compulsory social security contributions						
	Gross earnings		32303	48323	56464	48323
	Taxable income					
	Total		32303	48323	56464	48323
10. Total payments to general government (7 + 8 + 9)			112577	162806	212799	162806
11. Cash transfers from general government						
	For head of family					
	For two children		19600	19600	19600	0
	Total		19600	19600	19600	0
12. Take-home pay (1-10+11)			212329	263869	315645	244269
13. Employer's compulsory social security contributions			1789	3578	3578	3578
14. Average rates						
	Income tax		26.3%	28.1%	30.7%	28.1%
	Employees' social security contributions		10.6%	11.9%	11.1%	11.9%
	Total payments less cash transfers		30.5%	35.2%	38.0%	40.0%
	Total tax wedge including employer's social security contributions		30.9%	35.7%	38.4%	40.5%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		57.4%	62.9%	62.9%	62.9%
	Total payments less cash transfers: Spouse		44.7%	49.1%	49.1%	49.1%
	Total tax wedge: Principal earner		57.4%	62.9%	62.9%	62.9%
	Total tax wedge: Spouse		45.6%	49.1%	49.1%	49.1%

Finland		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		18751	28126	46877	18751
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		900	1350	2250	900
Work-related expenses		460	460	460	460
Other					
	Total	1360	1810	2710	1360
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		17391	26316	44167	17391
5. Central government income tax liability (exclusive of tax credits)		897	2812	7713	897
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		897	2812	7713	897
8. State and local taxes		2747	4392	7683	2747
9. Employees' compulsory social security contributions					
Gross earnings		1132	1721	2898	1132
Taxable income					
	Total	1132	1721	2898	1132
10. Total payments to general government (7 + 8 + 9)		4776	8925	18294	4776
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	3212
	Total	0	0	0	3212
12. Take-home pay (1-10+11)		13975	19201	28582	17187
13. Employer's compulsory social security contributions		4688	7032	11719	4688
14. Average rates					
Income tax		19.4%	25.6%	32.8%	19.4%
Employees' social security contributions		6.0%	6.1%	6.2%	6.0%
Total payments less cash transfers		25.5%	31.7%	39.0%	8.3%
Total tax wedge including employer's social security contributions		40.4%	45.4%	51.2%	26.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		40.0%	45.7%	51.4%	40.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		52.0%	56.6%	61.1%	52.0%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Finland		2002			
The tax/benefit position of married couples					
	Earnings (per cent of APW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross earnings		28126	37501	46877	37501
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		1350	1800	2250	1800
Work-related expenses		460	920	920	920
Other					
	Total	1810	2720	3170	2720
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		26316	34781	43707	34781
5. Central government income tax liability (exclusive of tax credits)		2812	2812	3709	2812
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		2812	2812	3709	2812
8. State and local taxes		4392	5484	7139	5484
9. Employees' compulsory social security contributions					
Gross earnings		1721	2263	2852	2263
Taxable income					
	Total	1721	2263	2852	2263
10. Total payments to general government (7 + 8 + 9)		8925	10558	13701	10558
11. Cash transfers from general government					
For head of family					
For two children		2406	2406	2406	0
	Total	2406	2406	2406	0
12. Take-home pay (1-10+11)		21607	29349	35582	26943
13. Employer's compulsory social security contributions		7032	9375	11719	9375
14. Average rates					
Income tax		25.6%	22.1%	23.1%	22.1%
Employees' social security contributions		6.1%	6.0%	6.1%	6.0%
Total payments less cash transfers		23.2%	21.7%	24.1%	28.2%
Total tax wedge including employer's social security contributions		38.5%	37.4%	39.3%	42.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		45.7%	45.7%	45.7%	45.7%
Total payments less cash transfers: Spouse		17.4%	24.5%	40.0%	24.5%
Total tax wedge: Principal earner		56.6%	56.6%	56.6%	56.6%
Total tax wedge: Spouse		33.9%	39.6%	52.0%	39.6%

France		2002				
The tax/benefit position of single individuals						
		Wage level (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross wage earnings			14589	21884	36473	14589
2. Standard tax allowances						
	Basic allowance		2278	3417	5747	2278
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		2640	3960	6315	2640
	Work-related expenses		1266	1898	3193	1266
	Other					
	Total		6184	9276	15254	6184
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			8406	12608	21219	8406
5. Central government income tax liability (exclusive of tax credits)			1109	2908	6520	1109
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children					
	Other		31	0	0	140
	Total		31	0	0	140
7. Central government income tax finally paid (5-6)			1078	2908	6520	969
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		1933	2900	4548	1933
	Taxable income					
	Total		1933	2900	4548	1933
10. Total payments to general government (7 + 8 + 9)			3011	5807	11068	2902
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	1306
	Total		0	0	0	1306
12. Take-home pay (1-10+11)			11579	16077	25405	12994
13. Employers' compulsory social security contributions			4011	9001	14828	4011
14. Average rates						
	Income tax		7.4%	13.3%	17.9%	6.6%
	Employees' social security contributions		13.3%	13.3%	12.5%	13.3%
	Total payments less cash transfers		20.6%	26.5%	30.3%	10.9%
	Total tax wedge including employer's social security contributions		37.8%	47.9%	50.5%	30.1%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		31.9%	32.9%	36.0%	31.9%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		65.3%	52.5%	54.0%	65.3%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.
	Memorandum item: Non-wastable tax credit					
	tax expenditure component		31	0	0	140
	cash transfer component		0	0	0	0

France		2002			
The tax/benefit position of married couples					
Wage level (per cent of APW)		100-0	100-33	100-67	100-33
Number of children		2	2	2	none
1. Gross wage earnings		21884	29179	36473	29179
2. Standard tax allowances					
Basic allowance		3417	4556	5695	4556
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		3960	5280	6600	5280
Work-related expenses		1898	2531	3164	2531
Other					
	Total	9276	12367	15459	12367
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		12608	16811	21014	16811
5. Central government income tax liability (exclusive of tax credits)		1663	2218	3310	2906
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other		155	383	93	321
	Total	155	383	93	321
7. Central government income tax finally paid (5-6)		1508	1835	3217	2585
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		2900	3866	4833	3866
Taxable income					
	Total	2900	3866	4833	3866
10. Total payments to general government (7 + 8 + 9)		4408	5701	8049	6451
11. Cash transfers from general government					
For head of family					
For two children		1306	1306	1306	0
	Total	1306	1306	1306	0
12. Take-home pay (1-10+11)		18782	24784	29730	22728
13. Employers' compulsory social security contributions		9001	10674	13012	10674
14. Average rates					
Income tax		6.9%	6.3%	8.8%	8.9%
Employees' social security contributions		13.3%	13.3%	13.3%	13.3%
Total payments less cash transfers		14.2%	15.1%	18.5%	22.1%
Total tax wedge including employer's social security contributions		39.2%	37.8%	39.9%	43.0%
15. Marginal rates					
Total payments less cash transfers: Principal earner		20.9%	20.9%	29.5%	45.0%
Total payments less cash transfers: Spouse		17.7%	16.5%	40.5%	40.6%
Total tax wedge: Principal earner		43.9%	43.9%	50.0%	61.1%
Total tax wedge: Spouse		33.1%	32.0%	69.7%	51.7%
Memorandum item: Non-wastable tax credit					
tax expenditure component		155	383	93	321
cash transfer component		0	0	0	0

Germany		2002				
The tax/benefit position of single individuals						
		Wage level (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross wage earnings			22151	33226	55377	22151
2. Standard tax allowances						
	Basic allowance					
	Married or head of family		0	0	0	2340
	Dependent children		0	0	0	0
	Deduction for social security contributions and income taxes		2001	2001	2001	2001
	Work-related expenses		1044	1044	1044	1044
	Other		36	36	36	36
	Total		3081	3081	3081	5421
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			19070	30145	52296	16730
5. Central government income tax liability (exclusive of tax credits)			3129	6823	16362	2315
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		0	0	0	3696
	Other					
	Total		0	0	0	3696
7. Central government income tax finally paid (5-6)			3129	6823	16362	-1381
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		4574	6861	10091	4574
	Taxable income					
	Total		4574	6861	10091	4574
10. Total payments to general government (7 + 8 + 9)			7703	13684	26453	3193
11. Cash transfers from general government						
	For head of family					
	For two children					
	Total		0	0	0	0
12. Take-home pay (1-10+11)			14448	19542	28924	18958
13. Employers' compulsory social security contributions			4574	6861	10091	4574
14. Average rates						
	Income tax		14.1%	20.5%	29.5%	-6.2%
	Employees' social security contributions		20.7%	20.7%	18.2%	20.7%
	Total payments less cash transfers		34.8%	41.2%	47.8%	14.4%
	Total tax wedge including employer's social security contributions		45.9%	51.3%	55.8%	29.1%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		50.7%	57.2%	49.6%	47.8%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		59.1%	64.5%	49.6%	56.8%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.
	Memorandum item: Non-wastable tax credit					
	tax expenditure component		0	0	0	2315
	cash transfer component		0	0	0	1381

Germany		2002				
		The tax/benefit position of married couples				
		Wage level (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			33226	44302	55377	44302
2. Standard tax allowances						
	Basic allowance					
	Married or head of family		0	0	0	0
	Dependent children		0	0	0	0
	Deduction for social security contributions and income taxes		4822	4002	4002	4002
	Work-related expenses		1044	2088	2088	2088
	Other		72	72	72	72
	Total		5938	6162	6162	6162
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			27288	38140	49215	38140
5. Central government income tax liability (exclusive of tax credits)			3018	6087	9580	6258
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		3696	3696	3696	0
	Other					
	Total		3696	3696	3696	0
7. Central government income tax finally paid (5-6)			-678	2391	5884	6258
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		6861	9148	11435	9148
	Taxable income					
	Total		6861	9148	11435	9148
10. Total payments to general government (7 + 8 + 9)			6183	11539	17320	15407
11. Cash transfers from general government						
	For head of family					
	For two children					
	Total		0	0	0	0
12. Take-home pay (1-10+11)			27043	32762	38057	28895
13. Employers' compulsory social security contributions			6861	9148	11435	9148
14. Average rates						
	Income tax		-2.0%	5.4%	10.6%	14.1%
	Employees' social security contributions		20.7%	20.7%	20.7%	20.7%
	Total payments less cash transfers		18.6%	26.0%	31.3%	34.8%
	Total tax wedge including employer's social security contributions		32.5%	38.7%	43.0%	45.9%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		50.2%	50.5%	53.8%	50.7%
	Total payments less cash transfers: Spouse		47.1%	50.5%	53.8%	50.7%
	Total tax wedge: Principal earner		58.7%	59.0%	61.7%	59.1%
	Total tax wedge: Spouse		56.1%	59.0%	61.7%	59.1%
	Memorandum item: Non-wastable tax credit					
	tax expenditure component		3018	3696	3696	0
	cash transfer component		678	0	0	0

Greece		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		7716	11575	19291	8488
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		1227	1840	3067	1350
Work-related expenses		0	0	0	0
Other					
	Total	1227	1840	3067	1350
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		6489	9734	16224	7138
5. Central government income tax liability (exclusive of tax credits)		0	68	1465	0
6. Tax credits					
Basic credit		0	0	0	210
Married or head of family					
Children					
Other					
	Total	0	0	0	210
7. Central government income tax finally paid (5-6)		0	68	1465	0
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		1227	1840	3067	1350
Taxable income					
	Total	1227	1840	3067	1350
10. Total payments to general government (7 + 8 + 9)		1227	1908	4532	1350
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		6489	9666	14759	7138
13. Employer's compulsory social security contributions		2157	3236	5394	2373
14. Average rates					
Income tax		0.0%	0.6%	7.6%	0.0%
Employees' social security contributions		15.9%	15.9%	15.9%	15.9%
Total payments less cash transfers		15.9%	16.5%	23.5%	15.9%
Total tax wedge including employer's social security contributions		34.3%	34.7%	40.2%	34.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		15.9%	28.5%	41.1%	15.9%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		34.3%	44.1%	54.0%	34.3%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Greece		2002			
The tax/benefit position of married couples					
Earnings (per cent of APW)		100-0	100-33	100-67	100-33
Number of children		2	2	2	none
1. Gross earnings		13889	17748	21606	16590
2. Standard tax allowances					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes	2208	2822	3435	2638
	Work-related expenses	0	0	0	0
	Other				
	Total	2208	2822	3435	2638
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		11681	14926	18170	13952
5. Central government income tax liability (exclusive of tax credits)		360	360	360	214
6. Tax credits					
	Basic credit	210	210	210	0
	Married or head of family				
	Children				
	Other				
	Total	210	210	210	0
7. Central government income tax finally paid (5-6)		150	150	150	214
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	2208	2822	3435	2638
	Taxable income				
	Total	2208	2822	3435	2638
10. Total payments to general government (7 + 8 + 9)		2359	2972	3585	2852
11. Cash transfers from general government					
	For head of family				
	For two children	0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		11531	14776	18020	13738
13. Employer's compulsory social security contributions		3883	4962	6041	4639
14. Average rates					
	Income tax	1.1%	0.8%	0.7%	1.3%
	Employees' social security contributions	15.9%	15.9%	15.9%	15.9%
	Total payments less cash transfers	17.0%	16.7%	16.6%	17.2%
	Total tax wedge including employer's social security contributions	35.1%	34.9%	34.8%	35.3%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	28.5%	28.5%	28.5%	28.5%
	Total payments less cash transfers: Spouse	15.9%	15.9%	15.9%	15.9%
	Total tax wedge: Principal earner	44.1%	44.1%	44.1%	44.1%
	Total tax wedge: Spouse	34.3%	34.3%	34.3%	34.3%

Hungary		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		704557	1056835	1761392	704557
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		0	0	0	0
Work-related expenses		0	0	0	0
Other					
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		704557	1056835	1761392	704557
5. Central government income tax liability (exclusive of tax credi		151367	257051	524557	151367
6. Tax credits					
Basic credit		60000	60000	0	60000
Married or head of family					
Children		0	0	0	77276
Other		14091	21137	35228	14091
	Total	74091	81137	35228	151367
7. Central government income tax finally paid (5-6)		77276	175914	489329	0
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		88070	132104	220174	88070
Taxable income					
	Total	88070	132104	220174	88070
10. Total payments to general government (7 + 8 + 9)		165345	308018	709503	88070
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	149200
	Total	0	0	0	149200
12. Take-home pay (1-10+11)		539211	748817	1051889	765687
13. Employer's compulsory social security contributions		225458	338187	563645	225458
14. Average rates					
Income tax		11.0%	16.6%	27.8%	0.0%
Employees' social security contributions		12.5%	12.5%	12.5%	12.5%
Total payments less cash transfers		23.5%	29.1%	40.3%	-8.7%
Total tax wedge including employer's social security contributions		42.0%	46.3%	54.8%	17.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		40.5%	40.5%	50.5%	12.5%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		54.9%	54.9%	62.5%	33.7%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Hungary		2002				
		The tax/benefit position of married couples				
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			1056835	1409113	1761392	1409113
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		0	0	0	0
	Work-related expenses		0	0	0	0
	Other					
	Total		0	0	0	0
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			1056835	1409113	1761392	1409113
5. Central government income tax liability (exclusive of tax credits)			257051	327506	408418	327506
6. Tax credits						
	Basic credit		60000	104622	120000	104622
	Married or head of family					
	Children		96000	96000	96000	0
	Other		21137	28182	35228	28182
	Total		177137	228804	251228	132804
7. Central government income tax finally paid (5-6)			79914	98702	157190	194702
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		132104	176139	220174	176139
	Taxable income					
	Total		132104	176139	220174	176139
10. Total payments to general government (7 + 8 + 9)			212018	274841	377364	370841
11. Cash transfers from general government						
	For head of family					
	For two children		129400	129400	129400	0
	Total		129400	129400	129400	0
12. Take-home pay (1-10+11)			974217	1263672	1513428	1038272
13. Employer's compulsory social security contributions			338187	450916	563645	450916
14. Average rates						
	Income tax		7.6%	7.0%	8.9%	13.8%
	Employees' social security contributions		12.5%	12.5%	12.5%	12.5%
	Total payments less cash transfers		7.8%	10.3%	14.1%	26.3%
	Total tax wedge including employer's social security contributions		30.2%	32.1%	34.9%	44.2%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		40.5%	40.5%	40.5%	40.5%
	Total payments less cash transfers: Spouse		17.8%	17.8%	40.5%	17.8%
	Total tax wedge: Principal earner		54.9%	54.9%	54.9%	54.9%
	Total tax wedge: Spouse		37.8%	37.8%	54.9%	37.8%

Iceland		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		1518473	2277709	3796182	1518473
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		121478	182217	303695	121478
Work-related expenses					
Other					
	Total	121478	182217	303695	121478
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		1396995	2095492	3492487	1396995
5. Central government income tax liability (exclusive of tax credits)		359726	539589	899315	359726
6. Tax credits					
Basic credit		312024	312024	312024	312024
Married or head of family					
Children					
Other					
	Total	312024	312024	312024	312024
7. Central government income tax finally paid (5-6)		47702	227565	587291	47702
8. State and local taxes		178676	268013	446689	178676
9. Employees' compulsory social security contributions					
Gross earnings		4826	4826	4826	4826
Taxable income					
	Total	4826	4826	4826	4826
10. Total payments to general government (7 + 8 + 9)		231204	500405	1038807	231204
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	413559
	Total	0	0	0	413559
12. Take-home pay (1-10+11)		1287269	1777304	2757375	1700828
13. Employer's compulsory social security contributions		79416	119124	198540	79416
14. Average rates					
Income tax		14.9%	21.8%	27.2%	14.9%
Employees' social security contributions		0.3%	0.2%	0.1%	0.3%
Total payments less cash transfers		15.2%	22.0%	27.4%	-12.0%
Total tax wedge including employer's social security contributions		19.4%	25.8%	31.0%	-6.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		35.5%	35.5%	35.5%	42.8%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		38.7%	38.7%	38.7%	45.7%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Iceland		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings		2277709	3036945	3796182	3036945	
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes	182217	242956	303695	242956	
	Work-related expenses					
	Other					
	Total	182217	242956	303695	242956	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		2095492	2793990	3492487	2793990	
5. Central government income tax liability (exclusive of tax credits)		539589	719452	899315	719452	
6. Tax credits						
	Basic credit	608447	621907	624048	621907	
	Married or head of family					
	Children					
	Other					
	Total	608447	621907	624048	621907	
7. Central government income tax finally paid (5-6)		-68858	97546	275267	97546	
8. State and local taxes		268013	357351	446689	357351	
9. Employees' compulsory social security contributions						
	Gross earnings	4826	4826	9652	4826	
	Taxable income					
	Total	4826	4826	9652	4826	
10. Total payments to general government (7 + 8 + 9)		203982	459723	731609	459723	
11. Cash transfers from general government						
	For head of family					
	For two children	276988	224764	172540	0	
	Total	276988	224764	172540	0	
12. Take-home pay (1-10+11)		2350715	2801986	3237113	2577223	
13. Employer's compulsory social security contributions		119124	158832	198540	158832	
14. Average rates						
	Income tax	8.7%	15.0%	19.0%	15.0%	
	Employees' social security contributions	0.2%	0.2%	0.3%	0.2%	
	Total payments less cash transfers	-3.2%	7.7%	14.7%	15.1%	
	Total tax wedge including employer's social security contributions	1.9%	12.3%	19.0%	19.4%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	42.8%	42.8%	42.8%	35.5%	
	Total payments less cash transfers: Spouse	40.6%	41.0%	42.8%	33.7%	
	Total tax wedge: Principal earner	45.7%	45.7%	45.7%	38.7%	
	Total tax wedge: Spouse	43.5%	44.0%	45.7%	37.0%	

Ireland		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		16887	25330	42217	16887
2. Standard tax allowances		0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		16887	25330	42217	16887
5. Central government income tax liability (exclusive of tax credits)		3377	5066	11571	3377
6. Tax credits					
Basic credit		1520	1520	1520	1520
Single, head of family		0	0	0	1520
Children					
Other		660	660	660	660
	Total	2180	2180	2180	3700
7. Central government income tax finally paid (5-6)		1197	2886	9391	0
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		411	1256	2152	411
Taxable income					
	Total	411	1256	2152	411
10. Total payments to general government (7 + 8 + 9)		1609	4142	11543	411
11. Cash transfers from general government					
For head of family		0	0	0	2220
For two children		0	0	0	2060
	Total	0	0	0	4280
12. Take-home pay (1-10+11)		15278	21188	30674	20756
13. Employer's compulsory social security contributions		1435	2723	4538	1435
14. Average rates					
Income tax		7.1%	11.4%	22.2%	0.0%
Employees' social security contributions		2.4%	5.0%	5.1%	2.4%
Total payments less cash transfers		9.5%	16.4%	27.3%	-22.9%
Total tax wedge including employer's social security contributions		16.6%	24.5%	34.4%	-13.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		24.0%	26.0%	44.6%	61.6%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		30.0%	33.2%	50.0%	64.6%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Ireland		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			25330	33773	42217	33773
2. Standard tax allowances			0	0	0	0
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			25330	33773	42217	33773
5. Central government income tax liability (exclusive of tax credits)			5066	6755	8443	6755
6. Tax credits						
	Basic credit		3040	3040	3040	3040
	Single, head of family		0	0	0	0
	Children					
	Other		1430	1320	1320	1320
	Total		4470	4360	4360	4360
7. Central government income tax finally paid (5-6)			596	2395	4083	2395
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		1256	1256	1667	1256
	Taxable income					
	Total		1256	1256	1667	1256
10. Total payments to general government (7 + 8 + 9)			1852	3650	5750	3650
11. Cash transfers from general government						
	For head of family		0	0	0	0
	For two children		2060	2060	2060	0
	Total		2060	2060	2060	0
12. Take-home pay (1-10+11)			25538	32183	38526	30123
13. Employer's compulsory social security contributions			2723	3441	4158	3441
14. Average rates						
	Income tax		2.4%	7.1%	9.7%	7.1%
	Employees' social security contributions		5.0%	3.7%	3.9%	3.7%
	Total payments less cash transfers		-0.8%	4.7%	8.7%	10.8%
	Total tax wedge including employer's social security contributions		9.0%	13.5%	16.9%	19.1%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		26.0%	26.0%	26.0%	26.0%
	Total payments less cash transfers: Spouse		21.3%	20.0%	24.0%	20.0%
	Total tax wedge: Principal earner		33.2%	33.2%	33.2%	33.2%
	Total tax wedge: Spouse		27.5%	26.3%	30.0%	26.3%

Italy		2002				
		The tax/benefit position of single people				
		Earnings (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross earnings			14311	21466	35777	14311
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		1315	1973	3288	1315
	Work-related expenses					
	Other					
	Total		1315	1973	3288	1315
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			12996	19493	32489	12996
5. Central government income tax liability (exclusive of tax credits)			2499	4379	8642	2499
6. Tax credits						
	Basic credit		542	491	284	542
	Married or head of family		0	0	0	0
	Children		0	0	0	1063
	Other					
	Total		542	491	284	1605
7. Central government income tax finally paid (5-6)			1957	3888	8358	894
8. State and local taxes			117	175	292	117
9. Employees' compulsory social security contributions						
	Gross earnings		1315	1973	3288	1315
	Taxable income					
	Total		1315	1973	3288	1315
10. Total payments to general government (7 + 8 + 9)			3389	6036	11938	2326
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	2219
	Total		0	0	0	2219
12. Take-home pay (1-10+11)			10922	15430	23838	14203
13. Employer's compulsory social security contributions			4734	7101	11835	4734
14. Average rates						
	Income tax		14.5%	18.9%	24.2%	7.1%
	Employees' social security contributions		9.2%	9.2%	9.2%	9.2%
	Total payments less cash transfers		23.7%	28.1%	33.4%	0.8%
	Total tax wedge including employer's social security contributions		42.7%	46.0%	49.9%	25.4%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		31.8%	39.1%	45.4%	31.8%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		48.8%	54.2%	59.0%	48.8%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Italy	2002				
	The tax/benefit position of married couples				
	Earnings (per cent of APW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross earnings		21466	28621	35777	28621
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		1973	2630	3288	2630
Work-related expenses					
Other					
	Total	1973	2630	3288	2630
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		19493	25991	32489	25991
5. Central government income tax liability (exclusive of tax credits)		4379	5548	6878	5548
6. Tax credits					
Basic credit		491	1524	1033	1524
Married or head of family		497	0	0	0
Children		1033	1033	1033	0
Other					
	Total	2020	2177	2066	1524
7. Central government income tax finally paid (5-6)		2358	3372	4812	4025
8. State and local taxes		175	175	292	234
9. Employees' compulsory social security contributions					
Gross earnings		1973	2630	3288	2630
Taxable income					
	Total	1973	2630	3288	2630
10. Total payments to general government (7 + 8 + 9)		4507	6177	8392	6889
11. Cash transfers from general government					
For head of family					
For two children		1896	688	310	0
	Total	1896	688	310	0
12. Take-home pay (1-10+11)		18856	23132	27694	21732
13. Employer's compulsory social security contributions		7101	9468	11835	9468
14. Average rates					
Income tax		11.8%	12.4%	14.3%	14.9%
Employees' social security contributions		9.2%	9.2%	9.2%	9.2%
Total payments less cash transfers		12.2%	19.2%	22.6%	24.1%
Total tax wedge including employer's social security contributions		34.0%	39.3%	41.8%	42.9%
15. Marginal rates					
Total payments less cash transfers: Principal earner		39.1%	39.1%	39.1%	39.1%
Total payments less cash transfers: Spouse		23.3%	9.2%	31.8%	26.4%
Total tax wedge: Principal earner		54.2%	54.2%	54.2%	54.2%
Total tax wedge: Spouse		42.4%	31.8%	48.8%	44.7%

Japan		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		2836180	4254270	7090450	2836180
2. Standard tax allowances:					
Basic allowance		380000	380000	380000	380000
Married or head of family		0	0	0	0
Dependent children		0	0	0	760000
Deduction for social security contributions and income taxes		283618	425427	709045	283618
Work-related expenses		1030854	1390854	1909045	1030854
Other					
	Total	1694472	2196281	2998090	2454472
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		1141708	2057989	4092360	381708
5. Central government income tax liability (exclusive of tax credits)		91337	164639	390778	30537
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		91337	164639	390778	30537
8. State and local taxes		54648	98179	278236	26598
9. Employees' compulsory social security contributions					
Gross earnings		283618	425427	709045	283618
Taxable income					
	Total	283618	425427	709045	283618
10. Total payments to general government (7 + 8 + 9)		429602	688245	1378059	340752
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		2406578	3566025	5712391	2495428
13. Employer's compulsory social security contributions		298242	447364	745606	298242
14. Average rates					
Income tax		5.1%	6.2%	9.4%	2.0%
Employees' social security contributions		10.0%	10.0%	10.0%	10.0%
Total payments less cash transfers		15.1%	16.2%	19.4%	12.0%
Total tax wedge including employer's social security contributions		23.2%	24.2%	27.1%	20.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		17.4%	21.6%	30.8%	17.4%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		25.2%	29.0%	37.4%	25.2%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Japan		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings		4254270	5672360	7090450	5672360	
2. Standard tax allowances						
	Basic allowance	380000	760000	760000	760000	
	Married or head of family	760000	0	0	0	
	Dependent children	760000	760000	760000	0	
	Deduction for social security contributions and income taxes	425427	567236	709045	567236	
	Work-related expenses	1390854	2040854	2421708	2040854	
	Other					
	Total	3716281	4128090	4650753	3368090	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		537989	1544270	2439697	2304270	
5. Central government income tax liability (exclusive of tax credits)		43039	123542	195176	184342	
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children					
	Other					
	Total	0	0	0	0	
7. Central government income tax finally paid (5-6)		43039	123542	195176	184342	
8. State and local taxes		37490	82131	120187	114771	
9. Employees' compulsory social security contributions						
	Gross earnings	425427	567236	709045	567236	
	Taxable income					
	Total	425427	567236	709045	567236	
10. Total payments to general government (7 + 8 + 9)		505956	772909	1024408	866349	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	0	
	Total	0	0	0	0	
12. Take-home pay (1-10+11)		3748314	4899451	6066042	4806011	
13. Employer's compulsory social security contributions		447364	596485	745606	596485	
14. Average rates						
	Income tax	1.9%	3.6%	4.4%	5.3%	
	Employees' social security contributions	10.0%	10.0%	10.0%	10.0%	
	Total payments less cash transfers	11.9%	13.6%	14.4%	15.3%	
	Total tax wedge including employer's social security contributions	20.3%	21.8%	22.6%	23.3%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	18.6%	18.6%	18.6%	21.6%	
	Total payments less cash transfers: Spouse	18.8%	21.0%	17.4%	21.0%	
	Total tax wedge: Principal earner	26.3%	26.3%	26.3%	29.0%	
	Total tax wedge: Spouse	26.5%	28.5%	25.2%	28.5%	

Korea		2002				
		The tax/benefit position of single individuals				
		Wage level (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross wage earnings			14435928	21653892	36089820	14435928
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses					
	Other					
	Total		12495784	14072509	16583024	13495784
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			1940144	7581383	19506796	940144
5. Central government income tax liability (exclusive of tax credits)			174613	682324	2611223	84613
6. Tax credits						
	Basic credit		78576	279697	400000	38076
	Married or head of family					
	Children					
	Other					
	Total		78576	279697	400000	38076
7. Central government income tax finally paid (5-6)			96037	402627	2211223	46537
8. State and local taxes			9604	40263	221122	4654
9. Employees' compulsory social security contributions						
	Gross earnings		967207	1450811	2418018	967207
	Taxable income					
	Total		967207	1450811	2418018	967207
10. Total payments to general government (7 + 8 + 9)			1072848	1893701	4850364	1018398
11. Cash transfers from general government						
	For head of family					
	For two children					
	Total		0	0	0	0
12. Take-home pay (1-10+11)			13363080	19760191	31239456	13417530
13. Employers' compulsory social security contributions			1240046	1860069	3100116	1240046
14. Average rates						
	Income tax		0.7%	2.0%	6.7%	0.4%
	Employees' social security contributions		6.7%	6.7%	6.7%	6.7%
	Total payments less cash transfers		7.4%	8.7%	13.4%	7.1%
	Total tax wedge including employer's social security contributions		14.8%	16.0%	20.3%	14.4%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		9.4%	12.3%	23.6%	9.4%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		16.6%	19.2%	29.7%	16.6%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Korea		2002			
The tax/benefit position of married couples					
Wage level (per cent of APW)		100-0	100-33	100-67	100-33
Number of children		2	2	2	none
1. Gross wage earnings		21653892	28871856	36089820	28871856
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	16072509	24995401	27568293	23495401
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		5581383	5256575	8521527	6756575
5. Central government income tax liability (exclusive of tax credits)		502324	473092	766937	608092
6. Tax credits					
Basic credit		225697	212891	340043	257428
Married or head of family					
Children					
Other					
	Total	225697	212891	340043	257428
7. Central government income tax finally paid (5-6)		276627	260200	426894	350664
8. State and local taxes		27663	26020	42689	35066
9. Employees' compulsory social security contributions					
Gross earnings		1450811	1934414	2418018	1934414
Taxable income					
	Total	1450811	1934414	2418018	1934414
10. Total payments to general government (7 + 8 + 9)		1755101	2220635	2887602	2320145
11. Cash transfers from general government					
For head of family					
For two children					
	Total	0	0	0	0
12. Take-home pay (1-10+11)		19898791	26651221	33202218	26551711
13. Employers' compulsory social security contributions		1860069	2480092	3100116	2480092
14. Average rates					
Income tax		1.4%	1.0%	1.3%	1.3%
Employees' social security contributions		6.7%	6.7%	6.7%	6.7%
Total payments less cash transfers		8.1%	7.7%	8.0%	8.0%
Total tax wedge including employer's social security contributions		15.4%	15.0%	15.3%	15.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		12.3%	11.1%	12.3%	12.3%
Total payments less cash transfers: Spouse		6.4%	6.5%	9.4%	6.4%
Total tax wedge: Principal earner		19.2%	18.1%	19.2%	19.2%
Total tax wedge: Spouse		13.8%	13.9%	16.6%	13.8%

Luxembourg		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		20909	31363	52272	20909
2. Standard tax allowances					
Basic allowance		1080	1080	1080	1080
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		2917	4375	7292	2917
Work-related expenses		936	936	936	936
Other		0	0	0	0
	Total	4933	6391	9308	4933
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		16000	25000	43000	16000
5. Central government income tax liability (exclusive of tax credits)		694	2542	8718	41
6. Tax credits					
Basic credit					
Married or head of family					
Children		0	0	0	41
Other					
	Total	0	0	0	41
7. Central government income tax finally paid (5-6)		694	2542	8718	0
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		2917	4375	7292	2917
Taxable income					
	Total	2917	4375	7292	2917
10. Total payments to general government (7 + 8 + 9)		3611	6917	16010	2917
11. Cash transfers from general government					
For head of family					
For children		0	0	0	5506
	Total	0	0	0	5506
12. Take-home pay (1-10+11)		17298	24446	36263	23498
13. Employers' compulsory social security contributions		2888	4331	7219	2888
14. Average rates					
Income tax		3.3%	8.1%	16.7%	0.0%
Employees' social security contributions		14.0%	14.0%	14.0%	14.0%
Total payments less cash transfers		17.3%	22.1%	30.6%	-12.4%
Total tax wedge including employer's social security contributions		27.3%	31.5%	39.0%	1.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		26.4%	37.1%	46.1%	13.9%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		35.4%	44.8%	52.6%	24.4%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Luxembourg		2002				
		The tax/benefit position of married couples				
		Wage level (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			31363	41818	52272	41818
2. Standard tax allowances						
	Basic allowance		1080	2160	2160	2160
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		4375	5834	7292	5834
	Work-related expenses		936	1872	1872	1872
	Other		0	4500	4500	4500
	Total		6391	14366	15824	14366
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			25000	27000	36000	27000
5. Central government income tax liability (exclusive of tax credits)			496	720	2030	720
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		496	720	1845	0
	Other					
	Total		496	720	1845	0
7. Central government income tax finally paid (5-6)			0	0	185	720
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		4375	5834	7292	5834
	Taxable income					
	Total		4375	5834	7292	5834
10. Total payments to general government (7 + 8 + 9)			4375	5834	7476	6553
11. Cash transfers from general government						
	For head of family					
	For children		5506	5506	5506	0
	Total		5506	5506	5506	0
12. Take-home pay (1-10+11)			32494	41490	50302	35265
13. Employers' compulsory social security contributions			4331	5775	7219	5775
14. Average rates						
	Income tax		0.0%	0.0%	0.4%	1.7%
	Employees' social security contributions		14.0%	14.0%	14.0%	14.0%
	Total payments less cash transfers		-3.6%	0.8%	3.8%	15.7%
	Total tax wedge including employer's social security contributions		9.0%	12.8%	15.4%	25.9%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		14.0%	14.0%	30.0%	24.7%
	Total payments less cash transfers: Spouse		14.0%	14.0%	30.0%	24.7%
	Total tax wedge: Principal earner		24.4%	24.4%	38.5%	33.8%
	Total tax wedge: Spouse		24.4%	24.4%	38.5%	33.8%

Mexico		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		39208	58812	98020	39208
2. Standard tax allowances					
Basic allowance		1353	1434	1595	1353
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	1353	1434	1595	1353
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		37855	57378	96425	37855
5. Central government income tax liability (exclusive of tax credits)		3408	6178	14317	3408
6. Tax credits					
Basic credit		4264	3527	1930	4264
Married or head of family					
Children					
Other		782	1417	3283	782
	Total	5045	4943	5213	5045
7. Central government income tax finally paid (5-6)		-1637	1234	9104	-1637
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		490	907	1931	490
Taxable income					
	Total	490	907	1931	490
10. Total payments to general government (7 + 8 + 9)		-1147	2142	11034	-1147
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		40355	56670	86986	40355
13. Employers' wage dependant contributions and taxes					
Employers' compulsory social security contributions		5557	7578	12181	5557
Federal Payroll Tax		765	1147	1911	765
Total		6322	8725	14093	6322
14. Average rates					
Income tax		-4.2%	2.1%	9.3%	-4.2%
Employees' social security contributions		1.3%	1.5%	2.0%	1.3%
Total payments less cash transfers		-2.9%	3.6%	11.3%	-2.9%
Total tax wedge including employer's social security contributions		11.4%	16.1%	22.4%	11.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		8.9%	15.7%	27.2%	8.9%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		16.9%	25.8%	35.9%	16.9%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.
Memorandum item: Non-wastable tax credit					
tax expenditure component		3408	4943	5213	3408
cash transfer component		1637	0	0	1637

Mexico		2002			
The tax/benefit position of married couples					
	Wage level (per cent of APW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross wage earnings		58812	78416	98020	78416
2. Standard tax allowances					
Basic allowance		1434	2320	2787	2320
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	1434	2320	2787	2320
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		57378	76096	95233	76096
5. Central government income tax liability (exclusive of tax credits)		6178	7672	9586	7672
6. Tax credits					
Basic credit		3527	7945	7790	7945
Married or head of family					
Children					
Other		1417	1759	2198	1759
	Total	4943	9705	9989	9705
7. Central government income tax finally paid (5-6)		1234	-2032	-403	-2032
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		907	1152	1397	1152
Taxable income					
	Total	907	1152	1397	1152
10. Total payments to general government (7 + 8 + 9)		2142	-880	995	-880
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		56670	79296	97025	79296
13. Employers' wage dependant contributions and taxes					
Employers' compulsory social security contributions		7578	11626	13136	11626
Federal Payroll Tax		1147	1529	1911	1529
Total		8725	13155	15047	13155
14. Average rates					
Income tax		2.1%	-2.6%	-0.4%	-2.6%
Employees' social security contributions		1.5%	1.5%	1.4%	1.5%
Total payments less cash transfers		3.6%	-1.1%	1.0%	-1.1%
Total tax wedge including employer's social security contributions		16.1%	13.4%	14.2%	13.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		15.7%	15.7%	15.7%	15.7%
Total payments less cash transfers: Spouse		-15.4%	8.6%	8.9%	8.6%
Total tax wedge: Principal earner		25.8%	25.8%	25.8%	25.8%
Total tax wedge: Spouse		5.9%	16.7%	16.9%	16.7%
Memorandum item: Non-wastable tax credit					
tax expenditure component		4943	7672	9586	7672
cash transfer component		0	2032	403	2032

Netherlands		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		20613	30919	51532	20613
2. Standard tax allowances:					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		310	820	1344	310
Work-related expenses					
Other					
	Total	310	820	1344	310
3. Tax credits or cash transfers included in taxable income		1288	0	0	1288
4. Central government taxable income (1 - 2 + 3)		21591	30099	50188	21591
5. Central government income tax liability (exclusive of tax credits)		981	2456	11137	981
6. Tax credits :					
Basic credit					
Married or head of family					
Children					
Other					
	Total	237	237	237	500
7. Central government income tax finally paid (5-6)		745	2219	10901	481
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		842	820	1344	842
Taxable income (net of credits)		3989	5828	5828	1364
	Total	4830	6648	7171	2206
10. Total payments to general government (7 + 8 + 9)		5575	8867	18072	2687
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	1658
	Total	0	0	0	1658
12. Take-home pay (1-10+11)		15038	22052	33460	19584
13. Employers' compulsory social security contributions		3315	3299	4604	3315
14. Average rates					
Income tax		3.6%	7.2%	21.2%	2.3%
Employees' social security contributions		23.4%	21.5%	13.9%	10.7%
Total payments less cash transfers		27.0%	28.7%	35.1%	5.0%
Total tax wedge including employer's social security contributions		37.2%	35.6%	40.4%	18.2%
15. Marginal rates					
Total payments less cash transfers: Principal earner		45.0%	44.9%	52.0%	40.6%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		53.6%	50.9%	52.0%	49.9%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Netherlands		2002				
The tax/benefit position of married couples						
		Wage level (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			30919	41225	51532	41225
2. Standard tax allowances:						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		820	820	1130	820
	Work-related expenses					
	Other					
	Total		820	820	1130	820
3. Tax credits or cash transfers included in taxable income			0	644	1288	644
4. Central government taxable income (1 - 2 + 3)			30099	41050	51690	41050
5. Central government income tax liability (exclusive of tax credits)			2456	2779	3437	2779
6. Tax credits :						
	Basic credit					
	Married or head of family					
	Children					
	Other					
	Total		408	469	512	431
7. Central government income tax finally paid (5-6)			2048	2310	2925	2348
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		820	1177	1661	1177
	Taxable income (net of credits)		4122	6733	9435	7115
	Total		4942	7910	11096	8292
10. Total payments to general government (7 + 8 + 9)			6990	10220	14021	10640
11. Cash transfers from general government						
	For head of family					
	For two children		1658	1658	1658	0
	Total		1658	1658	1658	0
12. Take-home pay (1-10+11)			25588	32664	39169	30586
13. Employers' compulsory social security contributions			3299	4844	6614	4844
14. Average rates						
	Income tax		6.6%	5.6%	5.7%	5.7%
	Employees' social security contributions		16.0%	19.2%	21.5%	20.1%
	Total payments less cash transfers		17.2%	20.8%	24.0%	25.8%
	Total tax wedge including employer's social security contributions		25.2%	29.1%	32.6%	33.6%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		44.9%	44.9%	44.9%	44.9%
	Total payments less cash transfers: Spouse		31.3%	24.8%	45.0%	24.8%
	Total tax wedge: Principal earner		50.9%	50.9%	50.9%	50.9%
	Total tax wedge: Spouse		40.3%	34.6%	53.6%	34.6%

New Zealand		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		26274	39411	65685	26274
2. Standard tax allowances:					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		26274	39411	65685	26274
5. Central government income tax liability (exclusive of tax credits)		5123	7876	16887	5123
6. Tax credits :					
Basic credit		176	0	0	176
Married or head of family					
Children					
Other					
	Total	176	0	0	176
7. Central government income tax finally paid (5-6)		4948	7876	16887	4948
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		0	0	0	0
Taxable income					
	Total	0	0	0	0
10. Total payments to general government (7 + 8 + 9)		4948	7876	16887	4948
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	4539
	Total	0	0	0	4539
12. Take-home pay (1-10+11)		21326	31535	48798	25865
13. Employer's compulsory social security contributions		0	0	0	0
14. Average rates					
Income tax		18.8%	20.0%	25.7%	18.8%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		18.8%	20.0%	25.7%	1.6%
Total tax wedge including employer's social security contributions		18.8%	20.0%	25.7%	1.6%
15. Marginal rates					
Total payments less cash transfers: Principal earner		21.0%	33.0%	39.0%	39.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		21.0%	33.0%	39.0%	39.0%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

New Zealand		2002			
		The tax/benefit position of married couples			
		100-0	100-33	100-67	100-33
		2	2	2	none
1. Gross earnings		39411	52548	65685	52548
2. Standard tax allowances:					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses				
	Other				
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		39411	52548	65685	52548
5. Central government income tax liability (exclusive of tax credits)		7876	10437	12999	10437
6. Tax credits :					
	Basic credit	0	373	176	373
	Married or head of family				
	Children				
	Other				
	Total	0	373	176	373
7. Central government income tax finally paid (5-6)		7876	10064	12823	10064
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings				
	Taxable income				
	Total	0	0	0	0
10. Total payments to general government (7 + 8 + 9)		7876	10064	12823	10064
11. Cash transfers from general government					
	For head of family				
	For two children	685	0	0	0
	Total	685	0	0	0
12. Take-home pay (1-10+11)		32220	42484	52862	42484
13. Employer's compulsory social security contributions		0	0	0	0
14. Average rates					
	Income tax	20.0%	19.2%	19.5%	19.2%
	Employees' social security contributions	0.0%	0.0%	0.0%	0.0%
	Total payments less cash transfers	18.2%	19.2%	19.5%	19.2%
	Total tax wedge including employer's social security contributions	18.2%	19.2%	19.5%	19.2%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	63.0%	33.0%	33.0%	33.0%
	Total payments less cash transfers: Spouse	21.9%	21.0%	21.0%	21.0%
	Total tax wedge: Principal earner	63.0%	33.0%	33.0%	33.0%
	Total tax wedge: Spouse	21.9%	21.0%	21.0%	21.0%

Norway		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		194600	291900	486500	194600
2. Standard tax allowances					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses				
	Other				
	Total	73100	73100	73100	103200
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable (ordinary) income (1 - 2 + 3)		121500	218800	413400	91400
5. Central government income tax liability (ordinary + personal)		16646	29976	79113	12522
6. Tax credits (applicable against local tax)					
	Basic credit				
	Married or head of family				
	Children	0	0	0	0
	Other				
	Total	0	0	0	0
7. Central government income tax paid (5)		16646	29976	79113	12522
8. State and local taxes (net of tax credits)		17375	31288	59116	13070
9. Employees' compulsory social security contributions					
	Gross earnings	15179	22768	37947	15179
	Taxable income				
	Total	15179	22768	37947	15179
10. Total payments to general government (7 + 8 + 9)		49199	84032	176177	40771
11. Cash transfers from general government					
	For head of family				
	For two children	0	0	0	34992
	Total	0	0	0	34992
12. Take-home pay (1-10+11)		145401	207868	310324	188821
13. Employer's compulsory social security contributions		24909	37363	62272	24909
14. Average rates					
	Income tax	17.5%	21.0%	28.4%	13.2%
	Employees' social security contributions	7.8%	7.8%	7.8%	7.8%
	Total payments less cash transfers	25.3%	28.8%	36.2%	3.0%
	Total tax wedge including employer's social security contributions	33.8%	36.9%	43.5%	14.0%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	35.8%	35.8%	49.3%	35.8%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	43.1%	43.1%	55.1%	43.1%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

Norway		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			291900	389200	486500	389200
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses					
	Other					
	Total		103200	135000	146200	135000
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable (ordinary) income (1 - 2 + 3)			188700	254200	340300	254200
5. Central government income tax liability (ordinary + personal)			25852	34825	46621	34825
6. Tax credits (applicable against local tax)						
	Basic credit					
	Married or head of family					
	Children		0	0	0	0
	Other					
	Total		0	0	0	0
7. Central government income tax paid (5)			25852	34825	46621	34825
8. State and local taxes (net of tax credits)			26984	36351	48663	36351
9. Employees' compulsory social security contributions						
	Gross earnings		22768	30358	37947	30358
	Taxable income					
	Total		22768	30358	37947	30358
10. Total payments to general government (7 + 8 + 9)			75604	101534	133231	101534
11. Cash transfers from general government						
	For head of family					
	For two children		23328	23328	23328	0
	Total		23328	23328	23328	0
12. Take-home pay (1-10+11)			239624	310994	376597	287666
13. Employer's compulsory social security contributions			37363	49818	62272	49818
14. Average rates						
	Income tax		18.1%	18.3%	19.6%	18.3%
	Employees' social security contributions		7.8%	7.8%	7.8%	7.8%
	Total payments less cash transfers		17.9%	20.1%	22.6%	26.1%
	Total tax wedge including employer's social security contributions		27.2%	29.2%	31.4%	34.5%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		35.8%	35.8%	35.8%	35.8%
	Total payments less cash transfers: Spouse		26.6%	35.8%	35.8%	35.8%
	Total tax wedge: Principal earner		43.1%	43.1%	43.1%	43.1%
	Total tax wedge: Spouse		35.0%	43.1%	43.1%	43.1%

Poland		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		16931	25396	42327	16931
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		3168	4752	7919	3168
Work-related expenses		1444	1444	1444	1444
Other					
	Total	4612	6196	9363	4612
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		12319	19201	32964	12319
5. Central government income tax liability (exclusive of tax credits)		2341	3648	6263	2341
6. Tax credits					
Basic credit		518	518	518	518
Married or head of family					
Children					
Other (health insurance)		1067	1600	2667	1067
	Total	1585	2118	3185	1585
7. Central government income tax finally paid (5-6)		756	1530	3078	756
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		3168	4752	7919	3168
Taxable income		1067	1600	2667	1067
	Total	4234	6352	10586	4234
10. Total payments to general government (7 + 8 + 9)		4990	7882	13664	4990
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	1007
	Total	0	0	0	1007
12. Take-home pay (1-10+11)		11941	17515	28663	12948
13. Employers' compulsory social security contributions		3459	5188	8647	3459
14. Average rates					
Income tax		4.5%	6.0%	7.3%	4.5%
Employees' social security contributions		25.0%	25.0%	25.0%	25.0%
Total payments less cash transfers		29.5%	31.0%	32.3%	23.5%
Total tax wedge including employer's social security contributions		41.4%	42.7%	43.8%	36.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		34.2%	34.2%	34.2%	34.2%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		45.3%	45.3%	45.3%	45.3%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Poland		2002				
The tax/benefit position of married couples						
		Wage level (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			25396	33862	42327	33862
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		4752	6336	7919	6336
	Work-related expenses		1444	2888	2888	2888
	Other					
	Total		6196	9223	10807	9223
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			19201	24638	31520	24638
5. Central government income tax liability (exclusive of tax credits)			3648	4681	5989	4681
6. Tax credits						
	Basic credit		1036	1036	1036	1036
	Married or head of family					
	Children					
	Other (health insurance)		1600	2133	2667	2133
	Total		2636	3170	3703	3170
7. Central government income tax finally paid (5-6)			1012	1512	2286	1512
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		4752	6336	7919	6336
	Taxable income		1600	2133	2667	2133
	Total		6352	8469	10586	8469
10. Total payments to general government (7 + 8 + 9)			7363	9980	12872	9980
11. Cash transfers from general government						
	For head of family					
	For two children		1007	0	0	0
	Total		1007	0	0	0
12. Take-home pay (1-10+11)			19040	23881	29455	23881
13. Employers' compulsory social security contributions			5188	6918	8647	6918
14. Average rates						
	Income tax		4.0%	4.5%	5.4%	4.5%
	Employees' social security contributions		25.0%	25.0%	25.0%	25.0%
	Total payments less cash transfers		25.0%	29.5%	30.4%	29.5%
	Total tax wedge including employer's social security contributions		37.7%	41.4%	42.2%	41.4%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		34.2%	34.2%	34.2%	34.2%
	Total payments less cash transfers: Spouse		42.8%	34.2%	34.2%	34.2%
	Total tax wedge: Principal earner		45.3%	45.3%	45.3%	45.3%
	Total tax wedge: Spouse		52.5%	45.3%	45.3%	45.3%

Portugal		2002				
The tax/benefit position of single individuals						
		Earnings (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross earnings			5550	8325	13875	5550
2. Standard tax allowances						
	Basic allowance		3007	3007	3007	3007
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses		0	0	0	0
	Other					
	Total		3007	3007	3007	3007
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			2543	5318	10868	2543
5. Central government income tax liability (exclusive of tax credits)			305	663	1906	305
6. Tax credits						
	Basic credit		209	209	209	209
	Married or head of family					
	Children		0	0	0	348
	Other					
	Total		209	209	209	557
7. Central government income tax finally paid (5-6)			96	454	1697	0
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		611	916	1526	611
	Taxable income					
	Total		611	916	1526	611
10. Total payments to general government (7 + 8 + 9)			707	1369	3224	611
11. Cash transfers from general government:						
	For head of family					
	For two children		0	0	0	630
	Total		0	0	0	630
12. Take-home pay (1-10+11)			4843	6956	10651	5569
13. Employer's compulsory social security contributions			1318	1977	3295	1318
14. Average rates						
	Income tax		1.7%	5.5%	12.2%	0.0%
	Employees' social security contributions		11.0%	11.0%	11.0%	11.0%
	Total payments less cash transfers		12.7%	16.5%	23.2%	-0.3%
	Total tax wedge including employer's social security contributions		29.5%	32.5%	38.0%	18.9%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		23.0%	25.0%	35.0%	11.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		37.8%	39.4%	47.5%	28.1%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Portugal		2002			
The tax/benefit position of married couples					
	Earnings (per cent of APW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross earnings		8325	11100	13875	11100
2. Standard tax allowances					
Basic allowance		3007	5782	6014	5782
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	3007	5782	6014	5782
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		5318	5318	7861	5318
5. Central government income tax liability (exclusive of tax credits)		638	638	943	638
6. Tax credits					
Basic credit		348	348	348	348
Married or head of family					
Children		278	278	278	0
Other					
	Total	626	626	626	348
7. Central government income tax finally paid (5-6)		12	12	317	290
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		916	1221	1526	1221
Taxable income					
	Total	916	1221	1526	1221
10. Total payments to general government (7 + 8 + 9)		928	1233	1843	1511
11. Cash transfers from general government					
For head of family					
For two children		491	491	491	0
	Total	491	491	491	0
12. Take-home pay (1-10+11)		7888	10358	12523	9589
13. Employer's compulsory social security contributions		1977	2636	3295	2636
14. Average rates					
Income tax		0.1%	0.1%	2.3%	2.6%
Employees' social security contributions		11.0%	11.0%	11.0%	11.0%
Total payments less cash transfers		5.2%	6.7%	9.7%	13.6%
Total tax wedge including employer's social security contributions		23.4%	24.6%	27.1%	30.2%
15. Marginal rates					
Total payments less cash transfers: Principal earner		23.0%	23.0%	23.0%	23.0%
Total payments less cash transfers: Spouse		11.0%	11.0%	23.0%	11.0%
Total tax wedge: Principal earner		37.8%	37.8%	37.8%	37.8%
Total tax wedge: Spouse		28.1%	28.1%	37.8%	28.1%

Slovak Republic		2002			
The tax/benefit position of single individuals					
	Wage level (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		102464	153696	256160	102464
2. Standard tax allowances					
Basic allowance		38760	38760	38760	38760
Married or head of family		0	0	0	0
Dependent children		0	0	0	33600
Deduction for social security contributions and income taxes		13115	19673	32788	13115
Work-related expenses					
Other					
	Total	51875	58433	71548	85475
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		50589	95263	184612	16989
5. Central government income tax liability (exclusive of tax credits)		5059	10053	28291	1699
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		5059	10053	28291	1699
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		13115	19673	32788	13115
Taxable income					
	Total	13115	19673	32788	13115
10. Total payments to general government (7 + 8 + 9)		18174	29726	61080	14814
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	19920
	Total	0	0	0	19920
12. Take-home pay (1-10+11)		84290	123970	195080	107570
13. Employers' compulsory social security contributions		38680	58020	96700	38680
14. Average rates					
Income tax		4.9%	6.5%	11.0%	1.7%
Employees' social security contributions		12.8%	12.8%	12.8%	12.8%
Total payments less cash transfers		17.7%	19.3%	23.8%	-5.0%
Total tax wedge including employer's social security contributions		40.3%	41.4%	44.7%	23.8%
15. Marginal rates					
Total payments less cash transfers: Principal earner		21.5%	30.2%	37.2%	21.5%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		43.0%	49.4%	54.4%	43.0%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Slovak Republic		2002			
The tax/benefit position of married couples					
Wage level (per cent of APW)		100-0	100-33	100-67	100-33
Number of children		2	2	2	none
1. Gross wage earnings		153696	204928	256160	204928
2. Standard tax allowances					
Basic allowance		38760	77520	77520	77520
Married or head of family		12000	0	0	0
Dependent children		33600	33600	33600	0
Deduction for social security contributions and income taxes		19673	26231	32788	26231
Work-related expenses					
Other					
	Total	104033	137351	143908	103751
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		49663	67577	112252	101177
5. Central government income tax liability (exclusive of tax credits)		4966	6758	11225	10644
6. Tax credits					
Basic credit					
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		4966	6758	11225	10644
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		19673	26231	32788	26231
Taxable income					
	Total	19673	26231	32788	26231
10. Total payments to general government (7 + 8 + 9)		24639	32989	44014	36875
11. Cash transfers from general government					
For head of family					
For two children		19920	14160	14160	0
	Total	19920	14160	14160	0
12. Take-home pay (1-10+11)		148977	186099	226306	168053
13. Employers' compulsory social security contributions		58020	77360	96700	77360
14. Average rates					
Income tax		3.2%	3.3%	4.4%	5.2%
Employees' social security contributions		12.8%	12.8%	12.8%	12.8%
Total payments less cash transfers		3.1%	9.2%	11.7%	18.0%
Total tax wedge including employer's social security contributions		29.6%	34.1%	35.9%	40.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		21.5%	21.5%	21.5%	30.2%
Total payments less cash transfers: Spouse		27.5%	21.5%	21.5%	21.5%
Total tax wedge: Principal earner		43.0%	43.0%	43.0%	49.4%
Total tax wedge: Spouse		47.4%	43.0%	43.0%	43.0%

Spain		2002				
		The tax/benefit position of a single individuals				
		Earning (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross earnings			10813	16219	27032	10813
2. Standard tax allowances:						
	Basic allowance		3306	3306	3306	5409
	Married or head of family					
	Dependent children		0	0	0	2705
	Deduction for social security contributions and income taxes		687	1030	1717	687
	Work-related expenses		2618	2254	2254	2618
	Other					
	Total		6610	6589	7276	10813
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			4202	9630	19756	0
5. Central government income tax liability (exclusive of tax credits)			788	2090	4817	0
6. Tax credits						
	Basic credit		0	0	0	0
	Married or head of family					
	Children					
	Other					
	Total		0	0	0	0
7. Central government income tax finally paid (5-6)			657	1752	4029	0
8. State and local taxes			130	338	788	0
9. Employees' compulsory social security contributions						
	Gross earnings		687	1030	1717	687
	Taxable income					
	Total		687	1030	1717	687
10. Total payments to general government (7 + 8 + 9)			1475	3120	6533	687
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	0
	Total		0	0	0	0
12. Take-home pay (1-10+11)			9338	13099	20499	10126
13. Employer's compulsory social security contributions			3309	4963	8272	3309
14. Average rates						
	Income tax		7.3%	12.9%	17.8%	0.0%
	Employees' social security contributions		6.3%	6.4%	6.3%	6.3%
	Total payments less cash transfers		13.6%	19.2%	24.2%	6.3%
	Total tax wedge including employer's social security contributions		33.9%	38.2%	41.9%	28.3%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		33.0%	29.0%	33.0%	7.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		48.5%	45.8%	48.9%	28.5%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Spain		2002				
		The tax/benefit position of married couples				
		Earning (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			16219	21625	27032	21625
2. Standard tax allowances						
	Basic allowance		6611	6611	6611	6611
	Married or head of family					
	Dependent children		2705	2705	2705	0
	Deduction for social security contributions and income taxes		1030	1373	1717	1373
	Work-related expenses		2254	5259	4872	5259
	Other					
	Total		12599	13348	15904	11996
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			3620	8277	11128	9630
5. Central government income tax liability (exclusive of tax credits)			652	1766	2279	2090
6. Tax credits						
	Basic credit		0	0	0	0
	Married or head of family					
	Children					
	Other					
	Total		0	0	0	0
7. Central government income tax finally paid (5-6)			543	1479	1907	1752
8. State and local taxes			109	287	372	338
9. Employees' compulsory social security contributions						
	Gross earnings		1030	1373	1717	1373
	Taxable income					
	Total		1030	1373	1717	1373
10. Total payments to general government (7 + 8 + 9)			1681	3139	3995	3464
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	0
	Total		0	0	0	0
12. Take-home pay (1-10+11)			14538	18486	23036	18162
13. Employer's compulsory social security contributions			4963	6617	8272	6617
14. Average rates						
	Income tax		4.0%	8.2%	8.4%	9.7%
	Employees' social security contributions		6.4%	6.4%	6.3%	6.4%
	Total payments less cash transfers		10.4%	14.5%	14.8%	16.0%
	Total tax wedge including employer's social security contributions		31.4%	34.5%	34.7%	35.7%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		23.0%	29.0%	29.0%	29.0%
	Total payments less cash transfers: Spouse		27.0%	7.0%	28.0%	7.0%
	Total tax wedge: Principal earner		41.2%	45.8%	45.8%	45.8%
	Total tax wedge: Spouse		44.1%	28.5%	44.6%	28.5%

Sweden		2002				
The tax/benefit position of single individuals						
		Wage level (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross wage earnings			161177	241766	402943	161177
2. Standard tax allowances						
	Basic allowance		16300	11200	11200	16300
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		2900	4300	5500	2900
	Work-related expenses					
	Other					
	Total		19200	15500	16700	19200
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			141977	226266	386243	141977
5. Central government income tax liability (exclusive of tax credits)			0	0	22480	0
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children					
	Other		9406	12639	16400	9406
	Total		9406	12639	16400	9406
7. Central government income tax finally paid (5-6)			-9406	-12639	6080	-9406
8. State and local taxes			43507	69236	118068	43507
9. Employees' compulsory social security contributions						
	Gross earnings		11300	16900	21900	11300
	Taxable income					
	Total		11300	16900	21900	11300
10. Total payments to general government (7 + 8 + 9)			45401	73497	146048	45401
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	22800
	Total		0	0	0	22800
12. Take-home pay (1-10+11)			115776	168269	256895	138576
13. Employer's wage dependent contributions and taxes						
	Employers' compulsory social security contributions		48562	72844	121407	48562
	Pay-roll taxes		4336	6503	10839	4336
	Total		52898	79347	132246	52898
14. Average rates						
	Income tax		21.2%	23.4%	30.8%	21.2%
	Employees' social security contributions		7.0%	7.0%	5.4%	7.0%
	Total payments less cash transfers		28.2%	30.4%	36.2%	14.0%
	Total tax wedge including employer's social security contributions		45.9%	47.6%	52.0%	35.3%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		36.0%	32.9%	50.5%	36.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		51.8%	49.5%	62.7%	51.8%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Sweden		2002				
The tax/benefit position of married couples						
		Wage level (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			241766	322355	402943	322355
2. Standard tax allowances:						
	Basic allowance		11200	24900	27500	24900
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		4300	5700	7200	5700
	Work-related expenses					
	Other					
	Total		15500	30600	34700	30600
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			226266	291755	368243	291755
5. Central government income tax liability (exclusive of tax credits)			0	0	0	0
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children					
	Other		12639	18159	22045	18159
	Total		12639	18159	22045	18159
7. Central government income tax finally paid (5-6)			-12639	-18159	-22045	-18159
8. State and local taxes			69236	89396	112743	89396
9. Employees' compulsory social security contributions						
	Gross earnings		16900	22500	28200	22500
	Taxable income					
	Total		16900	22500	28200	22500
10. Total payments to general government (7 + 8 + 9)			73497	93737	118898	93737
11. Cash transfers from general government						
	For head of family					
	For two children		22800	22800	22800	0
	Total		22800	22800	22800	0
12. Take-home pay (1-10+11)			191069	251418	306845	228618
13. Employer's wage dependent contributions and taxes						
	Employers' compulsory social security contributions		72844	97125	121406	97125
	Pay-roll taxes		6503	8671	10839	8671
	Total		79347	105796	132245	105796
14. Average rates						
	Income tax		23.4%	22.1%	22.5%	22.1%
	Employees' social security contributions		7.0%	7.0%	7.0%	7.0%
	Total payments less cash transfers		21.0%	22.0%	23.8%	29.1%
	Total tax wedge including employer's social security contributions		40.5%	41.3%	42.7%	46.6%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		32.9%	32.9%	32.9%	32.9%
	Total payments less cash transfers: Spouse		25.2%	24.1%	36.0%	24.1%
	Total tax wedge: Principal earner		49.5%	49.5%	49.5%	49.5%
	Total tax wedge: Spouse		43.7%	42.9%	51.8%	42.9%

Switzerland		2002				
		The tax/benefit position of single individuals				
		Earnings (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross earnings		42821	64231	107052	42821	
2. Standard tax allowances						
	Basic allowance					
	Married or head of family	0	0	0	0	
	Dependent children	0	0	0	11200	
	Deduction for social security contributions and income taxes	4946	7419	12363	4946	
	Work-related expenses	1900	1900	2841	1900	
	Other	1500	1500	1500	2184	
	Total	8346	10819	16704	20230	
3. Tax credits or cash transfers included in taxable income		0	0	0	5152	
4. Central government taxable income (1 - 2 + 3)		34400	53400	90300	27700	
5. Central government income tax liability (exclusive of tax credits)		173	654	2679	115	
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children					
	Other					
	Total	0	0	0	0	
7. Central government income tax finally paid (5-6)		173	654	2679	115	
8. State and local taxes		2818	5708	12990	1177	
9. Employees' compulsory social security contributions						
	Gross earnings	4946	7419	12363	4946	
	Taxable income					
	Total	4946	7419	12363	4946	
10. Total payments to general government (7 + 8 + 9)		7938	13781	28032	6238	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	5152	
	Total	0	0	0	5152	
12. Take-home pay (1-10+11)		34883	50450	79019	41735	
13. Employer's compulsory social security contributions		4946	7419	12363	4946	
14. Average rates						
	Income tax	7.0%	9.9%	14.6%	3.0%	
	Employees' social security contributions	11.6%	11.6%	11.5%	11.6%	
	Total payments less cash transfers	18.5%	21.5%	26.2%	2.5%	
	Total tax wedge including employer's social security contributions	27.0%	29.6%	33.8%	12.6%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	23.9%	30.2%	34.4%	19.8%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	31.8%	37.5%	40.9%	28.1%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Switzerland		2002			
The tax/benefit position of married couples					
Earnings (per cent of APW)		100-0	100-33	100-67	100-33
		2	2	2	none
1. Gross earnings		64231	85641	107052	85641
2. Standard tax allowances					
	Basic allowance				
	Married or head of family	0	7000	7000	7000
	Dependent children	11200	11200	11200	0
	Deduction for social security contributions and income taxes	7419	9892	12364	9892
	Work-related expenses	1900	3800	3800	3800
	Other	4400	4400	4400	3000
	Total	24919	36292	38764	23692
3. Tax credits or cash transfers included in taxable income		5152	5152	5152	0
4. Central government taxable income (1 - 2 + 3)		44400	54500	73400	61900
5. Central government income tax liability (exclusive of tax credits)		195	426	1065	648
6. Tax credits					
	Basic credit				
	Married or head of family				
	Children				
	Other				
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		195	426	1065	648
8. State and local taxes		3083	4558	7562	5671
9. Employees' compulsory social security contributions					
	Gross earnings	7419	9892	12364	9892
	Taxable income				
	Total	7419	9892	12364	9892
10. Total payments to general government (7 + 8 + 9)		10697	14876	20991	16210
11. Cash transfers from general government					
	For head of family				
	For two children	5152	5152	5152	0
	Total	5152	5152	5152	0
12. Take-home pay (1-10+11)		58686	75917	91212	69431
13. Employer's compulsory social security contributions		7419	9892	12364	9892
14. Average rates					
	Income tax	5.1%	5.8%	8.1%	7.4%
	Employees' social security contributions	11.6%	11.6%	11.6%	11.6%
	Total payments less cash transfers	8.6%	11.4%	14.8%	18.9%
	Total tax wedge including employer's social security contributions	18.1%	20.5%	23.6%	27.3%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	23.5%	28.3%	29.1%	28.3%
	Total payments less cash transfers: Spouse	19.5%	28.3%	29.1%	28.3%
	Total tax wedge: Principal earner	31.4%	35.7%	36.5%	35.7%
	Total tax wedge: Spouse	27.8%	35.7%	36.5%	35.7%

Turkey		2002				
		The tax/benefit position of single people				
		Earnings (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross earnings		6625516293	9938274440	16563790733	6625516293	
2. Standard tax allowances						
	Basic allowance	360000000	360000000	360000000	360000000	
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes	993827444	1490741166	2484568610	993827444	
	Work-related expenses					
	Other					
	Total	1353827444	1850741166	2844568610	1353827444	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		5271688849	8087533274	13719222123	5271688849	
5. Central government income tax liability (exclusive of tax credits)		904090868	1487136301	2864188275	904090868	
6. Tax credits						
	Basic credit	0	0	0	0	
	Married or head of family					
	Children					
	Other					
	Total	0	0	0	0	
7. Central government income tax finally paid (5-6)		904090868	1487136301	2864188275	904090868	
8. State and local taxes		0	0	0	0	
9. Employees' compulsory social security contributions						
	Gross earnings	993827444	1490741166	2484568610	993827444	
	Taxable income					
	Total	993827444	1490741166	2484568610	993827444	
10. Total payments to general government (7 + 8 + 9)		1897918312	2977877467	5348756885	1897918312	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	0	
	Total	0	0	0	0	
12. Take-home pay (1-10+11)		4727597982	6960396973	11215033848	4727597982	
13. Employer's compulsory social security contributions		1424486003	2136729005	3561215008	1424486003	
14. Average rates						
	Income tax	13.6%	15.0%	17.3%	13.6%	
	Employees' social security contributions	15.0%	15.0%	15.0%	15.0%	
	Total payments less cash transfers	28.6%	30.0%	32.3%	28.6%	
	Total tax wedge including employer's social security contributions	41.3%	42.4%	44.3%	41.3%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	32.6%	32.6%	36.8%	32.6%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	44.5%	44.5%	48.0%	44.5%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Turkey

2002

The tax/benefit position of married couples

	Earnings (per cent of APW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross earnings		9938274440	13251032587	16563790733	13251032587
2. Standard tax allowances					
Basic allowance		360000000	720000000	720000000	720000000
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		1490741166	1987654888	2484568610	1987654888
Work-related expenses					
Other					
	Total	1850741166	2707654888	3204568610	2707654888
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		8087533274	10543377699	13359222123	10543377699
5. Central government income tax liability (exclusive of tax credits)		1487136301	1875389514	2391227169	1875389514
6. Tax credits					
Basic credit		0	0	0	0
Married or head of family					
Children					
Other					
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		1487136301	1875389514	2391227169	1875389514
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		1490741166	1987654888	2484568610	1987654888
Taxable income					
	Total	1490741166	1987654888	2484568610	1987654888
10. Total payments to general government (7 + 8 + 9)		2977877467	3863044402	4875795779	3863044402
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		6960396973	9387988185	11687994954	9387988185
13. Employer's compulsory social security contributions		2136729005	2848972006	3561215008	2848972006
14. Average rates					
Income tax		15.0%	14.2%	14.4%	14.2%
Employees' social security contributions		15.0%	15.0%	15.0%	15.0%
Total payments less cash transfers		30.0%	29.2%	29.4%	29.2%
Total tax wedge including employer's social security contributions		42.4%	41.7%	41.9%	41.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		32.6%	32.6%	32.6%	32.6%
Total payments less cash transfers: Spouse		26.7%	28.4%	32.6%	28.4%
Total tax wedge: Principal earner		44.5%	44.5%	44.5%	44.5%
Total tax wedge: Spouse		39.7%	41.0%	44.5%	41.0%

United Kingdom		2002				
The tax/benefit position of single individuals						
		Earnings (per cent of APW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross earnings		13139	19708	32847	13139	
2. Standard tax allowances						
	Basic allowance	4615	4615	4615	4615	
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses	0	0	0	0	
	Other					
	Total	4615	4615	4615	4615	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		8524	15093	28232	8524	
5. Central government income tax liability (exclusive of tax credits)		1645	3090	5981	1645	
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children	0	0	0	3564	
	Other					
	Total	0	0	0	3564	
7. Central government income tax finally paid (5-6)		1645	3090	5981	-1919	
8. State and local taxes		0	0	0	0	
9. Employees' compulsory social security contributions						
	Gross earnings	851	1508	2579	851	
	Taxable income					
	Total	851	1508	2579	851	
10. Total payments to general government (7 + 8 + 9)		2496	4598	8560	-1068	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	1461	
	Total	0	0	0	1461	
12. Take-home pay (1-10+11)		10643	15110	24287	15668	
13. Employer's compulsory social security contributions		1004	1779	3330	1004	
14. Average rates						
	Income tax	12.5%	15.7%	18.2%	-14.6%	
	Employees' social security contributions	6.5%	7.7%	7.9%	6.5%	
	Total payments less cash transfers	19.0%	23.3%	26.1%	-19.2%	
	Total tax wedge including employer's social security contributions	24.7%	29.7%	32.9%	-10.8%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	32.0%	32.0%	22.0%	69.4%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	39.2%	39.2%	30.2%	72.6%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	
	Memorandum item: Non-wastable tax credits					
	tax expenditure component	0	0	0	1116	
	cash transfer component	0	0	0	1919	

United Kingdom		2002			
The tax/benefit position of married couples					
		100-0	100-33	100-67	100-33
		2	2	2	none
1. Gross earnings		19708	26277	32847	26277
2. Standard tax allowances					
Basic allowance		4615	9230	9230	9230
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	4615	9230	9230	9230
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		15093	17047	23617	17047
5. Central government income tax liability (exclusive of tax credits)		3090	3290	4735	3290
6. Tax credits					
Basic credit					
Married or head of family					
Children		1107	529	529	0
Other					
	Total	1107	529	529	0
7. Central government income tax finally paid (5-6)		1983	2761	4206	3290
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		1508	1702	2359	1702
Taxable income					
	Total	1508	1702	2359	1702
10. Total payments to general government (7 + 8 + 9)		3491	4463	6565	4992
11. Cash transfers from general government					
For head of family					
For two children		1368	1368	1368	0
	Total	1368	1368	1368	0
12. Take-home pay (1-10+11)		17584	23182	27649	21286
13. Employer's compulsory social security contributions		1779	2009	2784	2009
14. Average rates					
Income tax		10.1%	10.5%	12.8%	12.5%
Employees' social security contributions		7.7%	6.5%	7.2%	6.5%
Total payments less cash transfers		10.8%	11.8%	15.8%	19.0%
Total tax wedge including employer's social security contributions		18.2%	18.0%	22.4%	24.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		69.4%	32.0%	32.0%	32.0%
Total payments less cash transfers: Spouse		14.8%	32.0%	32.0%	32.0%
Total tax wedge: Principal earner		72.6%	39.2%	39.2%	39.2%
Total tax wedge: Spouse		17.7%	39.2%	39.2%	39.2%
Memorandum item: Non-wastable tax credits					
tax expenditure component		578	0	0	0
cash transfer component		0	0	0	0

United States		2002			
The tax/benefit position of single individuals					
	Earnings (per cent of APW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross earnings		21459	32188	53647	21459
2. Standard tax allowances					
Basic allowance		7700	7700	7700	9900
Married or head of family					
Dependent children		0	0	0	6000
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	7700	7700	7700	15900
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		13759	24488	45947	5559
5. Central government income tax liability (exclusive of tax credits)		1764	3373	8752	556
6. Tax credits					
Basic credit		0	0	0	2468
Married or head of family					
Children		0	0	0	1200
Other					
	Total	0	0	0	3668
7. Central government income tax finally paid (5-6)		1764	3373	8752	-3112
8. State and local taxes		1261	1971	3391	977
9. Employees' compulsory social security contributions					
Gross earnings		1642	2462	4104	1642
Taxable income					
	Total	1642	2462	4104	1642
10. Total payments to general government (7 + 8 + 9)		4666	7806	16246	-494
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		16793	24382	37400	21952
13. Employer's compulsory social security contributions		1642	2462	4104	1642
14. Average rates					
Income tax		14.1%	16.6%	22.6%	-10.0%
Employees' social security contributions		7.7%	7.7%	7.7%	7.7%
Total payments less cash transfers		21.7%	24.3%	30.3%	-2.3%
Total tax wedge including employer's social security contributions		27.3%	29.6%	35.2%	5.0%
15. Marginal rates					
Total payments less cash transfers: Principal earner		29.3%	29.3%	41.3%	45.3%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		34.3%	34.3%	45.4%	49.2%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.
Memorandum item: Non-wastable tax credits					
tax expenditure component		0	0	0	556
cash transfer component		0	0	0	3112

United States		2002				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross earnings			32188	42917	53647	42917
2. Standard tax allowances						
	Basic allowance		13850	13850	13850	13850
	Married or head of family					
	Dependent children		6000	6000	6000	0
	Deduction for social security contributions and income taxes					
	Work-related expenses					
	Other					
	Total		19850	19850	19850	13850
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			12338	23067	33797	29067
5. Central government income tax liability (exclusive of tax credits)			1251	2860	4470	3760
6. Tax credits						
	Basic credit		419	0	0	0
	Married or head of family					
	Children		1200	1200	1200	0
	Other					
	Total		1619	1200	1200	0
7. Central government income tax finally paid (5-6)			-368	1660	3270	3760
8. State and local taxes			1545	2255	2965	2539
9. Employees' compulsory social security contributions						
	Gross earnings		2462	3283	4104	3283
	Taxable income					
	Total		2462	3283	4104	3283
10. Total payments to general government (7 + 8 + 9)			3639	7198	10339	9582
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	0
	Total		0	0	0	0
12. Take-home pay (1-10+11)			28549	35719	43308	33335
13. Employer's compulsory social security contributions			2462	3283	4104	3283
14. Average rates						
	Income tax		3.7%	9.1%	11.6%	14.7%
	Employees' social security contributions		7.7%	7.7%	7.7%	7.7%
	Total payments less cash transfers		11.3%	16.8%	19.3%	22.3%
	Total tax wedge including employer's social security contributions		17.6%	22.7%	25.0%	27.8%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		50.3%	29.3%	29.3%	29.3%
	Total payments less cash transfers: Spouse		33.2%	29.3%	29.3%	29.3%
	Total tax wedge: Principal earner		53.9%	34.3%	34.3%	34.3%
	Total tax wedge: Spouse		37.9%	34.3%	34.3%	34.3%
	Memorandum item: Non-wastable tax credits					
	tax expenditure component		1251	1200	1200	0
	cash transfer component		368	0	0	0

Part V
DESCRIPTION OF TAX/BENEFIT SYSTEMS, 2002

Partie V
**DESCRIPTION DES SYSTÈMES D'IMPÔTS
ET DE PRESTATIONS SOCIALES, 2002**

AUSTRALIA – AUSTRALIE

(2002-2003 Income tax year)

The national currency is the Australian dollar (AUD). For the 2002-2003 income tax year AUD 1.86 was equal to USD 1 (average of nine months daily exchange rates). In that period the average production worker earned AUD 45 851 (Secretariat estimate).

1. Personal Income Tax System

1.1. Federal government income tax

1.11. Tax unit

Members of the family are taxed separately.

1.12. Tax allowances and credits

1.121. Standard tax reliefs

- *Basic reliefs*: Income earned up to AUD 6 000 by resident taxpayers is subject to tax at a zero rate.
- *Standard marital status reliefs*: A taxpayer may claim a tax credit where he or she contributes to the maintenance of a dependent spouse (legal or de facto). The credit is AUD 1 489 for a dependent spouse without dependent children. The credit is reduced by AUD 1 for every AUD 4 by which the spouse's separate net income exceeds AUD 282. The rebate for a dependent spouse with a dependent child has been replaced by the Family Tax Benefit system (see below).
- *Relief(s) for children*: From 1 July 2000, the new Family Tax Benefit (FTB) has replaced several forms of tax relief and cash transfers, such as Family Tax Assistance, the dependent spouse with child rebate and the sole parent rebate. FTB can be claimed either through the taxation system or as a cash transfer. From 1 July 2001 a refundable tax offset, called the Baby Bonus, was introduced to recognise that one of the hardest times for families financially is the birth of their first child, when one partner gives up or reduces their paid employment. The Baby Bonus can only be claimed through the taxation system. Refer § 3.2.
- *Relief for social security contributions and other taxes*: no such contributions are levied.
- *Relief for low income earners*: An AUD 150 tax credit is available for taxpayers whose taxable income was less than AUD 20 700. This credit is reduced by four cents for every AUD 1 by which the taxpayer's taxable income exceeds AUD 20 700, and no tax credit is available once the taxpayer's taxable income equals AUD 24 450.
- *Other*: No other standard relief available.

1.122. Main non-standard tax reliefs applicable to an average production worker include

From 1 July 1992, all employers are required to provide a minimum level of superannuation support for each of their full-time, part-time and casual employees. Apart from a limited number of

exemptions, if no superannuation support is provided the employer is liable for a superannuation guarantee charge.

The Government Co-contribution for Low Income Earners will provide a co-contribution of up to AUD 1 000 for superannuation contributions made by low income earners (those earning below AUD 32 500). The maximum co-contribution of AUD 1 000 will be payable for those on incomes of AUD 20 000 or less. The maximum co-contribution will reduce by 8 cents for each dollar of income over AUD 20 000. The Government co-contribution is subject to the passage of legislation through Parliament and will replace the existing maximum AUD 100 taxation rebate for personal superannuation contributions made by low income earners.

A taxpayer may receive an 18 per cent income tax rebate for contributions up to AUD 3 000 per annum to a complying superannuation fund on behalf of a spouse with an income equal to or below AUD 13 800 per annum (a maximum rebate of AUD 540). The maximum rebatable limit is reduced at the rate of one dollar for each dollar of spouse assessable income exceeding AUD 10 800.

Investment income from superannuation savings is taxed at the concessional rate of 15 per cent.

On 1 January 1999, the Government introduced a 30 per cent rebate for individuals who have private health insurance. To be eligible for the tax rebate, an individual must pay a premium in respect of an "appropriate private health insurance policy" – a policy that provides hospital cover, ancillary cover or combined cover and the person being covered by the policy is eligible to claim benefits under Medicare. The amount of the rebate is not means tested and is 30 per cent of the amount paid for cover in respect of the year of income.

Medical expenses: A medical expense credit applies at a rate of 20 per cent to the excess of net medical expenses over AUD 1 500 for the 2002-2003 year of income. To qualify for the rebate, the medical expenses must have been paid by a resident taxpayer in respect of himself or herself or a resident dependant. However, it was not necessary that the payments be made to a resident or that they be paid in Australia. "Medical expenses" for the purposes of the medical expenses rebate includes payments to doctors, nurses, chemists, dentists, opticians and optometrists. Payments for therapeutic treatment and for medical or surgical appliances, remuneration paid to an attendant of an incapacitated person and payments for the maintenance of a guide dog may also qualify.

Other non-standard reliefs provided as deductions are:

- subscriptions paid in respect of membership of a trade, business or professional association or union;
- charitable contributions of AUD 2 or more to specified funds, authorities and institutions, including public benevolent institutions, approved research institutes for scientific research, building funds for schools conducted by non-profit organisations etc; and
- work-related expenses including cost of replacement of tools of trade, cost of provision and of cleaning protective clothing and footwear, travelling between jobs or travelling in the course of employment.

1.13. Tax schedule

General rates of tax – resident individuals.

Taxable income (AUD)		Tax at general rates on total taxable income
Not less than	Not more than	
0	6 000	NIL
6 000	20 000	NIL + 17c for each AUD in excess of AUD 6 000
20 000	50 000	AUD 2 380 + 30c for each AUD in excess of AUD 20 000
50 000	60 000	AUD 11 380 + 42c for each AUD in excess of AUD 50 000
60 000 and over		AUD 15 580 + 47c for each AUD in excess of AUD 60 000

To contribute towards the cost of basic medical and hospital care a Medicare Levy is imposed on the taxable incomes of resident taxpayers. In 2002-2003 the levy applies at the rate of 1.5 per cent of the taxable income of an individual.

Certain thresholds are applied before the levy is imposed. For example, in 2001-02, an individual taxpayer was exempt from the levy where the taxable income was less than or equal to AUD 14 539. Where a taxpayer was married no levy was payable if the taxable family income did not exceed AUD 24 534, the threshold increasing by AUD 2 253 for each dependent child. Where taxable income exceeded AUD 14 539 but did not exceed AUD 15 717 shading-in provisions applied under which the levy payable was 20 per cent of the excess of taxable income over AUD 14 539. These thresholds are not yet finalised for 2002-03.

In 2001-02, individual pensioners under Age Pension age were exempt from the levy where their taxable income was less than or equal to AUD 16 570. Where taxable income exceeded AUD 16 570 but did not exceed AUD 17 913 shading in provisions apply under which the levy payable was 20 per cent of the excess of taxable income over AUD 16 570. Again, these thresholds are not yet finalised for 2002-03.

Eligible senior Australians of Age Pension age are exempt from the levy where the taxable income is less than or equal to AUD 20 000. Where the taxable family income of an eligible senior Australian does not exceed AUD 31 729 no levy is payable.

1.2. State and local income taxes

In Australia no states or territories levy a tax based on a resident's income.

2. Social Security Contributions

2.1. Employees' contributions

None. There is, however, a Medicare Levy which is based upon taxable income. Refer § 1.13.

2.2. Employers' contributions

No contributions are collected from employers or employees specifically for pensions, sickness, unemployment or work injury benefits, family allowances or other benefits.

Part of Australia's retirement income system is the provision of compulsory employer contributions (the Superannuation Guarantee system). Legislation provides for this to increase from 8 per cent of ordinary time earnings to 9 per cent by 2002-2003.

3. Universal Cash Transfers

3.1. Transfers related to marital status

There are no cash transfers made on a universal basis to married couples.

3.2. Transfers related to dependent children

- As mentioned earlier, the government has introduced the Family Tax Benefit (FTB) to replace certain forms of family assistance. There are two parts to FTB. Families may be entitled to one or both parts depending on their family circumstances. Eligibility for FTB(A) benefit is based upon the combined taxable incomes of the parents. The income ceiling of AUD 79 643 upon which eligibility is measured increases by AUD 3 212 for the second and additional children, and the payment shades out at the rate of AUD 0.30 per AUD 1 of income over the ceiling. The base rate of payment is AUD 1 062.15 for a dependent child aged under 18, and AUD 1 427.15 for a dependent child aged under 21 or a dependent full-time student aged 21 to 24. A higher benefit is available for lower income earners, and the value of this benefit is dependent on the age and number of children. This additional benefit shades out at the rate of AUD 0.30 for each dollar of income over AUD 30 806 until the base payment is reached. The calculations assume each dependant is less than 13 years of age.

- The Part B benefit is targeted at single income couple and sole parent families. Eligibility for FTB(B) is contingent upon the spouse meeting a separate income test and the existence of at least one dependent child under the age of 16 or a qualifying dependent full-time student up to the age of 18. There is no income ceiling for sole parents or the main income earner in a couple family, however there is a spouse income threshold of AUD 1 752, above which the entitlement is reduced by AUD 0.30 for each dollar of income. The maximum payment is AUD 1 978.30 per year where there is a dependent child of at least 5, and AUD 2 836.05 per year where there is a child under 5 years. The calculations assume each dependant is between 5 and 16 years of age.
- In the 2001-02 income year a Baby Bonus was introduced to recognise that one of the hardest times for families financially is the birth of their first child, when one partner gives up or reduces their paid employment. To be eligible a taxpayer must have had a baby or gained legal responsibility of a child under age 5 after 30 June 2001. The Baby Bonus is payable until the child turns 5. The maximum amount is reduced by the proportion of the taxable income in the claim year as against the base year. For those with a taxable income below AUD 25 001 in the claim year there is a minimum entitlement of AUD 500 per annum. As a transitional measure the Baby Bonus is also available to families who already have children in respect of the children born on or after 1 July 2001.
- Parenting Payment is a taxable payment payable to partnered and sole parents in low income families with a qualifying child under 16. The maximum annual rate of Parenting Payment (Partnered) (PP(P)) is projected to be AUD 8 791 in 2002-03, while the maximum annual rate of Parenting Payment (Single) (PP(S)) is projected to be AUD 11 171. These payments are subject to income and assets tests. Under the PP(P) income test, a spouse with little or no income (less than AUD 62 per fortnight) would not receive any Parenting Payment where the higher earning partner's income exceeded AUD 568 per fortnight (AUD 30 293 per year) in 2002-03. PP(S) reduces by AUD 0.40 for each AUD 1 of income above a fortnightly threshold of AUD 116 (or AUD 3 016 yearly) plus AUD 24.60 (AUD 639.60 yearly) for each child. A sole parent with two qualifying dependents may be entitled to some basic PP(S) in 2002-03 where private income does not exceed an average of AUD 1 239 per fortnight (or AUD 32 223 yearly).
- A non-taxable supplementary payment called Pharmaceutical Allowance (PA) is also payable with PP(S). This payment is added to the maximum basic rate of PPS before a person's entitlement is calculated. Anyone with a PP(S) entitlement, after PA has been added, receives the full amount of PA. In 2002-03, the payment is projected to be AUD 5.80 per fortnight (AUD 150.80 yearly).

4. Main Changes in the Tax/Benefit System since 1999

4.1. General rates of tax – resident individuals

- As part of tax reform, the personal income tax rates have been changed from those which applied from the 1995-1996 to 1999-2000 income years. Refer § 1.13.
- In the attached calculations, the Medicare Levy has been shifted from the Employee's Compulsory Social Security Contributions category to the Central Government Income Tax category.

4.2. Cash transfers related to dependent children

- From 1 July 2000, the new Family Tax Benefit (FTB) has replaced several forms of tax relief and cash transfers. Refer § 1.121 and 3.2.

5. Memorandum Items

5.1. Identification of an average production worker

The source of the information used in replying to the questionnaire was the Australian Bureau of Statistics publication *Average Weekly Earnings – Australia*, catalogue number 6302.0. The survey is conducted on a quarterly basis and is based on a representative sample of employers in each industry.

All wage and salary earners who received pay for the reference period are represented in the Survey of Average Weekly Earnings (AWE), except:

- members of the Australian permanent defence forces;
- employees of enterprises primarily engaged in agriculture, forestry and fishing;
- employees in private households employing staff;
- employees of overseas embassies, consulates, etc;
- employees based outside Australia; and
- employees on workers' compensation who are not paid through the payroll.

Also excluded are the following persons who are not regarded as employees for the purposes of this survey:

- casual employees who did not receive pay during the reference period;
- employees on leave without pay who did not receive pay during the reference period;
- employees on strike, or stood down, who did not receive pay during the reference period;
- directors who are not paid a salary;
- proprietors/partners of unincorporated businesses;
- self-employed persons such as subcontractors, owner/drivers, consultants; and
- persons paid solely by commission without a retainer.

The sample for the AWE survey, like most ABS business surveys, is selected from the ABS Business Register which is primarily based on registrations to the Australian Taxation Office's (ATO) Pay As You Go Withholding (PAYGW) scheme (and prior to 1 June 2000 the Group Employer (GE) scheme). The population is updated quarterly to take account of:

- new businesses;
- businesses which have ceased employing personnel;
- changes in employment levels;
- changes in industry; and
- other general business changes.

The survey data used in identifying the average production worker relates to that applying to full-time employees in the manufacturing sector being adult males and females without regard to marital status.

Earnings comprise weekly ordinary time earnings and weekly overtime earnings.

Weekly ordinary time earnings refers to one week's earnings of employees for the reference period attributable to award, standard or agreed hours of work. It is calculated before taxation and any other deductions (*e.g.* superannuation, board and lodging) have been made. Included in ordinary time earnings are award, workplace and enterprise bargaining payments, and other agreed base rates of pay, over award and over agreed payments, penalty payments, shift and other allowances; commissions and retainers; bonuses and similar payments related to the reference period; payments under incentive or piecework; payments under profit sharing schemes normally paid each pay period; payment for leave taken during the reference period; all workers' compensation payments made through the payroll; and salary payments made to directors. Excluded are overtime payments, retrospective pay, pay in advance, leave loadings, severance, termination and redundancy payments, and other payments not related to the reference period.

Weekly overtime earnings refer to payments for hours in excess of award, standard or agreed hours of work.

The projected annual gross earnings for 2002-03 are based on the average weekly earnings figure for the June quarter 2002, indexed by 3.75 per cent for wages growth in 2002-03, multiplied by 52.

5.2. Employers' contribution to private health and pension scheme

In Australia very few employers make any contributions towards health schemes for their employees, especially where the employee is at a wage level comparable to that of an average production worker.

From a survey of employment benefits conducted by the Australian Bureau of Statistics for November 1995, the findings of which are published in *Superannuation – Australia* (ABS Catalogue No. 6319.0), it was estimated that 95.6 per cent of all persons aged 15 to 74 and employed full-time in the manufacturing industry were covered by a superannuation scheme.

2002-2003 Parameter values

Average earnings/yr	Ave_earn	45 851	
Spouse	spouse_cr	1 489	
Income limit	sp_lim	282	
Withdrawal rate	sp_redn	0.25	
Low income credit	low_inc_cr	150	
	low_inc_lim	20 700	
	low_inc_redn	0.04	
Tax schedule	tax_sch	0	6 000
		0.17	20 000
		0.30	50 000
		0.42	60 000
		0.47	
Medicare levy	medic_rate	0.015	
Exemption limits	sing_lim	14 539	
Married/sole parent	m_lim	24 534	
+ per child	ch_lim	2 253	
Shading-in rate	shade_rate	0.2	
Part A FTB max	FTB_A_max	3 303.25	
Part A FTB basic	FTB_A_base	1 062.15	
Part A income limit 1	FTB_A_lim1	30 806	
Part A income limit 2	FTB_A_lim2	79 643	
Reduction rate	FTB_A_taper	0.3	
Additional limit2 per extra child	FTB_A_child	3 212	
Part B FTB	FTB_B	1 978.3	
Part B partner income limit	FTB_B_lim	1 752	
Reduction rate	FTB_B_taper	0.3	
Parenting payment single	PPS	11 171.17	
Reduction rate	PPS_taper	0.4	
Income limit	PPS_lim	3 016	
Additional limit per child	PPS_ch_lim	639.6	
Pharmaceutical allowance	PA	150.8	

2002-2003 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances	tax_al	B	0
3. Credits in taxable income	taxbl_cr	P	IF(AND(Children>0,Married=0),taper(PPS,earn_princ,PPS_lim+PPS_ch_lim*Children,PPS_taper),0)
4. CG taxable income	tax_inc	B	earn+taxbl_cr
5. CG tax before credits			
Levy if individual (principal)	ind_p		MIN(medic_rate*(earn_princ+taxbl_cr), Positive(shade_rate*(earn_princ+taxbl_cr-sing_lim)))
Levy if individual (spouse)	ind_s		MIN(medic_rate*earn_spouse, Positive(shade_rate*(earn_spouse-sing_lim)))
Joint threshold	thrsh	J	m_lim+Children*ch_lim
Reduction	redn	J	Positive(thrsh*medic_rate- (earn_total+taxbl_cr-thrsh)*(shade_rate-medic_rate))
Levy if married	levy_m	J	Positive(IF(ind_s=0, ind_p-redn, ind_p-MAX(redn*(earn_princ+taxbl_cr)/(earn_princ+taxbl_cr+earn_spouse), redn-ind_s)))
	levy_princ	P	IF((Children+Married)=0, ind_p, levy_m)
	levy_spouse	S	Positive(IF(ind_s=0, 0, MAX(ind_s-redn*earn_spouse/(earn_total+taxbl_cr)))
Tax liability	liab_princ	P	Tax(tax_inc,tax_sch)+levy_princ
	liab_spouse	S	Tax(tax_inc,tax_sch)+levy_spouse
	CG_tax_excl	J	liab_princ+liab_spouse
6. Tax credits:			
Spouse credit	spouse_cr	P	Taper(IF(Children>0,0,spouse_cr),earn_spouse, sp_lim, sp_redn)
Low income credit	low_cr	B	Taper(low_inc_cr, tax_inc, low_inc_lim, low_inc_redn)
Total	tax_cr	B	spouse_cr+low_cr
7. CG tax	CG_tax	B	Positive(CG_tax_excl-tax_cr)
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	0
11. Cash transfers:			
Family Tax Benefit (Part A)	ftbA	P	IF(PA>0,FTB_A_max*Children,IF(earn_total+taxbl_cr>FTB_A_lim2+FTB_A_child*(Children-1),Taper(FTB_A_base*Children,earn_total+taxbl_cr,FTB_A_lim2+FTB_A_child*(Children-1),FTB_A_taper),ftbtaper(FTB_A_max*Children,earn_total+taxbl_cr,FTB_A_lim1,FTB_A_taper,FTB_A_base*Children))
Family Tax Benefit (Part B)	ftbB	J	IF (children>0, Taper(FTB_B,earn_spouse,FTB_B_lim,FTB_B_taper),0)
Pharmaceutical Allowance	PA	P	IF(AND(Children>0,Married=0),IF(Taper(PPS+PA,earn_princ,PPS_lim+PPS_ch_lim*Children,PPS_taper)>0,PA,0),0)
	cash_trans	J	ftbA+ftbB+taxbl_cr+PA
13. Employer's soc security	SSC_empr	B	0

AUSTRIA – AUTRICHE

The Austrian currency is the euro (EUR). In year 2002, EUR 1.0816 was equal to 1 USD (average of nine months daily exchange rates). In that year the average production worker earned EUR 23 963 (Secretariat estimate).

1. Personal Income Tax

1.1. Central government income tax

1.11. Tax unit

Each person is taxed separately.

1.12. Tax allowances

1.121. Standard tax reliefs

- Work related expenses: a minimum allowance of EUR 132 is available to all employees.
- Minimum allowance for special expenses EUR 60 (reduced to 0 between income of EUR 36 400 and EUR 50 900).
- Social security contributions and connected contributions (see Section 2).

1.122. Non-standard tax reliefs

- Mainly work-related expenses (“Werbungskosten”).
- Traffic relief according to the distance between home/address and working place.

Following allowances are deductible from income (EUR per year):

	Public transport	
	Available	Not available
More than 2 km	0	210
More than 20 km	384	840
More than 40 km	768	1 470
More than 60 km	11 052	2 100

- Special expenses allowances (“Sonderausgaben”): Some personal expenses (for example, life insurance premiums, expenses for the purchase of residence including repayments of housing loans) are partly deductible from income. The allowance is limited to EUR 2 920 per taxpayer or EUR 5 840 for sole earners or parents. A quarter of “Sonderausgaben” can be deducted up to a taxable income of EUR 36 400, whereas between EUR 36 400 and EUR 50 900 the deductible amount is (linearly) reduced to zero. Unless higher special expenses can be proved a standard deduction for “Sonderausgaben” of EUR 60 is granted (see § 1.121). Additionally, contributions to the church are deductible up to an amount of EUR 75.

- Tax-free supplements for dirty, hard, dangerous, night, weekend and holiday work and overtime. The supplement for five hours of overtime up to EUR 43 per month is tax free, the other supplements are tax free up to EUR 360 (EUR 540 for night workers) per month.

1.13. Rate schedule

The rates of tax are:

Income up to (EUR)	Marginal rate (%)
3 640	0
7 270	21
21 800	31
50 870	41
Above	50

Because of the calculation rules for the general tax credit, the effective tax rates are different from the formal schedule (see § 1.15).

There is a special taxation apart from the normal tax schedule for Christmas and leave bonus as far as their sum does not exceed two average monthly payments (1/6 of current income). If these bonuses are below EUR 1 680 p.a., no tax is calculated. Otherwise the tax is the minimum of 30 per cent of the amount exceeding EUR 1 680 and of 6 per cent of total bonuses minus a tax-free amount of EUR 620.

1.14. Tax credits

Tax credits are available as follows:

- General tax credit EUR 887 (reduced to 0 for income above EUR 35 421). This reduction takes place according to schedules which are different for employees, pensioners and self-employed and also dependent on family status.
- Employee's tax credit of EUR 54 (10 per cent of social security contributions up to EUR 110 possible as negative tax).
- Traffic (commuting) tax credit EUR 291.
- Sole earner's and sole parent's tax credit of EUR 364. The sole earner's credit is not given when a spouse's income exceeds EUR 2 200, respectively EUR 4 400 for a family with children. If there are children, this tax credit can be paid out as a negative income tax.
- Children's tax credit of EUR 610.80 per child. As this tax credit is paid together with children allowances and not connected with income tax assessment, it is treated as a transfer – similar to the approach taken in the *Revenue Statistics*.
- Tax credit for retired persons EUR 400. This credit is linearly reduced to 0 between EUR 16 715 and EUR 21 800 of income.

1.15. Effective tax schedules for employees

The calculation rules for the general tax credit imply two effective tax rate schedules for employees:

Without sole earner's (parent's) tax credit		With sole earner's (parent's) tax credit	
Bracket (EUR)	Rate (%)	Bracket (EUR)	Rate (%)
3 640	0	3 640	0
7 270	21	6 177	21
8 866	31	7 270	56.333
9 811	43.308	8 357	19
10 901	22.333	9 920	0.070
14 535	32	10 901	43.963
18 168	35	11 301	63.727
21 800	32.934	14 535	31.899
35 421	45.5	18 168	35
50 870	41	21 800	32.934
Above	50	35 421	45.5
		50 870	41
		Above	50

1.2. State and local income taxes

None.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

	Ceilings (EUR)		Rates (%)	
	Regular wage per month	Christmas and leave bonus	Employee	Employer
Health insurance	3 270	6 540	3.95	3.65
Unemployment insurance	3 270	6 540	3.00	3.00
Pension insurance	3 270	6 540	10.25	12.55
Accident insurance	3 270	6 540	–	1.40
Contribution to the labour chamber	3 270	¹	0.50	–
Contribution for the promotion of residential building	3 270	¹	0.50	0.50
Addition to secure wage payments in the case of bankruptcy	3 270	6 540	–	0.70

1. No contributions on Christmas and leave bonus.

3. Universal Cash Transfers

3.1. Amount for marriage

No recurrent payments.

3.2. Amount for children

A family allowance is granted for each child; in 2002 the monthly payment is EUR 105.40 for the first child, EUR 118.20 for the second and EUR 130.90 for the third and additional children. It is increased by EUR 18.20 for children above 10 years of age and by EUR 40 for students (above 19). The children's tax credit (EUR 50.90 monthly, see § 1.14) is paid out together with the family allowance and therefore treated as a transfer.

4. Main Changes in Tax/Benefit Systems since 1994

In this section, all amounts are expressed in Austrian shillings (ATS). In 1994, a major tax reform took effect. Most measures concerned the taxation of firms. For employees the following points are important. The general tax credit was increased by ATS 3 840, *i.e.* ATS 320 monthly. For employees with low income a negative income tax option was introduced (the negative income tax is limited to the wage earner's tax credit, but it cannot exceed 10 per cent of social security contributions).

In 1995, family allowances were reduced by ATS 100 per month (ATS 1 200 per year).

In 1996, a consolidation package was introduced, some measures of which took effect already in 1996. The deductibility of special expenses was reduced (half to quarter) and abolished for incomes above ATS 700 000. Tax free overtime supplements were limited to ATS 590 per month. The general tax credit was linearly reduced to zero between ATS 200 000 and ATS 500 000 of income and there was a change in the deductibility of social security contributions on non-current wages and salaries.

The family package of 1998 brought an increase of ATS 1 500 of the family allowances and the children's tax credits each in 1999. A supplement of ATS 2 400 in 1999 and ATS 4 800 in 2000 for the 3rd, etc., child for families earning less than ATS 504 000 was introduced. The sole earner's or sole parent's tax credit negative tax limit was abolished. For 2000 and following years there is another increase of the sum of family allowances and children's tax credits by ATS 3 000, but the differentiation according to the number of children was transferred to the allowances, *i.e.* from then on there is a unique annual tax credit of ATS 8 400 per child.

The tax reform 1999, effective from the beginning of 2000, brought a reduction of the tax schedule and an increase of the general tax credit leading to a (linearly increasing) tax reduction between ATS 4 000 and 7 000 p.a. The maximum reduction is reached at a gross income near the ceiling for social security contributions. The reform also included a number of other measures which concerned mainly enterprise taxation.

The budget consolidation measures for 2001 included an abolition of the general tax credit for incomes exceeding ATS 487 400, the halving of the employee's tax credit to ATS 750 and a phasing-out of the pensioner's tax credit between an income of ATS 230 000 and 300 000.

5. Memorandum Items

5.1. Calculation of earnings data

- Sector used – All employees.
 - Geographical coverage – Whole country.
 - Sex – Male and Female.
 - Earnings base:
 - Items excluded: Unemployment compensation.
Sickness compensation.
 - Items included: Vacation payments.
Overtime payments.
Recurring cash payments.
Fringe benefits (taxable value).
 - Basic method of calculation used: Average annual earnings.
 - Income tax year ends: 31 December.
- Period to which the earnings calculation refers to: one year.

2002 Parameter values

APW-income	Ave_earn	23 963		
Non current income as %	non_cur_pc	14.286%		
Tax free inc on non-current	bonus	620		
Work related	work_rel	132		
Allowance f."Special expenses"	Basic_al	60		
Basic allowances threshold	Basic_al_thrsh	36 400		
Basic allowance reduction rate	Basic_al_redn	0.4138%		
Tax free inc.	tax_free	2%		
Basic tax credit	basic_cr	887		
Wage earner	wage_cr	54		
Traffic	traffic_cr	291		
Single earner credit	sole_cr	364		
Spouse income not more than	sole_lim0	2 200		
Spouse with children	sole_lim1	4 400		
Tax on non-current income	non_cur_rate	6%		
Altern.tax on non-current income	alt_nonc_rate	30%		
Income tax schedule (se... for sole earners)	tax_sch(se)	0	3 640	0
		0.21	7 270	0.21
		0.31	8 866	0.562242
		0.432751	9 811	0.189485
		0.223761	10 901	0.000979
		0.319906	14 535	0.43946
		0.350187	18 168	0.6375
		0.329273	21 800	0.318967
		0.455004	35 421	0.350187
		0.41	50 870	0.329273
		0.5		0.455004
				0.41
				0.5
				3 640
				6 177
				7 270
				8 357
				9 920
				10 901
				11 301
				14 535
				18 168
				21 800
				35 421
				50 870
Ceiling f. soc. security contributions lower limit	SSC_ceil	3 270		
	SSC_low	301.54		
Employees' contr. rates	health_rate	3.95%		
	unemp_rate	3.00%		
	pension_rate	10.25%		
sum without others	empl_14	17.20%		
	others_rate	1.00%		
Employers' contr.rates	health_empr	3.65%		
	unemp_empr	3.00%		
	pension_empr	12.55%		
	accident_empr	1.40%		
	payinsur_empr	0.70%		
sum without others	empr_14	21.30%		
	others_empr	0.50%		
Pay roll taxes	payroll_rate	7.50%		
Child benefit: 1st child	CB_1	1 264.80		
2nd child	CB_2	1 418.40		
3rd + child	CB_3	1 570.80		
suppl.>10 years	CB10sppl	218.40		
suppl >19 years	CB19sppl	480.00		
Child credit first	child_cr_1	610.80		

2002 Tax equations

Bn	Variable	Code for docn Equations	Excel-Function	APW Nr.
3.	Earnings (%APW)	per cent	0, 1/3, 2/3, 1 or 1 2/3 in APW tables	
4.	Number of children	child	0 or 2 in APW tables	
5.	Gross earnings	earn	=Ave_earn*percent	1.
6.	Current income	cearn	=(1-non_cur_pc)*earn	
7.	Basic allowance	allow	=(earn>14*SSC_low)*Taper(Basic_al;cearn-SSCc-work_rel-taxfrinc;Basic_al_thrsh;Basic_al_rdn)	2.1
8.	SSC on curr. inc.	SSCc	=(empl_14+others_rate)*MIN(12*SSC_ceil;cearn*(cearn>12*SSC_low))	2.4
9.	Work related expenses	work_rel	=work_rel	2.5
10.	Tax-free income	taxfrinc	=tax_free*earn	
11.	Tax base for schedule	ctbase	=(earn>14*SSC_low)*ROUND(cearn-allow-SSCc-work_rel-taxfrinc;-2)	2.
12.	Gross tax on current income	gtaxcur	=IF(headcr>0;Tax(ctbase;tax_schse);Tax(ctbase;tax_sch))	
13.	Basic tax credit	btaxcr	=(earn>14*SSC_low)*basic_cr	6.1
14.	Married or head of family	headcr	=(earn_sp<IF(child>0;sole_lim1;sole_lim0))*sole_cr (for singles: (child>0)*sole_cr)	6.2
15.	Other	othcr	=min(wage_cr;10%*SSC)+traffic_cr	6.4
16.	Interm. tax on current income	itcur	=gtaxcur-btaxcr-headcr-othcr	
17.	Net tax on current income	ntaxcur	=IF(itcur>0;itcur;MAX(itcur;-0,1*SSC-(child>0)*headcr;-wage_cr-(child>0)*headcr))	
18.	Non current income	ncearn	=earn-cearn	
19.	SSC on non-curr. inc.	SSCnc	=(health_rate+unemp_rate+pension_rate)*MIN(2*SSC_ceil;ncearn)*(ncearn>2*SSC_low)	
20.	Non current income-SSC	ncearn_adj1	=ncearn-SSCnc	
21.	of which tax free	taxfree	=MIN(bonus;ncearn_adj1)	
22.	Non-curr. tax base	ncearn_adj2	=ncearn_adj1-taxfree	
23.	Tax on non current income	taxnc	=Positive(MIN((ncearn_adj1-23000)*alt_nonc_rate;ncearn_adj2*non_cur_rate))	
24.	Taxable income	taxinc	=ctbase+ncearn_adj2	4.
25.	Tax liability excl. tax credits	inctax_ex	=gtaxcur+taxnc	5.
26.	Income tax finally paid	inctax	=ntaxcur+taxnc	7.
27.	Employee's SSC	SSC	=SSCc+SSCnc	2.4/9.
28.	Employer's SSC	SSCf	=((empr_14+others_empr)*MIN(12*SSC_ceil;cearn)+empr_14*MIN(12*SSC_ceil;ncearn))*(earn>14*SSC_low)	13.1
29.	Pay-roll taxes	payroll	=payroll_rate*earn	13.2
30.	Cash transfers	cash	=IF(child<2;child*(CB_1+CB10sppl);CB_1+CB_2+(child-2)*CB_3+2*CB10sppl)+child*child_cr_1 (for singles and spouses in the married couple cases)	11.
31.	Take-home pay		=earn-inctax-SSC+cash	12.
32.	Wage cost		=earn+SSCf+payroll	
	non-wastable tax credits			
	Tax expenditure component	taxexp	=-MIN(inctax;-headcr-wage_cr-(othcr of spouse>0)*MAX(wage_cr;-inctax of spouse))-transfer	
	Cash transfer component	transfer	=IF(inctax<0,-inctax,0)	

BELGIUM – BELGIQUE

La monnaie nationale est l'euro (EUR). Pendant un période transitoire qui dura jusqu'en février 2002, l'ancienne monnaie nationale, le BEF, continua à circuler au taux de 40.3399 BEF pour 1 EUR. En 2002, EUR 1.0816 étaient égal à USD 1 (moyenne sur neuf mois des taux de change quotidiens). Cette année là, le revenu de l'ouvrier moyen a été estimé à EUR 31 173 (estimation du Secrétariat).

1. Système d'imposition sur le revenu

1.1. Impôt sur le revenu perçu par l'administration centrale

Les arrondis de transparence liés au passage à l'euro s'appliquent dès le 1^{er} janvier 2001 et sont effectués à l'avantage du contribuable. Les montants nominaux repris dans ce paragraphe correspondent aux paramètres libellés en euros.

1.11. Unité d'imposition

L'unité d'imposition est le ménage. Toutefois, les conjoints qui bénéficient tous deux de revenus professionnels sont imposés séparément et le conjoint qui n'exerce pas d'activité professionnelle bénéficie de l'imposition séparée sur la quote-part de revenus qui peut lui être attribuée (voir ci-après : quotient conjugal).

1.12. Abattements fiscaux

1.121. Déduction des cotisations de sécurité sociale

Sauf mention contraire, les cotisations sociales sont déductibles des revenus bruts.

1.122. Charges professionnelles

Les salariés et les titulaires de professions libérales ont droit à une déduction forfaitaire pour charges professionnelles. Celle-ci ne peut en aucun cas excéder EUR 2 950 par conjoint et se calcule comme suit :

Revenu brut, cotisations sociales déduites (EUR)	Taux (%)
De moins de 4 420	23
De 4 420 à 8 790	10
De 8 790 à 14 630	5
Au delà de 14 630	3

Les dirigeants d'entreprises ont également droit à une déduction forfaitaire pour charges professionnelles : celle-ci est de 5 pour cent du revenu brut (cotisations sociales déduites) et ne peut excéder EUR 2 950 par conjoint.

Un forfait complémentaire peut être octroyé aux salariés en cas d'éloignement du domicile par rapport au lieu de travail.

Les charges réelles exposées pour acquérir ou conserver les revenus professionnels peuvent être déduites si elles sont supérieures à la déduction forfaitaire. La déductibilité de certaines catégories de dépenses professionnelles (voitures, vêtements, restaurant, cadeau d'affaires) est toutefois limitée. Les contribuables qui déclarent leurs charges réelles peuvent déduire EUR 0.15 par kilomètre avec un maximum de 25 km par trajet simple, pour leurs déplacements du domicile au lieu de travail effectués autrement qu'en voiture individuelle.

1.123. Quotient conjugal

Le contribuable dont le conjoint ne bénéficie pas de revenus professionnels peut lui attribuer une quote-part de 30 pour cent de ses revenus nets de charges. Cette quote-part est plafonnée à EUR 7 900. Elle constitue un revenu propre du conjoint inactif.

1.124. Tranche exonérée

La tranche exonérée varie selon la situation familiale. Les montants de base sont (en euros) :

Isolé	5 480
Conjoint	4 350

Majorations pour enfants à charge (un enfant handicapé est compté pour deux):

1 enfant	1 160
2 enfants	3 000
3 enfants	6 720
4 enfants	10 860
Au-delà du 4 ^e enfant, par enfant supplémentaire	4 150

Les quotités exonérées pour enfant à charge qui ne peuvent être imputées faute de revenu suffisant donnent lieu à un crédit d'impôt remboursable à partir de 2002. Sont compris les doubléments pour handicap et le complément pour enfant de moins de 3 ans pour lesquels la déduction pour frais de garde n'est pas demandée. Le crédit d'impôt remboursable est calculé au taux marginal et plafonné à EUR 330 par enfant à charge.

Des majorations sont également octroyées en raison de certaines situations familiales particulières (en euros) :

Autres personnes à charge	1 160
Conjoint handicapé	1 160
Autres personnes à charge handicapées	1 160
Veuf(ve) avec enfants à charge	1 160
Père ou mère célibataire	1 160

Ces majorations s'imputent par priorité sur les revenus imposables du conjoint qui en a le plus, le solde éventuel est transféré sur les revenus de l'autre conjoint.

1.125. Barème

Revenu imposable (EUR)	Taux marginal (%)
0-6 730	25
6 730-8 930	30
8 930-12 720	40
12 720-29 250	45
29 250-43 870	50
43 870- et plus	52.5

La tranche exonérée et ses éventuelles majorations sont imputées « par le bas ».

L'impôt dû à l'État est majoré d'une contribution complémentaire de crise (CCC) perçue selon le barème suivant.

Classe du revenu imposable globalement (RIG)	Taux de la CCC en % de l'impôt
0 à 29 747.22	0
29 747.22 à 30 986.69	1 (RIG – 29 747.22)/1 239.47
30 986.69 et plus	1

1.2. Impôt des collectivités locales

Les impôts locaux sont constitués d'additionnels à l'impôt sur le revenu. Le taux de ces additionnels est fixé par chaque commune et il n'existe pas de limite maximale. Un taux moyen de 7 pour cent a été retenu.

2. Cotisations sociales obligatoires versées à des régimes publics

2.1 Taux et plafond

a) Cotisations salariales

La loi fixe les taux de cotisations patronales et personnelles (celles du travailleur). Les taux de cotisations applicables (en pourcentages) sont les suivants (entreprises de 20 travailleurs et plus) :

	Travailleur	Employeur	Total
Chômage	0.87	3.32	4.19
Indemnité assurance maladie	1.15	2.35	3.50
Soins de santé	3.55	3.80	7.35
Parcours d'insertion		0.05	0.05
Allocations familiales		7.00	7.00
Pensions	7.50	8.86	16.36
Accueil des enfants		0.05	0.05
Maladies professionnelles		1.10	1.10
Accidents de travail		0.30	0.30
Congé d'éducation		0.04	0.04
Fermetures d'entreprises		0.12	0.12
Modération salariale		7.59	7.59
Total	13.07	34.58	47.65

Le pécule de vacances perçu n'est pas soumis aux cotisations de sécurité sociale applicables aux salaires, mais une retenue de sécurité sociale de 13.07 pour cent est effectuée lors de son attribution.

b) Réduction des cotisations patronales

A partir du 1^{er} avril 2001 ; il est octroyé une réduction des cotisations patronales, dont le montant varie en fonction du salaire brut selon le barème suivant :

Salaire brut annuel (S) en euros	Réduction en euros
0 < S < 10 260.71	1 120.38
10 260.71 < S < 13 329.23	2 945.57
13 329.23 < S < 18 459.14	2 945.57 – 0.3558 (S – 13 629.23)
S > 18 459.14	1 120.38

c) *Réduction des cotisations personnelles de sécurité sociale*

Il est en outre octroyé à partir du 1^{er} janvier 2000, une réduction des cotisations personnelles de sécurité sociale pour les bas salaires. Celle-ci est octroyée mensuellement en fonction du niveau du salaire.

Salaire brut annuel (Sa) en euros	Réduction en euros
0 < Sa < 10 522.80	0
10 522.80 < Sa < 13 772.40	981.60
13 772.40 < Sa < 16 402.92	981.60 – 0.3732 (S – 13 772.40)
Sa > 16 402.92	0

d) *Cotisation spéciale de sécurité sociale*

En outre, il est établi à partir de l'année 1994 une cotisation spéciale annuelle de sécurité sociale, basée sur le revenu imposable globalement (déduction faite des pensions de retraite) et fixée comme suit :

Revenu imposable (EUR)	Montant dû sur la limite inférieure	% au-delà de la limite inférieure
De 0 à 18 592.01	0	0
De 18 592.01 à 21 070.95	0	9
De 21 070.95 à 60 161.87	223.10	1.3
60 161.87 et plus	731.29	0

2.2. *Déduction selon la situation de famille ou le sexe*

Aucune.

3. **Prestations sociales d'application générale**

Des allocations familiales sont octroyées aux enfants. Les montants annuels de ces prestations sociales sont les suivants :

	< 6 ans	6 – 12 ans	12 – 18 ans	> 18 ans
1 ^{er} enfant	869.91	1 021.45	453.70	811.69
2 ^e enfant	1 609.58	1 911.74	763.88	1 048.87
3 ^e enfant	2 403.14	2 705.30	763.88	1 048.87

Pour la détermination des ressources de l'ouvrier moyen, il a été supposé que les enfants ont entre six et douze ans.

4. **Principales modifications apportées au système fiscal**

L'indexation annuelle du barème et de tous les montants libellés en EUR est entièrement rétablie à partir de 1999 et le démantèlement de la contribution complémentaire de crise se poursuit.

La réforme de l'impôt des personnes physiques, qui est mise en œuvre de façon progressive sur une période allant de 2002 à 2005, vise à réduire la pression fiscale sur les revenus du travail, à une neutralité à l'égard des modes de vie, à une meilleure prise en compte des enfants à charge et à une fiscalité plus écologique.

Elle a les conséquences suivantes pour l'impôt sur les revenus de 2002 de l'ouvrier moyen :

Les charges professionnelles forfaitaires

Le taux de la première tranche du barème des charges forfaitaires passe de 20 à 25 pour cent. Il s'agit du taux qui s'applique à la 1^{re} tranche de EUR 4 420 des salaires.

Cette mesure est introduite en deux étapes :

- pour les revenus de 2002, exercice d'imposition 2003 : le taux passe de 20 % à 23 %
- pour les revenus de 2003, exercice d'imposition 2004 : le taux passe de 23 % à 25 %.

Le barème

Revenu imposable (EUR)	Taux marginal (%)
0-6 730	25
6 730-8 930	30
8 930-12 720	40
12 720-29 250	45
29 250-43 870	50
> 43 870	52,5

Le taux marginal de 55 pour cent est supprimé.

Crédit d'impôt

Un crédit d'impôt est progressivement introduit sur une période de trois ans.

Le crédit d'impôt est calculé sur base du montant net des revenus d'activités professionnelles, c'est-à-dire le montant net de charges professionnelles des revenus professionnels.

La base s'évalue avant application du quotient conjugal.

Le barème de ce crédit, qui est octroyé et calculé par conjoint est le suivant :

Barème du crédit d'impôt

Tranches du Revenu net (R) en EUR		Montant du crédit d'impôt en EUR
L ₁	L ₂	
0	3 850	0
3 850	5 130	$B \times (R - L_1) / (L_2 - L_1)$
5 130	12 840	B
12 840	16 680	$B \times (L_2 - R) / (L_2 - L_1)$
16 680	et plus	0

Pour les revenus de 2002 le montant de base B est de EUR 78.

Un nouveau dispositif de réduction des cotisations patronales et personnelles de sécurité sociale est entré en vigueur au 1^{er} avril 2001.

2002 Parameter values

	Ave_earn	31 173		
Work-related expenses	work_rel_max	2 950		
	work_rel_sch	0.23	4 420	
		0.1	8 790	
		0.05	14 630	
	0.03			
Tax credits (tranche exonérée)	single_cr	5 480		
	married_cr	4 350		
One child	child_cr1	1 160		
Two children	child_cr2	3 000		
Single parents	s_parent_cr	1 160		
Maximum Child Credit Payment	child_cr_max	330		
Basic Credit	basic_cr_base	78		
	basic_cr_thrsh1	3 850		
	basic_cr_thrsh2	5 130		
	basic_cr_thrsh3	12 840		
	basic_cr_thrsh4	16 680		
Income tax schedule	tax_rate1			
	tax_sch	0.25	6 730	
		0.30	8 930	
		0.40	12 720	
		0.45	29 250	
		0.50	43 870	
	0.525			
	quote_max	7 900		
	quote_rate	0.3		
Additional tax	tax_comp_rt1	0		
	tax_comp_rt2	0.01		
	tax_comp_rtph	0.000008068		
	tax_comp_thrsh1	29 747.22		
	tax_comp_thrsh2	30 986.69		
	local_rate	0.07		
Local tax	local_rate	0.07		
Unemployment	unemp_rate	0.0087		
Medical care	med_rate	0.0115		
Sickness	sickness_rate	0.0355		
Pension	pension_rate	0.0750		
Employee contribution	SSC_rt	0.1307		
	SSC_redn	0	0	0
	(annual)	10 552.80	981.60	0
		13 772.40	981.60	0.3732
		16 402.92	0.00	0
	9 999 999			
Special annual contribution	SSC_special	0.000	18 592.01	
		0.090	21 070.95	
		0.013	60 161.87	
		0.000		
Employer contributions	SSC_empr_rt	0.3458		
	SSC_empr_redn	0	1 120	0
		10 261	2 946	0
		13 329	2 946	0.3821
		18 460	1 120	0
	9 999 999			
Child benefit (age 6-12)	CB_1	1 021.45		
	Second child	CB_2	1 911.74	
	Third child	CB_3	2 705.30	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B	MIN(work_rel_max,Tax(earn-SSC,work_rel_sch))+SSC
3. Credits in taxable income	taxbl_cr	B	0
	basic_cr	B	basic_cr_base*IF(tax_inc<=basic_cr_thrsh1;0;IF(tax_inc<=basic_cr_thrsh2;(tax_inc-basic_cr_thrsh1)/(basic_cr_thrsh2-basic_cr_thrsh1);IF(tax_inc<=basic_cr_thrsh3;1;IF(tax_inc<=basic_cr_thrsh4;(basic_cr_thrsh4-tax_inc)/(basic_cr_thrsh4-basic_cr_thrsh3);0))))
4. CG taxable income	tax_inc_princ	P	earn_princ-tax_al_princ
	tax_inc_spouse	S	earn_spouse-tax_al_spouse
Tax on principal income	tax_p	P	Tax(tax_inc_princ,tax_sch)
Tax on spouse income	tax_s	S	Tax(tax_inc_spouse,tax_sch)
Tax on joint income less quote part	tax_j	J	Tax(tax_inc_total-MINA((tax_inc_total)*quote_rate,quote_max),tax_sch)
Tax on quote part	tax_q	J	Tax(MIN(tax_inc_total*quote_rate,quote_max), tax_sch)
Taxable income choice	Q		Married*((tax_j+tax_q)<(tax_p+tax_s))
Taxable income (final), principal	tax_inc_finp		IF(Q>0,tax_inc_total-MINA((tax_inc_total)*quote_rate,quote_max),tax_inc_princ)
Taxable income, spouse	tax_inc_fins		IF(Q>0,MINA((tax_inc_total)*quote_rate,quote_max),tax_inc_spouse)
Taxable income (combined)	tax_inc	J	tax_inc_finp+tax_inc_fins
5. CG tax before credits & surtax	CG_tax_excl	J	MIN(tax_p+tax_s, tax_j+tax_q)
Child credit	child_cr	P	tax_rate1*((Children=1)*child_cr1+(Children=2)*child_cr2)
	family_cr	P	Tax(IF(Married,married_cr,single_cr+(children>0)*(s_parent_cr)+(Children=1)*child_cr1+(Children=2)*child_cr2,tax_sch)
	spouse_cr	S	MIN(Tax(married_cr,tax_sch),IF((tax_p+tax_s)<(tax_j+tax_q),tax_s,tax_q))
6. Tax credits (total)	tax_cr	J	family_cr+spouse_cr
CG tax after credits	CG_tax_incl		Positive(CG_tax_excl-tax_cr)-basic_cr_princ-basic_cr_spouse
Surtax	surtax	J	Positive(CG_tax_incl*IF(tax_inc<=tax_comp_thrsh1,tax_comp_rt1,IF(tax_inc<=tax_comp_thrsh2,tax_comp_rt1+tax_comp_rtph*(tax_inc-tax_comp_thrsh1), tax_comp_rt2))))
7. CG tax (incl.surtax)	CG_tax	J	CG_tax_incl+surtax
8. State and local taxes	local_tax	J	Positive(local_rate*CG_tax)
9. Employees' soc security	SSC	B	((earn)*SSC_rt-(VLOOKUP(earn,SSC_redn,2)-VLOOKUP(earn,SSC_redn,3))*(earn-VLOOKUP(earn,SSC_redn,1))))
	SSC_special	J	positive(Tax(tax_inc_total,SSC_special))
	SSC_total		SSC+SSC_special
11. Cash transfers	cash_trans	J	(Children>0)*CB_1+(Children>1)*CB_2
13. Employer's soc security	empr_sch	B	Positive(earn*SSC_empr_rt-(VLOOKUP(earn,SSC_empr_redn,2)-VLOOKUP(earn,SSC_empr_redn,3))*(earn-VLOOKUP(earn,SSC_empr_redn,1))))

CANADA

The national currency is the Canadian dollar (CAD). In 2002, CAD 1.5652 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned CAD 38 568 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central/federal government income taxes

1.11. Tax unit

Under the present system, the tax is levied on individuals separately; however, in cases where the income of a spouse is below CAD 7 131 it is reported on the return of the other spouse. The filer receives a tax credit in respect of his/her dependent spouse.

1.12. Tax allowance and credits

1.121. Standard reliefs

- *Basic relief*: As of 1 January 2002 all taxpayers qualify for a basic personal tax credit of CAD 1 221.44.
- *Age relief*: Taxpayers aged 65 and over are entitled to a tax credit of CAD 596.48, reduced at 15 per cent of net income¹ in excess of CAD 27 749.
- *Marital status relief*: A taxpayer supporting a spouse receives a tax credit of CAD 1 037.12 which is reduced by 16 cents for each dollar of income accruing to the spouse in excess of CAD 649. The same amount is available to heads of single-parent families with respect to one child.
- *The goods and service tax credit* provides a refundable credit of CAD 114 for each dependent child under age of 19. This credit is reduced at a rate of 5 per cent of net family income over CAD 28 277.
- *Infirm dependent age 18 and older amount*: For dependents aged 18 and over and physically or mentally infirm, a maximum credit of CAD 576.80 is allowed. If the child has a net income between CAD 3 605 and CAD 8 720, a partial credit is provided. The credit is reduced by the child's net income above CAD 3 605 at a 16 per cent rate.
- *Caregive amount*: Taxpayer can claim an additional personal amount of up to CAD 3 605 for a dependent who at the time lived with taxpayer. The basic credit will be reduced by the net income in excess of CAD 12 312 at a 16 per cent rate.
- *Child care*: (See non-standard reliefs).

1.122. Main non-standard tax reliefs applicable to an average production worker

A number of non-standard tax reliefs are available to the APW in Canada. The main ones are:

- *Medical expenses credit*: Taxpayers are entitled to a 16 per cent tax credit for eligible medical expenses. The credit is available in respect of expenses which exceed the lesser of 3 per cent of net income or CAD 1 728.

- *Disability credit*: Canadians who are markedly restricted by disabilities in carrying out the basic activities of daily living can claim a disability credit of CAD 988.80.
- *Charitable donations credit*: The credit is 16 per cent on the first CAD 200 of eligible charitable donations and 29 per cent on eligible donations in excess of CAD 200. Eligible donations are those made to registered charities, to a maximum of 75 per cent of net income.
- *Registered pension plan contributions*: Employees who are members of a registered pension plan are entitled to deduct employee contributions to a registered pension plan in respect of current service and past services. Generally, employee contributions to a registered pension plan are not subject to any limit; however, limits apply to the benefits that a plan may provide.
- *Registered retirement savings plan (RRSP) premiums*: Individuals can deduct their contributions to an RRSP up to a limit of 18 per cent of the previous year's earned income, to a maximum of CAD 13 500 a year, unless they are also accruing benefits under a registered pension plan or a deferred profit sharing plan. Members of those other plans are limited to RRSP contributions of 18 per cent of the previous year's earned income to a maximum of CAD 13 500, minus a pension adjustment amount based on pension benefits accrued in the year.
- *Union and professional dues*: Individuals with annual dues paid to a trade union or an association of public servants or paying dues required to maintain a professional status recognised by statute are allowed to deduct such fees in computing taxable income.
- *Moving expenses*: Eligible moving expenses are deductible from income if the taxpayer moves at least 40 kilometres closer to a new place of employment.
- *Child care expenses*: A portion of child care expenses is deductible if incurred for the purpose of earning business or employment income, studying or taking an occupational training course or carrying on research for which a grant is received. The deduction must generally be claimed by the lower-income spouse. The amount of the deduction is limited to the lesser of:
 1. the expenses incurred for the care of a child;
 2. two-thirds of the taxpayer's earned income; and
 3. CAD 7 000 for each child who is under age seven, and CAD 4 000 per child between seven and sixteen years of age. The amount for a disabled child under seventeen is CAD 10 000.
- *Northern residents deduction*: Individuals living in prescribed areas in Canada may claim the northern resident deduction, made up of a residency deduction and a deduction for employer-provided travel benefits. The maximum annual residency deduction is CAD 5 400 per household.
- *Post-secondary education and training*: A 16 per cent credit is available for tuition fees paid by students to a post-secondary or other approved institution. In addition, students enrolled at prescribed institutions can claim a credit of CAD 64 per month of full time study, CAD 19.20 per month of part time study. The unused portion of the education and tuition fee credits can be transferred to a supporting person or carried forward to another year.
- *Student loans*: Individuals repaying student loans will be allowed to claim a non-refundable tax credit of 16 per cent on the interest portion of repayment made in the current year.
- *Scholarship income*: Starting year 2000, the amount of scholarship exemption is increased by an additional CAD 2 500 from CAD 500 to CAD 3 000.

1.13. Tax schedule

Federal income tax rates before tax reductions range from 16 per cent to 29 per cent. There are four income tax brackets. The table of tax rates is given below.

2002 Federal income tax rates

Basic federal tax

Taxable Income (CAD)	Marginal Tax Rate (%)
0-31 677	16
31 677-63 354	22
63 354-103 000	26
103 000 and over	29

1.2. State and local income taxes1.21. *Tax Rates*

Starting 2000 most provinces, with the exception of Quebec, adopted a new approach to calculating provincial Personal Income Taxes. The Federal Government had agreed to administrate provincial income tax as a percentage of Taxable Income rather than as a percentage of Basic Federal Tax. In addition, some provinces impose a provincial surtax.

1.22. *Tax rate selected for this study*

The calculation for the average production worker study assumes a provincial tax rate of 49.5 per cent of federal income tax, which is approximately a weighted average of the provincial rates for the nine provinces for which the federal government collects provincial income tax.²

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector**2.1. Employees' contributions**2.11. *Pensions*

Generally, all employees are eligible for coverage under the Canada Pension Plan (Québec Pension Plan in the province of Quebec). For 2002, all employees are required to contribute to the Canada Pension Plan at a rate of 4.7 per cent of income up to a maximum contribution of CAD 1 673.20. Income subject to contributions is earnings (wages and salaries) less a CAD 3 500 basic exemption. The maximum contribution of CAD 1 673.20 is reached at an earnings level of CAD 39 100 (*i.e.* [CAD 39 100 – CAD 3 500] x 0.047 = CAD 1 673.20). Employers are also required to contribute to the Canada Pension Plan on behalf of their employees (refer § 2.21).

Self-employed persons are also required to contribute to the Canada Pension Plan. As there are no employer contributions for such persons, self-employed people are required to contribute 9.4 per cent of earnings up to a maximum of CAD 3 346.40. As for employees, the maximum contribution of CAD 3 346.40 is reached at an annual earnings level of CAD 39 100. For employees, each contribution to the CPP or QPP gives rise to a tax credit equal to 16 per cent of the contributed amount. The self-employed can also claim a tax credit equal to 16 percent of half of the total contributed amount to the CPP or QPP plan.

2.12. *Sickness*

There is no national sickness benefit plan administered by the federal government. However, all provinces have provincially-administered health care insurance plans. Two provinces, Alberta and British Columbia, levy health insurance premiums separately from the personal income tax to help finance their health programmes.

2.13. *Unemployment*

In general, all employees are eligible for unemployment insurance. For 2002, employees are required to contribute at the rate of 2.20 per cent of insurable earnings. Insurable earnings are earnings

2002 Provincial income tax rates

Basic provincial tax

Province	Taxable income	Marginal tax rate (%)
Newfoundland	0 – 29 590	10.57
	29 590 – 59 180	16.16
	59 180 and over	18.02
Prince Edward Island	0 – 30 754	9.80
	30 – 61 509	13.80
	61 509 – and over	16.70
Nova Scotia	0 – 29 590	9.77
	29 590 – 59 180	14.95
	59 180 and over	16.67
New Brunswick	0 – 31 677	9.68
	31 677 – 63 354	14.82
	63 354 – 103 000	16.52
	103 000 and over	17.84
Ontario	0 – 31 893	6.05
	31 893 – 63 786	9.15
	63 786 – and over	11.16
Manitoba	0 – 30 544	10.90
	30 544 – 65 000	15.40
	65 000 and over	17.40
Saskatchewan	0 – 30 000	11.25
	30 000 – 60 000	13.25
	60 000 and over	15.50
Alberta	13 339 and over	10.00
British Columbia	0 – 31 124	6.05
	31 124 – 62 249	9.15
	62 249 – 71 470	11.70
	71 470 – 86 785	13.70
	86 785 and over	14.70
Yukon	0 – 31 677	7.04
	31 677 – 63 354	9.68
	63 354 – 103 000	11.44
	103 000 and over	12.76
Northwest Territories	0 – 31 677	7.2
	31 677 – 63 354	9.9
	63 354 – 103 000	11.7
	103 000 and over	13.05
Nunavut	0 – 31 677	4.0
	31 677 – 63 354	7.0
	63 354 – 103 000	9.0
	103 000 and over	11.5
Québec ¹	0 – 26 702	16.0
	26 702 – 53 404	20.0
	53 404 and over	24.0

1. Quebec's Personal Tax System also includes a basic personal credit of CAD 1 211.80, married couple credit of CAD 1 211.80, age credit of CAD 440.00 and child credit for dependents under 21 of CAD 534.00 for first dependent and CAD 493.00 for others.

(wages and salaries) up to a maximum of CAD 750 per week. The maximum employee contribution is CAD 858.00 per year. Employment insurance contributions give rise to a tax credit equal to 16 per cent of the amount contributed. Employers are also required to contribute to the plan.

2.14. Work injury

There is no national work injury benefit plan administered by the federal government. Each province, however, has a provincial workers' compensation plan which pays benefits to workers (or their families in case of death) for work-related illness or injury. These plans are funded entirely by employer contributions. Benefits from workers' compensation are not subject to federal or provincial income tax.

2.15. *Family allowances*

None.

2.16. *Others*

None.

2.2. Employers' contributions

2.21. *Pensions*

Employers are required to contribute to the Canada Pension Plan on behalf of their employees an amount equal to their employees' contributions. Thus, employers also contribute at the rate of 4.7 per cent of earnings (less the CAD 3 500 earnings exemption) to a maximum of CAD 1 673.20.

2.22. *Sickness*

There is no national sickness benefit plan administered by the federal government. However, all provinces have provincially-administered health care insurance plans. Three provinces levy a special tax on employer payrolls to finance health services (Québec and Ontario) or health services and education (Manitoba). These payroll taxes are deductible from the employer's income subject to tax.³

2.23. *Unemployment*

Employers are required to contribute to the unemployment insurance scheme. The general employer contribution is 1.4 times the employee contribution, that is, 3.08 per cent of insurable earnings. Premiums are adjusted for employers who provide sick pay superior to payments provided under the employment insurance regime. All employment insurance contributions are deductible from the employer's income subject to tax.

2.24. *Work injury*

There is no national work injury benefit plan administered by the federal government. However, employers are required to contribute to a provincial workers' compensation plan which pays benefits to workers (or their families in case of death) for work-related illness or injury. The employer contribution rates, which vary by industry and province, are related to industry experience of work-related illness and injury. Premiums are deductible from the employer's income subject to tax.⁴

2.25. *Family allowances*

None.

2.26. *Others*

None.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

The child tax benefit provides CAD 1 169 per child under age 18 plus CAD 232 supplement for each child under 7 where no child care expenses are deducted and a CAD 82 supplement for the third child

and each additional child. This basic benefit is reduced by 5 per cent of family net income in excess of CAD 33 487 for families with two or more children and 2.5 per cent for families with one child. In addition, a national child benefit supplement (NCB) is provided to low-income families with children. The maximum NCB is CAD 1 313 for one child, plus CAD 1 104 for a second child, plus CAD 1 026 for the third and each additional child. The NCB is phased out based on family net income in excess of CAD 22 755. The reduction rates are 12.2 per cent for families with one child, 22.5 per cent for families with two children and 32.1 per cent for larger families.

4. Main Changes in the Tax/Benefit System since 1992

Starting in 1993, the child tax credit, dependent credit and family allowance were consolidated into one refundable Child Tax Benefit (see § 1.121 above). Starting in July 1997, the Working Income Supplement (WIS) was enriched and restructured. Effective July 1998, the WIS component of the Child Tax Benefit was replaced by the National Child Benefit supplement (NCB). The phase-in amount was eliminated due to harmonisation with the provinces. The maximum National Child Benefit supplement will increase from CAD 785 on July 1 1999 to CAD 977 on July 1 2000, to CAD 1 255, on July 1 2001, to CAD 1 293 and on July 1 2002 to CAD 1 317. The income thresholds at which the CCTB base benefit begins to be reduced and the NCB supplement is fully phased out will be set equal to the second tax bracket threshold. For July 2002, this income threshold reaches CAD 33 586.

In each of 1993 through 1997, there is a 3 per cent surtax on all federal tax, plus an additional 5% surtax on all federal tax in excess of CAD 12 500. Effective 1 July 1998, the 3 per cent federal surtax was eliminated for Canadians earning up to CAD 50 000 and reduced for those earning between CAD 50 000 and CAD 65 000. The 3 per cent surtax was eliminated in the 1999 budget for all taxpayers. The 5 per cent reduction surtax was completely eliminated as of January 2001.

Starting in 1994, the age credit became subject to an income test (see § 1.121 above).

Tax incentives for charitable donations were increased. The net income limit was raised from 20 per cent to 50 per cent in 1996 and to 75 per cent in 1997. The threshold at which the 29 per cent credit applies was lowered from CAD 250 to CAD 200 in 1994.

RRSP and money-purchase RPP annual contribution limits were reduced to CAD 13 500 and frozen through 2002 and 2003, respectively in 1996. At the same time, the maximum pension limit for defined benefit RPPs was frozen through 2005.

Tax assistance to students has been increased. The education credit was increased from CAD 80 per month in 1995 to CAD 150 per month in 1997 and increased to CAD 200 per month in 1998. Effective 1 January 2001, the education amount on which the education credit is based doubled from CAD 200 to CAD 400 per month for eligible full-time students and from CAD 60 to CAD 120 per month for eligible part-time students.

Starting in 1998, individuals repaying student loans were allowed to claim a 17 per cent tax credit on the interest portion of the amount paid.

Effective July 1998, the amount of income that low-income Canadians could receive on a tax-free basis was raised by CAD 500 to CAD 6 956.

For 1998 and later years, taxpayers can claim a caregiver amount up to CAD 2 353 for a dependent whom at the time lived with taxpayer. The basic credit of CAD 2 353 is reduced by the net income in excess of CAD 11 500 at the 17 per cent rate. Beginning in 2000, the basic credit of CAD 2 386 is reduced by the net income in excess of CAD 11 661. Effective January 2001, the credit amounts for caregivers of dependent relatives who are elderly, infirm or disabled was raised to CAD 3 500 from CAD 2 386 and was reduced by the net income in excess of CAD 11 953 at the 16 per cent rate. In 2002 the caregiver amount is reduced by the net income in excess of CAD 12 312 at the 16 per cent rate.

The 1999 budget extended to all taxpayers the tax relief provided by the CAD 500 supplementary amounts announced in the 1998 budget by increasing the personal credit amounts by CAD 675 and eliminating the CAD 500 supplements.

One of the major changes implemented as of 1 January 2000 was the restoration of full indexation to the tax system.

Effective 1 July 2000 the 26 per cent tax rate was reduced to 24 per cent. As of 1 January 2001 the 17 per cent rate was reduced to 16 per cent, the 24 per cent rate was reduced further to 22 per cent and the 29 per cent rate was reduced to 26 per cent on incomes between about CAD 61 000 and 100 000.

As of January 2001, the top tax rate of 29 per cent applies to incomes in excess of CAD 100 000.

As of January 2002, the top tax rate of 29 per cent applies to incomes in excess of CAD 103 000.

Also the permissible foreign content of investment in registered pension plans and registered retirement savings plan was increased to 25 per cent for 2000 and to 30 per cent for 2001.

Effective January 2001, the disability tax credit was raised to CAD 6 000.

Effective 1 January 2001, self-employed individuals may deduct 50 per cent of the portion of Canada Pension Plan and Quebec Pension Plan contributions that represents the employer's share.

5. Memorandum Items

5.1. *Identification of an average production worker*

The earnings data refer to production workers in the manufacturing sector. To obtain the weekly wage figure, the average weekly hours (including overtime) for the year are multiplied by the average hourly earnings (including overtime). The result is then multiplied by 52 to obtain the yearly wage figure.

5.2. *Employer contributions to private health and pension schemes*

These do exist but no information is available on the amounts involved.

2002 Parameter values

Average earnings/yr	Ave_earn	38 568	
Tax credits	Basic_cred	1 221.44	
Spouse	Spouse_cred	1 037.12	
withdrawal rate	Sp_crd_wth	0.16	
threshold	Sp_crd_thrsh	649	
Child(refundable)	Ch_credit	1 169	
Child under 7	Ch_crd_und7	232	
additional for 3rd+	Ch_crd_3rd	82	
reduction rate: 1 child	Ch_crd_red1	0.025	
redn. rate: 2 or more	Ch_crd_red2	0.05	
threshold	Ch_crd_thrsh	33 487	
Working income supplement	WIS_crd_1st	1 313	
	WIS_crd_2nd	1 104	
	WIS_crd_3rd	1 026	
Threshold to start phase-out	WIS_phout_st	22 755	
Threshold to end phase-out	WIS_phout_end	33 487	
Reduction rate	WIS_redn1	0.122	
	WIS_redn2	0.225	
	WIS_redn3	0.321	
Federal tax schedule	Fed_sch	0.16	31 677
		0.22	63 354
		0.26	103 000
		0.29	
High-income surtax rate	H_sur_rate	0	
Threshold	H_sur_thrsh	18 500	
Provincial tax rate	Prov_rate	0.495	
Canada pension plan rate	CPP_rate	0.047	
Exemption	CPP_ex	3 500	
Max contrib.	CPP_max	1 673.2	
Unemployment ins.rate	Unemp_rate	0.022	
Max contrib.	Unemp_max	858.00	
Tax credit rate	Unemp_crd_rate	0.16	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances	tax_al	B	0
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	earn
5. CG tax before credits:			
Basic Federal tax	Basic_Fed_tax	B	Positive(Tax(earn, Fed_sch)-w_taxcr)
CG tax before credits	CG_tax_excl	B	Basic_Fed_tax+ H_sur_rate*positive(Basic_fed_tax-H_sur_thrsh)+w_taxcr
6. Tax credits :			
Basic credit	basic_cr	B	Basic_cred
Spouse credit	spouse_cr	P	((married+children)>0)*Taper(Spouse_cred, earn_spouse, Sp_crd_thrsh, Sp_crd_wth)
Unemployment insurance	unemp_cr	B	Unemp_crd_rate*SSC
Total (wastable) tax credits	tax_cr	B	Basic_cr+spouse_cr+unemp_cr
7. CG tax	CG_tax	B	Positive(CG_tax_excl-w_taxcr)-tax_cr
8. State and local taxes	local_tax	B	Prov_rate*Basic_Fed_tax
9. Employees' soc security:			
Canada Pension Plan	CPP	B	MIN(CPP_rate*Positive((earn-CPP_ex), CPP_max)
Unemployment insurance	Unemp	B	MIN(Unemp_rate*earn, Unemp_max)
Total	SSC	B	CPP+Unemp
11. Cash transfers (child credit plus national child benefit)	cash_trans	J	Children>0)*(Taper(Children*Ch_credit +MAXA((Children-2),0)*Ch_crd_3rd+MINA(Children,2)*Ch_crd_und7,earn_total,Ch_crd_thrsh,IF(Children=1,Ch_crd_red1,Ch_crd_red2)))+MAXA(IF(Children>0,IF(Children<2,WIS_crd_1st,IF(Children<3,WIS_crd_1st+WIS_crd_2nd,WIS_crd_1st+WIS_crd_2nd+(Children-2)*WIS_crd_3rd)),0)-MAXA((earn_total-WIS_phout_st),0)*IF(Children=1,WIS_redn1,IF(Children=2,WIS_redn2,WIS_redn3)),0)
13. Employer's soc security	SSC_empr	B	CPP+1.4*Unemp

NOTES

1. For the families taken into consideration within this report, net income is equal to total earnings.
2. For the purposes of the *Taxing Wages* publication, a simple average tax rate is used, as it would be difficult in practice to determine a representative provincial tax schedule.
3. There is no attempt made to reflect the applicable payroll taxes in the *Taxing Wages* framework as it would be difficult to determine an appropriate provincial tax rate.
4. No attempt is made to reflect the provincial schemes in the *Taxing Wages* framework given the intrinsic difficulties associated with deriving an appropriate provincial average.

CZECH REPUBLIC – RÉPUBLIQUE TCHÈQUE

The national currency is the koruny (CZK). In 2002, CZK 33.358 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned CZK 206 042 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central government income taxes

1.11. Tax unit

The tax unit is the individual.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

- *Basic relief*: CZK 38 040 allowance for all individuals.
- *Marital status relief*: An additional allowance of CZK 21 720 is given in respect of a spouse living in a common household if that spouse earns no more than CZK 38 040.
- *Relief for children*: One spouse may claim an allowance of CZK 23 520 per child for children of the household who satisfy one or more of the following criteria :
 - aged below 18;
 - aged below 26 and receiving full-time education;
 - aged below 26 and physically or mentally disabled provided that the child is not in receipt of a state disability payment.

The allowances are given irrespective of the child's own income.

- *Relief for social and health security contributions*. Employees' social security contributions (see § 2.1) are deductible for income tax purposes.

1.122. Main non-standard tax reliefs applicable to an APW

- *Charitable donations allowance*: A tax allowance of up to 10 per cent of taxable income is available for donations made to municipalities or legal entities for financing of social, health, cultural, humanitarian, religious, ecological and sport activities. Minimal limit for donations is 2 per cent of taxable income or CZK 1 000.
- *Interest payments*: Taxpayers may claim an allowance of up to CZK 300 000 for mortgage interest payments or other interest payments related to purchase or improvement of housing. If more individuals living in one household apply for this allowance, the sum of their annual deductions is subject to the above-mentioned ceiling, *i.e.* CZK 300 000.
- *Supplementary pension scheme contributions*: Taxpayers who are members of a registered supplementary private pension scheme are entitled to deduct individually paid (*i.e.* paid by employee) annual contributions to a registered pension scheme reduced by CZK 6 000 from the earned income. The maximal allowance is CZK 12 000 a year.

- *Private life insurance premiums*: Taxpayer may claim an allowance of up to CZK 12 000 for premiums paid according to a contract between taxpayer and an insurance company if the benefit (lump sum or recurrent pension) is paid out 60 months after the signature of the contract and in the year in which the taxpayer reaches the age of 60.

1.123. Tax schedule

The tax schedule is as follows:

Taxable income (CZK)	Tax at the lower limit (CZK)	Tax rate on taxable income in excess of the lower limit (%)
0-109 200	0	15
109 200-218 400	16 380	20
218 400-331 200	38 220	25
Over 331 200	66 420	32

1.2. State and local income tax

There are no regional or local income taxes.

2. Compulsory Social Security Contributions to Schemes Operated within the Government Sector

2.1. Employees' contributions

Compulsory contributions of 12.5 per cent of gross wages and salaries (with no limit) are paid by all employees into government operated schemes. The total is made up as follows (in %):

Health insurance		4.5
Social insurance		8.0
Sickness	1.1	
Retirement	6.5	
Unemployment	0.4	

2.2. Employers' contributions

The total contribution for employers is 35 per cent of gross earnings (with no limit).

The contribution consists of the health insurance contribution (9 per cent of gross wages and salaries) and social insurance (26 per cent).

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

Non-taxable family allowances are paid as follows (CZK per month):

Family Income: Age of child	Up to 1.1 MLS	1.1 MLS – 1.8 MLS	1.8 MLS – 3.0 MLS
Below 6	541	474	237
6-10	605	530	265
10-15	714	625	313
15-26	784	686	343

The central government pays an allowance in respect of each dependent child based on the family income level and provided that family income does not exceed three times the relevant minimum living standard (MLS). The limits of family income bands are defined as multiples of the MLS. Family income includes the earnings of both parents net of income tax and the employees' social security and health insurance contributions. The monthly MLS for the APW-type family with children can be calculated by summing the following amounts (in CZK):

Basic Personal Requirement	
Adult	2 320
Child aged below 6	1 690
Child aged between 6 and 10	1 890
Child aged between 10 and 15	2 230
Child aged between 15 and 26	2 450
Household Expenses	
One person household	1 780
Two person household	2 320
Three or four person household	2 880
Five and more person household	3 230

An additional allowance is paid by local government to low income families. The amount transferred varies according to the budget capacity and is provided if total family income including family allowances is less than the MLS.

3.3. *Transfers related to social status*

A family is entitled to a social allowance if there is at least one child in the family and the net monthly income of the family is below 1.6 MLS. The central government pays this allowance monthly.

4. Main Changes in Tax/Benefit Systems since 2001

The cash transfers and relevant MLS for 2002 have been adjusted.

5. Memorandum Items

5.1. *Identification of APW and valuation of earnings*

The average earnings of an APW are estimated by the Czech Statistical Office from employer survey data.

5.2. *Employers' contributions to private pension, health and related schemes*

There are supplementary private pension schemes only, but employers' contributions vary. Relevant information is not available.

2002 Parameter values

	Ave_earn	206 042	
Basic allowance	basic_al	38 040	
Spouse	spouse_al	21 720	
Child	child_al	23 520	
Income tax schedule	tax_sch	0.15	109 200
		0.2	218 400
		0.25	331 200
		0.32	
Social security contributions	SSC_rate	0.125	
Employers	SSC_empr	0.35	
Minimum living standard (MLS)	basic_adult	2 320	
	basic_child	2 230	
	house_exp	1	1 780
		2	2 320
		3	2 880
4		2 880	
	5	3 230	
Cash transfers	transf_1	714	
	transf_2	625	
	transf_3	313	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
Basic	basic_allce	B	basic_al
Spouse	spouse_allce	P	F(earn_spouse>basic_al,0,Married*spouse_al)
Children	ch_al	P	Children*child_al
Total	tax_al	B	basic_allce+spouse_allce+ch_al+SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6. Tax credits:	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	earn*SSC
11. Cash transfers			
Net family income	net_inc	J	earn_total-CG_tax_total-SSC_total
Minimum living standard (montly)	MLS	J	(1+Married)*basic_adult+Children*basic_child+VLOOKUP((1+Married+Children),house_exp,2, FALSE)
Total cash transfers	cash_trans	J	Children*IF(net_inc<=(1.1)*MLS*12,transf_1*12,IF(net_inc<=(1.8)*MLS*12,transf_2*12,IF(net_inc<=(3)*MLS*12,transf_3*12,0)))+Children*12*IF(net_inc<MLS*12,basic_child*(0.6/1.6),IF(net_inc<1.6*MLS*12,basic_child*(1-net_inc/(1.6*MLS*12)),0))
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

DENMARK – DANEMARK

The national currency is the kroner (DKK). In 2002, DKK 8.0373 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned DKK 305 306 (Secretariat estimate).

1. Personal Income Tax Systems

In the Danish personal income tax system, the income of the individual taxpayer is split into three categories:

- *Personal income*, which consists of employment income, business income, pensions, unemployment benefits, etc.
- *Capital income* (e.g. interest payments and dividends received, imputed rent of owner-occupied dwellings); calculated as a net amount.
- *Taxable income* – the aggregate of personal income and capital income less deductions (e.g. work-related expenses, etc.).

All three categories are relevant for various tax rates, see § 1.13.

- Employees' social security contributions (see § 2.1) are not included in personal income (or taxable income).
- Employees' and employers' contributions to labour market pension schemes are not included in personal income (or taxable income).

1.1. Central government income taxes

1.11. Tax unit

Earned income of husband and wife is taxed separately.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

If a wage or salary earner has expenses related to earning his income (e.g. transport, trade union membership dues, unemployment premiums) these expenses are fully deductible. In this report contributions to unemployment insurance are considered as a standard tax allowance (*and as a tax*).

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest payments* are fully deductible against capital income.
- The *non-standard deduction for wage and salary earners*: Actual costs related to the acquisition of income are deductible from taxable income. The main items are:
 - Contributions paid to trade unions.
 - Transportation costs: Up to 24 km per day: no deduction. 25-100 km: 158 øre per km. Above 100 km: 79 øre per km.
 - Other costs above DKK 4 400.

- Contributions/premiums paid to *private pension saving plans* are in general deductible from personal income. Contributions/premiums paid to private pension saving plans with sum payments are from 1999 on no longer deductible from income subject to the top bracket tax.
- *Other reliefs*:
 - Alimonies, if according to contract, are deductible from taxable income.
 - Contributions to certain non-profit institutions are deductible from taxable income (limit DKK 5 000).
 - Losses incurred from unincorporated business in earlier years are as a principal rule deductible from personal income.

1.123. Tax credits

Each person is granted a personal allowance, which is converted into a wastable tax credit by applying the marginal tax rate of the first bracket of the income tax schedule. For a person 18 years of age and older the tax credit amounts to:

For central government income tax	6.25 per cent of DKK 33 400 = DKK 2 088
For local government income tax and church tax (average rate)	33.2 per cent of DKK 33 400 = DKK 11 089

Special personal allowance for an individual younger than 18 years: DKK 24 800.

If a married person cannot utilise the personal allowance, the unutilised part is transferred to the spouse.

1.13. Tax schedule

Low bracket tax to the central government is assessed on personal income at the rate of 5.50 per cent.

Medium bracket tax to the central government is assessed on the part of the aggregate of taxable income and positive net capital income above DKK 177 900, at the rate of 6 per cent. If a married individual cannot utilise the total allowance of DKK 177 900, the unutilised part is transferred to the spouse.

Top bracket tax to the central government is assessed on the excess of DKK 276 900 of the aggregate of personal income and positive net capital income at the rate of 15 per cent.

If the marginal tax rate including local tax but excluding church tax exceeds 59 per cent, the top bracket tax rate is reduced by the difference between the marginal tax rate and 59 per cent. At the average local tax rate, this reduction equals 0.75 per cent in 2001.

1.2. State and local income taxes

1.21. General description

Local income taxes are levied by the counties and the municipalities (and the church). They are flat-rate taxes levied by the local authorities.

1.22. Tax base

The tax base is the tax base used for central government income tax assessment. Tax credit varies with tax rates. The average amount is given above.

1.23. Tax rates

Lowest rate: 28.2 per cent.

Highest rate: 36.3 per cent.

Average rate: 33.2 per cent (municipalities: 22.1; counties: 10.4; church: 0.7).

The average rate is used in this study. It is applied to the tax base less personal allowances.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

Social security contributions are assessed on the basis of employees' gross earnings at the rate of 8.0 per cent.*

A compulsory contribution of a further 1.0 per cent of employees' gross earnings is paid to a Labour Market Supplementary Pension Scheme. The contribution ascribed to the individual saving plan is not equal to the 1 per cent contribution, but is determined by the level of employment.

Social security contributions are not assessed on social transfers and on capital income.

Labour market supplementary pension scheme: DKK 894.

Unemployment insurance: DKK 7 056.

From 1999 and on the contribution to unemployment insurance is split into two: one part consisting of the contribution to unemployment insurance, while the other part is a voluntary contribution to an early retirement scheme. In this report both contributions are included.

2.2. Employers' contributions

From 2000 and on the social security contribution is zero. The employer only contributes DKK 1 789 to a Labour Market Supplementary Pension scheme.

Labour market supplementary pension scheme: DKK 1 789.

3. Universal Cash Transfers

The transfers for each dependent child are as follows:

Age group	Quarterly amount (DKK) for each child
0-2	3 025
3-6	2 750
7-17	2 150

The transfer is independent of the parents' income. There are special amounts for single parents: the transfer for each dependent child is DKK 3 812 per year, plus a yearly transfer of DKK 3 876 regardless of the number of children. In addition there is a state transfer of DKK 9 720 per year for each dependent child in case an "absent parent" does not contribute (this amount) to the family. This transfer has been included in the calculations for single parents.

4. Main Changes in Tax/Benefit Systems

A new tax reform is being implemented in the years 1999-2002. The main element of the tax reform is a new tax schedule, lowering the tax rates for the lower incomes, combined with a reduction in the tax saving due to tax reliefs, namely deduction for interest paid and also deduction for work-related expenses.

From 2000 to 2001, the low bracket tax rate has been reduced from 7 per cent to 6.25 per cent. The low bracket tax is assessed on the aggregate of personal income and positive net capital income.

* In the *Revenue Statistics* this payment is not reported as a social security contribution, but as a separate type of personal income tax. For presentational reasons it is included here as a social security contribution.

5. Memorandum Items

5.1. Identification of an APW

The APW is identified as a production worker employed at firms in the manufacturing sector which are members of the Danish Employers' Confederation.

5.2. Employers' contribution to private schemes

The employer must provide his employees with work injuries' insurance.

Employees typically participate in a private occupational (labour market) pension scheme to which both the employee and the employer make contributions. The employee's contribution is deductible for income tax purposes and treated here as a non-standard tax relief. The employer's contribution is not included in the gross wage income of the employee. For an average production worker the combined employer contribution to the occupational pension scheme plus the labour market supplementary pension scheme described in § 2.2 amounts to DKK 1 789.

2002 Parameter values

	Ave_earn	305 306
Central taxes	Low_rate	0.055
	Medium_thrsh	177 900
	Medium_rate	0.06
	Top_thrsh	276 900
	Top_rate	0.15
	Marg_rate_ceil	0.59
	Adj_top_rate	0.15
	Temp_tax_rate	0.00
	Temp_tax_thrsh	0
	Personal_al	33 400
Local taxes	gener_rate	0.325
	church_rate	0.007
Total local tax rate	Local_rates	0.332
Child transfers	Child1_5y	11 000
	Child2_12y	8 600
	Child3_3y	8 600
	Child4	8 600
for single parents	Sing_par_basic	3 876
	Sing_par_ch	13 532
Employees soc. security:		
suppl. pension scheme	Pension	894
unempl. insurance	Unemp	7 056
SSC rate	SSC_rate	0.08
Employer soc. security:		
suppl. pension scheme	Pension_empr	1 789
refunded by government	Pension_ref	0.00
SSC rate	SSC_empr	0.0000

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B	SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	earn-tax_al+taxbl_cr
Personal income	pers_inc	B	Positive(SSC_earn*(1-SSC_rate))
	temp_tax	P	Temp_tax_rate*Positive(pers_inc_princ-Temp_tax_thrsh-Married*Positive(Temp_tax_thrsh-pers_inc_spouse))
5. CG tax before credits	CG_tax_excl_princ	P	Low_rate*tax_inc_princ+ Medium_rate*Positive(pers_inc_princ-Medium_thrsh-Married*Positive(Medium_thrsh-pers_inc_spouse))+ Adj_top_rate*Positive(pers_inc_princ-Top_thrsh)+ temp_tax
	CG_tax_excl_spouse	S	Low_rate*tax_inc_spouse+ Medium_rate*Positive(pers_inc_spouse-Medium_thrsh)+ Adj_top_rate*Positive(pers_inc_spouse-Top_thrsh)+ Temp_tax_rate*Positive(pers_inc_spouse-Temp_tax_thrsh)
6. Tax credits :	tax_cr	B	Personal_al*Low_rate
7. CG tax	CG_tax	B	CG_tax_excl-tax_cr
8. State and local taxes	local_tax	B	Local_rates*(tax_inc-Personal_al)
9. Employees' soc security			
Relevant earnings	SSC_earn	B	(earn>0)*(earn-Pension)
Contribution	SSC	B	(earn>0)*(Pension+Unemp)+SSC_rate*SSC_earn
10. Total payments	tot_payments	J	Positive(CG_tax_total+local_tax_total+SSC_total)
11. Cash transfers	cash_trans	J	(Children>0)*(Child1_5y+(Children>1)*Child2_12y+ (Children>2)*Child3_3y+(Children>3)*Child4+ (Married=0)*(Sing_par_basic+Children*Sing_par_ch))
13. Employer's soc security	SSC_empr	B	SSC_empr*earn+(earn>0)*(Pension_empr-Pension_ref)

FINLAND – FINLANDE

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned EUR 28 126 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central government income taxes

1.11. Tax unit

Spouses are taxed separately for earned income.

1.12. Standard tax allowances

1.121. Standard tax allowances

- *Work-related expenses*: A standard deduction for work-related expenses equal to the amount of wage or salary, with a maximum amount of EUR 460 is granted.

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest*: interest can be deducted against capital income. Of the excess of interest over capital income 29 per cent can be credited against income tax up to a maximum of EUR 1 400.
- *Membership fees*: membership fees paid to employees' organisations or trade unions.
- *Travelling expenses*: travelling expenses from the place of residence to the place of employment using the cheapest means of communication in excess of EUR 500 up to a maximum deduction of EUR 4 700.
- *Other work-related outlays*: outlays for tools, professional literature, research equipment and scientific literature, and expenses incurred in scientific or artistic work (unless compensated by scholarships).

Travelling expenses and other work-related outlays are deductible only to the extent that their total amount exceeds the amount of the standard deduction for work-related expenses.

1.13. Rate schedule

Central government income tax.

Taxable income (EUR)	Tax on lower limit (EUR)	Tax on excess income in bracket (%)
11 500-14 300	8	13
14 300-19 700	372	17
19 700-30 900	1 290	23
30 900-54 700	3 866	29
54 700- and over	10 768	36

1.2. Local income tax

1.21. Tax base and tax rates

The tax base of the local income tax is taxable income as established for the income tax levied by central government.

Municipal tax is levied at flat rates. In 2002 the tax rate varied between 15 and 19.75 per cent; the average rate being approximately 17.78 per cent.

Municipal tax is not deductible against central government taxes. Work-related expenses and other non-standard deductions are deductible, as for purposes of the central government income tax.

1.22. Allowances in municipal income taxation:

- An *earned income allowance* is calculated on the basis of taxpayer's income from work. The allowance amounts to 35 per cent of income between EUR 2 500 and EUR 7 230, and 10 per cent of the income exceeding EUR 7 230, until it reaches its maximum of EUR 2 140. The amount of the allowance is reduced by 3.5 per cent of the earned income minus work related expenses exceeding EUR 12 600.
- A *basic allowance* is granted on the basis of taxable income remaining after the other allowances have been subtracted. The maximum amount, EUR 1 480, is reduced by 20 per cent of the income exceeding EUR 1 480.

2. Compulsory Social Security Contributions to Schemes Operated within the Government Sector

2.1. Employes' contributions

2.11. Rate and ceiling

In 2002, the rate of the health insurance contribution paid by an employee was 1.50 per cent. The tax base for the health insurance contribution is net taxable income for municipal income tax purposes.

In addition there was an employees' pension insurance contribution which amounts to 4.4 per cent of gross salary and an employees' unemployment insurance contribution equal to 0.4 per cent of gross salary. These two contributions are deductible for income tax purposes.

2.12. Distinction by marital status or sex

The rates do not differ.

2.2. Employers' contributions

The average rate of the employers' social security contribution in 2002 was 25 per cent of gross wage.

3. Universal Cash Transfers

3.1. Amount for marriage

None.

3.2. Amount for children

The central government paid in 2002 the following allowances (EUR):

For the first child	1 080
For the second child	1 326
For the third child	1 572
For the fourth child	1 818
Fifth and subsequent child	2 064

The child subsidy for a single parent is increased by an annual amount of EUR 403.20 for each child.

4. Main Changes in the Tax/Benefit System since 2001

In January 2002 the first central government income tax bracket was adjusted by about 3.6 per cent. The central government marginal tax rates were lowered by 1 percentage point. The rate of the employees' unemployment insurance contribution was reduced from 0.7 to 0.4 per cent, and the rate of the employees' pension insurance contribution was decreased from 4.5 to 4.4 per cent. The maximum amount of the earned income allowance was raised to EUR 2 140 (from EUR 1 648 in 2001).

5. Memorandum Items

5.1. Calculation of average gross annual wage

The Finnish figures are generally calculated as follows:

- Gross annual earnings are calculated at an individual level on the basis of the hours usually worked, average hourly pay for the fourth quarter, and the share of annual periodic bonuses.
- The earnings exclude sickness and unemployment compensations, but include all normal overtime compensations, bonuses, holiday remunerations and remunerations for public holidays.
- The sector covered is manufacturing as defined in division 2, 3 and 4 of the ISIC (members of employers' confederation only). Mining and quarrying are included but their impact is extremely minor.

5.2. Employer contributions to private pension and health schemes

No information is available.

2002 Parameter values

APW-wage	Ave_earn	28 126	
Expenses	Work_exp_max	460	
	Work_exp_rate	1	
Allowances	al_SSC_rate	0.048	
State tax	Tax_min	8	Tax_thrsh
Tax schedule	Tax_sch	0	11 500
		0.13	14 300
		0.17	19 700
		0.23	30 900
		0.29	54 700
		0.36	
Earned income ded.	al_thrsh	2 500	
	al_thrsh2	7 230	
	al_rate	0.35	
	al_rate2	0.1	
	al_redn_thrsh	12 600	
	al_redn_rate	0.035	
	al_max	2 140	
Low income	SL_max	1 480	
	SL_rate	0.2	
Local intax	Local_rate	0.1778	
	Church_rate	0	
	Local_tot	0.1778	
Soc sec taxpayer	SSC_rate	0.015	
Progressive	SSC_prog_rate	0	
Prog.lim	SSC_prog_thrsh	80 000	
Soc.sec empr	SSC_empr	0.25	
Cash transfer	ch_1	1 080	
	ch_2	1 326	
	ch_3	1 572	
	ch_4	1 818	
	ch_5	2 064	
	ch_small	0	
	ch_lone	403.2	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
Work related expenses	work_rel	B	MIN(Work_exp_max,Work_exp_rate*earn)
SSC deduction	SSC_al	B	earn*al_SSC_rate
2. Allowances:	tax_al	B	work_rel+SSC_al
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	=Tax(tax_inc,Tax_sch)+Tax_min* (tax_inc>Tax_thrsh)
6. Tax credits:	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
Earned income allowance	earninc_al	B	MIN(al_max, IF(earn>al_thrsh2, al_rate*(al_thrsh2-al_thrsh1)+al_rate2*(earn-al_thrsh2), Positive(earn-al_thrsh)))- MIN(al_max,al_redn_rate* Positive(earn-work_rel-al_redn_thrsh))
Low income	low_inc	B	Positive(MIN(earn-work_rel-low_al-SSC_al,SL_max)-SL_rate*Positive(earn- work_rel- low_al-SSC_al-SL_max))
Taxable income (local)	tax_inc_l	B	tax_inc-earninc_al-low_inc
8. State and local taxes	local_tax	B	tax_inc_l*Local_tot
9. Employees' soc security	SSC	B	SSC_rate*tax_inc_l+ SSC_prog_rate* Positive(tax_inc_l-SSC_prog_thrsh)+SSC_al
11. Cash transfers	cash_trans	J	(Children>0)*ch_1+(Children>1)*ch_2+ (Children>2)*ch_3+(Children>3)*ch_4+ Positive(Children-4)*ch_4+(Married=0)*Children*ch_lone
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

FRANCE

En 2002, la monnaie nationale est l'euro (EUR). En 2002, EUR 1.0816 étaient égal à 1 USD (moyenne journalière des taux de change sur neuf mois). Une estimation du Secrétariat pour l'année 2002 du salaire brut moyen de l'ouvrier de l'industrie manufacturière est égale à EUR 21 884.

1. Système d'imposition sur le revenu

1.1. *Impôt sur les revenus 2001 perçus par l'administration centrale**

1.11. *Unité fiscale*

L'unité d'imposition est le revenu commun de la famille mais les enfants n'y sont compris que s'ils sont à la charge des parents. Les autres personnes sont prises en compte sous certaines conditions: contrairement aux conjoints qui sont toujours imposés ensemble, les enfants et les autres membres de la famille ont la faculté de choisir l'imposition séparée.

1.12. *Allègements fiscaux et crédits d'impôt*

1.121. Allègements forfaitaires

- Pour frais professionnels, correspondant au montant réel ou bien est évalué forfaitairement à 10 pour cent du salaire net (minimum de EUR 364 et plafond à EUR 12 229).
- Abattement forfaitaire égal à 20 pour cent du salaire après application de la déduction mentionnée ci-dessus. Cet abattement est supprimé sur la fraction des salaires, des pensions et rentes viagères à titre gratuit (après abattement de 10 pour cent) qui dépassent EUR 111 920 pour les revenus de 2001.
- Situation familiale : le système du « quotient familial » permet de tenir compte de la situation matrimoniale et des charges de famille du contribuable. Il consiste à diviser le revenu imposable net en un certain nombre de parts (une pour le mari, une pour la femme, une demi-part pour chaque enfant et autre personne à charge, une demi-part supplémentaire pour les titulaires de handicaps, etc.) : l'impôt total dû est égal au montant de l'impôt correspondant à une part multiplié par le nombre total de parts ; les contribuables ayant trois enfants et plus bénéficient d'une demi-part supplémentaire. L'avantage en impôt procure par la demi-part supplémentaire ne peut excéder, selon les cas, EUR 964, EUR 2 017 et EUR 3 490.

1.122. Principaux allègements non forfaitaires applicables à un ouvrier moyen

Certaines charges continuent de donner lieu à réduction d'impôts ou à crédits d'impôts : les intérêts des emprunts afférents à l'acquisition de l'habitation principale, (il s'agit de l'avant dernière année pour les acquisitions réalisées dans l'ancien avant le 31/12/1997 et de la dernière année pour les acquisitions faites dans le neuf avant le 31/12/1996), certaines dépenses relatives à l'amélioration ou au maintien en l'état de l'habitation principale : les dépenses d'isolation thermique et de régulation du chauffage, les dépenses d'acquisition de gros équipements, les dépenses d'acquisition d'équipements de production d'énergie utilisant une source d'énergie renouvelable (crédit d'impôts au taux de

* Les informations sur la fiscalité 2002 ne sont à ce jour pas disponibles.

15 pour cent avec plafond pluriannuel de dépenses), la prestation compensatoire lorsqu'elle est versée en capital (réduction au taux de 25 pour cent plafonnée à EUR 30 500), les frais de garde des enfants de moins de sept ans (réduction de 25 pour cent, avec un plafond annuel de dépenses de EUR 2 300), la présence d'enfants à charges scolarisés en collège, lycée ou poursuivant des études dans l'enseignement supérieur, les dons à des œuvres ou à des organismes aidant les personnes en difficulté, les cotisations syndicales, etc.

1.123. Crédit d'impôt récupérable: la Prime pour l'emploi (PPE)

Il s'agit d'un crédit d'impôt destiné aux salariés à temps plein appartenant à un foyer fiscal de condition modeste. Cette prime est accordée à l'ensemble des membres du foyer fiscal éligibles sous réserve que le revenu de référence du foyer fiscal ne dépasse pas certains seuils qui varient avec la configuration familiale, (par exemple : une personne seule ne doit pas avoir un revenu de référence supérieur à EUR 11 772, une famille monoparentale avec deux enfants un revenu supérieur à EUR 18 278, un couple marié monoactif sans enfant un revenu supérieur à EUR 23 544, un couple marié monoactif avec deux enfants un revenu supérieur à EUR 30 050). Le calcul du montant de la prime tient compte de la situation de famille et du niveau du revenu d'activité déclaré par le bénéficiaire. Celui-ci ne doit, dans tous les cas, jamais être inférieur à un revenu minimum de EUR 3 186 en 2001. Le revenu de référence pour un foyer fiscal qui ne perçoit que des revenus d'une activité salariée est une approximation du revenu net imposable, c'est ce revenu qui doit être finalement repris pour les simulations de cas types présentés dans le tableau qui suit et qui n'intègre pas la dimension « revenu de référence » du foyer fiscal :

Situation de famille	Revenu d'activité en année pleine compris entre (R)	Montant de la prime pour l'emploi	Majoration pour charges de famille	
Personne seule sans enfant	3 186 EUR < R ≤ 10 623 EUR 10 623 EUR < R ≤ 14 872 EUR	R * 4.4 % (14 872 EUR – R) * 11 %	–	
			Sans enfant	Deux enfants
Marié mono-actif	3 186 EUR < R ≤ 10 623 EUR	R * 4.4 % + 78 EUR	–	62 EUR
	10 623 EUR < R ≤ 14 872 EUR	(14 872 EUR – R) * 11 % + 78 EUR	–	62 EUR
	14 872 EUR < R ≤ 21 246 EUR	78 EUR	–	31 EUR
	21 246 EUR < R ≤ 22 654 EUR	(22 654 EUR – R) * 5.5 %	–	31 EUR
Famille monoparentale avec deux enfants	3 186 EUR < R ≤ 10 623 EUR	R * 4.4 %	93 EUR	
	10 623 EUR < R ≤ 14 872 EUR	(14 872 EUR – R) * 11 %	93 EUR	
	14 872 EUR < R ≤ 22 654 EUR	0	62 EUR	

Les personnes à charge majorent le montant de la PPE attribuée au foyer fiscal, la présence d'un ou deux actifs pour des couples mariés peut, elle aussi, influencer sur le montant de la prime (majoration pour les couples mono-actifs du montant de la PPE de EUR 78). Chaque enfant majore la PPE du foyer fiscal qui le compte à charge de EUR 31, sauf cas particulier (deux dernières tranches pour octroi de la prime pour les mariés mono-actifs).

1.13. Barème de 2002 d'imposition sur les revenus 2001

	Fraction du revenu imposable (1 part, en euros)	Taux (en %)
1 ^{re} tranche	N'excédant pas 4 121	0
2 ^e tranche	De 4 121 à 8 104	7.5
3 ^e tranche	De 8 104 à 14 264	21
4 ^e tranche	De 14 264 à 23 096	31
5 ^e tranche	De 23 096 à 37 579	41
6 ^e tranche	De 37 579 à 46 343	46.75
7 ^e tranche	Au delà de 46 343	52.75

Sur le montant de l'impôt résultant de ce barème s'applique une « décote » spécifique pour les contribuables faiblement imposables et éventuellement certaines réductions d'impôts (le montant de l'impôt sur les revenus soumis au barème progressif de l'IR, avant prise en compte des réductions pour bénéficiaire de la décote doit être inférieure à EUR 760).

1.14. Réduction de 5 pour cent calculée sur le montant total de l'impôt brut

Une réduction de 5 pour cent s'applique désormais à l'impôt brut calculé sur les revenus d'activité (salaires), avant toutes réductions (par exemple : réductions pour enfants à charge poursuivant leurs études) et crédits d'impôts (par exemple : dépenses liées à l'amélioration de l'habitation principale), en particulier avant prime pour l'emploi. Il s'agit de l'impôt brut sur ces revenus après déduction de la décote.

1.2. Impôt des collectivités décentralisées

Les impôts locaux touchant les ménages salariés sont :

- La taxe d'habitation, qui est fixée par les communes.
- Les impôts fonciers sur la propriété bâtie et sur la propriété non bâtie.
- Les règles communes à chaque type d'impôt, ainsi que les aménagements pratiqués par certaines communes.

Ces impôts locaux dont le taux varie selon la commune dans des proportions importantes ne sont pas évalués ici.

1.3. Contribution sociale généralisée (CSG)

La Contribution sociale généralisée est entrée en vigueur le 1^{er} février 1991 au taux de 1.1 pour cent sur 95 pour cent du salaire brut. Depuis le 1^{er} janvier 1998, le taux de CSG est fixé à 7.5 pour cent, dont 5.1 points déductibles du revenu imposable.

1.4. Contribution au remboursement de la dette sociale (CRDS)

La Contribution au remboursement de la dette sociale est en application depuis le 1^{er} février 1997. Comme la Contribution sociale généralisée, sa base est constituée de 95 pour cent du salaire brut. Son taux est fixé à 0.5 pour cent. Contrairement aux cotisations sociales, la CRDS fait partie du revenu imposable.

2. Cotisations sociales obligatoires versées à des régimes de caractère public

Certaines cotisations sont calculées sous un plafond de salaire mensuel. Depuis 1997, ce plafond est réévalué une fois par an au 1^{er} janvier. En janvier 2002, il s'élève à EUR 2 352 par mois (soit : EUR 28 224 annuels).

2.1. Cotisations des salariés

2.11. Retraite

6.55 pour cent du salaire sous plafond.

2.12. Maladie, maternité, invalidité, décès

0.75 pour cent de la totalité du salaire.

2.13. Chômage

2.05 pour cent jusqu'à 4 fois le plafond.

2.16. *Autres*

- Retraite complémentaire des non-cadres : minimum 3 pour cent sous le plafond et 6 pour cent entre une et à trois fois le plafond.
- Retraite complémentaire des cadres : minimum 3 pour cent jusqu'à une fois le plafond, 7.5 pour cent de une à huit fois le plafond.
- Depuis avril 2001, une nouvelle cotisation (AGFF) remplace l'ASF, qui était auparavant comprise dans les cotisations « chômage ». Cette cotisation est de 0.8 pour cent sous le plafond et de 0.9 pour cent, pour les non-cadres, entre 1 et 3 fois le plafond et pour les cadres, entre 1 et 4 fois le plafond.
- Depuis janvier 1997, une contribution exceptionnelle et temporaire (CET) est applicable aux rémunérations (jusqu'à huit fois le plafond de sécurité sociale) perçues par les cadres relevant du régime Agirc. La CET est répartie entre employeur et cadre. Depuis janvier 2002, elle est de 0.13 pour cent.
- Veuvage : 0.1 pour cent sur la totalité du salaire.
- Cotisations à l'APEC (Association Pour l'emploi des cadres) : taux de 0.024 pour cent par an de 1 à 4 fois le plafond.

2.2. *Cotisations patronales*

2.21. *Retraite*

8.2 pour cent du salaire sous plafond, complété par un prélèvement de 1.6 pour cent sur l'intégralité du salaire.

2.22. *Maladie, maternité, invalidité, décès*

12.8 pour cent de la totalité du salaire.

2.23. *Chômage*

3.65 pour cent jusqu'à quatre fois le plafond. A cela s'ajoute 0.25 pour cent sous quatre plafonds pour l'alimentation du fonds de garantie de salaire.

2.24. *Accidents du travail*

- Les taux d'accidents du travail sont différenciés par secteurs d'activité et publiés annuellement au journal officiel de la république française. Pour les industries mécaniques et électriques, le taux moyen s'élève à 2.18 pour cent.

2.25. *Allocations familiales*

5.4 pour cent de la totalité du salaire. Il existe une réduction des charges patronales qui bénéficie aux salaires mensuels inférieurs ou égaux à 133 pour cent du SMIC. Cette mesure est ramenée à 1.3 SMIC depuis le 1^{er} janvier 1998 (le montant annuel du SMIC est de EUR 13 689 en 2002). Cette réduction ne peut pas dépasser un montant forfaitaire mensuel de EUR 210.08 au 1^{er} juillet 2002.

2.26. *Autres*

- Retraite complémentaire : Pour les non cadres un taux de 4.5 pour cent jusqu'à une fois le plafond et 9 pour cent de une à trois fois le plafond. Pour les cadres, le taux de 4.5 pour cent est maintenu que jusqu'au plafond et de 12.5 pour cent de une à huit fois le plafond.
- Comme en 2001, la cotisation AGFF est pour les non-cadres et les cadres, de 1.2 pour cent sous le plafond et, pour les non-cadres, de 1.3 pour cent entre une et trois fois le plafond et pour les

cadres, de 1.3 pour cent entre une et quatre fois le plafond. Dans le tableau, elle est cumulée avec les taux de retraite complémentaire.

- Contribution exceptionnelle et temporaire (CET) : 0.22 pour cent, pour les cadres.
- Autres (construction, logement, apprentissage, formation continue) : 2.95 pour cent de la totalité du salaire jusqu'au plafond de sécurité sociale puis 2.85 pour cent au delà de ce plafond. La taxe sur les transports n'est pas prise en compte car elle est géographiquement variable.

3. Prestations sociales d'application générale

3.2. Principales prestations familiales (au titre des enfants à charge)

- Allocations familiales : base mensuelle des allocations familiales (BMAF) (janvier à décembre) : EUR 340.17 au 1^{er} janvier 2002.
- Taux : deux enfants : 32 pour cent ; par enfant supplémentaire : 41 pour cent.
- Complément familial : montant forfaitaire de EUR 139.5 en 2001. Il est versé, sous condition de ressources, à partir de trois enfants à charge.
- Allocation pour jeune enfant (moins de trois ans) : 45.94 pour cent de la BMAF sous condition de ressources.

4. Principales modifications apportées au système fiscal et au régime des prestations sociales depuis 2000

Système fiscal :

- Création d'une réduction d'impôt au taux de 5 pour cent s'appliquant à l'impôt brut après décote sur les seuls revenus d'activité.

5. Rubrique pour mémoire

Pour apprécier le degré de comparabilité entre les pays, il faut tenir compte des précisions suivantes :

- le secteur couvert est le secteur privé et semi-public des industries de transformation ;
- la catégorie de salariés regroupe les manœuvres, les ouvriers spécialisés et qualifiés, ainsi que les contremaîtres ;
- les chiffres présentés sont le résultat de l'application des barèmes fiscaux et des cotisations sociales sur les salaires bruts issus des « Déclarations annuelles de données sociales » (DADS) en NAF (nomenclature d'activité française, version française de la NACE) ;
- l'estimation de salaire est réalisée à partir des DADS 2000 et des dernières prévisions de l'OCDE pour 2001 et 2002.

2002 Parameter values

APW earnings	Ave_earn	21 884	
Work expenses	work_rel_fl	364	
	work_rel_ceil	12 229	
	work_rel_rate	0.1	
Basic allowance	basic_al_rate	0.2	
Tax schedule	tax_sch	0	4 121
		0.075	8 104
		0.21	14 264
		0.31	23 096
		0.41	37 579
		0.4675	46 343
	0.5275		
Décote value	decote	760	
	tax_min	61	
Prime Pour l'Emploi	rev_ref_sing	11 772	
	rev_ref_mar	23 544	
	maj_dem_part	3 253	
	rate1	0.044	
	rate2	0.11	
	SMIC_net	10 623	
	extra_l_earn	93	
	extra_sing_lst_pers	78	
	extra_pers	31	
CSG+CRDS	CSG_rat_noded	0.0228	
	CRDS_rat_noded	0.00475	
	CSG_CRDS_rat_noded	0.02755	
	CSG_rat_ded	0.04845	
Social security contributions	pension_rate	0.0655	
	SSC_ceil	28 224	
	sickness_rate	0.0075	
	unemp_rate1	0.0205	
	unemp_rate2	0.0205	
Extra pension (non-cadres) (incl. AGFF)	pens_rate_ex	0.038	
	pens_rate_ex2	0.069	
Widows pension	pens_widow	0.001	
Employer contributions	pens_empr1	0.082	
	pens_empr2	0.016	
	sickness_empr	0.128	
Unemployment (incl. « garantie de salaire »)	unemp_empr1	0.039	
	unemp_empr2	0.039	
Accidents	accidents_empr	0.0218	
Family Allowance	SMIC	13 689	
	fam_empr	0.054	
Extra pension (incl. AGFF)	pens_empr_ex	0.057	
	pens_empr_ex2	0.103	
Others	others_empr1	0.0295	
	others_empr2	0.0285	
Child benefit (second child) third & subsequent	CB_2	1 306	
	CB_3	1 674	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
Quotient for tax calculation	quotient	J	1+Married+Children/2
2. Allowances:			
Work related	work_exp	J	MIN(work_rel_ceil, MAX(work_rel_rate* (earn_total-SSC_total), MIN(work_rel_fl,earn_total)))
Basic	basic_al	J	basic_al_rate*(earn_total-work_exp-SSC_total)
CSG deductible	CSG_ded	J	CSG_rat_ded*earn
Soc sec contributions	SSC_al	J	SSC_total
Total	tax_al	J	work_exp+basic_al+CSG_ded+SSC_al
3. Credits in taxable income	taxbl_cr	J	0
4. CG taxable income	tax_inc	J	(earn-basic_al)/quotient
5. CG tax before credits			
Calculation according to schedule	sch_tax	J	quotient*Tax(tax_inc/quotient, tax_sch)
Adjusted for decote	adj_tax	J	MIN(2*sch_tax-decote, sch_tax)
Tax liable	inc_tax	J	(adj_tax>=tax_min)*adj_tax
CSG+CRDS (non-deductible)	CSG_CRDS_node d	J	Positive(CSG_CRDS_rat_nod*earn)
6. Tax credits :			
Prime pour l'emploi	PPE_main	B	F((IF(tax_inc<(Married=0)*rev_ref_sing+(Married=1)*rev_ref_mar+(Children>0)*maj_dem_part*Children,1,0))=1,Positive((IF(earn>=0.3*SMIC_net,(earn<SMIC_net)*rate1*earn+(earn>=SMIC_net)*(1.4*SMIC_net-earn)*rate2,0),0))
Additional flat rate allowance	add_all	J	F((IF(tax_inc<(Married=0)*rev_ref_sing+(Married=1)*rev_ref_mar+(Children>0)*maj_dem_part*Children,1,0))=1,((Married=1)*IF(earn_total=MAX(earn_princ,earn_spouse),extra_1_earn,0)+(Married=0)*(Children>0)*(extra_sing_1st_pers+(Children-1)*extra_pers)+(Married=1)*(Children>0)*(extra_pers*Children)),0)
Total NWTC	tax_cr	J	PPE_main+add_all
7. CG tax	CG_tax	J	inc_tax+CSG_CRDS_noded+CSG_ded-tax_cr
8. State and local taxes	local_tax	J	0
9. Employees' soc security	SSC	B	pension_rate*MINA(earn,SSC_ceil)+sickness_rate*earn+unemp_rate1*MINA(earn,SSC_ceil)+(earn>SSC_ceil)*unemp_rate2*MINA(earn-SSC_ceil,3*SSC_ceil)+pens_rate_ex*MINA(earn,SSC_ceil)+(earn>SSC_ceil)*pens_rate_ex2*MINA(earn-SSC_ceil,3*SSC_ceil-SSC_ceil)+pens_widow*earn
11. Cash transfers	cash_transf	J	IF(Children<2,0,CB_2+(Children-2)*CB_3)
13. Employer's soc security	SSC_empr	B	pens_empr1+others_empr1)*MINA(earn,SSC_ceil)+IF(SSC_ceil<earn,pens_empr2+others_empr2)*(earn-SSC_ceil)+(sickness_empr+fam_empr+accidents_empr)*earn+pens_empr_ex*MINA(earn,SSC_ceil)+(earn>SSC_ceil)*pens_empr_ex2*MINA(earn-SSC_ceil,3*SSC_ceil-SSC_ceil)+IF(earn<SSC_ceil,unemp_empr1*earn,unemp_empr1*earn+(unemp_empr2-unemp_empr1)*(earn-SSC_ceil))-IF(earn<=SMIC,0.182*earn,IF(earn<=1.33*SMIC,(1.33*SMIC-earn)*0.55,0))
Memorandum item: Non-wastable tax credit			
tax expenditure component	taxexp	P	tax_cr-transfer
cash transfer component	transfer	P	F(CG_tax<0,-CG_tax,0)

GERMANY – ALLEMAGNE

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). The average production worker earned EUR 33 226 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central/federal government income taxes

1.11. Tax unit

Spouses are normally assessed jointly. They have, however, the option of being assessed separately. The income of dependent children is not assessable with that of the parents.

1.12. Tax allowances and tax credits:

1.121. Standard reliefs and work-related expenses

- *Basic reliefs*: None.
- *Standard marital status reliefs*: In the case of joint assessment, specific allowances are doubled. Income tax according to the schedule is computed by the income splitting method.
- *Relief(s) for children*: Tax credit of EUR 1 848 for the first, the second and the third child, EUR 2 148 for the fourth and subsequent children.
- *Reliefs for social security contributions and life insurance contributions*: Social security contributions and other expenses incurred in provision for the future (*e.g.* life insurance), are deductible up to specific ceilings.

The calculation of the latter relief proceeds in three steps. First, EUR 3 068/6 136 (singles/couples) are deductible. These amounts are, however, lowered by 16 per cent of gross wage (serving as a proxy for employers' social security contributions). This provision is meant as a partial compensation for the self-employed, who do not receive tax-free employers' contributions to social security. Second, the remaining expenses are deductible up to EUR 1 334/2 668 (singles/couples). Third, half of the remaining expenses are deductible up to EUR 667/1 334 (singles/couples).

- *Work-related expenses*: EUR 1 044 lump-sum allowance per gainfully-employed person.

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest on qualifying loans*: Interest on housing loans is fully deductible in the case of leased dwellings.
- *Contributions to pensions, life insurance, superannuation schemes*: On application to the tax office expenses are deductible up to specific ceilings.
- *Medical expenses*: Partially deductible insofar as not covered by insurance (most have full coverage – in particular dependently employed persons).
- *Other*: On application to the tax office work-related expenses are fully deductible (no ceiling).

1.13. Tax schedule

The German tax schedule is formula-based.

The calculations are based on a rounded amount of taxable income. If the taxable income cannot be divided by 36 it is rounded down to the next (full EUR) amount which can be divided by 36. Subsequently it is increased by EUR 18.

- X is the taxable income.
- T is the income tax liability.
- In addition the following definition is used in the income tax liability formulæ:

$$Y = \frac{X - 7\,200}{10\,000}$$

$$Z = \frac{X - 9\,216}{10\,000}$$

The income tax liability (amounts in EUR) is calculated as follows:

1. $T = 0$ for $X \leq 7\,235$
2. $T = (768.85Y + 1\,990) Y$ for $7\,236 \leq X \leq 9\,251$
3. $T = (278.65Z + 2\,300) Z + 432$ for $9\,252 \leq X \leq 55\,007$
4. $T = 0.485X - 9\,872$ for $55\,008 \leq X$

These formulæ are used directly to calculate the income tax of single individuals.

The income tax liability for spouses who are assessed jointly is computed as follows: the formula income tax is calculated with respect to one-half of the joint taxable income. The resulting amount is doubled to arrive at the income tax liability of the spouses (splitting method).

1.2. State and local income taxes

None.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

2.11. Pensions

9.55 per cent of gross wage earnings, or not more than 9.55 per cent of the insurable ceiling of EUR 54 000.

2.12. Sickness

On average 7 per cent (estimate) of gross wage earnings, or not more than 7 per cent of the insurable ceiling of EUR 40 500.

2.13. Unemployment

3.25 per cent of gross wage earnings, or not more than 3.25 per cent of the insurable ceiling of EUR 54 000.

2.14. Care

0.85 per cent of gross wage earnings, or not more than 0.85 per cent of the insurable ceiling of EUR 40 500.

2.15. Work injury

Employer only.

2.16. Family allowances

None.

2.17. Others

None.

2.2. Employers' contributions**2.21.-2.24. (Pensions, sickness, unemployment, care):**

As a rule the employer pays the same amount as the employee (refer § 2.1).

2.25. Work injury

The contributions to work injury insurance are solely paid by the employer. They are based on employees' earnings and on the danger classes in which individual enterprises are classified according to the incidence of risk. These amounts are not taxable to the employee.

2.26. Family allowances

None.

2.27. Others

None.

3. Universal Cash Transfers**3.1. Transfers related to marital status**

None.

3.2. Transfers for dependent children

None.

4. Main Changes in Tax/Benefit Systems since 1992

Increase of child allowance and child benefit in 1992. Increase in the ceilings for the deduction of social security contributions and private insurance expenses in 1993. Introduction of care insurance in 1995.

In 1996 the system of relief for children was changed. The former income-related child benefits were replaced by tax credits. For the average production worker with two children the child allowance of DEM 8 208 (1995) and cash transfers of DEM 2 400 have been replaced by DEM 4 800 (1996) in tax credits. As a result, the average tax rate of the personal income tax was in this case reduced from 9.6 per cent to 1.6 per cent. In contrast, the tax burden for single individuals without children earning the APW wage increased slightly from 20.8 per cent (1995) to 21 per cent (1996).

In cases where the value of the tax credit is less than the relief from a tax allowance, the tax allowance is used instead to compute the income tax due.

In 1997 the tax credit for the first and second children was raised to DEM 2 640 and the child allowance increased to DEM 6 912. In 1999 the tax credit for the first and second children was raised

further to DEM 3 000. In 2000 the tax credit for the first and second children was raised to DEM 3 240 and the child allowance increased to DEM 9 936.

In 2002 the tax credit for the first, second and third children was raised to EUR 1 848 (DEM 3 614), for the fourth and subsequent children to EUR 2 148 (DEM 4 201) and the child allowance increased to EUR 5 808 (DEM 11 359).

5. Memorandum Items

5.1. *Average gross annual earnings calculation*

- a) Source of calculation: Federal Statistical Office.
- b) Calculated on the basis of weekly wages.
- c) Calculated on the basis of rates of pay per hour.
- d) Excluding sickness and unemployment, including normal overtime and bonuses.
- e) Area: West Germany.

5.2. *Employers' contributions to private pension, etc. schemes*

No information available, though such schemes do exist.

2002 Parameter values

APW earnings	Ave_earn	33 226
Tax allowances	Child_al	5 808
Lone Parents	Lone_al	2 340
Work related	Work_rel_al	1 044
SSC allowance	SSC_dn	3 068
	SSC_dn_rt	0.16
	SSC_dn_lim	1 334
Allow. for special expenses	SE_al	36
Church tax rate	Ch_tax_rt	0
Tax formula	Tax_rate2	0.485
	Tax_thrsh1	7 200
	Tax_thrsh2	9 216
	Tax_thrsh3	55 008
Social security contributions	Pension_rate	0.0955
ceiling	Pension_ceil	54 000
Sickness	Sick_rate	0.07
ceiling	Sick_ceil	40 500
Unemployment	Unemp_rate	0.0325
ceiling	Unemp_ceil	54 000
Care	Care_rate	0.0085
ceiling	Care_ceil	40 500
Child credit	Ch_cred	1 848

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
Quotient for tax calculation	quotient	J	1+Married
2. Allowances:			
Children	children_al	J	Children*Child_al
Lone parent	lone_allce	J	Lone_al*(Children>0)*(Married=0)
Soc sec contributions	SSC_al_int	J	Positive(Quotient*SSC_dn-SSC_dn_rt*earn_total)
	SSC_al	J	SSC_al_int+MIN(SSC_dn_lim*Quotient, Positive(SSC_total-SSC_al_int))+ 0.5*MIN(SSC_dn_lim*Quotient, Positive(SSC_total-SSC_al_int-SSC_dn_lim*Quotient))
Work related	work_al	J	Quotient*Work_rel_al
Church tax	church_al	J	Ch_tax_rt*CG_tax
Allow. for special expenses	SE_al	J	SE_al
Total	tax_al	J	children_al+SSC_al+work_al+church_al+lone_allce
3. Credits in taxable income	taxbl_cr	J	0
4. CG taxable income	tax_inc	J	earn-tax_al
5. CG tax before credits			
Adjusted taxable income	adj	J	tax_inc/quotient
Formula based tax schedule	tax_formula	J	adj>Tax_thrsh1)*(adj<Tax_thrsh2)*(768.85*((adj-7235)/10000)+1990)* ((adj-7200)/10000) + (adj>Tax_thrsh2)*(adj<Tax_thrsh3)*(((adj-9216)/10000)*(((adj-9216)/10000)*278.65+2300))+432)+(adj>Tax_thrsh3)*(Tax_rate2*adj-9872)
Adjust for the quotient	tax_adj	J	Quotient*tax_formula
Include solidarity surcharge	sol_surch	J	MIN(tax_adj * 0.055, Positive(tax_adj - 972) * 0.2)
Tax paid	CG_tax_excl	J	tax_adj+sol_surch
6. Tax credits:	tax_cr	J	0
7. CG tax	CG_tax	J	CG_tax_excl
8. State and local taxes	local_tax	J	0
9. Employees' soc security	SSC	B	Pension_rate*MIN(earn,Pension_ceil)+ Sick_rate*MIN(earn,Sick_ceil)+ Unemp_rate*MIN(earn,Unemp_ceil)+ Care_rate*MIN(earn,Care_ceil)
11. Cash transfers	Cash_tran	J	Children*ch_cred
13. Employer's soc security	SSC_empr	B	SSC
<i>Memorandum item: non-wastable tax credit</i>			
Tax expenditure component	taxexp		tax_cr-transfer
Cash transfer component	transfer		MIN(CG_tax,0)

GREECE – GRÈCE

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned EUR 11 575 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central government income tax

1.11. Tax unit

Married individuals are taxed separately on their own income, but they are required to file a joint tax return.

1.12. Tax allowances and tax credits

1.121. Standard tax reliefs

- *Reliefs for social security contributions:* Contributions to public pension funds are not regarded as taxable income.
- *Work-related expenses:* A relief of EUR 880.41 is granted to all wages and salary earners. This relief is given through the tax schedule (see § 1.13 below).
- *Standard tax credits depending on the APW family status:* The following reliefs are granted as a credit against the personal tax of the taxpayer calculated according to the general tax schedule:
 - EUR 90 per child, if the family comprises one child.
 - EUR 105 per child, if the family comprises two children.
 - EUR 205 per child, if the family comprises three children.
 - EUR 240 per child, if the family has four children.
 - For families with more than four children the tax credit is increased by EUR 29.34 for each child.

The above reliefs are increased by an amount of EUR 29.34 for each child in cases where the taxpayer is domiciled in certain border areas.

The term “family” includes one-parent families.

1.122. Non-standard tax reliefs

- *Main non-standard tax allowances related to actual expenses incurred, not subject to a ceiling:*
 - Donations to the State, municipalities, communities and charities.
 - Bank interest on mortgage and housing loans, where the loans have been used for the acquisition of the main residence.
- *Non-standard tax allowances related to actual expenses incurred, subject to a ceiling:*
 - Expenses for medical and hospital care up to EUR 29 347 are deductible in full if the annual declared income is also below EUR 29 347. Where such expenses exceed EUR 29 347, 50 per

- cent of the excess amount is additionally allowed, provided that the annual income declared is over EUR 29 347 and the additional deduction does not exceed 50 per cent of the amount of income in excess of EUR 29 347.
- The total annual amount of rent paid for the main residence up to EUR 440.21. If the rent paid exceeds EUR 440.21, 40 per cent of the amount paid which cannot exceed the amount of EUR 733.68 and cannot be less than EUR 440.21.
 - The amount of annual expenses for life/death insurance (if the amount of expenses is below EUR 440.21) is fully deductible. If it exceeds EUR 440.21, 40 per cent of the expenses is deductible but the deductible amount cannot exceed EUR 733.68.
 - The amount of expenses incurred by the taxpayer or his children paid to private schools or private language institutes. Such allowance is subject to the limits mentioned under the previous item.
 - Donations to cultural non-profit making institutions. The amount deductible cannot exceed 15 per cent of taxable income.
 - 30 per cent of the total amount of household expenses is deductible up to the amount of EUR 880.42. This allowance is split among the spouses according to their taxable income as declared in the joint tax return. The tax reduction resulting from this provision cannot exceed 15 per cent of the total tax allowance for each spouse.

1.123. Tax calculation

The total annual taxable employment income of an average production worker decreases by the amount of the non-standard tax reliefs plus the reliefs for social security contributions. The amount of tax which corresponds to the remaining income, calculated in accordance with the income tax schedule, constitutes the average worker's income tax liability. This amount of tax is further decreased by the tax withheld at source and the tax credits (described in § 1.121 above). The amount left is the tax payable. The same tax regime is applicable to all taxpayers with income from dependent personal services (salaries, wages, pensions).

1.13. Rate schedule

The following rates apply to taxable income in year 2002:

Income bracket (EUR)	Tax rate (%)
Up to 8 400	0
8 401 to 13 400	15
13 401 to 23 400	30
Over 23 400	40

For individuals with employment income, the first bracket (taxed at 0%) is increased by EUR 880.42 and the second bracket is reduced by the same amount.

1.2. State and local income taxes

No state or local income taxes exist in Greece.

2. Compulsory Social Security Contributions to Schemes Operate Within the Government Sector

The great majority of individuals who are employed in the private sector and render dependent personal services are principally, directly and compulsorily insured in the Social Insurance Organisation (IKA). Apart from the main contribution, IKA compulsorily collects contributions for other minor Funds created for the employee's benefit (Unemployment Benefits Funds, etc.). A subsidiary Social Insurance Fund (TEAM) for employees who are principally insured in IKA has been also established since 1983.

The average rate of contributions paid by the employer and the employee as a percentage of gross earnings are as follows (%):

	Employer	Employee	Total
1. Social Insurance Organisation (IKA)	18.43	9.22	27.65
2. Subsidiary Social Insurance Fund (TEAM)	3.00	3.00	6.00
3. Other Funds	6.53	3.68	10.21
Total	27.96	15.90	43.86

Where the insured individual is engaged in unhealthy or dangerous work, higher contributions are due (19.35 per cent paid by the employee and 30.11 per cent paid by the employer), so that such individuals become entitled to pension five years earlier than when the normal age limit applies. In the industrial sector, a contribution at a rate of 1 per cent is added as an occupational risk contribution which is paid by the employer, since the workers because of their difficult employment conditions are vulnerable to an increased risk of labour accidents and occupational diseases. So the effective total rate of a mixed insurance premium is 50.46 per cent (employer's contribution 31.11 per cent and employee's contribution 19.35 per cent).

Contributions are calculated as percentages on the basis of monthly salary or wages paid but within the limits specified in the National General Collective Employment Agreement. A cap applies of EUR 1 595.74 per month. However, for individuals who have been insured for the first time after 1 January 1993, IKA contributions are calculated on the basis of the actual total amount of their salaries (wages), independently of the maximum insurance class limit.

3. Universal Cash Transfers

Employees are usually granted by their employers, according to the relevant Collective Labour Agreement or arbitrary decision, cash transfers as a rule representing 5 per cent of their salaries for each of the first, second and third child, as well as 10 per cent of their salaries for the wife independently of her income status.

Where no family subsidies are provided for by the Collective Labour Agreement, then subsidies are granted by the Manpower Employment Organisation (OAED) under certain circumstances and according to employees' income and family status.

4. Main Changes in the Tax/benefit System since 1995

No information provided.

5. Memorandum items

5.1. Identification of an APW and method of calculations used

Calculation of annual average earnings. Information for this section is annually provided by the National Statistical Service of Greece *Labour Statistics*. The survey takes place quarterly and covers those establishments which at the latest industrial establishments census, had a total employment of ten persons and over. The earnings data refer to the average earnings of all full-time production workers – male and female – in the manufacturing sector. Regular payments are those made for normal working time and under normal working conditions. Such payments also include certain benefits, such as bonuses and gratuities paid for extra production and regular work attendance. Included are payments such as Christmas, Easter and vacation bonuses, and fringe benefits as well. Regular payments (hourly manufacturing earnings) are multiplied by the number of the weekly worked hours and by thirteen weeks. Overtime hourly payments are multiplied by the number of the overtime hours per week, by thirteen weeks.

5.2. Main employers' contributions to private pension, health, and related schemes

Contributions to private pension and sickness schemes made by employers are not added to employees' gross earnings for tax purposes and therefore are not subject to any tax. Since these contributions are not obligatory for employers, no data is available to the National Statistical Service of Greece and very few employers have adopted such additional insurance schemes. According to information given by certain major life insurance companies of Greece the contributions in question mainly cover over and above the regular insurance schemes, subsidiary pension, sickness, work accidents, hospitalisation, temporary or permanent disability, etc. Depending on the insurance scheme the premium paid, usually by the employer, will amount to between 1.5 and 5 per cent of the employee's earnings.

5.3. Effect on taxes and subsidies when the wife is gainfully employed

On the wife's tax/benefit position

The wife who is gainfully employed gets the same treatment as every other taxpayer.

On the husband's reliefs and cash transfers

The family subsidies payable to the husband by his employer are not affected. However, in the case of subsidies granted by the Manpower Employment Organisation (OAED), only one of the spouses is entitled to the transfer.

2002 Parameter values

Average earnings/yr	Ave_earn	11 575	
Tax credit	Child_cred	105	
Rates of family subsidies paid by employers	Wife_sub	0.1	
children (up to 3)	Child_sub	0.05	
Income tax schedule	Tax_sch	0	9 280.42
		0.15	13 400
		0.3	23 400
		0.4	
Social security contributions	SSC_rate	0.159	
	SSC_rate_empr	0.2796	
	SSC_ceil	21 852	
	SSC_ceil_use	0	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn_princ	P	Ave_earn*(1+Married*Wife_sub+MIN(Children,3)*Child_sub)
	earn_spouse	S	Ave_earn
2. Allowances:	tax_al	B	SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6. Tax credits:	tax_cr	P	Child_cred*MIN(Children,2)
7. CG tax	CG_tax	B	Positive(CG_tax_excl-tax_cr)
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	IF(SSC_ceil_use=1,SSC_rate*MIN(earn,SSC_ceil),SSC_rate*earn)
11. Cash transfers	cash_trans	B	0
13. Employer's soc security	SSC_empr	B	IF(SSC_ceil_use=1,SSC_rate_empr*MIN(earn,SSC_ceil),SSC_rate_empr*earn)

HUNGARY – HONGRIE

The national currency is the Forint (HUF). In 2002, HUF 263.44 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned HUF 1 056 835 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central/federal government income taxes

1.11. Tax unit

The tax unit is, in all cases, the separate individual. In exceptional cases, the employer can become subject to personal income tax, for instance in the case of benefits in kind.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

- Basic reliefs: None.
- Standard marital status reliefs: None.
- Relief(s) for children: None.

1.122. Main non-standard tax reliefs

- *Trade Union membership dues*: Membership dues and contributions paid to trade unions and other corporate bodies of employees are deductible without any restriction.

1.123. Tax credits

- *Employee tax credit*: This must be calculated as *i*) 10 per cent of wage income earned in the first eight months of the tax year (with the monthly maximum of HUF 3 000), and *ii*) 18 per cent of wage income earned from September 2002 (with the monthly maximum of HUF 9 000). This tax credit is applicable to workers whose annual income does not exceed HUF 1 533 333. In the case of employees having annual income between HUF 1 200 000 and HUF 1 533 333, a reduced amount of tax credit has been applicable.
- *Employees' social security contribution*: 25 per cent of pension contributions and membership fees paid within the framework of the private pension system can be deducted from the tax payable.
- *Tax credit for housing loans*: 40 per cent of the amount paid on housing loans during the tax year, not to exceed HUF 240 000 per year, can be deducted from the tax payable.
- *Tax credits for children*: For families, the tax can be reduced by child tax credit, which is for one dependent HUF 3 000 per month; for two dependents HUF 4 000 per month/each dependent; for three or more dependents HUF 10 000 per month/each dependent. This tax deduction can be applied by a pregnant woman (or her husband) from the 91st day after conception until birth.

- *Others*: Further tax credits can be drawn on certain insurance schemes, bodily disability, intellectual and agricultural activities, investments for the purpose of business, grants made for public purposes and allotted to foundations. Tax deduction is available for landowners and those having income from abroad. But these rebates are not relevant in the case of an APW.

1.13. Tax schedule

Taxable income (HUF)		Tax on lower limit (HUF)	Tax rate on income in bracket (%)
Lower limit	Upper limit		
0	– 600 000	0	20
600 001	– 1 200 000	120 000	30
1 200 001	and above	300 000	40

1.2. State and local income taxes

In Hungary there is no local personal income tax system supplementing the central one. More precisely, the total income tax collected is split between the central government and local governments. At the same time, the local governments can levy taxes on sites and buildings, tourist facilities and activities, employment and business activities.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

2.11. Pensions

A new pension system became effective on 1 January 1998. The pension system has now three pillars and consists of a public scheme, voluntary private pension funds and voluntary mutual insurance funds/insurance companies. Participation in the public scheme is obligatory for all employees. At the same time, employees under the age of 42 who first join the social security system after 30 June 1998, have the opportunity to enter a voluntary private pension fund (second pillar). Other private persons had the right to join a voluntary private pension fund until 1 September 1999. Employees remaining in the public scheme continue to pay 8 per cent contributions to the state pension fund (the public scheme). For the purpose of this report, a pension contribution (payable to the state pension fund) of 8 per cent has been taken into account. The maximum annual amount of this contribution is HUF 189 508.

2.12. Sickness

The rate of health security contribution amounts to 3 per cent of gross earnings.

2.13. Unemployment

The worker must pay, as employees' contribution, 1.5 per cent of gross earnings.

2.14. Others

None. The APW does not have any obligation to pay other contributions than the above mentioned. Certain types of income or groups of income recipients are charged with a pension and health security contribution of different extent and in certain cases accident insurance contribution must also be paid, for example, in the case of employees of pensioner status, etc., but full-time employees are not concerned therein.

2.2. Employers' contributions

2.21. Pensions

The rate of pension social security contribution amounts to 18 per cent of gross earnings.

2.22. Sickness

The rate of health social security contribution amounts to 11 per cent of gross earnings.

2.23. Unemployment

The employer has to pay 3 per cent of gross earnings (employer's contribution).

2.24. Others

None. The social security contribution of 29 per cent must also be paid on other benefits than gross earnings (*e.g.*, grants in kind) and payments (*e.g.* certain kind of contracts) as well.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

3.21. Effective from 1 January 2002 to 31 August 2002:

Type of family	HUF per month
For a couple with one child	3 800
For a single earner with one child	4 500
For a couple with two children, per child	4 700
For a single earner with two children, per child	5 400
For a couple with 3 or more children, per child	5 900
For a single earner with 3 or more children, per child	6 300
For a permanently sick and disabled child	10 500

3.22. Effective from 1 September 2002 to 31 December 2002:

Type of family	HUF per month
For a couple with one child	4 600
For a single earner with one child	5 400
For a couple with two children, per child	5 600
For a single earner with two children, per child	6 500
For a couple with 3 or more children, per child	7 100
For a single earner with 3 or more children, per child	7 600
For a permanently sick and disabled child	12 600

For the first time in July 2002, families receive an extra one-month benefit. It must be emphasized that only the transfer entitlements of a single parent and a couple with two children have been built into the relevant equations.

4. Main Changes in the Tax/benefit System since 2001

Tax brackets in the progressive tax rate structure have been increased. From September 2002, higher tax credits apply.

Pension security contributions payable by employers were lowered. From September 2002, families with children are entitled to higher amounts of family benefits. An extra one-month family benefit has been introduced in July 2002.

5. Memorandum Items

5.1. Method used to identify an average production worker and to calculate his gross earnings

According to the Hungarian (Ministry of Finance) estimation, average gross earnings will increase by 14 per cent in 2002, as compared to 2001. In order to determine average earning (used in this publication) for 2002, average earning of 2001 should be multiplied by 1.14. It follows that yearly average earnings of a full-time manufacturing sector employee equal HUF 1 090 310 (956 412 x 1.14).

5.2. Employer contributions to private social security arrangements

Since 1998 (when the pension reform was introduced), private individuals have had the opportunity to enter private pension funds (the second pillar of the social security system). According to the relevant legislation in force, payments made by employers (on behalf of their employees) to private pension funds are exempted from both personal income tax and all social security contributions.

In Hungary the act on the voluntary mutual insurance funds (similar to pension funds) was enacted on 6 December 1993. Based on the rules of 2002, the monthly contribution paid by the employer of a private worker who participates in a voluntary mutual insurance fund, as far as below the mandatory minimum wage, is exempt from the personal income tax and social security contributions. On the basis of contributions exceeding the limit mentioned here, the employer is obliged to pay income tax of 44 per cent, social security contributions of 29 per cent and employers' contributions of 3 per cent.

2002 Parameter values

	Variable name	Value	Value	
	Ave_earn	1 056 835		
Child allowance (per child)	child_al	0		
Social security allowance	SSC_al	0		
Income tax schedule	tax_sch	0.2	600 000	
		0.3	1 200 000	
		0.4		
Social security contributions	SSC_unemp	0.015		
	SSC_p	0.08		
	SSC_lim	2 368 850		
	SSC_h	0.03		
Tax credits	tax_cr_pe1	0.1		
	tax_cr_ce1	3 000		
	tax_cr_pe2	0.18		
	tax_cr_ce2	9 000		
	tax_cr_li1	1 200 000		
	tax_cr_li2	1 533 333		
	tax_cr_ra	0.18		
	tax_cr_pn	0.25		
	CL_rates		1	36 000
			2	48 000
			3	120 000
Employers	SSC_empr	0.32		
Transfers for children (monthly)	CB_rates1	0	4 700	
		1	5 400	
	CB_rates2	0	5 600	
		1	6 500	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
Children	child_allce	P	Children*child_al
Total	tax_al	B	child_allce+SSC_unemp*earn*SSC_al
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6. Tax credits:	tax_cr	B	MIN(CG_tax_excl,IF(earn>tax_cr_li2,0,IF(earn<tax_cr_li1,MIN(earn/12*tax_cr_pe1,tax_cr_ce1)*8+MIN(earn/12*tax_cr_pe2,tax_cr_ce2)*4,(tax_cr_ce1*8+tax_cr_ce2*4)-((earn-tax_cr_li1)*tax_cr_ra)))+MIN(earn,SSC_lim)*tax_cr_pn*SSC_p+IF(Children=0,0,Children*VLOOKUP(Children,CL_rates,2)))
7. CG tax	CG_tax	B	CG_tax_excl-tax_cr
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	earn*SSC_unemp+earn*SSC_h+MIN(earn,SSC_lim)*SSC_p
11. Cash transfers	cash_trans	J	Children*(VLOOKUP((1-Married),CB_rates1,2)*9+VLOOKUP((1-Married),CB_rates2,2)*4)
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

ICELAND – ISLANDE

The national currency is the Kronur (ISK). In 2002, ISK 93.53 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned ISK 2 277 709 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central government income taxes

1.11. Tax unit

Income is taxed on an individual basis, except for unearned income of married couples which is taxed jointly.

1.12. Tax allowances and credits

1.121. Standard reliefs

- *Basic tax credit*: A fixed tax credit, amounting to ISK 312 024 in 2002, is granted to all individuals 16 years and older, regardless of their marital status. The tax credit is subtractible from levied central and local government taxes as well as net wealth taxes. Unutilised tax credits or portions thereof are wastable, *i.e.* non-refundable and non-transferable between tax years.
- *Standard marital status relief*: Married couples may utilise up to 95 per cent of each spouses' unutilised portion of his/her basic tax credit.
- *Relief(s) for children*: None.
- *Relief(s) for social security contributions*: Since January 2000, the compulsory payment to pension funds, which generally amounts to 8 per cent of wages, is deductible.
- *Work-related deductions*: Earnings related transportation expenses incurred by wage earners are deductible up to a certain limit.

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest payment relief*: A fully refundable tax credit is granted to purchasers of personal dwellings (homes) to recuperate a part of mortgage-related interest expenses. The amount of the tax credit is dependent on the individual's taxable income and net wealth. The maximum tax-related interest credit is in 2002 ISK 156 290 for a single person, ISK 201 000 for a single parent and ISK 258 459 for a married couple. There is also a maximum to the interest amount deductible.
- *Investment allowance*: Individuals are allowed a special deduction from the income tax base for investments made in joint-stock companies, approved by tax authorities. Maximum deduction for a single person in 2002 is ISK 80 000 and ISK 160 000 for a married couple. This allowance has an insignificant effect on the APW's tax burden.

1.13. Tax schedule

The income tax base is composed of *personal income* (e.g. wages, salaries, fringe benefits, pensions, etc.), which is taxed on an individual basis, and *capital income* (excluding interest income which is tax exempt), taxed jointly on married couples.

The personal income tax is single-rated. The central government income tax rate in 2002 was 25.75 per cent, a decrease by 0.33 per cent.

A special 7 per cent income tax is levied temporarily on individuals with monthly income in 2002 above ISK 331 667 for a single person and ISK 663 333 for couples taxed jointly. This taxation has now been prolonged with several amendments (see § 4.3). This tax does not affect the tax burden of average production workers as their income level is much lower, or only ISK 189 809 per month.

1.2. Local government income tax

The local government income tax base is the same as the central government's income tax base.

The local governments' income tax is single-rated, but the rate varies considerably between municipalities. The average rate in 2002 was 12.79 per cent.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

Fee to the Retiree Investment Fund: Individuals, aged 16-70, are subject to a fee, provided the individual's taxable income was at least ISK 809 611 in 2002. The fee is a fixed annual amount, which has not been determined for the year 2002 yet. Therefore, the 2001 amounts are included in calculations for this report.

2.2. Employers' contributions

Employers have to pay a social security tax on total wages. In 2002, the rates are 5.88 per cent in the fisheries sector and 5.23 per cent for other sectors. A part of this tax, or 0.04 per cent of total wages goes to the Wage Insurance Fund whose role is to finance unpaid wages in case of bankruptcies.

3. Universal Cash Transfers

3.1. Marital status related transfers

None.

3.2. Transfers for dependent children

	2001	2002	2003
Child benefits, not linked to income (ISK)	33 470	34 474	35 422
Per cent income thresholds:			
For one child	5.0	4.0	3.0
For two children	9.0	8.0	7.0
For three children or more	11.0	10.0	9.0

4. Main Changes in the Tax/Benefit System since 1998

4.1. The deductibility of the compulsory payment to pension funds

In February 1998, a law was enacted which increases the deductible level of payments to pension funds from the income tax, from 4 per cent of wages to 6 per cent in 1999. In the year 2000, the deductible level was further increased from 6 per cent to 8 per cent.

4.2. A reduction of the central government income tax rate

The Government has pursued a policy of reducing the marginal tax rate. It did so with a reduction of 1.1 percentage points at the beginning of 1997, by 0.9 point at the beginning of 1998 and by 1 point at the beginning 1999. From 2001, the rate was lowered by 0.33 point to compensate for a similar increase in local government rates. In 2002, the rate was further lowered by 0.33 point.

4.3. A special tax on higher income

In 1998, the special tax on higher income was raised by 2 percentage points, from 5 to 7 per cent.

4.4. A revision of the child benefit system

At the proposal of the Minister of Finance the Althingi recently legislated various amendments to the child benefit system in Iceland. The changes are aimed at reducing income linkages by eliminating means-testing of benefits for children under the age of seven and reducing the degree of income linkage by a third. The testing against net wealth is also abolished. Furthermore, benefit amounts and income thresholds will increase in concert with general contractual wage increases in the years 2001-2003. These changes take place in three steps in the years 2001, 2002 and 2003.

4.5. Abolition of the allowance on investment in joint-stock companies

Also in 1997, a law has been passed stipulating that the special tax allowance for purchases of shares in joint-stock companies will be phased out over the next three years.

5. Memorandum Items

5.1. Identification of APW and valuation of earnings

The earnings data refer to production workers in the manufacturing sector. To obtain the earnings figures, the average weekly hours for the year are multiplied by average hourly earnings. The resulting number is then multiplied by 52 to obtain annual salary. The original data are obtained from a quarterly survey among members of the Labour Market Research Institute.

5.2. Employers' contributions to private pension, health and related schemes

Information not available.

2002 Parameter values

APW-income	Ave_earn	2 277 709
Previous year income	fiscal_inc	2 128 700
Pension rate for tax allowance	pension_rate	0.08
Tax credit	Basic_crd	312 024
	Married_propn	0.95
Central income tax	central_rate	0.2575
Special tax	special_rate	0.07
threshold	special_thrsh	3 980 000
Local tax	local_rate	0.1279
Church tax	church_tax	0
Social Security Contr.	SSC_fixed	4 826 (in 2001 – not available for 2002)
	SSC_thrsh	809 611
Employer SSC	SSC_empr	0.0523
General child allowance:		
child allowance	CA	34 474
Supplement child allowance:		
Married couple case		
first child	SA_first_m	117 030
other children	SA_others_m	139 304
income threshold	SA_tresh_m	1 354 727
Single parent case		
first child	SA_first_s	194 921
other children	SA_others_s	199 949
income threshold	SA_tresh_s	677 364
Reduction rate (one child)	SA_redn_1	0.04
Reduction rate (two children)	SA_redn_2	0.08
Reduction rate (tree or more children)	SA_redn_3	0.1

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B	earn*pension_rate
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	earn-tax_al
5. CG tax before credits	CG_tax_excl	B	earn*central_rate
6. Tax credits:	tax_cr	P	MIN(Basic_crd+Married_propn*(Basic_crd-tax_cr_spouse),CG_tax_excl_prin+local_tax_princ)
		S	MIN(Basic_crd, CG_tax_excl_spouse+local_tax_spouse)
	special_tax	J	(earn_total>(1+Married))*special_thrsh)*earn_total*special_rate
7. CG tax	CG_tax	B	CG_tax_excl-tax_cr+special_tax
8. State and local taxes	local_tax	B	earn*local_rate
9. Employees' soc security	SSC	B	SSC_fixed*(earn>SSC_thrsh)
11. Cash transfers:			
Income in previous year	inc_prev	J	fiscal_inc*earn_total/ave_earn
Child allowance	cash_trans	J	Children*CA+(Children>0)*(IF(Married;SA_first_m+Positive(Children-1)*SA_others_m;SA_first_s+Positive(Children-1)*SA_others_s)- Positive(inc_prev*(1-pension_rate)-IF(Married;SA_tresh_m;SA_tresh_s))*IF(Children=1;SA_redn_1;IF(Children=2;SA_redn_2;SA_redn_3)))
13. Employer's soc security	SSC_empr	B	earn*SSC_empr_rate

IRELAND – IRLANDE

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned EUR 25 330 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central/federal government income taxes

1.11. Tax unit

Tax is levied on the combined income of both spouses. Either spouse may, however, opt for separate assessment, in which case the tax payable by both spouses must be the same as would be payable under joint taxation. A further option allows either spouse to opt for assessment as single persons in which case they are treated as separate units.

1.12. Tax credits

1.121. Standard reliefs:

- *Basic reliefs*: The single person's credit is EUR 1 520 per year.
- *Standard marital status reliefs*: The married person's credit is EUR 3 040 per year (*i.e.* twice the basic credit of EUR 1 520).
- *Employee credit*: With the exception of certain company directors and their spouses and the spouses of partners in partnership cases, all employees, including (subject to certain conditions) children who are full-time employees in the business of their parents, are entitled to an employee credit of EUR 660.
- *Single-Parent Family Relief*: The single parent family credit is EUR 1 520.

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest on qualifying loans*: A qualifying loan in respect of the purchase, repair or improvement of the principal private residence. This relief is subject to the following overall limits in 2001/2002:

	First time mortgage holders	Other mortgage holders
Married couple	EUR 6 349	EUR 5 079
Widowed person	EUR 6 349	EUR 5 079
Single person	EUR 3 174	EUR 2 539

- *Medical insurance*: Relief at the taxpayer's standard rate of tax is available for taxpayers who make a payment to an authorised insurer under a contract which provides for the payment of medical expenses resulting from sickness of the person, his wife, child or other dependants. This relief is now granted at source and is paid to the insurance provider.
- *Work-related expenses*: These are relieved to the extent that they are wholly, exclusively and necessarily incurred in the performance of the duties of an employment.

- *New Carers allowance*: This is a tax credit of EUR 770 for families where one spouse works at home to care for children, the aged or incapacitated persons, where the carer spouse's income does not exceed EUR 5 079. A reduced measure of relief is granted for income between EUR 5 079 and EUR 6 349. This credit and the increased standard rate tax band for two-income couples (see tax schedule below) are mutually exclusive but the person may opt for whichever is the more beneficial.

1.13. Tax schedule

Band of taxable Income (EUR)				Rate (%)
Single/Widow(er)	Married couple (one income)	Married couple (two incomes)	One-parent families	
28 000	37 000	56 000	32 000	20
Balance	Balance	Balance	Balance	42

1.14. Low income exemption and marginal relief tax

Exemptions from income tax are available to individuals with small incomes. Where total income is less than or equal to the income exemption limit that income is exempt from tax. The applicable exemption limit is increased by EUR 571 for each of the first two qualifying children and EUR 825 per child for each subsequent child.

Exemption limits (EUR):

Single/Widowed	
Under 65	5 210
65 and over	13 000
Married	
Under 65	10 420
65 and over	26 000

The marginal relief rate of tax applies where liability to tax at the marginal relief rate is less than that which would be chargeable under the normal tax schedule and where total income is less than twice the relevant exemption limit. Otherwise tax is charged under the normal tax schedule.

Marginal relief tax is charged, where applicable, at a rate of 40 per cent on the difference between total income and the relevant exemption limit.

1.2. State and local income taxes

No State or local income taxes exist in Ireland.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

Contributions are payable as a percentage of an employee's gross earnings less allowable superannuation contributions. No distinction is made by marital status or sex. The first EUR 356 of weekly earnings are exempt from the health levy and the first EUR 287 of weekly earnings are exempt from social insurance. If the employee is not exempt, then an allowance of EUR 127 per week is applicable for social insurance contribution purposes. This weekly exemption is non-cumulative. The following is a breakdown of the 2001/2002 rate of contribution together with ceilings where applicable:

Description	Rate (%)	Ceiling (EUR)
Health contribution	2	No ceiling
Pension and social insurance	4	38 740
Total	6	

2.2. Employers' contributions

Like employees' contributions, employers' contributions are payable as a percentage of gross employee earnings less allowable superannuation contributions. The following is a breakdown of the 2001/02 rate of contribution:

Description	Rate (%)
Occupational injuries	0.50
Redundancy contribution	0.40
Pension and social insurance	9.85
Total	10.75

The employers' contribution is reduced from 10.75 per cent to 8.5 per cent in respect of employees earning less than EUR 356 per week.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

These are payable to all children under the age of 16 (or under 19 years, if the child is undergoing full-time education by day or is incapacitated and likely to remain so for a prolonged period). These payments do not depend on any insurance or on the means of the claimant. The amounts payable in 2001/2002 are as follows:

Period	Monthly rate per child	
April 2001 to April 2002	First to third child	Subsequent children
	EUR 85.71	EUR 109.20
April 2002 to December 2002	First to second child	Subsequent children
	EUR 117.60	EUR 147.30

3.3. Transfers for low income families

A non-taxable *family income supplement* is payable to low income families where either the principal earner and/or the spouse are in full-time employment. Full-time employment is defined as working nineteen hours per week or more. The hours worked by the principal and the spouse can be aggregated for the purposes of this definition. When calculating income for the purposes of the relief superannuation payments, social welfare payments, tax payments, health and employment and training levies are all subtracted to arrive at disposable income.

The level of payment is dependent on the amount of family income and the number of children. The supplement payable is 60 per cent of the difference between the family income and the income limit applicable to the family. A minimum of EUR 13 per week is payable to eligible families. No supplement is payable to families with income in excess of the relevant income limit.

The income limit for a family with two children in 2002 is EUR 388 per week.

One Parent Family Payment: This new non-taxable payment is available for men and women who for a variety of reasons are bringing up a child or children without the support of a partner. The payment which is means-tested is payable in full where the persons earnings does not exceed EUR 7 618. Where earnings are between EUR 7 618 and EUR 15 236 a reduced payment is received. The amount of the full payment for 2001/2002 is EUR 6 178 plus EUR 1 004 for each child. Because of the complex means-testing system this type of person is excluded from the APW examples.

4. Main Changes in Tax/Benefit System Since 2001

Mortgage interest relief is now granted at source from 2002. This means the relief is paid to the mortgage company rather than the taxpayer.

5. Memorandum Items

5.1. *Method used to identify an APW and to calculate the APW's gross earnings*

5.2. *Employer contributions to private social security arrangements*

Information not available, although such schemes do exist.

2002 Parameter values

	Ave_earn	25 330	
Tax allowances			
Tax Credits	Basic_al_at_standardrate	1 520	
	Married_al_at_standardrate	1 520	
	Empl_al_at_standardrate	660	
	Singleparent_at_standardrate	1 520	
	Carers_allow	770	
	Carers_thrsh1	5 079	
	Carers_thrsh2	6 349	
	Carers_taper_rt	0.66	
Exemption amount	Single_ex	5 210	
	Married_ex	5 210	
	Child_ex	571	
	Child_ex_3	825	
Marginal relief limit	Single_MR	10 420	
	Married_MR	10 420	
	Child_MR	1 142	
	Child_MR_3	1 650	
Marginal relief	marg_rel_rate	0.4	
Income tax	Single_sch	0.2	28 000
		0.42	
	Single_sch_child	0.2	32 000
		0.42	
	Married_sch_oneinc	0.2	37 000
		0.42	
	Married_sch_twoinc	0.2	56 000
		0.42	
Social security contributions	SSC_thresh	14 924	
Employees	pension_rate	0.04	
	pension_ceil	38 740	
	Emp_hlth_lower	18 512	
	Health_rate	0.02	
	Non_cum_Allc	6 604	
Employers	Empr_rate	0.1075	
	Empr_lower_rate	0.085	
	Empr_thrsh	18 512	
Child benefit	Ch_ben	1 030	
	Ch_ben_3	1 310	
Family income supplement	FIS_pay_limit	20 176	
	FIS_min	676	
	FIS_rate	0.6	
Medical card	single_med_card	6 888	
	married_med_card	9 940	
	child_add_med_card	1 252	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			(provided at standard rate (tax credit equivalent))
3. Credits in taxable income	taxbl_cr	J	0
4. Taxable income	tax_inc	J	earn
New carers allowance (provided as a tax credit)	career_allow		IF((Married*Children)>0,IF(earn_spouse<=Carers_thrsh1, Carers_allow,IF(earn_spouse>Carers_thrsh2,0,Positive (Carers_allow-Carers_taper_rt*(earn_spouse-Carers_thrsh1))))),0)
5. Tax before credits (but including carers allowance)	_tax_excl	J	IF((Married*earn_spouse)>0,MINA(X,(Tax(tax_inc, Married_sch_oneinc)-career_allow)),X) where X=IF(Married=0,IF(Children=0,Tax(tax_inc,Single_sch), Tax(tax_inc,Single_sch_child)),IF(earn_spouse=0,Tax(tax_inc, Married_sch
6. Tax credits:	basic_cr	J	Basic_al_at_standardrate+(Married*Married_al_at_standard rate)
	single_par_cr		IF(Married=0,IF(Children>0,Singleparent_at_standardrate,0),0)
	other_cr		Empl_al_at_standardrate+(IF(earn_spouse>0,Empl_al_at_standardrate,0))
	tax_cr		basic_cr+single_par_cr+other_cr
Exemption amount	exemp_amt	J	Single_ex+Married*Married_ex+Child_ex*MIN(2,Children)+(Children>2)*(Children-2)*Child_ex_3
Marginal relief limit	MRL	J	Single_MR+Married*Married_MR+Child_MR*MIN(2,Children)+(Children>2)*(Children-2)*Child_MR_3
7. Net tax	CG_tax	J	If(earn_total<=MRL,MIN(marg_rel_rate*(positive(earn_total-exem_amt),(_tax_excl-tax_cr),(_tax_excl-tax_cr))
8. State and local taxes	local_tax	J	0
9. Employees' soc security			
Weekly allowance	weekly_allce	B	IF(earn=0,0,MINA(Non_cum_Allc*pension_ceil/earn, Non_cum_Allc,earn))
Employees' soc security	SSC	B	Health_rate*earn*(earn>Emp_hlth_lower)+IF(earn>SSC_thresh, pension_rate*Positive(MINA(earn,pension_ceil)-weekly_allce),0)
11. Cash transfers			
	Child_benefit	J	Children*Ch_ben+(Children>2)*(Children-2)*(Ch_ben_3-Ch_ben)
	FIS	J	(Children>0)*IF((earn-_tax-SSC)<=FIS_pay_limit, MAXA((FIS_pay_limit-(earn-_tax-SSC))*FIS_rate,FIS_min),0)
Total cash transfers	cash_trans		Child_benefit+FIS
13. Employer's soc security	SSC_empr	B	IF(earn<=Empr_thrsh,Empr_lower_rate,Empr_rate)*MIN(earn,Empr_ceil)

ITALY – ITALIE

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). In that year the average production worker earned EUR 21 466 (Secretariat estimate).

1. Personal Income Tax

1.1. Central government income tax

1.11. Tax unit

Spouses are taxed separately.

1.12. Tax allowances and tax credits

1.121. Standard tax credits

- *Dependent spouse*: provided that the spouse's income does not exceed EUR 2 840.51 a tax credit is allowed, according to income brackets as follows:

Income brackets (EUR)	Tax credit (EUR)
0-15 494	546.18
15 494-30 987	496.60
30 987-51 646	459.42
51 646- and over	422.23

- *Children*: A tax credit, that varies according to the number of children, is granted to parents. This tax credit is due in full to only one parent. If the spouse is not dependent, the tax credit is shared between the parents either at 50 per cent or according to a different percentage agreed by them.

Tax credit allowed to each spouse for dependent children (equal to 50% of the total amount allowed. <i>e.g.</i> : with 1 child the total amount is equal to EUR 285.08 or EUR 266.9 but only EUR 142.54 or EUR 133.25 is granted to each parent)	Tax credit for dependent children in case of widowed spouse or parent with a not acknowledged child for an income up to EUR 15 494
1 child EUR 142.54 (income up to EUR 51 646) EUR 133.25 (income over EUR 51 646)	EUR 546.18
2 children EUR 301.61 EUR 266.49	EUR 864.32
3 children EUR 460.68 EUR 399.74	EUR 1 182.45
4 children EUR 619.75 EUR 532.99	EUR 1 500.59

- *Other members of the family*: A tax credit of EUR 142.54 (up to 51 646) or EUR 133.25 (over EUR 51 646) is granted for other dependents, provided the dependant's income does not exceed EUR 51 646. A dependent is deemed to be any person entitled to maintenance allowances (*e.g.*: parents, mother and father-in-law) under civil law.

- *Tax credit for dependent workers*: It varies from EUR 1.146.53 foreseen for an income up to EUR 6 197 to EUR 51.65 for an income over EUR 51 646 (twenty-two brackets).

1.122. Principal non standard tax allowances and tax credits

- *Social security contributions* due by law.
- *Rents, annuities and other charges* burdening income deriving from *immovable property*.
- Periodical benefits allowed to the spouse fixed by judicial authority.
- Periodical benefits (life annuities and so on), allowed by will, gift, judicial authority.
- *Charitable donations* to some religious institutions (up to EUR 1 032.91).
- *Medical and assistance expenses* incurred by handicapped persons.
- Principal residence income exempted for the total amount of the cadastral income.
- *Donations to political parties* (ranging from EUR 51.65 to EUR 103 291.38).
- Expenses to restore one's own residence at 36 per cent of full expenses, shared in 5 or 10 annual allowances of the same amount. A temporary reduction in the standard rate of VAT of 20% to 10% applies to the renovation and repair of private dwellings, excluding materials which form a significant part of the value of the supply.
- Credit for leaseholders of principal residence (a sum of EUR 495.80 for income up to EUR 15 493.71 and a sum of EUR 247.90 for income up to EUR 30 987.41).

As to the following expenses, a tax credit of 19 per cent of each incurred expense is allowed:

- *Mortgage loan interest* (up to EUR 1 807.60 or EUR 3 165.20 according to circumstances).
- Most of *medical expenses* for the part exceeding EUR 129.11.
- *Life and accident insurance premium* and voluntary contributions up to EUR 1 291.14.
- Expenses to attend secondary school and university courses; in case such courses are private, the expenses allowed cannot exceed those foreseen as to State courses.
- *Funeral charges* up to EUR 1 549.37.
- *Charitable donations* to non-profit organisations (up to EUR 2 065.83).

1.13. Tax schedule

The following tax schedule is applied to taxable income:

Bracket (EUR)	Rate (%)
Up to 10 329.14	18
From 10 329.14 up to 15 493.71	24
From 15 493.71 up to 30 987.41	32
From 30 987.40 up to 69 721.68	39
Over 69 721.68	45

1.2. State and local taxes

Regional surcharge tax

This surcharge tax has been introduced in 1997. The tax is levied by each region on resident taxpayers' total taxable income at a discretionary rate, which must fall within an established range. As from the year 2000 this range is between 0.9 per cent and 1.4 per cent. For the year 2002, all regions have applied the lowest rate of 0.9 per cent.

Local surcharge tax

This surcharge tax has been introduced in 1999. The tax may be levied by each local government at an initial rate that cannot exceed 0.2 per cent. If the tax is levied, the local government can increase the initial rate, on a yearly basis, up to a maximum of 0.5 per cent. Each yearly increase cannot exceed 0.2 per cent.

The figure given in the Country Tables under the heading “State and local taxes” does not include the local surcharge tax. In fact, since this surcharge is levied only by some local governments and at different rates, its inclusion in the calculation of the tax burden of the APW would have necessitated an assumption on the taxpayer’s residence or required a complicated derivation of a national average.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employee contributions

a) Rate and ceiling

- The average rate charged to a dependent worker is 9.19 per cent up to EUR 36 093.
- The average rate charged to a dependent worker is 10.19 per cent over EUR 36 093.

b) Distinction by marital status or sex

- None.

2.2. Employer contributions

- Contributions taken into account for this report amount to: 33.08 per cent (average).

3. Universal Cash Transfers

3.1. Amount for spouse and for dependent children

The cash transfer system for dependent spouse and for dependent children takes into account both family income and the number of dependent persons; according to this system, cash transfers are deducted when family income increases. Results reported in the country tables are partly based on Secretariat estimates.

4. Main Changes

Personal income tax rates and brackets.

5. Memorandum Item

5.1. Identification of an APW

The data refer to the annual wage earnings of production workers in the manufacturing sector.

5.2. Contributions by employers to private pension, health, etc. schemes

Information on this matter is not available.

2002 Parameter values

Average earnings/yr	Ave_earn	21 466			
Tax schedule	tax_sch	0.18	10 329.14		
		0.24	15 493.71		
		0.32	30 987.41		
		0.39	69 721.68		
		0.45	999 999 999.99		
Tax credits					
Employment	emp_flat	51.65			
	emp_add	0	1 094.88		
		6 197.01	1 032.91		
		6 352.01	981.26		
		6 507.01	929.62		
		7 747.01	852.15		
		7 902.01	774.68		
		8 057.01	697.21		
		8 212.01	635.24		
		8 263.01	599.09		
		8 780.01	562.93		
		9 296.01	526.78		
		9 813.01	490.63		
		15 494.01	438.98		
		20 658.01	387.34		
		25 823.01	335.69		
		30 897.01	284.05		
		31 142.01	232.40		
		36 152.01	180.76		
		41 317.01	129.11		
		46 481.01	77.46		
		46 688.01	25.82		
		51 646.01	0.00		
Spouse	Spouse_cred	0	546.18		
		15 494.01	496.60		
		30 987.01	459.42		
		51 646.01	422.23		
		999 999 999.99	0		
limit	Sp_crd_lim	2 840.51			
Child credit	Ch1_credit	0	258.23	258.23	
		41 316.56	151.84	168.37	
		51 645.70	142.54	142.54	
		999 999 999.99	0.00	0.00	
Regional tax	reg_rt	0.009			
Social security contributions	SSC_sch	0.0919	36 093.00		
		0.1019	78 507.00		
		0.00	999 999 999.99		
Employer contributions	Empr_sch	0.3308	20 658.28		
		0.3308			
	Empr_sch1	0.3308	20 658.28		
		0.3308			
Cash transfers:					
taxable income (t-1)	tax_inc_pr1	18 980.43			
family allowance sched. (t) – married couple	trans_sch_m	0	46.48	130.66	250.48
		10 850.16	36.15	130.66	250.48
		11 422.99	36.15	114.65	220.53
		13 562.10	25.82	114.65	220.53
		14 134.93	25.82	92.45	190.57
		16 274.04	10.33	92.45	190.57
		16 846.34	10.33	65.59	158.04
		18 984.93	0	65.59	158.04
		19 556.70	0	43.90	111.55
		22 269.17	0	25.82	81.60
		24 980.57	0	15.49	57.33
		27 693.04	0	15.49	38.73
		30 403.40	0	12.91	25.82
		33 114.81	0	12.91	25.82
		35 825.69	0	12.91	23.24
		38 538.70	0	0	23.24
		41 250.10	0	0	23.24
		43 962.05	0	0	0
		999 999 999.99	0	0	0

2002 Parameter values (cont.)

family allowance sched. (t)	trans_sch_s	0	99.68	184.89	412.13
– single parent		13 230.59	79.53	164.75	372.37
		15 942.54	54.23	136.34	332.60
		18 652.89	23.24	102.26	289.73
		21 364.83	20.66	73.85	230.34
		24 077.31	20.66	48.55	190.57
		26 788.72	0	34.09	159.07
		29 500.12	0	34.09	136.34
		32 211.54	0	28.41	119.30
		34 922.42	0	28.41	119.30
		37 635.42	0	28.41	102.26
		40 347.36	0	0	102.26
		43 057.71	0	0	102.26
		45 770.19	0	0	0
		999 999 999.99	0	0	0
taxable income (t-2)	tax_inc_pr2	18 690.88			
family allowance sched. (t-1)	trans_sch1_m	0	0	130.66	250.48
– married couple		11 122.43	0	114.65	220.53
		13 763.07	0	92.45	190.57
		16 403.20	0	65.59	158.04
		19 042.29	0	43.90	111.55
		21 683.45	0	25.82	81.60
		24 323.58	0	15.49	57.33
		26 964.74	0	15.49	38.73
		29 603.84	0	12.91	25.82
		32 243.96	0	12.91	25.82
		34 883.57	0	12.91	23.24
		37 525.25	0	0	23.24
		40 165.38	0	0	23.24
		42 806.02	0	0	0
		999 999 999.99	0	0	0
family allowance sched. (t-1)	trans_sch1_s	0	99.68	184.89	412.13
– single parent		12 882.51	79.53	164.75	372.37
		15 523.16	54.23	136.34	332.60
		18 162.25	23.24	102.26	289.73
		20 802.89	20.66	73.85	230.34
		23 444.05	20.66	48.55	190.57
		26 084.18	0	34.09	159.07
		28 724.31	0	34.09	136.34
		31 364.44	0	28.41	119.30
		34 004.05	0	28.41	119.30
		36 645.73	0	28.41	102.26
		39 286.37	0	0	102.26
		41 925.46	0	0	102.26
		44 566.63	0	0	0
		999 999 999.99	0	0	0

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B	SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	earn-tax_al
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6. Tax credits:			
Employment	emp_cr	B	MIN((emp_flat+VLOOKUP(tax_inc,emp_add,2)),CG_tax_excl)
Spouse credit	spouse_cr	P	IF(Married=1,IF(tax_inc_spouse>Sp_crd_lim,0,VLOOKUP(tax_inc_princ,Spouse_cred,2)),0)
Child credit	child_cr_princ	P	IF(Married=1,(Children*Ch1_credit)*IF(AH7>0,2,1), (Children>0)*(VLOOKUP(tax_inc_princ, Spouse_cred,2)) +(Children*Ch1_credit))
	child_cr_spouse	S	(Children*Ch1_credit)*(spouse_cr=0)
Total	tax_cr	B	MIN(emp_cr+spouse_cr+child_cr,CG_tax_excl)
7. CG tax	CG_tax	B	Positive(CG_tax_excl-tax_cr)
8. State and local taxes	local_tax	B	IF(final_income_tax>0;taxable_income*reg_rt;0)
9. Employees' soc security	SSC	B	Tax(earn,SSC_sch)
11. Cash transfers		J	((Children+Married)>0)*((6/12)*12*VLOOKUP(tax_inc_pr1* (\$A7+\$B7),IF(Married,trans_sch_m,trans_sch_s),1+Married+ Children)+ (6/ 12)*12*VLOOKUP(tax_inc_pr2*(\$A7+\$B7),IF(Married, trans_sch1_m,trans_sch1_s),1+Married+Children))
13. Employer's soc security	SSC_empr	B	Tax(earn,Empr_sch)

JAPAN – JAPON

The national currency is the yen (JPY). In 2002 JPY 126.19 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker is assumed to earn JPY 4 254 270 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central government income tax

1.11. Tax unit

Each individual is taxed separately.

1.12. Allowances and tax credits

1.121. Standard reliefs

- *Basic allowance*: a taxpayer may deduct JPY 380 000 as basic allowance from his or her income.
- *Allowance for spouse*: allowance equal to JPY 380 000 is given to a resident taxpayer who has a spouse, provided certain requirements are met.
- *Special allowance for spouse*: special allowance up to JPY 380 000 according to income of a spouse is given to a resident taxpayer, provided certain requirements are met.
- *Allowance for dependents*: if a resident taxpayer has children and other relatives who meet the same requirements as for a spouse mentioned above, an allowance of JPY 380 000 is given for each dependent.
- *Special allowance for dependents*: if a resident taxpayer has dependents who meet the requirement mentioned above and who are between 16 and 23 years old, an allowance of JPY 630 000 is given for each dependent instead of the allowances for dependents mentioned above.
- *Deduction for social insurance premiums*: the amount of social insurance premiums for a resident taxpayer or his/her dependents shall be deducted from his/her income without any ceiling.
- *Employment income deduction*: the following amounts may be deducted from the income in calculating taxable income:
 - a) If income received does not exceed JPY 1 800 000 the deduction is 40 per cent of salaries etcetera, but the minimum amount deductible is JPY 650 000.
 - b) If income received exceeds JPY 1 800 000, but not JPY 3 600 000, the deduction is equal to JPY 720 000 plus 30 per cent of salaries etc., in excess of JPY 1 800 000.
 - c) If income received exceeds JPY 3 600 000, but not JPY 6 600 000, the deduction is equal to JPY 1 260 000 plus 20 per cent of salaries etc., in excess of JPY 3 600 000.
 - d) If income received exceeds JPY 6 600 000, but not JPY 10 000 000, the deduction is equal to JPY 1 860 000 plus 10 per cent of salaries etc., in excess of JPY 6 600 000.
 - e) If income received exceeds JPY 10 000 000, the deduction is JPY 2 200 000 plus 5 per cent of salaries etc., in excess of JPY 10 000 000.

1.122. Main non-standard tax reliefs applicable to an APW

- *Credit for acquisition of a house*: A resident taxpayer who constructs, purchases, enlarges or rebuilds a house, financing its cost by housing loans and using the house as his own residency, will be entitled

to income tax credit up to the amount described below for ten years after the year including the day when the house is put in use, provided that: the house is a newly built one or an eligible one, inhabited from 1 July 2001 to 31 December 2003, whose floor space is 50 m² or more, and more than half of whose floor space is in use for his own living. Base of the tax credit is equal to the balance of the housing loan debt amount, calculated at the end of each year, consisting of the loan obtained not only from private financial institutions but also from public institutions. The maximum amount of the tax credit is limited to JPY 500 000 per year for ten years.

This tax credit cannot be claimed by those whose total income exceeds JPY 30 million.

R.H.L.B. ¹	The amount of tax credit
Not over JPY 50 000 000	R.H.L.B. x 1% (for the first ten years)

9. R.H.L.B.: remaining housing loan balance at the end of a year.

- *Deduction for life insurance premiums and personal pension plan premiums:* If a resident taxpayer pays insurance premiums on life insurance contracts, under which the recipient of insurance proceeds is himself/, his/her spouse or other relatives living with him, that portion of such premiums which does not exceed the maximum prescribed below, is deductible from ordinary income, retirement income or timber income.

In addition, if a resident taxpayer pays insurance premiums for a “qualified personal pension plan (insurance type)”, under which the recipient of pension payment is the taxpayer or his/her spouse under a specific condition, the portion of such premiums which does not exceed the maximum prescribed below, is deductible from ordinary income, retirement income, or timber income.

Premiums paid (JPY)		Deduction
Over	Not over	
	25 000	Total amount of premiums paid (1)
25 000	50 000	(1) x 1/2 + JPY 12 500
50 000	100 000	(1) x 1/4 + JPY 25 000
100 000	–	JPY 50 000

As for the insurance premiums of this type of pension plan, the deduction of (1) is not applied.

- *Deduction for medical expenses:* If a resident taxpayer pays bills for medical or dental care for himself/ herself or for his/her spouse or other relatives living with him/her and the amount of such expenses (excluding those recovered by insurance) exceeds the lesser of JPY 100 000 and 5 per cent of the total of his/her ordinary income, retirement income and timber income, the excess amount is deductible from his/her ordinary income, retirement income or timber income. The maximum deduction is JPY 2 million.
- *Deduction for casualty insurance premiums:* If a resident taxpayer pays insurance premiums for fire or other casualty insurance, covering the house which he, his spouse or other relatives own and live in, or on household goods necessary for daily living, a portion of those premiums up to the maximum indicated below, is deductible from ordinary income, retirement income, or timber income.

Type of insurance	Premiums paid		Deduction
	Over	Not over	
Long-term insurance	JPY 10 000	JPY 10 000	Total amount of premiums paid (1) (1) x 1/2+ JPY 5 000 JPY 15 000
	JPY 20 000	JPY 20 000	
Short-term insurance	JPY 2 000	JPY 2 000	Total amount of premiums paid (2) (2) x 1/2+ JPY 1 000 JPY 3 000
	JPY 4 000	JPY 4 000	

1.13. Tax schedule

Taxable income (JPY)		Tax rate (%) (A)	Deductible amounts for each bracket (JPY) (B)
Over	Not over		
	3 300 000	10	
3 300 000	9 000 000	20	330 000
9 000 000	18 000 000	30	1 230 000
18 000 000		37	2 490 000

Proportional Tax Reduction (C): 20 per cent of calculated amount (ceiling: JPY 250 000).

Tax liability is obtained by multiplying the taxable income by tax rate (A) and deducting the amount (B). In addition, Proportional Tax Reduction (C) is granted from (FY)1999. For example, income tax due on taxable income of JPY 7 million is:

$$7\,000\,000 \times 0.20 \text{ (A)} - 330\,000 \text{ (B)} - 214\,000 \text{ (C)} = \text{JPY } 856\,000.$$

1.2. State and local income taxes

1.21. General description of the system

State and local income taxes in Japan consist of prefectural inhabitants' tax levied by prefectures and municipal inhabitants' tax levied by cities, towns and villages. The prefectural inhabitants' tax is collected together with the municipal inhabitants' tax by cities, towns and villages.

1.22. Tax base

The bases for prefectural and municipal inhabitants' taxes are an amount per capita and income. The taxable income is the one computed for the purpose of the previous year's central income tax.

Note: Calculation of income for local inhabitants' taxes is slightly different from the one for the national income tax. For example, the amount of Basic Allowance, Allowance for Spouse, ceiling of Special Allowance for Spouse, Allowance for Dependants is JPY 330 000, the amount of Special Allowance for dependants is JPY 450 000, etc.

1.23. Tax rate

- a) The standard per capita tax rate of Prefectural inhabitants' tax is JPY 1 000.
- b) The standard per capita tax rate of Municipal inhabitants' tax rates are as follows:
- City with a population of 500 000 or more: JPY 3 000.
 - City with a population of more than 50 000 but less than 500 000: JPY 2 500.
 - Other cities, towns and villages: JPY 2 000.
- c) The standard rate of Prefectural and Municipal inhabitants' tax is as follows:

Taxable Income (JPY)		Tax rate (%) (A)	Deductible amounts for each bracket (JPY) (B)
Over	Not over		
[Prefectural inhabitants' tax]			
	7 000 000	2	–
7 000 000	–	3	70 000
[Municipal inhabitants' tax]			
	2 000 000	3	–
2 000 000	7 000 000	8	100 000
7 000 000	–	10	240 000

Proportional Tax Reduction (C): 15 per cent of calculated amount (ceiling: JPY 40 000).

Tax liability is obtained by multiplying the taxable income by tax rate (A) and deducting the amount (B). In addition, Proportional Tax Reduction (C) is granted from FY 1999. For example, income tax due on taxable income of JPY 3 million is:

$$3\,000\,000 \times (0.02 + 0.08)(A) - 100\,000 (B) - 30\,000 (C) = \text{JPY } 170\,000.$$

1.24. *Tax rate selected for this study*

Country-wide rates as described above, applying in cities with half a million inhabitants or more.

2. **Compulsory Social Security Contribution to Schemes Operated Within the Government Sector**

2.1. **Employees' contributions**

2.11. *Pension*

8.675 per cent of standard remuneration plus 0.5 per cent of bonuses.

2.12. *Sickness*

4.25 per cent of standard remuneration plus 0.3 per cent of bonuses.

2.13. *Unemployment*

0.6 per cent of total remuneration.

2.14-15. *Work injury and family allowance*

None.

2.2. **Employers' contributions**

2.21. *Pensions*

8.675 per cent of standard remuneration plus 0.5 per cent of bonuses.

2.22. *Sickness*

4.25 per cent of standard remuneration plus 0.5 per cent of bonuses.

2.23. *Unemployment*

0.95 per cent of total remuneration.

2.24. *Work injury*

0.55 per cent to 13.3 per cent of total remuneration, the contribution rate depending on each industry's accident rate over the last three years and other factors. There are thirty rates for fifty-two industrial categories at present.

2.25. *Family allowance*

0.11 per cent of standard remuneration.

3. **Universal Cash Transfers**

3.1. **Transfers related to marital status**

Not available.

3.2. Transfers for dependent children

JPY 5 000 for the first and second child until the first March after the age of six, and JPY 10 000 for the third and subsequent children until the first March after the age of six.

4. Main changes in the Tax/benefit Systems since 1998

As part of the Fiscal Year 1999 tax reform, the highest marginal rate of the personal income tax imposed by the central government was reduced from 50 per cent to 37 per cent. The top rate of the local inhabitants' tax was reduced from 15 per cent to 13 per cent. Proportional tax reduction: national income tax (deduction rate 20 per cent, ceiling JPY 250 000), local inhabitants' tax (deduction rate 15 per cent, ceiling JPY 40 000).

Eligible age for transfers for dependant children was raised to six from three from 1 June 2001.

5. Memorandum Item

5.1. Average gross annual wage earnings calculation

The source of calculation is the *Basic Survey on Wage Structure*, published by the Ministry of Health, Labour, and Welfare. This survey covers all establishments with ten or more regular employees over the whole country, and contains statistical figures for monthly contractual cash earnings in June and annual special cash earnings (such as bonuses) received by various categories of workers. Male and female workers of the manufacturing sector in an average age group are the point of departure. Their gross annual earnings have been calculated by multiplying monthly contractual cash earnings by 12 and adding any annual special cash earnings. In the *Basic Survey*, sickness and unemployment compensations are excluded from cash earnings, but average overtime and bonuses are included.

As far as the *Basic Survey* is concerned, it covers the whole country, and no special assumption is made regarding the place of residence of the average production worker. But note that in calculating the per capita part of the local inhabitants' tax, the rate applicable in cities with a population of over half a million is used.

5.2. Employer contributions to private pension and health schemes

No information available.

2002 Parameter values

	Ave_earn	4 254 270	
Allowances for central tax	basic_al	380 000	
	spouse_al	760 000	
	child_al	380 000	
Employment income deduction	emp_inc_min	650 000	
	emp_inc_sch	0.4	1 800 000
		0.3	3 600 000
		0.2	6 600 000
		0.1	10 000 000
Central gov't tax schedule	tax_sch	0.05	
		0.1	3 300 000
		0.2	9 000 000
		0.3	18 000 000
		0.37	
Central gov't tax reduction	cgtax_redn_rt	0.2	
Allowances for state/local tax	cgtax_redn_max	250 000	
	s_basic_al	330 000	
	s_spouse_al	660 000	
	s_child_al	330 000	
Prefectural tax	pref_per_cap	1 000	
Municipal tax	mun_per_cap	3 000	
	local_sch	0.05	2 000 000
		0.10	7 000 000
		0.13	
Local gov't tax reduction	loctax_redn_rt	0.15	
	loctax_redn_max	40 000	
Social security contributions	SSC_thresh	9 000 000	
	SSC_rt1	0.10	
	SSC_rt2	0.04	
	SSC_amt1	540 000	
Employer contribution proportion	SSC_empr	1.051563856	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
	tax_al= basic_al + spousal_al+child _al + work_al + SSC	P	basic_al + Married*(earn=0)*spouse_al + Children*child_al + MAX(emp_inc_min, Tax(earn,emp_inc_sch)) + SSC
	tax_al= basic_al + work_al + SSC	S	basic_al + MAX(emp_inc_min, Tax(earn,emp_inc_sch)) + SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Positive(Tax(tax_inc,tax_sch)- MINA(cgtax_redn_rt*Tax(tax_inc,tax_sch), cgtax_redn_max))
6. Tax credits:	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
8. State and local taxes			
Taxable income for local taxes	local_inc Princ	P	Positive(earn-(s_basic_al+Married*(earn_sp=0)* s_spouse_al+Children*s_child_al+MAX(emp_inc_min, Tax(earn,emp_inc_sch)) + SSC))
	local_inc_sp	S	Positive(earn-(s_basic_al+MAX(emp_inc_min, Tax(earn,emp_inc_sch)) + SSC))
Tax	local_tax	P	pref_per_cap+mun_per_cap+Positive(Tax(local_inc Princ, local_sch)-MINA(loctax_redn_rt*Tax(local_inc Princ, local_sch), loctax_redn_max))
		S	(earn>0)*(pref_per_cap+mun_per_cap+Positive(Tax(local_in c_sp,local_sch)-MINA(loctax_redn_rt*Tax(local_inc_sp, local_sch),loctax_redn_max)))
9. Employees' soc security	SSC	B	IF(earn<SSC_thresh,AA7*SSC_rt1,SSC_amt1+ earn*SSC_rt2)
11. Cash transfers	cash_trans	B	0
13. Employer's soc security	SSC_empr	B	SSC*SSC_empr

KOREA – CORÉE

The national currency is the won (KRW). In 2002 KRW 1261.40 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned KRW 21 653 892 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central government income tax system

1.11. Tax unit

Principle: Each individual is taxed on his/her own income.

Exception: In the case of married couple receiving rental income from real estate property or interest and dividend income (only more than KRW 40 million when both are combined). The income from both spouses is combined to determine their taxable income.

1.12. Allowances and tax credits

1.121. Standard reliefs

The standard reliefs are taken as deductions from gross income:

- *Employment income deduction*: the following deduction from gross income is allowed for wage and salary income earners:

Salary	Deduction
Up to KRW 5 000 000	Total amount
KRW 5 000 000 to KRW 15 000 000	KRW 5 000 000 plus 45% of the salary over KRW 5 000 000
KRW 15 000 000 to KRW 30 000 000	KRW 9 500 000 plus 15% of the salary over KRW 15 000 000
KRW 30 000 000 to KRW 45 000 000	KRW 11 750 000 plus 10% of the salary over KRW 30 000 000
Over KRW 45 000 000	KRW 13 250 000 plus 5% of the salary over KRW 45 000 000

- *Basic allowance*: a taxpayer can deduct KRW 1 000 000 from his/her income for each person who meets one of following conditions:
 - taxpayer him/herself;
 - taxpayer's spouse whose taxable income is under KRW 1 000 000;
 - taxpayer's (including the spouse's) dependents (parents, siblings, children) within the same household whose taxable income is under KRW 1 000 000 and whose ages are as follows:
 1. parents: aged 60 years (female: aged 55 years) or over;
 2. brother/sister: aged 60 years (female: aged 55 years) or over, or aged 20 years or under;
 3. children: aged 20 years or under.
- *Additional allowance*: a taxpayer can deduct KRW 500 000 from his/her gross income when the taxpayer or his/her dependents fall into the following categories:
 - a person aged 65 years or over;

- a person prescribed by a Presidential Decree;
- a female wage earner who is the head of a household or a female wage earner with spouse;
- child under 6 years of age (permitted only for a female or male wage earner without a spouse).
- *Extra allowance*:
 - a single income earner without a spouse or any other dependents may deduct KRW 1 000 000 from gross income;
 - a single income earner with a dependent (*e.g.*, spouse, child) may deduct KRW 500 000 from gross income.
- *Public pension deduction*: employees can deduct 50 per cent of their National Pension contributions.
- *Tax credits*: for wage and salary income earners, the following tax credit is allowed.

Calculated tax	Amount of tax credit
Up to KRW 500 000	45 per cent of calculated tax
Over KRW 500 000	KRW 225 000 plus 30 per cent of the calculated tax over KRW 500 000 (limit: KRW 400 000)

1.122. Main non-standard tax reliefs

Wage and salary income earners may deduct from gross income the expenses for the following items during the tax year:

- *Insurance premiums (a)*: general insurance premium up to KRW 700 000 plus Medical Insurance premium and Employment Insurance premium.
- *Medical expenses (b)*: up to KRW 3 000 000. Full deductions are allowed for medical expenses for the taxpayer's parents who live with the taxpayer, as well as medical expenses for rehabilitation of handicapped persons.
- *Educational expenses (c)*: Tuition fees for pre-school, elementary, middle school and college (but not graduate school), either for the taxpayer himself or his/her dependents (including the taxpayer's spouse, children, and siblings), can be deducted from gross income. Deductible amount is full expenses for taxpayer, and for dependents as follows:
 - For pre-school: up to KRW 1 000 000 per child.
 - For elementary, middle and high school: up to KRW 1 500 000 per student.
 - For college/university: up to KRW 3 000 000 per student.
- *Saving/Payment for housing (d)*: up to KRW 3 000 000. Full amount paid for loans for purchasing/leasing a house by a taxpayer who does not own a home or does own a small home which is not more than 85m². Or 40 per cent of the amount contributed to a savings account for housing.
- *Charities (e)*: deductible amount is as follows:
 - donation to a government body, charitable associations, donation for national defense, natural disaster, certain charitable associations: total amount;
 - donation to public, religious associations: up to 5 per cent of gross income.
- *Credit card purchase (f)*: deduction for credit card purchase is newly added to the non-standard allowances. Employees can deduct 20 per cent of the amount of credit card purchase which is over 10 per cent of his/her annual salary (limit: lesser of KRW 5 million or 10 per cent of his/her annual salary).
- *Lump-sum tax relief*: any taxpayer whose total deductible expense for (a), (b), (c), (d), (e) and (f) is not over KRW 600 000 may deduct KRW 600 000 from their gross income as a lump-sum tax relief. This lump-sum relief is used in the calculations for this report.

1.13. *Tax schedule*

Over (KRW)	Not more than (KRW)	Marginal tax rate (%)
0	10 000 000	9
10 000 000	40 000 000	18
40 000 000	80 000 000	27
80 000 000		36

1.2. Local income tax1.21. *Tax base*

The local income tax base is the income tax paid to the central government.

1.22. *Tax rate*

A uniform rate of 7.5 per cent is applied. However, the local government can adjust the rate between the lower limit of 3.75 per cent and upper limit of 11.25 per cent.

1.23. *Tax rate (selected for this study)*

A country-wide rate of 10 per cent.

2. Compulsory Social Security Contribution to Schemes Operated Within the Government Sector**2.1. Employees' contribution**2.11. *National pension*

4.5 per cent of standard income.

2.12. *Medical insurance*

- insurance premium is charged at between 1 per cent and 4 per cent of standard income,
- average rate of insurance premium (selected for this study) is 1.7 per cent.

2.13. *Unemployment insurance*

0.5 per cent of gross income.

2.14. *Work injury insurance*

Employer only.

2.2. Employers' contribution2.21. *National pension*

4.5 per cent of standard income.

2.22. *Medical insurance*

- insurance premium is charged between 1 per cent and 4 per cent of standard income;
- average rate of insurance premium (selected for this study) is 1.7 per cent.

2.23. *Unemployment insurance*

- insurance premium is charged between 0.9 per cent and 1.5 per cent of gross income;
- insurance premium selected for this study is 0.9 per cent.

2.24. *Work injury insurance*

- insurance premium is a specific rate for each industry set by the Labour Minister and applied to gross income;
- average rate of all industries (selected for this study) is 1.49 per cent.

3. **Universal Cash Transfers**

None.

4. **Main Changes in Tax/Benefit System since 2000 with Regard to APW**

None.

5. **Memorandum Item**

5.1 *Identification of the Average Production Worker (APW)*

Sector used: manufacturing.

Geographical coverage: whole country.

Type of workers: production workers (male and female).

5.2. *Method to calculate earnings*

The *Report on Monthly Labour Survey, May 2001* published by the Ministry of Labour is used to calculate the annual earnings of the APW. The statistics were obtained through a sample survey of 3 900 firms with ten or more regular employees throughout the whole country.

Basic method of calculation used: average monthly earnings x 12.

5.3. *Employer's reserve for employee's retirement payment*

An employer should pay to a retiree the retirement payment which is not less than 30 days' wage and salary per one year of service (about 8.3 per cent of gross income or more). An employer can contribute to the Retirement Payment Reserve Fund established within the company or Retirement Insurance Fund established outside the company to prepare for the retirement payment. Such contribution is treated as business expense under certain constraints. Because contribution to the Retirement Fund is not compulsory, this survey does not include such contribution except the contribution converted to employer's contribution to the national pension plan (see § 2.21).

2002 Parameter values

APW earnings	Ave_earn	21 653 892	
Tax allowances	basic_al	1 000 000	
spouse	spouse_al	1 000 000	
dependents including children	dep_al	1 000 000	
extra allowance 1	ext1_all	1 000 000	
extra allowance 2	ext2_all	500 000	
lump-sum	lump_sum	600 000	
Employment income deduction limit 1	emp_lim1	5 000 000	
rate 1	emp_rate1	0.45	
Employment income deduction limit 2	emp_lim2	15 000 000	
rate 2	emp_rate2	0.15	
Employment income deduction limit 3	emp_lim3	30 000 000	
rate 3	emp_rate3	0.1	
Employment income deduction limit 4	emp_lim4	45 000 000	
rate 4	emp_rate4	0.05	
Tax credit threshold	tax_thresh	500 000	
maximum credit	cred_max	400 000	
tax credit rate 1	cred_rate1	0.45	
tax credit rate 2	cred_rate2	0.3	
Tax schedule	tax_sch		
		0.09	10 000 000
		0.18	40 000 000
		0.27	80 000 000
		0.36	
Local tax rate	local_rate	0.1	
Social security contributions	SSC_pens	0.045	
	SSC_sick	0.017	
	SSC_unemp	0.005	
Employer contributions	emp_pens	0.045	
	emp_sick	0.017	
	emp_unemp	0.009	
	emp_inj	0.0149	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances: employment income	emp_al	B	IF(earn<=emp_lim1,earn,IF(earn<=emp_lim2,(emp_lim1+emp_rate1*(earn-emp_lim1)),IF(earn<=emp_lim3,(9500000+emp_rate2*(earn-emp_lim2)),IF(earn<=emp_lim4,(11750000+emp_rate3*(earn-emp_lim3)),13250000+emp_rate4*(earn-emp_lim4))))
basic	bas_al	B	basic_al
spouse	sp_al	P	Married*spouse_al
dependents	dp_al	P	Children*dep_al
extra	ext_al	P	(married+children=0)*1000000+(married+children=1)*500000
lump-sum	lump_sum	B	600 000
Total	tax_al	B	bas_al+emp_al+sp_al+dp_al+ext_al+lump_sum
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6. Tax credits:	tax_cr	B	IF(CG_tax_excl<=tax_thresh,cred_rate1*CG_tax_excl,MIN((cred_rate1*tax_thresh+cred_rate2*(CG_tax_excl-tax_thresh)),cred_max))
7. CG tax	CG_tax	B	CG_tax_excl-tax_cr
8. State and local taxes	local_tax	B	local_rate*CG_tax
9. Employees' soc security	SSC	B	earn*(SSC_pens+SSC_sick+SSC_unemp)
11. Cash transfers	cash_trans	J	0
13. Employer's soc security	SSC_empr	B	earn*(emp_pens+emp_sick+emp_unemp+emp_inj)

LUXEMBOURG

La monnaie nationale est l'euro (EUR). En 2002, EUR 1.0816 étaient égaux à 1 USD (moyenne journalière des taux de change sur neuf mois). Cette année-là un ouvrier moyen gagnait EUR 31 363 (estimation du Secrétariat).

1. Systèmes d'imposition sur le revenu

1.1. Impôts perçus par l'administration centrale

1.11. Unité fiscale

Les époux sont imposés collectivement sur leur revenu. Les revenus des enfants mineurs sont à prendre en compte dans le calcul du revenu imposable des époux. Ne tombent cependant pas sous l'imposition collective les revenus que les enfants tirent d'une occupation salariée.

1.12. Allègements fiscaux et crédits d'impôt

1.121. Allègements forfaitaires sous forme de déductions de revenu

- Les salariés peuvent déduire à titre de frais professionnels autre que les frais de déplacement un minimum forfaitaire de EUR 540. Ce minimum est déductible à défaut de frais effectifs plus élevés.
- Les frais de déplacement du contribuable entre son domicile et le lieu de son travail sont déductibles comme frais d'obtention à concurrence d'un minimum de EUR 396. A partir du 4^e kilomètre cette déduction forfaitaire augmente de EUR 99 par kilomètre. Elle est plafonnée à EUR 2 970.
- A l'instar des autres contribuables, les salariés qui n'ont pas de dépenses spéciales (intérêts débiteurs, primes et cotisations d'assurance autres que celles de sécurité sociale) ont droit à la déduction d'un forfait pour dépenses spéciales de EUR 480. En cas de primes effectives d'assurances, ces primes peuvent être déduites jusqu'à concurrence des montants maximaux prévus par la loi.
- Les salariés bénéficient d'un abattement de revenu imposable spécial qualifié d'abattement compensatoire et fixé à EUR 600.
- Si les deux époux sont salariés et imposables collectivement ils ont droit à un abattement supplémentaire professionnel du revenu imposable d'un montant de EUR 4 500.
- Cotisations sociales: Les cotisations versées en raison de l'affiliation obligatoire d'assurance maladie et d'assurance pension, sont déductibles dans leur intégralité.
- Assurance dépendance: La contribution dépendance ne rentre pas parmi les dépenses déductibles prévues dans le cadre de l'impôt sur le revenu.

1.122. Allégements non forfaitaires sous forme de déduction de revenu

- Les intérêts débiteurs sont déductibles dans la mesure où ils ne sont pas à considérer comme dépenses d'exploitation ou frais d'obtention et à condition de ne pas être en rapport économique avec des revenus exemptés. Toutefois les intérêts ne peuvent être déduits que jusqu'à concurrence d'un montant annuel de EUR 672. Ce plafond est majoré de EUR 672 pour le conjoint et de EUR 672 pour chaque enfant ouvrant droit à une modération d'impôt.
- Sont déductibles les primes versées à des compagnies agréées dans les pays de l'UE, à titre d'assurance vie, décès, accidents, invalidité, maladie ou responsabilité civile ainsi que les cotisations versées à des sociétés de secours mutuels reconnues. Toutefois elles ne sont déductibles que jusqu'à concurrence de plafonds d'égale valeur prévue pour les intérêts.
- Sont déductibles au titre d'un contrat individuel de prévoyance-vieillesse, les versements effectués auprès d'une compagnie d'assurances ou d'un établissement de crédit.
- Les cotisations versées à des caisses d'épargne logement agréées sont déductibles jusqu'à concurrence de plafonds d'égale valeur prévue pour les intérêts.
- Les intérêts débiteurs en relation avec la valeur locative de l'habitation occupée par le propriétaire ne peuvent être déduits que jusqu'à concurrence d'un plafond annuel. Pendant les cinq premières années le plafond est de EUR 1 500, les cinq années suivantes il est de EUR 1 120 pour passer ensuite à EUR 750. Ces plafonds sont majorés d'un montant égal pour le conjoint et pour chaque enfant ouvrant droit à une modération d'impôt.
- Sur demande les contribuables peuvent obtenir un abattement de revenu imposable du fait de charges extraordinaires qui sont inévitables et qui réduisent d'une façon considérable leur faculté contributive (par exemple frais de maladie non couverts par une caisse, entretien de parents sans ressources, frais de funérailles non couverts par une caisse de décès ou la fortune du défunt), frais de domesticité ou de garde d'enfant, charges pour enfant(s) ne faisant pas partie du ménage du contribuable, charges pour enfant(s) dans un ménage mono parental).

1.13. Allégements tarifaires

L'impôt sur le revenu est déterminé sur la base du tarif suivant (montants en euros) :

0 % pour la tranche de revenu inférieure à	9 750		
8 % pour la tranche de revenu comprise entre	9 750	et	11 400
10 % pour la tranche de revenu comprise entre	11 400	et	13 050
12 % pour la tranche de revenu comprise entre	13 050	et	14 700
14 % pour la tranche de revenu comprise entre	14 700	et	16 350
16 % pour la tranche de revenu comprise entre	16 350	et	18 000
18 % pour la tranche de revenu comprise entre	18 000	et	19 650
20 % pour la tranche de revenu comprise entre	19 650	et	21 300
22 % pour la tranche de revenu comprise entre	21 300	et	22 950
24 % pour la tranche de revenu comprise entre	22 950	et	24 600
26 % pour la tranche de revenu comprise entre	24 600	et	26 250
28 % pour la tranche de revenu comprise entre	26 250	et	27 900
30 % pour la tranche de revenu comprise entre	27 900	et	29 550
32 % pour la tranche de revenu comprise entre	29 550	et	31 200
34 % pour la tranche de revenu comprise entre	31 200	et	32 850
36 % pour la tranche de revenu dépassant	32 850	et	34 500
38 % pour la tranche de revenu dépassant	34 500		

L'impôt à charge des contribuables *célibataires* est déterminé par l'application du tarif de base au revenu imposable.

L'impôt à charge des contribuables *mariés* correspond au double de la cote qui correspond à l'application du tarif à la moitié de revenu imposable (classe 2).

Pour les personnes veuves, les personnes qui bénéficient d'une modération d'impôt pour enfant et les personnes de plus de 64 ans (classe 1a), l'impôt est calculé de la façon suivante : le tarif est

appliqué au revenu imposable réduit du quart de son complément à EUR 39 000, sans que pour autant le taux marginal d'imposition ne puisse dépasser 38 pour cent.

L'impôt à charge d'un contribuable ayant droit à *une modération d'impôt pour enfant(s)* est diminué de EUR 900 par enfant à porter en déduction dans la limite de l'impôt dû.

L'impôt sur le revenu déterminé par application des dispositions tarifaires au revenu imposable est à majorer de 2.5 pour cent au titre de l'impôt de solidarité perçu en vue du financement du fonds de chômage.

1.14. Allègements de revenu

Sur demande un contribuable peut obtenir un abattement de revenu de EUR 3 480 par an pour un enfant à charge qui ne fait pas partie de son ménage.

Les ménages monoparentaux ont droit à un abattement de revenu de EUR 1 920 s'ils ont un enfant dans le ménage.

1.2. Impôts des collectivités décentralisées (communes)

Aucun prélèvement particulier sur le revenu des contribuables n'est opéré en faveur des communes, qui participent directement au produit de l'impôt sur le revenu perçu par l'État. Cette participation est de 18 pour cent du produit de l'impôt, déduction faite d'une somme forfaitaire à fixer annuellement par la loi budgétaire.

2. Cotisations sociales obligatoires versées à des régimes de caractère public

	Part patronale (%)	Part salariale (%)	Plafonds cotisables (en euros)
a) Assurance vieillesse et invalidité	8	8	(6 612.35 x 12 =) 79 348.20
b) Assurance maladie	4.95	4.95	Même plafonds que a)
c) Assurance dépendance		1	
d) Santé au travail	0.11		
e) Assurance accidents	Taux variable en raison de la probabilité des accidents (0.61 – 6) ¹		

1. Pour l'assurance-accidents, on admet pour le calcul de la part du patron un taux de 0.86 pour cent.

Aucune distinction n'est faite selon la situation de famille ou le sexe.

3. Prestations sociales d'application générale

3.1. Pour les personnes mariées

Aucune.

3.2. Pour enfants à charge

Tout enfant élevé dans le Grand Duché ouvre droit, pour celui qui en a la charge à une allocation familiale mensuelle. Les allocations familiales sont régulièrement adaptées au coût de la vie. Au 1^{er} juillet 2002 elles sont de :

1 enfant bénéficiaire	EUR 172.36
2 enfants bénéficiaires	EUR 409.28
3 enfants bénéficiaires	EUR 745.44

A partir du troisième enfant bénéficiaire, les allocations sont relevées de EUR 336 par enfant en plus du troisième.

Les montants indiqués ci-dessus sont à majorer de EUR 17.35 en faveur des enfants âgés de plus de 6 ans et de EUR 24.79 au profit des enfants ayant atteint l'âge de 12 ans.

4. Principales modifications intervenues depuis 2001

Prévoyance vieillesse à titre individuel.

5. Rubrique pour mémoire

5.1. Identification de l'ouvrier moyen

Les gains horaires moyens bruts par branche d'activité et selon le sexe sont déterminés à la suite des enquêtes semestrielles sur les gains et la durée du travail dans l'industrie. Ces enquêtes concernent la rémunération brute perçue pour les heures normales (heures de travail + heures de congé) ainsi que la rémunération versée pour les heures supplémentaires. Le gain horaire brut comprend les primes et indemnités telles que les primes de rendement, de production ou de productivité. Par contre les rémunérations non périodiques (gratifications, participations aux bénéfices) qui ne sont pas versées systématiquement pour chaque période de paie, n'en font pas partie. Toutefois, afin de permettre la comparaison entre pays, le salaire brut annuel est ajusté en fonction de la moyenne des rémunérations non périodiques calculée à la suite des enquêtes triennales sur le coût de la main-d'oeuvre.

En ce qui concerne la durée du travail, les heures prises en considérations sont les heures de travail effectivement offertes tant celles constituant la durée du travail normal que celles offertes au travail supplémentaire, au travail de nuit ou du dimanche.

5.2. Changements du régime complémentaire des pensions (loi 8 juin 1999)

Les prestations faites par l'employeur pour assurer l'avenir des salariés comprennent en plus des cotisations obligatoires prévues par les lois sur la sécurité sociale, les prestations non légalement obligatoires. Les prestations facultatives peuvent se présenter sous diverses formes :

1. Versements de primes à une compagnie d'assurance privée.
2. Dotations à une caisse de secours du personnel salarié. Allocations à une caisse patronale autonome assurant des pensions de retraite, d'invalidité ou de survie en faveur du personnel d'une entreprise.
3. Constitution à charge du bénéficiaire fiscal d'une provision pour promesses de pensions (pensions de retraite, d'invalidité ou de survie) avec possibilité d'une assurance de couverture.
4. Paiements directs par l'employeur de certaines prestations complémentaires aux versements des établissements publics de sécurité sociale.

2002 Parameter values

APW earnings	Ave_earn	31 363	
Tax allowances: general	gen_dedn	480	
compensation	comp_al	600	
professional expenses	prof_exp	540	
travel expenses	travel_exp	396	
extra if both spouses earning	extra_dedn	4 500	
Low earner allowance	allow_1	9 000	
Low earner allowance (couples)	allow_2	15 900	
Class 1a limit	cl_1a_lim	39 000	
Tax schedule	tax_sch		0
			9 750
			0.08
			11 400
			0.1
			13 050
			0.12
			14 700
			0.14
			16 350
			0.16
			18 000
			0.18
			19 650
			0.2
			21 300
			0.22
			22 950
			0.24
			24 600
			0.26
			26 250
			0.28
			27 900
			0.3
			29 550
			0.32
			31 200
			0.34
			32 850
			0.36
			34 500
			0.38
Child credit maximum	ch_cred	900	
Multiplier for unemployment	unemp_rate	1.025	
Social security contributions	SSC_rate	0.1295	
	SSC_ceil	79 348	
	infirm	0.01	
Employer contributions	SSC_empr	0.1295	
	SSC_acc	0.0086	
Child benefit (1 child)	CB_1	172.36	
2 children	CB_2	409.28	
extra age 6-11	CB_ex	24.79	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
basic	basic	J	IF(earn_sp=0,1,2)*(gen_dedn+comp_al)
work-related	work_rel	J	IF(earn_sp=0,1,2)*(prof_exp+travel_exp)
other	other_al	J	(earn_sp>0)*extra_dedn
Total	tax_al	J	basic+work_rel+other_al+SSC_ded_total
3. Credits in taxable income	taxl_cr	J	0
family quotient	quotient	J	1+Married
4. CG taxable income unadjusted taxable income	tax_inc	J	earn_total-tax_al
5. CG tax before credits	tax_excl	J	(Children=0)*IF(Married=0,IF(tax_inc<=allow_1,0, Tax(tax_inc,tax_sch)*unemp_rate),IF(tax_inc<= allow_2,0,quotient*Tax(tax_inc/quotient,tax_sch)* unemp_rate)) + (Children>0)*IF(Married=0, IF(tax_inc<=allow_2,0,Tax(tax_inc-0.25*Positive (cl_la_lim-tax_inc),tax_sch)*unemp_rate) , IF(tax_inc<=allow_2,0,quotient*Tax(tax_inc/ quotient,tax_sch)*unemp_rate))
6. Tax credits	tax_cr	J	MIN(tax_excl,Children*ch_cred)
7. CG tax	CG_tax	J	unemp_rate*Positive(tax_excl-tax_cr)
8. State and local taxes	local_tax	J	0
9. Employees' soc security deductible portion	SSC	B	(SSC_rate+infirm)*MIN(earn,SSC_ceil)
	SSC_ded	B	SSC_rate*MIN(earn,SSC_ceil)
11. Cash transfers	cash_trans	J	((Children=1)*(CB_1+CB_ex)+ (Children=2)*(CB_2+2*CB_ex))*12
13. Employer's soc security	SSC_empr	B	SSC_empr*MIN(earn,SSC_ceil)+SSC_acc*earn

MEXICO – MEXIQUE

The national currency is the peso (MXN). In 2002, MXN 9.4931 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned MXN 58 812 (Secretariat estimate).

1. Personal Income Tax

1.1. Central government income tax

1.11. Tax unit

Each person is taxed separately.

1.12. Tax allowances and tax credits

1.121. Standard tax reliefs

There are two basic allowances, a yearly holiday bonus and an end-of-year bonus.

Holiday Bonus: Mexico's Labour Law stipulates a minimum holiday bonus of 25 per cent of six days of the worker's wage. The maximum amount deductible according to Tax Law is equivalent to 15 days of minimum wage (the minimum wage for the whole country).¹ Given these two restrictions, the allowance is estimated as the minimum established by the Labour Law, up to the amount that is deductible according to Tax Law.

End-of-year bonus: The minimum end-of-year bonus established in the Labour Law is 15 days of the worker's wage. Tax Law exempts end-of-year-bonuses up to 30 days of the legal minimum wage (the amount for the whole country). The allowance is estimated as the minimum established by the Labour Law, up to the amount that is deductible according to Tax Law.

1.122. Main non-standard tax reliefs

- Deductions:

1. *Compulsory school transportation costs.*
2. *Medical expenses:* An unlimited deduction is allowed for taxpayer's medical expenses. For those made by the taxpayer, on behalf of his or her spouse and straight line relatives, the deduction is allowed only if the person, for whom he makes the expense, earns less than the minimum annual wage of his geographical area.
3. *Funeral charges:* for the spouse and straight-line relatives up to a minimum annual wage of the taxpayer's geographical area.
4. *Charitable donations* made to institutions such as:
 - Federal, state, and municipal governments.
 - Schools, colleges, and universities, hospitals or medical research centres and all other non-profit organisations listed in the law.

5. *Deposits on special savings accounts*, insurance plans, and contributions to mutual funds related to retirement pensions are considered eligible up to 10 per cent of taxable income, and cannot exceed 72 526 MXN.
6. *Health insurance* for individuals, if the beneficiary is the taxpayer, and/or his family.

1.123. Tax credits

The tax credit is a variable amount that depends on the worker's income. This credit is revised yearly; in 2002, the estimated credit for the highest income bracket is equivalent to 1 930.16 MXN. If the worker's tax credit exceeds his tax liability, the employer pays the difference to the employee and deducts that amount from the employer's own federal tax liabilities.

1.124. Others

There is a fiscal subsidy that depends on the employee's taxable income and on the percentage that average fringe benefits given by the employer to all workers represent of such income. The subsidy amount diminishes with an increase of either the individual income or the share of fringe benefits.

1.13. Tax schedule

The tax schedule is as follows:

Taxable income (MXN)		Minimum tax (MXN)	Tax on the amount in excess of inferior limit (%)
Inferior limit	Superior limit		
0	5 385.12	0	3
5 385.13	45 707.49	161.5	10
45 707.50	80 326.85	4 193.7	17
80 326.86	93 376.48	10 079.2	25
93 376.49	111 797.05	13 341.6	32
111 797.06	225 478.67	19 236.1	33
225 478.68	657 336.45	56 751.0	34
657 336.46	And over	203 582.5	35

In 2002 the tax rate for the highest income bracket is 35 per cent as compared to 40 per cent in 2001; the number of brackets was reduced to eight.

1.2. State and local income taxes

States do not levy taxes on income.

1.3. Payroll taxes

In 2002 a federal payroll tax of 3 per cent was included in a transitory article of the income tax law. The tax applies to the wages and salaries paid.²

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector³

2.1. Employees' contributions

Social security contributions are divided as follows:

For sickness and maternity insurance, 0.625 per cent of the workers monthly wage,⁴ plus 1.36 per cent⁵ of the amount in excess of three times the minimal legal wage (the amount that applies within the Federal District of Mexico City). For disability, and life insurance, 0.625 per cent of the monthly wage.

2.2. Employers' contributions

1. For sickness and maternity 16.50 per cent⁶ of the minimum legal wage per worker (the amount that applies within the Federal District of Mexico City), plus 4.04 per cent⁷ of the amount in excess of three times the minimum legal wage (the amount that applies within the Federal District of Mexico City), plus 1.75 per cent of the monthly wage.
2. For disability and life insurance, 1.75 per cent of worker's monthly wage.
3. For social services and nursery, 1 per cent of worker's monthly wage.
4. For insurance for work injuries of employees, 3.2 per cent of worker's monthly wage.⁸

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

None.

4. Main Changes in the Tax/Benefit System since 1995

The Social Security Law enacted in July 1997, changes fundamentally the financing of non-government employees' social security, which shifted from a pay-as-you-go scheme to funded individual accounts. The government no longer manages these accounts; new private financial institutions were created specifically for this purpose. However, the contractual obligation is between the workers and the government, not with the private administrator of the fund, because legally they are still considered as contributions to social security, independently of whom may manage the fund. It should be noted that the federal government also contributes to each pension account, and guarantees a minimum pension to every beneficiary of the social security system, again independently of the administration of the fund.

5. Memorandum Items

5.1. Method used to identify an average production worker and to calculate his gross earnings

The income data refer to production workers in the manufacturing sector. Source: Estimation for the year 2002 based on data of the *Monthly Industrial Survey*, National Institute of Statistics, Geography and Data Processing (INEGI), 2002. It should be noted that in the sample used for this survey, medium and large size firms are over-represented. In Mexico, there are no state or local government income taxes. Information on non-standard tax reliefs is not available.

Figures for 1999 and subsequent years cannot be compared with preliminary figures from previous editions of this publication for two reasons: first, the wage level of the average production worker is now based on observed data instead of being estimated; second, social security contributions taken into account no longer include contributions made by employers and employees to privately managed individual accounts. Contributions no longer included in the calculation of social security contributions are specified in the table below.

	Account	Per cent of workers monthly wage
Employers' contributions	Retirement	2.00
	Discharge and old age insurance	3.15
	Housing Fund (INFONAVIT)	5.0
Employees' contributions	Discharge and old age insurance	1.125

5.2. Main Employers' Contributions to Private Pension, Health, etc. Schemes

No information available.

2002 Parameter values

Average earnings/yr	Ave_earn	58 812		
Allowances				
(general min wage per day)	min_wage	39.74		
(general min wage per day for the Federal District of Mexico City)	min_wage_FD	42.15		
Income tax	tax_table	0.00	0.00	0.030
		5 385.13	161.52	0.100
		45 707.50	4 193.69	0.170
		80 326.86	10 079.15	0.250
		93 376.49	13 341.56	0.320
		111 797.06	19 236.05	0.330
		225 478.68	56 751.02	0.340
		657 336.46	203 582.45	0.350
Tax credit basic	Basic_crd	0.00	4 418.41	
		19 203.52	4 416.53	
		28 275.89	4 416.53	
		28 804.64	4 414.21	
		37 700.52	4 263.79	
		38 406.46	4 151.81	
		41 095.16	4 151.81	
		48 266.72	3 845.45	
		51 208.79	3 526.69	
		57 920.33	3 198.45	
		67 574.06	2 752.40	
		77 227.16	2 362.22	
		80 141.33	1 930.16	
Other credit/subsidy	Other_crd	0.00	0.00	0.50
		5 385.13	80.69	0.50
		45 707.50	2 096.88	0.50
		80 326.86	5 039.20	0.50
		93 376.49	6 670.72	0.50
		111 797.06	9 617.87	0.40
		225 478.68	24 624.11	0.30
		355 385.43	37 874.50	0.20
		450 957.16	44 373.54	0.10
		541 147.72	47 439.64	0.00
adjustment factor	adj_fac	0.4586		
Employees SSC	SSC_rate	0.0125		
	SSC_rate_sur	0.0136		
Employers SSC	SSC_empr	0.0770		
	SSC_empr_min	0.1650		
	SSC_empr_sur	0.0404		
Payroll tax		0.0300		

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances	tax_al	B	$\text{MIN}(\text{earn}, \text{MIN}(\text{earn} * (6/365) * 0.25, \text{min_wage} * 15) + \text{MIN}(\text{earn} * (15/365), \text{min_wage} * 30))$
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	$\text{Positive}(\text{earn} - \text{tax_al})$
5. CG tax before credits	CG_tax_excl	B	$\text{Tax}(\text{tax_inc}, \text{Tax_sch})$
6. Tax credits	tax_cr	B	$\text{VLOOKUP}(\text{tax_inc}, \text{Basic_crd}, 2) + \text{adj_fac} * (\text{VLOOKUP}(\text{tax_inc}, \text{Other_crd}, 2) + \text{VLOOKUP}(\text{tax_inc}, \text{Other_crd}, 3) * \text{VLOOKUP}(\text{tax_inc}, \text{tax_table}, 3) * (\text{tax_inc} - \text{VLOOKUP}(\text{tax_inc}, \text{tax_table}, 1)))$
7. CG tax	CG_tax	B	$\text{CG_tax_excl} - \text{tax_cr}$
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	$\text{earn} * \text{SSC_rate} + \text{Positive}(\text{earn} - (3 * 365 * \text{min_wage_FD})) * \text{SSC_rate_sur}$
11. Cash transfers	cash_trans	B	0
13. Employer's soc security	SSC_empr	B	$\text{earn} * \text{SSC_empr} + (365 * \text{min_wage_FD}) * \text{SSC_empr_min} + \text{Positive}(\text{earn} - (3 * 365 * \text{min_wage_FD})) * \text{SSC_empr_sur}$
14. Employer's payroll tax	PYRT	B	$(\text{PYRT} * \text{earn}) - (0.35 * (\text{PYRT} * \text{earn}))$
<i>Memorandum item:</i> Non-wastable tax credit			
tax expenditure component	taxexp	B	$\text{tax_cr} - \text{transfer}$
cash transfer component	transfer	B	$\text{IF}(\text{CG_tax} < 0, -\text{CG_tax}, 0)$

NOTES

1. There are two minimum wage rates established in Mexico, one that applies within the Federal District of Mexico City and the other that applies for the country as a whole.
2. This is an optional tax in the sense that the employer can choose from the following two options: he can choose to pay and deduct the payroll tax, obtaining in full the salary tax credit as in the past; or, he can choose to not to pay the tax, but then he can take credit only for the difference between the full salary tax credit and the corresponding payroll tax. For the purposes of the *Taxing Wages* publication, it is assumed that the full value of the tax is applied to the wages paid.
3. Ley del Seguro Social y Reglamento para el Pago de Cuotas del Seguro Social, July 1998.
4. In this case, monthly wage includes total fringe benefits.
5. This rate will decrease by 0.16 percentage point on an annual basis until 2007.
6. This rate will increase by 0.65 percentage point on an annual basis until 2007.
7. This rate will decrease by 0.49 percentage point on an annual basis until 2007.
8. The amount of the work injury fee depends on the risk level in which the company is classified. The average risk premium for 1998 was 5.19 per cent. However, a methodological change was made using up-to-date information. This figure is now estimated as a weighted average, which accounts for the number of workers in each of the 100 risk levels in which a company can be classified.

NETHERLANDS – PAYS-BAS

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned EUR 30 919 (Secretariat estimate).

1. Personal Income Tax System (Central Government)

1.1. Central government income tax

There are three categories (“boxes”) of taxable income:

- Taxable income from work and owner-occupied housing
- Taxable income from a substantial interest in a limited liability company
- Taxable income from savings and investments.

This description is limited to a brief review of the most relevant aspects of taxable income from the first category, “taxable income from work and owner-occupied housing”, because of its relevance for the APW.

1.11. Tax unit

Husband and wife are taxed separately on their personal income, which includes, besides income from business, profession and employment, all pensions and social security benefits. Certain parts of income may be freely split between husband and wife, such as the net-income from owner-occupied housing and the income from savings and investments.

1.12. Tax allowances

1.121. Standard allowances

- Employees' *social security contributions* (see § 2.1.) are deductible with the exception of the health insurance contribution. The employers' health insurance contribution is subject to tax.

1.122. Non-standard allowances applicable to APW

Related to wage earnings:

- For distances of more than 10 km between home and work, forfaitary amounts for *travel expenses* with public transportation are deductible. The maximum deduction for employees who travel by public transport is EUR 1 711 for distances of more than 80 km. If the travel expenses are reimbursed or the employer provides transport, there is no deduction; the reimbursement is untaxed (also for employees who travel by car) if below certain specified amounts. For employees who travel by bike, there is, under certain conditions, a fixed deductible amount of EUR 362.
- Employee *contributions* to private (company provided) *pension schemes*.

Related to owner-occupied housing:

- Excess of *mortgage interest* over net imputed rent.

Related to personal circumstances:

- *Medical expenses and other exceptional expenses*: for a single person the expenses are deductible in excess of 11.2 per cent of the income if the income is more than EUR 6 411 and less than or equal to EUR 49 946. If the income is lower than or equal to EUR 6 411 the non-deductible limit is EUR 718 and if the income is higher than EUR 49 946 the non-deductible limit is EUR 5 594. For a person with a partner, the joint income is used to determine the non-deductible amounts.
- *Some educational expenses*: in direct connection with vocational training. Expenses above the threshold of EUR 500 are deductible. Expenses above EUR 15 000 are not deductible.
- *Donations* to certain institutions (charity) that serve the public good are deductible if in excess of 1 per cent of the income and in excess of EUR 60. No more than 10 per cent of the income may be deducted in this way.

1.13. Tax schedule

The tax schedule for income from work and owner-occupied housing is as follows:

Slice of Taxable Income (EUR)	Tax rate (%)	Social securities contributions	
		< 65 years	> 65 years
0-15 331	2.95	29.4	11.5
15 331-27 847	8.45	29.4	11.5
27 847-47 746	42	–	–
47 746 and over	52	–	–

The contributions for the general social security schemes are levied on the first and second slice of income from work and owner-occupied housing. These social security contributions are not deductible for income tax purposes. Individuals of 65 years and over pay 11.5 per cent (for widows and orphans pensions and exceptional medical expenses) and individuals younger than 65 years pay 29.4 per cent (for widows and orphans pensions, exceptional medical expenses, and old age income provision). For further information see § 2.1.

1.14. Tax credits

1.141. Standard tax credits

The tax credits are applied to the combined amount of income tax levied and premiums paid for the general social security schemes (see 1.13). The share of the credit attributed to tax is related to the ratio of the tax rate to the sum of the tax rate and the social security contributions rate in the first bracket of the tax schedule. As that ratio is currently 9.1 per cent ($= 2.95\% / (2.95\% + 29.4\%)$), only 9.1 per cent of the (tax) credit is attributed to tax; the remaining 90.9 per cent being attributed to the social security contributions. In the country tables the social security contributions on taxable income are net of credits.

- *General tax credit*. This credit amounts to EUR 1 647.
- *Work credit*: This credit is the sum of 1.729 per cent of the income from work with a maximum of EUR 133 and 10.621 per cent of the income from work disregarding the first EUR 7 692. The maximum work credit is EUR 949.
- *Child credit*: A single person with children below 16 years of age receives a credit of EUR 40 if his or her income does not exceed EUR 56 191. A taxpayer with a partner is only entitled to the child credit if his or her income exceeds the income of the partner and the joint income does not exceed EUR 56 191.
- *Additional child credit*: If a person receives the ordinary child credit and the joint income does not exceed EUR 26 484, he or she is also entitled to the additional child credit of EUR 428. If the joint

income is above EUR 26 484 but below EUR 28 096 the additional child credit amounts to EUR 341.

- *Combination credit*: A taxpayer with children below the age of 12 years is entitled to a combination credit of EUR 190, if his/her income from work exceeds EUR 4 060.
- *Single parent credit*: A single parent under certain conditions is entitled to the single parent credit of EUR 1 301.
- *Additional single parent credit*: A single parent who is entitled to the single parent credit receives an additional credit of 4.3 per cent of his or her income from work, with a maximum of EUR 1 301.

The amount of the tax credit is limited to the amount of tax and premiums payable (wastable). If, however, a taxpayer with insufficient income to fully claim his/her tax credit has a partner with a surplus of tax and premiums payable over his/her own tax credit, the tax credit of the former taxpayer is increased by (at most) the surplus tax and premiums payable by his/ her fiscal partner. As a consequence, the tax credit of the former taxpayer will exceed tax and premiums payable, resulting in a payout of the residual tax credit to the taxpayer by the tax authority.

1.2. State and local income taxes

These are not used in the Netherlands.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

Schemes for employees:

- Unemployment: 4.95 per cent of the gross earnings between EUR 14 355 and EUR 41 499 (this contribution is only for the general unemployment fund).
- Public insurance for medical care if gross earnings are below EUR 30 700: 1.7 per cent of the gross earnings below EUR 28 188 plus a fixed amount of EUR 181 a year for each adult.

General schemes (levied together with income tax on income from work and owner-occupied housing; see § 1.13):

- Old age pension: 17.9 per cent of taxable income in the first and second tax bracket. This scheme does not apply to individuals aged 65 or over.
- Widows and orphans pension: 1.25 per cent of taxable income in the first and second tax bracket.
- Exceptional medical expenses and disability: 10.25 per cent of taxable income in the first and second tax bracket.

2.2. Employers' contributions

Schemes for employees:

- Unemployment: 3.6 per cent of the gross earnings between EUR 14 355 and EUR 41 499 for the general unemployment fund and a contribution of 0.89 per cent of the gross earnings below EUR 41 499 for the industrial insurance associations redundancy payments fund.
- Invalidity: 7.85 percent of gross earnings below EUR 41 499.
- Public insurance for medical care if gross earnings are below EUR 30 700: 6.25 per cent of gross earnings below EUR 28 188.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

Families with children receive a tax free benefit, depending on the number and age of the children. For a family with two children in the age group of 6 to 12 years the total benefit amounts to EUR 1 658 a year.

4. Main Changes in the Tax/Benefit Systems since 2000

In 2001 the tax system has been changed thoroughly. The tax rates have been lowered, the basic allowance and its supplements have been transformed into tax credits. The deduction for labour costs has also been replaced by a tax credit. Certain other deductions have been reduced or abolished. Extra tax credits for households with children were introduced.

In 2002 the tax system has only changed marginally, after having been changed thoroughly in 2001.

5. Memorandum Items

5.1. Identification of the APW and calculation of the APW's gross earnings

The calculation of the annual gross earnings of an APW is based upon data on gross earnings of full-time workers in the manufacturing industry. These data have been obtained through a yearly sample survey carried out by the Central Bureau of Statistics. Because the Central Bureau of Statistics does not report separate figures for manual workers in the manufacturing industry, the wage for manual workers is estimated by taking 90 per cent of the wage for all workers, including white collars workers and supervisors. As the figures for 2001 and 2002 are not yet available, the 2000 figure was taken, adjusted for the wage-increases in 2001 and 2002 as reported in the *Macroeconomic Outlook* of the CPB Netherlands Bureau for Economic Policy Analysis. Included are irregular payments, such as holiday allowances, loyalty payments, and bonuses. Payments for working overtime are not included.

5.2. Main employers' contributions to private pension, health and related schemes

In addition to the obligatory contributions to social security schemes many employers pay contributions to private pension schemes. Employers have to pay at least 70 per cent of net wage of their sick employees for up to a year. In practice, most (collective) labour contracts stipulate that in the case of illness the employee is entitled to 100 per cent of his net wage. Most employers have insured themselves privately for the risks of their employees being sick.

5.3. Wage-cost-reduction for employers

If a full-time employee earns less than EUR 17 576 the employer is entitled to a reduction of EUR 2 011 of the wage tax paid as withholding tax. For part-time employees a pro rata amount can be calculated. Similar reduction schemes exist with respect to employees, who have been unemployed for a longer period.

5.4. Tax equations

The tax equations for the principal earner and the spouse are in most cases identical. The tax credit of the spouse depends also on the tax paid by the principal earner if the spouse's income is zero or very low, and the cash transfers are calculated only once.

The functions, that were used in the equations (Tax, Emp_credit, SSC_f) are also described below. Variable names are defined in the table of parameters, within the equations table, or are standard variables such as "married" and "children". A reference to a variable with the affix "_total" indicates the sum of the relevant variable values for the principal and spouse. The affix "_spouse" indicates the value for the spouse. No affix is used for the values of the principal.

Part of the tax credit is allocated to personal income tax; another part to social security contributions.

2002 Parameter values

	Ave_earn	30 919	
Social security contribs	SSC_ceil	41 499	
Employees' schemes	Unemp_rate1	0.0495	
	Unemp_franchise1	14 355	
Medical care	Med_rate	0.017	
	Med_limit	30 700	
	Med_ceil	28 188	
	Med_adult	181.39	
	Med_child	0	
General schemes	Old_rate	0.179	
	Wid_rate	0.0125	
	Ex_med_rate	0.1025	
	Gen_Schemes_thrsh	27 847	
	Unemp_empr1	0.036	
	Unemp_empr2	0.0089	
	Unemp_unempr_franchise1	14 355	
	Unemp_unempr_franchise2	0	
	Inv_empr_rate	0.0785	
	Inv_empr_franchise	0	
	Med_empr	0.0625	
	Med_franchise	0	
Tax schedule	Tax_sch	0.0295	15 331
	"tax_sch_lowest"	0.0845	27 847
	"tax_thrsh_1"	0.42	47 746
		0.52	
Tax credits	Gen_credit	1 647	
	Emp_credit1	133	
	Emp_credit2	816	
	Emp_credit1_thr	7 692	
	Emp_credit2_thr	15 375	
	Ch_credit	40	
	Ch_credit_thr	56 191	
	Ex_ch_credit	341	
	Ex_ch_credit_thr	28 096	
	add_ex_ch_credit	87	
	add_ex_ch_credit_thr	26 484	
	Comb_credit	190	
	Comb_credit_franchise	4 061	
	Sing_par_credit	1 301	
	Ex_sing_par_credit_per	0.043	
	Ex_sing_par_credit_max	1 301	
Family cash transfers	Ch1_trans	829	
	Ch2_trans	1 658.45	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings (gross)	gr_earn		
Earnings (net)	earn	B	gr_earn
2. Social security contributions	SSC_al	B	SSC_f(earn;Unemp_rate1;SSC_ceil;Unemp_franchise1)
3. Credits in taxable income	taxbl_cr	B	IF(earn>Med_limit;0;SSC_f(earn;Med_empr;Med_ceil;Med_franchise))
4. CG taxable income	tax_inc	B	earn-SSC_al+taxbl_cr
5. CG tax before credits	CG_tax_excl / tax_liable	B	Tax(tax_inc;Tax_sch)
Tax credits :	tax_cr	P	MIN(CG_tax_excl+SSC_taxinc;Gen_credit+Emp_credit (tax_inc)+ALS(Children>0;ALS(tax_inc+tax_inc_spouse< add_ex_ch_credit_thr;Ch_credit+Ex_ch_credit+add_ex_ ch_credit;ALS(tax_inc+tax_inc_spouse<Ex_ch_credit_thr ;Ex_ch_credit+Ch_credit;ALS(tax_inc+tax_inc_spouse< Ch_credit_thr;Ch_credit;0))))+ALS(EN(Children>0;earn> Comb_credit_franchise);Comb_credit;0) + ALS(EN(Children>0;Married=0);Sing_par_credit+MIN(Ex_ sing_par_credit_max;Ex_sing_par_credit_per*tax_inc);0)
	tax_cr_spouse	S	IF(Married>0;MIN(CG_tax_excl_spouse+SSC_taxinc_ spouse+CG_tax_excl+SSC_taxinc- tax_cr;Gen_credit+Emp_credit(tax_inc_spouse)+IF(AND (Children>0;earn_spouse>Comb_credit_franchise);Comb_ credit;0);0)
6. Tax credits income tax	tax_cr_inc	B	tax_sch_lowest/ SOM(Old_rate+Wid_rate+Ex_med_rate+tax_sch_lowest) *(tax_cr+tax_cr_spouse)
7. CG tax	CG_tax	B	tax_liable-tax_cr_inc
8. State and local taxes	local_tax	B	0
9. Employees' soc security' based on earnings	SSC_earn	P	SSC_f(earn;Unemp_rate1;SSC_ceil;Unemp_franchise1)+ SSC_f(earn;Unemp_rate2;SSC_ceil;Unemp_franchise2)+ IF(earn>=Med_limit;0;SSC_f(earn;Med_rate;Med_ceil; Med_franchise)+(1+Married*IF(earn_spouse=0;1;0))* Med_adult)
	SSC_earn_spouse	S	SSC_f(earn_spouse;Unemp_rate1;SSC_ceil;Unemp_franc hise1)+SSC_f(earn_spouse;Unemp_rate2;SSC_ceil;Unemp _franchise2)+IF(earn_spouse>=Med_limit;0;Med_rate* MINA(earn_spouse;Med_ceil)+IF(earn_spouse=0;0;Med_ adult))
based on taxable income	SSC_taxinc	B	(Old_rate+Wid_rate+Ex_med_rate+Disab_rate)*MINA (tax_inc;Gen_Schemes_thrsh)
Total employees' soc security	SSC_liable	J	SSC_earn+SSC_taxinc+SSC_earn_spouse+SSC_taxinc_ spouse
	tax_cr_SSC	J	SOM(Old_rate+Wid_rate+Ex_med_rate)/ SOM(Old_rate+Wid_rate+Ex_med_rate+tax_sch_lowest) *(tax_cr+tax_cr_spouse)
Total	SSC	J	SSC_liable-tax_cr_SSC
10. Total payments	total_payments	J	CG_tax+local_tax+SSC
11. Cash transfers	cash_trans	J	IF(Children=1;Ch1_trans;IF(Children=2;Ch2_trans;0))
12. Net pay & cash transfers	take_home_pay	J	gr_earn_total-total_payments+cash_transfer
17. Employer's soc security	SSC_empr	B	taxbl_cr+SSC_f(earn;Unemp_empr1;SSC_ceil;Unemp_un empr_franchise1)+SSC_f(earn;Unemp_empr2;SSC_ceil; Unemp_unempr_franchise2)+SSC_f(earn;Inv_empr_rate; SSC_ceil;Inv_empr_franchise)

NEW ZEALAND – NOUVELLE-ZÉLANDE

(2002-2003 Income tax year)

The national currency is the New Zealand dollar (NZD). In 2002, NZD 2.2114 was equal to USD 1 (average of nine months daily exchange rates). In that year the average production worker earned NZD 39 411 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central/federal government income taxes

1.11. Tax unit

Members of the family are taxed separately.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

- The Low Income Rebate applies where income is under NZD 38 000. It is calculated at 4.5 cents in every dollar of income where income is under NZD 9 500. Where the income is in the range NZD 9 500-38 000, the maximum rebate of NZD 427.50 is reduced by 1.5 cents for every dollar over NZD 9 500.
- The Transitional Tax Allowance is available to persons with income under NZD 9 880. This rebate is limited to those in full-time employment or who would have been in full-time employment but for sickness or accident. The rebate is NZD 728, reduced by 20 cents on each dollar earned over NZD 6 240 – thus the rebate runs out at NZD 9 880.
- Children: No credit to parents. A child under 15 years of age, or under 18 and attending an educational institution, may claim the child rebate against their own earnings. The rebate is calculated as 15 per cent of gross earnings from employment, up to a maximum allowance of NZD 156 on NZD 1 040 of income. Investment earnings are excluded from the calculation of this rebate.

1.122. Main non-standard tax reliefs applicable to an APW

None.

1.13. Schedule

- Rates of income tax for individuals: Year ended 31st March 2003.
- On so much of the income as does not exceed NZD 38 000: 19.5 per cent.
- On so much of the income as exceeds NZD 38 000 but does not exceed NZD 60 000: 33 per cent.
- On so much of the income as exceeds NZD 60 000: 39 per cent.

1.2. State and local income taxes

New Zealand has no state or local income tax.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

New Zealand has no compulsory social security contributions to schemes operated within the Government sector.

3. Universal Cash Transfers

3.1. Amount for marriage

None.

3.2. Amount for children

The *Parental Tax Credit* provides NZD 150 per week for the first eight weeks of each child's life. This tax credit abates under the same regime as the *Family Support Tax Credit* (FSTC), although it is unaffected until both the FSTC and Child Tax Credit have been abated to zero.

3.3. Family support tax credit

For an eldest child aged 16-18, the rate of family support tax credit is NZD 3 120 per year, while the rate of NZD 2 444 applies if the eldest child is younger than 16. For subsequent children the rate depends on the age of the child; NZD 3 120 per year for 16-18 year-olds, NZD 2 080 per year for 13-15 year-olds and NZD 1 664 per year for children under 13 years of age. The total credit is abated by 18 cents on each dollar earned in range NZD 20 000-27 000 and by 30 cents on each dollar earned over NZD 27 000. The abatement is based on the combined income of husband and wife.

3.4. Child tax credit

The Child tax credit is available to families not receiving an income-tested benefit, veteran's pension, New Zealand superannuation, student allowance or a weekly accident compensation for a period of more than 3 months. The level of assistance it provides is NZD 780 per child per year. It is affected by the abatement regime used with the family support tax credit, although it is unaffected until the latter has been abated to zero. In effect it is part of the family support tax credit.

3.5. Family tax credit

The Family tax credit is a scheme that ensures a guaranteed minimum family net income for all full-time earners with dependent children. The guaranteed minimum after-tax income is NZD 290 per week plus family support tax credit.

4. Main Changes in Tax/Benefit Systems since 2001 (Year Ended 31st March 2002)

None.

5. Memorandum Items

5.1. Method used to identify APW and to calculate the APW's gross earnings

The Annual Earnings figure is taken from the *Quarterly Employment Survey*. The series is EESQ.SBAC9Z. The average weekly manufacturing income for each quarter is multiplied by 13 and the totals for the four quarters are added together.

5.2. Employer's contributions to private pension, health schemes, etc.

No information available.

2002-2003 Parameter values

	Variable name	Value
Income tax schedule	Ave_earn	39 411
	Tax_sch	0.195
		0.330
		0.390
Income under NZ\$ 38 000 rebate	reb_38000_rate	0.045
	reb_38000_thrsh1	9 500
	reb_38000_redn1	0.015
Income under NZ\$ 9 880 rebate	reb_9880	728
	reb_9880_thrsh	6 240
	reb_9880_redn	0.20
Family support credit	Fam_sup_eld	3 224
	Fam_sup_oth	2 444
	Fam_sup_thrsh1	20 000
	Fam_sup_rate1	0.18
	Fam_sup_thrsh2	27 000
	Fam_sup_rate2	0.3
	Min_inc	15 080

2002-2003 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	Earn		
2. Allowances	tax_al	B	0
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	earn
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,Tax_sch)
6. Tax credits :			
Guaranteed minimum income	GMI	P	(Children>0)*Min_inc
Under 38 000 rebate	rebate_34200	B	Taper(reb_38000_rate*min(tax_inc, reb_38000_thrsh1),tax_inc, reb_38000_thrsh1, reb_38000_redn1)
Under 9 880 rebate	rebate_9880	B	Taper(MIN(reb_9880, CG_tax_excl-rebate_34200), earn reb_9880_thrsh, reb_9880_redn)
Total credit	tax_cr	P	rebate_38000+rebate_9880+ Positive(GMI-(earn_total-CG_tax_excl_total+ rebate_38000_total+ rebate_9880_total))
		S	rebate_38000+rebate_9880
7. CG tax	CG_tax	B	CG_tax_excl-tax_cr
8. Local tax	local_tax	B	0
9. Employees' soc security	SSC	B	0
11. Cash transfers:			
Family support credit	fam_sup_cr	P	Taper(Taper((Fam_sup_eld*(Children>0)+ Fam_sup_oth* Positive(Children-1), earn_total, Fam_sup_thrsh1, Fam_sup_rate1), earn_total, Fam_sup_thrsh2, Fam_sup_rate2-Fam_sup_rate1)
Cash transfers	cash_trans	J	fam_sup_cr
13. Employer's soc security	SSC_empr	B	0

NORWAY – NORVÈGE

The national currency is the kroner (NOK). In 2002 NOK 8.2069 was equal to USD 1 (average of nine months daily exchange rates). In that year the average production worker earned NOK 291 900 (Secretariat estimate).

I. Personal Income Tax System

The personal income tax has two tax bases: *personal income* and *ordinary income*. Personal income is defined as income from labour and pensions. Personal income is a gross income base from which no deduction may be made. Ordinary income includes all types of taxable income from labour, pensions, business and capital. Certain costs and expenses, including interest paid on debt, are deductible in the computation of ordinary income.

1.1. Central government income tax

1.11. Tax unit

The tax unit is in most cases the individual (tax class 1), but joint taxation (tax class 2) is also possible and more favourable if the spouse has little or no own income. Single parents are also entitled to be taxed under the tax class 2 schedule. Children less than 17 years old are generally taxed together with their parents, but may be taxed individually. All other income earners are taxed individually (class 1).

1.12. Tax allowances applicable to an APW

There are no tax allowances applicable to an APW under the central government income tax (surtax). The tax base is personal income from which no deductions are allowed. As part of the overall tax rate of 28 per cent on ordinary income, 13.7 per cent is considered a central government income tax.

1.13. Rate schedule (surtax)

Rate (%)	Class 1 (NOK)	Class 2 (NOK)
0 up to	320 000 000	342 200
13.5	320 000-830 000	342 200-830 000
19.5	830 000 and over	830 000 and over

1.2. Local government income tax

The overall tax rate on ordinary income is 28 per cent. The local government (municipal and county) income tax is 14.3 per cent points of the overall rate. Tax on ordinary income is levied after taking into account an allowance of NOK 30 100 (class 1) and NOK 60 200 (class 2) in 2002. The deductions in the computation of ordinary income are:

1.21. *Standard reliefs*

- Basic relief: each individual gets a minimum allowance equal to 23 per cent of personal income, with a minimum of NOK 4 000 and a maximum of NOK 43 000. For wage income each individual can choose a separate allowance of NOK 31 800 instead of the basic relief.
- Parent allowance: Documented expenses for child care limited to:
 - maximum NOK 25 000 for one child;
 - maximum NOK 30 000 for two or more children.

The allowance applies in general to the spouse who has the highest income. Unused parent allowance may be transferred to the spouse. The allowance is also applicable to single parents.

1.22. *Non-standard reliefs*

The main non-standard allowances deductible from ordinary income are:

- Travel expenses related to work exceeding NOK 9 200.
- Labour union fees up to NOK 900.
- Contributions to individual pension agreement schemes (IPA), maximum NOK 40 000.
- Premiums and contributions to occupational pension schemes in the private and public sector, unlimited.
- Unlimited deduction for interest payments.

The main non-standard tax credits are:

- Home savings scheme (BSU): The BSU scheme aims to encourage young people (under 34 years old) to save for a future home purchase. A tax credit of 20 per cent of annual savings up to NOK 15 000 in special accounts is granted. Total savings may not exceed NOK 100 000.

1.3. *Limitation on total tax payable*

The total tax payable on ordinary income and net wealth may not exceed 80 per cent of ordinary income. If that is the case the tax on net wealth should be reduced. For net wealth exceeding NOK 1 000 000, the tax levied may not be less than 0.6 per cent of the surplus net wealth.

2. **Social Security Contributions**

2.1. *Contributions to the national insurance scheme*

2.11. *Employees' contributions*

Employees' contributions to the National Insurance Scheme amount to 7.8 per cent of personal wage income. Contributions from the self-employed, excluding self-employed in primary industries who pay 7.8 per cent, are 10.7 per cent of personal income attributable to labour.

2.12. *Employers' contributions*

Employer's social security contributions are due for all employees in both the private and the public sector. The contribution is geographically differentiated according to the municipality where the employee resides. The rates are 14.1, 10.6, 6.4, 5.1 or 0 per cent of gross wage. The highest rate applies to central parts of southern Norway. The weighted average rate is approximately 12.8 per cent.

3. **Universal Cash Transfers**

3.1. *Transfers related to marital status*

None.

3.2. Transfers for dependent children (child support)

The following transfers are available:

NOK 11 664 per child aged 0-18 years.

Single parents receive transfers for one more child than the actual number. For children who are 1 and 2 years old there is an additional child support of NOK 7 884 per child. Families living in the northernmost part of Norway receive extra child support of NOK 3 792 per year for each child aged 18 or under.

4. Main Changes in Tax/Benefit Systems since 2000

- The tax credit for children was abolished in 2001.
- The child support transfer for 2001 was changed to a single rate.

5. Memorandum Items

5.1. Identification of an APW and calculation of earnings

The wage series used refers to production workers in the manufacturing sector (mining is excluded).

The figures relate to production workers only and do not include white-collar workers, supervisory workers, etc. The figures relate to manufacturing establishments affiliated with the Norwegian Employers' Confederation.

The calculation of annual wage earnings is as follows:

Annual wages + (average monthly payment for overtime*12).

The annual wages are calculated as the agreed payment for a wage earner working a normal agreed working-year. The calculation includes bonus payments and other allowances, but payments for overtime, sick leave, and an establishment's indirect wage costs are not taken into account.

5.2. Employers' contributions to private health and pension schemes

No information available.

2002 Parameter values

APW-wage	Ave_earn	291 900	
Central rate (pers)	Tax1_sch	0	320 000
class 1		0.135	830 000
		0.195	
class 2	Tax2_sch	0	342 200
		0.135	830 000
		0.195	
Central rate (ord)	Cent_rate_ord	0.137	
Local rate (ord)	Local_rate	0.143	
Allowances	Class_al_1	30 100	
	Class_al_2	60 200	
Basic relief	Basic_min	4 000	
	Basic_max	43 000	
	Basic_rel_rate	0.23	
	Basic_min_wage	31 800	
Soc security contribs	SSC_rate	0.078	
Employer	SSC_empr	0.128	
Trygd. low.lim	SSC_low_lim	23 000	
pct.rate	SSC_low_rate	0.25	
Child cash transfer	Child_sup	11 664	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	J	IF(class=1,tax1_al_princ+tax1_al_spouse, tax2_al)
Class 1 tax allowance (ordinary)	tax1_al_princ	P	MIN(MAX(Basic_min_wage,MIN(earn_princ*Basic_rel_rate,Basic_max)) +Class_al_1,earn_princ)
Class 1 tax allowance (ordinary)	tax1_al_spouse	S	MIN(MAX(Basic_min_wage,MIN(earn_spouse*Basic_rel_rate,Basic_max)) +Class_al_1,earn_spouse)
Class 2 tax allowance (ordinary)	tax2_al	J	MIN(MAX(Basic_min_wage,MIN(earn_princ*Basic_rel_rate,Basic_max)), earn_princ)+MIN(MAX(Basic_min_wage,MIN(earn_spouse*Basic_rel_rate,Basic_max)),earn_spouse)+Class_al_2
3. Credits in taxable income	taxb1_cr	J	0
4. CG taxable income (ordinary)			
Class 1 taxable income	tax1_inc	B	Positive(earn-tax1_al)
Class 2 taxable income	tax2_inc	J	Positive(earn_total-tax2_al)
5. CG tax	CG_tax		IF(class=1, CG1_tax,CG2_tax)
Class 1 tax (personal+ordinary)	CG1_tax	B	Tax(earn,Tax1_sch)+Cent_rate_ord*tax1_inc
Class 2 tax (personal+ordinary)	CG2_tax	J	Tax(earn_total,Tax2_sch)+Cent_rate_ord*tax2_inc
6. Tax credits :	tax_cr	P	0
7. CG tax	CG_tax	B	CG_tax
8. State and local taxes	local_tax	J	IF(class=1, local1_tax_total, local2_tax)
Class 1 local tax	local1_tax	B	(Local_rate*(tax1_inc_princ+tax1_inc_spouse))-tax_cr
Class 2 local tax	local2_tax	J	(Local_rate*tax2_inc)-tax_cr
Favourable class	class	J	1+((CG2_tax_excl+local2_tax)<(CG1_tax_excl_total+local1_tax_total))
9. Employees' soc security	SSC	B	MIN(earn*SSC_rate, Positive(SSC_low_rate*(earn-SSC_low_lim)))
11. Cash transfers	cash_trans	J	(children>0)*Child_sup
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

POLAND – POLOGNE

The national currency is the zloty (PLN). In 2002, PLN 4.11 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned PLN 25 396 (Secretariat estimate).

1. Personal Income Tax System

Any individual resident in Poland or whose temporary stay in that country exceeds 183 days in a given tax year is liable to tax on the basis of world-wide income, irrespective of the source and origin of that income.

1.1. Central government income tax

1.11. Tax unit

Individuals are taxed on their own income, but couples married during the whole calendar year can opt to be taxed on their joint income. In the latter case, the “splitting” system applies: the tax bill for the couple is twice the income tax due on half of joint income, provided the joint income does not include capital income taxed at the flat 20 per cent rate.

1.111. Tax base

1.111.1. Gross employment income

For taxation purposes, taxable gross employment income in Poland includes both cash income and the value of benefits in kind. More specifically, gross employment income includes base salary, overtime payments, bonuses, awards, compensation for unused holidays, and costs that are paid in full or in part by the employer on behalf of the employee.

1.111.2. Capital gains and capital income

Capital gains are taxed as personal income of individuals.

Starting from 1 March 2002 individual taxpayers are liable to pay tax on their gains from savings (*i.e.* on interest or other revenues earned from deposits at taxpayers' bank accounts or from other forms of saving, keeping or investing money). This tax has been set at a flat rate of 20 per cent and is to be withheld at source.

1.111.3. Dividend income

Dividends from joint stock companies and participation in the profits of limited liability companies are distributed from the net after-tax profit of a company. Dividends and shared profits, as well as undistributed retained earnings, are not added to income from other sources. This type of income is taxed at a flat 15 per cent rate without allowing for any deductible costs.

1.111.4. *Other income – definition*

Income from each source is defined as the surplus of revenues from that source over the costs involved in generating that revenue in a given tax year. If in a given tax year losses from any source of income exceed the taxpayer's income from that source, then the taxpayer has the right to deduct the loss in three equal parts over the next three years from income derived from the same source. Any loss relief then still unused is not available to be carried forward.

1.111.5. *Rental income*

Rental income is calculated as the difference between rent received less associated costs lumped together with income from other sources.

1.111.6. *Royalty income*

Individuals who earn royalty income are allowed a standard cost deduction of 50 per cent of gross royalties or the actual cost incurred, whichever is greater. This net income is then added to income from other sources and taxed at progressive rates.

1.12. *Tax allowances and tax credits*1.121. *Standard reliefs*

- *Basic relief*: A non-refundable tax credit of PLN 518.16 is available for all tax payers.
- *Marital status relief*: None.
- *Relief for children*: None.
- *Relief for social security contributions*: Social insurance premiums of the taxpayer if they have not been deducted as revenue earning costs.
- *Relief for health insurance contributions*: Tax relief equals health insurance contribution paid to Sickness Fund.
- *Relief for work-related expenses*.

Standard deductions depend on the number of workplaces and on whether dwelling place and work place are the same or not. The annual deductible amounts in PLN are:

	One workplace	Two/more workplaces
same as dwelling place	1 155.12	1 732.72
different from dwelling place	1 443.90	2 165.90

1.122. *Main non-standard tax reliefs applicable to an average production worker*

- A 19 per cent credit against income tax
- For expenditures related to:
 - a) purchase of land or right of perpetual usufruct of a land designated for the construction of an apartment building – smaller or equal to 350 square meters;
 - b) construction of an apartment building;
 - c) building contribution or housing contribution paid to a housing co-operative, purchase of a newly constructed apartment building or a living accommodation in such a building from persons, who constructed the building as part of their business activity;
 - d) construction of an additional storey or extension of a building for the purposes of living accommodation.

Limit for items specified under letters b to d equal to PLN 30 590 (during the period of validity of the law), but only if taxpayer acquired a right to this deduction before December 31, 2001.

- For costs incurred for repair and modernisation of a building, but not more than PLN 4620 and in the case of a living accommodation not exceeding PLN 3850. The minimum amount of expenses giving rise to a deduction is PLN 462. The limits for repair and modernisation deductions are determined for three years (2000-2002).
- For costs related to supplementary education and vocational upgrading of a taxpayer, but not more than PLN 433.20.
- For the purchase of educational equipment and aids, but not more than PLN 433.20.
- For expenses for children commuting to schools situated outside the place of permanent residence.
- For expenses for education in schools of higher education, but not more than PLN 760.

Deductions from income:

- Actually paid interests from housing loans or credits, provided that these taxpayers had not already benefited from housing reliefs in years 1992 –2001.
- Expenditure incurred for the construction of a multi-family apartment building where at least five living accommodations are to be let, and expenditures for the acquisition of the plot for the construction of such buildings, but not more than PLN 161 000 per living accommodation to be let, but only if taxpayer acquired a right to this deduction before December 31, 2000.
- Expenses for the purpose of rehabilitation.
- Donations for the purposes of science, education, culture, health protection and social aid, supporting social initiatives to build roads and telecommunications networks in rural areas and to supply water thereto – up to 15 per cent of the income; for the purposes of religious practice and charitable welfare activities, public security, environment protection, as well as for the purposes connected with housing for local self-governments and for constructing watchtowers or the units of fire protection – up to 10 per cent of income.

1.13. Tax schedule

The tax schedule is as follows:

Tax base (in PLN)		Tax amount
Over	Below	
37 024	37 024	19 per cent of the tax base, less a basic tax credit of PLN 518.16
74 048	74 048	PLN 6 516.40 plus 30 per cent of surplus over PLN 37 024
		PLN 17 623.60 plus 40 per cent of surplus over PLN 74 048

1.2. State and local income tax

There are no regional or local income taxes.

1.3. Wealth tax

There is no wealth tax.

2. Social Security Contributions

2.1. Employees' contributions

Employees pay 18.71 per cent of gross wage. This contribution includes half of the contribution for the old age and disability insurance and health/maternity insurance.

2.2. Employers' contributions

In respect of income paid under an employment contract with a Polish entity, employers have an obligation to pay social security contributions equal to 20.43 per cent of gross wages; 17.9 per cent points of this contribution is assessed for social insurance (ZUS), 2.45 per cent points for the Labour Fund and 0.08 per cent points for the Benefits Guarantee Fund.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

Average non-taxable family benefit of PLN 41.96 monthly per child are paid to employees whose annual income per household member, in the calendar year preceding a period of collecting benefit, did not exceed PLN 548 (or PLN 612 in case of single parent) per month. Benefit is granted for a period of 12 months (1.06. – 31.05), thus the right to benefit is tested once a year.

4. Main Changes in Tax/benefit Systems since 2001

Following tax reliefs were cancelled:

- for expenses incurred on paid health care services;
- for expenditures related to:
 - a) purchase of land or right of perpetual usufruct of the land designated for the construction of an apartment building – smaller or equal to 350 square meters;
 - b) construction of an apartment building;
 - c) building contribution or housing contribution paid to a housing co-operative, purchase of a newly constructed apartment building or a living accommodation in such a building from persons, who constructed the building as part of their business activity;
 - d) construction of an additional storey or extension of a building for the purposes of living accommodation, except for a right acquired.

New, so called “interest” relief has been introduced with effect from 1 January 2002. Individual taxpayers are in a position to deduct actually paid interests from housing loans or credits from gross income (income before taxation), provided that these taxpayers had not already benefited from housing reliefs in years 1992-2001. First deductions are going to be made by taxpayers in their tax returns for year 2002. This relief has been introduced in connection with the abolition of deduction of housing expenses *e.g.* in connection with the purchase of a newly built apartment.

Starting from 1 March 2002 individual taxpayers are also liable to pay tax on their capital income, such as interest or other revenues earned from bank accounts or from other forms of saving. This tax has been set at a flat rate of 20 per cent and is to be withheld at source. Tax withheld is deemed as a tax due in respect of interest income and therefore it is not included in taxpayers' tax returns.

5. Memorandum Items

5.1. Identification of APW and valuation of earnings

The Polish Central Statistical Office calculates average monthly wages and salaries for employees on the basis of reports of enterprises. The figures include overtime and bonus payments and also include information for part-time employees converted to full-time equivalents. Male and female

workers are included. The information, which includes estimates for different sectors, is published in the monthly *Statistical Bulletin*.

5.2. Employers' contributions to private pension, health and related schemes

No information provided.

2002 Parameter values

APW earnings	Ave_earn	25 396	
Work expenses	work_exp	1 443.9	
Income tax schedule	tax_sch	0.19	37 024
		0.3	74 048
		0.4	
Basic credit	basic_cr	518.16	
Health insurance	health_ins	0.0775	
Social security contributions			
Employers	SSC_empr	0.2043	
Employees	SSC	0.1871	
Family benefit	fam_ben	503.52	
income limit	fam_ben_lim	6 576	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
Quotient for tax calculation	quotient	J	$1 + \text{MAX}(\text{Married}, (\text{Children} > 0))$
2. Allowances:	tax_al	J	$\text{work_exp} + \text{MIN}(\text{earn_spouse}, \text{work_exp})$
3. Credits in taxable income	taxbl_cr	J	0
4. CG taxable income	tax_inc	J	$\text{earn} - \text{tax_al} - \text{SSC}$
5. CG tax before credits	CG_tax_excl	J	$\text{quotient} * \text{Tax}(\text{tax_inc} / \text{quotient}, \text{tax_sch})$
6. Tax credits :			
Basic credit	basic_cr	J	$\text{basic_cr} * (1 + \text{Married})$
Health insurance	health_ins	B	$\text{health_ins} * (\text{earn} - \text{SSC})$
Total tax credits	tax_cr	J	$\text{basic_cr} + \text{health_ins}$
7. CG tax	CG_tax	J	$\text{Positive}(\text{CG_tax_excl} - \text{tax_cr})$
8. State and local taxes	local_tax	J	0
9. Employees' soc security	SSC	B	$\text{SSC} * \text{earn_total}$
11. Cash transfers	Cash_tran	J	$(\text{earn_total} / (1 + \text{Married} + \text{Children})) < \text{fam_ben_lim}) * \text{Children} * \text{fam_ben}$
13. Employer's soc security	SSC_empr_contr	B	$\text{SSC_empr} * \text{earn_total}$

PORTUGAL

La monnaie nationale est l'euro (EUR). En 2002 EUR 1.0816 étaient égal à 1 USD (moyenne journalière des taux de change sur neuf mois). Pour cette année là on estime qu'un ouvrier moyen gagnait EUR 8 410 (estimation du Secrétariat).

1. Système d'imposition sur le revenu

1.1. *Impôt sur le revenu perçu par l'administration centrale*

1.11. *Unité fiscale*

L'unité d'imposition est le revenu de la famille, y compris le revenu des enfants qui sont à charge des parents. L'impôt est calculé sur le revenu global net des différentes catégories de revenus, c'est-à-dire après les déductions spécifiques de chaque catégorie et des allègements forfaitaires et non forfaitaires.

1.12. *Allègements forfaitaires, non forfaitaires et crédits d'impôt*

1.121. Allègements forfaitaires

Déduction forfaitaire jusqu'à la limite de 0.72 pour cent de 12 fois le salaire minimum plus élevé¹. Lorsque les cotisations obligatoires aux régimes de protection sociale et les sous régimes légaux de santé dépassent cette limite, la déduction sera celle correspondant au montant total desdites cotisations.

Les cotisations syndicales dans la partie qui ne constituent pas des contreparties des prestations de santé, éducation, d'aide au 3^e âge, habitation, d'assurance ou de sécurité sociale, dans la limite de 1 pour cent du revenu brut du contribuable, majorées de 50 pour cent.

1.122. Allègements non forfaitaires

Pour les revenus mis à disposition à partir du 1^{er} janvier 1999, on a remplacé la majorité des allègements forfaitaires par des crédits d'impôt (voir § 1.14).

Allègements non forfaitaires encore en vigueur :

- Pensions alimentaires obligatoires par détermination judiciaire ou par accord judiciairement homologué.

1.13. *Cotisations de sécurité sociale*

Les cotisations de sécurité sociale ne sont déductibles que dans le cas où leur montant, pour chaque contribuable est supérieur à EUR 3006.81. Dans ce cas cette déduction remplace celle de la déduction forfaitaire sur le salaire (voir § 1.121).

1.14. *Crédits d'impôt*

Crédit de base

- EUR 174.01 pour chaque contribuable marié ;

- EUR 208.81 pour le contribuable non marié ;
- EUR 278.41 pour le contribuable dans le cas des familles monoparentales ;
- EUR 139.0 pour chaque enfant à charge ;
- EUR 174.01 pour chaque ascendant dont le revenu n'est pas supérieur à la pension sociale minimale.

Autres crédits d'impôts

- Dépenses de santé non remboursées, notamment par la sécurité sociale : 30 pour cent des dépenses de santé et des intérêts d'emprunts destinés à faire face à ces dépenses, sans plafond quand ces dépenses sont exonérées de TVA ou assujetties au taux réduit ou, dans les autres cas, avec une limite de EUR 53.1 ou 2.5 pour cent des dépenses de santé exonérées de TVA ou assujetties au taux réduit et des intérêts d'emprunts destinés à faire face à ces dépenses.
- Dépenses d'éducation de l'assujetti et de ses dépendants : 30 pour cent des dépenses dans la limite de 160 pour cent du salaire minimum plus élevé. Pour les ménages avec 3 ou plusieurs dépendants à charge, cette limite est majorée de 30 pour cent du salaire minimum plus élevé pour chaque dépendant, dès qu'existent des frais d'éducation à tous ces dépendants².
- Dépenses de maisons de santé ou de retraite pour les assujettis, leurs ascendants et collatéraux jusqu'au 3ème degré dont les revenus ne dépassent pas le salaire minimum national : 25 pour cent des dépenses avec la limite de EUR 303.41³.
- Charges d'acquisition, de construction ou d'amélioration d'immeubles pour l'habitation principale et permanente des assujettis ou pour donner en location aux fins d'habitation permanente: 30 pour cent des intérêts et des amortissements des dettes dans la limite de EUR 517.64.
- Acquisition d'équipements nouveaux pour l'utilisation d'énergies renouvelables : 30 pour cent des montants dépensés dans la limite de EUR 700.
- Primes d'assurance vie et d'accidents personnels qui garantissent exclusivement les risques de décès, invalidité ou de retraite vieillesse : 25 pour cent des montants des primes payés dans l'année à laquelle le revenu se rapporte, dans la limite de EUR 53.81 pour les contribuables non mariés et EUR 107.63 pour les deux conjoints.
- Primes d'assurance maladie : 25 pour cent des montants des primes payés dans l'année à laquelle le revenu se rapporte, dans la limite de EUR 71.75 pour les contribuables non mariés et EUR 143.50 pour les deux conjoints majorés de EUR 35.88 pour chaque enfant à charge.
- Plans Individuels d'Épargne Retraite (PPR) : 25 pour cent des montants placés dans l'année à laquelle le revenu se rapporte dans la limite du plus bas des montants suivants : 5 pour cent du revenu brut imposable ou EUR 648.44, pour les contribuables non mariés ou pour chaque conjoint.
- Plans d'Épargne en Actions (PPA) : 7.5 pour cent des montants placés dans l'année à laquelle le revenu se rapporte dans la limite de EUR 196.03 pour les contribuables non mariés ou pour chaque conjoint.
- Comptes d'Épargne Logement (PPH) : 25 pour cent des montants placés dans l'année à laquelle le revenu se rapporte dans la limite de EUR 564.28.
- Acquisition d'actions dans le cadre d'opérations de privatisation : 5 pour cent des montants placés dans l'année à laquelle le revenu se rapporte jusqu'à l'année 2002 dans la limite de EUR 170.09 pour les contribuables non mariés et EUR 340.8 pour les deux conjoints.
- Acquisition d'actions dans le cadre d'opérations de privatisation par les travailleurs de l'entreprise faisant objet de la privatisation : 7.5 pour cent des montants placés dans l'année à laquelle le revenu se rapporte jusqu'à l'année 2002 dans la limite de EUR 256.38 pour les contribuables non mariés et EUR 512.6 pour les deux conjoints.

- Acquisition d'ordinateurs à usage personnel, programmes d'ordinateur, modems, cartes REDIS, terminaux et coûts de liaison à l'Internet : 25 pour cent des montants dépensés dans la limite de EUR 179.38.
- Frais entraînés en connexion avec un conseil juridique ou une aide judiciaire : 20 pour cent des montants des dépensés dans la limite de EUR 134.28.
- Dons accordés selon les conditions prévues dans le Statut du Mécénat. (Dons accordés à l'administration centrale, régionale ou locale, Institutions particulières de solidarité sociale, musées, bibliothèques, écoles, instituts et associations d'enseignement, d'éducation et de recherche, personnes juridiques d'utilité publique administrative, etc.) : 25 pour cent des dons accordés limités dans certains cas à 15 pour cent de l'impôt payable par le donneur.

1.15. Situation familiale

Pour tenir compte de la situation familiale on a institué l'imposition conjointe des revenus de l'unité familiale moyennant l'utilisation de la méthode du « splitting », pour la détermination du revenu imposable.

1.151. Détermination du revenu imposable

Pour la détermination du revenu imposable, auquel sont applicables les taux du barème de l'impôt, le revenu est divisé par 2.

1.16. Barème d'imposition (applicable aux revenus de 2001)

Revenu imposable (EUR) (R)	Taux marginal (%) (T)	Montant à déduire (EUR) (K)
Jusqu'à 4 100.12	12	—
Plus de 4 100.12 jusqu'à 6 201.42	14	82.00
Plus de 6 201.42 jusqu'à 15 375.45	24	702.14
Plus de 15 375.45 jusqu'à 35 363.52	34	2 731.70
Plus de 35 363.52 jusqu'à 51 251.48	38	4 440.43
Plus de 51 251.48	40	7 667.22

Pour ce qui concerne les contribuables dont le revenu est surtout du travail dépendant (revenus salariaux), le revenu disponible, après l'application des taux du barème au revenu imposable, ne peut pas être inférieur au salaire minimum national majoré de 20 pour cent, ni entraîner un impôt sur les revenus, dont l'assiette imposable après application du quotient conjugal soit égale ou inférieure à EUR 1 634.93.

Dans la Région autonome des Açores, les taux d'imposition sont réduits de 20 pour cent pour les personnes physiques résidentes. Dans la Région autonome de Madeire le barème applicable est :

Revenu imposable (EUR) (R)	Taux marginal (%) (T)	Montant à déduire (EUR) (K)
Jusqu'à 4 100.12	10	—
Plus de 4 100.12 jusqu'à 6 201.42	12	82.00
Plus de 6 201.42 jusqu'à 15 375.45	23	764.16
Plus de 15 375.45 jusqu'à 35 363.52	33	2 711.72
Plus de 35 363.52 jusqu'à 51 251.48	37	4 378.41
Plus de 51 251.48	39	7 513.47

Formule de calcul de l'impôt (I = Impôt dû):

- Contribuables non mariés: $I = R \times T - K - C$
- Contribuables mariés (ayant un seul ou deux salaires/voir § 1.151) :

$$I = \{ [(R : 2) \times T - K] \times 2 \} - C$$

Avec:

R = Revenu imposable, après déduction des allègements forfaitaires et non forfaitaires (voir § 1.12) ;

T = Taux correspondant à l'échelon du revenu imposable ;

K = Montant à déduire dans chaque échelon ;

C = Crédits d'impôt (voir § 1.14).

1.17. *Situations familiales particulières*

1.171. Contribuable/conjoint handicapé(s), avec un degré d'incapacité égal ou supérieur à 60 pour cent :

- la déduction forfaitaire sur le revenu salarial est relevée de 50 pour cent ;
- le crédit d'impôt de base est relevé de 50 pour cent ;
- les revenus salariaux sont exonérés de 50 pour cent dans la limite d'exonération de EUR 13 504.76 ;
- les revenus des pensions sont exonérés de 30 pour cent dans la limite d'exonération de EUR 7 626.22.

1.172. Enfants à charge handicapés, avec un degré d'incapacité égal ou supérieur à 60 pour cent :

- le crédit d'impôt de base est relevé de 50 pour cent.

1.18. *Ne sont pas imposables*

- les allocations éventuelles destinées à des dépenses d'assistance médicale ou d'hospitalisation du contribuable lui-même, dûment documentées ;
- les allocations familiales attribuées conformément à la loi ;
- les allocations pour pertes éventuelles, à concurrence du montant correspondant à 5 pour cent de la rémunération mensuelle fixe, pour ce qui est des contribuables qui sont teneurs de caisse des entreprises ;
- les frais de séjour à concurrence de la limite des montants établis pour les fonctionnaires de l'État ;
- les allocations pour repas jusqu'à la limite du montant établi pour les fonctionnaires de l'État, accru de 50 pour cent (EUR 5.24 par jour ouvrable, pendant onze mois) ou 70 pour cent (EUR 5.93) dans le cas d'allocation pour repas avec des « coupons repas ».

2. **Cotisations sociales obligatoires versées à des régimes de caractère public**

Taux et plafond : les taux de cotisations de sécurité sociale frappent les salaires bruts sans aucun plafond.

2.1. *Cotisations des salariés*

En règle générale, le taux des cotisations des salariés est de 11 pour cent du salaire brut, sans aucun plafond.

2.2. *Cotisations patronales*

Le taux des cotisations de sécurité sociale des employeurs est de 23.75 pour cent du salaire brut, sans aucun plafond.

2.3. Fonctions de protection sociale couvertes

- Santé (maladie, invalidité, accidents du travail, maladie professionnelle).
- Vieillesse, survie.
- Maternité.
- Famille (Allocations familiales).
- Chômage.

3. Prestations sociales en espèces d'application générale

3.1. Prestations au titre des enfants à charge

Le principe de base est d'accorder des prestations sociales mensuelles plus élevées pour des ménages dont le revenu brut est plus bas.

Les montants mensuels pour des enfants à charge sont divisés en quatre échelons selon le revenu annuel de la famille y compris les allocations de vacances et de Noël (14 mois) :

- 1^{er} échelon pour les familles dont le revenu annuel est inférieur à 1.5 fois le salaire minimum annuel (jusqu'à EUR 7 308.21 en 2002).
- 2^e échelon pour les familles dont le revenu annuel est supérieur à 1.5 fois et inférieur à 4 fois le salaire minimum annuel (entre EUR 7 308.21 et EUR 19 488.56 en 2002).
- 3^e échelon pour les familles dont le revenu annuel est supérieur à 4 fois et inférieur à 8 fois le salaire minimum annuel (entre EUR 19 488.56 et EUR 38 977.12 en 2002).
- 4^e échelon pour les familles dont le revenu annuel est supérieur à 8 fois le salaire minimum annuel (supérieur à EUR 38 977.12 en 2002).

Chaque échelon est aussi divisé en fonction de l'âge de l'enfant à charge. Dans les premiers 12 mois de vie de l'enfant les prestations sociales sont majorées.

Ainsi, les nouvelles prestations sociales, au 1er janvier de 2002, sont les suivantes :

Nombre d'enfants	Âge inférieur à		Âge supérieur à 12 mois	
	1-2	Au-delà de 2	1-2	Au-delà de 2
Échelon 1	87.29	131.03	26.24	39.60
Échelon 2	76.22	110.53	20.45	29.98
Échelon 3	65.19	87.64	17.51	23.74
Échelon 4	40.35	52.52	10.84	14.23

Il y a aussi un régime spécial d'allocation familiale pour les enfants handicapés.

Les prestations en espèces ici mentionnées (3.1 et 3.2) ne sont pas imposables.

4. Principales modifications apportées au système fiscal et au régime des prestations sociales depuis 2000

Il n'y a pas eu de modifications.

5. Rubriques pour mémoire

5.1. Méthode suivie pour l'identification et le calcul des gains bruts de l'ouvrier moyen

On a pris en considération toutes les personnes qui participent directement à la production ou à des activités auxiliaires de l'établissement, y compris le personnel chargé de l'exécution de toute opération intégrant le processus productif, c'est-à-dire, le personnel affecté à la production, la transformation ou l'assemblage ; le personnel de magasin, d'emballage, de maintien et de réparation, les conducteurs, les gardiens et les employés qui travaillent dans l'établissement. On considère encore

comme personnel ouvrier les maîtres et les contremaîtres, c'est-à-dire ceux qui exercent des fonctions identiques à celles des ouvriers qu'ils dirigent.

Le concept de rémunération mensuelle adopté est le suivant :

Montant des rémunérations versées au personnel au cours du mois avant déduction des impôts et des cotisations obligatoires. Donc, il englobe : les traitements et les salaires de base du personnel dont la rémunération est effectuée en fonction du temps de travail, à la pièce ou à la tâche ; les prestations en nature ou en habitation lorsque celles-ci peuvent être considérées comme faisant partie intégrante des traitements et des salaires ; les subventions en espèces de repas, de logement, de transport ; les primes pour travail de nuit régulier et les primes d'ancienneté, aussi bien que les primes d'assiduité, d'encouragement et de productivité ; les allocations familiales, les rémunérations versées en raison des heures supplémentaires et des jours non ouvrables ; les subsides de vacances et le paiement de l'allocation de Noël.

Les paiements en nature sont pris en considération dans le concept de rémunération. Ces avantages en nature sont retenus dans les statistiques pour leur valeur imposable.

Le gain moyen annuel est fondé sur la moyenne des gains du mois d'avril et du mois d'octobre multiplié par un coefficient qui représente le poids des primes et des allocations annuelles reçues, lequel est fourni par l'enquête du coût de la main-d'oeuvre de 1992.

La formule utilisée est la suivante:

Gain moyen annuel = Gain moyen mensuel pondéré par le coefficient \times 12.

5.2. Description des principales cotisations patronales à des régimes privés de retraite, d'assurance maladie, etc.

Les entités patronales sont tenues, en dehors du système de sécurité sociale, d'effectuer l'assurance (auprès des compagnies d'assurances privées) des employés en matière d'accident du travail. Elles peuvent aussi, bien qu'à titre facultatif, établir une assurance vie pour leurs employés.

2002 Parameter values

APW earnings	Ave_earn	8 325	
Tax allowances	perc	1	
	max_al	3 006.81	
Tax credits			
Married (basic)	married_cred	174.01	
Single (basic)	single_cred	208.81	
Single parent	singlepar_cred	69.6	
Each child credit	child_cred	139.2	
Tax schedule	tax_sch	0.12	4 100.12
		0.14	6 201.42
		0.24	15 375.45
		0.34	35 363.52
		0.38	51 251.48
	0.4	51 251.48	
Social security contributions ceiling	SSC_rate	0.11	
	SSC_empr	0.2375	
Child benefit - 2nd echelon	ch_ben	245.4	
Child benefit - 1st echelon	ch_ben1	314.88	
1st echelon threshold	ch_ben_thrsh	7 308.21	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
Divisor for tax calculation	divisor	J	1+Married
2. Allowances:	tax_al	J	MAX((MIN(perc*earn_princ,max_al))+MIN(perc*earn_spouse,max_al)),SSC_princ+SSC_spouse)
3. Credits in taxable income.	taxbl_cr	J	0
4. CG taxable income	tax_inc	J	earn-tax_al
5. CG tax before credits	CG_tax_excl	J	Tax(tax_inc/divisor,tax_sch)*(1+Married)
6. Tax credits :		J	
Basic credit	basic_cr	J	IF(Married,2*married_cred, single_cred)
Child credit	child_cr	J	Children*child_cred
Total	tax_cr	J	basic_cr+child_cr
7. CG tax	CG_tax	J	Positive(CG_tax_excl-tax_cr)
8. State and local taxes	local_tax	J	0
9. Employees' soc security	SSC	B	earn*SSC_rt
11. Cash transfers	cash_trans	J	Children*ch_ben
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

NOTES

1. Le montant correspondant est égal à EUR 3 006.81 $0.72\% \times 12 \times 348.01$.
2. Équivalent à EUR 556.82.
3. Les crédits d'impôts aux dépenses d'éducation et aux maisons de santé ou de retraite sont plafonnés globalement à EUR 697.03.

SLOVAK REPUBLIC – RÉPUBLIQUE SLOVAQUE

The national currency is the Slovak koruny (SKK). In 2002 SKK 46.494 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned SKK 153 696 (country estimate).

1. Personal Income Tax System

1.1. Central government income taxes

1.11. Tax unit

The tax unit is the individual.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

Basic relief: SKK 38 760 allowance for all individuals, 8 400 SKK per year, if the taxpayer receives partial disability pension; 16 800 SKK per year, if the taxpayer receives full disability pension or other income on the grounds of disability.

Marital status relief: An additional allowance of SKK 12 000 is given in respect of a spouse living in a common household if that spouse earns no more than SKK 38 760.

Relief for children: One spouse may claim an allowance of SKK 16 800 per child for children of the household who satisfy one of the following criteria: 1) aged below 18, 2) aged below 26 and receiving full-time education, 3) aged below 26 and physically or mentally disabled provided that the child is not in receipt of a state disability payment. The allowances are given irrespective of the child's own income.

Relief for social and health security contributions: Employee's social security contributions (see § 2.1.) are deductible for income tax purposes.

1.122. Main non-standard tax reliefs applicable to an APW

Charitable donations allowance: A tax allowance of up to 10 per cent of taxable income is available for donations made to municipalities or legal entities for financing of social, health, cultural, humanitarian, religious, ecological and sport activities. Minimal limit for donations is SKK 500.

Supplementary pension insurance: It is possible to deduct premiums paid to the supplementary pension insurance by tax payer however up to 10 per cent of his income, with the maximum limit of 24 000 SKK per year.

1.13. Tax schedule

The tax schedule is as follows:

Taxable income (SKK)	Tax at lower limit (SKK)	Tax rate on taxable income in excess of the lower limit (%)
0-90 000	0	10
90 000-180 000	9 000	20
180 000-396 000	27 000	28
396 000-564 000	87 480	35
564 000 and more	146 280	38

1.2. State and local income tax

Out of the total revenue from the income tax from dependent personal services and emoluments, which is the income of the state budget, an amount of SKK 7 300 millions is transferred into the budget of municipalities. No separate state and local income tax.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

Compulsory contributions of 12.8 per cent of gross wages and salaries (with no limit) are paid by all employees into government operated schemes. The total is made up as follows:

Health Insurance		4.0 per cent
Social Insurance		8.8 per cent
<i>of which:</i>		
Sickness	1.4 per cent	
Retirement	6.4 per cent	
Unemployment	1.0 per cent	

2.2. Employers' contributions

The total contribution for employers is 37.75 per cent of gross earnings. The contribution consists of the health insurance contribution (10 per cent of gross wages and salaries) and social insurance (28 per cent).

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

Tax exempt family allowance is paid as follows:

Family income	Up to 1.37 MLS	1.37 – 2.1 MLS
Age of Child	Total payment SKK per month	
Below 6	680	480
6 to 15	830	590
Over 15	890	620

The central government pays an allowance in respect of each dependent child based on the family income level and provided that family income does not exceed two times the relevant minimum living standard (MLS). The limits of family income bands are defined as multiples of the MLS. Family income includes the earnings of both parents net of income tax and the employee's social security and health insurance contributions. The monthly MLS for the APW-type family with children can be calculated by adding the following amounts (in SKK):

	MLS
1. Adult	3 790
2. Adult	2 650
Child	1 720

An additional allowance is paid by the local government to low-income families. The transferred amount varies according to the types of allowance and the income of family.

3.3. *Transfers related to social status**

To determine the claim to state social benefits (for example the allowance for housing costs) the following threshold amounts are relevant:

- a) 3 000 SKK monthly, in the case of one adult, who is:
 - 1. the parent of a dependent child or;
 - 2. dependent child, whose income is considered separately.
- b) 2 100 SKK monthly, in the case of:
 - 1. jointly considered person, who is the parent of a dependent child;
 - 2. jointly considered person, who is a husband of the parent of a dependent child;
 - 3. wife of a soldier conducting military service or civil service;
 - 4. a person, to whom a soldier conducting military service or civil service has a maintaining obligation set by court, in the case of a dependent child.
- c) 1 770 SKK monthly, in the case of a dependent child over the age of 15 years;
- d) 1 660 SKK monthly, in the case of a child of 6 up to 15 years of age;
- e) 1 350 SKK monthly, in the case of a child up to 6 years of age.

A family is entitled to a social allowance if net monthly income of the members of the family does not reach these amounts. The extent of the allowance varies depending upon the circumstances.

4. **Main Changes in Tax/Benefit Systems since 2001**

The number of tax brackets was reduced from 7 to 5 and together with this the tax rates were decreased. The lowest tax rate was reduced from 12 to 10 and the highest from 42 to 38 per cent.

5. **Memorandum Items**

5.1. *Identification of APW and valuation of earnings*

The average earnings of an APW are estimated by the Slovak Statistical Office from employer survey data. The figures include overtime and bonus payments and also include information for part-time employees converted to full-time equivalents. Male and female employees are included.

* The transfers related to social status do not affect the calculations, for this report.

2002 Parameter values

	Ave_earn	153 696
Basic allowance	basic_al	38 760
Spouse	spouse_al	12 000
Child	child_al	16 800
Income tax schedule	tax_sch	0.1 90 000 0.2 180 000 0.28 396 000 0.35 564 000 0.38
Social security contributions	SSC_rate	0.128
Employers	SSC_empr	0.3775
Minimum living standard (MLS)	basic_adult	3 790
	basic_adult1	2 650
	basic_child	1 720
Cash transfers	transf_1	830
	transf_2	590

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
Basic	basic_allce	B	basic_al
Spouse	spouse_allce	P	IF(earn_spouse>basic_al,0,Married*spouse_al)
Children	ch_al	P	Children*child_al
Total	tax_al	B	basic_allce+spouse_allce+ch_al+SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
6. Tax credits :	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	earn*SSC
11. Cash transfers			
Net family income	net_inc	J	earn_total-CG_tax_total-SSC_total
Minimum living standard (monthly)	MLS	J	basic_adult+basic_adult1+Children*basic_child
Total cash transfers	cash_trans	J	Children*IF(net_inc<=(1.37)*MLS*12,transf_1*12,IF(net_inc<=(2.1)*MLS*12,transf_2*12,0))
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

SPAIN – ESPAGNE

The national currency is the euro (EUR). In 2002, EUR 1.0816 was equal to USD 1 (average of nine months daily exchange rates). In that year the average production worker earned EUR 16 219 (Secretariat estimate).

I. Personal Income Tax System

1.1. Central government income tax

1.11. Tax unit

As a general rule, the tax unit is the individual. Nevertheless, families have the options of being taxed:

- As married couples filing jointly on the combined income of both spouses and dependents.
- As heads of households (only unmarried or separated individuals with dependents).

1.12. Tax allowances and tax credits

1.121. Standard reliefs

- *Basic reliefs*: A personal allowance of EUR 3 305.57 is granted for each individual. For married couples filing jointly the allowance amounts to EUR 6 611.13. This figure is EUR 5 409.11 for heads of households.
- *Dependent children*: EUR 1 202.02 per child for the first two dependent children under 25 years. For subsequent children (3rd and 4th) the allowance is EUR 1 803.04. Above figures are topped up with EUR 150.25 for every dependent child, to cover part of the costs of education, for those between 3 and 16 years of age.
- Relief for *social security contributions*: All these payments are fully deductible.
- *Work related expenses*: Net work income (gross income less employee social security contributions) may be reduced according to the following rules:
 - Taxpayers with net income equal or less than EUR 8 113.66: EUR 3 005.06.
 - For those with a net income between EUR 8 113.66 and EUR 12 020.24: EUR 3 005.06 less the result of multiplying by 0.1923 the difference between net income and EUR 8 113.67.
 - Taxpayers with net income over EUR 12 020.24 or other than employment income over EUR 6 010.12: EUR 2 253.80.

As a result of the application of the above rules, net income can not become negative.

1.122. Main non-standard reliefs applicable to an APW

- *Contributions to approved Mutual or Superannuation Funds*: Contributions made by each member of the household, may reduce taxable income up to a maximum limit of:
 - 25 per cent of total yearly net employment income.
 - EUR 7 212.15 yearly.

Also, those households whose second earner has net work income below EUR 7 212.15 may reduce taxable income up to a maximum of EUR 1 803.03 on a yearly basis, if the principal earner contributes to a Pension Fund for her/him.

- *Relief for subscriptions paid in respect of membership* of a trade union and business or professional associations (last item is limited to mandatory membership) up to EUR 300.51.
- *Relief for expenses made for the legal defense* of the taxpayer for labour-related conflicts up to a maximum limit of EUR 300.51.

Other non-standard reliefs provided as deductions are:

- *Investment in the acquisition and rehabilitation of own-housing:*
 - As a general rule, 15 per cent of the investment made during the year with a maximum limit of EUR 9 015.18.
 - By using external funds (*e.g.* loans, mortgage): The first two years after the acquisition or rehabilitation: 25 per cent of the first EUR 4 507.59 and 15 per cent of the rest, with a maximum of EUR 9 015.18. In subsequent years: 20 per cent and 15 per cent, respectively.
- *Gifts:* 10 per cent of the amounts donated to foundations and associations declared of public benefit. 20 per cent if these amounts are donated to some special legally approved foundations and associations.
- *Investments and expenses related to goods of cultural interest:* 15 per cent of the amounts granted to the acquisition, restoration, exhibition, etc. of certain goods listed in the General Registrar of Goods of Cultural Interest.

The last two amounts shall not exceed 10 per cent of taxable income.

1.13. Tax schedule

General rates of tax – resident individuals.

Taxable income (EUR)	Tax at the lower limit (EUR)	Tax rate on taxable income in excess of the lower limit (%)
0.00-3 678.19	0.00	15.00
3 678.19-12 873.68	551.73	20.17
12 873.68-25 134.33	2 406.46	23.57
25 134.33-40 460.13	5 296.30	31.48
40 460.13-67 433.56	10 120.86	38.07
Over 67 433.56	20 289.64	39.60

1.2. State and local income taxes

Regional rates of tax – resident individuals.

Taxable income (EUR)	Tax at the lower limit (EUR)	Tax rate on taxable income in excess of the lower limit (%)
0.00-3 678.19	0.00	3.00
3 678.19-12 873.68	110.35	3.83
12 873.68-25 134.33	462.54	4.73
25 134.33-40 460.13	1 042.47	5.72
40 460.13-67 433.56	1 919.11	6.93
Over 67 433.56	3 788.37	8.40

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

Social Security contributions are assessed on the basis of employees' gross earnings taking into account certain ceilings of gross employment income. In 2002, these ceilings are:

- Lower ceiling: EUR 6 192.
- Upper ceiling: EUR 30 898.8.

These ceilings are based on a full-time job. For part-time workers, ceilings are proportional to the real hours worked.

2.1. Employees' contributions

- Old age pension/sickness and disability 4.7 per cent.
- Unemployment 1.55 per cent.
- Professional Training 0.1 per cent.

2.2. Employers' contributions

- Old age pension/sickness and disability 23.6 per cent.
- Unemployment/Work injuries 6.0 per cent.
- Wages fund 0.4 per cent.
- Professional Training 0.6 per cent.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

Up to EUR 291 per child for taxpayers with annual gross earnings below EUR 9 138 in 2000, based on the assumptions made for the APW family-type (two children).

4. Main Changes in Tax/Benefit Systems in 2002

None.

5. Memorandum Items

5.1. Identification of an APW and calculation of earnings

See the definition of the APW earnings for 2002 at the beginning of this chapter.

2002 Parameter values

APW earnings	Ave_earn	16 219		
Work related allowance	Wr_rate	0.1923		
	wr_lim_max	12 020.24		
	wr_lim_min	8 113.66		
	wr_lim_min_1	8 113.67		
	wr_allow_max	3 005.06		
	wr_allow_min	2 253.8		
Basic Allowance	bas_allow_sing	3 305.57		
	bas_allow_fam1	6 611.13		
	bas_allow_fam2	5 409.11		
Dependent children	dep_child	1 352.27		
	tax_sch_sg	0	0	15.00%
		3 678.19	551.73	20.17%
		12 873.68	2 406.46	23.57%
		25 134.33	5 296.3	31.48%
		40 460.13	10 120.86	38.07%
		67 433.56	20 389.64	39.60%
	tax_sch_sa	0	0	3.00%
		3 678.19	110.35	3.83%
		12 873.68	462.54	4.73%
		25 134.33	1 042.47	5.72%
		40 460.13	1 919.11	6.93%
		67 433.56	3 788.37	8.40%
Social security contributions	pension_rate	0.047		
– unemployment	unemp_rate	0.0155		
– other	oth_rate	0.001		
Employer	pension_empr	0.236		
– unemployment	unemp_empr	0.06		
– other	oth_empr	0.01		
Social security contributions at the level of an APW	min_lim	0		
	top_lim	30 898.8		

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn	B	for individual taxation: $\text{earn} = \text{earn_princ}$, or earn=earn_sp for joint (family) taxation: $\text{earn} = \text{earn_princ} + \text{earn_sp}$
2. Allowances:	tax_allow	B,J	$(\text{earn_princ} + \text{earn_sp}) - \text{tax_inc}$
Basic, individual	basic_ind	B	$\text{IF}(\text{earn} = 0, 0, \text{bas_allow_sing})$
Basic, family	basic_fam	J	$\text{IF}(\text{AND}(\text{Married} = 0, \text{Children} = 0), 0, \text{IF}(\text{AND}(\text{Married} = 0, \text{Children} > 0), \text{bas_allow_fam2}, \text{bas_allow_fam1}))$
Work related, individual	work_ind	B	$\text{IF}(\text{earn} - \text{SSC} \leq \text{wr_lim_min}, \text{wr_allow_max}, \text{IF}(\text{earn} - \text{SSC} \leq \text{wr_lim_max}, \text{wr_allow_max} - \text{wr_rate} * ((\text{earn} - \text{SSC}) - (\text{wr_lim_min} + 1)), \text{wr_allow_min}))$
Work related, family	work_fam	J	$\text{IF}(\text{AND}(\text{earn_sp} = 0, \text{Married} = 0, \text{Children} = 0), 0, \text{IF}(\text{earn_total} - \text{SSC_fam} \leq \text{wr_lim_min}, \text{wr_allow_max}, \text{IF}(\text{earn_total} - \text{SSC_fam} \leq \text{wr_lim_max}, \text{wr_allow_max} - \text{wr_rate} * ((\text{earn_total} - \text{SSC_fam}) - (\text{wr_lim_min} + 1)), \text{wr_allow_min})))$
Child, individual	child_ind	P	$\text{IF}(\text{earn_sp} = 0, \text{dep_child} * \text{Children}, \text{dep_child} / 2 * \text{Children})$
Child, family	child_fam	J	$\text{IF}(\text{earn_sp} = 0, 0, \text{dep_child} / 2 * \text{Children})$ $\text{IF}(\text{earn_sp} = 0, \text{dep_child} * \text{Children}, \text{dep_child} / 2 * \text{Children})$
3. Credits in taxable income	taxbl_cr	B, J	0
4. CG taxable income	tax_inc	B, J	$\text{IF}(\text{AND}(\text{Married} = 0, \text{Children} = 0), \text{tax_inc_princ}, \text{MINA}(\text{tax_inc_princ} + \text{tax_inc_sp}, \text{tax_inc_fam}))$
	tax_inc_ind	B	$\text{Positive}(\text{earn} - (\text{basic_ind} + \text{work_ind} + \text{child_ind} + \text{SSC}))$
	tax_inc_fam	J	$\text{IF}(\text{AND}(\text{Married} = 0, \text{Children} = 0), \text{Positive}(\text{earn} - (\text{basic_fam} + \text{work_fam} + \text{child_fam} + \text{SSC_princ} + \text{SSC_sp})))$
	liable_sing_1	P	$\text{Tax}(\text{tax_inc_princ}, \text{TAX_SCH_S})$
	liable_sing_2	S	$\text{Tax}(\text{tax_inc_spouse}, \text{TAX_SCH_S})$
	liable_joint	J	$\text{Tax}(\text{tax_inc_total}, \text{TAX_SCH_F})$
5. CG tax before credits	CG_tax_ind_ex	B	$\text{MAXA}(0, \text{VLOOKUP}(\text{tax_inc_ind}, \text{tax_sch_sg}, 2) + (\text{tax_inc_ind} - \text{VLOOKUP}(\text{tax_inc_ind}, \text{tax_sch_sg}, 1)) * \text{VLOOKUP}(\text{tax_inc_ind}, \text{tax_sch_sg}, 3))$
	CG_tax_fam_ex	J	$\text{MAXA}(0, \text{VLOOKUP}(\text{tax_inc_fam}, \text{tax_sch_sg}, 2) + (\text{tax_inc_fam} - \text{VLOOKUP}(\text{tax_inc_fam}, \text{tax_sch_sg}, 1)) * \text{VLOOKUP}(\text{tax_inc_fam}, \text{tax_sch_sg}, 3))$
6. Tax credits :	tax_cr	B,J	0
7. CG tax	CG_tax_ind	B	CG_tax_ind_ex
	CG_tax_fam	J	CG_tax_fam_ex
8. State and local taxes	local_tax_ind	B	$\text{MAXA}(0, \text{VLOOKUP}(\text{tax_inc_ind}, \text{tax_sch_sa}, 2) + (\text{tax_inc_ind} - \text{VLOOKUP}(\text{tax_inc_ind}, \text{tax_sch_sa}, 1)) * \text{VLOOKUP}(\text{tax_inc_ind}, \text{tax_sch_sa}, 3))$
	local_tax_fam	J	$\text{MAXA}(0, \text{VLOOKUP}(\text{tax_inc_fam}, \text{tax_sch_sa}, 2) + (\text{tax_inc_fam} - \text{VLOOKUP}(\text{tax_inc_fam}, \text{tax_sch_sa}, 1)) * \text{VLOOKUP}(\text{tax_inc_fam}, \text{tax_sch_sa}, 3))$
9. Employees' soc security	SSC	B	$\text{IF}(\text{AND}(\text{earn} > 0, \text{earn} \leq \text{min_lim}), \text{min_lim} * (\text{pension_rate} + \text{unemp_rate} + \text{oth_rate}),$ $\text{IF}(\text{earn} \geq \text{top_lim}, \text{top_lim} * (\text{pension_rate} + \text{unemp_rate} + \text{oth_rate}), \text{earn} * (\text{pension_rate} + \text{unemp_rate} + \text{oth_rate})))$
	SSC_fam	J	$\text{SSC_princ} + \text{SSC_sp}$
11. Cash transfers	cash_trans	J	0
13. Employer's soc security	SSC_empr	B	$\text{IF}(\text{AND}(\text{earn} > 0, \text{earn} \leq \text{min_lim}), \text{min_lim} * (\text{pension_empr} + \text{unemp_empr} + \text{oth_umpr}),$ $\text{IF}(\text{earn} \geq \text{top_lim}, \text{top_lim} * (\text{pension_empr} + \text{unemp_empr} + \text{oth_empr}),$ $\text{earn} * (\text{pension_empr} + \text{unemp_empr} + \text{oth_empr})))$

SWEDEN – SUÈDE

The national currency is the Swedish kroner (SEK). In 2002, SEK 9.929 was equal to USD 1 (average of nine months daily exchange rates). In that year, the average production worker earned SEK 241 766 (Secretariat estimate).

1. Personal Income Tax Systems

1.1. Central government income taxes

1.11. Tax unit

Spouses are taxed separately.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

- *Basic reliefs*: A basic allowance is given for central government taxation. The allowance is given for the central government tax and varies between SEK 11 200 and SEK 20 900, depending on income. For an APW this basic allowance is SEK 11 200.
- *Marital status reliefs*: None.
- *Relief(s) for children*: None.
- *Reliefs for social security contributions and other taxes*: An allowance of 75 per cent of the social security contribution paid by the employee is granted.
- *Work-related expenses*: None.
- *Other*: None.

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest on qualifying loans*: Interest payments are offset against capital income. The resulting net capital income is the tax base. A tax credit is given in the case of negative capital income.
- *Contributions to pensions, life insurance, superannuation schemes*: For an APW a deduction of maximum SEK 18 950 can be claimed for premiums paid to private pension arrangements. For higher income groups the deduction is limited to SEK 37 900.
- *Medical expenses*: None.
- *Other*: allowances are given for:
 - the amount of commuting expenses exceeding SEK 7 000;
 - other types of work-related expenses exceeding SEK 1 000. Examples are costs of tools, work-related phone calls on private telephone;
 - increased living expenses while on business trips, *e.g.* such as use of private car if costs are not reimbursed by the employer;
 - double housing expenses due to *temporary* work at other geographical locations (too far from home for commuting), or if the family for some reason can not move, even if the job is of a *permanent* nature.

1.13. Tax schedule

Taxable Income (SEK)	Rate %
0-273 800	0
273 800-414 200	20
Over 414 200	25

1.14. Tax credits

A tax credit of 1320 SEK is granted if the taxable income does not exceed 135 000 SEK. Above this the tax level the credit is reduced by 1.2 per cent of taxable income over 135 000 SEK. For pensioners the tax credit is non-wastable.

A tax credit equal to 75 per cent of the compulsory social security contributions paid by the employee is granted.

A tax credit equal to 25 per cent of the trade union due and 40 per cent of the unemployment insurance fee is granted.

1.2. Local government income taxes

1.21. General description of the systems

Sweden has both a central government and a local government personal income tax. They are completely co-ordinated in the assessment process and refer to the same period, *i.e.* the income year coincides with the calendar year.

1.22. Tax base

The tax base is the same as for central government income tax. The basic allowance for local government tax varies between SEK 11 200 and SEK 20 900, depending on income. For an APW this basic allowance amounts to SEK 11 200.

1.23. Tax rates

The local government personal income tax is proportional and differs between municipalities. The average rate amounted to 30.52 per cent in 2002, with the maximum and minimum rates being 33.3 per cent and 27.5 per cent, respectively. Besides the proportional tax every individual also has to pay a lump sum tax of SEK 200.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

A general pension contribution of 7 per cent of personal income is paid by employees and self-employed. The contribution cannot exceed SEK 21 900 and the tax credit is maximized to SEK 16 400.

2.2. Employers' contributions

Contributions from the employer are calculated as a percentage of the total sum of salaries and benefits for a year. For self-employed the base is net business income. The rates for 2002 are listed below.

Programme	Employer (%)	Self-employed (%)
Retirement pension	10.21	10.21
Survivor's pension	1.70	1.70
Parental insurance	2.20	2.20
Health insurance	8.80	9.53
Labour market	5.84	3.30
Occupational health	1.38	1.38
General wage tax	2.69	2.69
Total	32.82	31.01

A general discount applies both for employers and self-employed. The discount amounts to 5 per cent of the base and cannot exceed SEK 42 600. The social security contributions are not applicable for employees or self-employed aged 65 or more. For the latter a special wage tax, which amounts to 24.26 per cent, is applicable.

3. Universal Cash Transfers

3.1. *Transfers related to marital status*

None.

3.2. *Transfers for dependent children*

The transfers are tax exempt and independent of the parent's income. The transfers for each child are as follows:

First child	11 400
Second child	11 400
Third child	14 448
Fourth child	20 520
Fifth and subsequent child	22 800

4. Main Changes in Tax/Benefit Systems since 1998

A tax credit of SEK 1 320 was introduced for low- and average income earners in 1999. The credit is reduced by 1.2 per cent of taxable income above SEK 135 000.

A tax credit of 25 per cent of the social security contribution paid by employees and self-employed was introduced in 2000. The tax credit for 2002 amounts to 75 per cent.

The central government income tax bracket is indexed with the consumer price index plus 2 per cent. In order to reduce the number of people paying the central income tax there have been additional increases of the tax bracket since 2000.

Child allowance was raised by SEK 1200 in 2000.

The basic relief has been increased both in 2001 and 2002.

Unemployment benefit was raised in 2001 by SEK 100 to SEK 680 per day.

5. Memorandum Items

5.1. *Identification of an APW and calculation of earnings*

Basic data for gross earnings are taken from the series *Official Statistics of Sweden*, published by Statistics Sweden. The wage series used is that of adult production workers in manufacturing. The calculation is based upon total average hourly earnings in the second quarter of the calendar year. To arrive at the annual wage average hourly earnings have been multiplied by the normal amount of hours worked during the year. The figures are representative for the country as a whole.

5.2. *Employer contributions to private health, pension, etc. schemes*

There are a handful of widespread private social security-type schemes. The employers' contributions to these systems equaled 5 per cent of wage earnings in 2002. This figure is taken from the official statistics of labour costs in manufacturing prepared by Statistics Sweden.

2002 Parameter values

APW-wage	Ave_earn	241 766	
Central income tax	tax_rate	0.2	
	tax_rate2	0.05	
	tax_thrsh	273 800	
	tax_thrsh2	414 200	
Basic Allowance	gr1	1.86	
	gr2	2.89	
	gr3	3.04	
	gr4	5.615	
	gp1	0.293	
	gp2	0.25	
	gp3	0.1	
Local income tax	central	1	
	soc. security amount	basic_amt	37 900
		basic_ant	38 700
		local_rate	0.3052
		min_taxl	200
Soc security contrib	SSC_rate	0.07	
	employer	SSC_empr	0.3282
	rounding	SSCR	49
	ceiling	SSCC	8.07
Child benefit	CB	11 400	
Tax credits	TC1	1 320	
	TC1gr1	135 000	
	TC1gp1	0.012	
	TC2gp1	0.75	
	PRT	0.0269	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation	
1. Earnings	earn			
2. Allowances:	basic_al	B	central*MINA(TRUNC(MAXA(gp_1*basic_amt,(gp_1+gp_2*(gr_2-gr_1))*basic_amt-gp_2*MAXA(gr_2*basic_amt-TRUNC(earn,-2),0))-gp_3*MAXA(TRUNC(earn,-2)-gr_3*basic_amt,0)),-2),earn)	
Total	tax_al	B	basic_al+SSC	
3. Credits in taxable income	taxbl_cr	B	0	
4. CG taxable income	tax_inc	B	Positive(earn-basic_al-(SSC-tax_cr2))	
5. CG tax before credits	CG_tax_excl	B	tax_rate*Positive(tax_inc-tax_thrsh)+ tax_rate2*Positive(tax_inc-tax_thrsh2)	
6. Tax credits :	tax_cr1	B	IF(earn<TC1gr1,TC1,MAXA(ROUND(TC1-TC1gp1*(earn-TC1gr1),0),0))	
	tax_cr2		TRUNC(TC2gp1*SSC,-2)	
	tax_cr	B	tax_cr1+tax_cr2	
7. CG tax	CG_tax	B	CG_tax_excl-MINA(earn*local_rate,tax_cr1)-tax_cr2	
8. State and local taxes	Allowances	B	basic_al + SSC	
	Local tax	local_allce	P	TRUNC(local_rate*Positive(TRUNC(earn,-2)-(local_allce-tax_cr2)),0) +min_taxl
		local_tax	S	TRUNC(local_rate*Positive(TRUNC(earn,-2)-(local_allce-tax_cr2)),0)
9. Employees' soc security	SSC	B	MINA(TRUNC((TRUNC(earn,-2)*SSC_rate+SSCR),-2), TRUNC((SSCC*basic_ant*SSC_rate+SSCR),-2))	
11. Cash transfers	cash_trans	J	Children*CB	
13. Employer's soc security	SSC_empr	B	TRUNC(earn*SSC_empr)	

SWITZERLAND – SUISSE

La monnaie nationale est le Franc suisse (CHF). En 2002, CHF 1.5870 étaient égal à USD 1 (moyenne journalière des taux de change sur neuf mois). Cette année là, un ouvrier moyen gagnait CHF 64 231 (estimation du Secrétariat).

Les impôts cantonaux et communaux sur le revenu sont très importants par rapport à l'impôt fédéral direct (IFD). On a retenu ici, à titre d'exemple du régime d'imposition des 26 cantons, celui qui est pratiqué dans le canton de Zurich. L'impôt local sur le revenu n'est pas déductible pour le calcul de l'impôt fédéral sur le revenu.

1. Systèmes d'imposition sur le revenu

1.1. *Impôt sur le revenu perçu par l'administration fédérale (Confédération)*

1.11. *Unité fiscale*

Les revenus des époux qui vivent en ménage commun s'additionnent quel que soit le régime matrimonial. Les revenus non salariaux des enfants sous autorité parentale sont ajoutés à ceux du détenteur de cette autorité. Les revenus salariaux des enfants sont imposés séparément ou sont parfois exonérés d'impôt, par exemple à Zurich.

1.12. *Allègements fiscaux et crédits d'impôts*

1.121. Allègements forfaitaires pour l'imposition postnumerando

- *Abattement à la base*
 - L'IFD ne connaît pas d'abattement à la base.
- *Abattement pour enfants*
 - Un montant de 5 600 CHF est déduit pour chaque enfant âgé de moins de 18 ans ; cet abattement est également accordé pour les enfants plus âgés lorsqu'ils font un apprentissage ou des études.
- *Abattements au titre des cotisations sociales et autres impôts*
 - Les cotisations de l'assurance vieillesse et invalidité (5.05 pour cent du revenu salarial brut) et de l'assurance chômage (1.5 pour cent du revenu jusqu'à 106 800 CHF avec un maximum de 1 602 CHF et de 1 pour cent de plus de 106 800 CHF à 267 000 CHF avec un maximum de 1 602 CHF) sont entièrement déductibles. Les cotisations obligatoires à la caisse de pension sont entièrement déductibles. Les cotisations à des assurances maladie et assurances sur la vie sont déductibles à concurrence de 3 000 CHF pour les personnes mariées et de 1 500 CHF pour les personnes veuves, divorcées et célibataires. Ces montants augmentent de 700 CHF pour chaque enfant à charge.

- *Frais professionnels*

- Un abattement correspondant à 3 pour cent du revenu net (revenu brut moins les cotisations versées à l'assurance vieillesse et invalidité, à l'assurance chômage et à la prévoyance professionnelle) est accordé. Il se monte au minimum à 1 900 CHF et au maximum à 3 800 CHF.

1.122. Principaux allègements non forfaitaires applicables à un ouvrier moyen

- *Intérêts des emprunts éligibles :*

- C'est le principal allègement non forfaitaire applicable à un ouvrier moyen. Il est alloué pour toute sorte d'emprunts.

- *Dépenses médicales :*

- Les frais provoqués par la maladie, les accidents ou l'invalidité, du contribuable ou d'une personne à sa charge, sont déductibles lorsque le contribuable supporte lui-même ces frais et que ceux-ci excèdent 5 pour cent du revenu net.

1.13. Base d'imposition

Du revenu brut, sont déductibles	Personne célibataire (CHF)	Personne mariée, 2 enfants (CHF)
Dépenses professionnelles ¹	1 900-3 800	1 900-3 800
Abattement personnel	–	–
Abattement pour 2 enfants à charge	–	11 200
Cotisations sociales		
– Assurance vieillesse	5.05 %	5.05 %
– Assurance chômage	1.5 % ²	1.5 % ²
– Caisse de pension	5 %	5 %
Déductions pour primes d'assurances maladie et intérêts de capitaux, au maximum ³	1 500 plus 700 par enfant	3 000 plus 700 par enfant
Déduction pour couple à deux revenus		7 000

1. 3 pour cent du revenu net, minimum 1 800 CHF, maximum 3 800 CHF.

2. 1.5 pour cent du revenu jusqu'à 106 800 CHF et de 0.5 pour cent de plus de 106 800 CHF à 267 000 CHF.

3. Vu qu'il s'agit d'une déduction maximum et qu'il faut justifier les primes effectivement versées, on se base sur des montants calculés en pour cent du revenu brut, à savoir :

- personnes vivant seules 3.6 pour cent min. 1 080 CHF, max. 1 500 CHF ;
- familles monoparentales 5.1 pour cent min. 1 500 CHF, max. 2 400 CHF ;
- couples mariés, sans enfant 7.2 pour cent min. 1 710 CHF, max. 3 000 CHF ;
- couples mariés avec deux enfants 7.2 pour cent min. 2 140 CHF, max. 4 400 CHF.

1.14. Barème d'imposition postnumerando

1.141. Taux pour les personnes vivant seules

Revenu imposable (CHF) ¹	Montant de base (CHF)	Plus % de la partie qui dépasse (CHF)	
Jusqu'à 16 100	–	–	–
16 100 à 27 900	25.40	0.77	16 100
27 900 à 36 500	116.25	0.88	27 900
36 500 à 48 600	191.90	2.64	36 500
48 600 à 63 800	511.35	2.97	48 600
63 800 à 68 800	962.70	5.94	63 800
68 800 à 91 100	1 259.70	6.60	68 800
91 100 à 118 400	2 731.50	8.80	91 100
118 400 à 154 700	5 133.90	11.00	118 400
154 700 à 664 300	9 126.90	13.20	154 700
664 400	76 406.00	–	–
Plus de 664 400	–	11.5 du revenu total	

1. Les fractions inférieures à 100 CHF sont négligées.

1.142. Taux pour les époux vivant en ménage commun et les contribuables veufs, séparés, divorcés ou célibataires qui tiennent ménage commun avec leurs propres enfants

Revenu imposable (CHF) ¹	Montant de base (CHF)	Plus % de la partie qui dépasse (CHF)	
Jusqu'à 27 400	–	–	–
27 400 à 44 700	25	1	27 400
44 700 à 51 300	198	2	44 700
51 300 à 66 200	330	3	51 300
66 200 à 79 400	777	4	66 200
79 400 à 91 000	1 305	5	79 400
91 000 à 101 000	1 885	6	91 000
101 000 à 109 300	2 485	7	101 000
109 300 à 115 900	3 066	8	109 300
115 900 à 120 900	3 594	9	115 900
120 900 à 124 300	4 044	10	120 900
124 300 à 126 000	4 384	11	124 300
126 000 à 127 700	4 571	12	126 000
127 700 à 788 400	4 775	13	127 700
788 400	90 666	–	–
plus de 788 400	–	11.5 du revenu total	

1. Les fractions inférieures à 100 CHF sont négligées.

1.2. Impôts des collectivités décentralisées (Canton et commune de Zurich)

1.21. Description générale du système

Le système des impôts cantonaux et communaux a les mêmes caractéristiques que le système de l'impôt fédéral direct.

La base d'imposition est constituée par les revenus provenant de toutes les sources. Des abattements sont prévus pour les intérêts des dettes et les cotisations de sécurité sociale ainsi que pour les dépenses médicales.

Une fois fixé le montant simple de l'impôt, le canton, la commune et la paroisse lèvent leur impôt en appliquant un multiple qui peut d'ailleurs varier annuellement. En 2001, par exemple, le canton applique un multiple de 1.05 ; la commune de Zurich 1.22 et la paroisse réformée 0.10. Le montant simple de l'impôt est donc multiplié par un total de 2.37. Toutefois, suite à la décision de ne plus tenir compte de l'impôt paroissial dans les « Statistiques des recettes publiques », on n'en tient pas compte dans les calculs des Impôts sur les salaires. Le montant simple de l'impôt est donc multiplié par un total de 2.27.

1.22. Base d'imposition

Du revenu brut, sont déductibles	Personne célibataire (CHF)	Personne mariée, 2 enfants (CHF)
Dépenses professionnelles ¹	1 900-3 800	1 900-3 800
Abattement personnel	–	–
Abattement pour 2 enfants à charge	–	10 800
Cotisations sociales		
– Assurance vieillesse	5.05 %	5.05 %
– Assurance chômage	1.5 % ²	1.5 % ²
– Caisse de pension	5 %	5 %
Déductions pour primes d'assurances maladie et intérêts de capitaux, au maximum ³	2 300 plus 700 par enfant	4 600 plus 700 par enfant
Déduction pour couple à deux revenus		5 200

1. 3 pour cent du revenu net, minimum 1 800 CHF, maximum 3 800 CHF.

2. 1.5 pour cent du revenu jusqu'à 106 800 CHF et de 0.5 pour cent de plus de 106 800 CHF à 267 000 CHF.

3. Vu qu'il s'agit d'une déduction maximum et qu'il faut justifier les primes effectivement versées, on se base sur des montants calculés en pour cent du revenu brut, à savoir :

- personnes vivant seules 3.6 pour cent min. 1 080 CHF, max. 2 300 CHF ;
- familles monoparentales 5.1 pour cent min. 1 500 CHF, max. 3 700 CHF ;
- couples mariés, sans enfant 5.7 pour cent min. 1 710 CHF, max. 4 600 CHF ;
- couples mariés avec deux enfants 7.2 pour cent min. 2 140 CHF, max. 6 000 CHF.

1.23. Taux d'imposition *postnumerando***Impôt cantonal sur le revenu (Zurich)**

a) Taux simples de l'impôt sur le revenu pour les personnes mariées, divorcées, veuves ou célibataires vivant en ménage commun avec des enfants :

Revenu imposable (CHF) ¹	Montant de base (CHF)	Plus % de la partie qui dépasse (CHF)	
Jusqu'à 11 000	–	0	–
11 000 à 16 400	–	2	11 000
16 400 à 23 200	108	3	16 400
23 200 à 31 400	312	4	23 200
31 400 à 40 900	640	5	31 400
40 900 à 53 100	1 115	6	40 900
53 100 à 80 300	1 847	7	53 100
80 300 à 107 500	3 751	8	80 300
107 500 à 148 300	5 927	9	107 500
148 300 à 197 200	9 599	10	148 300
197 200 à 250 200	14 489	11	197 200
250 200 à 311 400	20 319	12	250 200
plus de 311 400	27 663	13	311 400

b) Taux simples de l'impôt sur le revenu pour les autres contribuables (célibataires sans enfants).

Revenu imposable (CHF) ^{TABNOTE}	Montant de base (CHF)	Plus % de la partie qui dépasse (CHF)	
Jusqu'à 5 500	–	0	–
5 500 à 9 600	–	2	5 500
9 600 à 13 700	82	3	9 600
13 700 à 20 400	205	4	13 700
20 400 à 28 600	473	5	20 400
28 600 à 38 100	883	6	28 600
38 100 à 49 000	1 453	7	38 100
49 000 à 63 900	2 216	8	49 000
63 900 à 92 500	3 408	9	63 900
92 500 à 121 000	5 982	10	92 500
121 000 à 165 900	8 832	11	121 000
165 900 à 224 300	13 771	12	165 900
plus de 224 300	20 779	13	224 300

1. Les fractions inférieures à 100 CHF sont négligées.

c) Multiple annuel en pourcentage des taux légaux simples :

Canton de Zurich	105
Commune de Zurich	122
Impôt paroissial	
Catholique romain	12 (p.m.)
Réformé	10 (p.m.)

Est ajouté un impôt personnel de 24 CHF.

1.24. Taux d'imposition *retenu pour cette étude*

Pour cette étude ont été retenus les taux d'imposition de l'administration fédérale, des administrations cantonale et communale, et de la paroisse réformée de Zurich.

2. Cotisations sociales obligatoires versées à des régimes de caractère public**2.1. Cotisation des salariés**2.11. *Retraite*

- 5.05 pour cent du revenu brut pour l'assurance vieillesse.
- 5 pour cent du revenu brut pour la caisse de pension.

2.12. *Maladie*

–

2.13. *Chômage*

1.5 pour cent du revenu jusqu'à 106 800 CHF avec un maximum de 1 602 CHF et de 1 pour cent de plus de 106 800 CHF à 267 000 CHF avec un maximum de 1 602 CHF.

2.14. *Accidents de travail*

–

2.15. *Allocations familiales*

–

2.16. *Autres*

–

2.2. Cotisations patronales

2.21. *Retraite*

- 5.05 pour cent du revenu brut pour l'assurance vieillesse.
- 5 pour cent du revenu brut pour la pension.

2.22. *Maladie*

–

2.23. *Chômage*

1.5 pour cent du revenu jusqu'à 106 800 CHF avec un maximum de 1 602 CHF et de 1 pour cent de plus de 106 800 CHF à 267 000 CHF avec un maximum de 1 602 CHF.

2.24. *Accidents de travail*

–

2.25. *Allocations familiales*

L'employeur verse une prestation au titre des enfants à charge. La prestation de la Confédération s'élève à 2 576 CHF par enfant et par an. Voir sous rubrique 2.25. Elle est imposable avec les autres éléments du revenu.

2.26. *Autres*

–

3. Prestations sociales d'application générale

3.1. Prestations liées à l'état matrimonial

380 Des prestations à ce titre ne sont pas versées.

3.2. Prestations au titre d'enfants à charge

L'employeur verse une prestation au titre des enfants à charge. La prestation de la Confédération s'élève à 2 576 CHF par enfant et par an. Voir sous rubrique 2.25 . Elle est imposable avec les autres éléments du revenu.

4. Principales modifications apportées au système fiscal et au régime des prestations sociales depuis 1998

Le 1^{er} janvier 1999, le canton de Zurich a passé de l'imposition *praenumerando* bisannuelle à l'imposition *postnumerando* annuelle sur le revenu acquis pour les personnes physiques. Il en résulte que l'impôt fédéral direct se base aussi sur l'imposition *postnumerando* annuelle.

5. Rubrique pour mémoire

5.1. Identification de l'ouvrier moyen

Il s'agit des ouvriers masculins et féminins dans l'industrie, les arts et métiers. Le revenu indiqué est la moyenne des revenus des ouvriers du même secteur. L'extension géographique porte sur l'ensemble du pays, tandis que le montant de l'impôt est calculé pour le canton et la commune de Zurich.

5.2. Méthode de calcul utilisée

- Allocations chômage : non comprises.
- Indemnités maladie : non comprises.
- Indemnités congés payés : comprises.
- Heures supplémentaires : comprises.
- Primes périodiques en espèces : comprises.
- Avantages accessoires : non compris.
- Méthode de base utilisée pour le calcul : le salaire mensuel est multiplié par 12.
- Terme de la période annuelle d'imposition du revenu : 31 décembre.
- Période de référence utilisée pour le calcul de salaire : du 1^{er} janvier au 31 décembre de l'année.

2002 Parameter values

APW earnings	Ave_earn	64 231				
Tax allowances	Child_al	5 600				
Partner income min	partner_min	7 000				
Partner income max	partner_max	7 000				
Partner income local	partner_local	5 200				
Single parent	sing_par_al	0				
Workrelated	work_exp	0.03	work_exp_min	11 900	work_exp_max	3 800
Allowances for local tax	local_basic	0				
	local_child	5 400				
Federal tax	IFD_min_s	25.4				
Single	IFD_sch_s	0	16 100			
		0.0077	27 900			
		0.0088	36 500			
		0.0264	48 600			
		0.0297	63 800			
		0.0594	68 800			
		0.066	91 100			
		0.088	118 400			
		0.11	154 700			
		0.132	664 400			
		0.115				
Married	IFD_min_m	25				
	IFD_sch_m	0	27 400			
		0.01	44 700			
		0.02	51 300			
		0.03	66 200			
		0.04	79 400			
		0.05	91 000			
		0.06	101 000			
		0.07	109 300			
		0.08	115 900			
		0.09	120 900			
		0.1	124 300			
		0.11	126 000			
		0.12	127 700			
		0.13	788 400			
		0.115				
Cantonal tax	Zurich_min	24				
Single	Zurich_sch_s	0	5 500			
		0.02	9 600			
		0.03	13 700			
		0.04	20 400			
		0.05	28 600			
		0.06	38 100			
		0.07	49 000			
		0.08	63 900			
		0.09	92 500			
		0.1	121 000			
		0.11	165 900			
		0.12	224 300			
		0.13				
Married	Zurich_sch_m	0	11 000			
		0.02	16 400			
		0.03	23 200			
		0.04	31 400			
		0.05	40 900			
		0.06	53 100			
		0.07	80 300			
		0.08	107 500			
		0.09	148 300			
		0.1	197 200			
		0.11	250 200			
		0.12	311 400			
		0.13				
Social security contributions old_age		0.05				
Pension	pension_rate	0.0505				

2002 Parameter values (cont.)

Unemployment	unemp_rate	0.015
	unemp_rate2	0.01
income ceiling	unemp_ciel	106 800
	unemp_ciel2	267 000
Other insurance	other_rate	0.036
	child_rate	0.072
	single_rate	0.051
	married_rate	0.057
Federal deductible limit	fed_dedn	1 500
deductible extra for child	fed_dedn_c	700
Cantonal deductible limit	local_dedn	2 300
deductible extra for child	local_dedn_c	700
Child cash transfer	child_ben	2 576

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	partner_al	J	MAX(MIN(0.2*earn_spouse,partner_max),partner_min)*(earn_spouse>0)
Children	children_al	J	Children*Child_al+
Soc sec contributions	SSC_al	B	(Children>0)*(Married=0)*sing_par_al pension_rate*earn+IF(earn<=unemp_ciel,earn*unemp_rate,IF(earn<=unemp_ciel2,unemp_ciel*unemp_rate+(earn-unemp_ciel)*unemp_rate2,unemp_ciel*unemp_rate+unemp_ciel2*unemp_rate2)) +old_age*earn
Work related	work_al	B	MAX(work_exp_min,MIN(work_exp_max,work_exp*(earn-SSC_al)))
Other	oth_al	J	MIN((1+Married)*other_rate*earn_total,(1+Married)*fed_dedn+Children*fed_dedn_c)
Total	tax_al	J	partner_al+children_al+SSC_al+work_al+oth_al
3. Credits in taxable income	taxbl_cr	J	Cash_tran
4. CG taxable income	tax_inc	J	positive(earn-tax_al+taxbl_cr)
5. CG tax before credits	CG_tax_excl	J	IF(Married,IFD_min_m+Tax(tax_inc,IFD_sch_m),IFD_min_s+Tax(tax_inc,IFD_sch_s))
6. Tax credits :	tax_cr	J	0
7. CG tax	CG_tax	J	CG_tax_excl
8. State and local taxes	local_tax_inc	J	earn_total+ taxbl_cr-local_basic*(1+Married)-Children*local_child-work_al-SSC-earn*old_ageMIN(IF(Married=0,IF(Children>0,single_rate,other_rate)*earn,IF(Children>0,child_rate,married_rate)*earn,IF(Married=0,IF(Children>0,3700,2300),IF(Children>0,6000,4600)))-(Married>0)*partner_local
	local_tax		Tax(local_tax_inc,IF((Married+Children)>0,Zurich_sch_m,Zurich_sch_s))*(1.05+1.22)+Zurich_min
9. Employees' soc security	SSC	B	(old_age+pension_rate)*earn+unemp_rate*(MIN(earn,unemp_ciel))
11. Cash transfers	Cash_tran	J	Children*child_ben
13. Employer's soc security	SSC_empr	B	SSC

TURKEY – TURQUIE

The national currency is the lira (TRL). In 2002, TRL 1 478 153 was equal to USD 1 (estimated average of nine months daily exchange rates). In that year, the average production worker earned TRL 9 938 274 440 (country estimate).

1. Personal Income Tax Systems

1.1. Central government income tax

1.11. Tax unit

Spouses are taxed separately on earned income. This applies since 1 January 1999.

1.12. Tax allowances and tax credits

Income tax is levied on the net value of wage and salary. The net value of wage and salary is calculated by making the following deductions from the total cash payments made and fringe benefits given by the employer:

- Legal deductions for public institutions such as OYAK (Social Aid Institution for Military Officers).
- Contributions to social security organisations and premiums for social insurance (provided that the organisation or the institution are resident in Turkey).
- Premiums paid by the wage-earner for himself (or herself) and his (or her) spouse and dependent children for personal insurance covering, death, accident, illness, disablement, maternity, birth and education, provided that the insurance is contracted with a company established in or with a main office in Turkey and provided that the premiums or contributions do not exceed the amount normally calculated as a contribution of wage-earners to legally established social security organisations on a monthly basis.

After calculating the net value of the wage and salary, the deductions mentioned below are made to obtain taxable income.

1.121. Standard reliefs:

- *Basic reliefs:* In general, taxpayer's income of TRL 1 million a day, TRL 30 million a month or TRL 360 000 000 a year is deductible from gross income as a basic allowance.
- *Reliefs for disabled:* Disabled allowance is added to the basic allowance for disabled workers: eight times as much as basic relief for first degree disabled workers, four times for second degree disabled workers and two times for third degree disabled workers.
- *Reliefs for social security contributions:* Employees' social security contributions are deductible from gross income. This contribution is 15 per cent of gross income as stated by the social insurance act. The contribution to the unemployment fund is deductible from gross income and amounts to 1 per cent of gross income. It is applied after 01.06.2000.
- *Work-related expenses:* None.

1.122. Main non-standard tax reliefs applicable to an APW

- *Special Tax Credit for Wage and Salary Earners*: This provision applies to all wage and salary earners. The basic requirement is to provide the appropriate invoice/receipt for five types of expenditures and to file a special expenditure deduction return. Base for the tax credit is 1/3 of expenses. Upper limit for the tax credit is 35 per cent of the tax base.

1.13. Tax schedule

The tax schedule in 2002 was as follows:

Taxable income (TRL 1 mln)	Tax on under limit (TRL 1 mln)	Tax on excess amount over under limit (%)
Up to 3 800		15
3 800 up to 9 500	570	20
9 500 up to 19 000	1 710	25
19 000 up to 47 500	4 085	30
47 500 up to 95 000	12 635	35
95 000 and over	29 260	40

1.2. State and local income taxes

Income tax is levied only by the central government.

1.3. Stamp tax

The stamp tax base is gross earnings. The tax rate is 0.006 per cent for the year 2002.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

- 2.11. Pensions (disability, old age and death insurance) 9 per cent
- 2.12. Sickness 5 per cent
- 2.13. Unemployment 1 per cent

2.2. Employers' contributions

- 2.21. Pensions (disability, old age and death insurance) 11 per cent
- 2.22. Sickness 6 per cent
- 2.23. Unemployment 2 per cent
- 2.24. Work injury Varies from 1.5 per cent to 7.0 per cent according to the industry (includes occupational disease insurance). Average 2.5 per cent.
- 2.25. Others (maternity insurance) 1.0 per cent

There is no distinction by marital status or sex and the contributions apply to gross earnings. Compulsory social security contributions of employees and their employers are calculated according to the above mentioned schemes.

For employees with gross earnings are below the base or above ceiling earnings, which are determined at least twice a year, these contribution rates are applied to the base or ceiling amounts respectively. Therefore, the average rate of employees' social contributions paid is lower than legal rates.

3. Universal Cash Transfers

Employees obtain universal cash transfers according to the collective labour agreements that are signed between the employer and the labour union. These agreements vary according to bargaining power of the parties for all sectors in the economy. This is the reason why there is no standard amount reflecting the general transfers.

4. Main Changes in Tax/Benefit System since 2000

None.

5. Memorandum Items

5.1. Identification of an APW

The earnings figure refers to all production workers in the manufacturing sector. The data have been built up from monthly data and refer to the calendar year.

5.2. Contribution to private pension and health schemes

In accordance with Article 128 of Social Insurance Act No. 506, business enterprises as employers are permitted only to make arrangements for pension to their employees on their retirement in addition to national retirement schemes. Such additional pension arrangements, which are optional, are not widely used.

5.3. Saving Premium and Employer Contribution

According to the Act No. 4447, this was abolished on June 1, 2000.

2002 Parameter values

Average earnings/yr	Ave_earn	9 938 274 440	
Allowances	Basic_al	360 000 000	
Income tax	Tax_sch	0.15	3 800 000 000
		0.20	9 500 000 000
		0.25	19 000 000 000
		0.30	47 500 000 000
		0.35	95 000 000 000
		0.40	
Stamp tax	Stamp_rate	0.006	
Employees SSC	SSC_rate	0.15	
	SSC_ceil	17 145 578 700	
Employers SSC	SSC_empr	0.215	

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B	Basic_al+SSC
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
Stamp tax	stamp_tax	B	earn*stamp_rate
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch) + stamp_tax
6. Tax credits :	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	Min(earn,SSC_ceil)*SSC_rate
11. Cash transfers	cash_trans	B	0
13. Employer's soc security	SSC_empr	B	Min(earn,SSC_ceil)*SSC_empr

UNITED KINGDOM – ROYAUME-UNI

(Income tax year 2002-2003)

The national currency is the pound sterling (GBP). In 2002, GBP 0.6820 was equal to USD 1 (average of nine months daily exchange rates). In 2002-2003, the average production worker earned GBP 19 708 (Secretariat estimate).

I. Personal Income Tax System

1.1. Central government income taxes

1.11. Tax unit

The tax unit is the individual, but certain reliefs depend on family circumstances (see § 1.121).

1.12. Tax allowances and tax credits

(All figures shown are those applying at the start of the tax year in April).

1.121. Standard reliefs

- Basic reliefs: A personal allowance of GBP 4 615 is granted to each individual.
- Standard marital status reliefs: None.
- Working Families' Tax Credit (WFTC): A non-wastable tax credit available to low and middle income families where one earner works at least 16 hours a week and who have at least one child under 16 (or 19 if still in full-time non advanced education). The amount depends upon the hours worked, the number and ages of children, eligible childcare costs, and net income after tax and national insurance contributions. A family with two children under 16 where one earner works at least 30 hours a week would get a maximum credit of GBP 124.55 per week before taking into account eligible childcare costs. This credit is reduced by 55 pence for each GBP 1 of net income above a threshold of GBP 94.50 per week. WFTC was introduced on 5th October 1999.
- Relief for social security contributions and other taxes: None.
- Childrens Tax Credit (CTC): The Children's Tax Credit is a wastable tax credit designed to help families who have at least one child under 16 living with them. It was introduced in April 2001 and in 2002/2003 it is worth up to GBP 529 or GBP 10.17 a week off the tax liable to be paid. The CTC replaces the Married Couples Allowance and is expressed as an additional allowance of GBP 5 290 given at the flat rate of 10 per cent. For higher rate taxpayers the credit of GBP 529 is reduced at the rate of GBP 1 for every GBP 15 of income in the higher rate band. There is an additional GBP 520 of Children's Tax Credit for families with a baby born on or after 6 April 2002 in the tax year of their child's birth. This means that for those families, Children's Tax Credit is worth up to GBP 1 049 in 2002/2003.

1.122. Main non-standard tax reliefs applicable to an APW.

- Work-related expenses: Flat rate expenses for tools and special clothing are allowed to certain occupational categories. Since this provision is not applicable to all manufacturing occupations, and hence average production workers, and because the rates vary slightly across categories, this relief is considered here as non-standard;
- Contributions to approved superannuation schemes or personal pension schemes are deducted when calculating taxable income. Premiums on approved life assurance policies payable to life assurance companies attract 12.5 per cent tax relief for policies entered into force before 13 March 1984.

1.13. *Tax schedule*

Taxable income (GBP)	Rate (%)
0-1 920	10
1 920-29 900	22
over 29 900	40

1.2. State and local income tax

There are no regional or local income taxes.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

National Insurance contributions are payable by employees earning more than GBP 89 in any week. These are 10 per cent of earnings between GBP 89 and GBP 585 for employees not contracted out of the state additional (earnings related) pension' scheme (a supplement to the basic retirement pension). For employees who are contracted out, there is a rebate of 1.6 per cent on earnings between GBP 75 and GBP 585. Depending on eligibility criteria members of the National Insurance scheme qualify for pensions, sickness, industrial injury, unemployment benefits, etc. All employees earning under GBP 89 per week have no National Insurance contribution liability but a notional contribution will be deemed to have been paid in respect of earnings between GBP 75 and GBP 89 to protect benefit entitlement.

2.2. Employers' contributions

Employer's contributions are not payable for employees earning less than GBP 89 per week. The rate of employers' contributions for employees not contracted out of the additional (earnings related) scheme is 11.8 per cent of earnings above GBP 89 per week. For employees who are contracted out, there is a rebate of 3.5 per cent on earnings between GBP 75 and GBP 585 per week.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None (widows' benefit is covered by the government pensions scheme noted above).

3.2. Transfers for dependent children

Child benefit of GBP 15.75 per week is paid in respect of each child in the family up to age 16 (or 19 if still in full-time non-advanced education) with a further GBP 10.55 per week for each additional child. A premium of GBP 1.80 per week is paid to one parent families in respect of the first child in addition to child benefit. Although the lone parent element of child benefit has been abolished since 6 July 1998, lone parents with protected rights are still eligible for this. None of these payments is subject to tax.

4. Memorandum Items

4.1. Identification of APW and valuation of earnings

The annual New Earnings Survey (results of which are published in *Labour Market Trends*) shows the average weekly earnings of full-time employees in manual occupations in the manufacturing sector (1992 SIC) in April each year. It covers men and women at adult rates in the United Kingdom (excluding Northern Ireland). The annual figure used for the gross earnings of the APW in the United Kingdom is the annual equivalent of the arithmetic average of the weekly earnings figures for April at the beginning and end of the fiscal year, as published in *Labour Market Trends*.

The earnings figures exclude the earnings of those whose pay was affected by absence (due to sickness etc.). They include overtime, payment by results and shift payments. But they do not include benefits in kind (which could in some circumstances be included in the employee's taxable income in the United Kingdom).

4.2. Employers' contributions to private pension, health etc. schemes

About half of all wage earners are covered by private occupational pension schemes. A limited number is covered by private health schemes financed in whole or in part by employers.

2002-2003 Parameter values

Average earnings/yr	Ave_earn	19 708	
Allowances	Basic_al	4 615	
	Married_al	0	
	Married_rate	0	
	CTC	5 290	
	CTC_rate	0.1	
	CTC_thr	34 515	
	CTC_taper	0.667	
Income tax	Tax_sch	0.1	1920
		0.22	29 900
		0.4	
Employees SSC			
Primary threshold	SSC_sch	0	4 628
Upper earnings limit		0.1	30 420
		0	
Employers SSC	SSC_rate2	0.118	
	ST	4 628	
Child benefit (first)	CB_first	15.75	
Child benefit (others)	CB_others	10.55	
One parent benefit	CB_onepar	1.80	
WFTC			
Basic credit	WFTC_basic	60.00	
Child credit (under 16)	WFTC_child	26.45	
Over 30 hour	WFTC_30hr	11.65	
Threshold for taper	WFTC_thr	94.50	
Taper rate	WFTC_taper	0.55	

PT
UEL

2002-2003 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B	Min(Basic_al, earn)
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	Positive(earn-tax_al)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch)
Child tax credit (wastable)	CTC	P	(Children>0)*MIN(CTC_rate*Positive(CTC-CTC_taper*Positive(earn_prin-CTC_thr)),CG_tax_excl)
Working families tax credit (non-wastable)	WFTC	J	52*(Children>0)*Taper(WFTC_basic+WFTC_30hr+Children*WFTC_child,(earn_total-CG_tax_total-SSC_total+CTC)/52,WFTC_thr,WFTC_taper)
6. Tax credits	tax_cr	J	CTC+WFTC
7. CG tax	CG_tax	B	CG_tax_excl-tax_cr
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC	B	Tax(earn,SSC_sch)
11. Cash transfers	cash_trans	J	52*((CB_first*(Children>0)+CB_others*Positive(Children-1))+ (Married=0)*(Children>0)*CB_onepar)
13. Employer's soc security	SSC_empr	B	(earn>ST)*(earn-ST)*SSC_rate2
<i>Memorandum item: Non-wastable tax credit</i>			
Tax expenditure component	taxexp	J	WFTC-transfer
Cash transfer component	transfer	J	IF(CG_tax_excl<0,-CG_tax_excl,0)

UNITED STATES – ÉTATS-UNIS

The national currency is the dollar (USD). In 2002, the average production worker earned USD 32 188 (Secretariat estimate).

1. Personal Income Tax System

1.1. Central/federal government income taxes

1.11. Tax unit

Families are generally taxed in one of three ways:

- As married couples filing jointly on the combined income of both spouses;
- As married individuals filing separately and reporting actual income of each spouse; or
- As heads of households (only unmarried or separated individuals with dependents).

All others, including dependent children with sufficient income, file as single individuals.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

- *Basic reliefs:* Taxpayers who do not itemise their deductions are entitled to a lump-sum standard deduction, which replaces the zero bracket amount that was built into the tax rate schedules under prior law. In 2002 a married couple filing a joint tax return is entitled to a standard deduction of USD 7 850. The standard deduction is USD 6 900 for heads of households and USD 4 700 for single individuals. This relief is indexed for inflation.

A special rule applies to children who have sufficient income to pay tax and are also claimed as dependents by their parents. For such children, the standard deduction is the lesser of USD 750 or the amount of their earned income plus USD 250 or the standard deduction to which they would otherwise be entitled. Also, to prevent transfer of income-producing property from parents to children in order to avoid the higher tax rate of the parents, the net unearned income of a child under age 14 that exceeds the sum of the USD 750 deduction plus the greater of USD 750 or the itemised deductions directly related to the production of that income is taxed at the parents' top marginal tax rate.

More liberal standard deductions are available for taxpayers who are age 65 or older and taxpayers who are blind. These benefits replace additional personal exemptions available for the elderly and the blind under prior law.

In addition to the standard deduction, in 2002 a USD 3 000 *personal exemption* is given every taxpayer (including both husband and wife filing a joint return). The personal exemption is indexed annually for inflation. The deduction for personal exemptions is reduced by 2 per cent for each USD 2 500 by which the taxpayer's income exceeds USD 206 000 for married couples, USD 137 300 for single taxpayers, and USD 171 650 for heads of households. All of a taxpayer's exemptions are phased out simultaneously.

- *Standard marital status reliefs*: Married couples generally benefit from a more favourable schedule of tax rates for joint returns of spouses (see § 1.13). There are no other general tax reliefs for marriage.
- *Relief for children*: For each child and other person claimed as a dependent on a taxpayer's return, the taxpayer is entitled to a dependency exemption of USD 3 000 in 2002. Low income workers with dependants are allowed a refundable (non-wastable) earned income credit. For taxpayers with one child, the credit is 34 per cent of up to USD 7 370 of earned income in 2002. The credit phases down when income exceeds USD 13 520 (14 520 for married taxpayers) and phases out when it reaches USD 29 201 (30 201 for married taxpayers). The earned income threshold and the phase-out threshold are indexed for inflation. For taxpayers with two or more children, the credit is 40 per cent of up to USD 10 350 of earned income in 2002. The credit phases down when income exceeds USD 13 520 (14 520 for married taxpayers) and phases out when it reaches USD 33 178 (34 178 for married taxpayers).

Beginning in 1998, taxpayers are permitted a tax credit for each qualifying child under the age of 17. In 2002 the maximum credit is USD 600. The maximum credit is reduced for taxpayers with income in excess of certain thresholds. The credit is reduced by USD 50 for each USD 1 000 of income in excess of USD 110 000 for married taxpayers (USD 75 000 for single and head of household taxpayers). These threshold amounts are not indexed for inflation. A taxpayer with three or more qualifying children may be allowed a supplemental refundable (non-wastable) child credit, subject to certain restrictions. The refundable amount is equal to the amount by which the child credit exceeds the taxpayer's tax liability, but cannot exceed the taxpayer's social security taxes less the earned income credit received. Beginning in 2001 the child credit is refundable to the extent of 10 per cent of the taxpayer's earned income in excess of USD 10 000 (indexed for inflation beginning in 2002). In 2002, the earned income threshold is USD 10 350. Families with three or more children may claim this credit if it is greater than the supplemental child credit.

- *Relief for low income workers without children*: In 1994 and thereafter, low income workers without children are eligible for the earned income credit. In 2002 low income workers without children are permitted a non-wastable earned income credit of 7.65 per cent of up to USD 4 910 of earned income. The credit phases down when income exceeds USD 7 150 and phases out when income reaches USD 12 060. This credit is available for taxpayers at least 25 years old and under 65 years old.
- *Relief for social security and other taxes*. There is no special relief for social security taxes although the non-wastable earned income credits described above are sometimes considered an offset to social security contributions made by eligible employees. Furthermore, only a portion of social security benefits are subject to tax. Benefits included in income for tax purposes are limited to the lesser of one-half of the annual benefits received for the year or the excess of the taxpayers' income (including one-half of the benefits) over USD 32 000 for married couples and USD 25 000 for others. However, up to 85 per cent of benefits could be included in income for tax purposes if the taxpayers' income (including one-half the benefits) exceeds USD 44 000 for married couples and USD 34 000 for others. Also, for taxpayers who do not elect the optional standard deduction, State and local taxes other than taxes on retail sales are generally deductible in computing federal taxable income.

1.122. Main non-standard reliefs applicable to an APW

The basic non-standard relief is the deduction of certain expenses to the extent that, when itemised, they exceed in aggregate the standard deduction. The principal itemised deductions claimed by individuals are:

- *Medical and dental expenses* that exceed 7.5 per cent of income.
- *State and local income, real property, and personal property taxes* (but not sales taxes).
- *Home mortgage interest*.

- *Investment interest expense* up to investment income with an indefinite carry forward of disallowed investment interest expense.
- *Contributions to qualified charitable organisations* (including religious and educational institutions).
- *Casualty and theft losses* to the extent that each loss exceeds USD 100 and that all such losses combined exceed 10 per cent of income; and
- *Miscellaneous expenses* such as non-reimbursed employee business expenses (union dues, work shoes, etc.), investment expenses, tax return preparation fees and educational expenses required by employment, to the extent that, in aggregate, they exceed 2 per cent of income.

Otherwise allowable itemised deductions are reduced by 3 per cent of the amount by which income exceeds USD 137 300. However, the reduction is limited to 80 per cent of the total of otherwise allowable itemised deductions other than the allowable itemised deductions for medical expenses, investment interest, theft and casualty losses, and gambling losses.

In 1998, the most recent year for which such statistics are available, the 31 per cent of taxpayers with income between USD 30 000 and USD 40 000 (the APW range) who itemised their deductions claimed average deductions as follows: medical expenses, USD 957; taxes paid, USD 2 690; charitable contributions, USD 1 352; interest expense, USD 4 937.

Contributions to pension and life insurance plans. No relief is provided for employee contributions to employer sponsored pension plans or for life insurance premiums. However, employees are allowed to deduct contributions to an individual retirement account (IRA) of up to USD 3 000 per year (USD 6 000 in the case of a married employee with a non-working spouse subject to certain restrictions). If a taxpayer is a participant in an employer-maintained retirement plan, then the USD 3 000 limit is reduced to zero over the income range, USD 34 000 to USD 44 000 for a single tax payer (USD 54 000 to USD 64 000 if husband and spouse file a joint return). Earnings on these accounts are not subject to current taxation but a 10 per cent penalty generally applies if a withdrawal is made before the taxpayer attains age 59 years and 6 months.

Beginning in 1998, individuals can make non-deductible contributions of up to USD 3 000 to a new IRA ("Roth IRA"). The maximum annual contribution to this IRA is reduced by the amount contributed to the IRA described above. The maximum annual contribution to the Roth IRA is phased out over the income range USD 95 000 to USD 110 000 for a single taxpayer (USD 150 000 and USD 160 000 if husband and spouse file a joint return). Earnings on these accounts are not taxed but must meet certain holding period and other requirements.

1.13. Tax schedule

Federal Income Tax rates

Taxable income bracket (USD) ¹		
Single individual	Joint return of married couple	Marginal tax rate (%)
0-6 000	0-12 000	10
6 000-27 950	12 000-46 700	15
27 950-67 700	46 700-112 850	27
67 700-141 250	112 850-171 950	30
141 250-307 050	171 950-307 050	35
More than 307 050	More than 307 050	38.6

1. The taxable income brackets are indexed for inflation.

Beginning in 2002 there is a 10 per cent rate bracket for taxable income up to USD 6 000 for single taxpayers, USD 10 000 for heads of households, and USD 12 000 for joint returns of married couples.

1.2. State and local income taxes

1.21. General description of the system

The District of Columbia and 43 of the 50 States impose some form of individual income tax. In addition, some local governments (cities and counties) impose an individual income tax, although this is not generally the case. State individual income tax structures are usually related to the federal tax structure by the use of similar definitions of taxable income, with some appropriate adjustments. This linkage is not a legal requirement but a practical convention that functions for the convenience of the taxpayer who must fill out both federal and State income tax returns.

The APW calculations assume that the average production worker lives in Detroit, Michigan. The state of Michigan permits a personal exemption of USD 3 000 for the taxpayer, the taxpayer's spouse and each child and taxes income at the rate of 4.10 per cent. The city of Detroit permits a personal exemption of USD 750 and taxes income at the rate of 2.65 per cent. Michigan provides a credit for city taxes paid. If the city income tax paid is USD 100 or less, the credit is 20 per cent of the city income tax paid. If the city income tax paid is over USD 100 but not over USD 150, the credit is 10 per cent of the excess of the city income tax paid over USD 100 plus USD 20. If the city income tax paid is over USD 150, the credit is 5 per cent of the excess of the city income tax paid over USD 150 plus USD 25.

2. Compulsory Social Security Contributions to Schemes Operated Within the Government Sector

2.1. Employees' contributions

2.11. Pensions

The rate for employee contributions is 7.65 per cent (6.2 per cent for old age, survivors, and disability insurance, and 1.45 per cent for old age hospital insurance). The 6.2 per cent rate applies to earnings up to USD 84 900. Beginning in 1994, there is no limit on the amount of earnings subject to the 1.45 per cent rate.

There is no distinction by marital status or sex.

2.12. Other

No compulsory employee contributions exist.

2.2. Employers' contributions

2.21. Pensions

Employers match the employees' tax of 6.2 per cent on earnings up to USD 84 900 and 1.45 per cent of all earnings (without limit).

2.22. Unemployment

Employers are required by the federal government to pay unemployment tax of 6.2 per cent on earnings up to USD 7 000. Taxes are also paid to various state-sponsored unemployment plans which may generally be credited against the required federal percentage.

2.23. Injury

The States require various payments for workman's compensation insurance.

3. Universal Cash Transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

No general cash transfers exist, although low-income mothers qualifying for categorical welfare grants may receive cash transfers.

4. Principal Changes since 2001

A new 10 per cent income tax rate bracket applies to the first USD 6 000 of taxable income for single individuals (USD 7 000 for 2008 and after), USD 10 000 for heads of households, and USD 12 000 for joint returns (USD 14 000 for 2008 and after). These taxable income levels will be indexed for inflation after 2008. Other income tax rates above 15 per cent are also reduced according to the following schedule:

Calendar year	28% rate reduced to:	31% rate reduced to:	36% rate reduced to:	39.6% rate reduced to:
2001	27.5	30.5	35.5	39.1
2002-2003	27	30	35	38.6
2004-2005	26	29	34	37.6
2006 and thereafter	25	28	33	35

The otherwise applicable personal exemptions and limitations on itemized deductions are phased down beginning in 2006 and eliminated in 2010. The child tax credit for 2002 is USD 600 and will increase to USD 700 in 2005, USD 800 in 2009, and USD 1 000 in 2010. The credit is made refundable to the extent of 10 per cent (15 per cent beginning in 2005) of the taxpayer's earned income in excess of USD 10 000 (indexed for inflation beginning in 2002).

The standard deduction for a married couple filing a joint return is increased to twice the standard deduction for an unmarried individual filing a single return. The increase is phased in over a five-year period beginning in 2005. The size of the 15 per cent income tax bracket for a joint return for a married couple also increases to twice the size of the corresponding rate bracket for a single return. This increase is phased in over a five-year period beginning in 2005. The beginning and ending of the earned income tax credit phase-out range increases by USD 1 000 in 2002, by USD 2 000 in 2005, and by USD 3 000 in 2008 (indexed for inflation after 2008).

5. Memorandum Items

5.1. Identification of an APW at the wage calculation

5.11. The APW is identified from monthly data compiled from establishment questionnaires covering more than 30 million non-agricultural wage and salary workers. The data refer to all non-supervisory workers in the manufacturing sector regardless of gender.

5.12. The following information is used to calculate annual wage earnings for year 2001. Fifty-two weeks are assumed for regular earnings and fifty weeks (two weeks vacation) for overtime.

Average hourly earnings including overtime	USD 14.83
Average hours per week including overtime	40.7
Average weekly wage earnings including overtime	USD 603.58
Average hourly wage earnings excluding overtime	USD 14.15
Average hours worked per week excluding overtime	36.8
Average weekly wage earnings excluding overtime	USD 520.72
Estimated gross annual wage earnings excluding overtime	USD 27 077.44
Estimated annual overtime wage earnings	USD 4143.05
Estimated gross annual wage earnings	USD 31 220.49

5.2. Employer contributions to private social security arrangements

Employers commonly contribute to private pension plans, health insurance and life insurance. Data for these contributions are available only on a total workforce basis. It is not possible to state with accuracy the levels applicable to the APW. The following are estimates for 1993 for all non-agricultural employees:

	Pension	Health	Life
Per cent of workers covered	49	61	64
USD per covered employee	1 364	3 407	882

2002 Parameter values

APW earnings	Ave_earn	32 188				
Standard deductions	Married_al	7 850				
	hh_al	6 900				
	single_al	4 700				
Personal exemption	pers_ex	3 000				
Dependency exemption	dep_ex	3 000				
Personal exemption reduction	ex_dedn_rate	0.02				
	unit of earnings	ex_dedn_unit	2 500			
threshold single (no children)	ex_thrsh_s	137 300				
threshold single (with children)	ex_thrsh_hh	171 650				
threshold joint	ex_thrsh_m	206 000				
Federal tax schedules	Fed_sch_s	0.1	6 000			
		0.15	27 950			
		0.27	67 700			
		0.3	141 250			
		0.35	307 050			
Married filing jointly	Fed_sch_m	0.1	12 000			
		0.15	46 700			
		0.27	112 850			
		0.3	171 950			
		0.35	307 050			
Head of household	Fed_sch_h	0.1	10 000			
		0.15	37 450			
		0.27	96 700			
		0.3	156 600			
		0.35	307 050			
Earned income credit	EIC_sch	rate	income limit	threshold	thresh-married	
		no children	0.0765	4 910	6 150	7 150
		1 child	0.34	7 370	13 520	14 520
		2 or more children	0.4	10 350	13 520	14 520
		phase-out				0.765
Child credit	chcrd_max	600				
	chcrd_rdn	50				
	chcrd_thrsh_m	110 000				
	chcrd_thrsh_oth	75 000				
	chcrd_ref_perct	0.1				
	chcrd_ref_thres	10 350				
Detroit	Detroit_ex	750				
	Detroit_rate	0.0265				
Michigan	Mich_ex	3 000				
	Mich_rate	0.041				
credit schedule on city tax	Mich_cr_sch	0.2	100			
		0.1	150			
		0.05				
maximum	Mich_cr_max	10 000				
Pension contributions	pens_rate	0.062				
	hosp_rate	0.0145				
Ceiling for employers	pens_ceil	84 900				

2002 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	J	IF(Married,Married_al, IF(Children=0,single_al,hh_al))+ Taper((1+Married)*pers_ex+ Children*dep_ex,earn_total, IF(Married,ex_thrsh_m, IF(Children=0,ex_thrsh_s,ex_thrsh_hh)), ex_dedn_rate/ ex_dedn_unit)
3. Credits in taxable income	taxbl_cr	J	0
4. CG taxable income	tax_inc	J	positive(earn-tax_al+taxbl_cr)
5. CG tax before credits	CG_tax_excl	J	Tax(tax_inc,IF(Married,Fed_sch_m, IF(Children,Fed_sch_h,Fed_sch_s)))
6. Tax credits :	EIC	J	EIC(Children,earn_total,EIC_sch)
	ch_crd_max	J	Children*Positive((chcrd_max- chcrd_rdn*Positive(TRUNC(earn,-3)- IF(Married>0,chcrd_thrsh_m,chcrd_thrsh_oth))/1000))
	ch_crd_tax	J	IF(ch_crd_tax>0,MIN(ch_crd_max,CG_tax_excl),0)
	ch_crd_ref	J	IF(ch_crd_tax<ch_crd_max,MIN(ch_crd_max- ch_crd_tax,MAX(chcrd_ref_perct*(earn- chcrd_ref_thresh),0)),0)
	tax_cr	J	EIC+ch_crd_tax+ch_crd_ref
7. CG tax	CG_tax	J	CG_tax_excl-tax_cr
8. State and local taxes	local_tax		Detroit_rate* Positive(earn_total- Detroit_ex*(1+Married+Children))+ Mich_rate*Positive(earn_total- Mich_ex*(1+Married+Children))- MIN(Mich_cr_max,Tax(A)7,Mich_cr_sch))
9. Employees' soc security	SSC	B	earn*(pens_rate+hosp_rate)
11. Cash transfers	Cash_tran	J	
13. Employer's soc security	SSC_empr	B	pens_rate*MIN(earn,pens_ceil)+hosp_rate*earn
<i>Memorandum item: non-wastable tax credits</i>			
Tax expenditure component	taxexp		(rate_rd_crd+EIC)-transfer
Cash transfer component	transfer		IF(CG_tax<0,-CG_tax,0)

Annex I

TAX BURDEN TRENDS, 1979-2002

Annexe I

ÉVOLUTION DES CHARGES D'IMPÔTS SUR LES SALAIRES, 1979-2002

Annex Table I.1. **Income tax (in % of gross wage), 1979-2002, single persons without children**Annexe Tableau I.1. **Impôt sur le revenu (en % du salaire brut), 1979-2002, célibataires sans enfant**

	1979	1981	1983	1985	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
Australia	21.9	23.3	22.1	21.9	22.4	22.3	21.5	21.6	22.5	22.7	23.3	23.9	24.4	22.8	23.3	23.6
Austria	9.3	10.2	9.4	10.2	9.5	7.0	7.5	8.6	8.9	9.2	10.2	10.5	10.8	9.8	10.2	10.6
Belgium	15.2	18.7	25.5	26.4	25.9	25.3	25.9	26.1	27.2	27.4	27.6	27.8	27.9	27.9	27.8	27.5
Canada	18.3	19.0	18.8	19.4	21.4	20.0	20.4	21.1	21.7	22.2	22.1	21.5	20.8	20.7	19.3	19.2
Czech Republic	-	-	-	-	-	-	-	8.5	10.0	10.0	10.4	10.3	10.2	10.7	10.7	11.2
Denmark	35.7	37.8	39.4	40.0	44.0	44.0	44.2	44.4	37.4	36.0	35.1	33.7	33.0	32.4	32.6	32.5
Finland	26.7	27.3	29.5	30.5	30.8	30.8	28.3	28.6	29.3	29.5	28.0	27.9	26.3	26.6	25.9	25.6
France	8.5	8.6	8.4	7.4	6.8	6.7	8.1	8.5	8.8	8.9	10.5	14.1	14.3	13.4	13.5	13.3
Germany	16.0	16.4	17.1	18.1	18.6	18.6	18.4	18.3	20.8	21.0	21.2	21.1	21.2	21.5	20.1	20.5
Greece	1.4	1.3	3.0	3.2	3.5	5.8	3.6	1.7	1.7	1.9	2.0	2.4	1.9	2.2	1.8	0.6
Hungary	-	-	-	-	-	-	-	-	16.4	18.1	17.8	17.4	17.6	18.9	19.2	16.6
Iceland	-	16.8	16.9	14.5	12.0	17.5	17.9	19.7	20.4	21.5	21.2	21.4	20.4	21.2	21.4	21.8
Ireland	23.7	23.4	24.6	26.8	27.9	25.5	24.7	23.9	22.4	22.3	20.5	19.7	19.3	15.2	12.0	11.4
Italy ^a	11.6	14.1	16.3	18.4	18.4	18.1	16.3	15.8	17.5	18.1	18.8	19.9	20.0	19.3	18.6	18.9
Japan	7.6	8.5	9.0	8.8	8.5	7.9	8.5	8.4	6.4	6.7	8.0	6.8	6.1	6.2	6.2	6.2
Korea	-	-	-	-	-	-	-	-	2.5	1.9	1.7	1.6	2.1	2.5	2.5	2.0
Luxembourg	17.4	16.8	17.4	16.7	14.0	13.5	11.8	12.7	13.1	13.4	13.8	11.6	12.1	12.6	10.8	8.1
Mexico	-	-	-	-	-	6.6	6.1	6.5	2.5	0.0	-1.2	0.0	0.0	1.3	1.9	2.1
Netherlands	14.8	13.5	12.0	11.3	11.9	12.1	11.5	12.2	6.7	5.8	6.5	7.2	6.3	7.6	8.8	7.2
New Zealand	26.0	26.8	26.6	27.9	26.1	23.4	23.8	24.0	24.5	22.3	21.6	20.0	19.4	19.5	19.5	20.0
Norway	25.7	24.7	23.3	22.7	22.7	25.9	24.4	20.9	21.8	21.9	21.7	21.8	21.6	21.4	21.0	21.0
Poland	-	-	-	-	-	-	-	17.2	18.1	18.0	16.9	15.8	6.6	6.6	6.0	6.0
Portugal	4.4	4.9	7.1	6.9	7.5	6.5	5.9	6.8	7.0	7.1	7.2	7.1	6.6	6.7	5.4	5.5
Slovak Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	7.1	7.4	6.5
Spain	10.1	11.3	12.2	10.6	12.7	10.4	11.3	12.3	13.2	13.5	13.8	13.8	11.8	12.1	12.6	12.9
Sweden	36.5	36.1	35.5	35.6	36.6	37.0	28.0	28.5	28.7	28.8	28.5	27.5	27.2	25.8	24.6	23.4
Switzerland	10.6	11.6	11.4	11.2	10.8	10.8	9.6	11.1	11.0	10.8	10.3	10.4	10.2	9.8	9.9	9.9
Turkey	42.0	35.2	30.2	22.9	22.4	23.5	27.1	27.4	25.2	23.8	24.7	25.2	15.2	14.7	14.9	15.0
United Kingdom	23.2	23.4	22.7	22.3	20.3	19.0	18.7	18.0	18.2	17.4	16.7	16.7	16.3	15.8	15.5	15.7
United States	20.6	23.5	23.0	21.8	18.4	18.4	18.4	18.3	18.1	18.2	18.2	18.1	18.2	17.9	16.8	16.6

a) As from 1990 on, data on wages have been revised to include only production workers.

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers.

Annex Table I.2. **Income tax plus employee contributions (in % of gross wage), 1979-2002, single persons without children**Annexe Tableau I.2. **Impôt sur le revenu et cotisations des salariés (en % du salaire brut), 1979-2002, célibataires sans enfant**

	1979	1981	1983	1985	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
Australia	21.9	23.3	22.6	22.9	23.6	23.5	22.8	23.0	24.0	24.4	24.8	25.4	25.9	22.8	23.3	23.6
Austria	23.5	25.1	24.5	26.6	25.9	23.8	24.7	25.9	27.0	27.3	28.3	28.6	28.8	27.9	28.3	28.6
Belgium	25.3	28.8	37.0	38.5	38.0	37.4	37.9	39.2	41.1	41.3	41.5	41.8	41.9	41.9	41.7	41.4
Canada	20.8	22.0	22.3	23.3	25.4	23.8	25.0	26.3	27.1	27.6	27.7	27.1	26.5	26.6	25.5	25.7
Czech Republic	-	-	-	-	-	-	-	22.0	23.2	22.5	22.9	22.8	22.7	23.2	23.2	23.7
Denmark	40.1	42.2	44.8	46.3	46.0	46.6	46.7	47.0	45.2	44.8	44.9	43.4	44.2	44.1	43.3	43.1
Finland	29.4	30.0	32.2	34.2	34.2	34.0	31.7	35.7	38.0	37.6	35.8	35.4	33.7	33.6	32.4	31.7
France	20.3	20.5	22.6	22.6	23.5	25.0	25.2	26.9	27.4	27.8	28.1	27.3	27.7	26.8	27.0	26.5
Germany	31.6	32.6	33.9	35.0	35.7	36.0	36.6	36.6	40.5	41.3	42.3	42.1	41.9	42.0	40.7	41.2
Greece	11.6	11.5	16.2	16.4	16.8	19.1	17.4	17.5	17.6	17.8	17.9	18.3	17.8	18.1	17.7	16.5
Hungary	-	-	-	-	-	-	-	-	27.9	29.6	29.3	28.9	30.1	31.4	31.7	29.1
Iceland	-	17.0	17.2	14.7	12.2	17.5	18.1	20.0	20.6	21.7	21.5	21.6	20.6	21.4	21.7	22.0
Ireland	28.1	28.1	33.1	35.3	35.7	33.3	32.4	32.7	29.2	28.5	26.0	24.9	24.3	20.3	16.9	16.4
Italy ^a	20.0	22.6	25.8	27.0	27.3	26.7	25.3	25.8	27.5	28.0	29.0	29.1	29.1	28.5	27.8	28.1
Japan	12.5	13.2	13.1	15.8	15.5	14.9	15.5	15.4	13.4	13.7	15.0	13.8	16.1	16.2	16.2	16.2
Korea	-	-	-	-	-	-	-	-	4.8	4.2	5.6	6.4	8.8	9.2	9.2	8.7
Luxembourg	29.3	28.8	29.5	28.9	26.2	25.9	24.1	25.2	25.6	25.9	26.4	24.6	25.8	26.6	24.8	22.1
Mexico	-	-	-	-	-	11.1	10.9	11.3	7.7	5.3	1.4	2.6	1.6	2.9	3.4	3.6
Netherlands	35.5	35.8	40.4	38.0	37.4	35.6	40.4	41.8	40.5	39.2	39.3	34.4	35.4	36.2	32.9	28.7
New Zealand	26.0	26.8	26.6	27.9	26.1	23.4	23.8	24.0	24.5	22.3	21.6	20.0	19.4	19.5	19.5	20.0
Norway	34.4	33.8	33.0	32.7	33.6	33.8	32.2	28.7	29.6	29.7	29.5	29.6	29.4	29.2	28.8	28.8
Poland	-	-	-	-	-	-	-	17.2	18.1	18.0	16.9	15.8	31.4	31.4	31.0	31.0
Portugal	14.4	15.4	18.1	18.4	18.5	17.4	17.6	16.9	18.0	18.1	18.2	18.1	17.6	17.7	16.4	16.5
Slovak Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	19.9	20.2	19.3
Spain	15.7	16.9	18.1	16.9	18.7	16.4	17.3	18.4	19.6	19.9	20.2	20.2	18.2	18.5	18.9	19.2
Sweden	36.5	36.1	35.5	35.6	36.6	37.0	28.0	29.5	32.6	33.7	34.5	34.4	34.1	32.8	31.7	30.4
Switzerland	20.9	21.9	21.5	21.5	21.1	21.2	19.9	21.4	22.5	22.4	21.9	21.9	21.7	21.3	21.4	21.5
Turkey	49.0	42.2	38.2	31.3	31.8	32.6	34.8	34.3	30.5	31.6	32.8	33.1	22.9	28.7	30.9	30.0
United Kingdom	29.7	31.2	31.7	31.3	29.3	27.3	26.2	25.6	26.7	25.8	25.2	25.2	24.4	23.6	23.2	23.3
United States	26.8	30.2	29.7	28.9	25.6	26.0	26.0	26.0	25.8	25.8	25.8	25.8	25.8	25.5	24.4	24.3

a) As from 1990 on, data on wages have been revised to include only production workers.

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers.

Annex Table I.3. **Income tax plus employee and employer contributions (as % of labour costs), 1979–2002****single persons without children**Annexe Tableau I.3. **Impôt sur le revenu et cotisations des salariés et des employeurs (en % des coûts de main-d'œuvre), 1979–2002****célibataires sans enfant**

	1979	1981	1983	1985	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
Australia	21.9	23.3	22.6	22.9	23.6	23.5	22.8	23.0	24.0	24.4	24.8	25.4	25.9	22.8	23.3	23.6
Austria	36.5	38.6	38.1	40.3	39.6	38.1	39.1	40.0	41.2	41.5	45.6	45.8	45.9	44.9	44.5	44.8
Belgium	47.4	49.8	49.2	51.0	53.5	53.2	53.7	54.6	56.3	56.4	56.6	56.8	56.9	56.2	55.6	55.3
Canada	23.2	24.7	25.6	26.9	29.0	27.2	29.0	30.8	31.5	32.1	32.3	31.7	31.1	31.3	30.4	30.8
Czech Republic	-	-	-	-	-	-	-	42.6	43.2	42.6	42.9	42.8	42.7	43.1	43.1	43.5
Denmark	40.6	42.7	46.5	47.8	47.6	46.6	46.7	47.0	45.2	44.8	45.1	43.7	44.5	44.4	43.6	43.4
Finland	41.6	42.4	43.2	45.2	45.5	46.2	44.5	49.3	51.2	50.3	48.9	48.8	47.4	47.3	45.9	45.4
France ^a	-	-	-	-	-	-	-	-	49.1	49.7	48.7	47.6	48.1	48.2	48.3	47.9
Germany	40.8	41.9	43.4	44.5	45.1	45.5	46.4	46.4	50.2	51.2	52.3	52.2	51.9	51.8	50.8	51.3
Greece	25.6	25.5	31.2	31.4	31.6	33.8	33.0	35.3	35.6	35.8	35.8	36.1	35.7	36.0	35.7	34.7
Hungary	-	-	-	-	-	-	-	-	51.4	52.0	52.0	51.6	50.7	49.6	49.0	46.3
Iceland	-	18.4	18.8	16.5	13.9	19.5	20.1	22.0	23.1	24.5	24.4	24.8	24.2	25.0	25.5	25.8
Ireland	33.9	34.7	40.1	42.4	42.8	40.6	39.8	40.0	36.9	36.1	33.9	33.0	32.4	28.9	25.8	24.5
Italy ^b	45.3	47.3	50.5	50.0	49.4	51.2	48.8	49.2	50.3	50.8	51.5	47.5	47.2	46.7	46.1	46.0
Japan	16.7	17.3	17.7	21.6	21.4	20.4	21.5	21.2	19.5	19.4	20.7	19.6	24.0	24.1	24.2	24.2
Korea	-	-	-	-	-	-	-	-	6.9	6.3	12.4	14.7	16.1	16.5	16.6	16.0
Luxembourg	38.5	38.2	38.6	38.4	35.7	35.5	33.9	34.9	34.3	34.5	35.2	33.8	34.6	35.5	33.9	31.5
Mexico	-	-	-	-	-	23.5	24.4	26.6	27.2	25.4	20.8	21.9	14.1	15.4	14.4	16.1
Netherlands	48.0	48.3	52.0	49.9	49.5	47.0	46.5	45.7	44.8	43.8	43.6	43.5	44.3	45.1	42.3	35.6
New Zealand	26.0	26.8	26.6	27.9	26.1	23.4	23.8	24.0	24.5	22.3	21.6	20.0	19.4	19.5	19.5	20.0
Norway	43.5	43.1	42.3	41.8	42.6	42.7	41.2	36.8	37.5	37.6	37.4	37.5	37.3	37.2	36.9	36.9
Poland	-	-	-	-	-	-	-	44.1	44.7	44.7	43.9	43.2	43.0	43.0	42.7	42.7
Portugal	28.1	29.9	32.3	34.9	34.5	33.9	33.2	33.3	33.7	33.8	33.9	33.8	33.4	33.5	32.5	32.5
Slovak Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	41.9	42.1	41.4
Spain	36.4	37.4	38.0	36.6	37.9	35.9	36.5	38.0	38.5	38.8	39.0	39.0	37.5	37.6	37.9	38.2
Sweden	50.7	50.8	50.6	50.9	51.7	52.7	46.0	45.6	49.3	50.2	50.7	50.7	50.5	49.5	48.5	47.6
Switzerland	28.2	29.1	28.8	28.8	28.5	28.6	27.3	28.7	30.6	30.4	30.0	30.0	29.8	29.5	29.5	29.6
Turkey	53.9	47.7	44.8	37.0	40.2	40.1	41.2	40.0	35.3	38.3	39.6	39.8	30.3	40.4	43.6	42.4
United Kingdom	36.1	37.6	38.2	37.8	36.0	34.2	33.2	32.6	33.4	32.6	32.0	32.0	30.8	30.1	29.5	29.7
United States	31.9	35.3	34.9	33.6	30.6	31.1	31.3	31.2	31.0	31.1	31.1	31.0	31.1	30.8	29.8	29.6

a) Employers' social security contributions not reported by France for period 1979 to 1993.

La France n'a pas déclaré de cotisations patronales de sécurité sociale pour la période 1979-1993.

b) As from 1990 on, data on wages have been revised to include only production workers.

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers.

Annex Table I.4. **Income tax (as % of gross wage), 1979–2002, one-earner family with two children**Annexe Tableau I.4. **Impôt sur le revenu (en % du salaire brut), 1979–2002, couples mariés avec un seul salaire et deux enfants**

	1979	1981	1983	1985	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
Australia	16.8	18.0	16.3	16.8	17.8	17.9	16.8	17.0	22.5	21.5	20.8	21.6	22.2	22.8	23.3	23.6
Austria	6.5	7.6	6.6	7.6	6.4	3.1	3.8	2.8	3.5	4.0	5.0	5.4	9.2	8.2	8.7	9.0
Belgium	8.0	11.6	18.4	19.3	19.1	14.2	15.0	15.5	16.1	16.3	16.5	16.8	17.0	17.1	17.1	17.0
Canada	9.7	10.6	9.0	10.3	12.3	10.9	12.1	10.3	11.2	12.1	12.6	12.2	10.2	16.4	15.3	15.2
Czech Republic	-	-	-	-	-	-	-	2.5	4.5	5.4	5.2	4.7	4.3	4.8	4.8	5.3
Denmark	30.3	32.6	33.8	34.3	35.7	35.6	36.0	36.2	29.4	28.8	27.8	26.6	26.2	25.7	26.2	26.3
Finland	20.9	21.9	23.8	25.3	25.2	23.7	21.8	23.3	29.3	29.5	28.0	27.9	26.3	26.6	25.9	25.6
France	0.4	0.5	0.4	0.0	0.0	0.0	1.0	1.7	1.9	2.7	3.7	7.6	7.6	7.6	7.0	6.9
Germany	9.9	9.7	10.5	10.9	8.6	9.2	8.7	7.9	9.6	1.6	1.0	1.3	0.0	-0.9	-1.7	-2.0
Greece	0.0	0.0	0.0	0.0	1.8	3.7	0.5	0.5	0.8	1.1	2.5	2.8	1.9	2.3	2.0	1.1
Hungary	-	-	-	-	-	-	-	-	16.4	18.1	17.8	17.4	12.0	12.6	9.2	7.6
Iceland	-	10.2	9.4	6.4	4.8	1.3	0.3	2.5	3.6	5.9	6.8	8.5	7.8	8.5	8.6	8.7
Ireland	11.5	13.0	14.0	16.2	17.9	17.0	16.2	15.9	15.4	15.4	14.1	12.9	10.1	5.0	2.9	2.4
Italy ^a	9.4	10.8	12.5	16.2	15.2	14.8	12.7	11.9	14.0	14.4	15.3	15.7	15.8	14.9	13.4	11.8
Japan	1.8	2.8	3.3	2.8	2.7	1.9	2.4	2.8	1.6	2.0	2.6	0.7	1.5	2.0	2.0	1.9
Korea	-	-	-	-	-	-	-	-	1.5	0.8	0.9	0.7	1.3	1.7	1.8	1.4
Luxembourg	3.4	3.1	2.7	2.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico	-	-	-	-	-	6.6	6.1	6.5	2.5	0.0	-1.2	0.0	0.0	1.3	1.9	2.1
Netherlands	12.5	11.2	9.6	8.4	8.9	9.2	10.1	9.5	4.4	4.4	3.5	5.9	4.8	4.9	8.3	6.6
New Zealand	17.0	21.5	21.7	24.8	24.3	20.3	20.8	22.2	22.4	18.8	16.2	14.8	14.1	19.5	19.5	20.0
Norway	17.5	17.0	15.6	15.0	15.2	18.6	17.8	15.9	17.0	17.1	17.1	17.4	17.4	17.1	18.1	18.1
Poland	-	-	-	-	-	-	-	15.3	16.1	15.9	14.7	13.5	4.6	4.7	4.0	4.0
Portugal	4.0	4.0	6.0	6.0	6.0	2.1	1.2	1.1	3.3	3.5	3.1	3.0	2.4	2.7	0.1	0.1
Slovak Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	4.0	4.5	3.2
Spain	6.1	6.7	7.5	5.9	8.3	5.3	6.4	5.6	6.4	6.6	6.8	6.4	2.5	3.0	3.6	4.0
Sweden	33.7	33.7	33.3	33.9	35.0	35.7	28.0	28.5	28.7	28.8	28.5	27.5	27.2	25.8	24.6	23.4
Switzerland	6.3	7.2	6.1	6.4	6.0	5.8	5.4	5.7	5.7	5.6	5.1	5.2	5.0	4.9	5.0	5.1
Turkey	42.0	35.2	30.2	22.9	22.4	23.5	27.1	27.4	25.2	23.8	23.4	25.2	15.2	14.7	14.9	15.0
United Kingdom	19.3	19.8	18.6	17.9	16.5	15.5	15.4	15.0	16.6	15.7	15.1	15.1	15.2	13.3	10.3	10.1
United States	11.6	14.4	15.2	14.5	13.0	11.5	11.3	11.3	11.0	10.4	10.7	10.2	7.4	7.6	4.3	3.7

a) As from 1990 on, data on wages have been revised to include only production workers.

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers.

Annex Table I.5. **Income tax plus employee contributions less cash benefits (as % of gross wage), 1979-2002**
one-earner family with two children

Annexe Tableau I.5. **Impôt sur le revenu et cotisations des salariés diminués des prestations versées (en % du salaire brut), 1979-2002**
couples mariés avec un seul salaire et deux enfants

	1979	1981	1983	1985	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
Australia	13.0	15.1	12.9	14.5	16.2	15.6	14.4	14.9	16.1	15.0	14.5	15.5	16.1	13.5	14.2	14.7
Austria	4.2	7.1	7.8	8.6	7.3	5.6	6.9	6.5	9.5	10.3	10.7	11.3	10.0	7.6	8.2	9.0
Belgium	5.0	9.1	19.8	22.6	22.1	14.5	16.0	17.8	19.5	19.8	20.2	20.5	20.7	21.1	21.6	21.6
Canada	9.0	10.4	9.4	11.0	13.1	11.8	14.0	15.5	16.6	18.2	18.2	17.7	15.9	16.0	14.8	15.1
Czech Republic	-	-	-	-	-	-	-	-4.5	3.3	7.1	7.1	-3.4	-2.1	-1.0	3.1	3.7
Denmark	30.3	33.1	35.5	35.9	33.5	32.4	32.5	32.5	30.9	31.1	31.1	29.7	30.7	30.7	30.2	30.5
Finland	18.2	18.9	19.7	22.6	22.5	20.0	17.0	21.5	26.3	27.1	25.7	25.3	23.9	24.3	23.5	23.2
France	6.8	6.6	6.4	7.7	9.3	10.9	11.2	13.1	13.8	15.1	15.3	14.6	15.0	15.0	14.4	14.2
Germany	19.9	19.8	22.2	23.1	21.2	22.5	22.4	21.5	25.0	21.9	22.1	22.4	20.7	19.6	18.9	18.6
Greece	-7.7	-7.7	-4.1	-4.1	15.1	16.9	14.2	16.3	16.7	17.0	18.4	18.7	17.8	18.2	17.9	17.0
Hungary	-	-	-	-	-	-	-	-	7.3	12.6	12.9	12.3	9.1	11.6	9.9	7.8
Iceland	-	4.5	2.7	-5.2	-6.8	-14.2	-16.9	-14.0	-14.5	-5.4	-6.8	-3.9	-4.3	-2.7	-3.8	-3.2
Ireland	13.4	14.9	19.0	21.5	22.1	21.5	20.8	21.3	17.9	14.6	14.6	13.2	10.5	5.4	2.3	-0.8
Italy ^a	12.1	11.5	13.6	18.1	20.3	15.8	15.5	15.9	19.6	17.7	17.0	15.7	15.5	14.8	13.5	12.2
Japan	6.7	7.6	8.0	9.8	9.7	8.9	9.4	9.8	8.6	9.0	9.6	7.7	11.5	12.0	12.0	11.9
Korea	-	-	-	-	-	-	-	-	3.8	4.7	4.7	5.6	8.0	8.4	8.5	8.1
Luxembourg	8.1	7.3	5.9	5.5	2.8	1.2	1.6	-0.6	1.2	1.4	1.3	-0.2	-1.3	-0.8	-0.7	-3.6
Mexico	-	-	-	-	-	11.1	10.9	11.3	7.7	5.3	1.4	2.6	1.6	2.9	3.4	3.6
Netherlands	24.8	25.1	29.9	27.2	27.0	25.5	33.2	31.1	29.8	28.0	27.9	22.4	23.6	25.0	22.1	17.2
New Zealand	10.4	16.8	17.5	15.5	24.3	18.0	20.8	22.2	22.4	16.2	16.2	14.8	14.1	15.5	16.7	18.2
Norway	21.8	18.8	17.0	16.7	17.1	16.8	15.2	13.1	14.9	15.4	15.4	16.2	16.8	17.6	17.5	17.9
Poland	-	-	-	-	-	-	-	6.4	10.1	10.3	9.5	7.2	25.4	25.6	25.0	25.0
Portugal	9.9	10.5	12.3	13.9	12.5	8.6	7.1	7.0	9.2	9.5	9.4	9.0	8.4	8.7	6.1	5.2
Slovak Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	3.2	4.7	3.1
Spain	9.8	10.6	12.0	11.3	13.8	10.8	12.2	11.7	12.8	13.0	13.2	12.8	8.9	9.3	10.0	10.4
Sweden	25.9	25.9	25.9	24.6	25.2	27.5	17.0	19.1	23.1	26.2	27.2	26.1	26.0	23.7	21.8	21.0
Switzerland	11.0	12.5	11.7	10.6	9.9	10.1	9.6	8.8	9.5	8.2	8.2	8.3	8.4	8.2	8.4	8.6
Turkey	49.0	41.4	38.2	31.3	31.8	32.6	34.8	34.3	30.5	31.6	32.8	33.1	22.9	28.7	30.9	30.0
United Kingdom	17.7	19.4	19.0	18.5	17.8	17.3	16.5	15.9	18.6	17.3	17.3	17.4	16.2	14.1	10.8	10.8
United States	17.7	21.0	21.9	21.6	20.2	19.0	19.0	18.9	18.6	18.4	18.3	17.9	15.0	15.3	12.0	11.3

a) As from 1990 on, data on wages have been revised to include only production workers.

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers.

Annex Table I.6. **Income tax plus employee and employer contributions less cash benefits (as % of labour costs), 1979–2002**
one-earner family with two children

Annexe Tableau I.6. **Impôt sur le revenu et cotisations des salariés et des employeurs diminués des prestations versées**
(en % des coûts de main-d'œuvre), 1979–2002, couples mariés avec un seul salaire et deux enfants

	1979	1981	1983	1985	1987	1989	1991	1993	1995	1996	1997	1998	1999	2000	2001	2002
Australia	13.0	15.1	12.9	14.5	16.2	15.6	14.4	14.9	16.1	15.0	14.5	15.5	16.1	13.5	14.2	14.7
Austria	20.5	23.9	24.3	25.6	24.4	23.3	24.7	24.3	27.2	28.0	32.2	32.7	31.6	29.5	29.0	29.6
Belgium	33.1	36.0	35.3	38.4	41.6	36.1	37.3	38.6	40.3	40.4	40.8	41.1	41.2	40.5	40.3	40.1
Canada	11.7	13.5	13.3	15.2	17.4	15.7	18.5	20.6	21.7	22.7	23.4	22.9	21.2	21.4	20.4	20.9
Czech Republic	-	-	-	-	-	-	-	23.1	28.5	31.4	31.2	23.4	24.4	25.2	28.2	28.7
Denmark	30.9	33.6	37.5	37.7	35.5	32.4	32.5	32.5	30.9	31.1	31.3	30.1	31.1	31.0	30.7	30.9
Finland	32.4	33.2	32.7	35.6	35.8	34.8	32.5	38.1	42.1	42.0	40.8	40.7	39.6	39.9	38.8	38.5
France ^a	-	-	-	-	-	-	-	-	39.5	40.7	39.5	38.5	38.9	39.8	39.4	39.2
Germany	30.7	30.9	33.3	34.2	32.7	34.0	34.3	33.6	37.3	35.0	35.6	35.9	34.4	33.3	32.7	32.5
Greece	9.3	9.3	14.5	22.9	30.3	32.0	30.5	34.3	34.9	35.9	36.2	36.5	35.8	36.1	35.9	35.1
Hungary	-	-	-	-	-	-	-	-	37.4	40.4	40.8	40.3	35.9	35.0	32.8	30.2
Iceland	-	6.2	4.6	-3.0	-4.8	-11.4	-14.0	-11.2	-10.9	-6.6	-2.8	0.4	0.4	2.0	1.4	1.9
Ireland	20.4	22.7	27.4	30.0	30.6	30.0	29.4	29.9	26.8	25.6	23.8	22.5	20.1	15.5	12.8	9.0
Italy ^b	40.9	41.1	42.3	43.9	44.6	43.9	40.7	42.4	44.9	43.8	43.3	37.5	37.0	36.5	35.4	34.0
Japan	11.2	11.9	12.3	16.0	15.9	14.8	15.3	16.0	15.1	15.1	15.6	14.0	19.8	20.2	20.4	20.3
Korea	-	-	-	-	-	-	-	-	6.0	5.3	11.6	13.9	15.4	15.8	15.9	15.4
Luxembourg	20.1	19.5	18.1	18.1	15.3	14.0	14.3	12.5	12.7	12.9	13.0	12.0	10.7	11.4	11.5	9.0
Mexico	-	-	-	-	-	23.5	24.4	26.6	27.2	25.4	20.8	21.9	14.1	15.4	14.4	16.1
Netherlands	39.4	39.7	43.6	41.2	41.1	38.7	40.1	35.7	34.9	33.5	33.0	33.2	34.1	35.5	33.0	25.2
New Zealand	10.4	16.8	17.5	15.5	24.3	18.0	20.8	22.2	22.4	18.8	16.2	14.8	14.1	15.5	16.7	18.2
Norway	32.6	30.1	28.5	28.0	28.4	28.0	26.4	23.0	24.4	25.0	24.9	25.6	26.2	26.9	26.9	27.2
Poland	-	-	-	-	-	-	-	36.8	39.3	39.5	38.9	37.4	38.1	38.2	37.8	37.7
Portugal	24.3	25.8	27.5	31.4	29.7	26.5	25.4	25.3	26.6	26.9	26.8	26.5	26.0	26.2	24.1	23.4
Slovak Republic	-	-	-	-	-	-	-	-	-	-	-	-	-	29.8	30.9	29.6
Spain	31.9	32.7	33.4	32.4	34.1	31.6	32.6	32.9	33.3	33.5	33.7	33.3	30.4	30.6	31.1	31.4
Sweden	42.5	42.9	43.2	42.5	43.0	45.5	37.7	37.7	42.2	44.6	45.2	44.4	44.4	42.6	41.1	40.5
Switzerland	19.2	20.6	19.9	19.0	18.3	18.6	18.0	17.3	18.9	18.6	17.7	17.8	17.8	17.7	17.9	18.1
Turkey	53.9	47.7	44.8	37.0	40.2	40.1	41.2	40.0	35.3	38.3	39.6	39.8	30.3	40.4	43.6	42.4
United Kingdom	25.2	26.8	26.6	26.2	25.6	25.1	24.3	23.8	26.1	25.3	24.8	24.9	23.3	21.4	18.2	18.2
United States	23.5	26.8	27.7	26.7	25.5	24.7	24.8	24.7	24.4	23.9	24.1	23.7	21.1	21.3	18.3	17.6

a) Employers' social security contributions not reported by France for period 1979 to 1993.

La France n'a pas déclaré de cotisations patronales de sécurité sociale pour la période 1979-1993.

b) As from 1990 on, data on wages have been revised to include only production workers.

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers.

Annex II

**OVERALL TAX LEVELS AND TAX STRUCTURES
IN OECD MEMBER COUNTRIES, 2000**

Annexe II

**NIVEAU D'IMPOSITION GLOBALE ET STRUCTURE FISCALE
DANS LES PAYS MEMBRES DE L'OCDE, 2000**

Table A. Tax revenues expressed as a percentage of GDP at market prices, 1990-2000

Tableau A. Recettes fiscales exprimées en pourcentage du PIB au prix du marché, 1990-2000

	Total tax revenue			Personal income taxes			Social security contributions						All other taxes				
	Total des recettes fiscales			Impôts sur le revenu des personnes physiques			Cotisations de sécurité sociale			Employers			Ensemble des autres impôts				
	1990	1995	2000	1990	1995	2000	Employees Saliés	1990	1995	2000	1990	1995	2000	1990	1995		2000
Australia	29	30	31	13	12	12	-	-	-	-	-	-	-	17	18	20	Australie
Austria	40	42	44	9	9	10	6	6	6	7	7	7	20	19	21	21	Autriche
Belgium	43	45	46	14	14	14	4	5	4	9	9	8	16	17	19	19	Belgique
Canada	36	36	36	15	13	13	2	2	2	3	3	3	17	17	18	18	Canada
Czech Republic	-	40	39	-	5	5	-	4	4	-	11	11	-	21	19	19	Rép. tchèque
Denmark	47	49	49	25	27	26	1	1	2	0	0	0	21	21	21	21	Danemark
Finland	45	45	47	17	16	14	0	2	2	9	10	9	18	17	21	21	Finlande
France	43	44	45	5	5	8	6	6	4	12	12	11	21	22	22	22	France
Germany	36	38	38	10	10	10	6	7	6	7	7	7	13	14	15	15	Allemagne
Greece	29	32	38	4	4	5	4	5	6	4	5	5	16	18	21	21	Grèce
Hungary	-	42	39	-	7	7	-	2	2	-	12	9	-	21	21	21	Hongrie
Iceland	31	32	37	8	10	13	0	0	0	1	2	3	22	19	22	22	Islande
Ireland	34	33	31	11	10	10	2	2	1	3	3	3	18	18	18	18	Irlande
Italy	39	41	42	10	11	11	3	3	2	9	9	8	17	19	21	21	Italie
Japan	30	28	27	8	6	6	3	4	4	5	5	5	14	13	13	13	Japon
Korea	19	21	26	4	4	4	0	0	2	1	1	2	15	15	18	18	Corée
Luxembourg	41	42	42	10	9	8	4	4	5	5	5	5	22	23	25	25	Luxembourg
Mexico	17	17	18	-	-	-	-	-	-	-	-	-	17	17	18	18	Mexique
Netherlands	43	42	41	11	8	6	10	11	8	3	3	5	19	20	22	22	Pays-Bas
New Zealand	38	38	35	17	17	15	-	-	-	-	-	-	20	21	20	20	Nelle-Zélande
Norway	42	42	40	11	11	10	4	3	3	7	6	5	21	22	22	22	Norvège
Poland	-	40	34	-	9	8	-	-	-	-	12	10	-	18	16	16	Pologne
Portugal	29	32	34	5	6	6	3	3	3	5	5	5	17	18	20	20	Portugal
Slovak Republic	-	-	36	-	-	4	-	-	3	-	-	9	-	-	21	21	Rép. slovaque
Spain	33	33	35	7	8	7	2	2	2	8	8	9	16	15	18	18	Espagne
Sweden	54	48	54	21	17	19	0	2	3	14	12	12	19	17	20	20	Suède
Switzerland	31	33	36	10	10	11	3	4	4	3	4	4	14	15	17	17	Suisse
Turkey	20	23	33	5	5	7	2	1	2	2	1	3	11	15	21	21	Turquie
United Kingdom	37	35	37	10	9	11	2	3	3	4	3	4	21	19	20	20	Royaume-Uni
United States	27	28	30	10	10	13	3	3	3	4	4	4	10	11	11	11	Etats-Unis

Table B. **Tax revenues from personal income taxes as a percentage of GDP and total taxation, 1990-2000**
(Countries with non-central government income taxes)

Tableau B. **Produit des impôts sur le revenu des personnes physiques en pourcentage du PIB et du total des recettes fiscales, 1990-2000**
(Pays percevant des impôts sur le revenu des collectivités décentralisées)

	Central government						:	State and local government ¹						
	Administration centrale						:	Administrations d'états et locales ¹						
	Percentage of						:	Percentage of						
	Pourcentage du						:	Pourcentage du						
	GDP	Total	GDP	Total	GDP	Total	:	GDP	Total	GDP	Total	GDP	Total	
	PIB		PIB		PIB		:	PIB		PIB		PIB		
	1990		1995		2000		:	1990		1995		2000		
Belgium	9	20	7	16	7	15	:	5	12	7	15	7	15	Belgique
Canada	9	25	8	23	8	23	:	6	16	5	15	5	14	Canada
Denmark	12	25	12	25	11	23	:	13	28	14	29	15	30	Danemark
Finland	7	15	6	13	7	15	:	9	20	9	19	7	16	Finlande
Iceland	5	15	5	16	6	17	:	4	11	5	15	7	17	Islande
Japan	6	19	4	14	4	14	:	2	8	2	7	2	7	Japon
Korea	-	-	4	18	3	13	:	-	-	0	1	0	2	Corée
Norway	4	9	4	10	4	11	:	7	17	7	16	6	15	Norvège
Spain ²	7	20	7	22	5	15	:	1	2	1	2	1	4	Espagne ²
Sweden	5	9	1	3	3	6	:	16	29	15	33	16	29	Suède
Switzerland	3	9	2	6	3	8	:	8	25	8	25	8	22	Suisse
United States	8	31	8	29	10	35	:	2	7	2	7	2	7	Etats-Unis

1. Income-tax sharing arrangements exist in Austria, Germany, Greece, Luxembourg, Portugal and Spain.

Il existe également des dispositifs de partage de l'impôt sur le revenu en Allemagne, en Autriche, en Espagne, en Grèce, au Luxembourg et au Portugal.

2. Spain has introduced an income tax of the Autonomous Regions as of 1997; pro memory

A partir de 1997 l'Espagne a introduit un impôt sur le revenu des Régions autonomes; pour mémoire.

Annex III

SOURCE OF EARNINGS DATA

Annexe III

SOURCES DES DONNÉES CONCERNANT LES GAINS

Country	Type of sample	Source
Australia	Representative sample of employers and employees in each industry. Carried out in May	Bureau of Statistics "Distribution and composition of employee earnings and hours"
Austria	Annual Wage Tax Statistics	"Lohnsteuerstatistik"
Belgium	Annual survey by National Bureau of Social Security	"Rapport Annuel d'Office National de Sécurité Sociale"
Canada	Monthly survey of all firms	Statistics Canada, "Employment Earnings and Hours"
Czech Republic	Employer survey data	National Statistical Office
Denmark	Danish Employers Confederation survey of earnings	Annual Report Danish Employers Confederation (Dansk Arbejds – Giverforening)
Finland	Finnish Employers Federation survey of hourly earnings	"Wages Statistics" published by the Central Statistical Office
France	Update of file based upon "annual declarations of salaries"	"Économie et Statistiques"
Germany	Survey carried out by the Federal Statistical Office	"Statistical Yearbook"
Greece	Survey carried out by National Statistics Service and Social Security Institutions	National Statistical Service Labour Statistics
Hungary	Monthly surveys among enterprises with over ten employees.	Central Statistical Office
Iceland	Quarterly survey of weekly earnings by the Wage Investigation Committee which extends to members of the Icelandic Employers' Confederation all over the country	–
Ireland	Quarterly surveys of industrial employment, earnings and hours worked by Central Statistical Office	–
Italy	Monthly Statistics Bulletin	National Institute of Statistics
Japan	Basic survey of wage structure of all establishments with more than 10 employees	Ministry of Labour, Annual Report
Korea	Major Labour Statistics	Ministry of Labour
Luxembourg	Monthly survey and annual "Social Security Trends"	Statistics Office and Ministry of Labour
Mexico	Manufacturing sector of the economy	Mensual, Instituto Nacional de Estadística, Geografía e Informática (INEGI)
Netherlands	April and October sample of non-agricultural wage-earners	Central Bureau of Statistics, Monthly Bulletin of social statistics
New Zealand	Department of Statistics PC Infos	
Norway	Norwegian Employers Confederation quarterly survey	Norsk arbeidsgiverforenings kvartalsvise lønns-og frauvaersstoatistikk
Portugal	April and October survey of earnings carried out by the Ministry of Labour	Ministry of Labour
Poland	Estimates for different sectors	Monthly Statistical Bulletin
Slovak republic	Quarterly and annual statistical data	Slovak Statistical Office
Spain	Monthly survey of firms	Instituto Nacional de Estadística "Indicadores de Salarios"
Sweden	Second quarter survey of Swedish employers	Statistics Sweden
Switzerland	Statistics of the Federal Office for Industry, the Arts and Professions	La vie économique, Département fédéral de l'économie publique à Berne
Turkey	Annual Manufacturing Industry Survey	State Institute of Statistics
United Kingdom	Annual sample of weekly earnings in PAYE (new earnings survey)	Department of Employment "Employment Gazette"
United States	Monthly surveys by Department of Labour on the basis of a questionnaire covering more than 30 million non-agricultural wage and salary-workers	"Employment and Earnings"

Pays	Type d'échantillon	Source
Allemagne	Enquête du Bureau Fédéral de statistique	« Annuaire de statistiques »
Australie	Échantillon représentatif des employeurs et employés dans chaque industrie. Enquête effectuée en mai.	Bureau of Statistics « Distribution and composition of employee earnings and hours »
Autriche	Statistiques annuelles sur l'imposition des salaires	« Lohnsteuerstatistik »
Belgique	Enquête annuelle effectuée par l'Office national de la sécurité sociale	« Rapport Annuel d'Office national de sécurité sociale »
Canada	Enquête mensuelle auprès de toutes les entreprises	Statistiques Canada, « Emploi, gains et durée du travail »
Corée	Statistiques d'Emploi	Ministère du Travail
Danemark	Enquête sur les salaires effectuée par la Confédération danoise du patronat	Rapport annuel de la Confédération danoise du patronat (Dansk Arbejdos – Giverforening)
Espagne	Enquête mensuelle auprès des établissements	Institut national de statistiques « Indicateurs de Salaires »
États-Unis	Enquête mensuelle du ministère du Travail par voie de questionnaire couvrant plus de 30 millions de travailleurs et employés des secteurs non agricoles	« Employment and Earnings »
Finlande	Enquête de la Fédération finlandaise du patronat sur les salaires horaires	« Statistiques sur les salaires » publiées par l'Office Central des Statistiques
France	Mise à jour du fichier établi à partir des « déclarations annuelles de salaires »	« Économie et Statistiques »
Grèce	Enquête effectuée par l'Institut de la statistique et les établissements de la sécurité sociale	Service National de Statistiques : « Statistiques sur le travail »
Hongrie	Enquêtes mensuelles auprès d'entreprises ayant plus de dix salariés	Bureau central de statistiques
Islande	Enquête trimestrielle des gains hebdomadaires par le « Wage Investigations Committee » auprès des membres de la Confédération du patronat dans tout le pays	–
Irlande	Enquête trimestrielle du Central Statistical Office sur l'emploi, les gains et la durée du travail dans l'industrie	–
Italie	Bulletin mensuel de statistiques	Institut national de statistiques
Japon	Enquêtes de base sur la structure des salaires dans l'ensemble des établissements employant plus de 10 salariés	Ministère du Travail, Rapport annuel
Luxembourg	Enquête mensuelles et Évolution de la sécurité sociale (publication annuelle)	Office des statistiques et ministère du Travail
Mexique	Industries manufacturières, secteur de l'économie	Banque centrale, Banque du Mexique
Norvège	Norwegian Employers Confederation quarterly survey	Norsk arbeidsgiverforenings kvartalsvise lonns-og frauvaersstoatistikk
Nouvelle-Zélande	Chiffres du Département des statistiques PC infos	
Pays-Bas	Enquête par sondage effectuée en avril et en octobre auprès des employés des secteurs non agricoles	Bureau central de statistiques « Bulletin mensuel de statistiques sociales »
Pologne	Estimations pour différents secteurs	Bulletin mensuel de statistiques
Portugal	Enquête du ministère de l'Emploi en avril et octobre	Ministère de l'Emploi
République slovaque	Enquêtes trimestrielles et annuelle	Bureau national de statistiques
République tchèque	Données provenant d'enquêtes auprès des employeurs	Bureau national de statistiques
Royaume-Uni	Échantillon annuel de gains hebdomadaires (Nouvelle enquête sur les salaires)	Department of employment « Employment Gazette »
Suède	Enquête trimestrielle de la Confédération du patronat	Statistiques Suède
Suisse	Statistiques de l'Office fédéral de l'industrie, des arts et métiers et du travail	« La vie économique », Département fédéral de l'économie publique
Turquie	Enquête annuelle de l'industrie manufacturière	Institut national de statistiques

Annex IV

**EXCHANGE RATES AND PURCHASING POWER PARITIES
OF NATIONAL CURRENCIES, 2002**

Annexe IV

**TAUX DE CHANGE ET PARITÉS DE POUVOIR D'ACHAT
DES MONNAIES NATIONALES, 2002**

	Monetary unit/ Unité monétaire	2002		
		Exchange rates*/ Taux de change*	Purchasing power parities/ Parités de pouvoir d'achat	
Australia	AUD	1.86	1.35	Australie
Austria	EUR	1.08	0.91	Autriche
Belgium	EUR	1.08	0.93	Belgique
Canada	CAD	1.57	1.19	Canada
Czech Republic	CZK	33.4	14.93	République tchèque
Denmark	DKK	8.04	8.37	Danemark
Finland	EUR	1.08	0.99	Finlande
France	EUR	1.08	0.94	France
Germany	EUR	1.08	0.95	Allemagne
Greece	EUR	1.08	0.72	Grèce
Hungary	HUF	263.44	116.89	Hongrie
Iceland	ISK	93.53	94.44	Islande
Ireland	EUR	1.08	1.01	Irlande
Italy	EUR	1.08	0.8	Italie
Japan	JPY	126.19	145.62	Japon
Korea	KRW	1 261.40	732.15	Corée
Luxembourg	EUR	1.08	0.95	Luxembourg
Mexico	MXN	9.49	6.56	Mexique
Netherlands	EUR	1.08	0.95	Pays-Bas
New Zealand	NZD	2.21	1.48	Nouvelle-Zélande
Norway	NOK	8.2	9.08	Norvège
Poland	PLN	4.11	1.88	Pologne
Portugal	EUR	1.08	0.67	Portugal
Slovak Republic	SKK	46.49	15.98	République slovaque
Spain	EUR	1.08	0.78	Espagne
Sweden	SEK	9.93	9.63	Suède
Switzerland	CHF	1.59	1.9	Suisse
Turkey	TRL	1 478 153	695 270.72	Turquie
United Kingdom	GBP	0.68	0.66	Royaume-Uni
United States	USD	1	1	États-Unis

* Average of 9 months daily rates. Moyenne sur 9 mois de taux journaliers.

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