

Taxing Wages

1998-1999

Les impôts sur les salaires

TAXATION/FISCALITÉ



TAXING WAGES

*Taxes on Wages and Salaries, Social Security
Contributions for Employees and their Employers,
Child Benefits*

1998-1999

LES IMPÔTS SUR LES SALAIRES

*Impôts sur salaires, cotisations de sécurité sociale
pour les employés et leurs employeurs, prestations
familiales pour enfants*

Édition 1999 Edition

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FOREWORD

This annual publication provides details of taxes paid on wages in all twenty-nine 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.

The present 1999 edition provides definitive data for the year 1998. For the first time, the report also provides estimates of the tax burden on labour income for the year of publication. Next year's edition will contain definitive data for 1999, together with estimates for the year 2000.

The structure of the report has been revised. Part I summarises the main results for 1998 and presents estimates for 1999. Tax burden trends over the past twenty years are reviewed in a separate section. Another newly introduced section discusses major changes in the gap between labour costs and net take-home pay (the "wedge") that have occurred over the last few years. Main results for 1998 and estimates for 1999 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. It is published on the responsibility of the Secretary-General of the OECD.

*. Previous editions were published under the titles *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 vingt-neuf 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 des 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 attribuée 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.

L'actuelle édition de 1999 présente les résultats définitifs pour l'année 1998. Le rapport fournit aussi, pour la première fois, des estimations de la pression fiscale sur les revenus du travail pour l'année en cours, c'est-à-dire 1999. L'édition de l'an prochain présentera à la fois les résultats définitifs de 1999 et des estimations de l'année 2000.

La structure du rapport a également été reconsidérée. La partie I résume les principaux résultats de 1998 et fournit des estimations pour 1999. Les tendances de la pression fiscale au cours des vingt dernières années, sont dorénavant présentées séparément. Une section nouvelle examine les principaux changements de la différence entre les coûts du travail et le revenu net (le « coin fiscal »), survenus au cours des dernières années. Des résultats détaillés pour l'année 1998 et des estimations pour 1999 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. 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 the twenty-nine Member countries of the OECD. 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 taxpayers. The methodology used to identify these categories is summarised in Section A and in more detail in Part III of this report.

The present edition contains definitive results for 1998, summarised in Section B below. For the first time, the report also presents estimates for the year of publication (see Section C). Yet another new feature is in Section D, which traces trends in tax burdens of average production workers over the past twenty years. Section E reviews major changes of the “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 focusses 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 present report is confined to personal income tax, social security contributions, and more rarely payroll taxes, 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.

Personal average tax rate (or “tax burden”) is the term used when personal income tax and employees’ social security contributions are expressed as a percentage of gross wage earnings. To determine total labour costs, employer social security contributions and – in some countries – unearmarked payroll taxes, must be added to gross wage earnings of employees.

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, as a percentage of labour costs.

The calculation of the after-tax income of employees includes family benefits paid by general government as universal cash transfers in respect of dependent children.

In this way, *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 income tax and social security contributions paid by employees and their employers at comparable levels of income. The comparative tables and charts included in Part II also provide information on certain cash benefits received by families.

B. MAIN RESULTS FOR 1998

Table I.1 shows gross wage earnings of the average production worker in each OECD Member country for years 1997 (column 2) and 1998 (column 3). The 1998 figures for Finland and Greece are estimates. The annual change of the nominal wage of an average production worker – shown in column 4 – varied between – 4 per cent (Korea, Netherlands) and 87 per cent (Turkey). To a large extent, this spread reflects the different inflation levels and overall economic performance 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 0-5 per cent range for most countries – see column 6 of Table I.1. 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 his personal average tax rate – shown in column 7 of Table I.1.¹ In 1998, a notable tax change occurred in Mexico, as the negative tax of 1.2 per cent in 1997 was reduced to practically nil. In Mexico, the tax credit for workers is reduced as wage income increases. The schedule is indexed for inflation. In 1998 nominal wage growth exceeded the rise of consumer prices by 6 percentage points (see Table I.1). As a consequence, average production workers in Mexico were exposed to a “tax credit slide”, similar in its effects to “bracket creep”. At the

Table I.1. **Comparison of wage levels**

	Gross wage in national currency		Annual change 1998/1997 (in percentage)			
	1997	1998	Gross wage	Inflation ¹	Real wage before tax	Change in tax burden ²
Australia	37 034	38 763	4.67	0.9	3.77	0.64
Austria	299 492	305 637	2.05	0.9	1.15	0.00
Belgium	1 092 901	1 117 819	2.28	1.0	1.28	0.29
Canada	34 412	35 032	1.80	1.0	0.80	-0.39
Czech Republic	140 508	153 132	8.98	10.7	-1.72	-0.11
Denmark	257 000	268 600	4.51	1.8	2.71	-1.55
Finland ³	140 619	140 619	0.00	1.4	-1.40	-0.45
France	132 520	132 200	-0.24	0.8	-1.04	-0.83
Germany	58 338	59 549	2.08	0.9	1.18	-0.18
Greece	3 061 145	3 241 753	5.90	4.8	1.10	0.41
Hungary	555 048	646 896	16.55	14.2	2.35	-0.45
Iceland	1 593 000	1 742 742	9.40	1.7	7.70	0.11
Ireland	14 608	15 285	4.63	2.4	2.23	-1.39
Italy	38 078 450	38 873 410	2.09	1.7	0.39	0.11
Japan	4 273 736	4 203 478	-1.64	0.6	-2.24	-1.25
Korea	14 484 828	13 896 504	-4.06	7.5	-11.56	0.85
Luxembourg	1 078 800	1 105 800	2.50	1.0	1.50	-1.85
Mexico	28 689	34 959	21.86	15.9	5.96	1.20
Netherlands	59 719	57 522	-3.68	2.0	-5.68	-4.86
New Zealand	34 602	35 525	2.67	1.3	1.37	-1.63
Norway	238 700	252 600	5.82	2.3	3.52	0.07
Poland	12 980	14 976	15.38	11.6	3.78	-1.09
Portugal	1 375 991	1 404 354	2.06	2.8	-0.74	-0.12
Spain	2 277 264	2 355 696	3.44	1.8	1.64	-0.01
Sweden	209 214	215 490	3.00	0.4	2.60	-0.12
Switzerland	58 184	58 625	0.76	0.0	0.76	0.02
Turkey	959 818 376	1 792 836 761	86.79	84.6	2.19	-0.80
United Kingdom	16 760	17 460	4.18	3.4	0.78	0.00
United States	28 584	29 076	1.72	1.6	0.12	0.00

1. Measured as change in consumer prices.

2. Difference between the personal average tax rate of the average production worker in 1997 and 1998, respectively.

3. The APW wage level for 1998 was not available when the calculations for this report were made.

Sources: Country submissions; *OECD Economic Outlook*, June 1999, page 264.

average production workers' wage level the tax burden remained stable in Austria, the United Kingdom and the United States. The personal average tax rate hardly changed (plus or minus less than one-tenth of a percentage point) in Norway, Spain and Switzerland. The largest reduction in the tax burden for employees occurred in the Netherlands (-4.9 percentage points), where the lower tax burden did not result in significantly higher net take-home pay.²

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 1998. At the average earnings level, unmarried workers paid over 40 per cent of their annual wages in personal income tax and employee social security contributions in Denmark, Belgium and Germany. In Greece, Japan, Korea, Mexico, Poland and Portugal the personal average tax rate was below 20 per cent. For married one-earner couples with two young children, the gap between gross wage earnings and net take-home pay is generally smaller, with Greece, Mexico and Turkey being exceptions. And in the Czech Republic, Iceland and Luxembourg, when cash benefits for children are taken into account, the net transfer becomes positive (see Chart I.1).

In most OECD countries, employers contribute significantly to financing the social security system. In addition, some countries impose unearmarked payroll taxes. Apart from non-cash fringe benefits, labour costs consist of gross wages paid to employees plus these employer social security contributions and any unearmarked payroll taxes. In 1998, the tax wedge between total labour costs to the employer and

Table I.2. **Income tax plus employee social security contributions¹**
(as % of gross wage), 1998

Country ²	Income tax	Social security contributions	Total ³	Gross wage earnings ⁴
Denmark	34	10	43	32 053
Belgium	28	14	42	30 376
Canada	22	6	27	30 200
Germany	21	21	42	29 626
Australia	24	2	25	29 590
Switzerland	10	12	22	29 167
United States	18	8	26	29 076
Norway	22	8	30	28 098
Netherlands	7	27	34	27 788
Luxembourg	12	13	25	27 304
United Kingdom	17	8	25	26 616
Japan	0	7	7	25 788
New Zealand	20	0	20	24 332
Italy	20	9	29	23 981
Finland	28	8	35	23 281
Austria	11	18	29	22 640
Sweden	27	7	34	22 377
Ireland	20	5	25	22 024
Iceland	21	0	22	21 622
Korea	2	5	6	20 928
France	14	13	27	20 307
Spain	14	6	20	18 696
Turkey	24	9	33	14 066
Greece	2	16	18	13 973
Czech Republic	10	13	23	11 689
Portugal	7	11	18	11 235
Poland	16	0	16	8 809
Mexico	0	3	3	6 950
Hungary	17	12	29	6 746

1. Single individual at the income level of the average production worker.

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. **Income tax plus employee social security contributions less cash benefits, by family-type (as % of gross wage), 1998**

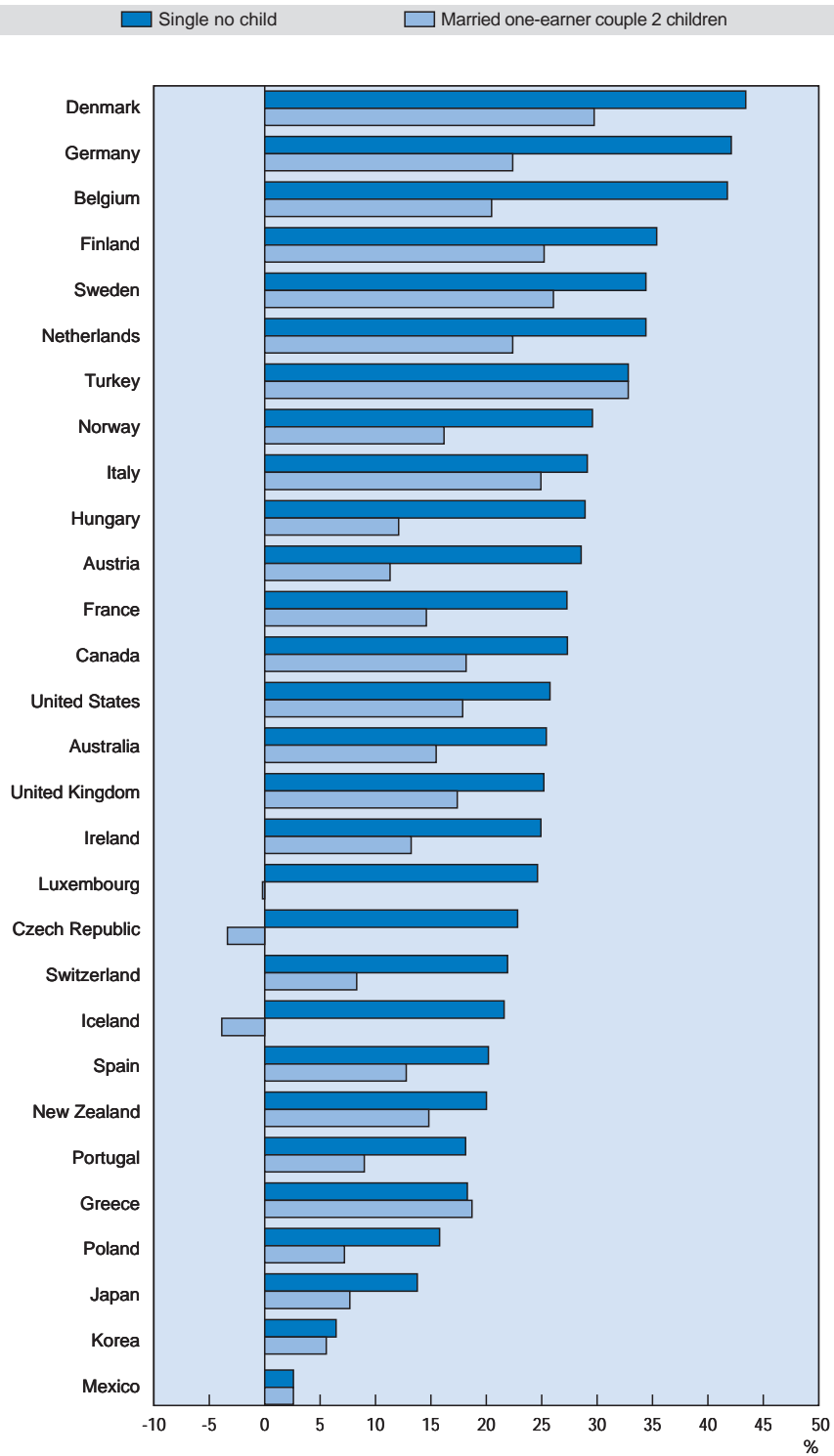


Table I.3. **Income tax plus employee and employer social security contributions (as % of labour costs), 1998¹**

Country ²	Income tax	Social security contributions		Total ³	Labour costs ⁴
		Employee	Employer		
Belgium	22	10	26	57	40 995
Germany	17	17	17	52	35 863
Switzerland	9	10	10	30	32 535
Italy	14	7	26	47	32 351
Netherlands	6	23	14	44	32 271
Denmark	34	10	1	44	32 214
Canada	20	5	6	32	32 211
Norway	19	7	11	37	31 638
United States	17	7	7	31	31 300
Luxembourg	10	11	12	34	31 102
Austria	8	14	24	46	29 823
Sweden	21	5	25	51	29 768
Australia	24	2	0	25	29 590
Finland	22	6	21	49	29 334
United Kingdom	15	8	9	32	29 277
France	10	9	28	48	28 198
Japan	6	7	7	20	27 664
Ireland	18	5	11	33	24 667
Spain	11	5	24	39	24 454
New Zealand	20	0	0	20	24 332
Korea	1	4	9	15	22 962
Iceland	20	0	4	25	22 545
Greece	2	12	22	36	17 880
Turkey	21	8	11	40	15 825
Czech Republic	8	9	26	43	15 781
Portugal	6	9	19	34	13 903
Poland	11	0	33	43	13 051
Hungary	12	8	32	52	9 916
Mexico	0	2	20	22	8 662

1. Single individual at the income level of the average production worker.

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.

the corresponding net take-home pay to workers, at average earnings levels, ranged from a low 15 per cent in Korea and 20 per cent (Japan and New Zealand) to 51 per cent (Sweden), 52 per cent (Germany, Hungary) and 57 per cent in Belgium (see Table I.3).

In Greece and Korea, employees at average earnings pay hardly any income tax (1-2 per cent), whereas in Denmark they contribute 34 per cent. Mexico shows no tax payment because workers are entitled to non-wastable tax rebates. Employees' contributions to their social security also vary widely, ranging from zero per cent in Iceland, New Zealand and Poland to 23 per cent of labour costs in the Netherlands. Employers pay 33 per cent of total labour costs in social security contributions in Poland, 32 per cent in Hungary and 28 per cent in France. 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 I-11 and Charts I-6 included in Part II, Sections A and C. All these summary tables show personal average tax rates, tax wedges and marginal tax rates, 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 zero (Mexico) and 1.6 per cent (Korea) and 33.7 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). Finland, Hungary, Mexico, 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). Greece taxes the couple even slightly more than it does single individuals (2.8 instead of 2.4 per cent), because employers usually pay an additional 10 per cent of salary to employees with a spouse; see Section 3 of the country chapter in Part V.

Luxembourg and Mexico are the only OECD Member countries where a married average production worker does not pay any personal income tax. In six countries – Austria, Canada, Germany, Mexico, New Zealand 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 (a so-called “tax credit”) which exceeds the amount of tax due. As a consequence, for these cases column 4 of Table 1 shows a negative tax burden. In four other countries – Greece, Korea, Luxembourg and Portugal – 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 often (slightly) rise. However, the tax burden actually falls in the case of Mexico (by –5 percentage points), Hungary (–4.3), Finland (–3.5), the United Kingdom (–2.4), Australia (–1.8), Turkey (–1.6), Sweden (–0.7), Greece and Italy (–0.6), Austria (–0.5) and Korea (–0.2 percentage 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 (New Zealand, Poland) and 27.2 per cent (the Netherlands). 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 Austria (18.1 per cent), Greece (15.9 per cent), the Czech Republic (12.5 per cent), Hungary (11.5 per cent), Italy (9.2 per cent), Portugal (11 per cent), Norway (7.8 per cent), the United States (7.7 per cent) and Korea (4.9 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 67).

Only two OECD Member countries – New Zealand and Poland – levy no social security contributions at all on employees, though they are very low for employees in Australia and Iceland.

Table 3 shows 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. 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 (43.4), Germany (42.1) and Belgium (41.8). At the other extreme, the personal average tax rate remains below 20 per cent in Mexico (2.6), Korea (6.4), Japan (13.8), Poland (15.8), Portugal (18.1) and Greece (18.3).

Table 4 indicates 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 68) 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 Canada, Germany, Greece, Japan, Korea, Mexico, New Zealand, 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 69) 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 spread between the highest and the lowest wedges is narrower than the variation in personal income tax cum employee social security contribution burdens, because 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 14.7 per cent (Korea), 19.6 per cent (Japan) and 20 per cent (New Zealand) to 50.7 per cent (Sweden), 51.6 per cent (Hungary), 52.2 per cent (Germany) and 56.8 per cent (Belgium).

The negative numbers for Australia, Iceland, Ireland and New Zealand 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 70) 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 Member countries (Denmark, Finland and Ireland) single workers without children at the APW wage level face marginal rates of around 50-55 per cent. In Germany (55.7 per cent) and Belgium (55.9 per cent) the rates are even slightly higher. Korea (9.1 per cent), Mexico (17.5 per cent) and Poland (19 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 (27 percentage points), Ireland (22 points) and France (14 points) show much lower rates for married one-earner couples. By contrast, in the Czech Republic (almost 14 points), the United States (21 points) and New Zealand (30 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 (US), and the (double) rebate system in New Zealand, 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 (84 and 71.4 per cent) for a single person with two children at two-thirds of the APW wage level occur in Australia and Ireland. Such extremely high rates are a direct consequence of the withdrawal of income-tested family allowances, which in the case of Ireland accounts for 43 percentage points to the implicit marginal tax rate (compare columns 1 and 4 of Table 6).

Table 7 and Chart 6 (see page 71), 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 at the margin labour costs are equal to gross wage earnings). In the case of Denmark, the difference is very small.

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. In the case of the married one-earner household at the APW wage level, column 5 of Table 8 shows that of all OECD Member countries New Zealand and the Czech republic (.54) and Iceland (.52) have, on this measure, the most progressive system of income tax plus employee social security contributions, followed by the United States (.60), Belgium (.61), Canada (.62) and Hungary (.63). At the other extreme, France (.93), Korea and Turkey (.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, extremely low elasticity figures are shown for Ireland (.25) and Australia (.15), 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 .70 and .90 for most of the family-types considered. For one-earner households at the APW wage level the elasticity is below .6 in New Zealand (.54) and Iceland (.59). France and Luxembourg show an elasticity of 1. Turkey is the only country to show elasticities greater than 1 for all family-types represented in Table 9.

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 net amount in Switzerland (US\$22 770), in Japan (US\$22 236) and in Australia (US\$22 070). Average production workers pocket only US\$4 795 in Hungary, US\$6 769 in Mexico, US\$7 418 in Poland and US\$9 021 in the Czech Republic, reflecting the stage of economic development of these countries that recently joined the OECD.

The ordering of countries may slightly change if other family-types were examined 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 labour costs instead of wage earnings. 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, because in these countries employers pay no such contributions. If measured in US dollars with equal purchasing power, labour costs for single workers earning average wages are the highest in Belgium (40 995) and the lowest in Mexico (8 662) and Hungary (9 916).

C. ESTIMATES FOR 1999

For the first time, this annual report shows tax burdens on labour income for the current year. Section C in Part III specifies how wage levels of the average production worker have been estimated. This Section summarises the results contained in Tables 12-17 of Section B in Part II of the report.³ For year 1999, these tables show personal average tax rates, tax wedges and marginal tax rates, respectively. Tax rates and wedges are presented 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).

Changes between 1998 and 1999 for the various cases considered can be traced by comparing the same columns in Tables 12, 13, 14 and 15, respectively, to those in Tables 1, 2, 4 and 5, respectively. The following commentary on Tables 12 to 15 covers only changes 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). A comparison of 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

Table 12 provides estimates of personal income tax due as a percentage of gross wage earnings. For single persons at average earnings, changes between 1998 and 1999 in the average income tax burden rarely exceed one percentage point, exceptions being Spain where the burden drops by 2 percentage points, and Turkey where it drops by a large 9 points (compare column 2 of Tables 1 and 12). Changes in the income tax burden of one-earner married couples at this income level exceed one percentage point only in the Netherlands and Germany (-1.2), Ireland (-2.7), Spain (-3.9), Hungary (-5.9) and Turkey (-9) and, at the other extreme Iceland (+1.6); compare column 5 of Tables 1 and 12.

Table 13 provides estimates of employee social security contributions as a percentage of gross wage earnings. For single persons at average earnings, changes between 1998 and 1999 in the average burden of employee social security contributions rarely exceed one percentage point, exceptions being the Netherlands where the burden increased by 1.7 points and Korea (1.8 points); compare column 2 of Tables 2 and 13. Changes in the burden of contributions of one-earner married couples at this income level exceed one percentage point only in Korea (1.8) and the Netherlands (2.3); compare column 5 of Tables 2 and 13.

Table 14 gives estimates of the combined burden of income tax and employee social security contributions in the form of personal average tax rates, 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 1998 and 1999 in the personal average tax rate rarely exceed one percentage point, exceptions being Spain where the tax rate drops by 2 percentage points, and Turkey where it drops by a large 9.7 points and, at the other extreme, the Netherlands (+1.2 points), Korea (+1.5 points) and Luxembourg (+1.6 points); compare column 2 of Tables 4 and 14. Changes in the personal average tax rate of one-earner married couples exceeding one percentage point are in most cases largely due to changes in the amount of cash family benefits. In 1999, the average burden of one-earner families is significantly higher in the Netherlands (+1.4 points), Korea (+1.5), the Czech Republic (+2.7 points) and Iceland (+2.8 points). At the other extreme, the average burden for one-earner married couples falls by over 1 percentage point in Germany (-1.5), Ireland (-2.9), Spain (-3.9), Hungary (-4.1) and Turkey (-9.7 points); compare column 5 of Tables 4 and 14.

Table 15 extends the presentation to include estimates of 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 1999 as compared to 1998 remain within plus or minus 2 percentage points. However, for the single average production worker, the wedge in Poland decreases slightly more (-2.2 points) and largely more in Turkey (-9.2 points); compare column 2 of Tables 5 and 15. For married one-earner couples the wedge increases by more than two full percentage points in the Czech Republic (+2.0) and in Iceland (+3.1). At the other extreme, the wedge shrinks by more than two points in Poland (-2.5), Ireland (-2.6), Spain (-3), Hungary (-5) and Turkey (-9.2 points); compare column 5 of Tables 5 and 15.

Table 16 provides estimates of the marginal rate of income tax plus employee social security contributions by family-type and wage level. Generally, changes between 1998 and 1999 in the marginal rate remain within plus or minus 5 percentage points. Only changes outside this range are summarised. For single persons at two-thirds of average earnings in France the marginal rate increases by 15.7 points; compare column 1 of Tables 6 and 16, for single workers at average earnings in the Netherlands it increases by 12.6 points. For their counterparts in Norway, the marginal rate decreases by 9.5 points; compare

column 2 of Tables 6 and 16. For single workers at 167 per cent of average earnings in Sweden the marginal rate drops by 5.2 points; compare column 3 of Tables 6 and 16. For single parents with two children at two-thirds of average earnings in Austria the marginal rate goes up by 30 points, at the other extreme in Spain their marginal rate falls by 17.7 points; compare column 4 of Tables 6 and 16. For some countries these large changes are partly explained by reforms of income-tested family cash benefits programmes.

For one-earner families with two children at average earnings in Germany there is in 1999 an increase in the marginal rate of income tax plus employee social security contributions of 5.2 points; compare column 5 of Tables 6 and 16. In the Netherlands, two-earner families (100-33 and 100-67 of the APW wage level) with two children receive an increase of the marginal rate by 12.6 points, whereas for similar families in Norway the marginal rate drops by 9.5 points; compare columns 6 and 7 of Tables 6 and 16. The marginal rate for two-earner families (100-33 of the APW wage level) without children increases by 8 points in France and by 12.6 points in the Netherlands, and it decreases by 9.5 points in Norway; compare column 8 of Tables 6 and 16. In Turkey, for all family-types and at all wage levels distinguished, the marginal rate of income tax plus employee social security contributions falls by 10-15 points.

Table 17 provides estimates of the marginal rate of income tax plus employee and employer social security contributions in 1999. In nearly all countries, changes in this marginal rate remain within plus or minus 5 percentage points, the exceptions being summarised below. In 1999, for single workers at two-thirds of average earnings in France the marginal rate increases by 15.7 points; compare column 1 of Tables 7 and 17. For single workers at average earnings in the Netherlands the marginal rate increases by 10.5 points. For their counterparts in Hungary it falls by 5.1 points; compare column 2 of Tables 7 and 17. For single workers at 167 per cent of average earnings the marginal rate in Spain increases by 22.1 points; compare column 3 of Tables 7 and 17. In the case of single parents at two-thirds of average earnings, the marginal rate in Austria increases by 22.7 points. In contrast, in Spain it drops by 13.6 points; compare column 4 of Tables 7 and 17. In 1999, the marginal rate for one-earner families with two children at the APW wage level in Hungary falls by 5.1 points; compare column 5 of Tables 7 and 17. In the Netherlands, the marginal rates for two-earner families (100-33 and 100-67 of the APW wage level) with two children increase by 10.5 points, whereas the marginal rate for similar families in Hungary drops by 5.1 points and in Norway by 8.4 points; compare columns 6 and 7 of Tables 7 and 17. The marginal rate for two-earner families (100-33 of the APW wage level) without children goes up by 5.8 points in France and by 10.5 points in the Netherlands, and falls by 8.4 points in Norway; compare column 8 of Tables 7 and 17. In Turkey, for all family-types and at all wage levels distinguished, the marginal rate of income tax plus employee and employer social security contributions falls by 10-15 points.

D. TAX BURDEN TRENDS, 1978-1999

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 1978. Tables 1-3 in Annex I show personal average tax rates and tax wedges for the single average production worker without children over the 1979-1999 period for those countries where data were available.⁴ 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 1 in Annex I reveals that over the last twenty years the average personal income tax rate has (slightly) increased in most OECD countries, with the exception of (rounded figures) Turkey (-27 percentage points), Sweden (-9), the Netherlands (-8), the United Kingdom (-6.7), New Zealand (-6.6), Luxembourg (-5.9), Ireland (-4.3), Norway (-4), the United States (-2.4), Denmark (-2.2), Japan (-1.1) and Switzerland

(-0.5). However, in some cases personal income tax reductions were more than offset by higher social security contributions.

This becomes clear from Table 2 in Annex I, which presents the burden of income tax plus employees' social security contributions. During this 21-year period the average personal tax rate (including contributions) has tended to increase in practically all OECD countries. While in many countries this rise was limited to 2-6 percentage points, Germany (+10.4), Italy (+9.4), France (+7.3), Greece (+7.2) and Canada (+6.4) show especially strong increases. On the other hand, the personal average tax rate fell between the late 1970s and the late-1990s in Turkey (by -25.9 percentage points), New Zealand (-6.6), Norway (-10.0), the United Kingdom (-5.1), Luxembourg (-3.1), Ireland (-3.5), Sweden (-2.3) and the United States (-0.9).

Table 3 in Annex I extends the presentation to include employers' social security contributions. Over the 1979-1999 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 and Greece (+11 percentage points), Austria and Belgium (+9.5), Canada (+8.5) and Finland (+6.5). In contrast, the wedge was substantially reduced in Turkey (by -22.8 percentage points), and to a lesser degree in New Zealand (-6.6), Norway (-6.2), the United Kingdom (-5.1), and Luxembourg (-3.5).

One-earner family with two children

The information in Table 4 in Annex I parallels that in Table 1, but now focussing on the one-earner married couple with two children at the average earnings level. Again, average income tax rate reductions after 1979 are considerable in Turkey (by -27.2 percentage points), the Netherlands (-7.7), and Sweden (-6.5). 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. During the 1990s, the burden of the income tax has been considerably reduced in Denmark (by -9.3 percentage points), in Ireland, Mexico and New Zealand (-6) and the Netherlands (-5). At the other extreme, in the 1990s the income tax rate increased substantially in France (+6.5) and in Finland (+5.5).

Likewise, the information in Table 5 in Annex I parallels that in Table 2 of that annex, but focussing on the married one-earner couple with two children at the APW wage level. 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 been deducted from the tax amounts due.

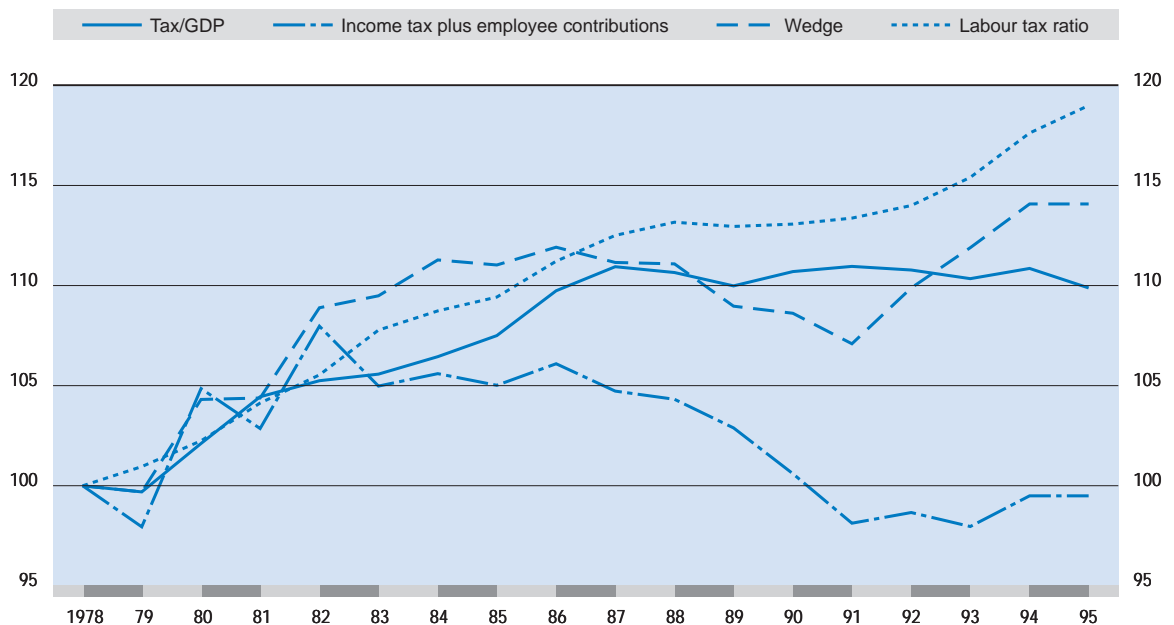
Finally, Table 6 in Annex I extends the one-earner married couple analysis to include employers' social security contributions. Over the 1979-1999 period significant increases of the wedge are reported for Greece (+27.5 percentage points), Austria and Canada (+11) and Finland (+8). At the other extreme, Turkey (-22.8), Luxembourg (-8.7) and Norway (-6.5) show substantial reductions in the combined burden of the personal income tax and (all) social security contributions.

Tax wedges on labour, labour tax ratios and tax-to-GDP ratios, 1978-1995

Long-term trends in tax wedges may be compared to trends in tax ratios over the same period. Two ratios are considered here: the labour tax ratio and the tax-to-GDP ratio. The labour tax ratio is defined as income tax on wages and salaries plus social security contributions and taxes on payroll and workforce, expressed as a percentage of the aggregate of all wages and salaries plus employers' social security contributions. The tax-to-GDP ratio is calculated by expressing revenue from all taxes (including social security contributions) as a share of Gross Domestic Product. For each year of the period 1978-1995,⁵ unweighted average values were calculated for the tax wedge of single average production workers, the labour tax ratio and the tax-to-GDP ratio. Indices (with 1978 = 100) representing the trend of each variable have been plotted in Chart I.2. Available data permit sixteen countries to be included in this analysis.⁶

During the first decade of the period analysed (1978-1987), the overall tax level in the sixteen countries considered rose by 11 per cent. The tax-to-GDP ratio remained more or less stable during the second decade (1987-1995). The tax burden on labour – as measured by the labour tax ratio – increased more

Chart I.2. **Tax wedge and tax ratios, 1978-1995 (average of sixteen countries)**
Index 1978 = 100



Source: OECD.

or less without interruption. By 1995, taxes on labour were almost 20 per cent higher than was the case in 1978. After rising markedly in the late 1970s and the early 1980s, the personal average tax rate of single average production workers remained stable through the mid 1980s. In the late 1980s the average tax rate even fell back to the level of 1978. During the first half of the 1990s the personal rate stayed more or less at this level. With some important fluctuations, the wedge increased in line with the tax labour ratio. Tax rates experienced by average production workers did not increase (over the whole 1978-1995 period), so the relative share of employer social security contributions in the wedge has increased. This is not reflected in macro data from the OECD *Revenue Statistics*. In the sixteen countries under review the share of employer contributions in total social security contributions decreased from 61 per cent in 1978 to 53 per cent in 1995. The share of employee contributions increased from 26 per cent to 31.5 per cent, with self-employed, pensioners and benefit recipients contributing the remaining 15.5 per cent. The conclusion from this brief analysis should be that observations at the micro level for one particular level of wage income apparently can not simply be projected onto the macro level, and conversely.

E. TAX WEDGES, 1996-1998

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 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 three causes:

- i) changes in national tax and benefit legislation;
- ii) the impact of inflation;
- iii) changes in countries reporting practices.

Between 1996 and 1997, five countries showed 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 recent revision of the transfer system, being an example of *i*). In Mexico the reduction of the wedge by 4.6 points was largely due to a reduction of employee and employer social security contributions. The value of the tax credit for workers (indexed for inflation) increased, because in 1997 wages increased by 20 per cent and inflation ran at 24 per cent (on annual basis). As a consequence of the higher non-wastable tax credit workers on average wages became entitled to a tax rebate. As a second example of case *ii*), the increase of the wedge for Turkey was largely caused by “bracket creep”. In 1997, wages and consumer prices increased by 70-85 per cent, but the tax schedule was insufficiently adjusted for inflation. As a consequence, taxpayers moved up into higher-taxed brackets. 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, a few countries showed 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 wedge. Korea introduced higher rates of employee and employer social security contributions. As a consequence, the wedge increased by 2.3 percentage points for all eight family-types and wage levels distinguished in this report. In the case of single parents with two children, the wedge changed significantly in three countries as the result of legislative change: Australia (–3.5 points), Iceland (+4 points) and Norway (+2.3 points).

Comparing wedges in 1997 and 1998, there are two examples of a changing in reporting practice. As from 1998, the Czech Republic includes income-tested family cash benefits which were introduced in 1997. As a consequence – in comparison to 1997 – wedges shown in Table 5 are 12 percentage points lower for single parents with two children at two-thirds of the average earnings level, 8 points lower for the one-earner family with two children at average earnings, and 3 points lower for the two-earner family (100-33 per cent of APW wage) with two children. Italy reports reduced employee and employer social security contribution rates in 1998. The tax wedge fell significantly on account of these changes, with reductions in the order of 5 percentage points observed in most married cases with slightly smaller reductions for single workers without children.

Changes of the wedge between 1998 and 1999 (based on estimates) were already discussed when considering Table 17 (see Section C). The corresponding section of next year's edition of this report will comment on the *definitive* results.

NOTES

1. The change in the tax burden is defined as the difference between the personal average tax rate of the average production worker in 1997 and in 1998.
2. Social contributions due by employees were reduced and shifted towards employers – leaving the wedge unaffected. At the same time, the Dutch government empowered employers to cut a particular wage component (the “compensation allowance”), which explains why the gross APW wage level in 1998 is about 2 200 guilders lower than it was in 1997 – compare columns 2 and 3 of Table I.1. As a consequence of this combination of policy measures, on balance labour costs of employers and net incomes of employees hardly changed.
3. The report provides no estimates for Australia.
4. Data available for years 1974-1977 were not used, because their quality raises unresolved issues.
5. In the data set used for this exercise, labour tax ratios are not available for 1996-1998. Year 1998 could not be included anyway, because the 1999 edition of *Revenue Statistics* only reports definitive tax-GDP ratios for the period 1965-1997.
6. These countries are: Australia, Austria, Belgium, Canada, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Spain, Sweden, Switzerland, the United Kingdom and the United States.

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 pays Membres. Cependant, cette publication n'indique pas la charge fiscale subie par certains types de contribuables représentatifs. Ce document parallèle s'efforce de combler en partie cette lacune en indiquant en détail un certain nombre d'impôts applicables. Les situations personnelles des contribuables sont très variables. Par conséquent, la méthode à utiliser pour identifier des contribuables représentatifs et pour calculer le montant de leur contribution aux charges publiques n'apparaît pas d'une manière évidente. Pour identifier un type de contribuable représentatif et calculer les impôts qu'il (elle) paye, cette étude sur « Les impôts sur les salaires » utilise une méthodologie spécifique (section A).

La présente édition de l'étude contient des résultats définitifs pour 1998, résumés à la section B ci-dessous. Pour la première fois, le rapport présente également des estimations pour l'année d'édition en cours (voir section C). Par ailleurs, la section D comporte aussi des éléments nouveaux, puisqu'elle indique l'évolution de la charge fiscale de contribuables moyens au cours des vingt dernières années. La section E examine les principaux changements intervenus dans le « coin fiscal » entre les coûts de main-d'œuvre et le revenu disponible net après impôt au cours des dernières années.

A. MÉTHODOLOGIE DE BASE

Cette section présente succinctement la méthodologie utilisée dans l'élaboration de ce rapport. L'accent est mis sur les salariés. Par hypothèse, le revenu annuel de leur travail 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. La présente étude porte sur l'impôt sur le revenu des personnes physiques et les cotisations de sécurité sociale applicables aux salaires bruts.

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.

Les coins fiscaux – écart entre les coûts de main-d'œuvre pour l'employeur et le revenu net disponible après impôt du salarié – sont calculés en exprimant 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.

Le calcul du revenu après impôt des salariés inclut les prestations familiales versées par les administrations publiques ainsi que les prestations sociales d'application générale au titre des enfants à charge.

Ce rapport ne prend pas en compte les impôts sur les revenus du capital et les revenus du travail non salarié, ainsi que plusieurs impôts directs (impôt sur l'actif net, impôt sur les bénéfices des sociétés) ni les impôts indirects.

Ainsi, « Les impôts sur les salaires » s'efforcent de déterminer l'effet combiné des impôts sur le revenu des personnes physiques, des cotisations de sécurité sociale et de certaines prestations sociales d'application générale sur les revenus nets d'une série de types de ménages représentatifs. Des informations sont données sur l'impôt sur le revenu et les cotisations de sécurité sociale versées par les salariés et leurs employeurs pour des niveaux de revenu comparables. Les tableaux et graphiques comparatifs qui figurent à la partie II fournissent également des informations sur certaines prestations en espèces reçues par les familles.

B. PRINCIPAUX RÉSULTATS POUR L'ANNÉE 1998

Le tableau I.1 indique les salaires bruts de l'ouvrier moyen dans chaque pays Membre de l'OCDE tels qu'ils ont été déclarés pour les années 1997 (colonne 2) et 1998 (colonne 3). Les chiffres de 1998 pour

Tableau I.1 Comparaison des niveaux de salaires

	Salaires bruts en monnaie nationale		Accroissement annuel 1998/1997 (en pourcentage)			
	1997	1998	Salaire brut	Inflation ¹	Salaire réel avant impôt	Changement de la pression fiscale ²
Australie	37 034	38 763	4.67	0.9	3.77	0.64
Autriche	299 492	305 637	2.05	0.9	1.15	0.00
Belgique	1 092 901	1 117 819	2.28	1.0	1.28	0.29
Canada	34 412	35 032	1.80	1.0	0.80	-0.39
République tchèque	140 508	153 132	8.98	10.7	-1.72	-0.11
Danemark	257 000	268 600	4.51	1.8	2.71	-1.55
Finlande ³	140 619	140 619	0.00	1.4	-1.40	-0.45
France	132 520	132 200	-0.24	0.8	-1.04	-0.83
Allemagne	58 338	59 549	2.08	0.9	1.18	-0.18
Grèce	3 061 145	3 241 753	5.90	4.8	1.10	0.41
Hongrie	555 048	646 896	16.55	14.2	2.35	-0.45
Islande	1 593 000	1 742 742	9.40	1.7	7.70	0.11
Irlande	14 608	15 285	4.63	2.4	2.23	-1.39
Italie	38 078 450	38 873 410	2.09	1.7	0.39	0.11
Japon	4 273 736	4 203 478	-1.64	0.6	-2.24	-1.25
Corée	14 484 828	13 896 504	-4.06	7.5	-11.56	0.85
Luxembourg	1 078 800	1 105 800	2.50	1.0	1.50	-1.85
Mexique	28 689	34 959	21.86	15.9	5.96	1.16
Pays-Bas	59 719	57 522	-3.68	2.0	-5.68	-4.86
Nouvelle-Zélande	34 602	35 525	2.67	1.3	1.37	-1.63
Norvège	238 700	252 600	5.82	2.3	3.52	0.07
Pologne	12 980	14 976	15.38	11.6	3.78	-1.09
Portugal	1 375 991	1 404 354	2.06	2.8	-0.74	-0.12
Espagne	2 277 264	2 355 696	3.44	1.8	1.64	-0.01
Suède	209 214	215 490	3.00	0.4	2.60	-0.12
Suisse	58 184	58 625	0.76	0.0	0.76	0.02
Turquie	959 818 376	1 792 836 761	86.79	84.6	2.19	-0.80
Royaume-Uni	16 760	17 460	4.18	3.4	0.78	0.00
États-Unis	28 584	29 076	1.72	1.6	0.12	0.00

1. Mesurée en évolution des prix de consommation.

2. Différence entre le taux moyen d'imposition sur le salaire de l'ouvrier moyen de 1998 et 1997.

3. Le niveau de salaire de 1998 n'était pas encore disponible au moment des calculs de ce rapport.

Sources : Soumissions nationales ; OCDE *Perspectives économiques*, Juin 1999, page 264.

la Finlande et la Grèce sont des estimations. La variation annuelle du salaire nominal d'un ouvrier moyen – indiquée à la colonne 4 – oscillait entre –4 pour cent (Corée, Pays-Bas) et 87 pour cent (Turquie). Dans une large mesure, cet écart correspond aux différences de situation des pays de l'OCDE en matière d'inflation – voir colonne 5 du tableau I.1. Il n'est pas surprenant que la variation annuelle des salaires réels des ouvriers moyens (avant impôt sur le revenu des personnes physiques et cotisations salariales de sécurité sociale) apparaisse comprise entre 0 et 5 pour cent pour la plupart des pays – voir colonne 6. Il est important de noter que les chiffres indiqués ici ne sont pas nécessairement représentatifs de l'accroissement au niveau individuel du pouvoir d'achat des salariés moyens pour un certain nombre de raisons examinées à la partie III, qui traite des limites de la méthodologie utilisée dans ce rapport.

Le salaire réel disponible de l'ouvrier moyen est également influencé par la variation de la pression fiscale – indiquée dans la colonne 7 du tableau I.1¹. En 1998 un changement notable survint au Mexique. Le taux négatif de 1.2 % constaté en 1997 a été pratiquement réduit à zéro. En effet le crédit d'impôt pour les salariés est d'autant plus réduit qu'augmente le salaire et ce barème est indexé sur l'inflation. En 1998 la croissance nominale des salaires a excédé de 6 % l'augmentation des prix à la consommation (voir le tableau I.1). En conséquence les ouvriers moyens mexicains ont subi le « glissement du crédit d'impôt » dont l'effet est similaire au « changement de tranche d'imposition ». La pression fiscale est restée stable (au niveau de salaire de l'ouvrier moyen) en Autriche, aux Etats-Unis, au Royaume-Uni et en Turquie. Le taux moyen de l'impôt sur le revenu des personnes physiques n'a guère varié en Espagne, en Norvège et en Suisse. C'est aux Pays-Bas que la pression fiscale sur les salariés a été la plus réduite (–4.9 pour cent). On peut noter que l'abaissement de la charge fiscale ne s'est pas traduit par une augmentation sensible des salaires nets. Les cotisations sociales dues par les salariés ont été réduites et répercutées sur les employeurs – ce qui a laissé le coin fiscal inchangé. En même temps, le gouvernement a autorisé les employeurs à réduire un élément de salaire particulier (« l'indemnité compensatoire ») ce qui explique pourquoi le niveau de salaire de l'ouvrier moyen a fait apparaître entre 1997 et 1998 une baisse d'environ 2 200 florins – comparer les colonnes 2 et 3 du tableau I.1. Par suite de cette combinaison de mesures, les coûts de main-d'œuvre des employeurs et les revenus nets des salariés n'ont dans l'ensemble guère varié.

Le tableau I.2 présente les taux moyens en 1998. Les célibataires rémunérés au salaire moyen ont payé plus de 40 pour cent de leur revenu annuel en impôts et transferts sociaux au Danemark, en Belgique et en Allemagne. En Corée, Grèce, Japon, Mexique, en Pologne et au Portugal, ce chiffre était inférieur à 20 pour cent. Pour les couples mariés ayant deux enfants et disposant d'un salaire unique, l'écart entre le salaire brut et le revenu net disponible est généralement plus faible. La Grèce, le Mexique et la Turquie constituent des exceptions à cet égard. Par ailleurs, en la République tchèque, en Islande et le Luxembourg, lorsque l'on tient compte des prestations en espèces au titre des enfants à charge, les transferts nets deviennent positifs (voir graphique I.1).

Dans la plupart des pays de l'OCDE, les employeurs contribuent dans des proportions importantes au financement du système de sécurité sociale. En outre, certains pays appliquent une taxe sur les salaires. Mis à part les avantages accessoires en nature, les coûts de main-d'œuvre comprennent les salaires bruts versés aux employés plus les cotisations patronales de sécurité sociale et les taxes sur les salaires (éventuellement). En 1998, le « coin fiscal » entre les coûts totaux de main-d'œuvre et le revenu net disponible correspondant des salariés, pour des niveaux de rémunération moyens, variait de 15 pour cent (Corée) et 20 pour cent (Japon et Nouvelle-Zélande) à 51 pour cent (Suède) à 52 pour cent (Allemagne et Hongrie) et 57 pour cent (Belgique) (voir tableau I.3).

En Grèce et en Corée, les salariés titulaires de revenus moyens ne payent pratiquement pas d'impôt sur le revenu (1 à 2 pour cent) tandis qu'au Danemark leur contribution est de 34 pour cent. Le Mexique ne présente pas un montant d'impôt, les salariés de ce pays ayant droit à des remboursements fiscaux. Les cotisations des salariés à leurs systèmes de sécurité sociale varient aussi dans des proportions importantes, puisqu'elles vont de 0 pour cent en Islande, en Nouvelle-Zélande et en Pologne à 23 pour cent des coûts de main-d'œuvre aux Pays-Bas. Quant aux employeurs, ils versent 33 pour cent des coûts totaux de main-d'œuvre sous forme de contributions de ce type en Pologne, 32 pour cent en Hongrie et 28 pour cent en France. En revanche, en Australie et en Nouvelle-Zélande, les employeurs ne sont pas soumis à ces prélèvements; au Danemark les cotisations des employeurs sont négligeablement faibles.

Tableau I.2. **Impôt sur le revenu et cotisations de sécurité sociale des salariés¹**
(en % du salaire brut), 1998

Pays ²	Impôt sur le revenu	Cotisations de sécurité sociale	Total ³	Salaires bruts ⁴
Danemark	34	10	43	32 053
Belgique	28	14	42	30 376
Canada	22	6	27	30 200
Allemagne	21	21	42	29 626
Australie	24	2	25	29 590
Suisse	10	12	22	29 167
États-Unis	18	8	26	29 076
Norvège	22	8	30	28 098
Pays-Bas	7	27	34	27 788
Luxembourg	12	13	25	27 304
Royaume-Uni	17	8	25	26 616
Japon	0	7	7	25 788
Nouvelle-Zélande	20	0	20	24 332
Italie	20	9	29	23 981
Finlande	28	8	35	23 281
Autriche	11	18	29	22 640
Suède	27	7	34	22 377
Irlande	20	5	25	22 024
Islande	21	0	22	21 622
Corée	2	5	6	20 928
France	14	13	27	20 307
Espagne	14	6	20	18 696
Turquie	24	9	33	14 066
Grèce	2	16	18	13 973
République tchèque	10	13	23	11 689
Portugal	7	11	18	11 235
Pologne	16	0	16	8 809
Mexique	0	3	3	6 950
Hongrie	17	12	29	6 746

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.

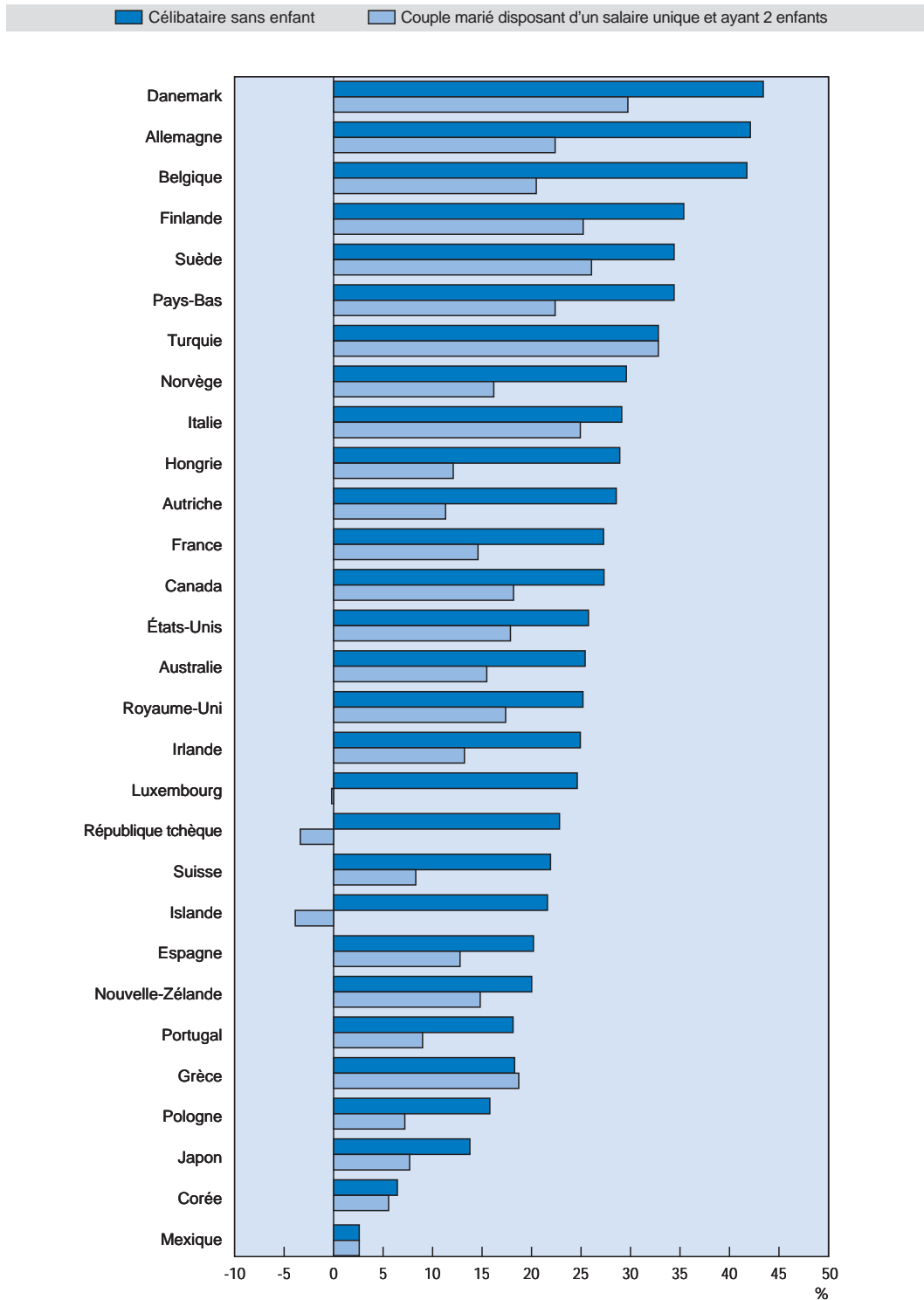
4. Dollars convertis à l'aide des parités de pouvoir d'achat.

Il est évident que l'incidence des impôts et des prestations sociales sur le revenu net disponible des salariés varie beaucoup selon les pays de l'OCDE. Ces variations considérables dans le montant et la répartition des « coïns fiscaux » qui s'appliquent aux revenus salariaux reflètent en partie les différences : *i*) dans 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 proportion des dépenses publiques financées par les impôts.

Cette section résume les tableaux 1 à 11 et les graphiques 1 à 6 qui figurent dans la partie II du rapport, sections A et C. Tous les tableaux succincts ci-après indiquent les charges fiscales et les taux moyens et marginaux applicables à huit catégories de familles, dont les caractéristiques diffèrent quant à la situation de famille (célibataire/marié, zéro/deux enfants), à la situation économique (ménage disposant d'un/de deux salaires) et au niveau de salaire (respectivement 33 pour cent, 67 pour cent, 100 pour cent et 167 pour cent du salaire annuel de l'ouvrier moyen).

Le tableau 1 de la partie II, section A indique 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 celui de l'ouvrier moyen (colonne 2), les taux d'imposition moyens varient entre zéro (Mexique) et 1.6 pour cent (Corée) et 33.7 pour cent (Danemark). Dans la plupart des pays Membres de l'OCDE, la charge fiscale au niveau de salaire de l'ouvrier moyen pour les couples mariés ayant deux enfants et disposant d'un salaire unique est sensiblement plus faible que celle que supportent les personnes seules (comparez les

Graphique I.1. Impôt sur le revenu et cotisations de sécurité sociale des salariés diminués des prestations versées, par catégorie de famille (en % du salaire brut), 1998



Note : Correspond 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), 1998¹**

Pays ²	Impôt sur le revenu	Cotisations de sécurité sociale		Total ³	Coûts de main-d'œuvre ⁴
		Salarié	Employeur		
Belgique	22	10	26	57	40 995
Allemagne	17	17	17	52	35 863
Suisse	9	10	10	30	32 535
Italie	14	7	26	47	32 351
Pays-Bas	6	23	14	44	32 271
Danemark	34	10	1	44	32 214
Canada	20	5	6	32	32 211
Norvège	19	7	11	37	31 638
États-Unis	17	7	7	31	31 300
Luxembourg	10	11	12	34	31 102
Autriche	8	14	24	46	29 823
Suède	21	5	25	51	29 768
Australie	24	2	0	25	29 590
Finlande	22	6	21	49	29 334
Royaume-Uni	15	8	9	32	29 277
France	10	9	28	48	28 198
Japon	6	7	7	20	27 664
Irlande	18	5	11	33	24 667
Espagne	11	5	24	39	24 454
Nouvelle-Zélande	20	0	0	20	24 332
Corée	1	4	9	15	22 962
Islande	20	0	4	25	22 545
Grèce	2	12	22	36	17 880
Turquie	21	8	11	40	15 825
République tchèque	8	9	26	43	15 781
Portugal	6	9	19	34	13 903
Pologne	11	0	33	43	13 051
Hongrie	12	8	32	52	9 916
Mexique	0	2	20	22	8 662

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 des colonnes impôt sur le revenu et cotisations de sécurité sociale.

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

colonnes 2 et 5). Cela ressort aussi clairement du graphique 1 (voir partie II, section C). La Finlande, la Hongrie, le Mexique, la Suède et la Turquie constituent à cet égard des exceptions dans la mesure où elles appliquent le même taux moyen d'imposition aux couples mariés disposant d'un seul revenu et aux personnes seules (pour un niveau de salaire identique). La Grèce impose même légèrement plus les couples que les célibataires (2,8 pour cent contre 2,4 pour cent), ceci tient au fait que les employeurs grecs payent habituellement un salaire additionnel de 10 pour cent aux salariés mariés (voir la section 3 du chapitre par pays à la partie V de ce rapport).

Le Luxembourg et le Mexique sont les seuls pays Membres de l'OCDE où l'ouvrier moyen marié ne paie pas d'impôt sur le revenu des personnes physiques. Dans six pays – l'Allemagne, l'Autriche, le Canada, le Mexique, la Nouvelle-Zélande et les États-Unis – les personnes seules avec deux enfants gagnant 67 pour cent du salaire de l'ouvrier moyen ont droit à un transfert social dans le cadre du système fiscal qui dépasse le montant de l'impôt dû. En conséquence, dans ces cas la colonne 4 du tableau 1 montre une charge d'impôt négative. Dans quatre autres pays – la Corée, la Grèce, le Luxembourg et le Portugal – ce type de famille ne paie effectivement pas d'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, la charge fiscale de la famille (désormais exprimée en pourcentage de 1,33 fois le salaire de l'ouvrier moyen) augmente souvent (légèrement). Toutefois, la charge fiscale diminue en fait dans le cas du Mexique (-5,0 points), de la Hongrie (-4,3 points), de la Finlande

(-3.5 points), du Royaume-Uni (-2.4 points), de l'Australie (-1.8 point), de la Turquie (-1.6 point), de la Suède (-0.7 point), de la Grèce et de l'Italie (-0.6 point), de l'Autriche (-0.5 point) et de la Corée (-0.2 point).

Le tableau 2 indique les cotisations de sécurité sociale dues en pourcentage du salaire brut. Pour une personne seule sans enfant dont le niveau de salaire est celui de l'ouvrier moyen (colonne 2), le taux moyen de cotisation varie entre zéro (la Nouvelle-Zélande, la Pologne) et 27.2 pour cent (les Pays-Bas). Les cotisations de sécurité sociale sont généralement prélevées à un taux uniforme à partir de la première unité monétaire de salaire encaissée. 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 particulière se traduit par une charge moyenne à peu près constante des cotisations salariales de sécurité sociale pour les niveaux de salaire égaux à 33 pour cent, 67 pour cent, 100 pour cent et 167 pour cent de celui de l'ouvrier moyen qui sont indiqués dans le tableau 2. On peut citer les exemples suivants, qui sont caractéristiques : l'Autriche (la charge des cotisations représente 18.1 pour cent pour toutes les catégories de familles et tous les niveaux de salaires), la Grèce (15.9 pour cent), la République tchèque (12.5 pour cent), la Hongrie (11.5 pour cent), l'Italie (9.2 pour cent), le Portugal (11 pour cent), la Norvège (7.8 pour cent), les États-Unis (7.7 pour cent) et la Corée (4.9 pour cent).

Par ailleurs, au niveau de salaire de l'ouvrier moyen, tous les pays Membres de l'OCDE à l'exception des Pays-Bas appliquent les mêmes charges sociales aux salariés quelle que soit leur situation de famille (voir graphique 2, page 67).

Seuls deux pays de l'OCDE la Nouvelle-Zélande et la Pologne, ne prélèvent pas du tout de cotisations de sécurité sociale. En outre, la charge des cotisations de sécurité sociale est faible en Australie et en Islande.

Le tableau 3 fait apparaître la charge combinée de l'impôt sur le revenu des personnes physiques (telle qu'elle est indiquée au tableau 1) et des cotisations de sécurité sociale (tableau 2) exprimée en terme de taux moyen de prélèvement. L'écart entre le taux moyen (combiné) le plus élevé et le plus faible est nettement moins important que l'écart entre les charges représentées par les cotisations de sécurité sociale des salariés dans la mesure où les pays à taux de cotisation élevé ont souvent des taux d'impôt sur le revenu des personnes physiques faibles. Une personne seule sans enfant ayant le niveau de salaire de l'ouvrier moyen est soumise à une charge moyenne d'impôt et de cotisations sociales de plus de 40 pour cent au Danemark (43.4 pour cent), en Allemagne (42.1 pour cent) et en Belgique (41.8 pour cent). A l'autre extrême, le taux moyen de prélèvement combiné reste inférieur à 20 pour cent au Mexique (2.6), en Corée (6.4), au Japon (13.8), en Pologne (15.8), au Portugal (18.1) et en Grèce (18.3).

Le tableau 4 fait apparaître sous forme de taux moyen de prélèvement la charge combinée de l'impôt sur le revenu et des cotisations de sécurité sociale, après que l'on ait retranché des prélèvements le montant des prestations sociales d'application générale auxquelles a droit la catégorie de famille en question. Le graphique 3 (voir page 68) indique respectivement cette charge pour les personnes seules sans enfant et les couples mariés disposant d'un seul revenu et ayant deux enfants. Si l'on compare les tableaux 3 et 4, seul le taux de prélèvement moyen des familles ayant des enfants (colonnes 4 à 7) est dans certains cas plus faible dans le tableau 4, dans la mesure où beaucoup de pays Membres de l'OCDE aident les familles ayant des enfants au moyen de prestations en espèces. Les taux moyens de prélèvement en Allemagne, au Canada, en Corée, en Espagne, en Grèce, au Japon, au Mexique, en Nouvelle-Zélande, en Turquie et aux États-Unis – qui sont tous des pays dans lesquels 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 69) incluent également les cotisations de sécurité sociale à la charge des employeurs. Dans ce cas, tous les montants dus (diminués des prestations reçues) sont exprimés en pourcentage des coûts de la main-d'œuvre (salaire brut *augmenté* des cotisations patronales de sécurité sociale). Les différences entre les pays quant à la charge que représentent l'impôt sur le revenu et les cotisations de sécurité sociale se trouvent alors encore réduites. Dans le cas d'une personne seule dont le niveau de salaire est celui de l'ouvrier moyen, la charge varie de 14.7 pour cent (Corée), 19.6 pour cent (Japon) et 20 pour cent (Nouvelle-Zélande) à 50.7 pour cent (Suède), 51.6 pour cent (Hongrie), 52.2 pour cent en Allemagne et 56.8 pour cent (Belgique).

Les chiffres négatifs pour les célibataires avec deux enfants gagnant les deux tiers du salaire de l'ouvrier moyen concernant l'Australie, l'Irlande, l'Islande et la Nouvelle-Zélande (colonne 4 du tableau 5) montrent que dans ces cas les prestations en espèces versées excèdent le montant des impôts et cotisations sociales.

Le tableau 6 et le graphique 5 (voir page 70) indiquent l'augmentation d'impôt sur le revenu des personnes physiques et de cotisations de sécurité sociale des salariés lorsque le salaire brut augmente légèrement. Dans la plupart des cas, l'impôt sur le revenu des personnes physiques et les cotisations de sécurité sociale des salariés absorbent 30 à 50 pour cent des augmentations de salaires. Toutefois, dans trois pays Membres de l'OCDE (Danemark, Irlande et Finlande) les salariés seuls sans enfant dont le niveau de salaire est égal à celui de l'ouvrier moyen sont soumis à des taux marginaux compris entre 50 et 55 pour cent. La Belgique (55.9 pour cent) et l'Allemagne (55.7 pour cent), enregistrent des taux encore légèrement plus élevés. La Pologne (19 pour cent), le Mexique (17.5 pour cent) et la Corée (9.1 pour cent), font apparaître les taux d'imposition marginaux les plus faibles.

Dans la plupart des pays, le taux marginal d'imposition applicable aux couples mariés disposant d'un salaire unique dont le montant est égal à celui de l'ouvrier moyen est le même que celui des personnes seules sans enfant ou lui est inférieur de quelques points. Le Luxembourg (27 points), l'Irlande (22 points) et la France (14 points) font apparaître des taux beaucoup plus faibles pour les couples mariés disposant d'un salaire unique. Au contraire, en la République tchèque (presque 14 points), aux États-Unis (21 points) et en Nouvelle-Zélande (30 points), le taux marginal d'imposition des couples mariés ayant deux enfants et disposant d'un salaire unique est beaucoup plus élevé que pour les personnes seules sans enfant. Dans ces cas, les taux marginaux élevés applicables aux salaires les plus faibles s'expliquent respectivement par l'existence d'un système d'aide aux familles en République tchèque, du crédit d'impôt au titre des revenus du travail (« Earned Income Tax Credit ») aux États-Unis et par le système de double réduction en Nouvelle-Zélande. Ces programmes sont exposés plus en détail dans les chapitres par pays correspondants qui figurent à la partie V de ce rapport.

De tous les cas envisagés, le tableau 6 fait apparaître respectivement en Australie et Irlande les taux marginaux les plus élevés (84 pour cent et 71.4 pour cent) pour une personne seule ayant deux enfants et dont le niveau de salaire est deux-tiers celui de l'ouvrier moyen. Ces taux extrêmement élevés sont la conséquence directe de la suppression des allocations familiales accordées en fonction de critères de revenu, dont la part dans le taux marginal implicite d'imposition représente 43 points en Irlande (voir colonnes 1 et 4 du tableau 6).

Le tableau 7 et le graphique 6 (voir page 71) indique le taux marginal d'imposition « tout compris » lorsque les cotisations patronales de sécurité sociale sont également prises en compte. Dans le cas d'une légère augmentation des coûts bruts de main-d'œuvre, le tableau 7 indique le pourcentage d'augmentation des coûts de main-d'œuvre qui se trouvent prélevé par le secteur public sous forme d'impôt sur le revenu des personnes physiques et de cotisations sociales à la charge des salariés et des employeurs. Dans la plupart des pays Membres de l'OCDE, ces taux marginaux « globaux » sont supérieurs à ceux qui s'appliquent aux salariés, ce qui montre l'importance des cotisations patronales dans ces pays.

Les chiffres des tableaux 6 et 7 sont identiques pour l'Australie et la Nouvelle-Zélande du fait que, dans ces pays, les employeurs ne versent pas de cotisations obligatoires pour financer le système de sécurité sociale (de sorte que les salaires bruts sont identiques aux coûts de main-d'œuvre). Dans le cas du Danemark la différence est extrêmement faible.

Le tableau 8 indique le pourcentage d'augmentation du revenu net lorsque le salaire brut augmente de 1 pour cent (c'est-à-dire, l'élasticité du revenu après impôt). Dans un système fiscal proportionnel, le revenu net augmenterait également de 1 pour cent, de sorte que l'élasticité serait égale à 1. Lorsqu'une augmentation du salaire brut de 1 pour cent entraîne une augmentation du salaire net après impôt de 0.8 pour cent, l'élasticité mesurée est de 0.8. Considérons un couple marié disposant d'un salaire unique d'un montant égal à celui de l'ouvrier moyen. Le tableau 8 (colonne 5) montre que de tous les pays Membres de l'OCDE, la Nouvelle-Zélande et la République tchèque (0.54) et l'Islande (0.52) ont, d'après ce critère, le système d'impôt sur le revenu le plus progressif, suivis des États-Unis (0.60) puis de la Belgique (0.61), du

Canada (0.62) et de la Hongrie (0.63). A l'autre extrême, la France (0.93), la Corée et la Turquie (0.96) sont proches d'un système proportionnel d'imposition des revenus (compte tenu des cotisations de sécurité sociale et pour un niveau de salaire égal à celui de l'ouvrier moyen).

Dans le cas des célibataires avec deux enfants gagnant deux tiers du salaire de l'ouvrier moyen, les taux sont extrêmement bas pour l'Irlande (0.25) et l'Australie (0.15), reflétant les taux marginaux très élevés connus par ses catégories de familles (voir tableau 6, colonne 4).

Le tableau 9 indique une élasticité différente du revenu après impôt : le pourcentage d'augmentation du revenu net lorsque les coûts bruts de main-d'œuvre (c'est-à-dire les salaires bruts plus les cotisations patronales de sécurité sociale) augmentent de 1 pour cent. Dans ce cas, les cotisations de sécurité sociale versées par les employeurs ont également été incluses. Dans la plupart des pays Membres de l'OCDE, la valeur de cette élasticité est comprise entre 0.70 et 0.90 pour la plupart des catégories de famille envisagées. Pour les ménages disposant d'un salaire unique dont le montant est égal à celui de l'ouvrier moyen, l'élasticité est inférieure à 0.6 en Islande (0.59) et en Nouvelle-Zélande (0.54). La France et le Luxembourg ont une élasticité de 1. La Turquie est le seul pays qui enregistre des élasticités supérieures à 1 pour les huit catégories de familles qui figurent dans le tableau 9.

Les salaires bruts et les revenus nets des huit catégories de familles choisies sont précisées dans le tableau 10. Après conversion de tous ces montants en dollars représentant des pouvoirs d'achat équivalents, les personnes seules dont le salaire est égal à celui de l'ouvrier moyen ont le revenu net disponible (voir tableau 10, colonne 4) le plus élevé en Suisse (22 770 dollars), au Japon (22 236 dollars), et en Australie (22 070 dollars). A l'autre extrême, l'ouvrier moyen n'encaisse que 4 795 dollars en Hongrie, 6 769 dollars au Mexique, 7 418 dollars en Pologne et 9 021 dollars en République tchèque, ce qui traduit le stade de développement économique de ces pays qui ont récemment adhéré à l'OCDE.

Le classement des pays pourrait se trouver légèrement modifié si l'on met l'accent sur d'autres types de familles, selon la charge fiscale que les pays appliquent aux personnes seules comparée à celle des familles disposant d'un ou de deux revenus et le caractère plus ou moins généreux des prestations sociales d'application générale accordées aux familles.

Les coûts bruts de main-d'œuvre et les revenus nets pour les huit catégories de familles choisies sont indiqués dans le tableau 11. Les colonnes « net » des tableaux 10 et 11 sont identiques mais au tableau 11 les montants qui figurent dans la colonne « brut » s'appliquent désormais aux coûts de main-d'œuvre et non aux salaires bruts. Normalement, les coûts bruts de main-d'œuvre seront bien supérieurs du fait que les cotisations patronales de sécurité sociales sont également prises en compte. Néanmoins, les colonnes « brut » comportent des montants identiques pour l'Australie et la Nouvelle-Zélande, parce que dans ces pays les employeurs ne versent pas des cotisations de sécurité sociale. Les coûts bruts de main-d'œuvre pour les célibataires percevant le salaire moyen sont les plus élevés en Belgique (40 995 dollars) et les moins élevés au Mexique (8 662 dollars) et en Hongrie (9 916 dollars).

C. ESTIMATION POUR L'ANNÉE 1999

Pour la première fois, cette étude annuelle indique la charge fiscale qui pèse sur les revenus du travail au cours de l'année d'édition. La section C de la partie III précise les méthodes d'estimation du salaire de l'ouvrier moyen qui ont été utilisées. Cette section résume les résultats qui figurent dans les tableaux 12 à 17 de la section B de la partie II du rapport². Pour l'année 1999, ces tableaux indiquent respectivement des estimations des taux moyens d'impôt sur le revenu des personnes physiques, des coins fiscaux et des taux marginaux d'imposition. Les taux d'imposition et les coins fiscaux sont indiqués pour huit types de ménages, classés en fonction de leur situation de famille (célibataire/marié, 0-2 enfants) de leur situation économique (ménage disposant d'un ou de deux salaires) et de leur niveau de salaire (33 pour cent, 67 pour cent, 100 pour cent et 167 pour cent respectivement du gain brut annuel d'un ouvrier moyen).

On peut retracer les changements intervenus entre 1998 et 1999 pour les différents cas considérés en comparant les mêmes colonnes des tableaux 12, 13, 14 et 15 à celles des tableaux 1, 2, 4 et 5. Les commentaires qui suivent sur les tableaux 12 à 15 ne portent que sur les changements concernant les salariés célibataires sans enfant ayant le niveau de salaire de l'ouvrier moyen (colonne 2 des tableaux) et les couples mariés disposant d'un seul revenu égal au salaire de l'ouvrier moyen et ayant deux enfants à charge (colonne 5 des tableaux). En comparant les colonnes 1, 3-4 et 6-8 des tableaux, on obtiendrait les résultats concernant les six autres catégories de ménages envisagées dans ce rapport.

Le tableau 12 indique des estimations de l'impôt sur le revenu des personnes physiques dû en pourcentage du salaire brut. Pour les célibataires disposant d'un salaire moyen, les variations de la charge moyenne de l'impôt sur le revenu entre 1998 et 1999 dépassent rarement un point, sauf dans le cas de l'Espagne, où cette charge baisse de 2 points, et de la Turquie où cette baisse atteint 9 points (comparer la colonne 2 des tableaux 1 et 12). Les variations de l'impôt sur le revenu dû par les couples mariés disposant d'un seul revenu de ce niveau n'excèdent un point que dans le cas des Pays-Bas et de l'Allemagne (-1.2), de l'Irlande (-2.7), de l'Espagne (-3.9), de la Hongrie (-5.9), de la Turquie (-9) et, à l'autre extrême, de l'Islande (+1.6) ; comparer la colonne 5 des tableaux 1 et 12.

Le tableau 13 indique des estimations des cotisations de sécurité sociale à la charge des salariés en pourcentage de leur salaire brut. Pour les célibataires disposant de revenus moyens, les changements intervenus entre 1998 et 1999 dans la charge moyenne des cotisations salariales de sécurité sociale excèdent rarement un point sauf dans le cas des Pays-Bas où cette charge a augmenté de 1.7 point et de la Corée (1.8) ; comparer la colonne 2 des tableaux 2 et 13. Les variations de la charge des cotisations dues par les couples mariés disposant d'un seul revenu de ce niveau n'excèdent d'un point qu'en Corée (1.8) et aux Pays-Bas (2.3) ; comparer la colonne 5 des tableaux 2 et 13.

Le tableau 14 indique des estimations de la charge combinée de l'impôt sur le revenu et des cotisations de sécurité sociale sous forme de taux moyen d'imposition applicables aux personnes physiques, les prélèvements dus ayant été réduits du montant des prestations familiales en espèces reçues par chaque catégorie de famille pouvant y prétendre. Pour les célibataires disposant de salaires moyens, les variations entre 1998 et 1999 du taux moyen de l'impôt sur le revenu des personnes physiques dépassent rarement un point, sauf dans le cas de l'Espagne, où le taux d'imposition baisse de 2 points et dans celui de la Turquie, où cette baisse atteint 9.7 points tandis qu'à l'autre extrémité on observe une hausse de 1.2 point aux Pays-Bas, de 1.5 point en Corée et de 1.6 point au Luxembourg; comparer la colonne 2 des tableaux 4 et 14. Les variations de plus d'un point du taux moyen d'imposition du revenu des personnes physiques des couples mariés disposant d'un seul revenu s'expliquent surtout, dans la plupart des cas, par des variations du montant des prestations familiales en espèces. En 1999, la charge moyenne pesant sur les familles disposant d'un seul revenu est sensiblement plus élevée aux Pays-Bas (+1.4 point), en Corée (+1.5), en République tchèque (+2.7 points) et en Islande (+2.8 points). À l'autre extrême, la charge moyenne applicable aux couples mariés disposant d'un seul salaire baisse de plus d'un point en Allemagne (-1.5), en Irlande (-2.9), en Espagne (-3.9), en Hongrie (-4.1) et en Turquie (-9.7 points) ; comparer la colonne 5 des tableaux 4 et 14.

Le tableau 15 élargit son champ d'application aux estimations des 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 des salaires bruts majorés des cotisations patronales de sécurité sociale. Dans presque tous les pays, les variations, entre 1998 et 1999, de l'écart entre les coûts totaux de main-d'œuvre et le salaire net après impôt correspondant restent comprises à l'intérieur d'un intervalle de plus ou moins 2 points. Cependant, pour l'ouvrier moyen célibataire, la diminution du coin fiscal est légèrement plus importante en Pologne (-2.2 points) et bien plus encore en Turquie (-9.2 points); comparer la colonne 2 des tableaux 5 et 15. Pour les couples mariés disposant d'un seul salaire, le coin fiscal augmente de plus de 2 points en République tchèque (+2.0) et en Islande (+3.1). À l'autre extrémité, le coin fiscal diminue de plus de 2 points en Pologne (-2.5), en Irlande (-2.6), en Espagne (-3), en Hongrie (-5) et en Turquie (-9.2 points) ; comparer la colonne 5 des tableaux 5 et 15.

Le tableau 16 donne des estimations du taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales de sécurité sociale par catégorie de ménage et par niveau de salaire. En général, les

variations du taux marginal observées entre 1998 et 1999 sont comprises à l'intérieur d'un intervalle de plus ou moins 5 points. Seules les variations qui dépassent cet intervalle sont mentionnées. Pour les célibataires dont le revenu est égal aux deux tiers du salaire moyen, le taux marginal augmente de 15.7 points en France ; comparer la colonne 1 des tableaux 6 et 16 ; pour les salariés célibataires disposant du salaire moyen, ce taux augmente de 12.6 points aux Pays-Bas. Pour leurs homologues norvégiens, le taux marginal diminue de 9.5 points ; comparer la colonne 2 des tableaux 6 et 16. Pour les salariés célibataires dont le revenu est égal à 167 pour cent des salaires moyens en Suède, le taux marginal baisse de 5.2 points ; comparer la colonne 3 des tableaux 6 et 16. Pour les parents isolés ayant deux enfants à charge et dont les revenus sont égaux aux deux tiers du salaire moyen, l'augmentation du taux marginal atteint 30 points en Autriche, alors qu'à l'autre extrémité, en Espagne, ce taux baisse de 17.7 points ; comparer la colonne 4 des tableaux 6 et 16. Pour certains pays, ces importantes variations s'expliquent en partie par les réformes qui ont pour effet de faire dépendre les prestations familiales de conditions de ressources.

Pour les familles ayant deux enfants à charge et disposant d'un salaire unique d'un montant égal au salaire moyen, on observe en 1999 en Allemagne une augmentation du taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales de sécurité sociale de 5.2 points; comparer la colonne 5 des tableaux 6 et 16. Aux Pays-Bas, les ménages disposant de deux salaires (100 pour cent –33 pour cent et 100 pour cent –67 pour cent du montant du salaire de l'ouvrier moyen) et ayant deux enfants à charge se voient appliquer une augmentation du taux marginal de 12.6 points alors que pour des ménages similaires en Norvège le taux marginal baisse de 9.5 points ; comparer les colonnes 6 et 7 des tableaux 6 et 16. Le taux marginal applicable aux ménages disposant de deux salaires (100 pour cent –33 pour cent du niveau de salaire de l'ouvrier moyen) sans enfants à charge augmente de 8 points en France et de 12.6 points aux Pays-Bas tandis qu'il baisse de 9.5 points en Norvège; comparer la colonne 8 des tableaux 6 et 16. En Turquie, pour toutes les catégories de ménages et à tous les niveaux de salaire qui ont été envisagés, le taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales de sécurité sociale baisse de 10 à 15 points.

Le tableau 17 donne des estimations du taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales et patronales de sécurité sociale en 1999. Dans presque tous les pays, les variations de ce taux marginal restent comprises dans un intervalle de plus ou moins 5 points, à l'exception des cas indiqués ci-dessous. En 1999, pour les salariés célibataires disposant d'un revenu égal aux deux tiers de celui de l'ouvrier moyen, le taux marginal d'imposition augmente en France de 15.7 points ; comparer la colonne 1 des tableaux 7 et 17. Pour les salariés célibataires disposant d'un revenu moyen, ce taux marginal augmente de 10.5 points aux Pays-Bas. Pour leurs homologues hongrois, il baisse de 5.1 points ; comparer la colonne 2 des tableaux 7 et 17. Pour les salariés célibataires dont le revenu est égal à 167 pour cent de celui de l'ouvrier moyen, le taux marginal d'imposition augmente en Espagne de 22.1 points ; comparer la colonne 3 des tableaux 7 et 17. Dans le cas des célibataires dont le revenu est égal aux deux tiers du salaire moyen, le taux marginal augmente de 22.7 points en Autriche. En revanche, il baisse de 13.6 points en Espagne ; comparer la colonne 4 des tableaux 7 et 17. En 1999, le taux marginal applicable aux familles ayant deux enfants à charge et disposant d'un seul salaire égal à celui de l'ouvrier moyen a baissé de 5.1 points en Hongrie ; comparer la colonne 5 des tableaux 7 et 17. Aux Pays-Bas, les taux marginaux applicables aux familles disposant de deux salaires (100 pour cent – 33 pour cent et 100 pour cent – 67 pour cent du niveau de salaire de l'ouvrier moyen) et ayant deux enfants à charge augmentent de 10.5 points, alors qu'en Hongrie, le taux marginal applicable à des familles similaires baisse de 5.1 points et qu'en Norvège, il baisse de 8.4 points ; comparer les colonnes 6 et 7 des tableaux 7 et 17. Le taux marginal applicable aux familles disposant de deux salaires (100 pour cent –33 pour cent du salaire de l'ouvrier moyen) sans enfants augmente de 5.8 points en France et de 10.5 points aux Pays-Bas, tandis qu'il baisse de 8.4 points en Norvège ; comparer la colonne 8 des tableaux 7 et 17. En Turquie, pour toutes les catégories de ménages et tous les niveaux de salaire envisagés, le taux marginal cumulé de l'impôt sur le revenu et des cotisations salariales et patronales de sécurité sociale baisse de 10 à 15 points.

D. ÉVOLUTION DE LA CHARGE FISCALE, 1978-1999

L'annexe I à ce rapport contient six tableaux qui font apparaître l'évolution des taux moyens d'impôt sur le revenu des personnes physiques et des coïns fiscaux pour les ouvriers moyens dans les pays de l'OCDE depuis 1978. Les tableaux 1 à 3 de l'annexe I indiquent les taux moyens d'imposition des revenus des personnes physiques et les coïns fiscaux pour l'ouvrier moyen célibataire sans enfants au cours de la période 1979-1999 dans les pays pour lesquels des données étaient disponibles³. De même, les tableaux 4 à 6, à l'annexe I, indiquent les taux moyens d'impôt sur le revenu des personnes physiques et les coïns fiscaux pour l'ouvrier moyen marié (ménage disposant d'un seul salaire avec deux jeunes enfants) au cours de la même période.

Célibataires sans enfants

Le tableau 1 de l'annexe I montre qu'au cours de ces vingt années, le taux moyen de l'impôt sur le revenu des personnes physiques a (légèrement) augmenté dans la plupart des pays Membres de l'OCDE, à l'exception (chiffres arrondis) de la Turquie (-27 points), de la Suède (-9), des Pays-Bas (-8), du Royaume-Uni (-6.7), de la Nouvelle-Zélande (-6.6), du Luxembourg (-5.9), de l'Irlande (-4.3), de la Norvège (-4), des États-Unis (-2.4), du Danemark (-2.2), du Japon (-1.1) et de la Suisse (-0.5). Toutefois, dans certains cas, les réductions d'impôt sur le revenu des personnes physiques se sont trouvées annulées par des augmentations des cotisations de sécurité sociale.

Cela ressort clairement du tableau 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 des salariés pour une personne seule sans enfant dont le niveau de salaire est celui de l'ouvrier moyen. Au cours des vingt et une dernières années, le taux moyen de l'impôt sur le revenu des personnes physiques (cotisations incluses) a eu tendance à augmenter dans la quasi-totalité des pays Membres de l'OCDE. Si, dans de nombreux pays, cette augmentation n'a été que de 2 à 6 points, l'Allemagne (+10.4), l'Italie (+9.4), la France (+7.3), la Grèce (+7.2) et le Canada (+6.4), ont enregistré de fortes augmentations. En revanche le taux de l'impôt sur le revenu plus les cotisations de sécurité sociale a diminué entre la fin des années 70 et la fin des années 90 dans les pays suivants : Turquie (-25.9 points), Norvège (-10.0), Nouvelle-Zélande (-6.6), Royaume-Uni (-5.1), Luxembourg (-3.1), Irlande (-3.5), Suède (-2.3) et États-Unis (-0.9).

Le tableau 3 de l'annexe I indique également les cotisations patronales de sécurité sociale. Au cours de la période 1979-99, le coin fiscal pour une personne seule sans enfant dont le niveau de salaire est celui de l'ouvrier moyen a augmenté dans presque tous les pays Membres de l'OCDE. Les augmentations les plus importantes ont été enregistrées en Allemagne et en Grèce (+11 points), en Autriche et en Belgique (+9.5), au Canada (+8.5) et en Finlande (+6.5). En revanche, ce taux a fortement diminué en Turquie (-22.8), et à un degré moindre en Nouvelle-Zélande (-6.6), en Norvège (-6.2), au Royaume-Uni (-5.1) et au Luxembourg (-3.5).

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

Pour l'essentiel, les informations qui figurent dans le tableau 4 de l'annexe I correspondent à celles du tableau 1 de cette annexe, mais en mettant l'accent sur le cas d'un couple marié avec deux enfants disposant d'un salaire unique d'un niveau correspondant à celui de l'ouvrier moyen. Là encore, il y a lieu de noter les réductions du taux moyen de l'impôt sur le revenu des personnes physiques après 1978 en Turquie (-27.2 points), aux Pays-Bas (-7.7) et en Suède (-6.5). En 1996, le taux d'imposition sur le revenu pour ce type de famille a chuté en Allemagne de 8 points, principalement du fait qu'une ancienne allocation pour enfant à charge a été remplacée par un crédit d'impôt. Au cours des années 90, la charge de l'impôt sur le revenu a été fortement réduite au Danemark (de 9.3 points), en Irlande, au Mexique et en Nouvelle-Zélande (-6) et aux Pays-Bas (-5). A l'autre extrémité, au cours des années 90 le taux de l'impôt sur le revenu a fortement augmenté en France (+6.5) et en Finlande (+5.5).

De même, les informations figurant dans le tableau 5 de l'annexe I correspondent à celles du tableau 2 dans cette annexe, en mettant l'accent sur le cas d'un couple marié ayant deux enfants et disposant d'un salaire unique du même montant que celui de l'ouvrier moyen. L'évolution indiquée ici correspond dans une large mesure aux tendances observées pour les personnes seules, mais dans la plupart des pays, la charge que représentent l'impôt et les cotisations sociales pour les couples mariés disposant d'un salaire unique est (beaucoup) plus faible que pour les personnes seules. Dans certains pays, les familles ayant des enfants semblent être soumises à des charges plus faibles dans la mesure où les prestations sociales d'application générale qu'elles perçoivent ont été déduites du montant des impôts qu'elles doivent.

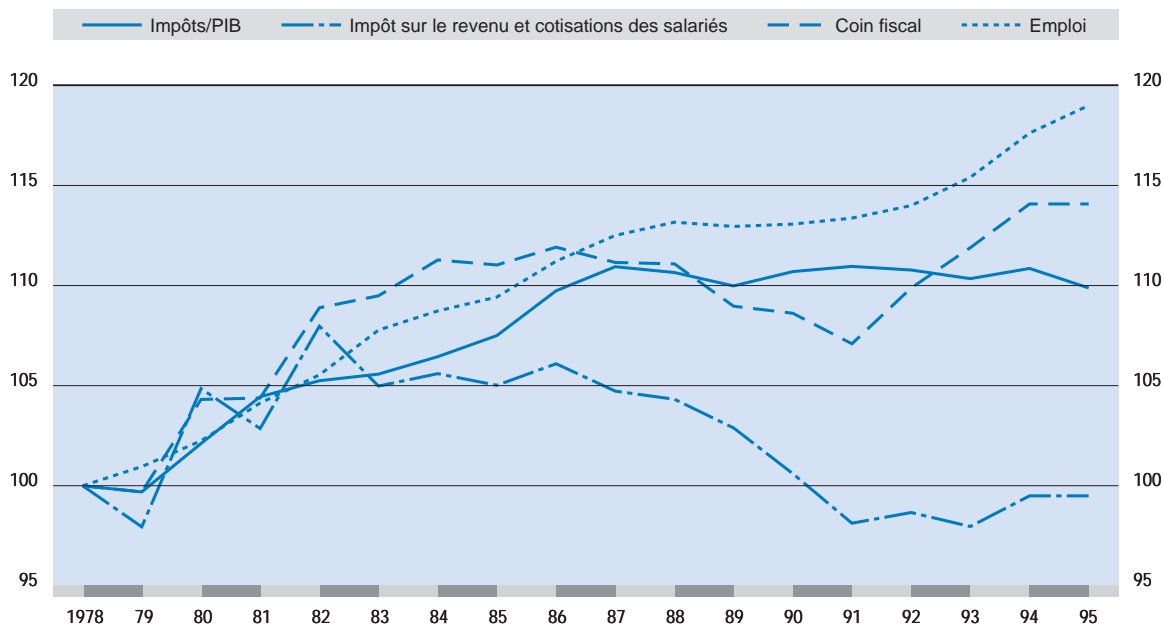
Enfin, le tableau 6 de l'annexe I élargit l'analyse portant sur un couple marié disposant d'un salaire unique afin d'y inclure les cotisations patronales de sécurité sociale. Au cours de la période 1979-99, des augmentations importantes du taux moyen d'imposition globale sont indiquées pour la Grèce (+27.5 points), l'Autriche et le Canada (+11) et la Finlande (+8). À l'autre extrémité, la Turquie (-22.8), le Luxembourg (-8.7) et la Norvège (-6.5) font apparaître des réductions très importantes de la charge cumulée de l'impôt sur le revenu des personnes physiques et de (l'ensemble des) cotisations de sécurité sociale.

Coin fiscal sur la main-d'œuvre, taux d'imposition de la main-d'œuvre et rapports prélèvements obligatoires-PIB, 1978-1997

L'évolution à long terme des coins fiscaux peut être comparée à l'évolution des taux de prélèvements obligatoires au cours de la même période. Deux taux seront envisagés ici : le taux d'imposition de la main-d'œuvre et le rapport prélèvements obligatoires-PIB. Le taux d'imposition de la main-d'œuvre est défini comme l'impôt sur le revenu applicable aux salaires et traitements plus les cotisations de sécurité sociale plus les taxes sur les salaires et la main-d'œuvre, exprimé en pourcentage de l'ensemble des salaires et traitements plus les cotisations patronales de sécurité sociale. Le rapport prélèvements obligatoires-PIB est calculé en exprimant les recettes de l'ensemble des impôts (y compris les cotisations de sécurité sociale) en pourcentage du Produit intérieur brut. Pour chaque année de la période 1978-1995⁴, des valeurs moyennes non pondérées ont été calculées respectivement pour le coin fiscal des ouvriers moyens célibataires et pour les deux taux. Des indices (1978 = 100) représentant l'évolution de chaque variable ont été représentés dans le graphique I.2. Compte tenu des données disponibles, seize pays sont envisagés dans l'analyse⁵.

Au cours de la première décennie de la période analysée (1978-1987), le niveau global d'imposition dans les 16 pays examinés a augmenté de 11 pour cent. Le rapport prélèvements obligatoires/PIB est resté plus ou moins stable au cours de la deuxième décennie (1987-1995). La charge fiscale qui pèse sur la main-d'œuvre – mesurée par le taux d'imposition de la main-d'œuvre – a augmenté à peu près sans interruption. En 1995, les impôts applicables à la main-d'œuvre étaient de près de 20 pour cent plus élevés qu'en 1978. Après avoir nettement augmenté à la fin des années 70 et au début des années 80, le taux moyen de l'imposition personnelle applicable aux ouvriers moyens célibataires est resté stable jusqu'au milieu des années 80. À la fin des années 80, ce taux moyen d'imposition s'est même trouvé ramené à son niveau de 1978. Au cours de la première moitié des années 90, le taux d'imposition personnelle s'est à peu près stabilisé à ce niveau. Avec quelques fluctuations importantes, le coin fiscal a augmenté parallèlement au taux d'imposition de la main-d'œuvre. Les taux d'imposition applicables aux ouvriers moyens n'ont pas augmenté (sur l'ensemble de la période de 1978-1995) et par conséquent la part relative des cotisations patronales de sécurité sociale dans le coin fiscal a augmenté. Cela n'apparaît pas dans les données macro-économiques qui figurent dans les statistiques des recettes publiques de l'OCDE. Dans les 16 pays examinés, la part des cotisations patronales dans le total des cotisations de sécurité sociale a été ramenée de 61 pour cent en 1978 à 53 pour cent en 1995. La part des cotisations salariales a été portée de 26 pour cent à 31.5 pour cent, les travailleurs indépendants, retraités et bénéficiaires de prestations sociales contribuant aux 15.5 pour cent restant. La conclusion de cette brève analyse devrait être qu'apparemment, les observations faites au niveau micro-économique pour un niveau particulier de salaire ne peuvent être simplement projetées au niveau macro-économique, et inversement.

Graphique I.2. **Coin fiscal et taux d'imposition, 1978-1995 (moyenne de seize pays)**
Indice 1978 = 100



Source : OCDE.

E. COIN FISCAL, 1996-1998

Le coin fiscal – entre les coûts de main-d'œuvre pour l'employeur et le salaire net disponible correspondant du salarié – est indiqué par la somme de l'impôt sur le revenu des personnes physiques et de l'ensemble des cotisations de sécurité sociale en pourcentage des coûts de main-d'œuvre (voir section A). En général, les variations du coin fiscal entre deux années successives sont limitées à un intervalle de plus ou moins deux points. Les variations plus importantes s'expliquent en général par l'une des trois causes suivantes :

- iv) modifications de la législation nationale en matière d'impôts et de transferts sociaux ;
- v) incidence de l'inflation ;
- vi) modifications des modalités de déclaration des pays.

Entre 1996 et 1997, cinq pays ont enregistré des variations du coin fiscal de plus de 2 points. Il y a eu deux exemples du cas i), c'est-à-dire des modifications de la législation en matière d'impôts et de transferts sociaux. En Islande, l'augmentation du coin fiscal (de 3.8 points) a résulté d'une révision récente du système de transfert, ce qui constitue un exemple du cas i). Au Mexique la réduction du « coin fiscal » de 4.6 % a été largement due à la réduction des cotisations salariales et patronales de sécurité sociale. Pour le salariés le montant du crédit d'impôt, indexé sur le taux d'inflation, a augmenté. En effet en 1997 les salaires ont augmenté de 20 % et le taux d'inflation de 24 % (sur une base annuelle). En conséquence du fait d'un crédit d'impôt récupérable plus élevé, les travailleurs gagnant le salaire moyen eurent droit à un remboursement d'impôt. Un second exemple du cas ii); l'augmentation du coin fiscal en Turquie

étant due dans une large mesure à un glissement par le jeu des tranches d'imposition. En 1997, les salaires et les prix à la consommation ont augmenté de 70 à 85 pour cent, mais le barème d'imposition n'a pas été suffisamment ajusté en fonction de l'inflation. De ce fait, les revenus des contribuables se sont trouvés portés dans des tranches d'imposition plus fortement imposées. Si l'on compare les coins fiscaux en 1996 et en 1997, on observe deux exemples de cas *iii*). La variation du coin fiscal observée en Autriche (+4.2 points) est due au fait que les taxes sur les salaires ne sont prises en compte dans les calculs que depuis 1997, de sorte que la série chronologique n'est pas cohérente. La variation observée dans le cas de la Corée (+6.3 points) s'explique par le fait qu'à partir de 1997, les nouvelles cotisations de sécurité sociale sont prises en compte.

Entre 1997 et 1998, un petit nombre de pays ont enregistré des variations du coin fiscal de plus de deux points. Il y a eu quelques exemples de révisions des législations nationales en matière d'impôts et de transferts sociaux qui se sont traduites par une variation importante du coin fiscal. La Corée a relevé les taux des cotisations de sécurité sociale à la charge des salariés et des employeurs. De ce fait, le coin fiscal a augmenté de 2.3 points pour l'ensemble des 8 catégories de ménages et de niveaux de salaire envisagés dans ce rapport. Dans le cas des parents célibataires ayant deux enfants à charge le coin fiscal a sensiblement varié dans trois pays à la suite de modifications de la législation : Australie (-3.5 points), Islande (+4 points) et Norvège (+2.3 points).

Si l'on compare les coins fiscaux en 1997 et en 1998, on observe deux exemples de changement des modes de déclaration. Depuis 1998, la République tchèque inclut les prestations familiales en espèces versées sous condition de revenu qui ont été instaurées en 1997. De ce fait – par comparaison avec 1997 – les coins fiscaux qui figurent dans le tableau 5 ont diminué de 12 points pour les parents célibataires ayant deux enfants à charge et un revenu égal aux deux tiers du revenu moyen, de 8 points pour les familles ayant deux enfants à charge et disposant d'un seul salaire égal au salaire moyen, et de 3 points pour les ménages ayant deux enfants à charge et disposant de deux salaires (100 pour cent – 33 pour cent du salaire de l'ouvrier moyen). L'Italie rapporte en 1998 des taux réduits pour les cotisations salariales et patronales de sécurité sociale. De ce fait le « coin fiscal » a diminué de façon significative présentant des réductions de l'ordre de 5 % dans la plupart des cas de couples mariés et des réductions légèrement inférieures pour les célibataires sans enfant.

Les variations du coin fiscal entre 1998 et 1999 (sur la base d'estimations) ont déjà été constatées lors de l'examen du tableau 17 (voir section C). La présente section de l'édition de l'année prochaine de ce rapport commentera les résultats définitifs.

NOTES

1. La variation de la pression fiscale correspond à la différence entre le taux moyen d'impôt sur le revenu des personnes physiques de l'ouvrier moyen en 1997 et en 1998.
2. Le rapport ne comporte pas d'estimations concernant l'Australie.
3. Les données disponibles pour les années 1974-1978 n'ont pas été utilisées du fait que leur qualité pose des problèmes qui n'ont pas été résolus.
4. Dans la série de données utilisées pour cet exercice, les taux d'imposition de la main-d'œuvre ne sont pas disponibles pour 1996-1998. L'année 1998 ne pourrait pas être prise en compte de toute manière car l'édition de 1999 des *Statistiques des recettes publiques* n'indique que les rapports prélèvements obligatoires-PIB définitifs pour la période 1965-1997.
5. Ces pays sont les suivants : Allemagne, Australie, Autriche, Belgique, Canada, Espagne, États-Unis, Finlande, France, Italie, Japon, Norvège, Pays-Bas, Royaume-Uni, Suède et Suisse.

Part II

COMPARATIVE TABLES AND CHARTS

Partie II

TABLEAUX ET GRAPHIQUES COMPARATIFS

A. TAX BURDENS, 1998 (TABLES)

A. CHARGES D'IMPÔTS, 1998 (TABLEAUX)

Table 1. Income tax, by family-type and wage level (as % of gross wage), 1998

Tableau 1. Impôt sur le revenu, par catégorie de famille et niveau de salaire
(en % du salaire brut), 1998

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	18.6	23.9	32.5	13.8	21.6	19.8	21.2	20.6
Austria	4.8	10.5	16.9	-5.0	5.4	4.9	6.2	7.5
Belgium	20.9	27.8	34.7	13.9	16.8	21.5	24.6	23.6
Canada	17.3	21.8	29.0	-2.3	12.6	16.2	18.9	18.8
Czech Republic	8.4	10.3	13.4	3.1	4.7	5.8	7.2	8.7
Denmark	29.4	33.7	41.4	29.4	26.6	29.4	32.0	29.4
Finland	22.0	27.8	34.8	22.0	27.8	24.3	25.5	24.3
France	9.7	14.1	18.9	7.6	7.6	8.5	9.9	10.5
Germany	15.4	21.1	28.3	-2.5	1.3	8.7	13.2	15.4
Greece	1.1	2.4	7.4	0.0	2.8	2.2	2.2	2.5
Hungary	10.1	17.4	25.2	10.1	17.4	13.1	14.5	13.1
Iceland	13.3	21.4	32.8	13.3	8.5	13.9	18.2	13.9
Ireland	14.7	19.7	30.2	7.3	12.9	14.7	16.6	14.7
Italy	15.8	19.9	24.6	10.5	15.7	15.1	17.3	16.4
Japan	4.8	6.8	11.8	0.9	0.7	3.0	4.3	5.2
Korea	0.3	1.6	4.0	0.0	0.7	0.5	0.7	1.2
Luxembourg	5.9	11.6	20.8	0.0	0.0	0.0	1.1	3.5
Mexico	-6.2	0.0	7.8	-6.2	0.0	-5.0	-2.5	-5.0
Netherlands	6.5	7.2	21.9	3.9	5.9	6.5	6.9	6.5
New Zealand	19.0	20.0	24.8	-2.1	14.8	19.1	19.6	19.1
Norway	18.4	21.8	29.6	12.1	17.4	18.8	19.6	19.9
Poland	14.2	15.8	17.1	14.2	13.5	14.2	15.1	14.2
Portugal	3.2	7.1	13.5	0.0	3.0	3.4	4.6	5.5
Spain	8.6	13.8	18.0	0.7	6.4	9.1	10.2	10.3
Sweden	25.6	27.5	36.6	25.6	27.5	26.8	26.7	26.8
Switzerland	7.4	10.4	15.5	4.1	5.2	5.9	8.3	7.6
Turkey	20.5	23.8	28.5	20.5	23.8	22.2	22.5	22.2
United Kingdom	13.6	16.7	19.2	11.2	15.1	12.7	14.5	12.7
United States	16.0	18.1	24.1	-2.8	10.2	13.8	15.5	16.6

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), 1998

Tableau 2. Cotisations des salariés, par catégorie de famille et niveau de salaire
(en % du salaire brut), 1998

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	1.5	1.5	1.5	0.0	1.5	1.1	1.5	1.1
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	5.4	5.6	3.6	5.4	5.6	5.4	5.5	5.4
Czech Republic	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Denmark	10.6	9.8	9.1	10.6	9.8	10.6	10.1	10.6
Finland	7.4	7.6	7.7	7.4	7.6	7.5	7.5	7.5
France	13.2	13.2	11.8	13.2	13.2	13.2	13.2	13.2
Germany	21.1	21.1	19.2	21.1	21.1	21.1	21.1	21.1
Greece	15.9	15.9	15.9	15.9	15.9	15.9	15.9	15.9
Hungary	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Iceland	0.3	0.2	0.1	0.3	0.2	0.2	0.3	0.2
Ireland	2.2	5.2	5.7	2.2	5.2	3.9	4.0	3.9
Italy	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Japan	7.0	7.0	5.6	7.0	7.0	7.0	7.0	7.0
Korea	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
Luxembourg	13.1	13.1	13.1	13.1	13.1	13.1	13.1	13.1
Mexico	2.4	2.6	3.3	2.4	2.6	2.6	2.5	2.6
Netherlands	23.6	27.2	17.0	15.5	23.7	24.3	25.8	24.3
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Portugal	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Spain	6.4	6.4	6.3	6.4	6.4	6.7	6.4	6.7
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	13.5	9.0	5.4	13.5	9.0	10.2	10.8	10.2
United Kingdom	7.7	8.5	7.8	7.7	8.5	7.7	8.2	7.7
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), 1998

Tableau 3. **Impôt sur le revenu et cotisations des salariés, par catégorie de famille**
et niveau de salaire (en % du salaire brut), 1998

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	20.1	25.4	34.0	13.8	23.1	20.9	22.7	21.7
Austria	22.9	28.6	35.0	13.1	23.5	23.0	24.2	25.6
Belgium	33.9	41.8	48.7	27.0	30.8	35.4	38.6	37.6
Canada	22.7	27.3	32.6	3.2	18.2	21.6	24.4	24.2
Czech Republic	20.9	22.8	25.9	15.6	17.2	18.3	19.7	21.2
Denmark	40.0	43.4	50.4	40.0	36.4	40.0	42.1	40.0
Finland	29.4	35.4	42.6	29.4	35.4	31.8	33.0	31.8
France	22.9	27.3	30.7	20.8	20.8	21.7	23.1	23.7
Germany	36.5	42.1	47.5	18.6	22.4	29.7	34.3	36.5
Greece	17.0	18.3	23.3	15.9	18.7	18.1	18.1	18.4
Hungary	21.6	28.9	36.7	21.6	28.9	24.6	26.0	24.6
Iceland	13.7	21.6	32.9	13.7	8.7	14.0	18.4	14.0
Ireland	16.9	24.9	35.9	9.5	18.1	18.6	20.6	18.6
Italy	25.0	29.1	33.8	19.6	24.9	24.3	26.5	25.6
Japan	11.8	13.8	17.4	7.9	7.7	10.0	11.3	12.2
Korea	5.1	6.4	8.9	4.9	5.6	5.4	5.5	6.0
Luxembourg	19.0	24.6	33.9	13.1	13.1	13.1	14.2	16.5
Mexico	-3.8	2.6	11.1	-3.8	2.6	-2.4	0.0	-2.4
Netherlands	30.1	34.4	38.9	19.4	29.6	30.7	32.7	30.7
New Zealand	19.0	20.0	24.8	-2.1	14.8	19.1	19.6	19.1
Norway	26.2	29.6	37.4	19.9	25.2	26.6	27.4	27.7
Poland	14.2	15.8	17.1	14.2	13.5	14.2	15.1	14.2
Portugal	14.2	18.1	24.5	11.0	14.0	14.4	15.6	16.5
Spain	15.0	20.2	24.3	7.1	12.8	15.8	16.6	17.1
Sweden	32.5	34.4	42.0	32.5	34.4	33.7	33.7	33.7
Switzerland	18.9	21.9	27.0	15.6	16.7	17.5	19.8	19.2
Turkey	33.9	32.8	33.9	33.9	32.8	32.4	33.3	32.4
United Kingdom	21.3	25.2	27.0	18.9	23.6	20.4	22.7	20.4
United States	23.7	25.8	31.7	4.8	17.9	21.4	23.1	24.3

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), 1998**

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), 1998**

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	20.1	25.4	34.0	-6.4	15.5	18.5	20.8	21.7
Austria	22.9	28.6	35.0	-5.2	11.3	13.9	16.9	25.6
Belgium	33.9	41.8	48.7	11.5	20.5	27.7	32.4	37.6
Canada	22.7	27.3	32.6	3.2	18.2	21.6	24.4	24.2
Czech Republic	20.9	22.8	25.9	-15.5	-3.4	7.7	14.5	21.2
Denmark	40.0	43.4	50.4	12.9	29.7	35.1	38.1	40.0
Finland	29.4	35.4	42.6	9.0	25.2	24.1	26.9	31.8
France	22.9	27.3	30.7	11.5	14.6	17.0	19.4	23.7
Germany	36.5	42.1	47.5	18.6	22.4	29.7	34.3	36.5
Greece	17.0	18.3	23.3	15.9	18.7	18.1	18.1	18.4
Hungary	21.6	28.9	36.7	-7.0	12.3	12.1	16.0	24.6
Iceland	13.7	21.6	32.9	-15.2	-3.9	6.6	14.0	14.0
Ireland	16.9	24.9	35.9	-14.5	13.2	15.0	17.7	18.6
Italy	25.0	29.1	33.8	3.8	15.7	21.8	25.6	25.6
Japan	11.8	13.8	17.4	7.9	7.7	10.0	11.3	12.2
Korea	5.1	6.4	8.9	4.9	5.6	5.4	5.5	6.0
Luxembourg	19.0	24.6	33.9	-6.8	-0.2	3.1	6.2	16.5
Mexico	-3.8	2.6	11.1	-3.8	2.6	-2.4	0.0	-2.4
Netherlands	30.1	34.4	38.9	8.6	22.4	25.3	28.4	30.7
New Zealand	19.0	20.0	24.8	-2.1	14.8	19.1	19.6	19.1
Norway	26.2	29.6	37.4	-1.4	16.2	19.8	22.0	27.7
Poland	14.1	15.8	17.1	4.7	7.2	9.4	11.3	27.7
Portugal	14.2	18.1	24.5	3.4	9.0	10.6	12.6	16.5
Spain	15.0	20.2	24.3	7.1	12.8	15.8	16.6	17.1
Sweden	32.5	34.4	42.0	20.0	26.1	27.5	28.7	33.7
Switzerland	18.9	21.9	27.0	3.0	8.3	11.1	14.8	19.2
Turkey	33.9	32.8	33.9	33.9	32.8	32.4	33.3	32.4
United Kingdom	21.3	25.2	27.0	7.1	17.4	15.8	19.0	20.4
United States	23.7	25.8	31.7	4.8	17.9	21.4	23.1	24.3

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), 1998**

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'oeuvre), 1998**

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 ¹	100-67 ¹	100-33 ¹	
Australia	20.1	25.4	34.0	-6.4	15.5	18.5	20.8	21.7	
Austria	41.5	45.8	50.7	20.1	32.7	34.6	36.9	43.5	
Belgium	51.1	56.8	62.0	34.5	41.1	44.7	49.9	52.3	
Canada	27.4	31.9	35.4	9.1	23.3	26.4	29.1	28.8	
Czech Republic	41.4	42.8	45.1	14.5	23.4	31.6	36.7	41.6	
Denmark	40.4	43.7	50.6	13.4	30.1	35.4	38.4	40.4	
Finland	44.0	48.7	54.4	27.8	40.7	39.8	42.0	45.8	
France	39.4	47.6	49.5	30.4	38.5	38.2	39.9	43.2	
Germany	47.5	52.2	56.0	32.7	35.9	42.0	45.7	47.5	
Greece	35.1	36.1	40.0	34.3	36.5	36.0	36.0	36.3	
Hungary	47.4	51.6	56.4	28.1	40.3	41.0	43.2	49.4	
Iceland	17.2	24.8	35.7	-10.5	0.4	10.4	17.6	17.6	
Ireland	23.4	33.0	42.8	-5.5	22.5	23.5	25.6	26.8	
Italy	44.4	47.5	50.9	28.7	44.4	43.9	45.5	44.8	
Japan	17.7	19.6	21.9	14.1	14.0	16.1	17.3	18.1	
Korea	13.5	14.7	16.9	13.3	13.9	13.8	13.9	14.4	
Luxembourg	28.9	33.8	42.0	6.2	12.0	15.0	17.7	26.7	
Mexico	17.6	21.9	28.9	17.6	21.9	19.0	20.1	19.0	
Netherlands	39.2	43.5	44.4	20.5	33.2	35.3	38.1	40.0	
New Zealand	19.0	20.0	24.8	-2.1	14.8	19.1	19.6	19.1	
Norway	34.5	37.5	44.4	10.0	25.6	28.8	30.7	35.8	
Poland	42.1	43.2	44.0	35.7	37.4	38.9	40.2	35.8	
Portugal	30.7	33.8	39.0	22.0	26.5	27.8	29.4	32.5	
Spain	35.1	39.0	41.9	29.0	33.3	36.4	36.2	37.4	
Sweden	49.3	50.7	56.4	39.9	44.4	45.5	46.4	50.2	
Switzerland	27.3	30.0	34.6	13.0	17.8	20.3	23.6	27.5	
Turkey	44.4	40.3	38.5	44.4	40.3	40.9	42.0	40.9	
United Kingdom	28.5	32.0	33.6	15.5	24.9	22.6	26.3	26.8	
United States	29.1	31.0	36.6	11.6	23.7	27.0	28.6	29.7	

Note : ch = children / enfants.

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

Table 6. Marginal rate of income tax plus employee contributions,
by family-type and wage level (as % of gross wage), 1998¹

Tableau 6. Taux marginal applicable à l'impôt sur le revenu et aux cotisations des
salariés, par catégorie de famille et niveau de salaire (en % du salaire brut), 1998¹

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	35.5	44.5	48.5	84.0	44.5	44.5	44.5	44.5
Austria	36.6	42.5	49.3	21.6	42.5	42.5	42.5	42.5
Belgium	54.8	55.9	60.5	54.8	51.7	55.9	55.9	55.9
Canada	30.2	43.9	40.7	50.9	49.4	48.9	48.9	43.9
Czech Republic	25.6	30.0	34.4	25.6	43.8	43.8	25.6	30.0
Denmark	50.2	50.2	61.4	50.2	44.8	50.2	50.2	50.2
Finland	44.8	50.4	56.1	44.8	50.4	50.4	50.4	50.4
France	32.9	34.6	35.3	20.8	20.8	32.9	26.8	26.8
Germany	52.2	55.7	59.1	49.8	48.3	52.1	53.9	52.2
Greece	20.1	28.5	41.1	15.9	28.5	28.5	28.5	28.5
Hungary	40.8	44.7	48.8	40.8	44.7	44.7	44.7	44.7
Iceland	37.5	37.5	42.5	46.1	46.1	46.1	46.1	37.5
Ireland	28.5	52.7	49.1	71.4	30.7	30.7	30.7	30.7
Italy	33.7	40.1	40.1	33.7	40.1	40.1	40.1	40.1
Japan	16.5	21.6	28.4	16.5	17.9	18.0	18.0	21.6
Korea	9.1	9.1	20.3	4.9	9.1	9.1	9.1	9.1
Luxembourg	32.7	39.8	52.3	13.0	13.0	13.0	34.4	29.1
Mexico	10.1	17.5	23.6	10.1	17.5	17.5	17.5	17.5
Netherlands	43.6	40.4	50.0	39.2	40.4	40.4	40.4	40.4
New Zealand	21.7	24.0	33.0	39.7	54.0	24.0	24.0	24.0
Norway	35.8	45.3	49.5	35.8	35.8	45.3	45.3	45.3
Poland	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Portugal	26.0	26.0	36.0	11.0	26.0	26.0	26.0	26.0
Spain	31.2	26.8	26.6	24.1	24.1	28.2	26.8	26.8
Sweden	38.6	35.6	55.8	38.6	35.6	35.6	35.6	35.6
Switzerland	25.0	31.1	35.7	21.9	25.5	26.3	30.5	28.6
Turkey	30.5	35.5	35.5	30.5	35.5	35.5	35.5	35.5
United Kingdom	33.0	33.0	23.0	33.0	33.0	33.0	33.0	33.0
United States	29.9	29.9	42.9	51.0	51.0	29.9	29.9	29.9

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, by family-type and wage level (as % of labour costs), 1998¹**Tableau 7. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés et des employeurs, par catégorie de famille et niveau de salaire (en % des coûts de main-d'oeuvre), 1998¹**

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	35.5	44.5	48.5	84.0	44.5	44.5	44.5	44.5
Austria	51.8	56.4	61.5	40.5	56.4	56.4	56.4	56.4
Belgium	66.5	67.3	70.8	66.5	64.2	67.3	67.3	67.3
Canada	34.8	47.6	40.7	54.1	52.7	52.2	52.2	47.6
Czech Republic	44.9	48.1	51.4	44.9	58.4	58.4	44.9	48.1
Denmark	50.4	50.4	61.5	50.4	44.9	50.4	50.4	50.4
Finland	56.2	60.7	65.1	56.2	60.7	60.7	60.7	60.7
France	65.4	52.9	51.1	59.1	42.9	51.7	47.3	47.3
Germany	60.5	63.4	63.9	58.5	57.3	60.5	61.9	60.5
Greece	37.6	44.1	54.0	34.3	44.1	44.1	44.1	44.1
Hungary	58.6	61.4	64.2	58.6	61.4	61.4	61.4	61.4
Iceland	40.0	40.0	44.8	48.3	48.3	48.3	48.3	40.0
Ireland	34.1	57.8	54.6	73.6	38.2	38.2	38.2	38.2
Italy	50.9	55.6	55.6	50.9	55.6	55.6	55.6	55.6
Japan	22.1	26.9	29.9	22.1	23.5	23.5	23.5	26.9
Korea	17.1	17.1	27.3	13.3	17.1	17.1	17.1	17.1
Luxembourg	40.9	47.1	58.1	23.7	23.7	23.7	42.4	37.8
Mexico	25.0	34.4	39.3	25.0	34.4	34.4	34.4	34.4
Netherlands	52.7	47.7	50.0	49.1	47.7	47.7	47.7	47.7
New Zealand	21.7	24.0	33.0	39.7	54.0	24.0	24.0	24.0
Norway	43.0	51.4	55.2	43.0	43.0	51.4	51.4	51.4
Poland	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
Portugal	40.2	40.2	48.3	28.1	40.2	40.2	40.2	40.2
Spain	47.4	44.0	26.6	42.0	42.0	45.1	44.0	44.0
Sweden	53.9	51.6	66.7	53.9	51.6	51.6	51.6	51.6
Switzerland	32.8	38.2	41.9	30.0	33.2	34.0	37.7	36.0
Turkey	30.5	35.5	35.5	30.5	35.5	35.5	35.5	35.5
United Kingdom	39.1	39.1	30.0	39.1	39.1	39.1	39.1	39.1
United States	34.9	34.9	47.0	54.4	54.4	34.9	34.9	34.9

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 (%), 1998
Tableau 8. Augmentation du revenu net¹ après augmentation de 1%
du salaire brut, par catégorie de famille et niveau de salaire (en %), 1998

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	0.81	0.74	0.78	0.15	0.66	0.68	0.70	0.71
Austria	0.82	0.80	0.78	0.75	0.65	0.67	0.69	0.77
Belgium	0.68	0.76	0.77	0.51	0.61	0.61	0.65	0.71
Canada	0.90	0.77	0.88	0.51	0.62	0.65	0.68	0.74
Czech Republic	0.94	0.91	0.89	0.64	0.54	0.61	0.87	0.89
Denmark	0.83	0.88	0.78	0.57	0.79	0.77	0.80	0.83
Finland	0.78	0.77	0.76	0.61	0.66	0.65	0.68	0.73
France	0.87	0.90	0.93	0.90	0.93	0.81	0.91	0.96
Germany	0.75	0.76	0.78	0.62	0.67	0.68	0.70	0.75
Greece	0.96	0.87	0.77	1.00	0.88	0.87	0.87	0.88
Hungary	0.76	0.78	0.81	0.55	0.63	0.63	0.66	0.73
Iceland	0.72	0.80	0.86	0.47	0.52	0.58	0.63	0.73
Ireland	0.86	0.63	0.79	0.25	0.80	0.81	0.84	0.85
Italy	0.88	0.85	0.91	0.69	0.71	0.77	0.81	0.81
Japan	0.95	0.91	0.87	0.91	0.89	0.91	0.92	0.89
Korea	0.96	0.97	0.87	1.00	0.96	0.96	0.96	0.97
Luxembourg	0.83	0.80	0.72	0.81	0.87	0.90	0.70	0.85
Mexico	0.87	0.85	0.86	0.87	0.85	0.81	0.83	0.81
Netherlands	0.81	0.91	0.82	0.66	0.77	0.80	0.83	0.86
New Zealand	0.97	0.95	0.89	0.59	0.54	0.94	0.95	0.94
Norway	0.87	0.78	0.81	0.63	0.77	0.68	0.70	0.76
Poland	0.94	0.96	0.98	0.85	0.87	0.89	0.91	0.94
Portugal	0.86	0.90	0.85	0.92	0.81	0.83	0.85	0.89
Spain	0.81	0.92	0.97	0.82	0.87	0.85	0.88	0.88
Sweden	0.91	0.98	0.76	0.77	0.87	0.89	0.90	0.97
Switzerland	0.92	0.88	0.88	0.80	0.81	0.83	0.82	0.88
Turkey	1.05	0.96	0.98	1.05	0.96	0.95	0.97	0.95
United Kingdom	0.85	0.90	1.05	0.72	0.81	0.80	0.83	0.84
United States	0.92	0.94	0.84	0.52	0.60	0.89	0.91	0.93

Note : ch = children /enfants.

1. Net income is calculated as gross earnings minus employees' social security contributions and personal income tax.

In a proportional tax system the elasticity would equal 1. The more progressive the system, the lower is the elasticity.

Le revenu net est calculé à partir des gains bruts diminués des cotisations de sécurité sociale des salariés et de l'impôt sur le revenu des personnes physiques. Dans un système fiscal proportionnel, l'élasticité serait égale à 1. Plus le système est progressif plus l'élasticité est faible.

2. Two-earner family / famille avec deux revenus.

Table 9. Increase in net income¹ after 1% increase in labour costs,
by family-type and wage level (%), 1998

Tableau 9. Augmentation du revenu net¹ après augmentation de 1% des coûts
bruts de main-d'oeuvre, par catégorie de famille et niveau de salaire (en %), 1998

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	0.81	0.74	0.78	0.19	0.72	0.70	0.72	0.71
Austria	0.82	0.80	0.78	0.90	0.75	0.75	0.76	0.77
Belgium	0.68	0.76	0.77	0.62	0.70	0.66	0.72	0.68
Canada	0.90	0.77	0.92	0.50	0.62	0.65	0.67	0.74
Czech Republic	0.94	0.91	0.89	0.88	0.68	0.69	0.93	0.89
Denmark	0.83	0.88	0.78	0.83	0.87	0.83	0.86	0.83
Finland	0.78	0.77	0.76	0.78	0.77	0.73	0.74	0.73
France	0.57	0.90	0.97	0.66	1.00	0.83	0.92	0.93
Germany	0.75	0.76	0.82	0.62	0.67	0.68	0.70	0.75
Greece	0.96	0.87	0.77	1.00	0.88	0.87	0.87	0.88
Hungary	0.79	0.80	0.82	0.79	0.80	0.76	0.77	0.76
Iceland	0.72	0.80	0.86	0.62	0.59	0.63	0.66	0.73
Ireland	0.86	0.63	0.79	0.32	0.85	0.84	0.86	0.84
Italy	0.88	0.85	0.91	0.83	0.80	0.79	0.81	0.81
Japan	0.95	0.91	0.90	0.91	0.89	0.91	0.92	0.89
Korea	0.81	0.74	0.78	0.19	0.72	0.70	0.72	0.71
Luxembourg	0.83	0.80	0.72	1.00	1.00	1.00	0.76	0.85
Mexico	0.91	0.84	0.85	0.91	0.84	0.81	0.82	0.81
Netherlands	0.78	0.93	0.90	0.73	0.86	0.87	0.90	0.87
New Zealand	0.97	0.95	0.89	0.59	0.54	0.94	0.95	0.94
Norway	0.87	0.78	0.81	0.80	0.86	0.75	0.75	0.76
Poland	0.94	0.96	0.98	0.94	0.94	0.94	0.95	0.94
Portugal	0.86	0.90	0.85	1.00	0.86	0.86	0.88	0.89
Spain	0.81	0.92	1.26	0.82	0.87	0.86	0.88	0.89
Sweden	0.91	0.98	0.76	0.91	0.98	0.97	0.97	0.97
Switzerland	0.92	0.88	0.89	0.93	0.90	0.89	0.87	0.88
Turkey	1.25	1.08	1.05	1.25	1.08	1.09	1.11	1.09
United Kingdom	0.85	0.90	1.05	0.83	0.88	0.83	0.87	0.83
United States	0.92	0.94	0.84	0.52	0.60	0.89	0.91	0.93

Note : ch = children /enfants.

1. Net income is calculated as gross earnings minus employees' social security contributions and personal income tax. In a proportional tax system the elasticity would equal 1. The more progressive the system, the lower is the elasticity. Le revenu net est calculé à partir des gains bruts diminués des cotisations de sécurité sociale des salariés et de l'impôt sur le revenu des personnes physiques. Dans un système fiscal proportionnel, l'élasticité serait égale à 1. Plus le système est progressif plus l'élasticité est faible.

2. Two-earner family / famille avec deux revenus.

Table 10. Annual gross wage and net income, by family-type and wage level
(in US dollars), 1998

Tableau 10. Salaire brut annuel et revenu net, par catégorie de famille et niveau de salaire
(en dollars des É.U.), 1998

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	19727	15760	29590	22070	49317	32572	19727	20985
Austria	15093	11636	22640	16174	37733	24527	15093	15877
Belgium	20250	13376	30376	17690	50626	25981	20250	17914
Canada	20133	15560	30200	21944	50333	33908	20133	19497
Czech Republic	7793	6163	11689	9021	19482	14444	7793	8998
Denmark	21368	12815	32053	18133	53421	26489	21368	18608
Finland	15521	10959	23281	15041	38802	22283	15521	14122
France	13538	10441	20307	14766	33845	23470	13538	11979
Germany	19751	12544	29626	17147	49377	25903	19751	16083
Greece	9315	7735	13973	11418	23288	17867	10247	8618
Hungary	4497	3524	6746	4795	11243	7122	4497	4813
Iceland	14415	12443	21622	16950	36037	24163	14415	16604
Ireland	14683	12202	22024	16532	36707	23535	14683	16814
Italy	15987	11986	23981	16995	39969	26453	15987	15374
Japan	17192	15171	25788	22236	42980	35522	17192	15839
Korea	13952	13238	20928	19580	34881	31786	13952	13274
Luxembourg	18202	14751	27304	20582	45506	30090	18202	19442
Mexico	4633	4812	6950	6769	11583	10300	4633	4812
Netherlands	18526	12946	27788	18226	46314	28299	18526	16939
New Zealand	16221	13133	24332	19459	40554	30480	16221	16561
Norway	18732	13820	28098	19784	46830	29334	18732	18989
Poland	5873	5040	8809	7418	14682	12175	5873	5599
Portugal	7490	6426	11235	9198	18725	14133	7490	7232
Spain	12464	10588	18696	14922	31160	23600	12464	11578
Sweden	14918	10065	22377	14676	37295	21632	14918	11934
Switzerland	19444	15767	29167	22770	48611	35473	19444	18864
Turkey	9377	6196	14066	9448	23443	15498	9377	6196
United Kingdom	17744	13962	26616	19906	44360	32386	17744	16489
United States	19384	14793	29076	21587	48460	33074	19384	18448

Note : ch = children / enfants.

Table 10 (cont'd). **Annual gross wage and net income, by family-type and wage level (in US dollars), 1998**Tableau 10 (suite). **Salaire brut annuel et revenu net, par catégorie de famille et niveau de salaire (en dollars des É.U.), 1998**

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	29590	25008	39453	32146	49317	39076	39453	30899
Austria	22640	20077	30186	26002	37733	31343	30186	22469
Belgium	30376	24155	40501	29284	50626	34199	40501	25287
Canada	30200	24709	40267	31560	50333	38047	40267	30514
Czech Republic	11689	12083	15586	14391	19482	16651	15586	12286
Denmark	32053	22520	42737	27755	53421	33073	42737	25630
Finland	23281	17409	31042	23551	38802	28369	31042	21183
France	20307	17343	27076	22465	33845	27284	27076	20657
Germany	29626	22993	39502	27756	49377	32452	39502	25088
Greece	16768	13631	21425	17548	26083	21365	20028	16334
Hungary	6746	5919	8994	7909	11243	9442	8994	6785
Iceland	21622	22457	28829	26935	36037	30979	28829	24780
Ireland	22024	19112	29366	24968	36707	30224	29366	23901
Italy	23981	20209	31975	25014	39969	29747	31975	23800
Japan	25788	23803	34384	30935	42980	38137	34384	30205
Korea	20928	19762	27905	26399	34881	32955	27905	26217
Luxembourg	27304	27355	36405	35269	45506	42672	36405	30394
Mexico	6950	6769	9267	9492	11583	11581	9267	9492
Netherlands	27788	21564	37051	27663	46314	33173	37051	25661
New Zealand	24332	20726	32443	26245	40554	32591	32443	26245
Norway	28098	23546	37464	30035	46830	36538	37464	27100
Poland	8809	8175	11746	10639	14682	13017	11746	10080
Portugal	11235	10223	14980	13388	18725	16368	14980	12509
Spain	18696	16307	24928	20990	31160	25986	24928	20669
Sweden	22377	16545	29836	21640	37295	26610	29836	19771
Switzerland	29167	26742	38889	34559	48611	41423	38889	31439
Turkey	14066	9448	18755	12672	23443	15644	18755	12672
United Kingdom	26616	21985	35488	29880	44360	35947	35488	28236
United States	29076	23878	38768	30457	48460	37251	38768	29358

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), 1998

Tableau 11. Coûts annuels bruts de main-d'oeuvre et revenu net,
par catégorie de famille et niveau de salaire (en dollars des É.U.), 1998

Family-type:	single no ch		single no ch		single no ch		single 2 ch	
	Wage level (% of APW): 67		100		167		67	
	gross	net	gross	net	gross	net	gross	net
Australia	19727	15760	29590	22070	49317	32572	19727	20985
Austria	19882	11636	29823	16174	49705	24527	19882	15877
Belgium	27330	13376	40995	17690	68325	25981	27330	17914
Canada	21442	15560	32211	21944	52526	33908	21442	19497
Czech Republic	10521	6163	15781	9021	26301	14444	10521	8998
Denmark	21494	12815	32214	18133	53652	26489	21494	18608
Finland	19556	10959	29334	15041	48891	22283	19556	14122
France	17220	10441	28198	14766	46479	23470	17220	11979
Germany	23908	12544	35863	17147	58871	25903	23908	16083
Greece	11920	7735	17880	11418	29800	17867	13112	8618
Hungary	6698	3524	9916	4795	16351	7122	6698	4813
Iceland	15030	12443	22545	16950	37576	24163	15030	16604
Ireland	15931	12202	24667	16532	41112	23535	15931	16814
Italy	21567	11986	32351	16995	53918	26453	21567	15374
Japan	18443	15171	27664	22236	45468	35522	18443	15839
Korea	15308	13238	22962	19580	38269	31786	15308	13274
Luxembourg	20734	14751	31102	20582	51836	30090	20734	19442
Mexico	5836	4812	8662	6769	14493	10300	5836	4812
Netherlands	21300	12946	32271	18226	50858	28299	21300	16939
New Zealand	16221	13133	24332	19459	40554	30480	16221	16561
Norway	21092	13820	31638	19784	52730	29334	21092	18989
Poland	8701	5040	13051	7418	21752	12175	8701	5599
Portugal	9269	6426	13903	9198	23172	14133	9269	7232
Spain	16303	10588	24454	14922	40612	23600	16303	11578
Sweden	19845	10065	29768	14676	49613	21632	19845	11934
Switzerland	21690	15767	32535	22770	54223	35473	21690	18864
Turkey	11137	6196	15825	9448	25203	15498	11137	6196
United Kingdom	19518	13962	29277	19906	48796	32386	19518	16489
United States	20867	14793	31300	21587	52167	33074	20867	18448

Note : ch = children / enfants.

Table 11 (cont'd). Annual labour costs and net income, by family-type and wage level
(in US dollars), 1998Tableau 11 (suite). Coûts annuels bruts de main-d'oeuvre et revenu net,
par catégorie de famille et niveau de salaire (en dollars des É.U.), 1998

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	29590	25008	39453	32146	49317	39076	39453	30899
Austria	29823	20077	39764	26002	49705	31343	39764	22469
Belgium	40995	24155	53000	29284	68325	34199	53000	25287
Canada	32211	24709	42884	31560	53653	38047	42884	30514
Czech Republic	15781	12083	21041	14391	26301	16651	21041	12286
Denmark	32214	22520	42988	27755	53708	33073	42988	25630
Finland	29334	17409	39113	23551	48891	28369	39113	21183
France	28198	17343	36365	22465	45418	27284	36365	20657
Germany	35863	22993	47817	27756	59771	32452	47817	25088
Greece	21456	13631	27416	17548	33376	21365	25628	16334
Hungary	9916	5919	13396	7909	16614	9442	13396	6785
Iceland	22545	22457	30060	26935	37576	30979	30060	24780
Ireland	24667	19112	32633	24968	40598	30224	32633	23901
Italy	32351	20209	43134	25014	53918	29747	43134	23800
Japan	27664	23803	36886	30935	46107	38137	36886	30205
Korea	22962	19762	30616	26399	38269	32955	30616	26217
Luxembourg	31102	27355	41469	35269	51836	42672	41469	30394
Mexico	8662	6769	11722	9492	14498	11581	11722	9492
Netherlands	32271	21564	42760	27663	53571	33173	42760	25661
New Zealand	24332	20726	32443	26245	40554	32591	32443	26245
Norway	31638	23546	42184	30035	52730	36538	42184	27100
Poland	13051	8175	17402	10639	21752	13017	17402	10080
Portugal	13903	10223	18537	13388	23172	16368	18537	12509
Spain	24454	16307	33015	20990	40757	25986	33015	20669
Sweden	29768	16545	39691	21640	49613	26610	39691	19771
Switzerland	32535	26742	43381	34559	54226	41423	43381	31439
Turkey	15825	9448	21428	12672	26962	15644	21428	12672
United Kingdom	29277	21985	38593	29880	48796	35947	38593	28236
United States	31300	23878	41734	30457	52167	37251	41734	29358

Note : ch = children / enfants.

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

B. ESTIMATED TAX BURDENS, 1999 (TABLES)

B. ESTIMATIONS DES CHARGES D'IMPÔTS, 1999 (TABLEAUX)

Table 12. Income tax, by family-type and wage level (as % of gross wage), 1999

Tableau 12. Impôt sur le revenu, par catégorie de famille et niveau de salaire (en % du salaire brut), 1999

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								
Austria	5.2	10.9	17.3	-5.5	5.0	4.6	6.1	7.8
Belgium	21.2	28.0	34.8	14.4	17.1	21.7	24.8	23.8
Canada	16.8	21.5	28.7	-3.3	12.1	15.7	18.4	18.5
Czech Republic	8.4	10.2	13.2	2.6	4.3	5.5	7.0	8.6
Denmark	29.3	33.5	41.8	29.3	26.7	29.3	31.8	29.3
Finland	21.2	27.3	34.5	21.2	27.3	23.8	24.9	23.8
France	10.0	14.2	19.0	7.6	7.6	8.7	10.0	10.7
Germany	15.3	21.2	28.7	-4.0	0.1	7.8	12.6	15.3
Greece	1.2	2.9	8.2	0.0	3.3	2.6	2.5	2.9
Hungary	11.9	17.3	26.2	3.3	11.5	10.6	11.7	15.0
Iceland	14.6	22.0	34.9	14.6	10.1	15.0	19.0	15.0
Ireland	12.5	19.4	30.0	3.2	10.1	12.5	14.8	12.5
Italy	16.0	20.2	24.9	10.8	16.1	15.4	17.5	16.6
Japan	5.4	6.5	10.3	1.5	1.5	3.4	4.4	5.5
Korea	0.0	1.2	3.6	0.0	0.4	0.3	0.5	0.8
Luxembourg	5.9	11.5	20.7	0.0	0.0	0.0	2.5	3.5
Mexico	-6.1	0.1	7.9	-6.1	0.1	-4.8	-2.4	-4.8
Netherlands	5.1	6.7	21.7	2.9	4.8	5.8	6.0	5.8
New Zealand	18.6	19.4	24.5	-1.6	15.0	18.6	19.1	18.6
Norway	18.3	21.6	29.4	12.1	17.4	18.6	19.4	19.6
Poland	13.8	15.5	16.9	13.8	13.1	13.8	14.8	13.8
Portugal	2.7	6.6	13.3	0.0	2.5	2.9	4.1	4.9
Spain	5.4	11.7	16.8	0.0	2.5	6.9	6.9	8.8
Sweden	24.9	27.2	34.9	24.9	27.2	26.1	26.3	26.1
Switzerland	7.2	10.1	15.1	2.5	4.8	5.5	7.9	7.3
Turkey	12.5	14.8	17.2	12.5	14.8	13.9	13.9	13.9
United Kingdom	13.2	16.5	19.1	11.6	15.4	12.4	14.5	12.4
United States	16.2	18.2	24.4	-1.7	11.0	14.0	15.7	16.8

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), 1999

Tableau 13. Cotisations des salariés, par catégorie de famille et niveau de salaire
(en % du salaire brut), 1999

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								
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	5.5	5.7	3.6	5.5	5.7	5.5	5.6	5.5
Czech Republic	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Denmark	11.3	10.5	9.9	11.3	10.5	11.3	10.8	11.3
Finland	7.3	7.4	7.4	7.3	7.4	7.3	7.3	7.3
France	13.4	13.4	12.1	13.4	13.4	13.4	13.4	13.4
Germany	20.8	20.8	18.8	20.8	20.8	20.8	20.8	20.8
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	5.1	5.4	2.3	5.1	3.8	4.0	3.8
Italy	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
Japan	7.0	7.0	5.6	7.0	7.0	7.0	7.0	7.0
Korea	6.7	6.7	6.7	6.7	6.7	6.7	6.7	6.7
Luxembourg	14.7	14.7	14.7	14.7	14.7	14.7	14.7	14.7
Mexico	2.4	2.6	3.2	2.4	2.6	2.5	2.5	2.5
Netherlands	26.1	28.9	17.5	17.4	26.0	26.2	27.8	26.2
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Portugal	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Spain	6.4	6.4	6.4	6.4	6.4	6.7	6.4	6.7
Sweden	6.9	6.9	5.6	6.9	6.9	6.9	6.9	6.9
Switzerland	11.6	11.6	11.5	11.6	11.6	11.6	11.6	11.6
Turkey	12.5	8.3	5.0	12.5	8.3	9.7	10.0	9.7
United Kingdom	7.2	8.1	7.4	7.2	8.1	7.2	7.8	7.2
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 less cash benefits,
by family-type and wage level (as % of gross wage), 1999**

Tableau 14. **Impôt sur le revenu et cotisations des salariés diminués des prestations versées,
par catégorie de famille et niveau de salaire (en % du salaire brut), 1999**

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 ¹	100-67 ¹	100-33 ¹	
Australia									
Austria	23.3	29.0	35.4	-6.6	10.3	13.1	16.4	25.9	
Belgium	34.2	42.0	48.9	12.2	20.9	28.0	32.7	37.8	
Canada	22.3	27.2	32.3	2.3	17.8	21.3	24.0	24.0	
Czech Republic	20.9	22.7	25.7	-15.7	-0.6	9.7	14.6	21.1	
Denmark	40.6	44.0	51.7	14.1	30.7	35.7	38.8	40.6	
Finland	28.5	34.6	41.9	8.8	24.8	23.7	26.3	31.1	
France	23.4	27.6	31.0	12.0	15.0	17.6	19.8	24.1	
Germany	36.1	42.0	47.5	16.8	20.9	28.6	33.4	36.1	
Greece	17.1	18.8	24.1	15.9	19.2	18.5	18.4	18.8	
Hungary	24.4	29.8	38.7	-11.6	8.1	11.2	14.6	27.5	
Iceland	14.9	22.2	35.0	-11.9	-1.1	8.6	15.6	15.1	
Ireland	14.8	24.5	35.5	-14.1	10.3	12.7	15.8	16.3	
Italy	25.2	29.4	34.1	3.8	16.1	22.1	25.8	25.8	
Japan	12.4	13.5	15.9	8.5	8.5	10.4	11.4	12.5	
Korea	6.7	7.9	10.3	6.7	7.1	7.0	7.2	7.5	
Luxembourg	20.6	26.2	35.4	-8.2	-0.6	3.2	8.0	18.1	
Mexico	-3.7	2.7	11.1	-3.7	2.7	-2.3	0.1	-2.3	
Netherlands	31.2	35.6	39.2	9.7	23.8	26.7	29.6	32.0	
New Zealand	18.6	19.4	24.5	-1.6	15.0	18.6	19.1	18.6	
Norway	26.1	29.4	37.2	0.0	16.8	20.1	22.2	27.4	
Poland	13.8	15.5	16.9	4.3	6.8	9.0	11.0	13.8	
Portugal	13.7	17.6	24.3	3.5	8.5	10.1	12.0	15.9	
Spain	11.8	18.1	23.2	6.4	8.9	13.6	13.3	15.5	
Sweden	31.8	34.2	40.4	19.7	26.1	27.0	28.4	33.0	
Switzerland	18.7	21.7	26.6	1.6	8.1	10.9	14.5	18.9	
Turkey	24.9	23.1	22.2	24.9	23.1	23.6	23.9	23.6	
United Kingdom	20.4	24.6	26.5	7.4	16.7	14.5	18.2	19.6	
United States	23.9	25.9	32.0	6.0	18.7	21.7	23.3	24.4	

Note : ch = children / enfants.

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

Table 15. **Income tax plus employee and employer contributions less cash benefits, by family-type and wage level (as % of labour costs), 1999**

Tableau 15. **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'oeuvre), 1999**

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								
Austria	41.7	46.0	50.9	19.0	31.8	34.0	36.5	43.7
Belgium	51.2	57.0	62.1	34.9	41.3	45.0	50.1	52.4
Canada	27.1	31.8	35.1	8.3	23.0	26.1	28.8	28.7
Czech Republic	41.4	42.8	45.0	14.3	25.5	33.1	36.7	41.6
Denmark	40.9	44.3	51.9	14.6	31.0	36.0	39.0	40.9
Finland	43.3	48.1	53.9	27.6	40.3	39.5	41.5	45.4
France	40.4	47.9	49.8	31.5	38.8	38.6	40.5	43.5
Germany	47.0	51.9	55.9	31.1	34.5	40.9	44.8	47.0
Greece	35.2	36.5	40.7	34.3	36.8	36.3	36.3	36.5
Hungary	47.9	50.6	56.1	23.1	35.3	38.8	40.4	50.0
Iceland	18.8	25.7	38.0	-6.8	3.5	12.7	19.5	19.0
Ireland	21.5	32.6	42.4	-5.2	19.9	21.4	23.9	24.7
Italy	44.2	47.3	50.9	28.2	37.4	41.9	44.7	44.7
Japan	18.3	19.3	20.5	14.7	14.7	16.5	17.4	18.4
Korea	14.2	15.3	17.6	14.2	14.6	14.5	14.7	14.9
Luxembourg	30.0	35.0	43.1	4.7	11.4	14.8	19.0	27.9
Mexico	17.8	22.0	28.9	17.8	22.0	19.3	20.3	19.3
Netherlands	40.3	44.4	44.3	21.8	34.2	36.5	39.1	41.1
New Zealand	18.6	19.4	24.5	-1.6	15.0	18.6	19.1	18.6
Norway	34.4	37.3	44.3	11.2	26.2	29.1	30.9	35.5
Poland	39.8	41.0	41.9	33.1	34.8	36.4	37.8	39.8
Portugal	30.3	33.4	38.8	22.0	26.0	27.4	28.9	32.1
Spain	32.6	37.4	41.3	28.4	30.3	34.7	33.7	36.2
Sweden	48.8	50.5	55.2	39.7	44.5	45.1	46.2	49.7
Switzerland	27.1	29.8	34.2	11.8	17.6	20.1	23.3	27.3
Turkey	36.0	31.1	27.3	36.0	31.1	32.7	33.1	32.7
United Kingdom	26.2	31.0	33.5	14.2	23.8	20.8	24.8	25.5
United States	29.3	31.1	36.9	12.6	24.5	27.2	28.8	29.8

Note : ch = children / enfants.

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

Table 16. **Marginal rate of income tax plus employee contributions, by family-type and wage level (as % of gross wage), 1999¹**

Tableau 16. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés, par catégorie de famille et niveau de salaire (en % du salaire brut), 1999¹**

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								
Austria	36.6	42.5	49.3	51.5	42.5	42.5	42.5	42.5
Belgium	54.8	55.9	60.5	54.8	51.7	55.9	55.9	55.9
Canada	29.8	43.3	43.6	49.6	48.3	48.3	48.3	43.3
Czech Republic	25.6	30.0	34.4	25.6	43.8	43.8	25.6	30.0
Denmark	51.0	51.0	63.3	51.0	45.5	51.0	51.0	51.0
Finland	44.1	49.8	55.4	44.1	49.8	49.8	49.8	49.8
France	48.6	34.8	35.4	21.0	21.0	33.1	27.0	34.8
Germany	52.4	56.4	59.5	49.9	53.5	52.3	54.4	52.4
Greece	20.1	28.5	41.1	15.9	28.5	28.5	28.5	28.5
Hungary	40.5	40.5	50.5	40.5	40.5	40.5	40.5	40.5
Iceland	36.8	36.8	43.8	45.4	45.4	45.4	45.4	36.8
Ireland	28.5	52.5	48.8	71.4	30.5	30.5	30.5	30.5
Italy	33.7	40.1	45.5	33.7	40.1	40.1	40.1	40.1
Japan	14.7	19.0	24.9	14.7	15.9	15.9	15.9	19.0
Korea	10.3	10.3	20.6	6.7	10.3	10.3	10.3	10.3
Luxembourg	34.1	41.2	53.6	14.7	14.7	14.7	35.9	30.6
Mexico	10.1	17.3	23.4	10.1	17.3	17.3	17.3	17.3
Netherlands	44.4	53.0	50.0	40.0	40.8	53.0	53.0	53.0
New Zealand	21.0	21.0	33.0	39.0	51.0	21.0	21.0	21.0
Norway	35.8	35.8	49.3	35.8	35.8	35.8	35.8	35.8
Poland	19.0	19.0	19.0	19.0	19.0	19.0	19.0	19.0
Portugal	25.0	26.0	36.0	11.0	25.0	25.0	25.0	25.0
Spain	26.5	28.9	32.9	6.4	23.2	28.9	28.9	28.9
Sweden	39.7	36.6	50.6	39.7	36.6	36.6	36.6	36.6
Switzerland	25.0	29.0	35.7	19.9	22.5	25.5	30.5	28.6
Turkey	15.5	20.5	25.5	15.5	20.5	20.5	20.5	20.5
United Kingdom	33.0	33.0	23.0	33.0	33.0	33.0	33.0	33.0
United States	29.9	29.9	42.9	51.0	51.0	29.9	29.9	29.9

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 17. **Marginal rate of income tax plus employee and employer contributions, by family-type and wage level (as % of labour costs), 1999¹**

Tableau 17. **Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés et des employeurs, par catégorie de famille et niveau de salaire (en % des coûts de main-d'oeuvre), 1999¹**

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								
Austria	51.8	56.3	61.5	63.2	56.3	56.3	56.3	56.3
Belgium	66.5	67.3	70.7	66.5	64.2	67.3	67.3	67.3
Canada	34.5	47.0	43.6	52.9	51.7	51.7	51.7	47.0
Czech Republic	44.9	48.1	51.4	44.9	58.4	58.4	44.9	48.1
Denmark	51.1	51.1	63.4	51.1	45.6	51.1	51.1	51.1
Finland	55.7	60.1	64.6	55.7	60.1	60.1	60.1	60.1
France	73.5	53.1	51.2	59.3	43.1	51.8	47.5	53.1
Germany	60.5	63.9	64.2	58.5	61.5	60.5	62.2	60.5
Greece	37.6	44.1	54.0	34.3	44.1	44.1	44.1	44.1
Hungary	56.3	56.3	63.6	56.2	56.3	56.2	56.3	56.2
Iceland	39.7	39.7	46.4	47.9	47.9	47.9	47.9	39.7
Ireland	34.1	57.6	54.3	73.6	37.9	37.9	37.9	37.9
Italy	50.6	55.3	59.4	50.6	55.3	55.3	55.3	55.3
Japan	20.5	24.5	26.4	20.5	21.6	21.6	21.6	24.5
Korea	17.5	17.5	27.0	14.2	17.5	17.5	17.5	17.5
Luxembourg	42.0	48.2	59.1	24.8	24.8	24.8	43.5	38.9
Mexico	25.0	34.0	38.9	25.0	34.0	34.0	34.0	34.0
Netherlands	53.0	58.2	50.0	49.2	47.4	58.2	58.2	58.2
New Zealand	21.0	21.0	33.0	39.0	51.0	21.0	21.0	21.0
Norway	43.0	43.0	55.0	43.0	43.0	43.0	43.0	43.0
Poland	43.4	43.4	43.4	43.4	43.4	43.4	43.4	43.4
Portugal	39.4	40.2	48.3	28.1	39.4	39.4	39.4	39.4
Spain	43.8	45.6	48.7	28.4	41.3	45.6	45.6	45.6
Sweden	54.7	52.4	62.9	54.7	52.4	52.4	52.4	52.4
Switzerland	32.7	36.3	41.9	28.2	30.5	33.2	37.7	36.0
Turkey	15.5	20.5	25.5	15.5	20.5	20.5	20.5	20.5
United Kingdom	40.3	40.3	31.4	40.3	40.3	40.3	40.3	40.3
United States	34.9	34.9	47.0	54.4	54.4	34.9	34.9	34.9

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.

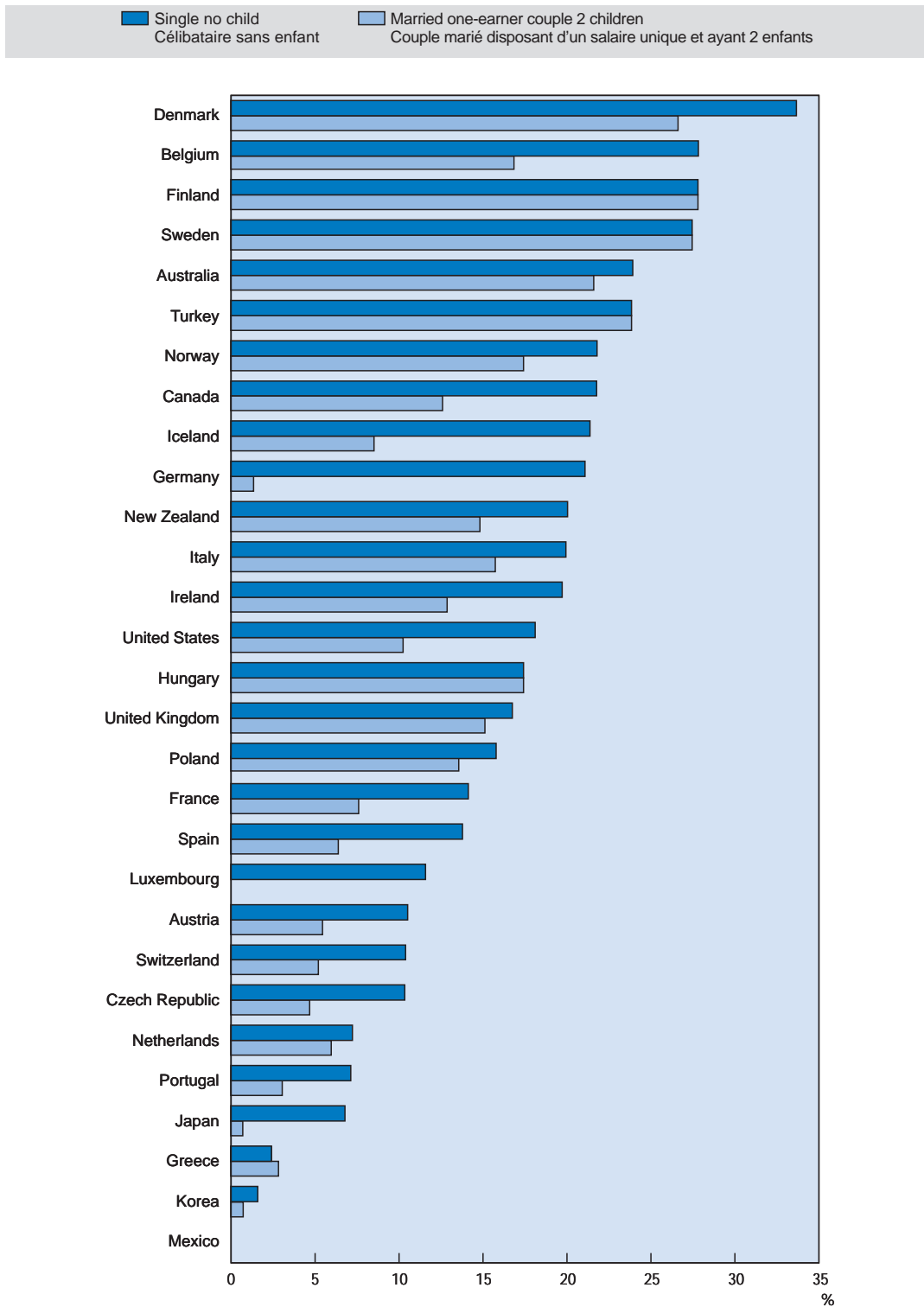
On suppose que le revenu brut principal du ménage augmente. Le résultat peut être différent si le salaire du conjoint augmente, surtout si les deux conjoints sont imposés séparément.

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

C. TAX BURDENS, 1998 (CHARTS)

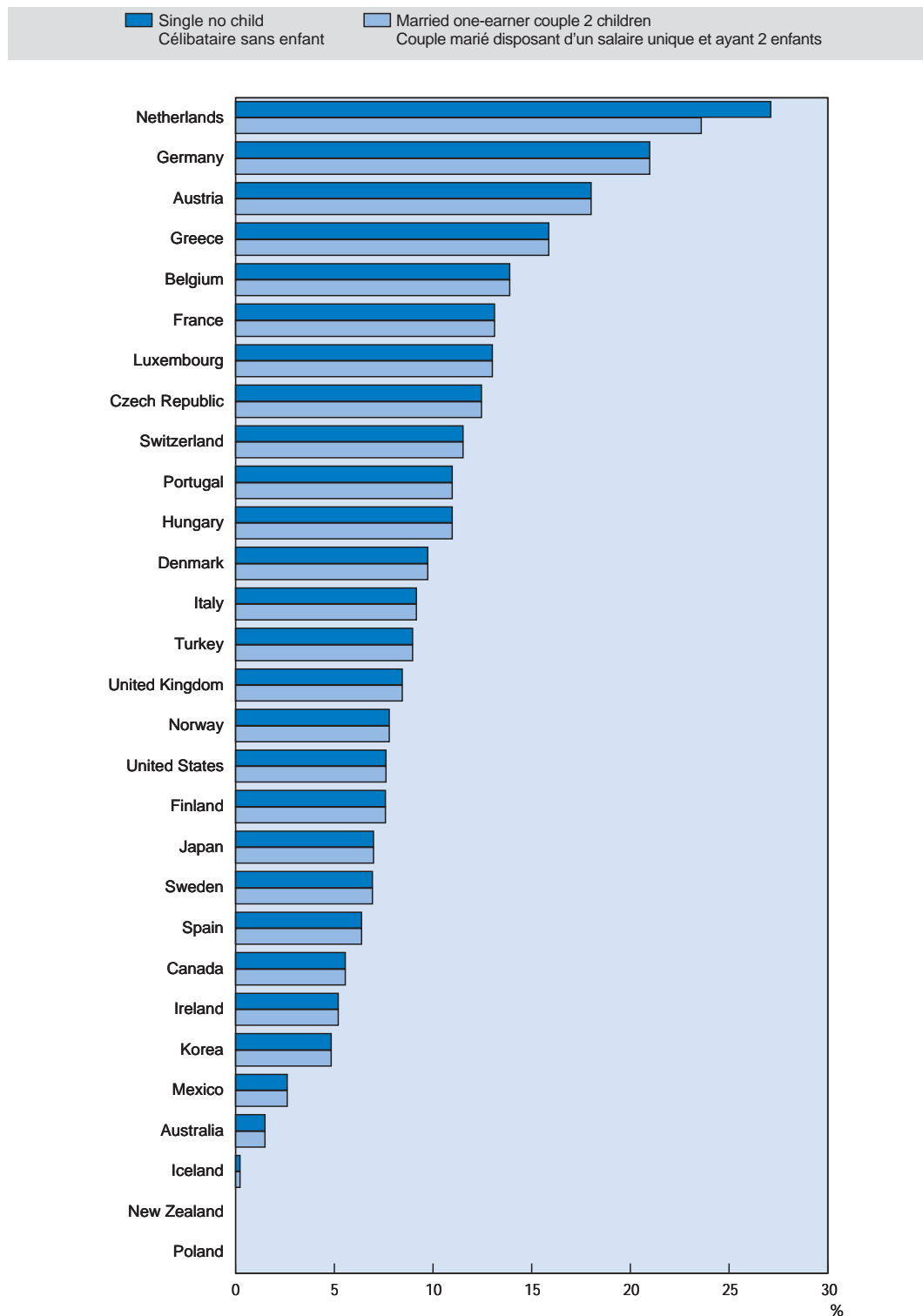
C. CHARGES D'IMPÔTS, 1998 (GRAPHIQUES)

Chart 1. **Income tax, by family-type (as % of gross wage), 1998**
 Graphique 1. **Impôt sur le revenu, par catégorie de famille (en % du salaire brut), 1998**



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

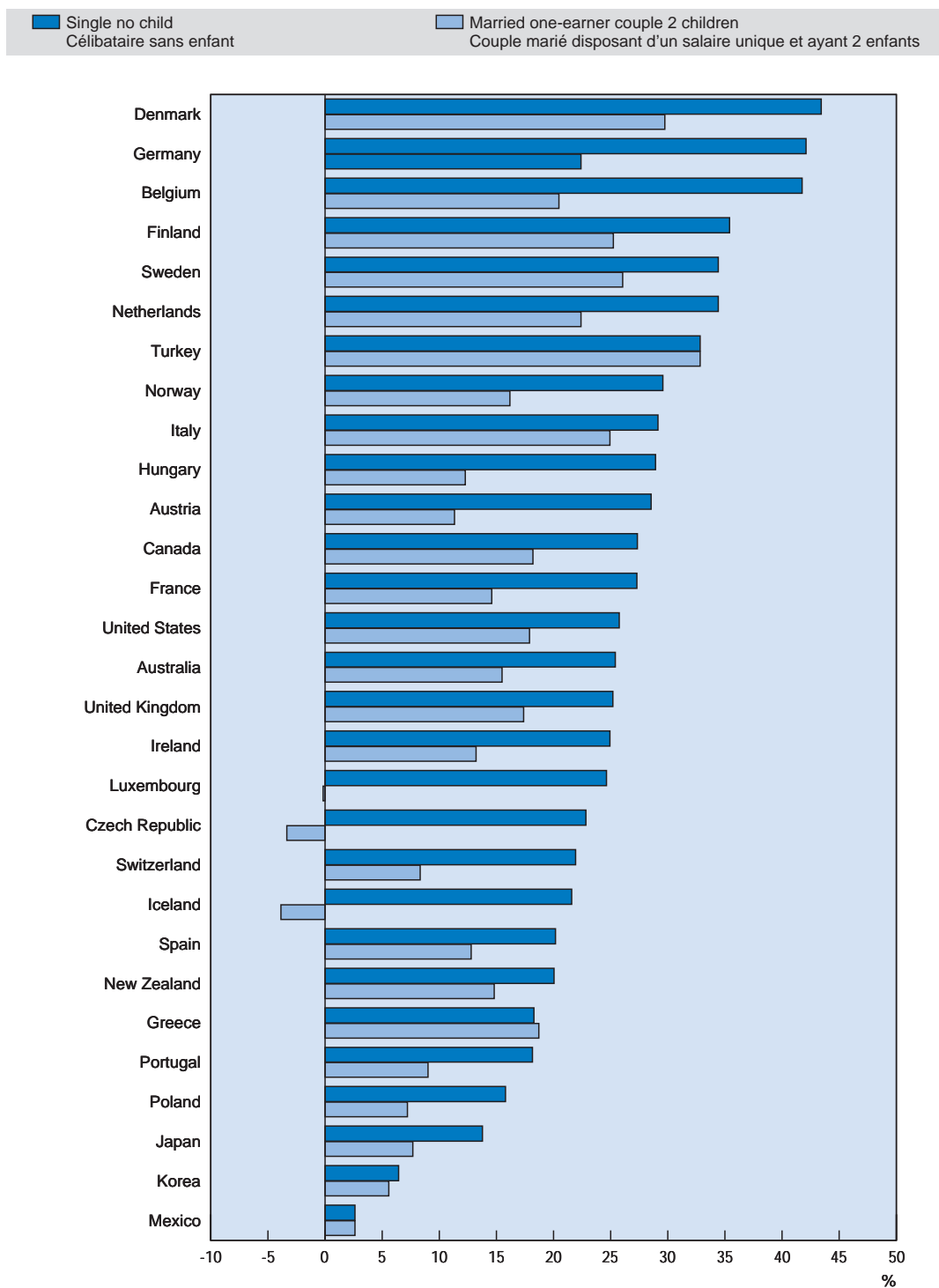
Chart 2. **Employee contributions, by family-type (as % of gross wage), 1998**
 Graphique 2. **Cotisations des salariés, par catégorie de famille (en % du salaire brut), 1998**



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), 1998**

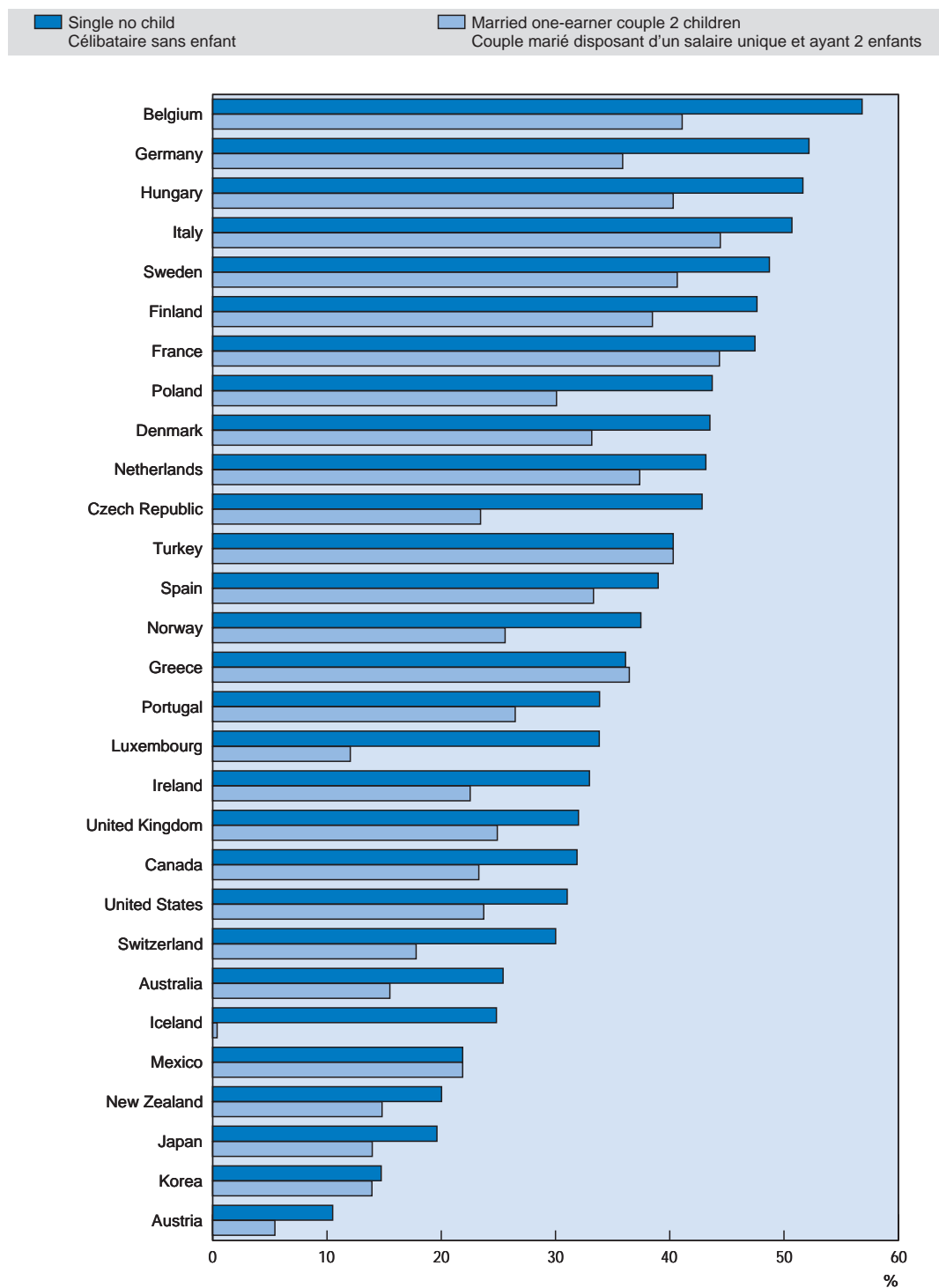
Graphique 3. **Impôt sur le revenu et cotisations des salariés diminués des prestations versées, par catégorie de famille (en % du salaire brut), 1998**



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), 1998**

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), 1998**



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, by family-type (as % of gross wage), 1998

Graphique 5. Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés, par catégorie de famille (en % du salaire brut), 1998

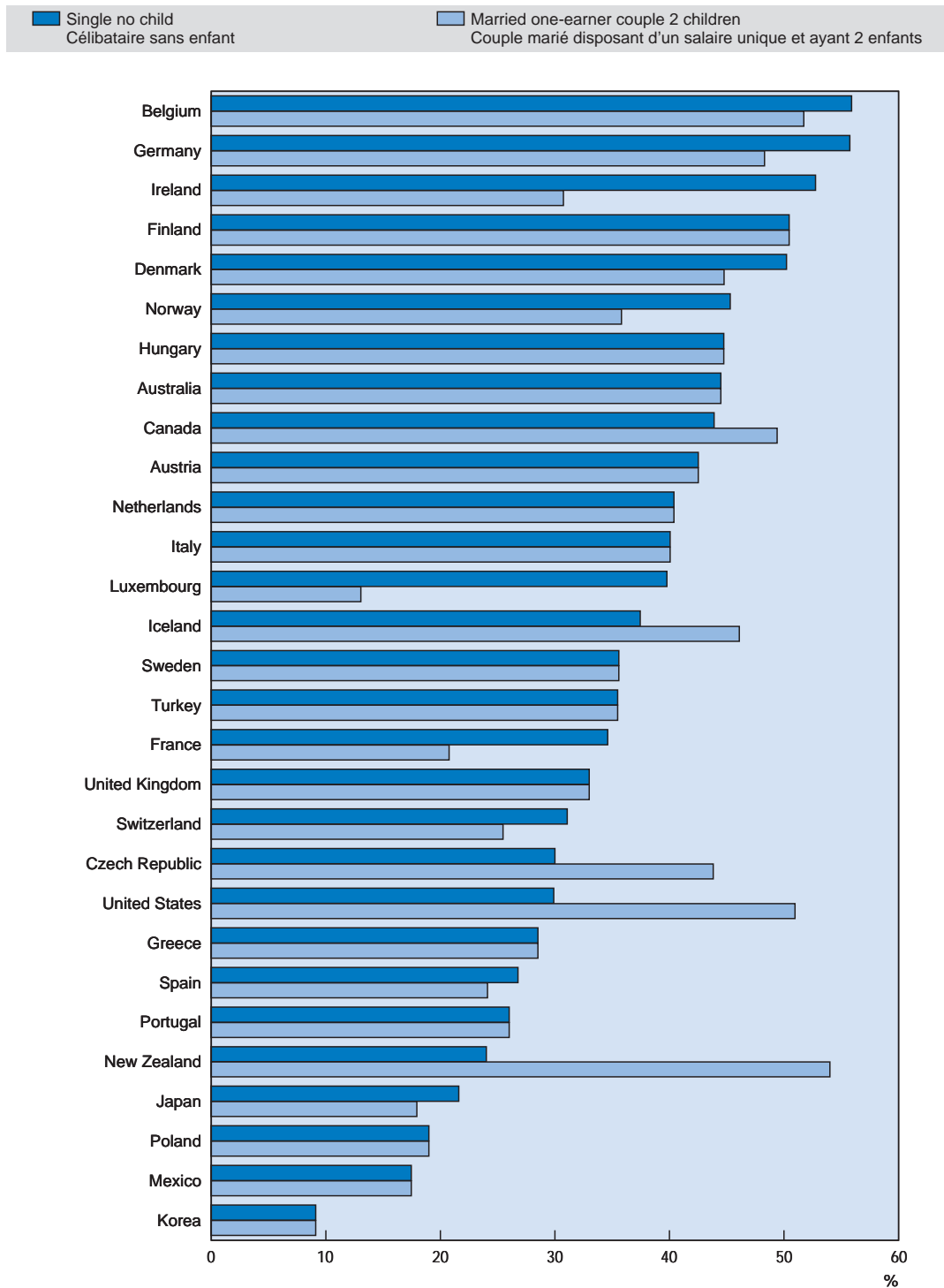
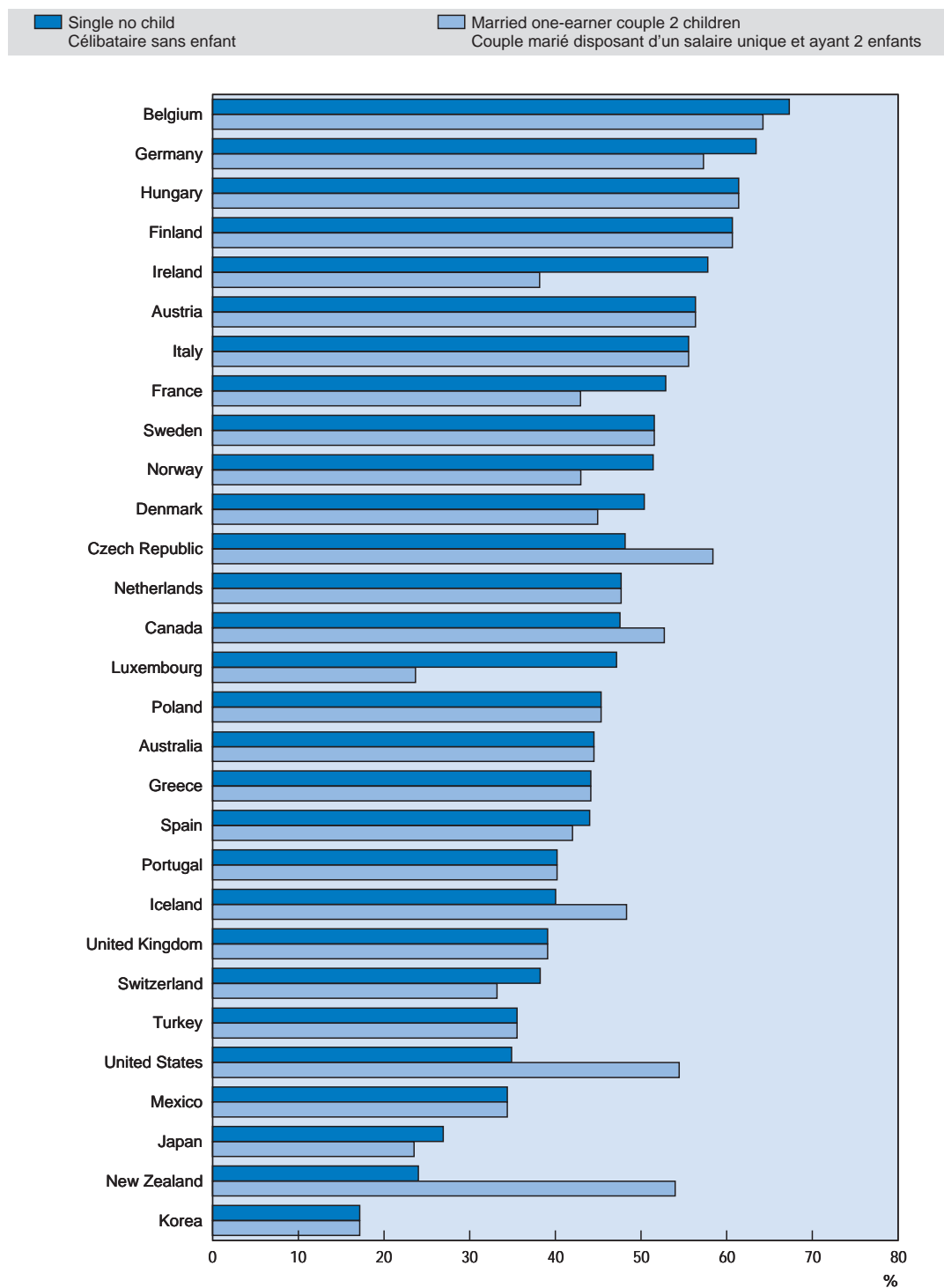


Chart 6. Marginal rate of income tax plus employee and employer contributions, by family-type (as % of labour costs), 1998

Graphique 6. Taux marginal applicable à l'impôt sur le revenu et aux cotisations des salariés et des employeurs, par catégorie de famille (en % des coûts de main-d'œuvre), 1998



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

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 in 1998

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 1998 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.¹ Earnings levels for the edition year 1999 had to be estimated, as relevant sample data will only become available around the Summer of the year 2000. 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 plus 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 wasteable if they cannot exceed tax liability and non-wasteable 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**

Identification of an Average Production Worker					Wage- and salary-earners in manufacturing (including white-collar workers) 1998	
Sector	Geographical coverage	Type of work	Sex	Thousands	Percentage of all employees	
Australia	Manufacturing	Whole country	Production workers	Male and female	1 138	14
Austria	Manufacturing	Whole country	All workers	Male and female	789	24
Belgium	Manufacturing	Whole country	Production workers	Male and female	627	17
Canada	Manufacturing	Whole country	Production workers	Male and female	2 034	17
Czech Republic	Manufacturing	Whole country	Production workers	Male and female	2 352	54
Denmark	Manufacturing (members of employers federation)	Whole country	Production workers	Male and female	488	21
Finland	Manufacturing (members of employers federation) including mining	Whole country	Production workers ¹	Male and female	405	23
France	Manufacturing including mining	Whole country	Production workers	Male and female	3 846	20
Germany	Manufacturing	Whole country	Production workers	Male and female	9 046	29
Greece	Manufacturing (above 10 employees)	Whole country	Production workers	Male and female	398	19
Hungary	Manufacturing (above 10 employees)	Whole country	Production workers	Male and female	704	28
Iceland	Manufacturing (members of employers federation)	Whole country	Production workers	Male and female	0.214	18
Ireland	Manufacturing	Whole country	Production workers ¹	Male and female	232	22
Italy	Manufacturing	Whole country	Production workers ²	Male and female	3 959	28
Japan	Manufacturing (above 10 employees)	Whole country	Production workers	Male and female	13 070	25
Korea	Manufacturing	Whole country	Production workers	Male and female	3 936	30
Luxembourg	Manufacturing including mining	Whole country	Production workers	Male and female	0.328	16
Mexico	Manufacturing	Whole country	Production workers	Male and female	4 114	21
Netherlands	Manufacturing	Whole country	All workers	Male and female	892	18
New Zealand	Manufacturing	Whole country	All workers	Male and female	247	19
Norway	Manufacturing (members of employers federation)	Whole country	Production workers	Male and female	300	16
Poland	Manufacturing	Whole country	Production workers	Male and female	2 906	28
Portugal	Manufacturing	Excludes the Azores and Madeira	Production workers	Male and female	872	27
Spain	Manufacturing	Whole country	Production workers	Male and female	1 996	22
Sweden	Manufacturing	Whole country	Production workers	Male and female	736	20
Switzerland	Manufacturing	Whole country	Production workers	Male and female	1 067	28
Turkey	Manufacturing (above 25 employees)	Whole country	Production workers ¹	Male and female	2 309	26
United Kingdom	Manufacturing	Excludes Northern Ireland	Production workers	Male and female	4 775	21
United States	Manufacturing	Whole country	Production workers	Male and female	20 101	17

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).

Sex

The earnings data refer to the average earnings of all production workers, both male and female. Belgium can only provide data for male workers.

Full-time worker

The worker is assumed to be fully employed during the year, although Austria, 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 at below 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 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 a 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 for reasons of consistency.

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.	Inc.	Inc. ²	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.	Hourly earnings × hours worked × 52	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
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 Sept/Oct × 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. Similarly in the Netherlands, certain bonuses and profit distributions are excluded. In Greece, Christmas and Easter bonuses are excluded.

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 1999

Sample data on average gross wage earnings in 1999 will not be available before the Summer of the year 2000. Still, it is felt that including some estimates of the tax/benefit position of employees in the edition year could increase the relevance of the report for policy-making. Therefore, starting with this year, the report presents also preliminary data for the current edition year.² Estimates of gross wage earnings of average production workers in 1999 were derived by the Secretariat on the basis of a uniform approach. All 1998 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*.³ This transparent procedure is intended to avoid any bias in the results.

There are gaps between wage levels reported in this publication and those contained in the OECD Analytical Data Base 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. In 1997, the gap between average wage levels reported in *Taxing Wages* and in the Analytical Data Base, respectively, exceeded 25 per cent only in Hungary, Ireland and Italy.

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 1996 and 1997 using data from both sources shows that growth rates differ by more than 2.5 percentage points only in Hungary, Ireland and Italy. 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 half of the OECD countries have opted to provide national estimates of the level of gross wage earnings of average production workers in 1999. 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.⁴ Except in the cases of Hungary and Korea, Secretariat estimates of wage levels in 1999 and wage levels provided by national respondents are (very) 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 certain cases 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.

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.⁵

Table III.4. Estimated gross wage earnings, 1999 (in national currencies)

	APW 1998	APW 1999 (Secret. estim.)	APW 1999 (country estim.)	EO65 forecast for 1999 ¹ in percentage
Australia	38 763	40 120		3.5
Austria	305 637	314 500		2.9
Belgium	1 117 819	1 145 764		2.5
Canada	35 032	35 978	35 697	2.7
Czech Republic	153 132	166 608	167 000	8.8
Denmark	268 600	281 761		4.9
Finland	140 619	144 978		3.1
France	132 200	134 976		2.1
Germany	59 549	61 097	60 859	2.6
Greece	3 241 753	3 403 841		5.0
Hungary	646 896	708 998	743 930	9.6
Iceland	1 742 742	1 889 132	1 859 506	8.4
Ireland	15 285	16 279	16 049	6.5
Italy	38 873 410	39 806 372		2.4
Japan	4 203 478	4 174 054	4 174 054	-0.7
Korea	13 896 504	14 132 745	16 696 848	1.7
Luxembourg ²	1 105 800	1 117 104		1.0
Mexico	34 959		39 855	
Netherlands ³	57 522	59 997	59 997	3.8
New Zealand	35 525	36 378	36 300	2.4
Norway	252 600	265 735	264 599	5.2
Poland	14 976	16 264		8.6
Portugal	1 404 354	1 464 741	1 473 000	4.3
Spain	2 355 696	2 407 521	2 402 810	2.2
Sweden	215 490	223 463	228 816	3.7
Switzerland	58 625	59 680		1.8
Turkey	1 792 836 761		3 354 921 514	
UK	17 460	18 316	18 263	4.9
USA	29 076	30 268		4.1

1. Increase of compensation per employee in the business sector. (EO65 Annex Table 12.)

2. In estimating APW 1999, the increase 1998/1997 (1.025%) was applied to the figure, reported for 1998.

3. These amounts include a "special compensation allowance" of 928 guilders in 1998 and of 1 252 guilders in 1999.

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 are entitled to a credit against wage tax/social security contributions otherwise due. Such credits for employers exist for example in the Netherlands. Starting with the 1998 edition, tax concessions for low-wage employees – whether they are aimed at employers or their employees – are consistently included in the description of national tax/benefit systems and 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.

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.

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

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 allowances should be taken into account. Two broad categories of reliefs may be distinguished:

- *Standard tax reliefs*: reliefs which are unrelated to the 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;

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 (1998)		14 862	27.8	16.8	27.6	16.6	All workers
CANADA (1995)	1 825	1 654	21.7	10.4	19.3	9.1	APW type taxpayers
Registered pension plan (TA)							
Registered retirement savings plan (TA)							
Union and professional dues (TA)							
Charitable donations (TC)							
Other (TA)							
DENMARK (1997)			35.1	35.4	28.7	25.5	All workers around the APW's income level
Contributions/premiums paid to private pension saving plans (TA)	11 400	15 500					
Interest payments (net of interest earned and imputed rent) (TA)	-15 000	-35 400					
Transportation cost (TA)	3 360	5 850					
Contributions to trade unions (TA)	4 080	7 360					
Other deductions	2 840	1 550					
FINLAND (1997)			28.0	28.0	26.4	25.6	APW Type
Work related expenses (TA)	3 402	4 032					
Credit for interest expenses (TC)	646	1 611					
HUNGARY (1997)			17.3		16.4		All wage earners around APW's income level
Heavily disabled persons (TC)	254	-					
Payments to insurance funds (TC)	2 470	-					
Intellectual activities (TC)	192	-					
Amortizing credit related to housing purposes (TC)	267	-					
Tuition fees (TC)	326	-					
Payments to foundations (TC)	115	-					
Insurance contracts (TC)	1 371	-					
Investment tax credit (TC)	222	-					
Savings for housing purposes (TC)	70	-					
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					
IRELAND (1997)			20.5	14.1	19.6	13.3	All income earners in the range of IR£ 12 501-15 000 of total income in manufacturing sector
Work-related expenses (TA)		86					
Medical insurance relief (TA)		59					
Interest paid in full (TA)		305					

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
	Single persons	Couples	Before taking into account these reliefs		After taking into account these reliefs		
			Single persons	Couples	Single persons	Couples	
LUXEMBOURG (1994)			12.9	-	7.2	-	All income earners
Work expenses (5 %) (TA)	70 000	70 000					
Special allowances (3.5%) (TA)	40 000	65 000					
Exceptional expenses (1.1 %) (TA)	30 000	62 000					
Interest on personal dwelling (TA)	45 000	180 000					
NORWAY (1997)			28.7		26.1		All income earners around the APW's income level
Travel expenses related to work exceeding NOK 6 000 (TA)	4 403						
Labour union fees (TA)	1 200						
Premiums and contributions to occupational pension schemes in the private and public sector (TA)	1 932						
Premiums and contributions to individual pension agreement schemes (TA)	380						
Unlimited allowance for interest payments (TA)	15 222						
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 (1996)			30.9		28.9		All wage earners around APW's income level
Travel expenses to work, exceeding Skr 6000 (TA)	2 681						
Other work-related expenses (TA)	790						
Premiums to pension schemes (TA)	2 038						
Allowances for interest payments (TC)	4 668						
SWITZERLAND (1994)			11.1	5.7	10.6	5.4	All income earners around APW's income level
Work-related expenses (TA)	1 000						
UNITED KINGDOM (1998)			16.7	15.1	15.6	14.0	All wage earners around APW's income level
Work-related expenses (TA)	10	10					
Investment house purchase of improvement (TC)	188	153					
UNITED STATES (1998)			18.1		n.a.	n.a.	All taxpayers around APW's wage level
Medical expenses (TA)	221						
Taxes paid (TA)	924						
Interest paid (TA)	1 012						
Contributions (TA)	272						

Note: TA = Tax Allowance; TC = Tax Credit

- 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.
- Within APW's income range can be taken to mean in most countries within +/-5 per cent of APW's income.

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.⁶

- *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 memorandum item to the country tables in Part V provides, where available, an estimate of the average non-standard tax reliefs which are claimed by an average production worker. A comparison of the effect of these reliefs on 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.

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

Table III.7. State and local personal income taxes, 1998

	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 income tax paid before allowance for general tax credit	43% to 69%		Weighted average (50.5% of central government tax)
Denmark	Central taxable income	27.2% to 35.2%		Weighted average (32.4%)
Finland	Adjusted central taxable income ²	15% to 19.75%		Weighted average (17.55%) + 1.28% church tax
Iceland	Central taxable income	Up to maximum of 12.04%		Weighted average (11.61%)
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	Adjusted central taxable income ²	Max. 33.15%, min. 26.40%		30.76% (average rate)
Switzerland	Central taxable income ²		2.16% to 32.37% (Zurich)	Zurich (progressive rate schedule)
United States	Separate tax base in most States		0% to 11%	Michigan and Detroit (flat rate 4.4% and 3% respectively)

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

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 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 most/all tax reliefs).

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. Following the guidelines for the OECD *Revenue Statistics*, countries report payroll taxes that serve to finance social security programmes, including public health care insurance, under heading 2000 of the OECD Classification of Taxes. All remaining payroll taxes are reported under heading 3000.⁷ Fourteen OECD countries report revenue from payroll taxes under heading 3000: Australia, Austria, Canada, the Czech Republic, Denmark, France, Greece, Hungary, Ireland, Italy, Korea, 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. Italy has agreed to include its payroll tax as from 1999. Canada introduced a payroll tax in 1998 that is taken into account as well. 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, revenues reported in *Revenue Statistics* are old arrears linked to taxes that existed only before 1993.

In Denmark, employers pay a fixed amount per employer. 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 currently 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 §5.3 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

Six OECD Member countries impose a levy known as “church tax”. Currently, three countries (Denmark, Sweden and Switzerland) report revenues from the church tax in *Revenue Statistics*, and three (Austria, Finland and Germany) do not. Four countries – Denmark, Finland, Germany and Switzerland – include the church tax in their calculations of the tax/benefit position of employees. The treatment of church taxes is currently being examined by the Working Party on Tax Policy Analysis and Tax Statistics. The Working Party has already agreed that in the future church taxes will be treated consistently in its two main statistical publications, *Revenue Statistics* and *Taxing Wages*.

Table III.8. Church taxes, 1997

	Number of taxpayers (as % of all tax units)	Revenue (as % of GDP)	Tax rate (%)	Included
Austria	80-85	0.16	1.1-1.5 ¹	No
Denmark	86-87	0.31	0.8 (average)	Yes
Finland	83	0.65	1.28 (average)	Yes
Germany	67 (estimate)	0.43	8-9 (surcharge on income tax)	Yes
Sweden	85-90	0.61	1.19	No
Switzerland	Not available	0.40	0.21-2.34 ²	Yes

1. Minus tax credits.
2. Rates for 1999.

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.

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 1978-1998 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 the Central Bureau of Statistics no longer reports separate earnings data for manual workers. Starting with the present 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 (see for details §5.5 of the country chapter in Part V). 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 wasteable 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 show 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 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, $(\text{Children} = 2 \times \text{CB} - 2)$ is equivalent to $\text{IF}(\text{Children} = 2, \text{CB} - 2, 0)$.

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 $\text{MAX}(0, X)$.
- 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 $(\text{income} - \text{threshold})$, unless this gives 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. In the case of Greece and Poland, 1998 wage levels are estimates. See country chapters (Part V of the report) for details.
2. With the exception of Australia.
3. 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/EO65 are consistent with the June 1999 issue (No. 65) of the *Economic Outlook*, at the moment this report was drafted being the most recent issue.
4. Because the *Economic Outlook* does not report wage estimates for Mexico and Turkey, national estimates of the increase of the wage level were used.
5. More details may be found in the publication *Taxing powers of state and local government*, OECD Tax Policy Studies No. 1 (Paris, 1999).
6. 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.
7. OECD, *Revenue Statistics 1965-1997*, p. 36.

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 en 1998

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. 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 1999, année d'édition, ont dû être estimés, dans la mesure où les données d'enquêtes nécessaires ne seront disponibles qu'à l'été 2000. 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 Revision 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 extractives.

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.
Élasticité 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	
Allègements 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).
Allègements forfaitaires	Les allègements 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 allègements 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).
Allègements non forfaitaires	Allègements 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.

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.

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

Identification d'un ouvrier moyen					Salariés des industries manufacturières (y compris les employés) 1998		
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	1 138	14
Autriche	Industries manufacturières		Ensemble du pays	Ensemble des travailleurs	Masculin et féminin	789	24
Belgique	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	627	17
Canada	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	2 034	17
Rep. tchèque	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	2 352	54
Danemark	Industries manufacturières	(entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers	Masculin et féminin	488	21
Finlande	Industries manufacturières et industrie extractive	(entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers ¹	Masculin et féminin	405	23
France	Industries manufacturières et industrie extractive		Ensemble du pays	Ouvriers	Masculin et féminin	3 846	20
Allemagne	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	9 046	29
Grèce	Industries manufacturières	(entreprises de plus de 10 salariés)	Ensemble du pays	Ouvriers	Masculin et féminin	398	19
Hongrie	Industries manufacturières	(entreprises de plus de 10 salariés)	Ensemble du pays	Ouvriers	Masculin et féminin	704	28
Islande	Industries manufacturières	(entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers	Masculin et féminin	0.214	18
Irlande	Industries manufacturières		Ensemble du pays	Ouvriers ¹	Masculin et féminin	232	22
Italie	Industries manufacturières		Ensemble du pays	Ouvriers ²	Masculin et féminin	3 959	28
Japon	Industries manufacturières	(entreprises de plus de 10 salariés)	Ensemble du pays	Ouvriers	Masculin et féminin	13 070	25
Corée	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	3 936	30
Luxembourg	Industries manufacturières et industrie extractive		Ensemble du pays	Ouvriers	Masculin et féminin	0.328	16
Mexique	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	4 114	21
Pays-Bas	Industries manufacturières		Ensemble du pays	Ensemble des travailleurs	Masculin et féminin	892	18
Nlle-Zélande	Industries manufacturières		Ensemble du pays	Ensemble des travailleurs	Masculin et féminin	247	19
Norvège	Industries manufacturières	(entreprises affiliées à la fédération patronale)	Ensemble du pays	Ouvriers	Masculin et féminin	300	16
Pologne	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	2 906	28
Portugal	Industries manufacturières		Açores et Madère non compris	Ouvriers	Masculin et féminin	872	27
Espagne	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	1 996	22
Suède	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	736	20
Suisse	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	1 067	28
Turquie	Industries manufacturières	(entreprises de plus de 25 salariés)	Ensemble du pays	Ouvriers ¹	Masculin et féminin	2 309	26
Royaume-Uni	Industries manufacturières		Irlande du Nord non compris	Ouvriers	Masculin et féminin	4 775	21
États-Unis	Industries manufacturières		Ensemble du pays	Ouvriers	Masculin et féminin	20 101	17

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. À 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).

Zone géographique couverte

Les données correspondent à la moyenne des salaires calculés sur l'ensemble du territoire.

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. La Belgique ne peut fournir que des données concernant les ouvriers du sexe masculin.

Emploi à plein-temps

Le travailleur est supposé être employé à plein-temps au cours de l'année, bien que l'Autriche, 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,

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 ¹	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	C valeur imposable	Gain annuel	31 décembre	Année civile
Belgique	NC	NC	NC	C	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	
Rep. tchèque	NC	NC	NC	C	C	C	Gain mensuel moyen × 12	31 décembre	Année civile	
Danemark	NC	NC	C	C	C	NC	Salaire horaire × nombre d'heures travaillées	31 décembre	Année civile	
Finlande	NC	NC	C	C	C	NC	Salaire horaire × 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	Salaire horaire × nombre d'heures travaillées	31 décembre	Année civile	
Grèce	NC	NC	C	C	C ²	C	Salaire horaire × nombre d'heures travaillées	31 décembre	Année civile	
Hongrie	NC	NC	C	C	C	NC	Salaire mensuel moyen × 12	31 décembre	Année civile	
Islande	NC	NC	C	C	C	NC	Salaire horaire × nombre d'heures travaillées × 12	31 décembre	Année civile	
Irlande	NC	NC	C	C	C	NC	Salaire horaire × nombre d'heures travaillées × 52	5 avril	Année fiscale	
Italie	NC	C	C	C	C	NC	Salaire mensuel moyen sur chaque trimestre × 12	31 décembre	Année civile	
Japon	NC	NC	C	C	C	NC	Salaire mensuel en juin × 12	31 décembre	Année civile	
Corée	NC	NC	C	C	C	NC	Salaire mensuel moyen × 12	31 décembre	Année civile	
Luxembourg	NC	NC	C	C	C	NC	Salaire horaire × nombre d'heures travaillées	31 décembre	Année civile	
Mexique	NC	NC	C	C	C	NC	Salaire horaire moyen × nombre d'heures hebdomadaires × 52	31 décembre	Année civile	
Pays-Bas	NC	NC	C	C	C ²	NC	90 pour cent des gains bruts annuels	31 décembre	Année civile	
Nelle-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	Salaire horaire × nombre d'heures travaillées × 52	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	C valeur imposable	Gain mensuel pondéré × 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	C valeur réelle	Gain moyen horaire en sept./oct. × 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	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	

Note : 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. Il en est de même aux Pays-Bas pour certaines primes et certaines distributions de bénéfices et en Grèce pour les primes de printemps et de fin d'année.

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.

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 1999

Les données d'enquêtes concernant les salaires bruts moyens en 1999 ne seront pas disponibles avant l'été 2000. Cependant, il semble que l'insertion de certaines estimations de la situation des salariés au regard de l'impôt et des transferts sociaux au cours de l'année d'édition pourrait rehausser l'intérêt du rapport pour les décideurs. Par conséquent, à partir de cette édition, le rapport présente aussi des données préliminaires concernant l'année d'édition en cours¹. Des estimations des salaires bruts des ouvriers moyens en 1999 ont été établies par le Secrétariat en adoptant une approche uniforme. L'ensemble des montants des gains enregistrés en 1998 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 considéré². Cette procédure transparente permet de donner des résultats non biaisés.

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 1997, 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 trois pays de l'OCDE (Hongrie, Irlande et Italie).

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 1996 et 1997 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 trois pays (Hongrie, Irlande et Italie). On pourrait donc en 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 salaire 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.

Près de la moitié des pays de l'OCDE ont choisi de fournir des estimations nationales du niveau de salaire brut des ouvriers moyens en 1999. Ces estimations – qui n'ont pas été utilisées par le Secrétariat³ – sont néanmoins indiquées dans le tableau III.4 pour permettre une comparaison entre les estimations du Secrétariat et celles de sources nationales. Sauf dans les cas de la Hongrie et de la Corée, les estimations des niveaux de salaires en 1999 effectuées par le Secrétariat et les niveaux de salaires indiqués par les différents pays sont très proches.

Tableau III.4. Revenus salariaux bruts estimés, 1999 (en monnaies nationales)

	SOM 1998	SOM 1999 (Estim. secrétar.)	SOM 1999 (Estim. pays)	EO65 taux prévus pour 1999 ¹ en pourcentage
Australie	38 763	40 120		3.5
Autriche	305 637	314 500		2.9
Belgique	1 117 819	1 145 764		2.5
Canada	35 032	35 978	35 697	2.7
République tchèque	153 132	166 608	167 000	8.8
Danemark	268 600	281 761		4.9
Finlande	140 619	144 978		3.1
France	132 200	134 976		2.1
Allemagne	59 549	61 097	60 859	2.6
Grèce	3 241 753	3 403 841		5.0
Hongrie	646 896	708 998	743 930	9.6
Islande	1 742 742	1 889 132	1 859 506	8.4
Irlande	15 285	16 279	16 049	6.5
Italie	38 873 410	39 806 372		2.4
Japon	4 203 478	4 174 054	4 174 054	-0.7
Corée	13 896 504	14 132 745	16 696 848	1.7
Luxembourg ²	1 105 800	1 117 104		1.0
Mexique	34 959		39 855	
Pays-Bas ³	57 522	59 997	59 997	3.8
Nouvelle-Zélande	35 525	36 378	36 300	2.4
Norvège	252 600	265 735	264 599	5.2
Pologne	14 976	16 264		8.6
Portugal	1 404 354	1 464 741	1 473 000	4.3
Espagne	2 355 696	2 407 521	2 402 810	2.2
Suède	215 490	223 463	228 816	3.7
Suisse	58 625	59 680		1.8
Turquie	1 792 836 761		3 354 921 514	
Royaume-Uni	17 460	18 316	18 263	4.9
États-Unis	29 076	30 268		4.1

1. Accroissement de la rémunération par employé dans le secteur des entreprises. (EO65 Annexe tableau 12.)

2. Pour estimer le SOM de 1999, on a appliqué l'accroissement de 1998/1997 (1.025 %) au chiffre de 1998.

3. Ces montants incluent une « allocation spéciale de dédommagement » de 928 florins en 1998 et de 1 252 florins en 1999.

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 dûs sur les salaires. De plus, les taxes sur les salaires (voir section I ci-dessous) et dans certains cas les impôts paroissiaux (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 fournie⁴.

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 aux Pays-Bas. A 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 toujours 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 ;

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

- 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).

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 administrations⁵.
- *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 et une rubrique pour mémoire annexée aux tableaux par pays de la partie IV, pour les pays qui disposent des informations requises, donne une estimation du montant moyen de ces allègements auxquels peut prétendre normalement un ouvrier disposant du salaire moyen. 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 type 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 déduites 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 existent 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 sociales) applicables

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 (1998)		14 862	27.8	16.8	27.6	16.6	Ensemble des salariés
CANADA (1995)	1 825	1 654	21.7	10.4	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 (1997)			35.1	35.4	28.7	25.5	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Cotisations/prime versées à des systèmes de retraite privée (AF)	11 400	15 500					
Intérêts versés (nets des intérêts perçus et des loyers imputés) (AF)	-15 000	-35 400					
Frais de déplacement (AF)	3 360	5 850					
Cotisations syndicales (AF)	4 080	7 360					
Autres déductions	2 840	1 550					
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 (TC)	646	1 611					
HONGRIE (1997)			17.3		16.4		Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Personnes avec un lourd handicap (TC)	254	-					
Cotisations à des fonds d'assurances (TC)	2 470	-					
Activités intellectuelles (TC)	192	-					
Amortissement de crédit relatif à l'acquisition d'un logement (TC)	267	-					
Frais de scolarité (TC)	326	-					
Dons à des fondations (TC)	115	-					
Contrats d'assurance (TC)	1 371	-					
Crédit fiscal pour l'investissement (TC)	222	-					
Épargne relative à l'acquisition d'un logement (TC)	70	-					
ISLANDE (1994)			20.5	3.3	19.6	1.5	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Intérêts versés au titre de l'habitation personnelle (IC)	11 250	22 000					
IRLANDE (1997)			20.5	14.1	19.6	13.3	Ensemble des salariés de l'industrie manufacturière dont le revenu est compris entre 12 501 et 15 000 £IR
Frais professionnels (AF)		86					
Allègement au titre de l'assurance maladie (AF)		59					
Ensemble des intérêts versés (AF)		305					

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	
LUXEMBOURG (1994)			12.9	-	7.2	-	Ensemble des salariés
Frais professionnels (5 %) (AF)	70 000	70 000					
Déductions spécifiques (3.5 %) (AF)	40 000	40 000					
Déductions exceptionnelles (1.1 %) (AF)	30 000	62 000					
Intérêts versés au titre de l'habitation personnelle (AF)	45 000	180 000					
NORVÈGE (1997)			28.7		26.1		Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Frais de déplacement exceptionnels au-delà de NOK 6 000 (AF)		4 403					
Cotisations syndicales (AF)		1 200					
Primes et cotisations aux régimes professionnels de retraites publiques et privées (AF)		1 932					
Primes aux régimes de retraites complémentaires individuelles (AF)		380					
Abattement illimité au titre des intérêts versés (AF)		15 222					
ESPAGNE (1995)			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
Intérêts sur emprunts hypothécaires (AF)	123 557						
15 % de l'amortissement du logement (TC)							
SUÈDE (1996)			30.9		28.9		Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Frais de déplacement au travail excédent Skr 6 000 (AF)		2 681					
Autres frais professionnels (AF)		790					
Primes aux régimes de retraites (AF)		2 038					
Indemnités pour versements d'intérêts (TC)		4 668					
SUISSE (1994)			11.1	5.7	10.6	5.4	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Frais professionnels (AF)		1 000					
ROYAUME-UNI (1998)			16.7	15.1	15.6	14.0	Ensemble des salariés dont le revenu est proche de celui de l'ouvrier moyen
Frais professionnels (AF)	10	10					
Intérêts sur achat ou amélioration du logement (TC)	188	153					
ÉTATS-UNIS (1998)			18.2		n.a.	n.a.	Ensemble des contribuables dont le revenu est proche de celui de l'ouvrier moyen
Frais médicaux (AF)		221					
Impôts versés (AF)		924					
Intérêts versés (AF)		1 012					
Cotisations (AF)		272					

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

- Il s'agit des allègements fiscaux non forfaitaires auxquels peuvent normalement prétendre les contribuables ayant un revenu proche de celui de l'ouvrier moyen. Le montant de chaque allègement est calculé en divisant le montant total de l'allègement reçu par les contribuables du type de l'ouvrier moyen par leur nombre total, y compris ceux qui ne peuvent pas bénéficier de l'allègement. Après avoir été calculés selon cette méthode, les montants de l'ensemble des allègements individuels sont additionnés pour obtenir le montant total de l'allègement reçu par l'ouvrier moyen.
- La formule « revenu proche de celui de l'ouvrier moyen » peut être considérée comme significatif dans la plupart des pays un écart maximum de plus ou moins 5 pour cent par rapport au revenu de l'ouvrier moyen.

Tableau III.7. Impôts sur les revenus des collectivités décentralisées, 1998

	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'État fédéral avant déduction du crédit d'impôt général	43 % à 69 %		Moyenne pondérée (50.5 % de l'impôt dû au gouvernement fédéral)
Corée	Impôt versé à l'administration centrale	3.75 % à 11.25 %		
Danemark	Revenu imposable à l'impôt d'État	27.2 % à 35.2 %		Moyenne pondérée (32.4 %)
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 (17.55 %) +1.28 % d'impôt paroissial
Islande	Revenu imposable à l'impôt d'État	Jusqu'à un maximum de 12.04 %		Moyenne pondérée (11.61 %)
Japon	Revenu imposable à l'impôt d'État ajusté ²			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 ajusté ²	Max. 33.15 %, min. 26.40 %		30.76 % taux moyen
Suisse	Revenu imposable à l'impôt d'État ajusté ²			Zurich (barème progressif)
États-Unis	Assiette distincte dans la plupart des États	0 % à 11 %		Michigan et Détroit (taux uniforme 4.47 % et 3.0 % 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 dû au gouvernement fédéral.

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.

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 maximum 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 du salaire brut déduction faite de certains allègements fiscaux).

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. Conformément aux orientations données pour l'élaboration des statistiques de recettes publiques de l'OCDE, les pays déclarent les taxes sur les salaires qui servent à financer les programmes de sécurité sociale, y compris l'assurance maladie publique, à la rubrique 2000 de la Classification des impôts utilisée pour établir les *Statistiques des recettes publiques*. Toutes les autres taxes sur les salaires sont indiquées à la rubrique 3000⁶. 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, Italie, Corée, 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. L'Italie a accepté d'inclure sa taxe sur les salaires à compter de 1999. Le Canada a instauré en 1998 une taxe sur les salaires qui est également prise en compte. 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, les revenus reportés dans les *Statistiques des recettes publiques* sont d'anciens arriérés se rapportant aux impôts antérieurs à 1993.

La Hongrie ne prend pas 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 *prorata* 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

Six pays de l'OCDE prélèvent un impôt désigné sous le nom d'impôt paroissial ou « d'impôt cultuel ». Actuellement, trois pays (Danemark, Suède et Suisse) déclarent les recettes de l'impôt cultuel dans les *Statistiques des recettes publiques* et trois (Autriche, Finlande et Allemagne) ne le font pas. Quatre pays – Allemagne, Danemark, Finlande et Suisse – incluent cet impôt dans leurs calculs de la situation des salariés au regard de l'impôt et des transferts sociaux. Le traitement des impôts paroissiaux est actuellement examiné par le Groupe de travail sur l'analyse des politiques et les statistiques fiscales. Le Groupe de travail a déjà décidé qu'à l'avenir les impôts cultuels seront traités de manière cohérente dans ses deux principales publications statistiques, les *Statistiques des recettes publiques* et dans *Les impôts sur les salaires*.

Tableau III.8. Impôts paroissiaux, 1997

	Nombre de contribuables (en pourcentage de l'ensemble des unités d'imposition)	Recettes (en pourcentage du PIB)	Taux d'imposition (%)	Inclus
Autriche	80-85	0.16	1.1-1.5 ¹	Non
Danemark	86-87	0.31	0.8 (moyenne)	Oui
Finlande	83	0.65	1.28 (moyenne)	Oui
Allemagne	67 (estimation)	0.43	8-9 (surtaxe sur le revenu)	Oui
Suède	85-90	0.61	1.19	Non
Suisse	Non disponible	0.40	0.21-2.34 ²	Oui

1. Moins crédits d'impôts.
2. Pourcentage de 1999.

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	100 unités
Enfants 9-10	120 unités
Enfants 11-14	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 1^{er} 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 reçu des administrations publiques.

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'allègement 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, atteignant plus de 20 pour cent 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 1979-1999 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 cette édition, 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 cette édition 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 cette édition, la Corée a élargi le champ des cotisations de sécurité sociale (voir détails au § 5.5 du chapitre par pays à la partie V de ce rapport). 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'afixe « 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 :

- $\text{Tax}(\text{taxinc}, \text{tax_sch})$: 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.
- $\text{Positive}(X)$: cette fonction donne le résultat X lorsque cette valeur est positive et 0 dans les autres cas. Elle est donc équivalente à $\text{MAX}(0, X)$.
- $\text{Taper}(\text{valeur}, \text{revenu}, \text{seuil}, \text{taux})$: 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. L'Australie n'est pas incluse.
2. 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 EO65 correspondent au numéro de juin 1999 (n° 65) des *Perspectives économiques*, qui était le numéro le plus récent au moment où cette étude a été effectuée.
3. Comme les *Perspectives économiques* n'indiquent pas d'estimations de salaires pour le Mexique et la Turquie, dans ces cas des estimations nationales de l'augmentation de salaire ont été utilisées.
4. On trouvera plus de précisions dans la publication intitulée *Taxing Powers of State and Local Government*, OECD Tax Policy Studies n° 1 (Paris, 1999).
5. 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.
6. *Statistiques des recettes publiques de l'OCDE*, 1965-1997, p. 36.

Part IV
COUNTRY TABLES, 1998

All twenty-nine 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 to determine 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 and employees' social security contributions in gross wage earnings
- the share of income tax and all social security contributions in gross labour costs.

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

- the increase in income tax and employees' contributions 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 due as a share of the related increase in gross labour costs.

TABLEAUX PAR PAYS, 1998

Les 29 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 et des cotisations de sécurité sociale des salariés dans le salaire brut ;
- la part de l'impôt sur le revenu et de l'ensemble des cotisations de sécurité sociale 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 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 en pourcentage de l'augmentation correspondante des coûts bruts de main-d'œuvre.

Australia		1998				
		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		25842	38763	64605	25842
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)		25842	38763	64605	25842
5.	Central government income tax liability (exclusive of tax credits)		4808	9270	20966	4808
6.	Tax credits					
	Basic credit		0	0	0	0
	Married or head of family		0	0	0	1243
	Children					
	Other					
		Total	0	0	0	1243
7.	Central government income tax finally paid (5-6)		4808	9270	20966	3565
8.	State and local taxes		0	0	0	0
9.	Employees' compulsory social security contributions					
	Gross earnings		388	581	969	0
	Taxable income					
		Total	388	581	969	0
10.	Total payments to general government (7 + 8 + 9)		5196	9852	21935	3565
11.	Cash transfers from general government					
	For head of family					
	For two children		0	0	0	5214
		Total	0	0	0	5214
12.	Take-home pay (1-10+11)		20646	28911	42670	27491
13.	Employers' compulsory social security contributions		0	0	0	0
14.	Average rates					
	Income tax		18.6%	23.9%	32.5%	13.8%
	Employees' social security contributions		1.5%	1.5%	1.5%	0.0%
	Total payments less cash transfers		20.1%	25.4%	34.0%	-6.4%
	Total tax wedge including employer's social security contributions		20.1%	25.4%	34.0%	-6.4%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		35.5%	44.5%	48.5%	84.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		35.5%	44.5%	48.5%	84.0%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Australia

1998

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		38763	51684	64605	51684
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)		38763	51684	64605	51684
5. Central government income tax liability (exclusive of tax credits)		9270	10774	14078	10774
6. Tax credits					
Basic credit		0	150	0	150
Married or head of family		900	400	400	0
Children					
Other					
	Total	900	550	400	150
7. Central government income tax finally paid (5-6)		8370	10224	13678	10624
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		581	581	969	581
Taxable income					
	Total	581	581	969	581
10. Total payments to general government (7 + 8 + 9)		8952	10806	14647	11206
11. Cash transfers from general government					
For head of family		1716	0	0	0
For two children		1232	1232	1232	0
	Total	2948	1232	1232	0
12. Take-home pay (1-10+11)		32760	42111	51190	40478
13. Employers' compulsory social security contributions		0	0	0	0
14. Average rates					
Income tax		21.6%	19.8%	21.2%	20.6%
Employees' social security contributions		1.5%	1.1%	1.5%	1.1%
Total payments less cash transfers		15.5%	18.5%	20.8%	21.7%
Total tax wedge including employer's social security contributions		15.5%	18.5%	20.8%	21.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		44.5%	44.5%	44.5%	44.5%
Total payments less cash transfers: Spouse		27.6%	20.0%	35.5%	20.0%
Total tax wedge: Principal earner		44.5%	44.5%	44.5%	44.5%
Total tax wedge: Spouse		27.6%	20.0%	35.5%	20.0%

Austria		1998				
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			203758	305637	509395	203758
2. Standard tax allowances						
	Basic allowance		819	819	819	819
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		36793	55189	91982	36793
	Work-related expenses		1800	1800	1800	1800
	Other		12881	15071	19452	12881
	Total		52293	72880	114053	52293
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			151465	232757	395342	151465
5. Central government income tax liability (exclusive of tax credits)			24221	46293	96412	24221
6. Tax credits						
	Basic credit		8840	8690	4609	8840
	Married or head of family		0	0	0	5000
	Children		0	0	0	10500
	Other		5500	5500	5500	5500
	Total		14340	14190	10109	29840
7. Central government income tax finally paid			9881	32103	86303	-10170
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		36793	55189	91982	36793
	Taxable income					
	Total		36793	55189	91982	36793
10. Total payments to general government (7 + 8 + 9)			46673	87292	178285	26623
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	37200
	Total		0	0	0	37200
12. Take-home pay (1-10+11)			157085	218345	331110	214335
13. Employer's compulsory social security contributions + payroll tax						
	Employer social security contributions		49368	74051	123419	49368
	Payroll taxes		15282	22923	38205	15282
	Total		64650	96974	161624	64650
14. Average rates						
	Income tax		4.8%	10.5%	16.9%	-5.0%
	Employees' social security contributions		18.1%	18.1%	18.1%	18.1%
	Total payments less cash transfers		22.9%	28.6%	35.0%	-5.2%
	Total tax wedge including employer's social security contributions		41.5%	45.8%	50.7%	20.1%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		36.6%	42.5%	49.3%	21.6%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		51.8%	56.4%	61.5%	40.5%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Austria		1998			
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	0
1. Gross earnings		305637	407516	509395	407516
2. Standard tax allowances					
Basic allowance		819	1638	1638	1638
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		55189	73586	91982	73586
Work-related expenses		1800	3600	3600	3600
Other		15071	25762	27952	25762
	Total	72880	104585	125172	104585
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		232757	302931	384223	302931
5. Central government income tax liability (exclusive of tax credits)		46293	54950	70513	54950
6. Tax credits					
Basic credit		8690	17530	17530	17530
Married or head of family		5000	0	0	0
Children		10500	10500	10500	0
Other		5500	11000	11000	11000
	Total	29690	39030	39030	28530
7. Central government income tax finally paid		16603	20103	31484	30603
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		55189	73586	91982	73586
Taxable income					
	Total	55189	73586	91982	73586
10. Total payments to general government (7 + 8 + 9)		71792	93689	123466	104189
11. Cash transfers from general government					
For head of family					
For two children		37200	37200	37200	0
	Total	37200	37200	37200	0
12. Take-home pay (1-10+11)		271045	351027	423129	303327
13. Employer's compulsory social security contributions + payroll tax					
Employer social security contributions		74051	98735	123419	98735
Payroll taxes		22923	30564	38205	30564
	Total	96974	129299	161624	129299
14. Average rates					
Income tax		5.4%	4.9%	6.2%	7.5%
Employees' social security contributions		18.1%	18.1%	18.1%	18.1%
Total payments less cash transfers		11.3%	13.9%	16.9%	25.6%
Total tax wedge including employer's social security contributions		32.7%	34.6%	36.9%	43.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		42.5%	42.5%	42.5%	42.5%
Total payments less cash transfers: Spouse		21.5%	18.1%	36.6%	18.1%
Total tax wedge: Principal earner		56.4%	56.4%	56.4%	56.4%
Total tax wedge: Spouse		40.4%	37.8%	51.8%	37.8%

Belgium		1998			
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		745213	1117819	1863032	745213
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		97399	146099	243498	97399
Work-related expenses		63434	73152	92586	63434
Other					
	Total	160834	219251	336084	160834
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		584379	898568	1526947	584379
5. Central government income tax liability (exclusive of tax credits)		192921	334306	638424	192921
6. Tax credits					
Basic credit					
Married or head of family		51500	51500	51500	62500
Children		0	0	0	36150
Other					
	Total	51500	51500	51500	98650
7. Central government income tax finally paid (5-6)		145663	291290	604531	97099
8. State and local taxes		9899	19796	41085	6599
9. Employees' compulsory social security contributions					
Gross earnings		97399	146099	243498	97399
Taxable income		0	9631	17800	0
	Total	97399	155730	261299	97399
10. Total payments to general government (7 + 8 + 9)		252962	466817	906915	201097
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	115116
	Total	0	0	0	115116
12. Take-home pay (1-10+11)		492251	651002	956117	659232
13. Employer's compulsory social security contributions		260526	390790	651316	260526
14. Average rates					
Income tax		20.9%	27.8%	34.7%	13.9%
Employees' social security contributions		13.1%	13.9%	14.0%	13.1%
Total payments less cash transfers		33.9%	41.8%	48.7%	11.5%
Total tax wedge including employer's social security contributions		51.1%	56.8%	62.0%	34.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		54.8%	55.9%	60.5%	54.8%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		66.5%	67.3%	70.8%	66.5%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Belgium**1998****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		1117819	1490425	1863032	1490425
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		146099	194799	243498	194799
Work-related expenses		73152	122042	136586	122042
Other					
	Total	219251	316841	380084	316841
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		898568	1173584	1482947	1173584
5. Central government income tax liability (exclusive of tax credits)		281220	400863	527226	400863
6. Tax credits					
Basic credit					
Married or head of family		81000	81000	81000	81000
Children		29050	29050	29050	0
Other					
	Total	110050	110050	110050	81000
7. Central government income tax finally paid (5-6)		176305	299537	429692	329459
8. State and local taxes		11982	20357	29202	22390
9. Employees' compulsory social security contributions					
Gross earnings		146099	194799	243498	194799
Taxable income		9631	13207	17228	13207
	Total	155730	208005	260727	208005
10. Total payments to general government (7 + 8 + 9)		344018	527900	719621	559855
11. Cash transfers from general government					
For head of family					
For two children		115116	115116	115116	0
	Total	115116	115116	115116	0
12. Take-home pay (1-10+11)		888917	1077642	1258527	930571
13. Employer's compulsory social security contributions		390790	459964	651316	459964
14. Average rates					
Income tax		16.8%	21.5%	24.6%	23.6%
Employees' social security contributions		13.9%	14.0%	14.0%	14.0%
Total payments less cash transfers		20.5%	27.7%	32.4%	37.6%
Total tax wedge including employer's social security contributions		41.1%	44.7%	49.9%	52.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		51.7%	55.9%	55.9%	55.9%
Total payments less cash transfers: Spouse		49.4%	52.8%	55.9%	52.8%
Total tax wedge: Principal earner		64.2%	67.3%	67.3%	67.3%
Total tax wedge: Spouse		57.3%	60.2%	67.3%	60.2%

Canada		1998			
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		23355	35032	58387	23355
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)		23355	35032	58387	23355
5. Central government income tax liability (exclusive of tax credits)		4010	6520	12806	3996
6. Tax credits					
Basic credit		1098	1098	1098	1098
Married or head of family		0	0	0	944
Children		0	0	0	3131
Other		215	332	361	215
	Total	1313	1430	1459	5389
7. Central government income tax finally paid (5-6)		2697	5090	11347	-1393
8. State and local taxes		1342	2533	5585	865
9. Employees' compulsory social security contributions					
Gross earnings		1266	1955	2122	1266
Taxable income					
	Total	1266	1955	2122	1266
10. Total payments to general government (7 + 8 + 9)		5305	9578	19054	738
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)		18050	25454	39333	22617
13. Employers' compulsory social security contributions		1518	2333	2543	1518
14. Average rates					
Income tax		17.3%	21.8%	29.0%	-2.3%
Employees' social security contributions		5.4%	5.6%	3.6%	5.4%
Total payments less cash transfers		22.7%	27.3%	32.6%	3.2%
Total tax wedge including employer's social security contributions		27.4%	31.9%	35.4%	9.1%
15. Marginal rates					
Total payments less cash transfers: Principal earner		30.2%	43.9%	40.7%	50.9%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		34.8%	47.6%	40.7%	54.1%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Canada		1998			
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		35032	46709	58387	46709
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)		35032	46709	58387	46709
5. Central government income tax liability (exclusive of tax credits)		6507	8517	10531	8517
6. Tax credits					
Basic credit		1098	2196	2196	2196
Married or head of family		928	26	0	26
Children		1797	1214	630	0
Other		332	430	548	430
	Total	4156	3866	3373	2653
7. Central government income tax finally paid (5-6)		2351	4651	7157	5864
8. State and local taxes		2064	2918	3874	2918
9. Employees' compulsory social security contributions					
Gross earnings		1955	2532	3221	2532
Taxable income					
	Total	1955	2532	3221	2532
10. Total payments to general government (7 + 8 + 9)		6369	10100	14252	11314
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)		28663	36609	44134	35396
13. Employers' compulsory social security contributions		2333	3036	3851	3036
14. Average rates					
Income tax		12.6%	16.2%	18.9%	18.8%
Employees' social security contributions		5.6%	5.4%	5.5%	5.4%
Total payments less cash transfers		18.2%	21.6%	24.4%	24.2%
Total tax wedge including employer's social security contributions		23.3%	26.4%	29.1%	28.8%
15. Marginal rates					
Total payments less cash transfers: Principal earner		49.4%	48.9%	48.9%	43.9%
Total payments less cash transfers: Spouse		32.3%	35.7%	35.2%	30.7%
Total tax wedge: Principal earner		52.7%	52.2%	52.2%	47.6%
Total tax wedge: Spouse		36.1%	39.9%	39.4%	35.3%

Czech Republic		1998			
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		102088	153132	255220	102088
2. Standard tax allowances					
Basic allowance		32040	32040	32040	32040
Married or head of family		0	0	0	0
Dependent children		0	0	0	36000
Deduction for social security contributions and income taxes		12761	19142	31903	12761
Work-related expenses					
Other					
	Total	44801	51182	63943	80801
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		57287	101951	191278	21287
5. Central government income tax liability (exclusive of tax credits)		8593	15818	34097	3193
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)		8593	15818	34097	3193
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		12761	19142	31903	12761
Taxable income					
	Total	12761	19142	31903	12761
10. Total payments to general government (7 + 8 + 9)		21354	34960	66000	15954
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	31746
	Total	0	0	0	31746
12. Take-home pay (1-10+11)		80734	118172	189220	117880
13. Employers' compulsory social security contributions		35731	53596	89327	35731
14. Average rates					
Income tax		8.4%	10.3%	13.4%	3.1%
Employees' social security contributions		12.5%	12.5%	12.5%	12.5%
Total payments less cash transfers		20.9%	22.8%	25.9%	-15.5%
Total tax wedge including employer's social security contributions		41.4%	42.8%	45.1%	14.5%
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		1998				
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			153132	204176	255220	204176
2. Standard tax allowances						
	Basic allowance		32040	64080	64080	64080
	Married or head of family		18240	0	0	0
	Dependent children		36000	36000	36000	0
	Deduction for social security contributions and income taxes		19142	25522	31903	25522
	Work-related expenses					
	Other					
	Total		105422	125602	131983	89602
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			47711	78574	123238	114574
5. Central government income tax liability (exclusive of tax credits)			7157	11786	18486	17712
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)			7157	11786	18486	17712
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		19142	25522	31903	25522
	Taxable income					
	Total		19142	25522	31903	25522
10. Total payments to general government (7 + 8 + 9)			26298	37308	50388	43234
11. Cash transfers from general government						
	For head of family					
	For two children		31454	21656	13296	0
	Total		31454	21656	13296	0
12. Take-home pay (1-10+11)			158288	188523	218128	160942
13. Employers' compulsory social security contributions			53596	71462	89327	71462
14. Average rates						
	Income tax		4.7%	5.8%	7.2%	8.7%
	Employees' social security contributions		12.5%	12.5%	12.5%	12.5%
	Total payments less cash transfers		-3.4%	7.7%	14.5%	21.2%
	Total tax wedge including employer's social security contributions		23.4%	31.6%	36.7%	41.6%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		43.8%	43.8%	25.6%	30.0%
	Total payments less cash transfers: Spouse		40.8%	43.8%	25.6%	25.6%
	Total tax wedge: Principal earner		58.4%	58.4%	44.9%	48.1%
	Total tax wedge: Spouse		56.1%	58.4%	44.9%	44.9%

Denmark		1998				
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		179067	268600	447667	179067	
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes	15148	22310	36636	15148	
	Work-related expenses	3895	3895	3895	3895	
	Other	1782	2677	4468	1782	
	Total	20825	28883	44999	20825	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		158242	239717	402668	158242	
5. Central government income tax liability (exclusive of tax credits)		14048	25454	67377	14048	
6. Tax credits						
	Basic credit	2512	2512	2512	2512	
	Married or head of family					
	Children					
	Other					
	Total	2512	2512	2512	2512	
7. Central government income tax finally paid (5-6)		11536	22942	64865	11536	
8. State and local taxes		41097	67495	120291	41097	
9. Employees' compulsory social security contributions						
	Gross earnings	19043	26205	40531	19043	
	Taxable income					
	Total	19043	26205	40531	19043	
10. Total payments to general government (7 + 8 + 9)		71675	116642	225687	71675	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	48544	
	Total	0	0	0	48544	
12. Take-home pay (1-10+11)		107391	151958	221980	155935	
13. Employer's compulsory social security contributions		1055	1350	1941	1055	
14. Average rates						
	Income tax	29.4%	33.7%	41.4%	29.4%	
	Employees' social security contributions	10.6%	9.8%	9.1%	10.6%	
	Total payments less cash transfers	40.0%	43.4%	50.4%	12.9%	
	Total tax wedge including employer's social security contributions	40.4%	43.7%	50.6%	13.4%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	50.2%	50.2%	61.4%	50.2%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	50.4%	50.4%	61.5%	50.4%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Denmark		1998			
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		268600	358133	447667	358133
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		22310	30296	37458	30296
Work-related expenses		3895	7790	7790	7790
Other		2677	3563	4459	3563
	Total	28883	41649	49707	41649
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		239717	316484	397960	316484
5. Central government income tax liability (exclusive of tax credits)		19177	28095	39502	28095
6. Tax credits					
Basic credit		5024	5024	5024	5024
Married or head of family					
Children					
Other					
	Total	5024	5024	5024	5024
7. Central government income tax finally paid (5-6)		14153	23071	34478	23071
8. State and local taxes		57321	82194	108592	82194
9. Employees' compulsory social security contributions					
Gross earnings		26205	38086	45248	38086
Taxable income					
	Total	26205	38086	45248	38086
10. Total payments to general government (7 + 8 + 9)		97680	143351	188318	143351
11. Cash transfers from general government					
For head of family					
For two children		17800	17800	17800	0
	Total	17800	17800	17800	0
12. Take-home pay (1-10+11)		188720	232583	277149	214783
13. Employer's compulsory social security contributions		1350	2109	2405	2109
14. Average rates					
Income tax		26.6%	29.4%	32.0%	29.4%
Employees' social security contributions		9.8%	10.6%	10.1%	10.6%
Total payments less cash transfers		29.7%	35.1%	38.1%	40.0%
Total tax wedge including employer's social security contributions		30.1%	35.4%	38.4%	40.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		44.8%	50.2%	50.2%	50.2%
Total payments less cash transfers: Spouse		47.9%	50.2%	50.2%	50.2%
Total tax wedge: Principal earner		44.9%	50.4%	50.4%	50.4%
Total tax wedge: Spouse		48.4%	50.4%	50.4%	50.4%

Finland		1998			
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		93746	140619	234365	93746
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		5719	8578	14296	5719
Work-related expenses		1800	1800	1800	1800
Other					
	Total	7519	10378	16096	7519
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		86227	130241	218269	86227
5. Central government income tax liability (exclusive of tax credits)		5215	15233	40836	5215
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)		5215	15233	40836	5215
8. State and local taxes		15385	23850	40778	15385
9. Employees' compulsory social security contributions					
Gross earnings		6952	10688	18159	6952
Taxable income					
	Total	6952	10688	18159	6952
10. Total payments to general government (7 + 8 + 9)		27553	49770	99773	27553
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	19104
	Total	0	0	0	19104
12. Take-home pay (1-10+11)		66193	90849	134592	85297
13. Employer's compulsory social security contributions		24374	36561	60935	24374
14. Average rates					
Income tax		22.0%	27.8%	34.8%	22.0%
Employees' social security contributions		7.4%	7.6%	7.7%	7.4%
Total payments less cash transfers		29.4%	35.4%	42.6%	9.0%
Total tax wedge including employer's social security contributions		44.0%	48.7%	54.4%	27.8%
15. Marginal rates					
Total payments less cash transfers: Principal earner		44.8%	50.4%	56.1%	44.8%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		56.2%	60.7%	65.1%	56.2%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Finland		1998				
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			140619	187492	234365	187492
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		8578	11437	14296	11437
	Work-related expenses		1800	3206	3600	3206
	Other					
	Total		10378	14643	17896	14643
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			130241	172849	216469	172849
5. Central government income tax liability (exclusive of tax credits)			15233	15233	20448	15233
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)			15233	15233	20448	15233
8. State and local taxes			23850	30257	39235	30257
9. Employees' compulsory social security contributions						
	Gross earnings		10688	14057	17639	14057
	Taxable income					
	Total		10688	14057	17639	14057
10. Total payments to general government (7 + 8 + 9)			49770	59547	77323	59547
11. Cash transfers from general government						
	For head of family					
	For two children		14304	14304	14304	0
	Total		14304	14304	14304	0
12. Take-home pay (1-10+11)			105153	142249	171346	127945
13. Employer's compulsory social security contributions			36561	48748	60935	48748
14. Average rates						
	Income tax		27.8%	24.3%	25.5%	24.3%
	Employees' social security contributions		7.6%	7.5%	7.5%	7.5%
	Total payments less cash transfers		25.2%	24.1%	26.9%	31.8%
	Total tax wedge including employer's social security contributions		40.7%	39.8%	42.0%	45.8%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		50.4%	50.4%	50.4%	50.4%
	Total payments less cash transfers: Spouse		20.9%	28.7%	44.8%	28.7%
	Total tax wedge: Principal earner		60.7%	60.7%	60.7%	60.7%
	Total tax wedge: Spouse		37.2%	43.5%	56.2%	43.5%

France		1998				
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			88133	132200	220333	88133
2. Standard tax allowances						
	Basic allowance		13776	20664	34991	13776
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		15868	23803	36616	15868
	Work-related expenses		7653	11480	19439	7653
	Other					
	Total		37298	55947	91046	37298
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			50835	76253	129287	50835
5. Central government income tax liability (exclusive of tax credits)			8563	18676	41605	6698
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)			8563	18676	41605	6698
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		11598	17398	25941	11598
	Taxable income					
	Total		11598	17398	25941	11598
10. Total payments to general government (7 + 8 + 9)			20161	36074	67547	18296
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	8148
	Total		0	0	0	8148
12. Take-home pay (1-10+11)			67972	96126	152787	77985
13. Employers' compulsory social security contributions			23970	51366	82243	23970
14. Average rates						
	Income tax		9.7%	14.1%	18.9%	7.6%
	Employees' social security contributions		13.2%	13.2%	11.8%	13.2%
	Total payments less cash transfers		22.9%	27.3%	30.7%	11.5%
	Total tax wedge including employer's social security contributions		39.4%	47.6%	49.5%	30.4%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		32.9%	34.6%	35.3%	20.8%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		65.4%	52.9%	51.1%	59.1%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

France		1998				
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			132200	176267	220333	176267
2. Standard tax allowances						
	Basic allowance		20664	27553	34441	27553
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		23803	31737	39671	31737
	Work-related expenses		11480	15307	19134	15307
	Other					
	Total		55947	74596	93246	74596
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			76253	101670	127088	101670
5. Central government income tax liability (exclusive of tax credits)			10047	14974	21868	18591
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)			10047	14974	21868	18591
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		17398	23197	28996	23197
	Taxable income					
	Total		17398	23197	28996	23197
10. Total payments to general government (7 + 8 + 9)			27445	38171	50864	41787
11. Cash transfers from general government						
	For head of family					
	For two children		8148	8148	8148	0
	Total		8148	8148	8148	0
12. Take-home pay (1-10+11)			112903	146244	177617	134479
13. Employers' compulsory social security contributions			51366	60468	75336	60468
14. Average rates						
	Income tax		7.6%	8.5%	9.9%	10.5%
	Employees' social security contributions		13.2%	13.2%	13.2%	13.2%
	Total payments less cash transfers		14.6%	17.0%	19.4%	23.7%
	Total tax wedge including employer's social security contributions		38.5%	38.2%	39.9%	43.2%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		20.8%	32.9%	26.8%	26.8%
	Total payments less cash transfers: Spouse		24.3%	32.9%	26.8%	26.8%
	Total tax wedge: Principal earner		42.9%	51.7%	47.3%	47.3%
	Total tax wedge: Spouse		37.3%	44.4%	62.2%	39.3%

Germany		1998			
The tax/benefit position of single individuals					
		67	100	167	67
		Wage level (per cent of APW)			
		Number of children			
		none	none	none	2
1. Gross wage earnings		39699	59549	99248	39699
2. Standard tax allowances					
	Basic allowance				
	Married or head of family	0	0	0	5616
	Dependent children	0	0	0	0
	Deduction for social security contributions and income taxes	3915	3915	3915	3915
	Work-related expenses	2000	2000	2000	2000
	Other	523	1071	2397	108
	Total	6438	6986	8312	11639
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		33261	52563	90936	28060
5. Central government income tax liability (exclusive of tax credits)		6130	12549	28100	4295
6. Tax credits					
	Basic credit				
	Married or head of family				
	Children	0	0	0	5280
	Other				
	Total	0	0	0	5280
7. Central government income tax finally paid (5-6)		6130	12549	28100	-985
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	8357	12535	19083	8357
	Taxable income				
	Total	8357	12535	19083	8357
10. Total payments to general government (7 + 8 + 9)		14486	25084	47183	7372
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)		25213	34465	52066	32328
13. Employers' compulsory social security contributions		8357	12535	19083	8357
14. Average rates					
	Income tax	15.4%	21.1%	28.3%	-2.5%
	Employees' social security contributions	21.1%	21.1%	19.2%	21.1%
	Total payments less cash transfers	36.5%	42.1%	47.5%	18.6%
	Total tax wedge including employer's social security contributions	47.5%	52.2%	56.0%	32.7%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	52.2%	55.7%	59.1%	49.8%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	60.5%	63.4%	63.9%	58.5%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

Germany		1998			
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		59549	79399	99248	79399
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children		0	0	0	0
Deduction for social security contributions and income taxes		10114	7830	7830	7830
Work-related expenses		2000	4000	4000	4000
Other		216	695	1206	1046
	Total	12330	12525	13036	12876
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		47219	66874	86212	66523
5. Central government income tax liability (exclusive of tax credits)		6078	12175	18407	12259
6. Tax credits					
Basic credit					
Married or head of family					
Children		5280	5280	5280	0
Other					
	Total	5280	5280	5280	0
7. Central government income tax finally paid (5-6)		798	6895	13127	12259
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		12535	16713	20892	16713
Taxable income					
	Total	12535	16713	20892	16713
10. Total payments to general government (7 + 8 + 9)		13333	23608	34019	28973
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)		46216	55790	65229	50426
13. Employers' compulsory social security contributions		12535	16713	20892	16713
14. Average rates					
Income tax		1.3%	8.7%	13.2%	15.4%
Employees' social security contributions		21.1%	21.1%	21.1%	21.1%
Total payments less cash transfers		22.4%	29.7%	34.3%	36.5%
Total tax wedge including employer's social security contributions		35.9%	42.0%	45.7%	47.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		48.3%	52.1%	53.9%	52.2%
Total payments less cash transfers: Spouse		50.3%	52.1%	53.9%	52.2%
Total tax wedge: Principal earner		57.3%	60.5%	61.9%	60.5%
Total tax wedge: Spouse		59.0%	60.5%	61.9%	60.5%

Greece		1998				
		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		2161169	3241753	5402922	2377286	
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes	343626	515439	859065	377988	
	Work-related expenses	0	0	0	0	
	Other					
	Total	343626	515439	859065	377988	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		1817543	2726314	4543857	1999297	
5. Central government income tax liability (exclusive of tax credits)		23127	77447	398657	32215	
6. Tax credits						
	Basic credit	0	0	0	50000	
	Married or head of family					
	Children					
	Other					
	Total	0	0	0	50000	
7. Central government income tax finally paid (5-6)		23127	77447	398657	0	
8. State and local taxes		0	0	0	0	
9. Employees' compulsory social security contributions						
	Gross earnings	343626	515439	859065	377988	
	Taxable income					
	Total	343626	515439	859065	377988	
10. Total payments to general government (7 + 8 + 9)		366753	592886	1257722	377988	
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)		1794416	2648867	4145200	1999297	
13. Employer's compulsory social security contributions		604263	906394	1510657	664689	
14. Average rates						
	Income tax	1.1%	2.4%	7.4%	0.0%	
	Employees' social security contributions	15.9%	15.9%	15.9%	15.9%	
	Total payments less cash transfers	17.0%	18.3%	23.3%	15.9%	
	Total tax wedge including employer's social security contributions	35.1%	36.1%	40.0%	34.3%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	20.1%	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	37.6%	44.1%	54.0%	34.3%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Greece

1998

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		3890104	4970688	6051272	4646513
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		618526	790339	962152	738796
Work-related expenses		0	0	0	0
Other					
	Total	618526	790339	962152	738796
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		3271577	4180349	5089120	3907717
5. Central government income tax liability (exclusive of tax credits)		159237	159237	182364	118342
6. Tax credits					
Basic credit		50000	50000	50000	0
Married or head of family					
Children					
Other					
	Total	50000	50000	50000	0
7. Central government income tax finally paid (5-6)		109237	109237	132364	118342
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		618526	790339	962152	738796
Taxable income					
	Total	618526	790339	962152	738796
10. Total payments to general government (7 + 8 + 9)		727763	899576	1094516	857137
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)		3162341	4071112	4956756	3789375
13. Employer's compulsory social security contributions		1087673	1389804	1691936	1299165
14. Average rates					
Income tax		2.8%	2.2%	2.2%	2.5%
Employees' social security contributions		15.9%	15.9%	15.9%	15.9%
Total payments less cash transfers		18.7%	18.1%	18.1%	18.4%
Total tax wedge including employer's social security contributions		36.5%	36.0%	36.0%	36.3%
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%	20.1%	15.9%
Total tax wedge: Principal earner		44.1%	44.1%	44.1%	44.1%
Total tax wedge: Spouse		34.3%	34.3%	37.6%	34.3%

Hungary		1998				
		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		431264	646896	1078160	431264
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)		431264	646896	1078160	431264
5.	Central government income tax liability (exclusive of tax credits)		101692	174414	340482	101692
6.	Tax credits					
	Basic credit		50400	50400	50400	50400
	Married or head of family					
	Children					
	Other		7547	11321	18868	7547
	Total		57947	61721	69268	57947
7.	Central government income tax finally paid (5-6)		43745	112693	271215	43745
8.	State and local taxes		0	0	0	0
9.	Employees' compulsory social security contributions					
	Gross earnings		49595	74393	123988	49595
	Taxable income					
	Total		49595	74393	123988	49595
10.	Total payments to general government (7 + 8 + 9)		93340	187086	395203	93340
11.	Cash transfers from general government					
	For head of family					
	For two children		0	0	0	123600
	Total		0	0	0	123600
12.	Take-home pay (1-10+11)		337924	459810	682957	461524
13.	Employer's compulsory social security contributions		211075	304012	489887	211075
14.	Average rates					
	Income tax		10.1%	17.4%	25.2%	10.1%
	Employees' social security contributions		11.5%	11.5%	11.5%	11.5%
	Total payments less cash transfers		21.6%	28.9%	36.7%	-7.0%
	Total tax wedge including employer's social security contributions		47.4%	51.6%	56.4%	28.1%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		40.8%	44.7%	48.8%	40.8%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		58.6%	61.4%	64.2%	58.6%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Hungary		1998				
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		646896	862528	1078160	862528
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)		646896	862528	1078160	862528
5.	Central government income tax liability (exclusive of tax credits)		174414	217540	276105	217540
6.	Tax credits					
	Basic credit		50400	93526	100800	93526
	Married or head of family					
	Children					
	Other		11321	11321	18868	11321
	Total		61721	104847	119668	104847
7.	Central government income tax finally paid (5-6)		112693	112693	156438	112693
8.	State and local taxes		0	0	0	0
9.	Employees' compulsory social security contributions					
	Gross earnings		74393	99191	123988	99191
	Taxable income					
	Total		74393	99191	123988	99191
10.	Total payments to general government (7 + 8 + 9)		187086	211884	280426	211884
11.	Cash transfers from general government					
	For head of family					
	For two children		107800	107800	107800	0
	Total		107800	107800	107800	0
12.	Take-home pay (1-10+11)		567610	758444	905534	650644
13.	Employer's compulsory social security contributions		304012	422150	515087	422150
14.	Average rates					
	Income tax		17.4%	13.1%	14.5%	13.1%
	Employees' social security contributions		11.5%	11.5%	11.5%	11.5%
	Total payments less cash transfers		12.3%	12.1%	16.0%	24.6%
	Total tax wedge including employer's social security contributions		40.3%	41.0%	43.2%	49.4%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		44.7%	44.7%	44.7%	44.7%
	Total payments less cash transfers: Spouse		11.5%	11.5%	40.7%	11.5%
	Total tax wedge: Principal earner		61.4%	61.4%	61.4%	61.4%
	Total tax wedge: Spouse		42.8%	38.2%	58.6%	38.2%

Iceland		1998			
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		1161828	1742742	2904570	1161828
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		46473	69710	116183	46473
Work-related expenses					
Other					
	Total	46473	69710	116183	46473
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		1115355	1673032	2788387	1115355
5. Central government income tax liability (exclusive of tax credits)		305719	458578	909525	305719
6. Tax credits					
Basic credit		280320	280320	280320	280320
Married or head of family					
Children					
Other					
	Total	280320	280320	280320	280320
7. Central government income tax finally paid (5-6)		25399	178258	629205	25399
8. State and local taxes		129493	194239	323732	129493
9. Employees' compulsory social security contributions					
Gross earnings		4065	4065	4065	4065
Taxable income					
	Total	4065	4065	4065	4065
10. Total payments to general government (7 + 8 + 9)		158956	376562	957002	158956
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	335394
	Total	0	0	0	335394
12. Take-home pay (1-10+11)		1002872	1366180	1947568	1338266
13. Employer's compulsory social security contributions		49610	74415	124025	49610
14. Average rates					
Income tax		13.3%	21.4%	32.8%	13.3%
Employees' social security contributions		0.3%	0.2%	0.1%	0.3%
Total payments less cash transfers		13.7%	21.6%	32.9%	-15.2%
Total tax wedge including employer's social security contributions		17.2%	24.8%	35.7%	-10.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		37.5%	37.5%	42.5%	46.1%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		40.0%	40.0%	44.8%	48.3%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Iceland		1998				
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			1742742	2323656	2904570	2323656
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		69710	92946	116183	92946
	Work-related expenses					
	Other					
	Total		69710	92946	116183	92946
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			1673032	2230710	2788387	2230710
5. Central government income tax liability (exclusive of tax credits)			458578	611438	764297	611438
6. Tax credits						
	Basic credit		504576	548097	560640	548097
	Married or head of family					
	Children					
	Other					
	Total		504576	548097	560640	548097
7. Central government income tax finally paid (5-6)			-45998	63340	203657	63340
8. State and local taxes			194239	258985	323732	258985
9. Employees' compulsory social security contributions						
	Gross earnings		4065	4065	8130	4065
	Taxable income					
	Total		4065	4065	8130	4065
10. Total payments to general government (7 + 8 + 9)			152306	326391	535519	326391
11. Cash transfers from general government						
	For head of family					
	For two children		219603	173724	127846	0
	Total		219603	173724	127846	0
12. Take-home pay (1-10+11)			1810038	2170989	2496897	1997265
13. Employer's compulsory social security contributions			74415	99220	124025	99220
14. Average rates						
	Income tax		8.5%	13.9%	18.2%	13.9%
	Employees' social security contributions		0.2%	0.2%	0.3%	0.2%
	Total payments less cash transfers		-3.9%	6.6%	14.0%	14.0%
	Total tax wedge including employer's social security contributions		0.4%	10.4%	17.6%	17.6%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		46.1%	46.1%	46.1%	37.5%
	Total payments less cash transfers: Spouse		37.9%	38.6%	46.1%	30.0%
	Total tax wedge: Principal earner		48.3%	48.3%	48.3%	40.0%
	Total tax wedge: Spouse		40.4%	41.1%	48.3%	32.8%

Ireland		1998			
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		10190	15285	25475	10190
2. Standard tax allowances					
	Basic allowance	3150	3150	3150	3150
	Married or head of family	0	0	0	3150
	Dependent children				
	Deduction for social security contributions and income taxes	800	800	800	800
	Work-related expenses				
	Other				
	Total	3950	3950	3950	7100
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		6240	11335	21525	3090
5. Central government income tax liability (exclusive of tax credits)		1498	3014	7701	742
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)		1498	3014	7701	742
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	225	798	1440	225
	Taxable income				
	Total	225	798	1440	225
10. Total payments to general government (7 + 8 + 9)		1722	3812	9141	966
11. Cash transfers from general government					
	For head of family	0	0	0	1704
	For two children	0	0	0	741
	Total	0	0	0	2445
12. Take-home pay (1-10+11)		8468	11473	16334	11669
13. Employer's compulsory social security contributions		866	1834	3057	866
14. Average rates					
	Income tax	14.7%	19.7%	30.2%	7.3%
	Employees' social security contributions	2.2%	5.2%	5.7%	2.2%
	Total payments less cash transfers	16.9%	24.9%	35.9%	-14.5%
	Total tax wedge including employer's social security contributions	23.4%	33.0%	42.8%	-5.5%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	28.5%	52.7%	49.1%	71.4%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	34.1%	57.8%	54.6%	73.6%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

Ireland		1998				
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			15285	20380	25475	20380
2. Standard tax allowances						
	Basic allowance		3150	3150	3150	3150
	Married or head of family		3150	3150	3150	3150
	Dependent children					
	Deduction for social security contributions and income taxes		800	1600	1600	1600
	Work-related expenses					
	Other					
	Total		7100	7900	7900	7900
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			8185	12480	17575	12480
5. Central government income tax liability (exclusive of tax credits)			1964	2995	4218	2995
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)			1964	2995	4218	2995
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		798	798	1022	798
	Taxable income					
	Total		798	798	1022	798
10. Total payments to general government (7 + 8 + 9)			2762	3793	5240	3793
11. Cash transfers from general government						
	For head of family		0	0	0	0
	For two children		741	741	741	0
	Total		741	741	741	0
12. Take-home pay (1-10+11)			13264	17328	20976	16587
13. Employer's compulsory social security contributions			1834	2267	2700	2267
14. Average rates						
	Income tax		12.9%	14.7%	16.6%	14.7%
	Employees' social security contributions		5.2%	3.9%	4.0%	3.9%
	Total payments less cash transfers		13.2%	15.0%	17.7%	18.6%
	Total tax wedge including employer's social security contributions		22.5%	23.5%	25.6%	26.8%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		30.7%	30.7%	30.7%	30.7%
	Total payments less cash transfers: Spouse		20.2%	24.0%	28.5%	24.0%
	Total tax wedge: Principal earner		38.2%	38.2%	38.2%	38.2%
	Total tax wedge: Spouse		26.5%	30.0%	34.1%	30.0%

Italy		1998				
		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		25915607	38873410	64789017	25915607
2.	Standard tax allowances					
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		2381644	3572466	5954111	2381644
	Work-related expenses					
	Other					
		Total	2381644	3572466	5954111	2381644
3.	Tax credits or cash transfers included in taxable income		0	0	0	0
4.	Central government taxable income (1 - 2 + 3)		23533962	35300944	58834906	23533962
5.	Central government income tax liability (exclusive of tax credits)		5036500	8525816	16409694	5036500
6.	Tax credits					
	Basic (employment) credit		1050000	950000	750000	1050000
	Married or head of family		0	0	0	0
	Children		0	0	0	1393552
	Other					
		Total	1050000	950000	750000	2443552
7.	Central government income tax finally paid (5-6)		3986500	7575816	15659694	2592948
8.	State and local taxes		117670	176505	294175	117670
9.	Employees' compulsory social security contributions					
	Gross earnings		2381644	3572466	5954111	2381644
	Taxable income					
		Total	2381644	3572466	5954111	2381644
10.	Total payments to general government (7 + 8 + 9)		6485814	11324787	21907979	5092262
11.	Cash transfers from general government					
	For head of family					
	For two children		0	0	0	4098000
		Total	0	0	0	4098000
12.	Take-home pay (1-10+11)		19429793	27548623	42881038	24921345
13.	Employer's compulsory social security contributions		9044547	13566820	22611367	9044547
14.	Average rates					
	Income tax		15.8%	19.9%	24.6%	10.5%
	Employees' social security contributions		9.2%	9.2%	9.2%	9.2%
	Total payments less cash transfers		25.0%	29.1%	33.8%	3.8%
	Total tax wedge including employer's social security contributions		44.4%	47.5%	50.9%	28.7%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		33.7%	40.1%	40.1%	33.7%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		50.9%	55.6%	55.6%	50.9%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Italy		1998			
		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		38873410	51831213	64789017	51831213
2. Standard tax allowances					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes	3572466	4763289	5954111	4763289
	Work-related expenses				
	Other				
	Total	3572466	4763289	5954111	4763289
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		35300944	47067925	58834906	47067925
5. Central government income tax liability (exclusive of tax credits)		8525816	10702708	13562316	10702708
6. Tax credits					
	Basic (employment) credit	950000	2450000	2000000	2450000
	Married or head of family	961552	0	0	0
	Children	672000	672000	672000	0
	Other				
	Total	2583552	3122000	2672000	2450000
7. Central government income tax finally paid (5-6)		5942264	7580708	10890316	8252708
8. State and local taxes		176505	235340	294175	235340
9. Employees' compulsory social security contributions					
	Gross earnings	3572466	4763289	5954111	4763289
	Taxable income				
	Total	3572466	4763289	5954111	4763289
10. Total payments to general government (7 + 8 + 9)		9691235	12579336	17138601	13251336
11. Cash transfers from general government					
	For head of family				
	For two children	3576000	1296000	570000	0
	Total	3576000	1296000	570000	0
12. Take-home pay (1-10+11)		32758175	40547878	48220415	38579878
13. Employer's compulsory social security contributions		13566820	18089093	22611367	18089093
14. Average rates					
	Income tax	15.7%	15.1%	17.3%	16.4%
	Employees' social security contributions	9.2%	9.2%	9.2%	9.2%
	Total payments less cash transfers	15.7%	21.8%	25.6%	25.6%
	Total tax wedge including employer's social security contributions	37.5%	42.0%	44.8%	44.8%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	40.1%	40.1%	40.1%	40.1%
	Total payments less cash transfers: Spouse	22.3%	26.4%	33.7%	26.4%
	Total tax wedge: Principal earner	55.6%	55.6%	55.6%	55.6%
	Total tax wedge: Spouse	42.4%	45.5%	50.9%	45.5%

Japan		1998			
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		2802319	4203478	7005797	2802319
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		196162	294243	390116	196162
Work-related expenses		1380696	1020696	1900580	1020696
Other					
	Total	1596858	2054939	1596858	2356858
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		1205461	2148539	4335101	445461
5. Central government income tax liability (exclusive of tax credits)		82546	176854	499020	6546
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)		82546	176854	499020	6546
8. State and local taxes		50773	107854	326510	17773
9. Employees' compulsory social security contributions					
Gross earnings		196162	294243	390116	196162
Taxable income					
	Total	196162	294243	390116	196162
10. Total payments to general government (7 + 8 + 9)		329481	578951	1215646	220481
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)		2472837	3624527	5790150	2581837
13. Employer's compulsory social security contributions		203858	305787	405420	203858
14. Average rates					
Income tax		4.8%	6.8%	11.8%	0.9%
Employees' social security contributions		7.0%	7.0%	5.6%	7.0%
Total payments less cash transfers		11.8%	13.8%	17.4%	7.9%
Total tax wedge including employer's social security contributions		17.7%	19.6%	21.9%	14.1%
15. Marginal rates					
Total payments less cash transfers: Principal earner		16.5%	21.6%	28.4%	16.5%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		22.1%	26.9%	29.9%	22.1%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Japan		1998				
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			4203478	5604637	7005797	5604637
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		294243	392325	490406	392325
	Work-related expenses		1380696	2030696	2401391	2030696
	Other					
	Total		3574939	3943020	4411797	3183020
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			628539	1661617	2594000	2421617
5. Central government income tax liability (exclusive of tax credits)			5854	100854	183400	176854
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)			5854	100854	183400	176854
8. State and local taxes			23427	69081	115700	112008
9. Employees' compulsory social security contributions						
	Gross earnings		294243	392325	490406	392325
	Taxable income					
	Total		294243	392325	490406	392325
10. Total payments to general government (7 + 8 + 9)			323524	562259	789506	681186
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)			3879954	5042378	6216291	4923451
13. Employer's compulsory social security contributions			305787	407716	509645	407716
14. Average rates						
	Income tax		0.7%	3.0%	4.3%	5.2%
	Employees' social security contributions		7.0%	7.0%	7.0%	7.0%
	Total payments less cash transfers		7.7%	10.0%	11.3%	12.2%
	Total tax wedge including employer's social security contributions		14.0%	16.1%	17.3%	18.1%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		17.9%	18.0%	18.0%	21.6%
	Total payments less cash transfers: Spouse		17.0%	11.7%	16.4%	11.7%
	Total tax wedge: Principal earner		23.5%	23.5%	23.5%	26.9%
	Total tax wedge: Spouse		22.7%	17.6%	22.1%	17.6%

Korea		1998			
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		9264336	13896504	23160840	9264336
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	8879301	10268951	11600000	9264336
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		385035	3627553	11560840	0
5. Central government income tax liability (exclusive of tax credits)		38504	362755	1312168	0
6. Tax credits					
Basic credit		17327	163240	468650	0
Married or head of family					
Children					
Other					
	Total	17327	163240	468650	0
7. Central government income tax finally paid (5-6)		21177	199515	843518	0
8. State and local taxes		2118	19952	84352	0
9. Employees' compulsory social security contributions					
Gross earnings		450710	676065	1126775	450710
Taxable income					
	Total	450710	676065	1126775	450710
10. Total payments to general government (7 + 8 + 9)		474005	895532	2054644	450710
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)		8790331	13000972	21106196	8813626
13. Employers' compulsory social security contributions		900030	1350045	2250076	900030
14. Average rates					
Income tax		0.3%	1.6%	4.0%	0.0%
Employees' social security contributions		4.9%	4.9%	4.9%	4.9%
Total payments less cash transfers		5.1%	6.4%	8.9%	4.9%
Total tax wedge including employer's social security contributions		13.5%	14.7%	16.9%	13.3%
15. Marginal rates					
Total payments less cash transfers: Principal earner		9.1%	9.1%	20.3%	4.9%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		17.1%	17.1%	27.3%	13.3%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Korea		1998			
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		13896504	18528672	23160840	18528672
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	12268951	16901119	20648252	14901119
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		1627553	1627553	2512588	3627553
5. Central government income tax liability (exclusive of tax credits)		162755	162755	251259	362755
6. Tax credits					
Basic credit		73240	73240	113066	163240
Married or head of family					
Children					
Other					
	Total	73240	73240	113066	163240
7. Central government income tax finally paid (5-6)		89515	89515	138192	199515
8. State and local taxes		8952	8952	13819	19952
9. Employees' compulsory social security contributions					
Gross earnings		676065	901420	1126775	901420
Taxable income					
	Total	676065	901420	1126775	901420
10. Total payments to general government (7 + 8 + 9)		774532	999887	1278786	1120887
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)		13121972	17528785	21882054	17407785
13. Employers' compulsory social security contributions		1350045	1800060	2250076	1800060
14. Average rates					
Income tax		0.7%	0.5%	0.7%	1.2%
Employees' social security contributions		4.9%	4.9%	4.9%	4.9%
Total payments less cash transfers		5.6%	5.4%	5.5%	6.0%
Total tax wedge including employer's social security contributions		13.9%	13.8%	13.9%	14.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		9.1%	9.1%	9.1%	9.1%
Total payments less cash transfers: Spouse		4.9%	4.9%	9.1%	4.9%
Total tax wedge: Principal earner		17.1%	17.1%	17.1%	17.1%
Total tax wedge: Spouse		13.3%	13.3%	17.1%	13.3%

Luxembourg		1998				
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			737200	1105800	1843000	737200
2. Standard tax allowances						
	Basic allowance		42000	42000	42000	42000
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		96205	144307	240511	96205
	Work-related expenses		36600	36600	36600	36600
	Other		0	0	0	0
	Total		174805	222907	319111	174805
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			562000	882000	1523000	562000
5. Central government income tax liability (exclusive of tax credits)			43583	127920	383863	0
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		0	0	0	0
	Other					
	Total		0	0	0	0
7. Central government income tax finally paid (5-6)			43583	127920	383863	0
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		96205	144307	240511	96205
	Taxable income					
	Total		96205	144307	240511	96205
10. Total payments to general government (7 + 8 + 9)			139788	272227	624374	96205
11. Cash transfers from general government						
	For head of family					
	For children		0	0	0	146400
	Total		0	0	0	146400
12. Take-home pay (1-10+11)			597412	833573	1218626	787395
13. Employers' compulsory social security contributions			102545	153817	256361	102545
14. Average rates						
	Income tax		5.9%	11.6%	20.8%	0.0%
	Employees' social security contributions		13.1%	13.1%	13.1%	13.1%
	Total payments less cash transfers		19.0%	24.6%	33.9%	-6.8%
	Total tax wedge including employer's social security contributions		28.9%	33.8%	42.0%	6.2%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		32.7%	39.8%	52.3%	13.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		40.9%	47.1%	58.1%	23.7%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Luxembourg

1998

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		1105800	1474400	1843000	1474400
2. Standard tax allowances					
Basic allowance		42000	84000	84000	84000
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		144307	192409	240512	192409
Work-related expenses		36600	73200	73200	73200
Other		0	180000	180000	180000
	Total	222907	529609	577712	529609
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		882000	944000	1265000	944000
5. Central government income tax liability (exclusive of tax credits)		39606	51045	119064	51045
6. Tax credits					
Basic credit					
Married or head of family					
Children		39606	51045	98400	0
Other					
	Total	39606	51045	98400	0
7. Central government income tax finally paid (5-6)		0	0	20664	51045
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		144307	192409	240512	192409
Taxable income					
	Total	144307	192409	240512	192409
10. Total payments to general government (7 + 8 + 9)		144307	192409	261176	243454
11. Cash transfers from general government					
For head of family					
For children		146400	146400	146400	0
	Total	146400	146400	146400	0
12. Take-home pay (1-10+11)		1107893	1428391	1728225	1230946
13. Employers' compulsory social security contributions		153817	205089	256361	205089
14. Average rates					
Income tax		0.0%	0.0%	1.1%	3.5%
Employees' social security contributions		13.1%	13.1%	13.1%	13.1%
Total payments less cash transfers		-0.2%	3.1%	6.2%	16.5%
Total tax wedge including employer's social security contributions		12.0%	15.0%	17.7%	26.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		13.0%	13.0%	34.4%	29.1%
Total payments less cash transfers: Spouse		13.1%	13.0%	34.4%	29.1%
Total tax wedge: Principal earner		23.7%	23.7%	42.4%	37.8%
Total tax wedge: Spouse		23.7%	23.7%	42.4%	37.8%

Mexico		1998			
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		23306	34959	58264	23306
2. Standard tax allowances					
Basic allowance		938	986	1082	938
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	938	986	1082	938
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		22367	33972	57182	22367
5. Central government income tax liability (exclusive of tax credits)		1982	3359	7537	1982
6. Tax credits					
Basic credit		2982	2598	1304	2982
Married or head of family					
Children					
Other		451	764	1714	451
	Total	3432	3362	3018	3432
7. Central government income tax finally paid (5-6)		-1450	-3	4519	-1450
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		554	914	1934	554
Taxable income					
	Total	554	914	1934	554
10. Total payments to general government (7 + 8 + 9)		-897	911	6453	-897
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)		24203	34047	51811	24203
13. Employers' compulsory social security contributions		6049	8613	14635	6049
14. Average rates					
Income tax		-6.2%	0.0%	7.8%	-6.2%
Employees' social security contributions		2.4%	2.6%	3.3%	2.4%
Total payments less cash transfers		-3.8%	2.6%	11.1%	-3.8%
Total tax wedge including employer's social security contributions		17.6%	21.9%	28.9%	17.6%
15. Marginal rates					
Total payments less cash transfers: Principal earner		10.1%	17.5%	23.6%	10.1%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		25.0%	34.4%	39.3%	25.0%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Mexico**1998****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		34959	46612	58264	46612
2. Standard tax allowances					
Basic allowance		986	1513	1924	1513
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	986	1513	1924	1513
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		33972	45099	56340	45099
5. Central government income tax liability (exclusive of tax credits)		3359	4217	5341	4217
6. Tax credits					
Basic credit		2598	5583	5579	5583
Married or head of family					
Children					
Other		764	959	1215	959
	Total	3362	6542	6794	6542
7. Central government income tax finally paid (5-6)		-3	-2325	-1453	-2325
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		914	1191	1468	1191
Taxable income					
	Total	914	1191	1468	1191
10. Total payments to general government (7 + 8 + 9)		911	-1134	14	-1134
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)		34047	47745	58250	47745
13. Employers' compulsory social security contributions		8613	12350	14662	12350
14. Average rates					
Income tax		0.0%	-5.0%	-2.5%	-5.0%
Employees' social security contributions		2.6%	2.6%	2.5%	2.6%
Total payments less cash transfers		2.6%	-2.4%	0.0%	-2.4%
Total tax wedge including employer's social security contributions		21.9%	19.0%	20.1%	19.0%
15. Marginal rates					
Total payments less cash transfers: Principal earner		17.5%	17.5%	17.5%	17.5%
Total payments less cash transfers: Spouse		-17.6%	9.8%	10.1%	9.8%
Total tax wedge: Principal earner		34.4%	34.4%	34.4%	34.4%
Total tax wedge: Spouse		11.0%	24.7%	25.0%	24.7%

Netherlands		1998				
		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		38348	57522	95870	38348
2.	Standard tax allowances:					
	Basic allowance		8617	8617	8617	19956
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		1093	2310	3726	1093
	Work-related expenses		3108	3108	3108	3108
	Other					
		Total	12818	14035	15451	24157
3.	Tax credits or cash transfers included in taxable income		2113	2982	0	2113
4.	Central government taxable income (1 - 2 + 3)		27643	46469	80419	16304
5.	Central government income tax liability (exclusive of tax credits)		2483	4149	20998	1479
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)		2483	4149	20998	1479
8.	State and local taxes		0	0	0	0
9.	Employees' compulsory social security contributions					
	Gross earnings		1352	2754	3316	1352
	Taxable income		7715	12892	12976	4596
		Total	9067	15646	16292	5948
10.	Total payments to general government (7 + 8 + 9)		11549	19795	37290	7427
11.	Cash transfers from general government:					
	For head of family					
	For two children		0	0	0	4143
		Total	0	0	0	4143
12.	Take-home pay (1-10+11)		26799	37727	58580	35064
13.	Employers' compulsory social security contributions		5743	9280	9406	5743
14.	Average rates					
	Income tax		6.5%	7.2%	21.9%	3.9%
	Employees' social security contributions		23.6%	27.2%	17.0%	15.5%
	Total payments less cash transfers		30.1%	34.4%	38.9%	8.6%
	Total tax wedge including employer's social security contributions		39.2%	43.5%	44.4%	20.5%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		43.6%	40.4%	50.0%	39.2%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		52.7%	47.7%	50.0%	49.1%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Netherlands

1998

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		57522	76696	95870	76696
2. Standard tax allowances:					
Basic allowance		17234	17234	17234	17234
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		1900	1900	2583	1900
Work-related expenses		3108	5536	6216	5536
Other					
	Total	22242	24669	26033	24669
3. Tax credits or cash transfers included in taxable income		2982	4039	5095	4039
4. Central government taxable income (1 - 2 + 3)		38262	56065	74932	56065
5. Central government income tax liability (exclusive of tax credits)		3422	4962	6631	4962
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)		3422	4962	6631	4962
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		2970	3197	4106	3197
Taxable income		10635	15418	20606	15418
	Total	13605	18615	24713	18615
10. Total payments to general government (7 + 8 + 9)		17028	23577	31344	23577
11. Cash transfers from general government:					
For head of family					
For two children		4143	4143	4143	0
	Total	4143	4143	4143	0
12. Take-home pay (1-10+11)		44637	57262	68669	53119
13. Employers' compulsory social security contributions		9280	11818	15022	11818
14. Average rates					
Income tax		5.9%	6.5%	6.9%	6.5%
Employees' social security contributions		23.7%	24.3%	25.8%	24.3%
Total payments less cash transfers		22.4%	25.3%	28.4%	30.7%
Total tax wedge including employer's social security contributions		33.2%	35.3%	38.1%	40.0%
15. Marginal rates					
Total payments less cash transfers: Principal earner		40.4%	40.4%	40.4%	40.4%
Total payments less cash transfers: Spouse		34.2%	34.9%	43.6%	34.9%
Total tax wedge: Principal earner		47.7%	47.7%	47.7%	47.7%
Total tax wedge: Spouse		41.9%	42.5%	52.7%	42.5%

New Zealand		1998			
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		23683	35525	59208	23683
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)		23683	35525	59208	23683
5. Central government income tax liability (exclusive of tax credits)		4737	7143	14708	4737
6. Tax credits :					
Basic credit		227	28	0	5232
Married or head of family					
Children					
Other					
	Total	227	28	0	5232
7. Central government income tax finally paid (5-6)		4510	7115	14708	-495
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)		4510	7115	14708	-495
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)		19173	28410	44500	24178
13. Employer's compulsory social security contributions		0	0	0	0
14. Average rates					
Income tax		19.0%	20.0%	24.8%	-2.1%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		19.0%	20.0%	24.8%	-2.1%
Total tax wedge including employer's social security contributions		19.0%	20.0%	24.8%	-2.1%
15. Marginal rates					
Total payments less cash transfers: Principal earner		21.7%	24.0%	33.0%	39.7%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		21.7%	24.0%	33.0%	39.7%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

New Zealand

1998

The tax/benefit position of married couples

	100-0	100-33	100-67	100-33
	2	2	2	none
1. Gross earnings	35525	47367	59208	47367
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	0	0
3. Tax credits or cash transfers included in taxable income	0	0	0	0
4. Central government taxable income (1 - 2 + 3)	35525	47367	59208	47367
5. Central government income tax liability (exclusive of tax credits)	7143	9511	11880	9511
6. Tax credits :				
Basic credit	1878	462	255	462
Married or head of family				
Children				
Other				
	Total	1878	462	255
		462	255	462
7. Central government income tax finally paid (5-6)	5265	9050	11625	9050
8. State and local taxes	0	0	0	0
9. Employees' compulsory social security contributions				
Gross earnings				
Taxable income				
	Total	0	0	0
		0	0	0
10. Total payments to general government (7 + 8 + 9)	5265	9050	11625	9050
11. Cash transfers from general government:				
For head of family				
For two children	0	0	0	0
	Total	0	0	0
		0	0	0
12. Take-home pay (1-10+11)	30260	38317	47583	38317
13. Employer's compulsory social security contributions	0	0	0	0
14. Average rates				
Income tax	14.8%	19.1%	19.6%	19.1%
Employees' social security contributions	0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers	14.8%	19.1%	19.6%	19.1%
Total tax wedge including employer's social security contributions	14.8%	19.1%	19.6%	19.1%
15. Marginal rates				
Total payments less cash transfers: Principal earner	54.0%	24.0%	24.0%	24.0%
Total payments less cash transfers: Spouse	32.0%	21.8%	21.7%	21.8%
Total tax wedge: Principal earner	54.0%	24.0%	24.0%	24.0%
Total tax wedge: Spouse	32.0%	21.8%	21.7%	21.8%

Norway		1998				
		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		168400	252600	421000	168400	
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	57600	57600	57600	82600	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable (ordinary) income (1 - 2 + 3)		110800	195000	363400	85800	
5. Central government income tax liability (ordinary + personal)		12188	21887	62667	9438	
6. Tax credits (applicable against local tax)						
	Basic credit					
	Married or head of family					
	Children	0	0	0	3640	
	Other					
	Total	0	0	0	3640	
7. Central government income tax paid (5)		12188	21887	62667	9438	
8. State and local taxes (net of tax credits)		18836	33150	61778	10946	
9. Employees' compulsory social security contributions						
	Gross earnings	13135	19703	32838	0	
	Taxable income					
	Total	13135	19703	32838	13135	
10. Total payments to general government (7 + 8 + 9)		44159	74740	157283	33519	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	35832	
	Total	0	0	0	35832	
12. Take-home pay (1-10+11)		124241	177860	263717	170713	
13. Employer's compulsory social security contributions		21218	31828	53046	21218	
14. Average rates						
	Income tax	18.4%	21.8%	29.6%	12.1%	
	Employees' social security contributions	7.8%	7.8%	7.8%	7.8%	
	Total payments less cash transfers	26.2%	29.6%	37.4%	-1.4%	
	Total tax wedge including employer's social security contributions	34.5%	37.5%	44.4%	10.0%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	35.8%	45.3%	49.5%	35.8%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	43.0%	51.4%	55.2%	43.0%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Norway		1998				
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			252600	336800	421000	336800
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		82600	99440	115200	99440
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable (ordinary) income (1 - 2 + 3)			170000	237360	305800	237360
5. Central government income tax liability (ordinary + personal)			18700	26547	34075	26547
6. Tax credits (applicable against local tax)						
	Basic credit					
	Married or head of family					
	Children		3640	3640	3640	0
	Other					
	Total		3640	3640	3640	0
7. Central government income tax paid (5)			18700	26547	34075	26547
8. State and local taxes (net of tax credits)			25260	36711	48346	40351
9. Employees' compulsory social security contributions						
	Gross earnings		19703	26270	32838	26270
	Taxable income					
	Total		19703	26270	32838	26270
10. Total payments to general government (7 + 8 + 9)			63663	89528	115259	93168
11. Cash transfers from general government						
	For head of family					
	For two children		22740	22740	22740	0
	Total		22740	22740	22740	0
12. Take-home pay (1-10+11)			211677	270012	328481	243632
13. Employer's compulsory social security contributions			31828	42437	53046	42437
14. Average rates						
	Income tax		17.4%	18.8%	19.6%	19.9%
	Employees' social security contributions		7.8%	7.8%	7.8%	7.8%
	Total payments less cash transfers		16.2%	19.8%	22.0%	27.7%
	Total tax wedge including employer's social security contributions		25.6%	28.8%	30.7%	35.8%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		35.8%	45.3%	45.3%	45.3%
	Total payments less cash transfers: Spouse		30.7%	30.2%	35.8%	30.2%
	Total tax wedge: Principal earner		43.0%	51.4%	51.4%	51.4%
	Total tax wedge: Spouse		38.5%	38.0%	43.0%	38.0%

Poland		1998			
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		9984	14976	24960	9984
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		758	758	758	758
Work-related expenses		0	0	0	0
Other					
	Total	758	758	758	758
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		9226	14218	24202	9226
5. Central government income tax liability (exclusive of tax credits)		1753	2702	4598	1753
6. Tax credits					
Basic credit		337	337	337	337
Married or head of family					
Children					
Other					
	Total	337	337	337	337
7. Central government income tax finally paid (5-6)		1416	2365	4262	1416
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)		1416	2365	4262	1416
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	950
	Total	0	0	0	950
12. Take-home pay (1-10+11)		8568	12611	20698	9518
13. Employers' compulsory social security contributions		4807	7211	12018	4807
14. Average rates					
Income tax		14.2%	15.8%	17.1%	14.2%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		14.2%	15.8%	17.1%	4.7%
Total tax wedge including employer's social security contributions		42.1%	43.2%	44.0%	35.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		19.0%	19.0%	19.0%	19.0%
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		1998			
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		14976	19968	24960	19968
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		758	1515	1515	1515
Work-related expenses		0	0	0	0
Other					
	Total	758	1515	1515	1515
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		14218	18453	23445	18453
5. Central government income tax liability (exclusive of tax credits)		2702	3506	4455	3506
6. Tax credits					
Basic credit		673	673	673	673
Married or head of family					
Children					
Other					
	Total	673	673	673	673
7. Central government income tax finally paid (5-6)		2028	2833	3781	2833
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)		2028	2833	3781	2833
11. Cash transfers from general government					
For head of family					
For two children		950	950	950	0
	Total	950	950	950	0
12. Take-home pay (1-10+11)		13898	18086	22129	17135
13. Employers' compulsory social security contributions		7211	9615	12018	9615
14. Average rates					
Income tax		13.5%	14.2%	15.1%	14.2%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		7.2%	9.4%	11.3%	14.2%
Total tax wedge including employer's social security contributions		37.4%	38.9%	40.2%	42.1%
15. Marginal rates					
Total payments less cash transfers: Principal earner		19.0%	19.0%	19.0%	19.0%
Total payments less cash transfers: Spouse		16.1%	19.0%	19.0%	19.0%
Total tax wedge: Principal earner		45.3%	45.3%	45.3%	45.3%
Total tax wedge: Spouse		43.4%	45.3%	45.3%	45.3%

Portugal		1998				
		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			936236	1404354	2340590	936236
2. Standard tax allowances						
	Basic allowance		501828	501828	501828	501828
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses		0	0	0	0
	Other					
	Total		501828	501828	501828	501828
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			434408	902526	1838762	434408
5. Central government income tax liability (exclusive of tax credits)			65161	135379	351691	65161
6. Tax credits						
	Basic credit		35200	35200	35200	35200
	Married or head of family					
	Children		0	0	0	39020
	Other					
	Total		35200	35200	35200	74220
7. Central government income tax finally paid (5-6)			29961	100179	316491	0
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		102986	154479	257465	102986
	Taxable income					
	Total		102986	154479	257465	102986
10. Total payments to general government (7 + 8 + 9)			132947	254658	573955	102986
11. Cash transfers from general government:						
	For head of family					
	For two children		0	0	0	70800
	Total		0	0	0	70800
12. Take-home pay (1-10+11)			803289	1149696	1766635	904050
13. Employer's compulsory social security contributions			222356	333534	555890	222356
14. Average rates						
	Income tax		3.2%	7.1%	13.5%	0.0%
	Employees' social security contributions		11.0%	11.0%	11.0%	11.0%
	Total payments less cash transfers		14.2%	18.1%	24.5%	3.4%
	Total tax wedge including employer's social security contributions		30.7%	33.8%	39.0%	22.0%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		26.0%	26.0%	36.0%	11.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		40.2%	40.2%	48.3%	28.1%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Portugal

1998

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		1404354	1872472	2340590	1872472
2. Standard tax allowances					
Basic allowance		501828	829511	1003656	829511
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	501828	829511	1003656	829511
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		902526	1042961	1336934	1042961
5. Central government income tax liability (exclusive of tax credits)		135379	156444	200540	156444
6. Tax credits					
Basic credit		53600	53600	53600	53600
Married or head of family					
Children		39020	39020	39020	0
Other					
	Total	92620	92620	92620	53600
7. Central government income tax finally paid (5-6)		42759	63824	107920	102844
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		154479	205972	257465	205972
Taxable income					
	Total	154479	205972	257465	205972
10. Total payments to general government (7 + 8 + 9)		197238	269796	365385	308816
11. Cash transfers from general government					
For head of family					
For two children		70800	70800	70800	0
	Total	70800	70800	70800	0
12. Take-home pay (1-10+11)		1277916	1673476	2046005	1563656
13. Employer's compulsory social security contributions		333534	444712	555890	444712
14. Average rates					
Income tax		3.0%	3.4%	4.6%	5.5%
Employees' social security contributions		11.0%	11.0%	11.0%	11.0%
Total payments less cash transfers		9.0%	10.6%	12.6%	16.5%
Total tax wedge including employer's social security contributions		26.5%	27.8%	29.4%	32.5%
15. Marginal rates					
Total payments less cash transfers: Principal earner		26.0%	26.0%	26.0%	26.0%
Total payments less cash transfers: Spouse		15.5%	15.5%	26.0%	15.5%
Total tax wedge: Principal earner		40.2%	40.2%	40.2%	40.2%
Total tax wedge: Spouse		31.7%	31.7%	40.2%	31.7%

Spain		1998				
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		1570464	2355696	3926160	1570464	
2. Standard tax allowances:						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes	100510	150765	247473	100510	
	Work-related expenses	78523	117785	196308	78523	
	Other					
	Total	179033	268549	443781	179033	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		1391431	2087147	3482379	1391431	
5. Central government income tax liability (exclusive of tax credits)		191799	351814	732086	98086	
6. Tax credits						
	Basic credit	55978	27000	27000	87000	
	Married or head of family					
	Children					
	Other					
	Total	55978	27000	27000	87000	
7. Central government income tax finally paid (5-6)		115448	276092	599323	9423	
8. State and local taxes		20373	48722	105763	1663	
9. Employees' compulsory social security contributions						
	Gross earnings	100510	150765	247473	100510	
	Taxable income					
	Total	100510	150765	247473	100510	
10. Total payments to general government (7 + 8 + 9)		236330	475578	952559	111596	
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)		1334134	1880118	2973601	1458868	
13. Employer's compulsory social security contributions		483703	725554	1190962	483703	
14. Average rates						
	Income tax	8.6%	13.8%	18.0%	0.7%	
	Employees' social security contributions	6.4%	6.4%	6.3%	6.4%	
	Total payments less cash transfers	15.0%	20.2%	24.3%	7.1%	
	Total tax wedge including employer's social security contributions	35.1%	39.0%	41.9%	29.0%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	31.2%	26.8%	26.6%	24.1%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	47.4%	44.0%	26.6%	42.0%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Spain

1998

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		2355696	3140928	3926160	3140928
2. Standard tax allowances					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		150765	211728	251274	211728
Work-related expenses		117785	157046	196308	157046
Other					
	Total	268549	368775	447582	368775
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		2087147	2772153	3478578	2772153
5. Central government income tax liability (exclusive of tax credits)		237229	398480	543613	395415
6. Tax credits					
Basic credit		87000	114000	142978	70566
Married or head of family					
Children					
Other					
	Total	87000	114000	142978	70566
7. Central government income tax finally paid (5-6)		127695	241808	340539	276121
8. State and local taxes		22534	42672	60095	48727
9. Employees' compulsory social security contributions					
Gross earnings		150765	211728	251274	211728
Taxable income					
	Total	150765	211728	251274	211728
10. Total payments to general government (7 + 8 + 9)		300994	496208	651909	536577
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)		2054702	2644720	3274251	2604351
13. Employer's compulsory social security contributions		725554	1018943	1209257	1018943
14. Average rates					
Income tax		6.4%	9.1%	10.2%	10.3%
Employees' social security contributions		6.4%	6.7%	6.4%	6.7%
Total payments less cash transfers		12.8%	15.8%	16.6%	17.1%
Total tax wedge including employer's social security contributions		33.3%	36.4%	36.2%	37.4%
15. Marginal rates					
Total payments less cash transfers: Principal earner		24.1%	28.2%	26.8%	26.8%
Total payments less cash transfers: Spouse		24.9%	23.4%	31.2%	13.0%
Total tax wedge: Principal earner		42.0%	45.1%	44.0%	44.0%
Total tax wedge: Spouse		45.3%	23.4%	47.4%	13.0%

Sweden		1998				
		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			143660	215490	359151	143660
2. Standard tax allowances						
	Basic allowance		14800	8700	8700	14800
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		10000	15000	19300	10000
	Work-related expenses					
	Other		0	0	0	0
	Total		24800	23700	28000	24800
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			118800	191700	331100	118800
5. Central government income tax liability (exclusive of tax credits)			200	200	29700	200
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)			200	200	29700	200
8. State and local taxes			36539	58961	101836	36539
9. Employees' compulsory social security contributions						
	Gross earnings		10000	15000	19300	10000
	Taxable income					
	Total		10000	15000	19300	10000
10. Total payments to general government (7 + 8 + 9)			46739	74161	150836	46739
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	18000
	Total		0	0	0	18000
12. Take-home pay (1-10+11)			96921	141329	208315	114921
13. Employers' compulsory social security contributions			47450	71176	118627	47450
14. Average rates						
	Income tax		25.6%	27.5%	36.6%	25.6%
	Employees' social security contributions		7.0%	7.0%	5.4%	7.0%
	Total payments less cash transfers		32.5%	34.4%	42.0%	20.0%
	Total tax wedge including employer's social security contributions		49.3%	50.7%	56.4%	39.9%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		38.6%	35.6%	55.8%	38.6%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		53.9%	51.6%	66.7%	53.9%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Sweden		1998				
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			215490	287321	359151	287321
2. Standard tax allowances:						
	Basic allowance		8700	18400	23500	18400
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		15000	20000	25000	20000
	Work-related expenses					
	Other		0	0	0	0
	Total		23700	38400	48500	38400
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			191700	248800	310500	248800
5. Central government income tax liability (exclusive of tax credits)			200	400	400	400
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)			200	400	400	400
8. State and local taxes			58961	76523	95500	76523
9. Employees' compulsory social security contributions						
	Gross earnings		15000	20000	25000	20000
	Taxable income					
	Total		15000	20000	25000	20000
10. Total payments to general government (7 + 8 + 9)			74161	96923	120900	96923
11. Cash transfers from general government						
	For head of family					
	For two children		18000	18000	18000	0
	Total		18000	18000	18000	0
12. Take-home pay (1-10+11)			159329	208398	256251	190398
13. Employers' compulsory social security contributions			71176	94901	118626	94901
14. Average rates						
	Income tax		27.5%	26.8%	26.7%	26.8%
	Employees' social security contributions		7.0%	7.0%	7.0%	7.0%
	Total payments less cash transfers		26.1%	27.5%	28.7%	33.7%
	Total tax wedge including employer's social security contributions		44.4%	45.5%	46.4%	50.2%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		35.6%	35.6%	35.6%	35.6%
	Total payments less cash transfers: Spouse		31.6%	27.9%	38.6%	27.9%
	Total tax wedge: Principal earner		51.6%	51.6%	51.6%	51.6%
	Total tax wedge: Spouse		48.6%	45.8%	53.9%	45.8%

Switzerland		1998				
		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		39083	58625	97708	39083	
2. Standard tax allowances						
	Basic allowance					
	Married or head of family	0	0	0	0	
	Dependent children	0	0	0	10200	
	Deduction for social security contributions and income taxes	4514	6771	11280	4514	
	Work-related expenses	1800	1800	2593	1800	
	Other	1400	1400	1400	1993	
	Total	7714	9971	15273	18507	
3. Tax credits or cash transfers included in taxable income		0	0	0	4938	
4. Central government taxable income (1 - 2 + 3)		31300	48600	82400	25500	
5. Central government income tax liability (exclusive of tax credits)		158	598	2462	0	
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)		158	598	2462	0	
8. State and local taxes		2719	5488	12666	1591	
9. Employees' compulsory social security contributions						
	Gross earnings	4514	6771	11280	4514	
	Taxable income					
	Total	4514	6771	11280	4514	
10. Total payments to general government (7 + 8 + 9)		7391	12857	26408	6105	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	4938	
	Total	0	0	0	4938	
12. Take-home pay (1-10+11)		31692	45768	71300	37917	
13. Employer's compulsory social security contributions		4514	6771	11280	4514	
14. Average rates						
	Income tax	7.4%	10.4%	15.5%	4.1%	
	Employees' social security contributions	11.6%	11.6%	11.5%	11.6%	
	Total payments less cash transfers	18.9%	21.9%	27.0%	3.0%	
	Total tax wedge including employer's social security contributions	27.3%	30.0%	34.6%	13.0%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	25.0%	31.1%	35.7%	21.9%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	32.8%	38.2%	41.9%	30.0%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Switzerland		1998				
The tax/benefit position of married couples						
		Earnings (per cent of APW)	100-0	100-33	100-67	100-33
		2	2	2	2	none
1. Gross earnings		58625	78167	97708	78167	
2. Standard tax allowances						
	Basic allowance					
	Married or head of family	0	6400	6400	6400	
	Dependent children	10200	10200	10200	0	
	Deduction for social security contributions and income taxes	6771	9028	11285	9028	
	Work-related expenses	1800	3600	3600	3600	
	Other	4000	4000	4000	2800	
	Total	22771	33228	35485	21828	
3. Tax credits or cash transfers included in taxable income		4938	4938	4938	0	
4. Central government taxable income (1 - 2 + 3)		40700	49800	67100	56300	
5. Central government income tax liability (exclusive of tax credits)		182	396	985	591	
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)		182	396	985	591	
8. State and local taxes		2858	4218	7116	5356	
9. Employees' compulsory social security contributions						
	Gross earnings	6771	9028	11285	9028	
	Taxable income					
	Total	6771	9028	11285	9028	
10. Total payments to general government (7 + 8 + 9)		9811	13642	19386	14975	
11. Cash transfers from general government						
	For head of family					
	For two children	4938	4938	4938	0	
	Total	4938	4938	4938	0	
12. Take-home pay (1-10+11)		53752	69463	83260	63192	
13. Employer's compulsory social security contributions		6771	9028	11285	9028	
14. Average rates						
	Income tax	5.2%	5.9%	8.3%	7.6%	
	Employees' social security contributions	11.6%	11.6%	11.6%	11.6%	
	Total payments less cash transfers	8.3%	11.1%	14.8%	19.2%	
	Total tax wedge including employer's social security contributions	17.8%	20.3%	23.6%	27.5%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	25.5%	26.3%	30.5%	28.6%	
	Total payments less cash transfers: Spouse	19.6%	26.3%	30.5%	28.6%	
	Total tax wedge: Principal earner	33.2%	34.0%	37.7%	36.0%	
	Total tax wedge: Spouse	27.9%	34.0%	37.7%	36.0%	

Turkey		1998				
		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		1195224507	1792836761	2988061268	1195224507
2.	Standard tax allowances					
	Basic allowance		113400000	113400000	113400000	113400000
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes		161020138	161020138	161020138	161020138
	Work-related expenses					
	Other					
		Total	274420138	274420138	274420138	274420138
3.	Tax credits or cash transfers included in taxable income		0	0	0	0
4.	Central government taxable income (1 - 2 + 3)		920804370	1518416623	2713641131	920804370
5.	Central government income tax liability (exclusive of tax credits)		244478389	427551435	851617090	244478389
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)		244478389	427551435	851617090	244478389
8.	State and local taxes		0	0	0	0
9.	Employees' compulsory social security contributions					
	Gross earnings		161020138	161020138	161020138	161020138
	Taxable income					
		Total	161020138	161020138	161020138	161020138
10.	Total payments to general government (7 + 8 + 9)		405498526	588571572	1012637227	405498526
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)		789725981	1204265189	1975424041	789725981
13.	Employer's compulsory social security contributions		224278049	224278049	224278049	224278049
14.	Average rates					
	Income tax		20.5%	23.8%	28.5%	20.5%
	Employees' social security contributions		13.5%	9.0%	5.4%	13.5%
	Total payments less cash transfers		33.9%	32.8%	33.9%	33.9%
	Total tax wedge including employer's social security contributions		44.4%	40.3%	38.5%	44.4%
15.	Marginal rates					
	Total payments less cash transfers: Principal earner		30.5%	35.5%	35.5%	30.5%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		30.5%	35.5%	35.5%	30.5%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Turkey

1998

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		1792836761	2390449015	2988061268	2390449015
2. Standard tax allowances					
Basic allowance		113400000	226800000	226800000	226800000
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes		161020138	244685853	322040275	244685853
Work-related expenses					
Other					
	Total	274420138	471485853	548840275	471485853
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		1518416623	1918963162	2439220993	1918963162
5. Central government income tax liability (exclusive of tax credits)		427551435	530556608	672029823	530556608
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)		427551435	530556608	672029823	530556608
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
Gross earnings		161020138	244685853	322040275	244685853
Taxable income					
	Total	161020138	244685853	322040275	244685853
10. Total payments to general government (7 + 8 + 9)		588571572	775242461	994070098	775242461
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)		1204265189	1615206554	1993991170	1615206554
13. Employer's compulsory social security contributions		224278049	340812438	448556098	340812438
14. Average rates					
Income tax		23.8%	22.2%	22.5%	22.2%
Employees' social security contributions		9.0%	10.2%	10.8%	10.2%
Total payments less cash transfers		32.8%	32.4%	33.3%	32.4%
Total tax wedge including employer's social security contributions		40.3%	40.9%	42.0%	40.9%
15. Marginal rates					
Total payments less cash transfers: Principal earner		35.5%	35.5%	35.5%	35.5%
Total payments less cash transfers: Spouse		31.2%	36.0%	30.5%	36.0%
Total tax wedge: Principal earner		35.5%	35.5%	35.5%	35.5%
Total tax wedge: Spouse		42.5%	46.4%	30.5%	46.4%

United Kingdom		1998			
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		11640	17460	29100	11640
2. Standard tax allowances					
	Basic allowance	4195	4195	4195	4195
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses	0	0	0	0
	Other				
	Total	4195	4195	4195	4195
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		7445	13265	24905	7445
5. Central government income tax liability (exclusive of tax credits)		1583	2922	5599	1583
6. Tax credits					
	Basic credit				
	Married or head of family	0	0	0	285
	Children				
	Other				
	Total	0	0	0	285
7. Central government income tax finally paid (5-6)		1583	2922	5599	1298
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	898	1480	2256	898
	Taxable income				
	Total	898	1480	2256	898
10. Total payments to general government (7 + 8 + 9)		2481	4402	7855	2196
11. Cash transfers from general government					
	For head of family				
	For two children	0	0	0	1373
	Total	0	0	0	1373
12. Take-home pay (1-10+11)		9159	13058	21245	10817
13. Employer's compulsory social security contributions		1164	1746	2910	1164
14. Average rates					
	Income tax	13.6%	16.7%	19.2%	11.2%
	Employees' social security contributions	7.7%	8.5%	7.8%	7.7%
	Total payments less cash transfers	21.3%	25.2%	27.0%	7.1%
	Total tax wedge including employer's social security contributions	28.5%	32.0%	33.6%	15.5%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	33.0%	33.0%	23.0%	33.0%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	39.1%	39.1%	30.0%	39.1%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

United Kingdom

1998

The tax/benefit position of married couples

	100-0	100-33	100-67	100-33
	2	2	2	none
1. Gross earnings	17460	23280	29100	23280
2. Standard tax allowances				
Basic allowance	4195	8390	8390	8390
Married or head of family				
Dependent children				
Deduction for social security contributions and income taxes				
Work-related expenses	0	0	0	0
Other				
Total	4195	8390	8390	8390
3. Tax credits or cash transfers included in taxable income	0	0	0	0
4. Central government taxable income (1 - 2 + 3)	13265	14890	20710	14890
5. Central government income tax liability (exclusive of tax credits)	2922	3247	4505	3247
6. Tax credits				
Basic credit				
Married or head of family	285	285	285	285
Children				
Other				
Total	285	285	285	285
7. Central government income tax finally paid (5-6)	2637	2962	4220	2962
8. State and local taxes	0	0	0	0
9. Employees' compulsory social security contributions				
Gross earnings	1480	1796	2378	1796
Taxable income				
Total	1480	1796	2378	1796
10. Total payments to general government (7 + 8 + 9)	4117	4757	6598	4757
11. Cash transfers from general government				
For head of family				
For two children	1079	1079	1079	0
Total	1079	1079	1079	0
12. Take-home pay (1-10+11)	14422	19602	23581	18523
13. Employer's compulsory social security contributions	1746	2037	2910	2037
14. Average rates				
Income tax	15.1%	12.7%	14.5%	12.7%
Employees' social security contributions	8.5%	7.7%	8.2%	7.7%
Total payments less cash transfers	17.4%	15.8%	19.0%	20.4%
Total tax wedge including employer's social security contributions	24.9%	22.6%	26.3%	26.8%
15. Marginal rates				
Total payments less cash transfers: Principal earner	33.0%	33.0%	33.0%	33.0%
Total payments less cash transfers: Spouse	11.0%	30.0%	33.0%	30.0%
Total tax wedge: Principal earner	39.1%	39.1%	39.1%	39.1%
Total tax wedge: Spouse	15.2%	33.3%	39.1%	33.3%

United States		1998			
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		19384	29076	48460	19384
2. Standard tax allowances					
Basic allowance		6950	6950	6950	8950
Married or head of family					
Dependent children		0	0	0	5400
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	6950	6950	6950	14350
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		12434	22126	41510	5034
5. Central government income tax liability (exclusive of tax credits)		1865	3319	8327	755
6. Tax credits					
Basic credit		0	0	0	2256
Married or head of family					
Children					
Other					
	Total	0	0	0	2256
7. Central government income tax finally paid (5-6)		1865	3319	8327	-1501
8. State and local taxes		1243	1946	3351	954
9. Employees' compulsory social security contributions					
Gross earnings		1483	2224	3707	1483
Taxable income					
	Total	1483	2224	3707	1483
10. Total payments to general government (7 + 8 + 9)		4591	7489	15386	936
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)		14793	21587	33074	18448
13. Employer's compulsory social security contributions		1483	2224	3707	1483
14. Average rates					
Income tax		16.0%	18.1%	24.1%	-2.8%
Employees' social security contributions		7.7%	7.7%	7.7%	7.7%
Total payments less cash transfers		23.7%	25.8%	31.7%	4.8%
Total tax wedge including employer's social security contributions		29.1%	31.0%	36.6%	11.6%
15. Marginal rates					
Total payments less cash transfers: Principal earner		29.9%	29.9%	42.9%	51.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		34.9%	34.9%	47.0%	54.4%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

United States

1998

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		29076	38768	48460	38768
2. Standard tax allowances					
Basic allowance		12500	12500	12500	12500
Married or head of family					
Dependent children		5400	5400	5400	0
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	17900	17900	17900	12500
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		11176	20868	30560	26268
5. Central government income tax liability (exclusive of tax credits)		1676	3130	4584	3940
6. Tax credits					
Basic credit		215	0	0	0
Married or head of family					
Children					
Other					
	Total	215	0	0	0
7. Central government income tax finally paid (5-6)		1462	3130	4584	3940
8. State and local taxes		1512	2215	2918	2504
9. Employees' compulsory social security contributions					
Gross earnings		2224	2966	3707	2966
Taxable income					
	Total	2224	2966	3707	2966
10. Total payments to general government (7 + 8 + 9)		5198	8311	11209	9410
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)		23878	30457	37251	29358
13. Employer's compulsory social security contributions		2224	2966	3707	2966
14. Average rates					
Income tax		10.2%	13.8%	15.5%	16.6%
Employees' social security contributions		7.7%	7.7%	7.7%	7.7%
Total payments less cash transfers		17.9%	21.4%	23.1%	24.3%
Total tax wedge including employer's social security contributions		23.7%	27.0%	28.6%	29.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		51.0%	29.9%	29.9%	29.9%
Total payments less cash transfers: Spouse		32.1%	29.9%	29.9%	29.9%
Total tax wedge: Principal earner		54.4%	34.9%	34.9%	34.9%
Total tax wedge: Spouse		36.9%	34.9%	34.9%	34.9%

Part V

DESCRIPTION OF TAX/BENEFIT SYSTEMS, 1998

Partie V

**DESCRIPTION DES SYSTÈMES D'IMPÔT ET DE PRESTATIONS
SOCIALES, 1998**

AUSTRALIA – AUSTRALIE

(1998-99 Income tax year)

The national currency is the Australian dollar (A\$). In 1998-99, A\$ 1.592 was equal to US\$1 (average of daily exchange rates). It is estimated that in 1998-99, the average production worker will earn A\$ 38 763.

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 A\$ 5 400 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 A\$ 1 324 for a dependent spouse and A\$ 1 452 where there are dependent children. The credit is reduced by A\$ 1 for every A\$ 4 by which the spouse's separate net income exceeds A\$ 282;
- In September 1994, the government introduced a *parenting allowance* designed to replace the tax credit for a dependent spouse where there are dependent children. In the second quarter of 1999 an average employee with a dependent spouse and dependent children would have received a cash transfer of A\$ 1 716 in lieu of the full rebate of A\$ 1 452 mentioned above (annual figures).
- A tax credit of A\$ 1 243 was available to a resident single, widowed or divorced taxpayer who had the sole care of a *dependent child* in 1998-99.
- *Relief(s) for children:* On 1 January 1997, the government introduced the Family Tax Initiative. It could be claimed in two ways. When a family was in receipt of more than the minimum amount of family payment (refer §3.2) they received a fortnightly cash transfer. The payment is called "family tax payment". All other eligible families received family tax assistance which is an equivalent benefit claimed through the tax system in the form of an increased tax free threshold.
- There are two parts to the Family Tax Initiative. Families may be entitled to one or both parts depending on their family circumstances. Eligibility for Part A benefit is based upon the combined taxable incomes of the parents. The income ceiling of A\$ 70 000 upon which eligibility is measured increases by A\$ 3 000 for the second and additional children. If the Part A benefit was claimed through the tax system then the tax free threshold for the higher income earning parent was increased by A\$ 1 000 for each dependant child. If it was paid in the form of a fortnightly cash payment, the family received A\$ 7.70 per fortnight per dependant child.
- Eligibility for Part B benefit is contingent upon the main income earner and their spouse meeting separate income tests and the existence of at least one dependant child under the age of 5. The income ceiling of A\$ 65 000 for the main income earner increases by A\$ 3 000 for the second and

additional dependant children irrespective of their age(s). The spouse income test is the same as the cut-off for basic parenting allowance (refer §3.2). If Part B benefit is claimed through the tax system the tax free threshold of the main income earner is increased by A\$ 2 500. If it is in the form of a cash payment the family receives A\$ 19.24 per fortnight.

- Relief for *social security contributions* and other taxes: no such contributions are levied.
- Relief for *low income earners*: an A\$ 150 tax credit is available for taxpayers whose taxable income was less than A\$ 20 700. This credit is reduced by four cents for every A\$ 1 by which the taxpayer's taxable income exceeds this amount, and no tax credit is available once the taxpayer's taxable income exceeds A\$ 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.

Employees who receive employer superannuation support are entitled to a maximum tax rebate of A\$ 100 for personal contributions made to a complying superannuation fund. The rebate is income tested with the maximum rebatable contributions reducing by 25 cents for each dollar of assessable income (not taxable income) of the employee over A\$ 27 000. Eligibility for the rebate is completely phased out when the employee's assessable income exceeds A\$ 31 000.

For 1998-99 there is a 7.5 per cent tax rebate for personal contributions to a complying superannuation fund, (and/or net personal income from other savings and investments) up to an annual cap of A\$ 3 000 (a maximum rebate of A\$ 225). This applies in addition to the income-tested rebate of up to A\$ 100 mentioned above, but not to superannuation contributions attracting the spouse rebate mentioned below. This applies in addition to the income tested rebate of up to A\$ 100 mentioned above.

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

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

From 1 January 1999, there is 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 applied at a rate of 20 per cent to the excess of net medical expenses over A\$ 1 250 for the 1998-99 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 A\$ 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 etcetera; 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 (A\$)		Tax at general rates on total taxable income
Not less than	Not more than	
0	5 400	NIL
5 400	20 700	NIL + 20c for each A\$ in excess of A\$ 5 400
20 700	38 000	A\$ 3 060 + 34c for each A\$ in excess of A\$ 20 700
38 000	50 000	A\$ 8 942 + 43c for each A\$ in excess of A\$ 38 000
	50 000 and over	A\$ 14 102 + 47c for each A\$ in excess of A\$ 50 000

To contribute towards the cost of basic medical and hospital care a Medicare Levy is imposed on the taxable incomes of resident taxpayers. In 1998-99 the levy applied 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, a single taxpayer was exempt from the levy where the taxable income was less than or equal to A\$ 13 389. Where a taxpayer was married or was entitled to a child-housekeeper, housekeeper or sole parent rebate no levy was payable if the taxable family income did not exceed A\$ 22 594, the threshold increasing by A\$ 2 100 for each dependent child. Where taxable income exceeded A\$ 13 389 but did not exceed A\$ 14 474 shading-in provisions applied under which the levy payable was 20 per cent of the excess of taxable income over A\$ 13 389. A married couple with two children were exempt where their taxable income (or family income) was less than A\$ 26 794. Shading-in provisions applied between A\$ 26 794 and A\$ 28 966.

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.

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

For the 1998-99 income year, family allowance was paid fortnightly at the following rates (these payments/thresholds are those that applied in the second quarter of 1999):

	Payment (A\$)
First child	23.70
Second child	23.70
Third child	23.70
Fourth child	31.50
Fifth or subsequent child(ren)	31.50
Children in an institution	31.50

No family allowance could be claimed where family income exceeded A\$ 66 403 with one dependent child. The income limit was increased by A\$ 3 322 for each additional child. Therefore, a family with two children would not receive any family allowance where their income was greater than A\$ 69 725. Family allowances and the threshold for receiving maximum rate payments are indexed each year in line with the Consumer Price Index (CPI).

A supplement to the family allowance was paid to low income families at the rate of A\$ 75.30 per fortnight for each child under 13. Higher rates apply for older children. To receive full payment of the family allowance supplement, the combined annual income of the parents must not have exceeded A\$ 23 550, in the case of a family with one child. The family allowance supplement was reduced by A\$ 1 for every A\$ 2 where family income exceeded A\$ 23 550. The income limit for full payment of the family allowance supplement was increased by A\$ 624 for each additional child. For example, a family with two children under 13 years of age with income less than A\$ 24 174 per annum would have received an additional A\$ 150.60 per fortnight. If their income was over A\$ 32 026 then they would receive no supplement.

As mentioned earlier, a parenting allowance was available in lieu of the tax credit for a dependent spouse with dependent children. For income year 1998-99, parenting allowance was payable to the dependant spouse and was made up of basic parenting allowance and additional parenting allowance. Basic parenting allowance was not wealth tested and was not affected by the main income earning spouse's income. The maximum payment per fortnight was A\$ 66. Payments began to be shaded out when the dependant spouse's income exceeded A\$ 60 per fortnight. Between A\$ 60 and A\$ 140 the shade out rate was 50 cents for each dollar of income, above A\$ 140 the rate was 70 cents for each dollar. No payment was made where the dependent spouse's income was more than A\$ 177.15 per fortnight.

Additional parenting allowance was assets tested and was affected by the income of the main income earning spouse. The maximum additional parenting allowance payment was A\$ 227.80 per fortnight. Payments were reduced at the rate of 70 cents for each dollar where the main income earning spouse's income exceeded A\$ 503.00 and ceased entirely when their income exceeded A\$ 828.40 per fortnight. For the dependant spouse's income, additional payments were subject to the same shading out rules as basic parenting allowance. No additional payment was made where income was more than A\$ 404.30 per fortnight. No parenting allowance, either basic or additional, was payable where the dependant spouse's income was more than A\$ 502.60 per fortnight.

4. Main changes in the tax/benefit system since 1995

4.1. General rates of tax – resident individuals

- For the general rates of tax for 1995-96, 1996-97, 1997-98 and 1998-99, refer to §1.13 above.
- From 1 July 1996 to 30 June 1997, the Medicare levy applied at the rate of 1.7 per cent of the taxable income of an individual. From 1 July 1997 the rate reverted back to 1.5 per cent.

A single taxpayer was exempt from the levy where the taxable income was less than or equal to A\$ 13 389. Where taxable income exceeded A\$ 13 389 but did not exceed A\$ 14 474, shading-in provisions applied under which the levy payable was 20 per cent of the excess of taxable income over A\$ 13 389. A married couple with two children were exempt where their taxable income (or family income) did not exceed A\$ 26 795. Shading-in provisions applied between A\$ 26 795 and A\$ 28 966.

4.2. *Cash transfers related to dependent children*

From 1 January 1997 Family Tax Initiative was available to families with at least one child younger than 16, or younger than 18 and at secondary school full-time. Refer §1.121.

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 *Employee Earnings and Hours, preliminary – Australia*, catalogue number 6305.0. The survey is conducted every two years in May and is based on a representative sample of employers in each industry. The survey used for this questionnaire related to May 1998. The survey is conducted on an Australia-wide basis and is designed to cover the whole of the workforce who were salary or wage earners in the reference period with the exception of:

- a) members of the Australian permanent defence forces;
- b) employees of establishments primarily engaged in agriculture, forestry, fishing and hunting;
- c) employees in private households employing staff;
- d) employees on workers' compensation who are not paid through the payroll;
- e) employees of overseas embassies, consulates etcetera; and
- f) employees based outside Australia.

Others persons who are not regarded as employees for the purposes of this survey include:

- g) directors who are not paid a salary;
- h) proprietors/partners of unincorporated businesses; and
- i) self-employed persons such as sub-contractors, owners/drivers, consultants and persons paid solely by commission without a retainer.

Employers surveyed in the manufacturing sector included those engaged in the manufacture or production of:

- a) food, beverages and tobacco;
- b) textiles, clothing, footwear and leather;
- c) paper, printing, etc.;
- d) chemical petroleum and coal products;
- e) metal products, machinery and equipment; and
- f) other manufacturing.

The survey data used in identifying the average production worker relates to that applying to full-time non-managerial employees in the total manufacturing sector being adult males and females without regard to marital status. Non-managerial employees include minor supervisory employees, leading hands, clerical and office staff as well as ordinary wage employees. They exclude managerial, executive, professional and higher supervisory staff, generally defined as those employees who are ineligible to receive payment for overtime or, though subject to payment for overtime, are in charge of a significant number of employees in a separate establishment.

Earnings comprise weekly ordinary time earnings and weekly overtime earnings.

Weekly ordinary time earnings refers to one week's earnings for the reference period attributable to award, standard or agreed hours of work. It is calculated before taxation and any other deductions have been made. Included in ordinary time earnings are award payments, base rates of pay, other award payments, enterprise bargaining 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; payments for leave taken during the reference period; and all worker's compensation payments made through the payroll. Excluded are overtime payments, retrospective pay, pay in advance, leave loadings, severance pay, termination and redundancy payments and other payments not related to the reference period.

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

The annual gross earnings is the average weekly earnings figure for the manufacturing sector 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.

1998 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 :			
Spouse credit	Spouse_cr	P	IF(Married,Taper(IF(Children>0,0,spouse_cr),earn_spouse,sp_lim, sp_redn), (Children>0)*sing_ch_cr)
Low income credit	low_cr	B	Taper(low_inc_cr, earn, low_inc_lim, low_inc_redn)
Family Tax Assistance _ Part A	A_fta	J	IF(AND(Children>0,(total_earn<(FTA_limit1+(children-1)*FTA_inc))),A_fta*children,0))
Family Tax Assistance _ Part B	B_fta	J	IF(AND(Children>0,principal_earn<(FTA_limit2+(children-1)*FTA_inc),spouse_earn<FTA_limit3),B_fta,0)
Total	tax_cr	B	spouse_cr+low_cr+A_fta+B_fta
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			
Levy if individual (principal)	ind_p		MIN(medic_rate*earn_princ, Positive(shade_rate*(earn_princ-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-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/(earn_princ+earn_spouse), redn-ind_s)))
	SSC_princ	P	IF((Children+Married)=0, ind_p, levy_m)
	SSC_spouse	S	Positive(IF(ind_s=0,0,MAX(ind_s-redn*earn_spouse/(earn_total)))
11. Cash transfers			
Family allowance	fam_al	J	26*(Children*fam1+Positive(Children-3)*(fam4-fam1))*((earn_total)<(fam_lim+Children-1)*fam_ch)
Family allowance supplement	fam_sup	J	Taper(52*Children*f_sup_al, earn_total, f_sup_lim, f_sup_redn)
Parenting allowance	Parent	J	Married*(Children>0)*Positive(Taper(par_al,earn_spouse,26*par_lim,par_redn)-(par_redn_2-par_redn)*Positive(earn_spouse-par_lim_2*26))
	cash_trans	J	fam_al+fam_sup+parent
13. Employer's soc security	SSC_empr	B	0

1998 Parameter values

Average earnings/yr	Ave_earn	38 763											
Spouse	Spouse_cr	1 324											
Spouse & children income limit	Spouse_ch_cr sp_lim	1 452 282											
withdrawal rate	sp_redn	0.25											
Single & children	sing_ch_cr	1 243											
Low income credit	low_inc_cr low_inc_lim low_inc_redn	150 20 700 0.04											
Tax schedule	tax_sch		<table border="1"> <tbody> <tr> <td>0</td> <td>5 400</td> </tr> <tr> <td>0.2</td> <td>20 700</td> </tr> <tr> <td>0.34</td> <td>38 000</td> </tr> <tr> <td>0.43</td> <td>50 000</td> </tr> <tr> <td>0.47</td> <td></td> </tr> </tbody> </table>	0	5 400	0.2	20 700	0.34	38 000	0.43	50 000	0.47	
0	5 400												
0.2	20 700												
0.34	38 000												
0.43	50 000												
0.47													
Medicare levy	Medic_rate	0.015											
exemption limits	sing_lim	13 389											
married/sole parent	m_lim	22 594											
+ per child	ch_lim	2 100											
shading-in rate	Shade_rate	0.2											
Family allowances/fortnight													
Children 1 to 3	fam1	23.7											
4th and subsequent	fam4	31.5											
income limit (1)	fam_lim	66 403											
Increment	fam_ch	3 322											
Family allowance supp./week	f_sup_al	37.65											
income limit (1 child)	f_sup_lim	23 550											
+ per child	f_sup_lim_ch	624											
withdrawal rate	f_sup_redn	0.5											
Parenting allowance/fortnight	par_al	66.00											
income limit	par_lim	60											
reduction rate	par_redn	0.5											
income limit 2	par_lim_2	140											
reduction rate 2	par_redn_2	0.7											
Part A FTA	A_fta	200											
part A income limit	FTA_limit1	70 000											
Part B FTA	B_fta	500											
part B income limit 1	FTA_limit2	65 000											
part B income limit 2	FTA_limit3	4 571											
FTA income increment	FTA_inc	3 000											

AUSTRIA – AUTRICHE

The national currency is the Austrian schilling (Sch). In 1998, Sch 12.38 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Sch 305 637.

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 Sch 1 800 is available to all employees.
- Minimum allowance for special expenses Sch 819 (reduced to 0 between income levels of Sch 500 000 and Sch 700 000).
- 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 amounts are deductible from income (Sch per year):

	Public transport	
	Available	Not available
More than 2 km	0	2 880
More than 20 km	5 280	11 520
More than 40 km	10 560	20 160
More than 60 km	15 840	28 800

- Special expenses allowances (“Sonderausgaben”):

- Some personal expenses (for example life insurance premiums, expenses for the purchase of a residence including repayments of housing loans) are partly deductible from income. The allowance is limited to Sch 40 000 per taxpayer or Sch 80 000 for sole earners or parents. A quarter of “Sonderausgaben” can be deducted up to a taxable income of Sch 500 000, between Sch 500 000 and Sch 700 000 the deductible amount is (linearly) reduced to zero. Unless higher special expenses can be proved a standard deduction for ‘Sonderausgaben’ of Sch 819 is granted (see §1.121). Additionally, contributions to the church are deductible up to an amount of Sch 1 000.

- Tax free supplementary payments for dirty, hard, dangerous, night, weekend and holiday work and overtime.
- The supplement for five hours of overtime up to Sch 590 per month is tax free, the other supplements are tax free up to Sch 4 940 (Sch 7 410 for night workers) per month.

1.13. Rate schedule

The rates of tax are:

Taxable income (ATS)	Marginal Tax Rate (%)
0-50 000	10
50 000-150 000	22
150 000-300 000	32
300 000-700 000	42
700 000 and over	50

A special flat rate of tax of 6 per cent applies to bonuses and other remuneration limited to 1/6 of current income in cases where tax is deducted at source. An amount of Sch 8 500 of these bonuses is tax exempt. If these bonuses are below Sch 23 000 per year, no tax is deducted.

1.14 Tax credits

Tax credits are available as follows:

- general tax credit Sch 8 840 (reduced to zero between income levels of Sch 200 000 and Sch 500 000);
- wage earner's tax credit of Sch 1 500 (up to 10 per cent of social security contributions; can be paid as a negative income tax);
- wage earner's traffic tax credit Sch 4 000;
- sole earner's and sole parent's tax credit of Sch 5 000 (the sole earner's credit is not given when a spouse's income exceeds Sch 30 000, respectively Sch 60 000 for a family with children. If there are children, this tax credit can be paid out as a negative income tax up to Sch 2 000);
- children's tax credit Sch 4 200 for the first, Sch 6 300 for the second and Sch 8 400 for additional children;
- tax credit for retired persons Sch 5 500.

1.2. State and local income taxes

None.

2. Social security contributions

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 1998 the annual payment was Sch 15 600 per child. The allowance is increased to Sch 18 600 for children above 10 years of age and to Sch 22 200 for students.

	Ceilings (ATS)		Rates (%)	
	Regular wage per month	Christmas and leave bonus	Employee	Employer
Health insurance	42 000	84 000	3.95	3.95
Unemployment insurance	42 000	84 000	3.00	3.00
Pension insurance	42 000	84 000	10.25	12.55
Accident insurance	42 000	84 000	–	1.40
Contribution to the labour chamber	42 000	^a	0.50	–
Contribution for the promotion of residential building	42 000	^a	0.50	0.50
Contribution to secure continued wage payments	42 000	84 000	–	2.30
Addition to secure wage payments in the case of bankruptcy	42 000	84 000	–	0.70

a) No contributions on Christmas and leave bonus.

4. Main changes in tax/benefit systems since 1994

In 1994, a negative income tax option was introduced for employees on low incomes. The negative income tax is limited to the wage earner's tax credit, but it cannot exceed 10 per cent of employee social security contributions paid. In 1996, a consolidation package was introduced. The deductibility of special expenses was reduced (from one – half to one – quarter) and abolished for incomes above Sch 700 000. Tax free overtime supplements were limited to Sch 590 per month.

In 1999, family allowances and the tax credit for children were increased each by Sch 1 500. A supplement of Sch 2 000 for the third and further children each was introduced in case the family income was less than Sch 504 000. For one-earner families and sole parents, the limit for the non-wastable tax credit was abolished.

5. Memorandum items

5.1. Calculation of earnings data

The data base used to determine the wage earnings of the average production worker includes all production workers employed in various regions of the country, regardless of sex. The earnings base includes vacation payments, overtime payments, recurring cash payments and the taxable value of fringe benefits. Not included in the earnings base are unemployment and sickness compensation.

Calculations are based on average annual earnings. The income tax year is identical to the calendar year.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
Basic	bas_allce	B	(earn>SSC_scalar1*SSC_low)*Taper(Basic_al,(-non_cur_pc)*earn-SSC_cur-work_rel-tax_free*earn,Basic_al_thrsh,Basic_al_redn)
Employment income deduction	emp_dedn	B	work_rel
Tax-free allowance + SSC	tax_free+SSC_cur	B	tax_free*earn+SSC_cur
Total	tax_al	B	bas_allce+emp_dedn+tax_free+SSC_cur
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income:			
Taxable current income	tax_cur_inc	B	(earn>SSC_scalar1*SSC_low)*Positive((1non_cur_pc)*earn-tax_al
Non-current income	non_cur_inc	B	non_cur_pc*earn
Non-current tax base	non_cur_tb	B	non_cur_inc-MIN(non_cur_inc,SSC_ncur+bonus)
Total	tax_inc	B	tax_cur_inc+non_cur_tb
5. CG tax before credits:			
Gross tax on current income	grtax_cur	B	Tax(tax_inc,tax_sch)
Tax on non-current income	tax_ncur	B	MIN(non_cur_tb*non_cur_rate,Positive(non_cur_pc*earn-SSC_ncur-al_no n_cur)*alt_noncur_rate)
Total	tax_bc	B	grtax_cur + tax_ncur
6. Tax credits:			
Basic	bas_cred	B	(earn>SSC_scalar1*SSC_low)*Taper(basic_cr,tax_cur_inc,basic_cr_t hrsh, basic_cr_redn)
Married or head of family	head_cr	P	IF(Married=0,(Children>0)*sole_cr,(tax_cur_inc(spouse)<IF(Children>0,sole_lim1,sole_lim0))*sole_cr)
Children	child_cr	P	(Married=0)*((Children>0)*child_cr_1+(Children=2)*child_cr_2)
		S	(Married=1)*((Children>0)*child_cr_1+(Children=2)*child_cr_2)
Other	oth_cr	P	wage_cr+traffic_cr
		S	(earn (spouse)>SSC_scalar1*SSC_low)*(wage_cr+traffic_cr)
Total	tax_cr	P	bas_cred+head_cr+child_cr+oth_cr
		S	bas_cred+child_cr+oth_cr
7. CG tax:			
Interim tax on current income	int_tax_cur	P	Tax(tax_cur_inc,tax_sch)-tax_cr+child_cr
Final tax on current income	fin_tax_cur	P	IF(int_tax_cur>0,MIN(int_tax_cur,Positive(2*int_tax_cr-9400)),M A X(int_tax_cur,-0.1*SSC_cur-(Children>0)*(head_cr>0)*2000,-wage_cr-(Children>0)*(head_cr>0)*2000))-child_cr
		S	IF(int_tax_cur>0,MIN(int_tax_cur,Positive(2*int_tax_cr-9400)),M A X(int_tax_cur,-0.1*SSC_cur,-wage_cr))-child_cr
Total	CG_tax	B	fin_tax_cur + tax_ncur
8. State and local taxes	local_tax	B	0
9. Employees' soc security:			
SSC on current income	SSC_cur	B	(health_rate+unemp_rate+pension_rate+others_rate)*MIN((1-non_cur_pc)*earn,SSC_scalar2*SSC_ceil)*((1-non_cur_pc)*earn>SSC_scalar2*SSC_low)
SSC on non-current income	SSC_ncur	B	(health_rate+unemp_rate+pension_rate)*MIN(non_cur_pc*earn,SSC_scala r3*SSC_ceil)*(non_cur_pc*earn>SSC_scalar3*SSC_low)
Total	SSC	B	SSC_cur + SSC_ncur
11. Cash transfers	cash_trans	J	(Children>0)*CB_1+(Children>1)*CB_2
13. Employer's soc security (including payroll tax)	SSC_empr	B	(health_empr+unemp_empr+pension_empr+accident_empr+others_empr-adj_empr)*MIN(earn,SSC_scalar1*SSC_ceil)*(earn>SSC_scalar1*SSC_low) +payroll_rate*earn

1998 Parameter values

APW-income	Ave_earn	305637
Allowances	Basic_al	819
Basic allowance threshold	Basic_al_thrsh	500000
Basic allowance reduction rate	Basic_al_redn	0.0041
Tax free inc.	tax_free	0.0215
Work related	work_rel	1800
Non current income as %	non_cur_pc	0.1429
Tax free non-current income	bonus	8500
Tax allowance non-current income	al_non_cur	23000
Basic credits	basic_cr	8840
Basic credit threshold	basic_cr_thrsh	200000
Basic credit reduction rate	basic_cr_redn	0.0295
Wage earner credit	wage_cr	1500
Traffic credit	traffic_cr	4000
Single earner credit	sole_cr	5000
Spouse income not more than	sole_lim0	30000
Spouse with children	sole_lim1	60000
Child credit first	child_cr_1	4200
Child credit second	child_cr_2	6300
Income tax schedule	tax_sch	0.1 0.22 0.32 0.42 0.5
		50000 150000 300000 700000
Tax rate on non-current income	non_cur_rate	0.06
Alternative tax rate on non-curr-inc	alt_noncur_rate	0.3
Social security contribution ceiling	SSC_ceil	42000
Social security contribution lower limit	SSC_low	3830
	SSC_scalar1	14
	SSC_scalar2	12
	SSC_scalar3	2
Employees' contr. rates	health_rate	0.0395
	unemp_rate	0.03
	pension_rate	0.1025
	others_rate	0.01
Employers' contr.rates	health_empr	0.0395
	unemp_empr	0.03
	pension_empr	0.1255
	accident_empr	0.014
	others_empr	0.034
	adj_empr	0.00071
Payroll rate	payroll_rate	0.075
Child benefit 1st child (> 10 years)	CB_1	18600
2nd child (< 10 years)	CB_2	15600

BELGIUM – BELGIQUE

La monnaie nationale est le Franc belge (FB). En 1998, FB 36.30 était égal à US\$1 (moyenne journalière des taux de change). En 1998, le revenu de l'ouvrier moyen a été estimé à FB 1 117 819.

1. Système d'imposition sur le revenu

1.1. Impôt sur le revenu perçu par l'administration centrale

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 110 000 FB par conjoint et se calcule comme suit :

Revenu brut, cotisations sociales déduites (FB)	Taux (%)
De moins de 165 000	20
De 165 000 à 330 000	10
De 330 000 à 550 000	5
Au-delà de 550 000	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 110 000 FB 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.

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 297 000 FB. 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 FB) :

Isolé	206 000
Conjoint	162 000

Majorations pour enfants à charge (un enfant handicapé est compté pour deux) en FB :

1 enfant	44 000
2 enfants	112 000
3 enfants	253 000
4 enfants	408 000
5 enfants	564 000

Des majorations sont également octroyées en raison de certaines situations familiales particulières (en FB) :

Autres personnes à charge	44 000
Conjoint handicapé	44 000
Autres personnes à charge handicapées	44 000
Veuf (ve) avec enfants à charge	44 000
Père ou mère célibataire	44 000
Conjoint dont les ressources n'excèdent pas	75 000
L'année du mariage	44 000
L'année du décès	118 000

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 (FB)	Taux marginal (%)
0-253 000	25
253 000-335 000	30
335 000-478 000	40
478 000-1 100 000	45
1 100 000-1 650 000	50
1 650 000-2 420 000	52.5
2 420 000 et plus	55

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 de 3 pour cent, de sorte que l'impôt calculé selon les règles usuelles est multiplié par 1.03.

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	3.43	4.30
Indemnité assurance-maladie	1.15	2.35	3.50
Soins de santé	3.55	3.80	7.35
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		0.43	0.43
Modération salariale		7.60	7.60
Total	13.07	34.96	48.03

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 pour les salaires

La réduction « bas salaires » est en vigueur depuis 1997. Elle s'applique à certaines cotisations patronales, qui constituent globalement 34.96 pour cent du salaire brut. Le taux de cotisation est réduit

de 50 % pour un salaire brut annuel compris entre 413 916 FB et 524 424 FB,

de 35 % pour un salaire brut annuel compris entre 524 425 FB et 565 764 FB,

de 20 % pour un salaire brut annuel compris entre 565 765 FB et 607 704 FB,

de 10 % pour un salaire brut annuel compris entre 607 705 FB et 744 636 FB.

Les taux de cotisations patronales sont donc les suivants :

Salaire brut annuel	Taux %
0 < 524 424	18.565
524 425 à 565 764	23.484
565 765 à 607 104	28.402
607 105 à 744 636	31.381
744 637 et plus	34.96

étant entendu que le taux mentionné eu regard de chaque classe du salaire brut s'applique à l'intégralité du salaire.

c) 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 (FB)	Montant dû sur la limite inférieure	% au delà de la limite inférieure
De 0 à 750 000	0	0
De 750 000 à 850 000	0	9
De 850 000 à 2 426 924	9 000	1.3
2 426 924 et plus	29 500	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	12-16 ans	> 16 ans
1 ^{er} enfant	32 472	43 752	49 704	50 652
2 ^e enfant	60 084	71 364	77 316	78 264
3 ^e enfant	89 712	100 992	106 944	107 892

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 depuis 1993

Depuis 1993, l'impôt sur le revenu est majoré d'une contribution complémentaire de crise de 3 pour cent : l'impôt est établi à 103 pour cent du barème.

Depuis 1993, l'indexation annuelle est partiellement et provisoirement suspendue; elle ne concerne plus que la tranche exonérée de base et les majorations pour enfants à charge ou pour certaines situations familiales particulières (cfr §1.124). L'indexation du barème de calcul de l'impôt et des autres montants libellés en francs dans la loi (limite des déductions, calcul des charges forfaitaires, etc.) est suspendue. L'indexation annuelle du barème et de tous les montants libellés en francs est entièrement rétablie à partir de 1999.

Une cotisation spéciale annuelle de sécurité sociale a été instaurée à partir du deuxième trimestre de l'année 1994 et modifiée à partir de l'année 1996. Un nouveau dispositif de réduction des cotisations sociales pour les bas salaires est entré en vigueur au 1^{er} juillet 1999.

Les allocations familiales sont légèrement augmentées à partir du 1^{er} avril 1999 et seront adaptées à l'évolution de l'indice des prix en cours d'année.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	Earn		
2. Allowances:	tax_al	B	$\text{MIN}(\text{work_rel_max}, \text{Tax}(\text{earn} - \text{SSC}, \text{work_rel_sch})) + \text{SSC}$
3. Credits in taxable income	taxbl_cr	B	0
4. CG taxable income	tax_inc	B	$\text{earn} - \text{tax_al}$
Tax on principal income	tax_p	P	$\text{Tax}(\text{tax_inc_princ}, \text{tax_sch})$
Tax on spouse income	tax_s	S	$\text{Tax}(\text{tax_inc_spouse}, \text{tax_sch})$
Tax on joint income less quote part	tax_j	J	$\text{Tax}(\text{tax_inc_total} - \text{MIN}(\text{tax_inc_total} * 0.3, \text{quote_max}), \text{tax_sch})$
Tax on quote part	tax_q	J	$\text{Tax}(\text{MIN}(\text{tax_inc_total} * 0.3, \text{quote_max}), \text{tax_sch})$
5. CG tax before credits	CG_tax_excl	J	$\text{MIN}(\text{tax_p} + \text{tax_s}, \text{tax_j} + \text{tax_q}) * \text{tax_comp}$
Child credit	child_cr	P	$\text{tax_rate1} * ((\text{Children}=1) * \text{child_cr1} + (\text{Children}=2) * \text{child_cr2})$
	family_cr	P	$\text{Tax}(\text{IF}(\text{Married}, 2 * \text{married_cred}, \text{single_cred}) + (\text{Children}=1) * \text{child_cr1} + (\text{Children}=2) * \text{child_cr2}, \text{tax_sch})$
	spouse_cr	S	$\text{MIN}(\text{Tax}(\text{married_cr}, \text{tax_sch}), \text{IF}((\text{tax_p} + \text{tax_s}) < (\text{tax_j} + \text{tax_q}), \text{tax_s}, \text{tax_q}))$
Total tax credit	tax_cr	J	$\text{family_cr} + \text{spouse_cr}$
7. CG tax	CG_tax	J	$\text{tax_comp} * \text{Positive}(\text{CG_tax_excl} - \text{tax_cr})$
8. State and local taxes	local_tax	J	$\text{local_rate} * \text{CG_tax_excl} / \text{tax_comp}$
9. Employees' soc security	SSC_spouse	S	$(\text{unemp_rate} + \text{med_rate} + \text{sickness_rate} + \text{pension_rate}) * \text{earn}$
	SSC_princ	P	$(\text{unemp_rate} + \text{med_rate} + \text{sickness_rate} + \text{pension_rate}) * \text{earn} + \text{TAX}((\text{tax_inc_princ} + \text{tax_inc_spouse}), \text{SSC_special})$
11. Cash transfers	cash_trans	J	$(\text{Children} > 0) * \text{CB_1} + (\text{Children} > 1) * \text{CB_2}$
13. Employer's soc security	empr_sch	B	$\text{Lookup}(\text{earn}, \text{empr_sch}) * \text{earn}$

1998 Parameter values

	Ave_earn	1117819	
Work-related expenses	work_rel_max	110000	
	work_rel_sch	0.2	165000
		0.1	330000
0.05		550000	
0.03			
Tax credits (tranche exonérée)	single_cr	206000	
	married_cr	162000	
One child	child_cr1	44000	
Two children	child_cr2	112000	
Single parents	s_parent_cr	44000	
Income tax schedule	tax_rate1	0.25	253000
		0.30	335000
		0.40	478000
		0.45	1100000
		0.50	1650000
		0.53	2420000
	0.55		
	quote_max	297000	
Additional tax	tax_comp	1.03	
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	0.075	
Special annual contribution	SSC_special	0.000	750000
		0.090	850000
		0.013	2426924
		0.000	
Employer contributions	empr_sch	0	0.1857
		524425	0.2348
		565765	0.2840
		607105	0.3138
		744637	0.3496
Child benefit (age 6-12)	CB_1	43752	
	second child	CB_2	71364
	third child	CB_3	100992

CANADA

The national currency is the Canadian dollar (C\$). In 1998, C\$ 1.4831 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned C\$ 35 032.

1. Personal income tax systems

1.1. Federal government income tax

1.11. Tax unit

Under the present system, the tax is levied on individuals separately; however, in cases where the income of a spouse (wife or husband) is below C\$ 5 918 it is reported on the return of the other spouse (husband or wife). The filer receives a tax credit in respect of his/her dependant spouse.

1.12. Tax allowance and credits

1.121. Standard reliefs

- *Basic relief*: All taxpayers qualify for a basic personal tax credit of C\$ 1 098.
- *Marital status relief*: A taxpayer supporting a spouse receives a tax credit of C\$ 915, which is reduced by 17 cents for each dollar of income accruing to the spouse in excess of C\$ 538. The same amount is available to heads of single-parent families with respect to one child.
- *Personal amounts*: Supplementary personal amounts are introduced for low income individuals. Effective July 1, 1998 a C\$ 500 supplement is added to the basic and spousal amounts, and is phased out at a rate of 4 per cent of income over C\$ 6 956. The 1998 amounts were thus one-half the full rate.
- *Age relief*: Taxpayers aged 65 and over are entitled to a tax credit of C\$ 592, reduced at 15 per cent of net income in excess of C\$ 25 921.
- *Relief for children*: The child tax benefit is paid on a July-to-June basis, based on tax information from the two previous tax years. Thus, based on 1998 tax year information, the Child Tax Benefit (CTB) provides C\$ 1 020 per child under age 18 plus C\$ 213 supplement for each child under 7 where no child care expenses are deducted and a C\$ 75 supplement for the third child and each additional child, beginning July 1999. This basic benefit is reduced by 5 per cent of family net income in excess of C\$ 25 921 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 C\$ 785 for one child, plus C\$ 585 for a second child, plus C\$ 510 for the third and each additional child. The NCB is phased out based on family net income in excess of C\$ 20 921. The reduction rates are 11.49 per cent for families with one child, 20.06 per cent for families with two children and 27.53 per cent for larger families.

For dependent children aged 18 and over and physically or mentally infirm, a credit of C\$ 400 is allowed. If the child has a net income between C\$ 2 353 and C\$ 6 456, a partial credit is provided. The credit is reduced by the child's net income above C\$ 2 353 at a 17 per cent rate.

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

A number of non-standard tax reliefs are available to the average production worker in Canada. The main ones are:

- *Medical expenses credit*: Taxpayers are entitled to a 17 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 C\$ 1 614.
- *Disability credit*: Canadians who are markedly restricted by disabilities in carrying out the basic activities of daily living can claim a disability credit of C\$ 720.
- *Caregiver amount* Taxpayer can claim an additional personal amount of up to C\$ 2 353 for a dependent whom at the time lived with taxpayer. The basic credit will be reduced by the net income in excess of C\$ 11 500.
- *Charitable donations credit*: The credit is 17 per cent on the first C\$ 200 of eligible charitable donations and 29 per cent on eligible donations in excess of C\$ 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 C\$ 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 C\$ 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:
 - vii) the expenses incurred for the care of a child;
 - viii) two-thirds of the taxpayer's earned income; and
 - ix) C\$ 7 000 for each child who is under age seven or is disabled, and C\$ 4 000 per child between seven and fourteen years of age.
- *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 deduction is C\$ 5 400 per household.
- *Post-secondary education and training*: A 17 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 C\$ 34.00 per month of full time study, C\$ 10.20 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*: Commencing in 1998, individuals repaying student loans will be allowed to claim a non-refundable tax credit of 17 per cent on the interest portion of repayment made in the current year.

1.13. Tax schedule

Federal income tax rates before tax reductions range from 17 per cent to 29 per cent. There are three income tax brackets. The table of tax rates is given below.

1997 Federal income tax rates	
Basic federal tax	
Taxable income (C\$)	Marginal tax rate (%)
0-29 590	17
29 590-59 180	26
59 180 and over	29

Effective July 1998, the 3 per cent surtax on basic federal tax is eliminated for low- and middle-income taxpayers. The C\$ 250 surtax reduction is phased out at 6 per cent of basic federal tax in excess of C\$ 8 333. For 1998, taxpayers qualify for half this amount. A 5 per cent high-income surtax still applies to basic federal tax in excess of C\$ 12 500.

1.2. State and local income taxes

1.21. General description of the system

In all provinces and the two territories, with the exception of Québec, provincial income tax is calculated as a percentage of basic federal tax. The federal government, under tax collection agreements, collects federal taxes in all provinces and two territories, and provincial taxes in all provinces and territories, except Québec. Québec levies and collects its own provincial income tax.

1.22. Tax base

For all provinces that are members of the tax collection agreements, taxes are defined as a percentage of the basic federal tax (i.e. before surtax). Differences arise in provincial taxes from differences in the provincial rate as a percentage of the basic federal tax, from surtaxes, flat taxes and from low income tax reductions and other credits that various provinces provide. The province of Québec is not part of the tax collection agreements and levies personal income tax under its own statute. The Québec base for tax purposes is in many respects similar to the federal one. However, small differences arise in the income subject to tax and in the type and level of deductions and exemptions allowed. (It is worth noting that Québec taxpayers receive a tax abatement of 16.5 per cent of basic federal tax in lieu of federal contributions toward the financing of health care and post-secondary education and social assistance programmes).

1.23. Tax rates

Various provinces provide tax relief to low-income earners in the form of tax credits and some provinces levy surtaxes which primarily effect high income earners.

1.24. Tax rate selected for this study

The calculation for the average production worker study assumes a provincial tax rate of 50.5 per cent, which is approximately a weighted average of the provincial rates for the nine provinces for which the federal government collects provincial income tax.

**Provincial Personal Income Tax Rates
as a Percentage of Basic Federal Tax**

Province	Rate (%)
Newfoundland	69.0
Prince Edward Island	59.5
Nova Scotia	57.5
New Brunswick	61.0
Ontario	42.75
Manitoba	51.0
Saskatchewan	49.0
Albert	44.0
British Columbia	50.5
Northwest Territories	45.0
Yukon	50.0

Quebec Personal Tax System

Marginal tax rates	20 to 26 per cent of taxable income
Basic personal credit	C\$ 1 357
Married credit	C\$ 1 357
Age credit (not income-tested)	C\$ 506
Child credit for dependants under 21	C\$ 598 for the first dependant C\$ 552 for the others

2. Social security contributions

2.1. Employees' contributions

2.1.1. Pensions

Generally, all employees are eligible for coverage under the Canada Pension Plan (Québec Pension Plan in the province of Québec). For 1998, all employees are required to contribute to the Canada Pension Plan at a rate of 3.2 per cent of income up to a maximum contribution of C\$ 1 068. Income subject to contributions is earnings (wages and salaries) less a C\$ 3 500 basic exemption. The maximum contribution of C\$ 1 068 is reached at an earnings level of C\$ 36 900. At this income level $(C\$ 36\,900 - C\$ 3\,500) \times 0.032 = C\$ 1\,068$. Employers are required to contribute to the Canada Pension Plan on behalf of their employees (refer §2.21).

Self-employed individuals are also required to contribute to the Canada Pension Plan. As there are no employer contributions for such individuals, the self-employed are required to contribute 6.4 per cent of earnings up to a maximum of C\$ 2 136. As for employees, the maximum contribution of C\$ 2 136 is reached at an annual earnings level of C\$ 36 900. Each contribution to the CPP or QPP gives rise to a tax credit equal to 17 per cent of the contributed amount.

2.1.2. 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.

2.1.3. Unemployment

In general, all employees are eligible for employment insurance. For 1998, employees are required to contribute at the rate of 2.7 per cent of insurable earnings. Insurable earnings are earnings (wages and salaries) up to an annual maximum of C\$ 39 000. The maximum employee contribution is C\$ 1 053 per

year. Employment insurance contributions give rise to a tax credit equal to 17 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.

2.2. *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 3.2 per cent of earnings (less the C\$ 3 500 earnings exemption) to a maximum of C\$ 1 068.

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.

2.23. *Unemployment*

Employers are required to contribute to the employment insurance scheme. The general employer contribution is 1.4 times the employee contribution, that is 3.78 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.

3. **Universal cash transfers**

3.1. *Transfers related to marital status*

None.

3.2. *Transfers for dependent children*

See relief for children under standard reliefs (§1.121).

4. **Main changes in the tax/benefit system since 1996**

Tax incentives for charitable donations have been 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 C\$ 250 to C\$ 200 in 1994.

Starting in July 1996, the earned income supplement component of the Child Tax Benefit was restructured and enriched to become the national child benefit supplement (NCB). The phase-in amount has been eliminated due to harmonisation with the provinces. The working income supplement (WIS) was further enriched and restructured on a per-child basis in 1997.

RRSP and money-purchase RPP annual contribution limits were reduced to C\$ 13 500 and frozen through 2002 and 2003, respectively in 1996. At the same time, the maximum pension limits for defined benefit RPPs were frozen through 2005.

Tax assistance to students has been increased. In 1998, the Education Credit was increased from C\$ 150 per month to C\$ 200 per month. The Tuition Fee Credit was expanded in 1997. Students were allowed to claim the child care expense deduction in 1996. Starting in 1998, individuals repaying student loans are 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 can receive on a tax-free basis was raised by C\$ 500 to C\$ 6 956.

For 1998 and later years, taxpayers can claim a caregiver amount up to C\$ 2 353 for dependent whom at the time lived with taxpayer. The basic credit of C\$ 2 353 is reduced by net income in excess of C\$ 11 500 at the 17 per cent rate.

Effective 1 July 1999, the 3 per cent federal surtax was eliminated. The National Child Benefit supplement will be increased by C\$ 350 in two steps. The net income level at which NCB begins to be phased out and the threshold income at which the benefit is fully phased out have been increased. Personal credits have been increased by C\$ 675, while the C\$ 500 supplement from the 1998 Budget has been eliminated.

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 employer contributions vary. Therefore, no definitive figure is provided.

1998 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
6. Tax credits :			
Basic credit	basic_cr	B	Basic_cred
Low Income Supplement (Single)	lowinc_cr	B	maxa((lowinc_sup-maxa((earn-lowinc_thrsh),0)*low_redrte),0)*lowapp_rate*low_wcr_rate
Low Income Supplement(Married)	lowinc_cr	B	maxa(lowinc_sup+mina(lowinc_sup,maxa(lowinc_thrsh-spouse_earn,0))-maxa(earn-(lowinc_thrsh+maxa(lowinc_thrsh-spouse_earn,0)),0)*low_redrte,0)*lowapp_rate*lowcr_rate
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 non-refundable credits	nonref_cr	B	basic_cr+spouse_cr+unemp_cr+lowinc_cr
Child credit	child_cr	P	(Children>0)*Taper(Children*Ch_credit+Ch_crd_und7,earn_total,Ch_crd_thrsh,IF(Children=1,Ch_crd_red1,Ch_crd_red2))
Working income supplement	WIS	P	(Children>0)*Taper(IF(Children=1,WIS_crd_1st,IF(Children=2,WIS_crd_2nd,Positive(Children-2)*WIS_crd_3rd+WIS_crd_2nd)),earn_total,WIS_phout_st,IF(Children=1,WIS_redn1,IF(Children=2,WIS_redn2, WIS_redn3)))
Total refundable credits	ref_cr	P	child_cr+EIS
Total	tax_cr	B	ref_cr+nonref_cr
Basic Federal tax	Basic_Fed_tax	B	Positive(Tax(earn, Fed_sch)-nonref_cr)
Federal Surtax Reduction	Surtax_red	B	maxa(surd_base-maxa((Basic_fed_tax-surd_thrsh),0)*surd_rate,0)*surd_app
5. CG tax before credits	CG_tax_excl	B	Basic_Fed_tax*(1+Sur_rate)-surtax_red+H_sur_rate*positive(Basic_fed_tax-H_sur_thrsh)
7. CG tax	CG_tax	B	Positive(CG_tax_excl-nonref_cr)-ref_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	cash_trans	J	0
13. Employer's soc security	SSC_empr	B	CPP+1.4*Unemp

1998 Parameter values

Average earnings/yr	Ave_earn	35032	
Tax credits	Basic_cred	1098	
Spouse	Spouse_cred	915	
withdrawal rate	Sp_cred_wth	0.17	
threshold	Sp_cred_thrsh	538	
Low Income Supplement	Lowinc_sup	500	
Threshold	lowinc_thrsh	6956	
Reduction Rate	low_redrte	0.04	
% to Apply	lowapp_rate	0.5	
Tax Credits Rate	lowcr_rate	0.17	
Child(refundable)	Ch_credit	1020	
Child under 7	Ch_cred_und7	213	
additional for 3rd+	Ch_cred_3rd	75	
reduction rate: 1 child	Ch_cred_red1	0.025	
redn. rate: 2 or more	Ch_cred_red2	0.05	
threshold	Ch_cred_thrsh	25921	
Working income supplement	WIS_cred_1st	785	
	WIS_cred_2nd	1370	
	WIS_cred_3rd	510	
threshold to start phase-out	WIS_phout_st	20921	
threshold to end phase-out	WIS_phout_end	27750	
reduction rate	WIS_redn1	0.121	
	WIS_redn2	0.202	
	WIS_redn3	0.268	
Federal tax schedule	Fed_sch	0.17	29590
		0.26	59180
		0.29	
Surtax rate	Sur_rate	0.03	
High-income surtax rate	H_sur_rate	0.05	
threshold	H_sur_thrsh	12500	
Surtax Reduction	Surd_maxtax	12500	
Base	Surd_base	250	
Threshold	Surd_thrsh	8333	
Rate	Surd_rate	0.06	
% to apply	Surd_app	0.5	
Provincial tax rate	Prov_rate	0.505	
Canada pension plan rate	CPP_rate	0.032	
exemption	CPP_ex	3500	
max contrib.	CPP_max	1069	
Unemployment ins.rate	Unemp_rate	0.027	
max contrib.	Unemp_max	1053.00	
tax credit rate	Unemp_cred_rate	0.17	

CZECH REPUBLIC – RÉPUBLIQUE TCHÈQUE

The national currency is the Koruny (Ck). In 1998, Ck 32.29 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Ck 153 132.

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*: Ck 32 040 allowance for all individuals.
- *Marital status relief*: An additional allowance of Ck 18 240 is given in respect of a spouse living in a joint household if that spouse earns no more than Ck 32 040.
- *Relief for children*: One spouse may claim an allowance of Ck 18 000 per child for children of the household who satisfy one or more 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 unless the child receives a state disability pension. 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 average production worker

- *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 Ck 1 000.

1.123. Tax schedule

The tax schedule is as follows:

Taxable income (Kc)	Tax at the lower limit (Kc)	Tax rate on taxable income in excess of the lower limit (%)
0-91 440	0	15
91 440-183 000	13 716	20
183 000-274 200	32 028	25
274 200-822 600	54 828	32
Over 822 600	230 316	40

1.2. State and local income tax

There are no regional or local income taxes.

2. Social security contributions

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		
– Sickness	1.1	
– Retirement	6.5	
– Unemployment	0.4	
Total Social Insurance	8.0	

2.2. Employers' contributions

The total contribution for employers is 35 per cent of gross earnings (without ceiling).

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:

Age of child	Family Income:	
	up to 1.8 MLS	1.8 MLS-2.2 MLS
Total payment Kc per month		
Below 6	421	218
6-10	467	242
10-15	554	287
15-26	608	315

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 employee's social security and health insurance contributions. The monthly MLS for the average production worker-type family with children can be calculated by summing the following amounts (in Ck):

Basic Personal Requirement	
Adult	2 130
Child aged below 6	1 560
Child aged between 6 and 10	1 730
Child aged between 10 and 15	2 050
Child aged between 15 and 26	2 250
Household Expenses	
One person household	1 300
Two person household	1 700
Three or four person household	2 110
Five and more person household	2 370

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 net monthly income of the family is below 1.6 MLS. The central government pays this allowance monthly. This programme was introduced in 1996 and has been included in the tax equations commencing in 1998.

4. Main changes in tax/benefit systems since 1998

The basic tax allowance for 1999 has been increased to Ck 34 920, the tax allowance for children to Ck 21 600 per child, and the marital status relief to Ck 19 884. The tax brackets have been extended.

The cash transfers and relevant MLS have been adjusted for inflation. The family income limit for family allowances has been increased to three times the minimum living standard.

The number of tax brackets for 2000 and later years has been reduced from five to four, so the marginal tax rate for income earners in the top bracket has dropped from 40 per cent to 32 per cent.

5. Memorandum items

5.1 *Identification of APW and valuation of earnings*

The average earnings of an average production worker are estimated by the Czech Statistical Office from employer survey data.

5.2 *Employers' contributions to private pension, health and related schemes*

Such schemes did not exist in 1998.

1998 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 (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<=(1.8)*MLS*12,transf_1*12, IF(net_inc<=(2.2)*MLS*12,transf_2*12,0))+Children*12*IF (AS7<AT7*12,basic_child*(0.6/1.6),IF(AS7<1.6*AT7*12, basic_child*(1-AS7/(1.6*AT7*12)),0))
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

1998 Parameter values

Earnings	Ave-earn	153 132	
Basic allowance	basic-al	32 040	
Spouse	spouse-al	18 240	
Child (up to 4)	child-al	18 000	
Income tax schedule	tax-sch	0.15	91 440
		0.2	183 000
		0.25	274 200
		0.32	822 600
		0.4	
Social security contributions	SSC-rate	0.125	
Employers	SSC-empr	0.35	
Minimum living standard (MLS)	basic-adult	2 130	
		2 050	
	house-exp	1	1 300
		2	1 700
		3	2 110
4		2 110	
5		2 370	
Cash transfers	transf-1	554	
	transf-2	287	

DENMARK – DANEMARK

The national currency is the Kroner (DKr). In 1998, DKr 6.701 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned 268 600 DKr.

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, unemployment benefits, pension, and so on.
- *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).

All three categories are subject to 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 wage 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.

In 1998, employees will pay a contribution of 1 per cent of their gross earnings to a compulsory pension saving plan. The contribution is not classified as a tax or social security contribution because it is a 'requited' payment, in the sense that entitlements of contributors are in proportion to their payments. In 1999 and later years a contribution of similar size is levied. Because the rules governing pension entitlements under the programme have been changed recently, the contributions concerned are no longer fully requited payments as from 1999. The contribution is deductible from personal income and is considered a standard tax allowance in this report.

1.122. Main non-standard tax reliefs applicable to an APW

- i) *Interest payments* are fully deductible against capital income.

- ii) *The non-standard deduction for wage and salary earners*: Actual costs related to the acquisition of income are deductible in the taxable income. The main items are contributions paid to the trade union, transportation costs and other costs exceeding DKr 4 000.
- iii) Contributions/premiums paid to *private pension saving plans* are in general deductible from personal income.
- iv) Other reliefs are:
- Alimony paid, if according to contract, is deductible from taxable income.
 - Charitable contributions to certain non-profit institutions are deductible from taxable income (limit DKr 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	8 per cent of Dkr 31 400 = Dkr 2 512
For local government income tax and church tax (average rate)	32.4 per cent of Dkr 31 400 = Dkr 10 174

Special personal allowance for an individual younger than 18 years: DKr 22 500.

If a married individual 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 the basis of taxable income, at the rate of 8 per cent.

Medium bracket tax to the central government is assessed on the part of the aggregate of personal income and capital income above DKr 139 000, at the rate of 6 per cent. If a married individual cannot utilise the total allowance of DKr 139 000, the unutilised part is transferred to the spouse.

Top bracket tax to the central government is assessed on the excess of DKr 251 200 of the aggregate of personal income and capital income exceeding DKr 21 400 at the rate of 15 per cent. If a married individual cannot utilise the allowance of DKr 21 400, the unutilised part is transferred to the spouse.

If the marginal tax rate including local tax but excluding church tax exceeds 58 per cent, the top bracket tax rate is reduced by the difference between the marginal tax rate and 58 per cent. At the average local tax rate, this reduction equals 2.7 per cent points in 1998.

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: 27.2 per cent.

Highest rate: 35.2 per cent.

Average rate: 32.4 per cent (municipalities: 21.7; counties: 10.0; church: 0.7). The average rate is used in this report. It is calculated as total local tax revenue as a percentage of the tax base less personal allowances.

2. Social security contributions

2.1. Employees' contributions

Social security contributions are assessed on the basis of employees' gross earnings at the rate of 8.0 per cent.* Social security contributions are not assessed on transfers and on capital income. Two caps apply:

Labour market supplementary pension scheme: DKr 894.

Unemployment insurance: DKr 3 895.

2.2. Employers' contributions

Social security contributions are assessed on the basis of employees' gross earnings at the rate of 0.33 per cent. The employer's social security contribution is not included in the wage of the average production worker.

Labour market supplementary pension scheme: DKr 1 789. DKr 1 325.40 of the employer's contributions to the Labour market supplementary pension scheme are refunded by the central government.

3. Universal cash transfers

The transfers for each dependent child are as follows:

Age group	Quarterly amount (DKr) for each child
0-2	2 750
3-6	2 500
7-17	1 950

The transfer is independent of the parents' income. There are special amounts for single parents: the transfer for each dependent child is DKr 4 644 per year, and a yearly transfer of DKr 3 548 regardless of the number of children. In addition there is a state transfer of DKr 8 904 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 tax reform has been implemented in the years 1994-1998. The main element of the tax reform included the introduction of a new tax schedule and lowering the tax rates, combined with the introduction of social security contributions based on gross earnings. A new tax reform is being implemented in the years 1999-2002. The main element of the tax reform is the introduction of a new tax schedule, reducing the rates for taxpayers with lower incomes, combined with a limitation in the value of tax reliefs for interest paid and deductible work-related expenses.

* 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.

From 1997 to 1998 the low bracket tax rate has been reduced from 10 per cent to 8 per cent, and again from 8 per cent to 7.5 per cent in 1999. The ceiling for the maximum marginal tax rate (see §1.3) has been reduced from 60 per cent in 1997 to 58 per cent in 1998 and raised again to 59 per cent in 1999.

Commencing in 1999, the medium bracket tax is assessed on the aggregate of personal income and positive net capital income. This implies that interest paid can no longer be deducted from the base for the medium bracket tax. In tandem, the threshold for the medium bracket has been increased by an extra Dkr 8 000.

5. Memorandum items

5.1. *Identification of an average production worker*

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.

For an average production worker, the employer pays Dkr 21 000 to labour market pension schemes, in addition to the Labour Market Supplementary Pension Scheme. This amount is not included in the gross wage of the average production worker.

The labour market pension scheme typically consist of both an employer contribution and an employee contribution, which is paid out of the APW-wage. The employee's contribution usually amounts to half of the employer's contribution. The employee contribution is considered a non-standard tax relief. The current level of contributions to labour market pension schemes is 5.3 per cent of gross wage, where the employer pays two-thirds and the employee one-third.

1998 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)

1998 Parameter values

Earnings	Ave_earn	268600	
Central taxes	Low_rate	0.08	
	Medium_thrsh	139000	
	Medium_rate	0.06	
	Top_thrsh	251200	
	Top_rate	0.15	
	Marg_rate_ceil	0.58	
	Adj_top_rate	0.123	
	Temp_tax_rate	0.00	
	Temp_tax_thrsh	0	
	Personal_al	31400	
Local taxes	gener_rate	0.317	
	church_rate	0.007	
total local tax rate	Local_rates	0.324	
Child transfers	Child1_5y	10000	
	Child2_12y	7800	
	Child3_3y	10000	
	Child4	7800	
for single parents	Sing_par_basic	3648	
	Sing_par_ch	13548	
Employees soc. security:			
	suppl. pension scheme	Pension	894
	unempl. insurance	Unemp	3895
SSC rate	SSC_rate	0.08	
Employer soc. security:			
	suppl. pension scheme	Pension_empr	1789
	refunded by government	Pension_ref	1325.40
SSC rate	SSC_empr	0.0033	
Comp. Saving plan rate	cpens_empr	0.01	

FINLAND – FINLANDE

The national currency is the Markkas (Mk). In 1998, Mk 5.344 was equal to US\$1 (average of daily exchange rates). The calculations assume that in 1998 the average production worker earned Mk 140 619, the same amount as in 1997. The 2000 edition of this report will show definitive results for 1998.

1. Personal income tax systems

1.1. Central government income tax

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 3 per cent of the amount of wage or salary, with a maximum amount of Mk 1 800 is granted.

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

– *Interest*: Interest can be deducted against capital income. Of the excess of interest over capital income 28 per cent can be credited against income tax up to a maximum of Mk 8 000.

– *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 Mk 3 000 up to a maximum deduction of Mk 20 000.

– *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 (Fmk)	Tax on lower limit (Fmk)	Tax on excess income in bracket (%)
46 000-62 000	50	6
62 000-78 000	1 010	16
78 000-110 000	3 570	20
110 000-173 000	9 970	26
173 000-306 000	26 350	32
306 000-and over	68 910	38

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 1998, the tax rate varied between 15 and 19.75 per cent, the average rate being approximately 17.55 per cent.

The church tax is imposed on the income of individuals who are members of the State Churches (about 83 per cent of the population). The tax base and allowances are identical to those for municipal taxation purposes. In 1998 the weighted average tax rate was approximately 1.28 per cent.

Municipal and church taxes are not deductible against central government taxes. Work-related expenses and other non-standard deductions are deductible, as for the central government income tax.

1.22. Allowances in municipal income taxation:

- An *earned income allowance* is calculated on the basis of a taxpayer's taxable wage and salary income. The allowance amounts to 20 per cent of income exceeding Mk 15 000, to a maximum of Mk 5 500. The amount of the allowance is reduced by 2 per cent of the income exceeding Mk 43 000.
- A *basic allowance* is granted on the basis of taxable income after the other allowances have been deducted. The maximum amount of the basic allowance, Mk 8 800, is reduced by 20 per cent of the income exceeding Mk 8 800.

2. Social security contributions

2.1. Employees' contributions

2.11. Rate and ceiling

In 1998, the rate of the sickness insurance contribution paid by employees was 1.5 per cent. This contribution was 0.45 percentage points higher for taxable income exceeding Mk 80 000. The tax base for the sickness insurance contribution is net taxable income for municipal income tax purposes.

In addition, the employee pension insurance contribution amounted to 4.7 per cent of gross salary.

The employee unemployment insurance contribution was equal to 1.4 per cent of gross salary.

The contributions for the pension and unemployment insurances are deductible for income tax purposes. Rates do not differ by marital status or sex of the employee.

2.2. Employers' contributions

The average rate of employers' social security contributions in 1998 was 26.0 per cent of the employees gross wage.

3. Universal cash transfers

3.1. Amount for marriage

None.

3.2. Amount for children

The central government paid in 1998 the following allowances (Mk):

The child subsidy for a single parent is increased by an annual amount of Mk 2 400.

For the first child	6 420
For the second child	7 884
For the third child	9 340
For the fourth child	10 812
Fifth and subsequent child	12 276

4. Main changes in the tax/benefit system since 1997

In January 1998, central government income tax brackets were adjusted by 2 per cent. The maximum amount of the deduction for travelling expenses was increased. The rate of the sickness insurance contribution was reduced by 0.4 percentage point. The rate of the employee pension insurance contribution was lowered by 0.1 percentage point.

In January 1999, central government income tax brackets were adjusted by 2 per cent and all marginal rates except the top rate were lowered by 0.5 percentage point. The maximum amount of the earned income allowance was increased from Mk 5 500 to Mk 8 600, and that of the standard deduction for work-related expenses from Mk 1 800 to Mk 2 100. The additional sickness insurance contribution on taxable income over Mk 80 000 is no longer levied. The rate of the employees' unemployment insurance contribution fell from 1.4 per cent to 1.35 per cent.

5. Memorandum items

5.1. Calculation of average gross annual wage

The Finnish figures for 1997 were calculated as follows:

- Calculated on the basis of hourly data: Mk 65.71 per hour (male and female), 2 040 hours per year, plus a post-vacation-return-to-work payment of Mk 6 571.
- The earnings figures exclude sickness and unemployment compensation, but include all normal overtime compensation 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.
- The wage level for 1998 is the same as for 1997, because no updated wage data were available at the moment the calculations for the report were done.

5.2. Employer contributions to private pension and health schemes

No information is available.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
Work related expenses	work_rel	B	$\text{MIN}(\text{Work_exp_max}, \text{Work_exp_rate} * \text{earn})$
SSC deduction	SSC_al	B	$\text{earn} * \text{al_SSC_rate}$
2. Allowances:	tax_al	B	$\text{work_rel} + \text{SSC_al}$
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	$= \text{Tax}(\text{tax_inc}, \text{Tax_sch}) + \text{Tax_min} * (\text{tax_inc} > \text{Tax_thrsh})$
6. Tax credits :	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
Low income deduction	low_al	B	$\text{MIN}(\text{al_max}, \text{al_rate} * \text{Positive}(\text{earn} - \text{work_rel} - \text{al_thrsh})) - \text{MIN}(\text{al_max}, \text{al_redn_rate} * \text{Positive}(\text{earn} - \text{work_rel} - \text{al_redn_thrsh}))$
Child & standard deduction	st_al	B	$\text{Positive}(\text{MIN}(\text{earn} - \text{work_rel} - \text{low_al} - \text{SSC_al}, \text{SL_max}) - \text{SL_rate} * \text{Positive}(\text{earn} - \text{work_rel} - \text{low_al} - \text{SSC_al} - \text{SL_max}))$
Taxable income (local)	tax_inc_l	B	$\text{tax_inc} - \text{low_al} - \text{st_al}$
8. State and local taxes	local_tax	B	$\text{tax_inc_l} * \text{Local_tot}$
9. Employees' soc security	SSC	B	$\text{SSC_rate} * \text{tax_inc_l} + \text{SSC_prog_rate} * \text{Positive}(\text{tax_inc_l} - \text{SSC_prog_thrsh}) + \text{SSC_al}$
11. Cash transfers	cash_trans	J	$(\text{Children} > 0) * \text{ch_1} + (\text{Children} > 1) * \text{ch_2} + (\text{Children} > 2) * \text{ch_3} + (\text{Children} > 3) * \text{ch_4} + \text{Positive}(\text{Children} - 4) * \text{ch_4} + (\text{Married} = 0) * \text{Children} * \text{ch_lone}$
13. Employer's soc security	SSC_empr	B	$\text{earn} * \text{SSC_empr}$

1998 Parameter values

1998 Parameter values			
Law data	Year	1998	
APW-wage	Ave_earn	140619	
Expenses	Work_exp_max	1800	
	Work_exp_rate	0.03	
Allowances	al_SSC_rate	0.061	
State tax	Tax_min	50	Tax_thrsh
Tax schedule	Tax_sch	0	46000
		0.06	62000
		0.16	78000
		0.2	110000
		0.26	173000
		0.32	306000
		0.38	
Earned income ded.	al_thrsh	15000	
	al_rate	0.2	
	al_redn_thrsh	43000	
	al_redn_rate	0.02	
	al_max	5500	
low income	SL_max	8800	
	SL_rate	0.2	
Local intax	Local_rate	0.1755	
	Church_rate	0.0128	
	Local_tot	0.1883	
Soc sec taxpayer	SSC_rate	0.015	
progressive	SSC_prog_rate	0.0045	
Prog.lim	SSC_prog_thrsh	80000	
soc.sec empr	SSC_empr	0.26	
Cash transfer	ch_1	6420	
	ch_2	7884	
	ch_3	9348	
	ch_4	10812	
	ch_5	12276	
	ch_small	0	
	ch_lone	2400	

FRANCE

La monnaie nationale est le franc (FF). En 1998, FF 5.90 était égal à US\$1 (moyenne journalière des taux de change). En 1998, un ouvrier à temps complet de l'industrie manufacturière gagnait en moyenne, pour une année complète, FF 132 200.

1. Systèmes 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 commun de la famille mais les enfants n'y sont compris que s'ils sont à la charge des parents. Les autres personnes (grand-mère, etc.) 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 2 310 FF et plafond à 77 460 FF et celui des déductions complémentaires à 30 000 FF ; les deux plafonds sont indépendants).
- Abattement forfaitaire égal à 20 pour cent du salaire après application de la déduction mentionnée ci-dessus.

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) : 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.

1.122. Principaux allègements non forfaitaires applicables à un ouvrier moyen

Certaines charges donnent lieu à réduction d'impôts : les intérêts des emprunts afférents à l'acquisition de l'habitation principale, les dépenses relatives aux gros travaux dans l'habitation principale, les intérêts des prêts à la consommation, les salaires des emplois à domicile, les frais de garde des enfants de moins de sept ans, les enfants à charge poursuivant leurs études, les dons à des œuvres ou à des organismes aidant les personnes en difficulté, etc.

1.13. *Barème de 1999 d'imposition sur le revenus de 1998*

Sur le montant de l'impôt résultant de ce barème s'appliquent une « décote » spécifique pour les contribuables faiblement imposables et éventuellement certaines réductions d'impôts.

	Fraction du revenu imposable (1 part)	Taux (en %)
1 ^{re} tranche	N'excédant pas 26 100 F	0
2 ^e tranche	De 26 100 à 51 340 F	10.5
3 ^e tranche	De 51 340 à 90 370 F	24
4 ^e tranche	De 90 370 à 146 320 F	33
5 ^e tranche	De 146 320 à 238 080 F	43
6 ^e tranche	De 238 080 à 293 600 F	48
7 ^e tranche	Au-delà de 293 600 F	54

1.2. Impôt des collectivités décentralisées

Les impôts locaux touchant les ménages salariés sont :

- La taxe d'habitation, qui est fixée directement par les communes.
- Les impôts fonciers sur la propriété bâtie et sur la propriété non bâtie.

Ces impôts locaux dont le taux varie selon la commune dans des proportions importantes n'ont pas été évalués dans ce calcul.

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, ce taux est passé à 2.4 pour cent (de 95 pour cent du salaire brut) au 1^{er} juillet 1993. Depuis le 1^{er} janvier 1997, le taux de la CSG est fixé à 3.4 pour cent, soit une augmentation de un point. Ce point supplémentaire est déductible du revenu imposable (comme les cotisations sociales) ; tandis que les 2.4 pour cent qui étaient précédemment en vigueur continuent à faire partie du revenu imposable. Depuis le 1^{er} janvier 1998, le taux de CSG est fixé à 7.5 pour cent, soit une augmentation de 4.1 ; le total de 5.1 points est déductible 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. La CRDS fait partie du revenu imposable contrairement aux cotisations sociales.

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 1998, il s'élève à 14 090 FF.

2.1. Cotisations des salariés

2.11. Retraite

6.55 pour cent du salaire sous plafond. Le plafond est 169 080 FF.

2.12. Maladie, maternité, invalidité, décès

0.75 pour cent de la totalité du salaire.

2.13. Chômage

3.01 pour cent sous plafond ; 3.60 pour cent entre 1 et 4 fois le plafond (169 080 FF).

2.16. *Autres*

- Retraite complémentaire non cadres : minimum 2.75 pour cent jusqu'à trois fois le plafond en 1998.
- Retraite complémentaire des cadres : minimum 2.75 pour cent jusqu'à une fois le plafond, 6.875 pour cent de une à huit fois le plafond en 1998.
- 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. En janvier 1998, elle est de 0.05 pour cent pour le cadre.
- Veuvage : 0.1 pour cent sur la totalité du salaire.

2.2. *Cotisations patronales*

2.21. *Retraite*

8.20 pour cent du salaire sous plafond, complété par un prélèvement de 1.60 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*

5.13 pour cent jusqu'à une fois le plafond, 5.26 pour cent de une à quatre fois le plafond. A cela s'ajoute 0.25 pour cent sous quatre plafonds pour l'alimentation du fonds de garantie des salaires.

2.24. *Accidents du travail*

Pourcentage variable suivant le secteur d'activité du salaire sous plafond.

2.25. *Allocations familiales*

5.40 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 (le montant annuel du SMIC est de 78 423 FF pour l'année 1997). Cette mesure est ramenée à 1.3 SMIC à partir du 1^{er} janvier 1998 (le montant annuel du SMIC est de 80 765 FF en 1998).

2.26. *Autres*

- Retraite complémentaire : minimum 4.125 pour cent jusqu'à trois fois le plafond pour les non-cadres. Pour les cadres, ce taux n'est maintenu que jusqu'au plafond. Il passe à 11.875 pour cent au delà du plafond.
- Contribution exceptionnelle et temporaire (CET) : 0.09 pour cent.
- 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 transport n'est pas prise en compte car variable géographiquement.

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) : 2 131.68 FF depuis le 1^{er} janvier 1998.
- Taux : deux enfants : 32 pour cent ; par enfant supplémentaire : 41 pour cent.

- Complément familial : Montant forfaitaire de 884 FF. Il est versé, sous condition de ressources, à partir de trois enfants à charge.
- Allocation pour jeune enfant (moins de trois ans) : 45.95 pour cent de la BMAF sous condition de ressources.
- Une allocation de logement peut être versée aux familles compte tenu de leur revenu et de leurs dépenses de loyer (ou d'accession à la propriété).

Depuis le 1^{er} janvier 1997, la plupart des prestations familiales sont soumises à la CRDS (0.5 pour cent). Les allocations de logement y étaient déjà soumises depuis sa création.

N.B. : Seules les allocations familiales sont prises en compte dans l'évaluation des prestations familiales.

4. Principales modifications apportées au système fiscal et au régime des prestations sociales depuis 1996

Système fiscal :

- Depuis 1996 (pour le calcul de l'impôt sur les revenus de 1995), les deux premiers enfants d'un couple non marié comptent chacun pour un demi-part, au lieu d'une part auparavant (alignement sur les couples mariés).
- A compter des revenus de 1997, pour les personnes seules ayant élevé un enfant, qui a ce titre bénéficié d'une demi-part supplémentaire, voit l'avantage de cette demi-part supplémentaire limité à 6 100 FF.

Cotisations des salariés :

- En 1998, le taux des cotisations d'assurance maladie est réduit de 5.5 pour cent à 0.75 pour cent. Cette baisse intervient en contrepartie de l'augmentation de la CSG.
- Les cotisations de retraite complémentaire voient leur taux augmenter en 1998 et 1999 aussi bien pour les cadres que pour les non-cadres.
- La déduction complémentaire devrait s'établir à 20 000 FF en 1999 et à 10 000 FF en 2000. Elle devrait être supprimée par la suite.

Cotisations patronales :

- Les cotisations de retraites complémentaires des cadres augmentent en 1998 et 1999, celles des non-cadres également.

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 » en NAF (nomenclature d'activité française, version française de la NACE) ; alors que jusqu'en 1996 (résultats provisoires) les salaires bruts étaient obtenus par actualisation de ce fichier. Ce nouveau mode de détermination du salaire brut rend les résultats provisoires de 1997 et révisés de 1996 non-comparables à ceux qui ont été précédemment diffusés dans cette publication. A titre d'exemple, le salaire de l'ouvrier moyen en 1996 est réévalué de 5 à 7 pour cent avec ce nouveau mode de calcul.

1998 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	CSG_ded		CSG_rate_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 (non-deductible)	CSG_noded	J	Positive(CSG_rate_noded*earn)
CSG (deductible)	CSG_ded	J	CSG_rate_ded*earn
Final income tax	fin_inc_tax	J	inc_tax+CSG_noded+CSG_ded
6. Tax credits:	tax_cr	J	0
7. CG tax	CG_tax	J	fin_inc_tax
8. State and local taxes	local_tax	J	0
9. Employees' soc security	SSC	B	pension_rate*MIN(earn,SSC_ceil)+ sickness_rate*earn+ unemp_rate1*MIN(earn,SSC_ceil)+ (earn>SSC_ceil)*unemp_rate2* MIN(earn-SSC_ceil,3*SSC_ceil)+ pens_rate_ex*MIN(earn,3*SSC_ceil)+ pens_widow*earn
11. Cash transfers	Cash_tran	J	IF(Children<2,0,CB_2+(Children-2)*CB_3)
13. Employer's soc security	SSC_empr	B	(pens_empr1+others_empr1)*MIN(earn,SSC_ceil)+IF(SSC_ceil <earn,pens_empr2+others_empr2,0)*(earn- SSC_ceil)+(sickness_empr+fam _empr+accidents_empr)*earn+pens_empr_ex*MIN(earn,3*SMIC) +IF(earn<SSC_ceil,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))

1998 Parameter values

APW earnings	Ave_earn	132200	
Work expenses	work_rel_fl	2310	
	work_rel_ceil	77460	
	work_rel_rate	0.1	
Basic allowance	basic_al_rate	0.2	
Tax schedule	tax_sch	0	26100
		0.105	51340
		0.24	90370
		0.33	146320
		0.43	238080
		0.48	293600
		0.54	
Décote value	decote	3330	
	tax_min	400	
CSG	CSG_rate_noded	0.02755	
	CSG_rate_ded	0.04845	
Social security contributions	pension_rate	0.0655	
	SSC_ceil	169080	
	sickness_rate	0.0075	
	unemp_rate1	0.0301	
	unemp_rate2	0.036	
Extra pension (non-cadres)	pens_rate_ex	0.0275	
Widows pension	pens_widow	0.001	
Employer contributions	pens_empr1	0.082	
	pens_empr2	0.016	
	sickness_empr	0.128	
Unemployment	unemp_empr1	0.0538	
	unemp_empr2	0.0551	
Accidents	accidents_empr	0	
Family Allowance	SMIC	80311	
	fam_empr	0.054	
Extra pension	pens_empr_ex	0.04125	
Others	others_empr1	0.0295	
	others_empr2	0.0285	
Child benefit (second child) third & subsequent	CB_2	8148	
	CB_3	10597	

GERMANY – ALLEMAGNE

The national currency is the Deutsche Mark (DM). In 1998, DM 1.760 was equal to US\$1 (average of daily exchange rates). In that year, the Average Production Worker earned DM 59 549.

1. Personal income tax system

1.1. Federal government income tax

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 included in taxable income 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 is computed by the income splitting method.
- *Relief(s) for children*: tax credits of DM 2 640 for the first and the second child, DM 3 600 for the third child and DM 4 200 for the fourth and subsequent children.
- *Reliefs for social security contributions and life insurance contributions*: Social security contributions and other expenses incurred in making provisions for the future (*e.g.*, life insurance), are deductible up to specific ceiling amounts.

The calculation of income tax due proceeds in three steps. As the first step, DM 6 000/12 000 (singles/couples) is deductible. These amounts are, however, reduced by 16 per cent of gross wage. This reduction serving as a proxy for the employers' social security contributions which are not taxed in the hands of employees. This provision is meant as a partial compensation for the self-employed, who do not earn tax-free employers' contributions to finance the social security system. As the second step, the remaining expenses are deductible up to DM 2 610/5 220 (singles/couples). As the final step, half of the remaining expenses are deductible up to DM 1 305/2 610 (singles/couples).

- *Work-related expenses*: DM 2 000 lump-sum allowance per gainfully-employed person.

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

- *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 they are 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 54 it is rounded down to the next (full DM) amount which can be divided by 54.

- X is the rounded taxable income.
- T is the income tax liability.
- In addition the following definition is used in the income tax liability formulae:

$$Y = \frac{X - 12\,312}{10\,000}$$

$$Z = \frac{X - 58\,590}{10\,000}$$

The income tax liability (amounts in DM) is calculated as follows:

- $T = 0$ for $X \leq 12\,365$
- $T = (91.19Y + 2\,590) Y$ for $12\,366 \leq X \leq 58\,643$
- $T = (151.96Z + 3\,434) Z + 13\,938$ for $58\,644 \leq X \leq 120\,041$
- $T = 0.53X - 22\,843$ for $120\,042 \leq X$

These formulae 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. Social Security Contributions

2.1. Employees' contributions

2.11. Pensions

10.15 per cent of gross wage earnings, and not more than 10.15 per cent of the insurable ceiling of DM 100 800.

2.12. Sickness

On average 6.8 per cent of gross wage earnings, and not more than 6.8 per cent of the insurable ceiling of DM 75 600.

2.13. Unemployment

3.25 per cent of gross wage earnings, and not more than 3.25 per cent of the insurable ceiling of DM 100 800.

2.14. Care

0.85 per cent of gross wage earnings, or not more than 0.85 per cent of the insurable ceiling of DM 75 600.

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 a part of the taxable income of the employee.

3. Universal cash transfers

None.

4. Main changes in tax/benefit systems since 1996

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 DM 8 208 (1995) and cash transfers of DM 2 400 have been replaced by DM 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 in the tax assessment.

In 1997 the tax credit for the first and the second child was raised to DM 2 640; the child allowance was increased to DM 6 912. In 1999, the tax credit for the first and the second child was raised to DM 3 000.

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. Employer's contributions to private pension, etc. schemes

No information available, though such schemes do exist.

1998 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)*(91.19*((adj-12312)/10000)+2590)* ((adj-12312)/10000) + (adj>Tax_thrsh2)*(adj<Tax_thrsh3)*(((adj-58590)/10000)*(((adj-5859 0)/10000)*151.96)+3434))+13938)+(adj>Tax_thrsh3)*(Tax_rate2*adj-22843)
Adjust for the quotient	tax_adj	J	Quotient*tax_formula
Include solidarity surcharge	sol_surch	J	MIN(tax_adj * 0.055, Positive(tax_adj - 1836) * 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

1998 Parameter values

APW earnings	Ave_earn	59549
Tax allowances	Child_al	6912
Lone Parents	Lone_al	5616
Work related	Work_rel_al	2000
SSC allowance	SSC_dn	6000
	SSC_dn_rt	0.16
	SSC_dn_lim	2610
Allow. for special expenses	SE_al	108
Church tax rate	Ch_tax_rt	0.09
Tax formula	Tax_rate2	0.53
	Tax_thrsh1	12312
	Tax_thrsh2	58590
	Tax_thrsh3	120042
Social security contributions ceiling	Pension_rate	0.1015
	Pension_ceil	100800
Sickness ceiling	Sick_rate	0.068
	Sick_ceil	75600
Unemployment ceiling	Unemp_rate	0.0325
	Unemp_ceil	100800
Care ceiling	Care_rate	0.0085
	Care_ceil	75600
Child credit	Ch_cred	2640

GREECE – GRÈCE

The national currency is the Drachme (Dr). In 1998, Dr 295.53 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Dr 3 241 753 (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

- i) Reliefs for social security contributions
 - Contributions to public pensions funds are not regarded as taxable income.
- ii) Work-related expenses
 - A relief of Dr 300 000 is granted to all wages and salary earners. This relief is given through the tax schedule (see §1.13 below).
- iii) 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:
 - Dr 25 000 per child, if the family comprises one or two children
 - Dr 35 000 per child, if the family comprises three children
 - Dr 45 000 per child, if the family has four or more children.

The above reliefs are increased by an amount of Dr 10 000 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

- i) 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.
- ii) Non-standard tax allowances related to actual expenses incurred, subject to a ceiling
 - Expenses for medical and hospital care up to Dr 10 million are deductible in full if the annual declared income is also below Dr 10 million. Where such expenses exceed Dr 10 million, 50 per cent of the excess amount is additionally allowed, provided that the annual income declared is over

- Dr 10 million and the additional deduction does not exceed 50 per cent of the amount of income in excess of Dr 10 million.
- 40 per cent of the annual expenses incurred by the taxpayer for himself or his children, paid to private schools or other educational institutions; a maximum applies of Dr 150 000 per child and for the taxpayer himself.
 - The amount of premiums paid for life insurance. The deductible amount cannot exceed 4 per cent of the total family income and Dr 200 000. The allowance is provided as a tax credit equal to 15 per cent of the deductible amount. It follows that the maximum tax credit amounts to Dr 30 000.
 - 30 per cent of the rent paid for the main residence up to 15 per cent of the total annual income, which cannot exceed the amount of Dr 240 000.
 - 30 per cent of the rent up to 10 per cent of the total annual income which cannot exceed Dr 120 000 paid for the residence of children who attend schools in an area other than the place of their main residence where parents do not own or rent a house.
 - Charitable donations to cultural not-for-profit 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 Dr 300 000. 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 indicated in §1.121 (i). 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 (iii) 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

Basic rate schedule

Income bracket (Drs)	Tax rate (%)
1 055 000	0
1 582 500	5
1 582 500	15
3 165 000	30
8 440 000	40
Excess	45

Rate schedule for individuals deriving employment income

Income bracket (Drs)	Tax rate (%)
1 355 000	0
1 282 500	5
1 582 500	15
3 165 000	30
8 440 000	40
Excess	45

1.2. State and local income taxes

No state or local income taxes exist in Greece.

2. Social security contributions

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, etcetera). 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 individual insured 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 Dr 543 750 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 usually 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

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*.

- a) 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.
- b) 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.
- c) Regular payments (hourly manufacturing earnings) are multiplied by the number of the weekly worked hours and by 13 weeks.
- d) Overtime hourly payments are multiplied by the number of the overtime hours per week, by 13 weeks.

**Average gross earnings of production workers (in Drs)
are as follows:**

Ordinary time			
1st quarter	1 389.56	$\times 40.02 \times 13 =$	722 932
2nd quarter	1 396.81	$\times 39.88 \times 13 =$	724 162
3rd quarter	1 407.98	$\times 39.97 \times 13 =$	731 600
4th quarter	1 421.09	$\times 39.88 \times 13 =$	736 750
Total			2 915 444
Overtime			
1st quarter	2 191.31	$\times 1.20 \times 13 =$	34 184
2nd quarter	2 291.77	$\times 1.07 \times 13 =$	31 879
3rd quarter	2 272.75	$\times 1.26 \times 13 =$	37 228
4th quarter	2 313.69	$\times 1.41 \times 13 =$	42 410
Total			145 701
Overall total			3 061 145

The wage level for 1998 was estimated by the OECD Secretariat. To this end the overall 1997 wage level of Dr 3 061 145 was multiplied by a factor of 1.059, based on the average wage increase in 1998 of 5.9 per cent reported in the OECD *Economic Outlook* of June 1999.

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.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn_princ earn_spouse	P S	Ave_earn*(1+Married*Wife_sub+ MIN(Children,3)*Child_sub) 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	SSC_rate*MIN(earn,SSC_ceil)
11. Cash transfers	cash_trans	B	0
13. Employer's soc security	SSC_empr	B	SSC_rate_empr*MIN(earn,SSC_ceil)

1998 Parameter values

Average earnings/yr	Ave_earn	3241753												
Tax credit	Child_cred	25000												
Rates of family subsidies paid by employers children (up to 3)	Wife_sub Child_sub	0.1 0.05												
Income tax schedule	Tax_sch	<table border="1"> <tbody> <tr><td>0</td><td>1355000</td></tr> <tr><td>0.05</td><td>2637500</td></tr> <tr><td>0.15</td><td>4220000</td></tr> <tr><td>0.3</td><td>7385000</td></tr> <tr><td>0.4</td><td>15825000</td></tr> <tr><td>0.45</td><td></td></tr> </tbody> </table>	0	1355000	0.05	2637500	0.15	4220000	0.3	7385000	0.4	15825000	0.45	
0	1355000													
0.05	2637500													
0.15	4220000													
0.3	7385000													
0.4	15825000													
0.45														
Social security contributions	SSC_rate SSC_rate_empr SSC_ceil	0.159 0.2796 6525000												

HUNGARY – HONGRIE

The national currency is the Forint (Ft). In 1998, Ft 214.40 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Ft 646 896.

1. Personal income tax system

1.1. Central/federal government income tax

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 he provides benefits in kind to his employees.

1.12. Tax allowances and tax credits

1.121. Standard reliefs

There are 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

– *Tax credit*: This must be calculated as 20 per cent of wage income earned in the tax year, with the annual maximum of Ft 50 400.

– *Employee 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 allowance on housing savings*: 20 per cent of the savings accumulated for housing purposes during the tax year, but not more Ft 60 000 per year, can be taken off tax payable. This deduction may be claimed for contracts concluded prior to 1 January 1997 only and during tax year 2001 for the last time.

– *Others*: Further tax credits can be obtained regarding certain insurance schemes, disability, intellectual and agricultural activities, investments for the purpose of business, grants made for public purposes and donations to foundations. Tax deduction is available for pensioners, landowners and those having foreign source income. But these rebates are not relevant in the case of an average production worker.

1.13. *Tax schedule*

Taxable income (HUF)		Tax on lower limit (HUF)	Tax rate on income in bracket (%)
Lower limit	Upper limit		
	0-250 000	0	20
	250 001-300 000	50 000	22
	300 001-500 000	61 000	31
	500 001-700 000	123 000	35
	700 001-1 100 000	193 000	39
	1 100 001 and above	349 000	42

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. *Social security contributions*2.1. *Employees' contributions*2.11. *Pensions*

The rate of pension contributions amounts to 7 per cent of gross wage earnings. The maximum annual amount of this contribution is Ft 109 610. Employees covered by the private pension system pay membership fees of 6 per cent and pension contributions of 1 per cent (total 7 per cent).

2.12. *Sickness*

The rate of health security contributions amounts to 3 per cent of gross wage earnings. The maximum annual amount of this contribution is Ft 46 976.

2.13. *Unemployment*

The worker must pay, as employees' contribution, 1.5 per cent of gross wage earnings.

2.14. *Others*

None. The average production worker 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, and so on. However, full-time employees are not making such payments.

2.2. *Employers' contributions*2.21. *Pensions*

The rate of pension security contributions amounts to 24 per cent of gross wage earnings.

2.22. *Sickness*

The rate of health security contribution amounts to 15 per cent of gross wage earnings. In addition, in 1998 employers must pay health contributions for each employee of Ft 2100 per month.

The social security contribution of 39 per cent (identified in §2.21 and §2.22) is also due on other benefits than gross earnings (*e.g.*, grants in kind) and payments (*e.g.*, based on certain contractual payments) as well.

2.23. *Unemployment*

The employer has to pay 4.2 per cent of gross wage earnings (employers' contribution). From July 1998, this contribution has been reduced to 4 per cent of gross wage earnings.

3. Universal cash transfers

3.2. *Transfers for dependent children*

3.21. *Effective from 1 May 1997 to 30 April 1998:*

Type of family	Monthly Net Income of the Family (HUF, per person, 1996)			
	Lower limit	Upper limit	Lower limit	Upper limit
	0-21 000		21 201-23 000	
For a couple with one child	3 400		1 700	
For a single earner with one child ¹	4 000		2 000	
For a couple with two children, per child	4 200		2 100	
For a single earner with two children, per child ¹	4 800		2 400	
For a couple with 3 or more children, per child	5 200 (irrespective of the income level)			
For a single earner with 3 or more children, per child	5 600 (irrespective of the income level)			
For a permanently sick and disabled child	6 600 (irrespective of the income level)			

1. For single earners the income limits are HUF 25 440 and 27 600, respectively.

3.22. *Effective from 1 May 1998 to 31 December 1998:*

Type of family	Monthly Net Income of the Family (HUF, per person, 1997)			
	Lower limit	Upper limit	Lower limit	Upper limit
	0-24 000		24 001-26 000	
For a couple with one child	3 800		1 900	
For a single earner with one child ¹	4 500		2 250	
For a couple with two children, per child	4 700		2 350	
For a single earner with two children, per child ¹	5 400		2 700	
For a couple with 3 or more children, per child	5 900 (irrespective of the income level)			
For a single earner with 3 or more children, per child	6 300 (irrespective of the income level)			
For a permanently sick and disabled child	7 500 (irrespective of the income level)			

1. For single earners the income limits are HUF 28 800 and 31 200, respectively.

The amount of family benefits depends on the disposable income earned in the year prior to the particular tax year. In the calculation the old regime (under paragraph 3.21) was applied for five months – from January to May –, while the new regime (under paragraph 3.22) was applied for seven months – from June to December. It must be emphasised that only measures for a single parent and a couple with two children have been included in the relevant tax equations, because in the tax year (1998) the monthly average net income per person for the four family-types included in this report remains below the lower limits concerned.

4. Main changes in the tax/benefit system since_1997

Tax credits for employees were increased in 1998. Also in 1998, the new pension system was introduced. Workers may now join private pension funds. One element of this programme includes that one-fourth of the pension contributions can be credited against tax payable. Employers' lump sum health contributions were increased, whereas unemployment contributions were reduced. Families with children received higher amount of child benefit than in the previous year.

5. Memorandum items

5.1. Method used to identify an average production worker and to calculate his gross earnings

5.11. Data sources

The Magyar Központi Statisztikai Hivatal (KSH) (Hungarian Central Statistical Office) produces monthly surveys with data of enterprises with over ten employees. These data include various earnings data (for all sectors) and for sick-pay as well. At the end of the year, the annual report of the National Bank of Hungary based on KSH-data publishes the employment data for all the economic organisations. Furthermore, statistical aggregations prepared on the basis of tax returns are used for the calculations, *e.g.*, the statistical data for employees having the same income as an average production worker (tax-deductible allowances, etcetera).

5.12. Basic data, method and results of calculations

The data cover the whole area of the country and apply to men and women. In 1998 there were 3698 thousand employees in total in Hungary and there were 912 thousand employees working in the industry (including mining, manufacturing, electricity and gas), which is 24.7 per cent of all employees. The number of employees in the manufacturing sector hired by firms employing over ten employees was 703.6 thousand in 1998; 95 per cent being full-time employees. There were 561.8 thousand and 141.8 thousand employees working in production and white collar jobs, respectively.

The income data do include: amounts paid out for leave with pay, overtime money, regular benefits. The income data do *not* include: unemployment benefits, sick-pay and incidental benefits. The basic method for the calculation is average monthly earnings x 12. The income tax year is the calendar year.

5.13. Determination of average earnings of full-time manufacturing employees working in production

- Monthly average earning of employees in manufacturing Ft 67 169.
- Monthly average earning of production workers in manufacturing,
not unemployed or sick Ft 53 908.
- Yearly average earnings (12 × Ft 53 908) Ft 646 896.

5.2. Employer contributions to private social security arrangements

In Hungary the Law on voluntary mutual insurance funds (a type of pension funds) was enacted on 6 December 1993. Based on the rules of 1998, if the employer underwrites a contract for a provision related to social security on behalf of the employee, the premium is included in the employee's total taxable income (but is not included in gross wage earnings above). Half of this amount can be deducted from the employee's payable tax, but this credit cannot exceed Ft 100 000 (or Ft 130 000 for those individuals reaching the retirement age prior to 1 January 2020).

On the calculation of social security contributions, an insurance premium not exceeding 115 per cent of the monthly minimum wage can be provided contribution-free.

1998 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,MIN(earn*tax_cr_pe,tax_cr_ce))+MIN(earn,SSC_lim)*tax_cr_pn*SSC_pn)
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+MIN(earn,SSC_lim)*SSC_other
11. Cash transfers	cash_trans	J	Children*VLOOKUP((1-Married),CB_rates,2)
13. Employer's soc security	SSC_empr	B	earn*SSC_empr+IF(earn>0,SSC_health,0)

1998 Parameter values

	Ave_earn	646896													
Child allowance (per child)	child_al	0													
Social security allowance	SSC_al	0													
Income tax schedule	tax_sch		<table border="1"> <tbody> <tr> <td>0.2</td> <td>250000</td> </tr> <tr> <td>0.22</td> <td>300000</td> </tr> <tr> <td>0.31</td> <td>500000</td> </tr> <tr> <td>0.35</td> <td>700000</td> </tr> <tr> <td>0.39</td> <td>1100000</td> </tr> <tr> <td>0.42</td> <td></td> </tr> </tbody> </table>	0.2	250000	0.22	300000	0.31	500000	0.35	700000	0.39	1100000	0.42	
0.2	250000														
0.22	300000														
0.31	500000														
0.35	700000														
0.39	1100000														
0.42															
Social security contributions	SSC_unemp	0.015													
	SSC_other	0.1													
	SSC_lim	1565850													
Tax credits	tax_cr_pe	0.2													
	tax_cr_ce	50400													
	tax_cr_pn	0.25													
	SSC_pn	0.07													
Employers	SSC_empr	0.431													
	SSC_health	25200													
Transfers for children (yearly)	CB_rates		<table border="1"> <tbody> <tr> <td>0</td> <td>53900</td> </tr> <tr> <td>1</td> <td>61800</td> </tr> </tbody> </table>	0	53900	1	61800								
0	53900														
1	61800														

ICELAND – ISLANDE

The national currency is the Kronur (IKr). In 1998, IKr 70.96 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned IKr 1 742 742.

1. Personal income tax system

1.1. Central government income tax

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 IKr 280 320 in 1998, is granted to all individuals aged 16 years and older, regardless of their marital status. The tax credit reduces both central and local government income taxes as well as the net wealth tax. 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 80 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 July 1996, the compulsory payment to pension funds, which generally amounts to 4 per cent of wages, is deductible for income tax purposes.
- *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 average production worker

- *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. In 1998, the maximum tax credit for interest was IKr 140 903 for a single person, IKr 181 212 for a single parent and IKr 233 015 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 investment made in joint-stock companies, approved by tax authorities. Maximum deduction for a single person in 1998 is IKr 77 940 and IKr 155 880 for a married couple. This allowance has had an insignificant effect on the tax burden of the average production worker.

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 1998 was 27.41 per cent.

Starting in 1993, a temporary 5 per cent income tax is levied from individuals with monthly income (in 1998) exceeding IKr 233 820 for a single person and IKr 467 640 for couples taxed jointly. This taxation has now been prolonged until 2000 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, only IKr 145 229 per month.

1.2. Local government income tax

The local government income tax and the central government income tax have the same tax base.

The local government income tax is single-rated, but the rate varies between municipalities. The maximum local income tax rate amounted to 12.04 per cent in 1998; the average rate was 11.61 per cent.

2. Social security contributions

2.1. Employees' contributions

Individuals, aged 16-70, are subject to a fee payable to the Retiree Investment Fund, provided the individual's taxable income exceeds IKr 718 401. The fee is a fixed annual amount of IKr 4 065.

2.2. Employers' contributions

Employers of average production workers have to pay a social security tax on total wages. In 1998, the rates are 4.19 per cent in the agricultural sector, fisheries and the manufacturing sector and 5.79 per cent for other sectors. In addition, employers pay a surcharge amounting to 0.08 per cent of total wages. The revenues from this surcharge are earmarked 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

For the income year 1998, yearly allowances for dependent children were as follows (IKr):

	Children's age			
	Under 7		7 and older	
	Couples	Single parent	Couples	Single parent
First child	132 612	200 790	102 436	170 614
Additional Children	152 108	205 190	121 932	175 014

In 1998, the allowances were available to married couples with income below IKr 1 141 042 and net wealth of less than IKr 8.3 million in 1997. For single parents the limits were IKr 570 521 in income and IKr 6.3 million of net wealth.

4. Main changes in the tax/benefit system since 1997

4.1. Deductibility of compulsory payment to pension funds

In February 1998, a law was enacted which increases the amount of deductible payments to pension funds from 4 per cent of wages to 6 per cent in 1999.

4.2. Reduction of the central government income tax rate in 1997-1999

In April 1997, a 4 percentage point reduction of the personal income tax rate was enacted. This reduction will come into force in three stages. On May, 1 1997, the tax rate was lowered by 1.1 point; on 1 January 1998 a further 1.9 percentage point reduction took place and on 1 January 1999 the next 1 point reduction became effective. At the same time, all tax credits and benefits within the income tax system have annually been adjusted in accordance with the yearly changes of the consumer price index.

4.3. Special tax on higher income

In 1998, however, the special tax on higher income was raised by 2 percentage points, which in effect means that the highest marginal rate of the personal income tax was only be reduced by 2 points until 1999. At the same time, the income limits for the special tax will be raised by 11 per cent.

4.4. Revision of the child benefit system

A revision was also enacted of the child benefit system in April 1997. Under the revised programme all benefits are means-tested from 1 January 1998. This goal is being achieved by merging the lump-sum part of the benefits with the means-tested part. As a consequence, high income families lost their benefits altogether. Still, the marginal impact of the system for low-income families is reduced, from 15 per cent to 11 per cent for families with three children or more, from 11 per cent to 9 per cent for families with two children and from 6 per cent to 5 per cent for families having one child.

4.5. Abolition of the allowance for 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 earning 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 Icelandic Employers' Confederation.

5.2. Employers' contributions to private pension, health and related schemes

Information not available.

1998 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_p rin+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		
General plus supplemental child allowance (cash transfer)	ch_al	J	(Children>0)*IF(Married,((CA_first+Positive(Children-1)*CA_others+SA)-Positive(AU7*(1-pension_rate)-C_thrsh)*C_redn),((CA_first_s+Positive(Children-1)*CA_others_s+SA)-Positive(AU7*(1-pension_rate)-C_thrsh_s)*C_redn))
13. Employer's soc security	SSC_empr	B	earn*SSC_empr_rate

1998 Parameter values

APW-income	Ave_earn	1742742
Previous year income	fiscal_inc	1593000
Pension rate for tax allowance	pension_rate	0.04
Tax credit	Basic_crd	280320
	Married_propn	0.8
Central income tax	central_rate	0.2741
Special tax	special_rate	0.05
threshold	special_thrsh	2805840
Local tax	local_rate	0.1161
Church tax	church_tax	0
Social Security Contr.	SSC_fixed	4065
	SSC_thrsh	718401
Employer SSC	SSC_empr	0.0427
Child allowance system:		
Married couple case	CA_first	102436
	CA_others	121932
income threshold	C_thrsh	1141042
Single parent case	CA_first_s	170614
	CA_others_s	175014
income threshold	C_thrsh_s	570521
supplement child allowance	SA	30176
reduction rate	C_redn	0.09

IRELAND – IRLANDE

(1998-1999 Income tax year)

The national currency is the Irish pound (Ir£). In 1998, Ir£ 0 702 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Ir£ 15 285. The corresponding revised figure for 1997 is Ir£ 14 608 (provisional estimate for 1997: Ir£ 14 400).

1. Personal income tax system

1.1. Central/federal government income tax

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 allowances and tax credits

1.121. Standard reliefs:

- *Basic reliefs*: The single person's allowance is Ir£ 3 150 per year.
- *Standard marital status reliefs*: The married person's allowance is Ir£ 6 300 per year (*i.e.* twice the basic allowance of Ir£ 3 150).
- *Employee allowance*: 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 allowance of Ir£ 800.

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 1998-99:
 - married couple Ir£ 5 000
 - widowed person Ir£ 3 600
 - single person Ir£ 2 500

Interest on qualifying loans is also restricted to 80 per cent of the amount eligible for relief. Also, the first Ir£ 200 (married) and Ir£ 100 (single/widowed) of the restricted amount is disallowed. Relief for interest paid on qualifying loans is restricted to the standard rate (24 per cent). This means in effect that the maximum amount which may be allowed for relief in 1998-99 is 80 per cent of the relevant limit shown above less Ir£ 200 (married) or Ir£ 100 (single/widowed). Tax relief is available at the standard rate of tax (24 per cent).

- Relief for interest on qualifying loans for *first-time buyers* is given at 100 per cent of the amount eligible for relief subject to the overall limits. First-time buyer relief is restricted to the standard rate in the same way as ordinary relief. However, the restriction of allowable interest by Ir£ 200 (married persons) or Ir£ 100 (single/widowed persons) does not apply to first-time buyers. First-time buyers can avail of this relief for a period of five years from the date relief was first claimed.
- *Medical insurance*: Relief at the taxpayer's standard rate of tax is available to a person who in the year preceding the year of assessment has made 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.
- *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.

1.13. Tax schedule

Band of taxable income (Ir£)		Rate (%)
Single/Widow(er)	Married Couple	
10 000	20 000	24
Balance	Balance	46

1.14. Low income exemption and marginal relief tax

Where total income is less than or equal to the income exemption limit that income is exempt from tax.

- *Exemption limits*: The single/widowed person's exemption limit is Ir£ 4 100 per year. The married person's exemption limit is Ir£ 8 200 per year.
- *Addition to exemption limits for children*: The addition to the exemption limit is Ir£ 450 in respect of each of the first two children and Ir£ 650 for each subsequent child.

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. Social security contributions

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 Ir£ 100 of weekly earnings are exempt from social insurance contributions. This weekly exemption is non-cumulative. The following is a breakdown of the 1998-99 rate of contribution together with ceilings where applicable:

Employees with weekly earnings of less than Ir£ 207 per week are exempt from the employment and training levy and the health levy. Also exempt are employees who hold medical cards.

Description	Rate (%)	Ceiling (Ir£)
Employment and training levy	1.00	No ceiling
Health contribution	1.25	No ceiling
Pension and social insurance	4.50	24 200
Total	6.75	

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 1998-99 rates of contribution:

Description	Rate (%)	Ceiling (Ir£)
Occupational injuries	0.50	
Redundancy contribution	0.40	
Pension and social insurance	11.10	
Total	12.00	29 000

The employers' contribution is reduced from 12 per cent to 8.5 per cent in respect of employees earning less than Ir£ 270 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 1998-99 are as follows:

Period	Monthly rate per child	
April 1998 to August 1998	First to second child	Subsequent children
	Ir£ 30.00	Ir£ 39.00
September 1998 to March 1999	First to second child	Subsequent children
	Ir£ 31.50	Ir£ 42.00

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 earner and the spouse can be aggregated for the purposes of this definition. When calculating income for the purposes of the relief, superannuation payments is subtracted from gross pay. With effect 12 June 1997, social welfare payments, tax payments, health and employment and training levies are also subtracted.

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 Ir£ 5 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 1998-99 is Ir£ 232 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 person's earnings does not exceed Ir£ 6 000. Where earnings are between Ir£ 6 001 and Ir£ 12 000 a reduced payment is received. The amount of the full payment for the year ending 31 May 1999 is Ir£ 4 456 plus Ir£ 790 for each child. Because of the complex means-testing system this type of family is excluded from the average production worker examples presented in the report.

4. Main changes in tax/benefit system since 1998

Income tax

– A number of changes for the tax year 1999-2000 were introduced in the 1999 Finance Act.

Personal allowances:

The main change was a move towards a tax credit system by standard-rating the basic single and married personal allowances and the PAYE allowance. The basic single and married allowances and the PAYE allowance are no longer allowed at the taxpayers marginal rate of tax, instead they are allowed at the standard rate of income tax (currently 24 per cent). The single personal allowance is Ir£ 4 200 per annum, with Ir£ 8 400 for a married couple, and the PAYE allowance is Ir£ 1 000. The allowance for one-parent families is the main exception where Ir£ 3 150 of the allowance is allowed at the taxpayers marginal rate of tax and Ir£ 1 050 is allowed at the standard rate of tax.

The following tax schedule applies:

Band of taxable income (Ir£)		Rate (%)
Single/Widow(er) 14 000	Married Couple 28 000	24
Balance	Balance	46

Social security contributions

- The employment and training levy is abolished.
- The health levy is increased to 2 per cent.
- Employees with weekly earnings of less than Ir£ 216 per week (currently Ir£ 207 per week) are exempt from the health levy.
- Employees' ceiling for pension/social insurance contributions is increased from Ir£ 24 200 to Ir£ 25 400.
- Employers' contribution ceiling is increased from Ir£ 29 000 to Ir£ 35 000.
- Transfers for dependent children are increased as follows:

Period	Monthly rate per child	
From September 1999	First to second child Ir£ 34.50	Subsequent children Ir£ 46.00

The income limit for family income supplement in respect of a family with two children in 1999-2000 is increased from Ir£ 232 to Ir£ 240 per week. This figure is net of income tax, social insurance contributions, and health and employment levies with effect 1 October 1998.

The one-parent family payment has been increased by Ir£ 156 for 1999-2000.

5. Memorandum items

5.1. *Method used to identify an APW and to calculate the APW's gross earnings*

- Identification of an average production worker

The basis to calculate the wage of the average production worker is the average earnings from employment of all men, women, boys and girls in the manufacturing sector throughout the whole country. These earnings are representative of all production workers and a relatively small number of basic supervisory staff (foremen).

- Method of calculation used

The average production worker's earnings are based on a quarterly survey of industrial earnings which refer to one week in each quarter. The annual earnings are derived by multiplying the weekly earnings (hourly earnings × number of hours worked) by 52. The survey figures include overtime, service pay, shift and other allowances but exclude irregular bonuses, back-pay and payments of expenses. Sick-pay is sometimes included where it is paid by the employer. Where this is the case, nominal associated hours at work are also included to avoid distortion of the subsequently derived hourly and weekly rates.

5.2. *Employer contributions to private social security arrangements*

Information not available, although such schemes do exist.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
Basic	basic_allce	J	Basic_al
Married or head of family	married_allce	J	MAX(Married*Married_al,Married_al*(Children>0)
	SSC_allce	B	MIN(SSC_al,earn)+MIN(SSC_al*Married,earn)
	work_al	B	MIN(Empl_al,earn)+MIN(Empl_al*Married,earn- MIN(SSC_al*Married,earn)
Total allowances	tax_al	J	basic_allce+married_allce+SSC_allce+ work_al
3. Credits in taxable income	taxbl_cr	J	0
4. CG taxable income	tax_inc	J	Positive(earn-tax_al)
Exemption amount	exemp_am	J	Single_ex+Married*Married_ex+Child_ex*MIN(2,Children) +(Children> 2)*(Children-2)*Child_ex_3
Marginal relief limit	MR	J	Single_MR+Married*Married_MR+Child_MR*MIN(2,Children)+ (Children>2)*(Children-2)*Child_MR_lt_3
5. CG tax before credits	CG_tax_excl	J	IF(earn_total<=MR,MIN(marg_rel_rate*Positive(earn_total- exemp_am), IF(Married,Tax(tax_inc,Married_sch), Tax(tax_inc,Single_sch))), IF(Married,Tax(tax_inc,Married_sch), Tax(tax_inc,Single_sch)))
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			
Non cumulative weekly allowance	weekly_allce	B	MIN(pension_ceil*Non_cum_allce / earn, Non_cum_allce)
Employees' soc security	SSC	B	earn*(Emp_rate+Health_rate)*(earn>SSC_lower)+ (earn>SSC_lower)*Positive(MIN(earn,pension_ceil)- weekly_allce)*pension_rate
11. Cash transfers			
	Child_benefit	J	Children*Ch_ben+(Children>2)*(Children-2)*(Ch_ben_3- Ch_ben)
	FIS	J	IF(Children>0,IF(earn*(Year>1997))<=FIS_inc_limit,MAX (Positive(FIS_inc_limit- earn*(Year>1997))*FIS_rate,FIS_min),0),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)

1998 Parameter values

Earnings	Ave_earn	15285	
Tax allowances	Basic_al	3150	
	Married_al	3150	
	SSC_al	0	
	Empl_al	800	
Exemption amount	Single_ex	4100	
	Married_ex	4100	
	Child_ex	450	
	Child_ex_3	650	
Marginal relief limit	Single_MR	8200	
	Married_MR	8200	
	Child_MR	900	
	Child_MR_3	1300	
Marginal relief	marg_rel_rate	0.4	
Income tax	Single_sch	0.24	10000
		0.46	
	Married_sch	0.24	20000
		0.46	
Social security contributions	SSC_lower	5200	
Employees	pension_rate	0.045	
	pension_ceil	24200	
	Emp_rate	0.01	
	Emp_hlth_lower	10750	
	Health_rate	0.0125	
	Non_cum_Allc	5200	
Employers	Empr_rate	0.12	
	Empr_lower_rate	0.085	
	Empr_thrsh	14040	
	Empr_ceil	29000	
Child benefit	Ch_ben	370.5	
	Ch_ben_3	489	
Family income supplement	Income limit (2 children)	12064	
	Payout limit (2 children)	0	
	Minimum payout if eligible	260	
	Rate allowable	0.6	
Medical card	single_med_card	4644	
	married_med_card	6731	
	child_add_med_card	809	

ITALY – ITALIE

The national currency is the Lire (L). In 1998, L 1 736.21 was equal to US\$1 (average of daily exchange rates). In that year, the Average Production Worker earned L 38 873 410.

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 L 5 500 000 a tax credit is allowed, according to income brackets as follows:

Income brackets (× L 1000)	Tax credit (L)
0-30 000	1 058 000
30 000-60 000	962 000
60 000-100 000	890 000
100 000 and over	818 000

– *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% or according to a different percentage agreed by them.

– *Other members of the family*: a tax credit of L 336 000 is granted for other dependents, provided the dependant's income does not exceed L 5 500 000. 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 a sum of L 1 680 000 foreseen for an income up to L 9 100 000 to a sum of L 100 000 for an income over L 100 000 000 (seventeen brackets); the creditable sum for the 1998 APW income is L 950 000.

Tax credit for dependent children (due to 50%)		Tax credit for dependent children (widowed spouse or parent with a not acknowledged child for an income up to L. 30 000 000)	
1 child	L.168 000	1 child	L. 1 058 000
2 children	L. 336 000	2 children	L. 1 394 000
3 children	L. 504 000	3 children	L. 1 730 000
4 children	L. 672 000	4 children	L. 2 066 000

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 L 2 000 000).
- *Medical and assistance expenses* incurred by handicapped persons.
- *Principal residence income* exempted for an amount up to L 1 100 000.
- *Donations to political parties* (ranging from L. 500 000 to L. 50 000 000).
- *Expenses to restore one's own residence house* at 41 per cent of full expenses, shared in 5 or 10 annual allowances of the same amount.

As to the following expenses, a tax credit of 19 per cent of each incurred expense is allowed:

- *Mortgage loan interest* (up to L 3 500 000 or L 7 000 000 according to circumstances).
- Most of *medical expenses* for the part exceeding L 250 000.
- Life and accident *insurance premium* and voluntary contributions up to L 2 500 000.
- *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 L 1 000 000.
- *Charitable donations* to Non-Profit Organisations (up to L. 4 000 000).

1.13. Tax schedule

The following tax schedule is applied to taxable income:

Bracket (L × 1 000)	Rate (%)
Up to 15 000	18.5
From 15 001 up to 30 000	26.5
From 30 001 up to 60 000	33.5
From 60 001 up to 135 000	39.5
Over 135 000	45.5

The legislative Decree n.446/97 enacts a regional rate to be added to the rate of personal income tax rate. This rate is 0.5% for 1998.

2. Compulsory social security

2.1. Employee contributions

- a) Rate and ceiling.
 - The average rate charged to a dependent worker is 9.19 per cent.
- b) Distinction by marital status or sex.
 - None.

2.2. Employer contributions

Contributions taken into account for this report amount to 34.9 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 reduced 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 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.

1998 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)),(Children>0)*(VLOOKUP(tax_inc_princ,Spouse_cred,2)))
Child credit	child_cr_princ	P	IF(Married=1,(Children*Ch1_credit)*IF(AH7>0,2,1), (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	0
9. Employees' soc security	SSC	B	Tax(earn,SSC_sch)
10. Cash transfers		J	((Children+Married)>0)*((6/12)*12*VLOOKUP(tax_inc_pr1*(SA7+\$B7),IF(Married,trans_sch_m,trans_sch_s),1+Married+Children)+(6/12)*12*VLOOKUP(tax_inc_pr2*(SA7+\$B7), IF(Married,trans_sch1_m,trans_sch1_s),1+Married+Children))
13. Employer's soc security	SSC_empr	B	Tax(earn,Empr_sch)

1998 Parameter values

Average earnings/yr	Ave_earn	38873410					
Tax schedule	tax_sch	0.185	15000000				
		0.265	30000000				
		0.335	60000000				
		0.395	135000000				
		0.455	999000000				
Tax credits							
Employment	emp_flat	100000					
	emp_add	0	1580000				
		9100001	1500000				
		9300001	1400000				
		15000001	1250000				
		15300001	1150000				
		15600001	1050000				
		15900001	950000				
		30000001	850000				
		40000001	750000				
		50000001	650000				
		60000001	550000				
		60300001	450000				
		70000001	350000				
		80000001	250000				
90000001		150000					
90400001	50000						
100000001	0						
Spouse	Spouse_cred	0	1057552				
		30000001	961552				
		60000001	889552				
		100000001	817552				
		999999999	0				
limit	Sp_crd_lim	5500000					
Child credit	Ch1_credit	168000					
Regional tax	reg_rt	0.005					
Social security contributions	SSC_sch	0.0919	40000000				
		0.0919					
Employer contributions	Empr_sch	0.349	40000000				
		0.349					
Cash transfers:							
taxable income (t-1)	tax_inc_pr1	34198256					
family allowance sched. (t) - married couple	trans_sch_m	0	90000	253000	485000		
		20293000	70000	222000	427000		
		25111000	50000	179000	369000		
		29929000	20000	127000	306000		
		34744000	0	85000	216000		
		39563000	0	50000	18000		
		44381000	0	30000	111000		
		49199000	0	30000	75000		
		54015000	0	25000	50000		
		58832000	0	25000	50000		
		63649000	0	25000	45000		
		68468000	0	0	45000		
		73286000	0	0	45000		
		78104000	0	0	0		
		100000000	0	0	0		
		family allowance sched. (t) - single parent	trans_sch_s	0	193000	358000	798000
				23504000	154000	319000	721000

1998 Parameter values (cont.)

		28323000	105000	264000	644000
		33138000	45000	198000	61000
		37956000	40000	143000	446000
		42776000	40000	94000	369000
		47593000	0	66000	308000
		52410000	0	66000	264000
		57227000	0	55000	231000
		62044000	0	55000	231000
		66863000	0	55000	198000
		71682000	0	0	198000
		76498000	0	0	198000
		81317000	0	0	0
		100000000	0	0	0
taxable income (t-2)	tax_inc_pr2	32217227			
family allowance sched.(t-1) - married couple	trans_sch1_m	0	90000	240000	460000
		18953000	70000	210000	405000
		23691000	50000	170000	350000
		28428000	20000	120000	290000
		33163000	0	80000	205000
		37901000	0	45000	150000
		42639000	0	25000	105000
		47376000	0	20000	70000
		52112000	0	20000	45000
		56848000	0	20000	45000
		61585000	0	0	40000
		66323000	0	0	40000
		71060000	0	0	40000
		75798000	0	0	0
		100000000	0	0	0
family allowance sched.(t-1) - single parent	trans_sch1_s	0	175000	325000	725000
		22111000	140000	290000	655000
		26849000	95000	240000	585000
		31584000	40000	160000	510000
		36321000	35000	150000	405000
		41060000	35000	85000	335000
		45797000	0	60000	280000
		50533000	0	60000	240000
		55270000	0	50000	210000
		60006000	0	50000	210000
		64745000	0	50000	180000
		69483000	0	50000	180000
		74219000	0	50000	180000
		78957000	0	0	0
		100000000	0	0	0

JAPAN – JAPON

The national currency is the Yen (¥). In 1998, ¥ 130.91 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker is estimated to earn ¥ 4 203 478.

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 ¥ 380 000 as basic allowance from his or her income.
- *Allowance for spouse*: an allowance equal to ¥ 380 000 is awarded to a resident taxpayer who has a spouse, provided certain requirements are met.
- *Special allowance for spouse*: special allowance up to ¥ 380 000 according to income of a spouse is given to a resident taxpayer, provided certain requirements are met.
- *Allowance for dependants*: if a resident taxpayer has children and other relatives who meet the same requirements as for a spouse mentioned above, an allowance of ¥ 380 000 is given for each dependent.
- *Special allowance for dependants*: if a resident taxpayer has dependants who meet the requirement mentioned above and who are between 16 and 23 years old, an allowance of ¥ 580 000 is given for each dependent instead of the allowances mentioned above.
- *Deduction for social insurance premiums*: the amount of premiums for social insurance paid by a resident taxpayer may be deducted from his/her income without any ceiling.
- *Employment income deduction*: the following amount may be deducted from the income in calculating taxable income:
 - a) If income received does not exceed ¥ 1.8 million the deduction is 40 per cent of salaries etc., but the minimum amount deductible is ¥ 650 000.
 - b) If income received is in the range of ¥ 1.8-3.6 million, the deduction is equal to ¥ 720 000 plus 30 per cent of salaries etc., in excess of ¥ 1.8 million.
 - c) If income received is in the range of ¥ 3.6-6.6 million, the deduction is equal to ¥ 1 260 000 plus 20 per cent of salaries etc., in excess of ¥ 3.6 million.
 - d) If income received is in the range of ¥ 6.6-10 million, the deduction is equal to ¥ 1 860 000 plus 10 per cent of salaries etc., in excess of ¥ 6.6 million.
 - e) If income received exceeds ¥ 10 million, the deduction is ¥ 2 200 000 plus 5 per cent of salaries etc., in excess of ¥ 10 million.

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

- *Credit for acquisition of an owned 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 6 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, acquired in 1998, whose floor space is between 50m² and 240m², 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 ¥ 350 000 per year for the first two years and to ¥ 250 000 per year for the remaining four years.
- This tax credit cannot be applied to those whose total income exceeds ¥ 30 million.

For the first 2 years of the 6 years' deductible period		
R.H.L.B. ¹		The amount of tax credit
Over	Not Over	
	Y 10 000 000	R.H.L.B. × 2.0%
Y 10 000 000	Y 20 000 000	(R.H.L.B.-Y 10 000 000) × 1.0% + Y 200 000
Y 20 000 000	Y 30 000 000	(R.H.L.B.-Y 20 000 000) × 0.5% + Y 300 000
For the remaining 4 years of deductible period		
R.H.L.B.		The amount of tax credit
Over	Not Over	
	Y 20 000 000	R.H.L.B. × 1.0%
Y 20 000 000	Y 30 000 000	(R.H.L.B.-Y 20 000 000) × 0.5% + Y 200 000

1. 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 (Y)		Deduction
Over	Not over	
	25 000	Total amount of premiums paid (1)
25 000	50 000	(1) × 1/2 + Y 12 500
50 000	100 000	(1) × 1/4 + Y 25 000
100 000	–	Y 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 medical or dental expenses 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 ¥ 100 000 and 5 per cent of total

ordinary income, retirement income and timber income, the excess amount is deductible from ordinary income, retirement income or timber income. The maximum deduction amounts to ¥ 2 million.

- *Deduction for casualty insurance premiums:* If a resident taxpayer pays insurance premiums for fire or other casualty insurances, 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	Y 10 000	Y 10 000	Total amount of premiums paid (1) (1) × 0.5 + Y 5 000 Y 15 000
	Y 20 000	Y 20 000	
Short-term insurance	Y 2 000	Y 2 000	Total amount of premiums paid (2) (2) × 0.5 + Y 1 000 Y 3 000
	Y 4 000	Y 4 000	

1.13. Tax schedule

Taxable income (Y)		Tax rate (%) (A)	Cumulative tax for each bracket (Y) (B)
Over	Not over		
	3 300 000	10	
3 300 000	9 000 000	20	330 000
9 000 000	18 000 000	30	1 470 000
18 000 000	30 000 000	40	4 170 000
30 000 000		50	8 970 000

Temporary Income Tax Reduction (C): Y 38 000 + Y 16 000 per dependant.

The tax liability is calculated by multiplying the taxable income by tax rate (A) and deducting the amount (B). In addition, a Temporary income tax reduction (C) is granted in FY 1998. For example, income tax due of a taxpayer with a spouse and two children on taxable income of ¥ 7 million is:

$$7\,000\,000 \times 0.20 \text{ (A)} - 330\,000 \text{ (B)} - 95\,000 \text{ (C)} = ¥ 975\,000.$$

1.2. State and local income taxes

1.21. General description of the system

State and local income taxes in Japan consist of prefectural inhabitant tax levied by prefectures and municipal inhabitant tax levied by cities, towns and villages. The prefectural inhabitant tax is collected together with the municipal inhabitant tax by cities, towns and villages.

1.22. Tax base

The bases for prefectural and municipal inhabitant taxes are per capita and income. The taxable income is the one computed for the purpose of the previous year's central income tax but revised in some way. For example, the amount of Basic Allowance, Allowance for Spouse, ceiling of Special Allowance for Spouse, Allowance for Dependants (including Younger Dependants) is ¥ 330 000, the amount of Special Allowance for dependants is ¥ 410 000, and so on.

1.23. Tax rate

- i) The standard per capita tax rate of Prefectural inhabitant tax is ¥ 1 000.
- ii) The standard per capita tax rate of Municipal inhabitant tax are as follows:
- City with a population of 500 000 or more ¥ 3 000
 - City with a population of over 50 000 but less than 500 000 ¥ 2 500
 - Other cities, towns and villages ¥ 2 000
- iii) The combined standard rate of Prefectural and Municipal inhabitants' tax is as follows:

Taxable income (Y)		Tax rate (%) (A)	Deductible amounts for each bracket (Y) (B)
Over	Not over		
2 000 000	2 000 000	5	–
7 000 000	7 000 000	10	100 000
	–	15	600 000

Temporary income tax reduction (C): Y 19 000 + Y 8 500 per dependant

The tax liability is calculated by multiplying the taxable income by tax rate (A) and deducting the amount (B). In addition, a Temporary income tax reduction (C) is granted in FY 1998. For example, income tax due of a taxpayer with a spouse and two children on taxable income of ¥ 3 million is:

$$3\,000\,000 \times 0.10 \text{ (A)} - 100\,000 \text{ (B)} - 42\,500 \text{ (C)} = ¥ 157\,500.$$

1.24. Tax rate selected for this study

Countrywide rates as described above.

2. Social security contributions

2.1. Employees' contributions

2.1.1. Pension

8.675 per cent of standard remuneration plus 0.5 per cent of bonuses.

2.1.2. Sickness

4.25 per cent of standard remuneration plus 0.3 per cent of bonuses.

2.1.3. Unemployment

0.4 per cent of total remuneration.

2.2. Employers' contributions

2.2.1. Pensions

8.675 per cent of standard remuneration plus 0.5 per cent of bonuses.

2.2.2. Sickness

4.25 per cent of standard remuneration plus 0.5 per cent of bonuses.

2.23. Unemployment

0.75 per cent of total remuneration.

2.24. Work injury

0.6 per cent to 13.4 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 27 rates for 52 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 dependant children

¥ 5 000 for the first and second pre-school child less than three years old and

¥ 10 000 for the third and subsequent children less than three years old.

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. The reduction rate and the ceiling of the temporary national income tax and local inhabitants tax reductions were adjusted.

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 Labour. 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 in cash earnings.

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.

1998 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	P	Positive(Tax(tax_inc,tax_sch)- (cgtax_redn+cgtax_redn_rt*Married*(ea rn_sp=0)))
	CG_tax_excl	S	Positive(Tax(tax_inc,tax_sch)-cgtax_redn)
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)-(loctax_redn+ loctax_redn_rt*Married*(earn_sp=0)))
		S	(earn>0)*(pref_per_cap+mun_per_cap+Positive(Tax(local_inc_sp,local_sch)-loctax_redn))
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

1998 Parameter values

	Ave_earn	4203478	
Allowances for central tax	basic_al	380000	
	spouse_al	760000	
	child_al	380000	
Employment income deduction	emp_inc_min	650000	
	emp_inc_sch	0.4	1800000
		0.3	3600000
		0.2	6600000
		0.1	10000000
Central gov't tax schedule	tax_sch	0.05	
		0.1	3300000
		0.2	9000000
		0.3	18000000
		0.4	30000000
Central gov't tax reduction	cgtax_redn	38000	
	cgtax_redn_rt	19000	
Allowances for state/local tax	s_basic_al	330000	
	s_spouse_al	660000	
	s_child_al	330000	
Prefectural tax	pref_per_cap	1000	
Municipal tax	mun_per_cap	3000	
	local_sch	0.05	2000000
		0.1	7000000
		0.15	
Local gov't tax reduction	loctax_redn	16000	
	loctax_redn_rt	8500	
Social security contributions	SSC_thresh	5000000	
	SSC_rt1	0.07	
	SSC_rt2	0.02	
	SSC_amt1	250000	
Employer contribution proportion	SSC_empr	1.03923	

KOREA – CORÉE

The national currency is the Won (W). In 1998, W 1401.44 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned W 13 896 504.

1. Personal income tax system

1.1. Central government income tax system

1.11. Tax unit

Each individual is taxed on his/her own income. To this rule there is one exception. In the case of a married couple receiving rental income from real estate property or interest and dividend income (only if exceeding W 40 million) 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 W 5 000 000	Total amount
Over W 5 000 000	W 5 000 000 plus 30 per cent of the salary over W 5 000 000, with a maximum of W 9 000 000

- *Basic allowance*: a taxpayer can deduct W 1 000 000 per person for individuals who meet one of the following conditions;
 - taxpayer him/herself;
 - taxpayer's spouse whose taxable income is less than W 1 000 000;
 - taxpayer's (including the spouse's) dependants (parents, siblings, children) living in the same household whose taxable income is less than W 1 000 000 and whose ages are as follows:
 - parents: aged 60 years (female: aged 55 years) or over;
 - brother/sister: aged 60 years (female: aged 55 years) or over, or aged less than 21 years;
 - children: aged less than 21 years.
- *Additional allowance*: a taxpayer can deduct an additional W 500 000 from his/her gross income when the taxpayer or his/her dependants fall into one of the following categories:
 - a person aged 65 years or over;
 - a person identified in a Presidential Decree;

- a female wage earner who is the head of a household or a female wage earner with a spouse;
 - child under six years of age (permitted only for a female wage earner or a male wage earner without a spouse).
- *Extra allowance*:
- a single income earner without a spouse or any other dependants may deduct W 1 000 000 from gross income;
 - a single income earner with a dependent (*e.g.*, spouse, child) may deduct W 1 000 000 from gross income;
- *Tax credits*: for wage and salary income earners, the following tax credit is allowed.

Calculated tax	Amount of tax credit
Up to W 500 000	45 per cent of the calculated tax
Over W 500 000	W 225 000 plus 30 per cent of the calculated tax over W 500 000, with a maximum of W 600 000

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 premiums up to W 500 000 plus Medical insurance premium and Employment insurance premium.
- *Medical Expense b)*: up to W 1 000 000. Full deductions are allowed for medical expenses for the taxpayer's parents who live with the taxpayer, and medical expenses for rehabilitation of handicapped persons.
- *Educational Expense c)*: Tuition fees for pre-school, elementary, middle school and college (but not graduate school), either for the taxpayer himself or his/her dependants (including the taxpayer's spouse, children, siblings), can be deducted from gross income. Deductible amount is full for taxpayer, and for dependants as follows:
 - For pre-school: up to W 700 000 per child.
 - For elementary, middle and high school: full deduction.
 - For college/university: up to W 2 300 000 per student.
- *Saving/Payment for housing d)*: up to W 720 000. Forty per cent of the amount contributed to a savings account for housing or 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 85 square meters.
- *Charitable contributions e)*: the deductible amount is as follows.
 - Donation to a government body, donation for national defence, natural disaster: total amount.
 - Donation to public or charitable associations: up to 5 per cent of gross income.
- *Lump-sum tax relief*: Any taxpayer whose total deductible expenses under categories *a)*, *b)*, *c)*, *d)* and *e)* are less than W 600 000 may deduct W 600 000 from gross income as a lump-sum tax relief. This lump-sum relief is used in the calculations for this report.

1.12. Tax schedule

Over (W)	Not more than (W)	Marginal tax rate (%)
0	10 000 000	10
10 000 000	40 000 000	20
40 000 000	80 000 000	30
80 000 000		40

1.2. Local income tax

1.21. Tax base

The base of the local income tax is 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 a lower limit of 3.75 per cent and an upper limit of 11.25 per cent.

1.23. Tax rate (selected for this study)

A rate of 10 per cent.

2. Social security contributions

2.1. Employees' contribution

2.11. National pension

3 per cent of standard income.

2.12. Medical insurance

A medical insurance premium is charged between 1 per cent and 4 per cent of standard income; the average rate of this premium selected for the present study is 1.6 per cent.

2.13. Unemployment insurance

The premium for the unemployment insurance is 0.3 per cent of gross income.

2.2. Employers' contribution

2.11. National pension

The premium for the national pension insurance is 6 per cent of standard income. The premium includes 3 per cent in the form of a direct contribution plus 3 per cent earmarked for the conversion of the Retirement payment reserve which employers may set aside for the employees' retirement.

2.12. Medical insurance

The medical insurance premium varies between 1 and 4 per cent of standard income. The average rate of this premium selected for the present report is 1.6 per cent.

2.13. *Unemployment insurance*

The premium for unemployment insurance varies between 0.6 and 1 per cent of gross income. The premium rate selected for the present report is 0.6 per cent.

2.14. *Work injury insurance*

The premium for the work injury insurance varies by type of industry and is set by the Ministry of Labour. The premium is a percentage of gross income. The average rate of all industries – selected for this report – is 1.55 per cent.

3. **Universal cash transfers**

None.

4. **Main changes in the tax/benefit system since 1997**

No information provided.

5. **Memorandum item**

5.1. *Identification of the average production worker*

Sector: manufacturing.

Geographical coverage: whole country.

Type of workers: production workers (male and female)...

5.2. *Method to calculate earnings*

The Monthly Labour Survey, 1998 published by the Ministry of Labour has been used to calculate the annual earnings of the average production worker. 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 times 12.

5.3. *Employer's reserve for employee's retirement payment*

A employer should pay to a retiree a retirement payment which is not less than 30 days' wage and salary for every year of employment (about 8.3 per cent of gross income, or more). To make timely reservations for this obligation, an employer can create a Retirement payment reserve fund within the company. Alternatively, the employer can make allocations to the Retirement Insurance Fund established outside the company. If certain conditions are met, such contributions are treated as business expenses. Because the contribution to the Retirement Fund is not compulsory, this survey does not include said contributions, with the exception of the part of the contribution that is converted into the employer's contribution to the national pension programme.

5.4. *Business office tax (local tax)*

The Business Office Tax is imposed on employers with 150 regular employees or more. The tax base is the total sum of wages and salaries paid to employees, and the tax rate is 0.5 per cent. As the Business Office Tax is not a social security contribution imposed on the employer, the report does not include this particular tax.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:			
basic	bas_al	B	basic_al
employment income	emp_al	B	IF(earn<=emp_lim,earn,MIN(emp_lim+emp_rate*(earn-emp_lim),emp_max))
spouse	sp_al	P	IF(tax_inc(spouse)<spouse_thresh,(Married* spouse_al),0)
dependents	dp_al	P	Children*dep_al
extra	ext_al	P	IF((Married+Children)=0,ext1_all,0)+lump_sum
		S	(earn>0)*ext2_all
Total	tax_al	B	bas_al+emp_al+sp_al+dp_al+ext_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	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_unemp)
11. Cash transfers	cash_trans	J	0
13. Employer's soc security	SSC_empr	B	earn*(SSC_pens+SSC_unemp)

1998 Parameter values

APW earnings	Ave_earn	13896504
Tax allowances	basic_al	1000000
spouse	spouse_al	1000000
spouse allowance threshold	spouse_thresh	1000000
dependents including children	dep_al	1000000
extra allowance 1	ext1_all	1000000
extra (additional) allowance 2	ext2_all	500000
lump-sum	lump_sum	600000
Employment income deduction limit	emp_lim	5000000
rate	emp_rate	0.3
maximum deduction	emp_max	9000000
Tax credit threshold	tax_thresh	500000
maximum credit	cred_max	600000
tax credit rate 1	cred_rate1	0.45
tax credit rate 2	cred_rate2	0.3
Tax schedule	tax_sch	0.10 10000000 0.20 40000000 0.30 80000000 0.40
Local tax rate	local_rate	0.1
Social security contributions	SSC_pens	0.03
	SSC_sick	0.01565
	SSC_unemp	0.003
Employer contributions	emp_pens	0.06
	emp_sick	0.01565
	emp_unemp	0.006
	emp_inj	0.0155

LUXEMBOURG

La monnaie nationale est le Franc luxembourgeois (FLux). En 1998, 36.30 FLux était égal à US\$1 (moyenne journalière des taux de change). En 1998, un ouvrier moyen gagnait 1 105 770 FLux.

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 mettre 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. *Allégements fiscaux et crédits d'impôt*

1.121. Allégements 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 21 000 FLux. 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 15 600 FLux. A partir du 4^e kilomètre cette déduction forfaitaire augmente de 3 900 FLux par kilomètre. Elle est plafonnée à 117 000 FLux.
- 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 18 000 FLux. 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 24 000 FLux.
- Si les deux époux sont salariés et imposables collectivement ils ont droit à un abattement supplémentaire professionnel du revenu imposable d'un montant de 180 000 FLux.
- *Cotisations sociales* : Les cotisations de sécurité sociale légale versées à un établissement public de sécurité sociale sont déductibles dans leur intégralité.

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 27 000 FLux. Ce plafond est majoré de 27 000 FLux pour le conjoint et de 27 000 FLux 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, les primes ne sont déductibles que jusqu'à concurrence de plafonds d'égale valeur prévus pour les intérêts.
- Les cotisations versées à des caisses d'épargne-logement agréées sont déductibles jusqu'à concurrence de plafonds d'égale valeur prévus 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 5 premières années le plafond est de 60 000 FLux, les cinq années suivantes il est de 45 000 FLux pour passer ensuite à 30 000 FLux. 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 monoparental).

1.13. Allégements tarifaires

L'impôt sur le revenu est déterminé conformément aux dispositions des articles 119 à 122 et 124 sur la base du tarif suivant (montants en FLux) :

0 % pour la tranche de revenu inférieure à	270 000		
6 % pour la tranche de revenu comprise entre	270 000	et	354 000
16 % pour la tranche de revenu comprise entre	354 000	et	423 000
18 % pour la tranche de revenu comprise entre	423 000	et	492 000
20 % pour la tranche de revenu comprise entre	492 000	et	561 000
22 % pour la tranche de revenu comprise entre	561 000	et	630 000
24 % pour la tranche de revenu comprise entre	630 000	et	699 000
26 % pour la tranche de revenu comprise entre	699 000	et	768 000
28 % pour la tranche de revenu comprise entre	768 000	et	837 000
30 % pour la tranche de revenu comprise entre	837 000	et	906 000
32 % pour la tranche de revenu comprise entre	906 000	et	975 000
34 % pour la tranche de revenu comprise entre	975 000	et	1 044 000
36 % pour la tranche de revenu comprise entre	1 044 000	et	1 113 000
38 % pour la tranche de revenu comprise entre	1 113 000	et	1 182 000
40 % pour la tranche de revenu comprise entre	1 182 000	et	1 251 000
42 % pour la tranche de revenu comprise entre	1 251 000	et	1 320 000
44 % pour la tranche de revenu comprise entre	1 320 000	et	2 640 000
46 % pour la tranche de revenu dépassant	2 640 000		

L'impôt à charge des contribuables *célibataires* est déterminé par l'application du tarif de base au revenu imposable. Si le revenu imposable ajusté est inférieur ou égal à 360 000 FLux par an, la charge fiscale est réduit à zéro.

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). Si le revenu imposable ajusté est inférieur ou égal à 640 000 FLux par an, la charge fiscale est réduit à zéro.

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 1 620 000 FLux, sans que pour autant le taux marginal d'imposition ne puisse dépasser 46 pour cent. Si le revenu imposable ajusté est inférieur ou égal à 640 000 FLux par an, la charge fiscale est réduit à zéro.

L'impôt à charge d'un contribuable ayant droit à *une modération d'impôt pour enfant(s)* est diminué de 48 000 FLux 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 139 200 FLux 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 77 400 FLux 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 a des régimes de caractère public

	Part du patron	Part de l'ouvrier	Plafonds cotisables (FLux)
a) Assurance-vieillesse et invalidité	8 %	8 %	(231 374 ×12 =) 2 776 488
b) Assurance-maladie	5.05 %	5.05 %	Même plafonds comme sub a)
c) Santé au travail	0.11 %	-	-
d) Assurance-accidents	Taux variable en raison de la probabilité des accidents (0.54 %-6 %)		

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. A partir du 1^{er} janvier 1998 elles sont de :

4 372 FLux	pour 1 famille avec	1 enfant bénéficiaire
11 104 FLux	pour 1 famille avec	2 enfants bénéficiaires
21 462 FLux	pour 1 famille avec	3 enfants bénéficiaires

A partir du troisième enfant bénéficiaire, les allocations sont relevées de 10 353 FLux par enfant en sus du troisième.

Les montants indiqués ci-dessus sont à majorer de 548 FLux en faveur des enfants âgés de plus de 6 ans et de 1 646 FLux au profit des enfants ayant atteint l'âge de 12 ans.

4. Principales modifications intervenues depuis 1997

Réduction linéaire du taux d'accroissement par tranche de revenu de 4 points de pour cent, augmentation substantielle de l'exemption des revenus minimes et transformation de la méthode de prise en compte des enfants faisant partie du ménage du contribuable.

Introduction de l'assurance-dépendance et augmentation des allocations familiales liée à une réduction de la modération d'impôt pour enfant.

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 du 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'œuvre.

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. Autres prestations faites par l'employeur

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 bénéfice 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.

1998 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_total
3. Credits in taxable income	taxbl_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_1a_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	SSC	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

1998 Parameter values

1998 Parameter values		
APW earnings	Ave_earn	1105800
Tax allowances: general	gen_dedn	18000
compensation	comp_al	24000
professional expenses	prof_exp	21000
travel expenses	travel_exp	15600
extra if both spouses earning	extra_dedn	180000
Low earner allowance	allow_1	360000
Low earner allowance (couples)	allow_2	640000
Class 1a limit	cl_1a_lim	1620000
Tax schedule	tax_sch	0
		0.06
		0.16
		0.18
		0.2
		0.22
		0.24
		0.26
		0.28
		0.3
		0.32
		0.34
		0.36
		0.38
		0.4
		0.42
		0.44
		0.46
Child credit maximum	ch_cred	48000
Multiplier for unemployment	unemp_rate	1.025
Social security contributions	SSC_rate	0.1305
	SSC_ceil	2776500
	infirm	0
Employer contributions	SSC_empr	0.1305
	SSC_acc	0.0086
Child benefit (1 child)	CB_1	4372
2 children	CB_2	11104
extra age 6-11	CB_ex	548

MEXICO – MEXIQUE

The national currency is the peso. In 1998, the annual exchange rate was 9.136 pesos to US\$1 (average of daily exchange rates). In 1998, the average production worker earned 34 959 pesos.

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. In Mexico, the Labour Law stipulates that employers should pay a minimum *holiday bonus* of 25 per cent of six days of the worker's wage. The maximum amount deductible and exempted under the tax legislation is equivalent to fifteen days of work at the legal minimum wage. Under these two restrictions, the allowance is for the purposes of this report estimated to be at least equal to the minimum established by the Labour Law, and no more than the amount deductible for tax purposes. The minimum *end-of-year bonus* established by the Labour Law is fifteen days of the worker's wage. The maximum amount deductible and exempted under the tax legislation is equivalent to thirty days of work at the legal minimum wage. Similar to the case of the holiday bonus, the amount of the end-of-year bonus is estimated to be at least equal to the minimum established by the Labour Law, and no more than the amount deductible for tax purposes.

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 geographic area.
3. *Funeral charges:* for the spouse and straight-line relatives up to a minimum annual wage of the taxpayer's geographic area.
4. *Charitable donations* made to institutions such as federal, state, and municipal governments, schools, colleges, universities, hospitals or medical research centres and all other non-profit organisations listed in the law.
5. *Voluntary contributions* to individual retirement accounts, up to 2 per cent of the monthly wage; limited to wages no higher than twenty-five times the minimum wage in force.
6. *Contributions* up to 113 039 pesos to *pension funds* related to age or retirement that are considered eligible under general rules issued by the Ministry of Finance and Public Credit.

1.123. Tax credits

The tax credit is a variable amount that depends on the worker's income. This credit is revised yearly. In 1998, the credit for the highest income bracket was equivalent to 1 303.86 pesos. If the tax credit exceeds the tax liability of the employee, the employer pays out the difference to the employee and deducts that amount from his own federal tax liabilities.

1.124. Others

There is a tax subsidy that depends on the employee's taxable income and on the part of the wage that is paid in the form of fringe benefits (relative to average fringe benefits provided by the employer to all workers). The tax subsidy amount diminishes with an increase of either the individual income or the share of fringe benefits in wages received. This provision is included in the tables for Mexico. The calculation of the tax subsidy is based on average fringe benefits paid in the manufacturing sector. In 1998, an average employee received fringe benefits equivalent to 27.25 per cent of his total earnings.

1.13. Tax schedule*

The tax schedule is as follows:

Taxable income (pesos)	Minimum tax (pesos)	Tax on amount above lower limit (%)
0-3 638	0	3
3 639-30 883	109	10
30 884-54 274	2 833	17
54 275-63 092	6 810	25
63 093-75 538	9 014	32
75 539-152 351	12 997	33
152 352-240 127	38 345	34
240 128 and over	68 189	35

1.2. State and local income taxes

States do not levy taxes on income.

2. Social security contributions**

2.1 Employees' contributions

Social security contributions are the following. For sickness and maternity insurance, 0.625 per cent of the workers monthly wage,*** plus 2 per cent of the amount in excess of three times the minimal legal wage. For disability, unemployment and life insurance, 1.75 per cent of the monthly wage.

2.2. Employers' contributions

For sickness and maternity leave the contribution rate is 13.9 per cent of the minimum legal wage per worker, plus 6 per cent of the gap between the monthly wage and the minimum legal wage plus 1.75 of the monthly wage. In addition, employers contribute for disability and life insurance 1.75 per cent of the worker's monthly wage, for social services and nursery 1 per cent of the monthly wage, for the old age pension and unemployment insurance 3.15 per cent of the worker's monthly wage.

* Ley del Impuesto Sobre la Renta, January 1998.

** Ley del Seguro Social y Reglamento para el Pago de Cuotas del Seguro Social, July 1998.

*** In this case, monthly wage includes total fringe benefits.

Work injury contributions are a variable percentage of the worker's monthly wage. The amount depends on the risk category in which a particular company is classified. The average risk premium for 1998 was 5.19 per cent.

Employers' contributions paid into workers' individual retirement accounts under the Retirement Saving System (SAR) are equivalent to 2 per cent of monthly wages. Also, 5 per cent of monthly wages is contributed to the National Institute for the Workers Housing Fund (INFONAVIT) with privately managed individual accounts. Both payments for SAR and INFONAVIT have been included as employers' compulsory social security contributions in the calculations, but it should be noted that they are not shown as tax payments in the OECD Revenue Statistics report.

3. Universal cash transfers

Mexico has no universal cash transfer programme.

4. Main changes in the tax/benefit system since 1997

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 a system of individual accounts. The government does not manage 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. Legally, the payments made into the individual account 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 administrator 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 used are for production workers in the manufacturing sector. The source is the Monthly Industrial Survey, National Institute of Statistics, Geography and Data Processing (INEGI), 1998.

5.2. *Main employers' contributions to private pension and health schemes*

No detailed information on such contributions is available.

1998 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	$\text{earn} * \text{SSC_rate} + \text{Positive}(\text{earn} - (3 * 365 * \text{min_wage})) * \text{SSC_rate_sur}$
11. Cash transfers	cash_trans	B	0
13. Employer's soc security	SSC_empr	B	$\text{earn} * \text{SSC_empr} + (365 * \text{min_wage}) * \text{SSC_empr_min} + \text{Positive}(\text{earn} - (3 * 365 * \text{min_wage})) * \text{SSC_empr_sur}$

1998 Parameter values

Ave_earn	34958.63		
min_wage	28.08		
tax_table	0.00	0.00	0.03
	3638.71	109.20	0.10
	30883.69	2833.50	0.17
	54275.35	6810.30	0.25
	63092.95	9014.40	0.32
	75539.29	12997.38	0.33
	152351.95	38345.46	0.34
	240127.69	68189.04	0.35
Basic_crd	0.00	2984.76	
	12971.89	2983.38	
	19100.17	2983.38	
	19457.47	2981.64	
	25466.71	2880.06	
	25943.47	2804.64	
	27759.55	2804.64	
	32604.01	2597.82	
	34591.33	2382.42	
	39124.93	2160.36	
	45645.91	1858.98	
	52166.47	1595.70	
	54135.13	1303.86	
Other_crd	0.00	0.00	0.50
	3638.71	54.42	0.50
	30883.69	1416.84	0.50
	54275.35	3404.88	0.50
	63092.95	4507.44	0.50
	75539.29	6498.48	0.40
	152351.95	16637.70	0.30
	240127.69	25590.78	0.20
	304703.83	30111.54	0.10
	365644.09	32244.18	0.00
adj_fac	0.45		
SSC_rate	0.02375		
SSC_rate_sur	0.0200		
SSC_empr	0.1984		
SSC_empr_min	0.139		
SSC_empr_sur	0.06		

NETHERLANDS – PAYS-BAS

The national currency is the Guilder (Gld). In 1998, Gld 1.984 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Gld 57 522. This amount includes a “compensation allowance” (refer §1.121) of Gld 928.

1. Personal income tax system

1.1 Central government income tax

Since 1990, personal income tax and the contributions to finance the general social security schemes (for old age pension, for survivors' pensions and providing coverage in the case of exceptional medical expenses) are levied on the same basis, *i.e.* taxable income. These social security contributions are no longer deductible for income tax purposes. Starting in 1998, the former contribution to finance programmes covering disability benefits was abolished.

1.11. Tax unit

Husband and wife are taxed separately on their personal income, which includes, besides income from self-employment, employment, all pensions, annuities and social security benefits.

1.12. Tax allowances applicable to an APW

1.121. Standard allowances

– In principle all taxpayers are entitled to a *basic allowance* of Gld 8 617. If one spouse/partner has no income or an income less than Gld 8 207, then Gld 8 207 can be transferred and claimed by the other spouse/partner. The following additional allowances apply according to circumstances:

- a) *Single parents supplement*: Gld 6 566. Those entitled: any single parent with dependent children aged under 27;
- b) *Extra single parents supplement*: 12 per cent of the income earned outside the household (maximum supplement Gld 6 566. Those entitled: any single parent who works outside the household and has a child aged under 12 living at home.

In order to be eligible for a supplement to the personal allowance or to use the partner's basic allowance, the taxpayer must meet the relevant conditions for at least six months in the year concerned.

– *Reliefs for social security contributions*: The Netherlands has schemes for employees' social security and general social security schemes.

Schemes for employees: The schemes cover the risks of unemployment, disability and medical care (see Section 2). Employees' social security contributions (see §2.1) are deductible with the exception of the health insurance contribution. The employers' health insurance contribution is taxed in the hands of the employee. Starting in 1998, the contributions for programmes covering the risk of disablement are no longer levied from the employees, but from the employers instead.

General social security schemes: Premiums paid for the general schemes are not deductible for income tax purposes. Since 1990, the contributions for schemes covering exceptional medical expenses and

disability benefits are no longer levied from the employers but instead from the employees. In 1998, the former contribution for disability benefits was abolished. To compensate employees, since 1990 employers top up wages with a so-called "compensation allowance". This allowance is subject to personal income tax – and to contributions for the general social security schemes – but not to contributions for social insurance programmes that only protect employees. The compensation allowance is 1.7 per cent of the regular wage (excluding the compensation allowance itself) less deductible premiums for employees' social security schemes (sickness, unemployment, and invalidity) and less the standard deduction for work-related expenses, plus the employers' contribution for health insurance. The maximum amount of the compensation is 1.7 per cent of Gld 80 600.

- *Work-related expenses*: Since 1990 travel expenses for distances of 10 km or less are no longer deductible. Other work-related expenses may always – without further proof – be deducted; such expenses are deemed to be 12 per cent of the annual wage, with a minimum of Gld 252 and a maximum of Gld 3 108.

1.122. Main non-standard allowances

Related to wage earnings:

- For distances of more than 10 km between home and work forfaitary amounts for *travel expenses* are deductible. For distances of 30 km or more the deductible amount is higher for employees who travel by public transport than for employees who travel by own transport. The fixed maximum deduction for employees who travel by public transport is Gld 5 270 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 if below certain specified amounts.
- If the *other work-related expenses* are higher than the ceilings (Gld 252, or 12 per cent of annual wage with a maximum of Gld 3 108) the real expenses incurred can be deducted. Many expenses which were regarded as work-related expenses until 1990 are no longer tax deductible.
- *Employee contributions to private* (company provided) *pension schemes* (average 2.2 per cent in 1998).

Related to owner-occupied housing: the excess of *mortgage interest* over net imputed rent.

Not related to a specific source of income:

- *Interest paid on personal loans* to a maximum of Gld 7 500 per taxpayer (Gld 15 000 for a couple);
- *Medical expenses*: the expenses are deductible in excess of 12.2 per cent of the income if the income is more than Gld 12 131 and less than or equal to Gld 100 975. If income is less than or equal to Gld 12 131, the non-deductible limit is Gld 1 480. If income exceeds Gld 100 975, the non-deductible limit is Gld 12 319.
- *Maintenance payments* to certain relatives; the first Gld 800 or 2 per cent of the income, whichever is less, is not deductible; the maximum of this deduction is 10 per cent of the income.
- Some *educational expenses* in direct connection with vocational training: the first Gld 800 or 2 per cent of the income, whichever is less, is not deductible.
- *Donations* to certain institutions that serve the public good are deductible if in excess of 1 per cent of the income and in excess of Gld 120. No more than 10 per cent of the income may be deducted in relation to charitable giving.

1.13. Tax schedule

The tax schedule for 1998 is as follows:

Slice of taxable income (Gld)	Tax rate (%)
0-47 184	8.85
47 185-103 774	50
103 775 and over	60

The contributions to the general social security schemes are levied on the first slice of income. Individuals of 65 years and over pay 11 per cent (for survivors' pensions and exceptional medical expenses) and individuals younger than 65 years pay 27.5 per cent (for all three general schemes, including the old age pension programme). For details refer to §2.1. Per April 1st the tax rate of the first tax bracket was decreased by 1.75 percentage points and at the same time the rate for contributions to the old age pension programme was increased by 1.75 percentage-points.

1.2. *State and local income taxes*

These do not exist in the Netherlands.

2. **Social security contributions**

2.1. *Employees' contributions*

Schemes for employees:

- Unemployment: The premium amounts to 6.45 per cent of gross wage less the compensation allowance, with a ceiling of Gld 78 561 and a basic exemption (the so-called “franchise”) of Gld 27 144;
- Medical care: Only lower-paid workers (those with annual wages less than Gld 62 000) are covered by this programme. Higher paid employees must take insurance against health costs privately. The premium for the government scheme is 1.2 per cent of gross wage less compensation allowance, and the base for the contribution is capped at Gld 53 244. In addition, employees covered (with annual wage below Gld 62 000) must pay a lump-sum premium of Gld 216 a year for every adult in the household.
- General sociale insurance schemes (contribution levied combined with income tax):
 - Old age pension: 16.5 per cent of taxable income in the first tax bracket;
 - Widows and orphans pension: 1.4 per cent of taxable income in the first tax bracket;
 - Exceptional medical expenses: 9.6 per cent of taxable income in the first tax bracket.

2.2. *Employers' contributions*

Schemes for employees:

- Unemployment: 6.3 per cent of gross wage less compensation allowance, with a ceiling of Gld 78 561 and a basic exemption (franchise) of Gld 27 144;
- Disability: 7.85 per cent of gross wage less compensation allowance (ceiling Gld 78 561);
- Medical care: 5.4 per cent of gross wage less compensation allowance if wage is below Gld 62 200 (the ceiling for this particular contribution is Gld 53 244).

3. **Universal cash transfers**

3.1. *Transfers related to marital status*

None.

3.2 *Transfers for dependent children*

Family cash transfers are tax free and depend on the number and age of the children. For a family with two children aged 6 to 12 years the total benefit amounts to Gld 4 143 a year.

4. Main changes in the tax/benefit systems since 1998

In 1999, the tax brackets as well as the tax allowances were adjusted for inflation (2.1 per cent). The first tax bracket was split into two parts. The tax rate of the (new) first bracket (1A) is 1.3 per cent point lower than the tax rate of the (new) second tax bracket (1B). The contributions to finance the general social security schemes are levied on taxable income in the new first and second bracket. The “franchise” for contributions of employees (§2.1) and employers (§2.2) to the redundancy payments fund was abolished.

The tax schedule for 1999 is as follows:

Slice of taxable income (Gld)	Rates (%)				
	Tax	Premiums ¹	Total taxpayers (65 or over)	Premiums for public old age pension	Total taxpayers (64 or under)
0-15 000	6.2	11.65	17.85	17.9	35.75
15 001-48 175	7.5	11.65	19.15	17.9	37.05
48 176-105 954	50		50		50
105 955 and over	60		60		60

1. For two general schemes covering exceptional medical expenses and survivors pensions.

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 average production worker is based upon data on gross earnings of (male and female) full-time adult manual and non-manual workers in the manufacturing sector. These data have been obtained through a yearly sample survey carried out by the Central Bureau of Statistics. The 1998 figure is an estimate which will possibly be subject to revision. Since 1994 the Central Bureau of Statistics does not report separate figures for manual workers. As from 1997, the wage for manual workers is therefore estimated by taking 90 per cent of the wage for all workers, including white collar workers and supervisors.

The manufacturing sector (“Industry”) is defined excluding public utilities and mining.

All regions are covered. Included are payments for work on the shift system, overtime, irregular service, vacation and bonuses. The compulsory “compensation allowance” paid by employers for two of the general social security schemes (disability and exceptional medical expenses) is also included in data on gross earnings. Excluded are payments in kind, profit sharing schemes, reimbursements for travel expenses, and so on. No sickness or unemployment compensations are taken into account. In fact the calculations are based on the assumption that during the year the average production worker is neither sick nor unemployed.

5.2. Main employers' contributions to private pension, health and related schemes

In addition to the statutory contributions to social security schemes many employers pay contributions to private occupational pension schemes. Compulsory sickness schemes were abolished since March 1996. From then on, employers have to pay at least 70 per cent of gross wage of their sick employees for up to a year. By far most (collective) labour contracts stipulate that in the case of illness the employee is entitled to 100 per cent of his wage. Most employers have insured themselves privately for the risk of their employees being sick. In January 1998, the contribution to finance the employee disability insurance was shifted from the employee to the employer. The “compensation allowance” was reduced commensurably. As a consequence, both net wages and gross labour costs were not affected.

If an employee earns 100-115 per cent of the legal minimum wage, his/her employer is entitled to a reduction of Gld 3 660 of the wage tax paid as withholding tax. If the employee earns less than the minimum wage, the reduction is calculated on the basis of the formula below:

$$\text{Gld } 3\,660 * [\text{wage}/(\text{minimum wage} * (\text{working hours per week}/36))]$$

The reduction depends on the amount of hours worked per week. Only in the cases where the spouse earns 0.33 * APW, the employer is entitled to the reduction. If the spouse works 24 hours a week, the reduction lowers the tax wedge by some 2.5 percentage point. Since such an employee will never work full time, because 0.33 * APW is below the legal minimum wage, this particular reduction has not been taken into account for the calculations the results of which are reported in the standard tables.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings (gross)	gr_earn		
Compensation allowance	comp_al	B	comp_per*min(comp_max, earn-work_al-SSC_al+taxbl_cr) (calculated using the function described below)
Earnings (net)	earn	B	gr_earn-comp_al
2. Basic	basic_allce	P	Basic_al*(1+Married)-IF((earn_spouse+comp_al_spouse-SSC_al_spouse+t_axbl_cr_spouse)>=Basic_al,Basic_al,0) + (Married=0)*(Children>0)*(Sing_par_sup+MIN(0.06 *(earn_princ+comp_al_princ-SSC_al_princ+taxbl_cr_princ),Sing_par_ex))
Work related	work_al	B	((earn_spouse+comp_al_spouse-SSC_al_spouse+taxbl_cr_spouse)>=Basic_al)*Basic_al
Social security contributions	SSC_al	B	IF(earn=0,0,IF(earn<=Work_min,earn,MIN(MAX(Work_min,Work_rate*(earn+comp_al-SSC_al+taxbl_cr)),Work_max)))
Social security contributions	SSC_al	B	SSC_F(Earn,Unemp_rate1,SSC_ceil,Unemp_franchise1) +SSC_F(Earn,Unemp_rate2,SSC_ceil,Unemp_franchise2)
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+comp_al-basic_allce-work_al-SSC_al+taxbl_cr
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,Tax_sch)
6. Tax credits:	tax_cr		0
7. CG tax	CG_tax	B	CG_tax_excl
8. State and local taxes	local_tax	B	0
9. Employees' soc security	SSC_earn_spouse	S	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)+IF(earn=0,0,Med_adult))
based on gross earnings	SSC_earn_princ	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)
based on taxable income	SSC_taxinc	B	(Old_rate+Wid_rate+Ex_med_rate+Disab_rate) *MIN(tax_inc,Gen_Schemes_thrsh)
Total	SSC	B	SSC_earn+SSC_taxinc
11. Cash transfers	cash_trans	J	IF(Children=1,Ch1_trans,IF(Children=2,Ch2_trans,0))
13. Employer's soc security	SSC_empr	B	taxbl_cr+ SSC_F(Earn,Unemp_empr1,SSC_ceil,Unemp_empr _franchise1)+SSC_F(EARN,Unemp_empr2,SSC_ceil, Unemp_empr_franchise2)+SSC_F(Earn,Inv_empr _rate,ssc_ceil,Inv_empr_franchise)

1998 Parameter values

	Ave_earn	57522	
	Basic_al	8207	
	Basic_al_nontrans	410	
	Sing_par_sup	6566	
	Sing_par_ex	6566	
	Sing_par_ex_rate	0.12	
Social security contribs	SSC_ceil	78561	
Employees' schemes	Unemp_rate1	0.0645	
	Unemp_rate2	0	
	Unemp_franchise1	27144	
	Unemp_franchise2	27144	
Medical care	Med_rate	0.012	
	Med_limit	62200	
	Med_ceil	53244	
	Med_adult	216	
	Med_child	0	
General schemes	Old_rate	0.165	
	Wid_rate	0.014	
	Disab_rate	0	
	Ex_med_rate	0.096	
	Gen_Schemes_thrsh	47184	
	Unemp_empr1	0.0215	
	Unemp_empr2	0.0415	
	Unemp_unempr_franchise1	27144	
	Unemp_unempr_franchise2	27144	
	Inv_empr_rate	0.0785	
	Inv_empr_franchise	0	
	Med_empr	0.056	
	Med_franchise	0	
	Work-related expenses	Work_rate	0.12
Work_min		252	
Work_max		3108	Tax_thrsh_1
Tax schedule	Tax_sch	0.0885	47184
		0.5	103774
		0.6	
Family cash transfers	Ch1_trans	1804	
	Ch2_trans	4143	
Compensation allowance	Comp_max	80600	
	Comp_per	0.017	

NEW ZEALAND – NOUVELLE-ZÉLANDE

(1998-1999 Income tax year)

The national currency is the New Zealand dollar (NZ\$). In 1998, NZ\$ 1.8684 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned NZ\$ 35 525.

1. Personal income tax system

1.1. Central government income tax

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 NZ\$ 38 000. It is calculated at 5 cents in every dollar of income where income is under NZ\$ 9 500. Where the income is in the range NZ\$ 9 500-NZ\$ 34 200, the maximum rebate of NZ\$ 475 is reduced by 1.75 cents for every dollar over NZ\$ 9 500. Where the income is in the range NZ\$ 34 200-NZ\$ 38 000, the remaining rebate is reduced by 1.125 cents for every dollar over NZ\$ 34 200.
- *The transitional tax allowance* is available to persons with income under NZ\$ 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 NZ\$ 728, reduced by 20 cents on each dollar earned over NZ\$ 6 240 – thus the rebate runs out at NZ\$ 9 880.
- *Children*: No credit to parents. A child under 15 years of age, or under 18 years 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 NZ\$ 156 on NZ\$ 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.

No information provided.

1.13. Schedule

Rates of income tax for individuals for the tax year ended 31st March 1999.

Taxable income (NZ\$)	Rate (%)
Below 34 200	20
34 200-38 000	22.875
Over 38 000	33

1.2. State and local income taxes

New Zealand has no state or local income tax.

2. Social security contributions

New Zealand has no compulsory social security contributions to schemes operated within the government sector.

3. Universal cash transfers

3.3. Family support tax credit

For the eldest child aged 16-18, the rate of family support tax credit is NZ\$ 3 120 per year, while the rate of NZ\$ 2 444 applies if the eldest child is younger than 16. For subsequent children the rate depends on the age of the child; NZ\$ 3 120 per year for 16-18 year olds, NZ\$ 2 080 per year for 13-15 year olds and NZ\$ 1 664 per year for children under 13 years of age. The total credit is abated by 18 cents on each dollar earned in the range NZ\$ 20 000-27 000 and by 30 cents on each dollar earned over NZ\$ 27 000. The abatement is based on the combined income of husband and wife.

3.4. Independent family tax credit

The Independent Family 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 three months. The level of assistance it provides is NZ\$ 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. The independent family 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 three months.

3.5. Guaranteed minimum family income

There is also 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 NZ\$ 290 per week, plus family support.

4. Main changes in tax/benefit systems since 1997 (tax year ended 31st March 1998)

The tax scale was changed on 1st July 1998 to the following:

On so much of income as does not exceed NZ\$ 38 000: 19.5 per cent.

On so much of income as exceeds NZ\$ 38 000: 33 per cent.

At the same time, the rates of the Low Income Rebate were also changed. It only applies to income under NZ\$ 38 000. It is calculated at 4.5 cents in every dollar of income where income is under NZ\$ 9 500. Where the income is in the range between NZ\$ 9 500 and NZ\$ 38 000, the maximum rebate of NZ\$ 427.50 is reduced by 1.5 cents for every dollar of income over NZ\$ 9 500. Note that because these changes applied for less than the full tax year, the tax rates specified in previous sections are weighted rates.

On 1st October 1999 a Parent tax Credit was introduced. The Independent Family Tax Credit was renamed to Child Tax Credit, with the Guaranteed Minimum Family Income renamed to Family Tax Credit.

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 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.

5.3 Treatment of payroll tax

New Zealand has not included payroll taxes in the average production worker tax calculation. This is because the item reported as a payroll tax in the OECD Revenue Statistics is the Fringe Benefit Tax (FBT), paid by the employer for non-cash benefits received by the employee. The benefits covered include use of a company car, low-interest loans, health insurance subsidies etc. The amount of the tax is thus not a function of the employee's income, although there is likely to be some correlation. Furthermore, even if one would wish to allocate the FBT across all employees, pro-rated by income, the information available regarding the incidence of the FBT in the manufacturing sector is inadequate to do this with any confidence.

1998 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 38000 rebate	rebate_38000	B	Taper(Taper(reb_38000_rate*min(tax_inc, reb_38000_thrsh1),min(tax_inc, reb_38000_thrsh2), reb_38000_thrsh1, reb_38000_redn1), tax_inc, reb_38000_thrsh2, reb_38000_redn2)
Under 9880 rebate	rebate_9880	B	Taper(MIN(reb_9880, CG_tax_excl-rebate_34200), earn reb_9880_thrsh, reb_9880_redn)
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)
Total credit	tax_cr	P	rebate_38000+rebate_9880+ fam_sup_cr+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	cash_trans	J	0
13. Employer's soc security	SSC_empr	B	0

1998 Parameter values

Earnings	Ave_earn	35525	
Income tax schedule	Tax_sch	0.200	34200
		0.22875	38000
		0.330	
Income under NZ\$38000 rebate	reb_38000_rate	0.05	
	reb_38000_thrsh1	9500	
	reb_38000_thrsh2	34200	
	reb_38000_redn1	0.0175	
	reb_38000_redn2	0.01125	
Income under NZ\$9880 rebate	reb_9880	728	
	reb_9880_thrsh	6240	
	reb_9880_redn	0.20	
Family support credit	Fam_sup_eld	3224	
	Fam_sup_oth	2444	
	Fam_sup_thrsh1	20000	
	Fam_sup_rate1	0.18	
	Fam_sup_thrsh2	27000	
	Fam_sup_rate2	0.3	
Guaranteed minimum family income	Min_inc	15080	

NORWAY – NORVÈGE

The national currency is the Kroner (Nkr). In 1998, Nkr 7.545 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Nkr 252 600.

1. Personal income tax system

The personal income tax system has two tax bases: *personal income* and *ordinary income*. Personal income is defined as income from personal work and from pensions and is a gross income base from which no deduction may be made. Ordinary income includes all types of taxable income from work, pensions, business and capital. Certain costs and expenses, including interest paid on debt, are deductible in the computation of ordinary income. Both the central government and local government levels share tax on ordinary income. The additional tax (surtax) on personal income is a central government levy.

1.1 Central government income tax

1.1.1. Tax unit

The tax unit is in most cases the individual (tax class 1), but in some cases (spouse has no income or low income) optional taxation as a couple (tax class 2) is more favourable. Single parents will be taxed under the class 2 schedule. Children less than 17 years old are generally taxed with their parents, but may be taxed individually. All other income earners are taxed individually (class 1).

1.1.2. Tax allowances applicable to an APW

There are no tax allowances applicable to an average production worker under the central government gross-basis income tax (surtax) on personal income. Shared taxation of ordinary income is levied after taking into account an allowance of Nkr 25 000 (class 1) and Nkr 50 000 (class 2) in 1998. Other standard and non-standard tax reliefs in determining the ordinary income tax base for central (and local) income tax purposes are shown below in §1.21 and §1.22.

1.1.3. Rate schedule (surtax)

The rate schedule for the central government tax on personal (gross) income is as follows:

	Class 1 (NOK)	Class 2 (NOK)
0% up to	248 000	300 000
9.5%	248 000-272 000	300 000-305 000
13.7%	272 000 and over	305 000 and over

As regards the shared taxation of ordinary income taxed at an overall tax rate of 28 per cent, the central government tax rate is 11 per cent in 1998.

1.2. Local government income tax

As noted above, the overall (combined central and local government) tax rate on ordinary income is 28 per cent. The local government (municipal and county) income tax share is 17 percentage points of the

overall rate. Tax on ordinary income is levied after taking into account an allowance of NKr 25 000 (class 1) and NKr 50 000 (class 2) in 1998. The deductions in the computation of ordinary income are the following.

1.21. *Standard reliefs*

- *Basic relief*: each individual gets a minimum allowance equal to 20 per cent of personal income, with a minimum of NKr 3 700 and a maximum of NKr 32 600.
- *Parent allowance*: Documented expenses for child care limited to:
 - maximum NKr 20 700 for one child;
 - maximum NKr 24 700 for two or more children.

The allowance applies in general to the parent who has the highest income. Unused parent allowance may be transferred to spouse. The allowance is also applicable to single parents.

- *Tax credit for children*: The tax credit is set against the total amount of taxes. If the tax credit exceed the taxes, the taxpayer will receive the difference:
 - NKr 1 820 for each child under 16 years.
 - NKr 2 540 for each child between the age of 16 and 18 years.

1.22. *Non-standard reliefs*

The main non-standard allowances deductible from ordinary income:

- *Travel expenses* related to work exceeding NKr 7 000.
- *Labour union fees* up to NKr 1 800.
- *Contributions to individual pension agreement schemes* (IPA), maximum NKr 40 000.
- *Premiums and contributions to occupational pension schemes* in the private and public sector, without limit.
- *Unlimited deduction for interest payments*.

The main non-standard tax credits are:

- *Tax-deductible share-market savings* (AMS): A taxpayer may buy shares annually for up to NKr 5 000 in class 1 and up to NKr 10 000 in class 2 and obtain a *tax credit* of 15 per cent of the investment. The shares must be held for a minimum of four years.
- *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 NKr 15 000 in special accounts is granted. Total savings may not exceed NKr 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 NKr 1 000 000, the tax levied may not be less than 0.6 per cent of the exceeding net wealth.

2. **Social security contributions**

2.1. *Contributions to the national insurance scheme*

2.11. *Employees' contributions*

Employee's contributions to the National Insurance Scheme amount to 7.8 per cent of personal income accruing from work. Contributions from the self-employed, excluding primary industries, are 10.7 per cent of personal income deemed to accrue from 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 per cent, 10.6 per cent, 6.4 per cent, 5.1 per cent or 0 per cent of gross wage. The highest rate applies to central parts of southern Norway. The weighted average rate is approximately 12.6 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 11 112 for the first child
 - NOK 11 628 for the second child
 - NOK 13 092 for the third child
 - NOK 13 740 for the fourth child
 - NOK 14 136 for the fifth and subsequent child(ren)
-

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 north of Norway receive extra child support of NOK 3 792 per year for each child aged 16 or under.

4. Main changes in tax/benefit system since 1997

From 1998 on, the parent allowance is only granted for documented expenses. In 1999, there were only minor adjustments to the tax system.

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, with mining excluded. Figures relate to production workers only and do not include white-collar workers and supervisory workers. Included here are manufacturing establishments affiliated with the Norwegian Employers' Confederation.

The calculation of annual wage earnings is as follows:

average hourly earnings × 37.5 (the number of hours worked per week) × 52 (weeks).

The average hourly earnings in the manufacturing sector include payments for time-work, piece and premium work, and bonuses. The figures also include overtime allowances and other allowances, but payments for public holidays, vacations, sick leave, and an establishment's indirect wage costs are not included.

5.2. Employers' contributions to private health and pension schemes

No information available.

1998 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,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,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,MIN(earn_princ*Basic_rel_rate, Basic_max)),earn_princ)+MIN(MAX(Basic_min,MIN(earn_spouse*Basic_rel_rate, Basic_max)),earn_spouse)+Class_al_2
3. Credits in taxable income	taxbl_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	Children*Child_cred
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_tr>0)*Child_1+ (children_tr>1)*Child_2+(children_tr>2)* Child_3+ (children_tr>3)*Child_4+ Positive(children_tr-4)*Child_5
#children for cash trans.calc.	children_tr	J	Children+(Married=0)*(Children>0)
13. Employer's soc security	SSC_empr	B	earn*SSC_empr

1998 Parameter values

APW-wage	Ave_earn	252600	
Central rate (pers) class 1	Tax1_sch	0	248000
		0.095	272000
		0.137	
class 2	Tax2_sch	0	300000
		0.095	305000
		0.137	
Central rate (ord)	Cent_rate_ord	0.11	
Local rate (ord)	Local_rate	0.17	
Allowances	Class_al_1	25000	
	Class_al_2	50000	
Basic relief	Basic_min	3700	
	Basic_max	32600	
	Basic_rel_rate	0.2	
Child tax credit	Child_cred	1820	
Soc security contribs	SSC_rate	0.078	
Employer	SSC_empr	0.126	
Trygd. low.lim	SSC_low_lim	17000	
pct.rate	SSC_low_rate	0.25	
Child cash transfer	Child_1	11112	
	Child_2	11628	
	Child_3	13092	
	Child_4	13740	
	Child_5	14136	
extra if aged 1 or 2	Child_small	7884	

POLAND – POLOGNE

The national currency is the Zloty (Zl). In 1998, Zl 3.475 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Zl 14 976 (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. Incomes

- 1.111.1. Gross employee income

An employee's taxable gross income in Poland includes both cash income and the value of benefits in kind, irrespective of the place of payment. More specifically, gross income includes base salary, overtime payments, bonuses, awards, compensation for unused holidays, costs paid in full or in part by the employer on behalf of the employee.

- 1.111.2. Capital gains

Capital gains are taxed as personal income of individuals.

- 1.111.3 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.

- 1.111.4. Interest income from loans

Interest income obtained from a loan under a contract is taxed at a flat 20 per cent rate without any deductible costs.

- 1.111.5. 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 20 per cent rate without allowing for any deductible costs.

- 1.111.6. Rental income

Rental income lumped together with income from other sources and is calculated as the difference between rent received less associated costs.

- 1.111.7. 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 Zł 336.60 is available for all tax payers.
- *Marital status relief*: None.
- *Relief for children*: None.
- *Relief for social security contributions*: None.
- 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 Zł are:

	One workplace	Two/more workplaces
Same as dwelling place	757.56	1 136.34
Different from dwelling place	946.95	1 420.43

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, during the period of validity of the law not more than Zł 19 285.

– for costs incurred for repair and modernisation of a building, but not more than Zł 2 457 and in the case of a living accommodation not exceeding Zł 2 047.50. The minimum amount of expenses

* Amounts in this paragraph based on 1997 legislation.

giving rise to a deduction is Zl 245.70. The limits for repair and modernisation deductions are determined for three years (1997-1999);

- for costs related to supplementary education and vocational upgrading of a taxpayer, but not more than Zl 256.50;
- for the purchase of educational equipment and aids, but not more than Zl 256.50;
- of expenses incurred in the education of children in non-public schools having rights of public schools, but not more than Zl 757.56 per child;
- of expenses for children commuting to schools situated outside the place of permanent residence;
- for expenses incurred on paid health care services, but not more than Zl 252.52;
- for expenses for education in schools of higher education, but not more than Zl 450.

Deductions from income:

- 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 Zl 101 500 per living accommodation to be let.
- Disability pensions and other permanent obligations based on a legal title.
- Alimonies, with the exclusion of children's maintenance.
- Social insurance premiums of the taxpayer if they have not been appropriated as the revenue earning costs.
- 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 zlotys)		Tax amount
Over	Below	
25 252	50 504	19 % of the tax base, less a basic tax credit of Zl 336.60
50 504		Zl 4 461.28 + 30% of surplus over Zl 25 252
		Zl 12 036.88 + 40% of surplus over Zl 50 504

Only income tax in excess of Zl 1 771.60 is payable.

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

There are no contributions for employees.

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 48 per cent of gross wages; 45 per cent points of this contribution is assessed for social insurance (ZUS), 3 per cent points for the Labour Fund and 0.15 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 Zł 39.60 monthly per child are paid to employees whose annual income did not exceed Zł 591.40 per month. This income limit is tested for every half year and depends on the average wage in the previous quarter.

4. Main changes in tax/benefit systems since 1997

In 1999, social security contributions are levied at the following rates:

Social security scheme	Employers' contribution (%)	Employees' contribution (%)
Old age pension	9.76	9.76
Disability insurance	6.50	6.50
Health/maternity insurance	–	2.45
Injury insurance	0.40-8.12	–
Total	17.66-24.38	18.71

Source: IBFD, *European Tax Handbook 1999*, p. 416.

Employers are obliged to increase the employee's salary by the amount of the employee's contributions. In this report, all contributions are reported as employers' contributions.

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.

The wage level for 1999 has been estimated on the basis of the procedure outlined in Part III, Section C. Tax rates and the amount of the basic tax credit are based on information in the 1999 OECD Tax Data Base. Based on information in the *European Tax Handbook 1999*, the rate of employers' social security contributions applied in the 1999 tax equations is 43.1 per cent, plus 3.15 per cent for the Labour Fund and the Benefits Guarantee Fund (see §2.2).

5.2 Employers' contributions to private pension, health and related schemes

No information provided.

1998 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	$\text{earn} - \text{tax_al}$
5. CG tax before credits	CG_tax_excl	J	$\text{quotient} * \text{Tax}(\text{tax_inc}/\text{quotient}, \text{tax_sch})$
6. Tax credits:	tax_cr	J	$\text{basic_cr} * (1 + \text{Married})$
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	0
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	$\text{SSC_empr} * \text{earn_total}$

1998 Parameter values

APW earnings	Ave_earn	14976	
Basic credit	basic_cr	336.6	
Work expenses	work_exp	757.56	
Income tax schedule	tax_sch	0.19	25252
		0.3	50504
		0.4	
Social security contributions			
Employers	SSC_empr	0.4815	
Family benefit	fam_ben	475.2	
income limit	fam_ben_lim	7096.8	

PORTUGAL

La monnaie nationale est l'Escudo (Esc). En 1998, Esc 180.10 était égal à US\$1 (moyenne journalière des taux de change). En 1998, un ouvrier moyen gagnait Esc 1 404 354.

1. Systèmes 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 égale à 70 pour cent du salaire brut du contribuable et du conjoint à concurrence de Esc 498 000 pour chacun ou, si supérieur, 71 pour cent de 12 fois le salaire minimum plus élevé*, ou le montant total des cotisations de sécurité sociale si supérieur.

1.122. Allègements non forfaitaires

- Dépenses de santé, payées et non remboursées par la sécurité sociale, et les charges d'intérêts d'emprunts destinés à faire face à ces dépenses (sans limite).
- Charges d'éducation, les charges afférentes aux maisons de santé ou de retraite concernant les ascendants de l'assujetti, dans les conditions prévues dans la loi; les primes d'assurance-vie, maladie et d'accidents personnels et cotisations de sécurité sociale. Toutes ces charges jusqu'à la limite de Esc 166 000, pour les contribuables non-mariés et de Esc 332 000, pour les contribuables mariés.
- Ces limites peuvent être portées, respectivement, à Esc 385 000 (contribuables mariés et non-mariés), dès que la différence est constituée par des dépenses d'éducation de l'assujetti et de ses dépendants.
- Dans les ménages avec trois ou plus de dépendants la limite de déduction référée ci-dessus est relevée de Esc 35 000 pour chaque dépendant s'il existent en relation à ces dépendants des dépenses d'éducation.
- Les cotisations syndicales jusqu'à 1 pour cent du revenu salarial brut du contribuable (revenu du travail dépendant ou de pensions), majorées de 50 pour cent.

* Étant donné que le montant correspondant à 71 pour cent de 12 fois le salaire minimum est supérieur à Esc 498 000 ($12 \times 58\,900 = 706\,800 \times 0.71 = 501\,828$) on retient pour la déduction forfaitaire Esc 501 828.

- Les primes d'assurance-vie, maladie et d'accidents personnels déductibles jusqu'à Esc 36 000 par contribuable non marié ou Esc 72 000 pour les deux conjoints.
- Les charges d'intérêts et l'amortissement du capital, d'emprunts destinés à l'acquisition, construction ou amélioration d'immeubles pour l'habitation ou les loyers en vertu d'un contrat de logement aux termes prévus dans la loi, jusqu'à concurrence de Esc 308 000.
- 10 pour cent des charges d'acquisition ou de construction d'immeubles pour l'habitation propre et permanent, sans recours au crédit, avec la limite de Esc 305 000.
- Les montants placés en Plans Individuels d'Épargne-Retraite jusqu'à concurrence de 20 per cent du revenu global brut dans la limite de Esc 418 000 par contribuable non-marié ou Esc 836 000 pour les deux conjoints.
- Les montants placés en Comptes d'Épargne Logement jusqu'à concurrence de Esc 418 000.
- Pensions alimentaires.
- Dons pour l'État aux niveaux central, régional et local et ses organismes bien que personnalisés.
- Dons aux institutions religieuses, musées, bibliothèques, personnes juridiques d'utilité publique administrative (dans la limite d'un plafond).

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 supérieure à Esc 501 828. Dans ce cas cette déduction remplace celle de la déduction forfaitaire sur le salaire (voir §1.121).

1.14. Crédits d'impôt

- Esc 26 800 pour chaque contribuable marié.
- Esc 35 200 pour chaque contribuable non-marié.
- Esc 19 400 pour chaque enfant à charge, sans l'imposition autonome des revenus d'au moins un des dépendants, majoré de Esc 220, Esc 440 ou Esc 560, si le ménage est constitué par deux, trois ou plusieurs dépendants.

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 1998)

Revenu imposable (Esc) (R)	Taux marginal (%) (T)	Montant à rabattre (Esc) (K)
Jusqu'à 1 080 000	15	–
Plus de 1 080 000 jusqu'à 2 500 000	25	108 000
Plus de 2 500 000 jusqu'à 6 280 000	35	358 000
Plus de 6 280 000	40	672 000

Pour ce qui est des 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 nationale.

Formule de calcul de l'impôt ($I = \text{Impôt dû}$) :

– 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 §1.121, §1.122 et §1.151).

T = Taux correspondant à l'échelon du revenu imposable.

K = Montant à rabattre dans chaque échelon.

C = Crédits d'impôt, contribuable(s) et enfants à charge, si applicable (voir §1.14).

1.17. Traitements fiscaux en cas de changement de l'unité familiale au cours de l'année fiscale

1.171. En cas de changement de l'unité familiale au cours de l'année fiscale, sont applicables les règles suivantes :

- *Mariage, divorce ou séparation de fait* : la situation familiale à prendre en considération est celle du 31 décembre de l'année à laquelle le revenu se rapporte.
- *Décès de l'un des conjoints* : la situation familiale jusqu'à la date de décès et après cette date jusqu'à la fin de l'année.
- En cas de séparation de fait, chaque conjoint fait sa propre déclaration des revenus.

1.172. Pour la déclaration des revenus on applique les règles suivantes :

- *Dans le cas de mariage*, il y aura une seule déclaration d'impôt avec la somme au nom des deux conjoints des revenus de toute l'année.
- *En cas de divorce, ou séparation de fait*, les revenus sont déclarés séparément. Chacun des assujettis doit déclarer ses propres revenus et sa partie dans les revenus communs, le cas échéant, aussi bien que les revenus des enfants à sa charge.
- *En cas de décès de l'un des conjoints*, sont à englober au nom des deux conjoints les revenus afférents à la période de temps écoulée entre le 1^{er} janvier et la date du décès, étant englobés au nom du conjoint dépendants à charge concernant la période de temps écoulée dès le jour suivant celui du décès jusqu'à la fin de l'année (deux déclarations).

Dans le cas de séparation de fait les allègements forfaitaires et non forfaitaires sont ceux applicables aux contribuables non mariés. Le crédit d'impôt (voir §1.14) est celui applicable pour chaque contribuable marié (Esc 26 800).

1.18. Situations familiales particulières

1.181. 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 est relevé de 50 pour cent ;
- les dépenses d'éducation et réhabilitation et les primes d'assurance sont déduites sans plafond ;
- les revenus salariaux sont imposés seulement pour 50 pour cent, dans la limite de Esc 2 460 000 ;
- les revenus de pensions sont imposés seulement pour 70 pour cent (30 pour cent exemptés) dans la limite de Esc 1 388 000.

- 1.182. Enfants à charge handicapés, avec un degré d'incapacité égal ou supérieur à 60 pour cent :
- le crédit d'impôt est relevé de 50 pour cent ;
 - les dépenses d'éducation et réhabilitation et les primes d'assurance sont déduites sans plafond.

1.19. *Ne constituent pas matière imposable de l'impôt*

- 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 (Esc 900 par jour ouvrable, pendant onze mois).

2. Cotisations sociales obligatoires versées à des régimes de caractère publique

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 revenu 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

1. Santé (maladie, invalidité, accidents du travail, maladie professionnelle).
2. Vieillesse, survie.
3. Maternité.
4. Famille (Allocations familiales).
5. Chômage.

3. Prestations sociales en espèces d'application générale

Prestations liées à l'état matrimonial pour les personnes mariées

Éliminé en juillet de 1997 et inclue dans les prestations des enfants à charge.

3.2. Prestations au titre des enfants à charge

Après le 1^{er} juillet 1997 on a réformulé le système de prestations sociales en faisant englober dans les nouvelles prestations mensuelles les anciennes allocations de naissance, d'allaitement et l'allocation familiale mensuelle. Le principe de base est d'accorder des prestations sociales mensuelles plus élevées pour des ménages dont le revenu brut est plus bas. Les nouveaux montants mensuelles pour des enfants à charge sont divisés en trois 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 Esc 1 236 900, en 1998).
- **2^e échelon** pour les familles dont le revenu annuel est supérieur à 1.5 fois et inférieur à huit fois le salaire minimum annuel (entre Esc 1 236 900 et Esc 6 596 800, en 1998).
- **3^e échelon** pour les familles dont le revenu annuel est supérieur à huit fois le salaire minimum annuel (supérieur à Esc 6 596 800, en 1998).

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 majorés. Il y a aussi une autre majoration des prestations sociales, si le nombre de dépendants est de 2 ou supérieur applicable, à partir de 1998, aussi pour le deuxième et troisième échelons de revenu. Ainsi, les prestations sociales, au 1^{er} janvier de 1998 sont les suivants:

1^{er} échelon : revenu annuel jusqu'à Esc 1 236 900.

- Dépendants dont l'âge est égal ou *inférieur* à 12 mois :
 - Esc 14 000 si le nombre d'enfants est égal ou inférieur à 2.
 - Esc 21 000 si le nombre d'enfants est supérieur à 2, pour les enfants au-delà de 2.
- Dépendants dont l'âge est *supérieur* à 12 mois :
 - Esc 4 200 si le nombre d'enfants est égal ou inférieur à 2.
 - Esc 6 300 si le nombre d'enfants est supérieur à 2, pour les enfants au-delà de 2.

2^e échelon : revenu annuel entre Esc 1 236 900 et Esc 6 596 800.

- Dépendants dont l'âge est égal ou *inférieur* à 12 mois :
 - Esc 11 000 si le nombre d'enfants est égal ou inférieur à 2.
 - Esc 14 800 si le nombre d'enfants est supérieur à 2, pour les enfants au-delà de 2.
- Dépendants dont l'âge est *supérieur* à 12 mois :
 - Esc 2 950 si le nombre d'enfants est égal ou inférieur à 2.
 - Esc 4 000 si le nombre d'enfants est supérieur à 2, pour les enfants au-delà de 2.

3^e échelon : revenu annuel supérieur à Esc 6 596 800.

- Dépendants dont l'âge est égal ou *inférieur* à 12 mois :
 - Esc 7 270 si le nombre d'enfants est égal ou inférieur à 2.
 - Esc 9 450 si le nombre d'enfants est supérieur à 2, pour les enfants au-delà de 2.
- Dépendants dont l'âge est *supérieur* à 12 mois :
 - Esc 2 770 si le nombre d'enfants est égal ou inférieur à 2.
 - Esc 3 600 si le nombre d'enfants est supérieur à 2, pour les enfants au-delà de 2.

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 1998

Depuis le 1^{er} Janvier 1999, ont éliminé le régime d'allégements forfaitaires, qui a été remplacé par un régime de crédits d'impôts. On a aussi introduit un nouveau échelon dans le barème d'imposition (cing échelons au lieu de quatre, commençant par 14 pour cent jusqu'à 40 pour cent.

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 servants 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 subsides 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 multipliée 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'œuvre 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 contributions 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-travail. Elles peuvent aussi, bien qu'à titre facultatif, établir une assurance-vie pour leur employés.

1998 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

1998 Parameter values

APW earnings	Ave_earn	1404354	
Tax allowances	perc	0.7	
	max_al	501828	
Tax credits	married_cred	26800	
Married	single_cred	35200	
Each child	child_cred	19510	
Tax schedule	tax_sch	0	1080000
		0.25	2500000
		0.35	6280000
		0.4	6280000
Social security contributions ceiling	SSC_rate	0.11	
	SSC_empr	0.2375	
Child benefit	ch_ben	35400	

SPAIN – ESPAGNE

La monnaie nationale est la peseta. En 1998, 149.40 pesetas était égal à US\$1 (moyenne journalière des taux de change). En 1998, un ouvrier moyen gagnait 2 355 696 pesetas.

1. Systèmes d'imposition sur le revenu

1.1. *Impôt sur le revenu perçu par l'administration centrale*

Dès 1997, un nouveau système de financement des collectivités décentralisées (Régions Autonomes) a été établi. Dans ce nouveau système, l'impôt sur le revenu est partagé entre l'État Central (85 pour cent du revenu total de l'impôt) et les Régions Autonomes (15 pour cent). En plus, les Régions peuvent modifier la législation de l'impôt sur deux concepts :

- Le barème
- Les crédits d'impôts.

Suivant ces dispositions, le barème de l'impôt sur le revenu est distribué entre :

- Le barème qui appartient à l'administration Centrale (85 pour cent).
- Le barème des collectivités décentralisées (15 pour cent) qui peuvent aussi établir des modifications jusqu'à 20 pour cent (en plus ou moins) sur ce barème.

Dans l'année 1998, aucune Région a établi un barème différent. C'est à dire, le barème des collectivités décentralisées a été uniforme.

Les Régions peuvent aussi établir sur le pourcentage de leur revenu final collecté (15 pour cent) certains crédits d'impôts additionnelles : par des raisons familiales, pour certaines dépenses ou pour des investissements privés. Dans l'année 1998, il y avait quelques Régions qui ont introduit crédits d'impôts. Pourtant, le système de crédits d'impôts dans l'impôt sur le revenu est variable pour cette année à l'Espagne.

1.11. *Unité fiscale*

Unité familiale ou contribuable individuel.

1.12. *Allègements fiscaux et crédits d'impôts*

1.121. Abattement à la base

Sont déductibles à la base la totalité des frais suivants :

- Cotisations obligatoires aux caisses de retraite et mutuelles .
- Cotisations à la Sécurité Sociale .
- Abattement forfaitaire de 5 pour cent des revenus du travail (limite 250 000 pesetas).

1.122. Crédits d'impôts

• 1.122.1. Cas général

– Pour chaque enfant .

- 25 000 pesetas pour le premier.
- 35 000 pesetas pour le deuxième.
- 50 000 pesetas pour le troisième et suivants.

On peut noter ici que ces crédits ont été augmentés en relation de l'année précédente.

- Pour chaque membre de l'unité familiale invalide, aveugle ou anormal : 56 000 pesetas.
- Pour chaque membre de l'unité familiale de plus de 65 ans : 20 000 pesetas.
- Pour chaque ascendant de l'unité familiale à charge : 16 500 pesetas, mais si l'ascendant a plus de 75 ans: 32 900 pesetas.

• 1.122.2. Dans le cas de déclaration familiale

En concept de discrimination des revenus de travail : 27 000 pesetas * (nombre des membres de l'unité familiale qui perçoivent des revenus du travail).

• 1.122.3. Dans le cas de déclaration individuelle

En concept de discrimination des revenus du travail :

- 72 000 pesetas, si le revenu net du travail est inférieur ou égal à 1 071 000 pesetas.
- $[72 000 - 0.05 \times (\text{revenu net} - 1 071 000)]$ pesetas, si le revenu net du travail est supérieur à 1 071 000 pesetas et inférieur ou égal à 1 971 000 pesetas.
- 27 000 pesetas, si le revenu net du travail est supérieur à 1 971 000 pesetas.
- Pour l'année 1998, ce crédit d'impôt ne peut pas être supérieur au résultat de d'appliquer la somme de taux moyens au revenu net de travail.

1.123. Principaux allégements non-forfaitaires applicables à un ouvrier moyen.

Sont déductibles à la base la totalité des frais suivants :

- Cotisations aux syndicats.
- *Plans de pensions*. La limite est la plus petite des deux chiffres suivants :
 - 20 pour cent des revenus du travail ;
 - 1 100 000 pesetas (2 200 000 en cas de déclaration familiale).
- *Intérêts* et autres frais de financement des capitaux obtenus pour l'acquisition de la résidence principale du contribuable. Limite 800 000 pesetas (1 000 000 en cas de déclaration familiale);

Sur le montant de l'impôt résultant du barème les contribuables peuvent déduire (réductions d'impôts) :

- Frais médicaux et de santé: 15 pour cent ;
- Frais pour la *garde des enfants* âgés de trois ans ou moins, si le revenu net du contribuable est inférieur ou égal à 3 500 000 de pesetas (déclaration individuelle) ou 5 000 000 de pesetas (déclaration de l'unité familiale) : 20 pour cent (limite 50 000 pesetas).
- *Frais pour le loyer de la résidence habituelle*, si le revenu net du contribuable est inférieur ou égal à 3 500 000 pesetas (déclaration individuelle) ou 5 000 000 de pesetas (déclaration de l'unité familiale): et si les frais de loyer constituent plus de 10 pour cent du revenu net du contribuable: 15 pour cent avec une limite de 100 000 pesetas.
- *Dividendes perçus*: 40 pour cent avec caractère général. La base de la déduction est égale au revenu du capital mobilier multiplié par 1.4, avec caractère général.

La base totale pour l'application des trois allègements qui suivent ne peut dépasser de 30 pour cent la base sur laquelle s'applique le barème d'imposition :

- Quantités investies pour l'acquisition de la résidence habituelle du contribuable : 15 pour cent;
- Primes d'assurance-vie : 10 pour cent ;
- Donations : 10 pour cent. Pour certaines fondations et associations d'utilité publique : 20 pour cent.

1.13. Barème d'imposition

Ne sont pas obligés de déclarer, ceux qui ont des revenus inférieurs à 1 200 000 pesetas (1 250 000 pesetas dans le cas des pensionnés et dans le cas de déclaration de l'unité familiale) provenant des sources suivantes : travail ou valeurs mobilières et gains de capital n'excédant pas 250 000 pesetas.

On ne considère pas dans ces limites le revenu imputé au logement propre du contribuable.

a) Déclaration individuelle :

Base d'imposition	Quota intégral	Solde base d'imposition	Taux applicable (%)
0	0	467 000	0
467 000	0	694 000	17.00
1 161 000	117 980	1 134 000	19.55
2 295 000	339 677	1 200 000	23.80
3 495 000	625 277	1 600 000	27.20
5 095 000	1 060 477	1 700 000	33.15
6 795 000	1 624 027	1 830 000	38.25
8 625 000	2 324 002	1 875 000	44.20
10 500 000	3 152 752	Au-delà	47.60

b) Déclaration de l'unité familiale :

Base d'imposition	Quota intégral	Solde base d'imposition	Taux applicable (%)
0	0	901 000	0
901 000	0	1 344 000	17.00
2 245 000	228 480	921 000	20.91
3 166 000	421 061	1 225 000	24.65
4 391 000	723 024	1 475 000	28.05
5 866 000	1 136 761	2 035 000	33.15
7 901 000	1 811 364	2 035 000	38.25
9 936 000	2 589 751	2 200 000	45.05
12 136 000	3 580 851	Au-delà	47.60

1.2 Impôts des collectivités décentralisées

a) Déclaration individuelle :

Base d'imposition	Quota intégral	Solde base d'imposition	Taux applicable (%)
0	0	467 000	0
467 000	0	694 000	3.00
1 161 000	20 820	1 134 000	3.45
2 295 000	59 943	1 200 000	4.20
3 495 000	110 343	1 600 000	4.80
5 095 000	187 143	1 700 000	5.85
6 795 000	286 593	1 830 000	6.75
8 625 000	410 118	1 875 000	7.80
10 500 000	556 368	au-delà	8.40

b) Déclaration de l'unité familiale :

Base d'imposition	Quota intégral	Solde base d'imposition	Taux applicable (%)
0	0	901 000	0
901 000	0	1 344 000	3.00
2 245 000	40 320	921 000	3.69
3 166 000	74 305	1 225 000	4.35
4 391 000	127 592	1 475 000	4.95
5 866 000	200 605	2 035 000	5.85
7 901 000	319 652	2 035 000	6.75
9 936 000	457 015	2 200 000	7.95
12 136 000	631 915	au-delà	8.40

2. Cotisations sociales obligatoires versées à des régimes de caractère public

– Les basses des cotisations de sécurité sociale (patronale et des salariés) comportent un plafond et un plancher. En 1998 ses chiffres sont :

- Plafond : 3 866 760 pesetas
- Plancher : 952 560 pesetas

2.1. Cotisations des salariés

- Retraite/Maladie et invalidité 4.7 pour cent
- Chômage 1.6 pour cent
- Formation professionnelle 0.1 pour cent

2.2. Cotisations patronales

- Retraite/Maladie et invalidité 23.6 pour cent
- Chômage/Accidents de travail 6.2 pour cent
- Fonds de garantie salariale 0.4 pour cent
- Formation professionnelle 0.6 pour cent

3. Prestations sociales d'application générale**3.1. Prestations liées à l'état matrimonial**

Néant.

3.2. Prestations au titre d'enfants à charge

On ne peut pas appliquer cette prestation pour le revenu qui correspond à un ouvrier moyen en 1998.

Dans le cas de deux enfants la limite d'application est de 1 359 008 pesetas pour le revenu annuel de l'unité familiale. Dans ce cas correspond à chaque enfant un montant maximal de 36 000 pesetas par an.

4. Principales modifications apportées au système fiscal et au régime des prestations sociales depuis 1997

Nouveau régime de financement des Régions Autonomes. L'impôt sur le revenu devient partagé. On explique ce système dans le § 1.1. de ce chapitre.

L'Espagne a introduit en 1999 un nouveau système d'imposition des revenus des personnes physiques. Celui-ci s'applique seulement si le revenu total excède un seuil minimum variable selon les caractéristiques des personnes (par exemple si elles présentent un handicap) et selon la situation de la famille (par exemple s'il y a des personnes à charge). Les revenus de toutes sources sont pris en compte et imposés à des taux progressifs exception faite des gains en capital à long terme (capitaux détenus plus de deux années) qui eux sont imposés à un taux constant de 20 pour cent. Le nombre des tranches d'imposition a été réduit à six. Les taux maximum et minimum ont été abaissés respectivement de 56 pour cent à 48 pour cent et de 20 pour cent à 18 pour cent. Le rôle des crédits d'impôt a aussi été réduit avec cette réforme. Les plus importants qui existent encore sont liés à l'encouragement à l'accession à la propriété et au dégrèvements fiscaux du fait des dons effectués à des organismes à but non lucratif.

5. Rubrique pour mémoire

5.1. Identification de l'ouvrier moyen

Il s'agit des travailleurs directement encadrés dans une activité de production. Cette définition tient compte aussi bien des travailleurs manuels que des personnes chargées de petits travaux de direction dans les ateliers. Les administratifs n'en font pas partie.

En ce qui concerne le sexe, on tient compte des travailleuses et des travailleurs et on suppose qu'ils sont employés à temps complet, sans être arrêtés pour maladie ou chômage.

Le secteur couvert est celui de l'industrie manufacturière, selon la définition donnée dans la Section D de la CNAE-93, (NACE-REV1 dans la UE et CIIU-REV-3)

5.2. Méthode de calcul

Le revenu indiqué tient compte aussi bien des recettes ordinaires (salaires de base et compléments) que des recettes extraordinaires (paiements pour heures supplémentaires et autres à échéance supérieure à un mois).

L'élément fondamental pour obtenir les recettes annuelles brutes de l'ouvrier moyen est l'Enquête des salaires élaborée par l'Institut National de Statistique.

L'Enquête des salaires a un système de rotation qui fait que chaque trimestre on utilise l'échantillon à cent pour cent (chaque mois on n'utilise qu'un tiers de l'échantillon). La période de référence est le mois.

Pour chaque trimestre, on prend les chiffres qui apparaissent dans les rubriques suivantes :

- Totalité des paiements (ordinaire et extraordinaire dans les deux journées de travail (en pesetas).
- Gain moyen par travailleur et par mois.
- Ouvriers.

Pour les lignes 2, 3 et 4 du chapitre Industrie sans la construction, en les pondérant par la proportion d'ouvriers de chacune de ces lignes. De cette façon, on obtient un gain moyen par travailleur et par mois pour chacun des trimestres de l'année.

La moyenne de l'année est obtenue par l'addition des valeurs de chaque trimestre et en divisant par quatre. En dernier lieu, pour obtenir les recettes brutes annuelles, on multiplie par 12 le chiffre précédent.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	earn		
2. Allowances:	tax_al	B, J	$\text{MIN}(\text{WORK_REL_RT} * \text{earn}, \text{WORK_REL_MAX}) + \text{SSC}$
3. Credits in taxable income	taxbl_cr	B, J	0
4. CG taxable income	tax_inc	B, J	Positive (earn-tax_al)
	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_excl	J	$\text{IF}((\text{Married}=0) * (\text{Children}=0), \text{final_sing_1}, \text{IF}(\text{final_sing_1} + \text{final_sing_2}))$
General credits	cr_sing_1	P	$\text{IF}(\text{tax_inc_princ} \leq \text{SING_LIM}, \text{SINGLE_CR}, \text{IF}(\text{tax_inc_princ} \leq \text{SING_LIM_TOP}, \text{SINGLE_CR} - (\text{SING_TAPER} * (\text{tax_inc_princ} - \text{SING_LIM})), \text{FAMILY_CR}))$
	cr_sing_2	S	$\text{IF}(\text{OR}(\text{Married}=0, \text{earn_spouse}=0), 0, \text{IF}(\text{tax_inc_spouse} \leq \text{SING_LIM}, \text{SINGLE_CR}, \text{IF}(\text{tax_inc_spouse} \leq \text{SING_LIM_TOP}, \text{SINGLE_CR} - (\text{SING_TAPER} * (\text{tax_inc_spouse} - \text{SING_LIM})), \text{FAMILY_CR})))$
	cr_joint	J	$\text{IF}((\text{Married}=0) * (\text{Children}=0), \text{FAMILY_CR}, + \text{Married} * \text{FAMILY_CR} * (1 + (\text{earn_spouse} > \text{FAMILY_CR})))$
Child credits	ch_sing_1	P	$\text{Children} * \text{CHILD_CR}$
	ch_sing_2	S	0
	ch_joint	J	$\text{Children} * \text{CHILD_CR}$
Total credits	tot_sing_1	P	$\text{cr_sing_1} + \text{ch_sing_1}$
	tot_sing_2	S	$\text{cr_sing_2} + \text{ch_sing_2}$
	tot_joint	J	$\text{cr_joint} + \text{ch_joint}$
7. CG tax	final_sing_1	P	Positive(liable_sing_1+total_sing_1)
	final_sing_2	S	Positive(liable_sing_2+total_sing_2)
	final_joint	J	Positive(liable_joint+total_joint)
Resulting tax on the basis which is favourable to the taxpayer	CG_tax	J	$\text{IF}((\text{Married}=0) * (\text{Children}=0), \text{final_sing_1}, \text{IF}(\text{final_sing_1} + \text{final_sing_2}))$
6. Tax credits:	tax_cr	J	$\text{CG_tax_excl} - \text{CG_tax}$
8. State and local taxes	local_tax	J	0
9. Employees' soc security	SSC	B	$\text{IF}(\text{AND}(\text{earn} > 0, \text{earn} \leq \text{MIN_LIM}), \text{MIN_LIM} * (\text{PENSION_RATE} + \text{UNEMP_RATE} + \text{OTH_RATE}), \text{IF}(\text{earn} \geq \text{TOP_LIM}, \text{TOP_LIM} * (\text{PENSION_RATE} + \text{UNEMP_RATE} + \text{OTH_RATE}), \text{earn} * (\text{PENSION_RATE} + \text{UNEMP_RATE} + \text{OTH_RATE})))$
11. Cash transfers	cash_trans	J	0
13. Employer's soc security	SSC_empr	B	$\text{IF}(\text{AND}(\text{earn} > 0, \text{earn} \leq \text{MIN_LIM}), \text{MIN_LIM} * (\text{PENSION_EMPR} + \text{UNEMP_EMPR} + \text{OTH_EMPR}), \text{IF}(\text{earn} \geq \text{TOP_LIM}, \text{TOP_LIM} * (\text{PENSION_EMPR} + \text{UNEMP_EMPR} + \text{OTH_EMPR}), \text{earn} * (\text{PENSION_EMPR} + \text{UNEMP_EMPR} + \text{OTH_EMPR})))$

1998 Parameter values

APW earnings	Ave_earn	2355696							
Work related allowance	work_rel_rt	0.05							
	work_rel_max	250000							
Tax credit: basic	single_cr	72000							
	sing_lim	1071000							
	sing_taper	0.05							
	family_cr	27000							
	sing_lim_top	1971000							
	child_cr1	25000							
	child_cr2	35000							
tax_sch_sg		0	0	0.00%	tax_sch_fg		0	0	0.00%
		467000	0	17.00%			901000	0	17.00%
		1161000	117980	19.55%			2245000	228480	20.91%
		2295000	339677	23.80%			3166000	421061	24.65%
		3495000	625277	27.20%			4391000	723024	28.05%
		5095000	1060477	33.15%			5866000	1136761	33.15%
		6795000	1624027	38.25%			7901000	1811364	38.25%
		8625000	2324002	44.20%			9936000	2589751	45.05%
		10500000	3152752	47.60%			12136000	3580851	47.60%
	tax_sch_sa		0	0		0.00%	tax_sch_fa		0
		467000	0	3.00%		901000		0	3.00%
		1161000	20820	3.45%		2245000		40320	3.69%
		2295000	59943	4.20%		3166000		74305	4.35%
		3495000	110343	4.80%		4391000		127592	4.95%
		5095000	187143	5.85%		5866000		200605	5.85%
		6795000	286593	6.75%		7901000		319652	6.75%
		8625000	410118	7.80%		9936000		457015	7.95%
		10500000	556368	8.40%		12136000		631915	8.40%
Social security contributions		pension_rate	0.047						
-unemployment	unemp_rate	0.016							
-other	oth_rate	0.001							
Employer	pension_empr	0.236							
	unemp_empr	0.062							
	oth_empr	0.01							
Social security contributions at the level of an APW	min_lim	952560							
	top_lim	3866760							

SWEDEN – SUÈDE

The national currency is the Swedish Kroner (Skr). In 1998, Skr 7.9462 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned Skr 215 490.

1. Personal income tax systems

1.1. Central government income tax

1.1.1. Tax unit*

Spouses are taxed separately.

1.1.2. Tax allowances and tax credits

1.1.2.1. Standard reliefs

Basic reliefs: A basic allowance is given for central government taxation. The allowance is given for the central government taxation and varies between SKr 8 700 and SKr 18 100, depending on income. For an average production worker this basic allowance is SKr 8 700.

Standard marital status reliefs: None.

Relief(s) for children: None.

Reliefs for social security contributions and other taxes: An average production worker can claim an allowance for a general pension insurance fee, which is 6.95 per cent of the personal income.

Work-related expenses: None.

Other: None.

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

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 average production worker a deduction of maximum SKr 18 200 can be claimed for premiums paid to private pension arrangements.

Medical expenses: None.

Other: Allowances are given for:

- the amount of commuting expenses exceeding SKr 7 000;
- other types of work-related expenses exceeding SKr 1 000. Examples of such are tools, work-related phone calls on private telephone;
- increased living expenses while on business trips, *e.g.* such as usage of private car if it is not paid by the employer;
- double housing expenses due to *temporary* work at an other geographical location (too far away from the taxpayer's place of residence 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 (SKr)	Tax payable (SKr and %)
Up to 213 100	200
Over 213 100	200 + 25%

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. The assessment of these taxes is completely co-ordinated. The tax year is identical; the income tax year coincides with the calendar year.

1.22. *Tax base*

The tax base is the same as for central government taxation. A basic allowance is given for the local government taxation and varies between SKr 8 700 and SKr 18 100, depending on income. For an average production worker this basic allowance is SKr 8 700.

1.23. *Tax rates*

The local government personal income tax is proportional and differs between municipalities. In 1998, the average rate amounted to 30.76 per cent, with maximum and minimum rates of 33.15 per cent and 26.40 per cent, respectively.

1.24. *The rate selected for this study*

The average rate, of 30.76 per cent, has been used.

2. **Social security contributions**2.1. **Employees' contributions**

A general pension fee of 6.95 per cent of the personal income.

2.2. **Employers' contributions**

Contributions from the employer are calculated as a percentage of the total sum of salaries and benefits for a year. The rates for 1998 are listed below.

Programme	Rate (%)
National Basic Pension	6.83
Supplementary Pension	6.40
Part Pension	0.20
Health Insurance	7.90
Labour Market	5.42
Labour protection	0.17
Industrial Injury Insurance	1.38
Wage Guarantee	0.25
General Wage Fee	4.48
Total	33.03

2.3. For self-employed individuals special rules apply

3. Universal cash transfers

3.1. Transfers related to marital status

None.

3.2. Transfers for dependent children

SKr 9 000 for each child.

4. Main changes in tax/benefit systems since 1995

The general pension fee increased with one percentage point per year, until 1998.

The transfer for dependent children was reduced to SKr 7 680 for the years 1996-1997.

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 2nd quarter of 1997.

To get the annual wage the average hourly earnings have been multiplied by the stipulated normal amounts of hours for 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 equalled 6 per cent of wage earnings for 1998. This figure is taken from the official series of labour costs in manufacturing prepared by Statistics Sweden.

1998 Tax equations

Line in country table and intermediate steps	Variable name	Range	Equation
1. Earnings	Earn		
2. Allowances:	basic_al	B	$\text{MIN}(\text{TRUNC}(\text{MAX}(\text{gp}_1 * \text{basic_amt}, (\text{gp}_1 + \text{gp}_2 * (\text{gr}_2 - \text{gr}_1)) * \text{basic_amt} - \text{gp}_2 * \text{MAX}(\text{gr}_2 * \text{basic_amt} - \text{TRUNC}(\text{earn_stand}, -2), 0) - \text{gp}_3 * \text{MAX}(\text{TRUNC}(\text{earn_stand}, -2) - \text{gr}_3 * \text{basic_amt}, 0)), -2), \text{earn})$
Total	tax_al	B	SSC + basic_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	$\text{min_tax} * (\text{tax_inc} > 0) + \text{Positive}(\text{tax_inc} - \text{tax_thrsh}) * \text{tax_rate}$
6. Tax credits:	tax_cr	B	0
7. CG tax	CG_tax	B	CG_tax_excl
8. State and local taxes			
Allowances	local_allce	B	basic_al + SSC
Local tax	local_tax	B	local_rate * Positive(tax_inc - local_allce)
9. Employees' soc security	SSC	B	$\text{MIN}(100 * \text{TRUNC}((\text{earn} * \text{ssc}_1) / 100), 100 * \text{TRUNC}((7.5 * \text{basic_ant} * \text{ssc}_1) / 100)) + \text{MIN}(100 * \text{TRUNC}((\text{earn} * \text{ssc}_2) / 100), 100 * \text{TRUNC}((7.5 * \text{basic_ant} * \text{ssc}_2) / 100)) + \text{MIN}(100 * \text{TRUNC}((\text{earn} * \text{ssc}_3) / 100), 100 * \text{TRUNC}((7.5 * \text{basic_ant} * \text{ssc}_3) / 100))$
11. Cash transfers	cash_trans	J	Children * CB
13. Employer's soc security	SSC_empr	B	earn * SSC_empr

1998 Parameter values

APW-wage	Ave_earn	215490
Central income tax	min_tax	200
	tax_rate	0.25
	tax_rate2	
	tax_thrsh	213100
	tax_thrsh2	
Deductions	stand	0
Basic Allowance	gr1	1.86
	gr2	2.89
	gr3	3.04
	gr4	5.615
	gp1	0.24
	gp2	0.25
	gp3	0.1
	central	1
Local income tax	basic_amt	36400
	basic_ant	37100
	local_rate	0.3076
Soc security contrib	SSC_rate	0.0695
	sickness	0
	unemployment	0
	pension	0.0695
	employer	0.3303
	rounding	49
	ceiling	7.5
Child benefit	CB	9000

SWITZERLAND – SUISSE

La monnaie nationale est le Franc suisse (FS). En 1998, 1.45 FS était égal à US\$1 (moyenne journalière des taux de change). En 1998, un ouvrier moyen gagnait 58 625 FS.

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

– *Abattement à la base.*

- L'IFD ne connaît pas d'abattement à la base.

– *Abattement pour enfants.*

- Un montant de 5 100 FS 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 97 200 FS avec un maximum de 1 458 FS et de 0.5 per cent de plus de 97 200 FS à 243 000 FS avec un maximum de 729 FS) sont entièrement déductibles. Les cotisations obligatoires à la caisse de pension sont entièrement déductibles. Les cotisations à des assurances-maladie et assurance sur la vie sont déductibles à concurrence de 2 800 FS pour les personnes mariées et de 1 400 FS pour les personnes veuves, divorcées et célibataires. Ces montants s'augmentent de 600 FS 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 1 800 FS et au maximum à 3 600 FS.

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.

Mouvements de passage importants entre allègements fiscaux forfaitaires et non forfaitaires: Aucun.

1.13. Base d'imposition

Du revenu brut, sont déductibles	Personne célibataire (FS)	Personne mariée, 2 enfants (FS)
Dépenses professionnelles ¹	1 800-3 600	1 800-3 600
Abattement personnel	–	–
Abattement pour 2 enfants à charge	–	10 200
Cotisations sociales		
– Assurance-vieillesse	5.05%	5.05%
– Assurance-chômage	1.5% ²	1.5% ²
– Caisse de pension	5.00%	5.00%
Déductions pour primes d'assurances-maladie et intérêts de capitaux ³	1 400 plus 600 par enfant	2 800 plus 600 par enfant
Déduction pour couple à 2 revenus		6 400

1. 3 pour cent du revenu net, minimum 1 800 FS, maximum 3 600 FS.

2. 1.5 pour cent du revenu jusqu'à 97 200 FS et 0.5 pour cent de plus de 97 200 FS à 243 000 FS.

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 FS
- familles monoparentales 5.1 pour cent ; min. 1 500 FS
- couples mariés, sans enfant 5.7 pour cent ; min. 1 710 FS
- couples mariés avec deux enfants 7.2 pour cent ; min. 2 140 FS.

1.14. Barème d'imposition

1.141. Taux pour les personnes vivant seules

Revenu imposable (FS) ¹	Montant de base (FS)	Plus % de la partie qui dépasse (FS)
Jusqu'à 14 899	–	–
14 900 à 25 300	25.40	0.77
25 300 à 33 100	105.45	0.88
33 100 à 44 100	174.05	2.64
44 100 à 57 900	464.45	2.97
57 900 à 62 400	874.30	5.94
62 400 à 82 700	1 141.60	6.60
82 700 à 107 500	2 481.40	8.80
107 500 à 140 500	4 683.80	11.00
140 500 à 603 000	8 293.80	13.20
603 100	69 356.50	–
Plus de 603 100	–	11.5 du revenu total

1. Les fractions inférieures à 100 FS 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.

Si l'impôt est inférieur à 25 FS, il n'est pas prélevé.

Revenu imposable (FS) ¹	Montant de base (FS)	Plus % de la partie qui dépasse (FS)	
Jusqu'à 25 099	–	–	–
25 100 à 40 600	25	1	25 100
40 600 à 46 600	180	2	40 600
46 600 à 60 100	300	3	46 600
60 100 à 72 100	705	4	60 100
72 100 à 82 600	1 185	5	72 100
82 600 à 91 700	1 710	6	82 600
91 700 à 99 200	2 256	7	91 700
99 200 à 105 200	2 781	8	99 200
105 200 à 109 700	3 261	9	105 200
109 700 à 112 800	3 666	10	109 700
112 800 à 114 300	3 976	11	112 800
114 300 à 115 800	4 141	12	114 300
115 800 à 715 500	4 321	13	115 800
715 600	82 294	–	–
Plus de 715 600	–	11.5 du revenu total	–

1. Les fractions inférieures à 100 FS sont négligées.

1.2. Impôts des collectivités décentralisées (Canton et commune de Zurich)

1.2.1. 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 pour les intérêts des dettes et les cotisations de sécurité sociale ainsi que des déductions personnelles sont accordés. Une déduction pour les dépenses médicales de 13 300 FS par personne et par année au maximum peut être accordée à certaines conditions. Les dépenses pour formation professionnelle et formation complémentaire du contribuable et de son épouse dépassant le montant des bourses d'étude peuvent être déduites du revenu, à concurrence de 5 700 FS par personne.

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 1998, par exemple, le canton appliquait un multiple de 1.08 ; la commune de Zurich 1.30 et la paroisse réformée 0.11. Le montant simple de l'impôt était donc multiplié par un total de 2.49.

1.2.2. Base d'imposition

Du revenu brut, sont déductibles	Personne célibataire (FS)	Personne mariée, 2 enfants (FS)
Dépenses professionnelles ¹	1 800-3 600	1 800-3 600
Abattement personnel	5 000	10 000
Abattement pour 2 enfants à charge	–	10 600
Cotisations sociales		
– Assurance-veilles	5.05%	5.05%
– Assurance-chômage	1.5% ²	1.5% ²
– Caisse de pension	5.00%	5.00%
Déductions pour primes d'assurances-maladie et intérêts de capitaux ³	2 300 plus 700 par enfant	4 600 plus 700 par enfant

1. 3 pour cent du revenu net; minimum 1 800 FS, maximum 3 600 FS.

2. 1.5 pour cent du revenu jusqu'à 97 200 FS et 0.5 pour cent de plus de 97 200 FS à 243 000 FS.

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 FS
- familles monoparentales 5.1 pour cent; min. 1 500 FS
- couples mariés, sans enfant 5.7 pour cent; min. 1 710 FS
- couples mariés avec deux enfants 7.2 pour cent; min. 2 140 FS.

1.23. Taux d'imposition

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 (FS) ¹	Montant de base (FS)	Plus % de la partie qui dépasse (FS)	
Jusqu'à 5 300	–	2	–
5 300 à 11 900	106	3	5 000
11 900 à 19 900	304	4	11 900
19 900 à 29 200	624	5	19 900
29 200 à 41 100	1 089	6	29 200
41 100 à 67 600	1 803	7	41 100
67 600 à 94 100	3 658	8	67 600
94 100 à 133 800	5 778	9	94 100
133 800 à 181 500	9 351	10	133 800
181 500 à 233 200	14 121	11	181 500
233 200 à 292 800	19 808	12	233 200
Plus de 292 800	26 960	13	292 800

1. Les fractions inférieures à 100 FS sont négligées.

b) Taux simples de l'impôt sur le revenu pour les autres contribuables (célibataires sans enfants).

Revenu imposable (FS) ¹	Montant de base (FS)	Plus % de la partie qui dépasse (FS)	
Jusqu'à 4 000	–	2	–
4 000 à 8 000	80	3	4 000
8 000 à 14 600	200	4	8 000
14 600 à 22 500	464	5	14 600
22 500 à 31 800	859	6	22 500
31 800 à 42 400	1 417	7	31 800
42 400 à 57 000	2 159	8	42 400
57 000 à 84 800	3 327	9	57 000
84 800 à 112 600	5 829	10	84 800
112 600 à 156 400	8 609	11	112 600
156 400 à 213 300	13 427	12	156 400
Plus de 213 300	20 255	13	213 300

1. Les fractions inférieures à 100 FS sont négligées.

c) Multiple annuel en % des taux légaux simples :

Canton de Zurich	108
Commune de Zurich	130
Impôt paroissial	
Catholique romain	13
Réformé	11

Est ajouté un impôt personnel de 12 FS.

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,
- 5.00 pour cent du revenu brut pour la caisse de pension.

2.13. Chômage

1.5 pour cent du revenu jusqu'à 97 200 FS avec un maximum de 1 458 FS et de 0.5 pour cent de plus de 97 200 FS à 243 000 FS avec un maximum de 729 FS.

2.2. Cotisations patronales

2.21. Retraite

- 5.05 pour cent du revenu brut pour l'assurance-vieillesse,
- 5.00 pour cent du revenu brut pour la pension.

2.23. Chômage

1.5 pour cent du revenu jusqu'à 97 200 FS avec un maximum de 1 458 FS et de 0.5 pour cent de plus de 97 200 FS à 243 000 FS avec un maximum de 729 FS.

2.25. Allocations familiales (seulement cantonales)

2 469 FS par enfant.

3. Prestations sociales d'application générale

3.1. Prestations liées à l'état matrimonial

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 minimale s'élève à 2 469 FS par enfant et par an.

Elle est imposable avec les autres éléments du revenu.

4. Principales modifications apportées au système fiscal et au régime des prestations sociales depuis 1997

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

Non comprises : allocations chômage, indemnités maladie et avantages accessoires. Sont comprises : indemnités congés payés, heures supplémentaires et primes périodiques en espèces.

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.

1998 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+ (Children>0)*(Married=0)*sing_par_al
Soc sec contributions	SSC_al	B	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))* (1.08+1.3+0.11)+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

1998 Parameter values

APW earnings	Ave_earn	58625				
Tax allowances	Child_al	5100				
Partner income min	partner_min	6400				
Partner income max	partner_max	6400				
Partner income local	partner_local	5000				
Single parent	sing_par_al	0				
Workrelated	work_exp	0.03	work_exp_min	1800	work_exp_max	3600
Allowances for local tax	local_basic	5000				
	local_child	5300				
Federal tax	IFD_min_s	25.4				
Single	IFD_sch_s	0	14900			
		0.0077	25300			
		0.0088	33100			
		0.0264	44100			
		0.0297	57900			
		0.0594	62400			
		0.066	82700			
		0.088	107500			
		0.11	140500			
		0.132	603000			
		0.115				
Married	IFD_min_m	25				
	IFD_sch_m	0	25099			
		0.01	40600			
		0.02	46600			
		0.03	60100			
		0.04	72100			
		0.05	82600			
		0.06	91700			
		0.07	99200			
		0.08	105200			
		0.09	109700			
		0.1	112800			
		0.11	114300			
		0.12	115800			
		0.13	715500			
		0.115				
Cantonal tax	Zurich_min	12				
Single	Zurich_sch_s	0.02	4000			
		0.03	8000			
		0.04	14600			
		0.05	22500			
		0.06	31800			
		0.07	42400			
		0.08	57000			
		0.09	84800			
		0.1	112600			
		0.11	156400			
		0.12	213300			
		0.13				
Married	Zurich_sch_m	0.02	5300			
		0.03	11900			
		0.04	19900			
		0.05	29200			
		0.06	41100			
		0.07	67600			
		0.08	94100			

1998 Parameter values (cont.)

		0.09	133800
		0.1	181500
		0.11	233200
		0.12	292800
		0.13	
Social security contributions	old_age	0.05	
Pension	pension_rate	0.0505	
Unemployment	unemp_rate	0.015	
	unemp_rate2	0.005	
income ceiling	unemp_ciel	97200	
	unemp_ciel2	243000	
Other insurance	other_rate	0.036	
	child_rate	0.072	
	single_rate	0.051	
	married_rate	0.057	
Federal deductible limit	fed_dedn	1400	
deductible extra for child	fed_dedn_c	600	
Cantonal deductible limit	local_dedn	2300	
deductible extra for child	local_dedn_c	700	
Child cash transfer	child_ben	2469	

TURKEY – TURQUIE

The national currency is the Lira (TL). In 1998, TL 260 724 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned TL 1 792 836 761.

1. Personal income tax system

1.1. Central government income tax

1.11. Tax unit

In principal, spouses are taxed separately on earned income. However, if each of the spouses works separately for more than one employer and if each of them individually earns more than TL 2.25 billion in gross income annually, they are taxed jointly.

1.12. Tax allowances and tax credits

Income tax is levied on the real net value of the wage and salary. The real net value of the wage and salary is calculated by making the following deductions from the total cash payments made and fringe benefits given by the employer:

1. Legal deductions for public institutions such as OYAK (Social Aid Institution for Military Officers)
2. Contributions to social security organisations and premiums of social insurance (provided that, the organisation or the institution are resident in Turkey)
3. Premiums paid by wage-earner for himself (or herself) and his (or her) spouse and dependent children for personal insurance such as life, death, accident, illness, disablement, maternity, birth and education, provided that the insurance is contracted with a company established or has 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 real net value of the wage and salary, the deductions mentioned below are made to obtain the taxable income.

1.121. Standard reliefs:

- *Basic reliefs*: In general, taxpayers income of TL 315 000 a day, TL 9.45 million a month or TL 113.4 million a year is deductible from gross income as a basic allowance.
- *Reliefs for disabled*: Disabled allowance is added to the basic allowance for the 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 14 per cent of the gross income as stated by the social insurance act.
- *Special tax credit for wage and salary earners*: This provision is applied to all wage and salary earners as a tax credit system. 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 one-third of expenses. The upper limit for the tax credit is 35 per cent of the tax base.

1.122. Main non-standard tax reliefs applicable to an APW

There was no non-standard tax relief applicable to an average production worker in fiscal year 1998.

1.13. Tax schedule

The tax schedule in 1998 was as follows:

Taxable income (TL 1 mln)	Tax on under limit (TL 1 mln)	Tax on excess amount over under limit (%)
Up to 750		25
750 up to 1 500	187.5	30
1 500 up to 3 000	412.5	35
3 000 up to 6 000	937.5	40
6 000 up to 12 000	2 137.5	45
12 000 up to 24 000	4 837.5	50
24 000 and over	10 837.5	55

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 0.0048 per cent.

2. Social security contributions

2.1. Employees' contributions

2.11. Pensions

(disability, old age and death insurance) 9 per cent.

2.12. Sickness

5 per cent.

2.2 Employer's contributions

2.21. Pensions

11 per cent.

(disability, old age and death insurance)

2.22. Sickness

6 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.

2.26. Others (maternity insurance)

1.0 per cent.

Total contributions

19.5 per cent (when work injury contribution is 1.5 per cent) to 25.0 per cent (when work injury contribution is 7.0 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 taking into account the above mentioned schemes.

For employees whose gross earnings are below the base or above the 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 trade union. These agreements vary according to bargaining power of the parties for all sectors in the economy. For this reason no standard amount reflecting the general transfers has been included in the tax equations.

4. Main changes in tax/benefit system since 1997

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 (for the months of February, May, August and November) and refer to the calendar year.

5.2. Contribution to private pension, health, etc. 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. 3417, which entered into force on 1 April 1988, employers with more than ten workers must withhold 2 per cent of the employees' wages as a "saving premium". Employers are obliged to add a contribution of 3 per cent of the employees' wages. The total of 5 per cent of wages must be put as deposit in a "Saving Promotion Account" at the Ziraat Bank.

The saving premium is deductible from the income tax base of the worker. Because this programme only covers employees of firms employing more than ten workers, the saving premium is not included in the calculations for the present report.

1998 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)
5. CG tax before credits	CG_tax_excl	B	Tax(tax_inc,tax_sch) + stamp tax
6. Tax credits:	tax_cr	B	0
Stamp tax	stamp_tax	B	earn*stamp_rate
7. CG tax	CG_tax	B	Positive(CG_tax_excl-tax_cr)+stamp_tax
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

1998 Parameter values

Average earnings/yr	Ave_earn	1792836761														
Allowances	Basic_al	113400000														
Income tax	Tax_sch	<table border="1"> <tbody> <tr> <td>0.25</td> <td>750000000</td> </tr> <tr> <td>0.30</td> <td>1500000000</td> </tr> <tr> <td>0.35</td> <td>3000000000</td> </tr> <tr> <td>0.40</td> <td>6000000000</td> </tr> <tr> <td>0.45</td> <td>12000000000</td> </tr> <tr> <td>0.50</td> <td>24000000000</td> </tr> <tr> <td>0.55</td> <td></td> </tr> </tbody> </table>	0.25	750000000	0.30	1500000000	0.35	3000000000	0.40	6000000000	0.45	12000000000	0.50	24000000000	0.55	
0.25	750000000															
0.30	1500000000															
0.35	3000000000															
0.40	6000000000															
0.45	12000000000															
0.50	24000000000															
0.55																
Stamp tax	Stamp_rate	0.0048														
Employees SSC	SSC_rate	0.14														
	SSC_ceil	1150143840														
Employers SSC	SSC_empr	0.195														

UNITED KINGDOM – ROYAUME-UNI

(1998-1999 INCOME TAX YEAR)

The national currency is the Pound Sterling (£). In 1998, £0.604 was equal to US\$1 (average of daily exchange rates). In that year, the average production worker earned £17 460. This figure is provisional.

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 reliefs*: A personal allowance of £4 195 is granted to each individual
- *Standard marital status reliefs*: An additional allowance of £1 900 is available. A couple can choose to allocate the whole married couple's allowance to the wife or to split it equally between them; the wife has the right to claim half the allowance. If the couple express no preference, the allowance is given to the husband. The relief is available at 15 per cent and is given as a wastable tax credit.
- *Additional person's allowance*: An additional allowance of £1 900 is available to single people with children. The relief is available at 15 per cent and is given as a wastable tax credit.
- *Relief for social security contributions and other taxes*: None.

1.122. Main non-standard tax reliefs applicable to an APW

- *Interest on qualifying loans* - mainly in respect of loans for the purchase or improvement of owner-occupied property, up to a ceiling of £30 000 loan capital. Improvement loans taken out after 5 April 1988 do not qualify for relief. Relief is restricted to 10 per cent of the interest paid.
- *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 (£)	(%)
0-4 300	20
4 300-27 100	23
Over 27 100	40

1.2. State and local income tax

There are no regional or local income taxes.

2. Social security contributions

2.1. Employees' contributions

National Insurance contributions are payable by employees earning more than £64 in any week. These are 2 per cent of the first £64 plus 10 per cent of earnings between £64 and £485 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 reduction of 1.6 percentage points in the rate applying to earnings between £64 and £485 per week. Depending on eligibility criteria, members of the National Insurance scheme qualify for pensions, benefits in the case of sickness, industrial injury, unemployment, etcetera. All employees earning under £64 per week have no National Insurance contribution liability.

2.2. Employers' contributions

As with employee's contributions, employer's contributions are not payable for employees earning less than £64 per week. The rates of employer's contributions for employees not contracted out of the additional (earnings related) scheme are as follows:

Gross earnings (£ per week)	Percentage of gross earnings
64.00-109.99	3
110.00-154.99	5
155.00-209.99	7
Over 210.00	10

(For employees who are contracted out, the rate is reduced by 3 percentage points on earnings between £64 and £485 per week.) The rates quoted apply to gross earnings.

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 £11.45 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 £9.30 per week for each additional child. A premium of £5.65 per week is paid to one parent families in respect of the first child in addition to child benefit. None of these payments is subject to tax.

4. Main changes in tax/benefit systems since 1998-1999

The following changes apply from April 1999:

a) A new starting rate of tax was introduced in April 1999. The tax schedule is:

Taxable income (£)	%
0-1 500	10
1 500-28 000	23
Over 28 000	40

b) The personal allowance is £4 335. Relief on the married couple's allowance is restricted to 10 per cent instead of 15 per cent.

c) Major changes were made to National Insurance contributions. No employee contributions are payable on the first £66 of earnings per week. For employees not contracted out of the state additional (earnings related) pension the contributions become 10 per cent of earnings between £66 and £500. For employees who are contracted out, there is a reduction of 1.6 percentage points in the rate. The rate structure for employers' contributions has been simplified. No employers' contributions are payable on the first £83 of earnings per week. For employees not contracted out of the additional (earnings related) scheme contributions become 12.2 per cent of earnings above £83 per week. For employees who are contracted out, the rate is reduced by 3 percentage points on earnings between £83 and £500 per week.

5. Memorandum items

5.1 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 average production worker 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, where those weekly figures are weighted averages of the published Labour Market Trends figures for men and women.

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).

5.2 Employers' contributions to private pension, health etc. schemes

About half of all wage earners are covered by private occupational pension schemes. A limited number are covered by private health schemes financed in whole or in part by employers.

1998 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)
6. Tax credits:	tax_cr	P	((Married+Children)>0)*Married_al*Married_rate
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	Tax(earn,SSC_sch)+(earn>LEL)*LEL*SSC_rate1
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	LOOKUP(earn,SSC_empr)*earn

1998 Parameter values

Average earnings/yr	Ave_earn	17460		
Allowances	Basic_al	4195		
	Married_al	1900		
	Married_rate	0.15		
Income tax	Tax_sch	0.2	4300	
		0.23	27100	
		0.4		
Employees SSC	SSC_rate1	0.02		
Lower earnings limit	SSC_sch	0	3328	LEL
Upper earnings limit		0.1	25220	UEL
Employers SSC	SSC_empr	0	0	
		3328	0.03	
		5720	0.05	
		8060	0.07	
		10920	0.1	
Child benefit (first)	CB_first	11.45		
Child benefit (others)	CB_others	9.3		
One parent benefit	CB_onepar	5.65		

UNITED STATES – ÉTATS-UNIS

The national currency is the dollar (US\$). In 1998, the average production worker earned US\$29 076.

1. Personal income tax systems

1.1. Federal government income tax

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 dependants).

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 – under prior law – was previously built into the tax rate schedules. In 1998, a married couple filing a joint tax return is entitled to a standard deduction of US\$7 100. The standard deduction is US\$6 250 for heads of households and US\$4 250 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 dependants by their parents. For such children, the standard deduction is the lesser of US\$700 or the amount of their earned income plus US\$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 US\$700 deduction plus the greater of US\$700 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 1998 a US\$2 700 *personal exemption* is given to 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 US\$2 500 by which the taxpayer's income exceeds US\$186 800 for married couples, US\$124 500 for single taxpayers, and US\$155 650 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 US\$2 700 in 1998. 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 US\$6 680 of earned income in 1998. The credit phases down when income exceeds US\$12 260 and phases out when it reaches US\$26 473. The earned income threshold and the phaseout threshold are indexed for inflation.

For taxpayers with two or more children, the credit is 40 per cent of up to US\$9 390 of earned income in 1998. The credit phases down when income exceeds US\$12 260 and phases out when it reaches US\$30 095.

Relief for low income workers without children: In 1994 and thereafter, low income workers without children are eligible for the earned income credit (EITC). In 1998 low income workers without children are permitted a non-wastable earned income credit of 7.65 per cent of up to US\$4 460 of earned income. The credit phases down when income exceeds US\$5 570 and phases out when income reaches US\$10 030. 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 US\$32 000 for married couples and US\$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 US\$44 000 for married couples and US\$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 US\$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 US\$124 500. 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 1996, the most recent year for which such statistics are available, the 23 per cent of taxpayers with income between US\$25 000 and US\$30 000 (the average production worker range) who itemised their deductions claimed average deductions as follows: medical expenses, US\$3 559; taxes paid, US\$2 336; charitable contributions, US\$1 391; interest expense, US\$5 458.

Contributions to pension/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 US\$2 000 per year (US\$4 000 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 US\$2 000 limit is reduced to zero over the income range, US\$25 000 to US\$35 000 for a single tax payer (US\$40 000 to US\$50 000 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 US\$2 000 to a new IRA (the so-called "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 US\$95 000 to US\$110 000 for a single taxpayer (US\$150 000 and US\$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 (US\$) ¹		Marginal tax rate (%)
Single individual	Joint return of married couple	
0-25 350	0-42 350	15
25 350-61 400	42 350-102 300	28
61 400-128 100	102 300-155 950	31
128 100-278 450	155 950-278 450	36
More than 278 450	More than 278 450	39.6

1. The taxable income brackets are indexed for inflation.

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 average production worker calculations assume that the average production worker lives in Detroit, Michigan. The state of Michigan permits a personal exemption of US\$2 800 for the taxpayer, the taxpayer's spouse and each child and taxes income at the rate of 4.40 per cent. The city of Detroit permits a personal exemption of US\$750 and taxes income at the rate of 3.0 per cent. Michigan provides a credit for city taxes paid. If the city income tax paid is US\$100 or less, the credit is 20 per cent of the city income tax paid. If the city income tax paid is over US\$100 but not over US\$150, the credit is 10 per cent of the excess of the city income tax paid over US\$100 plus US\$20. If the city income tax paid is over US\$150, the credit is 5 per cent of the excess of the city income tax paid over US\$150 plus US\$25.

2. Social security contributions

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 US\$68 400. 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 US\$68 400 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 US\$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 1997

None.

5. Memorandum items

5.1. Identification of an APW at the wage calculation

5.11. The average production worker 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 gross wage earnings. Fifty-two weeks are assumed for regular earnings and fifty weeks (two weeks vacation) for overtime.

Average hourly earnings including overtime	US\$ 13.49
Average hours per week including overtime	41.7
Average weekly wage earnings including overtime	US\$ 562.53
Average hourly wage earnings excluding overtime	US\$ 12.79
Average hours worked per week excluding overtime	37.10
Average weekly wage earnings excluding overtime	US\$ 474.51
Estimated gross annual wage earnings excluding overtime	US\$ 24 674.47
Estimated annual overtime wage earnings	US\$ 4 401.20
Estimated gross annual wage earnings	US\$ 29 075.67

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 average production worker. The following are estimates for 1993 for all non-agricultural employees:

	Pension	Health	Life
Per cent of workers covered	49%	61%	4%
US\$ per covered employee	1 364	3 407	882

1998 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:	tax_cr	J	EIC(Children,earn_total,EIC_sch)
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(AJ7,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

1998 Parameter values

		rate	income limit	Threshold	phase-out
APW earnings	Ave_earn	29076			
Standard deductions	Married_al	7100			
	hh_al	6250			
	single_al	4250			
Personal exemption	pers_ex	2700			
Dependency exemption	dep_ex	2700			
Personal exemption reduction unit of earnings threshold single threshold joint	ex_dedn_rate	0.02			
	ex_dedn_unit	2500			
	ex_thrsh_s	124500			
	ex_thrsh_m	186800			
	ex_thrsh_hh	155650			
Earned income credit	EIC_sch				
	no children	0.0765	4460	5570	0.765
	1 child	0.34	6680	12260	0.1598
	2 or more children	0.4	9390	12260	0.2106
Federal tax schedules Single individuals	Fed_sch_s	0.15	25350		
		0.28	61400		
		0.31	128100		
		0.36	278450		
		0.396			
Married filing jointly	Fed_sch_m	0.15	42350		
		0.28	102300		
		0.31	155590		
		0.36	278450		
		0.396			
Head of household	Fed_sch_h	0.15	33950		
		0.28	87700		
		0.31	142000		
		0.36	278450		
		0.396			
Detroit	Detroit_ex	750			
	Detroit_rate	0.03			
Michigan	Mich_ex	2800			
	Mich_rate	0.044			
credit schedule on city tax	Mich_cr_sch	0.2	100		
		0.1	150		
		0.05			
maximum	Mich_cr_max	10000			
Pension contributions	pens_rate	0.062			
	hosp_rate	0.0145			
Ceiling for employers	pens_ceil	68400			

Annex I

TAX BURDEN TRENDS, 1979-1999

Annexe I

**ÉVOLUTION DES CHARGES D'IMPÔTS
SUR LES SALAIRES, 1979-1999**

Table 1. **Income tax (in % of gross wage), 1979-1999**

Single persons without children

Tableau 1. **Impôt sur le revenu (en % du salaire brut), 1979-1999**

Célibataires sans enfant

	1979	1985	1991	1993	1994	1995	1996	1997	1998	1999 ¹	
Australia	21.9	21.9	21.5	21.6	22.1	22.5	22.7	23.3	23.9		Australie
Austria	9.3	10.2	7.5	8.6	7.5	8.9	9.2	10.2	10.5	10.9	Autriche
Belgium	15.2	26.4	25.9	26.1	26.1	27.2	27.4	27.6	27.8	28.0	Belgique
Canada	18.3	19.4	20.4	21.1	21.5	21.7	22.2	22.1	21.8	21.5	Canada
Czech Republic	-	-	-	8.5	9.4	10.0	10.0	10.4	10.3	10.2	Republique tchèque
Denmark	35.7	40.0	44.2	44.4	38.3	37.4	36.0	35.1	33.7	33.5	Danemark
Finland	26.7	30.5	28.3	28.6	28.5	29.3	29.5	28.0	27.8	27.3	Finlande
France	8.5	7.4	8.1	8.5	8.7	8.8	8.9	10.5	14.1	14.2	France
Germany	16.0	18.1	18.4	18.3	18.8	20.8	21.0	21.2	21.1	21.2	Allemagne
Greece	1.4	3.2	3.6	1.7	1.4	1.7	1.9	2.0	2.4	2.9	Grèce
Hungary	-	-	-	-	-	16.4	18.1	17.8	17.4	17.3	Hongrie
Iceland	-	14.5	17.9	19.7	20.5	20.4	21.5	21.2	21.4	22.0	Islande
Ireland	23.7	26.8	24.7	23.9	23.1	22.4	22.3	20.5	19.7	19.4	Irlande
Italy ²	11.6	18.4	16.3	15.8	16.7	17.5	18.1	18.8	19.9	20.2	Italie ²
Japan	7.6	8.8	8.5	8.4	8.7	6.4	6.7	8.0	6.8	6.5	Japon
Korea	-	-	-	-	-	2.5	1.9	1.7	1.6	1.2	Corée
Luxembourg	17.4	16.7	11.8	12.7	12.9	13.1	13.4	13.8	11.6	11.5	Luxembourg
Mexico	-	-	6.1	6.5	7.1	2.5	0.0	-1.2	0.0	0.1	Mexique
Netherlands	14.8	11.3	11.5	12.2	7.8	6.7	5.8	6.5	7.2	6.7	Pays-Bas
New Zealand	26.0	27.9	23.8	24.0	24.3	24.5	22.3	21.6	20.0	19.4	Nouvelle-Zélande
Norway	25.7	22.7	24.4	20.9	21.0	21.8	21.9	21.7	21.8	21.6	Norvège
Poland	-	-	-	17.2	-	18.1	18.0	16.9	15.8	15.5	Pologne
Portugal	4.4	6.9	5.9	6.8	7.0	7.0	7.1	7.2	7.1	6.6	Portugal
Spain	10.1	10.6	11.3	12.3	12.9	13.2	13.5	13.8	13.8	11.7	Espagne
Sweden	36.5	35.6	28.0	28.5	28.8	28.7	28.8	28.5	27.5	27.2	Suède
Switzerland	10.6	11.2	9.6	11.1	11.1	11.0	10.8	10.3	10.4	10.1	Suisse
Turkey	42.0	22.9	27.1	27.4	25.0	25.2	23.8	23.9	23.8	14.8	Turquie
United Kingdom	23.2	22.3	18.7	18.0	18.1	18.2	17.4	16.7	16.7	16.5	Royaume-Uni
United States	20.6	21.8	18.4	18.3	18.2	18.1	18.2	18.2	18.1	18.2	États-Unis

1. Estimates/Estimations.

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

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers (à l'exclusion des employés).

Table 2. **Income tax plus employee contributions (in % of gross wage), 1979-1999**

Single persons without children

Tableau 2. **Impôt sur le revenu et cotisations des salariés (en % du salaire brut), 1979-1999**

Célibataires sans enfant

	1979	1985	1991	1993	1994	1995	1996	1997	1998	1999 ¹	
Australia	21.9	22.9	22.8	23.0	23.5	24.0	24.4	24.8	25.4		Australie
Austria	23.5	26.6	24.7	25.9	25.5	27.0	27.3	28.3	28.6	29.0	Autriche
Belgium	25.3	38.5	37.9	39.2	39.2	41.1	41.3	41.5	41.8	42.0	Belgique
Canada	20.8	23.3	25.0	26.3	26.9	27.1	27.6	27.7	27.3	27.2	Canada
Czech Republic	-	-	-	22.0	22.6	23.2	22.5	22.9	22.8	22.7	République tchèque
Denmark	40.1	46.3	46.7	47.0	45.2	45.2	44.8	44.9	43.4	44.0	Danemark
Finland	29.4	34.2	31.7	35.7	37.2	38.0	37.6	35.8	35.4	34.6	Finlande
France	20.3	22.6	25.2	26.9	27.4	27.4	27.8	28.1	27.3	27.6	France
Germany	31.6	35.0	36.6	36.6	38.2	40.5	41.3	42.3	42.1	42.0	Allemagne
Greece	11.6	16.4	17.4	17.5	17.2	17.6	17.8	17.9	18.3	18.8	Grèce
Hungary	-	-	-	-	-	27.9	29.6	29.3	28.9	29.8	Hongrie
Iceland	-	14.7	18.1	20.0	20.7	20.6	21.7	21.5	21.6	22.2	Islande
Ireland	28.1	35.3	32.4	32.7	30.9	29.2	28.5	26.0	24.9	24.5	Irlande
Italy ²	20.0	27.0	25.3	25.8	26.7	27.5	28.0	29.0	29.1	29.4	Italie ²
Japan	12.5	15.8	15.5	15.4	15.7	13.4	13.7	15.0	13.8	13.5	Japon
Korea	-	-	-	-	-	4.8	4.2	5.6	6.4	7.9	Corée
Luxembourg	29.3	28.9	24.1	25.2	25.4	25.6	25.9	26.4	24.6	26.2	Luxembourg
Mexico	-	-	10.9	11.3	12.2	7.7	5.3	1.4	2.6	2.7	Mexique
Netherlands	35.5	38.0	40.4	41.8	41.3	40.5	39.2	39.3	34.4	35.6	Pays-Bas
New Zealand	26.0	27.9	23.8	24.0	24.3	24.5	22.3	21.6	20.0	19.4	Nouvelle-Zélande
Norway	34.4	32.7	32.2	28.7	28.8	29.6	29.7	29.5	29.6	29.4	Norvège
Poland	-	-	-	17.2	-	18.1	18.0	16.9	15.8	15.5	Pologne
Portugal	14.4	18.4	17.6	16.9	18.0	18.0	18.1	18.2	18.1	17.6	Portugal
Spain	15.7	16.9	17.3	18.4	19.5	19.6	19.9	20.2	20.2	18.1	Espagne
Sweden	36.5	35.6	28.0	29.5	30.8	32.6	33.7	34.5	34.4	34.2	Suède
Switzerland	20.9	21.5	19.9	21.4	21.4	22.5	22.4	21.9	21.9	21.7	Suisse
Turkey	49.0	31.3	34.8	34.3	30.9	30.5	31.6	33.1	32.8	23.1	Turquie
United Kingdom	29.7	31.3	26.2	25.6	26.5	26.7	25.8	25.2	25.2	24.6	Royaume-Uni
United States	26.8	28.9	26.0	26.0	25.9	25.8	25.8	25.8	25.8	25.9	États-Unis

1. Estimates/Estimations.

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

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers (à l'exclusion des employés).

Table 3. **Income tax plus employee and employer contributions (as % of labour costs), 1979-1999**

Single persons without children

Tableau 3. **Impôt sur le revenu et cotisations des salariés et des employeurs
(en % des coûts de main-d'œuvre), 1979-1999**

Célibataires sans enfant

	1979	1985	1991	1993	1994	1995	1996	1997	1998	1999 ¹	
Australia	21.9	22.9	22.8	23.0	23.5	24.0	24.4	24.8	25.4		Australie
Austria	36.5	40.3	39.1	40.0	39.7	41.2	41.5	45.6	45.8	46.0	Autriche
Belgium	47.4	51.0	53.7	54.6	54.6	56.3	56.4	56.6	56.8	57.0	Belgique
Canada	23.2	26.9	29.0	30.8	31.4	31.5	32.1	32.3	31.9	31.8	Canada
Czech Republic	-	-	-	42.6	42.8	43.2	42.6	42.9	42.8	42.8	République tchèque
Denmark	40.6	47.8	46.7	47.0	45.2	45.2	44.8	45.1	43.7	44.3	Danemark
Finland	41.6	45.2	44.5	49.3	50.5	51.2	50.3	48.9	48.7	48.1	Finlande
France ²	-	-	-	-	51.6	49.1	49.7	48.7	47.6	47.9	France ²
Germany	40.8	44.5	46.4	46.4	48.3	50.2	51.2	52.3	52.2	51.9	Allemagne
Greece	25.6	31.4	33.0	35.3	35.1	35.6	35.8	35.8	36.1	36.5	Grèce
Hungary	-	-	-	-	-	51.4	52.0	52.0	51.6	50.6	Hongrie
Iceland	-	16.5	20.1	22.0	22.9	23.1	24.5	24.4	24.8	25.7	Islande
Ireland	33.9	42.4	39.8	40.0	38.4	36.9	36.1	33.9	33.0	32.6	Irlande
Italy ³	45.3	50.0	48.8	49.2	49.9	50.3	50.8	51.5	47.5	47.3	Italie ³
Japan	16.7	21.6	21.5	21.2	21.6	19.5	19.4	20.7	19.6	19.3	Japon
Korea	-	-	-	-	-	6.9	6.3	12.4	14.7	15.3	Corée
Luxembourg	38.5	38.4	33.9	34.9	35.1	34.3	34.5	35.2	33.8	35.0	Luxembourg
Mexico	-	-	24.4	26.6	26.5	27.2	25.4	20.8	21.9	22.0	Mexique
Netherlands	48.0	49.9	46.5	45.7	45.6	44.8	43.8	43.6	43.5	44.4	Pays-Bas
New Zealand	26.0	27.9	23.8	24.0	24.3	24.5	22.3	21.6	20.0	19.4	Nouvelle-Zélande
Norway	43.5	41.8	41.2	36.8	36.9	37.5	37.6	37.4	37.5	37.3	Norvège
Poland	-	-	-	44.1	-	44.7	44.7	43.9	43.2	41.0	Pologne
Portugal	28.1	34.9	33.2	33.3	34.1	33.7	33.8	33.9	33.8	33.4	Portugal
Spain	36.4	36.6	36.5	38.0	38.8	38.5	38.8	39.0	39.0	37.4	Espagne
Sweden	50.7	50.9	46.0	45.6	46.8	49.3	50.2	50.7	50.7	50.5	Suède
Switzerland	28.2	28.8	27.3	28.7	28.7	30.6	30.4	30.0	30.0	29.8	Suisse
Turkey	53.9	37.0	41.2	40.0	36.1	35.3	38.3	40.7	40.3	31.1	Turquie
United Kingdom	36.1	37.8	33.2	32.6	33.3	33.4	32.6	32.0	32.0	31.0	Royaume-Uni
United States	31.9	33.6	31.3	31.2	31.2	31.0	31.1	31.1	31.0	31.1	États-Unis

1. Estimates/Estimations.

2. 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.

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

À partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers (à l'exclusion des employés).

Table 4. **Income tax (as % of gross wage), 1979-1999**

One-earner family with two children

Tableau 4. **Impôt sur le revenu (en % du salaire brut), 1979-1999**

Couples mariés avec un seul salaire et deux enfants

	1979	1985	1991	1993	1994	1995	1996	1997	1998	1999 ¹	
Australia	16.8	16.8	16.8	17.0	17.8	22.5	21.5	20.8	21.6		Australie
Austria	6.5	7.6	3.8	2.8	1.9	3.5	4.0	5.0	5.4	5.0	Autriche
Belgium	8.0	19.3	15.0	15.5	15.3	16.1	16.3	16.5	16.8	17.1	Belgique
Canada	9.7	10.3	12.1	10.3	10.8	11.2	12.1	12.6	12.6	12.1	Canada
Czech Republic	-	-	-	2.5	3.8	4.5	5.4	5.2	4.7	4.3	République tchèque
Denmark	30.3	34.3	36.0	36.2	29.9	29.4	28.8	27.8	26.6	26.7	Danemark
Finland	20.9	25.3	21.8	23.3	28.5	29.3	29.5	28.0	27.8	27.3	Finlande
France	0.4	0.0	1.0	1.7	1.8	1.9	2.7	3.7	7.6	7.6	France
Germany	9.9	10.9	8.7	7.9	8.3	9.6	1.6	1.0	1.3	0.1	Allemagne
Greece	0.0	0.0	0.5	0.5	0.4	0.8	1.1	2.5	2.8	3.3	Grèce
Hungary	-	-	-	-	-	16.4	18.1	17.8	17.4	11.5	Hongrie
Iceland	-	6.4	0.3	2.5	3.3	3.6	5.9	6.8	8.5	10.1	Islande
Ireland	11.5	16.2	16.2	15.9	15.5	15.4	15.4	14.1	12.9	10.1	Irlande
Italy ²	9.4	16.2	12.7	11.9	13.0	14.0	14.4	15.3	15.7	16.1	Italie ²
Japan	1.8	2.8	2.4	2.8	3.0	1.6	2.0	2.6	0.7	1.5	Japon
Korea	-	-	-	-	-	1.5	0.8	0.9	0.7	0.4	Corée
Luxembourg	3.4	2.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Luxembourg
Mexico	-	-	6.1	6.5	7.1	2.5	0.0	-1.2	0.0	0.1	Mexique
Netherlands	12.5	8.4	10.1	9.5	5.1	4.4	4.4	3.5	5.9	4.8	Pays-Bas
New Zealand	17.0	24.8	20.8	22.2	24.3	22.4	18.8	16.2	14.8	15.0	Nouvelle-Zélande
Norway	17.5	15.0	17.8	15.9	16.1	17.0	17.1	17.1	17.4	17.4	Norvège
Poland	-	-	-	15.3	-	16.1	15.9	14.7	13.5	13.1	Pologne
Portugal	4.0	6.0	1.2	1.1	3.3	3.3	3.5	3.1	3.0	2.5	Portugal
Spain	6.1	5.9	6.4	5.6	6.1	6.4	6.6	6.8	6.4	2.5	Espagne
Sweden	33.7	33.9	28.0	28.5	28.8	28.7	28.8	28.5	27.5	27.2	Suède
Switzerland	6.3	6.4	5.4	5.7	5.7	5.7	5.6	5.1	5.2	4.8	Suisse
Turkey	42.0	22.9	27.1	27.4	25.0	25.2	23.8	23.9	23.8	14.8	Turquie
United Kingdom	19.3	17.9	15.4	15.0	15.7	16.6	15.7	15.1	15.1	15.4	Royaume-Uni
United States	11.6	14.5	11.3	11.3	11.3	11.0	10.4	10.7	10.2	11.0	États-Unis

1. Estimates/Estimations.

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

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers (à l'exclusion des employés).

Table 5. **Income tax plus employee contributions less cash benefits (as % of gross wage), 1979-1999**

One-earner family with two children

Tableau 5. **Impôt sur le revenu et cotisations des salariés diminués des prestations versées (en % du salaire brut), 1979-1999**

Couples mariés avec un seul salaire et deux enfants

	1979	1985	1991	1993	1994	1995	1996	1997	1998	1999 ¹	
Australia	13.0	14.5	14.4	14.9	15.8	16.1	15.0	14.5	15.5		Australie
Austria	4.2	8.6	6.9	6.5	6.9	9.5	10.3	10.7	11.3	10.3	Autriche
Belgium	5.0	22.6	16.0	17.8	17.7	19.5	19.8	20.2	20.5	20.9	Belgique
Canada	9.0	11.0	14.0	15.5	16.2	16.6	18.2	18.2	18.2	17.8	Canada
Czech Republic	-	-	-	-4.5	0.0	3.3	7.1	7.1	-3.4	-0.6	République tchèque
Denmark	30.3	35.9	32.5	32.5	30.3	30.9	31.1	31.1	29.7	30.7	Danemark
Finland	18.2	22.6	17.0	21.5	24.5	26.3	27.1	25.7	25.2	24.8	Finlande
France	6.8	7.7	11.2	13.1	13.7	13.8	15.1	15.3	14.6	15.0	France
Germany	19.9	23.1	22.4	21.5	23.2	25.0	21.9	22.1	22.4	20.9	Allemagne
Greece	-7.7	-4.1	14.2	16.3	16.2	16.7	17.0	18.4	18.7	19.2	Grèce
Hungary	-	-	-	-	-	7.3	12.6	12.9	12.3	8.1	Hongrie
Iceland	-	-5.2	-16.9	-14.0	-12.9	-14.5	-5.4	-6.8	-3.9	-1.1	Islande
Ireland	13.4	21.5	20.8	21.3	19.7	17.9	14.6	14.6	13.2	10.3	Irlande
Italy ²	12.1	18.1	15.5	15.9	17.6	19.6	17.7	17.0	15.7	13.4	Italie ²
Japan	6.7	9.8	9.4	9.8	10.0	8.6	9.0	9.6	7.7	8.5	Japon
Korea	-	-	-	-	-	3.8	4.7	4.7	5.6	7.1	Corée
Luxembourg	8.1	5.5	1.6	-0.6	-0.4	1.2	1.4	1.3	-0.2	-0.6	Luxembourg
Mexico	-	-	10.9	11.3	12.2	7.7	5.3	1.4	2.6	2.7	Mexique
Netherlands	24.8	27.2	33.2	31.1	30.8	29.8	28.0	27.9	22.4	23.8	Pays-Bas
New Zealand	10.4	15.5	20.8	22.2	24.3	22.4	16.2	16.2	14.8	15.0	Nouvelle-Zélande
Norway	21.8	16.7	15.2	13.1	13.3	14.9	15.4	15.4	16.2	16.8	Norvège
Poland	-	-	-	6.4	-	10.1	10.3	9.5	7.2	6.8	Pologne
Portugal	9.9	13.9	7.1	7.0	9.2	9.2	9.5	9.4	9.0	8.5	Portugal
Spain	9.8	11.3	12.2	11.7	12.7	12.8	13.0	13.2	12.8	8.9	Espagne
Sweden	25.9	24.6	17.0	19.1	21.0	23.1	26.2	27.2	26.1	26.1	Suède
Switzerland	11.0	10.6	9.6	8.8	8.7	9.5	8.2	8.2	8.3	8.1	Suisse
Turkey	49.0	31.3	34.8	34.3	30.9	30.5	31.6	33.1	32.8	23.1	Turquie
United Kingdom	17.7	18.5	16.5	15.9	17.5	18.6	17.3	17.3	17.4	16.7	Royaume-Uni
United States	17.7	21.6	19.0	18.9	19.0	18.6	18.4	18.3	17.9	18.7	États-Unis

1. Estimates/Estimations.

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

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers (à l'exclusion des employés).

Table 6. **Income tax plus employee and employer contributions less cash benefits
(as % of labour costs), 1979-1999**

One-earner family with two children

Tableau 6. **Impôt sur le revenu et cotisations des salariés et des employeurs diminués des prestations versées
(en % des coûts de main-d'œuvre), 1979-1999**

Couples mariés avec un seul salaire et deux enfants

	1979	1985	1991	1993	1994	1995	1996	1997	1998	1999 ¹	
Australia	13.0	14.5	14.4	14.9	15.8	16.1	15.0	14.5	15.5		Australie
Austria	20.5	25.6	24.7	24.3	24.6	27.2	28.0	32.2	32.7	31.8	Autriche
Belgium	33.1	38.4	37.3	38.6	38.6	40.3	40.4	40.8	41.1	41.3	Belgique
Canada	11.7	15.2	18.5	20.6	21.4	21.7	22.7	23.4	23.3	23.0	Canada
Czech Republic	-	-	-	23.1	26.0	28.5	31.4	31.2	23.4	25.5	République tchèque
Denmark	30.9	37.7	32.5	32.5	30.3	30.9	31.1	31.3	30.1	31.0	Danemark
Finland	32.4	35.6	32.5	38.1	40.5	42.1	42.0	40.8	40.7	40.3	Finlande
France ²	-	-	-	-	39.7	39.5	40.7	39.5	38.5	38.8	France ²
Germany	30.7	34.2	34.3	33.6	35.7	37.3	35.0	35.6	35.9	34.5	Allemagne
Greece	9.3	22.9	30.5	34.3	34.4	34.9	35.9	36.2	36.5	36.8	Grèce
Hungary	-	-	-	-	-	37.4	40.4	40.8	40.3	35.3	Hongrie
Iceland	-	-3.0	-14.0	-11.2	-9.8	-10.9	-6.6	-2.8	0.4	3.5	Islande
Ireland	20.4	30.0	29.4	29.9	28.4	26.8	25.6	23.8	22.5	19.9	Irlande
Italy ³	40.9	43.9	40.7	42.4	43.5	44.9	43.8	43.3	37.5	37.4	Italie ³
Japan	11.2	16.0	15.3	16.0	16.3	15.1	15.1	15.6	14.0	14.7	Japon
Korea	-	-	-	-	-	6.0	5.3	11.6	13.9	14.6	Corée
Luxembourg	20.1	18.1	14.3	12.5	12.6	12.7	12.9	13.0	12.0	11.4	Luxembourg
Mexico	-	-	24.4	26.6	26.5	27.2	25.4	20.8	21.9	22.0	Mexique
Netherlands	39.4	41.2	40.1	35.7	35.9	34.9	33.5	33.0	33.2	34.2	Pays-Bas
New Zealand	10.4	15.5	20.8	22.2	24.3	22.4	18.8	16.2	14.8	15.0	Nouvelle-Zélande
Norway	32.6	28.0	26.4	23.0	23.6	24.4	25.0	24.9	25.6	26.2	Norvège
Poland	-	-	-	36.8	-	39.3	39.5	38.9	37.4	34.8	Pologne
Portugal	24.3	31.4	25.4	25.3	27.0	26.6	26.9	26.8	26.5	26.0	Portugal
Spain	31.9	32.4	32.6	32.9	33.7	33.3	33.5	33.7	33.3	30.3	Espagne
Sweden	42.5	42.5	37.7	37.7	39.3	42.2	44.6	45.2	44.4	44.5	Suède
Switzerland	19.2	19.0	18.0	17.3	17.2	18.9	18.6	17.7	17.8	17.6	Suisse
Turkey	53.9	37.0	41.2	40.0	36.1	35.3	38.3	40.7	40.3	31.1	Turquie
United Kingdom	25.2	26.2	24.3	23.8	25.2	26.1	25.3	24.8	24.9	23.8	Royaume-Uni
United States	23.5	26.7	24.8	24.7	24.7	24.4	23.9	24.1	23.7	24.5	États-Unis

1. Estimates/Estimations.

2. 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.

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

A partir de 1990, les données concernant les salaires ont été révisées et ne concernent plus que les ouvriers (à l'exclusion des employés).

Annex II

**OVERALL TAX LEVELS AND TAX STRUCTURES
IN OECD MEMBER COUNTRIES, 1998**

Annexe II

**NIVEAU D'IMPOSITION GLOBALE ET STRUCTURE FISCALE
DANS LES PAYS MEMBRES DE L'OCDE, 1998**

Table A. Tax revenues expressed as a percentage of GDP at market prices, 1991-1997
 Tableau A. Recettes fiscales exprimées en pourcentage du PIB au prix du marché, 1991-1997

	Total tax revenue Total des recettes fiscales			Personal income taxes Impôts sur le revenu des personnes physiques			Social security contributions Cotisations de sécurité sociale						All other taxes Ensemble des autres impôts			
	1991	1994	1997	1991	1994	1997	Employees Salariés			Employers Employeurs			1991	1994	1997	
							1991	1994	1997	1991	1994	1997				
Australia	28	29	30	12	12	13	-	-	-	-	-	-	16	17	17	Australie
Austria	41	43	44	9	9	10	6	7	6	7	7	7	19	20	21	Autriche
Belgium	44	46	46	14	14	14	4	5	4	10	9	9	16	18	19	Belgique
Canada	37	35	37	15	13	14	2	2	2	3	3	3	17	17	18	Canada
Czech Republic	-	41	39	-	5	5	-	4	4	-	11	11	-	21	19	République tchèque
Denmark	47	50	49	25	27	26	1	1	1	-	-	-	21	22	22	Danemark
Finland	46	47	47	17	18	16	0	2	2	11	10	9	18	17	20	Finlande
France	43	44	45	6	6	6	6	6	6	12	12	11	19	20	22	France
Germany	37	38	37	10	10	9	6	7	7	7	8	8	14	13	13	Allemagne
Greece	30	32	34	4	4	4	4	5	6	4	5	5	18	18	19	Grèce
Hungary	46	45	39	7	7	7	3	3	2	13	13	12	23	22	18	Hongrie
Iceland	31	31	32	8	10	11	-	-	-	2	2	3	21	19	18	Islande
Ireland	34	36	33	11	11	10	2	2	1	3	3	3	18	20	19	Irlande
Italy	39	41	44	10	11	11	3	3	3	9	9	10	17	18	20	Italie
Japan	30	28	29	8	6	6	3	4	4	5	5	5	14	13	14	Japon
Korea	19	20	21	3	4	4	0	1	1	1	1	1	15	14	15	Corée
Luxembourg	43	45	46	9	10	9	5	5	5	6	6	5	23	24	27	Luxembourg
Mexico	17	17	17	-	-	-	-	-	-	-	-	-	17	17	17	Mexique
Netherlands	47	45	42	12	9	7	11	12	11	3	3	3	21	21	21	Pays-Bas
New Zealand	36	37	36	16	16	16	-	-	-	-	-	-	20	21	20	Nouvelle-Zélande
Norway	42	41	43	11	11	11	3	4	3	7	6	6	21	20	23	Norvège
Poland	37	43	41	1	10	9	-	-	-	12	12	13	24	21	19	Pologne
Portugal	31	33	34	6	6	6	3	3	3	5	5	5	17	19	20	Portugal
Spain	35	35	34	8	8	7	2	2	2	9	9	8	16	16	17	Espagne
Sweden	54	49	52	18	18	18	0	1	3	15	13	12	21	17	19	Suède
Switzerland	31	33	34	11	11	11	3	4	4	3	4	4	14	14	15	Suisse
Turkey	21	22	28	6	5	6	2	1	2	2	2	2	11	14	18	Turquie
United Kingdom	36	35	35	10	9	9	2	3	3	4	4	3	20	19	20	Royaume-Uni
United States	28	28	30	10	10	12	3	3	3	4	4	4	11	11	11	États-Unis

Table B. Tax revenues from personal income taxes as a percentage of GDP and total taxation, 1991-1997

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, 1991-1997

Pays percevant des impôts sur le revenu des collectivités décentralisées

	Central government Administration centrale						State and local government ¹ Administrations d'États et locales ¹											
	Percentage of Pourcentage du			Percentage of Pourcentage du			Percentage of Pourcentage du			Percentage of Pourcentage du								
	GDP PIB	Total		GDP PIB	Total		GDP PIB	Total		GDP PIB	Total							
	1991			1994			1991			1994								
Belgium	8	18		8	16		9	20		6	13		6	14		7	16	Belgique
Canada	9	25		8	23		11	30		6	15		5	15		7	19	Canada
Denmark	12	25		13	25		15	33		13	28		14	28		18	39	Danemark
Finland	7	15		6	14		8	17		9	19		9	20		10	22	Finlande
Iceland	5	15		5	16		6	20		4	12		5	15		8	25	Islande
Japan	6	19		4	15		4	14		2	8		2	8		2	8	Japon
Korea				3	17		5	27					0	1		1	3	Corée
Norway	4	9		4	11		6	15		7	17		7	17		9	22	Norvège
Spain ²	7	22		8	22		9	26		1	2		1	2		2	5	Espagne ²
Sweden	1	3		1	3		3	6		17	31		16	34		20	37	Suède
Switzerland	3	8		3	8		3	8		8	26		9	26		9	30	Suisse
United States	8	30		8	29		13	47		2	7		2	7		3	10	États-Unis

- 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.
- Spain has introduced an income tax of the Autonomous Regions as of 1997.
A partir de 1997 l'Espagne a introduit un impôt sur le revenu des Régions autonomes.

Annex III

SOURCE OF EARNINGS DATA

Annexe III

SOURCES DES DONNÉES CONCERNANT LES GAINS

	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"	"Economie 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 PCInfos	
Norway	Norwegian Employers Confederation quarterly survey	Norsk arbeidsgiverforenings kvartalsvise lonns-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
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'Economie 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"

	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 Arbejdsgiverforening)
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 de 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	Enquêtes 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 lønns-og frauversstoatistikk
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 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, 1998**

Annexe IV

**TAUX DE CHANGE ET PARITÉS DE POUVOIR D'ACHAT
DES MONNAIES NATIONALES, 1998**

	Monetary unit Unité monétaire	1998		
		Exchange rates Taux de change	Purchasing power parities Parités de pouvoir d'achat	
Australia	SA	1.592	1.31	Australie
Austria	ATS	12.38	13.5	Autriche
Belgium	FB	36.30	36.8	Belgique
Canada	C\$	1.483	1.16	Canada
Czech Republic	Kc	32.29	13.1	République tchèque
Denmark	Dkr	6.701	8.38	Danemark
Finland	Fmk	5.344	6.04	Finlande
France	F	5.900	6.51	France
Germany	DM	1.760	2.01	Allemagne
Greece	Dr	295.53	232	Grèce
Hungary	HUF	214.40	95.9	Hongrie
Iceland	lkr	70.96	80.6	Islande
Ireland	IR£	0.702	0.694	Irlande
Italy	L	1 736.21	1 621	Italie
Japan	Y	130.91	163	Japon
Korea	W	1 401.44	664	Corée
Luxembourg	FLux	36.30	40.5	Luxembourg
Mexico	Peso	9.136	5.03	Mexique
Netherlands	Gld	1.984	2.07	Pays-Bas
New Zealand	NZ\$	1.868	1.46	Nouvelle-Zélande
Norway	NOK	7.545	8.99	Norvège
Poland	Zl	3.475	1.70	Pologne
Portugal	Esc	180.10	125	Portugal
Spain	Peseta	149.40	126	Espagne
Sweden	Skr	7.950	9.63	Suède
Switzerland	FS	1.450	2.01	Suisse
Turkey	LT	260 724	127 460	Turquie
United Kingdom	£	0.604	0.656	Royaume-Uni
United States	US\$	1	1	États-Unis

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