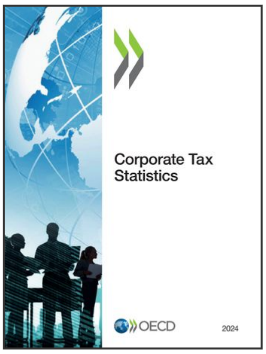
Executive summary

Corporate Tax Statistics **is an annual publication intended to assist in the study of corporate tax policy and expand the quality and range of data available for the analysis of base erosion and profit shifting (BEPS).** This includes data on corporate tax rates, revenues, effective tax rates, and tax incentives for research and development (R&D) and innovation, withholding tax rates and tax treaties, Intellectual Property (IP) regimes, and BEPS Actions. *Corporate Tax Statistics* also includes anonymised and aggregated Country-by-Country Reporting (CbCR) data providing an overview on the global tax and economic activities of thousands of multinational enterprise groups operating worldwide.

This year's publication includes several expansions to the available data. The 2024 edition contains new data on the effective tax rates available to MNEs on highly mobile intangible assets through IP regimes and other similar measures. The publication also includes new data on the variation of MNEs effective tax rates within jurisdictions. Updates to information on BEPS Actions 3 and 4 on Interest Limitation Rules (ILR) and Controlled Foreign Company (CFC) rules, as well as an expansion in the coverage of the data on withholding tax rates are also included. The main findings of the report are as follows:

- **Corporate tax revenues continue to make an important contribution to jurisdictions' economies, with modest increases relative to the previous year.** In 2021, the share of corporate tax revenues in total tax revenues was 16.0% on average across the 123 jurisdictions for which corporate tax revenues are available in the database, and the share of these revenues as a percentage of Gross Domestic Product (GDP) was 3.2% on average.
- **The data point to a continued stabilisation of corporate tax rates.** Statutory corporate income tax rates (STRs) remain stable in the period between 2021 and 2024, arresting their long-term decline over the last two decades, though rates remain far below historic averages. The average combined (central and sub-central government) STR for all Inclusive Framework jurisdictions covered declined dramatically from 28.0% in 2000 to 21.7% in 2019. From 2019 to 2024, the average STR has remained relatively stable with a rate of 21.7% in 2019 and 21.1% in 2024.
- **Effective Average Tax Rates (EATRs) have continued to decline modestly.** Looking at the development of the composite EATRs from 2017 and 2023, the unweighted average composite EATR has declined steadily over this period, from 21.6% in 2017 to 20.2% in 2023. This decline has slowed since 2019 and EATRs have remained relatively stable on average, with modest declines in median EATRs. Average EATRs were 20.9% in 2019 and 20.2% in 2023, while median EATRs were 22.8% in 2019 and 22.7% in 2023.
- **Some signs of stabilisation of corporate tax rates could also be seen in a stabilization of the tax subsidies being provided for R&D investments.** While R&D incentives can provide important tax support for R&D and innovation, they are also often seen as a means of attracting mobile intangible investment which can be subject to strong competitive pressures. Tax subsidies for R&D have stabilised and have even reduced slightly in recent years, with the average subsidy reducing EATRs for R&D by 34.8% in 2020, 35.3% in 2021, 34.7% in 2022 and 33.4% in 2023.

- **The data continues to point to the existence of base erosion and profit shifting, though there are some signs of modest reductions in recent years.** High-level indicators of potential BEPS activity have fallen in investment hubs relative to their values four years prior. These indicators include median revenues per employee (which has fallen by 13.1% relative to its 2017 value), median profits per employee (which has fallen by 16.1%), and median related party revenues as a share of total revenue (which has fallen by 11.5%). While these indicators could reflect reduced BEPS behaviour, the report noted that the 2021 CbCR data could also be affected by the COVID-19 crisis. Moreover, all these indicators remain far higher in investment hubs relative to other jurisdictions, pointing to the continued existence of BEPS activity.
- **Most IP regimes covered in the database have been found to be not harmful by the OECD Forum on Harmful Tax Practices.** Under the Action 5 BEPS peer review process, the OECD Forum on Harmful Tax Practices identified 61 IP regimes in place across 46 jurisdictions in 2024. Forty-three regimes in total were found to be not harmful; 26 of these regimes were found to be not harmful after having been amended to align with the Action 5 minimum standard.
- **The 2024 edition of *Corporate Tax Statistics* continues to expand the data available to study MNE activity.** It includes anonymised and aggregated CbCR data on the activities of over 8 000 multinational enterprises (MNEs) worldwide, including new data on the variation of MNEs' effective tax rates within jurisdictions. These new data show the presence of low-taxed profit in high-tax jurisdictions, which are likely the result of tax incentives and other targeted concessions. These low-taxed profits highlight the revenue-raising potential of the global minimum tax, even in jurisdictions that would be considered high-tax based on an analysis of average tax rates alone.
- **In addition, this year's edition increases and expands several other data series.** The coverage of statistics on Withholding Tax rates (WHT) has expanded significantly. This dataset consists of tax rates on dividends, interest and royalty payments that are applicable as of the 2024 fiscal year. This year's publication also contains updates to previously published datasets on Interest Limitation Rules (ILR) and Controlled Foreign Company (CFC) rules continuing the expansion of *Corporate Tax Statistics* to provide additional data to tax researchers and policymakers alike.



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