

Overview

1. Introduction

This section briefly introduces the methodology employed for this Report, which focuses on employees. It is assumed that their annual income from employment is equal to a given fraction of the average gross wage earnings of adult, full-time workers covering industry Sectors C-K inclusive with reference to the International Standard Industrial Classification of All Economic Activities, Revision 3 (ISIC Rev. 3)* of each OECD economy, also referred to as the *average wage*. Further details are provided in Part IV of this Report. Additional assumptions are made regarding other relevant personal circumstances of these wage earners in order to determine their tax/benefit position. The taxes included in the present Report are confined to personal income tax, social security contributions and payroll taxes (which, in this Report, are aggregated with employer social contributions in the calculation of tax rates), payable on gross wage earnings. Consequently, any income tax that might be due on non-wage income, as well as all other kinds of taxes – e.g. corporate income tax, net wealth tax and consumption taxes – are not taken into account in this Report. The benefits included are those paid by general government as cash transfers, usually in respect of dependent children.

The editions of this Report prior to last year's edition (*Taxing Wages 2004-2005*) have been based on the narrower concept of average full time wages of manual workers in the manufacturing sector, referred to as the average production worker (APW) wage. Moving to the new definition has involved a break in the time series for the earnings measure, and for the corresponding *Taxing Wages* tax rate results. However, this Report includes historical figures using the new definition for the average worker since 2000. For Ireland, Korea and Turkey the gross wage earnings of the average worker under the new definition (AW wage) was not available and therefore, the latest figure under the old definition (APW) wage was used.

For most OECD countries, the tax year matches up with the calendar year. However Australia, New Zealand and the United Kingdom have tax years that do not start on 1 January. The editions of this Report prior to last year's edition have applied a "forward looking" approach. This implies that, for example, the tax rates reported for 2004 have been those for the fiscal year 2004-2005. In the case of New Zealand and the United Kingdom this forward looking approach continues to be appropriate as the tax year starts in April. However, the tax year in Australia starts in July and it has been decided to take a "backward looking" approach in order to obtain more reliable results. Thus, for Australia the year 2006 has been defined to mean its fiscal year 2005-2006, and all other years have been treated in the same manner.

* Not all national statistical agencies use ISIC Rev. 3 to classify industries. However, the Statistical Classification of Economic Activities in the European Community (NACE Rev. 1), the North American Industry Classification System (US NAICS 2002) and the Australian and New Zealand Standard Industrial Classification (ANZSIC 1993) include a classification which broadly conforms with industries C-K in ISIC Rev. 3.

This Report contains several measures of taxation on labour. Most emphasis is given to the tax wedge – a measure of the difference between labour costs to the employer and the corresponding net take-home pay of the employee – which is calculated by expressing the sum of personal income tax, employee plus employer social security contributions together with any payroll tax, minus benefits as a percentage of labour costs. To determine a measure of total labour costs, employer social security contributions and – in some countries – payroll taxes are added to gross wage earnings of employees. Of course, it should be recognised that this measure may not reflect the true labour costs faced by employers.

In addition, attention is paid to the personal average tax rate, which is the term used when personal income tax and/or employee social security contributions are expressed as a percentage of gross wage earnings. Net personal average tax rate is the term used when the personal income tax and employee social security contributions net of cash benefits are expressed as a percentage of gross wage earnings.

Thus, *Taxing Wages* seeks to determine the combined effect of personal income taxes, social security contributions (including payroll taxes) and family cash benefits on the net incomes of various illustrative family-types and on the labour costs faced by employers. Information is provided on employees at comparable levels of income. Key results for 2006 are highlighted in the following section. Part I contains detailed results for both 2006 and 2005.

2. Review of results for 2006

2.1. Tax wedge

In 2006, the tax wedge between total labour costs to the employer and the corresponding net take-home pay for single workers without children, at average earnings levels, varied widely across OECD countries (see column 1 in Table 0.1). The tax wedge exceeded 50 per cent in Belgium, Germany, Hungary and France and was lower than 19 per cent in Korea and Mexico.

The increase between 2005 and 2006 of the tax wedge of an average worker (column 2) varied between 5.5 percentage points in the Netherlands and –1.2 percentage points in the Czech Republic. The causes of the strong increase in the tax wedge in the Netherlands are explained in the country report for the Netherlands in Part III of this report. Finland (–0.5 percentage points), Ireland (–0.4 percentage points), Iceland and Australia (–0.3 percentage points) were the only other OECD member countries in which the tax wedge fell by 0.3 percentage points or more. The tax wedge has increased by more than 0.7 percentage points also in Japan (+1.1 percentage points), Korea and Greece (+0.8 percentage points). The tax wedge has increased in eighteen OECD member countries and fell in nine.

To explain these changes it is interesting to look at the constituent components of the tax wedge shown in Table 0.1: the income tax (see column 3), the employee social security contributions (see column 4) and the employer social security contributions (see column 5).


The reduction in the tax wedge is entirely driven by the reduction in income taxes in the Czech Republic, and Australia. In Sweden, the three components of the tax wedge have decreased. In some countries, changes in income taxes are offset by changes in social security contributions. In Belgium and Iceland, the reduction in income taxes and employee SSC is (partly) offset by an increase in employer SSC. In Finland and Ireland, the reduction in income taxes is partly offset by an increase in employee SSC. In Hungary, the reduction in income taxes and employer SSC is almost entirely offset by an increase in employee SSC. In Italy, the

Table 0.1. Comparison of total tax wedge
As percentage of labour costs¹

| Country | Total tax wedge 2006 | Annual change 2006/05 (in percentage points) | | | |
|-----------------|-------------------------|--|------------|--------------|--------------|
| | | Tax wedge | Income tax | Employee SSC | Employer SSC |
| | (1) | (2) | (3) | (4) | (5) |
| Belgium | 55.4 | -0.1 | -0.1 | -0.005 | 0.038 |
| Germany | 52.5 | 0.1 | 0.0 | 0.220 | -0.155 |
| Hungary | 51.0 | -0.1 | -0.3 | 0.684 | -0.487 |
| France | 50.2 | 0.1 | 0.1 | -0.002 | 0.001 |
| Austria | 48.1 | 0.2 | 0.2 | 0.000 | 0.000 |
| Sweden | 47.9 | -0.2 | -0.1 | -0.012 | -0.103 |
| Italy | 45.2 | -0.2 | 0.3 | 0.052 | -0.569 |
| Netherlands | 44.4 | 5.5 | 1.6 | 0.371 | 3.550 |
| Finland | 44.1 | -0.5 | -0.8 | 0.328 | 0.000 |
| Poland | 43.7 | 0.2 | 0.1 | 0.178 | -0.034 |
| Turkey | 42.8 | 0.0 | 0.0 | 0.000 | 0.000 |
| Czech Republic | 42.6 | -1.2 | -1.2 | 0.000 | 0.000 |
| Denmark | 41.3 | 0.1 | 0.1 | -0.021 | 0.031 |
| Greece | 41.2 | 0.8 | 0.8 | 0.000 | 0.000 |
| Spain | 39.1 | 0.2 | 0.2 | 0.000 | 0.000 |
| Slovak Republic | 38.5 | 0.2 | 0.2 | 0.000 | 0.000 |
| Norway | 37.3 | 0.0 | -0.1 | -0.012 | 0.156 |
| Luxembourg | 36.5 | 0.5 | 0.5 | 0.001 | -0.002 |
| Portugal | 36.3 | 0.0 | 0.0 | 0.000 | 0.000 |
| United Kingdom | 33.9 | 0.1 | 0.1 | 0.026 | 0.030 |
| Canada | 32.1 | 0.1 | 0.4 | -0.168 | -0.069 |
| Switzerland | 29.7 | 0.1 | 0.1 | 0.000 | 0.000 |
| United States | 28.9 | 0.1 | 0.1 | 0.001 | -0.007 |
| Japan | 28.8 | 1.1 | 0.5 | 0.303 | 0.268 |
| Iceland | 28.6 | -0.3 | -0.4 | -0.003 | 0.054 |
| Australia | 28.1 | -0.3 | -0.3 | 0.000 | 0.000 |
| Ireland | 23.1 | -0.4 | -0.4 | 0.036 | 0.000 |
| New Zealand | 20.9 | 0.5 | 0.5 | 0.000 | 0.000 |
| Korea | 18.1 | 0.8 | 0.5 | 0.063 | 0.206 |
| Mexico | 15.0 | 0.3 | 0.3 | -0.037 | 0.018 |

1. Figures of the average worker single without children.

Source: Country submissions; OECD Economic Outlook 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/001474201088>

reduction in employer SSC due to a reduction in the statutory contributions rate is partly offset by an increase in income taxes and employee SSC due to the growth in the average wage.

To a large extent, the increase in tax wedges reflects increases in income taxes. In six countries (Austria, Greece, Spain, Slovak Republic, Switzerland, New Zealand), the increase in the tax wedge is entirely driven by the increase in income taxes. In four other countries (Netherlands, UK, Japan and Korea), all three components of the tax wedge have increased. In other countries increases in income taxes are offset by decreases in (employee or/and employer) social security contributions. For instance in Canada, the increase in income taxes is for 60 per cent compensated by a decrease in social security contributions. In Germany and Poland, the increase in especially the employee SSC is partly compensated by a reduction in employer SSC.

Table 0.2 and Chart 0.1 show the constituent components of the tax wedge for 2006 as percentage of labour costs. The portion of labour costs paid in personal income tax is 3.1 per

Table 0.2. Income tax plus employee and employer social security contributions
As % of labour costs, 2006¹

| Country ² | Total tax wedge ³ | Income tax | Social security contributions | | Labour costs ⁴ |
|----------------------|------------------------------|------------|-------------------------------|----------|---------------------------|
| | | | Employee | Employer | |
| | (1) | (2) | (3) | (4) | (5) |
| United Kingdom | 33.9 | 15.9 | 8.3 | 9.7 | 55 171 |
| Belgium | 55.4 | 21.3 | 10.7 | 23.3 | 54 896 |
| Germany | 52.5 | 17.5 | 18.0 | 17.0 | 54 129 |
| Austria | 48.1 | 11.5 | 14.0 | 22.6 | 51 075 |
| Luxembourg | 36.5 | 12.3 | 12.3 | 11.9 | 49 944 |
| France | 50.2 | 10.9 | 9.5 | 29.7 | 49 813 |
| Netherlands | 44.4 | 11.7 | 19.7 | 13.0 | 48 986 |
| Sweden | 47.9 | 18.2 | 5.3 | 24.4 | 46 396 |
| Switzerland | 29.7 | 9.8 | 10.0 | 10.0 | 46 196 |
| Norway | 37.3 | 18.7 | 6.9 | 11.7 | 45 337 |
| Finland | 44.1 | 19.3 | 5.5 | 19.4 | 44 693 |
| Japan | 28.8 | 6.4 | 10.8 | 11.6 | 44 469 |
| Korea | 18.1 | 3.1 | 6.6 | 8.4 | 43 729 |
| Australia | 28.1 | 22.4 | 0.0 | 5.7 | 40 770 |
| Greece | 41.2 | 6.8 | 12.5 | 21.9 | 39 243 |
| Denmark | 41.3 | 30.1 | 10.6 | 0.6 | 38 956 |
| Iceland | 28.6 | 23.0 | 0.2 | 5.5 | 36 775 |
| Italy | 45.2 | 13.9 | 7.0 | 24.3 | 36 585 |
| Canada | 32.1 | 15.0 | 6.6 | 10.4 | 36 137 |
| Spain | 39.1 | 10.8 | 4.9 | 23.4 | 35 209 |
| United States | 28.9 | 14.6 | 7.1 | 7.3 | 35 045 |
| Ireland | 23.1 | 8.8 | 4.6 | 9.7 | 32 945 |
| New Zealand | 20.9 | 20.9 | 0.0 | 0.0 | 28 346 |
| Portugal | 36.3 | 8.2 | 8.9 | 19.2 | 25 849 |
| Turkey | 42.8 | 12.8 | 12.3 | 17.7 | 24 993 |
| Czech Republic | 42.6 | 7.4 | 9.3 | 25.9 | 21 777 |
| Hungary | 51.0 | 14.6 | 10.6 | 25.8 | 19 685 |
| Poland | 43.7 | 5.3 | 21.4 | 17.0 | 19 130 |
| Slovak Republic | 38.5 | 7.1 | 10.6 | 20.8 | 16 828 |
| Mexico | 15.0 | 3.1 | 1.3 | 10.6 | 11 026 |


1. Single individual without children at the income level of the average worker.

2. Countries ranked by decreasing labour costs.

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

4. Dollars with equal purchasing power.

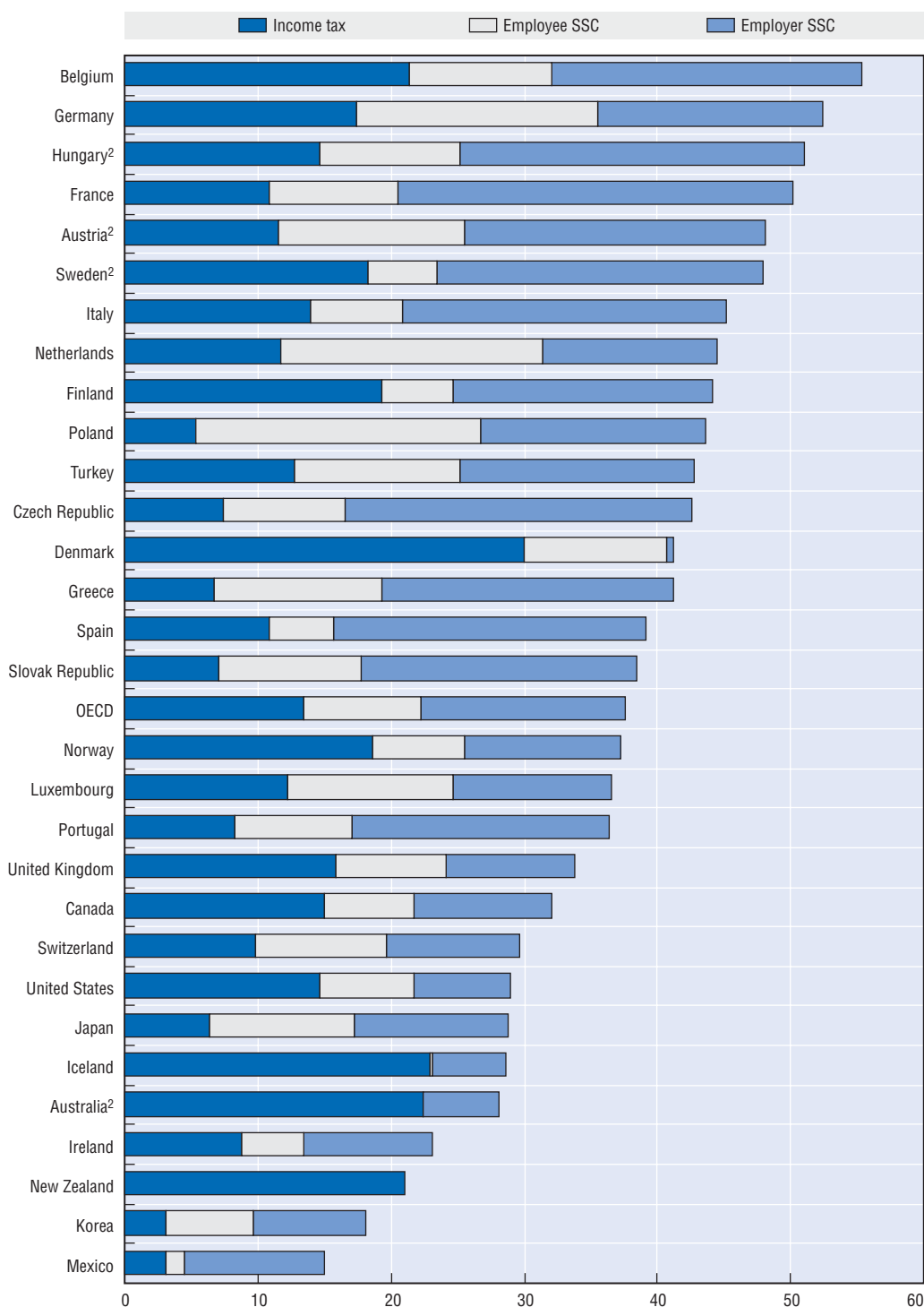
Source: Country submissions; OECD Economic Outlook 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/024062617143>

cent in Korea and Mexico; whereas it exceeds 30 per cent in Denmark (30.1 per cent). The portion representing employee social security contributions also varies widely, ranging from zero per cent in Australia and New Zealand to 19.7 per cent in the Netherlands and 21.4 per cent in Poland. Employers pay 29.7 per cent of total labour costs in social security contributions (including payroll taxes where applicable) in France, 25.9 per cent in the Czech Republic and 25.8 per cent in Hungary. In contrast, employers in New Zealand are not subject to these levies, while in Denmark employer contributions are negligible (0.6 per cent).

As a percentage of labour costs, the total of employee and employer social security contributions exceed 25 per cent in more than half of the OECD countries. They exceed one-third of total labour costs in eleven OECD countries: Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Italy, the Netherlands, the Slovak Republic and Poland.


Chart 0.1. **Income tax plus employee and employer social security contributions**
As % of labour costs, 2006¹



1. Single individual without children at the income level of the average worker

2. Payroll taxes only in the case of Australia and employers social security contributions plus payroll taxes for Austria, Hungary and Sweden.

Source: OECD calculations based on country submissions and OECD, *Economic Outlook No. 79*, June 2006.

StatLink  : <http://dx.doi.org/10.1787/264104181605>

2.2. Personal average tax rates

Table 0.3 summarises personal average tax rates – defined as income tax plus employee social security contributions as a percentage of gross wage earnings – in 2006. At the average earnings level, single workers without children pay over 40 per cent of their annual wages in personal income tax and employee social security contributions in Germany, Belgium and Denmark. In Japan, Ireland, Korea and Mexico, the personal average tax rate was below 20 per cent.

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:

- the overall ratio of aggregate tax revenues to Gross Domestic Product (see Annex I); and,
- the share of personal income tax and social security contributions in national tax mixes.

Table 0.3. **Income tax plus employee social security contributions**¹

As% of gross wage earnings, 2006

| Country ² | Total payment ³ | Income tax | Social security contributions | Gross wage earnings ⁴ |
|----------------------|----------------------------|------------|-------------------------------|----------------------------------|
| | (1) | (2) | (3) | (4) |
| United Kingdom | 26.8 | 17.6 | 9.2 | 49 835 |
| Germany | 42.7 | 21.1 | 21.7 | 44 920 |
| Luxembourg | 27.9 | 14.0 | 13.9 | 43 997 |
| Netherlands | 36.1 | 13.4 | 22.7 | 42 596 |
| Belgium | 41.8 | 27.8 | 14.0 | 42 089 |
| Switzerland | 21.9 | 10.8 | 11.1 | 41 600 |
| Korea | 10.6 | 3.4 | 7.2 | 40 038 |
| Norway | 29.0 | 21.2 | 7.8 | 40 015 |
| Austria | 33.0 | 14.9 | 18.1 | 39 553 |
| Japan | 19.5 | 7.3 | 12.2 | 39 310 |
| Denmark | 40.9 | 30.2 | 10.7 | 38 728 |
| Australia | 23.7 | 23.7 | 0.0 | 38 462 |
| Finland | 30.7 | 23.9 | 6.8 | 36 043 |
| Sweden | 31.1 | 24.1 | 7.0 | 35 074 |
| France | 29.1 | 15.6 | 13.6 | 35 015 |
| Iceland | 24.5 | 24.3 | 0.2 | 34 762 |
| Canada | 24.2 | 16.8 | 7.4 | 32 363 |
| Greece | 24.7 | 8.7 | 16.0 | 30 645 |
| Ireland | 14.8 | 9.7 | 5.1 | 29 748 |
| New Zealand | 20.9 | 20.9 | 0.0 | 28 346 |
| Italy | 27.6 | 18.4 | 9.2 | 27 699 |
| Spain | 20.5 | 14.1 | 6.4 | 26 959 |
| Portugal | 21.2 | 10.2 | 11.0 | 20 888 |
| Turkey | 30.5 | 15.5 | 15.0 | 20 571 |
| Czech Republic | 22.5 | 10.0 | 12.5 | 16 131 |
| Poland | 32.2 | 6.3 | 25.8 | 15 885 |
| Hungary | 34.0 | 19.7 | 14.3 | 14 611 |
| Slovak Republic | 22.4 | 9.0 | 13.4 | 13 335 |
| Mexico | 5.0 | 3.5 | 1.4 | 9 858 |
| United States | 23.4 | 15.7 | 7.7 | 32 503 |

1. Single individual without children at the income level of the average worker.

2. Countries ranked by decreasing gross wage earnings.

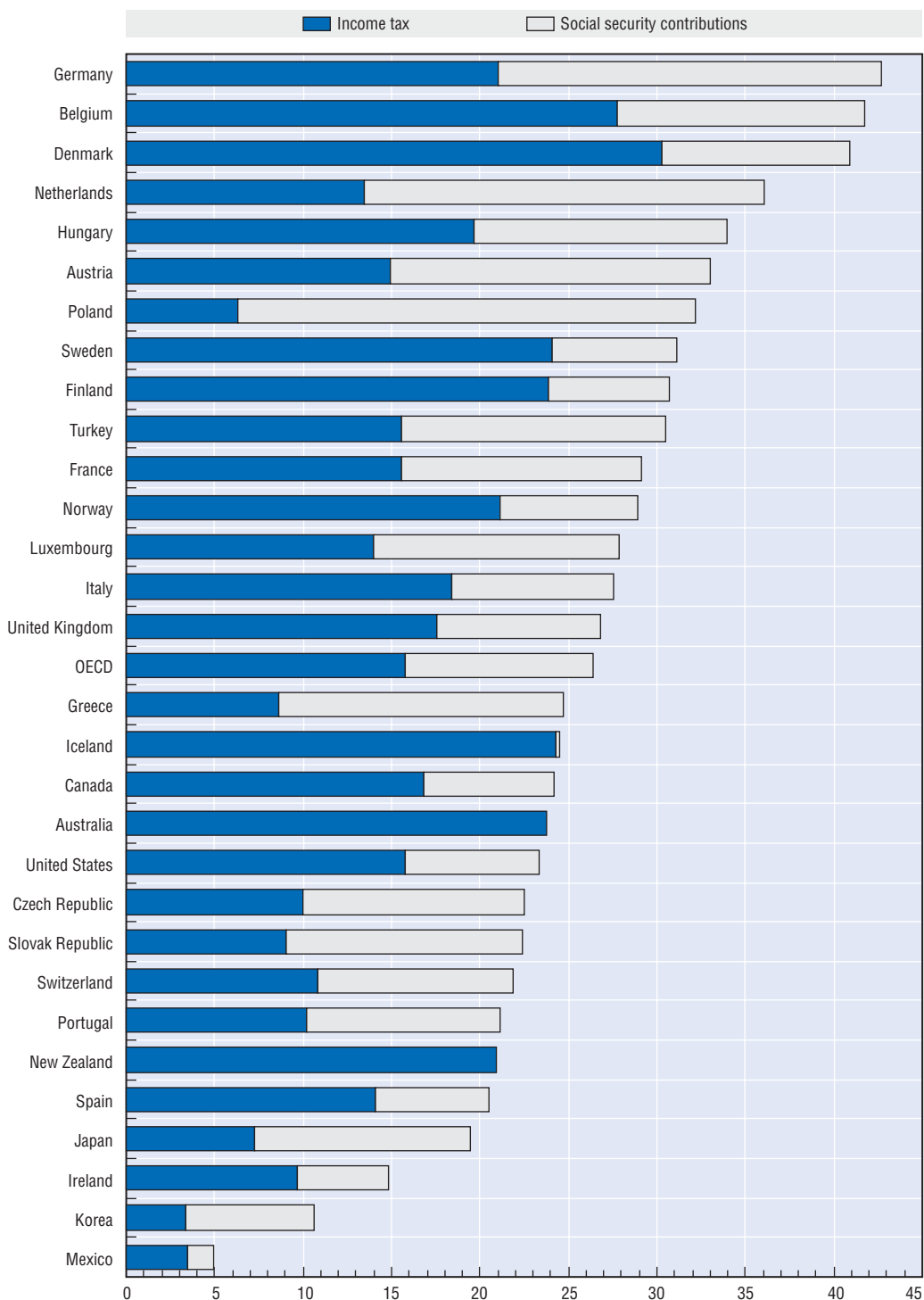
3. Due to rounding total may slightly differ from aggregate of columns for income tax and social security contributions

4. Dollars with equal purchasing power.

Source: Country submissions; OECD Economic Outlook 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/577342888653>


Chart 0.2. **Percentage of gross wage earnings paid in income tax and employee social security contributions, 2006**^{1, 2}



1. Countries ranked by decreasing tax burden.

2. Single individuals without children at the income level of the average worker.

Source: OECD calculations based on country submissions and OECD, *Economic Outlook No. 79*, June 2006.

StatLink  : <http://dx.doi.org/10.1787/824838523753>

The mix of taxes paid out of gross wage earnings varies greatly between countries. Chart 0.2 provides a graphical representation of the personal average tax rate decomposed between income tax and employee social security contributions. Average workers in Australia and New Zealand pay only income tax while their counterpart in Poland is paying almost entirely employee social security contributions.

2.3. Family tax rates

In 2006, the tax wedge between total labour costs to the employer and the corresponding net take-home pay for a one-earner married couple with two children, at average earnings levels, varied widely across OECD countries (see column 1 in Table 0.4). The size of the tax wedge is generally lower than the one observed for a single average worker without children (see column 1 in Table 0.1), since many OECD countries provide a

Table 0.4. **Comparison of total tax wedge by family type**
As percentage of labour costs¹

| Country ² | Family total tax wedge 2006 | Annual change 2006/05 (in percentage points) | | |
|----------------------|--------------------------------|--|------------------|---|
| | | Family tax wedge | Single tax wedge | Difference between single and family |
| | (1) | (2) | (3) | (3)-(2) |
| Turkey | 42.8 | 0.0 | 0.0 | 0.0 |
| Poland | 42.2 | 0.3 | 0.2 | 0.0 |
| France | 42.0 | 0.2 | 0.1 | -0.1 |
| Sweden | 41.8 | -0.9 | -0.2 | 0.7 |
| Greece | 41.5 | 0.8 | 0.8 | 0.0 |
| Belgium | 40.1 | -0.1 | -0.1 | 0.0 |
| Hungary | 39.8 | -0.8 | -0.1 | 0.7 |
| Finland | 38.0 | -0.3 | -0.5 | -0.2 |
| Netherlands | 37.0 | 7.4 | 5.5 | -1.9 |
| Austria | 36.9 | 0.5 | 0.2 | -0.3 |
| Germany | 36.2 | 0.1 | 0.1 | 0.0 |
| Italy | 35.1 | 0.0 | -0.2 | -0.3 |
| Spain | 33.6 | 0.4 | 0.2 | -0.2 |
| Norway | 29.9 | 0.3 | 0.0 | -0.2 |
| Denmark | 29.5 | 0.2 | 0.1 | -0.1 |
| United Kingdom | 27.8 | 0.3 | 0.1 | -0.2 |
| Portugal | 26.6 | 0.0 | 0.0 | 0.0 |
| Czech Republic | 26.1 | -1.0 | -1.2 | -0.2 |
| Japan | 25.8 | 0.9 | 1.1 | 0.2 |
| Slovak Republic | 23.7 | 0.6 | 0.2 | -0.4 |
| Canada | 22.8 | 1.3 | 0.1 | -1.1 |
| Switzerland | 18.9 | 0.3 | 0.1 | -0.2 |
| Korea | 16.8 | 0.6 | 0.8 | 0.2 |
| Australia | 16.0 | 0.0 | -0.3 | -0.2 |
| Mexico | 15.0 | 0.3 | 0.3 | 0.0 |
| Luxembourg | 13.0 | 0.3 | 0.5 | 0.2 |
| United States | 11.7 | 0.7 | 0.1 | -0.7 |
| Iceland | 10.4 | -0.7 | -0.3 | 0.4 |
| New Zealand | 2.6 | -11.7 | 0.5 | 12.2 |
| Ireland | 2.3 | -3.5 | -0.4 | 3.1 |

1. Figures of the average worker single without children and one-earner married couple with two children.

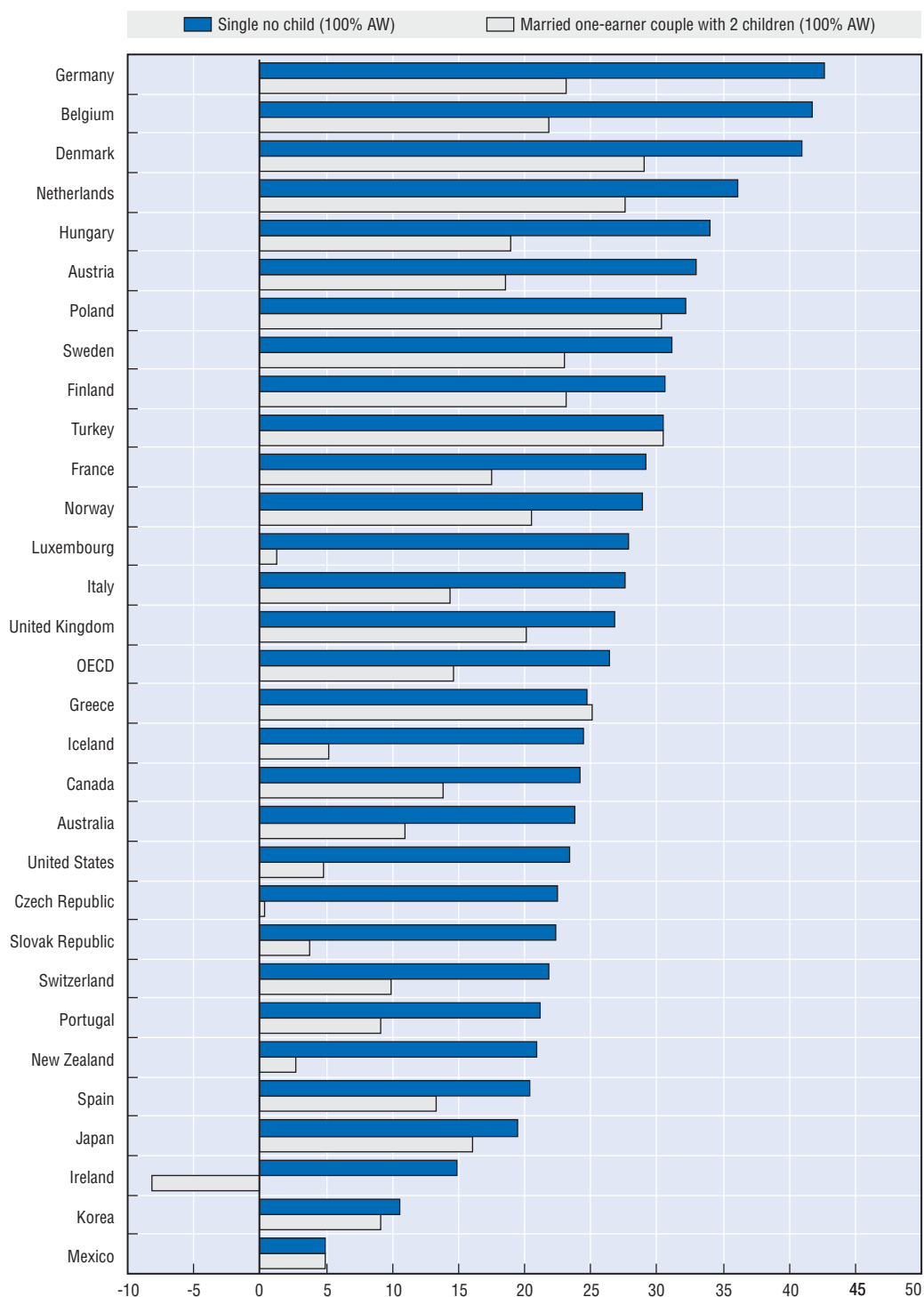
2. Countries ranked by decreasing tax wedge.

Source: Country submissions; OECD Economic Outlook 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/305475034278>


Chart 0.3. **Income tax plus employee contributions less cash benefits, by family-type**

As % of gross wage earnings, 2006¹



1. Countries ranked by decreasing tax burden.

Source: OECD calculations based on country submissions and OECD, *Economic Outlook* No. 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/724118017381>

fiscal benefit to families with children relative to single individuals without children through advantageous tax treatment and/or cash transfers.

The savings realised by a one-earner married couple compared to a single worker are greater than 18 per cent of labour costs in Iceland, Ireland and New Zealand and greater than 23 per cent of labour costs in Luxembourg. In contrast, families are slightly worse off in terms of tax burden in Greece, while the tax burden is the same in Mexico and Turkey (see column 1 in Table 0.1 and Table 0.4).

The increase between 2005 and 2006 of the tax wedge of an average one-earner married couple with two children (column 2 in Table 0.4) varied between +7.4 percentage points (Netherlands) and -11.7 percentage points (New Zealand). Ireland (-3.5 percentage points) and Canada (+1.3 percentage points) were the only other OECD member countries in which the changes in the tax wedge did not fall in the range of plus or minus one percentage point. The tax wedge for a one-earner married couple with two children has decreased in eight OECD member countries (compared to nine countries for a single person without children) and increased in eighteen countries.

A comparison of the changes in tax wedges between 2005 and 2006 between one-earner married couples with two children and single persons without children, at the average wage level, is shown in column 4 in Table 0.4. The fiscal preference for families increased in eight OECD member countries: Sweden, Hungary, Japan, Korea, Luxembourg, Iceland, New Zealand and Ireland. Additionally, the effect of changes in the tax system on the tax wedge were independent of the family type in Turkey, Poland, Greece, Belgium, Germany, Portugal, and Mexico.

These tax wedge figures include employer social security contributions, which are independent of the family type. Therefore, the same pattern is seen for the net personal average tax rate across family types – burden of income tax plus employee social security contributions less cash benefits. Chart 0.3 provides the net personal average tax rate for single individuals at 100 per cent of the earnings of an average worker and for a married one-earner couple with two children at the same earnings level. The savings realised by a one-earner married couple are greater than 20 per cent of earnings in the Czech Republic, Luxembourg and Ireland. In contrast, the burden is the same in Mexico and Turkey and it is higher in Greece. Employers pay higher wages to married employees with children in Greece, which then implies that these employees will have to pay more taxes. This is the main reason why the net personal average tax rate for married one-earner couples in Greece exceeds the net personal average tax rate for single individuals at 100 per cent of average earnings. It is also interesting to note that when cash benefits are taken into account, married one-earner couples face a negative burden in Ireland because cash benefits exceed the income tax and social security payments.

2.4. Wages

Table 0.5 shows gross wage earnings of the average worker in each OECD member country for years 2005 (column 1) and 2006 (column 2). The annual change of the nominal wage of an average worker – shown in column 3 – varied between 0.1 per cent (the Netherlands) and 7.8 per cent (Iceland). To a large extent, this significant spread reflects the different inflation levels of individual OECD countries – see column 4 of Table 0.5. The annual change of real wage levels (before personal income tax and employee social security contributions) is found to be in the -1 to 3 per cent range for most countries;


Table 0.5. **Comparison of wage levels**

| Country | Gross wage in national currency | | Annual change 2006/2005 (in percentage) | | | |
|-----------------|---------------------------------|------------|---|------------------------|----------------------|--|
| | 2005 | 2006 | Gross wage | Inflation ¹ | Real wage before tax | Change in personal average tax rate ² |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Australia | 51 169 | 53 385 | 4.3 | 3.2 | 1.1 | -0.3 |
| Austria | 35 128 | 36 009 | 2.5 | 1.8 | 0.7 | 0.3 |
| Belgium | 36 468 | 37 271 | 2.2 | 2.2 | 0.0 | -0.1 |
| Canada | 39 816 | 41 715 | 4.8 | 2.0 | 2.7 | 0.4 |
| Czech Republic | 220 461 | 235 037 | 6.6 | 2.9 | 3.6 | -1.6 |
| Denmark | 320 300 | 330 796 | 3.3 | 1.7 | 1.5 | 0.1 |
| Finland | 32 671 | 33 710 | 3.2 | 1.0 | 2.1 | -1.0 |
| France | 30 509 | 31 464 | 3.1 | 1.7 | 1.4 | 0.1 |
| Germany | 41 691 | 42 003 | 0.7 | 1.6 | -0.8 | 0.0 |
| Greece | 20 521 | 21 775 | 6.1 | 3.3 | 2.7 | 1.0 |
| Hungary | 1 818 360 | 1 913 971 | 5.3 | 2.1 | 3.1 | -0.5 |
| Iceland | 2 958 000 | 3 188 693 | 7.8 | 5.6 | 2.1 | -0.4 |
| Ireland | 28 994 | 30 329 | 4.6 | 2.5 | 2.1 | -0.5 |
| Italy | 22 662 | 23 299 | 2.8 | 2.4 | 0.4 | 0.3 |
| Japan | 4 964 206 | 5 035 230 | 1.4 | 0.7 | 0.7 | 0.6 |
| Korea | 28 840 608 | 30 377 732 | 5.3 | 2.5 | 2.7 | 0.6 |
| Luxembourg | 42 135 | 43 477 | 3.2 | 3.5 | -0.3 | 0.6 |
| Mexico | 69 465 | 72 436 | 4.3 | 3.7 | 0.5 | 0.4 |
| Netherlands | 38 671 | 38 701 | 0.1 | 1.7 | -1.5 | 2.3 |
| New Zealand | 40 782 | 42 572 | 4.4 | 3.5 | 0.9 | 0.5 |
| Norway | 378 782 | 394 278 | 4.1 | 2.2 | 1.9 | -0.1 |
| Poland | 28 563 | 29 358 | 2.8 | 1.0 | 1.8 | 0.1 |
| Portugal | 13 397 | 13 745 | 2.6 | 2.7 | -0.1 | 0.0 |
| Slovak Republic | 216 179 | 231 658 | 7.2 | 3.6 | 3.5 | 0.3 |
| Spain | 20 439 | 21 093 | 3.2 | 3.6 | -0.4 | 0.2 |
| Sweden | 316 602 | 327 800 | 3.5 | 1.0 | 2.5 | -0.2 |
| Switzerland | 71 638 | 73 187 | 2.2 | 1.1 | 1.0 | 0.1 |
| Turkey | 15 737 | 16 864 | 7.2 | 8.1 | -0.9 | 0.0 |
| United Kingdom | 29 364 | 30 842 | 5.0 | 2.2 | 2.7 | 0.1 |
| United States | 31 096 | 32 503 | 4.5 | 3.3 | 1.2 | 0.1 |

1. Estimated percentage change in the total consumer price index.

2. Difference in the personal average tax rate of the average worker (single without children) between 2006 and 2005.

Source: Country submissions; OECD Economic Outlook 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/155456054170>

see column 5 of Table 0.5. Only Hungary (+3.1 per cent), the Slovak Republic (+3.5 per cent), the Czech Republic (+3.6 per cent), and the Netherlands (-1.5 per cent) show a change in real wages before tax outside this range.

When comparing wage levels, it is important to note that the definition of average wages can vary between countries due to data limitations. The methods adopted for calculating the average wage measure for each country are described in detail in Part IV of this Report.

Annexes

| | |
|---|------------|
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Table A.1. Tax revenues expressed as a percentage of GDP at market prices, 1990-2004

| | Total tax revenue | | | Personal income taxes | | | Social security contributions | | | | | | All other taxes | | |
|---------------------|-------------------|------|------|-----------------------|------|------|-------------------------------|------|------|-----------|------|------|-----------------|------|------|
| | 1990 | 1995 | 2004 | 1990 | 1995 | 2004 | Employees | | | Employers | | | 1990 | 1995 | 2004 |
| | | | | | | | 1990 | 1995 | 2004 | 1990 | 1995 | 2004 | | | |
| Australia | 28 | 29 | 31 | 12 | 12 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 17 | 19 |
| Austria | 40 | 41 | 43 | 8 | 9 | 10 | 6 | 6 | 6 | 6 | 7 | 7 | 19 | 19 | 20 |
| Belgium | 42 | 44 | 45 | 13 | 14 | 14 | 4 | 4 | 4 | 9 | 9 | 8 | 16 | 16 | 18 |
| Canada | 36 | 36 | 33 | 15 | 13 | 12 | 2 | 2 | 2 | 3 | 3 | 3 | 17 | 17 | 17 |
| Czech Republic | - | 38 | 38 | - | 5 | 5 | - | 4 | 4 | - | 10 | 10 | - | 19 | 20 |
| Denmark | 47 | 49 | 49 | 25 | 26 | 25 | 1 | 1 | 1 | 0 | 0 | 0 | 21 | 22 | 23 |
| Finland | 44 | 46 | 44 | 15 | 14 | 13 | 1 | 3 | 2 | 9 | 10 | 9 | 18 | 19 | 20 |
| France | 42 | 43 | 43 | 4 | 5 | 7 | 6 | 6 | 4 | 11 | 11 | 11 | 21 | 21 | 21 |
| Germany | 36 | 37 | 35 | 10 | 10 | 8 | 6 | 6 | 6 | 7 | 7 | 7 | 13 | 13 | 14 |
| Greece | 29 | 32 | 35 | 4 | 4 | 5 | 4 | 4 | 5 | 4 | 5 | 6 | 16 | 19 | 20 |
| Hungary | - | 42 | 38 | - | 7 | 7 | - | 2 | 2 | - | 12 | 9 | - | 21 | 20 |
| Iceland | 31 | 31 | 39 | 8 | 10 | 14 | 0 | 0 | 0 | 1 | 2 | 3 | 22 | 19 | 21 |
| Ireland | 33 | 32 | 30 | 11 | 10 | 8 | 2 | 2 | 1 | 3 | 3 | 3 | 18 | 18 | 18 |
| Italy | 38 | 40 | 41 | 10 | 10 | 10 | 2 | 3 | 2 | 9 | 8 | 9 | 17 | 19 | 20 |
| Japan | 29 | 27 | 26 | 8 | 6 | 5 | 3 | 4 | 4 | 4 | 4 | 5 | 14 | 13 | 13 |
| Korea | 19 | 19 | 25 | 4 | 4 | 3 | 0 | 0 | 3 | 1 | 1 | 2 | 14 | 14 | 16 |
| Luxembourg | 36 | 37 | 38 | 8 | 8 | 7 | 4 | 4 | 5 | 5 | 5 | 5 | 19 | 21 | 22 |
| Mexico | 17 | 17 | 19 | - | - | - | - | - | - | - | - | - | 17 | 17 | 19 |
| Netherlands | 41 | 40 | 37 | 10 | 8 | 6 | 9 | 11 | 7 | 3 | 3 | 4 | 18 | 19 | 20 |
| New Zealand | 37 | 37 | 36 | 18 | 17 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 19 | 20 | 21 |
| Norway | 42 | 41 | 44 | 11 | 11 | 10 | 3 | 3 | 3 | 7 | 6 | 6 | 20 | 21 | 25 |
| Poland ¹ | - | 37 | 34 | - | 8 | 4 | - | 11 | 14 | - | - | - | - | 17 | 16 |
| Portugal | 28 | 32 | 34 | 4 | 6 | 5 | 3 | 3 | 3 | 5 | 6 | 7 | 16 | 17 | 18 |
| Slovak Republic | - | - | 30 | - | - | 3 | - | - | 3 | - | - | 8 | - | - | 16 |
| Spain | 32 | 32 | 35 | 7 | 8 | 6 | 2 | 2 | 2 | 8 | 8 | 8 | 15 | 15 | 18 |
| Sweden | 53 | 48 | 50 | 20 | 16 | 16 | 0 | 2 | 3 | 14 | 11 | 11 | 19 | 19 | 20 |
| Switzerland | 26 | 28 | 29 | 10 | 10 | 10 | 3 | 3 | 3 | 3 | 3 | 3 | 10 | 11 | 12 |
| Turkey | 20 | 23 | 31 | 5 | 5 | 5 | 1 | 1 | 3 | 2 | 1 | 3 | 11 | 15 | 21 |
| United Kingdom | 36 | 35 | 36 | 11 | 10 | 10 | 2 | 3 | 3 | 4 | 3 | 4 | 20 | 19 | 19 |
| United States | 27 | 28 | 26 | 10 | 10 | 9 | 3 | 3 | 3 | 4 | 4 | 3 | 11 | 11 | 10 |

1. Total social security contributions.

Source: OECD, *Revenue Statistics 1965-2005*, 2006 Edition.

StatLink  : <http://dx.doi.org/10.1787/161337505011>

Table A.2. Tax revenues from personal income taxes as a percentage of GDP and total taxation, 1990-2004

(Countries with non-central government income taxes)

| | Central government | | | | | | : | State and local government ¹ | | | | | |
|--------------------|--------------------|-------|---------------|-------|---------------|-------|------|---|-------|---------------|-------|---------------|-------|
| | Percentage of | | Percentage of | | Percentage of | | | Percentage of | | Percentage of | | Percentage of | |
| | GDP | Total | GDP | Total | GDP | Total | | GDP | Total | GDP | Total | GDP | Total |
| | 1990 | | 1995 | | 2004 | : | 1990 | | 1995 | | 2004 | | |
| Belgium | 8 | 20 | 7 | 17 | 7 | 16 | : | 5 | 12 | 6 | 15 | 6 | 15 |
| Canada | 9 | 25 | 8 | 23 | 7 | 22 | : | 6 | 16 | 5 | 15 | 4 | 13 |
| Denmark | 12 | 25 | 12 | 25 | 9 | 21 | : | 13 | 28 | 14 | 29 | 15 | 33 |
| Finland | 7 | 15 | 6 | 12 | 5 | 13 | : | 9 | 19 | 9 | 19 | 8 | 18 |
| Iceland | 5 | 15 | 5 | 16 | 6 | 19 | : | 4 | 12 | 5 | 15 | 7 | 20 |
| Japan | 0 | 20 | 0 | 15 | 0 | 11 | : | 0 | 8 | 0 | 8 | 0 | 7 |
| Korea | 0 | 20 | 0 | 18 | 0 | 11 | : | 0 | 1 | 0 | 1 | 0 | 1 |
| Norway | 4 | 9 | 4 | 10 | 5 | 12 | : | 7 | 17 | 7 | 16 | 5 | 13 |
| Spain ² | 7 | 20 | 7 | 22 | 4 | 12 | : | 1 | 2 | 1 | 2 | 2 | 6 |
| Sweden | 5 | 9 | 1 | 3 | -1 | -1 | : | 15 | 29 | 15 | 31 | 16 | 33 |
| Switzerland | 3 | 10 | 2 | 7 | 2 | 7 | : | 7 | 29 | 8 | 29 | 8 | 27 |
| United States | 8 | 30 | 8 | 29 | 7 | 28 | : | 2 | 7 | 2 | 7 | 2 | 7 |

1. Income-tax sharing arrangements exist in Austria, Germany, Greece, Luxembourg, Portugal and Spain.


2. Spain has introduced an income tax of the Autonomous Regions as of 1997; pro memory.

Source: OECD, *Revenue Statistics 1965-2005*, 2006 Edition.

StatLink  : <http://dx.doi.org/10.1787/624727666421>

Source of Earnings Data

| Country | Type of sample | Source |
|-----------------|---|--|
| Australia | Quarterly survey of firms resulting in a representative sample of wage and salary earners in each industry. | Australian Bureau of Statistics "Average Weekly Earnings, Australia" and "Labour Force, Australia" |
| Austria | Annual Wage Tax Statistics | "Lohnsteuerstatistik" |
| Belgium | Data collected or estimated on the basis of an annual establishment survey and social insurance registers of employees | Statistics Division of the Ministry of Economy (Federal Public Service, Economy, SMEs, Self-employed and Energy). Same source as for Eurostat "Annual gross earnings" data. |
| Canada | Monthly survey of all firms | Statistics Canada, "Survey of Employment Payrolls 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 | 1) Finnish Employers Federation survey of hourly and monthly earnings; 2) Survey for unorganized employers "Structure of Earnings Statistics" published by the Central Statistical Office | "Wages Statistics" published by the Central Statistical Office |
| France | Social insurance registers covering all employers. | INSEE, "Déclarations Annuelles des Données Sociales" (DADS) |
| Germany | Survey carried out by the Federal Statistical Office | National Statistical Office |
| Greece | Survey carried out by National Statistics Service and Social Security Institutions | National Statistical Service Labour Statistics. Same source as for Eurostat "Annual gross earnings" data. |
| Hungary | Monthly surveys among enterprises with at least five employees. | Central Statistical Office |
| Iceland | Monthly survey of earnings in the private sector market | Statistics Iceland |
| Ireland | Quarterly surveys of industrial employment, earnings and hours worked | Central Statistics Office |
| Italy | Quarterly indicators of wages in industry and services (OROS) | National Institute of Statistics |
| Japan | Basic survey on wage structure of all establishments with more than 10 employees | Ministry of Health, Labour and Welfare, Annual Report |
| Korea | Major Labour Statistics | Ministry of Labour |
| Luxembourg | Monthly aggregated files of Social security services. | National Statistical Office and Social Security Services. |
| Mexico | Administrative data from the Mexican Social Security Institute (Instituto Mexicano del Seguro Social (IMSS)) | The National Minimum Wage Commission (Comisión Nacional de Salarios Mínimos (CONASAMI)) |
| Netherlands | Survey "Employment and Wages" | Central Bureau of Statistics, Statline |
| New Zealand | Quarterly employment survey is a sample survey of significant business with an employment count of 1 or more | Statistics New Zealand INFOS |
| Norway | Sample of enterprises based on published sector statistics for 3rd quarter – except agriculture, forestry and fishing and private households | Statistics Norway Wage |
| Portugal | April and October survey of earnings carried out by the Ministry of Labour | Ministry of Labour |
| Poland | Estimates for different sectors | Monthly Statistical Bulletin |
| Slovak republic | Quarterly and annual statistical data | Slovak Statistical Office |
| Spain | Quarterly survey of firms | Instituto Nacional de Estadística "Encuesta Trimestral de Coste Laboral" (Labour Cost Survey) |
| Sweden | September survey of Swedish employers | Statistics Sweden |
| Switzerland | Swiss Statistics Office. Personnes actives occupées selon la branche économique | La vie économique, SECO (Secrétariat d'État à l'Économie) Table B.8.1, http://www.bfs.admin.ch/bfs/portal/fr/index/themen/03/04.html |
| Turkey | Annual Manufacturing Industry Survey | Turkish Statistical Institute |
| United Kingdom | 1% sample of PAYE earnings | Office for National Statistics, Annual Survey of Hours and Earnings (ASHE) |
| United States | Monthly surveys by Department of Labour on the basis of a questionnaire covering more than 40 million non-agricultural wage and salary-workers | Employment, Hours, and Earnings from the Current Employment Statistics Survey |


StatLink  : <http://dx.doi.org/10.1787/615183821861>

Exchange Rates and Purchasing Power Parities of National Currencies, 2006

| Monetary unit | | 2006 | |
|-----------------|-----|------------------|------------------------------|
| | | Exchange rates * | Purchasing power parities ** |
| Australia | AUD | 1.33 | 1.39 |
| Austria | EUR | 0.80 | 0.91 |
| Belgium | EUR | 0.80 | 0.89 |
| Canada | CAD | 1.13 | 1.29 |
| Czech Republic | CZK | 22.72 | 14.57 |
| Denmark | DKK | 5.97 | 8.54 |
| Finland | EUR | 0.80 | 0.94 |
| France | EUR | 0.80 | 0.90 |
| Germany | EUR | 0.80 | 0.94 |
| Greece | EUR | 0.80 | 0.71 |
| Hungary | HUF | 212.04 | 130.99 |
| Iceland | ISK | 69.93 | 1.02 |
| Ireland | EUR | 0.80 | 91.73 |
| Italy | EUR | 0.80 | 0.84 |
| Japan | JPY | 116.26 | 128.09 |
| Korea | KRW | 954.19 | 758.73 |
| Luxembourg | EUR | 0.80 | 0.99 |
| Mexico | MXN | 10.91 | 7.35 |
| Netherlands | EUR | 0.80 | 0.91 |
| New Zealand | NZD | 1.55 | 1.50 |
| Norway | NOK | 6.44 | 9.85 |
| Poland | PLZ | 3.12 | 1.85 |
| Portugal | EUR | 0.80 | 0.66 |
| Slovak Republic | SKK | 29.94 | 17.37 |
| Spain | EUR | 0.80 | 0.78 |
| Sweden | SEK | 7.42 | 9.35 |
| Switzerland | CHF | 1.26 | 1.76 |
| Turkey | TRL | 1.43 | 0.82 |
| United Kingdom | GBP | 0.55 | 0.62 |
| United States | USD | 1.00 | 1.00 |

* Average of 11 months daily rates.

** Estimates based on Economic Outlook No 79, June 2006.

StatLink  : <http://dx.doi.org/10.1787/110200112526>

Historical Series under the Old Definition of Average Worker, 1979-2004

Warning

The tables contained in this annex reproduce data published in *Taxing Wages 2003-2004*, for the convenience of the reader as the main body of this Report only presents data for 2000-2006. However, any user of the data should be aware of its limitations. First, it is based on the previous definition of the wage – the average production worker (APW) wage. Second, there were changes in the reporting practices of some countries over the period 1979-2004 and so the times series cannot be regarded as completely consistent. The most important breaks in the series for recent years are the following:

- a) Australia: From 2002 payroll taxes included in calculations. They are excluded in earlier years.
- b) Austria: From 1998 payroll taxes included in calculations. They are excluded in earlier years.
- c) France: From 1997 earning figure based on improved statistical data.
- d) Japan: From 2002 improvements were made in the reporting of social security contributions.
- e) Korea: From 1997 the coverage of social security contributions is extended.
- f) The Netherlands: From 1999 average wage level for manual workers assumed to be equal to 90% of the wage for all industrial workers, including white collar workers and supervisors.

Table D.1. **Income tax plus employee and employer contributions (as % of labour costs), 1979–2004**
single persons without children

| | 1979 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 | 1993 | 1995 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Australia | - | - | - | - | - | - | - | - | - | 29.6 | 30.4 | 27.4 | 27.8 | 28.3 | 28.3 | 28.6 |
| Austria | 36.5 | 38.6 | 38.1 | 40.3 | 39.6 | 38.1 | 39.1 | 40.0 | 41.2 | 45.6 | 45.9 | 44.9 | 44.5 | 44.7 | 45.0 | 44.9 |
| Belgium | 47.4 | 49.8 | 49.2 | 51.0 | 53.5 | 53.2 | 53.7 | 54.6 | 56.3 | 56.6 | 56.9 | 56.2 | 55.6 | 55.1 | 54.6 | 54.2 |
| Canada | 23.2 | 24.7 | 25.6 | 26.9 | 29.0 | 27.2 | 29.0 | 30.8 | 31.5 | 32.3 | 31.1 | 31.8 | 30.4 | 32.2 | 32.4 | 32.3 |
| Czech Republic | - | - | - | - | - | - | - | 42.6 | 43.2 | 42.9 | 42.7 | 42.7 | 42.6 | 42.9 | 43.2 | 43.6 |
| Denmark | 40.6 | 42.7 | 46.5 | 47.8 | 47.6 | 46.6 | 46.7 | 47.0 | 45.2 | 45.1 | 44.5 | 44.4 | 43.6 | 42.7 | 42.7 | 41.5 |
| Finland | 41.6 | 42.4 | 43.2 | 45.2 | 45.5 | 46.2 | 44.5 | 49.3 | 51.2 | 48.9 | 47.4 | 47.3 | 45.9 | 45.2 | 44.4 | 43.8 |
| France ¹ | - | - | - | - | - | - | - | - | 49.1 | 48.7 | 48.1 | 48.2 | 48.3 | 48.2 | 48.3 | 47.4 |
| Germany | 40.8 | 41.9 | 43.4 | 44.5 | 45.1 | 45.5 | 46.4 | 46.4 | 50.2 | 52.3 | 51.9 | 51.8 | 50.8 | 51.1 | 51.9 | 50.7 |
| Greece | 25.6 | 25.5 | 31.2 | 31.4 | 31.6 | 33.8 | 33.0 | 35.3 | 35.6 | 35.8 | 35.7 | 36.0 | 35.7 | 34.6 | 34.4 | 34.9 |
| Hungary | - | - | - | - | - | - | - | - | 51.4 | 52.0 | 50.7 | 49.6 | 49.0 | 49.0 | 45.6 | 45.8 |
| Iceland | - | 18.4 | 18.8 | 16.5 | 13.9 | 19.5 | 20.1 | 22.0 | 23.1 | 24.4 | 26.0 | 26.7 | 27.5 | 28.8 | 29.4 | 29.7 |
| Ireland | 33.9 | 34.7 | 40.1 | 42.4 | 42.8 | 40.6 | 39.8 | 40.0 | 36.9 | 33.9 | 32.4 | 28.9 | 25.8 | 24.5 | 24.2 | 23.8 |
| Italy ² | 45.3 | 47.3 | 50.5 | 50.0 | 49.4 | 51.2 | 48.8 | 49.2 | 50.3 | 51.5 | 47.2 | 46.7 | 46.1 | 46.1 | 45.4 | 45.7 |
| Japan | 16.7 | 17.3 | 17.7 | 21.6 | 21.4 | 20.4 | 21.5 | 21.2 | 19.5 | 20.7 | 24.0 | 24.1 | 24.2 | 29.8 | 26.7 | 26.6 |
| Korea | - | - | - | - | - | - | - | - | 6.9 | 12.4 | 16.1 | 16.5 | 16.6 | 16.1 | 16.3 | 16.6 |
| Luxembourg | 38.5 | 38.2 | 38.6 | 38.4 | 35.7 | 35.5 | 33.9 | 34.9 | 34.3 | 35.2 | 34.6 | 35.5 | 33.9 | 31.3 | 31.5 | 31.9 |
| Mexico | - | - | - | - | - | 23.5 | 24.4 | 26.6 | 27.2 | 20.8 | 14.1 | 15.4 | 14.4 | 16.1 | 17.2 | 15.4 |
| Netherlands | 48.0 | 48.3 | 52.0 | 49.9 | 49.5 | 47.0 | 46.5 | 45.7 | 44.8 | 43.6 | 44.3 | 45.1 | 42.3 | 35.5 | 35.2 | 43.6 |
| New Zealand | 26.0 | 26.8 | 26.6 | 27.9 | 26.1 | 23.4 | 23.8 | 24.0 | 24.5 | 21.6 | 19.4 | 19.5 | 19.5 | 20.1 | 20.3 | 20.7 |
| Norway | 43.5 | 43.1 | 42.3 | 41.8 | 42.6 | 42.7 | 41.2 | 36.8 | 37.5 | 37.4 | 37.3 | 37.2 | 36.9 | 36.9 | 36.8 | 36.9 |
| Poland ³ | - | - | - | - | - | - | - | 44.1 | 44.7 | 43.9 | 43.0 | 43.0 | 42.7 | 42.8 | 42.9 | 43.1 |
| Portugal | 28.1 | 29.9 | 32.3 | 34.9 | 34.5 | 33.9 | 33.2 | 33.3 | 33.7 | 33.9 | 33.4 | 33.5 | 32.5 | 32.6 | 32.6 | 32.6 |
| Slovak Republic | - | - | - | - | - | - | - | - | - | - | - | 41.2 | 41.7 | 41.1 | 41.4 | 42.0 |
| Spain | 36.4 | 37.4 | 38.0 | 36.6 | 37.9 | 35.9 | 36.5 | 38.0 | 38.5 | 39.0 | 37.5 | 37.6 | 37.9 | 38.2 | 37.7 | 38.0 |
| Sweden | 50.7 | 50.8 | 50.6 | 50.9 | 51.7 | 52.7 | 46.0 | 45.6 | 49.3 | 50.7 | 50.5 | 49.5 | 48.5 | 47.6 | 47.9 | 48.0 |
| Switzerland | 28.2 | 29.1 | 28.8 | 28.8 | 28.5 | 28.6 | 27.3 | 28.7 | 30.6 | 30.0 | 29.8 | 29.5 | 29.5 | 29.6 | 29.0 | 28.8 |
| Turkey | 53.9 | 47.7 | 44.8 | 37.0 | 40.2 | 40.1 | 41.2 | 40.0 | 35.3 | 40.7 | 30.3 | 40.4 | 43.6 | 42.5 | 42.2 | 42.7 |
| United Kingdom | 36.1 | 37.6 | 38.2 | 37.8 | 36.0 | 34.2 | 33.2 | 32.6 | 33.4 | 32.0 | 30.8 | 30.1 | 29.5 | 29.5 | 31.0 | 31.2 |
| United States | 31.9 | 35.3 | 34.9 | 33.6 | 30.6 | 31.1 | 31.3 | 31.2 | 31.0 | 31.1 | 31.1 | 30.8 | 29.8 | 29.7 | 29.5 | 29.6 |

Note: For Australia, from 1996 to 2001, data have been revised to include payroll taxes and so produce a consistent series. Data for earlier years are not available on the same basis.

1. Employers' social security contributions not reported by France for period 1979 to 1993.

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

3. A submission for 2004 was not received from this country and consequently the tax/benefit structure for this country has been updated using external sources. Given the potential for error, the reader should use caution in interpreting the results for this country.

Table D.2. Income tax (in % of gross wage), 1979-2004, single persons without children

| | 1979 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 | 1993 | 1995 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Australia | - | - | - | - | - | - | - | - | - | 24.8 | 25.9 | 22.8 | 23.3 | 24.0 | 24.0 | 24.3 |
| Austria | 9.3 | 10.2 | 9.4 | 10.2 | 9.5 | 7.0 | 7.5 | 8.6 | 8.9 | 10.2 | 10.8 | 9.8 | 10.2 | 10.5 | 10.8 | 10.8 |
| Belgium | 15.2 | 18.7 | 25.5 | 26.4 | 25.9 | 25.3 | 25.9 | 26.1 | 27.2 | 27.6 | 27.9 | 27.9 | 27.8 | 27.2 | 26.7 | 26.6 |
| Canada | 18.3 | 19.0 | 18.8 | 19.4 | 21.4 | 20.0 | 20.4 | 21.1 | 21.7 | 22.1 | 20.8 | 21.1 | 19.3 | 17.9 | 18.0 | 17.8 |
| Czech Republic | - | - | - | - | - | - | - | 8.5 | 10.0 | 10.4 | 10.2 | 10.1 | 10.0 | 10.4 | 10.8 | 11.4 |
| Denmark | 35.7 | 37.8 | 39.4 | 40.0 | 44.0 | 44.0 | 44.2 | 44.4 | 37.4 | 35.1 | 33.0 | 32.4 | 32.6 | 31.7 | 31.7 | 30.6 |
| Finland | 26.7 | 27.3 | 29.5 | 30.5 | 30.8 | 30.8 | 28.3 | 28.6 | 29.3 | 28.0 | 26.3 | 26.6 | 25.9 | 25.4 | 24.9 | 24.2 |
| France | 8.5 | 8.6 | 8.4 | 7.4 | 6.8 | 6.7 | 8.1 | 8.5 | 8.8 | 10.5 | 14.3 | 13.4 | 13.5 | 13.6 | 13.2 | 13.1 |
| Germany | 16.0 | 16.4 | 17.1 | 18.1 | 18.6 | 18.6 | 18.4 | 18.3 | 20.8 | 21.2 | 21.2 | 21.5 | 20.1 | 20.4 | 20.8 | 19.6 |
| Greece | 1.4 | 1.3 | 3.0 | 3.2 | 3.5 | 5.8 | 3.6 | 1.7 | 1.7 | 2.0 | 1.9 | 2.2 | 1.8 | 0.4 | 0.0 | 0.6 |
| Hungary | - | - | - | - | - | - | - | - | 16.4 | 17.8 | 17.6 | 18.9 | 19.2 | 16.9 | 12.9 | 12.4 |
| Iceland | - | 16.8 | 16.9 | 14.5 | 12.0 | 17.5 | 17.9 | 19.7 | 20.4 | 21.2 | 22.3 | 23.1 | 23.5 | 24.8 | 25.2 | 25.5 |
| Ireland | 23.7 | 23.4 | 24.6 | 26.8 | 27.9 | 25.5 | 24.7 | 23.9 | 22.4 | 20.5 | 19.3 | 15.2 | 12.0 | 11.4 | 11.1 | 10.6 |
| Italy ¹ | 11.6 | 14.1 | 16.3 | 18.4 | 18.4 | 18.1 | 16.3 | 15.8 | 17.5 | 18.8 | 20.0 | 19.3 | 18.6 | 19.1 | 18.2 | 18.6 |
| Japan | 7.6 | 8.5 | 9.0 | 8.8 | 8.5 | 7.9 | 8.5 | 8.4 | 6.4 | 8.0 | 6.1 | 6.2 | 6.2 | 5.6 | 5.9 | 5.9 |
| Korea | - | - | - | - | - | - | - | - | 2.5 | 1.7 | 2.1 | 2.5 | 2.5 | 2.2 | 2.3 | 2.2 |
| Luxembourg | 17.4 | 16.8 | 17.4 | 16.7 | 14.0 | 13.5 | 11.8 | 12.7 | 13.1 | 13.8 | 12.1 | 12.6 | 10.8 | 8.3 | 8.5 | 8.9 |
| Mexico | - | - | - | - | - | 6.6 | 6.1 | 6.5 | 2.5 | -1.2 | 0.0 | 1.3 | 1.9 | 2.1 | 2.8 | 3.0 |
| Netherlands | 14.8 | 13.5 | 12.0 | 11.3 | 11.9 | 12.1 | 11.5 | 12.2 | 6.7 | 6.5 | 6.3 | 7.6 | 8.8 | 7.0 | 6.0 | 8.5 |
| New Zealand | 26.0 | 26.8 | 26.6 | 27.9 | 26.1 | 23.4 | 23.8 | 24.0 | 24.5 | 21.6 | 19.4 | 19.5 | 19.5 | 20.1 | 20.3 | 20.7 |
| Norway | 25.7 | 24.7 | 23.3 | 22.7 | 22.7 | 25.9 | 24.4 | 20.9 | 21.8 | 21.7 | 21.6 | 21.4 | 21.0 | 21.0 | 20.9 | 20.9 |
| Poland ² | - | - | - | - | - | - | - | 17.2 | 18.1 | 16.9 | 6.6 | 6.6 | 6.0 | 6.1 | 6.0 | 6.1 |
| Portugal | 4.4 | 4.9 | 7.1 | 6.9 | 7.5 | 6.5 | 5.9 | 6.8 | 7.0 | 7.2 | 6.6 | 6.7 | 5.4 | 5.5 | 5.6 | 5.6 |
| Slovak Republic | - | - | - | - | - | - | - | - | - | - | - | 6.0 | 6.8 | 5.9 | 6.3 | 7.9 |
| Spain | 10.1 | 11.3 | 12.2 | 10.6 | 12.7 | 10.4 | 11.3 | 12.3 | 13.2 | 13.8 | 11.8 | 12.1 | 12.6 | 13.0 | 12.3 | 12.7 |
| Sweden | 36.5 | 36.1 | 35.5 | 35.6 | 36.6 | 37.0 | 28.0 | 28.5 | 28.7 | 28.5 | 27.2 | 25.8 | 24.6 | 23.4 | 23.8 | 24.0 |
| Switzerland | 10.6 | 11.6 | 11.4 | 11.2 | 10.8 | 10.8 | 9.6 | 11.1 | 11.0 | 10.3 | 10.2 | 9.8 | 9.9 | 9.9 | 9.7 | 9.8 |
| Turkey | 42.0 | 35.2 | 30.2 | 22.9 | 22.4 | 23.5 | 27.1 | 27.4 | 25.2 | 23.9 | 15.2 | 14.7 | 14.9 | 15.1 | 14.8 | 15.4 |
| United Kingdom | 23.2 | 23.4 | 22.7 | 22.3 | 20.3 | 19.0 | 18.7 | 18.0 | 18.2 | 16.7 | 16.3 | 15.8 | 15.5 | 15.6 | 15.7 | 15.9 |
| United States | 20.6 | 23.5 | 23.0 | 21.8 | 18.4 | 18.4 | 18.4 | 18.3 | 18.1 | 18.2 | 18.2 | 17.9 | 16.8 | 16.6 | 16.4 | 16.5 |

Note: For Australia, from 1996 to 2001, data have been revised to include payroll taxes and so produce a consistent series. Data for earlier years are not available on the same basis.

1. As from 1990 on, data on wages have been revised to include only production workers.

2. A submission for 2004 was not received from this country and consequently the tax/benefit structure for this country has been updated using external sources. Given the potential for error, the reader should use caution in interpreting the results for this country.

Table D.3. Income tax plus employee contributions (in % of gross wage), 1979-2004, single persons without children

| | 1979 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 | 1993 | 1995 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Australia | - | - | - | - | - | - | - | - | - | 24.8 | 25.9 | 22.8 | 23.3 | 24.0 | 24.0 | 24.3 |
| Austria | 23.5 | 25.1 | 24.5 | 26.6 | 25.9 | 23.8 | 24.7 | 25.9 | 27.0 | 28.3 | 28.8 | 27.9 | 28.3 | 28.6 | 28.9 | 28.8 |
| Belgium | 25.3 | 28.8 | 37.0 | 38.5 | 38.0 | 37.4 | 37.9 | 39.2 | 41.1 | 41.5 | 41.9 | 41.9 | 41.7 | 41.2 | 40.7 | 40.5 |
| Canada | 20.8 | 22.0 | 22.3 | 23.3 | 25.4 | 23.8 | 25.0 | 26.3 | 27.1 | 27.7 | 26.5 | 27.1 | 25.5 | 24.4 | 24.6 | 24.7 |
| Czech Republic | - | - | - | - | - | - | - | 22.0 | 23.2 | 22.9 | 22.7 | 22.6 | 22.5 | 22.9 | 23.3 | 23.9 |
| Denmark | 40.1 | 42.2 | 44.8 | 46.3 | 46.0 | 46.6 | 46.7 | 47.0 | 45.2 | 44.9 | 44.2 | 44.1 | 43.3 | 42.3 | 42.3 | 41.2 |
| Finland | 29.4 | 30.0 | 32.2 | 34.2 | 34.2 | 34.0 | 31.7 | 35.7 | 38.0 | 35.8 | 33.7 | 33.6 | 32.4 | 31.5 | 31.0 | 30.3 |
| France | 20.3 | 20.5 | 22.6 | 22.6 | 23.5 | 25.0 | 25.2 | 26.9 | 27.4 | 28.1 | 27.7 | 26.8 | 27.0 | 26.8 | 26.8 | 26.7 |
| Germany | 31.6 | 32.6 | 33.9 | 35.0 | 35.7 | 36.0 | 36.6 | 36.6 | 40.5 | 42.3 | 41.9 | 42.0 | 40.7 | 41.0 | 41.8 | 40.5 |
| Greece | 11.6 | 11.5 | 16.2 | 16.4 | 16.8 | 19.1 | 17.4 | 17.5 | 17.6 | 17.9 | 17.8 | 18.1 | 17.7 | 16.3 | 16.0 | 16.6 |
| Hungary | - | - | - | - | - | - | - | - | 27.9 | 29.3 | 30.1 | 31.4 | 31.7 | 29.4 | 25.4 | 25.9 |
| Iceland | - | 17.0 | 17.2 | 14.7 | 12.2 | 17.5 | 18.1 | 20.0 | 20.6 | 21.5 | 22.5 | 23.2 | 23.7 | 25.1 | 25.4 | 25.7 |
| Ireland | 28.1 | 28.1 | 33.1 | 35.3 | 35.7 | 33.3 | 32.4 | 32.7 | 29.2 | 26.0 | 24.3 | 20.3 | 16.9 | 16.4 | 16.0 | 15.7 |
| Italy ¹ | 20.0 | 22.6 | 25.8 | 27.0 | 27.3 | 26.7 | 25.3 | 25.8 | 27.5 | 29.0 | 29.1 | 28.5 | 27.8 | 28.3 | 27.4 | 27.8 |
| Japan | 12.5 | 13.2 | 13.1 | 15.8 | 15.5 | 14.9 | 15.5 | 15.4 | 13.4 | 15.0 | 16.1 | 16.2 | 16.2 | 19.3 | 17.5 | 17.4 |
| Korea | - | - | - | - | - | - | - | - | 4.8 | 5.6 | 8.8 | 9.2 | 9.2 | 8.9 | 9.2 | 9.3 |
| Luxembourg | 29.3 | 28.8 | 29.5 | 28.9 | 26.2 | 25.9 | 24.1 | 25.2 | 25.6 | 26.4 | 25.8 | 26.6 | 24.8 | 22.1 | 22.3 | 22.7 |
| Mexico | - | - | - | - | - | 11.1 | 10.9 | 11.3 | 7.7 | 1.4 | 1.6 | 2.9 | 3.4 | 3.7 | 4.4 | 4.5 |
| Netherlands | 35.5 | 35.8 | 40.4 | 38.0 | 37.4 | 35.6 | 40.4 | 41.8 | 40.5 | 39.3 | 35.4 | 36.2 | 32.9 | 28.6 | 29.0 | 34.4 |
| New Zealand | 26.0 | 26.8 | 26.6 | 27.9 | 26.1 | 23.4 | 23.8 | 24.0 | 24.5 | 21.6 | 19.4 | 19.5 | 19.5 | 20.1 | 20.3 | 20.7 |
| Norway | 34.4 | 33.8 | 33.0 | 32.7 | 33.6 | 33.8 | 32.2 | 28.7 | 29.6 | 29.5 | 29.4 | 29.2 | 28.8 | 28.8 | 28.7 | 28.7 |
| Poland ² | - | - | - | - | - | - | - | 17.2 | 18.1 | 16.9 | 31.4 | 31.4 | 31.0 | 31.1 | 31.2 | 31.5 |
| Portugal | 14.4 | 15.4 | 18.1 | 18.4 | 18.5 | 17.4 | 17.6 | 16.9 | 18.0 | 18.2 | 17.6 | 17.7 | 16.4 | 16.5 | 16.6 | 16.6 |
| Slovak Republic | - | - | - | - | - | - | - | - | - | - | - | 18.8 | 19.6 | 18.7 | 19.1 | 21.3 |
| Spain | 15.7 | 16.9 | 18.1 | 16.9 | 18.7 | 16.4 | 17.3 | 18.4 | 19.6 | 20.2 | 18.2 | 18.5 | 18.9 | 19.3 | 18.6 | 19.0 |
| Sweden | 36.5 | 36.1 | 35.5 | 35.6 | 36.6 | 37.0 | 28.0 | 29.5 | 32.6 | 34.5 | 34.1 | 32.8 | 31.7 | 30.4 | 30.7 | 31.0 |
| Switzerland | 20.9 | 21.9 | 21.5 | 21.5 | 21.1 | 21.2 | 19.9 | 21.4 | 22.5 | 21.9 | 21.7 | 21.3 | 21.4 | 21.4 | 21.0 | 20.9 |
| Turkey | 49.0 | 42.2 | 38.2 | 31.3 | 31.8 | 32.6 | 34.8 | 34.3 | 30.5 | 33.1 | 22.9 | 28.7 | 30.9 | 30.1 | 29.8 | 30.4 |
| United Kingdom | 29.7 | 31.2 | 31.7 | 31.3 | 29.3 | 27.3 | 26.2 | 25.6 | 26.7 | 25.2 | 24.4 | 23.6 | 23.1 | 23.2 | 24.2 | 24.4 |
| United States | 26.8 | 30.2 | 29.7 | 28.9 | 25.6 | 26.0 | 26.0 | 26.0 | 25.8 | 25.8 | 25.8 | 25.5 | 24.4 | 24.3 | 24.1 | 24.2 |

Note: For Australia, from 1996 to 2001, data have been revised to include payroll taxes and so produce a consistent series. Data for earlier years are not available on the same basis.

1. As from 1990 on, data on wages have been revised to include only production workers.

2. A submission for 2004 was not received from this country and consequently the tax/benefit structure for this country has been updated using external sources. Given the potential for error, the reader should use caution in interpreting the results for this country.

Table D.4. **Income tax plus employee and employer contributions less cash benefits (as % of labour costs), 1979–2004**
one-earner family with two children

| | 1979 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 | 1993 | 1995 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|-------|-------|-------|-------|------|------|------|------|------|------|------|
| Australia | - | - | - | - | - | - | - | - | - | 21.2 | 22.4 | 18.6 | 19.2 | 20.4 | 16.1 | 17.7 |
| Austria | 20.5 | 23.9 | 24.3 | 25.6 | 24.4 | 23.3 | 24.7 | 24.3 | 27.2 | 32.2 | 31.6 | 29.5 | 29.0 | 29.5 | 29.5 | 28.8 |
| Belgium | 33.1 | 36.0 | 35.3 | 38.4 | 41.6 | 36.1 | 37.3 | 38.6 | 40.3 | 40.8 | 41.2 | 40.5 | 40.3 | 39.7 | 39.1 | 35.6 |
| Canada | 11.7 | 13.5 | 13.3 | 15.2 | 17.4 | 15.7 | 18.5 | 20.6 | 21.7 | 23.4 | 21.2 | 22.2 | 20.4 | 23.1 | 23.1 | 23.0 |
| Czech Republic | - | - | - | - | - | - | - | 23.1 | 28.5 | 31.2 | 24.4 | 22.7 | 24.5 | 24.5 | 27.1 | 29.5 |
| Denmark | 30.9 | 33.6 | 37.5 | 37.7 | 35.5 | 32.4 | 32.5 | 32.5 | 30.9 | 31.3 | 31.1 | 31.0 | 30.7 | 30.1 | 30.1 | 29.8 |
| Finland | 32.4 | 33.2 | 32.7 | 35.6 | 35.8 | 34.8 | 32.5 | 38.1 | 42.1 | 40.8 | 39.6 | 39.9 | 38.8 | 38.3 | 37.6 | 36.8 |
| France ¹ | - | - | - | - | - | - | - | - | 39.5 | 39.5 | 38.9 | 39.8 | 39.4 | 39.5 | 39.9 | 39.0 |
| Germany | 30.7 | 30.9 | 33.3 | 34.2 | 32.7 | 34.0 | 34.3 | 33.6 | 37.3 | 35.6 | 34.4 | 33.3 | 32.7 | 32.2 | 33.4 | 32.2 |
| Greece | 9.3 | 9.3 | 14.5 | 22.9 | 30.3 | 32.0 | 30.5 | 34.3 | 34.9 | 36.2 | 35.8 | 36.1 | 35.9 | 35.0 | 34.4 | 34.9 |
| Hungary | - | - | - | - | - | - | - | - | 37.4 | 40.8 | 35.9 | 35.0 | 32.8 | 33.9 | 30.3 | 31.3 |
| Iceland | - | 6.2 | 4.6 | -3.0 | -4.8 | -11.4 | -14.0 | -11.2 | -10.9 | -2.8 | 5.8 | 7.6 | 7.8 | 9.5 | 10.4 | 11.7 |
| Ireland | 20.4 | 22.7 | 27.4 | 30.0 | 30.6 | 30.0 | 29.4 | 29.9 | 26.8 | 23.8 | 20.1 | 15.5 | 12.8 | 9.1 | 6.4 | 5.9 |
| Italy ² | 40.9 | 41.1 | 42.3 | 43.9 | 44.6 | 43.9 | 40.7 | 42.4 | 44.9 | 43.3 | 37.0 | 36.5 | 35.4 | 36.0 | 35.7 | 36.2 |
| Japan | 11.2 | 11.9 | 12.3 | 16.0 | 15.9 | 14.8 | 15.3 | 16.0 | 15.1 | 15.6 | 19.8 | 20.2 | 20.4 | 26.2 | 22.9 | 23.8 |
| Korea | - | - | - | - | - | - | - | - | 6.0 | 11.6 | 15.4 | 15.8 | 15.9 | 15.5 | 15.8 | 15.8 |
| Luxembourg | 20.1 | 19.5 | 18.1 | 18.1 | 15.3 | 14.0 | 14.3 | 12.5 | 12.7 | 13.0 | 10.7 | 11.4 | 11.5 | 9.2 | 9.2 | 9.3 |
| Mexico | - | - | - | - | - | 23.5 | 24.4 | 26.6 | 27.2 | 20.8 | 14.1 | 15.4 | 14.4 | 16.1 | 17.2 | 15.4 |
| Netherlands | 39.4 | 39.7 | 43.6 | 41.2 | 41.1 | 38.7 | 40.1 | 35.7 | 34.9 | 33.0 | 34.1 | 35.5 | 33.0 | 25.1 | 24.5 | 34.3 |
| New Zealand | 10.4 | 16.8 | 17.5 | 15.5 | 24.3 | 18.0 | 20.8 | 22.2 | 22.4 | 16.2 | 14.1 | 15.5 | 16.7 | 18.8 | 19.4 | 20.7 |
| Norway | 32.6 | 30.1 | 28.5 | 28.0 | 28.4 | 28.0 | 26.4 | 23.0 | 24.4 | 24.9 | 26.2 | 26.9 | 26.9 | 27.3 | 27.5 | 27.8 |
| Poland ³ | - | - | - | - | - | - | - | 36.8 | 39.3 | 38.9 | 38.1 | 38.2 | 37.8 | 41.2 | 37.9 | 41.5 |
| Portugal | 24.3 | 25.8 | 27.5 | 31.4 | 29.7 | 26.5 | 25.4 | 25.3 | 26.6 | 26.8 | 26.0 | 26.2 | 24.1 | 23.6 | 23.7 | 22.5 |
| Slovak Republic | - | - | - | - | - | - | - | - | - | - | - | 25.2 | 28.5 | 28.2 | 32.3 | 27.2 |
| Spain | 31.9 | 32.7 | 33.4 | 32.4 | 34.1 | 31.6 | 32.6 | 32.9 | 33.3 | 33.7 | 30.4 | 30.6 | 31.1 | 31.5 | 30.9 | 31.6 |
| Sweden | 42.5 | 42.9 | 43.2 | 42.5 | 43.0 | 45.5 | 37.7 | 37.7 | 42.2 | 45.2 | 44.4 | 42.6 | 41.1 | 40.3 | 40.8 | 41.2 |
| Switzerland | 19.2 | 20.6 | 19.9 | 19.0 | 18.3 | 18.6 | 18.0 | 17.3 | 18.9 | 17.7 | 17.8 | 17.7 | 17.9 | 18.1 | 17.5 | 17.2 |
| Turkey | 53.9 | 47.7 | 44.8 | 37.0 | 40.2 | 40.1 | 41.2 | 40.0 | 35.3 | 40.7 | 30.3 | 40.4 | 43.6 | 42.5 | 42.2 | 42.7 |
| United Kingdom | 25.2 | 26.8 | 26.6 | 26.2 | 25.6 | 25.1 | 24.3 | 23.8 | 26.1 | 24.8 | 23.3 | 21.4 | 18.1 | 17.3 | 17.4 | 18.0 |
| United States | 23.5 | 26.8 | 27.7 | 26.7 | 25.5 | 24.7 | 24.8 | 24.7 | 24.4 | 24.1 | 21.1 | 21.3 | 18.3 | 17.8 | 15.6 | 16.4 |

Note: For Australia, from 1996 to 2001, data have been revised to include payroll taxes and so produce a consistent series. Data for earlier years are not available on the same basis.

1. Employers' social security contributions not reported by France for period 1979 to 1993.

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

3. A submission for 2004 was not received from this country and consequently the tax/benefit structure for this country has been updated using external sources. Given the potential for error, the reader should use caution in interpreting the results for this country.

Table D.5. Income tax (as % of gross wage), 1979–2004, one-earner family with two children

| | 1979 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 | 1993 | 1995 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Australia | - | - | - | - | - | - | - | - | - | 23.7 | 24.9 | 22.8 | 23.3 | 24.0 | 24.0 | 24.3 |
| Austria | 6.5 | 7.6 | 6.6 | 7.6 | 6.4 | 3.1 | 3.8 | 2.8 | 3.5 | 5.0 | 9.2 | 8.2 | 8.7 | 9.0 | 9.3 | 8.1 |
| Belgium | 8.0 | 11.6 | 18.4 | 19.3 | 19.1 | 14.2 | 15.0 | 15.5 | 16.1 | 16.5 | 17.0 | 17.1 | 17.1 | 16.7 | 15.9 | 15.2 |
| Canada | 9.7 | 10.6 | 9.0 | 10.3 | 12.3 | 10.9 | 12.1 | 10.3 | 11.2 | 12.6 | 10.2 | 16.9 | 15.3 | 14.1 | 14.2 | 13.9 |
| Czech Republic | - | - | - | - | - | - | - | 2.5 | 4.5 | 5.2 | 4.3 | 4.2 | 4.0 | 4.5 | 4.9 | 5.3 |
| Denmark | 30.3 | 32.6 | 33.8 | 34.3 | 35.7 | 35.6 | 36.0 | 36.2 | 29.4 | 27.8 | 26.2 | 25.7 | 26.2 | 25.7 | 25.7 | 25.4 |
| Finland | 20.9 | 21.9 | 23.8 | 25.3 | 25.2 | 23.7 | 21.8 | 23.3 | 29.3 | 28.0 | 26.3 | 26.6 | 25.9 | 25.4 | 24.9 | 24.2 |
| France | 0.4 | 0.5 | 0.4 | 0.0 | 0.0 | 0.0 | 1.0 | 1.7 | 1.9 | 3.7 | 7.6 | 7.6 | 7.0 | 7.1 | 7.1 | 7.1 |
| Germany | 9.9 | 9.7 | 10.5 | 10.9 | 8.6 | 9.2 | 8.7 | 7.9 | 9.6 | 1.0 | 0.0 | -0.9 | -1.7 | -2.4 | -1.6 | -2.8 |
| Greece | 0.0 | 0.0 | 0.0 | 0.0 | 1.8 | 3.7 | 0.5 | 0.5 | 0.8 | 2.5 | 1.9 | 2.3 | 2.0 | 0.9 | 0.0 | 0.6 |
| Hungary | - | - | - | - | - | - | - | - | 16.4 | 17.8 | 12.0 | 12.6 | 9.2 | 8.0 | 4.6 | 4.7 |
| Iceland | - | 10.2 | 9.4 | 6.4 | 4.8 | 1.3 | 0.3 | 2.5 | 3.6 | 6.8 | 11.3 | 12.0 | 12.6 | 13.3 | 13.3 | 14.0 |
| Ireland | 11.5 | 13.0 | 14.0 | 16.2 | 17.9 | 17.0 | 16.2 | 15.9 | 15.4 | 14.1 | 10.1 | 5.0 | 2.9 | 2.5 | 2.2 | 2.2 |
| Italy ¹ | 9.4 | 10.8 | 12.5 | 16.2 | 15.2 | 14.8 | 12.7 | 11.9 | 14.0 | 15.3 | 15.8 | 14.9 | 13.4 | 11.9 | 11.3 | 11.9 |
| Japan | 1.8 | 2.8 | 3.3 | 2.8 | 2.7 | 1.9 | 2.4 | 2.8 | 1.6 | 2.6 | 1.5 | 2.0 | 2.0 | 1.4 | 1.6 | 2.7 |
| Korea | - | - | - | - | - | - | - | - | 1.5 | 0.9 | 1.3 | 1.7 | 1.8 | 1.6 | 1.7 | 1.4 |
| Luxembourg | 3.4 | 3.1 | 2.7 | 2.2 | 1.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Mexico | - | - | - | - | - | 6.6 | 6.1 | 6.5 | 2.5 | -1.2 | 0.0 | 1.3 | 1.9 | 2.1 | 2.8 | 3.0 |
| Netherlands | 12.5 | 11.2 | 9.6 | 8.4 | 8.9 | 9.2 | 10.1 | 9.5 | 4.4 | 3.5 | 4.8 | 4.9 | 8.3 | 6.4 | 5.7 | 8.3 |
| New Zealand | 17.0 | 21.5 | 21.7 | 24.8 | 24.3 | 20.3 | 20.8 | 22.2 | 22.4 | 16.2 | 14.1 | 19.5 | 19.5 | 20.1 | 20.3 | 20.7 |
| Norway | 17.5 | 17.0 | 15.6 | 15.0 | 15.2 | 18.6 | 17.8 | 15.9 | 17.0 | 17.1 | 17.4 | 17.1 | 18.1 | 18.2 | 18.0 | 18.0 |
| Poland ² | - | - | - | - | - | - | - | 15.3 | 16.1 | 14.7 | 4.6 | 4.7 | 4.0 | 4.2 | 4.0 | 4.1 |
| Portugal | 4.0 | 4.0 | 6.0 | 6.0 | 6.0 | 2.1 | 1.2 | 1.1 | 3.3 | 3.1 | 2.4 | 2.7 | 0.1 | 0.3 | 0.3 | 0.4 |
| Slovak Republic | - | - | - | - | - | - | - | - | - | - | - | 2.0 | 3.5 | 2.6 | 3.1 | -5.3 |
| Spain | 6.1 | 6.7 | 7.5 | 5.9 | 8.3 | 5.3 | 6.4 | 5.6 | 6.4 | 6.8 | 2.5 | 3.0 | 3.6 | 4.2 | 3.5 | 4.3 |
| Sweden | 33.7 | 33.7 | 33.3 | 33.9 | 35.0 | 35.7 | 28.0 | 28.5 | 28.7 | 28.5 | 27.2 | 25.8 | 24.6 | 23.4 | 23.8 | 24.0 |
| Switzerland | 6.3 | 7.2 | 6.1 | 6.4 | 6.0 | 5.8 | 5.4 | 5.7 | 5.7 | 5.1 | 5.0 | 4.9 | 5.0 | 5.1 | 5.0 | 5.1 |
| Turkey | 42.0 | 35.2 | 30.2 | 22.9 | 22.4 | 23.5 | 27.1 | 27.4 | 25.2 | 23.9 | 15.2 | 14.7 | 14.9 | 15.1 | 14.8 | 15.4 |
| United Kingdom | 19.3 | 19.8 | 18.6 | 17.9 | 16.5 | 15.5 | 15.4 | 15.0 | 16.6 | 15.1 | 15.2 | 13.3 | 10.2 | 9.3 | 7.9 | 8.1 |
| United States | 11.6 | 14.4 | 15.2 | 14.5 | 13.0 | 11.5 | 11.3 | 11.3 | 11.0 | 10.7 | 7.4 | 7.6 | 4.3 | 3.9 | 1.5 | 2.4 |

Note: For Australia, from 1996 to 2001, data have been revised to include payroll taxes and so produce a consistent series. Data for earlier years are not available on the same basis.

1. As from 1990 on, data on wages have been revised to include only production workers.

2. A submission for 2004 was not received from this country and consequently the tax/benefit structure for this country has been updated using external sources. Given the potential for error, the reader should use caution in interpreting the results for this country.

Table D.6. **Income tax plus employee contributions less cash benefits (as % of gross wage), 1979-2004**
one-earner family with two children

| | 1979 | 1981 | 1983 | 1985 | 1987 | 1989 | 1991 | 1993 | 1995 | 1997 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 |
|---------------------|------|------|------|------|------|-------|-------|-------|-------|------|------|------|------|------|------|------|
| Australia | - | - | - | - | - | - | - | - | - | 15.8 | 17.5 | 13.5 | 14.2 | 15.6 | 11.1 | 12.8 |
| Austria | 4.2 | 7.1 | 7.8 | 8.6 | 7.3 | 5.6 | 6.9 | 6.5 | 9.5 | 10.7 | 10.0 | 7.6 | 8.2 | 8.9 | 8.9 | 8.0 |
| Belgium | 5.0 | 9.1 | 19.8 | 22.6 | 22.1 | 14.5 | 16.0 | 17.8 | 19.5 | 20.2 | 20.7 | 21.1 | 21.6 | 21.0 | 20.4 | 16.4 |
| Canada | 9.0 | 10.4 | 9.4 | 11.0 | 13.1 | 11.8 | 14.0 | 15.5 | 16.6 | 18.2 | 15.9 | 16.9 | 14.8 | 14.3 | 14.2 | 14.4 |
| Czech Republic | - | - | - | - | - | - | - | -4.5 | 3.3 | 7.1 | -2.1 | -4.3 | -2.0 | -1.9 | 1.5 | 4.9 |
| Denmark | 30.3 | 33.1 | 35.5 | 35.9 | 33.5 | 32.4 | 32.5 | 32.5 | 30.9 | 31.1 | 30.7 | 30.7 | 30.2 | 29.7 | 29.7 | 29.4 |
| Finland | 18.2 | 18.9 | 19.7 | 22.6 | 22.5 | 20.0 | 17.0 | 21.5 | 26.3 | 25.7 | 23.9 | 24.3 | 23.5 | 22.8 | 22.6 | 21.7 |
| France | 6.8 | 6.6 | 6.4 | 7.7 | 9.3 | 10.9 | 11.2 | 13.1 | 13.8 | 15.3 | 15.0 | 15.0 | 14.4 | 14.6 | 15.0 | 15.1 |
| Germany | 19.9 | 19.8 | 22.2 | 23.1 | 21.2 | 22.5 | 22.4 | 21.5 | 25.0 | 22.1 | 20.7 | 19.6 | 18.9 | 18.3 | 19.4 | 18.1 |
| Greece | -7.7 | -7.7 | -4.1 | -4.1 | 15.1 | 16.9 | 14.2 | 16.3 | 16.7 | 18.4 | 17.8 | 18.2 | 17.9 | 16.8 | 16.0 | 16.6 |
| Hungary | - | - | - | - | - | - | - | - | 7.3 | 12.9 | 9.1 | 11.6 | 9.9 | 8.5 | 4.4 | 6.1 |
| Iceland | - | 4.5 | 2.7 | -5.2 | -6.8 | -14.2 | -16.9 | -14.0 | -14.5 | -6.8 | 1.3 | 3.2 | 3.0 | 4.7 | 5.3 | 6.6 |
| Ireland | 13.4 | 14.9 | 19.0 | 21.5 | 22.1 | 21.5 | 20.8 | 21.3 | 17.9 | 14.6 | 10.5 | 5.4 | 2.3 | -0.7 | -3.7 | -4.2 |
| Italy ¹ | 12.1 | 11.5 | 13.6 | 18.1 | 20.3 | 15.8 | 15.5 | 15.9 | 19.6 | 17.0 | 15.5 | 14.8 | 13.5 | 14.9 | 14.4 | 15.2 |
| Japan | 6.7 | 7.6 | 8.0 | 9.8 | 9.7 | 8.9 | 9.4 | 9.8 | 8.6 | 9.6 | 11.5 | 12.0 | 12.0 | 15.1 | 13.2 | 14.3 |
| Korea | - | - | - | - | - | - | - | - | 3.8 | 4.7 | 8.0 | 8.4 | 8.5 | 8.3 | 8.7 | 8.4 |
| Luxembourg | 8.1 | 7.3 | 5.9 | 5.5 | 2.8 | 1.2 | 1.6 | -0.6 | 1.2 | 1.3 | -1.3 | -0.8 | -0.7 | -3.0 | -3.0 | -2.9 |
| Mexico | - | - | - | - | - | 11.1 | 10.9 | 11.3 | 7.7 | 1.4 | 1.6 | 2.9 | 3.4 | 3.7 | 4.4 | 4.5 |
| Netherlands | 24.8 | 25.1 | 29.9 | 27.2 | 27.0 | 25.5 | 33.2 | 31.1 | 29.8 | 27.9 | 23.6 | 25.0 | 22.1 | 17.1 | 17.3 | 23.6 |
| New Zealand | 10.4 | 16.8 | 17.5 | 15.5 | 24.3 | 18.0 | 20.8 | 22.2 | 22.4 | 16.2 | 14.1 | 15.5 | 16.7 | 18.8 | 19.4 | 20.7 |
| Norway | 21.8 | 18.8 | 17.0 | 16.7 | 17.1 | 16.8 | 15.2 | 13.1 | 14.9 | 15.4 | 16.8 | 17.6 | 17.5 | 18.0 | 18.2 | 18.4 |
| Poland ² | - | - | - | - | - | - | - | 6.4 | 10.1 | 9.5 | 25.4 | 25.6 | 25.0 | 29.2 | 25.3 | 29.5 |
| Portugal | 9.9 | 10.5 | 12.3 | 13.9 | 12.5 | 8.6 | 7.1 | 7.0 | 9.2 | 9.4 | 8.4 | 8.7 | 6.1 | 5.4 | 5.6 | 4.1 |
| Slovak Republic | - | - | - | - | - | - | - | - | - | - | - | -3.2 | 1.4 | 0.9 | 6.6 | 1.2 |
| Spain | 9.8 | 10.6 | 12.0 | 11.3 | 13.8 | 10.8 | 12.2 | 11.7 | 12.8 | 13.2 | 8.9 | 9.3 | 10.0 | 10.5 | 9.8 | 10.6 |
| Sweden | 25.9 | 25.9 | 25.9 | 24.6 | 25.2 | 27.5 | 17.0 | 19.1 | 23.1 | 27.2 | 26.0 | 23.7 | 21.8 | 20.8 | 21.4 | 21.9 |
| Switzerland | 11.0 | 12.5 | 11.7 | 10.6 | 9.9 | 10.1 | 9.6 | 8.8 | 9.5 | 8.2 | 8.4 | 8.2 | 8.4 | 8.6 | 8.1 | 8.0 |
| Turkey | 49.0 | 41.4 | 38.2 | 31.3 | 31.8 | 32.6 | 34.8 | 34.3 | 30.5 | 33.1 | 22.9 | 28.7 | 30.9 | 30.1 | 29.8 | 30.4 |
| United Kingdom | 17.7 | 19.4 | 19.0 | 18.5 | 17.8 | 17.3 | 16.5 | 15.9 | 18.6 | 17.3 | 16.2 | 14.1 | 10.7 | 9.9 | 9.3 | 9.8 |
| United States | 17.7 | 21.0 | 21.9 | 21.6 | 20.2 | 19.0 | 19.0 | 18.9 | 18.6 | 18.3 | 15.0 | 15.3 | 12.0 | 11.5 | 9.2 | 10.0 |

Note: For Australia, from 1996 to 2001, data have been revised to include payroll taxes and so produce a consistent series. Data for earlier years are not available on the same basis.

1. As from 1990 on, data on wages have been revised to include only production workers.

2. A submission for 2004 was not received from this country and consequently the tax/benefit structure for this country has been updated using external sources. Given the potential for error, the reader should use caution in interpreting the results for this country.

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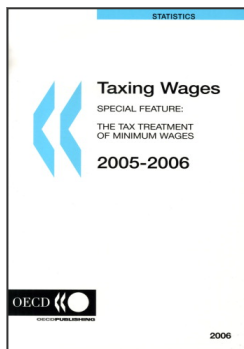
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