

2017 TAX BURDENS

Table 3.9. Percentage increase in net income relative to percentage increase in gross labour cost, 2017
After an increase of 1 currency unit in gross labour cost, by family-type and wage level

| | Single no ch 67 (% AW) | Single no ch 100 (% AW) | Single no ch 167 (% AW) | Single 2 ch 67 (% AW) | Married 2 ch 100-0 (% AW) | Married 2 ch 100-33 (% AW) ² | Married 2 ch 100-67 (% AW) ² | Married no ch 100-33 (% AW) ² |
|---------------------------|------------------------------|-------------------------------|-------------------------------|-----------------------------|---------------------------------|---|---|--|
| Australia | 0.79 | 0.87 | 0.87 | 0.42 | 0.54 | 0.82 | 0.84 | 0.82 |
| Austria | 0.78 | 0.77 | 1.20 | 0.61 | 0.64 | 0.64 | 0.67 | 0.71 |
| Belgium | 0.65 | 0.73 | 0.80 | 0.52 | 0.54 | 0.55 | 0.64 | 0.61 |
| Canada | 0.90 | 0.88 | 0.93 | 0.42 | 0.28 | 0.69 | 0.73 | 0.84 |
| Chile | 1.00 | 1.00 | 0.98 | 0.99 | 1.00 | 0.98 | 1.00 | 1.00 |
| Czech Republic | 0.87 | 0.91 | 0.94 | 0.66 | 0.69 | 0.75 | 0.79 | 0.87 |
| Denmark | 0.92 | 0.91 | 0.76 | 0.66 | 0.78 | 0.82 | 0.85 | 0.88 |
| Estonia | 0.95 | 0.96 | 0.98 | 0.76 | 0.83 | 0.87 | 0.89 | 0.95 |
| Finland | 0.72 | 0.78 | 0.81 | 0.62 | 0.71 | 0.68 | 0.70 | 0.73 |
| France | 0.54 | 0.79 | 0.88 | 0.35 | 0.95 | 0.91 | 0.69 | 0.81 |
| Germany | 0.81 | 0.79 | 1.15 | 0.67 | 0.73 | 0.73 | 0.74 | 0.81 |
| Greece | 0.83 | 0.86 | 0.81 | 0.78 | 0.83 | 0.83 | 0.83 | 0.84 |
| Hungary | 1.00 | 1.00 | 1.00 | 0.69 | 0.78 | 0.82 | 0.85 | 1.00 |
| Iceland | 0.86 | 0.90 | 0.84 | 0.66 | 0.72 | 0.78 | 0.89 | 0.86 |
| Ireland | 0.81 | 0.63 | 0.74 | 0.28 | 0.72 | 0.74 | 0.79 | 0.80 |
| Israel ¹ | 0.81 | 0.81 | 0.72 | 0.67 | 0.79 | 0.76 | 0.75 | 0.77 |
| Italy | 0.76 | 0.87 | 0.80 | 0.59 | 0.72 | 0.72 | 0.76 | 0.79 |
| Japan | 0.97 | 0.93 | 1.00 | 0.89 | 0.86 | 0.88 | 0.89 | 0.92 |
| Korea | 0.89 | 0.90 | 0.91 | 0.94 | 0.88 | 0.88 | 0.88 | 0.89 |
| Latvia | 0.95 | 0.96 | 0.99 | 0.75 | 0.82 | 0.84 | 0.86 | 0.95 |
| Luxembourg | 0.79 | 0.70 | 0.82 | 0.54 | 0.73 | 0.70 | 0.64 | 0.78 |
| Mexico | 0.98 | 0.94 | 0.94 | 0.98 | 0.94 | 0.92 | 0.92 | 0.92 |
| Netherlands | 0.70 | 0.77 | 0.82 | 0.51 | 0.63 | 0.67 | 0.69 | 0.72 |
| New Zealand | 0.96 | 0.86 | 0.88 | 0.53 | 0.51 | 0.55 | 0.84 | 0.84 |
| Norway | 0.86 | 0.90 | 0.81 | 0.74 | 0.84 | 0.83 | 0.86 | 0.87 |
| Poland | 0.97 | 0.98 | 0.99 | 0.03 | 0.70 | 0.83 | 0.86 | 0.97 |
| Portugal | 0.77 | 0.83 | 0.78 | 0.63 | 0.85 | 0.70 | 0.77 | 0.77 |
| Slovak Republic | 0.88 | 0.92 | 0.95 | 0.75 | 0.76 | 0.79 | 0.84 | 0.86 |
| Slovenia | 0.94 | 0.86 | 0.83 | 0.65 | 0.75 | 0.86 | 0.87 | 0.86 |
| Spain | 0.86 | 0.85 | 0.81 | 0.73 | 0.81 | 0.80 | 0.81 | 0.81 |
| Sweden | 0.92 | 0.90 | 0.63 | 0.82 | 0.84 | 0.83 | 0.85 | 0.88 |
| Switzerland | 0.91 | 0.92 | 0.86 | 0.85 | 0.86 | 0.84 | 0.83 | 0.91 |
| Turkey | 0.86 | 0.85 | 0.90 | 0.84 | 0.83 | 0.79 | 0.81 | 0.80 |
| United Kingdom | 0.81 | 0.86 | 0.81 | 0.26 | 0.81 | 0.77 | 0.81 | 0.81 |
| United States | 0.93 | 0.83 | 0.89 | 0.51 | 0.83 | 0.87 | 0.89 | 0.93 |
| <i>Unweighted average</i> | | | | | | | | |
| OECD-Average | 0.86 | 0.86 | 0.88 | 0.64 | 0.76 | 0.78 | 0.81 | 0.85 |
| OECD-EU 22 | 0.83 | 0.85 | 0.88 | 0.58 | 0.75 | 0.77 | 0.78 | 0.83 |

Note: ch = children

Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity. The reported elasticities in Table 3.9 are calculated as $(100 - \text{METR}) / (100 - \text{AETR})$, where METR is the marginal rate of income tax plus employee and employer social security contributions less cash benefits reported in Table 3.6 and AETR is the average rate plus employee and employer social security contributions less cash benefits reported in Table 3.1.

1. Information on data for Israel: <http://oe.cd/israel-disclaimer>.

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