

Total tax revenue in 2020 amounted to €3,973.8 million, implying a tax burden of 30.4 per cent.

## Tax Revenues: 2020

Total tax revenue in 2020 decreased by €317.9 million over the previous year, amounting to €3,973.8 million. This reflects the adverse economic impact of the pandemic, as well as Government measures aimed at mitigating the crisis, particularly the tax deferral scheme.

Indirect taxes amounted to €1,420.3 million or 35.7 per cent of total tax revenue, a decrease of €218.2 million from 2019. This drop was mainly triggered by lower Taxes on Production (€134.3 million), following declines in duty on documents (€62.5 million) excise levies (€53.4 million) and motor vehicle registration tax (€11.9 million)<sup>1</sup>. Furthermore, Value Added Tax (VAT) also dropped by €83.2 million over the preceding year.

The second largest decrease was recorded in direct taxes, which declined by €140.6 million, for a total of €1,712.5 million, equivalent to 43.1 per cent of total tax revenue. The two key components of direct taxes, namely Personal and Corporate Income Tax were also significantly affected by the pandemic. Corporate Income tax declined by €159.9 million over 2019, while Personal Income Tax registered an increase of €25.6 million, though at a slower pace when compared to previous years.

Social contributions<sup>2</sup> paid by employees, employers and self- and non-employed persons represented 21.2 per cent of total tax revenue in 2020, standing at €841.1 million. An increase of €41.0 million over 2019 was registered, reflecting the resilience of the labour market (Table 1).

The overall tax burden denotes the total amount of taxes and social contributions, expressed as a percentage of GDP. In 2020, the tax burden for Malta was 30.4 per cent of GDP, which reflects a decrease of 0.2 percentage points when compared to the total tax burden of 30.6 per cent of GDP recorded in 2019. Over the past 10 years, the total tax burden has been consistently above 30 per cent of GDP, with the lowest rate recorded in 2020, while the average tax burden for the 1995 to 2020 period stands at 30.7 per cent (Table 2, Chart 2).

By the end of last year, direct taxes (which also include Capital taxes) amounted to 13.1 per cent of GDP, compared to the share of indirect taxes which stood at 10.9 per cent. Meanwhile, the share of Social contributions stood at 6.4 per cent of GDP, increasing by 0.7 percentage points over 2019 (Table 2, Chart 1).

### Income Tax receipts by ESA 2010 institutional sector

In 2020, the household sector accounted for more than half of the income tax received by General Government, with a share of 62.8 per cent, equivalent to €1,022.7 million, while the contributions of the Non-Financial and Financial corporations were 22.0 per cent and 14.9 per cent, respectively. On aggregate, Non-profit Institutions serving Households, General Government and Rest of the World totalled 0.3 per cent. In absolute terms, the drop of €135.6 million in income tax receipts over 2019 mainly resulted from lower revenue from Financial Corporations (€160.5 million) and Non-Financial Corporations (€8.9m). Conversely, income tax receipts from Households increased by €33.8 million (Table 4).

### Environmental taxes

Total environmental tax revenue declined by €48.9 million in 2020, amounting to €296.7 million. This figure represents 7.5 per cent of total revenue generated from all taxes and social contributions, and 2.3 per cent of GDP. Energy taxes (which include taxes on transport fuels) fell by €33.2 million. The main cause behind this drop is lower revenue from excise duty on petroleum. Notwithstanding this, Energy taxes still constituted the largest share of environmental taxes, accounting for 48.3 per cent. This was followed by Transport taxes (41.2 per cent) and Pollution taxes (10.5 per cent). All environmental taxes registered a decrease over the preceding year (Table 5) ■

<sup>1</sup> Further information is available in Malta's National Tax List, which is available on the online [excel version](#) of this news release.

<sup>2</sup> Refer to methodological note 4.

Statistics in this News Release should be interpreted in the context of the COVID-19 situation.



Table 1. Structure of tax revenues

€000

	ESA Code	2017	2018	2019	2020
<b>Indirect Taxes</b>		<b>1,423,810</b>	<b>1,593,846</b>	<b>1,638,496</b>	<b>1,420,256</b>
VAT	D.211	810,195	919,663	934,319	851,105
Import Duties	D.2121	15,059	13,633	18,236	15,134
Taxes on Products (incl. excise duties)	D.214	540,474	605,284	615,837	481,523
Other Taxes on Production	D.29	58,082	55,265	70,104	72,494
<b>Direct Taxes</b>		<b>1,589,157</b>	<b>1,671,106</b>	<b>1,853,096</b>	<b>1,712,454</b>
Personal Income Tax	D.51	779,574	904,562	994,839	1,020,418
Corporate Income Tax	D.51	731,317	684,029	763,721	603,845
Other Income Tax	D.51	4,447	4,307	5,334	4,009
Other Current Taxes	D.59	54,506	57,508	63,093	61,564
Capital Taxes	D.91	19,314	20,699	26,110	22,618
<b>Social Contributions</b>		<b>702,909</b>	<b>764,777</b>	<b>800,078</b>	<b>841,068</b>
Employers'	D.6111	275,394	305,589	324,350	339,538
Employees'	D.6112	273,493	303,779	322,279	337,301
Self- and Non-Employed	D.6113	46,315	49,928	51,981	62,249
Imputed Social Contributions	D.612	107,707	105,481	101,469	101,980
<b>Total Tax Revenues</b>		<b>3,715,875</b>	<b>4,029,729</b>	<b>4,291,670</b>	<b>3,973,778</b>

Chart 1. The evolution of the main tax components in Malta as per cent of GDP

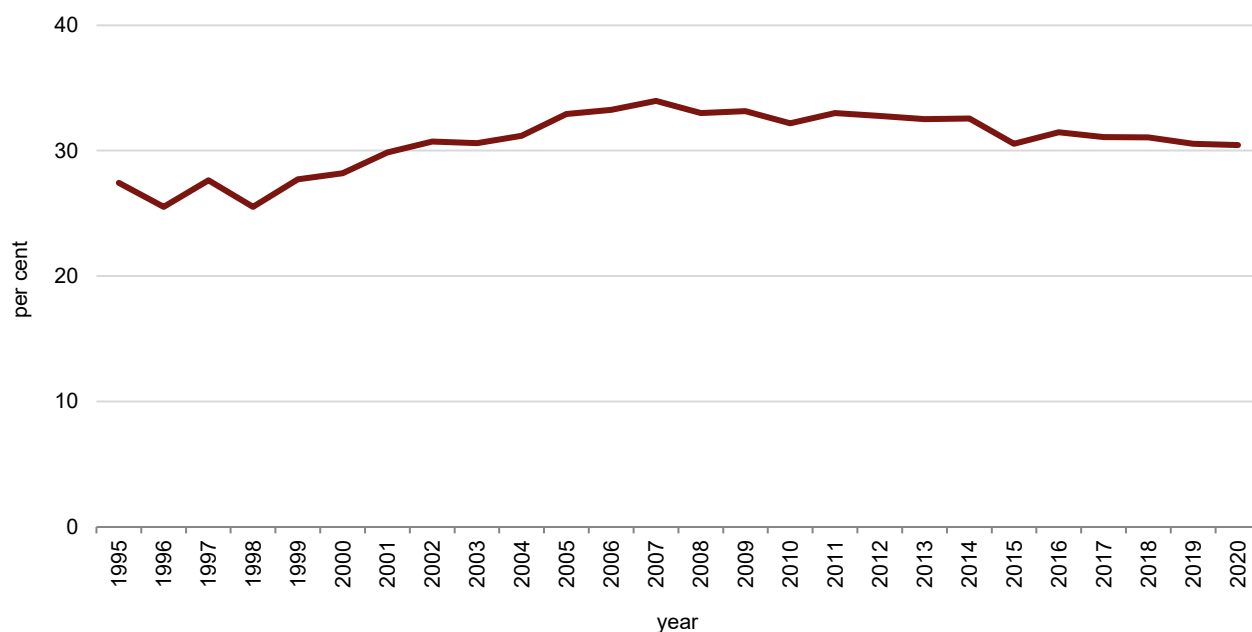


**Table 2. Structure of tax burden**  
*Tax-to-GDP ratio*

	ESA Code	2017	2018	2019	2020
per cent					
<b>Indirect Taxes</b>		<b>11.9</b>	<b>12.3</b>	<b>11.7</b>	<b>10.9</b>
VAT	D.211	6.8	7.1	6.7	6.5
Import Duties	D.2121	0.1	0.1	0.1	0.1
Taxes on Products (incl. excise duties)	D.214	4.5	4.7	4.4	3.7
Other Taxes on Production	D.29	0.5	0.4	0.5	0.6
<b>Direct Taxes</b>		<b>13.3</b>	<b>12.9</b>	<b>13.2</b>	<b>13.1</b>
Personal Income Tax	D.51	6.5	7.0	7.1	7.8
Corporate Income Tax	D.51	6.1	5.3	5.4	4.6
Other Income Tax	D.51	0.0	0.0	0.0	0.0
Other Current Taxes	D.59	0.5	0.4	0.4	0.5
Capital Taxes	D.91	0.2	0.2	0.2	0.2
<b>Social Contributions</b>		<b>5.9</b>	<b>5.9</b>	<b>5.7</b>	<b>6.4</b>
Employers'	D.6111	2.3	2.4	2.3	2.6
Employees'	D.6112	2.3	2.3	2.3	2.6
Self- and Non-Employed	D.6113	0.4	0.4	0.4	0.5
Imputed Social Contributions	D.612	0.9	0.8	0.7	0.8
<b>Overall tax burden</b>		<b>31.1</b>	<b>31.0</b>	<b>30.6</b>	<b>30.4</b>

Note: Refer to methodological note 3 for more information on the tax-to-GDP ratio.

**Chart 2. Overall Tax Burden**



**Table 3. Structure of tax revenues as a percentage of total**

	ESA Code	2017	2018	2019	2020
					per cent
<b>Indirect Taxes</b>		<b>38.3</b>	<b>39.6</b>	<b>38.2</b>	<b>35.7</b>
VAT	D.211	21.8	22.8	21.8	21.4
Import Duties	D.2121	0.4	0.3	0.4	0.4
Taxes on Products (incl. excise duties)	D.214	14.5	15.0	14.3	12.1
Other Taxes on Production	D.29	1.6	1.4	1.6	1.8
<b>Direct Taxes</b>		<b>42.8</b>	<b>41.5</b>	<b>43.2</b>	<b>43.1</b>
Personal Income Tax	D.51	21.0	22.4	23.2	25.7
Corporate Income Tax	D.51	19.7	17.0	17.8	15.2
Other Income Tax	D.51	0.1	0.1	0.1	0.1
Other Current Taxes	D.59	1.5	1.4	1.5	1.5
Capital Taxes	D.91	0.5	0.5	0.6	0.6
<b>Social Contributions</b>		<b>18.9</b>	<b>19.0</b>	<b>18.6</b>	<b>21.2</b>
Employers'	D.6111	7.4	7.6	7.6	8.5
Employees'	D.6112	7.4	7.5	7.5	8.5
Self- and Non-Employed	D.6113	1.2	1.2	1.2	1.6
Imputed Social Contributions	D.612	2.9	2.6	2.4	2.6
<b>Total Tax Revenues</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 4. Income tax (D.51) receipts by institutional sector in ESA2010**

	Sector	2017	2018	2019	2020
					€000
Non-Financial Corporations	S.11	321,957	362,813	366,457	357,570
Financial Corporations	S.12	407,476	322,138	402,478	241,972
General Government	S.13	1,274	1,786	1,680	2,036
Households	S.14	780,034	901,584	988,897	1,022,686
Non-Profit Institutions serving Households	S.15	2,309	1,720	2,057	2,173
Rest of the World	S.2	2,288	2,858	2,323	1,835
<b>Total Income Tax (D.51) receipts</b>		<b>1,515,337</b>	<b>1,592,899</b>	<b>1,763,893</b>	<b>1,628,272</b>

**Table 5. Total environmental tax revenues by type of tax**

	2017	2018	2019	2020
				€000
Energy taxes	154,047	161,738	176,484	143,331
Transport taxes	123,650	130,730	136,537	122,387
Pollution taxes	25,357	29,277	32,657	31,028
Resource taxes	0	0	0	0
<b>Total environmental taxes</b>	<b>303,054</b>	<b>321,745</b>	<b>345,677</b>	<b>296,745</b>

## Methodological Notes

1. All data in this news release is in line with the European System of Accounts (ESA) 2010 Manual (ISBN 978-92-79-31242-7). This system of accounts is mandatory for all EU Member States.
2. Total tax revenue is made up of taxes received by the Central Government (S.1311) (which consists of Government Ministries and Departments and the Extra Budgetary Units) and the EU Institutions (S.212). The taxes that are reported represent 'ultimately received' tax revenues including the 'own' taxes paid to the EU.
3. The tax-to-GDP ratio measures the overall tax burden as the total amount of taxes and social contributions as a percentage of GDP. GDP figures for 2017-2020 are in line with the latest GDP news release ([NR156/2021](#) published on 27 August 2021).
4. The Social Contributions figure includes also the Imputed Social Contributions (D.612). These represent the counterpart to social benefits paid directly by employers to their employees or former employees and other eligible persons. In Malta's case, these refer to Treasury Pensions.
5. An environmental tax is a tax whose tax base is a physical unit (or a proxy of it) of something that has a proven, specific negative impact on the environment, and which is defined in the European System of Accounts (ESA 2010). The environmental taxes feature in Taxes on Products (D.214), Other Taxes on Production (D.29) and Other Current Taxes (D.59).
6. Revenues from VAT, Income Tax and Social Security Contributions are recorded using the time-adjusted cash method. Following a study undertaken by NSO in 2008, Eurostat approved a time adjustment of t+1 for VAT and t+2 for Income Taxes and Social Security Contributions.
7. Malta's National Tax List (NTL) is available on the online excel version of this news release.
8. For additional information on the taxes in Malta refer to the "Taxes in Europe" database which contains, for each individual tax, information on its legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification, as well as the revenue generated by it. The "Taxes in Europe" database is the European Commission's on-line information tool covering the main taxes in force in the EU Member States (IP/07/662). The system contains information on around 650 taxes, as provided to the European Commission by the national authorities. Access is free for all users at: [http://ec.europa.eu/taxation\\_customs/tedb/splSearchForm.html](http://ec.europa.eu/taxation_customs/tedb/splSearchForm.html)
9. All data in this release should be considered as provisional and therefore subject to revision. Figures may not add up due to rounding.
10. More information relating to this news release may be accessed at:  
Statistical Concepts: <https://metadata.nso.gov.mt/concepts.aspx>  
Glossary: [http://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Tax-Revenues.aspx](http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Tax-Revenues.aspx)  
Statistical Database: <https://statdb.nso.gov.mt/start>
11. Any quotations from this news release are to be cited and/or referenced.
12. A detailed news release calendar is available on:  
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**European statistics comparable to data in this News Release are available at:**

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