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Total tax revenues in 2014 amounted to €2,747.6 million, implying a tax burden of 34.6 per cent.

Tax Revenues: 2014

Total tax revenue last year went up by €260.6 million over the previous year, and stood at €2,747.6 million. Tax revenue may be broadly classified under three main headings: indirect taxes, direct taxes and social contributions.

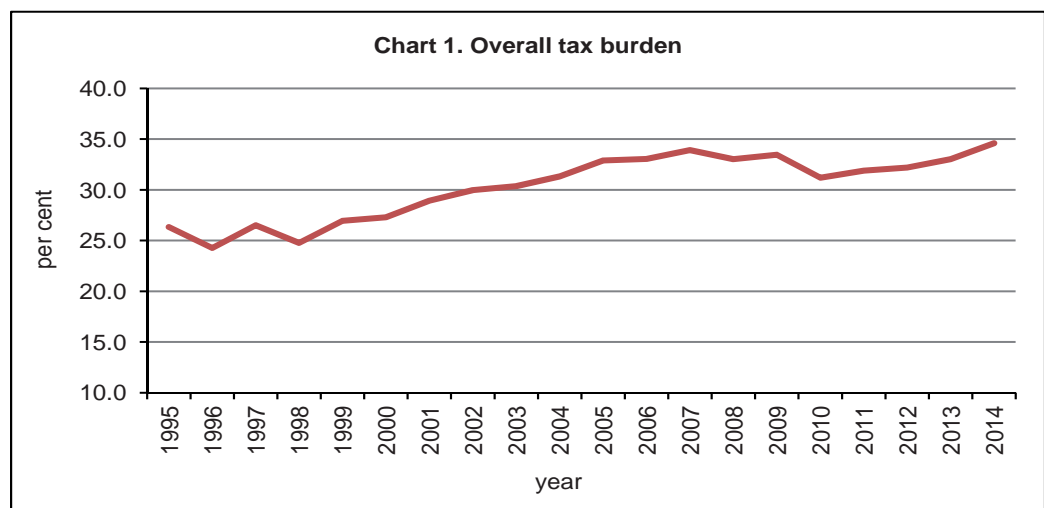
All three categories of tax revenue registered an increase. The largest rise was recorded in indirect taxes by €118.5 million. These represent taxes linked to production and imports. This increase was triggered by higher returns from VAT (€60.1 million) and taxes on products (€50.4 million). Moreover, other taxes on production and import duties went up by €6.2 million and €1.8 million respectively. During 2014, indirect taxes stood at €1,111.9 million, making up 40.5 per cent of total tax revenue (Table 1).

Concurrently, direct taxes increased by €111.2 million. These are defined as current taxes on income and wealth plus capital taxes and other current taxes. In the year under review, such taxes amounted to €1,167.3 million, representing 42.5 per cent of total tax revenues. The rise in direct taxes was mainly the result of added proceeds from other current taxes (€38.2 million), personal income tax (€37.5 million) and corporate income tax (€36.2 million). Conversely, capital taxes registered a marginal decline of €0.9 million (Table 1).

Social contributions are compulsory actual contributions paid by the employees, employers, as well as self- and non-employed persons. This category represented 17.0 per cent of total tax revenue, at €468.4 million, an increase of €30.9 million over 2013 (Table 1).

The overall tax burden denotes the total amount of taxes and actual social contributions, expressed as a percentage of GDP. During 2014, the tax burden for Malta was 34.6 per cent compared to 33.0 per cent recorded in 2013 (Table 2).

Analysing the income tax receipts by ESA 2010 institutional sector, in 2014, the household sector accounted for the biggest share with 52.3 per cent. In addition, the financial and non-financial corporations sectors contributed 26.6 per cent and 20.8 per cent respectively. On aggregate, the non-profit institutions serving households, general government and rest of the world totalled 0.3 per cent (Table 4) ■



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Table 1. Structure of tax revenues

€000

	ESA Code	2011	2012	2013	2014
Indirect Taxes		933,367	954,453	993,463	1,111,919
VAT	D211	520,052	539,984	582,169	642,248
Import Duties	D2121	11,466	16,333	12,353	14,157
Taxes on Products (incl. excise duties)	D214	368,300	363,234	364,644	415,002
Other Taxes on Production	D29	33,549	34,901	34,297	40,511
Direct Taxes		864,196	951,023	1,056,019	1,167,253
Personal Income Tax	D51	440,420	472,493	522,756	560,254
Corporate Income Tax	D51	368,361	420,671	476,430	512,588
Other Income Tax	D51	1,876	2,488	4,075	4,418
Other Current Taxes	D59	38,731	39,249	40,010	78,170
Capital Taxes	D91	14,809	16,121	12,748	11,823
Social Contributions		400,352	414,398	437,506	468,426
Employers	D6111	182,933	189,775	202,171	217,449
Employees	D6131	181,495	187,543	198,223	212,915
Self- and non-employed	D6131	35,924	37,080	37,111	38,062
Total Tax Revenues		2,197,915	2,319,874	2,486,987	2,747,597

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

per cent

	ESA Code	2011	2012	2013	2014
Indirect Taxes		13.5	13.2	13.2	14.0
VAT	D211	7.5	7.5	7.7	8.1
Import Duties	D2121	0.2	0.2	0.2	0.2
Taxes on Products (incl. excise duties)	D214	5.3	5.0	4.8	5.2
Other Taxes on Production	D29	0.5	0.5	0.5	0.5
Direct Taxes		12.5	13.2	14.0	14.7
Personal Income Tax	D51	6.4	6.6	6.9	7.1
Corporate Income Tax	D51	5.3	5.8	6.3	6.5
Other Income Tax	D51	0.0	0.0	0.1	0.1
Other Current Taxes	D59	0.6	0.5	0.5	1.0
Capital Taxes	D91	0.2	0.2	0.2	0.1
Social Contributions		5.8	5.8	5.8	5.9
Employers	D6111	2.7	2.6	2.7	2.7
Employees	D6131	2.6	2.6	2.6	2.7
Self- and non-employed	D6131	0.5	0.5	0.5	0.5
Overall tax burden		31.9	32.2	33.0	34.6

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

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

	ESA Code	2011	2012	2013	2014
					per cent
Indirect Taxes		42.5	41.1	39.9	40.5
VAT	D211	23.7	23.3	23.4	23.4
Import Duties	D2121	0.5	0.7	0.5	0.5
Taxes on Products (incl. excise duties)	D214	16.8	15.7	14.7	15.1
Other Taxes on Production	D29	1.5	1.5	1.4	1.5
Direct Taxes		39.3	41.0	42.5	42.5
Personal Income Tax	D51	20.0	20.4	21.0	20.4
Corporate Income Tax	D51	16.8	18.1	19.2	18.7
Other Income Tax	D51	0.1	0.1	0.2	0.2
Other Current Taxes	D59	1.8	1.7	1.6	2.8
Capital Taxes	D91	0.7	0.7	0.5	0.4
Social Contributions		18.2	17.9	17.6	17.0
Employers	D6111	8.3	8.2	8.1	7.9
Employees	D6131	8.3	8.1	8.0	7.7
Self- and non-employed	D6131	1.6	1.6	1.5	1.4
Total Tax Revenues		100.0	100.0	100.0	100.0

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

	Sector	2011	2012	2013	2014
					€000
Non-Financial Corporations	S.11	159,137	186,056	189,515	224,011
Financial Corporations	S.12	207,089	232,404	284,185	286,188
General Government	S.13	245	442	615	943
Households	S.14	441,464	474,171	525,446	563,543
Non-Profit Institutions serving Households	S.15	2,180	2,365	2,853	2,404
Rest of the World	S.2	543	214	647	171
Total Income Tax (D.51) receipts		810,657	895,652	1,003,261	1,077,260

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 (S1311) (which consists of Government Ministries and Departments and the Extra Budgetary Units) and the EU Institutions (S212). 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 compulsory actual social security contributions as a percentage of GDP. GDP figures for 2011-2014 are in line with News Release 163/2015 published on 4 September 2015.
4. 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.
5. Malta's National Tax List (NTL) is available on the online excel version of this release.
6. All data in this release should be considered as provisional and therefore subject to revision. Figures may not add up due to rounding.
7. More information relating to this news release may be accessed at:

Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>

Glossary: http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Tax-Revenues.aspx

Statistical Database: <http://nso.gov.mt/statdb/start>

European statistics comparable to data in this News Release are available at:

<http://ec.europa.eu/eurostat/data/database>

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