

2 November 2016 | 1100 hrs | 181/2016

Total tax revenue in 2015 amounted to €2,961.3 million, implying a tax burden of 33.7 per cent.

Tax Revenues: 2015

Total tax revenue last year went up by €213.8 million over the previous year, and stood at €2,961.3 million. All three categories of tax revenue, indirect taxes, direct taxes and social contributions, registered an increase.

The largest rise was recorded in indirect taxes by €92.6 million, amounting to €1,204.4 million, or 40.7 per cent of total tax revenue. This increase was triggered by higher returns from VAT (€41.7 million) and taxes on products (€38.5 million). Although VAT increased to €684.0 million, a decline of 0.1 percentage point of GDP was recorded in 2015. Conversely, the ratio of taxes on production and imports relative to GDP increased by 0.1 percentage point to 5.2 per cent. Other taxes on production and import duties went up by €10.6 million and €1.8 million respectively.

Concurrently, direct taxes increased by €85.3 million, amounting to €1,252.6 million or 42.3 per cent of total tax revenue. The receipts from personal income tax increased by €35.4 million over the preceding year and similarly, corporate income tax increased by 0.4 percentage points of GDP, corresponding to €73.8 million. In 2015, capital taxes increased by €3.2 million, whereas other current taxes registered a decline of €27.2 million.

Social contributions represent 17.0 per cent of total tax revenue, standing at €504.3 million, and translating into a €35.9 million rise over 2014 (Tables 1, 2 and 3).

Over the last two decades, the contribution of current taxes on income and wealth towards tax revenues increased substantially, from 8.2 per cent of GDP in 1995 to 14.1 per cent of GDP in 2015, surpassing the proportion of indirect taxes by a margin of 0.7 percentage points in 2013. In fact, last year, indirect taxes were equivalent to 13.7 per cent of GDP compared to the share of current taxes on income and wealth which stood at 14.1 per cent of GDP. Meanwhile, the share of social contributions as a percentage of GDP remained relatively the same, around 6 per cent (Chart 1).

In 2015, the tax burden for Malta was 33.7 per cent of GDP, which is slightly lower when compared to the total tax burden recorded in 2014 (34.0 per cent of GDP) (Table 2).

Income Tax receipts by ESA 2010 institutional sector

In 2015, the household sector accounted for the biggest share of income tax received by Government with 50.5 per cent, while the financial and non-financial corporations sectors contributed 26.7 per cent and 22.3 per cent respectively. On aggregate, non-profit institutions serving households, general government and rest of the world totalled 0.5 per cent. The €109.4 million increase in income tax receipts in 2015 were mainly collected from the non-financial corporations (€40.4 million), households (€35.4 million) and financial corporations (€31.2 million) (Table 4).

Compiled by:

Unit A2: Public Finance

Further information on data: **Environmental taxes**

Mr Mark GALEA

T. +356 2599 7240

E. mark.b.galea@gov.mt

In 2015, Malta's total environmental taxes reached €269.3 million, equating to 3.1 per cent of GDP and to 9.1 per cent of the total revenues derived from all taxes and social contributions. Energy taxes made up the largest share of environmental taxes, accounting for 48.9 per cent, followed by transport taxes (40.3 per cent) and pollution taxes (10.8 per cent) (Table 5) ■

Kindly indicate source when quoting from this release.

The advance release calendar may be consulted at www.nso.gov.mt

Issued by: **Dissemination Unit, National Statistics Office, Lascaris, Valletta VLT 2000, Malta.**

T. +356 2599 7219 F. +356 2599 7205 E. nso@gov.mt

<https://twitter.com/NSOMALTA/> | <https://www.facebook.com/nsomalta/>

Table 1. Structure of tax revenues

€000

	ESA Code	2012	2013	2014	2015
Indirect Taxes		952,580	993,417	1,111,874	1,204,446
VAT	D211	539,984	582,169	642,248	683,953
Import Duties	D2121	16,333	12,353	14,157	15,951
Taxes on Products (incl. excise duties)	D214	363,234	364,644	415,002	453,481
Other Taxes on Production	D29	33,029	34,251	40,466	51,061
Direct Taxes		951,023	1,056,019	1,167,253	1,252,553
Personal Income Tax	D51	472,493	522,756	560,254	595,643
Corporate Income Tax	D51	420,671	476,430	512,588	586,365
Other Income Tax	D51	2,488	4,075	4,418	4,632
Other Current Taxes	D59	39,249	40,010	78,170	50,935
Capital Taxes	D91	16,121	12,748	11,823	14,978
Social Contributions		414,398	437,506	468,426	504,339
Employers	D6111	189,775	202,171	217,449	233,941
Employees	D6131	187,543	198,223	212,915	228,945
Self- and non-employed	D6131	37,080	37,111	38,062	41,454
Total Tax Revenues		2,318,001	2,486,942	2,747,553	2,961,338

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

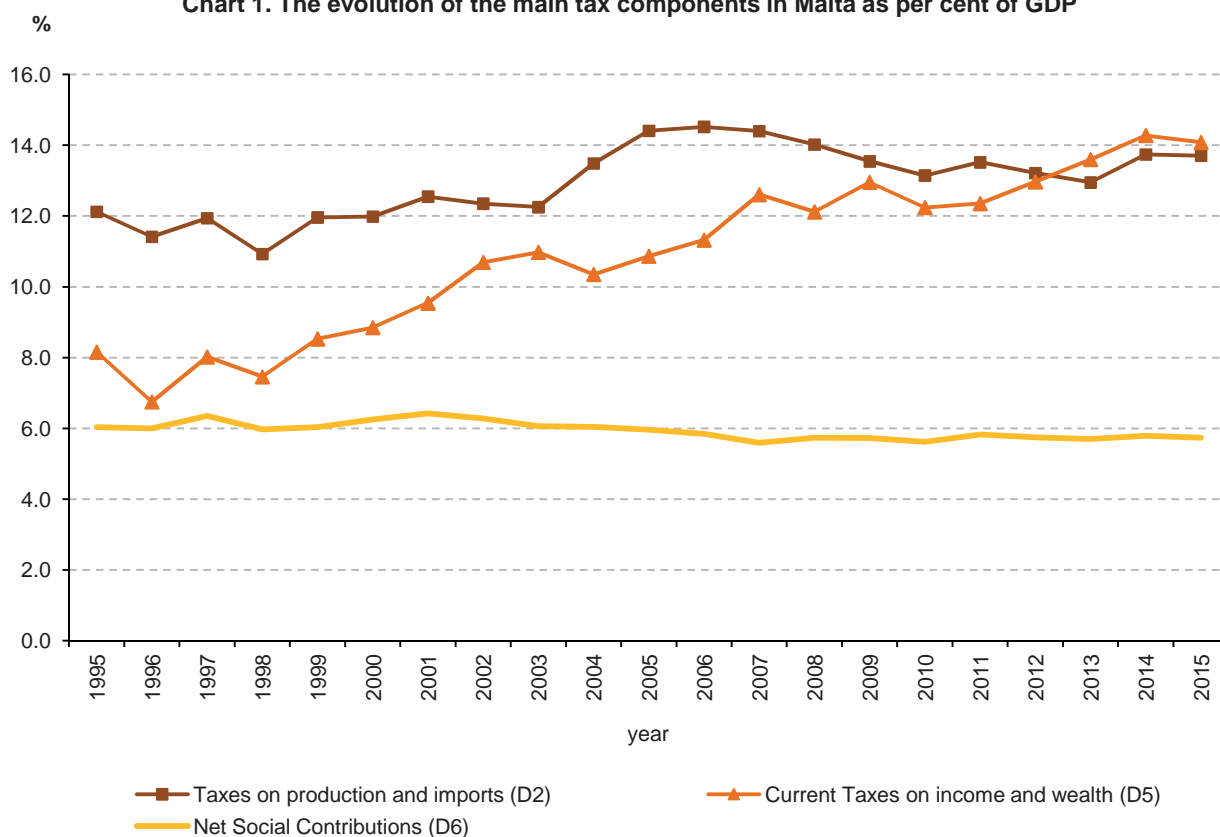


Table 2. Structure of tax burden
Tax-to-GDP ratio

	ESA Code	2012	2013	2014	2015
per cent					
Indirect Taxes		13.2	12.9	13.7	13.7
VAT	D211	7.5	7.6	7.9	7.8
Import Duties	D2121	0.2	0.2	0.2	0.2
Taxes on Products (incl. excise duties)	D214	5.0	4.8	5.1	5.2
Other Taxes on Production	D29	0.5	0.4	0.5	0.6
Direct Taxes		13.2	13.8	14.4	14.3
Personal Income Tax	D51	6.6	6.8	6.9	6.8
Corporate Income Tax	D51	5.8	6.2	6.3	6.7
Other Income Tax	D51	0.0	0.1	0.1	0.1
Other Current Taxes	D59	0.5	0.5	1.0	0.6
Capital Taxes	D91	0.2	0.2	0.1	0.2
Social Contributions		5.7	5.7	5.8	5.7
Employers	D6111	2.6	2.6	2.7	2.7
Employees	D6131	2.6	2.6	2.6	2.6
Self- and non-employed	D6131	0.5	0.5	0.5	0.5
Overall tax burden		32.2	32.4	34.0	33.7

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

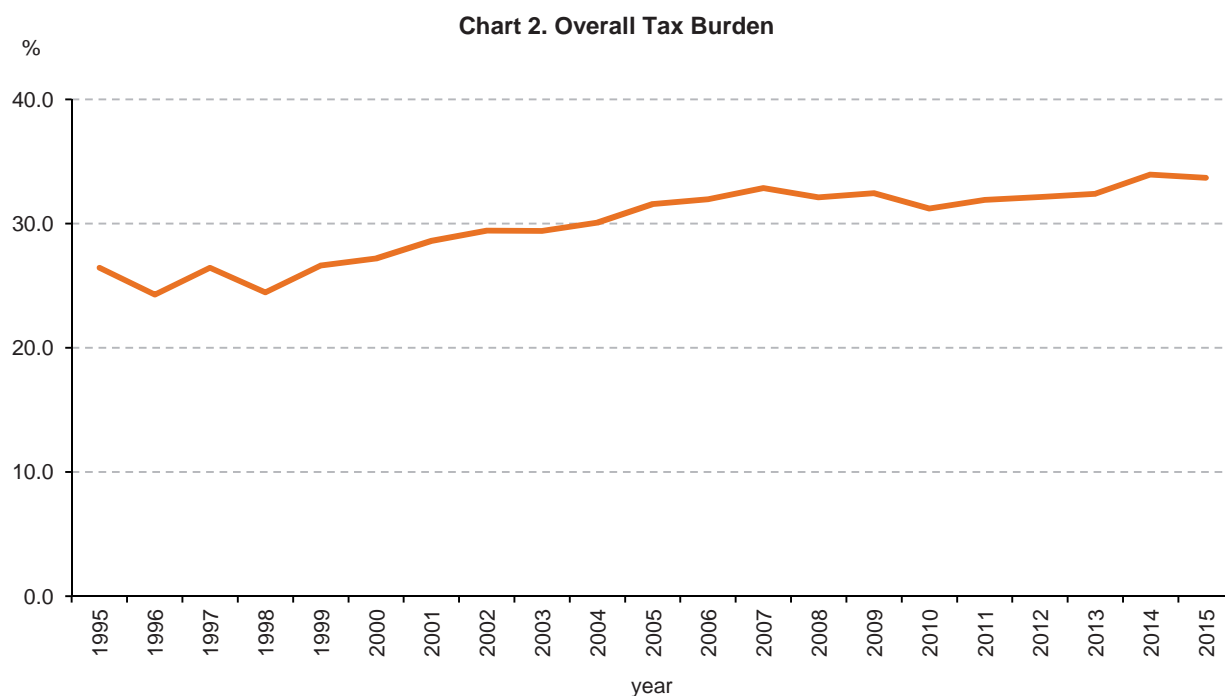


Table 3. Structure of tax revenues as a percentage of total

	ESA Code	2012	2013	2014	2015
					per cent
Indirect Taxes		41.1	39.9	40.5	40.7
VAT	D211	23.3	23.4	23.4	23.1
Import Duties	D2121	0.7	0.5	0.5	0.5
Taxes on Products (incl. excise duties)	D214	15.7	14.7	15.1	15.3
Other Taxes on Production	D29	1.4	1.4	1.5	1.7
Direct Taxes		41.0	42.5	42.5	42.3
Personal Income Tax	D51	20.4	21.0	20.4	20.1
Corporate Income Tax	D51	18.1	19.2	18.7	19.8
Other Income Tax	D51	0.1	0.2	0.2	0.2
Other Current Taxes	D59	1.7	1.6	2.8	1.7
Capital Taxes	D91	0.7	0.5	0.4	0.5
Social Contributions		17.9	17.6	17.0	17.0
Employers	D6111	8.2	8.1	7.9	7.9
Employees	D6131	8.1	8.0	7.7	7.7
Self- and non-employed	D6131	1.6	1.5	1.4	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	2012	2013	2014	2015
					€000
Non-Financial Corporations	S.11	186,056	189,515	224,022	264,423
Financial Corporations	S.12	232,404	284,185	286,189	317,357
General Government	S.13	442	615	932	544
Households	S.14	474,171	525,446	563,543	598,898
Non-Profit Institutions serving Households	S.15	2,365	2,853	2,404	2,657
Rest of the World	S.2	214	647	171	2,762
Total Income Tax (D.51) receipts		895,652	1,003,261	1,077,260	1,186,640

Table 5. Total environmental tax revenues by type of tax

	2012	2013	2014	2015
				€000
Energy taxes	108,346	106,459	125,021	131,742
Transport taxes	87,182	86,036	94,634	108,585
Pollution taxes	11,992	16,154	21,145	28,962
Resource taxes	0	0	0	0
Total environmental taxes	207,520	208,649	240,800	269,290

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 2012-2015 are in line with News Release 142/2016 published on 6 September 2016.
4. 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 (D214), Other Taxes on Production (D29) and Other Current Taxes (D59).
5. 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.
6. Malta's National Tax List (NTL) is available on the online excel version of this release.
7. 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/public/spiSearchForm.html
8. All data in this release should be considered as provisional and therefore subject to revision. Figures may not add up due to rounding.
9. 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>

Data Navigation Tree

>Database by themes

>Economy and finance

>Government statistics (gov)

> Government finance statistics (EDP and ESA2010) (gov_gfs10)

> Annual government finance statistics (gov_10a)

> Main national accounts tax aggregates (gov_10a_taxag)

For further assistance send a request from:

<https://nso.gov.mt/en/Services/Pages/Request-for-Information.aspx>