BETTER POLICIES FOR BETTER LIVES

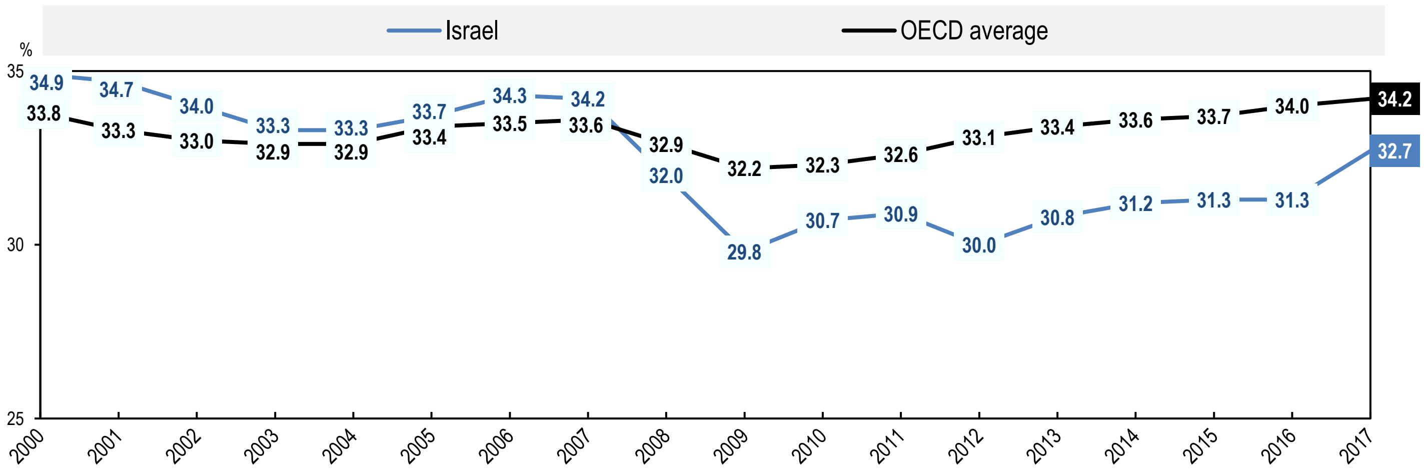
Centre for Tax Policy and Administration

Revenue Statistics 2018 - Israel

Tax-to-GDP ratio

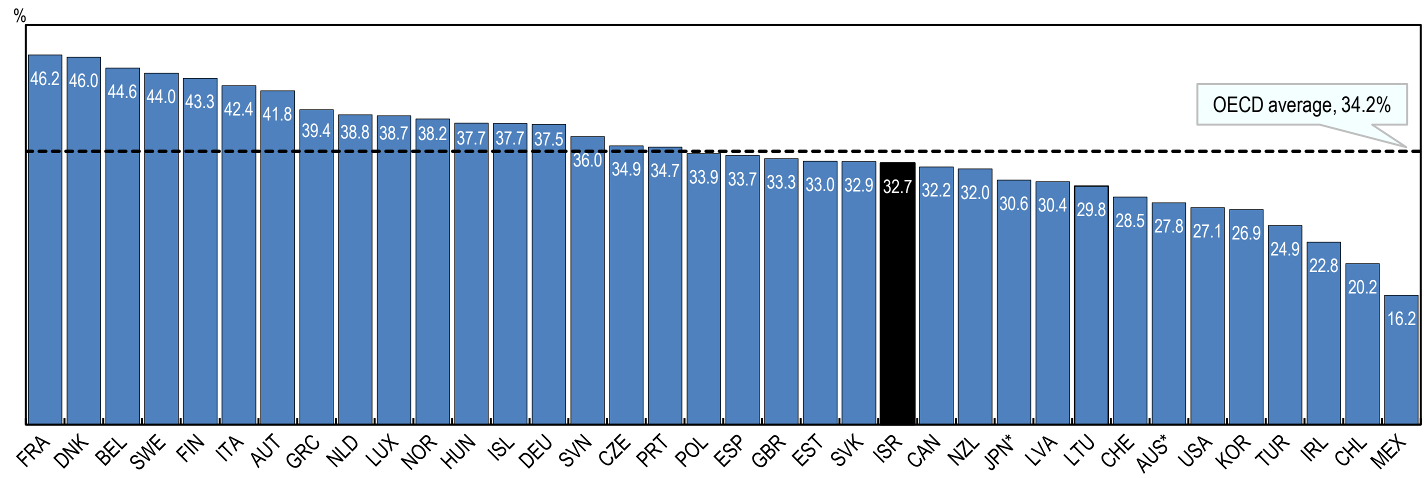
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Israel increased by 1.4 percentage points, from 31.3% in 2016 to 32.7% in 2017. The corresponding figures for the OECD average were an increase of 0.2 percentage points from 34.0% to 34.2% over the same period. The tax-to-GDP ratio in Israel has decreased from 34.9% in 2000 to 32.7% in 2017. Over the same period, the OECD average in 2017 was slightly above that in 2000 (34.2% compared with 33.8%). During that period the highest tax-to-GDP ratio in Israel was 34.9% in 2000, with the lowest being 29.8% in 2009.



Tax-to-GDP ratio compared to the OECD, 2017

Israel ranked 23rd out of 36 OECD countries in terms of the tax-to-GDP ratio in 2017. In 2017, Israel had a tax-to-GDP ratio of 32.7% compared with the OECD average of 34.2%. In 2016, Israel was ranked 25th out of the 36 OECD countries in terms of the tax-to-GDP ratio.



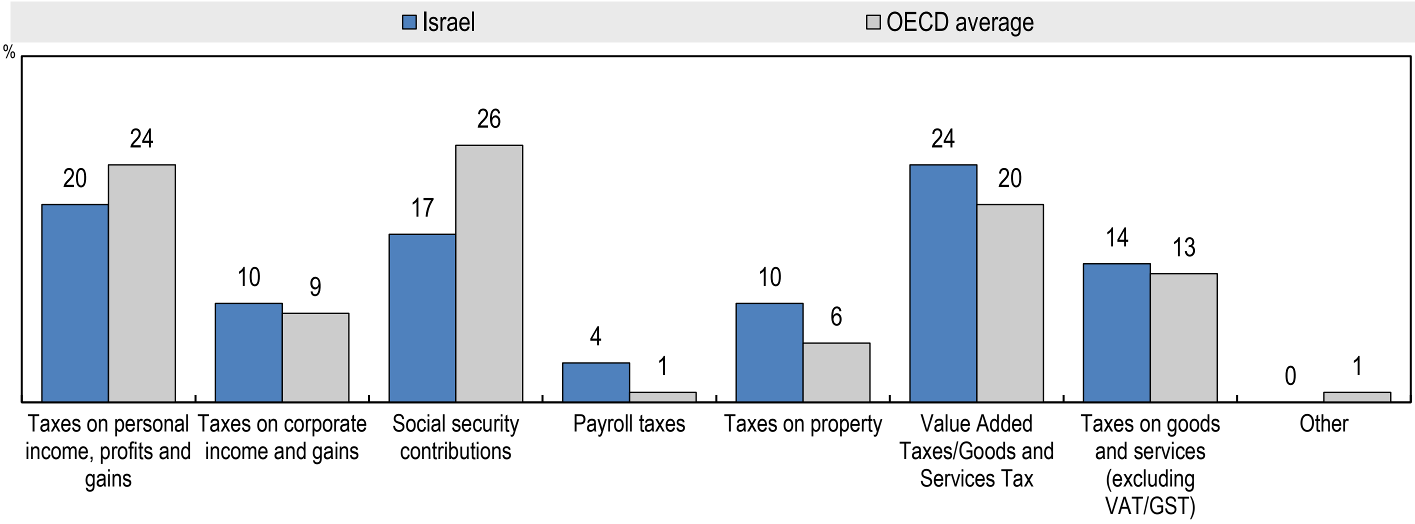
* Australia and Japan are unable to provide provisional 2017 data, therefore their latest 2016 data are presented within this country note.

In the OECD classification the term "taxes" is confined to compulsory unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments.

Tax structures

Tax structure compared to the OECD average

The structure of tax receipts in Israel compared with the OECD average is shown in the figure below.



Relative to the OECD average, the tax structure in Israel is characterised by:

- » Higher revenues from taxes on corporate income & gains; payroll taxes; property taxes; value-added taxes; and goods & services taxes (excluding VAT/GST).
- » A lower proportion of revenues from taxes on personal income, profits & gains and social security contributions.

Tax structure

	Tax Revenues in national currency			Tax structure in Israel			Position in OECD²		
	New Israeli Sheqel, millions			%					
	2016	**2015**	**Δ**	**2016**	**2015**	**Δ**	**2016**	**2015**	**Δ**
Taxes on income, profits and capital gains¹	120 474	113 711	+ 6 763	32	31	+ 1	19th	18th	- 1
of which									
Personal income, profits and gains	75 581	70 630	+ 4 951	20	19	+ 1	22nd	23rd	+ 1
Corporate income and gains	37 767	34 676	+ 3 091	10	10	-	14th	14th	-
Social security contributions	63 452	59 561	+ 3 890	17	16	+ 1	29th	29th	-
Payroll taxes	14 096	13 800	+ 296	4	4	-	4th	4th	-
Taxes on property	39 444	38 657	+ 788	10	11	- 1	7th	6th	- 1
Taxes on goods and services	144 358	138 267	+ 6 091	38	38	-	12th	12th	-
of which VAT	91 999	90 824	+ 1 175	24	25	- 1	7th	6th	- 1
Other	-	-	-	-	-	-	34th	34th	-
TOTAL	381 824	363 996	+ 17 828	100	100	-	-	-	-

Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding.

1. Includes income taxes not allocable to either personal or corporate income.

2. The country with the highest share being 1st and the country with the lowest share being 36th.

Source: OECD Revenue Statistics 2018 http://oe.cd/revenue-statistics

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