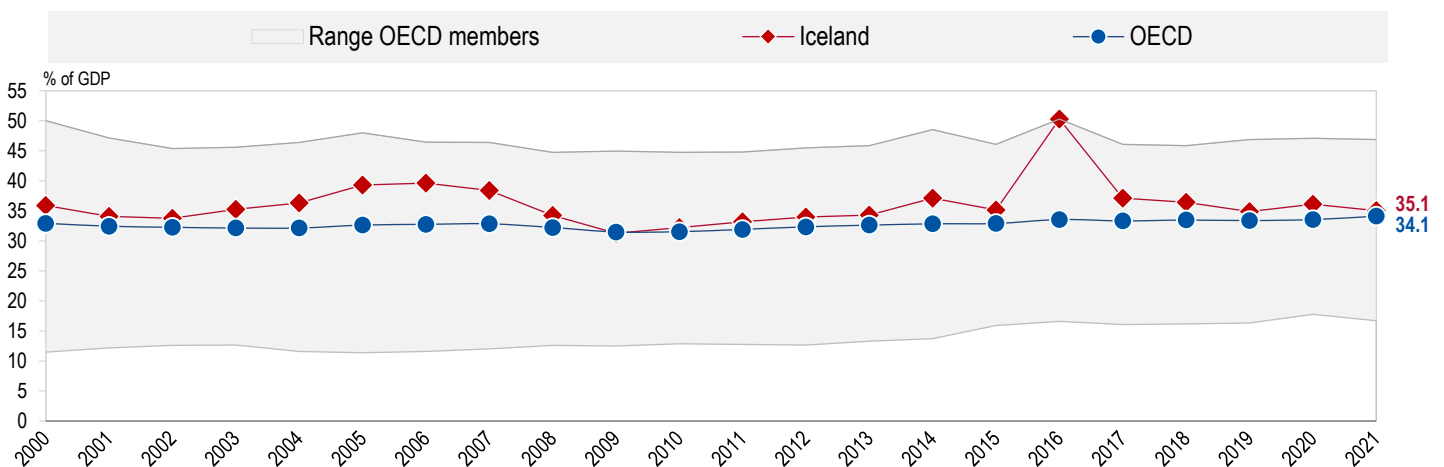


Revenue Statistics 2022 - Iceland

Tax-to-GDP ratio

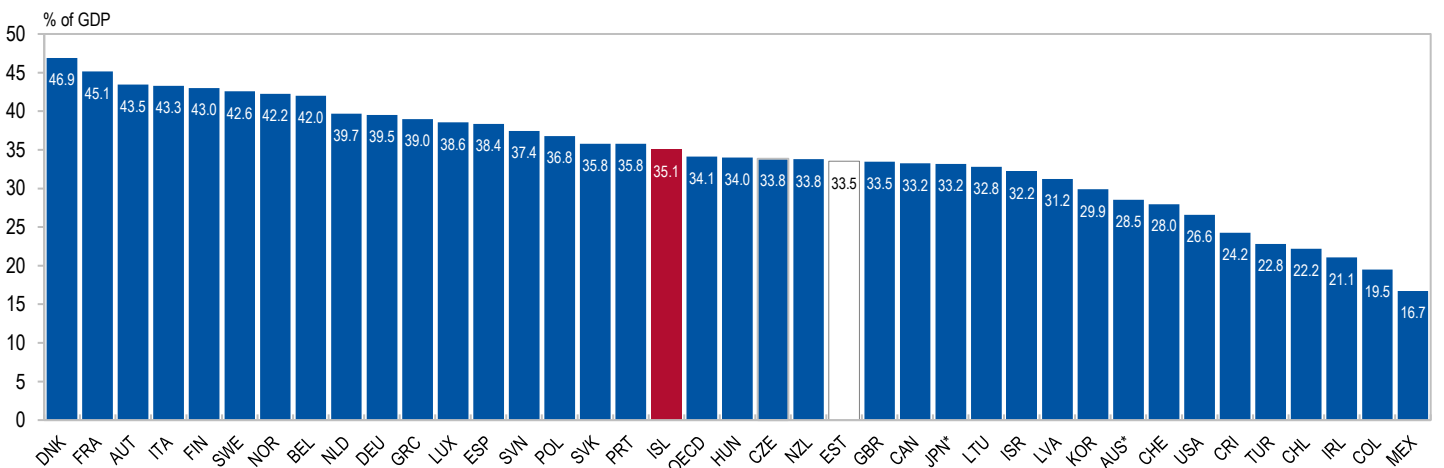
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Iceland[†] decreased by 1.1 percentage points from 36.1% in 2020 to 35.1% in 2021. Between 2020 and 2021, the OECD average increased from 33.6% to 34.1%. The tax-to-GDP ratio in Iceland has decreased from 35.9% in 2000 to 35.1% in 2021. Over the same period, the OECD average in 2021 was above that in 2000 (34.1% compared with 32.9%). During that period, the highest tax-to-GDP ratio in Iceland was 50.3% in 2016, with the lowest being 31.3% in 2009.



Tax-to-GDP ratio compared to the OECD, 2021

Iceland ranked 18th¹ out of 38 OECD countries in terms of the tax-to-GDP ratio in 2021. In 2021, Iceland had a tax-to-GDP ratio of 35.1% compared with the OECD average of 34.1%. In 2020, Iceland was ranked 15th out of the 38 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 2016, Iceland received revenues from one-off stability contributions from entities that previously operated as commercial or savings banks and were concluding operations. The revenue from these contributions led to unusually high tax revenues for a single year and consequently, Iceland's tax-to-GDP ratio rose from 35.1% in 2015 to 50.3% in 2016, before dropping to 37.1% in 2017.

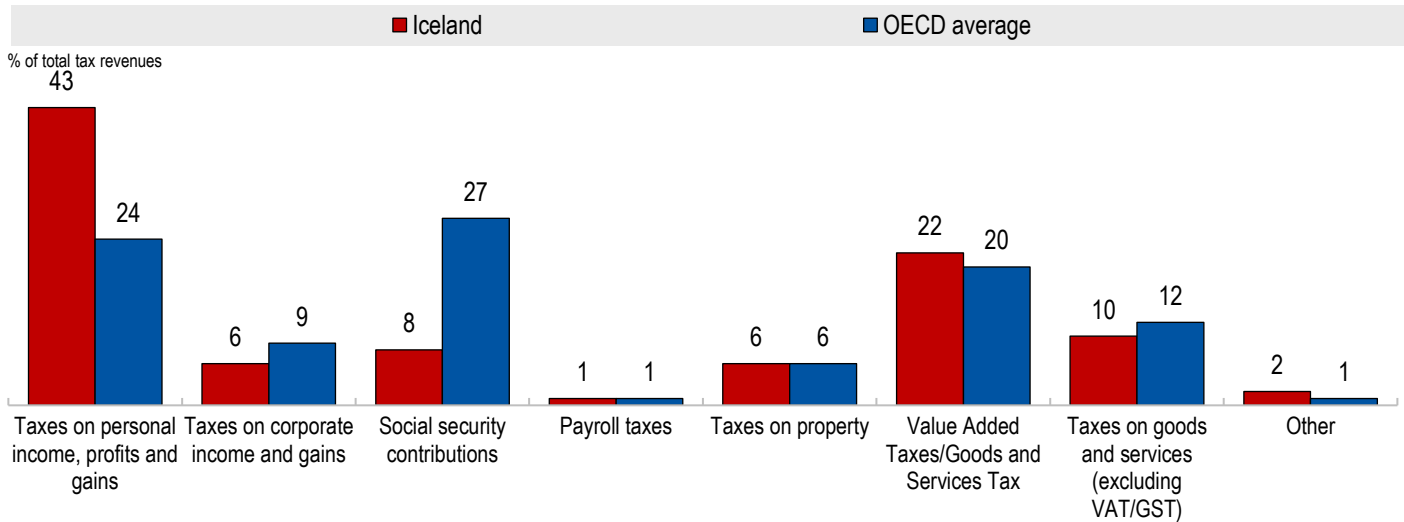
1. In this note, the country with the highest level or share is ranked first and the country with the lowest level or share is ranked 38th.

Note: In the OECD classification the term "taxes" is confined to compulsory unrequited payments to general government or to a supranational authority. 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, 2020

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



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

- » Substantially higher revenues from taxes on personal income, profits & gains, and higher revenues from value-added taxes.
- » Equal to the OECD average from payroll taxes and property taxes.
- » A lower proportion of revenues from taxes on corporate income & gains and goods & services taxes (excluding VAT/GST), and substantially lower revenues from social security contributions.

Tax structure

	Tax Revenues in national currency			Tax structure in Iceland			Position in OECD		
	Iceland Krona, millions			%					
	2019	2020	Δ	2019	2020	Δ	2019	2020	Δ
Taxes on income, profits and capital gains ¹	530 192	542 035	+ 11 843	50	51	+ 1	4th	4th	-
<i>of which</i>	-	-		-	-		0	0	
<i>Personal income, profits and gains</i>	435 351	457 255	+ 21 904	41	43	+ 2	3rd	2nd	+ 1
<i>Corporate income and gains</i>	62 972	64 447	+ 1 475	6	6	-	28th	25th	+ 3
Social security contributions	97 423	88 364	- 9 059	9	8	- 1	34th	34th	-
Payroll taxes	9 124	9 233	+ 108	1	1	-	12th	13th	- 1
Taxes on property [†]	58 366	66 312	+ 7 946	5	6	+ 1	18th	15th	+ 3
Taxes on goods and services	348 278	335 971	- 12 308	33	32	- 1	19th	19th	-
<i>of which VAT</i>	243 285	233 732	- 9 552	23	22	- 1	11th	14th	- 3
Other	18 594	19 174	+ 579	2	2	-	5th	6th	- 1
TOTAL	1 061 978	1 061 089	- 889	100	100	-	-	-	-

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

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

[†] Please refer to the footnote at the bottom of page one.

Source: OECD Revenue Statistics 2022

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