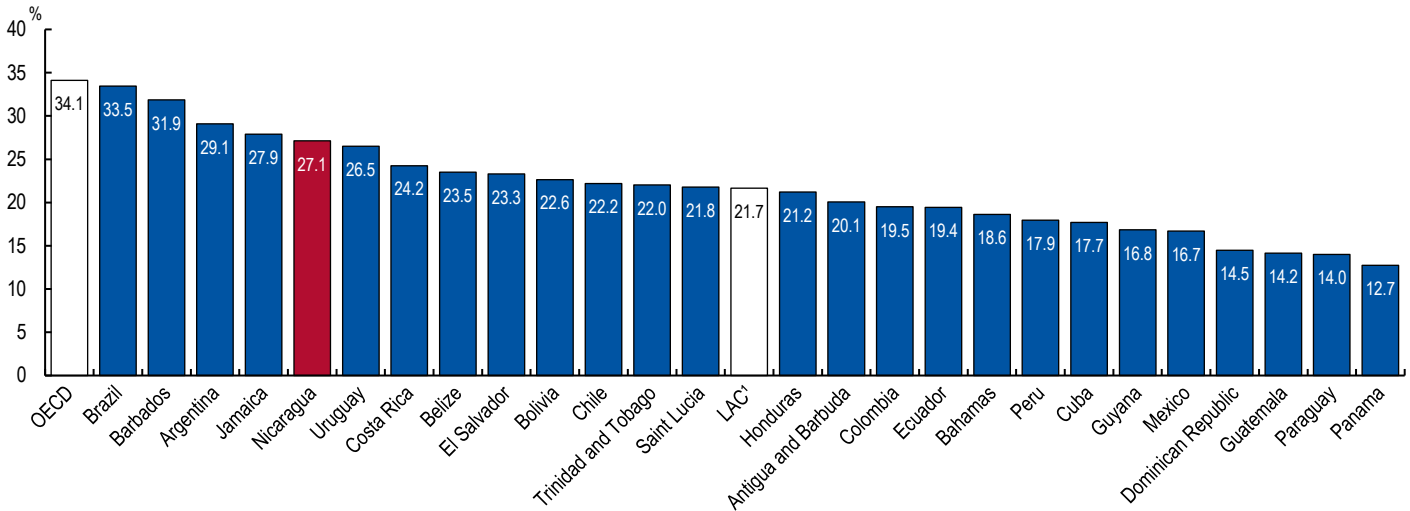# Revenue Statistics in Latin America and the Caribbean 2023 - Nicaragua

Tax-to-GDP ratio

Tax-to-GDP ratio compared to other Latin American and Caribbean (LAC) countries and regional averages, 2021
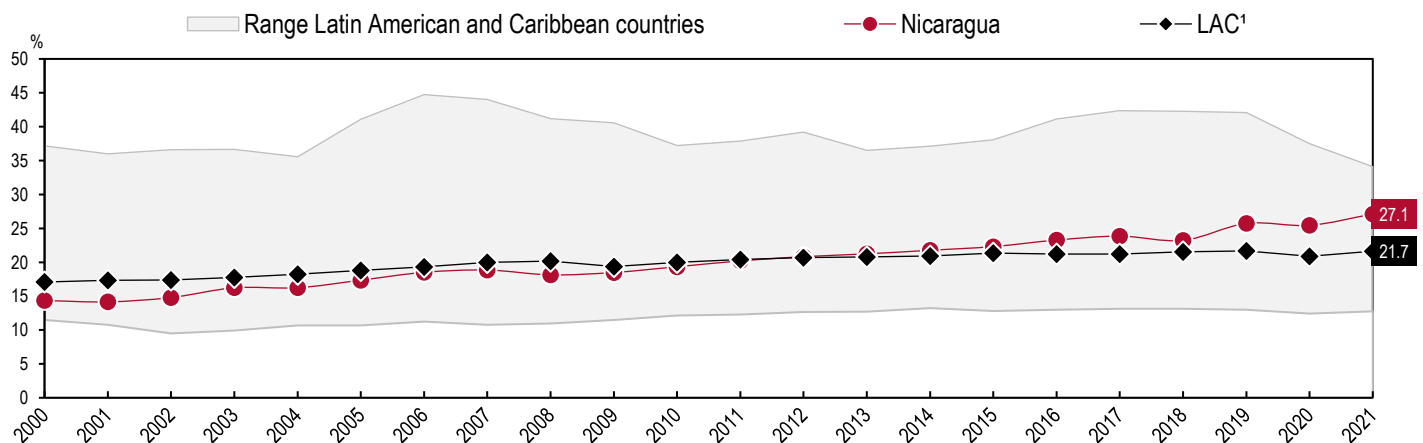
Nicaragua's tax-to-GDP ratio in 2021 (27.1%) was above the LAC average (21.7%)[1] in this year's Revenue Statistics in Latin America and the Caribbean publication by 5.5 percentage points and below the OECD average (34.1%).

1. Represents the unweighted average of 25 Latin American and Caribbean countries included in this publication and excludes Cuba and Venezuela due to data issues.

Tax-to-GDP ratio over time

The tax-to-GDP ratio in Nicaragua increased by 1.7 percentage points from 25.4% in 2020 to 27.1% in 2021. In comparison, the LAC average increased by 0.8 percentage points between 2020 and 2021 to 21.7%. Over a longer time period, the LAC average has increased by 4.6 percentage points, from 17.1% in 2000 to 21.7% in 2021, whereas the tax-to-GDP ratio in Nicaragua has increased by 12.8 percentage points, from 14.3% to 27.1%. Since 2000, the highest tax-to-GDP ratio in Nicaragua was 27.1% in 2021, and the lowest was 14.1% in 2001.
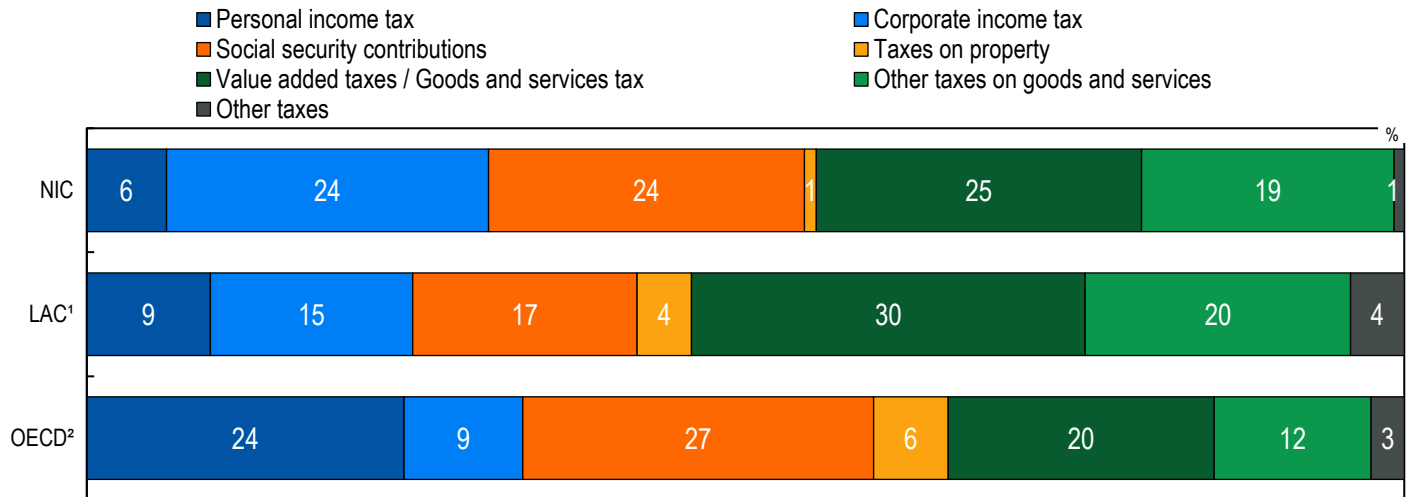

1. Represents the unweighted average of 25 Latin American and Caribbean countries included in this publication and excludes Cuba and Venezuela due to data issues.

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.   http://www.oecd.org/tax/tax-policy/oecd-classification-taxes-interpretative-guide.pdf

Tax structures

Tax structure compared to the regional averages

Tax structure refers to the share of each tax revenue category in total tax revenues. The highest share of tax revenues in Nicaragua in 2021 was derived from value added taxes / goods and services tax (24.7%). The second-highest share of tax revenues in 2021 was derived from corporate income tax (24.4%).

Legend:
- Personal income tax
- Corporate income tax
- Social security contributions
- Taxes on property
- Value added taxes / Goods and services tax
- Other taxes on goods and services
- Other taxes

	Personal income tax	Corporate income tax	Social security contributions	Taxes on property	Value added taxes / Goods and services tax	Other taxes on goods and services	Other taxes
NIC	6	24	24	1	25	19	1
LAC¹	9	15	17	4	30	20	4
OECD²	24	9	27	6	20	12	3

1. Represents the unweighted average of 25 LAC countries included in this publication and excludes Cuba and Venezuela due to data issues. Ecuador is excluded from the LAC average for CIT and PIT revenue as a sufficient breakdown is not available.
2. Data for 2020 are used for the OECD average as the 2021 data are not available.

Summary of the tax structure in Nicaragua

	Tax revenues in national currency			Tax structure in Nicaragua		
	Nicaraguan Cordoba, Millions			% in GDP		
	2020	2021	Δ	2020	2021	Δ
Taxes on income, profits and capital gains¹	32 470	40 753	+ 8 283	7.5	8.3	+ 0.8
of which						
Personal income, profits and gains	6 449	8 094	+ 1 645	1.5	1.6	+ 0.1
Corporate income, profits and gains	26 021	32 659	+ 6 638	6.0	6.6	+ 0.6
Social security contributions	29 014	32 054	+ 3 040	6.7	6.5	- 0.2
Taxes on property	1 035	1 188	+ 153	0.2	0.2	0.0
Taxes on goods and services	46 547	58 617	+ 12 069	10.8	11.9	+ 1.1
of which						
Value added taxes / Goods and services tax	24 990	32 998	+ 8 008	5.8	6.7	+ 0.9
Taxes on specific goods and services	16 503	19 858	+ 3 355	3.8	4.0	+ 0.2
of which						
Excises	14 163	16 549	+ 2 385	3.3	3.4	+ 0.1
Customs and import duties	2 340	3 309	+ 970	0.5	0.7	+ 0.2
Other taxes²	913	1 041	+ 128	0.2	0.2	0.0
TOTAL	109 979	133 653	+ 23 674	25.4	27.1	+ 1.7

1. The revenue from taxes on income, profits and gains may not add up to the sum of revenue from personal income tax and corporate income tax due to revenue that could not be allocated to these categories.
2. In this country note, "other taxes" is calculated as total tax minus taxes on income, profits and capital gains, social security contributions, taxes on property and taxes on goods and services. It includes taxes on payroll and workforce, and other taxes (as defined in the OECD Interpretative Guide).

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.