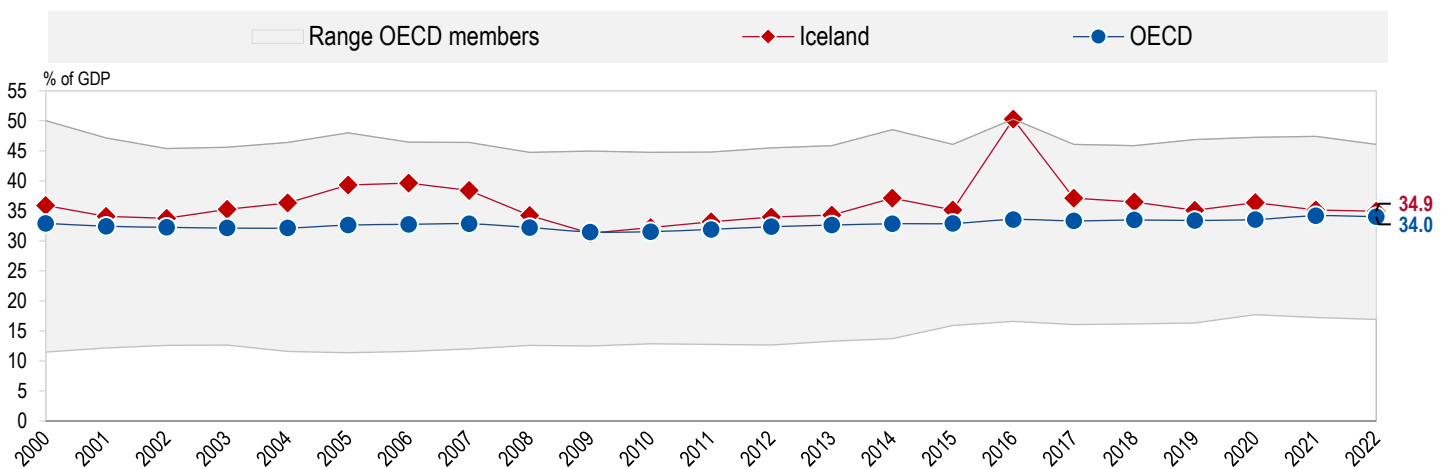


Revenue Statistics 2023 - Iceland

Tax-to-GDP ratio

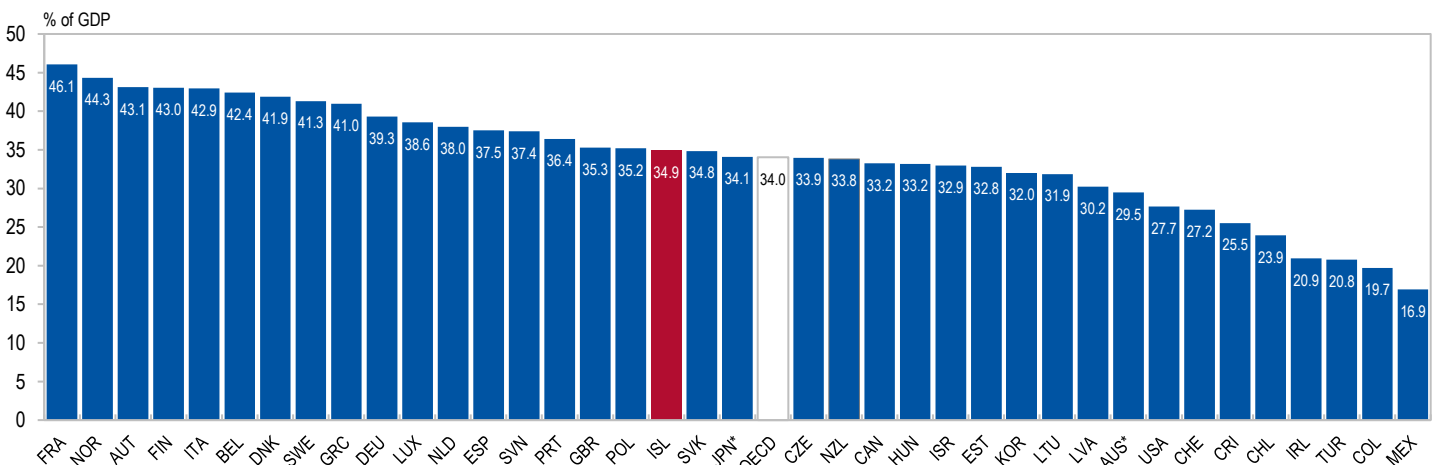
Tax-to-GDP ratio over time

The OECD's annual Revenue Statistics report found that the tax-to-GDP ratio in Iceland[†] decreased by 0.2 percentage points from 35.1% in 2021 to 34.9% in 2022. Between 2021 and 2022, the OECD average decreased from 34.2% to 34.0%. The tax-to-GDP ratio in Iceland has decreased from 35.9% in 2000 to 34.9% in 2022. Over the same period, the OECD average in 2022 was above that in 2000 (34.0% 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, 2022

Iceland ranked 18th¹ out of 38 OECD countries in terms of the tax-to-GDP ratio in 2022. In 2022, Iceland had a tax-to-GDP ratio of 34.9% compared with the OECD average of 34.0%. In 2021, Iceland was also ranked 18th 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.

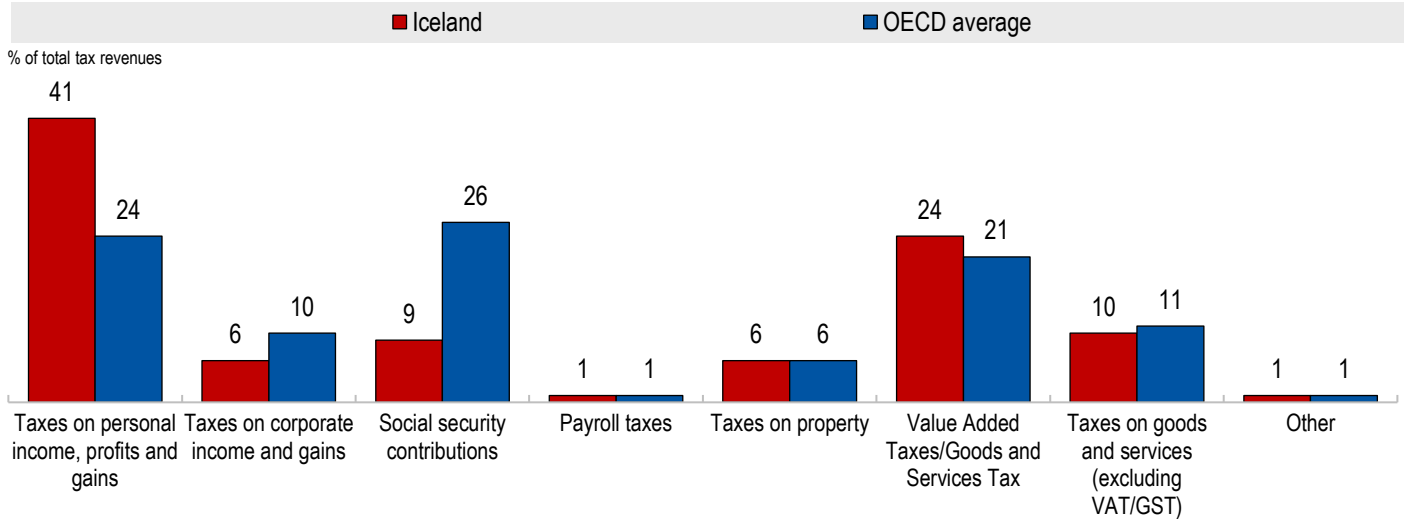
1. In this note, the country with the highest level or share is ranked first and the country with the lowest level or share is ranked 38th.

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, 2021

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			%					
	2020	2021	Δ	2020	2021	Δ	2020	2021	Δ
Taxes on income, profits and capital gains ¹	542 035	569 442	+ 27 407	51	50	- 1	4th	5th	- 1
<i>of which</i>	-	-		-	-		0	0	
<i>Personal income, profits and gains</i>	457 255	471 661	+ 14 406	43	41	- 2	2nd	3rd	- 1
<i>Corporate income and gains</i>	64 447	65 454	+ 1 007	6	6	-	25th	32nd	- 7
Social security contributions	88 364	97 414	+ 9 049	8	9	+ 1	34th	34th	-
Payroll taxes	-	-	-	1	1	-	13th	13th	-
Taxes on property [†]	66 312	67 754	+ 1 442	6	6	-	15th	15th	-
Taxes on goods and services	335 971	382 756	+ 46 785	32	34	+ 2	18th	17th	+ 1
<i>of which VAT</i>	233 732	277 808	+ 44 076	22	24	+ 2	14th	10th	+ 4
Other	19 174	13 251	- 5 923	2	1	- 1	6th	6th	-
TOTAL	1 061 089	1 139 776	+ 78 687	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.

OECD (2023), Revenue Statistics 2023: Tax revenue buoyancy in OECD countries, OECD Publishing, Paris, <https://oe.cd/revenue-statistics>

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