

Total tax revenues in 2010 amounted to €2,048.9 million, with a tax burden of 33.2 per cent.

## Tax Revenues 2010

Total tax revenue during 2010 went up by €54.6 million over the previous year, and stood at €2,048.9 million. Tax revenue may be broadly classified under three main headings: indirect taxes, direct taxes and social security contributions. Table 1 illustrates the revenue stream under these broad categories.

All three categories of tax revenue recorded an increase. The largest increase of €22.6 million was registered in indirect taxes, which are defined as taxes linked to production and imports. In the year under review, these taxes stood at €855.6 million, representing 41.8 per cent of total tax revenues. This tax category is mainly made up of VAT and taxes on products (including excise duties), both of which exhibited an increase. VAT went up by €20.2 million whereas an additional €5.9 million was recorded for taxes on products. Conversely, other taxes on production declined by €3.5 million.

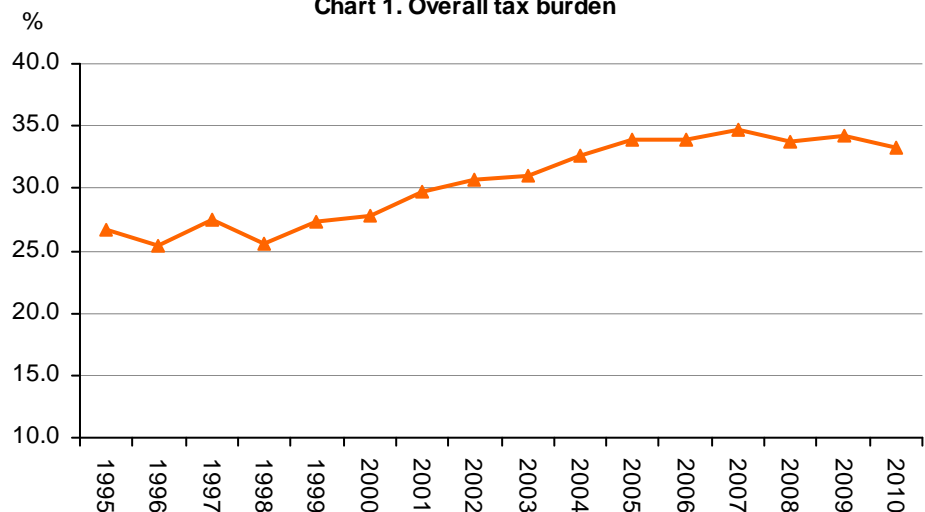
Social contributions are compulsory actual social contributions paid by the employees, employers, as well as the self- and non-employed persons. This category represents 18.1 per cent of the total tax revenue and stood at €370.7 million, up by €19.0 million.

Direct taxes are current taxes on income and wealth plus capital taxes and other current taxes. Taxes on income are made up of both personal as well as corporate taxes. During 2010, direct taxes went up by €13.1 million, to €322.5 million, making up 40.1 per cent of total tax revenue. This rise was mainly the result of additional returns from personal income tax, by €22.6 million and other current taxes by €1.4 million. These were partly outweighed by a fall in corporate income tax of €10.6 million.

The overall tax burden denotes the total amount of taxes and actual social contributions expressed as a percentage of GDP. During 2010, the tax burden for Malta was 33.2 per cent, compared to 34.2 per cent recorded in 2009 ■



**Chart 1. Overall tax burden**



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Table 1. Structure of Tax Revenues

					€ 000
	ESA Code	2007	2008	2009	2010
<b>Indirect Taxes</b>		<b>826,949</b>	<b>857,730</b>	<b>833,065</b>	<b>855,626</b>
VAT type taxes	D211	419,958	458,444	456,821	477,062
Import Duties	D2121	15,344	15,143	11,685	11,575
Taxes on Products (incl. Excise duties)	D214	365,166	354,988	328,659	334,606
Other taxes on production	D29	26,481	29,155	35,900	32,383
<b>Direct Taxes</b>		<b>741,620</b>	<b>757,835</b>	<b>809,429</b>	<b>822,492</b>
Personal Income Tax	D51	320,881	324,721	344,627	367,226
Corporate Income Tax	D51	367,710	389,434	412,269	401,695
Other Income Tax	D51	3,058	3,099	2,381	1,259
Other Current Taxes	D59	34,306	25,511	36,146	37,591
Capital Taxes	D91	15,666	15,070	14,005	14,722
<b>Social Contributions</b>		<b>322,148</b>	<b>351,734</b>	<b>351,758</b>	<b>370,741</b>
Employers'	D61111	144,059	158,171	158,887	167,752
Employees'	D61121	143,817	157,913	158,676	167,311
Self- and non-employed	D61131	34,271	35,650	34,194	35,679
<b>Total Tax Revenues</b>		<b>1,890,717</b>	<b>1,967,299</b>	<b>1,994,252</b>	<b>2,048,860</b>

Table 2. Structure of Tax Burden

					per cent
	ESA Code	2007	2008	2009	2010
<b>Indirect Taxes</b>		<b>15.2</b>	<b>14.7</b>	<b>14.3</b>	<b>13.9</b>
VAT type taxes	D211	7.7	7.9	7.8	7.7
Import Duties	D2121	0.3	0.3	0.2	0.2
Taxes on Products (incl. Excise duties)	D214	6.7	6.1	5.6	5.4
Other taxes on production	D29	0.5	0.5	0.6	0.5
<b>Direct Taxes</b>		<b>13.6</b>	<b>13.0</b>	<b>13.9</b>	<b>13.3</b>
Personal Income Tax	D51	5.9	5.6	5.9	6.0
Corporate Income Tax	D51	6.7	6.7	7.1	6.5
Other Income Tax	D51	0.1	0.1	0.0	0.0
Other Current Taxes	D59	0.6	0.4	0.6	0.6
Capital Taxes	D91	0.3	0.3	0.2	0.2
<b>Social Contributions</b>		<b>5.9</b>	<b>6.0</b>	<b>6.0</b>	<b>6.0</b>
Employers'	D61111	2.6	2.7	2.7	2.7
Employees'	D61121	2.6	2.7	2.7	2.7
Self- and non-employed	D61131	0.6	0.6	0.6	0.6
<b>Total Tax Burden</b>		<b>34.7</b>	<b>33.7</b>	<b>34.2</b>	<b>33.2</b>

\* Tax Burden is the amount of taxes and compulsory actual social contributions as a percentage of GDP

**Table 3. Structure of Tax Revenues**

		<b>per cent</b>			
	<b>ESA Code</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Indirect Taxes</b>		<b>43.7</b>	<b>43.6</b>	<b>41.8</b>	<b>41.8</b>
VAT type taxes	D211	22.2	23.3	22.9	23.3
Import Duties	D2121	0.8	0.8	0.6	0.6
Taxes on Products (incl. Excise duties)	D214	19.3	18.0	16.5	16.3
Other taxes on production	D29	1.4	1.5	1.8	1.6
<b>Direct Taxes</b>		<b>39.2</b>	<b>38.5</b>	<b>40.6</b>	<b>40.1</b>
Personal Income Tax	D51	17.0	16.5	17.3	17.9
Corporate Income Tax	D51	19.4	19.8	20.7	19.6
Other Income Tax	D51	0.2	0.2	0.1	0.1
Other Current Taxes	D59	1.8	1.3	1.8	1.8
Capital Taxes	D91	0.8	0.8	0.7	0.7
<b>Social Contributions</b>		<b>17.0</b>	<b>17.9</b>	<b>17.6</b>	<b>18.1</b>
Employers'	D61111	7.6	8.0	8.0	8.2
Employees'	D61121	7.6	8.0	8.0	8.2
Self- and non-employed	D61131	1.8	1.8	1.7	1.7
<b>Total Tax Revenues</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

## Methodological Notes

1. All data in this News Release are in line with the European System of Accounts (ESA 95) Manual (ISBN92-827-7954-8). This system of accounts is mandatory for all EU Member States.
2. Total tax revenue is made 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 2007-2010 are provisional, as published in News Release 171/2011 on 7 September 2011.
4. In order to achieve consistency with Council Regulation 2516/2000, the method of recording of main tax revenues (VAT, Income Tax and Social Security Contributions) is the 'time-adjusted cash'. This method is explained in NSO News Release No. 181 of 2008 (Tax Revenues 2007).
5. A time series of data presented in this News Release is available, in greater detail, at the online Statistical Database - StatDB - on the NSO website. Registration (free-of-charge) is required to access and use the StatDB. To view the datasets available in the database, please access this link: [http://www.nso.gov.mt/statbase/data\\_table\\_catalogue.aspx](http://www.nso.gov.mt/statbase/data_table_catalogue.aspx)
6. The data contained in this news release has been drawn up in line with the ESA95 methodologies. The glossary provides the necessary definitions and is available online: [http://www.nso.gov.mt/docs/ESA95\\_Glossary.pdf](http://www.nso.gov.mt/docs/ESA95_Glossary.pdf)
7. All data in this release should be considered as provisional and therefore subject to revision.
8. Figures may not add up due to rounding.

European statistics comparable to data in this News Release are available at:

[EUROSTAT Website/Homepage/Statistical Database](http://www.eurostat.ec.europa.eu/)

Data Navigation Tree

- >Database by themes
  - >Economy and Finance
    - >Government statistics
      - >Annual Government Finance Statistics
- >Tables by themes
  - >Economy and Finance
    - >Government statistics
      - >Annual Government Finance Statistics

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