

Brief statistics 2010

The Finnish Tax Administration

The Tax Administration is organized under the jurisdiction of the Ministry of Finance. The Tax Administration collects about two-thirds of the taxes and tax-like charges levied in Finland.

Tax administration organization

The National Board of Taxes is the central controlling and steering body that advances tax assessment and tax control.

Regional tax offices administer taxation, tax assessment and tax control within their jurisdictions. Each regional tax office includes offices serving individual taxpayers and corporate tax offices serving business and corporate taxpayers.

Large Taxpayer's Office handles tax assessments of consolidated group companies and other large corporate bodies, its area of jurisdiction being the entire territory of Finland.

Collection and Recovery Centre is a nationwide unit in charge of tax collection, tax recovery and tax remittances.

Tax recipients' legal services unit represents the interests of tax recipients in matters related to taxation and appeals against tax decisions.

Other nationwide units are **Administrative Services** and **IT Services**, which produce and deliver their services to all units of the Finnish Tax Administration.

Mission of the Finnish Tax Administration

Our core task is to carry out the duties assigned to us by society consistently and successfully. We operate in such a way that customers can and are willing to contribute to their tax issues correctly and on their own initiative. We provide with targeted and convenient services that make it easy for our customers to deal with us and that minimise their costs. The systematic management of tax risks enhances the accrual of tax revenue.

For more information, visit www.tax.fi

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Taxes as percentages of GDP by country 2006–2008

| | Taxes, % of GDP | | |
|----------------|-----------------|------|--------------------|
| | 2006 | 2007 | 2008 ¹⁾ |
| Finland | 43,5 | 43,0 | 42,8 |
| Sweden | 49,1 | 48,3 | 47,1 |
| Norway | 43,9 | 43,6 | 42,1 |
| Danmark | 49,1 | 48,7 | 48,3 |
| Iceland | 41,5 | 40,9 | 36,0 |
| Germany | 35,6 | 36,2 | 36,4 |
| Holland | 39,3 | 37,5 | .. |
| Belgium | 44,5 | 43,9 | 44,3 |
| Austria | 41,7 | 42,3 | 42,9 |
| Luxemburg | 35,9 | 36,5 | 38,3 |
| France | 44,2 | 43,5 | 43,1 |
| Switzerland | 29,6 | 28,9 | 29,4 |
| United Kingdom | 37,1 | 36,1 | 35,7 |
| Ireland | 31,9 | 30,8 | 28,3 |
| Italy | 42,1 | 43,5 | 43,2 |
| Spain | 36,6 | 37,2 | .. |
| Portugal | 35,7 | 36,4 | 36,5 |
| Greece | 31,3 | 32,0 | 31,3 |
| Australia | 30,6 | 30,8 | .. |
| Canada | 33,3 | 33,3 | 32,2 |
| United States | 28,0 | 28,3 | 26,9 |
| Japan | 27,9 | 28,3 | .. |

Source: OECD

¹⁾ Preliminary data

...) No data available.

Tax structures by country 2008

| taxes | The contribution of different tax types to tax revenue % | | |
|-------------------------|--|-----------------|-------------|
| | Income taxes | Consumption tax | Other taxes |
| Finland | 39,0 | 30,1 | 30,9 |
| Sweden | 36,3 | 27,8 | 35,9 |
| Norway | 50,4 | 25,7 | 23,9 |
| Denmark | 60,6 | 32,4 | 7,0 |
| Iceland | 49,5 | 35,8 | 14,7 |
| Germany | 31,9 | 28,9 | 39,2 |
| Holland ¹⁾ | 29,1 | 29,9 | 41,0 |
| Belgium ¹⁾ | 37,5 | 25,2 | 37,3 |
| Austria | 30,7 | 27,1 | 42,2 |
| Luxemburg | 35,9 | 28,4 | 35,7 |
| France | 24,1 | 24,5 | 51,4 |
| Switzerland | 47,1 | 22,0 | 30,9 |
| United Kingdom | 39,9 | 28,8 | 31,3 |
| Ireland | 37,5 | 37,1 | 25,4 |
| Italy | 34,6 | 24,4 | 41,0 |
| Spain | 30,5 | 25,1 | 44,4 |
| Portugal | 26,3 | 36,6 | 37,1 |
| Greece | 23,4 | 36,6 | 40,0 |
| Australia ¹⁾ | 59,8 | 26,6 | 13,6 |
| Canada | 49,5 | 23,4 | 27,1 |
| United States | 46,8 | 17,0 | 36,2 |
| Japan | 55,4 | 29,1 | 15,5 |

Source: OECD

¹⁾ Figures are for 2007.

General consumption taxes, by country, 2007–2008

| | General consumption taxes % of taxes | | General consumption taxes % of GDP | |
|----------------|---|-------------|---------------------------------------|-------------|
| | 2007 | 2008 | 2007 | 2008 |
| Finland | 19,5 | 19,5 | 8,4 | 8,3 |
| Sweden | 19,3 | 20,3 | 9,3 | 9,6 |
| Norway | 19,1 | 17,3 | 8,3 | 7,3 |
| Denmark | 21,4 | 20,9 | 10,4 | 10,1 |
| Iceland | 25,9 | .. | 10,6 | .. |
| Germany | 19,4 | 19,4 | 7,0 | 7,1 |
| Holland | 19,8 | .. | 7,4 | .. |
| Belgium | 16,3 | .. | 7,1 | .. |
| Austria | 18,3 | 18,2 | 7,7 | 7,8 |
| Luxemburg | 15,7 | 17,1 | 5,7 | 6,5 |
| France | 17,0 | 16,9 | 7,4 | 7,3 |
| Switzerland | 13,1 | 12,9 | 3,8 | 3,8 |
| United Kingdom | 18,2 | 17,8 | 6,6 | 6,3 |
| Ireland | 24,1 | 24,2 | 7,4 | 6,8 |
| Italy | 14,2 | 13,7 | 6,2 | 5,9 |
| Spain | 16,2 | 15,6 | 6,0 | 5,1 |
| Portugal | 24,1 | 23,8 | 8,8 | 8,7 |
| Greece | 23,4 | .. | 7,5 | .. |
| Australia | 13,0 | .. | 4,0 | .. |
| Canada | 13,6 | 13,1 | 4,5 | 4,2 |
| United States | 7,7 | 7,8 | 2,2 | 2,1 |
| Japan | 8,8 | .. | 2,5 | .. |

Source: OECD

General consumption taxes refer mainly to VAT.

Consumption taxes are VAT and tax on insurance premiums in Finland

..) No data available.

Taxable incomes of individuals in 2008 state taxation

| Type of income | Total income € million | Number of earners 1000 pers. | Average income/earners € million |
|---|---------------------------|------------------------------------|--|
| Taxable income in state taxation | 113 006 | 4 581 | 24 669 |
| Earned income | 97 254 | 4 402 | 22 092 |
| Wages etc. | 68 610 | 2 809 | 24 423 |
| Pension and social benefits | 24 222 | 2 624 | 9 230 |
| Pension income | 19 526 | 1 470 | 13 285 |
| Unemployment security benefits | 2 229 | 497 | 4 483 |
| Child care subsidy | 1 097 | 320 | 3 428 |
| Other benefits | 1 370 | .. | .. |
| Other earned income | 4 422 | .. | .. |
| Capital income | 9 683 | 2 436 | 3 975 |
| Dividend income | 3 665 | 2 107 | 1 740 |
| Capital gains | 3 583 | 317 | 11 293 |
| Rental income | 1 171 | 253 | 4 632 |
| Other capital income | 1 264 | .. | .. |
| Enterprise and partnership incomes | | | |
| Agricultural income | 1 142 | 129 | 8 823 |
| Business income | 2 805 | 136 | 20 653 |
| Income from general and limited partnerships | 1 404 | 121 | 11 649 |

Direct taxes as percentages of taxable income, 2000 and 2008

| Taxpayer category | State income taxes | | Other direct taxes | | Direct taxes total | |
|--|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | 2000 | 2008 | 2000 | 2008 | 2000 | 2008 |
| Wage earners | 12,3 | 7,5 | 15,9 | 16,1 | 28,3 | 23,6 |
| Pensioners | 6,6 | 3,6 | 14,9 | 14,8 | 21,6 | 18,4 |
| Farmers and forestry entrepreneurs | 12,1 | 10,8 | 12,4 | 12,8 | 24,5 | 23,6 |
| Business entrepreneurs and self-employed persons | 14,5 | 10,7 | 15,3 | 15,8 | 29,8 | 26,5 |
| Individuals total | 11,5 | 7,3 | 16,5 | 15,5 | 28,0 | 22,8 |

Wage earners, taxable income and taxes imposed, by classification, 2008

| Taxable income € | Income earner quantities | Income earner % distribution | Taxable income % distribution | Taxes % of income |
|-------------------|--------------------------|------------------------------|-------------------------------|-------------------|
| 1 - 4 999 | 554 911 | 12,1 | 0,8 | 5,8 |
| 5 000 - 9 999 | 582 625 | 12,7 | 3,9 | 8,0 |
| 10 000 - 14 999 | 660 080 | 14,4 | 7,3 | 13,5 |
| 15 000 - 19 999 | 499 992 | 10,9 | 7,7 | 16,9 |
| 20 000 - 24 999 | 482 040 | 10,5 | 9,6 | 17,7 |
| 25 000 - 34 999 | 856 065 | 18,7 | 22,4 | 20,9 |
| 35 000 - 54 999 | 651 622 | 14,3 | 24,6 | 25,8 |
| 55 000 - 74 999 | 164 241 | 3,6 | 9,2 | 30,0 |
| 75 000 - 99 999 | 64 201 | 1,4 | 4,8 | 32,6 |
| 100 000 - 149 999 | 35 033 | 0,8 | 3,7 | 33,6 |
| 150 000 - 299 999 | 14 975 | 0,3 | 2,6 | 33,4 |
| 300 000 - | 4 675 | 0,1 | 3,3 | 29,0 |
| Total | 4 570 460 | 100,0 | 100,0 | 22,8 |

Taxes and tax-like charges, breakdown of taxes by taxpayer category, 2000 and 2008

| Taxpayer category | Taxes total € million 2008 | % of total tax amount 2008 | 2000 |
|--|----------------------------|----------------------------|--------------|
| Individuals, total | 25 767 | 82,5 | 73,7 |
| Wage earners | 18 340 | 58,7 | 51,7 |
| Pensioners | 3 468 | 11,1 | 10,6 |
| Farmers and forestry entrepreneurs | 1 457 | 4,7 | 1,9 |
| Business entrepreneurs and self-employed | 1 352 | 4,3 | 3,2 |
| Other individuals | 1 004 | 3,2 | 6,0 |
| Estates of deceased persons | 146 | 0,5 | 0,3 |
| Corporates bodies total | 5 477 | 17,5 | 26,3 |
| Limited companies | 5 216 | 16,7 | 25,2 |
| Co-operative societies, Associations, institutions, etc. | 144 | 0,5 | 0,2 |
| Housing companies | 37 | 0,1 | 0,8 |
| Other legal persons | 10 | 0,0 | 0,0 |
| | 70 | 0,2 | 0,1 |
| Taxpayers total | 31 244 | 100,0 | 100,0 |

State income tax and its breakdown by taxpayer category, 2000 and 2008

| Taxpayer category | State income tax € million | % of total state income tax | |
|--|----------------------------|-----------------------------|-------|
| | 2008 | 2008 | 2000 |
| Individuals, total | 8 193 | 60,0 | 65,1 |
| Wage earners | 5 798 | 42,5 | 48,5 |
| Pensioners | 670 | 4,9 | 7,0 |
| Farmers and forestry entrepreneurs | 666 | 4,9 | 2,0 |
| Business entrepreneurs and self-employed | 545 | 4,0 | 3,3 |
| Other individuals | 373 | 2,7 | 3,8 |
| Estates of deceased persons | 141 | 1,0 | 0,5 |
| Corporate bodies total | 5 459 | 40,0 | 34,9 |
| Limited companies | 5 200 | 38,1 | 33,5 |
| Co-operative societies, Associations, institutions, etc. | 143 | 1,0 | 0,3 |
| Housing companies | 37 | 0,3 | 1,0 |
| Other legal persons | 10 | 0,1 | 0,0 |
| Other legal persons | 69 | 0,5 | 0,0 |
| Taxpayers total | 13 652 | 100,0 | 100,0 |

Municipal income tax and its breakdown by taxpayer category, 2000 and 2008

| Taxpayer category | Municipal income tax € million | % of total municipal tax | |
|--|--------------------------------|--------------------------|-------|
| | 2008 | 2008 | 2000 |
| Individuals, total | 15 134 | 92,6 | 79,4 |
| Wage earners | 10 753 | 65,8 | 54,5 |
| Pensioners | 2 456 | 15,0 | 12,4 |
| Farmers and forestry entrepreneurs | 672 | 4,1 | 1,7 |
| Business entrepreneurs and self-employed | 698 | 4,3 | 3,0 |
| Other individuals | 549 | 3,4 | 7,7 |
| Estates of deceased persons | 5 | 0,0 | 0,1 |
| Corporate bodies total ¹⁾ | 1 211 | 7,4 | 20,6 |
| Limited companies | 1 146 | 7,0 | 19,7 |
| Co-operative societies, Associations, institutions, etc. | 32 | 0,2 | 0,2 |
| Housing companies | 9 | 0,1 | 0,6 |
| Other legal persons | 2 | 0,0 | 0,0 |
| Other legal persons | 22 | 0,1 | 0,1 |
| Taxpayers total | 16 345 | 100,0 | 100,0 |

¹⁾ Corporate income tax has been distributed among the beneficiaries.

Direct taxes and tax-like charges imposed on the basis of income and property 1989–2008

| Year | Income tax and state portion of corporate income tax € million | Municipal tax and municipal portion of corporate income tax € million | Church tax and church portion of corporate income tax € million | Health insurance contribution € million | Total € million |
|-------------|---|--|--|--|--------------------|
| 1989 | 6 638 | 7 550 | 525 | 708 | 16 002 |
| 1990 | 7 045 | 8 356 | 580 | 773 | 17 362 |
| 1991 | 5 947 | 8 161 | 560 | 912 | 16 190 |
| 1992 | 5 777 | 8 288 | 540 | 1 208 | 17 221 |
| 1993 | 5 470 | 7 913 | 523 | 1 141 | 15 900 |
| 1994 | 5 984 | 8 755 | 570 | 1 351 | 17 451 |
| 1995 | 6 839 | 9 492 | 619 | 1 440 | 18 740 |
| 1996 | 7 624 | 10 038 | 654 | 1 444 | 19 760 |
| 1997 | 8 352 | 10 660 | 697 | 1 311 | 21 021 |
| 1998 | 9 437 | 11 159 | 722 | 1 141 | 22 458 |
| 1999 | 11 298 | 12 219 | 730 | 1 076 | 25 323 |
| 2000 | 13 312 | 13 155 | 766 | 1 066 | 28 300 |
| 2001 | 11 214 | 12 915 | 767 | 1 062 | 25 956 |
| 2002 | 11 605 | 12 553 | 790 | 1 006 | 25 987 |
| 2003 | 11 795 | 12 728 | 805 | 966 | 26 328 |
| 2004 | 12 100 | 13 023 | 821 | 984 | 26 960 |
| 2005 | 12 421 | 13 655 | 849 | 1 019 | 27 973 |
| 2006 | 12 984 | 14 545 | 896 | 1 492 | 29 942 |
| 2007 | 14 047 | 15 800 | 953 | 1 539 | 32 383 |
| 2008 | 12 346 | 16 345 | 964 | 1 542 | 31 229 |

Corporate income Tax has been distributed among the beneficiaries since 1993.

Principal deductions, 2005–2008

| Deduction | 2005 € million | 2006 € million | 2007 € million |
|--|-------------------|-------------------|-------------------|
| State and municipal taxation | | | |
| Standard deduction of work-related expenses | 1 603 | 1 625 | 1 658 |
| Deduction of commuting expenses | 1 030 | 1 113 | 1 262 |
| Membership fees in labour market organizations | 510 | 521 | 534 |
| Home loan interest | 1 181 | 1 503 | 2 189 |
| Deduction for pension insurance | - | 3 646 | 3 860 |
| State taxation | | | |
| Pension allowance | 26 | 63 | 72 |
| Municipal taxation | | | |
| Basic allowance | 892 | 872 | 837 |
| Disabled person's allowance | 91 | 83 | 83 |
| Student grant allowance | 164 | 152 | 141 |
| Earned income allowance | 7 265 | 7 336 | 6 218 |
| Pension allowance | 3 293 | 3 459 | 3 539 |
| Credit for the deficit in the investment income category | 373 | 468 | 665 |
| For home loan interest | 286 | 361 | 527 |
| For first-time homebuyer's loan interest | 69 | 86 | 131 |
| Tax credits | | | |
| Earned income deduction | - | 313 | 819 |
| Tax credit for domestic costs | 139 | 165 | 182 |

| Taxation for 2008 | € million | Persons 1000 | Average € |
|--|-----------|-----------------|--------------|
| State and municipal taxation | | | |
| Standard deduction of work-related expenses | 1 683 | 2 804 | 600 |
| Deduction of commuting expenses | 1 404 | 834 | 1 683 |
| Membership fees in labour market organizations | 552 | 1 952 | 282 |
| Home loan interest | 2 684 | 1 393 | 1 926 |
| Deduction for pension insurance | 3 810 | 2 681 | 1 421 |
| State taxation | | | |
| Pension allowance | 10 073 | 1 383 | 7 285 |
| Municipal taxation | | | |
| Basic allowance | 808 | 1 150 | 703 |
| Disabled person's allowance | 79 | 235 | 338 |
| Student grant allowance | 149 | 167 | 891 |
| Earned income allowance | 6 763 | 2 610 | 2 591 |
| Pension allowance | 3 997 | 1 000 | 3 998 |
| Credit for the deficit in the investment income category | 830 | 1 504 | 552 |
| For home loan interest | 672 | 1 272 | 529 |
| For first-time homebuyer's loan interest | 167 | 210 | 794 |
| Tax credits | | | |
| Earned income deduction | 826 | 2 586 | 319 |
| Tax credit for domestic costs | 219 | 311 | 705 |

Finlands taxes, 2008

| | € million | % of total tax amount |
|---|---------------|-----------------------|
| State taxes and other similar fees | 39 681 | 49,8 |
| Taxes levied on the basis of income and capital | 15 158 | 19 |
| Tax on income and capital | 13 961 | |
| Church tax on corporate bodies | 114 | |
| Inheritance and gift tax | 651 | |
| Tax withheld at source from interest income | 432 | |
| Taxes on goods and services | 16 166 | 20,2 |
| Value added tax | 15 511 | |
| Tax on certain insurance premiums | 536 | |
| Pharmacy fees | 119 | |
| Excise duty | 5 010 | 6,3 |
| Excise duty on tobacco | 627 | |
| Excise duty on alcoholic beverages | 1 114 | |
| Excise duty on soft drinks | 35 | |
| Excise duty on fuels | 3 219 | |
| Environmental tax on beverage bottles and cans | 15 | |
| Other taxes | 2 347 | 2,9 |
| Transfer tax | 483 | |
| Car tax | 1 016 | |
| Tax on lottery prizes | 138 | |
| Tax on certain vehicles | 637 | |
| Tax on waste | 52 | |
| Tax on rail | 21 | |
| Other tax-like revenues | 931 | 1,2 |
| Seamens' welfare and rescue levy | 1 | |
| State share of pool and lottery profits and Profits of the Slot Machine Association | 829 | |
| Forest management fees, hunting and fishing licences | 24 | |
| Penalty interests, other sanctions and tax increases | 73 | |
| Oil waste duty | 4 | |

| | € million | % of total tax amount |
|--|---------------|-----------------------|
| Tax revenue from outside the state budget | 69 | 0,1 |
| Oil damage levy | 8 | |
| Fire insurance duty | 8 | |
| Strategic stockpile fee | 49 | |
| Nuclearenergy research fee | 4 | |
| Municipal taxes | 17 481 | 21,9 |
| Municipal tax | 16 560 | |
| Tax on dogs | 3 | |
| Real property tax | 914 | |
| Other taxes | 4 | |
| Insurance and social security contributions to the Social Insurance Institution | 4 023 | 5,2 |
| National pension contributions | 1 540 | |
| Employers' national pension schemes | 1 076 | |
| Employers' national health insurance contributions | 1 407 | |
| For employment pension schemes | 16 701 | 20,3 |
| Employees' | 3 845 | |
| Employers' | 12 856 | |
| For unemployment schemes | 1 583 | 2,2 |
| Employees | 240 | |
| Employers' | 1 343 | |
| Taxes and levies profited to the EU | 206 | 0,3 |
| Taxes total | 79 675 | 100,0 |

Source: Statistics Finland
Church tax € 868 million, on individuals, not included in table.

Gross accrual of taxes, 2008 and 2009

| | 2008 € million | 2009 € million | % change |
|--|-------------------|-------------------|----------|
| Taxes paid without prompting | 51 758 | 48 020 | -7,2 |
| Employers' contributions and other un-prompted taxes | 32 019 | 29 967 | -6,4 |
| Value added tax | 19 739 | 18 053 | -8,5 |
| Taxes imposed | 11 795 | 9 433 | -20,0 |
| Gross accrual of tax revenue, total | 63 554 | 57 953 | -9,6 |



Maximum marginal income tax rates, by country, 2008

| | Individuals | Corporate |
|----------------|-------------|-----------|
| Finland | 55,6 | 26,0 |
| Sweden | 56,4 | 28,0 |
| Norway | 47,8 | 28,0 |
| Denmark | 63,0 | 25,0 |
| Iceland | 34,3 | 18,0 |
| Germany | 47,5 | 30,2 |
| Holland | 52,0 | 25,5 |
| Belgium | 59,4 | 34,0 |
| Austria | 42,7 | 25,0 |
| Luxemburg | 46,9 | 29,6 |
| France | 49,8 | 34,4 |
| Switzerland | 47,5 | 21,2 |
| United Kingdom | 41,0 | 28,0 |
| Ireland | 47,0 | 12,5 |
| Italy | 50,7 | 27,5 |
| Spain | 43,0 | 30,0 |
| Portugal | 48,4 | 26,5 |
| Greece | 49,6 | 25,0 |
| Australia | 46,5 | 30,0 |
| Canada | 46,4 | 31,7 |
| United States | 43,2 | 39,2 |
| Japan | 47,8 | 39,5 |

Source: OECD

Income tax scale for 2010

| Taxable income € | Basic tax € | Rate within brackets % |
|------------------|----------------|------------------------------|
| 15 200 - 22 600 | 8 | 6,5 |
| 22 600 - 36 800 | 489 | 17,5 |
| 36 800 - 66 400 | 2 974 | 21,5 |
| 66 400 - | 9 338 | 30,0 |

For corporations, the income tax rate is 26 %.

Basic health insurance contribution 1.47 %, (for pensioners and recipients of social benefits 1.64 %).

Earned income contribution 0.93 %, (for self-employed 1.05 %).

Employee's pension contribution is 4.5 % or 5.7 % and unemployment insurance contribution 0.4 % of wages.



Breakdown of wage earners, by basic withholding rates, 2010

| Basic rate | Quantities | % |
|--------------|------------------|--------------|
| 0 - 10 | 838 780 | 27,2 |
| 11 - 20 | 1 168 030 | 37,9 |
| 21 - 25 | 588 350 | 19,1 |
| 26 - 30 | 325 244 | 10,5 |
| 31 - 40 | 153 923 | 5,0 |
| 41 - 50 | 9 336 | 0,3 |
| 51 - | 88 | 0,0 |
| Total | 3 083 751 | 100,0 |

Breakdown of pension earners, by basic withholding rates, 2010

| Basic rate | Quantities | % |
|--------------|------------------|--------------|
| 0 - 5 | 379 680 | 28,4 |
| 6 - 10 | 158 991 | 11,9 |
| 11 - 15 | 219 573 | 16,4 |
| 16 - 20 | 255 196 | 19,1 |
| 21 - 30 | 279 538 | 20,9 |
| 31 - 35 | 33 767 | 2,5 |
| 36 - 40 | 6 125 | 0,5 |
| 41 - 50 | 1 735 | 0,1 |
| 51 - | 366 | 0,0 |
| Total | 1 334 971 | 100,0 |

Maximum amounts of tax refunds in municipal and state taxation, 2008–2010

| | 2008 € | 2009 € | 2010 € |
|---|-----------|-----------|-----------|
| Deductions and allowances granted on earned income both in state and municipal income taxation | | | |
| Discretionary allowance for circumstantial incapacity to pay taxes | 1 400 | 1 400 | 1 400 |
| Standard deduction for work-related expenses | 620 | 620 | 620 |
| Deduction for temporary quarters | 3 000 | 3 000 | 3 000 |
| Deduction of commuting expenses | 7 000 | 7 000 | 7 000 |
| Taxpayer's de minimis | 500 | 600 | 600 |
| Deductions and allowances granted on capital income | | | |
| Voluntary pension insurance premiums | 5 000 | 5 000 | 5 000 |
| Deductions and allowances granted in state income taxation | | | |
| Pension allowance | 11 060 | 12 490 | 11 300 |
| Deduction granted to sailors | 6 650 | 6 650 | 6 650 |
| Deductions and allowances granted in municipal income taxation | | | |
| Disabled person's allowance | 440 | 440 | 440 |
| Deduction granted to sailors | 11 350 | 11 350 | 11 350 |
| Deduction from earned income | 3 570 | 3 570 | 3 570 |
| Student grant allowance | 2 300 | 2 600 | 2 600 |
| Pension allowances | - | 8 130 | 8 130 |
| Singles | 7 710 | - | - |
| Spouses | 6 670 | - | - |
| Basic allowance | 1 480 | 1 480 | 2 200 |

| | 2008 € | 2009 € | 2010 € |
|--|-----------|-----------|-----------|
| Credits from tax in state taxation | | | |
| Deduction from earned income | 400 | - | - |
| Maintenance credit | 80 | 80 | 80 |
| Disabled person's allowance | 115 | 115 | 115 |
| Credits from tax on earned income | | | |
| Earned income allowance from work | - | 600 | 650 |
| Credit for the deficit in the investment income category | 1 400 | 1 400 | 1 400 |
| One child | 400 | 400 | 400 |
| At least two children | 800 | 800 | 800 |
| Credit for domestic work | - | 3 000 | 3 000 |
| Domestic etc. work | 2 300 | - | - |
| Home repair | 1 150 | - | - |

VAT rates in EU member countries, 2010

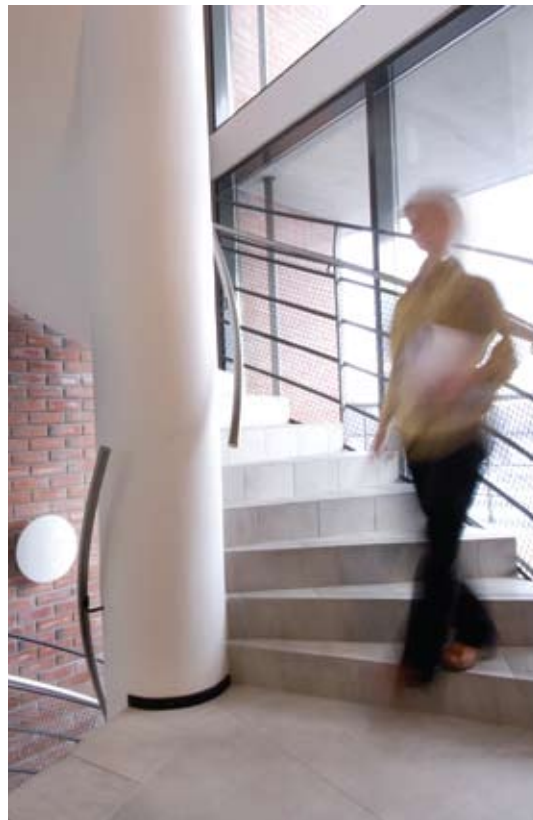
VAT rates on tax-free price %

| | General rates | Reduced rates |
|----------------|---------------|---------------|
| Finland | 22 | 12/8 |
| Sweden | 25 | 12/6 |
| Denmark | 25 | - |
| Estonia | 20 | 9 |
| Latvia | 21 | 10 |
| Lithuania | 21 | 9/5 |
| Germany | 19 | 7 |
| Holland | 19 | 6 |
| Belgium | 21 | 12/6 |
| Austria | 20 | 12/10 |
| Luxemburg | 15 | 12/9/6/3 |
| France | 19,6 | 5,5/2,1 |
| United Kingdom | 17,5 | 5 |
| Ireland | 21 | 13,5/4,8 |
| Italy | 20 | 10/4 |
| Spain | 18 | 8/4 |
| Portugal | 20 | 12/5 |
| Greece | 19 | 9/4,5 |
| Cyprus | 15 | 5 |
| Malta | 18 | 5 |
| Czech Republic | 20 | 10 |
| Slovakia | 19 | 10 |
| Poland | 22 | 7/3 |
| Hungary | 25 | 5 |
| Slovenia | 20 | 8,5 |
| Romania | 19 | 9 |
| Bulgaria | 20 | 7 |

Source: OECD

In most Continental countries reduced tax rates are applied to foodstuffs and certain other basic commodities.

The VAT base varies from one country to another.



GDP, taxes, net taxes and central government debt, 1990–2009

| Year | GDP € million | Taxes ¹⁾ % | Net taxes ²⁾ % | General government debt ³⁾ % |
|--------------|------------------|--------------------------|------------------------------|--|
| 1990 | 85 178 | 43,7 | 23,7 | 10,7 |
| 1991 | 82 971 | 45,4 | 20,6 | 17,1 |
| 1992 | 83 891 | 45,0 | 16,1 | 33,2 |
| 1993 | 88 343 | 44,4 | 13,0 | 48,7 |
| 1994 | 95 986 | 46,8 | 15,5 | 53,9 |
| 1995 | 99 065 | 45,7 | 15,0 | 60,7 |
| 1996 | 107 312 | 47,1 | 18,6 | 61,6 |
| 1997 | 116 548 | 46,4 | 20,8 | 59,9 |
| 1998 | 122 222 | 46,3 | 22,4 | 57,1 |
| 1999 | 132 110 | 46,0 | 22,2 | 51,5 |
| 2000 | 139 198 | 47,2 | 25,5 | 45,6 |
| 2001 | 139 198 | 44,8 | 23,4 | 44,4 |
| 2002 | 143 541 | 44,7 | 22,8 | 41,3 |
| 2003 | 145 416 | 44,1 | 21,6 | 43,5 |
| 2004 | 152 148 | 43,5 | 21,1 | 41,9 |
| 2005 | 157 307 | 43,9 | 21,5 | 38,2 |
| 2006 | 165 643 | 43,8 | 21,9 | 35,6 |
| 2007 | 179 536 | 43,0 | 22,3 | 31,2 |
| 2008 | 184 179 | 43,3 | 21,8 | 29,5 |
| 2009* | 170 971 | 43,0 | 18,4 | 37,6 |

Source: Statistics Finland

¹⁾ Taxes as % of GDP.

²⁾ The difference between taxes and income transfers by public authorities as % of GDP.

³⁾ Central government debt, % of GDP.

*) Preliminary data

Different tax types as percentages of tax revenues, 1990–2009

| Year | Public sector tax revenue € million | Income and property tax ¹⁾ % | Social security contr. ²⁾ % | Consumption taxes etc. ³⁾ % |
|--------------|--|--|---|--|
| 1990 | 39 050 | 42,8 | 21,9 | 35,3 |
| 1991 | 38 649 | 41,2 | 24,3 | 34,5 |
| 1992 | 37 307 | 41,8 | 23,5 | 34,7 |
| 1993 | 37 280 | 38,5 | 26,4 | 35,1 |
| 1994 | 41 306 | 40,0 | 26,2 | 33,8 |
| 1995 | 43 857 | 39,5 | 26,9 | 33,6 |
| 1996 | 46 641 | 41,3 | 25,7 | 33,0 |
| 1997 | 49 780 | 40,5 | 25,0 | 34,5 |
| 1998 | 53 952 | 41,1 | 25,2 | 33,8 |
| 1999 | 56 165 | 40,6 | 25,5 | 33,9 |
| 2000 | 62 415 | 43,7 | 23,6 | 31,7 |
| 2001 | 62 335 | 42,3 | 25,2 | 32,5 |
| 2002 | 64 191 | 41,8 | 24,9 | 33,3 |
| 2003 | 64 187 | 40,0 | 25,2 | 34,9 |
| 2004 | 66 191 | 39,8 | 25,3 | 34,8 |
| 2005 | 69 120 | 39,6 | 25,9 | 34,6 |
| 2006 | 72 615 | 39,8 | 25,9 | 34,4 |
| 2007 | 77 264 | 40,8 | 25,7 | 33,5 |
| 2008 | 79 675 | 40,2 | 26,1 | 33,7 |
| 2009* | 73 551 | 37,5 | 27,7 | 34,8 |

Source: Statistics Finland

¹⁾ Includes national pension and health insurance contributions.

²⁾ Includes employment pension and other social security contributions, excluding the national pension and health insurance contributions.

*) Preliminary data

Excess tax withheld, and additional taxes, by taxpayer category, 2008

| Taxpayer category | Quantities of refund recipients | Tax refunds € million | Quantities of payers of additional tax | Additional payments total € million |
|--|---------------------------------|-----------------------|--|-------------------------------------|
| Individuals and estates, total | 3 377 912 | 2 151 | 672 293 | 868 |
| Wage earners | 2 104 443 | 1 577 | 316 088 | 376 |
| Farmers and forestry entrepreneurs | 124 033 | 148 | 52 995 | 103 |
| Business entrepreneurs and self-employed | 84 613 | 143 | 66 763 | 195 |
| Pensioners | 822 063 | 172 | 123 033 | 55 |
| Other individuals | 226 461 | 100 | 92 461 | 119 |
| Estates of deceased persons | 16 229 | 11 | 20 953 | 19 |
| Corporates bodies total | 41 381 | 479 | 40 669 | 334 |
| Limited companies | 38 355 | 444 | 34 870 | 310 |
| Co-operative societies | 488 | 7 | 455 | 1 |
| Associations, institutions, etc. | 1 512 | 9 | 2 674 | 4 |
| Housing companies | 218 | 1 | 1 091 | 3 |
| Other legal societies | 808 | 19 | 1 579 | 16 |
| Taxpayers total | 3 419 293 | 2 630 | 712 962 | 1 202 |

Tax arrears by tax type, 2007–2009

| | 31.12.07 | 31.12.08 | € million 31.12.09 |
|---|--------------|--------------|------------------------------|
| Income tax and prepayments | 1 213 | 1 240 | 1 447 |
| VAT | 1 186 | 1 244 | 1 369 |
| Employers' contributions and withheld tax | 630 | 627 | 704 |
| Tax on inheritance and gifts | 20 | 23 | 19 |
| Real property tax | 8 | 9 | 10 |
| Other taxes | 19 | 23 | 25 |
| Tax arrears, total | 3 076 | 3 166 | 3 575 |

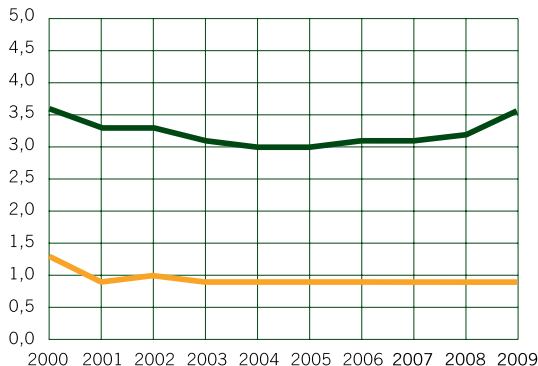
Criminal cases initiated by the Tax Administration 2005–2009

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------|------|------|------|------|-------------|
| Tax offences | 582 | 688 | 666 | 548 | 588 |

Trends in tax collection, 2000–2009

| Year | Tax arrears € billion | Tax debts transferred for enforcement € billion |
|-------------|--------------------------|--|
| 2000 | 3,6 | 1,3 |
| 2001 | 3,3 | 0,9 |
| 2002 | 3,3 | 1,0 |
| 2003 | 3,1 | 0,9 |
| 2004 | 3,0 | 0,9 |
| 2005 | 3,0 | 0,9 |
| 2006 | 3,1 | 0,9 |
| 2007 | 3,1 | 0,9 |
| 2008 | 3,2 | 0,9 |
| 2009 | 3,6 | 0,9 |

€ billion



— Tax arrears € billion
— Tax debts transferred for enforcement € billion

Number of closed tax examinations, 2007–2009

| | 2007 number | 2008 number | 2009 number |
|--|----------------|----------------|----------------|
| Regional units | | | |
| Tax audits | 2 793 | 2 726 | 2 801 |
| Control visits | 429 | 230 | 249 |
| Auditing of spontaneous information | 78 | 82 | 73 |
| Tax offices | | | |
| Tax audits | 999 | 954 | 697 |
| Control visits | 859 | 857 | 723 |
| Auditing of spontaneous information | 9 | 8 | 9 |
| Total control activities | 5 167 | 4 857 | 4 552 |
| Tax audits of the underground economy | 807 | 821 | 802 |

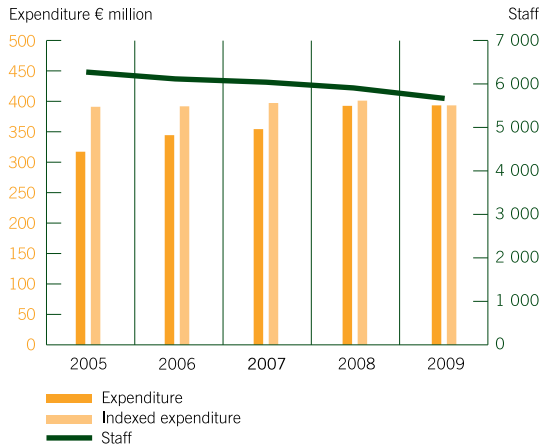
Results of tax examinations, 2007–2009

| | 2007 € million | 2008 € million | 2009 € million |
|----------------|-------------------|-------------------|-------------------|
| Direct taxes | 156 | 168 | 193 |
| Indirect taxes | 56 | 68 | 58 |
| Withheld taxes | 54 | 52 | 49 |
| Total | 266 | 288 | 300 |

Tax Administration staff, 2005–2009

| | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------|-------|-------|-------|-------|--------------|
| Tax Administration | 6 285 | 6 133 | 6 054 | 5 932 | 5 679 |

Finnish Tax Administration costs and staff, 2004–2008,
€ adjusted to reflect 2008 price levels



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