

Brief statistics



2016



VERO
SKATT

TAXATION IN FINLAND

- › Finland's taxation is subject to decisions by the Finnish Parliament, the European Union and the municipalities of Finland. It is governed by tax legislation, which is prepared by the Ministry of Finance and enacted by the Parliament.
- › The Tax Administration collects two thirds of all taxes and tax-like charges. In addition to the Tax Administration, taxes and charges are collected by the Customs and Trafi, the Transport Safety Agency. The Customs collects excise duties and import duties, whereas Trafi collects motor vehicle taxes.
- › Income received by individual taxpayers is divided in earned income and capital income. Earned income consists of pay from employment, pensions and social benefits. Capital income consists of sources such as dividends, rental income and income from selling property.
- › Capital income and earned income are taxed differently: capital income is taxed according to a fixed rate and earned income according to a progressive tax scale, where the rate increases as income increases.
- › Taxpayers may deduct any costs incurred when acquiring or maintaining the income.
- › The income tax rate for incorporated companies and other entities is fixed.
- › Value added tax (VAT) is a consumption tax which the consumer pays when buying goods or services. The rate of VAT is fixed. Businesses pay VAT on their sales to the State each month.

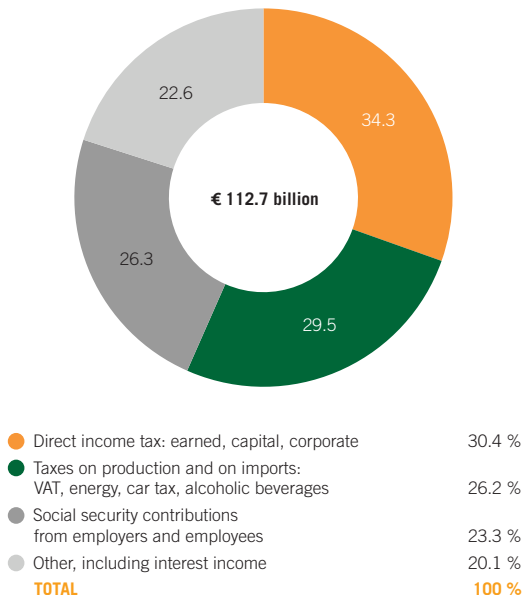
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INCOME OF PUBLIC BODIES, 2014

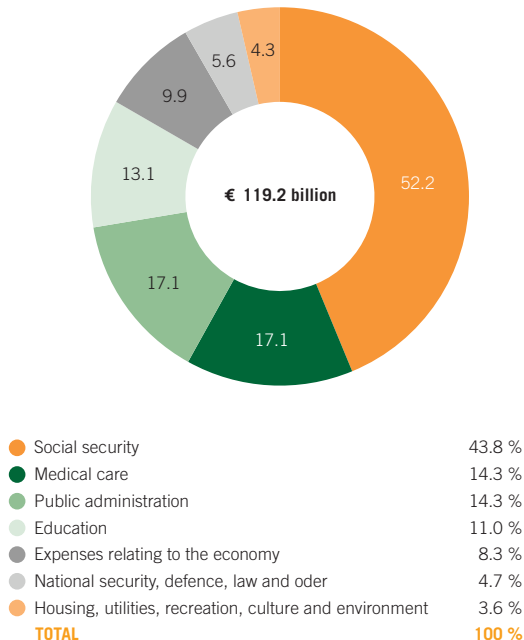
Public finances is what is made up by the State of Finland, Finnish municipalities, the Provincial Government of Åland Islands, employment pension and other social security institutions.

Biggest income items in euros 2014



Source: Statistics Finland, National accounts

EXPENSES OF PUBLIC BODIES, 2014



Source: Statistics Finland, National accounts

TAX REVENUE IN FINLAND 2014

| | € million | % of total taxes |
|--|---------------|------------------|
| State taxes and other similar fees | 43,045 | 47.1 |
| Taxes on income and property | 12,875 | 14.1 |
| Income tax | 11,575 | 12.7 |
| Individual income tax | 9,142 | 10.0 |
| Corporate income tax | 2,433 | 2.7 |
| Inheritance and gift tax | 499 | 0.5 |
| Tax withheld at source from interest income | 142 | 0.2 |
| Bank tax | 138 | 0.2 |
| Public Broadcasting Tax* | 521 | 0.6 |
| Taxes on goods and services | 19,855 | 21.7 |
| Value added tax | 18,948 | 20.7 |
| Tax on insurance premiums | 750 | 0.8 |
| Pharmacy fees | 157 | 0.2 |
| Excise duty | 6,286 | 6.9 |
| Excise duty on tobacco | 788 | 0.9 |
| Excise duty on alcoholic beverages | 1,381 | 1.5 |
| Excise duty on sweets, ice cream and soft drinks | 257 | 0.3 |
| Fuel tax | 3,846 | 4.2 |
| Environmental tax on beverage bottles and cans | 14 | 0.0 |
| Other taxes | 2,817 | 3.1 |
| Transfer tax | 708 | 0.8 |
| Car tax | 916 | 1.0 |
| Tax on lottery prizes | 218 | 0.2 |
| Tax on certain vehicles | 877 | 1.0 |
| Tax on waste | 44 | 0.0 |
| Tax on rails | 18 | 0.0 |
| Vehicle registration fee | 36 | 0.0 |
| Other tax-like charges | 1,125 | 1.2 |
| Seafarers' welfare and rescue levy ¹⁾ | 1 | 0.0 |
| State share of lottery profits and the profits of the Slot Machine Association | 963 | 1.1 |
| Forest management fees, hunting and fishing licences | 23 | 0.0 |
| Penalty interests, other sanctions and tax increases | 76 | 0.1 |

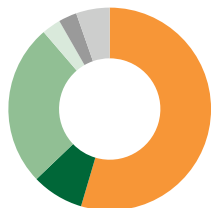
| | € million | % of total taxes |
|--|---------------|------------------|
| Oil waste duty | 3 | 0.0 |
| Income from emissions permit selling | 59 | 0.1 |
| Tax revenue from outside the state budget | 87 | 0.1 |
| Oil damage levy | 25 | 0.0 |
| Fire insurance duty | 11 | 0.0 |
| Strategic stockpile fee | 43 | 0.0 |
| Nuclear energy research fee | 8 | 0.0 |
| Municipal taxes | 21,159 | 23.1 |
| Municipal tax | 19,645 | 21.5 |
| - paid by individuals | 18,233 | 19.9 |
| - paid by corporate taxpayers | 1,412 | 1.5 |
| Tax on dogs | 1 | 0.0 |
| Real property tax | 1,512 | 1.7 |
| Other taxes | 1 | 0.0 |
| Taxes going to churches | 1,037 | 1.1 |
| Church Tax paid by individuals* | 926 | 1.0 |
| Church Tax paid by corporate taxpayers | 111 | 0.1 |
| Insurance and social security contributions to the Social Insurance Institution | 3,659 | 4.0 |
| Workers' health insurance contributions | 1,865 | 2.1 |
| Employers' health insurance contributions | 1,612 | 1.8 |
| For employment pension schemes, total | 20,388 | 22.3 |
| Employers' | 14,603 | 16.0 |
| Employees' | 5,785 | 6.3 |
| For unemployment schemes, total | 1,964 | 2.1 |
| Employers' | 1,586 | 1.7 |
| Employees' | 378 | 0.4 |
| Taxes and fees paid forward to the EU | 171 | 0.2 |
| TAXES TOTAL | 91,423 | 100.0 |

Source: Statistics Finland, National Accounts

1) The welfare and rescue levy is a tax-like charge for the benefit of seafarers.
* Source: Finnish Tax Administration. Public Broadcasting Tax of individuals and corporations is not included in the national accounts, nor is the church tax of individuals.

TAX REVENUE COLLECTED BY THE TAX ADMINISTRATION IN 2014 AND 2015

| | 2014 € million | 2015 € million | % change |
|---------------------------------|-------------------|-------------------|-------------|
| Income tax; individuals | 29,468.8 | 30,081.1 | 2.1 |
| Income tax; corporate taxpayers | 3,987.4 | 4,567.2 | 14.5 |
| VAT | 14,135.5 | 14,248.2 | 0.8 |
| Social security contributions | 1,689.5 | 1,663.4 | -1.5 |
| Real estate tax | 1,512.0 | 1,605.0 | 6.2 |
| Other taxes | 3,185.9 | 2,958.5 | -7.1 |
| TOTAL | 53,979.1 | 55,123.4 | 2.1 |



| | |
|---------------------------------|--------------|
| Income tax; individuals | 54.6 % |
| Income tax; corporate taxpayers | 8.3 % |
| VAT | 25.8 % |
| Other taxes | 3.0 % |
| Social security contributions | 2.9 % |
| Real estate tax | 5.4 % |
| TOTALS | 100 % |

GDP, TAXES, NET TAXES AND CENTRAL GOVERNMENT DEBT, 1995–2014

| Year | GDP € million | Taxes ¹⁾ % | Net taxes ²⁾ % | Central government debt ³⁾ % |
|-------|------------------|--------------------------|------------------------------|--|
| 1995 | 98,556 | 44.5 | 14.5 | 61.0 |
| 1996 | 102,060 | 45.7 | 18.1 | 64.8 |
| 1997 | 110,738 | 45.0 | 20.2 | 63.0 |
| 1998 | 120,382 | 44.8 | 21.6 | 58.0 |
| 1999 | 126,923 | 44.3 | 21.4 | 53.6 |
| 2000 | 136,261 | 45.8 | 24.8 | 46.6 |
| 2001 | 144,437 | 43.2 | 22.6 | 42.8 |
| 2002 | 148,289 | 43.3 | 22.1 | 40.0 |
| 2003 | 151,569 | 42.4 | 20.9 | 41.8 |
| 2004 | 158,477 | 41.8 | 20.4 | 40.3 |
| 2005 | 164,387 | 42.1 | 20.7 | 36.5 |
| 2006 | 172,614 | 42.2 | 21.2 | 34.1 |
| 2007 | 186,584 | 41.5 | 21.6 | 30.0 |
| 2008 | 193,711 | 41.2 | 20.9 | 28.1 |
| 2009 | 181,029 | 40.9 | 17.3 | 35.5 |
| 2010 | 187,100 | 40.8 | 17.0 | 40.2 |
| 2011 | 196,869 | 42.0 | 18.4 | 40.5 |
| 2012 | 199,793 | 42.8 | 18.2 | 42.0 |
| 2013* | 202,743 | 43.7 | 18.5 | 44.3 |
| 2014* | 205,178 | 43.9 | 17.8 | 46.4 |

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 information

DIFFERENT TAX TYPES AS PERCENTAGES OF TAX REVENUES, 1995–2014

| Year | Public sector tax revenue € million | Income and property tax ¹⁾ % | Social security contr. ²⁾ % | Consumption taxes etc. % |
|------|--|--|---|-----------------------------|
| 1995 | 43,855 | 41.5 | 26.9 | 31.5 |
| 1996 | 46,639 | 43.4 | 25.7 | 30.9 |
| 1997 | 49,792 | 42.5 | 25.0 | 32.6 |
| 1998 | 53,965 | 42.9 | 25.2 | 31.9 |
| 1999 | 56,180 | 42.5 | 25.5 | 32.0 |
| 2000 | 62,432 | 46.6 | 23.6 | 29.9 |
| 2001 | 62,354 | 44.4 | 25.2 | 30.5 |
| 2002 | 64,261 | 44.1 | 24.9 | 31.1 |
| 2003 | 64,247 | 42.1 | 25.2 | 32.8 |
| 2004 | 66,278 | 42.0 | 25.3 | 32.7 |
| 2005 | 69,230 | 41.6 | 25.8 | 32.6 |
| 2006 | 72,763 | 41.9 | 25.8 | 32.3 |
| 2007 | 77,447 | 42.9 | 25.6 | 31.5 |
| 2008 | 79,823 | 42.8 | 26.1 | 31.1 |
| 2009 | 74,103 | 39.9 | 27.6 | 32.6 |
| 2010 | 76,315 | 40.2 | 27.0 | 32.8 |
| 2011 | 82,750 | 39.4 | 26.7 | 33.9 |
| 2012 | 85,269 | 38.4 | 27.5 | 34.0 |
| 2013 | 88,589 | 39.3 | 26.8 | 33.9 |
| 2014 | 89,976 | 39.6 | 26.7 | 33.7 |

Source: Statistics Finland, National accounts

The church tax of individuals is not included in the national accounts.

1) Includes national pension and health insurance contributions.

2) Includes employment pension and other social security contributions; does not include national pension and health insurance contributions.

TAXES AND TAX-LIKE CHARGES, BREAKDOWN OF TAXES BY TAXPAYER CATEGORY 2014

| Taxpayer category | % of total tax amount 2014 | Taxes total € million |
|--|----------------------------|-----------------------|
| INDIVIDUALS, TOTAL | 87.2 | 29,895 |
| Wage earners | 57.7 | 19,794 |
| Pensioners | 16.4 | 5,630 |
| Farmers and forestry taxpayers | 2.2 | 746 |
| Business and self-employed | 3.0 | 1,021 |
| Main partners of limited companies, active partners of partnership companies | 2.7 | 921 |
| Other individuals | 5.0 | 1,703 |
| Estates of deceased persons | 0.2 | 81 |
| CORPORATE ENTITIES, TOTAL | 12.8 | 4,391 |
| Limited companies | 11.4 | 3,896 |
| Cooperative societies | 0.6 | 189 |
| Associations, institutions, etc. | 0.5 | 158 |
| Housing companies | 0.0 | 11 |
| Other legal persons | 0.4 | 136 |
| ALL TAXPAYERS, TOTAL | 100.0 | 34,286 |



STATE INCOME TAX AND ITS BREAKDOWN BY TAXPAYER CATEGORY 2014

| Taxpayer category | % of total state tax 2014 | State income tax 2014 € million |
|--|---------------------------|---------------------------------|
| INDIVIDUALS, TOTAL | 75.1 | 8,149 |
| Wage earners | 46.9 | 5,087 |
| Pensioners | 11.3 | 1,228 |
| Farmers and forestry taxpayers | 4.0 | 436 |
| Business and self-employed | 3.6 | 387 |
| Main partners of limited companies, active partners of partnership companies | 4.3 | 461 |
| Other individuals | 4.4 | 472 |
| Estates of deceased persons | 0.7 | 78 |
| CORPORATE ENTITIES, TOTAL ¹⁾ | 24.9 | 2,696 |
| Limited companies | 22.1 | 2,393 |
| Cooperative societies | 1.1 | 116 |
| Associations, institutions, etc. | 0.9 | 97 |
| Housing companies | 0.1 | 7 |
| Other legal persons | 0.8 | 84 |
| ALL TAXPAYERS, TOTAL | 100.0 | 10,845 |

1) The part of corporate income tax going to the state.



MUNICIPAL INCOME TAX AND ITS BREAKDOWN BY TAXPAYER CATEGORY 2014

| Taxpayer category | % of total municipal income tax 2014 | Municipal tax 2014 € million |
|--|--------------------------------------|------------------------------|
| INDIVIDUALS, TOTAL | 92.1 | 18,332 |
| Wage earners | 62.0 | 12,346 |
| Pensioners | 18.9 | 3,753 |
| Farmers and forestry taxpayers | 1.3 | 253 |
| Business and self-employed | 2.8 | 549 |
| Main partners of limited companies, active partners of partnership companies | 2.0 | 395 |
| Other individuals | 5.2 | 1,034 |
| Estates of deceased persons | 0.0 | 2 |
| CORPORATE ENTITIES, TOTAL ¹⁾ | 7.9 | 1,571 |
| Limited companies | 7.0 | 1,394 |
| Cooperative societies | 0.3 | 68 |
| Associations, institutions, etc. | 0.3 | 56 |
| Housing companies | 0.0 | 4 |
| Other legal persons | 0.2 | 49 |
| ALL TAXPAYERS, TOTAL | 100.0 | 19,903 |

1) The part of corporate income tax going to the state



DIRECT TAXES AND TAX-LIKE CHARGES IMPOSED ON THE BASIS OF INCOME 2000–2014

| Vuosi | 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 |
|--------------------|---|--|--|--|--------------------|
| 2000 | 13,312 | 13,155 | 766 | 1,066 | 28,299 |
| 2001 | 11,214 | 12,915 | 767 | 1,062 | 25,958 |
| 2002 | 11,605 | 12,553 | 790 | 1,006 | 25,954 |
| 2003 | 11,795 | 12,728 | 805 | 966 | 26,294 |
| 2004 | 12,100 | 13,023 | 821 | 984 | 26,928 |
| 2005 | 12,421 | 13,655 | 849 | 1,019 | 27,944 |
| 2006 ¹⁾ | 12,984 | 14,545 | 896 | 1,492 | 29,917 |
| 2007 | 14,047 | 15,800 | 953 | 1,539 | 32,339 |
| 2008 | 12,346 | 16,345 | 964 | 1,542 | 31,197 |
| 2009 | 9,504 | 16,497 | 957 | 1,610 | 28,568 |
| 2010 | 9,931 | 17,152 | 974 | 1,980 | 30,037 |
| 2011 | 10,376 | 17,977 | 992 | 1,714 | 31,059 |
| 2012 | 10,358 | 18,364 | 1,003 | 1,799 | 31,524 |
| 2013 ²⁾ | 11,523 | 19,066 | 1,026 | 1,847 | 33,462 |
| 2014 | 11,389 | 19,906 | 1,050 | 1,973 | 34,319 |

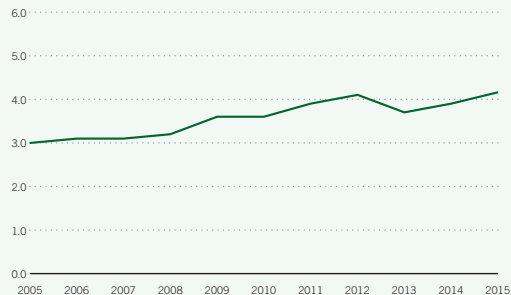
1) Wealth tax is not included since 2006.

2) Public broadcasting tax in force since January 2013.

TAX ARREARS BY TAX TYPE, 2013–2015

| | 2013 € million | 2014 € million | 2015 € million |
|---|-------------------|-------------------|-------------------|
| Income tax and prepayments | 1,438 | 1,579 | 1,884 |
| VAT | 1,482 | 1,478 | 1,487 |
| Employers' contributions and withheld tax | 728 | 722 | 706 |
| Tax on inheritance and gifts | 27 | 25 | 25 |
| Real property tax | 22 | 24 | 31 |
| Other taxes | 33 | 38 | 39 |
| TAX ARREARS, TOTAL | 3,730 | 3,866 | 4,172 |

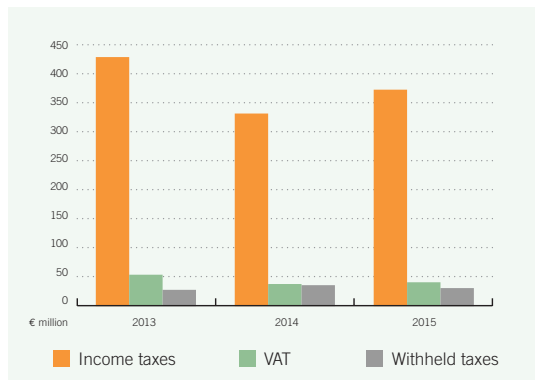
Tax arrears, Billion €



— Tax arrears, Billion €

TAXES DEBITED ON THE BASIS OF AUDITS BY THE TAX ADMINISTRATION 2013–2015

| | 2013 € million | 2014 € million | 2015 € million |
|----------------|-------------------|-------------------|-------------------|
| Income taxes | 428 | 331 | 372 |
| VAT | 54 | 38 | 41 |
| Withheld taxes | 28 | 36 | 31 |
| TOTAL | 510 | 405 | 444 |



INCOMES OF INDIVIDUALS IN 2014 STATE TAXATION

| Type of income | Total income € million | Number of earners | Average income € |
|--|---------------------------|----------------------|---------------------|
| EARNED INCOME | 122,711 | 4,575,662 | 26,818 |
| Employment income | 81,401 | 2,819,677 | 28,869 |
| Pension income | 28,870 | 1,617,256 | 17,851 |
| Unemployment benefits | 4,703 | 668,971 | 7,030 |
| Maternity and social benefits | 1,380 | 312,497 | 4,415 |
| Child home care allowance | 388 | 136,001 | 2,852 |
| CAPITAL INCOME | 10,864 | 2,682,388 | 4,050 |
| Taxable capital income | 9,072 | 1,489,954 | 6,089 |
| Capital gains | 4,237 | 383,709 | 11,041 |
| Rental income | 1,512 | 293,069 | 5,160 |
| Dividend income* | 3,926 | 934,835 | 4,200 |
| TOTAL INCOME | 133,575 | 4,726,920 | 28,258 |
| of which taxable | 131,783 | 4,687,796 | 28,112 |
| Enterprise and partnership incomes | | | |
| Agricultural income | 1,025 | 90,953 | 11,267 |
| Business income | 2,931 | 132,897 | 22,057 |
| Income from general and limited partnerships | 1,230 | 108,928 | 11,287 |

* Contains dividends treated both as capital income and earned income + the tax-exempt parts of dividends.

DIRECT TAXES AS PERCENTAGES OF TAXABLE INCOME, 2014

| Taxpayer category | State income taxes | Other direct taxes | Direct taxes total |
|--|--------------------|--------------------|--------------------|
| Wage earners | 6.0 | 17.5 | 23.5 |
| Pensioners | 4.3 | 15.4 | 19.7 |
| Farmers and forestry taxpayers | 15.3 | 10.9 | 26.2 |
| Business operators and the self employed | 10.8 | 17.6 | 28.4 |
| Main partners of limited companies, active partners of partnership companies | 14.8 | 14.8 | 29.6 |
| Other individuals | 5.1 | 13.3 | 18.3 |
| Estates of deceased persons | 27.6 | 1.0 | 28.6 |
| INDIVIDUALS TOTAL | 6.2 | 16.5 | 22.7 |

INCOME EARNERS, TAXABLE INCOME AND TAXES BY CLASS, 2014

| Taxable income € | Number of income earners | Income earners % distribution | Taxable income % distribution | Taxes % of income |
|------------------|--------------------------|-------------------------------|-------------------------------|-------------------|
| 1–4,999 | 477,828 | 10.2 | 0.6 | 4.3 |
| 5,000–9,999 | 461,552 | 9.9 | 2.9 | 7.4 |
| 10,000–14,999 | 586,069 | 12.5 | 5.6 | 8.6 |
| 15,000–19,999 | 520,770 | 11.1 | 6.9 | 14.0 |
| 20,000–24,999 | 466,378 | 10.0 | 8.0 | 17.1 |
| 25,000–34,999 | 893,722 | 19.1 | 20.2 | 19.2 |
| 35,000–54,999 | 860,081 | 18.4 | 28.0 | 24.0 |
| 55,000–74,999 | 246,908 | 5.3 | 11.8 | 29.0 |
| 75,000–99,999 | 95,847 | 2.0 | 6.2 | 32.3 |
| 100,000–149,999 | 49,607 | 1.1 | 4.5 | 35.9 |
| 150,000–299,999 | 19,107 | 0.4 | 2.8 | 38.6 |
| 300,000– | 4,703 | 0.1 | 2.6 | 36.0 |
| TOTAL | 4,682,572 | 100 | 100 | 22.4 |

IMPORTANT TAX DEDUCTIONS, 2012–2014

| Deduction | 2012 € million | 2013 € million |
|---|-------------------|-------------------|
| State and municipal taxation | | |
| TOTAL EXPENSES FOR THE PRODUCTION OF INCOME | 4,120 | 4,178 |
| Expenses for the production of income, € 620 | 1,676 | 1,666 |
| Deduction of commuting expenses | 1,545 | 1,580 |
| Trade union fees and unemployment insurance premiums deducted | 619 | 624 |
| Deduction for pension insurance | 5,073 | 5,087 |
| State taxation | | |
| Pension allowance | 11,270 | 12,575 |
| Home loan interest | 1,424 | 1,046 |
| Student loan interest | 39 | 30 |
| Municipal taxation | | |
| Basic allowance | 2,763 | 2,761 |
| Disabled person's allowance | 66 | 64 |
| Student grant allowance | 181 | 184 |
| Earned income allowance | 6,433 | 6,344 |
| Pension allowance | 5,685 | 5,977 |
| Tax credits | | |
| Credit for the deficit in capital income | 418 | 293 |
| For home loan interest | 318 | 217 |
| For first-time homebuyers' loan interest | 67 | 42 |
| Earned income credit | 1,972 | 1,972 |
| Disabled persons' tax credit | 72 | 72 |
| Tax credit for domestic costs | 302 | 325 |

| Deduction | 2014 € million | 1,000 persons | Average € |
|---|-------------------|------------------|--------------|
| State and municipal taxation | | | |
| TOTAL EXPENSES FOR THE PRODUCTION OF INCOME | 4,210 | 2,939 | 1,433 |
| Expenses for the production of income, € 620 | 1,572 | 2,617 | 601 |
| Deduction of commuting expenses | 2,140 | 852 | 2,511 |
| Trade union fees and unemployment insurance premiums deducted | 644 | 2,008 | 321 |
| Deduction for pension insurance | 4,995 | 2,546 | 1,962 |
| State taxation | | | |
| Pension allowance | 12,687 | 1,511 | 8,395 |
| Home loan interest | 1,063 | 1,261 | 843 |
| Student loan interest | 28 | 361 | 78 |
| Municipal taxation | | | |
| Basic allowance | 2,915 | 1,960 | 1,487 |
| Disabled person's allowance | 61 | 183 | 333 |
| Student grant allowance | 192 | 179 | 1,073 |
| Earned income allowance | 6,258 | 2,550 | 2,454 |
| Pension allowance | 6,077 | 1,217 | 4,992 |
| Tax credits | | | |
| Credit for the deficit in capital income | 269 | 1,496 | 180 |
| For home loan interest | 199 | 1,272 | 156 |
| For first-time homebuyers' loan interest | 37 | 170 | 219 |
| Earned income credit | 2,065 | 2,594 | 796 |
| Disabled persons' tax credit | 72 | 688 | 105 |
| Tax credit for domestic costs | 359 | 381 | 942 |

MAXIMUM DEDUCTIONS IN STATE AND MUNICIPAL TAXATION 2013–2016

| | 2013 | 2014 | 2015 | 2016 |
|---|--------|--------|--------|--------|
| | € | € | € | € |
| Deductions and allowances on earned income, both in state and municipal taxation | | | | |
| Discretionary allowance for circumstantial incapacity to pay taxes | 1,400 | 1,400 | 1,400 | 1,400 |
| Standard deduction for work-related expenses | 620 | 620 | 620 | 620 |
| Deduction for temporary quarters | 3,000 | 3,000 | 3,000 | 3,000 |
| Deduction of commuting expenses | 7,000 | 7,000 | 7,000 | 7,000 |
| Taxpayer's own liability for deduction of commuting expenses | 600 | 600 | 750 | 750 |
| Deductions from capital income in state and municipal taxation | | | | |
| Voluntary pension insurance premiums | 5,000 | 5,000 | 5,000 | 5,000 |
| Deductions and allowances granted in state taxation | | | | |
| Pension allowance | 11,660 | 12,630 | 12,540 | 12,230 |
| Deduction granted to sailors | 6,650 | 6,650 | 6,650 | 7,000 |
| Deductions and allowances granted in municipal income taxation | | | | |
| Disabled person's allowance | 440 | 440 | 440 | 440 |
| Seafarer's deduction | 11,350 | 11,350 | 11,350 | 7,000 |
| Deduction from earned income | 3,570 | 3,570 | 3,570 | 3,570 |
| Student grant allowance | 2,600 | 2,600 | 2,600 | 2,600 |
| Pension allowances | 8,530 | 8,880 | 9,140 | 9,110 |
| Basic allowance | 2,850 | 2,880 | 2,970 | 3,020 |
| Credits from tax in state taxation | | | | |
| Maintenance credit | 80 | 80 | 80 | 80 |
| Disabled person's allowance | 115 | 115 | 115 | 115 |
| Credits from tax on earned income | | | | |
| Earned income allowance | 945 | 970 | 1,025 | 1,260 |
| Credit for the deficit in capital income | 1,400 | 1,400 | 1,400 | 1,400 |
| Credit raise for one child | 400 | 400 | 400 | 400 |
| Credit raise for at least two children | 800 | 800 | 800 | 800 |
| Credit for domestic work | 2,000 | 2,000 | 2,400 | 2,400 |
| Own liability threshold | 100 | 100 | 100 | 100 |

INCOME TAX SCALE FOR 2016

Scale

| Taxable income € | Basic tax € | Rate with brackets % |
|------------------|-------------|----------------------|
| 16,700 - 25,000 | 8.00 | 6.5 |
| 25,000 - 40,800 | 547.50 | 17.5 |
| 40,800 - 72,300 | 3,312.50 | 21.5 |
| 72,300 - | 10,085.00 | 31.75 |

Income tax rate is 20 % for corporate taxpayers.

Tax rate for capital income 30.0 % and 34.0 % for incomes in excess of € 30,000.

Healthcare contribution payment is 1.30 %
(for pensioners and recipients of social benefits it is 1.47 %).

Earned income contribution 0.82 %, (0.95 % for the self-employed).

The employee's pension contribution 5.70 % (ages 18-52) or 7.20 % (ages 53-67)

Employee's unemployment insurance contribution is 1.15 %.

The public broadcasting tax rate is 0.68 and the amount is 70-143 euros.

Average rate of municipal tax is 19.86 %.

Average Church Tax rate is 1.43 %.

The child credit is € 50 for each minor child in the parent's custody. It is given for four children at the most. For single parents the credit is € 100 per child, if no one else has custody of the child. If the parent's net taxable earned income and capital income exceed 36,000 euros, the credit is reduced by 1 per cent of the amount that exceeds the limit.

BREAKDOWN OF WAGE EARNERS, BY BASIC WITHHOLDING RATES, 2016

| Basic rate | Number | % |
|--------------|------------------|--------------|
| 0-10 | 1,104,785 | 35.8 |
| 11-20 | 992,042 | 32.1 |
| 21-25 | 528,105 | 17.1 |
| 26-30 | 302,730 | 9.8 |
| 31-40 | 145,445 | 4.7 |
| 41-50 | 13,146 | 0.4 |
| 51- | 146 | 0.0 |
| TOTAL | 3,086,399 | 100.0 |

BREAKDOWN OF PENSION RECIPIENTS, BY BASIC WITHHOLDING RATES, 2016

| Basic rate | Number | % |
|--------------|------------------|--------------|
| 0-5 | 363,258 | 24.9 |
| 6-10 | 171,228 | 11.8 |
| 11-15 | 201,335 | 13.8 |
| 16-20 | 234,395 | 16.1 |
| 21-30 | 404,246 | 27.8 |
| 31-35 | 56,219 | 3.9 |
| 36-40 | 17,489 | 1.2 |
| 41-50 | 6,761 | 0.5 |
| 51- | 1,184 | 0.1 |
| TOTAL | 1,456,115 | 100.0 |

TAXES AS PERCENTAGES OF GDP BY COUNTRY, 2012-2014

| | Taxes, % of GDP | | |
|----------------|-----------------|-------------|-------------|
| | 2012 | 2013 | 2014 |
| Denmark | 48.0 | 48.6 | 50.9 |
| France | 45.3 | 45.0 | 45.2 |
| Belgium | 45.3 | 44.6 | 44.7 |
| Italy | 44.4 | 42.6 | 43.6 |
| Sweden | 44.3 | 42.8 | 42.7 |
| Finland | 44.1 | 44.0 | 43.9 |
| Austria | 43.2 | 42.5 | 43.0 |
| Norway | 42.2 | 40.8 | 39.1 |
| Luxembourg | 37.8 | 39.3 | 37.8 |
| Germany | 37.6 | 36.7 | 36.1 |
| Iceland | 37.2 | 35.5 | 38.7 |
| United Kingdom | 35.2 | 32.9 | 32.6 |
| Greece | 33.8 | 33.5 | 35.9 |
| Spain | 32.9 | 32.6 | 33.2 |
| Portugal | 32.5 | 33.4 | 34.4 |
| Estonia | 32.5 | 31.8 | 32.9 |
| Canada | 30.7 | 30.6 | 30.8 |
| Ireland | 28.3 | 28.3 | 29.9 |
| Switzerland | 28.2 | 27.1 | 26.6 |
| United States | 24.3 | 25.4 | 26.0 |

Source: OECD

TAX STRUCTURES BY COUNTRY, 2014

The contribution of different tax types to tax revenue %

| | Income taxes | Consumption taxes | Other taxes |
|----------------|--------------|-------------------|-------------|
| Denmark | 65.2 | 32.9 | 1.9 |
| Norway | 43.3 | 28.5 | 28.2 |
| United States | 48.2 | 17.1 | 34.7 |
| Canada | 47.6 | 24.1 | 28.3 |
| Switzerland | 46.1 | 22.1 | 31.8 |
| Iceland | 46.5 | 31.2 | 22.3 |
| United Kingdom | 35.0 | 33.1 | 31.9 |
| Luxembourg | 34.8 | 28.5 | 36.7 |
| Sweden | 34.7 | 28.7 | 36.6 |
| Belgium | 35.9 | 23.9 | 40.2 |
| Finland | 35.0 | 32.8 | 32.2 |
| Italy | 32.6 | 26.9 | 40.5 |
| Germany | 30.5 | 27.9 | 41.6 |
| Spain | 29.0 | 28.5 | 42.5 |
| Austria | 29.4 | 27.3 | 43.3 |
| Greece | 24.1 | 41.2 | 34.7 |
| France | 23.1 | 24.4 | 52.5 |
| Estonia | 23.0 | 41.6 | 35.4 |

Source: OECD

MAXIMUM MARGINAL INCOME TAX RATES 2014–2015, BY COUNTRY

| | Individuals 2014 | Corporate 2015 |
|----------------|---------------------|-------------------|
| Belgium | 45.3 | 33.0 |
| Greece | 46.0 | 26.0 |
| Sweden | 56.9 | 22.0 |
| Denmark | 55.6 | 23.5 |
| Finland | 49.1 | 20.0 |
| Portugal | 50.3 | 28.0 |
| United Kingdom | 45.0 | 20.0 |
| Ireland | 48.0 | 12.5 |
| Spain | 52.0 | 28.0 |
| France | 54.0 | 34.4 |
| Holland | 50.1 | 25.0 |
| Canada | 49.5 | 15.0 |
| Norway | 39.0 | 27.0 |
| Japan | 50.6 | 23.9 |
| Germany | 47.5 | 15.8 |
| Australia | 46.5 | 30.0 |
| Italy | 47.8 | 27.5 |
| Iceland | 44.4 | 20.0 |
| Austria | 50.0 | 25.0 |
| United States | 46.3 | 35.0 |
| Luxembourg | 43.6 | 22.5 |
| Switzerland | 36.1 | 8.5 |
| Estonia | 20.6 | 20.0 |

Source: OECD

PROPORTIONS OF VAT, 2013 AND 2014, IN PERCENTAGES

| | Consumption taxes, % of taxes | | Consumption taxes, % of GDP | |
|----------------|----------------------------------|-------------|--------------------------------|------------|
| | 2013 | 2014 | 2013 | 2014 |
| Finland | 21.2 | 21.0 | 9.4 | 9.2 |
| Sweden | 21.3 | 21.3 | 9.1 | 9.1 |
| Norway | 19.2 | 19.9 | 7.8 | 7.8 |
| Denmark | 19.7 | 19.0 | 9.6 | 9.7 |
| Iceland | 22.6 | 20.9 | 8.0 | 8.1 |
| Germany | 19.1 | 19.3 | 7.0 | 7.0 |
| Belgium | 15.6 | 15.5 | 7.0 | 6.9 |
| Austria | 18.2 | 18.0 | 7.7 | 7.8 |
| Luxembourg | 19.7 | 19.3 | 7.8 | 7.3 |
| France | 15.7 | 15.9 | 7.0 | 7.2 |
| Switzerland | 13.0 | 13.0 | 3.5 | 3.5 |
| United Kingdom | 21.0 | 21.2 | 6.9 | 6.9 |
| Ireland | 21.1 | 20.8 | 5.9 | 6.2 |
| Italy | 13.6 | 13.8 | 5.8 | 6.0 |
| Spain | 17.8 | 18.2 | 5.8 | 6.0 |
| Portugal | 23.9 | 24.7 | 8.0 | 8.5 |
| Canada | 14.5 | 14.2 | 4.4 | 4.4 |
| USA | 7.7 | 7.7 | 2.0 | 2.0 |
| Estonia | 40.0 | 26.6 | 12.6 | 8.5 |

Source: OECD

VAT RATES IN THE EU, INTERNATIONAL COMPARISON, 2016

VAT rates on tax-free price %

| | General rates | Reduced rates |
|----------------|---------------|---------------|
| Hungary | 27 | 5/18 |
| Croatia | 25 | 5/13 |
| Sweden | 25 | 6/12 |
| Denmark | 25 | - |
| Romania | 20 | 5/9 |
| Finland | 24 | 10/14 |
| Ireland | 23 | 4.8/9/13.5 |
| Greece | 23 | 6/13 |
| Portugal | 23 | 6/13 |
| Poland | 23 | 5/8 |
| Italy | 22 | 4/10 |
| Slovenia | 22 | 9.5 |
| Netherlands | 21 | 6 |
| Belgium | 21 | 6/12 |
| Spain | 21 | 4/10 |
| Latvia | 21 | 12 |
| Lithuania | 21 | 5/9 |
| Czech Republic | 21 | 10/15 |
| Bulgaria | 20 | 9 |
| Austria | 20 | 10/13 |
| France | 20 | 2.1/5.5/10 |
| Slovakia | 20 | 10 |
| Estonia | 20 | 9 |
| United Kingdom | 20 | 5 |
| Cyprus | 19 | 5/9 |
| Germany | 19 | 7 |
| Malta | 18 | 5/7 |
| Luxembourg | 17 | 3/8/14 |

Source: European Commission

NOTES



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