

Taxes and tax-like payments 2021

Tax revenue grew by 8.7 per cent in 2021

The accrual of taxes and compulsory social security contributions grew by 8.7 per cent in 2021. Part of the growth is caused by the lower than usual figures in the comparison year 2020 due to the corona pandemic. The total accrual amounted to EUR 108.3 billion. The tax ratio grew from the previous year by 0.9 percentage points to 42.8 per cent. The tax ratio describes the ratio of taxes and compulsory social security contributions to gross domestic product. These data are based on the preliminary national accounts data for 2021.

Taxes and compulsory social security contributions by sector, 2020 - 2021¹⁾

		2020	2021 ¹⁾
S13+S212 Total	Million euro	99 636	108 303
	Ratio to GDP, %	41,9	42,8
S1311 Central Government	Million euro	47 312	51 809
	Ratio to GDP, %	19,9	20,5
S1313 Local Government	Million euro	24 589	25 758
	Ratio to GDP, %	10,3	10,2
S1314 Sosiaaliturvarahastot	Million euro	27 326	30 261
	Ratio to GDP, %	11,5	12,0
S212 European Union	Million euro	409	475
	Ratio to GDP, %	0,2	0,2

1) Preliminary data

In addition to the tax ratio, we can examine the net tax ratio, which is calculated by deducting income transfers paid to private domestic sectors by general government from taxes received by general government. In 2021, the net tax ratio was 17.4 per cent of gross domestic product, up by 2.0 percentage points from the previous year. The number of current transfers was still higher than before the corona pandemic, so the net tax ratio was lower than in the years preceding 2020.

The value added tax revenue grew by 7.0 per cent from the previous year and was EUR 23.6 billion. The revenue of other taxes paid on goods and services decreased by 0.5 per cent, the most significant of which measured in euros were car and motorcycle tax, the revenue of which was EUR 515 million, down by 27.8 per cent from the year before. The revenue from lottery tax decreased by 57.7 per cent due to the lowering of the tax rate and was only EUR 69 million. The revenue from vehicle tax, EUR 1.1 billion, was 2.9 per cent lower than one year earlier. Of increased taxes we can mention the revenue from central

government's share of Oy Veikkaus Ab's profit, which grew by 9.8 per cent and amounted to EUR 819 million, but did not return to the level prior to the corona pandemic. The group of other taxes paid on goods and services also includes excise duties. From the beginning of 2021 they were transferred to the payment schedule of self-assessed taxes, whereby the figures in the March release are based on a prediction for the last month. The revenues of the most significant excise duties – energy taxes EUR 4.3 billion, alcohol tax EUR 1.5 billion and tobacco tax EUR 1.1 billion – are at this accuracy level the same as in 2020. The change percentages will be discussed further in the September release.

The revenue from income tax paid by households grew by 8.0 per cent from the previous year and amounted to EUR 32.3 billion. The revenue from income tax paid by corporations grew by as much as 30.6 per cent and amounted to EUR 6.6 billion. The revenue from taxes on property grew by 6.1 per cent. In 2021, the revenue from inheritance and gift tax was EUR 826 million, which was 3.6 per cent higher than in 2020. The revenue from asset transfer tax was EUR 1.0 billion and it grew by 21.9 per cent from one year before.

EUR 270 million collected as contributions to the Single Resolution Fund from credit institutions was recorded as tax revenue for the institutions of the European Union. Customs duties accounted to the EU amounted to EUR 205 million.

In 2021, the tax revenue of central government totalled EUR 51.8 billion. The growth from the year before amounted to 9.5 per cent. The tax revenue of local government totalled EUR 25.8 billion and it grew by 4.8 per cent. Most of local government tax revenue comes from households' income taxes, which are divided among tax recipients by various tax scales of state income tax and municipal tax and the share of capital income tax. The revenue of corporation tax grew in both sectors, and the central government's tax revenue was boosted significantly by value added tax mentioned above.

The revenue of compulsory social security contributions of social security funds grew by 10.7 per cent and the contributions totalled EUR 30.3 billion. Healthcare fee for students in higher education (EUR 19 million) introduced at the beginning of 2021 was added to the other social security contributions of insured persons.

The proportion of taxes and statutory social security contributions in consolidated total general government revenue was 81.4 per cent in 2021.

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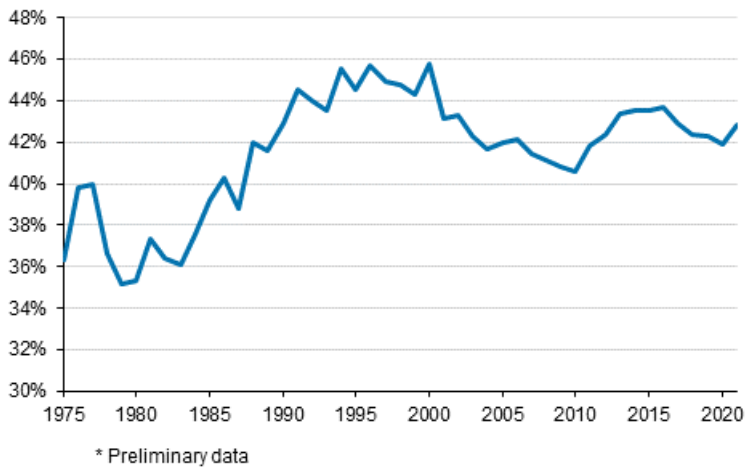
Appendix table 1. Taxes by sector and tax category, 2020-2021¹⁾

Sector	Tax category	2020	2021	Change, %
S13+S212 Total	-0 Taxes and social contributions, total	99 636	108 303	8,7
	-1000 Income taxes	34 962	38 923	11,3
	-2000 Social security contributions	27 326	30 261	10,7
	-4000 Taxes on property	3 574	3 793	6,1
	-5000 Taxes on goods and services	33 527	35 016	4,4
	-6000 Other taxes	247	310	25,5
S1311 Central Government	-0 Taxes and social contributions, total	47 312	51 809	9,5
	-1000 Income taxes	12 329	15 131	22,7
	-4000 Taxes on property	1 619	1 828	12,9
	-5000 Taxes on goods and services	33 291	34 745	4,4
	-6000 Other taxes	73	105	43,8
S1313 Local Government	-0 Taxes and social contributions, total	24 589	25 758	4,8
	-1000 Income taxes	22 633	23 792	5,1
	-4000 Taxes on property	1 955	1 965	0,5
	-5000 Taxes on goods and services	1	1	0,0
S1314 Social Security Funds	-0 Taxes and social contributions, total	27 326	30 261	10,7
	-2000 Social security contributions	27 326	30 261	10,7
S212 European Union	-0 Taxes and social contributions, total	409	475	16,1
	-5000 Taxes on goods and services	235	270	14,9
	-6000 Other taxes	174	205	17,8

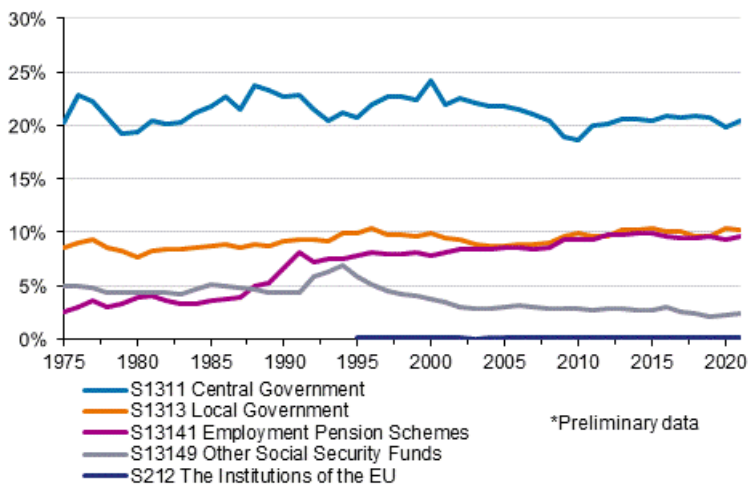
1) Preliminary data

Appended figures

Appendix figure 1. Tax ratio in 1975 to 2021*



Appendix figure 2. Tax ratio by tax collector sector 1975–2021*



Revisions in these statistics

Revision of the tax rate

Sector	Variable	Year	1st release, % ¹⁾	Latest release, %	Revision, percentage point (latest minus first)
S13+S212 General government and Institutions and Bodies of the European Union	Tax ratio	2011	42,0	41,8	-0,2
		2012	42,8	42,4	-0,4
		2013	44,0	43,4	-0,6
		2014	44,1	43,5	-0,6
		2015	44,5	43,5	-1,0
		2016	44,3	43,7	-0,6
		2017	43,4	42,9	-0,5
		2018	42,4	42,4	0,0
		2019	42,1	42,3	0,2
		2020	41,8	41,9	0,1

1) 2011-2013: the first release according to ESA2010 on 11 July 2014.

Revision of the tax bill

Sector	Variable	Year	1st release, EUR mil. ¹⁾	Newest release, EUR mil.	Revision, EUR mil. (latest minus first)
S13+S212 General government and Institutions and Bodies of the European Union	All taxes and payments total	2011	82 750	82 751	1
		2012	85 269	85 269	0
		2013	88 589	88 688	99
		2014	89 932	90 027	95
		2015	92 144	92 003	-70
		2016	94 935	95 115	180
		2017	96 930	96 985	55
		2018	99 074	98 958	-116
		2019	101 120	101 439	319
		2020	99 188	99 636	438

1) 2011-2013: the first release according to ESA2010 on 11 July 2014.

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Source: National Accounts, Statistics Finland