

## Analysis of Tax Collection in 2019

### ■ Change of Tax Revenue

In 2019, tax revenues was NT\$ 2,470.5 billion, reaching the highest record and increasing NT\$ 83.6 billion or 3.5% from 2018. It has been growing for 10 consecutive years, mainly due to the increase in profit-seeking enterprise income tax, land value increment tax, business tax, customs duties and estate tax.

**Table 1. Change of tax revenue in 2019**

unit : NT\$ billion ; %

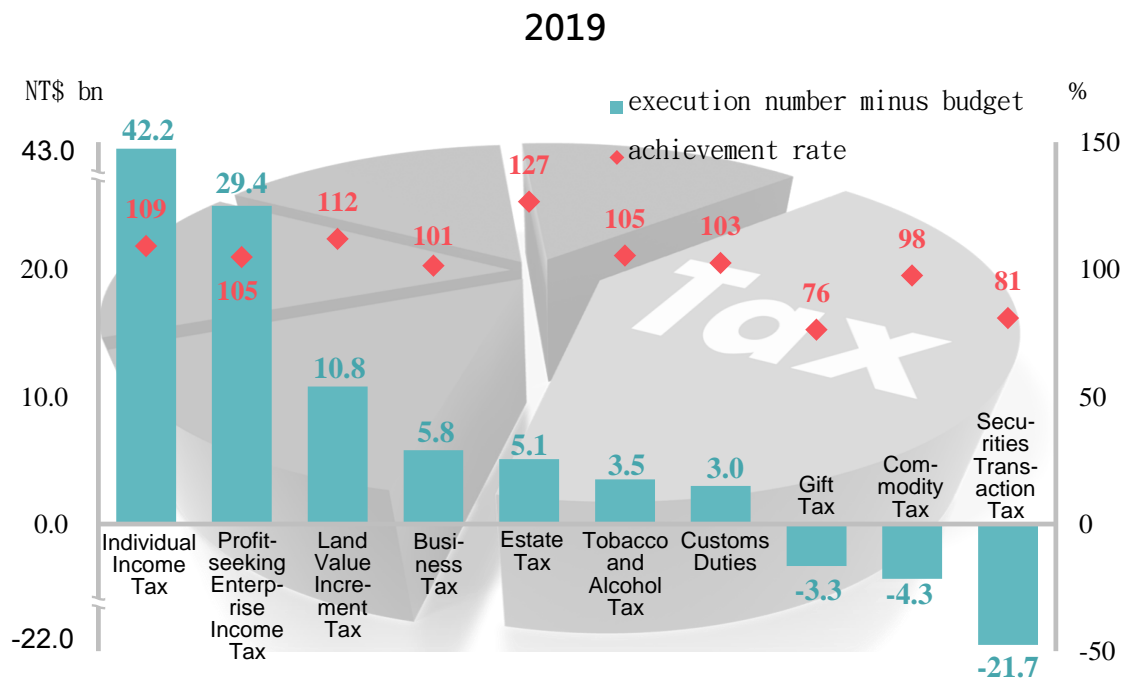
Item of Tax	Tax Revenue	Growth Value VS. Last Year	Growth Rate VS. Last Year	Structure Ratio	Growth Percentage Point VS. Last Year
Grand Total	2,470.5	83.6	3.5	100.0	—
Customs Duties	123.0	3.0	2.5	5.0	-0.0
Income Tax	1,148.8	71.7	6.7	46.5	1.4
Profit-seeking Enterprise Income Tax	647.9	80.0	14.1	26.2	2.4
Individual Income Tax	500.9	-8.2	-1.6	20.3	-1.1
Estate and Gift Tax	34.9	3.1	9.7	1.4	0.1
Estate Tax	24.3	2.9	13.7	1.0	0.1
Gift Tax	10.6	0.2	1.7	0.4	-0.0
Commodity Tax	176.9	-3.2	-1.8	7.2	-0.3
Securities Transaction Tax	91.2	-10.0	-9.9	3.7	-0.5
Tobacco and Alcohol Tax	68.6	-1.0	-1.4	2.8	-0.1
Business Tax	420.9	5.5	1.3	17.0	-0.4
Land Tax	193.0	10.6	5.8	7.8	0.2
Land Value Tax	91.9	0.0	—	3.7	-0.1
Land Value Increment Tax	101.1	10.6	11.7	4.1	0.3
House Tax	81.0	2.4	3.0	3.3	-0.0
Vehicle License Tax	65.6	0.8	1.2	2.7	-0.1

### ■ Achieving Rate of Tax Revenue

In 2019, tax revenues exceeded the budget of NT\$ 83.0 billion, with a rate of 103.5%, of which the central government exceeded NT\$ 39.0 billion and the local government exceeded NT\$ 27.9 billion. If broken down into tax items, the main source of tax excess comes from the individual income tax, which exceeded NT\$ 42.2 billion with an achievement rate of 109%;

subsequently followed by the profit-seeking enterprise income tax exceeding NT\$ 29.4 billion with an achievement rate of 105%; the land value increment tax exceeding NT\$ 10.8 billion with an achievement rate of 112%; and the business tax exceeding NT\$ 5.8 billion with an achievement rate of 101%. Underachieving tax items include the securities transaction tax, which fell short of budget target by NT\$ 21.7 billion, the commodity tax by NT\$ 4.3 billion, and the gift tax by NT\$ 3.3 billion, each of which accounted for 81%, 98% and 76% of their annual budgets respectively.

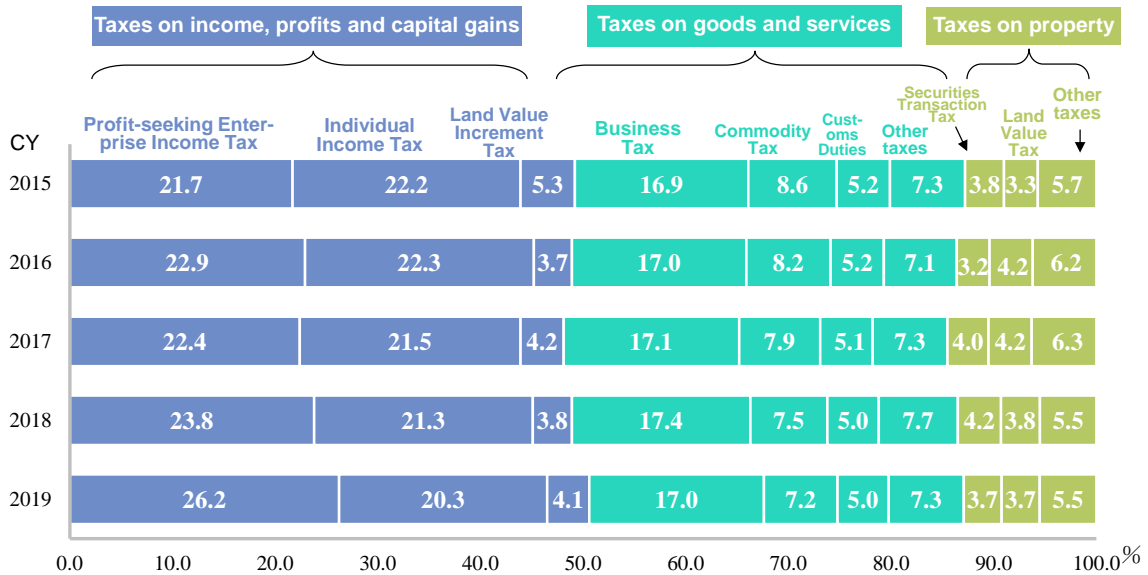
**Figure 1. Tax Revenue Budget Achieving Rate by Major Types of Taxes**



■ **Structure of Tax Revenue**

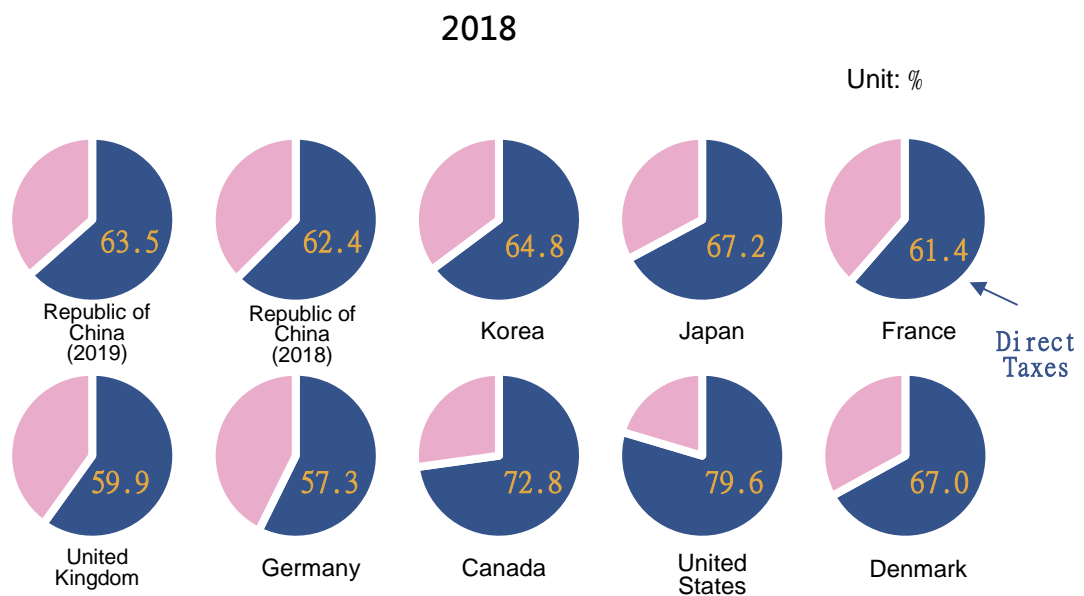
For the taxes revenue structure in 2019, the profit-seeking enterprise income tax and individual income tax accounted for 26.2% and 20.3%, which amounted to 46.5% of the total tax revenue, up 1.4 percentage points from 2018; business tax accounted for 17.0%, and commodity tax dipped to 7.2%, the lowest since 2009; and securities tax fell to 3.7%.

Figure 2. Structure of Tax Revenue-by OECD classification of Taxes



Taxation systems worldwide generally use direct taxes. The proportion of direct tax in the ROC averages about 60% in recent years and slightly rose to 63.5% in 2019, which is close to Korea and France. The direct tax ratio of Japan and Denmark is 67%, the United States and Canada is more than 70%, while Germany is the lowest in major countries, with a mere 57%.

Figure 3. International Comparison of Tax Structures – by Direct and Indirect Taxes

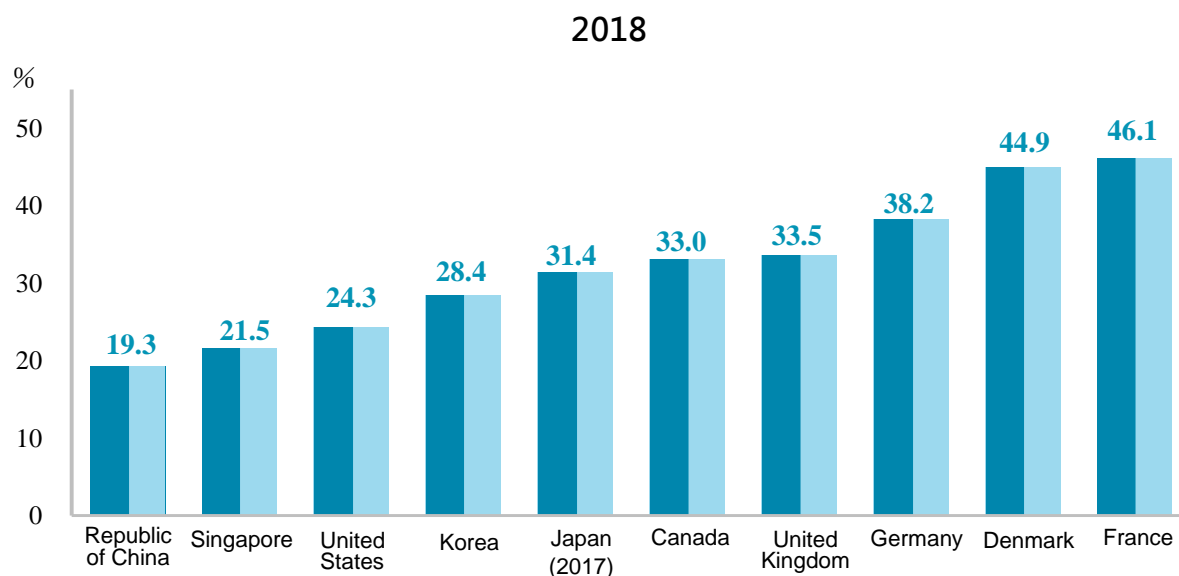


Source : OECD "Revenue Statistics"

## ■ Tax burden

The ratio of tax revenue to GDP has maintained between 11% and 14% since 2000, and reached 13.1% in 2019, which is the highest in 11 years and increased 0.1 percentage points from 13.0% in 2018. Along with social security contribution, total tax burden rate for 2018 was 19.3%, of which social security accounts for 6.3% of GDP.

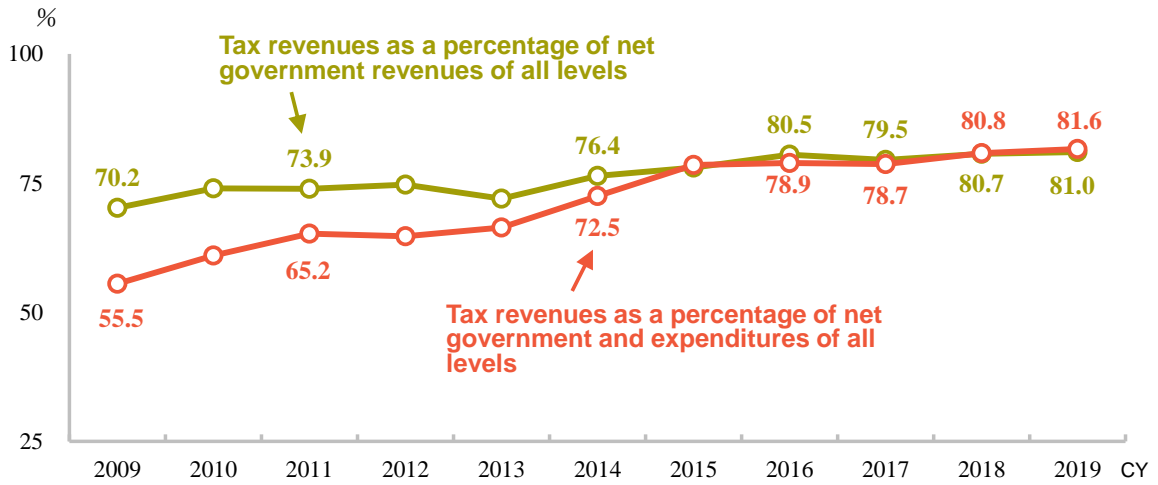
Figure 4. Main national tax burden rate (including social security contributions)



## ■ Tax revenues as a percentage of net government revenues and expenditures of all levels

In 2019, the percentage of tax revenues to net government revenues of all levels (including special budget) was 81.0%, rising to its highest level; the percentage of tax revenues to net government expenditures of all levels (including special budget) increased by 0.8 percentage points from 2018 to 81.6%, the second highest level. The government's financial position remains sound and stable.

**Figure 5. Tax revenues as a percentage of net government revenues and expenditures of all levels**



Note : Net government revenues and expenditures of all levels include special budgets.