Tax Burden

The tax burden of a country is the share of resources that the State collects from individuals and companies to finance the government's actions. In 2009, the revenues collected in Brazil compared to 2008 had a nominal increase of 3.25%. In the same period, nominal GDP grew 4.60%. But after removing the effects of inflation, federal revenues obtained a real decrease of 3.05% and the GDP 0.2%. Thus, the national tax burden in relation to the GDP fell from 34.79% in 2008 to 34.31% in 2009.

Sum of all final goods and services (excluding goods used for production) produced in the country, not excluding the effects of inflation.

Federal taxes with better performance in 2009 were the Companies' Income Tax (IRPJ) and Social Contribution on the Net Income (CSSL), whose nominal growth reached R$12.9 billion and R$8.5 billion, respectively. This increase reflected the gain on the fuel sectors, financial services, automotive and steel sector, especially in the months before the economic crisis was triggered, at the end of 2008.

Compared Tax Burden

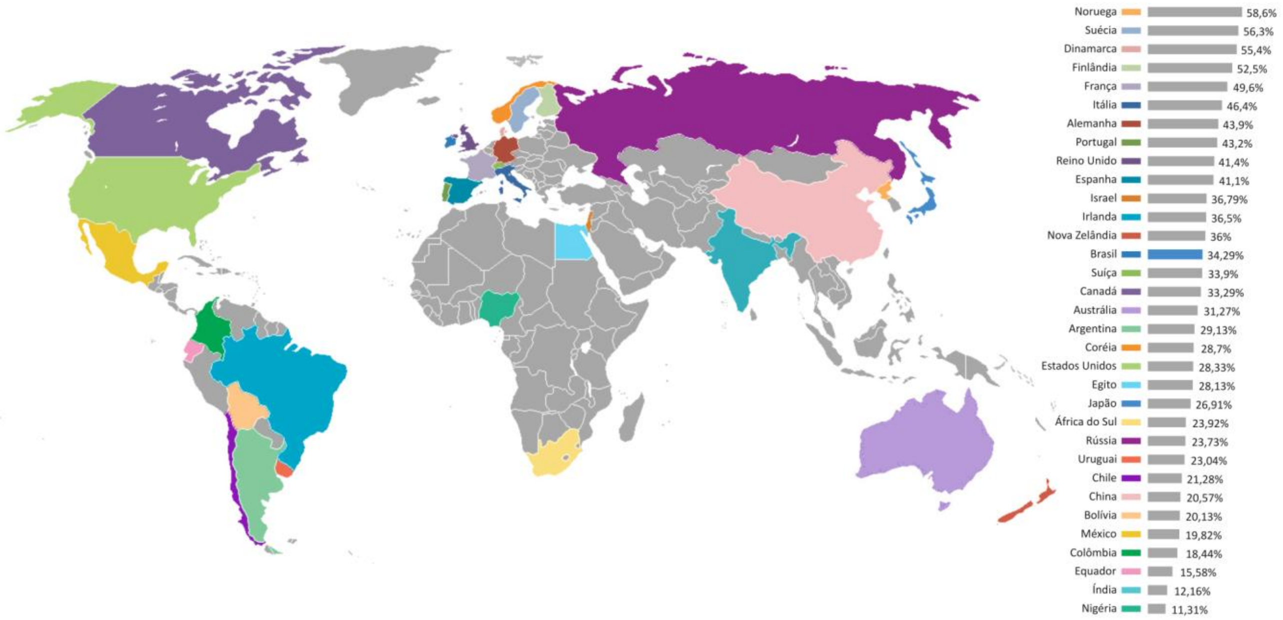
To enhance the study of the Brazilian economy inserted into a scenario increasingly globalized, in 2009 TCU conducted an analysis of the tax burden in Brazil comparing to 33 countries. The comparison observes data from 2007, since the information available in most countries were referring to that period.

In Chart 1, on Gross Tax Burden (GTB), we see Brazil in 14th place. Position ahead of all developing countries and above the most developed countries surveyed, including the United States, Japan, Canada, Australia and Switzerland. In relation to Argentina, the Brazilian tax burden is 5 percentage points higher. Among the BRIC countries, the difference was more than 10 percentage points.

Acronym referring to Brazil, Russia, India and China: developing countries that have stood out in the world scenario due to the fast growth of their economies.

An addition of everything the government receives from taxes, contributions and fees, divided by the amount of wealth produced in the country (GDP).

Chart 1 - Ranking Gross Tax Burden 2007



Sources: OCDE, EUROSTAT, CEPAL, FMI and IBGE (Brazil).

In the analysis that takes into consideration the CTB and the **Gross Domestic Product (GDP) per capita**, Table 1 shows that the tax burden in Brazil is above of the countries with GDP per capita close to Brazil's, such as Russia, Uruguay, Argentina and South Africa. Accordingly, the Brazilian CTB is similar to the tax collected in countries like Switzerland, Canada and Australia, where the GDP per capita is much higher than in Brazil.

Sum of all final goods and services (excluding goods used for production) produced in the country, for a period, divided by the total population

Table 1.1 - CTB x GDP per capita (2007)

Countries		GDP per capita	CT	Countries		GDP per capita	CT
1.	Norway	82,276	59%	18,	Korea	21,653	29%
2.	Ireland	59,940	37%	19,	Portugal	21,102	43%
3.	Switzerland	59,475	34%	20,	Chile	9,881	21%
4.	Denmark	56,923	55%	21,	Mexico	9,693	20%
5.	Sweden	49,554	56%	22,	Russia	9,103	24%
6.	Finland	46,836	53%	23,	Uruguay	7,297	23%
7.	United States	46,674	28%	**24,**	**Brazil**	**7,107**	**34%**
8.	United Kingdom	45,922	41%	25,	Argentina	6,617	29%

9.	Canada	43,404	33%	26,	South Africa	5,922	24%
10.	Australia	42,864	31%	27,	Colombia	4,377	18%
11.	France	41,940	50%	28,	Ecuador	3,335	16%
12.	Germany	40,480	44%	29,	China	2,560	21%
13.	Italy	35,963	46%	30,	Egypt	1,771	28%
14.	Japan	34,287	27%	31,	Bolivia	1,352	20%
15.	Spain	32,153	41%	32,	Nigeria	1,153	11%
16.	New Zealand	30,453	36%	33,	India	942	12%
17.	Israel	23,990	37%				

Sources: OCDE, EUROSTAT, CEPAL, IMF and IBGE (Brazil).

Between 1995 and 2007, the Gross Tax Burden in Brazil grew by 20.57%. This increase is also observed in Latin America and in the BRIC countries, except India, whose charge was reduced by 1.95% in the period, the same tendency of some developed countries.

Since 2000, Brazil surpassed the CTB of the United States and Australia. From 1995 to 2007, the tax burden among the European countries surveyed was higher than the Brazilian, with the exception of Switzerland, whose tax burden was 0.39 percentage points lower than that of Brazil, in 2007.

In Brazil, as well as in the emerging countries surveyed, taxes on consumption impact more in the formation of the gross tax burden than taxes on the income. While taxes on consumption account for 45.8% of the Brazilian CTB, taxes on the income represent 24.6% of the CTB. In most developed countries the opposite occurs. The contributions to the Brazilian social security account for 27.1% of the Gross Tax Burden and are close to some developed countries, unlike what happens in developing countries.

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Access the full chapters on national Tax Burden and Compared Tax Burden in the full version of the Report and Prior Opinion on the General Government Accounts of the Republic: www.tcu.gov.br/contasdegoverno