

29 October 2020 | 1100 hrs | 174/2020

Total tax revenue in 2019 amounted to €4,291.7 million, implying a tax burden of 32.1 per cent.

## Tax Revenues: 2019

Total tax revenue in 2019 went up by €261.9 million over the previous year and stood at €4,291.7 million. Tax revenue can be broadly classified under three main headings: indirect taxes, direct taxes and social security contributions. All three categories of tax revenue registered an increase over 2018. In contrast to 2018, the largest increase was recorded in direct taxes, which rose by €182.0 million, for a total of €1,853.1 million, or 43.2 per cent of total tax revenue. The two key components of direct taxes, namely Personal and Corporate Income Tax, registered an increase of €90.3 million and €79.7 million, respectively.

Concurrently, indirect taxes increased by €44.7 million, amounting to €1,638.5 million, or 38.2 per cent of total tax revenue. This increase was mainly triggered by higher Other taxes on production (€14.8 million). Additionally, other increases were registered in Value Added Tax (VAT) receipts (€14.7 million) and Taxes on products (€10.6 million). Social contributions represented 18.6 per cent of total tax revenue in 2019, standing at €800.1 million. This reflects an increase of €35.3 million over 2018 (Table 1).

The overall tax burden denotes the total amount of taxes and social contributions, expressed as a percentage of GDP. In 2019, the tax burden for Malta was 32.1 per cent of GDP, which reflects a decrease of 0.2 percentage points when compared to the total tax burden recorded in 2018 (32.3 per cent of GDP) (Table 2). Since 2002, the total tax burden has been consistently above 30 per cent of GDP, with the lowest rate recorded in 2015 (30.5 per cent of GDP), while the average tax burden for the 1995 to 2019 period stands at 30.9 per cent (Table 2).

The contribution of Current taxes on income and wealth towards tax revenues increased substantially, from 8.1 per cent of GDP in 1995 to 13.6 per cent in 2019. Consequently, the share of Current taxes on income and wealth surpassed the share of Taxes on production and imports for the first time in 2013 by a margin of 0.5 percentage points. This margin increased to 1.4 percentage points in 2019, the highest since 2013 (Chart 1).

By the end of last year, direct taxes (which also include Capital taxes) amounted to 13.8 per cent of GDP, compared to the share of indirect taxes which stood at 12.2 per cent. Meanwhile, the share of Social contributions stood at 6.0 per cent of GDP, remaining relatively stable over the years (Table 2).

### Income Tax receipts by ESA 2010 institutional sector

In 2019, the household sector accounted for more than half of the income tax received by General Government, with a share of 56.6 per cent, equivalent to €998.0 million, while the contributions of the Financial and Non-Financial corporations were 22.9 per cent and 20.1 per cent, respectively. On aggregate, Non-profit Institutions serving Households, General Government and Rest of the World totalled 0.4 per cent. In absolute terms, the €171.0 million increase in income tax receipts over 2018 were mainly collected from Households (€90.6 million) and Financial Corporations (€81.4 million). Conversely, income tax receipts from Non-Financial Corporations decreased by €1.1 million (Table 4).

### Environmental taxes

In 2019, Malta's total environmental taxes increased by €23.9 million, amounting to €345.7 million. This figure represents 8.1 per cent of the total revenue derived from all taxes and social contributions, and 2.6 per cent of GDP. Energy taxes (which include taxes on transport fuels) constituted the largest share of environmental taxes, accounting for 51.1 per cent, followed by transport taxes (39.5 per cent) and pollution taxes (9.4 per cent). All environmental taxes registered an increase over the preceding year (Table 5) ■

Table 1. Structure of tax revenues

€000

	ESA Code	2016	2017	2018	2019
<b>Indirect Taxes</b>		<b>1,284,539</b>	<b>1,423,810</b>	<b>1,593,846</b>	<b>1,638,496</b>
VAT	D.211	711,553	810,195	919,663	934,319
Import Duties	D.2121	16,468	15,059	13,633	18,236
Taxes on Products (incl. excise duties)	D.214	494,695	540,474	605,284	615,837
Other Taxes on Production	D.29	61,824	58,082	55,265	70,104
<b>Direct Taxes</b>		<b>1,399,853</b>	<b>1,589,157</b>	<b>1,671,106</b>	<b>1,853,096</b>
Personal Income Tax	D.51	678,366	779,574	904,562	994,839
Corporate Income Tax	D.51	649,633	731,317	684,029	763,721
Other Income Tax	D.51	3,354	4,447	4,307	5,334
Other Current Taxes	D.59	52,556	54,506	57,508	63,093
Capital Taxes	D.91	15,943	19,314	20,699	26,110
<b>Social Contributions</b>		<b>639,277</b>	<b>702,909</b>	<b>764,777</b>	<b>800,078</b>
Employers'	D.6111	250,749	275,394	305,589	324,350
Employees'	D.6112	248,653	273,493	303,779	322,279
Self- and Non-Employed	D.6113	42,995	46,315	49,928	51,981
Imputed Social Contributions	D.612	96,881	107,707	105,481	101,469
<b>Total Tax Revenues</b>		<b>3,323,670</b>	<b>3,715,875</b>	<b>4,029,729</b>	<b>4,291,670</b>

Chart 1. The evolution of the main tax components in Malta as per cent of GDP

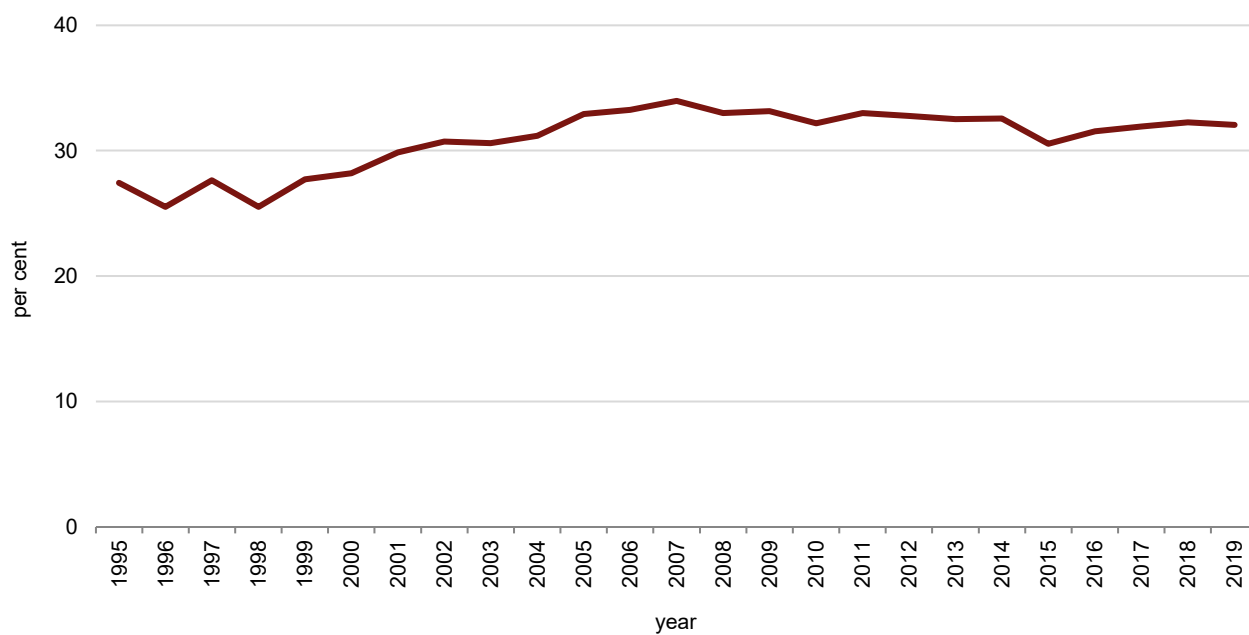


**Table 2. Structure of tax burden**  
*Tax-to-GDP ratio*

	ESA Code	2016	2017	2018	2019
per cent					
<b>Indirect Taxes</b>		<b>12.2</b>	<b>12.2</b>	<b>12.8</b>	<b>12.2</b>
VAT	D.211	6.8	7.0	7.4	7.0
Import Duties	D.2121	0.2	0.1	0.1	0.1
Taxes on Products (incl. excise duties)	D.214	4.7	4.6	4.8	4.6
Other Taxes on Production	D.29	0.6	0.5	0.4	0.5
<b>Direct Taxes</b>		<b>13.3</b>	<b>13.7</b>	<b>13.4</b>	<b>13.8</b>
Personal Income Tax	D.51	6.4	6.7	7.2	7.4
Corporate Income Tax	D.51	6.2	6.3	5.5	5.7
Other Income Tax	D.51	0.0	0.0	0.0	0.0
Other Current Taxes	D.59	0.5	0.5	0.5	0.5
Capital Taxes	D.91	0.2	0.2	0.2	0.2
<b>Social Contributions</b>		<b>6.1</b>	<b>6.0</b>	<b>6.1</b>	<b>6.0</b>
Employers'	D.6111	2.4	2.4	2.4	2.4
Employees'	D.6112	2.4	2.4	2.4	2.4
Self- and Non-Employed	D.6113	0.4	0.4	0.4	0.4
Imputed Social Contributions	D.612	0.9	0.9	0.8	0.8
<b>Overall tax burden</b>		<b>31.5</b>	<b>31.9</b>	<b>32.3</b>	<b>32.1</b>

Note: Refer to methodological note 3 for more information on the tax-to-GDP ratio.

**Chart 2. Overall Tax Burden**



**Table 3. Structure of tax revenues as a percentage of total**

		per cent			
	ESA Code	2016	2017	2018	2019
<b>Indirect Taxes</b>		<b>38.6</b>	<b>38.3</b>	<b>39.6</b>	<b>38.2</b>
VAT	D.211	21.4	21.8	22.8	21.8
Import Duties	D.2121	0.5	0.4	0.3	0.4
Taxes on Products (incl. excise duties)	D.214	14.9	14.5	15.0	14.3
Other Taxes on Production	D.29	1.9	1.6	1.4	1.6
<b>Direct Taxes</b>		<b>42.1</b>	<b>42.8</b>	<b>41.5</b>	<b>43.2</b>
Personal Income Tax	D.51	20.4	21.0	22.4	23.2
Corporate Income Tax	D.51	19.5	19.7	17.0	17.8
Other Income Tax	D.51	0.1	0.1	0.1	0.1
Other Current Taxes	D.59	1.6	1.5	1.4	1.5
Capital Taxes	D.91	0.5	0.5	0.5	0.6
<b>Social Contributions</b>		<b>19.2</b>	<b>18.9</b>	<b>19.0</b>	<b>18.6</b>
Employers'	D.6111	7.5	7.4	7.6	7.6
Employees'	D.6112	7.5	7.4	7.5	7.5
Self- and Non-Employed	D.6113	1.3	1.2	1.2	1.2
Imputed Social Contributions	D.612	2.9	2.9	2.6	2.4
<b>Total Tax Revenues</b>		<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Table 4. Income tax (D.51) receipts by institutional sector in ESA2010**

		€000			
	Sector	2016	2017	2018	2019
Non-Financial Corporations	S.11	287,662	322,373	356,110	355,029
Financial Corporations	S.12	355,420	404,199	322,094	403,509
General Government	S.13	2,084	1,274	1,786	1,680
Households	S.14	680,569	782,008	907,349	997,952
Non-Profit Institutions serving Households	S.15	3,035	3,196	2,702	3,399
Rest of the World	S.2	2,584	2,288	2,858	2,323
<b>Total Income Tax (D.51) receipts</b>		<b>1,331,354</b>	<b>1,515,337</b>	<b>1,592,899</b>	<b>1,763,893</b>

**Table 5. Total environmental tax revenues by type of tax**

	€000			
	2016	2017	2018	2019
Energy taxes	145,020	154,047	161,738	176,484
Transport taxes	112,858	123,650	130,730	136,537
Pollution taxes	19,259	25,357	29,277	32,657
Resource taxes	0	0	0	0
<b>Total environmental taxes</b>	<b>277,136</b>	<b>303,054</b>	<b>321,745</b>	<b>345,677</b>

## Methodological Notes

1. All data in this news release is in line with the European System of Accounts (ESA) 2010 Manual (ISBN 978-92-79-31242-7). This system of accounts is mandatory for all EU Member States.
2. Total tax revenue is made up of taxes received by the Central Government (S.1311) (which consists of Government Ministries and Departments and the Extra Budgetary Units) and the EU Institutions (S.212). The taxes that are reported represent 'ultimately received' tax revenues including the 'own' taxes paid to the EU.
3. The tax-to-GDP ratio measures the overall tax burden as the total amount of taxes and social contributions as a percentage of GDP. GDP figures for 2016-2019 are in line with [News Release 142/2020](#) published on 28 August 2020.
4. The Social Contributions figure includes also the Imputed Social Contributions (D.612). These represent the counterpart to social benefits paid directly by employers to their employees or former employees and other eligible persons. In Malta's case, these refer to Treasury Pensions.
5. An environmental tax is a tax whose tax base is a physical unit (or a proxy of it) of something that has a proven, specific negative impact on the environment, and which is defined in the European System of Accounts (ESA 2010). The environmental taxes feature in Taxes on Products (D.214), Other Taxes on Production (D.29) and Other Current Taxes (D.59).
6. Revenues from VAT, Income Tax and Social Security Contributions are recorded using the time-adjusted cash method. Following a study undertaken by NSO in 2008, Eurostat approved a time adjustment of t+1 for VAT and t+2 for Income Taxes and Social Security Contributions.
7. Malta's National Tax List (NTL) is available on the online excel version of this release.
8. For additional information on the taxes in Malta refer to the "Taxes in Europe" database which contains, for each individual tax, information on its legal basis, assessment base, main exemptions, applicable rate(s), economic and statistical classification, as well as the revenue generated by it. The "Taxes in Europe" database is the European Commission's on-line information tool covering the main taxes in force in the EU Member States (IP/07/662). The system contains information on around 650 taxes, as provided to the European Commission by the national authorities. Access is free for all users at: [http://ec.europa.eu/taxation\\_customs/tedb/splSearchForm.html](http://ec.europa.eu/taxation_customs/tedb/splSearchForm.html)
9. All data in this release should be considered as provisional and therefore subject to revision. Figures may not add up due to rounding.
10. More information relating to this news release may be accessed at:  
Statistical Concepts: <http://nso.gov.mt/metadata/concepts.aspx>  
Glossary: [http://nso.gov.mt/en/nso/Sources\\_and\\_Methods/Unit\\_A2/Public\\_Finance/Pages/Tax-Revenues.aspx](http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Tax-Revenues.aspx)  
Statistical Database: <http://nso.gov.mt/statdb/start>
11. Any quotations from this news release are to be cited and/or referenced.
12. A detailed news release calendar is available on [https://nso.gov.mt/en/News\\_Releases/Release\\_Calendar/Pages/News-Release-Calendar.aspx](https://nso.gov.mt/en/News_Releases/Release_Calendar/Pages/News-Release-Calendar.aspx)

**European statistics comparable to data in this News Release are available at:**

<http://ec.europa.eu/eurostat/data/database>

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