

Total tax revenue in 2021 amounted to €4,580.4 million, implying a tax burden of 31.2 per cent.

Tax Revenues: 2021

Following the economic downturn in 2020, overall tax revenue in 2021 increased by €616.5 million over the previous year, totalling €4,580.4 million, thus exceeding pre-pandemic levels. This figure is equivalent to 84.2 per cent of total general government revenue collected in 2021.

Direct taxes amounted to €2,057.1 million, or 44.9 per cent of total tax revenue, an increase of €349.6 million from 2020. The Personal and Corporate Income taxes, which rose by €185.0 million and €156.8 million respectively, contributed most significantly to this increase.

The second largest increase was recorded in indirect taxes, which rose by €190.3 million, for a total of €1,608.6 million, equivalent to 35.1 per cent of total tax revenue. This increase was mainly the result of higher Value Added Tax receipts (€151.3 million), followed by Taxes on Production (€17.6 million), mainly on account of higher duty on documents (€26.8 million) and gaming taxes (€3.2 million), partially offset by drops in motor vehicle registration tax (€12.7 million)¹. Other taxes on production also increased by €14.6 million over the preceding year.

Social contributions² paid by employees, employers and self- and non-employed persons represented 20.0 per cent of total tax revenue in 2021, standing at €914.8 million. An increase of €76.6 million over 2020 was registered, reflecting the resilience of the labour market (Table 1).

The overall tax burden denotes the total amount of taxes and social contributions, expressed as a percentage of Gross Domestic Product (GDP). In 2021, the total tax burden for Malta amounted to 31.2 per cent of GDP, which reflects an increase of 0.9 percentage points when compared to the tax burden of 30.3 per cent of GDP reported in 2020. Over the past 10 years, the total tax burden has been consistently above 30 per cent of GDP, with the lowest rate recorded in 2020, while the average tax burden for the 1995 to 2021 period stands at 30.7 per cent (Table 2, Chart 2).

By the end of last year, direct taxes (which also include Capital taxes) amounted to 14.0 per cent of GDP, compared to the share of indirect taxes which stood at 11.0 per cent. Meanwhile, the share of Social contributions stood at 6.2 per cent of GDP, decreasing by 0.2 percentage points over 2020 (Table 2, Chart 1).

Income Tax receipts by ESA 2010 institutional sector

In 2021, the household sector accounted for more than half of the income tax received by General Government, with a share of 61.4 per cent, equivalent to €1,206.7 million, while the contributions of Non-Financial and Financial corporations were 21.5 per cent and 16.7 per cent, respectively. On aggregate, Non-profit Institutions serving Households, General Government and Rest of the World totalled 0.5 per cent. In absolute terms, the increase of €343.5 million in income tax receipts over 2020 mainly resulted from higher receipts from Households (€185.5 million), Financial Corporations (€87.2 million) and Non-Financial Corporations (€66.4m) (Table 4).

Environmental taxes

Total environmental tax revenue declined by €6.5 million in 2021, amounting to €290.2 million. This figure represents 6.3 per cent of total revenue generated from all taxes and social contributions, and 2.0 per cent of GDP. Transport taxes fell by €13.4 million. The main cause behind this drop is lower revenue from the motor vehicle registration tax. Energy taxes (which include taxes on transport fuels) constituted the largest share of environmental taxes, accounting for 51.7 per cent. This was followed by Transport taxes (37.5 per cent) and Pollution taxes (10.7 per cent) (Table 5) ■

¹ Further information is available in Malta's National Tax List, which is available from the online [excel version](#) of this news release.

² Refer to methodological note 4.

Table 1. Structure of tax revenues by year

€000

	ESA Code	2018	2019	2020	2021
Indirect Taxes		1,593,846	1,638,496	1,418,309	1,608,593
VAT	D.211	919,663	934,319	849,405	1,000,703
Import Duties	D.2121	13,633	18,236	15,134	21,879
Taxes on Products (incl. excise duties)	D.214	605,284	615,837	481,505	499,152
Other Taxes on Production	D.29	55,265	70,104	72,266	86,860
Direct Taxes		1,671,106	1,853,096	1,707,419	2,057,060
Personal Income Tax	D.51	898,797	985,797	1,018,914	1,203,939
Corporate Income Tax	D.51	689,794	772,762	600,314	757,119
Other Income Tax	D.51	4,307	5,334	4,009	5,672
Other Current Taxes	D.59	57,508	63,093	61,564	60,989
Capital Taxes	D.91	20,699	26,110	22,618	29,340
Social Contributions		764,777	800,078	838,172	914,782
Employers'	D.6111	305,589	324,350	338,237	380,703
Employees'	D.6112	303,779	322,279	336,004	377,114
Self- and Non-Employed	D.6113	49,928	51,981	61,951	52,799
Imputed Social Contributions	D.612	105,481	101,469	101,980	104,167
Total Tax Revenues		4,029,729	4,291,670	3,963,900	4,580,436

Chart 1. The evolution of the main tax components in Malta as a percentage of GDP

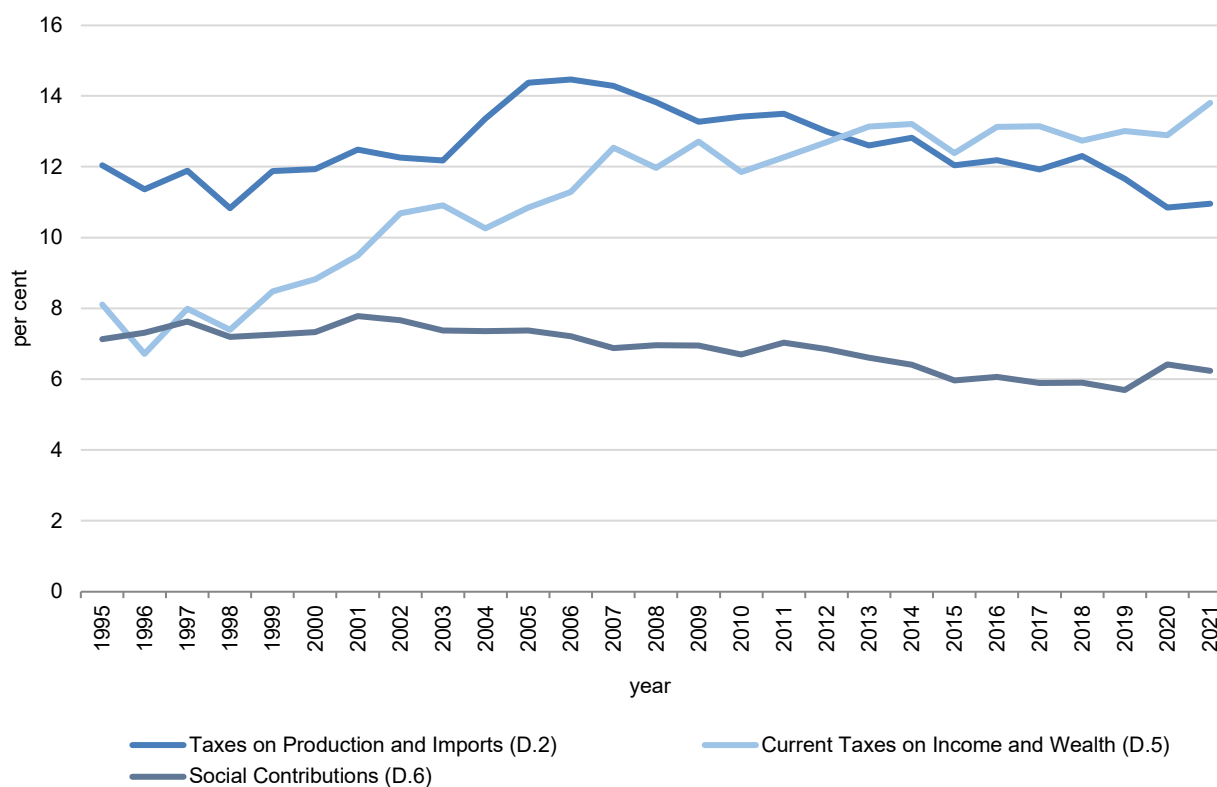


Table 2. Structure of tax burden by year
Tax-to-GDP ratio

	ESA Code	2018	2019	2020	2021
per cent					
Indirect Taxes		12.3	11.7	10.8	11.0
VAT	D.211	7.1	6.7	6.5	6.8
Import Duties	D.2121	0.1	0.1	0.1	0.1
Taxes on Products (incl. excise duties)	D.214	4.7	4.4	3.7	3.4
Other Taxes on Production	D.29	0.4	0.5	0.6	0.6
Direct Taxes		12.9	13.2	13.1	14.0
Personal Income Tax	D.51	6.9	7.0	7.8	8.2
Corporate Income Tax	D.51	5.3	5.5	4.6	5.2
Other Income Tax	D.51	0.0	0.0	0.0	0.0
Other Current Taxes	D.59	0.4	0.4	0.5	0.4
Capital Taxes	D.91	0.2	0.2	0.2	0.2
Social Contributions		5.9	5.7	6.4	6.2
Employers'	D.6111	2.4	2.3	2.6	2.6
Employees'	D.6112	2.3	2.3	2.6	2.6
Self- and Non-Employed	D.6113	0.4	0.4	0.5	0.4
Imputed Social Contributions	D.612	0.8	0.7	0.8	0.7
Overall tax burden		31.1	30.6	30.3	31.2

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

Chart 2. Overall Tax Burden by year

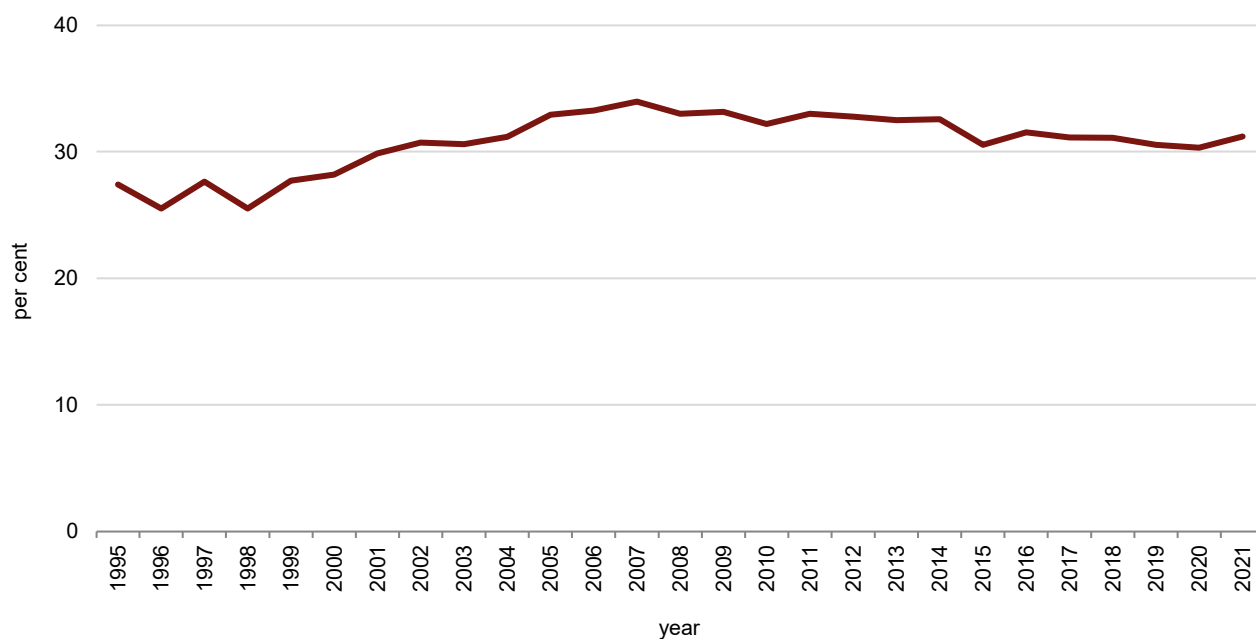


Table 3. Structure of tax revenues as a percentage of total by year

	ESA Code	2018	2019	2020	2021	per cent
Indirect Taxes		39.6	38.2	35.8	35.1	
VAT	D.211	22.8	21.8	21.4	21.8	
Import Duties	D.2121	0.3	0.4	0.4	0.5	
Taxes on Products (incl. excise duties)	D.214	15.0	14.3	12.1	10.9	
Other Taxes on Production	D.29	1.4	1.6	1.8	1.9	
Direct Taxes		41.5	43.2	43.1	44.9	
Personal Income Tax	D.51	22.3	23.0	25.7	26.3	
Corporate Income Tax	D.51	17.1	18.0	15.1	16.5	
Other Income Tax	D.51	0.1	0.1	0.1	0.1	
Other Current Taxes	D.59	1.4	1.5	1.6	1.3	
Capital Taxes	D.91	0.5	0.6	0.6	0.6	
Social Contributions		19.0	18.6	21.1	20.0	
Employers'	D.6111	7.6	7.6	8.5	8.3	
Employees'	D.6112	7.5	7.5	8.5	8.2	
Self- and Non-Employed	D.6113	1.2	1.2	1.6	1.2	
Imputed Social Contributions	D.612	2.6	2.4	2.6	2.3	
Total Tax Revenues		100.0	100.0	100.0	100.0	

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

	Sector	2018	2019	2020	2021	€000
Non-Financial Corporations	S.11	362,813	366,452	355,555	421,928	
Financial Corporations	S.12	322,138	402,469	241,110	328,324	
General Government	S.13	1,786	1,680	1,382	2,467	
Households	S.14	901,584	988,911	1,021,182	1,206,659	
Non-Profit Institutions serving Households	S.15	1,720	2,058	2,173	3,238	
Rest of the World	S.2	2,858	2,323	1,835	4,115	
Total Income Tax (D.51) receipts		1,592,899	1,763,893	1,623,237	1,966,731	

Table 5. Total environmental tax revenues by year and type of tax

	2018	2019	2020	2021	€000
Energy taxes	161,738	176,484	143,313	150,173	
Transport taxes	130,730	136,537	122,387	108,966	
Pollution taxes	29,277	32,657	31,028	31,068	
Resource taxes	0	0	0	0	
Total environmental taxes	321,745	345,677	296,727	290,207	

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 2018-2021 are in line with the latest GDP news release no. [154/2022](#) published on 29 August 2022.
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 from the online excel version of this news 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 online 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/spiSearchForm.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: <https://metadata.nso.gov.mt/concepts.aspx>
Glossary: http://nso.gov.mt/en/nso/Sources_and_Methods/Unit_A2/Public_Finance/Pages/Tax-Revenues.aspx
Statistical Database: <https://statdb.nso.gov.mt/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

European statistics comparable to data in this news release are available at:

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

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