

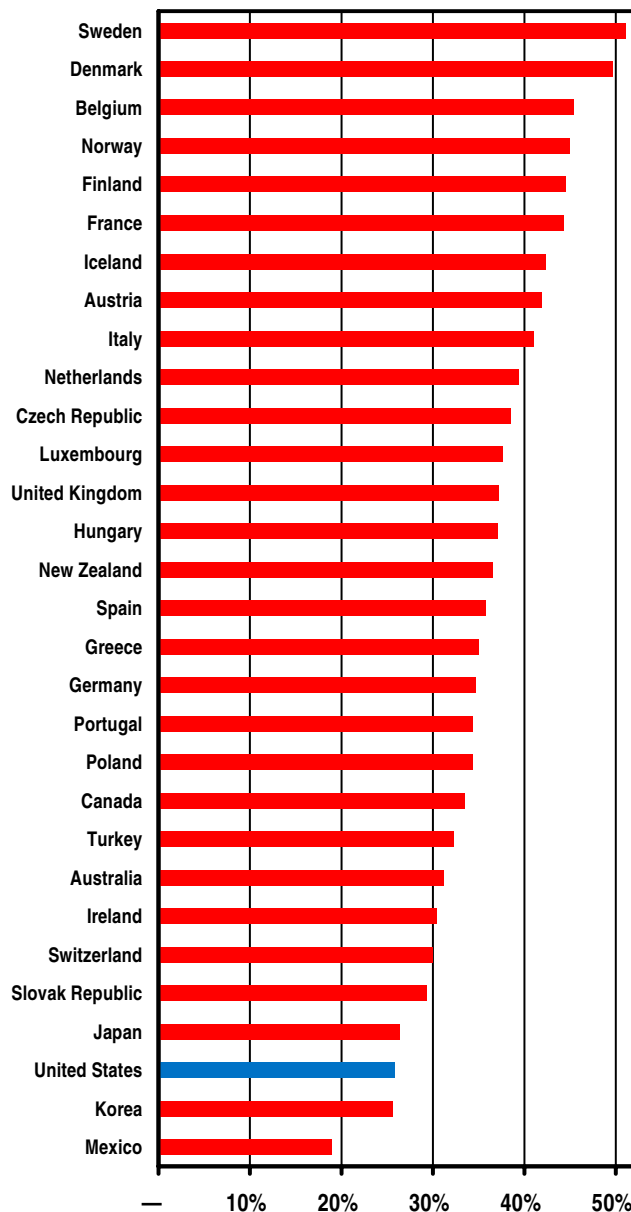
### United States Remains One of the Least Taxed Industrial Countries

Taxes continue to take up a relatively small part of American economic output, according to data compiled by Citizens for Tax Justice from the Organization for Economic Cooperation and Development, the U.S. Treasury and the U.S. Census. For example, in all but two OECD countries, taxes make up a larger percentage of gross domestic product (GDP) than in the United States.

#### Overall Taxation

- In 2005, total federal, state and local taxes in the United States were 25.8% of our gross domestic product, ranking 28th among the 30 OECD countries. Only Korea (25.6%) and Mexico (19.0%) had lower taxes.
- In 2005, total taxes in the 27 OECD nations with higher taxes than ours ranged from 26.4% of GDP in Japan to 51.1% in Sweden.

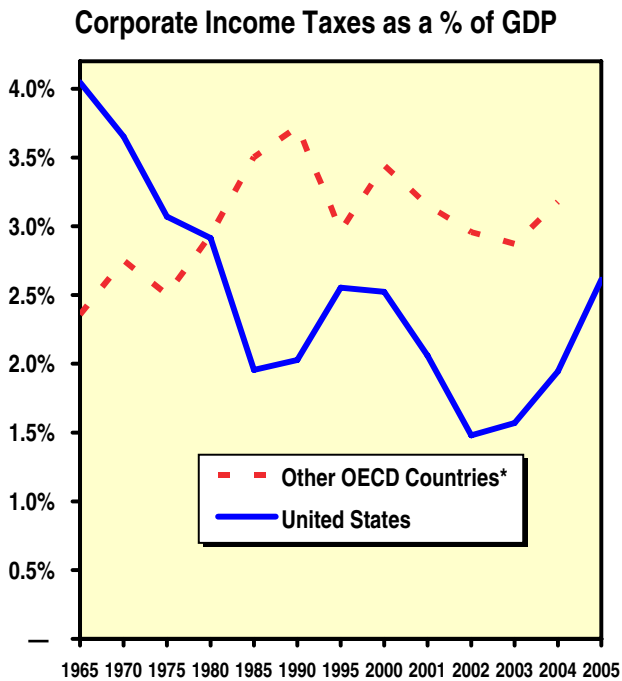
Total 2005 Taxes as a % of GDP



MORE...

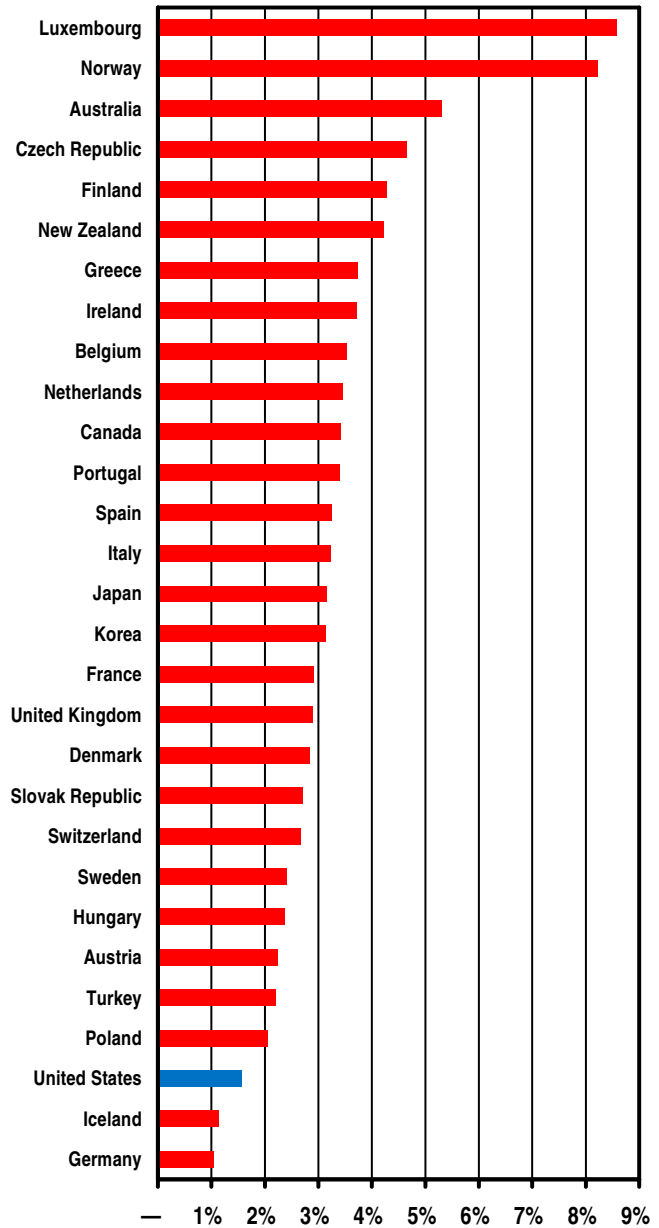
### Corporate Income Taxes

- In 1965, U.S. corporate income taxes were 4.0% of our GDP, compared to 2.4% of GDP in the other OECD countries.
- But by 2004 (the last year for which there is complete OECD data), U.S. corporate taxes had fallen to only 1.9% of our GDP, compared to 3.2% of other OECD countries.
- In 2005, U.S. corporate taxes rose to 2.6% of GDP, due skyrocketing corporate profits and a turnaround of temporary tax breaks in earlier years.



\*2005 data not available except for U.S.

2004 Corporate Income Taxes as a % of GDP



### **Personal Income Taxes**

- In 2000, the year before President Bush took office, personal income taxes were 12.3% of our GDP.
- Since the Bush tax cuts were enacted, however, personal income taxes have plummeted. Even with a slight recent improvement, personal income taxes are still a quarter below their 2000 level as a share of the GDP.

### **Social Insurance Taxes**

- Social insurance taxes and other wage taxes have risen rapidly worldwide.
- Since 1965, social insurance taxes in the U.S. have risen from 3.2% of GDP to 6.8% (in 2004).
- In the other OECD countries, social insurance and other wage taxes rose from 6.5% of GDP to 10.7% over the same period.

### **Sales, Excise and Other Consumption Taxes**

- In 1965, total federal, state and local consumption taxes in the U.S. were 5.5% of GDP. By 2004, they were 4.7%.
- In the other OECD countries, consumption taxes were 9.7% of GDP in 1965, and 9.6% in 2004. (Europe's replacement of cascading gross receipts taxes with value-added taxes solely on personal consumption around 1970 led to a bigger initial drop, which has since been partially reversed.)

### **Property & Wealth Taxes**

- Property and wealth taxes in the U.S. (about 90% of which are state and local real estate taxes) fell from 3.9% of GDP in 1965 to 2.9% by 1980, and have been stable thereafter (3.1% in 2004)

**Taxes as Shares of GDP in the United States and Other OECD Countries, 1965-2005 (federal, state & local)**

	Total taxes/GDP			All income taxes/GDP			Personal income taxes/GDP			Corporate income taxes/GDP		
	All but US	US	US-rank	All but US	US	US-rank	All but US	US	US-rank	All but US	US	US-rank
1965	27.4%	24.3%	17 of 24	8.9%	11.7%	7 of 24	6.5%	7.7%	9 of 23	2.4%	4.0%	3 of 23
1970	28.6%	27.3%	13 of 24	9.9%	13.7%	7 of 24	7.2%	10.0%	7 of 23	2.8%	3.7%	5 of 23
1975	30.2%	26.6%	17 of 25	10.8%	12.3%	13 of 25	8.4%	9.2%	14 of 24	2.5%	3.1%	7 of 24
1980	32.8%	26.7%	19 of 26	11.7%	13.4%	11 of 26	8.8%	10.5%	12 of 24	2.9%	2.9%	7 of 24
1985	33.7%	25.8%	23 of 26	12.4%	11.7%	16 of 26	8.9%	9.7%	13 of 24	3.5%	2.0%	14 of 24
1990	35.6%	26.7%	22 of 26	13.4%	11.9%	16 of 26	9.6%	9.9%	14 of 24	3.7%	2.0%	14 of 24
1995	34.9%	27.3%	26 of 29	11.6%	12.2%	13 of 29	8.6%	9.6%	15 of 28	3.0%	2.6%	16 of 28
2000	35.5%	29.6%	27 of 30	12.3%	14.8%	10 of 30	8.8%	12.3%	8 of 29	3.4%	2.5%	22 of 29
2001	35.6%	28.6%	27 of 30	12.2%	13.9%	14 of 30	9.0%	11.8%	9 of 29	3.2%	2.1%	26 of 29
2002	35.0%	26.1%	27 of 30	11.5%	11.3%	15 of 30	8.6%	9.8%	14 of 29	3.0%	1.5%	27 of 29
2003	34.8%	25.0%	29 of 30	11.2%	10.3%	16 of 30	8.4%	8.8%	14 of 29	2.9%	1.6%	27 of 29
2004	35.2%	25.1%	28 of 30	11.6%	10.4%	16 of 30	8.4%	8.5%	14 of 29	3.2%	1.9%	27 of 29
2005	35.5%	25.8%	28 of 30	na	11.8%	na	na	9.1%	na	na	2.6%	na
	Soc. insur. & payroll taxes/GDP			Consumption taxes/GDP			Property & wealth taxes/GDP					
	All but US	US	US-rank	All but US	US	US-rank	All but US	US	US-rank	All but US	US	US-rank
1965	6.5%	3.2%	17 of 23	9.7%	5.5%	23 of 24	2.2%	3.9%	2 of 24			
1970	7.3%	4.4%	16 of 24	9.3%	5.5%	22 of 24	2.0%	3.9%	3 of 24			
1975	9.0%	5.5%	17 of 24	8.3%	5.2%	23 of 25	1.9%	3.7%	2 of 25			
1980	10.2%	5.9%	17 of 25	8.7%	4.7%	24 of 26	1.9%	2.9%	2 of 26			
1985	10.2%	6.5%	16 of 26	8.7%	4.8%	25 of 26	2.2%	2.8%	3 of 26			
1990	10.9%	6.9%	15 of 26	8.9%	4.8%	25 of 26	2.2%	3.2%	4 of 26			
1995	11.6%	6.9%	19 of 29	8.8%	5.0%	28 of 29	2.5%	3.1%	5 of 29			
2000	10.9%	7.0%	20 of 30	9.3%	4.8%	30 of 30	2.5%	3.0%	5 of 30			
2001	11.1%	7.0%	21 of 30	9.4%	4.7%	30 of 30	2.5%	3.1%	5 of 30			
2002	10.9%	6.9%	20 of 30	9.5%	4.7%	30 of 30	2.5%	3.2%	5 of 30			
2003	10.7%	6.8%	20 of 28	9.5%	4.7%	30 of 30	2.5%	3.1%	5 of 30			
2004	10.7%	6.8%	21 of 28	9.6%	4.7%	30 of 30	2.5%	3.1%	4 of 30			

**Taxes by Type as Shares of Total Tax Receipts in the United States and Other OECD Countries, 1965-2004**

	All income taxes/total taxes			Personal income taxes/total			Corporate income taxes/total		
	All but US	US	US-rank	All but US	US	US-rank	All but US	US	US-rank
1965	32%	48%	4 of 24	24%	32%	8 of 23	9%	16%	3 of 23
1970	35%	50%	5 of 24	25%	37%	6 of 23	10%	13%	5 of 23
1975	36%	46%	7 of 25	28%	35%	8 of 24	8%	11%	6 of 24
1980	36%	50%	5 of 26	27%	39%	6 of 24	9%	11%	7 of 24
1985	37%	45%	7 of 26	26%	38%	7 of 24	10%	8%	11 of 24
1990	37%	45%	7 of 26	27%	37%	7 of 24	10%	8%	10 of 24
1995	33%	45%	5 of 29	25%	35%	6 of 28	9%	9%	7 of 28
2000	35%	50%	5 of 30	25%	41%	3 of 29	10%	9%	16 of 29
2001	34%	48%	4 of 30	25%	41%	3 of 29	9%	7%	20 of 29
2002	33%	43%	7 of 30	24%	38%	5 of 29	8%	6%	25 of 29
2003	32%	41%	8 of 30	24%	35%	5 of 29	8%	6%	21 of 29
2004	33%	42%	8 of 30	24%	34%	7 of 29	9%	8%	19 of 29
	Soc. insur. & payroll taxes/total			Consumption taxes/total			Property & wealth taxes/total		
	All but US	US	US-rank	All but US	US	US-rank	All but US	US	US-rank
1965	24%	13%	14 of 23	35%	23%	24 of 24	8%	16%	1 of 24
1970	25%	16%	14 of 24	32%	20%	24 of 24	7%	14%	1 of 24
1975	30%	21%	16 of 24	28%	20%	24 of 25	6%	14%	1 of 25
1980	31%	22%	15 of 25	27%	18%	25 of 26	6%	11%	2 of 26
1985	30%	25%	13 of 26	26%	19%	25 of 26	6%	11%	2 of 26
1990	30%	26%	14 of 26	25%	18%	25 of 26	6%	12%	2 of 26
1995	33%	25%	18 of 29	25%	18%	28 of 29	7%	11%	3 of 29
2000	31%	24%	19 of 30	26%	16%	30 of 30	7%	10%	5 of 30
2001	31%	24%	19 of 30	26%	16%	30 of 30	7%	11%	3 of 30
2002	31%	27%	18 of 30	27%	18%	30 of 30	7%	12%	2 of 30
2003	31%	27%	17 of 28	27%	19%	30 of 30	7%	12%	1 of 30
2004	30%	27%	17 of 28	27%	19%	30 of 30	7%	12%	1 of 30

**Notes:** Annual totals for non-US OECD countries include only countries with information for all of the years, 1965-2004. Averages are weighted by GDP.

US annual rankings compared to all countries include all countries with tax information for the year ranked; na = not available.

Data for 2005 are for the 23 OECD countries (including the US) with reported information, plus the 2004 figures for the 7 others.

The two OECD nations with lower total taxes as a share of GDP than the U.S. in 2005 were Mexico (at 19.5% of GDP) and Korea (at 25.6%).

Taxes in the 27 OECD nations with higher taxes as a share of GDP than the U.S. in 2005 ranged from 26.4% of GDP in Japan to 51.1% in Sweden.

U.S. federal, state & local taxes shown here are on a cash-flow basis. Personal income taxes are net of refundable tax credits.