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The Tax Burden on Global Workers A Comparative Index First Edition, 2021

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The Tax Burden on Global Workers

A Comparative Index

First Edition

2021

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Author's Note

In response to global interest generated by *The Tax Burden of Typical Workers in the EU (2010-2020)*, this year's 12th edition (2021) is expanding globally – with the inclusion of Australia, Brazil, Canada, Japan, South Africa, and the United States of America – and has been retitled as *The Tax Burden on Global Workers*. As a group, the 34 countries studied represent 58.2% of the global economy¹.

Our methodology is identical, and we hope to add additional countries in the future.

Abstract

The purpose of this study is to compare the taxes imposed on individual employees earning typical salaries in different countries around the world; and, in doing so, to determine a “tax liberation day” – measuring how many days of each year's work are devoted to paying taxes – for workers in each of these countries.

Background

Numerous studies rank political systems by various measures of “economic freedom”. While valuable for researchers, the aggregate data in these studies fail to shed light on the role of working individuals in financing their state and social security.

Further, many organizations calculate an annual “tax freedom day” for their countries. Unfortunately, inconsistent approaches to this calculation make cross-border comparisons difficult.

This study aims to create an “apples to apples” comparison of tax rates, with data that reflect the reality experienced by real, working people around the world. Finally, it serves as a reference to the true cost of hiring employees in each member state and to the real purchasing power of those employees.

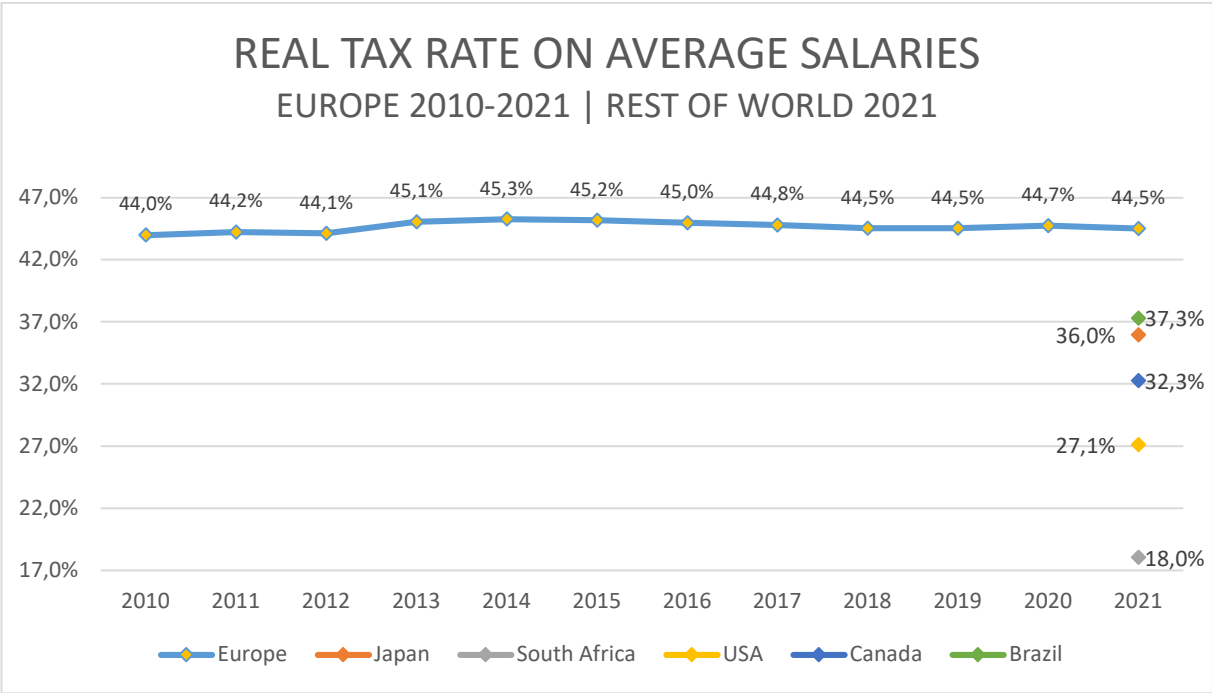
¹ Measured by GDP, according to World Bank figures (2017).

Main Results

Taxes on European workers' salaries fall to lowest point in a decade; global coverage begins with six added countries

On the whole, incremental policy changes and pandemic relief measures have brought mild tax relief to European workers this year, as the average “real tax rate” for typical workers in Europe (now defined as the EU countries plus the United Kingdom) ticked down 0.2% this year to 44.5% – however this relief was not felt consistently across the continent: 2021’s tax liberation days arrive earlier in 10 European countries, later in 8, and on the same day in 10.

The chart below shows the progression in Europe since 2010, with single data points for the six new countries added to our research: Australia, Brazil, Canada, Japan, South Africa, and the United States (USA).



The prevalence of “hidden” tax contributions continues

For every €100 of payroll taxes collected by governments, €40 euros is paid “on top” of gross salaries as employer contributions to social security. In many countries, these levies do not appear on workers’ payslips.

Noteworthy in 2021

The podium: Austria makes its debut, tied with France, as the “world champion” of taxation

Workers in **France** and **Austria** are the highest-taxed – not only in the European Union but among the full group of 34 global countries studied – and they celebrate their tax liberation day on July 19th.

Belgium holds its third-place position for the fourth consecutive year, and its workers celebrate once again on July 15th. For several years Europe’s least friendly tax environment for employment (its tax liberation day in 2013 was August 8th), relief was brought by the Michel government’s “tax shift” (2016-18), and additional cuts are being proposed for 2024.

Greek rebound continues

Payroll tax cuts implemented by the Mitsotakis government, elected in 2019, continue to benefit Greek workers, whose tax liberation day has quickly moved forward in the calendar: from July 10th in 2019 to June 22nd last year, now to June 14th in 2021.

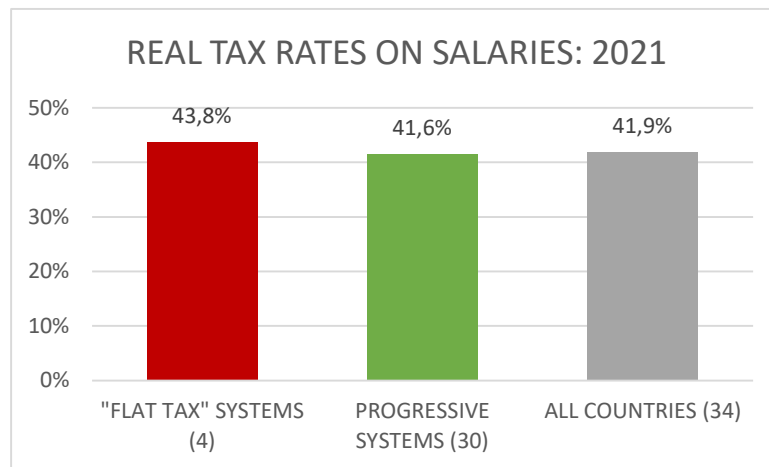
The Greek economy has reason to celebrate, as well: Despite the pandemic, which led to higher unemployment rates worldwide and acutely impacted the tourism industry, Greece’s unemployment rate has been falling since the tax cuts came into effect.

Czech workers celebrate two weeks earlier

From 2008-20, the Czech government levied income tax on employees for the health and social insurance paid by their employers, often pushing them into a higher tax bracket. New legislation made effective January 1st of 2021 eliminated this double taxation and reduced the effective real tax rate for Czech workers by nearly 4%.

Four “flat tax” countries remain

Though the scope of this study has expanded from 28 to 34 countries, the number whose governments have “flat tax” policies remains at 4. The real tax rate for workers in progressive systems is higher than in flat tax systems.



Flat tax regimes impose a fixed rate on income tax, but not other taxes: Social security rates in flat tax countries are, on average, higher than in progressive states; social contributions make up 77.6% of payroll taxes collected in flat tax countries (versus 65.9% in progressive systems).

Outlook

Aging populations portend higher pension and health care expenditures, as there are fewer young workers to pay for retirees' benefits.

Today in Japan, Italy, and Germany, more than 20% of the population is over age 65 – a demographic and fiscal challenge every country studied here, with the exception of South Africa, is expected to face by 2050.

At this moment, only 192 million (42.9%) of the EU's 448 million citizens are in the labour force²; the figures are similar in the United States (43.6%) and Japan (53.3%)³.

The COVID-19 pandemic created additional budget worries for governments around the world, as expenditures health care and unemployment benefits increased while the global economy contracted nearly 5 percent.

A great recovery has begun, jobs are becoming available, and new advances in teleworking make employment possible for a greater number than ever before. Making it less expensive to hire employees – by lowering the taxes levied on employees and employers – will ensure that the greatest number are hired; the more of their income workers can keep (and spend), the better our chances of reinvigorating the virtuous cycle and returning to prosperous growth.

² Population and employment statistics from ec.europa.eu/eurostat

³ Population and labor force statistics from cia.gov/the-world-factbook

Definitions and Methodology

The following terms are used in this study:

Real Gross Salary represents the total cost of employing an individual, including social security contributions made on top of an employee's salary. Because in either case the state is taking from the budget used to hire the employee, we believe this is the fairest method of comparing payroll taxes. Consider two countries:

Country A		Country B	
Real gross (employer cost)	60,000	Real gross (employer cost)	60,000
Employer Social Security (50%)	(20,000)	Employer Social Security (10%)	(6,000)
Gross Salary	40,000	Gross Salary	54,000
Income tax (20%)	(8,000)	Income tax (35%)	(18,900)
Employee Social Security (10%)	(4,000)	Employee Social Security (12%)	(6,480)
Net pay	28,000	Net pay	28,620

The employee in the 20% income tax bracket (country A) actually receives less than the employee in the 35% bracket. In both cases, the employer spends 60,000 euros – and more half of it goes to the government.

Real Net Salary is the “bottom line” figure: How much cash a worker has left over to spend that will not be paid to the state. (Other additional taxes – such as those on petrol, airline tickets, tobacco, and alcohol – are not considered in this study.)

An individual's **Real Tax Rate (%)** is:

$$\frac{\text{Social Security Contributions + Income Tax + VAT}}{\text{Real Gross Salary}}$$

365 (days) × the Real Tax Rate = the number of days an employee works each year to pay taxes. Starting from New Year's Day and counting, the next calendar day is the **Tax Liberation Day** for workers in that country.

2021 Tax Liberation Day Calendar

MARCH	7		South Africa
APRIL	9		United States
	14		Cyprus
	23		Malta
	28		Canada
MAY	11		United Kingdom
	12		Japan
	12		Australia
	17		Brazil
	20		Ireland
	24		Bulgaria
	27		Lithuania
	30		Denmark
	31		Estonia
JUNE	4		Luxembourg
	6		Croatia
	9		Spain
	9		Czech Republic
	11		Portugal
	12		Poland
	12		Slovenia
	14		Greece
	14		Latvia
	15		Finland
	19		Romania
	20		Netherlands
	21		Slovakia
	23		Sweden
	25		Hungary
JULY	3		Germany
	7		Italy
	16		Belgium
	19		France
	19		Austria

Data Summary in €⁴

Country	Real Gross Salary ⁵	Employer Social Security	Gross Salary ⁶	Income Tax	Employee Social Security	Take-home Pay (Net Income)	VAT Rate (Sales Tax)	Estimated VAT	Real Net Salary	Real Tax Rate	Tax Liberation Day 2021
AUSTRALIA	63,409	8,520	54,889	11,881	1,098	41,910	10.0%	1,362	40,548	36.05%	12-May
AUSTRIA	63,076	14,664	48,412	9,123	8,772	30,517	20.0%	1,984	28,533	54.76%	19-Jul
BELGIUM	61,137	11,572	49,565	12,904	6,446	30,216	21.0%	2,062	28,154	53.95%	16-Jul
BRAZIL ⁷	6,142	1,652	4,490	1	412	4,077	17.0%	225	3,851	37.29%	17-May
BULGARIA ¹⁸	9,244	1,516	7,728	666	1,065	5,997	20.0%	390	5,607	39.35%	24-May
CANADA ⁹	38,438	3,260	35,179	5,645	2,351	27,182	13.0%	1,148	26,034	32.27%	28-Apr
CROATIA ¹⁰	15,614	2,211	13,403	1,033	2,681	9,689	25.0%	787	8,902	42.99%	6-Jun
CYPRUS ¹¹	27,286	3,538	23,748	329	2,600	20,818	19.0%	1,286	19,533	28.42%	14-Apr
CZECH REPUBLIC	20,899	5,279	15,620	1,279	1,718	12,622	21.0%	861	11,761	43.73%	9-Jun
DENMARK	57,815	305	57,510	20,228	153	37,130	25.0%	3,017	34,113	41.00%	30-May
ESTONIA [†]	22,904	5,786	17,118	2,100	616	14,401	20.0%	936	13,465	41.21%	31-May
FINLAND	54,845	9,575	45,271	8,011	4,744	32,516	24.0%	2,536	29,980	45.34%	15-Jun
FRANCE	56,119	16,922	39,197	2,654	9,307	27,236	20.0%	1,770	25,466	54.62%	19-Jul
GERMANY	62,609	10,424	52,185	8,540	10,554	33,090	19.0%	2,043	31,047	50.41%	3-Jul
GREECE	26,202	4,820	21,382	2,740	3,019	15,623	24.0%	1,219	14,404	45.02%	14-Jun
HUNGARY [†]	14,428	2,096	12,332	1,850	2,281	8,201	27.0%	720	7,481	48.15%	25-Jun
IRELAND ¹²	54,199	5,393	48,806	10,661	1,952	36,192	22.7%	2,667	33,526	38.14%	20-May
ITALY	41,038	9,436	31,602	7,350	2,794	21,458	22.0%	1,534	19,924	51.45%	7-Jul
JAPAN	48,064	6,715	41,349	3,210	6,318	31,821	10.0%	1,034	30,787	35.95%	12-May
LATVIA	16,068	3,067	13,001	2,183	1,365	9,452	21.0%	645	8,807	45.19%	14-Jun
LITHUANIA	14,645	255	14,390	2,159	2,806	9,425	21.0%	643	8,782	40.03%	27-May
LUXEMBOURG	69,758	8,988	60,770	10,710	7,473	42,587	17.0%	2,353	40,234	42.32%	4-Jun
MALTA ¹³	21,491	1,893	19,599	1,916	1,893	15,790	18.0%	924	14,866	30.83%	23-Apr
NETHERLANDS	65,747	12,549	53,198	8,987	6,682	37,529	21.0%	2,561	34,967	46.82%	20-Jun
POLAND	15,743	2,690	13,052	809	2,803	9,440	23.0%	706	8,735	44.52%	12-Jun
PORTUGAL	23,249	4,462	18,787	2,740	2,067	13,980	23.0%	1,045	12,935	44.36%	11-Jun
ROMANIA ¹⁴	12,783	281	12,502	813	4,376	7,314	19.0%	452	6,862	46.32%	19-Jun
SLOVAKIA	17,845	4,646	13,199	1,315	1,769	10,115	20.0%	657	9,458	47.00%	21-Jun
SLOVENIA	23,889	3,313	20,576	1,774	4,547	14,255	22.0%	1,019	13,236	44.59%	12-Jun
SOUTH AFRICA ¹⁵	14,864	264	14,600	1,676	118	12,806	15.0%	624	12,182	18.04%	7-Mar
SPAIN	35,771	8,234	27,537	4,177	1,749	21,612	21.0%	1,475	20,137	43.71%	9-Jun
SWEDEN	60,047	14,356	45,691	11,379	0	34,312	25.0%	2,788	31,524	47.50%	23-Jun
UNITED KINGDOM	50,581	5,458	45,123	6,245	4,138	34,741	20.0%	2,258	32,482	35.78%	11-May
USA (AVERAGE)	50,119	3,562	46,557	5,494	3,562	37,501	7.9%	968	36,534	27.11%	9-Apr

⁴ All figures in euros. "Flat tax" countries are marked with a dagger (†).

⁵ Total cost of employment, social security, income tax and net income calculated by EY. Other calculations by Institut Économique Molinari.

⁶ Unless otherwise noted, Average Gross Salary figures are from OECD's *Taxing Wages*.

⁷ Average Gross salary for Brazil from the national statistics office: ibge.gov.br

⁸ Average Gross Salary figure for Bulgaria from the national statistics office: nsi.bg

⁹ For Canada's VAT (HST) rate, Ontario's rate is used (8% Provincial + 5% Federal)

¹⁰ Average Gross Salary figure for Croatia from the national statistics office: dzs.hr

¹¹ Average Gross Salary figure for Cyprus from the national statistics office: mof.gov.cy

¹² VAT rate for Ireland based on rate increase from 21% to 23% on 1 March 2021

¹³ Average Gross salary for Malta from the national statistics office: nso.gov.mt

¹⁴ Average Gross salary for Romania from the national statistics office: insse.ro

¹⁵ Average Gross salary for South Africa from the national statistics office: statssa.gov.za

Data Summary in \$¹⁶

Country	Real Gross Salary ¹⁷	Employer Social Security	Gross Salary ¹⁸	Income Tax	Employee Social Security	Take-home Pay (Net Income)	VAT Rate (Sales Tax)	Estimated VAT	Real Net Salary	Real Tax Rate	Tax Liberation Day 2021
AUSTRALIA	75,040	10,083	64,957	14,060	1,299	49,598	10.0%	1,612	47,986	36.05%	12-May
AUSTRIA	74,646	17,354	57,292	10,796	10,381	36,115	20.0%	2,348	33,767	54.76%	19-Jul
BELGIUM	72,351	13,695	58,657	15,271	7,628	35,759	21.0%	2,440	33,318	53.95%	16-Jul
BRAZIL ¹⁹	7,269	1,955	5,314	1	488	4,825	17.0%	266	4,557	37.29%	17-May
BULGARIA ²⁰	10,940	1,794	9,146	788	1,260	7,097	20.0%	462	6,636	39.35%	24-May
CANADA ²¹	45,489	3,858	41,632	6,680	2,782	32,168	13.0%	1,359	30,809	32.27%	28-Apr
CROATIA ²²	18,478	2,617	15,862	1,222	3,173	11,466	25.0%	931	10,535	42.99%	6-Jun
CYPRUS ²³	32,291	4,187	28,104	389	3,077	24,637	19.0%	1,522	23,116	28.42%	14-Apr
CZECH REPUBLIC	24,733	6,247	18,485	1,514	2,033	14,937	21.0%	1,019	13,918	43.73%	9-Jun
DENMARK	68,420	361	68,059	23,938	181	43,941	25.0%	3,570	40,370	41.00%	30-May
ESTONIA [†]	27,105	6,847	20,258	2,485	729	17,043	20.0%	1,108	15,935	41.21%	31-May
FINLAND	64,905	11,331	53,575	9,480	5,614	38,480	24.0%	3,001	35,479	45.34%	15-Jun
FRANCE	66,413	20,026	46,387	3,141	11,014	32,232	20.0%	2,095	30,137	54.62%	19-Jul
GERMANY	74,093	12,336	61,757	10,107	12,490	39,160	19.0%	2,418	36,742	50.41%	3-Jul
GREECE	31,008	5,704	25,304	3,243	3,573	18,489	24.0%	1,443	17,046	45.02%	14-Jun
HUNGARY [†]	17,075	2,480	14,594	2,189	2,699	9,705	27.0%	852	8,853	48.15%	25-Jun
IRELAND ²⁴	64,141	6,382	57,759	12,617	2,310	42,831	22.7%	3,156	39,676	38.14%	20-May
ITALY	48,566	11,167	37,399	8,698	3,307	25,394	22.0%	1,815	23,579	51.45%	7-Jul
JAPAN	56,880	7,947	48,934	3,799	7,477	37,658	10.0%	1,224	36,434	35.95%	12-May
LATVIA	19,015	3,630	15,386	2,583	1,615	11,186	21.0%	763	10,422	45.19%	14-Jun
LITHUANIA	17,331	302	17,030	2,555	3,321	11,154	21.0%	761	10,393	40.03%	27-May
LUXEMBOURG	82,554	10,637	71,917	12,675	8,844	50,399	17.0%	2,785	47,614	42.32%	4-Jun
MALTA ²⁵	25,433	2,240	23,194	2,267	2,240	18,686	18.0%	1,093	17,593	30.83%	23-Apr
NETHERLANDS	77,807	14,851	62,956	10,636	7,908	44,413	21.0%	3,031	41,381	46.82%	20-Jun
POLAND	18,631	3,183	15,446	957	3,317	11,172	23.0%	836	10,337	44.52%	12-Jun
PORTUGAL	27,514	5,280	22,233	3,243	2,446	16,544	23.0%	1,237	15,308	44.36%	11-Jun
ROMANIA ²⁶	15,128	333	14,795	962	5,179	8,656	19.0%	535	8,121	46.32%	19-Jun
SLOVAKIA	21,118	5,498	15,620	1,556	2,093	11,970	20.0%	778	11,193	47.00%	21-Jun
SLOVENIA	28,271	3,921	24,350	2,099	5,381	16,870	22.0%	1,206	15,664	44.59%	12-Jun
SOUTH AFRICA ²⁷	17,591	312	17,278	1,983	140	15,155	15.0%	738	14,417	18.04%	7-Mar
SPAIN	42,333	9,744	32,588	4,943	2,070	25,576	21.0%	1,746	23,831	43.71%	9-Jun
SWEDEN	71,062	16,989	54,072	13,466	0	40,606	25.0%	3,299	37,307	47.50%	23-Jun
UNITED KINGDOM	59,859	6,459	53,400	7,391	4,897	41,114	20.0%	2,672	38,440	35.78%	11-May
USA (AVERAGE)	59,312	4,215	55,097	6,502	4,215	44,380	7.9%	1,146	43,236	27.11%	9-Apr

¹⁶ All figures in U.S. Dollars, using 14 July 2021 exchange rate of €0.845 = \$1. "Flat tax" countries are marked with a dagger (†).

¹⁷ Total cost of employment, social security, income tax and net income calculated by EY. Other calculations by Institut Économique Molinari.

¹⁸ Unless otherwise noted, Average Gross Salary figures are from OECD's *Taxing Wages*.

¹⁹ Average Gross salary for Brazil from the national statistics office: ibge.gov.br

²⁰ Average Gross Salary figure for Bulgaria from the national statistics office: nsi.bg

²¹ For Canada's VAT (HST) rate, Ontario's rate is used (8% Provincial + 5% Federal)

²² Average Gross Salary figure for Croatia from the national statistics office: dzs.hr

²³ Average Gross Salary figure for Cyprus from the national statistics office: mof.gov.cy

²⁴ VAT rate for Ireland based on rate increase from 21% to 23% on 1 March 2021

²⁵ Average Gross salary for Malta from the national statistics office: nso.gov.mt

²⁶ Average Gross salary for Romania from the national statistics office: insse.ro

²⁷ Average Gross salary for South Africa from the national statistics office: statssa.gov.za

Research Notes

Gross Salary

When available, salary figures come from the OECD's *Taxing Wages*. Others are sourced from government statistics offices (see footnotes on page 9).

In euros, gross salaries ranged from €4,490 (\$5,314) in Brazil, to €60,770 (\$71,917) in Luxembourg. The average gross salary among the 34 countries was €30,540 (\$36,142).

Employer Contributions to Social Security

Averaging 20.25% across the countries studied here, these taxes vary to a great degree and are invisible to employees in many countries, where only deductions from gross salaries appear on pay slips. For typical workers, these costs range from less than 1% of gross salary in Denmark to 43% in France (where the employer's contributions are, at least, shown on payslips).

Individual Contributions to Social Security

Visible on most employees' payslips, the lower and upper reaches of these deductions are set, respectively, by Sweden (zero) and Romania (35%), with a worldwide average of 13.3%.

Total Contributions to Social Security

France (67%) is the only country taxing more than half of a typical worker's gross salary as "social security contributions". Six other countries in this study – Germany, Poland, the Czech Republic, Brazil, Austria, and Slovakia – each collect more than 40% this way, while in Denmark these taxes amount to only 0.8% of the gross salary figure. The average figure is 32.41% – making the value of "social security" payments more than double that of income taxes (see below).

Personal Income Taxes

On average, the income tax rate over the 34-country global spectrum is 14.08%. While Denmark can claim it imposes the lowest combined social security taxes, its treasury is compensated by the highest personal income tax rates in this global study, collecting 35.2% from a typical worker's salary this way. Workers in Brazil (0.01%) and Cyprus (1.39%) enjoy the lowest income tax rates.

Income tax rates in the United States (USA)

In addition to the income tax imposed by their federal government, Americans in 41 of its 50 states are subject to state-level income taxes. In this study, the figures appearing are an average of five highly-populated states – New York, California, Ohio, Texas, and Florida – the latter two having no state income taxes.

Estimated Value-Added Tax (VAT), also known as Sales Tax, HST, or GST

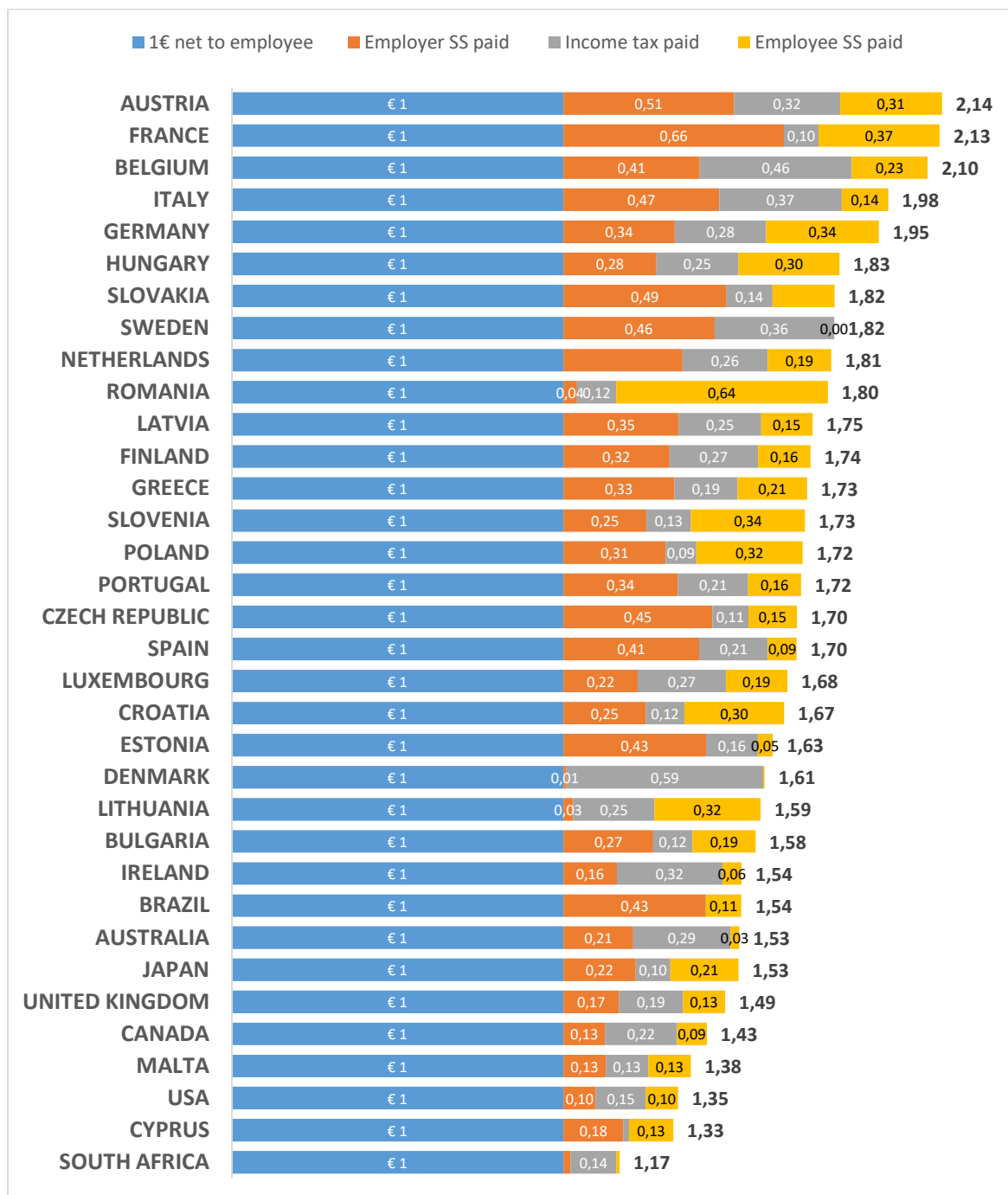
To determine estimated VAT we assume, conservatively, that only 32.5% of a worker's net income will be subject to VAT. *Estimated Rent* is assumed to be 35% of the employee's net (take-home) income. After subtracting rent, remaining net income is divided in half to estimate the sum left over that will be subject to VAT when spent.

Since 2009, only 8 of the 28 European countries studied herein have not increased VAT rates: Austria, Belgium, Bulgaria, Denmark, Germany, Latvia, Malta, and Sweden. The largest increases in these "sales tax" rates occurred in Hungary (from 20% to 27%), the United Kingdom (from 15% to 20%), Spain (from 16% to 21%), Greece (from 19% to 24%), and Romania (from 19% to 24%, then back to 19%).

The USA stands out among our 34 countries as the only one whose workers do not pay federal sales tax on their retail purchases. Americans do, however, pay such taxes to local and/or state governments, depending where they live. In our sample of five populous states, the combined rates ranged from 7.1% in Florida to 8.7% in California.

Appendix 1: Cost to employer of 1 net to employee

The chart below shows what employers must spend to give 1 euro (or dollar) of real purchasing power (before VAT/sales tax) to an employee earning an average salary in each country.



Appendix 2: Rankings by total cost of employment, total tax burden and real net salary (in euros)²⁸

RANK	TOTAL EMPLOYMENT COST		TOTAL TAXES PAID		REAL SPENDING POWER	
1	Luxembourg	69,758	Austria	34,543	Australia	40,548
2	Netherlands	65,747	Belgium	32,984	Luxembourg	40,234
3	Australia	63,409	Germany	31,562	USA	36,534
4	Austria	63,076	Netherlands	30,780	Netherlands	34,967
5	Germany	62,609	France	30,653	Denmark	34,113
6	Belgium	61,137	Luxembourg	29,524	Ireland	33,526
7	Sweden	60,047	Sweden	28,523	United Kingdom	32,482
8	Denmark	57,815	Finland	24,866	Sweden	31,524
9	France	56,119	Denmark	23,702	Germany	31,047
10	Finland	54,845	Australia	22,861	Japan	30,787
11	Ireland	54,199	Ireland	20,673	Finland	29,980
12	United Kingdom	50,581	Italy	19,924	Austria	28,533
13	USA	50,119	United Kingdom	18,099	Belgium	28,154
14	Japan	48,064	Japan	17,277	Canada	26,034
15	Italy	41,038	Spain	15,634	France	25,466
16	Canada	38,438	USA	13,585	Spain	20,137
17	Spain	35,771	Canada	12,404	Italy	19,924
18	Cyprus	27,286	Greece	11,797	Cyprus	19,533
19	Greece	26,202	Slovenia	10,653	Malta	14,866
20	Slovenia	23,889	Portugal	10,313	Greece	14,404
21	Portugal	23,249	Estonia	9,439	Estonia	13,465
22	Estonia	22,904	Czech Republic	9,138	Slovenia	13,236
23	Malta	21,491	Slovakia	8,387	Portugal	12,935
24	Czech Republic	20,899	Cyprus	7,754	South Africa	12,182
25	Slovakia	17,845	Latvia	7,260	Czech Republic	11,761
26	Latvia	16,068	Poland	7,008	Slovakia	9,458
27	Poland	15,743	Hungary	6,947	Croatia	8,902
28	Croatia	15,614	Croatia	6,712	Latvia	8,807
29	South Africa	14,864	Malta	6,625	Lithuania	8,782
30	Lithuania	14,645	Romania	5,921	Poland	8,735
31	Hungary	14,428	Lithuania	5,863	Hungary	7,481
32	Romania	12,783	Bulgaria	3,637	Romania	6,862
33	Bulgaria	9,244	South Africa	2,682	Bulgaria	5,607
34	Brazil	6,142	Brazil	2,290	Brazil	3,851

²⁸ All figures in Euros (€). Total tax burden and real net salary figures include social charges, income taxes and estimated VAT (sales tax).

Appendix 3: Rankings by total cost of employment, total tax burden and real net salary (in U.S. Dollars)²⁹

RANK	TOTAL EMPLOYMENT COST		TOTAL TAXES PAID		REAL SPENDING POWER	
1	Luxembourg	82,554	Austria	40,879	Australia	47,986
2	Netherlands	77,808	Belgium	39,034	Luxembourg	47,615
3	Australia	75,040	Germany	37,351	USA	43,235
4	Austria	74,647	Netherlands	36,426	Netherlands	41,382
5	Germany	74,093	France	36,276	Denmark	40,370
6	Belgium	72,352	Luxembourg	34,940	Ireland	39,675
7	Sweden	71,062	Sweden	33,755	United Kingdom	38,441
8	Denmark	68,421	Finland	29,427	Sweden	37,307
9	France	66,413	Denmark	28,050	Germany	36,742
10	Finland	64,906	Australia	27,055	Japan	36,434
11	Ireland	64,141	Ireland	24,465	Finland	35,479
12	United Kingdom	59,859	Italy	23,579	Austria	33,767
13	USA	59,312	United Kingdom	21,418	Belgium	33,318
14	Japan	56,881	Japan	20,447	Canada	30,809
15	Italy	48,566	Spain	18,502	France	30,137
16	Canada	45,489	USA	16,077	Spain	23,831
17	Spain	42,332	Canada	14,680	Italy	23,578
18	Cyprus	32,292	Greece	13,961	Cyprus	23,116
19	Greece	31,008	Slovenia	12,607	Malta	17,593
20	Slovenia	28,271	Portugal	12,205	Greece	17,047
21	Portugal	27,513	Estonia	11,170	Estonia	15,935
22	Estonia	27,105	Czech Republic	10,815	Slovenia	15,664
23	Malta	25,433	Slovakia	9,925	Portugal	15,308
24	Czech Republic	24,733	Cyprus	9,176	South Africa	14,417
25	Slovakia	21,118	Latvia	8,592	Czech Republic	13,918
26	Latvia	19,015	Poland	8,294	Slovakia	11,193
27	Poland	18,630	Hungary	8,221	Croatia	10,535
28	Croatia	18,478	Croatia	7,943	Latvia	10,423
29	South Africa	17,590	Malta	7,840	Lithuania	10,393
30	Lithuania	17,331	Romania	7,007	Poland	10,337
31	Hungary	17,075	Lithuania	6,938	Hungary	8,853
32	Romania	15,128	Bulgaria	4,304	Romania	8,121
33	Bulgaria	10,939	South Africa	3,174	Bulgaria	6,635
34	Brazil	7,268	Brazil	2,711	Brazil	4,558

²⁹ All figures in United States Dollars (\$), based on July 15, 2021 exchange rate of €0.845=\$1. Total tax burden and real net salary figures include social charges, income taxes and estimated VAT (sales tax).

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