

I. CONSTRUCTION OF THE DATA BASE

I.1. Aims and Methodology of the Study

Context of the Study: Tax Coordination

Considerable efforts have been made in the last decade within the EU to obtain compatible economic data for all Member States, in particular with respect to the tax system. The data thus obtained have been used among others:

- to formulate proposals for economic policy, e.g. the implementation of the White Paper on Growth, Competitiveness and Employment,
- to devise economic instruments for environmental improvement,
- to develop strategies against erosion of the tax base, and
- to prepare for the European Monetary Union.

The statistical tool used in these efforts is contained in the Eurostat publication "*Structures of the Taxation Systems in the European Union*", 1998. Besides the traditional classification it amounts to a breaking down of the total of taxes

- according to the economic function of the tax base into the two main categories taxes on consumption and taxes on production,

and

- taxes on production further according to various production factors, to be described in detail in the section on Methodology below.

The method has been applied to Member States and some other developed economies (studies in which also the authors of this report have been involved) and proven its usefulness for the above mentioned goals.

Applying the tool to the five aspirants to EU-membership covered by this report will serve several purposes:

- It shows the degree of compatibility of general economic and in particular of tax data in these countries with the EU-standard and the degree to which a conversion from their national data to the Eurostat format has already been achieved and possibly allow recommendations for adaptations in their statistics.
- It improves a detailed knowledge of the tax reality there; it will reveal similarities and differences of the tax structure of the selected country with respect to the structures prevailing in the EU.
- It documents the major changes in principles and methods of taxation that were made in these countries in preparation for the accession to the EU and describes further reforms that have already been passed or are in preparation for the immediate future (2000 to 2002).
- All in all the information obtained may contribute in a positive way to the future accession of the candidate countries.

Methodology: Ascertaining of all taxes and disaggregation according to fiscal categories and to economic functions

For the EU-Member States a comprehensive system of ascertaining, disaggregating and displaying tax data has been developed over the last years and documented in its latest version in "Structures of the Taxation Systems in the European Union", Eurostat, 1998.

According to this format all taxes and contributions for the respective country and for each year for which a reliable data source exists are to be classified and displayed in three different ways:

Table A contains the classical split between direct taxes (i.e. taxes on current income and wealth, capital taxes), indirect taxes (taxes charged on produced or imported goods) and social contributions. There are different concepts of direct and indirect taxes. This report follows the EUROSTAT definition and defines direct taxes as those taxes which are directly related to income and wealth and indirect taxes as those taxes which are related to production or imports. Since this distinction as such is often not sufficient, direct taxes are further subdivided into taxes on personal income and taxes on corporate income and others (non imputable). Indirect taxes are divided into turnover taxes incl. VAT, excise duties, taxes on services and others. Social contributions form a category of their own.

Table B shows a split of taxes according to the government level which ultimately receives the revenues. According to the ESA a distinction is made between central government (ESA Code: S61), non-central government (S62), social insurance (S63) and the EC (S92).

Table C classifies taxes and social contributions according to economic functions of the tax base. Five categories are distinguished: taxes on

- consumption,
- labour employed,
- labour self- and non-employed,
- capital & business,
- transfers (where applicable).

All taxes and social contributions are grouped under one but only one of these headings. In addition there are two "of which" categories: taxes on energy and environmental taxes. Taxes on energy or environmental use are usually also taxes on consumption or taxes on other factors of production.

The assignment along economic instead of fiscal categories is the main novelty in this approach; it allows the subsequent calculation of the relative tax loads on different production factors and on consumption, which are part of the relative factor prices and hence have an impact on factor allocation¹. The 'implicit tax rates ITR' will be calculated to serve as a macroeconomic indicator for the factor tax loads.

Due to the novelty of this latter approach a universal methodology allowing each tax in any country to be uniquely ascribed to these economic categories is still under development and depends to a large extent on the degree of specification and disaggregation of the available raw data.

¹ An early attempt of such a classification of taxes according to economic functions, see also sec. V below, was undertaken in ATW's 1993-94 study for the EU: "More Jobs, Less Pollution", and in ATW's 1997 study for the EU "More Jobs, Less Tax Evasion, Cleaner Environment" , revised and updated in 1999; in its most recent 1999 version the material is on file at <http://www.JARASS.DE>.

This is particularly true for the study undertaken here, because the five accession states Estonia, Poland, Hungary, Czech Republic and Slovenia differ historically greatly from the present EU Member States:

- Their economies have only from 1990 onwards been fully converted to a free market economy, where taxation of individuals plays a dominant rôle.
- In each of the five countries the legal base for the presently prevailing system of taxation, with a structure similar to the systems in the Member States, has only been laid by legislation of the years 1991/2 and been amended several times up to the 1999 status documented in this report.
- Internationally published tax data exist in the OECD tax statistics only for Poland, Czech Republic and Hungary, and only for the years 1991...1993 and after.
- National tax statistics in a format appropriate for this report do exist only for the years after the transition period after 1991. This report contains the most recent updated version of national data as of Dec 1999, obtained from the respective Ministries of Finance, representing definitive figures up to 1998, for Hungary and Slovenia estimates for 1999; for Slovenia budget plans for 2000 have been made available.

Both the "Inventory of Taxes" and the "Tables of Revenues" for each country have been checked and revised, where necessary, by the responsible departments of government in each of the countries. Likewise the information entering into the disaggregation of revenues according to the economic function of the tax base has been scrutinized by the national tax experts, e.g. the split of 'individual income tax' into the share falling to

- employed labour,
- to self-employed labour,
- to individual capital income, gains, wealth
- to other (transfers and unallocable).

All tables and graphs shown in this report have been made completely compatible with those in "*Structures of the Taxation Systems in the European Union*".

I.2. Data Sources and Description of Available Data

In order to win the full cooperation of the national tax authorities in the five countries covered by this study, ATW has sent letters to Their Excellencies, the Ministers of Finance, in the respective countries. The Ministers in each country very promptly nominated the officials responsible for this task.

At this point the authors of the report would like to express their special gratitude to all these officials named in detail here below and to their collaborators

- for the excellent and friendly cooperation,
- for the considerable work load they were willing to take on,
- for the complete and relevant information they made available to ATW-research.

The complete exchange of letters between ATW-research and the ministers and the responsible officials named by the ministers are on file at ATW and can be delivered to the Commission upon request.

The following table I.1 gives basic information for the 5 countries, based on data from the Eurostat data base NewCronos, on data collected from national Central Statistical Offices and Finance Ministries.

Table I.1. Important Data (1998) for the 5 Countries investigated							
			(1) ESTONIA	(2) POLAND	(3) HUNGARY	(4) CZECH REPUBLIC	(5) SLOVENIA
(1) General data							
(1.1)	Gross Domestic Product (GDP)	[billion of national currency]	73	549	11,420	1,821	3,243
(1.2)	Exchange rate	[national currency / EURO]	15.8	3.9	241.0	36.2	186.3
(1.3) = (1.1)/(1.2)	GDP	[billion EURO]	4.6	140.1	47.4	50.4	17.4
(1.4)	population	[million]	1.5	38.7	10.1	10.3	2.0
(2) Data per GDP							
(2.1) = (1.3)/(1.4)	GDP / capita	[EURO / cap]	3,190.3	3,622.8	4,671.7	4,890.8	8,779.6
(2.2)	exports / GDP	[%]	80	20	34	60	57
(2.3)	tax revenues / GDP	[%]	38	36	39	38	40

Useful country specific information about national institutions (incl. the respective homepages) which supply economic and financial data is given by the International Monetary Fund at <http://dsbb.imf.org/country.htm> .

I.2.1. Estonia

(1) General Data

The Eurostat data base NewCronos supplies general data incl. national accounts for 1993 to 1998.

Estonia is not a Member State of OECD, therefore OECD does not supply any data for Estonia.

Data on national accounts and exchange rates has been supplied by:

Statistical Office of Estonia (SOE)

Dir. General Rein VEETOUSME

Macroeconomics Division

Endla Street 15

15174 Tallinn

ESTONIA

T. +372 (6) 259211, fax 372 (6) 259370

e-mail: stat@stat.ee

http://www.stat.ee/wwwstat/eng_stat/statistics_fr.html

Publication: Gross Domestic Product of Estonia, semi-annual publication, 2/99, Statistical Office of Estonia.

(2) Tax Data

Aggregated tax data: The Statistical Office of Estonia supplies tables of "Revenue of state budget and local budgets" at http://www.stat.ee/wwwstat/content/I_S_RH_TK/1.html.

Detailed tax data: National tax data are available since 1993. (Independence since 6.9.1991).

His Excellency, the Minister of Finance Siim KALLAS has been informed with a letter dated August 23, 1999 of our task:

His Excellency, the Minister of Finance Siim KALLAS

Ministry of Finance

Suur-Ameerika 1

15006 Tallinn

ESTONIA

T. +372 (6) 113-445, fax +372 (6) 317-810

Email: info@fin.ee, homepage: <http://www.fin.ee/english/contact.html>

His Excellency has kindly given us, letter of August 27, 99, no. 32-1-12/209, the following names as contact persons:

for questions of tax statistics:

Ministry of Finance of the Republic of Estonia

Head of Macroanalysis and Prognosis Department

Mrs. Mai TALVIK

Suur-Ameerika 1

15006 Tallinn

ESTONIA

T. +372 (6) 113-539, fax +372 (6) 317-810, e-mail: maital@fin.ee

for questions of tax legislation:

Ministry of Finance of the Republic of Estonia

Head of Tax Policy Department

Mrs. Lemmi ORO

Suur-Ameerika 1

15006 Tallinn

ESTONIA

T. +372 (6) 113-344, fax +372 (6) 317-810, e-mail: lemmio@fin.ee

Preliminary versions of 'Table of Tax Revenues' (letter and email of September 11, 99 to Mrs. Mai TALVIK) and 'Inventory of Taxes' (letter and email of September 20, 99 to Mrs. Lemmi ORO) have been sent to the national authorities for revision.

With email of October 11, 99 revised 'Inventory of Taxes' has been returned by the Estonian Ministry of Finance. With email of Oct 12, 99, revised 'Table of Tax Revenues' has been returned by the Estonian Ministry of Finance.

With email of October 22 detailed questions with respect to split of individual income tax into taxes on employed labour, on self-employed labour, on individual capital income and on other have been sent to to the national authorities, Mrs. Mai TALVIK. After an intensive exchange of informations the cooperation produced the respective splits (email of Jan 4, 2000 from Mrs. Mai TALVIK).

Therefore the data used in this report completely originates from the national authorities.

I.2.2. Poland

(1) General Data

The Eurostat data base NewCronos supplies general data incl. national accounts for 1990 to 1997.

Poland is Member of OECD and included in most statistical publications. OECD publishes national accounts data for 1990 to 1997; see National Accounts, 1999 edition, OECD.

National accounts and exchange rate data has been supplied by:

Central Statistical Office
Ms. Irmina CERLING
National Accounts and Finance Division
00-916 Warszawa
POLSKA
T. 48 (22) 6083830, fax 48 (22) 6083876
email: I.CERLING@stat.gov.pl
<http://www.stat.gov.pl/english/index.htm>

(2) Tax Data

Aggregated data: OECD publishes tax data for the years since 1991. The latest edition (Revenue Statistics 1965 - 1998, 1999 edition, OECD, Paris, October 1999) gives tax data in the OECD format from 1991 to 1997 and an aggregated estimate for 1998.

Detailed data: National tax data are available for all years since 1991.

His Excellency, the Minister of Finance Leszek BALCEROWIC has been informed with a letter dated August 23, 1999 of our task:

His Excellency, the Deputy Prime Minister and Minister of Finance Leszek BALCEROWIC
Ministerwo Finansów
ul. Swietokrzyska 12
00-916 Warszawa
POLSKA
T. +48 (22) 826-5595, -4383, fax +48 (22) 826-6352
biuro.prasowe@mofnet.gov.pl
<http://www.mofnet.gov.pl/cgi-bin/mfin-eng.plx>

His Excellency has kindly given us, fax of Oct 7, 99, no. PF/DOD/50/99, the following name as contact person:

Ministry of Finance
Department of Financial Policy, Analysis and Statistics
Director Witold SKROK
ul. Swietokrzyska 12
00-916 Warszawa
POLSKA
T. +48/22/826-5107, /694-5232, fax +48/22/694-3630
e-mail: wsk@mofnet.gov.pl
<http://www.mofnet.gov.pl/cgi-bin/mfin-eng.plx>

With letter and email dated Oct 7, 99 preliminary versions of "Table of Tax Revenues" and "Inventory of Taxes" have been sent to Director SKROK for revision.

Prof. JARASS and Prof. OBERMAIR as representatives of ATW-research have visited the Polish Ministry of Finance on Nov 16, 99 and have been received by Mr. SKROK, head of division.

By fax of December 20, 1999 detailed questions with respect to split of individual income tax into taxes on employed labour, on self-employed labour, on individual capital income and on other have been sent to the national authorities, Dir. W. SKROK.

By fax of Dec 22, 1999 Dir. SKROK has sent revised 'Table of Revenues'.

By email of Jan 20, 2000 Dir. SKROK has sent detailed information regarding the split of personal income taxes.

By email of Jan 10 and 24, 2000 Dir. SKROK has sent detailed information for the preparation of "Inventory of Taxes", partly in Polish language.

Economist Beate PAWLOWSKA from Gdansk/Poland, who made an internship at the European Commission till February 2000, provided additional information, translated Polish information into English and collaborated in preparing the 'Inventory of Taxes' for Poland. Using this additional information ATW has prepared a revised version of the preliminary 'Inventory of Taxes' and has sent it for finalisation to Dir. W. SKROK

After an intensive exchange of informations the cooperation between the Polish Finance Ministry, ATW and B. PAWLOWSKA allowed to prepare the final version of 'Inventory of Taxes'.

The revenue data and the split of personal income tax used in this report completely originates from the national authorities; for the 'Inventory of Taxes' the information of the Polish Finance Ministry was the basis for the finalization by ATW.

I.2.3. Hungary

(1) General Data

The Eurostat data base NewCronos supplies general data incl. national accounts for 1991 to 1998.

Hungary is Member of OECD and included in most statistical publications; OECD publishes national accounts data for 1990 to 1997: National Accounts, 1999 edition, OECD.

National accounts and exchange rate data has been supplied by Hungarian Finance Ministry and:

Hungarian Central Statistical Office (HCSO)

Head of Department of National Accounts

Dr. Pál POSZONYI

Keleti Károly u. 5-7

H-1024 Budapest

HUNGARY

T. +36 (1) 345-6170

fax +36 (1) 345-6376

<http://www.ksh.hu/eng/index.html>

(2) Tax Data

Aggregated data: OECD publishes tax data for the years since 1991. The latest edition (Revenue Statistics 1965 - 1998, 1999 edition, OECD, Paris, October 1999) gives tax data in the OECD format from 1991 to 1997 and an aggregated estimate for 1998.

Detailed data: National tax data are available for all years since 1991.

First information was given by:

Ministry of Finance

Secretariat of European Integration

Director Ms. Zsuzsa BESZTERI

Jozsef Nador ter 2-4

H - 1051 Budapest

HUNGARY

T. +36 (1) 327-5944 fax +36 (1) 327-2785

e-mail: zsuzsa.beszteri@pm.gov.hu

His Excellency, the Minister of Finance Zsigmond JÁRAI has been informed with a letter dated August 23, 1999 of our task:

His Excellency, the Minister of Finance Zsigmond JÁRAI

Ministry of Finance

József Nádor tér 2-4

H - 1051 Budapest

HUNGARY

T. +36 (1) 327-2111, +36 (1) 318-6751, fax +36 (1) 318-0738

Email: zsigmond.jarai@p-m.x400gw.itb.hu

<http://www.meh.hu>

His Excellency, the Deputy Secretary of State Dr. László KÉKESI responded with letter of September 16, 99, no. 9419/99.

His Excellency, the Deputy Secretary of State Dr. László KÉKESI

Ministry of Finance

József Nádor tér 2-4

H - 1051 Budapest

HUNGARY

T. +36 (1) 118-2066, fax +36 (1) 118-2570

In his letter he gave us the following name as contact person:

Ministry of Finance
Head of the Department of Income Taxes
Dr. István JUHÁSZ
Jozsef Nador ter 2-4
H - 1051 Budapest
HUNGARY
T. +36 (1) 327-5916, fax +36 (1) 327-2516
e-mail: Istvan.Juhasz@pm.gov.hu
<http://www.meh.hu>

Ministry of Finance
Department of Income Taxes
Peter ZOLYOMI
Jozsef Nador ter 2-4
H - 1051 Budapest
HUNGARY
T. +36 (1) 327-2719, fax +36 (1) 327-2469
email: zolyomi@pm.gov.hu

By letter and email dated September 30, 99 preliminary versions of "Inventory of Taxes" and of "Table of Tax Revenues" have been sent to him für revision.

Prof. JARASS as representative of ATW-research has visited the Hungarian Ministry of Finance on Dec 13, 99 and has been received by Mr. P. ZOLYOMI.

By email of Dec 21, 1999 revised 'Inventory of Taxes' and revised 'Table of Revenues' have been delivered, by email of Dec 27, 1999 splits for individual income taxes.

Therefore the data used in this report completely originates from the national authorities.

I.2.4. Czech Republic

(1) General Data

The Eurostat data base NewCronos supplies general data incl. national accounts for 1992 to 1998.

Czech Republic is Member of OECD and included in most statistical publications; OECD publishes national accounts data for 1990 to 1997: National Accounts, 1999 edition, OECD.

All national accounts data has been supplied by the Czech Finance Ministry.

If necessary additional data can be supplied by:

Czech Statistical Office (CSO)
Sokolovska 142
Praha
CZECH REPUBLIC
T. +420 (2) 6845406, fax 420 (2) 6846149
<http://www.czso.cz/eng/angl.htm>

(2) Tax Data

Aggregated data: OECD publishes tax data for the years since 1993. The latest edition (Revenue Statistics 1965 - 1998, 1999 edition, OECD, Paris, October 1999) gives tax data in the OECD format from 1993 to 1997 and an aggregated estimate for 1998. Note: For the years before the separation from Slovakia (1.1.93) OECD splits the Czechoslovakian data according to the two regions.

Detailed data: National tax data are available for all years since 1993.

His Excellency, the Minister of Finance Pavel MERPLIK has been informed with a letter dated August 23, 1999 of our task:

His Excellency, the Deputy Prime Minister and Minister of Finance Pavel MERTLÍK
Ministry of Finance
Letenská 15
118 00 Praha 1
CZECH REPUBLIC
T. +420 (2) 5704-2100, fax +420 (2) 5704-3114
<http://www.mfcr.cz/scripts/hpe/default.asp>

His Excellency has kindly given us, letter of August 31, 99, no. 253/66317/1999, the following names as contact persons:

Ministry of Finance
Tax Revenue Departement Director
Vaclav GRAMMETBAUER
Odbor 25 - danovych prijmu
Mr. Antonin HARAPAT
Mr. Martin JAREŠ
Letenska 15
118 10 Praha 1
CZECH REPUBLIC
T. +420 (2) 5704-3013 (HARAPAT), -3068 (JAREŠ), fax +420 (2) 5704-2788
e-mail: Antonin.Harapat@mfcz.cz, e-mail: Martin.Jares@mfcz.cz
<http://www.mfcr.cz/scripts/hpe/default.asp>

With letter and email dated September 22, 99 preliminary versions of "Table of Tax Revenues" and "Inventory of Taxes" have been sent to these national authorities für revision.

With email of September 30, 99 revised "Table of Tax Revenues" have been returned by the Czech Ministry of Finance.

With email of Oct 15, 99, revised "Inventory of Taxes" have been returned by the Czech Ministry of Finance.

With email of Oct 25, 99, additional revision of "Inventory of Taxes" incl. major changes in the foreseeable future and reclassifications of certain taxes have been supplied by the Czech Ministry of Finance.

A completely revised version incl. further details for environmental taxes, c.f. CZ°3.3.6 and CZ°3.7. have been sent by the Czech Ministry of Finance with email of Nov. 1, 99.

By email of Nov 12, 1999 a detailed split of personal income tax has been delivered.

Therefore the data used in this report completely originates from the national authorities.

I.2.5. Slovenia

(1) General Data

The Eurostat data base NewCronos supplies general data incl. national accounts for 1990 to 1998.

Slovenia is not a Member State of OECD, therefore OECD does not supply any data for Slovenia.

All national accounts data has been supplied by the Czech Finance Ministry.

Data on GDP are available also on Statistics Office website

<http://www.sigov.si/zrs/slo/index.html> and published in the Statistical Yearbook.

Data on exchange rates (averages, end of period, daily) are available also on the Bank of Slovenia website http://www.bsi.si/html/eng/publications/bulletins/bil_1999_11cel.pdf on page 48 in its Monthly bulletin.

Statistical Office of the Republic of Slovenia (SORS)

Vozarski pot 12

1000 Ljubljana

SLOVENIA

T. +386 (61) 1255322, fax 386 (61) 216932

<http://www.gov.si/zrs/eng/index.html>

http://www.sigov.si/mf/angl/tekgib/a_bilvl.htm

Overview of Slovenian government at <http://www.uvi.si/vlada/eng/index.html>

(2) Tax Data

Aggregated tax data: The Statistical Office of Slovenia supplied "Revenue of state budget and local budgets" at http://www.sigov.si/mf/angl/tekgib/a_bilvl.htm .

Detailed tax data: National tax data are available since 1992 (91?).

His Excellency, the Minister of Finance Mitja GASPARI has been informed with a letter dated August 23, 1999 of our task:

His Excellency, the Minister of Finance Mitja GASPARI

Ministry of Finance of the Republic of Slovenia

Županciceva 3

1502 Ljubljana

SLOVENIA

T. +386 (61) 178-5248, fax +386 (61) 178-5655

<http://www.sigov.si/mf/angl/apredmf1.html>

His Excellency, the State Secretary Milojka KOLAR responded with letter of September 1, 99, no. 1672/99:

His Excellency, the State Secretary Milojka KOLAR

Ministry of Finance of the Republic of Slovenia

Županciceva 3

1502 Ljubljana

SLOVENIA

In his letter he gave us the following names as contact persons:

Ministry of Finance of the Republic of Slovenia

Division for Tax and Financial Structure Analysis

Mrs. Alenka JERKIC and Mr. Stane VENCELJ

Županciceva 3

1502 Ljubljana
SLOVENIA
T. +386 (61) 178-6134 (Jerkic), -5234 (Vencely), fax +386 (61) 125-1190
e-mail Alenka.JERKIC@mf-rs.si, Stane.VENCELJ@mf-rs.si
<http://www.sigov.si/mf/angl/apredmf1.html>

Preliminary versions of 'Table of Tax Revenues' (letter and email of September 15, 99) and 'Inventory of Taxes' (letter and email of September 20, 99) have been sent to the national authorities für revision.

Mrs. Marija FERLEŽ
State Undersecretary
Ministry of Finance of the Republic of Slovenia
Department for Taxes and Customs
Županciceva 3
1502 Ljubljana
SLOVENIA
T. +386 (61) 178-5214, fax +386 (61) 178-5721
e-mail Marija.FERLEZ@mf-rs.si

A preliminary version of 'Tables of Revenues' has been sent by letter and email of September 15, 99 to the Finance Ministry für revision.

Prof. OBERMAIR as representative of ATW-research has visited the Slovenian Ministry of Finance on Dec 17, 99 and has been received with respect to tax revenues by Ms. Alenka JERKIC, Division for Tax and Financial Structure Analysis. Ms. JERKIC supplied the final revised versions of 'Table of Revenues' incl. local taxes.

He has been received by Ms. Marija FERLEŽ, State Undersecretary, Ministry of Finance of the Republic of Slovenia, Department for Taxes and Customs. A print-out of the nearly finished revised 'Inventory of Taxes' for Slovenia was the basis for conversation.

By email of January 20, 2000 Ms. JERKIC has sent a detailed split of personal income tax.

State Undersecretary Ms. FERLEŽ has sent the completed 'Inventory of Taxes' to ATW by email of February 1, 2000.

Therefore the data used in this report completely originates from the national authorities.

II. INVENTORY OF TAXES - DESCRIPTION OF ALL IDENTIFIED TAXES

“*Inventory of Taxes Levied in the European Union*” is published and updated regularly by the European Commission; most recently the updated version for Finland has been prepared in 1999.

This series of publications serves as the model for the description of all taxes in the accession states Estonia, Poland, Hungary, the Czech Republic and Slovenia.

The sequence of taxes in the inventories follows the ESA-classification in the four main categories:

- (1) Current taxes on income and wealth
- (2) Non-current taxes on income and wealth (‘Capital taxes’)
- (3) Taxes linked to production and imports
- (4) Actual social contributions

Following the ESA classification, category (3) Taxes linked to production and imports, is further disaggregated into

- (3.1) VAT and general turn-over taxes
- (3.2) Import duties and agricultural levies
- (3.3) Excise duties
- (3.4) Taxes on services
- (3.5) Taxes on ownership of land and buildings
- (3.6) Stamp, registration and similar duties
- (3.7) Other taxes linked to production and imports

(4) Actual social contributions

is split up into

- (4.1) Employers’ social contributions
- (4.2) Employees’ social contributions
- (4.3) By self-employed and non-employed persons

Thus, e.g. for Estonia, the taxes are listed in the following sequence:

- EST 1.1., EST 1.2. etc lists all current taxes on income and wealth (individual income tax, corporate income tax...) for Estonia, likewise PO 1.1. etc. for Poland.
- EST 2.1., EST 2.2 etc. lists capital taxes (inheritance and gift tax).
- EST 3.1.1., EST 3.1.2. lists VAT and general turnover taxes.
- EST 3.2.1., 3.2.2. etc. lists import duties and agricultural levies.
- EST 3.3.1., EST 3.3.2. etc. lists the various excise duties.
- EST 3.4.1., EST 3.4.2. etc. lists the taxes on services.
- EST 3.5.1., EST 3.5.2. etc. lists taxes on ownership of land and buildings
- EST 3.6.1, etc. lists stamp, registration and similar duties
- EST 3.7.1. etc. lists other taxes linked to production and imports.

Finally:

- EST 4.1.1., EST 4.1.2. etc. lists employers’ social contributions

- EST 4.2.1., EST 4.2.2. etc. the social contributions of employees.
- EST 4.3.1., EST 4.3.2. etc. the social contributions of self-employed and non employed persons.

Within the description of each tax the individual features are described in the following standard order (as far as a category is not empty):

- legal base (Law Nr.... of 199..);
- beneficiary (central, regional, or local government, social security funds);
- tax payable by:
- basis of assessment;
- exemptions;
- deductions;
- special features;
- collection;
- rates.

Furthermore, as suggested in a meeting of the contractors with DG XXI in Brussels on Dec 6, 99, the time evolution of the tax system in the countries covered is displayed in the following way:

- The 'Inventory of Taxes' lists all taxes in force as of 1999.
- A list of decided and of planned changes from 2000 onwards.
- A list of taxes that have been abolished before 1999.

The 'Inventory of Taxes' for each of the five countries investigated is given in the Annex of this report:

- A.1. Estonia,
- A.2. Poland,
- A.3. Hungary,
- A.4. Czech Republic,
- A.5. Slovenia.