



Taxing Wages

2016-2017

ASSOCIATED PAPER:
SELECTED PARTNER
ECONOMIES (BRAZIL,
CHINA, INDIA,
INDONESIA AND
SOUTH AFRICA)

Taxing Wages in selected partner economies: Brazil, China, India, Indonesia and South Africa

Introduction

1. This paper examines the taxation of labour income in five major economies: Brazil, China, India, Indonesia and South Africa (the BIICS countries). It sets out the key features of the taxation of labour income in each of the five countries in 2016 and then uses this information together with corresponding details for earlier years to model changes to the tax burden between 2010 and 2016 in each case. The paper is an update of the 2015 edition of Taxing Wages Special Feature entitled “Modelling the tax burden on labour income in Brazil, China, India, Indonesia and South Africa” that presented results for 2010 to 2013.
2. The paper describes the tax wedge and net personal average tax rate (NPATR) modelling results using the Taxing Wages methodology. The Taxing Wages annual publication provides information for each of the thirty-five OECD countries on the personal income taxes (PIT) paid by workers, their social security contributions (SSCs), the cash benefits they receive, as well as the SSCs and payroll taxes paid by their employers. Indicators on labour income taxation are calculated for eight household types composed by one or two earner households that vary by earnings levels (as percentages of the average wage (AW)), with or without children. Box 1 provides some basic elements of the methodology. Detailed information on the methodology is available in the Annex of the publication and also online: <http://www.oecd.org/tax/tax-policy/taxing-wages-methodology-and-limitations-2017.pdf>.
3. The analysis is carried out in four stages;
 - Initially the main focus is on the single worker on average earnings with no children;
 - Comparison is then made with the one-earner married couple with two children on average earnings;
 - The modelling is then extended to the whole of the eight ‘Taxing Wages’ household types (see Box 1);
 - Finally, there is a review of the evolution of the tax burdens between 2010 and 2016.
4. The Annex contains the country tables for 2016 with detailed results of the tax and in-work benefit positions for the single and married workers covered in the paper.

Box 1. Some key elements of the *Taxing Wages* methodology

Taxing Wages main indicators

The **tax wedge** measures the difference between the labour costs to the employer and the corresponding net take-home pay for the employee is calculated as it is following:

Tax wedge =

$$\frac{PIT + \text{employee SSCs} - \text{cash benefits} + \text{employer SSCs} + \text{payroll taxes}}{\text{labour costs}}$$

Labour costs =

$$\text{gross wage earnings} + \text{employer SSCs} + \text{payroll taxes}$$

The **net personal average tax rate** (NPATR) is the sum of the PIT and employee SSCs minus cash benefits, expressed as a percentage of gross wage earnings. The remaining part of the income after net tax payments is the household disposable income.

NPATR =

$$\frac{PIT + \text{employee SSCs} - \text{cash benefits}}{\text{gross wage earnings}}$$

Household disposable income =

$$(1 - NPATR) * \text{gross wage earnings}$$

Taxing Wages household types

As for the *Taxing Wages* publication, the above indicators are calculated for eight household types that vary by earnings levels (as percentages of the average wage (AW)), marital status and family situation:

Marital status	Children	Principal earner	Secondary earner
Single individual	No children	67% of average earnings	
Single individual	No children	100% of average earnings	
Single individual	No children	167% of average earnings	
Single individual	2 children	67% of average earnings	
Married couple	2 children	100% of average earnings	
Married couple	2 children	100% of average earnings	33% of average earnings
Married couple	2 children	100% of average earnings	67% of average earnings
Married couple	No children	100% of average earnings	33% of average earnings

Further details on the *Taxing Wages* methodology and assumptions can be found in the Annex to the *Taxing Wages* publication.

Taxation of labour in the BIICS

The single worker

Tax wedges for the single average worker

5. Across the BIICS countries, there are two main groups of countries with regard to tax wedge levels for the single worker, as shown in Table 1. In Brazil and China (where the modelling assumes the worker is based in Shanghai), the average tax wedges in 2016 (column 1) are 32.5 and 32.9%, respectively; slightly below the OECD average of 36.0%. The corresponding averages in Indonesia and South Africa are 7.8% and 15.3%, which are low compared with the vast majority of OECD countries. The same is true in India where two scenarios are considered. In India, social security contributions (SSCs) are paid in businesses with more than 20 employees, which is the minority case. Thus, the first scenario, which is more representative of the workforce, therefore does not include any SSCs. As a result, the tax wedge for the average single worker only counts the PIT and amounts to 2.2%. The state income tax accounts for the whole PIT (the modelling focuses on the state of Maharashtra), as no central income tax is levied at that level of earnings. The second scenario for India covers the situation where the employee works in a business with more than 20 employees and includes the applicable SSCs. In that particular case the tax wedge is 8.3%.

Table 1. Income tax plus employee and employer social security contributions, 2016

Country	As % of labour costs				
	Total tax wedge ¹	Income tax	Social security contributions		Labour costs ³
	(1)	(2)	Employee (3)	Employer ² (4)	(5)
Brazil	32.5	0.04	6.68	25.82	19 167
China	32.9	0.52	7.94	24.43	24 095
India	2.2	2.22	0.00	0.00	5 413
India (SSC) ⁴	8.3	2.12	1.67	4.53	5 670
Indonesia	7.8	0.00	1.88	5.93	7 191
South Africa	15.3	12.77	0.80	1.78	38 104
OECD average	36.0	13.5	8.2	14.4	49 820

Note: Single individual without children at the income level of the average worker.

1. Due to rounding, the total in column (1) may differ by one or more percentage points from the sum of columns (2)-(4).

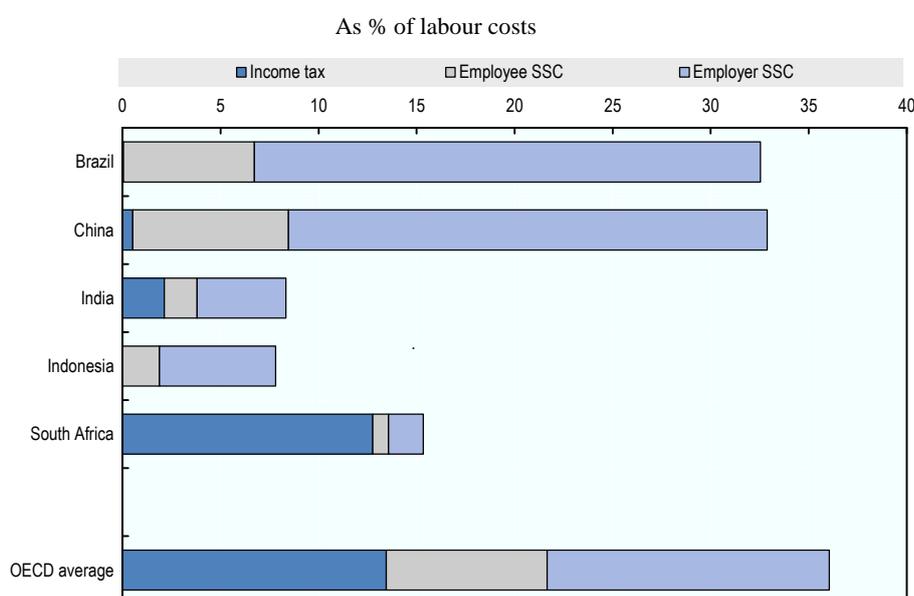
2. Includes payroll taxes where applicable.

3. Dollars with equal purchasing power.

4. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Source: Taxing Wages models.

6. The composition of the tax wedge also differs between the BIICS countries. In Brazil, China, India and Indonesia, the average worker pays little or no PIT and the employer SSC component forms 70 to 80% of the tax wedge. In South Africa, there is a different picture – the PIT component of the tax wedge (12.8%) is less than 1 percentage point below the OECD average (13.5%) and it forms more than 80% of the total tax wedge. The breakdown of the tax wedge into PIT and employee and employer SSCs for 2016 is also shown in Table 1. Figure 1 shows a graphical illustration of the tax wedge components.

Figure 1. Income tax plus employees' and employers' social security contributions, 2016*Note:*

Single individual without children at the income level of the average worker.
Includes payroll taxes where applicable.

Table 2. Comparison of total tax wedge

As % of labour costs

Country	Total Tax wedge 2016 (1)	Annual change 2016/15 (in percentage points) ¹			
		Tax wedge (2)	Income tax (3)	Employee SSC (4)	Employer SSC ² (5)
Brazil	32.5	0.34	0.04	-0.03	0.33
China	32.9	-1.30	0.04	0.16	-1.50
India	2.2	2.22	2.22	0.00	0.00
India (SSC) ³	8.3	2.12	2.12	0.00	0.00
Indonesia	7.8	1.55	-0.04	0.69	0.89
South Africa	15.3	0.40	0.51	-0.05	-0.05
OECD average	36.0	-0.05	-0.09	0.04	0.00

Note: Single individual without children at the income level of the average worker.

1. Due to rounding, the changes in tax wedge in column (2) may differ by one tenth of percentage point from the sum of columns (3)-(5).

2. Includes payroll taxes where applicable.

3. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Source: Taxing Wages models.

7. Table 2 provides details of the changes in the tax wedge between 2015 and 2016. The tax wedge fell by 1.30 percentage points in China (from 34.2% to 32.9%) as a result of reduced employer SSCs. In 2016, employer contribution rates decreased in Shanghai by 1 percentage point for the retirement pension and medical insurance (from 21% to 20% and from 11% to 10% respectively), by 0.5 percentage points for unemployment insurance (from 1.5% to 1.0%) and by 0.18 percentage points for employment injury insurance (from 0.50% to 0.32%). In contrast, the tax wedge increased by more than 2

percentage points in India (by 2.22 percentage points in the first scenario without SSCs and by 2.12 percentage points in the second scenario including SSCs). In India, the changes in tax wedges observed in both scenarios derived exclusively from higher PIT payments, since no changes were observed in the employee or employer SSCs between the two years. However, the state income tax schedule of Maharashtra (i.e. the Professional Tax) remained unchanged between 2015 and 2016 whereas the average single worker's wage increased and exceeded the lower income threshold. Consequently, the single worker paid the Professional Tax in 2016, unlike in 2015. The tax wedge increased by more than one percentage point in Indonesia (1.6 percentage points) due to a new pension scheme that was introduced in July 2015. The 3% contribution rate (2% for the employer and 1% for the employee) was levied from wages in half of the year 2015 whereas it was levied over the whole year in 2016. There were small increases [less than 0.5 percentage points] in the tax wedges for Brazil and South Africa.

Net personal average tax rates for the single average worker

8. The net personal average tax rate (NPATR) is defined as PIT plus employee SSCs as a percentage of gross wage earnings (see Box 1). The highest NPATR in 2016 among the BIICS countries is in South Africa at 13.8%, around half the value of the OECD of 25.5%. China was the second highest at 11.2% followed by Brazil at 9.1%. The corresponding figures for India (both scenarios) and Indonesia were between 2% and 4%. Table 3 shows these figures for the single average worker in 2016 together with a breakdown of the total between the two components.

9. The disposable income of the single average worker was consequently higher as a percentage of gross wage earnings in the five countries compared to the OECD average (74.5%), the highest being in Indonesia (98.0%) and India (97.8% of gross wage earnings in the scenario when SSCs are not payable). However, in those two countries, the average worker's gross wage earnings were respectively one-sixth and one-eighth of the OECD average in US dollars with equivalent purchasing power.

10. Personal income taxes comprised over 90% of the NPATR in South Africa, as also shown in Table 3. In the other countries, the PIT component was either zero or negligible, except in India where the PIT accounted for over 50% of the NPATR (in the second scenario including employee SSCs) and all of the NPATR (in the scenario excluding employee SSCs). With respect to employee SSCs, they accounted for the whole NPATR in Indonesia and over 90% of it in Brazil and China.

Table 3. Income tax plus employee social security contributions, 2016

Country	As % of gross wage earnings			Gross wage earnings ¹
	Total payment (1)	Income tax (2)	Employee social security contributions (3)	
Brazil	9.1	0.1	9.0	14 219
China	11.2	0.7	10.5	18 210
India	2.2	2.2	0.0	5 413
India (SSC) ²	4.0	2.2	1.8	5 413
Indonesia	2.0	0.0	2.0	6 765
South Africa	13.8	13.0	0.8	37 425
OECD average	25.5	15.7	9.8	42 657

Note: Single individual without children at the income level of the average worker.

1. Dollars with equal purchasing power.

2. Results apply only for the minority case where the employee works in a firm with more than 20 employees.
Source: Taxing Wages models.

Family tax rates

11. The 2016 tax wedges for a one-earner married couple on average earnings with two children and the corresponding single worker without children are compared in Table 4. There was no difference in the tax wedges between the two household types (column 1 and 2) in China, India, Indonesia and South Africa. In Brazil, although the table shows the same tax wedges for both household types (32.5%), a small amount of PIT was levied on the single worker's earnings (0.04% of the labour costs). The married worker, who benefited from a dependent spouse tax allowance, did not pay PIT in 2016.

12. This picture contrasts with the OECD average where the tax wedge for the savings realised by the one-earner married couple with two children compared with the single worker represents almost 10% of labour costs. This reflects the fact that the vast majority of OECD countries provide cash transfers, either universal or based on the level of income, to working families. In contrast, no cash transfers to working families exist in China, India and Indonesia. However, there are income related cash transfers in Brazil (the "salário família") and South Africa (the "Child Support Grant"), that are not applicable to the one-earner married couple on average earnings. Regarding Brazil, the cash transfer, which is calculated on each spouse's wage, was only applicable to the two-earner couple earning 100% and 33% of the AW among the household types that are considered in the Taxing Wages models, as the payment was assessed against the level of the secondary earner income at 33% of the AW. For South Africa, all the households that are covered in the model exceeded the income limit for the Child Support Grant and none received any cash transfer payments.

Table 4. Comparison of total tax wedge by household type

As % of labour costs

Country	Family ¹ Total Tax wedge 2016 (1)	Single ² Total Tax wedge 2016 (2)	Annual change 2016/15 (in percentage points)		
			Family Tax wedge (3)	Single Tax wedge (4)	Difference between single and family (4)-(3) ³ (5)
Brazil	32.5	32.5	0.30	0.34	0.04
China	32.9	32.9	- 1.30	- 1.30	0.00
India	2.2	2.2	2.22	2.22	0.00
India (SSC) ⁴	8.3	8.3	2.12	2.12	0.00
Indonesia	7.8	7.8	1.59	1.55	- 0.04
South Africa	15.3	15.3	0.40	0.40	0.00
OECD average	26.1	36.0	- 0.59	- 0.05	0.54

Note:

1. One earner married couple with two children and earnings at the average wage level.
 2. Single individual without children and earnings at the average wage level.
 3. Due to rounding total may differ one percentage point from the subtraction results of columns 4 and 3.
 4. Results apply only for the minority case where the employee works in a firm with more than 20 employees.
- Source: Taxing Wages models.

13. Between 2015 and 2016, there was little change in the tax savings of the one-earner married couple with two children, relative to the single worker, in the BIIC countries. In Indonesia the tax savings were reduced by 0.04% of labour costs as the tax wedge for the married couple rose by 1.59 percentage points compared with 1.55

percentage points for the average single worker. In contrast, in Brazil the tax savings for the family increased as the tax wedge for the single worker increased by more than 0.04 percentage points compared to the corresponding measure for the family. There was no change in the level of savings for the other countries. In the OECD, the average level of the savings realised also increased but by 0.54 percentage points. The tax savings realised by the one earner married couple with two children between 2015 and 2016 are also shown in Table 4.

Results for the eight household types

14. Table 5 compares the average tax wedges for 2016 for the eight family types that are covered in the Taxing Wages models, taking into account the cash benefits. A comparison of the results for the first three household types (the single workers earning 67%, 100% and 167% of the AW) shows an increasing tax wedge as the level of income rises in three of the five countries, the exceptions being India and Indonesia :

- In Brazil, although the table shows the same tax wedge for the single workers on 67% and 100% of the AW (32.5%), an insignificant amount of PIT is levied at the AW level and represents 0.04% of the labour costs in addition to the SSCs. The tax wedge is 3.8 percentage points higher at 167% of the AW, since PIT is calculated at a higher income tax bracket and also employee SSCs contributions are paid at a higher rate.
- In China, the tax wedge is 0.5 percentage points higher at 100% of AW compared to 67% (being 32.9% and 32.4% respectively), as a small amount of PIT is paid at that income level. At a higher income level, 167% of the AW, the tax wedge is 2.3 percentage points (at 35.2%) higher compared to its level at 100% of the AW, as a result of PIT being calculated at a higher income tax bracket.
- In South Africa, where the PIT forms the bulk of the tax wedge (see Figure 1), the tax wedge is higher at 100% of the AW compared to 67% of the AW (by 3.8 percentage points, from 11.5% to 15.3%) and again at 167% (by 5.6 percentage points, to 20.9%) of the AW compared to 100% of the AW.
- In contrast, in India (when considering employees working in a firm with more than 20 employees), the average tax wedge is lower at the higher earnings levels because the contributions to the Employee Provident Fund (SSCs) are compulsory only for workers with earnings below an income ceiling. Those contributions are not paid on earnings at the AW level and 167% of the AW. In addition, as a percentage of labour costs, the state income tax payment (the Professional Tax), which is a lump-sum charge, proportionally reduces with increasing earnings.
- Finally, in Indonesia, the tax wedge remains at the same level (7.8%) across the first three household types and also for the five other household types that are covered in the Taxing Wages models. Those households did not pay PIT in 2016 and the SSCs were levied at the same rates regardless of the income levels.

15. Similar to the one-earner married couple, the presence of children in other household types has little or no effect on the tax wedges in the five countries. In all cases, the single worker earning 67% of the AW without children has the same tax wedge as the corresponding single parent with two children. With the exception of Brazil, the same is true for the comparison of the two-earner family without children earning 100% and 33% of the AW and their counterparts with two children. In Brazil, the second earner earning 33% of the AW receives the “salário família” which reduces the tax wedge slightly. None

of the other family types with children in Brazil are eligible for this benefit since it is targeted at relatively lower income levels.

16. Comparing the results for Brazil, China, India, Indonesia and South Africa with the corresponding results for the OECD, Table 5 shows that the figures for the first three household types in South Africa demonstrate a higher level of progressivity than for the OECD average. The levels of progressivity demonstrated in Brazil and China are lower than in the OECD average. In the OECD, the presence of children tends to result in lower tax wedges. The average OECD tax wedge for the single parent earning 67% of the AW was 17.0 percentage points below that for the corresponding single worker with no children in 2016. The corresponding saving for the two-earner married couple (earning 100% and 33% of the AW) and two children compared for the counterpart with no children was 4.8 percentage points.

17. In Brazil and China, the tax wedges were higher than the OECD average for all the four family types with children. They were slightly higher by 0.3 and 0.2 percentage points respectively for the single worker on 67% of the AW without children. For all other combinations of country and household type, the OECD average showed higher tax wedges, with the exceptions of the single parent earning 67% of the AW in India in a firm with more than 20 employees and the two-earner married couple earning 133% of the AW without children in China.

Table 5. Income tax plus employee and employer contributions less cash benefits

By household type and wage level (as % of labour costs), 2016

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of AW):	67 (1)	100 (2)	167 (3)	67 (4)	100-0 (5)	100-33 ¹ (6)	100-67 ¹ (7)	100-33 ¹ (8)
Brazil	32.5	32.5	36.3	32.5	32.5	30.4	32.5	32.3
China	32.4	32.9	35.2	32.4	32.9	34.8	32.7	34.8
India	0.0	2.2	1.6	0.0	2.2	1.7	1.3	1.7
India (SSC) ²	26.1	8.3	7.7	26.1	8.3	13.1	15.9	13.1
Indonesia	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
South Africa	11.5	15.3	20.9	11.5	15.3	12.2	13.8	12.2
OECD average	32.2	36.0	40.4	15.2	26.1	28.1	30.8	32.9

Note: ch = children.

1. Two earner family.

2. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

18. Table 6 compares the marginal tax wedges for the eight family types assuming an increase of one additional unit of national currency in gross earnings for the principal earner. The marginal tax rates show a similar pattern to the average tax rates in the five countries. They increase with income except for the minority India (SSC) case and for Indonesia. There are also no differences arising from the presence of children, except for the two-earner couple on 133% of the AW in Brazil. As with the average tax wedges, the only difference between the single average worker with no children and the corresponding one earner married couple relates to Brazil where PIT was levied only on the single worker's earnings.

19. There are substantial gaps between the marginal tax wedges in the five countries and the OECD averages for all eight family types. The gaps are largest for India and Indonesia followed by South Africa.

Table 6. Marginal rate of income tax plus employee and employer contributions less cash benefits

By household type and wage level (as % of labour costs), 2016

Family-type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of AW):	67 (1)	100 (2)	167 (3)	67 (4)	100-0 (5)	100-33 ¹ (6)	100-67 ¹ (7)	100-33 ¹ (8)
Brazil	32.5	36.9	42.9	32.5	32.5	32.5	32.5	36.9
China	24.4	34.4	39.1	24.4	34.4	34.4	34.4	34.4
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
India (SSC) ²	26.1	6.2	6.2	26.1	6.2	6.2	6.2	6.2
Indonesia	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
South Africa	20.6	26.7	31.7	20.6	26.7	26.7	26.7	26.7
OECD average	41.7	45.0	47.1	47.6	44.6	44.7	44.0	43.6

Note: Assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

ch = children.

1. Two earner family.

2. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Evolution of the tax burden from 2010 to 2016

20. The OECD average tax wedge for the average single worker with no children has shown a small but steady increase from 35.3% to 36.1% between 2010 and 2013, followed by a small decrease to 36.0% in 2016 (see Table 7a). Trends in the BIICS countries varied over this period:

- In South Africa, there were also increases between 2010 and 2014, from 13.8% to 14.8%. However, unlike the OECD average, the tax wedge continued to increase to reach 15.3% in 2016.
- In Indonesia, a small decline of 0.1 percentage point between 2010 and 2011 was followed by increases up to 2016, from 2.5% to 7.8%.
- In contrast, in China, the tax wedge decreased between 2010 and 2013 from 36.1% to 33.9%, and then increased slightly by 0.3 percentage points up to 2015 before dropping to 32.9% in 2016.
- In India, there was a substantial fall in the tax wedge in 2013 (19.9 percentage points, from 28.6% to 8.7%) for the minority case of workers in firms with more than 20 employees (paying SSCs). Between 2010 and 2012, the single average worker paid contributions to the Employee Provident Fund as the earnings did not exceed the income ceiling. From 2013, no contributions to the Employee Provident Fund were levied on the average workers' earnings that exceeded the income ceilings. In addition, the decreases in the tax wedges between 2010 and 2013 were also due to the state income tax (the Professional tax) of which this lump-sum charge remained unchanged during that period of time, while the gross wage earnings increased. In 2014, the drop in the tax wedge (by around 2 percentage points in both scenarios) was due to not only the unchanged lump-sum charge amount, but also to the lower income tax threshold that was raised from 1

July 2014. The tax year goes from 1 April in year t to 31 March in year $t+1$ in India, and the reformed state income tax schedule was applied during the nine remaining months of the tax year. In 2015, no state income tax was levied on the average wage earnings that were below the lower income tax threshold. In contrast, in 2016, the single average worker paid state income tax as the earnings exceeded the lower income tax threshold that remained unchanged between the two years.

21. Table 7b shows the corresponding results for the one-earner married couple earning the AW with two children. In this case, the trends of the OECD average tax wedge are close to those for the single worker over the period but at a lower level. Besides, the OECD average tax wedge increased up to 2014 for the one-earner couple, while it remained unchanged between 2013 and 2014 for the single average worker. The results for the five countries are also identical to those of the single worker, with the exception of Indonesia. For the latter, the trends for the two family types are similar but the married couple has a higher tax wedge because the SSC rate for health care was doubled for the married worker with a non-working spouse between 2010 and 2014. In 2015, the contribution rate was increased by 1 percentage point, from 3% to 4%, for all workers and the double payments were abolished for the married worker with a non-working spouse.

Table 7. Income tax plus employee and employer contributions less cash benefits as a % of labour costs, 2010-2016

a. Single persons without children at 100% of average earnings							
	2010	2011	2012	2013	2014	2015	2016
Brazil	32.2	32.2	32.2	32.2	32.2	32.2	32.5
China	36.1	35.0	35.0	33.9	34.0	34.2	32.9
India	3.5	3.2	2.9	2.6	0.6	0.0	2.2
India (SSC) ¹	29.1	28.9	28.6	8.7	6.8	6.2	8.3
Indonesia	2.6	2.5	2.7	3.2	3.2	6.3	7.8
South Africa	13.8	13.9	14.1	14.7	14.8	14.9	15.3
OECD average	35.3	35.8	35.9	36.1	36.1	36.1	36.0

b. One-earner married couple with two children at 100% of average earnings							
	2010	2011	2012	2013	2014	2015	2016
Brazil	32.2	32.2	32.2	32.2	32.2	32.2	32.5
China	36.1	35.0	35.0	33.9	34.0	34.2	32.9
India	3.5	3.2	2.9	2.6	0.6	0.0	2.2
India (SSC) ¹	29.1	28.9	28.6	8.7	6.8	6.2	8.3
Indonesia	4.7	4.6	3.9	5.9	5.9	6.2	7.8
South Africa	13.8	13.9	14.1	14.7	14.8	14.9	15.3
OECD average	25.4	26.1	26.5	26.8	26.9	26.6	26.1

Note:

1. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Conclusions

22. The modelling results show significant variation in the tax burdens imposed on labour income in the five countries. For the average single worker without children, the

tax wedge ranges from 2.2% in India (State of Maharashtra) to 32.9% in China (Shanghai) and the marginal tax wedge from zero still in India to 36.9% in Brazil. Results for the other household types show that tax wedges do increase with income to some degree in most of the countries, the exceptions being India and Indonesia. However, the presence of children does not reduce average tax wedges as it does in almost all OECD countries.

23. Tax wedges in Brazil and China are similar to those observed in many OECD countries. In contrast, employees in India, Indonesia and South Africa face tax wedges that are much lower than in the vast majority of OECD countries. The mix of labour taxes also varies across these countries with SSCs comprising the bulk of the tax burden measures in all countries except South Africa. Nevertheless, in India and Indonesia (as well as South Africa), SSCs still contribute less to the tax wedge than on average in OECD countries. The modelling shows both Brazil and China imposing SSCs that are higher than the OECD average. For China, the figures reflect the position of employees in urban areas. No SSCs are levied in the rural areas of China.

Annex

COUNTRY TABLES, 2016

Brazil		2016				
The tax/benefit position of single persons						
		Wage level (per cent of AW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross wage earnings			18911	28367	47278	18911
2. Standard tax allowances						
	Basic allowance		3782	5673	9456	6252
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses		0	0	0	0
	Other					
	Total		3782	5673	9456	6252
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			15129	22694	37823	12659
5. Central government income tax liability (exclusive of tax credits)			0	15	1475	0
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		0	0	0	0
	Other					
	Total		0	0	0	0
7. Central government income tax finally paid (5-6)			0	15	1475	0
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		1702	2553	5201	1702
	Taxable income					
	Total		1702	2553	5201	1702
10. Total payments to general government (7 + 8 + 9)			1702	2568	6676	1702
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	0
	Total		0	0	0	0
12. Take-home pay (1-10+11)			17209	25799	40602	17209
13. Employer's compulsory social security contributions			6581	9872	16453	6581
14. Average rates						
	Income tax		0.0%	0.1%	3.1%	0.0%
	Employees' social security contributions		9.0%	9.0%	11.0%	9.0%
	Total payments less cash transfers		9.0%	9.1%	14.1%	9.0%
	Total tax wedge including employer's social security contributions		32.5%	32.5%	36.3%	32.5%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		9.0%	15.0%	23.0%	9.0%
	Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner		32.5%	36.9%	42.9%	32.5%
	Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

Brazil		2016				
The tax/benefit position of married couples						
		Wage level (per cent of AW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			28367	37823	47278	37823
2. Standard tax allowances						
	Basic allowance		9378	8994	10885	7565
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses		0	0	0	0
	Other					
	Total		9378	8994	10885	7565
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			18989	28828	36393	30258
5. Central government income tax liability (exclusive of tax credits)			0	0	0	15
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		0	0	0	0
	Other					
	Total		0	0	0	0
7. Central government income tax finally paid (5-6)			0	0	0	15
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		2553	3309	4255	3309
	Taxable income					
	Total		2553	3309	4255	3309
10. Total payments to general government (7 + 8 + 9)			2553	3309	4255	3324
11. Cash transfers from general government						
	For head of family					
	For two children		0	993	0	0
	Total		0	993	0	0
12. Take-home pay (1-10+11)			25814	35506	43023	34498
13. Employer's compulsory social security contributions			9872	13162	16453	13162
14. Average rates						
	Income tax		0.0%	0.0%	0.0%	0.0%
	Employees' social security contributions		9.0%	8.8%	9.0%	8.8%
	Total payments less cash transfers		9.0%	6.1%	9.0%	8.8%
	Total tax wedge including employer's social security contributions		32.5%	30.4%	32.5%	32.3%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		9.0%	9.0%	9.0%	15.0%
	Total payments less cash transfers: Spouse		-2.5%	8.0%	9.0%	8.0%
	Total tax wedge: Principal earner		32.5%	32.5%	32.5%	36.9%
	Total tax wedge: Spouse		24.0%	31.8%	32.5%	31.8%

China		2016			
The tax/benefit position of single persons					
		67	100	167	67
		Wage level (per cent of AW)			
		Number of children			
		none	none	none	2
1. Gross wage earnings		42391	63270	105660	42391
2. Standard tax allowances					
	Basic allowance	46489	48643	53094	46489
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses	0	0	0	0
	Other				
	Total	46489	48643	53094	46489
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		0	14626	52566	0
5. Central government income tax liability (exclusive of tax credits)		0	439	3997	0
6. Tax credits					
	Basic credit				
	Married or head of family				
	Children	0	0	0	0
	Other				
	Total	0	0	0	0
7. Central government income tax finally paid (5-6)		0	439	3997	0
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	4489	6643	11094	4489
	Taxable income				
	Total	4489	6643	11094	4489
10. Total payments to general government (7 + 8 + 9)		4489	7082	15091	4489
11. Cash transfers from general government					
	For head of family				
	For two children	0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		37901	56187	90569	37901
13. Employer's compulsory social security contributions		13701	20449	34149	13701
14. Average rates					
	Income tax	0.0%	0.7%	3.8%	0.0%
	Employees' social security contributions	10.6%	10.5%	10.5%	10.6%
	Total payments less cash transfers	10.6%	11.2%	14.3%	10.6%
	Total tax wedge including employer's social security contributions	32.4%	32.9%	35.2%	32.4%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	0.0%	13.2%	19.4%	0.0%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	24.4%	34.4%	39.1%	24.4%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

China		2016				
The tax/benefit position of married couples						
		Wage level (per cent of AW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			63270	84149	105660	84149
2. Standard tax allowances						
	Basic allowance		48643	90643	90643	90643
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses		0	0	0	0
	Other					
	Total		48643	90643	90643	90643
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			14626	14626	15017	14626
5. Central government income tax liability (exclusive of tax credits)			439	439	451	439
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		0	0	0	0
	Other					
	Total		0	0	0	0
7. Central government income tax finally paid (5-6)			439	439	451	439
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		6643	11133	11133	11133
	Taxable income					
	Total		6643	11133	11133	11133
10. Total payments to general government (7 + 8 + 9)			7082	11571	11583	11571
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	0
	Total		0	0	0	0
12. Take-home pay (1-10+11)			56187	72577	94077	72577
13. Employer's compulsory social security contributions			20449	27197	34149	27197
14. Average rates						
	Income tax		0.7%	0.5%	0.4%	0.5%
	Employees' social security contributions		10.5%	13.2%	10.5%	13.2%
	Total payments less cash transfers		11.2%	13.8%	11.0%	13.8%
	Total tax wedge including employer's social security contributions		32.9%	34.8%	32.7%	34.8%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		13.2%	13.2%	13.2%	13.2%
	Total payments less cash transfers: Spouse		21.5%	0.0%	3.0%	0.0%
	Total tax wedge: Principal earner		34.4%	34.4%	34.4%	34.4%
	Total tax wedge: Spouse		40.7%	24.4%	26.7%	24.4%

India (including social security contributions) 2016**The tax/benefit position of single persons**

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		63269	94432	157701	63269
2. Standard tax allowances					
Basic allowance		8700	1653	2760	8700
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	2100	2500	0
Other					
	Total	8700	3753	5260	8700
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		54570	90679	152442	54570
5. Central government income tax liability (exclusive of tax credits)		0	0	0	0
6. Tax credits					
Basic credit					
Married or head of family					
Children		4000	4000	4000	4000
Other					
	Total	4000	4000	4000	4000
7. Central government income tax finally paid (5-6)		0	0	0	0
8. State and local taxes		0	2100	2500	0
9. Employees' compulsory social security contributions					
Gross earnings		8700	1653	2760	8700
Taxable income					
	Total	8700	1653	2760	8700
10. Total payments to general government (7 + 8 + 9)		8700	3753	5260	8700
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		54570	90679	152442	54570
13. Employer's compulsory social security contributions		10598	4486	7491	10598
14. Average rates					
Income tax		0.0%	2.2%	1.6%	0.0%
Employees' social security contributions		13.8%	1.8%	1.8%	13.8%
Total payments less cash transfers		13.8%	4.0%	3.3%	13.8%
Total tax wedge including employer's social security contributions		26.1%	8.3%	7.7%	26.1%
15. Marginal rates					
Total payments less cash transfers: Principal earner		13.8%	1.7%	1.7%	13.8%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		26.1%	6.2%	6.2%	26.1%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

India (including social security contributions) 2016**The tax/benefit position of married couples**

	Wage level (per cent of AW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross wage earnings		94432	125595	157701	125595
2. Standard tax allowances					
Basic allowance		1653	5937	10352	5937
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		2100	2100	2100	2100
Other					
	Total	3753	8037	12452	8037
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		90679	117557	145249	117557
5. Central government income tax liability (exclusive of tax credits)		0	0	0	0
6. Tax credits					
Basic credit					
Married or head of family					
Children		4000	4000	4000	4000
Other					
	Total	4000	4000	4000	4000
7. Central government income tax finally paid (5-6)		0	0	0	0
8. State and local taxes		2100	2100	2100	2100
9. Employees' compulsory social security contributions					
Gross earnings		1653	5937	10352	5937
Taxable income					
	Total	1653	5937	10352	5937
10. Total payments to general government (7 + 8 + 9)		3753	8037	12452	8037
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		90679	117557	145249	117557
13. Employer's compulsory social security contributions		4486	9705	15083	9705
14. Average rates					
Income tax		2.2%	1.7%	1.3%	1.7%
Employees' social security contributions		1.8%	4.7%	6.6%	4.7%
Total payments less cash transfers		4.0%	6.4%	7.9%	6.4%
Total tax wedge including employer's social security contributions		8.3%	13.1%	15.9%	13.1%
15. Marginal rates					
Total payments less cash transfers: Principal earner		1.7%	1.7%	1.7%	1.7%
Total payments less cash transfers: Spouse		13.8%	13.7%	13.8%	13.7%
Total tax wedge: Principal earner		6.2%	6.2%	6.2%	6.2%
Total tax wedge: Spouse		26.1%	26.1%	26.1%	26.1%

India (no social security contributions) 2016

The tax/benefit position of single persons

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
1. Gross wage earnings		63269	94432	157701	63269
2. Standard tax allowances					
Basic allowance		0	0	0	0
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	2100	2500	0
Other					
	Total	0	2100	2500	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		63269	92332	155201	63269
5. Central government income tax liability (exclusive of tax credits)		0	0	0	0
6. Tax credits					
Basic credit					
Married or head of family					
Children		4000	4000	4000	4000
Other					
	Total	4000	4000	4000	4000
7. Central government income tax finally paid (5-6)		0	0	0	0
8. State and local taxes		0	2100	2500	0
9. Employees' compulsory social security contributions					
Gross earnings		0	0	0	0
Taxable income					
	Total	0	0	0	0
10. Total payments to general government (7 + 8 + 9)		0	2100	2500	0
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		63269	92332	155201	63269
13. Employer's compulsory social security contributions		0	0	0	0
14. Average rates					
Income tax		0.0%	2.2%	1.6%	0.0%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		0.0%	2.2%	1.6%	0.0%
Total tax wedge including employer's social security contributions		0.0%	2.2%	1.6%	0.0%
15. Marginal rates					
Total payments less cash transfers: Principal earner		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		0.0%	0.0%	0.0%	0.0%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

India (no social security contributions) 2016**The tax/benefit position of married couples**

	Wage level (per cent of AW)	100-0	100-33	100-67	100-33
	Number of children	2	2	2	none
1. Gross wage earnings		94432	125595	157701	125595
2. Standard tax allowances					
Basic allowance		0	0	0	0
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		2100	2100	2100	2100
Other					
	Total	2100	2100	2100	2100
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		92332	123495	155601	123495
5. Central government income tax liability (exclusive of tax credits)		0	0	0	0
6. Tax credits					
Basic credit					
Married or head of family					
Children		4000	4000	4000	4000
Other					
	Total	4000	4000	4000	4000
7. Central government income tax finally paid (5-6)		0	0	0	0
8. State and local taxes		2100	2100	2100	2100
9. Employees' compulsory social security contributions					
Gross earnings		0	0	0	0
Taxable income					
	Total	0	0	0	0
10. Total payments to general government (7 + 8 + 9)		2100	2100	2100	2100
11. Cash transfers from general government					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		92332	123495	155601	123495
13. Employer's compulsory social security contributions		0	0	0	0
14. Average rates					
Income tax		2.2%	1.7%	1.3%	1.7%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		2.2%	1.7%	1.3%	1.7%
Total tax wedge including employer's social security contributions		2.2%	1.7%	1.3%	1.7%
15. Marginal rates					
Total payments less cash transfers: Principal earner		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers: Spouse		0.0%	0.0%	0.0%	0.0%
Total tax wedge: Principal earner		0.0%	0.0%	0.0%	0.0%
Total tax wedge: Spouse		0.0%	0.0%	0.0%	0.0%

Indonesia		2016				
The tax/benefit position of single persons						
		Wage level (per cent of AW)	67	100	167	67
		Number of children	none	none	none	2
1. Gross wage earnings		18547039	27682148	46229187	18547039	
2. Standard tax allowances						
	Basic allowance	55669234	56491393	58160627	61669234	
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses					
	Other					
	Total	55669234	56491393	58160627	61669234	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		0	0	0	0	
5. Central government income tax liability (exclusive of tax credits)		0	0	0	0	
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children	0	0	0	0	
	Other					
	Total	0	0	0	0	
7. Central government income tax finally paid (5-6)		0	0	0	0	
8. State and local taxes		0	0	0	0	
9. Employees' compulsory social security contributions						
	Gross earnings	370941	553643	924584	370941	
	Taxable income					
	Total	370941	553643	924584	370941	
10. Total payments to general government (7 + 8 + 9)		370941	553643	924584	370941	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	0	
	Total	0	0	0	0	
12. Take-home pay (1-10+11)		18176098	27128505	45304603	18176098	
13. Employer's compulsory social security contributions		1168463	1743975	2912439	1168463	
14. Average rates						
	Income tax	0.0%	0.0%	0.0%	0.0%	
	Employees' social security contributions	2.0%	2.0%	2.0%	2.0%	
	Total payments less cash transfers	2.0%	2.0%	2.0%	2.0%	
	Total tax wedge including employer's social security contributions	7.8%	7.8%	7.8%	7.8%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	2.0%	2.0%	2.0%	2.0%	
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.	
	Total tax wedge: Principal earner	7.8%	7.8%	7.8%	7.8%	
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.	

Indonesia		2016				
The tax/benefit position of married couples						
		Wage level (per cent of AW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings		27682148	36817256	46229187	36817256	
2. Standard tax allowances						
	Basic allowance	65491393	117313553	118160627	111313553	
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses					
	Other					
	Total	65491393	117313553	118160627	111313553	
3. Tax credits or cash transfers included in taxable income		0	0	0	0	
4. Central government taxable income (1 - 2 + 3)		0	0	0	0	
5. Central government income tax liability (exclusive of tax credits)		0	0	0	0	
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children	0	0	0	0	
	Other					
	Total	0	0	0	0	
7. Central government income tax finally paid (5-6)		0	0	0	0	
8. State and local taxes		0	0	0	0	
9. Employees' compulsory social security contributions						
	Gross earnings	553643	736345	924584	736345	
	Taxable income					
	Total	553643	736345	924584	736345	
10. Total payments to general government (7 + 8 + 9)		553643	736345	924584	736345	
11. Cash transfers from general government						
	For head of family					
	For two children	0	0	0	0	
	Total	0	0	0	0	
12. Take-home pay (1-10+11)		27128505	36080911	45304603	36080911	
13. Employer's compulsory social security contributions		1743975	2319487	2912439	2319487	
14. Average rates						
	Income tax	0.0%	0.0%	0.0%	0.0%	
	Employees' social security contributions	2.0%	2.0%	2.0%	2.0%	
	Total payments less cash transfers	2.0%	2.0%	2.0%	2.0%	
	Total tax wedge including employer's social security contributions	7.8%	7.8%	7.8%	7.8%	
15. Marginal rates						
	Total payments less cash transfers: Principal earner	2.0%	2.0%	2.0%	2.0%	
	Total payments less cash transfers: Spouse	2.0%	2.0%	2.0%	2.0%	
	Total tax wedge: Principal earner	7.8%	7.8%	7.8%	7.8%	
	Total tax wedge: Spouse	7.8%	7.8%	7.8%	7.8%	

South Africa		2016			
The tax/benefit position of single persons					
		67	100	167	67
		Wage level (per cent of AW)			
		Number of children			
		none	none	none	2
1. Gross wage earnings		146342	219513	365855	146342
2. Standard tax allowances					
	Basic allowance				
	Married or head of family				
	Dependent children				
	Deduction for social security contributions and income taxes				
	Work-related expenses				
	Other				
	Total	0	0	0	0
3. Tax credits or cash transfers included in taxable income		0	0	0	0
4. Central government taxable income (1 - 2 + 3)		146342	219513	365855	146342
5. Central government income tax liability (exclusive of tax credits)		26342	42033	83695	26342
6. Tax credits					
	Basic credit				
	Married or head of family				
	Children	13500	13500	13500	13500
	Other				
	Total	13500	13500	13500	13500
7. Central government income tax finally paid (5-6)		12842	28533	70195	12842
8. State and local taxes		0	0	0	0
9. Employees' compulsory social security contributions					
	Gross earnings	1463	1785	1785	1463
	Taxable income				
	Total	1463	1785	1785	1463
10. Total payments to general government (7 + 8 + 9)		14305	30318	71980	14305
11. Cash transfers from general government					
	For head of family				
	For two children	0	0	0	0
	Total	0	0	0	0
12. Take-home pay (1-10+11)		132037	189195	293875	132037
13. Employer's compulsory social security contributions		2927	3980	5443	2927
14. Average rates					
	Income tax	8.8%	13.0%	19.2%	8.8%
	Employees' social security contributions	1.0%	0.8%	0.5%	1.0%
	Total payments less cash transfers	9.8%	13.8%	19.7%	9.8%
	Total tax wedge including employer's social security contributions	11.5%	15.3%	20.9%	11.5%
15. Marginal rates					
	Total payments less cash transfers: Principal earner	19.0%	26.0%	31.0%	19.0%
	Total payments less cash transfers: Spouse	n.a.	n.a.	n.a.	n.a.
	Total tax wedge: Principal earner	20.6%	26.7%	31.7%	20.6%
	Total tax wedge: Spouse	n.a.	n.a.	n.a.	n.a.

South Africa		2016				
The tax/benefit position of married couples						
		Wage level (per cent of AW)	100-0	100-33	100-67	100-33
		Number of children	2	2	2	none
1. Gross wage earnings			219513	292684	365855	292684
2. Standard tax allowances						
	Basic allowance					
	Married or head of family					
	Dependent children					
	Deduction for social security contributions and income taxes					
	Work-related expenses					
	Other					
	Total		0	0	0	0
3. Tax credits or cash transfers included in taxable income			0	0	0	0
4. Central government taxable income (1 - 2 + 3)			219513	292684	365855	292684
5. Central government income tax liability (exclusive of tax credits)			42033	55204	68375	55204
6. Tax credits						
	Basic credit					
	Married or head of family					
	Children		13500	26671	27000	26671
	Other					
	Total		13500	26671	27000	26671
7. Central government income tax finally paid (5-6)			28533	28533	41375	28533
8. State and local taxes			0	0	0	0
9. Employees' compulsory social security contributions						
	Gross earnings		1785	2516	3248	2516
	Taxable income					
	Total		1785	2516	3248	2516
10. Total payments to general government (7 + 8 + 9)			30318	31050	44623	31050
11. Cash transfers from general government						
	For head of family					
	For two children		0	0	0	0
	Total		0	0	0	0
12. Take-home pay (1-10+11)			189195	261634	321232	261634
13. Employer's compulsory social security contributions			3980	5443	6907	5443
14. Average rates						
	Income tax		13.0%	9.7%	11.3%	9.7%
	Employees' social security contributions		0.8%	0.9%	0.9%	0.9%
	Total payments less cash transfers		13.8%	10.6%	12.2%	10.6%
	Total tax wedge including employer's social security contributions		15.3%	12.2%	13.8%	12.2%
15. Marginal rates						
	Total payments less cash transfers: Principal earner		26.0%	26.0%	26.0%	26.0%
	Total payments less cash transfers: Spouse		1.0%	1.0%	19.0%	1.0%
	Total tax wedge: Principal earner		26.7%	26.7%	26.7%	26.7%
	Total tax wedge: Spouse		2.9%	2.9%	20.6%	2.9%