

## Appendix 2 International Experience in Municipal Finances

**Table 2.1: Pattern of Local Taxation in OECD Countries 1988**

Country	Local Taxes as % of		As % of Local Taxes		
	Total Taxes	Local Revenues	Income Tax	Sales Tax	Property Tax
Australia	3.3%	43.2%	0.0%	0.0%	99.6
Austria	10.8	52.7	50.6	33.2	9.2
Belgium	5.0	37.4	76.8	0.0	0.0
Canada	9.1	39.1	0.0	0.3	84.5
Denmark	30.0	49.6	92.1	0.1	7.8
Finland	25.6	45.0	99.1	0.1	0.9
France	8.9	44.3	14.7	4.9	34.2
Germany	8.7	36.7	81.9	0.3	17.1
Greece	9.9	n.a.	0.0	33.2	0.0
Ireland	2.2	6.2	0.0	0.0	100.0
Italy	1.8	3.6	41.7	22.3	0.0
Japan	25.9	n.a.	61.0	11.5	22.4
Luxembourg	11.9	55.4	80.5	15.1	3.7
Netherlands	2.2	5.9	0.0	1.3	73.5
New Zealand	5.5	n.a.	0.0	1.4	92.4
Norway	20.9	n.a.	88.9	0.0	7.6
Portugal	5.4	n.a.	43.6	29.4	23.7
Spain	11.3	57.3	31.7	29.6	27.1
Sweden	27.6	61.1	99.6	0.4	0.0
Switzerland	15.8	n.a.	86.3	0.4	13.3
Turkey	10.1	n.a.	41.0	37.4	3.4
U.K.	10.5	32.6	0.0	0.0	100.0
U.S.A.	12.2	40.0	6.0	15.3	74.2

**Source :** Calculated from OECD (1990, 1991)

**Appendix 2 (Concl.)**  
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**Table 2.2: Relative Importance of Local Taxes in Selected OECD Countries (2001)**

Countries	Tax sources as a percent of total local tax revenues				Local taxes as a percent of GDP	Local taxes as a percent of all taxes <sup>5</sup>
	Income <sup>1</sup>	Sales <sup>2</sup>	Property <sup>3</sup>	Other <sup>4</sup>		
<b>Federal:</b>						
Australia	0.0	0.0	100.0	0.0	1.0	3.0
Austria	55.3	29.7	9.9	5.1	4.4	10.1
Belgium	86.5	13.2	0.0	0.3	2.1	4.7
Canada	0.0	1.9	91.3	6.8	2.9	8.1
Germany	78.0	6.0	15.8	0.2	2.6	7.5
Mexico	0.0	2.6	86.7	10.8	0.1	0.8
Switzerland	84.4	0.3	15.3	0.0	5.0	14.0
United States	6.5	21.8	71.8	0.0	3.5	11.5
<b>Unweighted average Unitary:</b>	<b>38.8</b>	<b>9.3</b>	<b>48.8</b>	<b>2.9</b>	<b>2.9</b>	<b>7.5</b>
Czech Republic	90.8	4.2	4.6	0.4	4.8	12.4
Denmark	93.4	0.1	6.5	0.0	15.9	32.9
Finland	95.4	0.0	4.4	0.1	9.9	21.2
France	0.0	11.5	48.2	40.4	4.4	9.7
Greece	0.0	46.3	0.0	53.8	0.4	1.0
Hungary	0.8	76.2	22.5	0.4	2.0	5.2
Iceland	78.0	7.6	14.3	0.0	8.3	22.4
Ireland	0.0	0.0	100.0	0.0	0.6	1.8
Italy	12.2	8.6	18.6	60.6	4.8	11.4
Japan	47.4	20.7	30.9	1.0	7.0	25.6
Korea	16.6	26.5	53.3	3.6	3.9	15.1
Luxembourg	92.9	1.3	5.6	0.3	2.4	5.9
Netherlands	0.0	44.0	56.0	0.0	1.4	3.4
New Zealand	0.0	9.7	90.3	0.0	1.8	5.8
Norway	89.9	2.2	7.9	0.0	6.5	16.3
Poland	78.4	1.8	19.8	0.0	5.7	16.3
Portugal	21.6	33.7	44.5	0.2	2.3	6.3
Slovak Republic	59.9	11.8	28.2	0.1	1.5	4.0
Spain	25.2	36.1	37.3	1.4	5.9	16.9
Sweden	100.0	0.0	0.0	0.0	16.0	29.8
Turkey	24.7	31.5	6.5	37.3	4.3	13.0
United Kingdom	0.0	0.0	99.5	0.5	1.5	4.1
<b>Unweighted average</b>	<b>38.0</b>	<b>16.8</b>	<b>31.6</b>	<b>9.1</b>	<b>4.8</b>	<b>12.7</b>

1. Includes individual and corporate income tax plus payroll tax.
2. Includes general consumption taxes, taxes on goods and services (fuel taxes, hotel and motel occupancy) and taxes on use on goods or on permission to use goods or perform activities.
3. Taxes on property including recurring taxes on net wealth.
4. Includes social security contributions in Austria and some residual taxes mainly on business (Austria, Canada, and Germany) and miscellaneous taxes everywhere.
5. Total includes central government, state government, local government and social security funds.

**Source :** OECD, *Revenue Statistics 1965-2001* (Paris: OECD, 2002), Tables 135 to 168.