

## **Explanatory notes for the data on effective tax rates on consumption, capital incomes and labor incomes in the file “dt taxdata yearly.xls”**

The data in this file are the yearly data employed to compute the five-year averaged data in the Daveri-Tabellini Economic Policy paper.

The series are computed as follows:

**LABTAX** = Effective tax rate on labor incomes. Computed as the ratio between total taxes on labor incomes (= an imputation of taxes on wages and salaries from the individual income tax + social security contributions + payroll taxes) and the labor tax base (=wages and salaries + employers’ contributions to social security). Primary source: OECD National Accounts, OECD Revenue Statistics.

**CAPTAX** = Effective tax rate on capital incomes. Computed as the ratio between total taxes on capital income (= an imputation of taxes on the operating surplus of unincorporated enterprises and profits and entrepreneurial incomes + corporate taxes + recurrent taxes on immovable property + taxes on financial and capital transactions) and its tax base (= total operating surplus of the economy). Primary source: OECD National Accounts, OECD Revenue Statistics.

**CONTAX** = Effective tax rate on total spending on consumption. Computed as the ratio between total taxes on consumer spending (= general taxes + excises) and its tax base (= net private and governmental final consumption expenditure). Primary source: OECD National Accounts, OECD Revenue Statistics.