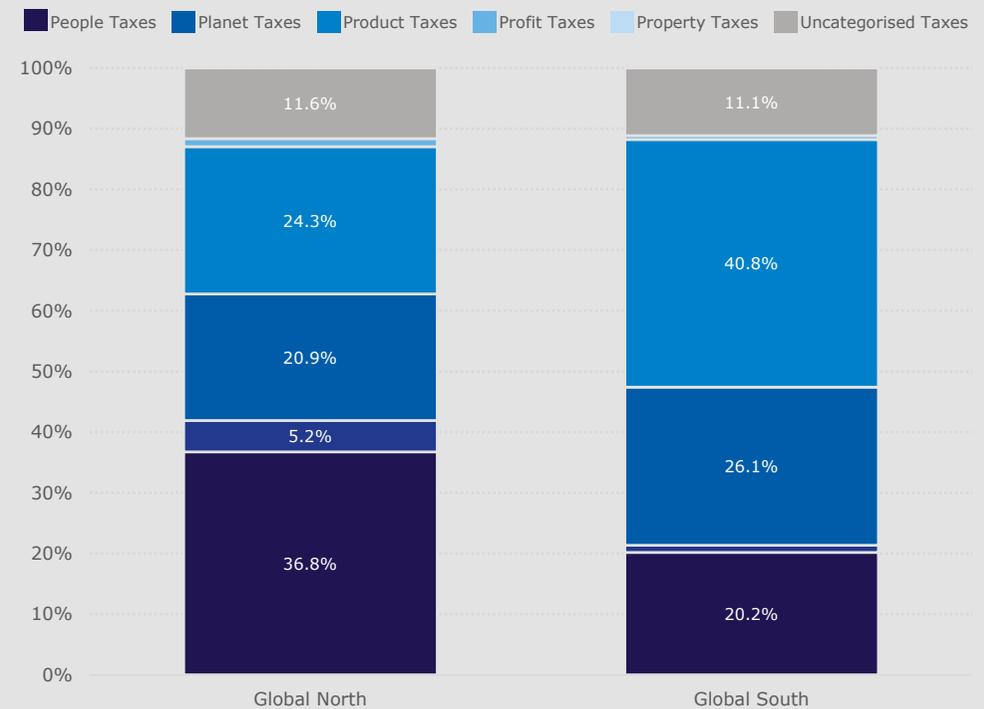


# Key results

1. The role of MNEs has taken centre stage as the world focuses its attention on the 2021 United Nations Climate Change Conference (COP26) while governments try to mitigate the effects of the COVID-19 pandemic. The focus on Environmental, Social and Governance (ESG) continues to increase, with a view that tax – and more specifically tax transparency – has an important role to play in the just transition towards a more equitable and sustainable future.
2. In the EU, latest estimates show that Gross Domestic Product (GDP) has decreased 5.9%<sup>1</sup> and the TTC of the largest companies headquartered in Europe participating in this study reflects that decline (-2.8% on a like-for-like basis). While the reduction in tax payments is smaller than the reduction in GDP, the position is distorted by the reduction in sales of petrol as people stayed at home in 2020. Removing the oil and gas sector, TTC increased by 5.9% compared to 2019. This is a clear indication of the resilience and important contribution of large companies while supporting livelihood and sustaining employment (number of employees increased by 1.0%, wages and salaries by 6.6%; excluding oil and gas sector it would be 1.8% and 7.8%, respectively, on a like-for-like basis).
3. The EBTF released, for the first-time, TTC data beyond the European<sup>2</sup> footprint of the study participants. The global TTC data of the largest companies headquartered in Europe shows the reliance on profit taxes in developing economies, while employment taxes take a much higher proportion of the overall total tax contribution in developed countries.

We hope that, as more companies join this initiative, more meaningful insights can be provided so that the EBTF can continue to inform the public tax debate.



**Emerging economies are represented as the Global South while developed economies are represented as the Global North in the chart above. There is a clear distinction between people and profit taxes in each region.**

1 Eurostat, available at <https://ec.europa.eu/eurostat/databrowser/view/tec00115/default/table?lang=en>.

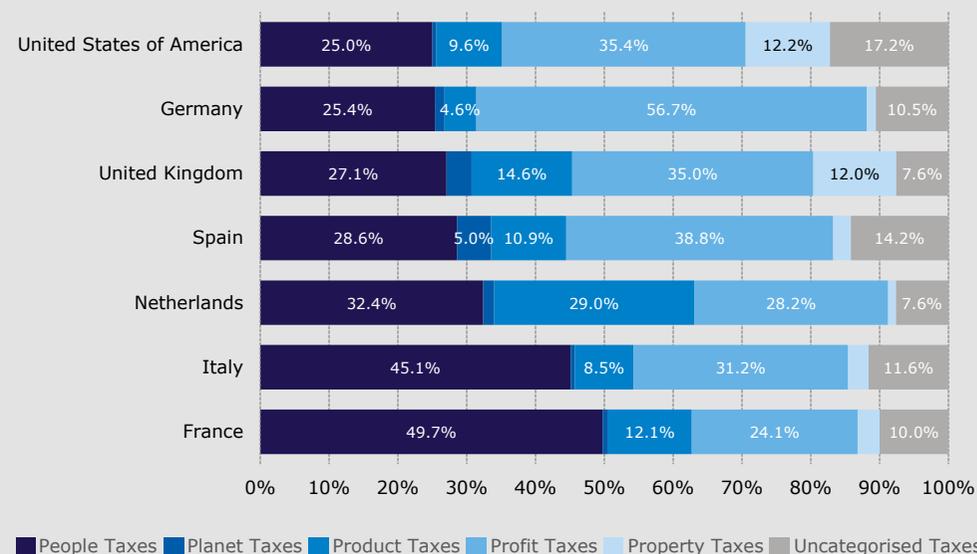
2 For the purposes of this study, 'Europe' or 'European' are defined as the 27 member states of the EU, the EFTA and the UK. For the full list of countries, please refer to Appendix D.

# An overview of the results

## Global Total Tax Contribution

1. Despite the challenging year, participation in the study increased to **55** – 9 more companies if compared to last year – showing continued support of MNEs to contribute to the broader tax transparency debate.
2. The global TTC of 55 of the largest companies headquartered in Europe was **€355.7bn** in 2020, comprising **€119.5bn** in taxes borne and **€236.2bn** in taxes collected.
3. The global TTC represents more than the annual tax receipts in the Netherlands (€321.4bn) or Norway, Slovakia and Poland combined (€123.4bn, €32.4bn and €191.7bn, respectively) in 2020<sup>3</sup>.
4. These companies generated employment for **3.5m** people<sup>4</sup>. Average employment taxes per person totalled **€22,754**.
5. CIT is proportionally a small part of companies' contribution: for every €1 of CIT, these companies bear **€1.21** in other taxes and collect **€4.36** taxes for governments.
6. Governments are the largest beneficiary of stakeholder share by study participants, representing almost half of the total at **49.3%**. Stakeholder share also comprises amounts distributed to employees in wages of **29.8%** and to shareholders in dividends or retained in the business for reinvestment of **20.9%**.

7. The data collected from the 55 participants also included data of at least 30 of them relating to seven countries: Germany, the Netherlands, Spain, France, Italy, the UK and the United States of America (USA). It is, therefore, possible to **provide more meaningful insights** at a country level:

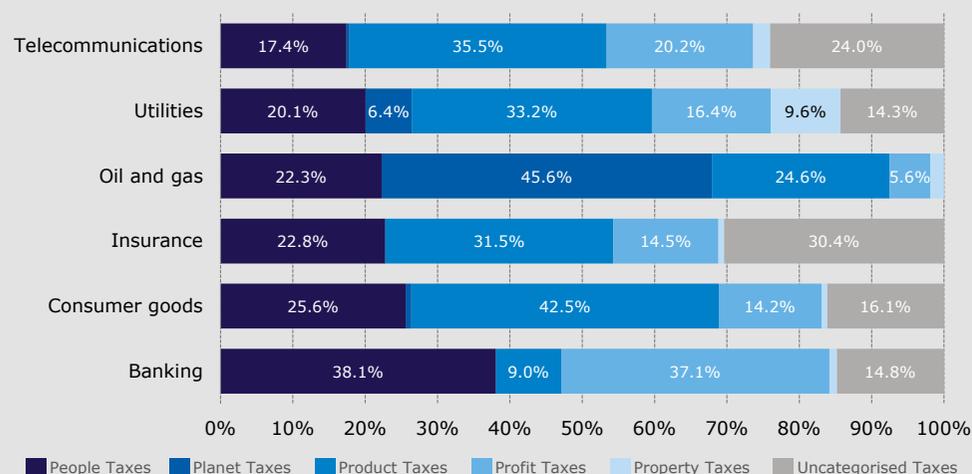


**France is the country with the highest share of employment taxes as a percentage of total taxes borne by the employer (49.7%).**

**The country picture varies depending on the mix of sectors of the companies in each country. 56.7% of the total taxes borne in Germany by study participants are, on average, profit taxes. This is a reflection of the high number of participants in the banking sector providing data for this country.**

- 3 Eurostat, 'Main national accounts tax aggregates', available at [https://ec.europa.eu/eurostat/databrowser/view/gov\\_10a\\_taxag/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/gov_10a_taxag/default/table?lang=en).
- 4 Number of full-time equivalent of employees provided by the study participants.

# An overview of the results (continued)



**In these seven countries, employment taxes in the banking sector represents nearly the same proportion as profit taxes as a share of TTC (38.1% and 37.1%, respectively), which reflects the high salaries paid in the sector.**

**Oil and gas companies pay and collect nearly half of their TTC (45.6%) in planet taxes in the form of fuel excise duties.**

**42.5% of the TTC of consumer goods companies are product taxes. A clear reflection of the relevance of indirect taxes (e.g. VAT and other turnover taxes) for the sector.**

**31.5% of the profile of the TTC of insurance companies correspond to product taxes. This is due to the collection of insurance premium taxes.**

## European Total Tax Contribution

1. Considering the 32 countries in Europe, the TTC of the 55 companies is **€233.8bn**, comprising **€67.3bn** in taxes borne and **€166.5bn** in taxes collected. This is higher than the EU and EFTA 2020 budgets combined (€172.5n)<sup>5</sup>.
2. The TTC represents **3.2%**<sup>6</sup> of the combined tax revenues of the 27 member states of the EU, the 4 countries part of the EFTA and the UK; or **€442**<sup>7</sup> for every person living in these countries.
3. The TTC decreased **2.8%**<sup>8</sup> if compared to last year's study, largely as a result of the decrease in fuel excise duties collected.
4. Removing the oil and gas sector, TTC increased by **5.9%**, comprising a **0.9%** increase in taxes borne and a **5.0%** increase in taxes collected.
5. Study participants generate employment for **1.9m** people – 0.9% of the European workforce. Average employment taxes per person totalled **€28,067**.
6. CIT is proportionally a small part of companies' contribution: for every €1 of CIT, these companies bear **€1.90** in other taxes and collect **€7.16** taxes for governments.

5 2020 Budgets available at <https://www.consilium.europa.eu/en/policies/the-eu-budget/eu-annual-budget/2020-budget/>; and <https://www.efta.int/About-EFTA/news/EFTA-Council-adopts-budget-2020-516251#:~:text=On%2012%20December%2C%20the%20ninth,to%20approximately%20CHF%2023.7%20million.>

6 2019 total tax revenues, available at [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tax\\_revenue\\_statistics#In\\_2019.2C\\_tax\\_revenue\\_in\\_absolute\\_terms\\_increased\\_in\\_all\\_EU\\_Member\\_States](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tax_revenue_statistics#In_2019.2C_tax_revenue_in_absolute_terms_increased_in_all_EU_Member_States) and <https://data.worldbank.org/indicator/GC.TAX.TOTL.CN?locations=IS>.

7 Eurostat, available at [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population\\_and\\_population\\_change\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_and_population_change_statistics).

8 Comparison between 2019 and 2020 on a like-for-like basis which only considers those companies participating in both years and, for each company, only those countries where TTC data was also available in both years of the study.