

Executive summary

Global overview

This is the sixth Total Tax Contribution (TTC) study by the EBTF, following the inflationary challenges of 2022 and growing geopolitical tensions. This year saw the highest number of study participants, with 73 of Europe's largest companies reporting data for the year ending 31 December 2023. Despite tax departments grappling with the reporting deadlines for various new regulatory reporting regimes, the study saw a significant rise in participation, demonstrating the strong support of multinational companies (MNCs) for the TTC concept and their role in enhancing tax transparency.

The implementation of new tax reporting regimes continues apace. Public country-by-country reporting (pCbCR) came into effect in most of the European Union (EU) from June 2024. Environmental, social and governance (ESG) reporting frameworks also continue to evolve.

The implementation of the EU Corporate Sustainability Reporting Directive (CSRD) took a step forward with the adoption of the first European Sustainability Reporting Standards (ESRS) by the European Commission in June 2023.¹ The complexity associated with the new reporting requirements is becoming ever more apparent, with many companies looking to align their compliance with their broader tax strategy, tax governance, and ESG objectives.

In this context, the TTC study aims to provide comprehensive and factual information on the global TTC of some of the largest companies with European headquarters. The EBTF continues to stress the importance and value of considering the full tax footprint of MNCs that can be derived from the TTC and invites more companies to join future TTC studies.

Participation and Scope



73 of Europe's largest companies participated in the study, an increase from 67 in the previous year.



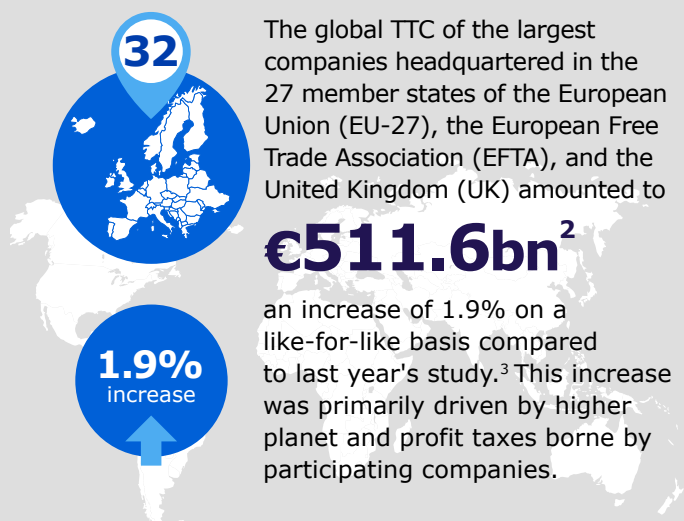
These companies paid and collected taxes across **168** territories globally.

1. European Sustainability Reporting Standards, available at <https://www.efrag.org/en/sustainability-reporting>.

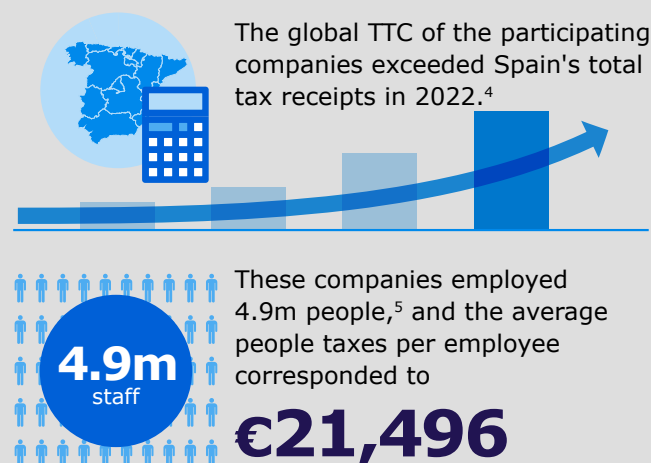
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Total Tax Contribution



Economic Impact



Tax Breakdown



2. For the complete list of countries, please refer to Appendix D.

3. One company was excluded from the year-on-year analysis to prevent its impact from distorting the overall trends.

4. Spain's total tax revenues amounted to \$531bn in 2022. This figure was obtained from 'Revenue Statistics - OECD countries', available [here](#) (the latest available OECD data relates to 2022).

5. Number of full-time equivalent employees provided by the study participants.

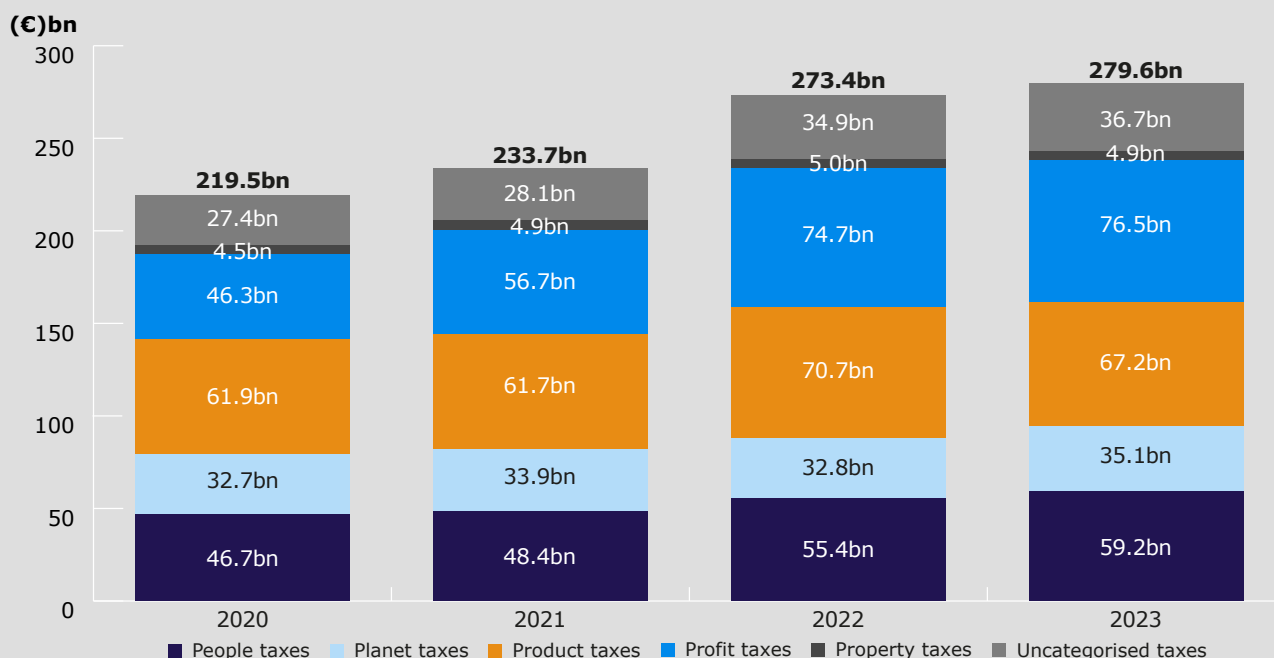
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Global like-for-like comparison

Trends and Recovery

On a like-for-like basis, the global TTC of the largest companies headquartered in Europe has steadily increased since 2020. This reflects the participants' important role in the economic recovery after the COVID-19 pandemic.

4-year comparison of Global TTC by the five tax bases on a like-for-like basis – in absolute amounts



Source: Study participants, based on the aggregated data from 46 companies.

The total amount of taxes borne and collected by the 46 companies who provided data for all 4 years has increased by **27.4%** from

€219.5bn
in 2020 to
€279.6bn
in 2023.

27.4%
increase

The main driver of this increase has been **profit taxes borne**, which have risen by **65.2%**, from

€46.3bn
in 2020 to

€76.5bn

in 2023. In this same period, profit before taxes increased by **77.3%**.

65.2%
increase

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Industry Insights

The study participants were categorised into five distinct industries to provide detailed industry-level insights into the TTC of the largest companies headquartered in Europe. These industries are:

Industries	Companies
Consumer Markets	15
Energy, Utilities and Resources	14
Financial Services	22
Industrial Manufacturing and Automotive	8
Technology, Media, Telecommunications and Health Industries	14

The analysis revealed several key findings:

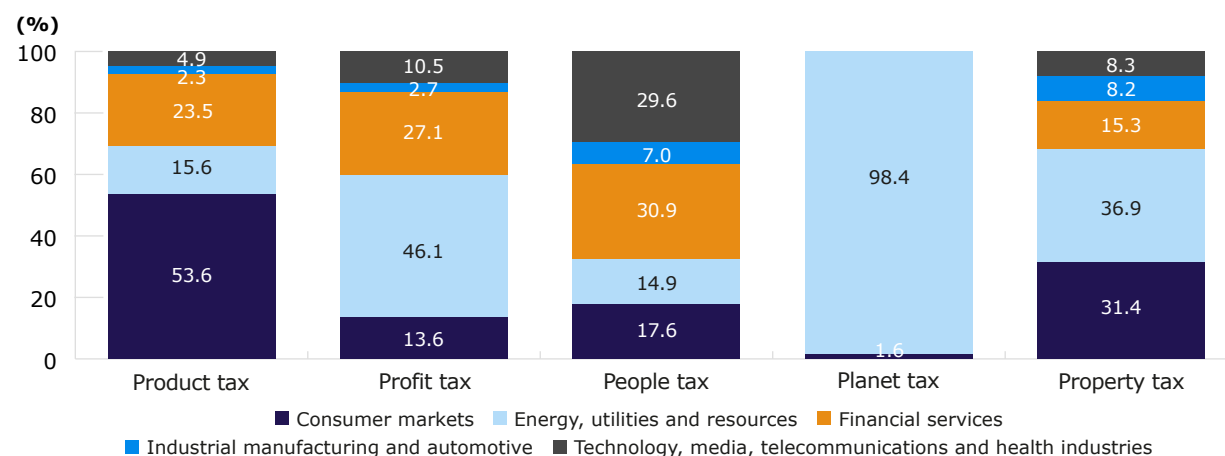
- **Product Taxes:** More than half of the product taxes were contributed by the consumer markets industry, reflecting the high levels of VAT and sales taxes in this sector.

- **Profit Taxes:** The energy, utilities and resources, and financial services industries together accounted for nearly three-quarters of the profit taxes. This reflects rising commodity prices, the continued profitability of these sectors, additional profit taxes and higher corporate income tax rates often levied on these sectors.

- **Planet Taxes:** The vast majority of planet taxes, 98.4%, were borne or collected by the energy, utilities and resources industries. This is due to the nature of these industries, which are heavily impacted by taxes such as fuel excise duties that increase the cost of environmentally harmful activities.

These insights highlight the varied tax contributions across different industries and the importance of considering the full tax footprint of MNCs. As the number of companies in each industry differs, this analysis is not a direct comparison of each industry's contribution to the five tax bases. Rather, it provides a general overview of the makeup of each tax base by industry.

The five tax bases by industry



Source: Study participants. Figures may not sum due to rounding. The chart was prepared on an overall basis.