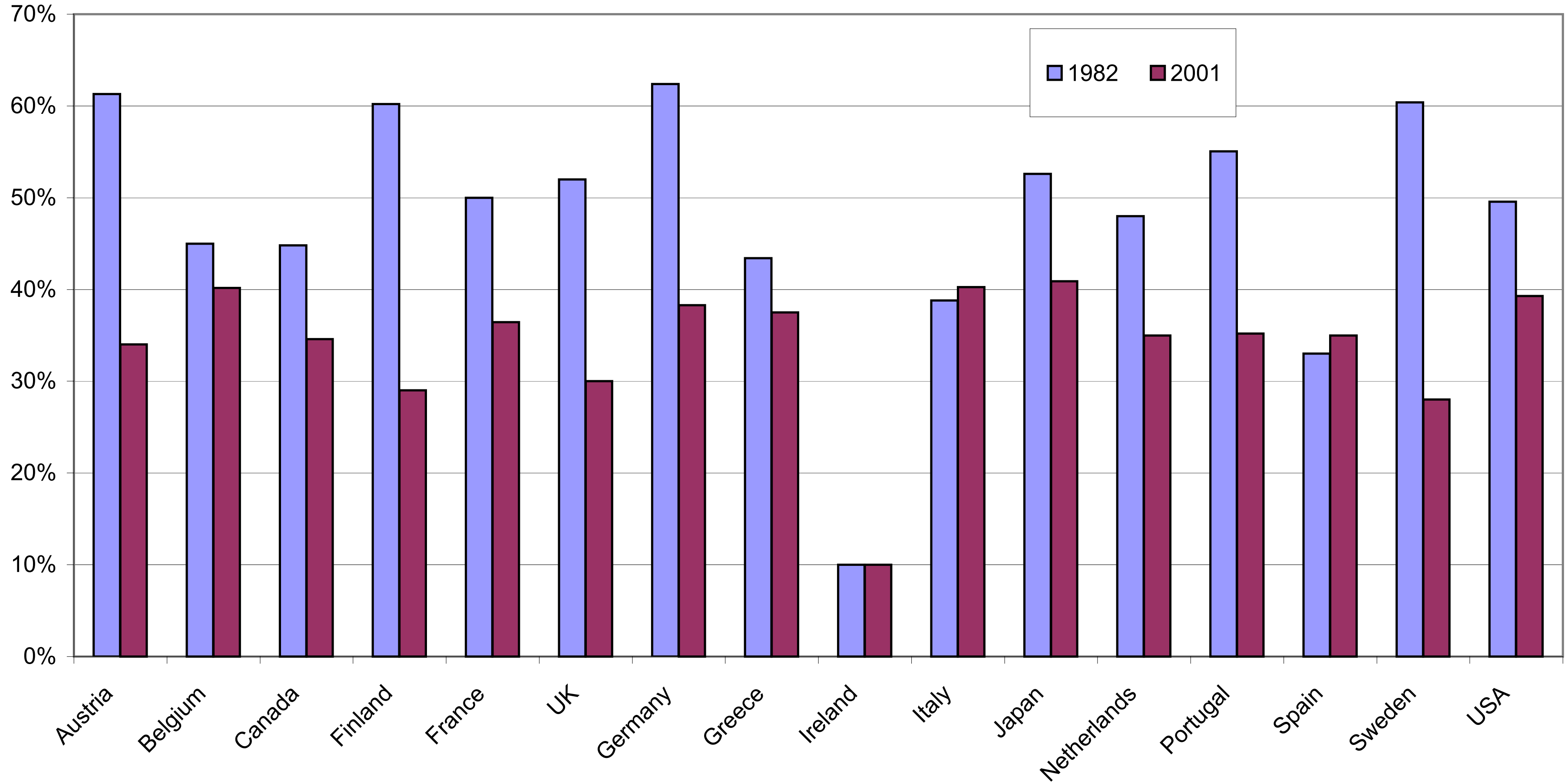
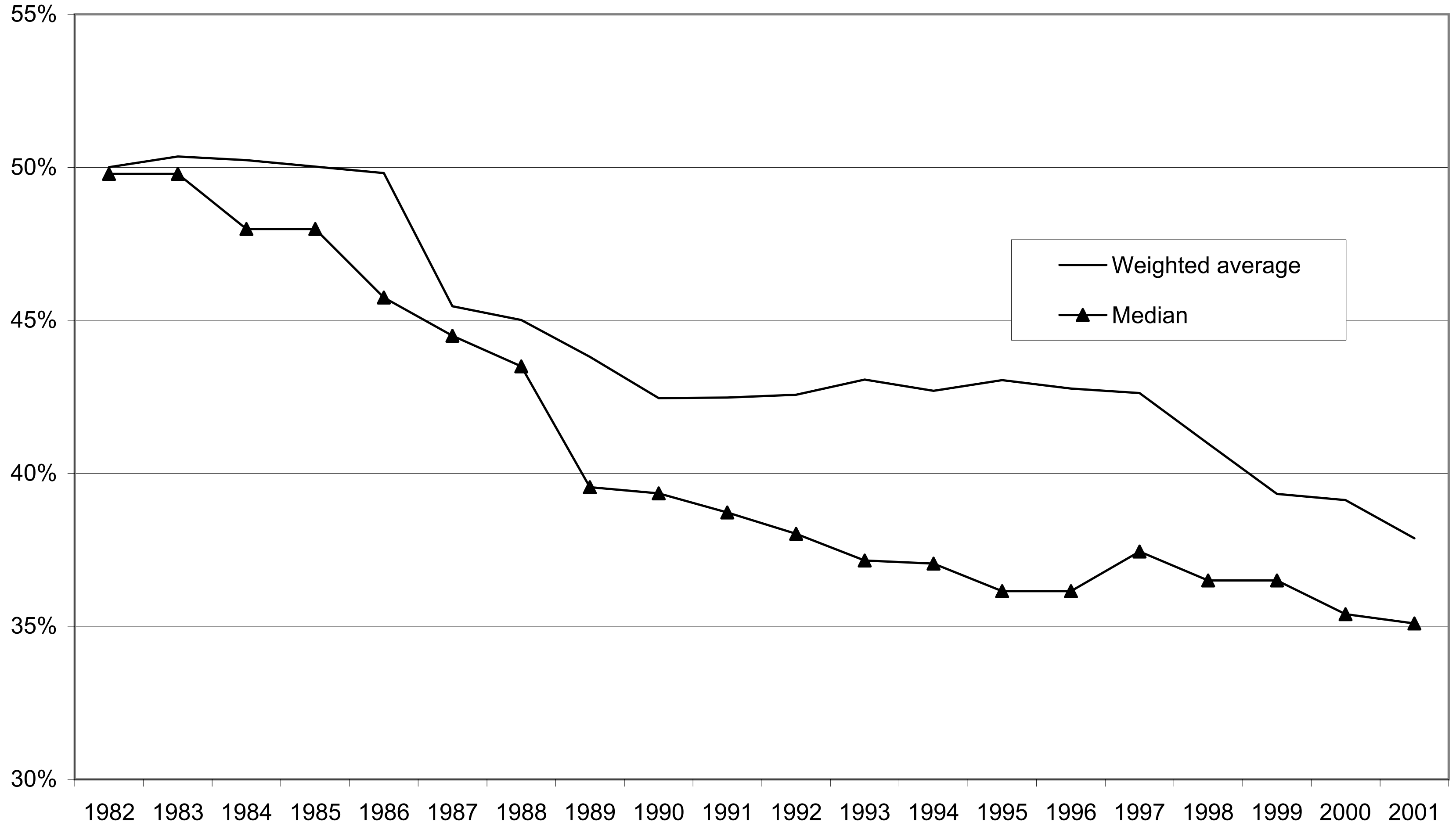
Figure 1
Statutory corporate income tax rates



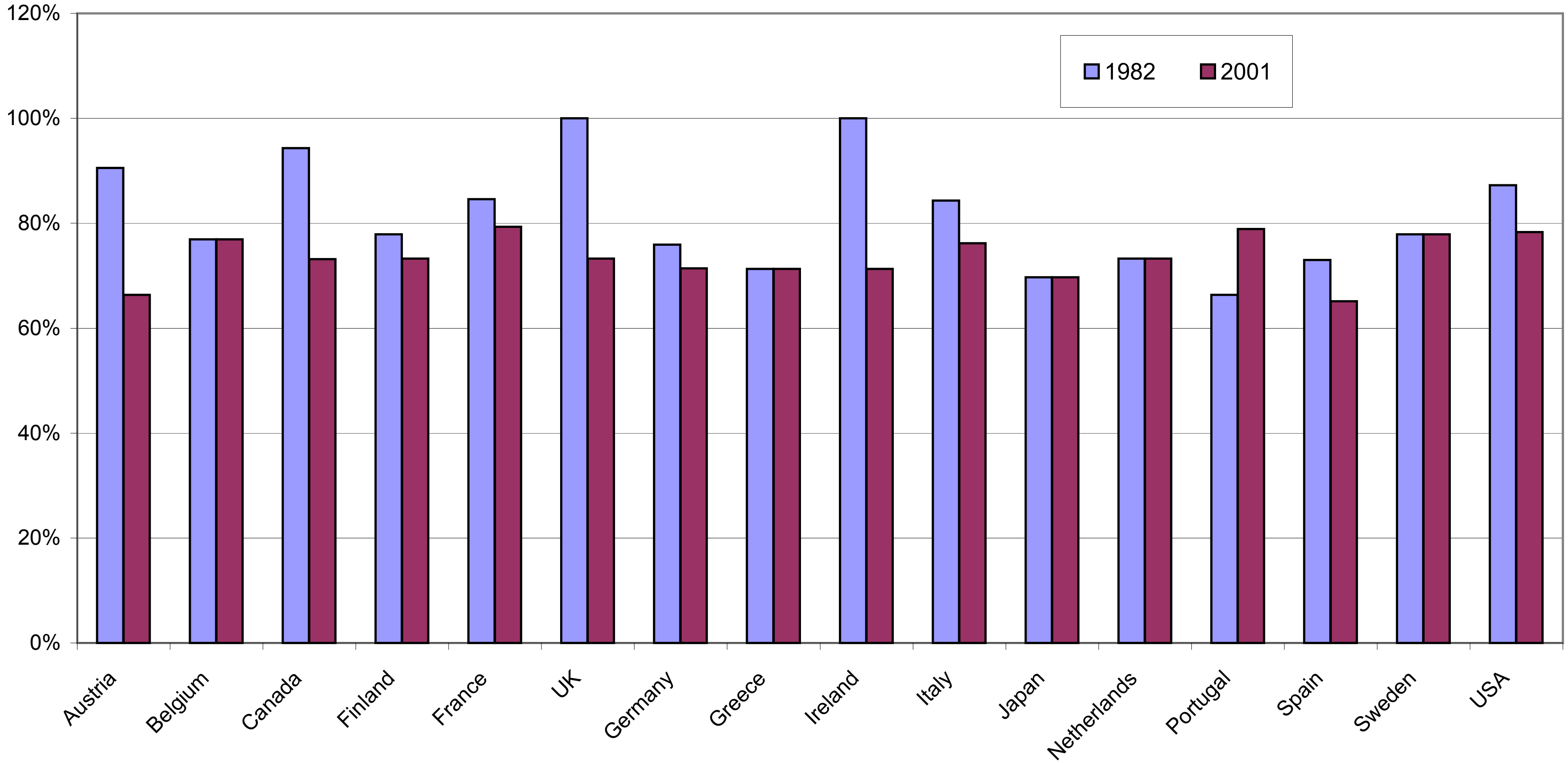
Notes: For countries using different tax rates, the manufacturing rate is chosen. Local taxes (or the average across regions) are included where they exist. Any supplementary taxes are included only if they apply generally, rather than only under particular circumstances. Data for Denmark and Luxembourg are missing.

Figure 2
Average statutory corporate income tax rate



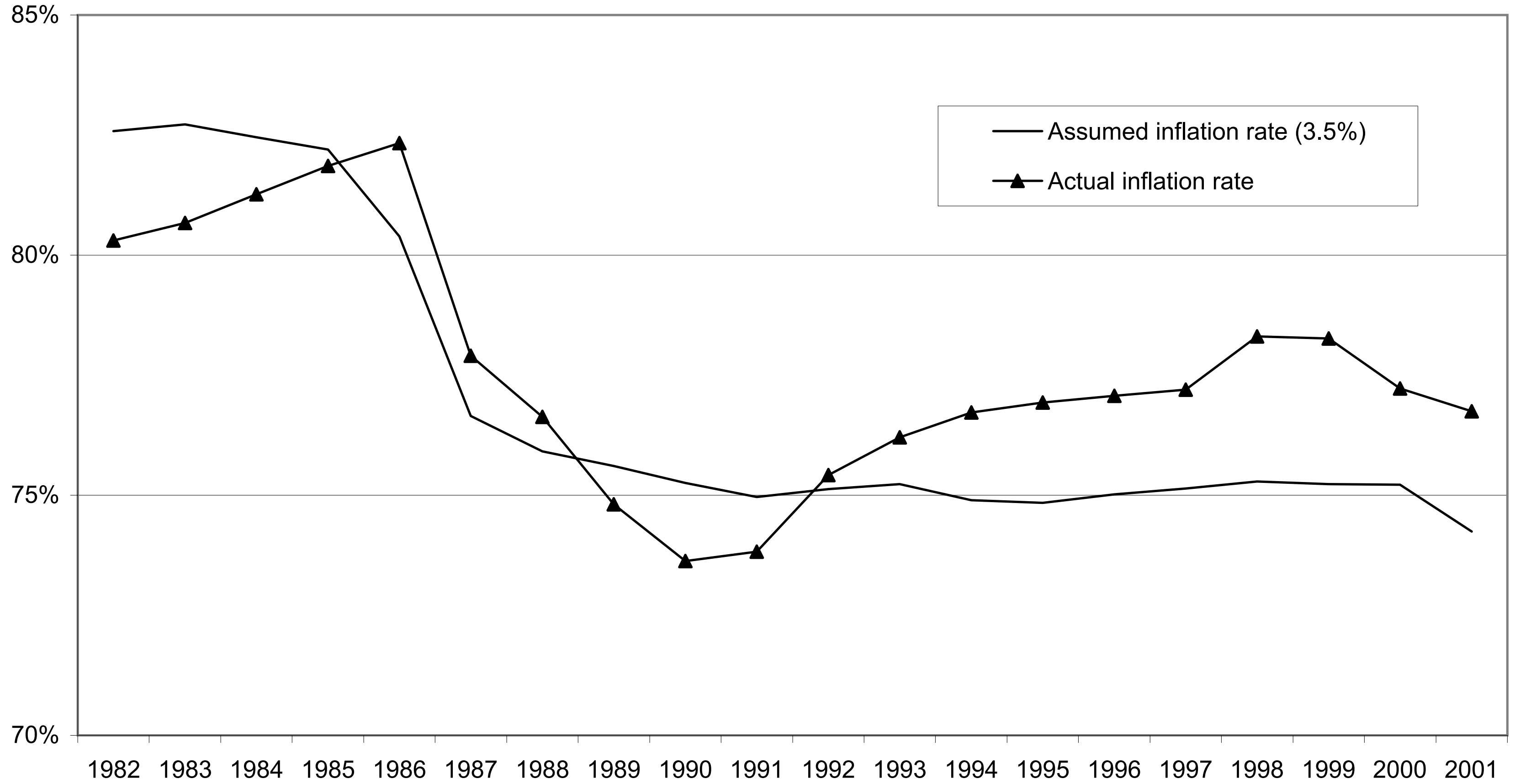
Notes: Statutory tax rate defined as in figure 1. Average weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 3
PDV of depreciation allowances



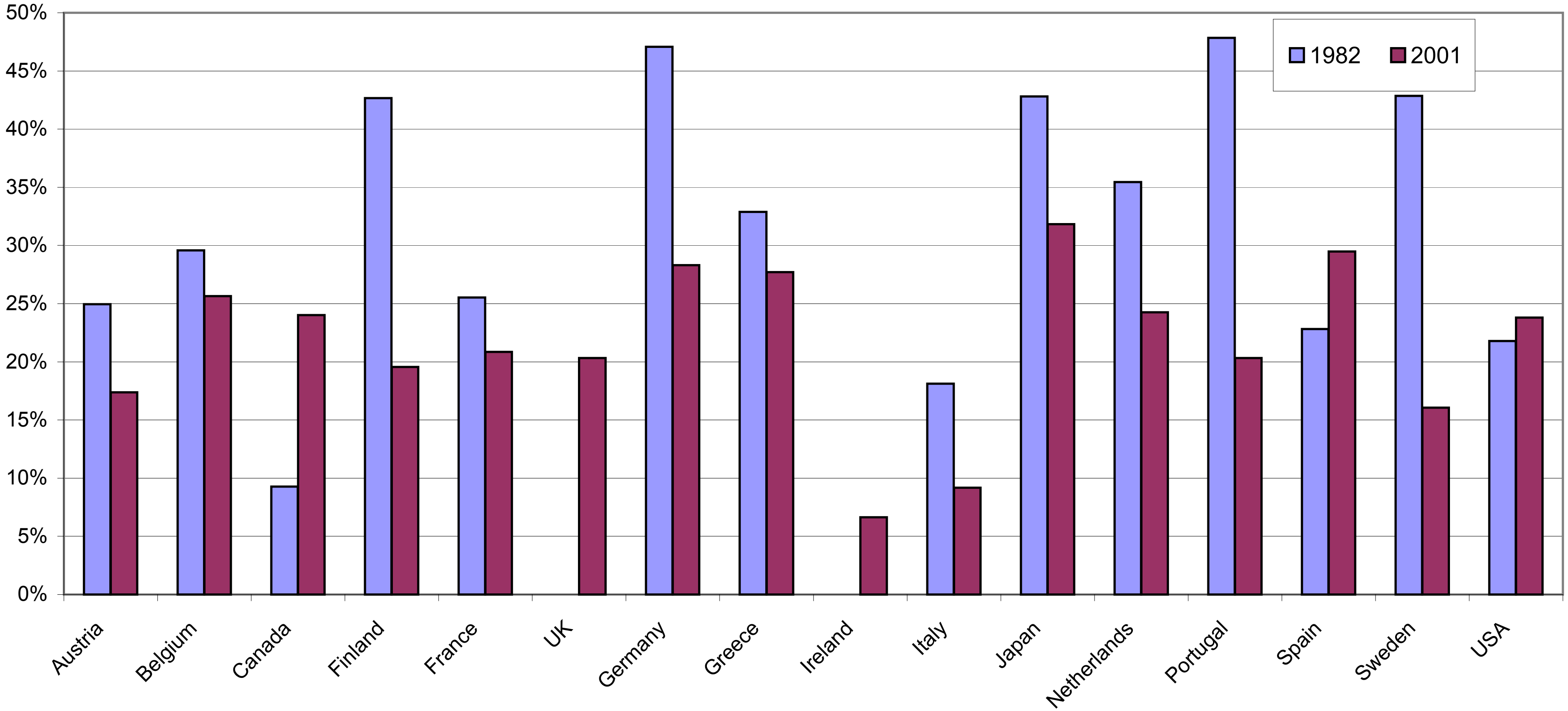
Notes:The PDV of allowances is calculated for an investment in plant and machinery. Special first year allowances are included if applicable. Where switching between straight-line and reducing balance methods is allowed, such switching is assumed at the optimal point. The assumed real discount rate is 10%, the assumed rate of inflation is 3.5%. Data for Denmark and Luxembourg are missing.

Figure 4
PDV of depreciation allowance



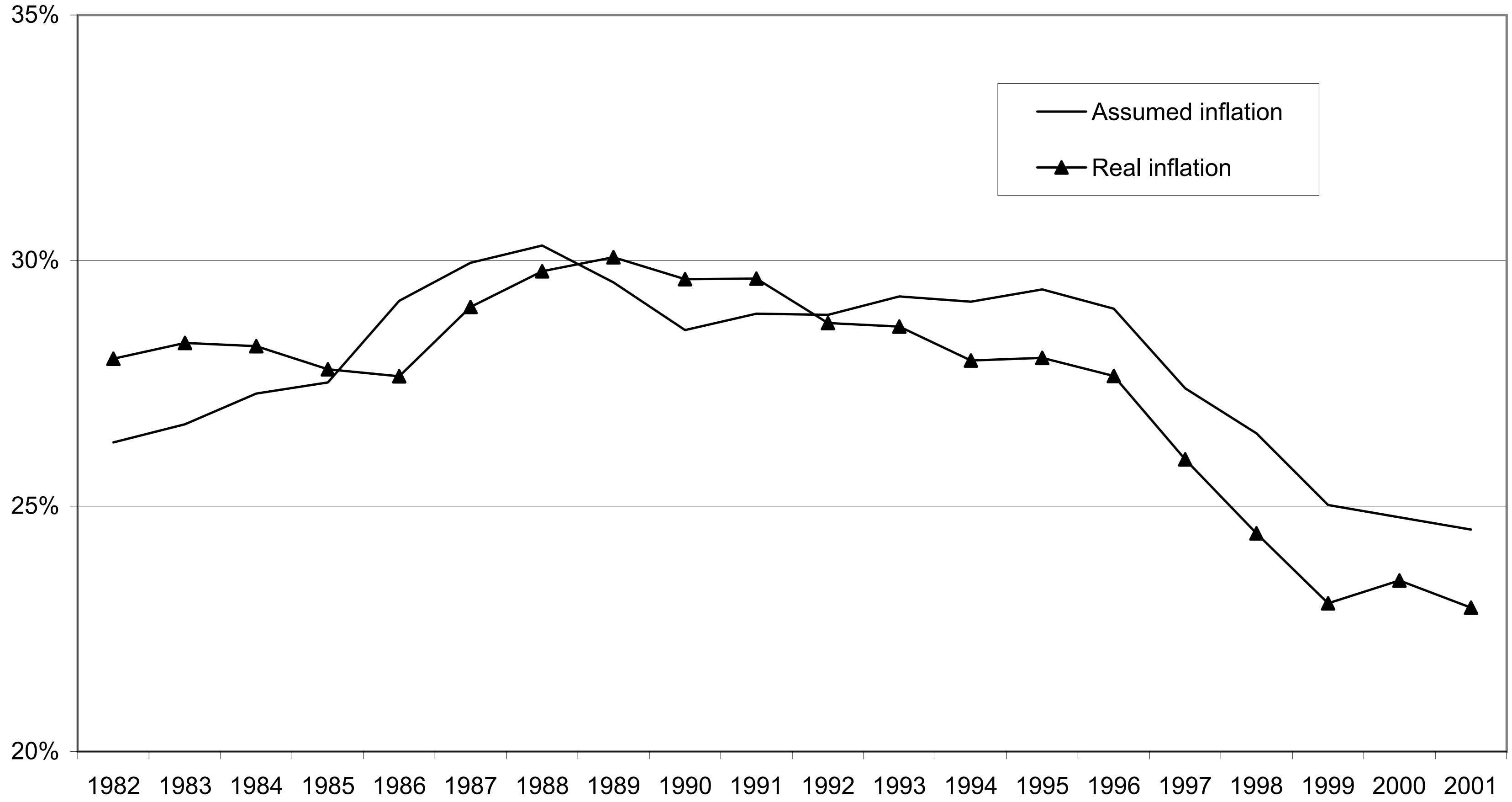
Notes: Allowances defined as in figure 3, except for the second series which is based on actual inflation rates (implying static expectations), rather than an assumed fixed rate of 3.5%. Average weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 5
Effective marginal tax rates



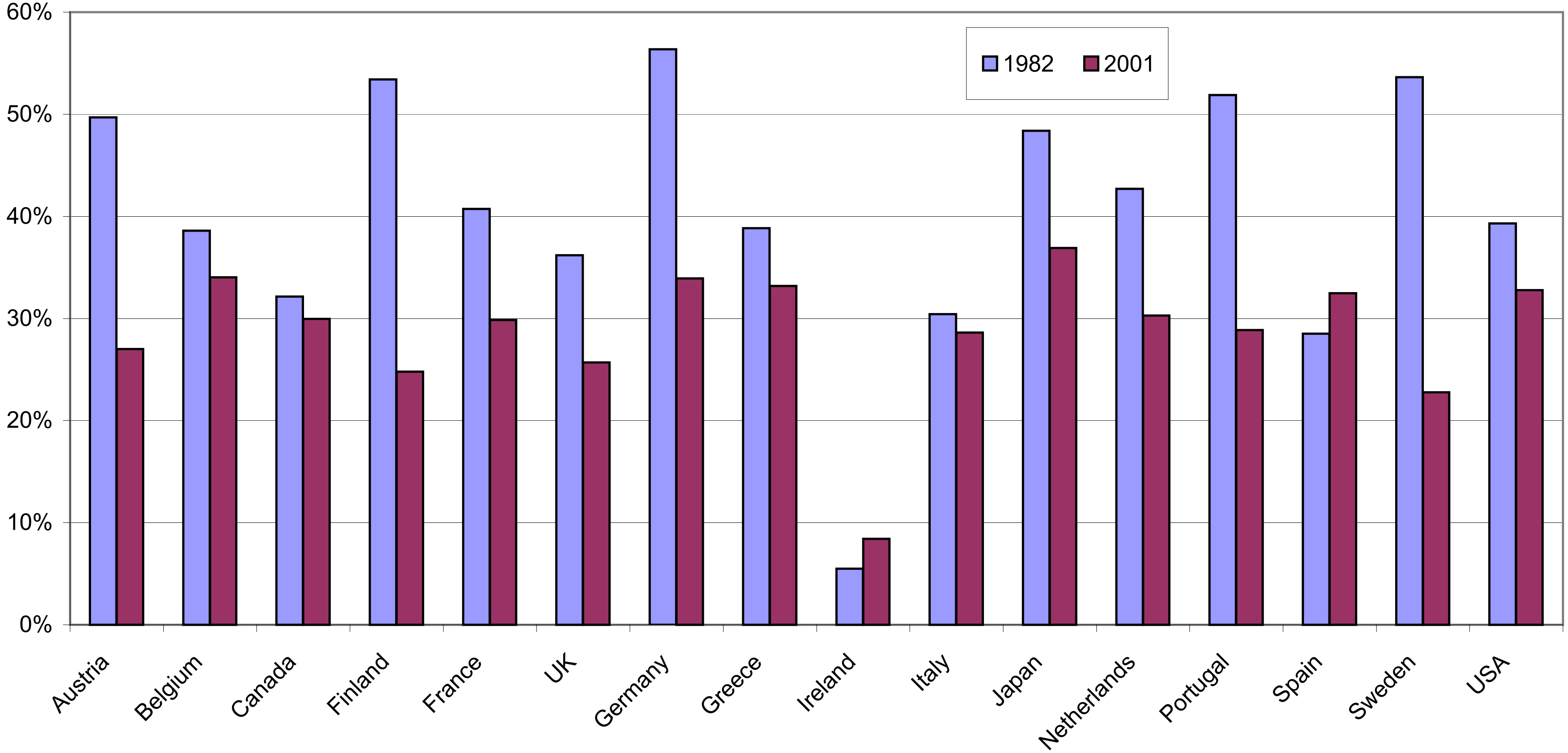
Notes: Calculations based on a hypothetical investment for one period in plant and machinery, financed by equity or retained earnings (but not debt). Taxation at the shareholder level is not included. The project is expected to break even, i.e. there is no economic rent. Other assumptions: real discount rate: 10%, inflation rate: 3.5%, depreciation rate: 12.25%. Data for Denmark and Luxembourg are missing.

Figure 6
Effective marginal tax rates



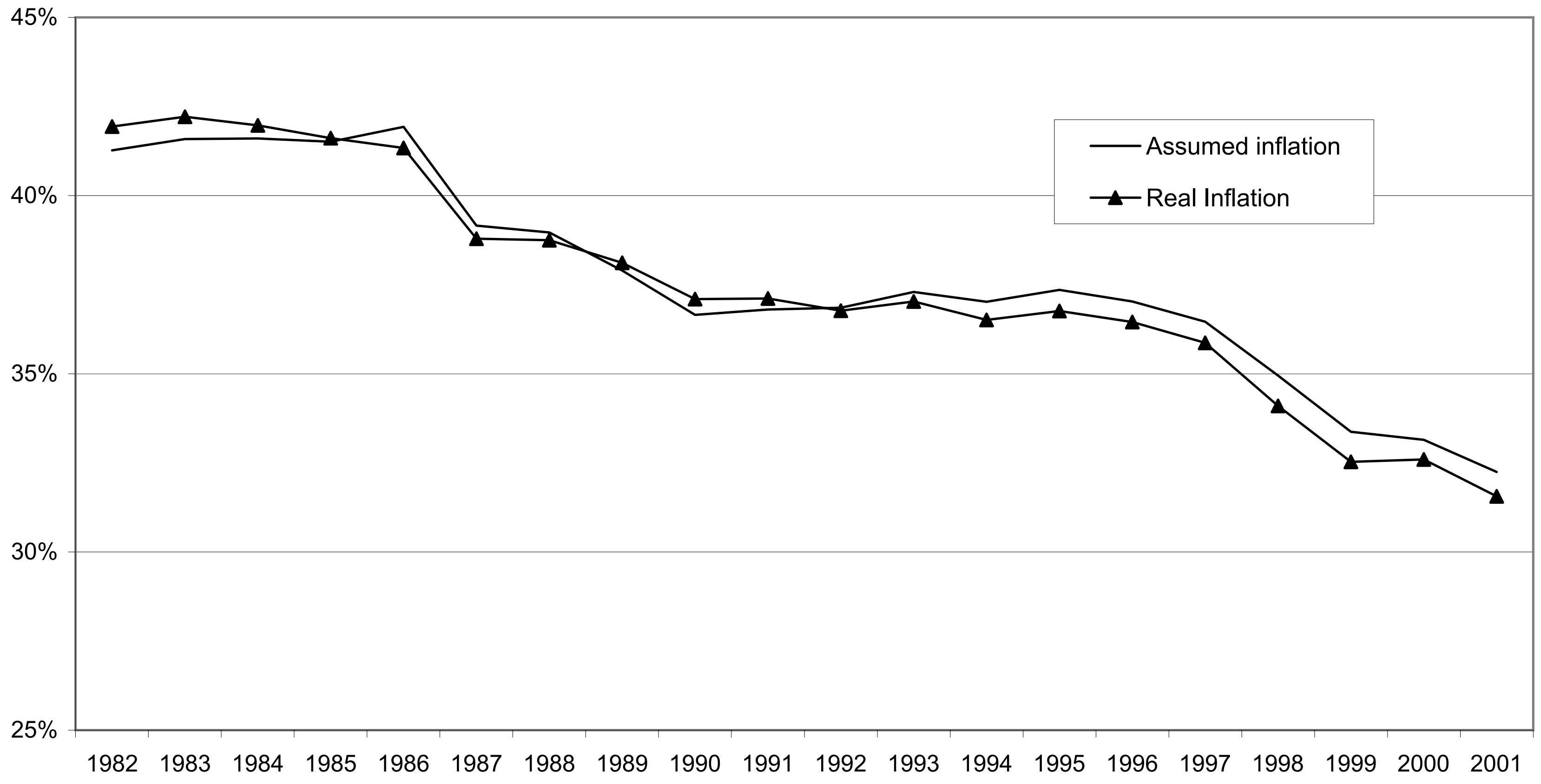
Notes: Effective marginal tax rate defined as in figure 5, except for the second series which is based on actual inflation rates (implying static expectations), rather than an assumed fixed rate of 3.5%. Average weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 7
Effective average tax rates



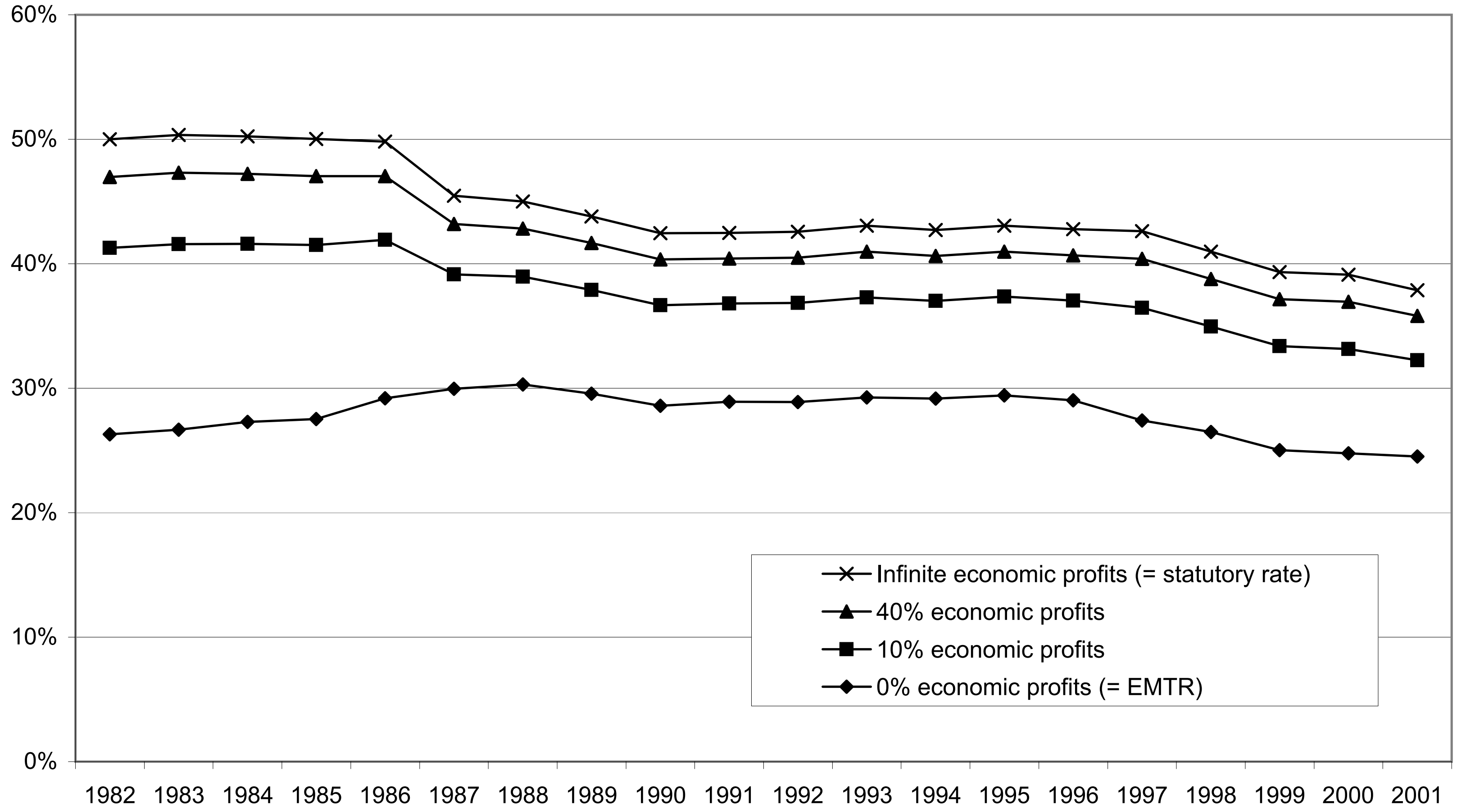
Notes: Calculations based on a hypothetical investment for one period in plant and machinery, financed by equity or retained earnings (but not debt). Taxation at the shareholder level is not included. The expected rate of economic profits earned is 10% (implying a financial return, p, of 20%). Other assumptions: real discount rate: 10%, inflation rate: 3.5%, depreciation rate: 12.25%. Data for Denmark and Luxembourg are missing.

Figure 8
Effective average tax rates



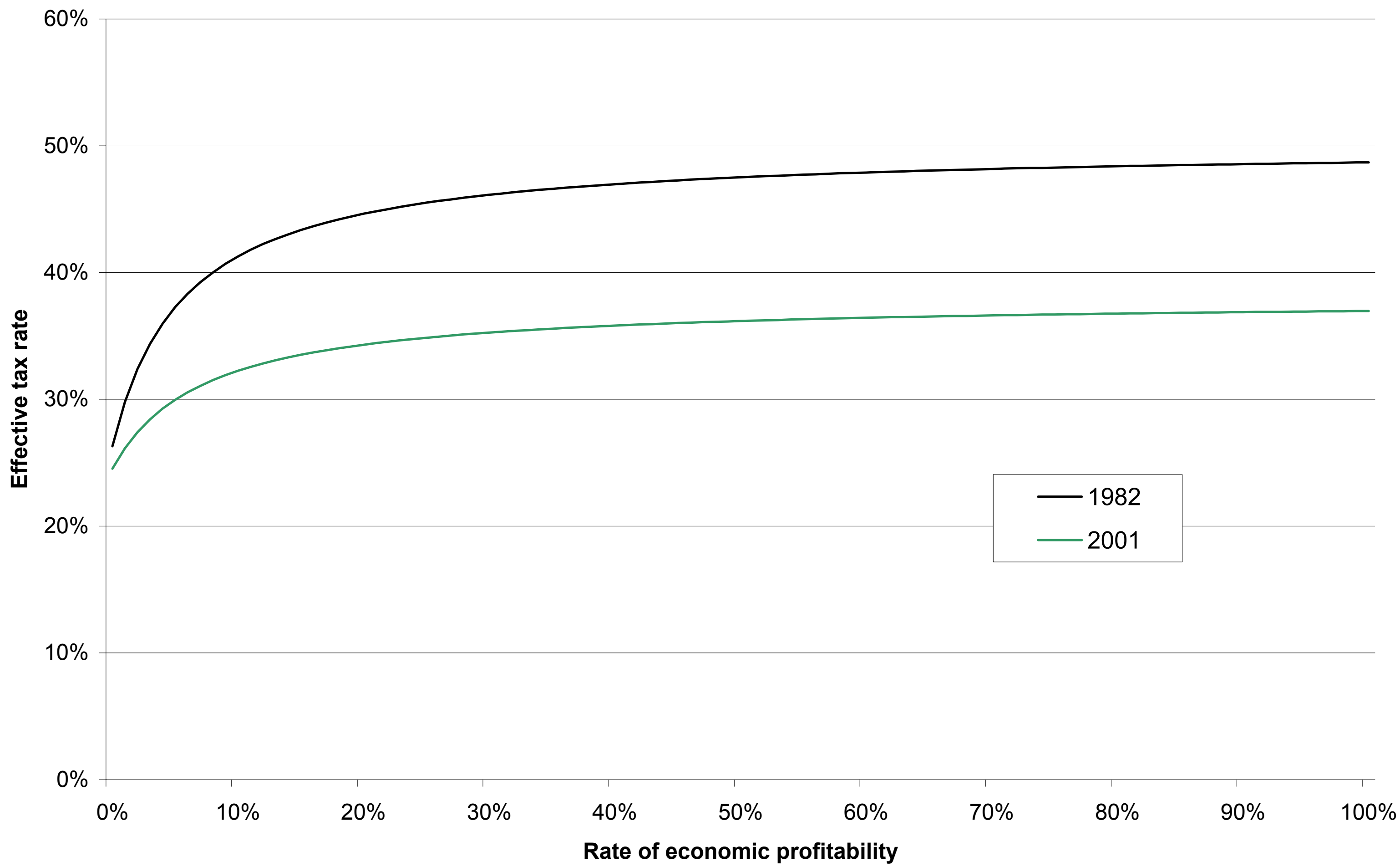
Notes: Effective average tax rate defined as in figure 7, except for the second series which is based on actual inflation rates (implying static expectations), rather than an assumed fixed rate of 3.5%. Average weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 9
Average effective average tax rates
at different levels of profitability



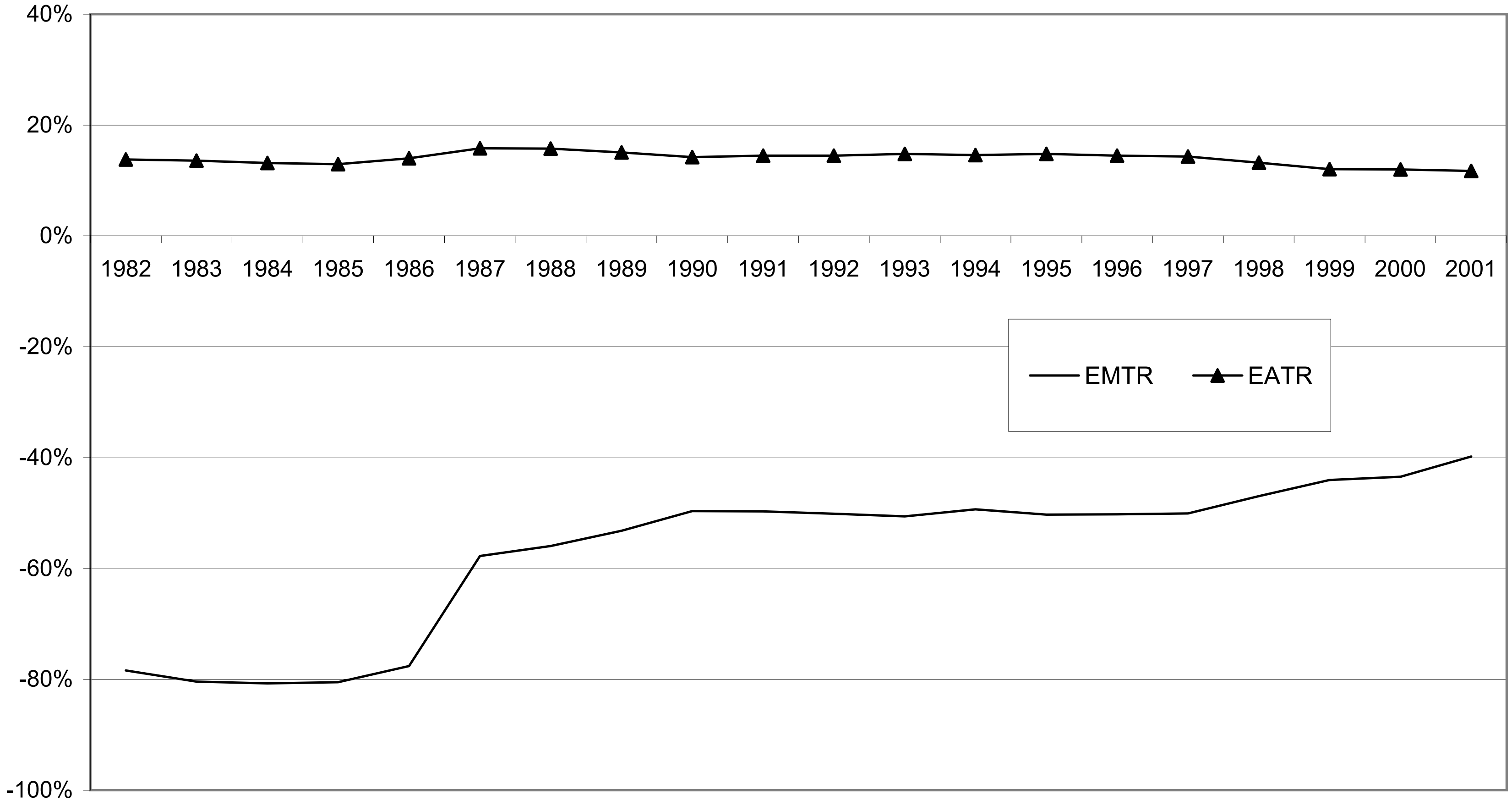
Notes: Effective average tax rates defined as in figure 7. Average weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 10
Effective tax rates at different levels of profitability



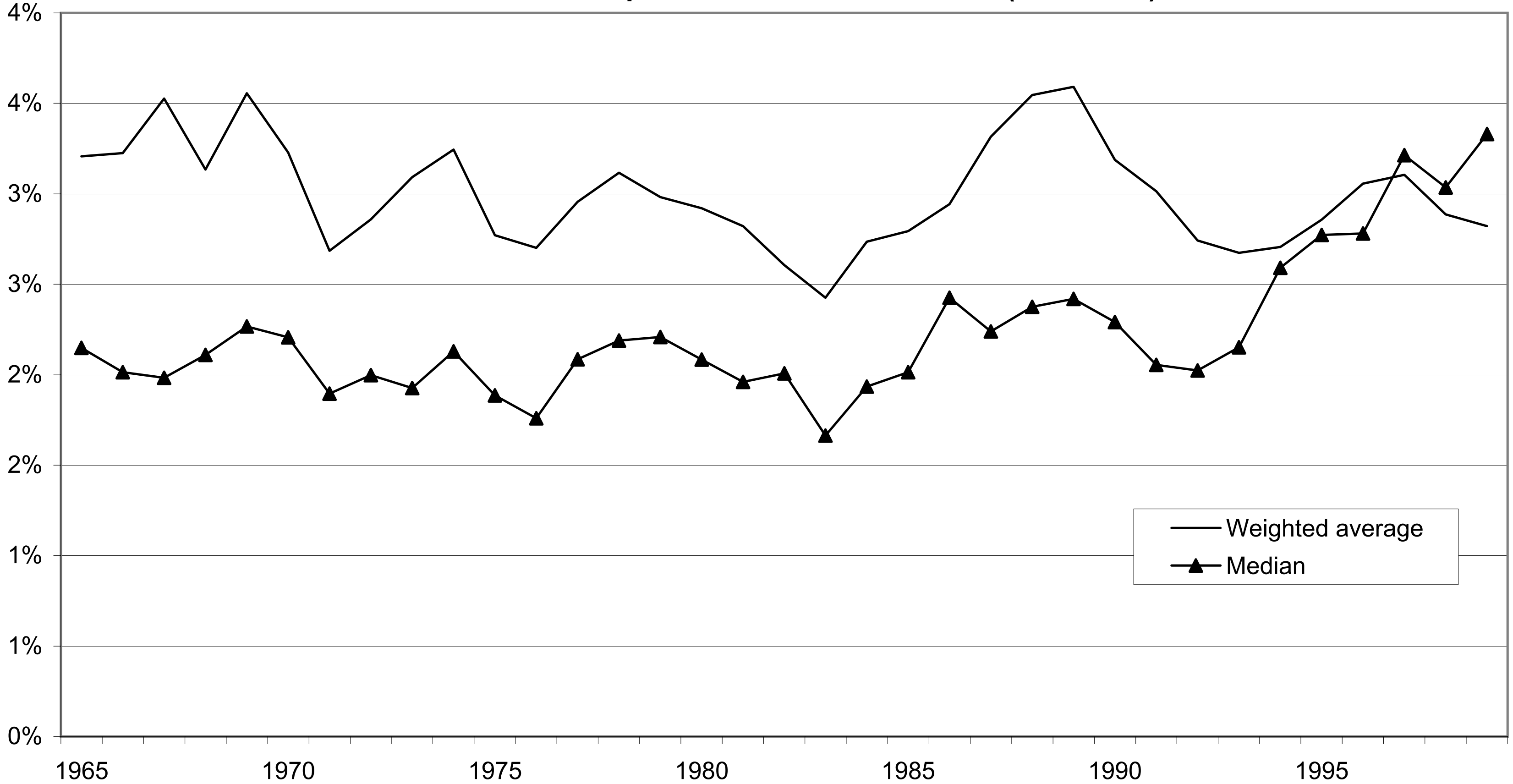
Notes: Effective average tax rates defined as in figure 7, but rate of economic profits allowed to vary from 0% to 100%. Averages weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 11
Effective tax rates, debt financed



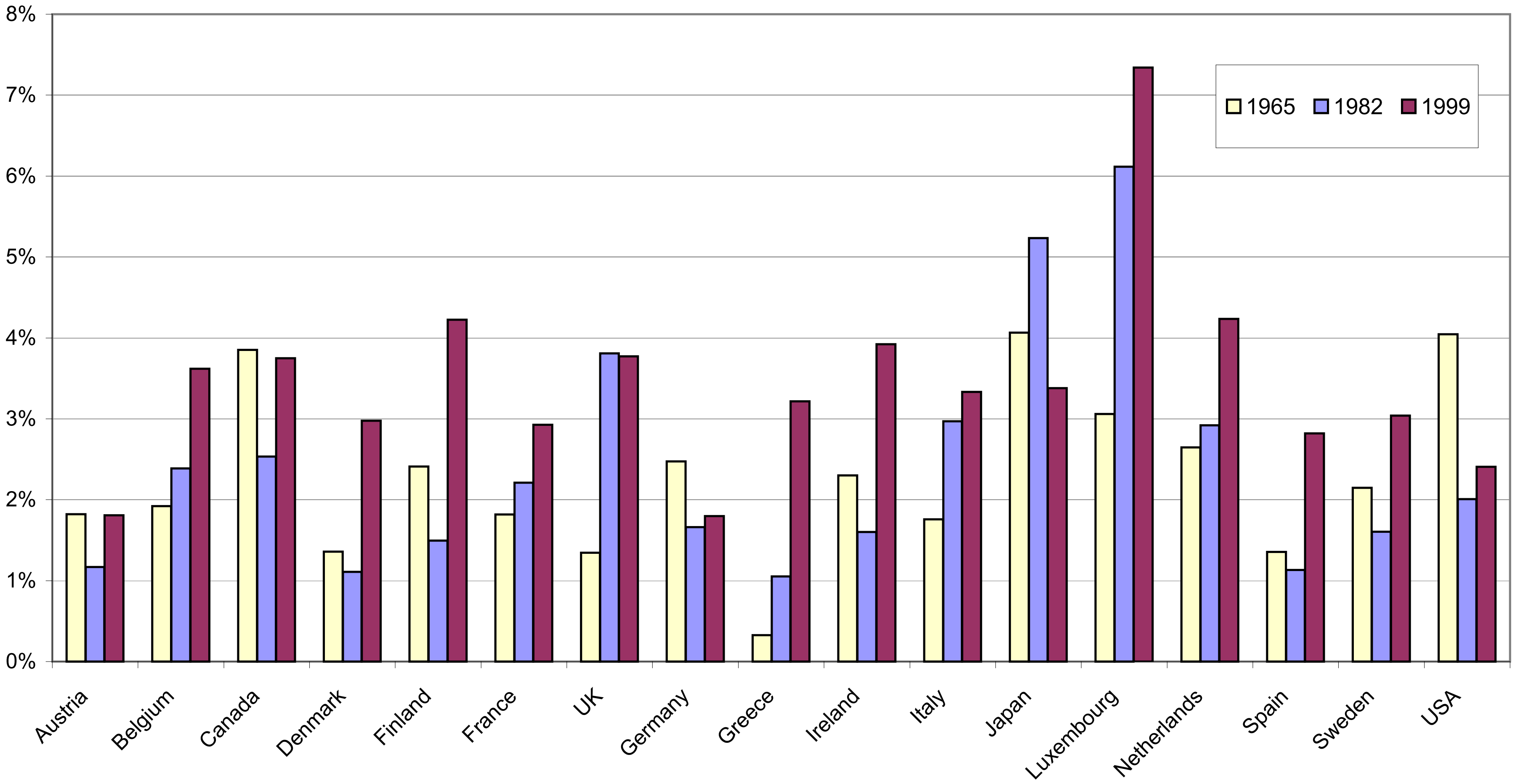
Notes: Effective marginal tax defined on a tax-exclusive basis, unlike in figure 5. Finance is by debt, all other assumptions as in figure 5. Average weighted by GDP in US$. Denmark and Luxembourg have been excluded from the average in every year due to missing data in some years.

Figure 12
Corporate income tax revenue (% of GDP)



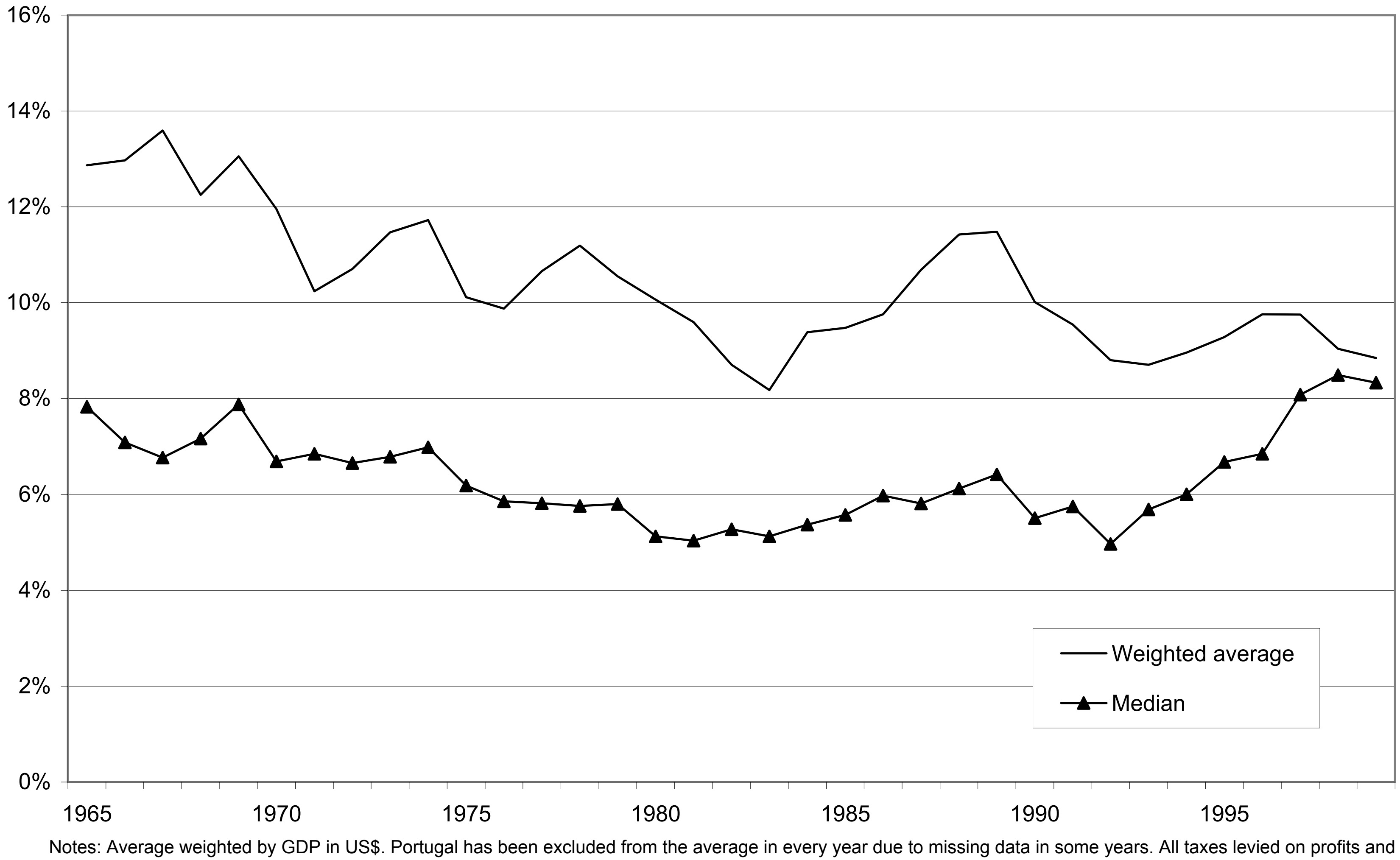
Notes: Average weighted by GDP in US$. Portugal has been excluded from the average in every year due to missing data in some years. All taxes levied on profits and capital gains of corporations are included. Source: OECD.

Figure 13
Corporate income tax revenue (% of GDP)



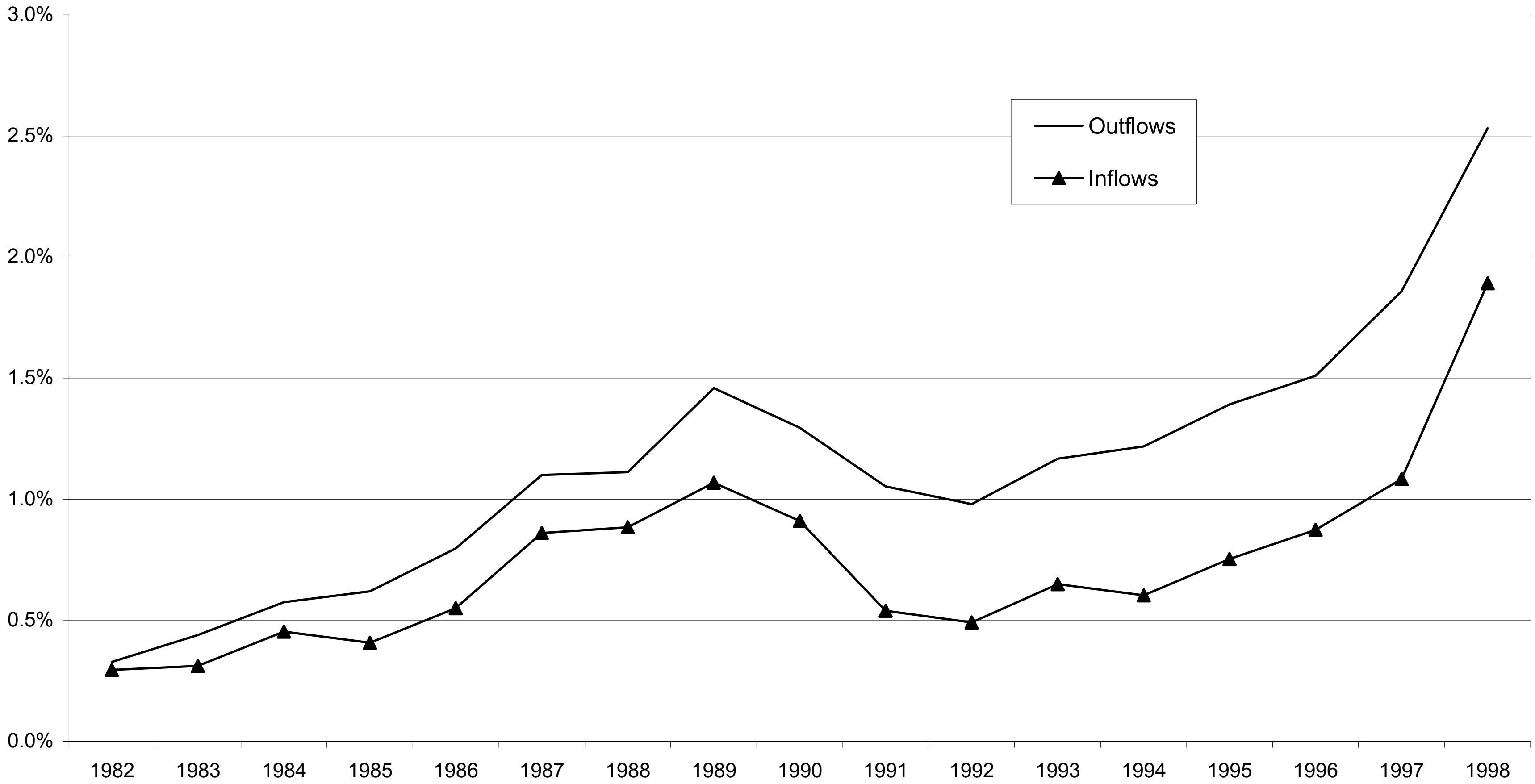
Notes: All taxes levied on profits and capital gains of corporations are included. Source: OECD. Data for Portugal are missing.

Figure 14
Corporate income tax revenue (% of total tax revenue)



Notes: Average weighted by GDP in US$. Portugal has been excluded from the average in every year due to missing data in some years. All taxes levied on profits and capital gains of corporations are included. Source: OECD.

Figure 15
Foreign direct investment (% of GDP)



Notes: Average weighted by GDP in US$. The following countries were excluded from the average due to missing data in some years: Austria, Belgium, Greece, Ireland, Luxembourg, Sweden. Source: OECD.