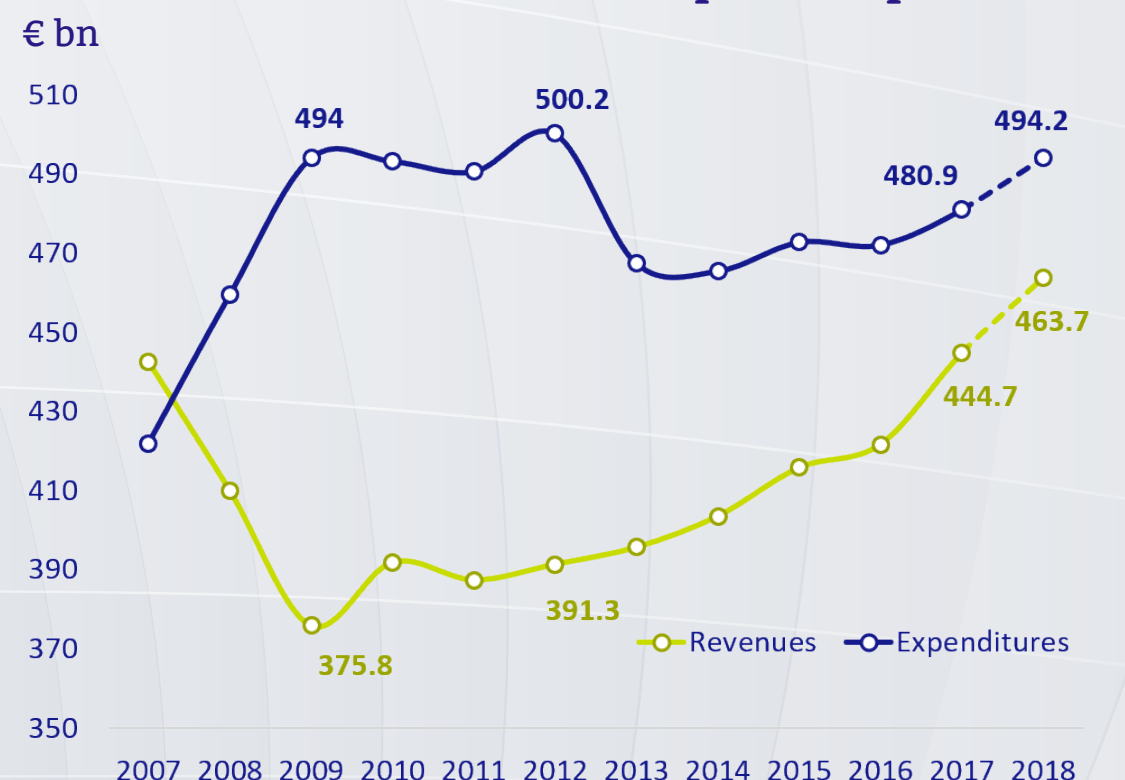


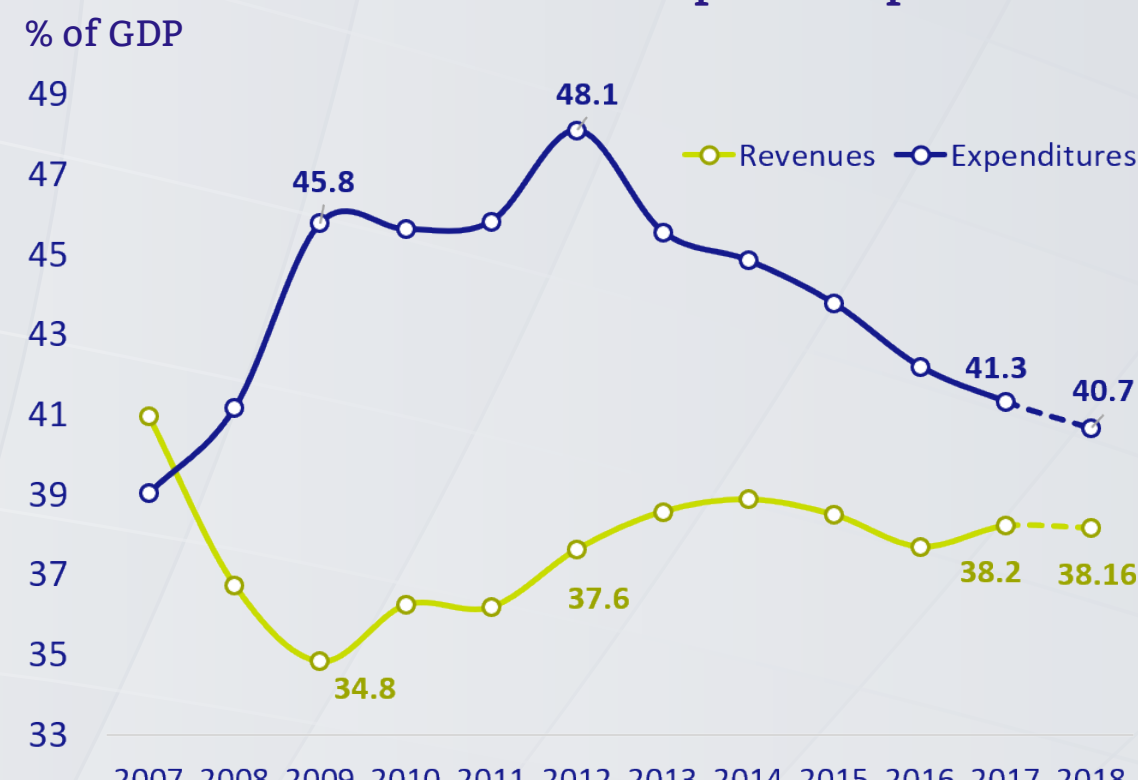
# CORPORATE TAXATION SPAIN

In 2018, the size of public expenditure approaches historical levels in an environment in which the economy grows at a year-on-year rate of 2.7%

Evolution of revenues and total public expenditures



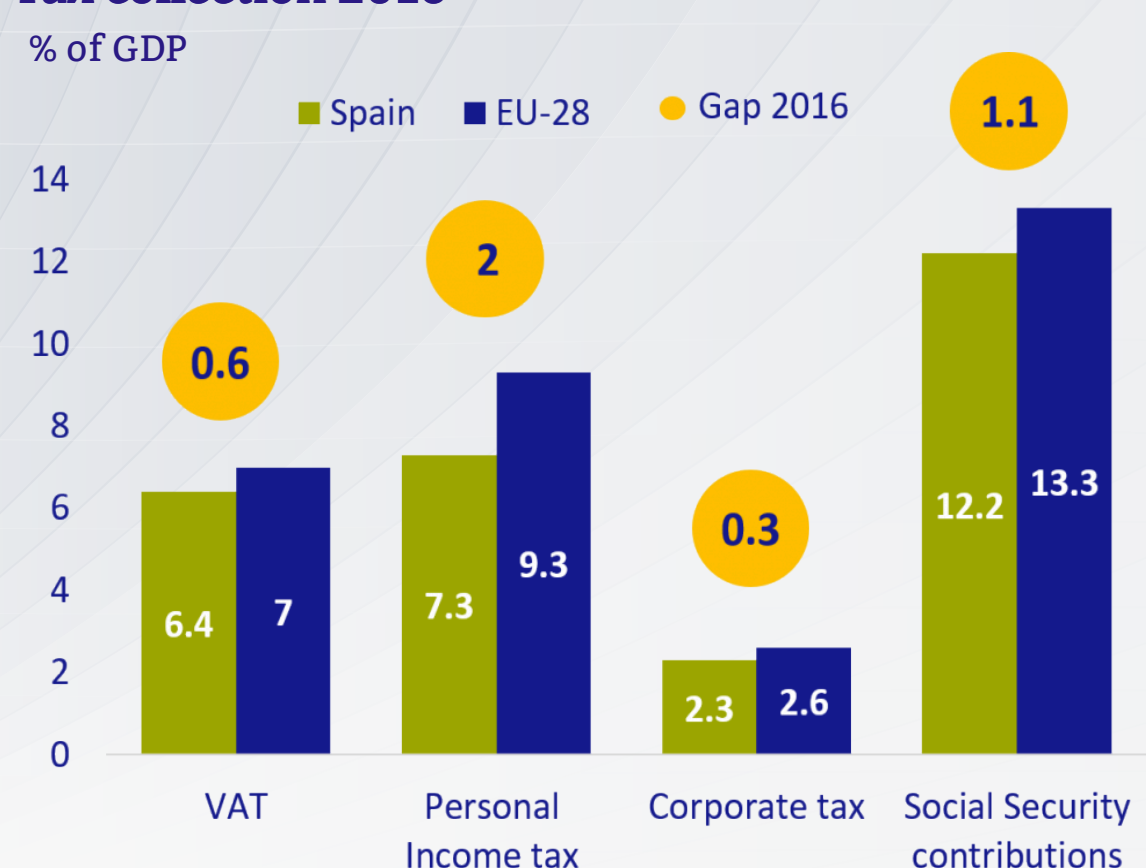
Evolution of revenues and total public expenditures



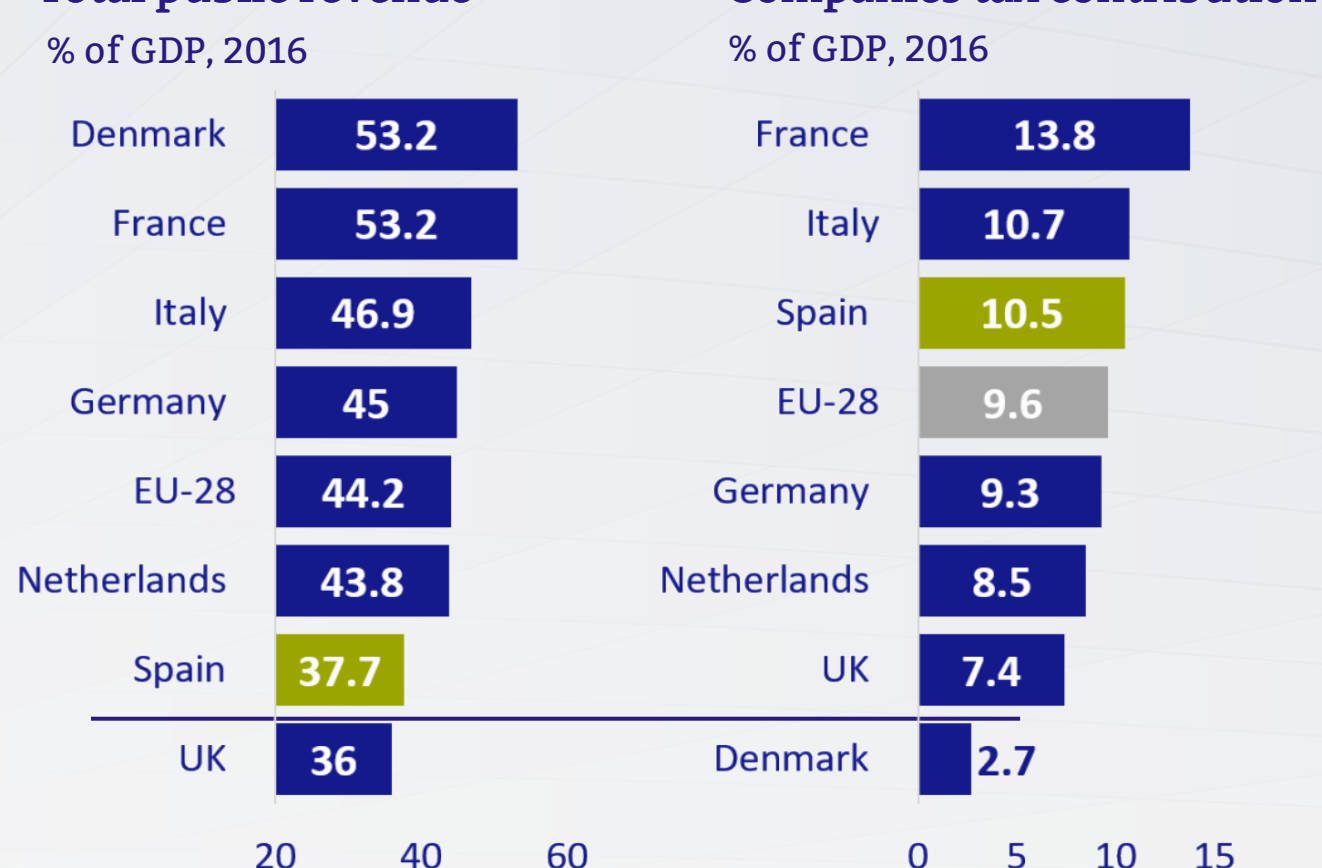
Likewise, public spending as a % of GDP stabilises once the Spanish economy exceeds its nominal GDP level of 2008

In terms of tax collection, the greatest differences with the EU28 are in Personal Income Tax and Social Security contributions, mainly explained by the high rate of unemployment and shadow economy

Tax collection 2016

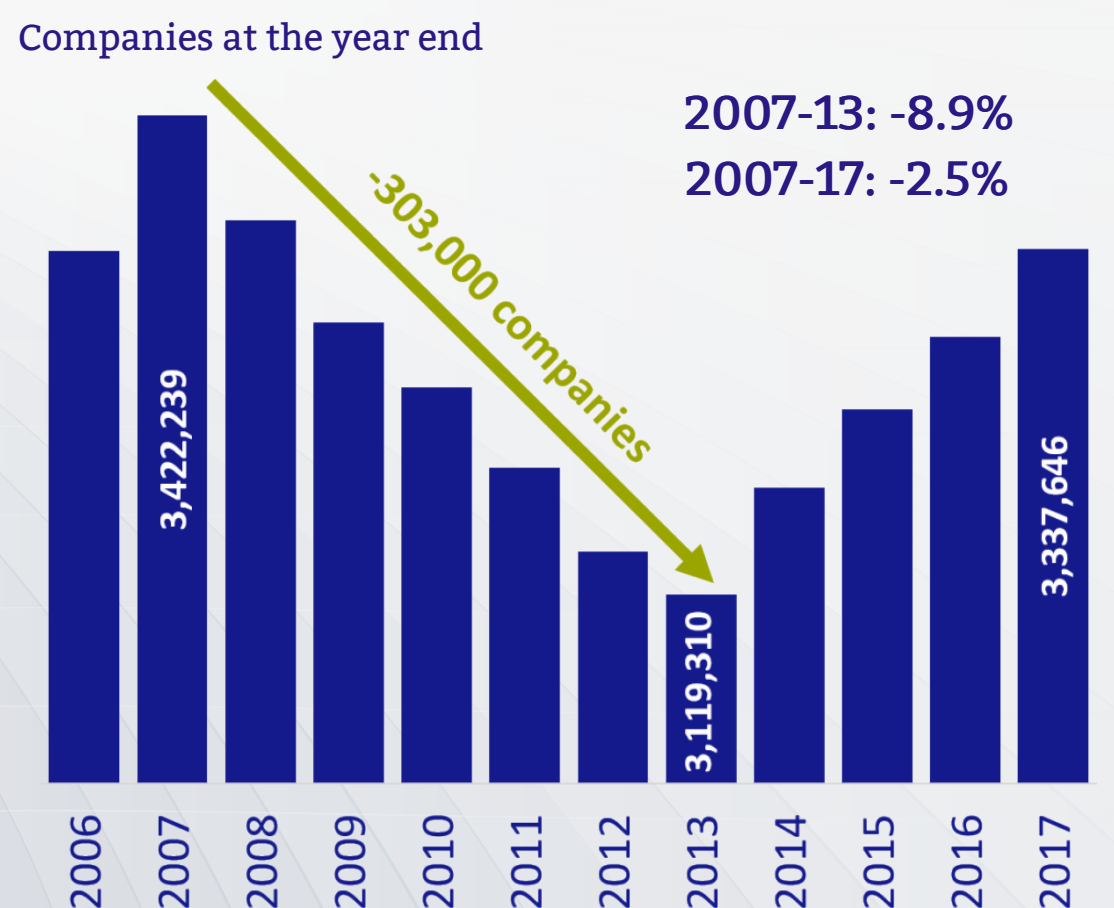


Total public revenue

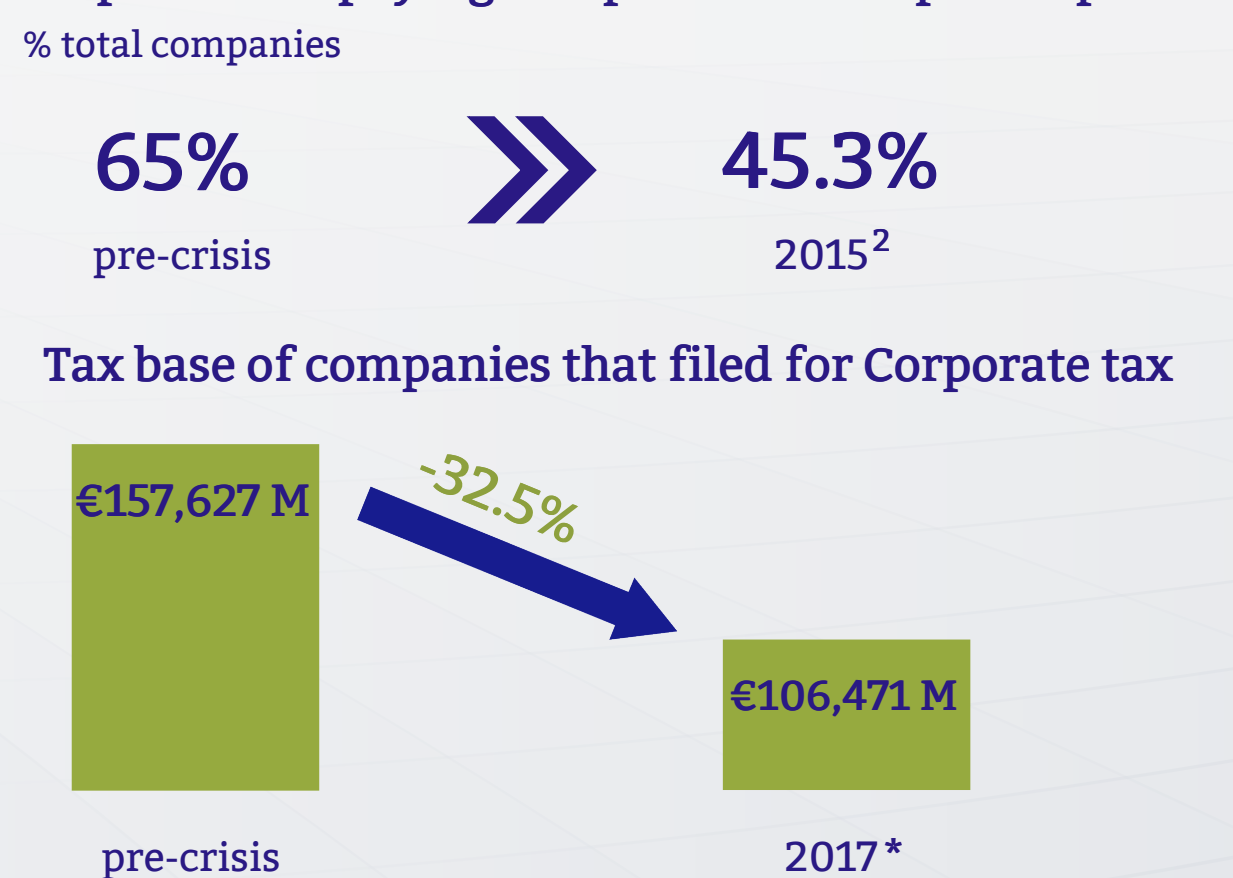


The fiscal contribution by Spanish companies is above the EU28 average despite the reduction in their number during the crisis and only 45.3% of the total having reported profits in 2015<sup>2</sup>

Business size



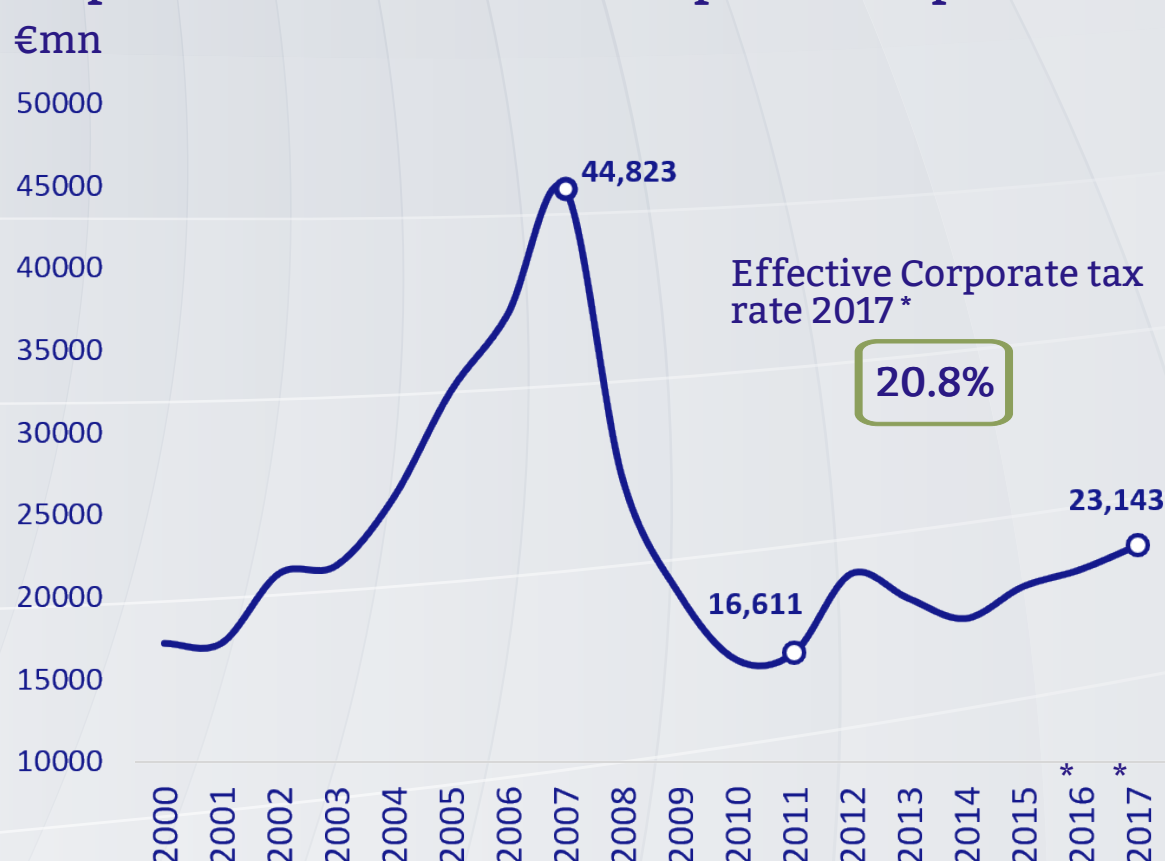
Corporate tax paying companies that reported profits



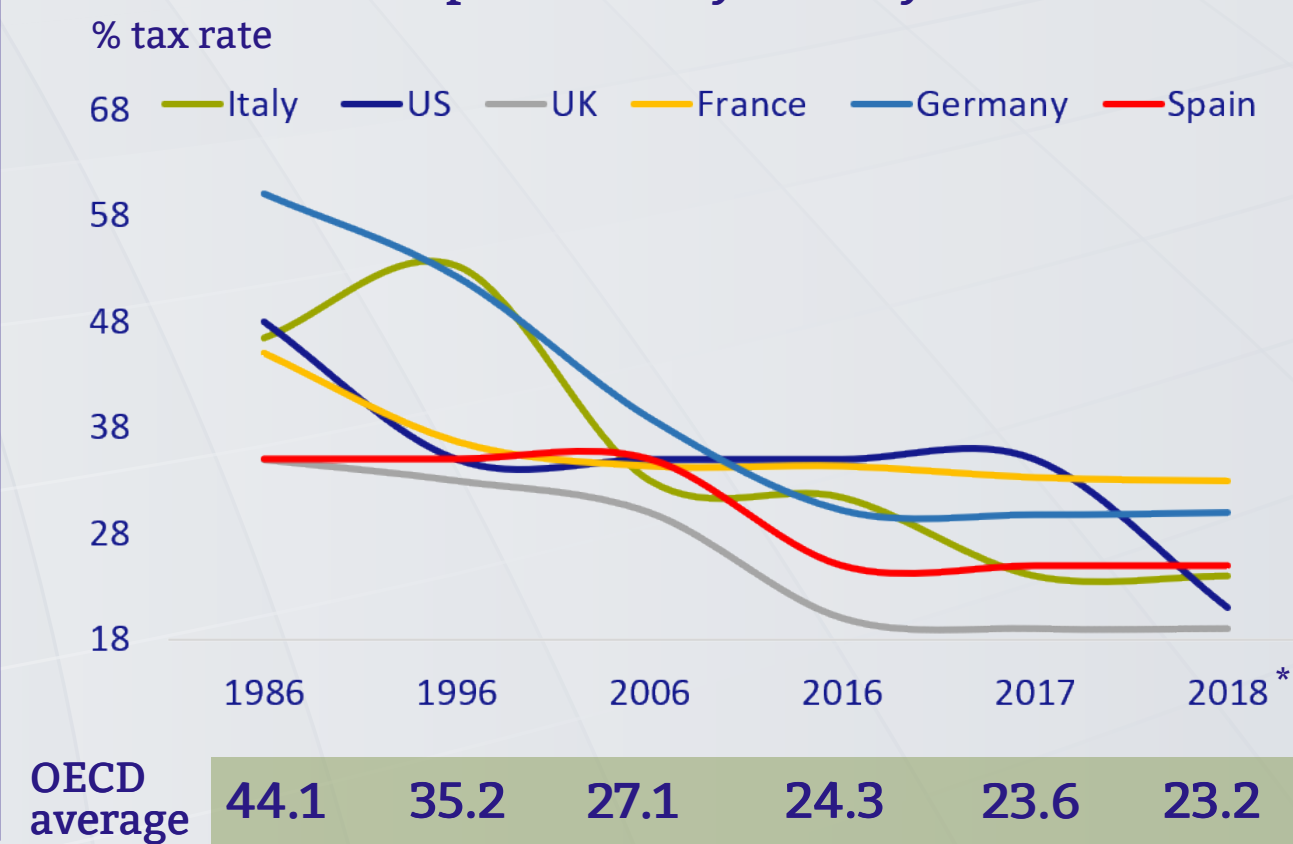
Moreover, medium and large enterprises account for 55.4% of the Corporate tax collection in 2015<sup>2</sup>

In the OECD, there is a downward trend in the Corporate tax rate

Corporate tax collection of companies in Spain



Evolution of Corporate tax by country



Boosting public revenues in Spain requires new reforms aimed at the creation of employment, the growth of the average size of the company and the reduction of the weight of the shadow economy

<sup>1</sup> Social Security contributions by companies and Corporate Tax

<sup>2</sup> Latest available data from the Spanish Tax Agency

\* Provisional data from the Tax Agency and the World Bank

Source: Círculo de Empresarios based on Spanish Tax Agency, IMF, Eurostat, INE and the World Bank, 2018