

## Regional Approach Regarding VAT in European Union

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**Abstract:** This paper ties have a regional approach regarding VAT rate at E.U. level. The study was realized using data from Eurostat for the period 2004-2013. We also explain the changes in VAT in Baltic Countries, South-Eastern Countries, Central Europe Countries, Mediterranean Countries, Northern Europe Countries, Western Europe Countries. This article also describes VAT as a percentage of GDP, fiscal pressure determined by VAT.

**JEL Codes:** E6

**Keywords:** VAT, fiscal pressure, EU, GDP

### 1. Introduction.

VAT is the result of the value that is added to the goods or services by the trader at each stage of the production and distribution processes. Value added tax was first applied in France (1957) and, from 1 January 1970, it was adopted by the countries of the former Common Market, today the European Union, in order to avoid taxation in "cascade" as it was the tax on turnover.

VAT gradually spread across the all economy domains and was adopted by most countries, becoming the main source of budget revenues - over 40%. Denmark was the first country that used VAT after France. The following were Germany (1968), Sweden (1969) and Norway (1970). Value Added Tax has the following characteristics:

1. It is a general tax applied to activities of commercial nature that are specific to the processes of production and distribution of goods and provision of services;
2. Its collection is made fractionally through a defined system of partial payments whereby taxable persons deduct from the collected VAT the amount of tax these persons have paid to other taxable persons on purchases that serve to their business activities; the mechanism presented ensures the neutrality of the tax no matter the number of the existing transactions;
3. It is paid by the person who sells the goods or provides the services to the revenue authorities after it has deducted its VAT incurred from its suppliers; still, in reality the one who actually pays the VAT is the consumer of the goods or services as VAT is part of the price that is paid for a good or service; this feature of the VAT gives it the nature of an indirect tax;
4. It is a consumption tax that affects the final consumer as it is charged as a percentage of the price of the good or services this making possible to observe the existing tax burden in every stage of the production and distribution chain.

We will present and analyze data related to the share of VAT in the total taxation recorded in the EU Member States and the share in their GDP on a determined period of 12 years, going from specific to general: we will proceed firstly to an analyze concentrated on European regions and secondly we will undertake an analysis for all the 28th Member states in order to see in both stages of our analyze and for the mentioned period of time which are the possible existing patterns both at the level of the regions and at the level of all of the Member States. The data below has been retrieved from Eurostat Statistical Books, 2014 edition, "Taxation trends in the European Union. Data for the EU Member States, Iceland and Norway".

#### 1. European regions. VAT as % from Total Taxation – 2000-2012.

##### a. Baltic Countries – case of Estonia, Latvia and Lithuania

In the case of the Baltic countries we can see that Estonia is the state where for the 2000-2007 period of time the share of VAT in the total taxation of the country was higher in comparison with the share of VAT in the total taxation of Latvia and Lithuania, the highest share in the entire period analyzed (2000-2012) being recorded in 2006 – 29.6%. As we observe from the data, the 2008 economical crisis determined a decrease of the share of VAT in the total taxation so that from a share in total taxation of 28.2% in 2007, VAT went down to a share in total taxation of 24.9%, registering a drop of 3.3 percentage points. The maximum share of VAT in total taxation was recorded in 2006 – 29.6% and the minimum was recorded in 2009 – 24.8%. In 2010, the share of VAT in total taxation begins to record a growth of 0.9 points compared with the previous year, the VAT share in total taxation being of 25.7%, the growth tendency continuing, as we can see from the data, until 2012 (a share of VAT in total taxation of 26,6%). Latvia and Lithuania recorded also a descending trend of VAT share in total taxation between 2008 and 2009 and an ascending trend between 2010 and 2012, the maximum share of VAT in

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total taxation in Latvia being recorded in 2006 – 28.1% and the minimum of 22.5% in 2009; Lithuania recorded a maximum of VAT share in total taxation in 2011 – 28.8% and the minimum was recorded in 2004 – 22.3%.

### b. South-Eastern Countries – case of Bulgaria and Romania

As it results from the data above, the maximum of VAT share of VAT in total taxation in Bulgaria was of 33.8% in 2008 and 2012 and the minimum was of 26.4% in 2000. In Romania the maximum share of VAT in total taxation of 30.6% was recorded in 2011 and the minimum in 2000 – 21.4%.

VAT as % from Total Taxation

|                       | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Belgium               | 15.9 | 15.2 | 15.3 | 15.2 | 15.4 | 15.7 | 15.9 | 16.2 | 15.7 | 16.0 | 16.2 | 15.9 | 15.8 |
| Bulgaria              | 26.4 | 27.4 | 25.6 | 27.8 | 30.3 | 32.7 | 34.9 | 31.1 | 33.8 | 31.1 | 33.3 | 32.0 | 33.8 |
| Czech Republic        | 18.4 | 18.1 | 17.5 | 17.2 | 19.5 | 19.4 | 18.0 | 17.7 | 19.7 | 20.6 | 20.7 | 20.4 | 20.6 |
| Denmark               | 19.4 | 19.9 | 20.2 | 20.1 | 19.9 | 19.8 | 20.8 | 21.2 | 21.0 | 21.3 | 20.7 | 20.8 | 20.7 |
| Germany               | 16.6 | 16.8 | 16.5 | 16.3 | 16.4 | 16.4 | 16.5 | 18.1 | 18.3 | 19.0 | 19.0 | 18.9 | 18.6 |
| Estonia               | 27.2 | 27.0 | 27.0 | 26.5 | 25.1 | 28.3 | 29.6 | 28.2 | 24.9 | 24.8 | 25.7 | 26.0 | 26.6 |
| Ireland               | 23.0 | 22.9 | 24.6 | 24.2 | 24.3 | 24.8 | 24.1 | 24.0 | 24.6 | 22.7 | 22.7 | 21.3 | 21.7 |
| Greece                | 20.9 | 22.5 | 22.7 | 21.8 | 21.7 | 21.5 | 22.5 | 22.9 | 22.7 | 21.1 | 23.2 | 22.2 | 21.0 |
| Spain                 | 18.1 | 17.7 | 17.1 | 17.7 | 17.7 | 18.1 | 17.8 | 16.1 | 15.5 | 13.5 | 17.4 | 17.1 | 17.0 |
| France                | 16.9 | 16.6 | 16.5 | 16.6 | 16.8 | 16.8 | 16.6 | 16.7 | 16.5 | 16.4 | 16.5 | 16.1 | 15.6 |
| Croatia               | :    | :    | 32.8 | 33.0 | 32.8 | 33.1 | 32.7 | 32.1 | 32.2 | 30.9 | 32.2 | 32.4 | 34.4 |
| Italy                 | 15.6 | 15.1 | 15.3 | 14.4 | 14.4 | 14.8 | 14.9 | 14.4 | 13.9 | 13.3 | 14.8 | 14.7 | 13.9 |
| Cyprus                | 18.2 | 18.7 | 21.5 | 24.3 | 25.4 | 26.1 | 27.1 | 25.5 | 27.4 | 26.0 | 25.8 | 24.0 | 25.2 |
| Latvia                | 23.9 | 23.6 | 23.5 | 25.3 | 24.4 | 26.8 | 28.1 | 26.9 | 23.0 | 22.5 | 24.3 | 24.6 | 25.5 |
| Lithuania             | 24.4 | 24.7 | 25.3 | 23.3 | 22.3 | 24.3 | 25.3 | 26.8 | 26.0 | 24.2 | 27.6 | 28.8 | 28.1 |
| Luxembourg            | 14.3 | 14.6 | 14.7 | 14.9 | 16.2 | 16.4 | 16.1 | 16.1 | 16.8 | 17.3 | 16.9 | 17.5 | 18.2 |
| Hungary               | 22.3 | 21.1 | 20.6 | 21.6 | 23.5 | 22.5 | 20.4 | 19.9 | 19.3 | 21.3 | 23.0 | 23.1 | 23.9 |
| Malta                 | 21.0 | 21.2 | 20.6 | 20.6 | 22.8 | 24.5 | 23.8 | 22.2 | 23.3 | 22.9 | 23.2 | 23.7 | 23.3 |
| Netherlands           | 17.3 | 18.9 | 19.1 | 19.5 | 19.4 | 19.2 | 18.9 | 19.4 | 18.5 | 18.3 | 18.7 | 18.0 | 17.8 |
| Austria               | 18.8 | 17.9 | 18.7 | 18.3 | 18.4 | 18.8 | 18.4 | 18.4 | 18.2 | 18.9 | 18.9 | 18.5 | 18.6 |
| Poland                | 21.3 | 21.0 | 22.0 | 22.2 | 22.8 | 23.5 | 24.1 | 23.9 | 23.4 | 23.4 | 24.5 | 24.9 | 22.5 |
| Portugal              | 24.6 | 24.2 | 24.2 | 24.4 | 25.4 | 26.8 | 26.6 | 25.8 | 25.6 | 22.9 | 24.8 | 25.1 | 26.2 |
| Romania               | 21.4 | 21.8 | 25.2 | 26.0 | 24.5 | 29.0 | 27.8 | 27.9 | 28.2 | 24.7 | 28.5 | 30.6 | 30.1 |
| Slovenia              | 23.1 | 22.1 | 22.6 | 22.3 | 22.3 | 22.3 | 22.3 | 22.4 | 22.8 | 21.6 | 21.9 | 22.3 | 21.8 |
| Slovakia              | 20.4 | 21.9 | 21.2 | 22.7 | 24.7 | 25.1 | 25.5 | 23.0 | 23.8 | 23.4 | 22.6 | 23.9 | 21.5 |
| Finland               | 17.4 | 17.8 | 18.2 | 19.4 | 19.6 | 19.8 | 19.9 | 19.5 | 19.5 | 20.2 | 20.1 | 20.7 | 20.8 |
| Sweden                | 16.7 | 17.6 | 18.6 | 18.5 | 18.3 | 18.4 | 18.5 | 19.1 | 20.0 | 20.7 | 21.3 | 21.4 | 21.0 |
| United Kingdom        | 17.9 | 18.0 | 18.9 | 19.6 | 19.3 | 18.5 | 18.0 | 18.1 | 16.9 | 16.4 | 18.4 | 20.3 | 20.5 |
| <b>EU-28 averages</b> |      |      |      |      |      |      |      |      |      |      |      |      |      |
| arithmetic            | :    | :    | 20.9 | 21.2 | 21.6 | 22.3 | 22.3 | 21.9 | 21.8 | 21.3 | 22.2 | 22.3 | 22.3 |

Source: DG Taxation and Customs Union and Eurostat (online data code: [gov\\_a\\_tax\\_ag](#))

### c. Central Europe Countries – case of Croatia, Germany, Hungary, Poland, Slovakia, Slovenia, Austria

As resulted from the data, the highest shares of VAT in total taxation for Central Europe countries was recorded in Croatia, varying from a maximum of 34.4% in 2012 to a minimum of 30.9% in 2009 and the smallest shares were recorded in Austria, where the maximum was of 18.9% in 2010 and the minimum was of 18.2% in 2008 and Germany with a minimum of 16.3% in 2003 and a maximum of 19% in 2009 and 2010. In Poland, Slovakia and Slovenia the share of VAT in total taxation varying around the percentage of 20 between 2000 and 2012. The maximum share for Slovakia was of 25.5% in 2006 and of 23.1% in 2000 in Slovenia. Hungary recorded a maximum of 23.9% in 2012 of VAT share and a minimum of 19.3% in 2008.

### d. Mediteranean Countries – case of Spain, Greece, Portugal, France, Italy, Cyprus

In the mediteranean area between 2000 – 2012 time period, Italy and France were the countries with the lowest VAT shares in total taxation. France recorded a maximum share of VAT in total taxation of 16.9% in 2000 and a minimum of 15.6% in 2012. As for Italy, the minimum was of 13.3% in 2009 and the maximum of 15.6 in 2000. The mediteranean country with the highest shares of VAT in total taxation in the analyzed period was Portugal with a maximum of 26.8% in 2004 and with a minimum of share of VAT in 24.2% in 2001 and 2002.

### e. Northern Europe Countries – case of Denmark, Finland, Sweden

The highest VAT shares in total taxation for the Northern Europe countries were recorded in Denmark, followed by Finland and Sweden. In Denmark the maximum of VAT share in total taxation was recorded in 2007 – 21.2% and the minimum of 19.4% in 2000. As for Finland and Sweden, the maximum was of 20.8% in 2012, respectively 21.4% in 2011. The minimum for these two countries was of 17.4% 2000, respectively 16.7% in the same year.

### f. Western Europe Countries – case of United Kingdom, Netherlands, Luxembourg, Belgium

United Kingdom registered a decrease of VAT share in 2008 and 2009 compared with the previous years, the minimum value being recorded in 2009 – 16.4%. The maximum share was of 20.5% recorded in 2012, being part of ascending trend of VAT share in total taxation recorded after 2008 and 2009 when the shares decreased, being the lowest recorded in the 2000 – 2012 period of time. Both Belgium and Luxembourg recorded the lowest overall VAT shares, the minimum for Belgium being of 15.2% in 2001 and 2003, respectively of 14.3% in 2000. The maximum for these countries was of 16.2% in 2007 and 2010, respectively of 18.2% in 2012. Netherlands is situated in a middle position with a maximum of VAT share in total taxation of 19.5% in 2003 and a minimum of 17.3% in 2000.

Comparing the European regions we observe that in 2000-2012 period of time the highest VAT shares in total taxation were recorded in the Central Europe region (Czech Republic), in the South-Eastern region (Romania) and in the Baltic area (Estonia). The lowest VAT shares were recorded in Western Europe (Belgium) and in the Mediterranean area (Italy).

In the case of Romania, its shares of VAT from total taxation were lower than Bulgaria's, with a maximum share of VAT in total taxation of 30.6% and a minimum of 21.4% in 2000.

## 2. European regions. VAT as % from GDP – 2000-2012.

VAT as % from GDP

|                       | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-----------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Belgium               | 7.2  | 6.9  | 6.9  | 6.8  | 6.9  | 7.0  | 7.1  | 7.1  | 7.0  | 6.9  | 7.1  | 7.0  | 7.2  |
| Bulgaria              | 8.3  | 8.4  | 7.3  | 8.6  | 9.9  | 10.2 | 10.7 | 10.4 | 10.9 | 9.0  | 9.2  | 8.7  | 9.4  |
| Czech Republic        | 6.2  | 6.1  | 6.0  | 6.1  | 7.0  | 6.9  | 6.4  | 6.3  | 6.8  | 6.9  | 6.9  | 7.1  | 7.2  |
| Denmark               | 9.6  | 9.6  | 9.6  | 9.6  | 9.8  | 10.1 | 10.3 | 10.4 | 10.1 | 10.2 | 9.8  | 9.9  | 10.0 |
| Germany               | 6.8  | 6.6  | 6.4  | 6.4  | 6.3  | 6.3  | 6.4  | 7.0  | 7.1  | 7.5  | 7.2  | 7.3  | 7.3  |
| Estonia               | 8.4  | 8.2  | 8.4  | 8.2  | 7.7  | 8.7  | 9.1  | 8.9  | 7.9  | 8.8  | 8.7  | 8.4  | 8.7  |
| Ireland               | 7.2  | 6.8  | 7.0  | 7.0  | 7.3  | 7.6  | 7.7  | 7.6  | 7.3  | 6.4  | 6.4  | 6.0  | 6.2  |
| Greece                | 7.2  | 7.5  | 7.6  | 7.0  | 6.8  | 6.9  | 7.1  | 7.4  | 7.3  | 6.5  | 7.3  | 7.2  | 7.1  |
| Spain                 | 6.2  | 6.0  | 5.8  | 6.0  | 6.2  | 6.5  | 6.5  | 6.0  | 5.1  | 4.1  | 5.6  | 5.4  | 5.5  |
| France                | 7.4  | 7.3  | 7.2  | 7.2  | 7.3  | 7.4  | 7.3  | 7.2  | 7.1  | 6.9  | 7.0  | 7.0  | 7.0  |
| Croatia               | :    | :    | 12.4 | 12.4 | 12.0 | 12.1 | 12.2 | 12.0 | 11.9 | 11.3 | 11.7 | 11.4 | 12.3 |
| Italy                 | 6.5  | 6.2  | 6.2  | 5.9  | 5.8  | 5.9  | 6.2  | 6.2  | 5.9  | 5.7  | 6.3  | 6.2  | 6.1  |
| Cyprus                | 5.5  | 5.7  | 6.6  | 7.8  | 8.4  | 9.1  | 9.7  | 10.2 | 10.6 | 9.2  | 9.2  | 8.5  | 8.9  |
| Latvia                | 7.1  | 6.8  | 6.7  | 7.2  | 7.0  | 7.8  | 8.6  | 8.2  | 6.7  | 6.0  | 6.6  | 6.8  | 7.1  |
| Lithuania             | 7.5  | 7.3  | 7.3  | 6.7  | 6.4  | 7.1  | 7.6  | 8.1  | 8.0  | 7.4  | 7.9  | 7.9  | 7.7  |
| Luxembourg            | 5.6  | 5.8  | 5.8  | 5.7  | 6.1  | 6.2  | 5.8  | 5.7  | 6.3  | 6.9  | 6.4  | 6.7  | 7.1  |
| Hungary               | 8.9  | 8.1  | 7.8  | 8.2  | 8.9  | 8.4  | 7.6  | 8.1  | 7.8  | 8.6  | 8.8  | 8.6  | 9.4  |
| Malta                 | 5.7  | 6.1  | 6.2  | 6.3  | 7.1  | 8.0  | 7.9  | 7.5  | 7.7  | 7.7  | 7.5  | 7.8  | 7.8  |
| Netherlands           | 6.9  | 7.3  | 7.2  | 7.3  | 7.3  | 7.2  | 7.4  | 7.5  | 7.3  | 7.0  | 7.3  | 6.9  | 7.0  |
| Austria               | 8.1  | 8.1  | 8.1  | 8.0  | 7.9  | 7.9  | 7.6  | 7.7  | 7.8  | 8.0  | 8.0  | 7.8  | 8.0  |
| Poland                | 6.9  | 6.8  | 7.2  | 7.1  | 7.2  | 7.7  | 8.1  | 8.3  | 8.0  | 7.4  | 7.8  | 8.0  | 7.3  |
| Portugal              | 7.6  | 7.5  | 7.6  | 7.7  | 7.7  | 8.4  | 8.6  | 8.5  | 8.4  | 7.1  | 7.8  | 8.3  | 8.5  |
| Romania               | 6.5  | 6.2  | 7.1  | 7.2  | 6.7  | 8.1  | 7.9  | 8.1  | 7.9  | 6.6  | 7.6  | 8.7  | 8.5  |
| Slovenia              | 8.6  | 8.3  | 8.5  | 8.5  | 8.5  | 8.6  | 8.5  | 8.4  | 8.5  | 8.0  | 8.2  | 8.3  | 8.2  |
| Slovakia              | 7.0  | 7.2  | 7.0  | 7.5  | 7.8  | 7.9  | 7.5  | 6.7  | 6.9  | 6.7  | 6.3  | 6.8  | 6.1  |
| Finland               | 8.2  | 8.0  | 8.1  | 8.6  | 8.5  | 8.7  | 8.7  | 8.4  | 8.4  | 8.7  | 8.5  | 9.0  | 9.2  |
| Sweden                | 8.6  | 8.7  | 8.8  | 8.8  | 8.8  | 9.0  | 8.9  | 9.0  | 9.3  | 9.6  | 9.7  | 9.5  | 9.3  |
| United Kingdom        | 6.5  | 6.5  | 6.6  | 6.7  | 6.7  | 6.5  | 6.5  | 6.4  | 6.3  | 5.6  | 6.5  | 7.3  | 7.3  |
| <b>EU-28 averages</b> |      |      |      |      |      |      |      |      |      |      |      |      |      |
| arithmetic            | :    | :    | 7.4  | 7.5  | 7.6  | 7.9  | 8.0  | 8.0  | 7.9  | 7.5  | 7.8  | 7.8  | 7.9  |

Source: DG Taxation and Customs Union and Eurostat (online data code: [gov\\_a\\_tax\\_ag](#))

### a. Baltic Countries – case of Estonia, Latvia and Lithuania

Between 2000 and 2012, for the Baltic countries the highest shares of VAT from GDP were recorded, like in the case of VAT shares from total taxation, in Estonia where the maximum share was of 9.1% in 2006 and the minimum of 7.7% in 2004. In Latvia and Lithuania the lowest shares of VAT from GDP were of 6.0%, recorded in 2009, respectively of 6.4% in 2004. The highest share of VAT from GDP in the case of Latvia is of 8.6% and it was recorded in 2006. For Lithuania, 2010 and 2011 were the years when the maximum of 7.9% was recorded.

### b. South-Eastern Countries – case of Bulgaria and Romania

Comparatively, from the data above, we can observe that overall the shares of VAT share in GDP between 2000 and 2010 were lower in Romania than in Bulgaria. The differences between the two countries emerge also from the differences existing in the maximum and the minimum shares of VAT from GDP. The maximum share in the case of Bulgaria was of 10.9, recorded in 2008 and the minimum was of 7.3% in 2003. As for Romania, the maximum share of VAT from GDP was recorded in 2011, being of 8.7%. The minimum of 6.2% was recorded in 2001.

c. Central Europe Countries – case of Croatia, Germany, Hungary, Poland, Slovakia, Slovenia, Austria

In the case of the Central Europe countries the most relevant case is that of Croatia that has the highest shares of VAT from GDP in the analyzed period, recording a maximum of 12.4% in 2002 and 2003 and a minimum of 11.3% in 2009. Following Croatia, Austria has the highest shares of VAT from GDP, with a maximum of 8.1% recorded in 2000, 2001 and 2002. The minimum of VAT share of 7.6% was recorded in 2006.

In opposition, the lowest shares of VAT from GDP were recorded in Germany with a maximum of 7.5% in 2009 and a minimum of 6.3% in 2004 and 2005.

d. Mediteranean Countries – case of Spain, Greece, Portugal, France, Italy, Cyprus

In the Mediteranean area the lowest VAT share from GDP in the analyzed period are those corresponding to Spain with a minimum share of VAT from GDP recorded in 2009 of 4.1% and a maximum of 6.5% recorded in 2005 and 2006. The highest maximum of VAT share from GDP is encountered in Cyprus – 10.6% in 2008. The most stable shares of VAT from GDP for the entire period is encountered in France, varying between a minimum of 6.9% recorded in 2009 to a maximum of 7.4% recorded in 2000 and 2005.

e. Northern Europe Countries – case of Denmark, Finland, Sweden

Denmark is the country with the highest shares of VAT from GDP from the Northern Europe countries with a maximum of 10.4% in 2007 and with a minimum of 9.6% between 2000 and 2003. Finland and Sweden have a maximum of VAT share from GDP of 9.2% in 2012, respectively of 9.7% in 2010. Their minimum share is of 8.0% in 2001, respectively 8.6% in 2000.

f. Western Europe Countries – case of United Kingdom, Netherlands, Luxembourg, Belgium

Luxembourg has one of the lowest VAT shares from GDP for the entire analysed period, with a minimum share of 5.6% in 2000. The maximum share of VAT from GDP for Luxembourg was recorded in 2012 - 7.1%. Following, United Kingdom has a maximum share of VAT from GDP of 7.3% for two consecutive years, in 2011 and 2012, and a minimum of share of 5.6% in 2009.

In the case of Netherlands and Belgium, we have a maximum share of VAT of 7.0% recorded in 2012, respectively of 7.2% recorded in 2000 and 2012. The minimum share for Netherlands is of 6.9% and was recorded in 2000 and 2011. In Belgium the minimum share of VAT from GDP was recorded in 2003, being of 6.8%.

### 3. Conclusions.

At the entire level of the European Union the highest shares of VAT from total taxation were recorded in countries like Bulgaria, Estonia, Croatia, Lithuania, Portugal and Romania. In contrast, the lowest shares at the level of EU of VAT from total taxation were recorded in the case of Belgium, Italy and Germany as is results from the analysed data.

As for the averages recorded at the level of EU-28 related to VAT share from total taxation between 2000 and 2012, the highest average was recorded in 2005, 2006, 2011 and 2012 – 22.3%, while the lowest average of 20.9% was recorded in 2003.

With respect to the share of VAT from GDP the highest shares were recorded for the analysed period in Estonia, Bulgaria, Hungary, Finland, Austria, Slovenia or Sweden, while in countries like Cyprus, Luxembourg or Spain there were recorded the lowest shares of VAT from GDP. The low share of VAT both from total taxation and GDP can be, in the case of small countries like Luxembourg or Cyprus, correlated with the surface or existing population of the countries.

The averages recorded at the level of EU-28 related to VAT share from GDP between 2000 and 2012 had a maximum of 8.0% in 2006 and 2007 and a minimum of 7.4% in 2003.

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