Revenue Statistics in Latin America and the Caribbean 2024

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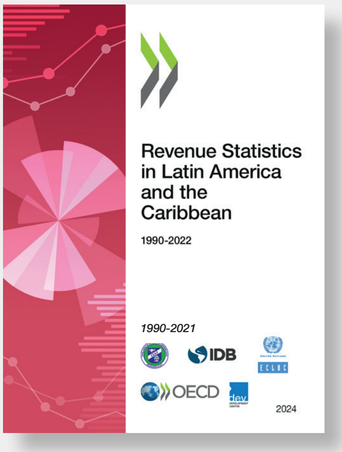
Revenue Statistics in Latin America and the Caribbean



Revenue Statistics in Latin America and the Caribbean is an annual publication providing comprehensive and high-quality statistics on tax revenue for tax policy. It includes harmonised and internationally comparable data that can be accessed online free of charge. It is a key contribution to the goal of improving domestic resource mobilisation, which supports the Sustainable Development Goals (SDGs).

The publication is produced jointly by the OECD Centre for Tax Policy and Administration, the OECD Development Centre, the United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC), the Inter-American Center of Tax Administrations (CIAT) and the Inter-American Development Bank (IDB). The 2024 edition of the report benefited from the financial support of the Spanish Agency for International Development Cooperation (AECID).

The 13th edition of *Revenue Statistics in Latin America and the Caribbean*, published in May 2024, provides data from 1990 to 2022 for 27 countries (four of which are members of the OECD): Antigua and Barbuda, Argentina, the Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia, Trinidad and Tobago, Uruguay and Venezuela. It allows comparison with OECD, African, Asian and Pacific economies presented in other publications in the *Revenue Statistics* series. The report also presents average indicators for Latin America and the Caribbean, which it compares with similar averages for OECD countries.

Definitions and classifications

Revenue Statistics in Latin America and the Caribbean follows the OECD tax classification where taxes are defined as compulsory, unrequited payments to general government. Taxes are unrequited in the sense that benefits provided by government are not normally in proportion to their payments. Compulsory social security contributions paid to general government are classified as taxes.

Taxes are classified according to their base. The six main categories are: taxes on income and profits; social security contributions; payroll and workforce taxes; property taxes; goods and services taxes and other taxes.

Further information on definitions and classifications is available in the Interpretative Guide:
www.oecd.org/tax/tax-policy/oecd-classification-taxes-interpretative-guide.pdf.

The publication is available at **https://oe.cd/RevStatsLAC**

Key results

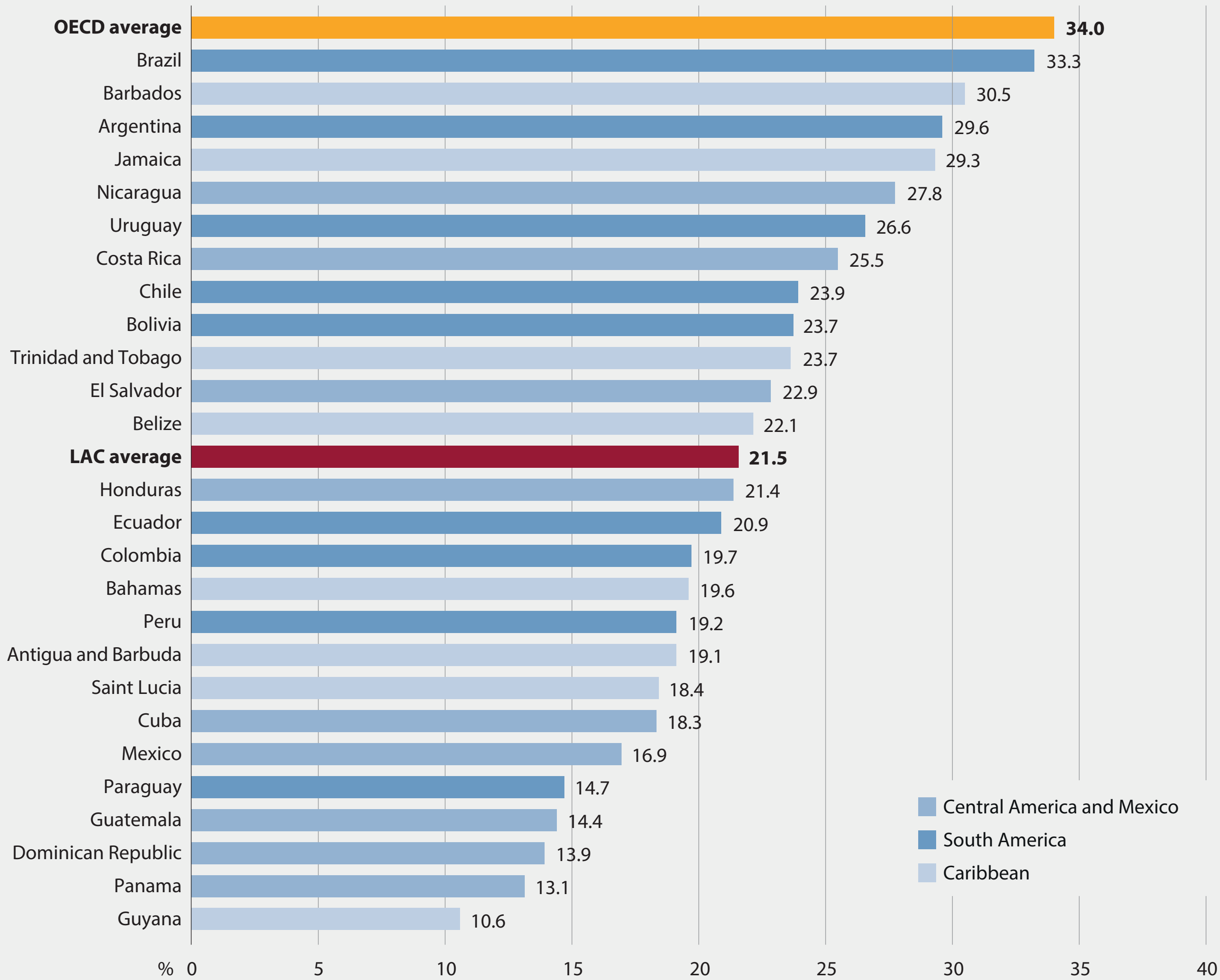
Between 2021 and 2022, tax-to-GDP ratios increased in more than three quarters of countries in Latin America and the Caribbean (LAC), while the average tax-to-GDP ratio for the LAC region rose by 0.3 percentage points (p.p.) to 21.5%, still slightly below its pre-pandemic level (21.6%). The increase in the regional average was driven by corporate income tax (CIT) amid higher profits by oil companies, although this was partially offset by a decline in revenue from excises, due to lower demand as well as the adoption of a range of policy measures by countries to mitigate the impact of energy and food inflation on households and firms.

TAX-TO-GDP RATIOS FOR 2022

Tax-to-GDP ratios ranged from 10.6% in Guyana to 33.3% in Brazil in 2022. Against a backdrop of an ongoing recovery from the COVID-19 shock and high commodity prices, tax-to-GDP ratios increased in twenty countries between 2021 and 2022 and declined in six.

Figure 1. **Tax-to-GDP ratios in the LAC region, 2022**

Total tax revenue as percentage of GDP



Note: The classification of countries into different sub-regions follows ECLAC's classification and is based on the spoken language of countries. The "Caribbean" includes the English-speaking countries and Guyana, while "Central America and Mexico" covers Spanish-speaking countries including Dominican Republic and Cuba.

Source: OECD/ECLAC/CIAT/IDB (2024), *Revenue Statistics in Latin America and the Caribbean 2024*, https://oe.cd/RevStatsLAC.

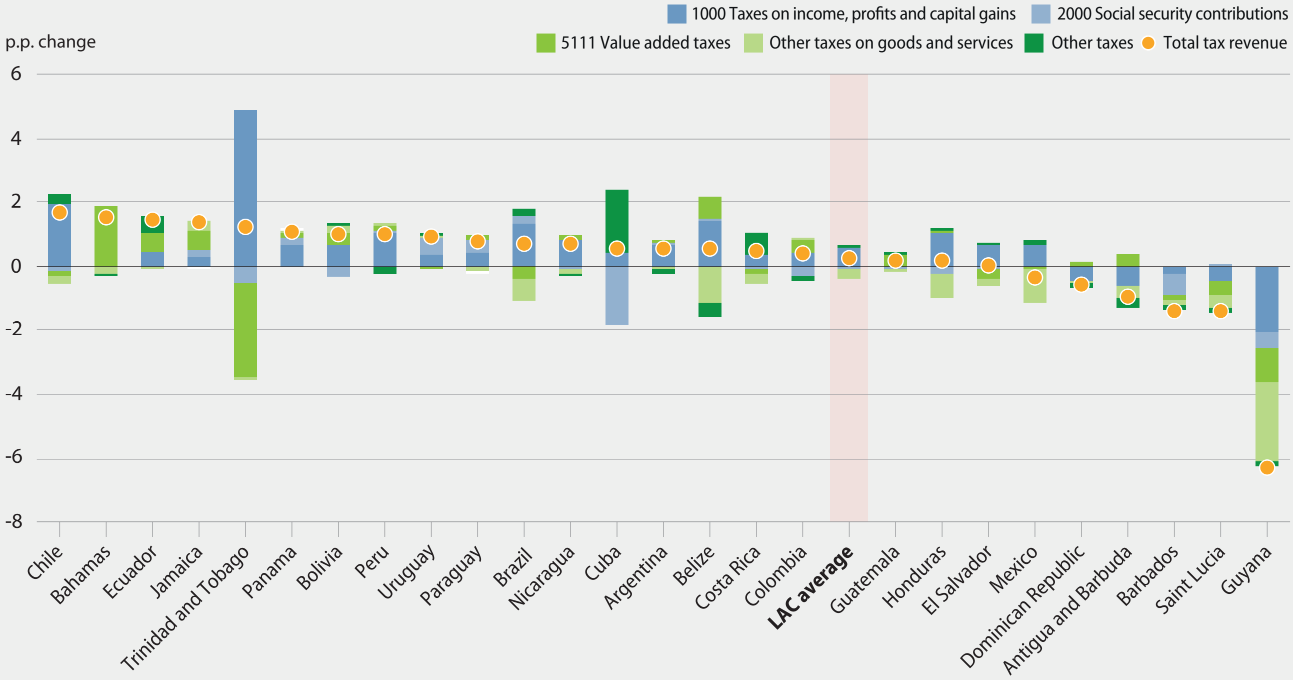
The largest increases were observed in Chile (whose tax-to-GDP ratio rose by 1.7 p.p.), the Bahamas (1.6 p.p.) and Ecuador (1.5 p.p.). The increase in Chile was mainly driven by higher CIT revenue, while growth in tourism in the Bahamas led to strong VAT receipts. In Ecuador, the increase was driven by the oil sector and the introduction of taxes on net wealth. The largest decreases in 2022 occurred in Caribbean countries, as strong GDP growth in this sub-region outpaced the rise in tax revenue, particularly in Guyana, where the tax-to-GDP ratio fell by 6.3 p.p. between 2021 and 2022.

In 2022, revenue from CIT increased by 0.6 p.p. on average across the LAC region from the previous year while revenue from personal income tax (PIT) was unchanged as a share of GDP. Meanwhile, revenue from taxes on goods and services declined by 0.3 p.p. Within this category, revenue from excises fell by 0.4 p.p. as sharp increases in the cost of essential items caused demand to fall and prompted governments to reduce taxes (mostly on fuel products). In contrast, VAT revenue remained unchanged in 2022 relative to 2021.

Average tax-to-GDP ratios in the Caribbean, Central America & Mexico and South America stood at 21.7%, 19.4% and 23.5% respectively in 2022. Tax revenue increased by 1.0 p.p. and 0.3 p.p. respectively in South America and in Central America & Mexico, while the Caribbean's tax-to-GDP ratio decreased by 0.6 p.p. If Guyana is excluded, the Caribbean's average tax-to-GDP ratio rose by 0.2 p.p.

Figure 2. **Changes in tax-to-GDP ratios in LAC countries by main tax heading between 2021 and 2022**

Percentage points of GDP

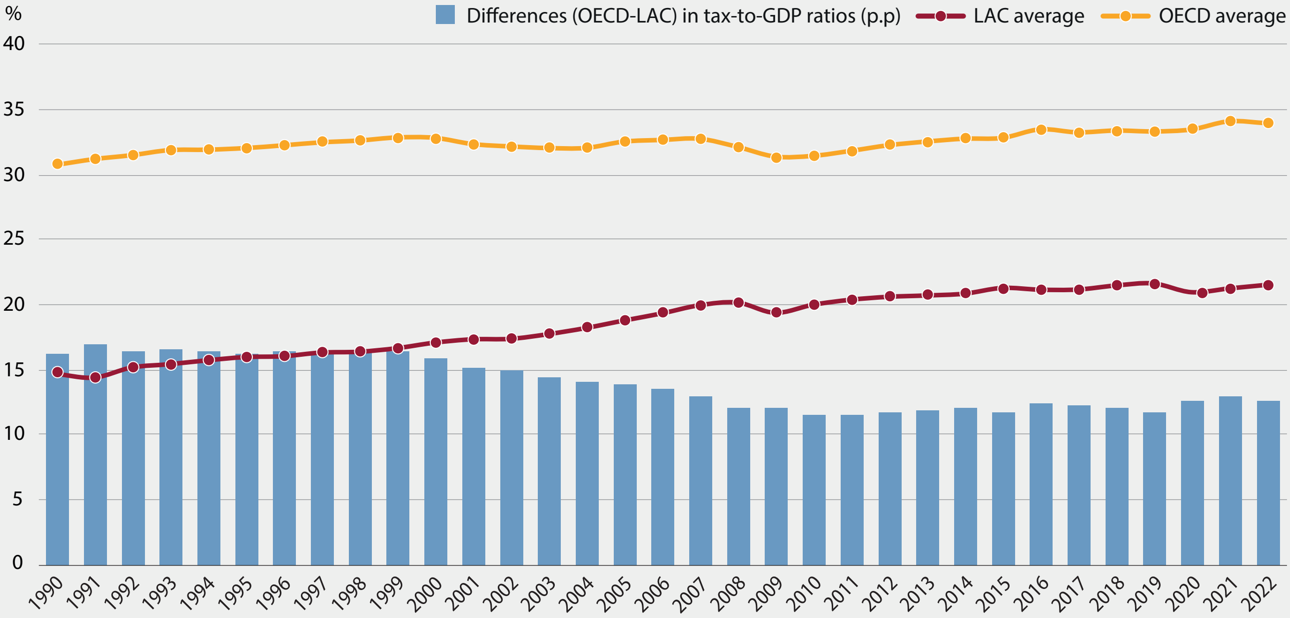


Source: OECD/ECLAC/CIAT/IDB (2024), *Revenue Statistics in Latin America and the Caribbean 2024*, https://oe.cd/RevStatsLAC.

TAX-TO-GDP RATIOS SINCE 1990

The average tax-to-GDP ratio for the LAC region rose by 6.9 p.p. between 1990 and 2022, largely due to increases in revenue from VAT and from taxes on income and profits (of 3.8 p.p. and 3.1 p.p., respectively). The gap between the LAC and OECD average tax-to-GDP ratios narrowed over this period, from 16.2 p.p. in 1990 to 12.5 p.p. in 2022, although it has widened since 2010. On average, South America's tax-to-GDP ratio recorded the strongest growth among the sub-regions between 1990 and 2022.

Figure 3. **Tax-to-GDP ratios, LAC and OECD averages, 1990-2022**
As % of GDP



Source: OECD/ECLAC/CIAT/IDB (2024), *Revenue Statistics in Latin America and the Caribbean 2024*, https://oe.cd/RevStatsLAC.

TAX STRUCTURES

In 2022, taxes on goods and services generated almost half of total tax revenue in the LAC region, compared with less than a third in the OECD (31.9% in 2021, the latest year available). VAT was the principal source of this revenue in the LAC region in 2022, accounting for 28.3% of total tax revenue on average and amounting to 6.1% of GDP.

On average, taxes on income and profits accounted for 30.1% of total tax revenue in the LAC region in 2022. CIT and PIT revenue accounted for 18.8% and 9.2% respectively of total tax revenue, compared with 10.2% and 23.7% in the OECD (2021 figures). The average share of SSCs in total tax revenue was 16.7% in the LAC region in 2022, below the OECD average of 25.6% (2021 figure).

Environmentally related tax revenue (ERTR) amounted to 0.8% of GDP on average in 2022 in the 23 LAC countries for which data are available, below the OECD average of 1.9%. ERTR in the LAC region was derived principally from taxes on energy, most commonly excises on diesel and petrol (0.5% of GDP on average). A reduction in energy-related tax revenue was behind the decline in ERTR of 0.1 p.p. between 2021 and 2022.

Figure 4. **Average tax structure in the LAC region and the OECD**
Percentage of total tax revenue

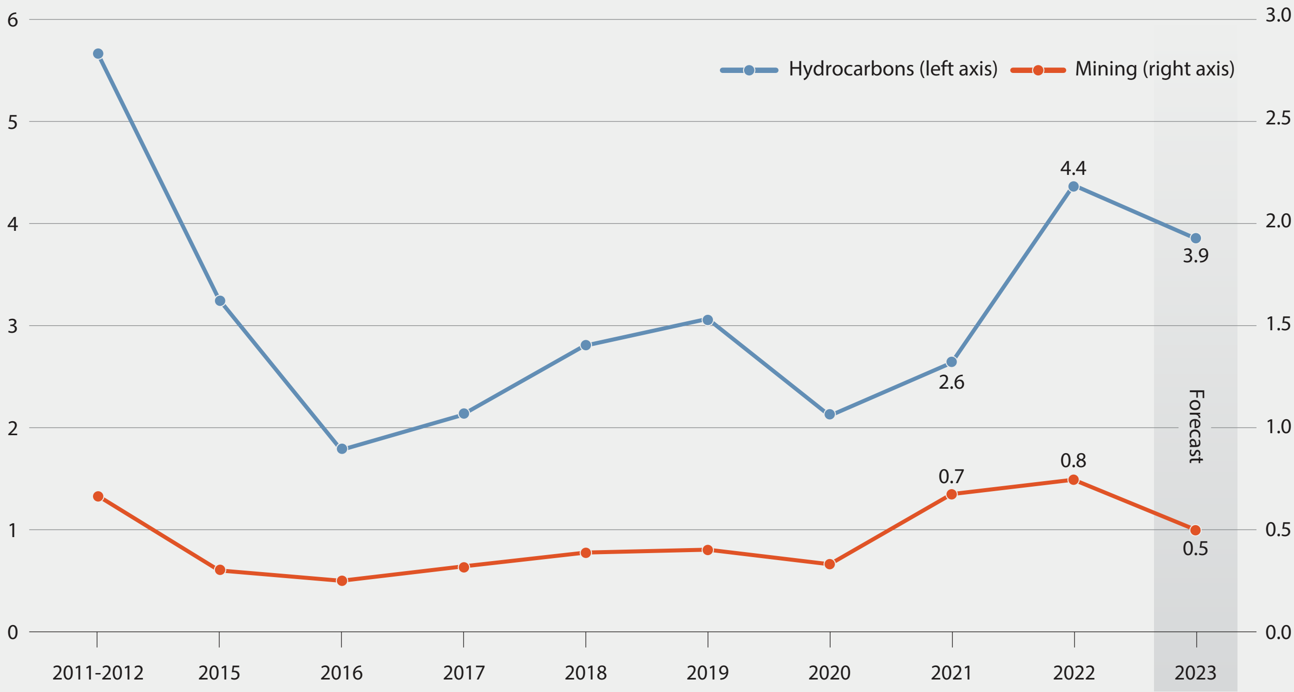
Source: OECD/ECLAC/CIAT/IDB (2024), *Revenue Statistics in Latin America and the Caribbean 2024*, https://oe.cd/RevStatsLAC.

SPECIAL FEATURES

The report includes two special features: the first examines fiscal revenues from non-renewable natural resources in the LAC region in 2022 and 2023; the second discusses Equivalent Fiscal Pressure (EFP), a complementary revenue indicator for the LAC region.

Hydrocarbon-related revenue among major oil producers in the LAC region increased to 4.4% of GDP on average in 2022 from 2.6% of GDP in 2021 as oil prices surged in the first half of 2022 due to the impact of Russia's invasion of Ukraine and constrained global supply. Meanwhile, average revenue from mining increased from 0.7% of GDP in 2021 to 0.8% of GDP in 2022 despite weakening prices and lower production. In contrast, both hydrocarbon-related revenue and mining revenue fell as a share of GDP in 2023, to an estimated 3.9% and 0.5% of GDP respectively, as oil and mineral prices trended down.

Figure 5. **General government fiscal revenue from non-renewable natural resources, 2011-2012 to 2023 (forecast)**
Percentage of GDP



Source: OECD/ECLAC/CIAT/IDB (2024), *Revenue Statistics in Latin America and the Caribbean 2024*, https://oe.cd/RevStatsLAC.

EFP is an indicator of the tax burden that complements the tax-to-GDP ratio by adding contributions to private social security systems and non-tax revenue from the exploitation of natural resources to tax revenue. On average, EFP was 1.7% of GDP higher than the LAC region's tax-to-GDP ratio in 2021. In Chile and Mexico, which recorded the largest revenues from these additional components, the EFP was 5.9% and 5.5% of GDP higher respectively than the countries' tax-to-GDP ratios in 2021.

Towards harmonised regional statistics

- ***Revenue Statistics in Latin America and the Caribbean*** provides tools that have been developed by tax policy makers and adapted for tax policy analysis, such as:
  - An annual publication, available in hard copy and online, that allows for cross country comparison.
  - A highly-detailed dataset freely accessible online.
  - ***Compare your country***, a free online interactive tool, and other tools for data presentation and analysis.
  - ***Country notes***, notes including the comparison of key indicators for each country in comparison with other LAC countries and regional averages.
- **Comparability and trustworthiness:** a common method for collecting, analysing, aggregating and presenting data across over 125 countries around the world, with data validated by national authorities and regional partners. These data are accessible through the *Global Revenue Statistics* Database.
- **Continuous dialogue:** bilateral exchanges and seminars on tax policy and statistics with experts in Latin American and Caribbean countries and regional partners to share experiences and best practices.

Partnerships

The OECD is an intergovernmental organisation that includes 38 countries and has helped develop global standards, international conventions, agreements and recommendations since 1961 to promote better policies in areas such as governance and the fight against bribery and corruption and to support corporate responsibility, development assistance, global investment and international taxation.

The Inter-American Center of Tax Administrations (CIAT) supports the efforts of national governments by promoting the evolution, social acceptance and institutional strengthening of tax administrations, encouraging international cooperation and the exchange of experiences and best practices. CIAT is a nonprofit international public organization that provides specialised technical assistance for the modernization and strengthening of tax administrations. Founded in 1967, CIAT currently has 42 member countries and associate member countries from four continents.

The Economic Commission for Latin America and the Caribbean (ECLAC) is one of the five regional commissions of the United Nations. It was founded with the purpose of contributing to the economic development of Latin America, coordinating actions directed towards this end, and reinforcing economic ties among countries and with other nations of the world. The promotion of the region's social development was later included among its primary objectives. The 33 countries of Latin America and the Caribbean, together with several Asian, European and North American nations that have historical, economic and cultural ties with the region, comprise the 46 Member States of ECLAC.

The Inter-American Development Bank (IDB) was founded in 1959. Its current focus areas include three development challenges – social inclusion and inequality, productivity and innovation, and economic integration – and three cross-cutting issues – gender equality and diversity, climate change and environmental sustainability; and institutional capacity and the rule of law. The IDB is the leading source of development financing for Latin America and the Caribbean providing loans, grants, and technical assistance; and conducting extensive research.

Contacts

For more information on the publication, or to participate in future editions, please see **http://oe.cd/RevStatsLAC** or contact **RevenueStatistics@oecd.org**

Useful links

OECD	**www.oecd.org/tax/** or **www.oecd.org/dev**
ECLAC	**www.cepal.org/**
CIAT	**www.ciat.org/**
IDB	**www.iadb.org/**

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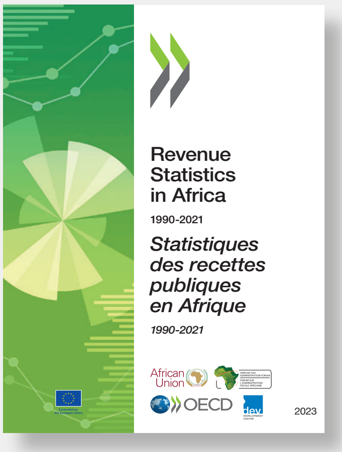
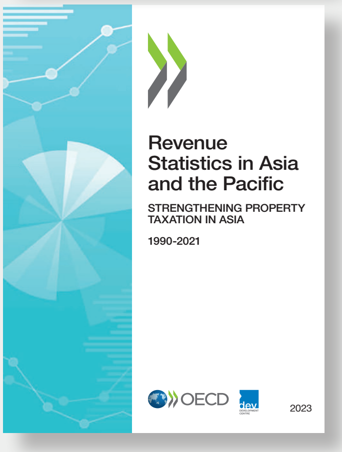
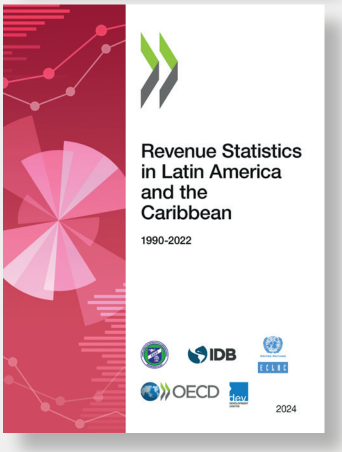
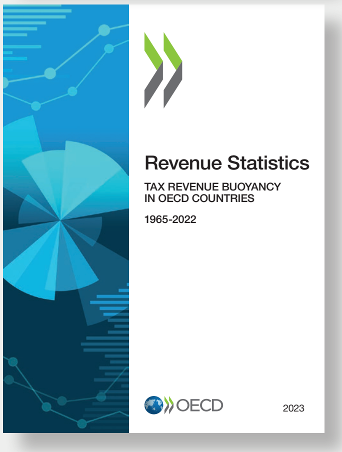
A global project

Revenue Statistics in Latin America and the Caribbean is an annual publication in a global series that includes four publications and an online database: **http://oe.cd/globalrevstats**









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