Individual Income Tax Rate Survey 2008

TAX

AUDIT ▪ TAX ▪ ADVISORY

KPMG's Individual Tax Rate Survey:

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KPMG's Individual Tax Rate Survey:

Commentary

There are many surveys which provide a snapshot of taxes on personal incomes around the world for the current year. But very few look at how taxes have changed over a period of time, with the aim of drawing conclusions on how people are taxed in different parts of the world, and how different governments approach the difficult task of raising funds for necessary public services without losing the support of their citizens.

KPMG's Individual Tax Rate Survey: Commentary continued

This is the first time that KPMG's International Executive Services (IES) practice has taken on this task. Drawing on our network of professionals from firms around the world, IES has pulled together personal income tax rates from 87 countries for each of the past six years.

We have concentrated on the highest rates of tax payable to central government in each country, and for ease of comparison we have, where possible, excluded other taxes like social security contributions, municipal taxes and employment taxes.

The picture that emerges is of a slow global decline in top rate personal income taxes, from an average of 31.3 percent in 2003 to 28.8 percent in 2008. But this conceals some very different tax histories at a regional and country level.

The highest personal income taxes in the world are paid by citizens of the European Union. But it is here that we have seen the steepest falls in average tax rates, from 41.5 percent in 2003 to 36.4 percent in 2008.

Among the large Western European countries, France has made a significant cut from 48.1 percent in 2003 to 40 percent in 2008, and Germany from 48.5 percent to 45 percent, having briefly stood at 42 percent in 2005 and 2006. There have been smaller cuts implemented in Italy and Spain, both down from 45 percent in 2003 to 43 percent this year.

Perhaps the most significant new development in this period has been the introduction of flat rate taxes into Europe, often introduced at a much lower level than the highest variable rate. So far, it has been mainly Eastern European states that have taken this step, notably Estonia, where rates have fallen from 26 percent in 2003 to a flat 21 percent in 2008, Slovakia which has gone from 38 percent to 19 percent, Lithuania, which in 2007 fell 6 points to 27 percent and this year a further 3 points to 24 percent, and Romania where rates have gone from 40 percent to 16 percent.

In 2007, this was the lowest rate in the EU. But Romania has since been overtaken by the Czech Republic, which this year introduced a flat rate tax set at 15 percent, and by Bulgaria, whose new flat rate of 10 percent gives it the lowest personal tax rate of the 27 EU member states.

At a country level, the highest tax rates in the world are paid by the people of Denmark, who have had a top rate of 59 percent for the whole five years, followed by those of Sweden, whose rate came down in 2007 from 57 percent to 55 percent, and those of the Netherlands, who have paid 52 percent for the whole period.

After the Europeans, the next highest taxes are paid by the people of the Asia-Pacific region.

But here as well we have seen a decline in rates, from an average of 36.4 percent in 2003 to 34.6 percent in 2008.

The big emerging economies of China and India have not seen any changes in top rates over this period, so this reduction has come mainly from Vietnam, which went from 50 percent to 40 percent in 2004 and from Pakistan which cut 15 percent off its top rate in 2007 bringing it down to 20 percent. There have been a few relatively small cuts elsewhere, such as in Australia, down 2 points to 45 percent last year and Korea, down one point to 35 percent in 2005. But for most of these countries, the story has been one of rate stability.

This does not mean that rate competition does not exist in this part of the world, far from it. Currently at 16 percent, Hong Kong has had the lowest rate in the region for the whole period since 2003. Singapore has had the second lowest rates, steady on 22 percent for 2003 and 2004, and dropping to 21 percent in 2005 and 20 percent in 2006. But these figures do not tell the whole story, since both the Hong Kong and Singapore governments are prepared to offer their citizens tax rebates if government finances allow. For 2007/08, these rebates were 20 percent in Singapore, capped at Sing$2000 (US$1400), and 75 percent in Hong Kong, capped at HK$25,000 (US$3,200).

The struggle for labor between these two economic powerhouses has an impact throughout the Asia Pacific region. If the intention behind Australia's and Pakistan's recent cuts was to help bring back high value workers who have temporarily moved to Hong Kong or Singapore, it may not be enough. It is common to hear the comment among foreign workers that once families have become accustomed to the huge increase in spending and saving power that low tax rates provide, it can be very difficult indeed to justify going home.

The highest rate of tax in the region is charged by Japan, at 50 percent, followed by Australia and China, both at 45 percent.

Turning to Latin America, personal income taxes in this region have stayed low but relatively stable, at an average of 25.6 percent in 2003, rising to 26.9 percent in 2008. All of this increase was due to the introduction of a 10 percent income tax in Paraguay, and a 25 percent tax in Uruguay, both effective from 2007.

Elsewhere in the region, tax movements have all been down. In Colombia, short-lived increases in 2005 and 2006 have been reversed to give the country a rate of 34 percent in 2007 dropping to 33 percent in 2008. Panama and Mexico stand out from their Latin American neighbours with relatively steady, year-on-year declines in tax rates. In the past six years, Panama has gone in stages from 33 percent to 22 percent, and Mexico has gone from 34 percent to 28 percent.

The lowest personal tax rate in the region is the new Paraguayan rate of 10 percent, and the highest is in Chile, at 40 percent.

Of course, a country's highest tax rate is only one indicator of what individuals will pay on their income. Just as influential is the income threshold above which that rate is charged. Our graph comparing income thresholds shows a huge variation from country to country.

In the United States, for example, the highest tax rate is 35 percent, relatively high by world standards and unchanged over the past six years. But taxpayers will only pay that rate on income over US$357,700. Similarly, in Singapore, the top rate of tax is payable only on income over US$236,640. The lowest threshold we have recorded is in Costa Rica, where anyone earning over US$1,423 each year can expect to pay 15 percent on the remainder.

Overall, it appears from our survey that taxes on personal incomes are in slow decline in many countries around the world. We see the same trend in corporate income tax rates as well. But since the share of GDP taken by tax revenue in many countries is either static or has increased, this raises the question of what alternative strategies governments are using to raise revenues.

The answer may lie in indications that indirect taxation, through increased value added taxes, increased goods and services taxes, more customs duties and more direct fees for services, is rising in many parts of the world. We do not foresee a future in which personal income taxes fall so far that they become irrelevant to people moving from country to country. But it is entirely possible that the relative level of indirect tax will begin to play a much greater part in people's assessment of the economic attractiveness of one country over another.

Rosheen Garnon
Global Chair, International
Executive Services, KPMG in Australia

KPMG's Individual Tax Rate Survey:

Commentary continued

Country	Region	OECD	2003	2004	2005	2006	2007	2008
Argentina	Latin America		35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
Armenia			20.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
Australia	Asia Pacific	Yes	47.0%	47.0%	47.0%	47.0%	45.0%	**45.0%**
Austria	European Union	Yes	50.0%	50.0%	50.0%	50.0%	50.0%	**50.0%**
Bahamas			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Bahrain			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Belgium	European Union	Yes	50.0%	50.0%	50.0%	50.0%	50.0%	**50.0%**
Bermuda			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Brazil	Latin America		27.5%	27.5%	27.5%	27.5%	27.5%	**27.5%**
Bulgaria	European Union		NA	29.0%	24.0%	24.0%	24.0%	**10.0%**
Canada		Yes	29.0%	29.0%	29.0%	29.0%	29.0%	**29.0%**
Cayman Islands	Latin America		0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Chile	Latin America		40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
China (People's Republic)	Asia Pacific		45.0%	45.0%	45.0%	45.0%	45.0%	**45.0%**
Colombia	Latin America		35.0%	35.0%	38.5%	38.5%	34.0%	**33.0%**
Costa Rica	Latin America		15.0%	15.0%	15.0%	15.0%	15.0%	**15.0%**
Croatia			45.0%	45.0%	45.0%	45.0%	45.0%	**45.0%**
Cyprus	European Union		30.0%	30.0%	30.0%	30.0%	30.0%	**30.0%**
Czech Republic	European Union	Yes	32.0%	32.0%	32.0%	32.0%	32.0%	**15.0%**
Denmark	European Union	Yes	59.0%	59.0%	59.0%	59.0%	59.0%	**59.0%**
Ecuador	Latin America		25.0%	25.0%	25.0%	25.0%	25.0%	**25.0%**
Egypt			34.0%	34.0%	34.0%	20.0%	20.0%	**20.0%**
Estonia	European Union		26.0%	26.0%	24.0%	23.0%	22.0%	**21.0%**
Finland	European Union	Yes	35.0%	34.0%	33.5%	32.5%	32.0%	**31.5%**
France	European Union	Yes	48.1%	48.1%	48.1%	40.0%	40.0%	**40.0%**
Germany	European Union	Yes	48.5%	45.0%	42.0%	42.0%	45.0%	**45.0%**
Gibraltar			45.0%	45.0%	45.0%	42.0%	40.0%	**40.0%**
Greece	European Union	Yes	40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
Guatemala			31.0%	31.0%	31.0%	31.0%	31.0%	**31.0%**
Guernsey (Channel Island)			20.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
Hong Kong	Asia Pacific		15.5%	16.0%	16.0%	16.0%	16.0%	**16.0%**
Hungary	European Union	Yes	40.0%	38.0%	38.0%	36.0%	36.0%	**36.0%**
Iceland		Yes	25.8%	25.8%	24.8%	36.7%	35.7%	**35.7%**
India	Asia Pacific		30.0%	30.0%	30.0%	30.0%	30.0%	**30.0%**
Indonesia	Asia Pacific		35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
Ireland (Republic Of)	European Union	Yes	42.0%	42.0%	42.0%	42.0%	41.0%	**41.0%**
Isle Of Man			18.0%	18.0%	18.0%	18.0%	18.0%	**18.0%**
Israel			50.0%	49.0%	49.0%	49.0%	48.0%	**47.0%**
Italy	European Union	Yes	45.0%	45.0%	43.0%	43.0%	43.0%	**43.0%**
Jamaica	Latin America		25.0%	25.0%	25.0%	25.0%	25.0%	**25.0%**
Japan	Asia Pacific	Yes	50.0%	50.0%	50.0%	50.0%	50.0%	**50.0%**
Jersey (Channel Island)			20.0%	20.0%	20.0%	20.0%	20.0%	**20.0%**
Kazakhstan			30.0%	20.0%	20.0%	20.0%	10.0%	**10.0%**
Korea (Republic)	Asia Pacific	Yes	36.0%	36.0%	35.0%	35.0%	35.0%	**35.0%**

Notes:

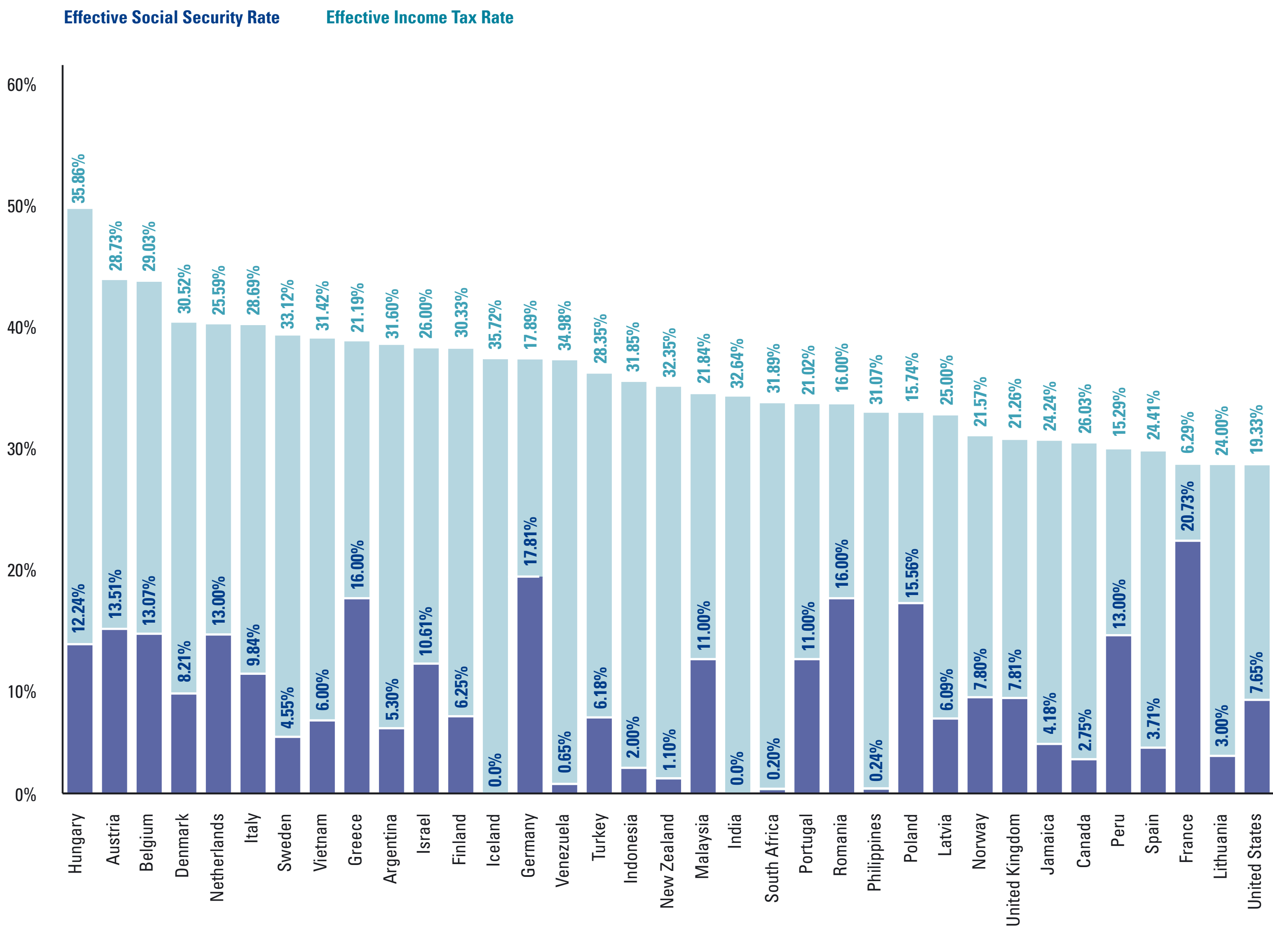
- 0.0% = No taxes are levied.
- NA = Information not provided.
- For countries that tax sections of income at different levels, only the top level is presented.
- All tax rates are for residents.
- With the exception of Switzerland where the figure quoted includes the Zurich cantonal and communal rate. For Canada, the United States, and other countries with similar structures; the tax rates for provinces, cantons, states, etc. are not included.
- No other taxes have been included (such as social security tax, municipal tax, employment tax, etc.).

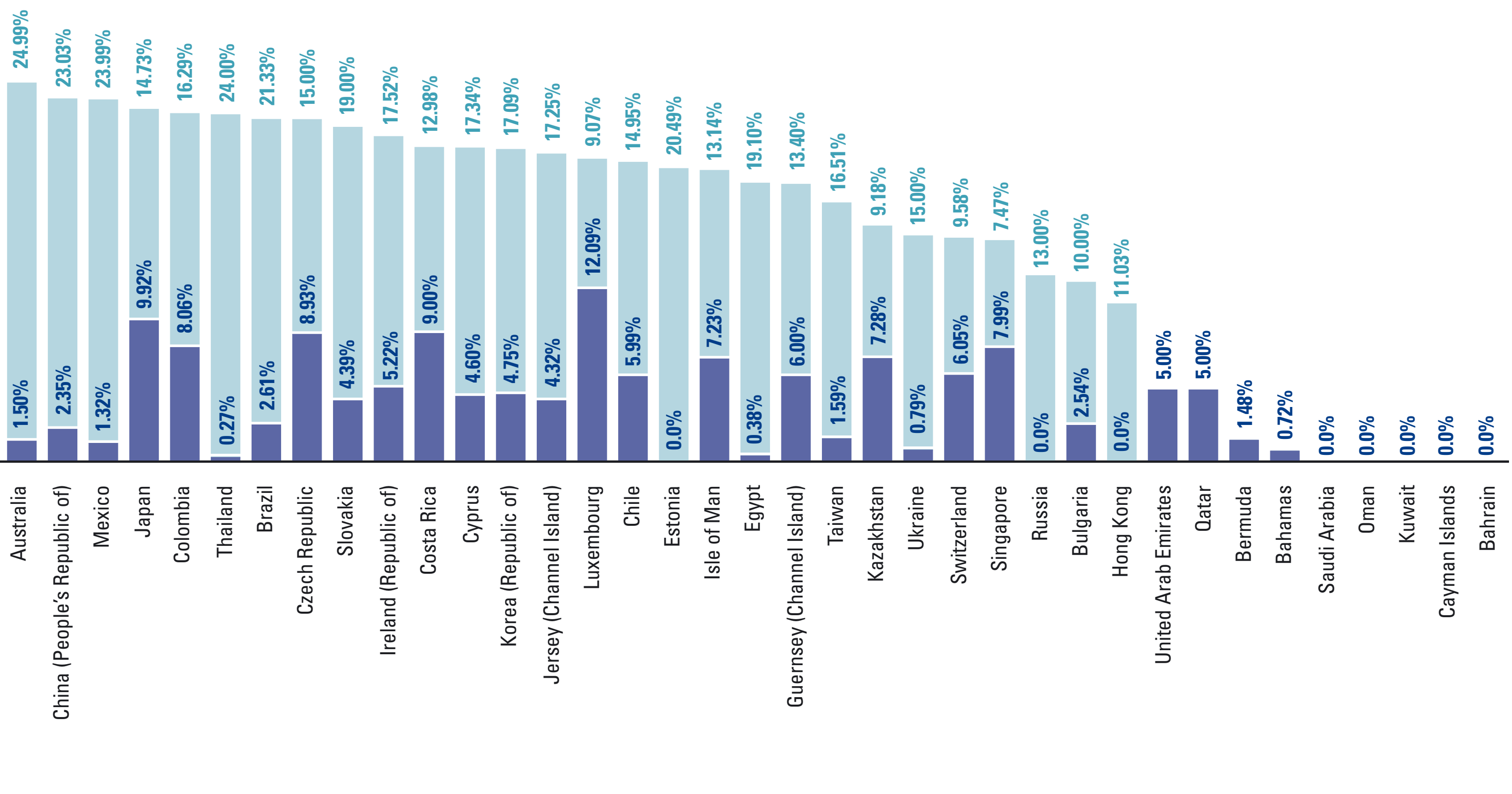
Country	Region	OECD	2003	2004	2005	2006	2007	2008
Kuwait			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Latvia	European Union		25.0%	25.0%	25.0%	25.0%	25.0%	**25.0%**
Lithuania	European Union		33.0%	33.0%	33.0%	33.0%	27.0%	**24.0%**
Luxembourg	European Union	Yes	38.0%	38.0%	39.0%	39.0%	38.0%	**38.0%**
Macedonia (Republic Of)			18.0%	18.0%	24.0%	24.0%	12.0%	**10.0%**
Malaysia	Asia Pacific		28.0%	28.0%	28.0%	28.0%	28.0%	**28.0%**
Malta	European Union		35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
Mexico	Latin America	Yes	34.0%	33.0%	30.0%	29.0%	28.0%	**28.0%**
Netherlands	European Union	Yes	52.0%	52.0%	52.0%	52.0%	52.0%	**52.0%**
New Zealand	Asia Pacific	Yes	39.0%	39.0%	39.0%	39.0%	39.0%	**39.0%**
Norway		Yes	55.3%	55.3%	55.3%	47.8%	47.8%	**47.8%**
Oman			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Pakistan	Asia Pacific		35.0%	35.0%	35.0%	35.0%	20.0%	**20.0%**
Panama	Latin America		33.0%	33.0%	27.0%	27.0%	27.0%	**22.0%**
Papua New Guinea	Asia Pacific		47.0%	47.0%	47.0%	45.0%	42.0%	**42.0%**
Paraguay	Latin America		0.0%	0.0%	0.0%	0.0%	10.0%	**10.0%**
Peru	Latin America		30.0%	30.0%	30.0%	30.0%	30.0%	**30.0%**
Philippines	Asia Pacific		32.0%	32.0%	32.0%	32.0%	32.0%	**32.0%**
Poland	European Union	Yes	40.0%	40.0%	50.0%	40.0%	40.0%	**40.0%**
Portugal	European Union	Yes	40.0%	40.0%	40.0%	42.0%	42.0%	**42.0%**
Qatar			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Romania	European Union		40.0%	40.0%	16.0%	16.0%	16.0%	**16.0%**
Russia			13.0%	13.0%	13.0%	13.0%	13.0%	**13.0%**
Saudi Arabia			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Serbia			10.0%	10.0%	10.0%	10.0%	15.0%	**15.0%**
Singapore	Asia Pacific		22.0%	22.0%	21.0%	20.0%	20.0%	**20.0%**
Slovak Republic	European Union	Yes	38.0%	19.0%	19.0%	19.0%	19.0%	**19.0%**
Slovenia	European Union		50.0%	50.0%	50.0%	50.0%	41.0%	**41.0%**
South Africa			40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
Spain	European Union	Yes	45.0%	45.0%	45.0%	45.0%	43.0%	**43.0%**
Sri Lanka	Asia Pacific		30.0%	30.0%	30.0%	30.0%	35.0%	**35.0%**
Sweden	European Union	Yes	57.0%	57.0%	57.0%	57.0%	55.0%	**55.0%**
Switzerland		Yes	40.4%	40.4%	40.4%	40.4%	40.4%	**40.0%**
Taiwan	Asia Pacific		40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
Thailand	Asia Pacific		37.0%	37.0%	37.0%	35.0%	37.0%	**37.0%**
Turkey		Yes	45.0%	40.0%	35.0%	35.0%	35.0%	**35.0%**
Ukraine			40.0%	13.0%	13.0%	13.0%	15.0%	**15.0%**
United Arab Emirates			0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
United Kingdom	European Union	Yes	40.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
United States		Yes	35.0%	35.0%	35.0%	35.0%	35.0%	**35.0%**
Uruguay	Latin America		0.0%	0.0%	0.0%	0.0%	25.0%	**25.0%**
Venezuela	Latin America		34.0%	34.0%	34.0%	34.0%	34.0%	**34.0%**
Vietnam	Asia Pacific		50.0%	40.0%	40.0%	40.0%	40.0%	**40.0%**
Average			31.3%	30.4%	30.0%	29.6%	29.3%	**28.8%**

KPMG's Individual Tax Rate Survey:

Commentary continued

Effective Income Tax and Social Security Rate on 100,000USD of Income

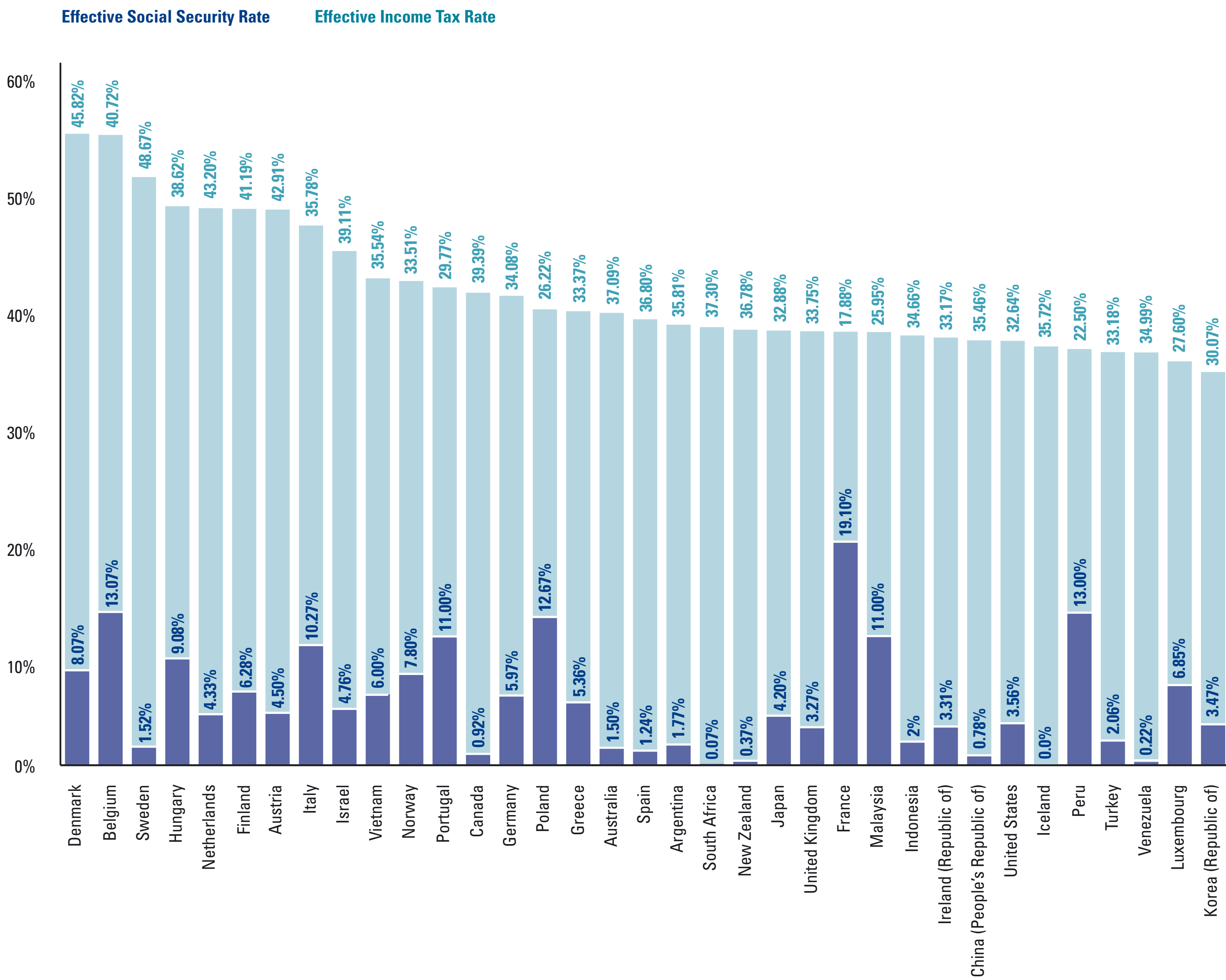


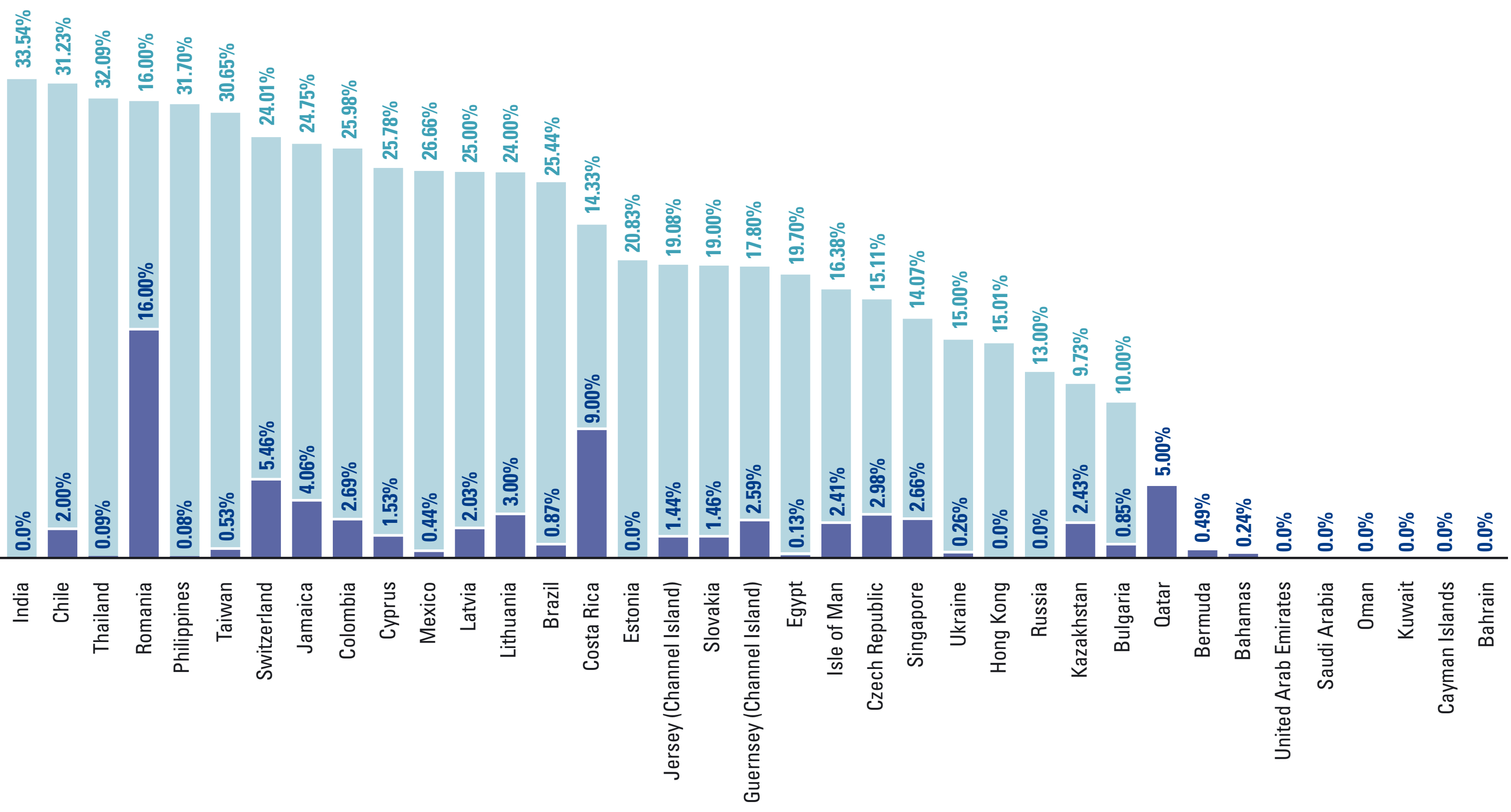


The U.S. calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Swiss calculation factors in Zurich canton and community.

KPMG's Individual Tax Rate Survey:
Commentary continued

Effective Income Tax and Social Security Rate on 300,000USD of Income

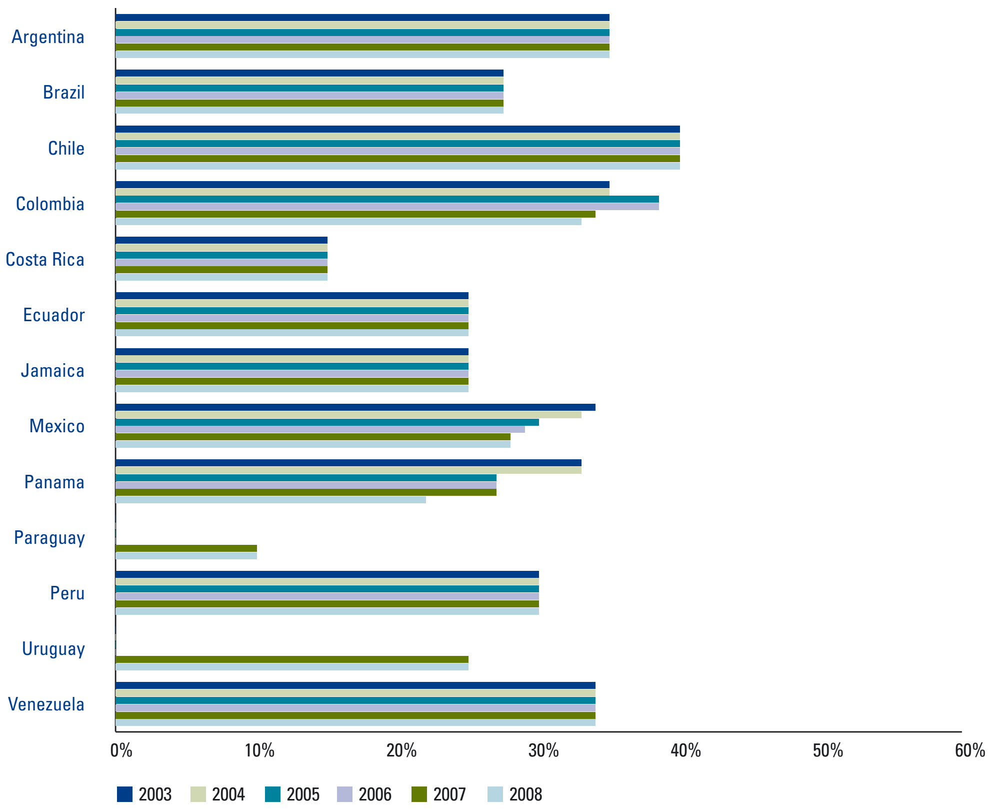




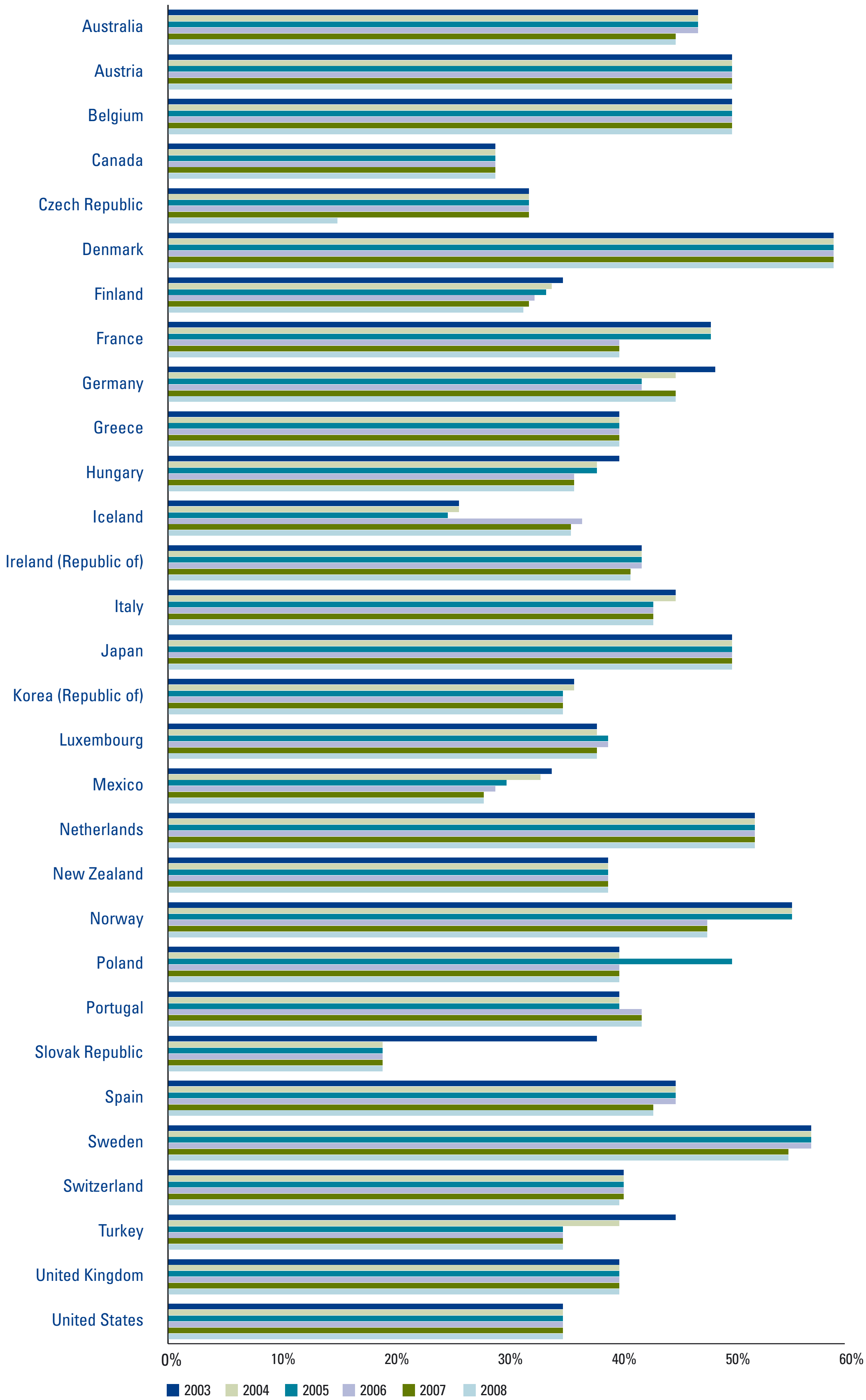
The U.S. calculation factors in the state of New York; the Canadian calculation factors in the province of Ontario; the Swiss calculation factors in Zurich canton and community.

KPMG's Individual Tax Rate Survey:
Commentary continued

Latin America



OECD

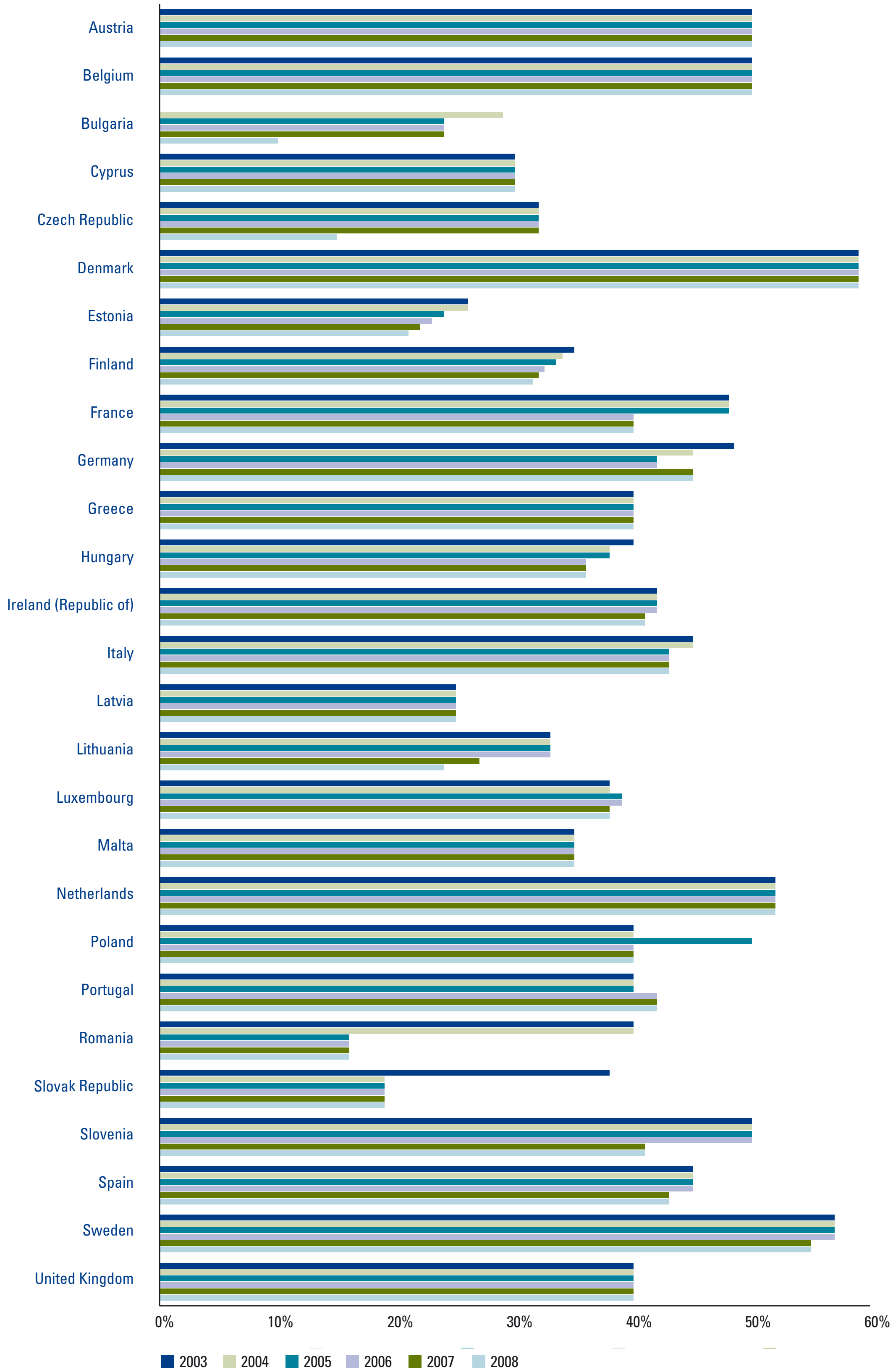


Australia
Austria
Belgium
Canada
Czech Republic
Denmark
Finland
France
Germany
Greece
Hungary
Iceland
Ireland (Republic of)
Italy
Japan
Korea (Republic of)
Luxembourg
Mexico
Netherlands
New Zealand
Norway
Poland
Portugal
Slovak Republic
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States
0%
10%
20%
30%
40%
50%
60%
2003
2004
2005
2006
2007
2008

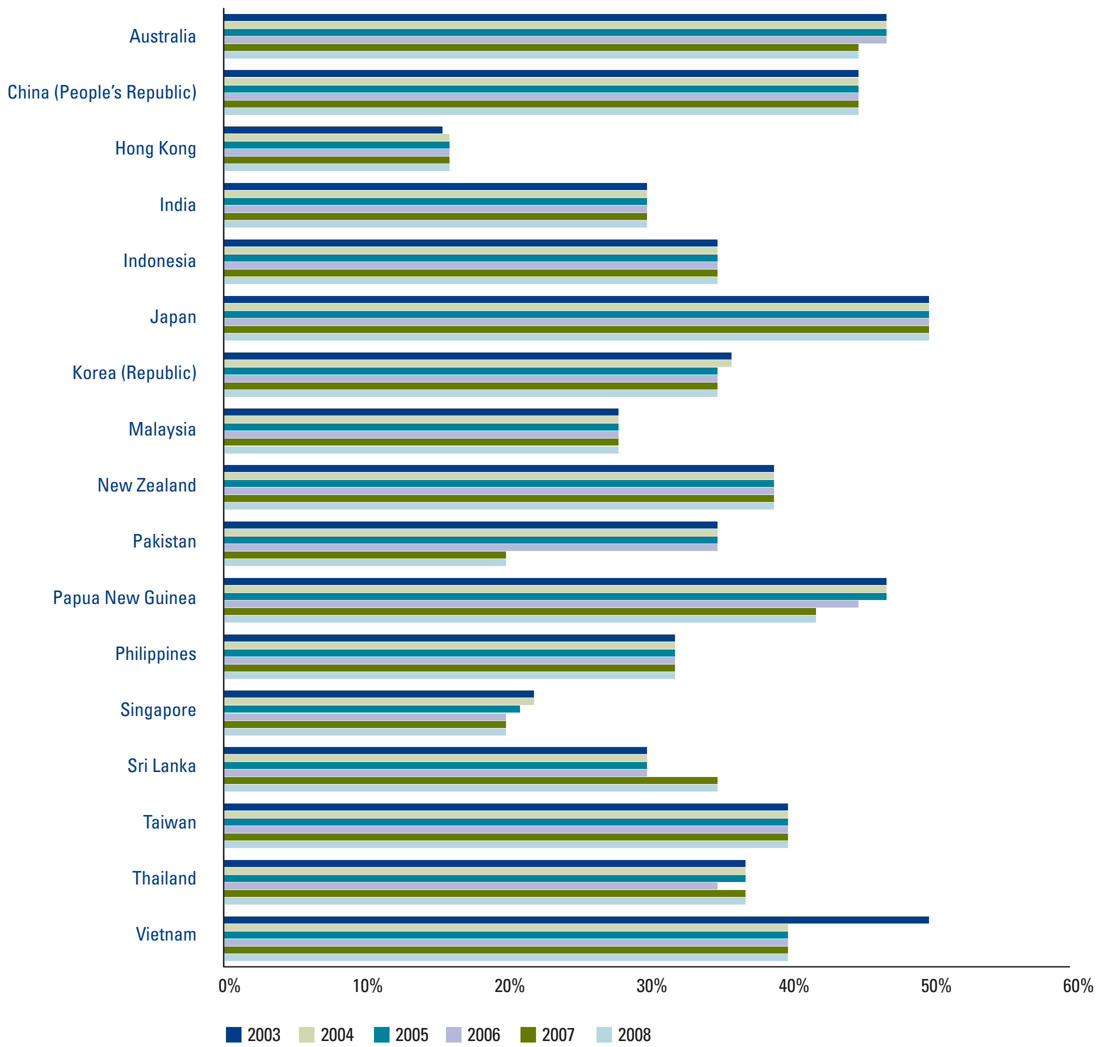
KPMG's Individual Tax Rate Survey:

Commentary continued

European Union

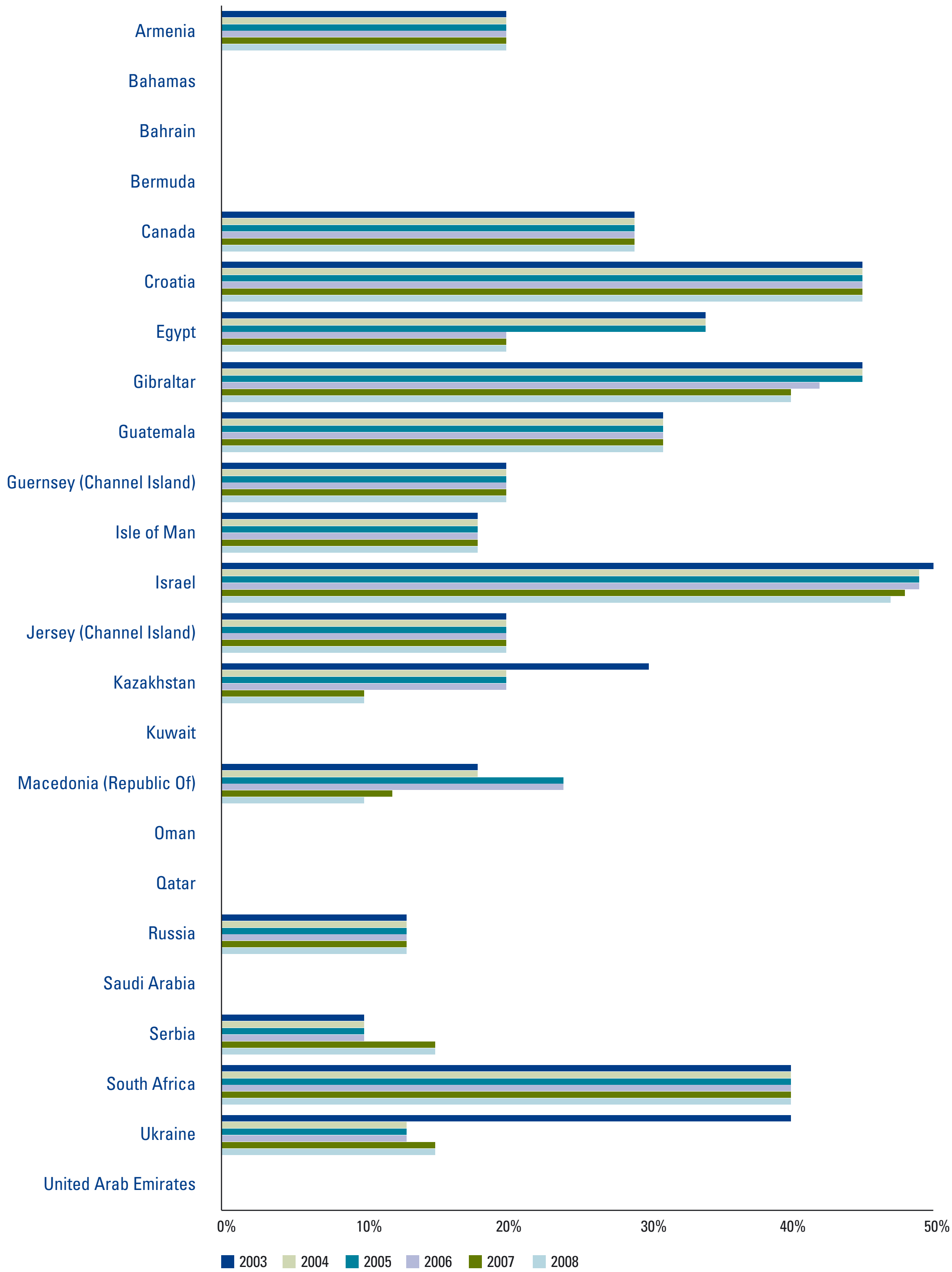


ASPAC

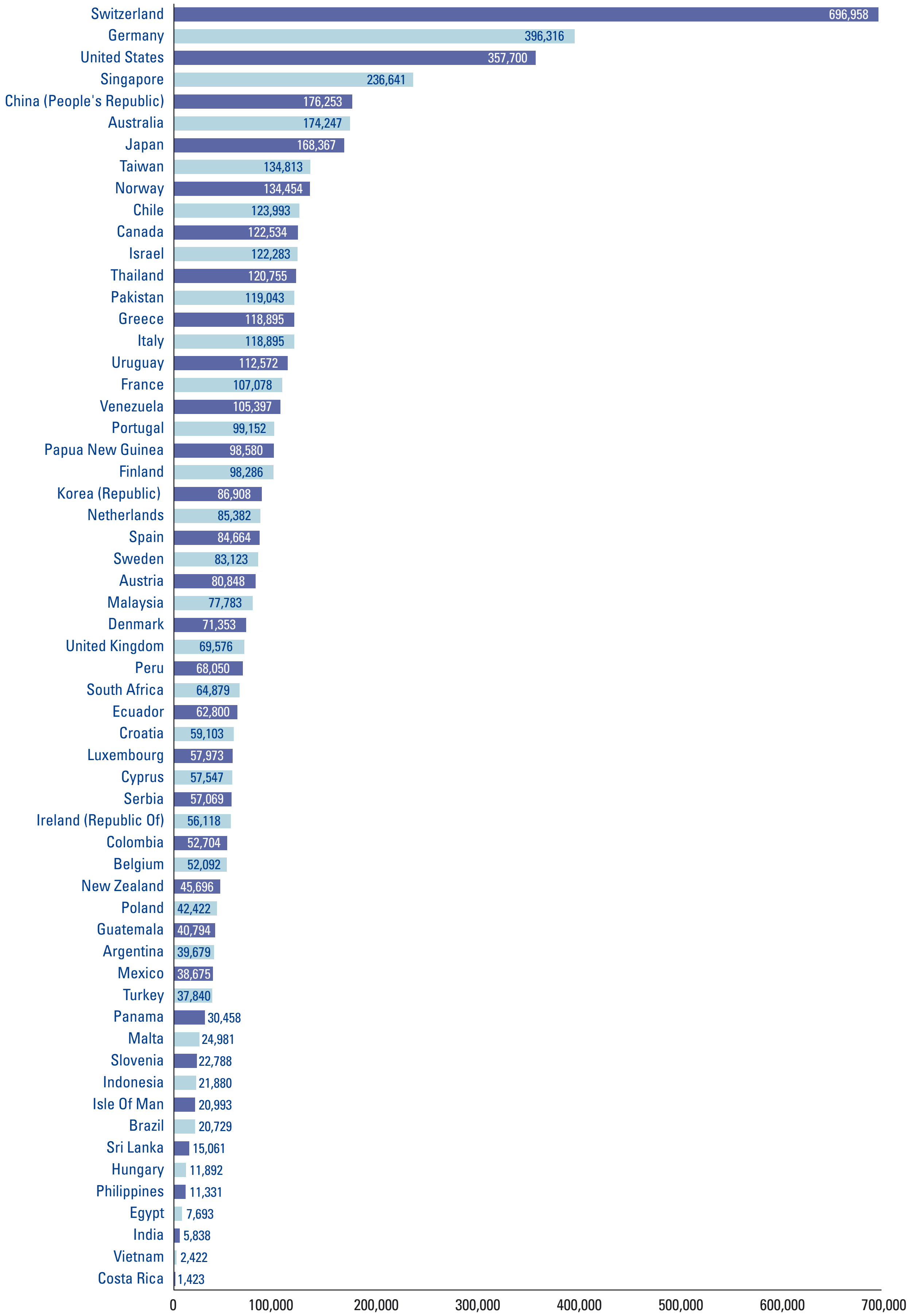

Australia
China (People's Republic)
Hong Kong
India
Indonesia
Japan
Korea (Republic)
Malaysia
New Zealand
Pakistan
Papua New Guinea
Philippines
Singapore
Sri Lanka
Taiwan
Thailand
Vietnam
0%
10%
20%
30%
40%
50%
60%
2003
2004
2005
2006
2007
2008

KPMG's Individual Tax Rate Survey: Commentary continued

Others



Income level (in USD) where top marginal rate kicks in



KPMG's Individual Tax Rate Survey:

Footnotes

Argentina (2008 rate = 35 percent)

- Top marginal rate kicks in at 120,000ARS of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 15 April to 20 April with no extensions. However, for individuals whose only source of income is employment income which has been subject to withholding at source there is no need to file a tax return unless their annual gross salary exceeds 144,000ARS. The deadline for filing annual informative income tax returns is 16 June.
- Employees social security rate is 17 percent - Monthly maximum assessable base is: 7,800ARS (11 percent) and ARS 4,800 (6 percent). Employers social security rate varies depending on the employer's annual turnover (23 percent or 27 percent) and are calculated considering the total compensation (no cap amount), except for the item "Health service" (Rate: 6 percent - Income ceiling: 4.800ARS).
- Capital gains tax (CGT) is not applicable in Argentina.
- Argentina has a wealth tax ("tax on personal assets") which is levied on worldwide assets held at the end of each year. Tax rates ranges from 0.5 percent to 1.25 percent as detailed below:

World-wide wealth in ARS	Tax rate
0 -305,000	**0%**
305,001 – 750,000	**0.50%**
750,001 – 2,000,000	**0.75%**
2,000,001 – 5,000,000	**1%**
More than 5,000,001	**1.25%**

A tax credit is allowed for similar taxes paid abroad, limited to the Argentine tax on assets located abroad.

- There is a tax on real property, which is computed by reference to the market value or the surface area of the land and buildings that an individual owns or rents in Argentina. Rates vary and are dependent on the location of the property.
- Married couples file returns separately.

Armenia (2008 rate = 20%)

- Top marginal rate kicks in at 80,000AMD of monthly taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 1 March (started from 1 January 2008 the deadline will be 15 April). However individuals whose only source of income is employment income, which has been subjected to withholding at source, need not file a tax return.
- Employee social security payment rate is 3%
- Property tax is levied on the owner of real property (buildings and vehicles). The rates depend on the cadastral value for buildings and power (horse power) of vehicles.
- Dividends are not subject to income tax.
- Royalties, income from leasing and interest are taxed at a 10% flat rate.

KPMG's Individual Tax Rate Survey: Footnotes continued

Australia (2008/09 rate = 45 percent)

- Top marginal rate kicks in at 180,000AUD of taxable income.
- Tax year-end is 30 June (fiscal year filing).
- Tax return filing due date is generally 31 October. However, filing and payment extensions are possible if the taxpayer is enrolled with a tax agent before 31 October.
- Taxpayers are required to pay Medicare Levy of 1.5 percent on employment income. The Medicare Levy is only applicable to Australian citizens and permanent residents and taxpayers from United Kingdom, Northern Ireland, Italy, Malta, Sweden, the Netherlands, Finland or Norway.
- Taxpayers with taxable income exceeding 100,000AUD (or 150,000AUD for families) and not maintaining appropriate private health care insurance are liable to an additional Medicare Levy of 1 percent of their taxable income.
- Employers are required to withhold 9 percent of gross salary and transfer the withheld amount into a superannuation fund of their choice to a maximum earnings level of 38,180 AUD per quarter (private pension plan). Above this level of earnings contributions do not need to be made.
- Generally, all non-cash fringe benefits provided to employees are subject to Fringe Benefits Tax (FBT), a tax payable by the employer, with the value of such benefits being exempt from income tax in the hands of the employees.
- The Australian taxation system includes a general capital gains tax (CGT), which in broad terms applies to assets acquired after 19 September 1985. Gains taxed under the CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates. If the asset is held for more than 12 months, the gain may be discounted by up to 50 percent. Alternatively, indexation of the cost basis may be available.
- Land tax is an annual tax assessed to the owner of real estate property. It is imposed at the state level and is normally based on ownership or use of the land. There is an exemption from land tax for your principal place of residence.
- Temporary tax residents are exempt from taxation on foreign non-employment income. Accommodation, food and certain other benefits may also be paid tax free to employees living away from their usual place of residence.
- Married couples file returns separately.

Austria (2008 rate = 50 percent)

- Top marginal rate kicks in at 51,000 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is generally June 30 for electronic filing and 30 April in case electronic filing is not possible. Upon formal written request, further extensions are granted. If the return is prepared by a tax consultant, an automatic extension is granted without application.
- Austrian social security rate (employee portion) is 18.07 percent (for regular salary monthly maximum assessable base in 2008 is 3,930 EUR and for separate payments 7,860 EUR per year).
- Special payments for employees (the Christmas bonus and holiday bonus, respectively constituting a thirteenth and fourteenth month's pay, other one-time payments) are taxed, up to a limit of one sixth of annual regular compensation, at a flat rate of only 6 percent.
- Gains taxed under Austria CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates albeit some relief may be available.
- No Inheritance and gift tax since July 31, 2008. Reporting requirements in case gifted / inherited amount / value exceeds certain limit.
- Real estate tax is levied by the municipalities on the assessed value of real property at a rate of about 0.5 percent - 1.0 percent.
- Married couples file returns separately.

Bahamas (no income tax)

- There are no income, capital gains, wealth, succession, or gift taxes in the Bahamas.
- There is a form of social security called National Insurance. The maximum rate for an employed person is 8.8 percent of salary to a maximum of $20,800 BSD per annum, payable 3.4 percent by the employee and 5.4 percent by the employer.
- The only direct taxes are the real property tax and license fees.
- The majority of the tax revenue in the Bahamas is derived from import and excise duties; stamp duties, casino tax and license fees.

Bahrain (no income tax)

KPMG's Individual Tax Rate Survey:

Footnotes continued

Belgium (2008 rate = 50 percent)

- Top marginal rate kicks in at 32,860 EUR of taxable income.
- Tax year-end is 31 December.
- Tax returns are due within six weeks after receipt of the tax form from the tax authorities. The due date of the tax return is officially on June 30. However, in practice the Belgian tax authorities define every year the due date for the resident and non-resident income tax return. Resident personal income tax returns are most often due on June 30, non resident personal tax returns are most often due in October/November) but extensions are possible. However, the Belgian tax authorities have the intention as from income year 2008 to fix the due date for non-resident tax return on June 30.
- Belgium's employee social security rate is 13.07 percent of total income and fully deductible for income tax purposes. Employer contributions are approximately 35 percent of total income.
- Municipal income taxes are also assessed and determined as a percentage of the national income tax due. For resident taxpayers, this percentage is fixed by the municipal authorities and varies from community to community (between 0 percent and 11 percent). For non-resident taxpayer it is fixed at 7 percent.
- Capital gains are exempt if realized in the normal management of private assets. CGT exists for speculative capital gains and short term capital gains on the sale of real estate. Capital gains are taxed separately at flat rates (usually 16.5 percent or 33 percent) and relief may be available.
- Private income is taxed at separate flat rates, i.e. 15 percent for interest income and 25 percent for dividend income (in some cases the dividend flat rate may be reduced to 15 percent).
- Belgium has an inheritance and gift tax albeit relief is available. Inheritance and gift tax are regional taxes.
- For owned property a so-called 'cadastral income' will be attributed. This is the deemed rental value, by reference to the real estate market in 1975, taking into consideration costs of 40 percent. An annual real estate tax, where the amount depends on the place were the house in situated, will be subsequently due.
- Married couples are required to file jointly (except for the year of marriage, year of declaration of legal cohabitation or if they are living separately).
- Expatriate tax concessions are available for executives temporarily assigned to Belgium or directly recruited from abroad. These concessions provide for substantial income tax relief. Assuming the executive is traveling 25 percent of his time on business, the top marginal rate is reduced to 37.50 percent and increased with the municipal income tax at 40.125 percent.

Bermuda (no income tax)

While there is no income tax in Bermuda, a payroll rate up to 13.50 percent of compensation is payable by employers. 4.75 percent of this may be recovered from the employee at the discretion of the employer.

Brazil (2008 rate = 27.5 percent)

- Top marginal rate kicks in at 32,919 BRL of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April with no extensions.
- Brazilian social security rate is upwards of 11 percent (monthly maximum assessable base is approximately 318 BRL).
- Flat rate of 15 percent generally applies to gains taxed under Brazil CGT.
- An inheritance and gift tax (4 percent total rate) was implemented for the State of São Paulo. This rate may differ in other states within Brazil. Under certain circumstances, a portion of the inheritance or gift may be exempt from tax.
- A municipal building tax imposed on property owners, which is normally passed on to tenants.
- Married couples may file their returns jointly or separately.

Bulgaria (2008 rate = 10 percent)

- As of 1 January 2008 Bulgaria introduced a 10 percent flat tax applicable for all income levels, i.e. there is no non-taxable income threshold.
- Tax year-end is 31 December.
- There are two deadlines for filing returns and payment of the outstanding liabilities: a preliminary (10 February of the following year) and final (30 April of the following year). If the preliminary filing and payment deadline is met, the individuals would be granted a 5 percent deduction from their outstanding personal income tax liabilities. The same deduction is also applicable if the tax return is filed electronically. But the two are not cumulative.
- No extensions are possible beyond the final deadline.
- The employee part of the Bulgarian mandatory social security amounts to 13 percent, while the employer portion is approximately 20.5 percent (depending on the industry in which the employer is involved as the employment accident fund varies accordingly between 0.4 and 1.1 percent. The maximum insurable income for year 2008 is capped at 2,000 BGN per month.
- Depending on the circumstances certain local taxes may apply: immovable property tax, inheritance tax, donation tax and vehicle tax.

Canada

(2008 rate = 29 percent federal, provinces vary (approx. 46.4 percent combined rate for Ontario))

- Canadian income tax includes a federal and provincial component. Tax rate varies with the province of residence/employment. The top marginal federal rate of 29 percent kicks in at 123,185 CAD of taxable income. When provincial taxes are included, total top marginal tax rate vary from approximately 39 percent - 48.25 percent.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April with no extensions.
- Canadian social security rate is upwards of 6.68 percent but caps out. Maximum employee contribution is approximately 2,745 CAD per annum.
- Gains taxed under the Canadian CGT provisions are not taxed separately but are included in assessable income and taxed at the individual's marginal rates albeit the gain may be discounted by up to 50 percent.
- Property tax is assessed on the owner of real property according to the value of the property (generally the tax is in the range of 1 to 2 percent of the property's assessed value per year). The rates vary among municipalities.
- Although there is potential relief, individuals are deemed to dispose of all property on ceasing Canadian residency and subject to depart tax accordingly.
- In all provinces but Québec, the individuals file a single tax return with the federal government who collects both federal and provincial taxes.
- Married couples file returns separately.

Cayman Islands

(no income tax)

KPMG's Individual Tax Rate Survey:

Footnotes continued

Chile (2008 rate = 40 percent)

- Top marginal rate kicks in at 64,166,400 CLP of annual taxable income. (This amount changes on a monthly basis, due to price level adjustments)
- Tax year-end is 31 December.
- Employee social security rate is between 19.41 percent and 19.99 percent, calculated over a compensation capped to 14,789,671 CLP annual (The amount of capped compensation is linked to the consumer price index, so its changes daily). In addition, the employee is subject to contribute to the unemployment insurance, at a 0.6 percent rate, calculated over a compensation capped to 22,184,507 CLP annual (This amount also changes daily due to link to Consumer Price Index). Employer is compelled to contribute to the unemployment insurance too (2.4 percent) and, in addition, it is compelled to contribute to an Accidental and Work Diseases Insurance (between 0.9 percent and 3.4 percent, depending on the risk and the work place. The capped compensation for calculate this contribution is 14,789,671 CLP annual).

China (People's Republic) (2008 rate = 45 percent)

- Top marginal rate kicks (applicable for each month) kicks in at 100,000 CNY of monthly taxable income.
- Annual Individual Income Tax Return: Tax year-end is 31 December for those individuals earning more than 120,000 CNY and have full residence in China. Tax return filing due date is 31 March after the close of the year.
- Monthly individual income tax returns: Filed on a monthly basis, returns should be filed and tax paid by the seventh day of the month following the month of receipt of income.
- Chinese social security is mandatory for individuals of China domicile employed in China. Rates vary by local government. Generally, social security is assessed against salary, and the maximum salary assessed is capped at three times the average city salary of the prior year.
  - Social security rates vary by city and subject to change annually.
  - Shanghai is used as reference city only.
- Gains taxed under the Chinese CGT provisions are generally subject to a rate of 20 percent.
- Married couples file returns separately.

Colombia (2008 rate = 33 percent)

- Top marginal rate kicks in at 90,421,400 COP of taxable income.
- Tax year-end is 31 December
- Tax return filing due date follow an annually published schedule (historical filing dates have been between February and July).
- Colombian social security rate is upwards of 10 percent but subject to a cap as follows:

Type of Insurance	Paid by employer	Paid by Employee	Total
Pension Plan	12%	4%	16%
Medical Plan	8.5%	4%	12.5%
Family Welfare Fund	9%	0	9%
Total	29%	8%	37.5%

The employees who earns a salary between 4 and 15 minimum legal monthly salaries (SMLMs) must to contribute an additional 1 percent to the pension solidarity fund, likewise employees earning more than 16 (SMLMs) must to make an additional contribution capped on 2 percent.

Costa Rica (2008 rate = 15 percent)

- Top marginal rate kicks in at 762,000CRC of taxable income.
- Tax year-end is 30 September (fiscal year filing). Employed individuals are however subject to monthly final withholdings levied by the employer. Employed individuals are not required to file personal tax returns. The income tax withholding returns are due by the 15th day of the following month.
- Costa Rican social security rate is of 9 percent (withholding from the employed individual) and 26 percent (contribution due by the employer), uncapped.
- Please note that this calculation assumes the current rates. Rates in Costa Rica are updated on October 1 each year. Also, there is a mandatory annual Christmas bonus (a 13th month in fact) that is not subject to social security or income tax. In this report, the 100k and 300k have been divided by 12; you could also divide them by 13 in order to have a more accurate result (and include this 13th month bonus).

Croatia (2008 rate = 45 percent)

- On a monthly basis top marginal rate kicks in when taxable income exceeds 22,400 HRK until 30 June 2008 and 25,200 HRK as of 1 July 2008. Therefore, for the year 2008 only, the annual basis top marginal rate will kick in when 285,600 HRK is exceeded. For the year 2009 this annual basis should amount to 302,400 HRK (25,200*12 HRK), unless new changes are introduced.
- Tax year-end is 31 December.
- Tax return filing due date is 28 February. Extensions possible in VERY limited cases (i.e. natural hazards prevented the taxpayer from filing).
- Social security (s/s) contributions on employment income earned from Croatian company are assessed as follows: employee pension contributions assessed at the rate of 20 percent (deducted from the gross salary capped at monthly amount of 41,850HRK), employer contributions assessed at the rate of at 17.20 percent (including health insurance, contributions for unemployment and contributions against injuries at work) applied on gross salary. In case of foreigners coming on an assignment to Croatia, Croatian s/s insurance depends from which country the assignee is coming from (if coming from the country with which Croatia has concluded the Totalization Agreement (TA), the assignee could be exempt from payment of Croatian s/s. If coming from the country with which Croatia has not concluded the TA, the assignee, as a minimum, will be subject to health insurance contributions which are assessed at the rate of 15 percent applied to the "lowest monthly salary" base (prescribed)).
- If the individual is a Croatian tax resident, then he/she is subject to city surtax (not all cities impose city surtax and rates vary greatly. The highest city surtax rate is in Zagreb, 18 percent. City surtax is applied on the total amount of tax due.

In addition to employment income, the following types of income are also taxable in Croatia:

- Income from self employment;
- Income from property and property rights;
- Income from capital (dividends, if paid from profits earned after year 2004 are not taxable); and
- Certain types of insurance income; and
- Other income (i.e. authorship income, income earned based on work on contracts, benefits in kind provided by a third party and not the employer etc).
- Married couples file returns separately.

KPMG's Individual Tax Rate Survey: Footnotes continued

Cyprus (2008 rate = 30 percent)

- Top marginal rate kicks in at approximately 36,300 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April.
- Cyprus social security rate is upwards of 6.3 percent (monthly maximum assessable base is approximately 3,836 EUR).
- Gains taxed under the Cyprus CGT provisions are generally subject to a rate of 20 percent. Foreign nationals who reside in Cyprus are not liable for capital gains tax for property outside Cyprus.
- Immovable property tax (up to 4 percent rate) is payable annually on or before 30 September on all immovable property situated in Cyprus.
- Married couples file returns separately.

Czech Republic (2008 rate = 15 percent)

- Czech Republic introduced a 15 percent flat tax in 2008.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March but can be extended up to three months if a taxpayer grants a power of attorney to a certified tax advisor.
- Czech social security rate is 12.5 percent (employee's part) and 35 percent (employer's part) and it is capped. There is an upper limit on the salary subject to contributions in the amount of 1,034,880 CZK set for 2008.
- Inheritance and gift tax is levied on persons who acquire property by inheritance or gift, at rates depending on the closeness of the relationship between deceased/donor and recipient. Please note that there is no inheritance nor gift tax provided the property is inherited or donated between persons who fall into the first two categories according to the relationship of the taxpayer to a donor (closest relations).
- Real estate tax is paid by house and landowners. The tax on land is based on prices of land in various parts of the Czech Republic, which depend also on the number of inhabitants in a respective part. The tax rate ranges from 0.25 percent to 0.75 percent of the tax base and is multiplied by the price of land.
- Starting 2008 married couples may not file their returns jointly (due to the flat tax rate the joint filing was abolished as there is no tax saving at all).

Denmark (2008 rate = 59 percent)

- Taxation is based on categories of income and different tax rates apply to the different categories. The combined top marginal rate in the ordinary scheme, which applies to employment income and certain types of investment income, kicks in at 335,800DKK. Generally, share income (dividends and capital gains) is taxed in a separate tax scheme at 28-43-45 percent, depending on income level, whilst certain types of share income are taxed in the ordinary tax scheme at rates up 59 percent.
- Tax year-end is 31 December.
- The filing due date is 1 May if the tax payer receives a pre-printed form from the tax authorities: otherwise, the due date is 1 July.
- Danish employee social security rate is 8 percent uncapped, and an annual lump-sum contribution of 976 DKK. As from January 1, 2008, the 8 percent employee contribution is considered an income tax in respect of double tax treaties and domestic tax relief provisions (there is no social security benefits related to the 8 percent contribution), however, Danish legislation still provides for exemptions under the EEC Regulation 1408/71 and other social security conventions.
- Members of the Danish church are liable to church tax although membership of the church is voluntary.
- Danish inheritable tax is payable, provided the deceased was domiciled in Denmark at the time of death, or if the property in question is real property situated in Denmark or property regarding a permanent establishment in Denmark. The rate depends on the relationship between the heir and the deceased. Estates above 2,509,900DKK are also subject to tax.
- Gifts to unrelated parties are treated as personal income in the hands of the recipient, whilst gifts over a certain threshold to certain close relatives are subject to 15 percent gift tax.
- Property value tax is calculated on the basis of the taxable value of any real property, when the property is used or can be used by the owner as a private residence. The rates range from 1 percent to 3 percent of the taxable value. Taxable value is the lower of the property value on 1 January 2001 + 5 percent or 1 January 2002 or 1 October in the income year.
- Married couples generally file returns separately; certain unused allowances can be transferred between the partners.

Ecuador (2008 rate = 25 percent)

- Top marginal rate kicks in at 62,800USD of taxable income.
- Tax year-end is 31 December.
- A tax return is not required for employees. The employer should issue a certificate of income paid and tax withheld, certification that is the equivalent to a return, however, if the employee has income other than that under a labor relationship or if income is not derived from a labor relationship, the tax return filing is due between 10 and 28 March following the end of the tax year.
- Employee social security rate is 9.35 percent uncapped.
- Married couples file returns separately.

KPMG's Individual Tax Rate Survey: Footnotes continued

Egypt (2008 rate = 20 percent)

- Top marginal rate kicks in over 40,000 EGP of taxable income per annum.
- It is the employer's responsibility to withhold the tax due and remit it to the Tax Authority within fifteen days following the month end.
- Tax year-end is 31 December.
- Tax filing is the employer's responsibility (handled via quarterly salary tax returns).
- There are no capital gains taxes on individuals except in the case of disposals of land or buildings within a city, which are subject to tax at 2.5 percent of the value of the property (providing that the sale has not took the attributes of profession).
- Property tax is levied on the annual rental value of land and buildings, at approximately 10 percent.
- Employee social security rate is upwards of 14% on the basic salary and 11% on the variable elements (allowance, overtime ... etc.). The annual maximum social insurance required to be paid by the employee amounts to 2,024 EGP per annum.
- The employer is required to pay 3% to the social insurance office to cover work injuries in the presence of a reciprocity agreement between Egypt and the foreign jurisdiction of the employee.

Estonia (2008 rate = 21 percent)

- Estonia applies flat income tax rate of 21 percent (in 2008).
- Tax year-end is 31 December.
- Tax return filing due date is 31 March with no extension. Certain exceptions apply in case of bankruptcy of a resident individual and in case of non-residents.
- Social security tax (33 percent) and employer's unemployment insurance premium (0.3 percent) are fully borne by employer for most employees.
- Employee unemployment insurance premium of 0.6 percent has to be withheld by the employer. Funded pension insurance premium of 2 percent has to be withheld as well if the employee has joined funded pension scheme or the employee has born after 1983.
- Fringe benefits are not taxable at the level of employee, employers pay income tax and social tax on fringe benefits granted to employee.
- Real estate tax ranges between 0.5 percent and 2.5% of the taxable value of the land.
- Married couples may file their returns jointly.

Finland (2008 rate = 31.5 percent)

- Top marginal rate kicks in at 62,000 EUR of taxable income. Note however that municipal tax rates are significant in Finland (vary between approximately 16 percent and 21%). If the individual belongs to a Finnish church, church tax of approximately 1 percent to 2.25 percent may also be due.
- Tax year-end is 31 December.
- All individual taxpayers will receive a pre-completed tax return in April (covering prior year). The tax return has to be filed for corrections with the tax office on 8 May or 15 May.
- Employee social security rate is 0.58 percent for unemployment insurance, 2.3 percent for sickness insurance and 4.3 percent (5.4 percent if employee is older than 53) for pension insurance.

France (2008 rate = 40 percent)

- Top marginal rate kicks in at 67,546 EUR (for single taxpayer – double that if married) of net taxable income.
- There is a favorable tax regime for inbound under certain conditions.
- Social security contributions are tax deductible.
- Tax year-end is 31 December.
- Married couples must file their returns jointly.
- While the official filing deadline is 1st March, in recent year the tax administration has extended the date to the end of May.
- Capital gains on the disposal of securities, where not otherwise exempt, are taxed at a flat rate of 18 percent, plus 11 percent surtaxes if the annual proceeds exceed the threshold (25,000 EUR for 2008).
- Capital gains on the disposal real property, where not otherwise exempt, are taxed at a flat rate of 16 percent, plus 11 percent surtaxes.
- Wealth tax applicable to individuals whose household net assets exceed a legal threshold on 1st January of each tax year (770,000 EUR for 2008).
- France imposes a progressive inheritance tax ranging from 5 percent to 60 percent, with different rates applied to the spouse's inheritance and that of the children.
- French social security is a broad term that covers obligatory health insurance, basic and complementary pension contributions, unemployment insurance and a variety of other charges and surtaxes. Rates for some of these items may vary from company to company and according to industry. The employee portion of social charges and surtaxes ranges from approximately 18 to 22 percent of gross remuneration.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Germany (2008 rate = 45 percent)

- Top marginal rate kicks in at 250,000 EUR (for single taxpayer – double that if married) of taxable income. In addition to income tax, there is a solidarity surcharge of 5.5 percent of the income tax and where applicable, a Church tax of 8 or 9 percent of the income tax may be levied.
- Tax year-end is 31 December.
- Tax return filing due date is 31 May. If the tax return is prepared by a tax consultant, an automatic extension until 31 December is granted without application. Upon formal written request further extensions can be granted as an exception
- Employee social security rate for pension and unemployment contributions is approximately 11.6 percent capped at monthly income of 5,300 EUR. Contribution to health and long-term care is approximately 9 percent capped at monthly income of 3,600 EUR.
- A real estate transfer tax at a rate of 3.5 percent is levied on the acquisition of German real estate.
- Married couples can file tax returns jointly or as separate individuals.

Gibraltar (2008 rate = 38 percent to 40 percent)

- Gibraltar has a dual tax system, based on either allowances or gross income. On the allowance based system the top rate of 40 percent kicks in at 16,000 GIP of taxable income. On the Gross Income Based System the top rate of 38 percent kicks in at 100,000 GIP of taxable income.
- Tax year end is 30 June
- Tax return filing deadline for individuals is 3 months after the tax year end, that is 30 September.
- Social security tax is as follows: employer's contribution is 20 percent of employee's gross earnings subject to a maximum of 28.82 GIP per week and a minimum of 15 GIP per week. Employee's contribution is 10 percent of employee's gross earnings subject to a maximum of 22.83 GIP per week and a minimum of 5 GIP per week.
- There are no other individual taxes.
- Married couples file tax returns jointly.

Greece (2008 rate = 40 percent)

- Top marginal rate kicks in at 75,000 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date ranges between 1 March and 31 May (date depends on the category of income earned and on the last digit of an individual's Greek tax number).
- Greece does not have a uniform social security system. There are many different social security funds covering various sectors of the population. In addition to the basic social security funds, employed persons must also be covered by a supplementary retirement fund. The main funds applicable to employed persons are the Social Insurance Fund (IKA) and the Employees' Supplementary Insurance Fund (TEAM). The social security contribution rates (both IKA and TEAM) are 16 percent for the employee and 28.06 percent for the employer limited to a monthly salary ceiling. For 1 January 2008 to 30 September 2008, respective ceiling is 2,384.50 EUR and for 1 October 2008 to 31 December 2008, respective ceiling is 2,432.25 EUR, for employees who have been insured before 1 January 1993. For employees who have been insured after 1 January 1993 for the first time, the ceilings are 5,437.96 EUR and 5,543.55 EUR, respectively These ceilings are changed periodically in line with the rate of inflation.
- As of 2008 an annual flat duty is levied on all real estate owned as of 1st January in Greece by individuals or legal entities. The annual flat real estate duty for individuals is 0.1 percent on the objective value of such real estate and 0.6 percent for legal entities (or 0.3 percent for non-profit legal entities). Exemption from the annual flat real estate duty is provided to individuals' main residence of up to 200 square meters, provided that its value does not exceed 300 000 EUR. Specifically for the year 2008, an amount of up to 300 000 EUR is deducted from the value of such residence if it is greater than EUR 300 000 EUR. In addition, plots of land which are located outside the city planning zone or recognized communities owned by individuals are also exempted from the flat real estate duty.
- Married persons are taxed separately. However, a joint income tax return is filed.

Guatemala

(2008 rate = 31 percent)

- Top marginal rate kicks in at 295,000 GTS of taxable income.
- Tax year-end is 31 December.
- Employees file a prospective tax calculation at the beginning of each fiscal year, on January of each year (within the first 10 days).
- Employee social security rate is dependent upon the area involved and range between 2.83 percent to 4.83 percent.
- Real estate tax rates go up to of 0.9 percent, depending on the value of the real estate.
- Married couples file tax returns as separate individuals.

Guernsey (Channel Island) (2008 rate = 20 percent)

- Guernsey applies a flat tax rate of 20 percent.
- Tax year-end is 31 December.
- A return should be filed within 90 days of issue by the local authority. An individual chargeable with income tax who has not received a return should notify the local tax authority by 30 June in the taxable period.
- Guernsey social security rate is 6 percent (monthly maximum assessable base is approximately 5,408 GBP).
- There is no capital gains tax however gains realized on dwellings located in Guernsey are subject to dwellings profits tax in certain circumstances.
- Married couples file tax returns jointly.

KPMG's Individual Tax Rate Survey: Footnotes continued

Hong Kong (2008/09 rate = 16 percent)

- Hong Kong Salaries Tax is charged using graduated tax rates ranging up to 17 percent, but cannot exceed the standard tax rate of 16 percent of net assessable income less charitable donations and allowable deductions.
- Tax year-end is 31 March.
- Tax return filing due date is one month after date of issue of the tax return form by the IRD. The granting of an extension is at the discretion of the IRD.
- There is no employee social security in Hong Kong. All employees and the self employed individuals are nonetheless required to make contributions to a mandatory provident fund (MPF). MPF contribution rate is 5 percent of salary but maximum contribution caps out at 1,000 HKD per month.
- There is no capital gains, estate, gift and wealth taxes in Hong Kong.
- A husband and wife can elect to be assessed jointly. Generally, they will be separately assessed on their respective income on the same basis as unmarried taxpayers. Each spouse is individually responsible for the lodgment of returns.

Hungary (2008 rate = 36 percent PIT + 4 percent solidarity tax)

- Top marginal rate kicks in at 1,700,000 HUF of taxable income. (there is a "solidarity tax" which is levied to annual income above 7,137,000 HUF)
- Tax year-end is 31 December.
- Tax return filing due date is 20 May with no extensions.
- Employee social security rate is 17 percent. It consists of health insurance (6 percent uncapped), pension (9.5 percent capped at annual income of 7,137,000 HUF) and unemployment insurance (1.5 percent uncapped). Employer pays 29 percent social security contribution (uncapped), 3 percent unemployment insurance (uncapped), 1.5 percent contribution to the Training Fund (uncapped), HUF 1950/employee lump sum health care charge.
- Generally individuals pay 25 percent for capital gains and other investment-like income.
- Married couples file returns separately.

Iceland (2008 rate = 35.72 percent)

- There is no progressive structure, Iceland applies a flat tax. National tax amounts to 22.75 percent and municipal tax averages to approximately 12.97 percent. All individual taxpayers are entitled to a personal tax credit against the computed income tax from all categories. The credit amounts to 408.409 ISK for 2008. Tax on capital gain is 10 percent. The personal tax credit that is not used against other incomes, is deducted for tax on capital gain in the ratio 10/36.
- Tax year-end is 31 December.
- At the beginning of each year the Director of Internal Revenue determines when tax returns have to be filed. Individuals usually have to file tax returns in March each year.
- Employees do not make separate social security contributions. However employers pay social security contribution on all remuneration paid for dependent personal services. For the income year 2008 the general rate is 5.34 percent of the taxable base. An additional 0.65 percent is payable with respect to seamen.
- Married couples and cohabiting persons who fulfill certain requirements for taxation as married couples are taxed together. Net financial revenues of both spouses are taxed in the hands of the spouse whose total income is higher.

India (2008/09 rate = 30 percent)

- Top marginal rate kicks in at 500,000 INR of taxable income. A surcharge of 10 percent applies to the total tax due if the employee's total income for the fiscal year exceeds 1,000,000 INR. Education cess at the rate of 3 percent is applicable on the amount of tax (including surcharge). The maximum marginal income tax rate on employment income is 33.99 percent including an education cess of 3 percent levied on total of tax and surcharge.
- Tax year-end is 31 March.
- An individual's tax return must be filed by 31 July immediately following 31 March, which is the end of the tax year. An individual, whose total income includes business income and where the accounts are required to be audited, has to file the return by 31 October following the tax year.
- India does not have any social security taxes.
- Married persons file tax returns as separate individuals except in certain circumstances when the income of an individual is clubbed with the income of the individual's spouse.

Indonesia (2008 rate = 5 to 35 percent)

- Top marginal rate kicks in at 200,000,000 IDR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March but can be extended to 31 May.
- Employee social security: Employee's contribution is 2 percent; while employer's mandatory contribution is 4.24 percent - 5.74 percent (depending on the industry). The employer's contribution is considered as deductible expense for the company.
- Individuals are taxed on world-wide income. Onshore bank interest, rental income and capital gains from sale of property and shares are taxed at final rates. Other onshore income and all offshore income are combined with employment income and taxed at regular rates.

Ireland (Republic Of) (2008 rate = 41 percent)

- Top marginal rate kicks in at 35,400 EUR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 31 October.
- Employee social security has two components: Pay Related Social Insurance (PRSI) is 4 percent up to an earnings cap of 50,701 EUR; health levy is 2 percent up to 100,000 EUR and 2.5 percent thereafter uncapped.
- The capital gains tax rate is 20 percent for individuals.
- Married couples file tax returns jointly. A married couple may alternatively opt to file as single persons.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Isle Of Man (2008/09 rate = 18 percent)

- Top marginal rate kicks in at 19,700 GBP for single, 38,700 GBP for married.
- Tax year-end is 5 April.
- Tax return filing due date is 6 October.
- Employee social security rate is 10 percent (weekly maximum assessable base is 695 GBP).
- There is no capital gains, gift or estate taxes.
- Married couples file joint returns, and assessments are made on a married couple as a single entity. Both husband and wife are responsible for filing the return of their income and are jointly and severally liable for any outstanding tax liability. However, either husband or wife may apply for separate assessment and will then file separate returns and pay tax liabilities separately.
- For individuals who have taxable income exceeding 569,073 GBP their tax liability is capped at 100,000 GBP.

Israel (2008 rate = 47 percent)

- Top marginal rate kicks in at 413,401 ILS.
- Tax year-end is 31 December.
- The tax return filing due date is 30 April.
- Employee social security rate is 12 percent (7 percent social security, 5 percent health insurance) on income up to 36,760 ILS.
- A municipality tax is payable based on details of the individual's residence and the charge varies from district to district.
- Married couples may elect to file tax returns jointly or separately.

Italy (2008 rate = 43 percent)

- Top marginal rate kicks in at 75.000 EUR. There may be an additional regional tax (from 0.9 percent up to 1.4 percent) and municipal tax (up to 0.8 percent) depending on the location in which the individual has his/her domicile.
- Tax year-end is 31 December.
- The filing due date is 31 July if the tax return is prepared electronically and filed by electronic submission which means by an approved intermediary. The tax return may be filed in delay within 90 days from the deadline by paying a penalty. After this time-frame of 90 days the tax return is considered omitted.
- The employee social security rate ranges from 9.19 percent to 10.19 percent of taxable compensation, depending on the classification of the employee (worker, executive, or manager) and depending upon the employer's activity.
- Capital gains are treated as miscellaneous income and depending on underlying nature of the asset may be taxed with a final tax rate at 12.5 percent (non-qualifying shareholdings) or may contribute for 40 percent to the personal income of the employee and it is consequently taxed with the Italian progressive tax rates (qualifying shareholdings).
- Real Estate tax (0.4 percent to 0.9 percent), so called ICI, is annually levied, on the cadastral value, for each property located in Italy, apart the habitual abodes that are tax exempt. Each property located in Italy is taxable, on its cadastral value, which increases the personal income of the tax payer, apart the habitual abodes that are tax exempt.
- Married couples file tax returns as separate individuals.

Jamaica (2008 rate = 25 percent)

- For non – resident individuals, Jamaica applies a flat tax rate of 25 percent.
- For resident individuals, Jamaica applies a nil rate to the first 196,872 JMD of income and a rate of 25 percent to any income exceeding 196,872 JMD.
- Tax year-end is 31 December.
- The tax return filing due date is 31 March. Extensions are at the discretion of authorities.
- Employee social security has several components: national insurance scheme (2.5 percent caps out at annual income of 500,000 JMD); national housing trust (2 percent uncapped); education tax (2 percent uncapped).
- There is no capital gains tax but there is a transfer tax on the transfers of land, leases of land and securities and beneficial interest under certain types of settlements.
- Married couples file tax returns as separate individuals. However, they may elect to attribute the wife's income to the husband.

Japan (2008 rate = 50 percent)

- Top marginal rate (40 percent) kicks in at 18,000,000 JPY of taxable income. Local inhabitant (municipal and prefectural) tax of additional 10 percent is also payable.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March. Provided there is no other income, there is no obligation to file a tax return if gross employment income is less than 20,000,000 JPY and the tax liability is settled through withholding.
- Employee social security has several components and can vary by employer and/or age of employee. General breakdown is as follows: welfare insurance (7.498 percent capped at 46,488JPY a month); health insurance (4.1 percent capped at 49,610JPY a month); employment insurance (0.6 percent uncapped).
- The capital gains from stock transactions are taxed at 20 percent (15 percent National Tax and 5 percent Local Inhabitant Tax) if the listed shares are traded through the securities company located outside Japan. However, if the listed shares are traded through the securities company located in Japan, the capital gains are taxed at 10 percent (7 percent National Tax and 3 percent Local Inhabitant Tax) for the period from January 1, 2003 to December 31, 2008 and 20 percent (15 percent National Tax and 5 percent Local Inhabitant Tax) thereafter.
- All taxpayers (including spouses and children) file tax returns separately.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Jersey (Channel Island) (2008 rate = 20 percent)

- Jersey applies a flat tax rate of 20 percent. This kicks in after relief for personal allowances dependant on circumstances.
- Tax year-end is 31 December.
- Returns are issued to taxpayers by the local authorities on the first working day in January following the end of the tax year. The return should be filed within 60 days of issue. Notices are placed in the local official Gazette in May each year advising individuals to notify the local tax authorities if they have not received a return. If a return is not filed by the final Friday of May then a penalty of 200 GBP. If however, the taxpayer has engaged a professional agent to complete the return, then the deadline is extended to the final Friday in July, where the 200 GBP penalty is imposed if the return is not submitted by this deadline.
- Jersey social security rate is 6 percent (monthly maximum assessable base is approximately 3,000 GBP – maximum for 2008 is 3,394 GBP).
- There is no capital gains, gift or estate taxes.
- Married couples generally file tax returns jointly. Separate filing is possible upon request; however, there must be no reduction in tax liability gained by separate assessment.

Kazakhstan (2008 rate = 10 percent)

- Flat tax of 10 percent introduced in 2007.
- Tax year-end is 31 December.
- The tax return filing due date is 31 March. Official filing extensions are not typically granted to individuals. However, individuals may gain a de facto extension by filing a nil tax return by the filing deadline and then submitting an amended tax return at a later date.
- There is no employee-paid portion of social tax in Kazakhstan. However, local employees should remit 10 percent of their gross salaries as obligatory contributions to a pension fund. Currently, the maximum monthly amount of income subject to obligatory pension contributions is approximately 7,500 USD.
- Gains on the sales of stocks and bonds that have an official "A" or "B" rating on the Kazakhstan Stock Exchange are not subject to taxation. Gains from sales of real estate owned for at least one year are also not taxable in Kazakhstan.
- There are no inheritance and gift taxes in Kazakhstan. The value of property received by an individual as a gift or inheritance from another individual is not subject to income tax.

Korea (Republic) (2008 rate = 35 percent)

- Top marginal rate kicks in at 88,000,000 KRW of taxable income. Individuals are also assessed a resident surtax at the rate of 10 percent of the income tax liability.
- Instead of the regular progressive tax rates, foreigners can elect flat tax rate (17 percent) in calculating their taxes on Korea-sourced earned income. When flat tax rate is elected, no deductions or credits are allowed (as such, flat tax rate election is generally beneficial to high income individuals earning approximately 300,000,000 KRW or more annually).
- Tax year-end is 31 December.
- The tax return filing due date is 31 May of the year following the tax year. If the taxpayer's only source of income is earned income on which the employer withholds taxes, the year-end withholding tax reconciliation statement submitted by the employer (by the end of February of the year following the tax year) on behalf of the employee is deemed to be the final return and no further return is required.
- Employee social security has several components: national pension (4.5 percent capped at 162,000 KRW a month); employment insurance (0.45 percent); health insurance (2.64287 percent capped at 1,738,744 KRW a month).
- Capital gains tax is charged using either flat rates or a progressive schedule, depending on the category of assets. There is preferential treatment for securities.
- As a rule, Korea has only one filing status. Accordingly, married couples file tax returns individually and the income of a child is reported under the name of the child.

Kuwait (no income tax)

Social Security

For Kuwaiti national employees, the employer is required to make monthly social security contribution of 11 percent of the salary of the staff to the Ministry of Social Affairs (MOSA). The employee is also required to contribute 7 percent of his salary for this purpose. The employee's contribution is deducted from the salary of the employee and the employer is expected to ensure that the above contributions are made on a timely basis. The above contribution is required for a maximum salary limit of 1,250 KD for the employee.

Latvia (2008 rate = 25 percent)

- Latvia has a 25 percent flat tax on employment income (15 percent on self-employment income).
- Tax year-end is 31 December.
- Employee social security rate is 9 percent.

Lithuania (2008 rate = 24 percent)

- Lithuania has a 24 percent flat tax.
- Tax year-end is 31 December.
- Tax return filing due date is 1 May.
- Individual capital gains tax rate is 15 percent.
- Employee social security rate is 3 percent.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Luxembourg (2008 rate = 38 percent)

- Top marginal rate kicks in at 36,570 EUR of taxable income. The income tax due is increased by a surcharge of 2.5 percent for the benefit of the employment fund.
- Tax year-end is 31 December.
- Tax return filing due date is 31 March.
- Employee social security rate for sickness (2.8 percent) and pension (8 percent) apply up to annual salary of 96,179.40 EUR. Employees are also subject to a dependence insurance (1.4 percent) uncapped, calculated on the gross salary minus an annual deduction of 4,808.40 EUR. The dependency insurance is not tax deductible.
- Married couples file tax returns jointly.

Macedonia (Republic of)

(2008 rate = 10 percent)

Malaysia

(2008 rate = 28 percent)

- Top marginal rate kicks in at 250,000 MYR of taxable income.
- Tax year-end is 31 December.
- Tax return filing due date is 30 April (for non business income) and 30 June (for business income) with no further extension of time.
- Malaysia has adopted the territorial scope of taxation, i.e. only income accruing in or derived from Malaysia is taxable in Malaysia. There is no wealth, net worth taxes, or other municipal taxes.
- Employee and employer 's social security rate is 11 percent and 12 percent respectively. The scheme is the Employee Provident Fund (EPF) which is more akin to a retirement fund established by the Government and all Malaysians have to be contributors to EPF.
- Married couples may choose to file tax returns jointly or separately.

Malta (2008 rate = 35 percent)

- Top marginal rate kicks in at 10,000 MTL of taxable income (Married Filing Joint), 6,750 MTL for all other filers
- Tax year-end is 31 December.
- The Commissioner of Inland Revenue requires that individuals are to submit a return by the 30 June.
- Special contributions are payable under the Social Security Act in respect of employers, employees and self employed persons. In the case of employees, a contribution is payable by the employee at a rate of 10 percent of his/her basic wage up to a maximum of 13.16 MTL per week and a contribution by the employer at the rate of 10 percent of the employee's basic wage up to a maximum of 13.16 MTL per week. The employee's contribution is deducted from his/her wage by the employer who then adds his/her contribution and pays the whole to the Government on a monthly basis along with FSS income tax deductions.
- Income tax is imposed on capital gains derived from the transfer of ownership of the following assets: Real property, Securities (company shares that do not provide for a fixed rate of return and are not quoted on the Maltese stock exchange), Business goodwill, Copyrights, patents, trademarks and trade names.
- Duty on documents is levied on the transfer of immovable property or shares held in Maltese companies.
- Duty is levied at 2 percent on transfers of marketable securities including transfers on inheritance. Transfers of foreign marketable securities done through a local bank are exempt from the duty.
- Duty at the rate of 2.6 percent is also levied on the assignment of any debt where such debt is repayable over a period that exceeds 16 years.
- Married couples file tax returns jointly.

Mexico (2008 rate = 28 percent)

- Top marginal rate kicks in at approximately 32,737 MXP monthly (392,842 MXP annual) taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 30 April, following the end of the tax year.
- In general, individual income tax is withheld on a monthly basis from compensation payments. All Mexican employers are required to withhold the tax. Where there is no Mexican employer, that is, the compensation is paid and borne by a foreign company; the individual is responsible for the payment of the tax on a monthly basis via the Internet (Mexican personal bank account) on all compensation received from the foreign employer.
- Employee social insurance rate 2.73 percent but annual contributions capped at 13,122 MXP.
- Married couples should file tax returns as separate individuals.

Netherlands (2008 rate = 52 percent)

- Top marginal rate kicks in at approximately 53,860 EUR of taxable income.
- Tax year-end is 31 December.
- The tax office sends a form to the taxpayer ("aangiftebiljet") after the end of the year, usually in February, consisting of a questionnaire seeking responses to questions concerning income, family circumstances, expenses to be deducted and the wages tax that has been withheld. The form must be returned by 1 April, unless there has been a request for an extension.
- There are various amounts payable and it is not possible to quote a single rate for social insurance purposes. The employed persons' insurance schemes are compulsory for those employees who perform their activities within The Netherlands, or who live in The Netherlands and have a resident employer. A typical rate payable by an employee is approximately 5.2 percent (with a maximum salary of 31,122 EUR) that covers unemployment contributions. However, the rate varies depending upon the nature of the employment.
- Municipal tax (property tax) is assessed on the owner of real property according to the value of the property (generally range is 350 EUR to 600 EUR per year for both). The rates vary from town to town.
- Inheritance tax is levied on the net assets inherited from a person who is a resident of the Netherlands or who died as a Dutch citizen within ten years of leaving the Netherlands. The inheritance tax imposes less of a burden on close family members compared with that imposed on distant relatives or unrelated persons. Specific tax advice is required for estate planning.
- Property tax is levied on the owner of real property. The rates depend on the value of the property and vary from town to town.
- Married couples (fiscal partners) file tax returns as separate individuals, however unmarried couples living together on the same address for more than half a year, can elect to be treated as fiscal partners too.

KPMG's Individual Tax Rate Survey:

Footnotes continued

New Zealand (2008/09 rate = 39 percent)

- Top marginal rate kicks in at approximately 60,000 NZD of taxable income.
- Tax year-end is 31 March.
- Returns are usually required to be filed by 7 July following balance date (31 March following tax year end if an extension of time arrangement has been made through a tax agent).
- All employees are subject to workplace accident compensation (an ACC earner levy). This is included within PAYE deductions forwarded to the IRD. From 1 April 2008, the earner levy rate is 1.4 percent but capped at maximum annual earnings of 102,932NZD. Once an employee's earnings exceed this amount there is no further amount to pay. Employers are also subject to a levy, determined by the nature of their industry, and administered by the Accident Compensation Corporation (outside of the tax system).
- New Zealand does not have a comprehensive capital gains tax regime. However, certain gains that would normally be considered to be capital in nature are taxed as ordinary income. These include: Gains on the sale of real and personal property that was acquired with the purpose of resale or was generally acquired as part of a profit-making activity. Gains on financial arrangements including any profit on realization and gains arising from foreign exchange fluctuations. Losses are subject to the normal tests of deductibility.
- In New Zealand, each individual taxpayer is taxed separately. There is no provision for the aggregation of the income of spouses.

Norway (2008 rate = 47.8 percent)

- Generally, the top marginal rate kicks in at approximately 682,500 NOK of gross taxable income.
- Tax year-end is 31 December.
- Foreign nationals working for foreign employers with income taxable in Norway have a duty to submit a tax return by the end of March in the year following the income year. Spouses may deliver a joint tax return. There is no tax computation on the return, and no payment of taxes due with the return. The assessment will normally be made public in October the same year.
- All individuals who are considered as employees of a Norwegian employer do not have to file a tax return in March. A completed pre-printed income tax return will be mailed to all taxpayers in the beginning of April. This return has to be checked and reviewed by the taxpayer. The revised tax return has to be signed and returned to the tax authorities by 30 April.
- The employee has to pay 7.8 percent (uncapped) on gross income to the social security scheme. The contribution is included in the general tax assessment.
- Gains deriving from the sale of shares are liable to taxation as ordinary income, and a loss is deductible (at the rate of 28 percent). Please note that shares acquired below market value from the employer will be taxed at the marginal tax rate of 47.8 percent. The same tax rate of 28 percent applies for interest income and interest deduction.
- Married couple may file jointly or separately.

Oman (no income tax)

- Although there is no individual income tax in Oman, foreign nationals carrying on businesses or professions as sole proprietors are liable to tax on the profits earned from such businesses or professions.

Pakistan

(2008 rate = 20 percent)

- The top marginal rate kicks in at approximately 8,400,000 PKR of taxable income for salaried class workers.
- Tax year-end is 31 December.

Panama (2008 rate = 22 percent)

- The top marginal rate kicks in at approximately 30,000 PAB of taxable income.
- Tax year-end is 31 December.
- Tax filing due date is 15 March
- Social insurance employee rate payable is 8 percent.
- 10 percent on capital gain on sale of movable goods or real property held for more than two years.

Short term capital gains are considered ordinary income.

- This is payable at 1.50 percent by the employer and 1.25 percent by the employee.
- Married couples generally file tax returns as separate individuals. However, they may choose to report their income and pay any tax due jointly.

Papua New Guinea (2008 rate = 42 percent)

- The top marginal rate kicks in at approximately 250,000 PKG of taxable income.
- Tax year-end is 31 December.
- Individuals who do not lodge an income tax return through an approved tax agent must lodge a return within two months of the end of the year of income (such as, 28 February). Individuals lodging through an approved tax agent usually lodge within six months of the end of the year of income (such as, 30 June). Where the only income derived by an individual is salary or wages, and salary or wages tax has been paid, income tax returns are not required to be lodged.
- There is no social security in Papua New Guinea
- Married couples file tax returns as separate individuals.

Paraguay

(2008 rate = 10 percent)

- Individual income tax on salaries and other income was introduced in 2006, (brought into effect in 2007) at a top rate of 10 percent on employment income, interest, capital gains from property and on 50 percent of dividends received from Paraguayan companies.

Peru (2008 rate = 30 percent)

- The top marginal rate kicks in at approximately 54 tax units (one tax united is approximately 3,400 PEN)
- Tax year-end is 31 December.
- Tax filing due date 31 March
- The employee social security rate payable in 2006 is 13 percent for the National Pension Plan or approximately 12.5 percent for the Private Pension Plan.
- Married couples generally file tax returns as separate individuals. However, they can elect to file a joint return.

Philippines

(2008 rate = 32 percent)

- The top marginal rate kicks in at approximately 500,000 PHP.
- Tax year-end is 31 December.
- Tax filing due date 15 April
- Fringe benefits granted by the employer to the employee are generally subject to 32 percent Fringe Benefits Tax
- Employee social insurance maximum is 875 PHP per month.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Poland (2008 rate = 40 percent)

- The top marginal rate kicks in at approximately 85,528 PLN.
- Tax year-end is 31 December.
- Tax filing due date 30 April. Monthly advance payment requirement applies to income derived from foreign employment contracts (due by the 20th of the following month the income was earned, except for the income earned in December).
- Employee social insurance maximum rate up to 13.71 percent.
- As a general rule, spouses are taxed separately on their income. However, spouses may file a joint tax return at their request.
- You may be interested to know that for 2009, the rates of tax in Poland will change to 18 percent and 32 percent (top rate).

Portugal (2008 rate = 42 percent)

- The top marginal rate kicks in at approximately 62,546 EUR.
- Tax year-end is 31 December.
- The tax return filing due date is 15 March (if filed in paper) or 15 April (if filed through the internet) if only employment and/or pension income is received, or 30 April (if filed in paper) or 25 May (if filed through the internet) if any other type of income is also reported.
- Portuguese resident and non resident employees are liable to social security contributions at a rate of 11 percent on their gross remuneration.
- Gains arising from the sale of real estate and other intellectual property by tax residents are subject to taxation at marginal rates. With regards to the sale of real estate, the taxation at the normal rates applies only on 50 percent of the gain.
- Capital gains on the sale of shares may be tax exempt if shares are held for more than 12 months (some limitations applies); for shares held for less than 12 months a 10 percent flat rate applies.
- Generally, investment income is taxed at flat rates (20 percent).
- Unless the spouses claim that they no longer live together due to a break up of the marriage, married couples file tax returns jointly according to an income splitting system which allows the couple to combine their income and then split it by a factor of two for the purpose of applying the progressive tax rates. However, married couples may also file separate tax returns (indicating their personal status as if they were separated) if one of the spouses spent less than 183 days in Portugal during the relevant tax year and provided that he demonstrates that most of his economic activities are not linked to the Portuguese territory.

Qatar (no income tax)

- Qatar levies no taxes on employment income, dividends, royalties, profits, capital gains, wealth, property, or transfers, including death duties.
- Employee social security rate is 5 percent for Qatari local employees. No payments are due for expatriate employees.

Romania (2008 rate = 16 percent)

- Romania applies flat tax rate of 16 percent.
- Tax year-end is 31 December.
- Annual filing due date 31 March however individuals employed by a non-Romanian entity and assigned to work in Romania have a personal obligation to calculate, declare and pay the Romanian income tax on a monthly basis, by 25th of the following month.
- Employee social insurance maximum rate upwards of 17 percent
- Capital gain tax is included in the personal income tax. Capital gain is taxable only if occurred from the sale of securities or sale of real estate. The capital gains tax rate is currently 16 percent, although a 1 rate is available for "long-term investments".

Russia (2008 rate = 13 percent)

- Russia applies flat tax rate of 13 percent.
- Tax year-end is 31 December.
- The filing deadline is 30 April of the following year.
- Nine percent income tax rate applies to dividend income.
- No employee social security contributions are payable (all employer provided).

Saudi Arabia (no income tax)

- Employment income derived from wages, salaries, fees, allowances, bonuses, rewards including director's fees derived by expatriate employees are not subject to taxation in Saudi Arabia.
- Non-Saudi nationals are taxed on income from self-employment, income from capital investment, and income from any activity conducted in the Kingdom of Saudi Arabia. (Tax rate is 20 percent).
- Saudi nationals are exempt from the payment of income tax but are instead subject to the payment of Zakat. Zakat is a religious tax and is assessed on earnings and holdings. (Zakat rate is 2,5 percent).
- Tax year end is usually 31 December.
- The tax return must be filed within 120 days of the end of the financial year.
- There is a 9 percent employee contribution plus a 9 percent employer contribution to the General Organization Social Insurance (GOSI) in Saudi Arabia for all Saudi employees. There is an additional 2 percent occupational hazard charge payable to GOSI for all employees (Saudi and expatriates.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Serbia

(2008 rates = 12 percent - withholding tax on salaries; 10 percent, 15 percent - annual income tax)

- Annual income tax rate of 15 percent kicks in when taxable income exceeds:
  - Six annual average salaries for citizens (approximately 42,560 EUR);
  - Eight average salaries for non - citizens (approximately 56,775 EUR).
- Tax year-end is 31 December.
- Tax return filing due date is 15 March of the current year for the previous year.
- Non-taxable amounts are announced by Serbian Government up to 31 January of the current year for the previous year.
- Married couples file returns separately.
- Employee in Serbia is liable for salary tax at the rate of 12 percent. Employer is obligated to calculate, withheld, and pay salary tax on behalf of employee at the moment of salary payment.
- Employer is obliged to calculate, withheld and pay social security contributions on behalf of employee. Social security rates are 11 percent for pension and disability insurance, 6.15 percent for health insurance and 0.75 percent for unemployment insurance.
- Capital gains are taxed at the rate of 20 percent, but are not subject to annual taxation.

Singapore (2008 rate = 20 percent)

- Top marginal rate kicks in at 320,000 SGD of taxable income.
- Tax year-end is 31 December.
- Returns are to be filed by 15 April of the year of assessment. Extension beyond 15 April is generally allowed if there are valid reasons.
- Social security or Central Provident Fund (CPF) contributions are mandatory for Singapore citizens or permanent residents who are employed in Singapore. For 2008, the employee is generally required to contribute to the CPF at 20 percent of his/her ordinary wages, subject to an annual wage cap of 54,000 SGD (76,500 SGD when considering additional wages (such as bonus)).
- Capital gains are not subject to tax in Singapore. There are property tax and goods & services tax.
- Married couples are assessed as separate individuals.

Slovakia (2008 rate = 19 percent)

- Since 1 January 2004 the progressive tax rates were replaced by the flat tax rate of 19 percent.
- Tax year-end is 31 December.
- Returns are to be filed by 31 March following the calendar year, extensions are available.
- The social security calculation involves many contribution categories calculated with their own percentage and income caps, some are uncapped. Employee contributions are 13.4 percent but caps out at relatively low level of income. Employer contributions are 35.2 percent out of which 0.8 percent is uncapped.

Slovenia (2008 rate = 41 percent)

- The highest marginal tax rate is 41 percent starting at 14,375 EUR.
- Tax year-end is 31 December.
- Returns are to be filed by 31 March following the calendar year.
- Social Security – employee contribution is upwards of 22.1 percent uncapped.
- Dividends, interest and capital gains are taxed at a flat rate. The tax rate for dividends is 20 percent and for interest income 15 percent (20 percent after 2007). Capital gain tax for individuals is 5 percent-20 percent, depending on the holding period before selling, for holding period longer than 20 years the tax rate is 0 percent.

South Africa (2008/09 rate = 40 percent)

- Top marginal rate kicks in at 490,000 ZAR.
- Tax year-end is at 28 or 29 February.
- The tax return should be filed within 60 days of the date of issue of the return. Generally this means the return needs to be filed by early July. EFiling was recently introduced, which has changed the filing deadline timing somewhat. Filing can only be done for individuals for the 2008 tax year from 1 September 2008, and the deadline applicable is January 2009 or February 2009, depending on the individual's status.
- In general, there is no social security system in South Africa. However, private sector employees must make contributions to the unemployment insurance fund, which provides limited benefits if they become unemployed. The rate is currently 2 percent of remuneration paid to the employee. The employer and employee contribute equally to the monthly contribution (such as, 1 percent each). The 2 percent contribution is levied on the first 11,662 ZAR, remuneration paid to an employee during a month. To the extent that an individual earns more than this amount, he/she will pay the capped amount.
- A Skills Development Levy is payable by employers at a rate of 1 percent of taxable remuneration.
- Stamp duty at a rate of 0.25 percent is levied on the transfer of marketable securities, such as, shares. It is payable by the purchaser.
- Taxes on capital gains are payable by all South African tax residents on all capital gains accrued after 1 October 2001 from any assets, irrespective of where the asset is held. In the case of an individual, 25 percent of the gain, less a 15,000 ZAR exemption, is added to taxable income in a particular year and taxed at the individual's marginal tax rates.
- Donations tax is levied at 20 percent on the value of property donated. The tax is levied on the donor. The first 100,000 ZAR of property donated each year by a natural person is exempt. This is only applicable to donations made by tax residents.
- Transfer duty is payable on the purchase of immovable property (the maximum applicable rate is 8 percent). There are minimum limits applicable to determine the total amount applicable.
- Married couples file tax returns as separate individuals. Individuals married in community of property are however taxed on 50 percent of the total passive income or income from a trade earned between them, in their individual returns.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Spain (2008 rate = 43 percent)

- Top marginal rate kicks in at 53,407 EUR.
- The Spanish tax year runs from 1st January to 31st December, and employees must submit their declarations between 1st May and 30th June of the following year.
- Wealth tax or Impuesto sobre El Patrimonio is a regional tax, which must be paid in addition to income tax (and at the same time) and is levied on residents and non-residents alike, although it affects non-residents differently.
- Employee social security rate is upwards of 6.35 percent but annual contribution caps out at approximately 2,350 EUR.

Sri Lanka (2008/09 rate = 35 percent)

- Top marginal rate kicks in at 1,600,000 LKR.
- Tax year-end is at 31 March.
- The filing date is 30 September following the year of assessment. No extension available.
- Employee contributions are made of 8 percent to the Employees' Provident Fund. Expatriates who contribute to a foreign fund may be exempted from Employees' Provident Fund contributions.
- A local tax is levied on property. This tax is called "rates" and is based on the rental value of property. Rates vary from one locality to another.

Sweden (2008 rate = 55 percent)

- Top marginal rate kicks in at 495,000 SEK of taxable income
- Tax year-end is at 31 December
- The filing date is 2 May following the income year. Extensions are available.
- Sweden has a comprehensive social security system including retirement pension insurance, health insurance, parenthood insurance, survivor's pension insurance, rehabilitation insurance and occupational accident insurance. Both employers and employees contribute to the social charges. Employee rates can be up to 7 percent, capped at SEK 387,360 (maximum contribution SEK 27,100). A tax credit of 100 percent of the employee social security contributions is granted.
- Church tax is included in the municipal tax system. Municipal tax is slightly reduced if the payer is not a member of the Swedish Church or other religious community.
- From 1 January 2008 Real Property Tax on Private Residences is abolished and replaced with a Municipal Property Fee. The Municipal Property Fee for a house is SEK 6,000 with maximum fee of 0.75 percent of the assessed value.

Switzerland

(2008 rate = 11.5 percent federal, canton/communal vary significantly (e.g. 39.97 percent combined rate for Zurich city))

- While higher marginal rates can kick in at lower income levels, the top effective Federal rate of 11.5 percent starts at 712,500 CHF for single taxpayers. This does not include Cantonal, Communal or Church taxes which can vary significantly. Combined highest marginal rate ranges from approximately 20 percent to 43 percent.
- Tax year-end is at 31 December
- Filing deadlines vary by Canton, generally end of March with extension available.
- Employee social security rate is 5.05 percent uncapped and 1 percent capped at annual income of 126,000 CHF.
- Capital gains taxes are generally not levied on the sale of securities in Switzerland unless an individual is deemed to be a "securities dealer". Most cantons will, however, levy capital gains taxes on the gains relating to the sale of Swiss immovable property (for example real estate or businesses that are located in Switzerland).
- Switzerland applies a wealth which varies from Canton to Canton. It is mostly progressive and depends on the total value of the net assets.
- Married couples file jointly.

Taiwan (2008 rate = 40 percent)

- Top marginal rate kicks in at 4,090,000TWD.
- Tax year-end is at 31 December.
- The filing date is 31 May following the income year with no extensions.
- There is no social insurance program in Taiwan. However, the labor and health insurance program is the closest in content. Annual contributions are capped at approximately 48,225 TWD.
- Capital gains, other than gains from securities and land, will be taxed at the regular income tax rate. Gains from securities and land are not subject to income tax, but securities transfer tax and land value increment tax will be imposed.
- Married couples have to file jointly (tax can be separately calculated).

Thailand (2008 rate = 37 percent)

- Top marginal rate kicks in at 4,000,000 THB.
- Tax year-end is at 31 December.
- The filing date is 31 March following the income year.
- Employees pay contributions to the Social Security Fund at 5.0 percent, subject to a maximum contribution of 750 THB (5.0 percent of 15,000 THB) per month.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Turkey (2008 rate = 35 percent)

- Top marginal rate kicks in at 44,700 TRY
- Tax year-end is at 31 December
- Tax filing due date is 25 March.
- Social insurance system contributions for the employee are 15 percent. Monthly contributions cap out at approximately 4,151.70 TRY.
- Both spouses must file their income tax returns individually.

Ukraine (2008 rate = 15 percent)

- Applies flat tax of 15 percent. (remuneration paid by a foreign entity to an individual who are tax non - resident in Ukraine for his/her work in Ukraine is subject to tax at 30 percent).
- Tax year-end is at 31 December
- Tax return filing due date is 31 March of the year following the reporting one.

Employee social security contributions are 3.5 percent of the gross salary. However, the taxable base for these contributions is currently capped at 9,705 UAH (approximately 2,156 USD) (10,035 UAH (approximately 2,230 USD) from 1 October 2008) per month. For salaries exceeding this threshold, the contributions are calculated based on 9,705 UAH rather than on the actual gross amount.

United Arab Emirates (no income tax)

- Individual income tax not assessed. There is no capital gains tax for individuals. The capital gains income of businesses is taxed as ordinary business income (regarding banks and oil companies). Social security taxes are not imposed on individuals.

United Kingdom (2008/09 rate = 40 percent)

- Top marginal rate kicks in at 36,000 GBP.
- Tax year-end is April 5.
- The deadline for submission of tax returns is 31 January following the end of the year of assessment, by which time payment of any additional tax for the year should also be made. However, if the taxpayer wishes HMRC to calculate the tax liability, the tax return must be lodged by the earlier date of 30 September.
- Employee social security (NIC) is payable at a rate of 11 percent on compensation between 100 GBP and 770 GBP per week. A further liability at the rate of 1 percent arises on all earnings above 770 GBP per week.
- UK allows for some preferential tax treatment on capital gains – for instance, first 9,200 GBP are tax free.
- UK applies a council tax on property; this local tax is based on the value of an individual's home. The charge varies from district to district. A similar tax applies to secondary residences.
- The sale or other transfer of real estate within the UK is subject to Stamp Duty Land Tax (at rates up to 4 percent) if the asset transferred is valued at over 175,000 GBP for residential property or 150,000 GBP for nonresidential property.
- Married couples file tax returns as separate individuals.

United States

(2008 rate = 35 percent federal, state / local rates vary significantly and generally range from 0 to 10 percent)

- Top marginal rate kicks in at 357,700 USD (for all filing statuses except Married Filing Separate, which reaches the top marginal rate at 178,850 USD). Each state and local government in the United States has its own set of rules with respect to taxing income (and real and personal property and consumption).
- Tax year-end is at 31 December
- Filing deadline is April 15 of the following year. A six-month automatic extension extends the time to file the tax return but not to pay the tax.
- The U.S. social security tax (often referred to as "FICA", for Federal Insurance Contributions Act) consists of two parts, each of which is imposed at the same rate against the employer and the employee. Tax at the rate of 6.2 percent is applied against the wage base for Old Age, Survivors and Disability Insurance (OASDI). The wage base consists of all compensation income, not adjusted by any contributions to qualified retirement plans, up to a maximum amount. The OASDI maximum wage base for 2008 is 102,000 USD. In addition, a tax of 1.45 percent is applied for Medicare (hospital insurance). There is no limit to the amount of wages subject to the 1.45 percent Medicare tax. The employer withholds the employee's FICA taxes from his or her wages, and remits the amount withheld, together with the employer's equal contribution, to the IRS.
- In addition to the social security taxes discussed above, federal and state unemployment tax may be imposed on every employer with respect to individuals in their employ.
- Generally, capital gains on assets held for more than 12 months are taxed at a maximum rate of 15 percent, and if held 12 months or less are taxed at regular income tax rates. "Qualified" dividends (dividends received from a domestic corporation or a qualified foreign corporation) are also taxed at 15 percent.
- An individual holding real property in the United States may be subject to real estate tax at a rate determined by the jurisdiction where the property is located.
- Married couples may elect to file tax returns jointly or separately.

KPMG's Individual Tax Rate Survey:

Footnotes continued

Uruguay (2008 rate = 25 percent)

- Top marginal rate kicks in at 2,130,000 UYU.
- Personal Income Tax (Impuesto a las Personas Físicas - IRPF) came into force and effect in Uruguay on 1 July 2007. IRPF is an annual tax levied over the Uruguayan source income obtained by resident individuals, defined as those staying in Uruguay more than 183 days per calendar year or having in Uruguay the centre of their economic or vital interests. The new tax is structured under a dual system which distinguishes between capital income and labor income:

  – Capital income of Uruguayan source is taxed at a flat rate of 12 percent, with reduced rates of 3 percent and 5 percent applying over interest obtained from certain bank deposits or local securities. Exemptions have also been established for some types of capital income. Capital income of foreign source (i.e. interest received from foreign loans, deposits or securities, dividends from shares in foreign companies, etc.) is not subject to tax in Uruguay.

  – Labor income, is taxed at progressive rates (from 10 percent to 25 percent), with a very low non-taxable minimum (approximately 5600 USD annually at the current exchange rates). In this case the new tax applies basically over the total remuneration obtained by resident individuals for labor activities developed in Uruguayan territory, with very few admitted deductions (the main ones consisting in amounts paid for Social Security Contributions and a notional amount of medical expenses of approximately 500 USD annually for each dependent child). For IRPF purposes, the labor income category includes all revenues obtained from the provision of personal services, whether as an employed or as a self-employed worker. In the case of employed workers, this category is specifically defined as including all income in cash or kind, whether obtained on a regular or extraordinary basis, generated by resident individuals for their activities under a labor relationship or on occasion of a labor relationship. Employers have been appointed as withholding agents of the IRPF that applies over the monthly remunerations paid to their employees.

- Tax year-end is at 31 December and the tax returns have to be filed by May. However, in the case of labor income monthly withholdings are applied by the employer and in most cases the employee will not have to file a tax return himself.
- Compensation paid to employees for personal activities developed in Uruguay is also subject to social security contributions. These contributions are paid monthly, charged on both employers and employees (employees´ contributions are withheld by the employer from their salaries). The current rates are the following (basically applied over monthly remunerations):

  Employer contributions:

- Pension Fund: 7.5 percent (does not apply over portion of monthly salaries in excess of approximately 2,500 USD).
- Health Service: 5 percent.
- Labor Fund: 0.125 percent.

  Employee contributions:

- Pension Fund: 12.5 percent (does not apply over portion of monthly salaries in excess of approximately 2,500 USD).
- Health Service:

  – 3.0 percent (if employees monthly remuneration is less than approx. 222 USD).

  – 4.5 percent (if employees monthly remuneration is higher than approx. 222 USD and has no dependent children).

  – 6 percent (if employees monthly remuneration is higher than approx. 222 USD and has dependant children).

- Labor Fund: 0.125 percent.

Venezuela (2008 rate = 34 percent)

- Top marginal rate kicks in at 6,000 Fiscal Units (128,372 USD for 2008 tax year) for tax residents. For non residents the tax rate is flat 34 percent on any amount. The value of a Fiscal Unit is adjusted for inflation on an annual basis, in accordance with the Caracas consumer price index.
- Tax year-end is at 31 December.
- Filing deadline is 31 March of the following year with no extension available.
- Employee social security rate is 4 percent. Unemployment insurance rate is 0.5 percent; the maximum ceiling tax contributions set at 5 minimum salaries (1,858.67 USD) and 10 minimum salaries (3,717.35 USD) respectively. Minimum salary is currently 799.23 VEF/ 371.73 USD.
- An employee who owns a residence in Venezuela must pay municipal real estate tax.
- Inheritance and gift tax is levied at rates that vary depending on the relationship of the beneficiary to the deceased or donor
- A housing development tax is computed for a resident employee's monthly basic salary at a flat rate of 1 percent (for employees' contributions).
- No wealth tax.
- No expatriate tax concessions.

Vietnam (2008 rate = 40 percent)

- Top marginal rate kicks in at 40,000,000 VND per month for citizens 80,000,000 VND per month for non-citizens.
- Tax year-end is at 31 December.
- The employer is required to withhold Personal Income Tax on a monthly basis. Monthly tax withheld by the employer from the employee shall be declared and remitted to the local tax department by the 20th of the following month. Monthly provisional Personal Income Tax is calculated on that month's income and finalized at the end of the calendar year when the annual tax return is filed (that is, on or before 31st March of the following year). Any tax shortage based on the annual tax return shall be remitted to the local tax department by the same date of submission of the annual tax return.
- For irregular income, the paying income bodies must withhold and make a tax declaration and payment within 10 days from the date of paying such income.
- Any capital gain arising from the transfer of equity in a joint venture enterprise may be subject to capital gains tax.
- Only Vietnamese employees are required to make contributions to the Social and Health Insurance Funds on a monthly basis. The rates are 6 percent and 17 percent for shares of the employee and the employer, respectively.
- The income subject to social insurance is capped at 20 times the minimum salary which is currently set at VND540,000. Whilst the base of health insurance is the monthly contractual income.
- Foreign employees are not required to contribute any state social security or insurance levy.

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Publication name: KPMG's Individual Tax Rate Survey 2008

Publication number: RRD-103821

Publication date: October 2008