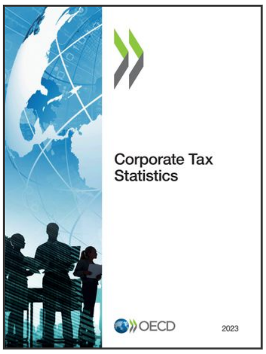
Executive summary

***Corporate Tax Statistics* is an annual publication intended to assist in the study of corporate tax policy and expand the quality and range of data available for the analysis of base erosion and profit shifting (BEPS).** This includes data on corporate tax rates, revenues, effective tax rates, and tax incentives for research and development (R&D) and innovation, withholding tax rates, Intellectual Property (IP) regimes, and tax treaties. *Corporate Tax Statistics* also includes anonymised and aggregated Country-by-Country Reporting (CbCR) data providing an overview on the global tax and economic activities of thousands of multinational enterprise groups operating worldwide.

This year's publication includes several expansions to the available data. Two years of CbCR data are provided in this edition, improving the timeliness of the data. The data also include new data in on low-taxed profit globally through an expansion of Table 5 of the CbCR data. A new database of tax treaties is included for the first time, as well as a significant expansion in the coverage of the data on statutory tax rates. The main findings of the report are as follows:

- **Corporate tax revenues continue to make an important contribution to jurisdictions' economies.** In 2020, the share of corporate tax revenues in total tax revenues was 15.1% on average across the 116 jurisdictions for which corporate tax revenues are available in the database, and the share of these revenues as a percentage of Gross Domestic Product (GDP) was 3.0% on average.
- **The data point to a stabilisation of corporate tax rates in recent years.** Statutory corporate income tax (STR) rates remain stable in the period between 2021 and 2023, arresting their long-term decline over the last two decades, though rates remain far below historic averages. The average combined (central and sub-central government) statutory tax rate for all 141 Inclusive Framework jurisdictions declined dramatically from 28.1% in 2000 to 21.3% in 2020. However, it remained at 21.1% in 2021, 2022, and 2023.
- **However, the Effective Average Tax Rate (EATR) has continued to decline modestly in recent years.** Looking at the development of the composite EATR from 2017 and 2022, the unweighted average composite EATR has declined steadily over this period (1.5 p.p.), from 21.7% in 2017 to 20.2% in 2022.
- Some signs of stabilisation of corporate tax rates could also be seen in a stabilization of the tax subsidies being provided for R&D investments in recent years. While R&D incentives can provide important tax support for R&D and innovation, they also often been seen as a means of attracting mobile intangible investment which can be subject to strong competitive pressures. Tax subsidies for R&D have stabilised in recent years, with the average subsidy reducing EATRs for R&D by 34.8% in 2020, 35.3% in 2021 and 34.7% in 2022.
- **This year's CbCR data improve the timeliness of the series substantially.** The 2023 release of anonymised and aggregated CbCR data contains two years of data (for financial years 2019 and 2020) in a significant step towards increased timeliness of CbCR data. It includes aggregated data on the activities of almost 7 600 multinational enterprises (MNEs) worldwide.

- The data continues to point to the existence of base erosion and profit shifting, which highlights the importance of implementing the international tax agreement. Data for Fiscal Years 2019 and 2020 continues to show a misalignment between the location where profits are reported and the location where economic activities occur. The new CbCR data show that the median value of revenues per employee in investment hubs is USD 1 710 000 as compared to just USD 290 000 for all other jurisdictions. While these effects could reflect some commercial considerations, they are also likely to indicate the existence of BEPS practices.
- **The report contains new data on low-taxed profit worldwide.** For the first time, the report includes a jurisdiction-by-jurisdiction breakdown of low-taxed profit of MNEs (defined as profit taxed at an effective tax rate below 15%) headquartered in some jurisdictions. While not all jurisdictions could provide this breakdown for confidentiality reasons, the new data highlight the presence of low-taxed profit in low-tax and high-tax jurisdictions alike, with more than half of the low-taxed profit in the new data located in jurisdictions with average Effective Tax Rates (ETR) above 15%.
- **Most IP regimes covered in the database have been found to be not harmful by the OECD Forum on Harmful Tax Practices.** Under the Action 5 BEPS peer review process, the OECD Forum on Harmful Tax Practices identified 61 IP regimes in place across 46 jurisdictions in 2023. Forty-three regimes in total were found to be not harmful; 26 of these regimes were found to be not harmful after having been amended to align with the Action 5 minimum standard.
- **The 2023 edition of *Corporate Tax Statistics* continues to expand the data available to study MNE activity.** In addition to the new CbCR data, this years' edition includes the second release of statistics on Withholding Tax rates (WHT), as well as significant increases in the coverage of the ETR and STR series. The dataset consists of tax rates on dividends, interest and royalty payments that are applicable as of the 2023 fiscal year. It also for the first time contains data on WHT tax rates under tax treaties, continuing the expansion of Corporate Tax Statistics to provide additional data to tax researchers and policymakers alike.



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