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## Effective aggregate tax burden in Slovakia<sup>\*</sup>

**Mária Marčanová**

Research Department

[maria.marcanova@nbs.sk](mailto:maria.marcanova@nbs.sk)

**Ludovít Ódor**

Research Division

[ludovit.odor@nbs.sk](mailto:ludovit.odor@nbs.sk)

### Abstract

This paper identifies some weaknesses of the commonly used methodology of macroeconomic tax burden. We propose an alternative solution, which is directly applied to Slovak data. Two key shortcomings were identified in the standard methodology. The first weakness is the definition of taxes and social-security contributions. For example it contains taxes paid by the state to its own pockets. The second problem is related to the definition of GDP, which contains indirect taxes and also the value added of the general government. Our result is that the private value added in Slovakia is taxed at approximately 27 percent.

Keywords: tax burden, tax freedom day, effective taxation, taxes

JEL classification: E62, H20, H21

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