

Estimation des trajectoires non discrétionnaires en matière d'impôt des personnes physiques

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ABSTRACT

This paper tries to measure the evolution of personal income tax (PIT) revenue over the period 1970-2009 following a no policy change scenario. On the one hand, such a study allows to estimate the role of the so-called 'composition effects' on the tax evolution, coming from the progressivity of PIT and the variation of macroeconomic tax base as a share of GDP. On the other hand, it shows the budgetary impact of fiscal policy decisions by comparing PIT revenue under unchanged policy to the observed PIT revenue. We evaluate PIT received by federal government under unchanged legislation through econometric estimation on the period 1970-2009. But we also take into account PIT levied by local governments and the recent tax relieves granted as wage subsidies and those allowed at regional level.

Estimations lead to an above unitary elasticity of PIT to growth in a no policy change scenario, due to a high progressivity effect that compensates the downward trend of the tax base as a share of GDP. On the whole period, fiscal policy decisions tend to reduce pit revenue as they are expansionary. This is especially the case in the last decade (1999-2009) but it is partially explained by the impact of the indexation of tax scales that can be considered as decision from the past. When comparing the 'no policy change PIT revenue' of the federal government to the PIT amounts transferred to the Regions and the Communities, we show that the federal government revenue was highly influenced by those transfers in the nineties, but not in the last decade. At this time, tax policy decisions mainly matter.

Keywords: personal income tax, government revenue, public finance, inter-governmental relations, Belgium

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