Who pays the tax burden in Greece ?

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Abstract

Who pays the bill? This monotonous question rises to the lips when everyone pays their attributable taxes. The question that hovers and raises concern is whether everyone pays a fair price or if at the time of payment some feel more or less "suckers." A closer look at the available data which are published by the Ministry of Finance may be enough to reveal who carries their own tax burden, who carries other people's burden and probably those who are burden free. In Greece post memoranda and austerity measures the question of "who ultimately pays the bill" seems to require an immediate response as the underground economy does exist and Tax Evasion is proven to be a deep wound in the economy.

The concept of tax evasion

American jurist Oliver Wendell Holmes Jr. said that "taxes are the price we pay in order to live in a civilized society".

Tax evasion is designated as an illegal, by any means, act or lack of it, intended to misrepresent/hide taxable income (Tsitsikas, 2010). It is considered illegal and a criminal offense [1]. It aims at the nonpayment of the attributable tax, based on the taxpaying ability of the physical or legal entity, by understating their real taxable income.[2] In general, tax evasion could be described as the illegal act of the intended concealment of taxable income and other objects of taxation, when calculating and filing the respective tax returns, as well as the nonpayment of the tax due to the relevant Public/State Authorities (eg Value Added Tax and other withholding taxes) (Manesiotis B., 1990). It is an extremely anti-social behavior, as it intensifies social inequality (Matsaganis M & Flevotomou M, 2010) and

[1] OECD - Glossary of Tax Terms, σελ. 10
[2] Oguttu A. W. (2015), OECD's action plan on tax base erosion and profit shifting: part 1, Bulletin for International Taxation, Vol. 69, No. 11, σελ. 1. Vasardani M (June 2011), Tax evasion in Greece: An Overview, Financial statement, Issue 35, Bank of Greece, p. 15. O' Shea T. (2008), EU Tax Law and Double Tax Conventions, Avoir Fiscal Limited, p. 161

promotes the "black economy". The flourishing underground economy is a problem diffused in Greek society and it is taking place through evasion and corruption which are correlated according to a study (James Alm, Jorge Martinez-Vazquez, & Chandler McClellan, 2015). According to a research conducted by the Eurobarometer in 2013 [3], and presented in a European Commission report (EUROPEAN COMMISION, 2014) relevant to corruption in Greece, 99% of the Greek citizens who were asked, replied that they consider corruption as a widely spread problem in Greece, while 63% of the people asked, believe that corruption affects their every-day life. The European average in the same questions is 76% and 26% respectively. Moreover, 93% of the Greeks asked, consider bribery and public relations to be the easiest way for someone to become a public official, while the respective European percentage is 73%.

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According to the Greek Tax Legislation [4] the crime of tax evasion is committed when the taxpayers in order to avoid paying their taxes due eg income tax, Property tax (ENFIA), Value Added Tax (VAT), Special Taxes Property (LAP), withholding and imposed taxes, fees and insurance contributions, deliberately and consciously conceal taxable material from the relevant tax authorities when submitting their tax returns either by presenting much lower taxable income / revenue due to non-recorded economic activity or by displaying exaggerated or false expenses to benefit from tax credits. Thus submitting in reality inaccurate or false tax returns to the state authorities consisting of non-payments of excise duty or other taxes on the import or export of goods (Manesiotis B, 1990).

Tax Evasion deprives the state budget of significant revenue. There is a significant negative relationship between tax evasion, corruption and tax revenue collection capacity (Nawaz, F., 2010) . It limits the ability to finance government spending and investment from internal sources, while increasing the need for external borrowing. The relatively high rates of external borrowing lead to an increase in public debt. In order for the public deficits which are caused by tax evasion to be covered, goverments quite often resort to increasing tax rates and / or reducing the quality and variety of provided services. Moreover, the intertemporal tax evasion across time creates distortions in the structure of the economy, as it affects disposable income, which in turn impacts on household decisions concerning labor supply, and the distribution of

[3] 2013 Special Eurobarometer 397
[4] Article 66, N 4174/2013 (Code of Fiscal Procedure)

income between consumption, investment and savings [5]. Ultimately tax evasion reduces the competitiveness of country's economy as a whole (Palaiologos I & Kassar G, 2003) feeding back the vicious circle of state revenue, investment, loan and competitiveness. A Countries' Fiscal policy must be countercyclical. However, Greece remains pro-cyclical as tax rates are increasing while state expenditure is being held back (Office national budget, 2016). It is generally accepted that countries which have adopted high tax rates tend to have high levels of corruption, tax evasion and finally a thriving underground economy (Claudiu Tiberiu Albulescu, , Matei Tamasila, & Ilie Mihai Taucean, 2015). Perhaps it would not be an overstatement to say that tax fraud creates the shadow economy (Arthur Snow & Gregory A. Trandel, 1993).

Tax evasion can easily be identified in income which derives from employment (Matsaganis M & Flevotomou M, 2010) and property due to the existence of a cross-check facility while it is quite difficult to trace it in some sectors of economic activity such as the Freelancers, especially if we take into account the structure of the Greek economy, which has high self-employment rate, twice the European average (IMF, 2013)
Commercial enterprises are usually audited for tax evasion matters by on site audits or investigations. In the cases wher checks of any kind are not possible , due to the lack of available data , an imputed income is calculated for tax purposes , based on certain criteria, provided for by the respective tax law.

At this point it is crucial to word the difference between tax evasion and tax avoidance . Tax evasion is distinguished from tax avoidance, as the latter consists of utilizing or circumventing the existing legislation in order for a lower tax obligation to be created (Kanellopoulos K . N, 2002) or in other words, it could be defined as the taxpayers'attempt to leggaly exploit loopholes of the law (Sandmo, A., 2004), Ultimately, the taxpayers manage to reduce their tax liability and evade the payment of taxes due *eg* by transfering income from the spouse with the higher income to the one with the lowest income. Despite the fact that the couple submits a joint tax return, the tax burden is configured separately for each spouse according to the level of their individual, income and thus it could be possible for the married couple to benefit and finally reduce total fee compared to the initial one. Another example is the transfer of usufruct property for a certain time between relatives with different revenue base. Tax avoidance doesn't have

[5] Ibid, σελ. 15

any legal consequences, since the person who avoid the obligation to pay tax , acts generally according to legislation . He/she manages to find out the weaknesses of the tax system or the possibilities offered despite the fact that maybe this is opposite from the original intent of the legislature . Tax avoidance is also highly connected, quite fairly, to tax havens. The term « tax haven » is generally used for a country with very low tax rates and flexible tax framework, making itself attractive to foreign investors (Hines James R., Jr, , 2004).

State budget revenue

Figure 1

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015*
I. Direct Taxes	16,48	18,37	18,70	19,83	20,78	21,35	20,15	20,26	21,10	20,06	20,46	19,76
1. income tax	13,31	14,17	15,01	16,09	16,59	16,51	14,22	12,88	13,31	11,49	12,21	12,09
individuals income tax	7,79	8,29	9,28	10,16	10,82	10,84	9,40	8,28	9,97	7,97	7,85	7,82
Legal Entities income tax	4,72	4,73	4,44	4,66	4,19	3,79	3,15	2,74	1,72	1,68	2,66	2,90
Other (special Categories etc.)	0,80	1,14	1,29	1,27	1,58	1,88	1,67	1,86	1,63	1,84	1,70	1,38
2. Other Income Taxes	3,18	4,20	3,70	3,74	4,19	4,84	5,94	7,38	7,79	8,57	8,26	7,67
II. Indirect taxes	23,00	23,72	26,29	28,57	30,22	28,29	31,04	28,63	26,07	24,54	23,75	23,75
1. Consumption Taxes on Domestic Product	18,17	18,55	20,37	22,19	23,80	23,76	27,15	25,11	23,15	21,47	20,81	20,78
VAT	12,03	12,36	13,80	15,15	15,84	14,83	15,58	15,08	13,58	12,53	12,19	12,13
Fuel	2,46	2,48	2,61	2,87	3,69	4,37	5,70	4,65	4,46	4,23	4,11	4,18
Tobacco	2,24	2,26	2,42	2,58	2,52	2,57	2,91	3,05	2,71	2,50	2,42	2,37
Others	1,44	1,45	1,55	1,60	1,75	1,99	2,96	2,33	2,40	2,21	2,08	2,10
2 . Other Indirect Taxes	4,83	5,18	5,92	6,38	6,42	4,53	3,89	3,53	2,92	3,07	2,95	2,97
III. Non-Tax Revenue	2,57	2,67	3,69	3,37	4,25	3,72	4,91	6,43	4,32	6,90	5,78	5,98
IV.Total revenue	42,05	44,76	48,68	51,77	55,25	53,36	56,11	55,32	51,48	51,50	50,00	49,49

Data source: Annual Report of the Bank of Greece. * Provisional data.

The strong growth of state revenue from 2004 up to 2010 (average yearly increase of 5%), except for the year 2009, was succeeded by a steady decline in the five years to follow (2010-2015) with the average reduction reaching the percentage of -2.5 %. It is worth noting that state revenue sunk in 2012, when the first Memorandum for Greece was signed, significantly contributing to the large reduction noted during the period 2011-2015 (-6.94%) (Diagram **1**

For the year 2015 total state revenue amounted to € 49.5 billion euros , which was lower by almost 12% than the total revenue of 2010. 40%Out of this amount (i.e about € 19.7 million) stemmed from direct taxes and 48 % (i.e about € 23.7 billion) from indirect taxes, with the rest being non-tax revenue (including revenue from the sale of state property)

It is characteristic that revenue from direct taxes (taxes on declared income) increased during 2015 by about 20% compared to 2004 and reduced by only 2% compared to the respective revenue figure of 2010, despite the economic crisis raging for the sixth consecutive year.

There is clearly an unequal distribution of tax burden between individuals and legal entities. The contribution of physical persons in the total state revenue is disproportionately higher than that of Legal Entities

We wouldn't be exaggerating to say individuals were obliged to contribute taxes almost equal to that of the year 2004 despite the fact that their ability to pay them has been substantially reduced from the period of the Olympic Games. On the other hand, Legal entities contributed taxes which were reduced by 38.55%.

Taking into consideration the above, it is worth to further considering the development of direct taxation, which is quite interesting especially in the recent years. If we have a more detailed look at the allocation of taxes , we would understand that the seemingly stable course is mainly caused by the increase of other taxes, rather than direct taxes, like property taxes, previous years' direct tax and other temporary taxes (Diagram **1**

The volume of direct taxes follows a constantly reducing pattern during the yerar 2015, which means that revenue coming from income tax is lower for both individuals and legal entities. In other words , the lower revenue from the ever shrinking tax base of both, individuals and legal entities, was covered by the increase in property taxes (such as ENFIA) and recurrent taxes (such as the solidarity levy). (Diagram **2**

Individuals Income

It is surprising that an unequal distribution of tax burden was observed between individuals as well. For the examined period of three years (2008-2010) , the employees and the retired/ pensioners participated in the total tax revenue much more than individuals whose stated main income came from various sources apart from salaries and pensions [6] such as income from being self-employed or a freelancer or owning an individual enterprise . More specifically (**Table 1**

) in the three year period of 2008-2010 , 8.3 million people on average submitted their annual income tax returns [7], 5.3 million (or 63%) of which were employees and pensioners while almost 3 million (or 37%) declared different income sources (other than wages and pensions). Total

[6] Although the formulation is possibly surprised, the Ministry of Finance distinguish individuals in this sense between Individuals who declare as the main source of income from wages and pensions and Individuals who declare income from sources other than wages and pensions

[7] It should not be confused with the natural persons who declare income and the number of tax declarations by Individuals. As it is possible a common income statement by a married couple eg the husband takes income from property or his business' s profit and his wife is employed. Therefore, as we are considered about one Income Tax Declaration but two Individuals separately stated income..

income tax revenue from income tax (direct taxes) was estimated at € 8.5 billion , 6.5 billion € out of which was contributed by the employees and pensioners and only EUR 1.9 billion (or 22.73%) by other taxpayers.

A number of 5,2 million people declared total income amounting less than the tax-free threshold[8] and their contribution ratio came up to only 0.31% of the total collected personal income tax. It is truly amazing, before we even mention further on existing data, that nearly 62% of the country's workforce (**Table 1**

) declared income which was lower than the tax free threshold. This wide category of those who don't pay any tax produces a serious fiscal problem into the public revenue. It is necessary therefore for governments to make substantial reorganization of the tax base by extending the tax payment obligation in population groups which haven't participated so far in the tax burdens (Mylonas P, Magginas N, & Pateli E., 2010) either by stating income lower than the real one and in any case lower than the tax-free threshold or by using tax relieves. It is interesting to note that while this 5.2 million people who reported incomes below the tax-free threshold are seemingly divided almost equally between the two test groups in absolute figures, i.e. 2.6 million from employees and 2.6 million people from other sources, however , this number represents 48.44% of the total number of employees and retirees and 87 % of the total number of the other category (i.e self-employed, freelancers, those who state income from foreign activities , rents, etc. and generally those who state income from sources other than salaries /wages and pensions). In other words almost nine out of ten of the specific category of other individuals declared income which did not exceed the threshold of 12,000 euros per year while in the category of employees and pensioners the respective ratio is almost 5 out of ten. Part of the problem seems to be the undeclared work, aiming at avoding the payment of contributions to pension funds, the size of which is estimated at a very high level in our country. According to conservative estimates of SEPE [9] undeclared work reaches about 25% of the our country' s total (audited) workforce (Labor Inspectorate, 2010) (Final Report submitted by GHK and Fondazione G. Br, 2009) and is largely based on the practice of a mutual agreement between the employer and the employee to forego declaring work so as to avoid, for both sides, the payment of high social security contributions. During the period 2000-2008 the total burden of the individual income tax in Greece accounted for 4.7% of the GDP, which is much lower than the respective European Union average (8.7%)

[8] το ίδιο αφορολόγητο για εισόδημα έως 12.000 € ίσχυσε συμπτωματικά και για τα τρία ελεγχόμενα έτη τόσο για του μισθωτούς και συνταξιούχους όσο και για τους λοιπούς

[9] Information Technology Companies & Communications

As it can easily be perceived there is a glaring inequality among the individuals who receive wages or pensions (civil servants or workers in the public sectors with various forms of employment or pensioners) if we consider the limited possibility to conceal taxable income and the individuals who work as self-employed, freelancers or own individual enterprises . Only 8% of the employees stated income equal to or higher than 42.000€ and paid 69% of the total income tax .

Therefore employees of the private sector, professionals (Margarita Tsoutsoura, 2015)[10] self-employed taxpayers who declare income from securities or rents, farmers and those who declare income from activities abroad have a significantly higher evasion margin as they can more easily conceal taxable income. In support of the above let us have a look at the implied cost of the three year period for both group of individuals

Total implied[11] cost (**Table 2**

) for the period 2007-2010 rose to the amount of 7 billion , 1.3 billion€ euro (or 19%) out of which corresponded to the imputed expenditure declared by employees and pensioners and 5.7 billion euro (or 81 %) by individuals of other category. This huge difference (more than four times) between the two categories reflects the size of income concealment, especially if we consider the number of individuals that comprice each. In short, individuals who declare income from salaries and pensions representing 63% of the country's total individual taxpayers , cover 19% of the total implied cost for the three year period , while the remaining 37% of individual taxpayers (self-employed, freelancers etc) cover respectively 81% of the imputed cost.

Finally attempting to further illustrate the structure of the other category of taxpayers (except employees and pensioners) we can divide them, based on the available information provided by the Ministry of Finance, in five subcategories according to the main sources of income excluding once again salaries and pensions . Table 3

depicts for each income category and class of income (income is divided into classes, according to the different tax rates imposed in each one of them, starting form the first class, which is the

[10] A team of researchers was led by Mrs. Margaret Tsoutsoura, assistant professor at the University of Chicago, and Mr. Nicholas Artabanus, graduate student of Virginia Tech University

[11] The implied cost based on the expenses. The tax authortiies choose the largest amount between the imputed expense and taxable income

tax-free one, and continuing with ascending imposed tax rates) the number of tax returns submitted, total declared income and average annual income for the three year period of 2008-2010.[12]

We can see that in the first category declared income is derived from real estate , in the second from securities , in the third from the industry and the trade sector, in the forth from freelance professions and final in the fifth from agricultural enterprises [13]. Noteworthy is the fact that almost 99% of people in the fifth category (agricultural), 90% of the first (real estate) , 73% of the forth (freelancers) and 63% of the third (commercial enterprises) declare annual income that does not exceed the tax-free threshold.

The categories are classified in a different order if we take into consideration the average declared income. In all categories declared income averages around the tax-free threshold of 12,000 € excluding income from industrial and commercial enterprises. At this point the lenient taxation of the agricultural sector (primary production) can be observed, where the reported average income does not exceed the amount of 1,600 € per year. It is possible that the objective difficulties in monitoring and supervision of primary production combined with a favorable or even better a scandalous at times tax treatment (special scheme farmers who are not obliged to keep books and records or submit VAT returns and are rarely audited) create a more suitable environment to conceal income. Similar problems have generally been expressed by other Member States of the OECD regarding the treatment of primary production and the abolishment or not of taxation (Berkeley Hill & Carmel Cahill, 2005)

As for income from building and land , this mostly concerns the rents from buildings, houses, land plots and shops. In recent years , the taxation method of this category has changed and nowadays income from this category is taxed separately and gradually. However , during the three-year period of 2008-2010 income of this category was included in the taxpayer's total income.

[12] The first step is the tax-free threshold and it is common to all three controlled years

[13] The other two categories, that of income from securities and income from abroad due to both the small contribution to the total income and also limited number of individuals who component will not analyze them further.

Freelancers as defined in Article 48 par. 1 of the Income Tax Code (L.2238 / 1994)[14] reported at a rate of 73% income that was below the tax free limit of € 12,000 (table 3). It is those who have more flexibility (Kaditsis E. & E.I.Nitsis, 2011) to easily change the timing of their work, settle their payments / earnings and / or turn to the informal economy. From the same table no 3 we can indeed see that only 9% of self-employed individuals declared income of more than 30,000 € per year and they cover 48% of the total income declared in this category. We should note that large groups of professions belonging to the « Freelances » (like doctors and lawyers[15]) have occasionally expressed strong objections to the implementation of transacting using "plastic money" through the use of the so-called "tax card" a measure that the Ministry of Finance has announced that it would be applied in 2010 and onwards. As an attestation of the above it is worth mentioning that the first twenty names the so called "List Emborian" which was handed to the country's supervisory authorities [16] for further analysis and audit in terms of tax evasion, using data form UBS Bank, concerned well known doctors and lawyers who had made credit transfers abroad.

Even after taking into account factors that may justify low income (the country enters into successive memoranda, increasing public deficits, market uncertainty) it still is hardly justified, even with the existing difficult economic reality. The fact that eight out of ten individuals not belonging in the employee or pensioners category have a real income of less than 12,000 € per year and three out of five Greek taxpayers are not required to pay tax. A Study (Eleni A. Kaditi and Elisavet, 2011) of the Planning and Economic Research Centre (KEPE) where income tax elasticities are evaluated by using the method of logical approach, generally concludes that taxpayers with higher income (Margarita Tsoutsoura, 2015) tend to conceal income regardless of the professional group they belong to.

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[14] Article 48 paragraph 1st: Income from professional occupations services are the fees from the exercise of liberal professions of doctor, dentist, veterinarian, physiotherapist, biologist, psychologist, midwives, advocates, solicitors, notaries, unpaid mortgages, bailiff, architect, engineer , surveyor, chemist, agronomist, geologist, forester, oceanographer, designer, journalist, author, interpreter, guide, translator, teacher or teacher, sculptor artist or painter or cartoonist or engraver, actor, performer of music or composer, artists of clubs , dancer, choreographer, director, set designer, costume designer, decorator, economist, analyst, developer, researcher and business consultant, accountant or tax adviser, actuary, sociologist and expert

[15] Publication "Both the Panhellenic Medical Association (REAR) and the Athens Medical Association (ISA) reject the application of the measure, in the way that it at least promotes" 7/10/15 http://www.protothema.gr/greece/article/515718/dihazei-tous-giatrous-to-plastiko-hrima-os-meso-pliromis-/

[16] Publication 'Evasion 20 doctors and lawyers called for explanations for their involvement in "Emborian list"14/1/16 http://www.newsit.gr/politikh/Forodiafygi-20-giatroi-kai-dikigoroi-kaloyntai-gia-eksigiseis-gia-ti-symmetoxi-toys-sti-lista-Mporgians-/500685

According to a research of the National Bank (Mylonas P, Magginas N, & Pateli E., 2010) it is estimated that tax evasion attributed solety to some individuals'undeclared income, amounts to 50 billion euros, which corresponds to 20% of the 2010 GDP and comprises only undeclared income from wages. The study compared income from the submitted tax returns (declared income) with the amounts of money found in the banks accounts for a group of people. Finally the study concludes that over the long term and with painstaking efforts by the country's tax authorities, Greece could achieve a growth of personal income tax of 3.8% of GDP, thus generating revenue of 9 billion, equivalent to 1/3 of the fiscal adjustment measures of that year.

Legal Entities' Income

SCALE OF TAXABLE PROFIT IN €		Number of Companies	Taxable Profits	Income Tax	Number of Companies	Taxable Profits	Income Tax	Number of Companies	Taxable Profits	Income Tax	Number of Companies	Taxable Profits	Income Tax	Number of Companies	Taxable Profits	Income Tax
Zero or injurious		111.869	0	0	103.846	0	0	97.037	0	0	104.251	0	0	46,85%	0,00%	0,00%
>0	10.000	39.513	178.540.689	38.377.259	44.952	205.061.101	43.759.135	43.965	202.239.563	43.091.634	42.810	195.280.451	41.742.676	19,24%	1,31%	1,17%
10.001	15.000	12.261	151.870.992	32.475.015	14.603	180.393.822	38.019.714	14.625	180.932.841	38.132.266	13.830	171.065.885	36.208.998	6,22%	1,15%	1,01%
15.001	22.000	12.259	224.122.614	48.095.478	13.978	255.132.611	54.029.540	14.531	265.410.093	55.760.027	13.589	248.221.773	52.628.348	6,11%	1,67%	1,47%
22.001	30.000	9.252	238.064.004	51.337.495	10.071	258.824.830	55.871.211	10.305	265.012.197	56.908.646	9.876	253.967.010	54.705.784	4,44%	1,71%	1,53%
30.001	45.000	10.325	379.203.885	82.905.894	10.930	400.536.730	87.389.629	11.549	423.874.263	92.307.853	10.935	401.204.959	87.534.459	4,91%	2,70%	2,45%
45.001	60.000	6.040	312.630.887	69.125.105	6.221	322.827.215	71.527.704	6.497	337.616.849	74.383.810	6.253	324.358.317	71.678.873	2,81%	2,18%	2,01%
60.001	90.000	6.391	467.539.017	105.348.827	6.418	469.301.355	105.670.338	7.004	511.977.391	115.037.936	6.604	482.939.254	108.685.700	2,97%	3,25%	3,04%
90.001	120.000	3.363	346.769.951	79.772.763	3.287	339.632.802	78.165.870	3.798	393.800.763	90.330.523	3.483	360.067.839	82.756.385	1,57%	2,42%	2,32%
120.001	150.000	1.956	262.069.673	61.208.020	2.057	275.407.252	64.576.920	2.234	298.548.475	69.580.663	2.082	278.675.133	65.121.868	0,94%	1,87%	1,82%
150.001	220.000	2.504	452.250.029	107.280.897	2.742	496.154.621	118.557.344	3.024	547.245.813	129.735.311	2.757	498.550.154	118.524.517	1,24%	3,35%	3,32%
220.001	300.000	1.442	369.200.832	88.329.703	1.557	397.754.033	96.369.761	1.741	447.573.998	108.236.619	1.580	404.842.954	97.645.361	0,71%	2,72%	2,73%
300.001	450.000	1.329	486.247.293	117.876.589	1.449	531.369.992	129.846.932	1.667	606.946.749	148.815.305	1.482	541.521.345	132.179.609	0,67%	3,64%	3,70%
450.001	600.000	667	343.143.074	83.691.917	716	369.748.964	90.839.053	865	447.011.125	109.961.214	749	386.634.388	94.830.728	0,34%	2,60%	2,65%
600.001	750.000	386	258.133.105	62.605.889	471	314.663.290	78.691.150	495	331.545.644	82.078.560	451	301.447.346	74.458.533	0,20%	2,03%	2,08%
>750.001		1.481	8.341.295.835	2.013.190.830	1.792	10.256.649.564	2.509.446.644	2.026	11.449.944.314	2.843.620.647	1.766	10.015.963.238	2.455.419.174	0,79%	67,38%	68,70%
Total		**221.038**	**12.811.081.880**	**3.065.604.359**	**225.090**	**15.073.458.182**	**3.622.760.945**	**221.363**	**16.709.680.078**	**4.057.980.414**	**222.497**	**14.864.740.047**	**3.574.121.013**	**100%**	**100%**	**100%**

Analyzing the data in the table above , which was formed using annual statistic data by the Ministry of Finance, we observe that for the period 2008-2010 almost half of the Legal Entities [17] (percentage of 47%) recorded either losses or zero taxable income and therefore did not pay any income tax. Another percentage of almost 20% declared profit of 10.000 € per year paying only 1,2% of the total income tax of Legal Entities. In total, almost nine out of ten enterprises of any kind declared either losses or profits lower than 45.000 € (including the declaration of zero profits).

According to the above table, 68, 70%[18] of the total tax of Legal Entities was paid by only 0, 79% of all enterprises. In other words, an average of about 1,766 large companies were those who reported earnings greater than 750,000 € and decisively contributed to the State Revenue by stating average profits of around EUR 10 billion and thus paying an average of about 2.5 billion euros as income tax (direct tax).

[17] SA, LTD , any kind partnerships companies

[18] Respectively for the year 2011, 8% of individuals had covered the 69% of the personal tax.

If we further consider the payment of withholding and other taxes by the large companies as well as their contribution to employment rates, we can legitimately claim that the economic recovery inevitably passes through the major private investment. The majority of these companies have the legal form of SA's / Limited liability companies. In particular, a percentage of 82% or 1450 out of the 1766 legal entities belonging to the highest-gains category of the table, have the form of societe anonyme, with recorded profits averaging 9.3 billion EUR (93%) over the three years (2008-2010) and respective income tax obligations amounting to EUR 2.3 billion (93%). This legal form appears to favor the development of business because of the flexibility in the issuance of shares, the ability of listing in a stock exchange , the impersonal character and the occasional development/investment/tax incentives given by the State.

A more cautious look at this type of companies with the arguably high profit levels and income tax payments, could perhaps create certain concerns. Taking a sample of large companies active in the petroleum sector possessing refineries in Greece (table 4) and of some commonly considered as "successful" companies, operating monopolies in Greece, for the year 2012, the second year after signing the first Memorandum we can take a look at their stated profits and respective income tax obligation [19]. We observe that the oil companies pay income tax at a rate of 1,35% of their annual turnover while the respective percentage for the "successful" companies does not not exceed 4,33% .

Without any intention to underestimate the overall contribution and decisive role of such business in the development of the economy, we have to admit that the amounts of income tax payable to the public, as direct taxation in relation to the total volume of activity is very small. Excluding this category from our study that companies meaning the companies that have profits above € 750,000 due to their proven large contribution to our economy, the rest show an average reported profit of about € 5,000 per year . This number represents half of the income capacity of freelancers and an equivalent one of the individuals who declare income from rents (see the above table). It is certain that companies are also burdened with other taxes (corporate) compared to freelancers or the lessors [20] . However at the level of direct taxation and as we analyze the causes of the unequal distribution of the tax burden, we can claim that tax rates are

[19] We avoid quoting the reported net income and income tax returns due to the fact that after the year 2012, the majority of these companies record losses as may the majority of other companies, due probably to the very bad economic situation.

[20] the property charged with 40 different taxes http://www.pomida.gr/foroi/30foroi.html

high, entrepreneurship is resorting to the shadow economy by stating less income as possible and inevitably companies pay less taxes than they ought to.

In conclusion for the year 2010, 8% of taxpayers paid 69% of the personal income tax and 0.4% of enterprises paid 61% of the Corporate income tax in Greece

Indirect taxes

We will reach to the same conclusions if we observe the course of indirect taxes and especially that of VAT. Regarding indirect taxes, most concern consumption taxes in domestic products and services. Value Added Tax specifically , exceeds 50% of all indirect taxes throughout the test period . An additional and in fact a quite remarkable source of revenue is the one that stems from taxing fuel and tobacco products as shown in

Diagram **3**

VAT is an indirect "broad-based tax" which applies to all EU countries. In Greece it was first implemented in 1987, with a delay in comparison to other EU countries and it replaced more than 10 other existing taxes, especially Turnover Tax (KFE) and stamp duty[21].

From 1992 up until today VAT has been imposed in the EU in accordance with the "restricted destination principle", meaning that tax is owed in the country where the product is consumed (or service rendered), according to that country's appicable tax rates .

VAT is imposed on consumption, which means that exports and investments are fully exempted from VAT (exemption of capital goods). VAT is not a cumulative tax. It is collected through partial payments and is substantively paid by the final consumer in the value chain, as it is included in the price of the final good or service. Imported products are taxed the same way as the corresponding domestic ones.

Its efficiency depends on the effective controls existent in its final stage of implementation, namely the retail stage. If the audits were complete, something which seems virtually impossible not only for Greece , which faces many known problems in its tax system but also for the most countries of the developed world , VAT would lead to a lower level of tax evasion as opposed

[21] ΠΟΛ.1317/2.12.1997 Instructions for uniform implementation of N.2523 / 1997 provisions (Government Gazette 179 / A / 11.9.1997) "Administrative and criminal penalties in tax laws and other provisions "

to other indirect taxes and could probably create fewer distortions in the economy compared to other taxes such as income taxes. At this point , it is necessary to clasify that the current research will not address the moralistic dimension of compliance, the voluntary declaration on the part of the taxpayer or the cooperation of supervisory authorities and taxpayers , things which are all analysed in the very valuable work of (James Aim, Gary H. McClelland , & William D. Schulze*, 1991) (Georgia Kaplanoglou & Vassilis T. Rapanos, 2015). The current research will probably assume the audit as a necessary precondition and essential ingredient for a proper system of tax collection . As the controls of the market can't be complete , it seems that the level of tax evasion depends , among the others factors , on the level of tax rates and other variables like liquidity, entrepreneurship and the unemployment rate in the country. Generally it could be said that the continuous increase in tax rates has as result to discourage employment and entrepreneuship. (Office national budget, 2016)

Specific characteristic of VAT in Greece

Vat is imposed in Greece with two main rates, the "basic" (today it is 24%) and the "reduced" (13%). There is also another Vat rate (6.5%) , a special reduced Vat, for a number of specific products [22] like medicines , books, newspapers , magazines and theater tickets. According to table 5 [23] Greece has adopted quite high VAT rates in comparison with the 27 members of the enlarged European Union.

According to the same study , Greece is unable to collect 9.7 ,million euros per year , amount which equals to 39% of total VAT or 4.7% of total GDP (2011 data). This high level of rates have multiple social and economical impacts. It is widely known that especially in sectors with characteristics which promote tax evasion , the increase of tax rates does not lead to an automatic increase of state revenue. The most typical example is the food industry where the VAT rate initially increased to 23% in September 2011 and then fell back to 13% in August 2013 . Actual revenue fell short of the disillusioned estimates and forecasts for 1 billion euros annually due to the higher tax rate and finally it was restricted to 140 million euro. (Nikolaos Artavanis, 2015).

[22] v. 3899/2010

[23] European Commission (2013), Study to quantify and analyse the VAT Gap in the EU-27 Member States

According to this study, concerning the period of 2000 - 2006 the Greek state faced losses from uncollected VAT in the year of 2006 which amounted to 30% of the amount that should have normally been collected

In particular - and always for 2006 - Greece should have collected 21,74 billion euro but, in fact, did collect only 15,2 billion euro . In other words , the country lost almost 6,5 billion euro due to VAT evasion, avoidance or due to inefficiencies in paying VAT,a number which is equal to 30% of the total amount that should have been collected that year.

For the year of 2012, our country ranked fifth in terms of the largest VAT gap (33.4%), while in 2013 the deficit showed a further increase of 0,6% (34%) placing our country in the fourth place within the European family (European Commition, 2015).

Indicative of the situation is the image of Tourism in Greece . Despite the fact that the industry of tourism had seen an impressive recovery in 2013 compared to the previous year, followed by a remarkable boost in the next two years (2014 and 2015), both in terms of arrivals of non-residents in the country, and of the revenue from inbound tourism and cruise (SETE, 2016), still this wasn't enough to significantly raise state revenue from VAT , which presented only meager growth. Specifically, while arrivals and overnights rose in 2013 by 13.5% and 13% respectively, the corresponding turnover ratio of the same year referring to accommodation and catering noted a mere increase of 4.8% (table 6). In year 2014 the annual growth in overnight arrivals reached a staggering percentage of 23% (SETE, 2016) with a corresponding increase turnover index 2014 of just 11.8% (table 6). Finally in 2015 the annual growth in overnights arrival reached the percentage of 7,6% (SETE, 2016) with a corresponding increase of sales revenues of 3.1% (table 6). Taking into account the price reductions that the hotelier had to make in order to attract customers in recent years , we have to accept that all of the above data show, due to the glaring difference, the weakness of the fiscal instrument to collect revenue (ie tax). In the current study we refer to VAT. We assume that companies rending services of accomodation do not issue the appropriate tax documents (receipts/ invoice) . This finding, which is not new, is clearly due to the increased rates and the weakness of the state mechanism to control the intention of hoteliers to evade. By not recording revenue thus hiding income, these companies pay less income tax, VAT, local taxes, all calculated over sales / turnover. It is quite possible that these companies also resort to « undeclared payments », such as employee and suppliers payments so as not to provoke or invite state audits due to the apparent discrepancy between their income and their expenditure. By this way they ultimately participate in the underground economy vicious circle.

Individual & Cooperate income

Tax evasion indicators seem to come out of the analysis of financial data referring to the income of individuals and legal entities. Data concerning the year of 2010 was derived from the official website of the General Secretariat of Information Systems of the Ministry of Finance published in December of 2010 . This source provided information on the taxation of income of both individuals and legal entities (profits) , on the size of the Value Added Tax (VAT), on the structure of the entire social network according to the basis of the income, on the contribution of income groups in total tax revenue, geographical distribution of tax revenue etc.

All taxes which referred to individuals and legal entities for the year of 2010 amounted to 10.4 billion euros (compared to 12.6 billion euros in year 2009 and 13.1 billion euros in 2008). The amount of 7.1 billion euro (or 70.5% of total income) came from tax on personal income and the remaining 3.06 billion euro concerned tax money from the taxation of declared gains of legal entities (Ministry of Finance, 2012).

The tax burden seems to be disproportionately distributed between those two categories not only for the year of 2010 but also for the other two years for which we have available data . Revenue from the taxation of individuals amounted to 9.15 billion euros (or 71.33% of total revenue) for the year of 2009 and 8.75 billion (or EUR for 64.99% of total revenue) for the year of 2008. Revenue coming from the taxation companies amounted to 3,6 billion euro (or 28,66% of total tax revenue) for the year of 2009 and 4,71 billion euro (or 35 % of total tax revenue) for the year of 2008.

The Fluctuations of the tax burden are not uniform neither in Greece nor among the other OECD member states (table 7) (OECD, 2015). In 2014 the tax burden as a percentage of GDP declined in 14 countries and increased in 16 (out of 30 countries for which data are available) in comparison to 2013. Concerning the same indicator (tax revenue as a percentage of GDP) for the years between 2009 up to 2014 there was an increase in 22 countries, decrease in 7 countries and in one country there was no change. The largest increases in percentage points, between 2013 and 2014 were observed in Denmark (3.3), Iceland (2.8), Greece (1.5), Estonia (1.1) and New Zealand (1 , 0). The largest reductions in percentage terms, occurred in Norway

(1.6), the Czech Republic (0.8), Luxembourg (0.6) and Turkey (0.6). Accross the years, OECD member - countries show significant differences in the development of tax revenue as a percentage of GDP. Comparing the year of 2007 (the year before the economic crisis) with that of 2014 , we can observe that the largest increase in Tax revenue as the percentage of GDP was recorded in Greece, reaching 4.7 percentage points, while the largest decrease was recorded in Spain, reaching 3.3 percentage points.

In Greece the tax revenue in 2014 accounted for 35.9% of GDP, which brings our country in the 14th place among the 30 [24] OECD member countries for which data we have available. In 2013 Greece was 16th among the 34 OECD member States, and in 2007 was 23rd. From 2011 onwards , the tax burden in Greece as a percentage of GDP is higher than the average of the other OECD countries, while in previous years for which data are available (1965 to 2010) with the exception of 1996, tax burden was lower than the average respective OECD.

Greece has undergone in the last 15 years major changes in tax legislation over the last 15 years, issuing 36 tax draft legislations [25], which contained 714 authorizations, but also have established 108 transitional arrangements, and other adjustments for 238 tax matters scattered in other, unrelated draft legislation. More specifically, every year some 200 ministerial circulars[26] were issued. In 2014 64 articles changing existing tax legislation were adopted. In the first two and a half years since the signing of the first Memorandum 6 new tax laws, 18 articles in unrelated tax legislation, 65 ministerial decrees and 73 ministerial circulars were issued (Panagiotis V. Papadeasa & Nicos Sykianakisa, 2014). Now imagine you are a foreign company and want to invest in Greece, and learn that the tax regime in the country will change at least twice a year and tax rates reach 29% of net profit. At the same time you are informed

[24] The OECD member countries are: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Hirkey, the United Kingdom and the United States. The Commission of the European Communities takes part in the work of the OECD.

[25] Publication "overregulation and misuse of Law in Greece - A Survey"http://www.dianeosis.org/2016/07/polynomia_kakonomia/

[26] Publication «Greece produces thousands of decrees, laws, amendments» 30/1/2016 http://www.kathimerini.gr/847611/article/epikairothta/ellada/h-ellada-paragei-xiliades-diatagmata-nomoys-tropologies?platform=hootsuite

that in Bulgaria or Cyprus tax burden does not exceed 10%. Where would you like to invest your money in ?

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Diagram **1**

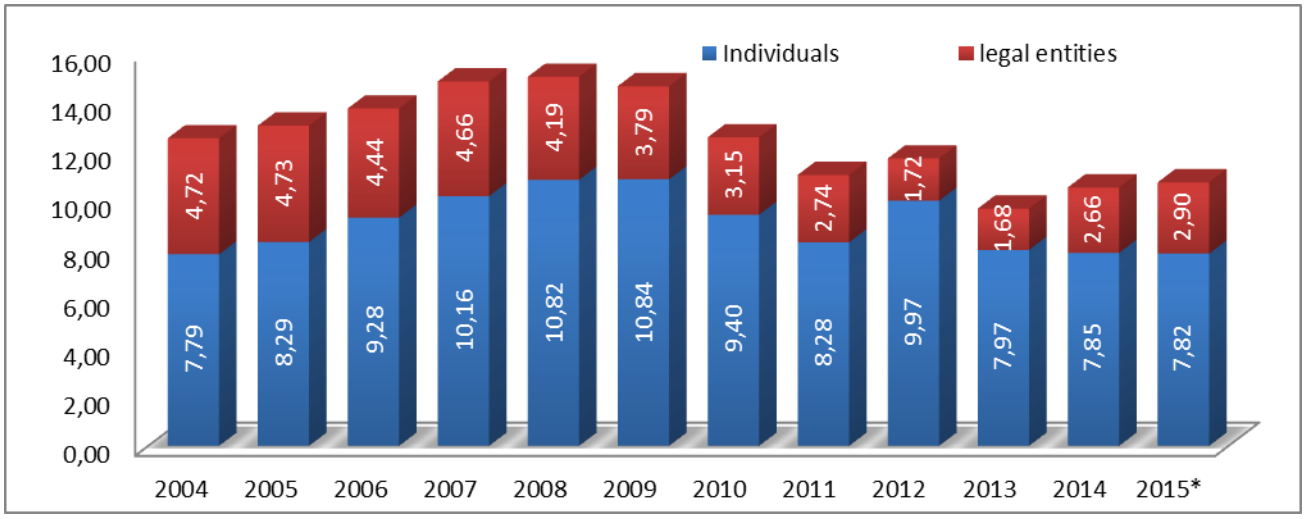


Diagram 2

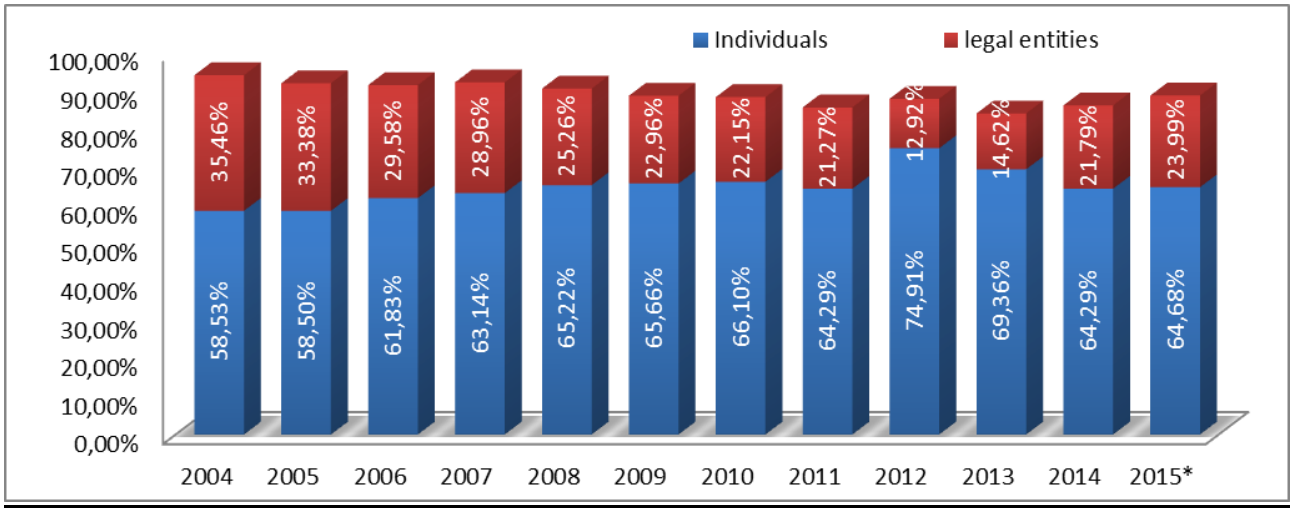

Individuals
legal entities
100,00%
90,00%
80,00%
70,00%
60,00%
50,00%
40,00%
30,00%
20,00%
10,00%
0,00%
35,46%
33,38%
29,58%
28,96%
25,26%
22,96%
22,15%
21,27%
12,92%
14,62%
21,79%
23,99%
58,53%
58,50%
61,83%
63,14%
65,22%
65,66%
66,10%
64,29%
74,91%
69,36%
64,29%
64,68%
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015*

Table 1

	2008			2009			2010			Three-year average		
	Total Income Individuals			Total Income Individuals			Total Income Individuals			Total Income Individuals		
Income scale	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax
0-12.000	5.464.385	27.457.063.988	19.500.540	4.859.602	19.314.760.602	12.845.391	5.244.388	29.833.302.047	47.197.562	5.189.458	25.535.042.212	26.514.498
12.001-20.000	1.507.619	24.495.302.703	1.170.663.791	2.153.173	32.157.848.898	1.120.671.906	1.641.403	26.575.360.431	439.712.986	1.767.398	27.742.837.344	910.349.561
20.001-30.000	872.746	21.887.124.077	2.519.793.268	912.486	23.130.799.097	2.485.097.492	878.196	21.774.041.828	1.621.265.007	887.809	22.263.988.334	2.208.718.589
30.001-50.000	373.741	14.383.329.744	2.598.632.753	394.514	15.288.751.850	2.583.514.288	381.468	14.551.921.806	2.246.033.437	383.241	14.741.334.467	2.476.060.159
50.001-100.000	104.727	7.025.863.927	1.752.297.388	112.615	7.617.125.972	1.791.883.782	115.179	7.680.605.224	1.838.632.492	110.840	7.441.198.374	1.794.271.221
100.001-200.000	15.702	2.091.664.281	669.945.720	16.277	2.169.410.127	668.815.629	17.828	2.423.197.952	796.406.115	16.602	2.228.090.786	711.722.488
>200.001	3.240	1.057.609.268	391.474.727	3.066	966.679.814	352.260.091	2.492	860.942.262	348.208.647	[illegible]	961.743.781	363.981.155
	8.342.160	98.397.957.988	9.122.308.187	8.451.733	100.645.376.359	9.015.088.579	8.280.954	103.699.371.549	7.337.456.2[illegible]	8.358.282	100.914.235.299	8.491.617.670
	Income from wages or pensions			Income from wages or pensions			Income from wages or pensions			Income from wages or pensions		
Income scale	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax
0-12.000	2.792.292	20.506.314.680	1.440.113	2.721.584	19.869.154.499	1.584.391	2.161.464	14.276.590.743	10.072.301	2.558.447	18.217.353.307	4.365.602
12.001-20.000	1.304.164	20.904.978.067	988.624.861	1.302.131	21.100.512.862	943.626.086	1.942.233	28.612.493.553	391.622.639	1.516.176	23.539.328.161	774.624.529
20.001-30.000	778.103	19.303.288.313	2.220.363.890	821.225	20.621.198.850	2.213.162.395	884.738	22.434.173.517	1.844.620.544	828.022	20.786.220.227	2.092.715.610
30.001-50.000	310.258	11.752.326.493	2.110.741.474	334.184	12.772.429.409	2.146.153.958	225.053	9.000.818.262	1.498.095.646	289.832	11.175.191.388	1.918.330.359
50.001-100.000	68.352	4.397.288.291	1.059.888.110	79.646	5.264.076.979	1.208.247.554	85.484	5.580.627.068	1.325.238.906	77.827	5.080.664.113	1.197.791.523
100.001-200.000	9.186	1.155.884.911	357.759.676	8.579	1.120.295.073	336.979.475	10.090	1.313.475.563	423.506.167	9.285	1.196.551.849	372.748.439
>200.001	1.573	521.544.158	192.953.266	1.481	467.459.355	169.806.112	1.893	594.029.649	238.040.546	[illegible]	527.677.721	200.266.642
	5.263.928	78.541.624.914	6.931.771.391	5.268.830	81.215.127.026	7.019.559.971	5.310.955	81.812.208.355	5.731.196.749	5.281.238	80.522.986.765	6.560.842.703
	Income excluding salaries and pensions			Income excluding salaries and pensions			Income excluding salaries and pensions			Income excluding salaries and pensions		
Income scale	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax
0-12.000	2.672.093	6.950.749.308	18.060.427	2.790.986	6.983.919.931	18.596.962	2.565.470	9.752.334.518	33.898.646	2.676.183	7.895.667.919	23.518.678
12.001-20.000	203.455	3.590.324.636	182.038.930	198.074	3.519.022.208	169.709.858	216.624	3.767.243.664	51.316.962	206.051	3.625.530.169	134.355.250
20.001-30.000	94.643	2.583.835.764	299.429.378	91.261	2.509.600.246	271.935.097	91.305	2.475.473.517	162.133.115	92.403	2.522.969.842	244.499.197
30.001-50.000	63.483	2.631.003.252	487.891.279	60.330	2.516.322.442	437.360.330	58.568	2.415.498.338	362.449.139	60.794	2.520.941.344	429.233.583
50.001-100.000	34.929	2.484.894.861	652.735.968	32.969	2.353.048.993	583.636.229	29.695	2.099.978.156	513.393.586	32.531	2.312.640.670	583.255.261
100.001-200.000	7.962	1.079.460.144	351.859.354	7.698	1.049.115.053	331.836.154	6.946	941.326.428	309.699.125	7.535	1.023.300.542	331.131.544
>200.001	1.667	536.065.109	198.521.460	1.585	499.220.459	182.453.979	1.391	435.308.573	173.368.923	[illegible]	490.198.047	184.781.454
	3.078.232	19.856.333.074	2.190.536.796	3.182.903	19.430.249.332	1.995.528.608	2.969.999	21.887.163.195	1.606.259.49[illegible]	3.077.045	20.391.248.534	1.930.774.967
	2008			2009			2010			Μέσος όρος τριετίας		
	Total Income Individuals			Total Income Individuals			Total Income Individuals			Total Income Individuals		
Income scale	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax
0-12.000	65,50%	27,90%	0,21%	57,50%	19,19%	0,14%	63,33%	28,77%	0,64%	62,09%	25,30%	0,31%
12.001-20.000	18,07%	24,89%	12,83%	25,48%	31,95%	12,43%	19,82%	25,63%	5,99%	21,15%	27,49%	10,72%
20.001-30.000	10,46%	22,24%	27,62%	10,80%	22,98%	27,57%	10,61%	21,00%	22,10%	10,62%	22,06%	26,01%
30.001-50.000	4,48%	14,62%	28,49%	4,67%	15,19%	28,66%	4,61%	14,03%	30,61%	4,59%	14,61%	29,16%
50.001-100.000	1,26%	7,14%	19,21%	1,33%	7,57%	19,88%	1,39%	7,41%	25,06%	1,33%	7,37%	21,13%
100.001-200.000	0,19%	2,13%	7,34%	0,19%	2,16%	7,42%	0,22%	2,34%	10,85%	0,20%	2,21%	8,38%
>200.0001	0,04%	1,07%	4,29%	0,04%	0,96%	3,91%	0,03%	0,83%	4,75%	0,04%	0,95%	4,29%
	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100%	100%	100%
	Income from wages or pensions			Income from wages or pensions			Income from wages or pensions			Income from wages or pensions		
Income scale	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax
0-12.000	53,05%	26,11%	0,02%	51,65%	24,46%	0,02%	40,70%	17,45%	0,18%	48,44%	22,62%	0,07%
12.001-20.000	24,78%	26,62%	14,26%	24,71%	25,98%	13,44%	36,57%	34,97%	6,83%	28,71%	29,23%	11,81%
20.001-30.000	14,78%	24,58%	32,03%	15,59%	25,39%	31,53%	16,66%	27,42%	32,19%	15,68%	25,81%	31,90%
30.001-50.000	5,89%	14,96%	30,45%	6,34%	15,73%	30,57%	4,24%	11,00%	26,14%	5,49%	13,88%	29,24%
50.001-100.000	1,30%	5,60%	15,29%	1,51%	6,48%	17,21%	1,61%	6,82%	23,12%	1,47%	6,31%	18,26%
100.001-200.000	0,17%	1,47%	5,16%	0,16%	1,38%	4,80%	0,19%	1,61%	7,39%	0,18%	1,49%	5,68%
>200.0001	0,03%	0,66%	2,78%	0,03%	0,58%	2,42%	0,04%	0,73%	4,15%	0,03%	0,66%	3,05%
	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100%	100%	100%
	Income excluding salaries and pensions			Income excluding salaries and pensions			Income excluding salaries and pensions			Income excluding salaries and pensions		
Income scale	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax	Number of taxpayers (individuals)	taxable income	Total Tax
0-12.000	86,81%	35,01%	0,82%	87,69%	35,94%	0,93%	86,38%	44,56%	2,11%	86,97%	38,72%	1,22%
12.001-20.000	6,61%	18,08%	8,31%	6,22%	18,11%	8,50%	7,29%	17,21%	3,19%	6,70%	17,78%	6,96%
20.001-30.000	3,07%	13,01%	13,67%	2,87%	12,92%	13,63%	3,07%	11,31%	10,09%	3,00%	12,37%	12,66%
30.001-50.000	2,06%	13,25%	22,27%	1,90%	12,95%	21,92%	1,97%	11,04%	22,56%	1,98%	12,36%	22,23%
50.001-100.000	1,13%	12,51%	29,80%	1,04%	12,11%	29,25%	1,00%	9,59%	31,96%	1,06%	11,34%	30,21%
100.001-200.000	0,26%	5,44%	16,06%	0,24%	5,40%	16,63%	0,23%	4,30%	19,28%	0,24%	5,02%	17,15%
>200.0001	0,05%	2,70%	9,06%	0,05%	2,57%	9,14%	0,05%	1,99%	10,79%	0,05%	2,40%	9,57%
	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100%	100%	100%

Table 2

	A presumption Living Expenses	
Years	Employees	Others
2008	103.159.665	376.260.079
2009	98.865.756	396.454.614
2010	1.109.882.454	4.882.651.506
Total	1.311.907.875	5.655.366.200

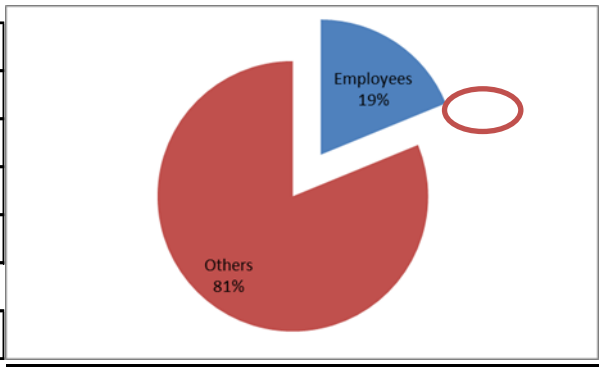


Table 3

	Construction instructour	SECURITIES	INDUSTRIAL AND COMMERCIAL ENTERPRISES	AGRICULTURAL BUSINESS	freelancers	abroad
Years	**2008-2010**	**2008-2010**	**2008-2010**	**2008-2010**	**2008-2010**	**2008-2010**
Number of tax return						
<12.000	1.469.581	1.934	411.115	1.013.438	276.980	26.288
12.000-20.000	92.234	128	125.206	11.197	43.560	6.992
20.000-30.000	40.606	55	62.872	2.104	26.875	1.635
>30.000	34.733	55	54.114	400	34.829	827
Σύνολα	1.637.153	2.172	653.307	1.027.139	382.244	35.742
Income						
<12.000	4.383.379.807	5.252.130	2.034.846.079	1.380.599.552	941.096.676	138.651.929
12.000-20.000	1.407.310.221	1.961.405	1.928.187.220	164.353.642	674.105.146	105.447.610
20.000-30.000	995.732.973	1.302.288	1.547.621.289	48.885.726	665.244.627	38.716.970
>30.000	2.016.098.754	3.544.780	3.043.737.223	17.206.761	2.143.187.544	69.727.694
Σύνολα	8.802.521.755	12.060.604	8.554.391.811	1.611.045.681	4.423.633.993	352.544.202
Average declared income	**5.377**	**5.553**	**13.094**	**1.568**	**11.573**	**9.863**

Table 4

	JETOIL	MOTOROIL	AEGEAN OIL	CYCLON	CORAL A.E.	ΕΛΠΕ	ΟΠΑΠ	ΔΕΗ	JUMBO
Turnover	1.387.456.000 €	9.681.883.000 €	1.144.603.000 €	364.353.000 €	1.974.990.000 €	9.900.533.000 €	3.971.628.000 €	5.985.222.000 €	502.184.921 €
Gross profit	46.633.000 €	355.866.000 €	32.341.000 €	18.015.000 €	73.563.000 €	294.316.000 €	773.014.000 €	474.645.000 €	262.777.162 €
Profit before tax	-4.303.000 €	103.102.000 €	-4.889.000 €	527.000 €	1.805.000 €	133.464.000 €	638.232.000 €	990.885.000 €	95.703.904 €
corporate income tax	-949.000 €	24.897.000 €	642.000 €	-245.000 €	1.494.000 €	35.959.000 €	132.745.000 €	344.414.000 €	21.741.432 €
Net Profit	-3.354.000 €	78.205.000 €	-5.531.000 €	772.000 €	311.000 €	97.505.000 €	505.487.000 €	646.471.000 €	73.962.472 €
Gross profit (%)	3,36%	3,68%	2,83%	4,94%	3,72%	2,97%	19,46%	7,93%	52,33%
Profit before tax(%)	-0,31%	1,06%	-0,43%	0,14%	0,09%	1,35%	16,07%	16,56%	19,06%
Income Tax (%)	-0,07%	0,26%	0,06%	-0,07%	0,08%	0,36%	3,34%	5,75%	4,33%
Net Profit (%)	-0,24%	0,81%	-0,48%	0,21%	0,02%	0,98%	12,73%	10,80%	14,73%

Diagram 3

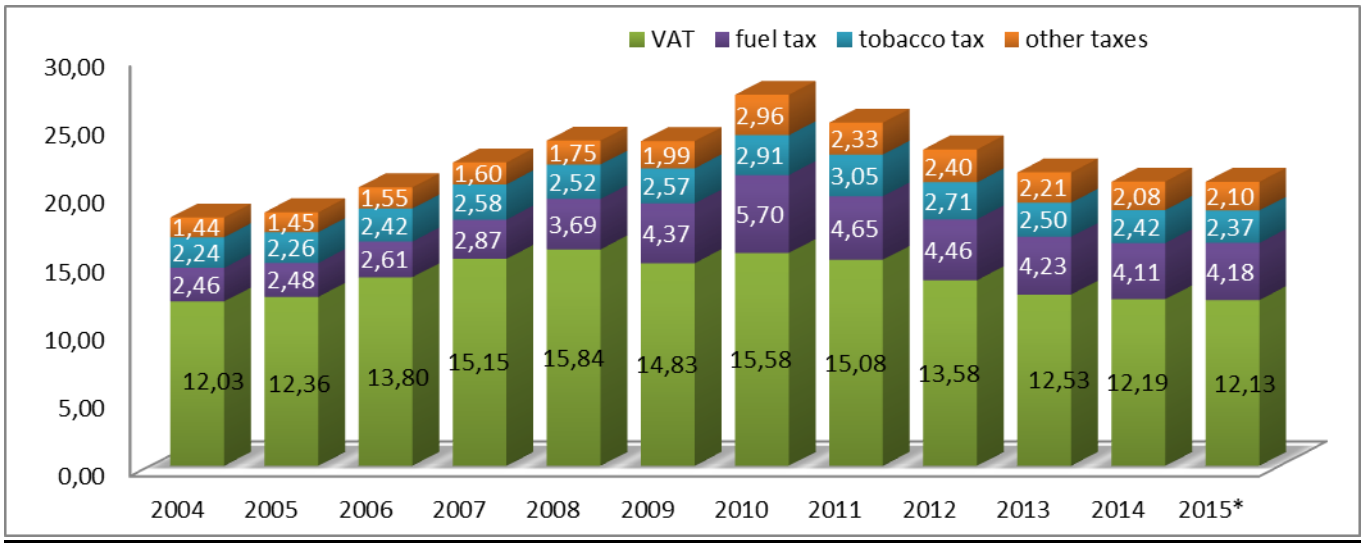
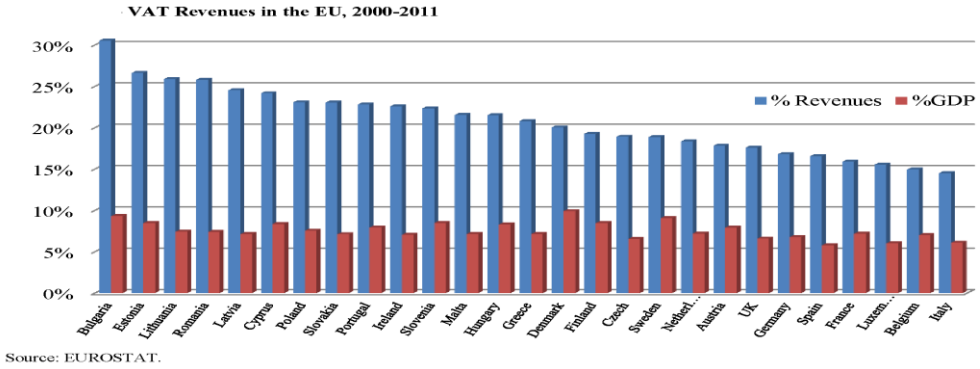


Table 5



Source: EUROSTAT.

Table 6

Evolution of Turnover Index in Tourism Sector and Food Base year : 2010=100,0

Year - Trimester	Index	Annual change (%)	Quarterly change (%)
2010 A	64,0	2,9	-18,5
B	103,3	-10,2	61,5
Γ	166,6	-7,5	61,2
Δ	66,1	-15,8	-60,3
year average	*100,0*	*-8,2*	
2011 A	50,8	-20,6	-23,1
B	101,0	-2,2	98,8
Γ	164,7	-1,2	63,0
Δ	54,0	-18,2	-67,2
year average	*92,6*	*-7,4*	
2012 A	38,6	-24,0	-28,5
B	80,0	-20,8	107,0
Γ	145,7	-11,5	82,2
Δ	42,3	-21,7	-70,9
year average	*76,7*	*-17,2*	
2013 A	32,1	-16,9	-24,1
B	84,2	5,2	162,0
Γ	147,5	1,2	75,3
Δ	57,6	35,9	-61,0
year average	*80,3*	*4,8*	
2014 A	46,5	44,9	-19,2
B	89,8	6,7	93,1
Γ	158,8	7,6	76,7
Δ	64,1	11,3	-59,6
year average	*89,8*	*11,8*	
2015 A	48,1	3,5	-24,9
B	97,6	8,6	102,7
Γ	166,4	4,8	70,5
Δ	58,3	-9,1	-65,0
year average	*92,6*	*3,1*	
2016 A*	42,8	-11,2	-26,6
B	96,6	-1,1	125,7

Table 7

Table 7 : Tax revenue as the percentage of GDP

	1965	1975	19S5	1995	2000	2007	2009	2011	2013	2014
Australia	20,6	25,4	27,8	28,2	30,4	29,7	25,8	26,3	27,5	.
Austria	33,6	36,4	40,5	41,1	42,1	40,5	41,0	41,0	42,5	43,0
Belgium	30,6	38,8	43,5	42,6	43,6	42,6	42,1	43,0	44,7	44,7
Canada	25,3	31,5	31,9	34,9	34,9	32,3	31,4	30,2	30,5	30,8
Chile				18,4	18,8	22,8	17,2	21,2	20,0	19,8
Czech Republic				34,9	32,5	34,3	32,4	33,4	34,3	33,5

Denmark	29,1	37,0	43,9	46,5	46,9	46,4	45,2	45,4	47,6	50,9
Estonia				36,2	31,0	31,1	34,9	31,9	31,8	32,9
Finland	30,0	36,1	39,1	44,5	45,8	41,5	40,9	42,0	43,7	43,9
France	33,6	34,9	41,9	41,9	43,1	42,4	41,3	42,9	45,0	45,2
Germany	31,6	34,3	36,1	36,2	36,2	34,9	36,1	35,7	36,5	36,1
Greece	17,1	18,6	24,5	27,7	33,2	31,2	30,8	33,5	34,4	35,9
Hungary				41,0	38,7	39,6	39,0	36,5	38,4	38,5
Iceland	25,5	29,2	27,4	30,4	36,2	38,7	32,0	34,4	35,9	38,7
Ireland	24,5	27,9	33,7	31,8	30,9	30,4	27,6	27,4	29,0	29,9
Israel				35,5	34,9	34,3	29,7	30,8	30,6	31,1
Italy	24,7	24,5	32,5	38,6	40,6	41,7	42,1	41,9	43,9	43,6
Japan	17,8	20,4	26,7	26,4	26,6	28,5	27,0	28,6	30,3	-
Korea		14,9	15,8	19,1	21,5	24,8	23,8	24,2	24,3	24,6
Luxembourg	26,4	31,1	37,4	35,2	37,1	36,6	39,0	37,9	38,4	37,8
Mexico			15,2	14,9	16,5	17,6	17,2	19,5	19,7	19,5
Netherlands	30,9	38,2	39,8	38,9	36,8	36,1	35,4	35,9	36,7	-
New Zealand	23,2	27,5	29,5	35,6	32,5	34,0	30,5	30,9	31,4	32,4
Norway	29,4	38,8	41,9	40,0	41,9	42,1	41,2	42,0	40,5	39,1
Poland				37,7	33,1	34,8	31,5	32,0	31,9	
Portugal	15,7	18,9	24,1	29,4	31,2	32,0	30,0	32,5	34,5	34,4
Slovakia				39,6	33,6	29,2	28,9	28,7	30,4	31,0
Slovenia				38,4	36,6	37,1	36,2	36,5	36,8	36,6
Spain	14,3	18,0	26,8	31,3	33,4	36,5	29,8	31,3	32,7	33,2
Sweden	31,4	38,9	44,8	45,6	49,0	45,0	44,1	42,5	42,8	42,7
Switzerland	16,6	22,5	23,9	25,5	27,6	26,1	27,1	27,0	26,9	26,6
Turkey	10,6	12,0	11,5	16,8	24,2	24,1	24,6	27,8	29,3	28,7
United. Kingdom	29,3	34,2	35,1	31,9	34,7	34,1	32,3	33,6	32,9	32,6
USA	23,5	24,6	24,6	26,4	28,2	26,7	23,0	23,6	25,4	26,0
Average	24,8	28,6	31,5	33,6	34,2	34,1	32,7	33,3	34,2	34,4[4]