



U.S. Tax Rates Considered Low Versus Other Countries - Fiscal Policy

Relative to other countries, U.S. income tax rates are considered low. Imposed tax rates vary from country to country depending on the country's tax base, overall government expenditures and, social programs offered. Public and social programs including healthcare and education, as well as the demographics of a country's taxpayers, also contribute to tax rates.

Scandinavian countries have historically maintained higher tax rates in order to subsidize the various social programs offered to its citizens. Sweden and Denmark both have tax rates for individual taxpayers in excess of 55%. Other countries not offering similar social programs such as Russia and Costa Rica, impose lower rates. Costa Rica has become a beacon for some people partially because of its climate and 15% tax rate.

Source: Tax Policy Center, OECD; <https://stats.oecd.org>