

OECD Taxation of Wage Income (2020): Top Marginal Personal Income Tax Rates for Employees¹

Country	Top marginal rates		Top statutory personal income tax rate	Threshold (multiple AW) ²	AW in \$ (using PPP) ³
	Combined	All-in			
Australia	47.0%	47.0%	47.0%	2.0	\$63,415
Austria	55.0%	55.0%	55.0%	22.5	\$63,956
Belgium	46.0%	60.2%	52.9%	1.1	\$63,704
Canada	53.5%	53.5%	53.5%	3.8	\$48,536
Chile	35.0%	35.0%	35.0%	7.7	\$24,050
Colombia	22.3%	22.3%	33.0%	13.5	\$11,961
Czech Republic	0.0%	11.0%	15.0%	0.0	\$31,616
Denmark	55.5%	55.5%	55.9%	1.3	\$64,948
Estonia	0.6%	2.2%	20.0%	0.4	\$31,492
Finland	49.1%	59.3%	51.2%	1.9	\$53,680
France	55.2%	55.6%	55.4%	15.4	\$51,985
Germany	47.5%	47.5%	47.5%	5.4	\$70,454
Greece	54.0%	54.0%	54.0%	11.1	\$38,755
Hungary	15.0%	33.5%	15.0%	0.0	\$34,107
Iceland	44.4%	44.4%	46.2%	1.3	\$65,930
Ireland	48.0%	52.0%	48.0%	1.5	\$57,709
Israel	50.0%	50.0%	50.0%	4.1	\$42,703
Italy	42.3%	52.8%	47.2%	2.8	\$44,755
Japan	55.8%	56.1%	55.9%	8.4	\$51,288
Korea	44.1%	48.6%	46.2%	11.9	\$53,284
Lithuania	32.0%	39.0%	32.0%	6.3	\$36,456
Latvia	31.3%	31.8%	31.4%	4.6	\$26,427
Luxembourg	45.8%	47.2%	45.8%	3.7	\$66,993
Mexico	35.0%	35.0%	35.0%	26.7	\$13,917
Netherlands	47.7%	51.8%	49.5%	1.3	\$69,213
New Zealand	33.0%	33.0%	33.0%	1.1	\$43,493
Norway	38.2%	46.4%	38.2%	1.6	\$63,236
Poland	22.0%	39.8%	32.0%	1.7	\$33,939
Portugal	47.2%	58.2%	53.0%	14.4	\$33,539
Slovak Republic	21.7%	35.1%	25.0%	3.3	\$25,948
Slovenia	39.0%	61.1%	50.0%	4.7	\$35,781
Spain	43.5%	43.5%	43.5%	2.4	\$43,062
Sweden	45.3%	52.3%	52.3%	1.1	\$53,173
Switzerland	36.0%	41.7%	41.7%	3.5	\$76,918
Turkey	40.8%	40.8%	40.8%	8.6	\$36,976
United Kingdom	45.0%	47.0%	45.0%	3.6	\$57,855
United States	43.7%	46.0%	43.7%	8.8	\$60,220

Key to abbreviations:

Combined: The combined central government and sub-central government (top marginal) rate, calculated as the additional central and sub-central government personal income tax resulting from a unit increase in gross wage earnings. The combined rate takes account of the effects of tax credits, the deductibility of sub-central taxes in central government taxes etc.

Top Statutory: These are the top statutory tax rates (combined central and sub-central) that apply at the threshold level reported in the fourth column.

All-in: The all-in (top marginal) tax rate, calculated as the additional central and sub-central government personal income tax, plus employee social security contribution, resulting from a unit increase in gross wage earnings. The all-in rate takes account of the same aspects as the combined rate, but does in addition include employee social security contributions and if they are deductible in central government taxes etc.

AW: Average wage, meaning the average annual gross wage earnings of adult, full-time manual and non manual workers.

Threshold: The multiple of the AW earnings at which the top statutory personal income tax rate first applies.

Explanatory notes:

1. This table reports for each country the marginal combined personal income tax rate on gross wage income (derived according to the OECD Taxing Wages framework) for a single person without dependants based on the earnings level where the top statutory rate first applies. The fourth column shows the gross wage earnings threshold at which the top statutory rate is met, measured as a multiple of the AW. The table also reports the 'All-in' rate at this threshold. The results, which use tax rates applicable to the tax year, take into account basic/standard income tax allowances and tax credits. The marginal tax rates are derived on the basis of a unit increase in gross wage earnings at the column 4 threshold. The reported marginal tax rate may not be the maximum possible marginal tax rate. A higher rate may be observed for higher income earners where tax allowance provisions may be diminished or eliminated as is the case in Belgium, France, Luxembourg, Mexico and Switzerland. A higher rate may also be possible at lower levels of income where there is a withdrawal of a tax relief as is the case in Italy, New Zealand, the United Kingdom and the United States. The figures reported may be different from those published in Taxing Wages where updated information is available, such as revised AW figures. Further explanatory notes may be found in the Explanatory Annex.

2. This column reports the level of gross wage earnings (expressed as a multiple of AW) at which the top marginal combined personal income tax rate is reached.

3. This column shows the average wage in USD, using OECDs purchasing power parity exchange rates.

Source: OECD Statistics Database, Table I.7. Top statutory personal income tax rates. Accessed on December 6, 2021.