

Family Tax Benefit Database

The dataset includes country-level indicators on the national income tax system and family-related tax expenditures (such as single parent reliefs or joint filing for couples) based on OECD benefits and wages data country reports and national expert's responses to an online survey. The country and year selection of the tax indicator information matches the latest available dataset for most countries that provide tax data in the Luxembourg Income Study (LIS). Therefore, the data can be used for cross-national comparisons of public policy, tax policy or social policy.

The indicators in the dataset are the following:

- (1) *Individual taxation*: The tax unit is the individual.
- (2) *Joint filing*: The tax unit is the (married) couple.
- (3) *Income splitting*: Aggregation of spouse's incomes and applying a tax rate to the combined income. Combined income could be halved and taxed with the usual tax rate, but also different variations and special tax rates exist.
- (4) *Dependent spouse relief*: Special tax deduction or an amount of tax-free income for having a dependent spouse.
- (5) *Transferability of own basic relief*: Possibility to transfer own tax free bracket to the spouse.
- (6) *Basic relief*: A deductible amount of tax-free income.
- (7) *Single-parent allowance*: Special tax deduction or an amount of tax-free income for single-parents.
- (8) *Tax-free bracket*: First marginal tax bracket of the income tax schedule has 0% tax rate.
- (9) *Flat income tax*: Flat tax rate on incomes.

In order to fit the national tax regulations into a comparable set of indicators a high amount of abstraction is needed and a loss of information guaranteed. Due to substantial variation in regulations across countries, the dummy coding is not always straightforward. Hence, the information should be interpreted with caution. Please have a look at the country-specific notes.

Furthermore, different indicators might not be different in their economic outcome. A "dependent spouse allowance" can function similarly to the "transferability of own basic relief", depending, however, on the specific tax design in the given country. Similarly, "joint filing" per se does not indicate any information regarding the economic outcomes for jointly filing couples. This aggregated information, hence, only gives a broad overview of the prevalence of specific tax expenditure elements in different countries.

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Citation: Schechtel, Manuel. 2020. "Family Tax Benefit Database." OSF. doi:10.17605/OSF.IO/8PE7B.