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***U.S. Effective Corporate Tax Rate
Among Highest in World***

Cato Institute, **New Estimates of Effective
Corporate Tax Rates on Business Investment:**

This bulletin presents estimates of effective corporate tax rates on new capital investment for 83 countries. "Effective" tax rates take into account statutory rates plus tax-base items that affect taxes paid on new investment, such as depreciation deductions, inventory allowances, and interest deductions. Our calculations also account for other taxes that affect investment, such as retail sales taxes on capital purchases and asset-based taxes.

We find that the U.S. effective corporate tax rate on new investment was 34.6% in 2010, which was the highest rate in the OECD and the fifth-highest rate among 83 countries. The average OECD rate was 18.6%, and the average rate for 83 countries was 17.7%.

**Table 1. Effective Corporate Tax Rates
on New Investment, 2010**

United States	34.6%		
Argentina	43.1%	Thailand	17.0%
Chad	36.3%	Rwanda	16.9%
Brazil	35.1%	Netherlands	16.8%
Uzbekistan	34.9%	Luxembourg	16.8%
France	34.0%	China	16.6%
India	33.6%	Hungary	15.9%
Russia	31.9%	Uganda	15.4%
Japan	29.5%	Nigeria	15.1%
Korea	29.5%	Madagascar	14.6%
UK	27.9%	Israel	14.6%
Italy	26.9%	South Africa	14.5%
Australia	26.0%	Bangladesh	14.5%
Spain	25.4%	Poland	14.3%
Lesotho	25.3%	Morocco	13.9%
Austria	25.3%	Botswana	13.6%
Costa Rica	25.2%	Trinidad	13.1%
Norway	24.7%	Greece	13.0%
Pakistan	24.1%	Ghana	12.9%
Germany	23.8%	Czech Rep	12.0%
Peru	23.0%	Vietnam	11.7%
Bolivia	22.9%	Slovenia	11.6%
Tunisia	21.9%	Slovak Republic	11.2%
Portugal	20.8%	Ireland	10.9%
Iran	20.6%	Taiwan	10.9%
Fiji	20.6%	Ethiopia	9.8%
Indonesia	20.5%	Croatia	9.5%
Canada	20.5%	Iceland	8.9%
Kazakhstan	19.9%	Romania	8.6%

Tanzania	19.3%	Singapore	8.5%
Sierra Leon	19.0%	Mauritius	7.8%
Sweden	18.9%	Egypt	7.0%
Georgia	18.9%	Chile	6.7%
Denmark	18.5%	Turkey	5.6%
Finland	18.3%	Latvia	5.6%
Malaysia	18.0%	Bulgaria	4.6%
Jamaica	17.9%	Kenya	4.5%
Ecuador	17.9%	Hong Kong	4.0%
Jordan	17.6%	Ukraine	3.1%
Switzerland	17.6%	Belgium	-1.7%
New Zealand	17.6%	Serbia	-5.1%
Mexico	17.5%	Average of	17.7%
Zambia	17.2%	83 nations	