

10 Countries with No Income Taxes in the World

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In this article, we will look at 10 countries with no income taxes in the world. If you want to skip our detailed analysis, head straight to [5 Countries with No Income Taxes in the World](#).

Global Taxes: An Analysis

The main source of revenue generation for most of the governments in the world is income taxes. Personal income tax and corporate income tax add up to the majority of tax revenue for a government. Unlike the countries that generate the majority of their revenue from income taxes, the countries with no income taxes in the world rely on other taxes such as sales tax, property tax, excise tax, and social security tax, among others.

Marginal tax rates on individual and corporate incomes have significantly dropped across the Organisation for Economic Co-operation and Development (OECD) countries over the past decades. Most of the OECD nations generate a huge amount of revenue from broad-based taxes including payroll taxes and value-added taxes (VAT). It is hard for governments to generate revenue via taxes in the countries with the highest wealth inequality because of the complexity of the taxation system and economy.

As we mentioned earlier in our article on [20 countries with the lowest income tax](#), the US government continues to lower its personal and corporate income taxes. 34 states in the US have gone through significant tax changes in 2024. Among them, 16 states have had income tax cuts in 2024. France is also among the leading countries that have reduced their corporate income tax rates by several percentage points. Belgium has made its corporate tax base less competitive, while Portugal has also enhanced its corporate tax base. Chile, the US, and the UK are working on phasing out temporary improvements to their corporate tax bases.

According to the CATO Institute, the average corporate income tax rate in the high-income countries across the OECD dropped from 47% in 1980 to 23% in 2021. The corporate income tax rates have more than halved across high-income OECD countries, showing a significant change over the last 40-year period. Several other countries have also lowered their tax rates on capital gains, dividends, and estates, and many countries have abolished their annual wealth taxes. In a globalized world where economies are interconnected today, it makes more sense for countries to cut taxes on capital. The Tax Cuts and Jobs Act (TCJA) of 2017 was a major development following which the US federal corporate tax rate was cut to 21% from 35%, bringing the average federal-state rate to 26%. Before TCJA 2017, the US had one of the highest corporate tax rates among OECD countries. Therefore, a thriving economy needs to have a competitive tax code, which helps in keeping the marginal tax rates low. Especially, for corporations, it is significant to operate in a country with the least taxes. Saudi Arabia, Qatar, and

the United Arab Emirates are some of the fastest-growing economies as they attract corporations with investment opportunities. Most of the countries with no income taxes in the world are from the Middle East.

Big Players in the Middle East

Ooredoo Q.P.S.C. (QSE:ORDS), International Holding Company PJSC (ADX:IHC), and Saudi Arabian Oil Company (TADAWUL:2222) are some of the biggest companies based out of the Middle East. These companies play a significant role in driving their respective economies and have far-reaching influence on the regional economy as well.

International Holding Company PJSC (ADX:IHC) has diverse operations across various non-oil segments. On February 26, the company announced the financial results for the full year 2023. International Holding Company PJSC (ADX:IHC) reported a record revenue of AED 60.1 billion, an increase of 17.9% year-over-year. The earnings per share also recorded growth and were reported at AED 12.55 per share for the full year 2023. With strong performance in 2023, here is what the Chairman of International Holding Company PJSC (ADX:IHC), Tahnoon bin Zayed Al Nahyan, said:

“IHC has navigated a year of transformative growth, strengthened by forging key global partnerships and a versatile portfolio that has enabled us to adapt to economic fluctuations. Our efforts to deepen international connections underscore our mission to support the UAE's ascent as a premier financial and innovation leader. Trust from our shareholders has spurred continuous value creation, while our commitment to sustainability was showcased on the COP28 global platform. Artificial Intelligence (AI) is enhancing our operations, towards a future where IHC sustains growth across diverse industries and generates enduring value, backed by the firm support of our Board and shareholders.”

Ooredoo Q.P.S.C. (QSE:ORDS) is Qatar's multinational telecommunications corporation. On February 26, Ooredoo Q.P.S.C. (QSE:ORDS) announced that it would invest \$1.1 billion to expand its mobile coverage and bridge the digital divide in developing countries. The Qatari telecom giant will drive digital transformation in Algeria, Tunisia, Palestine, Iraq, and the Maldives. Ooredoo Q.P.S.C.'s (QSE:ORDS) investment will potentially impact more than 109 million people across these five countries.

Saudi Arabian Oil Company (TADAWUL:2222) is one of the largest companies in the world. Saudi Arabian Oil Company (TADAWUL:2222) is one of the major players in the oil market and has a great influence on the global oil economy. On February 27, the company announced that it has signed a procurement agreement with suppliers in Saudi Arabia worth \$6 billion. Through this procurement agreement, Saudi Arabian Oil Company (TADAWUL:2222) aims to improve the company's domestic supply chain ecosystem. Here is what the company's Executive Vice President of Technical Services, Wail Al Jaafari, said:

“The 40 new agreements signed today are expected to contribute to the domestic value chain, and further enhance the ecosystem that Aramco is helping to build. These agreements move us towards a more prosperous, diverse, and resilient supply chain, which will help ensure business

continuity. They also represent a key milestone on our iktva journey, and provide our partners an opportunity to benefit from a dynamic and increasingly diversified operating environment.”

These were a few of the biggest companies based out of the Middle East. Now, let’s take a look at the countries with no income taxes in the world.

Our Methodology

To compile our list of the countries with no income taxes in the world, we shortlisted the countries with zero personal income taxes. To rank, we used GDP per capita and the lists are ranked in ascending order of their GDP per capita. The data for personal income taxes was taken from the PwC database and cross-checked with the Trading Economics database. The personal income tax data for countries is updated as of 2023 and 2024. The GDP per capita of countries was taken from the International Monetary Fund (IMF) database and for some countries, it was taken from the World Bank database, as it was not available on IMF.

By the way, Insider Monkey is an investing website that tracks the movements of corporate insiders and hedge funds. By using different consensus approaches, we identify the best stock picks of more than 900 hedge funds investing in US stocks. The top 10 consensus stock picks of hedge funds outperformed the S&P 500 Index by more than 140 percentage points over the last 10 years (see the details here). Whether you are a beginner investor or a professional one looking for the best stocks to buy, you can benefit from the wisdom of hedge funds and corporate insiders.

Note: We have also mentioned the corporate income taxes of the countries. Only four countries have no income taxes on corporate income.

10 Countries with No Income Taxes in the World

10. Oman

Personal Income Tax Rate: 0%

GDP Per Capita: \$40,020

Oman is one of the richest countries in the Middle East having a GDP per capita of \$40,020. The country charges a 15% tax on corporate income and has zero personal income tax. Oman ranks 10th among the countries with no income taxes in the world.

9. The Bahamas

Personal Income Tax Rate: 0%

GDP Per Capita: \$46,300

The Bahamas is one of the few states in the Caribbean with no income tax. The Bahamas has a GDP per capita of \$46,300 and has zero income taxes, including both personal and corporate. The Bahamas is one of the countries with no income taxes in the world.

8. Kuwait

Personal Income Tax Rate: 0%

GDP Per Capita: \$53,760

Kuwait is one of the smallest countries in the world. The Middle Eastern country has a strong economy with a GDP per capita of \$53,760. Kuwait charges a 15% tax on corporate income and has zero personal income tax. Kuwait ranks eighth among the countries with no income taxes in the world.

7. Bahrain

Personal Income Tax Rate: 0%

GDP Per Capita: \$62,750

Bahrain has zero personal and corporate income tax. The country has a GDP per capita of \$62,750 and ranks among the countries with no income taxes in the world.

6. Saudi Arabia

Personal Income Tax Rate: 0%

GDP Per Capita: \$71,370

Saudi Arabia is one of the fastest-growing economies in the world with a GDP per capita of \$71,370. Saudi Arabia has zero personal income tax and charges a 20% tax on corporate income. Saudi Arabia ranks sixth among the countries with no income taxes in the world.