

Table 1.93: Types of family taxation in European Union countries

	Joint Taxation ¹	Allowances and credits		Expenditure deductions	Employment rate of married women	Fertility rate
		Child	Couple			
Group A: Independent tax, few family tax instruments						
<i>Denmark</i>	N	N	N	N	57.9	1.76
<i>Finland</i>	N	N	N	N	58.2	1.85
<i>Sweden</i>	N	N	N	N	High ²	2.09
<i>United Kingdom</i>	N	N	N	Y	54.6	1.79
Group B: Independent tax, many family tax instruments						
<i>Austria</i>	N	Y	N	Y	50.2	1.51
<i>Greece</i>	N	Y	Y	Y	35.0	1.39
<i>Italy</i>	N	Y	Y	Y	31.7	1.25
<i>Netherlands</i>	N	N	Y	Y	42.6	1.59
Group C: Optional joint taxation						
<i>Belgium</i>	Y	Y	Y	Y	41.9	1.58
<i>Ireland</i>	Y	N	N	N	46.3	1.40
<i>Germany</i>	Y	Y	Y	N	34.9	2.02
<i>Spain</i>	Y	Y	Y	N	25.3	1.23
Group D: Mandatory joint taxation						
<i>France</i>	Y	N ³	Y	N	47.1	1.73
<i>Luxembourg</i>	Y	N	N	N	33.6	2.12
<i>Portugal</i>	Y	N	Y	Y	52.8	1.55

Source: Cathal O'Donoghue and Holly Sutherland (1998). *Accounting for the Family: The treatment of marriage and children in European income tax systems*, Innocenti Occasional Papers, EPS 65. Florence, Italy: UNICEF.

	Joint Taxation ⁴	Allowances and credits		Expenditure deductions	Employment rate of married women 1998	Total fertility rate 1998
		Child	Couple			
Group C: Optional joint taxation						
<i>United States</i>	Y	Y	Y	N	72.2	2.06

Source: U.S. information compiled by Clearinghouse staff with information from Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means, "The 2000 Green Book," (Washington, D.C.: 2000); Internal Revenue Service, Your Federal Income Tax, Publication 17. Washington D.C.: Department of the Treasury; National Vital Statistics Report, Vol. 48, No. 3, March 2000; Bureau of Labor Statistics, Current Population Survey, *Employment Characteristics of Families Summary* (June 2000).

¹If joint taxation includes only capital income or self-employed income, then we do not categorize this country as having a joint system. The rationale is that this form of taxation is designed to prevent evasion and not to act as a redistributive mechanism.

²The Eurostat labor force survey does not include married women employment rates for 1995 in Sweden. However, from other data sources, we find that employment rates are similar to those in other Scandinavian countries and thus can be considered high.

³Although France does not explicitly have child tax allowances, the family quotient system of taxation means that the tax system is highly distributive towards families with children.

⁴If joint taxation includes only capital income or self-employed income, then we do not categorize this country as having a joint system. The rationale is that this form of taxation is designed to prevent evasion and not to act as a redistributive mechanism.