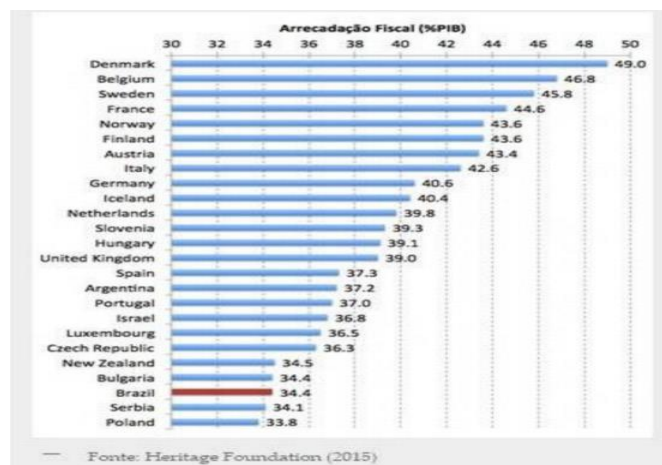


# BRAZIL CLAIMS LESS TAXES THAN MANY COMPARABLE COUNTRIES

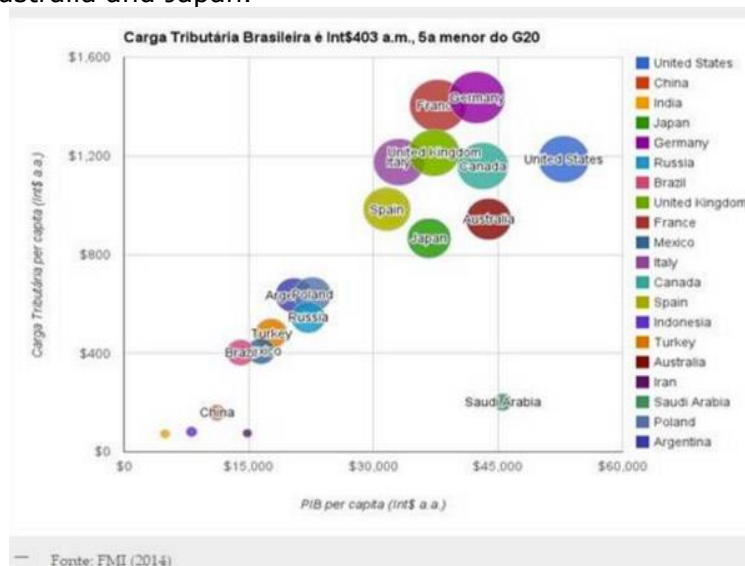
(Facts in relation to Taxes and Unemployment in Brazil compared to Developed Countries and Countries in Development)

AUTHORS: Prof. MB Climaco Cezar – The Hahn-Agrovison Brasília – Brazil - [www.ic-hahn.com](http://www.ic-hahn.com)  
AND Prof. Dr. Andreas Hahn – IC-Hahn Chemnitz – Germany - [www.ic-hahn.com](http://www.ic-hahn.com)

- 1) According to data of the International Monetary Fund (IMF) and the Heritage Foundation, between 2014 and 2015, the average monthly tax burden in Brazil is the fifth lowest among the 20 major economies in the world, and far away from the highest tax burdens. Please note that while the average tax burden in Denmark almost reaches 49 % of the PIB, 40,6 % in Germany, 39 % in Great Britain and 37,2 % in Argentina, in Brazil it is a mere 34,4 %.



According to the IMF, a Brazilian citizen paid in average 403 USD of taxes por month in 2014, being the fifth lowest in the G20 group. Please note in the following figure the much higher total taxes being paid, on a monthly basis, in the European Union, the United States, Australia and Japan.



Additionally, and quite contrary to what internal media divulge, in Brazil the tax burden on properties is around 3 %. The average global tax burden is between 8 and 12 %, demonstrating clearly the intentional error in the argument of an abusive tax burden.

In Brazil, according to independent studies performed by the INCES – Institute of Social-Economic Studies (linked to the UERJ, one of the major and non-party affiliated universities of the country), some organizations, linked to the Industries, are manipulating intentionally fiscal information, in order to gain public support in their campaign to secure a lowering of the tax burden. The main goal of this strategy is to get the lower and middle classes that, in fact, feel the impact of the taxes on their purses, aligned along their strategy. However, this is largely based on misinformation, or at least an incomplete truth.

„It’s a misconstructured discourse, manipulative, in order to deceive the population”, according to the author of the analysis (Dra. Grazielle Custódio David, expert in public finances of the INESC).

2) There are some indisputable truths about the Brazilian economy that still surprise misinformed people or manipulators of the public opinion: Companies in Brazil pay considerably less taxes than in the United States of Argentina (in truth we know that no company ever pays any tax in Brazil since all of them pass on their respective taxes in their final consumer prices (tax incidence) that, ultimately, turns the consumers into the true tax payers)

<http://www.tradingeconomics.com/forecast/corporate-tax-rate>

3) Total taxes over sales in Brazil are considerably less compared to Europe, Uruguai and Argentina (again, here there occurs no real tax payment loss to the companies due to the tax incidence towards the final consumers)

<http://www.tradingeconomics.com/forecast/sales-tax-rate>

4) The personal income tax in Brazil is half of most of the European countries

<http://www.tradingeconomics.com/forecast/personal-income-tax-rate>

5) The recent unemployment percentage: Brazil is still considerably below the average of developed countries.

<http://www.tradingeconomics.com/country-list/unemployment-rate>

Complementing this information, for those that decry Brazil’s economic performance and core economic parameters, who always stress that it only matters how the tax income is used (tax use or application) we inform that in the United States 57 % of the whole public budget is used for the military, to promote wars (and rarely defense). In Brazil, 45 % of the tax income is used to pay interests and to amortize the public debt – that is loans that have been taken out for public construction, investments etc.

<http://www.thebruzundangastimes.com/products/saiba-como-e-em-que-os-estados-unidos-e-o-brasil-gastam-seus-orcamentos-anuais/>

In the United States as well as in Europe the freeway are in good conditions because elevated private road tolls are paid, and not because governments spend for maintaining them (one notable exception being Germany). The same is valid for most of the airports, hospitals, railways, harbours etc. And pity for the poor people that have not sufficient means to pay an expensive health insurance, because the health costs (medics, remedies, hospitals, etc.) a very expensive, as is the education that is mostly private (again, Germany stands out as an example where education is public and, while health

costs are elevated, health insurance is being paid by the government for those who cannot afford it).

THE END