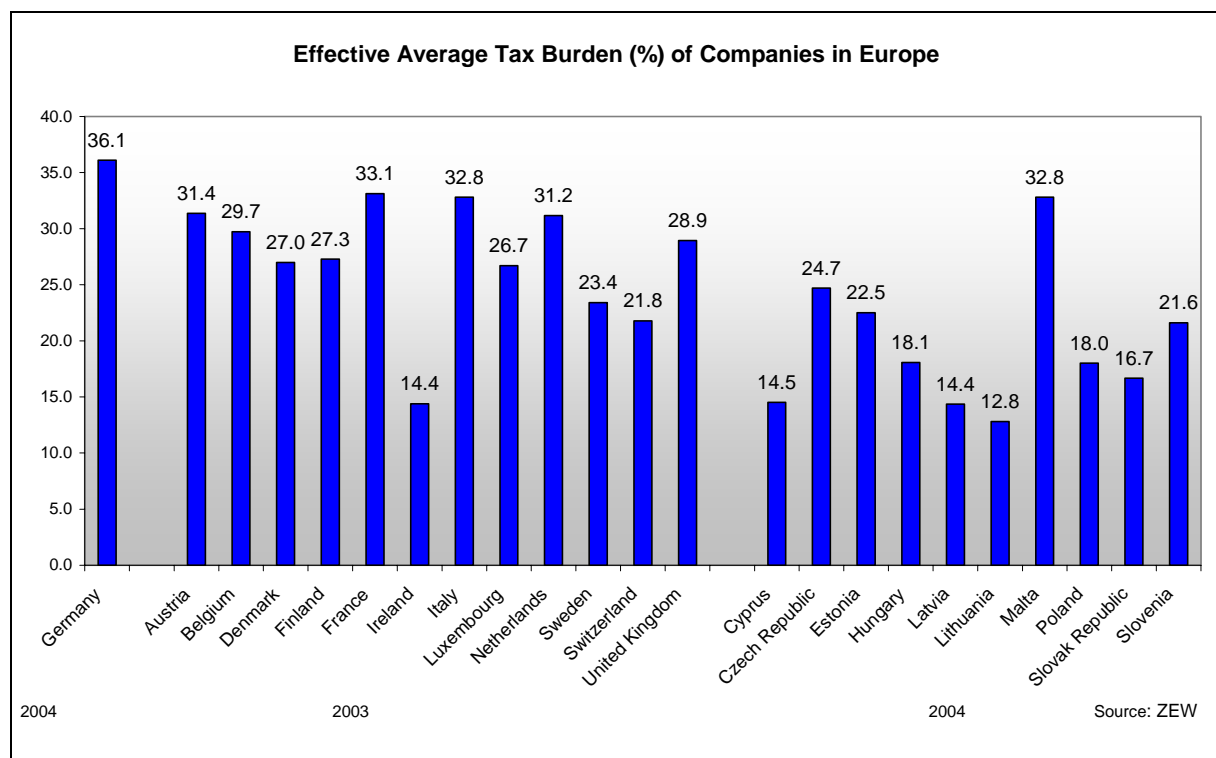


## Effective Tax Burden of Companies in Europe

The estimates of the effective tax burdens take into account the most important taxes on corporate income and capital that are relevant for profitable investments. Therefore, the calculations consider the statutory tax rates of these taxes as well as the most important rules for the definition of the tax base, e.g. differences in depreciation allowances.



Remarks: Estimates were calculated by the ZEW and state the effective average tax rate according to the economic "Devereux and Griffith Model". The estimates present effective tax burdens as of 2003 for the Western European Countries respectively as of 2004 for Germany and the new EU member states. For Germany an average municipal rate for the trade tax of 428% is assumed and for Switzerland the canton Zurich is considered.

For further information do not hesitate to contact the following contact persons of the Corporate Taxation Research Group:

Dr. Friedrich Heinemann, +49 621/1235-149, heinemann@zew.de  
 Dipl.-Kfm. Michael Overesch, +49 621/1235-394, overesch@zew.de