How much are consumption, labor and capital effectively taxed in Colombia? Calculations according to the National Accounts base 2015 - Borradores de Economía

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Publication Date: Thursday, 3 of June 2021 Abstract
From an analysis that is neither accounting nor financial but economic, Rincón-Castro and Delgado-Rojas (2017) calculate for Colombia the average effective rates of taxation on consumption and the factors of production labor and capital, for the period between 1994 and 2016. They use the National Accounts of DANE bases 1994 and 2005. The objective of this study is to perform the same calculations and with the same methodology for the period 2005-2019, but with the National Accounts base 2015. The results indicate that the change in the base produced a substantial reduction in the effective rates on labor and capital. For example, for 2016, the average effective rate on labor decreased by 3 percentage points and on equity by 6 percentage points. What is the explanation? The changes in the tax bases introduced by the new national accounting base, since the calculation methodology, the definitions of the rates, the parameters and the assumptions do not change. Between 2017 and 2019, the effects of the tax reform law 819 of 2016 and 1943 of 2018 are added. The calculations for 2019 indicate that the average effective tax rate on consumption is 12.7%, on work it is 18% and on capital it is 15%. The breakdown of the rate on work shows that on wages is 2.3%, that of payroll 2.7% and social security 13%. The breakdown of the capital rate shows that, that of households, who are the owners of capital, is 3.8%, while that of corporations is 21.1%. Thus, taxes in Colombia are not actually as high, but neither are they as low or as well distributed.

Fuente: https://www.banrep.gov.co/en/how-much-are-consumption-labor-and-capital-effectively-taxed-colombia-calculations-according