

Corporate Taxation in Sweden

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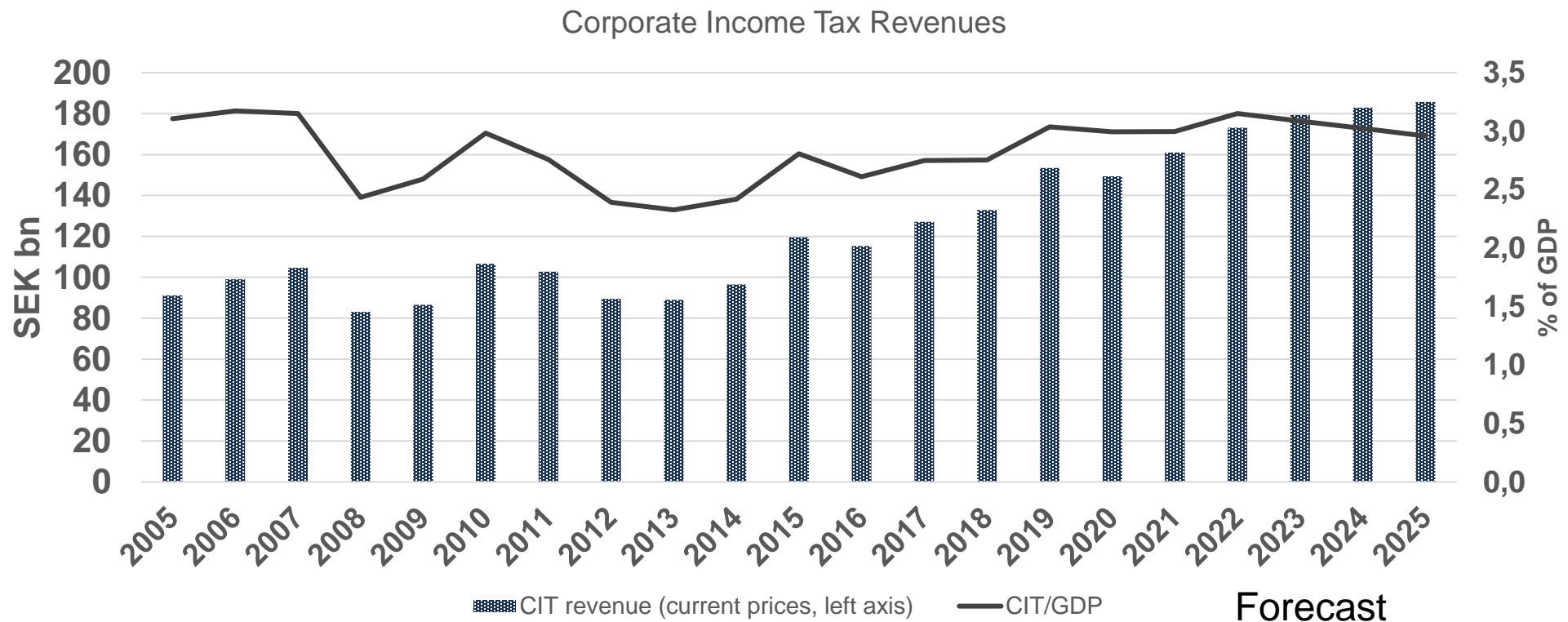
Key takeaways from study

- Study finds that the corporate income tax rate cuts have small effects on economic activity in micro firms
- Cutting dividend taxation does not lead to more investments

Corporate tax reform in Sweden 2018

- Sweden has a strong commitment to broad tax bases – dates back to the tax reform in 1991
- New fully financed corporate tax reform in 2018 – key elements were broader base and lower rate
- Swedish corporate income tax system still characterized by generous depreciation rules

Corporate income tax is an important source of revenue



Sound public finances are key

Pandemic

- Measures amounting to more than SEK 380 bn in 2020 and 2021 (around 7.6 % of GDP)
- Liquidity measures (up to SEK 690 bn)

Swedish green job revolution

- Climate leap
- Industry leap
- Climate premiums
- Regional electrification pilot project



Conclusions

- Sound public finances are key for being able to meet challenges
- Study gives no reason to deviate from the current practice to calculate static budgetary effects and not include over optimistic behavioral or dynamic effects