

DOCUMENTATIEBLAD

**BELASTINGHERVORMING EN FISCALE DRUK
EEN METHODOLOGISCHE ILLUSTRATIE****J. BLOMME***Adviseur – generaal van Financiën****Abstract***

The paper focuses on the methodology for the evaluation of the incidence of reductions – base or tariff – of specific taxes on the overall tax burden (including social security contributions). 7 scenarios for reductions in profit taxes, employers' social security contributions and personal income taxes illustrate, within the framework of a simple dynamic model, the methodology.

The approach underlines the importance of the determinants of the endogenous evolution of all tax bases relative to the evolution of gdp as well as the importance of the changes – relative to gdp - of all tax bases, resulting from a reduction of a specific tax.

Simulations provide an indication on the relative efficiency of the different scenarios in reducing the overall tax burden and in fostering gdp growth.

JEL CLASSIFICATION: *H21***KEYWORDS:** *tax reform, tax burden*