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COMMISSION STAFF WORKING DOCUMENT

Mind the Gap Report
Challenges and opportunities for tax compliance and tax expenditure in the EU

Sweden

Country fiche: Sweden

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Sweden regularly measures a comprehensive range of tax gaps, including those for corporate income tax (CIT), personal income tax (PIT), value added tax (VAT) and excise duties.** In addition, the results of these efforts inform and shape the risk compliance strategy of Sweden as they help to identify, assess and prioritise key compliance risks. Moreover, Sweden is among the few Member States that regularly publishes their tax gap estimates across the board on the website of the Swedish Tax Agency which promotes transparency for the activities of the agency.

- **Sweden overall performs strongly in terms of VAT compliance.** It has a VAT compliance gap of 5.3% of the VAT total tax liability (VTTL), well below the EU average of 9.5%. The VAT compliance gap remained stable and was among the lowest in the EU throughout the period between 2019 and 2024.

- **Sweden has the lowest tax arrears in the EU at less than 1% of total net tax revenue in 2023.** Further, Sweden also performs well in recovering taxes from the requests of other Member States under the EU Tax Recovery Directive: in 2024 Sweden recovered 24% of the tax requests from other Members compared to an EU-average of 4.7% (years 2022-24). In Sweden, tax recovery is entrusted to a specific authority, the Swedish Enforcement Authority (SEA, *Kronofogdemyndigheten*), that has a wide range of powers to recover unpaid tax debts. This promotes tax recovery efficiency as the same rules and practices for recovery apply to all types of taxes. All public and private creditors are obliged to entrust SEA to enforce/recover their debt within a common framework.

- **Sweden makes wide use of the data obtained from the Directive on Administrative Cooperation (DAC) automatic exchange of information.** The data obtained under the DAC is used for a wide range of compliance activities like information notifications to encourage taxpayer compliance, and for risk analysis purposes. These activities have facilitated the collection of substantial revenues, thereby contributing to a reduction of the tax gaps. Sweden also undertakes targeted tax gap studies with DAC relevance, e.g. on taxpayer compliance with respect to foreign financial income and crypto assets.

Areas for Improvement

- **There has been a lack of a systematic approach in Sweden when evaluating tax expenditures (TE)**. While Sweden performs regular and detailed reporting of TEs, it has only recently implemented an evaluation of TEs. Most of the assessments so far have been done for CIT purposes. An evaluation of mortgage interest deductibility, as proposed in the country-specific recommendations (CSRs) for Sweden in the European Semester process, would help Sweden to assess its impact on the housing market as well as other domains like tax fairness. A comprehensive and systematic risk assessment programme could help ensure the effectiveness and efficiency of tax expenditures as well as make the tax system simpler.

- **Sweden's Tax Agency could promote the wider use of digital tools like pre-filling for VAT and CIT purposes and promote e-filing by companies**. The use of such tools can help promote cooperative compliance from businesses as well as reduce the high CIT compliance burden for small- and medium-sized enterprises in Sweden.

1. Snapshot of Tax System: Tax Revenues and their Sources

Despite recent declines, the overall tax burden in Sweden remains above the EU-27 average. In 2023, tax revenues as a share of GDP were at 41.3% in Sweden in 2023, compared with an EU average of 39.0%. The tax mix relies heavily on labour taxation, accounting for 57.0% of total tax revenues compared with an EU average of 51.2%. The share of taxes on consumption (28.0%) was also higher than the EU-average (26.9%). In contrast, capital taxes have a low share in Sweden's tax mix (15.0% compared to 21.9% in the EU) ([1]). Among the different tax types, VAT revenue amounted in 2023 to 8.9% of GDP, slightly above the EU average of 7.1%.

High labour taxation is coupled with a relatively high redistributive capacity of the system. Sweden has a high tax wedge ([2]) at all levels of income, in particular at the lowest and highest earnings levels, compared with the EU average. Labour taxation is, however, designed in a progressive way as the difference in the tax wedge between high-income earners (167% of the average wage) and low-income earners (67% of the average wage) is of 10.2 percentage points, largely above the EU average of 7.8 percentage points. As a result, in 2023, the Swedish tax and benefit system reduced inequality, as measured by the difference in Gini coefficients before and after taxes and benefits, by 8.8 percentage points, higher than the EU average of 7.7 percentage points ([3]). Overall, Sweden has an income distribution more equal than other Member States, with a Gini coefficient of equivalised disposable income of 27.6% in 2024 (29.3% in the EU-27) ([4]). Similarly, the at-risk-of-poverty or social exclusion rate was 17.5% in 2024, 3.5 percentage points below the EU average ([5]).

Sweden has received country specific recommendations ('CSRs') to reform its housing market, including through tax reforms ([6]). As highlighted above, Sweden has a relatively low rate of capital taxation, including property taxation. Unlike most Member States, mortgage interest costs are fully

[1] Data on tax revenues are based on European Commission: Data on Taxation Trends, edition 2025 (reference year 2023). The 2026 edition (reference year 2024) will be published in the first quarter of 2026. Preliminary data point to an upward revision of tax revenue data for 2023 (to 41.7% of GDP), followed by a decrease of total tax revenues to 41.4% of GDP in 2024: https://doi.org/10.2908/GOV_10A_TAXAG.

[2] The tax wedge is defined as the sum of personal income taxes and employee and employer social-security contributions net of family allowances, expressed as a percentage of total labour costs (the sum of the gross wage and social-security contributions paid by the employer). Data are based on European Commission, DG ECFIN: Tax and Benefits Database.

[3] European Commission, DG EMPL calculations based on EU-SILC survey data.

[4] European Commission, Eurostat [ilc_di12]

[5] European Commission, Eurostat [ilc_peps01n]

[6] Council of the European Union (2025): Council Recommendation on the economic, social, employment, structural and budgetary policies of Sweden.

deductible in Sweden. Although there is capital gains tax in Sweden on the sale of property, this can normally be deferred through the purchase of a new property. As a result, the CSRs recommend Sweden to focus on "gradually reducing the tax deductibility of mortgage interest payments or increasing recurrent property taxes" ([7]).

2. Monitoring of Compliance Gaps

2.1. Overview

Sweden undertakes a comprehensive range of tax gap studies and publishes the results on the website of the Swedish Tax Agency. Sweden created its tax gap team in 2017 and has a comprehensive program to estimate many different types of tax gaps (see discussion below). Moreover, Sweden uses various approaches and methods when estimating tax gaps. It also takes part in the EU FISCALIS project on tax gap estimation where it is participating in the following sub-groups of the FISCALIS project: CIT, PIT and EU VAT (MTIC). As one of very few Member States, Sweden publishes their tax gap reports on the website of the Swedish Tax Administration on a regular basis ([8]).

2.2. Monitoring VAT Compliance Gap

Sweden overall performs strongly in terms of VAT compliance, with a VAT compliance gap ([9]) that amounted in 2023 to EUR 2.7 billion, or 5.3% of the VAT total tax liability (VTTL) ([10]) below the EU average of 9.5% ([11]). The VAT compliance gap increased from 3.5% in 2022 to 5.3% in 2023. A further increase to 7.7% is expected in 2024 based on fast estimates, which is 6 percentage points above the level estimated for 2019. Despite recent increases, Sweden ranks among the lowest in the EU throughout the period from 2019 to 2024. Compared to other Member States, Sweden's VAT compliance gap was the 6th lowest in 2023.

The expansion of the tourist and service sector could be a driver of recent increases in VAT compliance gap. In terms of VAT-relevant consumption, recreational services, restaurants, and accommodation grew by 7.1% in nominal household consumption in 2023, although this was lower than in 2022. Similarly, tourism demand, as measured by nights spent in tourist accommodations, rose

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[7] Ibid.

[8] See: https://www.skatteverket.se/servicelankar/otherlanguages/inenglishengelska/moreonskatteverket/reports.4.70ac421612e2a997f85800096363.html?q=tax+gap

[9] The VAT compliance gap is an estimate of revenues lost due to VAT fraud, evasion and avoidance, bankruptcies and financial insolvencies, or miscalculations.

[10] The VAT Total Tax Liability (VTTL) is the theoretical tax revenue that would be collected in a situation of perfect taxpayer compliance, assuming an unchanged net VAT base.

[11] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., *VAT gap in Europe – Report 2025*, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.

Sweden also estimates the VAT gap based on own models. In total three different estimation approaches for the VAT gap are employed. The present discussion focuses on the Commission's report on *VAT gap in Europe – Report 2025*.

by only 1.5% in 2023, down sharply from 25.7% in 2022. On the supply side, sectoral performance varied. Services growth accelerated in real value-added terms in 2023, while industry, manufacturing, and construction contracted following strong rebounds in 2021 and 2022. These shifts increased the share of services in total gross value added by 1.5 percentage points. Overall, the sectoral changes in Sweden in 2023 are likely to have had a negative impact on VAT compliance, as the risk of non-compliance tends to be higher in the services sector.

An adverse economic environment in Sweden led to a 21.0% increase in bankruptcy rates in 2023, up 15.4 percentage points compared to 2022. The bankruptcy rate differed across sectors, with IT and construction experiencing relatively higher rates than other sectors. In 2024, the situation worsened, with an overall 30% increase in bankruptcies, affecting all major sectors ([12]).

Other potential factors, such as the prevalence of e-commerce, remained largely unchanged between 2022 and 2023 and are therefore considered neutral for VAT compliance in Sweden. In theory, e-commerce is positively related to compliance, as transactions are predominantly digital and automated, making them relatively easy to monitor.

In 2023, VAT losses due to Missing Trader Intra-Community (MTIC) fraud ([13]) were estimated at around EUR 1 billion in Sweden. While experiencing some fluctuations over time, the VAT losses due to MTIC fraud increased by around EUR 250 million between 2010 and 2023 ([14]).

2.3. Corporate and Personal Income Tax Compliance Gaps, and Measures of the Shadow Economy

The Swedish Tax Agency regularly issues publicly available reports on a wide range of tax gap estimates for direct tax purposes. The Agency also publishes a number of ad-hoc tax gap reports for specific assets, such as for foreign financial income and crypto assets.

The Swedish Tax Agency estimates and publishes the CIT compliance gap. In particular, the most recent report to measure the CIT gap was published in 2022. Sweden records both the gross tax gap (that is the gap before accounting for compliance and collection actions), and net tax gap (that is the tax gap remaining after accounting compliance activities and for tax revenues collected). Table 1 below provides an overview of the tax gaps as related to CIT:

Table 1: An assessment of CIT gaps for assessment of annual corporate tax gap for Swedish private non-financial companies. Average for the 2014 to 2018 period.

	Tax gap (SEK billions)	Proportion of final	Tax gap as a

[12] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., *VAT gap in Europe – Report 2025*, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422. The analysis of bankruptcy data is based on official Eurostat data, series sts_rb_a, https://doi.org/10.2908/STS_RB_A.

[13] Missing Trader Intra-Community (MTIC) fraud is a form of VAT fraud that exploits VAT-free cross-border trade within the EU. Fraudsters purchase goods VAT-free from another Member State, sell them domestically, charge VAT to their customers, and disappear before paying this VAT to the tax authorities.

[14] European Commission, CASE, Poniatowski, G., Śmietanka, A., and Skowronek, A., *VAT compliance gap due to Missing Trader IntraCommunity (MTIC) Fraud – Final Report Phase II*, Publications Office of the European Union, Luxembourg, 2024, https://data.europa.eu/doi/10.2778/6433841.

		tax [15]	percentage of the final tax for each respective population
Large companies [16]	2.2	2.5%	6.3%
Small and medium sized companies [17]	1.0	1.1%	1.8%
Total	3.2	3.6%	3.6%

Source: Swedish Tax Gap Report 2022, Table 13 - Skatteverket

In terms of methodology, the Swedish Tax Agency has taken a different approach to SMEs and larger companies. Tax gap estimations for SMEs have been carried out through random audits and have been limited to the following taxes: income tax, VAT, social security contributions and self-employed contributions. In turn, the assessments of large enterprises are not based on random audits of the target population. The report indicated that this was because the population is diverse, comprises fewer companies and also it is not feasible to carry out a random audit. Instead, the results of audits have been further analysed and tax gaps allocated to two different categories: (i) inadequate internal business practices and (ii) tax avoidance schemes.

In line with the national Swedish CIT gap estimates, European Commission estimates suggest a low CIT compliance gap in Sweden. Based on a methodology developed by the Joint Research Centre which relies on a top-down approach using national accounts data, the CIT compliance gap of Sweden was at around 3.5% of collected CIT revenues in 2015 (using the GVA-based methodology), the fourth lowest of 23 Member States assessed ([18]). Based on the same methodology, the (unweighted) average for the CIT compliance gap is 10.9% of collected CIT revenues based on available estimates for 23 Member States.

The Swedish Tax Agency has estimated the PIT gap and published tax gap reports for different PIT categories on its website (see Table 2 below). Similar to the CIT gap, the Agency estimates the following gaps: PIT gap, reporting gap, gross tax gap and net tax gap ([19]). The most recent report to measure the PIT gap was published in 2021 relating to the tax year 2020. The gaps for the various PIT

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[15] Final tax refers to the average annual assessed income tax of the companies included in the population assessed in the table.

[16] Refers to Swedish private, non-financial companies that are part of a group in which at least one company has a total annual wage bill exceeding SEK 50 million (ca. EUR 4.5 million) .

[17] The result also includes limited companies' share of partnership profits.

[18] European Commission: Directorate-General for Taxation and Customs Union (2025), *The Corporate Income Tax Gap, A European approach to measuring losses in corporate tax revenues*, Publications Office of the European Union, https://data.europa.eu/doi/10.2778/0541549. The JRC has recently developed a novel approach to estimate the CIT gap based on National Accounts and existing data on the undeclared economy, providing approximations of the CIT gap for a majority of EU Member States. JRC's estimations are based on the exhaustiveness adjustments made to Gross Operating Surplus (GOS), Gross Value Added (GVA) and Gross Domestic Product (GDP), that national statistical offices perform to account for non-observed economy. The JRC approach does not capture CIT gaps associated with tax avoidance and (international) profit shifting, which would require other estimation methods.

[19] OECD (2024), *Tax Administration 2024: Comparative Information on OECD and other Advanced and Emerging Economies*, OECD Publishing, Paris, https://doi.org/10.1787/2d5fba9c-en

categories are provided below. It should also be emphasized that within the PIT gap estimates the PIT gap for capital gains and property taxation is estimated separately (see Table 3 below).

Table 2: Assessment of the annual verifiable tax gap for income from employment, business activities and social security contributions, 2014 to 2018:

Category	Tax gap (SEK billions)	Proportion of Final Tax	Proportion of final tax for respective income categories
Income from business activities	3.3	0.5%	21.0%
Income from employment	4.1	0.4%	1.3%
Incorrect deductions for employment income in tax return	2.9	0.5%	0.4%
Social security contributions	6.1	1.9%	1.9%

Source: Swedish Tax Gap Report 2020, Tables 3 and 6 - Skatteverket

Table 3: Assessment of the annual capital gains tax gap for private individuals, 2016 to 2018

	Tax gap (SEK billions)	Tax gap as proportion of the final tax
Incorrect capital gains deductions	3.6	3.9%
Returns on foreign assets	4.4	4.7%
Total	8	8.6%

Source: Swedish Tax Gap Report 2020, Table 9 - Skatteverket

In terms of methodology, a mix of bottom-up and top-down approaches have been employed. To measure the capital gains and property tax gap, random audits are carried out for parts of the declared capital gains within Sweden, while a top-down evaluation is performed in relation to the tax gap arising from returns on undeclared foreign assets. The returns on foreign assets have been based on estimates derived from econometric studies (Alstadsæter et al., 2018).

Other tax gap estimation reports have been recently published by the Swedish Tax Agency. In particular, a targeted report which measures the tax gap with respect to foreign financial accounts information and a targeted report which measures the tax gap with respect of crypto assets. The first one has direct relevance for measuring compliance of taxpayer's declaration of dividend and interest income with respect to the automatic exchange of financial account information under DAC2/CRS/FATCA. The second one will be of relevance for measuring the future compliance of taxpayers of declaring taxable income in relation to crypto assets with respect to the automatic exchange of financial information under DAC8 ([20]).

Tax gap report on foreign financial income

In 2022, Sweden carried out an assessment of the compliance of Swedish taxpayers for declaring foreign income (interest and dividend income). According to estimates derived from Alstadsæter et al. (2018), financial assets held abroad of individual resident in Sweden amounted to SEK 526 billion (ca. EUR 47.7 billion) in 2017 ([21]). In terms of the methodology used, the Swedish Tax Agency carried out random checks on individuals based on information received under the OECD Common Reporting Standard on automatic exchange of financial account information ([22]). Information under the CRS was checked against financial income declared by the Swedish taxpayer in their annual return. Only interest and dividend income were checked and no other exchanges under the CRS, namely other financial income and sales proceeds/capital gains. The study used a stratified sampling approach:

(i) Targeted taxpayers – random sample of taxpayers above a threshold for dividend and interest income;
(ii) Non-targeted taxpayers – random sample of taxpayers below threshold for dividend and interest income.

The results of these samples were then extrapolated to arrive at an overall tax gap estimate.

The overall estimate was that there was a tax gap of SEK 58 million (ca. 5.3 EUR million), which amounted to 19% of the estimated final tax on individuals' capital income from dividends and interest, based on CRS data. Therefore, the study suggests a high risk of non-compliance of Swedish taxpayers when declaring foreign financial income. An important finding in the study was that for targeted taxpayers the average tax gap for male taxpayers was twice as high compared to female taxpayers.

Based on this data alone, and the capital tax gap assessment in Table 3, it is not possible to determine to what extent the high tax gap in relation to capital income and property contributes to the low effective rate of taxation on capital in Sweden. In respect of the tax gap assessment using CRS data, the foreign financial income estimates assessed only a small proportion of financial information exchanged under DAC2/CRS (that is dividend and interest income). From DAC2 statistics, gross income/redemptions and other financial income are significantly higher amounts although gross income/redemptions would also include sales proceeds ([23]). Incorporating the aforementioned categories would provide a more comprehensive assessment of the foreign financial tax gap which would help identify compliance activities to the address this tax gap.

[20] Information exchanges under DAC8 between Member States will take place in 2027 with respect to the tax year 2026.

[21] Alstadsæter, A., Johannesen, N., & Zucman, G. (2018). Who owns the wealth in tax havens? Macro evidence and implications for global inequality. *Journal of Public Economics*, *162*, 89-100.

[22] CRS data also include financial account information exchanged between Member States under DAC2.

[23] Under DAC2, Member States exchanged with each other the following amounts in 2023 in relation to reporting year 2022: CRS-501 Dividend Income – 49.9 EUR billion, CRS-502 Interest Income – 39.3 EUR billion, CRS-503 Sales proceeds/capital gains -2.1 EUR trillion, and CRS-504 Other Financial Income – 135.8 EUR billion.

Tax gap report on crypto assets

In 2024, Sweden assessed the compliance of Swedish taxpayer for declaring income from crypto assets. To assess the tax gap, Sweden used the following two sub-populations: a) an "internal" dataset consisting of individuals who have declared the sale of cryptocurrencies in their income tax return, and b) an "external" dataset comprising individuals who can be assumed to have unlimited tax liability in Sweden and have sold cryptocurrencies on international crypto exchanges ([24]).

The report had two main conclusions. First, the tax gap is estimated to be 90% of the theoretically calculated tax on capital gains from the sale of cryptocurrencies, which is SEK 1.5 billion (ca. EUR 140 million). However, the tax gap from cryptocurrency trading is estimated to be 1.4% of the determined capital gains tax for households. Second, the tax gap is primarily attributed to individuals selling large amounts of cryptocurrency assets. Those in the top 10% in terms of sales account for nearly three-quarters of the tax gap, while those in the bottom 50% account for only a negligible portion of the tax gap.

Size of the shadow economy

The shadow economy in Sweden still has considerable economic weight albeit being well below the EU average. In 2022, the shadow economy in Sweden was estimated at about 10.8% of GDP (Schneider and Asllani 2023, for the European Parliament) ([25]). This ratio is 6.7 percentage points below the EU-27 unweighted average. The analysis considers PIT, indirect taxes, tax moral, unemployment, self-employment, GDP-growth and business freedom as potential contribution factors to the shadow economy in the approach referenced here. Personal income taxation stands out as the most important contributor to Sweden's shadow economy. The shadow economy is on a declining trend shrinking from 18.6% 20 years ago to 10.8% in 2022. With the support offered through the Technical Support Instrument (TSI) project "Development of analytical and statistical tools to estimate the shadow economy in Sweden", the Swedish Tax Agency aims to develop analytical and statistical tools to better estimate the shadow economy in Sweden and to also further reduce the tax gaps ([26]). Besides developing a model to estimate the size of the informal/shadow economy, the Commission, with the help of the IMF as implementing partner, is supporting Sweden also to conduct CIT gap calculations.

2.4. Other Compliance Gaps

In addition to CIT and PIT, the 2022 Swedish Tax Gap report monitored excise and congestion charges. Figures are provided in Table 4. The Tax Gap Report highlights significant uncertainty in the estimation of excise duty gaps. A top-down approach is employed, relying on national data sources to estimate total consumption of excise goods. A key prerequisite for calculating excise duty gaps is accurate knowledge of the total consumption of excise goods within the country. In Sweden, the Central Association for Information on Alcohol and Drugs (CAN) is the established authority responsible for monitoring consumption of tobacco and alcohol. CAN conducts this monitoring

[24] Based on transaction data from international crypto exchanges and platforms.

[25] European Parliament (2022), *Taxation of the informal economy in the EU*. https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf

[26] See the Technical Support Instrument – Country Factsheet for Sweden, available at https://reform-support.ec.europa.eu/our-projects/country-factsheets/sweden_en

through a combination of surveys, data compilations, and research, aiming to estimate consumption across the entire population. The congestion charge excise duty gap was assessed by multiplying the estimated average charge per passage by the number of passages of cars with non-identifiable registration number.

Table 4: Excise and congestion charges

	Estimated Excise duty gap (SEK million)	Tax gap as a % of final excise duty
Excise duty on alcohol products	1.2	7.2%
Excise duty on tobacco products	0.2	1.5%
Congestion tax	0.01	0.2%
Total final excise duties	1.4	4.4%

Source: Swedish Tax Gap Report 2022 Table 19 – Skatteverket

3. Monitoring of Policy Gaps

3.1. Tax Expenditure

Sweden relies less than other Member States on tax expenditures. Foregone tax revenues in Sweden were 3.8% of GDP in 2020 compared to 5.2% for thirty other high-income countries and thus relatively modest ([27]). In particular, tax expenditures in the form of and tax incentives to promote investment, are only used to a limited extent in Sweden. Instead, Sweden relies more on financial instruments such as loans and guarantees. Sweden has implemented an incentive to stimulate R&D activities, which directly lowers monthly labour costs and can accumulate to significant sums over time ([28]).

The value of tax expenditures reported in Sweden has increased due to changes in the methodology for calculating tax expenditures. Foregone tax revenues in Sweden were about SEK 208 billion (ca. EUR 19 billion) or 3.8% of GDP in 2021 and have increased to SEK 484 billion (ca. EUR 44.3 billion) or 7.5% in 2024 ([29]). Changes in the methodology included defining the earned-income tax credit (*jobbskatteavdraget*) and tax-free allowance (*förhöjt grundavdrag för äldre*) as tax expenditures. The sum of both of these changes resulted in an increase in tax expenditures of SEK 200 billion (ca. EUR 18.3 billion) in 2023, corresponding to about 3.2% of GDP.

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[27] Data by GTED database. Note that Sweden rejects the notion that TEs can be aggregated across categories. Comparisons across time are equally meaningless.

[28] See: https://www.business-sweden.com/49aa46/contentassets/41249a64a04e4309b7637b00c526eef8/incentives-guide-2025.pdf

[29] GTED database

Sweden undertakes regular detailed tax expenditure (TE) reporting. The budget act requires the government to report TEs annually to the parliament in a separate communication. The reporting of tax expenditure serves two purposes. First, it clarifies the indirect support to households and businesses on the income side of the budget that can partly or wholly have the same function as support on the expenditure side of the budget. Second, it contributes to describing the degree of uniformity of tax regulations ([30]). Foregone revenues are reported provision by provision, without aggregating these ([31]). A considerable number of foregone revenue provisions relate to business taxation. The largest TE is an employment tax deduction (*Jobbskatteavdrag*) with foregone revenues of about EUR 16.1 billion, followed by an increased basic deduction for the elderly (*Förhöjt grundavdrag för äldre*) with foregone revenues of about EUR 5.1 billion ([32]).

Sweden is currently evaluating tax expenditures geared towards companies. Sweden does not have a process for regularly evaluating TEs. However, the Swedish government has recently commissioned several initiatives to map and evaluate government business support, to gain a better overview of public support for businesses and the value it generates. The final report will be submitted in January 2026 ([33]). The evaluation considers all business support. TEs however make up the largest part of support with 48 TEs identified, amounting to SEK 109.3 billion (ca. EUR 10 billion). TEs are eight times larger than estimated appropriations on the expenditure side of the budget The mapping shows that almost half of the tax expenditures (22 of the 48 tax expenditures) have been evaluated or impact-evaluated to some extent. The analysis also concludes a lack of a systematic approach when conducting evaluations. The significant amounts involved in the context of TEs underscore the importance of systematic TE evaluations.

In addition to the tax expenditure for companies, Sweden makes extensive use of mortgage interest relief deductibility in its tax system which is considered problematic. For the year 2024 interest deductions for households, which includes mortgage interest, were at 61 billion SEK (ca. EUR 5.4 billion), up from 41 billion SEK in 2023 (ca. EUR 3.6 billion), i.e. an increase of close to 50% ([34]) ([35]). Tax expenditures related to housing tend to increase income inequality. These forms of tax expenditure often take the form of mortgage interest tax relief for owner-occupied housing and hence are more likely to benefit households in higher income deciles ([36]). In past years, Sweden has been issued a CSR in the Semester process to reform its housing market, including limiting mortgage interest deductibility and reforming recurrent property taxation, to address the macro-economic

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[30] Sweden's TE reporting has been reviewed by the national audit office in 2017. The Swedish Fiscal Framework, 2018

[31] Since each tax has a specific benchmark and foregone revenue estimates might overlap, different estimates should not be aggregated according to Swedish authorities. Such aggregations can still be commonly observed in TE reports of other Member States.

[32] Swedish tax expenditure report 2025 (Redovisning av skatteutgifter 2025)

[33] Summary on business support evaluation by the Swedish Institute for Growth Analysis (tillvaxtanalys).

[34] See Rekordnota för ränteavdrag: 61 miljarder – män med hög lön får mest | SVT Nyheter

[35] Sweden has introduced new legislation which limits the deduction of interest expenses for loans that do not fulfil specific requirements related to security and the maximum loan-to-value ratio (Deductions for interest expenses | Skatteverket).

[36] This is in line with previous analyses, including Fatica (2015), Housing taxation: from micro design to macro impact; and Leodolter and Rutkowski (2022).

vulnerabilities in the housing market including private debt reform. Until now no significant reforms have been made to housing taxation in Sweden ([37]).

3.2. VAT Policy Gap

The VAT policy gap in Sweden was lower than the EU average in 2023. The level of the VAT policy gap in Sweden was estimated that year at 46% of the notional ideal revenue ([38]) (SEK 505 billion, ca. EUR 44 billion), while the EU VAT policy gap was 50.5% ([39]). This represents an increase of 2 percentage points compared to 2022, but a decrease of almost 1 percentage points compared to 2019.

The VAT exemption gap in Sweden was almost aligned to the EU estimate in 2023. It amounted to 38% of the notional ideal revenue (ca. SEK 415 billion, ca. EUR 36 billion), only 1 percentage point above the estimate for the EU-27 overall. This constitutes an increase compared to 2022 (+2 percentage points). The VAT exemption gap has fluctuated slightly over time, having decreased by almost 1 percentage point since 2019.

The VAT rate gap in 2023, which amounted to SEK 89 billion (ca. EUR 8 billion), was estimated at 8% of the notional ideal revenue, **below the EU average of 12%**. It has remained stable compared to 2022, and also when looking at a longer horizon from 2019 to 2022, with a dip in 2020 and 2021 (around half a percentage point lower in these years).

The national policy-driven VAT exemption gap ([40]) of SEK 107 billion (ca. EUR 9 billion), was estimated in 2023 at 10% of the notional ideal revenue, below the EU average of 11%. This represents an increase compared to 2022 (+1 percentage point) and has increased steadily every year since 2019 (+4 percentage points).

In 2023, Sweden did not introduce major changes to VAT rates or exemptions. Therefore, the observed slight variations in the policy gap structure likely reflect shifts in consumption patterns rather than legislative changes.

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[37] The point that a reform of property taxation can help overcome structural deficiencies in the housing market is also made in the IMF's Article IV consultations for 2025. See [Sweden: 2025 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Sweden](#).

[38] The notional ideal revenue is the benchmark VAT revenue that assumes perfect taxpayer compliance in a situation where the current standard VAT rate is applied to all final consumption and household, government, and NPISH investment.

[39] See European Commission, Syntesia, Poniatowski, G., Bonch-Osmolovsky, M., Śmietanka, A. et al., *VAT gap in Europe – Report 2025*, Publications Office of the European Union, Luxembourg, 2025, https://data.europa.eu/doi/10.2778/7868422.

[40] The national policy-driven VAT exemption gap represents the part of the VAT policy gap that can in principle be influenced by national policies on reduced VAT rates and exemptions. In practice, it consists of revenue forgone from services falling under Article 137 (such as real estate and certain financial services), from the SME scheme, and from national exemptions applied under standstill clauses or derogations.

4. Effectiveness of Tax Collection and Recovery Systems

4.1. VAT Collection

Sweden performs relatively well when it comes to administration of VAT but there is still some room for improvement to increase compliance further. The main findings of the Commission's Ninth Report on VAT Administration ([41]) and recent updates via survey can be summarised as follows:

- **As regards registration of taxpayers for VAT purposes, Sweden could review its provisions on legal verification of VAT registrations**. Sweden has, however, a good practice of cross-checking the information held in the VAT registration database against third-party information sources, such as other government registries, to improve the integrity and accuracy of its database.
- **Sweden has now indicated that it does verify the validity of the VIES number after registration and will remove the VIES number in the event of fraud**. This is good practice since sometimes it is necessary to act against the internal traders to prevent the VAT fraud from being 'exported' to another Member State.
- **As concerns the VAT Mini One Stop Shop (MOSS), Sweden is amongst the Member States that gathered additional information**, such as previous registrations and use of the MOSS scheme, queries about persons deregistered owing to change of MSI, search by identification number for multiple registrations (more than one Member State), verification of whether or not the business has a fixed establishment in the country, bank account data, etc. Sweden also checks the existence of a web page or other means of distributing electronic services, third-country public registries and the type of supply.
- **Sweden has also introduced means to achieve (M)OSS ex officio deregistration**. This effort should increase the (M)OSS database accuracy.
- **Sweden does not use collection targets but relies on estimates of VAT revenue**. Generally, the estimates are accurate, being very close to the actual VAT revenue collection values.
- **Sweden indicates strong performance as regards maintaining a flexible IT subsystem** to manage and prioritise VAT arrears.
- **Sweden's audit system incorporates several good practices**. It has diversified its audit portfolio and in addition to the generally applied audits, also performs specific audit projects, registration checks, record keeping audits and advisory audit. This practice is exemplary.

4.2. Tax Recovery

Sweden compares favorably to other Member States, having the lowest tax arrears in the EU at less than 1%. The level of unrecovered tax arrears is very low in Sweden. In 2023, the total year-end arrears as a percentage of total net tax revenue were less than 0.87%, which is the lowest tax arrears

[41] Commission's Ninth Report on VAT registration, collection and control procedures following Article 12 of Council Regulation (EEC, EURATOM) No 1553/89, [EUR-Lex - 52022DC0137 - EN - EUR-Lex](). / Answers to the survey sent to the Member States in June 2025 in view of the Tenth Report on the same subject matter.

rate of all EU Member States ([42]). The practice of writing off tax claims relating to VAT and to income taxes applies only in insolvency proceedings, business reconstruction and debt reconstruction.

Sweden manages tax enforcement and recovery efficiently. In Sweden, tax recovery is entrusted to a specific authority, the Swedish Enforcement Authority (SEA, *Kronofogdemyndigheten*), that has a wide range of powers to recover unpaid tax debts.

Sweden applies the same rules and practices for recovery for all types of taxes which are within the competence of the same authority. The SEA recovers all public and private debt. This is an advantage from a perspective of efficiency. All public and private creditors are obliged to entrust SEA to recover their debt within a common framework. And the debtor can turn to one actor (SEA), to have all questions answered regarding enforcement of both private and public debts. The Swedish Tax Agency (STA) and the SEA are two separate authorities.

In terms of tax recovery requests from other Member States Sweden also performs well in comparison to other Member States. In 2024, through the Tax Recovery Directive, the SEA recovered 24% of the tax requests from other Member States compared to an EU-average of 4.71% (based on tax requests 2022-24) ([43]).

4.3. Use of Directive of Administrative Cooperation (DAC) ([44]) Instruments and Data ([45])

Sweden makes a comprehensive and efficient use of DAC1 ([46]) and DAC2 ([47]) data for assessing taxation on individuals. DAC1 (categories of income) ([48]) and DAC2 (financial accounts) data is currently used for domestic risk assessment analysis ([49]), tax assessments, and general audits or audits limited to specific categories of income or capital. Data is mainly used in the field of personal income tax. Sweden uses also the information from DAC1 and DAC2 for tax collection and recovery purposes, which is particularly relevant to reduce the tax gap. In Sweden, DAC2 data is also used for anti-money laundering and social security purposes.

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[42] Source: ADB, CIAT, IOTA, IMF, OECD, International Survey on Revenue Administration, Indicators: "Closing stock of arrears at year end as percentage of total revenue collected.", http://isoradata.org.

[43] Source: Reply of Sweden to the Survey for the preparation of EU Article 27 (3) of Directive 2010/24 (Tax Recovery Directive).

[44] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC, as subsequently amended

[45] Source: Yearly Assessment 2025, EU AIAC Statistics 2024 – Subject to confidentiality clause on DAC art. 23a.

[46] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC.

[47] Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

[48] Income from employment, Director's fees, Pensions, Immovable properties.

[49] Risk assessment: tax risk assessment is a key element of modern tax administration. It allows tax authorities to identify indicators that suggest specific taxpayers or arrangements may pose an increased risk to their jurisdiction and require further actions in terms of compliance. In general, EU tax authorities use automated methods based on domestic data and information received from other jurisdictions. Yet, a manual element may remain, as (i) tax authorities vary in terms of whether tax risk assessment is conducted centrally by a specialist risk assessment team incorporating input from the compliance function, or locally by the compliance team (or tax inspector); (ii) some data types remain challenging to be automatically processed, e.g. literal summaries.

DAC data matching rates concerning individuals ([50]) are above the EU average for DAC1 and equal to the average for DAC2. For the year 2024, the average matching rate measuring success in identifying taxpayers with DAC data is above 92% for DAC1, and 87% for DAC2, the EU-average being at 84% and 87% respectively. Sweden has made efforts to improve even further the matching rate and has put in place a new instrument that improved identification of taxpayers compared to previous years.

Sweden uses DAC3 ([51]) (rulings) and DAC4 ([52]) (country-by-country report) data systematically for risk-analysis purposes in the field of corporate income taxation. The percentage of reports identified successfully in 2024 is very high (i.e. 100% for DAC3 and 99% for DAC4), leading to systematic use of information. In accordance with the goals of DAC3 and DAC4, the reports are systematically integrated to feed the risk analysis system in place. The reports including DAC3 and DAC4 data are used for assessing risks on transfer pricing, base erosion and profit shifting matters, economic and statistical analysis; and audits limited to specific categories of transactions (e.g. transfer pricing).

Sweden has integrated DAC6 ([53]) data in the risk analysis approach already deployed for DAC3 and DAC4. The whole data set is matched in order to identify the relevant taxpayers, leading to a total matching rate of 99% in 2024. Available data is used for risk assessment, including assessing high-level risk of tax-harmfulness of arrangements reported; notification to generate disclosure, general audit, or audit limited to specific categories of transactions (e.g. transfer pricing), and specific tax fields, like withholding tax. Sweden has also established teams who work on issues related to overreporting, underreporting or non-reporting of information in order to reinforce the efficiency of the information exchanges.

Sweden makes large use of the advanced instruments provided for in DAC to facilitate cooperation on specific cross-border cases, such as simultaneous audits. The synergies between participating Member States derived from these coordinated activities usually lead to an increase of the tax assessed and therefore contribute to reducing the tax gap. Looking at the past three years, Sweden initiated 10 simultaneous audit and was involved in 2024 in 15 other cases initiated by other Member States, being one of the most prominent users and promoters of these tools among the Member States.

In conclusion, Sweden uses the data obtained from the automatic exchange of information in coherence with the objectives of the DAC. It does so, based on a systematic approach in terms of risk analysis and case detection which leads to a substantial increase of the revenues

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[50] The matching rate indicates to what extent a Member State has been able to identify their taxpayers in their national tax databases with information received from other Member States under the DAC. Such matching is necessary to ensure that the data can be used for tax compliance purposes. The matching rates mentioned in this report are based on the metrics approved by the tax authorities in the TADEUS meeting of December 2024.

[51] Council Directive (EU) 2015/2376 of 8 December 2015 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation

[52] Council Directive (EU) 2016/881 of 25 May 2016 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation

[53] Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements

collected. By using digitalisation at all levels and combining data together, Sweden is very advanced in the use of automatic exchanged data. Sweden is also a very active player when it comes to the other forms of cooperation provided for under the DAC.

5. Digitalisation and Compliance

5.1. Digital Transformation, Skills, and Culture

In 2024 the Swedish Tax Agency adopted a framework for its digital transformation 2024-2030. According to the Tax Agency, digital transformation is the key to adapting to a rapidly changing world and its ability to continue delivering value to customers and society in an efficient and modern way, together with others. It sees that digital transformation can contribute to effects for customers, society, and for the Tax Agency.

Sweden has consequently developed a strategy for digital transformation, identified the future skills required by the administration for a successful digital transformation for the whole administration and developed a strategy to build a digital culture within the administration. These three pillars are mutually reinforcing and can be seen as making Sweden more likely to design and put into practice processes which allow taxpayers to meet their tax responsibilities in a seamless way.

Sweden requires individuals and businesses to use an approved digital identity to access secure digital services ([54]). This helps increase the accuracy of taxpayer identification, thereby reducing the potential of identity fraud, duplication of records and administrative errors.

5.2. Front end Digitalisation

Sweden could benefit from using pre-filling for CIT and VAT purposes. Although increasing in recent years, Sweden may also further promote the use of e-filing by businesses to lower tax compliance costs.

5.2.1 Pre-filling

In line with most Member States, the Swedish Tax Agency automatically pre-fills annual returns for PIT purposes ([55]). This should contribute to reducing the burden of tax compliance and providing greater tax certainty for individual taxpayers and the tax administration. According to a recent

[54] OECD Inventory of Tax Technology Initiatives 2024. https://data-explorer.oecd.org/ Notes: (1) Data is self-reported by tax administrations and therefore not 100 % objective or comparable.
[55] OECD Inventory of Tax Technology Initiatives 2024 (OECD Data Explorer • Inventory of Tax Technology Initiatives).

Eurobarometer survey, 87% of citizens in Sweden find it very easy or fairly easy to complete their tax return ([56]), which is the highest figure in the EU.

Sweden was 1 of the Member States that did not pre-fill VAT returns, indicating an increased burden of VAT compliance for taxpayers.

5.2.2 E-filing

Based on 2023 data, Sweden has the lowest rate of e-filing for businesses (CIT e-filing) in the EU which is at 67% much below the EU average of 97.1% ([57]). Overall, Sweden's e-filing rates on CIT however have been increasing (from 45.4% in 2018). However, this figure is still very low and indicates a higher burden of compliance for businesses and also a higher risk of filing errors, which could negatively impact the tax administration.

However, Sweden has made more progress in respect of the e-filing of PIT returns between 2018 and 2023 and managed to bring up the PIT e-filing rates above to the EU average. Sweden reported 88.2% of PIT returns are filed electronically in 2023 (vs EU average 87.1%), compared to 72.9% in 2018 ([58]). As Sweden has seen a significant increase in e-filing of PIT returns, this indicates a reduced burden of compliance for taxpayers and lower administrative burden for the tax administration.

E-filing of VAT has also trended in the right direction. Sweden reported an increase of 24.6 percentage points between 2018 and 2023 (from 71.7% to 96.3%), which has also significantly reduced the gap to the EU average of 99.2% ([59]).

Tax compliance costs for SMEs are relatively high, and well above the EU average. No special measures have been implemented to reduce the CIT compliance burden for SMEs ([60]).

5.2.3 Provision of other online Services

The Swedish Tax Agency provides a variety of additional online tools and services to taxpayers to improve taxpayer compliance as well as to reduce compliance costs for taxpayers. These tools include tax calculators, payment arrangements and secure communication services (messaging and audio calls). Taxpayers can also upload files onto the administrations system, access a personalised taxpayer portal and use the tax administrations mobile application ([61]). All these facilities can foster tax-compliant behaviour, as well as allowing administration resources to be allocated more effectively indicating that the tax administration in Sweden is using digital services to their advantage. According to a recent Eurobarometer survey, 67% of citizens in Sweden believe that support for filing tax returns

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[56] European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025, https://data.europa.eu/doi/10.2778/6066713

[57] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB

[58] Ibid.

[59] Ibid.

[60] European Commission study (2022): Tax compliance costs for SMEs

[61] Source: ISORA database (International Survey on Revenue Administration) – Tab B. 39 Service Channels: Statistics on Service Usage Channels

provided by the tax administration is either fully adequate or mostly adequate ([62]), the highest figure of all EU Member States.

5.3. Back-end Digitalisation

5.3.1 Use of Artificial Intelligence by the Tax Administration

The Swedish Tax Agency has been a frontrunner in the use of machine-learning by EU tax administrations ([63]), with the first reports used for risk management purposes dating back to 2006. In Sweden, there are systems allowing for the use of artificial intelligence in place in the tax administration**.** Along with 17 other Member States, Sweden had such systems in place in 2022 ([64]). The following functions are performed with AI ([65]):

1. **Risk detection**: The Tax Agency makes use of an unsupervised learning model to detect under-reported income ([66]). It uses cluster analyses and nearest neighbours' models to compare the incomes reported by taxpayers to other taxpayers in similar situations and detect outliers. AI is also used to assist case workers and to analyse and select from large data sets. It is also used to perform checks and make decisions. By using AI, the Tax Agency can for example streamline operations and create more room for activities that require human capabilities, prevent and combat errors and fraud and increase legal certainty and uniformity.

2. **Web-scraping**: The Tax Agency makes uses of open-source web scraping tools to automatically collect data from online webpages, commercial platforms, social media, gambling websites and even on the deep web ([67]). Prior to open-source tools, the Tax Authority made use of XENON ([68]).

3. **Social Network Analysis (SNA)**: the SNA algorithm visually represents a network of individual taxpayers as a combination of nodes and vertices ([69]). Using graph theory, SNA quantitatively and qualitatively measure connectivity between the nodes.

4. **Taxpayer assistance:** The Agency deployed 'Skatti', a chatbot able to answer taxpayers' queries on personal taxation and population ([70]). According to the Agency, Skatti handles around 48 000 chats per month and more than 3.6 million queries since its launch. *Skatti* is an AI system that sorts incoming emails for follow-up by tax officials.

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[62] European Commission: Directorate-General for Taxation and Customs Union and Directorate-General for Communication, *Citizens' attitudes towards taxation – Eurobarometer report*, European Commission, 2025,
[63] https://www.ciat.org/Biblioteca/Estudios/2020-ICT_STL_CIAT_FMGB.pdf
[64] Source: ISORA database (International Survey on Revenue Administration) – Tab 108: Innovative technologies 1
[65] Source: TaxAdmin.AI: Sweden – AI Country Report
[66] https://www.oecd-ilibrary.org/docserver/9789264256453-en.pdf?expires=1727655158&id=id&accname=guest&checksum=51D99EE78EC8A5B2E317FD5C4FA62A1C
[67] https://old.iota-tax.org/sites/default/files/publications/public_files/tax_tribune_35.pdf
[68] https://taxation-customs.ec.europa.eu/system/files/2016-09/risk_management_guide_for_tax_administrations_en.pdf
[69] https://www.iota-tax.org/ngsite/content/download/1278/27561
[70] https://www.iota-tax.org/ngsite/content/download/1268/27416

5.4. Compliance Risk Management

5.4.1 Compliance Risk Management Strategy

The Swedish Tax Agency has a formal compliance risk management strategy in place, **allowing for identification, assessment and prioritisation of key compliance risks** ([71]). All possible areas are covered by this strategy including return filing, payment processing, verification/audit and taxpayer service, except for collection and recovery. Sweden also makes the risks public on a regular basis.

5.4.2 Audit Types

The Swedish Tax Agency performs a wide range of compliance interventions: before the tax return is filed, after the tax return is filed but before an audit, and audit activities. This wide range of interventions helps both the taxpayer to complete their return and promotes taxpayer compliance in the first place before more resource intensive interventions like audits are employed.

Before taxpayer filing takes place, the Swedish Tax Agency has the following compliance activities:

- Facilitating taxpayer access to 3rd party data already collected (for example information notifications in the taxpayer's web-portal for a selection of DAC data)
- Targeting campaigns to increase taxpayer compliance
- Reminding taxpayers of filing deadlines
- Providing information on pre-determined compliance interventions
- Customer-centric guidance
- Other interventions

The Swedish Tax Agency performs the following interventions after the returns have been filed but before an audit has been undertaken:

- Identifying inconsistencies through the cross-matching of 3rd party data (for example by using DAC data received from other Member States)
- Identifying anomalies or outliers through data analytics to prompt third party disclosure
- Risk reviews
- Requesting further information
- Measure of effectiveness of interventions before return and after return filing but before an audit is undertaken.

After the taxpayer return has been filed, the Swedish Tax Agency performs a wide range of interventions. They include desk audits, limited scope audits, single issue audits, comprehensive audits and avoidance and evasion investigations**.** The large variety of intervention processes indicates the Agency's capacity to target all aspects of potential non-compliance and may be a result of the risk

[71] ISORA database - tab "CRM Strategy"

analysis done by their AI systems allowing the Agency to apply the appropriate intervention based on the perceived risk reported by their systems ([72]).

5.4.3 Staff Dedicated to Audit, Investigation and Other Verification Functions

Sweden has a relatively low number of full-time equivalents (FTEs) dedicated to audit, investigation and other verification functions in the Tax Agency. It has decreased from 25.1% FTEs in 2018 (EU-average 32.05%) to 14.87% FTEs in 2023 (EU-average 32.2%) ([73]). Sweden relies on voluntary compliance of its taxpayers which may explain the low number for this indicator. Sweden also has strong transparency provisions, as compared to other Member States, as tax liabilities for taxpayers are annually published, which may encourage taxpayer compliance.

5.4.4 Additional Revenue from Audits as a Share of Total Revenue

Sweden has relatively low rates of additional tax revenues as a result of audits, slightly increasing from 0.31% of total net revenue in 2018 (EU-average 2.8%) to 0.35% of total net revenue in 2023 (EU-average 1.6%) ([74]). To some extent the low number of FTEs involved in audit activities and low rate of additional taxation may be explained by high voluntary taxpayer compliance in Sweden. Indeed, most tax gaps are relatively low in Sweden compared to other countries so this would tend to indicate strong voluntary compliance. As noted in Section 2.4, the high tax gap for capital and property in Sweden as compared to other tax gaps may indicate that compliance activities could be targeted to this form of income

5.5. Tax Complexity

Sweden ranks 11th out of the 27 Member States in the Tax Complexity Index ('TCI'), where a higher rank corresponds to lower tax complexity ([75]). The TCI is based on the Global MNC Tax Complexity Project, a joint research project of Deborah Schanz (LMU Munich) and Caren Sureth-Sloane (Paderborn University). The TCI 2024 places Sweden 8th among the Member States with regards to Tax Framework Complexity, and 20th with regards to Tax Code Complexity. This may indicate that whereas the tax processes carried out by the tax authorities are rather efficient (notably in the area of audits, according to the authors), there is room to improve the structure of the tax regulations (particularly in the area of alternative minimum corporate income tax, according to the authors).

[72] https://data.rafit.org/regular.aspx?key=74180916 – tab "Post filing enforcement actions", "interventions after filing, intervention effectiveness", and "interventions before filing"
[73] Own elaboration based on ISORA data
[74] Ibid.
[75] See: https://www.taxcomplexity.org/. The aim of the Global MNC Tax Complexity Project is to identify the determinants of tax complexity, to develop and maintain an index measuring the level of tax complexity across countries [Tax Complexity Index, TCI] and to examine the effects of tax complexity. The Tax Complexity Index measures the complexity of a country's corporate income tax system as faced by multinational corporations. The closer a country is to the first position of the ranking, the lower level of complexity it exhibits, and vice versa.