Abstract

After the reforms introduced in Spanish personal income tax (IRPF) in 1998, foral and common territory tax structures present differentiated structures. These normative differences are reviewed in the first part of the paper. Reforms are analysed by an static microsimulation using a sample from Spanish IRPF Taxpayers Panel. The results show that the Basque design supposes a fiscal pressure by IRPF slightly superior to the one of the common territory, next to a greater degree of progressivity and redistribution. The Navarrese system throws a fiscal pressure similar to the Basque, but with the progressivity and redistributive capacity of the common design, results derived from Kakwani and Reynolds-Smolensky indicators.

Keywords

Income tax, microsimulation, progressivity, redistribution.