

## **TAXES AND SOCIAL CONTRIBUTIONS BY SUB-SECTORS OF GENERAL GOVERNMENT**

Taxes and social contributions (D) are part of the transactions of the General Government sector that have a redistributive nature. They have been elaborated according to the main methodological principles and requirements of the European System of Accounts (ESA 2010). They record the transactions done between the institutional sectors of the national economy and the sub-sectors of General Government.

The General Government sector includes the following sub-sectors in accordance to the ESA 2010: Central Government - S.1311 (includes all entities which annual reports are included in the Government Budget, public universities, the Bulgarian National Television, the Bulgarian National Radio, extra-budgetary accounts, hospitals financed by the central government and other institutional entities with separate budgets); Local Government - S.1313 (includes all municipalities, municipal hospitals and municipal extra-budgetary accounts and funds); Social Security Funds - S.1314 (National Social Security Institute and the National Health Insurance Fund).

Taxes and Social contributions are classified in the following main categories: Taxes on production and imports (D.2), Taxes on income and wealth (D.5), Taxes on capital (D.91) and Social security contributions (D.61).

Taxes on production and imports consist of compulsory, unrequited payments, which are levied by General Government or by the institutions of the EU in respect to the production and imports of goods and services, the employment of labour, the ownership or use of land, buildings or other assets used in production. These taxes are payable whether or not profits are made.

Taxes on income and wealth cover all compulsory, unrequited payments, levied periodically by General Government and by the rest of the world on the income and wealth of institutional units, and some periodic taxes which are assessed neither on the income nor the wealth.

Taxes on capital include taxes, levied over irregular and rare intervals of time on the value of the assets or net worth - property of the institutional units, or on the value of assets transferred between those units as a result of inheritance, donations or other transfers.

Social security contributions include all obligations of employers, employees, self- and non-employed persons regarding the payment of social contributions to General Government, subsector Social Security Funds.

Bulgaria is obliged to present statistical information to EUROSTAT regarding the main components of income of General Government and all social security contributions different from social benefits in kind according to the requirements of Council Regulation (EC) No 264/2000 on quarterly taxes and social payments.

The main sources of information for the elaboration of data for taxes and social contributions by sub-sectors of General Government are: data on the VAT income from the National Revenue Agency, data on excises from Customs Agency, Consolidated Fiscal Program execution report from the Ministry of Finance and data on some fees that have the nature of taxes concerning imports of agricultural products, pollution etc. from other ministries and agencies.