

Top incomes and taxation in Ecuador 2007-2010 Work-in-progress

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Data used

- Enemdu surveys 2007-2010, December, Urban + Rural
- Income tax microdata 2003-2010 (2011 is preliminary); Social Security microdata
 - ✚ Ecuador is now one of the two LA countries in providing the microdata of the universe of taxpayers (the other is Uruguay; Colombia provided balanced panel).
 - ✚ 500k tax assessments/year, out of 8 million adults
 - ✚ There are 1.9 million registers in the social security database

Population Totals:

- All adults aged 20+ (census data) : 8,500,000
- All adults aged 20+ (survey data) : 8,800,000
- All adults aged 20 + or individuals with $y > 0$: 9,090,000

Income totals:

- Survey: \$ 29,900 million
- National Account: \$ 39,000 million
- Difference 23.3 %

HH primary income + social benefits – SS contributions – imputed SS contributions – imputed property income of insurances policy holders – imputed rental for owner occupied housing – fix capital consumption

Ecuador-survey data

2010	Total	Top 10%	Top 1%	Top 0.1%
Wages	60.2	58.9	39.5	11.3
Self employment	25.1	27.9	45.7	67.7
Capital	6.2	6.4	9.2	16.8
Transfers	7.3	4.7	1.9	0.5
Secondary income	1.3	2.1	3.8	3.7
	100.0	100.0	100.0	100.0
Mean income (\$)	3,292	15,010	42,927	110,008
Percentile (\$)		6,732	21,720	60,960
Share (%)		45.60	13.04	3.34
Memo: Share US 2012 (%)		48.16	19.34	8.82

Ecuador 2010

Highest incomes in survey (annual)			Net incomes: tax def (net of soc sec contr)		Gross incomes: tax def (net of soc sec contr)		Incomes: net of 50% of ded (net of soc sec con		
	w	Gini	w	Gini	w	Gini	w	Gini	
		0.511							
1	736,320	68	0.510	86	0.512	2,965	0.520	2,677	0.514
2	653,280	214	0.509	105	0.511	3,089	0.520	2,731	0.513
3	480,060	383	0.507	202	0.510	3,601	0.524	2,945	0.514
4	312,000	438	0.507	416	0.511	4,963	0.532	3,533	0.517
5	242,400	644	0.506	667	0.512	6,386	0.537	4,209	0.519
6	195,600	696	0.506	970	0.513	8,051	0.543	5,100	0.522
7	160,800	835	0.506	1,368	0.513	10,254	0.549	6,256	0.525
8	152,640	869	0.506	1,503	0.513	10,971	0.551	6,605	0.526
9	144,000	930	0.505	1,655	0.514	11,889	0.553	7,091	0.527
10	129,720	1,048	0.505	2,023	0.514	13,672	0.557	8,084	0.529
P99.9	60,960	9,091	0.495	10,572	0.516	46,965	0.612	26,012	0.549
P99	21,720	90,910	0.456	84,520	0.558	164,322	0.802	129,595	0.669
Share top 0.1%			3.3		4.2		9.0		6.1
Share top 1%			13.0		12.3		23.8		17.9
Difference control total %			76.7		76.1		92.7		83.6

Income tax schedule-Ecuador

Fracción Básica	Exceso Hasta	Impuesto Fracción Básica	Impuesto Fracción Excedente
0,00	9,720	0	0%
9,720	12,380	0	0%
12,380	15,480	133	10%
15,480	18,580	443	12%
18,580	37,160	815	15%
37,160	55,730	3.602	20%
55,730	74,320	7.316	25%
74,320	99,080	11.962	30%
99,080	En adelante	19.392	35%

Social security contrib. (employee): 9.35% (private) and 11.35% (public)

Ecuador 2010 - Average income tax rates (%)

	Net incomes: tax def (net of soc sec contr)		Gross incomes: tax def (net of soc sec contr)		Incomes: net of 50% of ded (net of soc sec cont)	
	Income tax	Income tax + SSC	Income tax	Income tax + SSC	Income tax	Income tax + SSC
Top 1%	7.4	11.8	4.2	7.1	4.9	8.1
Top 0.1%	15.3	17.5	5.1	6.1	8.1	9.4