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Mind the Gap 2026: Country fiche – Sweden

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Mind the Gap 2026: Boosting public finances through joint efforts to reduce tax gaps and improve compliance

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Country fiche: Sweden

Summary box: Areas of Strength and Areas for Improvement

Areas of Strength

- **Sweden regularly measures a wide range of compliance tax gaps including for the main taxes and produces ad hoc tax gap reports.** The main tax gaps report includes corporate income tax (CIT), personal income tax (PIT), VAT and excise duties. Targeted tax gap reports include reports measuring the compliance of taxpayers linked to foundations and trusts using financial account data exchanged under the OECD Common Reporting Standard which includes DAC2 data. The tax gap reports are published promoting fiscal transparency.

- **Sweden performs strongly overall in terms of VAT compliance.** It had an estimated VAT compliance gap of 5% of the VAT total tax liability in 2023, well below the EU average of 9.5%. The VAT compliance gap has been among the lowest in the EU throughout the period from 2019 to 2023.

- **Sweden's tax administration excels in compliance risk management, audit efficiency and arrears collection.** The country's transparent compliance risk management system also relies on analysis of the VAT compliance gap to inform long-term risk management. The Large Taxpayer Office is efficient, handling over 50% of total revenue with minimal staffing. E-commerce oversight is strengthened by automated One Stop Shop systems and cross-border data verification. Additionally, Sweden has very low tax arrears ratios with a closing stock of arrears standing at just 1.2% of total revenue in 2024 (vs. the EU average of 30.7%)

Areas for Improvement

- **There is no framework for systematically evaluating tax expenditures (TE) in Sweden.** Sweden has recently carried out an evaluation of TE's, most of which were for the purpose of CIT, but there is scope to widen the range of TE's covered and enhance evaluation activities (including for PIT and VAT) to verify cost-effectiveness in pursuit of a range of policy objectives. In addition, an evaluation of mortgage interest deductibility, as proposed in the country specific recommendations (CSRs) for Sweden under the European Semester process, would help Sweden assess its impact on fiscal revenue, on household debt and the housing market as well as other areas like tax fairness.

1. Introduction and policy context

1.1. Snapshot of the tax system

Sweden has a relatively high tax-to-GDP ratio with very strong reliance on labour taxation. In 2024, tax revenue (including social contributions) reached 41.2% of GDP, 1.8 percentage points (pps) above the EU average ([1]). Labour taxes account for 57.4% of total revenue, the largest shares in the EU (average of 51.5%). Consumption taxes represent 26.7% of total, in line with the EU average, while the share of capital taxes (16.0%) is significantly below the EU average (21.6%). Looking into specific tax types, VAT revenues amount to 9.7% of GDP, 1.6 pps above the EU average. The compliance gap has grown recently (see Section 2.2). Revenues from property taxes are low (1.0% of GDP, compared to 1.8% EU-wide), while those from environmental taxes are also less than the EU average (1.6% of GDP, vs 2.1%).

Labour taxation is progressive, with a comparatively high tax wedge for all income levels. The structure of personal income tax (PIT) in Sweden is progressive, with relatively high tax wedges ([2]) for all income levels, particularly lower-income earners ([3]), despite generous PIT tax expenditures (see Section 3.4). At 11.0 pps in 2025, the difference in the tax wedge between high-income (167% of average wage) and low-income earners (50% of average wage) is slightly below the EU average (12.5 pps). The tax and benefit system reduced the Gini coefficient by 8.0 pps in 2024, still slightly above the EU average (7.8 pps) despite the decline of the redistributive effect in recent years ([4]). The income quintile share-ratio (S80/S20), as a measure of income inequality ([5]), was 4.58 in 2025 (income reference year 2024), similar to the EU average (4.62). The at-risk-of-poverty and social exclusion rate (AROPE) is, at 18.6%, 2.3 pps below the EU average ([6]).

[1] Data on tax revenues are based on European Commission: Data on Taxation Trends, edition 2026 (reference year 2024), which are produced by DG Taxation and Customs from ESA table 9 and National Tax List data, as collected and validated by Eurostat. The 2027 edition (reference year 2025) will be published in the first quarter of 2027. Recent Eurostat release shows a tax-to-GDP ratio of 40.5% in 2025, compared to an EU average of 39.7% (data of 30/10/2026 on [GOV_10A_TAXAG]).

[2] The tax wedge is an indicator of the tax burden on labour that can be assessed at different earnings levels. It is calculated as the sum of personal income tax, employee social-security contributions, employer social-security contributions and other mandatory contributions, net of cash family benefits where relevant, expressed as a percentage of total labour costs (composed of the gross wage plus employer social-security contributions). Data are based on the EUROMOD model, calculated by the Joint Research Centre of the European Commission. Unless indicated differently, values indicated in this country fiche refer to single earners.

[3] The tax wedge for an earner of 50% of the average wage is 38.5%, 6.9 pps above the EU average; it is 42.6% for earners of 100% of the average wage (2.6 pps above the EU average); and it is 49.5% for earners of 167% of the average wage (5.4 pps above the EU average). Although Sweden has introduced labour tax reforms in 2025 to help low- and medium-income earners, estimates from the European Commission's Joint Research Centre point at a minimal impact on the tax wedge of low-income earners.

[4] European Commission, DG ECFIN calculations based on EU-SILC survey data. A Gini coefficient of 0 expresses perfect equality where everyone has the same income, while a coefficient of 100 expresses full inequality where only one person has all the income. The difference between the "gross" (excluding pensions from social transfers) and the "net" Gini coefficient, i.e. before and after application of the tax-benefit system, reflects the difference between market income and disposable income.

[5] The income quintile ratio (S80/S20) is a headline indicator in the EU Social Scoreboard used to monitor income inequality. It measures the ratio between the total equivalised disposable income received by the top 20% of the population and the bottom 20%.

[6] Share of people living in households experiencing at least one of the three poverty and social exclusion risks: risk of poverty, severe material and social deprivation, and/or living in a household with very low work intensity.

In 2026, Sweden has received the following country-specific recommendations (CSRs) in the area of taxation ([7]):

- *Reduce incentives for debt accumulation, including by eliminating or reducing the tax deductibility of mortgage interest.*

1.2. Tax complexity and simplification measures

1.2.1. Measures of tax complexity

Sweden's tax system appears comparatively simple from the perspective of taxpayers, despite a moderately complex underlying tax structure. Expert-survey-based evidence from the Tax Complexity Index (TCI) places Sweden among the less complex systems in the EU, ranking 11th among Member States. The underlying components of the TCI suggest that complexity arises somewhat more from the tax code than from administrative procedures ([8]). Citizen perceptions are exceptionally positive: 87% of respondents report that completing their tax return is easy, by far the highest share in the EU, while only 1% rely on professional assistance ([9]).

Legislative activity has remained comparatively high in recent years. Sweden recorded 22 tax changes entering into force or being announced in 2025, well above the EU average of around 14 ([10]). This follows 23 tax changes in 2024, 25 in 2023 and 24 in 2022, with the number of tax changes exceeding the corresponding EU average in each year. The multi-year evidence therefore points to a persistently high level of tax policy activity. The changes adopted in 2025 span a broad range of taxes, including personal and corporate income taxation, VAT, environmental taxes and excise duties. Many measures were aimed at simplifying the tax system or supporting employment, investment, including simpler tax rules for closely held companies, measures against VAT fraud and several reductions in personal and business taxation. While the breadth of the measures may have generated short-term adaptation costs for taxpayers, many of the changes were intended to streamline existing rules or improve the functioning of the tax system.

Demand-side indicators provide additional context. The accounting, bookkeeping and tax consultancy sector accounts for around 0.7% of gross operating surplus, below the EU average of 0.9% ([11]). While this indicator is influenced by several factors, it does not point to a unusually strong

[7] https://data.consilium.europa.eu/doc/document/ST-11139-2026-INIT/en/pdf. Unlike most Member States, mortgage interest costs are fully deductible in Sweden. For 2024, interest deductions for households (which mainly relate to mortgage interest) were at SEK 61 billion (ca. EUR 5.3 billion or close to 1% of GDP), up from SEK 32 billion (ca. EUR 3 billion) in 2022, i.e. almost doubling in only two years. Tax expenditures related to housing tend to increase inequality as mortgage interest tax relief are more likely to benefit households on higher income deciles.

[8] The Tax Complexity Index (TCI), developed under the Global MNC Tax Complexity Project, measures the complexity of countries' corporate income tax systems as faced by multinational firms. Based on survey data from tax professionals, it captures both the complexity of tax rules (tax code) and administrative procedures (tax framework), with values ranging from zero (not complex) to one (extremely complex).

[9] European Commission (2025), Flash Eurobarometer 562: Citizens' attitudes towards taxation, fieldwork conducted between 9 and 17 April 2025. Available at: https://europa.eu/eurobarometer/.

[10] The information is based on the tax measures reported by national administrations in the Joint OECD-European Commission Annual Tax Policy Reform Questionnaire, by aggregating and processing the responses received to the 2026 questionnaire. Responses to the 2026 questionnaire are relative to tax policy measures self-reported by the Member States that were implemented, legislated, or announced in each country between 1 January and 31 December 2025. While comprehensive, the list of tax measures is non-exhaustive.

[11] A higher share of gross operating surplus indicates that the accounting, bookkeeping and tax consultancy sector generates a relatively larger share of operating profits and value added in the economy. While not a direct measure of tax complexity, it may point to a comparatively important professional services sector and, indirectly, to greater demand for specialised tax and accounting expertise.

demand for specialised tax and accounting expertise ([12]). Taken together, the evidence suggests that Sweden combines relatively straightforward tax administration with comparatively low compliance burdens for taxpayers. Although 2025 saw an unusually broad package of tax reforms, these were often aimed at simplification or targeted improvements rather than adding structural complexity to the tax system.

1.2.2. National simplification efforts

As part of the government's simplification agenda, the Sweden established the Simplification Council in April 2024 ([13]). The Simplification Council collects simplification proposals directly from stakeholders and assesses whether they could be considered by government to reduce the regulatory burden, administrative costs and other compliance costs that companies incur as a result of regulations. Out of a total of 295 proposals received by the Simplification Council, 20 proposals relate to taxation ([14]). Further, in May 2024 the Swedish government also established the Implementation Council ([15]). The Implementation Council is a government committee that assists the government in its work to strengthen the competitiveness of Swedish companies by counteracting unjustified regulatory burdens and implementation above the minimum level in the implementation of EU regulations in Swedish law. Both the Simplification and Implementation Councils have an advisory role and do not have legal power to overturn, override, or nullify decisions made by local governments or government agencies. The Swedish Government recently (April 2024) also updated the tax policy guidelines which emphasised the importance to simplify tax rules where possible.

1.3. Measures of the non-observed economy and the shadow economy

Estimates of economic activities outside the formal economy are relevant for gauging tax gaps. The non-observed economy (NOE) is an official figure provided by national statistical authorities estimating all economic activities that may not be captured in the basic data sources used for compiling national accounts. It includes underground, informal, illegal, and household self-use production, as well as activities missed due to imperfect data collection ([16]). The shadow economy is an analogous but narrower concept — used in the economic literature and measured via macroeconomic models — that usually encompasses only legal, market-based productive activities deliberately concealed from public authorities to evade taxes or regulations. Due to limitations and methodological differences between the two approaches, model-based estimates of the shadow economy paradoxically often turn out to be considerably higher than NOE-based estimates.

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[12] While some cross-border provision of accounting, tax consultancy and related services may be captured through imports and exports of services, available evidence suggests that such flows are relatively limited. In particular, data from the Eurostat's EU inter-country supply table at basic prices (reference year 2023) indicate that cross-national transactions in these services represent only a small share of overall activity, if any, suggesting that their impact on the interpretation of domestic sector size is likely to be limited.

[13] Simplification Council website: Förenklingsrådet

[14] Simplification Council Report 2025: Årsrapport 2025 för Förenklingsrådet

[15] Implementation Council website: Implementeringsrådet - Implementeringsrådet

[16] Statistical deficiencies (N7) are related to incomplete, not collected or not directly collectable data. See Fernandes, A. (2025), The non-observed economy in the national accounts: New evidence for EU and EFTA Member States - available at https://www.sciencedirect.com/science/article/pii/S0313592625000712 - for the definitions of the other components of NOE: Producers deliberately not registering (N1); Illegal economy (N2); Producers not required to register (N3); Registered legal persons not surveyed (N4); Registered entrepreneurs not surveyed (N5); Producers deliberately misreporting (N6). Informal economy = N3+N4+N5. Underground economy= N1+N6. In other words, the informal economy specifically covers unregistered or small-scale unincorporated enterprises run by households.

Specifically, recent data from official sources ([17]) allow to estimate the size of the NOE in Sweden at 3.2% of GDP for 2021. The NOE comprises the underground economy (3%), while the contributions from the other components of the NOE are much smaller: 0.10% from the illegal economy, 0.09% from statistical deficiencies and 0.04% from the informal economy. Sweden thus records a NOE well below the EU average (7.4% of GDP) ([18]). The largest part of NOE is concentrated in 'Construction' (0.7% of total GVA) and 'Wholesale and retail trade' (0.63% of GVA). At industry level, the highest shares of NOE are represented by 'Activities of households as employers' (41.8% of its GVA) and 'Other service activities' (15.8%).

Different models produce substantially different estimates for the shadow economy, reflecting the complexity of such estimation. As in most EU Member States, model-based estimates of the shadow economy for Sweden are higher than the NOE estimate discussed above. In 2022, the shadow economy in Sweden represented 10.8% of its GDP, according to estimates by Schneider and Asllani for the European Parliament ([19]). This ratio is 6.8 pps below the EU-27 average, and it has decreased compared to 2003 (18.6% of GDP). The report also indicates that personal income taxes and indirect taxes are the main drivers of the shadow economy in Sweden. Several other studies provide estimates of similar magnitude for the size of the shadow economy ([20]). However, using a currency demand approach (CDA), a recent study by EY ([21]) reports lower estimates for the Swedish shadow economy at 6.7% of GDP in 2023 (EU average 7.9%), down from 7.8% in 2000 (EU average 13.2%).

2. Compliance tax gaps

2.1 Overview

The Swedish Tax Agency undertakes a comprehensive range of tax gap studies and is one of few Member States which publishes the results on its tax website ([22]). Most of the tax gaps studies undertaken by Sweden use a bottom-up approach based on actual taxpayer data to estimate the compliance gap, although the agency has used some model-based approaches as detailed below in Section 2.4. Sweden reports corporate income tax (CIT) and PIT gap estimations, the reporting gap, the gross tax gap and the net tax gap ([23]).

Sweden participates in the TADEUS/Fiscalis project on estimating tax gaps. The Fiscalis Project Group on Tax Gap Estimation, a collaborative initiative launched with the support of the European Commission, aims to develop a harmonised approach to estimating tax gaps across EU Member States. Sweden participated in the first cycle, which concluded in 2025 ([24]), and continues to participate in the current cycle, launched in 2026.

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[17] For data and documents used for calculations by TAXUD, see Section 1.3 "Measures of the non-observed economy and the shadow economy" in Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).
[18] The (unweighted) EU average does not include Luxembourg, which has not yet sent data to EUROSTAT.
[19] This study uses a MIMIC approach (Multiple Indicator Multiple Cause). European Parliament (2022), Taxation of the informal economy in the EU. Available at: https://www.europarl.europa.eu/RegData/etudes/STUD/2022/734007/IPOL_STU(2022)734007_EN.pdf.
[20] See Fernandes op. cit. (2025) for an overview of various studies.
[21] The report is available at https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/tax/documents/ey-gl-shadow-economy-report-02-2025.pdf.
[22] The Swedish Agency website: https://www.skatteverket.se/.
[23] The gross tax gap is estimated before compliance and collection actions, and the net tax gap is estimated after such actions.
[24] For details, please refer to the TADEUS website, the FISCALIS programme website and the Final Report of the Project.

2.2 Compliance tax gaps in VAT

For 2023, the VAT compliance gap ([25]) in Sweden was estimated at around 5% of the VAT Total Tax Liability (VTTL) ([26]), or approximately SEK 31 billion (ca. EUR 3 billion). After increasing from around 1.5% in 2019 to over 4% in 2021, it decreased to 3.5% in 2022, before increasing again. Sweden's VAT compliance gap remained well below the EU average of 9.5% in 2023. In 2023, it was around 4 pps above the 2019 level ([27]). This rise was linked to a reduction in the growth in consumption of easily taxable, low risk goods (such as food and non-alcoholic beverages), an increase in the share of services in GDP, including a moderate increase in the growth in consumption of hard-to-tax service categories (such as recreation, restaurants and accommodation), and an increase in bankruptcy declarations.

Regarding the implementation of the VAT in the Digital Age (VIDA) package, the Swedish government has initiated an inquiry to analyse how the new EU rules on VAT are to be implemented in Swedish law. The investigator shall, among other things, analyse which legal amendments are needed to introduce rules on digital reporting and electronic invoicing for cross-border transactions between companies, assess whether Sweden should also introduce electronic invoices and digital reporting for domestic transactions, and analyse and take a position on the Swedish Tax Agency's possibilities to use the information on transactions that is collected. The assignment shall be reported no later than 30 November 2027.

2.3 Compliance tax gaps in corporate and personal income tax

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 and estimates of the non-observed economy produced by national statistical offices, the CIT compliance gap of Sweden is estimated at around 3.8% of collected CIT revenues based on 2021 data ([28]). Based on the same methodology, the (unweighted) average CIT compliance gap is 9.2% of collected CIT revenues across all Member States. Compared to an earlier estimate of around 3.5% in 2015, this indicates a broadly stable level over time and remaining well below the EU average.

A study by the Swedish Tax Agency estimated that the CIT compliance gap for large companies in Sweden was 5.7% of total taxes paid ([29])([30]). The CIT gap was larger than other taxes paid by large companies, for example VAT and social security costs, throughout the period 2015-2023.

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

[26] 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.

[27] 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.

[28] European Commission estimates are based on a top-down methodology for approximating CIT compliance gaps using national accounts data. The approach relies on exhaustiveness adjustments made by national statistical offices to Gross Operating Surplus, Gross Value Added and Gross Domestic Product in order to account for non-observed economic activity in the compilation of GNI. The method provides a harmonised proxy for domestic underreporting of corporate income but does not capture all sources of CIT revenue losses, in particular those related to international profit shifting or other forms of legal tax optimisation. For further information on the data sources, underlying assumptions and methodological caveats, see Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[29] Source: Tax Gap Estimation for Large Companies - Nina Öhrn Karlsson & Sofia Tano – Skatteverket.

[30] The STA has indicated that in a forthcoming report they have revised the CIT gap estimate to be 5.2%.

According to the study, transfer pricing account for most of the CIT tax gap amounts, with legal uncertainty in determining arms-length prices being cited. The methodology used a non-random sample, audits of subsidiaries with many employees or large perceived tax risks, i.e., the largest subsidiary in terms of employment, having a Swedish headquarter or a treasury function. The sample was comprised of a population of large firms and firm groups where the sum of wages exceeded SEK 75 million (ca. EUR 7.3 million). International transactions accounted for 25% of the number of errors but 54% of the error amounts.

The Swedish Tax Agency has estimated the PIT gap and published tax gap reports for different PIT categories on its website ([31]). The estimations are based on the results of random audits and relates to the tax year 2020. Similar to the CIT gap, the Agency estimates the following gaps: the PIT gap, the reporting gap, the gross tax gap and the net tax gap ([32]). The tax gap on earned income of individuals was 1.2% while the largest tax gap related to social security contributions for the self-employed was 31.5%.

Model based estimates indicate that the PIT tax gap of the self-employed in Sweden is substantially higher compared to wage earners ([33]). The Pissarides–Weber methodology infers under-reporting by comparing household consumption patterns with reported income and has been applied using household-level data covering an extended period. The results indicate substantially higher levels of under-reporting among self-employed individuals than among employees, with considerable variation across sectors.

2.4 Other compliance tax gaps

The Commission continues its work on excise gap estimation, developing and scrutinising methodologies with experts from over 20 Member States, with the aim of delivering more robust estimates that better support policy and operational work. This work also illustrates Member States' growing engagement in the field.

The Swedish Tax Agency publishes excise tax gap estimates in the context of its tax gap report, published in a four-year cycle ([34]). Sweden's latest tax gap report, published in 2026 focuses on the reporting period 2020-2022 but also provides excise gap estimates for 2024. Estimates suggest an excise gap of 5.4% of the assessed tax for alcohol, 0.8% for tobacco (cigarettes only) and 0.3% for congestion charges in 2024. This amounts to a total of revenues lost of SEK 1.1 billion (approximately EUR 96.2 million) or 3% of assessed tax. The excise gap for alcohol was 6.1% in 2022 and 6.5% in 2023. For tobacco (cigarettes only), the estimated tax gap was 1.0% in 2022 and 0.4% in 2023. A 2025 report ([35]) focused on the energy tax gap from electricity consumed in industrial manufacturing processes, examining compliance across three distinct taxpayer groups: companies claiming a refund, companies that are network owners or electricity producers claiming a deduction and companies that are voluntarily liable to tax claiming a deduction. The estimated gap differed markedly across these groups — highest among refund claimants at 3.9% of the total amount granted, followed by voluntarily taxable deduction claimants at 2.1%, while network operators and electricity producers showed a comparatively negligible gap

[31] Swedish Tax Gap Report 2025 Summary – Skatteverket.
[32] OECD (2025), Tax Administration 2025, Comparative Information on OECD and other Advanced and Emerging Economies, OECD Publishing, Paris.
[33] The Swedish Shadow Economy: A Survey based estimation - Damian Migueles – Skatteverket.
[34] The Tax Gap Report 2025 was published in February 2026 in Swedish language. An English summary is included.
[35] 2025 report

of just 0.1%. Further, the country demonstrates an interest in strengthening EU cooperation on excise matters through its participation in the FISCALIS project group on Excise gap and Risk.

The Swedish Annual Tax Gap report indicated that errors related to the declaration of capital income and property were 7.1% of the total tax due ([36]). The capital gains and losses covered by the report represent more than 90% of the total capital gains and losses due to be declared by natural persons.

In 2022, a study confirmed a high risk of non-compliance of Swedish taxpayers when declaring foreign financial income. The Swedish Tax Agency carried out an assessment of the compliance of Swedish taxpayers for declaring foreign income (interest and dividend income). As with the report on foreign foundations and trusts, information obtained under the OECD Common Reporting Standard (CRS) was used. The assessment identified a tax gap of SEK 58 million (around EUR 5.46 million), which amounted to 19% of the estimated final tax on individuals' capital income from dividends and interests.

The Swedish Tax Agency issued a report in 2024 which measured the tax compliance of Swedish residents with a connection to foreign foundations and trusts ([37]). The report was based on targeted checks using data obtained under automatic exchange of financial account information obtained under the CRS ([38]). The compliance checks identified that 60% of the cases resulted in additional taxes, amounting to approximately SEK 85 million (around EUR 7.4 million), with SEK 18 million (around EUR 1.57 million) in surcharges. Given the results, the report concluded that the risk of significant tax evasion has been confirmed.

3. Policy Tax Gaps

3.1 Tax expenditure reporting and evaluation

Sweden provides a comprehensive annual tax expenditure report with estimates of tax revenues forgone. ([39]). The report covers the reporting year (t−1) and forecasts for the current year (t) and the forecast year (t+1) and includes estimates of tax expenditures related to income tax, social security contributions, special payroll tax, value added tax and excise duties. The estimates are based on the revenue forgone method. That is, a tax expenditure is estimated as the amount of tax revenue forgone due to a tax provision that deviates from the benchmark tax system. The estimate is generally calculated without taking behavioural changes into account. A net total of SEK 523.3 billion (ca. EUR 47.3 billion or 7.9% of GDP ([40])) has been assessed over 99 tax expenditures in 2025. The report also details the estimation method and provides an explanation of how the tax expenditure was estimated. A breakdown of tax expenditures for 2025 is provided in Table 1 below. However, Swedish authorities reject the notion that revenue forgone estimates can be aggregated across provisions and tax types as forgone revenue estimates depend on arbitrary benchmark definitions, behavioural assumptions, reporting practices and economic conditions, while revealing little about the actual revenue potential. COMM considers that the size of a tax

[36] Source: Swedish Tax Gap Report 2025 Table 12 – Skatteverket.
[37] Swedish Tax Expenditure Report (2026): Skatteverkets kontroll av utländska stiftelser och truster - Skatteverket.
[38] CRS data includes financial account information exchanged between Member States under DAC2.
[39] https://www.regeringen.se/contentassets/cbd3b12217a349e0b036cb872f2f0a6f/redovisning-av-skatteutgifter-2026-skr.-20252698.pdf
[40] Note that Swedish authorities reject the notion that revenue forgone estimates can be aggregated across provisions and tax types.

expenditure is necessary for assessing its importance but acknowledges that its actual revenue potential cannot be assessed based on these figures alone,

Table 1: Overview of expenditures by tax type

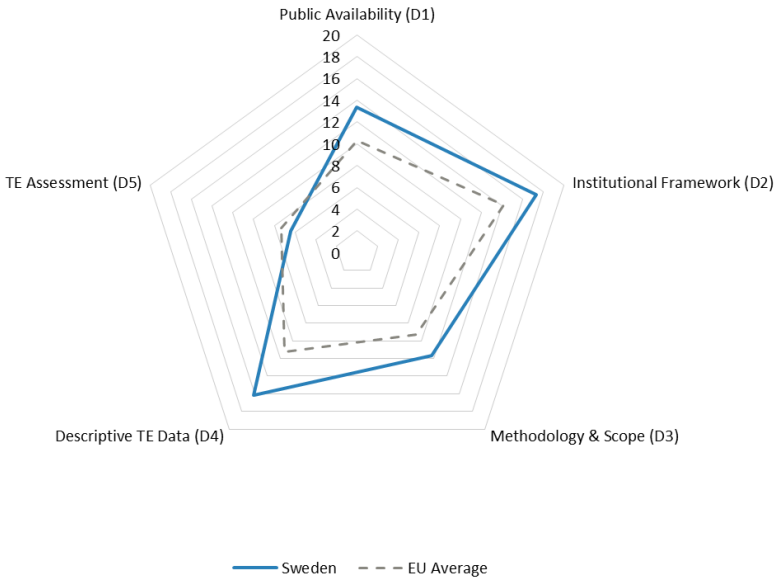
Description of tax expenditure	2025 expense (and penalties) in billion SEK	2025 expenses in billion EUR	Expenditures assessed	Expenditures not assessed
Income from services and general deductions	78.2	7.1	15	25
Income and expenses in the course of trade	(10.5)	(0.95)	17	12
Capital income and expenses	92.4	8.4	12	5
Social security contributions and special payroll tax	(14.5)	(1.3)	8	2
VAT	97.7	8.8	15	2
Excise duties	34.6	3.1	20	2
Tax reductions, including labour tax	245.4	22.2	12	
Total	523.3	47.3	99	48

Source: Swedish tax expenditure report 2026

Compared to other Member States, tax expenditure reporting in Sweden is well developed. According to the GTETI analysis, transparency in tax expenditure reporting in Sweden is above the EU average overall. Figure 1 depicts the GTETI results for the five dimensions analysed in comparison to EU averages ([41]). Maximum value for each dimension is 20. Sweden performs above the EU average on 'Public Availability', 'Institutional Framework', 'Methodology and Scope', and 'Descriptive Tax Expenditure Data'. Sweden is on par with the EU average on 'Tax Expenditure Assessment' (6.40 vs 7.34). The strong performance on 'Public Availability' reflects regular annual publication and timely data. The strong performance on 'Institutional Framework' reflects a clear legal requirement to report, mandatory parliamentary submission, integration in the budget proposal, clear institutional responsibility. The strong performance on 'Descriptive Tax Expenditure Data' reflects comprehensive policy objective information, information on legal duration and sunset clauses, legal references for most tax expenditures.

[41] See the Global Tax Expenditures Transparency Index (GTETI) companion paper (2026) and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches) for details. The GTETI summarises information in five dimensions. These are (1) Public availability — whether a TE report exists and is accessible; (2) Institutional framework — its legal mandate, periodicity, and integration into the budget process; (3) Methodology and scope — the benchmark definition, estimation method, and coverage of taxes; (4) Descriptive tax expenditure data — the granularity and classification of reported provisions; and (5) Tax expenditure assessment — the quality of revenue-forgone estimates and whether TEs are evaluated for effectiveness.

Figure 1: Sweden vs EU average — GTETI v2.1 dimension scores (max 20 per dimension)



Source: GTETI v2.1.

Although Sweden has a well-developed system of reporting tax expenditures, there is a lack of an institutional framework for a systematic evaluation of tax expenditures. The Swedish government has commissioned the Swedish Institute for Growth Analysis (*Tillväxanalys*) to map and propose a more effective government-funded business support. The final report was published in January 2026. The evaluation considers all business support including tax expenditures, which has a broad definition covering a wide range of taxes that affect business including direct, indirect, environmental and capital taxation.

3.2 Policy tax gaps in VAT

Sweden has recently introduced temporary VAT rate reductions. The VAT rate on food was temporarily reduced to 6% from the previous 12% on 1 April 2026, applying until 31 December 2027. The measure has been justified as part of a budget measure aimed at increasing household purchasing power, especially for economically weaker households that have been affected by rising living costs. Furthermore, on 1 July 2026 the VAT rate on admission to dance events was reduced from 25% to 6% to promote dance and culture in Sweden.

The VAT policy gaps in Sweden (national policy-driven VAT exemption gap and VAT rate gap) are roughly in line with the EU average in 2023. Revenues forgone due to the application of reduced rates and national policy-driven exemptions reached around SEK 200 billion (ca. EUR 18 billion) in 2023 ([42]). The national policy-driven VAT exemption gap ([43]) was estimated at around

[42] 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.

[43] 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 VAT 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. The VAT policy gap refers to the revenue lost due to the application of VAT exemptions and reduced, super-reduced, and zero VAT rates on selected products.

SEK 110 billion (ca. EUR 10 billion) in 2023, or 10% of the notional ideal revenue ([44]), while the EU average was 11%. The VAT rate gap ([45]) was estimated at around SEK 90 billion (ca. EUR 8 billion) in 2023, or 8% of the notional ideal revenue, lower than the EU average of 12%.

Tax-simulations indicate that in 2025 Sweden's reduced VAT rates were concentrated in a small number of categories, led by 'food and beverages' ([46]). 'Food and beverages' account for the largest share of forgone revenues at 52.4%, well above the EU mean share of 39.8%. 'Restaurants and accommodation' come second at 27.9%, well above the EU mean share of 20.4%. 'Recreation, sport and culture' ranks third at 10.8%, below the EU mean share of 13.3%. These three categories account for 91.2% of Sweden's total forgone revenue due to reduced VAT rates. Reduced VAT rates lower inequality as measured by the Gini coefficient by 0.33 pps. 'Food and beverages' contribute 0.23 pps (70.6% of the total), below the EU mean contribution of 0.32 pps.

3.3 Policy tax gaps in corporate income tax

Tax penalties creating additional revenues outweigh forgone revenues from tax expenditures. Net tax expenditures for businesses in Sweden were SEK -10.5 billion (ca. EUR 949 million) in 2025 which consists of SEK 9.2 billion (ca. EUR 831 million) of tax expenditures and SEK -19.7 billion (ca. EUR 1.8 billion) of tax penalties ([47]). Tax expenditures in the form of tax incentives to promote investment are only used to a limited extent in Sweden. CIT related tax expenditures comprise 0.3% of GDP compared to tax expenditures for households at 4.9% of GDP ([48]). Instead of selective tax reductions, Sweden relies more on financial instruments such as loans and guarantees to support its businesses. Sweden has implemented an incentive to stimulate R&D activities which lowers labour costs ([49]).

A report published in January 2026, commissioned by the Swedish government, aimed to map and propose a more effective government-funded business support ([50]) ([51]). Business-friendly tax expenditures are broadly defined, mainly including VAT and payroll taxes. The report assessed a total of SEK 120 billion (ca. EUR 10.8 billion) business support in 2025. These measures included 48 business-friendly tax expenditures of SEK 109 billion (ca. EUR 9.85 billion), and direct expenditures, like business development and infrastructure, for 37

[44] 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.
[45] The VAT rate gap refers to the portion of the VAT policy gap resulting from revenues lost due to the application of reduced, super-reduced, and zero VAT rates on selected products.
[46] The VAT rate gap is analysed here using EUROMOD's household consumption tool. No behavioural adaptation is considered. Note that VAT rates are mostly not an efficient tool for redistributive policies, in part due to incomplete pass-through to consumer prices, in part due to limited targeting of reduced rates. For more details on assessing the impacts of reduced VAT rates with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Ricci et al. (2026), Fiscal Costs and Redistributive Effects of Reduced VAT Rates in the EU, European Commission, European Economy Discussion Paper 244; Trzcinski and Amores (2026), The VAT Policy Gap and Redistribution in the European Union 2025, European Commission, Seville, JRC14876; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).
[47] Sweden discloses tax expenditures and negative tax expenditures, so called tax penalties. Obviously, forgone revenues from all these provisions together are negative as additional revenues from tax penalties outweigh forgone revenues from tax expenditures proper.
[48] GTED database.
[49] See: https://investinskane.com/en/files/incentives-guide.
[50] Swedish Institute for Growth Analysis (tillvaxtanalys): Towards more effective and efficient business promotion and Planned government spending for business promotion in 2025 and 2026.
[51] Ibidem.

appropriations amounting to SEK 13 billion (ca. EUR 1.2 billion). The report notes that all 116 tax expenditures in 2025 in Sweden add up to just over SEK 530 billion (ca. EUR 48.4 billion) – 40 % of the tax expenditures and 20 % of the total amounts is therefore to be regarded as business-friendly. In terms of specific recommendations for tax expenditures, the report proposes the following:

- The government should carry out a major overhaul of corporate taxation in order to create neutrality between different forms of business and financing.
- The government should carry out a new review of VAT to examine how the VAT base can be broadened, and rates harmonised, with a view to improving competitive neutrality and simplifying for businesses and public authorities.
- The government should take measures to analyse and evaluate larger tax expenditures in a more systematic way, for example by reintroducing analyses of the socio-economic efficiency and employment impact of individual tax expenditures in the government's annual tax expenditure statement. Based on these, the scope of business promotion and the distribution between the tax side and the expenditure side can then be further analysed.

The report also proposed general recommendations for all types of business support, including tax expenditures. General recommendations include ensuring better coordination between government agencies; strengthening the governance of agencies responsible for implementing and monitoring business support programs; ensuring comprehensive reporting on the business promotion of state-owned enterprises; and ensuring systematic evaluation and monitoring.

3.4 Policy tax gaps in personal income tax

At SEK 195.9 billon (ca. EUR 17.7 billion, 2.7% of GDP), the earned income tax deduction is by far the largest tax expenditure in Sweden in 2025 ([52]) ([53]). In recent years there has been a large increase in PIT expenditures as a percentage of GDP increasing from 1.28% in 2021 to 4.9% in 2025 ([54]). This increase is largely attributed to the change in methodology of treating the earned income tax credit (*jobbskatteavdraget*) and tax-free allowance for the elderly (*Förhöjt grundavdrag för äldre*) as tax expenditures. There were two new PIT expenditures introduced in Sweden 2026: Temporary reduced social security contributions for 19- to 23-year-olds and a tax reduction for gifts from legal entities to non-profit activities ([55]).

Sweden makes extensive use of mortgage interest deductibility in its tax system. For the year 2024 interest deductions for households, which includes mortgage interest, were at SEK 61 billion (ca. EUR 5.3 billion), up from SEK 32 billion in 2022 (ca. EUR 3 billion), i.e. an increase close to 50% ([56]) ([57]). Further, mortgages have a long duration in Sweden with a significant proportion of mortgages in Sweden being non-amortised with amortising requirements for new

[52] Swedish Tax Expenditure Report (2026).
[53] Individuals with income from work are entitled to a tax reduction on income from work, known as an employment tax deduction. The amount of the tax reduction is calculated on the basis of annual earnings.
[54] GTED database.
[55] SE Tax Expenditure report for 2026: Redovisning av skatteutgifter 2026.
[56] See Rekordnota för ränteavdrag: 61 miljarder – män med hög lön får mest | SVT Nyheter.
[57] 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.

mortgages only having been introduced in 2016 with some lowering as of 2026 ([58]). The forgone revenue due to mortgage interest deductibility can be expected to rise again markedly in view of interest rate changes. In past years, Sweden has been issued a CSR in the European Semester process to reform its housing market, including limiting mortgage interest deductibility and reforming recurrent property taxation, to address the macro-economic vulnerabilities. Until now no significant reforms have been made to housing taxation in Sweden ([59]). In reply to the 2026 Semester country report, Sweden indicated that it does not consider mortgage interest cost deductions to be a tax expenditure and is therefore not included in the yearly tax expenditure report. Whether or not mortgage interest deductibility is part of the structural provisions of Sweden's benchmark tax system, the Commission considers that the scope of deductions is broad and involves significant amounts which would warrant being reported upon for evaluation purposes. To improve transparency, it could be considered to include all or at least the most important structural provisions in the tax expenditure report, as done by a few other Member States.

Tax-simulations for 2025 suggest that PIT-related tax expenditures in Sweden have a progressive effect ([60]). PIT-related tax expenditures included in the analysis are estimated to imply revenue forgone equivalent to 12.8% of actual PIT revenues, well below the EU average of 19.1% ([61]). The largest share of revenue forgone arises from pensions-related tax expenditures (9.5% of PIT revenue). PIT-related tax expenditures reduce the Gini coefficient by 0.62 pps, more than the EU average reduction of 0.46 pps. Despite the relatively low revenue forgone, PIT tax expenditures are associated with a comparatively large reduction in income inequality.

4. Effectiveness of tax administration

4.1 Registration/identification of taxpayers

Sweden's tax identification system is fully unified under a single-identifier framework. The Swedish Tax Agency (STA or *Skatteverket*) uses the "*person-nummer*" (for individuals) and "*organisation-nummer*" (for businesses) as single, cross-purpose identifiers for various tax obligations (VAT, PIT, CIT, but also for social security), eliminating duplication. These identifiers are directly linked to the Population Register (individuals) and Companies Registration Office (businesses), with automated updates (e.g. address changes) propagated in real time across public/private registers via SPAR/Navet systems ([62]). Businesses undergo one-time registration, for VAT and employer obligations through a unified digital interface, with NACE codes enabling sector-specific tracking.

[58] European Commission in-depth review of macroeconomic vulnerabilities for Sweden for the purposes of the macroeconomic imbalance procedure - Regulation (EU) No 1176/2011 on the prevention and correction of macroeconomic imbalances.

[59] 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.

[60] Simulations are based on EUROMOD and do not account for behavioural changes. For more details on assessing the impacts of tax expenditures in the PIT with EUROMOD, see Turrini et al. (2024), Tax Expenditures in the EU: Recent Trends and New Policy Challenges, European Commission, European Economy Discussion Paper 212; Leventi et al. (2026), Personal Income Tax Expenditures in the EU, European Commission, Seville, 2026, JRC148748; and Annex A to this report (Methods, Data and Assessment Framework of the Country Fiches).

[61] According to the European Commission's taxation trends data, PIT revenues in Sweden amounted to approximately EUR 77.3 billion (ca. SEK 884 billion) in 2024. This would imply revenue forgone of approximately EUR 9.9 billion (ca. SEK 113 billion) due to PIT tax expenditures according to the microsimulation (12.8% of EUR 77.3 billion (ca. SEK 884 billion)).

[62] Personal data in e-services connected to external systems - Kammarkollegiet.

Sweden's digitalised registration system combines automated processes with integrated data reuse across government registers. The system enables businesses and individuals to complete their registration related to F-tax ([63]), VAT, employer status and SNI codes through integrated online services ([64]). SNI codes are selected using Statistics Sweden's official classification tool and registered through the Swedish Tax Agency, while central population and business registers support the reuse and updating of taxpayer information across government systems.

E-commerce oversight relies on integrated data systems. Sweden does not maintain a separate e-commerce register; instead, NACE codes identify online sellers within the general taxpayer database. The fully digitalised One Stop Shop (OSS) system tracks registrations, returns, payments, and logs, with automated monthly reconciliations (missing filings/payments trigger reminders by the 10th day). Use of the Central Electronic System of Payment Information (CESOP) ([65]) and customs data and data exchanges with other EU Member States enhance oversight ([66]).

Sweden's VAT registration system combines automated and manual risk assessments. Automated categorisation applies to the majority of Swedish business registrations, while manual categorisation covers remaining Swedish cases and all foreign business registrations. The STA bases assessments on compliance history, third-party data (e.g. customs imports), and socioeconomic trends. Risk models are continuously updated to address emerging threats like fraud patterns, while post-registration controls cross-check VAT returns against accounting records and invoices ([67]).

Based on Eurofisc fraud alerts or signals, Sweden takes a long time to qualify a VAT identification number, while it is quicker to invalidate it. As the replies provided by Sweden contain only limited cases and procedural detail, it is currently not possible to assess how national legislation or administrative steps shape these outcomes nor to identify clear trends or reasons for the delays in the qualification process.

4.2 Tax filing and assessment

Sweden's digital tax system handles PIT and CIT annually and VAT periodically, with no general real-time VAT reporting. Electronic filing is widely used and supported through secure online platforms. Public-sector e-invoicing is mandatory via the PEPPOL network ([68]), enabling structured electronic invoice exchange, but VAT reporting remains periodic and follows standard submission cycles ([69]).

[63] F-skatt is a Swedish tax-registration status indicating that a business or self-employed person is responsible for paying its own preliminary income tax and social security contributions. It is not a separate tax, but an administrative approval used throughout the tax system and business transactions to determine tax withholding responsibilities.
[64] F-tax, VAT, employer and SNI code - verksamt.se.
[65] The Central Electronic System of Payment Information (CESOP) is an EU-wide system established under Directive (EU) 2020/284 to support the fight against VAT fraud in e-commerce. It requires payment service providers to report cross-border payment data on a quarterly basis to national tax authorities, which then transmit the information to CESOP. The system centralises and analyses this data, enabling Member States to detect undeclared online sales, identify fraudulent traders, and enhance administrative cooperation in combating cross-border VAT fraud.
[66] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection.
[67] Ibidem.
[68] Sweden - OpenPeppol.
[69] https://www.digg.se/en.

Sweden pre-fills PIT returns using information reported by employers, financial institutions and other third parties. This allows taxpayers to review, amend and approve their returns electronically ([70]). No general prefilled returns are available for VAT, which taxpayers prepare and submit themselves. Third-party data and official registers are used extensively for verification and compliance but do not provide prefilled VAT returns.

E-filing rates show lagging individual and corporate adoption. In 2024, VAT e-filing rate stood at 97.8% (close to EU levels), while PIT (87.3%) fell slightly below the EU average (88.4%) and CIT (70.2%) significantly trailed the EU benchmark (97.3%) ([71]). This highlights strong VAT digitalisation but gaps in individual and corporate filings.

Sweden's digital tax services blend AI innovation with practical taxpayer tools. While AI assistants for email responses and investigations are under development, taxpayers already access online calculators, payment arrangements, secure messaging, and personalised e-services to manage their tax affairs. Once deployed, the AI tools will further streamline filing and assessment processes ([72]).

Sweden makes thorough use of data obtained through automatic exchange of information (AEOI), under the Directive on administrative cooperation in the field of taxation (DAC) ([73]). Namely, under DAC1 ([74]), DAC2 ([75]), and DAC7 ([76]) for the purposes of PIT and CIT, as well as taxation on capital gains, and social security contributions. The identification of taxpayers is very efficient and above EU average: in 2025, the matching rate measuring success in identifying registered taxpayers with DAC data ([77]) is 85% for the main categories of DAC1 ([78]), 96% for DAC2 and 96% for DAC7 (the EU-averages being 84%, 92%, and 86%, respectively). Once the taxpayers have been identified, the Swedish tax authorities use the available data for a large range of activities like awareness raising campaigns, tax risk assessment to detect possible undeclared income, notification to generate disclosure and, if relevant, tax assessments or general audits. In Sweden, this use is not only relevant for the personal income tax, but also for inheritance or wealth tax on assets and properties taxes, for social security contributions, as well as for assessing corporate taxes, as tax authorities take into account the most recent exchange of information on income from digital platforms (DAC7). This systematic approach ensures that DAC data is used to its full potential. This leads to significant increase in both the assessed tax base and taxes due.

[70] Swedish Tax Agency (Skatteverket), Income tax return (Inkomstdeklaration) and digital services, https://www.skatteverket.se.
[71] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[72] OECD (2025), Tax Administration 2025: Comparative Information on OECD and other Advanced and Emerging Economies, OECD Publishing, Paris, https://doi.org/10.1787/cc015ce8-en.
[73] Sources: Yearly Assessment 2026.
[74] Council Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC: automatic exchange of information on income from employment, pensions, director's fees, immovable properties, life insurance products, royalties.
[75] 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: automatic exchange of information on financial accounts.
[76] Council Directive (EU) 2021/514 of 22 March 2021 amending Directive 2011/16/EU on administrative cooperation in the field of taxation: automatic exchange of information on income from digital platforms.
[77] 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.
[78] Income from employment, pensions, director's fees, immovable properties.

Sweden is among the Member States which assess and report the benefits stemming from the use of DAC data in terms of increased tax revenues.

Sweden has been relatively less active in VAT administrative cooperation ([79]). In 2024, Sweden sent 267 requests for information and received 368 requests ([80]). Based on a standardised measure accounting the relative size of the Swedish economy, Sweden is significantly below the EU weighted average on the number of requests sent and the number of requests received ([81]).

Sweden records limited results in automatic exchange of VAT information. In 2024, Sweden reported 522 VAT identification numbers allocated to taxable persons not established in Sweden. For information on new means of transport, it forwarded 116. Based on a standardised measure, taking into account the relative size of the Swedish economy, Sweden is below the EU weighted average on both VAT identification numbers allocated to taxable persons not established in Sweden and the volume of information on new means of transport ([82]).

4.3 Compliance risk management

Sweden's compliance risk management system (CRM) is transparent and increasingly focused on early fraud detection. The system enables identification, assessment, and prioritisation of compliance risks across return filing, payment processing, verification/audits, and taxpayer services. A key strength is its transparency, with risks publicly disclosed regularly to deter non-compliance. The system has started also using crime script analysis (a proof-of-concept) to dissect tax evasion schemes, mapping fraud processes to prevent schemes in early stages ([83]).

Sweden operates AI and machine learning to enhance risk detection and segmentation. Since 2006, the STA has used AI-driven analytics, including unsupervised machine learning to detect underreported income and social network analysis to map high-risk taxpayer connections to refine compliance risk management. These tools draw on employer, financial, and register data for cross-verification, supported by periodic VAT reporting with near-real-time third-party data flows for risk analysis. However, legal and technical constraints limit full automation, with AI serving to augment human decision-making rather than replacing it ([84]).

Sweden combines behavioural nudges with digital tools to encourage voluntary compliance. To support compliance the STA applies personalised communication, adjusting

[79] Based on Council Regulation (EU) No 904/2010 of 7 October 2010 on administrative cooperation and combating fraud in the field of value added tax (VAT), as subsequently amended, the EU and Member States' national tax authorities cooperate to help ensure the correct application of VAT rules on cross-border transactions.
[80] The data is assessed based on the annual statistics, provided pursuant to Commission Implementing Regulation 79/2012 (Annex IV) and presented to the Standing Committee on Administrative Cooperation SCAC.
[81] The standardised measure normalises the number of requests per EUR 1 billion of GDP, allowing for comparison relative to the size of the economy. In 2024, Sweden sent 0.47 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.60 requests sent per EUR 1 billion of GDP; and received 0.65 requests per EUR 1 billion of GDP compared to an EU weighted average of 1.59 requests received per EUR 1 billion of GDP.
[82] The standardised measure normalises the number of requests per EUR 1 billion of GDP, allowing for comparison relative to the size of the economy. In 2024, Slovenia reported 0.93 VAT identification numbers allocated to taxable persons not established in the Member State per EUR 1 billion of GDP compared to an EU weighted average of 7.77 VAT identification numbers per EUR 1 billion of GDP; and new means of transport 0.21 requests per EUR 1 billion of GDP compared to an EU weighted average of 0.95 new means of transport per EUR 1 billion of GDP.
[83] OECD (2025), Tax Administration 2025: Comparative Information on OECD and other Advanced and Emerging Economies, OECD Publishing, Paris, https://doi.org/10.1787/cc015ce8-en.
[84] How the Swedish Tax Agency works with AI | The Swedish Tax Agency.

messaging tone based on taxpayer behaviour, alongside online tools previously mentioned (e.g. for filing and corrections) to reduce compliance costs and errors.

Sweden also uses reports exchanged automatically under the DAC, i.e. DAC3 ([85]), DAC4 ([86]) and DAC6 ([87]) for risk-analysis purposes in the field of corporate income taxation. The Swedish tax authorities identified successfully 97% of the taxpayers concerned by DAC3, and 99% of entities or taxpayers concerned by DAC4 and DAC6 reports, the EU average being 98%, 94% and 90%, respectively. DAC3, DAC4 and DAC6 reports are systematically used for risk-assessment (i.e. to tackle risks related to transfer pricing, base erosion and profit shifting, harmful tax practices, etc) and possible follow-up actions as general tax audits. In practice, the data feeds as risk indicators the corporate IT tools performing analysing to help programming and carrying out tax controls and audits. Moreover, DAC4 is used for economic and statistical analysis and DAC6 is used to identify possible legal loopholes. This fairly comprehensive use of the relevant data suggests that the Swedish tax authorities have successfully integrated it into an efficient process.

Sweden's CESOP use is limited to manual fraud detection within CRM. The STA cross-checks CESOP data with national VAT records, VIES, and OSS to identify non-compliant taxpayers. However, legal and technical barriers prevent automated integration, restricting analysis to manual downloads of individual payment reports for targeted audits. This approach supports risk-based compliance monitoring but lacks scalability or real-time capabilities ([88]).

Sweden uses VAT gap analysis to inform long-term risk management. The Swedish Tax Agency assesses the VAT gap every four years and publishes detailed reports (e.g. the 2025 VAT Gap Report). While this periodic analysis helps identify trends and adjust strategies, the primary focus remains on building public trust and targeting deliberate non-compliance through accessible information and focused controls ([89]).

4.4 Audits

Sweden's audit system combines proactive interventions with targeted enforcement. Sweden employs a phased approach, ranging from pre-filing support such as compliance campaigns, to post-filing checks and formal audits, relying on AI-driven analysis to determine the most appropriate intervention. This multi-stage process reflects a proactive and adaptive approach to addressing non-compliance ([90]).

Sweden's audit segmentation prioritises high-impact taxpayers and e-commerce oversight. The Large Taxpayer Office (LTO), handling 51.2% of total revenue and 49.9% of audit

[85] 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: automatic exchange of information on rulings and advanced pricing arrangements.
[86] 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: automatic exchange of information on country-by-country reports of multinational entities.
[87] 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.: automatic exchange of information on potentially tax-harmful cross-border arrangements.
[88] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[89] Ibidem.
[90] European Commission: Directorate-General for Taxation and Customs Union, Mind the Gap – Challenges and opportunities for tax compliance and tax expenditures in the EU – Sweden, Publications Office of the European Union, 2025.

revenue with just 3.9% of FTEs (of which 60.8% are dedicated to audit), demonstrates exceptional efficiency in targeting major businesses. For e-commerce, a dedicated One Stop Shop (OSS) system automates monthly reconciliations, sends reminders for missing filings/payments, and cross-checks data with Customs and CESOP for compliance oversight ([91]). The decline in audit staffing (14.9% of FTEs in 2024, down from 25.1% in 2018) seem to reflect a strategic shift toward preventive interventions over resource-intensive audits ([92]).

Sweden is a proactive user of advanced instruments of cooperation. These advance instruments are provided for in Directive on administrative cooperation in the field of taxation and Regulation 904/2010 to facilitate cooperation on specific cross-border VAT issues. Such instruments entail multilateral controls (MLCs) such as simultaneous controls, joint audits and presence in administrative offices and administrative enquiries (PAOEs). The synergies between participating Member States derived from these coordinated activities usually lead to an increase in the tax assessed and, therefore, contribute to reducing the compliance tax gap. Between 2023 and 2025 Sweden initiated 10 MLCs and 2 PAOEs, and has participated in 18 MLCs and 5 PAOEs, representing respectively 9.3%, 3.1%, 6.1% and 3.9% of the total of these operations in the EU ([93]).

4.5 Payment and collection

Sweden is highly digital in tax payment methods ([94]). The e-payment rate stands at 100%, above the EU average of 94.9%, and unchanged from 2018. For on-time payment, the picture is less complete, as no 2024 data are available for CIT, PIT or VAT. Cash payment of taxes is generally not available in Sweden and STA's payment guidance does not provide for a cash payment option.

Sweden also links the VAT refund process with the registration component ([95]). Sweden checks taxpayers' identities to prevent fictitious traders from entering the VAT system and integrates this with its compliance risk management system. In addition, Sweden has a penalty system for failure to submit VAT returns and for failure to make payments on time, designed around the principles of simplicity and proportionality.

4.6 Tax debt recovery

Sweden has the lowest tax arrears in the EU. Sweden's total year-end tax arrears as a percentage of total net tax revenue were less than 1% in 2023 – the lowest rate of all 27 EU Member States ([96]).

Tax recovery in Sweden is handled by a dedicated authority. The Swedish Enforcement Authority (*Kronofogdemyndigheten*, or SEA) has broad powers to recover unpaid tax debts. All public and private creditors are required to use the SEA to enforce their claims under one common framework, so the same rules apply across all tax types – an approach which boosts recovery efficiency.

[91] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[92] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[93] EU AIAC Statistics -2023-2025.
[94] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.
[95] Findings based on Member States' annual reports (mostly 2025-2026) under Article 12, Regulation (EEC, Euratom) No 1553/89 (VAT own resources collection).
[96] International Survey on Revenue Administration data. https://data.imf.org/en/datasets/ISORA:ISORA_LATEST_DATA_PUB.

Regarding cross-border recovery assistance within the EU, Sweden submits compliant requests to other Member States. Swedish recovery requests to other Member States generally comply with requirements ([97]), focusing on well-established claims. In 2025, 241 requests for recovery were sent to other Member States, but only 22 requests for recovery were suspended due to contested claims in the same year ([98]).

Sweden has integrated AEOI data in its recovery strategy ([99]). Further, Sweden uses information from DAC1 (different categories of income) and DAC2 (financial accounts and assets) for recovery purposes, which is considered as best practice. This approach could be complemented by including the most recent data from digital platforms (DAC7).

[97] Statistics on rejections of requests, reported by Sweden as applicant State, relating to recovery assistance in 2025.
[98] Statistics on the suspension of recovery requests, sent by Sweden as applicant State, following contestation of the claim, for 2025.
[99] The Swedish tax administration (*Skatteverket*) has an ongoing cooperation with the Swedish Enforcement Agency regarding the AEOI for recovery purposes.