

By PwC Deutschland | 18. Dezember 2024

# Member States made significant progress in VAT Compliance in 2022

**Most EU Member States made significant progress in Value-Added Tax (VAT) collection between 2018 and 2022, according to a new report released by the European Commission, but continued efforts are still needed.**

The annual VAT Gap in the EU Report, which measures the difference between theoretically expected VAT revenues and the amount actually collected, shows that Member States lost around €89 billion in VAT in 2022, compared to €121 billion in 2018. This figure represents revenues lost primarily to VAT fraud, evasion, avoidance, non-fraudulent bankruptcies, miscalculations, and other factors.

The progress in reducing the VAT compliance gap is welcome since lost VAT revenues can negatively impact governments' ability to finance essential public goods and services such as schools, hospitals, and infrastructure.

### **Main results of 2022**

In nominal terms, the overall EU VAT compliance gap amounted to €89.3 billion in 2022, representing 7% of the theoretically expected VAT revenues. Compared to 2021, the gap increased by €13.3 billion.

More details to be found in the Commission's **[press release of 18 December 2024](#)** (including a concise overview of the VAT compliance gap per Member State).

### **Schlagwörter**

[collection of VAT](#), [tax compliance](#)