Historical versus current annual turnover data

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Overview

Legal bases
• European regulations: turnover must be introduced in the Swiss business register
• Swiss Law on Federal Statistics: Switzerland must promote the use of administrative data, including monetary data.

Advantages of VAT data
• Increases the quality of the register units
• Decreases the burden on businesses
• Offers information on the structure of the economic landscape
• Stratification and weighting variable for statistical purposes
• Wide coverage of the target population
Overview

The Swiss Federal Tax Administration was identified as the key source to provide turnover data.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tax returns</td>
<td>1'120'671</td>
<td>1'151'411</td>
<td>1'169'075</td>
</tr>
<tr>
<td>Number of taxpayers</td>
<td>343'083</td>
<td>350'733</td>
<td>356'106</td>
</tr>
<tr>
<td>Total turnover [CHF]</td>
<td>3'947'360'817'653</td>
<td>3'487'874'372'939</td>
<td>3'550'797'946'358</td>
</tr>
</tbody>
</table>

Individual tax returns cover over 60% of the universe.

Enterprises with an annual turnover lower than CHF 100,000, as well as enterprises from the public or primary sector and those engaged in financial, real estate, health care or insurance activities, are not subject to VAT. Turnover must be estimated by imputation for the missing units.
There is a lag between a fiscal year and the time when enterprises have completed their tax returns. A detailed analysis calculating the best trade-off between timeliness and accuracy determined that annual turnover could be inserted in the business register one year after the reference date.
Lag between the reference year and insertion in the business register

Number of tax returns received per day (reference year 2011)
Lag between the reference year and insertion in the business register

The cumulated turnover (addition of individual tax returns received during the reference year 2011)

On 31.03.2012, over 97% of the total 2011 turnover had been received by the tax administration.

The cumulated number of taxpayers who filled in all their tax returns during the reference year 2011

On 01.06.2012, almost 90% of taxpayers had sent all their 2011 tax returns.
Historical vs current annual turnover

“Historical” annual turnover provide an accurate record of the economic variables of an enterprise as well as a great potential for temporal data analysis.

Historical turnover universe:
• All enterprises that were active during the reference year
• All enterprises that generated a turnover, including:
  ✓ Businesses not recognized by the business statistics, such as fictive companies or consortia.
  ✓ Businesses considered inactive in the statistical system.
Historical vs current annual turnover

Once a year a frozen sample frame is set for all business survey samples. During the laps of time between the end of the fiscal year and the insertion of the turnover data in the business register, structural enterprise changes such as births, merges, splits and deaths can occur.

A new turnover must therefore be calculated for each survey frame to take into account the enterprise demography, including employment changes.

Current turnover universe:
• All enterprises currently active
Closing remarks

The main difficulties in the treatment and use of the turnover data was to combined with the needs of the various users. In order to comply with all their needs, two different sets of annual turnover data must be produced every year: a “historical” and a “current” annual turnover.

The annual turnover was inserted in the business register for the first time this year and this new variable will also be included in the next survey frame for the first time. If this new methodology is validated in the following year, this dual dataset will be used from then on.
Thank you for your attention!