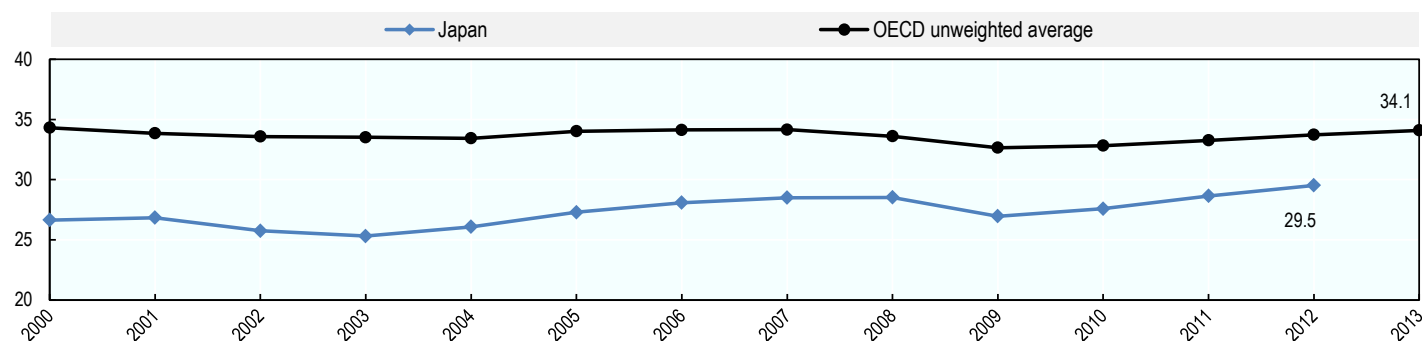


Revenue Statistics 2014 - Japan

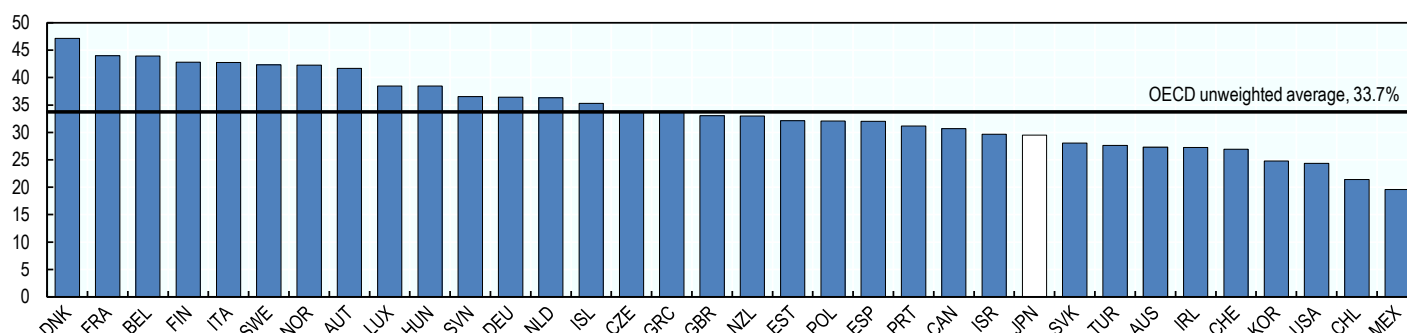
Tax burden over time

The OECD's annual *Revenue Statistics* report found that the tax burden in Japan increased by 0.9 percentage points from 28.6% to 29.5% in 2012¹. The corresponding figure for the OECD average was an increase of 0.4 percentage points from 33.3% to 33.7%. Since the year 2000, the tax burden in Japan has increased from 26.6% to 29.5%. Over the same period, the OECD average fell from 34.3% to 33.7%.



Tax burden compared to the OECD

Japan ranked 25th out of 34 member countries in terms of the tax to GDP ratio in 2012 (the latest year for which tax revenue data is available for all OECD countries). In that year Japan had a tax to GDP ratio of 29.5% compared with the OECD average of 33.7%.



Tax structure

The structure of tax receipts in Japan compared with the OECD average is characterised by:

- Higher revenues from taxes on corporate income, property, and social security contributions.
- A lower proportion of revenues from taxes on personal income and goods and services.
- No revenues from payroll taxes.

	Japan		OECD unweighted average (%)
	Billions JPY	%	
Taxes on personal income, profits and gains	25,946	19	25
Taxes on corporate income and gains	17,406	13	9
Social security contributions	58,034	42	26
Payroll taxes	-	0	1
Taxes on property	12,722	9	6
Taxes on goods and services	25,056	18	33
Of which VAT is	12,902	9	20
Other	386	0	1
TOTAL	139,550	100	100

[1. 2013 data for Japan are not available at the time of publication]

[Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding]

Source: OECD Revenue Statistics 2014 <http://www.oecd.org/tax/tax-policy/revenue-statistics.htm>

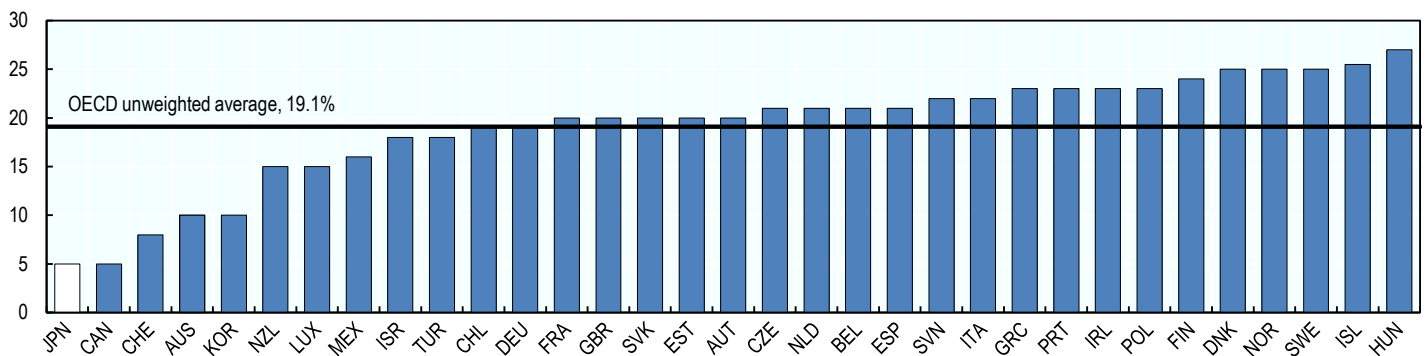
Consumption Tax Trends 2014 - Japan

VAT share of total tax revenues

The OECD's biennial *Consumption Tax Trends* report found that VAT revenues in Japan accounted for 9.2% of total tax revenue in 2012, the lowest of the OECD countries and far below the OECD average of 19.5%.

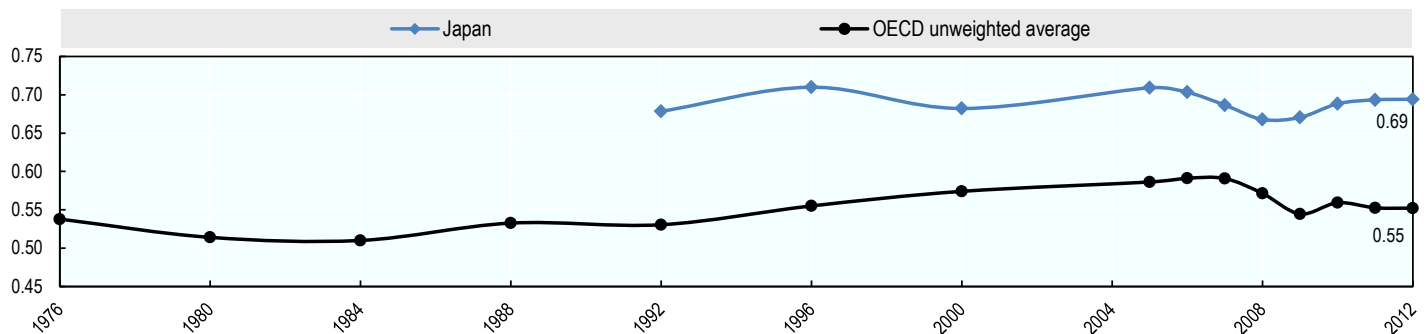
VAT rates

Japan¹ increased its standard VAT rate from 5% to 8% in April 2014. This standard VAT rate is still one of the lowest in the OECD and well below the OECD average. The average VAT/GST standard rate in the OECD was 19.1% on 1 January 2014, up from 17.6% on 1 January 2009. Unlike most OECD countries, Japan does not apply reduced rates.



VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Japan was 0.69 in 2012, above the OECD average of 0.55. The VRR is a measure of the revenue raising performance of a VAT system. A ratio of 1 would reflect a VAT system that applies a single VAT rate to a comprehensive base of all expenditure on goods and services consumed in an economy - with perfect enforcement of the tax. Japan's VRR decreased slightly from 0.71 to 0.67 between 2006 and 2009, and has since then partially recovered to 0.69 in 2012.



[1. The VAT rate shown in the chart is that of the 1st of January 2014]

[VAT: value added tax. GST: goods and services tax]

Source: OECD Consumption Tax Trends 2014 <http://www.oecd.org/tax/consumption/consumption-tax-trends-19990979.htm>

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OECD Revenue Statistics

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OECD Consumption Tax Trends

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