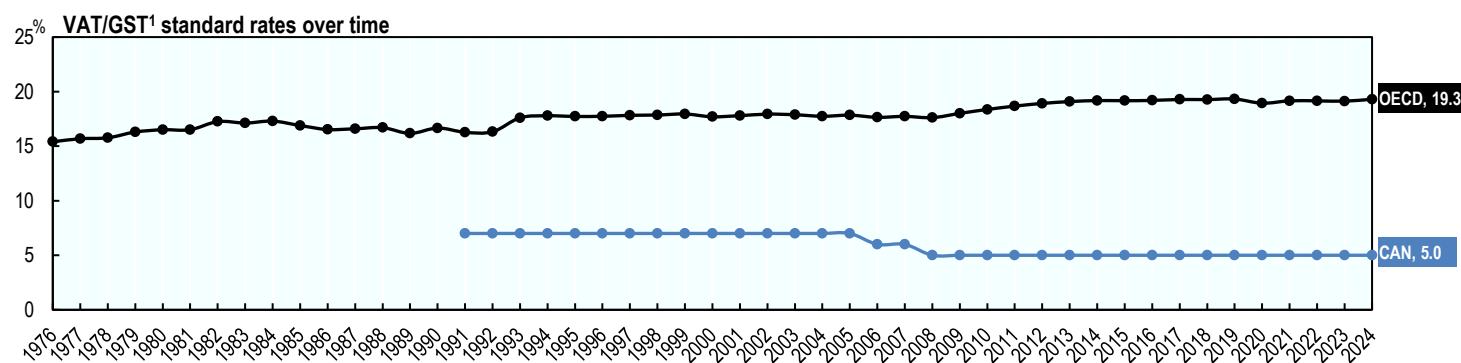
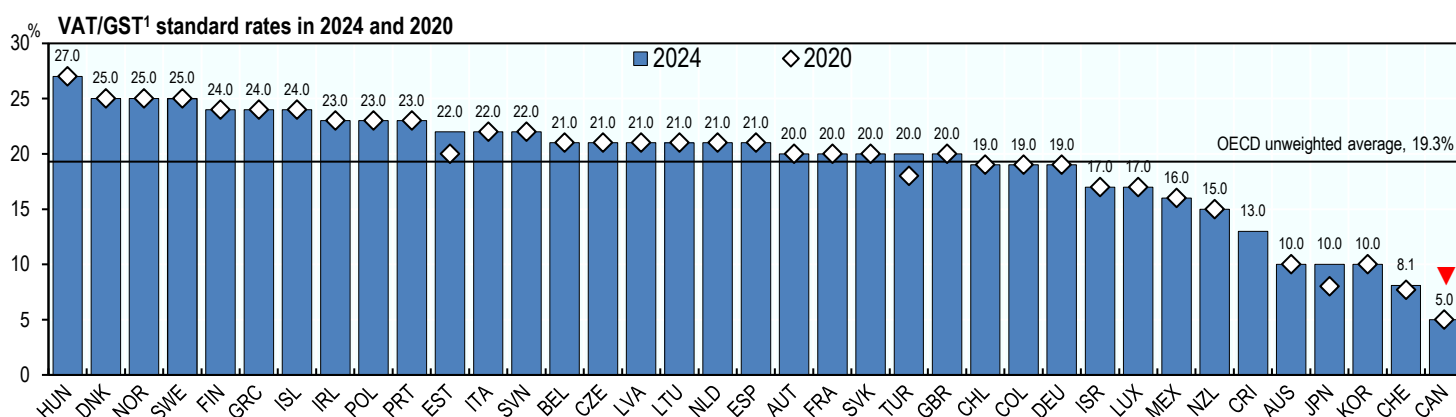


Consumption Tax Trends* - Canada

GST rate 2024

The Canadian standard GST rate is 5.0%, which is below the OECD average. The average VAT/GST¹ standard rate in the OECD was 19.3% as of 31 December 2024. The previous standard GST rate in Canada was 6.0% in 2007. It changed to the current level in 2008. Canada also applies a reduced GST rate of 0% to a number of goods and services as well as specific regional rates: a number of provinces have harmonised their sales tax (HST) with the federal GST and levy a GST/HST at the following rates: New Brunswick, Newfoundland and Labrador, Nova Scotia, Prince Edward Island: 15%; and Ontario: 13%. Québec applies GST at a rate of 5% and Québec Sales Tax at a rate of 9.975%. GST was introduced in Canada in 1991 at a standard rate of 7.0%. Since then the minimum and maximum standard rates have been at 5.0% and 7.0%

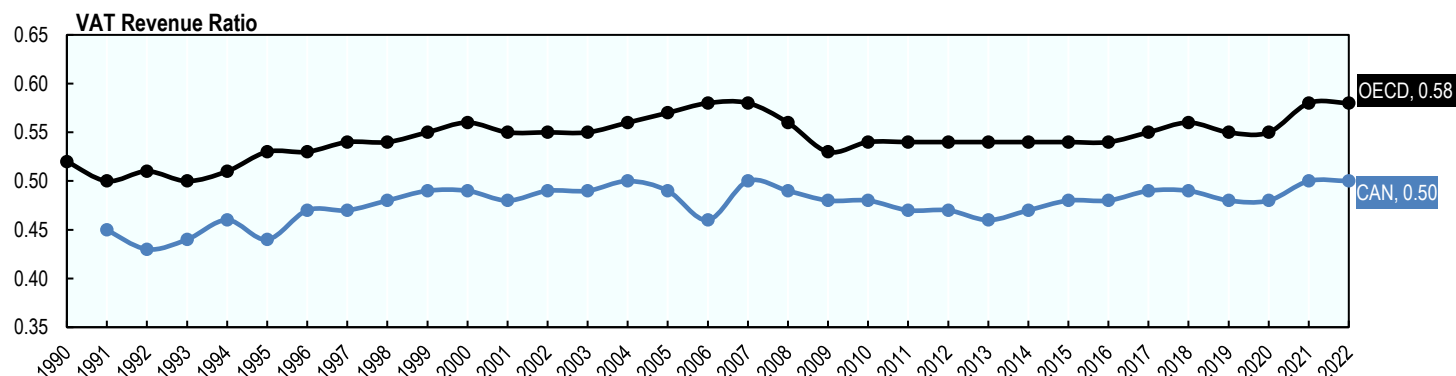


1. VAT/GST refers to value added tax/goods and services tax

Source: Consumption Tax Trends 1st January 2024

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Canada was 0.50 in 2022 below the OECD average of 0.58. 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. The Canadian VRR remained stable at 0.50 between 2021 and 2022. The lowest VRR was recorded in the year 1992 at 0.43 and the highest level in 2004, 2007, 2021 and 2022 at 0.50.



The figures may not present the difference to the second decimal point accurately due to rounding

* Information presented on this page is only a summary of more detailed information available in the Tax Database and Consumption Tax Trends publication

Source: OECD Consumption Tax Trends 2024

oe.cd/consumption-tax-trends-2024

Consumption Tax Trends 2024

VAT/GST and Excise, Core Design Features and Trends

oe.cd/consumption-tax-trends-2024

Consumption Tax Trends provides information on Value Added Tax/Goods and Services Tax (VAT/GST) and excise duty rates in OECD member countries.

It also contains information about international aspects of VAT/GST developments and the efficiency of this tax. It describes a range of other consumption taxation provisions on tobacco, alcoholic beverages and motor vehicles.



[New toolkit to strengthen the effective collection of value added taxes on e-commerce in Africa](#)

The VAT Digital Toolkit provides detailed guidance for the successful implementation of a comprehensive VAT strategy directed at e-commerce. With VAT the single largest source of tax revenue in African jurisdictions on average, the toolkit aims to help governments in Africa secure increasingly significant VAT revenues and to ensure a level playing field between traditional bricks-and-mortar businesses and foreign online merchants.

[New toolkit to strengthen Value Added Taxes on e-commerce in Asia-Pacific](#)

The VAT Digital Toolkit provides detailed guidance for the successful implementation of a comprehensive VAT strategy directed at e-commerce. It is designed to help governments secure increasingly significant VAT revenues and to ensure a level playing field between traditional brick-and-mortar businesses and foreign online merchants.

[New toolkit to strengthen Value Added Taxes on e-commerce in Latin America and the Caribbean](#)

The VAT Digital Toolkit provides detailed guidance for the successful implementation of a comprehensive VAT strategy directed at e-commerce. It is designed to help governments secure significant VAT revenues and to ensure a level playing field between brick-and-mortar stores and foreign online sellers.

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