Consumption Tax Trends 2016 - Finland

**VAT rates 2016**

The Finnish standard VAT rate is 24.0%, which is above the OECD average. The average VAT/GST¹ standard rate in the OECD was 19.2% as of 1 January 2016, up from 17.7% on 1 January 2009. Finland applies reduced VAT rates of 0%, 10% and 14% to a number of goods and services. Since 2009, 22 of the 34 OECD countries that have a VAT have raised their standard VAT/GST rate at least once. In line with this trend, Finland raised its standard VAT rate in 2010 and 2013.

**VAT Revenue Ratio**

The VAT Revenue Ratio (VRR) for Finland was 0.54 in 2014, below the OECD average of 0.56. 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.

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

**Source:** OECD Tax Database 1st January 2016

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**Contacts**

<table>
<thead>
<tr>
<th>David Bradbury</th>
<th>Stéphane Buydens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre for Tax Policy and Administration</td>
<td>Centre for Tax Policy and Administration</td>
</tr>
<tr>
<td>Head, Tax Policy and Statistics Division</td>
<td>VAT Policy Advisor</td>
</tr>
<tr>
<td><a href="mailto:David.Bradbury@oecd.org">David.Bradbury@oecd.org</a></td>
<td><a href="mailto:Stephane.Buydens@oecd.org">Stephane.Buydens@oecd.org</a></td>
</tr>
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