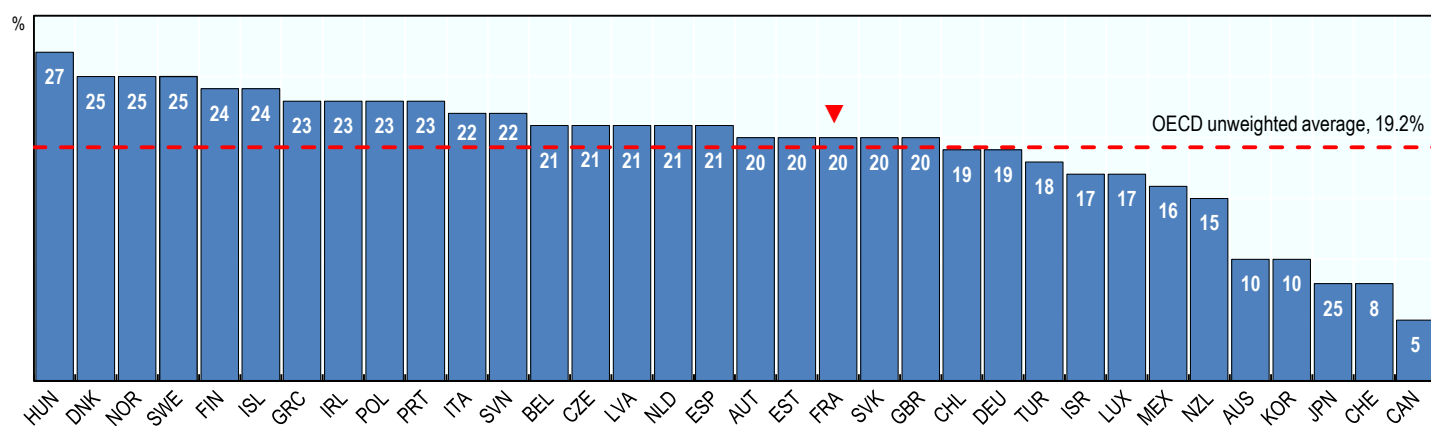


## Consumption Tax Trends 2016 - France

### VAT rates 2016

The French standard VAT rate is 20.0%, which is above the OECD average. The average VAT/GST<sup>1</sup> standard rate in the OECD was 19.2% as of 1 January 2016, up from 17.7% on 1 January 2009. France applies reduced VAT rates of 2.1%, 5.5% and 10% 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, France raised its standard VAT rate in 2014.

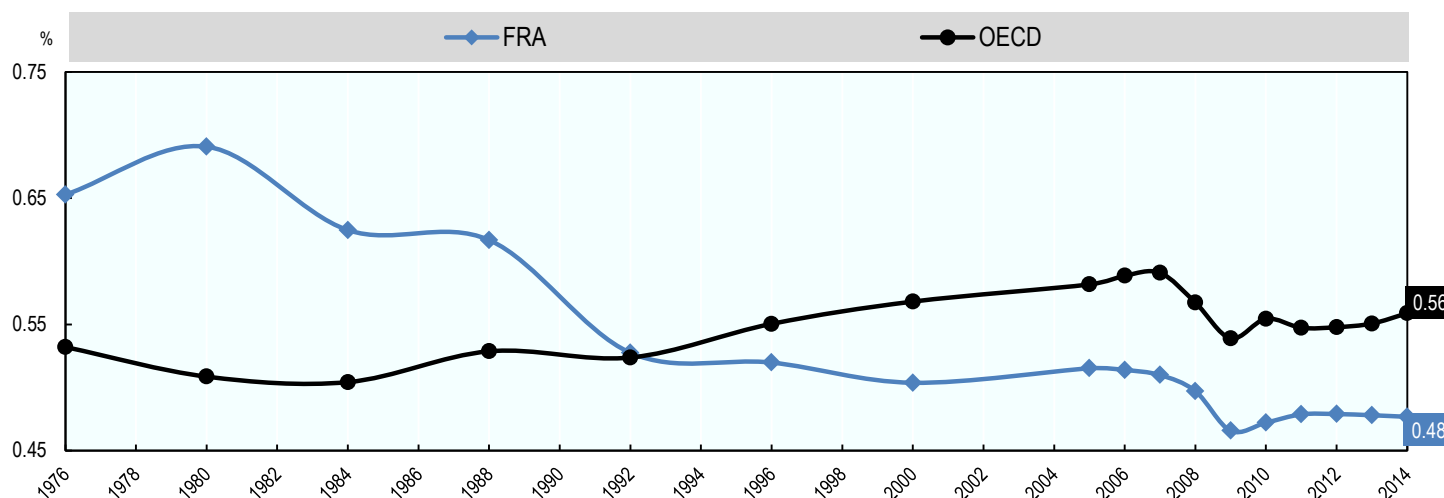


1. VAT refers to value added tax and goods and services tax (GST)

Source: OECD Tax Database 1st January 2016

### VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for France was 0.48 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.



Source: OECD Consumption Tax Trends 2015 <http://www.oecd.org/tax/consumption-tax-trends-19990979.htm>

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