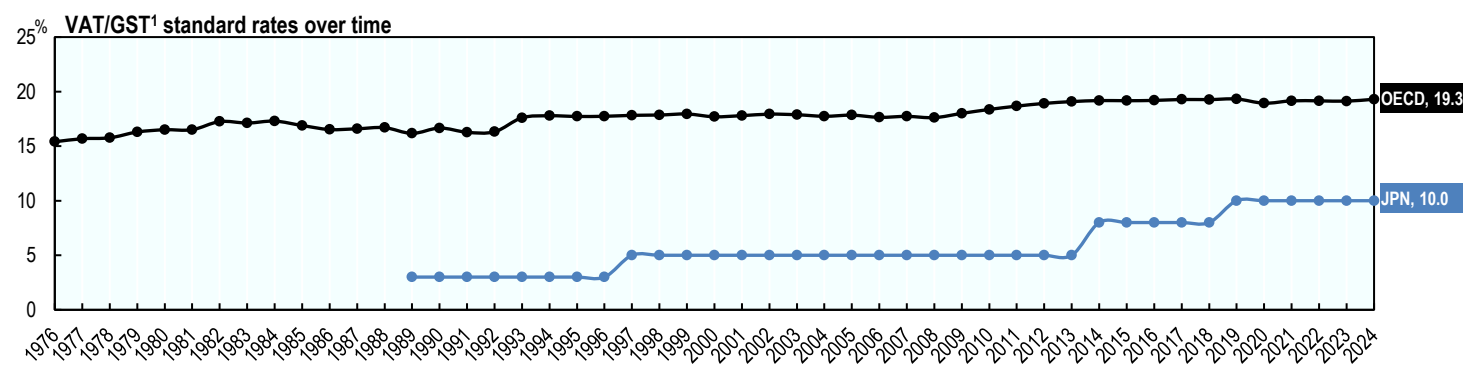
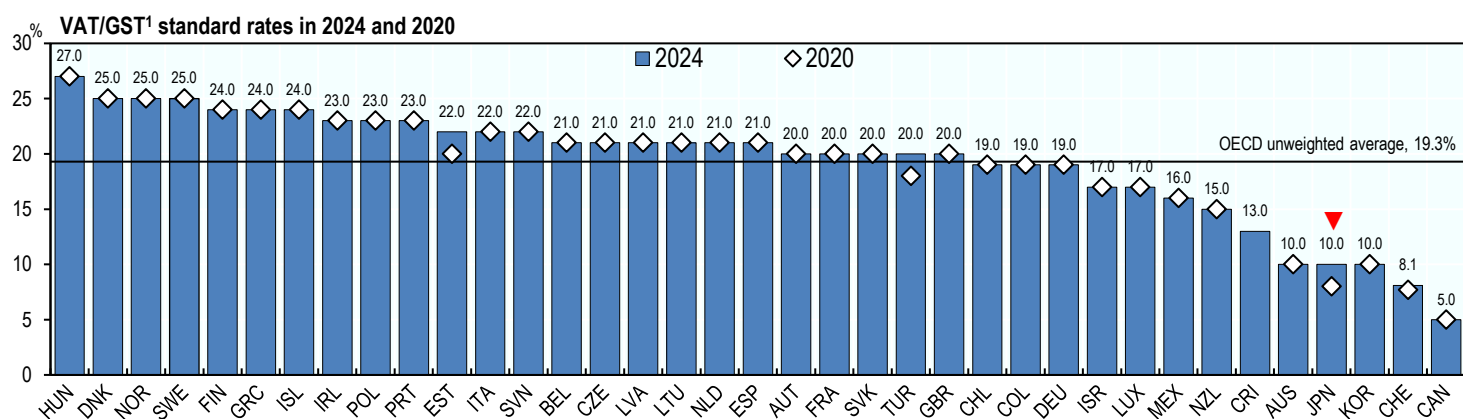


Consumption Tax Trends* - Japan

VAT rate 2024

The Japanese standard VAT (Consumption Tax - CT) rate is 10.0%, 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 VAT (CT) rate in Japan was 8.0% in 2018. It changed to the current level in October 2019. Japan also applies a reduced VAT (CT) rate of 8% since October 2019 to for the supply of food, certain beverages and subscription newspapers. VAT (CT) was introduced in Japan in 1989 at a standard rate of 3.0%. Since then the minimum and maximum standard rates have been at 3.0% and 10.0% respectively.

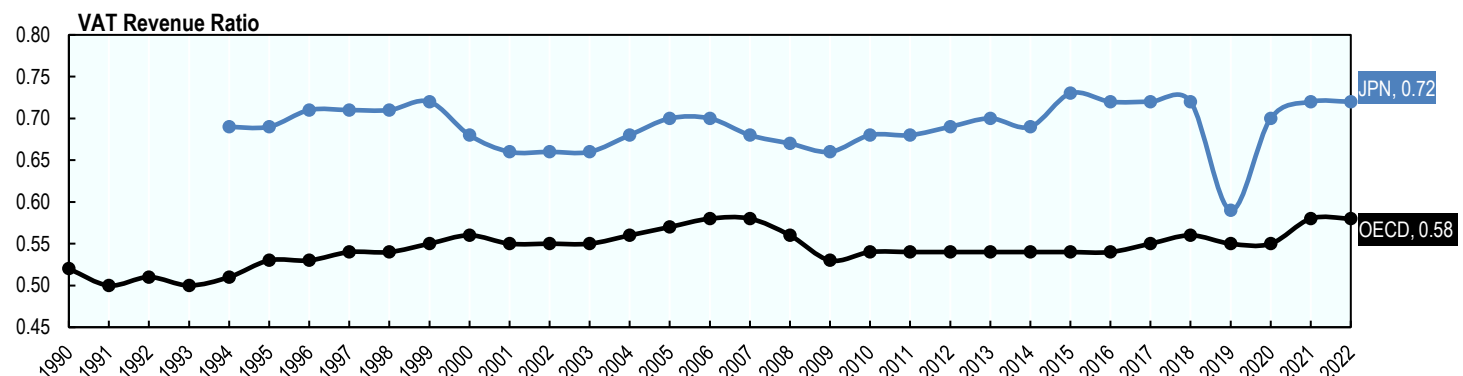


1. VAT/GST refers to value added tax/goods and services tax

Source: Consumption Tax Trends 1st January 2024

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Japan was 0.72 in 2022 above 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 Japanese VRR remained stable at 0.72 between 2021 and 2022. The lowest VRR was recorded in the year 2019 at 0.59 and the highest level in 2015 at 0.73.



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.



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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.

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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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