Consumption Tax Trends 2016 - Spain

VAT rates 2016

The Spanish standard VAT rate is 21.0%, which is above the OECD average. The average VAT/GST² standard rate in the OECD was 19.2% as of 1 January 2016, up from 17.7% on 1 January 2009. Spain applies reduced VAT rates of 4% 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, Spain raised their standard VAT rate in 2010 and 2012.

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Spain was 0.41 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.