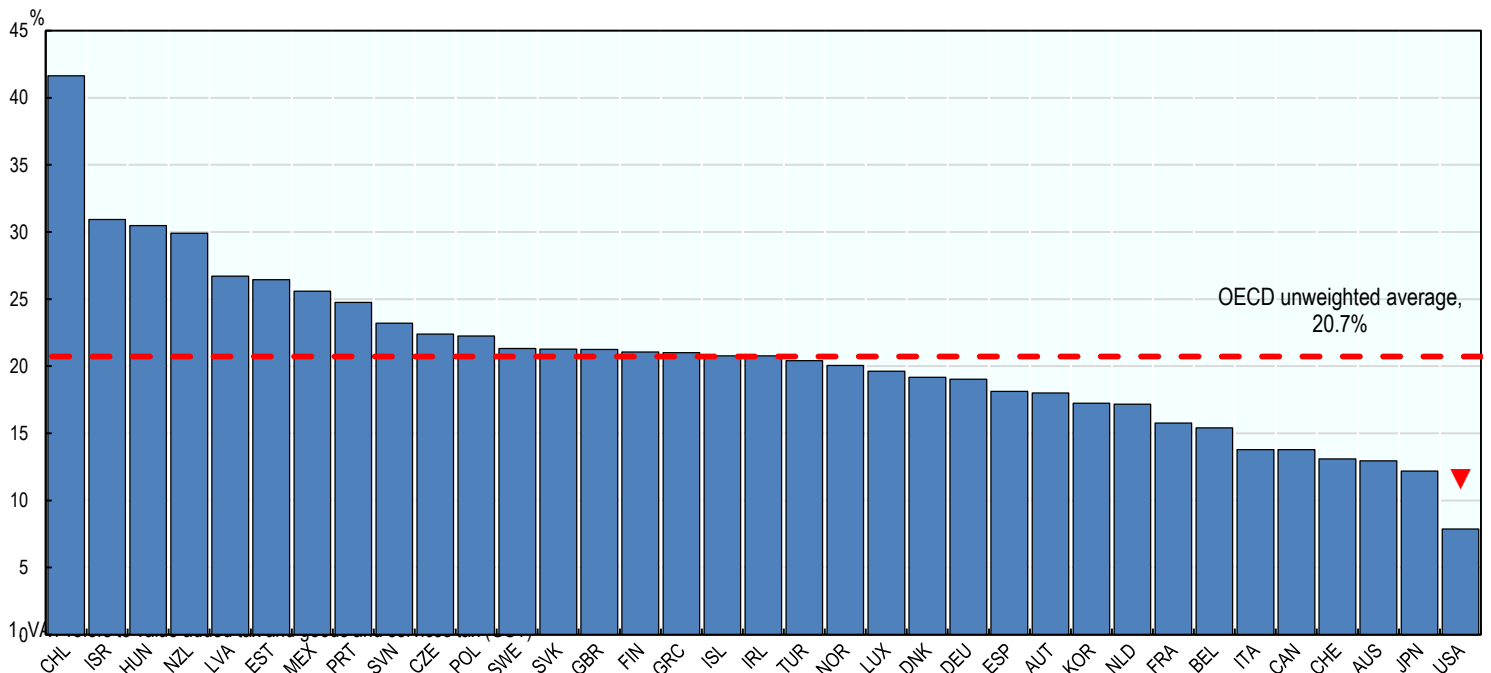


Consumption Tax Trends 2016 - the United States

The United States is the only OECD country that employs a retail sales tax rather than a value added tax (VAT) as the principal consumption tax. However, the retail sales tax in the United States is not a federal tax. Rather, it is a tax imposed at the state and local government levels.

Retail sales taxes and VAT belong to the same category (Taxes on general consumption) in the OECD classification of taxes. Compared to the other OECD countries, the United States has the lowest proportion of revenue from general consumption in its total tax revenue (7.9%), far below the OECD average (20.7%).

Taxes on general consumption (5110) as percentage of total taxation



Source: Revenue Statistics 2016, OECD Publishing, Paris DOI: http://dx.doi.org/10.1787/rev_stats-2016-en-fr

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