Consumption Tax Trends* - Japan

VAT rate 2020
The Japanese standard VAT (CT) rate is 10.0%, which is below the OECD average. The average VAT/GST\(^1\) standard rate in the OECD was 19.2% as of 31 December 2020. The previous standard VAT (CT) rate in Japan was 8% in 2018. It changed to the current level in October 2019. Japan introduced a reduced rate of 8% 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.

VAT Revenue Ratio
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 2020; oe.cd/vatgst-trends; OECD Tax Database oe.cd/tax-database
Consumption Tax Trends 2020
VAT/GST and Excise Rates, Trends and Policy Issues

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.

International VAT/GST Guidelines

The International VAT/GST Guidelines present a set of internationally agreed standards and recommended approaches to address the issues that arise from the uncoordinated application of national VAT systems in the context of international trade.

They focus in particular on trade in services and intangibles, which poses increasingly important challenges for the design and operation of VAT systems worldwide.

They notably include the recommended principles and mechanisms to address the challenges for the collection of VAT on cross-border sales of digital products that had been identified in the context of the OECD/G20 Project on Base and Erosion and Profit Shifting (the BEPS Project).


Contacts

David Bradbury
Centre for Tax Policy and Administration
Head, Tax Policy and Statistics Division
David.Bradbury@oecd.org

Stéphane Buydens
Centre for Tax Policy and Administration
VAT Policy Advisor
Stephane.Buydens@oecd.org