Revenue Statistics 2021 - Japan

Tax-to-GDP ratio

Tax-to-GDP ratio over time

The OECD’s annual Revenue Statistics report found that the tax-to-GDP ratio in Japan decreased by 0.1 percentage points from 31.6% in 2018 to 31.4% in 2019.* The corresponding figures for the OECD average were a decrease of 0.1 percentage points from 33.5% to 33.4% over the same period. The tax-to-GDP ratio in Japan has increased from 25.3% in 2000 to 31.4% in 2019. Over the same period, the OECD average in 2019 was slightly above that in 2000 (33.4% compared with 32.9%). During that period the highest tax-to-GDP ratio in Japan was 31.6% in 2018, with the lowest being 24.1% in 2003.

Tax-to-GDP ratio compared to the OECD, 2020

The chart below shows tax-to-GDP ratios for 2020. As Japan is unable to provide 2020 data, the latest available data from 2019 has been used. Japan’s 2019 tax-to-GDP ratio ranked it 26th out of 38 OECD countries in terms of the tax-to-GDP ratio compared with the 2020 figures. In 2019 Japan had a tax-to-GDP ratio of 31.4%, compared with the OECD average of 33.5% in 2020 and 33.4% in 2019.

* Australia and Japan are unable to provide provisional 2020 data, therefore their latest 2019 data are presented within this country note.

The differences between tax-to-GDP ratios shown may not sum correctly due to rounding.

In the OECD classification the term “taxes” is confined to compulsory unrequited payments to general government or to a supranational authority. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments.
Tax structures

Tax structure compared to the OECD average, 2019

The structure of tax receipts in Japan compared with the OECD average is shown in the figure below.

Relative to the OECD average, the tax structure in Japan is characterised by:

» Substantially higher revenues from social security contributions, and higher revenues from taxes on corporate income & gains and property taxes.

» A lower proportion of revenues from taxes on personal income, profits & gains; value-added taxes; and goods & services taxes (excluding VAT/GST).

» No revenues from payroll taxes.

Tax structure

<table>
<thead>
<tr>
<th>Tax Revenues in national currency</th>
<th>Tax structure in Japan</th>
<th>Position in OECD²</th>
</tr>
</thead>
<tbody>
<tr>
<td>56 083</td>
<td>53 994</td>
<td>- 2 090</td>
</tr>
<tr>
<td>Taxes on income, profits and capital gains¹</td>
<td>of which</td>
<td></td>
</tr>
<tr>
<td>Personal income, profits and gains</td>
<td>33 492</td>
<td>32 947</td>
</tr>
<tr>
<td>Corporate income and gains</td>
<td>22 591</td>
<td>21 046</td>
</tr>
<tr>
<td>Social security contributions</td>
<td>70 588</td>
<td>71 993</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Taxes on property</td>
<td>14 196</td>
<td>14 340</td>
</tr>
<tr>
<td>Taxes on goods and services</td>
<td>34 252</td>
<td>34 599</td>
</tr>
<tr>
<td>of which VAT</td>
<td>22 496</td>
<td>23 148</td>
</tr>
<tr>
<td>Other</td>
<td>445</td>
<td>454</td>
</tr>
<tr>
<td>TOTAL</td>
<td>175 564</td>
<td>175 380</td>
</tr>
</tbody>
</table>

Tax revenue includes net receipts for all levels of government; figures in the table may not sum to the total indicated due to rounding.

1. Includes income taxes not allocable to either personal or corporate income.
2. The country with the highest share being 1st and the country with the lowest share being 38th.


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