

## Consumption Tax Trends 2008

### VAT/GST and Excise Rates, Trends and Administration Issues

ISBN 978-92-64-03947-6 (print)

ISBN 978-92-64-05568-1 (PDF)

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## Corrigenda

### Pages 48 and 49:

#### Table 3.8. VAT/GST rates in OECD member countries

Table 3.8 has been replaced by the table below. The data are now presented with two decimals.

Table 3.8 VAT/GST rates in OECD member countries																
	Implemented	Standard rate											Reduced rate	Domestic zero rate (1)	Specific rate applied within specific region	
		1976	1980	1984	1988	1992	1994	1996	1998	2000	2003	2005				2007
Australia	2000	-	-	-	-	-	-	-	-	10.00	10.00	10.00	10.00	-	yes	-
Austria	1973	18.00	18.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	10.00 / 12.00	no	16.00 (a)
Belgium	1971	18.00	16.00	19.00	19.00	19.50	20.50	21.00	21.00	21.00	21.00	21.00	21.00	6.00 / 12.00	yes	-
Canada	1991	-	-	-	-	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	-	yes	14.00 (b)
Czech Republic	1993	-	-	-	-	-	23.00	22.00	22.00	22.00	22.00	19.00	19.00	5.00	yes	-
Denmark	1967	15.00	22.00	22.00	22.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	-	yes	-
Finland	1994	-	-	-	-	-	22.00	22.00	22.00	22.00	22.00	22.00	22.00	8.00 / 17.00	yes	-
France	1968	20.00	17.60	18.60	18.60	18.60	18.60	20.60	20.60	20.60	19.60	19.60	19.60	2.10 / 5.50	no	0.90 / 2.10 / 8.00 / 13.00 / 19.60 (c) 1.05 / 1.75 / 2.10 / 8.50 (d)
Germany	1968	11.00	13.00	14.00	14.00	14.00	15.00	15.00	16.00	16.00	16.00	16.00	19.00	7.00	no	-
Greece	1987	-	-	-	16.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	19.00	4.50 / 9.00	no	3.00 / 6.00 / 13.00 (e)
Hungary	1988	-	-	-	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	20.00	5.00	no	-
Iceland	1989	-	-	-	-	22.00	24.50	24.50	24.50	24.50	24.50	24.50	24.50	7.00	yes	-
Ireland	1972	20.00	25.00	23.00	25.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	4.80 / 13.50	yes	-
Italy	1973	12.00	15.00	18.00	19.00	19.00	19.00	19.00	20.00	20.00	20.00	20.00	20.00	4.00 / 10.00	yes	-
Japan	1989	-	-	-	-	3.00	3.00	3.00	5.00	5.00	5.00	5.00	5.00	-	no	-
Korea	1977	-	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	-	yes	-
Luxembourg	1970	10.00	10.00	12.00	12.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	3.00 / 6.00 / 12.00	no	-
Mexico	1980	-	10.00	15.00	15.00	10.00	10.00	15.00	15.00	15.00	15.00	15.00	15.00	-	yes	10.00 (f)
Netherlands	1969	18.00	18.00	19.00	20.00	17.50	17.50	17.50	17.50	17.50	19.00	19.00	19.00	6.00	no	-
New Zealand	1986	-	-	-	10.00	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	-	yes	-
Norway	1970	20.00	20.00	20.00	20.00	22.00	22.00	23.00	23.00	23.00	24.00	25.00	25.00	8.00 / 14.00	yes	-
Poland	1993	-	-	-	-	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	7.00	yes	-
Portugal	1986	-	-	-	17.00	16.00	16.00	17.00	17.00	17.00	19.00	19.00	21.00	5.00 / 12.00	no	4.00 / 8.00 / 15.00 (g)
Slovak Republic	1993	-	-	-	-	-	25.00	23.00	23.00	23.00	20.00	19.00	19.00	-	no	-
Spain	1986	-	-	-	12.00	13.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	4.00 / 7.00	no	2.00 / 5.00 / 9.00 / 13.00 (h) 0.50 / 4.00 (i)
Sweden	1969	17.65	20.63	23.46	23.46	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	6.00 / 12.00	yes	-
Switzerland	1995	-	-	-	-	-	6.50	6.50	6.50	7.50	7.60	7.60	7.60	2.40 / 3.60	yes	-
Turkey	1985	-	-	-	10.00	10.00	15.00	15.00	15.00	17.00	18.00	18.00	18.00	1.00 / 8.00	no	-
United Kingdom	1973	8.00	15.00	15.00	15.00	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	5.00	yes	-
<b>Unweighted average</b>		<b>15.64</b>	<b>16.45</b>	<b>17.79</b>	<b>17.15</b>	<b>16.55</b>	<b>17.56</b>	<b>17.79</b>	<b>17.93</b>	<b>17.76</b>	<b>17.82</b>	<b>17.71</b>	<b>17.71</b>			

Source: national delegates; position as at 1 January 2007

#### Notes

1. "Domestic zero rate" means tax is applied at a rate of zero to certain domestic sales. Unlike exemption, zero rate means that no VAT is chargeable by the supplier and the supplier is able to fully recover input tax incurred in the process of making such supplies. For the purposes of this table, this category does not include zero rated exports.

(a) Applies in Jungholz and Mittelberg.

(b) The provinces of Newfoundland and Labrador, New Brunswick, and Nova Scotia have harmonized their provincial sales taxes with the federal Goods and Services Tax and levy a rate of 14%. Other Canadian provinces, with the exception of Alberta, apply a provincial tax to certain goods and services. These provincial taxes apply in addition to GST.

(c) Applies in Corsica.

(d) Applies to overseas departments (DOM) excluding French Guyana.

(e) Applies in the regions Lesbos, Chios, Samos, Dodecanese, Cyclades, Thassos, Northern Sporades, Samothrace and Skiros.

(f) Applies in the border regions. From 1980 to 1991 the rate applied in the border regions was 6%.

(g) Applies in Azores and Madeira.

(h) Applies in the Canary Islands.

(i) Applies in Ceuta and Melilla

Table 4.3. Taxation of alcoholic beverages

The excise taxes in USD have been revised following a correction of the exchange rate of the national currencies against the US dollar. Please see below the corrected table:

Table 4.3 Taxation of alcoholic beverages

	Tax per hectolitre of absolute alcohol			
	Excise		VAT	Small distillery rate
	National currency	USD	Per cent	
Australia *	See note		10.00	No
Austria *	1 000.00	1 146.79	20.00	Yes
Belgium	1 660.00	1 852.68	21.00	No
Canada *	1 169.60	974.67	6 or 14	No
Czech Republic	26 500.00	1 853.15	19.00	No
Denmark *	15 000.00	1 748.25	25.00	No
Finland *	2 825.00	2 915.38	22.00	No
France	1 450.00	1 588.17	19.60	No
Germany *	1 303.00	1 477.32	19.00	Yes
Greece *	1 090.00	1 546.10	19.00	No
Hungary *	236 000.00	1 815.38	20.00	Yes
Iceland	70 780.00	674.10	24.50	No
Ireland	3 925.00	3 886.14	21.00	No
Italy *	800.00	921.66	20.00	No
Japan *	See note		5.00	No
Korea *	See note		10.00	No
Luxembourg	1 041.14	1 135.38	15.00	No
Mexico *	50%	0.07	15.00	No
Netherlands *	1 504.00	1 680.45	19.00	No
New Zealand *	see note		12.50	No
Norway	57 400.00	6 456.69	25.00	No
Poland	4 550.00	2 394.74	22.00	No
Portugal *	956.83	1 361.07	21.00	Yes
Slovak Republic	28 300.00	1 635.84	19.00	No
Spain *	830.25	1 095.32	16.00	Yes
Sweden	50 141.00	5 473.91	25.00	No
Switzerland *	2 900.00	1 705.88	7.60	No
Turkey *	7 092.60	7 871.92	18.00	No
United Kingdom *	1 956.00	3 000.00	17.50	No
United States *	923.00	923.00	-	No

Source: national delegates; position as at 1 January, 2007.

Notes:

**Australia.** The excise duty rate of AUD 64.21 per litre of alcohol applied to fruit brandy, whisky, rum, liqueurs and other excisable beverages (but not beer) of alcoholic strength exceeding 10 per cent. Brandy attracted the rate of AUD 59.94 per litre of alcohol and a lower rate of AUD 37.90 per litre of alcohol applied to other excisable beverages (but not beer) of alcoholic strength not exceeding 10 per cent.

**Austria.** The rate for small distilleries is EUR 540.

**Canada.** Spirits are subject to excise duty at the rate of CAD 11.696 per litre of absolute ethyl alcohol by volume. Spirits containing not more than 7% absolute ethyl alcohol by volume are subject to excise duty at the rate of CAD 0.295 per litre.

**Denmark.** An additional duty is placed on products which contain a mixture of spirits and non-alcoholic drinks, Rates: DKK 2.90 pr. l. of mixture

**Finland.** Excise rates are as follows: a) CN - code 2208. alcoholic content between 1.2% and 2.8% vol. EUR 168; b) Other products EUR 2 825.

**Germany.** The rates for small distilleries are EUR 730 or EUR 1 022.

**Greece.** The rate for ouzo and ethyl alcohol (derogation possible for several regions but only applied in the department of Dodecanese) is EUR 545 per hectolitre of pure alcohol.

**Hungary.** Reduced rate (HUF 118 000) applies to ethyl-alcohol produced by fruit growers' distilleries from fruit supplied to them by private fruit growers. The application of reduced rate is limited to 50 litres of pure alcohol for private consumption per fruit grower per year.

**Iceland.** Excise rate shown in the Table is the rate for other alcohol than beer or wine up to 15%. The rate is ISK 52,80 per each centilitre of alcohol by volume exceeding 2.25%..

**Italy.** Taxation applies for beverages of alcoholic strength exceeding 1.2 per cent

**Japan.** Excise rates are as follows: a) Whisky and brandy (40% vol.) JPY 40 000; b) Spirits (37% vol.) JPY 37 000; c) Shochu Group A and B (25% vol.) JPY 25 000.

**Korea.** As Excise Tax for liquor is based on the value of the product, the rate does not vary with alcohol content. For whisky, brandy, general distilled spirits, liqueur, diluted soju and distilled soju, the Liquor tax is 72% and the Education tax is 30%.

**Mexico.** The rates for alcoholic beverages apply as follows: 25% up to 14° G.L.; 30% above 14° G.L. and up to 20° G.L.; 50% above 20° G.L.

**Netherlands.** For low alcohol spirits with an alcoholic content <1.2% the VAT rate is 6%.

**New Zealand.** For alcoholic beverages with 9-14% alcoholic content, the excise rate is NZD \$2.3936 per litre. For alcoholic beverages above 14% in alcoholic content, the excise rate is NZD \$43.594 per litre of absolute alcohol (with the exception of unfortified wine and vermouth which has the rate of NZD \$2.33936 per litre of product).

**Portugal.** A reduced rate for small distilleries applies.

**Spain.** The excise rate in the Canary Islands is EUR 649.66 per HI of pure alcohol. There is a special regime for small distilleries for which the rate is EUR 726.50 per HI (or EUR 565.66 in the Canary Islands).

**Switzerland.** Weighted average rate.

**Turkey.** No specific tax element. The element according to the value is the Excise Duty at a rate of 275.6%. If the tax amount computed according to the tax rate is lower than the minimum tax amount specified in the official table, then the minimum tax amount is paid.

**United Kingdom.** All drinks over 22% are dutied as spirits.

**United States.** The weighted average Federal and State excise tax rate is USD 923 per hectolitre. The Federal excise rate is USD 13.50 per proof gallon in 2007. A proof gallon is a US gallon (3.785 litres) containing 50% alcohol. There is no Federal VAT.