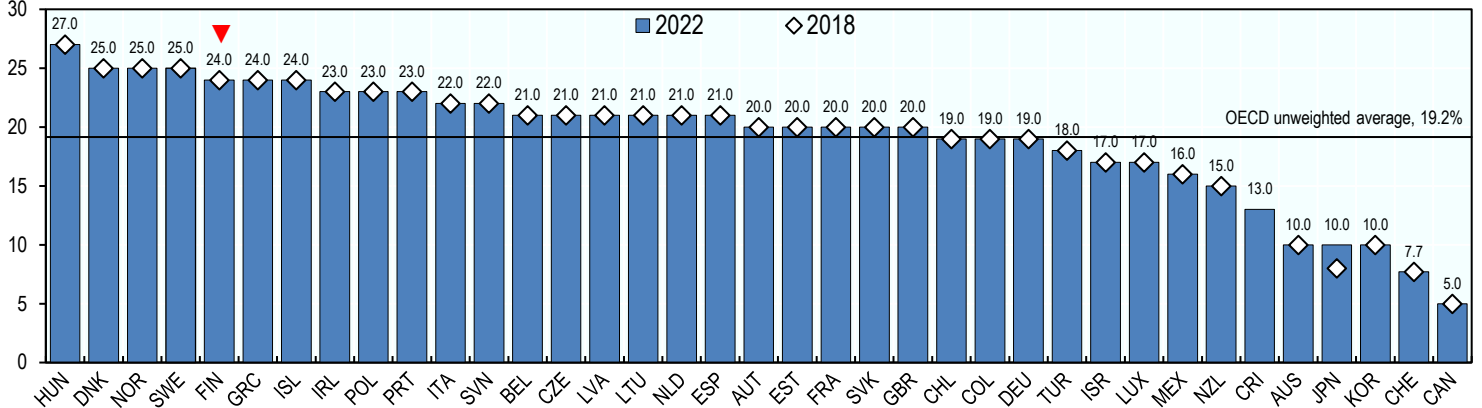


Consumption Tax Trends* - Finland

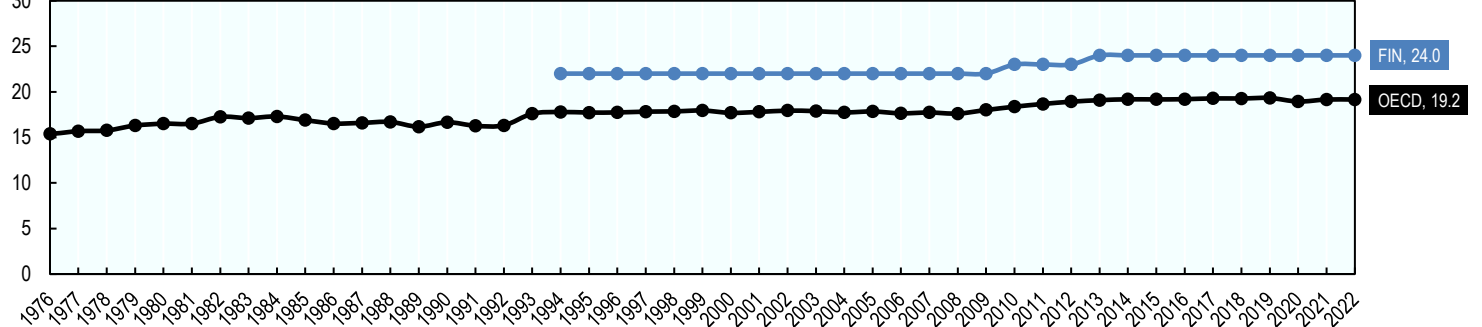
VAT rate 2022

The Finnish standard VAT rate is 24.0%, which is above the OECD average. The average VAT/GST¹ standard rate in the OECD was 19.2% as of 31 December 2022. The previous standard VAT rate in Finland was 23% in 2012. It changed to the current level in 2013. Finland applies reduced VAT rates of 0%, 10% and 14% to a number of goods and services. Temporary specific reduced VAT rates applied in the context of the Covid-19 pandemic until December 2022. Temporary zero rate applies to goods and associated services intended to be donated to Ukrainian refugees from February to December 2022. VAT was introduced in Finland in 1994 at a standard rate of 22.0%. Since then the minimum and maximum standard rates have been at 22.0% and 24.0% respectively.

VAT/GST¹ standard rates in 2022 and 2018



VAT/GST¹ standard rates over time

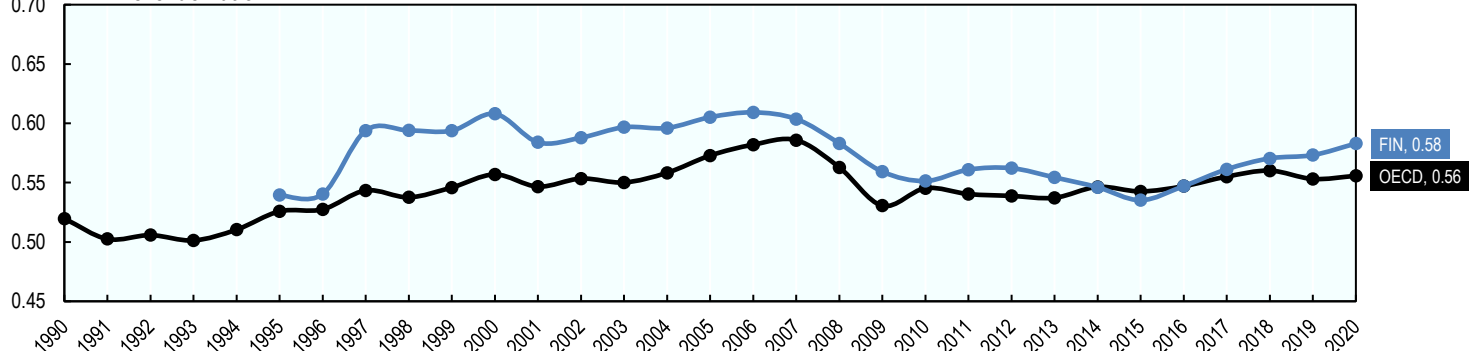


1. VAT/GST refers to value added tax/goods and services tax
Source: OECD Tax Database 1st January 2023

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Finland was 0.58 in 2020, above 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. The Finnish VRR increased from 0.57 in 2018 to 0.58 in 2020. The lowest VRR was recorded in the year 2015 at 0.54 and the highest level in 2006 at 0.61.

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 2022; oe.cd/vatgst-trends; OECD Tax Database oe.cd/tax-database



Consumption Tax Trends 2022

VAT/GST and Excise, core design features and trends Rates, Trends and Policy I

oe.cd/vatgst-trends

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

oe.cd/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).

Source: OECD Consumption Tax Trends 2022 <http://www.oecd.org/tax/consumption-tax-trends-19990979.htm>

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