VATWORKX

GLOBAL VAT RATE CHANGES

www.vatworkx.com

Europe

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Belgium	Heat pumps (climate measure)	21% (Standard)	6% (Temporary Reduced)	2025 (for 5-year period)	Confirmed	**Cut** – To incentivize clean energy, VAT on heat pumps is lowered fr om 21% to 6% for 5 year. (Effective date to be set in legislation during 2025.)
Belgium	Coal for heating (climate measure)	6% (Reduced)	21% (Standard)	2025 (exact date TBA)	Confirmed	**Increase** – VAT on coal (heating fuel) will rise from 6% to the standard 21% rate as part of climate policy.
Belgium	Fossil-fuel boilers (installation in older homes)	6% (Reduced)	21% (Standard)	2025 (exact date TBA)	Confirmed	**Increase** – Installation of oil/gas boilers in homes (>10 years old) will no longer qualify for 6% VAT; rate increases to 21%

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Cyprus	Basic food & essentials (temporary)	0% (Temporary)	5% or 19% (Original rates)	Jan 1, 2026	Confirmed	**End of Relief** – A range of staple foods and hygiene products were zero-rated through 2025; this expires Dec 31, 2025, reverting these items to their normal reduced or standard rates.
Czech Rep.	Reduced rates (consolidation)	15% & 10%	12% (Unified reduced)	Jan 1, 2024	Confirmed	**Reform** – Two reduced VAT rates (10% and 15%) were merged into a single 12% rate to simplify the system. (Standard rate remains 21%; select goods (e.g. books, medicines) keep 0% exemption.)

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Estonia	Standard rate	22%	24%	Jul 1, 2025	Confirmed	**Increase** – Standard VAT rose by 2 percentage points (22%→24%) effective mid-2025 to boost revenue (initially meant as temporary until end-2028, now proposed to be made permanent).
Finland	Reduced rate (food, etc.)	14%	13.5%	Jan 1, 2026	Proposed	**Cut** – The government plans to trim the main reduced VAT rate from 14% to 13.5% (applicable to food, accommodation, transport, pharmaceuticals, etc.). Standard VAT remains 25.5%.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
France	*Standard & reduced rates*	*20%, 10%, 5.5%*	*No change*	–	–	*No major rate changes confirmed as of 2025. Recent VAT measures in France focus on thresholds and base broadening (e.g. taxing short-term rentals), but standard (20%) and reduced rates remain unchanged.*
Germany	Hospitality (restaurant food)	19% (Standard)	7% (Reduced)	Jan 1, 2026	Confirmed	**Reintroduction** – Germany will *permanently* reinstate the reduced 7% VAT for meals served in restaurants/ cafés (had reverted to 19% in 2024 after a COVID-era cut). This aims to support the hospitality sector.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Ireland	Hospitality & tourism sectors	13.5% (Reduced)	9% (Reduced)	Jan 1, 2026 (expected)	**Proposed**	**Cut** – The government signaled a return to the 9% VAT rate for food-centered hospitality, entertainment, and hairdressing services (which rose back to 13.5% in Sep 2023). The measure is being advocated in Budget 2026 discussions to aid the sector.
Italy	Art sales	22% (Standard)	5% (Reduced)	Jul 1, 2025	Confirmed	**Cut** – Italy approved a landmark VAT reduction on artworks, antiques, and collectibles from the standard 22% to 5%. The 5% rate (effective July 2025) is aimed at bolstering the domestic art market.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Lithuania	Tourism, cultural services (Reduced)	9%	12%	Jan 1, 2026	Confirmed	**Increase** – Parliament approved raising the reduced VAT rate from 9% to 12% for sectors like accommodation, passenger transport, and cultural events. From 2026 Lithuania will have two reduced rates: 5% (e.g. books) and 12%, replacing the old 9%.
Netherlands	Lodging & cultural services	9% (Reduced)	21% (Standard)	Jan 1, 2026	Confirmed	**Increase** – The reduced VAT rate will be *abolished* for short-stay accommodations (hotels, vacation rentals) and most cultural events, moving these services to the 21%standard rate. This is part of a 2024–2025 budget reform to narrow the scope of reduced rates.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Netherlands	General reduced rate	9%	10% (Temporary)	Jan 1, 2026	Confirmed	**Increase** – The general reduced VAT rate will rise from 9% to 10% in 2026 (temporary measure). *(Note: The Dutch Spring Memorandum outlined further changes beyond 2026 – e.g. in 2028 the reduced rate on essentials is expected to drop to 8% while a new 15% rate will apply to certain goods like art and sports)*
Poland	Basic foodstuffs (temporary cut)	0% (Temporary)	5% (Reduced)	Apr 1, 2024	Confirmed	**End of Relief** – Poland's pandemic/ inflation "anti-shield" VAT of 0% on basic food ended March 31, 2024. From April 2024, staple foods reverted to the normal 5% VAT. (Standard rate remains 23%.)

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Romania	Standard rate	19%	21%	Aug 1, 2025	Confirmed	**Increase** – To address fiscal deficits, the standard VAT will increase from 19% to 21% effective 1 August 2025 . This reversal of a decade-long 19% rate is part of a broader tax package.
Romania	Reduced rates (5% & 9%)	5% / 9%	11% (Unified reduced)	Aug 1, 2025	Confirmed	**Increase & Simplification** – Romania will eliminate its 5% and 9% VAT rates, replacing them with a single 11% reduced rate for prior eligible goods/services. E.g., foods, new housing, and other items formerly at 5% or 9% will be taxed at 11%.
Slovakia	Standard rate	20%	23%	Jan 1, 2025	Confirmed	**Increase** – The standard VAT in Slovakia rose from 20% to 23% starting 2025 as part of fiscal consolidation tied to euro adoption criteria.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Slovakia	Reduced rate (general)	10%	19%	Jan 1, 2025	Confirmed	**Increase** – The previous 10% reduced rate was sharply increased to 19%(nearly standard). Now only a **5% super-reduced** rate remains for basic foods, medicines, books, etc., with an expanded list of eligible items from 2025.
Spain	Basic groceries (super-reduced)	*0% (temp cut)*	4% (Super-reduced)	Jan 1, 2025	Confirmed	**End of Relief** – Spain's temporary 0% VAT on essential foods (bread, milk, eggs, fruits, etc.) expired Dec 31, 2024. These items returned to the normal 4% super-reduced rate from 2025. *(Spain had set them to 0% in 2023 to combat inflation.)*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Spain	Cooking oil & pasta (reduced)	*5% (temp cut)*	10% (Reduced)	Jan 1, 2025	Confirmed	**End of Relief** – The interim 5% VAT on olive oil, sunflower oil and dried pasta ended Dec 2024, returning to the regular 10% rate in 2025. *(Spain's standard VAT remains 21%; no changes to other rates announced.)*
Switzerland	Standard rate	8.1%	8.8%	Jan 1, 2026	Confirmed	**Increase** – The Swiss Federal Council approved raising the standard VAT from 8.1% to 8.8% effective Jan 2026 . This 0.7% hike will fund a new pension payment for retirees. *(Swiss VAT was already raised from 7.7% to 8.1% in 2024 for pension funding*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Switzerland	Reduced rate	2.6%	2.8%	Jan 1, 2026	Confirmed	**Increase** – The reduced VAT rate (e.g. for food, books, medicine) will rise from 2.6% to 2.8% in Jan 2026 alongside the standard rate increase.
Switzerland	Special rate (Hotels)	3.8%	4.2%	Jan 1, 2026	Confirmed	**Increase** – The special VAT rate on hotel accommodation services will increase from 3.8% to 4.2% in 2026. (Parliament also voted to extend this reduced hotel rate beyond its prior 2027 sunset.)

Americas

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Argentina	*Standard & reduced rates*	*21%, 10.5%*	*No change*	–	–	*No base VAT rate changes confirmed. (Argentina introduced temporary VAT rebates on basic foods in late 2023 due to inflation, but standard 21% VAT remains unchanged.)*
Bahamas	Essential goods (groceries, medicine, diapers)	10% (Standard)	5% (Reduced)	Sep 1, 2025 (FY2025/26)	**Proposed**	**Cut** – The 2025–26 Budget proposes halving VAT to 5% on essential items (e.g. baby formula, diapers, hygiene products, medicines). This targeted relief aims to ease living costs.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Bahamas	Sugary products (sodas, sweets)	5% (Reduced)	10% (Standard)	Jul 1, 2025	**Proposed**	**Increase** – Conversely, VAT on sugary foods and drinks is set to double from 5% to 10% as a health measure. (Both Bahamas VAT changes require legislative approval; budget bills were laid before Parliament in June 2025.)
Brazil	**New dual VAT system** (CBS & IBS)	*Various* (no unified VAT)	**Phased introduction** – e.g. ~1% in 2026	Jan 1, 2026 (start)	Confirmed	**VAT Implementation** – Brazil passed a major tax reform to replace its complex indirect taxes with a dual VAT. From 2026 a federal VAT (CBS) and a state VAT (IBS) begin at low rates (0.9% + 0.1% as creditable pilot) and will ramp up while old taxes phase out. The combined VAT rate is expected to reach ~25% by 2032, aligning with typical consumption tax levels, with full transition by 2029–2033.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Canada	*GST/HST (federal/ provincial)*	*5% federal*	*No change*	–	–	*No general VAT/ GST rate changes announced. (Standard GST remains 5% federally; some provinces adjust their HST portion periodically, but no changes in 2025.)*
Chile	*Standard rate*	*19%*	*No change*	–	–	*No VAT rate change. (Chile implemented new VAT rules for digital services and low-value imports in 2023–24, but the 19% rate stays constant.)*
Colombia	*Standard rate*	*19%*	*No change*	–	–	*No changes to 19% VAT confirmed. (Colombia's 2022 tax reform adjusted certain exemptions and expanded the base, but did not alter the headline rate.)*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Dominican Rep.	*ITBIS (VAT) standard*	*18%*	*No change*	–	–	*No announced rate changes as of 2025. (The Dominican Republic continues to levy 18% ITBIS; fiscal discussions have focused on base broadening rather than rate.)*
Mexico	*Standard rate (IVA)*	*16%*	*No change*	–	–	*No change in IVA rate. (Mexico's VAT remains 16%; recent tax reforms have not included VAT rate increases, focusing instead on enforcement and digital economy taxation.)*
Peru	Standard rate (IGV)	18%	15% (2026), then 16% (2027), 17% (2028+)	Jan 1, 2026 (proposed start)	**Proposed**	**Temporary Cut** – A bill in Congress proposes to temporarily cut the VAT rate from 18% to 15% for 2026 to stimulate the economy. The rate would then step up to 16% in 2027 and 17% from 2028–2030 – still below the current level. (Status: under legislative debate as of mid-2025.)

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
United States	*Sales taxes*	–	–	–	–	*N/A – The U.S. does not have a federal VAT. State sales tax rates vary, and while some states adjust their sales tax occasionally, these are outside the scope of this VAT-focused list.*
Uruguay	Tourism services (temporary reduction)	22% standard (13% effective after 9% cut)	*9% VAT reduction extended*	Now – Apr 30, 2026	Confirmed	**Extension** – Uruguay extended its special 9% VAT discount on tourism-related services through April 30, 2026. Tourists paying by card effectively enjoy a 13% VAT rate (22% – 9%) on eligible hospitality and catering services. This measure supports the tourism industry.
Venezuela	*Standard rate (IVA)*	*16%*	*No change*	–	–	*No announced changes to the 16% IVA. (Venezuela's frequent tax changes have mostly involved forex and crypto tax rules rather than the VAT rate itself.)*

Asia-Pacific

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Bhutan	Standard GST (new system)	– (no GST)	5%	Jan 1, 2026	Confirmed	**New Tax** – After years of delay, Bhutan will implement a Goods & Services Tax at 5% in 2026, reduced from the originally planned 7%. Five essential items (rice, salt, oil, sanitary pads, wheelchairs) will be GST-exempt to protect consumers.
China	*Standard VAT*	*13%*	*No change*	–	–	*No major rate changes. (China's VAT rates remain 13% standard, 9% reduced, etc., as set in 2019. Recent reforms center on invoice digitization and sectoral refunds, not rate adjustments.)*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
India	*GST rates (multi-tier)*	*28%, 18%, 12%,5%*	*No change*	–	–	*No nationwide GST rate changes enacted. (India's GST Council has considered rationalizing the slab structure, but as of mid-2025 the standard 18% and other slabs remain. Only selective re-classifications of goods between slabs occur periodically.)*
Indonesia	Standard VAT	11%	12% (nominal)	Jan 1, 2025	Confirmed	**Increase** – By law, Indonesia's VAT rose to 12% in 2025 (from 11%). **However,** the government applied the increase only to "luxury" goods; most everyday goods effectively remain taxed at 11% via a special calculation basis This approach softened the impact of the rate hike on consumers.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Indonesia	VAT on luxury goods	11%	12%	Feb 1, 2025	Confirmed	**Increase** – From Feb 2025, certain luxury consumer products in Indonesia incur the full 12% VAT. (This coincides with the above measure where standard items still effectively see no added tax burden.)
Japan	*Consumption Tax*	*10% (std), 8% (reduced)*	*No change*	–	–	*No changes. (Japan's Consumption Tax remains 10%, with an 8% reduced rate on food. There are ongoing discussions on revenue needs, but no increase is scheduled as of 2025.)*
Malaysia	*Sales Tax / (GST absent)*	*5%/10% sales tax*	–	–	–	*No GST reintroduction yet. (Malaysia repealed its 6% GST in 2018, using Sales & Service Tax at 5%/10%. The government is evaluating GST's return, but no official change in 2025.)*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Kazakhstan	Standard rate	12%	16% (proposed)	Jan 1, 2026 (planned)	Proposed	**Increase** – Draft amendments approved by Kazakhstan's Lower House propose raising VAT from 12% to 16% by 2026 (scaled back from an earlier 20% proposal). To offset the impact, the bill introduces a 5% reduced VAT on medicines and medical services in 2026, which would rise to 10% in 2027.
Kazakhstan	Medicines & medical services (new reduced rate)	Exempt (current)	5% (2026), then 10% (2027)	Jan 1, 2026 (if enacted)	Proposed	**New Reduced Rate** – As part of the VAT overhaul, a 5% VAT for pharmaceuticals and healthcare services is proposed for 2026 (increasing to 10% in 2027) This aims to maintain healthcare affordability amid the higher standard rate.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Oman	*Standard rate*	*5%*	*No change (rumored 10%)*	–	–	*No official change. (Oman's VAT remains 5%. While a possible future increase to 10% has been speculated to boost revenue, the government has not announced any confirmed rate change as of 2025.)*
Pakistan	*Standard GST*	*17%*	*No change*	–	–	*No base rate change. (Pakistan's GST stays 17%. In 2023 the government imposed higher GST (18% or 25%) on certain luxury/imported goods as a one-off measure, but the general rate is unchanged.)*
Philippines	*Standard VAT*	*12%*	*No change*	–	–	*No VAT rate changes. (Philippines maintains a 12% VAT. Recent tax reforms have focused on excise taxes and expansion of VAT-exempt medicine list , not altering the VAT percentage.)*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Singapore	*GST (VAT)*	*9% (2024)*	*No change (planned 9%)*	–	–	*Singapore raised GST from 7% to 8% in 2023 and to 9% on Jan 1, 2024. No further rate changes are scheduled through 2026, as the government evaluates the impact of the recent hikes.*
South Korea	*VAT standard*	*10%*	*No change*	–	–	*No changes – South Korea's VAT has been 10% for decades with no indication of change. Policy efforts are instead on digital tax compliance and incentive tweaks.*
Sri Lanka	*VAT standard*	*15%*	*No change*	–	–	*No further change – Sri Lanka's VAT doubled from 8% to 15% in 2022 amid fiscal crisis, and remains at 15%. The focus is now on broadening the tax base (e.g. requiring non-resident digital suppliers to register by Oct 2025).*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Taiwan	*VAT (GST) standard*	*5%*	*No change*	–	–	*No change – Taiwan's VAT stays at 5%. (It has remained unchanged for many years, with no current plans for adjustment.)*
Thailand	Standard rate	7%	10% (scheduled)	Oct 1, 2025	**Scheduled**	**Increase** – Thailand's long-standing 7% VAT (a reduced rate in place since 1997) is scheduled to revert to the statutory 10% on October 1, 2025. *(This increase has been postponed repeatedly by government decrees; it remains to be seen if it will take effect or be deferred again.)*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Vietnam	Standard rate (most goods)	10%	**8% (temporary)**	Jul 1, 2025 – Dec 31, 2026	Confirmed	**Cut (Temporary)** – Vietnam extended its 2% VAT reduction program: from July 2025 through end of 2026, VAT on most consumer goods is cut from 10% to 8% (This relief, first introduced in 2022, is aimed at stimulating spending. The law mandates the standard rate will return to 10% on Jan 1, 2027.)

Africa & Middle East

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Bahrain	*Standard rate*	*10%*	*No change*	–	–	*No change since Bahrain doubled VAT to 10% in 2022. The 10% rate remains in 2025 with no further increases announced.*

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Egypt	*Standard rate*	*14%*	*No change*	–	–	*No change – Egypt's VAT stays at 14%. (Recent tax changes in Egypt involved introducing a new development levy, but VAT rate itself remains unchanged.)*
Kenya	*Standard rate*	16%	18% (proposed)	*2025* (TBD)	Proposed	**Increase** – *(See entry under Asia-Pacific.)* Kenya is considering raising VAT to 18%. This is still at proposal stage and not law as of mid-2025.
Nigeria	Standard rate	7.5%	*10%* (proposed – **rejected**)	–	**Not Approved**	**Attempted Increase** – Nigeria's government proposed a phased VAT hike (starting with 7.5%→10% in 2025, eventually 15% by 2029). However, the Nigerian Senate in May 2025 *rejected* the VAT increase, retaining the rate at 7.5% Thus, no change will take effect.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Oman	*Standard rate*	*5%*	*No change*	–	–	*No change – Oman's VAT stays at 5%. (There is speculation about a future increase to 10%, but as of 2025 no official plan or date has been announced.)*
Saudi Arabia	*Standard rate*	*15%*	*No change*	–	–	*No change – Saudi Arabia holds its standard VAT at 15% (tripled from 5% in 2020). No further rate changes are declared; current efforts focus on e-invoicing and compliance.*
South Africa	Standard rate	15%	*16%* (planned – **canceled**)	N/A (Apr 1, 2026 was planned)	**Canceled**	**Planned Increase** Reversed – The 2024 Budget had outlined raising VAT to 15.5% in 2025 and 16% in April 2026 This plan was rescinded in April 2025, and legislation was passed to keep VAT at 15%. South Africa's VAT will therefore remain 15% for the foreseeable future, as the government opted to find other revenue measures.

Country	VAT Rate Type	Current Rate	New/ Proposed Rate	Effective Date	Status	Description/ Comments
Tanzania	*Standard rate*	*18%*	*No change*	–	–	*No change – Tanzania's VAT stays at 18%. (The government has provided some sectoral VAT relief – e.g. on precious metals exports – but the headline rate is unchanged.)*
Tajikistan	Standard rate (non-cash transactions)	14% (since 2023)	13%	Jan 1, 2027	Confirmed	**Gradual Cut** – Tajikistan's new Tax Code incentivizes cashless payments by reducing VAT on non-cash transactions from 14% to 13% in 2027. Meanwhile, cash transactions will be taxed higher (20% VAT by 2027, up from 18%). *(This two-tier VAT system was enacted in 2021 and is being phased in through 2026–27.)*

Country	**VAT Rate Type**	**Current Rate**	**New/ Proposed Rate**	**Effective Date**	**Status**	**Description/ Comments**
United Arab Emirates	*Standard rate*	*5%*	*No change*	–	–	*No change – The UAE's VAT remains 5%. (While the UAE is expanding corporate taxes, there has been no official announcement of a VAT increase. A nationwide e-invoicing mandate is set for July 2026, but the rate stays at 5%.)*
Zambia	*Standard rate*	*16%*	*No change*	–	–	*No change – Zambia's standard VAT is 16%. In 2023 the government considered a cut to 14%, but ultimately maintained the 16% rate while enhancing VAT refunds to businesses.*