



2 National tax

2-2 Consumption tax

Consumption tax is a tax levied on a variety of goods, such as the items purchased in supermarkets, and on services. The consumption tax rate is 5% (as of December 2012). Prices displayed on goods in Japan are prices plus tax, and consumption tax is included in the price of goods and services (a system known as tax-inclusive pricing).

However, the following transactions are exempt from consumption tax:

- Rent for residences
- Government administrative costs
- Long-term care insurance services, social welfare businesses etc.
- Certain school tuition fees, school enrollment fees, school entrance examination fees, facility maintenance fees etc.