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AB Üyesi Ülkelerde ve Türkiye’de KDV Oranları / Value Added Tax Rates In European Union Countries and Turkey

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ABSTRACT

Value added tax (VAT), as a cascade tax as well, is an indirect tax which is applied at every stage of production. Emerging upon delivery of goods and services, VAT has a great share among total tax revenues. Indirect taxes are subjective taxes, that is, ignoring taxpayer’s personal situation. Affecting directly the free circulation of international goods and capital, VAT has a characteristic of indirect tax that has to be harmonized in European Union (EU) countries; otherwise, it would emerge unfair competition among EU countries, in case of different VAT rates between them. Countries applying low VAT rates will indeed have unfair precedence in trading. In order to prevent this situation, EU has made legislative regulations in regards with harmonizing different VAT practices. In EU countries, four kinds of rates are being implemented: super reduced rate, reduced rate, standard rate, and parking rate. On the other hand, in Turkey, currently three kinds of rate is being applied, involving %1, %8, and %18. EU member states are free to determine their standard rates, on the condition that it shall not be under %15. Thus, they are applying rates ranging between %15 and %27. Rates are differing between countries and product groups. Besides that, they can apply reduced rates providing that it shall not be under %5. In this study, VAT ratios being applied on goods and service groups both in EU member states and in Turkey will be mentioned and harmonization process in regards with VAT ratios in EU countries will be probed.

KEYWORDS Value Added Tax; European Union; Tax Harmonization

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