

The other day, when I watched TV news, Mr. Asou said <sup>the</sup> government will raise <sup>it</sup> consumption tax rate <sup>in</sup> three years ~~after~~. He said they will raise to a high rate of around 10 percent. If they do it, Japanese people will shoulder more tax burdens (A consumption tax rate is 13.5 percent, 2008). However, many prime ministers <sup>have</sup> tried to do <sup>so</sup> it and they couldn't do it. In fact, is a consumption tax needed in Japan? I think a consumption tax <sup>is</sup> ~~should be~~ needed and ~~should be~~ raised.

After all, a consumption tax is an indirect tax which is equally charged on consumptions. It was started in 1989 <sup>by</sup> ~~at~~ the Takeshita Cabinet. When it was started, its tax rate was 3 percent and raised to 5 percent in 1997 <sup>was</sup> ~~at~~ Hashimoto Cabinet <sup>under the</sup> (a consumption tax, 2008). Now, around 12 percent of nation's annual revenue is ~~the~~ income from it (Shohizei no shikumi, n.d.). It is one of main sources of revenue for Japanese government.

Well then, <sup>the</sup> what is it like <sup>like</sup> a consumption tax in foreign countries? Western countries <sup>have</sup> set up a higher consumption tax rate than that of Japan. Those rates are around 20 percent, especially Denmark and Sweden <sup>have</sup> set up a consumption tax rate with 25 percent. In addition, Poland and Finland set up it <sup>at</sup> with 22 percent (a consumption tax, 2008). However, many western countries create exceptions to <sup>the</sup> a consumption tax. For example, in Britain, <sup>are</sup> articles of food <sup>are</sup> nearly tax-exempt. (Shohizei Q&A, n.d.). Because of it, we can't <sup>say that</sup> make a wholesale Japanese consumption tax rate as low, but <sup>the</sup> lowness of it is fact.

<sup>the overall</sup> Next let's consider <sup>the</sup> ~~Then, think about~~ raising a consumption tax rate. Mr. Asou promised to <sup>enact a</sup> enforce law which promotes <sup>the</sup> a nation's welfare in exchange for raising <sup>the</sup> a consumption tax three years after. He uses <sup>the</sup> the carrot and stick to make people accept raising <sup>the</sup> a consumption tax. However, if I think about present national finance, it cannot be avoided. Sooner or later it must be done by someone who can persuade people to accept raising <sup>the</sup> a consumption tax rate (Raising a consumption tax rate, 2008).

On the other hand, the "value added tax" has been criticized as the burden of it relies on

personal end-consumers of products and is therefore a regressive tax (the poor pay more, in comparison, than the rich). However, this calculation is derived when the tax paid is divided not by the tax base (the amount spent) but by income, which is argued to create an arbitrary relationship. The tax rate itself is proportional with higher income people paying more tax but at the same rate as they consume more. If a value added tax is to be related to income, then the unspent income can be treated as deferred (spending savings at a later point in time), at which time it is taxed creating a proportional tax using an income base. Such taxes can have a progressive effect on the effective tax rate of consumption by using exemptions, rebates, or credits.

*Report!!*  
For ~~the~~ *the* reason mentioned above, I think a consumption tax ~~should be~~ *is* needed and raised. *Should be*  
However, government should think about nation's burden as well as ~~raise~~ *the* consumption tax rate. *the* Government should try ~~for the~~ *the* society which has good welfare and heavy burden like Western countries, otherwise ~~government~~ *the* cannot persuade people to accept raising ~~the~~ *the* consumption tax rate.

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