The Consumption Tax Increases in Japan

“Good Student”

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*In this paper, the effects of the consumption tax increases in Japan are described. In Japan, the consumption tax is 8 percent in 2016. If the Japanese government raises the consumption tax to 10 percent, however, business will be dull, and the tax burdens on the lower income people will become heavier. Furthermore, the Japanese government should cut down the national expenditure rather than the consumption tax increases. Considering these effects, I came to the conclusion that the Japanese government should not raise the consumption tax to 10 percent.*

On June 1, 2016, Japanese Prime Minister, Shinzo Abe, expressed the decision to once again postpone the 10 percent consumption tax hike until October, 2019, at a press conference interview (Nikkei, 2016). These days, Japanese government has been nervous whether they raise the consumption tax or not. In my opinion, Japan should not raise the consumption tax to 10 percent because of the following reasons.

First of all, business will be dull because of the higher commodity prices. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words.

Second, the consumption tax is not equal to people. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words.

Third, Japanese government can save the national expenditure in other ways. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words. Words and words become more words.

Some people say that the consumption tax in Japan is lower than that in other countries. According to the Ministry of Foreign Affairs in Japan, Japan ranked 145th in the ranking of the high consumption tax rate. On the other hand, Hungary is the country which has the highest consumption tax rate in the world, and the rate is 27 percent. In these ways, many other countries have higher rates of the consumption tax than Japan. However, these countries introduce several kinds of tax rates. For example, in the countries such as the U.K., Australia and Canada, the consumption tax rates for daily necessities are 0 percent (Nippon.com, n.d.). Compare with these countries, Japan doesn’t introduce different consumption tax rates; thus, we can’t compare the tax rates with other countries easily.

In conclusion, Japan should not adopt the 10 percent consumption tax rate because it will cause recession, the heavier tax burden on the lower income people, and government’s negligence of finding other effective ways to collect a huge amount of money for the social security system. If we accept the 10 percent consumption tax rate, not only people living now but also people in the future will have difficulties to pay the heavier taxes. Therefore, we should not raise the consumption tax to 10 percent. Let’s protect people in the future from their tax responsibilities.

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