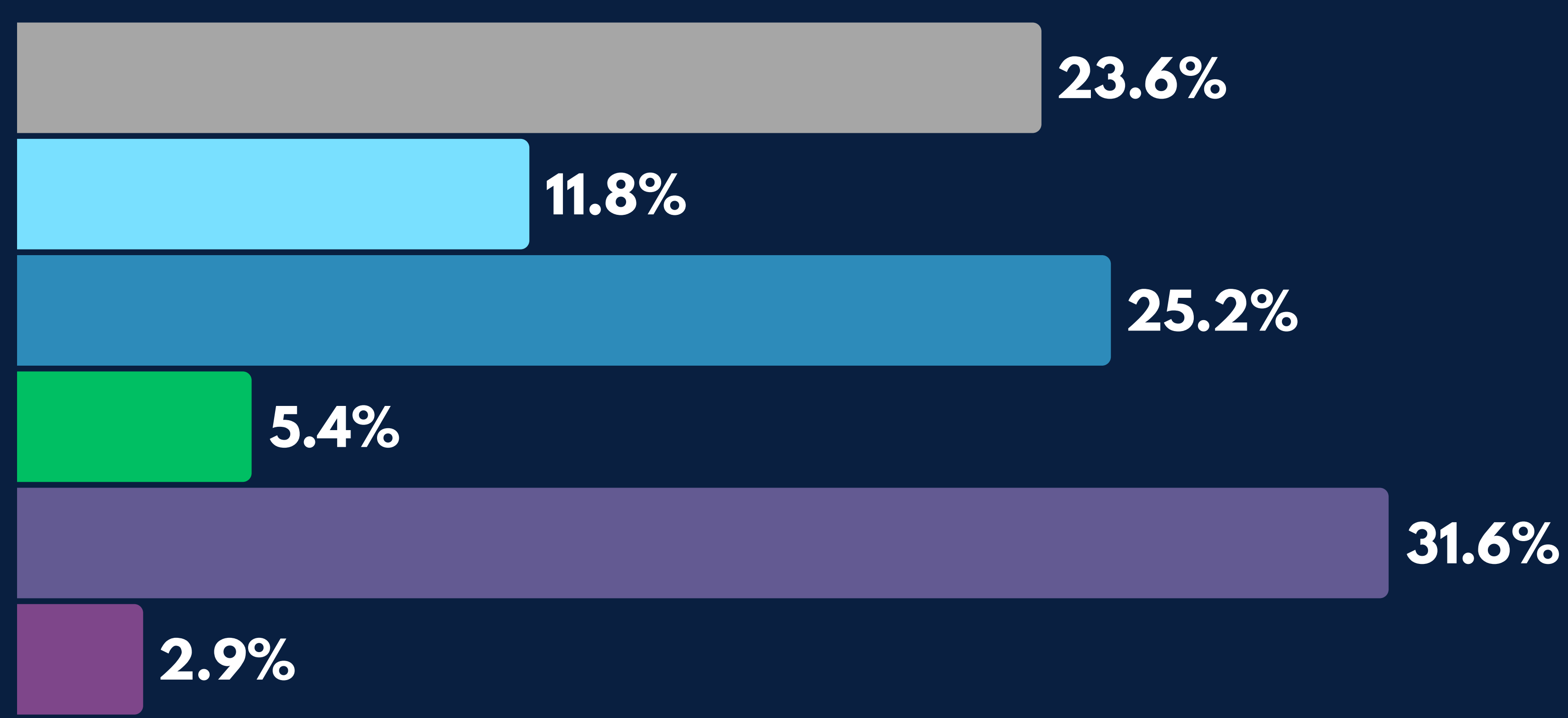
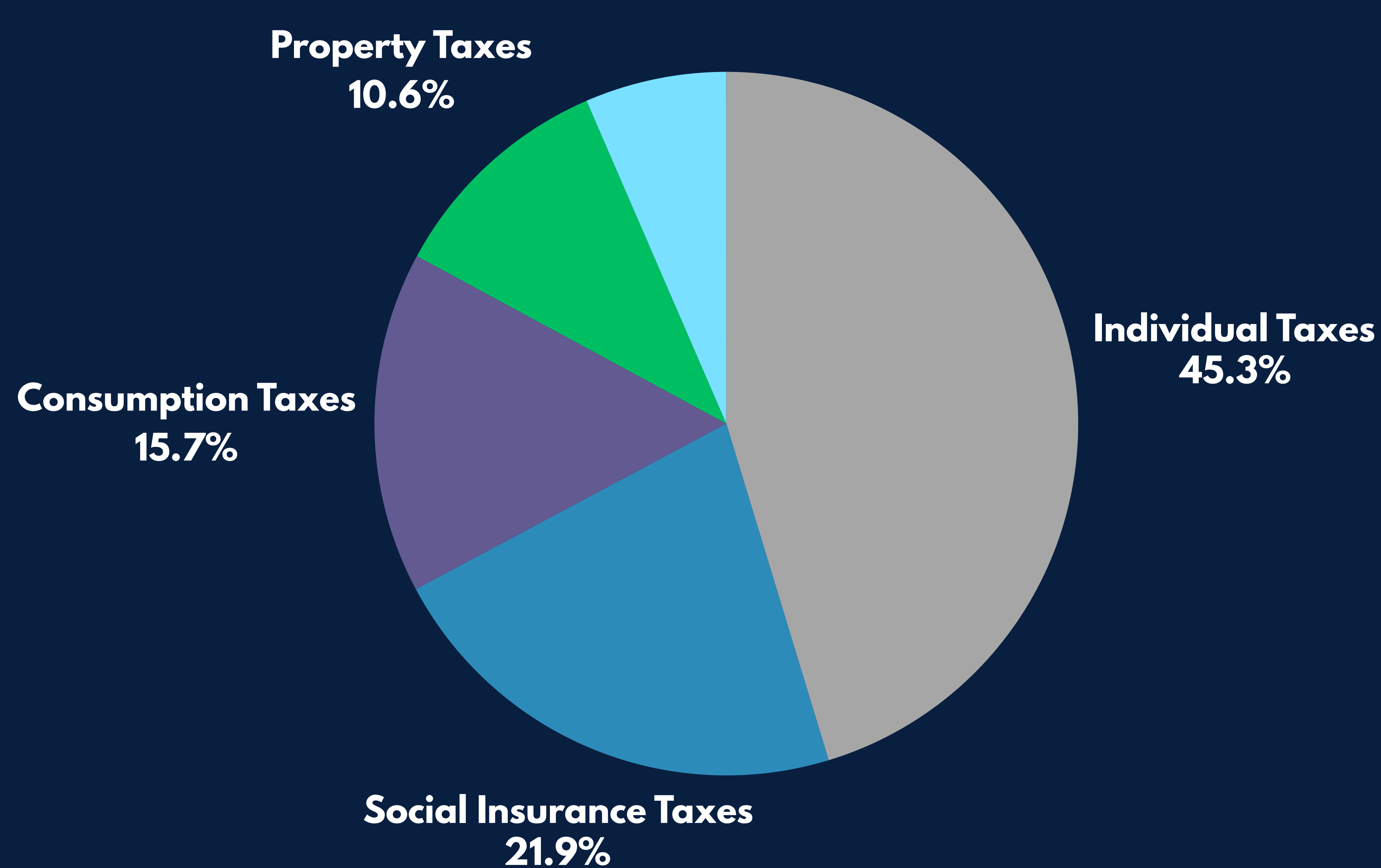
U.S. and Florida Revenue Exceptionalism: The Different Roles of Consumption Taxation

Individual | Social Insurance | License | Consumption | Other
Corporate | Retail | Property | Excise

Organization of Economic Co-operation and Development (“OECD”) Average



Breakdown of Tax Revenue by Type in the United States

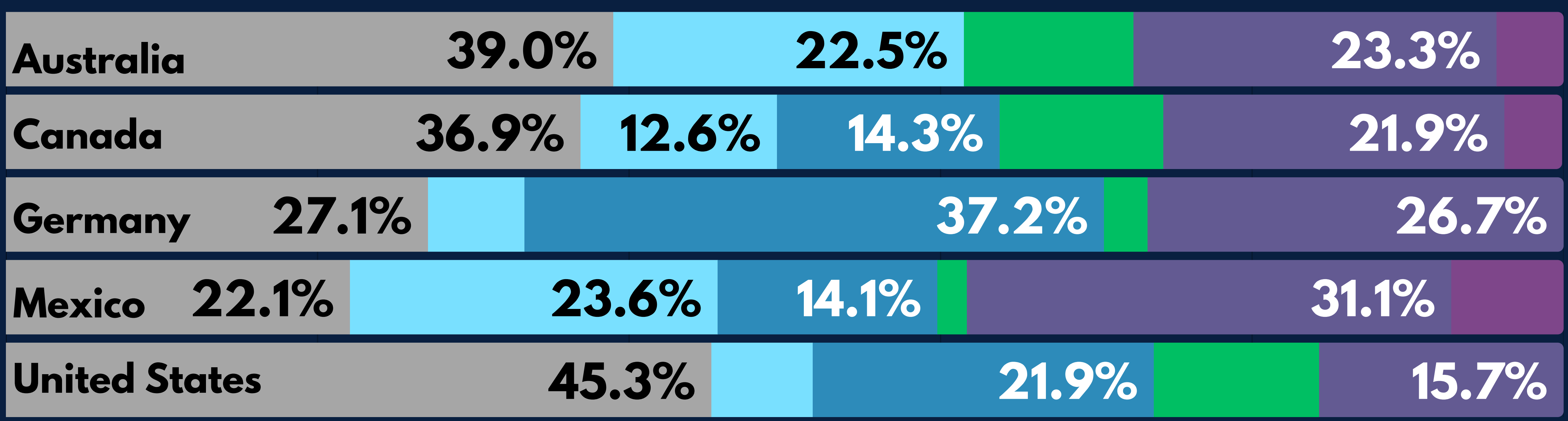


The **U.S. relies more heavily on income and property taxes than the OECD average**, while significantly underutilizing consumption taxes due to the absence of a national VAT or GST. In contrast, OECD countries generate a larger share of revenue from broad-based consumption taxes, creating a more balanced tax structure.

Source: Tax Foundation - Source of government Revenue in the OECD

FIU Jorge M. Pérez Metropolitan Center
Florida International University

Consumption Tax Models: U.S. vs. Selected OECD Countries



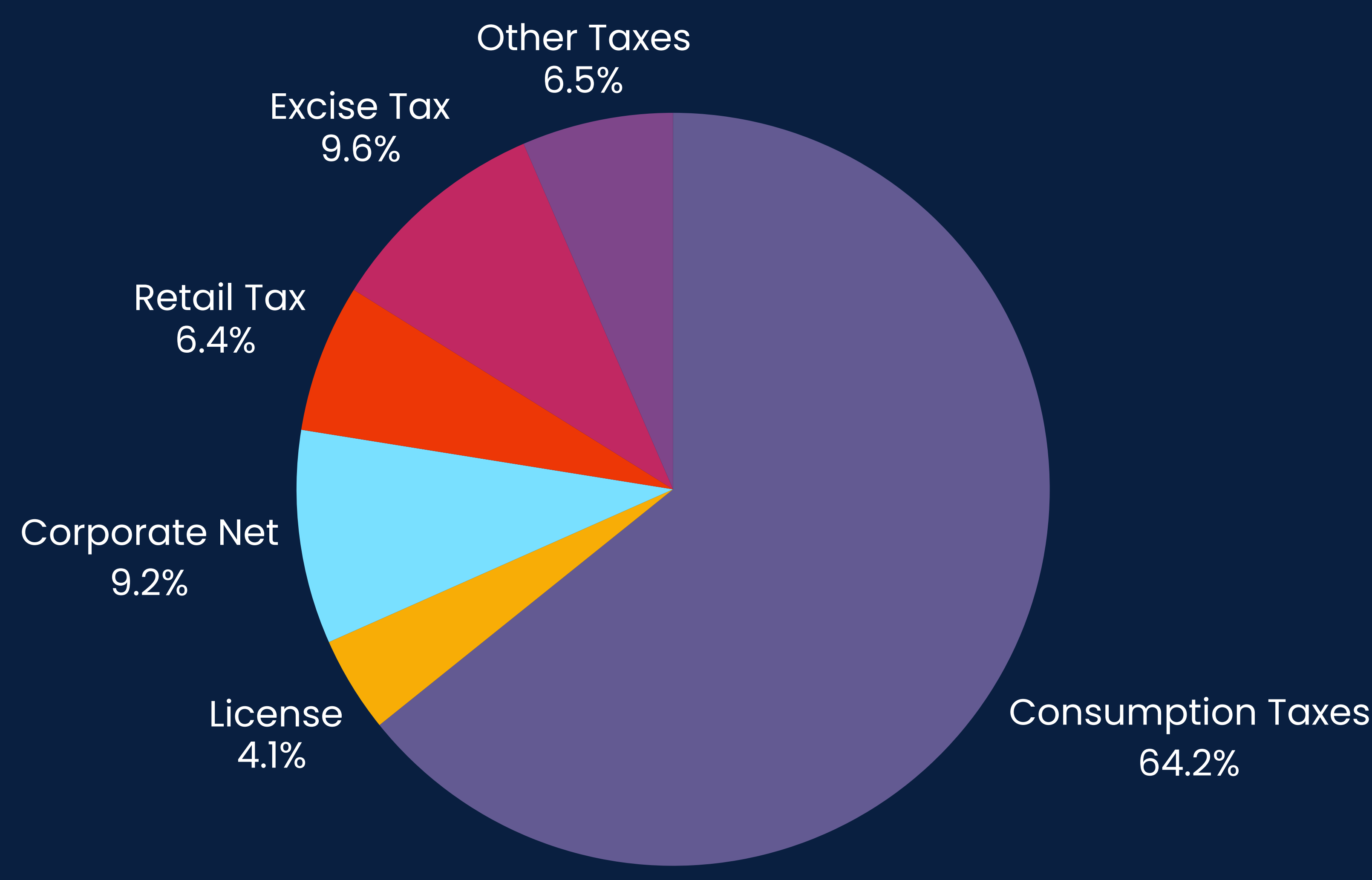
The United States is the exception when it comes to consumption taxes in that it does not have a national goods and services tax or a value-added tax. However, states charge a retail-level sales tax. Countries like **Germany, Australia, Canada, and Mexico** are useful OECD comparisons *because they implement broad-based VAT or GST systems that tax both goods and services, offering a clearer picture of efficient and comprehensive consumption tax models in similarly developed economies.*

*Federal Transfers Excluded

Source: Tax Foundation - Source of government Revenue in the OECD

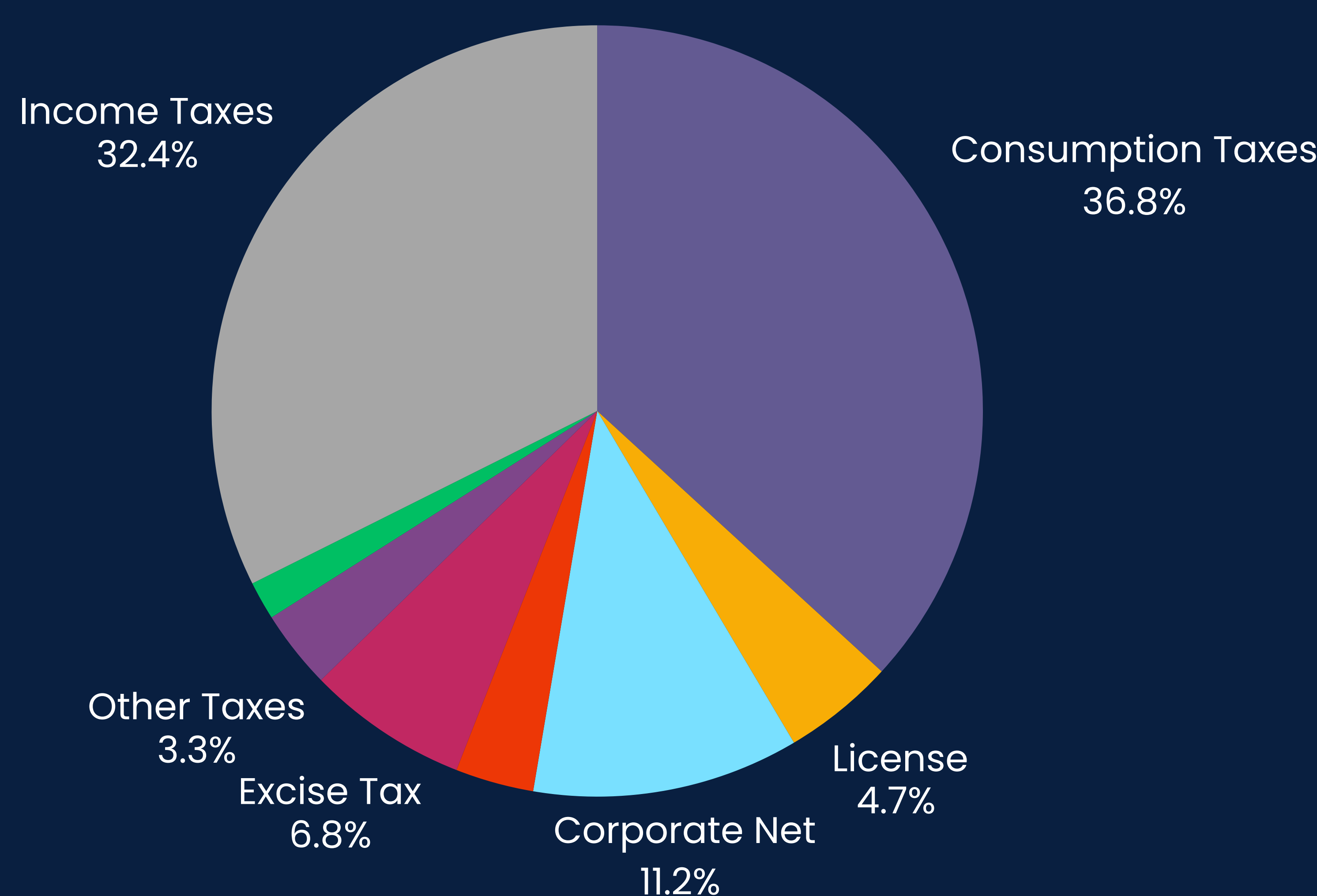
FIU Jorge M. Pérez Metropolitan Center
Florida International University

Breakdown of Tax Revenue: Florida v. Other States



Among the 50 states, Florida is exceptional as **64% of its general revenue comes from various sales taxes**, whereas most other state average is only 36.8 percent. The Florida constitution prohibits personal income taxes - which in part drive this high dependence on sales taxation.

Breakdown of Tax Revenue: All 50 states



America and Florida exhibit atypical use of consumption taxation. American consumption taxes are only applied to goods not services suggesting an increasingly narrow consumption tax base.

Source: Census 1994-2024 Quarterly Summary of State and Local Taxes

FIU | Jorge M. Pérez Metropolitan Center
Florida International University