

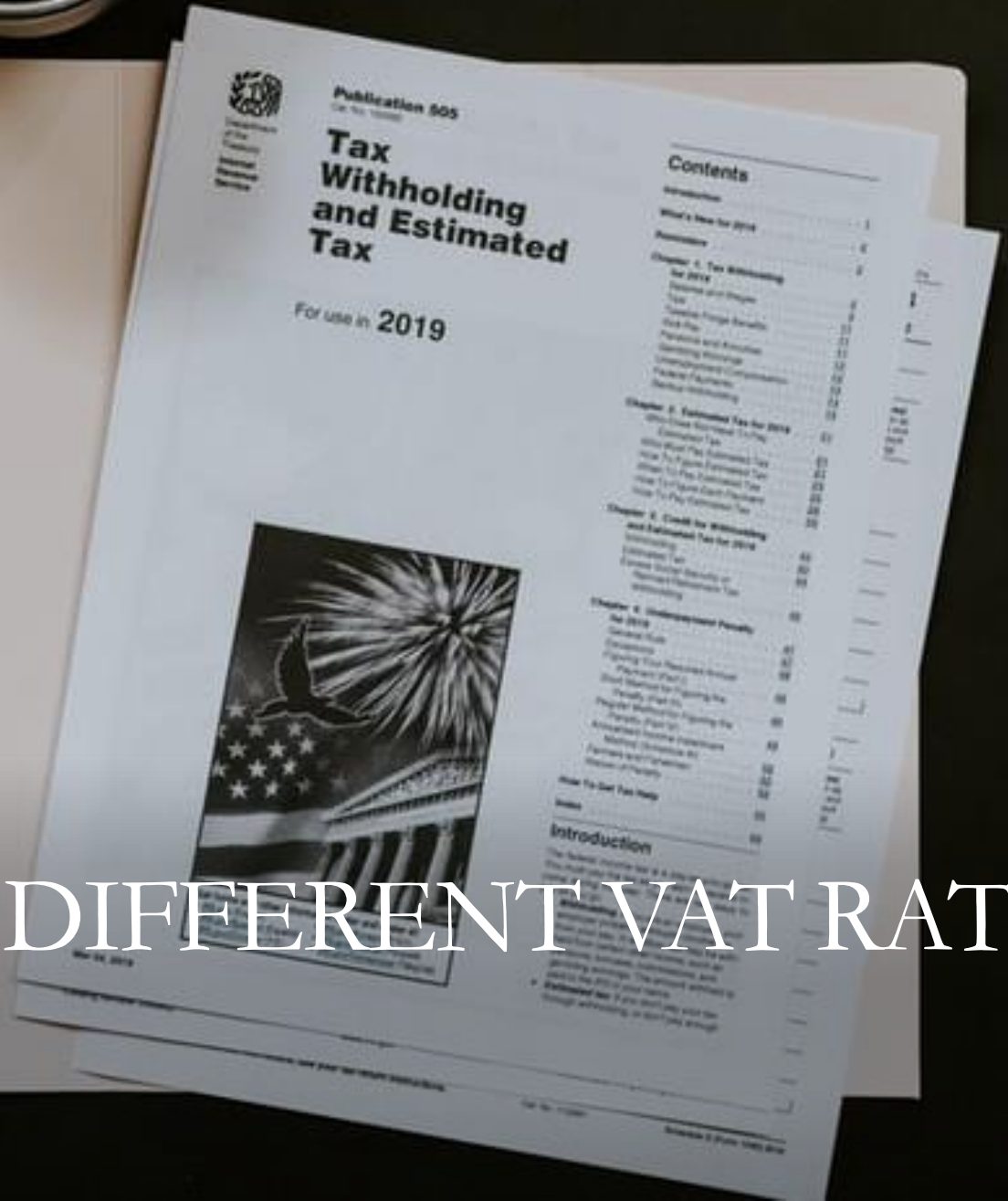


Welcome to Essscaland : a focus on VAT

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PRESENTATION OF DIFFERENT VAT RATES

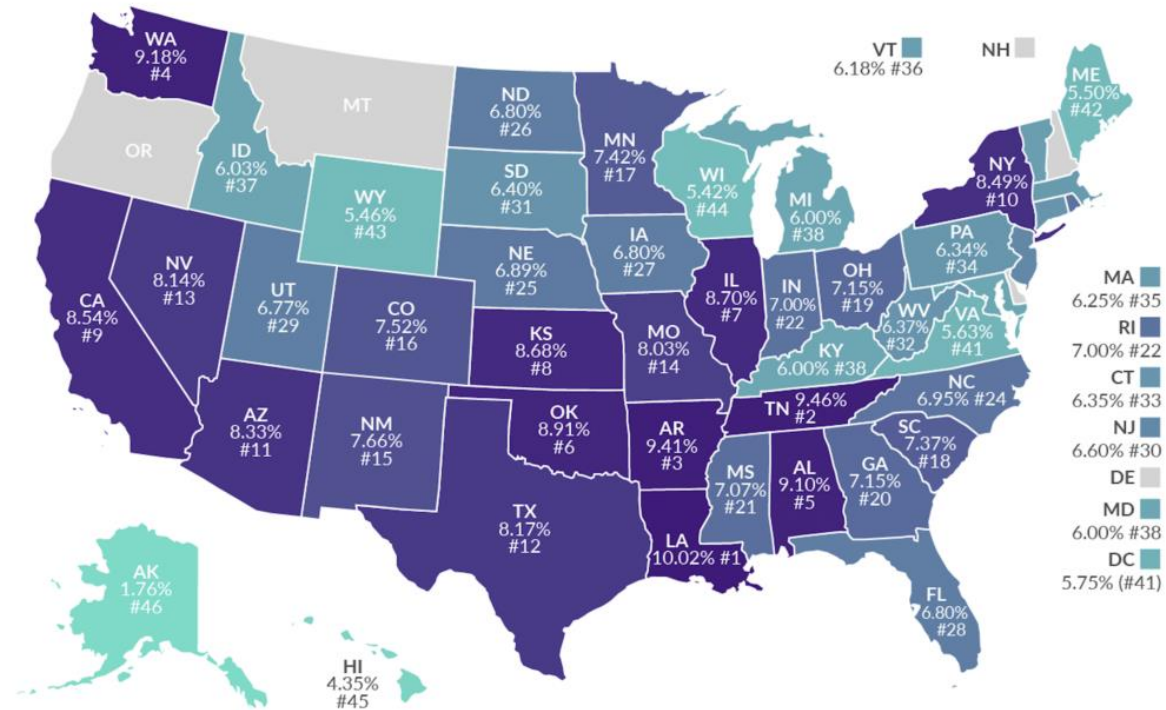


1. The United States of America

- VAT = Sales Tax
- No national tax
 - Tax policies
 - State (fixed) + Local (vary) = Total Sales Tax
- Range
 - 0% to ~10%

How High Are Sales Taxes in Your State?

Combined State & Average Local Sales Tax Rates, Jan. 1 2018



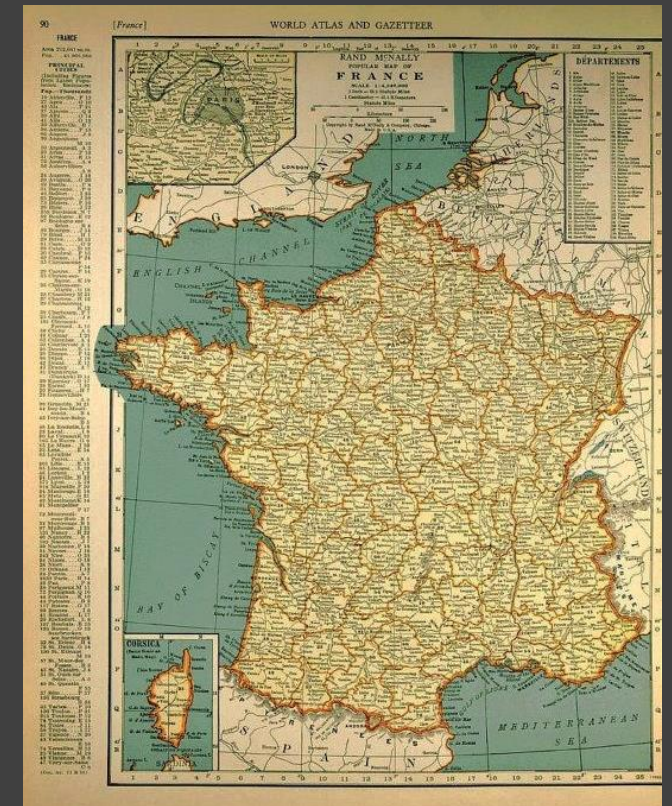
Note: City, county, and municipal rates vary. These rates are weighted by population to compute an average local tax rate. Three states levy mandatory, statewide, local add-on sales taxes at the state level: California (1.25%), Utah (1.25%), and Virginia (1%); we include these in their state sales tax. The sales taxes in Hawaii, New Mexico, North Dakota, and South Dakota have broad bases that include many services. This map does not include sales taxes in local resort areas in Montana. Salem County is not subject to the statewide sales tax rate and collects a local rate of 3.3125%. New Jersey's average local score is represented as a negative.

Source: Sales Tax Clearinghouse, Tax Foundation calculations, State Revenue Department websites



2. VAT IN FRANCE

Rate	TYPE	Which goods or services
20%	Standard	•All other taxable goods and services
10%	Reduced	•some pharmaceutical products; •domestic passenger transport; •pay/cable TV; •some agricultural supplies; •hotel accommodation; •take away food •bars, cafes and nightclubs (except supply of alcoholic beverages);
5,5%	Reduced	•water supplies •medical equipment for disabled persons •books and some e-books •sanitary protection for women
2,1%	Reduced	•some pharmaceutical products •some newspapers and periodicals •public television licence fees
0%	Zéro	•Intra-community and international transport (excluding road and inland waterways)



3. VAT in Brasil

- ICMS:
 - Taxation on operations related to the circulation of goods.
 - Taxation on the provision of interstate and intercity transport.
 - Taxation on communication and electricity services.
- The rates can vary from 7% to 35%, depending on the essentiality of the goods.
- States like Rio de Janeiro and São Paulo have a ICMS of 18% in most part of the products



AND NOW...
THE
PRESENTATION
OF ESSCALAND



Some figures about Esscaland

- **Democratic monarchy**
- Capital: **Reecity** (half “Reese”, half “City”)
- Location: We are an **Island** in the **Pacific ocean**, facing chile
- Population: **31 million**
- Size: 500 000 square kilometres (about the size of **Spain**)
- Specialty: **Agricultural production** in general and fishiery.
- Language : **Esscalandish**
- Money: **Esscoin** (1 Esscoin = 0,80 dollar)
- GDP: **5.2 trillion**

Our VAT Policy Strategy

- In 2010, the parliament voted to implement a Green tax Reform, which included restructuring existing taxes to reduce the pollution produced by some activities and products. This reform introduced new taxes on entities such as water usage, water pollution, waste, certain chemicals, etc. while gradually removing environmentally harmful tax exemptions and subsidies.
- Considering that ESSCALAND is a country specialized in agriculture, which uses a lot of chemicals and requires large water consumption, an increase in the revenues was noticeable. This alleviated a budget deficit, contributed to a budget surplus, and financed discretionary increases in government expenditures. Furthermore, the revenues provided room for reductions in other taxes, which increased the public's acceptance of environmental taxes.

VAT Rates at Esscaland

Rate	TYPE	Which goods or services
30%	Increased	<ul style="list-style-type: none">•Pesticide•Imported products•Hemp
15%	Standard	<ul style="list-style-type: none">•Fuel•Food•Services•Water consumption
10%	Reduced	<ul style="list-style-type: none">•Fishing equipment•General agricultural products•Made in ESSCALAND products•Organic products•Electric machinery - i.e. cars
3%	Reduced	<ul style="list-style-type: none">•Pharmaceutical products in general•Newspapers and periodicals•Green energy
0%	Zero	<ul style="list-style-type: none">•Intra-community transport•ICE CREAM•Hygiene products

VAT Effects

- Public
 - Increase in sustainability awareness (i.e. recyclability, reusability)
- Industry
 - Less pollution intensive production
- International Commerce
 - A comparative advantage in the cleaner industries but doesn't hinder trade development
- Environment
 - General improvement of the environment (i.e. Reduction of energy consumption)

Sources

- <http://www.reesonomics.eu>
- <https://www.avalara.com/vatlive/en/country-guides/europe/france/french-vat-rates.html>
- <https://www.oecd.org/env/tools-evaluation/2385291.pdf>