

Qoyod Report · Tax & Financial Compliance

Tax Revenue & E-Invoicing in Saudi Arabia 2026: A Data Report

A data report in numbers: VAT revenue, the Kingdom's tax-revenue system, and the Phase 2 e-invoicing rollout across 24 waves to full coverage by mid-2026.

June 2026

Tax revenue has become one of the pillars of Saudi economic diversification under Vision 2030. VAT revenue grew from around SAR 47 billion in 2019 to more than SAR 130 billion in 2024, making it the Kingdom's largest source of non-oil revenue. In parallel, e-invoicing is expanding to cover every registered business by mid-2026. This report tracks Saudi Arabia's tax-revenue system and digital transformation in numbers, and what they mean for businesses.



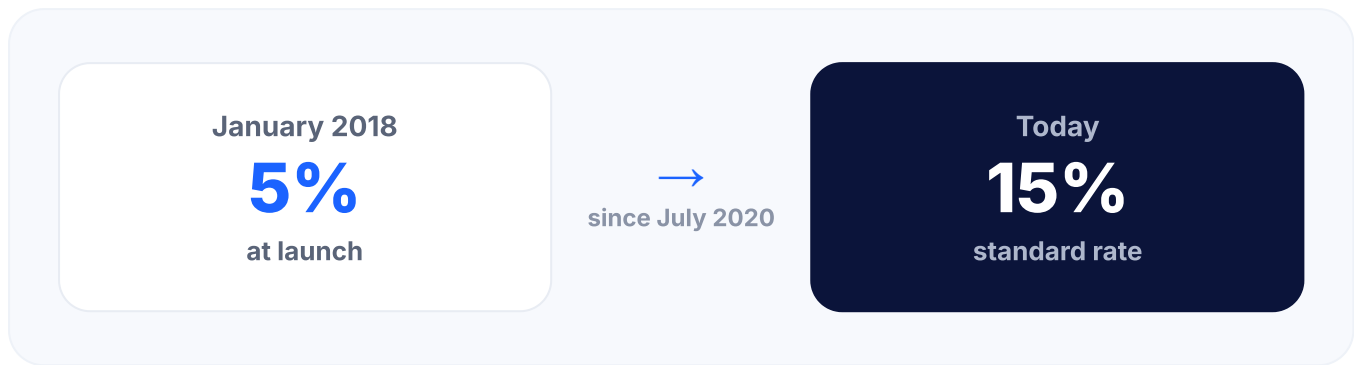
VAT revenue: the largest non-oil source

Since VAT was introduced in January 2018 and its rate raised to 15% in July 2020, revenue has roughly tripled. It rose from around SAR 47 billion in 2019 to more than SAR 130 billion in 2024, leading non-oil revenue sources, supporting public-finance stability, and reducing reliance on oil.

Growth of VAT revenue (SAR billion)



VAT rate trajectory



Every business whose taxable revenue exceeds SAR 375,000 per year must register for VAT. Filing is monthly for businesses with revenue above SAR 40 million, and quarterly for those below.

E-invoicing: from the largest enterprises to everyone

The Zakat, Tax and Customs Authority (ZATCA) rolled out e-invoicing ("Fatoora") in two phases: the generation phase in December 2021 for all registrants, and the integration phase from January 2023 across 24 successive waves by revenue size. Coverage widens steadily with each wave, as the revenue threshold dropped from SAR 3 billion in wave 1 to SAR 375,000 in wave 24, covering by 30 June 2026 every business registered for VAT, in the Gulf's largest mandatory e-invoicing rollout.

E-invoicing coverage widens until every registered business is included



Key Phase 2 e-invoicing waves (revenue threshold and compliance date)

	Annual revenue threshold	Compliance date
Wave 1	More than SAR 3 billion	January 2023
Wave 6	More than SAR 70 million	January 2024
Wave 13	More than SAR 7 million	January 2025
Wave 17	More than SAR 2.5 million	July 2025
Wave 22	More than SAR 1 million	December 2025
Wave 23	More than SAR 750,000	March 2026
Wave 24	More than SAR 375,000	June 2026

The two invoice types in Phase 2: the **tax invoice** between businesses (B2B) requires real-time clearance from the Authority before it is delivered to the buyer, while the **simplified tax invoice** for consumers (B2C) is delivered instantly and reported to the Authority within 24 hours.

Saudi Arabia's tax-revenue system

Alongside VAT, ZATCA oversees an integrated system of taxes and levies, each with its own rate and scope. Notably, Saudi individuals pay no personal income tax.

Types of tax revenue and their rates

	Rate	Scope
VAT	15%	Most goods and services
Zakat	2.5% of the zakat base	Businesses owned by Saudis/GCC nationals
Corporate income tax	20%	Foreign ownership shares
Withholding tax	5% to 20%	Payments to non-residents
Real estate transaction tax	5%	Property disposal transactions
Excise tax	Varies by product	Tobacco, energy drinks, and sweetened drinks

What do these numbers mean for businesses?

With e-invoicing covering every registered business, a cloud accounting system compliant with Phase 2 has become essential for a business's readiness and efficiency. This is where a [accounting system](#) compliant with [e-invoicing](#) comes in:

- **Issuing Phase 2 invoices:** digitally signing and stamping each invoice with a QR code and hash chain in the approved XML format.
- **Integration with the Fatoora platform:** real-time clearance for business invoices and reporting within 24 hours for consumer invoices.
- **Automatic VAT calculation:** and preparing return-ready data for filing through the Authority's portal.

Qoyod is an Arabic cloud accounting system compliant with Phase 2 of e-invoicing: it signs and stamps your invoices, integrates with the Fatoora platform, and prepares your VAT return data. Filing the return and paying the tax remain through the Authority's portal.

Conclusion

Saudi Arabia is writing a pioneering chapter in digital tax transformation under Vision 2030: VAT revenue that has tripled to lead non-oil sources, and an e-invoicing system, the Gulf's largest mandatory rollout, expanding to cover every registered business by mid-2026. This transformation raises transparency and collection efficiency, and gives businesses that adopt compliant cloud systems full readiness and a real operational edge.

Sources

- 1 Zakat, Tax and Customs Authority (ZATCA) — zatca.gov.sa
- 2 General Authority for Statistics (GASTAT) — stats.gov.sa
- 3 Ministry of Finance — annual budget statements
- 4 Vision 2030 — Annual Report 2025

Go digital with Qoyod

An Arabic cloud accounting system compliant with e-invoicing, connecting point of sale, invoicing, and accounting in one platform.

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