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The Collecting Taxes Database 2010/2011

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USAID's Leadership in Public Financial Management Project



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Agenda

Overview of Database

Data Collection Process

Country Examples

Overview of the Database

- The database contains high-level performance and structural indicators about countries' national tax systems
- The system facilitates diagnosis, setting of targets, and monitoring of tax reform and modernization
- The database facilitates international comparisons of tax systems, comparing tax system performance, structure, and tax administration



Overview of the Database (Cont'd)

The database contains a total of **28 indicators** that can be divided into these categories:

- **Tax revenue performance:** These quantitative indicators provide a sense of how effectively the tax system produces revenues
- **Tax structure:** These quantitative indicators represent the substantive structure of tax law, in a simplified way
- **Tax administrative structure:** This category includes both qualitative and quantitative indicators of the organization and size of the tax administration
- **Economic structure:** These indicators provide information about the economy of each country included in the database. These basic indicators have been cited in a number of research projects as having important impact on the ability of tax systems to collect taxes

Data Collection Process

Methodology

- Used USAID benchmarking methodology as a starting point for data collection
- Sought out strong primary and secondary data sources
 - Country Government, Deloitte International Tax and Business Highlights, PWC Tax Highlights, PKF Tax Guides, www.taxrates.cc, GFS Database, IMF Country Publications, OECD Revenue database, Deloitte USAID projects, data requests (CIAT, ATAF, and COTA), IRS Social Security Initiative, and World Bank Open Data Initiative
- When possible, cross referenced with other data sources for accuracy
- Engaged USAID and other organizations (ATAF, OECD, CIAT, and Deloitte country offices) throughout the process
- Conducted repeated quality checks

Revenue Effort Example: Uganda

Revenue Effort	PITY	CITY	VATY	TAXY
	Revenue as % GDP			
Uganda	0.40	1.10	2.20	7.00
Sub-Saharan Africa	2.65	2.98	5.17	16.20
Low Income Economies	2.23	2.32	4.33	13.70
World	3.12	3.57	5.17	19.30

Overview

- **Revenue Effort:** These quantitative indicators provide a sense of how effectively the tax system produces revenues. It is measured as revenue as a share of GDP

Revenue Effort

- **Comparator Groups:** Uganda's revenue effort is below regional, income group and world averages.

Tax Structure Example: Georgia

Tax Structure	PITMINR	PITMAXR	CITR	VATR
	Tax Rate	Tax Rate	Tax Rate	Tax Rate
Georgia	20.00	20.00	15.00	18.00
Central Europe and Central Asia Region	13.03	18.30	15.90	19.48
Low-Middle Income Economies	11.29	26.60	24.23	14.81
World	11.50	29.52	25.49	15.66

Overview

- **Tax Structure:** These quantitative indicators represent the substantive structure of tax law, in a simplified way

Tax Structure

- **Comparator Countries:** Georgia's tax structure is comparable to the region and more competitive in most income group and world comparison categories

Revenue Productivity Example: El Salvador

Revenue Performance and Productivity	PITPROD	CITPROD	VATPROD
	Revenue Productivity	Revenue Productivity	Revenue Productivity
El Salvador	0.03	0.11	0.45
Latin America and the Caribbean	0.04	0.15	0.47
Low-Middle-Income Economies	0.05	0.15	0.45
World	0.06	0.14	0.41

Overview

- **Tax revenue productivity:** These quantitative indicators provide a sense of how effectively the tax system produces revenues. It is measured as the portion of GDP that is mobilized for each point of tax rate

Revenue Performance And Productivity

- **Comparator Groups:** El Salvador 's revenue productivity is below the regional, income group and world averages for all measures

Tax Administration Example: Mexico

Tax Administration	Tax Staff	Payer to Staff	Function	LTU	Customs
	Tax staff per 1000 population	Number of tax payers per tax staff	Functional Organization	Large Taxpayer Unit	Customs and Tax Admin Combined
Mexico	0.33	740	1.00	1.00	1.00
Latin America and the Caribbean	0.44	389	0.82	0.81	0.31
Upper-Middle-Income Economies	0.86	418	0.89	0.85	0.30
World	0.76	437	0.89	0.85	0.29

Overview

- **Tax Administration:** This category includes both qualitative and quantitative indicators of the organization and size of the tax administration

Tax Administration Structure and Efficiency

- **Comparator Groups:** Mexico's tax administration is organized along functional lines and segmentation of taxpayers



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Thank you for attending

Please visit: <http://egateg.usaid.gov/collecting-taxes>

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