The Collecting Taxes Database 2012/2013

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USAID's Leadership in Public Financial Management Project

Agenda

Overview of Database

Using the Database

Productivity Measures

Some Interesting Facts

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 **31 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**: These qualitative and quantitative indicators describe the organization and relative size of the tax administration

- **Economic structure**: These indicators provide information about the economy of each country and are related to the ability of tax systems to collect taxes

Using the Database

- http://egateg.usaid.gov/collecting-taxes

- An online dashboard for the latest release

  - Panels for the indicator categories described above

  - Summaries by region and income level groups

  - Individual countries

- Downloadable files with historical data

- Description of sources for the latest release

Using the Database

Home › Ongoing Programs › LPFM › Technical Areas and Activities ›

Collecting Taxes

Collecting Taxes

Indicator Category:

Corporate Taxation

Download Full Data (2007-2008)
Download Full Data (2008-2009)
Download Full Data (2009-2010)
Download Full Data (2010-2011)
Download Full Data (2011-2012)
Work Cited and References (2011/12)

(2011/2012 Data)

Economy	citr	city	citprod
East Asia and Pacific	25.76	4.77	0.17
Central Europe and Central Asia Region	15.70	1.72	0.12
Latin America and the Caribbean Region	28.30	4.06	0.16
Middle East and North Africa Region	24.55	4.23	0.19
South Asia Region	29.64	2.20	0.08
Sub-Saharan Africa Region	31.55	2.96	0.10
Western Europe Region	22.94	2.85	0.13
United States and Canada	34.50	3.00	0.09
Low-income Economies Group	29.02	2.44	0.09
Low-middle-income Economies Group	24.04	3.61	0.16
Upper-middle-income Economies Group	25.42	3.11	0.13
High-income Economies Group	24.25	4.09	0.17
A B C D E F G H I J K L M N O P Q R S T U V W X Y Z all			
Albania	10.00	1.40	0.14
Algeria	25.00	19.80	0.79

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Revenue Effort Example: Zambia

Revenue Effort	PITY	CITY	VATY	TAXY
	Revenue as % GDP	Revenue as % GDP	Revenue as % GDP	Revenue as % GDP
Zambia	5.7	3.0	4.0	16.6
Sub-Saharan Africa Low Income Economies	3.6	2.1	5.2	14.7
Sub-Saharan Africa	4.1	3.0	5.3	16.9
Low Income Economies	3.7	2.4	5.1	14.7
World	4.5	3.3	6.2	17.8

Notes

- **Zambia has copper mining:** 0.2% of GDP in 2005, 1.9% in 2010, 5.5% in 2011

- **Recent reforms:** mining, income tax amendments

- **VAT exemptions:** Account for most of non-mining deterioration (IMF)

Using the data

- **Comparisons**: Differences in data aside, cross-country comparisons are most useful.

- **Multi-year data comparisons are even better**: Taxy us 17.2% in 2005, 17.5% in 2011

Tax Structure Example: Zambia

Tax Structure	PITMINR	PITMAXR	CITR	VATR
	Tax Rate	Tax Rate	Tax Rate	Tax Rate
Zambia	25.0	35.0	35.00	16.0
Sub-Saharan Africa Low Income Economies	9.7	35.4	31.7	15.7
Sub-Saharan Africa	10.3	34.0	31.5	15.4
Low Income Economies	8.9	31.0	29.0	14.8
World	10.9	27.8	25.7	15.5

Notes

- **Also in the data**: The minimum PIT rate in Zambia comes in early (at 1.6 times GDP per capita; 2.6 times in comparator countries)

- **VAT reforms**: Zambia is planning for VAT reforms (lower VAT rate)

Using the data

- **Other data**: Other data can help explain revenue effort and revenue productivity below – tax rates, VAT thresholds, tax administration structure

Revenue Productivity Example: Zambia

Revenue Productivity	PITPROD	CITPROD	VATPROD
	Revenue productivity	Revenue productivity	Revenue productivity
Zambia	0.17	0.08	0.25
Sub-Saharan Africa Low Income Economies	0.12	0.07	0.31
Sub-Saharan Africa	0.13	0.10	0.34
Low Income Economies	0.14	0.09	0.34
World	0.17	0.14	0.41

Notes

- **VAT:** Actual VAT collections as percent of potential VAT collections is similar to comparators

- **CIT:** Note the low CITPROD even with average CITY above

- **SARA:** The ZRA has been called an "attractive target" for political interference with exemptions

Using the data

- **Definitions**: These productivity indicators show the additional tax revenue (as % of GDP) that would be raised with a 1 percentage point increase in the tax rate.

Some interesting facts

- As income level increases

  - CIT and PIT productivity increases, but VAT productivity does not.

  - There is a clear increase in the number of taxpayers per tax official

- Over the past three years, PIT rates have increased, CIT and VAT rates have decreased. Overall tax as % of GDP is lower and more even across income groups

  - There is an increased reliance on PIT and social security, especially in high-income countries

- Mining / extraction revenue is significant in 20% of the countries

- Reliance PIT, CIT, VAT is very similar across the board – 70% of tax revenue (there are always exceptions)

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Thank you for attending

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

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