PNABH127
ISN 69968

A PRELIMINARY REPORT ON THE JORDANIAN TAX SYSTEM

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JUNE 1986
PREPARED AS PART OF A ONE WEEK (MAY 11-18)
ON-SITE VISIT

This work was supported by the United States Agency for International Development, Washington, D.C., through a Cooperative Agreement between The Maxwell School of Citizenship and Public Affairs at Syracuse University and AID's Bureau of Science and Technology/Rural Administration. The views and interpretations in this publication are those of the authors and should not be attributed to the United States Agency for International Development or to any individuals acting on its behalf.

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EXECUTIVE SUMMARY

1. The economic health of Jordan is currently at risk. Particularly precarious is the flow of remittances which are likely to fall due to the slowdown in the regional economy.

2. The ratio of government expenditures to GDP is much higher than that of most other countries. To support this level of expenditure the Government of Jordan relies on taxes, nontax revenues and foreign grants with taxes constituting approximately 15 percent of GDP.

3. With a slowing regional economy, foreign grants to the GOJ will probably shrink. To achieve the goal of domestic revenues equalling 80 percent of recurrent spending, shrinking foreign grants would require additional borrowing which, in turn, could lead to unacceptable levels of outstanding debt. Either additional domestic revenues will have to be mobilized or government spending, particularly on capital, will have to be cut.

4. The overall revenue structure of the GOJ is relatively unresponsive to increases in GDP. Thus it will be difficult to mobilize domestic revenues without discretionary tax increases, if foreign grants should fall. Our estimates suggest it is not realistic to expect domestic revenue targests, as included in the current plan, to be met with the current tax structure.

5. The personal portion of the income tax is extremely narrow due to the widespread use of exemptions, deductions and exclusions. The resulting tax is probably regressive and, under its present design, is probably not a candidate as a source for increased revenue mobilization. The income tax on corporations and businesses relies upon a peculiar rate structure and handles depreciation in a manner which can lead to substantial biases.

6. Tax rates for customs duties are unduly complex and are likely to lead to administrative difficulties. The lack of taxes on consumption of domestically-produced items biases resources and production toward import substitution commodities and away from export industries which may have an inherent comparative advantage in Jordan. Economic growth is thus reduced.

7. It is our opinion that comprehensive fiscal reform is justified in Jordan. Such reform should strive to rationalize the tax structure; to put a set of administrative procedures in place so as to make the reform program a lasting one; and should be a coordinated effort. Coordination of fiscal reform with national economic policy, with policies being undertaken by Jordan's primary trading partners and with international donors is crucial.

8. In depth studies of specific aspects of the fiscal system are called for particularly in the areas of customs duties, income taxation and domestic consumption taxation. Topics for such studies include analyses of customs administration and effective rates of protection; analyses of the distributional and neutrality implications of the current income tax; analysis leading to an integration of a general consumption tax with revised, import-based custom duties; analysis of the effectiveness of

current tax incentives policies; analysis of the property tax and current tax treatment of primary mining industries; and analysis of the overall incidence of the fiscal system.

9. Tax administration and training would also constitute an integral part of a comprehensive project. Efforts should focus on customs administration and administration of a general consumption tax. A reform project should also be closely integrated with the current USAID-sponsored project aimed at improving administration and computerization of the self-assessed income tax.

10. A fiscal planning model built and implemented within the Ministry of Finance through the creation of a Forecasting and Strategy Unit would constitute an important third element of a long-term project. The model would aid in forming budgetary strategy and would assist in carrying out analyses of revenue implications of alternative revenue structures.

11. Implementation of such a project should be built around a long-term special advisor who would work closely with the Ministry of Finance, possibly through the Forecasting and Strategy Unit. The advisor would also coordinate the short-term analytical studies as well as technical assistance and training in tax administration.

12. Tax structure analyses would be carried out through short-term consultancies in coordination with some selected local institution.

13. Tax administration assistance and training would rely on long-term in-country residence by individuals with considerable administrative experience in other developing countries. Again, however, a close working relationship between the technical advisors and their GOJ counterparts is crucial.

14. Additional short-term analysis of the current tax structure is recommended prior to the preparation of a long-term project. Specifically, we recommend that an expert on customs administration, an expert on indirect taxation and an expert on income taxes and revenue and expenditure forecasting be employed to specify further the components of such a comprehensive project.

A PRELIMINARY REPORT ON THE JORDANIAN TAX SYSTEM

This Report is based upon a one-week visit (May 11-18, 1986) to Amman Jordan during which time we reviewed documents (see Attachment A) and conducted a series of interviews (Attachment B) with persons in and outside the Government of Jordan (GOJ). Due to the restricted work schedule in the country and the filled calendar of the Minister of Finance, it was not possible to contact everyone knowledgeable about the major revenue sources tapped by the Government.

The purposes of this Report are three-fold. One is to document the principal attributes of the current revenue structure in Jordan and to note those areas in which we feel there may be good reasons to carry out fiscal reform. Second, we indicate in fairly general terms how one might structure a comprehensive fiscal reform project intended to bring about lasting changes in the fiscal system in a manner which emphasizes private sector economic development. Third, we suggest how one might proceed in designing such a project assuming some minimal level of interest by the GOJ.

We wish to acknowledge the assistance provided by AID/Amman, particularly Don Masters, Mark Kraczkiewicz and Nimalka Wijesoorija. Still, in such a brief visit we are very likely to have made errors, the responsibility for which we accept.

I. Current Fiscal System

Economic Developments

The economy of Jordan experienced relatively rapid economic growth from 1975 to 1981. During that period, growth rates averaged 12.6 percent per annum. However, since 1981 rates of GDP growth have decreased--to 1.7 percent between 1983 and 1984 and 3.8 percent between 1984 and 1985 (see Table 1). The outlook for the economy is even less bright in 1986.

The strong economic growth that Jordan enjoyed is, in part, attributable to the fortunes of its oil-rich Arab neighbors. As a result, Jordanian exports have increased and the GOJ has received large foreign grants from these countries. In addition, some Jordanians have obtained well-paying jobs in these oil-rich nations. The remittances earned by Jordanian labor have kept the trade account deficit from becoming worse.

With the drop in the price of oil, gross remittances declined between 1984 and 1985 and are expected to decline in the foreseeable future (see Table 2). The drop in remittances will slow the economy of Jordan and will probably worsen the trade account. With this slowdown there will be pressure to devalue the Jordanian dinar. But even without devaluation, the sluggish growth in income in Jordan will slow the increase in the volume of imports.

Fiscal System

During the 1978-1985 period public sector expenditures in Jordan reached its height of 68.5 percent in 1979 (see Table 3). Since 1979 expenditure relative to GDP declined steadily to 47.1 percent in 1984,

TABLE 1

GDP AT 1980 PRICES: JORDAN
(in billions of Jordanian dinars)

	Real GDP	Percentage Change
1970	JD 508.4	
1971	515.8	1.5
1972	535.4	3.8
1973	506.5	-5.4
1974	480.2	-5.1
1975	540.9	12.6
1976	655.7	21.2
1977	697.7	6.4
1978	801.3	14.8
1979	836.7	4.4
1980	979.5	17.1
1981	1,098.0	12.1
1982	1,161.2	5.8
1983	1,207.7	4.0
1984	1,228.0	1.7
1985	1,274.5	3.8

SOURCE: International Monetary Fund, IFS Supplement on Economic Indicators, 1985 and Central Bank of Jordan, Monthly Statistical Bulletin, February 1986.

TABLE 2

GROSS REMITTANCES AND NET REMITTANCES, 1978-85: JORDAN
(in millions of Jordanian dinars)

	Remittances		Remittances as[a] a Percent of GDP	
	Gross	Net	Gross	Net
1978	JD159.40	JD139.38	25.2	22.1
1979	180.40	156.42	23.9	20.8
1980	236.70	190.68	24.2	19.5
1981	340.90	288.89	28.8	24.4
1982	381.90	319.47	28.4	23.8
1983	402.30	330.10	27.4	22.5
1984	475.00	387.30	30.7	25.0
1985	403.50	N.A.	24.4	N.A.

[a]The remittances are not included in the GOJ estimate of GDP.

SOURCE: Central Bank of Jordan, Monthly Statistical Bulletin, various issues.

TABLE 3

REVENUE AND EXPENDITURE AS A PERCENT OF GDP,
1978-85: JORDAN

	1978	1979	1980	1981	1982	1983	1984	1985
Domestic Revenue	25.1	25.0	23.1	26.1	26.9	27.5	26.6	26.2
Taxes	15.5	15.7	13.9	14.5	14.9	15.5	15.0	15.4
Income and Profits	2.9	3.0	2.8	3.4	3.3	3.1	3.1	3.4
Indirect Taxes	12.6	12.8	11.1	11.1	11.7	12.3	11.9	12.0
Import Duties	10.7	10.6	9.0	8.9	9.1	9.2	8.7	8.3
Customs	9.7	9.6	8.0	8.0	8.2	8.3	7.7	7.3
Other	1.0	1.1	1.0	1.0	0.9	0.9	1.1	1.0
Excise	1.1	1.4	1.3	1.4	1.8	2.4	2.4	2.8
Other Taxes	0.7	0.7	0.7	0.7	0.8	0.7	0.7	0.8
NonTax Revenue	9.6	9.2	9.2	11.7	12.0	12.1	11.5	10.8
Licences	2.1	2.1	1.9	2.1	1.8	1.8	1.8	1.7
Fees	2.1	2.3	2.0	3.1	2.8	2.7	2.8	2.7
Operating Surpluses from Post and Telephone	1.2	1.2	1.2	1.1	1.5	1.6	2.1	2.4
Interest and Profits	2.3	2.1	2.2	3.8	3.9	3.8	2.1	2.2
Miscellaneous	1.9	1.6	1.9	1.6	1.9	2.2	2.6	1.8
Foreign Grants	12.9	27.9	20.7	17.4	14.9	13.4	6.8	11.8
Domestic Revenue & Grants	38.0	52.9	43.8	43.6	41.8	40.9	33.4	38.0
Expenditures	57.2	68.5	57.5	54.7	51.6	48.1	47.1	49.4
Recurring	33.7	42.7	34.3	33.1	33.0	30.9	31.3	32.7
Capital	23.5	25.8	23.2	21.6	18.7	17.1	15.8	16.7

SOURCE: Central Bank of Jordan, Monthly Statistical Bulletin, various issues.

although it increased to 49.4 percent in 1985. Between 1979 and 1980, there was a substantial reduction in recurrent expenditures relative to GDP, but since 1980, reduced capital expenditures have been the major reason for the fall in the government expenditure ratio. In any case, there is little doubt that Jordan's ratio of public expenditure to GDP is much higher than that of most other countries and certainly higher than those in the middle income range.

On the revenue side, there are three major categories of revenue: taxes, nontax revenue, and foreign grants. Taxes amount to 15.4 percent of GDP in 1985, nontax revenues are 10.8 percent of GDP and foreign grants are 11.8 percent of GDP. In total, revenues are 38 percent of GDP, while expenditures are 49 percent of GDP leaving a deficit which is about 11 percent of GDP. Domestic revenues have only ranged between 23.1 and 27.5 percent of GDP, while revenues from foreign grants have varied between 6.8 percent and 27.9 percent. The latter have generally decreased between 1979 and 1984 although there was an upturn in foreign grants as a percent of GDP in 1985. These figures suggest that variations in the magnitude of the deficit depends on the flow of foreign grants and the size of the capital budget.

The GOJ stated revenue mobilization goal is for domestic revenues (taxes plus nontax revenue) to amount to 80 percent of recurring expenditures. From the figures shown in Table 4, it has met or exceeded this goal since 1982. In fact, domestic revenues were 80.1 percent of recurring expenditures in 1985 and this is their lowest point since 1981 when domestic revenues were 79 percent of recurring expenditure. The

TABLE 4

REVENUES AS A PERCENT OF EXPENDITURES, 1978-85: JORDAN

	1978	1979	1980	1981	1982	1983	1984	1985[a]
Expenditures	361.5	515.6	563.2	647.1	693.5	705.3	729.4	818.7
Recurring	212.9	321.3	336.1	391.5	442.9	453.7	485.2	541.9
Capital	148.6	194.3	227.1	255.6	250.6	251.6	244.2	276.8
Domestic Revenue as a Percent of:								
Total Expenditure	43.8	36.4	40.1	47.8	52.2	57.3	56.5	53.0
Recurring Expenditure	74.4	58.5	67.3	79.0	81.7	89.0	84.9	80.1
Foreign Grants as a Percent of:								
Total Expenditure	22.6	40.8	36.0	31.9	28.8	27.9	14.5	23.8
Recurring Expenditure	38.4	65.5	60.3	52.7	45.1	43.3	21.9	36.0

[a]Actual amounts for 1978 to 1984; 1985 figures are re-estimates.

SOURCE: Central Bank of Jordan, Monthly Statistical Bulletin, various issues.

balance of recurring expenditure and capital is financed from either foreign grants, which were about 24 percent of total expenditure in 1985, and borrowing. More specifically, domestic revenue plus foreign grants financed 76.8 percent of total expenditure in 1985, the balance was financed from borrowing.

The fiscal outlook for Jordan is less than salubrious. With the economy of the region slowing down, foreign grants will probably shrink in the near future both as a proportion of government expenditures and possibly even in nominal terms. With a goal of domestic revenues of 80 percent of recurrent expenditures, shrinking foreign grants would leave an increasing share of capital expenditure and perhaps some domestic expenditure to be financed by borrowing. Outstanding debt will then rise to unacceptable levels and either domestic revenues will be mobilized to finance a greater share of expenditures or government expenditures will have to be cut. Experience in other countries suggests that capital expenditures are likely to bear the major brunt of any expenditure reduction.[1]

Such cutbacks on revenue mobilization would be avoidable if there were a particularly buoyant revenue structure in Jordan. The absolute amount of revenues is listed in Table 5 and the domestic revenue items as a percentage of total domestic revenues are listed in Table 6. Table 7 contains annual estimates of the buoyancy of major revenue items with respect to GDP.

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[1] Inter-American Development Bank, Economic and Social Progress in Latin America: External Debt: Crisis and Adjustment (Washington, DC: Inter-American Development Bank, 1985), pp. 66-68.

TABLE 5

DOMESTIC REVENUE AND GRANTS, 1978-85: JORDAN
(in millions of Jordanian dinars)

	1978	1979	1980	1981	1982	1983	1984	1985[a]
Domestic Revenue	JD158.5	JD187.9	JD226.1	JD309.2	JD362.0	JD404.0	JD411.8	JD434.1
Taxes	97.9	118.4	136.2	171.3	200.3	227.1	233.1	254.5
Income and Profits	18.5	22.3	27.9	40.0	43.7	45.9	48.7	56.5
Indirect Taxes	79.4	96.1	108.3	131.3	156.6	181.2	184.4	198.0
Import Duties	67.6	80.1	88.1	105.6	122.4	135.7	135.4	138.1
Customs	61.4	72.1	78.0	94.1	109.7	121.8	118.9	121.6
Other	6.2	8.0	10.1	11.5	12.7	13.9	16.5	16.5
Excise	7.1	10.6	13.2	16.9	24.1	35.4	37.4	46.4
Other Taxes	4.7	5.4	7.0	8.8	10.1	10.1	11.6	13.5
NonTax Revenue	60.6	69.5	89.9	137.9	161.7	176.9	178.7	179.6
Licences	13.3	15.6	18.9	25.2	24.8	25.7	28.5	28.6
Fees	13.4	17.1	19.5	36.5	38.0	40.3	43.5	44.1
Operating Surpluses from Post and Telephone:	7.6	8.9	12.0	12.7	20.7	23.3	33.0	39.9
Interest and Profits	14.4	15.7	21.2	45.0	53.0	55.7	33.0	36.7
Miscellaneous	11.9	12.2	18.3	18.5	25.2	31.9	40.7	30.3
Foreign Grants	81.7	210.3	202.8	206.3	199.6	196.9	106.1	194.9
Domestic Revenue and Grants	240.2	398.2	428.9	515.5	561.6	600.6	517.9	629.0

[a]Actual amounts for 1978-84; 1985 figures are re-estimates.

SOURCE: Central Bank of Jordan, Monthly Statistical Bulletin, various issues.

TABLE 6

DOMESTIC REVENUE ITEMS AS A PERCENT OF TOTAL DOMESTIC REVENUE, 1978-85: JORDAN

	1978	1979	1980	1981	1982	1983	1984	1985
Domestic Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Taxes	61.8	63.0	60.2	55.4	55.3	56.2	56.6	58.6
Income and Profits	11.7	11.9	12.3	12.9	12.1	11.4	11.8	13.0
Indirect Taxes	50.1	51.1	47.9	42.5	43.3	44.9	44.8	45.6
Import Duties	42.6	42.6	39.0	34.2	33.8	33.6	32.9	31.8
Customs	38.7	38.4	34.5	30.4	30.3	30.1	28.9	28.0
Other	3.9	4.3	4.5	3.7	3.5	3.4	4.0	3.8
Excise	4.5	5.6	5.8	5.5	6.7	8.8	9.1	10.7
Other Taxes	3.0	2.9	3.1	2.8	2.8	2.5	2.8	3.1
NonTax Revenue	38.2	37.0	39.8	44.6	44.7	43.8	43.4	41.4
Licences	8.4	8.3	8.4	8.2	6.9	6.4	6.9	6.6
Fees	8.5	9.1	8.6	11.8	10.5	10.0	10.6	10.2
Operating Surpluses from Post and Telephone:	4.8	4.7	5.3	4.1	5.7	5.8	8.0	9.2
Interest and Profits	9.1	8.4	9.4	14.6	14.6	13.8	8.0	8.5
Miscellaneous	7.5	6.5	8.1	6.0	7.0	7.9	9.9	7.0

SOURCE: Central Bank of Jordan, Monthly Statistical Bulletin, various issues.

TABLE 7

BUOYANCY OF REVENUES WITH RESPECT TO GDP,
1979-85: JORDAN

	1979	1980	1981	1982	1983	1984	1985
Domestic Revenue	0.97	0.68	1.78	1.26	1.26	0.34	0.78
Taxes	1.10	0.50	1.24	1.24	1.45	0.47	1.33
Income and Profits	1.08	0.83	2.10	0.68	0.55	1.09	2.32
Indirect Taxes	1.10	0.42	1.03	1.42	1.71	0.32	1.07
Import Duties	0.97	0.33	0.96	1.17	1.18	-0.04	0.29
Customs	0.91	0.27	1.00	1.22	1.20	-0.43	0.33
Other	1.52	0.87	0.67	0.77	1.03	3.34	0.00
Excise	2.58	0.81	1.35	3.13	5.10	1.01	3.49
Other Taxes	0.78	0.98	1.24	1.09	0.00	2.65	2.37
NonTax Revenue	0.77	0.98	2.58	1.27	1.02	0.18	0.07
Licences	0.91	0.70	1.61	-0.12	0.39	1.95	0.05
Fees	1.45	0.47	4.21	0.30	0.66	1.42	0.20
Operating Surpluses from Post and Telephone:	0.90	1.16	0.28	4.63	1.37	7.43	3.03
Interest and Profits	0.47	1.16	5.42	1.31	0.55	-7.28	1.62
Miscellaneous	0.13	1.66	0.05	2.66	2.89	4.93	-3.70
Foreign Grants	8.24	-0.12	0.08	-0.24	-0.16	-8.22	12.13
Domestic Revenue & Grants	3.44	0.26	0.98	0.66	0.75	-2.46	3.11

SOURCE: Central Bank of Jordan, Monthly Statistical Bulletin, various issues.

In 1985, about 58 percent of domestic revenues were derived from taxes while nontax sources of revenue accounted for about 42 percent of revenues. There has been a downward trend for tax revenues as a percent of domestic revenue since 1978 and, of course, a slight increase in the reliance on nontax revenue sources since then. In 1985, about 13 percent of domestic revenues came from income taxes, while 45.6 percent were from indirect taxes, including customs and other import taxes (31.8 percent), excise (10.7 percent) and other taxes (3.1 percent). Thus, indirect taxes accounted for 78 percent of domestic tax revenues.

Nontax revenues are derived from licenses (6.6 percent), fees (10.2 percent), operating surplus from the postal service and telephone enterprises (9.2 percent), interest earnings and profits from the Central Bank (8.5 percent) and miscellaneous other sources (7.0 percent).

With such heavy reliance on indirect taxes and on nontax sources of revenue, the buoyancy of revenues is not expected to be very large. The buoyancies in Table 7 are less than unity in 1984 (0.34) and in 1985 (0.78). Revenues from income and profits have buoyancies of 1.09 in 1984 and 2.32 in 1985. Indirect taxes show a buoyancy of 1.09 in 1985 due principally to discretionary changes in excise taxes and other taxes. But growth in customs duty revenues was sluggish in 1985 and declined in 1984.

Nontax revenues have been virtually at a standstill in both 1984 and 1985. Foreign grants have declined or shown virtually no growth compared to GDP from 1980 to 1984. There was a large increase in foreign grants between 1984 and 1985 which makes the overall revenue structure (domestic revenue plus grants) have a 1985 buoyancy of 3.11, but this is the first time the overall buoyancy has been greater than unity since 1979.

The results of several scenarios for growth in revenue and expenditure are reported in Table 8. The planned current expenditures i listed in row one of the table. There are six separate scenarios for domestic revenue growth. Two growth rates for GDP have been assumed. The first is the annual average growth rate of GDP between 1982 and 1985, or 3.2 percent. The second is the annual growth rate for GDP used in the plan for 1986 through 1990. The average over the planning period is 6.5 percent per annum. For purposes of projecting nominal revenues over the 1986 to 1990 period, a 4.1 percent annual inflation rate is used. This is the annual average inflation rate over the 1982 to 1985 period. The other element of forecasting domestic revenues is the tax to GDP buoyancy. Three buoyancies are assumed. The first is the buoyancy in 1985 or 0.78 (see Table 5). The second is the buoyancy during the 1981 to 1985 period or 1.08. A mid-point buoyancy is also used or 0.90.

The domestic revenue as a percent of current expenditure is reported for the six different revenue estimates. Under the relatively rapid GDP growth of 6.5 percent and an optimistic 1.08 buoyancy, domestic revenue as a percentage of current expenditure reaches 100.4 percent, but still falls substantially below the planned target of 106.4 percent.

To reach the 106.4 percent target will require a substantial increase in the buoyancy and thus revenue mobilization that is unprecedented in the 1980's. It appears then that it will be difficult to mobilize domestic revenues without discretionary tax adjustments, if foreign grants should fall. Moreover, with the weakening of the economy, import values will fall and with them customs revenues. If severe cutbacks in government

TABLE 8

EXPENDITURE AND DEFICIT SCENARIOS 1986-90
(monetary figures in millions of Jordanian dinars)

	1985	1986	1987	1988	1989	1990
CURRENT EXPENDITURE (Planned annual growth of 6.8%)	541.9	563.8	602.4	649.7	700.5	754.0
		Tax to GDP Buoyancy of 0.78				
DOMESTIC REVENUE: 4.1 percent annual inflation, and						
a. 3.2% annual GDP growth	434.1	459.3	485.9	514.0	543.8	575.4
b. 6.5% planned annual GDP growth	434.1	468.3	508.7	552.3	598.6	652.8
		Tax to GDP Buoyancy of 0.90				
DOMESTIC REVENUE: 4.1 Percent annual inflation, and						
c. 3.2% annual GDP growth	434.1	463.1	494.1	527.2	562.4	600.0
d. 6.5% planned annual GDP growth	434.1	473.5	520.8	572.2	627.6	693.1
		Tax to GDP Buoyancy of 1.08				
DOMESTIC REVENUE: 4.1 percent annual inflation, and						
e. 3.2% annual GDP growth	434.1	468.9	506.6	547.2	591.2	638.6
f. 6.5% planned annual GDP growth	434.1	481.4	539.0	602.9	673.0	757.2
Domestic Revenue as a Percent of Current Expenditure						
case a:	80.1	81.5	80.7	79.1	77.6	76.3
case b:	80.1	83.1	84.5	85.0	85.5	86.6
case c:	80.1	82.1	82.0	81.1	80.3	79.6
case d:	80.1	84.0	86.4	88.1	89.6	91.9
case e:	80.1	83.2	84.1	84.2	84.4	84.7
case f:	80.1	85.4	89.5	92.8	96.1	100.4
Targets from the National Plan						
Domestic Revenue as Percent of Current Expenditure		88.3	93.7	96.5	100.9	106.2
GDP: Growth 3.2% per annum, 4.1% inflation	1,656.8	1,779.9	1,912.2	2,054.3	2,206.9	2,370.9
GDP: Target Growth 6.5% annum, 4.1% inflation	1,656.8[a]	1,824.1	2,026.1	2,248.4	2,490.4	2,779.2

[a]The GDP figure for 1985 is from the Central Bank of Jordan, Monthly Statistical Bulletin. This figure is not the same as that obtained from the Ministry of Planning. The estimated GDP figures for the 1986 to 1990 period are estimated using Ministry of Planning estimates of real GDP growth and 4.1 percent inflation.

expenditure are to be averted, domestic revenues will have to increase. The next section will focus on the present revenue system as an adequate structure for mobilizing domestic revenues.

Present Tax Structure

Income Tax. The Income Tax Law No. 57 of 1985 governs the income tax for individuals, companies and businesses. It was estimated (by others) that about 61 percent of income tax revenues is derived from companies, about 12 percent from other businesses and the balance (27 percent) from individuals. The basic structure of the income tax law is summarized for individuals and companies and other businesses in Table 9.

For individuals, the base of the tax is extremely narrow. There are large categories of income that are excluded from taxation. Most income from capital, including 30 to 50 percent of income from rental property, interest, dividends, capital gains, as well as pension income, is excluded from taxation. Recipients of income from these sources are generally in the top two income deciles in most developing countries. Moreover, income derived from agriculture and workers remittances is also excluded from income for tax purposes.

There is also a generous system of deductions for individuals including: 25 percent of total of wages plus salaries plus bonuses plus allowances are deducted from income (50 percent for government workers), and 50 percent of rental payments up to JD2,000 and 25 percent thereafter. There are also personal exemptions of JD600 for a married couple and JD200 for each dependent. The rate structure for individuals is progressive and ranges between 5 percent for the first JD1,000 up to 45 percent for taxable income above JD25,000.

TABLE 9

MAJOR CHARACTERISTICS OF THE INCOME TAX, 1985: JORDAN

Individuals	Companies and Businesses
I. Income: Comprehensive definition includes allowances, bonuses, wages, salaries;	I. Income: Profits, wages, salaries, interest, discounts, rents, etc.
II. Exclusions: a) Pension income b) Income from agriculture c) Capital gain on real estate, bonds, stocks d) 30% of rental income, derived from properties inside municipalities, 50% of rental income on other properties e) Interest income from all bonds, from deposits at banks f) Dividend income g) Worker remittances	II. Exclusions: a) Agriculture business income b) Capital gains c) Interest
III. Deductions: a) Government workers: 50% of wages, salaries, bonuses, allowances Other workers: 25% of wages, salaries, bonuses, allowances b) Rents paid for housing: 50% on first JD2,000 25% on amounts greater than JD2,000 c) Mortgage interest payments d) Surgical operations e) Contribution to Social Security Corporation or a Provident Fund	III. Deductions: a) Interest paid b) Rentals paid c) Wages and salaries paid d) Taxes and fees paid e) Contribution to Social Security Corporation or Provident Funds f) Bad debts g) Other expenses on labor h) Straight line original cost depreciation of new machinery and buildings; 10 categories of asset lives between 4 and 50 years. But, when machinery and equipment are replaced, the amount expended less depreciation on the old equipment less its selling price at replacement is fully deductible.

TABLE 9 (CONT.)

Individuals	Companies and Businesses
IV. Personal Exemptions: JD400 bachelor JD600 married (including spouse) JD200 for each child and parent supported JD100 for other dependents (up to JD300) JD500 if supporting relative enrolled in higher education institution (not per person)	IV. Personal Exemptions: None.

V. General Rate Structure for Individuals and Companies and Businesses:

Taxable Income	Rate (in percent)
JD 0 - 1,000	5
1,001 - 2,000	10
2,001 - 4,000	15
4,001 - 6,000	20
6,001 - 9,000	25
9,001 - 12,000	30
12,001 - 16,000	35
16,001 - 20,000	38
20,001 - 25,000	40
25,001 - 30,000	45
30,001 - 36,000	50
Over 36,000	55

VI. Special Provisions in Rate Structure: Progressive tax on Individuals ceases at 45% (All income over JD25,000 is taxed at 45%)	VI. Special Provisions in Rate Structure: a) For non-resident companies (and others not listed below), the progressive rate stops at 40%. There are four exceptions. Rate Structure ceases at: 1) 35% for public, industrial, health educational shareholding companies. 2) 38% for private, industrial, health educational shareholding companies

TABLE 9 (CONT.)

Individuals	Companies and Businesses
	VI. Special Provisions in Rate Structure (cont.): 3) 50% for banking, financial, insurance, exchange public shareholding companies 4) 55% for banking, financial, insurance, exchange private shareholding companies
VII. Tax Credits: 100% credit for taxes paid on properties from which income is derived (Does not apply to owner occupied, since imputed rent on housing is excluded from income)	VII. Tax Credits: 100% credit for taxes paid on properties from which income is derived

SOURCE: Jiryes Khleif & Co., Jordan Income Tax Law No. 57, 1985.

To get some idea of the erosion in the tax base due to exemptions, exclusions and personal deductions, consider a household who has the same income per capita as that for Jordan as a whole or JD600 per person (US$1,800). With average household size of six, the household income would be JD3,600. With a skewed income distribution, the mean household income is greater than the median household income. In most countries households with average income are in the 75 to 85 income percentile. Let this average household derive 90 percent of its income from wages and salaries. About 48 percent of households in Jordan own their own home; let this family expend, conservatively 10 percent of its income on mortgage interest payments. The household will have the following base for the income tax:

Total income	JD3,600
less capital income	360
less mortgage interest	360
less 25 percent of wage income	810
less 5 percent of wages for Social Security contribution	162
less exemptions	1,400
Taxable Income	JD 508

Thus, only about 14 percent of the household's income is taxable. Moreover, the household is likely in at least the 75th income percentile and is still in the lowest income tax bracket or 5 percent. The tax due is JD25.40; hence, the effective income tax rate for this household is 0.7 percent.

With the exception of dividends, which are already taxed at the corporate level, the exemption of capital income from the income tax base raises serious equity considerations in the top income deciles, not to mention the top vigicile and percentile, where capital income is likely to

be more than 75 percent of total income. The inherent design of the income tax, at least according to this cursory analysis, appears to be regressive. Thus, under its present design it is probably not a candidate as a source for increased revenue mobilization.

The income tax as it applies to corporations and businesses, aside from the exemption of capital gains, interest and dividend income, a peculiar rate structure, and problems with some aspects of capital depreciation and replacement capital, appears to be more reasonably well-designed. The depreciation schedule for capital and equipment is straight-line with ten categories of assets with four to fifty year asset lives. Some heavy equipment, such as bulldozers and other road equipment have only a five year asset life. This may in part be a way of subsidizing the demand for cement, which is a major product in Jordan, but, of course, introduces economic inefficiencies among industries.

When equipment and machinery are replaced, the tax treatment is different. The value of replacement equipment less depreciation taken on the old equipment less its selling price is written-off. No further depreciation of replacement equipment is taken. This appears to introduce a number of biases. For example, during inflationary periods the nominal value of past depreciation will be relatively low and the tax treatment will allow immediate write-off of a larger share of the replacement equipment price. In addition, it is not clear why replacement equipment, as opposed to original equipment, should be treated differently under the income tax. This provision also introduces complexity to the tax system.

The rate structure of the income tax applied to corporations and businesses is the same as that for the personal income tax, but the maximum bracket varies by industry. In particular there are five different maximum tax brackets (see Table 8). For example, public shareholding companies in industrial, health and education categories are subject to a 35 percent maximum tax bracket, while their private shareholding counterparts in the same categories are subject to a 38 percent maximum tax bracket. On the other hand, financial businesses and companies including banks can be subject to a maximum tax bracket of 55 percent if the companies are private shareholding companies. These rates appear discriminatory, but, for example, it is reported that financial firms have more income excluded from the tax base (interest and dividends) than other firms and, therefore, are taxed at higher rates. These aspects of the income tax would be good candidates for reform, as they appear to introduce inefficiencies among industries and will reduce economic growth.

Customs Duties and Excise Taxes. The structure of customs duties is generally ad valorem with a few commodities still taxed on a specific basis according to their weight. Some commodities, mainly agricultural, enter duty free, but, in general, raw materials and capital have lower rates than finished products. Consumer durables, such as washers, and refrigerators, have higher rates (about 85 percent of c.i.f. value) and automobiles have rates of 100 percent and upwards. There are some exceptions to this general pattern, according to anecdotal evidence in a study by Coopers and Lybrand and Associates, and a more general study is necessary.

The tariff structure could use rationalization since four or five rates would probably produce the same overall level of protection and revenue. But there are a considerable number of exemptions to customs duties. All government imports and imports for government-owned firms enter duty free. Moreover, there are government-owned stores which import goods duty free for purchase by all government employees. There are also exemptions of capital and raw materials for firms who have been approved under the "Encouragement of Industry Act." It is reported that 60-70 percent of the value of imports enters duty free. There are also special rates (but not exemptions) for imports from Arab League countries.

In addition to the customs duty, there is a 13 percent rate (called a surcharge) applied to the c.i.f. value of dutiable imports and a 2 percent rate applied to the c.i.f. value of duty free goods. The revenues from this surcharge are earmarked for certain government expenditures, such as higher education. A 5 percent import license fee is also applied to all imports whether dutiable or not. Thus goods exempt from import duties pay a 7 percent rate on their c.i.f. value.

A specific excise tax is also levied on a select group of commodities. The tax is charged on both domestically produced and imported excisable commodities. These commodities include (but are not limited to) detergent, soap, toothpaste, shaving cream, matches, lubricating oil, grease, batteries, vegetable oil, radios, other electronic equipment, clothing washers and other consumer durables. However, when an imported commodity is subject to an excise tax, the surcharge is reduced from 13 percent to 12 percent.

While the department is not computerized, in our interviews it was reported that there are not severe administrative problems, and not much fraud. For example, inputs used to produce goods for re-export are not dutiable; but the import duty on these items must be put into an escrow account, which is reimbursed when the commodities are re-exported. On the other hand, customs rates change frequently, greatly complicating administration. However, in our brief visit, we were not able to determine the extent of the administrative problems, and a follow-up mission by a customs expert would seem in order.

A recent analysis of industrial and export development carried out by Coopers and Lybrand Associates suggests there are problems in customs administration. Mentioned specifically in their Report were problems associated with drawbacks and the temporary entry scheme. These problems were particularly evident when firms imported raw materials and produced commodities for local markets as well as export markets. Customs officials, according to the report, have difficulties determining import content of exported items when less than 100 percent of the firm's product is exported. There are also problems associated with extending the tariff rebates to scrap and end of rolls when firms export less than 100 percent of production.

Domestic Consumption Taxes. Other than the excise taxes, there is no broad-based (or even narrow-based) domestic consumption tax. Moreover, there is no tax on meals consumed in restaurants, and no tax on hotels. This tax situation, of course, raises the effective protection in the economy, and certainly biases resources and production toward import

substitute commodities, for which there may be less comparative advantage in Jordan, and away from export industries, which may have an inherent comparative advantage. Economic growth is thus reduced.

The World Bank report has recently discussed the introduction of a value-added tax in Jordan. As the report recognizes, a complete system of bookkeeping is required before a value-added tax can be implemented. The proposal here is to study the administrative feasibility for implementing some type of broad-based tax on consumption. Furthermore, the consumption tax should be introduced along with a rationalization of and integration with the customs tariff structure.

Administration. It has been our experience that when tax systems develop in a piecemeal fashion over a long period of time, the rate structure becomes so complex that even the most astute tax administrator cannot humanly keep track of all the changes. In addition, training of general staff is generally lacking in the rapid paced life of tax administration. Some training of working level tax administrators is generally a major component of a project. Also the rationalization and simplification of the tax structure eases the administrative burden and allows a more fair tax administration.

Implications

This review suggests that Jordan faces some very major economic and fiscal problems as it enters into its next five year plan. The bulk of these risks are beyond the control of policy-makers in the GOJ. Nothing can be done locally about the worldwide fall in oil prices or about the demand for Jordanian workers in the Gulf Region or to the willingness of friendly governments to provide grants or loans.

The question which must be asked is whether the current fiscal structure of the GOJ is well designed to allow the country to lessen the pain associated with the adjustments that most likely will have to occur. We feel it is not. The extreme reliance on nonbuoyant revenue sources, particularly import duties, with few incentives to increase exports suggest that reforms are needed. In addition, the present tax system has many economic inefficiencies and inequities (both horizontal and vertical) associated with it. It would probably severely damage the economy of Jordan to mobilize more revenues using the existing tax structure. The present tax system is sufficiently problematic that simplification and tax base broadening are appropriate even in the absence of domestic revenue mobilization. It would seem prudent to begin to undertake such reforms now rather than await a deep crisis at which time economic and fiscal changes may be pressed hurriedly on the GOJ while it has little to say in the matter.

II. Comprehensive Fiscal Reform

Objectives

A comprehensive fiscal reform program for Jordan might assume three basic objectives. The first goal would be to rationalize the tax structure in a manner which would make it conducive to a private sector led economic development strategy. As was noted above, the current tax structure has developed in an ad hoc fashion over time with numerous minor changes made in both the tax rate and tax base structure. It is doubtful that the overall net effects of these changes have been thought through in light of the rest of the tax structure. Any reform in the system should include rationalization of the myriad of differential tax rates on imports (including the special rates) and should attempt to broaden the base and lower and rationalize the rates associated with income taxation. In order to improve the overall system one needs to study carefully the potential response of investors, workers and producers to alternative tax structure changes.

A second important goal of a reform program is to make it a lasting one. This means that a set of administrative procedures must be put in place and made operational with a well-trained staff left behind to carry on the work. Too often technical assistance programs are short-term in nature with only studies carried out and little "hands on" technical assistance provided to implement the proposed structural changes. It should also be noted, however, that training and technical assistance in administration need not await a full acceptance of structural reforms. Some effort can and should begin simultaneously with the initiation of the

project. It is also imperative that the training provided be coordinated with the likely structural changes that will take place in the tax system. For example, it is certain that any reformed tax system for Jordan will rely to some degree on import-based taxes; therefore, customs administration training could start at the outset of the project.

Third, technical assistance in fiscal reform must be coordinated. If the reform is to be comprehensive with all the pieces fitting together, it is essential that the technical assistance advice be carefully planned. For example, one would not want to undertake improvements in administration of some component of the tax system that is likely to be scrapped by structural reform. It is also crucial that fiscal reform be integrated with changes in national economic policy. For that reason it is imperative that the project be as closely tied to the GOJ as possible. Coordination between a fiscal reform project and international donors is also important, particularly as Jordan begins to encounter more difficult economic circumstances. Finally, tax reform cannot take place in isolation from policies being undertaken by Jordan's primary trading partners and countries with which it already has multilateral trade agreements.

These three objectives call for a long-term, integrated fiscal reform project that is closely tied to the economic policy-making process within the country. While commissioning a series of focused studies on various aspects of the current tax system and undertaking one or two tax administration assistance projects might have some marginal benefits, such a strategy is unlikely to lead to genuine and permanent reform in the fiscal system of Jordan.

We envision a comprehensive fiscal reform project that would focus on customs duties, income taxation and a general consumption tax. Within those areas of focus, the project would encompass at least two and possibly three types of activity. (Due to the limited nature of our visit it is not possible to conclude whether budgetary and fiscal planning is an important need of the GOJ; however, our experience is that most developing countries can effectively utilize such assistance.) The three areas of technical assistance include:

- tax structure studies
- tax administration and training
- fiscal planning.

Finally, and in keeping with the stated objective of a coordinated project, implementation of such a project must include a special advisor who can coordinate these several areas of activity and can work closely with economic policymakers in the GOJ.

Tax Structure Studies

Several in-depth studies of particular aspects of the fiscal system are called for particularly in the areas of customs duties, income taxation and domestic consumption taxation. These analyses, based on available data, current tax statutes, interviews and, wherever necessary, survey research, are indispensable in formulating structural reforms. It is from these studies together with on-going discussions with the GOJ that proposals for comprehensive changes in the tax system can be drawn. Hence, all of the studies will be directed towards this goal with the underlying objective being creation of a tax system that is simpler and more easily

administered than the current system and which promotes private sector initiatives in the economy.

Based on one brief and somewhat limited visit it is not possible to produce an exhaustive list of studies that would form the basis of a tax structure reform project. Indeed, one of the advantages of a long-term project is that new studies could be undertaken at a fairly short notice when the need for such are felt. We can, however, outline the general types of studies that we already see as necessary in completing fiscal reform.

Customs Duties. In addition to an initial short-term analysis of customs administration, it may be desirable to carry out a more in-depth study of the topic. Such a study would form the basis for further administrative reforms and training.

A second important study in the area of customs duties is analysis of the effective rates of protection implied by the current rather ad hoc system of import tax rates together with the special taxes and fees also imposed on imports.

Income Tax Structure. An in-depth study of the income tax is also called for. The current tax is riddled with exemptions such that its base is extremely narrow. In spite of the highly progressive rates, if tax withholding were to be extended to a greater portion of the population, we expect that the tax would be found to be regressive. This conclusion is, of course, based on speculative analysis; a more inclusive study based upon analysis of data is necessary to verify such conclusions.

General Consumption Taxes. While it is premature to provide any detail regarding new domestic consumption taxes, our examination of the tax structure suggests that this is a prime area for in-depth research. One early study in the area would focus on the current system of excise taxes and explore areas for creation of a more general producer-based sales tax that cculd also include particular services such as hotels. As the project proceeds, additional analysis of the integration of a general consumption tax with revised import-based customs duties would be appropriate.

Tax Incentives. It appears that the GOJ is currently relying heavily upon the tax system to drive its industrial policy. Tax incentives in the form of exemptions from customs duties and long-term income tax holidays. No one is sure, however, whether such incentives have been cost effective (although the Report by Coopers and Lybrand, which did not address the fiscal implications of the policies, suggests they have not been effective). Further analytical work in this area is necessary particularly as additional information regarding activities under the Encouragement of Investment Law become available.

Background Analysis. Other background studies may also be useful in formulating comprehensive tax reform. Even though the property tax revenues are shared with local governments in Jordan, it is a central government revenue source whose administration is interdependent with the taxation of property transfers and tax treatment of capital gains. Likewise, the tax treatment of the primary mining industries in Jordan would be a candidate for serious analysis.

Incidence of the Fiscal System. Under a broadened income tax many questions will arise concerning the revenue and income distributional implications of alternative tax structures. Analyses of these implications must be an integral part of the tax reform project. Simulations based upon samples drawn from current tax records can provide significant input into the tax rewriting process.

Many subsidies characterize the fiscal system of Jordan. Analysis of these subsidies may be particularly useful in an evaluation of the overall effects of the fiscal system on economic incentives and income distribution. To carry out such a study addition data regarding consumption patterns would be particularly important; hence, survey data could be collected in a long-term project with the data used to analyze current subsidy programs.

As comprehensive tax reform begins to take shape, the overall income distributional effects of such policies are likely to be of utmost importance to policymakers. Analysis of such effects should, therefore, also be an integral part of a reform project and would also rely on the household survey data.

Tax Administration and Training

At least three areas of tax administration and training are probably called for in the course of a comprehensive fiscal reform project for Jordan. These include efforts in:

- Customs administration
- Administration of a general consumption tax
- Income tax administration.

It has not been possible to examine in any depth the strengths and weaknesses of customs administration in Jordan. We recommend that such a review take place prior to finalizing any longer term project (see below). Based on our interviews and experience in other countries, there may be several areas of potential improvement in the administration of customs duties. These include:

a. Implementing streamlined procedures to reduce delays in obtaining customs clearances;

b. Computerizing customs administration;

c. Implementing procedures to improve the quality of customs examinations and valuing of imports;

d. Implementing procedures to minimize leakage of revenues due to evasion of customs duties including those on goods transshipped through Jordan.

If a general consumption tax were to be imposed, it would be necessary to have a technical assistance advisor involved during the implementation phase. The advisor would train inspectors in sales tax audits and would provide all necessary assistance in phasing in the tax. Such assistance might also include designing a record-keeping system and exploring computerization of these records; designing the appropriate forms; implementing a taxpayer education program; and training inspectors to insure compliance with the new tax levy. Such technical assistance is an absolute must if fiscal reforms are to be carried out successfully.

Given the current USAID-sponsored project involving improved administration and computerization of the self-assessed income tax being implemented by the I.R.S., it is unwarranted to propose that significant

efforts in improving income tax administration be a part of a tax reform project. It would be important, however, that there be coordination and cooperation between the I.R.S. project and a comprehensive fiscal reform project since the latter would have to rely on records being maintained by the former. If a new structure for the income tax were to be adopted under comprehensive tax reform, new administrative practices and training would be called for. New tax forms may have to be designed and additional training would be necessary.

Fiscal Planning and Budgeting

During our visit it was not possible to ascertain the extent of the need for technical assistance in the area of fiscal planning and budgeting. Nevertheless, our experience elsewhere suggests that such an effort, even at the outset of a longer term project, can be extremely useful to the host country and, in turn, assists the tax reform project in a better understanding of the overall fiscal condition of the country.

A fiscal planning model can be built and implemented within the Ministry of Finance through the creation of a Forecasting and Strategy Unit. The model can then be used to project both revenues and expenditures under alternative scenarios regarding the future course of the economy and alternative budgetary strategies. Such information can be extremely useful as the Ministry undertakes budgetary planning and negotiates with multilateral donors.

The forecasting unit would also play an integral part in reforming the tax system. The same basic models of the economy can be used to project revenues under alternative revenue structures. The model is again

valuable in longer term planning, particularly planning of public sector capital spending.

Implementation

Successful implementation of a long-term fiscal reform project requires the full support of the Government. While such support may build over the course of the project, some minimal agreement to the stated goals and objectives of the project is necessary to obtain the requisite cooperation in carrying out an extensive policy-oriented project. In our experience several steps can be taken to help create such cooperation. It is essential that there be a close working relationship between the contractor and the Government on all substantive matters. Providing technical assistance early in the project is also desirable in establishing a close working relationship between the Government and the Project. For example, implementation of a budget planning model and provision of technical assistance and training in customs administration can each yield fairly immediate payoffs.

Implementation should be built around a long-term special advisor. This advisor will manage the in-country office, will coordinate the several short-term analytical studies, will coordinate the technical assistance and training provided in the area of tax administration and will work closely with the Government and other donors.

Short-term analysis and production of studies can be carried out primarily by expatriate staff. Commonly, such studies require an initial field visit to gather data and a subsequent visit to discuss results with the Government. One to two months of home office work is required to

prepare the report with a couple of months necessary for the report to be reviewed by the Project staff and the GOJ.

Tax administration assistance and training usually requires long-term in-country residence by individuals with considerable administrative experience in other developing countries. Particularly important for this type of effort is the establishment of a close working relationship between the technical advisors and their GOJ counterparts.

Given that few contractors have large numbers of individuals literate in Arabic at their disposal and that few of the foremost experts in public finance in developing countries can read or speak Arabic, it would be important to develop a project in cooperation with a local institution. It is inappropriate at this time to pursue this very far; nevertheless, if a project is developed some in-country organization should probably also be brought into the effort with the advice and consent of the Government. Not only can such an arrangement improve the quality of the research and training provided under a project, it can also have the effect of permanently increasing the level of expertise in the country in the areas of public finance and public policy analysis.

III. What Next?

Upon commitment of the Government of the idea to carry out extensive fiscal reform, additional technical assistance would be useful in developing a comprehensive tax reform project. There are at least three different areas in which additional technical advice is called for prior to the creation of a project.

1. An expert on customs administration should spend ten days to two weeks in the country speaking with those involved in customs administration, visiting customs posts, particularly at the port in Aqaba and collecting information on customs regulations and staffing within the customs bureau. His report should suggest where immediate steps might be taken to improve customs administration and how longer term training and revision of procedures might be an integral part of any tax reform project.

2. An expert on indirect taxation, both on imports and domestically-produced goods and services should investigate taxation issues in this area. During a 10-14 day mission (preferably overlapping with the visit by the customs administration expert) this expert should review the current indirect tax structure (customs duties, excise taxes, import license fees and other surtaxes on imports). The expert's report should indicate the set of studies that would form the foundation of analyses necessary for structural reform of indirect taxes, including creation of a general consumption tax.

3. The third expert would focus on income taxes and the revenue forecasting and budgeting processes currently used in Jordan. During the 10-14 day TDY this expert would investigate the reporting forms, record availability and other details about the income tax to obtain the necessary information required to produce sample data to be used in analyses and simulations of alternative income tax structures. During the same trip this expert would investigate the availability of data necessary for an expenditure and revenue forecasting model useful for fiscal planning.

With the inputs from these three experts together with the analysis contained herein it should be possible to produce a Comprehensive Fiscal Reform Project Paper.

ATTACHMENT A: DOCUMENTS CONSULTED

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ATTACHMENT B: MEETINGS

1. Mr. Larry Scollick, I.R.S. Income Tax Assistance Project.
2. Mr. Solomon Talwani, Director-General, Income Tax Department, MOF.
3. Mr. Mamduh Abu-Hassan, President, Businessmen's Association.
4. Dr. Zarif Baradi, Jordan Industrial Investments Corp.
5. Mr. Zeid J. Sha'Sha'a, Chairman, Jordan Industrial Investments Corp.
6. Dr. Fawzi A. Gharaibeh, Dean, Faculty of Economics and Administrative Sciences, University of Jordan.
7. Mr. Adeeb Haddad, Department of Research Studies, Central Bank of Jordan.
8. Dr. Yousef Hayajneh, Director, Studies and Encouragement of Investment Department, Ministry of Industry and Trade.
9. Mr. Ahmed Ra'fat, Arab Clearing Company.
10. Mr. Khaled El-Tayeb, Director of Property Taxation, MOF.
11. Mr. Ibrahim Abu Jabal, Director of Financial Department, Social Security Corp.