



Revenue Policy and Administration Program

Background:

The Haitian Tax Administration, Direction Générale des Impôts (DGI), has a significant challenge to increase the collection of tax revenues. The DGI's tax revenue collected as a percentage of Gross Domestic Product is low in comparison with other developing countries. This low rate of collected tax revenue is an obstacle to the modernization of government agencies and to the improvement of public services in Haiti.

In 2007 USAID Haiti and U.S. Treasury, Office of Technical Assistance agreed to co-fund a three year tax project (2008 - 2010) to build on the technical assistance delivered to the DGI in prior years. The initial focus of the tax project is to assist the DGI in the development of strategic and tactical plans for modernization and a review of the main tax laws. Additional efforts will address tax audits, tax collections and taxpayer services and education, as well as the development of a plan for data processing.

Objectives:

- Provide DGI with the technical assistance necessary to bring its tax audit procedures in line with internationally accepted norms and practices;
- Provide DGI with the technical assistance necessary to help it implement internationally accepted procedures and techniques in the sphere of tax collection;
- Improve the quality of human resource management by institutionalizing job descriptions, implementing hiring standards and procedures, and by developing performance standards and evaluation criteria;
- Assist the DGI in positioning itself to undertake a comprehensive information technology modernization effort. DGI will develop a plan for data processing;
- Fight Fiscal Fraud and Tax Evasion: Elaborate and implement a plan to fight fiscal fraud and use appropriate techniques to minimize tax evasion;
- Provide technical assistance for the revision of existing legislation, consult on issues of tax policy, and integrate improved management practices, based on procedural reform, into the Haitian tax system;
- Provide technical assistance to identify and develop improved approaches for education and assistance programs to the taxpayer so as to promote and facilitate voluntary compliance with tax obligations.

Activities:

- Review of the major tax laws;
- Modernization of major tax laws;
- Trainings in tax audit;
- Training in tax collections;
- Taxpayer education and service;
- Data processing.

USAID Support:

\$250,000

Life of Program:

November 2007 to November 2010

Geographic Focus:

This program, rather than having a geographic focus, has an institutional one with the DGI.

Implementing Mechanism and Partner:

This program is funded through a memorandum of agreement between USAID and the U.S. Department of the Treasury Office of Technical Assistance. This program is implemented by the latter. The DGI is the GOH partner.

FY 2008 Program Results:

- Considerable progress was made on tax law reform;
- The Department of Treasury provided training courses to more than 80 DGI staff members, including 30 officials, in human resources management, tax audit, and tax collection;
- The DGI drafted a revised DGI Organization Structure Law

Anticipated Results Over Life of Program:

- A uniform approach to conducting tax audits and collections actions;
- Improvement of the quality of human resource management;
- Code of Ethics for all DGI staff;
- Improvement in the dissemination of information explaining tax laws, and taxpayers rights and responsibilities;
- Tax Policy and Revenue Estimation;
- IT Modernization;
- New Organizational Structure.