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The Government Revenue Dataset 2017



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Toward Closer Cohesion of International Tax Statistics

- Taxation, development and the GRD: Bigger picture
- The *Government Revenue Dataset* (GRD)
 - History // ICTD
 - Motivation
 - Innovations / improvements
 - Limitations of cross-country tax data
 - Existing sources
 - How does the GRD overcome these limitations
- 2017 GRD: What's new?

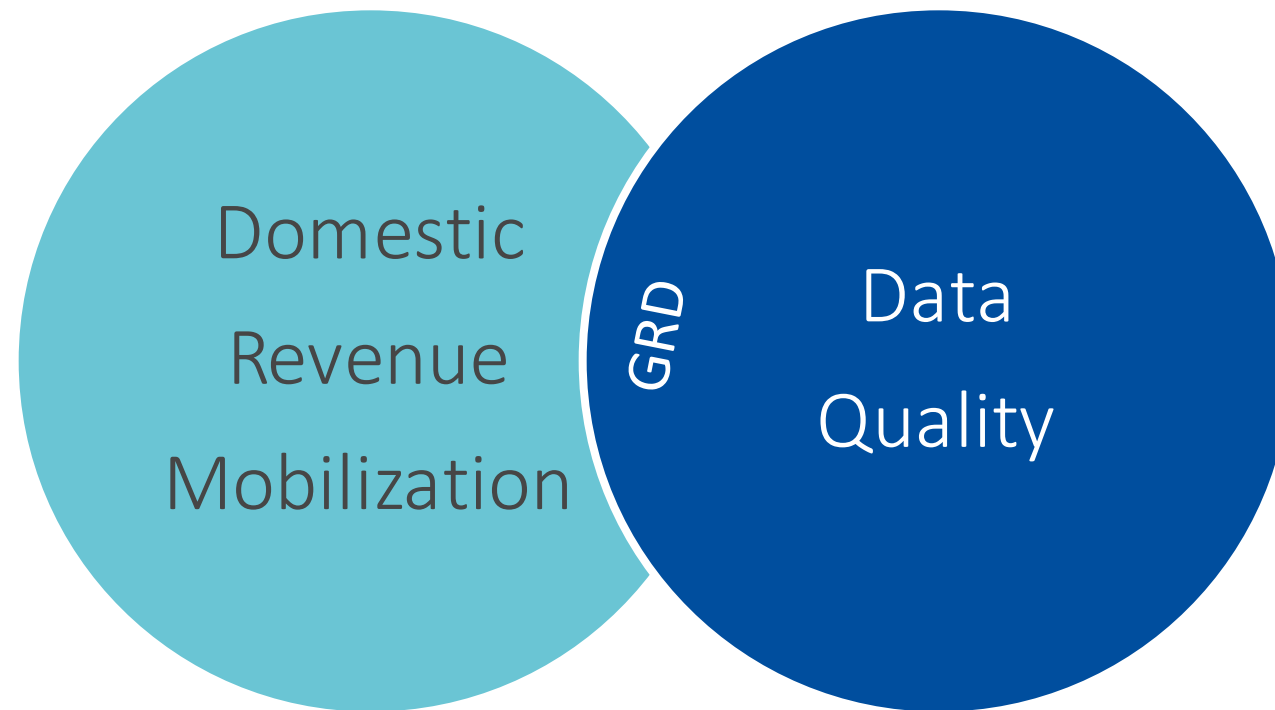
Taxation, Development & the GRD

- Recent focus on domestic revenue mobilization
 - Addis FFD Action Plan
 - SDG 17.1
- *Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection*
 - Indicators
 - 17.1.1 : Total Government Revenue as a proportion of GDP
 - 17.1.2 : Proportion of domestic Budget funded by domestic taxes



Taxation, Development & the GRD

- Developing Countries: Recent attention on



Government Revenue Dataset at UNU-WIDER

- Partnership with ICTD
- GRD project began 2010; launched 2014.
- Partnership with UNU-WIDER since late 2015
 - March 2016 symposium Tax and Development
- Part of broader program on taxation and development at WIDER
 - SOUTHMOD Tax/ben micro simulation models
 - South African administrative firm-level data // SARS



Government Revenue Dataset: Motivation (1/2)

- For research (mainly)
 - Need for an open, reliable, comprehensive source of revenue data for developing countries
 - Number of previous studies based on *ad hoc* data not publicly available
 - Or based on data from high income / OECD countries
 - OECD *Revenue Statistics* good, but limited
 - Limited country coverage of GFS

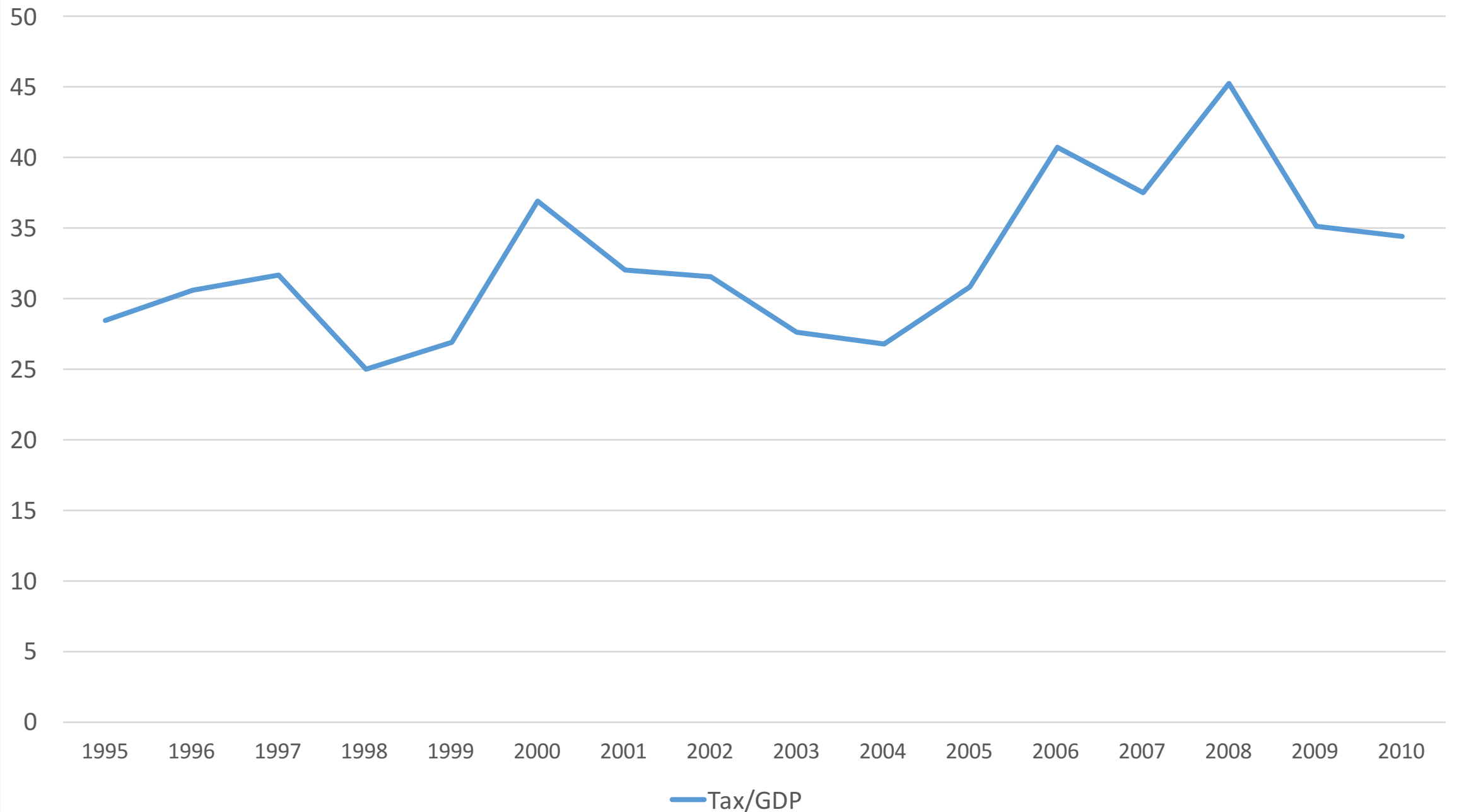
Government Revenue Dataset: Motivation (2/2)

- Neither systematically account for natural resource revenues
- Difference in treatment of social contributions
- Differences in underlying GDP figures
- Developing country coverage poor
 - Recent improvements

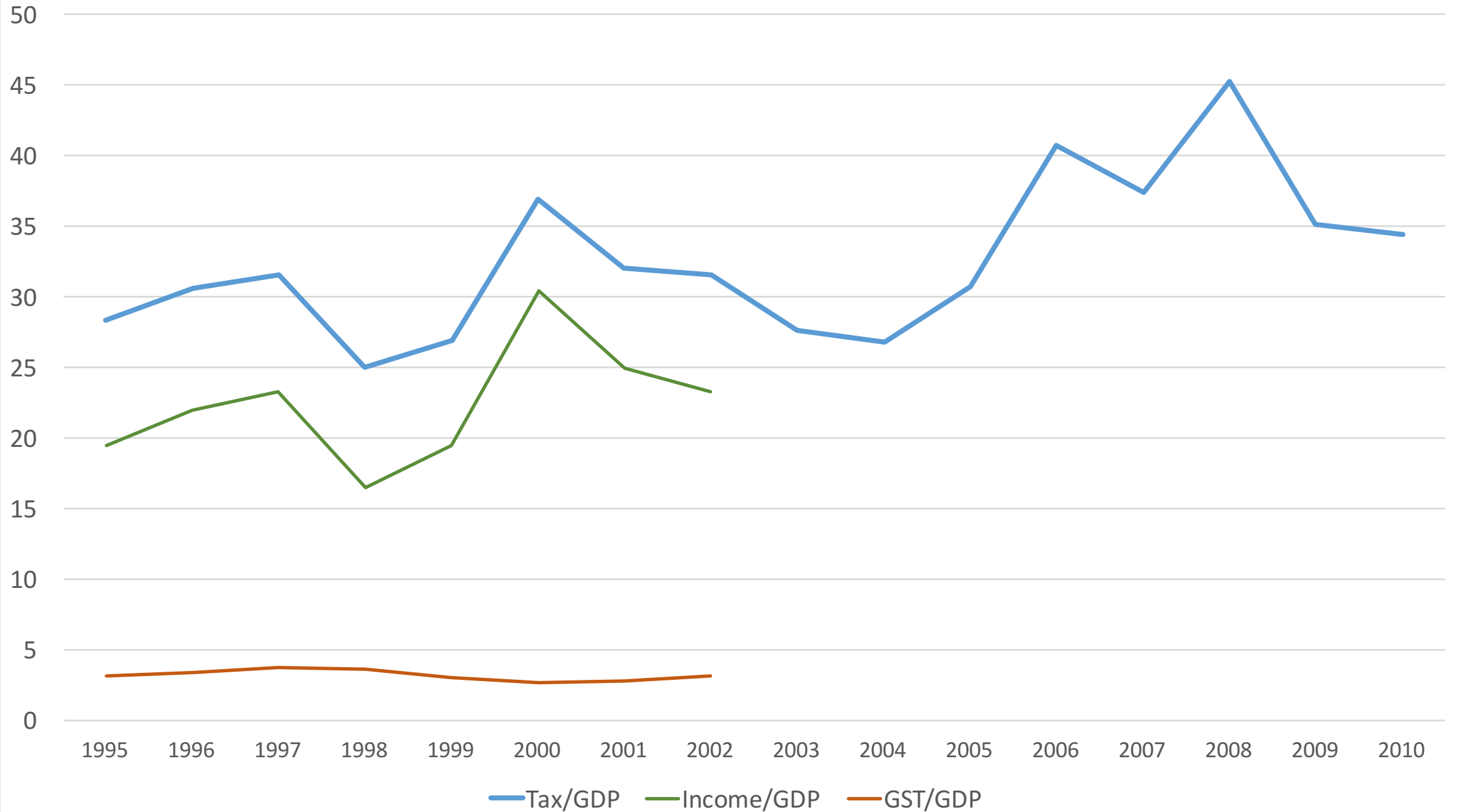
Government Revenue Dataset: Motivation

- An example of challenges in underlying data sources
 - Resource taxes unaccounted for
 - Inconsistencies in data

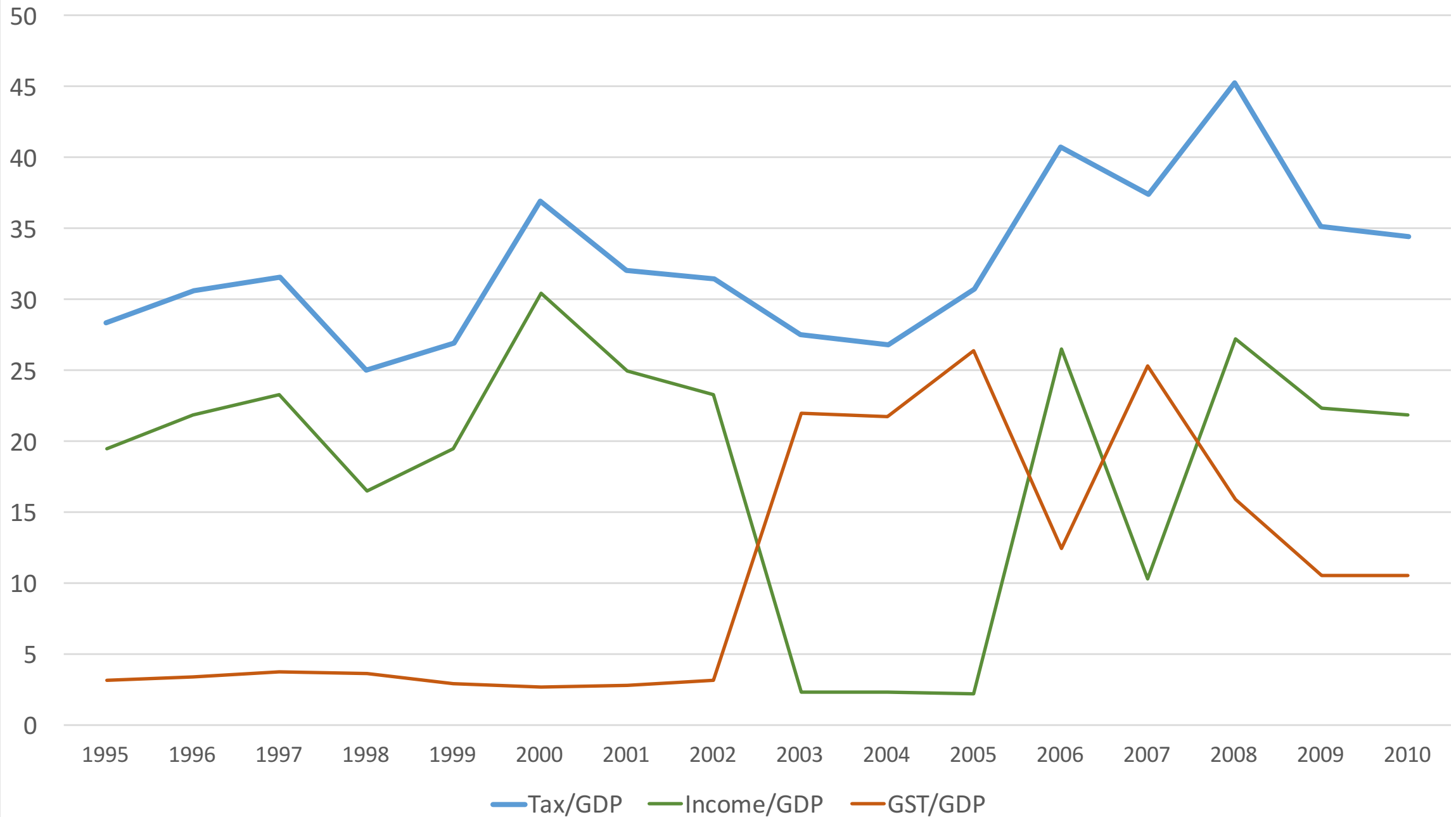
Algeria, Total tax 1995 - 2010, % of GDP



Algeria, Total tax & Income Tax 1995 - 2010, % of GDP



Algeria, Total tax & Income Tax 1995 - 2010, % of GDP



Government Revenue Dataset

- Cross-country dataset on government revenues; 1980 - 2015
- Sources:
 - OECD *Revenue Statistics*
 - IMF *Government Finance Statistics*
 - ECLAC *CEPALSTAT*
 - IMF *Article IV Staff Reports, Statistical Appendices*
 - National data sources.
- Revenue, Tax (& subcomponents), Nontax, Grants, Social Contributions
 - Follows similar classification to IMF GFSM
- Expressed as % of 'Common GDP' figure.
 - Important when merging sources

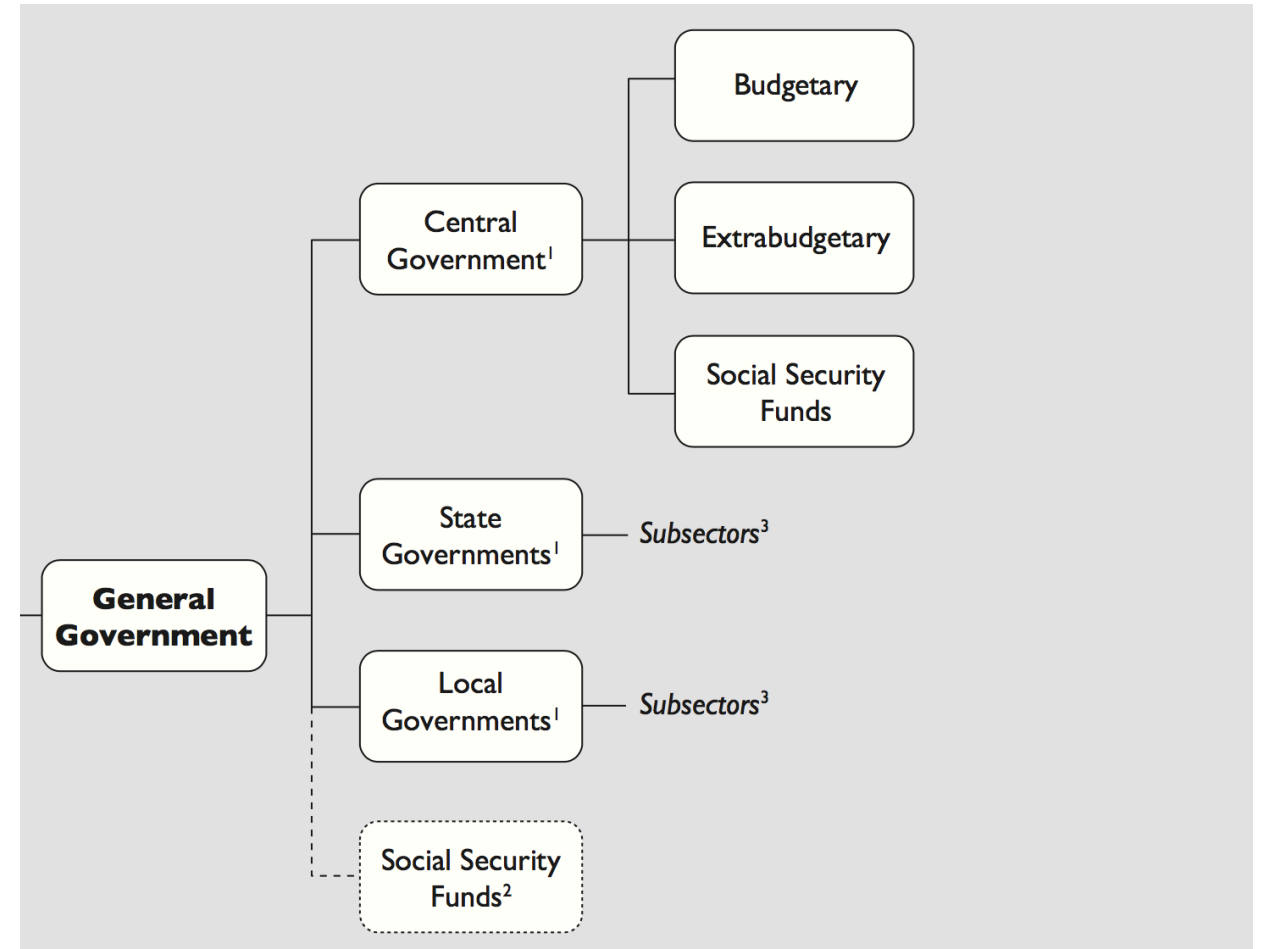


Government Revenue Dataset

- Four main ‘innovations’ / improvements over existing sources
 1. Achieves significant gains in coverage & consistency compared to other sources
 2. Presents revenues both inclusive and exclusive of social security contributions
 3. Distinguishes natural resource revenue, where possible
 4. Interpretations & guidance for users

Government Revenue Dataset: 1. Coverage

- Gains in coverage:
- “Merged” dataset
 - Incorporates data from both Central and General gov’t
 - General preferred
 - Central + others?
 - Budgetary Central
- Central and General files also available



Source: IMF GFSM2014

Government Revenue Dataset: 1. Coverage

- Gains in coverage:
- Article IV Staff Reports, Statistical Appendices

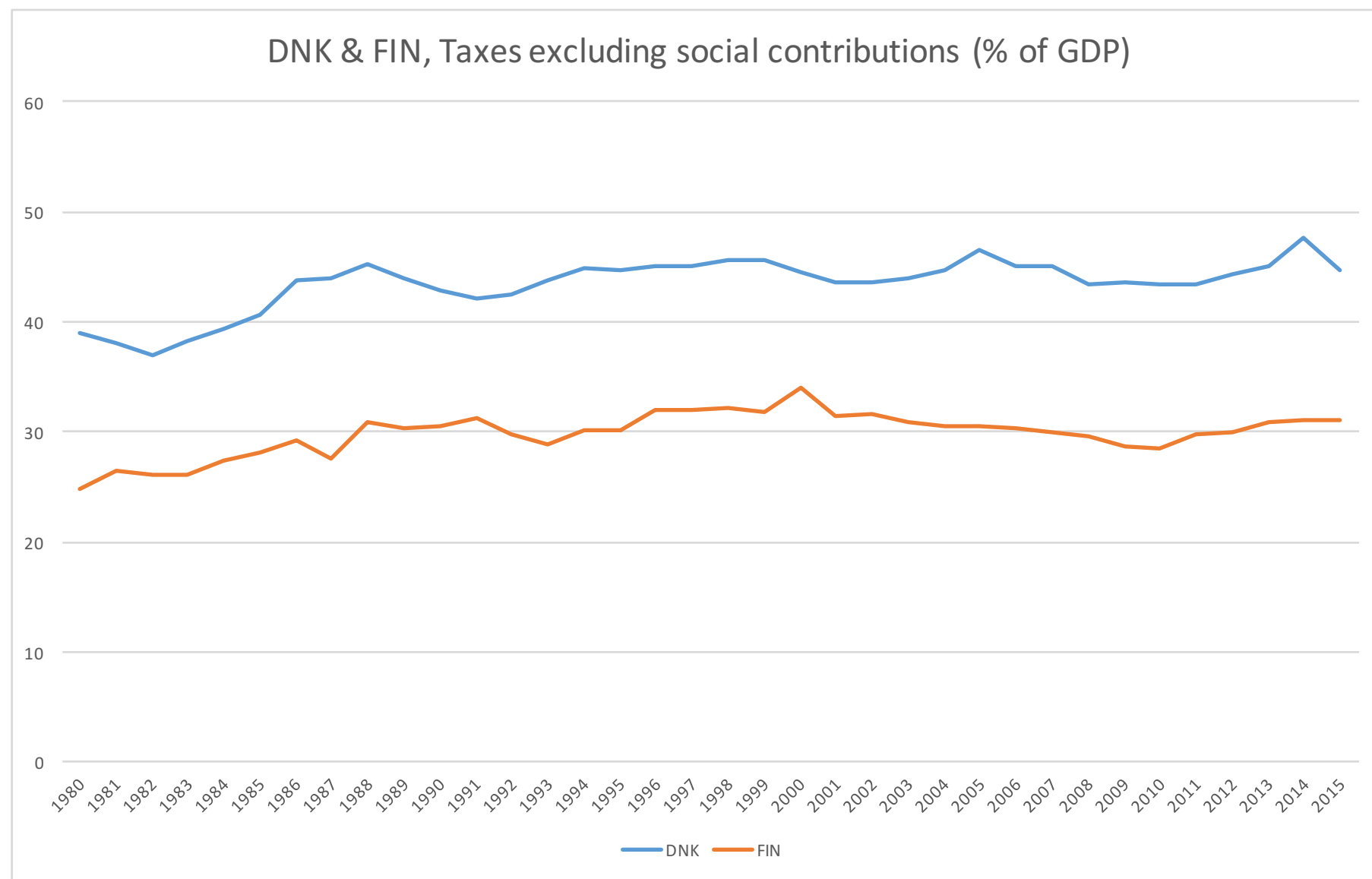
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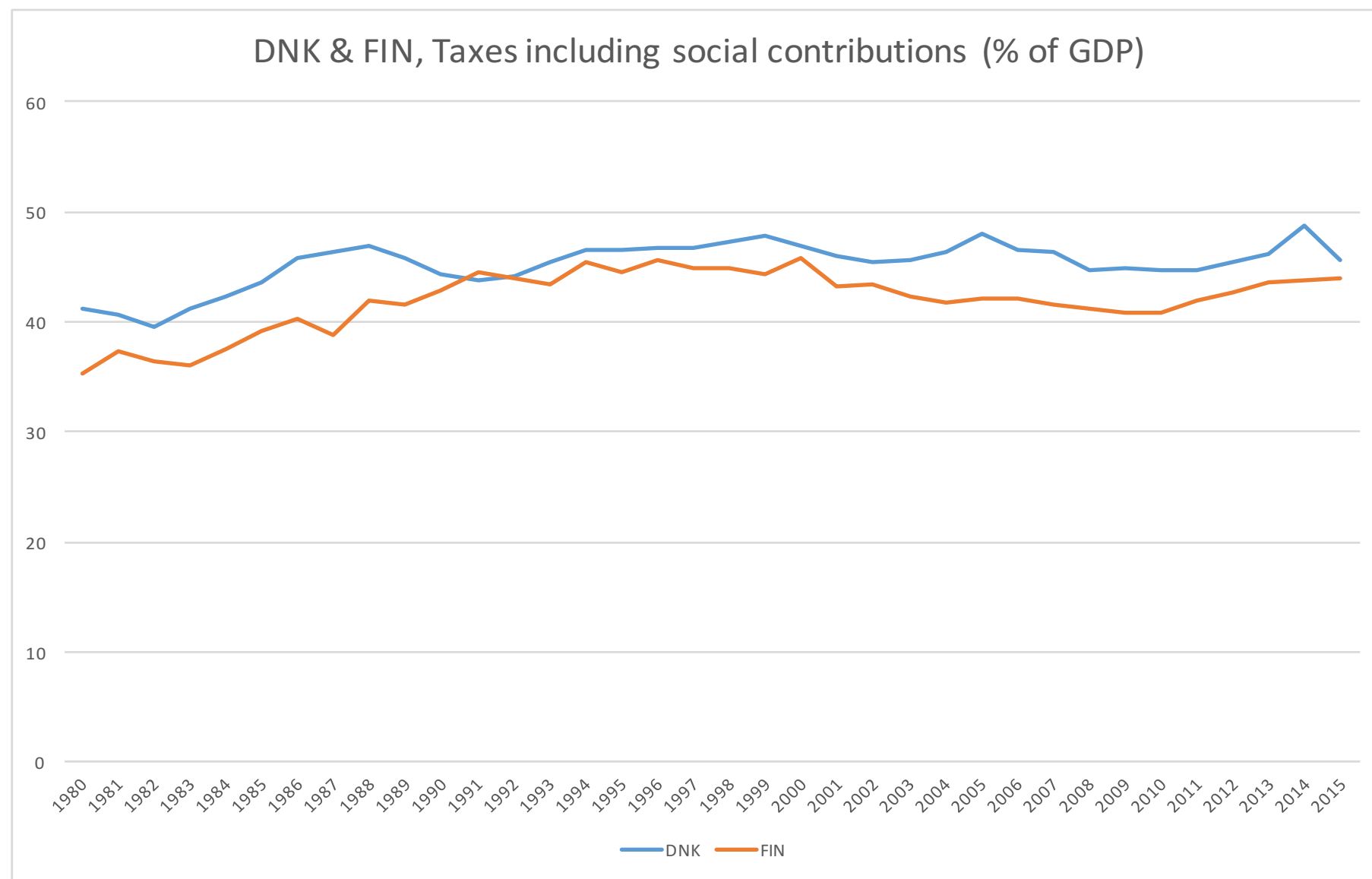
Table 13. Benin: Central Government Revenue, 2000-2005

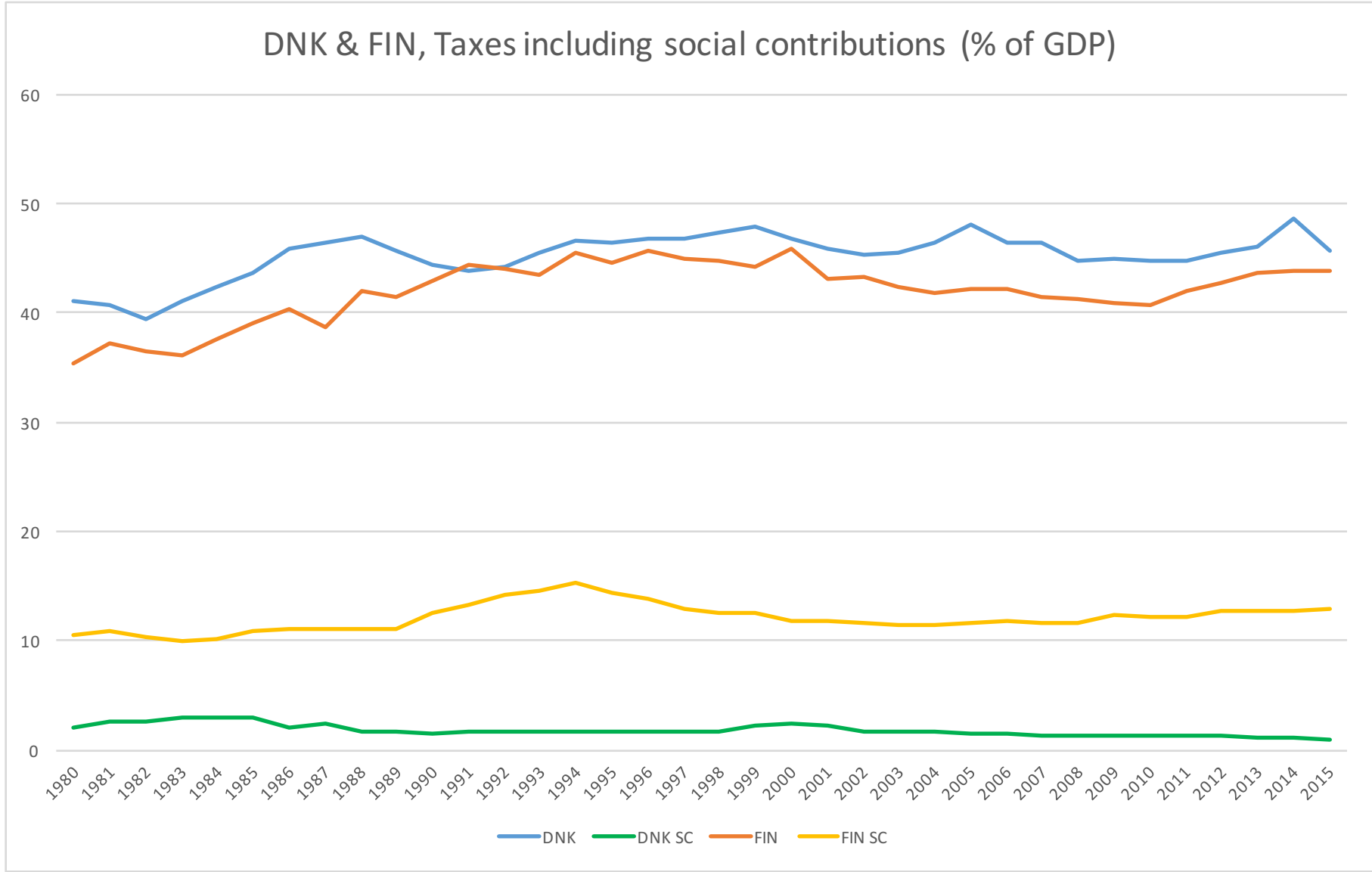
	2000	2001	2002	2003	2004	2005 Est.
(Millions of CFA francs)						
Total revenue	266,217	280,977	318,177	342,881	351,416	383,446
Direct taxes	55,230	63,131	61,643	76,394	82,289	83,779
Taxes on income and profits	33,329	40,167	46,815	47,809	47,350	53,232
Individual	4,487	4,255	5,802	6,820	8,555	7,826
Corporate	25,990	33,004	37,554	36,426	34,031	39,880
Other taxes	2,853	2,909	3,458	4,563	4,764	5,526
Taxes on payroll and workforce	21,900	22,964	14,828	28,585	34,938	30,548
Domestic taxes on goods and services	54,095	54,330	67,350	75,711	79,576	78,126
Value-added tax	27,845	31,600	41,454	40,775	49,738	53,660
Domestic production, sales, and excises	7,352	4,416	4,277	5,868	5,430	4,393
Taxes on specific services	3,341	4,307	4,528	7,124	5,781	5,672
Motor vehicle taxes (vignette)	1,400	0	0	0	0	0
Other	14,157	14,007	17,091	21,944	18,627	14,401
Taxes on international trade and transactions	126,699	133,248	145,881	159,215	155,903	174,815
Customs duties	32,712	34,387	40,124	44,673	27,867	45,925
Value-added tax	75,718	79,264	86,606	85,091	98,366	93,826
Export duties, including re-exportation tax	919	2,439	1,771	1,173	976	919
Other	17,351	17,158	17,381	28,279	28,694	34,146
Nontax revenue	30,193	30,268	43,303	31,561	33,648	46,726
From nonfinancial public enterprises	4,901	5,149	5,047	5,388	1,346	699
Contribution to government employees'	8,500	9,269	10,791	11,155	13,883	14,360

Government Revenue Dataset: 2. Social Contributions

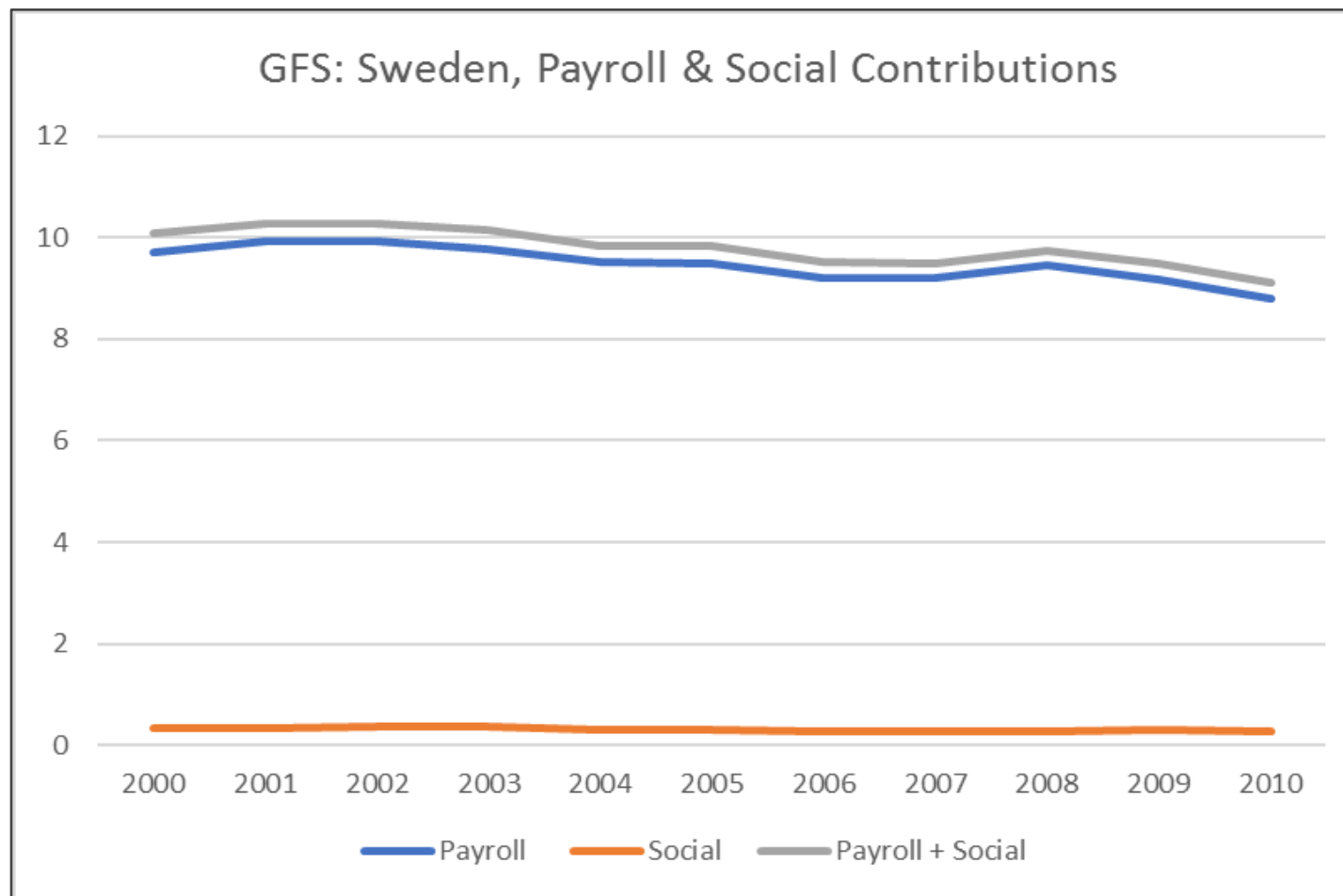
- Inconsistencies in recording of social contributions
 - Across countries
 - Taxes v Social Security Contributions?
 - Private sector contributions?
 - Across sources
 - OECD & IMF
 - Payroll?
 - Level of Government?



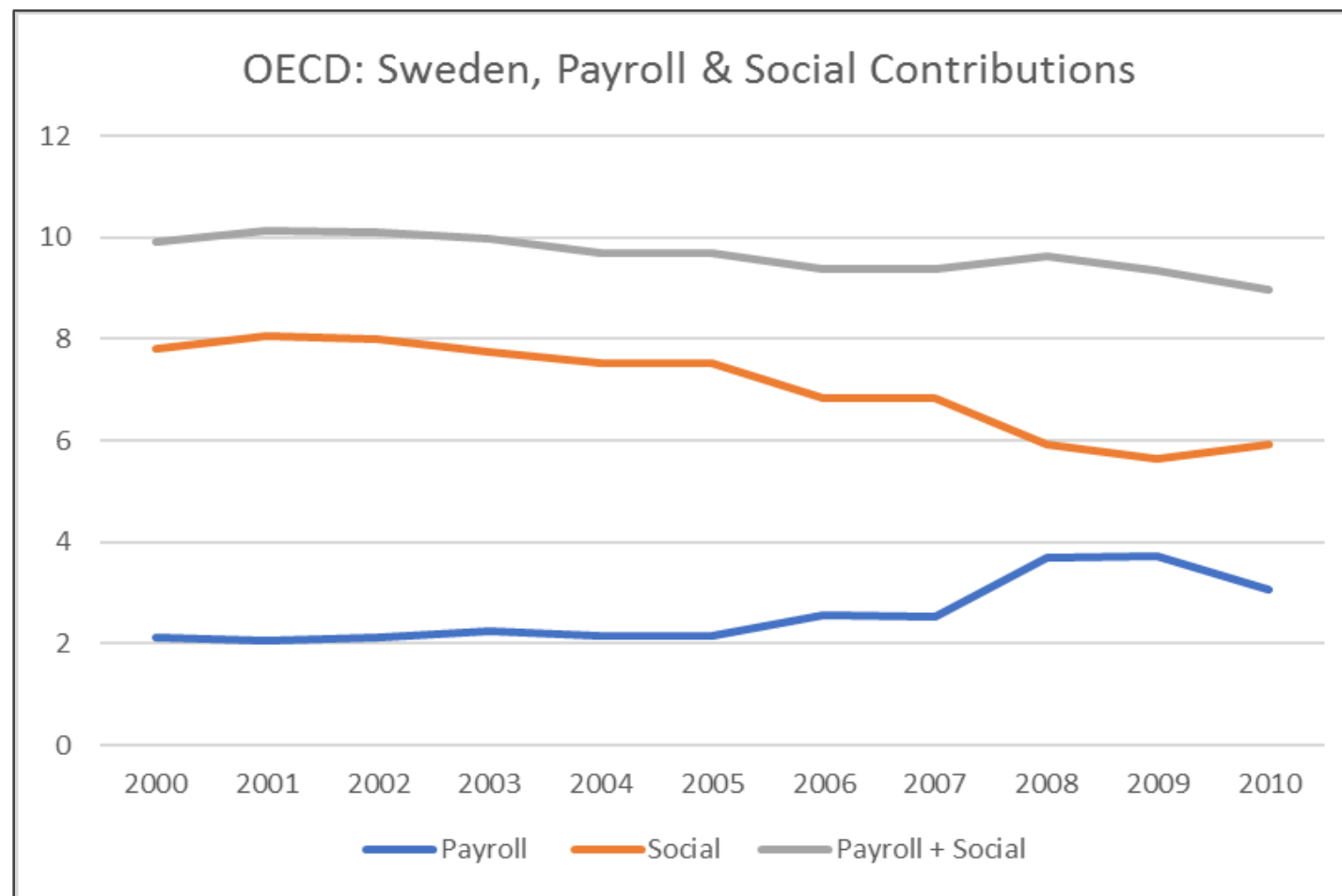




Government Revenue Dataset: 2. Social Contributions



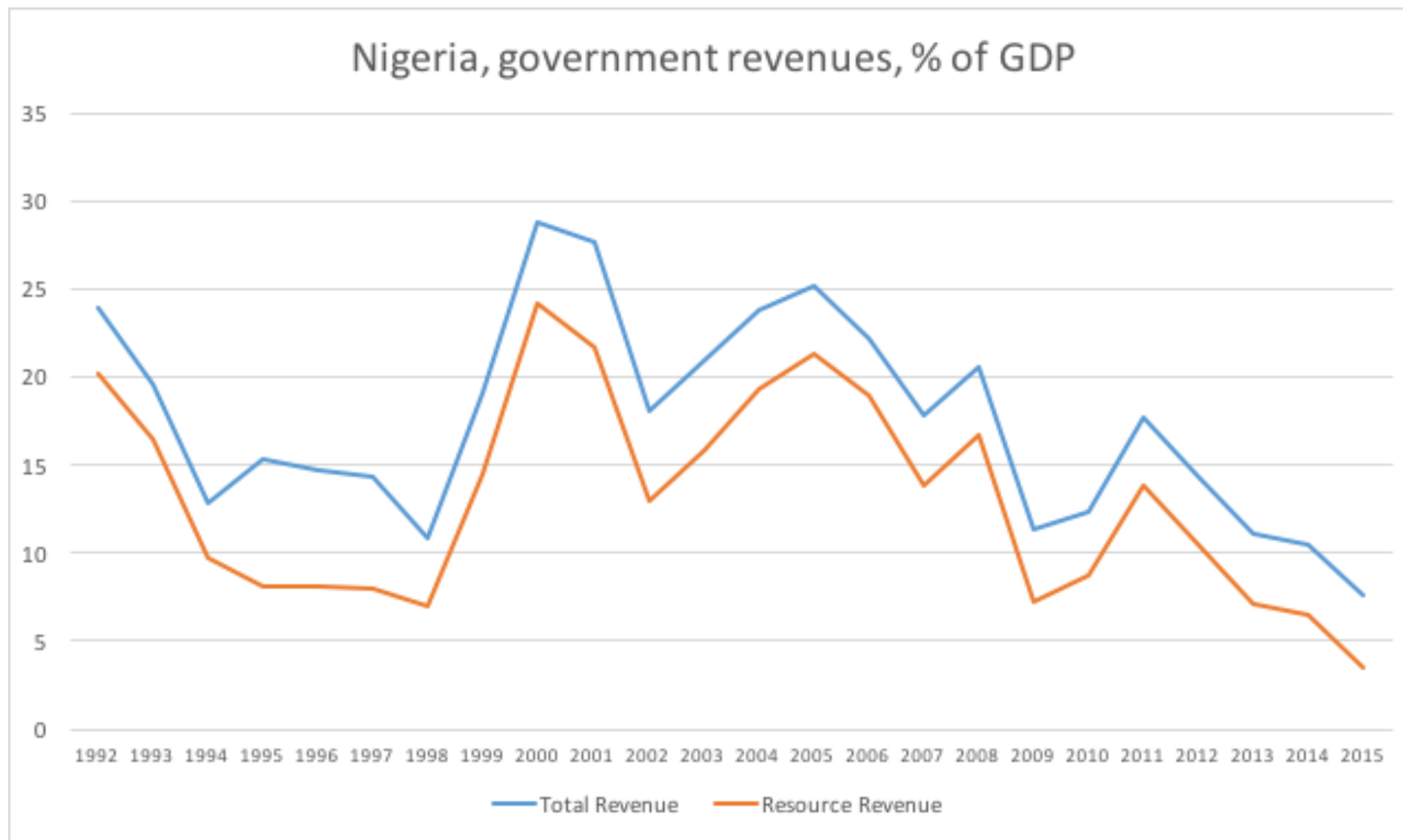
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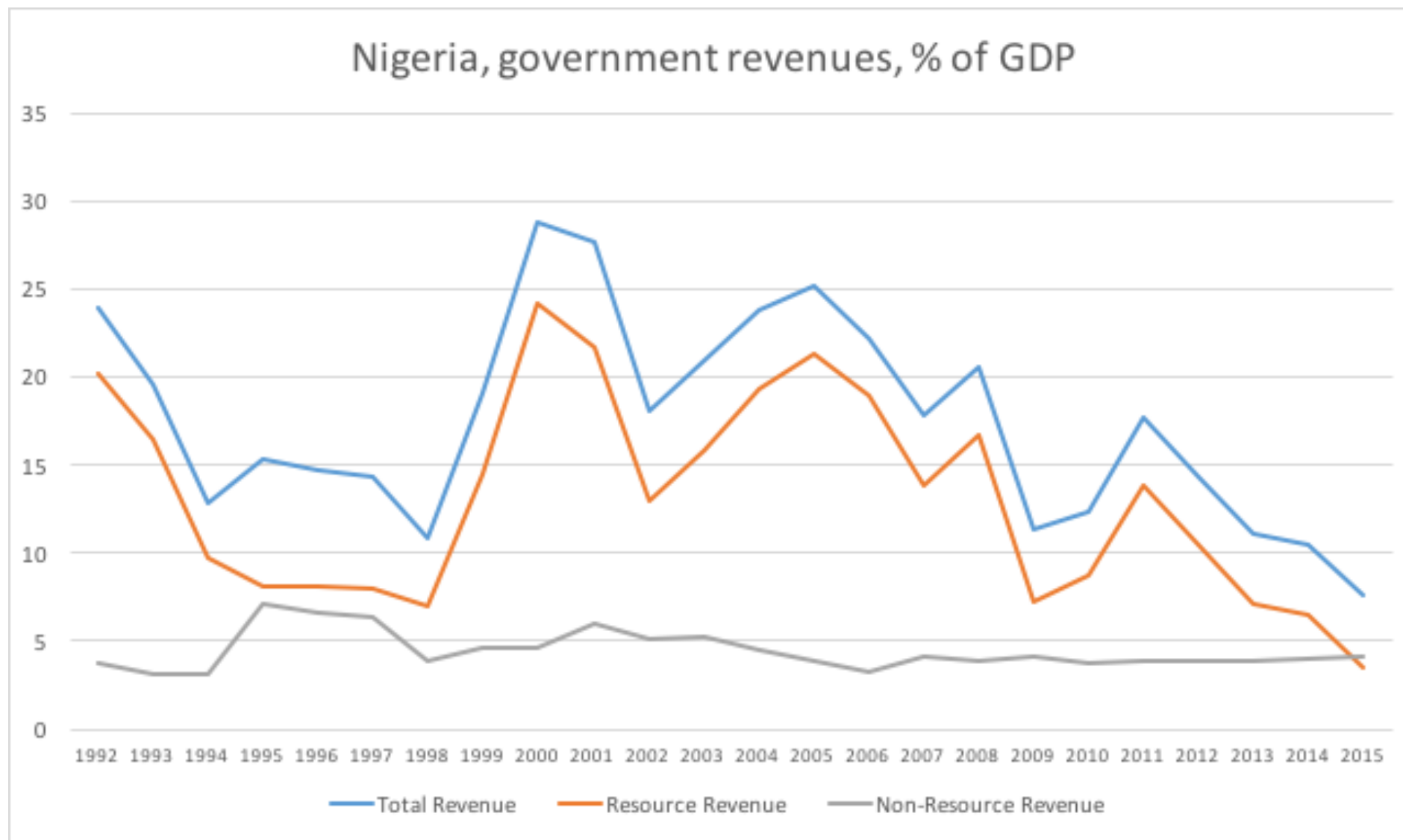


Government Revenue Dataset: 3. Natural Resource Revenues

- Researchers / policymaker often interested in non resource tax receipts -> SDG context
- Explains volatility / inflated resource revenues
- Sources
 - Article IV Staff Reports
 - Country sources
 - EITI / NREGI data

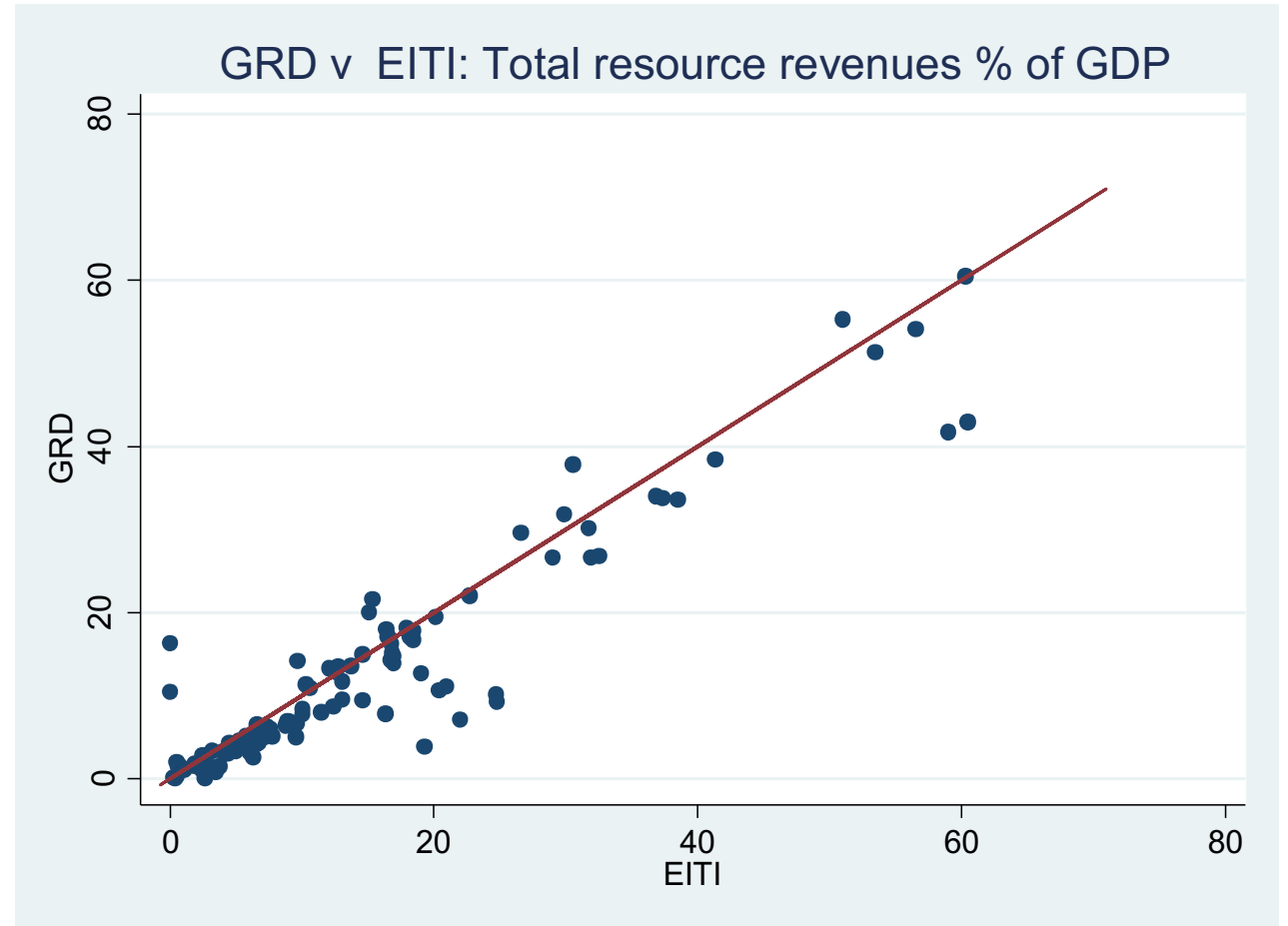






Government Revenue Dataset: Natural Resource Revenues

- Not always possible to isolate resource *tax* and *nontax* from total resource revenue figures.
- Scatterplot with EITI / NRGIs
 - tendency to underestimate.



Government Revenue Dataset: 4 Interpretation

- Transparency
 - Collaboration
- Notes , comments, flags
- More data != better data

Government Revenue Dataset 2017

- What's new 2017 ?
 - Improved coverage
 - Filled in gaps in time series
 - Improved disaggregation
 - New data up to 2015
 - Levels of Government
 - Sales Taxes, VAT collected on imports
 - Property Tax

	GRD 2015	GRD 2017
	1980-2015	
Total Revenue	77.37%	77.42%
Total Tax	79.24%	80.78%
Income Tax	65.25%	68.77%
Domestic GST	65.60%	68.76%
Trade Tax	66.61%	69.96%
Other Tax	61.75%	65.15%
Property	53.86%	58.63%

(% of total available obsv.)

Government Revenue Dataset

- Sales Taxes, VAT collected on imports
 - Often collected by customs authority
 - Where to classify?
 - Now according to GFSM & OECD *Interpretive Guide*

42

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Government Revenue Dataset

- Property Tax
 - Increasing attention on (research on) property tax in developing countries.
 - IMF change in classification for GFSM2014
 - *Taxes on Financial and Capital Transactions (TFCT)* moved from Property taxes -> General Tax on Goods and Services
 - Not in OECD
 - Property small in absolute terms (~1% of GDP) but fraction of property from TFCT large ($1/3^{rd}$ – $1/2$ of total)

Government Revenue Dataset

- Online at <http://www.wider.unu.edu>
 - Projects > Government Revenue Dataset
- Looking forward
 - Visualization – interactive tool
 - Annual update cycle
 - Feedback: kyle@wider.unu.edu
 - Collaborate



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