



During the presentation, your microphone will be muted. Please use the chat button to send questions

During the Q&A please raise your hand (option in the 'reaction' tab) the chair will call on you to ask your question

This webinar will be recorded, and the recording will be added on UNU-WIDER YouTube channel

Think WIDER Webinar | UNU-WIDER | 22 November 2022

Harnessing big data and ICT to boost revenues

Presenter: Amina Ebrahim

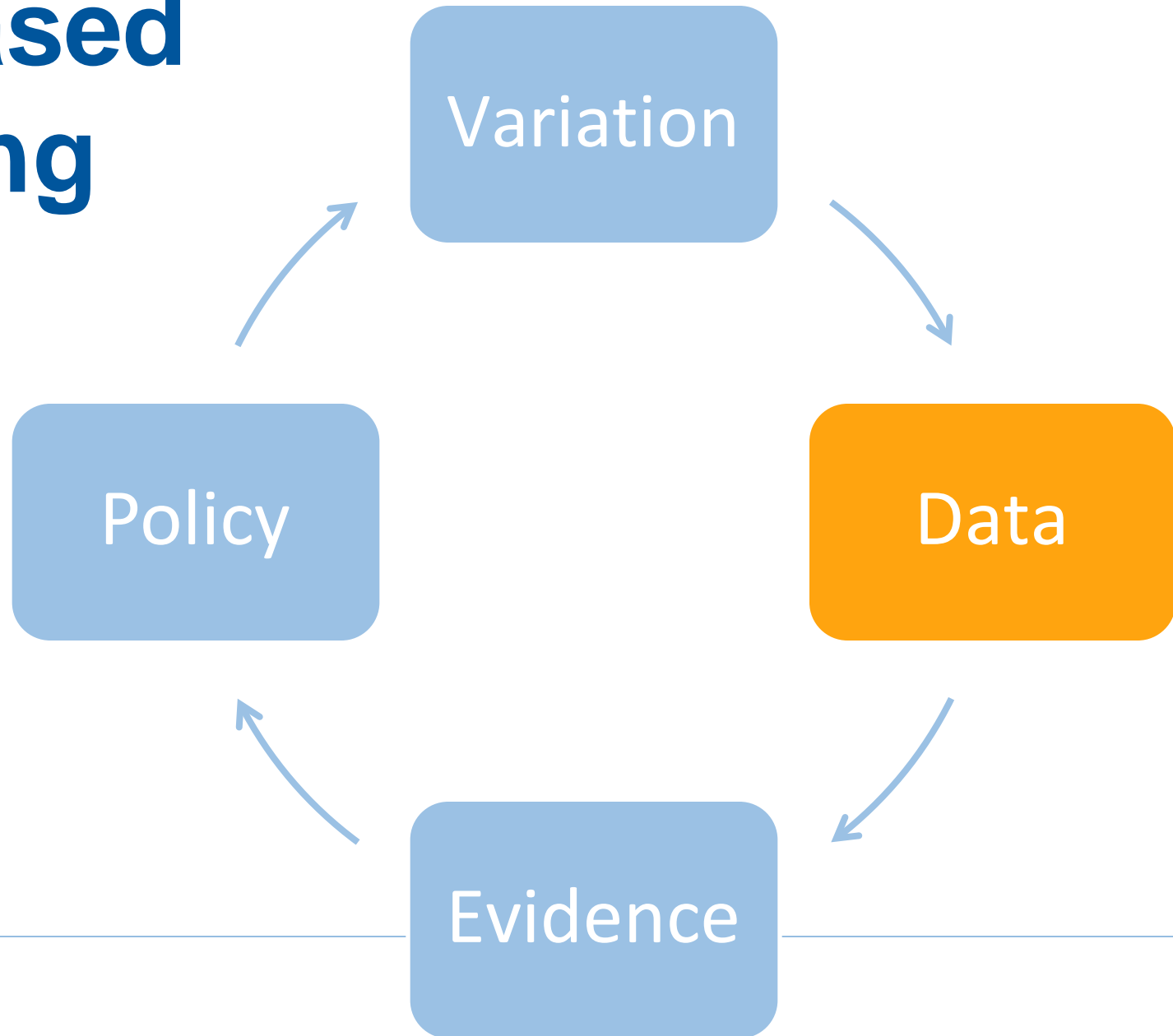
Panellists: Giulia Mascagni (ICTD), Allen Nassanga (URA),
Timo Laukkanen (Finnish Tax Administration)

Chair: Jukka Pirttilä



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Evidence based policy-making



Context in African countries

- Even low-income African countries now have extensive **data** sets in digital format on tax
 - efiling
 - Electronic Fiscal Devices (EFDs)
- Revenue authorities already use ICT to assess the **riskiness** of taxpayers
 - Risk profiling

Risk based tax examination in Tanzania

- **ICT** can be a powerful tool for risk assessment by revenue authorities
- A pilot study in Dar es Salaam introduced a risk-based non-audit approach for identifying which taxpayers to examine
- Results?
 - Moderate increase in additional reported income = **revenues**
 - But how long will the results last...?

Withholding VAT in Zambia

- In 2017, Zambia introduced WVAT mechanism by which an appointed agent withholds & remits to ZRA the full VAT on payments made to a supplier of goods and services.
 - **Data** compiled by WVAT agents serves as a check on input purchase on return forms to prevent false claims compels suppliers to file their returns.
 - Easy verification of vat claims from **electronic** records.
 - WVAT mechanism adds an extra layer of deterrence.
- Results:
 - Reported sales and value added of the treatment firms **increased** post reform.
 - Improved **compliance** due to a change in the reporting mechanism of VAT.

From Excel to Online filing in Uganda

Change in ICT

- Simplified the form and online filing
- No complicated excel sheets required

The screenshot displays a web-based tax assessment form with the following sections and fields:

- Section A: Taxpayer Details**
 - TIN*: 2007096024
 - Business Owner*: Miss. SHELLA KOBUSORC
 - Email Address: kobusorcs@gmail.com
 - Mobile Number*: 784326439
- Section B: Assessment Period**
 - Assessment Date From*: 01/07/2015
 - Assessment Date To: 30/06/2016
- Section C: Business Assessment Details**
 - Business Registration Number: [Empty]
 - Business Name*: [Empty]
 - Business Activity*: --Select--
 - Unit of Measure: --Select--
 - Tax Rate: [Empty]
 - Total Tax Payable: [Empty]
 - Trade License Number: [Empty]
 - Area Of Operation*: --Select--
 - Basis of Assessment*: Gross Turnover
 - Estimated Gross Turnover/Quantity for the years*: [Empty]
 - Tax Payable*: [Empty]
- Section D: Business Location And Other Details**
 - District*: --Select--
 - County*: --Select--
 - Sub-county*: --Select--
 - Trading Centre*: [Empty]

- Results
 - Increase in tax revenue
 - Number of tax filers increase (declaring the minimum)

Harnessing Big data

- Electronic filing and increased use of **ICT**
 - Improved information collected
 - More complete data
 - Follow taxpayers across the tax system over time
- Anonymized **tax data** are now being accessed in a secure way in labs in SA and Uganda.
 - Unique collaboration with Revenue authorities.
- Modernization of ICT improves data **accessibility**

Ways to improve data

- Cross checks, more 3rd party information
- Random audits (to train risk engines)
- Technical fixes to ICT systems
- Improve staff technical capacity
 - Data Science

Bigger picture!

- Much of tax administrative work relates to leveraging **ICT** solutions to enhance **tax capacity**
- In the wake of e-filing even in low-income African countries, big administrative data sets can be used to improve tax processes and **collections**

UN SDG 17.1

“Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection”



Policy panel discussion

Giulia Mascagni (ICTD)

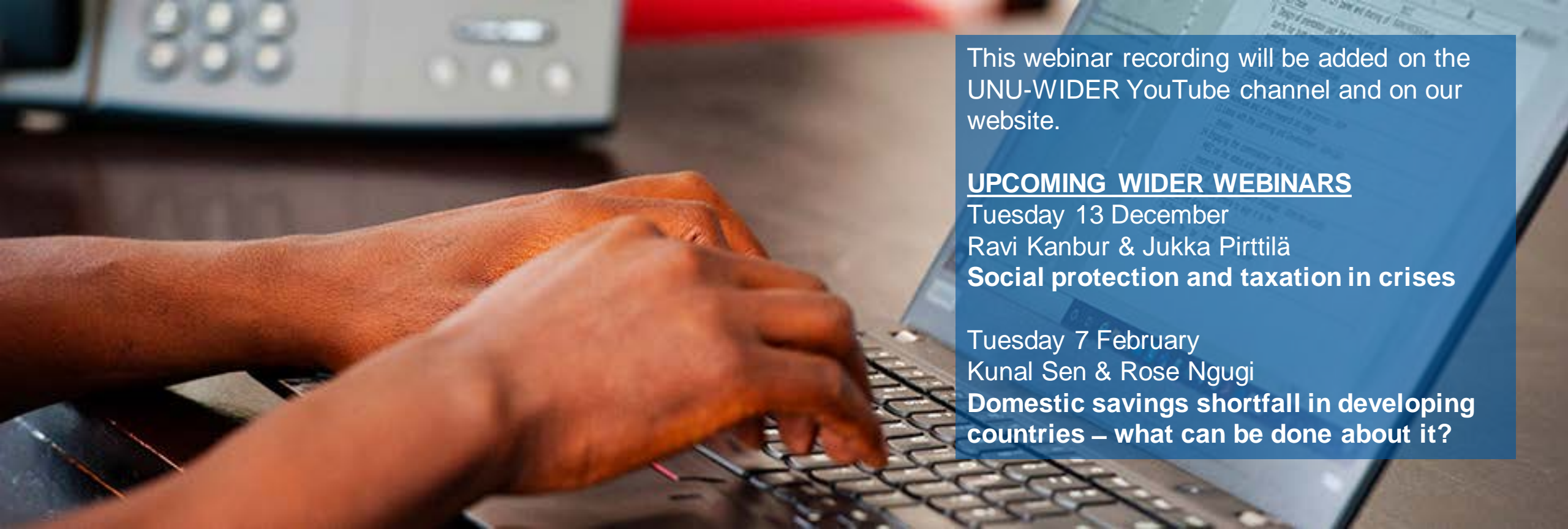
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Question and Answers

Send your questions through the chat button or use the 'Raise your hand' (option in the *reaction* tab)

Remember to say your name and let the chair know to whom your question is directed.



This webinar recording will be added on the UNU-WIDER YouTube channel and on our website.

UPCOMING WIDER WEBINARS

Tuesday 13 December

Ravi Kanbur & Jukka Pirttilä

Social protection and taxation in crises

Tuesday 7 February

Kunal Sen & Rose Ngugi

Domestic savings shortfall in developing countries – what can be done about it?

Thank you for joining !

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