

FORUM ON TAX ADMINISTRATION

Tax Administration 2022: Comparative Information on OECD and Other Advanced and Emerging Economies

Summary of key findings

Tax Administration Series

- **Launched in 2004**
- **Objective:**
Share information that will facilitate dialogue among tax officials on important tax administration issues, and that may also help to identify opportunities to improve the design and administration of tax systems both individually and collectively.
- **Coverage:**
Tax administrations in 58 advanced and emerging economies making up around 90% of world GDP.



International Survey on Revenue Administration (ISORA)

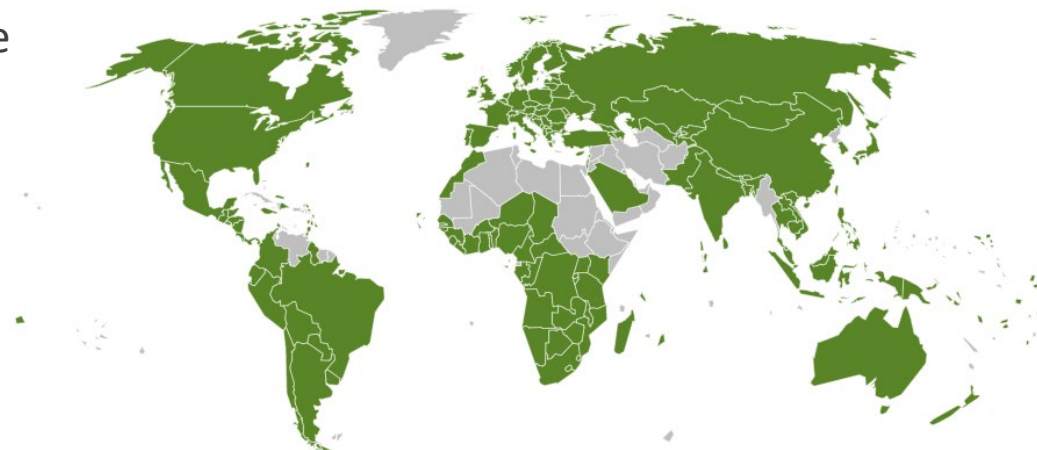
- **Data gathering process:**

Publication presents the results of the 4th round of the ISORA survey carried out in 2021.

The survey is governed by: CIAT, the IMF, IOTA and the OECD. As with the previous survey rounds, the ADB also participated in ISORA 2021.

More than 150 administrations completed the survey online using the IMF's Revenue Administration Fiscal Information Tool (RA-FIT).

ISORA 2021 participation



Source: <http://data.rafit.org>

Inventory of Tax Technology Initiatives (ITTI)

- **Additional data for the TAS:**

TAS 2022 also uses data from ITTI, a database which offers additional insight into the ISORA data on certain topics.

The inventory contains information on technology tools and digitalisation solutions implemented by more than 75 tax administrations.

ITTI was developed by the OECD with the assistance of the ISORA partners, the ADB, ATAF, CREDAF, CATA and SGATAR.

ITTI participation



Source: <https://www.oecd.org/tax/forum-on-tax-administration/tax-technology-tools-and-digital-solutions/>

Tax Administration Series: 2022 edition

- **Content:**
 - The report covers all aspects of tax administration: (i) responsibilities and revenue collections, (ii) registration and identification, (iii) assessment, (iv) services, (v) verification and compliance management, (vi) collection, (vii) disputes, and (viii) budget and workforce
 - The data tables in the annex allow to explore these subjects in granular detail
 - In addition, the report also contains more than 100 country examples that highlight recent innovations and good practices introduced by those administrations
- **COVID-19:**
 - The data in the report covers fiscal years 2018 to 2020 and is therefore the first edition of the TAS that shows the impact of the COVID-19 pandemic on tax administrations.

Key figures related to the 58 administrations covered in the publication

Staff employed	1 700 000
Audits/verifications	20 000 000
In-person enquiries	54 000 000
Telephone calls received	330 000 000
Number of active PIT and CIT taxpayers	865 000 000
Contacts via online taxpayer account	1 310 000 000
Number of tax returns (PIT, CIT and VAT) received	1 370 000 000
Operational budget (in EUR)	79 000 000 000
Collectable arrears at year-end (in EUR)	900 000 000 000
Total arrears at year-end (in EUR)	2 310 000 000 000
Net revenue collected (in EUR)	12 070 000 000 000

Note: The figures are based on data obtained through the 2020 and 2021 ISORA surveys. The data has been converted to EUR using the exchange rate of 31 March 2022. They are minimum figures as not all administrations were able to provide information for all data points. Figures typically relate to the fiscal year 2020. Data for fiscal year 2019 was used where 2020 data was not available.

Tax Administration 2022

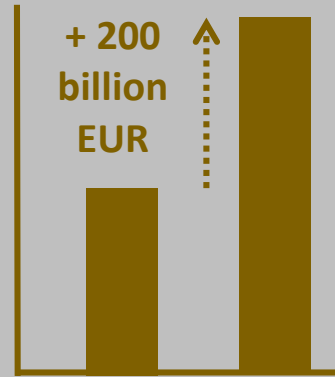
Key Themes

Impact of COVID-19

Net revenue collected



Tax arrears



In-person visits

- 55%



Digital contacts

+ 30%



Trend towards e-administration continues

E-filing and e-payment are the norm

- **E-filing rates going up:** From 2014 to 2020, average e-filing rates for PIT, CIT and VAT have increased significantly – between 15 and 20 percentage points (see table below)
- **E-payment figures are high:** In 2020, more than 85% of payments (by value and number) were made electronically

Table 4.2. **Evolution of e-filing rates between 2014 and 2020**

Percentage of returns filed electronically

	2014	2020	Difference in percentage points
Personal income tax (31 jurisdictions)	63.2	82.4	+19.2
Corporate income tax (33 jurisdictions)	76.3	94.9	+18.6
Value added tax (29 jurisdictions)	82.3	98.0	+15.7

Trend towards e-administration continues

New pre-filing approaches

- **Pre-filing PIT returns:**
 - More than 80% of administrations prefill with income information
 - Close to 60% prefill with certain deductible expenses, such as donations, school and university fees and insurance premiums
- New data sources allows pre-filing to move to VAT and CIT returns
- **Use of data science techniques during return filing process:**
 - With more data available, tax administrations are start using predictive techniques that can spot errors that taxpayers make as they finalise their return
 - Use of ‘nudge’ techniques to prompt completion of certain fields that data suggests a taxpayer should be completing is growing

Trend towards e-administration continues

New ways of interacting...

- A growing number of administrations:
 - Use **virtual assistants** (VAs) to respond to taxpayer enquiries and support self-service
 - Use **artificial intelligence** (AI) in services supporting taxpayers and tax officials
 - Make available **application programming interfaces** (APIs) for all type of interactions

Table 5.2. Evolution of use of VAs, AI and APIs between 2018 and 2020
Percent of administrations that use this technology

Status of implementation and use	Virtual assistants (e.g. chatbots)			Artificial intelligence (AI), including machine learning			Application programming interfaces (APIs)		
	2018	2020	Difference in p.p.	2018	2020	Difference in p.p.	2018	2020	Difference in p.p.
Technology is implemented and used	34.5	60.3	+25.8	31.6	47.4	+15.8	79.0	93.0	+14.0
Technology is in the implementation phase for future use	13.8	12.1	-1.7	15.8	29.8	+14.0	7.0	7.0	±0.0
Technology is not used, incl. situations where the implementation has not started	51.7	27.6	-24.1	52.6	22.8	-29.8	14.0	0.0	-14.0

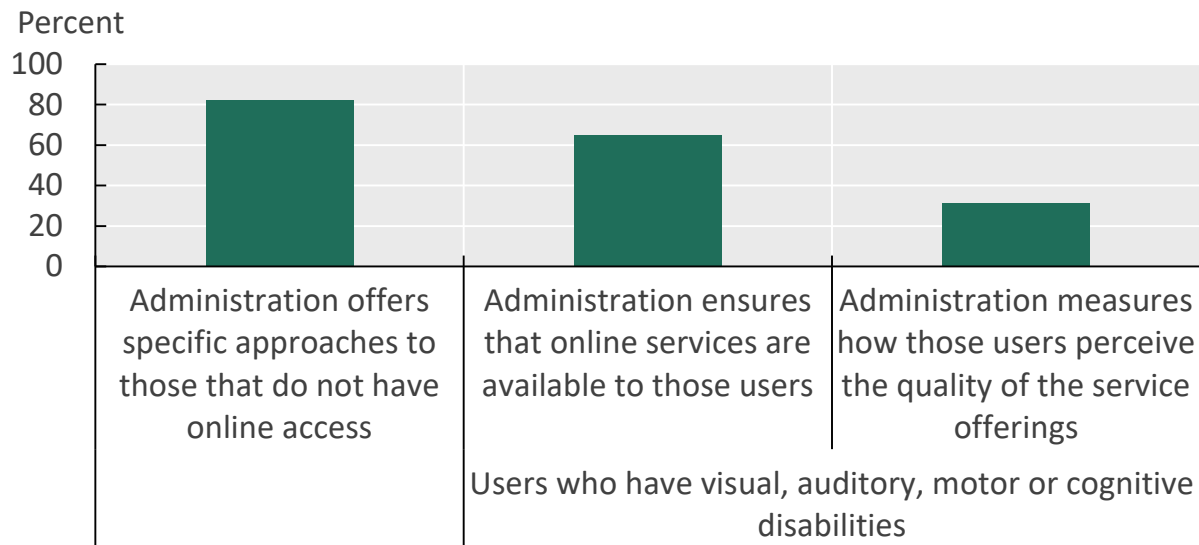
Trend towards e-administration continues

... but being aware of all groups of taxpayers

- As digital services grow, tax administrations are increasingly aware that some groups of taxpayers may not have access to digital services, or may not be comfortable with them

Figure 5.2. Non-digital services and services for users with visual, auditory, motor or cognitive disabilities, 2022

Percent of administrations

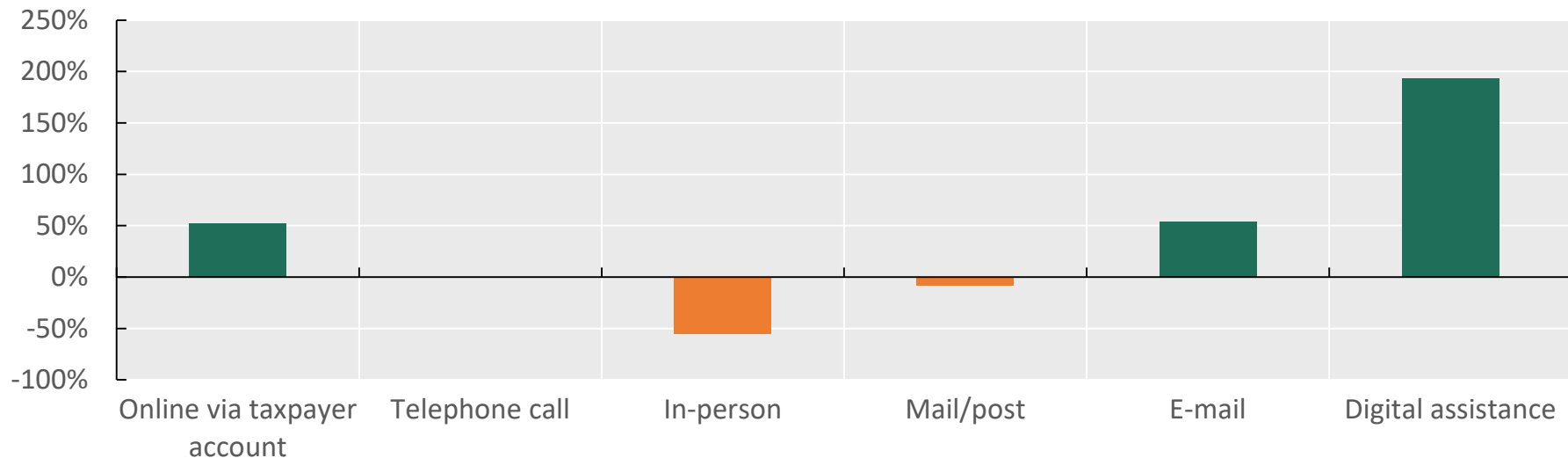


Trend towards e-administration continues

Contact with taxpayers is digital and heading to 24/7

- Percent of administrations that allow taxpayers to **register online** up from 70% (2015) to 93% (2020)

Change of service demand by channel between 2018 and 2020 (in percent)



Source: Table 5.1.

More sophisticated data use means compliance work can focus on prevention

- **Increasing availability of data**, e.g. e-invoicing and electronic cash registers
- **Increasing application of data science techniques**, e.g. close to 50% of administration report using artificial intelligence for detecting tax evasion and fraud

Table 6.1. Application of data science, 2022

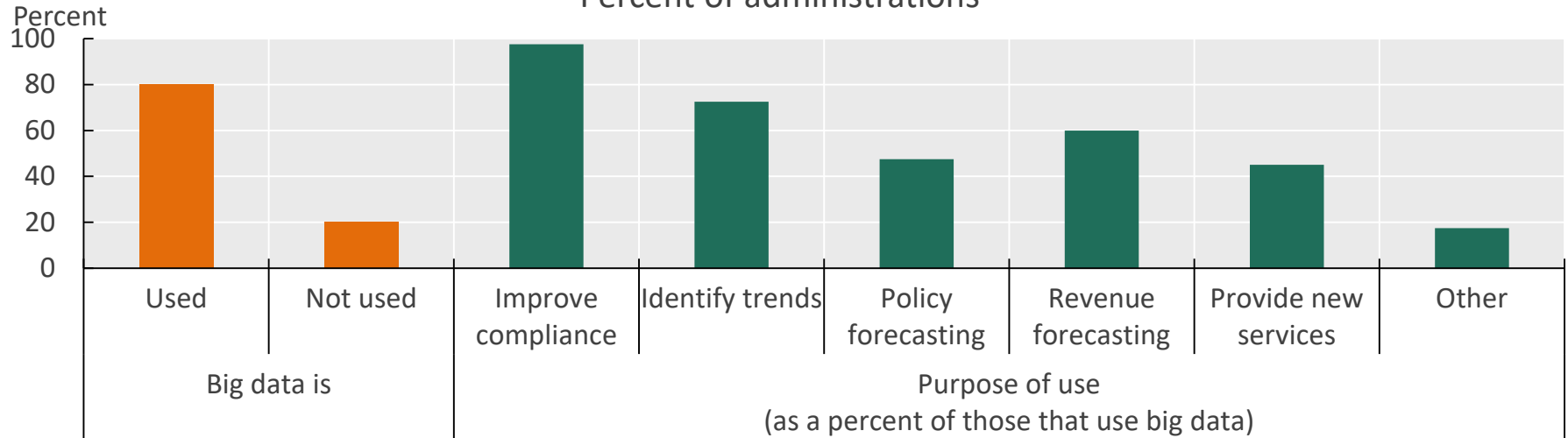
Percent of administrations

Status of implementation and use	Data science / analytical tools			Artificial intelligence, including machine learning			Robotic process automation		
	2018	2020	Difference in p.p.	2018	2020	Difference in p.p.	2018	2020	Difference in p.p.
Technology is implemented and used	73.7	89.5	+15.8	31.6	47.4	+15.8	22.8	40.3	+17.5
Technology is in the implementation phase for future use	17.5	10.5	-7.0	15.8	29.8	+14.0	14.0	12.3	-1.7
Technology is not used, incl. situations where the implementation has not started	8.8	0.0	-8.8	52.6	22.8	-29.8	63.2	47.4	-15.8

More sophisticated data use means compliance work can focus on prevention *(continued)*

Figure 6.2. Use of big data for analytical purposes, 2022

Percent of administrations



➔ Resulting in the identification and prevention of new risks, the prevention of errors and the reduction of cost

Outstanding tax debt has increased significantly during the pandemic

- As regards **total year-end arrears to net revenue collected**:
 - There was almost no change between 2018 and 2019
 - However, during 2020 the ratio increased in around 85% of jurisdictions and on average by more than 20 percent
- On average more than half of arrears are considered collectable

Table 7.1. Average arrears ratios

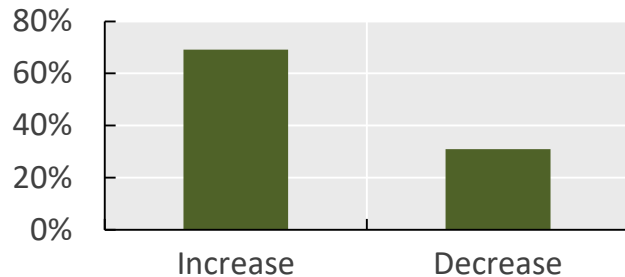
Arrears ratio	2018	2019	2020	Change in percent (between 2019 – 2020)
Total year-end arrears as percentage of net revenue collected (50 jurisdictions)	28.2	27.9	34.7	+24.4
Total year-end collectable arrears as percentage of total year-end arrears (41 jurisdictions)	51.8	52.5	55.3	+5.3

Tax administration resources

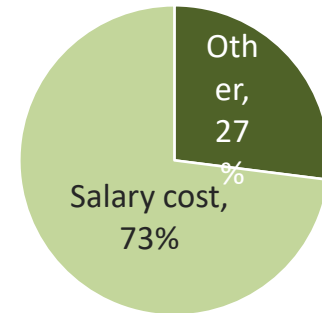
- During the pandemic the overall operating expenditure increased for two-thirds of administrations
- At the same time, 80% of administrations experienced decreasing revenue collections
- As a result, many administrations show increasing cost-of-collection ratios for 2020

Changes in operating expenditure between 2019 and 2020

Percent of administrations



Salary cost as a percent of total expenditure, 2020



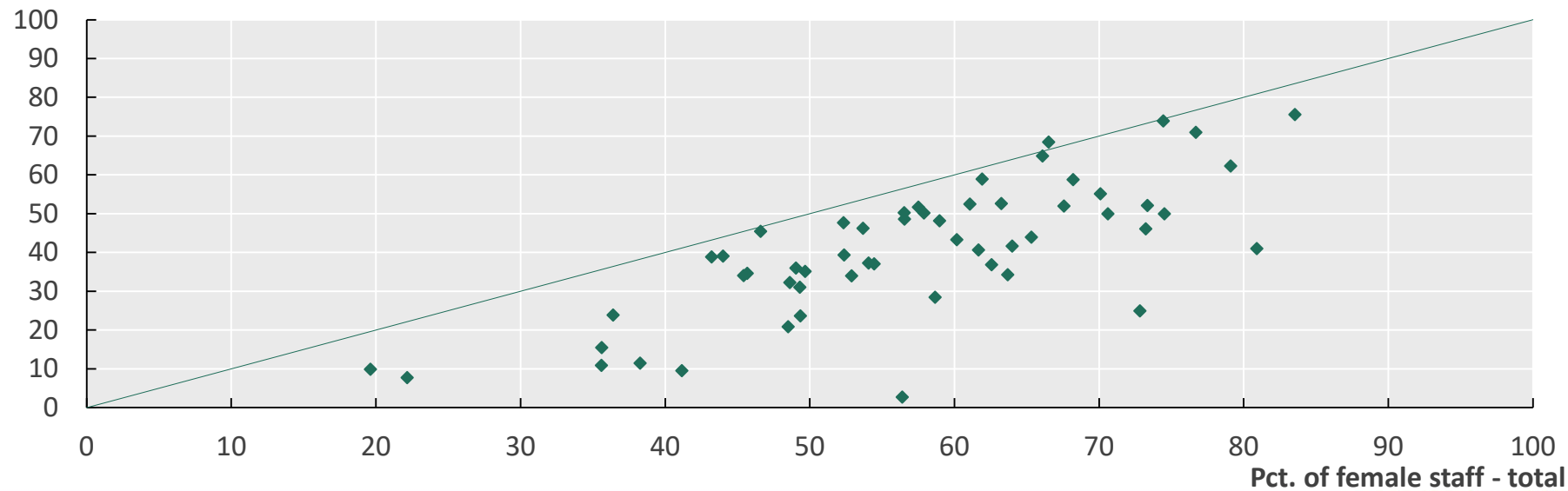
Sources: Chapter 9

Tax administration resources *(continued)*

- Female staff remains proportionally underrepresented in executive positions

Figure 9.9. Percentage of female staff – total female staff vs. female executives, 2020

Pct. of female executives



Tax Administration Series: Future editions

In the past, reports in this series have been published on a biennial basis.

Since this year, we have moved to an annual publication. Keep your eyes open for **Tax Administration 2023**.

Tax Administration Series: 2022 edition

Access the 2022 publication & data

<https://oe.cd/TAS>

For more information:

Contact us by email: fta@oecd.org

Visit our public website: <https://www.oecd.org/tax/forum-on-tax-administration/>

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