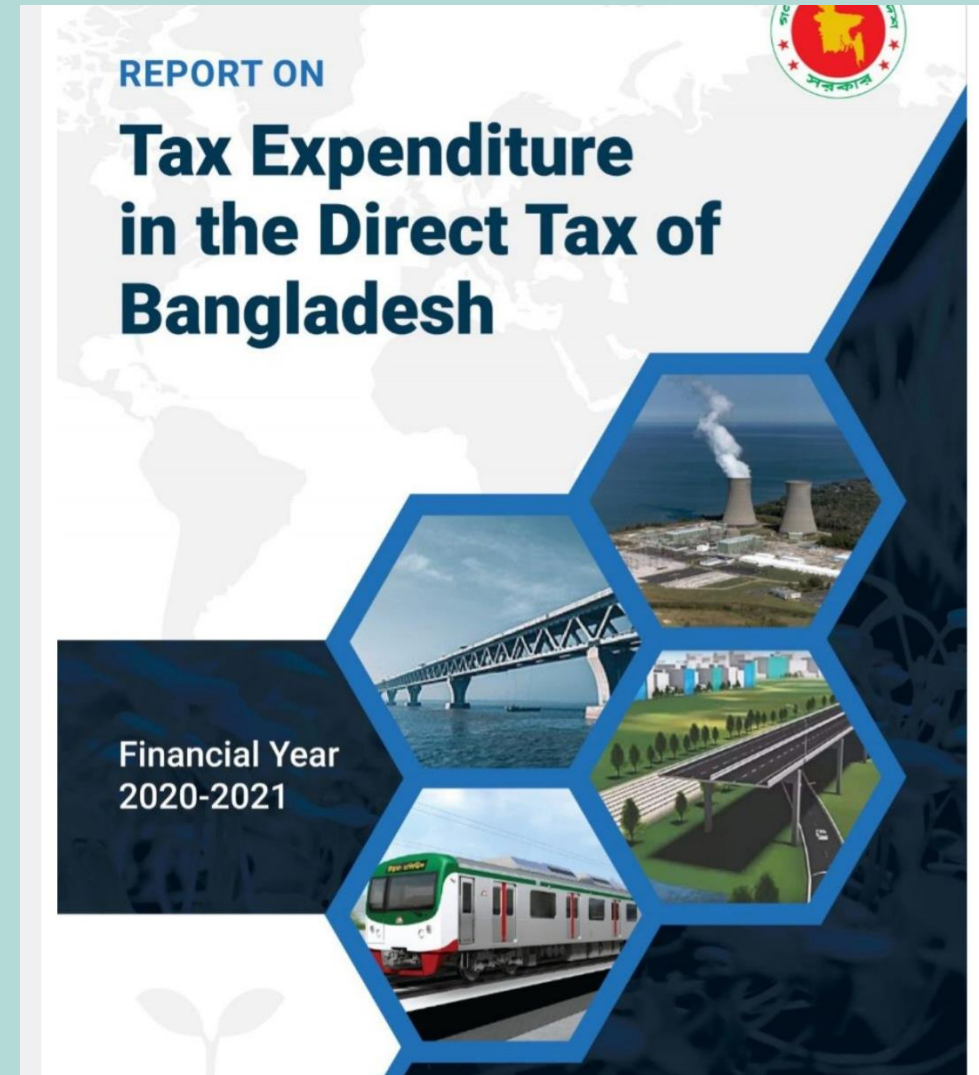


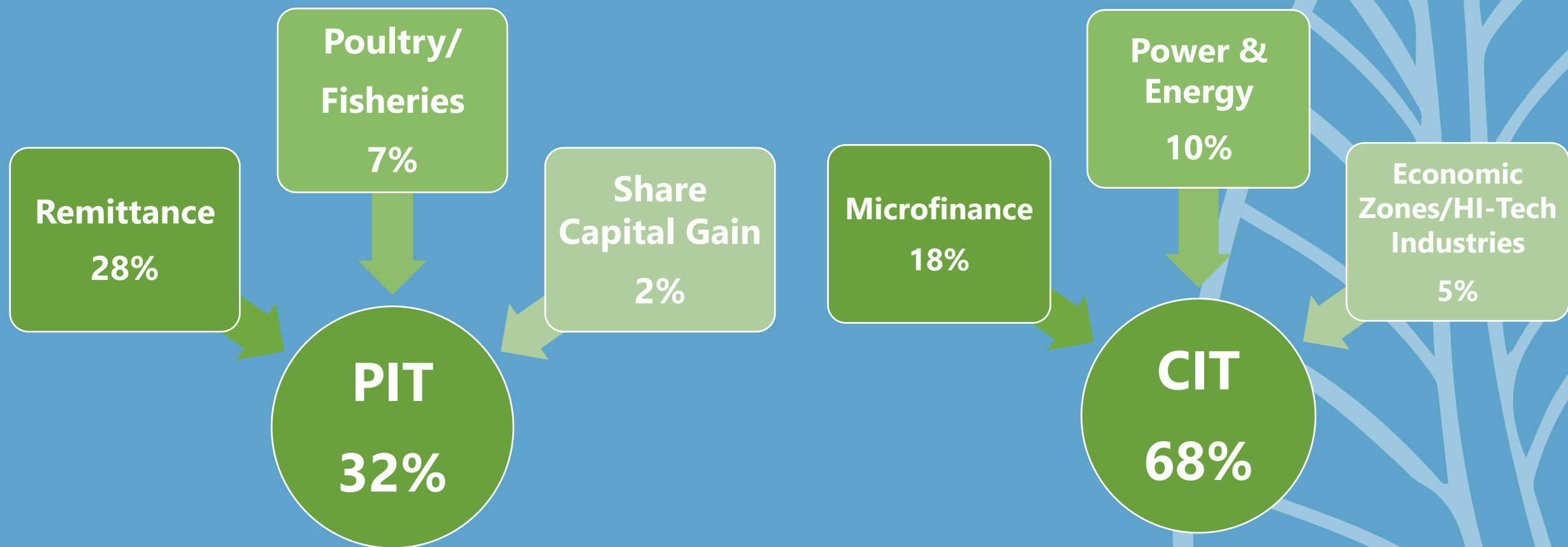


TAX EXPENDITURE REPORTING IN BANGLADESH

**SHAILA AZEEZ
DEPUTY COMMISSIONER OF TAXES
NATIONAL BOARD OF REVENUE
MINISTRY OF FINANCE
BANGLADESH**

- **First Tax Expenditure report officially published on 1 November 2023.**
- **Combination of microsimulation and distributional modelling used for estimating revenue forgone.**
- **23,975 sample size selected through stratified random sampling out of 3.5 million tax returns.**
- **Benchmarking based on long standing features and structural component of tax system.**





- Fiscal cost for direct tax expenditure 10,723.42 Million USD (1 USD = 117.33 BDT)
- Direct tax expenditure estimated to be 3.56% of GDP whilst contribution of direct taxes in GDP 2.41%.

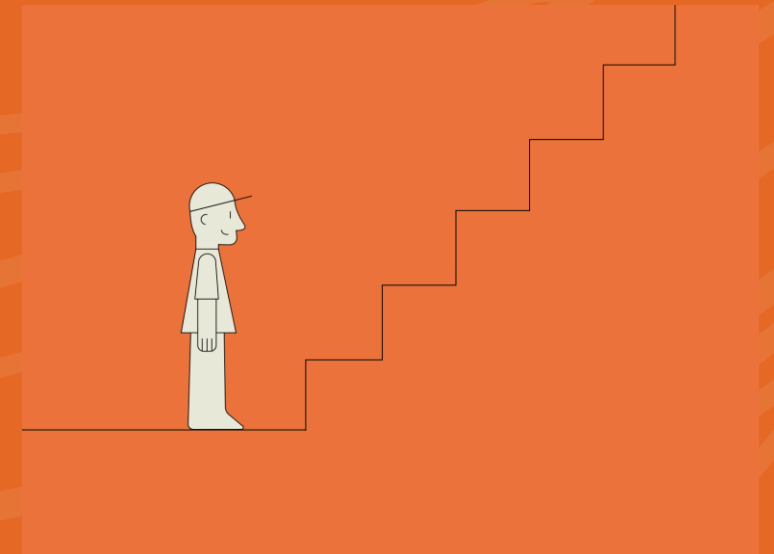


Challenges:

- Absence of digitized database.
- Lack of organized institutional set-up.
- Behavioral change for taxpayers not considered.
- Overall economic impact of particular incentive not captured.
- Multiple inter-related provisions.

Opportunities:

- Eliminate ineffective expenditure measures.
- Shift to automation and develop comprehensive database.
- Revisiting tax returns.
- Seek shareholder's input.
- Conducting Ex-Ante assessment and Ex-Post evaluation in future.



THANK YOU

