Follow-up Technical Meeting on Tax Expenditures
Accra, 18-20 September 2023

GTED Global Tax Expenditures Database

Designing Tax Return Forms

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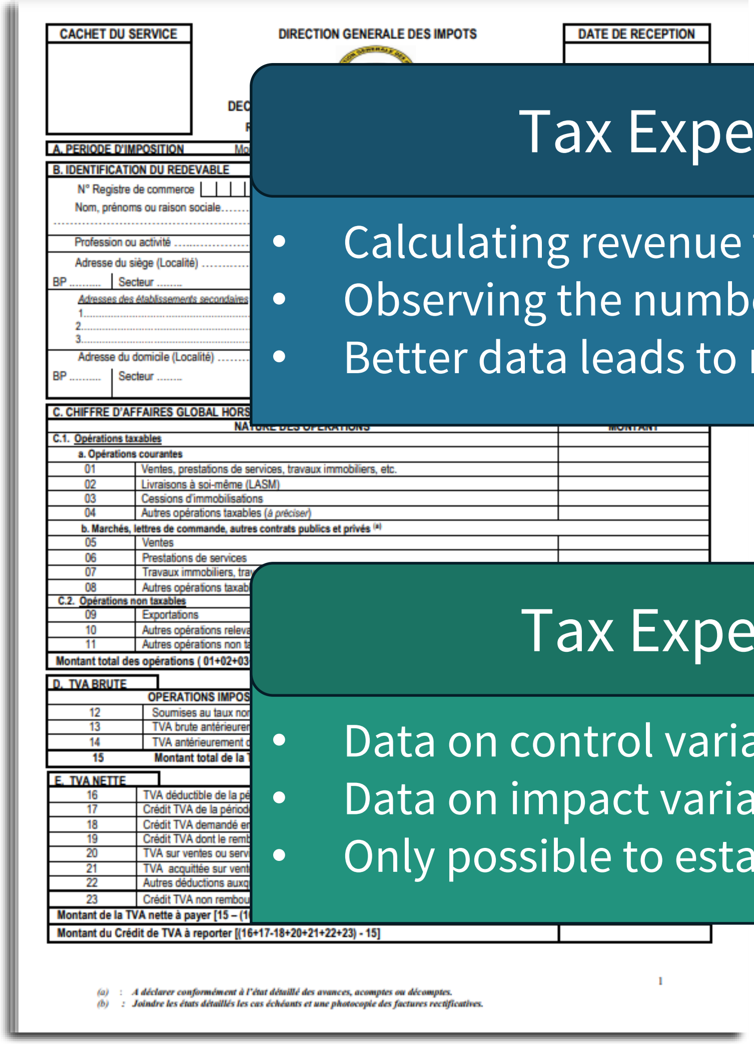
Tax return forms are a key data source for TE analysis



CACHET DU SERVICE | DIRECTION GENERALE DES IMPOTS | DATE DE RECEPTION

A. PERIODE D'IMPOSITION

B. IDENTIFICATION DU REDEVABLE

N° Registre de commerce

Nom, prénoms ou raison sociale……

Profession ou activité ……

Adresse du siège (Localité) ……

BP ……… | Secteur ……

Adresses des établissements secondaires

1. ……
2. ……
3. ……

Adresse du domicile (Localité) ……

BP ……… | Secteur ……

C. CHIFFRE D'AFFAIRES GLOBAL HORS

	NATURE DES OPERATIONS	MONTANT
C.1. Opérations taxables		
a. Opérations courantes		
01	Ventes, prestations de services, travaux immobiliers, etc.	
02	Livraisons à soi-même (LASM)	
03	Cessions d'immobilisations	
04	Autres opérations taxables (à préciser)	
b. Marchés, lettres de commande, autres contrats publics et privés (a)		
05	Ventes	
06	Prestations de services	
07	Travaux immobiliers, tra	
08	Autres opérations taxab	
C.2. Opérations non taxables		
09	Exportations	
10	Autres opérations releva	
11	Autres opérations non ta	
Montant total des opérations (01+02+03		

D. TVA BRUTE

	OPERATIONS IMPOS
12	Soumises au taux nor
13	TVA brute antérieuren
14	TVA antérieurement c
15	Montant total de la T

E. TVA NETTE

16	TVA déductible de la pé
17	Crédit TVA de la périod
18	Crédit TVA demandé en
19	Crédit TVA dont le remb
20	TVA sur ventes ou serv
21	TVA acquittée sur vent
22	Autres déductions auxq
23	Crédit TVA non rembou
Montant de la TVA nette à payer [15 – (1	
Montant du Crédit de TVA à reporter [(16+17-18+20+21+22+23) - 15]	

1

(a) : *A déclarer conformément à l'état détaillé des avances, acomptes ou décomptes.*
(b) : *Joindre les états détaillés les cas échéants et une photocopie des factures rectificatives.*

Tax Expenditure Estimation

- Calculating revenue forgone from different provisions
- Observing the number of beneficiaries from provisions
- Better data leads to more accurate cost estimates

Tax Expenditure Evaluation

- Data on control variables (firm size, revenue, etc.)
- Data on impact variables (investment, employment, etc.)
- Only possible to establish causality with granular data

Design of tax return forms is crucial, but difficult

Simplicity

- Minimizing administration costs for Revenue Authority
- Minimizing reporting costs for taxpayers
- Maximizing firm compliance

Comprehensiveness

- Maximizing oversight
- Maximizing data availability for analysis

Too much focus on simplicity can make some TE analyses outright impossible

19.1.Total Capital Allowances(xxxxx) Less Recoupments (xxxx)		
19.2.Total Non-Taxable Income		
20. Taxable Income/Loss (18-19)		
21.Assessed loss b/f		
22.TAXABLE INCOME/ASSESSED LOSS OF THE YEAR (20-21)		
DETAILS PER ACCOUNTS		
23.Tax on Taxable Income (Apply appropriate rate)		
24. Total Tax Relief(if any)24.1.+24.2		
24.1. Tax Credits		
24.2.Double taxation relief		
25. Tax Due After Tax Credits (23 *less* 24)		
26. *Add* Aids Levy (box 25 x 3%)		
27. Tax chargeable (25 add 26)		
28 *less* Prepayments (28.1+28.2+28.3)		
28.1 Withholding Amounts on Contracts Section 80		
28.2 Withholding Tax on Directors Fees		
28.3.1 Other tax paid		
28.3.2 Other tax		
28.3.3 Other tax		
28.3.4 Other tax		
28.3.5 Other tax		
29. Tax Payable (27 less 28)		
30.Provisional Tax Paid (QPD Instalments)		Declared amount (of amounts paid) for information purposes
31.Shortfall/Overpayment(delete inapplicable)(29 less 30)		
32. Interest		**If margin of error is more than 10% or above, calculate interest on the difference.**

GENERAL INFORMATION

Did you trade with any local/ foreign related parties during the tax year for which this return relates?

TAX COMPUTATION		
DETAILS PER ACCOUNTS		
23.Tax on Taxable Income (Apply appropriate rate)		
24. Total Tax Relief(if any)24.1.+24.2		
24.1. Tax Credits		
24.2.Double taxation relief		
25. Tax Due After Tax Credits (23 *less* 24)		
19.2.Total Non-Taxable Income		

More comprehensive data allows for a breakdown of tax expenditure

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Schedule 2 - Summary of Capital Allowance	
Items form part of Capital Allowance	**Amount**
1) Initial allowance – Plant and Machinery (Part – 1 total of column H)	0.00
2) Depreciation Allowance (Part – 3 line 5 column F)	0.00
3) Initial Allowance – industrial building (Part – 2 total of column F)	0.00
4) Industrial Building Allowance (Part – 2 total of column I)	0.00
5) Start up Cost (Part – 4 total of column E)	0.00
6) Intangible Assets (allowed over useful life of assets) (Part – 5 total of column F)	0.00
7) Deduction on acquisition or establishment of horticultural plant or construction of green house (Part – 6 total of column E)	0.00
8) Total of all allowances and deductions towards Capital Allowances (total from 1 to 7)	0.00
9) Capital Allowance apportioned to Mining business , Short term Insurance and Rental Income	
10) Capital Allowance allowable against Business Income (other than Mining , Short term Insurance and Rental Income (6-7)	0.00

a final Tax		
i) Interest Income		
ii) Any other income		
iii) Total income on which with holding is final tax (i+ii)	0.00	
k) Other allowable Deductions / Expenses (Specify)		

Uganda Revenue Authority

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More comprehensive data allows for a breakdown of tax expenditure

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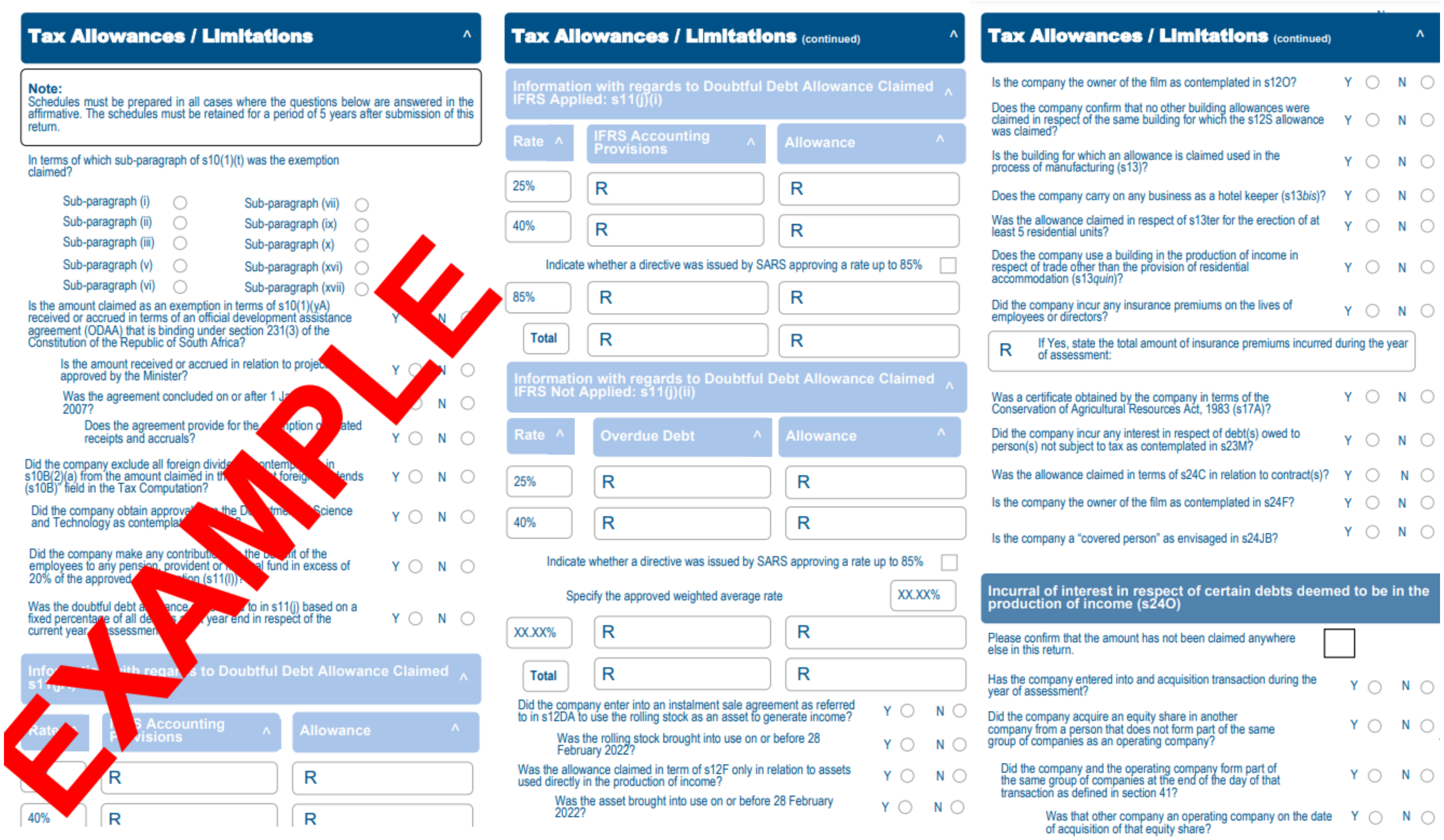
SARS South African Revenue Service



Tax Allowances / Limitations

Note:
Schedules must be prepared in all cases where the questions below are answered in the affirmative. The schedules must be retained for a period of 5 years after submission of this return.

In terms of which sub-paragraph of s10(1)(t) was the exemption claimed?

Sub-paragraph (i) ◯ Sub-paragraph (vii) ◯
Sub-paragraph (ii) ◯ Sub-paragraph (ix) ◯
Sub-paragraph (iii) ◯ Sub-paragraph (x) ◯
Sub-paragraph (v) ◯ Sub-paragraph (xvi) ◯
Sub-paragraph (vi) ◯ Sub-paragraph (xvii) ◯

Is the amount claimed as an exemption in terms of s10(1)(yA) received or accrued in terms of an official development assistance agreement (ODAA) that is binding under section 231(3) of the Constitution of the Republic of South Africa? Y N

Is the amount received or accrued in relation to proje… approved by the Minister? Y N

Was the agreement concluded on or after 1 Ja… 2007? N

Does the agreement provide for the … ption … ated receipts and accruals? Y N

Did the company exclude all foreign divid… ntemp… in s10B(2)(a) from the amount claimed in th… foreig… ends (s10B)" field in the Tax Computation? Y N

Did the company obtain approva… the D… tme… Science and Technology as contempla… Y N

Did the company make any contributi… the b… t of the employees to any pension, provident or … l fund in excess of 20% of the approved … ion (s11(l))? Y N

Was the doubtful debt a… ance … to in s11(j) based on a fixed percentage of all de… year end in respect of the current year … ssessmen… Y N

Info… ith regar… s to Doubtful Debt Allowance Claimed s1…

Rate	…S Accounting P…visions	Allowance
	R	R
40%	R	R

EXAMPLE

Tax Allowances / Limitations (continued)

Information with regards to Doubtful Debt Allowance Claimed IFRS Applied: s11(j)(i)

Rate	IFRS Accounting Provisions	Allowance
25%	R	R
40%	R	R

Indicate whether a directive was issued by SARS approving a rate up to 85% ☐

85%	R	R
Total	R	R

Information with regards to Doubtful Debt Allowance Claimed IFRS Not Applied: s11(j)(ii)

Rate	Overdue Debt	Allowance
25%	R	R
40%	R	R

Indicate whether a directive was issued by SARS approving a rate up to 85% ☐

Specify the approved weighted average rate XX.XX%

XX.XX%	R	R
Total	R	R

Did the company enter into an instalment sale agreement as referred to in s12DA to use the rolling stock as an asset to generate income? Y N

Was the rolling stock brought into use on or before 28 February 2022? Y N

Was the allowance claimed in term of s12F only in relation to assets used directly in the production of income? Y N

Was the asset brought into use on or before 28 February 2022? Y N

Tax Allowances / Limitations (continued)

Is the company the owner of the film as contemplated in s12O? Y N

Does the company confirm that no other building allowances were claimed in respect of the same building for which the s12S allowance was claimed? Y N

Is the building for which an allowance is claimed used in the process of manufacturing (s13)? Y N

Does the company carry on any business as a hotel keeper (s13*bis*)? Y N

Was the allowance claimed in respect of s13ter for the erection of at least 5 residential units? Y N

Does the company use a building in the production of income in respect of trade other than the provision of residential accommodation (s13*quin*)? Y N

Did the company incur any insurance premiums on the lives of employees or directors? Y N

R If Yes, state the total amount of insurance premiums incurred during the year of assessment:

Was a certificate obtained by the company in terms of the Conservation of Agricultural Resources Act, 1983 (s17A)? Y N

Did the company incur any interest in respect of debt(s) owed to person(s) not subject to tax as contemplated in s23M? Y N

Was the allowance claimed in terms of s24C in relation to contract(s)? Y N

Is the company the owner of the film as contemplated in s24F? Y N

Is the company a "covered person" as envisaged in s24JB? Y N

Incurral of interest in respect of certain debts deemed to be in the production of income (s24O)

Please confirm that the amount has not been claimed anywhere else in this return. ☐

Has the company entered into and acquisition transaction during the year of assessment? Y N

Did the company acquire an equity share in another company from a person that does not form part of the same group of companies as an operating company? Y N

Did the company and the operating company form part of the same group of companies at the end of the day of that transaction as defined in section 41? Y N

Was that other company an operating company on the date of acquisition of that equity share? Y N

Comprehensive data is especially important in the context of evaluations

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6) Operating Expenses		
a) Advertisement		
b) Audit Expenses		
c) Bad Debts Written Off		
d) Commission		
e) Computer Expenses		
f) Consumption of Stores and Spare Parts		
g) Conveyance Expenses		
h) Donations		
i) Entertainment		
j) Freight and Transport		
k) Gift		
l) Hotel, Boarding and Lodging Expenses		
m) Legal Expenses		
n) Power and Fuel		
o) Provision for Bad and Doubtful Debts/Impairment for credit losses (for banks)		
p) Rent		
q) Rates		
r) Repairs of Building		

Summarizing

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- Tax return forms are the primary source of data for TE estimation and evaluation.
- Simplified return forms may reduce administrative costs, but they also reduce oversight and lead to data scarcity.
- Finding the right balance between detail and simplicity when designing tax return forms is key.

Other points to keep in mind when redesigning tax return forms:

- Simplified forms for SMEs?
- How to treat tax holidays
- When to roll-out new return forms
- Uniform Taxpayer IDs

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Thank you!

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German Institute of Development and Sustainability

council on economic policies