

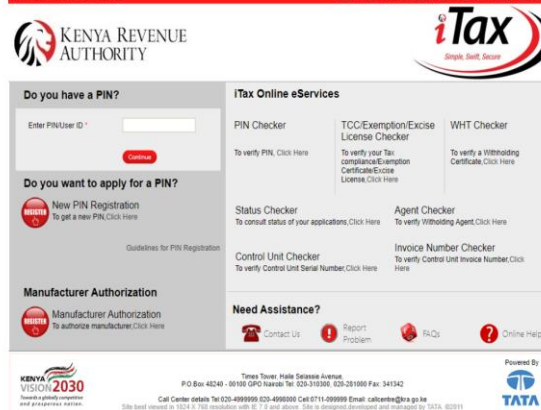
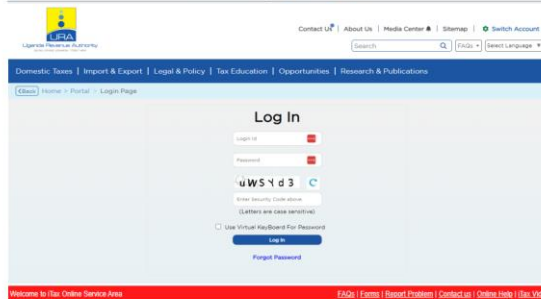
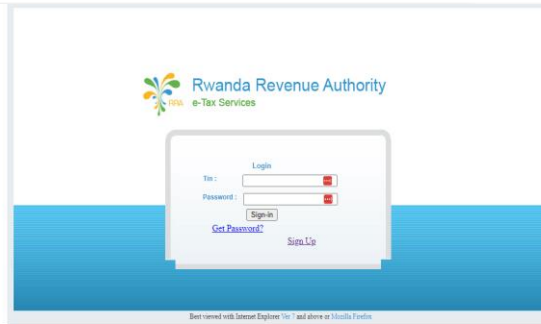
Follow-up Technical Meeting on Tax Expenditures
Dar es Salaam, 6-8 December 2023



Designing Tax Return Forms

Flurim Aliu

Tax return forms are a key data source for TE analysis



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 a balancing act



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



For office use only

Date stamp of
receiving office

I.T.F. 12 C



ZIMBABWE REVENUE AUTHORITY
INCOME TAX SELF ASSESSMENT RETURN
Income Tax Act, (Chapter 23:06)

Tax Year Ended 31 December

This return should be completed by all persons earning income from trade and investment and who have been specified by the Commissioner General to be on Self-Assessment.

To:

Public Officer/Representative of:

Address:

.....

Business Partner No.:

You are required, under the provisions of the Income Tax Act (Chapter 23:06), to make on this form, a true and correct return of the income received or accrued during the period for which this return is being submitted. Provided the circumstances so warrant, a reasonable extension of time beyond the due date within which to render this return may be allowed if the application is made at the appropriate office giving reason for the request. Failure to render the return by the stipulated date or to obtain an extension may render you or the public officer liable to a fine, prosecution and/or imprisonment.

Commissioner General

PARTICULARS OF THE TAXPAYER

Name in full (surname first for individuals)

Public Officer/Representative of:

Address:

.....

Business Partner No.:

You are required, under the provisions of the Income Tax Act (Chapter 23:06), to make on this form, a true and correct return of the income received or accrued during the period for which this return is being submitted. Provided the circumstances so warrant, a reasonable extension of time beyond the due date within which to render this return may be allowed if the application is made at the appropriate office giving reason for the request. Failure to render the return by the stipulated date or to obtain an extension may render you or the public officer liable to a fine, prosecution and/or imprisonment.

Commissioner General

PARTICULARS OF THE TAXPAYER

| | |
|---|--|
| Name in full (surname first for individuals) | |
| Trade Name | |
| Business Partner Number | |
| Nature of Business | |
| Telephone Number(s) | |
| Email Address(s) | |

| DETAILS PER ACCOUNTS | | |
|-----------------------------|----|---------------|
| DETAILS | | ACTION |
| 1.Turnover (local) | \$ | |
| 2.Turnover(export) | \$ | |

| | | |
|--------------------------------|----|--|
| 3. Other Income (total) | \$ | |
| 4. Total Income (1+2+3) | | |

DETAILS PER ACCOUNTS

| | | |
|--|----|-----------|
| Cost of Sales (5.1+5.2+5.3) | | |
| 5.1 Opening Stock | \$ | |
| 5.2 Purchases (Cost of production) | \$ | |
| 5.3 Closing Stock | \$ | |
| 6. Gross Profit (4-5) | | \$ |
| Expenses (7.1+7.2+7.3+7.4+7.5) | | |
| 7.1. Expenses (excluding interest & tax) | \$ | |
| 7.2 Total Employment Costs (Salaries & Wages) | \$ | |
| 7.3 Directors Fees | \$ | |
| 7.4 Foreign Payments | \$ | |
| 7.5 Foreign Interest | \$ | |
| 8. Net Profit Before Interest and tax (6-7) | | \$ |
| 9. Interest (expense) | | \$ |
| 10. Net Profit before tax (8-9) | | \$ |
| 11. Income Tax (Provisional) | | \$ |
| 12. Net Profit/Loss (10-11) | | \$ |

| | | |
|---|----|----|
| & Wages) | | |
| 7.3 Directors Fees | \$ | |
| 7.4 Foreign Payments | \$ | |
| 7.5 Foreign Interest | \$ | |
| 8.Net Profit Before Interest and tax (6-7) | | \$ |
| 9.Interest (expense) | | \$ |
| 10.Net Profit before tax (8-9) | | \$ |
| 11. Income Tax (Provisional) | | \$ |
| 12.Net Profit/Loss (10-11) | | \$ |
| 13.Opening Value of Assets* | | \$ |
| 14.Closing Value of Assets* | | \$ |
| 15.Capital Employed (Total Shareholders' Funds)* | | \$ |
| *13,14,15 are information items only | | |

| TAX COMPUTATION | |
|---|---------------|
| DETAILS | ACTION |
| 16.Net Profit/Loss before tax (box 10) | \$ |
| 17.Total Non-Deductible Expenditure | \$ |
| 18.Subtotal (16+17) | \$ |
| 19. less Deductions (19.1+19.2) | \$ |

| | | |
|---|--|--|
| 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. <i>Add Aids Levy (box 25 x 3%)</i> | | |
| 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 | | |

| | | |
|--|--|--|
| 25. Tax Due After Tax Credits (23 less 24) | | |
| 26. <i>Add</i> 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?

More comprehensive data allows for a breakdown of tax expenditure



Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

Section E - Balance Sheet as on 30th June of Non-Individual Taxpayer

APPLICATION OF FUNDS

1) Fixed Assets / Non Current Assets

| | | |
|--|--|------|
| a) Land and Building | | |
| b) Plant and Machinery | | |
| c) Motor Vehicles | | |
| d) Furniture and Fixtures | | |
| e) Other Assets | | |
| f) Intangible Assets | | |
| g) Total Fixed Assets (a+b+c+d+e+f) | | 0.00 |
| h) Accumulated Depreciation / Amortization | | |
| i) Net Book value of Fixed Assets (g-h) | | 0.00 |

2) Investments

| | | |
|--|--|------|
| a) Shares | | |
| b) Debentures | | |
| c) Fixed Deposits | | |
| d) Government Securities | | |
| e) Other Investments | | |
| f) Total Investments(a+b+c+d+e) | | 0.00 |

3) Current Assets, Loans and Advances

a) Current Assets

i) Inventories

| | | |
|--|--|------|
| a) Stores / consumable including packing materials | | |
| b) Raw Materials | | |
| c) Work-in-Progress | | |
| d) Finished Good or Trade Goods | | |
| e) Total Inventory (a+b+c+d) | | 0.00 |

ii) Accounts Receivables/Debtors

| | | |
|---|--|--|
| a) Trade Receivables/Debtors/Loans & Advances to Customers (for banks) | | |
| b) Prepayments | | |
| c) Other Receivables/Debtors/Loans & Advances to Others (for | | |

| | | |
|--|--|------|
| previous year of income | | |
| d) Other purely short term insurance income | | |
| e) Gross receipt received or receivable (a+b+c+d) | | 0.00 |
| 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 | | |
| s) Repairs of Machinery | | |
| t) Sales Promotion including Publicity (other than advertisement) | | |
| u) Staff Welfare Expenses | | |
| v) Startup cost/ pre- operating expenses | | |
| w) Stationery and printing | | |
| x) Subsistence Allowance | | |
| y) Telephone Expenses | | |
| z) Training Expenditure | | |
| aa) Traveling Expenses including foreign traveling | | |
| ab) Work Shop - Conference Expenses | | |
| bb) Total Operational Expenses [total from 6(a) to 6(ab)] | | 0.00 |
| 7) Other Expenses (describe the head of expenditure) | | |
| | | |
| | | |
| | | |

More comprehensive data allows for a breakdown of tax expenditure



Tax Computation (continued) ^

Recoupment of Allowances / Expenses Previously Granted (continued) ^

R Reduction of Debt (s19)

R Other (excluding items listed above)

Please provide descriptions relating to other listed above

R Control Total

Amounts to be Included in the Determination of Taxable Income before s18A Donations and s6quat (1C) foreign tax credit (Excluding assessed losses brought forward and capital gains / losses)

Note: The information relating to s18A Donations and s6quat (1C) Foreign Tax Credit must be declared else where in the return. The related deductions / carry over will be calculated by SARS

Amounts to be Included in the Determination of Taxable Income before the deductions of s7F SARS interest repaid, s18A Donations and s6quat (1C) foreign tax credit (Excluding assessed losses brought forward and capital gains / losses)

Note: The information relating to s7F SARS interest repaid, s18A Donations and s6quat (1C) Foreign Tax Credit must be declared else where in the return. The related deductions / carry over will be calculated by SARS

R Calculated Profit excluding net income from CFC Source Code

R Calculated Loss Source Code

R Imputed net income from CFC 4276

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)(i) was the exemption claimed?

- Sub-paragraph (i)
- Sub-paragraph (ii)
- Sub-paragraph (iii)
- Sub-paragraph (v)
- Sub-paragraph (vi)
- Sub-paragraph (vii)
- Sub-paragraph (ix)
- Sub-paragraph (x)
- Sub-paragraph (xvi)
- 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 a project approved by the Minister? Y N

Was the agreement concluded on or after 1 January 2007? Y N

Does the agreement provide for the submission of dated receipts and accruals? Y N

Did the company exclude all foreign dividends contemplated in s10B(2)(a) from the amount claimed in the "Foreign Dividends (s10B)" field in the Tax Computation? Y N

Did the company obtain approval from the Department of Science and Technology as contemplated in section 10C? Y N

Did the company make any contribution to the cost of the employees to any pension, provident or similar fund in excess of 20% of the approved contribution (s11(i)). Y N

Was the doubtful debt allowance claimed in s11(j) based on a fixed percentage of all debts due at the year end in respect of the current year of assessment? Y N

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

| Rate ^ | IFRS Accounting Provisions ^ | Allowance ^ |
|--------|------------------------------|-------------|
| 25% | R | R |
| 40% | R | R |
| 85% | R | R |
| Total | R | R |

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% <input type="checkbox"/> | | |
| 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% <input type="checkbox"/> | | |
| 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

Was the industrial policy project for which an allowance was claimed approved by the Minister of Trade and Industry (s12I)? Y N

Was approval granted to allow a period not exceeding an additional two years to bring the asset(s) into use? Y N

Did the company obtain a certificate issued by the SANEDI in respect of energy efficiency savings for the purposes of claiming a s12L deduction? Y N

Was an allowance claimed in respect of an industrial policy project in any previous years of assessment (s12I)? Y N

Did the status of the project change from "preferred" to "qualifying" during the current year of assessment (s12I)? Y N

Tax Allowances / Limitations (continued) ^

- Is the company the owner of the film as contemplated in s120? 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 (s13bis)? 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 (s13quin)? 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 an 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
- Does at least 80 per cent of the aggregate amount received by or accrued to the operating company during the year of assessment constitutes income in the hands of the operating company? Y N

Tax Allowances / Limitations (continued)

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

- Is the income received by or accrued or derived from a business carried on continuously by the operating company? Y N
- Is the income received by or accrued or derived in the course or furtherance of which goods or services are provided or rendered by the operating company for a consideration? Y N
- Was the company a controlling company in relation to the operating company at the end of the day of that transaction? Y N
- Does the equity share acquired constitute a qualifying interest in the operating company? Y N
- Did the company acquire an equity share in another company and that other company is a controlling group company in relation to an the operating company? Y N
- Was the company a controlling group of company in relation to that other controlling group company at the end of the day of that transaction? Y N
- Did that company and that other controlling group company form part of the same group of companies as defined in s41 at the end of the day of that transaction? Y N
- Was that other company an operating company on the date of acquisition of that equity share? Y N
- Does at least 80 per cent of the aggregate amount received by or accrued to the operating company during the year of assessment constitutes income in the hands of the operating company? Y N
- Is the income received by or accrued or derived from a business carried on continuously by the operating company? Y N
- Is the income received by or accrued or derived in the course or furtherance of which goods or services are provided or rendered by the operating company for a consideration? Y N
- Is the company a controlling company in relation to the operating company at the end of the day of that transaction? Y N
- Does the equity share acquired constitute a qualifying interest in the operating company? Y N

Donations allowable in terms of s18A to approved organisations – Rands only, no cents ^

Donations

R Total amount donated during the year of assessment 4011

Complete the details of the organisation(s) to whom donations were made: ^

Complete the details of the 10 organisations to whom donations with the highest monetary value were made: ^

PBO number

R Amount donated to this organisation

Donations allowable in terms of s18A to approved organisations in respect of a Collective Investment Scheme – Rands only, no cents ^

R Total amount donated during the year of assessment 4011

R Average value of aggregate of all participatory interests held by investors in the portfolio

- 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.
- Digitalization of tax returns is the key to collecting useful data.

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



Thank you!

Contact:

- Email: fa@cepweb.org