Follow-up Technical Meeting on Tax Expenditures
Kathmandu, 7-9 May 2024

TAX EXPENDITURES LAB

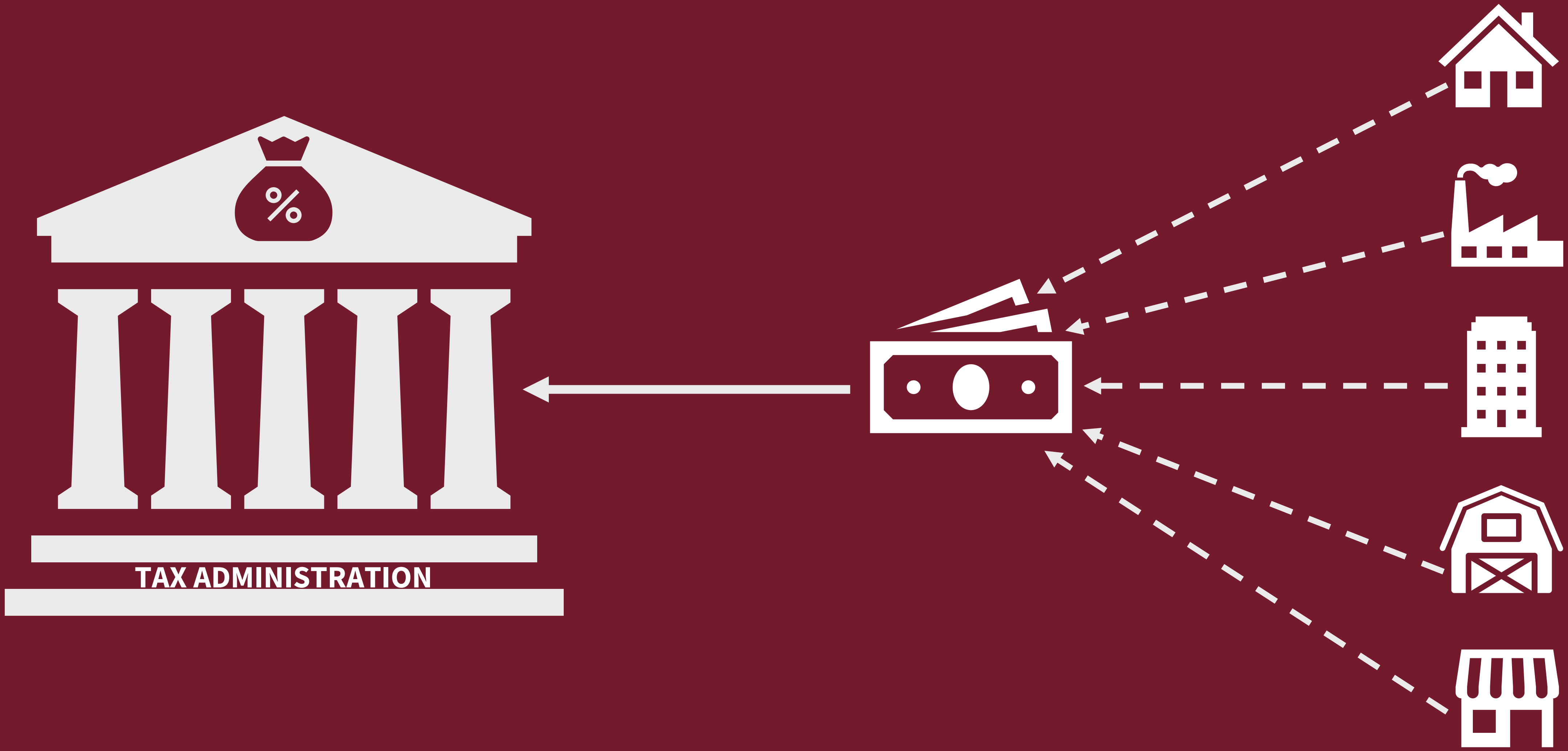
Designing Tax Return Forms

Flurim Aliu

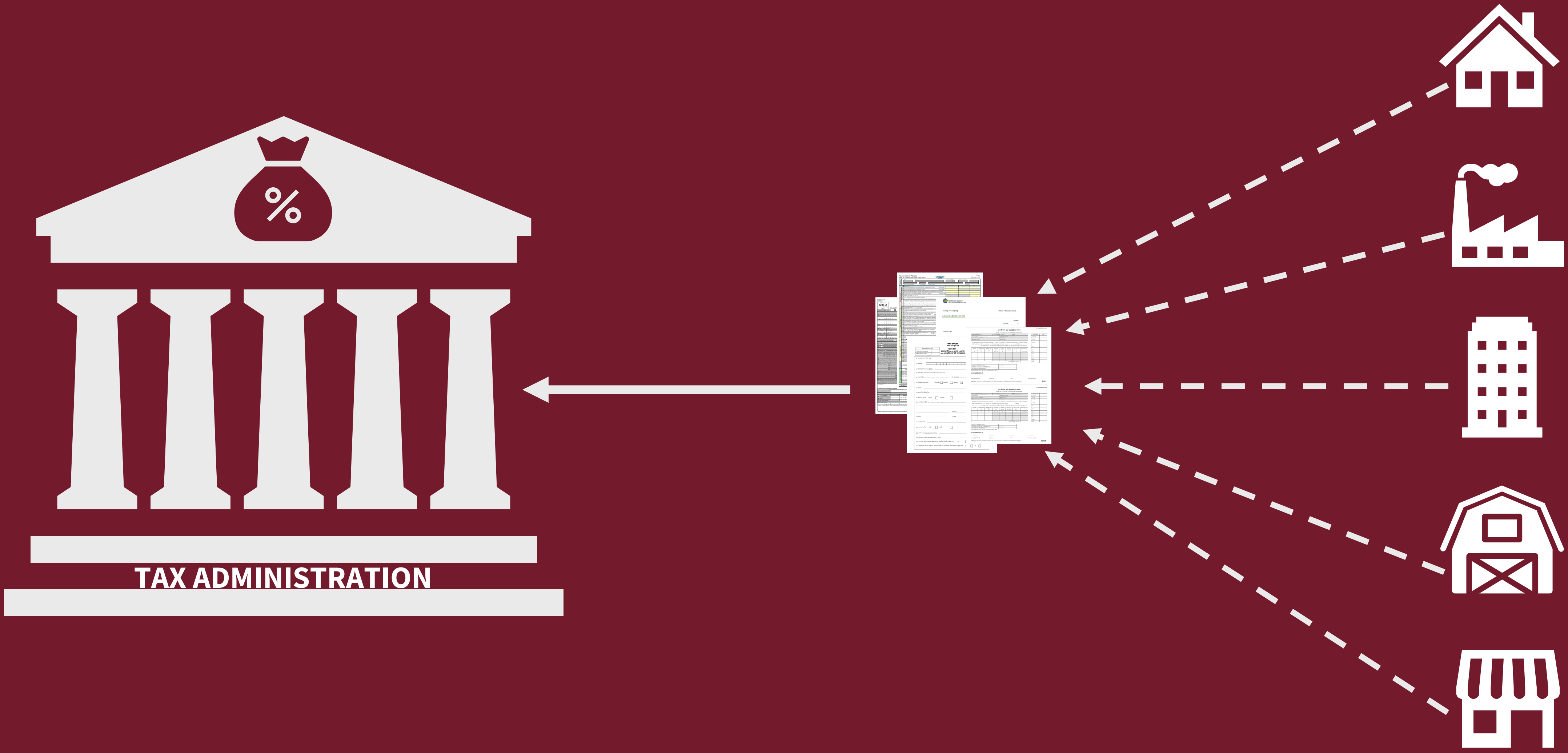
CEP council on economic policies

IDOS German Institute of Development and Sustainability

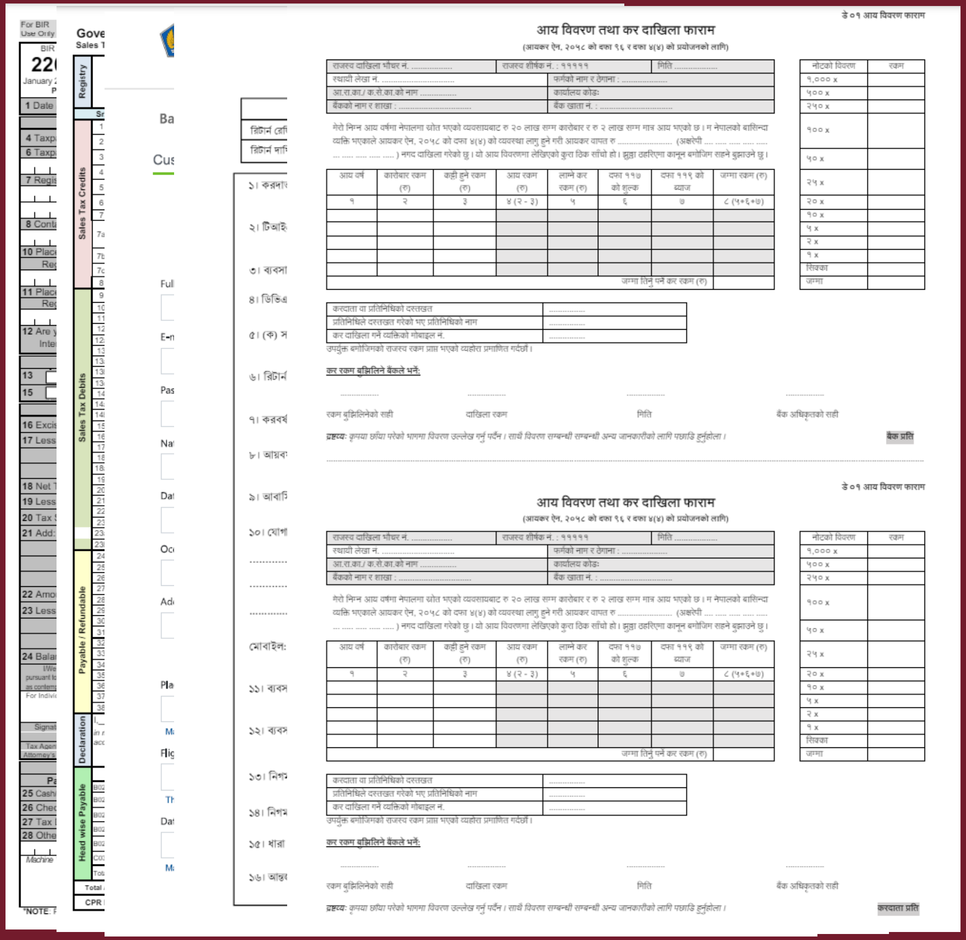
The main job of a tax administration is to deal with taxpayers and collect tax



The main job of a tax administration is to deal with taxpayers and collect **the right amount of** tax



Tax return forms are a key source of data for tax administration, but also for TE analysis



Tax Administration

- Confirming tax liability and verifying income
- Ensuring tax compliance
- Carrying out risk assessment and auditing

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

ZIMRA
Zimbabwe Revenue Authority

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. *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		

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?

More comprehensive data allows for a breakdown of tax expenditure

Uganda Revenue Authority

DEVELOPING UGANDA TOGETHER

Section F - Profit and Loss Account for the Year of Non-Individual taxpayer's business

1) Sales / Gross Receipt of business or profession (Net of returns and refunds and duties or taxes if any)		
a) Sales /Gross Interest Income(for banks)		
b) Gross Receipt of Profession/Consultancy Fees		
c) Total (a+b)		0.00
2) Cost of Sales		
a) Opening Stock		
i) Raw Materials		
ii) Work in Progress		
iii) Trading / Manufactured goods		
iv) Total Opening Stock (i+ ii + iii)	0.00	
b) Purchases(raw materials/trade goods)		
i) Local Purchases (net of duties and taxes)		
ii) Imports (CIF value and taxes - excluding WHT and VAT for registered taxpayer)		
iii) Total Purchases and Imports (i+ii)	0.00	
c) Other direct costs		
i) Direct Wages		
ii) Direct Expenses or Interest expense (for banks)		
iii) Total of other direct costs (i + ii)	0.00	
D) Factory Overheads		
i) Factory rent		
ii) Factory rates		
iii) Fuel and Power		
iv) Indirect Wages		
v) Consumables		
vi) Depreciation		
vii) Other factory overheads		
viii) Total factory overheads (i+ii+iii+iv+v+vi+vii)		0.00
e) Closing Stock		
i) Raw Materials		
ii) Work in Progress		
iii) Trading/Manufactured goods		
iv) Total Closing Stock(i+ii+iii)		0.00
f) Cost of Sales [2a(iv)+2b(iii)+2c(iii)+2d(vii)-2e(iv)]		0.00
3) Gross Profit [1(c) - 2(f)]		0.00
4) Other income		
a) Interest earned from sources inside Uganda		
b) Interest earned from sources outside Uganda		
c) Dividend		
d) Gross Rental Income	0.00	
e) Commision and Fees		
f) Net Trading Income (for banks)		
g) Annuity		
h) Natural resource payments		
i) Royalties		
j) Gift in connection with the use or exploitation of property		
k) Any other income		
l) Realized exchange gain		
m) Unrealized exchange again		
n) Profit on disposal of assets		
o) Provision for Bad and Doubtful Debts/Impairment for credit losses (for banks)		
p) Total Other Income (total of a to o)		0.00
5) Income from short term Insurance Business		
a) Gross Amount Received		
b) Amount Recovered		
c) Reserve for unexpired risk brought forward from 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)		

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 banks)		
d) Total Receivables/ Debtors (a+b+c)		0.00
iii) Cash and Bank Balance		
a) Bank Balance		
b) Cash in hand and cash equivalents/Cash and Balance with BOU (for banks)		
c) Total balance available (a+b)		0.00
iv) Other Current Assets		
v) Total Current Assets (i(e)+ii(d)+iii(c)+iv)		0.00
b) Loans and Advances		
i) Loans to reated parties		
ii) Advances to staff		
iii) Deposits (Other than Fixed Deposit)		
iv) Loans and Advances to Others		
v) Balance with Uganda Revenue Authority		
vi) Total of Loans and Advances (i+ii+iii+iv+v)	0.00	
c) Total Current Assets, loans and Advances (a(v) +b(vi))		0.00
d) Current Liabilities and Provisions		
i) Current Liabilities		
a) Trade payable/creditors/Customer/Deposits (for banks)		
b) Liability for leased assets		
c) Accured Interest		
d) Other Current liabilities/Amounts due to others (for banks)		
e) Unpaid matured debts		
f) Total current liabilities (a+b+c+d+e)		0.00
ii) Provisions		
a) Provision for Income Tax		
b)Provision for Bad debts		
c) Proposed Dividends		
d) Other Provisions		
e) Total Provisions (a+b+c+d)		0.00
iii) Total Current Liabilities and Provisions (d i(f) + d ii(e))		0.00
e) Net Current Assets (c - d(iii))		0.00
4) Deferred Tax Assets		
5) Total Assets (1i + 2f + 3e +4)		0.00
SOURCES OF FUNDS		
6) Shareholder' s Funds		
a) Share Capital		
i) Issued, Subscribed and Paid Up Capital		
ii) Additional Issued Share Capital		
iii) Total share capital (i+ii)		0.00
b) Reserves and Surplus		
i) Share Premium		
ii) Capital Reserve		
iii) Capital Redemption Reserve		
iv) Statutory Reserves		
v) Revaluation Reserve		
vi) Translation Reserve		
vii) Any other Reserve		
viii) General Reserve		
ix) Retained Earnings / Accumulated Profit or Loss or Surplus or Deficit		
x) Total Reserve and surplus (sum of i to ix)		0.00
c) Total Shareholder's Funds (a(iii) + b(x))		0.00
7) Long Term Liabilities		
a) Secured Liabilities		
i) Loan from Financial Institutions		
ii) Other Loans		
iii) Debt securities issued		
iv) Due to related Parties		
v) Total Secured Liabilities (i + ii + iii + iv)	0.00	
b) Unsecured Liabilities		
i) Loan from Financial Institutions		
ii) Other Loans		
iii) Payables/Creditors for more than one year		
iv) Due to related Parties		
v) Total Unsecured Liabilities (i+ii+iii+iv)	0.00	
c) Total Loan Funds (a(v) + b(v))		0.00
8) Deferred Tax Liability		
9) Total Equity and Long Term Liabilities (6c + 7c + 8)		0.00

NEXT

Schedule 1 - Computation of income from business and profession

1) Profit/Loss as per Profit & Loss Account (Section F Line 11)		0.00
2) Add		
a) Depreciation (Section F [2d(v) + 8(a)])	0	
b) Entertainment Expenses(to the extent not allowable)		
c) Expenses related to exempted income		
d) Loss on disposal of assets(Section F Line 8(b))	0	
e) Balancing charge	0.00	
f) Donations(to the extent not allowable)		
g) Provision for bad and doubtful debts if debited from P&L [Section F line 6(o)]	0.00	
h) Start up cost /Pre-operating expenses [Section F Line 6(v)]	0.00	
i) Unrealized foreign exchange loss [Section F Line 9(f)]	0.00	
j) Expenses Related to Short Term Insurance business [Section F - Line number 10(f)]	0.00	
k) Cost of sales directly attributable to mining operations		
l) Total Expenses Purely Related to Rental Income [Section F (New) Line 11(d)]	0.00	
m) Apportioned Expenses [short term insurance expenses (to schedule 6) / mining expenses (to schedule 5)]		
i) Operating		
ii) Administrative		
iii) Other expenses		
iv) Financial Expenditure		
v) Total Apportioned Expenses (i+ii+iii+iv)	0.00	
n) Other non allowable Deductions / Expenses (Specify)		
Total Disallowable Expenses	0.00	
o) Total amount to be added back (total from a to n)		0.00
3) Less		
a) Exempted income (if included in Profit and Loss Account)		
b) Gross Rental Income (From Section F Line 4(d))	0.00	
c) Gross Receipt from short term insurance [Section F line 5(e)]	0.00	
d) Income directly attributable to mining		
e) Profit on disposal of assets [Section F line 4(n)]	0.00	
f) Capital deduction (Schedule 2 Line 10)other than those related to mining and short term insurance	0.00	
g) Scientific research expenditure for the year (if capitalized)		
h) Unrealized foreign exchange gains (Section F Line 4(m)]	0.00	
i) Provisions for bad debt and doubtful debts if credited to P&L [Section F 4(o)]	0.00	
j) Gross income credited to P&L on which tax withheld is 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)		
Total other allowable deductions	0.00	
l) Total deduction (total of item a to k)		0.00
4) Profit or loss after adjustment for depreciation and Capital allowance(1 + 2(n) - 3(k))		0.00
5) Income from Capital Gains (Schedule – 3)		0.00
6) Capital Losses (Schedule - 3)		0.00
7) Income chargeable under the head "Profit and Gains from Business and Profession [4 + 5 - 6]		0.00
8)Brought forward loss of previous year from business activity to be set off against current year of income		
9) Income from business activity, if (7-8) is positive. If negative write "0" (Transfer this amount in section C)		0.00
10) Loss to be carried forward to next year for set off, if (7 - 8) is negative. If positive write "0"		0.00

Note: Loss incurred by the taxpayer shall not be deducted against any other income of the taxpayer for the year of income, but shall be carried forward and allowed as deduction in determining chargeable business income of the taxpayer in the following year of income.

NEXT

Schedule 2 - Summary of Capital Allowance

Items form part of Capital Allowance	
1) Initial allowance – Plant and Machinery (Part – 1 total of column H)	
2) Depreciation Allowance (Part – 3 line 5 column F)	
3) Initial Allowance – industrial building (Part – 2 total of column	
4) Industrial Building Allowance (Part – 2 total of column I)	
5) Start up Cost (Part – 4 total of column E)	
6) Intangible Assets (allowed over useful life of assets) (Part – 5 total of column F)	
7) Deduction on acquisition or establishment of horticultural plant or construction of green house (Part – 6 total of column E)	
8) Total of all allowances and deductions towards Capital Allowances (total from 1 to 7)	
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)	

Note: Capital deduction should be apportioned between business and prefession, long term contract, short term insurance business, rental income and mining business in their appropriate proportion

Part 1: Fixed Asset Additions and Initial Allowance on Plant and Machi

Item (A)	
Total	

ADD ROWS

Part 2: Industrial Building Deductions (IBD) and Initial Allowance (IA)

Building (A)	
Total Initial Allowance and IBD	

ADD ROWS

Part 3 – Depreciation Allowance

Particulars (A)	
1) Written Down Value (WDV) at the beginning of the year	
2) Addition during year net of initial allowance (Part – 1)	
3) Disposal during the year	
4) Net amount on which full rate of depreciation applied	
5) Depreciation for the year of income	
6) WDV at the end of year of income	

Part 4 – Start up Cost

Items Qualified for Start-Up Cost (A)	

Total Disallowable Expenses	0.00	
o) Total amount to be added back (total from a to n)		0.00
3) Less		
a) Exempted income (if included in Profit and Loss Account)		
b) Gross Rental Income (From Section F Line 4(d))	0.00	
c) Gross Receipt from short term insurance [Section F line 5(e)]	0.00	
d) Income directly attributable to mining		
e) Profit on disposal of assets [Section F line 4(n)]	0.00	
f) Capital deduction (Schedule 2 Line 10)other than those related to mining and short term insurance	0.00	
g) Scientific research expenditure for the year (if capitalized)		
h) Unrealized foreign exchange gains (Section F Line 4(m)]	0.00	
i) Provisions for bad debt and doubtful debts if credited to P&L [Section F 4(o)]	0.00	
j) Gross income credited to P&L on which tax withheld is 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)		

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	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
Note: Capital deduction should be apportioned between business and prefession, long term contract, short term insurance business, rental income and mining business in their appropriate proportion	

Part 1: Fixed Asset Additions and Initial Allowance on Plant and Machinery

Item (A)	Item Description (B)	Date of First Issue (C)

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		
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t) Sales Promotion including Publicity (other than advertisement)		
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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)		

Summarizing

- 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

CEP council on economic policies

IDOS German Institute of Development and Sustainability