

Follow-up Technical Meeting on Tax Expenditures
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Elements of Good Tax Expenditure Reporting

Sofia Berg

The Global Tax Expenditures Transparency Index



Five dimensions



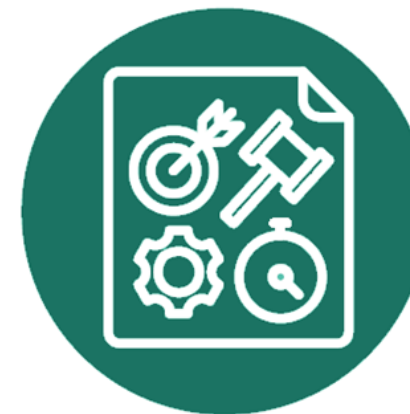
**Public
Availability**



**Institutional
Framework**



**Methodology &
Scope**



**Descriptive TE
Data**



TE Assessments

1st dimension: Public availability



Indicator	Good Practice
Frequency and Regularity	Annual reports with no missing years since start of reporting
Timeliness	Report provides timely data (e.g. report issued in 2024 provides data for fiscal year 2023)
Visibility	Government communicates the release of the report, for instance through an official press release
Online Accessibility	Report easy to find and included in an online repository
Reader-friendliness	Report published as a single consolidated document with a reader-friendly summary , acronyms explained, and a version for impaired individuals provided

2nd dimension: Institutional framework



Indicator	Good Practice
Legal Requirement	Legal requirement to report – frequency , timing and scope
Submission to Parliament	Report submitted to Parliament
Reporting Responsibility	Ministry of Finance primarily responsible for reporting, with data-sharing from other ministries and the revenue authority
Budget Cycle Integration	The TE report is part of the budget plan or proposal
Medium Term Strategy	Reporting on TEs linked to the government's Medium-term Fiscal or Revenue Strategy

3rd dimension: Methodology & scope



Indicator	Good Practice
Coverage	Report covers all TEs
Benchmark	Benchmark tax system described in detail for each tax type
Structural Reliefs	Report provides detailed information (including costs) on structural relief provisions, which benefit specific groups, sectors or activities, but are not considered TEs
Costing Methodology	Report provides a detailed description of the methodology used and the economic assumptions employed in the calculation of revenue forgone
Data Sources	Report discloses the data sources it uses as well as potential issues with such sources

4th dimension: Descriptive data



Indicator	Good Practice
Type of TE	For each provision, the report names the tax upon which the TE is granted, and the incentive mechanism used
Policy Objective	For each provision, the report informs about the policy objective(s) it should achieve
Beneficiaries	For each provision, the report informs about the targeted beneficiaries and the number of claimants
Timeframe	The report states until when each TE provision is in place
Legal Reference	The report discloses the legal reference of each TE provision

An ideal fact sheet for each provision

TE name										
TE identification number										
Description										
Policy objective										
Budgetary category										
Intended beneficiaries										
Number of beneficiaries										
Benchmark definition										
Legal reference										
Type of tax										
Type of TE										
Timeframe	Entry in force		Date							
	Expiration		Date / permanent							
Revenue forgone estimates and projections (absolute value, in local currency)	t-5	t-4	t-3	t-2	t-1	t	t+1	t+2	t+3	t+4
Estimation method*										
Data sources*										
Last evaluation/ evaluation schedule										

5th dimension: TE Assessments



Indicator	Good Practice
Disaggregation of Revenue Forgone	Information on revenue forgone presented at the level of individual provisions
Backward Estimates	Report provides backward estimates for 5 years at provision level
Forward Looking Projections	Report provides projections for the coming 5 years at provision level
TE Evaluation Framework	Report describes and references the country's TE evaluation framework
Evaluations	Report discloses the last time each provision was evaluated, provides a summary of the results and a reference to the full evaluation

GTETI scoring by region



Region	No. of assessed countries	Regional average /100	D1 Public Availability	D2 Institutional Framework	D3 Methodology and Scope	D4 Descriptive TE data	D5 TE assessment
Europe & Central Asia	37	49.6	11.7	11.7	9.0	10.1	7.1
Sub-Saharan Africa	27	42.6	11.7	11.1	8.6	6.2	5.1
Latin America & Caribbean	18	48.8	11.8	12.7	9.6	8.8	6.0
East Asia & Pacific	10	48.5	11.9	11.5	7.5	10.6	7.0
Middle East & North Africa	5	47.5	10.5	14.1	9.8	7.9	5.2
South Asia	5	43.9	13.1	9.1	8.8	7.9	5.0
North America	2	69.4	17.2	12.7	14.0	13.9	11.7
Total GTETI	104	47.5	11.8	11.7	9.0	8.8	6.2



Thank you!

Contact:

- Email: sb@cepweb.org
- Webpage: <https://www.taxexpenditures.org>