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

TAX EXPENDITURES LAB

Elements of Good Tax Expenditure Reporting

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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 informes 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 assess-ment
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!

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