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Improving Tax Compliance in a Globalized World

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European and International
Tax Law and Policy Series

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Improving Tax Compliance in a Globalized World

Why this book?

In the aftermath of a global financial crisis, the past decade has been characterized by increased fiscal pressure. Against this backdrop, it is no surprise that many have called for strengthened efforts in domestic resource mobilization. Domestic resources are the largest untapped source of development financing, but the effective mobilization thereof poses significant challenges in terms of revenue policy and administration strategies.

This book provides an overview of various policies that can significantly contribute to increasing domestic revenues by enhancing tax compliance, curbing tax evasion and improving the relationship between taxpayers and tax administrations. It consists of national reports from 33 countries around the globe, initially discussed at the conference "Improving Tax Compliance in a Globalized World" in Rust (Austria) from 30 June to 2 July 2016.

The book explores various approaches to improving tax compliance. Access to tax information is at the centre of the debate, including the collection of third-party information, information obtained as a result of cooperation between tax administrations and as a result of inter-agency cooperation between tax administrations, financial intelligence units and law enforcement agencies. Moreover, the book sheds some light on alternatives to improve tax collection and suggests potential measures to enhance voluntary tax compliance. Finally, it looks forward to potential challenges that may be faced by tax administrations in the future.

Taken as a whole, this study contributes to the challenging task of making tax administrations more effective and more efficient.

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Preface

The last decade has witnessed events with deep structural impacts on the tax arena. The 2008 global financial crisis increased the fiscal pressure for governments across the world. A series of tax scandals (e.g. WikiLeaks and the Panama Papers) only strengthened attempts to eradicate tax evasion, mitigate aggressive tax avoidance and enhance tax compliance. Taken together, these events built momentum for a change in the international tax framework.

At the international level, the Base Erosion and Profit Shifting (BEPS) Project of the OECD aimed at restoring the coherence of the international tax system and enabling countries to respond to aggressive tax avoidance. However, it is at the domestic level that the greatest potential for resource mobilization lies, by increasing tax compliance and closing the tax gap. These opportunities bring about significant challenges in terms of legislation and administration.

Against this backdrop, this book offers a unique perspective on the approaches to tax compliance of 33 jurisdictions around the world. It enables a comparative glimpse of initiatives that are common to these jurisdictions, such as measuring the tax gap, gathering tax information, improving the collection of taxes and encouraging voluntary tax compliance.

This book brings together the national reports produced by specialists on the topic and discussed at the conference “Improving Tax Compliance in a Globalized World”, organized by the Institute for Austrian and International Tax Law (WU – Vienna University of Economics and Business) and held in Rust (Austria) from 30 June to 2 July 2016. We are very grateful to all the national reporters, whose enthusiasm and diligence made this contribution possible. We also thank Jonathan Leigh Pemberton, who contributed to this book and shared his insightful remarks on tax compliance.

We would also like to express our sincere thanks to IBFD for its cooperation and for the swift realization of this publication project. Ms Constance McCarthy contributed greatly to the completion of this book by editing and polishing the texts for the authors. This project has been conducted with friendly support of FWF (Austrian Science Fund).

Moreover, we would like to thank the members of the secretariat and the research associates of the Institute for Austrian and International Tax Law, especially Renée Pestuka, Alicja Majdanska and Pedro G. Lindenberg

Schoueri, all of whom were responsible for the organization and preparation of the conference in Rust, as well as the publication of this book. Without their dedication and talent for organization, the success of the conference and the swift completion of this book would not have been possible.

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Notes

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