1 Introduction

This chapter provides an overview of the content of the 2022 edition of the OECD's Tax Administration Series.

Previous editions of the OECD's Tax Administration Series (TAS) have set out how, over time, tax administrations have evolved to respond to the changing environment in which they operate. This 2022 edition continues to track that evolution, and provides further insight into how tax administrations are:

- Enhancing their technological capabilities to deliver new ways of serving their customers;
- Becoming more collaborative and integrated with wider government;
- Building their skills in Artificial Intelligence and embedding it into their working practices
- Creating new compliance management techniques; and
- Enhancing their collection capabilities.

This edition of the TAS is also the first to reflect the impact of the COVID-19 pandemic. As could be expected, the scale and the speed of evolution of the crisis challenged the established systems and processes of tax administrations globally and had significant fiscal impacts, which this edition starts to show.

The pandemic however has also provided a catalyst for change within tax administrations. They have had to adapt to new ways of working both within the administration and in their interactions with taxpayers. Throughout this edition of the TAS, there are statistics and examples that show both the impact of the pandemic and the rapid innovations undertaken by tax administrations in response, many of which may persist in the longer-term.

The resilience and adaptability of tax administrations witnessed during the crisis have been facilitated and enabled by the wider technological changes taking place across the economy, including the expansion of social media, mobile platforms, cloud computing, big data technologies and advanced analytics techniques. These changes are creating new opportunities for tax administrations, citizens and businesses.

It is likely that these changes will be a recurring theme through future editions of the TAS, as tax administrations around the globe respond to the ongoing digitalisation of the economy, implementing new digital technologies to enhance taxpayer service quality, reduce operational and compliance burdens and increase revenues. In addition to the ongoing incremental improvement of the current system of tax administration, the journey towards a more fundamental change in the nature of tax administration is becoming clearer. This concerns a more system-wide compliance management approach in which tax administrations try to closely engage with the evolving natural systems that taxpayers use to manage their business, undertake transactions and communicate in order to reduce errors, minimise burdens and increasingly build-in tax compliance.

It is already possible to see many tax administrations taking advantage of new opportunities to administer taxes, support taxpayers and enhance compliance, enabled by the new technologies and tools. In particular, many tax administrations are making greater use of machine learning and artificial intelligence to deliver new compliance approaches. Tax administrations are also starting to explore how technology can 'embed' tax administration processes, traditionally carried out within the tax administration's own systems, into the services that third parties, such as software suppliers, provide to taxpayers. Partnerships and collaborations in this way can help improve the service provided to taxpayers and allow tax compliance to be increasingly moved upstream, closer to taxable transactions, helping to build in compliance and reduce burdens.

These changes can be seen in the data collected through the 2021 version of the International Survey on Revenue Administration (ISORA). Alongside the survey, the tax administrations covered in the TAS were also invited to provide examples of innovative practices that they are undertaking to help achieve their objectives. They have provided a rich source of over 100 examples, covering a wide range of topics. While these examples do not form a basis for comparison across tax administrations in the same way as the ISORA data points can, they do add more colour to the data, and tell a forward-looking story of the strategic

direction of travel of tax administration. Furthermore, this edition of the TAS also contains some data points from the Inventory of Tax Technology Initiatives (ITTI) (OECD, 2022[1]). ITTI collects data on the digital transformation and digitalisation work of 76 tax administrations from across the globe, and this rich new source of data can provide further insight into the developments taking place in tax administration, facilitating mutual learning and collaboration.

Regardless of the wider shifts in the nature of tax administration, the core objectives of a tax administration remain the same, namely the timely and accurate collection of tax revenues to fund public services. *Chapter 2* explores this topic in more detail, and provides statistics on the range and value of taxes that administrations are responsible for.

Central to effective collection is the work of tax administrations to ensure that all relevant taxpayers are registered and can be identified, as necessary, both quickly and securely. *Chapter 3* sets out the work of tax administrations in this field, and also shows how this expertise is increasingly being leveraged to support wider governmental objectives on digital identity.

Chapter 4 looks at the tax assessment function, which includes all activities related to processing tax returns and payments. This chapter examines the use of e-channels for filing and paying, and outlines administrations' efforts to provide pre-filled returns, and the levels of on-time return filing and payment.

A common theme in this edition of the TAS is how tax administrations are becoming increasingly proactive in their management of the compliance environment, using the data generated by digitalisation to obtain new insights on compliance issues and treatments, and to use it as the basis for innovative solutions to existing problems.

Chapter 5 highlights how tax administrations are using sophisticated technological approaches to encourage 'self-service' by taxpayers. This is part of a more fundamental change whereby tax administration becomes a seamless process, with non-compliance and administrative burdens increasingly "designed out". *Chapter 6* explores this further and picks out how compliance approaches are changing, with the use of data and new technology tools to identify and take targeted enforcement action against those who fail to meet their obligations.

Chapter 7 explores how tax administrations manage the collection of outstanding debt, and examines the features of a modern tax debt collection function. These functions are essential to maintaining high levels of voluntary compliance and citizens' confidence in the overall tax system. This chapter also provides examples of approaches applied by administrations to minimise or even prevent debt being incurred. However, inevitably, disputes between taxpayers and tax administrations do arise, and *Chapter 8* considers those processes that safeguard taxpayer rights and ensure appropriate checks and balances exist on the exercising of tax powers by administrations.

Underpinning all of this work are the resources that are devoted to tax administrations, including their highly dedicated workforce. *Chapter 9* provides information on the resources that tax administrations have at their disposal, and picks out a number of trends that can be observed in the data over time. It also sets out the challenges administrations are managing in increasing their capability while managing a workforce that in general terms is reducing in size and on average is getting older. These challenges have been compounded by the pressures of the pandemic, and this chapter begins to consider the longer-term impact of those pressures. This is also an area where technology has an important role to play in helping to ensure that tax administrations and their staff are able to respond effectively to future challenges, in particular the digital transformation of the wider economy.

Reference

OECD (2022), *Inventory of Tax Technology Initiatives*, https://www.oecd.org/tax/forum-on-tax-administration/tax-technology-tools-and-digital-solutions/ (accessed on 13 May 2022). [1]
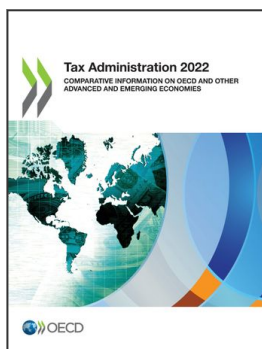
From:
Tax Administration 2022
Comparative Information on OECD and other Advanced and Emerging Economies

Access the complete publication at:
https://doi.org/10.1787/1e797131-en