Chapter 6

Operational performance of revenue bodies

This chapter provides a comparative overview of reported operational data and related ratios and their trend concerning the performance of surveyed revenue bodies. The main subject areas covered are: (1) *revenue collections;* (2) *tax refunds;* (3) *taxpayer services;* (4) *verification activities;* (5) *dispute resolution; and* (6) *the collection of unpaid tax debts.*

Key points

Tax revenue collections

- Overall, the unweighted measure "average tax/GDP" for OECD countries in fiscal year 2012 rose marginally compared with 2011, and has just about returned to the level existing prior to the global financial crisis.
- Overall VAT performance across OECD countries remains below the levels existing prior to the global financial crisis in 2008***, notwithstanding efforts in recent years in many countries to increase VAT revenue productivity.***

Refunds of taxes

- The incidence of aggregate tax refunds varies markedly between countries, reflecting a range of tax system design and other factors, with significant implications for respective revenue body workloads.
- In overall terms for OECD countries, the proportion of tax being refunded to taxpayers appears to have fallen to around the level observed prior to the onset of the global financial crisis (i.e. around 20-22%); for non-OECD countries, the overall incidence of refunds is substantially lower overall.

Delivery of services to taxpayers

- The volume data reported, when presented in a relative and comparative context, suggest that many revenue bodies have considerable potential to eliminate and/or shift service demand from costly channels (e.g. in-person inquiries) to more cost efficient service channels (e.g. online services).
- Many revenue bodies appear to not have sufficient data (and knowledge) of the service demand for some of their more costly service channels (e.g. in-person inquiries and phone calls)
- The practice of applying standards for key areas of service delivery and monitoring the performance achieved remains a relatively immature practice among revenue bodies.
- For some areas of service delivery, the standards applied (and levels of service achieved) vary significantly across revenue bodies (e.g. processing VAT refunds); however, it is possible to identify many examples of "responsive standards" and "high standards of performance".

Tax verification activities

- The aggregate value of verification results (as a % of annual net revenue collections) varies significantly but represents less than 4% of annual net revenue collections for around 60% of revenue bodies; 20 revenue bodies reported results less than 2%, 14 reported an amount in the range 2-4%, while 15 revenue bodies reported results over 4% (including four over 8% (i.e. Brazil, Hungary, Italy, and Mexico).

Collection of tax debts

- The overall incidence of year-end aggregate tax debts (including disputed debt) in OECD countries rose marginally in the years 2011 to 2013-from around 22% to just over 24% of net annual revenue collections – although the computed ratios are significantly impacted by two abnormal "outlier" results.
- For OECD countries where data are provided (i.e.19), the incidence of disputed tax debt as a share of the overall debt inventory averages around one-third of total debt inventories.
- Viewed over the three years 2011 to 2013, the overall incidence of tax debts (excluding disputed debts) in OECD countries was fairly stable at around 21 percent of net annual revenue collections, although the computed ratios are significantly impacted by the two abnormal "outlier" results. Generally speaking, many countries were unable to report fairly basic information In respect of their debt collection activities, suggesting possible major weaknesses in their systems of performance measurement and monitoring.

Introduction

This chapter provides an overview of reported operational data and related trends concerning the performance of revenue bodies. The subject areas covered are: *(1)* revenue collections; *(2)* tax refunds; *(3)* taxpayer services; *(4)* verification activities; *(5)* dispute resolution; and *(6)* the collection of unpaid taxes.

Given the "comparative" nature of this series, every effort has been made to ensure that a common understanding has been applied by surveyed revenue bodies in interpreting the various terms used (e.g. "verification", "tax disputes", and "tax arrears") for gathering operations-related data. Furthermore, steps have been taken to validate the data and computations provided and in some cases this has included revisions of fiscal years' data and ratios reported in previous editions.

For the reasons outlined in this chapter and elsewhere in this series, considerable care should be taken when interpreting this information and in drawing any conclusions as to the relative efficiency and effectiveness of the individual revenue bodies identified. In particular, reference should be made to other parts of the series (e.g. data related to the scope of taxes collected, institutional and organisational arrangements, and resource allocations) to identify factors that may explain what appear to be "unusual outcomes" reported in this chapter.

Tax revenue collections

The end-product of the work of revenue bodies is the net amount of revenue collected (after refunds are paid) which can be credited to Government revenue accounts. This section provides information on the aggregate net tax revenues of surveyed countries *for all levels of Government*, often expressed in terms of a country's "tax burden". Generally speaking, the major share of these revenues is collected by the revenue bodies included in this series, although the exact proportion varies significantly from country to country given a variety of factors (e.g. institutional design issues as discussed in Chapter 1). For this series, the chapter also provides a brief account of the performance of VAT systems in OECD countries, viewed through the OECD's measure "VAT revenue ratio (VRR)" and its trend.

The OECD generally seeks to publish internationally comparable data on the tax revenues of OECD countries for all levels of government. The term "taxes" is confined to compulsory, unrequited payments to government. Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments. It is important to recognise that the tax ratios published by the OECD depend just as much on the denominator (GDP) as the numerator (tax revenue), and that the denominator is subject to revision for a variety of reasons. Readers are directed to

> **Note**: The OECD maintains an extensive tax database and publishes a large array of comparative reports on the design and performance of tax systems. Readers interested in finding out more on these particular aspects are directed to the following sources:
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> - ***Tax revenue performance***
> - ***Rates of taxes, thresholds, etc.***
>   www.oecd.org/ctp/taxpolicyanalysis/oecdtaxdatabase.htm#A_RevenueStatistics
> - ***Trends and developments concerning consumption taxes***
>   www.oecd.org/ctp/consumptiontax/oecdconsumptiontaxtrendspublications.htm

the OECD publication *Revenue Statistics 1965-2013, 2014 edition* for more information concerning the impact of GDP revisions on reported tax ratios in member countries.

Table 6.1 provides official aggregate country tax revenues (for each major tax type and *in total covering all levels of government*) for OECD countries as a percentage of gross domestic product (GDP) for fiscal year 2012, along with aggregate tax/GDP data for the prior two years (OECD, 2014a). Data for other countries have been obtained from the sources indicated. Important observations from the information in Table 6.1 are as follows:

- Tax burden ratios vary enormously between surveyed countries, and within and across OECD and non-OECD categories; for fiscal year 2012, eight countries in the European region – Austria, Belgium, Denmark, Finland, France, Italy, Norway and Sweden – had tax/GDP ratios exceeding 40%. In contrast, total tax revenue in 10 other surveyed countries/regions (i.e. China, Colombia, Hong Kong (China), India, Indonesia, Malaysia, Mexico, Saudi Arabia, Singapore, and Thailand) were less than 20% of GDP; just on 40% of surveyed countries had an aggregate tax burden between 30-40% of GDP.
- Overall, the unweighted measure "average tax/GDP" in fiscal year 2012 in OECD countries (33.7%) grew marginally compared to 2011 (33.4%) although a number of countries registered substantially greater growth.
- Social contributions, which are not collected by the main revenue body in many OECD countries, are a significant source of tax revenue and are the predominant source of tax revenue in almost two-thirds of OECD countries, and almost half of non-OECD surveyed countries.
- The variations in aggregate tax burdens evident from Table 6.1 have a number of implications from a tax administration viewpoint, particularly in the context of international comparisons. The significant variations in tax burden ratios coupled with variations in the mix of direct and indirect taxes mean that there can be quite different administrative workloads and compliance issues from country to country.

Aggregate Tables A.1 to A.3 in Annex A set out aggregates for the nine year period (2005 to 2013) of gross revenues, tax refunds, and net tax revenues *reported by revenue bodies* for this and prior series. Unlike the data in Table 6.1 which includes *all levels of Government*, these data represent the taxes collected by revenue bodies in this series and are used to compute various ratios for comparative purposes.

VAT system performance

The performance of VAT systems in many countries has come under increased scrutiny in recent years as Governments seek to improve their budgetary position. This issue has been of particular concern within the European Union where a number of studies undertaken to estimate the aggregate tax gap for the VAT and its trend over time in member countries have pointed to findings suggesting substantial revenue leakage in many countries. These studies are referenced briefly in Chapter 3.

Box 6.1 sets out an explanation of the VAT revenue ratio (VRR) that has been developed by the OECD to assist in the analysis of the performance of VAT systems and their trend over time (OECD, 2012a). As will be evident from the explanation provided, the ratio is impacted by both policy design choices that reduce the amount of VAT revenue that would otherwise be collected and administrative weaknesses and limitations that result in a portion of the legal tax base going uncollected. In the studies prepared for the EC these two factors are described as the VAT "policy gap" and the "compliance gap" respectively.

Table 6.1. **Aggregate tax collections (by major tax type) for 2012 and prior years**

	Taxes collected (Tax/GDP%) for fiscal year 2012						All taxes (Tax/GDP %)	
Country	PIT	SSC	CIT	VAT	Excises	All taxes	2011	2010
OECD countries								
Australia	10.7	n.a.	5.2	3.3	1.7	27.3	26.3	25.6
Austria	9.5	14.2	2.2	7.8	2.3	41.7	41.0	40.9
Belgium	12.2	14.1	3.0	6.9	2.0	44.0	42.9	42.4
Canada	11.2	4.8	2.9	4.2	1.3	30.7	30.4	30.5
Chile	8.3	1.4	in PIT	8.1	1.5	21.4	21.2	19.5
Czech Republic	3.6	14.7	3.3	7.1	3.7	33.8	33.4	32.5
Denmark	23.9	0.9	3.0	9.7	4.0	47.2	46.6	46.5
Estonia	5.3	11.3	1.4	8.6	4.5	32.1	31.9	33.2
Finland	12.6	12.7	2.1	9.0	3.8	42.8	42.0	40.8
France	7.9	16.5	2.5	6.8	2.3	44.0	42.9	41.6
Germany	9.3	13.9	1.8	7.1	2.4	36.5	35.7	35.0
Greece	7.0	10.8	1.1	7.1	3.6	33.7	32.5	31.1
Hungary	5.3	12.6	1.3	9.1	3.6	38.5	36.9	37.6
Iceland	13.2	3.7	1.9	8.1	3.0	35.3	34.5	33.3
Ireland	9.1	4.2	2.3	5.9	2.8	27.3	26.7	26.8
Israel	5.5	5.1	2.7	7.3	1.7	29.6	30.9	30.6
Italy	11.6	13.0	2.8	5.9	2.3	42.7	41.4	41.5
Japan	5.5	12.3	3.7	2.7	1.8	29.5	28.6	27.6
Korea	3.7	6.1	3.7	4.3	2.1	24.8	24.0	23.2
Luxembourg	8.4	11.3	5.2	7.0	3.5	38.5	37.5	38.0
Mexico	5.2	2.9	(in PIT)	3.7	0.6	19.6	19.5	18.5
Netherlands	7.3	15.0	1.9	6.5	2.6	36.3	35.9	36.1
New Zealand	12.4	n.a.	4.7	9.9	0.9	33.0	31.4	31.0
Norway	9.9	9.6	10.5	7.7	2.7	42.3	42.7	42.6
Poland	4.5	12.1	2.1	7.1	4.0	32.1	31.8	31.3
Portugal	5.8	8.8	2.7	8.2	2.8	31.2	32.0	30.0
Slovak Republic	2.6	12.3	2.4	6.0	2.7	28.1	28.3	27.7
Slovenia	5.7	14.9	1.2	8.0	4.5	36.5	36.3	36.7
Spain	7.2	11.5	2.0	5.3	2.0	32.1	31.2	31.4
Sweden	11.9	10.0	2.6	8.9	2.4	42.3	42.3	43.1
Switzerland	8.5	6.7	2.8	3.5	1.3	26.9	27.0	26.5
Turkey	4.0	7.5	2.0	5.8	5.1	27.6	27.8	26.2
United Kingdom	9.1	6.3	2.7	6.9	2.8	33.0	33.6	32.8
United States	9.2	5.4	2.5	0.0	1.0	24.4	24.0	23.7
OECD ave. (unw.)	8.6	9.0	2.9	6.6	2.6	33.7	33.3	32.8
Non-OECD countries								
Argentina	2.5	8.3	3.8	8.7	1.9	37.3	34.6	33.5
Brazil	7.3	9.7	in PIT	8.5	0.1	36.3	34.9	33.2
Bulgaria	3.0	7.2	1.9	9.4	5.1	27.9	27.3	27.5
China	--------------------- 4.9 ------------------------			------------- 9.6 -------------		19.4	19.0	18.2
Colombia	6.6	2.4	in PIT	5.5	0.8	19.6	18.8	18.0
Costa Rica	3.9	6.2	in PIT	5.0	2.8	21.0	21.0	20.5
Croatia	3.7	11.5	2.0	12.3	3.4	35.7	35.3	36.4
Cyprus	4.0	9.1	6.3	8.9	3.4	35.3	35.3	35.6
Hong Kong, China	--------------------- 9.1 -----------------------			------------- 5.1 -------------		14.2	13.6	12.8
India	n.a.	n.a.	n.a.	n.a.	n.a.	16.1	16.1	15.2
Indonesia	---------------------5.6---------------------			4.1	1.2	11.9	11.8	11.6
Latvia	5.7	8.4	1.6	7.1	3.2	27.9	27.6	27.2
Lithuania	3.5	11.0	1.3	7.7	2.9	27.2	27.4	28.5
Malaysia	2.4	n.a.	n.a.	n.a.	n.a.	16.1	15.3	13.7
Malta	6.7	6.0	6.3	7.8	3.0	33.6	33.0	32.2
Morocco	--------------------- 9.3 ---------------------			------------- 12.0 -------------		24.0	23.0	22.7
Romania	3.5	8.8	2.2	8.5	3.5	28.3	28.4	26.8
Russia	3.6	6.2	3.8	5.7	1.3	34.7	35.1	31.8
Saudi Arabia		0.5		n.a.	n.a.	1.3	1.1	1.1
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	13.7	12.9	12.7
South Africa	8.0	n.a.	4.9	6.1	n.a.	23.7	23.0	22.4
Thailand	--------------------- 7.8 ---------------------			------------- 7.9 -------------		16.9	16.9	15.8

Sources: Revenue Statistics (OECD, 2014), Revenue Statistics in Latin America (OECD, 2014); Taxation Trends in the European Union (2014); South African Revenue Service; Morocco Tax Administration and IMF Article IV Consultations: Staff Reports.

Box 6.1. **Understanding the performance of VAT systems – the VAT revenue ratio (VRR)**

Precise measurement of VAT performance is not easy. It has traditionally been measured by the "efficiency ratio", defined as the ratio of VAT revenues to GDP divided by the standard rate (expressed as a percentage). Although the efficiency ratio is widely used as a diagnostic tool in evaluating VATs, its limitations are significant. In particular, the measure suffers from a fundamental weakness: a "perfect" efficiency ratio of 100 per cent could be achieved by a product-type VAT levied at a uniform rate. However, this is misleading since the norm is a consumption-type VAT. This difficulty is addressed by taking household consumption as a reference of the potential tax base rather than production (Ebrill, Keen, Bodin and Summers, 2001).

From this perspective, a VAT system should be considered, in absolute terms, "efficient" when it covers the whole of the potential tax base at a single rate and where all the tax due is collected by the tax administration. The VAT Revenue Ratio (VRR) is intended to be such a measure of "efficiency" or "performance". It builds on a concept developed initially by the IMF (the "C-efficiency ratio").

What does the VRR measure?

The VRR measures the difference between the VAT revenue actually collected and what would theoretically be raised if VAT was applied at the standard rate to the entire potential tax base in a "pure" VAT regime and all revenue was collected. The "standard" rate means the rate normally applicable to the tax base, unless otherwise varied by legislation. Legislation can (and almost all countries do) provide that lower (or higher) rates are applicable to a defined list of products. Almost all OECD countries (except Chile, Israel and Japan) apply lower VAT rates in addition to the standard rate. None of them applies higher VAT rates.

The potential VAT base includes all supplies of goods, services and intangibles made for consideration (or deemed to be made for consideration) by businesses or any other entity acting as a business (e.g. individuals, government entities providing supplies for direct consideration, etc.). In other words, the tax base corresponds to the expenditure made to obtain goods, services and intangibles. In practice, only transactions (sales) or deemed transactions (e.g. barter) are taxed under VAT and not consumption as such. For example, public goods provided by government, like defence (for which no user fee is possible, even in theory), do not belong to the tax base, as there is no direct payment in exchange for them. Under a "pure" VAT regime", all supplies made for consideration should be taxed at the standard rate, without any reduced rate, exemptions or specific tax relief. In practice, no country applies such a "pure VAT regime".

Interpretation of the VRR

In theory, the closer the VAT system of a country is to the "pure" VAT regime, the closer its VRR is to 1. A lower value reflects such factors as the effects of reduced rates, exemptions or a failure to collect all tax due. A VRR above 1 is possible in theory where almost all the tax base is covered by the standard rate and a number of exemptions without right to deduction apply so that the cascading effect of the exemption (see below) provides additional revenue for the government that exceeds the cost of the exemption. A VRR close to 1 is taken as an indicator of a VAT bearing uniformly on a broad base with effective tax collection. However, the interpretation of the measure should be made with caution. In practice, the VRR rarely equals 1. A number of complex – and sometimes contradictory – factors may influence the results. These include:

- Tax compliance never reaches 100 per cent.
- In many countries, a wide range of goods and services are subject to reduced rates of VAT.

Box 6.1. **Understanding the performance of VAT systems – the VAT revenue ratio (VRR)** *(continued)*

- Some goods and services are usually exempt from VAT (e.g. healthcare, education, financial services). Such exemption may reduce tax revenue (when exemption applies to goods and services directly supplied to final consumers (e.g. healthcare) or may increase revenue when exemption occurs early in the supply chain (e.g. financial services made to businesses) and the revenue arising from the cascading effect exceeds the potential tax arising from regular taxation.
- Some distortions may be created by the place of taxation rules applicable to international trade (e.g. services taxed in the country where the supplier is established while its consumers reside abroad).
- Very small traders are exempt from VAT collection in many countries (registration/collection thresholds) to minimise their compliance costs and revenue bodies' administrative costs, but reducing VAT revenue.
- Public sector bodies are generally exempt from or outside the scope of VAT in most countries, meaning they cannot deduct their input VAT. However, countries have created various mechanisms that, depending on their nature, can have positive or negative impacts on computed VRRs.
- The evolution of consumption patterns may also affect tax revenue. For example, when the share of consumption of necessities (taxed at a lower rate) increases within the consumption basket of households (e.g. as a result of an economic crisis).

Source: OECD Consumption Tax Trends 2012 and 2014.

Table 6.2 provides a summary of the VRRs computed for OECD countries up to 2012 (OECD, 2014b).

The computed ratios reveal a variety of trends warranting comment and, for some countries, raise a number of concerns:

- Computed VRRs across OECD countries vary widely and can be explained by two factors: *(1)* vastly different policy choices across Governments for reliance on VAT as a source of revenue that, for many, entail extensive use of reduced rates and/or exemptions that result in a relatively large "VAT policy gap"; and *(2)* high levels of non-compliance in some countries resulting in relatively large "compliance gaps".
- Overall VAT performance across OECD countries remains below the levels existing prior to the global financial crisis in 2008, ***notwithstanding efforts in recent years in many countries to bolster VAT revenue productivity.***
- A significant downwards trend (i.e. by 0.10 or more from 2006-12) is observed in six countries (i.e. Estonia, Iceland, Ireland, Slovak Republic, Slovenia, and Spain).
- The VRR displayed for Luxembourg (exceeding the theoretical maximum of one and having grown consistently since the late 1990s) is attributed to the liberalisation of financial services and the boom in e-commerce, market factors that in combination with their specific VAT treatment (i.e. allowing Luxembourg to get VAT revenue from exported e-commerce and financial supplies) within the EU have bolstered VAT revenues and, as a result, the computed VRR for the years shown in the table.

Table 6.2. **VAT revenue ratio (VRR) in OECD countries**

Country	Standard VAT rate 2012	VAT revenue ratio									
		2000	2005	2006	2007	2008	2009	2010	2011	2012	Difference 2006-12
OECD countries											
Australia	10.0	n.appl.	0.56	0.54	0.54	0.49	0.51	0.50	0.48	0.47	-0.07
Austria	20.0	0.61	0.59	0.57	0.58	0.59	0.58	0.58	0.58	0.59	0.02
Belgium	21.0	0.50	0.50	0.52	0.51	0.48	0.47	0.48	0.48	0.48	-0.04
Canada	5.0	0.50	0.50	0.47	0.51	0.51	0.49	0.49	0.48	0.48	0.01
Chile	19.0	0.64	0.67	0.64	0.67	0.70	0.59	0.62	0.63	0.64	0.00
Czech Republic	20.0	0.42	0.56	0.53	0.54	0.57	0.55	0.53	0.55	0.57	0.05
Denmark	25.0	0.60	0.63	0.65	0.65	0.62	0.59	0.58	0.59	0.59	-0.06
Estonia	20.0	0.72	0.76	0.81	0.80	0.67	0.73	0.67	0.68	0.70	-0.11
Finland	23.0	0.61	0.60	0.61	0.60	0.58	0.56	0.55	0.56	0.56	-0.05
France	19.6	0.50	0.52	0.51	0.51	0.50	0.47	0.47	0.48	0.48	-0.03
Germany	19.0	0.60	0.54	0.56	0.54	0.55	0.55	0.54	0.55	0.55	-0.01
Greece	23.0	0.49	0.46	0.46	0.48	0.46	0.39	0.45	0.38	0.37	-0.08
Hungary	27.0	0.52	0.48	0.55	0.59	0.57	0.62	0.53	0.52	0.52	-0.03
Iceland	25.5	0.59	0.61	0.64	0.59	0.52	0.45	0.44	0.44	0.45	-0.19
Ireland	23.0	0.62	0.66	0.67	0.63	0.55	0.47	0.49	0.47	0.45	-0.22
Israel	16.0	0.62	0.62	0.62	0.66	0.65	0.65	0.65	0.65	0.64	0.01
Italy	21.0	0.43	0.39	0.41	0.41	0.39	0.36	0.40	0.40	0.38	-0.03
Japan	5.0	0.68	0.71	0.70	0.69	0.67	0.67	0.69	0.69	0.69	-0.01
Korea	10.0	0.59	0.64	0.63	0.63	0.63	0.65	0.67	0.67	0.69	0.06
Luxembourg	15.0	0.76	0.90	0.89	0.94	0.97	0.97	0.99	1.05	1.13	0.24
Mexico	16.0	0.28	0.30	0.33	0.33	0.34	0.30	0.32	0.31	0.31	-0.02
Netherlands	19.0	0.57	0.59	0.58	0.59	0.57	0.52	0.55	0.53	0.53	-0.05
New Zealand	15.0	0.99	1.03	1.04	0.96	0.98	0.99	1.12	0.95	0.96	-0.08
Norway	25.0	0.67	0.57	0.61	0.63	0.57	0.54	0.56	0.56	0.57	-0.04
Poland	23.0	0.42	0.46	0.50	0.52	0.49	0.45	0.47	0.47	0.42	-0.07
Portugal	23.0	0.60	0.56	0.51	0.51	0.49	0.43	0.48	0.45	0.47	-0.04
Slovak Republic	20.0	0.44	0.60	0.57	0.53	0.53	0.47	0.46	0.49	0.43	-0.13
Slovenia	20.0	0.67	0.66	0.68	0.69	0.68	0.59	0.59	0.60	0.58	-0.10
Spain	18.0	0.52	0.57	0.57	0.53	0.43	0.32	0.46	0.39	0.41	-0.16
Sweden	25.0	0.52	0.55	0.56	0.57	0.58	0.57	0.59	0.58	0.56	0.00
Switzerland	8.0	0.74	0.72	0.74	0.73	0.74	0.70	0.72	0.71	0.71	-0.03
Turkey	18.0	0.45	0.38	0.39	0.36	0.35	0.34	0.39	0.43	0.40	0.01
United Kingdom	20.0	0.47	0.46	0.46	0.46	0.44	0.44	0.44	0.44	0.44	-0.02
OECD ave. (unw.)	18.7	0.57	0.59	0.59	0.59	0.57	0.54	0.56	0.55	0.55	-0.04

Source: Table 3.A3.1. Consumption Tax Trends: VAT/GST and excise rates, trends and policy issues (December 2014).

Refunds of taxes

A topic given relatively little attention in describing national tax systems and the work of revenue bodies is the incidence of tax refunds, and issues associated with their associated workload and costs for revenue bodies and taxpayers to settle.

Given the underlying design of the major taxes administered (i.e. PIT, CIT and VAT) some element of over-payment by a proportion of taxpayers is unavoidable. However, as discussed in this section the overall incidence of tax refunds (measured as a share of gross revenues) for many countries is higher than perhaps generally recognised and varies significantly across countries. Related to this, the relatively high incidence of tax refunds for some taxes (e.g. VAT) raises a number of important tax system management issues of concern to taxpayers, policy-makers and revenue bodies.

Excess tax payments represent a cost to taxpayers in terms of “the time value of money”, which is particularly critical to businesses that are operating with tight margins where cash flow is paramount. Any delays in refunding legitimately overpaid taxes may therefore result in significant “costs” to taxpayers, particularly where there are inadequate provisions in tax laws for the payment of interest to taxpayers in respect of delayed refunds. Another important consideration is that tax regimes with a high incidence of tax refunds are particularly attractive to fraudsters (especially via organised criminal attacks) and for this reason can present a significant and growing risk to revenue bodies that necessitates effective risk-based approaches for identifying potentially fraudulent refund claims.

Drawing on research by the Secretariat, there are many factors that can influence the incidence of refunds for each of the major taxes administered – see Box 6.2 – and these can be observed to varying degrees across countries in this series.

Concerning VAT systems, the combination of factors that result in a relatively high incidence of taxes to be refunded to taxpayers, coupled with a requirement to pay interest on delayed refunds creates an element of conflict for most revenue bodies that must be carefully managed.

On the one hand, revenue bodies must be alert to potentially excessive refund claims, taking steps have effective risk profiling techniques to detect such claims before they are processed. On the other hand, they are under pressure to process legitimate refund claims expeditiously so as to not unduly impact the cash flow of businesses seeking refunds. These considerations have prompted international and regional tax organisations to give attention to this matter with a view to providing “best practice” guidance, particularly for revenue bodies in developing and transitional economies, for example (IMF, 2005).

Table 6.3 displays ratios for seven years reflecting the overall incidence of tax refunds in each fiscal year, acknowledging that workloads associated with refunding overpaid taxes can be significant for many revenue bodies. The table also displays data on the incidence of VAT refunds for both 2012 and 2013. The key observations from the tabulation are as follows:

All refunds

- The overall incidence of tax refunds in 2013 (for 44 of 56 revenue bodies) varies significantly, resulting from various tax system design factors of the kind described in Box 6.2:
  - Five revenue bodies reported in excess of 30% (i.e. Bulgaria, Mexico Poland, Slovak Republic, and Switzerland);

- Eight revenue bodies (all OECD) reported between 20-30%;
- Nineteen revenue bodies reported an amount between 10-20%; and
- Twelve revenue bodies reported aggregate refunds < 10%.

- In overall terms for OECD countries, the proportion of tax being refunded to taxpayers appears to have fallen in 2012 and 2013 to around the level observed prior to the onset of the global financial crisis (i.e. around 20-22%).
- For non-OECD countries, the overall incidence of refunds is substantially lower than observed in OECD countries, except in the case of Bulgaria.
- Leaving aside the negative impacts of global financial crisis on tax revenues in 2009 and 2010, an upwards trend in the overall incidence of refunds is observed for Mexico; on the other hand, a fair downwards trend can be observed for the Slovak Republic.

Box 6.2. **Factors that can contribute to a high incidence of tax refunds**

Personal income tax

- Employee withholding schedules (where the non-cumulative approach is used) that are calibrated to marginally "over-withhold" taxes from employees' wages, pending the settlement of liabilities in end-of-year tax returns;
- Tax system design features that result in various tax benefits being delivered to taxpayers via the end-of-year tax return assessment process;
- The use of flat rate (creditable) withholding mechanisms for investment income (e.g. interest) that result in "overpayment" of taxes for lower income taxpayers (that must be refunded with the filing of a tax return);
- Design features of the system for making advance payments of tax that result in more tax being paid than the finally assessed amount;
- Taxpayers under-reporting income and/or over-claiming deductions and other entitlements in the end-of-tax return process to inflate their refund entitlements.

Corporate income tax

- Reversals of relatively large assessments following the resolution of taxpayers' disputes; and
- Design features of the system for making advance payments of tax that result in more tax being paid than the finally assessed amount.

Value added tax

- Features of a country's economy (e.g. the extent of value added of export industries, the proportion of taxable and zero-rated sales in the economy);
- Design features of the VAT system, particularly the extent of zero-rating and use of multiple rates; and
- Inflated VAT refund claims that go undetected, including those resulting from fraudulent schemes designed to exploit weaknesses in VAT refund controls.

Source: OECD CTPA Secretariat.

Table 6.3. **Revenue collections and refunds (relative shares)**

	Total refunds of tax/ gross revenue collections (%)							VAT refunds/gross VAT collection (%)		VAT refunds/total refunds of tax (%)	
Country	2007	2008	2009	2010	2011	2012	2013	2012	2013	2012	2013
OECD countries											
Australia	20.1	20.8	24.2	25.0	24.4	23.5	23.8	53.8	54.0	58.1	58.2
Austria	n.a.	n.a.	n.a.	n.a.	n.a.	16.5	15.7	32.3	32.3	81.9	84.4
Belgium	n.a.	20.3	22.5	n.a.	n.a.	19.8	19.1	32.4	31.8	56.2	54.8
Canada	21.6	19.9	23.5	23.3	22.9	22.2	22.1	53.4	54.2	49.2	50.6
Chile	29.3	26.0	36.3	21.5	19.3	24.4	24.2	35.6	35.0	79.5	83.2
Czech Republic	n.a.	30.1	29.3	29.4	31.2	31.1	29.9	48.9	46.1	100.0	100.0
Denmark	n.a.	n.a.	n.a.	n.a.	n.a.	24.9	24.4	57.8	58.4	89.3	89.8
Estonia	28.9	18.3	28.4	17.8	19.2	18.2	17.4	43.6	43.5	88.5	91.0
Finland	21.7	24.0	22.7	22.4	23.1	23.2	21.5	46.0	43.4	73.5	74.5
France	8.3	13.9	18.7	16.9	15.9	18.5	17.0	26.2	25.3	64.8	66.0
Germany	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Greece	5.4	7.1	9.9	10.9	10.7	6.7	7.3	9.6	13.8	41.4	51.1
Hungary	17.0	16.6	16.6	18.2	20.1	19.4	18.3	39.5	40.5	73.2	79.8
Iceland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	43.1	40.6	n.a.	n.a.
Ireland	13.9	15.3	16.1	32.9	29.3	12.7	11.3	21.9	21.9	44.7	49.4
Israel	n.a.	16.2	16.3	18.3	15.8	19.6	18.9	74.2	77.3	74.0	70.2
Italy	n.a.	13.1	14.2	14.0	12.7	13.7	15.5	21.9	25.7	48.3	49.2
Japan	12.6	13.7	16.2	19.3	14.7	13.8	13.2	25.7	25.0	50.9	50.2
Korea	18.9	23.6	22.9	23.2	24.9	23.9	24.9	47.7	48.5	84.1	83.4
Luxembourg /1	n.a.	10.5	11.2	8.5	9.0	10.0	9.0	27.5	24.5	100.0	100.0
Mexico	24.6	25.4	28.3	27.0	29.4	31.0	34.1	34.6	39.6	45.3	43.2
Netherlands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New Zealand	16.6	18.0	18.4	18.0	19.9	20.4	17.9	44.8	41.5	84.6	84.7
Norway	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	53.9	51.9	n.a.	n.a.
Poland	n.a.	27.3	28.7	27.0	27.6	29.1	30.6	38.7	41.2	83.1	83.7
Portugal	16.1	17.1	20.8	19.8	20.0	18.7	17.5	26.1	27.8	59.7	62.3
Slovak Republic	61.5	63.0	60.9	64.4	66.0	49.2	46.0	59.8	55.8	78.3	76.6
Slovenia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	46.3	43.7	n.a.	n.a.
Spain	18.1	23.7	29.7	23.7	22.9	20.8	23.2	32.0	33.5	53.7	51.3
Sweden	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	43.4	n.a.	n.a.	n.a.
Switzerland	n.a.	48.5	44.1	45.9	44.2	36.9	35.5	31.0	31.0	36.0	37.5
Turkey	10.7	11.5	12.2	10.7	10.8	12.1	11.3	n.a.	n.a.	n.a.	n.a.
United Kingdom	13.3	14.5	15.4	17.1	18.6	16.5	16.5	41.6	42.0	75.7	78.0
United States	11.0	15.5	18.7	19.9	17.2	14.8	12.8	-----------------No VAT in place-----------			
OECD ave. (unw.)	19.5	21.3	23.3	23.0	22.8	21.1	20.7	39.8	39.6	68.2	69.4
Non-OECD countries											
Argentina	4.3	3.0	2.0	1.9	1.8	0.6	0.9	1.3	1.1	56.4	33.7
Brazil	n.a.	n.a.	n.a.	4.5	4.4	5.8	4.2	3.1	5.4	15.8	30.4
Bulgaria	28.0	31.0	24.9	28.3	29.5	31.2	31.6	63.4	62.8	98.2	96.9
China	n.a.	10.1	10.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Colombia	n.a.	n.a.	n.a.	10.5	8.1	5.8	4.6	6.5	5.2	52.0	43.7
Costa Rica	-------Not included in the series in these years-----					n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Croatia	-------Not included in the series in these years-----					12.0	11.2	24.6	23.0	90.8	90.5
Cyprus	5.8	4.1	6.1	5.1	4.9	5.5	7.2	9.9	13.5	83.7	87.0
Hong Kong, China	n.a.	n.a.	n.a.	6.7	6.0	4.1	5.0	-----------------No VAT in place-----------			
India	n.a.	11.8	13.2	14.6	16.5	16.0	12.6	-----------------No VAT in place-----------			
Indonesia	n.a.	6.1	5.6	6.2	5.9	6.0	6.9	9.4	9.3	62.0	55.6
Latvia	n.a.	11.7	15.7	14.6	16.0	14.7	14.7	37.6	37.4	85.6	84.7
Lithuania	18.2	14.8	13.9	14.3	14.9	15.5	15.0	31.0	27.3	87.8	88.8
Malaysia	7.2	9.4	12.2	8.1	6.4	6.4	6.6	-----------------No VAT in place-----------			
Malta	n.a.	7.2	6.2	6.6	7.4	7.9	7.4	17.6	16.7	63.2	61.9
Morocco	-------Not included in the series in these years-----					5.4	4.8	15.7	15.0	75.8	84.2
Romania	n.a.	7.6	7.3	7.7	8.9	6.2	6.8	12.8	14.0	75.7	74.4
Russia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44.4	48.0	n.a.	n.a.
Saudi Arabia	n.a.	0.0	0.0	n.a.	n.a.	n.a.	n.a.	-----------------No VAT in place-----------			
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	15.5	16.2	18.5	19.0	16.3	17.9	17.3	40.7	39.2	79.7	80.1
Thailand	-------Not included in the series in these years-----					16.4	16.4	33.6	33.6	83.3	81.2

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 236.
Source: Tax Administration 2015 survey responses.

VAT refunds

- The overall incidence of VAT refunds in 2013 (using data for 45 of 51 revenue bodies administering a VAT) is substantially higher than the "all tax refunds" category, indicating the predominance of VAT as a source of tax refunds:
  - Seven revenue bodies reported VAT refunds exceeding 50% of gross VAT revenue (i.e. Australia, Bulgaria, Canada, Denmark, Israel, Norway, and Slovak Republic) for both 2012 and 2013;
  - Eleven revenue bodies reported between 40-50%;
  - Nine revenue bodies reported an amount between 30-40%; and
  - Eighteen revenue bodies reported aggregate refunds < 30%.

  While for many of these countries the incidence of VAT refunds can largely be attributed to a relatively high volume of exports, the data nevertheless highlights the importance of revenue bodies having systematic processes in place for granting timely VAT refunds to compliant taxpayers, as well as robust compliance checks for the detection of fraudulent VAT registrations and refund claims (ideally before refunds are paid to claimants).
- Over 20% of revenue bodies were unable to quantify the value of refunds, suggesting a possible gap in their performance monitoring arrangements.

Taxpayer service delivery

The provision of a comprehensive array of services for taxpayers and their representatives is an important component of the work of revenue bodies given the size of their client base, and the range and complexity of the taxes administered. However, revenue bodies face many competing demands. With limits on the resources that they can devote across the full range of their responsibilities, careful choices must be made as to how those resources are to be allocated to achieve the optimal mix of outcomes. As part of this, consideration must also be given to ensuring that service demands are satisfied in the most economical way, meaning the revenue bodies require both a detailed understanding of their service demand volumes and the costs of the various channels used for satisfying such demand.

In 2012, the FTA undertook a study – *Working smarter in revenue administration – Using demand management strategies to meet service delivery goals* – with the purpose of identifying the demand management processes revenue bodies had in place, and the steps they took to understand the root causes of service demand and how that knowledge was applied to either reduce demand or shift it to more cost efficient channels. Among other things, the study drew attention to weaknesses in the governance arrangements for managing service demand in many revenue bodies and encouraged them to do more to improve their understanding of their service demand workloads and the root causes of that demand. More is said on this topic in Chapter 7.

Managing service demand-service volumes

As for the prior series, the survey sought volume data on the main service demand categories of revenue bodies. Aggregate data obtained from survey responses for this and the prior series are set out in Tables A11 and A12, while Table 6.4 sets out various ratios computed to place the data in a comparative context. The key observations and findings are as follows:

In-person inquiries

- Many revenue bodies (over 40%) were unable to quantify the level of demand for this service channel in 2012 and 2013, suggesting possible weaknesses in their knowledge of this service channel and ability to improve its efficiency.
- For revenue bodies where data are available, there are significant variations in the relative levels of in-person inquiries received, ranging from less than one inquiry per 100 citizens (Canada) to over 160 inquiries per 100 citizens (Portugal).
- Using the benchmark ratio "inquiries made/100 citizens" for the 2012 and 2013 fiscal years, revenue bodies in France, Hungary, Portugal, Spain, and Sweden have an unusually high incidence of "in-person inquiries" in comparison with other revenue bodies; all of these revenue bodies have relatively large office networks, having regard to their respective demographic factors.
- Many revenue bodies with relatively high "in-person inquiry" volumes have relatively low "phone telephony" volumes and/or offer in-person payment services, suggesting potential for efficiency gains from increasing use of telephony and Internet services and modern payment services respectively – examples of revenue bodies in this category include Estonia, France, Hungary, and Portugal.
- The Canada Revenue Agency has the lowest rate of service demand for this channel, the result of concerted efforts over a number of years to reduce the costs of in-person services and recently resulting in the closure of payment and inquiry counters, as described in OECD (2012).
- On a positive note, and as described in Chapter 2, a fair number of revenue bodies are taking steps to significantly scale back the size of their office networks, a measure that might reasonably be expected to lead to significant reductions in their volumes of "in-person inquiries".

Telephony inquiries answered

- A large number of revenue bodies reported "telephony inquiries" volume information; while these data also show a significant variation in the relative level of calls answered by revenue body staff – using the benchmark "calls answered per 100 citizens" for both 2012 and 2013 – these variations in rates may in part be explicable by differences in roles and the range of taxes administered by the revenue bodies concerned, for example: *(1)* some revenue bodies (e.g. Canada, New Zealand, and Netherlands) have significant non-tax functions (e.g. the administration of welfare-related responsibilities); and *(2)* some revenue bodies administer a broader array of taxes (e.g. taxes on real property and motor vehicles).
- A number of revenue bodies with a low ratio of "telephony inquiries" per 100 citizens also have relatively large office networks and relatively small or no call centre operations, suggesting possible potential to make greater use of phone service channels.

Telephony inquiries (handled by IVR)

- Significant IVR volumes were reported by over 25% of revenue bodies (see Table A.12); on the other hand, responses from almost 60% of revenue bodies' suggest that such technology is not used for taxpayer service delivery purposes; compared to TA2013, significantly increased usage was reported by Australia, Colombia, Poland, Portugal, United Kingdom and United States.

Table 6.4. **Taxpayer services: Service demand ratios**

(Table only includes revenue bodies that reported volumes of in-person inquiries received and/or phone inquiries answered.)

Country	In-person inquiries: No. dealt with per 100 citizens				Phone inquiries (excl. IVR/1): No. answered per 100 citizens				Factors that may be unduly influencing ratios*
	2010	2011	2012	2013	2010	2011	2012	2013	
OECD countries									
Australia	2.95	2.42	2.14	1.90	39.90	41.90	44.45	41.07	R
Austria	n.a.	n.a.	n.a. /2	n.a. /2	n.a.	42.20	54.57	57.85	N
Belgium	n.a. /2	n.a. /2	n.a. /2	n.a. /2	6.50	5.80	6.11	5.65	N
Canada	0.70	0.70	0.74	0.44	48.10	51.00	49.28	47.04	
Chile	13.72	14.17	15.71	15.30	4.90	4.87	4.97	4.45	N
Denmark	7.30	7.10	6.98	4.56 /2	n.a.	n.a.	48.48	49.46	
Estonia	23.80	22.30	15.33	12.37	18.50	19.20	16.92	16.54	
Finland	n.a.	n.a.	23.76	19.71	17.40	19.80	32.90	38.31	N
France /2	24.20	28.50	28.23	27.36	5.20	4.90	n.a.	n.a.	N
Greece	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.15	
Hungary	23.50	25.00	26.00	23.86	7.80	7.50	n.a.	n.a.	N
Iceland	13.30	23.30	n.a.	n.a.	43.00	43.00	n.a.	n.a.	
Ireland	19.30	18.00	16.78	14.64	38.10	38.60	32.70	53.16	N
Israel	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.59 /2	7.94 /2	
Italy	16.10	17.10	15.65	15.91	3.30	3.30	n.a.	n.a.	N
Japan	3.30	2.90	3.04	3.07	4.00	4.00	4.16	3.94	N
Korea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.00	2.99	N
Mexico	8.30	9.50	8.75	7.08	4.40	4.10	3.58	3.04	
Netherlands	5.30	5.90	4.80	2.93 /2	83.20	85.00	84.73	86.41	R
New Zealand	4.50	4.50	4.51	4.47	90.90	84.10	79.01	73.83	R
Norway	n.a.	n.a.	n.a.	n.a.	44.50	40.60	35.06	35.43	N
Poland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4.18	4.39	N
Portugal	141.00 /2	122.60 /2	152.24 /2	163.25 /2	6.70	9.20	11.42	15.86	N, P
Slovak Republic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.02	N
Spain	n.a.	n.a.	28.59	41.36	13.00	12.40	13.34	12.55	N, R
Sweden	14.90	16.00	20.01	23.01	47.80	46.80	17.02	14.23	N
Switzerland	n.a.	n.a.	n.a.	n.a.	25.60	25.60	n.a.	n.a.	
Turkey	n.a.	n.a.	n.a.	n.a.	0.40	0.70	n.a.	n.a.	N
United Kingdom	5.00	5.20	4.24 /2	3.20 /2	43.90	38.20	34.33	34.55	N
United States	2.10	2.10	2.18	2.06	11.90	11.10	9.81	9.53	
Non-OECD countries									
Argentina	n.a.	n.a.	n.a.	n.a.	< 1.00	< 1.00	0.78	0.99	N
Brazil	10.40	10.30	10.29	9.99	1.10	1.30	1.02	0.42	N
Bulgaria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3.14	3.71	
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.06	1.20	
Colombia	7.20	6.90	n.a.	n.a.	n.a.	n.a.	1.57	2.40	N
Costa Rica			1.25	1.34			1.87 /2	1.85 /2	N
Croatia			n.a.	n.a.			1.64	1.88	
Hong Kong, China	3.20	2.90	3.06	3.19	0.43	0.42	0.56	0.42	
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.09	0.17	
Indonesia			n.a.	n.a.			0.13	0.18	
Latvia	22.40	26.60	20.59	9.90 /2	5.70	10.50	19.61	19.80	
Lithuania	5.60	3.20 /2	n.a. /2	n.a. /2	22.60	20.60	21.67	22.56	
Malaysia	< 1.00	< 1.00	8.49	9.11	1.70	1.80	1.47	0.91	N, P
Malta	11.50	11.00	11.90	10.24	25.50	17.00	16.67	16.67	
Romania	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5.72	4.90	N
Saudi Arabia	n.a.	n.a.	0.74	0.87	n.a.	n.a.	n.a.	n.a.	
Singapore	3.60	2.80	1.91	1.86	19.20	19.10	18.71	18.15	
South Africa	n.a.	n.a.	12.17	15.80	10.10	11.10	10.67	9.64	N
Thailand			n.a.	n.a.			0.93	0.98	N, P

* Legend: **P**: receives in-person payments; **R**: as significant non-tax roles; **N**: has relatively large office network given demographic factors.

Source: Tax Administrati*on 2015 survey responses.*

Written (paper) correspondence

- Volume data for this channel are restricted to less than half surveyed countries and show wide variation in absolute terms, with volumes generally skewed to relatively small amounts (i.e. under 200 000 per annum); relatively significant usage (expressed in millions) was reported for 2013 by Australia (5.8), United Kingdom (18.3), and United States (20.8).

Written (email) correspondence

- Volume data for this channel showed wide variation in absolute terms, but volumes generally are skewed to relatively small amounts (i.e. under 200 000 per annum); significant usage was reported for 2013 by Argentina (390 000), Denmark (440 000), France (710 000), India (2 760 000), Mexico (1 700 000), New Zealand (800 000), Sweden (370 000), United States (5 760 000).

Are you being served? The use of service delivery standards

In a "taxpayer service delivery" context, quality has many dimensions (e.g. timeliness, accuracy of advice, and ease of access to information) and an exhaustive study of the approaches and performance of revenue bodies in this regard is beyond the scope of this series. For comparative purposes, this series focuses on a few of the more mainstream (and voluminous) areas of service provided by revenue bodies – the volumes of "service demand" work received, the standards that have been set for "timeliness", and the level of performance achieved in relation to those standards.

Tables 6.5 to 6.7 provide information for six specific areas of service delivered by revenue bodies – the actual performance standard used in practice and the level of performance achieved in 2013. The areas of service covered by the survey are: *(1)* processing PIT returns with refunds; *(2)* resolving taxpayers' complaints; *(3)* processing VAT returns with refunds; *(4)* sending a substantive response to a written letter on a routine matter; *(5)* dealing with in-person enquiries; and *(6)* answering taxpayers' telephone inquiries. The key findings and observations are as follows:

- The practice of establishing service standards and measuring the performance achieved against them remains a relatively immature practice across surveyed revenue bodies, with less than half having a comprehensive set of standards for all/most of the areas of service delivery identified.
- For the areas of service surveyed, standards most frequently existed for the processing of VAT refunds and written inquiries, answering telephone inquiries, and handling taxpayers' complaints; standards were less frequently reported for the processing of income tax returns.
- For some areas of service delivery, the standards applied (and levels of service achieved) vary quite significantly (e.g. processing of VAT refunds).
- Survey data from a number of countries reveal examples of what might be deemed "highly responsive" standards and outstanding levels of service performance (see Table 6.8).

Table 6.5. **Service standards and performance in 2013: PIT returns and complaints**

(Countries only shown where an administrative standard is applied in practice and actual performance is reported)

Country	Processing PIT returns: Standard set for processing in 2013	Processing PIT returns: Result	Resolving taxpayers complaints: Standard set for processing in 2013	Resolving taxpayers complaints: Result
OECD countries				
Australia	Paper: 80% processed in 42 days E-filed: 94% in 12 days	90% 97%	85% resolved in 21 days	95%
Austria	Process within an average of 24 days (both paper and e-filed returns)	18.5 days	100% within 14 days	n.a.
Canada	Paper: 100% in average of 4-6 weeks E-filed: 100% in average of two weeks	4.3 weeks 1.6 weeks	80% acknowledged within two business days/ 80% resolved within 30 business days	92% / 94.3%
Chile	Varies /1	100%	-	-
Denmark	100% processed in six weeks	99%	100% within 90 days	88.4%
Estonia	E-filed: 5 working days (unless inquiry needed)	100%	Within 30 working days	n.a.
France	-	-	96.5% of complaints processed in one month /1	96.56%
Greece	-	-	Resolving 80% of the arising issues concerning inbound calls	80%
Ireland	E-filed: 100% in five work days	77%	Processed in 20 work days	84%
Israel	Within 90 days (legal requirement)	73% /1	Interim reply within 14 days	n.a.
Italy	80% till tax year 2011	77.25%	100% within 20 days	93.51%
Japan	95% in six weeks	96.3%	90% to have trouble shooting in three days	87.9%
Korea	100% in 30 days from the closing day of return period	n.a.	-	-
Luxembourg	-	-	Within three months	95%
Mexico	E-filed: 100% in 40 days for *(1)* large taxpayers and *(2)* regular taxpayers, and in 5 days for *(3)* individuals	*(1)* 86.7% *(2)* 95.3% *(3)* 98.6%	-	-
Netherlands	98-100% filed before 1 April paid by 1 July	99.9%	98-100% resolved in six weeks	98%
New Zealand	85% within 6 weeks	86.2%	-	-
Norway	-	-	90% within three months	91.1%
Poland	All in three months	100%	-	-
Portugal	-	-	Resolve within 14-18 days	11 days
Spain	Average time of processing: 32 days	n.a.	Average time of processing: 32 days	n.a.
Switzerland	-	-	For VAT: resolve within 30 days of receipt	99.9%
United Kingdom	-	-	80% resolved within 15 work days	58.4%
United States	100% in 40 days /1	99%	Initial action *(1)* and initial contact *(2)* for economic burden cases in three days, five days for others /2	*(1)* 97.2%, *(2)* 95.7%
Non-OECD countries				
Argentina	-	-	Resolve 85% of complaints registered	82%
Brazil	-	-	Answer within 30 days	98%
Hong Kong, China	Assess 96% within nine months	98.2%	Interim reply: 99% in seven days Substantive reply: 99% in 15 days	100% 100%
India	All returns to be processed in less than 180 days.	121 days average	All taxpayers' complaints to be resolved in 60 days.	60 days average
Lithuania	100% processed before 31 July where filed before 1 May	99.9%	-	-
Malaysia	Paper: Process 70% within 90 days of filing. E-filed: Process 70% within 30 days of filing	98% 98.9%	70% cases resolved within 60 days	100%
Malta	100% within six months	90%	80% within five work days and 100% within 20 days	80%
Singapore	Process 100% of refund in 30 days	100%	Paper: six work days; other: four work days	Average of 3.08 days
South Africa	Process in less than 1 working day	0.16 working days	-	-

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 236.
Source: Tax Administration 2015 survey responses.

Table 6.6. **Service standards and performance in 2013: VAT refunds and correspondence**

(Countries only shown where an administrative standard is applied in practice and actual performance is reported)

Country	Processing VAT returns with refunds: Standard set for processing in 2013	Processing VAT returns with refunds: Result	Sending substantive reply to written correspondence: Standard set for processing in 2013	Sending substantive reply to written correspondence: Result
OECD countries				
Australia	92% in 14 days (e-filed), 85% in 14 days (paper)	100%, 98%	85% in 28 days	92%
Austria	Process within an average of 25 days	18.2 days	Within eight weeks (two weeks for wage tax)	n.a
Canada	95% in 30 calendar days /1	93.8%	-	-
Chile	95% of refund requests made by Reverse Charge Regime taxpayers, processed within the established period /1	97.1%	-	-
Denmark	100% processed in two weeks	99%	Basic email-80% in 5 days; other decisions-90% in 90 days	79%; 88.4%
Estonia	5 working days	100%	five work days	n.a.
Finland	3.6 days	3.8 days	100% in two days (Internet inquiries)	88%
France	80% processed in less than 30 days	89.7%	75% processed in 15 work days /1	90.7%
Hungary	-	-	30 work days	98%
Ireland	100% processed in 5 working days (e-returns)	100%	50% in 10 working days, 85% in 20 working days and 100% in 30 working days	68%, 85%, 93%
Israel	Within 90 days	n.a.	Initial response within 14 days (as per law)	n.a.
Italy	80% till tax year 2011 and 30% tax year 2012	98.53% / 31.83%	80 000 emails	104 646 emails
Korea	90% in 20 days	92.5%	-	-
Luxembourg	Legal delay	Achieved	Within three months	Achieved
Mexico	E-filed: 100% in 40 days for *(1)* large taxpayers and *(2)* regular taxpayers, and in 10, 15 or 20 days for *(3)* certified enterprises	*(1)* 91.5% *(2)* 92.1% *(3)* 73.4%	20 days according to the provisions of the law	65.9% on time
New Zealand	95% within four weeks	97.7%	75% within three weeks	76.6%
Norway	100% within 21 days /1	n.a.	Preliminary answer within 15 working days	n.a.
Poland	Standard time is 60 days /1	100%		
Portugal	25 to 30 days	29.5 days	70 to 85 days	77.8 days
Spain	Average time of processing: 32 days	n.a.	-	-
Switzerland	Within 30 days of receipt	99.9%	For VAT: within 30 days of receipt	90%
United Kingdom	-	-	80% within 15 working days and 95% within 40 working days	85% / 97%
United States	n.appl.	-	Routine letters; *(1)* Interim response in 30 days, and *(2)* Final response in 45 days	*(1)* 100%, *(2)* 55 days
Non-OECD countries				
Cyprus	-	-	All within 30 days	n.a.
Hong Kong, China	n.appl.	-	***Simple:*** 95% in 7 working days, 99% in 9 working days; ***Technical***: 98% in 21 working days, 99% in 42 working days	99.9% 99.9%
Lithuania	Refunds in 30 days of receipt of required documents	7.6 days (ave.)	100% responded to in 20 work days	99.8%
Malaysia	-	-	Within 3 working days	100%
Malta	-	-	80% within five work days and 100% within 20 days	80%
Morocco	100% within three months	57%	-	-
Singapore	95% in one month	98.1%	80% in 15 work days	92.3%
South Africa	21 working days	31.7 days /1	75% within 21 days	75.1%

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 237.
Source: Tax Administration 2015 survey responses.

Table 6.7. **Service standards and performance in 2013: In-person and phone inquiries**

(Countries only shown where an administrative standard is applied in practice)

	Dealing with in-person inquiries at tax offices		Answering telephone inquiries	
Country	Standard set for processing in 2013	Result	Standard set for processing in 2013	Result
OECD countries				
Australia	90% in 15 min.	96%	80% in five minutes (general public), 90% in two minutes (tax agent)	81%, 91%
Austria	Immediately /1	-	Wait time of one minute maximum	37.64 secs
Canada	- /1	-	80% in two minutes for both individuals and business inquiries /2	82%, 82%
Chile	-	-	80%	59%
Denmark	-	-	Achieve satisfaction of 3.8 (scale 1/5)	3.9
Estonia	Within 10 min.	n.a.	Average waiting time of 25 secs.	15.48 secs
Finland	-	-	70% in 60 secs	59%
France	-	-	60% of calls answered in five rings	67%
Greece	-	-	30% of inbound calls in less than six minutes	Average 5.5 mins
Hungary	Waiting time should not exceed 25 mins	6.6 mins	General information system (TCC): 95% of calls made are answered / Client information system (ÜCC): 90% of calls made are answered	99.4% / 95.4%
Ireland	-	-	PAYE: 50% in 30 secs, 85% in 3 min, and 100% in 5 min.; Other: As for PAYE	/1
Israel	-	-	3 mins (for call centres only)	4.08 mins
Italy	-	-	1 900 000	2 252 235
Japan	85% satisfaction rate with service	87%	*(1)* 95% satisfaction rate with service *(2)* 95% receive counselling in 15 min.	*(1)* 94.5% *(2)* 99%
Luxembourg	Appointments by mutual agreement	-	Immediate answer if the question is simple /1	95%
Mexico	-	-	Answer 80% of calls in an average of 22 secs	88%
New Zealand	-	-	*(1)* 70% in 1 min. on priority queue, and *(2)* 70 % in 4 mins. on general queue	*(1)* 64.3%, *(2)* 78.3%
Norway	-	-	Average waiting time max. 6 mins	6.2 mins
Portugal	Average wait time 21 to 24 mins	21.48 mins	Answer 70% to 80% of calls received	72.1%
Turkey	Satisfaction target of 90%	98%	*(1)* Receive 400 000 telephone inquiries *(2)* Answer 80% in 30 seconds	*(1)* 463 630 *(2)* 43.25%
United Kingdom	-	-	Handling 90% of calls	79.4%
United States	-	-	*(1)* 70% level of service; *(2)* average speed of answer within 899 secs	*(1)* 60.5% *(2)* 1 058 secs
Non-OECD countries				
Argentina	-	-	Answering 75%	71%
Brazil	Average waiting time of maximum 15 minutes	10 mins 42 secs	Average waiting time of maximum 3 minutes 50 seconds	3 mins 23 secs
Bulgaria	-	-	Answering 95%	95%
China	-	-	Through rate for incoming calls: 75%-80%	80%
Colombia	-	-	Answering 90%	78%
Hong Kong, China	Peak times: 95% in 10 minutes Other times: 99% in 10 minutes	99.6% 100%	May and June: 85% in 3 minutes, 90% in 4 minutes, Other months: 90% in 3 minutes, 95% in 4 minutes	90.2, 99.1 93.9, 99.1
Indonesia			Answering 72%	84.3%
Lithuania	-	-	Answering 80%	72%
Malaysia	Waiting time not more than 15 minutes	100%	Answer 80% of calls that went through before the third ring	95%
Malta	-	-	Average wait time of 1 minute	100%
Singapore	80% in 20 minutes	88.7%	Non-peak period: 85% in 1 minute Peak period: 70% in 1 minute	84% 81%
South Africa	-	-	82% first contact resolution	84%

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 237.
Source: Tax Administration 2015 survey responses.

Table 6.8. **Examples of responsive service standards and good standards of performance**

Area of service	Country	Standard set	Performance in 2013
Processing PIT returns with refunds	Estonia	e-filed: 100% in five work days (unless inquiry needed)	100%
	Canada	e-filed: 100% in average of two weeks	1.6 weeks
Resolving taxpayers complaints	Portugal	Resolve (all) within 14-18 days	11 days
	Singapore	Finalise paper-based complaints in six work days, others in four work days	Average of 3.08 work days
Processing VAT returns with refunds	Ireland	e-filed: 100% processed in five days	100%
	Estonia	All in five working days	100%
Replying to written correspondence	Hong Kong	***Simple:*** 95% in seven work days, 99% in nine work days; ***Technical***: 98% in 21 work days, 99% in 42 work days	99.9% for both categories
	Ireland	50% in 10 work days, 85% in 20 work days and 100% in 30 working days	68%, 85%, 93%
	Lithuania	100% responded to in 20 work days	99.8%
Dealing with in-person inquiries	Hong Kong	Peak: 95% in 10 min; other times: 99% in 10 min	99.6%, 100%
	Japan	85% satisfaction rate with service	87%
Answering telephone inquiries	Austria	Wait time of one minute maximum	37.64 secs (aver.)
	Canada	80% in two minutes (both individuals and businesses)	82%, 82%

Tax verification activities

As discussed in Chapter 5, tax audit and verification activities represent a major investment of revenue body resources in surveyed countries. Based on the data in Table 5.7 in Chapter 5, around 40% of surveyed revenue bodies reported that over 30% of staff resources (FTEs) are devoted to tax audit, investigation, and other verification-related activities. For this reason alone, the resources used for these activities and the contribution they make to revenue collections and overall taxpayers' compliance are of considerable interest to all revenue bodies.

For the purposes of this and prior series, "verification activities" are defined as comprising all of the activities typically undertaken by revenue bodies to check whether taxpayers have properly reported their tax liabilities in the returns filed by them. The primary verification activity undertaken by revenue bodies is usually described by the term "tax audit" (including field, desk, or correspondence audits) or "tax control". Less frequently used terms are "examinations", "investigations", and "enquiries". It is also known that across revenue bodies "audit" activities vary in their scope and intensity, and indeed in the precise nature of actions taken by officials that are deemed to constitute an "audit". Revenue bodies also carry out various other activities (e.g. in-depth fraud investigations, income/document matching checks, phone inquiries, computer-based edit and mathematical checks, and inspections of books and records) that can result in changes to taxpayers' reported liabilities. For this series, the information provided aims to reflect all forms of the verification activity undertaken by revenue bodies. *It does not aim to include work, and resultant taxes and penalties, associated with returns filed by taxpayers after follow-up non-filing enforcement related actions.*

Table A10 located at the end of this series sets out aggregates over a 9 year period (2005 to 2013) of the total value of assessments results from all verification activities (and for large taxpayers) reported by revenue bodies for this and prior series. Tables 6.9 to 6.11 give an indication of the scale of tax audit and related verification activities, in terms of the value of assessments resulting from such actions and the numbers of actions taken/ taxpayers reviewed. The key observations are as follows:

All taxpayer categories

- The aggregate value of revenue bodies' verification results (i.e. assessed tax and penalties) as a share of net revenue collections for 2013 vary widely:
    - Four reported results over 8% (i.e. Brazil, Hungary, Italy, and Mexico);
    - Eleven reported results in the range 4 to 8%;
    - Fourteen reported results in the range 2 to 4%;
    - Twenty reported results less than 2% net revenue collections; and
    - Seven revenue bodies did not report any results for verification activities.
- For both Brazil and Italy, the amounts reported were equivalent to just over 17% of annual net revenue collections; not surprisingly, both revenue bodies also report an unusually large inventory of disputed tax debt (see Table 6.14).
- Viewed over a five year period ending in 2013 where relevant data were available, a small number of revenue bodies (including Chile, Cyprus, France, Indonesia, Mexico, Poland, Slovenia, and Spain) reported generally consistent increases in the aggregate value of their verification outputs.
- Reported verification outputs (i.e. numbers of completed actions) across countries vary enormously, even after account is taken of relevant taxpayer population data. There was insufficient information available to fully understand the reasons for these variations but possible influencing factors include differences in: *(1)* the use/ non-use of assessment versus self-assessment procedures; *(2)* the scale of third party information checking programmes, and local audit policies (e.g. the mix of audit types carried out).
- Consistent and fairly significant increases in the numbers of completed verification actions over the period covered can be identified for only four revenue bodies (i.e. Argentina, Canada, and Malaysia) while for many others the reported volumes over the years covered fluctuate widely suggesting deliberate policy choices, possible changes to the interpretation given to "verification activities" and/or errors or inconsistency in data compilation

Large taxpayers

- Verification results for large taxpayers figured prominently in the results reported by many revenue bodies; of the 38 revenue bodies that reported results for large taxpayers, 13 indicated that the value of tax assessments for these taxpayers exceeded one-third of overall verification activities in 2013.
- Seven revenue bodies in OECD countries reporting the existence of a dedicated unit to monitor the tax affairs of large taxpayers failed to report the results of verification activities (i.e. Belgium, Israel, Netherlands, Norway, Spain, Sweden, and Turkey), raising questions as to the comprehensiveness of the arrangements in place for monitoring the compliance of these taxpayers.

Table 6.9. **Verification actions: Value of assessments/total net revenue collections**

	All taxpayers							Large taxpayers						
	Value of completed actions/net tax collections (%)							Value of completed actions/net tax collections (%)						
Country	2007	2008	2009	2010	2011	2012	2013	2007	2008	2009	2010	2011	2012	2013
OECD countries														
Australia	2.8	3.0	3.1	3.7	3.8	3.8	3.9	1.0	1.2	0.8	1.3	0.9	0.8	0.8
Austria	3.3	3.2	2.3	2.4	3.1	3.0	2.5	1.9	2.0	0.9	1.0	1.7	1.8	1.1
Belgium	n.a.	n.a.	7.9	8.9	9.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canada	3.2	3.1	3.2	3.9	3.3	3.0	3.1	1.2	1.6	1.2	1.5	1.2	1.1	1.2
Chile	1.1	1.8	2.2	3.6	3.8	4.3	4.0	0.2	0.2	0.1	0.7	0.8	1.2	0.5
Czech Republic	n.a.	1.7	1.8	2.5	2.5	2.6	1.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.6
Denmark	n.a.	n.a.	n.a.	2.9	1.9	3.3	3.3	n.a.	n.a.	n.a.	0.4	0.4	2.1	2.6
Estonia	n.a.	0.9	2.0	1.3	1.0	0.8	0.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finland	0.6	4.4	5.2	1.0	0.8	0.8	0.7	n.a.	n.a.	n.a.	n.a.	n.a.	0.1	0.1
France	2.2	2.5	2.9	4.5	4.4	5.5	4.9	0.6	0.8	1.0	1.6	1.6	2.1	1.7
Germany	3.8	3.8	4.4	3.7	3.5	n.a.	n.a.	2.7	2.7	3.2	2.5	2.4	2.6	2.3
Greece	5.6	5.6	6.3	8.5	6.8	4.8	3.5	4.1	3.6	2.9	5.0	4.8	0.6	0.7
Hungary	6.6	8.6	8.9	8.7	7.6	8.0	9.1	0.6	0.9	1.0	1.2	1.1	1.1	1.3
Iceland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	1.3	1.2	1.6	1.5	1.5	1.1	1.2	0.4	0.3	0.4	0.3	0.3	0.2	0.2
Israel	n.a.	3.4	4.2	3.4	3.5	6.8	7.8	n.a.	0.4	0.6	n.a.	n.a.	n.a.	n.a.
Italy	n.a.	13.4	17.0	20.3	23.1	20.5	17.7	n.a.	1.0	2.1	3.6	4.5	3.9	2.7
Japan	1.8	1.6	1.6	2.0	1.5	1.3	1.1	0.5	0.4	0.3	0.6	0.3	0.2	0.2
Korea	3.6	n.a.	n.a.	n.a.	n.a.	3.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Luxembourg /1	1.7	0.6	0.9	0.6	0.6	0.6	0.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	5.1	5.3	6.8	7.6	7.2	6.4	8.9	2.9	3.2	4.1	4.6	4.3	4.0	4.9
Netherlands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New Zealand	2.1	2.8	2.6	6.2	3.1	2.4	2.3	0.7	1.4	1.2	4.6	1.6	0.7	1.2
Norway	0.7	n.a.	n.a.	n.a.	n.a.	3.2	2.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Poland	0.2	0.7	0.8	0.9	1.0	1.1	1.5	0.0	0.2	0.2	0.3	0.3	0.4	0.5
Portugal	5.0	4.9	9.0	6.8	5.5	5.6	4.1	1.6	1.2	2.5	1.7	1.4	1.9	0.9
Slovak Republic	6.4	8.1	9.6	14.7	17.2	6.2	6.4	0.1	1.2	0.1	0.4	0.05	0.1	0.1
Slovenia	0.8	1.2	1.6	2.4	2.6	2.5	3.3	n.a.	0.1	0.04	n.a.	n.a.	0.2	0.1
Spain	2.9	3.7	4.9	5.3	5.7	6.8	6.5	n.a.	n.a.	0.7	n.a.	n.a.	n.a.	n.a.

Table 6.9. **Verification actions: Value of assessments/total net revenue collections** *(continued)*

	All taxpayers							Large taxpayers						
	Value of completed actions/net tax collections (%)							Value of completed actions/net tax collections (%)						
Country	2007	2008	2009	2010	2011	2012	2013	2007	2008	2009	2010	2011	2012	2013
Sweden	n.a.	0.6	0.4	0.5	0.3	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Switzerland	n.a.	0.3	0.5	0.2	0.2	0.2	0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	7.8	6.7	8.1	n.a.	n.a.	4.8	8.5	4.5	3.6	4.6	n.a.	n.a.	n.a.	n.a.
United Kingdom	2.1	n.a.	n.a.	4.1	3.2	4.0	4.4	1.0	n.a.	n.a.	1.8	1.8	1.1	1.1
United States	2.2	2.5	3.1	3.1	3.1	2.2	2.0	0.4	0.7	0.6	0.8	0.7	0.5	0.5
Non-OECD countries														
Argentina	2.5	2.4	2.7	2.5	2.5	1.4	1.3	n.a.	1.9	1.9	1.8	1.8	0.8	0.6
Brazil	n.a.	n.a.	n.a.	11.4	11.5	11.7	17.2	n.a.	n.a.	n.a.	7.2	8.3	9.3	14.5
Bulgaria	2.1	2.0	2.2	1.6	2.2	2.7	1.3	0.8	0.4	0.6	0.3	0.7	0.5	0.2
China	n.a.	0.1	0.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Colombia	n.a.	n.a.	n.a.	1.1	0.9	0.7	0.7	n.a.	n.a.	n.a.	0.5	0.5	0.4	0.3
Costa Rica	-------- Not covered by the series for these years --------					n.a.	n.a.	-------- Not covered by the series for these years --------					0.9	0.3
Croatia	-------- Not covered by the series for these years --------					1.5	1.4	-------- Not covered by the series for these years --------					n.a.	0.4
Cyprus	7.0	1.0	1.3	6.2	6.3	7.5	6.3	n.a.	n.a.	n.a.	n.a.	n.a.	0.5	0.1
Hong Kong, China	n.a.	n.a.	n.a.	2.1	2.7	3.4	1.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	n.a.	n.a.	n.a.	0.04	0.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Indonesia	n.a.	2.1	2.4	3.0	2.4	3.1	4.2	n.a.	n.a.	0.2	n.a.	n.a.	1.3	1.1
Latvia	2.0	2.9	4.1	4.6	5.6	4.2	4.2	0.04	0.02	0.3	n.a.	1.3	0.5	1.6
Lithuania	0.9	1.1	2.9	2.0	1.6	1.8	1.6	n.a.	0.1	0.3	0.01	0.2	0.1	0.2
Malaysia	4.7	2.1	3.9	3.6	2.6	1.5	3.1	0.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malta	n.a.	n.a.	n.a.	1.1	0.7	1.2	1.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Morocco	-------- Not covered by the series for these years --------					3.5	4.2	-------- Not covered by the series for these years --------					2.2	2.8
Romania	n.a.	3.2	4.5	6.8	6.0	3.9	5.4	n.a.	0.5	0.8	n.a.	n.a.	0.6	1.5
Russia	n.a.	n.a.	n.a.	6.0	4.1	3.9	3.5	n.a.	n.a.	n.a.	1.7	0.9	0.9	1.1
Saudi Arabia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13.6	16.8
Singapore	0.6	0.5	0.7	0.9	0.8	0.7	0.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	3.1	n.a.	n.a.	n.a.	2.1	1.7	2.6	n.a.	n.a.	n.a.	n.a.	n.a.	< 0.1	< 0.1
Thailand	-------- Not covered by the series for these years --------					0.9	1.0	-------- Not covered by the series for these years --------					n.a.	n.a.

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 237.
Source: Tax Administration 2015 survey responses.

Table 6.10. **Verification actions: Number completed for all taxpayer categories**

Country	Number of completed verification actions (nearest 000s) /1						
	2007	2008	2009	2010	2011	2012	2013
OECD countries							
Australia	805	847	1 041	808	898	1 268 /2	749 /2
Austria	75	78	81	84	85	89	88
Belgium	4 000 /2	4 026 /2	5 505 /2	4 996 /2	4 537 /2	146 /2	142 /2
Canada /2	2 669	2 856	3 070	2 729	2 857	3 503	3 884
Chile	250	326	388	549	601	512	457
Czech Republic	22	129	139	98	68	66	51
Denmark	n.a.	n.a.	n.a.	74	61	56	50
Estonia	n.a.	2	2	3	3	8	8
Finland	n.a.	n.a.	n.a.	143	131	118 /2	113 /2
France	52	52	52	1 052 /2	1 051 /2	1 434 /2	1 390 /2
Germany	453	448	434	426	411	n.a.	n.a.
Greece	14	13	10	15	22	38	28
Hungary	246	60	60	188	206	176	163
Iceland	n.a.	637	693	n.a.	n.a.	n.a.	n.a.
Ireland	266	361	374	466	558	474	465
Israel /2	n.a.	n.a.	n.a	29	28	70	62
Italy	1 486	1 511	1 309	1 183	1 154	252 /2	246 /2
Japan	1 393	1 417	1 323	1 270	1 216	1 310	1 095
Korea /2	19	15	15	18	18	18	n.a.
Luxembourg	28	29 /2	26 /2	32 /2	37 /2	39 /2	38 /2
Mexico	96	93	88	90	102	114	101
Netherlands	1 446	1 158	1 049	691	559	966	1 190
New Zealand	10	8	8	8	8	7	7
Norway	n.a.	n.a.	78	68	55	70	46
Poland	2 833	2 964	3 058	3 294	3 323	3 450	3 527
Portugal /2	128	138	143	113	91	88	80
Slovak Republic /2	25	53	58	63	61	53	57
Slovenia	6	73	85	100	103	117	140
Spain /2	4 244	4 948	5 386	6 180	7 031	1 405	1 464
Sweden	578	511	375	455	489	495	435
Switzerland	9	10	10	8	8	10 /1	10 /1
Turkey	136	58	68	n.a.	n.a.	47	71
United Kingdom	220	n.a.	n.a.	804	679	677	795
United States	6 310	6 371	6 584	7 246	7 822	7 281	6 756
Non-OECD countries							
Argentina	43	162	146	196	193	153	342
Brazil	n.a.	n.a.	n.a.	24	21	18 /2	20 /2
Bulgaria	243	283	168	n.a.	n.a.	99	99
China	540	440	313	n.a.	n.a.	191	177
Colombia	n.a.	n.a.	n.a.	58	55	66	52
Costa Rica	------ Not covered by the series for these years ------					7 /2	15 /2
Croatia /2	------ Not covered by the series for these years ------					8	39
Cyprus /2	21	18	21	52	30	33	34
Hong Kong, China	n.a.	n.a.	n.a.	81	92	104	120
India	n.a.	380	553	331	355	n.a.	n.a.
Indonesia	68	21	69	65	61	35	51
Latvia	21	28	21	10	9	8	9
Lithuania /2	37	32	33	29	39	87	120
Malaysia	289	1 086	1 390	1 732	1 911	1 935	1 758
Malta /2	1	3	2	0.3	0.3	1	1
Morocco /2	------ Not covered by the series for these years ------					2	1
Romania	54	61	60	71	62	99	87
Russia	2 347	3 030	2 816	2 342	2 171	n.a.	n.a.
Saudi Arabia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Singapore	6	7	8	8	10	12	11
South Africa	74	n.a.	n.a.	n.a.	1 169	1 056	1 258
Thailand	------ Not covered by the series for these years ------					64	67

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 237.
Source: Tax Administration 2015 survey responses.

Table 6.11. **Verification actions: Number completed for large taxpayers**

Country	Number of completed verification actions /1						
	2007	2008	2009	2010	2011	2012	2013
OECD countries							
Australia	19 227	15 837	20 752	11 519	12 369	12 405	8 425
Austria	7 209	7 177	5 373	5 143	5 331	4 907	4 535
Belgium	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canada /2	1 773	1 719	1 865	1 994	1 932	2 125	2 761
Chile	2 377	561	515	719	829	833	790
Czech Republic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	174
Denmark	n.a.	n.a.	n.a.	175	227	563	383
Estonia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finland /2	n.a.	n.a.	n.a.	364	276	205	163
France	1 466	1 589	1 551	6 038	5 738	5 539 /2	5 849 /2
Germany	38 662	39 885	38 988	40 502	41 764	41 365	41 746
Greece	4 827	1 066	1 250	n.a.	n.a.	551	914
Hungary	3 889	1 457	1 477	2 792	3 044	3 077	2 994
Iceland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	7 972	9 002	12 942	12 552	10 200	1 528 /1	1 994
Israel	n.a.	11 341	11 341	n.a.	n.a.	n.a.	n.a.
Italy	2 362	729	866	1 994	1 351	382 /1	361 /1
Japan	5 000	4 000	4 000	3 809	3 447	3 357	2 910
Korea	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Luxembourg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	1 871	1 296	1 427	1 154	1 166	1 152	988
Netherlands	n.a.	9 900	10 700	26 100	16 000	13 200	10 300
New Zealand	928	583	547	582	491	586	593
Norway	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Poland	89 810	106 132	113 471	174 818	194 063	208 344	196 161
Portugal	743	1 761	2 256	2 303	2 892	2 037	2 320
Slovak Republic /2	89	562	718	399	398	521	1 028 /3
Slovenia	559	637	422	213	271	248	500
Spain	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sweden	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Switzerland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	6 808	1 545	2 277	n.a.	n.a.	2 038	3 676
United Kingdom	6 968	n.a.	n.a.	2 231	4 477	1 759	1 352
United States	13 551	13 449	13 803	14 833	15 293	16 652	15 449
Non-OECD countries							
Argentina	n.a.	36 924	31 504	37 724	33 496	15 870	20 500
Brazil	n.a.	n.a.	n.a.	2 568	2 532	2 168	2 647
Bulgaria	2 338	2 040	1 875	n.a.	n.a.	1 450	1 113
China	n.a.	n.a.	n.a.	n.a.	n.a.	13	17
Colombia	n.a.	n.a.	n.a.	5 519	7 167	6 120	2 397
Costa Rica	------ Not covered by the series for these years ------					664	631
Croatia /2	------ Not covered by the series for these years ------					n.a.	96
Cyprus	n.a.	n.a.	n.a.	n.a.	n.a.	15	19
Hong Kong, China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Indonesia	n.a.	n.a.	657	n.a.	n.a.	730	2 130
Latvia	252	302	636	n.a.	499	536	687
Lithuania /2	n.a.	107 /2	104 /2	108 /2	2 306	1 107	667
Malaysia	200	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malta	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Morocco /2	------ Not covered by the series for these years ------					199	127
Romania	775	1 049	1 067	1 975	3 000	1 336	1 073
Russia	n.a.	n.a.	15 565	12 182	11 078	n.a.	n.a.
Saudi Arabia	n.a.	n.a.	n.a.	150	180	269	258
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	4 387	n.a.	n.a.	n.a.	n.a.	75	187
Thailand	------ Not covered by the series for these years ------					n.a.	n.a.

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 237.
Source: Tax Administration 2015 survey responses.

Tax disputes

Table 6.12 sets out the data provided by some surveyed countries on the numbers and values of tax disputes finalised for years 2008 to 2013, while Table 6.13 provides corresponding information on the numbers and value of work unfinalised at year-end covering the same period. As will be apparent, many countries were unable to report complete data for this category of work while for some of those countries where data are available there are significant variations in the respective volumes and values reported, having regard to factors such as taxpayer population. In the circumstances, only limited observations are possible:

Finalised cases

- Countries reporting exceptionally large numbers of tax dispute cases (e.g. France and Germany) administer systems based on return assessment principles, as opposed to more modern self-assessment systems seen in the majority of countries; over the years, high levels of disputation have been a feature of assessment regimes in many countries and for some have contributed to the decision to introduce systems of self-assessment.
- A trend of increased disputation, albeit generally fairly moderate, can be seen in a few countries (e.g. Australia, Chile, Denmark, Italy and United States) while a downwards trend can be observed in Korea, Russia, and Sweden.

Unfinalised dispute cases

- Relatively large volumes of unfinalised cases at end 2013 (vis-à-vis cases completed in 2013) appear in a number of countries (e.g. Argentina, Belgium (2012), Brazil, Canada, Germany (2012), Indonesia, Japan, Latvia, South Africa, and Thailand).

Chapter 9 provides further details on the framework within which administrative reviews are conducted by the revenue bodies surveyed.

Table 6.12. **Tax disputes in administrative review: Finalised cases**

	Number of cases finalised in year						Tax amount of cases finalised in year (in millions in local currency)					
Country	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
OECD countries												
Australia	16 788 /1	18 638 /1	21 807 /1	24 513 /1	33 272 /1	32 642 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Austria	133 924	136 361	145 539	145 440	135 449	131 865	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Belgium	n.a.	n.a.	4 118	3 534	75 124	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canada	65 663	66 637	46 354	50 485	57 590	55 885	3 550	3 270	5 315	4 216	3 837	4 308
Chile	2 144	2 154	1 867	2 738	4 008	3 004	n.a.	n.a.	167 886	181 128	746 388	349 852
Czech Republic	24 371	23 152	21 008	5 235	5 491	4 481	2 660	3 015	1 925	377	533	5 202
Denmark	n.a.	n.a.	67 615	93 448	65 460	128 747	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Estonia	n.a.	n.a.	n.a.	n.a.	475	629	n.a.	n.a.	n.a.	n.a.	13	553
Finland	78 530	73 113	66 406	64 548	80 806	68 394	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
France	3 770 523	3 822 912	3 615 744	3 580 454	3 552 823	3 501 259	n.a.	n.a.	19 271	10 415	7 890 /1	7 300 /1
Germany	5 536 353	6 105 841	5 252 592	4 149 543	3 648 073	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Greece /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hungary	14 518	1 923	12 318	12 654	14 127	12 973 /1	n.a.	n.a.	39 848	47 941	47 337	51 778 /2
Iceland	n.a.	n.a.	n.a.	n.a.	21 391	20 986	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	59	45	63	74	110	9 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Israel	36 102	38 896	n.a.	n.a.	5 477	4 752	n.a.	n.a.	n.a.	n.a.	6 914	6 815
Italy	n.a.	n.a.	223 458	196 135	84 052	101 485	n.a.	n.a.	45 648	40 138	4 464	4 253
Japan	7 360	8 127	7 590	8 463	7 478	6 904	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Korea	9 872	9 667	5 940	5 905	5 953	5 443	2 693 205	2 765 277	1 010 502	1 845 262	1 651 203	1 842 192
Luxembourg	488 /1	465 /1	419 /1	294 /1	390 /1	436 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	33 294	33 709	28 829	31 990	32 663	20 757	62 333	70 459	69 696	117 546	100 775	184 519
Netherlands	352 000	342 000	400 009	439 033	473 000	412 000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New Zealand /1	66	61	86	90	75	66	79	214	234	38	124	358
Norway	64 527	64 902	64 572	82 270	97 926	87 292	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Poland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Portugal	61 541	66 522	52 684	49 756	44 001	52 099	n.a.	n.a.	n.a.	n.a.	1 041	257
Slovak Republic	4 478	5 455	4 737	5 590	4 555	5 696	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Slovenia	15 025	27 230	13 618	11 999	12 558	14 662	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

	Number of cases finalised in year						Tax amount of cases finalised in year (in millions in local currency)					
Country	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
Spain /1	153 478	171 323	164 000	184 670	190 374	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sweden	11 500	10 100	9 300	8 900	9 900	9 800	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Switzerland	n.a.	n.a.	171	196	471 /1	520 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	n.a.	n.a.	46 045	56 228	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United States	106 722	112 886	133 090	142 553	144 453	131 176	26 475	25 286	25 827	23 691	29 761	32 989
Non-OECD countries												
Argentina	n.a.	n.a.	1 142	929	1 868	1 755	n.a.	n.a.	342	412	478	797
Brazil	n.a.	n.a.	85 597	93 404	71 439	93 963	n.a.	n.a.	94 000	104 000	86 975	126 023
Bulgaria	2 891	3 728	4 185	4 858	4 479	4 152	331	633	823	1 017	947	704
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Colombia	n.a.	n.a.	2 334	3 019	n.a.	n.a.	n.a.	n.a.	946 342	961 012	727 881	1 351 845
Costa Rica	------ Not covered by the series for these years ------				511 /1	469 /1	------ Not covered by the series for these years ------				29 785	28 422
Croatia	------ Not covered by the series for these years ------				n.a.	n.a.	------ Not covered by the series for these years ------				n.a.	n.a.
Cyprus	88	95	47	53	12 /1	0 /1	6	3	1	51	9 /1	0 /1
Hong Kong, China	n.a.	n.a.	68 525	66 186	70 365	70 120	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2 595 566	2 874 438
Indonesia	15 904	18 613	12 524	16 130	15 790	14 286	8 246 169	15 108 704	n.a.	n.a.	14 307 558	14 720 173
Latvia	309	265	311	274	386	758	36	n.a.	13	11	31	40
Lithuania	492	614	474	381	122	99	139	277	175	124	26	27
Malaysia	n.a.	n.a.	113	101	215	265	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malta	2 561	1 866	n.a.	113	135	61	n.a.	n.a.	151	n.a.	n.a.	n.a.
Morocco	------ Not covered by the series for these years ------				136 906	74 988	------ Not covered by the series for these years ------				n.a.	n.a.
Romania	473	467	401	493	19 039 /1	11 489 /1	2 013	1 641	3 088	6 031	8 117	5 705
Russia /1	45 765	59 037	52 913	48 706	43 771	39 623	161 418	281 114	346 954	322 489	349 646	353 263
Saudi Arabia	118	136	238	288	530	800	n.a.	n.a.	n.a.	n.a.	367	539
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa /1	410	427	438	459	393	453	n.a.	n.a.	4 567	4 679	5 792	6 937
Thailand	------ Not covered by the series for these years ------				1 019	644	------ Not covered by the series for these years ------				2 034	952

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 238.
Source: Tax Administration 2015 survey responses.

Table 6.13. **Tax disputes in administrative review: Unfinalised cases at year-end**

	Number of cases not finalised at year-end						Tax amount of cases not finalised in year (in millions in local currency)					
Country	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
OECD countries												
Australia	2 714 /1	3 458 /1	4 450 /1	4 693 /1	5 565 /1	4 430 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Austria	n.a.	n.a.	18 065	15 638	15 122	11 743	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Belgium	n.a.	n.a.	19 932	21 139	89 261	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Canada	80 551	109 264	158 454	191 168	203 751	215 668	10 600	14 780	12 553	13 849	19 708	21 740
Chile	178	169	131	459	1 012	1 518	n.a.	n.a.	35 673	104 069	186 856	25 378
Czech Republic	5 724	4 160	3 818	3 662	3 772	3 274	4 675	2 538	937	4 076	990	4 239
Denmark	n.a.	n.a.	n.a.	8 661	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Estonia	n.a.	n.a.	n.a.	n.a.	19	22	n.a.	n.a.	n.a.	n.a.	<1	<1
Finland	37 043	32 345	32 406	39 089	25 938	24 932	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
France	n.a.	n.a.	162 850	166 125	197 759	208 843	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Germany	6 681 448	5 795 332	4 308 249	3 648 705	4 024 325	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Greece /1	n.a.	n.a.	n.a.	155 831	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hungary	15 990	2 292	1 649	1 966	2 301	2 219 /1	n.a.	n.a.	64 364	52 075	60 168	85 206 /2
Iceland	n.a.	n.a.	n.a.	n.a.	2 396	3 265	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	6	7	8	11	6	4 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Israel	721	673	n.a.	n.a.	266	358	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Italy	10 769	9 388	528 730	561 240	n.a.	n.a.	n.a.	n.a.	88 006	108 652	n.a.	n.a.
Japan	3 330	3 397	3 856	3 580	3 486	3 604	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Korea	1 911	2 018	653	534	592	544	2 977 247	2 900 129	299 481	173 588	311 376	205 132
Luxembourg	n.a.	312 /1	280 /1	196 /1	18 /1	12 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	2 006	3 403	3 735	5 018	3 576	3 422	38 008	13 613	64 683	86 917	310 983	87 111
Netherlands	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
New Zealand /1	24	18	21	16	8	3	100	163	5	23	2	14
Norway	n.a.	n.a.	21 921	13 909	11 195	11 834	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Poland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Portugal	16 724	6 165	3 815	3 561	2 360	3 291	n.a.	n.a.	n.a.	n.a.	261	198
Slovak Republic	981	725	975	1 271	896	985	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Slovenia	3 660	3 221	2 337	1 800	2 695	4 123	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Country	Number of cases not finalised at year-end						Tax amount of cases not finalised in year (in millions in local currency)					
	2008	2009	2010	2011	2012	2013	2008	2009	2010	2011	2012	2013
Spain /1	n.a.	n.a.	186 969	220 484	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sweden	1 800	1 700	1 200	1 000	1 000	1 000	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Switzerland	n.a.	n.a.	258	220	465 /1	557 /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United States	59 899	72 002	72 779	76 633	66 293	59 346	61 693	64 623	66 183	67 836	66 827	57 868
Non-OECD countries												
Argentina	n.a.	n.a.	1 898	1 891	1 831	2 363	n.a.	n.a.	1 425	2 068	1 983	3 055
Brazil	n.a.	n.a.	178 081	174 849	201 077	209 777	n.a.	n.a.	53 000	51 000	82 360	118 005
Bulgaria	624	769	929	1 590	1 781	1 722	167	179	237	n.a.	378	334
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Colombia	n.a.	n.a.	2 940	2 064	n.a.	n.a.	n.a.	n.a.	1 733 099	1 355 463	789 981	1 383 055
Costa Rica	------ Not covered by the series for these years ------				161 /1	219 /1	------ Not covered by the series for these years ------				98 573	105 917
Croatia	------ Not covered by the series for these years ------				n.a.	n.a.	------ Not covered by the series for these years ------				n.a.	n.a.
Cyprus	142	87	25	31	3 /1	7 /1	133	55	35	9	2 /1	3 /1
Hong Kong, China	n.a.	n.a.	25 826	26 689	28 986	31 165	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Indonesia	6 284	7 326	9 580	9 384	8 569	9 161	16 370 897	16 134 468	26 315 903	13 420 196	14 682 748	29 065 595
Latvia	355	312	409	421	618	587	49	n.a.	n.a.	n.a.	n.a.	n.a.
Lithuania	77	51	17	24	92	88	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malaysia	n.a.	n.a.	24	19	51	125	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Malta	n.a.	n.a.	n.a.	n.a.	211	120	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Morocco	------ Not covered by the series for these years ------				25 920	32 104	------ Not covered by the series for these years ------				n.a.	n.a.
Romania	104	217	307	268	2 109 /1	2 363 /1	282	977	3 158	2 952	1 507	3 304
Russia	4 586	5 058	5 031	3 777	2 965	2 510	n.a.	5 031	3 777	3 252	n.a.	n.a.
Saudi Arabia	n.a.	44	n.a.	391	302	1098	n.a.	n.a.	n.a.	n.a.	499	346
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa /1	n.a.	n.a.	569	505	612	688	n.a.	n.a.	7 895	10 373	12 807	13 148
Thailand	------ Not covered by the series for these years ------				289	433	------ Not covered by the series for these years ------				6 787	7 983

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 238.
Source: Tax Administration 2015 survey responses.

Tax debts and their collection

The collection of tax debts is another important responsibility of almost all revenue bodies. As noted in Chapter 2, Table 2.1, revenue bodies typically operate with a dedicated tax debt collection function to pursue the non-payment of tax debts. In many countries, significant staff resources are devoted to taking action to secure the payment of overdue tax debts, as discussed in Chapter 5. And as described in Chapter 9, most revenue bodies have been given an extensive range of powers to pursue enforced debt collection action in a cost effective way.

Good practice in tax debt collection

In 2013/14, the FTA undertook a study into the tax debt collection practices and experiences of revenue bodies in 14 countries. The study report, published in October 2014, provides a wealth of practical examples, making it a unique and valuable source of reference to revenue bodies. Box 6.3 sets out a summary of essential features identified from the practices and experiences of participating revenue bodies.

Box 6.3. **Essential features of a modern tax debt collection capability**

The report provides a comprehensive overview of the modern tax debt collection function, describing the following essential features:

- **Advanced Analytics**. In the past revenue bodies may have focused on managing debts, rather than debtors. Debts would all be treated the same, which meant, for example, that reminders were sent to every late payer, even when experience shows that many debtors just ignore these letters. The application of advanced analytics makes it possible to use all the information revenue bodies have about taxpayers to accurately target debtors with the right intervention at the right time. This eliminates the cost of ineffective interventions and improves revenue flow. Advanced analytic techniques also make it possible to experiment with different interventions and rapidly assess their effectiveness. As a result some countries have been able to achieve dramatic positive results at very low cost.
- **Treatment Strategies**. The tax debt collection function needs to be able to choose from a wide range of interventions, ranging from soft measures, designed to prevent people from falling into debt in the first place, through to tough enforcement measures. The report describes a large number of different collection and recovery techniques currently being employed by FTA member countries.
- **Call Centres**. Outbound call centres are commonly used in private sector debt collection operations because they make it possible to pursue a large number of debts very efficiently. Revenue bodies are making increasing use of outbound call centres too. The report describes the way in which a debt collection call centre is commonly structured and how to manage the workflow. It discusses the capabilities outbound call centres need to have in terms of technology and in terms of the staff who work there. The report also outlines common approaches to the measurement and management of performance within the call centre.
- **Organisation**. Debt collection is a specialist function and is usually organised as such. It makes sense to group some specific types of taxpayer together, for example large businesses. For the very large number of debtors in the small and mid-sized business segment, it is more important to use analytics to choose the correct intervention.

Box 6.3. **Essential features of a modern tax debt collection capability** *(continued)*

The debt collection function can then be organised around key disciplines, such as call centre management, liquidation, and face-to-face interventions. Choosing the correct key performance indicators is essential if the day to day operations of the collection function are to remain correctly aligned with the desired outcomes. Debtor behaviour is dynamic and so a commitment to continuous improvement will ensure that the organisation is responsive to those changes.

- **Debtors Who Have Gone Abroad**. As people and businesses move around the world more frequently the number of tax debtors who have left the country in which the debt was incurred is growing. One of the keys to addressing these challenges is international assistance and co-operation, particularly in the form of Assistance in Collection Articles in agreements between countries. The report describes the challenges facing revenue bodies and the tools and techniques that are available to tackle these challenges.

Source: Working smarter in tax debt management, Forum on Tax Administration, OECD, October 2014.

Tax debt collection performance

For survey and comparative analysis purposes, outstanding tax debts are defined as the total amount of tax (including any interest and penalties) that is overdue for payment at the end of each fiscal period. By virtue of this definition, the level of "outstanding tax debts" is intended to include tax debts whose collection has been deferred (e.g. as a result of an agreed extension of time to pay or a payment arrangement).

For this edition of the series, data for year-end tax debt were sought in respect of both aggregate tax debt (that *includes* the amount of debt attributable to disputes) and aggregate tax debt (that *excludes* the amount of debts that are the subject of a dispute), sometimes referred to as "collectible tax debt". *(NB: In previous editions of this series, only tax debts excluding disputed tax debt were surveyed and reported).* This aspect of the latest survey caused a number of complications for both revenue bodies and when compiling and analysing the latest reported data on debt collection for this series:

1. Some revenue bodies only measure and are able to report aggregate tax debt (*including* disputed debt).
2. In light of 1), it became apparent that data and related ratios reported in previous editions of the series for some countries were incorrect, overstating their debt position and distorting the ratios reported etc. and related analyses.

Aggregate Tables A.7 to A.9 located in the Annex A of this series set out aggregates over an extended period (generally 2005 to 2013) of: *(1)* year-end tax outstanding (Table A.7); *(2)* tax debt written off (Table A.8), taxes collected from enforced collection action (Table A.9), and numbers of year-end tax debt cases (Table A.9) reported for this and prior series.

Tables 6.14 to 6.16 present these data using various ratios to place the data in a relative and comparative context. Cross-country comparisons of case volume data need to be interpreted with care because, for some revenue bodies, the volumes reported relate to "number of taxpayers" (i.e. for those revenue bodies with integrated accounting systems) while for others the volumes reported are on an individual "tax type" basis (i.e. for those revenue bodies without integrated accounting systems).

Included in Table 6.14 is the ratio of aggregate year-end tax debts (i.e. all unpaid taxes), both *inclusive* and *exclusive* of disputed tax debts, as a proportion of net revenue collections for the year concerned. Also shown for those countries where all data were available are corresponding computations of "non-collectible year-end tax debt/total year-end tax debt" to reflect the incidence of disputation within the overall inventory of tax debts.

Drawing on the data in Tables 6.14 to 6.16 a number of observations can be made:

Aggregate tax debt (including disputed tax debts)

- The overall incidence of aggregate tax debts in OECD countries rose marginally in the years 2011 to 2013-from around 22% to just over 24% – although the computed ratios are significantly impacted by two abnormal "outlier" results (see next point).
- There are significant variations in the incidence of year-end aggregate tax debt as a share of net revenue collections across all countries, including two large "outlier" results (i.e. Brazil and Greece) and one "extreme" outlier result (i.e. Italy). The precise reasons for these "outlier" results have not been identified, although as observed in respect of data reported in Table 6.9 both Brazil and Italy have significant amounts of tax revenue associated with their verification activities.
- For the 19 OECD countries where data are provided the incidence of disputed debt as a share of the overall debt inventory (see columns eight to ten of Table 6.14), while averaging around one-third, also varies to a fair degree, with seven countries reporting ratios in excess of 40%.

Aggregate tax debt (excluding disputed tax debts)

- The incidence of tax debts (undisputed), as reflected in the relative value of debt inventories, varies enormously across surveyed revenue bodies, suggesting significant variations in the levels of payment compliance; applying the benchmark ratio "undisputed tax debt as a share of net revenue collections" for 2013 as a broad indicator of the relative magnitude of the collectible debt inventory:
  - Ten revenue bodies had a ratio < 5% (i.e. Austria, Denmark, Estonia, Hong Kong (China), Ireland, Netherlands, Norway, Singapore, Thailand and United Kingdom);
  - Thirteen revenue bodies had a ratio between 5 and 10%;
  - Six revenue bodies had a ratio between 10-20%;
  - Eight revenue bodies had a ratio over 20% (the highest over 190%); and
  - Twenty revenue bodies, including twelve in OECD countries, were unable to report data for tax debts (excluding disputed debt).
- Viewed over the three years (2011 to 2013), the overall incidence of tax debts/ net revenue collections in OECD countries was fairly stable at around 21 percent, although the computed ratios are significantly impacted by the two "outlier" results.
- Acknowledging that the observation is confined to three years only (2011 to 2013), the data shows a clear downwards trend (reflecting improved payment compliance and/or collection effectiveness) in 15 countries (i.e. Bulgaria, Hong Kong (China), India, Ireland, Lithuania, Malaysia, Malta, Mexico, New Zealand, Portugal, Singapore, Slovak Republic, Slovenia, United Kingdom and United States). On the other hand, an upwards trend is observed for five countries (i.e. Belgium, Cyprus, Czech Republic, Italy and Poland).

  There were insufficient data for 19 countries to determine this ratio and its movement over the period reviewed.

Table 6.14. **Tax debt – year-end aggregates**

Country	Total year-end tax debt (**including** disputed debt) / net revenue collections for fiscal year (%)			Total year-end tax debt (**excluding** disputed debt)/net revenue collections for fiscal year (%)			Non-collectible year-end tax debt/ total year-end tax debt (%)		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
OECD countries									
Australia /1	10.1	10.5	10.7	5.2	5.5	5.7	48.9	47.6	46.7
Austria	8.5	8.5	9.0	2.5	2.4	2.4	70.9	72.1	73.1
Belgium	24.6	24.1	23.4	9.2	15.9	16.3	62.3	33.9	30.1
Canada	12.7	12.3	12.5	9.2	8.9	9.1	27.7	27.7	27.4
Chile	n.a.	n.a.	n.a.	60.6	62.4	68.6	n.a.	n.a.	n.a.
Czech Republic	n.a.	n.a.	n.a.	14.7	16.8	18.1	n.a.	n.a.	n.a.
Denmark	7.4	7.2	6.5	n.a.	n.a.	4.9	n.a.	n.a.	24.9
Estonia	7.5	5.8	4.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finland	8.0	8.2	7.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
France	9.6	11.1	10.9	6.8	8.0	7.7	28.8	28.0	29.1
Germany	3.3	3.2	n.a.	1.8	1.7	n.a.	45.8	46.3	n.a.
Greece	103.5	115.7	132.7	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hungary	23.0	21.7	21.8	21.4	21.0	21.1	7.0	3.5	3.3
Iceland	24.2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	5.8	4.6	4.0	3.8	2.7	2.2	33.7	41.2	45.2
Israel	14.3	10.1	9.0	3.5	6.8	5.8	75.7	32.8	35.5
Italy	207.8	229.5	257.0	154.4	169.6	190.8	25.7	26.1	25.8
Japan	3.7	3.5	3.1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Korea	3.0	3.1	3.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Luxembourg	14.6	15.8	15.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	52.5	44.3	31.5	20.9	17.1	12.3	60.3	61.3	60.9
Netherlands	7.7	6.9	6.6	3.9	3.8	3.8	49.4	44.9	42.2
New Zealand /1	10.3	10.3	9.2	9.4	9.1	8.2	8.6	11.9	11.1
Norway	3.7	3.0	3.1	2.9	2.3	2.4	20.2	23.6	22.0
Poland	n.a.	13.2	16.4	11.5	12.5	15.6	n.a.	5.7	4.4
Portugal	39.0	35.7	31.7	27.9	26.0	24.2	28.5	27.2	23.7
Slovak Republic	n.a.	n.a.	n.a.	67.4	36.1	33.0	n.a.	n.a.	n.a.
Slovenia	13.3	14.7	14.0	10.7	9.9	8.6	20.0	32.8	38.8
Spain	11.7	13.2	13.9	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sweden	2.2	2.3	2.5	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Switzerland	2.5	1.9	1.8	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	7.4	6.7	6.5	3.5	2.8	2.6	53.4	57.9	59.9
United States	14.4	13.0	11.0	11.0	9.9	8.7	23.5	23.9	21.0
OECD av. (unw.)	22.6	22.8	24.2	21.0	20.5	21.5	38.4	34.1	32.9
Non-OECD countries									
Argentina	6.0	5.9	8.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Brazil	108.7	117.7	117.8	21.1	34.2	27.9	80.6	71.0	76.3
Bulgaria	14.0	24.4	16.1	27.3	22.9	15.3	n.a.	6.0	4.5
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Colombia	n.a.	n.a.	n.a.	16.2	n.a.	n.a.	n.a.	n.a.	n.a.
Costa Rica		0.1	0.2		n.a.	n.a.		n.a.	n.a.
Croatia		36.3	35.3		n.a.	n.a.		n.a.	n.a.
Cyprus	44.3	46.7	52.2	34.0	35.5	47.6	23.3	23.9	8.8
Hong Kong, China	40.8	32.4	29.1	4.9	4.2	4.0	87.9	87.1	86.1
India	68.9	82.7	87.0	26.0	24.9	19.1	62.2	69.9	78.1
Indonesia	13.0	8.5	8.4	6.0	0.8	1.2	53.5	91.0	86.3
Latvia	32.6	32.0	29.5	22.9	n.a.	n.a.	29.7	n.a.	n.a.
Lithuania	11.3	9.7	7.3	9.6	8.9	6.4	14.7	8.7	13.3
Malaysia	15.0	12.8	11.4	10.3	7.6	7.1	31.5	40.6	37.7
Malta	39.8	46.3	52.8	25.2	23.9	23.2	36.6	48.4	56.1
Morocco		11.8	11.9		n.a.	n.a.		n.a.	n.a.
Romania	47.7	42.3	42.2	n.a.	10.7	8.6	n.a.	74.8	79.6
Russia	13.1	10.3	10.2	11.0	9.7	9.7	16.6	5.2	4.7
Saudi Arabia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Singapore	n.a.	n.a.	n.a.	1.7	1.3	0.9	n.a.	n.a.	n.a.
South Africa	12.8	11.7	9.9	10.7	10.2	8.5	16.4	13.5	14.1
Thailand	n.a	n.a.	n.a.	n.a.	0.9	1.0	n.a.	n.a.	n.a.

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 239.
Source: Tax Administration 2015 survey responses.

Table 6.15. **Tax debts: Debt written off as a share of debt inventory**

	Debt written off /value of tax debt inventory at year beginning (excluding disputed debt) (%)									
Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	Average: 2005-13
OECD countries										
Australia	32.5	11.1	15.3	16.9	20.4	14.1	26.2	18.6	27.7	19.9
Austria	26.8	25.1	28.7	36.4	32.4	29.1	27.1	24.8	29.3	29.7
Belgium	n.a.	n.a.	n.a.	n.a.	n.a.	15.5	22.8	12.3	10.2	15.2
Canada	14.6	10.3	9.3	9.9	9.1	8.7	8.9	9.6	9.6	9.3
Chile	n.a.	n.a.	n.a.	2.4	1.7	3.4	8.4	3.6	4.4	4.0
Czech Republic	9.3	10.7	13.6	n.a.	13.7	6.6	12.5	23.5	24.8	15.8
Denmark	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Estonia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Finland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
France	16.2	17.4	19.8	18.5	15.1	14.5	11.3	11.9	11.4	14.6
Germany	69.1	75.7	56.8	52.6	69.7	58.3	46.3	47.8	n.a.	55.3
Greece	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Hungary	33.2	32.6	34.7	30.4	32.2	30.1	45.0	36.0	35.8	34.9
Iceland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	15.2	14.4	14.9	14.4	18.0	23.1	21.7	21.8	22.3	19.5
Israel	n.a.	n.a.	n.a.	6.1	5.8	n.a.	n.a.	1.2	2.1	3.8
Italy	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1.3	1.5	1.4
Japan	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Korea /1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Luxembourg	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Mexico	20.3	32.0	53.4	56.5	77.7	37.9	50.5	20.0	44.3	48.6
Netherlands	32.7	24.5	41.7	37.1	22.4	25.4	32.4	32.2	30.7	31.7
New Zealand	n.a.	n.a.	n.a.	n.a.	n.a.	15.1	17.6	19.2	20.7	18.1
Norway	13.6	6.6	2.5	4.8	7.9	6.5	7.2	7.5	8.6	6.4
Poland	2.2	1.1	0.9	0.5	0.4	0.7	0.4	n.a.	0.4	0.6
Portugal	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.8	5.4	6.4	6.5
Slovak Republic	34.1	22.2	9.2	16.7	18.0	23.1	18.0	6.9	21.1	16.2
Slovenia	4.2	3.5	2.0	1.0	0.4	16.0	10.8	2.5	7.1	5.7
Spain	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sweden	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Switzerland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Turkey	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	24.1	32.7	31.5	22.2	16.6	21.4	18.0	28.1	32.9	24.4
United States	30.2	18.1	16.4	12.1	10.4	8.1	8.1	7.2	8.4	10.1
OECD av. (unw.)	23.6	21.1	21.9	19.9	20.7	18.8	20.1	16.3	17.1	17.8
Non-OECD countries										
Argentina	n.a.	n.a.	n.a.	5.3	3.5	4.9	2.1	n.a.	n.a.	4.0
Brazil	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Bulgaria	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	n.a.	n.a.	0.7
Colombia	n.a.	n.a.	n.a.	n.a.	n.a.	54.4	51.6	n.a.	n.a.	53.0
Costa Rica	---------------- Not covered by the series for these years ------------------							n.a.	n.a.	n.a.
Croatia	---------------- Not covered by the series for these years ------------------							n.a.	n.a.	n.a.
Cyprus	n.a.	n.a.	n.a.	0	0	0.02	0.05	6.9	2.3	2.3
Hong Kong, China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.0	7.0	7.0	7.0
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	< 0.01	< 0.01	< 0.01
Indonesia	n.a.	n.a.	n.a.	n.a.	n.a.	0.1	n.a.	289.1 /1	n.a.	144.6
Latvia	50.3	39.1	48.2	38.9	40.3	15.3	15.7	n.a.	n.a.	31.7
Lithuania	n.a.	n.a.	n.a.	27.1	21.6	11.6	9.1	18.3	19.7	17.9
Malaysia	0.2	2.7	5.7	3.2	1.5	8.7	7.8	8.7	6.0	5.9
Malta /1	n.a.	n.a.	n.a.	n.a.	n.a.	0.05	0.04	0.3	< 0.01	0.1
Morocco	---------------- Not covered by the series for these years ------------------							n.a.	n.a.	n.a.
Romania	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Russia	n.a.	6.8	11.9	19.8	15.6	11.6	25.5	23.9	19.4	18.2
Saudi Arabia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	3.9	16.7	11.3	11.1	11.4	7.5	6.2	11.2	20.2	11.3
Thailand	---------------- Not covered by the series for these years ------------------							46.9	13.5	30.2

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 239.
Source: Tax Administration 2015 survey responses.

Table 6.16. **Tax debts: Movement in tax debt case numbers**

Country	Number of year-end tax debt cases/Number of tax debt cases at year beginning (%)/1									Movement in year-end tax debt cases: 2007-13 (%)
	2005	2006	2007	2008	2009	2010	2011	2012	2013	
OECD countries										
Australia	104.5	103.0	103.1	84.8	102.3	110.6	98.8	110.2	103.1	7.8
Austria	103.3	101.9	101.9	99.1	100.9	94.5	98.1	99.0	104.0	-4.6
Belgium	132.4	95.4	91.3	n.a.	n.a.	n.a.	89.4	89.3	99.5	238.3
Canada	108.1	97.5	94.4	103.3	106.3	101.9	102.9	102.8	102.4	21.4
Chile	80.1	105.4	101.9	104.7	102.0	102.5	102.9	101.9	99.7	14.4
Czech Republic	n.a.	108.9	103.4	94.7	130.8	178.1	87.0	93.4	105.4	88.8
Denmark	n.a.	450.0	111.1	40.3	132.4	81.8	101.3	116.7	107.3	-44.7
Estonia	97.7	100.6	103.4	104.9	65.1	150.4	31.9	86.7	86.5	-75.4
Finland	114.1	102.9	96.8	101.3	100.3	106.5	106.1	111.8	105.1	14.4
France	93.3	102.5	98.1	98.4	101.3	97.8	99.0	103.9	104.2	4.4
Germany	97.5	94.1	104.2	94.6	91.8	94.6	122.5	105.6	n.a.	n.a.
Greece	n.a.	n.a.	n.a.	104.1	117.0	112.9	157.3	132.9	123.2	254.1
Hungary	101.0	99.0	111.5	112.6	115.4	106.1	111.2	101.8	106.6	66.4
Iceland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ireland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Israel	n.a.	n.a.	n.a.	102.5	96.9	n.a.	n.a.	93.5	94.0	-34.6
Italy	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	108.7	108.4	n.a.
Japan	96.9	98.3	98.8	98.5	98.9	99.4	98.1	99.7	95.9	-9.1
Korea	96.8	99.3	99.7	117.5	98.9	94.9	108.2	99.1	105.1	24.1
Luxembourg /2	n.a.	n.a.	n.a.	n.a.	n.a.	94.8	95.6	101.0	103.5	n.a.
Mexico	94.0	90.7	65.9	112.6	119.6	204.2	107.3	117.2	82.7	185.7
Netherlands	n.a.	85.7	100.0	100.0	100.0	108.3	107.7	107.1	93.3	16.7
New Zealand /2	108.3	100.4	101.1	129.5	97.0	72.8	102.7	106.1	104.6	4.3
Norway	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Poland	99.6	110.9	86.1	105.4	96.8	91.9	110.0	n.a.	102.5	9.8
Portugal	115.5	105.8	106.3	112.6	102.0	104.8	107.1	99.8	124.5	-4.7
Slovak Republic	112.9	112.2	73.9	95.5	107.4	97.5	100.0	105.1	87.8	-7.7
Slovenia	n.a.	124.4	70.4	49.3	98.7	112.3	118.2	49.0	169.2	-46.5
Spain	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Sweden /2	96.8	94.0	94.0	98.8	314.8	98.3	100.6	99.4	99.6	170.8
Switzerland	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	95.9	n.a.	n.a.	n.a.
Turkey	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United Kingdom	n.a.	99.9	95.6	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
United States	101.7	104.5	106.9	100.9	110.9	110.4	107.3	101.6	103.8	39.7
Non-OECD countries										
Argentina	127.6	143.4	95.4	53.0 /2	95.3	105.3	97.2	n.a.	n.a.	n.a.
Brazil	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	118.7	105.6	111.1	n.a.
Bulgaria	101.6	51.4	95.0	171.1	138.3	106.3	112.0	34.5	140.7	36.8
China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Colombia	n.a.	n.a.	n.a.	n.a.	n.a.	102.8	98.7	n.a.	n.a.	n.a.
Costa Rica	------------ Not covered by the series for these years -----------------							230.9	n.a.	n.a.
Croatia	------------ Not covered by the series for these years -----------------							n.a.	n.a.	n.a.
Cyprus	n.a.	n.a.	n.a.	n.a.	101.4	98.6	101.9	101.5	113.5	n.a.
Hong Kong, China	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
India	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Indonesia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Latvia	100.6	101.2	104.9	112.8	111.3	102.8	102.7	111.5	100.8	47.7
Lithuania	n.a.	n.a.	129.5	81.4	109.2	127.1	112.1	94.0	120.5	41.7
Malaysia	n.a.	n.a.	103.9	128.8	77.6	49.2	92.0	96.3	92.7	-55.8
Malta /2	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	103.3	69.5	104.5	n.a.
Morocco	------------ Not covered by the series for these years -----------------							n.a.	n.a.	n.a.
Romania	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Russia	n.a.	n.a.	n.a.	n.a.	n.a.	87.0	96.8	n.a.	n.a.	n.a.
Saudi Arabia	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Singapore	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
South Africa	n.a.	n.a.	107.1	147.9	90.1	n.a.	n.a.	127.7	102.5	39.3
Thailand	------------ Not covered by the series for these years -----------------							111.6	98.1	n.a.

For notes indicated by "/ (number)", see Notes to Tables section at the end of the chapter, p. 239.
Source: Tax Administration 2015 survey responses.

Tax debt case volumes

- Looking at movements in year-end case volumes over the period 2007 to 2013:
    - Ten revenue bodies (i.e. Austria, Denmark, Estonia, Germany, Israel, Japan, Malaysia, Portugal, Slovak Republic, and Slovenia) show *a net overall decline in absolute case numbers*; however, this observation needs to be treated with caution as it is possible that for some countries where the reduction is statistically large (e.g. Denmark, Estonia, and Malaysia) the basis for counting "number of tax debt cases" has changed from one based on "numbers of tax debts by individual tax type" to one of "numbers of taxpayers with tax debts" as revenue bodies have adopted more modern debt case management systems.
    - Seven revenue bodies show fairly low growth over the period (i.e. 0-20%) and include Australia, Chile, Finland, France, Netherlands, New Zealand and Poland);
    - Seven show growth in the range 20-50%;
    - Six revenue bodies show growth exceeding 50% (i.e. Belgium, Czech Republic, Greece, Hungary, Mexico, and Sweden); and
    - There were insufficient data for most years for 26 revenue bodies to make this calculation, including for seven OECD countries.

Tax debts written off

- Applying the ratio "tax debts written off/value of year-end tax debt (excluding disputed debt)" over nine years to gauge the relative magnitude of tax debts written off, on average, reveals a wide spread of results:
    - Fourteen revenue bodies generally had a ratio less than 10%;
    - Twelve revenue bodies generally had a ratio in the range 10-20%;
    - Six revenue bodies generally had a ratio in the range 20-40%;
    - Three revenue bodies generally had a ratio over 40% (i.e. Colombia, Germany and Mexico); and
    - There were insufficient data for 22 revenue bodies (including 12 OECD), to compute this ratio and its trend.
- Observed across OECD countries where data are available, the incidence of tax debt written offs averages around 20% and, if anything, is trending slightly downwards.

Tax debt collected from enforcement actions

- Gaps in survey responses for later years (especially 2012 and 2011) suggest weaknesses in the management information systems used for debt collection for many revenue bodies; for example, almost one-third of revenue bodies were unable to report the amount of tax collected resulting from enforced debt collection activities

The data and related ratios reported in the tables give a sense of the magnitude of the tax debt collection problem across surveyed countries along with indications of individual revenue body performance. However, as noted earlier in this report, such information should be used as a pointer for further inquiry before drawing well-founded conclusions. A particular concern in this area of tax administration is that a fair number of revenue bodies did not report basic programme performance information suggesting possible major weaknesses in their systems of performance measurement and monitoring.

Approaches likely to be contributing to low levels of overall tax debt

While there are no doubt many cultural, economic and social factors that influence the overall level of tax debts and tax payment compliance at an individual country level, it is possible to discern from the information collected for this series some fairly common characteristics of the tax administration arrangements in place that may have contributed to the good outcomes being achieved by some revenue bodies.

Based on survey responses, there were 13 revenue bodies with relatively low debt inventories (i.e. year-end tax debt (excluding disputed debt) below 7.5% of aggregate net revenue collections) over each of the years covered by the series – Australia, Austria, Denmark, Hong Kong (China), Ireland, Japan, Korea, Netherlands, Norway, Singapore, Slovenia, Sweden and the United Kingdom (see Table 6.17). While it is beyond the scope of this series to reach definitive conclusions as to all of the factors that may have contributed to the relatively low level of tax debt in these countries, other information from the series provides insights as to possible influencing factors:

- *Extensive powers of enforcement*: It is noted that nine of the thirteen revenue bodies generally have what might be described as a broad range of legislative powers for enforced debt collection purposes (e.g. powers to collect taxes from third parties, obtain liens over assets, require tax clearance for the granting of government contracts, withhold government payments to debtors, and to impose tax debts on company directors) (see Table 9.12, Chapter 9).
- *Extensive use of tax withholding at source arrangements:* In addition to employment income, eight of thirteen countries generally require tax withholding at source in respect of dividend and/or interest income paid to resident PIT taxpayers (see Table 9.6, Chapter 9);

Table 6.17. **Aspects of tax debt collection performance in selected countries**

	Tax system design and administrative approaches likely to be contributing to good performance				
Country	Wide set of collection powers (Table 9.12)	Wide use of withholding for PIT (Table 9.6)	Debt collection resources % (Table 5.6)	Fully electronic payment % (Table 7.6)	IT expenditure/ total expenditure % (Table 5.3)
Australia	✓		9.8	73	21.2
Austria	✓	✓	10.4	70	26.8
Denmark	✓		8.2	n.a.	16.9
Hong Kong, China			17.2	39	10.0
Ireland	✓	✓	14.3	87	12.7
Israel	✓	✓	16.6	17	2.9
Japan		✓	21.2	17	6.9
Korea	✓	✓	n.a.*	35	6.6
Netherlands	✓	✓	7.4	99	15.5
Norway	✓		12.4	99	27.0
Singapore			11.1	72	39.6
Sweden	✓	✓	**	99	19.5
United Kingdom		✓	12.0	60	21.3

* Korea reported there is no separate debt collection function.

** Debt collection carried out by separate body.

- *Well-staffed enforced debt collection organisation*: Nine of eleven reported that around 10% or more of their resources are devoted to enforced debt collection activities within a dedicated organisation unit (see Table 5.6, Chapter 5).
- *Wide use of electronic payment methods*: These methods, in particular the use of direct debiting, are used widely: Eight of twelve revenue bodies reported usage in excess of 50% (see Table 7.4).
- *Extensive investment in information technology for tax administration*: Eight revenue bodies reported annual IT expenditure in excess of 15%.

Notes to Tables

Table 6.3. Revenue collections and refunds (relative shares)

/1. **Luxembourg:** Refunds of tax only refer to VAT.

Table 6.4. Taxpayer services: Service demand ratios

/1. **IVR**: Refers to Interactive Voice Recognition technology providing automated answers to inquiries.

/2. **Austria and Belgium:** Data available only for certain regions/infocentres, and insufficiently complete for comparison purposes. **Costa Rica**: Phone inquiries answered by local offices. **Denmark**: Generally, there were less in-person inquiries in 2013. In addition, in November 2013, a system with personal assistance by appointment was introduced. As a result the number of in-person inquiries in November and December 2013 was almost zero. **France**: Figures only include inquiries made during the 6 weeks devoted to PIT returns. **Israel**: Service is only available to limited subjects. **Latvia**: Decrease due to the development of the Electronic Declaration System and activities directed to taxpayers to receive information by telephone or electronically. **Lithuania**: Since October 2011, only general information can be received at tax offices. **Netherlands**: In 2013, NTCA (gradually) introduced personal inquiries by appointment only which has reduced the number of in-person inquiries. **Portugal**: In-person inquiries are estimated based on data available in local tax and customs offices which have an electronic register of the personal inquiries (number of inquiries by subject, waiting time and attending time) and which represented about 71% of total volume of work, both in 2012 and 2013. The payment of taxes by taxpayers in local offices represented about 43% of all visits in 2013. Other reasons for taxpayers' visits were inquiries (and deliver of tax returns) related to income taxes (23%) and to real estate taxes (20%), and also inquiries associated to tax enforcement proceedings (10%) and to administrative and judicial litigation (4%). **United Kingdom**: Figures for visits to face to face centres.

Table 6.5. Service standards and performance in 2013: PIT returns and complaints

/1. **Chile**: Returns filed between April 1 and 19: refunds by deposit are due on May 11 and refunds by sending a cheque are due on May 30; returns filed between April 20 and 27: refunds by deposit are due on May 17 and refunds by sending a cheque are due on May 30; returns filed between April 28 and May 9: refunds by deposit are due on May 28 and refunds by sending a cheque are due on May 30. **France**: Standard relates to complaints concerning PIT, and contribution to public broadcasting and occupation tax. **Israel**: The standard and performance are for registered taxpayers filing regular annual returns. The legal requirement for employees who are generally not required to file an annual return but file a request for refund is a year from assessment or two years from payment. However, even for those the administrative standard is 90 days. The performance for non-filing individuals requesting a refund is 66%. **United States**: The standard is for Individual paper returns only. A separate standard for electronically filed returns is not applicable. For returns e-filed, the goal is to issue refunds within 5 to 21 days, which the IRS achieves for most returns filed electronically.

/2. **United States**: Follow-up actions should occur within five workdays of the documented follow-up date (93.1%), while a case should only be closed when all necessary actions have been taken to resolve the taxpayer's problem with the IRS (93.8%).

Table 6.6. Service standards and performance in 2013: VAT refunds and correspondence

/1. **Canada**: All returns and not only returns with refunds. **Chile**: Periods by industry: Cattle – 5 working days, Meat – 10 working days, Building industry – 12 working days, Small Agricultural Producers – 60 days, Other – 30 days. **France**: Standard for email correspondence: answer 90% of emails within 5 business days, actual performance: 97.2%. **Norway**: Provided that the business is not subject to audit. **Poland**: Separate standards of 25 days (where special conditions satisfied) and 180 days (where no sales made in fiscal year). **South Africa**: High refund turnaround time is a result of SARS waiting for supporting documents from taxpayers or SARS investigating the submission. An average of 69.6% of VAT refunds was paid within 14 days and 75.1% within 21 days.

Table 6.7. Service standards and performance in 2013: In-person and phone inquiries

/1. **Austria**: Taxpayers do not have to apply for a personal contact in advance they can come to the tax office during the opening hours without any prior arrangement. There is a waiting time only if there is a queue. **Canada**: CRA payment and enquiry counters were closed in two phases – October 2012 and October 2013. **Ireland**: Achievements reported as PAYE: 20% within 30 secs, 44% within 3 mins, and 59% within 5 mins and other categories – 59% within 30 secs, 83% within 3 mins, 89% within 5 mins. **Luxembourg**: Written question is requested in the case of a complex question/answer in the legal delay for written questions.

/2. **Canada**: Separate standards and performance for phone inquiries from charities and in respect of GST/HST and Canada Child Tax Benefit.

Table 6.9. Verification actions: Value of assessments/total net revenue collections

/1. **Luxembourg**: Value of completed actions refers only to VAT.

Table 6.10. Verification actions: Number completed for all taxpayer categories

/1. Comparisons across countries of data on numbers of verification actions need to be treated with caution owing to differences in how revenue bodies interpret the term “verification activities” in practice, and the approach adopted for quantifying results (e.g. by numbers of taxpayers, numbers of cases involving different taxes etc.).

/2. **Australia:** Total amount is the number of audits, reviews and other compliance checks as published in “Your Case Matters” (i.e. excluding letters). **Belgium:** Belgium’s reported verification activities for 2007 to 2011 cover three programmes: *(1)* management control; *(2)* comprehensive audits; and *(3)* simple checks regarding the issues affecting the amount of tax that taxpayers are required to pay such as family status, child birth, company mergers, disability situation etc. on taxpayer declarations**.** Results for 2012 and 2013 appear to have been prepared on a different basis that could not be resolved before publication**. Brazil:** Figures include only the results of tax inspections. **Canada, Cyprus and Slovak Republic**: Volumes represent verification activities, not taxpayers. **Costa Rica**: These amounts refer to verification actions regarding monitoring and extensive control. The amount provided for 2013 does not include extensive control actions from plans that started on 2013 but ended during the first quarter of 2014. The amount of taxpayers subject to verification actions related to default of payment are not included in the given amounts because the records are computed according to the quantity of verified or managed debts. **Croatia**: Information refers to external audit and tax offenses. **Finland**: Income tax (PIT and CIT) only. **France**: Since 2010, reported data includes desk audits that were not reported in prior year information. For 2012 and 2013, the numbers of desk audits were 1.38 million and 1.34 million, respectively. **Korea:** Korea`s verification figures do not take desk audits or third party reporting. This is the reason that Korean verification figures may not be comparable with other countries. **Israel**: Data does not include criminal investigations. **Italy**: Only audits carried out by Revenue Agency. **Lithuania**: Data for the year 2005-10 refers to control actions taken by tax administration. Data for 2011 refers to control actions taken by tax administration; also contacts by tax administration with taxpayers regarding their tax obligations are included. Data for 2012/2013 includes tax verifications carried out, tax investigations, letters, interviews and contacts with taxpayers concerning submitted declarations. **Luxembourg**: VAT only. **Malta**: Statistics refer only to authority in charge of Direct Taxation. **Morocco**: Figures relate to field audits. **Portugal**: Total number of verification actions. **Spain**: Number of actions performed. These figures include every type of verification (automated filters, massive control, desk controls, field audits, investigation etc.) homogenised to make them comparable. **Switzerland**: Indications only for VAT

Table 6.11. Verification actions: Number completed for large taxpayers

/1. Comparisons across countries of data on numbers of verification actions need to be treated with caution owing to differences in how revenue bodies interpret the term “verification activities” in practice, and the approach adopted for quantifying results (e.g. by numbers of taxpayers, numbers of cases involving different taxes etc.).

/2. **Canada and Slovak Republic**: Volumes represent verification activities, not taxpayers. **Croatia**: Information refers to external audit and tax offenses. **Finland**: Data relate only to PIT and CIT; **France and Morocco**: Figures relate to field audits. **Ireland**: Only for period May-December 2012. **Italy**: Only audits carried out by Revenue Agency. **Lithuania**: Data for these years to control actions taken by tax administration. Data for 2011 refers to control actions taken by tax administration; also contacts by tax administration with taxpayers regarding their tax obligations are included. Data for 2012/2013 includes tax verifications carried out, tax investigations, letters, interviews and contacts with taxpayers concerning submitted declarations.

/3. **Slovak Republic**: Since 2013, the Tax Office for Selected Taxpayers administers the large taxpayers on the whole territory of the Slovak Republic. Until 2012, it only administered large taxpayers in Bratislava and surrounding areas.

Table 6.12. Tax disputes in administrative review: Finalised cases

/1. **Australia**: 2008-11: Figures include objections against rulings; 2012-13: Figures relate to all head objections, reviews against rulings, extension of time and shortfall interest charge remission requests. **Costa Rica**: The number of cases refers to disputes being analysed by the Administrative Tax Court (Tribunal Fiscal Administrativo). These cases are not finished since they have to undergo assessment and collection phases. Regarding the 511 cases reviewed in 2012 and the 469 cases for 2013, the amounts include cases from previous years. **Cyprus**: Only for direct taxes. **France**: Figures correspond to the tax relief that has been granted. **Greece**: The dispute resolution directorate started operating in September 2013. Data for an entire year will be available from 2014 on. **Hungary**: The number of appeals and requests of supervisory measures are included. **Ireland**: Revised procedures were introduced on 1st January 2013. The new procedures introduced *(i)* a new Local Review stage, *(ii)* maintained the option for an Internal Review and *(iii)* replaced the option for a Joint Review (by an Internal and External Reviewer) with the option of a review solely by an External Reviewer. The figures for 2013 only relate to disputes that were dealt with at the Internal and External Review stage. **Luxembourg**: VAT only. **New Zealand**: *(1)* All data is for disputed cases in administrative review carried out by Inland Revenues' own internal (but independent) Disputes Review Unit. *(2)* Value of tax in dispute: gross amount subject to tax, rather than the amount of tax itself. However the figures have been calculated by using 33% as a proxy for the rate of income tax for the income tax disputes, and the GST rate of 12.5% for the GST disputes. *(3)* The value of disputed tax includes the amounts of tax shortfall penalties that were also in dispute and formed part of the administrative reviews. **Romania:** Results for 2012 and 2013 may have been reported on different basis to prior years; not resolved at time of publication. **Russia**: Amounts include taxes, tax penalties and fees. **South Africa**: Figures reflect head office only. **Spain**: The number of cases refers to disputes being analysed by the Economic Administrative Courts which are administrative bodies within the MOF but independent from the Tax Agency. **Switzerland**: Only indirect taxes.

/2. **Hungary**: Given that exact numbers of cases affected by appeals and supervisory measures is not available, the numbers of court actions are included.

Table 6.13. Tax disputes in administrative review: Unfinalised cases at year-end

/1. **Australia**: 2008-11: Figures include objections against rulings; 2012-13: Figures relate to all head objections, reviews against rulings, extension of time and shortfall interest charge remission requests. **Costa Rica**: The numbers provided refer to cases not yet decided by the Administrative Tax Court. For 2012, apart from the 161 cases that have not been analysed, there are other 1.209 pending cases from previous years. For 2013, the amount of pending cases for previous years is 1.589. **Cyprus:** Only for direct taxes. **Greece**: The dispute resolution directorate started operating in September 2013. Data for an entire year will be available from 2014 on. **Hungary**: The number of appeals and requests of supervisory measures are included. **Ireland**: Revised procedures were introduced on 1st January 2013. The new procedures introduced *(i)* a new Local Review stage, *(ii)* maintained the option for an Internal Review and *(iii)* replaced the option for a Joint Review (by an Internal and External Reviewer) with the option of a review solely by an External Reviewer. The figures for 2013 only relate to disputes that were dealt with at the Internal and External Review stage. **Luxembourg**: VAT only. **New Zealand**: *(1)* All data is for disputed cases in administrative review carried out by Inland Revenues' own internal (but independent) Disputes Review Unit. *(2)* Value of tax in dispute: gross amount subject to tax, rather than the amount of tax itself. However the figures have been calculated by using 33% as a proxy for the rate of income tax for the income tax disputes, and the GST rate of 12.5% for the GST disputes. *(3)* The value of disputed tax includes the amounts of tax shortfall penalties that were also in dispute and formed part of the administrative reviews. **Romania:** Results for 2012 and 2013 may have been reported on different basis to prior years; not resolved at time of publication. **South Africa**: Figures reflect head office only. **Spain**: The number of cases refers to disputes being analysed by the Economic Administrative Courts which are administrative bodies within the MOF but independent from the Tax Agency. **Switzerland**: Only indirect taxes.

/2. **Hungary**: Given that exact numbers of cases affected by appeals and supervisory measures is not available, the numbers of court actions are included.

Table 6.14. Tax debt – year-end aggregates

/1. **Australia**: "Total year-end tax debt (excluding disputed debt)" is collectable debt only. "Non-collectible year-end tax debt" includes both disputed debt and debt where the taxpayer is subject to some form of insolvency administration. **New Zealand**: Tax debt that is disputed is defined as cases under the deferred action code and cases under the objection action code from the debt reporting data. Social policy debt (child support, working for families and student loan) data is excluded from the tax debt data. However, due to system constraints there will be some social policy debt included in tax debt cases for taxpayers who have a tax debt as well as social policy debt.

Table 6.15. Tax debts: Debt written off as a share of debt inventory

/1. **Indonesia:** Underlying data may be unreliable and could not be validated by time of publication. **Korea**: The debt at commencement of 2011 was KRW 4 925 700 and the newly incurred debt during the fiscal year was KRW 18 412 900. On this account, the total amount of debt available for write-off equals KRW 23 338 600. During 2011, KRW 7 880 400 was written off. That explains why the ratio might seem high compared to other countries` relevant ratios. **Malta**: 2010-11 – Statistics refer only to authority in charge of Direct Taxation. 2012-13 – debt written off refers to direct and indirect taxes, and debt at year beginning only to direct taxes.

Table 6.16. Tax debts: Movement in tax debt case numbers

/1. Comparisons of data on case numbers and related ratios need to be treated with caution owing to differences in how revenue bodies count the number of debt cases (e.g. by numbers of taxpayers or by numbers of tax debts for each tax).

/2. **Argentina**: the revenue body has advised that during this year a new computer system was implemented that brings together the various tax debts of taxpayers, resulting in debts being reported on a taxpayer basis; as a result the numbers of cases reported is significantly less than reported in prior years. **Luxembourg:** Only indirect taxes. **New Zealand**: Tax debt that is disputed is defined as the aggregate debt of cases under the deferred action code and cases under the objection action code from debt reporting data. Social policy debt (child support, working for families and student loan) data is excluded from the tax debt data. However, due to system constraints we are unable to separate student loan and working for families from tax debt cases, tax debt collected and tax debt formally written off data. **Malta**: 2011 – Statistics refer only to authority in charge of Direct Taxation. 2012-13 – covers both direct and indirect cases. **Sweden**: Case numbers are computed on the basis of debts for each tax, not the numbers of taxpayers with debts.

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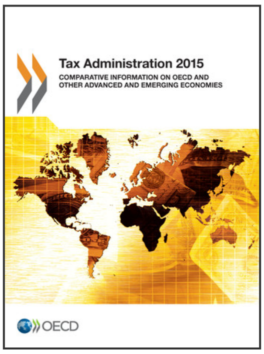

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