

Reader's Guide

***Tax Policy Reforms: OECD and Selected Partner Economies (2022)* is an annual publication that provides comparative information on tax reforms across countries and tracks tax policy developments over time.** This year's edition focuses on the tax reforms that were introduced or announced during the calendar year of 2021.

As in previous years, the 2022 edition of the report is based principally upon responses to the OECD's annual tax policy reform questionnaire. The questionnaire requests information on the type of tax; the dates of announcement and introduction; the direction of the rate and/or base change; and a detailed description of the reform. At the November 2010 WP2 meeting, the following criteria were agreed for deciding whether a tax policy measure was sufficiently substantial to be reported in the questionnaire: (1) a significant change in a tax rate; (2) a change in the tax base that is expected to change revenue from that base by more than 5% of total tax revenue or 0.1% of GDP; and (3) a politically important systemic reform. The questionnaire also asks for the rationale behind the reform and estimates of the revenue effects of the tax measures.

The number of countries covered by the report has expanded over time. The first edition of the *Tax Policy Reforms* report in 2016 covered all OECD countries, before being expanded to all OECD countries and "selected partner countries", to include Argentina and South Africa for the 2017 and 2018 editions, and then adding Indonesia in 2019 and the People's Republic of China (China) in 2020. At the request of the G20 Finance Ministers and Central Bank Governors, the previous year's questionnaire was sent to all members of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, of which 66 jurisdictions responded. The 2021 edition of the report covered reforms made by all OECD and G20 countries (other than India), and 21 additional Inclusive Framework jurisdictions. The 21 additional Inclusive Framework members that responded to the OECD questionnaire for the 2021 edition of the *Tax Policy Reforms* report were: Albania, Andorra, Barbados, Bulgaria, Croatia, Honduras, Jersey, Macau, Mauritius, Nigeria, Republic of North Macedonia, Panama, Paraguay, Peru, Seychelles, Singapore, Thailand, Trinidad and Tobago, Tunisia, Turks and Caicos, and Uruguay.

This year, the questionnaire was sent out to all delegates of Working Party 2 in its Inclusive Framework format. The intention was to have greater country coverage than in previous years, which is aligned with the Centre for Tax Policy & Administration's goal of expanding the number and type of countries that the Directorate supports, to a greater number of low- and middle-income countries that are more geographically diverse.

The 2022 report has a wider country coverage than previous editions of the report, with 71 jurisdictions responding to the questionnaire. In addition to all OECD members, the report covers the following Inclusive Framework jurisdictions: Albania, Andorra, Argentina, Armenia, Bosnia and Herzegovina, Brazil, Brunei Darussalam, Bulgaria, Cabo Verde, the Cook Islands, Croatia, Georgia, Honduras, Indonesia, Kenya, Malaysia, Malta, Mauritius, Monaco, Morocco, Nigeria, Pakistan, Peru, Romania, Saudi Arabia, Senegal, Seychelles, South Africa, Togo, Ukraine, the United Arab Emirates, Uruguay, and Viet Nam.

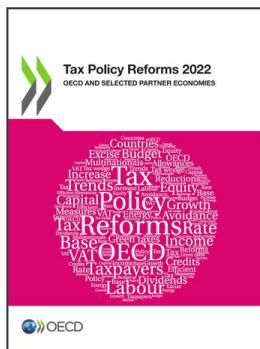
The report is comprised of three chapters. Its principal chapter, Chapter 3, describes the tax policy reforms implemented by the 71 jurisdictions that responded to the questionnaire. Chapter 3 is split into five sections depending on the category of tax reform reported: personal income taxes and social security contributions (Section 3.1), corporate income taxes and other corporate taxes (Section 3.2), taxes on goods and services, including value added taxes, sales taxes and excise duties (Section 3.3), environmentally related taxes (Section 3.4) and property taxes (Section 3.5).

To better understand the context for the tax reforms described in Chapter 3, Chapter 1 provides an overview of the macroeconomic environment and Chapter 2 the tax revenue context. Tax policy developments are closely connected with economic trends: tax revenues are affected by changes in macroeconomic conditions and economic developments are important factors behind tax reforms. Chapter 1 therefore, covers trends in growth, inflation, productivity, investment, the labour market, public finances, and inequality, while Chapter 2 describes the latest tax revenue trends, analysing both changes in total tax-to-GDP ratios and tax structures.

The report includes a fourth Chapter, which is a Special Feature on government responses to the rising energy prices experienced in the second half of 2021 and the first half of 2022. This *Special Feature* is based on a joint Policy Brief produced by the Centre for Tax Policy and Administration, the Economics Department, the Environment Directorate and the Trade and Agriculture Directorate. The fourth Chapter of the Report draws on data collected by the OECD on government support measures implemented in 89 jurisdictions, including 74 member jurisdictions of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting.

There are several differences in the data used for each Chapter of the Report. Chapter 1 is primarily based on the *OECD's Economic Outlooks (Issues 1 and 2) for 2021*, which predominantly uses 2020 and 2021 data from OECD countries and other selected Inclusive Framework jurisdictions (Argentina, Brazil, China, India, Indonesia, and South Africa). As in previous editions of the Tax Policy Reforms Report, Chapter 2 uses the Tax Revenue Statistics Database as its primary source and covers all OECD countries and other selected Inclusive Framework jurisdictions (Argentina, Brazil, China, Indonesia and South Africa) who report annual tax revenue data across tax categories to the OECD. Notably, Chapter 2 draws heavily on the *2021 OECD Revenue Statistics report* that provides an assessment of the initial impact of COVID-19 on OECD Tax Revenues. At the time of the publication of this Report, not all OECD countries had reported on their preliminary tax revenue data for 2020. Therefore, tax revenue data are not available for certain tax categories for some countries, such as Australia and New Zealand, but also Greece and Japan on occasion.

Chapter 3 uses a wider variety of data sources, with notable differences in country coverage across sections. As described above, Chapter 3 is predominantly based on the questionnaire responses provided by 71 Inclusive Framework members. The number and type of the reforms implemented by jurisdictions therefore determines the extent to which they feature in each Section of Chapter 3. However, tax revenue and tax policy analysis data are also used throughout the Chapter to complement the tax reforms described. In most cases, tax revenue data has the same country coverage as in Chapter 2 – all OECD countries as well as Argentina, Brazil, China, Indonesia, and South Africa. The country coverage of the tax policy analysis data, such as marginal and effective tax rates on labour (Section 3.1), corporations (Section 3.2) and carbon (Section 3.4), varies more widely, however, and depends on which jurisdictions provide data to the OECD. Differences in country coverage are described in the notes below all the figures used, while references to country coverage in the text are often explained in more detail in the footnotes.



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