



Tax & Investment Climate in Africa Conference

Next steps – Capacity building

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Tax administration is tax policy

- Key requirements for tax admin:
 - Political will to implement the system effectively
 - Clean strategy how to achieve this goal
 - Adequate resources to perform the task
- Appropriate skills levels is an essential element of effective tax administration reform:
 - “Only well-trained staff, with adequate political support can administer taxes effectively” (Richard Bird)
 - Officials must be capacitated to brief their respective politicians comprehensively
 - Can educate taxpayers and treat the latter professionally
 - Tax collection is a profession – also at sub-national levels of government

Further issues

- Interaction between land policies & tax policies
- Tax base competition – between national and sub-national levels of government
 - Taxes on business income
 - Property tax vs. property transfer taxes
 - Land rent vs. property tax
- How do fiscal decentralization agendas and local revenue enhancement initiatives fit in with the –
 - Constitutional and institutional framework
 - Political environment
 - Realities within countries
- Expenditure side of the budget
 - More effort? (Israel's “arnona” and the UK council tax)

Further issues

- Local business taxes, fees, licenses:
 - “The challenge is... to develop a licensing reform which can simultaneously achieve effective regulation, provide adequate revenues to the local authority, while minimizing adverse economic, administrative and compliance costs to the business community.”
 - Is this possible?
 - Single Business Permit in Kenya (documented by Kelly and Devas, and with a 7 year track record)

(Southern) African Tax Institute

- Goals: Capacity building, training, research and facilitation on tax policy and tax administration
- 2007 Programs:
 - Winter Program in Taxation (4-29 June)
 - VAT in Africa Conference (15 June)
 - Local Government Finances Program (Sept)
- Lincoln Institute/SATI Research Fellowships – property-related taxes

African Tax Institute: The future

- A well-established continent-wide tax specialist network
- All African Tax Journal – disseminating research on African tax issues
- Generic short courses in English, French, Portuguese at appropriate venues
- Distance-learning post-graduate courses
- “Law of Africa” library
 - Already established at the University of Pretoria
 - Country correspondents