World Bank Gender and Tax Program: Three Pillars of Work

- *Pillar 1* activities aim to assist tax policy practitioners on gendered tax incidence analysis complementing the ongoing fiscal incidence (CEQ) efforts.
- *Pillar 2* activities aim to pilot how gender equality objectives can be incorporated into tax policy as part of World Bank technical assistance in one pilot country.
- *Pillar 3* activities aim to pilot how gender equality objectives can be of tax/customs related incorporated into tax and customs administration as part technical assistance at least in one country.

Selected Country Example: Pakistan

One Stop Taxpayer Facilitation Centers (TFCs), Khyber Pakhtunkhwa (KP) Province

The KP provincial government is undertaking reforms to 1) bring three tax agencies under one roof as One-Stop Taxpayer Facilitation Centers (TFCs) and 2) digitize tax services.

Objectives:

The objectives of the project are to identify gender differences in taxpayers' needs and experiences in tax payments and make recommendations on how to address gender-specific needs. This also includes an analysis of the gender roles in tax payments as well as gender gaps in mobile and internet.

(The focus is on provincial taxes, including the urban property tax, motor vehicle tax, land registration fee, and land revenue.)

Methods:

A taxpayer survey team is currently in the field to interview 1,000 taxpayers, half of whom are women.

The team will also review the existing Tax Facilitation Center (TFC) in Hayatabad to make it a possible site to provide targeted support to female taxpayers.

Urban Immoveable Property Tax (UIPT), Punjab Province

The Punjab government has introduced a series of laws to increase women's property rights (including the Punjab Enforcement of Women's Property Rights Bill of 2021).

Objective:

As women become property owners and taxpayers, the project's objective is to assess the gender implications of the Urban Immovable Property Tax (UIPT) on tax burdens and compliance.

Particular attention will be given to assessing how the rate structure, exemptions, and the differences in types of properties owned by women and men affect their tax burdens and compliance. UIPT administrative tax data will be used for the analysis.

Selected Country Example: India

- The key objective of the project was to explore how tax incentives can impact women’s property ownership
- State-wise discounts embedded in provisions in Stamp Acts in Delhi, Pune, Chennai, Karnataka, Assam, Bihar, Haryana, e.g.

	Provisions according to the law		Provisions as ascertain by FGD participants
State Name	Stamp duty for males	Stamp duty for females	
Delhi	7%	6% (applicable only up to 10 lakhs of the total value of transaction)	6% for males, 4% for females, and 5% for joint owners (husband + wife)
Haryana	8%	6%	7% for males, 5% for females, 6% for joint owners (husband + wife)
Odisha	5%	4%	Same as by the law
Punjab	7%	6% (applicable only up to 10 lakhs of the total value of transaction)	7% for males, 5% for females, 6% for joint owners (husband + wife)
Uttarakhand	5%	3.75%	4.375% for joint owners (husband + wife)
Uttar Pradesh	7%	6% (applicable only up to 10 lakhs of the total value of transaction)	

- Gender-based property tax incentives for women have a positive impact on encouraging female property ownership
  - This works where the amount is high – as in the case of the property transfer tax (stamp duty)
  - Hence, this does not matter in the case of the recurrent property tax which is low
- If non-tax incentives are coupled with tax incentives, the impact is greater
  - Loan concessions, security of inheritance and providing equal property ownership rights to females, as well as income contributions – all positively contribute to female property ownership

Selected Country Example: Ethiopia

Business Income Tax

- Business income taxpayers grouped into three categories based on gross income
- Focus on individual business income taxpayers who file tax (to study tax compliance): 2,309 units from 2011 to 2017
- Analyzed compliance differences (such as, sales, cost and expenses, profit, deduction, and tax liabilities) between male/female owners and tax payment (enforcement).
- Quantile regressions suggest there are differences in declaration and payment before controlling for firm characteristics.
- But no gender differences in compliance or enforcement after controlling for size, time, location, sector, adoption of electronic sales registry machine, and the category of the taxpayer.

Presumptive Taxes

- Presumptive taxation in Ethiopia is a tax on small/microenterprises earning up about USD 9,800. Tax exemption threshold exists for some sectors but not others. It is a lump sum tax amount determined by sector and turnover.
- Paper examined the gender implications of the presumptive tax using new data on tax payments in the enterprise module from the Ethiopia Socioeconomic Survey 2018/2019.
- Main finding: presumptive tax is regressive for low revenue enterprises and sectors with no exemption thresholds, including food and hospitality, where women predominate.
- An alternative system with a fixed rate of 2.5% of turnover and exemption for low revenue firms would promote equity and simplification, and possibly increase tax revenue

Global Work

- Practical note (two-five pages) on gender and tax/customs administrations, including exploring possible entry points in DPOs and P4Rs.
- Innovations in Tax Compliance team to analyze and produce a paper on sex-disaggregated survey data on compliance from country surveys.
- Policy note on tax myths/literature findings from gender lens
- Webinar series on gender quality and taxation for Bank staff working on fiscal policy
- Other outreach