Findings from recent research based on Ugandan administrative tax data

OPENING

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These opening remarks

• Introduction to UNU-WIDER – who are we and what do we do

• URA – UNU-WIDER collaboration in the area of tax research

• The agenda today
UNU-WIDER Background

• Established in 1985 in Helsinki, Finland, as the first ‘research and training centre’ of the United Nations University

• UNU-WIDER: a global think thank and research institute, operating within the UN system and providing economic analysis and policy advice with the aim of promoting sustainable and equitable development for all

• The Institute engages a global network of thousands of researchers and institutions, many from developing countries, aiming to produce knowledge of real value to policy makers and practitioners in the developing world, across the UN, and to the international community more broadly

• Global Public Good approach to research – all work of the Institute is freely available on our website.
2019-23 work programme

• Builds on the past activities, looks at the future
• Organized around Flagship projects, including
  – Inequality, especially social mobility
  – Formal vs informal sector jobs, especially women’s work
  – Structural transformation
  – Data provision, WIID and GRD
  – And tax analysis
• Conducted jointly with resident researchers and the global WIDER network
Our work on tax

- Revenue authorities, over the course of administering tax, collect a huge amount of data about the taxpayers.
- These can be used for research purposes especially if they are in digital format.
- Research questions include:
  - What works for improving compliance and formalization.
  - How tax reforms influence reported incomes.
  - But also:
    - Inequality analysis.
    - Determinants of firm performance.
- Modelling work: tax-benefit microsimulation (SOUTHMOD).
URA – UNU-WIDER Collaboration

• Ongoing for more than two years

• URA offers access to anonymized data, stored on secure terminals within RPD at the URA

• International and URA researchers work together on research topics which were identified as important for URA

• Undertaken also training and other capacity building activities

• More info here
Existing research work

• A paper on the impacts of compliance-enhancing interventions related to small enterprises

• Studying the impacts of the 2012/13 income tax reform

• Examining the possible scope of international tax avoidance by large, multinational, companies

• Building UGAMOD, a tax-benefit microsimulation model for Uganda, and conducting research using it
UGAMOD

• Microsimulation
  – Coding of existing tax and benefit legislation
  – Representative micro data
  – Used for simulating the impacts of policy reforms on revenues and income distribution

• Underpinned by Uganda National Household Survey 2016/17

• Model developed by URA, Makerere University, SASPRI, and UNU-WIDER

• Was launched in April 2019, next training course mid September 2020

• Freely available on the UNU-WIDER web page
Next steps

• Finishing up all ongoing work

• Working on new topic
  – Such as income distribution analyses

• Work towards opening data access
  – Data description
  – System in place for researchers’ visits
Today’s agenda

• Three presentations
  – Maria Jouste and Ronald Waiswa: What explains the increased number of presumptive tax payers
  – Joseph Okello and Jukka Pirttilä: Impacts of the new top marginal tax rate on reported earnings
  – Susan Kavuma and Nicholas Musoke: UGAMOD and results from excise duty simulations

• And discussion and feedback!