

# Total Tax Contribution

What is your company's overall tax contribution?\*



The amount of tax paid by companies is coming under increasing public scrutiny. However, often times the only information on taxes paid is that on corporate tax in the financial statements. This simply does not give a proper picture of a business's contribution to tax revenues.

PricewaterhouseCoopers has developed a framework for reporting a company's Total Tax Contribution (TTC) which we believe is a better measure of a company's economic contribution in taxes. It is, we believe, an important component of transparency and better reporting.

The PricewaterhouseCoopers' TTC framework is a standardized methodology for measuring an organization's economic contribution in taxes. It looks at all the business taxes paid by companies and incorporates a distinction between business taxes paid and borne by a company, and those collected on behalf of the Government.

In a business environment where tax is rising up the corporate risk agenda it is important that there is a better understanding of how tax impacts companies and their stakeholders.

The Total Tax Contribution Framework benefits to participant companies include:

**Quantification** – takes into account all business taxes borne, as well as those collected on behalf of the Government allowing for quantification of the total corporate contribution in taxes. It is calculated using a standard methodology which allows for further analysis.

**Management** – provides benchmarking against competitors and within industry groupings. Furthermore, it facilitates dialogue with the Board to confirm taxes are managed in accordance with Board strategy and tax risk management approach. It also focuses the management of tax cost and the allocation of tax resources.

**Transparency** – provides robust data for transparent external reporting of taxes paid and collected, sharing the company's economic contribution in taxes. It also provides data to link the company's economic contribution in taxes paid to corporate social responsibility reporting. Finally, it provides robust standardized data to facilitate discussion with Government and other external interest groups.

Gaining an understanding of its total tax contribution will help your company monitor and manage taxes to make better informed business decisions and to communicate their economic impact in taxes.

## Further information?

If you would like to discuss how the Total Tax Contribution Framework could benefit your company, please contact the Canadian Total Tax Contribution team:

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