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<http://www.news.tj/en/news/number-tax-payments-reportedly-falls-central-asia-and-eastern-europe>

## **Number of tax payments reportedly falls in Central Asia and Eastern Europe**

Central Asia and Eastern Europe has been the biggest reformer over the nine years of the study, *Paying Taxes 2014*, which is a joint report by PricewaterhouseCoopers (PwC), the International Finance Corporation (IFC), the World Bank (WB), noted.

According to the report, economies in this region have shown the largest fall in both the time to comply (220 hours) and number of payments (25 payments), and apart from Africa has the largest fall in the Total Tax Rate (15.7%).

The report says that the average Total Tax Rate for the region is 39.5% which is a little below the world average of 43.1%. The Total Tax Rate has reportedly shown a slight upward trend since 2010. All three types of tax have shown a slight increase in Total Tax Rate in 2012.

Almost all of the economies in the region have a significant element of the Total Tax Rate accounted for by labor taxes and mandatory contributions, *Paying Taxes 2014* notes.

The average time to comply across this region is 256 hours, 12 hours below the world average of 268. It is fairly evenly split between the major taxes.

At 29.5, the region's average number of payments is a little above the world average of 26.7.

The region has shown a steady improvement in the number of payments and in the time to comply over the last nine years.

The introduction of electronic filing and reducing tax rates has been the key to the reform process in this region. In 12 of the 19 economies the majority of companies use electronic filing and payment for all major taxes.

*Paying Taxes 2014*, the eighth edition of a joint annual report of PwC with the World Bank and IFC, is a unique study which investigates and compares tax regimes across 189 economies worldwide, ranking them according to the relative ease of paying taxes. *Paying Taxes* looks not only at corporate income tax, but at all of the taxes and mandatory contributions that a domestic medium-size case study company must pay. It considers the full impact of all these taxes in terms of both their tax cost and their compliance burden on business.

The objectives of the *Paying Taxes* study are to: provide data which can be compared between economies on a like for like basis; facilitate the benchmarking of tax systems within relevant economic and geographical groupings, which can provide an opportunity to learn from peer group economies; enable an in-depth analysis of the results which can be used to help identify good practices and possible reforms; and to generate robust data on tax systems around the world, including how they have changed, which can be used to inform the development of good tax policy.

We will recall that Tajikistan passed a new tax code in September 2012. The new Tax Code provides for the considerable reduction in the number of types of taxes by half -- from 21 to 10. Retail sales tax and highway use tax were abolished, while some types of taxes were unified.