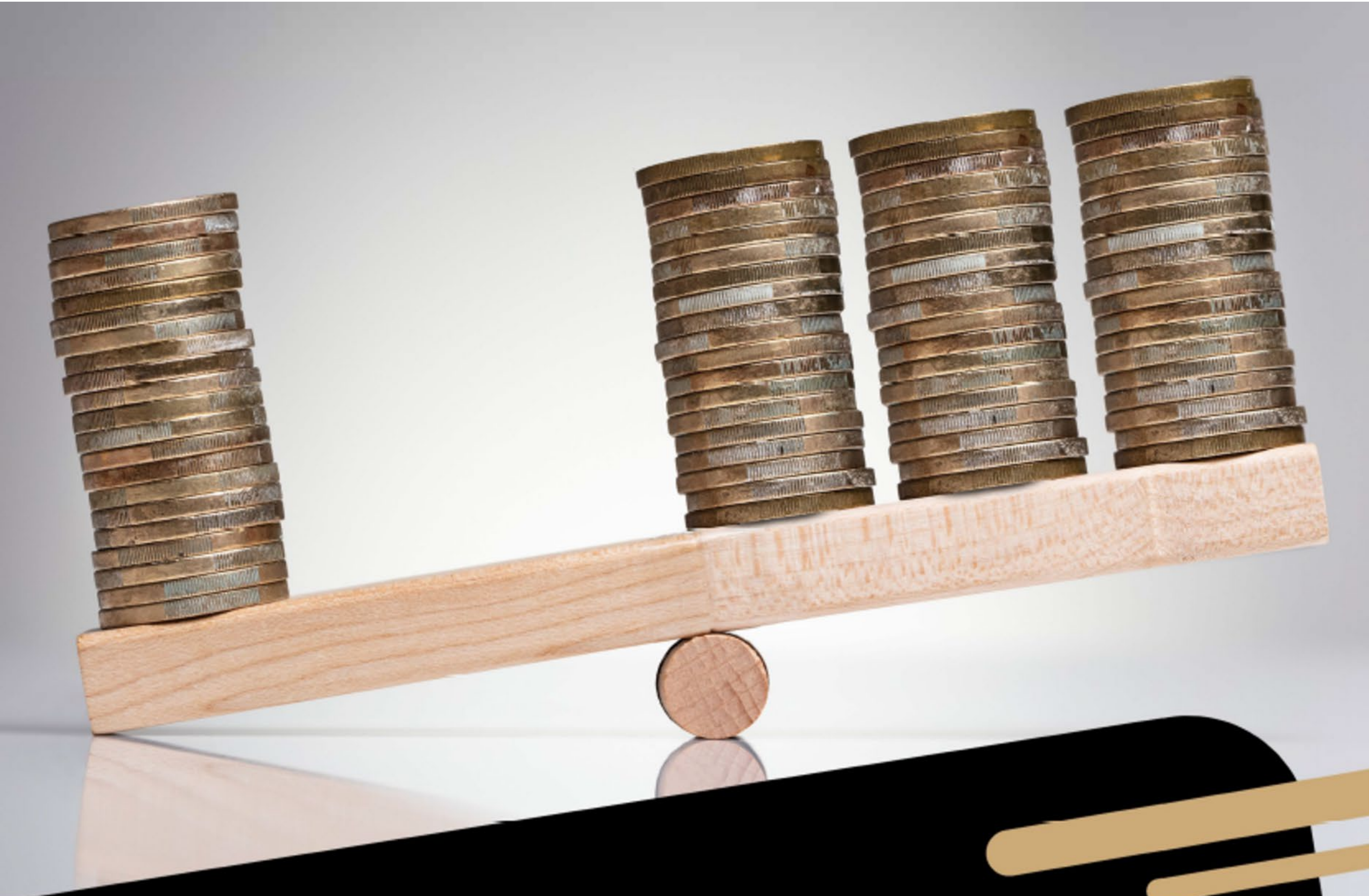

WORLD BANK GROUP

4TH WORLD BANK TAX CONFERENCE ON GLOBAL TAX EQUITY

SEPTEMBER 22-23, 2022

CONFERENCE PROCEEDINGS

In Partnership with

Organizing Committee
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Implementing Partners
Institute for Fiscal Studies
ODI
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Co-Sponsoring Organizations
Norwegian University of Life Sciences
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Global Tax Equity

4th World Bank Tax Conference

Introduction

Inequality is one of the global challenges of our times. This phenomenon is increasingly driven by the ability of people and companies to move their wealth and profits across national borders. What is the role of fiscal policy in dealing with this challenge, both within countries and internationally? How might new data sources inform the debate?

The 4th World Bank Tax Conference brought together leading researchers and policymakers to discuss recent research on making tax systems more equitable at a global scale, including the taxation of capital, taxation of high-net-worth individuals and corporations, and the role of offshore wealth.

Key Takeaways

Research opening the black box of international tax optimization has exposed the large amounts of wealth and income escaping taxation every year. This is timely, as governments are under intense fiscal pressure and face concurring challenges: the recovery from the pandemic, weakening growth, investments to transition to a decarbonized economy, and, of course, rising inequality. The 4th World Bank Tax Conference exposed the magnitude of the challenge to build equitable tax systems and the progress achieved —internationally via the OECD/G20 inclusive framework on Base Erosion and Profit Shifting (BEPS), and domestically via policies to improve compliance of the very wealthy. Below is a summary of key findings presented at the conference.

Measurement is key

Shedding light on the magnitude of tax evasion, tax avoidance, and tax advantages benefitting the wealthiest individuals and largest firms around the world is a crucial step to raise awareness and encourage government action. Large enterprises often face lower effective tax rates: in firm-level tax returns from a dozen countries, the 1% largest firms benefited from substantially lower corporate tax rates than other firms in the top 10% of size due to their take-up of tax credits and tax exemptions (Bachas, Brockmeyer, Dom & Semelet 2022). Researchers must show creativity to measure what is purposefully hidden. Luminosity captured by satellite imagery provides accurate geo-localized measures of industrial activity. This new granular and high-frequency measure of economic activity is then compared with country-by-country profit reports of multinationals to estimate their potential profit shifting across jurisdictions (Bilicka and Seidel 2022).

We also saw the importance of offshore real estate held in Dubai by foreign nationals: for some countries this represents over 5% of their GDP. Is this wealth reported domestically? This is unlikely, since even in Norway---where data could be cross-checked at the taxpayer level---only 30 percent of the Dubai real estate was reported in the mandatory wealth tax (Alstadsæter, Planterose, Zucman and Økland 2022)

New policies, varying success

Recently, 137 countries members of the OECD Inclusive Framework agreed to set a 15 percent minimum corporate tax rate. The Framework also mandates automatic exchange of information (AEOI) across tax administrations to report on foreign nationals' bank accounts and financial assets. While the minimum tax agreement hasn't yet come into effect, AEOI has been active across several jurisdictions for the past five years. Within the EU, cross-border account deposits fell in countries with stringent tax enforcement following AEOI, but part was relocated to countries with more opaque financial reporting (Casi, Mardan and Muddasani 2022). Further, AEOI on financial assets held in tax havens reduced the holdings of these assets, but a large share was reinvested in real estate. The United Kingdom's market alone saw an 18 billion GBP rise in transaction values. Extrapolated worldwide, this implies that a quarter of financial wealth formerly held in tax havens was relocated to real estate and might continue to escape scrutiny (Bomare and Le Guern Herry 2022).

Lower-income countries like Uganda or Rwanda are also taking steps to increase tax equity, albeit with mixed results. The Ugandan tax authority established its first office dedicated to high-net-worth individuals via an impressive data effort to merge shareholders' records and property registries to income tax data. Unfortunately, it did not collect additional revenue (Santoro and Waiswa 2022). In Rwanda, the compliance of the richest taxpayers was assessed, and the country reformed its transfer of property reporting. However, the legal arsenal to prosecute non-compliant taxpayers remains insufficient (Kangave, Byrne, Karangwa 2020). There are positive examples: the 2016 tax amnesty in Argentina---which encouraged the disclosure of assets held abroad---led to the reporting of offshore wealth corresponding to 21% of GDP (Figure 3). The revenue collected financed an expansion of the pension system (Londoño-Vélez & Tortarolo 2022).

Cautious optimism on progress towards equitable taxation

The momentum lends itself to cautious optimism: in the keynote, Gabriel Zucman noted that when he started documenting global hidden wealth a decade ago, nobody thought that tax havens would someday disclose financial information or that multinationals would face minimum tax rates. Evidence-based research can have an impact on changing how civil society and policymakers view these issues. But further research is needed to evaluate ongoing policies, combined with outside-the-box thinking on tax instruments designed for a globalized world. The final presentation provided a thought-provoking message: in online survey experiments conducted in multiple countries, citizens reported higher willingness to pay taxes when informed that their tax systems were progressive and lower willingness when informed that they were regressive (Hoy 2022). Progressive and just taxation is thus not only just but also crucial to sustain tax compliance and trust in governments.

Conference Structure

The conference was opened by Marcello Estevão (Global Director, Macroeconomics, Trade, and Investment, World Bank) and featured a keynote address by Dr. Gabriel Zucman (Professor at University of California, Berkeley and Paris School of Economics) along with seven panels presenting new research and discussing global tax equity. The conference was concluded by Aart Kraay (Director, Development Research Group, World Bank). The topics of the panels were identified and prioritized on the basis of an open call for submission of papers. For more on the papers and presentations from the conference visit the website: https://www.worldbank.org/wbtaxconference.

The conference was organized by the World Bank and the Institute for Fiscal Studies and ODI through the TaxDev Centre. It was supported by the Norwegian University of Life Sciences NMBU and the UK government through UK aid.

Participants

A total of 897 individuals registered for the conference with a 48% attendance rate. Of the 433 who attended the conference, there were 75 from universities and other institutions of higher education, 87 from government agencies with a role in taxation (typically ministries of finance and revenue authorities), 131 from the World Bank and the International Finance Corporation, 37 from other international organizations (e.g., regional development banks, IMF, and UN agencies); as well as a large number of individuals from think tanks, research institutions, non-governmental organizations, and more.

Keynote Speech

Introduction & Opening Remarks: Marcello Estevão
(Global Director, Macroeconomics, Trade, and Investment, World Bank)

Globalization, Taxation, and Inequality

Dr. Gabriel Zucman (University of California, Berkeley and Paris School of Economics)

The keynote session featuring Gabriel Zucman, associate professor of Economics at the University of California, Berkeley, discussed how taxation can help fight global inequalities. Zucman noted that the current tax architecture was inherited from the 1950s and 1960s in a post -World War II context and that it is not strong enough to address current global challenges such as automatization, increasing inequality and climate change. The current tax system was designed under a context of scarce capital and rising labor share, where it was important to encourage capital accumulation. Today, the ratio of household wealth to GDP has increased tremendously, capital share of income has been rising since 1970s, and income and wealth inequality have been rising globally.

Zucman then discussed how a modern tax system that tackles inequality in a globalized world is possible. New forms of international coordination and serious attempts to limit international tax evasion, which were thought of as utopian a decade ago, have already emerged. Examples include the creation of the automatic exchange of information between banks and foreign tax authorities (AEOI) and the international agreement on a 15% minimum tax (the Pillar 2 OECD solution).

While these are important initial steps, Zucman argues they have to be strengthened to address today's globalization challenges. The AEOI has serious limitations as it does not reach many developing countries, lacks incentives to truthfully report, there is no systematic use of the information collected, and excludes real assets information. On the specific issue of real assets, Zucman shared results of his ongoing work which analyzed a unique dataset capturing the ownership of about 800,000 properties in Dubai, including nationality of owners. The results of their analysis suggested that the lack of cross-border exchange of information on real estate ownership is a significant issue for tax enforcement. That is why AEOI should be extended to non-financial assets, like real estate assets which are used for tax evasion.

By introducing more ambitious policies, and new forms of international cooperation, Zucman argued that globalization and the fight against inequality can be reconciled.

Session 1 "Corporate Taxation"

The section on Corporate Taxation included presentations on Germany and Uganda, as well as one study comparing effective tax rates paid by corporations across 13 economies.

Evgeniya Dubinina (Institute of Economic Studies, Charles University) discussed the relationship between opportunities for corporations to shift profits to other jurisdictions and the structure of tax revenue. Exploring both variation across countries and across German municipalities, the study documents that an increase in profit shifting is correlated with a decrease in revenue from corporations and an increase in indirect and personal income taxes. The presence of firms that aggressively shift their profits in response to tax increases reduces the capacity of governments to raise revenue from them and possibly shift the tax burden to other actors.

Camille Semelet (ifo Institute) presented evidence for 13 countries, using harmonized tax administrative data, on the effective tax rate paid by firms of different sizes. Across the countries, the study documents the stylized fact that effective rates are often an inverted U-shape: small and large firms pay lower taxes, while mid-sized firms pay the highest rates. They show that part of this slope in effective rates is explained by the use of tax credits and loss-carry forward, for example, and that medium-size firms might be less informed to take advantage of such tax provisions.

Caroline Schimanski (World Bank) showed that Multinational Corporations (MNCs) in Uganda pay much lower effective tax rates that domestic ones. This is partially driven by claiming of losses, which might be explained by profit-shifting, but also by double taxation agreements. Overall, the studies in this section documented that the effective tax rate paid by firms of different sizes and ownership vary substantially not only between countries but also within them, and policymakers should consider how these differences might be related to efficiency and equity considerations.

Corporate Taxation

Chair: Pierre Bachas (World Bank)

Paper 1: "Fiscal Consequences of Corporate Tax Avoidance"

- **Presenter:** Evgeniya Dubinina (Institute of Economic Studies, Charles University)
- **Discussant:** Ashima Neb (World Bank)

Paper 2: "Effective Tax Rates and Firm Size"

- **Presenter:** Camille Semelet (ifo Institute)
- **Discussant:** Jan Loeprick (International Monetary Fund)

Paper 3: "The Case of Taxing Multinational Corporations in Uganda - Do multinational corporations face lower effective tax rates and is there evidence for profit-shifting?"

- **Presenter:** Caroline Schimanski (World Bank)
- **Discussant:** David Phillips (Institute for Fiscal Studies)

Session 2 “Policy Session”

The **Policy Session** featured presentations from current and former senior policymakers from Argentina, Honduras and Indonesia, followed by a panel discussion.

Roberto Arias, former Secretary of Tax Policy of the Argentine Republic, spoke about the challenges in implementing a progressive tax system in the face of high inflation, macroeconomic instability and political polarization. Argentina’s high levels of inflation have meant that maintaining tax stability has been difficult. For example, the share of workers paying the PIT has fluctuated from 10% to 30% in the last ten years, due to inflation and macroeconomic instability. Stability in the corporate income tax (CIT) and wealth tax have become a victim of political polarization. The headline CIT rate fell from 35% to 25%, and increased to 35% again, between 2017 and 2021. The wealth tax rate fell from 1.25% to 0.35%, to 1.75% in a similar timeframe. Arias spoke about the need to build bipartisan support for taxation, to avoid such dramatic swings that followed changes in government. He also spoke about the importance of international cooperation, with reference to the OECD’s recent efforts in the minimum taxation of multinationals, and the role of data sharing to detect offshore asset holdings.

Mariana Ríos Munguia, Vice Director, Customs Administration, Honduras, spoke about the problems caused by VAT and CIT exemptions in Honduras. Honduras has both substantial VAT exemptions, and a CIT regime that has been described by the OECD as ‘pernicious’ due to its generosity. She spoke about how this has contributed to inequality, with richer consumers and larger firms receiving the greatest benefits. Many countries use CIT incentives to increase investment, but Honduras’ CIT incentives deviate far from best practice. The system is too complex; the quality of employment created has been low; many of the schemes were arbitrarily extended by previous governments; and the tax authorities have weak oversight over companies within the scheme, leading to suspicions of profit shifting. She also spoke about the current government’s plan for reform.

Makar Satria Utama, Director of International Taxation, Ministry of Finance, Indonesia, spoke about Indonesia’s recent efforts to tax high net worth individuals (HNWIs). The number of HNWIs grew by 12% during the pandemic, but revenue from the group fell by 8%. This has motivated Indonesia’s recent efforts to treat HNWIs as distinct from other taxpayers. Indonesia has set up dedicated tax offices for HNWIs, which were previously administered by a patchwork of local tax offices. International cooperation is crucial, given HNWIs are more likely to hide income and wealth offshore, and Indonesia has signed a number of tax treaties to allow for exchange of information. Indonesia has also set up a Voluntary Disclosure Program. This program collected the equivalent of 4% of total tax revenue and it is hoped that it will increase compliance in future years.

Policy Session

Chair: David Phillips (Institute for Fiscal Studies)

- Mr. Roberto Arias (former Secretary of Tax Policy, Argentine Republic)
- Ms. Mariana Ríos (Vice Director, Customs Administration, Honduras)
- Mr. Makar Satria Utama (Director of International Taxation, Ministry of Finance, Indonesia)

This session featured presentations from policymakers and practitioners on tax policy changes currently under consideration, as well as lessons learned from experiences in designing and developing political support for policies related to international taxation, the taxation of High-Net-Worth Individuals, and ensuring an equitable tax system. The session aimed to generate discussion and foster learning on tax policy, practice, and research.

*Organized by TaxDev

Session 3 "Lightning Talks - Taxation of Capital"

This Lightning Talks session included papers concerning the Taxation of Capital, in corporations or of wealthy individuals.

Massimiliano Calì (World Bank) presented work analyzing the responses of Tunisian firms to a substantial increase to their corporate tax liability. The design uses a Difference in Differences approach as only the set of export-oriented firms faced the increase. It finds that the reform had limited medium term impact on firms reporting of revenue, profits and employment.

Baptiste Souillard (Université Libre de Bruxelles) discussed a paper analyzing the incidence of profit shifting within corporations on employee pay among S&P 1500 companies. It finds that profit shifting benefits managers at the top of the hierarchy, but non-executive employees see a drop in their pay.

Fabrizio Santoro (International Centre for Tax and Development) presented a paper studying the introduction of a new unit dedicated to High-Net Worth Individuals in Uganda. The unit gathered substantial information on the income of some of the most high profile and wealthy individuals in the country. Yet, it was found that the introduction of this unit did not lead to an increase in the tax revenue collected from this group of taxpayers. The presentation mentioned the lack of human resources and legal challenges to improve the taxation of the richest individuals.

Laura Abramovsky (ODI) surveyed the evidence on the joint impact of taxes and transfers on inequality as a function of income levels. The paper argues that fiscal policy can substantially reduce inequality in high income countries (up to 40%) but is more contrived in poorer countries. Yet, at every level of economic development, policy choices matter to reduce inequality.

King Carl Tornam Duho (Dataking Consulting) presented work on the role of corporate governance in explaining potential transfer pricing among Ghanian firms listed on the stock market. It finds that some characteristics of the corporate governance (e.g. independence of board) reduce the observed profit shifting.

Lightning Talks - Taxation of Capital
Chair: Anne Brockmeyer (Institute for Fiscal Studies)

Paper 1: "Firms' Responses to Corporate Income Tax Reforms in a Developing Country"
- **Presenter:** Massimiliano Calì (World Bank)

Paper 2: "Profit Shifting, Employee Pay, and Inequalities: Evidence from US-listed Companies"
- **Presenter:** Baptiste Souillard (Université Libre de Bruxelles)

Paper 3: "Small Nets for Big Fish? Tax Enforcement on the Richest –Evidence from Uganda"
- **Presenter:** Fabrizio Santoro (International Centre for Tax and Development)

Paper 4: "Fiscal Policy and Income Inequality: The role of taxes and social spending in addressing income inequality"
- **Presenter:** Laura Abramovsky (ODI)

Paper 5: "Transfer Pricing, Earnings Management and Corporate Governance amongst Multinationals: Evidence from Ghana"
- **Presenter:** King Carl Tornam Duho (Dataking Consulting)

Session 4 "Offshore Wealth"

The section on **Offshore Wealth** comprised three papers on the effects of policies related to transparency and information exchange on financial flows between countries.

Elisa Casi-Eberhard (Norwegian School of Economics) discussed how the introduction of Mandatory Disclosing Rules (MDRs), a reporting standard that obliges financial intermediaries to disclose aggressive tax-planning by their clients, affected cross-border investments in the European Union. They show that the effects of MDRs are particularly pronounced when countries actively enforce the rules and include severe penalties for non-compliance.

Jeanne Bomare (Paris School of Economics) presented findings on the impacts of the adoption of the Common Reporting Standards (CRS) from the OECD. Since the CRS only covers financial assets, switching investments to non-financial assets became an attractive option to avoid disclosure. Data on real estate properties in the UK show substantial increase in the value of transactions from tax havens highly exposed to CRS soon after its introduction – with a total increase in investments of over USD20 billion. The study highlights the limits of information disclosure schemes that only encompass certain asset categories.

Tereza Palanská (Institute of Economic Studies, Charles University) discussed how changes in secrecy laws – measured using the financial secrecy score by the Tax Justice Network – affect cross-country investment behavior. The authors find strong and non-linear effects of changes in secrecy laws: when countries substantially increase their transparency, a large number of investors change their portfolio to more secretive jurisdictions. The effect is less strong for bank deposits and larger when the source country is low-income. Taken together, the studies presented in this section show that exchange information and transparency rules have substantial effects on investment and details about design and implementation are key for enforcement.

Offshore Wealth
Chair: Ana Cebreiro Gomez (World Bank)

Paper 1: "So close and yet so far: The ability of mandatory disclosure regimes to crack down on offshore tax evasion"
- **Presenter:** Elisa Casi-Eberhard (Norwegian School of Economics)
- **Discussant:** Michael Best (Columbia University)

Paper 2: "Will We Ever Be Able to Track Offshore Wealth? Evidence from the Offshore Real Estate Market in the UK"
- **Presenter:** Jeanne Bomare (Paris School of Economics)
- **Discussant:** Bob Rijkers (World Bank)

Paper 3: "Hide-seek-hide? The effects of financial secrecy on cross-border financial assets"
- **Presenter:** Tereza Palanská (Institute of Economic Studies, Charles University)
- **Discussant:** Irem Guceri (University of Oxford)

Session 5 "Taxation of High-Net-Worth Individuals"

The papers on Taxation of High-Net-Worth Individuals demonstrated the potential for tax policy to reduce inequality, notwithstanding the challenges to taxing high net worth individuals. The session highlighted the importance of continued research in this area to identify the causal impacts of tax reforms and form policy recommendations.

Kristoffer Berg (Oxford University) opened the session with a paper studying the relationship between parental wealth, wealth taxes, and the next generation's labor income in Norway. The paper has two main findings: First, an exogenous increase in parental wealth increases children's labor earnings. Between 19 to 26 percent of the intergenerational correlation between parental wealth and children's labor income can be attributed to this causal effect. Second, a wealth tax reduces the Gini coefficient in children's labor earnings by approximately 1 point, suggesting the tax may reduce intergenerational inequality.

Dario Tortarolo (University of Nottingham) presented work on tax amnesties and their impact on tax compliance and public spending in Argentina. A 2016 tax amnesty program in the country revealed assets worth 21% of GDP. The program increased the progressivity of the capital tax given disclosures were concentrated among the country's wealthiest 0.1%. The increase in revenue was used to boost pension benefits by 15%. Tortarolo closed with a discussion of what likely contributed to the success of the program: large tax incentives for evaders to disclose, a credible threat of detection, low compliance costs, a successful information campaign, and the earmarking of revenue increases for a public good.

John Karangwa (Rwanda Revenue Authority) presented work on the challenges to identifying high net worth individuals (HNWI) in Rwanda. Working with the Rwanda Revenue Authority (RRA), Karangwa implemented a two-pronged, quantitative and qualitative, approach to identifying HNWI. On the quantitative side, the researchers compiled a novel database tracking HNWI asset holdings and tax records. On the qualitative side, the researchers conducted detailed interviews of stakeholders and informed individuals to better understand HNWI asset holdings. The research highlights the importance of building the capacity of tax officials and creating dedicated tax offices to identify HNWI and minimized tax evasion.

Taxation of High-Net-Worth Individuals
Chair: Pablo Garriga (World Bank)

Paper 1: "Revealing 21% of GDP in Hidden Assets: Evidence from Argentina's Tax Amnesties"
- **Presenter:** Dario Tortarolo (University of Nottingham)
- **Discussant:** Carlos Scartascini (Inter-American Development Bank)

Paper 2: "Does a Wealth Tax Improve Equality of Opportunity?"
- **Presenter:** Kristoffer Berg (Oxford University)
- **Discussant:** Steven Hamilton (George Washington University)

Paper 3: "The Tax Compliance of Wealthy Individuals in Rwanda"
- **Presenter:** John Karangwa (Rwanda Revenue Authority)
- **Discussant:** Florence Kondylis (World Bank)

Session 6 "Lightning Talks - Enforcement"

The second Lightning Talks session focused on Tax Enforcement.

Augustin Bergeron (University of Southern California) opened the session with a paper studying whether the optimal assignment of tax collectors can increase property tax collection in the Democratic Republic of Congo (DRC). The paper finds positive assortative matching on collector and collector-household type substantially increased tax revenue relative to the random assignment of collectors.

Justine Knebelmann (JPAL-MIT) presented research comparing discretionary versus rule-based property valuations in Senegal. Knebelmann finds granting discretion to tax collectors reduced the accuracy of property valuations and led to greater heterogeneity in valuations across collectors than the rule-based approach.

Pierre Bachas (World Bank) presented research on whether novel data processing technologies can improve property tax enforcement in Senegal. Bachas compares two approaches to audit selection – inspector discretion vs automated risk scoring – and finds inspectors target larger firms and uncover similar evasion rates as the algorithm. Automation, however, may require less resources, suggesting some mix of discretionary and automated methods may be optimal.

Katarzyna Bilicka (Utah State University) discussed her work on using satellite imagery to measure firm activity around the world. Using the COVID-19 pandemic to validate her results, Bilicka finds nightlight data can be used as an accurate proxy for firm production activity, and may therefore offer a way to measure profit misreporting in accounting data.

Muhammad Ashfaq Ahmed (Federal Board of Revenue, Pakistan) closed the session with a paper on the limitations of the United Nations' exchange of tax information (EOI) regime between developed and developing countries. Ahmed argued the EOI imposes high compliance costs on developing countries without leading to an increase in revenue, suggesting a need for revising the international agreement.

Lightning Talks - Enforcement
Chair: James Cust (World Bank)

Paper 1: "Optimal Assignment of Bureaucrats: Evidence from Randomly Assigned Tax Collectors in the DRC"
- **Presenter:** Augustin Bergeron (University of Southern California)

Paper 2: "Widening the Tax Net when Information is Scarce: The Role of Agents' Discretion"
- **Presenter:** Justine Knebelmann (JPAL-MIT)

Paper 3: "How to Target Enforcement at Scale? Evidence from Tax Audits in Senegal"
- **Presenter:** Pierre Bachas (World Bank)

Paper 4: "Measuring Firm Activity from Outer Space"
- **Presenter:** Katarzyna Bilicka (Utah State University)

Paper 5: "UN MTC Article 26: Inequitable Exchange of Information Regime – Questionable Efficacy in Asymmetrical Bilateral Settings"
- **Presenter:** Muhammad Ashfaq Ahmed (Federal Board of Revenue, Pakistan)

Session 7 "Personal Income Taxation"

The section on Personal Income Taxation included three papers on the taxation of individuals and its relation to inequality. The conference was concluded with closing remarks from Aart Kraay (Deputy Chief Economist and Director of Development Policy, Development Economics, World Bank).

Kyle McNabb (ODI) presented a paper studying how reforms to Personal Income Tax (PIT) in African countries from 1995 – 2020 affect inequality using information from a newly compiled dataset on tax regulations and reforms, the TaxDev Employment Income Taxes Dataset, and income distributions from the World Inequality Database. It finds that i) PIT policy design can play an important role in influencing redistributive outcomes, by having a higher marginal top tax rate and by reducing the share of people exempt from the PIT; and ii) the types of reforms implemented in Africa during this period, on average, have not improved the potential of PIT to address inequality.

Tobias Hauck (Protestant University of Applied Sciences Freiburg) presented work examining the effect of optional tax filing on income tax progressivity. In many countries, taxpayers are legally allowed to not file income taxes because automatic tax withholding from their wages covers their tax liability. Using German administrative tax data, this paper finds that i) In the absence of automatic refunds, non-filers face a higher effective tax rate because taxes are often over-withheld, and ii) since lower income taxpayers are more likely to be non-filers, this leads to lower effective progressivity of the tax system.

Christopher Hoy (World Bank) examined how information about the progressivity of taxes and government transfers impacts people's willingness to pay tax using an online randomized survey experiment with over 30,000 respondents in eight countries. Respondents in each country were randomly allocated to receive accurate information about their country's progressivity of taxes, government transfers, or both, or to a control group that received no information. It finds that people's willingness to pay tax increases with the progressivity in the tax system: those in countries with progressive tax systems who receive this information are more willing to pay tax while those in countries with low tax progressivity are less willing to pay tax. These results are strongest for respondents where the information they received was counter to their prior beliefs and/or in line with their preferences.

Personal Income Taxation
Chair: Chiara Bronchi (World Bank)

Paper 1: "Personal Income Tax Reforms and Income Inequality in Africa"
- **Presenter:** Kyle McNabb (ODI)
- **Discussant:** Oyebola Okunogbe (World Bank)

Paper 2: "Optional (Non-)Filing and Effective Taxation"
- **Presenter:** Tobias Hauck (Protestant University of Applied Sciences Freiburg)
- **Discussant:** Daniel Prinz (World Bank)

Paper 3: "How does the progressivity of taxes and government transfers impact people's willingness to pay tax? Experimental evidence across developing countries"
- **Presenter:** Christopher Hoy (World Bank)
- **Discussant:** Sacha Dray (World Bank)

Closing Remarks: Aart Kraay (World Bank)







Progressive Taxation in Argentina: recent developments
Roberto Arias