

Value Added Tax: A Comparative Approach In Theory And Practice

Value-added tax (VAT) is a tax levied on private consumption expenditures. Where VAT is levied on each transaction within the supply chain, the aim of taxing only private consumption is achieved by allowing businesses a credit to offset the VAT paid on purchases against the VAT collected on sales. This article provides a comparative study of the law and practice in the European Union and Canada regarding subsidies and VAT (in Canada, the goods and services tax). Subsidies are among the financial instruments used by governments, and sometimes private organizations, to support the realization of certain policies. This article is concerned with determining the circumstances in which subsidies may be included in the consideration paid in a transaction and may therefore be subject to VAT, and the extent to which the right to claim input tax credits can be exercised. The authors investigate these questions by discussing the nature of subsidies from the perspective of VAT principles, reviewing the statutory provisions and administrative practices in the European Union and Canada, and analyzing the relevant case law in both jurisdictions.

Value-added tax, or VAT, first introduced less than 50 years ago, is now a pivotal component of tax systems around the world. The rapid and seemingly irresistible rise of the VAT is probably the most important tax development of the latter twentieth century, and certainly the most breathtaking. Written by a team of experts from the IMF, this book examines the remarkable spread and current reach of the innovative tax and draws lessons about the design and implementation of the VAT, as experienced by different countries around the world. How efficient is it as a tax, is it fair, and is it suitable for all countries? These are among the questions raised. This highly informative and well-researched book also looks at the likely future of the tax.

Does the design of a tax matter for growth? Assembling a novel dataset for 30 OECD countries over the 1970-2016 period, this paper examines whether the value added tax (VAT) may have different effects on long-run growth depending on whether it is raised through the standard rate or through C-efficiency (a measure of the departure of the VAT from a perfectly enforced tax levied at a single rate on all consumption). Our key findings are twofold. First, for a given total tax revenue, a rise in the VAT, financed by a fall in income taxes, promotes growth only when the VAT is raised through C-efficiency. Second, for a given VAT revenue, a rise in Cefficiency, offset by a fall in the standard rate, also promotes growth. The implication is thus that in OECD countries broadening the VAT base through fewer reduced rates and exemptions is more conducive to higher long-run growth than a rise in the standard rate.

Taxing the Financial Sector

Consumption Tax Trends

Value-added Tax Across the World

On the Principles of Political Economy, and Taxation

A Comparative Study of Punjab & Haryana

VAT in Africa

Provides an introduction to the study of comparative tax law. The coverage is on many countries and types of taxes, as well as the general legal framework for tax law and tax procedure. Emphasis is on the income tax and, to a lesser extent, value added tax. Focus is on underlying structural differences in legal systems, including constitutional issues, judicial interpretation of tax laws, judicial and legislative anti-avoidance doctrines, different approaches to defining income, alternative systems for taxing corporations and shareholders, and problem areas in the VAT (including international services and e-commerce).

This study offers a comparative evaluation of the main features of the VAT systems between the ten countries of Central and Eastern Europe and provides a commentary on the development of the VAT systems in line with the VAT legislation of the EU.

This paper seeks to review and compare briefly the Pennsylvania Sales Tax and the Bulgarian Value Added Tax. It goes in turn to the issues of when tax is imposed, what is the tax base and the applicable tax rate and what are the exclusions from the sales tax and the credit - method used for VAT purposes. Thus it reveals that the structures of the sales tax and the VAT are different. Nevertheless, the ultimate result of each of the two taxes is in principle the same - taxing of the individual consumption.

Value Added Tax - The European Union Model and the Perspectives of Legislative - Harmonization for Southern Common Marke

Comparative Tax Law

Value Added Tax

VAT and Financial Services

What a Federal Consumption Tax Would Mean for America

The ideal value-added tax (VAT) would carry an economic efficiency ratio of 100 as, in theory, VAT should not be susceptible to exemptions and rate variations. However, practical reality tells a different story, and it will come as no surprise to learn that the VAT systems of almost all countries remain far from the benchmark, and that this is particularly the case when VAT is applied to real estate. This book describes and analyses VAT treatment of real estate transactions in six representative countries: Australia, Canada, Germany, Japan, Mexico, and the United Kingdom. As in any jurisdiction, the VAT schemes covered must accommodate complex factual matrices that demand consistent, fair, and equal treatment. Among these VAT determinants the authors, each an expert in the national tax law of one of the six countries, address the following: types of real estate sales; long versus short term leases; commercial versus residential use; newly constructed versus existing property; status of the parties involved as taxable or non-taxable for VAT; taxable and tax-free supplies; special rules for charities, mooring facilities, aircraft, sports facilities, etc.; subdivision of apartments into title units; commercial residential premises; construction work; cross-border supply of construction work and services; and transfer of a ‘going concern’. The discussions also include the practical areas of accounting for VAT, administrative compliance, personal tax liability, and VAT refund and overpayment certification processes, as well as thorough consideration of relevant case law and examination of frequently litigated matters. Each author has designed his or her chapter to ensure that the technical nuances of each system are explained. An introductory chapter outlines economic theory and preferred VAT treatment of real estate transactions, and compares the variety of solutions applied in the six countries covered. Although a number of legal works exist on real estate under VAT in single jurisdictions, this is the first book to combine a multi-jurisdictional approach with attention to relevant economic theory, allowing for a very useful assessment of best practices. For this reason it is sure to be welcomed by practitioners and academics not only as an overview of the problem areas encountered when designing VAT policy, but also as a reference in applying VAT to real estate transactions.

This book, by Alan A. Tait, is an examination of VAT. It looks at problems and theoretical options and potential impacts, as well as detailing the practical aspects of implementing new tax structures. The author advances arguments for and against alternative policies and illustrates his study with international examples from Europe, Latin America, Asia, and the Pacific. He suggests that countries can learn from each other's experiences with VAT.

Value Added TaxCambridge University Press

A Comparative Global Analysis

Concepts, Issues, and Practice

Model and Methodology for Value-Added Tax Gap Estimation

International Practice and Problems

The VAT Reader

Tax By Design

Value Added Tax (VAT; also known as Goods and Services Tax, under the acronym GST in a number of OECD countries) has become a major source of revenue for governments around the world. Some 165 countries operated a VAT at the time of the completion of the International VAT/GST Guidelines in 2016, more than twice as many as 25 years before. As VAT continued to spread across the world, international trade in goods and services has also expanded rapidly in an increasingly globalised economy. One consequence of these developments has been the greater interaction between VAT systems, along with growing risks of double taxation and unintended non-taxation in the absence of international VAT co-ordination. The International VAT/GST Guidelines now present a set of internationally agreed standards and recommended approaches to address the issues that arise from the uncoordinated application of national VAT systems in the context of international trade. They focus in particular on trade in services and intangibles, which poses increasingly important challenges for the design and operation of VAT systems worldwide. They notably include the recommended principles and mechanisms to address the challenges for the collection of VAT on cross-border sales of digital products that had been identified in the context of the OECD/G20 Project on Base and Erosion and Profit Shifting (the BEPS Project). These Guidelines were adopted as a Recommendation by the Council of the OECD in September 2016. This new study charts the rise of VAT since 1965, looks at differences between countries in both rates and the goods and services included in the tax base, and considers the problems encountered in administration. Insurance constitutes a significant part of the financial services sector and is one of the foundations of modern economy and society. In the design of tax laws, however, whether and how to tax insurance is a complex issue that has become particularly controversial in the area of value-added tax (VAT). In the European Union, as in most of the world, insurance is exempt from VAT, but New Zealand and Australia do not follow this practice. Given that New Zealand’s simple, comprehensive goods and services tax (GST) - called ‘the world’s purest value-added tax’ - and its modified Australian version do not appear to suffer from the shortcomings in efficiency and effectiveness that plague European VAT, a comparison of the two systems is in order. This book is not only the first comparative in-depth study of the treatment of insurance in the two systems, but also the first comprehensive legal research devoted to the treatment of insurance in EU VAT published in English. Among the underlying issues and topics treated by the two systems covered are the following: - who has a right to deduct input VAT in relation to supplies inherent in insurance arrangements and to what extent; - what constitutes a supply of insurance and consideration for such a supply; - what transactions fall within the scope of the VAT Directive’s exemption for insurance; and - drawing a line between insurance and saving. The analysis is grounded in a methodology in which concepts of European VAT are compared with concepts performing the same function in the Australian and New Zealand GST laws. The author concludes with proposals for reform in EU VAT in the light of experience in these two major non-EU countries. Given that it has been proven that exemptions from VAT (such as insurance) cause a significant number of economic distortions and inefficiencies, this study represents a major contribution to a topical debate in European VAT law. It will be welcomed by taxation authorities, interested policymakers, practitioners, and scholars not only in Europe but worldwide.

A Comparative Study with Reference to Iowa

The Modern VAT

Effects of Adopting a Value-added Tax

Value-added Taxes

The Revenue Administration-Gap Analysis Program

The Introduction of Value Added Tax Legal System in Lesotho with Particular Emphasis on Its Administration

This book explains the theoretical and policy issues associated with the taxation of financial services and includes a jurisdictional overview that illustrates alternative policy choices and the legal consequences of those choices . The book addresses the question: how can financial services in an increasingly globalized market best be taxed through VAT while avoiding economic distortions? It supports the discussion of the key practical problems that have arisen from the particular complexity of the application of VAT to financial services, and allows for the evaluation of best practice by comparing the major current reform models now being implemented.

E-commerce and transactions in virtual worlds has monetary value and may lead to actual cash flows. Where real money trade occurs tax authorities are bound to seek ways and means in which to levy and collect taxes (Pienaar, 2008:38). Previous research on the application of the South African income tax laws to transactions in virtual worlds has been conducted. The application of the charging section of the value added tax laws in South Africa has also been researched in the context of e-commerce and transactions in virtual worlds. Limited research has been conducted on the actual value added tax collection methods in the context of e-commerce and transactions in virtual worlds. This study critically analyses the value added tax collection methods employed in South Africa in the context of e-commerce and transactions in virtual worlds and compares the extent of its application to the extent of the goods and services tax collection methods’ application employed in Australia in this context. The study concludes that that the value added tax collection methods employed in South Africa and the goods and services tax collection methods employed in Australia are similar. Special rules have been adopted in Australia to ensure goods and service taxes are collected on the supply electronic goods. This is not the case in South Africa. However, in the case of transactions in virtual worlds, both countries’ collection methods struggle in ensuring value added tax and goods and service taxes is collected where the supplier of a virtual item is foreign in relation to South Africa or Australia. AFRIKAANS : E-commerce en transaksies in virtuele wêreld het monet??re waarde en mag in sekere omstandighede kontantvloei tot gevolg bring. Wanneer regte geld verhandel word sal belasting overhede altyd maniere soek om belasting die hef op die onderliggende transaksies en dit in te vorder (Pienaar, 2008:38). Vorige navorsing rakende die toepassing van die Suid Afrikaanse inkomste belasting wetgewing in virtuele wêreld is al voorheen gedoen. Die toepassing van die heffings artikel in die belasting op toegevoegde waarde (BTW) wetgewing op e-commerce en transaksies in virtuele wêreld was ook al voorheen nagevors. Min navorsing was gevind wat aileenlik fokus op die invorderings meganismes in die BTW wetgewing in die konteks van transaksies in virtuele wêreld en e-commerce. Hierdie studie analiseer krities die toepassing van die invorderings meganismes in die Suid Afrikaanse BTW wetgewing in die konteks van e-commerce en transaksies in virtuele wêreld en vergelyk die toepassing daarvan met die toepassing van die Australiaanse goods and services tax wetgewing se invorderings meganismes in dieselfde konteks. Die studie lig uit dat die twee lande se invorderings meganismes baie dieselfde is. Die Australiaanse wetgewing maak egter spesiale voorsiening vir lewerings met betrekking tot e-commerce. Dit is nie die geval in Suid Afrika nie. Met betrekking tot transaksies in virtuele wêreld sukkel beide lande se invorderings meganismes om seker maak dat BTW en goods and services tax ingevorderd word waar die verskaffer nie Suid Afrikaans of Australiëers is nie.

Provides data on Value Added Tax/Goods and Services Tax (VAT/GST) and excise duty rates in OECD member countries as well as an analysis of trends in consumption taxation.

The Rise of the Value-Added Tax

A Comparative Analysis of Canada and the United Kingdom

A Comparative Approach

The Mirrlees Review

Consumption Tax Trends 2008 VAT/GST and Excise Rates, Trends and Administration Issues

The Efficiency of Vat Implementation

The IMF Fiscal Affairs Department’s Revenue Administration Gap Analysis Program (RA-GAP) assists revenue administrations from IMF member countries in monitoring taxpayer compliance through tax gap analysis. The RA-GAP methodology for estimating the VAT gap presented in this Technical Note has some distinct advantages over commonly used methodologies. By using a value-added approach to estimating potential VAT revenues, as compared to the more traditional final consumption approach used by most countries undertaking VAT gap estimation, the RA-GAP methodology can provide VAT compliance gap estimates on a sector-by-sector basis, which assists revenue administrations to better target compliance efforts to close the gap. In addition, the RA-GAP methodology uses a unique measurement for actual VAT revenues, which isolates changes in revenue performance that might be due to cash management (e.g., delays in refunds) from those due to actual changes in taxpayer compliance.

Explores how the value-added tax (VAT) has risen from relative obscurity to become one of the world's most dominant revenue instruments.

One of the most complex issues in tax policy today is the treatment of the institutions, products, and services that make up the financial sector. It can be harder to ascertain income, expenses, and profits for financial firms than for firms selling goods and services, and it is easier for individuals and firms to manipulate financial transactions so as to exploit tax loopholes. This volume explores the challenges faced by tax policymakers and identifies modern best practices in several areas: banks, insurance companies, securities companies, investment funds, pension funds, and derivatives.

A Comparative Survey and Evaluation

Subsidies and Value-added Tax : a Comparative Study of Law and Practice in Canada and the European Union

The Value Added Tax and Growth: Design Matters

Value-added Taxes in Central and Eastern European Countries

A Comparative Study with the United Kingdom Value Added Tax Legal System

Tax Aspects of Fiscal Federalism

This article develops a standalone place of activity section for the VAT Act to align South Africa's place of supply rules with those of other jurisdictions. This proposed legislative provision should adhere to the OECD Guidelines to increase certainty and to minimise the potential for cross-border supplies involving South Africa to be subject to double taxation or unintended double non-taxation. The article is organised as follows: section 2 considers the VAT system in South Africa in order to provide the appropriate context, followed by an analysis of the place of supply rules as they apply in South Africa, Australia and New Zealand. Section 2 concludes with an initial proposed place of activity section, which was discussed with five South African VAT experts. Section 3 examines the results of the consultative process, making use of a thematic analysis of the open-ended questions. The final section (section 4) concludes with a refined legislative provision that could be used by National Treasury to introduce place of activity rules into the VAT Act as a standalone provision, in addition to the other provisions that have already been implemented.

This is the first study of the Value-Added Tax (VAT) systems of the ten countries of Central and Eastern Europe preparing for integration into the European Union (EU).

Based on the findings of a commission chaired by James Mirrlees, this volume presents a coherent picture of tax reform whose aim is to identify the characteristics of a good tax system for any open developed economy, assess the extent to which the UK tax system conforms to these ideals, and recommend how it might be reformed in that direction.

VAT/GST and Excise Rates, Trends and Administration Issues

A Comparative Study of Central and Eastern European Countries in Transition

Exempting Financial Services Under a Value Added Tax

Comparison between Value Added Tax and Sales Tax

The Efficiency of VAT Implementation

Value Added Tax Fraud

This book integrates legal, economic, and administrative materials about value added tax. Its principal purpose is to provide comprehensive teaching tools - laws, cases, analytical exercises, and questions drawn from the experience of countries and organizations from all areas of the world. It also serves as a resource for tax practitioners and government officials that must grapple with issues under their VAT or their prospective VAT. The comparative presentation of this volume offers an analysis of policy issues relating to tax structure and tax base as well as insights into how cases arising out of VAT disputes have been resolved. The authors have expanded the coverage to include new VAT related developments in Europe, Asia, Africa and Australia. A chapter on financial services has been added as well as an analysis of significant new cases.

Report in a six chapters enumerates the major types of consumption taxes, discusses different ways of calculating VAT, analyses the possible tax effects on major tax policy issues, provides a basic outline of the tax systems of some of the US major foreign competitors (the tax systems reviewed include those of Japan, Canada and the EEC), briefly discusses the major VAT tax bills that have been proposed in the USA, and finally the report offers conclusions and observations.

This paper presents calculations of the efficiency with which value-added taxes are collected in five transition economies in Central and Eastern Europe. Actual VAT revenues in 1994 are compared with those that would have resulted if the statutory VAT rates had been applied without any revenue leakage. The five countries fall into two broad groups, one exhibiting relatively high collection efficiency, and the other relatively low efficiency. While lack of detailed information on tax rules and consumption patterns makes definitive conclusions difficult, the impact of exemptions is shown to likely strengthen the comparative results.

Editor, Richard Krever

Immovable Property under VAT

A Comparative Analysis

Economic Analysis of Value Added Tax

Insurance in European VAT

Comparative Law and Economic Perspectives

This book integrates legal, economic, and administrative materials about the value added tax (VAT) to present the only comparative approach to the study of VAT law. The comparative presentation of this volume offers an analysis of policy, tax structure and tax base as well as insights into how cases arising out of VAT disputes have been resolved. Its principal purpose is to provide comprehensive teaching tools - laws, cases, analytical exercises, and questions drawn from the countries and organizations around the world. This second edition includes new VAT-related developments in Europe, Asia, Africa, and Australia and adds new chapters on VAT avoidance and evasion and on China's VAT. Designed to illustrate and explain the principal theoretical and operating features of value added taxes, including their adoption and implementation, this book will be an invaluable resource for tax practitioners and government officials.

Serving as an introduction to one of the "hottest" topics in financial crime, the Value Added Tax (VAT) fraud, this new and original book aims to analyze and decrypt the fraud and explore multi-disciplinary avenues, thereby exposing nuances that remain concealed by traditional taxation oriented researches. Quantifying the impact of the fraud on the real economy underlines the structural damages propagated by this crime in the European Union. The 'fraudsters' benefit when policy is inflicted in an economic space without a fully fledged legal framework. Geopolitical events like the creation of the Eurasian Union and 'Brexit' are analyzed from the perspective of the VAT fraud, thereby underlining the foreseeable risks of such turnarounds. In addition, this book also provides a unique collection of case studies that depict the main characteristics of VAT fraud. Introduction to VAT Fraud will be of interest to students at an advanced level, academics and reflective practitioners. It addresses the topics with regards to banking and finance law, international law, criminal law, taxation, accounting, and financial crime. It will be of value to researchers, academics, professionals, and students in the fields of law, financial crime, accounting and taxation.

Although the details of tax law are literally endless—differing not only from jurisdiction to jurisdiction but also from day-to-day—structures and patterns exist across tax systems that can be understood with relative ease. This book, now in its second edition, focuses on these essential patterns. It provides an immensely useful introduction to the core common knowledge that any well-informed tax lawyer or policy maker should have about comparative tax law in our times. The busy reader will appreciate the compact nature of this work, which is shorter than the first edition and can be read in a weekend if one skips footnotes. The authors elucidate the commonalities and differences across countries in areas including (much of the detail new in this edition): • general anti-avoidance rules; • court decisions striking down tax laws as violating constitutional rules against retroactivity, unequal treatment of equals, confiscation, and undue vagueness; • statutory interpretation; • inflation adjustment; • the allowance for corporate equity; • value added tax systems; • concepts such as "tax", "capital gain", "tax avoidance", and "partnership"; • corporate-shareholder tax systems; • the relationship between tax and financial accounting; • taxation of investment income; • tax authorities' ability to obtain and process information about taxpayers; and • systems of appeals from tax assessments. The information and analysis pull together valuable material which is scattered over a disparate literature of it not available in English. Especially considering the dynamic nature of tax law, whose rate of change exceeds that of any other field of law, the authors' clear identification of the underlying patterns and fundamental structures that all tax systems have in common—as well as where the differences lie—guides the reader and offers resources for further research.

A Comparative Study of Value Added Tax Collection Methods in the Context of E-commerce and Virtual Worlds from a South African Perspective

A Cross-country Comparison

Value-Added Taxes in Central and Eastern European Countries A Comparative Survey and Evaluation

International VAT/GST Guidelines

Personal Property Tax Vs Value Added Tax

Current and Preferred Treatment in the Light of the New Zealand and Australian GST Systems