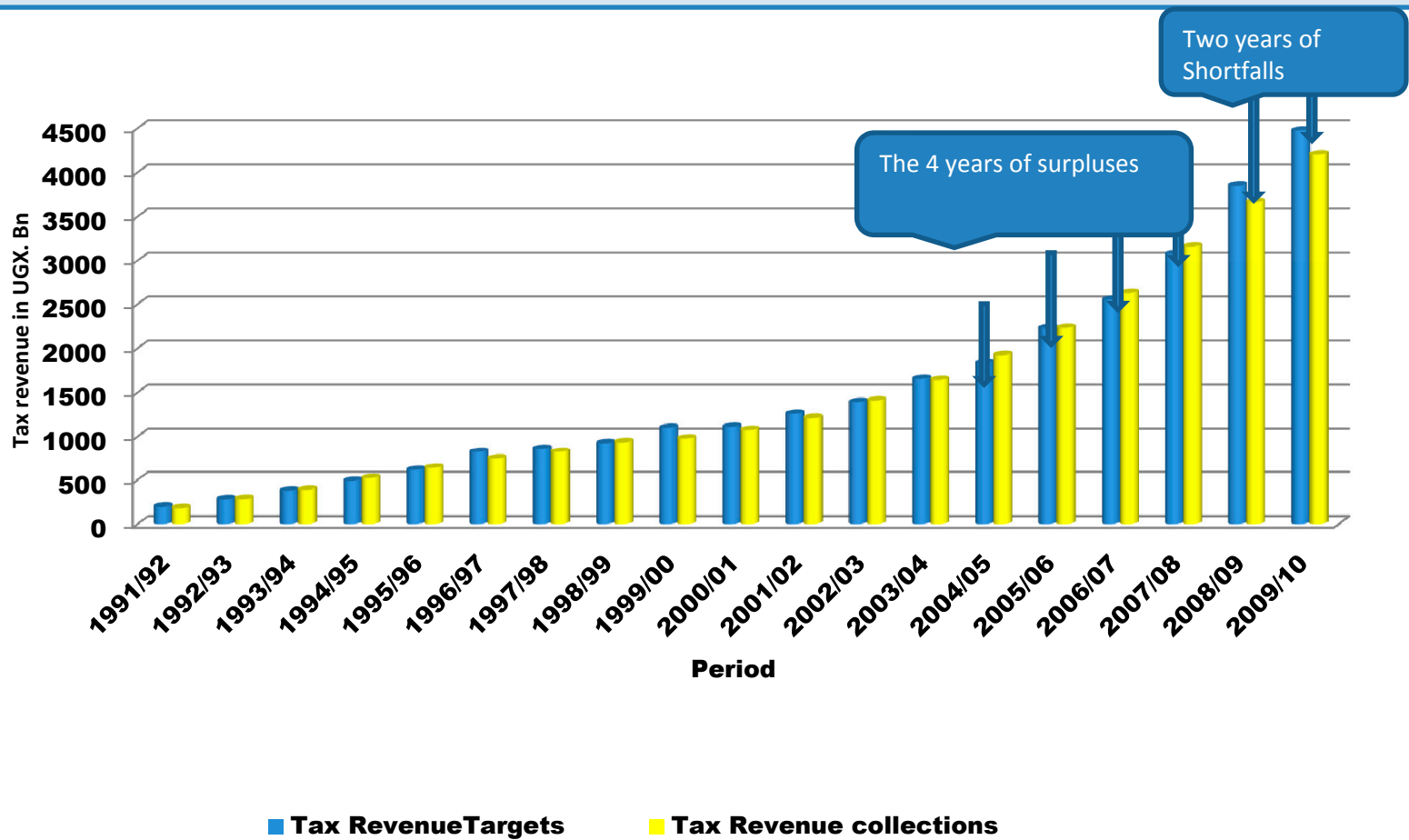
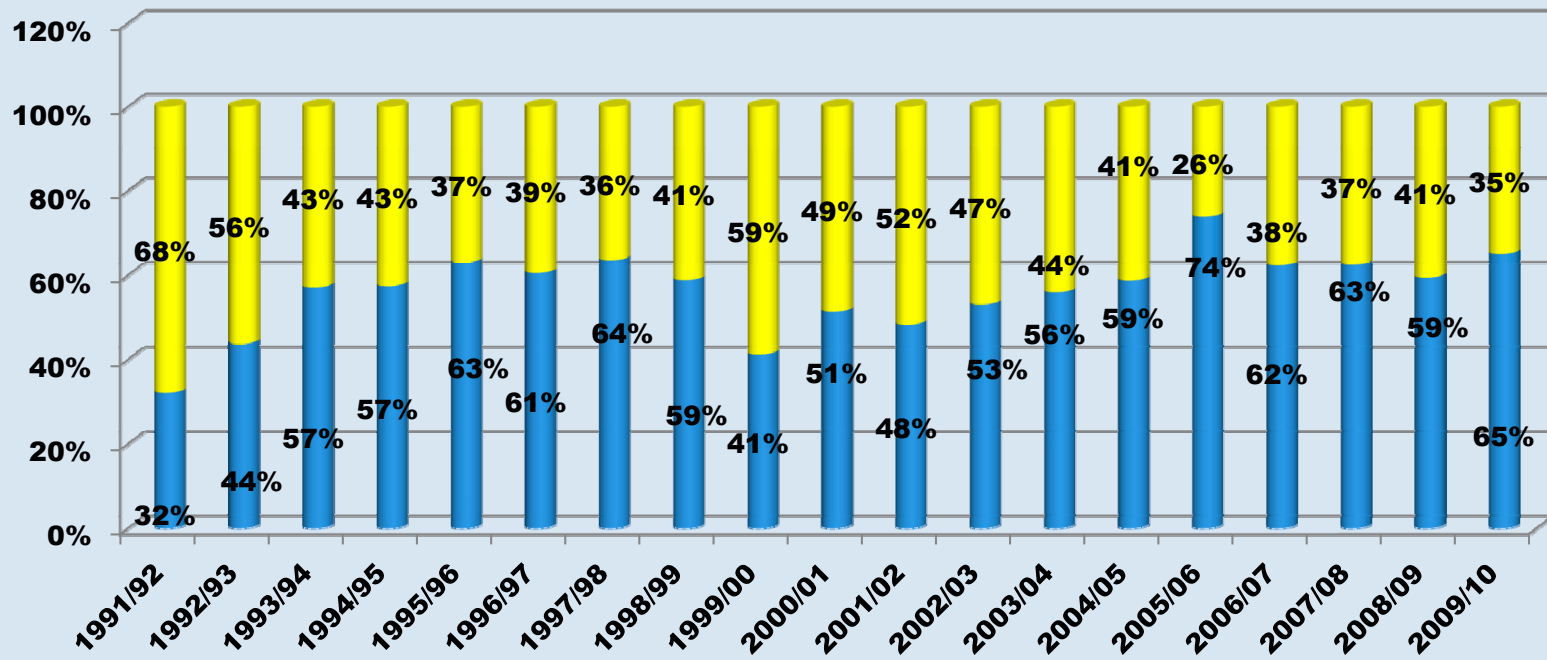


Revenue Performance



Tax Revenue Contribution to National Budget

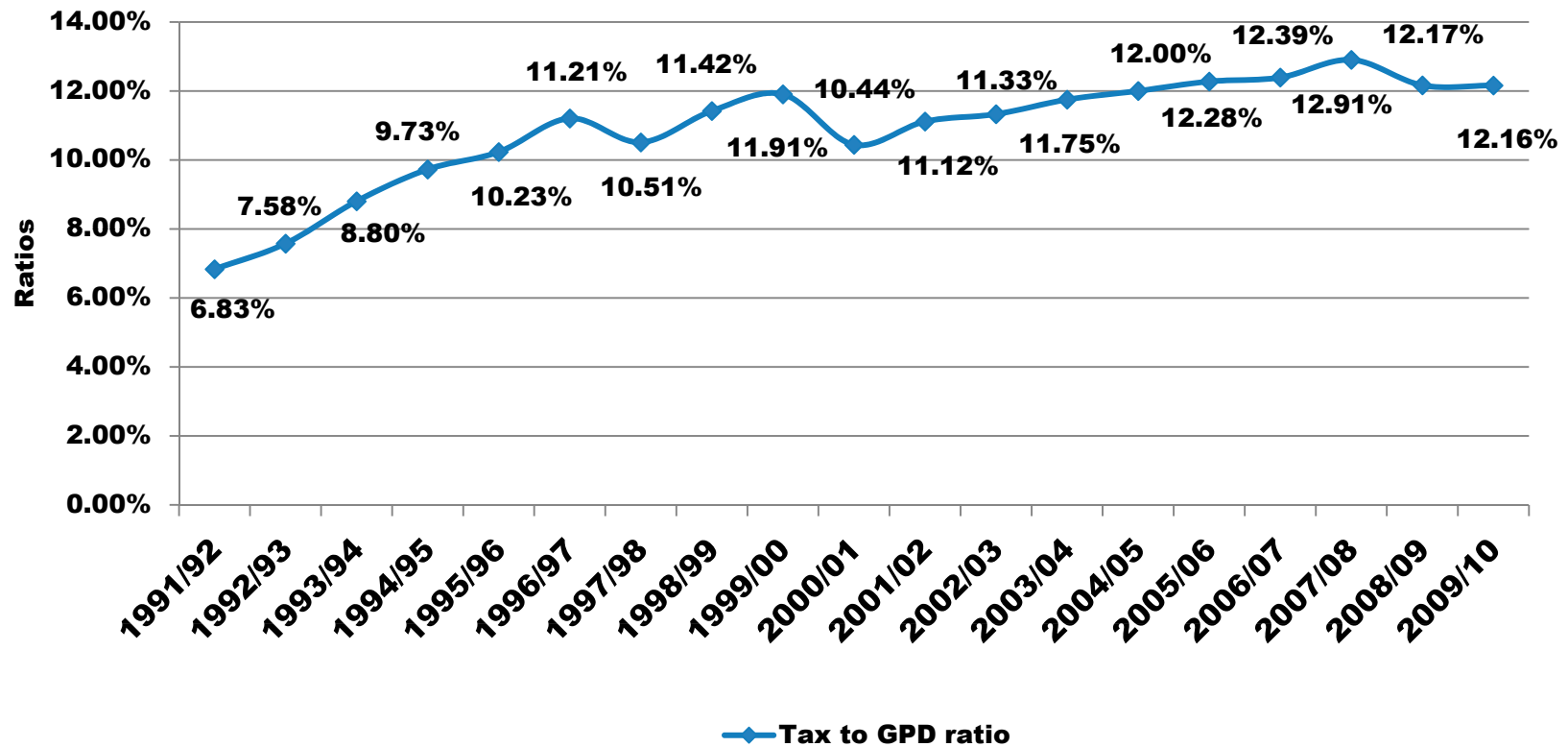


Other sources

Revenue contribution to National Budget



TAX/GDP RATIO



REVENUE MOBILIZATION EFFORTS

TAX ADMINISTRATION REFORMS

- Autonomous Body created 1991
- 2004 Re-organization
- Customs Modernisation
- Regional Initiatives

TAX POLICY REFORMS

- Tax Policy measures (VAT)
- Tax Policy measures (Income Tax)
- Tax Policy measures (Customs & Excise)

Key Challenges

- Informal Sector at 40% of GDP
- MNEs with Aggressive tax planning schemes
- Low VAT productivity ratio at 4.2% compared to Kenya & TZ who are at 5.6%
- Performance Equity considerations: LTO brings in 70% of tax revenues
- Regional Integration – Pressure on trade taxes
- No National ID Card and Geo Positioning Systems
- Limited auto linkage with Banking Sector

Key Prospects

- A robust modernisation plan offers.
- Implementation of taxpayer procedure code
- New sources of revenue 'OIL'
- National Identity Card System Opportunities for exchange of information and enforcement using Double Tax Agreements
- Opportunities for capacity development using the ATAF framework