FISCAL AFFAIRS

14th IMF-Japan High-Level Tax Conference for Asian Countries

Session VII: Measuring tax administration performance

SEPTEMBER 2025

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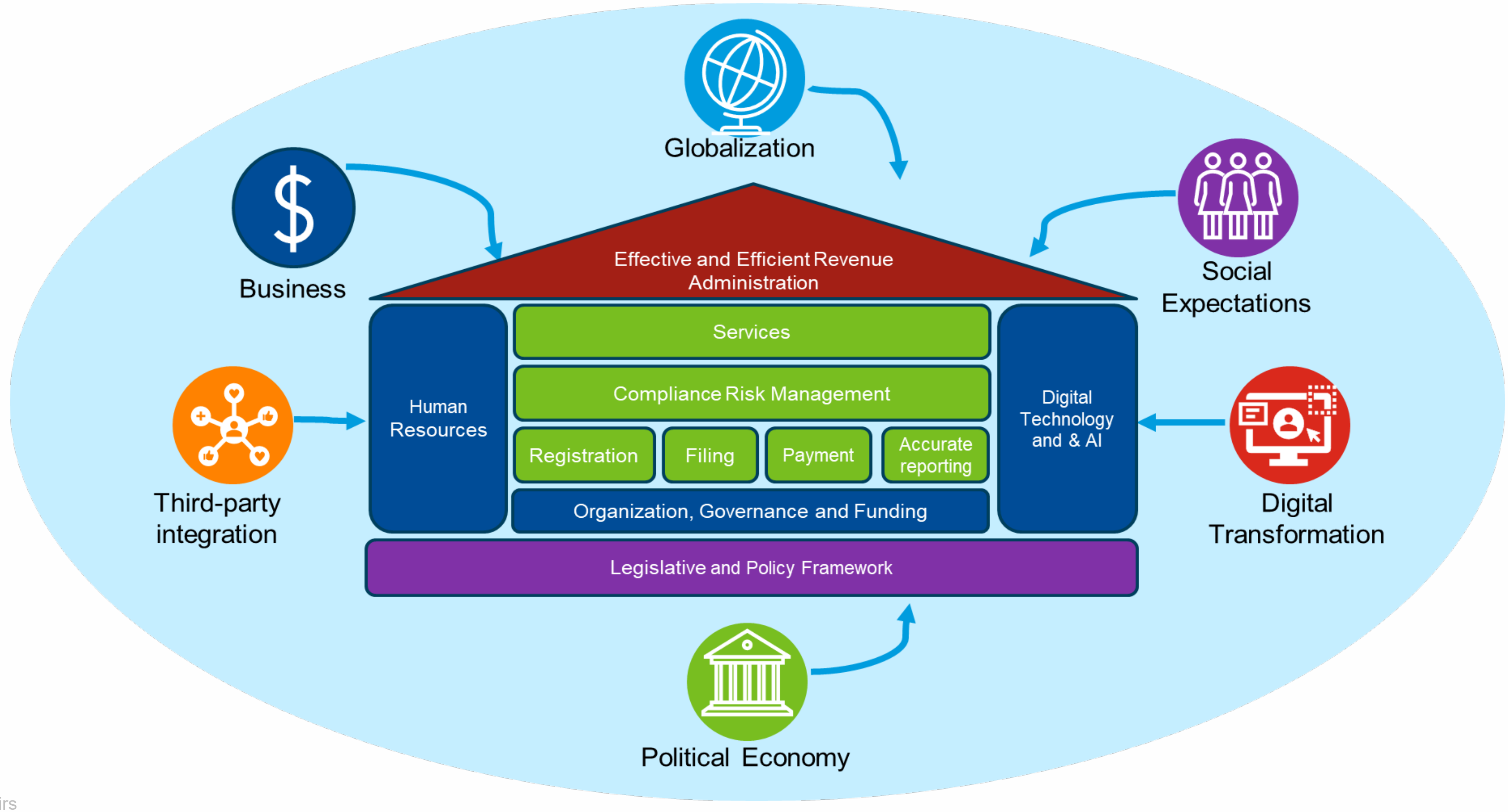
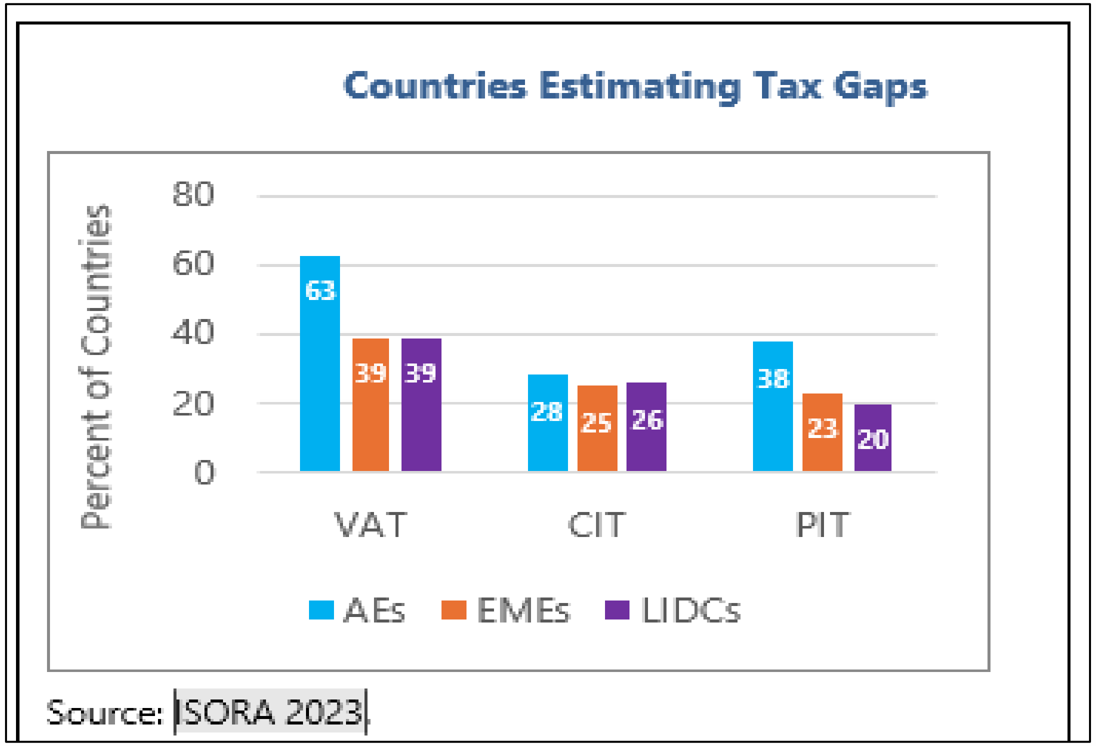
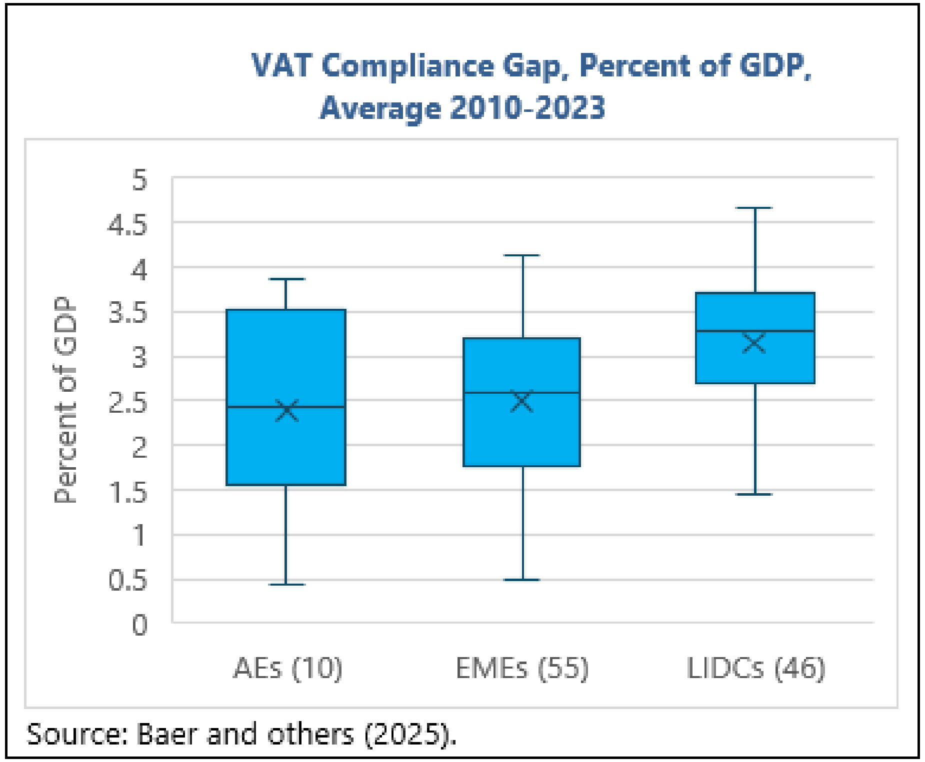
Effective and efficient revenue administration



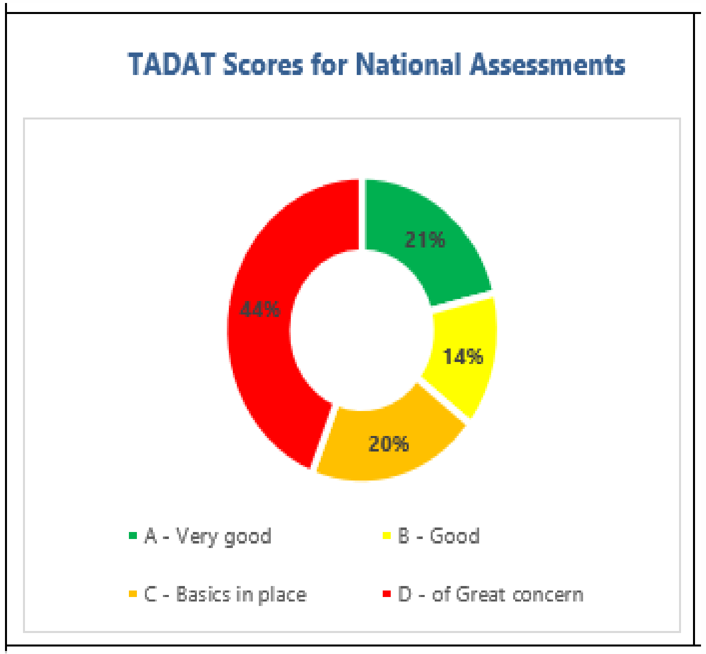
Measuring compliance gaps



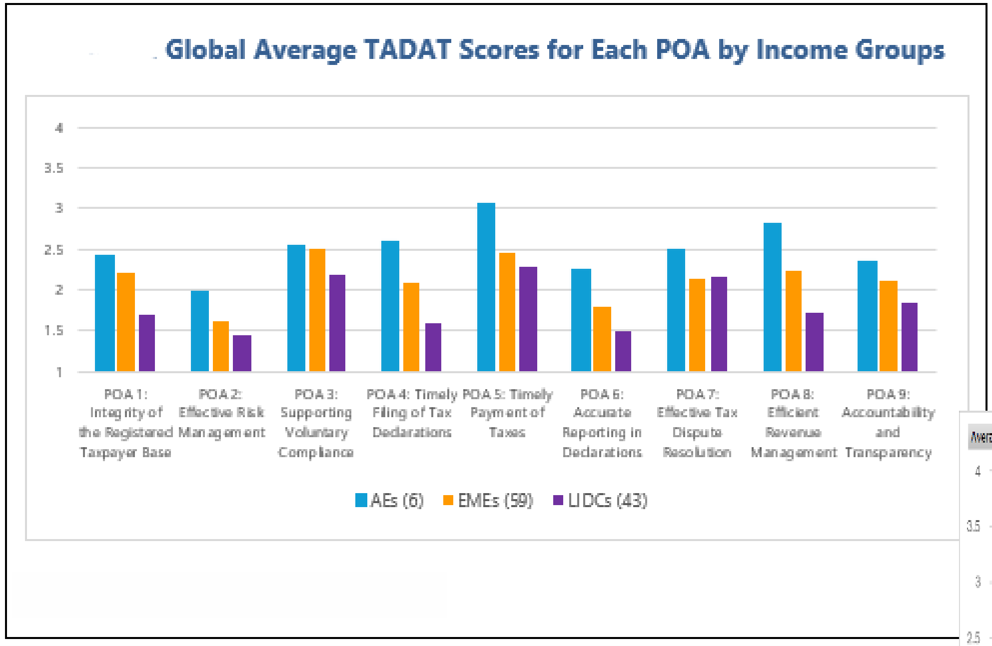


IMF's RA-Gap methodology https://www.imf.org/en/Capacity-Development/Training/ICDTC/Search?sortby=Relevancy&sortdir=Descending&keywords=RA-GAP

Measuring performance outcomes - TADAT



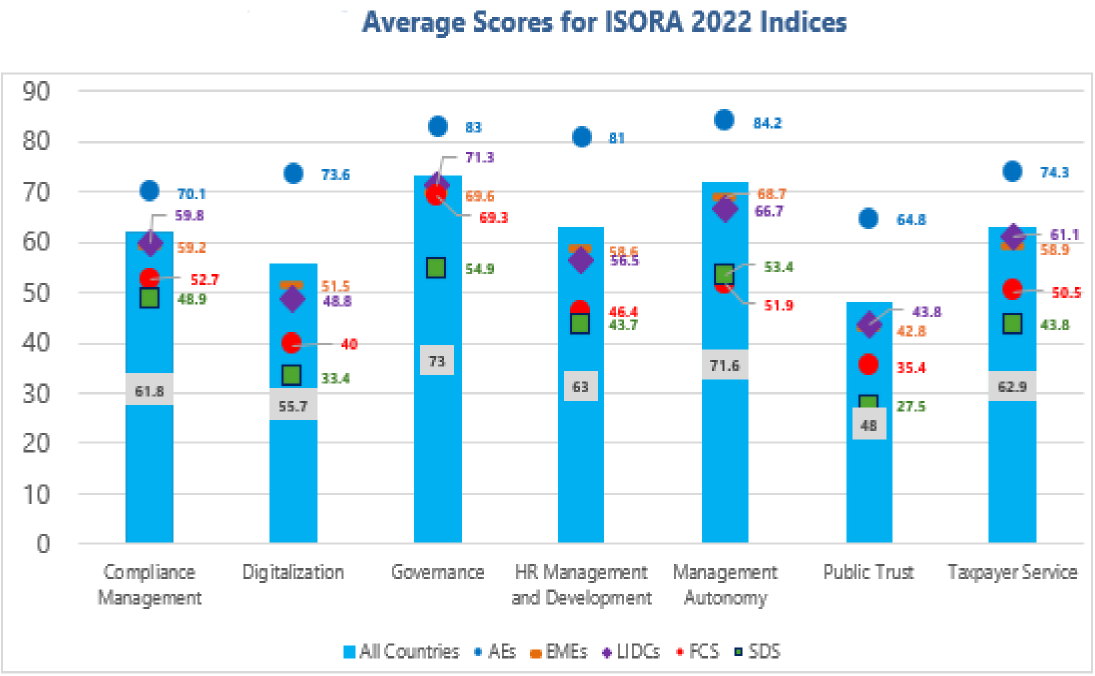
Source: TADAT Secretariat calculations.



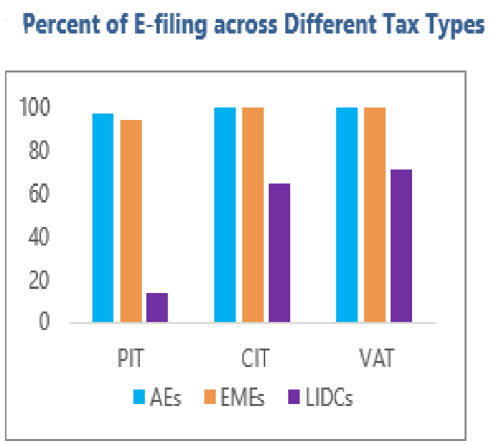
Average TADAT Scores APD & Rest of World

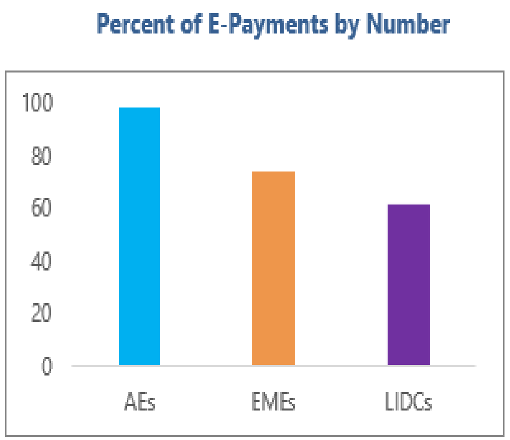
Tax administration diagnostic assessment tool (TADAT) www.tadat.org

Measuring operational effectiveness - ISORA



Source: ISORA 2023.
Note: Scores are expressed as a percent of the maximum achievable score per category. The maximum score is based on a list of survey questions, where weights are assigned to each question to reflect its relative importance.



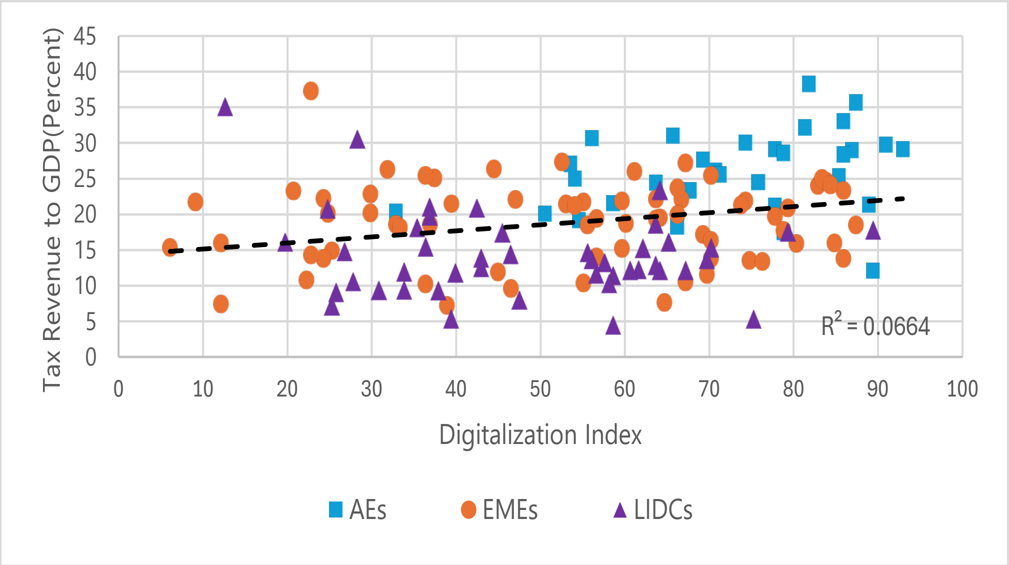


Source: ISORA 2024.

International survey on revenue administration (ISORA) http://isoradata.org

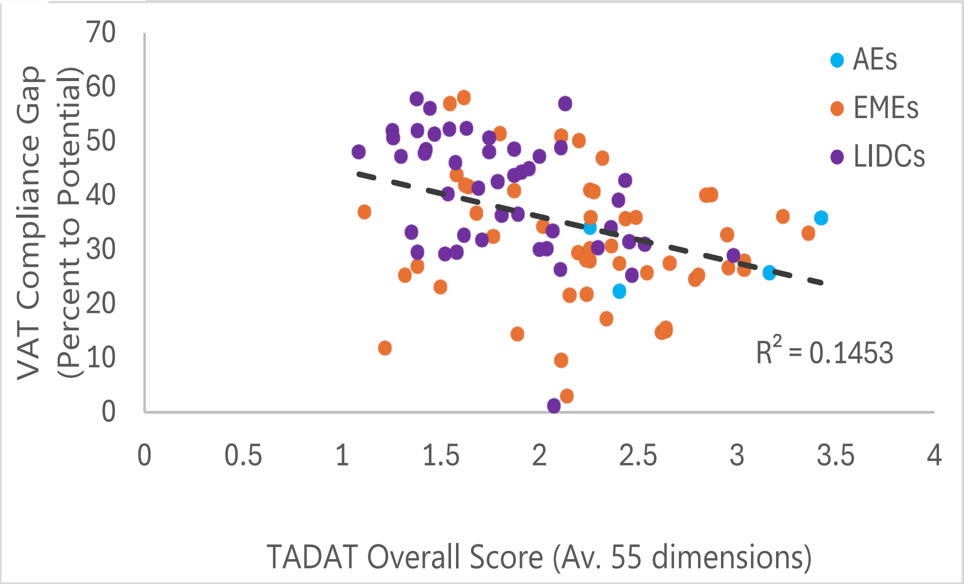
Measuring tax administration impact

Figure 12. Degree of Digitalization and Tax Revenue to GDP in 2022



Source: ISORA 2023.

. VAT Compliance Gap and TADAT Scores (Year of TADAT Assessment)

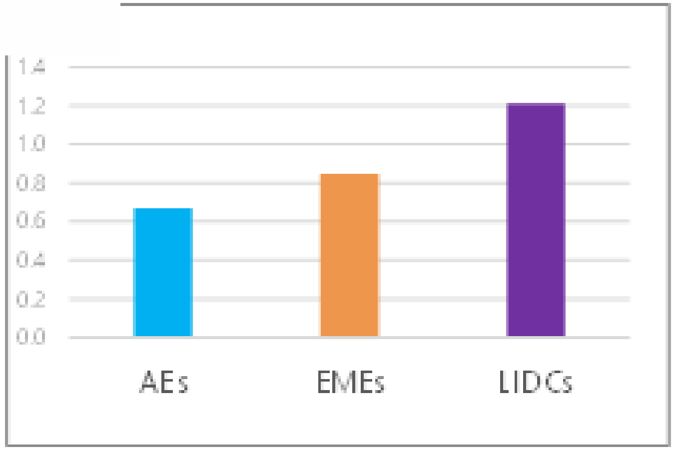


Source: Baer and others (2025).

Measuring tax administration efficiency

- **Administration costs:**

Figure 16. Operating Expenditure as Percent of Total Net Revenues, Median over 2018-2023



Source: ISORA 2024.

- **Return on Investment:**
  - Additional revenue from increased investment in compliance improvement activities
  - USA estimates 3:1 – 10:1 (2020)
  - Canada estimates 6.84:1 (2021)
  - New Zealand estimates 8:1 (2025)
  - Australia actual 19.9:1 2023-24 GST strategy

- **Compliance costs:**
  - Time, money, effort spent on tax related activities
  - 2-5% of revenue for individuals
  - <1 % of turnover small business
  - <0.1% for medium and large business
  - Consider cautiously, needs more analysis - affected by complexity, changes, tax literacy and service channels

Questions and open discussion

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Sources:

Tools

- TADAT: www.tadat.org
- ISORA: http://isoradata.org
- RA-GAP: https://www.imf.org/en/Capacity-Development/Training/ICDTC/Search?sortby=Relevancy&sortdir=Descending&keywords=RA-GAP

Information/Training

- VITARA: www.imf.org/en/Capacity-Development/Training/ICDTC/Search?sortby=Relevancy&sortdir=Descending&keywords=VITARA
- Revenue Portal: https://www.imf.org/en/Topics/fiscal-policies/Revenue-Portal