TAX REFORMS IN RWANDA—COMPREHENSIVENESS OVER SELECTIVITY

Summary: In this Selected Issues Paper (SIP), we revisit Rwanda’s options to create fiscal space to meet long-term development challenges. We examine strategies and options for a credible and comprehensive domestic revenue mobilization. We analyze the driving factors of past reform successes and use an original dataset to highlight the benefits of implementing comprehensive tax reforms over selective reforms. The SIP concludes that selective measures tend to yield protracted loss of revenue while measures implemented comprehensively lead to increases in revenue in the medium term. This stresses the need for an integrated approach to fiscal policy reform coordination to maximize long-term revenue benefits. For Rwanda, a comprehensive strategy for increasing tax revenues by adjusting rates, broadening the domestic tax base, improving tax compliance, and curbing tax evasion is the way forward.

1. In three decades, the Rwandan economy has undergone a remarkable transformation, becoming one of the fastest-growing economies in Africa. Thanks to bold reforms and continued donor support, growth accelerated in the late-1990s and stayed steady averaging 8.5 percent a year over the 1995–2022 period (Figure 1). This growth has been accompanied by significant improvements in living standards for Rwandans, including reductions in poverty, hunger, and child mortality.¹ Despite these socio-economic strides, development needs remain large and financing gaps sizable with living standards remain below regional average (Figure 2). For instance, past studies (IMF SDNs 2019 and 2021) suggest that the financing gap to achieve the Sustainable Development Goals (SDGs) by 2030 ranges between 18.7 and 21.3 percent of GDP. In addition, estimates suggest that Rwanda will need an additional 8.8 percent of GDP in spending each year to meet Climate goals by 2050 (Figure 3). To finance the gap, Rwanda has three main sources of financing of the long-term development goal: concessional financing, external borrowing and domestic revenue mobilization. In recent years, external financing options are limited or constrained (Figure 4).

2. Domestic revenue mobilization will be key to help address the development gaps. To meet its developmental challenges, Rwanda will need to raise its revenue effort significantly. The tax potential remains sizeable and is an opportunity to embark on a comprehensive reform a strategy. In this SIP, we revisit Rwanda’s options to create fiscal space with a stress on past successes and tax potential. We also explore the pros and cons for a comprehensive implementation of reforms over selective reforms. We use a panel data of 1,845 reform measures (from Crispolti 2023, forthcoming) for the EAC countries over the 1988-2022 period, allowing the distinction between announced package and non-package tax measures. Estimates show that isolated tax measures tend to yield

¹ Life expectancy has increased from 40.6 years in 1996 to 66.1 years in 2021. Infant mortality rate decreased by two-thirds. The under-five mortality rate has fallen from 131.1 deaths per 1,000 live births in 1996 to 29.7 deaths per 1,000 live births in 2021. Education has also improved significantly. Adult literacy rate has increased from 57.8 percent in 1991 to 75.9 percent in 2021 with primary school enrollment has increased from 31.9 percent in 1996 to 91 percent in 2023. Gross National Income per capita has increased from US$833.3 in 1996 to US$2427 in 2022.
protracted loss of revenue while tax measures implemented as a package are revenue neutral in the near term and thereafter (beyond 3 years) lead to significant increases in revenue. Comprehensive reforms are designed to lead to net positive revenue gains when fully implemented. Revenue loss arises when parts of the package are deployed without accounting for the revenue losing aspects of the reforms. This stresses the need for an integrated approach to fiscal policy reform coordination to maximize long-term revenue benefits.

3. The remainder of the SIP is organized as follows. Section II reviews lessons from past reforms. Section III analyzes the revenue impact of comprehensive and selective tax measures implementation over no measure implementation. Section IV summarizes key policy messages, discusses key policy recommendations and concludes.

A. Progress in Domestic Revenue Mobilization

Lesson From Past Reforms

4. Rwanda achieved a steady and sustained increase in tax collection over the past three decades. As result of a larger public sector and governance and anti-corruption reforms, Rwanda’s tax revenue ratio increased from just under 8 percent of GDP to over 16 percent of GDP between 1992 and 2020. Rwanda undertook tax administration reforms, with significant improvements in collection efforts, auditing procedures, and scrutiny of large taxpayers. Direct taxation contributed around 5 percent of GDP of this increase driven by personal income tax. Goods and services taxation added over 4.5 percent of GDP to the increase (through excise increases in the late 1990s and the introduction of a VAT in 2001). Trade taxes fell as a share of GDP. The period from 2010–15 saw revenues increase by 3½ percent of GDP due to sustained reforms to improve DRM by widening the tax base through tax incentives rationalization, improving the progressivity of personal income taxes, and enforcing tax compliance.
5. **The Rwanda Revenue Authority was formed in 1997, with MINECOFIN responsible for tax policy.** The last two decades has seen continual reform in the following areas:

- **Direct taxation:** In the late 1990s and early 2000s, the initial focus was to target large companies, then legislative changes were later introduced to support personal income taxation. In 2005, simplified PIT rates were introduced, with nominal income brackets set, and remained unchanged contributing to progressivity. In the 2000s, a turnover tax was introduced for small traders, and presumptive income tax on commercial vehicle owners. Also, in the early 2000s the base was expanded for personal income tax, while corporate tax rates were reduced. An electronic platform for tax administration was implemented in 2003, with support in audit, financial management and HR from development partners. Electronic filing was introduced in 2010, and a new system for electronic tax administration was implemented in 2016.

- **Indirect taxes:** Since the 2000s, the focus was broadening the tax base and improving the RRA. The VAT was introduced in 2001 at rate of 15 percent then increased to 18 percent in...
2003. Exemptions were removed in 2010/11. Quarterly filing was introduced to improve compliance, along with electronic payments of tax liabilities. Other supporting administrative reforms were introduced to support compliance including electronic land records systems, use of banking and city data. A value-based scale for mining royalties was introduced and more attention was given to transfer pricing.

FIGURE 3. RWANDA: ESTIMATES FINANCING NEEDS FOR SDGS ATTAINMENT BY 2030 (PERCENT OF GDP)

FIGURE 4. RWANDA: FINANCING OPTIONS, 1996–2022

- Trade taxes: Trade taxes as a share of GDP have declined over the last two decades after custom duties were reduced for large industries and after Rwanda joined the EAC customs union in 2009.

6. **The authorities also reformed tax exemptions.** They revised the investment tax code to streamline several tax exemptions. Incentives granting VAT exemptions on imports for investment certificate holders were also removed, which broadened the existing narrow tax base.
7. **Tax administration measures, aimed at improving compliance by better utilizing risk management and automation systems, were also implemented.** Especially, new electronic filing and payment systems were introduced during 2010–11, with the implementation of electronic tax registration. Also, basic risk management approaches and direct bank payment of tax was introduced to reduce leakages. The tax and business registration processes were integrated to ease cost of doing business. Furthermore, they automated tax and custom operations and implemented a customs Single Window for trade facilitation. The RRA enforced VAT compliance by introducing electronic transactions device (ETD) and withholding VAT at source by government departments, and increased collection of tax arrears.

8. **These comprehensive reforms as part of a broader public sector and governance and anti-corruption reforms, proved to be supportive.** Learning from these past successes, comprehensive reforms will be needed to support Rwanda’s ambitious development and climate. The existence of a large tax gap is an opportunity. A comprehensive strategy for increasing tax revenues by broadening the domestic tax base, improving tax compliance, and curbing tax evasion should be prioritized by the authorities. The strategy should shift higher tax burdens from low-income households to higher income wealth cohorts with the view to advancing distributional fairness against growing inequality. Reforms will need to focus on tax policy, as improved compliance has diminishing returns (see section IV).

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**Figure 5. Rwanda: Past Tax Revenue Performance in Recent Years**

![Figure 5](https://example.com/figure5)

**Recent Developments**

9. **In recent years domestic resource mobilization efforts in Rwanda have stalled.** The tax-to-GDP ratio has fallen from 15.8 percent of GDP in FY20/21 to 15 percent of GDP by the end of FY22/23. Ratio peaked at 16.1 percent of GDP in FY2018/19. These falls have been observed across all tax types, although more pronounced for indirect taxes which have fallen from 7.8 percent of GDP in FY18/19 to 6.7 percent of GDP in FY22/23. Indirect taxes are made up of Value Added Taxes (VAT), excises, and fuel levies. The falls in indirect taxation in recent years have been driven by value
added taxes, but also smaller taxes such as the fuel levy. Solid performance on corporate income taxes (CIT), have been offset by falls in personal income taxation.

10. **The setbacks in recent years have been partly due to policy decisions.** Several policies were introduced during the COVID-19 pandemic to support the economic recovery, at the expense of tax revenues. The Manufacturing Build to Recovery Program (MBRP) was introduced in 2021 that exempt approved projects from VAT and import duties on construction materials. The MBRP was recently extended until the end of 2024. In response to soaring prices of international oil, the authorities between 2021 and 2023 adjusted the fuel levy and excises downward which also reduced revenues. VAT exemptions were also introduced on electric vehicles. PAYE thresholds were adjusted in downward. The latest tax expenditure report published by the authorities indicate that tax expenditures were 3.7 percent of GDP in FY21/22 and increase from around 3 percent of GDP in 2018-19. VAT represents almost half all-tax expenditures. The two largest VAT tax expenditures are from exemptions on the financial services and agriculture sectors.

![Figure 6. Rwanda: Tax Revenue Performance in Recent Years](image)

**Source:** Authorities and IMF staff calculations

11. **The setbacks in FY22/23 can also be partly explained by the narrow tax base not growing in line with the rest of the economy.** 2022 and 2023 saw high inflation in the agricultural and food manufacturing sectors due to climate-related shocks, and high fertilizer prices. While agricultural production was stagnant, the nominal share of agriculture and food manufacturing increased from 26 to 30 percent of total GDP. Both these sectors are untaxed. Excluding both the agriculture and food manufacturing sector from GDP and using this to calculate the tax ratio suggests that all the fall in the tax to GDP ratio in FY22/23 can be attributed to the changing composition of nominal GDP vis-à-vis the tax base. This underscores the need to have a wide-tax base that can benefit from changing structures of the economy.

12. **Comprehensive tax reform is also becoming increasingly difficult.** In mid-2022 the Rwanda Cabinet approved a medium-term revenue strategy (MTRS) that was anticipated to raise the
Tax to GDP ratio by 1 percent of GDP over the course of the MTRS. The MTRS was designed to be implemented as a package, which included some tax losing reforms (adjustment to PIT thresholds and reductions in CIT rates) as offset by revenue from excise increases and the introduction of a minimum alternative tax. To date, only loss-making tax measures have been adopted by the authorities, while core revenue enhancements have not yet been adopted but are planned.

13. **Despite the setbacks on the tax policy side, Rwanda has made improvements in revenue administration, preventing a sharper decline in the tax to GDP ratio.** The Rwanda Revenue Authority (RRA) has continued to implement measures aimed at (i) taxing the shadow economy, (ii) improving voluntary compliance through better taxpayer services, and (iii) promoting compliance improvement plans (CIPs) targeted at the manufacturing sector, large businesses, customs, and to combat tax evasion by individuals.

14. **Rwanda has opportunities to mobilize revenues.** The tax effort of Rwanda continues to perform consistently below its tax potential resulting in a significant tax gap. The tax gap for a year is the difference between the potential revenues that could have been collected given the economic structure during that year and the revenues collected (tax effort) for that year. The most recent estimates available from the IMF regular assessment suggest Rwanda’s tax gap in 2019 was 9.7 percent of GDP (DART database). Given tax revenues have fallen around a percentage point of GDP since this period for the reasons discussed, and Rwanda’s tax potential has increased, the size of Rwanda’s tax gap by the end of FY22/23 is higher.

15. **The tax gap is made up of a policy gap and a compliance gap.** Estimating the tax gap is helpful to understand the factors affecting tax revenue performance. Measuring the compliance gap gives an indication of the potential for revenue mobilization if the effectiveness of the revenue administration is improved. Measuring the policy gap provides an indication of the amount of revenue being foregone due to tax policy design. The two numbers together provide context for each value, while it can be difficult to tell the relative magnitude of either value on its own. In Rwanda, there has been substantial improvements in the tax compliance gap since 2010 (Figure 7). In contrast, the policy gap remains significant reflecting the inability of Rwanda to address the multiple rate structure and a plethora of exemptions. Figure 7 underscores the diminishing effectiveness of administration reforms over time and reinforces the need for caution against overly relying on these reforms for short-term revenue gains.

16. **Domestic resource mobilization will need to be led by tax policy reforms.** While the gains from revenue administration have been continuous over the last decade, they face diminishing returns. For instance, early in the development of countries’ tax administration, increasing staffing and resources may have a significant impact on revenue collections through enforcement and audit for instance. Once a threshold is reached, these returns may be more limited. Figure 7 also shows this relationship. Gains from tax administration may also take several years to impact revenues and should not be relied upon for short-term revenue gains.

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2 The recent digitalization trend in Rwanda could have also shifted out the frontier of more potential gains from the administration side.
B. Empirical Analysis

17. In this section, we examine options to create fiscal space to meet long-term development challenges. Using a novel dataset for the EAC countries over the 1988–2022 period and the local projections technique, we estimate the revenue yield from the implementation of a comprehensive tax measures as opposed to implementing selective tax measures.

Data

18. The dataset is a novel compilation of tax policy and administrative changes in the East African Community (EAC) economies. It encompasses 1,845 tax measures implemented in the EAC countries during the period spanning from 1988 to 2022. The database provides granular information on different dimensions of tax policy and administrative changes announced and adopted in EAC economies over the period 1988–2022. The source of information is the news clips prepared by tax experts from the International Bureau of Fiscal Documentation. The innovation of the database is that it systematically documents the direction of changes (i.e., INCREASE /DECREASE) in the tax policy (RATE, BASE) and administrative practices (ADMIN) of seven different taxes—personal income tax (PIT), corporate income tax (CIT), value added and sale taxes (VAT), social security contributions and payroll taxes (SSC), excise (EXE), trade taxes (TRADE), and property taxes (PRO). On the interest of the present note, the dataset makes a distinction between comprehensive and selective tax measures, which is primarily based on the nature of their announcement and their intended directions.

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Note: The frontier charts allow the comparison of Rwanda’s efforts in closing the policy gaps relative to the optimal frontier (countries with top performers in the database). The closer to the frontier, the more effective is the gap closure.

3 The news clips are available to all IBFD subscribers and can be accessed through the IBFD website: [https://research.ibfd.org/#/](https://research.ibfd.org/#/).
19. Specifically, a comprehensive tax measure is characterized by a joint announcement of tax changes, which may include alterations in policy, rate, or administrative measures. Comprehensive measures are coordinated, clearly communicated, and typically implemented during events such as budget approvals addressing several taxes or tax characteristics as opposed to piecemeal tax measure announcements. Most tax changes were announced as part of a broad package of measures that typically include both tax policy and administrative changes. For each tax change, the database also provides information on the timing of the change (announcement and implementation dates, i.e., MM/DD/YYYY), the type of change (i.e., tax rate, tax base, administrative practice), the category of each type of change (e.g.; top rate, exemption, tax compliance), and whether the tax change is announced as part of a broader package of tax policy and administrative measures.

20. The database is complemented with the reported tax revenue in terms of GDP for the years and countries in the database. Based on the data and in Figure 8, Rwanda shows an impressive increase in tax revenue in percent of GDP moving from 9.1 percent of GDP tax revenue in 2001 to 16.1 in 2022. Rwanda also shows a strong implementation of tax measures after 2016. While there was a strong implementation of measures, several measures after 2019 were revenue losing (see discussion on recent experience).

21. For the EAC, tax measures typically aimed at narrowing the tax base (e.g., exemptions, deductions) with a share of about 24.9 percent of total measures (Text Table 1). Strengthening tax administrative practices (e.g., electronic payments, tax compliance strategy) represent about 28.5 percent of all the measures taken in EAC. For Rwanda, 21.7 percent of the reforms were aimed at reducing the base while 28.7 of the reforms strengthen the administrative conditions.

22. During 1988–2022, EAC countries announced all tax changes (94 percent of total) as part of a broad package of tax measures (Figure 9)—mostly around the submission of the Budget Law to Parliament. In Rwanda, the proportion of comprehensive measures was lower with only 82.9 percent of all measures being comprehensive and 17.1 percent selective.
Methodology

23. **Local projections framework.** To analyze the impact of fiscal policy, we use the local projections (LP) framework, building upon methodologies outlined in David, Guajardo, and Yepez (2019) that expanded upon in other referenced papers (Auerbach and Gorodnichenko 2013; Jordà and Taylor 2016, Ramey and Zubairy 2018, as well as Born, Müller, and Pfeifer 2019). The primary advantage of using the LP framework is the flexibility in addressing challenges posed by non-linearities and state dependencies.

<table>
<thead>
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<th>Type of change</th>
<th>Frequency</th>
<th>Share of Country/Region</th>
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<td></td>
<td>Decrease/Loosen</td>
<td>Increase/Strengthen</td>
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<tr>
<td></td>
<td>Decrease/Loosen</td>
<td>Increase/Strengthen</td>
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<tr>
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<td></td>
<td>Total</td>
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</tbody>
</table>

Source: IMF calculations on news clips from the International Bureau of Fiscal Documentation (IBFD).

24. **Modelling.** The LP econometric model is designed to estimate impulse response functions by directly regressing future outcomes on specific shocks. A significant benefit of the LP model is that it minimizes sampling requirements, thereby reducing the potential cost of misspecification due to limited sample sizes. In our analysis, we take the dependent variable (DV) lag and juxtapose it against the DV measurement lead. As we progress, the number of lags within the period window is adjusted to generate an impulse response function (IRF), focusing on the coefficient of the shock...
variable, which in this case is a tax measure. Our approach centers on a 7-year window post the announcement of the measures to examine the effect of various specifications. We control for other variables as shown in Equation (1).

\[
r_{i,t+h} - r_{t,t-1} = \alpha_{i,h} + \gamma_{th} + \beta_{1,h}D_{i,t} + \beta_{2,h}P_{i,t} + \varepsilon_{i,t+h}
\]  

(1)

The variable \( r \) represents the government tax revenue as a percentage of the GDP. The symbol \( \alpha \) represents the country fixed effects. Similarly, \( \gamma \) represents the time fixed effects, capturing variations across different time periods. \( D \) is a dummy variable capturing the presence of one or more selective tax measures, while \( P \) does the same for comprehensive tax measures. The error term \( \varepsilon \) is used to account for residual terms in the model. In the context of this study, \( i \) signifies a specific country, \( h \) represents the forecasting or observation horizon, and \( t \) indicates the period under consideration.

We also study the effect of comprehensive and selective measures on tax revenue in GDP percentage controlling for whether those measures were aimed at strengthening or loosening the characteristics of the tax (admin, base or rate). Variables represent the same as in equation (1) replacing \( D \) by \( CI, CD, SI, SD \) representing dummy of one or more measures for comprehensive strengthening measures, comprehensive loosening measures, selective strengthening measures, and selective loosening measures, respectively.

\[
r_{i,t+h} - r_{t,t-1} = \alpha_{i,h} + \gamma_{th} + \beta_{1,h}CI_{i,t} + \beta_{2,h}CD_{i,t} + \beta_{3,h}SI_{i,t} + \beta_{4,h}SD_{i,t} + \varepsilon_{i,t+h}
\]  

(2)

In the next subsection, we discuss the impulse function responses.

**Results**

25. **Comprehensive measures are associated with revenue increases in the medium term (Figure 8).** Based on estimates from Equation (1), we find that selective measures tend to yield protracted loss of revenue while measures implemented comprehensively are revenue neutral in the near term and thereafter lead to increases in revenue beyond 3 years.

26. **The effects of adopting comprehensive measures are sizeable.** In Equation (1), when we account for the intensity of measures, we find that having “one or more” comprehensive fiscal measures within the observation period yields a 2 percent on average increase in tax to GDP percentage by year 6 while having one selective reform tends to yield around 1 percent losses in tax revenue to GDP.

27. **When accounting for the intention (reducing revenue versus strengthening revenue), we find even more sizeable effects.** \(^4\) In Equation (2), we find that when controlling for the

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objective of measures, comprehensive measures aimed at strengthening taxes lead to a significant revenue increase, by about 2.9 percent of GDP on average. When comprehensive measures are judged to be revenue loosing, decline in tax-to-GDP ratio is contained and almost neutral. Selective measures aimed at strengthening taxes generate losses of about 1.4 percent of tax revenue to GDP. These losses are amplified to 1.9 percent of GDP when selective measures are assessed as “revenue losing.”

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C. Concluding Remarks

29. Efforts to raise revenue in recent years have stalled, despite significant tax potential. Rwanda’s tax effort has fallen by around one percentage point to be around 15 percent of GDP in FY22/23 due to a narrow taxbase not benefiting from structural changes in the economy as well as increased tax expenditures. Rwanda could look to past episodes of reform which saw substantial increases in revenues due to a combination of revenue administration and tax policy implemented as comprehensive package. The empirical work outlined in this paper also supports this approach, where comprehensive reforms are found to lead to net positive revenue gains when fully implemented. Rwanda’s tax gap suggests that tax policy will need to spearhead reforms going forward, while returns from revenue administration will contribute less.

30. A comprehensive strategy for increasing revenues tax revenues by adjusting rates, broadening the domestic tax base, improving compliance, and curbing tax evasion is a way forward. The strategy should shift higher tax burden from low-income households to higher income wealth cohorts with the view to advancing distributional fairness against growing inequality. Tax measures and reforms will need to focus on tax policy, as improved compliance has diminishing returns. The IMF conducted a comprehensive review of the Rwanda tax system in a 2021 technical assistance mission and found that an integrate package of reforms could raise 7.2 percent of GDP in revenues, with 4.9 percent of GDP in the short to medium-term, and another 2.3 percent of GDP
over the longer-term. Consistent with the empirical findings of this paper, the technical assistance findings stressed that the effectiveness of the package of recommendations would be seriously diminished if individual measures were selectively accepted or rejected and reforms continue in a piece-meal manner. Rather, the success of any reforms depends on measures being implemented as an integrated package.

31. **Value Added Taxes (VAT) have the greatest revenue potential in Rwanda.** An estimated 2.9 percent of GDP could be levied through reforms to the VAT. Rwanda’s VAT capacity (feasible VAT revenues) was estimated to be 10 percent of consumption expenditures. Its average VAT effort is 50.7, meaning Rwanda collects 50.7 percent of feasible VAT revenues. Rwanda’s VAT effort ranks 55 out of 70 countries. Rwanda should pursue policies that standard-rate certain good that are zero-rated or exempt from VAT. For instance, standard-rating a zero-rated domestic good will reduce the policy gap and lower VAT refunds claims. Also, removing exemptions will reduce the number of input VAT allocations, which requires sufficient capacity to audit and firms may misreport to increase input tax deductions. Base-broadening will, reduce the policy gap, but also the compliance gap by making the VAT easier to administer and lowering compliance costs. Additional revenues used by these reforms can be used to compensate poor households through direct transfers. Any impacts on low-income households should be dealt with by targeted expenditure.

32. **Corporate Income taxes (CIT) could be made more business friendly to expand the role of the private sector.** The CIT structure is distorted with a bias for debt financing, transfer pricing, and gold plating of revenue expenses. The problem is further aggravated by a plethora of tax holidays and sector specific reduced rates. International experience suggests that these incentives are seldom effective in promoting overall investments. The redundancy ratio for Rwanda was estimated to be 0.98, meaning that 98 percent of the investment would have taken place had the incentive not been in place. IMF technical assistance found that around 0.8 percent of GDP could be levied by addressing these issues through the following policy changes in the medium term: (i) reduction in corporate tax rate to 20 percent; (ii) elimination/grandfathering of all tax incentives; (iii) full expensing for capital expenditure; (iv) indefinite carry forward of losses; (vi) introduction of gross asset-based minimum alternative tax (MAT).

33. **Personal Income Taxation could be made more progressive.** PIT suffers from important structural weaknesses that hamper its progressivity and increase opportunities for tax avoidance and evasion. PAYE registered taxpayers account for only about 24 percent of the estimated labor force, even though about 70 percent of the adult labor force is estimated to be employed outside of subsistence agriculture. This challenge is exacerbated by a high labor tax wedge for the average formal salaried employee, including both PIT and social security contributions. Measures should focus on improving equity, transitioning to global income tax system in long run (in short run, harmonize withholding rates across capital taxation), and introducing a wealth tax.

34. **Excises taxes could be reformed through ad valorem taxation combined with indexation.** All of Rwanda’s excises are ad valorem except for fuel and a partial specific excise on cigarettes. Excise revenues have decreased in recent years, potentially due to not indexing the specific excises. Another reason may be the use of ad valorem rather than specific excises. IMF TA
recommends changing to (only) specific excises on alcohol, tobacco and sugar beverages combined with indexation to adjust to inflation. To incentivize the purchase of fuel-efficient vehicles, IMF technical assistance also recommends the introduction of a higher excise on old vehicles, a reduction in the motor vehicle fee, and introducing higher taxes on fuels.
References


Crispolti, V. 2023 (forthcoming), “Quantifying the Revenue Yields from Tax Administration Reforms”; International Monetary Fund.


