

Tax Administration Modernization

DOMINICAN REPUBLIC

SECTOR: Finance

NAME OF PROJECT: Tax Administration Modernization
(ATN/SF-4706-DR)

TOTAL COST: \$3.07 million

FINANCING:

IDB	\$1.93 million
LOCAL	\$1.14 million

DATE OF APPROVAL: November 9, 1994

GENERAL DESCRIPTION: The objective of this nonreimbursable technical cooperation is to support ongoing tax reform measures that were approved in 1992 and organize the tax administration by supplementing and consolidating collection monitoring, auditing and taxpayer compliance systems.

The operation includes technical advisory support for the Secretaría de Estado y Finanzas (SEF)(Ministry of Finance) in the following areas:

- (a) organization, rationalization and simplification: advisory support to organize the Dirección General de Impuesto sobre la Rentas (DIR) and the Dirección General de Rentas Internas (DGRI) by functions and optimize the mechanisms control and penalties established in the new code;
- (b) collection and revenues: advisory support to computerize DIR's tax offices in order to automate intake procedures facilitate accounting and reconciliation with the National Treasury;

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(c) verification and auditing: develop economic and taxpayer behavior indicators and guidelines for verification and auditing on the basis of evasion and behavioral indicators;

(d) computerized systems: adjust the information systems during the previous operation and develop new ones to fit requirements of operational and administrative and the 1992 tax reform;

(e) large-scale taxpayers: support the consolidation and strengthening of the Office of Large-scale Taxpayers; and

(f) training and development: provide advisory support in the development of video training courses and computer-based self-study programs, as well as training seminars, activities and exchanges with other countries; strengthen (Instituto Nacional de Capacitación Tributaria) capacity to train instructors.

CONSULTANTS:
consultants: a
tax
a tax
systems
programmer/analysts (30
Short-term

The following consultants are required: (a) long-term technical coordinator for the program (30 months); an expert in auditing and inspection (18 months); and (b) local consultants: economist (18 months); a systems engineer (30 months); three analysts (30 months); three information systems programmer/analysts (30 months); and a program coordination assistant (30 months). consultants will also be required.

GOODS AND EQUIPMENT: Computer equipment will be required for information systems.

EXECUTING AGENCY: Secretaría de Estado y Finanzas (SEF)

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