

FISCAL EDUCATION IN BOLIVIA

Building bridges between Tax Administration and citizens

Since 2013, EUROsociAL has supported Bolivia in its interventions within fiscal education to enable the voluntary compliance of the tax obligations, improving tax collection and building a citizenship based in responsibility and solidarity principles. This support has borne fruit.



The goal of a modern Tax Administration is achieving a constant growth in tax collection, as a result of the taxpayers complying voluntarily with fiscal obligations. That outcome is not an easy task, because it involves the commitment from the State and from the citizens; this agreement will only take place if the importance of contributing to the country through tax payment and its proper management are understood.

In recent times, Bolivia has managed to increase its tax load until 28.3% of GDP (with a 6.8% from Direct Hydrocarbon Taxes), with figures over the regional average (21.3% of GDP), but still six points below the average values of OECD. The informal economy of Bolivia is the highest in the region. Despite the progress, tax evasion has very adverse effects: VAT has a default rate of 20.3%, that in 2013 meant a decrease of 1.8% in GDP.

The SIN (Servicio de Impuestos Nacionales - National Tax Service) from Bolivia is aware that coercion can't be the only weapon against fraud. In addition to increased incentives and better services, a change in fiscal awareness requires pedagogy, particularly from an early age.

So, in its Strategic Institutional Plan 2011-2015, Bolivia brings in fiscal education as a priority line of action, establishing by the end of 2011 the programme "Creating Tax Culture". Among its goals, there is "reinforcing the volunteer compliance of tax obligations with an increased tax culture and border security".

The inclusion of tax culture in the regular education (early, primary and secondary), together with working with training institutes of technical superior training and the universities, has created a favourable scenario.

PUBLIC FINANCE



FISCAL EDUCATION

BOLIVIA

EUROSOCIAL'S SUPPORT

In this context, "SIN" has joined the action from EUROsociAL aimed at the strengthening of the fiscal education programmes in Latin America. Within this framework, Bolivia has driven the initiative of the Núcleos de Apoyo Contable y Fiscal (NAF - Centres for Accounting and Tax Support), the creation of a recreational-educational hall, the adaptation of educational video-games, and the improvement of their monitoring activities and assessment of the actions. SIN has also adhered the Fiscal Education Network promoted by EUROsociAL.

CENTRES FOR ACCOUNTING AND TAX SUPPORT

NAF (Centres for Accounting and Tax Support) are part of a project driven by the Brazilian Tax Administration, Receita Federal, in partnership with the higher education institutions.

At NAF, university students from accounting and finances degrees, previously trained by the Tax Administration, give tax advice to natural and legal persons with low income levels as well as micro-entrepreneurs. This initiative creates advantages for all participants. The community benefits from the aid in solving basic tax issues free of charge, while the Administration is fulfilling its citizen and tax training, while giving support to most disadvantaged. The university, in turn, can strengthen ties with the community and provide its students with a practical knowledge in matters of taxation without extra cost and will be very usefully for their professional future.

Aiming for the building of new bridges between Tax Administration and citizenship through university, SIN has received counselling from the Receita Federal from Brazil during 2014 and 2105 for the launching of NAF.

The first NAF was opened in January 2015 at the Public University of El Alto (UPEA), a city characterised by many family-owned businesses and micro-enterprises, 72% of them informal. Since its opening, NAF has assisted 214 citizens, which have often returned after their first visit.

Types of requests attended by NAF:

- ▶ Inscription on the taxpayers Registry.
- ▶ Fines for infringement and tax debts.
- ▶ Support for procedures for sworn statements.
- ▶ Preregistration on the Digital Biometric Register.
- ▶ Filling of VAT forms.
- ▶ Bookkeeping.

In August 2015, a second NAF was started at the Military School of Engineering (EMI), and agreements for the creation of two more NAF were signed at the Franz Tamayo University. The spread of NAF throughout the country has been included in the Operational Plan 2016 of SIN, aiming the creation of at least five new NAF. SIN has also received technical assistance from EUROsocial in order to create an assessment and monitoring system of NAF.

RECREATIONAL-EDUCATIONAL HALL FOR FISCAL EDUCATION

Explaining taxes to the younger ones is a challenge. In order to undertake this task successfully, SIN, like other Tax Administrations from Latin America, is using attractive and innovative tools. One of them, addressed at primary school students, is a recreational-educational hall for fiscal education, called "Learning with mister Tax", placed on its central facilities. This initiative is based on the gaming area from the Ministry of Finance from El Salvador called RecreHacienda!, built during the first phase of EUROsocial with the technical support from the Tax Administration from Argentina, AFIP. This partnership has looked into the second phase of EUROsocial, that has allowed SIN to know all the details from the San Salvador experience and opening the hall at La Paz, in December 2014, public-funded and adapted to its reality. Through the game, students consolidate their learning about taxes and

VIDEOS



Video: Fiscal Education and Social Cohesion

Coordinating Partner



Operating Partners



about the importance of values as solidarity, honesty and social awareness for coexistence in harmony and community.

Between February and August 2015, 1,718 children from 17 educational units have visited the hall. It is estimated that every year 4,000 students will visit the hall.

EUROSOCIAL'S SUPPORT ITINERARY

Creation of Centres for Accounting and Tax Support

2014.

- ▶ Regional workshop about the inclusion of fiscal education on higher education. Porto Alegre, Brazil.
- ▶ Technical support from Brazil and Costa Rica for the creation of Centres for Accounting and Tax Support in Bolivia, Ecuador and El Salvador. Quito, Ecuador.

2015.

- ▶ Technical support from Brazil to Bolivia for the creation of NAF. La Paz, Bolivia.
- ▶ Workshop for the creation of an assessment system for NAF. Porto Alegre, Brazil.

Recreational-pedagogical hall for fiscal education

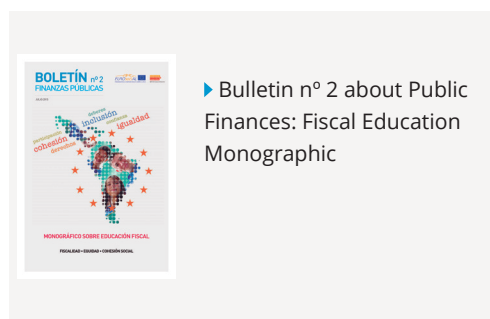
2013.

- ▶ Exchange visit to know about the fiscal education programme of El Salvador.

2014.

- ▶ Technical support for the creation of a recreational fiscal virtual education hall.

PUBLICATIONS



- ▶ Bulletin nº 2 about Public Finances: Fiscal Education Monographic

FIRST-HAND

▶ Juan

Student of NAF from El Alto Public University



"The direct interaction with citizens has been a wonderful experience. We have looked into the theory, got to know about the tax updates and, even more important, we have put them into practice, and this will open doors for our professional life. In addition, we have been able to know the citizen's reality and to explain them taxes topics and their relevance for society. Citizens go to NAF because they are afraid of the SIN representatives, while they see us with different eyes. Also, sometimes accounting or legal advisors don't address them with simple words. Some of them go to NAF because they don't have means to hire an adviser, they ignore the tax issue or it can be convenient because of proximity".

▶ Yolanda Valero

Educational Unit Ismael Montes, La Paz



"The implementation of the recreational-pedagogical hall is really interesting because it involves a way for aiding children in learning about Bolivian reality. This is a tool that supports teachers in addressing the topics related with financial institutions within social studies.

Tax payments should be one of the habits built from early ages, because in many cases adults show indifference towards their civic duties. Schools must be more open to contact with institutions outside their facilities and being more close to real life, applying expertise in daily life. This hall is a clear example. Kids have even brought in invoices they asked for to their parents".