Technology and Taxation in Developing Countries: From Hand to Mouse

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Abstract

Tax systems in developing countries, like those in more developed countries, face both new challenges and new possibilities as a result of technological change. In developing countries, taxpayers and tax administrations must cope with more difficult environments with fewer resources. Some issues (such as privacy, the benefits and costs of public/private partnerships, and corruption) are common to both developing and developed countries, but differ in relative importance in particular countries. Other issues (such as how new technology may or should influence the way a country’s tax system or particular taxes are designed and administered) may be more important in developing countries. This paper examines the general issues facing developing countries from technological changes and provides some promising examples of technological innovation and application in tax administration and tax policy.