

Attitudes towards taxation in Myanmar: INSIGHTS FROM URBAN CITIZENS

➤➤ We asked **1,400** people living in **3** cities of Myanmar what they thought about taxation.

FINDINGS

94% agreed that paying a fair share of **taxes is a civic duty**.

81% agreed that citizens should **"always pay their taxes"**, even if they disagree with the government".

66% would pay more property tax if it meant better municipal services for them and their city.

➤ A clear majority thought **taxes were fair**.

60% said they **didn't know which level of government** received most of the revenues from income, commercial and property tax.



Income Tax
70%

Commercial Tax
70%

Property Tax
72%

of respondents agreeing these taxes were fair.

But, 89% agreed **they wanted more information** on what taxes they are supposed to pay and how the government spends taxes.

➤ **Urban citizens** surveyed were **more positive about tax** than those in more rural areas.

➤ **Urban citizens aren't as negative** about taxes as government thinks they are.

➤ Myanmar's policy makers face a **careful balancing act with tax reform**.



81%

of respondents living in cities surveyed agree that the government has the right to tax citizens.

50%

of respondents living in more rural areas agree that the government has the right to tax citizens.
Source: McCarthy, Gerard (2016)

64% would agree that **paying tax is a civic duty**.

When we asked over 40 government officials what they thought the people would say, they were more negative. They thought that:

Reform that is poorly designed or communicated could be opposed. But failure to reform taxes at this moment of greater acceptance will mean the government will miss out on revenues that could be used to meet the needs of the people.



RECOMMENDATIONS

➤ **Seize the moment** and be more ambitious in tax reform.

➤ **Improve citizens' understanding** of the tax system.

Don't make the tax system too complex. Improve tax education. Show what taxes are to be paid and where they are spent.

➤ **Improve government communications of tax policy** to make tax reform more feasible and to improve citizens attitudes towards government.

FRAMEWORK

Our research shows that tax attitudes are influenced by the strength of fellowship between citizens, state responsiveness, generosity and citizens' understanding of the tax system.



➤ **Myanmar's citizens are extremely generous** and willing to support public goods and social causes. Especially at this unique moment in Myanmar's history.

➤ **The tax paying experience** may be undermining trust in government and making it harder to collect taxes.

➤ **Low levels of understanding**, limited tax education and poorly communicated tax policy changes can result in more opposition to tax reform.

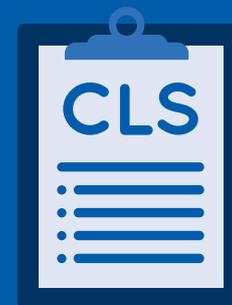
METHODOLOGY

This report uses data from the 2017 City Life Survey. This survey is the first of its kind in Myanmar and tracks public perceptions and lived experiences of urban life through 118 questions, asked to 1,400 people. Two focus groups were run to triangulate some of the survey findings.

We focused on the cities Taunggyi, Hpa-an and Yangon (North Dagon, Tharkayta and Kyauktada areas).

Within these urban areas respondents were randomly selected to ensure the results are statistically representative of the cities. The findings are not statistically representative of Yangon or the overall Myanmar population.

We also interviewed and surveyed over 40 tax officials to determine what they thought about urban citizens' attitudes to tax.



To access the full report "Attitudes toward taxation in Myanmar: Insights from urban citizens", please visit www.asiafoundation.org/



The Asia Foundation

Improving Lives, Expanding Opportunities