

Background

The Governments of the Commonwealth of Dominica, Grenada and Saint Lucia and St. Vincent and the Grenadines have each received soft loan financing in the amount of 1.5 Million Special Drawing Rights (SDRs) which is equivalent to US\$2.4 Million, from the World Bank, for implementation of the OECS Electronic Government for Regional Integration Project (EGRIP). The loans are provided under a special facility of the concessional lending arm of the World Bank, the International Development Association (IDA).

The overall development objective of EGRIP is to promote the efficiency, quality, and transparency of public services in the beneficiary countries, through the delivery of regionally integrated e-government applications that take advantage of economies of scale.

Introduction

Sub-component 2.2 - E-Government in Tax Administration under EGRIP is aimed at developing an on-line registration and electronic tax filing subsystem to interface with the tax management system. It is expected that the current core tax administration system, SIGTAS, will be upgraded or migrated with the support of a parallel CIDA regional program. The on-line filing module will be designed so that it can interface with any underlying core tax administration system, and will allow for integration with the banking system for payments and refunds, including through a future regional payments gateway.

Consequent on the above, a joint venture between Norway Registers Development A.S., UAB ALNA SOFTWARE and UAB NRD (NRD) has been contracted to design, develop and install a Front End (FE) Tax E-filing System for the four EGRIP participating countries. The System will enable electronic interactions for the purposes of:

- (i) Registration;
- (ii) Filing of declarations and returns;
- (iii) Performing electronic payments of taxes; and

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(iv) Interfacing, in principle, with any underlying core tax administration system, and allowing for integration with the banking system for payments and refunds.

The total cost to implement the Front End Tax E-filing System is approximately USD 1.2 million. This includes the cost for hardware, software and training.

Training will be conducted for System Administrators, Help Desk Staff and Tax Officers. Knowledge transfer will be provided to the technical staff of the Internal Revenue Departments / Divisions in each participating country in order to facilitate the sustainability of the system.

The implementation timeframe for the system is October 2012 to July 2013. The proposed main phases and timeframes are:

PHASE

TIMEFRAME

Inception

October to November 2012

Elaboration / Design

November to December 2012

Construction / Development

January to March 2013

Implementation and Training

March to July 2013

Expected Benefits

The expected benefits of the Front End Tax E-Filing System include:

- (i) Integration of the tax preparation, tax filing and tax payment.
- (ii) Reduction in administrative costs to private sector and public to file declarations and returns for all tax types, including income tax and VAT.
- (iii) Reduction in the administrative costs to government to verify online tax submissions.
- (iv) Greater availability and number of channels for the collection of government revenue.
- (v) Provides channel for Diaspora and overseas investors to make payments.

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(vi) Improvement in the efficiency of the tax collection process.

(vii) Potential for increased tax revenue.