

Tax procedures remain time-consuming

 Despite much effort to simplify administrative procedures, the tax sector has maintained hundreds of steps and these time-consuming procedures have made life tough for enterprises and individuals.

An administrative reform report presented by the Ministry of Finance at a government cabinet meeting yesterday showed that there were 432 steps in tax procedures by the end of 2014 after the ministry removed 53 and streamlined 262 others.

The ministry admitted that the complicated procedures have lengthened tax payment time. Up to 24 out of 70 important steps on tax filing, payment, refund or inspection have yet to be adjusted and simplified. Online tax payment remains dismal with only 40,500 out of 488,000 enterprises taking part in the programme as of March 25.

The ministry also said that administrative reform has yet to benefit individuals and family-run businesses as much as expected.

According to a report on the business environment of International Finance Corporation (IFC) and the World Bank (WB), enterprises in Vietnam still have to spend up to 872 hours a year preparing, filing and paying taxes, with 335 hours for social **insurance** paperwork and 537 hours for tax procedures.

To reduce the total payment time to 171 hours a year, the tax payment time should be cut by 415.5 hours to 121.5 hours and the social insurance payment time by 285.5 hours to 49.5 hours.

The ministry pledged to support businesses, helping realise the target set by the government in its Resolution 19 issued for tax authorities to streamline procedures for enterprises to prepare, file and pay taxes to an average of 171 hours per year in line with the Asean 4 bloc.

The target for this year is tax payment time would be no more than 121.5 hours, the proportion of enterprises registering online payment at 95 percent and the e-payment rate at 90 percent, the ministry said in the report.

Besides, the ministry will build and announce tax refund data and guarantee quick tax rebate for enterprises.

Source: <http://www.intellasia.net/>