Gender Bias in Tax Systems: The Example of Ghana

by

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I. INTRODUCTION

A. PREFACE

The Gender Law Project under the auspices of GTZ's Revenue Mobilisation Support (RMS) Project is aimed to improve gender equity and establish an environment supportive of the enforcement of gender equity in Ghana.

Taxation affects a wide range of social and economic decisions due to the fact that it alters both disposable income and relative prices of goods and services. Decisions about work, savings, consumption and investment are influenced by taxes. The analysis of tax systems provides information on the impacts of government fiscal policy on individuals, households, businesses, economic growth and development. This enables government decision-makers and society to reach well informed policy decisions. Consequently, tax systems should be analysed with regard to various socio-economic and demographic characteristics. To get a full understanding of the impacts of government fiscal policy, it is also necessary to integrate a gender perspective into public budgeting and tax policy decisions.

In recent years discussions have begun concerning the gender impact of taxation. Several countries have reformed their tax systems to reflect changing attitudes of women’s and men’s roles in society. Gender analysis of tax policy seeks to identify the diverse impacts of tax systems on women and men in order to ensure gender equity. The analysis of gender equity is especially important in developing countries, where a greater proportion of the poor are women.

This paper evaluates the Ghanaian Tax System with particular reference to personal income tax and would find out whether there are areas of non-conformity with gender mainstream. This paper is focused on and designed to be accessible to readers without a formal public finance or taxation background.
B. GENDER BIAS DEFINED

When examining gender bias, it is important to define and understand the term “Gender”. Gender is defined by the American Heritage Dictionary as "classification of sex." According to this same source, bias is defined as "preference or inclination that inhibits impartiality, prejudice" (American Heritage Dictionary, 2004). Thus gender bias is separation of gender in a way which prefers one sex over the other. Gender bias in tax systems means any form of institutionalized discrimination based on the sex of taxpayers.

C. SCOPE OF WORK

The following study analyses the forms in which gender bias could exist in tax systems. It seeks to shed light on the gender bias in the Ghanaian tax system.

The focus of the study is primarily on the Ghanaian personal income tax. Although gender discrimination may be present in any area of taxation, it is most commonly found in the personal income tax. This is because tax liability is established with respect to the income of the individual or household. The structure of personal income tax can most easily address gender equity goals. The personal income tax system of Ghana is therefore analysed to point out whether regulations contain a gender bias and if it could be made more gender equitable.

The structure of the paper is as follows: Section I gives an overview of the role of taxation and the forms of possible gender bias in tax systems. In section II assessment systems of taxation are analysed. Section III evaluates gender issues in the Ghanaian Tax System with particular reference to personal income tax. Section IV concludes with the summaries of the findings and recommendations.
II. GENDER BIAS IN TAX SYSTEMS

A. THE ROLE OF TAX SYSTEMS

Countries use taxes for many purposes. Taxes are used to raise revenues to fund government services, to correct market imperfections, and to encourage or discourage certain types of behaviour.¹

Fiscal policy supports the Government's goals by ensuring that the public finances are sustainable, contributing to a stable environment that promotes economic growth. This environment is important for achieving the Government’s objective of building a stronger, more enterprising economy and a fairer society, extending economic opportunity and supporting those most in need to ensure that rising national prosperity is shared by all.²

The tax system is based on the constitution of a country. Principles of constitutional law like equality, the protection of marriage and family, and the guarantee of welfare are particularly important features of tax systems.³ The Constitution of the Republic of Ghana guarantees equality and freedom of discrimination in section 17 of the constitution and pursues social objectives in section 37 of the constitution.

The constitution builds the framework of all governmental activities, including the tax policy; e.g. the German Constitutional Court has developed jurisprudence remarkable for its judicial activism in the tax area.⁴ This Court tested tax laws against general constitutional principles. The main principle of the German tax policy is that every person shall pay tax according to his or her capacity in order to create equality as required by Art. 3 Basic Law. The requirement for equality in taxation necessitates taxation according to the financial ability to pay (Leistungsfähigkeitsprinzip). Therefore, the tax burden depends on the income minus the deductible expenditures (“objektives Nettoprinzip”). To guarantee a minimum subsistence level the German tax law favours certain expenditures, for example alimonies (“subjektives Nettoprinzip”).

¹ Cf. Bird, Taxation in Latin America: Reflections on Sustainability and the Balance between Efficiency and Equity.
² Cf. Thuronyi, Comparative Tax Law, p. 82.
⁴ Cf. Thuronyi, Comparative Tax Law, p. 83.
In consideration of the constitutional law there are different motivations to pass tax regulations. The literature on the determinants of tax policy and tax structure does not offer one unified model but many competing approaches. The major motives of government taxation policy can be derived from the view of Musgrave's classical functions of public finance.  

1. Financing Function

2. Steering Function

1. Financing Function

One of the main reasons for a tax system is to allocate the cost of governmental activities. The revenue is used to fund government programmes like health and education, to pay debts and to build infrastructure. The imposition of fiscal rules and regulations is often motivated by cash balance and by ensuring fiscal sustainability. Based on the “financing function” there is a relationship between deficits and tax reform. If we take the financing requirements as given, then the public deficit can be seen as an indicator for the demand of tax policy and tax reforms.  

2. Steering Function

Taxes are used as a powerful instrument to affect and change people's behaviour. The steering function is not only used to have a stimulating effect on economic growth. Imposing taxes can be a key factor in determining the amount of savings and investment in an economy, as well as how much people work, when and on what they spend their income, and on the structure of business. Theoretically, the distribution of the tax burden stimulates tax payer behaviour towards a common welfare goal.

5 Musgrave, Public Finance in Theory and Practice, passim.
### Theories of Taxation and Tax reforms

<table>
<thead>
<tr>
<th>Financing function</th>
<th>Steering function of taxation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used as an instrument to allocate the cost of governmental activities</td>
<td>Used as a instrument to affect and change people’s behavior</td>
</tr>
</tbody>
</table>
| • Increase in tax burden if fiscal deficits increase  
  • Decrease in tax burden in case of fiscal surpluses | • Stimulating people’s behavior by tax burden or reductions in according to the governmental policies |

This background should be borne in mind when analysing tax systems. Some distinctions in the treatment of taxpayers may be intended for specific reasons. Indeed, the aim of taxation can’t be to create equality for all similar situations. But the principle of equality in the constitution requires a justification for distinctions in similar situations. Therefore, it is important to examine any reasons why similar situations are treated differently.
**B. PRINCIPLE OF TAX POLICIES**

Tax policies should be equitable and fair. Equity refers to both horizontal and vertical equity. Horizontal equity describes the concept that taxpayers with equal abilities to pay should pay the same amount of tax. Vertical equity means that taxpayers with a greater ability to pay should pay more tax. The presence of both horizontal and vertical equity in a tax system is thought to make the system fair.8 Gender equality in tax systems can be warranted through similar treatment in similar situations (horizontal equity) and through different treatment in different situations (vertical equity). This means that men and women must have the same tax burden in the same situation and a different tax burden in different situations.

**C. IMPLICIT AND EXPLICIT GENDER BIAS**

First of all it is necessary to clarify which forms of gender bias could exist in tax systems in general. There are two possible forms of gender bias: explicit and implicit gender discrimination.

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Explicit forms are specific provisions of the law or regulation that identify and treat man and women differently. The tax liability or the application of tax deduction in the tax law is linked to the sex of the taxpayer. Some developing countries like Zimbabwe\(^9\) or Jordan\(^{10}\) have explicit provisions in the income tax code that distinguish men from women so as to accommodate typical social arrangements or to encourage certain social behaviour. In this way the provisions reflecting prevailing societal norms introduce discrimination into the tax system.\(^{11}\)

The language distinguishes explicitly between men and women so that this form of discrimination is very easily identifiable in the tax code. Discrimination in this form is more typically found in the personal income tax legislation than in other taxes because it applies to individual or to other family units, such as married couples or the entire family, and therefore it more easily accommodates differential treatment of individuals according to gender.

Implicit forms of gender bias exists where there are different implications for men and women of the tax law. Here the language of the law is neutral, but because of typical social arrangements and economic behaviour there are different effects for men and women. Implicit gender bias is always caused by tax legislation because men and women have different social and economic roles and responsibilities.

If a special tax law is free from explicit gender bias and without unintentional implicit gender bias, the tax system can be called gender neutral.

All tax legislation has different effects on men and women. Implicit gender bias is always present due to the societal norms that affect the sexes. But the question for the decision-makers is whether and to what extent such biases are intended. In this context it is also necessary to have a look at the whole legal and social environment of each country, especially certain values of the constitution which are responsible for gender bias, so that a certain form of gender bias results. In consequence, the analysis of gender bias assists to identify prevailing societal induced imbalances against men or women.

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\(^{9}\) In Zimbabwe, married men with non-working wives are entitled to a special credit, but there is no such provision for married women with non-working husbands, cf. Barnett/Grown, Gender Impacts of Government Revenue Collection: The Case of Taxation, p. 32.

\(^{10}\) In Jordan, some deductions are only available to the husband and not to his wife, cf. Barnett/Grown, Gender Impacts of Government Revenue Collection: The Case of Taxation, p. 32.

Gender awareness should be part of the tax policy system. The impact of specific tax provisions, for example tax incentives or tax holidays, for female and male taxpayer should also be part of a tax law impact evaluation.

**D. GENDER BIAS IN ASSESSMENT SYSTEMS**

One main point of the discussion regarding gender bias is the system of taxation of married couples. The treatment of married couples varies in different countries.

In the UK, Italy and Canada for example, married couples are subject to a system of independent taxation, under which husbands and wives are taxed separately on their income and capital gains. The effect is that both have their own allowances, lower and basic rate tax bands for income and capital gains tax purposes and are responsible for their own tax affairs. In France, the system of taxation relies on a household unit.

In Germany and the US the couple may choose the system of joint taxation which means that the tax is assessed as a couple. Within joint taxation there are different forms of determining a married couple’s tax liability. The taxation system in Germany applies the income-splitting method. This method means that the taxable incomes of the husband and wife are totalled. Half of this total is used in the calculation of the tax due and afterwards this amount of tax is then applied twice. This “income-splitting” provision lowers tax liability, on average, by placing more of a couple’s income into lower tax brackets. The system in the US carries the same tax rate as individual taxation. The figures of applied tax brackets are twice that of the original figures of bracket.

The joint assessment system in particular, however, is said to cause discrimination. If the joint assessment systems imposes higher tax on the couple than the combined tax for single persons because of the progressive rate in tax systems it causes discrimination against family and marriage. But in countries like Germany the

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12 Cf. [http://www.mof.go.jp/english/zei/report2/zc001c06.htm](http://www.mof.go.jp/english/zei/report2/zc001c06.htm), see Appendix.
13 Cf. [http://www.winters.co.uk/factsheets/family_taxation.html](http://www.winters.co.uk/factsheets/family_taxation.html).
15 § 26 EstG, German Personal Income Tax Law.
16 Cf. Tipke/Lang, Steuerrecht, § 9, recital 756 ff.
17 Cf. LaLumia, Sarah, The effects of joint taxation of married couples on labour supply and non-wages income, p. 2.
18 More details about the taxation of these countries in the Appendix.
marriage and family are specifically protected by the constitution (Art. 6 Basic Law). The German tax law avoids this kind of discrimination through the income splitting method, so that a couple in never has to pay more taxes than two single persons together. In this system the discrimination of the couple in comparison to the single person is avoided.

Now the question is whether the joint filing system causes gender bias. In literature, it is often argued that women (who are usually the secondary-earners) are discriminated against. With joint taxation, secondary earners face high marginal tax rates that reduce their labour force participation and their hours of work.19 Higher marginal rates would especially deter women as secondary earners from entering the paid labour market and keep them in part-time jobs. Secondary earners would be discouraged, because the tax on the secondary income starts at the highest marginal rate of the primary earner.

But this point of view ignores that the tax system is embedded in a broader context. Especially as the constitution protects specific rights like marriage and family. The joint assessment treats a couple as one person so that women cannot be said to be disadvantaged. In the tax law the couple is treated as one person because the couple is one unit without disadvantage for either sex. On the contrary, the couple has an advantage because the combined tax rate is lower than for single persons, especially, if the income of one spouse differs from the income of the other. It is not possible to assess the tax burden of each spouse because the system treats the couple as one person. The fact that women often earn less and pay more taxes has to be put in the context that the couple pays less tax. This is the result that is intended by the constitution because the constitution intends to prefer the couple. Possible implicit gender bias caused by joint filing is the result of the constitutional rights. The constitutional view justifies these forms of gender bias.

How the couple distribute the tax burden to each partner depends on the agreements within the partnership. It is a question of allocation of money and the equality within the marriage. This is an issue of civil agreement and should be separated from the tax regulations.

In general, individual filing avoids gender bias because the spouses are treated as single persons. In this system gender bias could exist if there is a higher tax rate for married women to married men. In the same way you can find explicit gender bias if the tax law only allows the husband to use a certain form of exemption or deduction. But also in the individual filing system it is necessary to have a look at the constitution and the protected rights before talking about gender bias. It is not possible to consider the tax system in isolation from the constitution because the constitution contains the frame for every law. Every law has to respect the specific rights which are protected by the constitution in a special way.

Finally the literature asserts that the individual filing system reduces gender discrimination in comparison to joint filing system. Despite the fact that in individual filing systems it is possible to avoid any gender discrimination, a different system can be justified because of other reasons. Gender biases in tax systems should be considered, when deciding which system to adopt, but they are only one aspect for the decision-makers on a filing system.

**E. FORMS OF GENDER BIAS IN EXEMPTION AND DEDUCTION**

Apart from filing systems, gender biases are also discussed regarding to exemptions and deductions of the personal income tax. Explicit gender bias can be found if, for example, certain deductions and exemptions are only available for one sex. The restriction of certain deductions and exemptions which provide tax relief to women, such as childcare deduction, could create implicit gender inequity.  

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III. EVALUATION OF GENDER BIAS IN THE GHANAIAN TAX SYSTEM

A. GHANAIAN TAX SYSTEM

The tax system of each country reflects its specific history, legal tradition, political structure and economic base. The tax system of Ghana originated from the colonial system, when it bore little relationship to the actual conditions or interests of the country. The most common direct taxes are the personal income tax (PIT), corporate income tax and wealth and inheritance taxes. The most common indirect taxes are value-added tax (VAT), selected sales and excise taxes.

The tax system of Ghana includes the same basic tax categories used in developed countries. Taxes collected on behalf of the Central Government which include income tax, mineral royalties, import and excise duty, value added tax, etc.

Three agencies administer the main part of Ghana’s central government revenue. These are the Internal Revenue Service governed by the Internal Revenue Act, 2000 (Act 592), the Customs, Excise and Preventive Service governed by the Customs, Excise and Preventive Service Management Law, 1993 (P.N.D.C. Law 330) and the Value Added Tax Service governed by the Value Added Tax Act, 1998 (Act 546).

1. Ghanaian Income Tax

Personal income tax which, due to its structure, can most easily address gender equity goals is especially important for a gender analysis of taxation. Ghana’s personal income tax system which is influenced by that of the United Kingdom\(^\text{21}\), falls under the common law legal system. The tax law of Ghana has no scheduler definition of income. Income is defined globally without segregation of rules for determining allowable deductions according to particular schedules.

Principle legislation regarding direct taxation is the Income Tax Act 592 (2000) which comprises Personal Income Tax (PIT) and Corporate Income Tax / Profit Tax (CIT). Recently the act was amended by Amendment 622 (2002). The Act sets out tax policy as well as tax procedures.

\(^{21}\) Cf. Thuronyi, Comparative Tax Law, p. 25 ff.
Personal Income Tax for individuals is characterised by a moderate progressive rate structure. The progressive rates are divided into six bands with tax rates set between 5 and 25 per cent. Tax payments of employees are withheld monthly. All resident individuals in receipt of business, investment or employment income accruing in derived from, brought into or received in Ghana are liable to pay income tax.

2. Ghanaian Profit Tax
Companies are taxed under the same statute as individuals and are also levied under the Internal Revenue Act 2000 (IRA). Profits are calculated on an accrual base. According to the Act, tax rates on profits are differentiated according to six sectors or branches, and vary between the regions in which the business operates.

3. Ghanaian Value Added Tax (VAT)
The value added tax is imposed under the Value Added Tax Act 1998 on every supply of goods and services made in Ghana important of goods, and on the supply of any imported service. Value added tax is levied at the rate 12.5% on the value of the taxable supply of goods, services or imports.

Value added taxes on goods and services tend not to show explicit gender bias in that the tax liability is established with respect to the purchase or production of a commodity. Implicit bias may however, result from differential consumption.

B. FILING SYSTEM
In the tax law of Ghana married persons are assessed separately in determining their tax liability. There is no special regulation about the filing systems of couples like in the German or US tax law. Consequently, each spouse is determined separately like any other individual who has chargeable income in terms of section 39 of Act 592. This system of individual filing does not contain any form of gender bias because men and women are assessed in the same way.

The only particularity for couples is the application of personal reliefs in section 39 (1) (a) of Act 592: The assessable income of an individual for a year of assessment shall be reduced by the following amounts in the case of an individual with a dependent spouse or at least two dependant children, thirty currency points. Section 39 (2) of
Act 592 explains that in this section, “dependant child, spouse, or relative” in respect of an individual, means a child, spouse, or relative of the individual for whom that individual provides the necessaries of life and who does not have income for the year of assessment exceeding twenty currency points. According to section 2 (1), schedule 1 of Act 572 one currency point equates to 20.000 Cedis.

This personal relief is only claimable by the person with a dependent spouse if there are not at least two dependant children. However, if the couple has at least two dependent children both spouses can claim the personal relief. Only with at least two children the personal relief is assigned to every spouse according to the tax law because every individual can qualify for the personal relief if the individual has at least two children. There is no regulation in section 39 (1) (a) of Act 592 for the relief concerning dependent children that only one relief shall be granted where two persons qualify in respect of the same child like the explicit regulation in section 39 (1) (d) of Act 592.

Only personal relief for one spouse may create gender discrimination. If Ghanaian wives earn less than their husbands and depend on their husbands, there cannot be any negative effect for women. Firstly, both the limit of dependence (less than twenty currency points) and the personal relief (thirty currency points) are so low that this regulation only affects a very small group of couples. Secondly, if the husband provides the necessaries of life and the wife does not have an income for the year of assessment exceeding twenty currency points there is no disadvantage for the wife if the husband only claims the personal relief because the woman with such a low income need not pay taxes because the income is under the limit of tax payable income of 2.400.000 Cedis\textsuperscript{22}. Consequently, the fact that the personal relief can refer only to the husband cannot create gender discrimination in the assessment system.

**C. EXEMPTION AND DEDUCTION**

In the personal income tax system of Ghana there is no regulation which contains explicit gender bias because every regulation refers to men and women in the same way. But it should be analysed whether there exists implicit gender bias in the personal income tax of Ghana.
The list of exempt income in section 10 (1) (a)-(n), (2) of Act 592 contains regulations concerning many different aspects, for example income of a local authority section 10 (1) (b) of Act 592, capital sums as compensation in relation to personal injuries suffered by that person or the death of another person section 10 (1) (f) of Act 592. In these exemptions even implicit gender bias cannot be found because there are no different effects for men and women.

In section 11 of Act 592 predominantly farmers are exempt from tax for the first years of the farming. The reason for these exemptions is on the one hand the gestation of certain products to realise profit, such as for farming tree crops, section 11 (1) (a) of Act 592. On the other hand the exemption of cocoa farmers in section 11 (7) of Act 592 should encourage these farmers to extend the cocoa farming. Even if the farming sector in Ghana is dominated by men, a possible discrimination of women with other jobs is justified because the decision-makers intended to enhance this sector and were aware about the different impact on men and women. Implicit gender bias is accepted for the reason of promoting a certain sector.

In the regulations concerning deductions, an explicit gender bias is not visible. But all regulations about deductions should be analysed with regard to implicit gender discrimination. The Division III Deductions starts with a general regulation in section 13 of Act 592 about all outgoings and expenses wholly, exclusively and necessarily incurred during that period by that person in the production of the income. Further on there are particular deductions for interest in section 14 of Act 592, for rent in section 15 of Act 592 and repairs in 16 Act 592. The regulation of deductions in relation to the rental of premises in section 17 of Act 592 has been overruled by section 16 (3) of L.I. 1675 as a regulation accordant to 114 Act 592. In sections 18 – 22 of Act 592 there is the possibility of deductions concerning bad debts, research and development expenditure, capital allowances, foreign currency exchange losses and carry over losses. Finally section 23 of Act 592 contains deductions which are not allowed such as domestic or private outgoing or expense, section 23 (1) (a) of Act 592, for example the travelling between a person’s home and place of business, maintenance of a person or acquiring clothing worn to work which is suitable for wearing outside of work section 23 (2) (a)-(c) of Act 592. In all these regulations there is no form of gender discrimination because they concern the situation of men and women in the same way.

In the Internal Revenue Act 592 there cannot be found any gender bias with regard to exemptions or deductions. In the same way the personal reliefs in section 39 of Act 592 do not contain any form of gender discrimination. These regulations are available for both sexes. There is no implicit gender bias either. But in the future, decision-makers with regards to the personal income tax of Ghana should always consider that the restriction of certain regulations which provide tax relief to women could create gender inequity. Consequently, any reductions of personal relief concerning childcare like in section 39 (1) (a), (d) of Act 592 are not recommended.

IV. SUMMARY OF FINDINGS

The study shows that gender bias can exist in tax systems. Consequently it is important that a gender perspective is integrated in the analysis of taxation to discover any form of discrimination of one sex in the tax law. If differential gender impacts are not included in the analysis it may cause unrecognized economic inefficiencies.

The Ghanaian Tax System in the written law does not treat men and women differently. Regarding explicit gender bias, none of the regulations which have been analysed do cause gender discrimination in any form. All reductions or tax burden apply to both men and women.

Because of the steering function of taxation, implicit gender bias cannot be avoided. The tax system gives incentives or tax rates which can affect men or women more. It is nearly impossible to design a tax system that is both equitable and completely gender-neutral. This impossibility is due to the fact that an equitable and fair system, by definition, needs to take into account the personal circumstances of each individual tax payer. However, this gender neutral personalisation automatically introduces implicit gender bias.

The question for the decision-makers is whether and to what extent such biases are intended. In this context it is also necessary to have a look at the whole legal and social environment of each country, especially certain values of the constitution for the 2006 Financial Year, p. 341.
which are responsible for gender bias, so that a certain form of gender bias is intended. In consequence, the analysis of gender bias can only assist to identify prevailing societal induced imbalances against men or women.

V. RECOMMENDATIONS

Decision makers should always consider the gender perspective in any decision about taxation to avoid any form of gender discrimination in future. In consequence, they should strive to understand the different economic roles played by the sexes in order to analyse how the impact of taxation on relative prices will differ for women and men, and the differential impact on their decisions regarding labor supply, consumption, production and investment. When new regulations are created or current regulations are changed, these different impacts on men and women should always be noticed and assessed.

In our opinion there is no need to change current regulations as a result of gender bias. But the Revenue Mobilisation Support (RMS) will:

- Include gender aspects in their tax policy advising activities
- Integrate the gender aspect in the evaluation of tax provisions
- Enhance gender awareness in the professional and public tax dialogue between tax administrators, tax consultants, politicians, enterprise associations, civil society organizations, trade union etc.
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### International comparison of Unit of Taxation and Basic Personal Exemption (database: 1999)

<table>
<thead>
<tr>
<th>Unit of Taxation</th>
<th>U.S.A.</th>
<th>U.K.</th>
<th>Germany</th>
<th>France</th>
<th>Italy</th>
<th>Canada</th>
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<td>Individual unit</td>
<td>Individual unit</td>
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<td>Household unit</td>
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<td><strong>individual unit</strong></td>
<td>and joint unit</td>
<td>Choice between individual unit and joint unit</td>
<td>Choice between individual taxation and joint taxation (by joint return). In case of joint taxation, it carries the same tax rate as individual taxation. The figures of applied tax brackets are two times of original figures of bracket.</td>
<td>The income-splitting method for “N” (an indefinite number) (added prorated tax for family members) is calculated as follows. The incomes of the husband, wife and dependent children are totaled and divided by the number of persons in the family. (cf. Note) This amount is then applied to the tax table for calculation of the tax due, which is multiplied by the number of family members.</td>
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<td><strong>basic exemption</strong></td>
<td>Personal exemption 2,750 dollars [exemption and deduction from income]</td>
<td>4,335 pounds [exemption and deduction from income]</td>
<td>Tax rate applied taxable income Individual taxation 13,067 marks Added prorated taxation 26,135 marks</td>
<td>Tax rate applied taxable income 26,100 francs</td>
<td>828,000 ~ 1,068,000 lire [Tax credit] Income condition Income of spouse is 5.5 million lire and less.</td>
<td>1,098 Canada dollars [Tax credit]</td>
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<td><strong>Exemption for spouse</strong></td>
<td>Personal exemption 2,750</td>
<td>Joint exemption 197 pounds</td>
<td>(Note) Family devisor</td>
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<td>[1] Dependent(children)</td>
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<td>[exemption and deduction from income]</td>
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<tr>
<th>U.S.A.</th>
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<th>France</th>
<th>Italy</th>
<th>Canada</th>
</tr>
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<td>$188,874 lire</td>
<td>[Tax credit]</td>
<td>[2]</td>
<td>Other dependents</td>
<td>130,529 lire</td>
<td>[Tax credit]</td>
</tr>
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<td>[exemption and deduction from income]</td>
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