

Iranian National Tax Administration (INTA)

According to the joint proposal no. 03/003-s 105/25410 dated June 3, 2001 issued by MEFA and the National Management and Planning Organization and by virtue of the clause (a) of article 59 of the *Law of the Third Economic, Social and Cultural Development Plan*, the council of ministers ratified the establishment of INTA in its session of August 26, 2001.

The purpose of establishing INTA

INTA is intended to provide all requirements needed for administering tax plans and for doing legal duties concerning tax collection as efficiently as possible. It will also be engaged in monitoring the enforcement of tax laws and regulations and the creation of a proper basis to achieve tax objectives, to increase the efficiency of the taxation system, and to integrate all affairs regarding tax collection in one single organization. In this regard, the following articles of the Executive By-law of Clause (a), Art. 59 of the Law of the Third Economic, Social and Cultural Development Plan seem to be worth mentioning:

Article 2: This administration is a government institution affiliated to MEFA and is established under the supervision of the minister of economic affairs and finance.

Article 3: This administration is a legal entity and its annual budget will be allocated separately in the annual budget act.

Article 4: The head quarter of the administration is located in Tehran. In order to carry out the legal duties and to achieve the objectives, the administration with the agreement of the National Management and Planning Organization (NMP) will establish required divisions throughout the country.

Article 5: The comprehensive organizational chart of this administration consists of a headquarter office in Tehran plus general tax offices in the centers of provinces and tax departments in other cities.

Note: To execute appointed duties following the confirmation of NMP, more than one general office can be established in some big provinces and all these general offices will be under the direct supervision of the headquarter.

Article 6: The total number of the administration positions will be 23700 which will be met by existing positions of MEFA.

Article 7: The headquarter of the administration will be in charge of developing policies and administrative strategies for collecting taxes, planning, supervising, assessing the performance, formulating the required instructions and by-laws, and doing research works. Other duties and administrative activities will be performed by the administrative units.

Article 8: The comprehensive structure of INTA in accordance with articles (5), (6), and (7) of the articles of association thereof will be formulated by the general president of the administration and will be put into enforcement after the proposal of the Minister of Economic Affairs and Finance and the confirmation of NMP.

The administration's duties and authorities:

Article 9: The duties and authorities of INTA are as follows:

- a. Being in charge of all affairs concerning enforcing the regulations of direct taxes, indirect taxes, and other taxes as well as all related procedures including identifying taxpayers, forming tax files and drawing up tax identity cards, discerning and collecting taxes either in regular or administrative ways, and doing other activities related to taxes within the framework of tax laws and current related regulations;
- b. Studying, investigating and recognizing existing obstacles to the way ahead the tax system and planning to remove them;
- c. Commenting on tax issues and presenting required suggestions regarding formulating taxes as well as making policies and strategies for performing related legal duties;
- d. Making administrative policies for collecting taxes in the country and making constant efforts to supervise the execution of ratified plans;
- e. Adopting required measures regarding the enforcement of tax laws and regulations via formulating required instructions and by-laws and designing administrative systems and approaches to assess and to collect taxes;
- f. Exact and comprehensive enforcement of tax laws and regulations and presentation of amending proposals regarding them as well as supervising their efficient enforcement;
- g. Designing, formulating and conducting research and administrative projects aiming at improving the tax system including reforming the tax structure, enrolling and guiding taxpayers, expanding self – declaration, auditing, doing collection and enforcement processes in order to accelerate and scrutinize tax operations;
- h. Doing research works regarding tax laws and regulations, submitting authority to resolve tax disputes and proposing or taking required measures to reform and complete tax policies via legal authorities;
- i. Doing comparative research on pioneering tax systems of selected countries aiming at improving the country's tax system;
- j. Studying and investigating in order to find proper strategies for finding new tax resources and increasing and developing tax capacities and offering them to the minister of EAF;
- k. Gathering and processing data and making use of economic and national tax numbers (TIN) and postal codes in order to discover tax resources and those liable to tax laws and regulations in order to achieve anticipated goals and to get to tax justice targets;
- l. Studying, investigating, optimizing and reforming the organizational structure of INTA and employing human resources to carry out entrusted duties and providing required human resources;
- m. Designing, planning and implementing required educational programs to improve the quality of the administration's human resources according to existing demands;
- n. Designing, implementing and optimizing the country's comprehensive tax data system and establishing a mechanized data network and utilizing new methods and advanced tools to achieve tax income targets;
- o. Preparing required plans to increase profitability and quality of tax activities, and reducing taxpayer costs in paying taxes;
- p. Studying, investigating and evaluating the performance of tax units and related human resources, and directing them towards the intended targets;
- q. Training taxpayers and presenting a wide range of services to them in order to familiarize them with their duties and to persuade them for observing their legal tax obligations;
- r. Supervising and investigating moralities and behavior of tax officials, discovering administrative violations or offences, prosecuting violators, and being assured of tax justice and of soundness and clarity of related laws and regulations;

- s. Commenting on drafts of plans, bills and decrees proposed on tax matters to the minister of EAF or other relevant legal authorities;
- t. Doing research on finding appropriate ways of guiding and policy making pertaining to tax affairs;
- u. Doing economic research in regard to taxation and presenting analytical and statistical reports regarding tax revenues to the minister of EAF targeted as to improve the tax system;
- v. Cooperating with domestic and international institutions in order to achieve the pre-determined missions within the framework of regulations;
- w. Planning to establish appropriate relations between tax collecting officials and taxpayers and to specify certain codes of conduct for tax officials;
- x. Foreseeing required by-laws in relation to tax laws and regulations to be ratified by competent authorities;
- y. Estimating annual tax income levels to be presented to the minister of EAF in order to be included in the budget bill; and
- z. Taking other necessary measures to achieve the organizational objectives.

Article 10: All authorities and duties mentioned in related laws and regulations, human resources, existing equipment and facilities of MEFA which are being used in the Tax Affairs Deputy offices and departments will be transferred to INTA if the Minister approves so.

Article 11: The employees of INTA in accordance with the employment regulations thereof are liable to *the National Employment Law* and *the Law of Equal Payments of the Government Employees* and its later amendments, following the proposal of the minister and the confirmation of the NMPA. The bonus of employees will be ratified by relevant authorities (Salary and Wage Council of the Council of Ministers) taking into account certain job characteristics, the importance and the responsibilities of tax positions.

Article 12: The general president of INTA will be appointed to this position among educated, experienced people in the fields related to financial, economic and tax affairs on the proposal of the minister of EAF and confirmation of the council of ministers.

Note 1- the general president of the administration is equal in rank with the authorities mentioned in clause A note 2 of Article 1 of the Law of Equal Payments of Government Employees.

Note 2- the administration deputy assistants will be appointed on the proposal of the general president and the confirmation of the minister of EAF along with the order of the general president.

Article 3: The general president is the highest rank in the administration and will be in charge of controlling the affairs within the framework of pertaining regulations. He would also be in charge of representing the administration in all legal authorities with the right of substitution and submission to arbitration and in necessary cases, presenting settlement proposals as well as supervising the implementation of the organizational duties.