

Assessing the Current Status and Prospects of Road Revenue Collection in Cumilla District: A Comprehensive Analysis

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Abstract

Effective road revenue collection is essential for the sustainable development and maintenance of road infrastructure in any region. Cumilla District, located in Bangladesh, is no exception. This research aims to provide a comprehensive analysis of the current status and prospects of road revenue collection in Cumilla District, with a focus on understanding the challenges, opportunities, and potential strategies for improvement. To achieve this objective, a mixed-methods approach will be employed, including surveys, interviews, and data analysis of existing revenue collection mechanisms. The study will assess the current revenue collection practices, the amount of revenue generated, the utilization of collected funds for road maintenance and development, and the overall impact on road infrastructure quality in Cumilla District. The research highlights the need for a comprehensive, technology-driven approach to road revenue collection, leveraging innovations like electronic toll collection (ETC) systems and robust data analytics. Furthermore, it emphasizes the importance of stakeholder collaboration and public awareness campaigns to promote compliance and accountability. Additionally, the research will identify key stakeholders involved in the process, their roles and responsibilities, and their perceptions of the challenges and opportunities in road revenue collection. Moreover, it will explore innovative revenue collection methods and propose recommendations for enhancing the efficiency, transparency, and sustainability of road revenue collection in the district level.

Keywords: Road Revenue Collection, Electronic Toll Collection (ETC) System, Infrastructure Development, Sustainable Funding, Stakeholder Engagement.

Introduction

Sufficient tax revenues are essential for long-term prosperity, but many nations' tax structures continue to be their weakest link when it comes to fostering development and state establishment (Persson and Besley, 2009). In recent international forums, such as the Group of Twenty (G20) leaders in

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2010, the Addis Tax Initiative (ATI) for revenue mobilization, and the UN's recognition that member countries must raise additional tax revenues in order to fund the Sustainable Development Goals (SDGs) by 2030, the need for country tax revenue mobilization and tax capacity building has been emphasized (Akitoby et al, 2018). In this latter context, a target of 15% of GDP has been mentioned frequently (Prichard et al, 2019)

Bangladesh's journey is a remarkable tale of progress and poverty alleviation. Starting as one of the world's most impoverished nations in 1971, Bangladesh achieved lower-middle income status in 2015 and is poised to exit the United Nations' list of Least Developed Countries (LDC) by 2026. Notably, the poverty rate declined from 11.8 percent in 2010 to 5.0 percent in 2022, as measured by the international poverty threshold of \$2.15 per day (adjusted using the 2017 Purchasing Power Parity exchange rate) (The World Bank In Bangladesh, 2023). The government is in the process of building eight new expressways aimed at enhancing regional connectivity within the nation. These expressways are set to span a total of 2,352 kilometers as four-lane thoroughfares. They will be exclusively accessible to long-distance passenger and freight vehicles, subject to toll payments. As part of a major strategic initiative, the government is formulating a comprehensive plan to construct eight expressways that will link the country's seaports and select land ports, thereby fostering robust connectivity with neighboring nations.

Additionally, there have been notable improvements in various aspects of human development outcomes. In order to realize its goal of reaching upper middle-income status by 2031, Bangladesh must focus on generating employment opportunities within a competitive business landscape, enhancing human capital by nurturing a skilled workforce, improving infrastructure efficiency, and fostering a policy environment that appeals to private investment. Some key development objectives involve broadening export diversification, addressing weaknesses in the financial sector, promoting sustainable urbanization, and enhancing public institutions. This includes implementing fiscal reforms to boost domestic revenue for development purposes.

The collection of road revenue in Cumilla District, and by extension, across various regions, is a critical component of infrastructure financing and economic development. This literature review aims to provide an in-depth analysis of the existing status and potential future directions of road revenue collection in Cumilla District. Understanding the challenges, opportunities, and strategies involved in this process is essential for the sustainable development of transportation infrastructure in the district level.

Research Gape

A review of the budget for the last four years shows that our expenditure is more than our income which means we have a deficit budget.

Budget At A Glance

Description	Budget 2021-22	Revised 2020- 21	Budget 2020- 21	Actual 2019- 20
Revenue and Foreign Grants				
Revenues (Statement I) Tax Revenue	3,89,000	3,51,532	3,78,000	2,65,909
NBR Tax Revenue	3,46,000	3,16,000	3,45,000	2,21,982
Non-NBR Tax Revenue	3,30,000	3,01,000	3,30,000	2,16,037
Non-Tax Revenue	16,000	15,000	15,000	5,944
Foreign Grants/1 (Statement V)	43,000	35,532	33,000	43,927
Total :	3,490	3,985	4,013	2,520
Expenditure	3,92,490	3,55,517	3,82,013	2,68,429
Operating Expenditure				
Recurrent Expenditure (Statement III) of which Interest	3,61,500	3,23,688	3,48,180	2,54,880
Domestic Interest	3,28,840	3,02,547	3,11,690	2,36,124
Foreign Interest	68,213	63,729	63,801	58,313
Capital Expenditure/2 (Statement IV)	6,589	5,323	5,548	4,318
Net Outlay for Food Account Operation/3 (Statement VIII)	32,660	21,141	36,490	18,756
Loans & Advances (Net)/4 (Statement VIA)	597	2,553	567	2,278
Development	4,506	4,717	4,210	1,205

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Expenditure Scheme /5 (Statement X)	2,37,078	2,08,025	2,15,043	1,61,797
Non-ADP Special Project (Statement VIA)	5,990	4,610	4,722	3,343
Annual Development Programme/6 (Statement IX) Non-ADP FFW and Transfer/7 (Statement X)	2,25,324	1,97,643	2,05,145	1,55,380
	6,03,681	5,38,983	5,68,000	4,20,160
Total - Expenditure : Overall Deficit (Including Grants) :	-	-	-	-
	2,11,191	1,83,466	1,85,987	1,51,731
	- 6.1	- 5.9	- 5.9	- 5.4
(In percent of GDP) :	-	-	-	-
	2,14,681	1,87,451	1,90,000	1,54,251
Overall Deficit (Excluding Grants) :	- 6.2	- 6.1	- 6.0	- 5.5
(In percent of GDP) :				
Short-Term Debt (Net)				

Data Source: (Finance Division Ministry Of Finance, n.d.)

According to the budget in the financial year 2023-24, our expenditure will be 7 lakh 61 thousand 785 lakh crore taka. But against that, the income has been estimated at 5 lakh 3 thousand 900 lakh crore taka. In that case our deficit will be Tk 2 lakh 57 thousand 885 lakh crore taka. If we review a little more deeply, the tax revenue comes to us 4 lakh 50 thousand lakh crore taka and the non-tax revenue comes to only 50 thousand lakh crore taka. If we can increase the amount of non-tax reviews, our budget deficit will be greatly reduced. My main area of research is increasing non-tax revenue of the government. By this study I mean that the money that comes from leasing CNG stands on our various roads is very little. The Government's revenue will increase a lot if the government can directly collect tolls in these sensitive areas by changing the Government's Toll Policy 2014 Act issued in the amended notification of the Ministry of Road Transport and Bridges on

January 11, 2015. In that case, the income of the non-tax revenue portion of the budget will increase a lot. So the Research gap is contribution of non-tax revenue increase.

Research Objectives

General Objectives of the research is to assess the current status of road revenue collection in Cumilla District.

The Specific objectives of this research are as follows:

To identify the challenges faced in road revenue collection.

To explore prospects for enhancing road revenue collection.

To provide recommendations for improving road revenue collection in the district.

The research will address the following research questions

What is the current status of road revenue collection in Cumilla District?

What are the key challenges faced by authorities in collecting road revenue?

What prospects exist for increasing road revenue collection in Cumilla District?

Theoretical Framework

This study draws on the theoretical framework of public finance, with a focus on revenue collection mechanisms and their efficiency. Additionally, the study incorporates concepts from transportation economics, which are essential for understanding the relationship between road infrastructure and revenue collection. The assessment of road revenue collection in Cumilla District necessitates the establishment of a robust theoretical framework that will guide the research and provide a structured approach for understanding the various dimensions of this complex issue. This theoretical framework incorporates key concepts, models, and theories relevant to road revenue collection, thereby offering a foundation for the comprehensive analysis of the current status and prospects in Cumilla District.

Challenges for budget FY2023-2024

The endeavor to restore macroeconomic stability is intricately connected with the issue of revenue mobilization. Tax revenues stand as the primary source of government income. Each year, the government establishes ambitious tax revenue targets, only to fall short of meeting them. This trend persisted during the execution of the FY2023 Budget, which envisioned a 30% increase in tax revenues from Taka 2996 billion collected in FY2022 to Taka 3880 billion in FY2023. However, based on actual tax collections until March 2023, the estimated tax revenue is anticipated to reach Taka 3296 billion, marking a 15% deficit from the set target. Consequently, the tax-to-GDP ratio has been on a declining trajectory in recent years, starting from an already low level. The estimated tax revenues in FY2023 constitute a meager 7.4% of GDP, falling short of the 7.7% achieved in FY2019 (Sadiq Ahmed, 2023).

Inability to implement substantial tax reforms

The inability to implement substantial tax reforms over the past few years has hindered the mobilization of tax revenues. Ad-hoc tax measures announced during budget seasons have proven ineffective in boosting resource mobilization. This pattern is likely to repeat itself in the FY2024 Budget, which ambitiously aims to elevate tax revenue to Taka 4500 billion in FY2024, compared to the estimated tax revenue of Taka 3296 billion in FY2023. This represents a staggering 37% increase, a figure that strains credibility. The actual growth in tax revenue over the past six fiscal years has averaged only 10% annually. While the new tax measures proposed in the budget may offer room for some modest additional gains, the projected 37% increase appears unrealistically optimistic, and the most probable outcome is a significant shortfall in actual tax revenues. (Dr. Sadiq Ahmed, 2023)

Implementing substantial reforms demands a comprehensive transformation of the tax system, entailing significant institutional adjustments in tax planning and administration. These reforms encompass the separation of tax planning from tax collection, modernizing the National Board of Revenue (NBR) through the simplification and digitization of tax administration, abolishing expenditure accounting requirements in tax filing, eliminating the interface between taxpayers and tax collectors, adopting a genuinely self-assessment system enforced through selective and productive computer-based audits conducted by trained and professional tax auditors, transitioning the NBR from a tax policing entity into a tax service agency, introducing a comprehensive property tax system, and the full implementation of the 2012 VAT Law (Acts, 2012).

The Bangladesh Road Transport Authority (BRTA) was established on December 20, 1987, through SRO No. 303/Act/87/MVRT/1E-7/84(Part), operating under Section 2A of the Motor Vehicles Ordinance 1983 (Amended 1987). It commenced its operations in January 1988. The primary objective behind the formation of BRTA was to ensure effective management, discipline, and safety in the road transport sector. It was established under the Ministry of Communications (now known as the Ministry of Road Transport and Bridges) to enforce the Motor Vehicles Ordinance of 1983. BRTA operates in accordance with the Bangladesh Road Transport Act of 2017 for the implementation of the Road Transport Act of 2018. The Chairman of BRTA holds full authority over its functions, and it is their responsibility to review government directives issued periodically. According to the updated organizational structure, BRTA currently comprises 8 Divisional Offices and 64 Circle Offices, including 64 district circles and 6 metro circles. A Divisional office is headed by a Director (Engineering), a Metro circle is overseen by a Deputy Director (Engineering), and a circle office is led by an Assistant Director (Engineering) (BRTA, 2023).

Taxation Theories

Various taxation theories, such as the ability-to-pay and benefit principles, are essential for evaluating the fairness and effectiveness of road revenue collection mechanisms. The assessment will consider how these theories apply to road users, residents, and the government in Cumilla District.

Technology Adoption Models

Given the potential for technological solutions in revenue collection, technology adoption models will be employed to assess the feasibility and effectiveness of digital tools and innovations in improving the collection process.

Methodology

The methodology employed for assessing the current status and prospects of road revenue collection in Cumilla District is crucial for obtaining accurate and reliable insights into this complex issue. This section outlines the research design, data sources, data collection techniques, and analytical approaches that will be used to conduct the comprehensive analysis.

Research Design

The research design for this study will be primarily descriptive and analytical. It will involve both qualitative and quantitative elements to ensure a comprehensive examination of road revenue collection in Cumilla District. The research will be conducted in several phases, including data collection, data analysis, and interpretation of findings.

Data Sources

To gather relevant data, a combination of primary and secondary sources will be used:

a. Primary Data Sources

- I. **Surveys:** Structured questionnaires will be administered to road users, residents, and stakeholders involved in road revenue collection to gather first-hand information.
- II. **Interviews:** In-depth interviews will be conducted with key informants, including government officials, tax collectors, and experts in the field.
- III. **Field Observations:** On-site field visits will be carried out to assess the condition of road infrastructure, the operation of toll booths, and the enforcement of road revenue collection.

b. Secondary Data Sources

- I. **Government Records:** Official records and documents related to road revenue collection, taxation, and infrastructure development in Cumilla District.
- II. **Academic Research:** Existing academic studies, reports, and publications on road revenue collection and infrastructure financing in similar regions.

- III. International Organizations: Reports and publications from organizations such as the World Bank, United Nations, and the International Monetary Fund on relevant topics.

Data Collection Techniques

Data will be collected through a combination of the following techniques:

- a. Survey Questionnaires: Surveys will be distributed to selected road users and residents, with questions designed to assess their experiences, perceptions, and expectations regarding road revenue collection.
- b. Semi-Structured Interviews: Interviews will be conducted with government officials, tax collectors, and experts in the field. These interviews will be semi-structured to allow for open-ended discussions and the exploration of specific issues.
- c. Field Observations: Researchers will visit key locations within Cumilla District to observe the condition of road infrastructure, toll booth operations, and any issues related to revenue collection.

Data Analysis

Data analysis will involve both qualitative and quantitative methods:

- a. Qualitative Analysis: Thematic analysis will be used to categorize and interpret qualitative data obtained from interviews and field observations. This will help in identifying patterns and themes related to road revenue collection.
- b. Quantitative Analysis: Survey data will be subjected to statistical analysis using appropriate software. This will include descriptive statistics, regression analysis, and hypothesis testing to derive quantitative insights.

Ethical Considerations

Ethical considerations will be taken into account throughout the research process. Informed consent will be obtained from participants, and their anonymity and confidentiality will be ensured. Research will be conducted in compliance with relevant ethical guidelines.

Data Collection The research will employ a mixed-methods approach. Primary data will be collected through surveys of road users, interviews with relevant authorities, and on-site observations at toll booths. Secondary data will be obtained from government reports, academic literature, and official documents.

Data Analysis

Quantitative data will be analyzed using statistical software to determine patterns and trends in revenue collection. Qualitative data from interviews and observations will be thematically analyzed to identify challenges and opportunities.

Qualitative Data from Stakeholder

Despite having no valid license, CNG-powered auto-rickshaws are plying on various roads and highways of Cumilla district. Few drivers have driving licenses that expire long before they expire. The drivers of these cars said that they are driving the cars by paying monthly subscriptions to the CNG Owners Association. BRTA says drivers will be forced to get licenses and registration if there is strict police surveillance. Talking directly with CNG drivers, it is known that extortion is going on in the name of the 'CNG stand'. Allegations of extortion have been made at various points in Cumilla city, against owners and labor unions. Despite several complaints to the District Commissioner, no remedy was found. However, the police say that legal action will be taken against illegal extortion.

The Public is Fed up With Extortion in the Name of the Police Station on the Road in Cumilla

Cumilla has 7 to 8 entrances to enter Devidwar Municipal area. They are seen at every entrance, they are collecting tolls with sticks, receipts and ledgers. These small receipts are written “If you enter the municipality, you have to pay the toll” Who is collecting this toll? How much money to pay? How many times a day does a small vehicle have to pay GP/ toll or subscription in the same municipality? How much toll can be collected from any transport? Who determined this toll? Although the answers to these questions are not available, it can be easily assumed that all concerned are determined to avoid their own responsibility by pressing “উদোর পিণ্ডি বুধোর ঘাড়ে”.

With Nominal Price of Izarrh, Crores of Money are being Grabbed in the Name of Gate Pass (GP)

Extortion is going on unbridled and recklessly in the name of Izarrh toll collection on every road entering the municipality. It is like Ram Reign, the open extortion of extortion syndicates has taken a more terrible form than the collection of taxes from the indigo farmers of the British rule.

Every freight truck, pick-up, covered van, nasimon, karimon, vatvte, cng, autorickshaw, easybike driver has to pay point-to-point contribution irrespective of lease conditions. Not only that, the fee charged at these points is double the amount of gas needed to refill an empty CNG gas. Although the municipality has no stands of its own, the municipal authorities have imposed a toll of fourty Taka per trip on CNG and auto-rickshaws carrying passengers only from designated stands as part of the lease. Those conditions and rules are ignored by the extortionate local influential syndicates. At each stand, the extortionist syndicate collects extortion when the vehicles of different companies including empty CNG, auto rickshaws, pickups, trucks, covered vans, medicines pass the stand area.

A CNG plying on all roads in the municipal area has to pay a toll of Tk 30 to Tk100. These extortionists have their own lathial forces who stay around the stand area. If the passenger is late in paying the subscription, the driver is

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tortured, the car is impounded, the wheels or keys are taken away, and the driver is assaulted. And such incidents are constantly happening on the roads here. Every day, 1 lakh 80 thousand or two lakh taka are collected from various roads in the municipal area. Even though there is no rule, the extortionists at the field level are extorting according to their own will by sub-leasing or contracting in exchange for more money step by step. Forced oppression and torture in various ways to collect this extra money. And by doing this, it directly affects the common people.

This syndicate is not satisfied with just collecting GP or toll. They also have a syndicate of monthly subscription or Monthly Token trade in the name of Thana Police. Even after having all the documents of the car, it is compulsory to take a token of 500 taka per month given in the name of police station. These extortionists are openly collecting extortion by signing their names on stickers. Government party leaders and workers are influential in the local area, so the working people are helpless before the extortion syndicate. If the token money given to the police station is not paid, it will be handed over to the police and then the problem will increase. A hefty fine has to be paid. Every month more than 2 lakh taka is collected from various transports across the upazila in the name of thana police token. However, even though the Thana police denied these allegations as always, they are not taking any action against these extortion syndicates which are running openly for unknown reasons. As a result, extortionists are becoming more reckless day by day.

It can be seen from the on-site investigation that even after these issues were published in various media including local and national dailies, the appropriate authorities did not budge. Due to this there is extreme anger in the public mind. Even though there are so many irregularities going on in public, the authorities including the law enforcement administration are silent due to invisible reasons. The officer-in-charge of Debidwar police station said that since the lease has been given by the municipal authorities, they will look into these issues. Thana Police is not involved in any kind of token trading. However, he admitted that local political leaders and influential people are involved in these extortion syndicates. When asked about not taking action despite having evidence, he said that the matter will be looked into and action will be taken.

Gate Pass (GP) Collection per day in Cantonment Cumilla CNG Stand

In this research case, conducted a survey spanning from Cantonment to Debidwar. The findings reveal a daily presence of 250 CNG vehicles, both registered and unregistered, along with approximately 150 autos on this route. At Cantonment CNG stands, each CNG is required to pay 100 taka in the morning for the entire day and 30 taka per trip. In contrast, every electric battery-powered auto must contribute 40 taka in the morning, covering the charges for the entire day.

GP Collection per day in Cantonment Cumilla CNG Stand			
Particulars	Unit	Per unit tk	Total Amount
CNG	250	100	25000
Average 4 trips Per CNG	1000	30	30000
Auto	150	40	6000
Total Collection per day			61000

If the daily GP (Gate Pass) collection at the Cantonment Cumilla CNG Stand is 61,000 taka, the annual total would amount to $(61,000 * 365) = 2,22,65,000.00$ tk, which is two crore twenty-two lakh sixty-five thousand taka in words. The government is estimated to lose revenue of around 200,00,000.00 tk, equivalent to two crore taka. It's worth noting that the length of this road is only 40 kilometers.

Bangladesh's road infrastructure comprises national highways, with the Roads and Highways Department overseeing the maintenance of district roads. Additionally, the Local Government Engineering Department is responsible for maintaining Upazila Roads, Union Roads, and Village Roads. The combined length of these roads exceeds 375,000 kilometers.

GP Collection per day in Kangshonagar and Debidwar Cumilla CNG Stand

Additionally, at Kangshnagar Bazar CNG stand and Debidwar CNG stand, the daily charges are 40 taka each. CNG drivers charge 60 taka per passenger for the journey from Debidwar to Cantonment.

GP Collection per day in Kangshonagar and Debidwar Cumilla CNG Stand			
Particulars	Unit	Per unit tk	Total Amount
Kangshnagar Bazar CNG stand	250	40	10000
Debidwar Bazar CNG stand	250	40	10000
Total Collection per day			20000

Ruling party leaders typically manage the GP (Gate Pass) collection for CNG stands by securing tenders. Instead of directly handling the GP collection, leaders often opt to subcontract the task, offering sub-contractors a daily payment of twenty thousand taka. It's important to highlight that the Cantonment stand's tender is acquired from the Cantonment Board, while the tenders for Kangshnagar Bazar CNG stand and Debidwar Bazar CNG stand are obtained from the upazila administration at a nominal cost, totaling four to five lakh taka annually.

Road Revenue Collection Mechanisms

To comprehend the current state of road revenue collection in Cumilla District, it is imperative to evaluate the various mechanisms employed for this

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purpose. This section will explore the methods and tools used for road revenue collection, such as toll booths, digital technologies, and administrative processes, shedding light on their effectiveness and shortcomings.

Challenges in Road Revenue Collection

The effective collection of road revenue in any region is often hindered by a range of challenges. This section will delve into the obstacles faced in Cumilla District, including issues related to tax evasion, corruption, enforcement, and the condition of road infrastructure, among others. Analyzing these challenges will provide insights into the factors affecting revenue collection.

Economic Impact of Road Revenue Collection

Road revenue collection not only funds infrastructure maintenance and development but also has broader economic implications. This section will examine the economic benefits associated with robust road revenue collection, including job creation, improved trade, and enhanced connectivity.

Prospects for Road Revenue Collection Enhancement

To ensure the sustainable financing of road infrastructure, it is crucial to explore the potential avenues for improvement. This section will discuss strategies and innovations that can be adopted in Cumilla District to enhance revenue collection, including the implementation of technology, anti-corruption measures, and public-private partnerships.

Comparative Analysis with Other Regions

By comparing the road revenue collection situation in Cumilla District with other districts or similar regions, this section will offer valuable insights into best practices and lessons that can be learned from successful models.

The Timing and "When" of Tax Reform

For tax reforms to be successful, timing is important in many different ways. First and foremost, it's critical to acknowledge that tax reform is invariably influenced by some form of historical path dependence. According to Feldstein (1976), As someone once stated many years ago, the beginning of tax reform inevitably shapes the course of future developments.¹ What would have been desired if those taxes had been adopted for the first time might not have been desirable in the following round of tax reform.

Secondly, there's no need to rush the preparatory phase. The government should give itself ample time to organize, get ready, and publicize the tax reform package in order to win over legislators, administrators, and, most importantly, the public and key stakeholders.

¹ A good example of that time path-dependence is the comparison in Di John (2006) of the tax reform processes in Brazil and South Africa during the last several decades.

Third, there are two options available to implement the tax reform: either all at once in a huge boom or gradually phase the reforms in. Delaying the adoption of some policies and phasing in their implementation over time enable the economic system to modify and adapt to the new regulations, which can lessen expenses or losses and the resistance of individuals who would be negatively impacted by the reform. On the other hand, it can be preferable to shorten the period between approval and implementation if there is a chance that the reforms will be politically reversed. Additionally, there is a strong case to be made for accelerating reform momentum by putting into practice policies with instant impact.² For those nations who are unwilling to enact substantial tax reform due to political concerns, a far delayed implementation schedule is also suggested. In these situations, the best course of action would be to make sure that each A comprehensive long-term tax reform blueprint is consistent with the overall design of a piecemeal reform initiative.

Fourth, The longevity of tax institutions is another crucial factor in timing. Between periods of major tax reform, tax structures should be stable and tax changes, which incur various expenses in administration and compliance, should be minimized. Company because the uncertainty that investors experience as a result of frequent changes to tax legislation can have a negative impact on investments, economic activity, and eventually economic growth.

Finally, achieving some specific goals more successfully may also necessitate timing the tax reform process. For instance, (Gupta and Jalles, 2020) who examined tax revisions in 45 developing and low-income nations between 2000 and 2015, discover that, in order to have a stronger effect on When the economy is growing more slowly, tax reforms are more successful in reducing income inequality. As an additional illustration, (Fairfield, 2013) contends that it would be preferable to implement incremental reform by raising the tax burdens on economic elites who own both political and economic clout, opening up new avenues for acceptance and efficacy at the same time.

Tax Administrators' Incentive Programs and Their Semi-Privatization

Governments have had to come up with creative measures to deal with the problems they regularly face in collecting taxes, such as rewarding tax collectors and hiring tax collection from private parties. Although it can be effective in raising revenue, rewarding tax collectors with a bounty premium or performance-pay plans for apprehending tax evaders and boosting collections is typically risky and exposes them to acts of corruption and rent-seeking. (Khan et al, 2016)

² Further discussion of these issues is in Feldstein (1976), Owens (2005), and Akitoby et al. (2019).

Teachings on the Requirement of Complementary Measures for Upgrading Tax Administration

Long-term tax reform initiatives are inextricably linked to efforts to reform tax policy, which are supported by stricter compliance guidelines and a significant improvement of the equipment for tax administration. A wealth of evidence indicates that pursuing revenue administration enhancements and tax policy reforms simultaneously produces greater and more long-lasting benefits. Thus, a crucial lesson is to not limit your attention to simply updating tax laws and pushing tax administration and taxpayer compliance concerns on the back burner.

Important International Tax Reform Success Stories

Globally, there have been a lot of tax reforms during the past few decades. Significant tax reforms have been implemented in nations with backgrounds extremely different from the People's Russia, the People's Republic of China (PRC), Colombia, Spain, Indonesia, and Jamaica. Numerous other nations have started partial reform, frequently with significantly efficient. Usually, these reforms have taken a long time and a lot of money. As a result, it is valuable to draw conclusions from such initiatives for other nations thinking about implementing significant tax reforms in the near future. The majority of nations must educate one another on how should modify their tax structures to address the pressing issues of the day, such as climate change, technological advancement and information systems, globalization, and regional economic integration (Alm et al, 2006).

Tax Reform Success Stories Republic of Korea

Following the Korean War, the Republic of Korea (ROK) implemented a series of tax reforms, beginning with the Three-Year Economic Reconstruction Plan (1959). This change aimed to lessen streamline tax administration and the majority of tax rates. In addition, the 1960 tax reform raised indirect tax rates while decreasing direct tax rates. The government also expanded the amount of tax breaks and exemptions in order to encourage capital accumulation and exports. When the military took over in 1961, it promised to handle future tax cases more sternly while also waiving all current penalty claims for prior tax arrears. The Tax Account Law was passed at this time to assist taxpayers in voluntarily filing tax returns. And For both individuals and corporations, voluntary tax filing was offered at a reduced tax rate. Indirect taxes were also heavily relied upon by the 1961 tax reform to increase tax revenues. The tax rates on entertainment, luxury products, and alcoholic beverages went up. The Workplace of National Tax Administration was founded in 1966 with the express purpose of raising tax revenue.

A progressive tax rate structure was implemented in 1967 to raise the tax liability of high-income categories; conversely, reducing the tax burden on low-income workers was the goal of the 1971 tax reform. The basic exemption threshold was raised and tax rates on businesses, wages, and

salaries were cut. 1975 saw the introduction of a progressive income tax rate scheme, while 1977 saw the implementation of VAT. In order to streamline the indirect tax system and replace a number of indirect taxes, the VAT was implemented at the same time. In order to safeguard taxpayer rights and interests, provide fair tax administration, and provide clarification on the legal foundation for taxes, the Basic Law of National Taxes was passed.

The 1980s tax reforms included small changes spread over a number of years with a focus on structural alterations. The tax incentive system was streamlined, tariffs were lowered, tax benefits for foreign investors were eliminated, tax incentives for R&D were strengthened, small and medium-sized enterprises were established, and anti-pollution measures were implemented. As an The total tax income as a proportion of GDP grew from 6%–7% in the mid-1950s to 20%–21% in the 1990s as a result of all those initiatives. With a tax-to-GDP ratio of 20.1% in 2019, the ROK is almost five percentage points less than the typical OECD nation.

Conclusion

This literature review will contribute to a comprehensive understanding of road revenue collection in Cumilla District. It will shed light on the current challenges and opportunities while providing a foundation for future research and policy initiatives aimed at improving road revenue collection, thereby fostering sustainable infrastructure development and economic growth in the region.

In contrast to advanced economies, where approximately 40% of GDP is gathered in taxes, developing economies typically only manage to collect about 15% of their GDP through taxation. The capacity to generate tax revenue plays a pivotal role in a nation's ability to fund essential services like healthcare and education, crucial infrastructure like power and transportation, and various public goods. Given the extensive requirements of less affluent nations, this limited tax collection level poses a significant threat to their economic progress.

Cumilla District, located in the southeastern part of Bangladesh, plays a crucial role in the country's economic development due to its strategic location and extensive road network. The revenue generated from road users, such as tolls and fees, constitutes a significant portion of the district's budget. However, there is a pressing need to assess the current status of road revenue collection, identify challenges, and explore opportunities for improvement. This research paper presents a comprehensive analysis of the current status and prospects of road revenue collection in Cumilla District, Bangladesh. The study investigates the background of road revenue collection, sets clear objectives and research questions, employs a theoretical framework to guide the analysis, outlines the methodology used for data collection and analysis, discusses key findings, and provides a thorough discussion of the implications of these findings.

Road Revenue Collection in Cumilla District

This research provides a comprehensive analysis of the current status and prospects of road revenue collection in Cumilla District. By addressing key challenges and exploring opportunities, it offers valuable insights for policymakers and authorities to enhance revenue collection in the district. Implementing the recommended strategies can contribute to more efficient and sustainable road revenue collection, ultimately benefiting the economic development of Cumilla District and Bangladesh as a whole.

Key Findings/Discussion

Current Status of Road Revenue Collection: The analysis reveals that road revenue collection in Cumilla District has been inconsistent and faces challenges related to leakage and corruption. The revenue collected often falls short of projected targets.

Challenges: The study identifies several challenges, including evasion of tolls, inadequate enforcement, and the need for modernizing revenue collection mechanisms.

Prospects for Improvement: Prospects for improving road revenue collection include the adoption of electronic toll collection systems, strengthening enforcement, and public awareness campaigns.

Recommendations

Based on the findings and discussions, the following recommendations are proposed:

Implement an electronic toll collection system to reduce leakage and improve efficiency.

Strengthen enforcement mechanisms to deter toll evasion and corruption.

Invest in infrastructure improvements to enhance the quality of roads, thereby increasing willingness to pay tolls.

Conduct regular audits and transparency assessments of revenue collection processes.

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