

MRA Essay Competition



Grand Winner

Name : Yohan Cheeneegadoo

School : Saint Esprit College

Title : Why is it important to be a compliant taxpayer?

Tax, a term which strikes a real emotional chord in some individuals but which can disparately be synonym of economic growth and security for others. Before getting into the midst of the subject, it is worthwhile to first define the word 'tax' and understand the reasons behind its existence. Tax would be described as a compulsory contribution to state revenue levied by the government on workers' income and business profits or added to the cost of some goods, services, and transactions. In the beginning of history, taxes were collected individually on an annual basis but as evolution made its way, taxes were now affixed on liquors, tobacco, sugar and on revenue gathering attempts. The preliminaries preceding core taxation first caused revolt but eventually as time passed by, it was gradually accepted until it became an unquestionable entity. The modern man of today can well understand that tax payment is a 'sine qua non' for any country to thrive economically, that to be a compliant taxpayer is to take part in promoting technological and infrastructural advances and ultimately being the primary beneficiaries of those supplements.

Mauritius is a small developing island relying on intensive and high cost capital and labour to keep up-to-date in an ever progressing world. Since development is a key priority and taxes being the capital to fuel such development, it is essential to have co-operative Mauritian citizens bringing their due contribution to the country. Most of our public premises have poor and old infrastructural architectures, which craves for comprehensive revamps. The public often decry the low standards of these locations and inevitably, it is sometimes impossible to cater for wants but only the needs of the population due to restricted resources. Small islands, like Mauritius, do not possess much wealth and our annual income is not sufficient to tackle the countless deficiencies of the country. Fortunately enough, tax revenues from compliant taxpayers provide the grounds to bring forth a spectrum of opportunities for growth and thereby sustaining our island under a genuine 'developing' status. Conversely the picture darkens when we consider the network of people evading taxes, thus, undermining our potential as a developing state.

All citizens must pay taxes, and by doing so, contribute their fair share to the health of the government and national economy. Money from tax gatherings are 'critical' in ways that are sometimes unknown to the common citizen - we do not always contemplate that the renovated over-equipped hospital providing better service to the community or that the brand new local library has been built brick by brick by each one of the tax payers. Huge sums of money are invested in providing a better comprehensive education to the young people via bursary funds - a motivational thrust to hard workers. In a similar vein, students sitting for the SC and HSC examinations are exempted from fees which are a burden to low income parents who might be otherwise unable to cover the costs. In other cases, houses are built so that poor families living under unfavourable conditions may live with and provide to their children a better upbringing in a decent home. This in turn raises the chances of better future perspectives. All of these are made possible through taxation.

Still, even if taxes must understandably be retrieved from annual salaries - especially from those making high figures per month, most people seem to be trying to alter their tax rates in their favour in complete ignorance of its effects. This is partly due to the inability of citizens to contemplate the importance of taxes while they limit their thoughts to the perceptive loss. In addition to paying the salaries of government workers - including the teachers that educate our children - , taxes also help

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support our fireguards; the police and fire-fighters. These soldiers risk their everyday lives in the midst of danger for our security and on this premise, we can surely understand that taxes are worthy to be paid. Furthermore tax money helps ensure the roads we travel on or the parks we stroll at are safe and well maintained. Likewise, our pristine beaches- attracting millions from across the world for its paradisiac white sanded seashores under the melting sun- are maintained by workers paid out of tax money. Compliant tax payers contribute to all of these tremendous works and should be proud of the accomplishments of our little island.

Being a compliant tax payer does not solely beneficiate the country but the person also, in a knock-on effect manner. In fact a healthy country is one in which the inhabitants are honest and loyal- that is, in the first place - citizens do recognize that a certain percentage of their salary or gross company revenue belongs to the state. Likewise, according to psychologists, if someone, for instance, is earning a decent sum of money each month and accepts to honestly give to the state what belongs to the state, such person is likely to develop honesty and integrity traits which will thrust him or her towards prosperity and a permanent state of well-being. Also, it helps curb avaricious behavioural patterns and even selfishness in a world where people are increasingly 'wrapped up in themselves' and opportunistic. Hence, Compliant tax payers, are more likely to be the kind of person who enjoys a happy relationship and family life, who pass values of virtue to their children and ultimately the kind of person who realize that happiness is not proportional to money but rather to integrity towards his family, contribution to one's own country and friends. On these premises, it is wise to say that being a compliant tax payer is of vital importance as it impacts our standards of living.

Many are those who complain about taxes on their business' gross revenue, arguing that it is futile as the government earns enough to withstand the country. Such reasoning does not take into account the spectrum of free services and goods provided which would not otherwise be possible if taxes were waived. This school of thought often drives successful CEOs and new entrepreneurs to step into the lure of tax evasion. In an attempt to evade taxation, those individuals violate the law and in so doing create feelings of injustice among their counterparts. Law abiders might think that: 'It is unfair that I pay taxes while he evades them' - and in this line of thought may even replicate the same behaviour. In that optic 'Tax evaders' are harmful to their surroundings- even to their children- but fortunately the Mauritius Revenue Authority is on the lookout for those criminals. Still, to be a compliant taxpayer is to respect your fellow citizens by working and paying your taxes faithfully. It is another aspect about tax-paying compliance which requires our attention- 'respect'; respect of your fellow citizens but most importantly respect of the law.

A compliant tax payer is someone who invests in and more importantly, cares for his own country. Even if the person is not emotionally attached to his homeland, paying taxes-contributing to the advancement of his native land - somehow creates a bond between the person and his country. Taxes help citizens in a quite subtle way, to feel a sense of connection and belonging to the place where they were born and where they have grown up into thriving adults- their motherland. This, in turn will have, again, a knock-on effect on personal decisions like whether to return back after tertiary studies abroad to lay the gained knowledge at the service of the country. It also induces us, Mauritians towards initiatives that will benefit the common people, for instance, non-profit organisations to support people

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suffering from incurable and sometimes dreadful illnesses. In this respect, taxes induce patriotism but it also leaves the state with a sense of responsibility towards us- which should be honoured as money retrieved from taxes is hardly earned by each Mauritian- even poverty-stricken inhabitants.

Even if many perceive taxes as a mere cost, the wise may consider it as synonymous to progress; infrastructure projects, public security, general services and health services. It helps us achieve anything which would be impossible for one person, a group of 100 or even 1000 people to achieve on their own. If we only paid for the services we need, then there is no way we could afford it. For example, if someone wanted to travel from city A to city B- could this person afford paying for the construction of roads to connect those two cities? Obviously not. Somebody opens the tap and clean water flows out of it- if this person was to set up a filtration system on his own to collect rainwater, it would cost just too much. However, if we were to collect money from 1,3 million of 'compliant' tax payers, the most challenging tasks would suddenly appear feasible. In this way, the individual tax we pay, coupled together, provide the necessary means to cover the cost of our needs and wants.

On the other hand those who see no harm in tax malpractices may argue that money should belong to the people who earn it and the government should not have an unlimited claim on their money to use it as it sees fit. Private individuals and businesses claim to use money more efficiently than governments do and denounce that high taxes discourage work and investment. They also reckon that money will do more good for more people in private hands than in government's hands. Even though we might be tempted to get along this line of thought, it can easily be challenged as billions of rupees from collected taxes can do far more good than individual thousands of rupees. Equally pertinent is the need to realise that in a democratic country like Mauritius, the government is accountable to the public but also to the law when managing public funds. This ensures that such fund is channelled in the most legal way possible to answer to the needs of the population and hence minimise the risk of arbitrary or illegal abuse of such money. Hence tax compliance would be tantamount to guarantees namely that citizen's money would be handled through a legal, ethical, transparent and accountable process.

It would be fallacious to deny the importance of taxes and the need to be a compliant taxpayer. Since its existence, it has driven our country to challenge the extents of technology and modernity while constantly pushing our limits to attain contemporaneity in a fast evolving world. Being one of the most ingenious pathways towards development, the taxation system brings small contributions together into billions and, as a result, widens the spectrum of opportunities while providing grounds for potentiality for us but also future generations. Tax in itself holds so much benefits to both the state and the fellow inhabitants and must not be subject to fraud - but respected. Finally I would like to end on a quote which I feel captures the whole concept of tax; *"To be a compliant taxpayer is to invest in your country"*.