

ABSTRACT

This study attempts to examine the performance of taxation in Negara Brunei Darussalam for the last 37 years. The study disclosed the importance of taxation to the economy of NBD given the economic condition that the country is currently experiencing. This paper also looks at the operation of taxation to ensure that we have full understanding of the taxation system here, thereby making us more appreciative of the analysis on the tax performances.

In the study, a number of important tax performance indicators are used to measure how well NBD's taxation is performing. These instruments include, tax reliance ratio, tax effort ratio, direct-indirect tax ratio, tax burden ratio and the buoyancy and income elasticity of tax revenue. A comparative study with country grouping is also undertaken to enable us to see how NBD's tax performs against them, and thus making the meaning of such performances more significant.

Finally, this study presents several policy recommendations based on the results of the tax performance indicators and the prevailing economic condition of the country.

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