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**LOCAL GOVERNANCE
PROGRAM IN ALBANIA**

SUCCESS STORY

Increased Municipal Tax Revenue Collection Achieved Through Better Awareness of NRC Service Window Functions and Outputs



Mr. Eduart Koca, Tax inspector at the Lezhë Municipality, one of the participants at the training organized by the LGPA Project on how local governments can maximize the use of information from the NRC Service Windows.

USAID's Local Governance Program in Albania (LGPA) encourages and facilitates local economic growth, through activities that increase investment, create jobs, raise incomes, and ultimately, expand the municipalities' tax base.

"Now that I've learned about the new business registration procedures at NRC, my job has become much easier. I now understand better my relation with the National Registration Center and I've been able to use its system to improve the accuracy of our local tax registry and to increase our tax collection rate," says Mr. Eduart Koca, tax inspector with the Lezhë Municipality tax department.

Eduart was a participant in the training organized by the LGPA Project in June 2008 in Lezhë. The training, conducted in cooperation with senior staff from the National Registration Center (NRC), advised local government tax administrators on ways to better use the information compiled by the NRC in order to improve tax administration and increase revenues from local business taxes and fees. The NRC's successful 'one-stop-shop' for business registration includes simultaneous registration with relevant tax authorities, the labor inspectorate, as well as for social and health insurance.

The NRC training was delivered in all ten LGPA target municipalities, targeting staff in the tax, finance and legal departments, as well as the Deputy Mayor most involved with those functions. In total, 86 officials participated in the trainings.

The positive impact of improved tax administration can be seen from the example of Lezhë. The NRC Service Window (one of three funded by the LGPA) opened in Lezhë in April 2008. Compared to the prior year, small business registrations have increased by 20%. Some of these were new businesses, but most were existing businesses that had not previously been part of the 'formal' economy. Income generated from taxes and tariffs has also increased by 20%, as the municipal tax registry is updated and made more accurate.

By imparting a better understanding of NRC operations, the LGPA training has enabled local tax inspectors to take advantage of the wealth of business registration data NRC system can provide, thus increasing administrative efficiency and effectiveness of tax collection efforts.

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