

# Turkish Revenue Administration: Examples of Behavioral Insight Applications

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The *Behavioral Public Policy Development and Implementation Division*, which was established on 19 March 2021, carries out studies to review and evaluate all practices and services provided by the Revenue Administration to taxpayers with a **behavioral public policy** approach in a way to increase tax awareness and voluntary compliance of taxpayers, to produce medium and long-term behavioral public policies and to support these policies with experimental studies on their applicability.

A Behavioral Approach Team that consists of **141** people from 17 Departments was established at the headquarters and **30** Tax Office Directorates in the provinces. The tasks of the teams are;

- To increase the impact of behavioral approach policies and raise awareness.
- To evaluate the activities carried out by other units of our Administration within the framework of behavioral approach practices.
- To identify policy areas, where behavioral approaches can add value on a per unit basis.
- To gain a real understanding of taxpayers and their needs.
- To establish a broad-based communication environment and conduct joint studies for an effective and holistic service delivery.

In addition, we are planning to organize training events on the following topics to the Behavioral Approach Teams established on a per unit basis.

- Which methods will be used to design behavioral interventions,
- How to develop evidence-based and taxpayer-focused policies,
- How to create an integrated communication environment,
- How to analyze taxpayer behavior.

Since the establishment of the Division, 5 randomized control experiments have been conducted:

## **1. 2021 Awareness Raising Study on the Use of the Pre-Filled Declaration System**

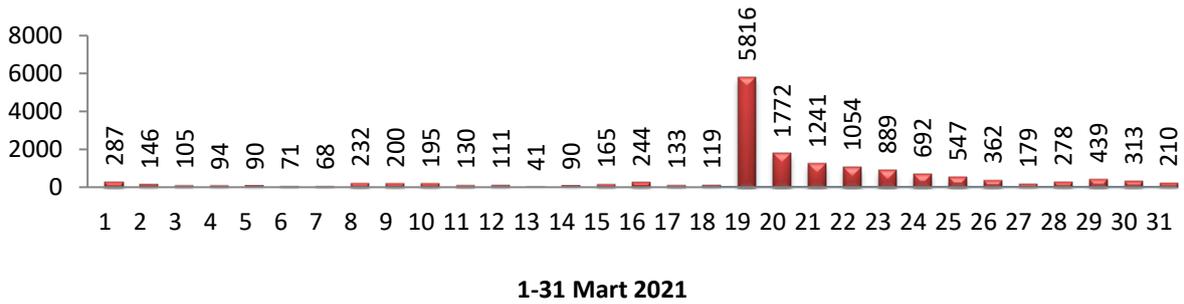
In the first study, which was conducted to raise awareness about the use of the Pre-Filled Declaration System (HBS), the first random control experiment was conducted without dividing the selected taxpayer group into control and experimental groups due to the start of the declaration period, and the results were evaluated by sending SMS messages containing behavioral public policy approaches to taxpayers.

On **19-20 March 2021**, an SMS was sent to **818.818** taxpayers who have submitted their declarations through the Pre-Filled Declaration System, informing them that the declaration period has started and that they can submit their declarations quickly and simply through the System. The SMS included a link to the public service announcement posted on YouTube that contains information about the Pre-Filled Declaration System ([https://www.youtube.com/watch?v=Xa\\_70KWPUBE](https://www.youtube.com/watch?v=Xa_70KWPUBE)).

**The specific results of the study are as follows:**

- The public service announcement was viewed **2.521** times until the SMS was sent, **13.792** times after the SMS was sent and **16.313** times in total during March. The most important point here is that the public service announcement was viewed by **5.816 taxpayers** on **19 March 2021**, the date the SMS was sent, **reaching the highest number of views.**

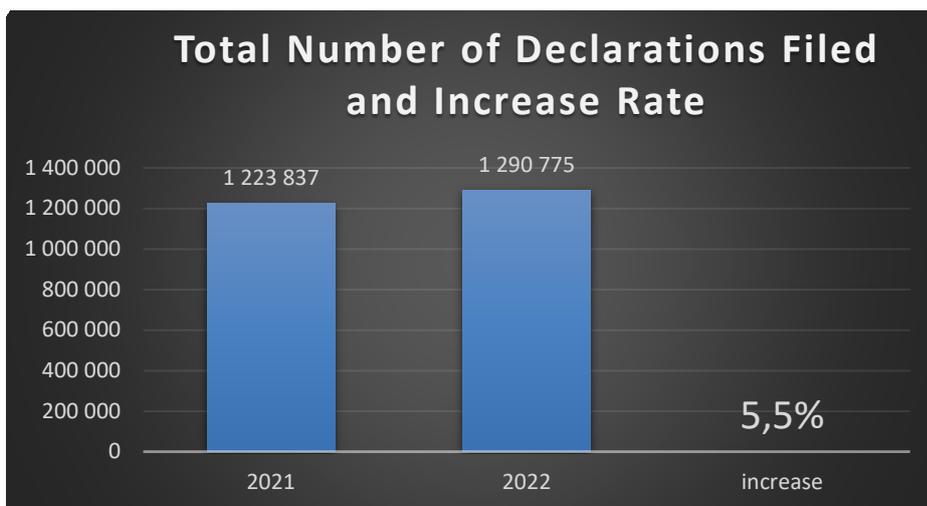
### The Number of Views of the Pre-Filled Declaration Video



- In addition to the SMS sent to our taxpayers regarding the Pre-Filled Declaration System, it was also observed that the information provided through different channels was very effective. During March 2021, a total of 29 posts (visual + video) were made on our social media accounts, including **15 different visuals and 4 different videos**. The number of YouTube video views increased by **60.83%** in 2021 and a significant increase in the number of social media followers was also achieved.

Number of Followers During the Declaration Period			
	1-31 March 2020	1-31 March 2021	Increase Rate (%)
Facebook	107.214	114.818	7,09%
Instagram	50.370	88.541	75,78%
Twitter	69.834	84.718	21,31%
LinkedIn	1.413	8.847	526,11%
Youtube	3.540	7.800	120,34%
<b>Youtube Views</b>	<b>1.867.847</b>	<b>3.004.075</b>	<b>60,83%</b>

- As a result of the awareness-raising efforts, there was a **5.5%** increase in the number of declarations submitted through the Pre-Filled Declaration System.



## 2. Awareness Raising Activities for the Payment of MTV Debt

An SMS message was sent to **motor vehicle taxpayers (MTV)**, in which **behavioral approach policies were applied**. Within the scope of the study, **2.111** taxpayers who have not paid the first installment of the 2021 Motor Vehicles Tax (MTV) were sent an SMS on 9 July 2021 with a special content reminding them of their obligations and that they can pay their tax debts by taking advantage of the Restructuring Law No. 7326.

In order to initiate a study to send reminder SMS messages to taxpayers who have not paid their 1st Period MTV debt, first, **5.000 individual taxpayers**, who have not paid MTV for the first period of 2021 (with the highest MTV debt) **were identified**. After the January 2021 MTV debt defaulters were identified, **2.111 taxpayers were selected** among these taxpayers by systematic sampling method to **send SMS messages**.

The specific results of the study are as follows:

- Among the **2.111 taxpayers** with first installment MTV debt, who were sent SMSs, **1.800 taxpayers** paid their 2021 MTV debt. This shows that **85.27%** of the taxpayers, who were sent an SMS **made a payment after the SMS**.
- Informative guides and brochures were prepared for MTV taxpayers and published on the website of the Administration.
- News and announcements reminding the MTV payment period were prepared and published on the website of the Administration.



## 3. Reminder and Informative Work for the Payment of MTV Debt

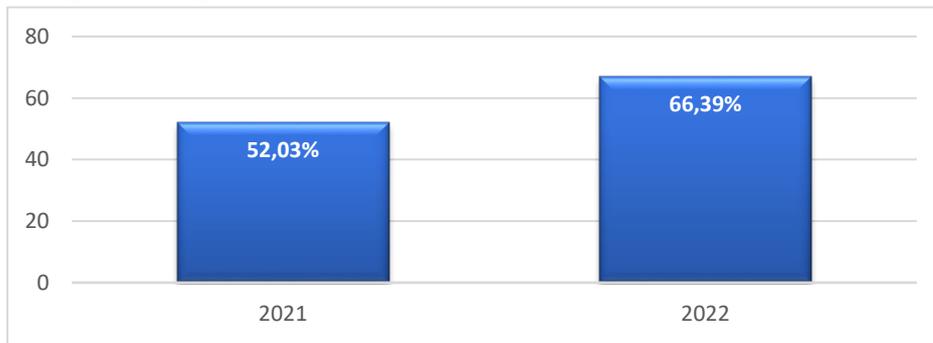
An SMS was sent to **7.828.958** taxpayers, who have not paid as of 19 January 2022, out of a total of 14.185.259 taxpayers for the 1st installment of the Motor Vehicles Tax for 2022. The link of the video describing How to Pay MTV Debt via Mobile Application was added to the SMS.

( <https://www.youtube.com/watch?v=UVoNcrxYAMM>)

The specific results of the study are as follows:

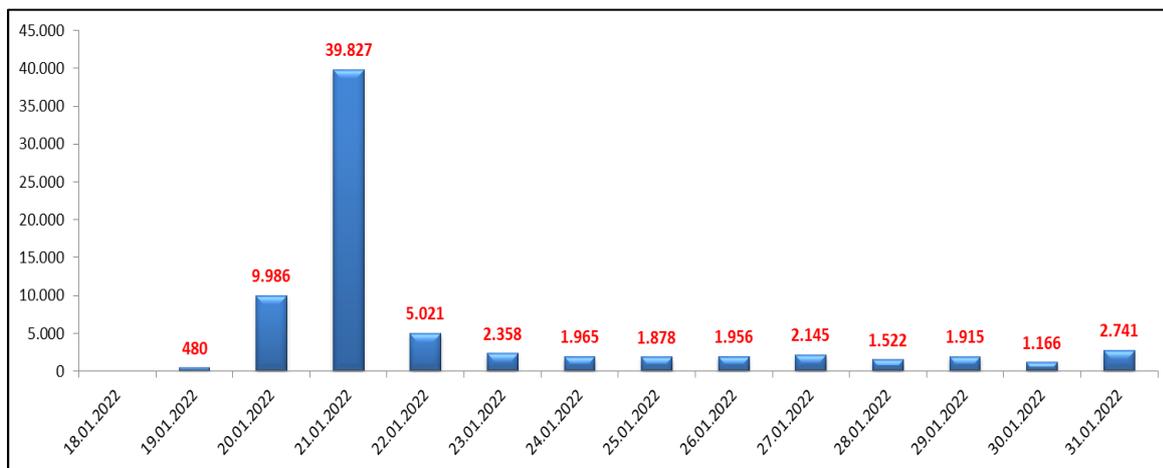
- Compared to 2021, the proportion of taxpayers, who paid their taxes on time increased from **52.03%** in 2021 to **66.93%** in 2022. With the SMS study, an increase of **28.6%** in the number of paying taxpayers and **26.5%** in the collection/accrual ratio was achieved compared to 2021. The number of taxpayers making payments increased **2.383.661** people compared to 2021.

### Change in Paying Taxpayer Ratio



- The number of views of the MTV Payment Video included in the SMS increased from **98.161** to **171.121** since the date of the message.

### MTV Payment Video view counts



### 4. 2022 Awareness Raising Study on the Use of the Pre-Filled Declaration System:

- 1. Within the scope of the SMS study, an informative SMS was sent to **717.366** people on 08 March 2022.
- A total of **608.876** people were sent a reminder message on 19-20 March 2022 as part of the e-Government information campaign.
- 2. Within the scope of the SMS study, a total of **360.093** people were sent an informative SMS on 30 March 2022.

### The specific results of the study are as follows:

- As a result of these taxpayer group-specific awareness-raising efforts, there has been a steady increase in the rate of filed declarations on a weekly basis compared to the previous year. **In total, a significant increase of 16.21% was realized compared to the previous year.**



- **405,590** of the taxpayers, to whom SMS was sent, submitted their declarations and the rate of these taxpayers, who submitted their declarations, was **56.5%**.
- In addition, as a result of the work carried out, 100.212 of those, who were sent an SMS submitted a declaration for the first time through the HBS.

#### 5. Reminder and Informative Work for the Payment of MTV Debt

4 different SMS messages were sent to taxpayers within the scope of the SMS reminder study designed for the payment of the 2nd installment of the Motor Vehicles Tax for 2022 and the debts of **2019, 2020 and 2021**.

- According to the results of the SMS sent to those, who have not paid MTV in **2019-2020-2021**:

After the SMS sent to **419.587** taxpayers on 20 July 2022, a total of **36.092** taxpayers (**8.6%**) paid their debts from previous years.

- According to the results of the SMS sent to those, who paid the first installment of MTV for the year 2022 with a late payment fee:

After the SMS sent to **1.497.534** taxpayers on 20 July 2022, a total of **270.001** taxpayers (**18%**) paid their debts for the 2nd installments of 2022.

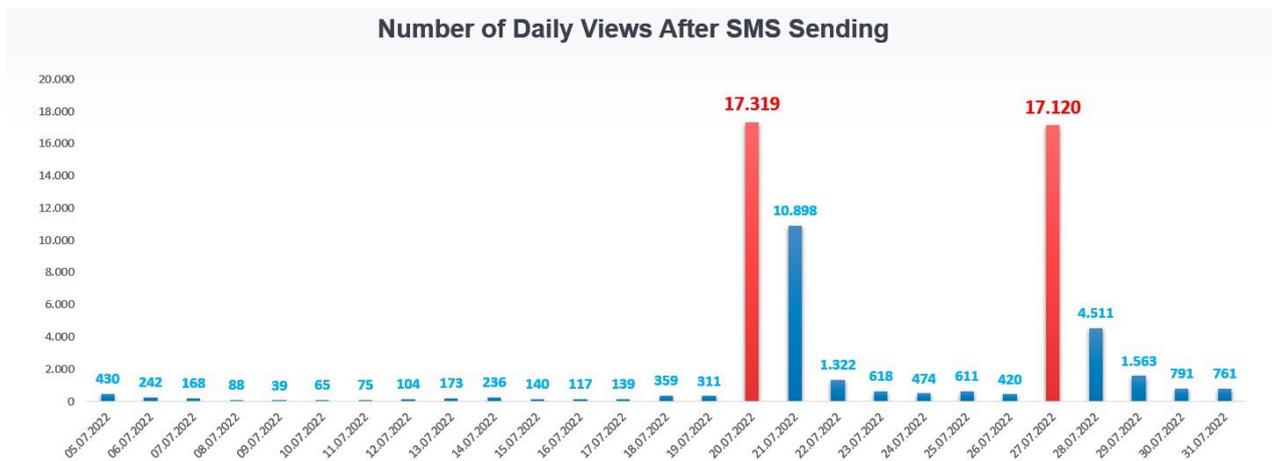
- According to the results of the SMS sent to those, who have not paid the first installment of MTV for 2022:

After the SMS sent to **2.547.924** taxpayers on 20 July 2022, a total of **596.735** taxpayers (**23%**), **319.971** for the first installment and **276.764** for the second installment, paid their debts for the year 2022.

- According to the results of the SMS sent to those, who have not paid the second installment of MTV as of 27 July 2022:

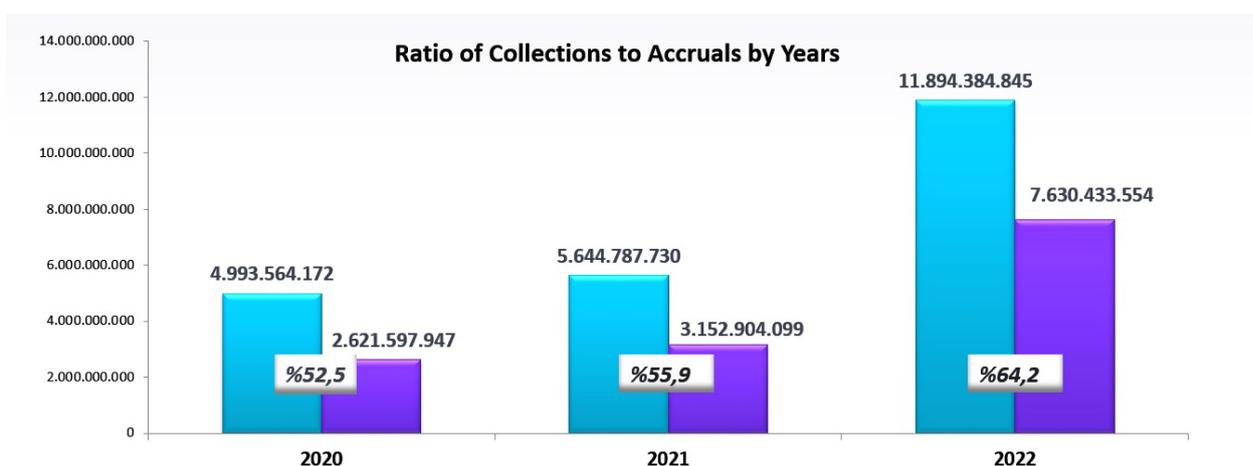
A reminder message was sent on 27 July 2022 to **2.791.248** taxpayers, who have not paid their second installments of MTV and **1.638.068** taxpayers (**59%**) paid their taxes.

The number of views of the MTV Payment Video included in the SMS reached a high level on 20 July 2022 and 27 July 2022 when the SMS was sent.



Compared to 2021; the rate of taxpayers, who paid on time increased from **49.68%** in 2021 to **58.93%** in 2022. With the SMS study, an increase in the number of paying taxpayers by 18.6% and **14.8%** in the collection/accrual ratio was achieved. The number of taxpayers who paid their taxes increased **2.008.543** people when compared to 2021.

Compared to previous years, the ratio of on-time collections to total accruals increased from 52.5% in 2020 and 55.9% in 2021 to 64.2% in 2022.



With these activities carried out by our Administration; messages were sent to our taxpayers to remind them of their obligations and information was provided through other communication tools (website, social media, instant notification, e-mail) and it was observed that they resulted in significant changes in the behavior of taxpayers. However, it is also of great importance to carry out programmes and projects in cooperation with the OECD to implement behavioral approaches to assist taxpayers in fulfilling their future obligations, to transform these approaches into policies and to put them into a scientific framework.