
WHAT PROMOTION TECHNIQUES USE ROMANIAN TAX ADMINISTRATION TODAY?

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Abstract:

Promotional activities in the field of taxation have as main objective to influence the fiscal behavior of taxpayers. Fiscal policy promotion involves a set of actions to boost a free consent of taxpayers to pay tax liabilities. Tax institutions are interested in creating a favorable attitude of taxpayers towards taxes. Communication between taxpayers and public institutions is vital because tax administration should assure taxpayers' information about its existence and mission. Starting with these premises, the paper presents some current techniques of promotion used by Romanian public institutions to promote their image among taxpayers.

Key words: *tax administration, taxation, public promotion*

1. Introduction

Use of marketing techniques and concepts within some aspects of public service are concerned with promoting ideas and frequently referred to as social marketing. (Proctor T, 2007, p. 3) A vital component of social marketing mix is promotion. Promotion is just one branch of marketing communication, by means of which the organization seeks to keep in touch with its various customers. (Loffler E, Bovaird T., 2009, p 91) Promotion is one place where is good to be different, because innovation implies creativity. (Seymour H. Fine, 2009, p. 8) Promotion in the field of taxation involves the use of media that tax administration addresses to taxpayers with the purpose to change their reluctant attitude, in order to maintain taxpayers' loyalty and beliefs.

Promotional activities in the field of taxation have as main objective to influence the fiscal behavior of taxpayers. Behavior is an observable response to stimulus or an action that has a specific frequency, duration and purpose, whether conscious or unconsciuous. (Modeste N., Tamayose T, 2004, p. 8) Tax behavior of

taxpayers can be positive or negative influenced by tax administration's activities. In marketing, advertising can be used to build up a long-term image for a product. (Kotler P., 2000) In taxation, advertising can be used to build up a long-term image for tax administration. Advertising of tax administration has the advantage that the message sender is the one who controls what it is said, how it is said, when it is said. Tax administration decides the content of message, communication medium, the frequency of information campaign etc.

As in marketing field, the objectives of tax administration promotion respond to three main requirements: information, persuasion and memory / recall. (Kazmi, SH, SK Batra, 2009) In order to meet the requirement of information, advertising is used by public finances administration when it intends to inform the taxpayers about any micro- or macro- fiscal decision, to contribute at taxpayers' education, to clarify some misunderstandings, to create an image on the role and functions of public institution, etc.

Promotion is persuasive communication and is the tool we count on to ensure that the target audience knows about the offer believes they will experience the stated benefits, and is inspired to act. (Kotler P., Roberto N., Lee N., 2002, p. 281) Advertising is used by tax authorities for persuasive purposes where it is desired to attract new contributors (taxpayers) among foreign investors who pay tax liabilities in their origin countries, to encourage tax liabilities' payments in term, to reduce outstanding taxes, to counter any fiscal policy's decisions of competing tax systems, etc. Advertising can also be used to recall or remember different aspects of fiscal nature or to strengthen the social, economic financial role of tax liabilities in taxpayers' consciousness.

The paper is structured as follows: the first part begins with introductory aspects of promotion in the field of taxation, then it continues with presentation of this activity under the medium-term strategy of tax administration and other official documents, the penultimate part is a radiography of promotion techniques currently used by major Romanian public institutions with responsibilities in public revenue collection, and in the end the paper contains some conclusions and personal views.

2. Promotion – an objective of Romanian tax administration

The question that arises is whether the promotion is set up as a priority of tax administration in Romania? The answer is clear by reading some official documents published by National Agency of Tax Administration (A.N.A.F.): Tax Administration Strategy for 2012-2016, The Charter of taxpayers and The Charter of external communication. A number of aspects of promotion can be found in the medium-term strategy of this institution, published in 2012. On long term, the main objective of tax administration in Romania is increasing voluntary compliance of taxpayers. (A.N.A.F. 2012) Achieving this goal is impossible without putting into practice some activities to cultivate affection and sympathy of the citizens. A.N.A.F. intends to develop a close relationship with the business environment and to analyze the information provided by it through some market researches in the areas of high fiscal risk for influencing the

decisions of tax policy. A.N.A.F. has proposed to initiate discussions with associations from various fields that will be followed by some legislative actions. Also, according to the document, A.N.A.F. aims to develop a partnership between the tax administration and taxpayers, a consultative decision-making mechanism, and to pursue further efforts for better information of taxpayers about their rights and obligations in relation to tax administration. (A.N.A.F., 2012) Moreover, as a component of taxpayer to public institutions communication, A.N.A.F. aims studies on the taxpayers' satisfaction on their services and to carry out a program to raise awareness about taxes.

Improving the image of A.N.A.F. is another objective set out in the official document, but a concept of promotion policy too. Institutional image covers the perception of services provided by A.N.A.F. to its taxpayers, and the relationship with the other institutions. AN.A.F, as a public institution, can not function apart from its audience. For getting a positive response from the people for that it works, it is necessary to ensure a good image and to cover a need: proximity to taxpayer by adapting organizational construction to public requirements.

Promotion activities of this institution have as center point the Romanian taxpayer. It should be noticed the openness of A.N.A.F. in order to create a positive image among European taxpayers through collaborative activities with its counterparts from other countries. In this regard, the authorities say they will extend the collaboration and experience exchanges with traditional partners of A.N.A.F. among European tax administrations. Thus, in 2013, the meeting of General Tax Administrations of the European Union member states will be held in Bucharest and organized by A.N.A.F. (A.N.A.F., 2012)

A.N.A.F. concentrated its efforts for better information of taxpayers about their rights and obligations in relation to tax administration. A.N.A.F. published the Charter of taxpayer in 2010. The document shows, in an accessible language, the key issues that taxpayer - tax authorities' partnership should be based on, focusing on some keywords like loyalty, good-faith and fairness. The Charter of taxpayer summarizes in a clear and concise manner, the rights and obligations of the taxpayer to tax administration, which become tax administration's default rights and obligations to taxpayer. (A.N.A.F., 2010)

Communication and promotion are two concepts that are closely related, the promotion is actually communication. The starting point for the development of partnerships between tax administration and taxpayers is communication. The above idea can be found in optics of tax administration and it is materialized in the publication of Order no. 422 of A.N.A.F. on approving the Charter of external communication in the Official Gazette no. 837/2005. This Charter recognizes external communication as a major element in tax administration policy. External communication aims to improve fiscal citizenship and to establish a unitary framework for the relationships between taxpayers and A.N.A.F. Developing this Charter is an expression of A.N.A.F. commitment for a transparent partnership with taxpayers. (A.N.A.F., 2005)

By presenting these three documents we wanted, only, to point out that tax administration is aware of the need of promotion for public institutions with the aim to

improve its image. This awareness takes the form of declarative and scripts. A.N.A.F. promotion policy can not target anything but the perception of taxpayers. A promotion strategy must go beyond the declarative status and it should achieve an active and effectively status. Although the deficit of public communication declined in recent years, it is necessary a further development of an explicit and targeted external communication. We appreciate the intentions contained in tax administration strategy on medium term are laudable and achievable under some sustained efforts from both sides: taxpayers vs. tax authorities.

3. Promotion techniques currently used by some public institutions in Romania

Partnership "taxpayer - state" leads us to look at Institutions with fiscal responsibilities, not only through the central body, respectively the Ministry of Public Finance and its Institutions subordinated, but also through the other Institutions which, directly or indirectly related to claims and fiscal obligations. (Comanicu, 2011, p 70) We believe that the National House of Public Pensions (C.N.P.P.), the National Agency of Employment (A.N.O.F.M.) and Health Insurance Agency (C.N.A.S.) are institution with tax attributions, relying on their responsibilities in social security contributions of employers, employees and other insured people. Further, we propose a review of the elements of promotion policy that public institutions with attributions in the field of taxation currently use (November 2012).

a) National Agency of Tax Administration is a specialized body of the central government, responsible for the implementation of tax administration policy. Promotion techniques of this institution begins with the existence of a custom logo, designed in national colors (red, yellow and blue), consisting of the letters "A" and "F" symbolizing the tax administration. Then, a slogan is often found in the official documents to stimulate taxpayers' partnership, as follows: *"A simple analysis of overall organizational system shows that the world consists of many different nations, populated by different people, each of them with their own language, religion, culture, customs and history. But all nations have at least one thing in common: Tax Administration"*. This public institution has its own website (www.anaf.ro) in Romanian and English. It should be added that the English version is incomplete. It is not a translation of Romanian version. We believe this is a weakness of tax administration, but we appreciate the international opening. Communication with taxpayers is done by individual ads (communication of tax administrative acts), announcements of general interest, public procurement notices, etc.

Elaboration of guidelines is another option of A.N.A.F promotion policy, these documents include: Guide of the declaration and payment of social security contributions by individuals whose income is from self-employment and other income tax liabilities, Guide for associations of owners, Guide for completing the tax returns, Tax guide for freelancers, Code of conduct, Tax guide for micro-enterprises, Guide for taxpayers with incomes from renting, Guide on salaries's taxation. Frequent press releases and informational documents issued by the tax authority are the main

techniques used to promote activities and fiscal policy decisions to the public (e.g. The Charter of taxpayers, A.N.A.F medium term strategy 2011-2014, The Strategy of tax administration between 2012-2016, the budgetary executions and the balance sheets of A.N.A.F between 2007-2012, quarterly activity reports between 2010-2012, annual performance reports between 2009-2011, quarterly statistical tax bulletins between 2010-2012, the calendar of taxes, tax returns with explanations).

A positive aspect of the institution is given by the permanent presence of updated tax legislation on website. To this, it is added a collection of frequently asked questions, available online on the website of the institution. The website is used to promote the subordinated institutions, but also for the international partner's promotion. Thus, the institution provides to taxpayers contact details and web addresses of territorial tax administration units and of tax administrations from European Union member states. Internet is used as a communication channel between tax authorities and taxpayers by taxpayers' support service and complaints' service through electronic forms, and other online services such as: the service for online filing of tax returns, information on the settlement of VAT refund option, an online controlled access to taxpayer's file.

Telephone services are present in A.N.A.F. promotion policy by creating in 2006 of the Center for Telephone Support in Bucharest, and the Anti-Corruption TelVerde 0800 800 085. The Anti-Corruption TelVerde Service of the Ministry of Finance is used for receiving telephone calls and recording complaints of irregularities, misconduct or acts of corruption perpetrated by officials of the Ministry of Finance and subordinated institutions: National Agency of Tax Administration, Financial Guard, National Customs Authority, National Authority for Property Restitution and National Prognosis Commission. An inter-institutional promotion activity consists in an anti-evasion public campaign started at the initiative of the Agency for Governmental Strategies. This campaign includes TV spots, radio spots, web banners and 3 posters with the central message: *"Pay money, not years! Tax evasion is punishable by imprisonment"*. Direct promotion within the institution is made by the Office of Public Relations from Monday to Friday, from 8.30-16.30) and by email addresses: relatiipublice.anaf@mfinante.ro, contestatii.anaf@mfinante.ro, presa.anaf@mfinante.ro).

b) National House of Public Pensions is a public institution in charge of public pension system administration and other social insurance and the administration of insurance system for work accidents and occupational diseases. Within the elements of promotion policy of C.N.P.P we find a logo that includes the name and acronym of the institution in a graphic figure of a tree symbolizing life and continuity. The idea is reinforced by the slogan everywhere displayed: *"Build your future early!"* Institution's website (www.cnpas.org) provides to taxpayers information in Romanian, and English in small quantity. The institution has taken seriously the promotion activity by creating videos for public information campaign on public pension reform. Press releases, monthly newsletters and information documents (e.g. annual activity report 2005-2009, CNPP President's Message on the International Day of Old Persons,

budgetary executions for 2009-2012) contribute to promote the image and activities of the institution. The institution offers to taxpayers a free of charge TelVerde 0800 826 727, and a telephonic audience program from Monday to Friday from 8.30-16.00, to solve their problems. Institution's website includes beside updated legislation, a discussion forum without a feedback from the institution, and links to web addresses and contacts of subordinated territorial organizations, to portals such as www.e-guvernare.ro, www.e-licitatie.ro, www.europa.eu). The institution conducts public relations activities through Communication and Public Relations Department which can be contacted by e-mail birou.presa@cnpas.org and petitii.sesizari@cnpas.org.

c) The National Agency for Employment is a public institution subordinated to the Ministry of Labor with attributions in the field of protection of people without a job. Institution's logo contains the silhouette of two people who support each other indicating the idea of helping people without a job. An indispensable element in promotion activity is given by the slogan "*Be active ...*" with the meaning of having a job. The institution has a dedicated web page which gives to users information only in Romanian. Institution provides online legislation to citizens and a collection of frequently asked questions (both are online available), ads and the possibility of subscribing to the newsletter. It should be mentioned as promotion techniques the press releases and informative materials (monthly statistical statements, annual activity reports between 2006 and 2011, monthly newsletters, budgetary and payments' status) published by A.N.O.F.M. The promotion of subordinate institutions is done by displaying contact information and web addresses of each territorial unit. The institution offers an online form to contact, and the possibility of audiences at A.N.O.F.M. president in the first and third Wednesday of the month, starting at 12:00.

d) National Health Insurance Agency is an autonomous public institution whose principal activity is the provision of an integrated and coordinated health insurance system in Romania. Like the other three public institutions, C.N.A.S. has a logo and three motivational slogans: "*Effectiveness and accessibility to health!*", "*For health!*", "*For life!*". Starting with the first access of the website of the institution (www.cnas.ro) the taxpayer is greeted by the message "Welcome to the page of the National Health Insurance Agency", and by a survey on website organization. The existence of electronic contact form is very well signposted and accessible to taxpayers. It can be accessed by "Feed-back" button in the right side on the front page or by "Contact us online! Click here to send a message to C.N.A.S." button. Also, within the institution's website, taxpayer has access to a number of press releases, online legislation, newsletter subscription possibility, a collection of frequently asked questions online available, and a discussion forum. Using the telephone network in the policy of opening to the taxpayer is given by the existence of a non-stop TelVerde 0800 800 950. Promotion of other institutions / organizations through C.N.A.S. is more comprehensive as compared to the other analyzed institutions. C.N.A.S. provides to citizens contact details and web addresses of subordinated health insurance institutions, links to websites that publish legislation, links to other public sites, links to

the World Health Organization, links to national medical organizations, to medical publications, etc.

The institution offers to taxpayers a series of informative documents among which the Code of Ethics and Conduct Rules applicable to employees of the C.N.A.S., activity reports published annually for 2007-2011, budget implementation between 2007 and 2012. Starting from 27.04.2010, the institution has a profile on Facebook where it publishes materials containing public information and press releases (<http://www.facebook.com/CNAS.Romania>). The profile on Facebook is customized by a welcome message to users requesting help and ideas for improving the image of social website. Department of Media Relations and Public Affairs of the institution offers the possibility of audience at C.N.A.S. president and general manager one day during the week for 1-2 hours. Another technique to promote is given by organizing public debates on various topics, such as the one held in 18.06.2012 on "Changing reference price of pills with or without personal contribution in outpatient treatment."

All the issues detailed above can be summarized in the table below:

Table 1: Current promotion elements used by tax administration in Romania

Promotion technique	ANAF	CNPP	ANOFM	CNAS
Logo	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Slogan	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Website	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Press Releases/Announcements	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Informative guides / bulletins	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Budget / balance sheet	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Performance Reports/Activity Reports	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Statistics	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Online legislation	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Collection of frequently asked questions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Interinstitutional promotion	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Electronic contact form	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Online public services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TelVerde / Phone assistance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Promotion campaigns	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public relations departments	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discussion forum	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
E-mail address for public	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Newsletters	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Social network profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Public survey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Public debate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Source: Authors

As you can see, the promotion policy of these four public institutions shows a number of common features such as personal institutional logo, slogans, public website, online availability of legislation, announcements' publication, press releases, progress and / or performance reports, publication of budget executions and various statistical data, the existence of public relations departments in each institution, a free of charge TelVerde for taxpayers (except A.N.O.F.M).

All four analyzed public institutions provide information to taxpayers by e-mail and by phone, for all types of taxes and social contributions, and they cover the entire country. These public institutions have built database of frequently asked questions and answers. This technique of promotion is a way to expand the public support, to clarify and correct the application of tax legislation or social protection legislation. Creating a complex database, easily accessible, including questions and answers on tax legislation, organized by specific criteria, it is a support for fast and efficient tax compliance. Periodically, these institutions, through their representatives, give interviews and answer to requests.

4. Conclusions

A.N.A.F. promotion policy has as features many guides and other materials containing educational and informative messages, the service of taxpayers' assistance and the service of referrals through online forms, an increased use of the Internet in relation to taxpayers, the introduction of anti-corruption TelVerde available to all its subordinate institutions. It is obvious that some better information of taxpayers about their obligations and rights is a prerequisite for increasing fiscal citizenship and for improving the relationship with tax administration.

C.N.P.P. promotion policy is customized by the implementation of public information campaign on public pension reform which materialized in two videos. It can be added the audience provided by telephone and the intent of building a discussion forum.

A.N.O.F.M. promotion policy is customized by providing an online contact form for taxpayers, by the possibility of subscribing to newsletter and by many monthly published statistics.

C.N.A.S. promotion policy primarily differs by its open mind perspective about using social networking sites with taxpayers. Thus, C.N.A.S. is the only public institution that has a profile created on Facebook page for news' dissemination. Moreover, the institution focuses on the feedback received from citizens so that they can access the electronic form on the website according to the displayed counsel. Another feature is development of a code of ethics and behavior of its employees in relation to taxpayers.

Does not matter how the promotion of public institutions with responsibilities in the field of taxation is conducted because it plays a cognitive, affective and conative role, and the main objective is to influence fiscal behavior of taxpayers. Among the deficiencies of current promotion activity of tax administration we mention the lack of

official advertising campaigns for public information, the inactivity if discussions on forums due to non-involvement of public authorities, the lack of tax-related information in another language than the official language of our country, the presence of a poor direct promotion, the lack of efficiency in solving citizen's requests, insufficient funds necessary for financing promotion expenses.

Often overlooked, we believe that direct promotion done by employees of these institutions is the most effective and convenient, but only A.N.A.F. and C.N.A.S. have developed rules of conduct of their employees in relation to citizens. Institution's image is reflected in the type of behavior displayed by the civil servant who has a contact with the citizen. We believe that promotional activities of tax administration should focus on the implementation of public information campaigns and on improving direct communication with taxpayers. Creating a promotion plan is obviously a significant accomplishment, but it should not be undertaken without some assurance that it will be put into practice. The more thoroughly prepared the promotional plan, the easier it will be to carry out in restrictive financing conditions.

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