The Effects of Increasing Tax Reliance on Government Accountability in Resource-Rich Country: Lessons Learned for Oman.

Hussein Ahmed ElKamel

Assistant Professor of Public Finance and Economy,
College Of Law, SQU, Oman.
elkamel@squ.edu.om

Abstract

This study investigates the assumption that increasing tax reliance decreases the country's dependence on oil by enhancing the government's accountability. The study used a sample of 54 resource-dependent countries (including Oman) from 1996 to 2019. The findings indicate a direct impact of taxes in reducing oil rent shares of GDP, which diversify sources of income in oil countries. In addition, taxes indirectly mitigate the resource curse by increasing the quality of the Institutions that help the oil countries overcome one of the crucial resource dependency issues. Thus, we confidently ensure that Omani policymakers increase tax reliance regardless of financial status.

Keywords: Taxes; Resource curse; Institution, oil, oil dependent countries.

آثار زيادة الاعتماد الضريبي على المسؤولية الحكومية في الدول الريعية: الدروس المستفادة لسلطنة عمان

حسين أحمد الكامل

أستاذ الاقتصاد والمالية العامة المساعد، كلية الحقوق، جامعة السلطان قابوس.

elkamel@squ.edu.om

الملخص

تبحث هذه الدراسة في افتراض مفاده أن زيادة الاعتماد الضريبي يقلل من اعتماد البلاد على النفط من خلال تعزيز مساءلة الحكومة. استخدمت الدراسة عينة من ٥٤ دولة تعتمد على الموارد (بما في ذلك عمان) من عام ١٩٩٦ إلى عام ٢٠١٩. وتشير النتائج إلى التأثير المباشر للضرائب في خفض حصص ريع النفط من الناتج المحلي الإجمالي، مما ينوع مصادر الدخل في البلدان النفطية. بالإضافة إلى ذلك، تقلل الضرائب بشكل غير مباشر من لعنة الموارد من خلال زيادة جودة النظام القانوني التي تساعد الدول النفطية على التغلب على إحدى القضايا الحاسمة المتعلقة بالاعتماد على الموارد. وبذلك، فإننا نضمن بثقة أن صانعي السياسات العمانيين يزيدون الاعتماد الضريبي بغض النظر عن الوضع المالي للدولة.

الكلمات المفتاحية: الضرائب؛ لعنة الموارد؛ النظام القانوني، نفط، دول نفطية.

1. Introduction

There is considerable evidence that resource abundance in developing countries is growth reducing (Sachs & Warner, 1995) (Ploeg, 2011). Several factors trigger the curse effect of resources on growth; weak institutions and oil rents slow economic growth (Beck & Laeven, 2006). In addition, a limited range of export goods, subject to world market fluctuations, leads to shocks and growth reduction in resource-dependent countries. Another aspect of the resource curse is that the natural resource sector, particularly oil, crowds out investments in other sectors such as manufacturing and agricultural sectors (the "Dutch disease" theory). Oil countries possess an environment that encourages "non-productive" activities over "productive" ones (Torvik, 2002).

As an oil economy, Oman aims to diversify its source of revenue away from oil revenue dominance. Especially with the instability of oil prices in the world markets in current years has put much pressure on the country's fiscal budget. The oil resource has become a curse (for many countries) that causes a loss in growth. The former centralizes most economic activities at the hand of the public sector and crowds out other sectors, resulting in economic distortions. Besides that, oil resource inflates the public sector, increasing the interest in official public intervention because of corruption and rent-seekers activities.

Tax is one source of government income that many oil countries historically undermine when significant oil exports mitigate the fiscal budget pressure. The initial position of many oil countries was in favor of not using taxation as a financial tool with relatively large resource revenues that reduced the use and importance of taxation. However, this distortion of government revenue sources has distorted the institution's set by lowering the burden of taxation on citizens to reduce the demand for more governmental accountability (McGuirk, 2013).

One striking feature of oil countries is that the government can finance the budget to a large extent without much communication with their citizens. With less frequent interaction between government and its citizens, the institutional quality cannot presumably correct and develop. The lack of good institutions causes a significant growth

reduction. Thus, the study investigates increasing reliance on taxes to promote growth in oil countries through enhancing institutions.

The study proceeds in the following sections: Section 2 explores the relevant previous studies. In section 3, the study discusses taxation and resource curse nexus. The Oman economy introduction is in section 4. The data collection and definition are in section 5. In section 6, we describe the methodology and estimation. The conclusion with the findings and discusses some policy implications.

2. Literature Review

Researchers are interested in the taxation-governance nexus; the interest is in the bargaining between the government's ability to collect taxes and taxpayers' demand for good governance (Moore 2007). Broms (2011), using cross-sectional data of a Sub-Saharan Africa (SSA), refers to the non-traditional role of taxation on the quality of governance. The author finds that the volume of tax revenue and, to some extent, the type of tax the government collects are good indicators of government quality. Governments that collect more direct taxes are the ones of higher government quality. Thus, reforms from trade tax to direct taxes seem beneficial for SSA countries.

Increasing reliance on some tax types, i.e., income tax, indicates different countries' levels of administration quality (Weller and Ziegler, 2008). Generally, income taxes, sophisticated, and other sales taxes require administrative complexity. Trade taxes with the generality of easy to collect create spillovers across other administrative sectors. Some tax representations are endogenous to the outcome of the natural resource measurements; as oil exports increase, the income tax increases.

Prichard (2010) theoretically argues that taxes are crucial to fostering the countries' responsiveness and accountability. The author refers to how tax revenue is collected and contributes to the country's resilience and effectiveness. Eubank (2012) tests increasing government dependency on domestic taxes in creating the accountability mechanism. The author uses one developing country, Somalia, as a case study. As the author stated, the ineligibility of Somalia to get foreign aid has increased the quality of the government's accountability and representative institution to secure the tax revenues.

Dom (2018) investigates the parallels between voluntary tax compliance by taxpayers and the latter's demand for transparency of tax collection usage. Using 47 African countries, the author has found that taxation positively affects government accountability. However, the author didn't explore how this effect is transmitted.

Using taxpayer survey data from Ghana and Sierra Leone, van den Boogaard et al. (2021) find that the basis for a genuine dialogue between taxpayers and government is implementing a way and use of tax collection. They indicate that enforcing transparency grounds the base for taxpayers actively engaging with the government on issues regarding taxation.

Increasing tax reliance implicitly and explicitly improves the institution by fostering the government-society dialogue regarding the imposed taxes, enhancing the institution's quality, and implicitly increasing government awareness in various government administrations. From a political economy's point of view, taxation has been deemed a reverse for corrupt activities as taxpayers are voluntarily obliged to pay the government in exchange for the promise of reciprocity.

As indicated above, expansion and diversified taxation promotes the quality of governance and fosters better institutions. However, the story doesn't end here; extending tax potentially encourages the growth of resource-dependent countries by enhancing government institutions. Literature reveals that institutional quality is a good predictor of growth differences among rich resource countries (Acemoglu, Johnson, & Robinson, 2002) (Tornell & Lane, 1999).

Robinson et al. (2006) propose a political-economy analysis where the effect of natural resources on development depends on the preserved institutional quality. Mehlum et al. (2006) attribute the performance differences in rich resource countries to differences in the quality of institutions. The resource curse threat results from the combination of the weak institution and resource abundance. De Medeiros Costa and dos Santos (2013) analyze Brazilian state data to show that the underlying resource curse is associated with violations of legal institutions and poor social and economic rights enforcement.

The evidence of the adverse association between institutions and resource curse through different measurements of oil rents is clear. The common representation of oil rents in the literature is the difference between the value of crude oil and the cost of production as a share of the GDP, as Sachs and Warner (2001) argue. Alexeev and Conard (2009) emphasize the endogeneity associated with GDP and the reason for using per capita measurement.

Some studies look at a broad definition of natural resources that includes non-fuel mineral and agricultural commodities (Sachs & Warner (1995); Collier & Hoeffler (1998)). However, recent studies focus on oil and gas commodities instead, distinguishing between production and extraction operations in defining natural resources in the context of the resource curse.

This study intends to bridge the relationship between taxation and governance quality-economic growth in resource dependency countries. If this indirect effect is significant in such countries' economies, increasing reliance on tax is a strategic policy.

3. Taxation and Resource Curse Nexus

Many oil countries suffer from weak institutional enforcement, which primarily inhibits growth. The RD countries encounter less accountability pressure than non-RD countries because public finance is mainly through the resource owned by the government, which leads RD countries to be more corrupted and possess more significant rent-seeking activities. Consequently, these countries are politically unstable.

Figure 1 represents the association between oil rents as a share of GDP with the country's level of voice and accountability from 1996-to 2019. The graph indicates that higher oil rents relative to the country's GDP (high resource curse) are associated with the country's lower level of voice and accountability (poor institution).
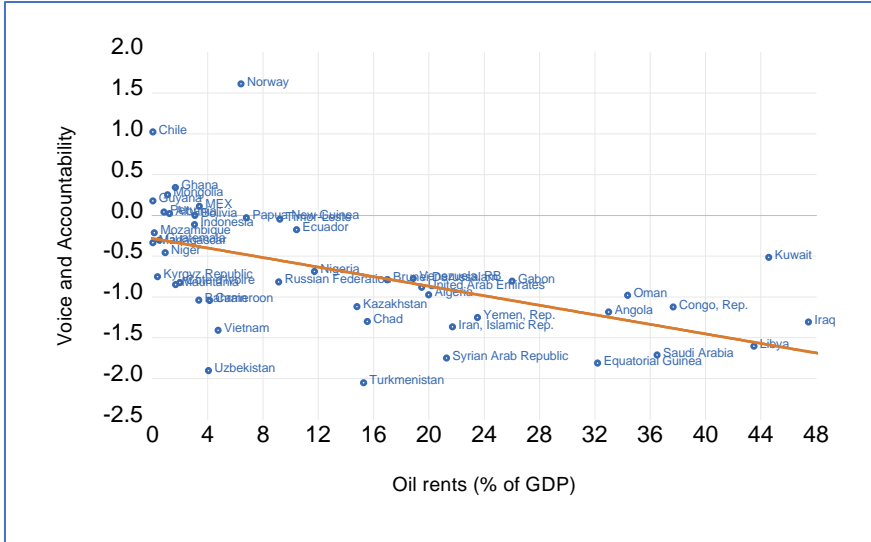
Figure 1: Oil rents and voice and accountability among oil countries (1996-2019)

Countries that rely on taxpayers have better institutions than countries of resource abundance. Tax-reliance countries are financing their expenditure through the activities of their citizens and firms. Thus, such countries must respond to institutional and economic issues that affect citizens and firms, whereas rich resource countries concern primarily about the world market price of their exportable goods. We believe that this distinction can partially explain the variations in growth between these two types of developing countries.

Figure 2 below graphically illustrates the nexus between taxation and resource curse (represented as oil rents percentage of GDP), using our data sample of 54 oil countries averaged 1996-2019. The graph indicates that countries where oil rents represent a large share of their GDP tend to rely less on taxation. Not yet, this relationship does not inform about causality or growth performance.
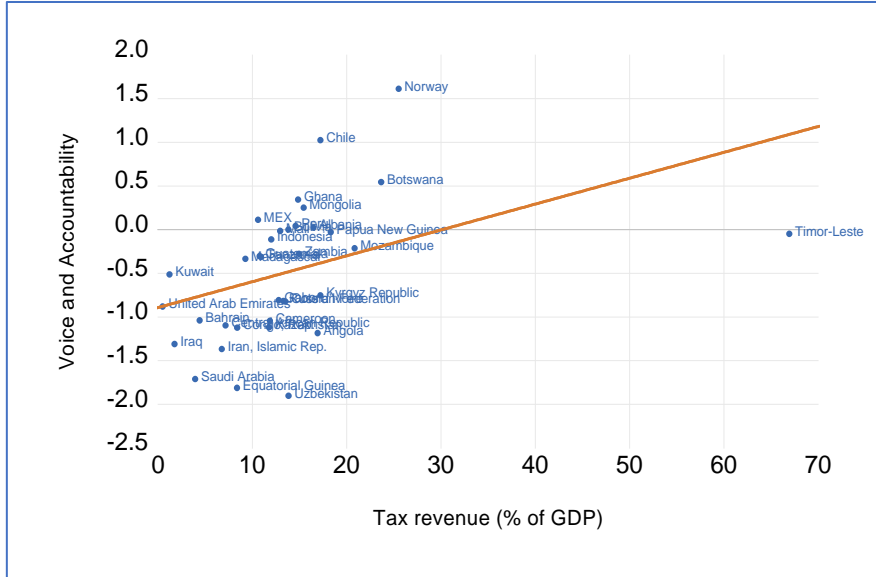
Figure 2: Taxation and resource curse linkage in oil countries (1996-2019)

A strong relationship between state and society is the outcome of tax expansion which indicates a government's responsiveness to its citizens' needs (Ross, 2004) (Prichard, 2009). The continuity of tax collection and reforms requires a good dialogue with citizens and firms through an efficient administrative government. In this regard, the political economy explanation states that rich-resource countries lower the tax burden on citizens to reduce the demand for accountability and transparency.

Imposing taxes is a government concession, but the successful tax system results from a national dialogue between the government and citizens, where government responds to its society's needs (Moore, 2007). The following graph shows a positive linkage between the taxation level in the oil countries and institutional quality. The diagram depicts the average taxation revenue as a share of GDP and the country's level of voice and accountability.

Figure 3: Institution and taxation linkages among oil countries (1996-2019).

4. Oman Economy Oil Rents, Institution, and Taxation Reliance

According to World Bank Indicator WDI, Oman is a rich-resource country with high-income countries. The government drives about 70% of its oil and gas revenues from oil and gas (International Trade Administration U.S DOC, 2021). The export revenues from oil have enriched the government's financial status, especially when oil prices are high and stable.

The following graph shows the negative linkage between Oman's oil revenue as a portion of its GDP and the tax revenue as a percentage of total profit. The negative association holds when using the alternative tax variable instead of the tax revenue percentage of the GDP variable. Perhaps, the government's financial satisfaction from oil revenues causes less dependency on taxation. Other taxes indices of our sample set are not available for Oman from the data source, the WDI data repository.
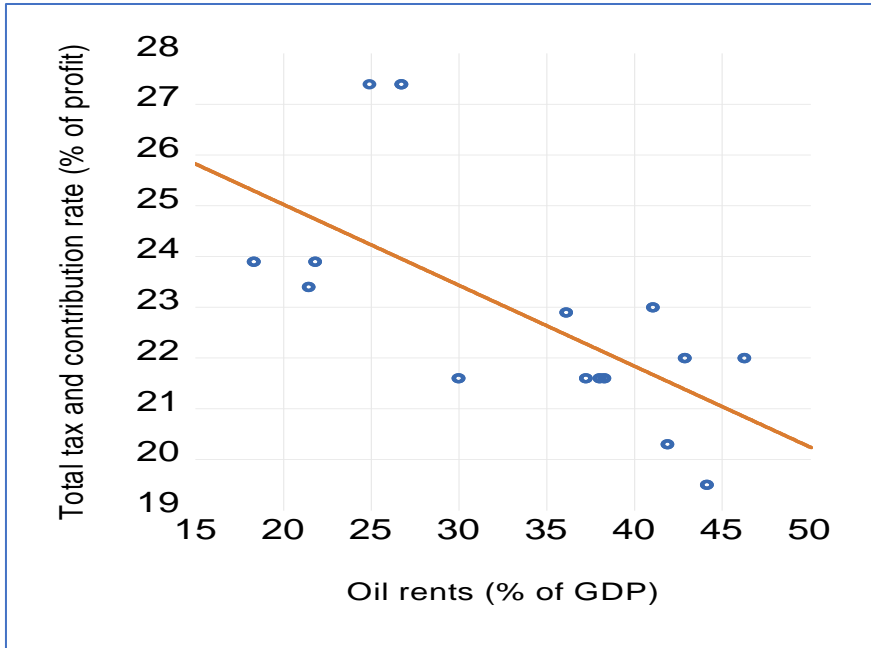
Figure 4: Oman's oil rent and taxation correlation (1996-2019).

The Oman economy grew stably 30 years ago, benefiting from oil revenues of considerably stable periods. However, the country's development continuity requires less dependency on its oil revenues and reliance on other resources. Taxation is one source that interestingly benefits the economy on different dimensions; it diversifies the source of income, improves the linkages between the society and government, brings both to the common interest, and solves many oil-country economic distortions.

The political economy aspect of an oil-rich country is a crucial factor in explaining the resource curse. Evidence is found in the literature distinguishing performance differences in oil-rich countries (Norway and Libya are examples). On average, Oman's institution level is of the better Quality in GCC countries, but the rank is modest internationally.

The tax-based strategy offers direct and indirect impacts on the economy of Oman. The immediate effect is to diversify the source of government revenues and helps the government keep track of economic activities as tax collection is a calculation out of economic

activities. Oil countries must foster the steps towards enhancing institutions to promote growth.
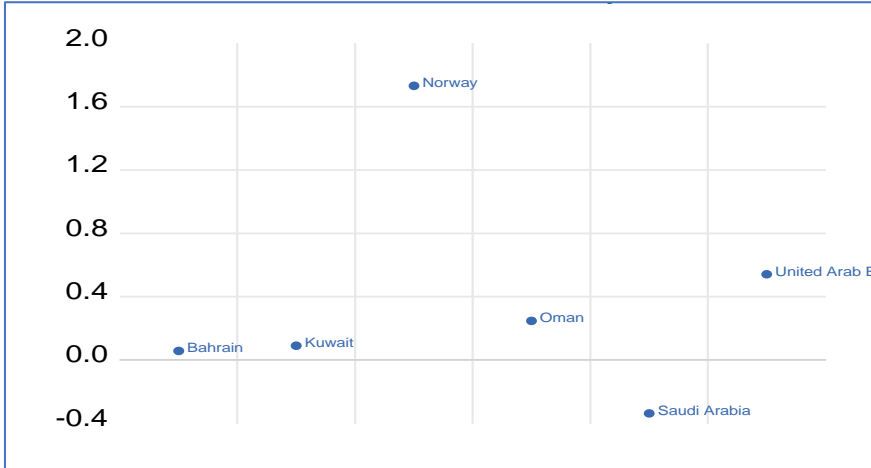
Institutional Quality

Figure 5: The Quality of the institution in GCC countries and Norway.

The indirect impact on the Oman economy is that extending tax reliance raises the government-society engagement. Resources collected from societies impose a heavier weight on the government's accountability than resources collected from oil. With the increasing responsibility of the government, the business environment is going to improve, creating more business opportunities in sectors other than oil. The Omani government has imposed value-added taxes, reflecting the government's acceptance of more accountability. Though the sustained benefit of taxation requires increasing the reliance on taxation, it effectively reduces the economic distortion as one aspect of the resource curse.

5. Data and Methodology

The study collects annual data from 54 RD countries, including Oman; the appendix includes the list of countries. The variables of interest cover economic and institutional indices from 1996 to 2020, besides other control variables listed in Tables 3 and 4.

Table 1: Taxes indices and oil rents correlation

t-Statistic	Oil rents (%GDP)	
Taxes Int. trade of revenue	**-0.282**	**(-5.11)**
Total tax and cont. (% of the profit)	**0.113**	**(-1.98)**
Taxes on income profit and capital gain (%the of the total tax)	**0.41**	**-7.88**
Taxes on income profit and capital gain (% of revenue)	**-0.18**	**(-3.29)**
Taxes on goods and services VD of industry and services	**-0.57**	**(-12.08)**
Taxes on exports (% tax revenue)	**0.0045**	**(-0.078)**
Taxes on goods and services of revenue	**-0.7**	**(-16.88)**
Taxes fewer subsidies on products US$	**-0.07**	**(-1.18)**
Tax revenue (% of GDP)	**-0.29**	**(-5.32)**

Table 1 represents the correlation between taxes and oil rents that matches our research assumption except for total tax and contribution and taxes on income profit and capital gain that positively correlates with the level of oil rents in the country. Taxes on export are positively associated with oil rents, but their coefficient is tiny and insignificant.

Measuring the resource dependency may include the quantity of production, the value of output, the rents generated, and the value of the exports. Normalizing these values is a fraction of GDP, a fraction of exports, a fraction of total government revenue, or per capita bases.

There are difficulties in tracking the oil government revenue from the extractive sector; such payments are collected in various ways: oil and finance ministry, state-owned companies, and can be transferred to multiple government accounts.

The principal methodology we are implementing is regression analysis. However, endogeneity regards macroeconomic variables justifies the Second Stage Least square (2SLS) regression. In addition, we intend to include country-fixed effects due to the anticipation of considerable differences among our country sets.

Our primary research question intends to quantitively evaluate the effect of taxation on resource curse among a set of oil countries. This claim is tested through the following equation:

$$Oil\ rents_{it} = \alpha + \delta Ins_{it} + bTax_{it} + \mu X_{it} + e_{it} \qquad (1)$$

Where:

Oil rents: represents the level of a curse caused by the resource; *Ins:* accounts for an average of six induces of the institution of each country. *Tax* measures the value of taxation through multiple types of taxes; *X* is a set of control variables; *e:* is an error term; *i:* refers to the individual country, and *t:* is for the year. Regarding variables' stationarity, we deduct four stationary variables at the first difference and other variables at the level. Thus, the analysis will present these variables accordingly.

6. Estimation

The estimations contain two analyses; the first (column 1&2) estimates the effect of institutions on oil rent to double-check this relationship's validity with an updated period from 1996 to 2020 and covering 54 resource-dependent countries. The second (column 3,4,5 and 6) is our primary analysis which tests, utilizing 2SLS, if increasing tax reliance lowers the country's oil dependence by enhancing the quality of institutions.

All regressions in Table 2 were performed with and without control variables. Our results confirm the literature finding that the prevailed institution is a good predictor of the resource curse. The coefficients on the institution variable have a negative sign and are highly statistically significant, revealing that countries' oil dependency tends to be smaller where the institutional quality is high. The estimation in columns 1 & 2 investigates the political curse causality between the quality of institutions and the country's resource dependence. Adding control variables to column 2 decreases the number of observations due to limited data coverage, increasing the goodness of fit.

Then we proceed with the 2SLS for inclusive and deeper analysis. We present the results of both stages. The first stage measures the causality from tax to institutions, where the government's willingness to extend reliance on taxation puts the governance quality on the test. We find a positive effect of increasing taxation on the quality of institutions in RD countries; the coefficient is highly significant with and without control variables. However, the R squared is improving with using control variables. The second stage deals with suspicion of collinearity between taxation and oil rent. It is a valid assumption that as oil rents increase, the tax collection increases. Thus, the 2SLS utilizes the taxation (fitted values) to investigate its effect on oil rent

dependency. The coefficient on taxation in the last two columns has minus signs indicating that increasing tax reliance on RD countries is negatively associated with lower dependence on oil rent through implementing better institutions. The goodness of fit has risen in the estimation of 2SLS on expenses of the lower number of observations.

Table 2: Taxes, institution, and resource curse regressions

	Least Square		1st Stage		2SLS	
Dependent Variable:	Oil Rent	Oil Rent	Institution	Institution	Oil Rent	Oil Rent
Instrument:	[1]	[2]	[3]	[4]	[5]	[6]
Institution	-4.94	-4.27				
	(-6.46)	(-5.68)				
Tax			0.018	0.010	-2.31	-1.9
			(3.58)	(3.69)	(-5.77)	(-4.71)
Controls:	No	Yes	No	Yes	No	Yes
Observations	799	629	449	393	368	315
R^2	0.05	0.16	0.03	0.15	0.26	0.27
1st Stage F-stat			14.98	14.22		

Note: t- statistics in parentheses. Control variables are exports and imports of goods and services, annual growth rate, population growth rate, and GNI per capita growth rate.

The findings of this study build a bridge between the effect of taxation on the institution (the political economy channel) and the institution's impact on reducing the country's resource dependency (the political resource channel). In other words, our finding introduces the effect of increasing the country's taxation in lowering the resource curse through institutional quality.

7. Discussion

Oil resource countries contain growth winners and growth losers, and looking for the source of divergence in this group of countries has been an interest of researchers. The political economy approach has been applied to explain the critical factor of deviation where the quality of an institution is the key element of why the resource is a curse for some countries and why it is a blessing for others. Our study

extends this approach by emphasizing the benefit of taxation in mitigating the curse of oil. Non-resource countries rely forcibly on taxation and dialogue with society to maintain this source of financing. Some types of taxes are more preferred than others in non-resource countries when institution quality improvement is a challenge. However, our interest is in oil countries whose oil rents discourage imposing taxes to relieve accountability.

The study builds its arguments on evidence from the literature that political economy significantly explains the growth reduction in RD countries. The other side of the coin is that literature also indicates that taxation tests the political economy. The government's ability to tax its citizens requires the former to act responsibly and responsively. Thus, our contribution is to build a bridge between the increasing reliance on taxation motivating the government to more accountability and enhancing institution quality to promote economic growth and reduce the distortion of resources.

We test a sample of 54 RD countries from 1996 to 2019, employing taxation, institutional, and other economic indices to examine this relationship. Methodology in the political economy analysis is sensitive to endogeneity as underlying variables tend to have two-way causality. Thus, we rely on the two-stage least-square 2SLS, following the previous studies.

Our results indicate that the taxation level in oil countries is a significant predictor of the status of the resource curse and that institution is a valid instrument conveying the effects of taxation on the country's dependency on oil rents. Tax serves as a revenue tool for governments. It promotes the government to move toward a higher degree of accountability and transparency, fostering economic growth and reducing resource dependency. Increasing reliance on taxes is a strategic policy for RD countries regardless of their financial status.

8. Appendix
List of Countries:

Albania, Algeria, Angola, Bahrain, Bolivia, Botswana, Brunei Darussalam, Cameroon, Central African Republic, Chad, Chile, Congo, Rep., Cote d'Ivoire, Ecuador, Equatorial Guinea, Gabon, Ghana, Guatemala, Guinea, Guyana, Indonesia, Iran, Islamic Rep., Iraq, Kazakhstan, Kuwait, Kyrgyz Republic, Lao PDR, Libya, Madagascar, Mali, Mauritania, Mexico, Mongolia, Mozambique, Niger, Nigeria, Norway, Oman, Papua New Guinea, Peru, Russian Federation, Sao Tome and Principe, Saudi Arabia, Sierra Leone, Syrian Arab Republic, Tanzania, Timor-Leste, Turkmenistan, United Arab Emirates, Uzbekistan, Venezuela, Vietnam, Yemen, Rep., Zambia

Table3: Variable Descriptive Analysis

PPInstitution indices	Mean	Median	Maximum	Minimum	Std. Dev.	Observations
Control of corruption	-0.579	-0.736	2.294	-1.816	0.746	1131
Government effectiveness	-0.526	-0.639	2.081	-2.279	0.733	1131
Political stability and absence of violence and terrorism	-0.44	-0.39	1.61	-3.181	0.901	1132
Regulatory Quality	-0.511	-0.578	1.816	-2.363	0.782	1131
The rule of law	-0.623	-0.741	2.036	-2.323	0.755	1134
Voice and accountability	-0.64	-0.727	1.738	-2.259	0.783	1134
Resource rent indices	**Mean**	**Median**	**Maximum**	**Minimum**	**Std. Dev.**	**Observations**
Oil rent (%GDP)	10.932	3.504	66.713	0	14.725	1243
Fuel exports (% of merchandise exports)	37.562	24.335	99.986	0	36.508	943
Control indices	**Mean**	**Median**	**Maximum**	**Minimum**	**Std. Dev.**	**Observations**
GDP (constant 2010 $)	1.34E+11	2.24E+10	1.78E+12	1.22E+08	2.70E+11	1254
GNI per capita growth	1.848	1.906	45.307	-36.326	5.791	928

Taxes indices	Mean	Median	Maximum	Minimum	Std. Dev.	Observations
Population (% growth)	2.11	1.987	15.177	-4.533	1.498	1296
FDI (net inflows % GDP)	4.136	2.423	161.824	-37.155	7.755	1263
Tax revenue (% of GDP)	14.244	13.014	149.283	0.0435	11.495	526
Net taxes on products (current US$)	7.42E+09	9.30E+08	2.97E+11	-1.44E+10	2.60E+10	1074
Taxes on exports (% of tax revenue)	2.665	0.0002	44.608	0	7.568	496
Taxes on goods and services (% of revenue)	27.385	28.616	62.774	0	16.098	522
Taxes on goods and services (% value-added of industry and services)	7.711	7.403	20.875	0.034	4.633	500
Taxes on income, profits, and capital gains (% of revenue)	22.478	23.43	61.833	-1.351	12.776	525
Taxes on income, profits, and capital gains (% of total taxes)	36.947	34.941	95.425	-4.469	19.967	524
Taxes on international trade (% of revenue)	9.283	6.067	49.845	0	9.635	525
Total tax rate (% of commercial profits)	44.123	39.9	272	8	29.563	753

Table 4: Variables definitions.

Institution indices	
Control of corruption	This variable captures perceptions of how public power is utilized for private gain and private interests—the variable ranges from approximately -2.5 to 2.5.
Government effectiveness	Government Effectiveness concerns the perceptions of the quality of public services. The indicator is from approximately -2.5 to 2.5.
Political stability and absence of violence and terrorism	This indicator interests the likelihood of political instability and politically motivated violence, including terrorism. The indicator takes a value between -2.5 to 2.5.
Regulatory Quality	Regulatory quality captures the ability of the government to formulate and implement sound policies and regulations. The variable's value ranges from -2.5 to 2.5.
The rule of law	Rule of Law measures the perceptions of agents having confidence in and abiding by the rules of society, and in particular, the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. The indicator takes values between -2.5 to 2.5.
Voice and accountability	Voice and accountability quantify the perceptions of a country's citizens' ability to have a role in selecting their government, as well as freedom of expression, freedom of association, and free media. The variable's value ranges from -2.5 to 2.5.
Resource rent indices	
Oil rent (%GDP)	Oil rents are the difference between the production value at regional prices and the total production costs.
Fuel exports (% of merchandise exports)	The value of exports of mineral fuels, lubricants, and related materials.
Control indices	
GDP (constant 2010 $)	The variable represents the gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value the products. Data are in constant 2010 U.S. dollars.
GNI per capita growth	The yearly growth rate of GNI per capita upon constant local currency. GNI per capita is gross national income divided by the

	midyear population. The calculations are based on constant 2010 U.S. dollars.
Population (% growth)	Obtained from total population annual growth.
FDI (net inflows % GDP)	The net inflow of foreign direct investment is needed to obtain a permanent management interest.
Taxes indices	
Tax revenue (% of GDP)	Tax revenue tracks the compulsory transfers to the central government for public purposes—certain excluded transfers, such as fines, penalties, and most social security contributions.
Net taxes on products (current US$)	Net taxes on products (net indirect taxes) are the sum of product taxes and fewer subsidies. Product taxes are those payable by producers related to the production, sale, purchase, or use of the goods and services.
Taxes on exports (% of tax revenue)	The indicator reflects all levies on residents' exportable goods or services delivered to nonresidents.
Taxes on goods and services (% of revenue)	Taxes on goods and services include general sales and turnover or value-added taxes, selective excises on goods, selective taxes on services, taxes on the use of goods or property, taxes on extraction and production of minerals, and profits of fiscal monopolies.
Taxes on goods and services (% value-added of industry and services)	Tariffs on goods and services include general sales and turnover or value-added taxes, selective excises on goods, selective taxes on services, taxes on the use of goods or property, taxes on extraction and production of minerals, and profits of fiscal monopolies.
Taxes on income, profits, and capital gains (% of revenue)	Levied taxes on income, profits, capital gains or presumptive net income, on the profits of corporations and enterprises, and capital gains, whether realized or not, on land, securities, and other assets.
Taxes on income, profits, and capital gains (% of total taxes)	imposed taxes on income, profits, capital gains or presumptive net income, on the profits of corporations and enterprises, and capital gains, whether realized or not, on land, securities, and other assets.

Taxes on international trade (% of revenue)	Taxes on international trade include import duties, export duties, profits of export or import monopolies, exchange profits, and exchange taxes.
Total tax rate (% of commercial profits)	The total tax rate measures the amount of taxes and mandatory contributions payable by businesses after accounting for allowable deductions and exemptions as a share of commercial profits. Taxes withheld (personal income tax) or collected and remitted to tax authorities (value-added taxes, sales taxes, or goods and service taxes) are excluded.

Note: All data is obtained from World Bank's World Development Indicators (WDI).

References:

– Sachs, J. D., & Warner, A. M. (1995). Natural resource abundance and economic growth. NBER working paper.
– Beck, T., & Laeven, L. (2006). Institution Building and Growth in Transition Economies. Journal of Economic Growth, 11(2), 86-157.
– Torvik, R. (2002). Natural resources, rent seeking and welfare. Journal of Development Economics, 67, 455-470.
– McGuirk, E. F. (2013). The illusory leader: natural resources, taxation and accountability. Public Choice (154), 285–313.
– Ploeg, F. v. (2011). Natural Resources: Curse or Blessing? Journal of Economic Literature, 49(2), 366–420.
– Acemoglu, D., Johnson , S., & Robinson, J. A. (2002). An African Success Story: Botswana. CEPR Discussion Papers.
– Tornell, A., & Lane, P. R. (1999). The Voracity Effect. The American Economic Review, 89(1), 22-46.
– Ross, M. (2004). Does Taxation Lead to Representation? British Journal of Political Science, 34, 229-49.
– Prichard, W. (2009). The Politics of Taxation and Implications for Accountability in Ghana 1981–2008. Ids Working Paper 330.
– Moore, M. (2007). How Does Taxation Affect the Quality of Governance? Ids Working Paper 280.
– Alexeev, M., & Conrad, R. (2009). The elusive curse of oil. Review of Economics and Statistics, 91(3), 586-598.
– Broms, R. (2011, December). Taxation and Government Quality: The Size, the Shape, or just Europe 300 Years Ago? QoG Working Paper Series 2011:16.

– Eubank, N. (2012). Taxation, Political Accountability and Foreign Aid: Lessons from Somaliland. Journal of Development Studies, 48(4), 465-480.
– Dom, R. (2018, December). Taxation and accountability in sub-Saharan Africa. New evidence for a governance dividend, Working paper 544.
– Weller, N., & Ziegler, M. (2008). Tax Man Cometh: Income taxation as a measure of state capacity.
– Mehlum, H., Moene, K., & Torvik, R. (2006). Institutions And The Resource Curse. The Economic Journal, 116, 1-20.
– Guide, O. C. (2021, October 24). International Trade Adminstration. Retrieved from U.S Department of Commerce: https://www.trade.gov/country-commercial-guides/oman-oil-gas