

TAX JUSTICE FOR BRAZILIAN WOMEN:

Presentation to the Committee on the Elimination of All Forms of Discrimination against Women - CEDAW

Geneva, May 2024

PROBLEM

Gender inequalities are aggravated by the regressive nature of the Brazilian taxation regime because it taxes consumption more than income and assets. As a result, impoverished people pay proportionally more taxes and considering the intersectionalities of gender and race in Brazil, black women pay proportionally more taxes when it comes to indirect taxation.

It has taken ten years for a critical tax reform to pass through the National Congress. This tax reform was finally approved in December 2023. It contains progressive features that can support greater equality for women, such as tax reduction measures for cleaning and personal hygiene products, exemption from taxes on the basic food basket, and tax refunds (cashback) for the poorest.

The government divided the tax reform into two phases: the first based on indirect taxes that affect consumption, and the second on taxes that affect income and assets. The National Congress has not yet received the proposal for the second phase.

This means that those people in the lowest population decile, black women and those who face intersecting social and economic injustices will continue to be the most disadvantaged by the tax system until a more structural reform is carried out.

MAIN RECOMMENDATIONS

TAX SYSTEM

Monitor and regulate the changes to the tax system in the reform approved in December 2023 that directly impact women. This includes expanding subsidies for health and personal care products, especially those most consumed by women and their dependents (children, elderly, sick or disabled), as well as measures to reimburse taxes paid by the impoverished, especially black women.

Transfer the tax burden that currently falls on women to other sectors and wealthy individuals, who are responsible for an entirely disproportionate share of wealth extraction and climate damage.

Tax heavily the products that are harmful to health, pesticides, and ultra-processed products.

Implement measures to reduce the prevalence of tax incentives for multinational companies that generate socio-environmental impacts, in order to repay the affected populations, mainly black and indigenous women.

Redistribute the regressive tax burden from consumer taxes to progressive taxes on wealth and income.

Promote reparative taxes whose collection serves to repair historical and current violence against black people and black women in particular.

INTERNATIONAL TAX POLICY

Actively participate in the Latin American Tax Platform to effectively guarantee women's economic and social rights in regional initiatives to establish inclusive, sustainable, and equitable tax standards.

Strengthen and actively engage in the negotiations of the UN Framework Convention on International Tax Cooperation, the legitimate place to hold debates and establish agreements on tax norms and rules that affect all States.

QUESTIONS FOR THE GOVERNMENT

- How does the Brazilian government intend to influence the second phase of income and asset tax reform to bring gender and race to the focus of the debate?
- How does the Brazilian government intend to expand debate and social participation on tax justice and gender and racial equity?
- What plans does the government have to establish effective policy impact assessments and make these publicly available?

