

# IOTA PAPER

## Being proactive for an active young generation

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A few years ago, we had the opportunity to share our experience and knowledge about the evolution of services offered to taxpayers in the 36<sup>th</sup> IOTA Tax Tribune Magazine.<sup>1</sup> In a world where everything is changing, people and their habits are also changing, and future generations are influenced by the wide range of social digital changes, so tax administrations must adapt their services for their clients. But people are not alike; they come from different environments with different habits, attitudes, mindsets, and backgrounds. In a constantly moving world, our tax administration is trying to develop new services and channels for taxpayers. But experience shows that taxpayers have limited knowledge about how to fulfil their tax obligations.



Companies generally rely on tax intermediaries to assist them in fulfilling their tax obligations, but individuals are another story. As we explained a few years ago, we are using various channels to inform our taxpayers about legislative changes, tax obligations, tax returns, etc. We are taking proactive measures: we publish guidelines, brochures, and other information and run various campaigns for taxpayers by using different channels for services and communication because, in the end, increasing voluntary tax compliance is one of the most important objectives for our tax administration.

But there is a challenge to be met: the young generation - the generation that does not yet have direct contact with taxes. Targeting them is difficult because once you think that you have succeeded in understanding their preferences and needs, you see that they are already moving on to different habits. They change social platforms, they use new gadgets, and they don't have time to wait because they live in the digital era where everything is changing rapidly, and everything is in fast-forward.

<sup>1</sup> Published by IOTA, 2018, Budapest, Hungary. Available: <https://new.iota-tax.org/ngsite/content/download/1317/28050>

Communications departments are doing their best, but is it enough for the tax administration? Resources allocated to public relations are usually limited. Early education of young people about taxation is a challenge but also an opportunity for tax administrations to understand and help them.

Considering the above, we took the initiative to enter the world of these future taxpayers. Young people are a special category of interest for our tax administration. They are, in the end, future taxpayers and contributors to the state budget and to the welfare of our society. Educating them is a real investment for the future of our society.

When referring to young people, we know that smart phones are a must. They like to use IT tools, they love social media platforms, and they enjoy socialising with their friends. They live in a digital era. By analysing their habits, one can assume that they could also use our digital services to fulfil their tax obligations. But are they really willing to do that? No! Because we cannot compare tax e-services with social media. Why not? Because paying taxes is no fun! It's a civic responsibility that must be built and formed from a young age, and our role as a tax administration is essential.

As mentioned in an article written by my colleague Mrs Mihaela Dragulin in the 36<sup>th</sup> IOTA Tax Tribune, our administration intended to launch webinar services and that was accomplished in 2022. Since then, we have organised webinar sessions for our taxpayers to inform them about how to fulfil their tax obligations. From 2022 to the present, we organised a total of 161 webinars with 27 807 participants.



The participants were tax intermediaries, companies, individuals – taxpayer categories that want to comply. But young people do not participate because most of them do not yet have a relationship with the tax administration.

In 2022, our tax administration entered the future taxpayers' world, but not virtually. We started to collaborate with prestigious Romanian universities to educate students about taxes, voluntary compliance, and the e-services that are available to them to facilitate fulfilment of their fiscal obligations.

We conducted a national campaign using internal resources: we visited 19 universities across the country where we gave 20 presentations involving 50 speakers.

The speakers were NAFA employees – top central and local management from different departments including communication, taxpayer services, enforcement, risk management, audit, etc. We were impressed to see how much our employees really appreciated their involvement in our project. Participating personnel were trained to have a unified approach. They presented the vision of the tax administration specifically for future taxpayers, underlining their importance and their role in society. Our speakers succeeded in showing the students the wide range of activities that the tax administration carries out to stimulate tax compliance.

In our interaction with the students, we found that there was no one way of approaching the audience but rather that it required a mix between basic and advanced knowledge. The students asked our speakers questions ranging from basic topics (how to start a business, submit a tax return, pay taxes and fines and penalties imposed for non-fulfilment of tax obligations) to complicated matters that are also challenging for tax administrations (taxation of crypto currencies, ways to combat fraud and tax evasion, shadow economy, international exchange of information, etc.).



The dialogue with the students was a real pleasure because we could finally enter their world and have an open discussion that allowed us to understand their opinions about taxes, tax administration, and society and their

plans for doing business in the future. Moreover, NAFA's presence in universities increased the transparency of our institution: it was an opportunity for us to explain to students the important role of our organisation in the collection of revenues for the state budget.



Universities played a major role in our project as they are responsible for educating young people and for developing society as a whole, being responsible not only for bringing added value and innovation, but also for teaching young people how to become responsible adults in a modern society. NAFA will continue collaborating with them in future projects.

Also in 2023, we had the pleasure of being invited to different events organised by other organisations. One of the events that gave us the possibility to interact with young people was dedicated to start-up businesses in which we had the opportunity to raise awareness among students, to explain to future entrepreneurs what their tax obligations are and the e-services offered by our organisation.

After the events mentioned above, I was impressed to see that our organisation received requests from the students who interacted with us, requesting internships at NAFA. I consider this to be very important feedback because their requests for internships were voluntary, validating that NAFA's presence in the universities made a difference for the students and that we made a positive impression on them.

All the feedback we receive is important to us to better understand not only how to educate future taxpayers and how to shape our message for young generations but also because we are in a learning process to better understand future generations of taxpayers. In the end, experience shows that there is no perfect 'one size fits all' strategy when it comes to communicating with taxpayers and offering them the services they need to maintain and increase voluntary compliance. We continue to tailor our services - to innovate and develop for different categories of taxpayers - and we are focusing on young people because, as mentioned above, they are future taxpayers.

To conclude, our mission was to increase awareness about the role and the importance of taxes in society, to educate the younger generation with the purpose of modelling social and moral behaviour in our society.

What can we share with all of you is the fact that this year, it was approved as part of the Romanian Financial Education Strategy in which fiscal education plays an important role. NAFA will continue to carry out campaigns dedicated to students but also to other categories of future taxpayers.

We are ready to continue our journey to really change the future of society!

# FEEDBACKS

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Financial independence gives birth to big ideas. A good early financial education takes on new values, in the sense that young people can begin to see the advantages of financial independence. Young people are the present and the future, therefore education becomes a necessity that contributes to economic progress, it is useful for the society. The transition from school to social life must represent a benchmark of the efficiency of the education system. That is precisely why the agency established itself in time also through educational-preventive programs that I support now and in the future.

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**-Mrs Nicoleta Circiumaru**

President of the National Agency for Fiscal Administration

## NAFA's representatives

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Providing guidance to taxpayers and developing taxpayer services are extremely important in any tax agency to ensure voluntary tax compliance. Each tax agency is trying to develop new e-services and to identify new approaches in order to facilitate the voluntary tax compliance for its taxpayers, taking into consideration each category: individuals, businesses (small, medium or large taxpayers), residents and non-residents. A very important category is the young generations, understanding that this is the future taxpayer in any society.

Considering the importance of young people, our institution pays special attention to this category, having already developed a dedicated project, which I had the pleasure of leading.

Proactive actions dedicated to this category will continue so that we manage to understand but also to model social behaviors, to increase fiscal morale, to ensure the necessary resources for society. Running projects, with actions dedicated to young people actually represents a minimum investment with maximum long-term results.

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**-Mrs Mihaela Dragulin**

General Director

General Directorate for Taxpayer Assistance, NAFA's head quarter  
(responsible for NAFA's project)

“ The open, interactive dialogue with the students allowed the Agency to communicate differently with the young generation of future taxpayers, offering them also the prospect of becoming future tax administration specialists. The enthusiasm shown by the students during the meetings makes me say that this program is a real success for tax education, on the one hand, but also for increasing trust in the tax authority. ”

**-Mr Daniel Tudor**

General Director  
General Directorate of Risk Management, NAFA's head quarter  
(involved in NAFA's project)

“ I can say with certainty that the program dedicated to young people was a real success and a welcomed initiative, they responded enthusiastically to the information sent by our representatives. The young people understood the importance of paying taxes and were interested in how the money collected by the tax authorities is spent. I believe that the positive reaction of the future adults was not just a momentary attitude, but will determine a disciplined fiscal behavior in the medium and long term. In other words, a real Win-Win scenario. ”

**-Mrs Doina Naum**

Deputy Executive Director  
Regional General Directorate of Public Finance IASI  
(involved in NAFA's project)

# Representatives of universities

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“The State is one of the main stakeholders of any business and students must know that from the beginning of their careers. So, I have invited The National Agency for Fiscal Administration (NAFA) representatives to hold a presentation during the Entrepreneurship & Innovation seminar, at the Project Management master's program.

Thus, students have had the privilege of getting to be familiar with the fiscal institution in a cordial visit, gaining insights into its operations. They explored the diverse spectrum of taxpayers, ranging from the most diligent to those more prone to evading taxes, with a focus on the importance of self-compliance. It is encouraging to note that NAFA has recently increased its accessibility through social media, call center, regular webinars and more recently, visits to universities. This marks the beginning of a promising partnership that benefits the academic community, the business sector, and state agencies alike.”

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## -Ms Lavinia Iancu

Entrepreneur and Assistant

College of Communication and Public Relations, National University of Political Studies and Public Administration

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In October 2023, NAFA, through its representatives, was invited to participate in the Start Your StartUP event organized by the Faculty of Entrepreneurship, Business Engineering and Management at the National University of Science and Technology POLITEHNICA Bucharest.

By participating in such events, NAFA demonstrates that it takes an active role in supporting and encouraging the development of local and innovative businesses, showing that it is a partner for growing businesses and understands their specific needs.

NAFA's presence at such events improves transparency and accessibility to tax information for SMEs, providing them with resources and consultancy for the correct management of fiscal aspects. NAFA's participation in academic events of our faculty contributes to raising awareness among students and future entrepreneurs about the importance of compliance with tax rules and the services offered by NAFA.

What we consider extremely important at FAIMA is that NAFA's presence in universities to be not sporadic but constant, so that the commitment to the community, orientation towards entrepreneurship, transparency, and accessibility become a reality, not just statements of intent.

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## -Ms Assoc. Prof. Corina-Ionela DUMITRESCU, PhD

Dean of the Faculty of Entrepreneurship, Business Engineering and Management  
National University of Science and Technology POLITEHNICA Bucharest



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