

## Tax systems as (non-) participatory mechanisms: the cases of Brazil and the United States

Diogo Pereira<sup>1</sup>  
Ariane Roder Figueira<sup>2</sup>

155

**Abstract:** The paper investigates the Brazilian and American income tax system to analyze how tax expenditures may act as a participatory mechanism in public budgeting. The literature on charitable deductions and tax expenditures suggests that tax systems may have a ballot nature, nonetheless few studies have addressed the issue. Thus, the paper aims to fill this theoretical gap by exploring how citizens may express their preferences to the government via tax deductions and by proposing a framework to compare the implications of each institutional design. Data showed that, yet differently, both tax systems allow a certain degree of participation and result in a substantial modification in how governments execute public policies and spend public resources. The comparison of the cases indicated that the same mechanism can be more or less participatory and that tax expenditures should be analyzed not only in terms of their financial results but also concerning their influence on democracy.

**Keywords:** income tax; tax expenditures; participatory budgeting; citizen participation; public budgeting; democracy.

<sup>1</sup> PhD candidate in Public Administration at the COPPEAD Institute of Administration of the Federal University of Rio de Janeiro. Email: [diogo.pereira@coppead.ufrj.br](mailto:diogo.pereira@coppead.ufrj.br).

<sup>2</sup> Associate Professor at the Coppead Institute of Administration at the Federal University of Rio de Janeiro and Coordinator of the Center for Studies in International Business. Holds a PhD in Political Science from the University of São Paulo. Email: [ariane.roder@coppead.ufrj.br](mailto:ariane.roder@coppead.ufrj.br).

Agenda Política. Revista de Discentes de Ciência Política da Universidade Federal de São Carlos  
Volume 9, Número 2, p. 155-184, maio-agosto, 2021

## 1. Introduction

Participation in budgeting is a term generally used to describe a society-government interaction through a wide set of institutional frameworks which aim to influence the design and execution of fiscal policies. The concept has been discussed for decades, with papers addressing different aspects and usually following theoretical frameworks from the fields of political science and public administration (LORSUWANNARAT, 2017; SINTOMER; HERZBERG; RÖCKE, 2012). The idea of letting citizens influence budgets and other decisions is commonly understood as a response to a series of symptoms regarding the contestation of government responsiveness, such as declining trust in politics and politicians, low voter turnout, the emergence of political outsiders and new parties, decrease in party membership, and the increase of antiestablishment uprisings and protests (MAINWARING, 2006; TORMEY, 2014). The rationale behind this movement towards more participation is that it may be a powerful measure to enhance legitimacy, justice, and effectiveness in governance (FUNG, 2015).

156

Along with the discussion in academia, many international organizations are giving more attention to the topic and encouraging countries to pursue budgetary governance more permeable to citizen's influence. The IMF, the OECD, the World Bank, and the United Nations have all produced orientations and fostered programs to stimulate countries to enable participation in budget deliberations. In fact, in 2012, the UN General Assembly adopted a resolution stimulating member-states to intensify efforts to increase and promote discussions on transparency, participation, and accountability of fiscal policies. Yet, only voluntarily.

These years of theoretical and empirical discussions on the topic showed that advances have been made toward more citizen influence on the budgetary process. Nonetheless, this movement is viewed as controversial and not consistent. Although some mechanisms of participation exist and are explicit even in the constitutions of some countries, they are often not used, confer limited discretionary power to citizens, or does not foster meaningful participation, as can be observed in several initiatives in Brazil (CUNHA et al., 2015), in the United States (SU, 2017; STEWART ET AL., 2014) and many other countries such as in Iceland (BANI, 2012), South Africa (BASSETT, 2016) and China (HE, 2011).

Concerning public budgeting, the most studied initiative was the creation of the Participatory Budgeting (PB) in Porto Alegre in 1989 and the diffusion of the model to many cities around the world. In fact, despite many studies on participation in budgeting have been published for years, usually they focus primarily on the initial formulation phase of the budget cycle in the executive branch and on local initiatives as seen in most of these PB initiatives. At the same time, according to the tax deduction literature, tax systems can be seen as institutional frameworks that allow citizens to directly allocate public resources to worthy causes (LEVMORE, 1998). Nevertheless, investigations seeking to study the relationship between participation and tax expenditures are scarce in the scientific literature, especially from an international perspective.

Thus, this research proposes to fill these theoretical gaps by understanding and discussing citizen participation in the execution phase of the budget cycle via tax deductions in the personal income tax and the implications of the Brazilian and American institutional tax arrangements concerning the traditional view of policy execution and public spending, as well as their effects on democracy.

157

## **2. State, democracy, and participation**

Democracy has passed through many changes since its foundations in Greece. However, one principle guides the characterization of each different democracy model: citizen participation. According to Barber (2005), in principle, all democracy is to a degree participatory since it is grounded on the original consent as well as in periodic elections. Nonetheless, the strength, scope, and connotation that each democratic way of governing gives to the participation ideal can vary significantly.

In the classic model of democracy, participation was inherently direct. In Athens, the main institution responsible for government deliberations was the Assembly (Ekklesia), where all citizens of the city-state all citizens had the right to attend, speak (DAHL, 1994) and where they met at least thirty times a year for deliberation on all matters (PATEMAN, 2012). These communities were socially and geographically demarcated and had a few thousand people living around the urban center or in the countryside, factors that facilitated and accelerated communication and the impact of social and economic arrangements.

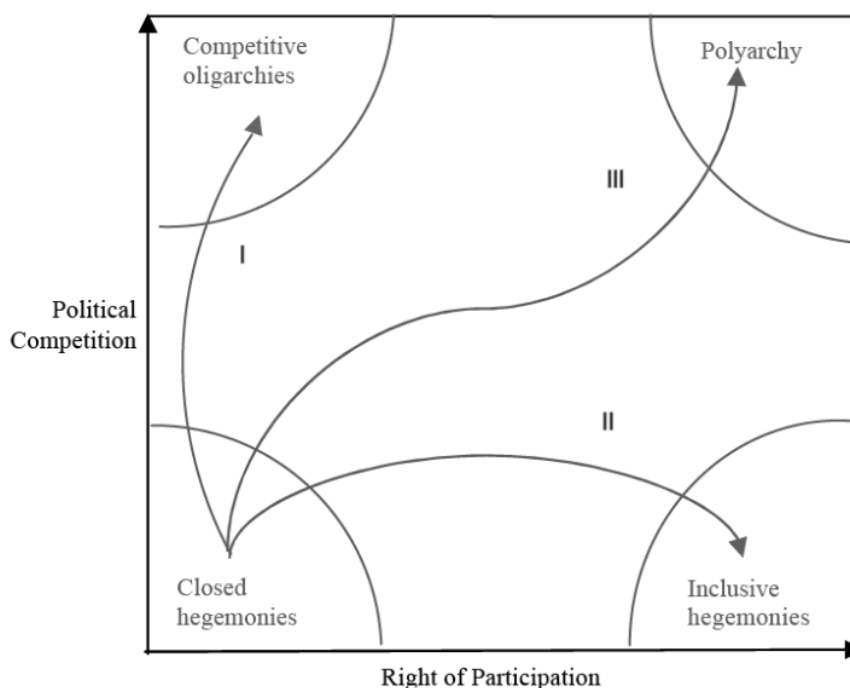
Politics was understood as a form of expression and realization of human nature, with all citizens debating, deciding, and approving laws, without the modern perspective of distinction between State and society (HELD, 2006) and with all citizens having broad and easy access to public functions and offices, and to public deliberations based on consensus, rather than customs or use of the force (RAAFLAUB, 1998). In summary, Athenian governance was grounded on a dialogic process in which the demos (people) were both the ruler and the ruled and governed themselves through collective-binding decisions from the assembly (ARISTOTLE, N.D.). However, there was no universal suffrage since only male residents of Attica whose parents were born Athenians were considered citizens, hence, excluding women and slaves from the decision-making process.

158 In modernity, the influence of the thoughts of Machiavelli and Hobbes helps to construct the notion of separation between State and society, consequently between government and people (HELD, 2006). And the size and complexity of the modern industrialized society have led to a change in the original concept of democracy (PATEMAN, 1970; DAHL, 1994). Throughout this process, government decisions move away from the direct action of citizens and, gradually, a new set of political practices and institutions are set up to embrace this new context: indirect participation through elections (representation) becomes the essence of democratic practices. Thus, from a perennial, broad, and dialogistic process of the classical model, democracy in the modern age becomes an occasional, limited, and monologist process (FUCHS, 2007).

For Dahl (2005), one of the central characteristics of democracy as a system of government is its continuous responsiveness to the preferences of its citizens, who are considered as political equals. Thus, for this situation to continue over time, all citizens must have the guaranteed right to (1) formulate their preferences; (2) express their preferences through individual and collective action; and (3) have their rights equally considered vis-à-vis the conduct of government. These three conditions necessary for democracy are opportunities to exert opposition (political competition). However, these rights could be restricted to a small or large group of people, thereby varying the proportion of the population that can participate in the political system. From these two dimensions, it is possible to classify regimes according to their position in relation to the axes (figure 1).

A regime in the lower left represents a closed hegemony. By moving along 'Path I', the regime experiences a movement of liberalization, albeit with little participation, and thus becomes a competitive oligarchy. 'Path II' indicates a movement of inclusiveness, leading to an inclusive hegemony. 'Path III' represents a movement towards democratization; however, the author reinforces the use of the term polyarchy because no system in the world is fully democratized, even if strongly inclusive and wide open for public contestation (DAHL, 2005).

*Figure 1. Theoretical dimensions of democratization*



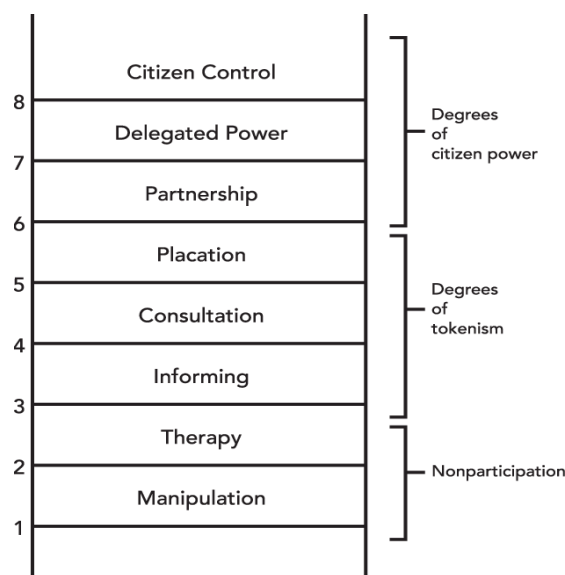
Source: Dahl 2005.

In recent decades, democracy under the principles of representation becomes the main form of government worldwide. However, in parallel with this increase in the presence of democratic states globally, voter turnout is low, political party affiliation is falling, confidence in politicians is lacking, enthusiasm for new parties or outsiders is weak, and general interest in politics is lukewarm (MAINWARING, 1999, 2006). Therefore, beyond a mere crisis of representative democracy, what has been observed by researchers of various theoretical spectra is a challenge to the practices and institutions of representation, with limited effects on the hegemony of some democratic ideals (TORMEY, 2014). In other words, the search for more democracy would be more via the penetration of the democratic

mechanisms in the various institutions of society than via a rupture with the representative system, and also by understanding participation through an educative lens, where citizens learn to participate by participating and by considering these collective decisions as binding, thus, gaining experience in democratic skills and procedures (HELD, 2006; PATEMAN, 1970).

Along the same lines, as Arnstein (1969) points out, participation is a way of redistributing power that allows those currently excluded from political and economic processes to ensure that they will be included in the future. However, not all participation is equal. It can represent different intensities of influence over institutions that hold power. After all, there is a big difference between the empty ritual of participation and true power to exert influence over the results of the process. In this sense, the author proposes a participation scale (figure 2) that seeks to analyze the real power of influence of citizens in the decision-making process. It starts with 'manipulation' as the expression of the lowest degree of participation—or, effectively, non-participation—and proceeds to 'citizen control'—the maximum expression of participation. Using the symbolism of a ladder, the author argues that in the first steps—manipulation and therapy—there is no participation; the next three steps are then classified as tokenism, the moment at which citizens begin to gain voice but still have no power to ensure that their demands will be met. Only from the sixth step upwards, citizens have a real influence on the decision-making process (ARNSTEIN, 1969).

*Figure 2. Arnstein's ladder of citizen participation (1969)*



Source: Arnstein, 1969, p. 217.

Hence, this participation ladder represents a power struggle between citizens trying to move up the ladder and controlling institutions (intentionally or otherwise) limiting their ascent to the top (COLLINS; ISON, 2006).

### 3. Taxes as ballots

In fact, throughout the budget process, this power struggle takes place in different forms: from representative channels to more participatory ones. Regarding the execution phase of the budget cycle, the first hint of citizens expressing directly their preferences comes from the definition of tax expenditures and the literature on charitable deductions.

Taxes are one of the central mechanisms of interaction between citizens and governments and are used by the State to raise financial resources to fund public services, mold citizens' behavior, and redistribute welfare (O'NEILL; ORR, 2018; TORRES, 2006). In several countries, such as Brazil and the United States, taxes on income of individuals and legal entities are currently the main mechanism of revenue generation by the federal sphere, with rates levied on the remuneration of the work and percentages applied to the profit acquired, generally varying according to the amount of income earned.

At the same time, a government may use the tax system and reduce taxes otherwise applicable through deductions, credits, or lower rates to provide monetary assistance towards a specific direction, thus, representing a type of spending provision engrafted onto the normative tax system (SURREY, 1976). In other words, public authorities have the discretion to confer tax benefits based on a judgment of convenience and opportunity - through exemptions or deductions from the tax due -, which may have a compensatory character, when the State judges not to adequately serve the population regarding the services under their responsibility, or an encouraging nature, when the intention is to develop a specific sector or region (RFB, 2014). These amounts are accounted for in public budgets as tax expenditures since they are indirect government expenditures made through the tax system, aiming to meet economic and social objectives.

The idea of tax expenditures implies that in the absence of this special normative, a legal person would have imputed a specific tax payment. However, this

payment might be waived or reduced if this legal person spends the amount due according to government instructions. In this sense, the state authority aims to meet its social and economic objectives through other legal people by outsourcing its public spending and by granting tax relief in return.

The exemption, deduction, or other types of tax benefit is thus seen as a combined process of assumed payment of the proper tax by the taxpayer involved and an appropriation by the Government of an expenditure made to that taxpayer in the amount of the reduction in his actual tax payment from the assumed payment — that is, the tax reduction provided by the special provision (SURREY, 2013, p.7)

The rationale behind this arrangement is that the government is not able to know exactly the preferences of each person or group of people, especially at the national level. Hence, similarly to the delegation of power and responsibilities to local governments on the assumption that they might have a better understanding of local needs, tax expenditures would represent an analogous movement towards a more pluralistic governmental action (LEVMORE, 1998; MARGALIOTH, 2017; REICH, 2018). Therefore, under some circumstances, public administration can develop legal tools to encourage behaviors instead of merely assuming the role of providing public goods. Thus, agents interested in aligning their initiatives to those expected by the government would have at their disposal certain tax benefits in return.

Furthermore, the scientific literature on charitable deduction also suggests that this type of encouraging tax expenditure should be understood as an institutional framework that allows taxpayers to allocate federal money to worthy causes (LEVMORE, 1998; HEMEL, 2019). In other words, seeing charitable deductions under the perspective of tax expenditures implies understanding the government as a partner in every tax-encouraged giving action. At the time a citizen chooses to benefit from tax deductions or credits for donations (tax expenditures) to eligible institutions, the government became part of the process.

The tax system also can be used to gauge preferences in a way that substitutes for, or even improves upon, a function normally performed by the ballot box or by privately organized surveys... Hence each individual taxpayer's choice, deduction, or "ballot," not only reflects a private contribution but also triggers a matching government contribution in the



form of a reimbursement of part of the taxpayer donors gift (LEVMORE, 1998, p.405).

Accordingly, Zelenak (2013) argues that the tax-as-ballots idea can be understood as connecting two core activities of citizenship: voting, by choosing how public budget should be spent; and fulfilling the obligation to make a financial contribution in promotion of the general welfare. This partnership between government and taxpayers not only makes them more engaged with the public sector but allows citizens to use the tax system to voice their preferences about the allocation of budget resources (MEHTOTRA, 2015).

#### **4. Research methods**

163

To advance towards this literature gap, our investigation focuses on two cases of tax systems, Brazil and the United States, in a comparative perspective, to understand how tax expenditures for charitable donations act as a participatory mechanism in public budgeting. To subsidize this discussion and analyze its implications, we discuss the following specific research questions: how was the historical evolution of the legal institutional frameworks of tax expenditures for donations in Brazil and the U.S.? How do tax expenditures work in both countries? How are the potential and effective use of this citizen participation mechanism?

The choice to study the case of the United States in comparison to Brazil and not other countries that are historically and culturally closer to the latter was, first of all, because the American state is considered a reference in terms of democracy (polyarchy) and, therefore, political participation of its citizens, according to the Dahl's (2005) model, which subsidized the present study. Although the U.S. is a superpower and Brazil has reserved a middle power status, and the American and Brazilian societies present distinct historical trajectories and political cultures, these differences, although evident and directly impacting the conformation of the institutions, should not prevent nor limit comparative institutional-based studies that seek to identify parallels between these two realities. Previous works such as Limongi and Figueiredo (1998), which compares the Brazilian and American political systems, Mainwaring (1999) that compares the democratic institutions of both countries and Gilman (2016), which analyzes the introduction of the Brazilian

Participatory Budgeting model in the American context, are some examples of studies that have opted for similar trajectories. Besides, the Brazilian and American tax systems have some similarities that are particularly important for the conduct of the investigation, for example, the existence of deductions for donation via income tax and a uniform understanding of tax expenditures.

At first, the study focused on documentary research to understand the legal framework of both countries, covering all the legislation on federal personal income tax between the years of 1913 and 2017 in the United States and between 1922 and 2017 in Brazil. All referred legislation was available online on pages dedicated to the legislative history on the websites of the Brazilian Chamber of Deputies, the Senate, and the Brazilian Presidency, and on the Website of Cornell University.

Secondly, for the analysis of citizen participation, this investigation proposes the use of a framework for participation in public budgeting based on Arnstein's citizen participation ladder (1969) and the theoretical dimensions of democratization from Dahl (2005). Data used to compare the countries was gathered from official documents such as statements of tax spending and income tax returns from the Brazilian Federal Revenue Service, the American Internal Revenue Service, the U.S. Treasury, and the National Center for Charitable Statistics. Additionally, some missing information was obtained through the Brazilian Access to Information Act. The research is focused on the year 2017 for the construction of the participation picture of the countries in a comparative perspective since this is the last available data related to income tax in both countries.

## **5. Income tax and charitable donations in Brazil**

The first Brazilian experience with income tax in the current molds occurred in 1924 with the institution of an 8% rate on the set of income of individuals or companies. The creation of the tax came as a result of global initiatives in this direction, with the Brazilian Congress' perception that it could be a relevant source of funds, as its participation in tax revenue was increasing in the countries that adopted it (NÓBREGA, 2014).

Since the first year of taxation, there has already been the provision for some deductions. Most of the time, the incentive to donations allowed deductions on gross

income. This situation started modifying in favor of deducting from tax due after the re-democratization period and it became the only form of deduction since the mid-1990s. The main practical difference between these two modalities relies on the amount spent by citizens. When deducting from the taxpayer's gross income, the income tax calculation base decreases. In other words, the amount of the tax benefit for the taxpayer is a percentage of the donation amount that is equivalent to the effective income tax rate applied to their income. When the value of the incentive is a percentage of the tax due, the value of the benefit to the taxpayer is exactly the amount donated, as seen in the example in Table 1. In both cases, the government spends the same amount of tax expenditures.

**Table 1. Comparison between gross income and tax due deductions**

	GROSS INCOME	DEDUC -TION	TAXABLE INCOME	INCOME TAX	TAX DUE	DEDUC -TION	TAX EXPENDITURE	TAXPAYER EXPENDITURE
<b>10% OF GROSS INCOME</b>	R\$ 1000	R\$ 100	R\$ 900	20%	R\$ 180	-	R\$ 20,00	R\$ 80,00
<b>10% OF TAX DUE</b>	R\$ 1000	-	R\$ 1.000	20%	R\$ 200	R\$ 20	R\$ 20,00	R\$ 0,00

Source: the authors.

Throughout these almost 100 years of income tax in Brazil, there have been many changes in the legislation that regulated tax expenditures related to donations through personal income tax that affected the stimulated areas, as well as the percentages of income that taxpayers could spend and benefit from deductions. However, four historical facts have molded the current functioning and debate on national income taxation.

Firstly, in 1962 there was a movement to increase the overall progressivity of the personal income tax by creating regressive brackets for deductions (thus reducing the deductible amount as income grows), along with the existing progressive logics of the tax rates, an experience that lasted only 2 years and that was singular in Brazilian history.

Secondly, by the late 1960s, there was an increase of almost 700% in the number of taxpayers due to an expressive decrease in the tax exemption range, resulting in more revenue for the central government and less progressivity.

Thirdly, the creation of the short form (declaração simplificada) in 1975 as an effort of the RFB to facilitate the filling out of the form by taxpayers. At the time, it was focused exclusively on citizens who received more than 90% of their income from wage labor, and only in 1999 the short form and its standard deduction were extended to all taxpayers, which currently comprises almost 60% of forms delivered (RFB, 2019; NOBREGA, 2014; BRASIL, 1975). However, ever since citizens that choose the short form are not able to benefit from charitable deductions of any kind.

And finally, by the first years of the 1990 decade, there was a strong increase in the number of taxpayers, followed by more restricted possibilities of deductions, especially those for charitable donations. In fact, the presidential message to Congress justifying the veto to some items of the Law Nº. 8,672 of July 6, 1993, brings light to some aspects of the current income tax framework. According to the Ministry of Finance, encouraging direct contributions via tax expenditures is difficult to control the effective use of the resource and bring rigidities to the federal public budget (BRASIL, 1993). Only in 2010 two more options were included, however with the provision of ending firstly in 2015 and now in 2020.

166

In 2017, more than 29 million personal income tax forms were delivered (RFB, 2019) and eligible citizens were responsible for more than R\$ 130 million in tax expenditures for donations in six different areas to more than 6500 projects, as seen in Table 2.

**Table 2. Tax expenditures for donations in Brazil in 2017**

AREA	DEDUC-TION	TYPE	OPTIONS	DONATED (MM)*	TAX EXPENDITURE (MM)
Child and Teenage	6%	Public funds	2426	R\$ 64.71	R\$ 64.71
Elder		Public funds	2426	R\$ 6.82	R\$ 6.82
Sports		Project	25	R\$ 6.64	R\$ 6.64
Culture		Public funds and projects	6.464	R\$ 42.42	R\$ 42.42
Disabled person	1%	Projects	15	R\$ 3.84	R\$ 3.84
Cancer research	1%	Projects	21	R\$ 6.48	R\$ 6.48
Total	8%	-	11377	R\$ 130.90	R\$ 130.90

\* Tax expenditures and amount donated are the same since tax relief is 100% reduced from tax due. Source: the authors.

In fact, according to the current legislation, only those who opt for itemized deductions are eligible to have tax benefits for charitable donations. These citizens can donate directly to institutions listed in the websites of the Ministries responsible

for each area or to public funds and at the time they inform these donations in the income tax form in the following year, they will receive automatically the same amount as tax relief up to the limit of 6% of the tax due for the areas of child and teenage, elder, sports and culture combined and 1% of the tax due for the areas of the disabled person and cancer research, resulting in a maximum deductible donation of 8% of the tax due (Table 2).

## **6. Income tax and charitable donations in the U.S.**

167 The first experience with income tax in the U.S. in the current molds is related to the enactment of the 16th Amendment, passed by Congress in 1909 and ratified in 1913 with the institution of rates ranging from 1 to 7% on all income. However, only the advent of World War I had encouraged the creation of deductions, especially those to philanthropic organizations since Congress believed that the significant increase in income tax rates needed to finance the war would discourage donations to institutions for education, health, and research, thus, compromising service delivery for the American society (CLOTFELTER, 1985). In fact, according to Lindsey (2003), the origins of these sections in the income tax form demonstrates that the initial purpose of this type of deduction was to benefit high-income taxpayers who donate resources to public interest causes. After all, at the beginning of the income tax, only that part of the population (2%) paid these taxes (LINDSEY, 2013; IRS, 2019).

Thus, since 1917, the main instrument of incentive to donations by citizens, in the USA, comes from the federal tax legislation, in sections 170 and 501 (c) (3) of the Internal Revenue Code (IRC). Throughout history, the number of areas subject to the tax incentive has changed little. On the other hand, the number of people who could benefit from this tax relief varied according to the tax exemption range, the creation and eligibility criteria of the short and long forms, or other specific rules which changed the possibilities of deduction.

Besides, similarly to the Brazilian case, in most of American history, those citizens who opted for the short form were not able to deduct the charitable donation. The only exception was between 1982 and 1986 when Congress approved an amendment that allowed deductions in short forms under the premise that many

citizens who used them did not enjoy tax benefits and by enacting that change there would be an encouragement for more donations. However, in 1987, a major tax reform aiming to simplify the income tax legislation excluded this provision, justifying that there was already tax relief for short-form taxpayers (U.S., 1981; BROOKS, 2011; CORDES; O'HARE; STEUERLE, 2000).

Currently, IRC sections 170 and 501 (c) 3 allow a federative entity (state, county, etc.) or a non-profit public interest organization to receive financial or property donations from individuals and legal entities for public-purpose projects if the option to donate is voluntary and there is no equivalent counterpart or expectation of counterpart (IRS, 2019; U.S. 2019). Besides, current legislation allows a deduction for donations of new or used goods, if the current value of that asset is respected and the donor might also accept counterparts as long as the amount corresponding to this benefit is deducted from the total amount of the donation (IRS, 2019).

168 In 2017, more than 147 million personal income tax forms were delivered (IRS, 2019) and 38 million eligible citizens were responsible for more than US\$ 256 billion in donations, representing more than US\$ 55 billion in tax expenditures in 10 different areas to more than 1 million organizations, as seen in Table 4 (IRS, 2019; BROOKS, 2011).

**Table 4. Tax expenditures for donations in the U.S. in 2017**

AREA	DEDUC-TION	OPTIONS	DONATED (MM)	TAX EXPENDITURE (MM)
Education	50%	151,841	US\$ 256,100	US\$ 4,620
Health		75,157		US\$ 5,120
Arts, culture, and humanities		93,350		
Environment and animals		48,584		
Human services		238,968		
International, foreign affairs		16,481		US\$ 45,960
Public, societal benefit		171,485		
Religion		241,697		
Mutual/membership benefit		3,356		
Other		2,606		
Total	50%	1,043,525	US\$ 256,100	US\$ 55,700

Source: the authors.

Thus, citizens who itemize their deductions (long form) can donate directly to institutions listed on the IRS website. The main difference to the Brazilian case is

that in the U.S. these deductions are calculated based on an individual's gross income. Therefore, citizens can deduct up to 50% of their gross income and at the time they inform these donations in the income tax form, they will only have part of this amount back as tax relief (see table 1).

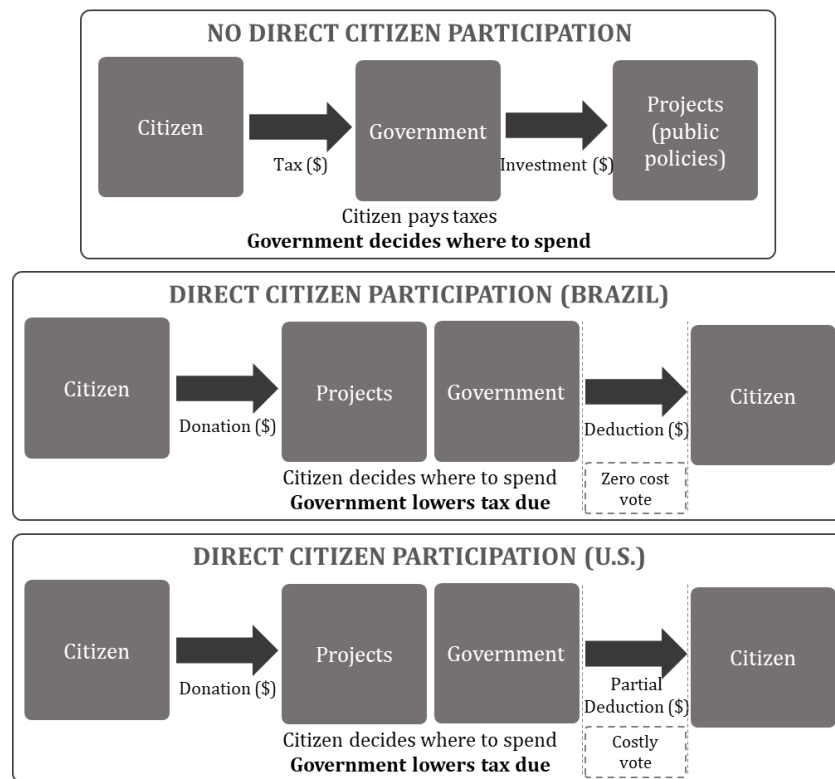
## **7. Expressing preference and cost of voting**

Regarding the Brazilian and the U.S. cases, these countries have different legal structures and histories that might have affected the way citizen's preferences and choices. Nonetheless, after analyzing both countries, we were able to see more similarities than differences. In Brazil, citizens choose which projects or public funds may receive the resources from their tax deductions. In the United States, however, the taxpayer selects a specific non-profit organization and not the respective project that will receive the money. Thus, despite each country's different choice system, in both cases, citizens have only one choice to make, even if a specific organization has more than one project.

169

In both countries, each taxpayer directly chooses one eligible project or organization to donate and after some time, they receive the money back from the government in the form of a tax deduction. Both cases work as theorized by Levmore (1998), with citizens partnering with the government in the giving action and expressing their preferences on one specific institution or projects over other competing ones. The main difference between the cases is the cost of the choice, as seen in figure 3.

Figure 3. Path of money and citizen participation through tax expenditures for donations



Source: the authors.

170

Hence, the traditional way of executing public policies is modified when the legislation allows citizens to contribute to projects and earn credits or deductions. Usually, the public budget cycle starts with the government collecting taxes from citizens and choosing where to spend the money. However, these legal frameworks in Brazil and the U.S. change this path of money by allowing citizens to directly choose the destination of financial resources through donations, and then returning this money to citizens by lowering tax due and registering this administrative act in public budgets as a tax expenditure. At the same time, following Levmore's (1998), Zelenak's (2013), and Mehtotra's (2015) thoughts on the issue and looking into the Brazilian legal framework in which taxpayers receive tax benefits equivalent to the total amount of money donated (up to certain limits); in this case, all money comes from tax expenditures, resulting in a zero cost for citizens to express their preferences. On the other hand, in the American case citizens have only part of the money spent in donations back, which means that part of the contributions comes effectively from tax expenditures, but part comes from the actual budget of the citizen. Thus, in the Brazilian institutional framework of the tax system citizens have no effective cost to express their preferences and allocate tax expenditures money



to their choices, and, in contrast, the American system puts the financial burden mostly in the hands of citizens, resulting in a costly way of expressing preferences, as seen in table 1.

## **8. Framework for comparing participation in public budgeting**

According to Arnstein (1969), participation is power. The metaphor of the participation ladder represents a gradual increase in citizens' control over institutions, ranging from non-participation, through tokenism, to effective citizen control. Accordingly, by applying this assumption to the public budget, the use of a scale that represents the degree of citizen control over the allocation of budget resources would enable comparison between different countries. To this end, the proportion of tax expenditures for donations in relation to total federal government budget revenues would be one way to measure this dimension since it would represent the percentage of the public budget that citizens can voice their preferences to the government through a direct choice of the recipient of the resources.

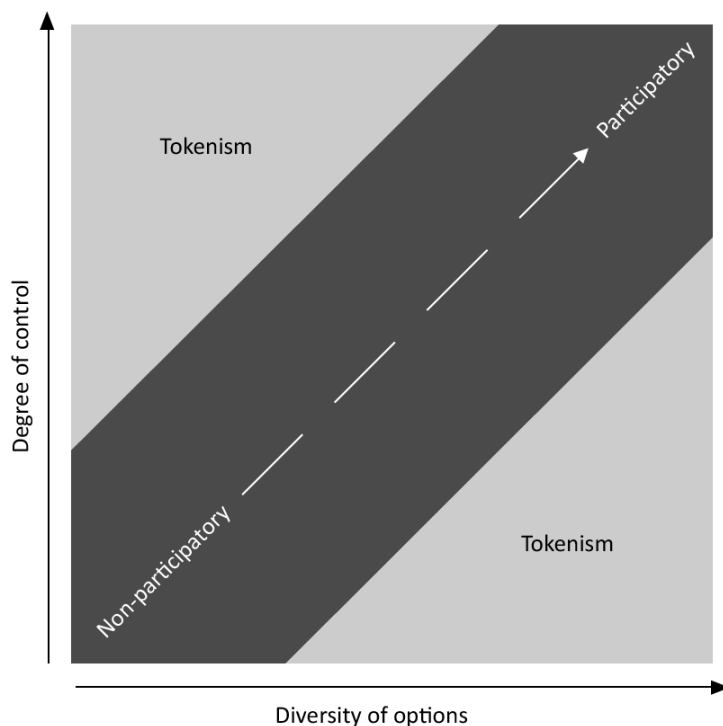
171

This dimension can provide clues about the decentralization of the government's decision-making process. However, if the state determines that there were only one or a few options for the allocation of these resources — even in a hypothetical situation where the population was allowed to decide the allocation of all budgetary funds — we could not argue that this institutional framework is participative or citizen controlled. In this case, there would be a strong state impetus to disguise its control as citizen participation, which demonstrates the need for a second dimension for analysis.

After all, as seen in Dahl's (1994) pluralistic conceptualization of democracy, there must be competition in addition to participation. Therefore, we also propose the quantification of options that citizens can choose for allocating resources related to these tax expenditures as a second element to compare countries. Hence, in addition to analyzing the decentralization of decision-making, the diversity of options available is also considered, thus granting citizens more freedom of choice. Accordingly, this dimension will be represented by the number of eligible

organizations or projects that the State authorizes to collect funds from citizens and have the money deducted in the personal income tax.

*Figure 4. The road to participation in public budgeting*



Source: the authors.

172

Thus, as the amount of control over the budget increases in parallel with the diversity of options (central track), there is a movement towards greater participation in public budgeting, since citizens have a greater influence on political decisions as well as a wide range of options to express their preferences. In this case, a participatory mechanism that follows the premises of the central road would steer towards decentralization of the decision-making process and a greater plurality of initiatives. Nonetheless, if the mechanism goes off the road by following a lateral path — whether due to the increase in the amount of control or the increase in the diversity of options —, in this case, there might be no effective participation but only a symbolic concession of power (tokenism). After all, a decision on a large percentage of the budget with an extremely limited number of options, or a choice among many options with influence on a minimum percentage of the budget seems to indicate a verticalization of the decision-making process.

## 8.1. Effective citizen participation in income tax

Accordingly, this paper used as an indicator to measure the degree of effective control (DEC) the total value of tax expenditures for donations (TED) via income tax returns divided by the total amount of tax revenue (TTR). Additionally, the total number of eligible initiatives (TEI) for donation that citizens could choose directly—be them projects or institutions—divided by the population of the country (P) was used as an indicator for the diversity of options (DO).

**Table 5. Degree of Effective Control**

COUNTRY	TED (MM)	TTR	INDICATOR	DEC
Brazil	R\$ 130.90	R\$ 170,190.89	$DEC = \frac{TED}{TTR}$	0,08%
U.S.	US\$ 55,700.00	US\$ 1,510,614.00		3,69%

Source: the authors.

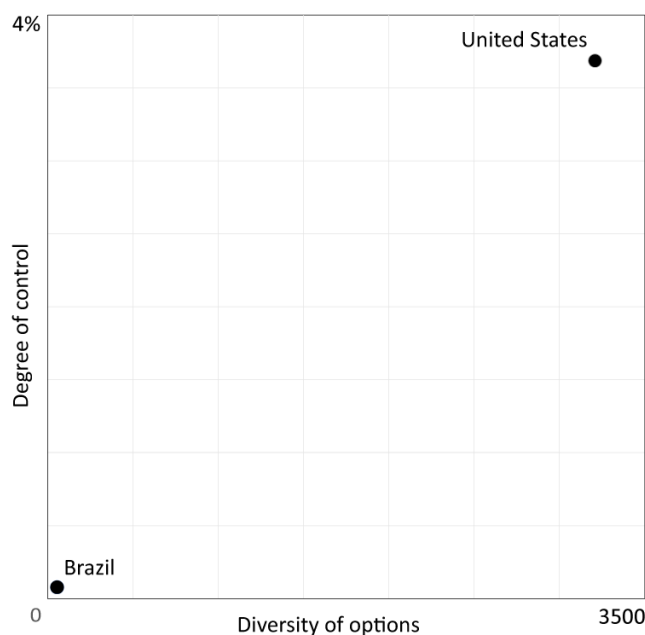
**Table 6. Diversity of options**

COUNTRY	TEI	P	INDICATOR	DO
Brazil	11,377	207.8MM	$DO = \frac{TEI}{P}$	55
U.S.	1,043,525	325.1MM		3210

Source: the authors.

Based on these results, the U.S. income tax system has a much higher degree of citizen participation than Brazil's institutional arrangement (Figure 5). The U.S. is positioned in the upper right quadrant of the chart compared to Brazilian data, which indicates that American citizens have actual control of 3,69% of the income tax and a wider range of resource allocation options (3210). In fact, according to this analysis Brazil sits on the lower left quadrant which indicates very limited options for choice (55) and very low effective control over this part of the public budget, corresponding to only 0,08% of income tax revenue.

*Figure 5. Comparison between effective participation via personal income tax in Brazil and the U.S.*



Source: the authors.

174

These findings shed light on the actual participation in both countries and indicate that the Brazilian tax system is much less participatory than the American, both in terms of decentralization of the decision-making process and about the plurality of options that citizens can choose. These results seem consistent with the historical evolution of the personal income tax legislation in both countries since Brazilian history shows a greater aim to central control of the public budget and public service provision, as seen in Brasil (1993), while U.S. history shows a commitment to foster third part service delivery Clotfelter (1985). Yet, in absolute numbers, these data also suggest that both institutional arrangements have a very small fraction of the budgets under citizens' control (0,08% and 3,69% out of 100%). Thus, another question arises: are these tax systems non-participatory per se or there might be other factors constraining citizen participation?

## 8.2. Effective versus potential participation

To advance in this direction, we also use the proposed framework (figure 5) to analyze not only effective but also potential participation. In other words, we aim

to find out how much participation is allowed in both Brazilian and American tax systems and compare these results with these previous reflections.

For this purpose, the indicator of the degree of potential control (DPC) was the maximum percentage of deduction allowance for donations (MDD) multiplied by the total amount of tax due (TATD) by eligible taxpayers, divided by the total of personal income tax revenue (TTR). Specifically for the U.S. case, the maximum percentage of deduction allowance for donations (MDD) was multiplied by the gross income of all eligible taxpayers (GI), followed by the application of the average income tax rate (ITR) for these taxpayers, divided by the total tax revenue (TTR). This difference in calculations was necessary to put U.S. results on the same basis as the Brazilian data since the two systems are different in terms of deduction as seen in the previous sections.

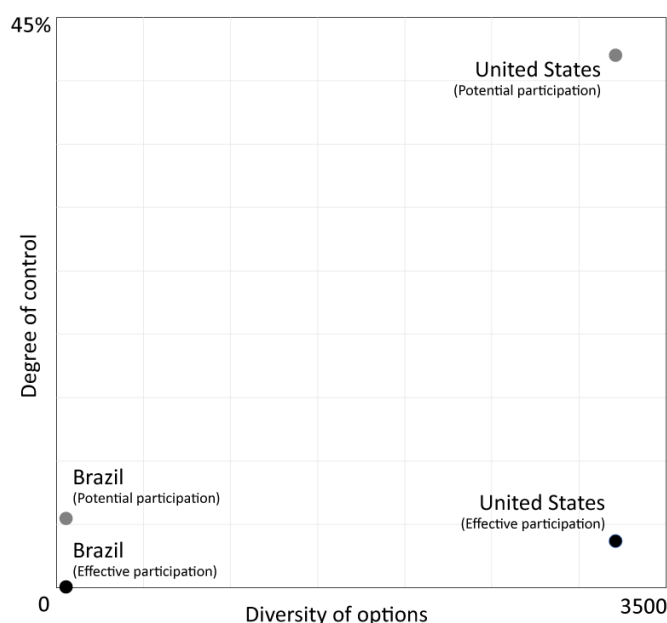
**Table 7. Percentage of potential control in personal income tax (Brazil)**

	MMD	TATD (MM)	TTR (MM)	GI(MM)	ITR	Indicator	DPC
<b>Brazil</b>	8%	R\$ 116,423	R\$ 170,191	-	-	$DPC = \frac{MDD \times TATD}{TTR}$	5,5%
<b>U.S.</b>	50%	-	US\$ 1,510,614	US\$ 7,361,299	17.24%	$DPC = \frac{MDD \times GI \times ITRa}{TTR}$	42%

Source: the authors.

When comparing the result of potential and effective participation (figure 6), a large discrepancy between the numbers is evident. Both countries have a low rate of citizens' usage of these participatory mechanisms compared to the extent of their tax system's allowances. In Brazil and the U.S., taxpayers could choose the destination of 5,5% and 42% (DPC) of the income tax portion of the public budget, respectively, while the effective participation rates represent a small part of these values, corresponding to only 14,5% of the potential use in Brazil and only 8,8% in the U.S.

Figure 6. Comparison of potential and effective participation via personal income tax in Brazil and the U.S.



Source: the authors.

176 Hence, despite the first perception that the U.S. institutional arrangement is much more participative than Brazil when we look into the usage of these mechanisms of the tax system, the results are different. Both countries have a significantly low rate of participation. In the U.S. context, this large difference could be explained by the high effective cost of donations to individuals or, in other words, the costly vote premise advocated by Levmore (1998) and seen in figure 3. Taxpayers would have to spend almost US\$ 5 of their own budget to be entitled to allocate US\$ 1 of the federal public budget<sup>3</sup> which means that despite a relevant degree of plurality, this system constrains citizen participation and thus are more tokenistic than participatory. On the other hand, the Brazilian legal framework, in which taxpayers receive tax reliefs equivalent to the total amount of money donated, shows that zero cost does not always result in a higher rate of participation.

Looking into the Brazilian context, another factor that could influence a low participation level is the instability of legislation related to deductions for donations since institutional instability might constrain donor behavior over time. In Brazil, since the first experience with income taxation, there have been many changes in

<sup>3</sup> Considering the average income tax rate of 17.24%.

legislation, which could hinder the creation of a steady behavior of citizens concerning such donations.

Another hypothesis to this discrepancy between the potential and effective use of the mechanism is a possible difficulty of participation. This claim implies to question whether citizens find the process of donating and recovering the financial resource involved overly complicated; and thus, in a possible individual cost-benefit analysis, whether the cost of participating is much higher than the benefit envisaged. Besides, communication and educational problems caused by poor explanation on legislations and on how to find eligible initiatives might also contribute to these lower levels, along with citizens' difficulty in understanding deductions as a form of participation in public budgeting since, following Pateman's arguments, participation is a habit that needs to be fostered so that citizens can gain experience in democratic skills and procedures.

177 In fact, the data used to build the cases does not provide clear answers to these questions; however, the difficulties surpassed to conduct this research concerning gathering data on eligible initiatives that were hard to access and distributed in many different governmental websites, the complexities in calculating the cost of the vote, and the existing of many difficulties in filling income tax forms by regular citizens – a task that most of the times is outsourced to accountants – might help explain these open questions and is a path for future research.

Also, these systems raise the question of who can participate. Data shows that in Brazil and the U.S. the institutional frameworks privilege wealthier citizens concerning their ability to choose to participate or not. After all, to use tax expenditures and select the destination of these financial resources, citizens must have paid a significant amount in income taxes, thus, excluding those who are exempt from filing income tax forms, non-itemizers, and citizens who primarily pay consumption taxes from decision-making. The U.S. case evidence this asymmetry by informing that only 38 million citizens are eligible to participate via tax expenditures out of a population of 325 million. Similarly, in Brazil, only 12 million taxpayers would be able to participate in comparison to a population of 208 million citizens in 2017. In other words, it means that only a small fraction of the inhabitants of these countries can express these preferences through the tax system. Hence, despite the potential of these participatory mechanisms to enhance responsiveness

by allowing citizens to directly affect public budgeting through tax expenditures, their current institutional design may harness another intertwined principle of democracy in Dahl's perspective, that is the idea of citizens being considered as political equals.

## 9. Conclusion

The study aimed to analyze the institutional frameworks of tax expenditures for donations in Brazil and the U.S. to understand how they act as a participatory mechanism in public budgeting. We focused on comprehending how these legal frameworks were built and on how they currently work, as well as the implications of the differences in each country.

We found that both frameworks result in a substantial modification in how government execute public policies and spend public resources, from a traditional path of money that starts with tax collection and finishes with public projects directly executed by the administrative body and with no direct citizens participation in choosing these projects, to a system where citizens directly express their preferences and give money to projects they want to foster by understanding that this money will be totally or partially returned by the government via lower tax dues. In other words, we showed that the United States and Brazil both have tax systems that work as ballots by allowing citizens to choose directly the destination of part of the revenues of the income tax, thus, gauging their preferences.

When analyzing the usage of these participatory mechanisms, data showed that the U.S. is more participative when compared to Brazil, however, the little usage of this mechanism of participation by citizens of both countries and the democratic gaps of these legal frameworks reinforce the need for improvement. In fact, in both countries the nature of participation is not inherently democratic since only a fraction of the population can 'vote', thereby expressing their preferences to the government. Moreover, the fact of the deduction being proportional to income entails a considerable imbalance within this restricted group in relation to the amount of control that each individual can exert over income tax funds. This type of tax expenditures, therefore, implies the strengthening of a plutocratic decision-making system and, concomitantly, a weakening of the idea of "one man, one vote,"



that all citizens should be considered politically equal in a truly responsive and democratic government.

At the same time, looking at this issue from a relational perspective brings other considerations. Although not democratic in nature, the comparison of the cases shows that the same mechanism can be more or less participatory and democratic according to the legal institutions that govern its functioning. In this sense, this paper offers the following reflections on public administration. One is that taxation and tax expenditures can and should be thought about not only in terms of the financial results they can bring the country but also about their influence on democracy. Measures to increase uptake of such incentives are essential for making society more democratic and governments more responsive to the demands of its citizens. Future studies may address these issues by analyzing moral, normative, and instrumental justifications, and premises of taxation through democratic theory lenses. They may also focus on tax expenditures used by other publics such as companies and NGOs as participatory mechanisms to identify their impacts on democracy.

179

Regarding income tax deductions, both cases demonstrate the possibility of improving them to be more participatory in two ways: expansion of the number of eligible initiatives (pluralization) and increase in citizens' percentage of control on tax expenditures (decentralization). Also measures such as the institution of regressive deductions, as implemented in Brazil in 1962, and the allowance of deductions by taxpayers who opt for the short form, as seen in the U.S. between 1982 and 1986, may indicate ways to transform this mechanism into a model that is more democratic than exists today by expanding the usage to a greater number of citizens.

And finally, we understand that both paths — pluralization and decentralization — have trade-offs, such as the prolongation of the decision-making process and the increased bureaucracy in budgeting. However, the result is a public policy produced with citizens, therefore, more consistent with the interests of the population and with a greater degree of legitimacy.

## 10. References

ARISTOTLE. Politics. Oxford: Clarendon Press. (n.d.). Available at: <http://classics.mit.edu/Aristotle/politics.html>

ARNSTEIN, Sherry R. A ladder of citizen participation. **Journal of the American Institute of planners**, v. 35, n. 4, p. 216-224, 1969.

BANI, Marco. Crowdsourcing democracy: The case of Icelandic social constitutionalism. **Politics and Policy in the Information Age**, Springer, 2012.

BARBER, B. Strong democracy: participatory politics for a new age. Berkeley: University of California Press, 2005.

BASSETT, Carolyn. An alternative to democratic exclusion? The case for participatory local budgeting in South Africa. **Journal of Contemporary African Studies**, v. 34, n. 2, p. 282-299, 2016.

BRASIL. *Lei no 6.251*, de 8 de outubro de 1975. Institui normas gerais sobre desportos, e dá outras providências. Available at: [http://www.planalto.gov.br/ccivil\\_03/leis/1970-1979/L6251.htm](http://www.planalto.gov.br/ccivil_03/leis/1970-1979/L6251.htm). Accessed in: 01 may 2020.

180 \_\_\_\_\_ . *Mensagem nº 410*. 1993(d). Available at: [http://www.planalto.gov.br/ccivil\\_03/leis/Mensagem\\_Veto/anterior\\_98/VEP-LEI-8672-1993.pdf](http://www.planalto.gov.br/ccivil_03/leis/Mensagem_Veto/anterior_98/VEP-LEI-8672-1993.pdf). Accessed in 1 may 2020.

BROOKS, John R. Doing Too Much: The Standard Deduction and the Conflict Between Progressivity and Simplification. **Colum. J. Tax L.**, v. 2, p. 203, 2011.

CLOTFELTER, Charles T. **Federal tax policy, and charitable giving**. University of Chicago Press, 1985.

CORDES, Joseph; O'HARE, John; STEUERLE, C. Eugene. Extending the Charitable Deduction to Nonitemizers. **Charting Civil Society Brief**, n. 7. COLLINS, Kevin; ISON, Raymond. Dare we jump off Arnstein's ladder? Social learning as a new policy paradigm. 2006.

CUNHA, Maria Alexandra Viegas Cortez da et al. **Projeto democracia digital: sumário executivo**. CEAPG-Centro de Estudos em Administração Pública e Governo (EAESP) e GEPI-Grupo de Ensino e Pesquisa em Inovação (Direito SP), 2015.

DAHL, Robert A. A democratic dilemma: system effectiveness versus citizen participation. **Political science quarterly**, v. 109, n. 1, p. 23-34, 1994.

\_\_\_\_\_. **Poliarquia: participação e oposição**. Edusp, 2005.

FUCHS, Dieter. Participatory, liberal, and electronic democracy. In: **Participatory democracy and political participation**. Routledge, 2006. p. 45-70.

FUNG, Archon. Can Democracy Be Saved?: Participation, Deliberation and Social Movements. 2015.

GILMAN, Hollie. Engaging citizens: participatory budgeting and the inclusive governance movement within the United States. **Ash Center Occasional Paper Series**, 2016.

HE, Baogang. Civic engagement through participatory budgeting in China: Three different logics at work. **Public Administration and Development**, v. 31, n. 2, p. 122-133, 2011.

HELD, David. **Models of democracy**. Stanford University Press, 2006.

HEMEL, Daniel Jacob. Tangled Up in Tax: The Nonprofit Sector and the Federal Tax System. **Nonprofit Sector: A Research Handbook** (3rd edition, Patricia Bromley & Walter Powell eds., Stanford University Press, forthcoming 2019), 2019.

IRS, *Statistics of Income—Individual Income Tax Returns*. 2019. Available at: <<https://www.irs.gov/uac/soi-tax-stats-historical-table-7>>. Accessed on 25 May 2020.

LEVMORE, Saul. Taxes and Ballots. **U. Chi. L. Rev.**, v. 65, p. 387, 1998.

LIMONGI, F. e FIGUEIREDO, A. Bases Institucionais do Presidencialismo de Coalizão. *Lua Nova*. n° 44. 1998.

LINDSEY, V. W. The Charitable Contribution Deduction: A Historical Review and a Look to the Future, *Nebraska Law Review*. N.1056. 2003.

LINDSEY, L. *The Growth Experiment Revisited: Why Lower, Simpler Taxes Really Are America's Best Hope for Recovery*. Basic Books. 2013. 302p.

LORSUWANNARAT, Tippawan. Public participation in budgeting: the new path of budget reform in Thailand. **International Journal of Public Administration**, v. 40, n. 5, p. 385-400, 2017. DE RENZIO, Paolo; WEHNER, Joachim. The impacts of fiscal openness. **The World Bank Research Observer**, v. 32, n. 2, p. 185-210, 2017.

MAINWARING, Scott. **Rethinking party systems in the third wave of democratization: the case of Brazil**. Stanford University Press, 1999.

MAINWARING, Scott. The crisis of representation in the Andes. **Journal of democracy**, v. 17, n. 3, p. 13-27, 2006.

MARGALIOTH, Yoram. How Charitable Is the Charitable Contribution Deduction?. **Theoretical Inquiries in Law**, v. 18, n. 1, p. 37-60, 2017.

NÓBREGA, Cristóvão Barcelos. **História do imposto de renda no Brasil, um enfoque da pessoa física (1922-2013)**. Receita Federal, 2014.

O'NEILL, Martin; ORR, Shepley (Ed.). **Taxation: philosophical perspectives**. Oxford University Press, 2018.

PATEMAN, Carole. *Participation and democratic theory*. Cambridge: Cambridge University Press. 1970.

\_\_\_\_\_. Participatory democracy revisited. **Perspectives on politics**, v. 10, n. 1, p. 7-19, 2012.

RAAFLAUB, Karl A. Power in the Hands of the People: Foundations of Athenian Democracy. In: MORRIS, Ian; RAAFLAUB, Kurt A.; CASTRIOTA, David (eds.). *Democracy 2500?: Questions and Challenges*. Ann Arbor: Kendall/Hunt Publishing Company, 1998, p. 31-66.

REICH, Utz-Peter. Who pays for whom? Elements of a macroeconomic approach to income inequality. **Economic Systems Research**, v. 30, n. 2, p. 201-218, 2018.

RFB. Demonstrativo dos Gastos Governamentais Indiretos de Natureza Tributária – (Gastos Tributários) – Estimativas Bases Efetivas Ano Calendário 2011 – Série 2009 a 2013 Equipe Técnica. 2014.

\_\_\_\_\_. Demonstrativo dos Gastos Governamentais Indiretos de Natureza Tributária – (Gastos Tributários) – Estimativas Bases Efetivas Ano Calendário 2017 - Equipe Técnica. 2019.

182

SINTOMER, Yves; HERZBERG, Carsten; RÖCKE, Anja. Modelos transnacionais de participação cidadã: o caso do orçamento participativo. **Sociologias**, v. 14, n. 30, p. 70-116, 2012.

STEWART, LaShonda M. et al. Participatory budgeting in the United States: a preliminary analysis of Chicago's 49th Ward experiment. **New Political Science**, v. 36, n. 2, p. 193-218, 2014.

SU, Celina. From Porto Alegre to New York City: Participatory Budgeting and Democracy. **New Political Science**, v. 39, n. 1, p. 67-75, 2017.

SURREY, Stanley S. Reflections on the Tax Reform Act of 1976. **Clev. St. L. Rev.**, v. 25, p. 303, 1976.

TORMEY, Simon. The contemporary crisis of representative democracy. **Democratic Theory**, v. 1, n. 2, p. 104-112, 2014.

TORRES, R. L. *Curso de Direito Financeiro e Tributário*. Rio de Janeiro. Renovar. 2006.

U.S. §170 - Charitable, etc., contributions and gifts. In: *U.S. Code*. 2019. Available at: <<https://www.law.cornell.edu/uscode/text/26/170>>.

\_\_\_\_\_. *Staff of joint comm. on taxation*, 97th cong., general explanation of the economic recovery and tax act of 1981, at 49. 1981. Available at: <[https://archive.org/stream/generalexplanati00jcs7181/generalexplanati00jcs7181\\_djvu.txt](https://archive.org/stream/generalexplanati00jcs7181/generalexplanati00jcs7181_djvu.txt)>. Accessed on 20 May 2020.

ZELENAK, Lawrence. **Learning to Love Form 1040: Two Cheers for the Return-Based Mass Income Tax**. University of Chicago Press, 2013.

## **Sistemas tributários como mecanismos (não) participativos: os casos do Brasil e dos Estados Unidos**

Diogo Pereira  
Ariane Roder Figueira

**Resumo:** O artigo investiga os sistemas de imposto de renda brasileiro e americano para analisar como os gastos tributários podem atuar como um mecanismo de participação no orçamento público. A literatura sobre deduções para caridade e gastos tributários sugere que os sistemas tributários podem ter natureza de voto, no entanto, poucos estudos abordaram o tema. Assim, o artigo visa preencher essa lacuna teórica, explorando como os cidadãos podem expressar suas preferências ao governo por meio de deduções fiscais e propondo um framework para comparar as implicações de cada desenho institucional. Os dados mostraram que, ainda que de forma diferente, ambos os sistemas tributários permitem um certo grau de participação e resultam em modificações substanciais na maneira como os governos executam políticas públicas e gastam recursos públicos. A comparação dos casos indicou que o mesmo mecanismo pode ser mais ou menos participativo e que os gastos tributários devem ser analisados não apenas em termos de seus resultados financeiros, mas também em relação à sua influência na democracia.

**Palavras-chave:** imposto de renda; despesas tributárias; orçamento participativo; participação social; orçamento público; democracia.

## **Los sistemas tributarios como mecanismos (no) participativos: los casos de Brasil y Estados Unidos**

Diogo Pereira  
Ariane Roder Figueira

**Resumen:** El artículo investiga los sistemas de impuestos sobre la renta brasileños y estadounidenses para analizar cómo los gastos de impuestos pueden actuar como un mecanismo para la participación en el presupuesto público. La literatura sobre deducciones caritativas y gastos fiscales sugiere que los sistemas tributarios pueden tener una naturaleza de voto, sin embargo, pocos estudios han abordado el tema. Por lo tanto, el artículo tiene como objetivo llenar este vacío teórico, explorando cómo los ciudadanos pueden expresar sus preferencias al gobierno a través de deducciones fiscales y proponiendo un marco para comparar las implicaciones de cada diseño institucional. Los datos mostraron que, aunque de manera diferente, ambos sistemas tributarios permiten un cierto grado de participación y resultan en cambios sustanciales en la forma en que los gobiernos implementan políticas públicas y gastan recursos públicos. La comparación de los casos indicó que el mismo mecanismo puede ser más o menos participativo y que deben analizarse los gastos de impuestos no solo en términos de sus resultados financieros, sino también en relación con su influencia en la democracia.

**Palabras-clave:** impuesto sobre la renta; gastos de impuestos; presupuesto participativo; participación ciudadana; presupuesto público; democracia.

Recebido em 5 de junho de 2020  
Aprovado em 7 de outubro de 2020