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E-Tax Sri Lanka

Blockchain-Enhanced End-to-End System for Seamless Citizen-to-Government Income Tax Mapping

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Abstract

The research addresses a critical issue in Sri Lanka's income tax system, specifically focusing on the need for an effective mechanism that allows citizens to monitor and track their income tax contributions. This problem has resulted in fraud, a loss of trust, and a pressing requirement for a system that can accurately monitor and allocate tax funds for various projects. The President's directive for compulsory tax registration further emphasizes the urgency of enhancing the income tax structure. This research aims to provide an innovative solution to improve transparency and foster trust in the government's financial management.

The research adopts an innovative strategy by utilizing blockchain technology to establish a transparent and accountable system for tracking income tax contributions. Current blockchain research mainly focuses on preventing tax avoidance, leaving a noticeable gap in monitoring citizens' contributions to government projects. The author makes a significant contribution to the existing body of knowledge by introducing a novel blockchain architecture. This research dives into tokenization techniques, aiming to create a customized token for precise fund tracking. The design ensures compatibility with the Sri Lankan context, creating a decentralized application (DApp). The proposed methodology of blockchain technology guarantees the development of a transparent and accountable system for tracking citizens' income tax contributions.

Initial results indicate a promising path forward in creating a solution using blockchain technology to address transparency issues within Sri Lanka's income tax system. The proposed blockchain-based system demonstrates the potential for enhancing transparency between the government and its citizens. The utilization of tokenization techniques for tracking income tax contributions provides insight into the effectiveness of the solution. Furthermore, the proposed solution can operate with minimal human interaction, ensuring high security and efficiency in handling financial transactions.

Subject Descriptors:

Blockchain -> Tokenomics -> Utility Tokens -> Transparent Taxation.

Keywords:

Blockchain, Tokenization, Utility token, Taxation, Transparent Taxation, Token Creation.