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BRAZIL'S TAX REFORM: THE CHALLENGES AND PROSPECTS ON THE INTERNATIONAL STAGE

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Abstract: Starting from the general study of the National Tax System, particularly its Tax Reform, which seeks a system that is simplified, fair and with a lower burden on taxpayers, something that has been expected for some time, unifying taxes for later redistribution among the federated entities through the validity of Constitutional Amendment No. 132/2023, which originated from PEC No. 45/2019. The problem facing this research is whether or not the Tax Reform, by ending the differentiated taxation regimes, threatens to violate the Principle of the Autonomy of Federative Entities. The focus of the subject, using deductive hypothetical legal research, is to verify the impacts caused by the reform on the distribution of competences between the entities of the Brazilian Federative Pact. Another essential aspect of the debate is to understand the enrichment of this very relevant proposed theme, with a view to contributing to the discussion and subsidizing future investigations, exposing the main points of change in the reform, finally understanding how this process has been taking place and its main impacts on municipalities.

Keywords: Tax Reform; Brazilian Federative Pact; Federative Entities; Municipality.

INTRODUCTION

The purpose of this study is to understand how the Brazilian Tax Reform intends to bring about a transformation in a system that is often insane, backward and ineffective, full of norms and rules spread out in an individualized way, in a country that has more than 5 (five) thousand municipalities, 26 (twenty-six) states and the Federal District, with norms and taxes that have no connection to decentralized national development.

The analysis begins by briefly bringing up the concept and function of taxes in terms of the socio-political organization of a country. Its origin in Brazil, its regulations and a brief study of the Brazilian Tax Code.

Secondly, the aim is to understand how the changes brought about by the Brazilian Tax Code have interfered or not with the Federative Pact created in the 1988 Constitution.

It goes on to highlight the practical changes proposed by Constitutional Amendment No. 132/2023, with the extinction and modification of taxes, their unification, how they will be created and managed, as well as the deadlines for their complete implementation.

Another point addressed is the role of the constitutional representativeness of the federated entities through their parliamentarians in the construction of the Tax Reform, especially in the municipalities. The structural design of the Chamber of Deputies and the Senate and their systems of checks and balances. So, how does the constitutional representation of the federated entities relate to the applicability of the new taxes and the transformation of their base from origin to destination?

The last item deals with the main changes and impacts on municipal entities and how this redistributes tax revenue more equally to the Brazilian population.

GENERAL ASPECTS OF THE BRAZILIAN TAX SYSTEM

The Brazilian tax system is one of the most complex in the world and is known for its high tax burden. Articles 145 to 162 of the Constitution set out its main foundations, followed by the Tax Code and complementary laws

There are three types of tax system: progressive, regressive and neutral. Brazil has adopted the regressive system, in which taxes are levied on consumption and services, as they are inversely related to the taxpayer's level of income, unlike the trend observed in more developed countries, which use progressive taxation in search of social equity, applying fiscal justice.

According to Article 3 of the National Tax Code, a tax is “any compulsory pecuniary payment, in currency or whose value can be expressed in it, which does not constitute a sanction for an unlawful act, established by law and collected through a fully binding administrative activity”.

For Murphy and Nagel, taxation has two functions:

Taxation has two main functions. (1) It determines what proportion of society's resources will be under the control of the government to be spent according to some collective decision-making procedure, and what proportion will be left, as personal property, to the discretion of private individuals. (2) It is one of the main factors that determine how the social product is divided among the various individuals, both in the form of private property and in the form of benefits provided by public action. This is distribution (Murphy and Nagel, 2005, p. 101).

According to Caxilé, everyone needs to contribute to the Common Good:

Tax relations are responsible for promoting and financing the Common Good. Administrative relations are the response of the Social Being to the contribution of individuals, as a debtor of necessary services in a transindividual way. This relationship is tempered by the continuous action of the principle of equality in its arithmetic and geometric aspects, as the unifying balance to the state's atomic unity (Caxilé, 2021, p. 2942).

Taxes are divided into taxes (arts. 145, I, 153, 154, 155 and 156 of the Federal Constitution), fees (art. 145, II of the Federal Constitution) and improvement contributions (art. 145, III of the Federal Constitution), but the Constitution classifies them by “Pentapartition”, and also includes compulsory loans (art. 148 of the Federal Constitution) and social contributions (arts. 149, caput, 149-A, 194, 195 and 240 of the Federal Constitution) as species of the genre.

The power set out in Article 145 of the Magna Carta goes far beyond the act of taxing; it is part of the state's administrative/financial activity, which, through public policies, meets the needs of the population. The same Citizen Constitution that gives, limits this power, that is, controls the invasion of property tending to the state perception of the tax, applying the principles and constitutional tax immunities provided for in its articles 150, 151 and 152 (SABBAG, 2017, p.52).

The state is a financier, due to its sovereignty. Its primary function is to provide for collective needs, and it applies the means of payment it needs to achieve its ends. It exploits assets by intervening in the private sector of the economy. *The power to tax* is, in fact, a power of law, which depends on the consent of the citizens who are the recipients of this invasion of property. Furthermore, this power to tax emanates from the people, who elect their politicians/representatives, who institute taxes on their behalf. These limitations on taxation contain rules that curb arbitrariness and preserve the legal relationship between the state and the taxpayer. Thus, the Federal Constitution defines the exercise of this power, which must be fair and balanced, without causing damage to the freedom and property of taxpayers (SABBAG, 2017, p. 54 to 57).

The proposal presented here aims to discuss the “simplification” of the system proposed by the Tax Reform, but what about the anomalies in the distribution of wealth? How does the state apparatus work in tax inspection? What is the role of the population in this new scenario? What are their needs?

As has already been explained, the Brazilian tax system is regressive in nature, and this has become a problem, since the idea with the reform is to make it more progressive, more efficient, but also fair, so that it also strengthens social protection and promotion. Ideally, taxation should focus on social welfare, in

terms of its impact on distribution or deconcentration to the population, i.e. the National Tax System should be suited to the purpose of financing and strengthening society, in search of national development, re-establishing the foundations of federative balance (PASSOS, et al., 2024, p.6).

This is the search for fiscal justice, which develops the country not only economically, but also socially, and thus promotes equity by minimizing the distortions that taxation can cause (PASSOS, et al., 2024, p.7).

When implementing reforms to the tax system, the best alternative seems to be the predominance of indirect taxes over direct taxes, so that the redistributive role of fiscal policy can also be considered. Consequently, by easing taxes on consumption, the poorer population will have better access to goods and services, as they will have more disposable income (PASSOS, et al., 2024, p.14).

THE FEDERAL PACT AND THE 1988 FEDERAL CONSTITUTION

Prior to the current Constitution of the Federative Republic of Brazil of 1988, there was a period characterized by the centralization of powers, mostly concentrated in the federal sphere, especially in administrative and fiscal matters.

The 1967 Magna Carta, under the military regime, for example, reserved the collection of the ICMS (Goods Circulation Tax) to the states, but imposed some restrictions on these entities legislating on the tax, even though it welcomed Constitutional Amendment 18/1965, which established the State and Municipal Participation Funds, with the establishment of the federal revenue sharing system.

In 1969 (one thousand nine hundred and sixty-nine), the participation of state and municipal entities in the product of the collection of taxes on income (IR) and industrialized products (IPI) was reduced. This is the

teaching of Aurélio Guimarães Cruvinel e Pa-
los, in his article “The 1988 Constitution (one
thousand nine hundred and eighty-eight) and
the Federative Fiscal Pact”:

Although the 1967 Constitution accepted the constitutional system for sharing federal revenues established in 1965, Constitutional Amendment 1/1969 halved the participation of states and municipalities in the proceeds of taxes on income and industrialized products. Despite the abolition of the link between transfers and capital expenditure, under the terms of the previous constitutional order, the delivery of resources now depended on: (i) prior approval of programs for the application of resources, in accordance with the federal government's guidelines; (ii) a counterpart from the entity; (iii) the allocation of executive charges from the Union; and (iv) the collection of federal taxes and the settlement of debts with the Union (Palos, 2011, p. 03).

The author provides data from his study, which shows a trend towards financial and administrative deconcentration and greater autonomy for federal entities, after decades of centralization of powers, established by the 1988 Federal Constitution.

In view of these changes, there was a significant shift in the distribution of available public revenue between the federal entities. In 1987, approximately 64% of the available public revenue belonged to the Union; in 1991, the federal share reached 53% of the total resources collected in the three spheres of government (Palos, 2011, p. 04).

At the same time, the Citizen's Constitution was not so specific about the distribution of executive responsibilities. In its original text, only common competencies were established for the federal entities. In view of the gap left, obligations were not decentralized to the same extent as revenues. In 1987, the Federal Government was responsible for 50% of public expenditure; in the period between 1989 and 1993, the annual average of the Federal Government's share of expenditure reached 73% (Palos, 2011, p. 05).

It can be said that, faced with the new reality after 1988, the Federal Government, in order to deal with its fiscal difficulties and increase its available revenue, created taxes that would not be shared with the states and municipalities, such as in 1994, with the reduction of the inflation tax, with a consequent increase in the rates of social contributions - cumulative taxes levied on the productive sector and with the creation of new taxes with cascading incidence, which explains that these measures accentuated the loss of quality in the Brazilian tax system (Palos, 2011, p. 5 and 6).

From 2004 onwards, following the attention paid to the Brazilian Administrative Reform, in the face of the new fiscal reality, the Federal Government used transfer measures to other entities, such as a kind of “financial aid”, with the aim of promoting the country’s exports. It is taking advantage of the sharing of the Contribution for Intervention in the Economic Domain (CIDE) on fuel, through Constitutional Amendment 44/2004, and the increase in the percentage of municipal participation in income and industrialized products tax revenues - Constitutional Amendment 55/2007 (Palos, 2011, p. 8).

With regard to the implementation of tax reform, this is a complex task, since the entities that benefit from the previous order will fight to maintain their designs and those who benefit from the reform will defend it (Palos, 2011, p.8).

In view of the above, it can be seen that the limits of the internal order have, over time, left the Tax Reform in a theoretical perspective. Its legislators seek to minimize excesses, with a view to respecting the preservation of the Federative Pact and keeping the tax burden in line with the country’s financial needs. Since, when thinking about Tax Reform in the country, attention should be paid to the implementation of a National Tax System that is consistent with the competitiveness of the

productive sector, which finally solves the fiscal problems that afflict the three spheres of government, so that, in this way, any losses of one or other federated entity can be better absorbed in the short term and later compensated (Palos, 2011, p. 9)

TAX REFORM: GENERAL NOTIONS BROUGHT ABOUT BY EC NO. 132/2023

On December 15, 2023, the Proposed Amendment to the Constitution No. 45/2019 was approved, bringing numerous and relevant changes to the Brazilian Tax System. This legal norm is the result of the approval of PEC No. 45 of 2019, which was initially approved in the Chamber of Deputies on July 7, 2023, then, with modifications, in the Federal Senate on November 8, 2023, and again in the Chamber of Deputies on December 15, 2023. Its content is divided into twenty-three articles. The first, third and fourth amend the text of the Federal Constitution, while the second and fifth modify the Transitional Constitutional Provisions Act (ADCT), with the division being justified by the different effective dates. Articles 6 to 21 contain provisions on merit, Article 22 contains repeal clauses and Article 23 contains validity clauses (NUNES, et al., 2024, p.4).

Constitutional Amendment 132/2023 deals mainly with the replacement of current taxes, the distribution of new revenues, the transition to the system created and the administration and management of the new model. It also deals with other issues such as the creation of constitutional funds, changes to property taxes and social contributions, the definition of new tax principles, the extension of benefits, rules for tax administrations, etc.

For this study, what is most important is the part in which the legal text simplifies and unifies the tax system, replacing five taxes (ICMS, ISS, IPI, COFINS and PIS) with two

taxes: the Contribution on Goods and Services (CBS) and the Tax on Goods (IBS). The CBS will replace PIS, COFINS and IPI, while the IBS will replace ICMS and ISS. Articles 3 and 11 will come into force in 2027, after the repeal of PIS and Cofins, and articles 4 and 5 in 2033, after the repeal of ICMS and ISS. The other articles take effect immediately, on the date of publication of the Constitutional Amendment (NUNES, et al., 2024, p.4).

The Tax Reform delivers the creation of the CBS, IBS and Selective Tax, the first and third of which are the exclusive competence of the Union and the second of which is shared between states, municipalities and the Federal District. The PIS, Cofins, ISS and IOF taxes levied on insurance operations were abolished. The IPI is maintained only in the Free Trade Zone.

Manaus, but will be replaced by the Selective Tax

The tax base for IBS and CBS will be all onerous transactions involving goods and services. The transactions on which IBS and CBS are levied include the supply of goods and services and can arise from any legal act or transaction. For the purposes of legal certainty as to the scope of the IBS and CBS levies, PLP 68/2024 included a list of examples of legal acts and transactions whose object is the supply of goods or services and which will therefore be subject to the IBS and CBS. The basis of the Selective Tax will be the production, extraction, commercialization or importation of goods and services that are harmful to health or the environment.

The IBS and CBS can be returned to the low-income population in the form of cashback on electricity bills and gas cylinder purchases. The amount collected by the IBS will be retained by the Management Committee and destined for the place considered to be the final destination of the good or service, and there will also be a transfer of the municipali-

ties' share, which will be passed on by the states. The Selective Tax, on the other hand, will be collected by the Union and distributed to the federated entities.

THE REPRESENTATIVENESS OF THE REGES IN THE CHAMBER OF DEPUTIES AND THE FEDERAL SENATE AND THEIR MODEL OF CHECKS AND BALANCES FOR THE REGULATION OF A FAIRER TAX REFORM AMONG THE FEDERATED ENTITIES

To talk about the Federative Pact, it is a priority to understand the representation of states and regions in the National Congress, which is constitutionally responsible for the legislative process in Brazil, divided into the Chamber of Federal Deputies and the Federal Senate, both of which are umbilically linked, with each and every proposal having to be voted on in both houses, with two rounds in the house where the proposal originated and one round in the other house. The Federal Chamber is the "people's house", as it has the broadest federal numerical representation, with 513 (five hundred and thirteen) Federal Deputies, divided proportionally into the 26 (twenty-six) states and the Federal District by their electorate, as shown in the table below:

REGION	STATE	FEDERAL DEPUTIES	SENATORS
NORTH	ACRE	8	3
	AMAPÁ	8	3
	AMAZON	8	3
	PARÁ	17	3
	RONDONIA	8	3
	RORAIMA	8	3
	TOCANTINS	8	3
TOTAL NORTH		65	21
NOR- THEAST	ALAGOAS	9	3
	BAHIA	39	3
	CEARÁ	22	3
	MARANHÃO	18	3
	PERNAMBUCO	25	3
	PARAÍBA	12	3
	PIAUÍ	10	3
	RIO GRANDE DO NORTE	8	3
	SERGIPE	8	3
TOTAL NORTHEAST		151	27
WEST CENTER	FEDERAL DISTRICT	8	3
	GOIÁS	17	3
	MATO GROSSO	8	3
	MATO GROSSO DO SUL	8	3
TOTAL WEST CENTER		41	12
SOU- THEAST	HOLY SPIRIT	10	3
	MINAS GERAIS	53	3
	RIO DE JANEIRO	46	3
	SÃO PAULO	70	3
SOUTHEAST TOTAL		179	12
SOUTH	PARANÁ	30	3
	RIO GRANDE DO SUL	31	3
	SANTA CATARINA	16	3
TOTAL SOUTH		77	9

It is clear from the table that the proportional majority of deputies is more concentrated in the states of the South and Southeast, with almost half of the parliamentarians in just seven (7) states. This perception, when analyzed, demonstrates the recurring choices of the presidents of the house, usually some parliamentarian from the southeast region. However, according to our constitutional system of

checks and balances, the Federal Senate has an equal number of representatives from each unit of the federation, with 3 (three) from each of the 26 (twenty-six) states and the Federal District. By this metric, the majority system is inverted in the proportionality of the majority of the house. Given that the North and

The Northeast has 7 (seven) and 9 (nine) states respectively, totaling 21 (twenty-one) and 27 (twenty-seven) senators per region. That makes 48 (forty-eight) senators, almost 2/3 (two thirds) of the Federal Senate. It's natural to say that the majority of Senate Presidents come from these regions.

Having said that, it is notorious that the approval of the current Tax Reform did not take away any prerogatives of the federative fact from any federated entity, from a representative and constitutional point of view. Thus, the Legislative Branch seems to have acted in a constitutional and fair manner, operating with its program of checks and balances on the issue of proportionality on regions with greater electoral density and federative units.

CHANGE IN THE REPRESENTATION OF STATES AND MUNICIPALITIES IN THE ADMINISTRATION OF IBS, MODERNIZING THE FEDERATIVE PACT, AIMING FOR BETTER EFFICIENCY IN NATIONAL DECENTRALIZED DEVELOPMENT

The New Tax Reform changes the way in which the federal entities participate. Previously thought of, planned and executed individually by the municipalities and states, they will now have a centralized and national dynamic. Organized by a federal agency, it will be made up of 27 (twenty-seven) representatives from each state and a further 27 (twenty-seven) members representing the municipalities.

The ICMS and ISS of the states and municipalities, respectively, continue to be controlled by the federated entities, with full participation and representation, now unified under the acronym IBS (Tax on Goods and Services), and coordinated by the new management body.

It's also important to point out that the aforementioned Tax Reform spent 4 (four) years being reported in the last legislature by the then Senator from Maranhão, Roberto Rocha. The rapporteur held meetings with all the "players" involved in these processes: municipal and state treasury secretariats, representatives of tax professionals, the S system, the productive class from the most diverse sectors (industry, tourism, services, agribusiness), as well as the parliamentary benches of all the states in the Chamber and the Federal Senate, finally coming up with a convergent text for consideration and approval.

Another essential point that must be emphasized is the timeframe for the effective implementation of the Reform, with a long period of 10 (ten) years for total migration of all its themes. Many experts and members of the regions with the highest density of production and consumption, the south and southeast of Brazil, have shown enormous concern about the loss of tax revenue, in view of the possibility of companies, industries and, ultimately, jobs closing in their respective locations. After all, the tax system will only have to undergo a process of modernization and control, moving away from an archaic and backward analogue model for the dynamics of the globalized economy, to a modern digital system capable of assimilating the new trends of the world market.

TAX: PREMISE OF COLLECTION ORIGIN X DESTINATION

As mentioned in item 2 (two) of this contribution, article 3 of the Brazilian Tax Code conceptualizes what taxation is, in a layman's way that is perceptible to the citizen. It can be understood that taxation is: the collection of a percentage on an operation aimed at profit, bearing in mind that financial and economic activity is practiced by private initiative and the consumer citizen, however, this legal environment with legal certainty is promoted by the State, therefore, it has the right to participate in said negotiation, so that it has the capacity to maintain this fertile environment for new negotiations.

Under the rules in force before the Tax Reform of 2023 (two thousand and twenty-three), products/services were taxed at source. With the new legislation, it now applies at destination.

And what is the real change in such an exchange? As mentioned earlier, the concept of taxation takes place through a negotiation between two parties, one selling and the other buying, with a profit in the transaction in between, it is fair to imagine that taxation should be levied at the destination, after all, that is where the business, and perhaps the profit, takes place.

One example of this is that today: What is the biggest restaurant chain in Brazil? It's not any big franchise chain, it's IFOOD (IFOOD.COM AGÊNCIA DE RESTAURANTES ONLINE S.A.), a company that doesn't even have a pan, stove or plate. And what is the biggest transportation company in Brazil? The company UBER (UBER DO BRASIL TECNOLOGIA LTDA), which has no motor vehicle or driver. Since both are digital companies in an increasingly technological market, this is yet another demonstration of how indispensable tax reform has become.

You see, Ifood or Uber have an address in their National Register of Legal Entities (CNPJ) where taxes and tax returns would be levied at source. And if these companies were based in the city of São Paulo, then all their business would be taxed and repatriated to that city. But how can this be feasible, given that their operations take place in more than 5,000 (five) Brazilian municipalities, in all 26 (twenty-six) states and the Federal District? This being the case, we can see that the new rule seems to be much fairer, since its purpose is to concept of negotiation and taxation, given that they are now levied at their destination, which is where the commercial operation is actually carried out.

Finally, it is also worth noting that the Reform creates “triggers” so that during the 10-year implementation period, municipalities and states will have their current revenues preserved, receiving financial compensation from the Federal Government for the replacement of taxation from origin to destination.

TAX REFORM AND MUNICIPALITIES:

Brazil's tax revenue is unfairly distributed, since it does not equally cover the work done by municipalities, which are the entities that actually carry out public policies

In his article “A reforma tributária e os municípios” (Tax reform and the municipalities), Dimas Ramalho, an advisor to the São Paulo Court of Auditors, presents data from 2021 that corroborates the view that the distribution of revenue is unequal between the federal entities. It was found that two thirds of the amount is federal. The states, in turn, account for 26.8% of it, and the municipalities for only 6.9% (RAMALHO, p. 01, 2023).

The Tax Reform being considered by the National Congress, although it doesn't look like it will consistently affect the country's fiscal and social reality, does have an impact on the

percentages that fall to each sphere of the Federation. As a result, its implementation tends to have an impact on the share distributed to municipalities (RAMALHO, p. 01, 2023).

Municipal public officials are wary of the changes brought about by the Tax Reform, in terms of revenue losses. It is known that it will simplify the complexity of current taxation, as already mentioned, since the text of the proposed Constitutional Amendment defines that the five current taxes on consumption will be replaced by a dual Value Added Tax (VAT).

According to Ramalho, “Although there are still many doubts about the consequences that the reform will have for municipalities, studies have shown that it has the potential to substantially reduce inequality in the sharing of municipal taxes” (RAMALHO, p. 01, 2023).

As for municipal taxes, Ramalho explains that:

...ISS and the ICMS quota, the difference in per capita revenue between the richest and poorest municipalities is no less than two hundred times. A recent study by the Institute for Applied Economic Research (Ipea), which is a federal public foundation linked to the Ministry of Planning and Budget, helps to shed light on the subject. Although the study was published after the reform was approved by the Chamber of Deputies and was based on slightly different premises than those defined by the Senate, it is able to give the dimension of the reform's impacts on Brazilian municipalities. In the first scenario, the researchers analyzed how much revenue each municipality would have received from the new tax if the change had already been in force last year. In total, approximately R\$ 50 billion, or 21% of municipal taxes, would change hands, benefiting 82% of Brazilian cities, where 67% of the population lives (RAMALHO, p. 02, 2023)

The Institute for Applied Economic Research (IPEA) estimates, in an article published on the Federal Government's platform (gov.br) on August 28, 2023, that with the Tax Reform, in addition to decentralizing federal tax

collection and making it easier for municipalities to collect, it will benefit 82% of municipal entities. The beneficiaries make up 67% of the Brazilian population and correspond to 98% of those with a gross domestic product per capita below the Brazilian average, i.e. the poorest. This brings us back to the ideal discussed at the beginning of this study, which is that the redistribution of revenue provided for in the reform will reduce the degree of inequality in the municipal sphere by 21%, highlighting the ideal sought by changes in the country's taxation, of fiscal justice that does not forget that the main beneficiary of tax collection should be society as a whole, on an equal basis.

FINAL CONSIDERATIONS

This study has covered the entire history of the legal construction of Brazilian taxation, its origins, its primary concepts and its evolution over the years.

It is by examining the importance of taxation and the purpose for which it exists that we can understand how essential it is for building an organized society, with a fertile environment for the production of business, jobs and wealth, based on the legal security of a nation.

We studied the National Congress, which through its 513 (five hundred and thirteen) Federal Deputies and its 81 (eighty-one) Senators, as an institution for discussing and creating laws that represent the country's Municipalities, States and Federal District, has a system of checks and balances as we discussed earlier, and is capable of bringing about a fairer and more convergent set of laws, even in a continental country as heterogeneous as Brazil.

With this contribution, we can see that the Federative Pact will not be altered, with no loss of representation for its federated entities. Whereas the Tax Reform was discussed and approved by their representatives in the National Congress.

It was emphasized that the ICMS and ISS taxes, when they are unified - IBS, will continue to be managed by states and municipalities, but in a different way, no longer individually, but centrally, through a federal autarchy, with 27 (twenty-seven) representatives from the states and 27 (twenty-seven) from the municipalities,

It is understood that the biggest advance discussed in this study is the municipal tax issue, when it consolidates the transformation of the incidence of taxation from origin to destination. It is through this change that the Tax Reform makes its applicability fairer and more reasonable for Brazilian cities, allocating the resources from commercial operations to where they actually take place, so that cities can have a collection that is more honest with their realities and enables them to develop further.

Furthermore, the redistribution of revenue planned for the municipal sphere will reduce the degree of inequality between municipalities, since the growth of the economy brought about by tax reform tends to bring gains to the vast majority of federal entities.

In short, the new tax system brought about by the Tax Reform will bring positive changes, especially in the municipal sphere, since with the increase in municipal revenues, the impact will be direct on most of the Brazilian population.

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