

The first topic : Historical Overview of Taxation Administration of Taxation Patterns of taxation throughout history have been influenced more by administrative considerations than tax policy. Adam Smith states in this regard, "The subjects of every state ought to contribute towards the support of the government, as nearly as possible, in proportion to their respective abilities," meaning in proportion to the income they enjoy under the protection of the state. We can differentiate between justice as a goal of taxation and justice as one of its pillars. In the first case, we refer to the function of taxation as a tool for the distribution of income and wealth among individuals and social classes. In the second, it must be general and uniform, meaning it is imposed on all individuals and assets. The tax burden is distributed based on each individual's ability to pay.

**Principle of Certainty:** This principle means that the tax should be clearly defined without ambiguity, especially regarding the schedule of payment, its form, amount, and the method of payment. All these elements must be clear, explicit, and known to the taxpayer so that they understand their rights and obligations. Additionally, this principle is based on the stability and consistency of the tax system, as frequent amendments to tax regulations negatively affect both the taxpayer and economic activity.

**Principle of Convenience in Collection:** This principle necessitates simplifying the procedures involved in the tax collection process. It means that the timing of payment should be convenient and appropriate for the taxpayer in terms of time and place, considering their circumstances so that they are not adversely affected by the tax when they pay it. Additionally, the taxpayer's ability to pay should be taken into account.

**Principle of Economy in Collection Expenses:** This principle means that tax revenues should exceed the amounts spent on their collection. In other words, the revenue from taxes should contribute to the financing of the public treasury rather than being consumed by collection expenses. The difference between what the taxpayer pays and the cost of collecting the tax should be significant, as increasing the tax burden reduces the revenues of the public treasury. The lower the collection expenses, the higher the tax revenue, which can be achieved by considering the following:

- \* Deploying and directing employees according to needs, as employee salaries are expenses borne by the state treasury.
- \* Using advanced technologies in tax collection, such as computer systems, to save time.
- \* Efficient use of forms and bulletins related to the collection process.

**Principle of Intervention:** Contemporary economists have added this principle to the previous ones, aligning with the evolving concept of the modern state. Previously, the state's role was limited to maintaining security and justice, known as the "night-watchman state." While definitions vary depending on different perspectives, it is generally agreed that taxes are "a compulsory and final cash deduction imposed by the state through its own authority on natural and legal persons without compensation, pursuant to legislative and regulatory measures for public expenditure financing."

**A– Tax Characteristics:** Based on the definition of tax, the characteristics can be summarized as follows:

- Final Deduction: Tax defense does not expect the refund of this financial amount but rather enters definitively into the state's budget.
- Not in exchange for a specific service: Meaning that the taxpayer does not benefit from a specific service in exchange for paying the tax, but rather benefits from public expenses.
- Obligation: This means that the taxpayer is required, not optional, to pay taxes, as every citizen is obliged to pay taxes within the state's laws.

**B – Tax Principles:** The principles are the foundations and rules that the financial legislator follows when preparing the tax system in the country. These are the rules that the

legislator must take into consideration when imposing taxes to ensure that the tax system becomes one that balances the interests of the state and individuals. Scholars of public finance, including "Adam Smith" in his work "The Wealth of Nations" in 1776, have worked on defining the most important of these principles upon which the process of imposing taxes is based, as follows:

**Principle of Justice and Equality:** This principle is not about subjecting all individuals in society to the same tax burdens in a single year, but rather according to their income and their ability to pay. – For example, in Algeria, especially after the use of information technology in tax authorities, through the introduction of the Tax Identification Number (NIF) and mandating taxpayers to display it on all tax declarations and documents (as required by Articles 3, 4, 8 of the 2003 Finance Law), the tax administration has eased many challenges, particularly concerning tax classification for the taxable category. Consequently, tax evasion can be measured through the derived differences, or through detailed reviews of tax returns by experienced auditors, ensuring the accuracy and credibility of accounting records by comparing them with tax declarations submitted by the funders, determining the amount of tax due.

**C– Supervision:** In order to ensure the accuracy of the declaration and enforce its obligation, the state, through authorized bodies, conducts supervisory operations by comparing the declarations submitted by the taxpayer with the accounting outputs and auditing. All legislations aim to combat them through various means and methods due to their strong negative impact on state resources and economic performance, especially in a country like Algeria that seeks to establish market economy principles, where fair competition is considered a fundamental element along with enhancing justice among taxpayers, even at the expense of the state's credibility. – Taxes in modern times constitute one of the most important sources of revenue in the general budget of governments, often earmarked to cover increasing expenditures and meet the requirements of financial and governmental policies across various sectors to achieve their diverse objectives.

**First Requirement: The Concept of the Tax System** The tax system is defined as "a set of legal and technical rules that enable tax deduction, encompassing its successive stages from legislation to assessment to collection." It is also defined as "a set of legal rules governing the tax deduction process in its successive stages, starting from determining the tax base, then calculating its value, and finally the method of its collection, which is referred to as the technical organization of taxation."

**6– The tax system should be characterized by clarity to facilitate understanding and comprehension by new employees, reducing the rate of tax evasion resulting from exploiting various loopholes within it. The second requirement: Tax Declarations:**

**1– Concept of Tax Declarations:** Tax declarations are legal documents that establish a connection between the taxpayer and the tax authorities to facilitate communication between them. The more the taxpayer feels like a partner in the process of estimating and determining their taxable income, the more their commitment to submitting declarations increases, positively impacting – The digitization of tax declarations offers numerous advantages for taxpayers, especially businesses.

**The Third Requirement : Electronic tax declarations** The tax administration aims to modernize its sector and adapt to a continuously evolving world, transitioning to a dynamic and active management style by integrating digital culture.

**Providing Necessary Revenues:** The state seeks to achieve significant financial revenues through general taxation, enabling it to spend freely without the fear of financial deficits, thereby enhancing its ability to plan and execute ambitious goals. The

importance of declarations for tax administration lies in: – The declaration provides the tax administration with information regarding the inception of a new tax, a new funding source, enabling the administration to be informed about the taxpayer's activities and their commencement, allowing for correspondence, tax calculation, and collection. From this, we conclude that the tax system is: "An integrated system of legal and technical rules that regulate the tax deduction process from start to finish, beginning with tax legislation and determination of its base, through calculating its value, and finally to the method of its collection. This system aims to ensure the application of justice and efficiency in the collection of tax revenues." Establishing a specialized administration to combat tax evasion, as done by countries that are members of the Organization for Economic Cooperation and Development, can significantly contribute to effectively combating this phenomenon. This involves leveraging the information contained therein and comparing it with declarations that include exemptions from certain fines and penalties granted by the state to taxpayers, in order to encourage them to declare their income.

**Reducing Dependence on Petroleum Resources:** Despite the importance of petroleum taxation, the state also strives to diversify its revenue sources through general taxation to reduce dependence on oil and ensure the sustainability of financial resources. The embodiment of electronic management represents a significant challenge that necessitates the intensification of efforts on a wide scale, proving its effectiveness and efficiency to meet the heightened challenges. Consequently, corporate tax, as the sum of legal tax deductions imposed on the economic entity, represents the source of state expense coverage through imposed taxes, regardless of the type of entity. The aim of this is to foster a sense of equality and solidarity within the community. The concept aims to eliminate the privileges that were prevalent in old political systems, where certain privileged classes were exempt from paying taxes. Hence, the specified compliance stems from their self-conviction in achieving it.

– The declaration method ensures fairness regarding the tax burden on the taxpayer. – The declaration facilitates the tax administration's burden by significantly streamlining procedures and saving time based on the taxed item, while also reducing the likelihood of disputes and objections. Its mission is to combat evasion and smuggling by investigating documented information about the financial situations of taxpayers, collecting data and documents related to taxable incomes, detecting and investigating cases of evasion, and handling them with the relevant authorities. Similarly, Algeria, through Article 3 of the Complementary Finance Law of 2009, established the National Register of Fraudsters who commit tax, customs, banking, financial, and commercial violations, as well as those who fail to legally deposit their financial statements. In Rome, the "tributum" tax was paid by citizens and was usually levied as a poll tax; the base of this tax was later extended to include real estate holdings.

**The Middle Ages and Later Periods** In the Middle Ages, many ancient taxes were replaced by obligatory services and the system of "aids".

**Second Requirement: Tax Concept I/ Taxation Definition:** 1– Taxation noun /taek'sel?n/: money that has to be paid as taxes – 2 Tax is cash deductions imposed by the state on individuals to cover its expenses, in the form of a tax or fee.

**Providing Financial Resources:** Taxation aims to provide the necessary financial resources for the state to cover its expenses and fund its developmental projects, reducing the need for foreign borrowing and avoiding its economic repercussions.

**Developing Productive Sectors:** Taxation can contribute to the development of productive sectors by reducing tax burdens and offering temporary exemptions, which

encourages economic growth. Overburdening taxpayers with numerous taxes at high rates can impact the taxpayer's capital, gradually leading to its depletion, affecting the taxpayer's activities. – The declaration system is considered a communication tool between taxpayers and tax authorities, thus playing a significant role in enabling the administration to conduct audits on all activities. Inclusion in this register leads to the denial of tax, customs privileges, administrative facilities, participation in public contracts, engaging in foreign trade-related operations as per Article 29 of the same law.

**Modern Trends**  
Modern developments in taxation include the transfer of taxing power from sovereigns to parliamentary bodies, increased tax levels, and the collection of taxes in money rather than goods.

**Funding Projects and Investments:** Taxation is an important financial source for the state to finance various investments and projects, enhancing comprehensive economic development.

**Achieving Financial Balance:** Taxation helps the state achieve a balance between revenues and expenditures, which is essential for sustainable economic, social, political, cultural, and security development. It should avoid excessive taxation, take into account the personal circumstances of the individuals subject to it, and impose taxes that align with their capabilities to prevent them from resorting to tax evasion.

**The Importance of Tax Declarations in Combating Fraud and Tax Evasion**  
Tax evasion and fraud are considered one of the challenges faced by most countries worldwide, whether advanced or developing. The focus on the ability-to-pay principle and wealth redistribution has declined, with concerns about economic distortions caused by high tax rates emerging. Taxation can be defined as legislation and laws related to cash deductions in the tax system for individuals and entities is designed to finance the public treasury. The state's intervention aims to limit individuals from overstepping their freedoms and to guide them towards exploiting certain economic sectors.

**B– Collection:** It is the process of deducting and collecting taxes from taxpayers, whether through amicable collection or through forced collection by imposing fines or seizures.

**The Importance of Tax Declarations for Tax Administration**  
Tax administration's task is challenging compared to other departments as it is responsible for enforcing tax laws and revenue collection. The effectiveness of tax administration can only be achieved through various factors, with one of the most important being that the taxpayer's declaration should not be seen as a threat but as an effective means to track all taxpayer income. With the growing phenomenon of fraud and tax evasion, analysts have resorted to measuring this phenomenon based on analytical studies of tax returns. Greece and Rome imposed consumption taxes, and customs duties were significantly important.

**Differences Between Developed and Developing Countries**  
Developed countries rely more on individual income taxes and less on corporate income taxes compared to developing countries.

**The third requirement : the concept of tax**  
**Definition of tax** noun from the Oxford Advanced Learner's Dictionary :/taeks/: money that you have to pay to the government so that it can pay for public services.

**Technical Aspects of Taxation:** Taxation involves four technical aspects, which are:

**A–The Tax Base:** The tax base represents the taxable amount on which the tax is calculated. These characteristics include:

- 1– The tax system should excel in its ability to achieve its objective through various supportive components aiding in reaching this goal.
- 3– The tax system should be characterized by fairness, whereby all members of society are subject to taxation according to their ability, ensuring that everyone contributes to public expenditures.
- 5– Establishing a clear link between the taxpayer and the public treasury, aiming to reduce tension and disputes between

them with the goal of pursuing public interests. Therefore, in this regard, the declaration details and purpose should be clear and accompanied by the taxpayer's charter that guarantees their rights and obligations. Additionally, the administration does not incur significant expenses in the collection process, a method considered an important indicator of tax system progress. One of the most important methods used to estimate and measure tax evasion, and therefore combat it, is the non-compliance tax assessment method. Tax declarations and returns remain the sole evidence of the taxpayer's commitment to paying their taxes or at least being subject to or exempt from tax deduction. Wars often led to the introduction of new taxes, such as the income tax in Great Britain in 1799 and sales taxes in Germany and Great Britain during the world wars. Tax farming has been abolished, and taxes are now assessed and collected by civil servants. Whether an individual or a corporation, it is considered an economic regulation aimed at achieving profit. It also aims to protect the national economy through its involvement in import and export processes. This is in addition to coordinating with entities such as the Directorate of Commerce to verify the accuracy of the information.

### Tax System Characteristics

After understanding the concept of the tax system from a broad to a narrow perspective, we now delve into the various characteristics that must be present in the tax system in order to achieve the desired objectives. The objective of the tax system varies depending on the type of economic system (whether socialist or capitalist). These documents contain information reflecting the financial status and business figures realized by the taxpayer, which determine the basis of tax assessments. A tax declaration can be defined as a set of processed and organized data capable of influencing the tax liability directly or indirectly.

### The Importance of Tax Declarations

– Declarations are considered a result of the declarative tax system, which is automatic and satisfies the taxpayer themselves because they are more aware of their tax capacity. Tax compliance consists of two aspects: the commitment to declare by the taxpayer and the commitment to pay based on the declaration. – Declaration is considered the easiest means for the taxpayer, fostering a sense of participation in determining the tax value due. – On the other hand, the tax declaration is not burdensome for tax authorities as this establishment was self-initiated, and therefore cannot be challenged by its submitter. France, at the beginning of 2009, initiated the deployment of a team of tax inspectors under the judicial police to combat tax evasion. This allows for estimating the extent of evasion by the difference between the calculated tax amount and the declared amount. Customs duties were among the earliest taxes because they were easier to collect compared to domestic production. Indirect taxes such as transit duties and market fees were common. Some German and Italian cities introduced poll taxes for the poor and wealth or income taxes for the rich.

### Challenges and Developments

The rise of e-commerce has posed challenges for tax administration. Income taxes, payroll taxes, general sales taxes, and property taxes have become major revenue sources. In developing countries, corporate taxes become more important as income levels rise. Generally, taxes represent a higher percentage of national output in developed countries. The tax systems of higher-income developing countries resemble those of developed countries more than those of poorer developing countries. The same applies to every individual who has made a profit, whether through profit-oriented activities or income. However, the state now intervenes in most individual activities, leading to more complex and diverse responsibilities. Granting privileges to a specific social class would

burden other societal groups with a heavier tax load.4– The tax system should be flexible, able to subject a new activity to taxation or exempt another activity based on the prevailing economic and social circumstances for a specific period. However, this change should not affect the essence of the tax system, ensuring its fundamental principles remain intact. Accessing digital information and electronic data has become increasingly common in many countries, particularly in Europe. Fighting tax evasion is among the most profitable areas that a country should invest in without hesitation today. Europe has recently considered it a matter of national security, given that this administration is under the Ministry of Interior in countries like Italy and Hungary. In this context, Syria took the initiative through Law No. 25 of 2003 by establishing the Tax Investigation Directorate. During wartime, property taxes were temporarily imposed. Political Controversies and Reforms Taxes have been a major topic in politics throughout history. Social security taxes are more significant in developed countries due to advanced social systems. As for the tax system, its definitions have varied in Arabic and foreign writings. The differences in tax systems between countries are mainly due to the differences in the nature of the economic systems in those countries.2– The tax system should consider the taxpayers' ability to pay, not burdening them with the weight of taxes and high rates. This could result in project termination, thus hindering economic growth. The strength or weakness of this administration directly impacts the state's tax revenue success or loss.– We have examples, both domestic and foreign, of combating tax evasion. Simple sales taxes were common before the invention of the more efficient but complex value-added tax (VAT). Property taxes and poll taxes were among the first direct taxes because they were easier to implement. Taxation in Ancient Times Taxes played a relatively minor role in the ancient world. Taxes played a role in revolutions such as the American Revolution and the French Revolution. People pay tax according to their income and businesses pay tax according to their profits. Taxation is one of the most important tools the state uses to control financial and economic policies. Determining the tax base is one of the most crucial processes used for tax collection.D– Disputes: This is to manage disputes and disagreements between the tax authority and the taxpayer. Considering their liquidity situation and reflecting their tax awareness. Tax authorities are requesting taxpayers to provide information in electronic form. Therefore, from a legal perspective, everyone is subject to various types of taxes. Taxation objectives 1. topic Two: Tax Systems A system is considered a set of elements and relationships, where the elements are the constituent parts, and the relationships are what connect the constituent elements of this system. There is no justification for not subjecting one class to the same rules as another. This system is built on mutual trust between the administration and taxpayers.2.3.4.5.6. Tax is also often paid on goods and services.