University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

Tax accounting in the light of information technology and its impact on revenue collection

Nasif Jassim Hussein Askar

njasm9817@gmail.com

https://doi.org/10.32792/utq/utj/vol**20**/**2**/**3**

Abstract:

The research addressed tax accounting in light of digital transformation and its impact on revenue collection. The problem of the research lies in the General Tax Authority relying on traditional methods of tax accounting, which require time, effort, and cost. The research aims to highlight the positive role of information technology, particularly digital transformation, in establishing information bases and facilitating access to them for tax payment. It also aims to reduce cases of tax evasion. Therefore, the research hypothesized that tax accounting in light of digital transformation contributes to alleviating the burden on the taxpayer. To achieve the research objectives and hypotheses, the researcher used a questionnaire method for a sample of employees working in the General Tax Authority/Dhi Qar branch to answer the questionnaire items. Upon analyzing these responses, the researcher reached several conclusions that confirmed the validity of the hypotheses.

Keywords: Tax accounting, digital transformation, revenue collection, tax efficiency, tax databases.

University of Thi-Qar Journal
ISSN (print): 2706- 6908, ISSN (online): 2706-6894
Vol.20 No.2 June 2025

The introduction:

The General Tax Authority faces many challenges in applying the concept of transparency, as achieving it requires numerous administrative, legal, and financial procedures. The weakness of information systems and reliance on manual methods in tax work have made it difficult to provide information in a timely manner and with less effort and cost, which has negatively impacted tax assessment procedures. Moreover, most employees in the General Tax Authority are not keeping up with the advancements in information technology and revenue collection. In this research, it becomes clear to us that tax accounting differs from other types of accounting because it arises from an interrogation between two parties, making them somewhat resemble the victor and the vanquished. The first party is the one who practices identifying the sources of taxable income, while the second party tries in various ways to evade revealing the truth for fear of losing the money earned from work or trade.
Digital transformation and its impact on revenue collection aim to improve revenue collection to contribute to economic development and achieve justice as required, modernize revenue collection methods, move away from time-consuming and labor-intensive methods by employees, and keep up with economic developments. Additionally, revenue collection is one of the state's fiscal policy tools, playing an important role in the programs set by the state and in the state budget, through which existing imbalances are addressed and the state achieves economic stability.

Researchproblem:

The main problem of this research lies in the General Authority for Taxes, in all its branches, relying on the (traditional manual) method to complete its work and activities. This causes delays in tax collection and the processing of tax transactions, as well as the inability to identify tax evaders. This, in turn, leads to an increasing number of tax evasion and avoidance cases instead of reducing them, prompting some taxpayers to resort to various methods to circumvent the law and evade paying due taxes. Consequently, most of the state's tax revenues are scattered among a collection of old records, not to mention the risks of these records being damaged, burned, or destroyed. Therefore, the research problem can be formulated in the following questions:

1- What is the role of digital transformation mechanisms in developing the tax accounting system?

2- Does the digital transformation of the tax accounting system affect the reduction of tax revenue collection costs?

The importance of research

Tax accounting in the context of information technology and its impact on revenue collection is a research topic of great importance, as it can help improve the efficiency of the tax system, increase tax revenues, enhance tax justice, and keep pace with global developments by providing a robust database and improving the culture of tax awareness among individuals and society as a whole.

The aim of the research

This research aims to achieve a set of objectives, which are:

1- The research aims to highlight the positive role of information technology, particularly digital transformation, in establishing information databases and facilitating access to them for tax payment.

2- Relying on electronic transactions facilitates tax accounting processes and provides information to the General Tax Authority to make appropriate decisions.

3- The research aims to reduce revenue collection costs through the use of digital transformation mechanisms.

4- Information technology (digital transformation) helps reduce cases of tax evasion.

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

Research hypotheses:

To answer the research questions and achieve its objectives, the research hypotheses were formulated as follows:

First hypothesis: Digital transformation will contribute to reducing tax collection costs.

The second hypothesis: helping to reduce cases of tax evasion using digital transformation mechanisms.

Hypothesis Three: The financial perspective is considered the most important measure for evaluating performance electronically, and its results are aimed at achieving objectives and assessing cash tax revenues collected, linking them to the taxpayer's reality due to increased awareness.

Previous studies

First: Sabbar's study (2020)

The use of information and communication technology in activating tax accounting / A proposed framework for sales tax in Iraq, a master's thesis submitted to Karbala University, College of Administration and Economics.

This study aimed to demonstrate the high capability of information and communication technology in reducing personal discretion in tax assessment by appraisers and limiting administrative and financial corruption in its operations, as well as the potential to increase public revenues by activating sales tax through the use of information and communication technology. The most important conclusions reached in this study are that the use of information and communication technology through electronic systems will contribute to Positively in increasing tax revenues.

First: The concept of tax (definition and importance)Tax is one of the important pillars in financing public treasuries and is collected from contributing individuals. Additionally, tax is an important element in assessing the economic condition of the state in a free economy, and tax revenues constitute the largest part of the revenues obtained by the state. It is considered one of the important means for directing the state's economic activities in directions that align with the state's planned objectives. Tax has had a significant impact for a long time, and the subject of tax has evolved over the ages and eras (Ahmed, 47, 2011).Definition of taxAs a result of the historical development of taxation, public finance scholars have adopted different schools of thought in defining tax. This difference is attributed to varying intellectual trends and the evolution of political and economic doctrines. Consequently, there are many different definitions of tax, all of which converge on a single essence. We will present some of these definitions as follows:Tax is defined as a monetary imposition collected by states compulsorily from taxpayers, whether they are individuals or legal entities, in accordance with laws and based on the ability to pay, with the purpose of contributing to covering public expenses and achieving the financial, economic, and social goals of the state (Mohammed, 2012, 23).As Al-Azawi defined it, an amount of money is deducted by the public authority from individuals permanently and without compensation in order to achieve the goals of society (Taqa and Al-Azawi, 2010, 89).Tax has also been defined as a mandatory obligation imposed by governments on income or any capital asset without returning any benefit to the taxpayer (2014, 13dub).The importance of taxTaxes play an important and fundamental role in managing state affairs, as they are the main source of funding for its activities and national budget. They are also used to direct the national economy and have an impact on financial policies as well as the political and social philosophy of the state. Tax revenues are considered the most important resources for the state and constitute the largest part in most countries of the world. However, the focus on them varies from one country to another according to the prevailing economic system and the availability of economic resources (Al-Dahami, 2013: 48).Secondly: Characteristics of the tax1. Taxes are imposed and collected forcibly and mandatorily, leaving individuals no choice but to pay them. Thus, they differ from donations that the state calls for and encourages citizens to contribute.2. The tax is collected in the form of cash and not in any other form of goods and services that a person might be willing to provide.3. The tax is paid to the state as the holder of authority and sovereignty, and thus the tax represents sovereign revenues for the state. Consequently, it enacts laws and regulations and sets the specific rules for the tax that apply to all citizens without discrimination.4. The tax is collected definitively; therefore, taxpayers do not have the right to refund the paid tax or claim interest on it, as the tax is not a public loan for which the state pays interest and then refunds its value at the end of the lending period.5. The payment of taxes does not correspond to a specific obligation on the state towards taxpayers, as it is not a counterpart for a specific good or service that the state provides to the taxpayers. (Hegazy, 2016: 7) Third: Tax objectivesThe objectives of taxation are summarized in financial, economic, social, and political goals and can be summarized as follows:Economic goalsIt is possible for taxes to have a general economic impact, as well as effects on certain economic sectors. Taxes also play a role in addressing leading purchasing power and combating inflationary trends. Additionally, taxes aim to protect national production through customs duties (Ahmed, 2011, 52).2- Political objectivesTaxes play an important role in achieving the state's political goals. These goals grant the state preferential tax advantages to countries that wish to improve political relations with another country, where they reduce taxes on commercial transactions. Conversely, they may impose taxes on a specific country in case of deteriorating political relations.3- Financial goalsThe financial objective is one of the main goals of the tax: to secure revenues that are permanent from internal sources to the state treasury, as the tax yield should be abundant enough to cover public spending, and the tax should not affect economic activity.4. Social objectivesThe social objectives of taxation are numerous and diverse, especially after the emergence of the concept of social justice and the rise of modern trends for fair income distribution and the reduction of exploitation of the working classes. Additionally, the concepts of distributing the tax burden in society according to income levels have emerged, meaning that taxes are used to achieve disparity between high incomes and other incomes by imposing a progressive tax on income. Taxes are also used to limit the consumption of certain socially undesirable goods. (Al-Khatib and Shamiah, 2003: 153)Fourth: Types of TaxTaxes are considered a primary source of government revenue, and they enable the Iraqi government to fund public services and developmental projects, achieving economic and social balance. However, taxes provoke significant debate between citizens and the government. Some view them as a heavy burden on citizens, while others see them as necessary for achieving development and social justice. Therefore, we will briefly touch upon the types of taxes:1. Direct taxes: Under this type of tax, there are many types, and we will discuss the two most important types of direct taxes, which are:A- Income Tax: Some researchers defined income tax in Iraq as the tax imposed mainly on a group of movable capital incomes, as income derived from built properties is subject to property tax and income resulting from the exploitation of agricultural lands. (Talal 2018, 4)B - Property Tax: The first national law regulating its provisions was the Property Tax Law No. 49 of 1923, which underwent several amendments until it was repealed by Law No. 35 of 1927. Subsequent changes and legislation regarding this tax continued until the issuance of Law No. 162 of 1959, the Property Tax Law, which still regulates the provisions of this tax. This tax is imposed on real estate income, which represents the total annual revenue generated by the property and the lands owned, excluding the house in which the taxpayer resides. It is worth noting that there are types of direct taxes, and these two types of taxes were chosen as examples to illustrate taxes. The importance of indirect taxes is increasing in developing countries due to the characteristics of their economies, in addition to the significant contribution of direct taxes to their financing. Among the most important types are: Customs dutiesThe existence of these taxes primarily depends on the presence of foreign trade, which is why they are also called foreign trade taxes. They are sometimes referred to as commodity taxes since they apply to goods rather than services. Opinions on these taxes have varied; some consider them a fee, while the concept of a tax is generally understood as a sum of money (Talal, 2018, 8).2-Production taxesProduction taxes are imposed as a means to reach consumer goods at the local production stage. Taxes are either imposed as a fixed amount added to the unit price or as a percentage of the value of the goods. Taxes are collected directly from consumers or imposed by the state at an earlier stage of production.Tax priceIt is the rate determined through the ratio between the tax and the value of the taxable item, and tax is not merely a mathematical operation but rather a consideration of social conditions, and there are different types of tax rates. (Al-Samarrai and Al-Ubaidi, 2013, 28)1. The distributive tax and the standard tax2- Relative tax and social taxFifth: Tax settlementThere is a difference in tax legislation regarding the definition of tax accounting, and this also applies to thinkers in the field of public finance. Most tax references refer to this part of the tax system as the tax element to denote the administrative organizations that will undertake the tasks of identifying taxpayers, estimation, and collection. Meanwhile, a majority refer to it as the Tax Administration or the administrative body for tax revenues, or it is that element of the tax system that is responsible for implementing the provisions of tax legislation. It is the one that applies the provisions of the legislation that include tax policy and seeks to embody it in the reality of social and economic life in society (Ameen, 2000:47).Tax accountability can be defined as the coordinated and interconnected administrative, accounting, and legal processes and procedures towards taxpayers in order to achieve efficient tax collection in accordance with the current tax law to meet the country's tax policy objectives (Zango, 2008:8). Tax accountability also represents an important element of the tax system, focusing on determining the tax responsibilities and obligations of the taxpayer and estimating and collecting the tax revenues due to the government. It relies on the success of the administration, and a good tax administration must demonstrate the characteristics of accountability and transparency. Tax accountability refers to determining tax liability (assessment) based on the current tax law, determining this liability (estimation), collection, judicial prosecution, and penalties imposed on taxpayers.

Tax accounting is also defined as specific actions and practices that must be performed to achieve an activity. There is a consensus that it is difficult to find uniform procedures that can be followed in all operations, as procedures represent the necessary steps to achieve a specific goal. These procedures are summarized in a special program, and thus they change with the goal of the operation.

Sixth: Elements of tax accounting

The elements of tax accountability were identified by (Bato, 2006) and (Al-Shawi, 2006) as the legislative authority, tax administration, and taxpayers. However, Baingan (2014) considered tax assessment, tax inspection, tax estimation, and tax collection as the dimensions of tax

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

accountability, which are the duties of tax administration. Therefore, we will briefly address the elements of tax accountability:

1- The legislative authority: A set of legal rules that define the nature of the tax system in a specific country and at a specific time, and its form differs in an economically advanced society compared to a different society. It means a set of legal and technical rules that enable tax deduction in its successive stages from legislation to enumeration, examination, assessment, and collection (Abdullah 2014, 23).

2- The Tax Administration: The tax administration is considered the second party in the tax relationship, and it is the fundamental pillar for the success of the entire tax system as it acts as an intermediary between tax legislation and the taxpayer. The tax administration can be defined as "the administration empowered by law to implement tax laws and collect the necessary tax revenues to finance the state's public expenditures." (Farag, 2016:34)

3- The taxpayers: They are one of the parties in the tax relationship. The Iraqi Income Tax Law defines a taxpayer as "any person subject to tax" according to Article 6, Paragraph (8) of the amended Income Tax Law No. 113 of 1982. Accordingly, any person obligated to pay tax is considered a taxpayer.

Seventh: Tax judiciary

It represents the constitutional authority responsible for interpreting laws and ensuring their proper application, exercising this authority when disputes are presented to it. The judiciary is one of the pillars of the legal system in any state and society. The tax judiciary is the authority responsible for maintaining the integrity and application of tax legislation, and its bodies may be specialized in this field (Ahmed, 2011: 64). The tax judiciary refers to the competent judicial body, whether ordinary, administrative, or independent, entrusted with resolving disputes.

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

Eighth: Tax collection

The collection of taxes is akin to the state fulfilling its right to tax amounts based on instructions and legal rules, as there are a set of methods for tax collection:

1- Direct collection method: where the taxpayer pays the due tax directly to the tax administration. This method is characterized by simplicity and ease of application, but it requires a high level of awareness. (Al-Shafei, 2006, 43)

2- The method of advance installments: Under this method, the taxpayer has enough experience to estimate the tax due at the end of the year approximately, as the taxpayer pays some amounts in periodic advance installments under the tax account (Ahmed, 2011, 60).

3- Withholding tax method: According to this method, the accounting collection process is carried out from the taxpayer at the point of income realization and before this amount is disbursed from the income. This method is applied to the salary, wages, and bonuses system paid to employees in the public and private sectors. As stated in the tax law, every person responsible for paying a salary, wage, allowance, or bonus not exempt from the prescribed tax must provide the department with a statement of the amounts withheld and pay these amounts monthly. (Al-Fraihat, 2009, 52).

Revenue collection

First: The concept of revenues

Revenues are a crucial aspect of any government's fiscal policy, playing an important role in financing public expenditures and ensuring the smooth functioning of the state's economy. They are the primary source of income for governments, enabling them to provide essential public services such as healthcare, education, infrastructure development, and social welfare programs. In this section, we will delve into the concept of tax revenues, their importance, and how they affect individuals, businesses, and the overall economy. (Mohammed, 2018, 22)

Similarly, the collection of public revenues is an integral part of financial policy and management, as it represents the main tool through which government funding is provided.

With the increasing donor fatigue and dwindling local revenue reserves in most developing countries, the need to enhance national revenue collection systems has become particularly urgent. However, innovating effective means of tax revenue collection has become a tremendous challenge, especially in developing countries. Despite the pressing need to increase revenue flows, revenue collection should not come at the expense of economic welfare and citizen well-being, as tax revenue collection must align with best practices of fairness, ability to pay, and economic efficiency.

Revenues are defined as the total amount of money that the state receives from various sources and entities with the aim of financing the state and meeting public needs.

Revenues can also be defined as one of the most important fundamental components of fiscal policy, and they can come from various elements such as taxes or non-tax revenues like income from private or public sector companies or from different state properties.

Revenues are the financial means that enable the state to implement its public policies and the tool that distributes public burdens according to the principle of justice and equality.

As for tax collection, it is defined as the legal seizure or confiscation of the assets and properties of the entity that defaults on tax payment, with the aim of fulfilling the government's tax dues. Tax collection is the legal means through which the tax authority or the authorized bank can confiscate and seize properties to settle the tax debt. The properties that are confiscated for tax collection can be described as real properties such as cars and houses. It is worth noting that tax collection differs from a lien, as it seizes funds to settle the tax debt, while a lien serves as a guarantee for the tax debt. (Douglas, 29, 2019)

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

Secondly: The main features of revenue collection

Revenue collection is an important part of any successful business, as it allows companies to finance their operations and achieve profits. To achieve effective revenue collection, the process must possess several key characteristics:

1. Efficiency: The revenue collection process should be as smooth and efficient as possible, so that funds are collected from customers as quickly as possible and at the lowest cost. This can be achieved through the use of financial automation systems, setting clear payment programs, and offering customers a variety of payment options.

2. Accuracy: It is important to ensure the accuracy of the revenue collection process to avoid errors and disputes with customers. This is achieved by ensuring that all payments are recorded correctly, issuing accurate invoices, and following up on any outstanding payments. (Atende Capital Group S.A, 2017)

3. Transparency: The revenue collection process must be transparent to customers, so they clearly understand what is due from them, when, and how they can pay. This can be achieved by providing clear information on invoices, sending reminders for due payments, and offering excellent customer service.

4. Security: It is important to securely protect customers' financial information during the revenue collection process. This includes using strong security technologies, following best practices for data protection, and complying with data protection laws.

5. Flexibility: The revenue collection process must be adaptable to the different needs of customers. This includes offering various payment options, providing customized payment plans, and the ability to process payments from different countries and currencies.

As for the most important revenues that the government collects, this can include:

- Taxes applied to all sectors of the economy, such as corporate income tax, capital gains tax, or value-added tax. Logoro John, 22.2014))

- Excess profit taxes or unexpected taxes.

- The investors' share of the production, which may include licensing fees or other administrative fees.

- Land leases or investment.

- The revenues generated from the government's shares in extractive sector projects or the production from assets managed by state-owned companies.

- Customs duties, including import tariffs and export taxes.

Third: Common forms of corruption in revenue collection

Companies may use corrupt means to influence the laws and regulations governing revenue collection, ensuring they are as favorable as possible to their interests. For example, they can pressure policymakers to lower tax rates or provide investment incentives. Companies or their representatives may also pay bribes or offer other incentives (such as gifts and hospitality) to policymakers, exert personal or political pressure on them, engage in excessive lobbying and political campaigning, and manipulate the factors determining their revenue obligations.

Many companies actively seek ways to reduce their revenue obligations when it leads to tax evasion or underpayment in a manner that violates the law, for example, due to the deliberate distortion of company or project information. These actions are considered tax evasion. This can include failing to report production volume, failing to report production value, failing to report metal quality, or its market value (especially for goods with less defined international prices such as gemstones), or the level of enrichment.

Over the years, most countries relied on manual systems until information technology emerged in providing public services and revenue collection. The manual tax system faced many obstacles such as tax evasion, avoiding errors in taxpayer payment details and tax returns, and long waiting lines that led to significant financial losses for the government and consequently reduced revenue collection. Most government agencies adopted an integrated system for revenue collection and monitoring to manage revenues effectively and efficiently.

Fourth: Revenue Collection Levels

Worldwide, institutions are subject to a specific revenue target either monthly or annually, and the results depend on the efficiency and effectiveness of the organization's revenue collection system. Unifying tax collection functions leads to a significant reduction in redundancy and an increase in collection, thereby standardizing the collection process. Accordingly, governments need to deepen their financial resources without incurring exorbitant recurring public expenses.

The concept and characteristics of digital transformation.

Digital transformation is considered a key step in developing the tax accounting system and enhancing the efficiency of tax audits, which contributes to increasing tax revenue in a way that helps achieve financial and economic targets, enabling the state to continue its developmental journey and improve the living standards of citizens and the services provided to them. It is emphasized that the digital transformation of the tax system will revolutionize the integration between the tax system and the business community to facilitate transactions and incorporate the informal economy into the formal economy.

In light of this, it is possible to identify the definitions that addressed the concept of digital transformation, which can be summarized as follows:

The study (Ali, 2020: 167) defined digital transformation as "the use of modern digital technologies, such as social media, mobile devices, analytics, or embedded devices, to enable business improvements such as enhancing customer experience, streamlining processes, or creating new business models."

Digital transformation was also defined as "a process of fundamental changes within the company's value creation chain or the company's internal structure, which are either a cause or a prerequisite for the use of technology." The topic of digital transformation has been intensively addressed within the new strategic concepts.

As indicated by the study (Ibrahim, 2021: 22), the concept of digital transformation is "a process aimed at improving an entity by launching significant changes to its characteristics through sets of information, computing, and communication technologies. Digital transformation also aims to redesign government services and completely re-engineer them to meet the changing needs of users."

University of Thi-Qar Journal
ISSN (print): 2706- 6908, ISSN (online): 2706-6894
Vol.20 No.2 June 2025

From the above, it is clear that digital transformation is a technical system based on the use of modern digital technologies to leverage and develop the current core competencies within the organization, facilitating and simplifying interactions with all relevant parties. Therefore, digital transformation is linked to strategic changes in the business model as a result of implementing digital technologies.

In light of the above, digital transformation is characterized by a set of features, the most important of which are as follows:

- A heavy reliance on intangible assets that include intellectual property and the use and development of software that analyzes large amounts of data generated by businesses on internet platforms.

2- Relying primarily on specialized human skills and expertise, and the continuous need to develop human capabilities to keep up with ongoing development and change.

3- The speed of expansion and proliferation without the need for physical presence, as companies can use the internet and its various platforms to establish cross-border relationships over long distances with all relevant parties. (Black, L. K., Khetan, 2018: 9)

Secondly: Goals of digital transformation

The objectives of implementing the digital transformation system can be addressed on two levels as follows:

1- Goals of implementing digital transformation at the general level:

There are a set of general objectives for implementing the digital transformation system, the most important of which are as follows:

- Implementing new and innovative business models based on the use of electronic means and systems.

- Simplifying and facilitating work system procedures faster and at a lower cost.

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

- Creating comprehensive databases that can be utilized in the decision-making process.

- Enhancing digital data protection, transparency, independence, and trust.

- Improving accessibility for system users and enhancing the quality of services provided to them.

- Expanding the base of engagement with stakeholders related to the system and increasing income generation, productivity, and added value in the economy. (Chistauskas & Miseviciene, 2015: 11)

2- Objectives of implementing digital transformation in the tax system

There is a set of specific goals related to the implementation of digital transformation in the tax system, the most important of which are as follows:

- Building an integrated digital system and enhancing the efficiency of the tax system to ensure a more accurate identification of the tax community and establishing the foundations of tax justice.

- Ensuring the sustainability of public budget financing sources, increasing tax revenue, closing tax avoidance loopholes, combating corruption, and enhancing transparency.

- Standardizing procedures and their status, and facilitating them for taxpayers or assessees in a way that ensures the creation of a tax system that stimulates and encourages investment.

- Contributing to supporting the financial inclusion plan and providing electronic financial services backed by modern technology. (Khorshid, 2008: 15)

- Increasing the number of users of the tax system by adopting the latest electronic means and providing easier and more secure communication methods.

- Preparing modern databases capable of providing the best data organization and linking them to tax decision-making processes.

- Preserving the resources of tax authorities, increasing their revenues, detecting non-compliance cases, and reducing tax evasion practices, especially in light of governments' move towards implementing the electronic invoicing system.

- Building bridges of trust between taxpayers, stakeholders, and the tax system, and promoting a culture of tax awareness and voluntary compliance.

Third: The mechanisms of digital transformation for the tax accounting system and their role in supporting tax revenue collection.

Digital transformation has relied on a set of mechanisms that enable it to update and enhance the operational systems within the Egyptian tax system of all its various types. These mechanisms are as follows:

1. Issuing secure tax cards.

2. Unified Tax Procedures Platform.

3. Smart business reports for tax audit.

4. Interconnected operations tracking system.

5. Electronic tax declarations.

6. The electronic tax invoice. (Ibrahim 2021: 260)

And despite the important role of all these previous mechanisms, attention can be focused on digital transformation mechanisms that have a direct and effective role in improving and enhancing the efficiency of the tax accounting system, which positively reflects on supporting tax revenue collection, reducing tax evasion practices, and integrating the informal economy into the formal economy. These mechanisms can be presented and explained as follows:

1- Electronic declarations

The electronic declaration is defined as a form designed by the tax administration to collect information about the taxpayer's activities. The taxpayer prepares and submits it to the authority

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

annually, and it includes financial and non-financial information about the taxpayers' incomes and assets. The tax assessment process in determining the tax base and the due tax relies on the information provided and declared by the taxpayer regarding their net income and the tax due, along with supporting documents. (Al-Banna, 2021: 56)

2- The electronic invoice

The electronic invoice is defined as a centralized system that converts manual or paper invoice operations into a digital version through the digital transformation of all commercial transactions using the latest technological methods. This enables the tax authority to monitor, verify, and review all commercial transactions between companies in real-time and exchange all invoice data instantly in a digital format without any paper transactions. It is confirmed that this system will help verify the accuracy of the invoice source data, the recipient, and its contents both formally and substantively. (Al-Jassem, 2002: 123)

Analysis of the research sample results

The research community consists of a group of employees from the Tax Department in Dhi Qar. The number of distributed questionnaires reached (40), which were distributed by hand with the help of several research assistants. All (40) questionnaires were returned, resulting in a response rate of approximately 100%. This rate is considered acceptable for generalizing the results to the study population, as shown in Table No. (1) below.

Table No. (1) Distribution of the Research Sample Size (Working Individuals) to the Total Research

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

Distribution of the sample size of the study.	Distribution of the sample size of the study.	Distribution of the sample size of the study.	Distribution of the sample size of the study.	Distribution of the sample size of the study.
College of Administration and Economics, University of Thi-Qar Tax Authority – Dhi Qar	40	8	40	100%
GPA	40	8	40	100%

Regarding the distribution of the research sample members according to academic achievement, the results have shown as indicated in Table (2) below.

Table No. (2) Distribution of research sample individuals according to academic achievement

Academic achievement	Repetition	Ratio The
Diploma	6	15%
Bachelor's degree	22	55%
Master's degree	8	20%
PhD	4	10%

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

GAP	40	100%

Through Table No. (2), it became clear that the number of diploma holders was (6) with a percentage of 15%. As for the research sample members who hold a bachelor's degree, the number of repetitions was (22) with a percentage of 55%. The research sample members who hold master's degrees had (8) repetitions, which constituted 20%. Finally, the research sample members who hold doctoral degrees had (4) repetitions, with a percentage of 10%. This indicates that the research sample members have experience in answering the questionnaire questions and in the research topic.

Table No. (3) Distribution of the research sample members according to their job position

The job	Repetition	The ratio
Financial accountant	2	%10
Cost accountant	2	%10
Account Manager	1	%5
Other	15	%75
GAP	20	100%

Table No. (3) shows that 10% are at the level of financial accountant, 10% are at the level of cost accountant, 5% are at the level of accounts manager, and 75% are at other job levels.

As for the scientific experience at the University of Thi-Qar, College of Administration and Economics, and the Tax Department in Thi-Qar, the results presented in Table No. (4) have shown this as follows.

Table No. (4) Distribution of the research sample members according to scientific experience

Scientific experience	**Repetition**	**Ratio**

University of Thi-Qar Journal

ISSN (print): 2706- 6908, ISSN (online): 2706-6894

Vol.20 No.2 June 2025

5 years or younger	1	%10
From 10_6	2	%25
From 15_11	3	%15
From 16 and above	10	%50
GAP	16	%100

Table (5) showed that 50% of the research sample have practical experience of 16 years or more. This indicates that the majority of the research sample have long experience and significant knowledge in using computer systems, which positively reflects on the accuracy of their work, reduces the likelihood of errors, and increases the credibility of the information they provide.

Table No. (5) Distribution of Sample Test Results
The first axis

the Question	strongly agree	the ratio	agree	het ratio	neutral	the ratio	disagree	the ratio
1	7	%35	13	%65	0	%0	0	%0
2	6	%30	12	%60	2	%10	0	%0
3	6	%30	11	%55	3	%15	0	%0
4	1	% 5	7	%35	10	%50	2	%10
5	0	% 0	7	%35	7	%35	6	%30

axis second the

The question	strongly agree	The ratio	agree	the ratio	utralne	the ratio	disagree	The ratio
1	6	%30	10	%50	4	%20	0	%0
2	7	%35	7	%35	5	%25	1	%5
3	7	%35	11	%55	2	%10	0	%0
4	5	%25	11	%55	4	%20	0	%0
5	11	%55	9	%45	3	%15	0	%0

axis third The

The	Strongly	The	agree	The	Neutral	The	diagree	The

University of Thi-Qar Journal
ISSN (print): 2706- 6908, ISSN (online): 2706-6894
Vol.20 No.2 June 2025

question	agree	ratio		ratio		ratio		ratio
1	8	%40	6	%30	6	%30	0	%0
2	5	%25	11	%55	4	%20	0	%0
3	7	%35	8	%40	5	%25	0	%0
4	3	%15	8	%40	6	%30	3	%15
5	6	%30	8	%40	6	%30	0	%0

The first axis

The impact of electronic tax accounting has reduced fraud and errors, as shown by the 7 (35%) who strongly agreed, 13 (65%) who agreed, 0 (0%) who were neutral, and 0 (0%) who disagreed.

Paragraph (2), which states (the tax judiciary represents the constitutional authority aimed at maintaining the integrity of applying the provisions and laws of tax Sharia), the number of respondents in the research sample who answered with (strongly agree) (6) at a rate of (30%), with (agree) (12) at a rate of (60%), while (neutral) (2) at a rate of (10%), and (disagree) (0) at a rate of (0%).

In paragraph (3), it is stated that the use of information technology in tax accounting increases tax revenue collection. In the research sample, 30% (6) strongly agreed, 55% (11) agreed, 15% (3) were neutral, and 0% (0) disagreed.

Paragraph (4), which means the collection of tax is akin to the state fulfilling its right to tax amounts based on instructions and legal rules, the number of respondents in the research sample agreed strongly (1) at a rate of (5%), agreed (7) at a rate of (35%), neutral (10) at a rate of (50%), disagreed (2) at a rate of (10%).

Paragraph (5), which states "traditional tax accounting methods take a lot of time and effort, shows that the number of respondents in the research sample who agreed strongly (0) at a rate of (0%), agreed (7) at a rate of (35%), were neutral (7) at a rate of (35%), and disagreed (6) at a rate of (30%).

The second axis

The first paragraph asserts that the decision to embrace digital transformation was unavoidable and essential, given the plethora of economic benefits it yields in the context of information technology. The number of respondents in the research sample was as follows: "Strongly agree" (6) (30%), "Agree" (10) (50%), "Neutral" (4) (20%), "Disagree" (0) (0%).

Paragraph (2), which states (the use of modern technologies to improve business and simplify processes), the number of respondents in the research sample who agreed strongly was (7) at a rate of (35%), those who agreed was (7) at a rate of (35%), those who were neutral was (5) at a rate of (25%), and those who disagreed was (1) at a rate of (5%).

Paragraph (3), which states "digital transformation has contributed to collecting accurate and truthful information about the taxpayers, the number of respondents in the research sample who answered "strongly agree" was (7) with a percentage of (35%), "agree" was (11) with a percentage of (55%), "neutral" was (2) with a percentage of (10%), and "disagree" was (0) with a percentage of (0%).

Paragraph (4), which states "digital transformation has contributed to combating tax evasion, shows that the number of respondents in the research sample who answered "strongly agree" (5) at a rate of (25%) agreed (11) at a rate of (55%), while (neutral) (4) at a rate of (20%) and (disagree) (0) at a rate of (0%).

Paragraph (5), which states that digital transformation has contributed to the development of the tax system and the improvement of employee work, shows that the number of respondents in the research sample who strongly agree is (11) at a

University of Thi-Qar Journal
ISSN (print): 2706- 6908, ISSN (online): 2706-6894
Vol.20 No.2 June 2025

rate of (55%), those who agree is (9) at a rate of (45%), those who are neutral are (3) at a rate of (15%), and those who disagree are (0) at a rate of (0%).

The third axis

Paragraph (1), which states that the application of electronic mechanisms in the revenue collection process contributes to reducing the number of employees in the General Tax Authority. The number of respondents in the research sample who agreed strongly was (8) with a percentage of (40%), those who agreed was (6) with a percentage of (30%), those who were neutral was (6) with a percentage of (30%), and those who disagreed was (0) with a percentage of (0%).

Paragraph (2), which states that electronic revenue collection has contributed to standardizing revenue collection methods and reducing revenue wastage, shows that the number of respondents in the research sample who answered with "strongly agree" (5) at a rate of 25% and "agree" (11) at a rate of 55%, while "neutral" (4) at a rate of 20% and "disagree" (0) at a rate of 0%.

Paragraph (3), which states that electronic revenue collection has contributed to reducing the manipulation methods used by companies to minimize tax payments, shows that the number of respondents in the research sample who answered with "strongly agree" (7) at a rate of 35%, "agree" (8) at a rate of 40%, "neutral" (5) at a rate of 25%, and "disagree" (0) at a rate of 0%.

Paragraph (4), which states (the tax administration uses advanced electronic mechanisms to increase tax revenues in accordance with the country's tax policy requirements), the number of respondents in the research sample who agreed strongly is (3) at a rate of (15%), those who agreed is (8) at a rate of (40%), those who were neutral is (6) at a rate of (30%), and those who disagreed is (3) at a rate of (15%).

Paragraph (5), which states "the revenue collection policy and the tax base significantly affect the amount of revenue collected, shows that the number of respondents in the research sample who answered "strongly agree" was (6) at a rate of (30%), "agree" was (8) at a rate of (40%), "neutral" was (6) at a rate of (30%), and "disagree" was (0%) at a rate of (0%).

Conclusions

1. Transitioning from the traditional method of paying taxes to the electronic method contributes to eliminating a significant amount of corruption. It also helps in promoting transparency, expanding the tax base, and increasing the efficiency of tax performance.
2. The revenue collection policy and the tax base significantly affect the amount of revenue collected.
3. Digital transformation has contributed to the development of the electronic system in tax accounting processes and the improvement of employee work.
4. The use of the electronic system in tax accounting processes reduces the records and forms used in the collection process.
5. The cost of collecting tax revenues will decrease under the electronic system, and consequently, the tax burden on the taxpayer will be reduced.

Recommendations

We should learn from other countries' experiences with digital accounting, especially those that have fully transitioned to e-government.

We are diligently advancing the development of electronic protection systems to avert the disclosure of taxpayer data and tackle the financial corruption element of tax evasion.

3. The General Tax Authority should issue instructions regarding the electronic tax settlement process across all departments and types and publish the latest instructions on the settlement mechanism on its official website.
4. Expanding the use of digital transformation technologies such as artificial intelligence and electronic systems, in addition to accumulated expertise, to save effort and time and reduce errors.
5. Integration between modern tax services, such as the electronic invoicing system, and the tax declaration must be achieved to facilitate the preparation of tax returns.

References

Arabic sources

Al-Zahimi, Ali Faleh, "The Impact of Information Technology on the Development of Tax Accounting Procedures," an exploratory study at the General Tax Authority, as part of obtaining a higher diploma equivalent to a master's degree, Higher Institute for Financial and Accounting Studies, Baghdad, 2013.

Al-Qaisi, Ahmad, Public Finance and Tax Legislation, Amman: Dar Al-Thaqafa for Publishing and Distribution, 2011.

Ameen, Abdullah Mahmoud, "Evaluation of the Effectiveness of the Income Tax Accounting System in Iraq," PhD thesis in Accounting, College of Administration and Economics, Al-Mustansiriya University, 474, 2000.

Al-Qaisi, Ahmad. Public Finance and Tax Legislation. Vol. 2, Amman: Dar Al-Thaqafa for Publishing and Distribution, 2011.

Al-Jajawi, Talal Muhammad Ali. Tax Accounting and Settlement. 2nd ed. Dar Al-Kutub Karbala. Iraq 2014.

Draz Hamid Abdel Majid and others, Principles of Public Finance, Part Two, Al-Dar Al-Jamiya. Egypt 2001.

Bato, Alaa Farid Abdul Ahad, "The Ethical Challenge of Creative Accounting in Determining Taxable Income," PhD Thesis, College of Administration and Economics, University of Basra, 2006.

Al-Shawi, Ilham Jaafar, The Importance of Disclosing Environmental Accounting Information to Determine Taxable Corporate Income, PhD Thesis, College of Administration and Economics, University of Basra, 2008.

Ibrahim, Amal Ali 2021, The Role of Digital Transformation in Supporting Tax Revenues, Journal of Financial and Commercial Research, Volume 22, Issue 1

Al-Banna, Bashir Abdel Azim Mohamed, and Mohamed, Nahed Abdel Basit Abdel Hamid, 2021, The Impact of Electronic Declarations and Electronic Audits on Determining the Tax Base, Egyptian Journal of Commercial Studies, Volume 45, Issue 2.

Al-Samarrai, Al-Obaidi. "Analysis of the Impact of Changes in Tax Rates on Tax Revenue in the Iraqi System for the Period (1995-2010)." Anbar University Journal of Economic and Administrative Sciences, Vol. 5, No. 10.

Khorchid, Mohamed Mahmoud Mohamed, 2008, Proposals for Developing Tax Administration Using Modern E-Business. The Fourteenth Tax Conference, Legislation and Problems of Tax Accounting in the Egyptian Tax System, Egyptian Association for Public Finance and Taxation, Volume 20.

Al-Jassem, Jaafar, Information Technology, Dar Al-Kutub for Publishing and Distribution, Cairo, 2002.

Al-Hijazi, Tax Accounting, 2nd edition, Dar Al-Kutub, Karbala, 2014.

The address. Taxes and their accounting. Arab Group for Publishing and Distribution, First Edition 2010.

Mohammad Hussein, Tax Accounting: Income and Sales Tax. Amman, Jordan University, 1st edition, 2011.

Al-Ali, Financial, Public, and Tax Law. Volume One. Dar Athar for Publishing and Distribution. 2003. 1st edition.

Al-Kaabi, Jabbar Mohammed Ali. Tax Legislation in Iraq. Baghdad: Al-Sajjad Printing and Publishing House, Second Edition, 2018.

Foreign sources

Dub, Gach Giel, (2102), Tax awareness and Compliance Determinants in Self-Assessment System in Gambella Region: A Case Study of Gambella Revenue Administration Authority, Master Thesis, Ethiopian Civil Service University, Institute Of Tax Customs Administration,Department of Public .Financial Management

Zango, Adamu Garba "Problems And Prospects Of Personal Income Tax Administration On Achaba Riders In KanoMetropolis", Epartment Of Accounting Faculty Of Social And Management Sciences Umaru Musa Yar'adua University Katsina State, Nigeria, 2008.

Baingan, E.,(2011). “Corporation Tax Administration And Revenue Performance Uganda Revenue Authority In Eastern Uganda” The Degree Of Masters of Science In Accounting And Finance Of Maker ere University.

Ali,H. (2020).Digital transformation Development and Prductivety in developing countries Review of Economic And Political Science the Bedford- Strohm, H. (2020) .The Ethic Challenges Of the Digital Age between Promise of Salvation And Prophecies of doom, the Ecumenical Review, Vol. 72.

Black, L. K., Khetan, S., Akwafo, E., Halmrast, N., Harris, C., and Oppenheimer, A. (2018). Digita innovation, generational shifts, and the transformation of financial services", The Chicago Fed's Supervision and Regulation Department and DePaul University's Center for Financial Services held its 11th annual risk conference on April 4-5, 2018.

Chistauskas and Miseviciene, (2015), "Cloud Computing Based Accounting for Small to Medium Sized Business", Engineering Economics, Vol.23, No.1.

Grupa Kapitalowa Atende S.A, 2017, Sprawozdanie Niezależnego Biegłego Rewidenta z Badania.

Douglasn.gicho.revenue collection systems and revenue collection levels in lands housing and physical.2011.

Bocjj.p.chaffy.d.greasley a.hiickie.s.2003 business information syatem.2nd ed.prentice hll.usa.

Tanzanian economic review.vol.9no.2.december2019.electronic payment and revenue.

Logoro john mogga Ezekiel.2014.the efficacy of revenue collection strategies in local.