

Results and Benefits of Digital Transformation of the Tax Administration in Algeria and Ways to Strengthen It

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Abstract:

The digitalization of the tax administration is one of the most important projects set forth by the Algerian state in general, and the tax administration in particular, within the framework of the modernization of public administration. This project aims to increase tax revenues.

This paper examines the reality of digital transformation in Algeria by analyzing the procedures and platforms implemented by the tax administration, their results, and their benefits, both for the tax administration and for taxpayers.

The study concludes that the digital transformation of the tax administration has significantly contributed to achieving substantial tax revenues. On the one hand, it has helped reduce tax evasion through the outcomes achieved in various forms of tax audits. However, these positive results are still below the required level due to several challenges faced by the tax administration in the field of digital transformation.

Keywords: Tax Administration – Digital Transformation – Tax Revenues – Tax Evasion.

JEL Classification: XN1 , XN2

1. Introduction

Tax reforms initiated at the beginning of the 1990s represented an important step toward simplifying the tax system and modernizing administration to keep up with the information and communication revolution amidst economic openness. These reforms aimed to replace oil revenues with regular taxation as the primary source of funding for the state budget. The tax administration, as a key entity in the financial sector, was significantly influenced by the economic reforms Algeria underwent, as well as by the tremendous advancements in information and communication technologies. In this context, it found itself required to adopt a strategy to modernize its structures and keep pace with technological developments. This was achieved through a digital transformation that aligns with modernization and eliminates outdated traditional methods.

To achieve this goal, new structures were created at the external services level, including the Directorate of Major Companies, Tax Centers, and Local Tax Centers. These entities were designed to consolidate inspections and collection offices according to the nature of the taxpayers. Additionally, a tax information system and several digital platforms were established to accomplish this objective.

Research Problem:

What are the aspects of the digital transformation of the tax administration in Algeria? What are its results?

Methodology:

The descriptive method is used by surveying and analyzing information.

Objectives of the Study:

The study aims to achieve the following:

- To shed light on the aspects of the digital transformation of the tax administration.
- To highlight the results of the digital transformation of the tax administration.
- To understand the advantages of this digital transformation for the tax administration.

Structure of the Study:

To achieve the above-mentioned objectives, the study is divided into the following sections:

- **Section One:** Digital services adopted by the tax administration in Algeria.
- **Section Two:** Results and advantages of the digital transformation of the tax administration in Algeria.
- **Section Three:** Challenges facing an effective digital transformation of the Algerian tax system and requirements for mitigating them.

2. Digital Services Adopted by the Tax Administration in Algeria

2.1 The Tax Information System (Jabaytik)

The introduction of modern information and communication technologies (ICT) at the tax administration level represents a significant milestone in the modernization and digital transformation program. This shift necessitates the adaptation of tax legislation to align with dematerialized technologies and to regulate electronic access to the central tax system.

To achieve this, efforts have been directed towards implementing a state-of-the-art information system capable of addressing the challenges faced by the tax administration, which serves as a primary contributor to the state budget. In this context, a **Project Management Assistance Office** was mobilized to support the General Directorate of Taxes (DGI) in launching this

initiative. This involved the development of a comprehensive **specifications document** tailored to the specific needs and technical requirements associated with the specialized activities of the DGI, as well as the expected outcomes. Additionally, preparations were made for drafting the project agreement.

Ultimately, after completing all administrative and technical procedures, the Spanish integration company **Indra** was awarded the contract for the procurement and implementation of the information system. Consequently, the "**JIBAYATIC**" **tax information system** was established and officially launched on **April 4, 2017**, as a **pilot project** at the **Algiers-East Tax Directorate**. The system was intended to be progressively extended to all tax structures nationwide by early 2020.

The **JIBAYATIC portal** represents a pioneering initiative in remote tax procedures, aimed at **simplifying administrative processes and facilitating taxpayers' compliance with tax obligations** by enabling them to declare and pay taxes online. (mfdgi.gov.dz, 2020)

Linguistically, the term "**JIBAYATIC**" is derived from the Arabic word "**Jibaya**" (taxation), while the abbreviation "**TIC**" refers to **Information and Communication Technology** .

2.1.1 Application System of Jabaytik Platform:

The platform offers online service packages for taxpayers:

- Those affiliated with the Directorate of Large Enterprises (DGE).
- Those registered with Tax Centers (CDI).
- Those associated with Local Tax Centers (CPI).

Access to this online tax declaration system requires prior voluntary enrollment. Any eligible taxpayer wishing to benefit from the platform's services may contact the reception office at the Directorate of Large Enterprises, the Tax Center, or the Local Tax Center.

Enrollment grants the taxpayer access to a secure and personalized space, which includes a dashboard displaying all submitted declarations. Subscription is a mandatory step to access the platform's services, as it establishes a contractual relationship between the General Directorate of Taxes and the enrolled taxpayer. This subscription is automatically renewable on an annual basis unless terminated by either party.

2.2. The "Mousahamatak" Digital Portal (mfdgi.gov.dz, 2020)

2.2.1. Overview of the "Mousahamatak" Portal:

The "**Mousahamatak**" portal is a dedicated platform for providing remote tax procedure services. It enables taxpayers to declare and pay taxes and duties online through a system designed to ensure simplicity and ease of use.

This portal allows taxpayers to submit accurate declarations in compliance with updated tax regulations. Additionally, it provides an integrated system for filing declarations and making payments, with continuous monitoring throughout the fiscal year.

2.2.2 Application System of the "Mousahamatak" Portal:

The portal is designed for taxpayers affiliated with provincial tax directorates that do not have an operational Tax Center (CDI) or Local Tax Center (CPI). These directorates still operate under the traditional system of tax inspectorates and treasury offices.

2.3 The "Taabirkom" Digital Platform) mfdgi.gov.dz(2020 ‘

2.3.1 Overview of the "Taabirkom" Platform:

The "Taabirkom" platform is a digital service that allows citizens to pay, download, and print fiscal stamps online. It covers stamp duties for passports, biometric identity cards, and driving licenses. The platform was officially launched on **August 8, 2024**.

2.3.2 Application System of the "Taabirkom" Portal:

This platform is designed for all citizens who have access to remote payment methods using the **Gold Card** or **Interbank Payment Card (CIB)**. It enables them to purchase fiscal stamps without the need to visit tax offices physically.

2.4 The Tax Identification Number (TIN) Platform

The **TIN platform** is a digital service that enables taxpayers (both individuals and legal entities) to apply for a **Tax Identification Number (TIN)** online. Through this platform, users can submit their applications, track their progress, and obtain a certified **TIN certificate** with official validation.

2.5 The General Directorate of Taxes Website and the Service Quality Reference System

2.5.1 The General Directorate of Taxes Website:

The website of the General Directorate of Taxes serves as a primary gateway for promoting tax awareness among taxpayers and providing essential services. It offers access to **tax legislation, regulations, circulars**, and all digital platforms. Additionally, the website provides **tax guides and informational bulletins** covering the latest tax developments.

2.5.2 The Service Quality Reference System:

Established in accordance with **General Instruction N°01 dated June 7, 2004**, issued by the Director General of Taxes, the **Service Quality Reference System** aims to enhance the reception culture and service quality. It includes **20 commitments** that define internal and external service standards that tax administration personnel must adhere to.

This system reflects the administration's commitment to establishing a **new relationship with taxpayers** based on **efficient service delivery** and **high-quality reception** across various communication channels, including **in-person visits, mail, telephone, and email** through the official contact address "**contact.dgi**". It also features a **FAQ (Frequently Asked Questions)** section to address taxpayer inquiries promptly.

Moreover, the system ensures inclusivity by accommodating individuals with **limited mobility and special needs** through **dedicated reception areas, accessible entryways, and specialized assistance**.

The **Service Quality Reference System** is a key performance indicator for all modernized tax structures, positioning **taxpayer reception quality** as a critical challenge in the administration's continuous efforts to meet taxpayer needs and address their concerns.

3. Results of Digital Transformation in the Algerian Tax Administration

3.1 Results of Digital Services Provided by the Tax Administration

3.1.1 The "Jibaytik" Digital Platform:

3.1.1.1 Tax Administration Structures:

The General Directorate of Taxes has implemented the deployment plan for the **Jibaytik information system**, as part of the digitalization of the tax administration. The results of this initiative are summarized in the following table:

Table .1. Deployment of Jibaytik Platform in Tax Administration Offices

Tax Administration Offices	Planned Centers	Received Centers	Centers Equipped with Jibaytik
Large Enterprises Directorate (DGE)	1	1	1
Tax Centers (CDI)	59	46	40
Local Tax Centers (CPI)	244	146	51

Source: General Directorate of Taxes Newsletter - Special Edition, November 2023.

From the table, we observe that the General Directorate of Taxes is still far from modernizing its structures, as it faces delays in the completion and equipping of new tax centers. This has significantly hindered the digital transformation and modernization of the tax administration. The completion rate for tax centers equipped with the "Jibaytik" platform, compared to the centers received, stands at 86.95%, while the completion rate for local tax centers is only 34.93%.

3.1.1.2 Evolution of the Tax Population:

The tax community is the foundation of the tax base; therefore, the growth in the number of taxpayers within the tax administration equipped with the Jibaytik platform is an important indicator. This evolution is illustrated in the following table:

Table 2. Evolution of the Tax Population in the Tax Administration Equipped with the Jibaytik Platform During the Period (2019-2023)

Year	2019	2020	2021	2022	2023
Natural Persons	485,198	536,601	550,431	596,619	616,107
Legal Entities	84,260	88,146	93,989	100,857	107,395
Total	1,422,738	1,443,757	1,519,284	1,605,581	1,693,060

Source: Statistics of the General Directorate of Taxes, 2024.

From the table, we observe that the number of taxpayers has been continuously increasing from year to year. The total number rose from 1,422,738 in 2019 to 1,693,060 in 2023, representing an increase of 19%, which has contributed to the expansion of the tax base.

3.1.1.3 Results of Tax Investigations:

Table 3. Evolution of the Results of Tax Investigation Forms During the Period (2019-2023)

Unit: 1 Million DZD

Year	2019	2020	2021	2022	2023
Documentary Audit	22,300	33,035	29,082	28,052	25,000
Corrective Audit	-	11,280	10,655	9,584	9,255
Accounting Audit	15,220	20,225	16,500	16,100	15,250

Source: Statistics of the General Directorate of Taxes, 2024.

From the previous table, the following observations can be made:

- The value of recorded fines and tax dues reached its highest level in 2020, with a total amount of 64,540 million DZD. This highlights the extent of tax evasion in Algeria, which may have been largely influenced by the impact of the global COVID-19 crisis on tax declaration and compliance.
- A decline in the amount of penalties and fines can be observed from 2020 to 2023, indicating that the Jibaytik platform has contributed to reducing tax evasion. This was

achieved by enhancing tax compliance, as taxpayers adhered more strictly to their tax obligations, allowing them to avoid tax risks resulting from delayed declarations, miscalculations, or late payments.

3.1.1.4 Results of Tax Disputes

Table 4. Processed Cases in the Field of Tax Disputes During the Period (2019-2023)

Year	2020	2021	2022	2023
Processed Cases (Provincial Tax Directorates)	10,600	9,825	9,607	8,586
Processed Cases (Tax Centers)	8,255	7,400	7,200	6,598

Source: Statistics of the General Directorate of Taxes, 2024.

From the table, we observe that the number of processed cases by the Provincial Tax Directorates has been steadily declining year after year. In 2023, the number of cases reached 15,184, compared to 19,594 in 2019, despite the fact that the taxpayer population in 2023 was larger than in 2019.

This decline can be attributed to several measures implemented by the General Directorate of Taxes to reduce tax disputes, including:

- Conditional tax reductions
- Installment payment options
- Exceptional measures for businesses facing financial difficulties
- Modernization of the sector and the introduction of advanced digital tools, which have minimized errors committed by tax officers.

3.1.2 The Digital Portal "Mousahamatak"

The tax administration has sought to generalize the remote electronic payment and declaration service through the "Mousahamatak" portal, which was specifically designated for directorates where the Jibaytik platform could not be implemented. The results of this generalization are illustrated in the following table:

Table 5. Generalization of the "Mousahamatak" Portal Across Tax Administration Services

Category	Total Provincial Directorates	Directorates Equipped with "Mousahamatak"	Tax Collection Offices Equipped with "Mousahamatak"
"Mousahamatak" Portal	59	35	256

Source: General Directorate of Taxes Newsletter – Special Issue, November 2023.

3.1.3 Tax Identification Number (TIN) Platform:

Table 6. Evolution of Tax Identification Number Applicants During the Period (2021-2024)

Year	Number of Visits	Number of Tax Identification Number Requests
2021	32,455	31,500
2022	38,566	37,356
2023	45,698	45,365
2024	67,847	67,698

Source: General Directorate of Taxes Statistics, 2024.

From the table above, we observe that the number of visits to the Tax Identification Platform has been continuously increasing, reaching 67,847 in 2024 compared to 32,455 in 2021, representing

a 109% increase. Similarly, the number of Tax Identification Number requests increased by 115% in 2024 compared to 2021.

3.1.4 The General Directorate of Taxes Website:

Table 7. Evolution of Visitors to the General Directorate of Taxes Website (2021-2024)

Year	Number of Visits	Number of Pages Viewed
2021	77,242	323,477
2022	366,428	1,596,471
2023	728,279	2,346,234
2024	1,274,206	3,532,707

Source: General Directorate of Taxes Statistics, 2024.

From the table above, we observe that the number of visits to the General Directorate of Taxes website has significantly increased year by year, reaching 1,274,206 visits in 2024 compared to 77,242 visits in 2021. Additionally, the number of pages viewed in 2024 reached a considerable figure of 3,532,707. This growth is attributed to the Directorate's shift towards information technology, improvements made to the website, and the various services it provides to taxpayers, including access to laws, circulars, instructions, downloadable tax forms, and other services.

3.1.5 Modern Service Reference Charter:

3.1.5.1 Reception of Tax Administration Users:

Table 8. Evolution of Reception of Tax Administration Users During the Period (2019-2023)

Year	2019	2020	2021	2022	2023
Personal Reception	930,166	1,200,428	1,225,139	1,115,179	1,240,922
Telephone Reception	106,980	96,376	98,387	89,741	138,291
Written Correspondence	19,473	16,430	12,197	15,478	16,129
Email Correspondence	436	595	495	825	1,059
Meetings with Professional Associations	180	52	169	86	103

Source: General Directorate of Taxes Statistics, 2024.

From the table above, we observe that the General Directorate of Taxes and its external services maintain continuous communication with taxpayers through various means. The highest form of interaction is personal reception, which recorded its peak in 2023 with 1,240,922 visitors. Additionally, phone reception also reached its highest level in 2023, handling 138,291 calls. Notably, email communication has increased significantly in recent years, showing a 142% growth in 2023 compared to 2019. In contrast, written correspondence has declined, registering a 20.73% decrease in 2023 compared to 2019. Similarly, meetings with professional associations have experienced a sharp decline of 74.75% in 2023 compared to 2019.

3.1.5.2 Results of the Modern Service Reference:

Table 9. Results of the Service Reference During the Period (2020-2023)

Indicator	2020	2021	2022	2023
Rate of Compliance with Entry Conditions	53.29%	85.60%	97.06%	76.67%
Rate of Taxpayer Support	90.58%	97.88%	99.50%	99.30%
Quality of Service Provided	66.40%	72.32%	71.96%	73.03%
Rate of Deadline Compliance	69.08%	75.46%	74.33%	63.33%
Rate of Listening to Taxpayers	73.16%	65.00%	88.60%	68.64%
Overall Service Quality Index	72.21%	79.82%	80.59%	73.43%

Source: General Directorate of Taxes Statistics, 2024.

From the table above, we observe that the overall service quality index declined in 2023 by 7.16% compared to 2022 and by 6.39% compared to 2021.

3.2. Advantages of Digital Transformation in the Tax Administration in Algeria: (Chahra, 2018)

3.2.1. Concerning the Administration:

- Full automation of all administrative procedures, from receiving the taxpayer to tax assessment, collection, and tax file management.
- Fast exchange of information between departments and various institutional entities through the development of multiple interfaces.
- Digitization of tax management operations.
- Automation of accounting operations, treasury processes, distribution of the professional activity tax, actual calculation of tax declaration amounts, and taxpayer identification.
- Digitalization of notifications sent to taxpayers, allowing auditors to compare data after generating complaints.
- Access to timely statistical reports that enable performance evaluation of departments based on tax type and economic sector.
- Provision of reliable summary data for predictive and analytical studies and decision-making.
- Reduction of costs related to requests for tax documents.

3.2.2. Concerning Taxpayers:

- Providing taxpayers with updated tax schedules and obligations.
- Access to and review of submitted tax declaration forms.
- Online payment of taxes and fees.
- Viewing the total tax debt.
- Requesting tax certificates.
- Submitting appeals: local, regional, central, conditional reductions, and others.
- Requesting tax incentives.

3.2.3. General Benefits:

- Supporting the General Directorate of Taxes with IT solutions to fulfill its missions and achieve its objectives.
- Ensuring data security through the use of appropriate communication technologies.

- Providing user-friendly applications that allow employees to carry out their responsibilities effectively and efficiently.
- Ensuring the availability of accurate data for all authorized users.
- Implementing strategies to maintain knowledge levels in modern IT and communication technologies for employees, according to their responsibilities.
- Simplifying procedures, especially those applied by taxpayers.
- Enhancing performance through continuous system audits.

▪ **Achieving Efficiency Through IT Integration in Tax Administration:**

The introduction of information and communication technologies (ICT) in tax administration aims to enhance efficiency by:

- Comprehensive monitoring of taxpayers according to their specific situations and characteristics.
- Strengthening tax awareness among taxpayers through the adoption of electronic tax collection.
- Reducing the portion of outstanding tax debts that are difficult to collect, thereby increasing tax collection rates and addressing the issue of low tax compliance.
- Reducing the time required to process complaints and appeals submitted by taxpayers, as ICT usage in tax administration allows quick access to all relevant tax assessment information.

4.Challenges Facing an Effective Digital Transformation of the Algerian Tax System and Requirements for Their Mitigation (Ismail Sari, 2014)

One of the major difficulties facing the tax administration today is its inability to keep pace with the revolution in information, communication, and e-commerce. The taxation of e-commerce presents significant challenges for tax systems due to various shortcomings and obstacles within the administration, including:

4.1. Challenges Facing an Effective Digital Transformation of the Algerian Tax System

4.1.1. Difficulties Related to the Tax System:

Applying legislative tax laws is challenging due to their constant changes, difficulties in understanding their implementation, the scope of their application, and the timing of enforcement. This situation has led tax administration officers to interpret and answer these questions based on their knowledge and experience in tax law enforcement. In some cases, higher tax administration officials are consulted to resolve these issues. The ambiguity and instability of tax legislation have limited the effectiveness of the tax system due to:

- **Legislative gaps** that have contributed to the rise of tax evasion.
- **Absence of legal provisions** protecting tax administration officers and guaranteeing their rights in executing their duties.
- **Continuous and frequent amendments** that create debate and controversy, leading to intellectual disputes between taxpayers and tax officials.
- **Incompatibility of existing tax legislation** with economic and technological advancements.

4.1.2 Difficulties Related to the Tax Administration

4.1.2.1 Lack of Competencies and Human Resources

Despite the reinforcement of the tax administration with two specialized training institutes—the National School of Taxation and the Maghreb Institute of Taxation and Customs—there is still a shortage of skilled personnel. Additionally, there is a lack of tax auditors, especially since the Tax Procedures Law stipulates that audits can only be conducted by tax administration officers with at least the rank of Inspector.

There is an imbalance between the number of taxpayers and the number of auditors, which reflects the lack of priority given to the tax administration. This issue is further supported by statistics from the General Directorate of Taxes, which highlight the deficiency in tax administration resources.

Table 10. Development of Training Programs for the Period (2020-2024)

Year	Training at the National School of Taxation (Central Inspector)	Training at the National School of Taxation (Central Inspector)	Continuous Training	Legal Training
2020	-	-	1,510	-
2021	-	-	2,886	505
2022	-	-	2,181	530
2023	500	75	3,207	819
2024	-	-	2,025	1,355
Total	500	75	15,016	3,209

Source: Statistics of the General Directorate of Taxes, 2024.

Table 11. Educational Level of Employees at the General Directorate of Taxes as of 31/12/2023

Department	Gender	Postgraduate Studies	University Degree	Secondary Education	Other
Central Services	Male	98	805	145	154
	Female	68	485	166	125
External Services	Male	218	4,255	6,233	2,896
	Female	317	3,786	3,698	1,558
Total	-	701	9,331	10,242	4,733

Source: Statistics of the General Directorate of Taxes, 2024.

4.1.2.2 Lack of Resources and Material Means ((AfDB), 2010)

Despite the **structural development** of the Algerian tax administration, it still relies on **traditional methods** for most of its auditing and administrative tasks. This comes at a time when **information technologies and data processing techniques** are advancing significantly and being widely adopted by both **public and private institutions**.

The tax administration in Algeria faces **persistent challenges** that impact its auditing efficiency, mainly due to:

- **Limited material resources**, including insufficient office equipment and essential tools.

- **Lack of transportation means** for tax officers to visit taxpayers' premises for investigations.
- **Inadequate integration of modern communication technologies**, making it difficult to exchange information and data efficiently between different levels of the tax administration.
- **Limited connectivity with other relevant institutions**, reducing coordination and data-sharing efficiency.

4.1.2.3 Regulating the Protection of Tax Inspectors

The **tax legislator** guarantees protection for **tax inspectors and tax administration officers** while performing their duties. However, this protection remains **insufficient**, given the threats and **both moral and physical assaults** they face from some taxpayers.

Therefore, tax inspectors require **additional security reinforcements**, especially during investigations, particularly in **remote areas** where risks are higher.

4.1.3 Difficulties Related to Taxpayers and Certain Institutions

The digital transformation of the tax system faces challenges not only within the **tax administration** but also among **taxpayers and other relevant institutions**. Some of the key difficulties include:

- **Lack of tax awareness** among many taxpayers, leading to difficulties in compliance with tax obligations.
- **Resistance to digitalization**, as some taxpayers still prefer traditional methods of tax declaration and payment.
- **Limited access to digital tools** for certain taxpayers, especially in rural or remote areas with weak internet infrastructure.
- **Coordination challenges with other institutions**, where the absence of an integrated information-sharing system hinders efficient tax enforcement.
- **Slow adaptation to regulatory changes**, as some businesses and institutions struggle to comply with evolving tax laws and digital reporting requirements.

4.1.4 Challenges Related to the Environment (Chahra, 2018)

In addition to the internal challenges faced by the tax administration and taxpayers, there are several external environmental difficulties that impact the effectiveness of the digital transformation of the tax system. The most notable challenges include:

- **Weak technological infrastructure** in some regions, hindering the digitization of tax services.
- **Lack of integration between information systems** of the tax administration and other financial and economic institutions, leading to delays in data and tax information exchange.
- **Weak legal framework** governing digital transformation, resulting in loopholes in the application of digital tax laws.
- **Resistance to change** from some economic actors who still rely on traditional tax procedures.
- **Security risks associated with digital transformation**, such as **cyber threats** and digital tax fraud, which require significant investments in information security.

- **Insufficient training and qualification programs** for tax administration employees and taxpayers, affecting the speed and efficiency of transitioning to a digital system.

4.2 Requirements for an Effective Modernization of the Algerian Tax System) Ismail Sari (2014

To ensure a successful digital transformation of the Algerian tax system and maximize the benefits of digitization, several key requirements must be met, including:

- **Developing the Legal and Legislative Framework**
 - Establishing clear and updated laws that keep pace with digital advancements, especially concerning electronic transactions.
 - Strengthening legal frameworks to protect personal data and tax confidentiality in the digital era.
 - Ensuring tax law stability to reduce frequent amendments that hinder digital transformation.
- **Enhancing Technological Infrastructure**
 - Improving and expanding internet networks and providing advanced information systems that align with digital transformation needs.
 - Digitizing all tax processes, from declaration to collection, to ensure speed and accuracy in transactions.
 - Implementing secure electronic systems connected to various economic and financial institutions to facilitate data exchange.
- **Developing Human Resources**
 - Intensifying training programs for tax administration employees to keep up with digital advancements.
 - Attracting specialists in information technology to enhance digital systems within the tax administration.
 - Encouraging employees to adopt modern technologies and develop their skills in handling digital systems.
- **Improving the Relationship Between the Tax Administration and Taxpayers**
 - Providing user-friendly electronic platforms that enable taxpayers to fulfill their tax obligations smoothly and transparently.
 - Strengthening digital communication channels between the tax administration and taxpayers, such as email and smart applications.
 - Simplifying tax procedures through digital services to reduce bureaucracy.
- **Strengthening Cybersecurity and Transparency**
 - Adopting advanced systems to protect tax data and information from cyberattacks.
 - Ensuring transparency in all digital tax operations to gain taxpayers' trust.
 - Developing digital mechanisms to combat fraud and tax evasion, such as artificial intelligence and tax data analysis.
- **Enhancing Cooperation Between Government and Private Institutions**
 - Integrating information systems between the tax administration, financial institutions, and banks to facilitate tax operations.
 - Engaging the private sector in developing digital solutions for the tax system, especially in electronic payments.

- Benefiting from the experiences of leading countries in digital taxation and adapting them to the Algerian context.

▪ **CONCLUSION**

Given the significant importance of digital transformation, the tax administration has established a set of legislations and procedures to regulate and guide this mechanism. Additionally, it has allocated high-quality and competent human resources to carry out the digital transformation process. To achieve the necessary efficiency and effectiveness in digitization, the tax administration had to accompany this process with structural reforms, known as the modernization of the tax administration.

As part of this modernization effort, which began with the Finance Law of 1991—fundamentally amending the legislative tax system to align with global developments in taxation—structural reforms were initiated in 2006. These reforms extended to all tax structures across the country, as well as electronic services and platforms. Based on this study, the following conclusions were reached:

.1. Study Findings:

- The tax reforms undertaken by the tax administration have positively impacted the quality and efficiency of tax administration. These reforms were well received by tax officials and taxpayers, improving the relationship between the tax administration and taxpayers.
- For tax reforms to have a significant and effective impact, they must be accompanied by modernization and reforms in other interconnected areas, such as banking system reform, commercial law, investment law, and strengthening regulatory bodies, particularly the Court of Accounts.
- Despite all the efforts made by the tax administration to modernize and adapt to economic changes, its effectiveness remains limited. Tax fraud and evasion rates are still high compared to the tax structure, and petroleum taxation continues to dominate budget revenues. This is due to a lack of seriousness in reforms, low taxpayer awareness, and inadequate human resource training to keep pace with reforms.

.2. Research Recommendations:

Based on the findings of this research paper, the following recommendations are proposed:

- **Adapting the tax information system** to address future challenges facing the tax administration, such as e-commerce and the digital economy.
- **Providing an appropriate environment** with high-speed internet and training tax officials in advanced technological skills.
- **Increasing awareness of taxation** through publications, newsletters, study days, and websites. Additionally, public and private television channels should be utilized for broadcasting tax-related advertisements, discussions, and explanations of the Finance Law. Moreover, consideration should be given to the religious dimension of Algerian society by establishing a new tax branch called "Zakat Taxation," organized according to Islamic law, with tax exemptions and reductions for those who pay it. This idea aligns with many thinkers and researchers advocating its institutional revival, including Dr. Abdelmadjid Kadi in his article *"Zakat from an Economic Perspective,"* published in the Algerian Ministry of Religious Affairs Journal, Issue 2, September 2003.

- **Eliminating the influence of French-based legislation** within the tax system and adopting Arabic as the primary legislative language, reflecting Algeria's reality and environment. Additionally, English should be used as a secondary language for issuing tax documents, maintaining the tax website, and training tax officials. This is crucial, as 98% of scientific research across various fields is published in English. English ranks first globally in terms of speakers, accounting for 25% (approximately 1.8 billion people), while Arabic ranks fourth, and French ranks ninth, according to the U.S. Intelligence report in *The World Factbook*.

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