

Reflections of Digitalization on the Effectiveness of Tax Supervision and Enhancement of Tax Collection: A Case Study of Tax Directorate of Chlef Province

ELMILLOUDI Souaad, Hassiba Benbouali University -chlef, (Algeria),
S.elmiloudi@univ-chlef.dz*

*FOUKA Fatima, Hassiba Benbouali University -chlef, (Algeria) , f.fouka@univ-chlef.dz
FELLAG Salihia, Hassiba Benbouali University -chlef, (Algeria) , s.fellag@univ-chlef.dz*

Received: 31/07/2024

Accepted: 21/09/2024

Published:30/09/2024

Abstract:

This study explores the concepts related to the digitization of tax administration and the effectiveness of tax control, as well as its role in enhancing tax collection levels in Algeria, specifically applied at the Tax Directorate of Chlef Province. The findings reveal that digital integration within the tax system not only streamlines procedures but also markedly reduces the time and effort required in tax collection, thereby elevating efficiency. Despite these promising outcomes, Chlef Province lags noticeably in adopting digital practices compared to other regions. This gap highlights the critical need for foundational support and strategic planning to realize the full benefits of digitization in the near future.

Keywords: Digitalization, Tax Administration, Tax Supervision, Tax Collection, Tax Directorate of Chlef Province.

Jel Classification Codes: H83, H71:, O33

* Corresponding author

1. INTRODUCTION:

Over the last decade, the global landscape has witnessed significant technological and scientific upheavals, affecting various aspects of life, including social, political, and economic dimensions. These shifts have ushered in a range of challenges that governments are compelled to address directly, necessitating a departure from conventional methods to more advanced digital technologies and strategies. This transition aims to rejuvenate their administrations and align them with the requirements of a modern lifestyle, thereby crafting a well-defined vision for the future that resonates with strategic goals.

Digitalization has gained widespread acceptance across numerous domains, with the tax sector at the forefront of this modernization effort. The move towards digital tax administration is celebrated for its extensive benefits, fundamentally transforming tax systems globally by enhancing both oversight and collection capabilities. The integration of digital technologies significantly elevates administrative performance, boosts efficiency, and aids in identifying discrepancies and potential tax evasion cases.

In Algeria, the drive to digitalize tax administration is strategically intended to promote economic growth and development, particularly as taxes are a vital secondary source of public revenue after the oil sector. The urgency of digitalization is propelled by the significant role this sector plays in stimulating economic activities.

This research provides an applied analysis of how digital transformation impacts the supervisory and collection functions within the tax administration of Chlef Province, aiming to delineate the clear benefits and challenges associated with this shift.

1.1 Research Problem:

The central question of this study is articulated as follows:

- ✓ **How does digitalization contribute to the enhancement of tax oversight and the increase in tax collection levels at the Tax Directorate of Chlef Province?**

1.2 Study Hypotheses:

It is hypothesized that the Algerian tax administration is progressively moving towards the simplification of tax procedures for taxpayers and reducing the workload on administrative personnel.

- _ The strategic shift towards digitalizing tax administration is suspected to potentially weaken tax supervision due to the possible reduction in human labor and field inspections.
- _ The situation within the Tax Directorate of Chlef Province is believed to exhibit a positive trend in the implementation of digitalization, which in turn bolsters the tax collection process.

1.3 Study Importance:

Tax management is a pivotal component of the administrative framework, generating substantial revenue for the state and taxpayers, thus underscoring the critical need for its modernization in the digital era. The transformation has led to a significant qualitative improvement in administrative functions.

The value of digitizing tax administration lies in its proven positive effects on tax collection, primarily through its effective role in maximizing tax revenues. Given the interconnected nature of tax supervision and collection processes, it is clear that efficient collection is unachievable without effective electronic oversight.

1.4 Study Objectives:

The objectives of this research are defined as follows:

- _ To explore the knowledge dimensions of digitalization and its crucial role in enhancing the functionality of tax administration.
- _ To outline the current state of digitalization and reform within the tax administration in Algeria.
- _ To ascertain the impact of digitalization on improving tax oversight and enhancing the quality of the collection processes at the Tax Directorate of Chlef Province.

1.5 Study Methodology:

To thoroughly examine all aspects and dimensions of the topic, and to address the primary issue and evaluate the proposed hypotheses, the study employs a deductive approach utilizing description and analysis as its main methodologies. This approach includes the theoretical foundations related to the study variables within the theoretical framework, as well as analyzing and processing financial reports and data provided by the target entity in the applied framework.

2. The Conceptual Framework for the Digitalization of Tax Administration

2.1 Concept of Digitalization:

Digitalization can be understood from several perspectives:

Digitalization represents a methodology that facilitates the conversion of data and information from analog to digital formats. It involves a process that mimics paper-based systems by converting documents of various types and media into digital sequences. This technical operation is further supported by intellectual and managerial efforts to organize, schedule, and present the resulting information in a digitally precise manner, utilizing advanced digital mechanisms. (ben Sabti & Saidi, 2023, p. n/a)

From these definitions, it becomes clear that digitalization leverages modern digital technologies to innovate business models and processes, thus paving the way for new opportunities in wealth creation and sustainable development. Digitalization is also perceived as the transformation of processes into digital formats, effectively bridging the gap between humans and information and communication technologies. Moreover, it involves employing artificial intelligence to achieve higher economic and social outcomes with enhanced efficiency and productivity. (Sediki, 2023, p. 115)

2.2 Digitalization of Tax Administration:

Tax administration is defined as "the administrative body responsible for enforcing tax laws and ensuring their proper implementation to fulfill legislative objectives. In this role, tax administration contributes to the legislative process by proposing new laws and amendments based on practical tax experiences." (Abbad, 2022, p. 61)

The digitalization of tax administration refers to "the integration of information and communication technologies (ICTs) into tax-related functions to improve service delivery and streamline procedures for taxpayers, ultimately conserving time and minimizing effort in activities aimed at increasing tax revenue and reducing tax fraud." (Kannas & Zine Younes, 2021, p. 218)

Additionally, digitalization in this context is seen as "a collection of legal and administrative measures that electronically monitor various taxes and fees, designed to benefit the country and local communities. These measures are essential tools for achieving the government's economic and social agendas." (Arab & Mostefaoui, 2023, p. 815)

In summary, digitalization of tax administration can be described as "the use of modern technology to fully transform all tax-related processes from paper-based to digital, with the goal of enhancing and revitalizing the tax system. This transformation aims to increase financial revenues and eliminate tax evasion."

2.3 Importance of Digitalization in Tax Administration

The transformative advantages of digitalizing tax administration are profoundly manifested through several significant impacts (Chaabani et al., 2017):

- Reducing time in execution and cutting costs resulting from traditional administrative work;
- Simplifying procedures within the tax administration, which positively reflects on the level of services provided to taxpayers;
- Facilitating communication procedures between the tax administration and various institutions;
- Accuracy and objectivity in carrying out various operations within the tax administration;
- Providing services to taxpayers satisfactorily 24 hours a day throughout the week;
- Deepening the concept of transparency, distancing from nepotism, and achieving the required speed for completing tax operations.

2.4 Impact of Digitalization on Functioning of Tax Administration

To catalyze economic growth, modernizing the financial sector is imperative, with the tax directorate playing a pivotal role in enhancing performance that significantly influences development dynamics. The integration of digital technologies into tax administration facilitates rapid and effective implementations, crucial for improving tax performance. Notable impacts are observed in several critical areas (Mohammed Kwadri, 2022, p. 246):

- ✓ **Enhancing Interdepartmental Coordination**
- ✓ **Curtailling Tax Evasion**
- ✓ **Combating Tax Fraud (Inflating Invoices)**

3 Reasons for Digitalizing and Reforming Tax Administration in Algeria

3.1 Concept of Tax Administration Reform:

When the shortcomings and imbalances of the tax administration become evident through practical application, making it ineffectual at

achieving the state's tax policy objectives, a critical reassessment and revision are necessitated (Harach, 2011-2012, p. 2). This necessary overhaul is referred to as "reform of the tax administration." The term "reform" is derived from the French word "Réforme," and the Latin "Reformare," which translate to altering something for the better and rectifying any discrepancies that have occurred.

Tax administration reform encompasses a multitude of complex operations and procedures conducted over a prolonged timeframe (Kadi, 2011, p. 249). The goals of these reforms aim to enhance tax performance, reduce corruption, introduce modern technology, focus on human resources, strengthen relationships with taxpayers, adhere to the foundational principles of tax science, adopt international standards, and revise tax legislation to align with the evolving business environment. (Al-Jebouri & Abdul Azawi, 2019, pp. 26-50)

Tax administration reform is thus characterized as "the process that results in enhanced operational effectiveness of the tax administration in realizing the objectives of the tax policy established by governmental bodies, which may be partial or extensive, based on the reasons and aims of the reform."

3.2 Efforts to Modernize the Tax Administration:

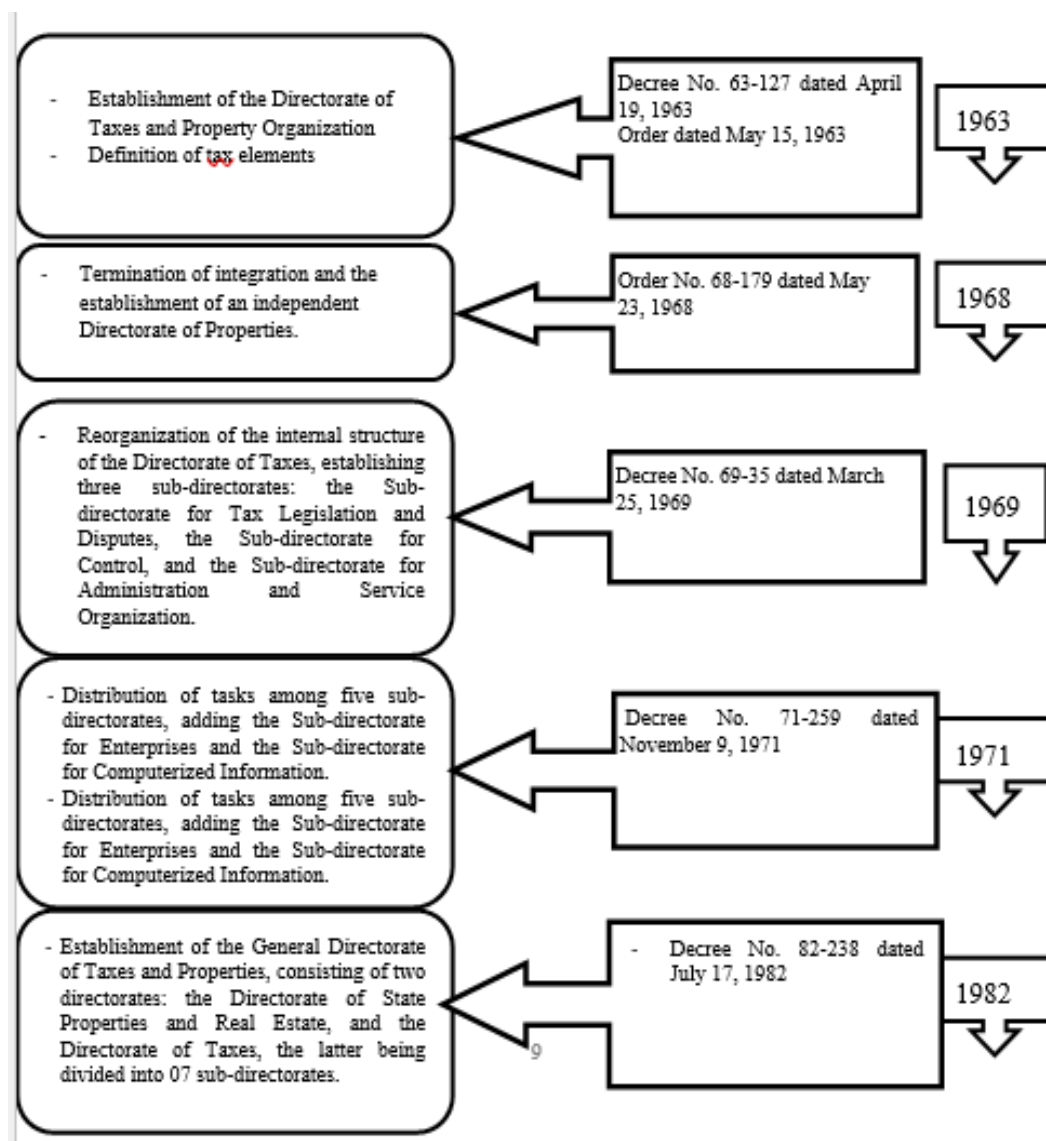
When the shortcomings and imbalances of the tax administration become evident through practical application, making it ineffectual at achieving the state's tax policy objectives, a critical reassessment and revision are necessitated (Harach, 2011-2012, p. 2).

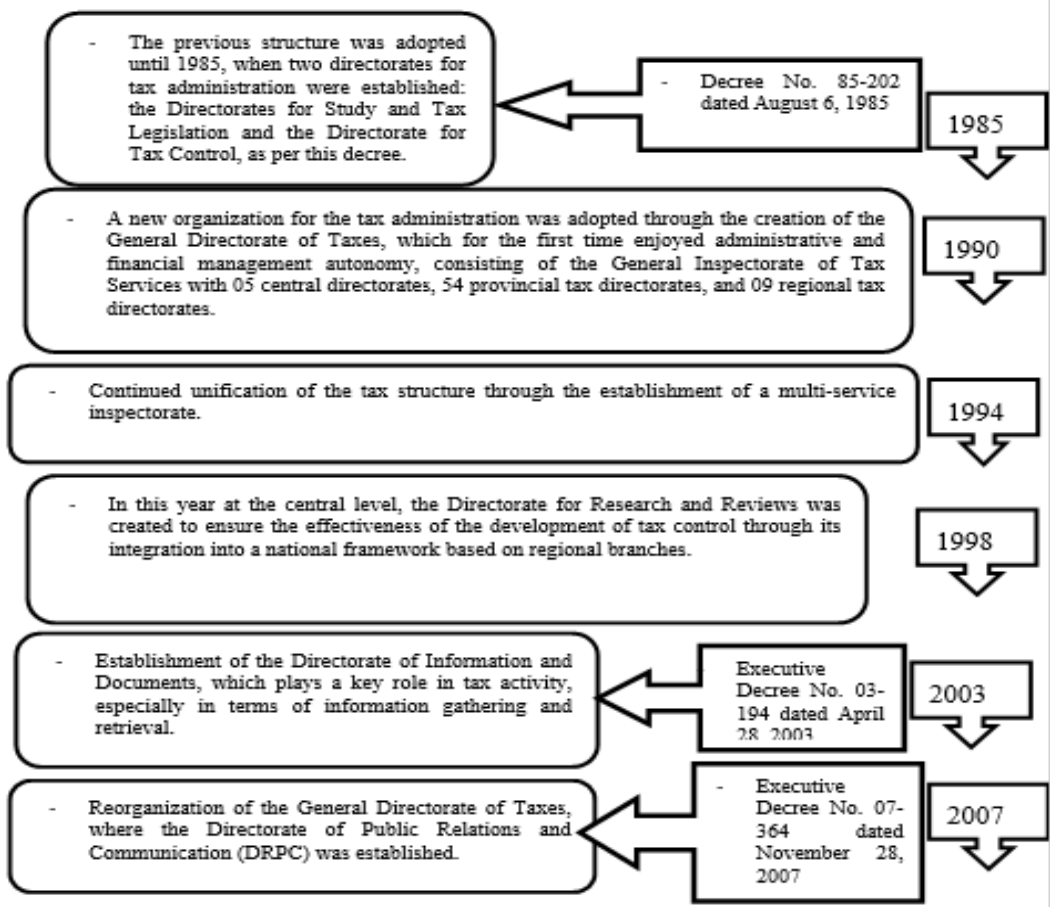
This necessary overhaul is referred to as "reform of the tax administration." The term "reform" is derived from the French word "Réforme," and the Latin "Reformare," which translate to altering something for the better and rectifying any discrepancies that have occurred. Tax administration reform encompasses a multitude of complex operations and procedures conducted over a prolonged timeframe (Kadi, 2011, p. 249). The goals of these reforms are manifold:

- **Central Administration:**

Initially, the Directorate General of Finance was partitioned into two main departments—one focusing on drafting tax legislation and the other on supervision and management of external tax services. The diagram below depicts these structural modifications and developments:

Figure (01): Structural Evolution of the Tax Administration for the





Source: Soumia Toumi, Mansour Ben Amara, "Effectiveness of Tax Supervision in the Light of Strategies towards Modernizing Tax Administration," *Taxation Studies Journal*, Issue 12, June 2018, p. 33.

3.3 Impacts of Digitalization on Tax Collection in Algeria:

In a strategic effort to integrate state-of-the-art digital technologies into its framework, the General Directorate of Taxes has launched the deployment of advanced information technology applications and developed websites dedicated to facilitating the digital transformation of tax services. This initiative has markedly improved the efficiency of tax collection and significantly augmented the general revenue streams of the state. Prominent among these technological innovations are the Jibaya'tic and Moussahama'tic systems, which are discussed in further detail below.

3.3 Introduction to the Jibaya'tic System:

The Jibaya'tic system is recognized as a pioneering electronic platform for the declaration and payment of taxes, which utilizes a variety of methods to render these processes tangible and interactive through the electronic interface. This portal poses a significant challenge to large corporations by bolstering the technological infrastructure, promoting electronic tax services, ensuring taxpayer compliance, and enhancing the efficiency of tax collection. The design of the portal emphasizes ease of use and simplicity in the tax declaration and payment processes (Al-Jebouri & Raed Khudher Abdul Azawi, 2019, pp. 26-50). Furthermore, Jibaya'tic serves as a remote tax declaration and payment service, characterized by its accessibility, simplicity, and security, enabling taxpayers to seamlessly access information at any time and from any location via the portal: www.jibayatic.mfdgi.gov.dz/portailpublic.

As a result, Jibaya'tic stands as a revolutionary electronic gateway for the Algerian tax administration, designed to streamline remote tax services for taxpayers, thereby facilitating their compliance with tax obligations in a user-friendly online environment.

3.4 Benefits of the Jibaya'tic System:

A. Before implementing the new system:

- _ All accounting entries were manually created.
- _ Substantial effort was required to achieve accounting entries, thus incurring higher costs.
- _ Considerable effort was necessary for monitoring.
- _ There was a high risk of human error.

Challenges in certain transactions, such as tax reductions and the acceptance of declarations not corresponding to their value, led to time-consuming and inaccurate performance. The complexity of these processes, coupled with repetitive accounting information and frequent errors in recording, resulted in slow and error-prone operations.

B. After implementing the Jibaya'tic system, the following improvements were observed:

- _ The recording and entry process for accounting entries became fully automated.
- _ Less effort was needed to complete accounting entries due to the new system.
- _ There was full control over entries made.

- The incidence of errors was minimized to the lowest possible extent.
- The integration and refinement of these procedures have led to:
- Resolution of previous inconsistencies in tax management.
 - Continuous and effortless tracking of data.
 - Standardization and conformity in accounting.
 - Constant availability of information and data without errors.
 - Timely access to information for addressing new client issues.
 - A significant reduction in human errors and a marked improvement in the performance of information and data processing operations (Kara, 2022, pp. 388-389).

3.6 Moussahama'tic System:

Moussahama'tic is a new portal for the Algerian tax administration designed to provide remote services for declaring and paying taxes and fees. Developed in an environment that ensures simplicity and ease of use, the portal's services are directed at taxpayers affiliated with the provincial tax directorates that do not have a tax center or a local tax service center.

A. Advantages of the Moussahama'tic Portal:

In addition to the variety of tax declaration and payment formats, the Moussahama'tic portal offers several advantages to the enrolled taxpayers:

- Free and easy access with automatic usage;
- Secure with maximum ease of access and readiness;
- Assistance to facilitate use and practical guidance in data entry according to updated tax rules, which helps to avoid calculation errors and typos common in paper-based processes;
- All taxpayer information and data exchange operations are available and accessible at any time through a private space;
- Provides the best tracking and control of data exchange with the tax administration, thanks to precise monitoring of declarations sent and payments made;
- Offers a control panel for completed operations. ("Presentation of Moussahamaticar," 2023, p. n/a)

4 Analytical Study of the Contribution of Digitalization to Tax Supervision and Collection in Chlef

4.1 Diagnosis of the General Situation of Digitalization at the Tax Center in Chlef

With a strategic focus on executing the modernization project aimed at enhancing tax revenue and its effectiveness, the Tax Center in Chlef was

established approximately a year ago. This center was specifically tasked with leading the digitalization efforts.

Although it is in the early stages of transitioning towards a modernized tax framework, the extent of digitalization varies across different services. This variation is due to numerous practical challenges faced during the automation of tax collection processes. These challenges, along with their implications for the tax administration, will be further examined.

In assessing the impact of digitalization on the efficiency of tax collection, several financial documents provided by a manager were reviewed. These documents reflect a significant transformation in the collection process, thereby establishing a new paradigm towards creating a robust electronic-based tax environment.

4.2 Development of Electronic Tax Declarations in Chlef:

Traditionally, tax declarations were handled using a conventional method that involved the manual exchange of documents between the administrative agent and the business partner. This method increased interactions between the tax administration and taxpayers, often leading to adverse outcomes as previously noted.

To mitigate these issues, digitalization was employed to modernize this process, infusing it with a technological edge that significantly reduces both time and effort. Through the tax administration’s website, taxpayers can now easily access the site using a private code, locate the pre-prepared declaration form, complete it, and submit it electronically.

A. Study of the Evolution of Electronic Tax Declarations from October 1, 2023, to March 31, 2024:

Before examining the specific developments in electronic tax declarations during the stated period, it is crucial to present a statistical overview of the economic units operating under the real system. This system constitutes the foundational tax structure of Chlef.

A. Tax Community Census for 2023/2024:

Table (01): Number of Taxpayers under the Real System

Number of Taxpayers	Type	Count
	Legal	1,429
	Natural	2,861

Source: Prepared by researchers based on documents provided by CDI.

B. Number of Electronic Declarations during the period: October 1, 2023, to March 31, 2024

Table (03): Evolution of Electronic Declarations (October 1, 2023, to March 31, 2024)

Period	Number of Electronic Declarations	Number of Manual Declarations	Total Declarations
October 2023	172	5487	5659
November 2023	3,310	6881	10,191
December 2023	4,326	8252	12,578
January 2024	5,271	8941	14,312
February 2024	6,532	8830	15,362
March 2024	6,403	8641	15,044

Source: Prepared by researchers based on documents provided by the CDI.

The data outlined in the table above vividly illustrates the evolving dynamics of tax declarations in Chlef, highlighted by a gradual increase in the adoption of electronic methods as a proportion of total declarations. Initially, in October, the uptake was relatively low due to the nascent phase of digital implementation at the tax center. The process of gathering personal information from taxpayers, which was necessary for the General Directorate of Taxes in Algiers to issue private codes, spanned an entire month. This protracted procedure led to fewer declarations in the early stages.

A notable surge in electronic declarations occurred in February 2024, with totals reaching 6,532. Despite this rise, the frequency of electronic declarations remained less than that of manual submissions, influenced by factors such as the limited digital literacy among taxpayers and reservations about the reliability of the new tax information system, which might inadvertently impose financial penalties for inaccuracies.

By the end of the study period in March, a slight decline in electronic declarations was observed. This trend might be attributed to several overarching issues, including inefficiencies within the technological framework, leading to operational errors. Frequently, electronic declarations failed to be processed correctly by the tax administration, resulting in arbitrary penalties that persuaded taxpayers to revert to manual declarations, seeking a greater sense of security. However, it is noteworthy that as electronic declarations became more widespread, manual declarations concurrently decreased, indicating an inverse relationship. This transition signifies a positive evolution, propelled by robust state initiatives to cultivate a digital ethos. Administrative agents are now optimistic that

electronic declarations will imminently exceed manual submissions, in line with the state's ambition to modernize tax interactions.

4.3 Assessment of the Electronic Payment Process at Tax Center in Chlef

Electronic payments constitute a fundamental component of the digital transformation, demonstrating significant growth and offering extensive benefits to stakeholders across various economic sectors, including tax administration. Fulfilling tax obligations remains one of the most arduous and time-intensive duties managed by the government. For the state, this process is vital for amassing financial revenues critical for the provision of public benefits and services. Consequently, there has been a significant drive toward digitalization within the tax community.

Despite widespread modernization efforts across Algeria, Chlef has lagged slightly behind its neighboring regions in adopting new technologies. The tax center in Chlef, inaugurated only a year ago, encountered significant obstacles when beginning its operations, which were not optimally prepared for effective execution. These initial hurdles have led to a lower rate of electronic declarations than the benchmarks established by the General Directorate in Algiers.

Electronic payment is considered a privilege that is extended only after a tax center has demonstrated its ability to effectively implement digital solutions and manage electronic operations. This capability fosters an increase in electronic declarations among taxpayers and reduces the reliance on manual declarations. The modest progress observed thus far in Chlef can largely be attributed to the brief period since the tax center's inception. However, its current performance, while not yet on par with more established centers, shows promise for future improvements that could allow it to fully capitalize on electronic payment systems.

4.3 Development of Tax Collection at the Local Tax Center in Chlef

This section presents data illustrating the progression of tax collection in the state of Chlef from October 1, 2023, to March 30, 2024. This period marks a significant focus on the application of digitalization at the local tax center.

Table (04): Development of Tax Collection (October 1, 2023, to March 30, 2024)

Month	Unit	October	November	December	January	February	March
Tax table amount sent	(DZD 1000)	88,774	6,371	74,526	14,996	22,418	7,708
Amount declared	(DZD 1000)	-30,253	-243,153	-379,943	-614,054	-85,678	-68,350
Amount collected from declarations	(DZD 1000)	182,378	273,367	317,702	479,292	287,288	371,700
Amount collected on tax table	(DZD 1000)	10,399	6,839	7,624	14,377	24,956	19,636
Fines on tax base	(DZD 1000)	249	876	728	917	3,338	3,221
Fines on collection	(DZD 1000)	7,672	4,314	7,743	13,142	8,599	8,912

Source: Prepared by researchers based on documents provided by the CDI.

The table provided delineates the overall scenario of tax collection since the digital systems were introduced at the Chlef tax center, highlighting several key elements:

- **Tax Table Amount Sent:** These figures represent additional taxable amounts identified through investigations into fraud or evasion. These amounts are transmitted from the audit service to the management service, and then relayed to the tax collection authority for processing.
- **Amount Declared:** This figure refers to the monthly amounts routinely declared by taxpayers. These are shown in negative, reflecting the debtor status immediately acquired by the taxpayer once their declaration is processed at the tax center.
- **Amount Collected from Electronic Declarations:** These figures offer a real indication of the general state of the collection process. They may differ from the amounts declared for two primary reasons:
 - If the collected amount is larger, it could be due to taxpayers delaying payments on their monthly declarations, possibly accumulating them into the following month or deferring them until their financial situation stabilizes, hence appearing larger as they include previous deferred payments.
 - If smaller, this might result from financial challenges faced by the taxpayer, who may pay only part of their obligations and defer

the rest over a certain period, with specific payment arrangements determined by the tax center.

- **Amounts Collected from the Tax Schedule:** These figures represent revenues accrued from instances of tax evasion or fraudulent activities. These amounts may vary, either increasing or decreasing, due to the dynamics mentioned above.
- **Base Penalty Amounts:** Attached to the tax schedule dispatched to the collection agency is a penalty, stipulated by tax legislation in response to instances of tax fraud, commonly referred to as the "base penalty."
- **Collection Penalty Amounts:** The tax center establishes a definitive deadline for the payment of the base penalty. Should there be a delay by a taxpayer in settling this penalty, an additional fine is imposed for the tardiness, termed as the "collection penalty."

Upon reviewing the detailed contents above, the following observations can be made:

The data reveal a consistent increase in the amounts collected from electronic filings, peaking in January at an estimated 479.292 billion Algerian dinars. This peak underscores the tangible benefits derived from the ongoing efforts to digitize tax collection processes. A modest decline was observed in February, with collections dropping to approximately 287.288 billion Algerian dinars. This decrease correlates with a reduction in declared amounts, suggesting a potential seasonal fluctuation or other external economic factors impacting taxpayer behavior. However, the figures rebounded in the following month, albeit not reaching the January zenith, indicating the sustained positive impact of digitization on tax collection efficacy.

In summary, the evolution observed in the collection process is commendably positive, particularly in light of the integration of digital technologies at the tax center. Despite the volatility observed in recent months—which may be attributable to seasonal business fluctuations, legislative adjustments, or broader economic conditions—these factors do not detract from the fundamentally positive trajectory of tax collection facilitated by digitization. To further validate these observations, upcoming data displays will be crucial in clarifying the impact of digitalization on the operational dynamics of the collection process within the tax center.

Table (05): Total Tax Collection from January 2, 2024, to April 30, 2024

Period	Total Collection	Unit
January 2, 2024, to April 30, 2024	1,398,655,217	(DZD)

Source: Prepared by researchers based on documents provided by the CDI.

Table (06): Total Tax Collection during the Year 2023

Period	Total Collection (DZD)	Unit
Year 2023	3,141,490,827	(DZD)

Source: Prepared by researchers based on documents provided by the CDI.

From the data presented in the previous tables, the following conclusions can be drawn:

- The substantial tax collection achieved in just four months following the application of digitalization underscores the effective and efficient contribution of this advancement in boosting financial revenues.
- Comparing the tax collections from the two different periods reveals a difference of DZD 1,742,835,610, a significant sum though short of two billion. This difference highlights how digitalization has markedly improved tax compliance and enhanced the efficiency of collection within a remarkably short time frame.
- The data presented showcase early and promising results, reflecting an uptick in tax revenues over a brief period. This positive outcome fosters support for the ongoing digitalization of other tax services and the coordination of their operations to maximize revenues and achieve long-term objectives.

4 CONCLUSION:

Our comprehensive analysis of digitization's impact on tax oversight and collection efficacy robustly affirms that digitization serves as a pivotal mechanism for modernization and development across the tax administration spectrum. This transformative strategy, garnering substantial global interest, has proven to be an indispensable element of modern governance.

Nations worldwide are swiftly progressing with reforms and modernizing their tax administrations through complete digital transformations. These transformations are designed to facilitate and streamline various tax-related procedures. The principal aim of such initiatives is to enhance both the efficiency and effectiveness of operations,

thereby fostering exceptional tax oversight and enhancing tax awareness and compliance.

The core objective of tax administrations, through their modernization endeavors, is to expand the tax base by reducing instances of tax evasion and fraud, ultimately increasing public treasury revenues. Moreover, the commitment to ensuring satisfaction for all stakeholders—taxpayers and tax administration entities alike—is considered paramount.

This study has significantly highlighted the role of digitization in tax administration by delving into both the theoretical aspects and the core concepts of the study variables, alongside a thorough examination of practical experiences at the regional directorate of taxes in Chlef Province and its respective tax center. These insights underline the transformative effects of digitization, illustrating its profound impact on enhancing the capabilities and results of tax administration processes.

5 Study Results

- Digitization serves to enhance transparency within the tax system by providing easier access to tax information. Automated processing of tax data minimizes human intervention, thereby reducing the potential for manipulations or opaque intermediation. Additionally, digital records that chronicle all tax transactions for each taxpayer simplify the administration's tracking and legal accountability processes.
- Governments place considerable emphasis on the digitization of tax administration as an effective tool to maximize state revenues. The primary objective is to modernize and enhance tax procedures by simplifying registration, declaration, and payment processes and imbuing them with a digital imprint. This modern approach facilitates mandatory transactions for taxpayers and enhances voluntary compliance. Moreover, the extensive and comprehensive data provided by digital systems are instrumental in identifying common tax evasion patterns within the tax community and in developing effective strategies for optimal collection.

Despite dedicated efforts towards digitizing the tax administration, Chlef province remains behind other regions in developing local tax centers crucial for streamlining administrative procedures, especially for taxpayers with lower incomes.

The digitization process within the tax directorates of Chlef is not comprehensive; it is confined to the central tax office. Despite this focus,

the office still does not meet the full requirements necessary for the complete digitization of its services.

The commercial entities in Chlef have not yet achieved the digital literacy necessary to conduct all transactions remotely. Despite an increase in electronic filings, these have not reached the benchmark set by the General Directorate of Taxes in Algiers for activating comprehensive electronic payment functionalities.

6 Recommendations:

Based on the insights gleaned from our findings, we propose the following recommendations:

- _ Offer tax incentives to taxpayers who utilize electronic means to conduct their tax transactions, thereby promoting digital engagement in tax processes.
- _ Develop the technological infrastructure to facilitate an effective application of digitization within the tax administration.
- _ Continue to support and expand the tax administration modernization program throughout Algeria.
- _ Employ continuous analysis of the performance of digitization efforts to identify and address barriers to achieving optimal results, and to periodically rectify any discrepancies.
- _ Bolster public trust in the effectiveness of the officially recognized tax information systems, promoting the use of online platforms for all tax-related activities.
- _ Promote and expand the culture of using electronic declaration and payment systems on a comprehensive scale.

7 Bibliography List :

- Abbad, S. (2022). *Tax Administration in Algeria between Reality and Activation Requirements. Governance Journal of Social Responsibility and Sustainable Development*, 4(1), 61.
- Abdel Malek ben Sabti & Ibtisam Saidi. (2023). *Barriers to Implementing Digitization Projects in Algerian University Libraries: The Case of Constantine State University Libraries*. Retrieved from <http://www.gournal.cybrarins.org>.
- Al-Jebouri, B. M. A., & Abdul Azawi, R. K. (2019). *Tax Reform and Its Role in Increasing Tax Revenues in Iraq. Journal of the College of Administration and Economics for Economic and Administrative and Financial Studies*, 11, 26-50.
- Arab, F. Z., & Mostefaoui, S. (2023). *The Effect of Digitizing the Tax Administration on Both the Tax Collection Process and Taxpayers'*

Reflections of Digitalization on the Effectiveness of Tax Supervision and Enhancement of Tax Collection: A Case Study of the Tax Directorate of Chlef Province

Commitment: Empirical Evidence from the Tax Administration in Bechar -Algeria. Al Bashaer Economic Journal, 9(1), 815.

- Chaabani, L., et al. (2017). *The Role of Electronic Administration in Enhancing the Work of the Algerian Tax System*. Paper presented at the International Scientific Conference on Electronic Administration between Reality and Necessity, Amman, Jordan.
- Harach, I. (2012). *Modernization of Tax Administration as a Variable of Tax Reform to Increase Management Effectiveness* (PhD thesis). University of Algiers 3, Faculty of Economic, Commercial and Management Sciences.
- Kadi, A. M. (2011). *Studies in Tax Science* (1st ed.). Dar Jarir for Publishing and Advertising.
- Kannas, A., & Younes, Z. (2021). *Electronic Tax Declarations and Their Impact on Increasing Tax Revenues in the Context of Modernizing Tax Administration. Al-Muqri'zi Journal for Economic and Financial Studies, 5(2), 218.*
- Kara, I. (2022). *The Contribution of Embedded Software in Improving the Quality of Tax Administration Services (Case Study of Tax-Tech Software). Dafater Buadex Journal, 11(1), 388-389.* Retrieved from <https://www.mfdgi.gov.dz/moussahamaticar/presentation.html>.
- Kwadri, M. (2022). *Digitization of the Tax System and Its Role in Supporting Tax Control in Algeria. Forum Journal for Economic Studies and Research, 6(2), 246.*
- Presentation of Moussahamaticar. (2022). Retrieved from <https://www.mfdgi.gov.dz/moussahamaticar/presentation.html>.*
- Raki, A., & Ammari, S. (2020). *Reality and Prospects of Modernizing Tax Administration in Algeria. Arssad Journal for Economic and Administrative Studies, 3(1), 32.*
- Sediki, F. (2023). *The Role of Digitization in Improving Public Service in Algeria - An Analytical Study of Local Communities* (PhD thesis). Faculty of Information and Audio-Visual Communication Sciences, Constantine University 03, Algeria.
- Slimanin, S., & Kara, M. (2023). *The Contribution of Digitizing Tax Administration in Increasing Awareness and Tax Compliance of Taxpayers. Journal of Economic and Financial Studies, 16, 365.*