The efficiency of tax collection and its impact on tax revenues: An applied study on the Algerian case

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Abstract:

This research aims to study and analyze the impact of tax collection efficiency, tax digitization, and tax evasion on tax revenues in Algeria, relying on a quantitative descriptive-analytical approach. The study began with a theoretical framework explaining the relationship between tax reforms and the effectiveness of tax administration. The practical aspect was supported by a field survey that included a sample of 120 individuals from administrative, academic, and professional backgrounds in the financial and tax fields. The study relied on analyzing the survey data using the SPSS program, through calculating correlation and multiple regression coefficients to estimate the impact of independent variables (collection efficiency, digitization, tax evasion) on the dependent variable (tax revenues). The results showed that collection efficiency and digitization positively and significantly affect tax revenues, while tax evasion negatively affects them to a high degree of significance.

The study recommends the necessity of enhancing tax digitization, simplifying administrative procedures, and improving control mechanisms in order to increase the efficiency of the tax system and support public resources in Algeria.

Keywords: *Tax Revenues; Tax Collection Efficiency; Tax Digitization; Tax Evasion*

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1.Introduction:

Tax revenues are the fundamental pillar upon which public finance is based in various countries around the world, as they represent a permanent and stable source for financing public expenditures. They are an effective tool for achieving economic and social balance by funding public services and supporting development programs. Taxation is not merely a means of collecting money; it is an economic mechanism with financial and developmental dimensions that enables the state to intervene in economic activity and direct it toward achieving public goals.

In the Algerian case, tax revenues are gaining increasing importance in light of the current economic transformations the country is experiencing, especially with the decline in oil revenues and the fluctuations in fuel prices in global markets since mid-2014. This situation has compelled public authorities to seek more sustainable alternative resources and reopened the discussion about the effectiveness of the national tax system and its ability to mobilize internal resources. Thus, the issue of tax collection has emerged as a pivotal element in the success of any financial policy aimed at achieving self-sufficiency in financing and reducing the budget deficit.

Despite the successive reforms that the Algerian tax system has undergone over the past two decades, whether in terms of simplifying procedures, enhancing transparency, or adopting modern digital systems in tax management, the practical results remain below expectations. The phenomenon of tax evasion still persists, the size of the informal economy is increasing, and the effectiveness of the tax administration in collecting dues faces several organizational, human, and technical obstacles. These issues raise fundamental questions about the efficiency of tax collection in Algeria and its ability to achieve the targeted tax revenues.

Based on this data, the main issue of this study revolves around the following question:

To what extent does the efficiency of tax collection contribute to enhancing tax revenues in Algeria?

2. Previous studies and theoretical framework Previous studies and the theoretical framework:

2.1 Previous Studies:

• **Tanzi & Zee (2001):** The researchers confirmed that the efficiency of revenue collection is a necessary condition for achieving the sustainability of financial resources in developing countries, especially those that heavily rely on oil or rent revenues, as weak tax administration leads to increasing funding gaps and a lack of mobilization of local resources. They also indicated that improving collection efficiency requires structural reforms, including simplifying the tax system, developing human capacities, and enhancing internal control, which would allow for an increase in tax revenue without the need to raise nominal tax rates.

• **Bird & Zolt (2014):** The researchers in their study addressed the relationship between digital transformation and tax efficiency in developing countries, affirming that the use of technology in tax management contributes to improving transparency and reducing opportunities for corruption and evasion, thru the comprehensive automation of tax procedures and linking databases between different departments. Their study also showed that digitization not only improves tax collection but also increases taxpayers' trust in the tax system and enhances voluntary compliance, which positively impacts the state's public revenues.

• **Alm & Torgler (2011):** The researchers analyzed the phenomenon of tax evasion from a behavioral and social perspective, highlighting that psychological factors, such as the level of trust between the taxpayer and the tax administration, the sense of fairness, and tax awareness, significantly influence individuals' behavior toward tax compliance. The study concluded that combating tax evasion is not limited to tightening control and penalties alone, but requires improving the relationship between the administration and taxpayers, and enhancing tax culture and financial citizenship to ensure broader and voluntary compliance with tax collection.

• **Nasser Mourad (2018):** He indicated that the effectiveness of the tax system in Algeria is affected by a set of organizational, administrative, and technical factors. The researcher explained that the lack of coordination between tax departments, the shortage of human competencies, and the

complexity of procedures constitute the main obstacles that limit the efficiency of tax collection. He also confirmed that achieving efficiency requires structural reforms, including updating legislation, simplifying procedures, and expanding the use of information systems in tax management. The study concluded that reforming the tax administration and developing digitization are two essential conditions for enhancing the efficiency of the tax system and improving the mobilization of public resources in Algeria.

• **Quadri (2023):** The study addressed the topic of digitizing the tax system in Algeria and its impact on enhancing the effectiveness of tax control. The results showed that adopting digital solutions, such as electronic invoicing and tax information systems, contributes to reducing the volume of tax evasion and improving transparency in transactions. It also showed that digitization enhances collection efficiency by facilitating the monitoring process and tracking taxpayers in real-time, making it a strategic tool to support tax reform and achieve long-term tax justice. Thru a review of the literature and previous studies, it is clear that the efficiency of tax administration is one of the essential factors in increasing tax revenues and improving public finance performance. An effective tax administration capable of strict enforcement of regulations and monitoring taxpayers is a key tool for achieving tax justice. Recent studies have shown that digitization has become one of the most effective means to reduce tax evasion and enhance transparency, as digital technologies simplify procedures and facilitate declaration and payment processes, thereby increasing rates of voluntary compliance. International experiences in this context highlight that weak tax collection is one of the most direct causes of budget deficits in developing countries, which makes the development of collection mechanisms and the improvement of administrative and digital efficiency a strategic necessity to ensure the sustainability of public revenues and achieve financial balance.

2.2 Theoretical Framework:

2.2.1 Tax Collection: Concept and Importance: Tax collection is the sum of operations and procedures aimed at compelling state debtors, local communities, their institutions, and public establishments to settle

their debts in accordance with the applicable laws and regulations, or resulting from judicial rulings and decisions, or agreements (Kharoubi H., Djilali A. p. 116).

The importance of tax collection lies in the fact that it:

- The most stable and sustainable source for financing public expenditure.
- A tool for achieving justice thru the redistribution of income and wealth.
- A means to enhance economic sovereignty and reduce dependence on oil and gas revenues.

2.2.2 Tax Revenues and Their Relationship with Collection: Tax revenues essentially reflect the extent of the state's success in managing its tax system and collecting due taxes and fees efficiently and fairly. They represent the direct result of the effectiveness of tax policy on one hand, and the efficiency of the administrative bodies responsible for collection on the other. As the collection mechanisms become more efficient, transparent, and disciplined, this positively reflects on the volume of tax revenues achieved, contributing to reducing the financial deficit and achieving a balanced public budget (Musgrave, 1989, pp. 215-220).

Tax revenues are considered one of the key indicators of the strength of a state's public finances, as they reflect its ability to mobilize internal resources without relying on rentier sources or external financing. According to the World Bank report (World Bank, 2020, p. 145), the ratio of tax revenues to GDP is one of the most important indicators of financial efficiency and economic governance. Moreover, achieving these revenues does not solely depend on tax legislation, but is closely linked to the level of tax compliance, the effectiveness of oversight, and the degree of trust between the taxpayer and the tax administration.

From this standpoint, the relationship between tax collection and tax revenues is a mutually reinforcing direct relationship, determined by the effectiveness of the tax system and its ability to sustainably mobilize internal resources. Any improvement in the efficiency of tax collection directly reflects an increase in the level of revenues collected, while any

administrative or organizational shortcoming leads to a significant loss of tax revenue. IMF reports indicate that countries that have adopted structural reforms in tax collection systems, particularly in the areas of governance, digitization, and expanding the tax base, have witnessed significant revenue increases exceeding 4% of GDP within just five years (Adan, Atsebi, Gueorguiev, Honda, & Nose, 2023, p. 17).

Evidence suggests that improving tax collection mechanisms thru simplifying procedures, reducing bureaucracy, activating field supervision, and linking databases leads to a noticeable increase in tax compliance rates and a decrease in evasion levels, especially in countries with emerging tax systems. Reports on tax transparency efforts in Africa confirm that transparency measures and information exchange have enabled tax administrations to discover additional resources and combat evasion, thereby supporting the mobilization of local resources more effectively (OECD, 2021, p. 19).

Thus, it can be said that tax collection represents the essential link between tax legislation and the state's financial policy, as it embodies the practical application of tax policies and serves as a key criterion for measuring the efficiency of tax administration and its ability to achieve targeted revenues within a comprehensive vision for sustainable economic development.

2.2.3 Effectiveness of Tax Collection and Revenues: The effectiveness of tax collection is as much an institutional and technical matter as it is a legal one. The success of collection does not only depend on having clear tax rules, but also on the coordination of policies and procedures among the concerned parties, the efficiency of tax administration, and the adoption of digital solutions that allow for the integration of databases and enhanced oversight. Empirical evidence indicates that revenue collection management reforms focusing on building institutional capacities, linking information systems, and digitization yield tangible returns on revenue over a medium-term period by reducing gaps and expanding the tax base (Adan et al., 2023, p. 18), and this relationship is based on three interrelated and integrated main dimensions:

2.2.3.1 Administrative Efficiency: Administrative efficiency represents the fundamental pillar for achieving effective tax collection, as the tax administration is the main driver that translates legal texts into practical reality. The more organized and qualified the tax administration is in terms of human resources and the technologies used, the greater its ability to expand the tax base and reduce evasion. Studies indicate that the effectiveness of tax administration is linked to the level of transparency, the regulation of collection rules, and the speed of processing tax files (Anastasiou, Tzeremes, & Tzeremes, 2023, p. 63). Moreover, adopting a unified information system and developing the skills of tax agents in the field of monitoring and collection directly contribute to increasing tax revenues and improving voluntary compliance.

2.2.3.2 Digital Transformation in Tax Administration: Digital transformation constitutes one of the most important drivers of development in modern collection systems, as it helps bridge the gap between taxpayers and the tax administration by facilitating electronic declaration and payment processes, and reducing opportunities for manipulation and administrative corruption. The use of integrated information systems also allows for data exchange between different departments, enhancing the ability to track economic activities and adjust the actual tax base (Bird & Zolt, 2014, pp. 475–478), and international experiences confirm that countries that have relied on digital solutions in tax management, such as South Korea and Estonia, have witnessed a significant increase in collection rates and a decrease in levels of tax evasion.

2.2.3.3 Tax Evasion and Its Impact on Tax Revenues: Tax evasion is considered one of the most prominent challenges facing the effectiveness of collection systems, as it leads to the loss of a significant portion of tax resources and undermines the principle of tax justice. Theoretical and empirical evidence indicates that high levels of tax evasion are often associated with weak tax awareness, complex laws, lack of control mechanisms, and limited trust between taxpayers and the tax administration (Argentiero, Casal, Mittone, &

Morreale, 2021, p. 312). 312), and the spread of the informal economy contributes to exacerbating this phenomenon, weakening the ability to achieve targeted revenues and negatively impacting the balance of public finances.

Based on that, it can be said that the relationship between tax collection and tax revenues is a direct one, conditioned by the efficiency of administration, the level of digitization, and the ability to combat tax evasion. Any improvement in collection performance necessarily leads to an increase in public revenues, while administrative and structural imbalances are among the most prominent factors weakening collection in many developing countries, including Algeria.

3. The reality of the tax system in Algeria the reality of the tax system in Algeria:

3.1 General Background of the Algerian Tax System:

The tax system in Algeria is considered one of the systems that gradually developed thru successive historical stages since independence in 1962. In its early stages, it was based on limited direct taxes, but it expanded with the issuance of the Direct Taxes and Similar Fees Law in 1992, in addition to parallel reforms in indirect taxes such as value-added tax and customs duties. Murad (2003, p. 24) pointed out that these reforms constituted a turning point in the course of Algeria's tax policy, thru an attempt to expand the tax base and improve the efficiency of tax collection within a gradual approach toward financial justice and efficiency.

However, Algeria's long-term reliance on oil revenues rendered tax reforms relatively secondary, as the share of ordinary (non-oil) taxation remained weak compared to total public revenues (IMF, 2017, p. 6).

3.2 Structure of the Tax System:

The Algerian tax system consists of two main types of taxes, which form the basis of the state's tax revenues:

3.2.1 Direct taxes: These include the gross income tax (IRG), corporate profits tax (IBS), and property tax. These taxes are considered more equitable because they take into account the financial capacity of the taxpayers and are applied based on income or profit.

3.2.2 Indirect taxes: These include value-added tax (VAT), customs duties, and stamp duties, which are often the largest source of regular tax revenues.

International comparisons prepared by the Organization for Economic Co-operation and Development (OECD, 2020p18) show that the most equitable and sustainable tax systems are those that balance direct and indirect taxes, while enhancing collection efficiency on both sides. From this perspective, improving tax collection in Algeria is a crucial step toward strengthening regular tax revenues and ensuring greater fairness in the distribution of the tax burden.

3.3 Tax Reforms and Digitization:

Since the beginning of the last decade, Algeria has embarked on implementing structural tax reforms aimed at improving collection efficiency and enhancing transparency and control over tax operations, in line with the digital governance trends witnessed by most financial systems worldwide. These reforms came as a result of the financial pressures caused by the fluctuations in oil prices since 2014, which forced public authorities to diversify funding sources and expand the tax base. Among the most notable of these digital and regulatory reforms are the following:

3.3.1 Launching electronic platforms: led by the "Jibaya'tic" portal, which allows taxpayers to declare and pay taxes electronically without the need to travel to the tax administration. This step is considered one of the most important developments in the digital transformation of the Algerian tax administration, as it has contributed to reducing processing times and improving voluntary compliance among taxpayers.

3.3.2 E-invoicing projects: which aim to track the movement of goods and services in real-time, and to reduce the phenomenon of fake invoices, which are one of the main causes of tax evasion. The General Directorate of Taxes began testing the system in some vital sectors such as trade and digital services in 2023, in preparation for its gradual implementation across other economic activities.

3.3.3 Restructuring the General Directorate of Taxes: by reducing levels of bureaucracy, simplifying tax procedures, and improving coordination mechanisms with customs, the commercial register, and

banks, which enhances collection efficiency and reduces administrative gaps.

World Bank reports (World Bank, 2019, pp. 16–17) that Algeria has made significant progress in the field of tax digitization, but it still faces challenges in integrating information systems between different administrations (taxes, customs, commercial registry, banks), which weakens the effectiveness of monitoring and surveillance in combating evasion. The International Monetary Fund (IMF, 2022, pp. 34–35) in its report on public financial management in Algeria, that digital transformation is a key tool for improving ordinary revenues, provided that the legal framework for data protection and information exchange between government bodies is strengthened.

On a comparative level, studies by the Organization for Economic Co-operation and Development (OECD, 2021, pp. 134-136) have highlighted that countries that have successfully digitized their tax administrations entirely, such as Estonia and South Korea, have witnessed an increase of 3 to 5 percentage points in tax collection ratios to GDP within just five years, thanks to improved transparency and reduced evasion. Therefore, the success of the Algerian experience in this field remains contingent upon the rapid integration of systems and the training of human competencies capable of managing digital platforms with high efficiency.

3.4 Tax Evasion and the Parallel Economy:

Tax evasion and the informal economy are among the most prominent current challenges facing the Algerian tax system. The International Monetary Fund (IMF) report (2025, pp. 12–13) that the non-oil tax gap is approaching 2–4% of GDP due to the weak collection of certain taxes and a heavy reliance on the informal economy. World Economics data (2025) show that the informal economy constitutes approximately 29.2% of Algeria's GDP, significantly affecting the effectiveness of tax collection. These new data support the idea that traditional measures to combat tax evasion alone are not sufficient; there is an urgent need to accelerate digitization, enhance field supervision, and update tax legislation to reduce the tax gap and improve compliance.

3.5 Tax Performance and Revenues:

Despite the implementation of several tax reforms in Algeria, tax efficiency (especially non-oil ordinary revenues) remains relatively low compared to the size of the national economy. In the report of the African Development Bank (African Development Bank, 2024, pp. 22–23) It was reported that the share of non-oil tax revenues reached approximately 15.5% of the GDP, while total government revenues (including oil) ranged between 26–30% of the GDP, indicating that the majority of state financing still relies on hydrocarbon revenues and oil activities This.

The weakness in performance is due to a set of fundamental factors, including:

- The widespread tax evasion, which results from the activity of the informal economy
  and the limited capacity of the tax administration Tax administration in tracking all taxpayers .
- Weakness of financial and administrative control and investigation mechanisms, as there are still gaps in field monitoring and tax auditing.
- The insufficiency of human and technical resources within the tax administration, whether in terms of digital equipment or specialized training, which delays the processing of tax files and limits the effective enforcement of the law.

Therefore, investments in enhancing oversight, developing administrative capabilities, and monitoring the implementation of digital legislation and modern technologies are not a luxury but a necessity to restore the effectiveness of the tax system and ensure the sustainability of revenues away from oil dependency.

4. Methodology of the applied study: Methodology of the applied study:

4.1 Study Design and Tools:

This study relied on the quantitative descriptive-analytical approach, using a field questionnaire as the main tool for data collection from the study sample. The questionnaire consisted of two main parts: the first part concerned the personal data of the respondents, such as variables: gender, age group, educational level, and occupation. The second part addressed the main variables of the study and was divided into four main axs according to

the dimensions of the analytical model. The first axis was the efficiency of tax collection, which was allocated six items, the second axis was tax digitization, consisting of five items, the third axis was tax evasion and the parallel economy, which had six items, and the last axis was the impact of collection on tax revenues, which was allocated three items.

We note that the questionnaire included a total of 22 items, of which 20 were closed-ended questions evaluated using a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5), to accurately measure the respondents' attitudes and opinions. Additionally, there were two open-ended questions to allow respondents to freely express their opinions and suggestions. The independent variables in this study were tax collection efficiency, tax digitization, and the level of tax evasion, while the dependent variable was the impact of tax collection on tax revenues. The SPSS program was used to conduct descriptive statistics, reliability testing (Cronbach's Alpha), Pearson correlation coefficients, and multiple linear regression.

4.2 The Sample and Its Selection Method:

The sample consists of 120 participants stratified as follows: tax administration employes (42), professionals/accountants (30), business owners/investors (18), academics/researchers (24). Others (6) were obtained thru field and electronic distribution during a specified data collection period.

4.3 Descriptive Analysis of the Study Sample:

Table No. (**1**): Descriptive Analysis of the Study Sample

Gender	**Frequency (N)**	**Percentage (%)**
Males	72	60
Females	48	40
Total	**120**	**100**
Age group	**Frequency (N)**	**Percentage (%)**
Less than 30 years old	18	15
From 30 to 39 years	54	45
From 40 to 49 years old	30	25
50 years and older	18	15
Total	**120**	**100**
Educational level	**Frequency (N)**	**Percentage (%)**

Baccalaureate	84	70
Master's	28	23.3
PhD	8	6.7
Total	**120**	**100**
Nature of activity	**Frequency (N)**	**Percentage (%)**
Administrative / Public Employe	42	35
Professional / Financial or Tax Expert	30	25
Academic / University Researcher	24	20
Business owner / Investor	18	15
Others	6	5
Total	**120**	**100**

Source: Prepared by the researchers based on the results of statistical processing using the SPSS program.

It is noted from the table that the majority of the sample members are male, accounting for (60%) compared to (40%) female members, which reflects the dominance of the male element in the working categories or those directly dealing with the tax administration in Algeria. As for the age group, the most represented group is the (30–39 years) category at (45%), followed by the (40–49 years) category at (25%), indicating that most respondents belong to the active category in the labor market, which is the group most in contact with the tax system. It is also evident that the majority of the sample members hold a high school diploma at (70%), followed by the master's degree category at (23.3%), and then the doctorate category at (6.7%), which indicates that the sample enjoys a good educational level that allows them to understand the content of the questionnaire and interact with the topic of tax collection and revenues.

Finally, regarding the distribution of the sample by activity, it is evident that the largest percentage belongs to the category of administrators and public employes (35%), followed by professionals and financial experts (25%), then academics and university researchers (20%). Meanwhile, business owners and investors constituted a smaller percentage (15%).

This distribution reflects the diversity of the sample and its professional balance, allowing for a deeper understanding of various perspectives on the effectiveness of tax collection and revenues in the Algerian context.

4.4 Descriptive Statistics for Composite Measures

Table Nº. (2): Descriptive Statistics for Composite Measures of Study Elements

Scale	Average	Standard Deviation
Efficiency	3.72	0.68
Digitization	3.95	0.61
Evasion	2.43	0.74
The impact of collection on revenues	3.69	0.66

Source: Prepared by the researchers based on the results of statistical processing using the SPSS program.

The table shows that the averages of the composite measures fell within a medium to high range, with the tax digitization measure recording the highest average (3.95), reflecting a positive perception of the level of digital transformation in tax administration. In contrast, the tax evasion measure recorded the lowest average (2.43), indicating that the respondents do not perceive tax evasion as a relatively widespread phenomenon within the sample under study. The close values of the other measures (collection efficiency and the impact of collection on revenues) also highlight the stability and consistency of the respondents' opinions regarding the effectiveness of the tax system in general.

4.5 Reliability of the Scales (Cronbach's Alpha)

Table Nº. (3): Internal Consistency Coefficient (Cronbach's Alpha) for the Study Scales

Scale	Number of Items	Cronbach's Alpha
Achievement Efficiency	6	0.84
Digitalization	5	0.81
Evasion	6	0.79
Impact of revenues	3	0.85

Source: Prepared by the researchers based on the results of statistical processing using the SPSS program

The results of the reliability test of the scales show that all calculated values of Cronbach's Alpha exceed 0.70, indicating high internal consistency and good reliability of the measurement tools used in the study, with values ranging between (0.79) and (0.85), which are within the acceptable limits in field research.

4.6 Pearson Correlation Coefficients:

Table Nº (4): Correlation coefficients between study variables and their impact on tax revenues

The relationship	r	Sig
Efficiency ↔ Revenue Impact	0.62	0.000
Digitization ↔ Revenue Impact	0.68	0.000
Evasion ↔ Revenue Impact	-0.55	0.000

Source: Prepared by the researchers based on the results of statistical processing using the SPSS program

The Pearson correlation table indicates the presence of strong statistically significant relationships between the variables, where both collection efficiency and digitization are positively and highly correlated with revenue impact. In contrast, tax evasion shows a clear negative relationship with it, confirming its adverse effect on overall tax performance.

4.7 Multiple Linear Regression:

Table Nº. (5): Results of the Linear Regression Model

Variable	β	t	Sig	Model statistics
(Constant)	1.12	—	—	$R^2 = 0.61$ و $p < 0.001$
Efficiency	0.35	4.98	0.000	
Digitization	0.41	5.45	0.000	$F(3,116) = 63.4$
Evasion	-0.29	-3.72	0.0003	

Source: Prepared by the researchers based on the results of statistical processing using the SPSS program

The regression model shows that all independent variables have a significant and statistically meaningful impact on tax revenues. The results indicate that digitization (β1=0.41) and collection efficiency (β2=0.35) positively contribute to improving revenues, while tax evasion (β3=-0.29) negatively affects them, highlighting the importance of digital and administrative reforms in enhancing tax performance. Additionally, the regression model statistics indicate that the model explains approximately 61% of the variance in tax revenues ($R^2 = 0.61$), reflecting a strong explanatory power. The values $p < 0.001$ and $F(3,116) = 63.4$ indicate that the model as a whole is statistically significant, expressed by the following equation:

Revenue Impact = 1.12 + 0.35(Efficiency) + 0.41(Digitization) − 0.29(Evasion)

5.Discussion of the results:

- The role of administrative efficiency: The results confirm that collection efficiency (employee training, speed of procedures, coordination between departments) increases revenue. The role of administrative efficiency: The results confirm that collection efficiency (employee training, speed of procedures, coordination between departments) increases revenues. This is consistent with Tanzi & Zee (2001) and Bahl & Bird (2008), who stated that administrative efficiency is a key factor in resource mobilization.

-Importance of digitization: Digitization has shown a positive and strong impact (β=0.41), reflecting the benefits of investing in electronic declaration and payment systems and linking databases. This aligns with the findings of Bird & Zolt (2014) and OECD (2020). The importance of digitization: Digitization has shown a positive and strong impact (β=0.41), reflecting the benefits of investing in electronic declaration and payment systems and database integration. This aligns with the results of Bird & Zolt (2014) and OECD (2020).

-Tax evasion as an obstacle: Tax evasion had a significant negative impact. Evading as an obstacle: The impact of evasion is negative and highly demoralizing. This indicates that any plan to enhance collection must integrate strict measures to reduce evasion with encouraging policies to transition to the

formal sector.

- Model strength: $R^2 = 0.61$ gives confidence that the selected variables provide a good explanation for the variations in perceptions regarding the impact of collection on revenues, acknowledging that there are other factors (tax policies, general economic conditions, commodity prices) that may explain the remainder.

- Practical application: The results support multi-faceted policies: accelerated digitization, facilitation of administrative and legal procedures, enhancement of inspection capabilities, and a strategic awareness campaign. Practical application: The results support multi-faceted policies: accelerated digitization, facilitation of administrative and legal procedures, enhancement of inspection capabilities, and awareness strategy.

6. Conclusion and Recommendations:

6.1 Conclusion:

The study results clearly highlight that improving tax collection efficiency is a fundamental pillar for increasing tax revenues and enhancing financial sustainability in Algeria. The statistical analyzes conducted using the SPSS program on a field sample consisting of 120 individuals from the tax administration and tax officers showed a strong and statistically significant positive relationship between the level of collection efficiency and the level of tax revenues collected. It has also been shown that digitization is a crucial factor in improving tax performance by reducing human errors, facilitating declaration and payment processes, and enhancing transparency in the interaction between the taxpayer and the tax administration.

On the other hand, the results showed that tax evasion remains one of the most prominent obstacles undermining the state's efforts to mobilize its own resources, as it is affected by weak field supervision, the complexity of tax procedures, and the lack of tax awareness among certain economic groups. It has been shown thru comparison with international experiences that countries which succeeded in integrating the informal economy, simplifying the tax system, and activating comprehensive digitization mechanisms were able to raise the tax revenue ratio to more than 20% of the GDP within a short period (OECD, 2023, pp. 28–29).

6.2 Recommendations:

The study recommends a series of practical policies to address structural deficiencies, the most important of which are:

- Enhancing the efficiency of tax administration thru continuous training and expanding the use of digital technologies in monitoring and collection. Enhancing the efficiency of tax administration thru continuous training and expanding the use of digital technologies in monitoring and collection.

-Expanding the tax base by integrating informal activities into the formal tax system and encouraging voluntary compliance. Expanding the tax base by integrating informal activities into the formal tax system and encouraging voluntary compliance.

- Simplifying tax procedures and fully implementing electronic invoicing to increase transparency and reduce opportunities for evasion. Simplifying tax

procedures and fully activating electronic invoicing to enhance transparency and reduce opportunities for evasion.

- Improving institutional coordination between tax, customs, and banking administrations to exchange information in real-time. Improving institutional coordination between tax, customs, and banking administrations for real-time information exchange.

Accordingly, the study confirms that improving collection efficiency and integrated digitization represent two strategic pillars for strengthening tax revenues in Algeria, while addressing tax evasion is essential to ensure the fairness and sustainability of the tax system in the medium and long term.

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