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| RESEARCH ARTICLE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  | The Effectiveness of Digital Transformation in Enhancing Tax Collection in Algeria |  |
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| Doi Serial                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  | https://doi.org/10.56334/sei/8.7.28                                                |  |
| Keywords                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  | Digital transformation, tax sector digitization strategy, Jibayatik, tax revenues. |  |
| <b>Abstract</b><br>This study analyzes the impact of digital transformation on the performance of the Algerian tax system, focusing on the platforms "Jibayatic" and "Moussahamatik." It aims to determine the extent to which digitization contributes to improving tax revenue collection and establishing governance. The results show a notable improvement in ordinary tax revenues between 2015 and 2018, despite persistent obstacles such as tax fraud, lack of resources, and delays in the widespread adoption of digital technology. The study also reveals that the establishment of a modern tax administration is progressing slowly due to institutional and material constraints. However, digitalization proves to be an essential lever to modernize public management, improve tax efficiency, and strengthen transparency. Its success depends on better dissemination of digital culture, alignment with international standards, and strengthening mechanisms to combat fraud. |  |                                                                                    |  |
| <b>Citation</b><br>Boussag A., Boussag B. (2025). The Effectiveness of Digital Transformation in Enhancing Tax Collection in Algeria. <i>Science, Education and Innovations in the Context of Modern Problems</i> , 8(7), 253-262; doi:10.56352/sei/8.7.28. <a href="https://imcra-az.org/archive/365-science-education-and-innovations-in-the-context-of-modern-problems-issue-7-volvi-2025.html">https://imcra-az.org/archive/365-science-education-and-innovations-in-the-context-of-modern-problems-issue-7-volvi-2025.html</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |                                                                                    |  |
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| Received: 04.02.2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  | Accepted: 06.04.2025                                                               |  |
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## Introduction

The tax sector is one of the most important sectors upon which the state relies to finance public expenditures, as it represents the primary source of public financial revenues for the public treasury. Therefore, the state found itself facing two options: either to modernize and develop working methods to ensure improved tax administration and achieve efficiency and effectiveness in its performance, or to remain reliant on traditional methods. Believing in the importance of digital transformation adopted by many countries and international organizations—based primarily on modern information and communication technologies, including technological infrastructure, modern communication systems, and information systems—this transformation has changed the way tax services are delivered, shifting from the traditional paper-based model to the digital electronic model.

This implies the existence of a tax information system on an integrated platform that ensures the completion of the various stages of assessment and collection of different tax revenues remotely, which reflects a direct relationship with the overall performance of the tax administration.

From the above, the main question addressed in this paper can be formulated as follows: *Does digital transformation contribute to enhancing the collection of tax revenues in Algeria?* The main hypothesis is: *Digital transformation contributes to enhancing the collection of tax revenues in Algeria.*

This study aims to clarify the concept of both digital transformation and digitization, and to shed light on their numerous advantages in improving institutional performance, while highlighting the key factors for the success of digital transformation as a strategic pathway for achieving sustainable development. It also seeks to analyze the content of the "Jibayatik" and "Mousahamatak" platforms and their role in realizing digital tax administration.

The study further examines the capacity of the electronic tax system, adopted in recent years, to achieve the goals planned by public authorities. Additionally, it aims to clarify the extent to which digital transformation contributes to enhancing the efficiency and effectiveness of tax revenue collection. Finally, the study evaluates the compatibility of the adopted accounting and tax system with the principles of tax governance, in a way that promotes transparency and accountability in public financial management.

The importance of this study stems from the significance of the topic of digitization, which is among the top priorities of the country's high authorities. The President, in the latest meeting, emphasized the importance of evaluating digitization in the sectors where it has been implemented, including the tax sector, stressing that such an evaluation is essential.

## 1- Digital Transformation and the Digitization of Tax Administration

In this section, we address digital transformation and its advantages in the first subsection, the objectives of digitizing tax administration in the second subsection, and digital tax services in the third subsection.

**1.1 Digital Transformation and the Digitization of Tax Administration:** Before defining the concept of digitization, it is necessary to first address digital transformation, then digitization itself, followed by a discussion on the digitization of tax administration.

**A. Digital Transformation:** It is the process of integrating digital technology into all areas of business, fundamentally changing how an organization or administration delivers value to its customers. Innovative digital technologies are adopted to bring about cultural, operational, and managerial transformations that better align with the evolving needs of clients. Through this strategy, government institutions can improve their services, increase efficiency, and reduce administrative corruption, which in turn enhances customer satisfaction and strengthens governance within public institutions.

**B. Digitization:** Digitization is the process of converting written or printed records into electronic formats. The content may consist of text, images, audio, or a combination of these. This process results in an electronic document that can be used over the internet or intranet (Shariful, 2011, p. 02). Thus, digitization involves the use of information and communication technology via the internet to process data and convert it into digital files that can be easily transferred, stored, and retrieved remotely at any time and from any location.

**C. Definition of Tax Administration Digitization:** It refers to the use of information and communication technologies by the tax administration to carry out its tasks and responsibilities, with the aim of improving its services and simplifying procedures for taxpayers. This helps save time and effort in accomplishing tasks, thereby increasing the effectiveness of tax collection and reducing instances of tax evasion (Qannas & Zein, 2021, p. 218).

It is also defined as the change in the function of tax administration due to the influence of modern technologies, smart devices, the internet, and the advancement of e-governments (Zhou, 2021, p. 7508). Of course, this policy has many advantages, but it also involves some risks, the most serious of which is cyberattacks.

**1.2 Advantages of Digitizing Tax Administration:** The move of the tax administration towards digitization is clearly reflected in the way it performs its various tasks and delivers services to taxpayers, as well as in the shift in its policies and future orientations. Below is a summary of some of the advantages provided by this inevitable transformation:

- **Reducing pressure on staff:** This is achieved by lessening the volume of tasks carried out by employees, such as monitoring all procedures related to the study of taxpayer data for tax assessment, collection, control, disputes, and managing the tax file. Digitizing these processes allows all staff to access the information system, facilitating supervision and enabling the rapid exchange of data between departments and with other institutional entities, through the development of multi-interface interactive platforms at both national and international levels.
- **Assisting in data analysis for decision-making:** By providing charts and statistical tables in a timely manner, enabling the evaluation of the efficiency of departments from all aspects and monitoring the level of tax collection by tax type and by each economic activity sector.

- **Better control of tax resources:** Through combating the informal and illegal economy and fighting all forms of fraud regardless of type, while also reducing the cost of tax form requests.
- **Providing high-quality services to users:** By reducing the time taken to process complaints submitted by taxpayers, facilitating access to their tax accounts through secure login keys, implementing remote declaration procedures, and introducing online payment options. (Baali & Abd Gharss, 2021, pp. 10–11)
- **Ensuring the Neutrality of the Tax Administration:** By providing its services electronically, the tax administration can ensure non-discrimination among individuals. The use of electronic administration helps eliminate cases of bribery. Given the sensitive nature of the tax administration's work, its employees are particularly vulnerable to bribery due to financial transactions with citizens. Through this system, there will no longer be direct contact between the individual (the taxpayer requesting the service) and the employee, thus avoiding opportunities for bribery and illicit gain (Ben Arous, 2022, pp. 142–143).
- **Keeping the Tax Administration in Step with Technological Changes:** This electronic transformation allows for significant effectiveness in safeguarding the rights of beneficiaries, as it facilitates access to tax services with high precision and speed. This shift in the working methods of the tax administration demonstrates its adaptability to change, given the advantages of this system in improving operations by simplifying procedures and accelerating the processing of tax service requests (Ben Arous, 2022, p. 144).

**1-3 Objectives of Digitizing Tax Administration:** Through digital transformation, the tax administration aims to automate repetitive procedures and functional tasks, which are often time-consuming and exhausting when done manually. This transformation also seeks to reduce the risk of errors in entering taxpayer assessment data, gradually digitize tax files, and eliminate paper archives. This process contributes to ensuring the availability of information at all times, enabling officials to make accurate and effective decisions. Furthermore, digital transformation allows for the development of audit programs based on objective, verifiable criteria. It also enables the automatic and organized storage of taxpayers' files and creates interactive spaces with various public institutions and others, within a framework of information exchange and verification with greater accuracy and efficiency. (Ben Yedir & Idir, 2022, p. 122)

## 2- Digital Tax Services

The integration of technology into the core of tax operations enhances their actual implementation due to the capabilities offered by modern technology. Among the most important tax-related services supported by technology are: electronic tax registration, electronic tax declaration, and electronic tax collection. Below is a clarification of each:

- **Electronic Tax Registration:** Modern technology allows the tax administration to evaluate and provide the service of online taxpayer registration, saving time and effort. It ensures that each taxpayer is assigned a unified number regardless of their activity or location within the country. Technology is also used to store and safeguard taxpayer identification information and to issue the identification number, which serves as the taxpayer's digital tax identity for facilitating the exchange of information between government entities. (Ben Arous, 2022, p. 155)
- **Electronic Tax Declaration:** The definition of electronic tax declaration corresponds to that of the traditional paper-based declaration, with the key difference being the method of submission. In the electronic version, the taxpayer relies on modern information technologies, specifically a computer connected to the internet. The electronic tax declaration can be defined as a digital mechanism that facilitates the process for the taxpayer to complete and submit their tax declarations without having to visit the tax administration's offices. (Abbad & Soualem, 2022, p. 2146)
- **Advantages of Electronic Tax Declaration:**
  - ✓ It can be submitted at any time, whether during or outside the official working hours of the tax administration, throughout the week.
  - ✓ It can be completed without needing to visit the tax administration.
  - ✓ It reduces the cost of printing paper declaration forms.
  - ✓ Real-time access to the declarations submitted by the taxpayer.

- **Electronic Tax Collection:** The electronic tax collection system contributes to reducing costs, simplifying procedures, and easing congestion at collection centers compared to traditional methods, which have become unreliable. Entrenched bureaucracy in the state apparatus often causes delays in collecting funds. (Meftah & Ben Halima, 2022, p. 167)

**For the success of the electronic tax collection system, the following are required:**

- ✓ Generalizing the use of individual identification in all interactions with the tax administration, linking information from various entities—including banks, insurance companies, and pension funds—to the tax administration. This also requires appropriate technology and legislation that simplifies the procedures of tax assessment and collection, avoiding complexities that could lead to disputes between the administration and taxpayers.
- ✓ Taxpayers must have a bank account through which they can settle their debts with the tax administration.
- ✓ Ensuring security and protection of digital assets against breaches.
- ✓ Promoting tax awareness among taxpayers and guiding them—via digital media—on how to carry out tax transactions online by themselves. (Maazouz, 2022, p. 531)

### 3- Mechanisms of Digital Electronic Services for the Algerian Tax Administration

Digital technology has opened new horizons and opportunities in digitizing tax data and improving the quality of information through the use of modern methods and techniques in information technology. For this reason, many governments have moved toward digitizing tax administrations with the aim of developing more efficient mechanisms for tax revenue collection. This required digitizing the work of the tax administration by adopting electronic documents (such as electronic invoices, electronic declarations, and electronic payments) to provide tax information on one hand, and linking various tax departments to an open platform available 24/7 characterized by speed and ease on the other hand. This means that these departments must be equipped with high-speed internet at all times, which helps taxpayers submit tax declarations or make electronic payments without the hassle of physically visiting the tax administration. (Boulfous & Hajj, 2019, pp. 79-80)

**The electronic services under digitization in Algeria are represented as follows:**

**1- The Official Website of the General Directorate of Taxes**  
With the expansion in the use of communication means and digitization, the General Directorate of Taxes established a bilingual website (Arabic and French) at <https://www.mfdgi.gov.dz/> to enable taxpayers to access various current tax laws and regulations, learn about different taxes, fees, their rates, and payment methods.

This website serves as an electronic platform that provides information and data to anyone who wants it, facilitating easy access with minimal effort and without the need to visit various tax administration offices. (Kamash & Boukhedouni, 2022, p. 774) Its contents include:

- Rich and diverse informational content including:
- Clearly identified personal sections on the homepage aimed at individuals, professionals, and the tax privileges granted to them.
- Legislative and regulatory texts (tax treaties, finance laws, tax laws).
- A repository of documents: tax guides, booklets, tax information bulletins, and messages from the General Directorate of Taxes.
- Very useful practical tax information reminding taxpayers of their tax obligations.
- Geographic location service for the General Directorate of Taxes' offices, providing contact details for all structures affiliated with the Directorate, including addresses and fax numbers. Thanks to Google Maps, the application also allows users to determine routes to these offices via Google Map services. (Lariba & Sahnoun, 2021, p. 517)

### 3.2 The Electronic Declaration Portal "Jibaytek":

Within the framework of digitizing public services, the General Directorate of Taxes established a remote declaration system. After using information and communication technology as a means of disseminating tax information, the tax administration shifted from merely transmitting tax information to using ICT in its relationship with taxpayers by creating the remote declaration system "Jibaytek."

- The adoption of online declaration and electronic payment technology was initially mandatory for taxpayers under the Directorate of Large Enterprises (DGE), which includes foreign companies operating in the hydrocarbon

sector or companies whose turnover exceeds a certain threshold. For them, the remote declaration system has been compulsory since January 2018, and they can pay all taxes and fees electronically.

- However, for taxpayers under tax centers and neighborhood tax offices, the remote declaration system remains optional. (Ramadliya & Kouidri, 2020, p. 478)

It enables taxpayers to declare their tax obligations through the website (<https://www.mfdgi.gov.dz/portailpublic>) The declaration submission process is easy and simple; the taxpayer only needs to enter the taxable amount, while the website's algorithms calculate the amount of tax due. The advantages of the Jibaytek information system can be summarized as follows:

### 1. Regarding the administration:

- Full automation of all administrative procedures, starting from receiving the taxpayer up to the tax base, collection, and managing the tax file.
- Rapid exchange of information between departments and various institutional services through the development of multiple interfaces.
- Digitization of tax material management processes.
- Automation of accounting operations, treasury operations, allocation of the professional activity tax, actual calculation of the main declaration amount, and taxpayer identification.
- Digitization of notifications sent to taxpayers, giving investigators the ability to perform cross-checks between incoming information after petitions are created.
- Obtaining timely reports that allow evaluating departmental performance and monitoring collection levels according to tax types and economic activity sectors.
- Providing reliable summary data for forecasting studies, analysis, and decision-making.
- Reducing the costs of tax print materials.

### 2. Regarding taxpayers:

- Conducting procedures from their location with the General Directorate of Taxes, avoiding travel to submit tax declarations.
- Accessing the tax administration 24/7 throughout the week.
- Providing taxpayers with updated tax calendars and their tax obligations.
- Accessing and reviewing their submitted declaration forms.
- Paying taxes and fees online.
- Viewing their tax debt.
- Filing appeals.

### 3-3 The Electronic Declaration and Payment Portal "Mousahamtak"

The "Mousahamtak" portal represents a new experience in remote procedures, aimed at facilitating administrative processes and simplifying tax compliance for taxpayers by allowing them to declare and pay taxes online. This portal has been implemented at tax collection offices under the provincial directorates that do not have a tax center or a tax neighborhood center. The General Directorate of Taxes has opted for the gradual expansion of the "Mousahamtak" portal across these tax collection offices.

This system enables taxpayers to pay their taxes electronically and directly from their bank accounts to the tax authority. Once the declaration is submitted, it is forwarded to the "payment" section, which guarantees proper receipt of the tax declaration by the tax authorities. Afterward, the taxpayer can pay the declared taxes and fees online using either a credit card or a "gold card." (Meftah & Ben Halima, 2022, p. 173).

**This service eliminates the physical aspect of the following manual procedures:**

- Monthly tax declaration (Series C No. 50).
- Declarations related to the lump-sum tax system (estimated declaration Series C No. 12 and final declaration Series C No. 12 repeated).

- Request for bank domiciliation.
- Payment of taxes and fees related to issued declarations.

Subscribing to this service grants the taxpayer access to a secure and private space on the "Mousahamtak" portal, which includes the following features:

- Access to personal identification data (with the ability to update the access code).
- Assistance in entering tax and fee declaration data with automatic calculation.
- Remote payment of declared taxes and fees via bank card or gold card.
- Full documentation of the services offered by "Mousahamtak."

(Kamash & Boukhadouni, Digitization of the Tax Administration as an Approach to Improving Services in the Context of Tax Reforms in Algeria 1992-2022: The Case of the Two Electronic Portals "Jibaytek" and "Mousahamtak," 2022, p. 779)

**3-4 Digitization of Tax Identification Procedures (NIF):** Since May 8, 2016, economic operators have been able to obtain their Tax Identification Number (NIF) by submitting the tax registration request to the tax directorates online without the need to physically visit the directorate. The Tax Identification Number is issued within 48 hours following the submission of the request through access to the website <https://nif.mfdgi.gov.dz/>. (Baali & Abdel Ghares, 2021, p. 08).

The taxpayer obtains the Tax Identification Number electronically according to the following procedures:

**From the Taxpayer's Side:**

- The taxpayer accesses the General Directorate of Taxes website via the aforementioned link.
- The taxpayer fills out the remote Tax Identification Number (TIN) request form, and upon completing and confirming the data, a receipt notification appears showing the request number, which can be printed.
- The taxpayer follows the procedural status of their TIN request on the same website mentioned earlier.
- The taxpayer then submits the two documents (the Tax Identification Certificate and the receipt notification) in two copies to the territorially competent managing office for signature by the head of the office after verifying the accuracy of the information.

**From the Administration's Side (according to Internal Instruction No. 596, 2016):**

- The head of the office verifies that the information contained in the receipt notification form and the Tax Identification Certificate matches the taxpayer's file, then signs them.
- The head of the office keeps a copy of the receipt notification form and the Tax Identification Certificate with the concerned file.
- The General Directorate of Taxes, through the Tax Information and Documentation Office, publishes the Tax Identification Number on the previously mentioned website. (Saidi & Belbakra, 2019, p. 65)

**3-5 Tax Information System:** In order for the audit departments to verify the accuracy of the tax declarations submitted by taxpayers, correct them, and adjust the declared bases if discrepancies with the actual activity are detected, these departments need access to tax information that allows them to identify various fraud and manipulation attempts carried out by dishonest or non-compliant taxpayers. Tax information plays an important role in determining the true tax base, detecting fraud and tax evasion, and attempts to evade fulfilling genuine tax obligations. Access to tax information requires an effective information system that provides the audit departments with the necessary and accurate information in a timely manner. (Lwaj, 2016, p. 125). The ability of the tax information system to provide sufficient tax data promptly for use has a significant impact on combating tax evasion. (Ben Arous, 2022, p. 134).

**Electronic Declaration Service:** The use of electronic declaration by the taxpayer gives the tax administration the opportunity to complete the review of this declaration in a shorter time. The use of information and communication technology enables the rapid and efficient processing of the large volume of tax declarations from taxpayers simultaneously. (Wishan & Ben Ali, 2017). This service allows achieving the following:

- Saving time, human effort, and costs each time,

- Avoiding fundamental errors in formal tax audits,
- Automatic collection and selection of information for all declarations without exception and without loss,
- Under this service, large sums previously allocated to paper declarations submitted by taxpayers are saved. (Muhtal & Bsas, 2022, pp. 68-69)

**Remote Linking Technology:** Digitization has provided the tax administration with a substantial and diverse amount of information that enables it to track taxpayers' revenues, verify the accuracy of their declarations, and detect cases of tax evasion in the shortest possible time. This makes taxpayers think twice before attempting to hide some of their income, especially if the penalties imposed by tax laws are severe and deterrent to evaders. Digitization also helps financial institutions play the role of a third party between the taxpayer and the tax administration by confirming the transactions carried out through them to the tax authority (Hneish, 2022, p. 99).

The digitization of procedures and electronic data exchange with other institutions allows the tax administration to enrich its database and improve its information system. Consequently, this arrangement enables intensified tax control. Additionally, working under the use of digital (electronic) information media simplifies the process of matching documents with those available to the administration and quickly detecting fraudsters, as the abundance of information significantly reduces the extent of tax evasion (Chami, 2022, p. 539).

#### 4- Evaluation of the Development of Tax Revenues

First, we will address the existing tax revenues in Algeria in the first section, then in the second section, we will evaluate the tax revenues for the period under study.

##### 4-1 Tax Revenues

Tax revenues, whether ordinary or extraordinary, are among the most prominent sources relied upon by the public treasury in Algeria. In particular, petroleum taxation has constituted a significant proportion of the state's income since independence, despite its noticeable decline in recent years. The state's expenditures vary according to economic and financial conditions, which drives it to constantly seek sufficient funding sources to cover these expenses through revenues, representing the first step in financing the public treasury. These revenues include ordinary taxes and fees. Taxes are one of the most important tax resources and are divided into direct taxes, borne by the taxpayer, and indirect taxes, whose burden can be transferred to others. Each type has clear financial, economic, and social impacts. Fees come second in importance, regularly entering the treasury to finance public expenditures and achieve societal benefit. In contrast, petroleum taxation remains an extraordinary resource primarily relied upon by the state, which is gradually seeking to replace it with ordinary taxation similar to other countries, although this effort has not yet yielded the desired results.

**We will identify the main categories of applied taxes and fees in the Algerian tax system in the following points:**

##### First: The Gross Income Tax

The gross income tax is one of the direct taxes. It is classified into six groups, but here we will only present the groups relevant to the Algerian enterprise, focusing on professional profits and agricultural profits.

The tax base for the gross income tax on professional profits constitutes the tax base for the gross income tax solely from professional profits. This is determined by the taxable profit calculated in the same manner used to determine the taxable profit for corporate profits, based on the actual estimation through maintaining regular accounting records to determine the accounting result by subtracting expenses from revenues (revenues recorded in the seventh group of accounts and expenses in the sixth group of accounts), then making the necessary adjustments required by tax regulations outside the accounting system to determine the tax result starting from the accounting result, taking into account the differences between accounting and taxation, including non-deductible expenses and deducting non-taxable revenues.

##### Second: Corporate Profit Tax

The concept of corporate profit tax, as referred to in Article 135 of the Direct Taxes and Similar Duties Law, is the establishment of an annual tax on the total profits or income achieved by companies and other legal persons. This tax is called the corporate profit tax.

It is a declarative tax based on the mandatory declaration by the taxpayer through submitting a tax balance sheet to the tax inspectorate before May 1st each year to verify profits. It is imposed at the following rates:

- 19% for goods production activities,

- 23% for construction, public works, irrigation activities, as well as tourism and spa activities, excluding travel agencies,
- 26% for all other activities.

### Third: Taxes on Turnover

These taxes include a group of indirect fees known as consumption taxes. They contribute in varying proportions to the tax revenue, the most important of which are the value-added tax, the domestic consumption tax, and the tax on petroleum products.

- **Value-Added Tax (VAT):** The VAT was established in Algeria under the 1991 Finance Law. Although the rates applied in recent years have not undergone many changes, the 2017 Finance Law set new rates estimated at 9% and 19%, depending on the type of activity carried out by the taxpayer.
- **Tax on Petroleum Products:** This tax is the newest among the fees and taxes adopted in Algeria, replacing the tax on professional activity. The Minister of Finance stated that its revenue greatly exceeds that of the TAP (Professional Activity Tax).
- **Other Fees:** These are fees imposed on certain activities in addition to tax stamps, which provide the state treasury with considerable sums.

### 2.4 Evaluation of the Impact of Digital Transformation on Tax Revenues

Within the framework of these reforms, the General Directorate of Taxes has modernized administrative structures and management methods by establishing tax centers and a directorate for major enterprises. It has also developed a website that offers various services to taxpayers, including the ability to file declarations and make electronic payments remotely.

The main goal of modernizing the tax administration is to increase tax collection and activate administrative tools to simplify and facilitate tax procedures for taxpayers, thereby enhancing their natural compliance in paying taxes, eliminating tax evasion and fraud, and improving management efficiency.

**We can evaluate the modernization of the tax administration through the following areas:**

#### In the Area of the Development of Tax Revenue Collection:

The effectiveness of modernization in this area can be evaluated through modern collection mechanisms and their role in improving and increasing tax revenue. This development can be demonstrated by comparing the annual revenue from tax receipts for the years 2015 to 2018, as shown in the following table:

**Table 1. Development of ordinary and petroleum taxation in Algeria during the period 2012–2018.**

| Year | Ordinary Tax (Value) | Ordinary Tax (%) | Petroleum Tax (Value) | Petroleum Tax (%) | Total Tax (Value) | Total Tax (%) |
|------|----------------------|------------------|-----------------------|-------------------|-------------------|---------------|
| 2015 | 3050.00              | 57.30%           | 2275.13               | 42.70%            | 5325.13           | 100%          |
| 2016 | 2825.00              | 63.78%           | 1604.00               | 36.22%            | 4429.00           | 100%          |
| 2017 | 2994.00              | 60.78%           | 1932.00               | 39.22%            | 4926.00           | 100%          |
| 2018 | 3688.68              | 56.77%           | 2807.91               | 43.23%            | 6496.59           | 100%          |

**Source:** (Qennas, 2023, p. 72).

From this table, we observe a gradual increase in ordinary tax revenues from year to year. Their share amounted to 57.30% of total tax revenues in 2015, then rose to 63.78%, before declining to 60.78% and then again to 56.77% of total tax revenue in 2018. However, according to recent statements by the Minister and the Director of the General Directorate of Taxes to the national press, there has been a noticeable increase in the contribution rate of ordinary taxation, now exceeding 60%.

The modest tax revenue in previous years can be attributed to several factors, including:

- The high incidence of tax fraud and evasion due to a lack of tax awareness,
- The fragility of tax administration laws,
- The lack of adequate material and human resources,

- The absence of effective tax enforcement.

As for the rest of the tax centers and local offices in the provinces, the reasons include the fact that the electronic system has not yet been fully deployed, the limited resources allocated, insufficient training for tax officials, and some hesitation toward the digital transition.

Meanwhile, petroleum taxation, which constitutes the dominant portion of tax resources, is influenced by external factors such as fuel prices and their fluctuations in global markets, as well as fluctuations in the U.S. dollar, which is the currency used in these exchanges, in addition to the state's shift toward prioritizing ordinary taxation.

Despite these challenges, we generally observe an improvement in total tax revenues in recent years, which encourages the state to continue its modernization strategy to face current challenges and the demands of the digital era.

**In the Field of Administrative Structures:** The modernization of tax administration in this area can be evaluated through the progress rate of the project to establish new administrative structures within the external departments of the tax administration. This project is considered one of the largest administrative initiatives undertaken by the state, aimed at achieving optimal performance, simplifying administrative procedures, and improving the quality of services provided to taxpayers.

**Table 2. Number of New Structures of the General Directorate of Taxes**

| Description                            | Completed Structures | Remaining Structures | Completion Rate |
|----------------------------------------|----------------------|----------------------|-----------------|
| Directorate of Major Enterprises (DGE) | 01                   | 00                   | 100%            |
| Tax Centers (CDI)                      | 23                   | 42                   | 54.76%          |
| Local Tax Centers (CPI)                | 82                   | 168                  | 48.80%          |

**Source:** Official website of the General Directorate of Taxes (adapted).

From the table, it is evident that there has been significant delay in the completion and equipping of administrative structures. The modernization program had planned the construction of 315 new tax structures—comprising tax centers and local centers—during the 2006–2010 accounting plan. However, the actual implementation results were very weak compared to what had been planned. From the end of 2011 until today, the General Directorate of Taxes has put into service only 23 tax centers out of a total of 65, and 82 local centers out of 250.

This indicates poor execution of the modernization programs, due to slow implementation and failure to adhere to the scheduled timelines. Additionally, there are fabricated obstacles and impediments aimed at undermining this reform, as it does not serve the interests of certain influential parties who believe that the establishment of these tax centers may harm their interests by uncovering various cases of fraud and tax evasion in Algeria.

### Conclusion:

The study reached a set of findings that confirm the validity of the main hypothesis, revealing that tax digitalization has contributed to improving tax revenues, according to government reports issued since the launch of the digital transformation process. It also showed that the platforms "Jibayatic" and "Moussahamatak" have achieved a relatively satisfactory level of acceptance among taxpayers. However, there is still a need to further promote the culture of digitalization and enhance its use, as part of Algeria's broader efforts to digitize its tax administration and achieve institutional governance. Among the findings is also that digital transformation is no longer a choice but a necessity imposed by the requirements of the digital age, due to its capacity to harness information and communication technology to bring about fundamental changes in work methods.

The Algerian government, in the context of its tax reforms, has sought to digitize the tax administration by adopting modern, technology-based tools to deliver its services. However, the success of these reforms remains dependent on generalizing digitalization across various aspects of economic, financial, and legal life. The study also revealed that the digitalization of tax administration represents an advanced model for managing internal operations and improving the relationship between the administration and taxpayers. In light of these findings, the study recommends the activation of national digital platforms within an integrated approach among different sectors to collect data related to taxable operations.

It also recommends the continuous re-engineering of the tax information system to keep pace with financial developments, accelerating the reform of the financial accounting system which has not been updated since its adoption, and the adoption of international public sector accounting standards in alignment with the budgetary reform stipulated by Organic Law 18/15. Furthermore, it calls for stricter penalties for anyone proven to be involved in tax evasion or fraud, without exception, to ensure tax justice and increase tax efficiency.

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