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The information system's efficiency in the process of settling accounts tax

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Abstract

The aim of the study is to investigate the information system's efficiency in the process of settling accounts tax via comparative qualitative research methods. As a result, the information system is characterized by the ability to store information through the provision of diverse information in more detail and enhance credibility, accuracy and impartiality in the results. In conclusion, subordination of auditors to pressure the owners of companies and then the ratification of accounts do not correspond to reality.

Keywords: Information, companies, taxes, system, accounts.

La eficiencia del sistema de información en el proceso de liquidación de cuentas tributarias

Resumen

El objetivo del estudio es investigar la eficiencia del sistema de información en el proceso de liquidación de impuestos a través de métodos de investigación cualitativa comparativa. Como resultado, el sistema de información se caracteriza por la capacidad de almacenar información a través de la provisión de información diversa con más detalle y mejorar la credibilidad, precisión e imparcialidad en los resultados. En conclusión, la subordinación de los auditores para

presionar a los dueños de las empresas y luego la ratificación de las cuentas no corresponde a la realidad.

Palabras clave: Información, empresas, impuestos, sistema, cuentas.

1. INTRODUCTION

Today world witnesses a tremendous technological development that has helped in the use of computers and means of communication quickly and accurately to collect and process data in a way that can be used in many areas. Also, computers provide an accurate database to achieve the required accuracy and speed. The tax information system has a significant role in raising the tax accounting process in the General Authority for Taxation because it has an important role in the optimal use of the material and human resources and the achievement of the objectives planned in advance. This can be seen clearly through the process of tax assessment and collection without hesitation in the procedures of the process of tax accounting as well as the formation of mutual trust between the General Authority for Taxation and taxpayers (natural and moral). This greatly facilitates the functioning of the General Authority for Taxation.

1.1. The problem of research

The reliance on manual methods is due to weak tax information systems to conduct the process of tax accounting. Therefore, it is difficult to provide information to the tax administration in a timely

manner and at a lower cost. Furthermore, the procedures of tax accounting for companies unfavorably affect to create the necessary information to increase the tax income of the state.

1.2. Aim of the research

The process of tax accounting is a vital factor of the tax information system because the tax is an important component of the state for the success of the process of tax accounting. Subsequently, it should be an accurate calculation of the tax base in line with the laws for increasing revenues of the proceeds of the state.

1.3. Objective of the research

Identifying the most important indicators that can be adopted by the taxers when examining the financial statements (tax accounting procedures) submitted by companies. Taken into consideration the system of tax information arising from the laws and financial legislation in force for the completion of tax accounting.

1.4. The hypothesis of research

The availability of tax information system developed and adopted in the General Authority for Taxation helps to identify the tax

base of the taxpayers objectively and purpose of the completion of the process of tax accounting on the one hand. And then eliminate routine work and manual labor to save time, cost and effort on the other hand.

1.5. Limits of research

It incorporates division in the General Authority for Taxation.

2. THEORETICAL FRAMEWORK FOR RESEARCH

2.1. The concept of information, data and efficiency

2.1.1. The concept of information

When the individual in all cases usually faces a particular situation he needs the necessary information to assist in the study of the situation and decision-making. Information is the final product of the raw material any data that will be operated according to the stages of the tax system or a system that provides management with all the information needed to manage the organization's activities.

2.1.2. The data

The data represent any group of letters, symbols or numbers that reflect the fact of certain events or raw materials that often do not lead to a decision but rather paves the way for decision-making (Gharab & Hijazi, 1997). Data are used in a certain way or placed in a particular format or arrangement, which is called data manipulation in order to obtain or access useful information for decision-making.

2.1.3. Efficiency

Kurdish (2010) mentioned that efficiency is the relationship between the number of inputs and the number of outputs, that is, the ratio between the resources used and the results achieved, i.e., the efficiency increases when the resources used are less, compared to the results achieved. The proportion between outputs and inputs, For example, management is said to be efficient, producing more or better using fewer resources than labor, materials, and machine time over a short period of time (Abdullah, 1984).

2.2. Components of the information system

2.2.1. Inputs

The term data refers primarily to accounting functions and related financial operations but the reality is otherwise. Data can include any facts, numbers, letters, words, diagrams, and images that

represent an idea, a particular subject or express a situation or position ... etc. Hence, this term may include various things such as inventory numbers, electricity meter readings, school records, medical statistics, geometrical maps, production and sales numbers ... etc. This list can continue pages and pages because the examples of data can be found in all areas of human activity and not only in the financial field For accounting, taking into account the difference in types of data, their complexity, details, availability, time, beneficiaries, etc. Thus, the input of the tax information system is as follows:

1 - Customs Permits: - The official document approved by the General Authority for Taxation for the purposes of tax accounting with the taxpayer (importer or exporter), whether a person natural or moral.

2 - Quotations: - It is a collection of technical tax information (contracts of construction, processing and sales lists), which are committed to the various government departments and professional associations and trade unions in accordance with the provisions of the Income Tax Law by providing them (financial statements) to the General Authority for taxes. Including contracts of a specific taxpayer or a group of taxpayers (I.e. with the State) for one fiscal year or several years prior to reaching the amount of taxable profit. (The definition was formulated through the practical cooperation in the General Authority for Taxes).

3 - Field tax survey: - The formation of a specialized committee is formed by the General Authority for Taxation to conduct an on-site

disclosure of sources of income of taxpayers to subject tax accounting according to administrative order issued by the Financial Authority (General Authority for Taxation) (the definition was formulated through practical cooperation in the General Authority for Taxes).

4 - When the tax administration concludes that there is a contradiction in the final accounts of the taxable company, the records of that company are then taken to be verified, where a committee is formed by order of the Director General for the purpose of obtaining all the accounting and financial records and any other documents deemed necessary by the Commission. The records are organized in two copies, the first is delivered to the company representative and the other is maintained by the committee. The records are then checked and checked at the Commission's position at the Audit Division, then the report is submitted to the Office of the Director General through the Director of Internal Audit and Audit Department J. The report was submitted to the Companies Section for the purpose of evaluating the Company in the light of the report (Penguin, 1983).

2.2.2. Data processing

A group of operational activities that are carried out on inputs to transform them from their initial image into a new one. Some of the data can be used in the initial form stored in it, and the process of processing and summarizing data to meet the needs of the administration. The tax system converts primary data into financial

lists and reports through the process of registration, tabulation, summarization and interviewing (Kaabi, 2008). After receiving the data from its various sources, the processing process is carried out in accordance with the subsystems which support the tax information system and can be shown as follows:

1. The concept of tax accounting and its procedures (Afana, 2004). For the purpose of determining the amount of tax due by the financial authority, the tax base should be determined to determine the amount of profit (income) realized by the taxpayer, which will be taxed according to the law. Before the entities covered by the Income Tax Law and the Commercial Bookkeeping System for a specified financial period in order to reach the proper tax base (taxable profit) and to maintain the public treasury of the State (Kaabi, 2008).

It is clear that tax accounting is the kind of accounting branch that deals with the measurement of information about the identification of the tax base. Also, the value of the money that the taxpayer contributes to the public burden is to enable the state to achieve its economic and social objectives. The most important tax accounting procedures are:

- A. Tax Inspection: It includes an examination of the financial statements of the taxpayers that have been organized and published critically and carefully. In the light of additional information and data related to them, the purpose of reaching the real financial position at a certain time to the results of real business during that financial period

has been applied to the texts of tax laws. The examination is based on the data and the declarations submitted by the taxpayers according to the requirements of the Income Tax Law or the so-called tax (right of access). As well as the financial statements required to be submitted under the bookkeeping system for income tax purposes. The aim of all the above is to reach the tax base to achieve the goal of maintaining the public treasury of the state (Hegazi, 2000).

C) The process of tax accounting and financial statements: The financial statements represent the results of the tax accounting process that reflect all the financial transactions in the project within a certain period, typically a full year starting from (1/1) or from the date of establishment of the project until 31/12. The proceeds of sales revenue and operating expenses are known by looking at the amount of profit accounting (Profit Accounting) as the difference between revenues and expenses. To reach the amount of profit the profitability of the project or the company is reflected for a periodic period is often a year.

2.3. Methods of estimation of the tax

There are many ways to access the tax base depending on the development of the administrative bodies in the field of tax and technological level, the extent of tax awareness among taxpayers, the prevailing social and economic conditions. Some of the common ways in which we can reach the amount of the tax base are:

1. Indirect methods: The estimate is indirect if the financial management takes external elements as evidence of the amount of the taxable material.

These methods:

A - Method of external appearances: The tax administration is based on estimating the tax base in accordance with this method on some aspects or external evidence surrounding the taxpayer or the activity subject to it. So that these aspects are determined in a controlled manner. It is called the standard or graphical method (Sabban, 2000).

B - Method of random estimation: The difference between method of random estimation and the external appearance method is that the tax in the case of appreciation is located on the same income measured by external phenomena (rental value for example), but in the case of appreciation on the basis of external appearances, the tax lies on the same manifestations, and result in this difference that the legislator in the case of appreciation randomly is given. The taxpayer has the right to prove his income that is less than what the law prescribes. In the case of appreciation based on external appearances, he does not have this right.

2.4. Direct methods

These methods are more scientific in determining the tax base of the taxpayers depending on the details related to the component in one of the following ways. (A) The taxpayer's acknowledgment is defined as a tax inspection: it is a check of the financial statements or files of the taxpayers, which are carefully and critically examined and prepared to determine the amount of tax imposed by the taxpayer to be paid and which the state obtains according to a specific law (Libby, 1996).

B - Method of administrative estimation

The financial authority refers to this method in determining the tax base of the taxpayer in the case of his failure to submit the declaration or in the case of the difference of financial authority with the taxpayer on the estimation. The income is determined by the information available to the financial authority about the activity of the economic taxpayer (Kurdish, 2010).

3. Outputs - represent the revenues of the system. I.e. the final results of the process of transformation of the system. System outputs are closely related to their objectives and include converted elements produced by means of conversion or processing (both manual and electronic). It is the result of the work of the system, which crystallizes in different forms and patterns that represent the system's contribution to the surrounding environment. Information is the final results obtained for the possibility of decision-making (Mansour & Abualnour, 1996).

2.5. Reverse feeding

The process of analyzing this efficiency is called the reverse feeding of the system and its environment to correct the system paths. The feedback can be defined as the relationship between the outputs of the system and its inputs. The system works more efficiently if it contains feedback and control. The feedback is data on system performance and thus enables the performance of the control function to determine deviations of the system from its tracks and then make adjustments to ensure accuracy in the output, (O'Brien, 1990). It is through the tax information system that the real taxpayer's income can be reached to carry out the tax accounting process using the information system to return the information and enter with the taxpayer's data to feedback for a subsequent financial period. The diagram below shows this (Altaei, 2000).

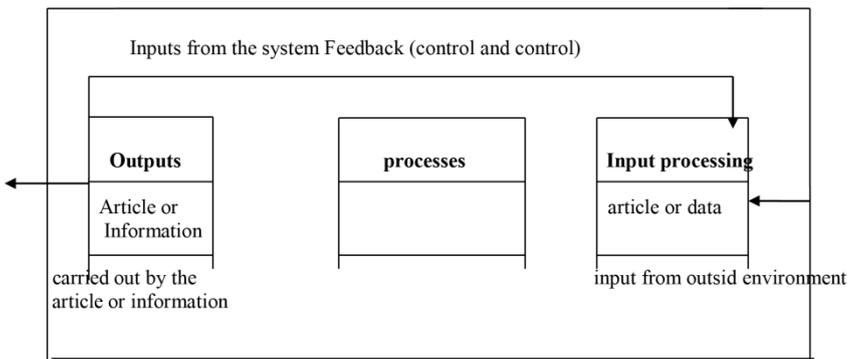


Figure 1: The model is the general basis of the elements of the system

The tax information system goes through the four stages mentioned above and ends with reverse feeding. This process is accompanied by monitoring of tax information in all the ways and means used by the Department of Economic Unit to direct and control activities and functions in order to ensure that the objectives are achieved. Control of information is defined as searching for the defects of the accounts for a previous year or years and testing the validity of the results with a view to reaching the accuracy of the results and their reality and thus to the real tax profit (Murad, 1990). The above definition can be seen. The control of the balance sheet and the final accounts is carefully checked to reach the deficiencies of such data and information by the taxpayer, if it chooses to examine the records and documents, it can either request or examine the field at the duty of the taxpayer.

Second scale: The extent of the impact of the tax information system in the process of tax accounting

The system is defined as the set of ideological, economic and technical elements that superposition leads to a particular tax entity, the entity that represents the sensory interface of the system and whose features necessarily differ in an economically advanced society from its image in a different society (Osman & Ashmawi, 2007). The tax information system is not an alternative to the administrative information system, but it is a system of subsystems that constitute the administrative information system and therefore does not meet all the needs of the total system. It is known that the information produced by

the tax accounting system is basically quantitative and financial information about economic units purpose Which can be useful in economic decision-making (Fayoumi, 1998).

2.6. Practical side

2.6.1. Preface

The availability of information is one of the important and necessary elements to complete the tax accounting process for the tax administration. Tax information should be characterized by high speed and accuracy in order to assist the tax administration in accomplishing the tasks entrusted to it without delay in completing transactions and achieving the wanted goals. This section will cover a brief description of the technical information section, which is the section dealing with quotations from government departments. It will also deal with a random sample of a number of cases of tax liability in the General Tax Authority, companies section. In addition to the completion of tax accounting, reducing the cases of tax evasion and the achievement of tax justice among the taxpayers.

3. CONCLUSIONS

1- The majority of the estimates of the taxpayers are made in reserve and not final, if the estimates do not acquire the

determinative degree due to insufficient or accurate information because there is no effective information system.

2 - The tax information system coordinates information, classification and storage on a regular basis making the process of use and retrieval easier, more flexible and faster response requirements.

3 - There should be cooperation between the tax administration and state institutions in the matter of tax despite the existence of a rule of law obliges the state departments to send all the quotes and financial statements to conduct the process of tax accounting. Cooperation creates an information base for building an effective tax system.

4 - The information system is characterized by the ability to store information through the provision of various information in more accurate details according to the credibility and accuracy and impartiality in the results as well as the speed in providing information that can be changed and retrieved at any time.

5 - Failure to stick to the accounts provided by the taxpayers and their acceptance of the estimates under the approved annual ratios of the reasons for the lack of doubt in these accounts and non-objection.

6 - Subordination of auditors to pressure the owners of companies and then the ratification of accounts do not correspond to reality.

4. RECOMMENDATIONS

1- Use modern computers and advanced programs in all sections of the General Authority for Taxation to perform their duties in completing the process of tax accounting. Providing a communications network, providing information as quickly as possible and optimizing the use of the computer.

2- Raise the efficiency of the employees in the computer department in computer work and training the employees in the way of using the computer through the introduction of courses.

3- The tax administration should increase the importance of the tax information system and the level of performance of these

Systems do not only depend on internal environmental factors but also on external environmental factors as well.

4- To work on a set of marginal measures against companies that conceal information about the tax profit and submit false reports to the financial authority.

5- To take legal action against auditors who prove their involvement with taxpayers.

6- Tax information systems are important in tax work by expanding their use of electronic computers.

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