

## Tax system management: from collection to local development: Case study of the tourist tax collection center in El Tarf City

Abdelghani Merabti <sup>1</sup> and Mehdia Hammel <sup>2</sup>

<sup>1</sup> Senior Lecturer class A (MCA), Sustainable Local Development: Agriculture, Rural Development and Ecotourism Laboratory, Faculty of Economic, Commerce and Management Sciences, Chadli Bendjedid El Tarf University, Algeria. E-mail: [a.merabti@univ-eltarf.dz](mailto:a.merabti@univ-eltarf.dz)

<sup>2</sup> Professor, Faculty of Human and Social Sciences, Chadli Bendjedid El Tarf University, Algeria. E-mail: [hammel-mehdia@univ-eltarf.dz](mailto:hammel-mehdia@univ-eltarf.dz)

**Abstract---**Through this study, we tried to shed light on the collections of the tax system and its importance in local development within the framework of the Algerian state's orientation towards a comprehensive project of tax reforms that Algeria seeks to implement in light of the international crises. The study concluded by making a modest contribution to the collections of the tax system and its importance in local development, with reference to the Tax Inspectorate in Tarf, which is still dealing with the process of filtering files, collections and tax bowls, sorting and transferring them to digitise the tax bowls for previous and current years due to the delay of the new information system (jibaya'tic). The results concluded that despite the efforts made, the tax efficiency and collection results remain very weak and have not reached the strategic goal set by the higher authorities.

**Keywords---**taxation, tax system, neighbourhood centre, tax collector, local development.

### Introduction:

The Algerian tax system has undergone fundamental changes in order to promote the national economy, provided that the tax is imposed in accordance with the taxpayer's affordability, in proportion to income, in order to achieve tax justice, which is a path to social justice, all through the introduction of amendments to the tax system, such as the revision of some laws and the introduction of new taxes in line with current developments and the regulation of the relationship between the taxpayer and the

---

### How to Cite:

Merabti, A., & Hammel, M. (2025). Tax system management: from collection to local development: Case study of the tourist tax collection center in El Tarf City. *The International Tax Journal*, 52(1), 111–123. Retrieved from <https://internationaltaxjournal.online/index.php/itj/article/view/45>

The International tax journal ISSN: 0097-7314 E-ISSN: 3066-2370 © 2025

ITJ is open access and licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License.

Submitted: 15 Nov 2024 | Revised: 23 Jan 2025 | Accepted: 12 Feb 2025

administration, and within the framework of activating the monetary and financial policy, new structures were created, such as the neighbourhood centre, the tax centre, the directorates of major institutions and providing information technology equipment and electronic devices.

Most countries have faced a set of challenges in the course of the tax system, in particular the obstacles encountered by the Algerian state during its reform of the tax system, looking forward to future prospects based on activating and promoting the digitisation of the sector and linking it to the rest of the economic and strategic sectors, hence the main issues are as follows:

### **What is the role of tax system collections and its importance on local development?**

Several sub-questions emerged from this question:

1. What do we mean by taxation? Do tax systems contribute significantly to the collection processes of the public treasury?
2. What are the most important taxes and fees for the tax office in Tarf?
3. What is the feasibility of diagnosing and analysing the tax centre of Tarf?
4. Are the tax reforms introduced by the tax centre useful for local development?

### **Research topics:**

1. The conceptual framework of taxation and the tax system.
2. Tax systems and their role in collecting for the public treasury.
3. Field study.

This study adopted two main methodologies to ensure comprehensive and accurate analysis. In the theoretical aspect, the descriptive method was employed to clarify the concepts related to the studied variables, contributing to a clear and comprehensive knowledge framework. In the practical aspect, the analytical method was applied by collecting data and conducting a field study at the Tax Center in downtown El Tarf, providing a deeper understanding of the fiscal reality of the municipalities under the proximity center.

### **1. Theoretical Framework:**

Following the reform of the tax legislation that the Algerian tax system has undergone since 1992, the State has sought to create an effective tax administration. (Talahite, 2021, p. 07) Through Executive Decree No. 06-327 of 18 September 2006 and the implementation of the inter-ministerial decision of 21 February 2009, which includes the organisation of the external services of the tax administration, tax centres and neighbourhood tax centres have been created instead of inspectorates and clerks according to the nature of taxpayers. These new structures are an embodiment of the modernisation of the tax administration in line with the legislative reform of the tax, all in an effort by the State to develop a tax strategy that enables it to achieve its objectives without compromising and burdening the taxpayer.

#### **1.1. The concept of a tax system:**

Taxes are material incentives that allow actors to freely dispose of them according to their individual calculations of the costs and benefits derived from them (Rixen, T., & Unger, B., 2022, p. 622). While the tax system is a structured framework that regulates a set of integrated and harmonized taxes, determined based on economic, financial, and technical principles while considering political, economic, social, and administrative factors (Bryzgalin, 2002). It consists of interconnected and interdependent components that form a cohesive whole, ensuring an orderly standardization of social and economic interactions. The tax system governs the financial relationship between the state and taxpayers, facilitating the transfer of funds in a structured manner. It encompasses all taxes in force at a given time within a country, ensuring they are complementary, non-contradictory, and free from multiple taxation on the same source. Additionally, a well-structured tax system requires taxes to be properly aligned to maintain balance and efficiency in revenue collection, thereby enabling the state to meet its fiscal needs and exercise its powers effectively (Wantoch-Rekowski, J. Wilmanowicz, M, 2019, p. 10). Barnett &

Yandle argue that regulations and taxes have the same effect on individuals and businesses, as regulations impose additional costs similar to taxes through compliance requirements, while taxes are used as a tool to regulate economic and social behavior. Taxes are not limited to revenue collection but also guide companies and individuals toward certain actions, just as regulations do. Thus, the difference between them lies in the method rather than the nature of the impact, as both lead to economic behavior adjustments and financial burdens(Barnett AH, Yandle B, 2004, p. 217).

### **1.2. Characteristics of the tax system:**

The tax system is characterised by a special and distinctive tax structure whose composition depends on the role it has to play, and has specific objectives shaped by the conditions of society(Rixen, T., & Unger, B., 2022, p. 622), current and future paths of tax policy, the system of principles of tax legislation, tax authorities and relevant financial entities, in addition to the conditions of interaction between financial and tax systems, and procedures for distributing taxes between budgets. The tax system also includes forms and methods of tax control, tax compliance procedures, and responsibilities of participants in tax legal relations, in addition to the means adopted to protect the rights and interests of taxpayers, which enhances its efficiency and sustainability in achieving the financial and economic goals of the state(Nazarov, 2016, p. 2196). The tax system is also characterised by clarity in order to understand its transactions, ease of understanding, and the citizen's right to access it (Article 124 of the Finance Law 2020). It is also characterised by flexibility, which allows the acceptance of subjecting a new activity to taxation or exempting another activity from it according to the prevailing social and economic conditions for a certain period and without affecting the essence of the tax system, helping to stimulate the wheel of tax expansion and collection.

### **1.3. Objectives of tax systems:**

A tax system is a set of taxes based on a set of technical and legal rules that enable tax collection, which are chosen in a particular country according to a certain period and the economic and social realities of each country(de Moraes e Soares et Al, 2023, p. 18512).

#### **1.3.1. Fiscal objectives:**

Financial objectives: The tax system in any society is designed according to economic determinants related to the demand for money and non-financial objectives related to influencing and stimulating economic, social and political development processes(Felis, P. et Al, 2025, p. 22). The development of the system in line with the change and development of these components, therefore the designers of these systems and decision-makers must take into account the issue of "financing" above all, especially with the increasing intervention of the state in various areas of economic and social life and thus the need for the state to provide the treasury with the necessary funds to cover public expenditures to meet its multiple obligations, and the revenues obtained by the state depend on the sources of these resources(Battlelevell, M., & Hanf, K, 2008, p. 2793).

#### **1.3.2. Economic objective:**

The role and importance of taxes in enhancing internal financing and increasing the financial resources required by the development process is highlighted and the development of internal sources of financing, especially taxes, through the mobilisation of national resources necessary for the development process in order to create incomes that produce new taxes(Camara, 2023, p. 102). Working to achieve stability and economic growth in the volume of total expenditure and in the case of inflation resulting from an increase in aggregate demand, taxes are increased to reduce the volume of aggregate demand to equal the total supply at the level of full employment, and is called a contractionary fiscal policy(Gravelle, J.& Hungerford, T. L., 2019, pp. 1-2).

The contribution of taxes to the redistribution of national income in the cover of expenditures. The state tends to impose high taxes on imported goods, which leads to reducing foreign competition and reducing imported products, thus increasing local production in the markets, and when the state wants

to reduce the consumption of certain goods, it tends to impose high taxes and fees (Suryono, 2024, p. 304).

### 1.3.3. Social objectives:

Taxation is one of the most important means used by countries to achieve convergence and dissolve the differences between classes and fight hoarding. The tax also works to achieve social justice by distributing income to what is spent with social justice, and the state resorts to raising the prices of some products that it finds harmful to health to minimise their effects on the health of citizens and thus avoid treatment courses and provide medicines and health insurance, such as alcoholic beverages (Barannyk, L. et al, 2021, p. 289). The state also allocates part of the taxes collected to finance some public services for members of society, such as security, and utilises part of the taxes collected to grant subsidies to the unemployed and disabled, as well as establishing projects that benefit the disabled and others (Núñez-Barriopedro, E. et al, 2024).

### 1.3.4. Political goals:

Taxes are one of the main tools used by political authorities to implement their tasks and achieve their strategic objectives. They are not only a primary source of government revenue but also serve various political purposes, such as promoting economic stability, redistributing income, and supporting lower-income groups (Herbert, W. E et al, 2018, pp. 77-78).

Additionally, taxes are used as a means to guide economic activity through tax incentives or levies on specific sectors, aligning with the state's political orientations. Moreover, tax policy can reflect government priorities in areas such as sustainable development, investment promotion, and the protection of local industries, making it an effective tool for shaping public policies and directing the economy according to the state's political vision and objectives.

## 2. Field study on the organizational structures of the external departments of the Regional Directorate of Taxes in Tarf.

### 2.1. Overview of the Tax Centre for the State of Tarf:

The Tax Centre was announced as a new project on the 1st of January 2020 and is located in the Sidi Belkacem district of Tarf. It is specialised in managing the files of taxpayers subject to taxation under the real system whose turnover is not less than fifteen million Algerian dinars (15,000,000 DZD). In addition, the Tax Centre for the wilaya of El Tarf is competent to follow up on companies and natural persons related to the real system, the simplified real system, and the self-employed.

Taxation is organised into three main departments, a cluster and two services: (Article 89 of the Joint Ministerial Decree regulating the external services of the tax administration and their powers, February 2009).

- **Main administration department:** Handling the tax files of taxpayers belonging to the Tax Centre in the field of tax base and tax control, following up on tax concessions and preliminary examination of protests, approving the schedules and revenue bonds and submitting them to the head of the Centre for approval, as an authorised agent of the State Director of Taxation, proposing the registration of taxpayers for control based on documents or in-depth review of the overall tax situation, preparing periodic reports, compiling statistics, preparing work plans and organising work with other departments while ensuring their harmony.
- **The main monitoring and research department:** Carrying out the procedures of researching, processing, storing and distributing tax information in order to exploit it. Proposing and carrying out control operations such as on-site audits, documentary control and declarations of taxpayers affiliated to tax centres, preparing statistical tables and periodic evaluation records (Article 90 of the previous ministerial decree).

- **The main disputes department:** Studying dispute appeals or exemptions addressed to the tax centre resulting from the imposition of taxes, increases, fines or penalties decided by the centre, as well as requests for the recovery of TVA deductions, as well as following up dispute cases submitted to the judicial authorities.
- **Collection:** To take care of the payments made by taxpayers in terms of automatic payments made or through the general or individual schedules issued against them, as well as following up on their status of collection and implementing the measures stipulated in the legislation and regulations in force relating to the compulsory collection of tax. It also maintains accounting that conforms to the rules of public accounting and submits management accounts prepared for the Accounting Council. As for the two departments, the Reception and Information Department is responsible for organising the reception of taxpayers, informing them and disseminating information about their tax rights and duties. As for the Department of Automated Information and Media, it exploits and secures information applications, manages qualifications and approved access licences, identifies the departments' needs for equipment and supplies, and takes care of the maintenance of equipment.

## 2.2. Introduction to the Tarf Neighbourhood Tax Center:

Established by Executive Decree no: **06-327** of **18 September 2006** defining the organisation and powers of the external services, as amended and supplemented, representing the completion of the programme to modernise the structures and procedures of the tax administration. The Tarf Tax Outpost is managed by a Head of Centre in three **(03)** main services, two **(02)** services and a clerk.

- **The start of the activity:** Launched on **1 January 2020**, it is a new operational department of the General Directorate of Taxation dedicated exclusively to the management of tax files and the collection of taxes due from a large category (natural or legal persons), mainly represented by taxpayers subject to the penalty system.
- **The mission of the centre:** The establishment of the Tax Outreach Centre in Tarf, which replaced the existing structures (the Inspectorate and the tax office), aims to ensure the best quality service to taxpayers by simplifying, streamlining and modernising procedures, despite its short experience. The Tarf Tax Outreach Centre is the body in charge of managing the tax files of taxpayers subject to the random system, and includes all activities and self-employed professions subject to the random system whose turnover does not exceed **150,000,000dj**, in accordance with Article 8 of the Finance Law **2020**, and works to issue schedules and lists, collections and cancellation certificates, to control accounting writings and compile statistics, send them to the competent authorities and evaluate their results, study and address complaints, and ensure the task of receiving and informing taxpayers and dealing with all their concerns. The Centre aims to improve the service provided to taxpayers, reduce fraud and tax evasion, as well as monitor collections and disputes under the supervision of the Head of the Centre, putting at their disposal a single structure specialised in the field of the base, collection, control and disputes of all taxes and fees payable by this category of taxpayers, as it has taken over all the tax functions exercised by the Inspectorate and the Casbah, to enable them to perform all their tax duties.
- **Management of taxes and fees:** The Tarf Tax Outreach Centre is responsible for administering, monitoring and collecting the following taxes and fees: Single Flat Tax, Gross Income Tax (GIT), Gross Income Tax (GIT), Gross Income Tax (GIT), Agricultural Income Tax (GIT), Gross Income Tax (GIT), Real Estate Income Tax (REIT), Gross Income Tax (GIT), Wage Withholding Tax (WIT), Property Tax, Real Estate Fee, Cleansing Fee, Other Rights and Revenues.

### 2.3. Organisational Structure of the Tarf Tourist Centre:

In order to materialise the aforementioned functions of the Holding and to ensure the proper functioning of its work, its organisational structure has been divided into three (03) departments, namely:

- **Cashier's Department:** At the end of each day, the cashier closes the accounts until the total inventory is completed, then comes the draft of the fund, which is closely related to the fund's income book, and this is because the latter contains all the financial amounts in the financial treasury, so we cannot at all dispense with it because it controls all daily accounts.
- **Accounting Department:** The role of the accounting department is considered liquidated because this process is prepared and specialises in the work done in the window and corrects all errors that the cashier may make during the performance of his duties and the daily inventory process, which is limited to correction only, but paves the way for another process represented in the accounting for that month and at the end of the month, this department liquidates the books for recording the calculations and all in order to calculate the value of the total income, which is distributed by nature according to the order directed by the state by regions.

**Table 01: Distribution of the percentages of entities benefiting from tax revenues.**

Tax type	Distribution tax						
	Municipality	Province	State	(FCCL)*	(FRC)**	(NRFM)	Total
Income Tax (IRG)	-	-	100%	-	-	-	100%
Corporate Profit Tax (IBS)	-	-	100%	-	-	-	100%
Value Added Tax (TVA)	66%	29%	-	5%	-	-	100%
Professional Activity Tax (TAP)	66%	29%	-	5%	-	-	100%
Flat Rate Tax (IFU) - 5% and 12% rates	40.25%	5%	49.75%	5%	-	-	100%
Flat Rate Tax (IFU) - Unit of 1000 DZD	100%	-	-	-	-	-	100%
Special Fee (RF)	50%	-	50%	-	-	-	100%
Collection Fee (PR)	-	-	-	-	100%	-	100%
CARS voucher			60%	20%		20%	
Flat Rate Percentage	60%	20%	20%	-	-	-	100%

\*= Local Communities Joint Fund.

\*\*= Supplementary Income Fund for Finance Department Employees.

\*\*\* = National Road Fund Motorways.

Source: The accounting department of the tax centre in Tarf.

- **Follow-up Department:** This department has an effective role in tax operations, so a special office headed by the head of the follow-up and representing a group of officers with all legal powers to carry out their work to follow up in the field for tax evasion by traders and all the powers granted by the law.
- **Important Taxes and Fees of the Tax Collectorate in Tarf**

The analysis of the status of product clearance and tax revenues is an essential tool for assessing the financial performance of the treasury at the local center in El Tarf. It relies on Document H12, a statistical report that defines the treasury's objectives through the tax base and the amounts of collection bonds. Table No. (02) below illustrates the clearance process during the year 2021, allowing a comparison between collected revenues and predefined expectations. This data helps measure the achievement of financial goals, analyse gaps between expected and actual revenues, and contributes to improving tax collection strategies while enhancing the efficiency of the local financial system.

**Table 02: Liquidation status of products and tax revenues for the year -2021- according to the H12 document**

Product Assignment	R.R Collection (A)	Period Statement (B)	Charge Taken (A+B=D)	Cuts	Collection	Rest	Percentage
Wages IRG	-	3448604853	3448604853	-	3448604853	-	100%
2021Year	-	329907504	329907504	161035844	5096548	163775112	-
2020 Year	370063669	-	370063669	-	95540339	274523330	26%
IRG on Capital Gains from Cession	-	4907727	4907727	-	4907727	-	100%
IBS Previous year	36964951	10000	36974051	25237573	2245	11727378	-
IBS TOTAL 201001	407028620	3783430084	4190458704	186273417	3554159469	450025819	85%
TOTAL 201001 IRG	370063669	378342084	4153483753	161035844	3554149468	438298442	86%

**Source: Prepared by researchers based on information from the accounting department of the El Tarf Neighborhood Center.**

This table (Table No. 2) represents the financial status of the liquidation of taxable products and revenues at the tax collection office. It reflects the situation of taxpayers subject to the lump-sum tax system. The table includes details on collected tax revenues, outstanding amounts, as well as cancellations and financial adjustments. Additionally, it highlights the data transferred from the inspection department to the collection office affiliated with the local center in El Tarf, allowing for an assessment of the efficiency of tax collection operations and the effectiveness of the tax system in the region.

This accounting document is called **H12** and is a statistical document, which determines the objectives of the tax collector through the tax base and the amount of collection bonds. It is prepared twice a year every six (6) months, i.e. on 30 June and 30 December, and records all accounting operations starting

from the introduction of the burden in collection (prise en charge) by means of bonds (constatation) or receipts (roles) through reductions (annulation). Including all the amounts of obsolescence of zero values, decimal obsolescence, complaints, disputes that give the taxpayer the right to benefit from the right recovery, ...etc., then comes the collection process (recovery) to be the last link, which is to subtract the collections and reductions from the amounts taken on the burden to obtain the remainder for collection, whose percentage shows the real results in the field and reflects the reality of the legally imposed tax and the obstacles facing its collection despite the renewal.

From the table, we can see that tax revenues constitute a significant proportion of the overall state revenues, as the amount of tax collection by the Tarf Tax Outreach Centre reached **42%**. The largest percentage of tax collections is from the taxes shown in the table (TVA, TAP, IRG/L, IFU), which is due to the effectiveness of the new tax structure and the amendment and enrichment of tax laws.

In addition to the economic developments taking place in the country, and the pivotal role played by the Tax Authority through its constant efforts to establish an ongoing dialogue and strengthen the relationship between it and taxpayers, as it takes facilitative measures through each of its departments to discharge the taxpayer to achieve the desired goal of tax collection in order to finance the public treasury. We also note that:

- **Gross Income Tax:** We record a total collection of **100%** of the amount of **3448748990** for the **G50** tax on workers' wages for the year 2021, and the amount of **4907726** dirhams was reduced from the accounts and returned in favour of workers benefiting from the tax difference compensation for the procedure based on the law amending the wage tax system for the year **2021**. The collection rate for the tax on gross income was estimated at a significant **86%**, given that it is fully collected in favour of the state in account **201001**.
- **IBS Previous Year:** Comparing the amounts taken by the clutch and what has been collected with a number of gradual measures taken to return and transfer the amounts and files of the **CDI** administration, where we record a reduction in the amount of **25237573** dirhams that were transferred under the Finance Law **2019**, and it should be noted that the year **2020** was not transferred any amount until the liquidation process, so that the beginning of **2021** will be the year of actual and gradual transfer. From the above, the tax on corporate profits recorded a high rate of **85%**, which is due to the reforms introduced in the tax administration and its modernisation, the facilities and incentives offered by the legislator with good administrative handling and the creation of an open window with the dealing public.
- **Products from registration and stamping:** These are recorded in amounts related to the registration and stamping of property deeds and the collection rate is estimated at **83%**.

Indirect taxes: Including penalties for late collection, the amount remaining to be collected is estimated at **1314863665** dirhams, the fee on the car voucher estimated at **100%**, fines and judgments issued by the judiciary for violation of rights to be paid at the registry, the fee on quasi-taxation, the specific fee for the renewal of state seals, the product of fines and judgments, the fee on fuel, the fee on tobacco products, the fee on new cars, the stamp rights of the registry.

The tax revenues of the municipalities under the proximity center of El Tarf witnessed significant fluctuations between **2020** and **2021**, influenced by the economic challenges posed by the **COVID-19** pandemic. With the sharp decline in economic activity during **2020**, municipal tax revenues were negatively impacted, leading to a decrease in proceeds from various taxes and fees. However, **2021** showed signs of gradual recovery, as the Gross Domestic Product (**GDP**) recorded an annual growth rate of **3.4%** in the third quarter, following a sharp decline of **5.1%** in the same period of the previous year. Additionally, the non-hydrocarbon **GDP** grew by **1.5%**, reflecting the beginning of an economic recovery phase that extended into the last quarter of **2021** and the beginning of **2022**, according to the Algerian News Agency. This economic dynamic had a positive impact on tax and fee revenues,



contributing to the financial improvement of municipalities and opening new prospects for strengthening their fiscal resources in the future (APS, Algerian News Agency).

It is worth noting that this period is the beginning of the **CPI**, which coincides with the spread of **COVID-19** and its peak in late **2020** and during **2021**, and in early **2022** (comparing the first quarter of **2021** with the collection value of the first quarter of **2022**), we record the beginning of the improvement in collection. Given that the tax has a key and effective role in the development process, which requires encouraging investment of various kinds, and therefore its role is important in moving the wheel of development, what we will notice in the table below is that this document expresses the revenues that municipalities receive from preparing their budgets according to what has been collected, for example, a percentage of the management budget is deducted **10%** in favour of the equipment budget directed to development projects in the municipality.

- **Collections and implications for local development: Tax on Professional Activity (TAP):** We note from the above table that the largest share of the tax revenues collected for the municipalities of the state of Tarf is due to the fee on professional activity, which is at the top of the ranking, considering that the municipalities account for the lion's share of this revenue by **66%** of the total amounts collected at the level of tax offices, in addition to the correlation of this fee with the size of economic activity, as well as the wide scope of its application to include all industrial, commercial, craft and professional activities.

However, we note from the tables the wide variation in the amount collected from one municipality to another due to the variation in the number of industrial units and the number of traders in each municipality, where we record the significant amounts collected in Ben Mehidi and Tarf municipality by **16.10%** and **15%.48** This is due to the concentration of the most important industrial activities, as well as the fact that the headquarters of the state and the professionals are concentrated in them due to the concentration of the most important commercial and craft activities, while the lowest percentage we record for the remote municipalities of Bougous, Zitouna and Shafia with percentages of **0.3%**, **0.9%** and **1.5%** in **2020** and further decreased in **2021** ... due to the low population density and the lack of commercial and industrial activity in this region and its impact on **Covid (19)**.

- **Value Added Tax (TVA):** The value-added tax is an important element of financing the budgets of the municipalities of the state of El Tarf, although the municipalities' share is estimated at only **10%** of the total amounts collected, and the relative importance of the value-added tax varies from one municipality to another, where we record the highest percentage for the municipality of El Tarf **19%** in **2020** and **13.68%** in **2021**. **20%** in **2020** and **13.68%** in **2021**, which is due to the high percentage of sales in these municipalities due to the diversity and abundance of commercial activities in them, but they were affected by the severe impact of Covid-19, and the municipality of Bouteldja and Ain Al Asal were clearly affected, which negatively affected their total annual collections.

On the other hand, the municipality of Zitouna, the municipality of Bougous and the municipality of Chafia are in the last ranks in terms of collecting this tax due to the lack of commercial activities and the lack of sales due to the low population density and the geographical distance from the state headquarters, not to mention the consequences of the health lockdown. In general, the percentage of the contribution of the Tarf tax collectorate to the total general collections of the Tarf state tax collectors is estimated at **39.60%** in **2020** to reach **21.36%** in **2021** due to the aforementioned reasons.

- **IFU tax:** We note that it has a significant importance within the tax resources of the municipalities of the state of Al-Tarf with **40.25%**, where it ranks second after professional activity, and this tax has witnessed a qualitative leap in the amounts collected since its establishment in **2007**. The increase in recent years in the amount of tax collected is due to the

increase in the number of people subject to this tax as a result of the amendments to the organisation of this tax under recent financial laws, such as the **2017**, **2018** and **2019** financial laws, respectively.

As we can see from the table above that the single tax rate is high for the municipality of El Tarf by **18.60%** in **2020** to reach **18.36** in **2021**, and this is due to the availability of freelancers and shops, i.e. the presence of commercial activities.

- **Real estate income:** It is considered a basic means of tax collection, and the incomes derived from rent on real property, with residential and professional use, are subject to taxation, and the percentage of the total municipal revenue was estimated at **50%**, of which the municipality of El Tarf occupies the lion's share, as it is the home of high-priced real estate, followed by the municipality of Bouteldja due to the high population density gradually in both of them, which contributed to increasing the movement of incomes, while the remaining municipalities with low population density, which suffer from shadow and isolation, have almost no incomes at all.
- **Real estate fee TF:** We note from the table the low value of the real estate tax as a source of funding for the budgets of the municipalities of the state of Tarf, despite the great movement in the housing stock through the number of buildings that are being constructed and completed in recent years across all municipalities of the state in light of the provisions of Law **08-15** related to the legal settlement of housing and the reorganisation of the housing stock in Algeria.

From the table shown above, we note that the percentage of the real estate fee for the municipality of Bouteldja is high, estimated at **12.81%**, and this is due to the treasurer of the municipality of Bouteldja taking compulsory collection procedures from the ATD as well as deduction from payment transfers to suppliers, administrators, contractors and apologies, but it is not sufficient due to the lack of individual awareness. We find them in close proportions in both the municipality of Tarf and Lake Tayor, followed by remote municipalities with very small percentages such as Bougous, Chafia and Wad El Zeitoun. The reasons for the poor tax collection in general are due to its real causes, including the following:

- The inability of the Algerian administrative organisation in general to control and develop the real estate barn, the lack of coordination between services, as the process of determining the tax base for this fee is the responsibility of the tax authorities and the collection process is handled by the municipal treasury, resulting in delays in sending the lists in time for their proper collection.
  - Requiring the municipal treasury in charge of collecting this fee to follow amicable collection methods without resorting to forced collection methods on those who evade paying it, a measure stipulated in Article **59** of Law **16-05** containing the Finance Law for **2006**.
  - The postal services return about **80%** of the apologies and warnings sent, and most of the creditors are wrongly registered or double registered and have inaccurate addresses.
  - The application of seizure and judgement is the prerogative of the mayor, who often refuses to take this measure against his citizens due to political considerations.
- **T.E.O.M. fee for the removal of household waste:** The same observations that we recorded in the real estate fee, we record on the cleansing fee (the fee on household waste), where despite the existence of cleanliness and cleansing departments at the level of municipalities, its value remains low due to the work of the latter in urban areas only, while rural areas and shadow areas are exempt from this fee.

We can see from the table that the largest percentage of the fee for the removal of household waste is found in the municipality of El Tarf with **19.32%**, followed by the municipality of Bouteldja with **8.76%**, which is due to the high consumption and the fact that tourist areas have household waste recycling centres. In the last place, we find the municipality of Zitouna, Bougous and Chafia, which is a zero-percentage due to the lack of housing, as it is categorised as a semi-remote area. The residents refuse to pay because the areas are rural and mountainous and do not need cleaners.

- **Tax reforms (Reality and digitisation):** It was found that the tax administration at the level of the state of Tarf is betting on resisting a set of obstacles that hinder the good functioning of the tax administration and make the collection processes weak and did not rise to the level of financial collection that enhances local development, as we focused on a number of obstacles and challenges faced by the tax administration as a whole and the local one in particular, as the neighbourhood centre with its two branches still handles the liquidation of files, collections and tax vessels, sorting and transferring them as dictated by the laws, regulations and instructions issued by the tax authorities. and the Inspectorate are still filtering, sorting and transferring files, collections and tax vessels as dictated by the laws, regulations and instructions issued by the competent authority to digitise the tax vessels for previous and current years, i.e. the implementation of the new information system (jibaya'tic) and the digitisation of the tax administration is still moving at a very slow pace.

However, we cannot clearly state the extent of the positive impact of the reforms on the effectiveness of tax collection, due to the interference of global health conditions and the **Covid-19** pandemic, which coincided with the start of the work of the outreach centres in January **2020**, where the disease spread and reached its peak in **2021** to start the recovery phase in early **2022**, as well as the availability of other factors. We also cannot deny the effectiveness of the reforms in terms of sorting the grassroots and functional structures, dividing administrations and granting powers to their departments, as well as guiding taxpayers, protecting their rights and controlling their obligations. Not to mention the fact that these reforms and field amendments are ongoing in accordance with the strategy adopted by the Algerian state within the framework of the general trend towards the digitisation of strategic sectors, especially the application of a national and centralised digital tax information system, because the basis for the work of taxation and tax collection is based on the availability of tax information to be used and exploited to recover the rights of the public treasury.

## Conclusion

It is necessary to adhere to all the conditions to achieve privatisation, namely improving the investment climate, encouraging the private sector, developing the banking and monetary system, and adopting a quality system and international standards for production. Paying attention to the modernisation of the tax system, which is of great importance in the Algerian economy, especially in the field of digitisation, as it has become the main engine of this economy, which is the backbone of the tax policy pursued by the state to promote the national economy from stagnation.

Algeria continues to support the modernisation programme of the tax administration, which has been initiated by the Algerian authorities since **2002**, due to its good effects and very important and useful objectives for taxpayers and the tax administration to increase management efficiency and collection results, but the difficulties and challenges encountered in the field have delayed the desired results.

**Results of the applied aspect:** It has been found that the tax administration at the level of the state of Al-Tarf is betting on resisting a set of obstacles that hinder the proper functioning and make the collection processes weak and have not risen to the level of financial collection that enhances local development, as the reality collides with a set of difficulties that slow down the change programmes outlined by the Algerian policy, such as fraud and tax evasion, double taxation of both local and international types, as well as a set of obstacles that hinder local and national development, including them:

- The outposts, including the two branches of the Inspectorate, are still liquidating, sorting and transferring files, collections and tax vessels as dictated by the laws, regulations and instructions issued by the supervisory authority, in order to digitise the tax vessels for previous and current years, meaning that the implementation of the new information system (Djibaya'tic) and the digitisation of the tax administration is still proceeding at a very slow pace.
- Lack of resources and qualified human resources, and the slow process of framing.
- Limited computer equipment (especially computers and accessories, printers ....) and lack of use of modern electronic technology.
- Many employees complain about job pressure, poor salaries, and lack of transport.
- Delays in the digitisation of sensitive departments that have a lot of contact with the public (taxpayers), such as the Disputes and Tax Control Department.
- The instability of the tax system because of the changes in tax laws that often occur.

### **Recommendations:**

- Developing a digital electronic system that connects the various sectors that are related to the tax system with all bodies that have an economic, financial and service role, by integrating this system with all local national networks to create a digital platform to follow up on all tax declarations.
- Include the real estate fee and the fee on the disposal of household waste in the electricity or water bill and transfer the responsibility of collecting them to the tax collectors.
- Involve officials working at CPI, CDI, DGE and employees with tax expertise and high scientific qualifications in the enactment of laws in order to avoid errors and duplication.
- Strengthen the tax monitoring system to detect the reasons for the decline in collection, and establish a periodic monitoring cell tasked with conducting research, field studies and the necessary information on tax failures on an ongoing basis.
- Listening to the taxpayer and understanding his needs and issues about the tax, the administration in charge of collection and the offices specialised in disputes.
- Digitise the dispute and tax control services due to the sensitivity of these two services, to protect the rights of taxpayers and the right of the public treasury.
- The need to expedite the introduction of the electronic tax card.
- The need to cover the tax fabric through tax control and apply the necessary and deterrent penalties for detected cases of tax fraud.

### **References**

- 1) Barannyk, L., Dobrovolska, O., Taranenko, V., Koriahina, T., & Rybalchenko, L. (2021). Personal income tax as a tool for implementing state social policy. *Investment Management & Financial Innovations*, 18(2), 287.
- 2) Batllell, M., & Hanf, K. (2008). The fairness of PAYT systems: Some guidelines for decision-makers. *Waste management*, 28(12), 2793-2800.
- 3) Bryzgalin, A. V. (2002). The system of taxes and fees in the Russian Federation. Imposition, introduction, and abolition of taxes. *Financial law of the Russian Federation*. Moscow: Yurist, 324-325.
- 4) Camara, A. (2023). *Development Financing: Four Essays On External Financing And Domestic Revenue Mobilization In Developing Countries* (Doctoral dissertation, Université Clermont Auvergne).

- 5) De Moraes e Soares, R., Heliodoro, P., & Martins, V. (2023). The neutrality principle and the economic efficiency of tax policy: an exploratory study of the legal-economic approach. *Ge Sec: Revista de Gestao e Secretariado*, 14(10).
- 6) Felis, P., Patrzalek, L., Bem, A., Bernardelli, M., Malinowska-Misiag, E., Olejniczak, J., & Kowalska, M. (2025). Local Tax Policy in Central and Eastern Europe: Property Taxation and Municipal Finance.
- 7) Gravelle, J., & Hungerford, T. L. (2019). Can contractionary fiscal policy be expansionary?. Congressional Research Service.
- 8) Herbert, W. E., Nwarogu, I. A., & Nwabueze, C. C. (2018). Tax reforms and Nigeria's economic stability. *International Journal of Applied Economics, Finance and Accounting*, 3(2), 74-87.
- 9) Nazarov, V. N. (2016). Tax system: The concept and its legal content. *International Electronic Journal of Mathematics Education*, 11(7), 2195-2201.
- 10) Núñez-Barriopedro, E., Penelas-Leguía, A., López-Sanz, J. M., & Loranca-Valle, M. C. (2024). A public service management model as an antecedent for citizen satisfaction and fiscal policy. *Management Decision*, 62(2), 725-739.
- 11) Rixen, T., & Unger, B. (2022). Taxation: A regulatory multilevel governance perspective. *Regulation & Governance*, 16(3), 621-633.
- 12) Suryono, A. B. (2024). impact of exports and trade taxes on indonesia's economic growth. *current advanced research on sharia finance and economic worldwide*, 3(2), 303-318.
- 13) Talahite, F. (2021). Monetary Policy in Algeria (1999–2019): An economic and monetary history approach. *Economic and Monetary Sovereignty in 21st Century Africa*.
- 14) Wantoch-Rekowski, J., & Wilmanowicz, M. (2019). Polish tax system overview. *Prawo Budżetowe Państwai Samorządu*, 7(4), 9-27.