
THE IMPACT OF THE ELECTRONIC INVOICE ON TAX REVENUES AND ITS IMPACT ON THE IRAQI TAX SYSTEM AN EMPIRICAL STUDY

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Abstract

The main objective of the research is to study and analyse the impact of the electronic invoice on the tax proceeds and their impact on Iraq's tax system and the impact of the electronic invoice on the elimination of tax evasion, thereby increasing tax revenues, thereby reducing the cost of the invoice and thereby reducing effort and time, The research reached a series of results, the most important of which is the moral effect between the application of the electronic invoice and the tax proceeds in the light of the digital transformation; The electronic invoice reduces the risk of tax evasion and increases the tax proceeds. and there is a moral impact between the application of the electronic invoice and the increase in tax earnings and the reflection thereof on Iraq's tax system, The electronic invoice helps improve the accuracy of the information, in addition to supplying the VAT collected to the State Treasury, The research recommends the need to apply the electronic invoice, take advantage of the benefits of digital transformation and the extent of its impact on tax revenues, reduce tax evasion and increase the efficiency of Iraq's tax system.

Keywords: electronic invoice - tax proceeds - tax system.

Introduction

In the modern era, taxes are considered one of the most important sources of public revenues, which the state relies on mainly to finance its public expenditures and to achieve its economic and social programs. Tax revenues represent about 73% of the state's general revenues. The current tax system suffers from a number of deficiencies and problems, the most prominent

of which is the problem of Lack of trust between financiers and the tax administration, which leads to lengthy and complicated tax assessment and collection procedures, which leads to the accumulation of tax arrears. All of these problems ultimately lead to an increase in tax evasion rates, which hinders the tax administration from achieving its desired goals, which are increasing tax revenues and achieving social justice in the country. The tax community, and the tax system performs its tasks through three divisions within the tax offices, which are the inventory division, the examination division, and the seizure and collection division. Tax examination is considered the basis of the work of the tax administration, and it is what determines the relationship of taxpayers with the tax administration, as the inefficiency of the tax administration and the tax accounting process are the most important reasons. Tax evasion, which negatively affects the tax revenue (Abdi, Al-Saffar, 2023).

Given the great importance of taxes, most countries have paid attention to developing their tax system, and issuing many tax legislations and regulations, such as issuing the income tax law, issuing the value-added tax law, and issuing a single tax procedures law that aims to facilitate the procedures for linking tax collection, to prevent multiple procedures and duplication. Tax work, reforming the administrative system of the Tax Authority to perform its work efficiently, and other tax legislation (Mirza, et al., 2020)

The process of developing the tax system did not stop at issuing legislation and regulations. Rather, the Ministry of Finance adopted an integrated plan to develop the Tax Authority. This plan included a number of axes that are being worked on in conjunction with each other. The first axis is digital transformation, and the second axis is developing the human element. As for the third axis, it represented the simplification of tax procedures, and the fourth and final axis focused on developing the infrastructure of the department necessary for the process of development and mechanization, and it also took care of the process of collecting tax dues.

In continuation of the policy of developing the tax system, tightening control over the various transactions that take place between financiers, and finding a way to link these transactions with what is tax-accounted for, such that these transactions take place through an electronic system through which all these transactions can be counted and compared to what is included in the tax system. Tax returns, for the purpose of restricting the tax community, eliminating the phenomenon of tax evasion, eliminating administrative corruption, and reducing tax collection expenses. The first of these steps was to oblige taxpayers to issue tax invoices, then oblige them to submit tax returns through the electronic system instead of traditional paper returns. After that, research efforts were undertaken to automate all the Authority's procedures, as well as the tax community, and the last stage of developing the tax system was the implementation of the electronic invoice system and the electronic receipt system (Anh Huu, et al., 2020).

The electronic invoice system is an electronic system that aims to digitize commercial transactions between suppliers and customers, and link them to the tax system. Through it, electronic invoices are issued and exchanged between taxpayers, these invoices are reviewed and approved by the Tax Authority, and then the issuance of invoices is reviewed (Nikmatul, 2019).

From what has been said, it becomes clear the importance of studying the impact of the electronic invoice on tax revenues and its impact on the Iraqi tax system

Research problem:

- 1) Taxes occupy a prominent place in most of the financial systems of the countries of the world, as they are one of the sources of public revenues for the state and an important tool of financial policy through which it seeks to achieve economic, social and political goals in addition to the financial goal, as every country in the world needs to increase tax revenues to be able to Carry out its duties through taxation. Thus, revenues, their components, and methods of collection are of great importance in financing the state's general budget, as they contribute directly to covering public expenses. (Abu Al-Enein, 2024)
- 2) The tax system in Iraq suffers from a group of problems that have led to a decline in tax revenues. Perhaps the most important reason is the weakness of the tax administration, due to the low efficiency of the employees of this administration, and the widespread corruption in its departments, which places a restriction on the success of any tax reform, and the tax system In Iraq, it was greatly influenced by the ideas and ideologies of the ruling regimes that succeeded Iraq, and any attempt to build a fair and effective tax system collided with the policy of these authorities, who often applied their ideas to the national economy for the sake of political or partisan interests, in addition to the many amendments that occurred. On tax legislation, the large number of exemptions granted from taxes, and the Iraqi tax legislation's lack of mechanisms for continuous updating to keep pace with various developments. (Abdi, Al-Saffar, 2023)
- 3) Whereas the tax system is considered to be in dire need of development and the introduction of a technological character into it, as an attempt to benefit from the advantages achieved by information technology by relying on the electronic invoice system through the use of computers for examination and collection through one of the recognized audit programs such as IDEA, ORACLE, and others, except There may be a group of obstacles such as resistance and rejection towards e-government, unwillingness to change either on the part of taxpayers or employees in the tax system, lack of awareness and technological ignorance of both employees or taxpayers, high costs of equipping the technological infrastructure, and a high rate of security risks, and whereas The Iraqi tax system needs to benefit from digital transformation mechanisms by switching to the electronic invoice, as relying on the electronic invoice instead of the traditional invoice will lead to implementing the tax system procedures with high accuracy and as quickly as possible, not delaying the tax examination, ease of inventorying and controlling the tax community, lowering the cost of collection, and increasing the tax revenue. Accordingly, the problem of the study is embodied in the following questions:
 - 4) 1) What are the advantages of the electronic invoice in light of digital transformation?
 - 5) 2) The role of the electronic invoice in eliminating tax evasion and the extent of its impact on increasing tax revenues?
 - 6) 3) What is the impact of implementing the electronic invoice on increasing tax revenues and the impact of that on the tax system?

Previous studies:

The study (Abu El-Enein, 2024) aimed to clarify the impact of implementing the electronic invoice system on the quality of tax accounting information in Egypt. The study belongs to the contemporary scientific method based on a combination of inductive and deductive approaches, and was applied to a sample of 200 employees of the Egyptian Tax Authority, and a group of offices. Accounting, and used the questionnaire tool to collect data and information from the study sample, and reached a set of results, the most important of which are: There is a statistically significant relationship between the application of the electronic invoice system and the quality of tax accounting information. There is a statistically significant relationship between the application of the electronic invoice system and reducing the negative effects of tax evasion. in Egypt.

The study (Al-Bayoumi, Hassanein, 2023) aimed, given that digital transformation is the basic foundation for developing the Egyptian tax system and elevating it to the ranks of developed countries, in a way that contributes to stimulating investment and enhancing economic growth, along with exercising the state's right, and maximizing efforts to integrate the informal economy, achieving fair competitiveness in local markets, and establishing the foundations of tax justice. In line with the comprehensive and sustainable development strategy in accordance with Egypt's Vision 2030, which aims to enhance aspects of public spending, and given that tax revenues represent more than 70% of the size of the state's public revenues, and that the size of the informal and invisible economy is estimated at 55%, therefore the Egyptian Tax Authority relies On electronic tax systems by applying the electronic tax examination system to improve the tax system, which is represented in increasing tax revenues (tax collections), increasing tax compliance by taxpayers, and reducing tax evasion practices in order to achieve Egypt's 2030 vision.

The study (Nikmatul & Lesta, 2019) aimed to clarify the effectiveness of the electronic invoice and its impact on tax payments, and to clarify the impact of restrictions on this system in the country of Indonesia. The study concluded that the electronic invoice system is still less efficient and less effective, as a result of errors in information and lack of Tax awareness among financiers, and weak technological capabilities there.

The study (Mirza Maulinarhadi, et al., 2020) aimed to clarify and show the factors that affect financiers' satisfaction with using the electronic invoice system in the environment and era of emerging modern technology. The study concluded that the quality of service provided to financiers, and the benefits accruing from the application of the electronic invoice system affect Positively affected the satisfaction of financiers with the application of the electronic invoice system.

The study (Uyar et al., 2021) aimed to clarify the relationship between the digital transformation of government services and tax evasion, through the use of modern communications and information technologies, and the results concluded that digital transformation and digitization of government services have had an impact on reducing and reducing Cases of tax evasion in these countries that rely heavily on the use of information and communications technology, thus increasing tax revenues.

The researcher believes that all previous studies did not address the impact of the electronic invoice on the tax revenue and the extent of its impact on the tax system in Iraq, which

distinguishes this study from the previous one in clarifying the impact of applying the electronic invoice in Iraq to help the Iraqi tax system in producing good accounting information that helps it raise the quality Tax accounting information for taxpayers and establishments, whether commercial Or industrial, in order to reduce tax evasion and its negative effects that affect the state's resources and the rights of the public treasury in Iraq.

Research objectives:

In this research, the researcher aims to identify the following objectives:

1. Identify the advantages of the electronic invoice in light of digital transformation.
2. Identify the role of the electronic invoice in eliminating tax evasion and the extent of its impact in increasing tax revenues.
3. Identify the impact of applying the electronic invoice on increasing tax revenues and the impact of this on the Iraqi tax system.

Study hypotheses:

In light of the aim of the study, the researcher can test the following research hypotheses:

- The first hypothesis (H01): "There is a significant effect between the application of the electronic invoice and tax revenues in light of digital transformation."
- The second opportunity (H02): "There is a significant impact between the application of the electronic invoice and the tax revenues on the Iraqi tax system in light of the digital transformation."

Research Methodology:

To achieve the research objectives, the research will rely on two approaches: deductive and inductive. The deductive approach is used in the stage of reviewing, studying, and analyzing accounting thought through previous studies related to the subject of the study in the areas of electronic invoice application, its impact on the outcome, and its impact on the tax system. The inductive approach is used to complete the applied aspect of the study to verify the validity of the hypotheses reached through the applied study.

Theoretical framework:

First: Electronic invoice:

The electronic invoice is a unified electronic digital document recognized by the Egyptian Tax Authority and is used to prove the sale of various goods and services. Each document includes its own electronic signature indicating the identity of the signatory, in order to prevent forgery and counterfeiting, in order to ensure security and privacy, as well as the modern electronic invoice system in Egypt is considered a new procedure that transforms the traditional process of issuing purchase invoices from a purely manual process to a complete electronic process (Sanday, et al., 2019)

The concept of electronic invoice:

The electronic invoice is the process of converting paper invoices issued by the merchant into a digital image. (Radhi, 2022) believes that the electronic invoice is the conversion of protective invoices into a modern digital image, where they are received, reviewed and approved by the Egyptian Tax Authority at the moment of registration. The electronic invoice is subject to formal review, in terms of the availability of all data, and the credibility of their ownership of the establishments issuing them, by matching them with their electronic seal, and it is relied upon by giving a code to each document that proves the legal validity of this electronic invoice in order to take tax procedures on it.

Hyung Chul (2016) believes that the electronic invoice is a commercial document that the seller issues to the customer at the agreed upon price and quantity, so that this document includes taxes and other information related to the commercial transaction that has taken place. The electronic tax invoice represents an acknowledgment from the seller to the buyer that a commercial transaction has occurred, so that it serves tax objectives. And accounting. The electronic invoice plays a major role in the accounting field, and it is also considered an important document in the process of preparing tax returns for taxpayers.

(Gamaralalage Hiruni, 2020) believes that the electronic invoice is a form of digital document that includes electronic data, and is circulated between the seller and the buyer, and is sent through providers of the service provided or the good sold. The electronic invoice must also be formatted in a way that is compatible with the format of the electronic invoice system.

(Abdel-Baqi, Hussein, 2022) believes that the electronic invoice is a digital document that proves the value of commercial transactions for goods and services that take place between the seller, the issuer of the invoice, and the buyer, the recipient of this invoice, provided that this document is circulated electronically through the electronic invoices portal in the Egyptian Tax Authority, This document can be reviewed and all its data is accurate through the competent tax department, and this document (invoice) is sent quickly to the parties of the transaction that has taken place.

Also, the US Internal Revenue Service is called the Internal Revenue Service (IRS), which is the US Tax Service in the federal government of the United States of America. This department is affiliated with the US Treasury Department and is directly supervised by the Director of Internal Revenue. The Internal Revenue Service supervises all taxes and the application of laws and regulations. The Internal Revenue Service (IRS) has defined an electronic invoice as an invoice that is issued and saved in a complete electronic format via an electronic system and contains the requirements of a tax invoice. An invoice written by hand or scanned with a scanner is not considered an electronic invoice.

The development of electronic invoicing and payments began in the late twentieth century along with the development of online banking The Internet, the introduction of electronic accounting software, and the spread of the use of e-mail and personal emails. Credit is given to the Electronic Billing and Payments Council of the National Automated Clearing House Association in America (NACHA) for promoting and introducing various forms of electronic invoices, as the American National Association promoted these activities and facilitated the adoption of payments. Electronic in the areas of international trade via the Internet, electronic invoice payment, electronic financial data and information exchange (EDI), electronic

international payments, electronic checks, electronic transfer of international benefits (EBT), and lending to needy students electronically. Some electronic billing applications also provide the ability to Make and pay for goods or services electronically.

The researcher believes that the electronic invoice is a unified electronic digital document recognized by the Egyptian Tax Authority and is used to prove the process of selling various goods and services. Each document (invoice) includes a special electronic signature indicating the identity of the signatory, in order to prevent forgery, and in order to ensure security and privacy.

Benefits of using electronic invoice:

The benefit resulting from using the electronic invoice is as follows: (Abu El-Enein, 2024)

1. Ease of exchanging data and information electronically within the Tax Authority.
2. Reducing the consumption of large amounts of paper for writing invoices.
3. Reducing the burden of manual writing and reducing the burden of collecting paper data.
4. Reducing costs in general for both financiers (individuals) or establishments and helping in facilitating tax examination.
5. Help eliminate the informal economy.

Disadvantages of not adhering to the electronic invoice:

Failure of establishments and financiers to join the electronic invoice system will result in many penalties, as the head of the Tax Authority announced that failure of establishments obligated to join the electronic invoice system will expose them to legal penalties with a fine ranging between 20,000 and 100,000 pounds, according to the Code of Procedure. Unified Tax No. 206 of 2020, all establishments and other financiers must register their sales and purchases on the electronic system in accordance with the provisions of Article 35 of this law, in addition to obligating every financier, establishment or taxpayer to issue a tax invoice or receipt in electronic form in accordance with the provisions of Article 37 of Same law.

Shehata (2022) believed that failure to join the electronic invoice system leads to:

- Depriving establishments belonging to the B2B category that are committed to implementing the electronic invoice system from contracting with any government entity, such as a supplier, contractor, or service provider, whatever the type of this establishment, unless this contractor is registered in the electronic invoice system at the Egyptian Tax Authority.
- Depriving establishments from the export support program, as these establishments were unable to deal with government agencies or the public sector, the public business sector, public bodies and establishments in which the state contributes at a rate exceeding 50%, in accordance with Egyptian Cabinet Resolution No. 1602 of 2021 AD.
- The Egyptian Customs Authority does not approve export invoices unless they are issued by the electronic invoice system of the Egyptian Tax Authority, in accordance with Minister of Finance Resolution No. 291 of 2021 AD, and all measures will be taken against establishments violating this decision, which is referral to the Public Prosecution and a fine of no less than twenty thousand pounds and not exceeding one hundred thousand pounds.

The role of the electronic invoice in supporting digital transformation:

Most countries have paid great attention to digital transformation in all fields and at various levels. Digital transformation constitutes an essential part of the sustainability vision as it aims to transform countries into a digital society based on knowledge and technology. This topic enjoys support and close follow-up by the political leadership, which makes countries a pioneer in implementing comprehensive sustainable development projects; Rather, it is a necessity in which most countries have come a long way, in light of the rapid developments in the field of information and communications technology, and digital transformation has become an urgent necessity for all governmental and non-governmental institutions and bodies.

(1) The concept and importance of digital transformation in the tax field:

The narrow meaning of digital transformation refers to the use of computer technology and the Internet to make the process of creating economic value more efficient and effective, and in a broader sense it refers to the changes that modern technology brings about in how agencies and companies work and interact with each other, and how wealth is created within this system. It has become clear now that digital transformation has a clear and lasting impact, not only on economic systems, institutions and companies, but also on the lives of individuals and society as a whole. (Srinivas, Werner, 2017)

Therefore, digital transformation - in general - is the process of transforming traditional business models of government institutions and private sector companies into modern models that rely on digital technology in providing services, manufacturing products, and managing human resources.

Digital transformation is not limited to companies that produce or distribute digital products, or those that rely primarily on the Internet and technology, but rather includes all fields, departments, commercial services, and government agencies and ministries. (Abdul Ghani, 2022)

There is no doubt that the use of communications and information technology in administrative performance has become necessary, due to the great advantages it enjoys, and therefore countries are racing to use and benefit from this technology. To move from traditional management to modern digital management, and keep pace with the increasing and accelerating global developments, especially in the field of managing public facilities and providing government services. Therefore, digital transformation in any society requires building an integrated system for a comprehensive national project to digitize all transactions in society. (Omar, 2021)

Based on the above, the researcher can say that digital transformation in the tax field refers to the process of replacing traditional tax procedures with digital procedures, through the use of modern technologies, such as: cloud computing, artificial intelligence, and big data analysis, and benefiting from these digital technologies in collecting revenues. Tax, monitoring tax compliance, managing tax risks, and providing tax services to taxpayers: such as allowing electronic submission of tax returns and electronic payment, providing tax consultations, as well as improving audit and inspection procedures and increasing their effectiveness.

Digital transformation is one of the most important modern trends in the field of taxes, which many countries are seeking to implement. Digital transformation plays an important role in developing tax examination, through digitizing the tax system and simplifying tax procedures. There is no doubt that the success of tax examination is an important guarantee for the success of the Tax Authority in associating the tax more fairly. And transparency towards the tax community, as digital transformation is based mainly on investing in thought, changing trends and behaviors to bring about radical changes in the way tax administration works and benefiting from the great technological development to serve tax performance better and faster. (Naseer, 2021)

Through digital transformation, it is also possible to use distributed encrypted ledgers instead of storing huge amounts of taxpayer data. This facilitates the task of the tax administration in accessing tax information, and this will make the tax monitoring process smoother and more efficient, and will also make tax administrations “less obvious” to the public (Marcello, 2023).

In light of the digital transformation of the tax system, the use of artificial intelligence will increase in supporting the decisions of tax administrations. This will help improve the accuracy and efficiency of examination, linkage, and collection processes. It will also enable the tax administration to detect cases of tax evasion more quickly and collect more government data. Thus, tax administrations become Repositories of a huge amount of government data, which will give it a central role in formulating economic policies, which will help decision-makers and policy makers review the transactions that take place in the economy, and provide the possibility of better prediction. The importance of digital transformation also appears in simplifying the interaction between payers. Taxes and tax officials, by linking companies’ accounting systems to the platforms provided by tax departments, will improve the effectiveness of the tax system, and will also make it more transparent and easier to use. (Al-Daljawi, 2023).

Second: The impact of the electronic invoice on increasing tax revenues and its impact on the tax system:

There are two characteristics of the tax that leave contradictory effects on both the individual and the state. They are the characteristic of being forced to pay, and the characteristic of not having a direct return for what is paid. Because of these two characteristics, taxes are among the most difficult and time-consuming of individuals’ dealings with the government. Because the individual gives up part of his money forcefully and without direct compensation, and in contrast to this is the case with the state. Because the nature of being forced to pay, and the absence of direct compensation, ensures that the state can collect revenues to finance public expenditures if it succeeds in the process of collecting its full right without derogation. (Thevaranjan,2019)

This is the reason why tax administrations are currently resorting to implementing digital transformation and working to automate tax administration systems, as digital transformation in the tax system can lead to successful and sustainable reforms, ensure tax collection, allow the imposition of taxes on the digital economy, and reduce One of the obstacles to compliance, especially since this transformation has progressed significantly and rapidly

over the past two decades as the cost of digital technology has decreased and the use of application development tools has become easier.

Here, it must be emphasized that the state's resort to implementing digital transformation projects in tax administration; Its goal is not to impose new taxes, or increase the rates of taxes imposed, but rather the goal is to collect the imposed tax correctly by finding different means to apply the tax law to everyone in a fair manner. The digital transformation is only a shift from the paper system to the electronic system, without any change in Tax treatment, and the primary goal of its application is to achieve tax justice.

The researcher can discuss the role of the electronic invoice in increasing tax revenues and its impact on the tax system through the following:

(1) Determining tax liability and collecting the tax due consists of three steps:

First: Tax inventory and submission of the tax return:

Taxation is considered one of the basic processes of the tax system, as it contributes to achieving the various objectives of the tax system. Tax inventory aims to ensure that the tax law is applied to all taxpayers without exception, which contributes to achieving tax justice. It also aims to limit the base of taxpayers subject to tax, with the aim of increasing State tax revenues and combating tax evasion. As for the role of the electronic invoice in identifying the tax community, it is an important means of documenting all commercial transactions, as the electronic invoice includes a set of specific data and information, which proves the occurrence of the commercial transaction, its parties, conditions, and the value of the transaction, not only in the field of value-added tax, But also with regard to income tax, this makes the task of listing all establishments and individuals subject to the tax easy.

As for the tax return, it increases the quality of information and the speed of its flow to the tax administration, and thus helps it accomplish its tasks faster and with high accuracy. The electronic return also reduces the rate of errors that the taxpayer makes when preparing the paper return, which avoids many problems and results in Penalties and punishments, and it also allows him to submit the electronic declaration at the time that suits him, without any significant effort or cost, while being certain that the competent tax office has received the declaration, he sent through the confirmation letter that the tax office sends to him.

From the above, the researcher believes that the electronic invoice is an important tool that helps the Tax Authority improve the quality of examining electronic tax returns. This is because it provides accurate and reliable information about commercial transactions, and the electronic invoice also contributes to reducing the time and effort required to examine tax returns.

Second: Electronic tax examination:

The electronic tax examination is the process of reviewing and examining the financial data of taxpayers electronically, using electronic information technology by taking advantage of the electronic declaration and the electronic invoice, and using the capabilities of the electronic software network of the Tax Authority to ensure the validity of the tax returns by linking the financial data of the taxpayers to each other and analyzing them. Accurate and organized.

The electronic invoice is the first nucleus in implementing the electronic tax examination method, whether for income tax or value-added tax. It shortens the tax examination process in several hours, and eliminates arbitrary estimates, as the electronic invoice facilitates the tax examination process, as the electronic invoice system provides examination officers at the Tax Authority with the opportunity to access electronic invoice data, including taxpayers' data, value, and date., timing, and type of good or service, which makes it easier for inspection officers to verify the accuracy of the data contained in the declarations. (Murad, 2020)

The electronic invoice also plays an important role in reducing the administrative cost of tax examination, as electronic tax examination - in the case of an electronic invoice - does not require reviewing paper invoices; Which saves time and effort for the IRS. (Salem, 2015)

Based on the above, the researcher believes that implementing the electronic invoice system leads to increasing the efficiency of electronic tax examination. Because it leads to an increase in the number of financiers subject to tax examination, and an increase in the volume of tax revenues

Third: Tax collection and electronic payment:

The tax collection process is the last stage in the technical organization of the tax, and there is no doubt that this stage is considered, in practical terms, the most important and most dangerous stage of the tax. Because all the previous stages were paving the way for this stage, and therefore if the tax administration failed to collect, all the effort made and the money spent during the previous stages would be lost, in addition to the resulting deficit in financing the general budget plans.

The traditional collection methods are direct payment by the financier, or payment by another person, and the tax is paid in cash to the Tax Authority at the tax office headquarters, on the basis that the tax debt is a portable debt (Abdel-Mawli, 2002).

Given the inadequacy of traditional collection methods for the digital tax system; The Ministry of Finance has taken several ministerial decisions related to obliging individuals to pay fees for obtaining all government services, as well as all other government dues, including taxes and customs duties, using one of the electronic payment methods, in accordance with several ministerial decisions, the most important of which are: The decision of the Minister of Finance and what it includes that Payment of all government dues, in excess of five hundred pounds, by any means of electronic payment through the electronic payment and collection system, and it is permissible to pay anything less than that by any means of payment, whether electronic or other (Matthieu et al., 2022).

E-Payment is carried out by transferring funds from the taxpayer's bank accounts to the tax administration's bank accounts via technological means of communication that use communications and information technology via the Internet. This system achieves the taxpayer's rapid payment of the tax owed by him, without the need for him to carry it to the tax administration. The taxpayer will be able to recover the amount of tax he paid in addition to what he should have paid, without the need to submit papers or documents, relying on the digital data stored by the tax administration (Al-Mihi, 2022).

There are two types of electronic tax collection: the first type is partial electronic payment methods, in which a third party - such as banks - acts as an intermediary between the taxpayer

and the tax administration. To complete the electronic payment process, the other type is the Fully Electronic Payment Method, in which the taxpayer pays the tax directly to the tax administration via the Internet, or assigns his bank to make the payment directly, and the majority of countries are currently moving towards developing electronic collection systems in them. Moving from a partial electronic collection system to a complete electronic collection system (Mazouz, 2022).

(2) The role of the electronic invoice in reducing tax evasion:

In order to combat tax evasion by utilizing electronic tax returns and electronic invoices, and given the importance of the electronic invoice in reducing tax evasion, facilitating tax transactions for taxpayers, and revealing informal economy transactions; The Egyptian Tax Authority has established a risk unit, which specializes in analyzing data and electronic declarations submitted by financiers about their activity, supported by documents, value-added declarations, and the electronic invoice through which any attempts at tampering or tax evasion can be detected. This unit has helped in eliminating the phenomenon of tampering with invoices, or submitting fake documents, this is based on the data contained in the electronic declarations and the electronic invoice. (Nguyen et al., 2020)

Regarding the impact of the electronic invoice on the electronic tax collection process, the invoice will have an important impact on the speed of collection, and increasing the volume of tax revenues collected, as a natural result of the positive effects that the electronic invoice has had on the accuracy of inventory, the validity of tax returns, the fairness and accuracy of examination, and the decrease in the number of disputes. Taxation and elimination of tax evasion; That is, the electronic invoice will help improve the efficiency of the Tax Authority in collecting tax in light of the digital transformation environment.

Applied study:

Study population:

The study population identified by the researcher consists of the following categories (tax officers - tax auditors - tax office managers - faculty members).

Manage your survey list:

The researcher managed and implemented the survey list through electronic and personal distribution, and in accordance with the use of the principle of equal distribution to ensure obtaining an appropriate rate of responses. (300) survey lists were distributed to a group of members of the study population, based on their different functional levels. The response rate was (84%), equivalent to (252) lists, and this is evident in the following table

Table (1): Survey lists distributed among the sample categories

Response % rate	Analyzed lists	Rejected lists	Lists received	Missing listings	Distribut ed lists	Sample categories
%84	252	29	281	19	300	Collection form

Data collection method and survey list design:

In collecting data and formulating the survey list, the researcher relied on two methods:

The first method: personal interview: where the researcher conducted a number of personal interviews with some members of the study sample to get to know their opinions and discuss with them matters that were not clarified by the survey.

The second method: The survey list: The questions of the survey list were formulated in a simple manner, and can be easily understood by those being investigated. The questions came to cover the theoretical aspects of this study, and the survey list includes:

- Personal data about the interviewee: This is to clarify the experience and qualifications of the interviewee and determine the degree of reliance on his answer.
- A set of graded questions: The respondent chooses a five-point answer to answer as a basis for using a five-point graded Likert scale consisting of five answers. Weights have been given to the graded questions as follows:

In light of the above, the researcher divided the survey list into the following sections:

- First Section: This section aims to identify the extent of the need to apply the electronic invoice to tax revenues.
- Section Two: This section aims to identify the impact of the relationship between the electronic invoice and tax revenues on the tax system in light of digital transformation.

Statistical analysis of inspection list items:

A- The proportional distribution of the personal data of the respondents:

In light of the correct responses obtained, the researcher was able to describe the items of the study sample, according to the following table:

Table (2) Description of the sample items

% The ratio	Number of responses	The one who investigates them	
37	94	Tax officials	According to job level
26	65	Tax auditors	
18	44	Tax office managers	
19	49	Faculty members	
%100	252	Total	
74	187	Bachelor's	According to educational qualification
6	16	His diploma	
11	29	Master's	
9	20	Ph.D	
%100	252	Total	
35	88	Less than 5 years	According to years of experience
26	66	From 5-10 years	
39	98	10 years and more	
%100	252	Total	

B- The degree of reliability and validity (Cronbach’s Alpha) for the survey list as a whole:

The degree of reliability and validity of the survey list as a whole can be measured as it represents the tool used to measure and analyze the results, using the Cronbach’s alpha coefficient, which is shown in the following table:

Table (3) Degree of reliability and validity of the survey list

(Cronbach's Alpha) self-honesty coefficient	(Alpha Cronbach)	Number of questions	The number of statements for the inspection list as a whole
0.943	0.890	17	Survey list

It is clear from the previous table that the reliability coefficient (Cronbach Alpha) for each of the study variables is greater than (0.5), which indicates the stability of the statements for each of these variables.

Through the reliability coefficient (Alpha Cronbach), the researcher can arrive at the self-reliability coefficient for each variable, as:

Self-honesty coefficient = the square root of the Cronbach's Alpha reliability coefficient

It is clear to the researcher from the previous table that the self-honesty coefficient for each of the study variables is greater than (0.5), which indicates the truthfulness of the statements that make up each of these variables.

Statistical analysis of hypotheses:

A- Descriptive analysis:

1- Descriptive analysis of the electronic invoice variable:

The researcher reviews the results of describing opinions on questions related to the independent variable, the electronic invoice.

Table 4: Descriptive statistics for the electronic invoice

Order of importance	standard deviation	SMA	Paragraphs	NO
6	0.762	4.25	Introducing digital transformation into commercial transactions, through the use of all modern technical methods.	1
5	0.779	4.37	Speeding up tax procedures and saving time and effort by facilitating them.	2
4	0.698	4.43	Detecting fictitious transactions through clearly identifying joint transactions between companies.	3
3	0.631	4.56	Verifying the accuracy of the data of the invoice issuer, recipient and its contents.	4
1	0.616	4.65	Achieving justice among all companies operating in the Egyptian market, thus achieving the principle of equal opportunities	5
2	0.620	4.58	Introducing digital transformation into commercial transactions, through the use of all modern technical methods.	6
—	0.506	4.47	Average	

From the results of SPSS outputs

It is clear from the previous table that the average of all expressions is greater than (3). This indicates that there is a general trend towards agreeing on the importance of the electronic invoice in light of the digital transformation within the Tax Authority, with an arithmetic mean of (4.47). It is also noted that the standard deviation for all expressions is less than one, and this indicates low dispersion in the sample's responses to these statements.

2- Descriptive analysis of the tax revenue variable:

The researcher reviews the results of describing opinions on questions related to the tax revenue variable.

Table (5): Descriptive statistics on tax revenues

Order of importance	standard deviation	SMA	Paragraphs	NO
3	0.680	4.49	Some companies escape, through regulations and laws, from paying tax and thus lower tax revenues.	1
1	0.673	4.60	There is a deficiency in achieving accuracy, transparency, efficiency, and tax justice, which contributes to the decline in tax revenues	2
6	0.685	4.35	There are some transactions that are difficult to count, and as a result, tax revenues decrease.	3
2	0.634	4.52	The use of traditional methods in the tax accounting process leads to a decrease in tax revenues.	4
5	0.617	4.47	Submitting false invoices to reduce tax revenue.	5
4	0.680	4.49	Failure to report income leads to a decrease in tax receipts.	6
—	0.523	4.48	Average	

From the results of SPSS outputs

It is clear from the previous table that the average of all statements is greater than (3). This indicates that there is a general trend towards agreement on the most important reasons that lead to a decrease in tax revenues, with an arithmetic average of (4.48). It is also noted that the standard deviation for all statements is less than one. This indicates low dispersion in the sample's responses to these statements.

- Descriptive analysis of the Iraqi tax system:

The researcher reviews the results of describing opinions on the questions to identify the impact of the electronic invoice on the tax system.

Table (6) Descriptive statistics on the impact of the electronic invoice on the Iraqi tax system

Order of importance	standard deviation	SMA	Paragraphs	NO
3	0.680	4.49	Electronic invoice helps reduce tax evasion. 4.49	1
5	0.648	4.39	The electronic invoice helps ensure the supply of the collected value-added tax to the state’s general treasury, thus increasing tax revenues, which contribute to achieving targeted development plans. 4.39	2
4	0.689	4.42	The electronic invoice system helped the shift from traditional paper invoices to electronic invoices is a major change that can save a lot of time, effort and money for the tax system. 4.42	3
2	0.634	4.50	The electronic invoice helps to automatically verify and enrich the invoice and ensure the entry of transaction data, and thus the accuracy of the Iraqi tax system. 4.50	4
1	0.671	4.54	Electronic invoice helps improve tax collection. 4.54	5
	0.664	4.46	Average	

From the results of SPSS outputs

It is clear from the previous table that the average of all the expressions is greater than (3). This indicates that there is a general trend toward agreement on the importance of applying the electronic invoice to the tax revenues and therefore to the Iraqi tax system, with an arithmetic mean of (4.46). It is also noted that the standard deviation for all expressions Less than one, and this indicates low dispersion in the sample responses to these statements.

2- Testing the first hypothesis:

The researcher reviews the results of testing the first hypothesis (H01), which states, “There is no significant effect between the application of the electronic invoice and tax revenues.”

The variables of this hypothesis are as follows: -

- Independent variable (X): electronic invoice
- Dependent variable (Y): tax revenue

A simple linear regression analysis method was used to measure the importance of applying the electronic invoice in light of the electronic transformation on tax revenues, by applying the correlation matrix, to identify the existence of a relationship between the independent and dependent variables, so that a simple linear regression model can be applied.

Table No. (7) Pearson correlation matrix to identify the extent of a relationship between the electronic invoice and tax revenues

Moral	Pearson correlation coefficient	Independent variable
0.000	**0.567	Electronic invoice application

A function at a significance level less than (0.05)

Source: From the results of the SPSS program outputs

It is clear from the previous table that there is a positive (direct) significant correlation between the independent variable and the dependent variable, as the correlation coefficient reached (0.567) at a significance level less than (0.05). Accordingly, the null hypothesis is rejected and the alternative hypothesis is accepted, which says, “There is a significant effect between applying Electronic invoice and tax collection”

As a result of the existence of a relationship between the independent and dependent variables, a simple linear regression model can be applied to determine the relationship between the application of the electronic invoice and tax revenues.

Table No. (8) Using a simple linear regression model to determine the extent of a relationship between the electronic invoice and tax revenues

R ²	F. Test		T. Test		Estimated information (B)	Independent variables
	Morale level	the value	Morale level	the value		
%32	0.000	118.215	0.000	3.566	1.060	Gradient constant
			0.000	10.873	0.717	Electronic invoice

*A function at a significance level less than (0.05)

Source: From the results of the SPSS program outputs

It is clear from the previous table:

- Coefficient of determination: which indicates that the independent variable explains (32%) of the dependent variable “tax revenues,” and the rest of the percentage (68%) may be due to random error in the equation or perhaps not including other independent variables that should have been included in the model.
- Testing the significance of the goodness of fit of the regression model: To test the significance of the variables of the model as a whole, the (F Test) test was used, as the value of the (F Test) is (118.215) and is significant at a level less than (0.05), which indicates the effect of the independent variable on the dependent variable.
- Testing the significance of the independent variable: Using the T Test, it is clear that the independent variable in the simple linear regression model represented by the electronic invoice in light of the digital transformation has a significant impact at a significance level (0.05).

Model equation

B- Testing the second hypothesis:

The validity of the second hypothesis (H02) is tested, which is, “There is a significant impact between the application of the electronic invoice and the tax collection on the tax system in light of digital transformation.” This hypothesis was tested at the sample and category levels as follows:

1- Hypothesis testing based on the sample:

This hypothesis was tested by applying (K2) at the sample level, the results of which appeared in the following table:

Table (9) test (K2) on the impact of the relationship between the electronic invoice and tax revenues on the Iraqi tax system

Asymp.Sig.	Degrees of freedom DF	Calculated Ka2 χ^2	statement
0.000	4	308.198	Electronic invoice helps reduce tax evasion.
0.000	3	215.206	The electronic invoice helps ensure the supply of the collected value-added tax to the state's general treasury, thus increasing tax revenues, which contribute to achieving targeted development plans.
0.000	4	326.294	The electronic invoice helps to automatically verify and enrich the invoice, ensuring that transaction data is entered, and thus the accuracy of the tax system.
0.000	3	232.857	The electronic invoice helps in automatically verifying and enriching the invoice, ensuring that transaction data is entered, and thus the accuracy of the tax system.
0.000	3	221.754	Electronic invoice helps improve tax collection.

Source: From the results of the SPSS program outputs

Since the level of significance is less than (0.05), the null hypothesis is rejected and the alternative hypothesis is accepted. This means, "There is a significant effect between the application of the electronic invoice and the tax revenues on the Iraqi tax system in light of the digital transformation."

1- Hypothesis testing based on categories:

This hypothesis was tested by applying the Kruskal-Walls test, the results of which are shown in the following table:

Table (10) Kruskal-Walls test to show the differences in the opinions of those interested about the impact of the relationship between the electronic invoice and tax revenues on the Iraqi tax system

Asymp.Sig.	Degrees of freedom DF	Calculated Ka2 χ^2	statement
0.179	4	6.285	Electronic invoice helps reduce tax evasion.
0.275	4	5.127	The electronic invoice helps ensure the supply of the collected value-added tax to the state's general treasury, thus increasing tax revenues, which contribute to achieving targeted development plans.
0.220	4	5.735	The electronic invoice system helped the transition from traditional paper invoices to electronic invoices, saving the tax system a lot of time, effort and money.
0.466	4	3.576	The electronic invoice helps to automatically verify and enrich the invoice and ensure the entry of transaction data, and thus the accuracy of the Iraqi tax system.
0.655	4	4.550	Electronic invoice helps improve tax collection.

Source: From the results of the SPSS program outputs

Since the level of significance is greater than (0.05), the null hypothesis is accepted and the alternative hypothesis is rejected. This means, “There are no statistically significant differences between the categories of the respondent regarding the impact of the relationship between the electronic invoice and the tax revenue on the Iraqi tax system in light of the digital transformation.” This means that the categories The respondents agree on the impact of the relationship between the electronic invoice and tax revenues on investors’ decisions, and therefore accept the hypothesis.

Research results and recommendations:

(1) Search results:

- There is a significant impact between the application of the electronic invoice and tax revenues in light of the digital transformation. The electronic invoice contributes to reducing the risks of tax evasion and thus increasing tax revenues. It also helps introduce digital transformation in commercial transactions, as well as accelerating tax procedures and saving time and effort, in addition to detecting fictitious transactions through clearly identifying joint transactions between companies, as well. Verifying the accuracy of the data of the invoice issuer, its recipient, and its contents, and finally achieving justice among all companies operating in the Egyptian market, thus achieving the principle of equal opportunities.
- There is a significant impact between the application of the electronic invoice and the increase in tax revenues and its impact on the Iraqi tax system, as the electronic invoice helps in improving the accuracy of information, in addition to ensuring the supply of the collected value-added tax to the state’s general treasury. It also helps in the transition from traditional paper invoices. Electronic invoicing is a big change that can save a lot of time, effort and money for the tax system.

(2) Recommendations:

- Conducting administrative reforms to the General Authority for Taxes to overcome the administrative, legal and financial obstacles that hinder the development of taxes and their role in the economic policy of the Iraqi state.
- The necessity of implementing the electronic invoice and taking advantage of the advantages of digital transformation and the extent of its impact on tax revenues, reducing tax evasion and increasing the efficiency of the tax system in Iraq.
- The Ministry of Finance must accelerate the development of the technological infrastructure for the electronic invoice system in all Tax Authority missions. To help taxpayers participate in the system, and to enable tax offices to benefit from the electronic invoice in tax procedures, especially with regard to examination, assessment, and collection procedures.
- The Tax Authority should make more efforts to develop tax awareness, take advantage of modern means of communication and advertising, and conduct further studies on the electronic invoice system to develop it, improve its efficiency, and achieve its goals.

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