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INVESTIGATE THE FACTORS AFFECTING THE PERFORMANCE IMPROVEMENT IN TAX ADMINISTRATION AND TAX AFFAIRS OF THE SOUTH WEST AZERBAIJAN

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ABSTRACT

The purpose of this study was to investigate the factors affecting the performance improvement in tax administration and tax affairs of the South West Azerbaijan. Methods this study is a descriptive-correlative. The number of population was 216 people. According to the population a sample 141 people was estimated Cochran formula. It is worth noting that the estimation error is 0.05. To collect the data needed to evaluate the hypotheses, a questionnaire was used. In order to test the research hypotheses Kolmogorov-Smirnov and one-sample T test was used. Research hypothesis test result showed that the performance of financial, tax payers, internal processes, human resources, administration and information technology to improve the performance of the southern province of West Azerbaijan effective tax administration.

Keywords: *Assessment Performance Tax, Financial Performance, Tax Payers, Internal Processes*

INTRODUCTION

Tax is a necessary payment that government receive it from legal persons that is proportionate to their wealth and prelude expense it for Community profits. Target of creating taxation order in every economic is obtaining to a healthy economic and relying on inner profits (Rynmond, 2004). In recent century duty of government has been increased in various shapes and in spite of performing of private programs and governments expenses has been increased in an inexperienced way, so it needs huge financial sources, from this sources, tax has a necessary role in the Lolo. Interest of government to power and strength of taxation order is more Clear from the past. Because of that, tax is Considered as one of the most important ways of guarantee of financial validity from the beginning of societies. Tax is governments withdraw from private section without any engagement from government to payer (Farazm and Ahmadi, 2009).

Generally, struggling to create a powerful taxation revenue in country can an important effect on decreasing of government expenses and increasing if government incomes, so the aim is increasing of society welfare and social justice. So, it is necessary to recognize an effective factors on taxation revenue to suitable paces in this way (Shakibaei and Khorasani, 2013).

Also, Taxation order is not developed because of several reasons like oil revenue in different times with potential economic capacities that now is based on purchase power indicator as the seventeenth powerful economy country of the world because of creating inner impure. Iran doesn't notice to taxation revenue because of replaced sources like oil revenue.

Politician man's pay attention to importance of taxation revenue and they considered it as one of the most important way to decrease of governments relationship to oil revenues and guarantee of movement expenses die taxation revenues in longtime, in secondary program of improvement of economic, social, cultural.

There are several studies in this scope, include: Kalantari *et al.*, (2014) in his studies that published as or in the name of browsing on revenue of taxation organization plan review, they found out the last change and most important action in change plan of taxation organization is creating a legal obstacle, management and suitable executive in taxes law that this important thing is considered with collection of essay of taxation organization that creates afield for updating taxation organization by creating necessary infrastructure legal, increasing taxation gravity, orientation to tax side on collected income,

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establishment guarantee of suitable executive, simplification, improve tax place as atoll for comparison trade and speculation, developing taxation information system, correcting exemptions into increasing of clearness and affect and also aiming them is the most important revenues of essay (Kalantari *et al.*, 2014). Salavati *et al.*, (2013) in a research as a key of revenues of taxation orders based on a style of concessionary card said the secret of success of age information companies in capitalism and management is on moral wealthiest. In this research style was designed by utilizable plan of Kaplan and Norton in government organizations and private (Salavati *et al.*, 2013). Tari and poordehghan in a research in the name of estimate of capacity and struggle of Yazd taxation (by patterning Laffer's public curved form) showed that taxation organization time is efficient when it could estimate maximum of taxation income that be played. But the fact that what is taxation capacity in every society is an argument subject. In fact taxation capacity is a bulk tax that society can pay it and by estimating it can show how much struggle is used in guarantee of taxation revenues and in other side there is how much we can increase it (Tari and Pourdehghan, 2013). Shakibaei and Khorasani (2013) in are search in the name of studying affecting of effective factors on Iran taxation revenue by using data's province, prove that panel data's are more validity than time data's, in this study is used by province panel data's. Results of model estimating with panel data's show that increasing of added value service parts, mineral, industry and building create inner impure cause increasing of taxation (Shakibaei and Khorasani, 2013). Ghani (2011) in his research proceed analysis taxation revenue in the country with special notice on Pakistan tax by using panel data's of capitation revenue, city population and product of inner impure between 104 countries and it shows in ordinary freedom of legal jurisdiction and control of corruption are determined factors for coming financial among countries. Obtained struggle taxation for Pakistan showing a general decrease. Also the reason of low level taxation in Iran can be the low taxation capacity or low struggle taxation (Ghani, 2011).

Botlhole (2010) in his study Under the name of struggle taxation shows quality of institutions determine tax proportion into Africa's desert and revenue of sources are an important factor for tax proportion, Therefore if countries improve quality of their institutions, they can obtain more tax revenues from sources, like most studies, capitation determines major role and effect of free commercial in improving tax proportion has been confirmed (Botlhole, 2010). Alfirman (2003) studied about taxation capacity in local states of Indonesia under lack of centrality conditions. He has studied about this subject whether can these local states increase taxation revenues under lack of centrality conditions? In this study, effective changeable on taxation capacity consist of; literacy rate, proportion share of work power and proportion whole of exports and imports to inner impure product that has positive and meaning effect on taxation capacity and share part of agriculture has negative effect on taxation capacity (Alfirman, 2003). Chilia (1971) in his study considered process of taxation of developing countries from 1953 to 1968 by using data's section of capitation revenue, Non-export capitation revenue, share of agriculture products in inner impure product, share of mineral products in inner impure products and proportion export of Non-mineral to inner impure product as an effective taxation capacity. Changeable was related to countries taxation and it is estimated (Chilia, 1971).

Tax payment in developed countries is more than in developing countries. In other words or way, in developing countries there is more interests to go away from tax payments. These differences are because of several revenues in tax payment. Whatever tax organization is developer, more efficient, it can be more affective in developing tax revenue.

MATERIALS AND METHODS

Methods

Method of this research is descriptive-correlative. Statistical society investigation contain employees and bosses sample investigation of taxation offices order of south west Azerbaijan that the number of population is 216 people. According to the results of a sample size of 141 patients was estimated Cochran formula. It is worth noting that the estimation error is 0.05. For collecting data used by researcher's questionnaire. In this research because of studying validity questionnaire we gave it to number of bosses

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and employees and its validity was accepted after correction. Because of studying stability questionnaire we use Cronbach's alpha. Results of Cronbach's alpha of questionnaire are shown in table 1:

Table 1: Results of Cronbach's alpha of questionnaire

Result	Cronbach's alpha	Number of questions of questionnaire
Acceptable stability	0.824	30

RESULTS AND DISCUSSION

Results

In this section, the hypotheses of the research are tested through One_ sample t.

H1: Financial revenue has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 2: Statistics related to the first major research hypothesis

Digression of standard	Mean	Number
0.7119	3.8002	141

Table 3: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	9.77	0.8002	One –Sample Test

H1-1: Increasing taxation income has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 4: Statistics related to H1-1

Digression of standard	Mean	Number
0.9855	3.9858	141

Table 5: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	11.87	0.9858	One –Sample Test

H1-2: Reducing expenses of claim's collection has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 6: Statistics related to H1-2

Digression of standard	Mean	Number
0.9186	3.6809	141

Table 7: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	8.80	0.6809	One –Sample Test

H1-3: Improving financial processes has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

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Table 8: Statistics related to H1-3

Digression of standard	Mean	Number
0.8915	3.7340	141

Table 9: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	9.77	0.7340	One –Sample Test

H2: Payer taxation has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 10: Statistics related to H2

Digression of standard	Mean	Number
0.61 25	4.1182	141

Table 11: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	21.67	1.1182	One –Sample Test

H1-2: Payers trust and confidence has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 12: Statistics related to H1-2

Digression of standard	Mean	Number
0.8711	3.9894	141

Table 13: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	13.48	0.9894	One –Sample Test

H2-2: Payer's satisfaction has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 14: Statistics related to H2-2

Digression of standard	Mean	Number
0.7119	4.2730	141

Table 15: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	16.31	1.2730	One –Sample Test

H3-2: Payer's taxation culture has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

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Table 16: Statistics related to H2-3

Digression of standard	Mean	Number
0.8610	4.0922	141

Table 17: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	15.06	1.0922	One –Sample Test

H3: Inner organization processes has its effect on taxation revenue of south west Azerbaijan province managements taxation orders.

Table 18: Statistics related to H3

Digression of standard	Mean	Number
0.6273	3.8652	141

Table 19: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	21.67	0.8652	One –Sample Test

H1-3: Correction and improvement ways of taxation has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 20: Statistics related to H1-3

Digression of standard	Mean	Number
0.8429	3.8475	141

Table 21: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	11.93	0.8475	One –Sample Test

H2-3: Attention to indicators of facilitating communication has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 22: Statistics related to H2-3

Digression of standard	Mean	Number
0.8301	3.8475	141

Table 23: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	12.12	0.8475	One –Sample Test

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H3-3: Attention to change of managerial order has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 24: Statistics related to H3-3

Digression of standard	Mean	Number
0.9434	3.9007	141

Table 25: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	11.33	0.9007	One –Sample Test

H4: Human power of offices has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 26: Statistics related to H4

Digression of standard	Mean	Number
0.6580	3.9267	141

Table 27: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	1672	0.9267	One –Sample Test

H1-4: Training human sources has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 28: Statistics related to H1-4

Digression of standard	Mean	Number
1.0192	3.8014	141

Table 29: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	9.33	0.8014	One –Sample Test

H2-4: Making employees powerful has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 30: Statistics related to H2-4

Digression of standard	Mean	Number
0.9134	3.9645	141

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Table 31: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	12.53	0.9645	One –Sample Test

H3-4: Employee's merit has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 32: Statistics related to H3-4

Digression of standard	Mean	Number
0.6273	4.0142	141

Table 33: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	13.65	1.0142	One –Sample Test

H5: Information technology has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 34: Statistics related to H5

Digression of standard	Mean	Number
0./5595	4.1383	141

Table 35: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	24.15	1.1383	One –Sample Test

H1-5: Information infrastructure has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 36: Statistics related to H1-5

Digression of standard	Mean	Number
0.8731	4.0106	141

Table 37: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	13.74	1.0106	One –Sample Test

H2-5: Develop information technology has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 38: Statistics related to H2-5

Digression of standard	Mean	Number
0.7595	4.1028	141

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Table 39: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0/000	140	17.24	1.1028	One –Sample Test

H3-5: Employee's literacy of offices information has its effect on taxation revenue of south west Azerbaijan province management's taxation orders.

Table 40: Statistics related to H3-5

Digression of standard	Mean	Number
0.7242	4.3014	141

Table 41: One_ sample t test statistical indicators

Meaning level	Df	T calculated	Difference Mean with theory Mean3	Useable test
0.000	140	21.33	1.3014	One –Sample Test

Discussion and Conclusion

The purpose of this study was to investigate the factors affecting the performance improvement in tax administration and tax affairs of the South West Azerbaijan. Taxes play an important role in the budget of any economy and one of the main reasons why the government imposes taxes is to generate income to manage the economy and redistribute resources (Osebe, 2013). The government raises tax revenues to finance public security, health, education, and infrastructure. In this regard, the government has to ensure that its source of revenue is effective and efficient. Evaluate the performance of tax administration and tax matters of great importance because the tax revenue was substantially dependent on the performance of these offices. The findings of this study will help the government to institute the necessary legislative and administrative measures to enhance tax compliance in cases of voluntary compliance and enforce compliance in cases of non-compliance. With due attention to obtained results we reject HO hypothesis with 0.999 surely in first major theory and whole three minor theories (increase taxation income, decrease expenses of claim's collection, improve financial processes) in 0.001 meaning level in other words with due attention to meaning level of Sig is less than 0.05 so we reject zero theory.

With due attention to obtained results we reject HO hypothesis with 0.999 surely in second major theory and whole three minor theories (payer's trust and confidence, payer's satisfaction, payer's taxation culture) in meaning level of 0.001, in other words with due attention to meaning level of Sig is less than 0.05 so we reject HO.

With due attention to obtained results in third major theory and whole three minor theories (correction and improvement ways of taxation, attention to indicators of facilitating communication, attention to change of managerial order) in meaning level of 0.001, in other words with due attention to meaning level of Sig is less than 0.05 so we reject HO.

With due attention to obtained results we reject HO hypothesis with 0.999 surely in fourth major theory and whole three minor theories (training human sources, making employees powerful, attention to employee's merit) in meaning level of 0.001, in other words with due attention to meaning level of Sig is less than 0.05 so we reject HO.

With due attention to obtained results we reject HO hypothesis with 0.999 surely in fifth major theory and whole three minor theories (information infrastructure, develop information technology, employee's literacy information) in meaning level of 0.001, in other words with due attention to meaning level of Sig is less than 0.05 so we reject HO. We suggest the following offers,

1- With due attention to financial revenue, it has its effect on taxation revenue of south west Azerbaijan province managements taxation orders, it can increase the taxation revenue of south west Azerbaijan

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province by considering politic managerial and collect suitable laws with increasing taxation income, decreasing expenses of claim's collection and improve financial processes.

2- Since payer taxations has its effect on taxation revenue of south west Azerbaijan province managements taxation orders, it can increase taxation revenue of south west Azerbaijan by taking notice to payer's trust and confidence, payer's satisfaction, payer's taxation revenue or culture.

3- Obtained research shows this subject that inner organization processes has its effect on taxation revenue of south west Azerbaijan province management's orders. There for, it can effect on taxation revenue of south west Azerbaijan, with correcting and improving ways of taking tax or taxation, attention to facilitating communication indicators and attention to change of managerial order.

4- Human power has its effect on taxation revenue of south west Azerbaijan province managements taxation orders, therefor it is necessary to notice to training human sources, making employees powerful and pay attention to employee's merit for increasing taxation revenue.

5- Information technology has its effect on taxation revenue of south west Azerbaijan province managements taxation orders, therefore if pay attention to information infrastructure and develop information technology and employee's literacy information, it can effect on taxation revenue of south west Azerbaijan province.

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