Chapter One : Tax Collection

Introduction: Tax collection (collection) is the lifeline that provides the public coffers of governments and countries with revenues and finances their development projects, and the tax is one of the most important resources of the state for its development reforms, improving the level of growth and financing the public treasury.

1. **Definition of tax:** It is a financial deduction that the state takes forcibly from individuals without consideration for the purpose of achieving a public interest.

- It represents the amounts of money paid to government agencies, and is based on income, and the financial cost of services and goods.
- Taxes are defined as the proceeds of fees imposed on companies and individuals, and are provided to government agencies, whether local, regional or national, in order to contribute to the financing of government activities.
- From other definitions, taxation is a financial contribution to support governments, and is required from persons or businesses within the scope of government business.

2. Types of taxes: Taxes are divided into many types, the most important of which are:

- Single tax
- Multi-tax
- Proportional tax
- Progressive tax

- Direct tax
- Indirect tax

A- **Single tax:** It is the tax to which the entire income of the individual is subject, and this income is multi-source, but it is linked to a single tax, so all types of income are subject to only the single tax; that is, the government imposes a single tax to achieve tax goals.

B- **Multiple tax:** It is the taxes through which the government obtains its tax revenues depending on more than one source of income, that is, the individuals charged with paying taxes are subject to different types of them.

C- **Proportional tax:** It is the tax of fixed value despite the change of the product or service subject to it, meaning that this tax is valued at a fixed percentage of the tax base, regardless of the financial value of this container.

D- **Progressive tax:** It is the tax whose real value increases with the increase of the taxable product or service, that is, the price of this tax changes with the change in the value of the tax base, so the value of the tax increases when the value of the product or service subject to it increases, and it is possible to divide the progressive tax into two main types:

- **Gross escalation:** It is the first type of progressive tax, also called layered escalation, as one tax rate is applied to each layer, with the tax rate different for other layers.

- **Escalation by segments:** It is the second type of progressive tax, also called escalation by parts, as the progressive tax rate is applied to the additional part of the income, not to the total value of income.

E- **Direct taxes:** It is the deduction of a direct financial value from persons or property, and it is collected based on nominal lists, and it is transferred directly from the person charged with the tax to the public treasury with its full transfer, that is, the person in charge of it is the one who bears it, and direct taxes are classified into the following types:

- **Total Income Tax (Impôt sur le Revenu Global IRG):** It is the tax imposed on various sources of income, such as capital, personal work, industrial and commercial business, or liberal professions, and each source leads to obtaining income called subsidiary or qualitative income, while the total value of income achieved by individuals from various sources is called total income, which are of two types: tax on the income of individuals (natural persons) and tax on corporate income.
- **Capital tax (Impot sur le Capital):** It is the tax imposed on the capital that constitutes the movable, moral, real estate and material property owned by a person at any given time, whether it is saved as income in kind or in cash.

F- **Indirect tax:** It is those taxes that are imposed on consumers as part of the value of services and products, that is, the consumer does not pay it directly as a tax, but it is for him the amount of increase he pays for obtaining services and goods, and it is divided into the following types:

- **Impôt sur la Consomation**: It is the first type of indirect taxes, also called current expenses or spending taxes, and it is an alternative to income as a tax base, as this type of tax is imposed on individuals when spending or consuming. **Sales taxes:** It is the tax imposed on various goods and sales, where consumers pay the value of the tax as part of the final price of the commodity to sellers, and sellers in turn pay these tax values to the government as part of the taxes imposed on them.
- **Value Added Tax (VAT) TVA:** It is an indirect financial tax imposed on various goods that receive an increase in their value as a result of conducting manufacturing and manufacturing operations on raw materials at every stage of production to reach the product Final. This tax differs from the previous sales tax in that it is imposed at all stages of production and is borne by the producer and the consumer, while the sales tax is imposed on the consumer. **Taxes on trading:** They are the taxes that are imposed when property and wealth are transferred from one person to another, and the types of these taxes include:

- **Registration tax:** It is a tax levied when ownership of something is transferred from one person to another.
- **Stamp tax:** It is a tax imposed on financial transactions that involve the transfer of money from one person to another.

- **Customs taxes:** Customs taxes are imposed when imported goods enter the interior, so their prices become high due to the tax imposed on them,

3. Characteristics of taxes: Taxes are divided into many types, the most important of which are:

- ✓ Tax: It is a sum of money that individuals pay to the government. Tax is a mandatory imposition: that is, it is an imposition and a mandatory element on persons, so the imposition of taxes is a sovereign act of the state, and each country is unique in drafting its own tax law.
- ✓ Tax is a means of solidarity: that is, it is a sum of money paid by the individual as a member in solidarity with society, which entails bearing part of the burdens on the country to which he belongs and lives, and this tax is not provided as a consideration for a service or private benefit.
- ✓ Taxes are imposed by the state: that is, the tax is an advantage associated with the states, so the state imposes the tax and uses it as a financial means, and the state means public bodies and institutions that have independent and legal personalities, and are characterized by being administratively and financially independent for public taxes, while municipal and regional taxes are represented by municipalities and local administrative units.
- ✓ Taxes are collected definitively: in the sense that the value of the tax collected is out of the ownership of individuals, and becomes permanently under the ownership of the state, and states are not obligated to return the value of taxes imposed on individuals.

4. Basic rules of taxes:

A. **The rule of equality or justice:** It means that the citizens of the state contribute to public expenditures according to their relative ability. Justice also requires different tax rates depending on the type of income imposed on him and whether it is the result of labor or capital or both. The rule of justice or equality includes two principles:

- **Generality:** It means that all persons and funds are subject to tax.
- **Justice:** The need to take into account the financial ability of the taxpayer when imposing the tax.

B. The rule of certainty: This means that the tax is imposed according to specific and clear rules for the taxpayer and the tax administration. The tax rate, the date of payment, the method of collection and all procedures related to it must be known to the public.

C. Convenience rule: It means collecting tax at the time and the most appropriate way to pay it by the financier, depending on the source of income and its circumstances. This is after the tax administration chooses an appropriate date to pay the tax and the collection procedures are appropriate to the circumstances of the taxpayer so that the impact of the tax on him is not heavy in a way that makes him unable to pay or pushes him to avoid or evade the tax.

D. The rule of economy in collection: The administration resorts to following methods that do not cost it to spend large sums of money when the collection process.

5. Tax objectives:

- **Financial Objective:** Because taxes are one of the most important financial resources that governments rely on to cover most of their public expenditures.
- **Economic Objective:** Taxes achieve stability through the economic cycle as they reduce them during the recession period and increase them when inflation in order to maintain purchasing power and encourage local industries by granting them tax exemptions.
- **Social Objective:** The tax is used to redistribute national income to low-income groups in order to achieve social justice and reduce the gap between the various low-income social groups with high incomes.
- **Political objective:** Taxes are used to achieve political goals to benefit one class over another, or to facilitate trade with some countries (e.g. friendly) or reduce them by raising or lowering import tariffs.

6. Technical organization of Tax:

It means the technical treatment of tax or the technical rules followed in determining the base, price and collection of tax.

Tax base: (L'Assiette Cotisable) is a taxable substance and is determined in the following ways:

- Qualitative determination of the tax base: the personal circumstances of the individual are taken into account, as follows:

  Social status - Source of income - Financial position
- Quantification of the tax base:

- ✓ The method of apparent property (external appearance): such as owning cars or real estate
- ✓ Arbitrary estimation: based on some indicators such as the turnover of traders and working hours for the doctor
- ✓ Direct assessment method: It is the declaration submitted by the taxpayer to the Tax Authority.
- ✓ Method of estimation by the Tax Authority: Based on the examination of the taxpayer's accounting books and records.