The effect of tax performance skill on the quality of directors boards performance in companies

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Abstract:

The research aims to study the statement of the importance of the role of the board of directors on tax performance and what the board of directors must do by implementing a management strategy for the company as a whole, directly involving itself in the tax planning of the company. It also affirms that the Board of Directors must implement this strategy after carefully examining the important aspects of sustainability, compatibility with business activities and tax structures, the culture of compliance with the company, the issue of paying a fair share of corporate taxes, clarifying the concept of tax planning and its importance, goals, policies and strategies, stating the role of tax planning As a financial tool in enhancing the financial capacity of companies. The results of the study reached the measurement of the tax impact of the decisions of the Board of Directors on the tax burden of the company with its considerations. This price can be taken as a comprehensive measure of the effort of the Board of Directors and its tax skill during the period. It also recommends the appointment of a tax advisor to companies, which is extremely important to preserve the resources and assets of these companies and to achieve tax savings that contribute to enhancing financial performance, which effectively affects shareholders’ enrichment and achieve high growth rates.

Key words: tax skill, board quality, tax planning
1. Introduction:

Determining the strengths of the tax system applied to each company is one of the important things that indicates the efficiency of the performance of the boards of directors, and a general perception can be developed on how the company can benefit in achieving tax savings in light of the provisions of the applicable tax laws. Where tax planning is considered one of the methods used by a successful administration to take advantage of the legal advantages and changes that help it in adopting a beneficial investment policy that leads to good tax performance management. The management of boards of directors to perform good tax performance is in accordance with applicable laws taking advantage of legal loopholes and the benefits that tax laws and regulations produce (Jeffrey, 2008).

As administrative decisions related to tax and the strategy to reduce the tax burden to the minimum possible tax due as one of the forms of legitimate tax avoidance and not violently, and they do not necessarily mean not to pay the tax or work to reduce it directly, the planning process may be by reducing the true value of this Tax, by delaying its payment, and taking advantage of the time value of cash, such as the installment of the due tax or postponing its payment to benefit from covering some of the expenses as possible.

The stakeholders show great interest in obtaining information, including how to implement and perform the tax skill, as the financial performance indicators are the source of the institution’s ruling, and therefore the lower the taxes and fees, the better for it. On the other hand, the payment of the tax is part of the corporate governance, and therefore it is the responsibility of the Board of Trustees.

As the reasons for the discrepancy between the awareness of the council and its lack of implementation are due to the increasing sophistication of tax laws as well as the increase in disclosure requirements that do not leave enough time to discuss strategic issues in addition to changes in laws and therefore the board of directors should perform better taxes as taxes are among the variables in The environment of the institution, which is inevitable, as it has a major impact on financing and investment options, and thus can change the capital structure, dividends or investment decisions.

2. Methodology

2.1. Research problem:

The financial crises that the global economy suffered from showed the role of the board of directors within the company in supporting and collapsing the legal entity of the company. The traditional role of boards of directors, which is based on principles and mechanisms.

Whereas among the mechanisms, corporate governance is related to the Board of Directors for the protection of rights and also with regard to the effect of the taxation of the Board of Directors tax. On financial planning, and if seizing the opportunities to exploit the advantages of tax planning varies from tax legislation to another according to the state, and to achieve the maximum benefit from it in enhancing the financial performance of companies whose shares are traded in the Iraqi stock market, it must be directed to Flood tax burden. (Jacqueline, 2007) and in a manner that requires financial
management to read and understand and accommodate all classes and materials impact of laws and tax in the state to draw existing plans to make optimal use of available financial resources in an economic, efficient and effective. Hence the main question for the study problem lies as follows: What is the skill of tax performance on the quality of performance of boards of directors in companies?

Some of the sub-questions are involved in the main question:
- What is the extent of the impact of the use of some indicators of tax performance on the trends and decisions of the performance of the Board of Directors of companies?
- How does tax reforms affect corporate tax planning?
- What are the limits of the influence of the Board of Directors on the tax planning of the company?

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- How does tax reforms affect corporate tax planning?
- What are the limits of the influence of the Board of Directors on the tax planning of the company?

2.2. Research Importance:
Scientific importance: It is the study of the extent of the possibility of benefiting from the tax performance skill and the quality of the board of directors and the benefit of tax planning, so whatever the skill of those in charge of legislation when drafting laws that have a tax impact there is no escaping from legal loopholes that can benefit from the financiers if strategies and strategies are established for tax planning Effective.

Practical importance: a study of good tax planning necessarily reflects the company's benefit from financing coverage when achieving tax savings, which has a great impact on the occurrence of enrichment for shareholders if a tax savings occurs that reflects on the increase in dividends per share or increase in the rights of owners

2.3. Research Aims:
The researcher seeks to achieve the following goals:
- Explain the importance of the role of the Board of Directors on tax performance.
- Clarify the concept of tax planning, its importance, goals, policies and strategies.
- Explain the role of tax planning as a financial tool in enhancing the financial capacity of companies.

2.4. Hypotheses
The study seeks to test the validity of the main hypothesis of the study: There is a statistically significant correlation between the tax performance skill and the quality of board performance in companies.

Research Methodology:
This study is based on the descriptive analytical approach and the inductive approach and deductive approach through exposure to extrapolation of many previous studies to
identify the findings and the extent to which the results can be concluded after testing the study hypotheses and proving its validity or not.

3. Theoretical review
3.1. Administrative performance of the Board of Directors and tax skill

The level of Board decisions can be classified into two types, Procedural routine decisions related to facilitating the company's business, technical decisions or skills that affect the company's business results and financial position, to include under the second type of decisions, tax-related decisions, as they include the need to have the ability and skill to be familiar with the various alternatives affecting decision-making and the implications of each alternative, especially as tax legislation has evolved a great technical development. There is no doubt that talking about this type of decision is closely related to the talk about the necessity for the board of directors when making this type of tax decision with the knowledge of tax planning and the result of deferred taxes.

3.2. Board of Tax and Performance:

Because corporate taxes affect corporate governance, the quality of corporate governance plays an important role in determining the sensitivity of tax revenue to tax rate changes. When it is difficult for management to transfer income (good corporate governance), increasing the tax rate can increase tax revenue. By contrast, when the corporate governance system is ineffective (management is easy to transfer income), increasing the tax rate can reduce tax revenue (Desai et al. 2007).

On the other hand, corporate governance has different components. It is interconnected between several parties, such as members of the board of directors, shareholders and the board of directors. The Board of Directors is ultimately responsible for the tax affairs of the company, and is accountable to them by shareholders and other stakeholders (Erle 2008; Hartnett). As the risks faced by tax issues have become more diversified, the Board of Directors, within the framework of the risk management strategy for the company as a whole, should directly involve itself in the company's tax planning. It also affirms that the Board of Directors must implement this strategy after careful consideration of the important aspects of sustainability, compatibility with business activities and tax structures, the corporate compliance culture and the issue of paying a fair share of corporate taxes. Landolf, 2006)

As independent non-executive directors as a balancing power on the board, their presence is a symptom of good corporate governance, shareholders are willing to delegate management to Finance Magazine research, and also to the result that an increase in board independence reduces the effective tax rate. He notes that with good corporate governance, the company follows a tax policy. Yeung (2010).
3.3. Corporate tax governance

That the concept of corporate governance intersects with tax facilitation, with the aim of ensuring that the behaviors related to addressing tax issues do not conflict with the interests of the owners of the institution or shareholders in order to ensure transparency and the quality of decisions, and that stakeholders and the Board of Directors are aware of tax risks so as not to affect the company's reputation (Saber, 2016, 157)

3.4 Tax planning:

It means attempting to reduce the tax and take advantage of what is directed by tax laws, related laws, executive regulations, tax explanatory and executive instructions, periodic books and publications issued by the tax administration. Thus, tax planning: a logical analysis of the development of a financial plan from the perspective of achieving tax benefits, to align financial goals. The purpose of tax planning is to discover how to make financial gains from reducing tax obligations.

| :Table (1) the difference between planning, avoiding and tax evasion |
|-------------------------|------------------------------------------------------------------|
| **statement** | **Understood** |
| 1 Tax planning | It is the organization of the taxpayer’s affairs so that he can take advantage of the tax law to maximize the return after paying the tax, and therefore it is a way to search for legal ways to benefit from not paying the tax due or at least reducing it, for example by taking advantage of the various exemptions or the timing of recording the cash flow for being subject to low tax brackets |
| 2 Tax avoidance | The funder uses legitimate methods to reduce the amount of the tax due on him without resorting to any planned operations |
| 3 Tax evasion | The taxpayer's use of unlawful methods to not pay the tax and thus is an act contrary to law based on providing incorrect data for the purpose of evading payment Tax evading the payment of the due tax is subject to financial and sometimes criminal penalties, and the penalties may be doubled if there is a recurrence of the occurrence of evasion. |

3.5. Tax Planning Elements

1. Plan to avoid paying the tax, if possible legally
2. Take advantage of the costs that should be deducted from the tax base and use cost items that are deducted instead of items that are not cost, such as: borrowing financing as an alternative to self-financing.
3. Postponing the tax entitlement as much as possible by recognizing all costs and expenses in the first years of the life of the project, especially in cases of tax exemption for the project for certain periods, as well as by using inventory valuation methods or pricing its disbursement.
4. Take advantage of all exemptions established by tax law and related laws.
5. Choose the appropriate legal form for the business

The tax planning process is an ongoing process that does not depend on a specific period or on the treatment of a specific item financially or accounting, but rather takes into account all administrative decisions, which are known as tax strategies such as:
Comparing the purchase or rental of fixed assets, and which is better, in tax terms?
Comparing the methods of cash sale and long-term installment sale.
- Determine the dividend policy and reserve legal and voluntary reserves.
- Asset purchase through loans or financial leasing.
- Reclassifying the salary expenses and the like and rewarding the boards and their allowances, especially for companies operating in the free zones to achieve tax savings.
- Post the losses of the years that were not chosen as a test sample, to the following years as approved losses.

Tax planning is a concept that is very far from tax evasion, as it depends on the development of procedures and policies that allow financial management to reduce the amount of tax liability to the maximum extent possible and to take advantage of the facilities and legal loopholes contained in laws and regulations (Harvey, 2001)

Tax planning involves a perception of implementing various strategies to reduce the value of the tax paid for a specific period of companies, taking into account reducing tax obligations to provide more money to cover current and capital expenditures, and tax planning also contributes to finding sources of financing for working capital. There are two basic rules that apply to tax planning. The first is to charge the fiscal year with depreciation expenses when purchasing machinery and equipment before the end of the year, which reduces the tax base for the same year, and secondly, the company must defer taxes when possible. Delaying the payment of the tax enables the company to use this money until the tax is due. (Ahmed, 2004)

There are also other areas for tax planning, including the selection of accounting methods such as evaluation and pricing policies for stock exchange, the timing of equipment purchase, the timing of revenue recognition, and the maintenance of gains from the implementation of agreements on the prevention of double taxation and the application of transfer rates in the event of non-compliance in a legally defined manner with neutral prices between related persons and amendments The ongoing relationship between the parties to the relationship of associated companies, from associate to brotherly, subsidiary, branches, service centers and representative offices, to continuously benefit from the benefits of tax planning.

Tax Planning Strategies: (Williams, Michael, 2010)
1. Strategies for obtaining tax breaks
2. Strategies for obtaining tax deductions (tax credit)
3. Strategies for moving income away from being subject to high rates of tax. Strategies to transfer profits and losses between tax years, to postpone tax, or to take advantage of more favorable tax rates. (Using transfer rates between associated companies or during the tax exemption period)

4. Strategies to reduce the burden of being subject to capital gains.

These strategies are implemented through specific mechanisms to delay recognition of revenue and subject to a low tax rate. Or increase deductions (deductible costs and exemptions) through legal formulas and gaps available by legislation or the flexibility of accounting standards or by reducing deductions during periods of tax exemption (tax clearance) or benefit from agreements to prevent double taxation, as well as by exchanging assets instead of selling them in particular For linked companies or by entering external markets in representative offices instead of establishing branches or creating investments abroad or using transfer rates to exchange goods and services. Tax administration is a complex and risky process at the level of international companies, especially regional and Arab ones. Bashar H., 2008)), and he has to resort to tax planning to avoid the obligation to pay a high tax and therefore go to tax planning strategies to achieve tax savings that benefit from them to bring benefits in the short term and sometimes in the long term.

3.6. Tax performance skill and how it can be affected by the quality of the Board of Directors:

The stakeholders show great interest in obtaining information, including how to implement and perform the tax skill, as the financial performance indicators are the source of the institution's ruling, and therefore the lower the taxes and fees, the better for it. On the other hand, the payment of the tax is part of the corporate governance, and therefore it is the responsibility of the Board of Trustees. As the reasons for the discrepancy between the awareness of the council and its lack of implementation are due to the increasing complexity of tax laws as well as the increase in disclosure requirements that do not leave enough time to discuss strategic issues in addition to changes in laws and therefore the board of directors should perform better taxes as taxes are among the variables in The environment of the institution, which is inevitable, as it has a major impact on financing and investment options, and thus can change the capital structure, dividends, or investment decisions.

3. Methodology
3.1. Study Approach:

The researcher relied in this study on the descriptive analytical approach, after confirming the sincerity and consistency of the study tool, which is the questionnaire newspaper, and then collecting data and conducting the appropriate statistical tests on them, and extrapolating the topics and studies covered by the accounting literature related to the subject of the research to show, describe and measure the variables used in the research. The results were derived and knowledge of the relationships between the variables.
3.2. Study population and sample:
The study population consists of branch managers, accountants, internal auditors and financial controllers working in companies in Iraq, and they are (310) employees, and a random sample of (140) employees was chosen from which a questionnaire was distributed to the study sample, and (128) questionnaires were retrieved with a recovery rate (128). About 91%.

3.3. Search tool:
The questionnaire was used as a tool to collect data, as it included a set of questions that were obtained from previous studies, and included information related to the subject of the study and consisted of (12) paragraphs.
The answers will be on the paragraphs of the axes according to the Likert pentatonic scale, as shown in Table No. 2:

<table>
<thead>
<tr>
<th>Category</th>
<th>Very few</th>
<th>few</th>
<th>Average</th>
<th>big</th>
<th>Very large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Degree of approval</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

3.4. Validity of the questionnaire:
Truthfulness of the questionnaire means making sure that it measures what was prepared to measure it, just as "sincerity" means the inclusion of all the elements that must be included in the analysis on the one hand, and the clarity of its paragraphs and their vocabulary on the other hand, so that they are understood by everyone who uses them, where the researcher has made sure of the truthfulness of the questionnaire in two ways They:
The apparent honesty:
where the questionnaire was presented to a group of arbitrators, it consisted of a number of faculty members in Iraqi universities and specialists in accounting and statistics, and the researcher responded to the arbitrators’ views by taking the necessary delete and amendment in light of the proposals submitted, as the questionnaire came out in its final form.
Constructive honesty: the constructive honesty of the questionnaire clauses was calculated on a single sample of (140) research sample, by calculating the correlation coefficient between the total score for each axis and the total degree of the questionnaire. Table No. (2) shows that all correlation coefficients in all the axes of the questionnaire are at the level of significance 0.05 as the probability value is less than 0.05

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Correlation coefficient</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table No. (2) correlation coefficient between the total score for each axis and the total score for the questionnaire
There is a statistically significant correlation between the tax performance skill and the quality of board performance in companies.

The reliability of the questionnaire

The stability of the questionnaire means making sure that the answer will be almost the same if it is repeated to be applied to the same people at another time. An alpha-Cronbach method was used to measure the reliability and validity of the questionnaire, as Table (3) shows alpha-Cronbach coefficients for each axis of the questionnaire.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Cronbach alpha coefficient (persistence)</th>
<th>number of paragraphs</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a statistically significant correlation between the tax performance skill and the quality of board performance</td>
<td>0.854</td>
<td>12</td>
</tr>
</tbody>
</table>

Table No. (3) shows that the alpha Kronbach coefficients ranged between 0.749 - 0.766, which are high stability coefficients, while honesty coefficients ranged between 0.831 - 0.854, which indicates the questionnaire's enjoyment of reliability and honesty.

3.5. Results analysis and hypothesis testing:

Normal Distribution Test (Kulmrove-SummerNov Test):

The researcher used the Colmeroff-Summernov test to find out whether the data follow the normal distribution or not? It is a necessary test in the case of hypothesis testing, because most laboratory tests require that the data distribution be normal, and Table 4 shows that the calculated value of T is greater than the value of the tabular T, as well as the level of significance greater than 0.05 (.sig> 0.05) and this indicates The data follow normal distribution and parameter tests should be used.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Number Paragraphs</th>
<th>Values T</th>
<th>Probability value</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is a statistically significant correlation between the tax performance skill and the quality of board performance in companies.</td>
<td>12</td>
<td>1.084</td>
<td>0.174</td>
</tr>
</tbody>
</table>

Table No. (4) Normal Distribution Test (Sample Kolmogorov – smirnove)

Statistical methods used in the study:
The following statistical treatments were used by using the statistical program (SPSS):

1. Percentages, iterations, and arithmetic mean: This command is used mainly for the purposes of knowing the frequency of categories of a variable and is used to describe the research sample.
2. Cronbach’s Alpha test, to find out the stability of the resolution paragraphs.
3. Using the Kolmogorov-Smirnov Test: This test is used to find out whether the data follow the normal distribution or not.
4. Spearman Correlation Coefficient to measure the degree of correlation: This test is based on studying the relationship between two variables. It has been used to calculate internal consistency, structural validity of the questionnaire, and the relationship between variables.
5. Sign test in the case of one sample to see whether the average degree of response has reached neutrality, which is 6 or greater or less than that. It was used to confirm the mean of each of the items in the questionnaire.

3.6. Study hypotheses test:

Hypothesis test: There is a statistically significant correlation between the tax performance skill and the quality of board performance in companies.

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>p-value (sig)</th>
<th>Value of a test T</th>
<th>Relative weight</th>
<th>standard deviation</th>
<th>Arithmetic mean</th>
<th>Arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  The achievement of tax savings favorably affects the increase in the market value of the stock</td>
<td>*0.000</td>
<td>1.560</td>
<td>32.00</td>
<td>0.50</td>
<td>1.70</td>
<td>12</td>
</tr>
<tr>
<td>2  Attention to achieving tax savings is a factor influencing the increase in dividends, and therefore whenever there is growth in dividends, this is due to the importance of tax planning</td>
<td>*0.000</td>
<td>17.548</td>
<td>75.24</td>
<td>0.56</td>
<td>3.76</td>
<td>6</td>
</tr>
<tr>
<td>3  The increase in the market value of the share is related to the financial performance of the company. The more efficient and effective financial management increases and its ability to benefit from loopholes in tax laws, this contributes to enhancing the company’s ability and increasing growth rates in a manner that strengthens its market strength and thus remains in the business world.</td>
<td>*0.000</td>
<td>11.891</td>
<td>75.56</td>
<td>0.85</td>
<td>3.77</td>
<td>5</td>
</tr>
<tr>
<td>4  The Chief Financial Officer is interested in getting acquainted with permanently with the amendments of laws that have a tax impact, as it is important to enhance financial performance.</td>
<td>*0.000</td>
<td>14.378</td>
<td>77.36</td>
<td>0.78</td>
<td>3.86</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>*0.000</td>
<td>5.221</td>
<td>56.67</td>
<td>0.87</td>
<td>2.83</td>
<td>10</td>
</tr>
</tbody>
</table>
The higher the tax burden of the company, this indicates that the company does not benefit from the advantages of tax planning. 

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Description</th>
<th>z-value</th>
<th>t-value</th>
<th>p-value</th>
<th>Relative Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>The return on invested capital index is affected, up and down, as a result of an increase in the company's net profit when the current and deferred income tax declines due to the tax advice that is provided to the company by the tax advisor.</td>
<td>*0.000</td>
<td>5.490</td>
<td>68.62</td>
<td>1.02</td>
</tr>
<tr>
<td>7</td>
<td>The increase in net profit from the activity after taxes and interest is due to the tax savings resulting from the tax advice provided to the company</td>
<td>*0.000</td>
<td>10.038</td>
<td>74.02</td>
<td>0.90</td>
</tr>
<tr>
<td>8</td>
<td>An increase in the net profit ratio of the activity supports the increase in the market value of the stock on the Stock Exchange, affected by the provision of tax advice</td>
<td>*0.000</td>
<td>4.539</td>
<td>56.69</td>
<td>0.98</td>
</tr>
<tr>
<td>9</td>
<td>The financial manager keeps attending tax conferences and seminars organized by professional societies and tax study and research centers.</td>
<td>*0.000</td>
<td>12.072</td>
<td>76.04</td>
<td>0.87</td>
</tr>
<tr>
<td>10</td>
<td>Good financial planning based on tax planning helps the company to invest its funds in tax-exempt vessels in a manner that increases the market value of the share and thus increases the number of times it trades in the market, making it an active share.</td>
<td>*0.000</td>
<td>12.122</td>
<td>76.16</td>
<td>0.86</td>
</tr>
<tr>
<td>11</td>
<td>The increase in share trading times is due to a set of factors, perhaps the most important of which is the approval of the tax return of corporate persons from the tax administration based on the experience of the tax advisor</td>
<td>*0.000</td>
<td>14.387</td>
<td>77.55</td>
<td>0.76</td>
</tr>
<tr>
<td>12</td>
<td>The Chief Financial Officer is interested in getting acquainted with permanently with the amendments of laws that have a tax impact, as it is important to enhance financial performance.</td>
<td>*0.000</td>
<td>5.837</td>
<td>41.78</td>
<td>0.86</td>
</tr>
</tbody>
</table>

* The increase in share trading times is due to a group of factors, perhaps the most important of which is the approval of the tax return of corporate persons from the tax administration based on the experience of the tax advisor has obtained the highest arithmetic average of (3.90) and relative weight (77.55%).
* Paragraph No. (1) achieving tax savings positively affects the rise in the market value of the stock, has got the lowest arithmetic average of (1.70) and relative weight (32.00%).
- It turns out that the arithmetic mean of all field paragraphs is equal to \((3.30)\) i.e. the relative weight \((68.65\%)\) which is greater than the value of the neutral relative weight \((60\%)\), and the calculated test \((T)\) value is equal to \((8.510)\) which is greater than the \((T)\) tabular value \(\text{Which is equal to (1.95)}\), and that the probability value \(\text{(} \text{sig} \text{)}\) is equal to \((0.000)\) which is less than \((0.05)\), therefore the field is considered statistically significant at the level of significance \((\text{ }} \geq 0.05)\), which indicates that the level of response to this field has exceeded the degree Intermediate is \((3)\), and this means that there is approval by the sample members on the paragraphs in this field.

3.7. Discuss the result of the hypothesis

According to the previous table, analyzing the data statistically and commenting on it, we find that the tabular \((T)\) is less than the calculated \((T)\), which means rejecting the nihilistic hypothesis, and accepting the alternative hypothesis which states that "there is a statistically significant correlation between the tax performance skill and the quality of board performance in companies."

The researcher believes that the approval of the sample members that there is a statistically significant correlation between the tax performance skill and the quality of the performance of the boards of directors in companies, and this may be due to the fact that Iraqi companies can influence the value of market shares and improve the financial performance of the company through tax performance skill and quality Board of Directors.

3.8. Results

The skill part of the performance of the board of directors, which is related to the tax part, where the tax planning based on the comparison between alternatives results in all deferred taxes that can be used to make decisions for the board of directors tax, so here we can assess the skill tax performance as follows:

1- Measuring the tax impact of the Board’s decisions on the tax burden of the company with its considerations. This price can be taken as a comprehensive measure of the Board’s effort and tax skill during the period.

2- Using some ratios and indicators of a tax nature to get acquainted with the directions of the Board of Directors decisions on the financial statements of the company.

Acceptance of the hypothesis is clear that: There is a statistically significant correlation between the skill of tax performance and the quality of performance of boards of directors in companies.

5. Recommendations:

Based on the results of this study, the researcher recommends the following:

1. The need for corporate attention to tax performance by attending training courses for tax departments of those companies for tax review.

2. The appointment of a corporate tax advisor has become very important to preserve the resources and assets of these companies and to achieve tax savings that contribute to enhancing financial performance, which effectively affects shareholder enrichment and high rates of growth.
3. Completing the tax structure system for the productive units of the taxpayers of the Mediterranean financiers and providing them with tax instructions, internal committee decisions, appeals committees and court rulings of all degrees to determine the provisions of the order in which it is to reduce the tax disputes gap.

4. Complete the infrastructure construction of the electronic tax system for examination and tax procedures (automation of tax work) to simplify tax procedures and activate the electronic tax file system from examining, linking, and collecting to reduce the cost of tax collection.

5. Proper application of the principles of governance will lead to skill in tax performance, and training of all tax workers on the corporate governance system. Applying corporate governance principles and rules to reduce tax evasion.

References


