
The relative importance of tax collection of gross salary income and wages in Algeria during the period 2016-2021: a case study of the wilaya of Skikda

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Abstract:

This study aimed to highlight and determine the role of the tax on the total income of salaries and wages in tax collection during the period 2016-2021: a case study of the wilaya of Skikda. As this tax represents an important percentage of the total tax collection in Algeria, and due to the decline in tax collection revenues in recent years resulting from the repercussions of the “Corona” virus, Regarding the reduction of the rate of application of this tax by the state, there was a need to combine these data to get out of the cycle of crisis and improve tax collection. The study concluded with a set of results, the most important of which was the high relative importance of the contribution of the tax on wages and salaries compared to other taxes during the years of study. and Its impact on the repercussions of the “Corona” virus was less severe than other types of taxes, and its contribution rates to regular collection increase compared to direct taxes.

Key words: salaries and wages; tax collection; for direct taxes; tax on gross income.

Classification JEL: GH3 ;C58 ;H87.

1. Introduction:

The period before the emergence of the Corona virus witnessed an increase in economic activity, due to the significant rise in exchange reserves resulting from the rise in oil revenues, which translated into a significant increase in petroleum collection, but this situation did not stabilize as the continuous decline in oil prices starting in 2014, led Algeria to rely on austerity policies that included several sectors of the cancellation of investment projects and important expenditures, and the biggest and clear impact was in compensating for normal collection by the decrease in petroleum collection.

The recent tax reform and modernization contributed to increasing the financial profitability of various taxes and fees, as a result of expanding the tax base and improving collection due to the modernization of the tax system in line with the economic and social situation of the country, but the world's fall into a health crisis, which was represented by the repercussions of the "Corona" virus, resulted in economic consequences that affected various aspects of social and economic life, leading to a significant decrease in tax collection.

The importance of the study: The tax on wages and salaries is a permanent and renewable financial resource that has increased reliance on it recently, and occupied an important percentage in tax collection compared to the rest of the taxes and other fees, as the change in its proceeds by declining leads to a sharp shortage in how tax revenues cover public spending.

The problem of the study: In light of the decline in the purchasing power of the dinar and the increasing social demands for the need to improve the social level of the individual, the state has taken important financial measures represented in increasing the value of salaries and wages and reducing the tax on the latter, and considering that the tax on wages and salaries represents an important percentage of the tax collection of direct taxes or even at the level of total tax collection of taxes and fees in Algeria, and due to the increasing need of the state Important tax revenues as a result of the decrease in tax collection revenues during recent years resulting from the repercussions of the "Corona" virus on various aspects of national or international economic activity, the need to combine these important data to get out of the crisis circle, improve the economic and social situation of the country in general, and improve tax collection, and from this point of view the following question can be formulated:

What is the importance of tax proceeds on gross income of salaries and wages in tax collection during the period 2016-2021?

Hypothesis: A decrease in tax revenue on gross income of salaries and wages leads to a significant decrease in tax collection during the period 2016-2021?

Sub-hypotheses:

- The higher the tax collection of salaries and wages, the higher the tax collection of direct taxes.
- Tax collection of salaries and wages accounts for a significant proportion of the total tax collection of various taxes and fees.

Objectives of the study:

- The reality of tax collection of salaries and wages and its importance in the tax collection of direct taxes.
- Identify the most important factors and reasons that help increase dependence on tax collection of wages and salaries.
- Provide some appropriate solutions to increase tax collection, and create a kind of balance in the types of collection of taxes and fees.

Study Methodology: The descriptive approach and the analytical method were used in this research to reach results that express the phenomenon under study.

Divisions of the study: This study was divided into four axes as follows:

- Theoretical background on tax collection, payroll tax, and wages.
- The reality of tax collection during the period 2016-2021.
- The relative importance of payroll tax collection relative to direct taxes.
- The relative importance of tax collection of salaries and wages in relation to other taxes and fees in ordinary collection revenues

2. Theoretical background on tax collection, payroll tax, and wages.

2.1 Tax collection.

A-What is tax collection?

Tax collection is the last stage of the technical organization of the tax, which follows the process of determining the base by the tax administration according to the declarations submitted by the taxpayer, and precedes the process of liquidating the tax by calculating its

value due to the public treasury (Mandar, 2006, p. 27). Tax collection is the set of processes and procedures that lead to the transfer of the tax debt from the taxpayer to the public treasury in accordance with the legal and tax rules applied in this context (Mehrezi, 2003, p. 156). or is the sum of Processes and procedures that lead the debtors of the state, local authorities and their bodies to pay their debts under the laws and regulations in force to ensure the state's right to collect the tax on time (Zubairi, Direct Taxes, 2015, p. 299). Tax collection raises two important points: first, who pays them, and second, how certain taxpayers can evade paying them.

B-Distinguishing between the taxpayer and the taxpayer:

It means the effects caused by the tax on the prices of goods and factors of production (Nabq, 2020, page 123), the phenomenon of transferring the tax burden is an economic phenomenon that the legal taxpayer can transfer its burden in whole or in part to another second party whenever the opportunity arises, for example, the real estate tax can be transferred to the tenant, as well as the producer who tries to transfer its burden to the consumer and workers who are charged with an excess tax rate than the possibility of transferring it to the factory owner, and for this an important problem arises about Who is the taxpayer intended to pay and bear it. (Al-Ahmad, 2005, p. 77)

In addition, there are some observations on the transfer of the tax burden (Mr. B.; Sorour, 2019, p. 49):

- The transfer of the tax burden should not be confused with its collection by attachment at source.
- The transfer of the tax burden may be intentional like customs taxes, which are intended to burden the consumer instead of the importer.
- There are different types of tax burden transfer and they are:
- Move the tax burden forward as a product if it can transfer it to the consumer.
- Shifting the burden of tax to the back such as reducing production expenditure by reducing the wages it pays.
- A skewed transfer of the tax burden occurs when the tax burden shifts from one good to another.

To say that there is a transfer of tax burden, the following conditions must be met:

- That raising the price of the good or service is possible, and therefore the elasticity of demand and supply is what determines the possibility of transferring the tax burden or not, this transfer is inversely proportional to the elasticity of demand, if the demand for the commodity is inelastic, such as the necessary goods, the transfer of the burden is possible, and vice versa, the transfer is directly proportional to the elasticity of supply, the goods whose supply is flexible can transfer the tax burden, unlike goods whose supply does not have sufficient flexibility, such as perishable goods.
- The transfer of the tax burden may be partial, as the increase in the price of the commodity depends on the ratio between the elasticity of demand and supply, if the demand for the commodity is elastic and its supply is inelastic, the producer bears the largest part of it, but if the demand for the commodity is inelastic, the consumer bears the largest part and the producer the least part.

2.2. Income tax for salaries and wages.

The government usually sets the minimum wage, and regularly reviews it in consultation with businesses and trade unions, as it is based on ethical, social, and economic justifications, and aims to improve the purchasing power and welfare of low-wage workers, but critics argue the opposite, as this minimum is counterproductive such as

market disruptions for workers and they offer more precise means of providing social assistance. (Sorour, 2019, p. 49).

a. Scope of application of income tax for salaries and wages:

Cash incomes such as salaries, compensation, wages, pensions, age rents, and in-kind privileges granted to them (General Directorate of Taxation, 2021, p. 23) are included in the composition of the gross income of persons, which are all the following incomes that are included in the composition of gross income:

Revenues paid to partners and managers of companies formed in the form of money companies or persons.

Amounts received individually for working for others in their homes individually.

- Compensation, payments and arbitrary allocations to company managers.
- Secondary activities practiced by persons such as teaching or research observation ... etc., in addition to their main activity.

-Earning bonuses, bonuses, or others granted for a non-monthly period.

The gross output consists of the main wages - wages and salaries - and the additional wages

Compensation and return allowance - in addition to the in-kind benefits such as feeding, housing and heating granted to the employee, either free of charge or in return for a deduction less than their value. The in-kind advantages of housing, heating and lighting are evaluated by the user according to their real value. As for feeding, the value to be approved should not be less than 50 dinars per meal, except in the case of a legally established justification.

The following are excluded from the gross product:

- Compensation awarded for transportation or mission expenses.
- Geographic area compensation.
- Grants of a family nature provided for in social legislation, such as single wage or family grants, maternity grants.
- In-kind benefits that are not only related to food and housing granted to employees working in the areas to be upgraded by the State.

b- How to calculate income tax for salaries and wages:

The tax reform of the tax on gross income began in 1991, and it included 12 brackets with an average rate of up to 70%, and salaries and wages are calculated according to the progressive tax scale calculated monthly as follows:

Table N°(1). Progressive tax scale calculated monthly starting from 2008

Taxable Income Premium DZD	Tax Rate	Tax	Cumulative tax
Not exceeding 10.000	0%	0	0
From 10.001 to 30.000	20%	4000	4000
From 30.001 to 120.000	30%	27.000	31.000
More than 120.000	35%	+31.000	-

Source: Prepared by the researcher based on Article 104 of the Direct Taxes and Similar Fees Law in 2021

The following incomes are calculated for the establishment of the tax, which are (Tax Directorate M., 2021, page 23):

Profits or revenues distributed to partners and managers.

- Bonus and bonus premium of 10% for a non-monthly period.

Payments made to persons practicing in addition to their main activity (teaching, research, monitoring, assistant professor... etc) by 15%.

As for salaries, wages, age rents, grants, compensation, and fees, you benefit from a proportional reduction of the tax on gross income by 40%, as this reduction is not less than 1000 DZD and 1500 DZD per month. In other words, it is not less than 12.000 DZD annually and not exceeding 18.000 DZD annually. (16)

Incomes not exceeding 30.000 DZD benefit from total exemption from tax on gross income. While.

For incomes above 30.000 DZD and less than 35.000 DZD benefit from an additional reduction, the tax on the gross income of this category is determined according to the following formula:

$$IRG = \text{tax on gross income according to the first reduction} \times 8/3 - 20.000/3.$$

For incomes above 30.000 DZD and less than 42.500 DZD received by workers with physical or mental disabilities, blind or deaf and dumb, in addition to retired workers subject to public order, from an additional reduction in the amount of tax on gross income according to the following formula:

$$IRG = \text{tax on gross income according to the first reduction} \times 5/3 - 12.500/3$$

This reduction is not cumulative with the second reduction above.

As of 2022, the monthly tax schedule was changed, by expanding the taxable base without prejudice to the minimum or maximum tax rates, and became as follows:

Table N° (2). Progressive tax schedule calculated monthly starting from 2022

Taxable Income Premium DZD	Tax Rate	Tax	Cumulative tax
Not exceeding 20.000	0%	0	0
From 20.001 to 40.000	23%	4600	4600
From 40.001 to 80.000	27%	10.800	15.400
From 80.001 to 160.000	30%	24.000	39.400
From 160.001 to 320.000	33%	52.800	92.200
More than 320.000	35%	+92.200	-

Source: Prepared by the researcher based on Article 104 of the Direct Taxes and Similar Fees Law in 2022

The application of the reductions to this tax remained the same as before 2022, and perhaps the most important changes were for incomes exceeding the amount of 30.000 DZD and less than 35.000 DZD benefiting from an additional reduction that determines the tax on the gross income of this category, in order to reduce the tax burden on it according to the following formula: (Directorate General of Taxes, 2022)

$$IRG = \text{tax on gross income according to the first reduction} \times 137/51 - 27.925/8.$$

For incomes above 30.000 DZD and less than 42.500 DZD received by workers with physical or mental disabilities, blind or deaf and dumb as well as retired workers subject to the public system, from an additional reduction in the amount of tax on gross income according to the following formula:

$$IRG = \text{Tax on gross income according to the first reduction} \times 93/51 - 81.213/41$$

What is noticeable from the table is that the taxable base has been expanded while maintaining the tax rates unchanged, as the taxable income premium has doubled its value, and this comprehensive review of the tax on gross income comes by taking immediate measures to preserve the purchasing power of individuals by reducing the tax pressure on them, in addition to increasing the evidentiary point in the public service.

3. The reality of tax collection during the period 2016-2021

It is noticeable from the table below that the tax collection of direct taxes increased during the three years, from 1109.2 billion Algerian dinars to 1203.8 billion dinars in 2018 (statistics, 2021) by 8.52%, an increase estimated at where this importance increased compared to indirect taxes, or even at the level of other fees such as registration and stamp fees, or customs duties, and tax collection remains mainly dependent on what direct taxes and fees collect on Added value.

Table N° (3).Tax collection of Algeria during 2016-2018

	2016	2017	2018
petroleum levy	1682,6	2127,0	2349,7
Ordinary levy	4164,8	4757,0	5061,5
Direct taxes and fees	1109,2	1207,6	1203,8
Business number fees	891,7	991,0	1092,9
Registration and stamp rights	95,8	92,6	88,4
Indirect taxes	6,6	4,6	4,2
Customs duties	389,4	364,8	324,2
Total Collection	5011,6	6047,9	6389,5

Source: National Office of Fisheries, Algeria in Figures Results 2016-2018 Bulletin 2021 N°49, p. 60

3.1. The Change in the tax proceeds on gross income during the period (2016-2021)

The tax on gross income in 2022 witnessed an amendment in the gradual ladder of tax according to Article 104 of the Direct Taxes and Similar Fees Law, the level below 240,000 DA was completely exempted from the tax on gross income, and a reduction of 40%, but it cannot be less than 12,000 DZD annually or higher than 18,000 DZD per year, in order to preserve the purchasing power of citizens, and this reduction will also affect the tax collection of tax on gross income, This reduction will lead to lower tax collection.

Table N°(4) Percentage change in tax revenues on the gross income of the wilaya of Skikda during the period (2016-2021) Unit billion dinars

Years	Tax proceeds on gross income	Percentage change %
2016	9.369	--
2017	10.509	12.16
2018	10.345	10.41
2019	11.080	18.26

2020	10.092	7.71
2021	11.194	19.48

Source: Prepared by the researcher based on the statistics of the Tax Directorate of the wilaya of Skikda.

The effects of the corona virus were more severe on the tax on gross income compared to the tax on salaries and wages, as its growth rate decreased from 18.26 in 2019 to 7% in 2020, compared to a decrease in the tax on salaries and wages from 13.18% to 11.88 for the same period, and the reason for this is because the latter is not significantly affected by the international situation and crises because most of them come from a government source, and deducting them from the source is difficult to evade in paying, and it is noted that the value of tax on gross income is constantly increasing during the period 2016 to 2019 to increase employment rates, as it recorded a growth rate estimated at 12.16% in 2017 Then it decreased in 2018 to return to rise in 2019 by about 18.26%, then it decreased in 2020 due to the measures and measures taken by the state to limit the spread of the Corona epidemic, to return to rise and record the highest toll in 2021 by about 19.48% .

3.2.The Change in tax proceeds on gross income of wages and salaries

The rest of the tax on wages and salaries contributes a large percentage since the nineties to this day, as its contribution in 1991 amounted to 63%, in 1992 it amounted to 72.54%, and 69.86% in 1996 This is directly due to the difficulty of tax evasion In light of the deduction from the source, the proceeds of the tax on wages and salaries contribute significantly to the total income Despite the global pandemic that hit the country, this tax witnessed an increase in its total collection despite the decline recorded for 2020, as shown in the table Next:

TableN°(5) Percentage change in tax revenues on the gross income of the wilaya of Skikda during the period (2016-2021) Unit billion dinars

Years	Tax proceeds on gross income of salaries and wages	Percentage change%
2016	8.656	--
2017	9.468	9.33
2018	9.448	9.10
2019	9.801	13.18
2020	9.688	11.88
2021	9.702	12.04

Source: Prepared by the researcher based on the statistics of the Tax Directorate of the wilaya of Skikda.

It is noted that the growth rate of the tax on gross income of wages and salaries is constantly increasing, despite its decline during the year 2020 due to the repercussions of the Corona virus, despite this decline, the growth rate remained high compared to 2016 over the years, as its percentage in 2017 was about 9.33%, and its lowest rate was in 2018 with an estimated rate of about 9.10%, while its highest rate in 2019 was about 13.19% and this increase is due to developments in the economic arena with the increase in employment, in addition to the impossibility of tax evasion because the tax on the gross income of salaries and wages is deducted from the source.

3.3. The Change in the tax proceeds on corporate profits during the period (2016-2021):

The tax on corporate profits is still declining, and represents a small percentage of tax collection despite the efforts made in recent years, and the following table illustrates this.

Table N°(6) Growth rate of tax proceeds on corporate profits for the wilaya of Skikda during the period (2016-2021) Unit billion Algerian dinars

Years	Tax proceeds on corporate profits	Percentage change%
2016	1.917	--

2017	1.797	-6.25
2018	0.592	-69.11
2019	0.618	-67.76
2020	0.318	-83.40
2021	0.535	-72.05

Source: Prepared by the researcher based on the statistics of the Tax Directorate of the wilaya of Skikda.

from the previous table, we note that the tax rates on corporate profits are in continuous decline over the years, as their highest value was recorded in 2016 with an estimated value of about 1 billion dinars, and in 2017 the tax rate on profits decreased to -6.25%, and its lowest value reached in 2020 with an estimated value of about 300 million by -83.40%. This decrease in corporate profit tax rates is due to several reasons, including the impact of profit by special factors beyond the control of the institution or the bankruptcy or evasion of some institutions sometimes.

3.4. The change in the proceeds of the single tax

The single tax during the study period witnessed two adjustments with regard to the taxable turnover, as before 2015 natural persons whose annual turnover did not exceed 30 million dinars were subject to the single tax, except for those who opted for the system of imposing tax according to real profit, then there was an amendment in 2020 by reducing the taxable turnover to 15 million dinars, and then it was reduced again to 8 million dinars in 2022.

Table N°(7) Percentage change in the proceeds of the single tax for the wilaya of Skikda during the period (2016-2021) Unit billion dinars

Years	Single tax proceeds	Percentage change%
2016	0.599	--
2017	0.686	14.53
2018	0.645	7.8
2019	0.602	0.52
2020	0.494	-17.40
2021	0.524	-12.41

Source: Prepared by the researcher based on the statistics of the Tax Directorate of the wilaya of Skikda.

From the data of the previous table, we can see that the single tax recorded an increase during the years 2017, 2018 and 2019 by 14.53%, 7.8% and 0.52% respectively, but it witnessed a significant decrease of 17.40%. -12.41% for the following two years 2020 and 2021 respectively This decrease is due to the possibility of tax evasion.

4. The relative importance of tax collection of salaries and wages in relation to direct taxes.

Tax collection for this type of tax still contributes to a high percentage of tax collection, since the tax amendments in the nineties of the last century, and even by making tax cuts and adopting the pattern of modernizing tax administration.

4.1. The importance of payroll tax in the earnings of IRG ,JBS and IFU during the period 2016-2021.

From the table below, it is clear that the proceeds of direct taxes fluctuated during the study period, as a collection of 11,886 billion dinars was recorded in 2016, then increased in the following year, achieving the highest collection of 12,993 billion dinars, and the year 2020 recorded its lowest value of 10,905 billion dinars, and this decrease is due to the measures and

measures taken by the state to limit the spread of the "Corona" epidemic, to return to rise in the following year, where the direct tax collection reached a value of 12.255 billion DZD.

Table N°(8) Percentage of contribution of IRG,IBS andIFU to the total proceeds of direct taxes of the wilaya of Skikda during the period (2016-2021)

Years	Proceeds of direct taxes	IRG Contribution %	IBS Contribution %	IFU% Contribution
2016	11.886	78.83	16.13	5.04
2017	12.993	80.88	13.83	5.28
2018	11.583	89.31	5.12	5.57
2019	12.301	90.07	5.03	4.90
2020	10.905	92.54	2.92	4.54
2021	12.255	91.35	4.37	4.28

Source: Prepared by the researcher based on tables N°(07) (6) (4)

It is clear from the previous table that the tax revenue on gross income had the largest percentage in contributing to the proceeds of direct taxes during the study period, as its contribution percentage increased from 78.83% in 2016 to 91.35%. 2021, which was the highest contribution rate during the study period, and the reason behind this increase is due to adjustments and changes that affected tax bases and taxable sources of income. In addition to the significant decrease in the contribution of other direct tax categories as a result of the impact of the "Corona" virus on economic activity.

Table N°(9) Percentage of the contribution of the tax on salaries and wages compared to direct taxes, taxes and other fees to the regular collection revenues of the wilaya of Skikda during the period (2016-2021) Unit billion dinars

Years	Proceeds of regular collection	The proceeds of the salaries tax and wages are one billion dinars	Percentage of the contribution of payroll tax and wages to direct taxes%	Percentage of its contribution to taxes and other fees%
2016	18.962	8.656	62.67	37.33
2017	19.255	9.468	67.48	32.52
2018	17.026	9.448	68.03	31.97
2019	17.083	9.801	72.01	27.99
2020	14.798	9.688	73.69	26.31
2021	17.575	9.702	69.73	30.27

Source: Prepared by the researcher based on the statistics of the Tax Directorate of the wilaya of Skikda.

We note that the contribution of direct taxes to ordinary collection revenues was high during the period 2016-2021, as the average percentage of its contribution in the period (2016-2021) was about 68.94% of ordinary collection revenues, and this indicates the important contribution of this type of tax, as the year 2020 achieved the largest contribution rate of about 73.69% This is the result of changes and amendments made by the state in the finance laws with regard to direct taxes in recent years, which leads to the belief that this type of tax has become a priority in the tax system.

As for other taxes and fees, we note that they have witnessed a decrease in the percentage of their contribution to ordinary tax revenues, reaching their highest percentage in 2016 about 37.33%, and the average contribution during the study period was 31.10%, and this indicates

that the contribution of taxes and other fees to regular collection revenues was medium to low during the study period.

The control of direct taxes over the financing of regular collection is an indicator of economic development, since developed and emerging economies direct taxes control the financing of state revenues in them.

4.2. The Contribution of tax revenues for salaries and wages to total gross income tax revenues for the period (2016-2021):

Income taxes are imposed on people according to their ability to pay and the yield increases for those with higher incomes, but this indicator is not without disadvantages such as uncertainty about the type of income generated by self-talent, hard work or luck, which can lead to tax evasion. (Kane, 2015, p. 48).

From the table below, we can see that most of the contribution comes from the tax on gross income classified salaries and wages, as it contributed an average of 90.83% to the tax on total gross income during the study period (2016-2021), and it witnessed a fluctuation in the contribution percentage during this period, as the year 2016 achieved a contribution rate estimated at 92.42% to decrease to 88.45% in 2019, and then increased again in 2020 to about 96%, achieving the highest contribution rate during the study period.

Table N°(10) Percentage of the contribution of tax revenues for salaries and wages to the tax revenues on the total gross income of the wilaya of Skikda for the period (2016-2021)

Unit billion dinars

Years	Tax proceeds on gross income of salaries and wages (01)	Total Gross Income Tax Proceeds(02)	Contribution rate (01) to (02) %
2016	8.660	9.369	92.42
2017	9.468	10.509	90.09
2018	9.448	10.345	91.33
2019	9.801	11.080	88.45
2020	9.688	10.092	96
2021	9.702	11.194	86.67

Source: Prepared by the researcher based on tables No. (10) and No. (09)

This tax returned to decline, achieving the lowest contribution rate of about 86.67% to the total gross income tax in 2021, and the most important reasons for this large contribution to the wage category tax are that it is deducted from the source, and to the development or growth of the wage mass.

5. The importance of tax contribution on salaries and wages in relation to other taxes and fees to the normal collection revenues:

Based on the statistics of the Tax Directorate of the wilaya of Skikda during the period from 2016 to 2021, we obtained the following table:

Table N°(11) Percentage of the contribution of the tax on salaries and wages compared to direct taxes, taxes and other fees to the regular collection revenues of the wilaya of Skikda during the period (2016-2021) Unit billion dinars

Years	Proceeds of taxes on salaries and wages (1)	Proceeds of direct taxes (2)	Contribution percentage (1) of(2) %	Proceeds of Taxes and Other Fees (3)	Contribution percentage (1) of(3) %	Regular collection revenues (4)	Contribution Percentage(1) of(4) %
2016	8,660	11,886	72,85	7,078	122.35	18,962	45.67
2017	9,468	12,993	72.87	6,262	151.19	19,255	49.17

2018	9,448	11,583	81.56	5,443	197.57	17,026	55.30
2019	9,801	12,300	79.68	4,782	204.95	17,083	66.23
2020	9,688	10,905	88.83	3,893	248.88	14,798	65.46
2021	9,702	12,255	79.16	5,320	182.36	17,575	55.20

Source: Prepared by the researcher based on the statistics of the Tax Directorate of the wilaya of Skikda.

It is noted in this table that the contribution of the proceeds of taxes on salaries and wages to the proceeds of direct taxes increased, as it remained high and did not fall below 72% throughout the study period, and it also increased in light of the rise in the Corona virus, as its contribution percentage reached more than 88%, as a result of the following:

Other direct tax revenues are declining while the rest of the payroll and wage tax revenues are rising.

Most of the revenue from taxes on salaries and wages comes from a government source, which makes it rise compared to the rest of the taxes and fees. Also, if compared to the rest of the other taxes and fees, we find that it represents an important percentage, as it reached more than 122% and continued to rise in its outcome until it reached more than 248% at the height of the Corona crisis. In 2020, other taxes continued to decline due to several factors, most notably:

- A decrease in the level of economic activity due to the Corona virus,
- A decrease in the level of international oil prices, which left a shadow on the reality of collecting taxes and fees in general,

This situation remains the result of the freezing of economic projects by the government and the entry into a state of austerity to preserve the basic needs of the Algerian economy. This type of tax is of great importance if compared to the normal collection, which includes all taxes and fees except petroleum collection, as its contribution to the ordinary collection amounted to more than 45%. in 2016 and continued to rise until it exceeded half of its contribution to regular collection during the years 2018 until 2021, as the decrease in the rest of the collection of taxes and fees left its impact on normal collection and then increased during these recent years. As well as the measures taken by the state to limit the spread of the Corona epidemic, including delaying the payment of some taxes.

The contribution of the single tax proceeds to direct taxes represents the lowest percentage compared to the contribution of the tax on gross income or tax on corporate profits, as it recorded a slight increase from 5.04% in 2016 to 5.57% , but it quickly decreased during the following years, achieving its lowest contribution to direct taxes in 2021 by 4.28 %. This is due to the possibility of tax evasion because the only arbitrary tax depends on the declarative system in the collection process.

6. Analysis and discussion of the results.

- The tax on salaries and wages is of considerable importance if compared to the regular collection, which includes all taxes and fees except petroleum collection, as its contribution to the regular collection reached more than 45% in 2016, and remained on the rise until it exceeded half of its contribution to the regular collection during the years 2018 until 2021.

The percentage of tax contribution on gross income covers more than three quarters of the proceeds of direct taxes, and in recent years this contribution has increased to more than 90%, which leaves a state of imbalance in the contribution of various taxes to the total tax revenue, as taxes imposed on companies almost do not cover 5%. of total taxes, a worrying percentage for the economy that reflects the lack of investment in its contribution to tax collection.

State-subsidized projects such as ANSEJ/CNAC/ANDI/ENJEM are not yet able to create wealth, which leads to increased tax collection, as individuals alone are unable to cover the

general burdens of the country unless this culminates in an effective contribution by other sectors such as industrial, agricultural and services.

-The tax revenue on corporate profits witnessed a significant decrease in the percentage of their contribution to direct taxes, as their contribution to direct taxes decreased from 16.13% in 2016, which is its highest percentage to 2.92% in 2020, which is the lowest percentage recorded to return its contribution percentage to rise slightly in 2021 to 4.37% . The reason for this decline is due to the financial instability experienced by some institutions that allow them to meet their tax obligations.

Conclusion:

The tax on salaries and wages has an important role in tax collection, whether at the level of Algeria as a whole or at the level of the wilaya of Skikda, or even at the level of taxes as a whole, as the importance of its contribution increases with the rest of the taxes on gross income, or other direct taxes, as the main hypothesis has been proven correct, as the decrease in tax revenue on gross income of salaries and wages leads to a significant decrease in tax collection during the period 2016-2021, and the validity of the first sub-hypothesis has been proven Salaries and wages account for an important percentage of the total tax collection of various taxes and fees during the study period, and this importance increases with the country's fall into the "Corona" crisis, and the validity of the second hypothesis has been proven The more tax collection of salaries and wages, the more it leads to an increase in tax collection of direct taxes, but with the state reducing the tax base for salaries and wages, this will lead to a decrease in this contribution, which leaves an important impact on the level of tax collection as a whole.

The results of the study:

Wages and salaries taxes are of great importance in general and in Algeria in particular, as they are one of the most important means of financing the State treasury.

-The effects of the corona virus are more severe on the tax on gross income compared to the tax on salaries and wages, as its growth rate decreased from 18.26 in 2019 to 7% in 2020, compared to a decrease in the tax on salaries and wages from 13.18% to 11.88% for the same. The high relative importance of the contribution of income tax on wages and salaries to the total contribution of other income taxes, not only that, but also the total contribution of the total taxes and various fees, as this importance increased during the years of study from 78.83% in 2016 to 91.35% in 2021 of the total direct taxes.

The relative importance of the contribution of wages and salaries during the period of the spread of the "Corona" virus to the total income taxes in 2016 decreased from 92.42% to 86.67% in 2021.

The growth of the total tax revenue is limited to the growth of the tax proceeds on wages and salaries, and the tax proceeds on corporate profits remain almost not up to 5% during 2021, as it witnessed a significant decrease during the school years from 16.13% in 2016 to 4.37%. % in 2021. It is similar in its contribution rate compared to the single tax, which was 5.04% to 4.28% in 2021 .

The application of the new tax schedule to calculate the tax on wages and salaries leads to a significant decrease in the value and percentage of tax on gross income of wages and salaries in the coming years, which leaves a clear impact on the weakness of the total revenue of taxes and fees as a whole, which calls for searching for other tax sources to cover the expected shortage.

A very low contribution to the tax on corporate profits does not exceed 5%, and it is concluded from these data that state-subsidized projects such as ANSEJ, CNAC, ANDI, ANGEM, has not yet borne fruit and has not led to a significant increase in its contribution to

tax revenues, as the noticeable decrease in its percentage does not yet meet the aspirations of the state to improve the productive situation of the country, despite the increase in the employment rate of individuals.

_ The single tax witnessed a decrease during the years 2017, 2018 and 2019 by 14.53%, 7.8% and 0.52%, in addition to that it witnessed a very noticeable decrease during the years 2020 and 2021, and this is due to the effects of the "Corona" virus, in terms of the closure of most commercial, industrial and craft shops, This had a significant impact on the decrease in its contribution to the total tax revenue.

Recommendations and suggestions:

After analyzing the data, the study suggests the following:

Diversifying economic activities to achieve a balance in the contribution of various taxes and fees to the total tax revenue, especially during crises, to avoid an imbalance in the distribution of public burdens to individuals, each according to his assignment ability, and this is to enshrine the principle of tax justice.

A team to manage tax revenues during crises, and minimize damages through an accurate diagnosis that studies the contribution of each tax or fee to the total tax revenue, in order to avoid the impact of some type of tax on the process of economic activity during and after crises.

The need to increase the contribution of the tax on corporate profits to the total tax revenue, as this decrease leaves the weight of public burdens on individuals instead of companies, which can contribute to the total proceeds at high rates, as it is better to increase their activity and numbers with effective investments in many fields, especially industrial ones.

The need to accelerate the digitization of the tax system in terms of declarations, follow-up and collection, as this measure will contribute effectively to combating various aspects of tax evasion, especially in the declarative system, which leads to an increase in the actual contribution of various taxes and fees such as the tax on wages and salaries.

Work on the creation of new mechanisms to monitor the statements of taxpayers of the single tax, and in order to cover the public burdens, this requires monitoring at all stages of imposing this tax to reach actual contribution rates to the tax revenue.

Prospects for research.

The impact of low tax collection of salaries and wages on public spending.

Activating the contribution of tax on corporate profits to tax collection.

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