Supply Chain Management Effects on the Tax Information as the Basic Supporting Revenues in Iraq for the Period from 2014-2018

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Abstract- Many organisations are beginning to consider the merits of moving to a tax-efficient supply chain and procurement model, both through information management and also centralizing purchasing and supply operations in a tax-efficient location. Tax-efficient sourcing integrates supply chain and procurement-operating model design with tax planning to deliver significant cost reductions and profit increases through centrally controlling procurement operations. This research is intended to examine information management and technologies in tax support as basic source for developing the revenues, also its effect on total revenues in Iraq from 2014 till 2018. The analysis of tax support literature suggest that we have various kinds of tax support, classifications and effects of tax support, social and economic significance and response to tax support which needs analysis. The empirical analysis has been done with the data of total public revenues of Iraq starting from 2014 to 2018. For analysis techniques the descriptive statistics are employed. From previous studies it has been discovered that significance of total revenues are associated with basic tax support which is the ground for National budget. Likewise, rate of growth and the tax revenues for the time before 2014, in that we can see change in Iraqi regime, also its openness towards world. It draws it from an economy of socialist nature to an economy based on market based on the supply chain. Similarly the effect of supply chain on tax support on direct tax income and also on withholding tax, also the effect of information management tax Revenues on Total Country Revenues.

Keywords: *information management, supply chain, taxes, economy development, Iraq.*

1. Introduction

Tax planning is a big part of where profits are booked, where procurement organizations are established, and how supply chain management is done. Although the implementation of information management tax has effect, but on the whole, information management tax is still exploring while information barrier exists among departments. Countries or regions where there is a minimum taxes rates have been prevailed or there is an exemption on taxes are given these are called Taxes support countries. Nowadays, all around the world the concerns regarding taxes support have raised from marginal area of interest towards a matter of global attention. Nevertheless, statistic of both developed and developing countries have been upset on the other hand the consequences of the effects have been mostly significant in the emerging states. While majority of emerging countries are underprivileged, and which have continuous and substantial demand to protect the taxes base of the country. Hence the decline in taxes structure results provisions among emerging Nations and the tax supports frequently. Moreover, certain specific effects of the taxes supports had made the emerging states witnessed alike actions. Relatively, the smaller economies have a better governmental and environmental organization; which influence taxes support to upsurge the quantity of the foreign reserves, so as consequence it helps in the economic expansion. Hence the suggestion to impose lesser taxes to promote the investments and could be observed as "Tax support" for country. The Corporate Tax Rate is recognized to be irregular. Though, there are numerous other mechanisms, for instance, bank's confidentiality regulations, which are relatively much dynamic. Taxes support is acknowledged as authority of economic advisories when tax arrangements are intentionally formed for achievement and attempt to attract the global interest for intention to attract more investors. Although there is no defined definition for tax support, various researchers have suggested many explanations to the concept. Only jurisdiction could authorize foreigners for saving taxes, however it could be different instructions to be observed by taxes support. Either in which the production of goods and services or some activities can occur in their support. Hence it may be further move to more privileges among authorities and so support can cover truth with the secrecy in such a way for covering entitlements. Undesirable or damaging

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reactions towards the taxes systems can be shaped. Consequently, this research is going to explore the effect from chronological view featuring emerging economies and exposed the chronological contextual of taxes support. Thus research has proven that development of Euro promoted in London terminated the primary power written by a corresponding overseas economy. Research highlighted that the taxes support is a thinking that considered a country normally with a population of fewer than 1 million and that is utmost part of the country which equally agreed than industrialized countries. Distant from the features deliberated above, the study described the depressing effects of the tax payment. However, Tax support had both positive and negative impacts on emerging economies. Overall, the effect of tax support has been found in study as a global collaboration alleviates the harmful influence of taxes support and its responses to taxes supports are finally explained.

2. Literature Review

Companies have the resources to structure their supply chain and procurement operations in tax havens and report higher profits as a result. A number of researches have been done from both "experimental and non-experimental" perspectives, which are concentrated on detecting the causes of societies' attitude for tax. According to [1] and [2] the non-experimental researchers have found the part of trust for the tax revenues collected by government. [3]; [4] have done experimental research which was focused on the other determinants, for example perceived fairness and reliability of instrument and the equity considerations. [5] further argue that the study on the specific choice had proven the greater number of cognitive loads which make people more concerned about present thus they are more to succumb to the intuitive inducements. Similarly according to the study by [6]; [7] which is particularly relevant to this research designed the market experiment for testing the structure of taxation. In this research they explore structure of taxation that affects the insight of taxes liabilities. Also they discovered how the allocating taxes revenues affects for support. Research by [8]; [9]; [10] and [11] have discovered a phenomenon named as taxes abhorrence, in which public observe that the liability of taxes expenses to be more than the other labeled differently than frugally corresponding payments. Additionally, investigational proof on "money illusion," shows that the people undervalue the liability related with unforeseen intake of taxes, comparative to the parallel load associated with the direct wage tax [12]. Furthermore, [13] explained that the idea of time for overlooking agreements have one clarification for why people don't agree to take tax

although they have the advantage that happens in future. People give worth to the present benefits which cost high in comparison with the future one. However, discounting the time is not the only motive for the potential deferment. [13] agreed that these influences on the support for the taxes have been ignored, especially the importance of time and externalities for taxes support, for instance the fact that tax implies straight expenses for the upcoming rewards which can receive less support. Although an enormous literature has suggest that individuals are often less keen to take precautionary engagements for losses.

3. Methodology

Generally, in research there are two major approaches that the researchers use "qualitative and quantitative". The third approach of research which most frequently discussed as "mixed approach is a combination of both, quantitative and qualitative", [14]. In this study we have employed the quantitative method to research for the purpose to classify the effect of supply chain in the elicited tax support which is the core element. Therefore, this research is more focused on "regression", which is process of examining the effect of one variable on other. The quantitative design give us the prospect to efficiently and effectively measure and test the desired research hypotheses, and essentially solve the given research issue. Additionally, considering the methodology which had been employed by past studies, specially the empirical analysis and results, hence this study also contribute in the a methodological part into the body of knowledge. This section has been divided in two major parts, "data collection and data analysis". This part describes data collection procedure and research methodology used for analysis. In this empirical study has used secondary data collected from world bank "data bank". The data was collected for total tax Revenues with the relevant of total growth rate from 2014-2018. The method used for this research is based on "deductive method". Thus data was later analyzed through the multiple regressions. In this study we have adopted the case study approach as the data compromises only on 5 years to examine the impact of taxes support on taxes Revenues as function for major development and also measure its reflection on the public Revenues focused on Iraq from 2014 till 2014. The approach for this research is a systematic traditional research that is conducted starting from activities "identification of problem, literature review, and specification of research purpose, collection of data, analysis and interpretation and then reporting" as recommended by [15]. These steps have been monitored on authoritarian terms for the purpose to attain the anticipated research objectives. As the intended determination of this research [16] suggested to

examine the effects with a deeper of view to analyze and predict the nature variables using statistical calculations, hence "quantitative approach" is the most suitable one for this research study .This research study represents a case of formal research for empirical investigation for testing the effect of taxes support on taxes revenues development in Iraq from 2014 and 2018.

4.   Results

In this research the supply chain management effects on the performance of the tax payment for seller and the user in country of Iraq were investigated. In different countries, tackling the issue of taxation with the use of tax supports has attracted a substantial number of researchers to do research in this field. Especially the actions and concerns highlighted by the G-20 countries and the "Organization for Economic Cooperation and Development (OECD)" addressed these issues in [17]. [18] indicated that "the multinational firms can shift their profits to low tax from high-tax jurisdictions hence by applying diverse techniques and procedures for moving debt to high-tax jurisdiction. Hence there is tax imposed on the Revenues of the foreign subsidiaries excluding for some specific passive revenues that are deferred until the income is sent into U.S accounts as a dividend; thus this income can be evade present U.S taxes forever and some other emerging countries [19]. Passive revenues taxation has been expressively reduced through the use of hybrid entities which are adjusted in individual jurisdiction otherwise" [20, 21]. Significance of the structure of total Public revenues examination is focused in this study because it is the back bone of the budget of a country, hence it is well-known that it was nearly o1 billion dinars for year 2009 to jump to the 3299 billion dinars, nearly, and sustained to increase till 2014 as it has attained 86,641 billion Iraqi dinars, which fell by 2009 to 56,243 billion dinars hence as a consequence of monetary crunch, the dialect, has recovered over and over again till the year 2014 as a consequence of dropping oil prices, since the economy of Iraq has been a "yield economy" that be governed by oil and for expenses, and notes that the ratios. Thus it is well-known that the revenues growth rates had been declined for 2014 and 2018. So we had to emphasis more on taxes revenues which are in incessant upsurge to encounter the shortfall in revenues, the Country revenues and the tax revenues with growth rate for the period of 2014-2018.

5.   Discussion

The concept of supply chain management tax is to take full advantage of modern information technology, and focus on solving the problem of the asymmetry of levying for both information, taking the collection, analysis and use of taxation information as the main line to perfect the Management System of Tax Source, strengthen the combination of business and technology, thereby increasing tax compliance and tax revenue collection. From the test of first hypothesis: The relationship between tax support and the tax revenue has been tested and the correlation coefficient between this relationship has been shown a statistical significance at 0.71, which further show the 0.05 moral significance level. Hence this relationship shows a positive and strong correlation between the two tested variables. Whereas the F value for this relationship has been found 9.5 at significance level 0.05, consequently this hypothesis has been accepted. It shows that there is a statistically significant relationship between these variables also the abstract level 5% for the tax support with 95% confidence limits. Hence in the tax revenues, $R^2=0.51$ coefficient of determination thus we can interpret that 51% of change in the taxes revenues. It shows the proportion of 49% and for this purpose the other variables has been included in the regression analysis. Now we can assume that the marginal propensity of the coefficient has been evidenced at $\beta = 13.5$ which has a deep gradient angle and this is the reason that the level of tax support increase at one unit and that will in return would effect and increase the tax revenues by 135%. Hence the P Value here indicates spirits parameters at 0.013 levels, thus the coefficient estimation of regression also confirms that at level 0.05 the moral significance among the tested variables which indicates the effect of the tax revenues to tax support. Thus from the above mentioned results we can confidently say that the first hypothesis has been accepted. According to the second hypothesis the relationship between tax revenue and the total revenue has been tested and the correlation coefficient between this relationship has been shown a statistical significance at 0.08, which further show the 0.05 moral significance level. Hence this relationship shows a positive and but a bit week correlation between the two tested variables. Whereas the F value for this relationship has been found 0.05 at significance level 0.05, consequently this hypothesis has been rejected. It shows that there is a statistically insignificant relationship between these variables also the abstract level 5% for the tax support with 95% confidence limits. Hence in the tax revenues, $R^2=0.007$ coefficient of determination thus we can interpret that 51% of change in the taxes revenues. It shows the proportion of 70% and for this purpose the other variables has been included in the regression analysis. Now we can assume that the marginal propensity of the coefficient has been evidenced at $\beta = 3.73$ which has a deep gradient angle and this is the reason that the level of tax

support increase at one unit and that will in return would effect and increase the tax revenues by 373%. Hence the P Value here indicates spirits parameters at 0.82 levels, thus the coefficient estimation of regression also confirms that at level 0.05 the moral significance among the tested variables which indicates the effect of the tax revenues to tax support. Thus from the above mentioned results we can confidently say that the second hypothesis has been rejected. Thus we can say that "the importance of the structure analysis of the public revenues as the basic underpinning ground for the country's budget, thus in research the researchers study the growth rate of the tax revenues especially for the period after the year 2014 till 2018, as it seek the Iraq regime has been changed change and it is more open for the world. It converts from the socialist economy to the market economy, also the effect of the tax supports with the direct tax and income withholding tax, since it impact the total tax revenues and the total Public Country revenues. Thus now it has been determined that the tax revenues have been affected by the grace that is given according to the tax law, and the patron social circumstances and the suffering of the citizens due to social conditions, that's why the Iraqi economy is called an economy of REI, because it mainly depends on the oil revenues and are not affected by the income from the tax. So we have to focus on the traits that to develop and promote the role of tax support revenues that increase the public revenues and it is under the conditions that you can experience in form of variations in global oil prices"

6.   Conclusion

This study investigated the supply chain management in tax procedure, which can be effectively useful. Being part of a low-tax jurisdiction the results which gives us a chance an especially for the stakeholders for saving the tax expenditure, thus this study had found that with tax support it moved the world's interest and shows the major concern. On the other hand various other indicators also recommend that the tax supports will help to keep up and create an infinite circle in Iraq Thus its existence is considered of furthermost importance at the era which had noteworthy effect on the government institutions in the financially sound countries. It also permits weaker institutional limit which inspires illegal capital flight. In the end for conclusion, we can conclude that the positive impact of the tax supports is mostly certain not only to a specific countries' jurisdiction alone. Also the emerging countries' like Iraq is most likely to have a great chance to get the maximum benefit from this tax support. Moreover, the emerging countries should see the positive effect of tax supports especially Iraq.

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