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-RESEARCH ARTICLE-

THE EFFECT OF APPLYING THE PRINCIPLES OF TAX GOVERNANCE IN INCREASING THE EFFICIENCY OF TAX ADMINISTRATION AND INCREASE TAX COMPLIANCE

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—Abstract—

This study aims to examine the influence of tax governance principles on the effectiveness of tax administration and the rise of tax compliance. The study is founded

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on tax governance, concerned with improving tax system performance, disclosure, and transparency. Applying tax governance principles improves tax administration efficacy and increases tax compliance. The study utilized a quantitative research methodology and questionnaires to collect data from tax experts and Iraqi General Tax Authority officials. Results indicated that tax governance principles such as the development of performance, disclosure, and transparency increase the confidence of those responsible for tax administration and enhance tax collection methods. In addition, the study found that tax administration efficiency substantially mediates between tax governance principles such as performance development, disclosure, and transparency and increases tax compliance. The implications of applying tax governance principles to increase tax administration efficiency, transparency, disclosure, tax compliance, and revenue are discussed. The study also includes recommendations for tax authorities to improve tax administration efficacy and increase transparency and disclosure.

Keywords: Tax governance, Tax administration, Efficiency, Transparency, Disclosure, Tax Compliance

1. INTRODUCTION

The world has faced various financial issues in the past few decades, including corruption, money laundering, and tax evasion. Some issues are transnational, such as money laundering, while others, such as corruption and tax evasion, are domestic. The imposition of tax is one of the most straightforward methods of generating income for governments worldwide. Governments exert their best efforts to increase their tax revenue by increasing the number of taxpayers. One of the appropriate methods to increase the volume of taxpayers is to bring more individuals into the tax net by offering tax-registered individuals benefits such as discounts on everyday purchases. Governance is essential to the success of this complete process. Effective tax administration can lead to improved outcomes in this regard. Studies suggest tax administration increases tax revenue (Crivelli, 2019; Kovermann & Velte, 2019). Countries worldwide implement the most effective practices of the modern era in their tax administrations to increase the authorities' efficiencies and tax revenue.

Governance has grown in significance in recent years due to its potential to enhance organizational performance, reduce corruption, and increase the transparency of business practices D'Ascenzo (2015). Considering that taxes are the primary revenue source for most governments, tax governance has emerged as a key area of focus (Hanappi, 2018; Siems & Alvarez-Macotela, 2015) Tax governance principles seek to establish a foundation for the tax system, provide rules and guidelines to control its performance, and ensure that the tax burden is fairly distributed among all taxpayers. However, inefficient tax administration can contribute to an imbalance in the tax accounting process, which can have significant repercussions for taxpayers and tax administrations alike. To address this issue, it is necessary to develop procedures and

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methods for controlling the performance of tax administration. Implementing tax governance principles can be a useful strategy for improving the efficiency of tax administration; however, more research is needed in this area (Crivelli, 2019).

Recent research has highlighted the significance of tax governance in enhancing the performance of tax administration (Dang, Fang, & He, 2019; Li, 2022). Effective tax governance can help ensure that the tax system operates fairly, transparently, and efficiently and that taxpayers are treated fairly (Kovermann & Velte, 2019). However, research on the impact of tax governance principles on tax administration efficiency and how they can be implemented in practice to achieve this objective is still limited. In light of this, this study aims to examine the effect of implementing tax governance principles on tax system participants on the effectiveness of tax administration. The study will also investigate the role of governance rules in enhancing tax accounting efficiency, investigating potential tax governance concepts that can enhance tax administration and boost efficiency (Palandeng, Nurdayadi, & Salem, 2022). By analyzing these issues, the study intends to shed light on the practical application of tax governance principles and their effect on enhancing the efficiency of tax administration.

This research is justified by the significance of tax governance in enhancing the effectiveness of tax administration. Tax governance principles provide a framework for administering the tax system, ensuring that it operates fairly, transparently, and efficiently and that taxpayers are treated fairly. However, research on the impact of tax governance principles on tax administration efficiency and how they can be implemented in practice to achieve this objective is limited (Sorbe, Gal, & Millot, 2018). This research aims to fill this gap in the literature and contribute to developing best practices for tax administration by investigating the influence of tax governance principles on tax administration efficiency. This research will be of particular interest to tax authorities, policymakers, and practitioners, who ensure that the tax system functions efficiently and effectively and that taxpayers are treated equitably. In the end, the findings of this study will contribute to the promotion of better tax governance practices, resulting in more efficient and effective tax systems and increased public confidence in tax administration.

2. LITERATURE REVIEW

This study's research hypothesis is that there is a statistically significant relationship between applying tax governance principles and enhancing tax administration effectiveness. This study provides empirical evidence for this fundamental premise by analyzing the potential impact of tax governance on tax administration. Governance refers to a set of laws, regulations, and decisions to attain quality and excellence in performance by selecting appropriate and effective means to achieve organizational goals and objectives (Alsaadi, 2020). Tax governance arose in response to global financial crises and economic obstacles, with the development of private governance for corporations and institutions to prevent corruption, increase business control, and safeguard shareholder rights. Public governance arose to regulate the responsibilities and powers of government institutions and their departments without bias toward the state, involving citizens and increasing the transparency of their actions toward citizens, eventually leading to the concept of tax governance (Hearson & Rixen, 2021).

Tax governance entails establishing and enforcing tax laws following the fundamental principles of governance to achieve goals such as openness and accountability. Sandrine Groult defines tax governance as the new obligations of tax administrations to guarantee fiscal control and openness in the transmission and transfer of tax information to interested parties. Tax governance is essential for both taxpayers and tax administrations because it ensures that tax administrations only apply and implement tax laws, protects taxpayer rights while adhering to disclosure and transparency eliminates conflicts and arguments, and focuses on precise and tight collection of tax profits (Andres et al., 2022). "Effective tax governance is necessary to guarantee that tax systems are efficient, effective, and equitable. Transparency, accountability, participation, predictability, and the rule of law are the tenets of tax governance. Applying these principles can enhance tax administration's effectiveness by enhancing tax data quality, decreasing compliance costs, and encouraging voluntary compliance. In addition, tax governance can aid in reducing tax evasion and enhancing the tax system's overall fairness. Taxpayers are more likely to comply with tax laws if they perceive the tax system to be equitable and transparent and have faith in the tax administration's ability to enforce the laws (Abdelfattah & Aboud, 2020; Sebele-Mpofu, 2020).

Performance management is based on assessing the economy, efficiency, and efficacy of all tax administration activities to enhance spending, decision-making conditions, and public accountability. The application of performance control as one of the governance concepts necessitates an examination of the economy and the efficacy and efficiency of tax administration (Tilahun, 2019). Economy refers to maintaining the quality and quantity of work while reducing costs. Scarcella (2019) defines efficiency as maximizing available resources, whereas effectiveness is the capacity to attain specified objectives. Governance attempts to establish a framework through which organizations can achieve their objectives, monitor performance, review and amend laws governing performance, and increase senior management's accountability and credibility. In addition to enhancing the credibility of data and information, good governance creates efficient administrative structures (Nichita et al., 2019). Governance implementation necessitates cultivating awareness and methods for enhancing functional performance effectiveness.

H1: There is a positive association between tax governance (development of performance) and tax administration efficiency in Iraq.

Governance of taxes is necessary to ensure that tax systems function fairly, efficiently, and effectively. The principles of tax governance, which include transparency, accountability, participation, and the rule of law, offer a framework for ensuring that tax systems achieve these objectives. Tax governance can increase the effectiveness of tax administration by enhancing the quality of tax data, decreasing compliance costs, and encouraging voluntary compliance. It can also reduce tax evasion opportunities and enhance the tax system's fairness. When taxpayers perceive that the tax system is fair and transparent and have faith in the tax administration's ability to enforce the laws, they are more likely to comply with tax laws.

Consequently, tax governance is essential for fostering trust between taxpayers and the tax administration, which is necessary for maintaining a healthy tax system (Oyinlola et al., 2020; Sebele-Mpofu, 2020). Creating transparency, justice, objectivity, and non-exaggeration in applying the law and executive instructions, granting everyone their rights, and protecting the treasury's rights to revenues due without extravagance or violations of the law are crucial aspects of tax governance. Tax administration is accountable for administering and enforcing income tax and sales tax regulations through auditors and their employees. Tax legislation and tax administration are two key components of tax governance. Transparency and disclosure, performance monitoring, and the activation of performance are the essential foundations of tax governance, which necessitate an examination of the economy, efficiency, and efficacy of tax administration (Rajabi Farjad & Azab Daftari, 2019).

H2: There is a positive association between tax governance (transparency) and tax administration efficiency in Iraq.

Governance can be implemented in government institutions via intergovernmental partnerships and policies that strengthen the partnership between the government, the private sector, and civil society (Baeli, 2021). By prioritizing information accessibility and openness, as well as internal and external responsibility, good governance has helped organizations in the Arab region manage human development challenges (Lim, 2021). Governance plays a crucial role in enhancing organizations' economic efficiency and competitiveness, establishing effective performance control, and preventing accounting and financial problems. To implement governance, organizations must carefully select their personnel, train them, and encourage them to apply the organization's ideas and concepts and implement appropriate control mechanisms (Bulgac & Stratulat, 2022). There are also several variables related to the Organization's internal environment, such as the rules and norms that guarantee the creation of effective administrative structures, which influence how decisions are made, and authority is distributed within the Organization (Benítez-Ávila et al., 2018; Kotsogiannis, 2020). A balance of performance in terms of attention to long-term performance and a balance in the distribution of powers and responsibilities between management and employees ensures that no one group has complete control over all business decisions. Finance and

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Finance are working to improve performance by placing equal emphasis on performance review and follow-up. In addition to human factors that value professional ethics such as honesty, integrity, and other high morals, as well as appropriate control mechanisms, the company must carefully select its personnel, train them, and encourage them to apply the organization's ideas and concepts. On the one hand, reducing the threats to it, and on the other, enhancing its safety (Awadallah, 2020).

The implementation of governance requires the development of cognizance and methods, clarifying the relationship between governance processes and principles, and enhancing functional performance efficiency (Samaha & Dahawy, 2011). While the application of governance in government institutions requires intergovernmental institutions and partnership with effective government policies contributing to the application of governance and activating institutional performance of governmental organizations and through policies to strengthen the partnership between government, the private sector, and civil society and ensuring that sectors can carry out the roles, the roles can be carried out by sectors independently. The final step is activating governance practices and initiating governance (Alaraji, 2017). Good governance has enabled organizations in the Arab region to address human development issues, particularly due to political and economic reforms that have reduced the state's role by withdrawing it from the social domain and emphasizing the private sector. The governance management strategy emphasizes information accessibility, openness, and internal and external accountability (Shunnaq, Nhar, & Al Azzam, 2018).

H3: There is a positive association between tax governance (disclosure) and tax administration efficiency in Iraq.

Taxation is one of the primary sources of revenue for every country in the globe. Although a significant portion of tax revenue is spent on the welfare of the populace, it is also used to fund government expenditures. The countries try to increase their tax collection by offering tax schemes and bringing more individuals into the tax system. The purpose of all of this is to assure tax compliance. Quality administration is one of its most important instruments (Dabla-Norris et al., 2020). Between individuals and tax compliance, efficient administration reigns supreme. Effective administration maximizes output with minimal input (Gangl & Torgler, 2020). Therefore, it is preferable to compel people to comply more effectively with minimal resources. According to the literature (Murshed, Khan, & Rahman, 2022), efficacy can mediate.Wang, Wang, and Fan (2021) investigated, in the context of mediation, whether innovation efficiency mediates the relationship between the ecological environment and economic development. China's sample was examined for the investigation. As a sample, the research utilized information from 283 Chinese cities. Using questionnaires, a representative sample of data was collected. For analysis, the study employed the PTM method. According to the analysis's findings, the innovation's efficiency substantially mediates the relationship between the ecological environment and economic development. In addition, the results recommended that the globe ensure the modernization of their tax systems to conform to global standards and control tax avoidance. Thus, the hypothesis derived from the preceding discussion is as follows.

H4: Tax administration efficiency in Iraq significantly mediates tax governance (development of performance) and increases tax compliance in Iraq.

Tax evasion and avoidance are among the world's most pressing problems (Kemme, Parikh, & Steigner, 2020). Due to tad avoidance, the nation's economy loses billions of dollars annually. One of the primary objectives of the country's tax authorities is to control tax evasion by increasing the number of taxpayers who are registered. People evade taxes by making fewer declarations, despite their tax registration. In order to disclose tax information, tax administration requires greater efficiency. The tax authorities could improve their level of governance if they could bring more people into the tax framework through practical means while avoiding threats. In the context of mediation, Chien (2022) investigated whether the relationship between the sharing economy and sustainable benefits is mediated by energy efficiency. China's sample was examined for the investigation. The sample for the research consisted of 320 respondents. Using questionnaires, a representative sample of data was collected. For purposes of analysis, the study employed the Smart PLS method. According to the analysis's findings, the relationship between the sharing economy and sustainable benefits is substantially mediated by energy efficiency. The study concluded with the recommendation that efficiency is one of the most important factors for improving the performance of any undertaking. Thus, the hypothesis derived from the preceding discussion is as follows.

H5: Tax administration efficiency in Iraq significantly mediates tax governance (disclosure) and increases tax compliance in Iraq.

Tax revenue is one of the primary sources of income for all nations. Although a substantial portion of tax revenue is used for the welfare of the populace, the remainder is used to fund government expenses. To ensure maximum tax compliance, nations exert their best efforts to enhance revenue collection by offering tax incentives and luring individuals into the tax system through good governance (Baeli, 2021). Quality administration is one of its most essential instruments. Countries improve the efficacy of their governance in order to increase tax compliance. To achieve maximal compliance, it is essential to prioritize efficient administration, as this leads to the most productive use of the fewest resources. In the context of mediation, Murshed et al. (2022) investigated whether energy efficiency serves as a mediator with a road map for attaining energy sustainability. The sample of Sub-Saharan economies was utilized for the investigation. The sample for the analysis included data from 32 economies. The specified sample data spans the years 2010 through 2018. For analysis, the study employed the ARDL method. According to the analysis results, energy efficiency in the context of energy consumption functions as a mediator for achieving energy sustainability. In addition, the results indicated that achieving sustainable development is a time-consuming endeavor in which efficacy is crucial. Thus, the hypothesis derived from the preceding discussion is as follows.

H6: Tax administration efficiency in Iraq significantly mediates between tax governance (transparency) and increased tax compliance in Iraq.

3. MATERIAL AND METHODOLOGY

This study seeks to examine the impact of implementing tax governance principles on the effectiveness of tax administration. A quantitative research design was chosen to attain this objective, and a questionnaire was used to collect data. The questionnaire utilized a five-point Likert scale, with 5 representing complete agreement and 1 representing disagreement. The estimates were converted to a scale ranging from 1 to 5 to determine the level of agreement between individuals. A random sample of tax officials from various tax administration departments in a particular nation was chosen for the research. The sample selection was founded on a sampling framework constructed using official government sources and professional organizations. Statistical power analysis was used to determine the sample size, and a random sampling technique was employed to select tax officials from the identified tax administration departments. The sampling units consisted of individual tax administrators responsible for tax administration in their respective departments.

The survey questionnaire was created based on a literature review of the effectiveness of tax governance and administration. The questionnaire was divided into two sections: the first addressed the application of tax governance principles, while the second addressed the effectiveness of tax administration. The questionnaire utilized Likert's five-point scale, with estimates ranging from 1 to 5. The survey questionnaire was emailed to the designated tax officials, with a response deadline of two weeks from the initial email. A cover letter explaining the study's purpose, the data's confidentiality, and the voluntary nature of participation accompanied the survey questionnaire. The collated information was entered into a statistical program for analysis. All participants were informed of the purpose of the study, the confidentiality of the data, and the voluntary nature of their participation, which was conducted following the ethical principles of research. Before administering the survey questionnaire, written informed consent was obtained from all participants. This methodology chapter has detailed the essential steps in examining the effect of applying the principles of tax governance on enhancing the effectiveness of tax administration. Using a survey questionnaire based on Likert's five-point scale allowed for a methodical approach to data collection and analysis. The sampling, questionnaire development, data collection, and data analysis were conducted following research ethics.

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The questions were used to measure performance development with eight questions, disclosure with five questions, transparency with four items from Christensen and Hearson (2019), tax administration efficiency with five questions, and income tax compliance with four items from Baeli (2021) The study utilized smart PLS to examine the relationship between the variables. It is a powerful tool that provides the best results using primary data and substantially handles complex models (Hair Jr, Howard, & Nitzl, 2020). Finally, the study utilized three independent variables: performance development, disclosure, and transparency. In addition, the study employed a mediating variable referred to as tax administration efficiency (TAE) and a dependent variable referred to as income tax compliance (ITC). Figure 1 contains a listing of these variables.

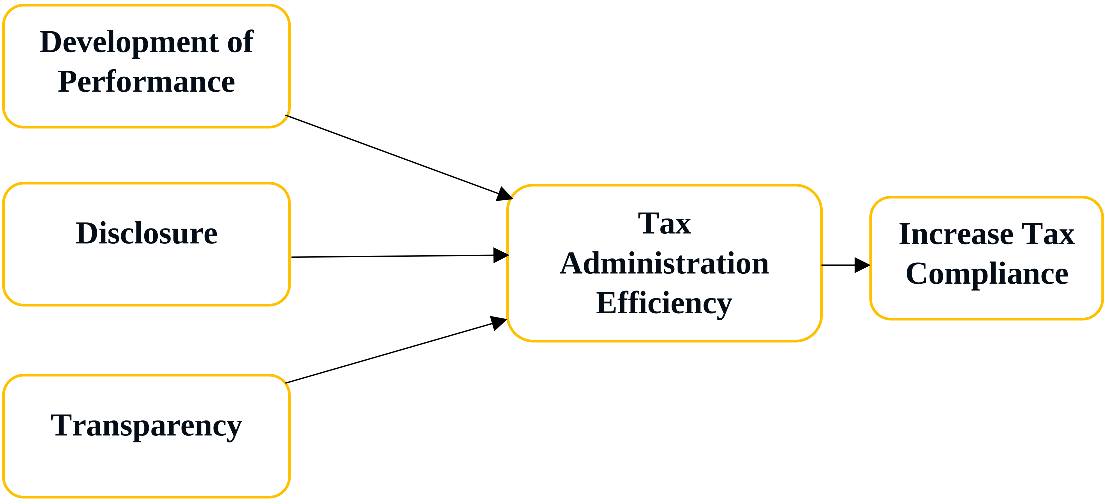

Figure 1. Research model

4. RESEARCH FINDINGS

This chapter provides a thorough analysis of the study's findings and contributes to understanding the role of tax governance in fostering the effectiveness of tax administration. The survey sample was comprised primarily of chartered accountants and employees associated with the work of businesses within the General Authority for Taxes. The following are the descriptive statistics of the respondents:

A questionnaire was distributed to a group of job holders: the external auditor with 37 forms (61.667%), the department manager with 4 forms (6.667%), the deputy director of the department with 7 forms (11.667%), and a tax assessor with 7 forms (11.667%). And a division official with five forms and an 8.3% percentage. The external auditor received the maximum number of forms, while the department director received the fewest.

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Table 1. Job Description

	External Auditor	Director of Department	Department Manager Agent	Tax Assessor	Division Official	Total
Repetition	37	4	7	7	5	60
The ratio	61.667	6.667	11.667	11.667	8.3	100.0

The questionnaire was distributed to a group of categories of years of experience, with category 6-10 receiving 6 forms and a percentage of 10%, category 11-15 receiving 9 forms and a percentage of 15%, category 16-20 receiving 8 forms and a percentage of 13.33%, category 21-25 receiving 22 forms and a percentage of 36.667%, and category 26 or more receiving 15 forms and a percentage of 25%. The category with the highest percentage of applications was 21-25, while the category with the lowest percentage was 6-10.

Table 2. Years of Experience

	6-10	11-15	16-20	21-25	26and more	Total
Repetition	6	9	8	22	15	60
The ratio	10	15	13.33	36.667	25	100.0

The questionnaire was distributed according to educational attainment, as the number of applications for academic achievement was 4 doctoral forms, with a percentage of 6.7%. The chartered accountants had 37 forms, with a percentage of 62%. A higher diploma was with 4 forms, with a percentage of 6.7%. A bachelor's degree was with 10 forms, with a percentage of 17%, and a technical diploma with 5 forms and a percentage of 8.3. The highest proportion of academic achievement consisted of chartered accountants, indicating that respondents could comprehend the questionnaire's queries, the principles of tax governance, and the impact of their application.

Table 3. Academic Qualification

	Accountant	PhD	Higher Diploma	Bachelor's degree	Technical Diploma	Total
Repetition	37	4	4	10	5	60
The ratio	62	6.7	6.7	17	8.3	100.0

The investigation investigates the relationship between items. It is validated utilizing Alpha values greater than 0.70. In addition, factor loadings with values greater than 0.50 are examined. In addition, it is evaluated using composite reliability (CR) values greater than 0.70. Last but not least, it is examined using average variance extracted (AVE) values greater than 0.50. These values indicated a significant correlation between items. Table 4 contains these values.

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Table 4. Convergent Validity

Constructs	Items	Loadings	Alpha	CR	AVE
Development of Performance	DP1	0.870	0.877	0.906	0.585
	DP2	0.736			
	DP3	0.800			
	DP4	0.600			
	DP5	0.603			
	DP7	0.867			
	DP8	0.826			
Disclosure	DS2	0.902	0.955	0.968	0.882
	DS3	0.963			
	DS4	0.966			
	DS5	0.924			
Income Tax Compliance	ITC1	0.941	0.897	0.929	0.768
	ITC2	0.934			
	ITC3	0.852			
	ITC4	0.767			
Tax Administration Efficiency	TAE1	0.787	0.818	0.880	0.649
	TAE3	0.830			
	TAE4	0.892			
	TAE5	0.700			
Transparency	TR1	0.869	0.893	0.925	0.756
	TR2	0.866			
	TR3	0.868			
	TR4	0.875			

This investigation investigates the relationship between variables. It is examined using cross-loadings and Fornell Larcker, whose values reveal the high correlation between variables because the values that reveal the association with the variable are greater than those that reveal the association with other variables. These values can be found in Tables 5 and 6.

Table 5. Fornell Larcker

	DP	DS	ITC	TAE	TR
DP	0.765				
DS	0.150	0.939			
ITC	0.064	0.477	0.877		
TAE	0.168	0.429	0.479	0.805	
TR	0.053	0.414	0.396	0.393	0.870

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Table 6. Cross-loadings

	DP	DS	ITC	TAE	TR
DP1	**0.870**	0.045	0.018	0.168	0.017
DP2	**0.736**	0.076	0.029	0.090	0.018
DP3	**0.800**	0.053	0.017	0.118	0.022
DP4	**0.600**	0.292	0.079	0.130	0.110
DP5	**0.603**	0.206	0.119	0.120	0.110
DP7	**0.867**	0.062	0.057	0.134	0.026
DP8	**0.826**	0.075	0.026	0.115	-0.022
DS2	0.178	**0.902**	0.461	0.393	0.389
DS3	0.137	**0.963**	0.445	0.400	0.405
DS4	0.136	**0.966**	0.444	0.394	0.409
DS5	0.115	**0.924**	0.439	0.423	0.353
ITC1	0.058	0.416	**0.941**	0.432	0.353
ITC2	0.052	0.407	**0.934**	0.427	0.336
ITC3	0.081	0.455	**0.852**	0.447	0.363
ITC4	0.029	0.389	**0.767**	0.367	0.337
TAE1	0.122	0.300	0.377	**0.787**	0.316
TAE3	0.130	0.393	0.468	**0.830**	0.329
TAE4	0.162	0.345	0.419	**0.892**	0.361
TAE5	0.130	0.345	0.242	**0.700**	0.250
TR1	0.064	0.344	0.285	0.333	**0.869**
TR2	0.003	0.353	0.385	0.303	**0.866**
TR3	0.075	0.342	0.348	0.303	**0.868**
TR4	0.043	0.391	0.360	0.408	**0.875**

The study also investigates the relationship between variables. It is evaluated using the Heterotrait Monotrait (HTMT) ratio, whose values reveal a high correlation between variables because they exceed 0.90. Table 7 contains these values.

Table 7. Heterotrait Monotrait Ratio

	DP	DS	ITC	TAE	TR
DP					
DS	0.167				
ITC	0.078	0.515			
TAE	0.195	0.486	0.546		
TR	0.082	0.445	0.443	0.449	

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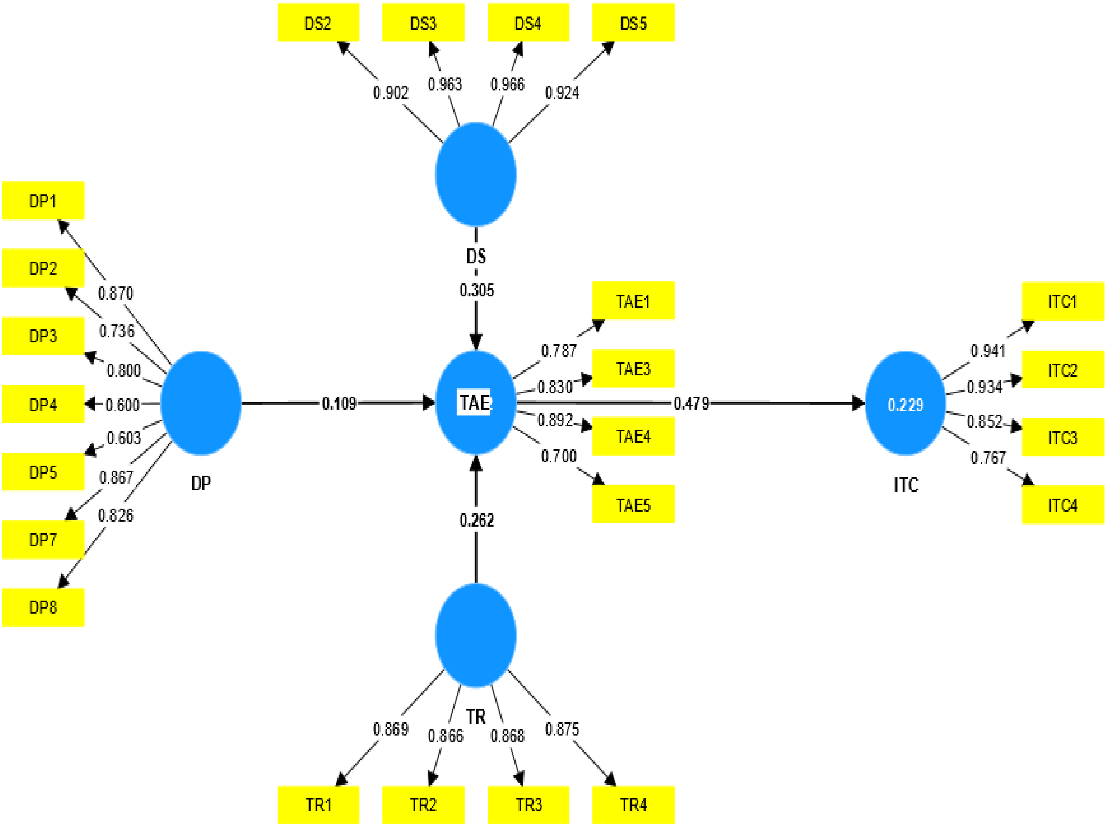

Figure 2. Measurement Model Assessment

Tax governance principles such as the development of performance (DP), disclosure (DS), and transparency (TR) have a positive association with tax administration efficiency (TAE) and adopt hypotheses H1, H2, and H3. These relationships are listed in Table 8.

Table 8. Direct Path Analysis

Relationships	Beta	Standard deviation	T statistics	P values
DP -> TAE	0.109	0.047	2.296	0.024
DS -> TAE	0.305	0.070	4.359	0.000
TAE -> ITC	0.479	0.057	8.434	0.000
TR -> TAE	0.262	0.045	5.801	0.000

The results of the indirect path analysis revealed that tax administration efficiency (TAE) substantially mediated the relationship between tax governance principles, including the development of performance (DP), disclosure (DS), transparency (TR), and income tax compliance (ITC) and accept H4, H5, and H6. These relationships are listed in Table 9.

Table 9. Indirect Path Analysis

Relationships	Beta	Standard deviation	T statistics	P values
TR -> TAE -> ITC	0.125	0.023	5.408	0.000
DS -> TAE -> ITC	0.146	0.046	3.186	0.002
DP -> TAE -> ITC	0.052	0.023	2.317	0.023

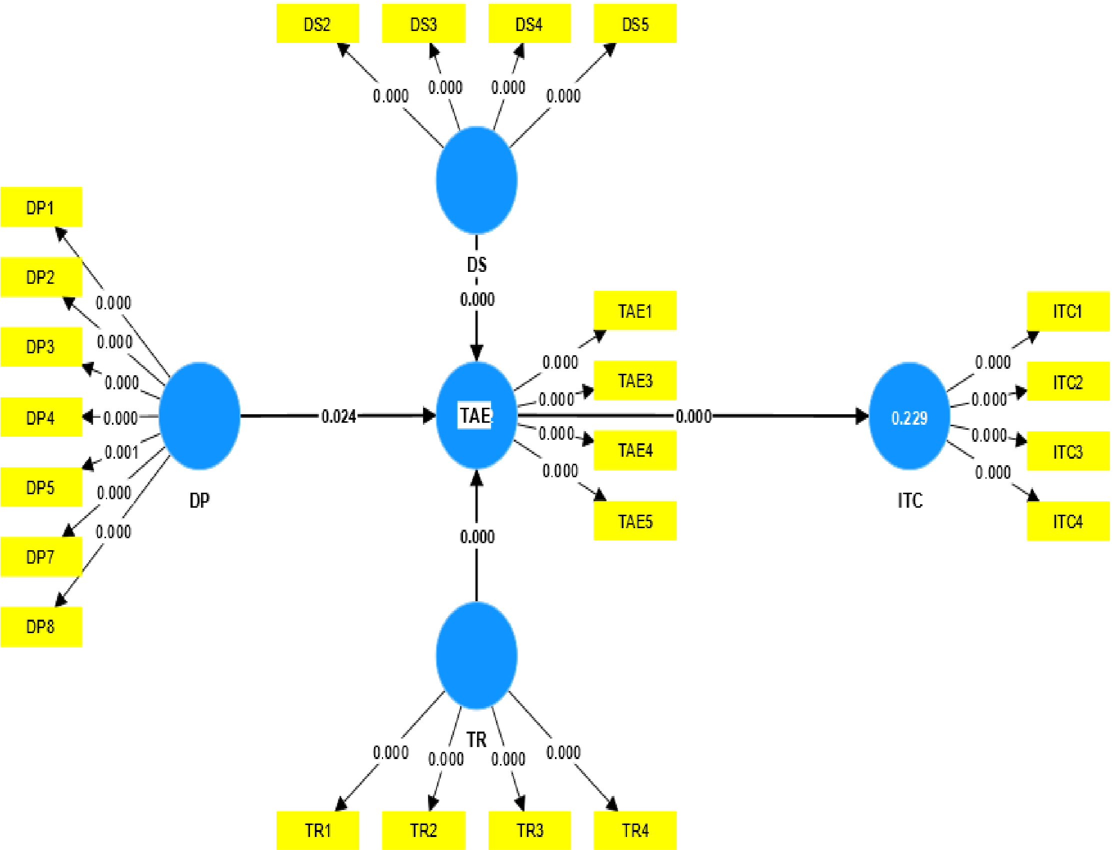

Figure 3: Structural Model Assessment

5. DISCUSSIONS

The results showed that performance development positively correlates with tax administration efficiency. These results are supported by Morton, Pencheon, and Bickler (2019), that is about officers' performance impact on tax administration efficiency. The study implies that administrators can better manage all tax matters if scales are designed and implemented to evaluate and develop officers' work performance. Thus, the development of tax performance improves tax administration efficiency. These results also align with Alkhatib et al. (2019), which states that if officers in the tax department continuously make development in their daily performance and tax administrators monitor this development, they can make and execute tax plans. As a result, tax administration efficiency improves. The results showed that disclosure has a positive association with tax administration efficiency. These results are supported by Sebele-Mpofu (2020). This previous article shows that different tax department officers prepare documents specific to their tax-related duties.

The accuracy of these documents affects the officers' performance and effectiveness of tax duties. If tax administrators adopt a policy to make officers disclose their documents and reports, the documents will be accurate, and tax administration efficiency will be high. These results also agree with Tan et al. (2022), highlighting that if companies are governed as they are bound to disclose their actual financial position and conduct, it is easy for tax officers to administer tax activities. The results showed that transparency has a positive association with tax administration efficiency. These results are in line with Akhmetshin et al. (2019). The study claims that when it is included among tax governance principles to assure transparency of documents with companies working within specific regions and tax officers who somehow note down tax matters. The documents' transparency reveals the amount taxable and tax received by tax governors and makes it possible for them to perform tax administration duties effectively.

Hence, transparency improves tax administration efficiency. These results also align with Vanhoeyveld, Martens, and Peeters (2020), which state that the transparency principle of tax governance gives potential tax governors the right decision according to the situation and efficiently performs tax administration. The results showed that tax administration efficiency is a significant mediator between the development of performance and increased tax compliance. These results are supported by Athayde et al. (2019), which posit that when tax officers are trained and supervised to improve their job performance and gain performance development, the senior officers involved in tax management can have efficiency for tax administration. Improving tax administration efficiency assures increased tax compliance, making more tax receipts. These results also agree with Scarcella (2019), which indicates that the consistent development of officers through effective tax governance improves the effectiveness of tax administration. When tax administration improves, people are more likely to comply with tax rules. The results showed that tax administration efficiency significantly mediates disclosure and increased tax compliance. These results align with Gangl and Torgler (2020), which explain that if tax governors abide by the disclosure principle, they can peep easily into the activities performance imposed on subordinate officers and find facts about taxpayers and tax-receiving officers. It improves tax administration efficiency. The resultant improvement in tax administration efficiency increases tax compliance. These results also match with De Neve et al. (2021), which claim that the execution of the disclosure principle of tax governance improves tax administration efficiency, increasing tax compliance. The results showed that tax administration efficiency significantly mediates transparency and increased tax compliance. These

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results agree with Mascagni, Mascagni, Mengistu, and Woldeyes (2021), highlighting tax governance principles' role in increasing tax compliance. According to the author, the execution of the tax governance principle improves tax administration efficiency, and the rise in tax administration efficiency increases tax compliance. These results are also supported by Sentanu and Budiartha (2019), emphasizing the mediating role of tax administration efficiency between transparency and an increase in tax compliance.

Conclusion

This study has contributed to comprehending the effect of tax governance principles on the effectiveness of tax administration. This study's findings indicate that instituting governance procedures can increase the confidence of those responsible for tax administration and enhance the means and methods of tax collection. In addition, the availability of practical credentials and competent tax examiners contribute to effectively implementing tax governance procedures. It was discovered that the General Tax Authority is interested in implementing tax governance procedures due to their potential to help the tax administration surmount issues with various stakeholders. In addition, the study revealed that the implementation of tax governance procedures should be expanded to all facets of the state to promote transparency and disclosure and improve the effectiveness of tax administration. Based on these findings, the following recommendations are made for future research. First, the number of issues between taxpayers and the tax administration can be diminished by simplifying laws and their implementation procedures. Secondly, employing tax governance principles can yield benefits for the tax administration and all stakeholders and promote openness and disclosure. Professionals and academics should host training courses and seminars to define the significance of tax governance application. Fourth, gaining valuable insights from the experiences of regional and international nations that have applied governance in various public domains can be accomplished by learning from their experiences. Lastly, accountable authorities must update tax systems and legislation to facilitate the implementation of tax governance procedures.

It is essential to recognize that this study has limitations. The research was conducted in a particular context, and the results may not apply to other nations or regions. In addition, the study relied on self-reported data from tax administration employees, which could have been biased. Future research could address these limitations by conducting comparative studies in multiple nations and employing more objective metrics to evaluate the efficacy of tax administrations. In addition, investigating the influence of tax governance principles on tax compliance and the behavior of taxpayers could be an intriguing area of future research. There are a number of research gaps in tax governance and tax administration effectiveness. The influence of tax governance principles on tax compliance and taxpayer behavior is a potential area for future investigation. This could involve investigating how taxpayers perceive tax governance and whether the presence of effective governance procedures influences their attitudes toward tax compliance and

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payment. Future research should also focus on conducting comparative studies in various nations to ascertain the applicability of tax governance principles in various contexts. This could entail analyzing the implementation of tax governance procedures in nations with varying degrees of economic development, political systems, and cultural backgrounds. Such research could show how tax governance principles can be adapted to various contexts and identify implementation best practices. Examining the impact of digitalization and technology on tax governance and tax administration's effectiveness is another fascinating area for future research. The increasing use of technology in tax administration has the potential to increase efficiency and transparency but also raises new issues relating to data privacy, cybersecurity, and the digital divide. Future research could investigate how tax governance principles can be adapted to resolve these challenges and how technology can be utilized to promote effective tax governance. Future research could also investigate the effect of tax governance on broader social and economic outcomes. For instance, it examines the connection between tax governance and income inequality or the effect of tax governance on the business environment and economic growth. Such research could shed light on the broader social and economic implications of tax governance and assist policymakers in making informed tax policy and administration decisions.

6. LIMITATIONS

Even though the study has effective policy implications, it does have some limitations. It is suggested that policymakers pay heed and eliminate these restrictions. This study examines the role of tax governance principles in the effectiveness of tax administration, focusing on the development of performance, disclosure, and transparency. Therefore, to more accurately assess the efficacy of tax administration, future researchers must consider additional variables. Second, this research focuses solely on the tax administration efficacy and tax compliance in the Iraqi tax system, so all data about a single country, Iraq. Future researchers should acquire data from multiple economies to generalize their study and produce findings with a broader scope of applicability.

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