

# Performance of Guilan Province's Tax System and Evaluation of Its Productivity

Behrouz Jafari Aghdam<sup>1</sup>, Hojatollah Moridzadeh<sup>2</sup>, Soroush Taghavi<sup>3</sup>, Alireza Azizi Chirani<sup>4</sup>,  
Heshmatollah Alipour<sup>5</sup>, Babak Shakibania<sup>6</sup>

<sup>1,2,3,4,5,6</sup> M.A. Student of Business Management, Rasht Branch, Islamic Azad University, Rasht, Iran

---

## ABSTRACT

The place and role of tax in providing public income and achieve tax and fiscal social policies of government has been approved. At the current stage of national life tax has been unprecedented attention due to price fluctuations in oil prices. Economic development programs of the country attempts to reduce the dependence on oil revenue and increase the dependence on more on national income and tax revenues that is a sign of people's participation. Therefore, this study investigates the factors that lead to better performance of the tax system and enhance the productivity of the Guilan. After collecting data and identifying different aspects of the subject through a questionnaire from experts in this area, library studies was done and for responding to these factors, hypotheses were formulated. Statistical population includes 579 people and sample size was 284 subjects that were estimated using stratified random sampling method. The following results were obtained after analysis: 1- to encourage taxpayers to submit statement, 2- formation of database to automate tax information system 3- to create self- assessments and self-payment tax system. Considering the finding, factors can effect on performance of tax system.

Keywords: Performance, Province's Tax System, Evaluation, Productivity

---

## 1. INTRODUCTION

Low level of productivity which is characteristic of less developed countries is due to various factors affecting productivity that a number of factors are outside of the control of these communities and some of them are remediable and controllable. Therefore today, all countries are seeking to achieve improvements in productivity; it means that they consume less resource to achieve greater national production. In fact, an effort to improve productivity is an attempt to better life of individuals and society. Vision of good governance is requires review (Gilaninia & et al, 2011). Today's, a comprehensive effort in order to continually improve productivity, survival and development has begun to improve social and economic life. Afterward, the world is divided into two categories of fast and slow countries in terms of management efficiency progress. Iran's economy on the eve of the Third Millennium is still economically dependent on energy exports. Most of the foreign currency needed to purchase goods from abroad is provided from oil export income. Balance of payments deficit of foreign countries due to the use of correct economic policies has caused Iran became owed to the global economy (Ghavami, 1987).

Economy of country despite rich resources, young and educated manpower has chronic lack of production. Individuals to maintain their freedom, security and social justice, enjoyment of public services and providing proper rules, providing favorable conditions for economic and social activities, social luxury and many others thing rely on government. Therefore to carry out these heavy tasks, sources of income should be accessible.

## 2. Theoretical fundamentals (design of theoretical studies patterns)

In recent years the number of diverse tasks of government has been increased very fast. Environmental conditions and competition rules of the game is so brutal, complex, dynamic and uncertain (Moshtaghi & et al, 2012). Individuals of society to maintain their freedom, providing economic and social safety and social luxury rely on government. Demands and human needs are unlimited but, resources are limited (Abootaleb, 1987).

Talk about taxes and tax and fiscal policy are not new. Therefore, taxes can be obtainable besides oil and other revenue of the government. In theoretical studies it is assumed that this research is on human resources, because with regard to research hypotheses, the problems of the tax system are in a weak information system, a plurality of workload and personnel and tax records that return to the country's the tax system.

The necessity of a comprehensive and the correct tax system is clear as the most important lever of economic and financial policies in order to organize and regulate the activities and make necessary adjustments in various sectors of the economy. Information is infrastructure and main factor economic and social development of countries (Tahri & et al, 2012). The absence of a tax system makes impossible to achieve an

---

\*Corresponding Author: Behrouz Jafari Aghdam, M.A. Student of Business Management, Rasht Branch, Islamic Azad University, Rasht, Iran.

overall balance in the economy, economic development programs and create incentives for activities that are important in terms of political and economic.

Obviously to keep pace with supreme management effort to make special place for the tax system in the country's economic development programs and efforts of officials of the Ministry of Economic Affairs and Finance to reform and improve tax administration, the scientific basis should spread further.

### **2.1. Definition of tax**

In present world that economy is a very important (kiani & et al,2012).Government incomes are the share of what everyone gives from their assets to protect the rest of assets under its governing board so that be desirable of that. This definition has been said by Fiesque, french philosopher and scientist.

The tax is a part of the assets or income to pay public costs and maintain economic, social and political resources to be collected based on law by government. Target of tax collection is the performance of tasks that the government is in charge of them. Generally, the goal of the tax collection is to provide public costs and also to establish the type of control to strengthen or weaken specific activities (Shiren,2002).

### **2.2. Use of systems in providing manpower**

Providing manpower requires a system approach; although this action is performed within the organization but has links with the external environment. Therefore, the internal factors such as personnel policies encourage and reward system and enterprise environment should be considered. It is clear that without sufficient encouragement and reward, to attract and retain qualified managers are impossible (Feizi, 2000).

### **2.3. Skills of managers**

Managers at every level and in every type of organization must have certain skills, so that they can assist the organization in achieving the objectives .Expert management set three main skills for managers.

#### **a) Cognitive skills**

These skills give the ability to the managers to coordinate and unify all the interests and activities to view the organization as a whole in the environment that surrounds it and predict the balance relationship between different sectors and how to the impact of changing any part of the organization. These skills give the ability to managers to analyze situations and develop appropriate plans (Heroler & et al, 2000)

#### **b) Human skills**

These skills allow managers to work with individuals and effective communication in groups. Managers with good human skills are able to understand the needs and motivations of individuals and encourage them to participate in decision-making without concern.

#### **c) Technical skills**

The ability to apply skills, tools, techniques and knowledge needed to run a specialized field. (Hower, 2001).

## **3. Important of study**

- a) One of the reasons to choose this subject is its economic importance. In recent years the government has relied most on tax revenue to run the country.
- b) Considering the limitations of natural resources and oil reserves for future generations, now government policies is to replace the oil incomes with tax revenues.
- c) Since the taxpayers are from various social groups (market, shop owners, employees, workers, etc.) and the basic features of a favorable tax system is to balance meaning emergence of social in human societies, such a military tries to develop economic of nations and reduce social gap and economic cooperation in the community. Therefore, correct application of tax law and its enforcement by officers to identify and improving the tax system seem essential.

## **4. Research Hypotheses**

- 1- There is relationship between plurality of workload of the tax agents and lack of efficiency of the tax systems.
- 2- There is a relationship between information resource of officers and efficiency of the tax system.

## **5. RESEARCH METHODOLOGY**

The method used in this study is field library studies. Both library and field methods (questionnaires) are used to collect data. Statistical society in this research is manpower in the tax system of Guilan that include a tax expert, head of tax group and tax manager as follows. 284 individuals from 579 of the tax administration

officers (population) have been designated as the statistical community by stratified random sampling method. For the data analysis is used the correlation test.

## 6. Research Findings

### *First hypothesis:*

The calculated correlation coefficient is 0.72; consequently, there is a high positive and direct correlation between these two variables. Correlation coefficient test of first hypothesis shows that the calculated  $t$  is larger than  $t$  of table, with 95% confidence we can say that there is relationship between plurality of workload of the tax agents and lack of efficiency of the tax systems.

### *Second hypothesis:*

The calculated correlation coefficient is 0.56; therefore, there is a high positive and direct correlation between these two variables. Considering the results, calculated  $t$  is larger than  $t$  of table; therefore with 95% there is a relationship between information resource of officers and efficiency of the tax system.

## 7. Conclusions and Recommendations

Today, efforts to improve social and economic life has been begun in order to develop productivity for survival and development. Afterwards, the world is divided in to two categories of fast and slow countries in terms of progress in management efficiency. there is a new interest in strategic planning as a means of monitoring a rapidly changing environment and taking effective decisions and action based upon that monitoring (Rezvani, Gilaninia, Mousavian, 2011; Salimi & et al, 2012). Iran's economy on the eve of the third millennium is still economically dependent on energy exports. Most of the foreign exchange needed to purchase goods from abroad is provided by revenue of oil exports. Deficit of foreign payments due to the lack of correct economic policies has caused Iran owed to the global economy. Economy of country despite rich resources, young and educated manpower has chronic lack of production. Those employees who know what the organization wants from them, know their purpose and can try to achieve it. Employees who have the knowledge and skills and have positive attitude to the work are more likely to play its full role in the success of the organization. Employees understand their role, how to motivate them and how to implement a coherent and coordinated work to determine the failure or success of any organization. Employees' knowledge of their role, how to motivate them and how to implement a coherent and coordinated work determine the failure or success of any organization.

Considering the general presented, recommendations of this study are as follows:

Recommendations are presented in accordance with the problems and the research assumptions obtained from the data analysis and strategies that seem out of the hypothesis. The research findings during the investigation and the statistical community discussed and their views are their response to questions designated. Therefore, recommendation as followed:

- 1- To encourage taxpayers to submit statements and documentary substantiated and limit the use of Ridge's recognition that is one of the failures in the current tax system. Encouraging taxpayers to submit statements, providing facilities for taxpayers and giving specific privileges to users for timely payment are some of solutions for timely payment.
- 2- Establishment of database, mechanization of tax information system and making available the tax information for all taxpayers with regard to the MIS which is an official source provide timely and appropriate information for decision making, effective operations planning and control of managers and employees. Another step is to use modern information technology for distributing, processing, maintenance and obtaining voice, video, text and numerical by micro-electrical device and information. The advent of the computer in current age was dramatic revolution.
- 3- Subject to taxpayers to use of some facilities and public services to provide the tax recoupment account, the cooperation of the unions and organizations can be used to expedite the processing of tax authorities. For example, use the following facilities can be subjected to providing the recoupment tax account:
  - Municipalities for the issuance, renewal or change of business licenses and etc.
  - Guilds and unions in order to make membership or give allowances to members
  - Business arch to extend business card
  - Notary offices to set up mortgage documents – administrative, etc.
  - Industry organization for issuing cards to workshops and factories or possibly giving ration
  - tax travel bans to cancel their forbidden

- 4- To introduce the role and positive philosophy of taxes, necessary knowledge and insight should occur to make the correct tax culture. Tax culture and its acceptance by the general public have an important role in increasing the tax collection. In fact, reforming low and tax system of country are one side and cultural issues are another side. Even with the best and most complete tax laws if the tax culture and the importance and its effects of taxes paid is not specified in improving the lives and welfare of the people, tax systems will not have efficiency and productivity. If the people know that their taxes are spent on construction projects and reproductive economy, they will encourage paying taxes.
- 5- Forming the self-assessment tax system is the foundations of the Islamic Republic and exalted dignity and value of the man that show that people have equal rights. Unfortunately, the country's tax structure and general administrative and governmental organizations in Iran are based on distrust between government officers and people. Besides self-assessment system is an internal control force through the creation of a public trust. The main message of self-assessment system is having trust to taxpayers.

In order to use the self-assessment system to prevent abuse of trust in the tax system, it should cooperatively and simultaneously. Media and the state education system are responsible for applying the tool of persuasion power.

Appropriate punitive and encouraging systems must be in such a way that leads to incorrect behavior. Self-assessment Tax system for occupations of the issue of note 6 of article 100 in law of direct taxes in 1996 and 1997 in Tehran and to finalize tax assessment with guilds unions about occupations have been faced with a remarkable welcome. Performance of real estate taxes of 1998 for the first time in 1998 as self-assessment experimentally was conducted in the tax areas of administration in whole the country. Media and newspapers have important role in this way. The aims of this self-assessment are increasing the knowledge and people's participation in development of projects and timely payment of taxes and raising the spirit of cooperation and trust among agents and people.

## REFERENCES

- Abootaleb, M. & Taghavi, Mehdi.(1987). Public funds, April - July 1987.
- Feizi, T. (2000). Principles of Management, Payamnoor Publications, Seventh Edition.
- Hower, George .(2001). Translation of Iranian experts group, change management, quality management publications.
- Ghavami, F.(1987). Methods of research and references (notes), Tehran University, 1987.
- Gilaninia,Sh; Mousavian,S.J;Hanifi,E;Omidi,Sh; Zadbagher Seighalani,F.(2012). E-Government Development Process in Iran, *J. Basic. Appl. Sci. Res.*, 2(3)2865-2871.
- Heroler, K., Seel, O, Haniz & Beharmokh. Translation Toosi, cultural, Alavi & Mahdavian, 2002. Public Administration Training Centre publication, Fifth Edition.
- Kiani,E; Mo Enayati Shiraz,M.A; Ramezani,E ; Gilaninia,Sh; Mousavian,S.J.(2012). Determine Comparative Advantage of investment in Different Industries through TOPSIS Technique, *J. Basic. Appl. Sci. Res.*, 2(1)802-806.
- Moshtaghi,S;Moridi,A;Farokhi,A;Konani,M;Rotafi,A.(2012). The Amount of Corporate Entrepreneurship and Its Relationship with Performance Improvement of Organizations, *J. Basic. Appl. Sci. Res.*, 2(5)4361-4367.
- Rezvani,M;Gilaninia,Sh;Mousavian,S.J.(2011). Strategic Planning: A Tool For Managing Organizations In Competitive Environments, *Australian Journal of Basic and Applied Sciences*, 5(9): 1537-1546.
- Salimi,M.A;Gilaninia,Sh; Mousavian,S.J; Aziz Zadeh,A;Makarehchian,A;Zadbagher Seighalani,F.(2012). Economic Growth in Iran and Effective Factors on Its Changes, *J. Basic. Appl. Sci. Res.*, 2(2)986-994.
- Shiren, L., Delan, R. S. & Sholz. Toosi and Saein translation,( 2002). Management of staff and human resources - Institute of Higher Education and Research and the Management Plan, Sixth Edition.
- Taheri,O; Gilaninia,Sh; Mousavian,S.J;Nikzad,H;Mousavi,H;Zadbagher Seighalani,F.(2012). Information Security Management on performance of Information Systems Management, *J. Basic. Appl. Sci. Res.*, 2(3)2582-2588.
- Taleghani, M. 2003. Engineering and Management, Information Inscription of Gil.