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Article

The expected effects of the application of "International Financial Reporting Standards (IFRS)" in determining the "tax base"

Nahed Najm hamad*[1], Mohanad Abbas Ayyash[2], Mahdi Abbas Abadi[2]

1. Ministry of Higher Education and Scientific
2. AL-iraqia University - College of Administration and Economics

* Correspondence: nahethnajem9@gmail.com

Abstract: The research aims to indicate the implications of the application of "International Financial Reporting and Accounting Standards in determining the tax base", by identifying some theoretical and conceptual aspects related to the International Financial Reporting and Accounting Standards and tax systems in Iraq. The research was based on two main hypotheses. The first is the impact of the application of "International Financial Reporting Standards (IFRS) " in determining the tax base through useful accounting information and transparency of disclosure. The second hypothesis was the impact of the application of "International Financial Reporting Standards (IFRS) " in determining the "tax base" by adapting tax systems to the requirements of "International Financial Reporting Standards" and reducing the differences between them. In order to achieve the objectives pursued by the research, the two researchers conducted a field study through a questionnaire for the opinions of a sample of accountants, assessors and specialists working in the General Tax Authority and a sample of experienced and professional professors and academics, in order to test the validity of hypotheses. The two researchers reached a set of results, the most important of which is that the adaptation of local standards to international accounting and financial reporting standards, especially standards related to income taxes (AIS12), can be reflected positively in attracting foreign investments, which are reflected positively in achieving tax returns adopted as a source of funding for the state's general budget. The two researchers recommended a set of recommendations, the most important of which is the need to adopt the application of international accounting and financial reporting standards, especially accounting standard 12 income taxes, to contribute to increasing revenues in order to diversify revenues in the Iraqi state.

Keywords: The expected effects, International Financial Reporting Standards, Tax Base

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1. Introduction

Some of the methods of accounting requirements that are followed in many companies worldwide when applying tax rules to achieve taxes on the income of these companies vary, and this difference may be due to a combination of factors such as relying on the accrual basis for the purposes of preparing the financial statements of these companies and then relying on the cash basis to record some expenses for tax purposes. This difference may result in differences between the profits subject to tax and the accounting profits, which affects the income statement and the statement of financial position of these companies. Therefore, it is necessary to adopt international accounting and financial reporting standards in order to improve the quality and quality of accounting information provided to different categories of users, in many countries seek to encourage investments by finding suitable grounds for work, which can be represented in the unification of local tax systems to suit the standards related to income taxes, i.e. accounting standards and the rest of the international money that relate to income taxes, especially the adoption of this standard to help reduce double taxation, through the adaptation of tax systems in Iraq, which depends mainly on the rules and standards Domestic , with "international accounting and financial reporting standards", especially those related to income taxes, as the application of "international financial reporting standards" has become necessary to be applied in joint stock companies, especially listed on the stock market, as well as foreign companies operating in the field of investment in Iraq , such as oil and extraction companies and other investment companies, as they are of importance for achieving tax revenues that benefit the state budget by increasing tax revenues. From the above, the research will be divided into three axes. The first axis includes the methodology for the research and previous studies, while the second axis includes the theoretical framework "International Financial Reporting Standards and the Tax System in Iraq". The third axis includes the field study represented by a survey form prepared for this purpose to indicate the views of a group of accountants and specialists working in the General Tax Authority and a sample of academics with experience and competence.

2. Materials and Methods

2-1 Importance of Research:

The importance of the research comes through the adaptation of the Iraqi tax system to the International Financial Reporting Standards (IFRS), as it represents a guide to address the differences resulting from differences in the requirements of tax laws, which will encourage or create a ground for increasing investments for foreign companies to help improve and increase the revenues of the "tax base".

2-2 Research problem:

The problem of the study is represented by the following questions:

- What are the implications of applying the International Financial Reporting Standards (IFRS) in determining the tax base by providing the standards useful accounting information and transparency in presentation and disclosure.
- What are the most important differences between the International Financial Reporting Standards (IFRS) and the tax systems applied in Iraq and the extent of compatibility and reduce the differences between them.

2-3Research Objectives:

The research aims to indicate the effects of the application of "International Financial Reporting Standards (IFRS)" on the Iraqi environment by indicating the effects of the application of these standards on the "tax base" by studying and analyzing the most important requirements of the international standards related to the issues of "disclosure and transparency" in the presentation and preparation of financial statements and their impact on determining the "tax base", as well as indicating the most important differences between international standards and tax systems and the extent to which it is possible to work to reduce these differences and try to reconcile and adapt them.

2-4Research hypotheses:

The research proceeds from the following basic assumptions:

1. There is an impact of the application of “International Financial Reporting Standards (IFRS)” in determining the “tax base” through useful accounting information and transparency of disclosure.

2. There is an impact of the application of the "International Financial Reporting Standards (IFRS) " in determining the "tax base" by adapting tax systems to the requirements of the "International Financial Reporting Standards" and reducing the differences between them.

2-5 Study population:

The research sample was represented by a group of experienced and specialized academic professors anda group of accountants, appraisers and specialists working in the General Tax Authority.

2-6Previous studies related to the research topic

2-6-1 Study by Hussein Mahmoud Abdullah 2015 “The Impact of the Application of International Accounting Standards on the Effectiveness of the Tax System"

The researcher studied the general framework of the tax system and the Syrian tax system for the purpose of determining the principles of the effectiveness of "tax systems" , and determining the impact of the application of "accounting rules based on international standards" on the effectiveness of "tax systems", and the study reached some conclusions, most notably , the tax system aims to achieve the set of financial goals, which are intended to achieve the resources necessary to cover the public expenditures of the state. The state works to choose the technical organization of the tax in accordance with what achieves its financial, economic, and social goals, by testing both the tax subject and the process of determining the tax base and ending with the last stage of the stages of achieving and collecting the tax , applying the principles of the effectiveness of the tax system, which are intended to be used to assess the advantages and disadvantages of a particular tax system.

2-6-2 **The study of Brana 2017 “the relationship between the compulsory adoption of "international financial reporting standards" and tax avoidance”** by (9389 to 15423) joint stock companies from (35) countries and for the period from (1999 to 2014) and found that the adoption of these standards led to an increase in (tax avoidance), It also found that companies characterized by compliance with tax regulations are the most tax-avoiding companies.

3- “Theoretical Framework for International Financial Reporting Standards (IFRS)” and the Tax System in Iraq

3-1Definition of “IFRS”:

The International Financial Reporting Standards (IFRS) have been defined as standards prepared by the International Accounting Standards Board (IASB) with the aim of regulating financial and accounting transactions at the global level, so that a set of fixed rules and standards is agreed upon, which results in a kind of general compatibility between the means of management and work between various local and international companies and organizations. (Reda et al.,2014:339).

It regulates (17) standards and the most prominent of these standards are: Standards for preparing reports and financial statements. The International Accounting Standards Committee was established in 1973 and was replaced in 2001 by the International Accounting Standards Board, which is responsible for setting and publishing standards with the aim of using them around the world.

3-2Objectives of compatibility between the"International Financial Reporting Standards" to determine the tax base

The compatibility between the "International Financial Reporting Standards" and the identification of the "tax base" leads to the achievement of a set of objectives, the most important of which are: (Al-Abbad et al.,2008:346)

- Keeping up with or keeping pace with developed countries in the application of these standards, taxing this because developed countries, despite their economic power, have adopted these standards to find a kind of compatibility between them and their national standards.
- Continuous improvement of the performance of taxation and determining its basis.
- Reducing "tax evasion" and resolving "tax disputes", because under the application of these standards there is a comprehensive and real disclosure, which helps to determine the tax base.

- In light of the application of the "International Financial Reporting Standards", encouraging foreign investments and attracting additional capital to provide administrative and technical expertise that is not available locally, thus increasing confidence in the data contained in the financial statements and increasing the demand by investors on the financial markets that adopt the application of these standards.

3-3Some of the factors causing the difference between international financial reporting standards and the tax system (Asiri and Abdullah,2014:33)

There are many factors that lead to the difference between the "International Financial Reporting Standards (IFRS) " and the tax systems. The most prominent of these factors are the following: -

1-Different tax objectives from the objectives of the International Financial Reporting Standards: The International Financial Reporting Standards aim to make the information contained in the financial statements credible and transparent, enabling its users to make rational economic decisions such as stimulating investment and encouraging exports and products. As for the tax system and the determination of the tax base, it aims to achieve objectives (financial, economic and social).

2- The different timing of the issuance of both tax regulations and international financial reporting standards: These standards are issued before the issuance of the tax system, and the opposite may happen. The time period between the issuance of the tax system and the international financial reporting standards is witnessing economic events that require the amendment of these standards or the tax system for the purpose of determining the "tax base".

3-The existence of tax exemptions: Some tax systems grant taxpayers exemptions for multiple reasons such as increasing the number of family members to a certain extent or encouraging capital or exports, while the "International Financial Reporting Standards (IFRS) " have nothing to do with these exemptions.

4-Failure to involve developing countries in the development of international financial reporting standards: Some developing countries have not been involved in the development of "international financial reporting standards" and this leads to disagreement and incompatibility of international financial reporting standards with national accounting.

4- The conceptual framework of taxation, its criteria and the tax system in the Republic of Iraq

Before entering into the subject of the tax system in Iraq, it is necessary to first define the tax, its characteristics, and its basic objectives.

4-1Definition of tax: (Khattab,2010:27) Tax is defined as: "(A mandatory obligation, not a punitive one, on the basis of which individuals are obliged to transfer some of their own resources to the state by force, free of charge, to achieve the objectives of the state in accordance with specific rules and standards."

4-2Tax Characteristics: There are a set of characteristics of the tax, the most important of which are:

1. Tax is a monetary obligation: The asset in the tax is an amount of money, that is, it is a cash deduction, and this is the case in the modern era, the state has seized non-cash assets out of the scope of the tax and has become a confiscation of those assets, and this is only done in exceptional cases, such as the national defense of the state to finance the expenses of the war. (Al-Ali,2011:119)

2. Tax is a compulsory duty: It is expressed (Khasawneh,2010:89) in a definition and clarification to it that in most countries' constitutions tax is imposed only by a law issued by the legislative authority, because tax laws once approved by the legislative authority have become compulsory for everyone equally.

3. Tax is a duty free of charge: The taxpayer pays the tax without obtaining a special benefit that accrues to him alone in return for his payment of the tax and pays it as a contribution to society in order to bear (the burdens and general costs). (Nashid,2006 :119).

4. The tax shall be paid definitively: After paying the tax, the taxpayer shall not be entitled to claim a refund of the amounts he paid to the tax as long as they were imposed on him and paid in a manner consistent with the provisions of the tax law, except in cases where he pays an amount in excess of what is prescribed by law, as he is entitled to claim a refund (Khasawneh,2010 :85)

5. Taxation is imposed by law: Most constitutions in the world explicitly stipulate a rule that includes taxation except by law (Khasawneh,2010 :84)

4-3 The basic objectives of the tax:

The tax has multiple basic objectives, which are as follows:

1. Financial objectives: The aim or purpose of imposing taxes is to secure permanent internal sources for the state treasury for the purpose of providing public spending on basic and service sectors such as education and health (Al-Khatib and Shamiya,2005:154)

2. Economic objectives: The tax is not deducted without leaving effects on consumption, production, savings and investment. Therefore, the state employs the tax to guide its economic policy and to solve the crises it may be exposed to. (Al-Khatib and Tafish,2008:19)

3. Social objectives: The tax seeks to achieve social balance and social justice by redistributing national income (Afana et al.,2004:8)

4-4International Accounting Standard (AIS 12) Income Taxes

4-4-1 AAS Standard (AIS 12)

The standard aims to "explain and clarify the accounting treatment of income taxes. Specifically, the standard clarifies how to determine and calculate the amount of income tax payable for the current period, and the amount of deferred income tax. The standard also clarifies how to deal with the differences between accounting income prepared in accordance with international accounting and financial reporting standards and taxable income. The standard also addresses the permanent and temporary differences between them" (Abu Nassar and Hamidat,2010:213)

4-4-2 (IAS 12), Income Taxes

"This standard is applied in accounting for income taxes. Income taxes include all local and foreign taxes imposed on taxable profits. Income taxes also include other taxes such as taxes withheld and payable by subsidiaries and joint ventures when they make dividends to the parent economic units. This standard does not cover accounting for government grants (dealt with in Standard 20) and tax deductions to encourage investment, but it deals with accounting for temporary differences that may appear for such grants and tax deductions." (Abu Nassar and Hamidat,2010:2014)

4-4-3 Definitions and terms in (IAS 12):

There is a set of terms that are mentioned in Accounting Standard (12), including the following:

1. "Accounting Profit": Defined as “profit or loss for the period before deducting tax expense”.
2. "Taxable profit (tax loss)": Defined as “profit (loss) prepared in accordance with the requirements of local tax legislation, and this figure is the basis used to calculate the amount of income tax payable to the tax authorities for the current period”.
3. "Current Tax: “Represented by the amount of income taxes due (recoverable) for the taxable profit (tax loss) for the period in accordance with the tax legislation”.
4. "Tax Expense (Tax Income)": “It is the income tax expense due for the current period and due to be shown in the income statement and calculated according to financial

accounting and can be determined through current income tax after adjusting for deferred taxes".

5. Deferred tax liabilities: "It is the income tax due under the financial accounting for the current period, but it is payable under the tax law during future periods so that those differences relate to temporary differences and differences arise when the recorded value of the asset in the accounting books is greater than its tax basis or when the recorded value of the liability is less than its tax basis".
6. Tax differences: They are the differences resulting from the inequality between accounting profit and tax income and can be classified into two types:

- First: "Temporary differences" "which are the differences between the adjusted book value of the asset or liability in the list of the current position used. Temporary differences can be taxable temporary differences represented by temporary differences that will result in taxable amounts when determining the taxable profit (tax loss)".
- Second: "Permanent differences: International Accounting Standard (12) defines permanent or fixed differences between accounting income and taxable income as differences that arise in a certain financial period and their effects are not reflected in a subsequent period or periods. These differences arise as a result of the fact that some items of expenses and revenues are taken into account when measuring one of the two types of income (accounting or tax) and are not taken into account when measuring the other type of income" (Al-Far,2010:38).

4-5Tax System in Iraq

After reviewing and identifying the tax, its characteristics and main objectives, it is necessary to know the reality or tax system in Iraq carried out by the Iraqi Tax Institution, which is one of the oldest tax institutions in the world, represented by the General Tax Authority. Iraq legislated an income tax law after the establishment of the Iraqi government, as the Income Tax Law No. 52 was issued in 1927.

4-5-1 The establishment of the General Tax Authority

The General Authority for Taxation was established on 27/2/1982 based on the Law of the Ministry of Finance No. 92 of 1981. The General Authority for Taxation remained one of the formations of the Ministry of Finance, which was established as a result of the merger of the General Directorate of Income, which was applying the Income Tax Law with the General Directorate of Imports.

4-5-2 The most important main laws that the General Tax Authority works to implement are as follows:

1- Real Estate Tax Law No. 162 of 1959 as amended.

2- The Offer Tax Law No. 26 of 1962, as amended.

3- Real Estate Tax Law No. 113 of 1982 as amended.

4- Inheritance Tax Law No. 46 of 1985, which was repealed by Law (22) of 1994.

5- Sales Tax Law No. 36 of 1997.

6- Resolution No. 120 on the profits of transferring ownership of real estate for the year 2002.

7- Order 49 of 2004, which lowered the tax rate and raised the legal allowances.

4-6 Differences between tax laws and international accounting and financial reporting standards

Most countries around the world rely on determining the tax base on accounting profit. Therefore, some of these countries have applied international accounting standards and international financial reporting standards. These countries have faced some problems represented by the incompatibility of these standards with the tax systems applied in these countries, which are characterized by the special laws applied in each of these countries. This prompted specialists in this field to make a proposal to establish a special committee to develop some tax laws and rules in the form of unified standards that can be applied worldwide, or to introduce what is known or called tax governance. These countries are still studying some of the tax laws that they currently apply in order to reduce the gap between these laws and international accounting standards and international financial reporting standards. (Salem, Buskin: 2022: 101)

- Factors Causing Difference Between IFRS and Tax Systems

1- Different timings for the issuance of tax laws and accounting tax standards: This factor is important and cannot be ignored, as international accounting standards can be issued before the issuance of tax laws and vice versa, as there may be a set of important economic variables that may occur during the time period between the issuance of accounting standards and the cracking of tax laws, which leads to not taking these variables into account accounting or tax. Or these events and considerations may be taken accounting and not applied tax.

2- Difference between tax and accounting objectives: Each of the concepts of the international accounting standards and their rules are different from tax laws in terms of objectives, as some tax rules nine to maximize tax revenues and interfere in economic and social life as they are a means for the political economy of the state in terms of stimulating investment and improving social issues for workers. Therefore, these tax rules are made towards achieving the economic and social objectives of the state, while the "International Financial Reporting Standards" aim to enhance (transparency and credibility in the presentation of financial statements) in a completely neutral manner as well as the disclosure of all financial information of the company. (Sager: 2016: 114)

3- Some accounting policies that result from the practice of profit management: Profit management often leads to an attempt to maximize revenues and inflate accounting profits in an attempt to improve the financial situation of the companies in which it operates, where it resorts to the application of some accounting policies and procedures that cause a decrease in tax profit. Therefore, these accounting policies will be contrary to the provisions of the tax systems, which leads to the emergence of a gap between (tax profit) and "accounting profit", which is one of the most important factors that lead to the difference between international accounting standards and tax systems.

4. Different timing for the recognition of some income, which is represented by expenses and revenues: Often, some elements of revenue are recognized accounting at different times from the timing of recognition for tax purposes, as well as the elements of expenses. This in the timing of recognition leads to differences between international accounting standards and tax systems.

5- Tax exemptions: Tax exemptions mean compulsory deduction from the accounting profits of taxpayers, as they represent the state's waiver of some of its rights as an incentive tool for taxpayers in order to encourage investments. These exemptions are the most important reasons for the existence and difference between tax profit and accounting profits under international accounting standards. (Salem, Buskin: 2022: 113)

4-7 The importance of achieving compatibility between international accounting and financial reporting standards and tax systems:

This importance is reflected in a range of aspects represented by the following: (Shtewi: 2016: 25)

- To formulate tax systems in accordance with the stories of sound science, which is at the heart of what came from Ma 'ir Mohsen and international financial reporting
- Achieving more incentives to attract foreign investments in developing countries
- Reducing tax evasion and tax disputes due to the existence of clear provisions in tax laws
- Keeping pace with what developed countries are doing in adopting "international financial reporting standards" to be the basis on which "tax laws" are based.

- Promote continuous improvement of tax systems.

4-8Requirements for adapting international accounting and financial reporting standards to tax systems

The process of achieving adaptation between accounting standards and tax systems requires taking into account some of the most important of these data: (Full :2014: 31)

1. The issuance of both "tax laws" and international accounting and financial reporting standards must be issued simultaneously if possible because it may occur during the issuance of one of these standards or laws that some events and treatments may appear that may be taken into account in accounting standards and not taken into account in tax laws.

2. The possibility of unifying the objectives of both "international accounting and financial reporting standards" and"tax systems". This means unifying the intellectual or theoretical framework of international accounting standards and tax systems. This requires coordination between the two parties, as the tax system must be fully familiar with all accounting principles, assumptions and objectives on which international standards are based.

3. The process of evaluating the tax systems must be carried out periodically in order to determine the extent to which the tax systems comply with the accounting treatments provided by the international accounting standards. This evaluation must be conducted in order to know the extent to which the tax systems follow the international accounting standards and their applications and procedures and the extent to which the current tax system has taken all the provisions of the International Financial Reporting Standards and to know any treatments that may be contained in these standards and were not applied in the tax systems, as well as the need to train the employees of the tax administration to understand the nature of these standards and their applications.

4. Establishing the rules for "tax examination" in accordance with the principles followed in the "International Accounting Standards" and the application of tax legislation based on the provisions of these accounting standards. This leads to increased support and confidence of the tax authority and taxpayers because of the clarity of the principles followed in the tax examination process, which leads to lower rates of tax disputes.

3. Results and Discussion

In order to test the hypotheses from which the research was launched, the researcher will conduct a survey of the opinions of a sample of specialized academics and accountants working in the General Tax Authority through a questionnaire form prepared for this purpose.

5-1 Methodology and study tool: -

1- The field research community consisted of employees of the General Authority for Taxes and a group of academics working in Iraqi universities. As for the sample, the sample size was chosen according to the model (Krejcie & Morgan: 1970) using a simple random sampling method, as the number of questionnaires retrieved and suitable for analysis reached 75. Questionnaire.

2- Study tool: To achieve the main research objectives and test the study hypotheses, the questionnaire tool was used, which was prepared according to the dimensions of the research topic and to realize the importance of the data and information required from the study population and sample, as the “questionnaire” included three sections: The first included the descriptive characteristics of the study sample. While the second section included phrases for the variable “The effect of applying “international financial reporting standards” in determining the tax base through useful accounting information and transparency of disclosure,” which was measured through (9 phrases), while the last section included the variable “The impact of applying “financial reporting standards” "International" in determining the "tax base", by adapting tax systems to the requirements of "International Financial Reporting Standards" and reducing the differences between them", which was measured through (10 statements).

5-2 Description of the general personal information of the research sample

Table (1)

Variable	Groups	Frequency	percentage
Gender	Male	42	56%
	Female	33	44%
Academic Qualification	Bachelor	41	55%
	Master's degree	19	25%
	Doctorate	15	20%
Years of experience	5 years	12	16%
	6 to 10 years	14	19%
	from 11 to 15	30	40%
	More than 15 years	19	25%

The table is prepared by the two researchers

Table (1) shows the frequencies and percentages used to describe the characteristics of the research sample, as it became clear that the percentage of males reached (56%) with a frequency of (42) while the percentage of females was (44%) with a frequency of (33). We also notice that the educational qualifications ranged between the scientific certificates of the participants, starting with "the bachelor's degree, which obtained the highest percentage of the study sample by (55%), followed by the master's degree by (25%), and finally the doctorate degree by (20%). We also note that the practical experience of the participants is that the category (11 to 15 years) obtained the largest percentage with a percentage of (40%), followed by the category (more than 15 years) with a percentage of (24%), where the practical experience helps in achieving the objectives of the study and answering them consciously.

5-3 Measuring validity and consistency

The validity scale is a measure of what is set to measure and is represented by the square root of the value of the stability coefficient that measures the level of reliability of the results of the study, through which the results of the study that we will reach can be generalized. Table (2) shows the results of the test.

Table (2) Test of validity and consistency

phrase number	Stability coefficien t	Validity coefficient	phrase number	Stability coefficient	Stability coefficient
1	.794	.891	1	.803	For 896.
2	0.796	0.892	2	.783	.885
3	.776	.881	3	.790	0.889
4	.783	.885	4	793	.891
5	814.	.902	5	.783	.885
6	.807	.898	6	873	934
7	0.786	0.887	7	0.808	0.899
8	0.796	0.892	8	0.808	0.899
9	0.796	0.892	9	0.796	0.892

First Variable	.782	0.884	10	0.868	0.932
			The second variable	0.784	.885

Table (2) shows us that all the reliability coefficients for the statements of the first variable and the second variable are greater than (0.7). The validity coefficient is also greater than (0.8). This indicates that the values of the validity and stability coefficients are of good significance for the purposes of the study in achieving its objectives. Therefore, the results can be generalized to the study population.

5-4 Descriptive statistics for the study variables

1. Descriptive statistics of the study sample's responses to the axis statements, "The effect of applying international financial reporting standards in determining the tax base through useful accounting information and transparency of disclosure." as follows: -

Table (3) The response of the study sample to the first axis

phrase number	Statement	Arithmetic Mean	Standard Deviation	Coefficient of Variation	Relative order
		Mean	St.	C.V	
1-	The application of "international financial reporting standards" helps increase the transparency and comparability of financial statements for parties that benefit from them, especially tax authorities.	.053	0.876	21.61%	9
2-	The application of "international financial reporting standards " helps to improve the process of preparing and presenting financial statements, which contributes to optimizing the tax base.	416	.617	97%	2
3-	The application of "international financial reporting standards" contributes to the improvement of financial reports so that they reflect the reality of the economic reality of the facility, which is reflected in the determination of the tax base optimally.	4.51	.618	13 70	1
4-	The application of the "International Financial Reporting Standards" helps to provide a unified reading of the financial statements and this gives credibility to the accounting information.	4.173	0.623	14.93%	3
5-	The application of "International Accounting and Financial Reporting Standards" as	187	0.685	16:36	5

	approved accounting rules helps in determining the net results, which leads to increasing the effectiveness of tax systems through the effectiveness of the tax burden rate.				
6-	The application of "International Accounting and Financial Reporting Standards" as approved accounting rules helps in determining the net results, which leads to increasing the effectiveness of the tax system by increasing revenues.	3.8	0.769	20–24	8
7-	The application of "International Financial Accounting and Reporting Standards" as approved accounting rules helps in determining the net results and leads to increasing the effectiveness of the tax system through the tax system.	440	.718	Sixteen... seventeen. ..	6
8-	The commitment of companies to apply "International Accounting and Financial Reporting Standards" leads to a greater result when determining the tax base.	4.2	0.637	15-17	4
9-	The application of the International Financial Reporting Standards helps to improve the quality of financial statements and reports so that they reflect the reality of the economic reality of enterprises.	4.267	.745	17.46%	7
			0.421	9.97%	--

The data of Table(3) shows the following:

- The general arithmetic mean of the first axis was (4.221). It measures the high level of agreement in the general content of all paragraphs of the first axis and with a standard deviation of (0.421), while the overall coefficient of variation was (9.97%). It measures the high level of homogeneity of the responses of the study sample to the total phrases of the first axis. This homogeneity is documented in the importance of improving the process of preparing and presenting financial statements by applying "international financial reporting standards", which contributes to determining the tax base optimally and provides a unified reading of the financial statements, which in turn lends credibility to the accounting information.
- At the level of phrases, the phrase "The application of" international financial reporting standards " in contributing to the improvement of financial reports so that it reflects the reality of the economic reality of the facility, which is reflected in the determination of the tax base optimally" The first relative ranking according to the coefficient of difference of the phrase, which recorded (13.70%), which reflects the level of homogeneity of the study

sample and the level of high agreement in the content of the phrase, which reached(4.51), while the level of dispersion between the answers reached (0.618).

The phrase "The application of" international financial reporting standards "helps to increase the transparency and comparability of the financial statements of the parties that benefit from them, especially tax authorities," the last ranking according to the coefficient of difference (21.61%), while the amount of agreement in the content of the phrase (4.053) and a standard devia2. Descriptive statistics of the responses of the study sample to the terms of the axis “applying" the international financial reporting standards "in determining the" tax base "by adapting tax systems to the requirements of the" international financial reporting standards" and reducing the differences between them.

Table (4) The response of the study sample to the second axis

phrase number	Statement	Arithmetic Mean	Standard Deviation	Coefficient of Variation	Relative order
		Mean	St.	C.V	
1-	Tax systems are affected by several determinants, such as the economic system, the political system and other social factors.	.253	0.548	12.89%	3
2-	The State shall seek the technical regulation of the tax in accordance with the achievement of its economic, social and financial objectives.	4.173	554**	13:28	4
3-	The process of evaluating the tax system periodically helps to reach the application of the "International Financial Accounting and Reporting Standards".	4.201	.507	12.07%	2
4-	The formulation of tax systems based on sound scientific foundations leads to the application and implementation of the "International Accounting and Reporting Standards".	4.600	.493	10.72%	1
5-	Tax exemptions are among the reasons leading to differences between tax income and accounting income.	4.490	.718	15 99	9
6-	The lack of organization of courses on the importance and how to apply the "International Financial Accounting and Reporting Standards" for accounting, auditing and tax cadres leads to a gap between tax systems and accounting standards.	3.693	0.636	17–22.	10
7-	Tax authorities apply methods that differ from those established within the requirements of the "International Financial Reporting Standards" when measuring the depreciation of fixed assets.	093	0.597	14:59	7
8-	The adoption by companies of other alternatives to the historical cost stipulated in the "International	Nine-thirty-three.	0.577	14.67%	8

	Financial Reporting Standards" such as fair value leads to differences and differences between tax income and accounting income.				
9-	There are differences between the methods used to evaluate inventory in the International Financial Reporting Standards and the procedures of tax laws.	293	.588	13 70	5
10-	The preparation of financial statements in accordance with the requirements of the "International Financial Reporting Standards" requires experience, knowledge and familiarity with the differences between tax standards and systems.	4.040	.556	76%	6
Part 1		4.201	.507	12.07%	--

The data of Table (4) shows the following:

- The general arithmetic mean of the second axis was (4.201). It measures the high level of agreement in the general content of all paragraphs of the second axis with a standard deviation of (0.507), while the total coefficient of difference was (12.07%). It measures the high level of homogeneity of the responses of the study sample to the total phrases of the second axis. This homogeneity is documented in the importance of periodically evaluating the tax system and its role in reaching the application of the "International Financial Accounting and Reporting Standards".
- At the level of phrases, the phrase "The formulation of tax systems based on the sound scientific foundations to reach the application and work as stated in the" International Financial Accounting and Reporting Standards "recorded the first relative rank according to the coefficient of difference for the phrase, which recorded (10.72%), reflecting the level of homogeneity of the study sample and the high level of agreement in the content of the phrase, which reached (4,600), while the level of dispersion between the answers reached (0.493).

The phrase "The lack of organization of the courses related to the statement of importance and how to apply the" accounting and financial reporting standards "to the accounting, auditing and tax cadres leads to a gap between the tax systems and the accounting standards", the last rank according to the coefficient of difference (17.22%%), while the amount of agreement in the content of the phrase (3.693) and a standard deviation between the answers amounted to Fifth: Hypotheses of the field study

1- "There is a statistically significant moral impact of the application of the" international financial reporting standards " in **determining** the tax base through useful accounting information and transparency of disclosure."

To test the validity of the hypothesis, the T-test was relied on, as its tabular value at a significant level was 5% and a degree of freedom(n-1) reached (1.990). The following table shows the results of the analysis of the first hypothesis of the study:

Table (5) Test results (t-test) for the first hypothesis

One-Sample Test					
Test Value = 3					
	T test		Moral significance	Difference of averages	95% Average Spread Confidence Period

		Degree of freedom			M.LOW	M.HIGH
Q1	13.500	74	0.000	1.053	0.90	1.21
Q2	358	74	0.000	1.416	1.35	1.48
Q3	**60.001**	74	0.000	510	1.46	1.56
Q4	.303	74	0.000	1.173	1.03	1.32
Q5	202.	74	0.000	1.187	1.08	1.30
Q6	**12/166**	74	0.000	.800	0.67	0.93
Q7	322	74	0.000	1,200	1.05	1.35
Q8	640.	74	0.000	267	1.16	1.37
Q9	220	74	0.000	1,440	1.390	1.490

The data of Table (5) indicate the following:

- It is clear to us that the value of the (t-test) test at a degree of freedom (74) and a significant significance (5%) is equal to (1.99), while the calculated value of the test was between (12.166-60.001), where we note that its calculated value recorded a greater amount than its tabular value, and it is clear that the value of the level of significance is less than (5%), which documents the existence of an impact on the determination of the tax base through useful accounting information and transparency of disclosure.

In reference to this, we accept the first hypothesis of the research, that is, there is an impact of the application of "international financial reporting standards" in determining the tax base through useful accounting information and transparency of disclosure.

2- "There is a statistically significant moral impact of the application of the" international financial reporting standards" in determining the tax base by adapting tax systems to the requirements of the" international financial reporting standards " and reducing the differences between them."

TheT-test was relied upon to test the validity of the hypothesis, as its tabular value at a significant level reached 5% and a degree of freedom(n-1) reached (1.990). The following table is among the results of the analysis of the first hypothesis of the study:
(0.636). tion between the answers amounted to (0.876).

Table (6) Test results (t-test) for the second hypothesis

One-Sample Test						
Test Value = 3						
	T test	Degree of freedom	Moral significance	Difference of averages	95% Average Spread Confidence Period	
					Minimum	M.HIGH
Q1	823.	74	0.000	1 / 253	1.127	1 526 379
Q2	328	74	0.000	1.173	1.046	301
Q3	798	74	0.000	1.201	1.170	1.272
Q4	095	74	0.000	1.600	(487)	1.713
Q5	**207**	74	0.000	1.490	1,440	1.540
Q6	**9.439**	74	0.000	0.693	.547	.840
Q7	.869	74	0.000	1.093	956	1.231

Q8	14.000	74	0.000	0.933	.800	1.066
Q9	.063	74	0.000	1 / 293	1.158	1.429
Q10	823.	74	0.000	1 / 253	1.127	1 526 379

The data of Table (5) indicate the following:

It is clear to us that the value of the (t-test) test at a degree of freedom (74) and a significant significance (5%) is equal to (1.99), while the calculated value of the test was between (9.439 -59.207), where we note that its calculated value recorded a greater amount than its tabular value, and it is clear that the value of the level of moral significance is less than (5%), which documents the existence of "an impact on the determination of the tax base by adapting tax systems to the requirements of" international financial reporting standards " and reducing the differences between them."

In reference to this, we accept the second hypothesis of the research, that is, there is an impact of applying the "international financial reporting standards" in determining the (tax base) by adapting the tax systems to the requirements of the "international financial reporting standards" and reducing the differences between them.

4. Conclusion

1- It was clear from the results of the study that there is an impact of the application of "international financial reporting standards" in increasing the transparency and comparability in the financial statements of the parties that benefit from them, especially tax authorities, and in determining the tax base through useful accounting information and transparency of disclosure.

2- The results of the study showed the impact of the application of "international financial reporting standards" in determining the tax base by adapting the tax system to the requirements of "international financial reporting standards" and reducing the differences between them, as tax systems are affected by several determinants such as the economic system, the political system and social factors.

3-Adapting local standards to international accounting and financial reporting standards, especially those related to taxes (AIS12), can be positively reflected in attracting foreign investments, which are positively reflected in achieving tax returns that are adopted as a source of funding for the state's general budget.

4-The commitment to the application of "International Financial Reporting Standards" will lead to addressing differences in accounting reports and the possibility of presenting them in ways that are understandable, clear and easy to interpret by tax accountants, as these standards allow the selection of methods that can suit the circumstances of companies.

5-Professional bodies and organizations in Iraq, especially the Accounting and Supervisory Standards Board in Iraq, provide the requirements for the application of "International Financial Reporting Standards", especially those related to income taxes, because of their great importance in attracting investment companies and increasing economic activities in Iraq, which is reflected in the possibility of increasing tax revenues.

6-Reviewing some of the tax legislation related to investment in order to be compatible with the requirements of the "International Accounting and Financial Reporting Standards" and the standards related to income taxes.

The need to adopt the application of "international accounting and financial reporting standards", especially (AIS12) (income taxes), to contribute to increasing tax revenues in order to diversify revenues to supplement the general budget in the Iraqi state.

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