

# The influence of tax reform on the Afghan government's revenue throughout the reign of Hamid Karzai

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**Abstract:** Introducing tax culture and tax incentives in the process of nation-building and constructing public amenities has been the Ministry of Finance's most important priority. In order to prevent the waste of capital, the Ministry of Finance has taken substantial steps to influence public opinion and belief toward recognizing the benefits of taxes and the fact that citizens contribute to the country's economic, social, and cultural development by paying taxes. For this reason, the honorable Ministry of Finance has planned and implemented tax reform, which plays a vital role in growing the country's tax income. If the result of the data analysis, compiled in the form of a library, demonstrates that the tax reform has raised the government's revenue in the nation's capital and all provinces, then the tax reform has been successful.

**Keywords:** Tax, reform, Afghanistan, government revenue, and revenue

## Introduction

Tax revenue is an essential component of a government's total revenue. It is necessary for any nation that desires a vibrant and independent economy to have a continuous and stable tax revenue collection mechanism. Various economic, social, political, and cultural goals cannot be attained without a robust tax revenue collection mechanism.

Consequently, the current study investigates the impact of the tax reform on the revenue of the Afghan government under the reign of Hamid Karzai by analyzing the previously mentioned examples and achieving the outcome of one of the most fundamental cases.

Research on the tax reform and its effects on the Afghan government's revenue, based on the aforementioned requirements, and more research on ways to enhance the government's revenue, which is derived from two key sources.

Foreign resources include the portion of government revenues financed by foreign sources and derived from the following two sources:

A: Grants from foreign donor countries and organisations. This sort of resource is utilized by the majority of developing and post-crisis nations. Because in this category of nations, alternative sources of income are restricted. Therefore, the countries of the globe or international institutions feel compelled to provide free financial assistance to cover the costs and conduct the business of the aforementioned nations.

B: Loans from foreign governments or institutions constitute a second source of foreign funding. This sort of funding is also typical of third-world and underdeveloped nations, who use it to implement their policies and finance their development programs.

These sources include elements of government revenue acquired from within the country and are also referred to as sources of government revenue. In the past, this type of revenue was gathered in a variety of methods, sometimes through donations and ransoms and sometimes through taxes, goods, etc. With the passage of time and the evolution of government responsibilities, however, governments have begun to engage in economic domains to cover their expenses, have entered the market as entrepreneurs, and have generated income from this degree.

Currently, the majority of nations support their expenditures with domestic resources, and tax revenues, which include domestic revenues, represent a large portion. However, a number of third-world nations that have been unable to attain self-sufficiency and economic growth as a result of wars, economic crises, or inappropriate economic policies have low domestic income. In other nations, these incomes are insufficient to meet even the most basic costs, leaving these nations dependent on foreign resources or countries to manage their affairs.

## **background**

Writing and completing high-quality scientific works and articles in all sciences and fields is an important necessity for the growth and enrichment of accessible resources for individuals who are interested in them.

Due to a lack of ideal conditions and facilities, original scientific works and articles have met the scientific and professional demands of individuals interested in economic concerns, particularly tax difficulties, in our dear country of Afghanistan throughout the past four decades.

However, there are a limited number of books and authoritative scientific works that were published and completed in previous years, which unfortunately do not suit the present needs of society, or long-used sources that do not match the current circumstances and requirements.

According to my research, there are few solid scientific works and publications that expressly analyze the problem of tax reform that are relevant to the current era.

Consequently, keeping in mind the urgency of the issue and having a particular interest in tax issues on the one hand and the need for research on tax reform issues and their effects on government revenues on the other, a scientific article titled (New tax reform and its effects on the revenue of the Afghan government during the years 2006-2013), which coincides with the presidency of Hamid Karzai, was authored. Although this article will not be exhaustive and will not address all the requirements of this part, the examination of tax reform concerns and their relationship to revenues may be viewed as a tiny step toward enhancing the works and materials available to individuals interested in this section.

## **Research Objective**

The first objective of the research is to study and examine the tax reform and its effects on government revenues during the presidency of the Honorable Hamid Karzai by collecting data from reputable scientific works and sources, including: old and new tax laws; statistical yearbooks; income tax instructions; tax guidelines; and the Honorable Department of Revenue of the Ministry of Finance. The completeness of the country's northern provinces; The objective of the website of the esteemed Ministry of Finance and other respectable sites is to assemble a useful and applicable scientific article for individuals interested in economics, particularly the tax revenue department.

One of the other objectives of this research is to fulfill the national duty and contribute to the scientific reconstruction of our beloved country, Afghanistan, by conducting research on the reform of the income tax law and its positive effects on the government's revenue and presenting it for use in a variety of economic sectors, particularly institutions and activities. There is a need for new tax laws and correct numbers relating the country's revenues from 2006 to 2013, as well as criticism of certain provisions of the Income Tax Law that have had negative impacts due to their non-compliance with the current economic and social climate.

## **Research hypothesis**

Observation suggests that tax reform has no effect on government revenue.

Observations suggest that tax change affects government revenue.

A brief examination of the legal reforms and tax collection system

Tax reforms are unquestionably the first component in a rise in tax income, and these tax reforms in Afghanistan include changes to tax laws and tax administrations. These essential changes in the executive powers of the tax administration, how to pay taxes for legal and natural persons, tax regulations for extractive industries, submission of declarations, objections, and other actions taken by the country's illustrious Ministry of Finance will be examined in detail:

Modifications to tax laws (Nazari, 2013).

The 2004 income tax law introduced new and major revisions to the tax laws, which were re-approved in 2008. Significant modifications to the income tax law include the determination of the fixed tax on small economy activities (trades), the fixed tax of small enterprises (trades), the contractual subject tax, the adaptation of the profit transaction tax, the exemption from the profit transaction tax, For-profit services and transactions, the house and building rent tax, and the income tax of natural persons.

alterations to tax offices

To encourage and voluntarily obey Afghanistan's tax laws, eliminate administrative corruption, and create a transparent and accountable administration, The Ministry of Finance introduced reforms in tax administration, which have continued to the present day. These reforms include reforms in the organization of Afghanistan's ministries of finance; Priority reform restructures (PRR); creation of the Large Taxpayer Office (LTO); creation of the Medium Taxpayer Office (MTO); and determination of the Tax Item Classification (TIC). These are the modifications that followed the alterations to Afghanistan's tax system, and we will quickly describe each of them:

Reforms to the PRR (Priority reform restructure)

The Ministry of Finance initiated the PRR in 2016 in the capital 81 percent and in the priority areas (Kandahar, Herat, Nangarhar, Balkh, and Parwan) 78 percent in its revenue department, including the coordination department of all areas, and 26 percent in all customs, for a total field progress of 61 percent.

Tax identification Number (TIN)

To boost the efficiency of tax administration and maintain tax accounts for each taxpayer, the Ministry of Finance issued and distributed tax identification numbers to the vast majority of taxpayers.

Medium taxpayer office (MTO)

In 2007, the Afghanistan Ministry of Finance's General Department of Revenue formed a department to regulate revenues honestly and effectively. The Medium Taxpayer Office is one of the thirteen divisions within the Department of Revenue within the Ministry of Finance. The Medium Taxpayer office offers services to a particular category of taxpayers (Seyed Massoud, 2012).

Large Taxpayer Office (LTO)

The Large Taxpayer office was established to serve a specific group of taxpayers and is responsible for regulating large taxpayers' taxes and duties.

Financial Information Management System (FMIS)

This software system is manufactured by Free Balance, a Canadian firm that began operations in 1984 under the name Link Tech. The Canadian Financial and Accounting Department designed its concept. AFMIS was purchased for the first time in Afghanistan in 2002 and implemented in the Department of Treasury of the Ministry of Finance. The installation of this system is intended to facilitate financial and accounting matters, particularly in the illustrious Ministry of Finance of Afghanistan; improve financial management, computerize the basic accounting procedures of Afghanistan, and reduce the time and effort spent on transactions and financial management in the Afghan government budget departments.

ASYCUDA System: The ASYCUDA system is an international system that includes all foreign trade operations and handles computerized customs declaration, transit, calculation, and tax matters with efficiency and precision. This system, which was installed and utilized by the country's customs in 2005, is one of the program's major components.

Analysis of government tax receipts at the national and provincial levels. Throughout the years (2006-2013)

In this section, the effects of tax reforms on the country's tax revenues from 2006 to 2013 have been analyzed, and the results are presented in the form of tables, figures, and statistics, based on the tax revenue data obtained.

The information gathered about tax collections from 1385 to 1392 and submitted to statistical analysis demonstrates the rise in tax revenues and its impact on overall government revenues. After the implementation of tax reforms each year, the majority of provinces have seen a rise in their total government revenues. In addition, tax reforms have resulted in greater tax system transparency and increased tax revenue collection.

Tax revenues have been one of the country's key sources of income and funding for its national budget, and with the implementation of tax reforms, tax collection has increased. According to table (1), the country's total revenue from 2006 to 2013 was analyzed, and the growth rate of tax revenue from 2006 to 2013 grew. In 2006, the above table's total tax revenue was 19.875 billion Afghani; in 2007, it was 22.522.50 billion Afghani; in 2008, it was 24.648.03 billion Afghani; in 2009, it was 41.201.92 billion Afghani; and in 2010, it was 50.061.34 billion Afghani. It was 58,945.23 billion Afghani in 2011, 43,852.49 billion Afghani in 2012, and 60,799.79 billion Afghani in 2013.

The growth rate of the country's tax collections in 2009 was more than double that of 2012, and as a result of tax reforms, the total amount of these revenues did not drop from 2006 to 2013. Kabul, Nangarhar, Kandahar, Balkh, and Herat have the highest revenue figures among the 34 provinces.

**Table 1.** Total tax revenue for the years 2006-2013 (Ministry of Justice, 2005; Central Bureau of Statistics, 2006; Central Bureau of Statistics, 2007; Central Bureau of Statistics, 2008; Central Bureau of Statistics, 2009; Central Bureau of Statistics, 2010; Central Bureau of Statistics, 2011; Central Bureau of Statistics, 2012)

Number	provinces	2006	2007	2008	2009	2010	2011	2012	2013
1	Kabul	2,098,51	2,841,90	2,389,05	2,100,42	1,852,71	2,283,12	1,806,02	2,189,99
2	Kapisa	14,77	21,31	30,80	40,20	54,79	110,31	72,36	109,54
3	Parwan	45,49	58,77	69,27	35,95	116,98	201,04	162,59	203,39
4	Wardak	11,23	27,55	30,61	46,48	67,26	138,31	152,83	159,13
5	Logar	22,92	36,77	46,60	49,68	70,10	141,26	84,51	110,30
6	Nangarhar	3,199,23	4,224,56	5,046,01	9,945,55	11,158,32	9,766,24	7,988,27	11,437,70
7	Laghman	20,30	29,05	48,76	62,41	88,38	154,43	106,36	125,99
8	Panjshir	7,63	13,29	17,67	22,66	33,20	77,49	45,87	67,95
9	Baghlan	179,78	322,62	456,36	107,27	156,46	272,72	192,11	266,53
10	Bamiyan	15,87	24,03	31,95	38,08	58,96	90,91	66,09	99,97
11	Ghazni	51,10	88,54	88,41	128,57	150,58	234,46	211,47	276,26
12	Paktika	45,86	64,18	63,45	61,91	75,58	123,22	104,81	161,48
13	Paktia	166,79	162,73	98,80	101,27	232,37	455,47	457,36	803,48
14	Khost	382,45	402,06	481,88	485,85	679,42	1,495,28	742,77	937,35
15	Kunar	341,99	462,03	41,33	46,83	65,54	742,84	87,51	148,13
16	Nuristan	5,99	8,51	19,72	21,21	29,57	30,16	28,32	38,84
17	Badakhshan	38,28	56,53	73,71	84,07	129,92	267,49	184,58	277,51
18	Takhar	67,92	90,32	86,36	100,38	134,85	314,69	191,00	277,17
19	Kunduz	140,97	254,97	447,52	735,72	951,04	1,442,08	886,29	1,008,54
20	Samangan	23,82	85,15	169,31	48,72	69,84	91,44	79,44	102,48
21	Balkh	2,736,06	3,715,52	4,135,60	9,143,85	9,141,08	9,406,19	7,244,87	7,848,16
22	Sar-e Pol	13,91	20,96	29,86	35,26	45,82	65,88	65,44	87,69
23	Ghor	12,56	25,71	35,61	35,53	51,51	84,90	68,10	101,01
24	Daykundi	3,76	11,57	18,38	22,81	30,48	48,61	49,93	69,54
25	Uruzgan	6,99	8,51	16,44	16,67	23,58	70,50	41,64	63,57
26	Zabul	15,51	15,23	17,05	21,39	29,86	183,69	41,41	61,39
27	Kandahar	1,889,96	2,101,24	1,926,19	2,835,31	3,383,91	3,734,41	2,002,97	3,058,67

28	Jawzjan	39,87	109,32	133,34	87,07	133,65	189,51	181,94	229,29
29	Faryab	581,93	594,60	722,32	1.159,27	1.583,42	1.999,69	2.386,05	5.791,28
30	Helmand	50,69	72,16	91,21	119,75	329,09	694,45	359,60	541,85
31	Badghis	18,77	17,92	27,49	27,98	43,30	71,43	56,74	84,28
32	Herat	6.703,28	5.084,54	6.097,97	10.644,3	14.820,6	19.075,6	13.317,1	15.417,8
33	Farah	274,18	157,78	178,14	103,34	495,10	1.003,12	832,34	2.851,52
34	Nimruz	646,95	1.312,57	1.480,87	2.686,17	3.774,04	3.884,23	3.553,81	5.792,01
<b>total</b>		19.875,2	22.522,5	24.648,0	41.201,9	50.061,3	58.945,2	43.852,4	60.799,7
	<b>total</b>	9	0	3	2	4	3	9	9

The distribution of the total revenues for the fiscal years 2006-2013 is shown in fig 1 (Ministry of Justice, 2005; Central Bureau of Statistics, 2006; Central Bureau of Statistics, 2007; Central Bureau of Statistics, 2008; Central Bureau of Statistics, 2009; Central Bureau of Statistics, 2010; Central Bureau of Statistics, 2011; Central Bureau of Statistics, 2012)

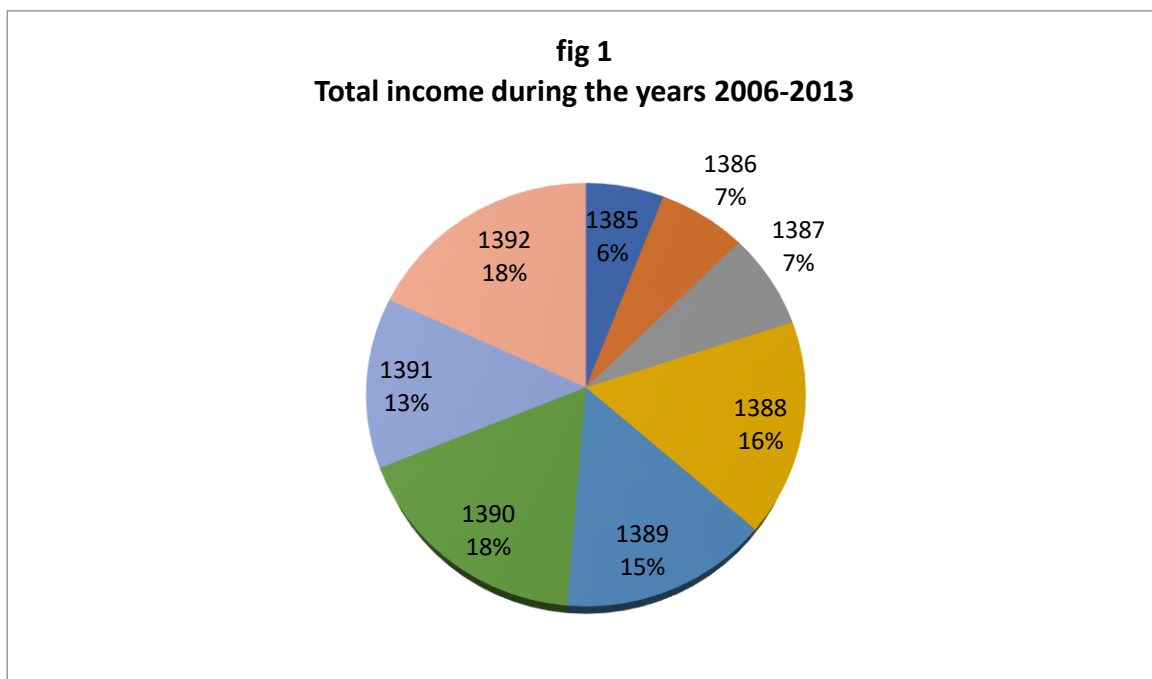
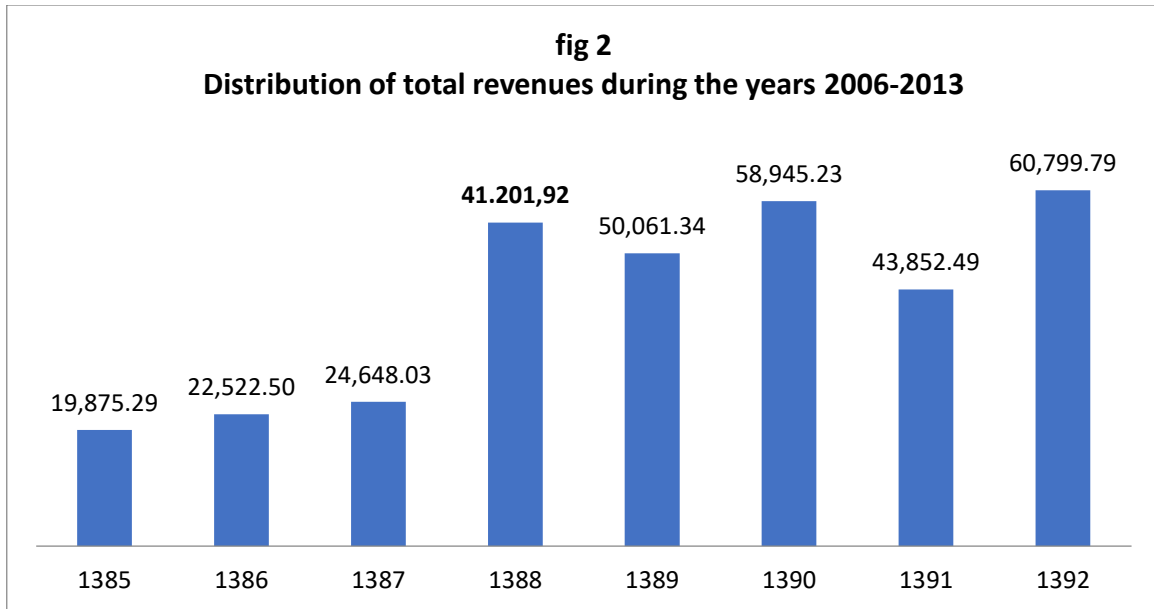
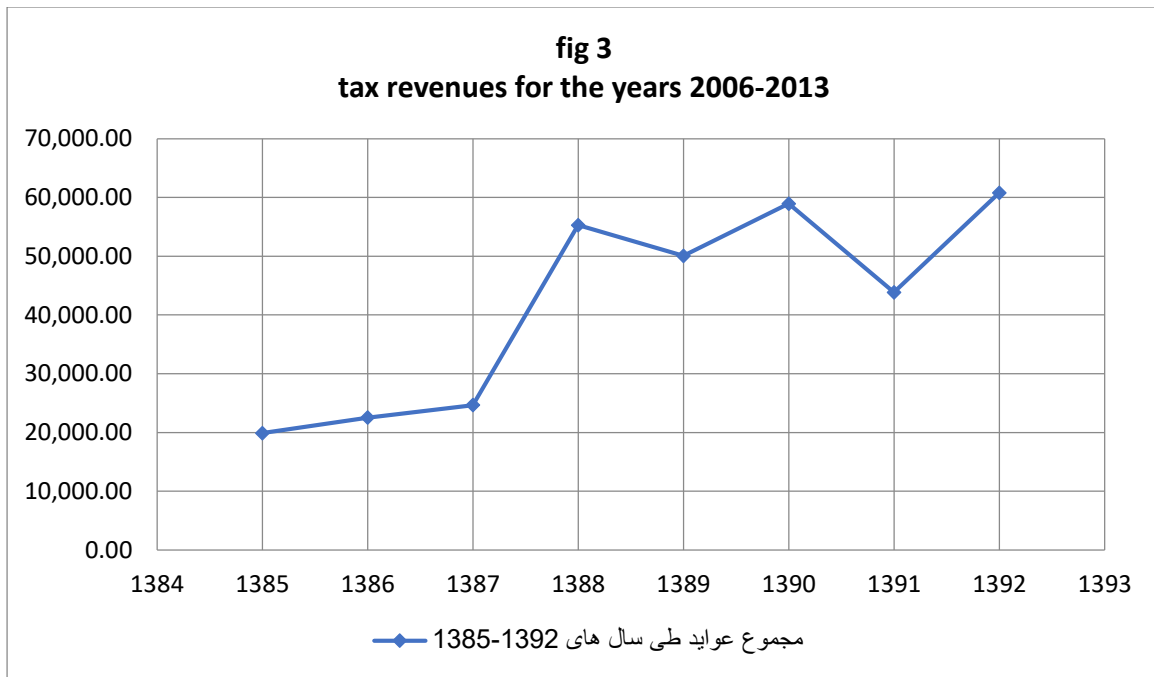


Fig 1 regarding the distribution of the total revenues of 2006-2013 by percentage, the highest revenues are for the years 2013 and 2011, where each of the years 2011 and 2013 allocated 18% of the total revenue years 2006-2013. Subsequently, in 2009 the total revenue was 16% of the total revenue, in 2012 13%, 2007 and 2008 7%, and 2006 6% of the total revenues of 2006-2013.

Comparing the total revenues of 2006 to 2013, as depicted in figure 2, the total revenues of 2013 are more than those of prior years. As shown in the graph, following tax reforms in the government's financial system, revenue in 2006 amounted to 19,87 billion Afghani, with subsequent years showing a rise (Ministry of Justice, 2005; Central Bureau of Statistics, 2006; Central Bureau of Statistics, 2007; Central Bureau of Statistics, 2008; Central Bureau of Statistics, 2009; Central Bureau of Statistics, 2010; Central Bureau of Statistics, 2011; Central Bureau of Statistics, 2012).



If we wish to examine how revenue has increased in the base years, we can observe in figure 3 that revenue growth has been positive. Fig. 3 depicts the beginning of the revenue increase, which began in 2006 and continued until 2008 with a substantially upward trend; in 2009, it reached a maximum compared to the preceding years; in 2010, it declined; and in 2013, it again reached a maximum.



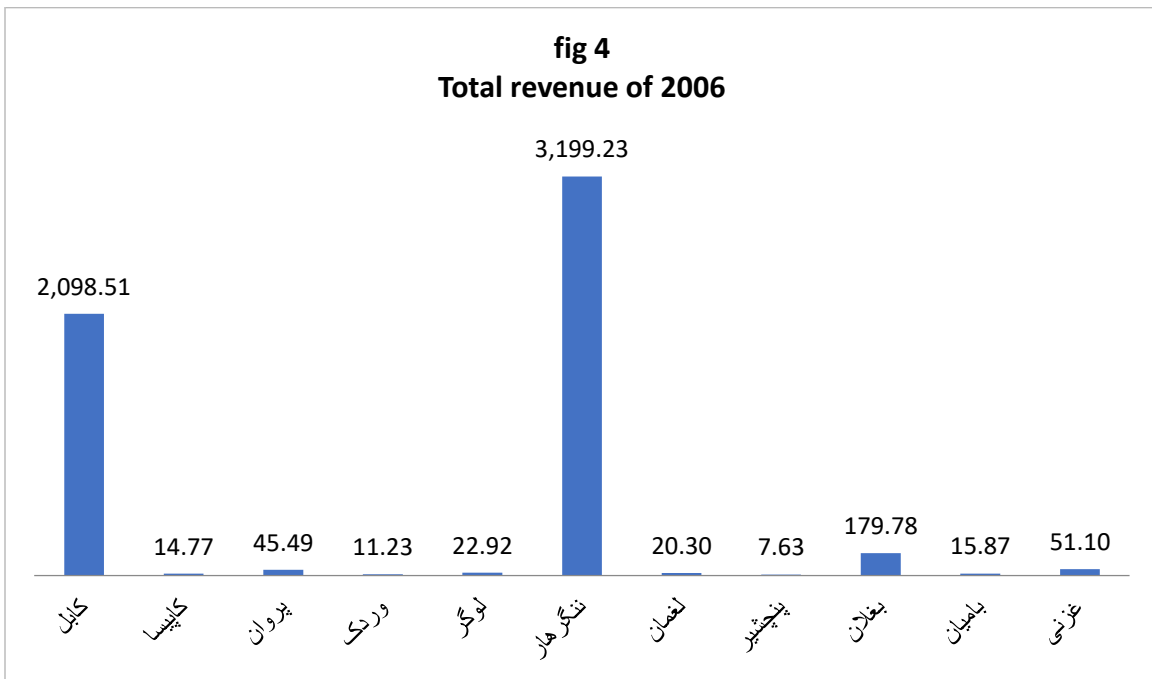
From the analysis of the revenue figures of 2006 by province after the tax reforms, the total tax revenue of the provinces has increased, and based on the collection of information and its evaluation after statistical and econometric analysis, Table 2 shows the distribution of revenue by province and total after the tax reforms, as well as the positive effects on the government's revenue. The revenue of Afghanistan's 34 provinces in 2006 was 19,87 billion Afghani and was distributed across the country.

Kabul province received 10.54 percent of the overall tax revenue in 2006, while Nangarhar province received 16 percent, Balkh province received 13 percent, Kandahar province received 9.5 percent, and Herat province received almost 33 percent of the entire tax revenue.

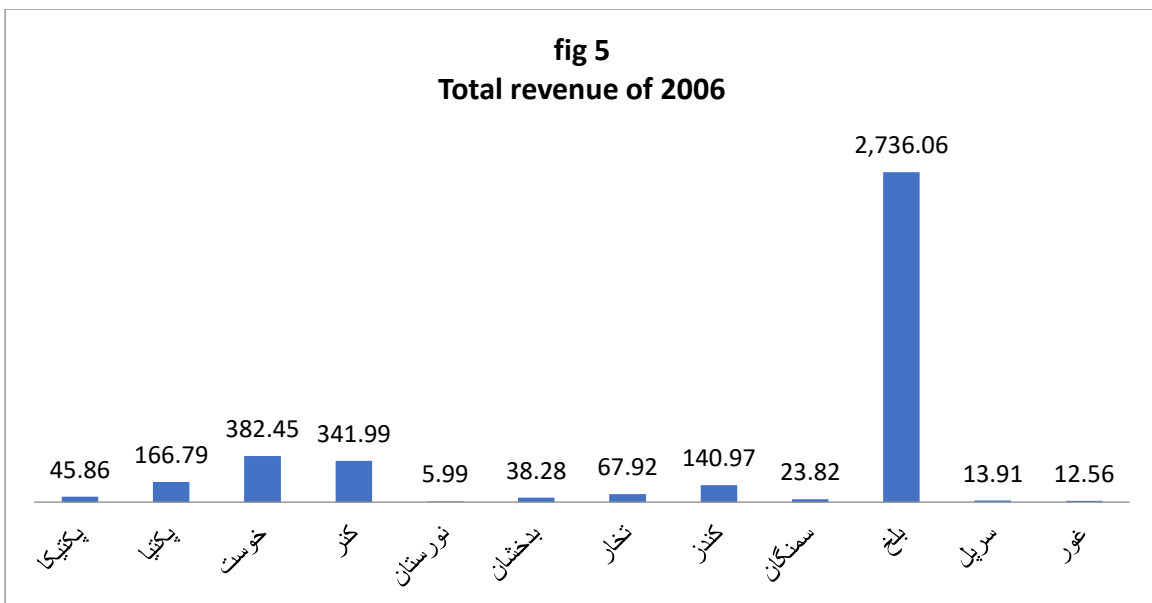
**Table 3.** Total tax revenue of 2006 by province (Ministry of Justice, 2005)

number	provinces	Tax revenue	Other revenues	Total	%
1	Kabul	1.751,12	347,39	2.098,51	10,56
2	Kapisa	3,87	10,89	14,77	0,07
3	Parwan	11,97	33,52	45,49	0,23
4	Wardak	4,93	6,30	11,23	0,06
5	Logar	3,47	19,45	22,92	0,12
6	Nangarhar	3.012,32	186,91	3.199,23	16,10
7	Laghman	5,90	14,40	20,30	0,10
8	Panjshir	4,70	2,93	7,63	0,04
9	Baghlan	106,26	73,52	179,78	0,90
10	Bamiyan	6,59	9,28	15,87	0,08
11	Ghazni	17,54	33,56	51,10	0,26
12	Paktika	38,07	7,78	45,86	0,23
13	Paktia	115,87	50,92	166,79	0,84
14	Khost	333,16	49,30	382,45	1,92
15	Kunar	10,20	331,79	341,99	1,72
16	Nuristan	3,85	2,14	5,99	0,03
17	Badakhshan	19,26	19,02	38,28	0,19
18	Takhar	46,48	21,44	67,92	0,34
19	Kunduz	86,66	54,31	140,97	0,71
20	Samangan	7,10	16,72	23,82	0,12
21	Balkh	2.411,02	325,04	2.736,06	13,77
22	Sar-e Pol	4,72	9,19	13,91	0,07
23	Ghor	8,02	4,54	12,56	0,06
24	Daykundi	2,94	0,82	3,76	0,02
25	Uruzgan	0,64	6,35	6,99	0,04
26	Zabul	6,11	9,40	15,51	0,08
27	Kandahar	1.667,08	222,88	1.889,96	9,51
28	Jawzjan	14,57	25,30	39,87	0,20
29	Faryab	503,11	78,81	581,93	2,93
30	Helmand	33,48	17,21	50,69	0,26
31	Badghis	10,47	8,30	18,77	0,09
32	Herat	5.948,09	755,20	6.703,28	33,73
33	Farah	253,79	20,39	274,18	1,38
34	Nimruz	546,28	100,67	646,95	3,26
<b>Total</b>		<b>16.999,63</b>	<b>2.875,66</b>	<b>19.875,29</b>	<b>100,00</b>

The tax revenues of 2006 by province can be seen in the following figures; the share of tax revenues of Kabul and Nangarhar provinces can be seen in fig 4, which compared to the share of other provinces, the revenues of Kabul province are about 2.09 billion, and Nangarhar province is about 3.19 billion (Ministry of Justice, 2005).

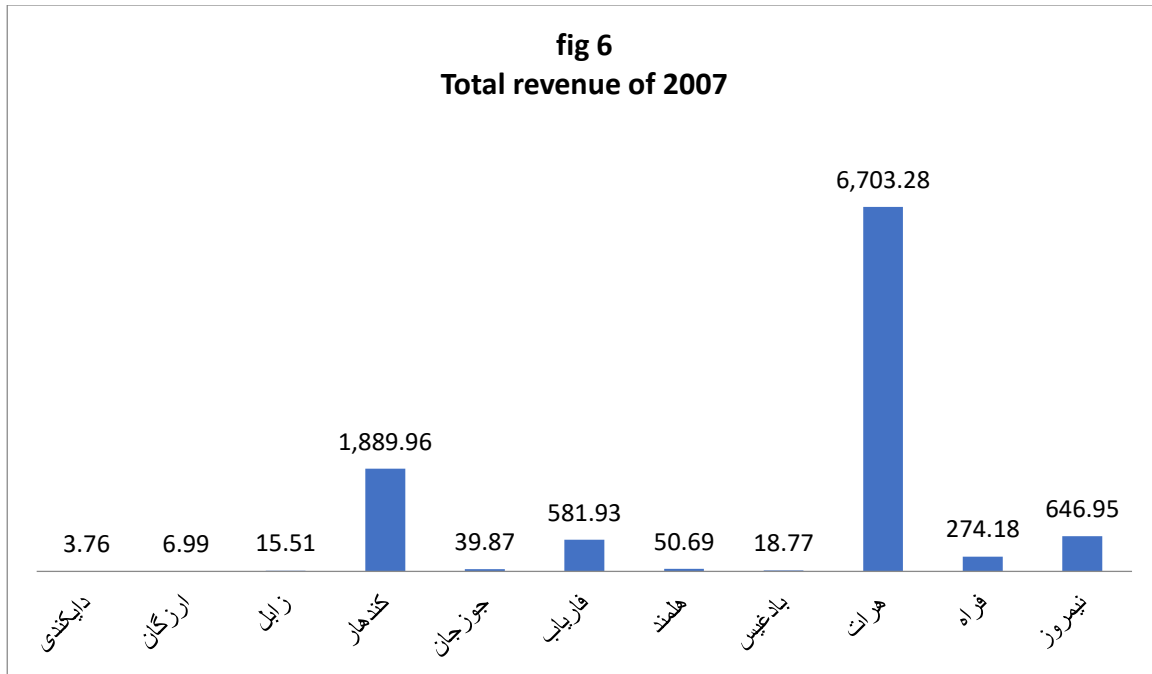


The tax revenues for 2006 by province can be seen in the figures below. The share of tax revenue of Balkh province can be seen in fig 5, compared to the share of other provinces, the revenue of Balkh province is about 2.73 billion.



The tax revenues for 2006 by province can be seen in the figures below. The share of tax revenue of Kandahar and Herat provinces can be seen in fig 6, compared to the share of other provinces, the revenue of Kandahar province is about 1.88 billion, and that of Herat province is about 6.7 billion (Ministry of Justice, 2005).





Most of the revenues that the Afghan government obtained after the tax reforms in 2006 came from Kabul, Balkh, Nangarhar, Kandahar, and Herat provinces, and the rest of the provinces had their share of the total revenues of the country.

**Evaluation of the total tax revenues of 2007 by province (Central Bureau of Statistics, 2006)**

The total tax revenues include tax revenues and other revenues, which relatively increased in 2007 compared to 2006, reaching 22.522.50 billion afghani in 2007 and 19.875.29 billion afghani in 2006. It was found that the total income of 2007 compared to 2006 shows an increase of about 3 billion Afghani, which shows the effectiveness of tax reforms.

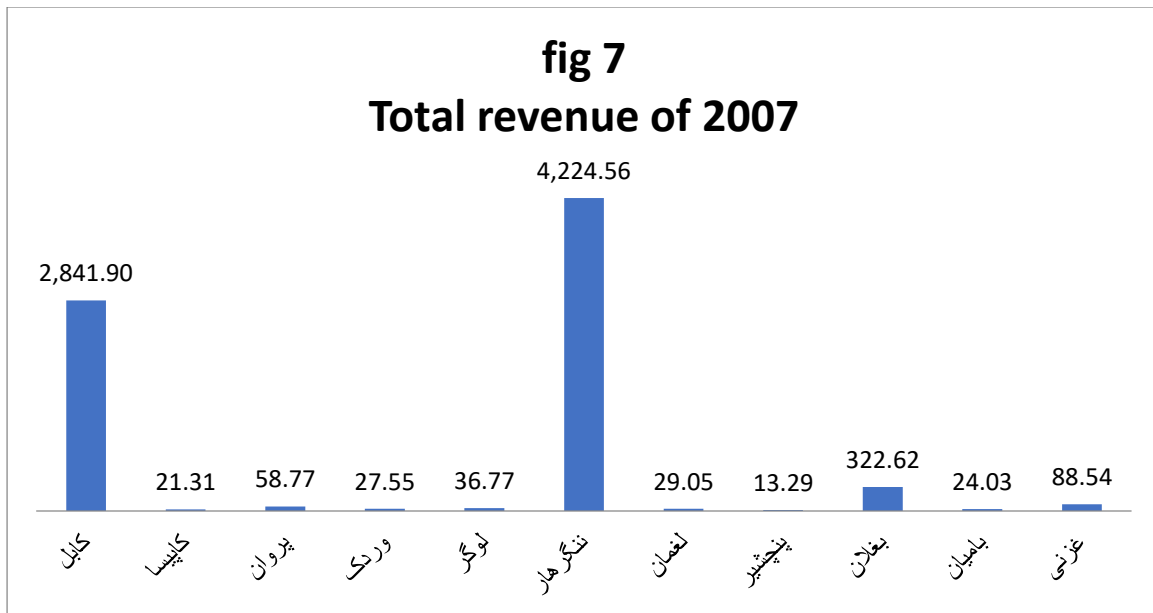
As usual, the provinces of Kabul, Nangarhar, Kandahar, Balkh, and Herat have allocated the highest total revenue. As can be seen in the table of total revenues for 2007, tax revenues amounted to 18,343,80 billion Afghani, and other revenues amounted to 4,178,70 billion Afghani, totals 22,522,5 billion Afghani.

**Table 3.** Total revenues of 2016 by province (Central Bureau of Statistics, 2006)

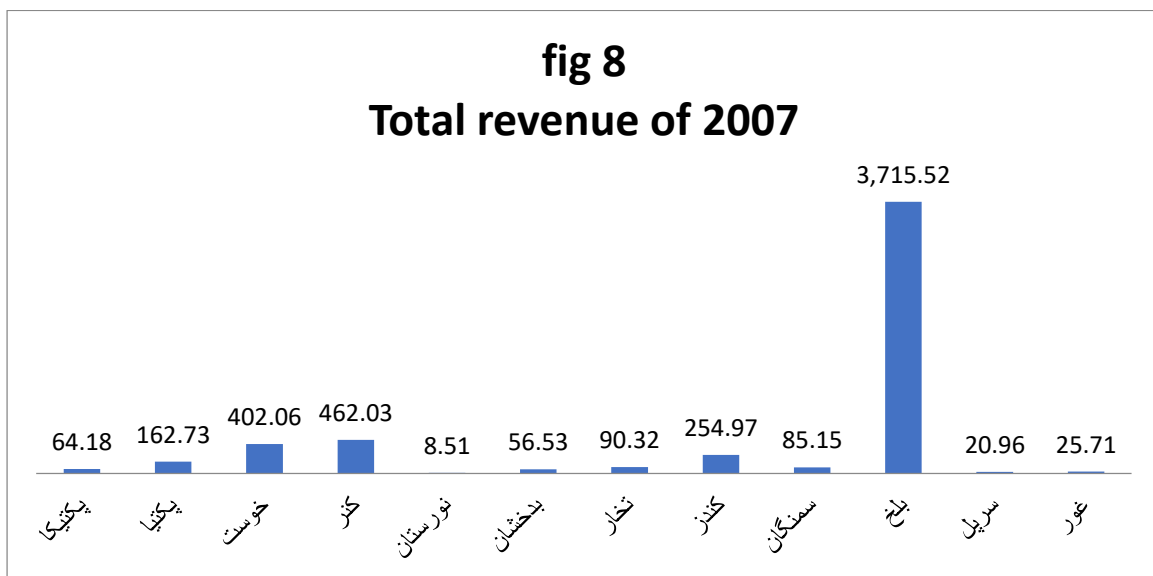
number	provinces	Tax revenue	Other revenues	Total	%
1	Kabul	1.414,66	1.427,24	2.841,90	12,62
2	Kapisa	4,87	16,45	21,31	0,09
3	Parwan	14,37	44,41	58,77	0,26
4	Wardak	9,63	17,92	27,55	0,12
5	Logar	2,08	34,69	36,77	0,16
6	Nangarhar	3.926,10	298,46	4.224,56	18,76
7	Laghman	6,12	22,93	29,05	0,13
8	Panjshir	5,50	7,79	13,29	0,06
9	Baghlan	259,56	63,05	322,62	1,43

10	Bamiyan	8,53	15,50	24,03	0,11
11	Ghazni	16,26	72,28	88,54	0,39
12	Paktika	48,17	16,01	64,18	0,28
13	Paktia	95,75	66,98	162,73	0,72
14	Khost	314,90	87,16	402,06	1,79
15	Kunar	293,78	168,25	462,03	2,05
16	Nuristan	4,78	3,73	8,51	0,04
17	Badakhshan	27,75	28,78	56,53	0,25
18	Takhar	40,86	49,45	90,32	0,40
19	Kunduz	139,25	115,72	254,97	1,13
20	Samangan	9,36	75,80	85,15	0,38
21	Balkh	3.395,52	320,01	3.715,52	16,50
22	Sar-e Pol	7,78	13,17	20,96	0,09
23	Ghor	13,67	12,04	25,71	0,11
24	Daykundi	4,96	6,61	11,57	0,05
25	Uruzgan	2,38	6,13	8,51	0,04
26	Zabul	7,32	7,92	15,23	0,07
27	Kandahar	1.828,85	272,39	2.101,24	9,33
28	Jawzjan	72,43	36,89	109,32	0,49
29	Faryab	504,59	90,01	594,60	2,64
30	Helmand	31,96	40,19	72,16	0,32
31	Badghis	8,26	9,66	17,92	0,08
32	Herat	4.523,00	561,54	5.084,54	22,58
33	Farah	128,19	29,59	157,78	0,70
34	Nimruz	1.172,62	139,94	1.312,57	5,83
<b>Total</b>		<b>18.343,80</b>	<b>4.178,70</b>	<b>22.522,50</b>	<b>100,00</b>

The distribution of revenues can be seen by province. The share of each province in the total revenues of 2007 can be seen in the figures below. As shown in fig 7, the shares of Kabul province and Nangarhar province are much higher than those of other provinces such as Kapisa, Parwan, Wardak, Logar, Laghman, Panjshir, Baghlan, Bamiyan, and Ghazni. The tax revenue from Kabul province in 2007 amounted to 2.84 billion Afghani, and 4.22 billion Afghani was collected from Nangarhar province.



The share of Balkh province in the government's total revenue in 2007 can be seen in fig 8, which has reached 3.71 billion Afghani. The percentage of this amount in the government's total revenue is 16.5 percent, which was 13.77 percent in 2006. The amount of income in 2007 compared to 2006c shows an increase of about 3%.



The distribution of revenues by the province in 2007 can be seen in fig 9, where the share of Kandahar province is 2.10 billion afghani and that of Herat province is 5.08 billion afghani, which is more than the share of Herat province (Central Bureau of Statistics, 2006).

Based on the study and comparison of 2008 provincial tax collections, it can be stated that the adoption of tax reforms in the country's tax law and the collection of taxes based on the reforms have resulted in an increase in tax collection at the national level. Over the years, the amount of these revenues has grown. The tax revenues of 2008, as shown in Table 4, have increased in comparison to previous years, and the total amount of revenues in 2008 was 24,648.03 billion Afghani; this figure was 22,522.50 billion Afghani in 2007, and the revenue growth between 2007 and 2008 was approximately 2.1 billion Afghani.

**Table 4.** Total revenues of 2008 by province (Central Bureau of Statistics, 2007)

number	provinces	Tax revenue	Other revenues	Total	%
1	Kabul	1160,4524	1.228,60	2.389,05	9,69
2	Kapisa	7,8681	22,93	30,80	0,12
3	Parwan	24,816	44,45	69,27	0,28
4	Wardak	7,423	23,19	30,61	0,12
5	Logar	5,6607	40,94	46,60	0,19
6	Nangarhar	4684,1146	361,89	5.046,01	20,47
7	Laghman	7,483	41,28	48,76	0,20
8	Panjshir	7,6516	10,02	17,67	0,07
9	Baghlan	323,72	132,64	456,36	1,85
10	Bamiyan	10,0248	21,92	31,95	0,13
11	Ghazni	24,778	63,63	88,41	0,36
12	Paktika	45,3993	18,05	63,45	0,26
13	Paktia	27,3918	71,41	98,80	0,40
14	Khost	394,7075	87,17	481,88	1,96
15	Kunar	16,4439	24,89	41,33	0,17
16	Nuristan	6,9882	12,73	19,72	0,08
17	Badakhshan	18,8157	54,90	73,71	0,30
18	Takhar	44,538	41,82	86,36	0,35
19	Kunduz	187,8453	259,67	447,52	1,82
20	Samangan	140,7253	28,58	169,31	0,69
21	Balkh	3727,2031	408,40	4.135,60	16,78
22	Sar-e Pol	7,8873	21,98	29,86	0,12
23	Ghor	16,8435	18,77	35,61	0,14
24	Daykundi	8,2475	10,13	18,38	0,07
25	Uruzgan	3,2263	13,22	16,44	0,07
26	Zabul	5,2627	11,78	17,05	0,07
27	Kandahar	1592,484	333,71	1.926,19	7,81
28	Jawzjan	81,2596	52,08	133,34	0,54
29	Faryab	613,2883	109,03	722,32	2,93
30	Helmand	36,3265	54,88	91,21	0,37
31	Badghis	10,4731	17,01	27,49	0,11
32	Herat	5487,1538	610,82	6.097,97	24,74
33	Farah	145,5532	32,58	178,14	0,72
34	Nimruz	1331,837	149,03	1.480,87	6,01

<b>Total</b>	20213,8931	4.434,14	<b>24.648,03</b>	<b>100,00</b>
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Kabul province and Nangarhar province had the highest number of revenues in 2008, as shown in figure 10; Kabul province's portion of tax revenues was 2.38 billion Afghani, and Nangarhar province's share of tax revenues was 5.04 billion Afghani. Baghlan Province is ranked third; this province's revenue is 456,3 million Afghani, while other provinces rank lower (Central Bureau of Statistics, 2007)

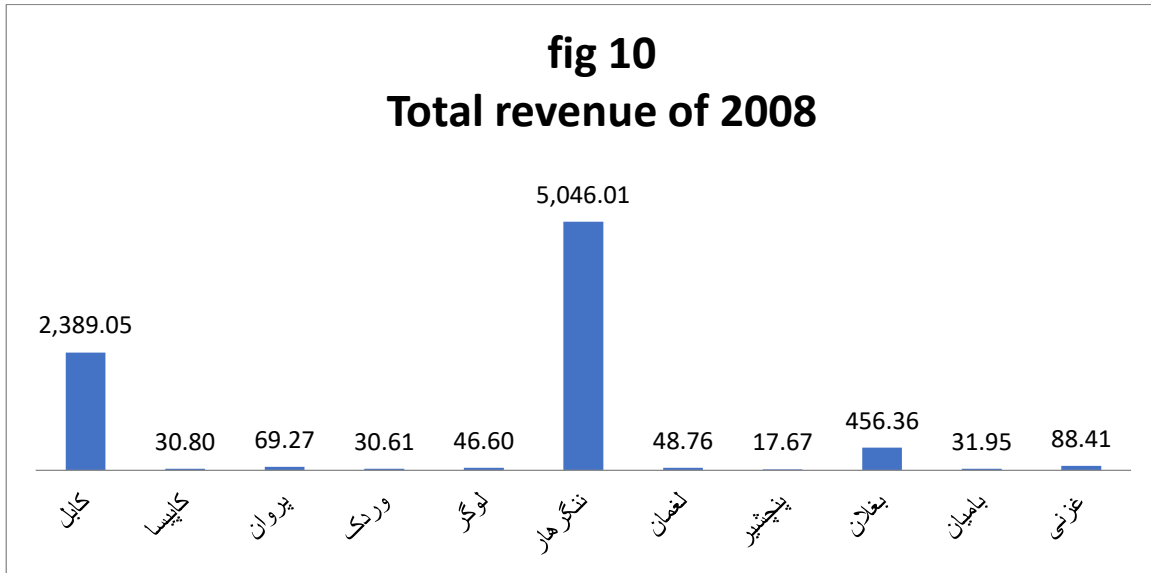


Fig. 11 depicts the proportion of Balkh province relative to the other provinces included in the figure. Balkh province's proportion amounts to 4.13 billion Afghani, or around 16.87 percent of 2008's total revenue. According to Figure 11, Khost province's part of 2008's total revenue is around 481.88 million Afghani, while Kunduz province's share is 447.52 million Afghani.

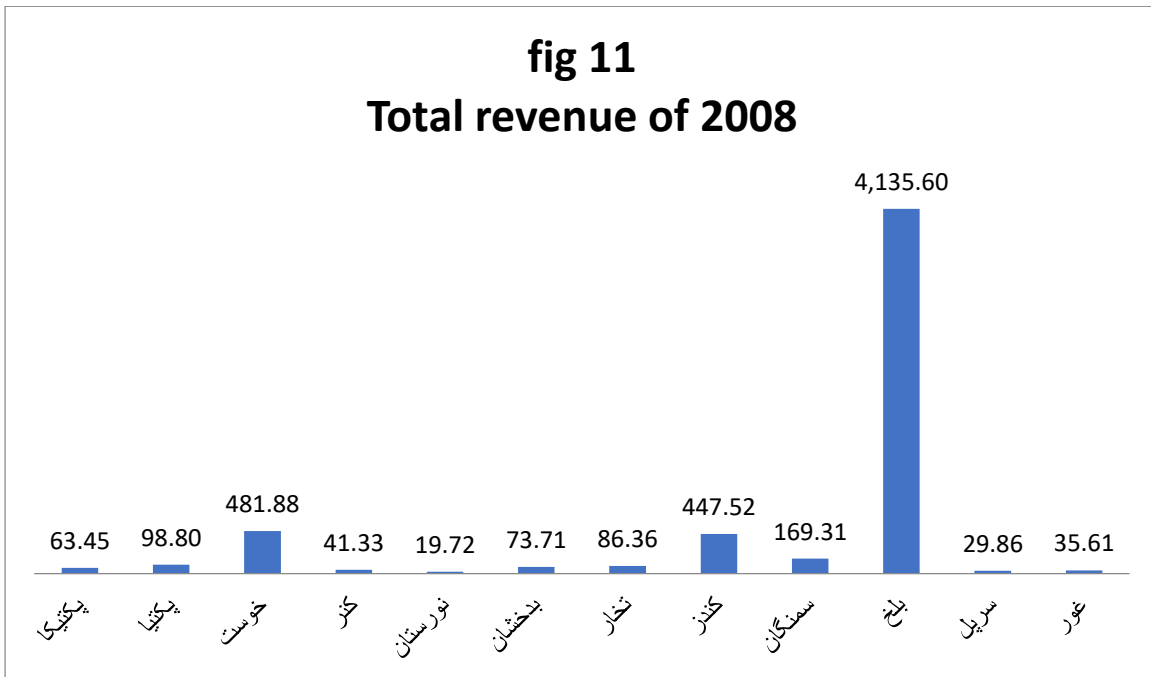
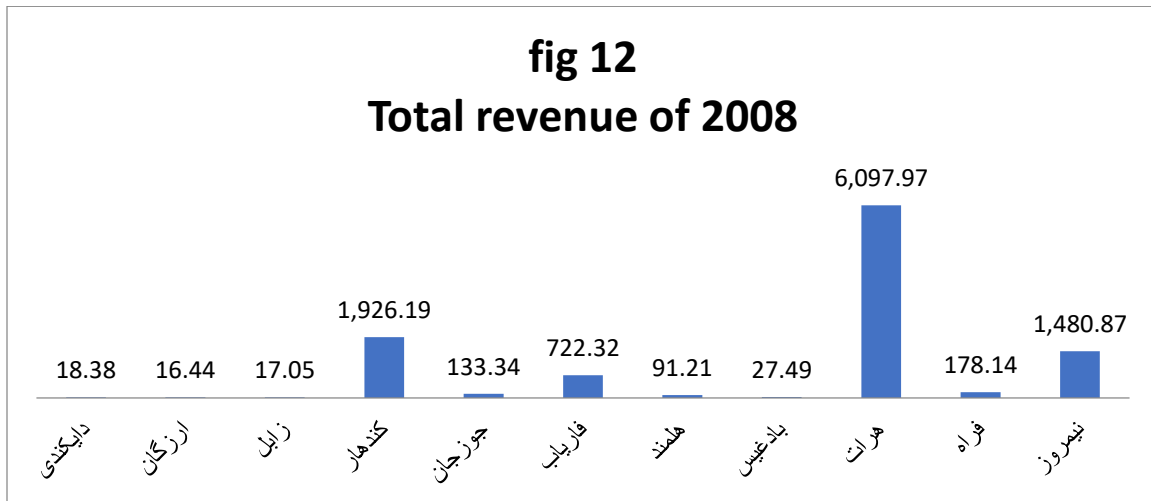


Figure 12 shows the revenue for the provinces of Kandahar, Herat, and the other provinces that are included in the figure. Kandahar's portion of the 2008 total revenue was 1.92 billion Afghanis, while Herat's share was higher than that of the other provinces. The amount in Afghanis is 6.09 billion. With 1.48 billion Afghanis in tax revenue, the Nimroz province comes in third after Herat and Kandahar (Central Bureau of Statistics, 2007).



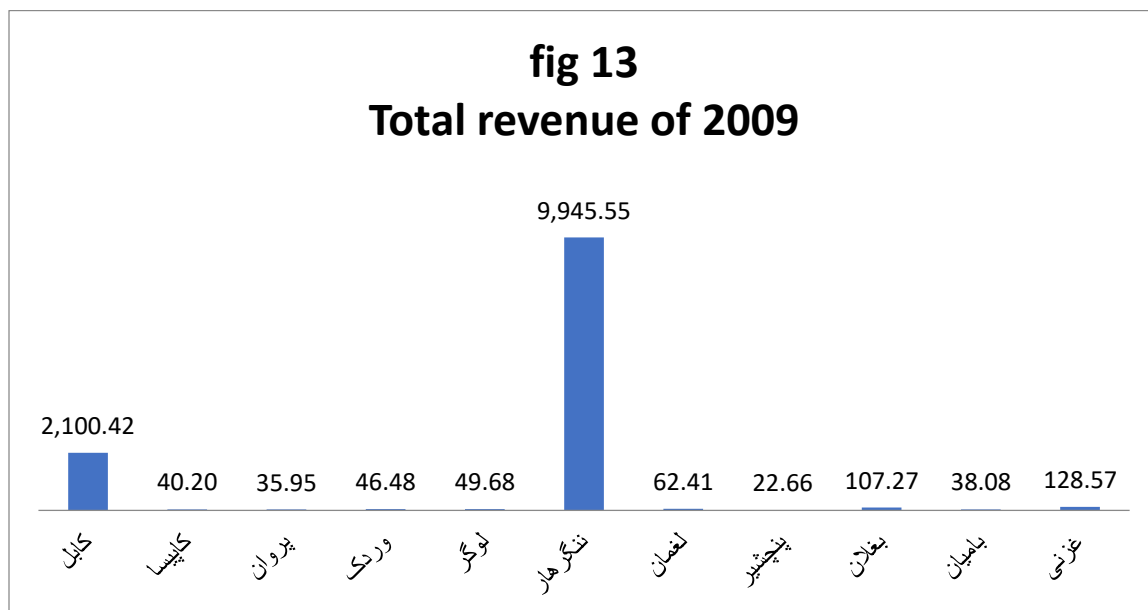
In 2009, according to Table 5, Herat Province had the largest share, about 25.8% of the total revenue. The total tax revenues of 2009 amounted to 41.2 billion Afghani, which shows an increase of about 17 billion Afghani.

**Table 5.** The total tax revenue of 2018 by province (Central Bureau of Statistics, 2008)

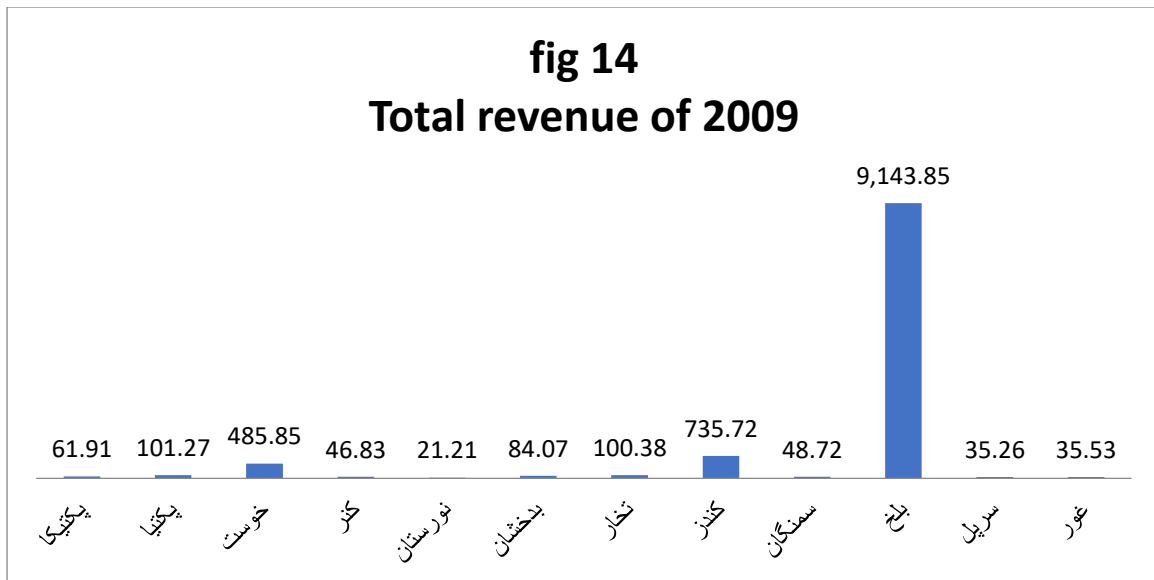
number	provinces	Tax revenue	Other revenues	Total	%
1	Kabul	1.225,62	874,80	2.100,42	5,10
2	Kapisa	13,06	27,14	40,20	0,10
3	Parwan	30,07	5,89	35,95	0,09
4	Wardak	12,96	33,52	46,48	0,11
5	Logar	5,84	43,84	49,68	0,12
6	Nangarhar	9.226,81	718,74	9.945,55	24,14
7	Laghman	14,27	48,14	62,41	0,15
8	Panjshir	6,96	15,70	22,66	0,06
9	Baghlan	27,71	79,56	107,27	0,26
10	Bamiyan	10,36	27,72	38,08	0,09
11	Ghazni	44,54	84,03	128,57	0,31
12	Paktika	40,59	21,32	61,91	0,15
13	Paktia	22,46	78,82	101,27	0,25
14	Khost	380,51	105,34	485,85	1,18
15	Kunar	27,29	19,55	46,83	0,01
16	Nuristan	13,35	7,86	21,21	0,05
17	Badakhshan	34,79	49,28	84,07	0,20
18	Takhar	45,51	54,87	100,38	0,24

19	Kunduz	488,01	247,71	735,72	1,79
20	Samangan	18,47	30,25	48,72	0,12
21	Balkh	8.587,95	555,90	9.143,85	22,19
22	Sar-e Pol	10,61	24,65	35,26	0,09
23	Ghor	16,90	18,63	35,53	0,09
24	Daykundi	10,28	12,53	22,81	0,06
25	Uruzgan	5,56	11,11	16,67	0,04
26	Zabul	7,81	13,58	21,39	0,05
27	Kandahar	2.412,79	422,52	2.835,31	6,88
28	Jawzjan	26,20	60,87	87,07	0,21
29	Faryab	1.027,24	132,02	1.159,27	2,81
30	Helmand	68,48	51,26	119,75	0,29
31	Badghis	13,40	14,58	27,98	0,07
32	Herat	9.672,54	971,77	10.644,31	25,83
33	Farah	75,70	27,64	103,34	0,25
34	Nimruz	2.428,14	258,03	2.686,17	6,52
<b>total</b>		<b>36.052,76</b>	<b>5.149,16</b>	<b>41.201,92</b>	<b>100,00</b>

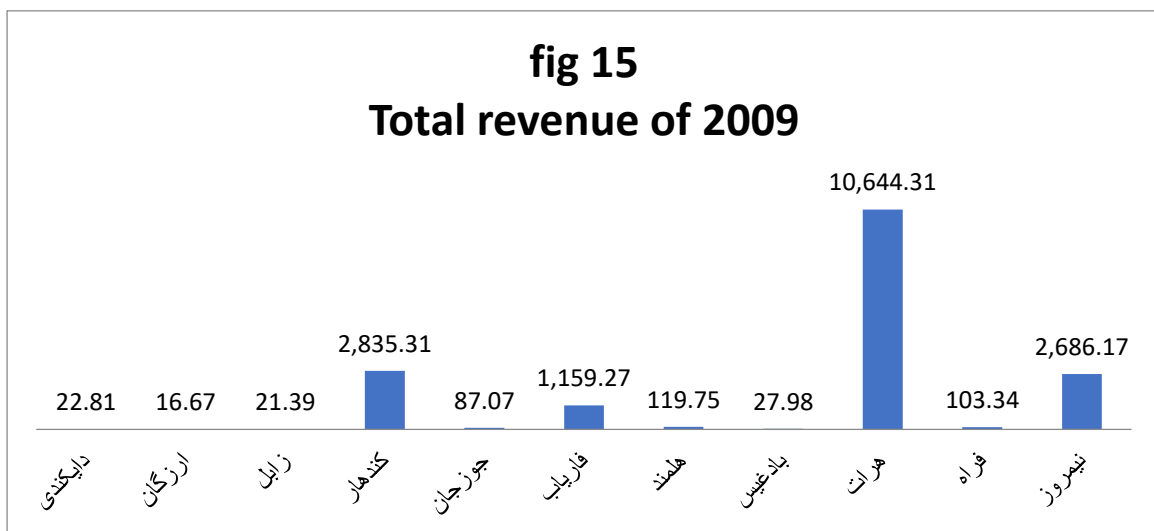
As shown in fig 13, Nangarhar province, among 34 provinces had about 9.94 billion Afghani of the total tax revenue in 2009. After Nangarhar Province, among the 11 provinces included in fig 13, Kabul Province ranks second, with about 2.1 billion Afghani from the total revenue of 2009.



As shown in fig 14, among the 12 provinces included in the analysis, Balkh province had the highest tax revenue in 2009, which amounts to 9.143 billion Afghani. Subsequently, Kunduz province had a share of about 735 million Afghani in the government's total revenue (Central Bureau of Statistics, 2008).



The final fig of tax revenues for 2009, which includes 11 other provinces, shows how the tax revenues are distributed over the provinces. According to fig 15, Herat province ranks first with about 10.64 billion Afghani, Kandahar province ranks second with about 2.83 billion Afghani, and Faryab province ranks third with about 1.15 billion Afghani.



As seen in the table of the total revenues of 2006-2013, the rate of growth of the country's tax revenues had an upward slope. The amount of revenue in 2010 compared to previous years has an upward slope. The share of provinces in the total amount of tax revenue in 2010 can be seen in Table 6 with the percentages of each province in the total tax revenue.

According to the tax year 2010, the share of Kabul province has decreased compared to previous years, and the share of Kabul province in the total tax revenue of 2010 is about 3.7%, which was about 9.63% of the total revenue of 2008.

**Table 6.** The total tax revenue of 2010 by province (Central Bureau of Statistics, 2009)

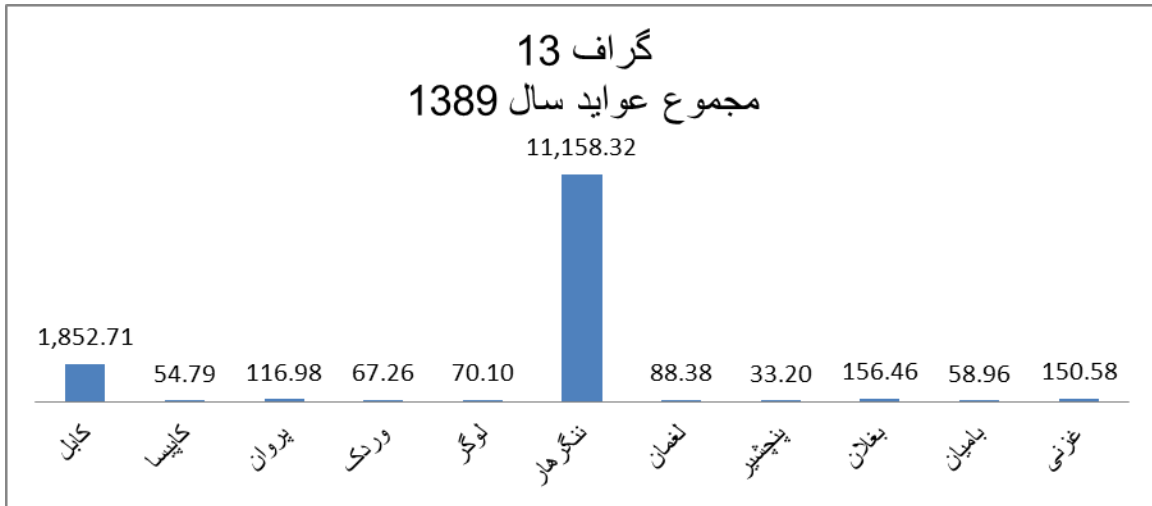
number	provinces	Tax revenue	Other revenues	Total	%
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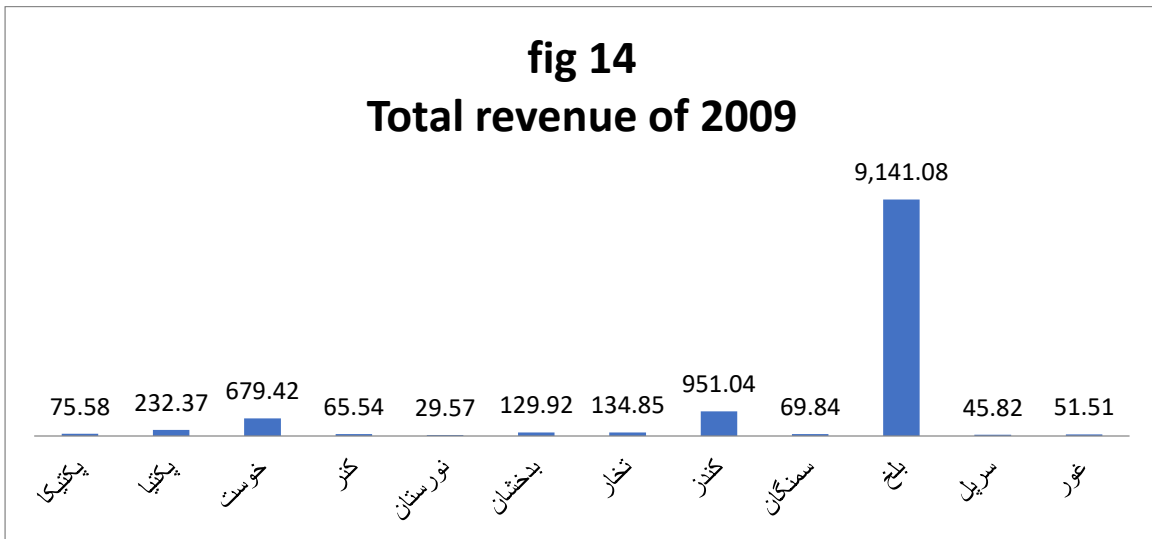
1	Kabul	1660,8	191,91	1.852,71	3,70
2	Kapisa	20,14	34,65	54,79	0,11
3	Parwan	26,96	90,02	116,98	0,23
4	Wardak	22,44	44,82	67,26	0,13
5	Logar	20,55	49,55	70,10	0,14
6	Nangarhar	10567,23	591,09	11.158,32	22,29
7	Laghman	16,66	71,72	88,38	0,18
8	Panjshir	11,41	21,79	33,20	0,07
9	Baghlan	46,18	110,28	156,46	0,31
10	Bamiyan	21,12	37,84	58,96	0,12
11	Ghazni	49,15	101,43	150,58	0,30
12	Paktika	52,96	22,62	75,58	0,15
13	Paktia	149,24	83,13	232,37	0,46
14	Khost	554,81	124,61	679,42	1,36
15	Kunar	26,27	39,27	65,54	0,13
16	Nuristan	14,84	14,73	29,57	0,06
17	Badakhshan	53,79	76,13	129,92	0,26
18	Takhar	60,04	74,81	134,85	0,27
19	Kunduz	684,22	266,82	951,04	1,90
20	Samangan	21,68	48,16	69,84	0,14
21	Balkh	8336,18	804,90	9.141,08	18,26
22	Sar-e Pol	14,04	31,78	45,82	0,09
23	Ghor	21,39	30,12	51,51	0,10
24	Daykundi	15,95	14,53	30,48	0,06
25	Uruzgan	10,56	13,02	23,58	0,05
26	Zabul	11,76	18,10	29,86	0,06
27	Kandahar	2971,82	412,09	3.383,91	6,76
28	Jawzjan	34,75	98,90	133,65	0,27
29	Faryab	1397,72	185,70	1.583,42	3,16
30	Helmand	220,18	108,91	329,09	0,66
31	Badghis	19,91	23,39	43,30	0,09
32	Herat	13472,5	1.348,13	14.820,63	29,60
33	Farah	431,54	63,56	495,10	0,99
34	Nimruz	3414,73	359,31	3.774,04	7,54
total		44453,52	5.607,82	50.061,34	100,00

The tax revenue of the government by province is offered. The following figures show the provinces' share of the total government revenue.

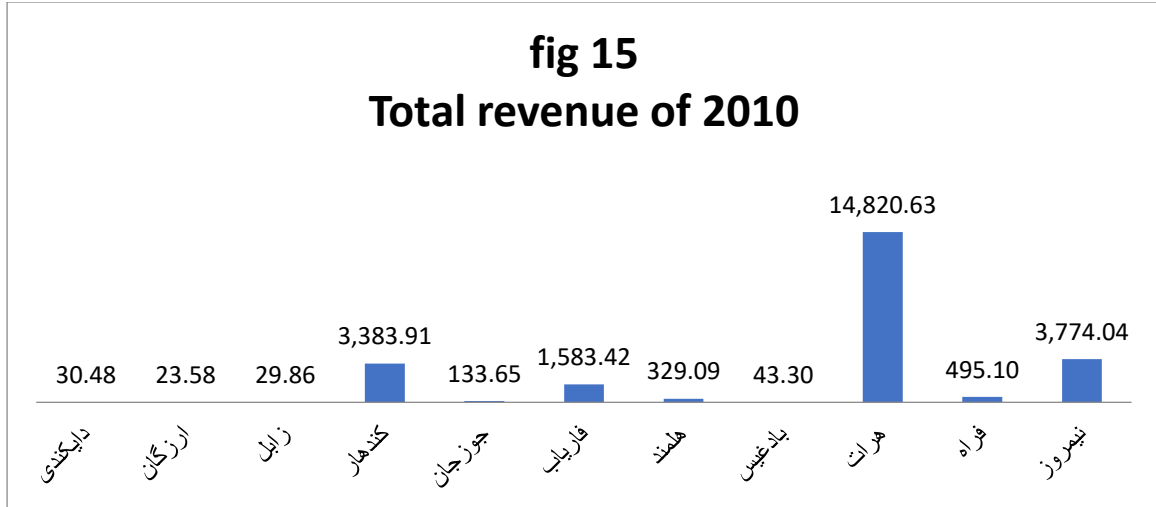
Figure 13 shows that the share of Kabul province among the provinces included in fig 13 amounts to 1.85 billion Afghani and Nangarhar province has the largest share, the amount of revenue of Nangarhar province amounts to 11.15 billion Afghani, and other provinces compared to Kabul and Nangarhar provinces have a lower share of the total tax revenues of 2010.



The share of tax revenues of Balkh province among the provinces is about 9.14 billion Afghani based fig 14 and based on the percentage of Balkh province's share of about 18.26% of the total revenues of 2010 (Central Bureau of Statistics, 2009)



Finally, the share of critical provinces such as Kandahar, Herat, and Nimroz in the total tax revenue of 2010 can be seen in fig 15. According to fig 15, Kandahar province has allocated about 3.38 billion of the government's total revenue. As one of the key provinces, Herat Province has secured a larger share of the total government revenue, which is about 14.82 billion Afghani. The share of Nimroz province is also worth considering, which is about 3.77 billion Afghani of total government revenue.



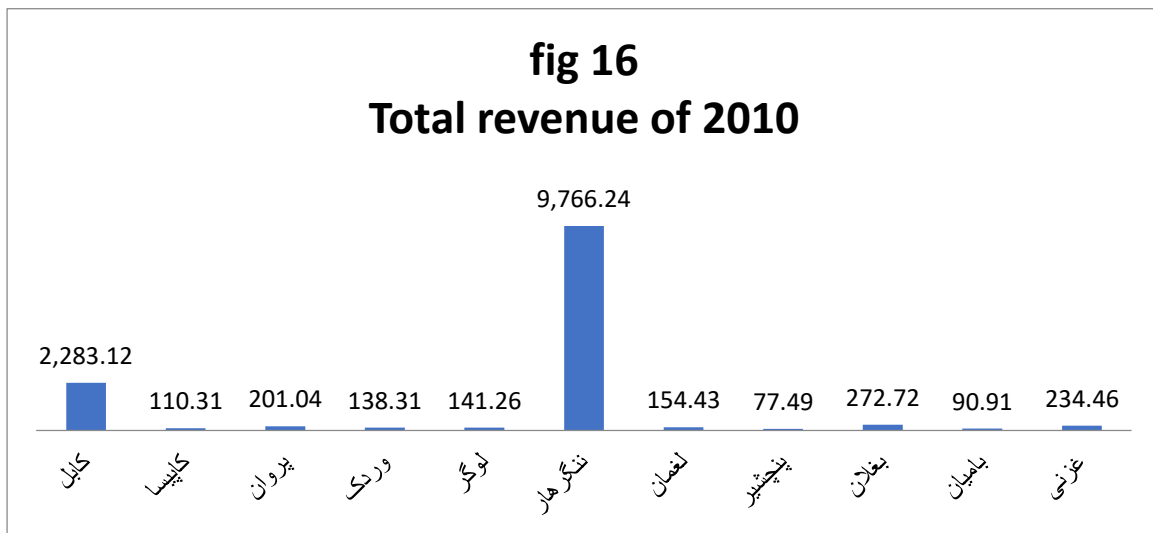
According to the tax table of 2011 by province, the total revenues amounted to 58.94 billion Afghani, which shows the growth of the government's tax revenues compared to previous years. As can be seen in Table 7, Herat province is at the top of the provinces with a total income of about 19.07 billion Afghani, and the percentage of this province's share among other provinces is about 32%, and the rest of the government's income is divided among 33 other provinces.

**Table 7.** The total tax revenue of 2013 by province (Central Bureau of Statistics, 2010)

number	provinces	Tax revenue	Other revenues	Total	%
1	Kabul	1.640,21	642,91	2.283,12	3,87
2	Kapisa	30,13	80,18	110,31	0,19
3	Parwan	49,44	151,60	201,04	0,34
4	Wardak	45,49	92,82	138,31	0,23
5	Logar	37,66	103,60	141,26	0,24
6	Nangarhar	3.614,38	6.151,86	9.766,24	16,57
7	Laghman	31,86	122,57	154,43	0,26
8	Panjshir	18,65	58,84	77,49	0,13
9	Baghlan	68,21	204,51	272,72	0,46
10	Bamiyan	37,20	53,71	90,91	0,15
11	Ghazni	73,45	161,01	234,46	0,40
12	Paktika	54,59	68,63	123,22	0,21
13	Paktia	245,84	209,63	455,47	0,77
14	Khost	582,90	912,37	1.495,28	2,54
15	Kunar	54,30	688,54	742,84	1,26
16	Nuristan	19,28	10,88	30,16	0,05
17	Badakhshan	80,06	187,44	267,49	0,45
18	Takhar	132,96	181,73	314,69	0,53
19	Kunduz	504,51	937,57	1.442,08	2,45

20	Samangan	27,83	64,20	91,44	0,16
21	Balkh	3.312,89	6.093,30	9.406,19	15,96
22	Sar-e Pol	23,61	42,27	65,88	0,11
23	Ghor	34,38	50,52	84,90	0,14
24	Daykundi	15,80	32,81	48,61	0,08
25	Uruzgan	30,74	39,76	70,50	0,12
26	Zabul	16,91	166,78	183,69	0,31
27	Kandahar	1.265,67	2.468,75	3.734,41	6,34
28	Jawzjan	54,71	134,80	189,51	0,32
29	Faryab	665,42	1.334,27	1.999,69	3,39
30	Helmand	290,35	404,10	694,45	1,18
31	Badghis	30,43	41,00	71,43	0,12
32	Herat	6.496,52	12.579,16	19.075,68	32,36
33	Farah	324,60	678,52	1.003,12	1,70
34	Nimruz	1.528,33	2.355,90	3.884,23	6,59
<b>Total</b>		<b>21.439,31</b>	<b>37.506,52</b>	<b>58.945,23</b>	<b>100,00</b>

The following charts show the overall tax receipts. The entire revenue for Kabul, Nangarhar, and other provinces is shown in Fig. 16. Figure 16 shows that the province of Kabul contributes 2.28 billion Afghanis to the overall government's revenue, whereas the province of Nangarhar contributed roughly 9.76 billion Afghanis in 2010. 3.87 percent belongs to the province of Kabul, and 16.57 percent to the province of Nangarhar. In comparison to the provinces of Kabul and Nangarhar, the other provinces' involvement in fig. 16 is negligible.



The share of Balkh province and other provinces can be seen in fig 17, that the share of Balkh province in the government's total revenue amounts to 9.4 billion Afghani. Subsequently, after Balkh province, Khost province ranks second; the share of this province in the total revenue of the government in 2011 was about 1.49 billion Afghani, and the share of Light Kunduz is about 1.44 billion Afghani, and the rest of the provinces listed in fig 17 are less than Balkh, Khost and Kunduz provinces.

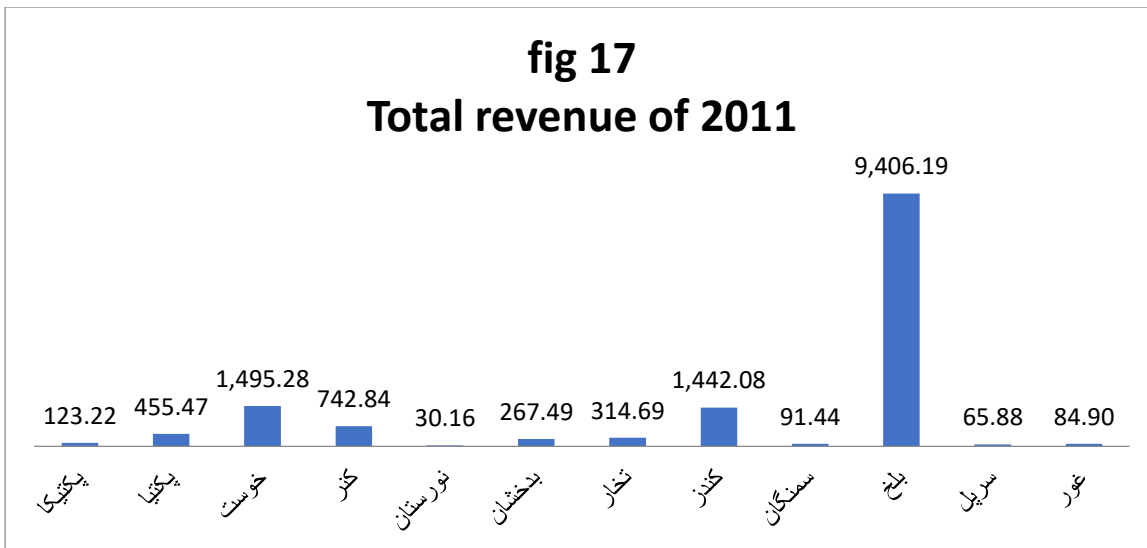
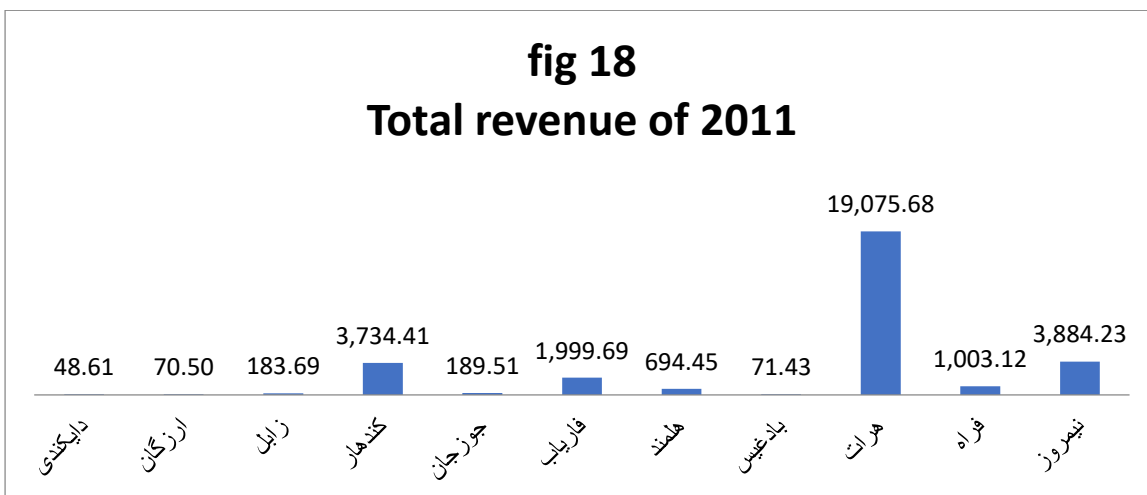


Figure 17 displays the revenue shares of large provinces like Kandahar and Herat along with provinces with lesser revenues following the assessment and analysis of tax receipts in 2011 and the implementation of tax changes. The figure shows that Herat province's portion of the overall tax revenue for 2011 was 19.07 billion Afghanis, compared to 3.73 billion Afghanis for the 17 shares of Kandahar province. Nimroz province comes in third place in terms of its revenue share of the overall government revenue, which totals 3.88 billion Afghanis, behind Kandahar and Herat (Central Bureau of Statistics, 2010).



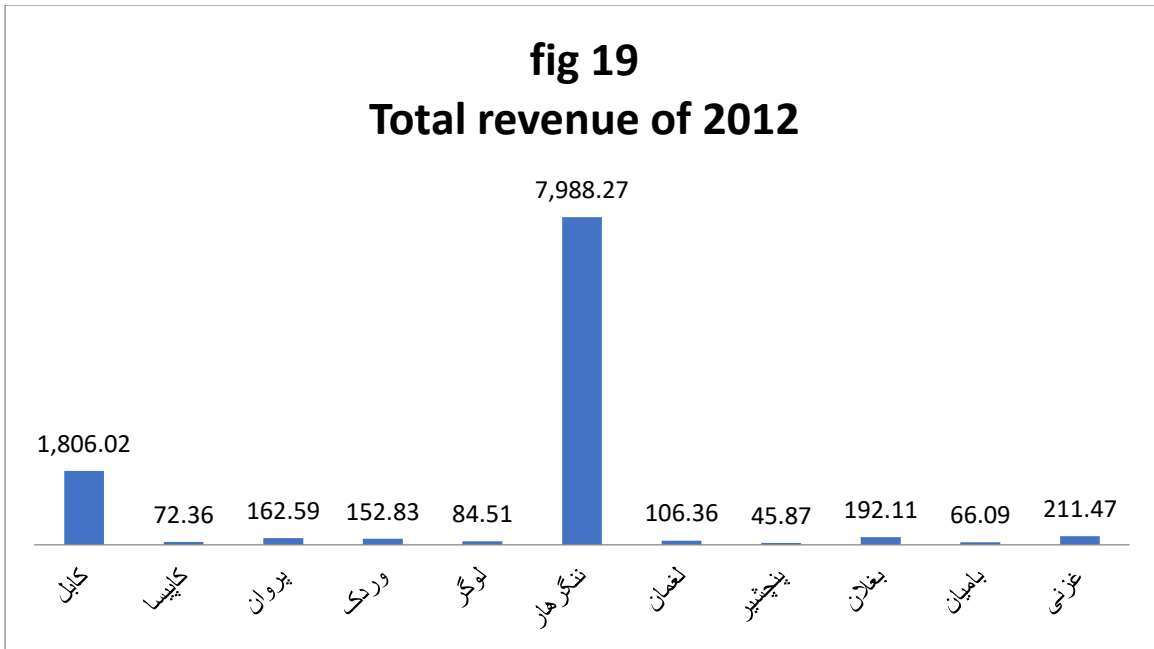
The growth rate of tax revenue in 2012 compared to 2011 shows a decrease of about 15 billion Afghanis. In comparison, the tax revenue growth rate has been increasing yearly. As usual, Herat province has taken 13.31 billion Afghani shares in the total tax revenues of 2012 and has ranked first, preparing and providing the most revenues for the year. After Herat province, the provinces ranked second and third are Nangarhar and Balkh provinces; the share of Nangarhar province is about 7.98 billion Afghani, and Balkh province is about 7.24 billion Afghani. Zabol province is at the bottom of the provinces by taking a share of 0.09% in the total tax revenue of 2012 with 41.41 million Afghani.

**Table 8.** Total tax revenues of 2012 by province (Central Bureau of Statistics, 2012)

number	provinces	Tax revenue	Other revenues	Total	%
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1	Kabul	1.311,75	494,27	1.806,02	4,12
2	Kapisa	23,68	48,67	72,36	0,16
3	Parwan	41,31	121,29	162,59	0,37
4	Wardak	44,38	108,45	152,83	0,35
5	Logar	26,60	57,91	84,51	0,19
6	Nangarhar	7.368,54	619,73	7.988,27	18,22
7	Laghman	33,48	72,89	106,36	0,24
8	Panjshir	16,97	28,90	45,87	0,10
9	Baghlan	60,73	131,38	192,11	0,44
10	Bamiyan	27,60	38,49	66,09	0,15
11	Ghazni	63,46	148,01	211,47	0,48
12	Paktika	78,84	25,96	104,81	0,24
13	Paktia	295,30	162,07	457,36	1,04
14	Khost	601,09	141,68	742,77	1,69
15	Kunar	35,13	52,38	87,51	0,20
16	Nuristan	15,18	13,15	28,32	0,06
17	Badakhshan	76,28	108,30	184,58	0,42
18	Takhar	86,71	104,29	191,00	0,44
19	Kunduz	567,33	318,96	886,29	2,02
20	Samangan	26,94	52,50	79,44	0,18
21	Balkh	6.424,27	820,60	7.244,87	16,52
22	Sar-e Pol	22,39	43,05	65,44	0,15
23	Ghor	28,20	39,90	68,10	0,16
24	Daykundi	17,75	32,18	49,93	0,11
25	Uruzgan	24,25	17,39	41,64	0,09
26	Zabul	13,83	27,58	41,41	0,09
27	Kandahar	1.585,20	417,76	2.002,97	4,57
28	Jawzjan	50,77	131,17	181,94	0,41
29	Faryab	2.108,18	277,87	2.386,05	5,44
30	Helmand	203,64	155,96	359,60	0,82
31	Badghis	23,80	32,94	56,74	0,13
32	Herat	11.834,90	1.482,22	13.317,12	30,37
33	Farah	726,34	106,01	832,34	1,90
34	Nimruz	3.212,19	341,62	3.553,81	8,10
	<b>total</b>	<b>37.076,98</b>	<b>6.775,51</b>	<b>43.852,49</b>	<b>100,00</b>

As usual, the analysis of provincial tax revenues also shows a decrease in tax revenues in 2012 by about 15 billion compared to last year. After the analysis of provincial tax revenues, the tax revenues of Nangarhar province and Kabul province, which can be seen in fig 19, compared to the revenues of other provinces listed in the figure, Nangarhar province ranks first, and Kabul province ranks second. Kabul province's share in a percentage of total revenue was around 4.12%, and Nangarhar province's share in percentage was around 18.22% of total government revenue in 2012.



The share of tax revenue of Balkh province after studying fig 20 shows that Balkh province has the highest tax revenue among the provinces included in fig 20; Balkh province is at the top with a share of about 7.24 billion Afghani. Nuristan province's share of 28.51 million Afghani ranks last (Central Bureau of Statistics, 2012)

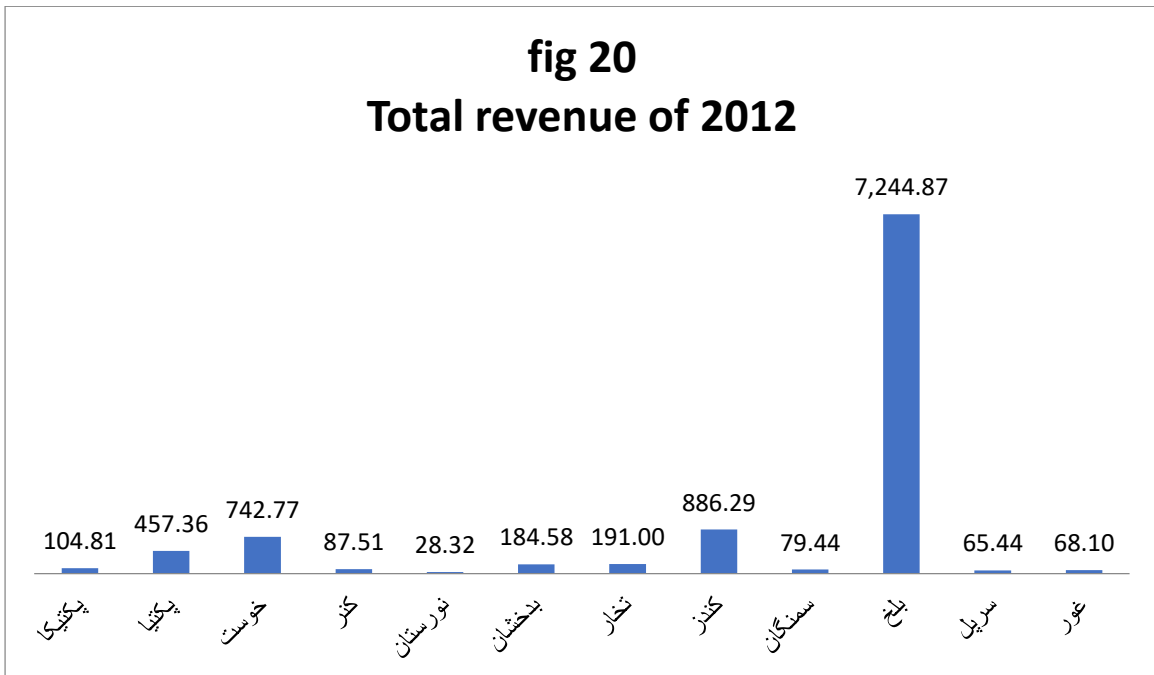
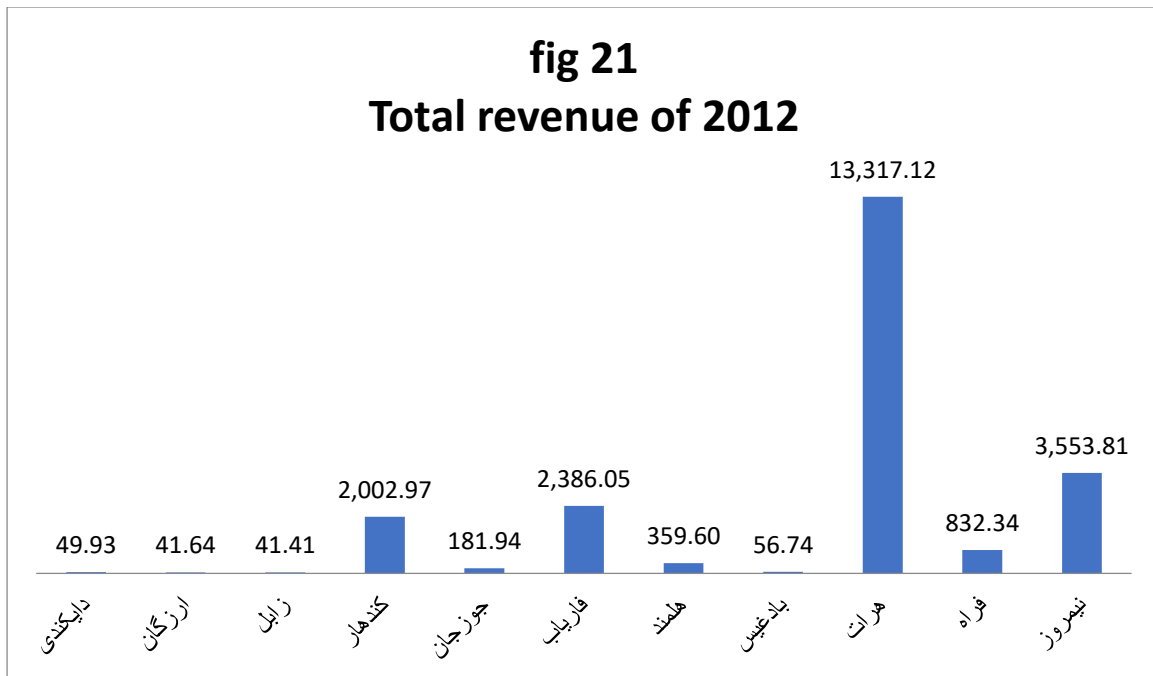


Fig 21 shows the distribution of tax revenues in 2012 among the provinces of Daykundi, Oruzgan, Zabul, Kandahar, Jowzjan, Faryab, Helmand, and Badghis Herat, Farah, and Nimroz. Herat province ranks first with a share of 13.31 billion Afghani, followed by Nimroz province with a share of 3.55 billion Afghani in second place and Faryab province with a share of 2.38 billion Afghani in third place. Zabul province ranks last with a share of about 41.41 million Afghani.



Looking at table 9, the overall tax revenue for 2013 has reached 60,799.79 billion Afghani, compared to 43,852.49 billion Afghani in 2012. Compared to 2011, the tax revenue growth rate in 2012 increased by approximately 17 billion Afghani, indicating the development of the tax collecting system and the execution of tax system changes. As in past tax years, big provinces have played a larger role in the preparation and collection of government tax income. Herat province ranks first with a share of about 15.41 billion Afghani, followed by Nangarhar province with a share of approximately 11.43 billion Afghani and Balkh province with a share of approximately 7.84 billion Afghani in the collection and distribution of tax revenues in 2013 (Central Bureau of Statistics, 2012)

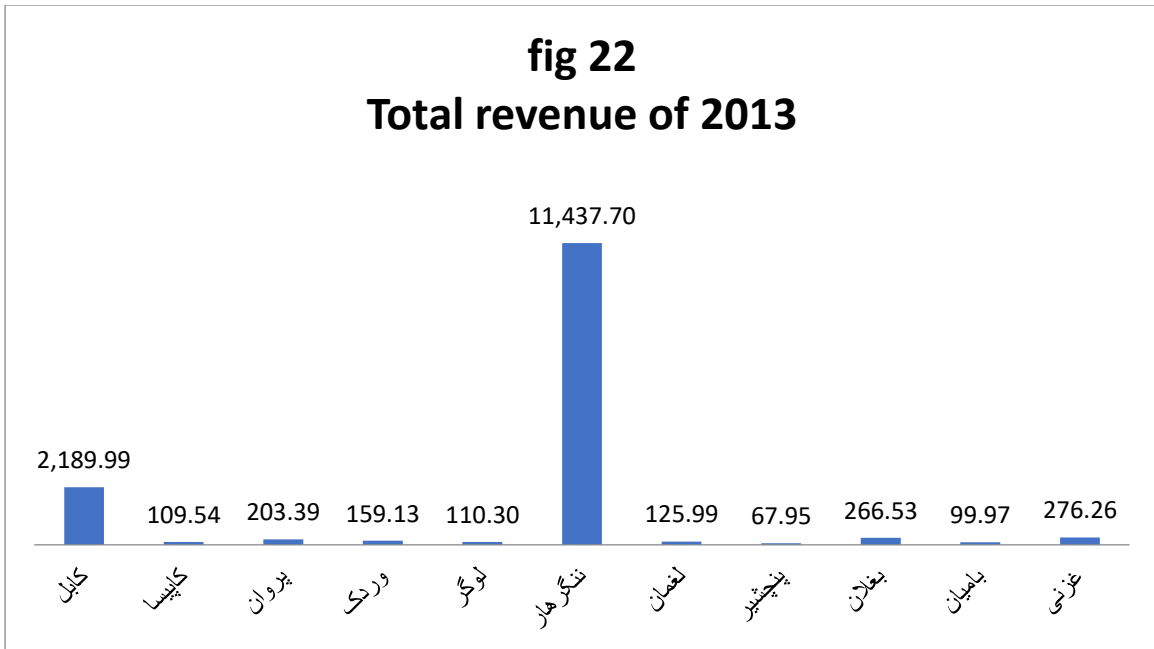
**Table 9.** Total tax revenue of 2013 (Central Bureau of Statistics, 2013)

number	provinces	Tax revenue	Other revenues	Total	%
1	Kabul	1387,49	802,50	2.189,99	3,60
2	Kapisa	34,56	74,98	109,54	0,18
3	Parwan	61,3	142,09	203,39	0,33
4	Wardak	60,22	98,91	159,13	0,26
5	Logar	34,87	75,43	110,30	0,18
6	Nangarhar	10446,88	990,82	11.437,70	18,81
7	Laghman	25,68	100,31	125,99	0,21
8	Panjshir	25,69	42,26	67,95	0,11
9	Baghlan	93,14	173,39	266,53	0,44
10	Bamiyan	44,82	55,15	99,97	0,16
11	Ghazni	111,38	164,88	276,26	0,45
12	Paktika	116,44	45,04	161,48	0,27
13	Paktia	591,36	212,12	803,48	1,32

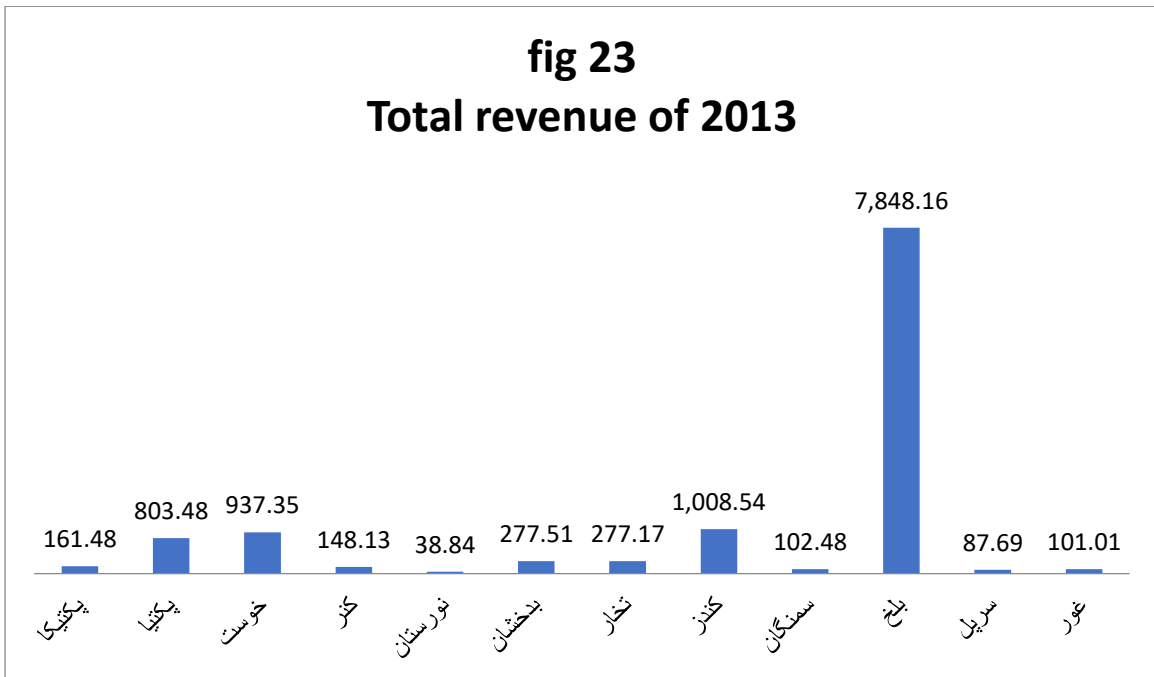


14	Khost	736,01	201,34	937,35	1,54
15	Kunar	67,59	80,54	148,13	0,24
16	Nuristan	19,39	19,45	38,84	0,06
17	Badakhshan	118,16	159,35	277,51	0,46
18	Takhar	137,09	140,08	277,17	0,46
19	Kunduz	623,27	385,27	1.008,54	1,66
20	Samangan	30,96	71,52	102,48	0,17
21	Balkh	6523,42	1.324,74	7.848,16	12,91
22	Sar-e Pol	29,62	58,07	87,69	0,14
23	Ghor	44,92	56,09	101,01	0,17
24	Daykundi	26,92	42,62	69,54	0,11
25	Uruzgan	37,39	26,18	63,57	0,10
26	Zabul	25,05	36,34	61,39	0,10
27	Kandahar	2528,88	529,79	3.058,67	5,03
28	Jawzjan	80,08	149,21	229,29	0,38
29	Faryab	4649,42	1.141,86	5.791,28	9,53
30	Helmand	306,7	235,15	541,85	0,89
31	Badghis	36,1	48,18	84,28	0,14
32	Herat	12952,29	2.465,51	15.417,80	25,36
33	Farah	2374,52	477,00	2.851,52	4,69
34	Nimruz	5024,54	767,47	5.792,01	9,53
<b>total</b>		<b>49406,15</b>	<b>11.393,64</b>	<b>60.799,79</b>	<b>100,00</b>

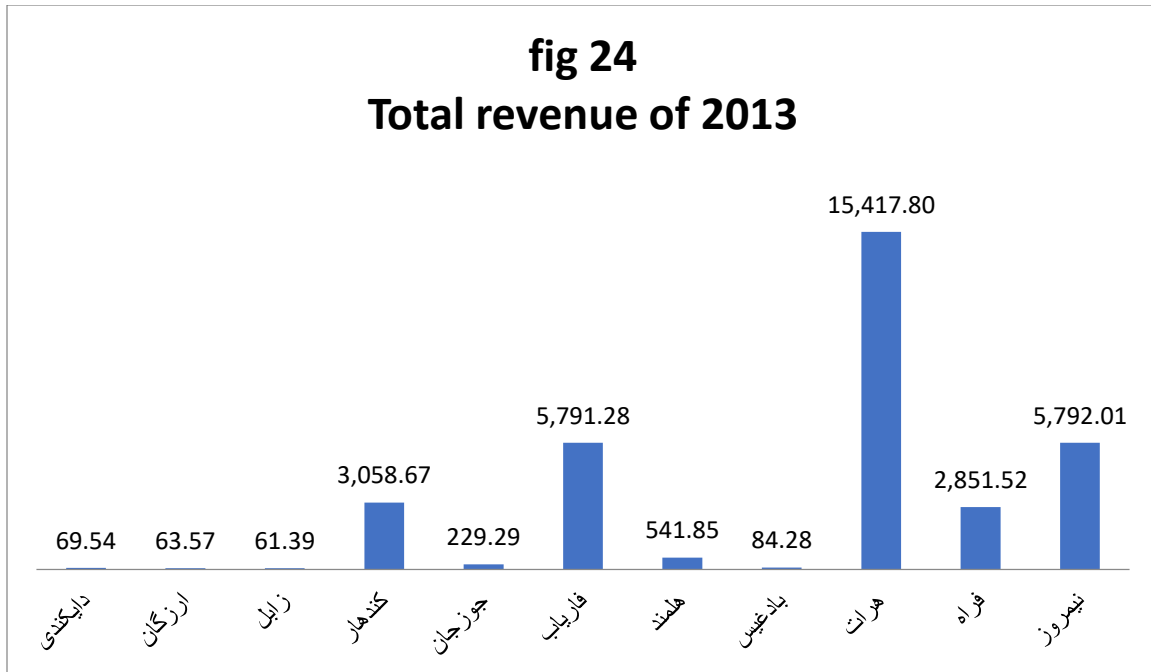
Evaluation and comparison of the revenues of 2012 based on fig 22 on the total revenue of 2012, which includes Kabul provinces with a share of approximately 2.18 billion Afghani, Kapisa province with a share of 109.54 million Afghani, Parwan province with a share of 203.39 million Afghani, Wardak province with a share of 159.13 million Afghani, Logar Province with a share of 110.30 million Afghani, Nangarhar Province with a share of 1 The province of Nangarhar ranks top and the province of Kabul ranks second in terms of total government revenue in fig. 22, which comprises eleven provinces (Central Bureau of Statistics, 2013).



The tax revenues analysis of 12 other provinces has been done by looking at fig 23, which includes Paktika province with a share of 161.48 million Afghani, Paktia province with a share of 803.48 million Afghani, Khost province with a share of 937.35 million Afghani. Kunar province with a share of 148.13 million Afghani, Nuristan Province with a share of 38.84 million Afghani, Badakhshan Province with a share of 277.51 million Afghani, Takhar Province with a share of 277.17 million Afghani, Kunduz Province with a share of 1.008 billion Afghani, Samangan Province with a share of 102.48 million Afghani, Balkh Province with a share of 7.84 billion Afghani, Sar-e Pol with a share of 87.69 million Afghani and Ghor Province with a share of 101.01 million Afghani, the distribution of revenues and the share of the provinces in providing and collecting the total government revenues have been done. Balkh Province ranks first with a share of 7.84 billion Afghani.



The remaining tax revenues of eleven provinces are displayed and analyzed in Figure 24 of the 2013 total tax revenues. Herat province ranks first with a share of approximately 15.41 billion Afghani, followed by Nimruz province with a share of approximately 5.792 billion Afghani, Faryab province with a share of approximately 5.791 billion Afghani, and Kandahar province with a share of approximately 3.05 billion Afghani (Central Bureau of Statistics, 2013).



### Conclusion

To perform its responsibilities and offer social services and public welfare, the government incurs costs, known as public expenses. To support these expenditures, the government must collect taxes on the income of persons and institutions involved in economic activity, which is referred to as the general government revenue.

Finances are acknowledged as a personal responsibility, and the government is obligated to collect and spend them for the common good. From 2006 to 2013, both the government's income and expenditures increased, indicating that the government is committed to fulfilling its responsibilities of providing security, social services, and public welfare.

Tax reforms in Afghanistan involve changes to both tax laws and tax administrations. These changes affect the executive powers of the tax administration, legal entities, the tax regulations of joint-stock companies pertaining to extractive industries (mining and hydrocarbon extraction), tax assessment, the submission of statements, objections, and the payment of taxes, as well as other measures.

The collected data on tax revenues from 2006 to 2013 was subjected to statistical analysis to determine the rise in tax revenues; the results indicate that government revenues have increased annually in the majority of provinces since the implementation of tax changes. In addition, tax reforms have resulted in greater tax system transparency and increased tax revenue collection.

Examined are the country's total revenues for the years 2006 and 2013; the growth rate of tax revenues increased from 2006 to 2013. 2015 tax revenue was 19.875 billion Afghani; in 2007 it was 22.522.50 billion Afghani; in 2008 it was 24.648.03 billion Afghani; in 2009 it was 41.201.92 billion Afghani; and in 2010 it was 50.061.34 billion Afghani. It was 58,945.23 billion Afghani in 2011, 43,852.49 billion Afghani in 2012, and 60,799.79 billion Afghani in 2013.

### Limitations

In recent years, several forms of research have been done in a variety of sectors, despite the fact that the research process in Afghanistan has been plagued by numerous challenges and restrictions. These studies have laid the crucial groundwork for future research. As a result, the performance of government officials in government offices to deliver information with a great deal of indifference and disdain has produced a serious issue. To obtain even the smallest amount of information, one must wait days in front of the offices' gates; on the other hand, the numbers provided by the offices are dispersed and disorganized, limiting their usability.

One of the serious drawbacks is the inaccessibility of government revenue and expense information (final budget statement) through the internet. While by joining the websites, one can quickly acquire the revenue and expenditure information of other nations.

Absence or deficiency of resources is one of the other challenges in the country; because past disturbances slowed and occasionally halted the research process in the country, it has generated many limits in many domains of research resources today.

### **Suggestions**

The study advises the following to enhance the tax system and increase revenue:

1. Increasing tax revenues through increasing tax rates or imposing additional taxes that are compatible with the economic circumstances and financial capacity of the society, as opposed to increasing the tax rate without considering the repercussions and lack of capacity of the people. There should be a new tax levied. For instance, in the current tax system of our dear country, Afghanistan, the income of 5,000 Afghani is exempt from taxation, but those earning more than this amount are subject to taxation (2 percent, 10 percent plus a fixed amount, and 20 percent plus a fixed amount, respectively). I believe that this exemption level is disproportionate to the economic capability of the Afghan people; thus, the financial affairs authorities should examine the tax rate and the methodology for tax assessment, taking into account the capacity of the Afghan people to pay taxes. This means that as the national income and the incomes of individuals and institutions rise, the government will increase the tax rate proportionally and implement a new tax rate, which can boost the government's income gradually and over the long term.

2. Due to the relatively low level of education of the majority of the population in Afghanistan, the tax-paying mentality and other factors of tax evasion, particularly in the income from self-employment certificates and fixed assets such as income from houses, shops, apartments, bathrooms, rental houses, etc., have been practiced on a massive scale. It has led to a decline in government revenue. To prevent this sort of tax evasion as much as possible, the relevant authorities must maintain constant control and oversight in order to stabilize and tax the actual revenue. Only a minuscule fraction is legally registered by taxpayers or even reported to tax offices; consequently, implementing the above strategy can result in a substantial increase in the government's revenue from the aforementioned sources.

3. Tax culture consists of people's attitudes, perspectives, and responses to the tax system. One of the responsibilities of tax management is to notify taxpayers in order to facilitate their job and to inform individuals of the administration's laws, regulations, directives, and decisions. This decreases tax evasion systematically and boosts compliance. Creating a website, publishing news or a specialized magazine in the field of taxation across the nation, and airing a weekly radio and television program can increase taxpayer confidence in the tax administration.

4. In order to prevent tax evasion in a country's tax system, a simple tax system should be developed in terms of organizations, regulations, etc., as several studies have demonstrated that complicated administrative organizations promote tax evasion.

5. Afghanistan is an agricultural country, and the majority of its population is engaged in agriculture and livestock; prior to 2002, the Afghan government was able to receive a portion of its tax revenue from this source; however, with the advent of the transitional government in Afghanistan after the Taliban, this resource exists in the Afghan government's tax system. However, almost none of them have been effective, therefore updating and rejuvenating the livestock tax will allow the Afghan government's tax revenue to expand dramatically.

6. To the degree possible, obliging trustworthy individuals and trustees in matters pertaining to government revenues, particularly in customs matters, is a crucial aspect in boosting the Afghan government's tax collections because, in the aforementioned instances, massive tax revenue losses may occur.

7. Raising the degree of education and training has a beneficial effect on people's attitudes toward paying taxes, meaning that the more educated and trained a population is, the more likely they are to comprehend their tax obligations and duties to the government and avoid tax evasion.

8. The majority of tax legislation contain ambiguities that are interpreted by tax officials; there is no comprehensive administrative and collective comprehension of them. Some taxpayers present inaccurate income information to the tax authorities in order to conceal their income. This may prohibit all employees from receiving messages.

Generally, the performance of employees through training is not under the control of management, and outstanding performance is not usually rewarded with promotions and higher pay. Although training is regarded as vital within the country's tax administration, training programs are often overly comprehensive. In addition, it frequently does not address employees' requirements or skill deficiencies. In certain circumstances, it appears that promotion and financial compensation have less to do with individuals' performance and more to do with their relationships with influential department members.

The tax rates on fixed taxes, which are often regarded a smart way to increase government revenue, should be examined.

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