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## **The damages to the Iran's tax system in the covid-19 period**

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### **Abstract**

Damages to the tax system, in terms of legal and criminal law and criminology, is one of the most important threats to this system. In addition, the tax system faces more severe litigation challenges due to unprecedented and oppressive sanctions against Iran and the outbreak of the COVID-19 and its devastating economic consequences.

Damages to the tax system, in terms of legal and criminal law and criminology, is one of the most important threats to this system. In addition, the tax system faces more severe litigation challenges due to unprecedented and oppressive sanctions against Iran and the outbreak of the COVID-19 and its devastating economic consequences. This study aims to investigate the weaknesses, strengths, opportunities and challenges of the tax proceedings system in Iran, in an analytical-descriptive method. The pathology of this system can reduce the number of cases in the courts, collect useful information from the Iranian National Tax Administration (INTA), and so on. Tax authorities should be informed of companies and individuals who declare their profits suspiciously and take the necessary measures. The findings of research showed that the professional and intimate behavior of tax officials with taxpayers can be very effective in informing the guidelines, preparing profit and loss statements.

**Keywords:** tax proceedings system; pathology; taxpayers' economic activities; tax legislation, COVID-19

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### **Introduction**

Taxes as one of the most important sources of income for governments, in Iran still many citizens are reluctant to pay government officials. The reluctant can be due to (1) less income sources of some people or jobs that are mainly considered as unstable jobs and (2) poor monitoring and follow-up of high-income groups or hidden, unstructured, irregular, invisible, and underground businesses. The consequences of these trends can cause serious harm to the government, forcing tax officials to increase the tax base as well as generate fundamental ways to achieve revenue in the country. Furthermore, sometimes in some occupations (especially the non-governmental sector) the government's efforts to collect tax revenue may not be very fruitful, leading to various challenges in the difficult circumstances of COVID-19 disease. Therefore, this study investigates the disadvantages (weaknesses, strengths, opportunities and challenges) affecting tax collection in the Iranian tax proceedings system to find possible solutions to the problems facing tax collection.

Tax, as one of the most important sources of income for governments, is in fact the lawful deduction of a certain amount of income, property and benefits obtained from citizens' property. This revenue is received based on social cooperation, citizens' participation in providing government revenues and promoting social and economic growth and prosperity (Varesteh, 2008; Hemmati, 2008). Tax revenues, in terms of stability and effectiveness compared to other government revenues such as exports of minerals, oil and its derivatives, agricultural products, industrial products and social participation in their supply, have always been less considered by developed and developing

countries. Despite effective efforts in this regard and the estimates made, the Iranian tax proceedings system has suffered from numerous challenges that should be considered.

### **Tax system in different countries**

In many countries, tax organizations have a high degree of independence and are required to pursue and achieve the goals set by the government or the Ministry of Economic Affairs and Finance. These duties may include reducing costs and administrative burdens, increasing taxpayer satisfaction and governmental assets, and reducing tax liabilities. In a small number of countries (such as Canada, Finland, Sweden, the United Kingdom, and the United States), governments have set up the Board of Management Consultants (composed of extra-organizational representatives) to control the taxation operations. The use of electronic systems in setting major income tax returns has become a global phenomenon. Preset tax returns are gradually evolving and have become an important element of the electronic services provided by some tax authorities (e.g. Chile, Denmark, Turkey, Finland, Spain and Sweden). At the same time, a number of countries, including some OECD number countries, utilize evaluation and auditing. A significant number of surveyed countries use old forms of enforcement (e.g. payment arrangements, payment time extension, property seizures, etc.) as enforcement guarantees for the collection of tax debts, and cases such as business closures, revocation of business licenses, deprivation from government services and restrictions on foreign travel are less common. In some countries, lump sum fines are mainly applied. With the exception of Mexico and Norway, the

other OECD countries and some non-member countries have access to all tax-related information. Tax proceedings in most countries consist of two stages: intra-organizational tax proceedings (administrative proceedings) and special administrative authority proceedings (quasi-judicial) and are under the supervision of judicial authorities. Developing countries mainly use tax cuts, preferential rates, customs exemptions, and the creation of special export zones as tax incentives to achieve their goals. In the economies of poor countries, because the system and the level of aggregation and realization of tax revenues are weaker, so economic development has directly affected them. It can be seen that the experiences of tax reforms in countries such as Cambodia, Georgia, Guyana, Liberia and Ukraine show that, regardless of the constraints that these countries face, they have been able to strengthen their capacities and potentials, following specific reform strategies. Achieve their financial goals (Bird, 1989, 1996; Oyeyinka, Ayodeji, 2014; Iranian National Tax Administration, 2013).

However, the tax litigation process and how they handle tax appeals is almost identical in most countries. In all tax systems, the issue of resolving disputes between taxpayers and the tax system is subject to special principles and regulations and is generally outside the jurisdiction of courts of justice that deal with disputes between individuals. Furthermore, special rules have been set for the adjudication of these disputes in special authorities. Therefore, the dispute between taxpayers and the tax system, both in terms of the authorities dealing with these disputes and the legal proceedings observed in them, is typically subject to special regulations (Pirnia, 1970, p. 171). In comparison between the tax system of Iran and developed countries, the number of income tax returns under consideration is very high compared to the accepted income tax returns. Lack of tax information, complexity and lack of transparency of laws, can deviate the type of tax review from the coordinates of an optimal review. The lack of optimal investigation in a tax system causes disputes between taxpayers and the Tax Administration and consequently leads to tax cases (administrative, quasi-judicial and judicial type) in the courts (Mansoorian and Cheshmpiam, 2013).

#### **The source of Iran's tax revenues and the effect of COVID-19**

Due to unprecedented and oppressive sanctions against Iran, unlike in the past, it is no longer possible for the country's budget to rely on the sale of large volumes of oil, because comprehensive sanctions, especially petroleum industry and banking system, have severely limited the government's foreign exchange and rial revenues. In addition, the outbreaks of the COVID-19 and its devastating economic consequences have led to a series of exemptions and deferrals for government-affected taxpayers. Because, the COVID-19 in 2020, has reduced tax revenues by 400,000 billion rials (950005920.00 USD) and has directly affected about 15% of GDP. For this reason, more serious actions have been conducted to provide tax revenues, something in which the government has been very successful. In this regard, supportive policies by the government, through considering reduction, exemption or deferral of duties and taxes (for taxpayers in the field of direct taxes and VAT), have eased these difficult conditions for the general public. Among the works predicted and carried out in this regard are (Iranian National Tax Administration, 2020):

1. Not taking any executive action to collect taxes, extension of VAT payment related to the fourth period of 2019 until the end of May 2020 and also issuing leave to real persons to take or pay taxes related to the issuance or renewal of business license until the end of September 2020.
2. Accepting cash and non-cash donations instead of taxes, which were donated during the outbreak of the corona disease (COVID-19) to provide the equipment needed by hospitals and medical centers to fight the coronavirus.
3. Development of activities and services based on information technology and internet, both at the private and public levels (such as what happened in the field of education), conducting many inquiries of government agencies electronically or on the other hand reducing the number of conference and exhibitions, reducing the number of foreign trips and the days required for employees to attend in offices, and flexibility in the working hours of government employees. These were the actions that before COVID-19, few managers took the risk of doing them.

Therefore, in the field of taxes, we are faced with a kind of differential, independent and special judicial system, and it is clear that the Iranian tax judicial system still does not have a proper legal and fair position in providing the country's financial resources. Furthermore, voting conditions in some cases may have no legal and lawful value (Iranian National Tax Administration, 2013).

#### **Pathology of tax laws and regulations**

Pathology is the diagnosis of the causes of damages to a specific system, which begins with the observation of complications and is implemented in the form of a systematic process. Tax laws and regulations are one of the main frameworks of the tax system. Inflation of tax laws and especially tax regulations is in the form of tax instructions and directives, which due to the lack of organizational will to consolidate and also the lack of their accessibility to taxpayers and employees of the organization, has caused many problems. Existence of numerous ambiguities in tax laws and regulations and instability of laws and regulations in terms of changes in legal work due to changes in tax policies and lack of quality in criminal policy are other lawful challenges in the tax system.

On the other hand, the lack of codified rules related to the tax procedure and protection of the rights of taxpayers is another type of damages in the tax codification policy. In addition to rule-governed harms and challenges, irregularities and non-compliance with the law, the lack of tax compliance or incomplete tax compliance that manifests itself in the form of tax evasion, are other damages related to the tax system. Therefore, lack of tax compliance appears as a kind of challenge in the second tax system dimension, namely the behavior of taxpayers.

#### **Prevention of violations of laws and regulations**

The expression of the causes of damage and their effect on the tax system after describing the three damages in the second stage is considered. In the field of legal damages, lack of priority in regulating or amending legal regulations and removing their ambiguities and shortcomings, tax policy makers' lack of attention to formulating effective and deterrent criminal policy, lack of effective preventive policy to prevent damages in the form

of lawlessness and non-compliance with tax can be considered. In the field of disorder and non-compliance with the laws, various legal, economic, social and administrative reasons are also considered. Lack of criminal policy and effective preventive policy to deal with and prevent this phenomenon, the existence of a slump and rising inflation, cultural survival and lack of social capital to strengthen taxes and ultimately weak administrative and organizational control have been discussed as the factors developing phenomenon of tax irregularities in various forms.

### **Iran's tax proceedings system**

According to the previous sections, Iran's tax proceeding is based on two categories of administrative and supervisory quasi-judicial authorities. According to (Mansoorian and Cheshmpiam, 2013; Janabzadeh and Malakeh, 2016; Tajarloo and Moradi, 2020), a fair litigation based on the realization of rights is itself based on precise and transparent principles and oversees the various stages of judicial proceedings. Tax proceedings in Iran are conducted in two stages: quasi-judicial and judicial authorities:

- A. The quasi-judicial authorities of tax proceedings: include the Board of Primary Tax Dispute Resolution, the Permanent Board of the Tax Law 251, Review Tax Dispute Resolution, branches of the Supreme Tax Council and the Board to Direct Articles.
- B. Judicial authorities of tax proceedings: are for real and legal persons, private law, the Court of Administrative Justice, executive bodies and public organizations, and the general courts of justice.
- C. Judicial and quasi-judicial authorities of tax proceedings: dealing with fair litigation standards with international human rights documents and its compliance with the relevant law shows that the independence of quasi-judicial authorities due to lack of structural, administrative and financial independence from the tax system, is questionable. But the independence of the Court of Justice is flawless. Impartiality is not a particular shortcoming in quasi-judicial and judicial authorities, and the legitimacy and competence of tax proceedings authority is desirable and public hearings are in accordance with general rules.

### **Tax dispute resolution authorities in Iran**

Molaei (2017) conducted a research entitled "Procedure of tax dispute resolution authorities". Given the existence of tax proceedings in any tax system, reviewing the procedure in civil matters and explaining the nature of tax dispute resolution authorities and the ambiguities regarding the rules of litigation is based on the library method and referring to tax records in the law of direct taxes. The method of research has been tax cases, the opinions of the Supreme Tax Council, the opinions of the Court of Administrative Justice, the drafts of the Civil Code and Commerce Law and the Code of Civil Procedure in the Revolution and Civil Courts.

Research on the principles and rules of procedure, in order to prevent disputes and then resolve hostilities that are the subject of private rights of taxpayers, can enrich the tax culture of individuals and the principle of tax justice, accelerate the government's actions in achieving its long-term goals and reduce economic and social losses (Molaei, 2017). During the stages of Molaei's research, while presenting the ambiguities in the law of

direct taxes and providing an appropriate answer, it was concluded that the nature of the actions of tax dispute resolution authorities, including quasi-judicial actions, has the validity of a final order. Additionally, with the expression of titles such as jurisdiction, objections, retrials, which are different from the style and context of the Code of Civil Procedure, the formulation and explanation of the rules related to tax proceedings is fully felt.

In Iran, the jurisdiction to investigate taxpayers' disputes with the Tax Administration has been determined by the specialized judicial authorities affiliated with the executive branch through the procedure (Abdolhosseini, 1988; Tavangar Marvasti, 2011). In the event of a dispute between the taxpayer and the tax systems, the case is referred to the Tax Dispute Resolution Board, which is recognized as the tax dispute resolution authority. The source of this dispute is the weakness of the tax administration information system and the weakness in the tax arbitration process. Therefore, this dispute must be examined in special courts and with a specific procedure. There are seven authorities for handling complaints and resolving tax disputes in the Iranian tax system. Among these, five authorities include: Administrative Proceedings, Primary Dispute Resolution Board, Review Dispute Resolution Board, High Tax Council and the Board of Article 216 of the Law as intra-organizational authorities (scope of authority of the Iranian National Tax Administration). Two other authorities including: Board on the subject of Article 251 and the Court of Administrative Justice as an extra-organizational authority. The review in the authority of Supreme Tax Council is only procedural (review of the case in terms of compliance with laws and regulations) and in the Board subject to Article 216 and the Court of Administrative Justice is procedural and substantive (adjustment of taxable income) and in other authorities is substantive. In addition, in despite of effective efforts in this regard and based on estimates, the Iranian tax proceedings system is suffering from numerous challenges that should be considered.

### **Challenges of Iran's tax proceedings system**

In Iran, two administrative and quasi-judicial approaches resolve disputes between taxpayers and the tax administration. In the first category, various authorities for resolving primary and appellate disputes as well as the institution of unity of procedure (Supreme Tax Council) are envisaged (Articles 244-260 of the law on direct taxes). In the second category, the legislator has considered a kind of intra-organizational control. In this category, the Supreme Taxation Disciplinary Board and the Taxation Disciplinary Prosecutor (Articles 261-270 of the Law on Direct Taxes), which are responsible for monitoring the behavior of employees, and detecting, investigating and dealing with administrative violations of employees, can be mentioned (Iranian National Tax Administration, 2013). Therefore, in the field of taxes, we face a kind of differential, independent and special litigation system.

The tax litigation system, despite its great importance in tax law, lacks a proper lawful status. General cases regarding dispute resolution authorities have been mentioned in the Articles 203-16 and 244-52 of the Law on Direct Taxes. However, several items regarding objections, attorney, scheduling of hearings and conditions of voting have been considered in separate instructions, which have no legal value in terms of the necessary guarantees of tax proceedings. Other challenges in the tax proceedings system are violations in the tax proceedings due to the dependence of the authorities on the government and the tax

administration, as well as the lack of sufficient expertise of the reviewing authorities in the review board. Especially, the relationship and appointment of two of the three members of the Dispute Resolution Board by the tax administration causes major problems and challenges in the enforcement of justice (Khalilzadeh, 1991; Mousavi and Ebrahimi Kalahroudi, 2018).

Furthermore, ambiguity in the authority detecting tax crimes, lack of proper time and deadline in proceedings and the existence of numerous shortcomings in the observance of taxpayers' rights, including the lack of a proper legal position in guaranteeing the rights of taxpayers, disregard for taxpayers' education and multiple shortcomings in protecting the rights of taxpayers against administrative and judicial institutions, including the right to choose a lawyer and tax advisor are considered as the important challenges in the Iran's tax proceedings system.

Moreover, lack of independence of dispute resolution boards in organizational and financial terms, long time of tax proceedings (due to multiple referrals, non-compliance with legal deadlines for litigation, lack of scheduling for some litigation processes, traditional litigation processes, etc.), high volume of the cases referred to judicial authorities (due to low quality of tax assessment, taxpayers' lack of knowledge about tax laws and regulations, high volume of legal notifications, etc.) and low quality of votes issued by boards (due to lack of sufficient expertise of some board members regarding tax laws and regulations and knowledge of accounting and auditing) are other challenges and problems in this system that require serious etiology and pathology.

Another challenge in the tax proceedings system is the violation in tax proceedings in terms of the dependence of the authorities on the government and the Tax Administration and also the lack of sufficient expertise of the reviewing officials in the reviewing board (Askari, 2013). When the tax assessment is based on incorrect principles and lack of solid and reliable evidence, it will lead to protest and dissatisfaction of taxpayers. Usually, tax disputes are the consequences of tax assessment and claim that require a reliable and modern tax proceedings system to handle disputes between taxpayers and tax proceedings system.

Therefore, the main goal of conducting this research was to observe the numerous damages in the Iranian tax system, which were listed in general and as described above. For this, identifying the challenges is an main aspect of this research and eliminating the identified and existing damages along with improving the current situation of this system depends on studying the weaknesses, strengths, opportunities and challenges. However, after identifying and reviewing those challenges the suitable strategies are presented.

### **Pathology of Iran's tax proceedings system**

Lack of effective criminal and preventive control has increased the negative effects of this phenomenon on the economy and society. Criminal control of this phenomenon is facing serious problems due to the legislator's lack of attention to proper criminality and determining the criminal response and the resulting criminal responsibility. Consequently this criminal control will not have sufficient deterrence. On the other hand, prevention of this case is due to the lack of strong and immediate law infrastructure and lack of a comprehensive information system (Ahmadi Mousavi et al., 2016). Ahmadi Mousavi (2015) conducted a study entitled "the pathology of the tax system of the

Islamic Republic of Iran and prevention of damages in the field of taxation". Questions of this research were: 1. with attention to the three axes of pathology, what are the damages in the Iranian tax system and what are their negative consequences in the tax system?, 2. in which areas should the causes of damages to the tax system be sought?, 3. is social prevention of damage in the tax system feasible and possible?, and 4. what are the qualities of preventing damage in the tax system in terms of status? The results of his study showed that the damage to the tax system, in terms of legal dimensions, criminal law and criminology, with emphasis on the pathology of law, behavior of taxpayers and administrative health, and lack of quality of legislation, is one of the most important damages threatening the tax system. Laws and regulations define the policies and directives of the governance in establishing an institution and its related performance.

Tax laws and regulations do not have the necessary quality in terms of stability, transparency of laws and favorable inflation, and however, these challenges have been partially addressed by setting new laws and implementing new administrative policies based on the consolidation of regulations or directives. Nevertheless, lawful instability and inflation of tax laws and regulations are still considered as one of the most important challenges of Iranian tax system.

Mojtaba Far's (2009) research entitled "analysis of reciprocal rights and duties and Iranian tax authorities" shows that in the tax process, tax authorities and taxpayers have a decisive role. The more efficient and desirable the tax system becomes the more comfortable and satisfactory the process will be. One of the most important factors that determine the efficient tax system is the awareness of tax authorities and taxpayers of their rights and duties. Given that the tax is an example of the exercise of sovereignty, so for the tax administration, special powers and authorities are provided, which is referred to as the exercise of tax power. But the exercise of tax power should not ignore taxpayers' rights. Given the decisive role of taxpayers in the tax process, their dissatisfaction and distrust, consequences such as taxpayers' reluctance to pay tax, and tax evasion reduce the source of government revenue. According to Mojtaba Far, before exercising tax power, attracting the cooperation and participation of taxpayers should be considered by the legislator and taxpayers' awareness of their rights while confronting the tax authorities and its observance by tax authorities play an important role in attracting cooperation and participation of taxpayers.

There are several causes and factors in the creation and modification of such damages, the most important of which are negligence or inability to implement tax policies and formulate or amend regulations. Inability to amend laws is due to the existence of specific policies governing the economy or the implementation of general policies. In this regard, the main cause and source of challenges and harms become lack of reform of laws and regulations in general and criminal regulations in particular (Ahmadi Mousavi et al., 2016).

### **Research method**

Considering that the purpose of this research was to identify, describe and explain the damages of the Iranian tax judicial system without changing them by focusing on the present conditions and attend on the process and cause of the problem situation (identifying the damages and presenting strategies), so

the suitable research method for this research was descriptive-analytical.

In this research, using theoretical literature and interviews with experts and specialists of Kerman Province Tax Affairs Organization in eastern Iran, the required information and data (without any initial changes) were collected and their damages identified. After categorizing and analyzing the content, the existing damages were prioritized. The present research was practical type because in this research, the researcher intended to study the pathology of the Iranian tax judicial system using

scientific methods and to present strategies for improving this system in a practical way.

### Discussion and results

Additionally, in relation to the background of the tax proceedings, studies have been conducted with the aim of investigating the litigation process. In these studies, in general, the influential factors in the occurrence of problems in this field are given, which are briefly mentioned below for some studies (Table 1).

**Table 1:** Factors influencing on the problems of the Iranian tax system (2009-2015)

| Results                                                                                                                                                  | Year | Subject                                                                                                                                     | Author                                              | No. |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----|
| Study of the tax procedure based on High Tax Council and supervisory role of the Court of Administrative Justice                                         | 2009 | The role and position of the Supreme Tax Council in the Iranian tax system and the supervision of the Court of Administrative Justice on it | Mohammad Javad Rezaeizadeh and Abolfazl Darvishvand | 1   |
| Independence and neutrality, openness, principle of innocence, consideration within a reasonable time in improving effective tax litigation process      | 2009 | The position of the principle of fair trial in resolving tax disputes                                                                       | Ahmad Khosravi and Naser Ali Mansoorian             | 2   |
| Review and observance of citizenship rights in the tax litigation process plays an important role                                                        | 2010 | Taxpayers' rights                                                                                                                           | Vali Rostami                                        | 3   |
| The tax procedure needs to be reformed amendments on the law of direct taxes has not been effective in this regard                                       | 2012 | A Critical Analysis of the Tax Procedure in Iran                                                                                            | Mohammad Sha'bani                                   | 4   |
| Structure and organization of Taxation Dispute Resolution Boards and the tax litigation process in Iran is not according to a fair trial                 | 2013 | Tax investigation in Iranian and British law with reliance on Fair Trial                                                                    | Rasool Nikbakht                                     | 5   |
| Objections on the composition and structure of Taxation Dispute Resolution Boards while reviewing is allowable, which can be an obstacle to a fair trial | 2014 | The position of substantive revision in the Iranian tax judicial system                                                                     | Abbas Ali Parvan                                    | 6   |
| Lack of independence of tax dispute resolution boards is one of the major problems of the Iranian judicial system                                        | 2014 | Comparative legal analysis of the tax proceedings authorities of Iran                                                                       | Cheshpam                                            | 7   |
| Review and critique of the litigation process in the tax system of Iran based on the relevant laws                                                       | 2015 | Tax Procedure                                                                                                                               | Mir Mohsen Taheri                                   | 8   |

A noteworthy point in the above-mentioned studies is that in most of them, in order to study the problems of the tax proceedings system, authors did not enter the working space of the dispute resolution boards and only the problems of this section have been enumerated based on legal materials. Therefore, in this study, it was tried to examine the problems and challenges by considering all aspects and duties of the tax dispute resolution boards and present the executive solutions.

Thus, considering the experiences of more than two decades of service in the Iranian National Tax Administration and observing the problems and challenges in the process and procedure of the Iranian tax system, researcher in this study describes the types of observable damages and in this system.

In view of the above details, the importance and necessity of the present plan is as follows:

1. The tax system needs critical research and pathology and ultimately efforts to address challenges. Therefore, in order to examine the legal challenges, shortcomings and critical evaluation, it is necessary to consider the approaches of this system. Identifying and explaining the types of concepts and characteristics related to the present study, expressing the components, content and objectives of this science and finally, pathological orientation are among the significant topics in this research.
2. The pathology of the Iranian tax proceedings system helps to compare the current conditions of the tax litigation with what

is considered desirable and to take steps towards achieving the planned goals with a correct understanding of the current situation. Pathology with an in-depth look at the current situation and measures makes it possible to modify and review tax proceedings system accurately and coherently.

3. The pathology of the tax proceedings system helps to make appropriate decisions, take the necessary measures, and apply new ideas in the tax proceedings process in order to develop more efficient litigation processes.
4. According to the scientific methods of pathology in this research, identifying the types of pathologies in the first place and explaining their etiology in the second place is an undeniable necessity.
5. The efficiency or inefficiency of a tax system refers to the characteristics, strengths and weaknesses of the elements of this system that must be identified through a systematic approach. Accordingly, the pathology of the current tax system in Iran, with a coherent framework, has a great importance in the correct direction of tax system reform.
6. Eliminating the damages and challenges of the country's tax judicial system can reduce the number of cases referred to judicial authorities, improve the quality of tax assessment and promote the information aristocracy of Tax Administration over the economic activities of taxpayers.

7. The pathology of the tax proceedings system of the country reduces the disputes between the taxpayers and the Tax Administration in resolving the relevant cases.
8. Resolving any dispute between taxpayers and tax administration is feasible using tax proceedings and this dispute can be effective on the tax amount and tax collection method. Therefore, the pathology of the Iran's tax proceedings system and identification of weaknesses, challenges and the existing problems, in addition to preventing further disputes, will lead to the more satisfaction of taxpayers.

### Conclusion

The amount of tax collection in Iran is not very encouraging. In case of non-payment of taxes by citizens and lack of valid data and records for businesses, the government is forced to develop infrastructures and ways to generate income through tax reforms in order to improve the quality of life for its citizens. For achieving to goal, especially in the COVID-19 era, it must move towards the development of a digital business registration system for taxpayers, online business registration, etc.

Iran, due to its over-reliance on crude oil resources in most development programs, has sought help from other governments to invest in the oil and gas sector. That is why in recent decades, in the face of international sanctions and intense exchange rate fluctuations, especially during the sharp drop of crude oil prices in 2020 and epidemic of COVID-19, has not been very successful in putting pressure on other small and large industries to collect its predicted taxes. For this reason, in some situations, it has been faced with dissatisfaction of citizens.

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