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IMPACT OF OPERATING LEVERAGE AND LEVERAGE ON TAX PROCEEDS ANALYTICAL STUDY IN INDUSTRIAL ENTERPRISES

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Abstract:

The major economic expansion of the modern environment Through the entry of large capital enterprises Large multinational and intercontinental investments and multiple and renewable projects Depending on the evolution of the needs of the markets, this has intensified competition Not only in market shares but also in investments in fixed capital (fixed assets) to produce high quality products taking into account the cost involved Thus, enterprises must seek to invest in fixed assets. This helped maximize profits and increase market shares But this has also contributed to the high risk that enterprises may be exposed to This type of investment is financed through a long-term capital structure As a concern, institutions had to plan properly Proper for this growth of investment and this does not come through operational leverage, Institutions fund their assets through a combination of property and debt rights This is what can be called leverage, so when determining the ratio of the capital structure Money is a debt-to-equity ratio Based on this ratio, projects that have a high money lever should be pursued The high financial leverage ratio means that the rate of return is higher on equity Any increase to cover debts, Different governments provide a large body of services It is financed through taxes linked through various methods of tax accounting The sums are collected from all the real costs and the two economic projects And that's what's called tax revenue. The operational and financial leverage is one of the basic tools Or they can be said to be the ways in which organizations plan their projects and returns And how to invest to achieve these targeted returns that result in tax earnings.

The problem with the study is determining the tax outcome of the projects All projects seek to determine the fair value and truth of the taxes they will incur It is linked to them so as to avoid a cut-off and piercing link in case of incorrect value determination Therefore, through operational and financial leverages, net return is planned Which generally results in the value of the tax proceeds Any planned from the beginning of the activity The tax proceeds also reflect the costs charged to the projects, The study's problem can therefore be formulated in the following questions:

1_ What is the impact of operational leverage on tax revenues?

Keywords:

INTRODUCTION:

The major economic expansion of the modern environment Through the entry of large capital enterprises Large multinational and intercontinental investments and multiple and renewable projects Depending on the evolution of the needs of the markets, this has intensified competition Not only in market shares but also in investments in fixed capital (fixed assets) to produce high quality products taking into account the cost involved Thus, enterprises must seek to invest in fixed assets. This helped maximize profits and increase market shares But this has also contributed to the high risk that enterprises may be exposed to This type of investment is financed through a long-term capital structure As a concern, institutions had to plan properly Proper for this growth of investment and this does not come through operational leverage, Institutions fund their assets through a combination of property and debt rights This is what can be called leverage, so when determining the ratio of the capital structure Money is a debt-to-equity ratio Based on this ratio, projects that have a high money lever should be pursued The high financial leverage ratio means that the rate of return is higher on equity Any increase to cover debts, Different governments provide a large body of services It is

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financed through taxes linked through various methods of tax accounting The sums are collected from all the real costs and the two economic projects And that's what's called tax revenue. The operational and financial leverage is one of the basic tools Or they can be said to be the ways in which organizations plan their projects and returns And how to invest to achieve these targeted returns that result in tax earnings.

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1_ What is the impact of operational leverage on tax revenues?

IMPORTANCE OF THE STUDY:

The importance of this study stems from the importance of the variables it addresses The operational and financial leverage are planning tools in different enterprises and enterprises, both commercial and industrial They're dealing with capital components Investments in long-term fixed assets and sales sensitivity Sales Plus Risk and Return These elements are key to any project of different size With a reasonable amount of tax without resorting to tax evasion On the government side, because different government services are based on taxes identified and linked to it on the project's return.

Study structure:

This study consists of an introduction that addresses the study's methodological framework In addition to previous studies and four main themes First axis operational crane, Second Axis Financial accompaniment Third Leverage Tax Proceeds The fourth theme is the applied study and the final conclusion, which is reflected in the findings and recommendations of the study.

Previous research:

Study: (AL-Qudah, Anas, 2013)[1]:

The study aimed to assess the relationship between equity returns in industrial companies

[1] AL-Qudah, A., Laham, M.), "The Effect of Financial Leverage & Systematic Risk on Stock Returns in the Amman Stock Exchange (Analytical Study – Industrial Sector) ",Research Journal of Finance and Accounting , Vol.4, No.6 ,PP 136 -145. . , (2013),

STUDY GOALS:

The studyims to:

1_ Clarification of the impact of operational leverage on tax revenues.

2_ Statement of the impact of leverage on the tax revenue?

HYPOTHESES STUDY:

1- There is a correlation between the operating lever on the tax proceeds

2_ There is a correlation between leverage on tax proceeds

Study Curriculum:

The study used the following curricula:

1. Extraordinary approach: to identify research axes and hypotheses
2. Historical curriculum: to track past studies relevant to the research topic.
3. Descriptive approach: using a case study method to determine the impact of operational and financial leverage On the tax revenues of Iraqi institutions.

Limitations of study :

1. Spatial boundaries: Iraqi institutions.
2. Time limits: 2022 m.
3. Borders are uncommon: Employees of Iraqi enterprises.

Study tools:

1. Preliminary data: by observation, personal interviews and identification.
2. Secondary data: through books, university letters and Arab Periodicals Foreign and scientific papers from conferences, workshops and reports Official records and documents are from relevant stakeholders.

Industrial and both operational lift. The number of benefits covered and the study has reached a number of results One of the most important is that there is. Significant impact of the number of returns covered On annual returns of corporate shares while there was no significant impact of the operating lift on those equity returns Stocks also showed results. Also, the combined impact of operational lift and the number of times the returns on the annual returns of shares Industrial companies were statistically important, this study relates the relationship between equity returns in industrial companies from operational lift and the number of times interest coverage The current study discusses the impact of both operational and financial lift on tax revenues.

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Study: (Alaghi, 2012)[1]: This study aimed at knowing the impact of operational lift to the systematic risk and have found an impact of operational upgrade On Systematic Danger While Discussing Study The effect of operational and financial lift on tax revenues is applicable.

Study (Medeiros et al, 2006)[2] : This study selected the relationship between operational lift and equity returns While this study measures the impact of operational lift with financial lift On tax collectibility which is considered to be related to equity returns The existence of a return on ordinary and privileged matters also has an impact on tax collectivity or value of taxes.

Study (al-khalaila 2002m)[3]: This study discussed the relationship between different operational lifting measures The impact of operational lift on the levels of leverage, i.e. the relationship between the two The current study discusses the impact of both on tax revenues This study aimed to test the nature of the relationship between 4 metrics For operational lifting to see how strong the link is If they are alternatives to each other, and the nature of the relationship between each of those four measures systematic danger on the one hand and total danger on the other, in addition to investigating the relationship between operational and fiscal upgrading levels In Jordanian public joint stock companies.

Study: (al .et Mustafa, 2017)[4]: The study aimed to learn about the impact of financial increase and volume on the rate of return On Companies Restricted on Pakistan Securities Exchange This study found a negative impact of fiscal upgrading Financial Measured by Total Debt to Equity on Rate of Return While I found a positive impact of volume on the rate of return on the stock, This study examined the rate of leverage The current study addresses the impact of operational and financial leverages. On the tax proceeds, which are considered costs of return or profits.

Study (2018, Hakaki&Baseri)[5]: This study aimed to learn the impact of financial and operational leverage and venture capital on the value of the company expressed at the rate (Q s' Tobin) The study found a positive impact of measured operational upgrade Change in operating profit to change in sales and adventurous capital measured by a pictorial variable on the value of the company, A negative effect of the financial increase measured by the total liability ratio To total assets on the value of the company, The study discusses and aims to know the previous variables On the value of the company, the value of the company is measured by the return on its activities. The value of the investments you invest in Investments are only fixed assets. It also implies the value of the tax proceeds as a whole, which is dealt with in the present study. The impact of the operational and financial lift on this proceeds, which entails the need to determine the value of the enterprise.

First axis: Operational crane : Operational lift is the use of fixed operating costs by the company, But after the company's production level, it's more than the level, Production of the equivalent point and not only the absolute or relative quantity of its fixed operating costs determines the amount of operational lift [6], In the researcher's view, the use of operational lift or otherwise means investing in fixed assets Before reaching the tie point may lead to losses and delays in arriving To the parity point that means total coverage of fixed costs Internal income is equal to the fixed costs to become the profitable proceeds of zero. Thus it can be said that the operational lever[7] a measure

[1] Alaghi, K., (2012), "Operating Leverage and Systematic Risk, African Journal of Business Management", Vol. 6, No. 3, pp. 1095-1099

[2] Medeiros, O., Lutosa, P. and Dantas, J.A., (2006), "The Impact of Degree of Operating Leverage on Stock Returns: An Empirical Study in the Brazilian Market", Unpublished Working Paper, Available at: www.ssrn.com.

[3] Al-Khalayleh, Mahmoud, The Relationship between Different Measures of Operating Leverage and the Impact of Operating Leverage on Financial Leverage Levels, Mu'ta Journal for Research and Studies, Vol. 17, p. 7, pp. 95-115.

[4] Mustafa,S,, Saeed,A., Zafar.,A, The Effect of Financial Leverage and Market Size on StockReturns on the Karachi Stock Exchange: Evidence from Selected Stocks in the Non-Financial Sector of Pakistan, The International Journal Of Business & Management (ISSN 2321–8916) 2017

[5] Baseri&Hakaki Analysis of Financial Leverage, Operating Leverage and Capital Venture Effect on Tobin's Q Ratio of Investment and Holding Companies Listed in Tehran Stock Exchange, Advances in mathematical finance & applications, 3 (1), 91-96,(2018),

[6] Van Horne, J.C. & Wachowicz, J.M, "Fundamentals of Financial Management", 13th Edition, Financial Times/ Prentice Hall, Harlow, England,170,2008.

[7] Akl, Muflih Muhammad, Introduction to Financial Management and Financial Analysis, 2nd edition, Arab Community Library for Publishing and Distribution, Amman, 2010, text 106.

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measuring the use of the enterprise's fixed assets deriving from long-term equity Long-term fixed-cost loans to finance profit-making projects and activities Presumably fixed to cover these costs The risk element is excluded, although it is considered to be an essential part of investment operations Additional profits are made to the shareholders and the value or tax proceeds of the Government; It can be said that operational lift begins to slow down as a result of overtaking the company's operations The degree of equivalence in other words the higher the company's sales volume the lower the operating leverage, Thus, the higher the operational leverage, the lower the yield. Any high risk and vice versa Conversely, the lever is operational as indicated by the researcher It is a planning tool for project decision-making.

Operational lever advantages: Operational leverage advantages have implications for commodity pricing policies In companies, a company with a high operating leverage and a weariness of its sales may be able Reduce the price slightly and increase its sales (demand flexibility for price) Benefiting from the significant increase in operating profits[1] resulting from increased sales, In other words, the operational leverage predetermines which projects They are the ones that earn high profits and they will make low profits. It entails losses based on the operational lever's degree The operational lever is therefore a planning tool weighted by the researcher as a task to be done and calculated before any project This is not only a profit ratio but also the investment in fixed assets, According to another researcher, one of the advantages of an operational leverage is that it has content in commodity pricing policies In the company, the company with a high operating crane A downturn in its sales would reduce the price slightly, increasing its sales. It benefits from the significant increase in operating profits resulting from increased sales [2].

Importance increase operating:

1. Study and determine the nature of the cost, thus providing digital indicators and indications of the viability of the fixed and variable cost and changing and efficient financial management and thus capital management.
2. Operational leverage is a significant financial indicator which give digital indications of sales levels that the enterprise should reach in order to offset the various costs involved in the company's activities.
3. Operational leverage gives other important indicators, especially on the extent to which fixed costs are used which cannot be reduced in cases of reduced production Also do not increase in the case of increased production It is an important point for determining the company's trends in terms of increasing and increasing the quantity of production and sales [3].

Operational lever risk: Operational leverage is the result of a higher ratio of fixed costs and other fixed burdens that are affected to a certain extent by a change in the value of sales So you should pay regardless of the amount of revenue available to the company When fixed operating costs increased The volume of sales required to cover all costs needs to increase In other words, a company that increases its fixed operating costs It is necessary to increase the sales volume needed to reach the parity point, Consequently, the use of the operational lever leads to the lifting of the tie Any decrease in sales, whether caused by systemic risks such as a recession or due to irregular risks such as making an erroneous administrative decision that will increase the likelihood of a loss [4], Besides, there are risks directly associated with the operational lever Those risks arising from higher operating expenses than expected equipment This change affects net income and project value, Operational risks may be caused by the nature of the sector demand for products or services, technological development, price levels and costs [5].

Second theme: Financial lift: Also defined as the use or employment of assets or funds, The establishment shall incur fixed costs or a fixed return, It is also the change in net profit ratios before interest and penetration as a result of the change in profit

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[1] Al-Maidani, Muhammad Ezzat, Financial Management in Companies, 4th edition, Riyadh, Al-Kaiban Library Publishing House, 2004.

[2] Nasser Al-Din, 2011 The impact of each of the operational and financial levers on the profitability of the ordinary share of the Jordanian operating joint-stock companies listed on the Amman Stock Exchange, an unpublished master's thesis, Middle East University, Amman, Jordan, p. 14.

[3] Al-Ani, The Use of Operational, Transformational and Total Leverage to Measure Corporate Performance, Dar Al-Mandumah Magazine, Jordan, 27, 2011, p.

[4] Brigham, Ehrahardt Financial Management Theory and Practice, 13th Edition, South Western. (2010).

[5] Al-Shabib, Duraid, An Introduction to Contemporary Management, 1st Edition, Dar Al-Masirah for Publishing, Distribution and Printing, 2007 AD, p. 164.

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ratios, Defined as employing a loyalist against a fixed financing cost for the purpose of achieving a high return for ordinary shareholders, Much of the focus on profit or cost implications for ordinary stocks This is due to the researcher's view that any additional costs or loss It's handled by the common shareholders and the blue-chip shareholders. The profits they receive are fixed or more than normal shareholders. Or the loss is less than them and consequently when measuring and options are focused on carrying ordinary shares [1], Finally, it has been defined as the degree to which its assets are financed by fixed-income sources of finance[2] (whether loans, bonds or excellent shares) This affects landlords' profits and their degree of risk[3]. The leverage fluctuates between the first two alternatives to profit and higher return than the costs involved. Such as interest and tax before these costs are excluded and the alternative has a number of advantages:

1_ Contributes to doubling interest on the common stock due to the use of low-cost sources of financing.

2_ Maintaining control in the facility, the loan will not allow them to participate in the administration (In the researcher's view, this is in case the enterprise tended to use property rights without long-term loans in finance).

3. Benefit from tax savings derived from interest deducted from profits in the tax.

4_ Non-participation of others in real profits except in interest on loans Non-participation of others in real profits except in interest on loans

5- In inflation crumbs, funds with high radical strength shall be collected and returned with low tariff power funds.

6_ It is possible to build a good reputation in the market.

The second alternative is when these profits and returns are lower after costs In this case, there are a number of shortcomings[4]:

1_ The enterprise's risk of being exposed to the risk of inadequate cash flows Cash to cover fixed payments Fixed and possible dispersion in ordinary earners' returns due to a fixed cost burden of upbringing.

2_ In periods of low inflation, their stubbornness funds are met Better than the purchasing power of borrowed funds.

3_ Delays in the fulfilment of obligations lead to the disrepute of the credit establishment.

Leverage measurement indicators: There are a number of indicators that are used to measure leverage It should be noted that most enterprises use these indicators Before starting projects to check returns Whether or not it provides appropriate coverage as a planning tool Some of these indicators also cover loans to finance their assets (e.g. operating leverage):

Ratio of liabilities to total assets: They measure the liability ratio (loans) to total assets (Long and short term) This ratio is measured by the following formula:

Leverage = Total Liabilities/Assets × 100%

This means that an increase in the financial liability would entail an increase in fixed liabilities and costs.

2. Ratio of long-term liabilities and excellent shares of total financial structure: These ratios or indicator measure the size of liabilities and excellent shares in the financial structure The facility is financially utilized in case of excellent shares in the facility The higher this ratio, the more this indicates the project's reliance on borrowed funds Any debt and premium stocks more than financial stocks This greatly increases the risk rate If the damages are greater on the shareholders, This indicator or ratio is measured using the following formula:

Leverage = (long-term liabilities premium shares)/total financial structure × 100%

3. Ratio of assets to property rights: This ratio measures the reliance on equity to finance assets away from loans and debt This ratio or indicator measures the number of times it covers property rights It means that the enterprise relies more on borrowed funds than property rights. Consequently, the cost implications would be increased. It states that costs are concerned with fixed interest on debt and loans It should be noted that it represents one of the heights of the risks to the establishment It is measured by the following equation:

Leverage = Total assets/title.

4_Ratio of liabilities to property rights: This ratio measures reliance on liabilities As a source of funding compared to internal sources of funding(equity) This indicator measures the extent of reliance on short-

[1] Haim Levy & Marshal Sarant, Capital Investment and Financial Decision, (London: Perntic Hall International, U.K L.td 1999),P. 331

[2] Tariq Abdel-Al Hammad, Evaluation and Restructuring of Companies, (Alexandria, University House, 2008 AD, 5, 2 p.

[3] Mona Ibrahim Hindi, Modern Thought in Finance, Alexandria: Modern Arab Books, 2003 AD, p. 8

[4] James C. Van Horne, Fundamentals of Financial Management, Seven Edition (USA: Prentice Hall Co. 1999), p. 409

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term liabilities Proportion to carry regular and excellent shares of them The more dependent shareholders are on Yon, the more guaranteed creditors will pay their commitments. and these ratios or indicator are measured by the following equation:

Leverage = Liabilities/Equity × 100%

5. Ratio of earnings before interest and taxes after interest and taxes: This ratio measures the percentage of profits earned by the enterprise before interest and tax are deducted**.** To profits after interest and tax deduction This ratio depends on the value of the interest paid by the enterprise Establishment that is, the higher the amount of profit before interest and tax and tax if interest is stable and stable (constant other factors) The lower the degree of leverage, The sensitivity of net earnings per share and vice versa decreases the lower the profit before interest and tax with stable interest, the higher the leverage:
This ratio or indicator is measured by the following formula:
Leverage = Earnings before interest and tax/profits after interest and taxes paid × 100%
Interest coverage rate: This rate measures the number of times benefits can be covered of the net income available for payment, it should be noted that this rate is the limit to which income can be reduced But without access to the establishment and the project to the state of financial hardship The higher this rate, the more the enterprise can pay off its debts. It was a reassuring guide for the creditors in proportion to their debt on the facility It is measured by the following formula:

Interest coverage rate = EBITDA

In the case of excellent shares, this ratio is calculated as follows:

Fixed burden coverage ratio = Dividend before tax/interest dividend premium stock × 100%

Enterprises are always keen to be the financial leverage and return on assets Higher than the interest on debt as this achieves the facility a number of advantages:
1_ Improving the return on shareholders' rights as a result of the difference between the cost of earning and the return on investment.
2_ Maintaining control in an enterprise because creditors have no voice in management
3. Non-participation of others in profits derived except as interest payments to lenders
4. Take advantage of the advantage of the benefits being deductible from the tax.
5_ In inflation periods, funds with high STF are borrowed and returned with less purchasing power.
6. Borrowing wisely that enables an enterprise to build a reputation in financial markets, this is something she needs especially when she needs more borrowing.

In the opposite case, when the lever is less, the return on the asset is less than the interest incurred This results in the number of negatives:
1_ Low return on shareholders' rights as a result of less than - the cost of borrowing.
2_ Possible interference and control of the enterprise by creditors.
3_ In a period of low inflation, its purchasing power funds are met better than its purchasing power borrowed funds.
4_ Delays in fulfilment may damage the credit institution's reputation and limit its borrowing capacity [1].

Theme III:

Tax revenues: Before addressing the tax proceeds which means the amount of value or the amount paid to the government as an additional cost On profit for different companies If net profit is determined after exceptional costs and expenses are excluded, it must be linked to the concept of tax in general, which is the value paid It can also be defined as ". Mandatory hypothesis Obligation to pay to the State in accordance with its ability Regardless of the benefits derived from the provision of such services or the achievement of a general need [2], it actually gets the tax. The difference between them is that the tax is the amount of the project or the company. While the tax proceeds are the value paid from the projects as some whole Tax earnings can be said to be governments' tax revenues. As previously indicated as the value that covers the public expenses of the State, Tax collection has begun to be defined as a set of administrative and technical procedures by which the value of the tax is transferred from the property of the payee to the property of the public treasury [3].It was also defined as a set of financial management operations. In order to give effect to the tax regulations, As I also know, the tax is a financial charge paid by the individual to the

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[1] Al-Sharifat, Khaldoun Ibrahim, Financial Management and Analysis, Amman: Dar Wael for Publishing, 2000 AD, p. 8.
[2] Al-Mahaini, Muhammad Khaled, Al-Khatib, Khaled, Public Finance and Tax Legislation, Damascus University Publications, 2006 AD, p. 176.
[3] Awada, Hassan, Alish, Abdel Raouf, Public Finance, Taxes and Fees Budget, 1st Edition, Dar Al-Kholoud, Beirut, 1999 AD, p. 250.

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State. Contribution to public costs and burdens, Definitively without special benefit for payment of tax [1]

Tax Collection Rules:

Determination of tax value in accordance with the principle of the State's interest and legal cost (Various projects) is based on a number of general rules to be taken into account [2]:

The Justice Rule: I mean apportioning the burden of funding expenditure Citizens must, in accordance with their mandated capacity to bear the burden.

Certainty rule: means taxation and collection according to specific and clear rules for both the cost and the state It collects it from its rate, time of payment and how it collects it, i.e. laws are free from ambiguity and ambiguity.

Appropriate rule: Means that the date of tax collection takes into account physical and psychological circumstances for taxpayers to make it easier for taxpayers to pay.

Cost-saving base: so that management expenditures in tax realization Their levies and levies are reasonable in comparison with tax returns.

Tax characteristics: Tax enjoyment (tax proceeds) With a number of characteristics as a sum of money collected from the commissioners, these characteristics are [3]

1. The tax shall be imposed and levied in a compulsory and compulsory manner and persons shall not be free to pay it; In so doing, it differs from the State's invitation to donations and speaks to citizens about their payment.

2_ Tax is levied in monetary terms and not in any other form of goods and services that a person may be willing to submit.

3_ The tax shall be applied to the State as the holder of authority and sovereignty Revenue represents the sovereignty of the State and thus enacts laws and legislation It establishes the specific tax rules applicable to all citizens without discrimination. (or all projects without discrimination)

4_ Tax is levied definitively and therefore financiers have no right to refund the tax paid or claim interest on it and then receive value at the end of the lending period.

5_ The payment of the tax shall not be offset by a State's specific obligation vis-à-vis taxpayers; It is not the equivalent of a specific commodity or service provided by the State to Mullahs.

6_ The State imposes the tax and levies it so that it can cover the public expenses incurred by it For the provision of essential basic services The tax thus has an active role in promoting social solidarity Social if tax is withheld from those who are capable or unable.

Tax collection methods:

There are a number of methods that use tax collection It is defined as a tax collector, namely:

1_ Direct collection method: This method depends on the method of self-declaration or direct It is the most convenient method for the cost, where this is a month or a quarter. Thus it guarantees fairness to the tax burden on the cost as a result, I am aware of my financial situation and of his short-term liquidity. [4]

2. Method of collection on tax account (instalments provided):

Because of the difficulties in accurately estimating the tax, the financial departments responsible for collecting the tax resort To require taxpayers to perform an advance on the tax during the year of doing the business in question, and that the calculation of this advance be subsequently adjusted after the tax committees' decisions Acquisition of the Commission ' These payments may be monthly or quarterly and are known as payments on the account, advance payments or advances under the account, and deducted from the agreed final balance; This method. Actually suits the commissioning capacity of the cost,

The tax burden is reduced, and the treasury generates revenue across. Intervals during the year.

3- Method of collection from the source: Where under this method the employer is (legal cost) which pays income to the taxpayer by deducting the value of the tax from the income before it is distributed; So that the actual cost receives net income only after withholding the tax, that is, the tax is collected here when the income arises and not when the income is received. This method applies to work income,

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[1] Shawabkeh, Salem Muhammad, Public Finance and Tax Legislation, Amman, Wael Publishing House, Jordan, 2013.

[2] Al-Adi, Al-Nuaimi, Rajoub, A Study of the Evolution of Tax Revenues in Syria (2000-2009), Tishreen University Journal for Research and Scientific Studies, Volume 33, Number 4, 2011.

[3] Al-Adi, Al-Nuaimi, The Necessity of Studying the Evolution of Tax Revenues in Syria, Tishreen University Journal for Research and Scientific Studies, Volume 33, Issue 4, 2011.

[4] Sufyan, Bouzid, tax collection revenues and their contribution to the state's general budget, Algeria case study, 2015, p. 151.

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movable value income, receipts and real estate waivers[1]

The method of collection by pasting the character of: According to this method, the tax payable can be paid in full by using paper paid value of different categories or paste separate[2] special stamps Unlike previous methods , they are all usable by the Government and is left to be determined on the basis of the State's policy or Government and in accordance with the appropriate manner.

Tax collection stages:

Tax collection takes place on a number of stages:

1. Tax shall be applied on the basis of net profit earned during the business year (fiscal year).
2. The holder shall maintain regular accounting restrictions showing real results; The Organization's accounting restrictions are those approved by the accounting and commercial custom Be edited in accordance with accepted accounting methods with supporting documents and documents.

3_ The project's books shall be regulated by the applicant.

4_ Amend the dates, duration and payment of the tax provided for in the Act.

5_ Net profit consists of the total gross income of the cost's taxable business of all kinds after deduction of burdens and expenses in practice or in conjunction with a type of work such as business rental allowances or rental/quarter value, If it belongs to the cost based on allowances or the values underlying the introduction of the property rent tax[3]

Tax collection objectives:

The tax is money that is forbidden from the taxpayers So it has to have a number of. Objectives to be achieved They are felt in order for Governments to comply with tax evasion [4]. These objectives are as follows:

Financial objective:

One of the main objectives of any tax Securing permanent revenues from internal sources of the State's treasury is the most important objective of the State, according to the classic tax, covering public expenses is the only goal Today, we cannot defend tax neutrality. Because it's actually impossible to cut through tax reparation a quarter of the gross domestic product rough without significant economic repercussions and complications such as clotting.

Economic objective: To achieve a state of non-inflationary economic stability in the modern country, it has become a tool for influencing economic stability and economic stability. And there it is. Political objective:

Both with regard to domestic and foreign policy in income, tax is a foreign policy tool. Such as the use of customs taxes as tax exemptions and privileges to facilitate trade with some countries States, or limiting them, such as raising tax prices and the revenues of some States for policy purposes [5].

Other objectives:

There are a number of other tax targets [6]

1_ Achieving economic growth through several mechanisms; The most important is the exemption and tax cut that increases individuals' ideal income.

2_ Economic stability and can affect the size of total expenditures, tax is usually used as a tool in this case of non-balance of the State budget, The tax may be used even if the budget is balanced in order to maintain economic viability.

3_ Combating inflationary pressure and preserving the value of national cash; By increasing the size of taxes, inflation is falling.

4_ Achieving the sectoral and regional balance of investment through excellence in tax treatment to orient production elements towards undesirable segments.

5_ Protecting national industry from foreign competition through high customs taxes On revenues and exemption of exports in part or in whole in order to encourage them.

The relationship between the two levers (operational and financial) Bulk relationship rises risk and yield rises by crane height On the contrary, this is also reflected in the size of the tax earnings, where the yield rises and vice versa.

[1] Sufyan, Bouzid, (2015 AD), previous reference mentioned, p. 152.

[2] Mahrezi, Muhammad Abbas, Economics of Public Finance, University Publications Office, Algeria, 2003 AD, p. 51.

[3] Sufyan, Bouzid, previous reference, p. 155.

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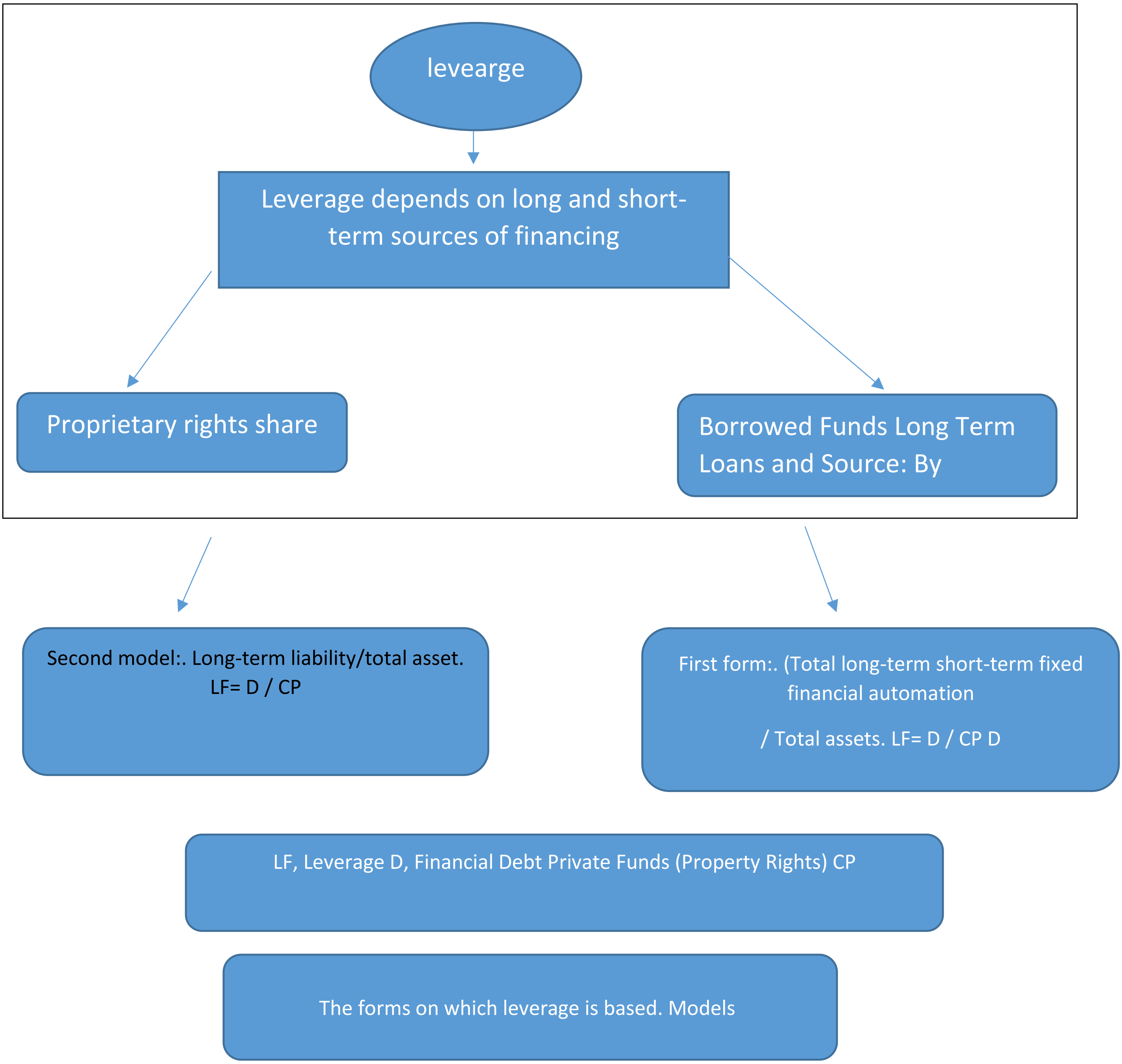
During the following paragraphs, the operating and financial lever is addressed In terms of risk and analysis of sports images and precise identification of the two lifters:



Source: Prepared by researcher 2023.

The project's investments produce the yield (net profit before interest and taxes) These cash amounts are divided into three basic sections Or it is distributed to three distributions that are catalytic:

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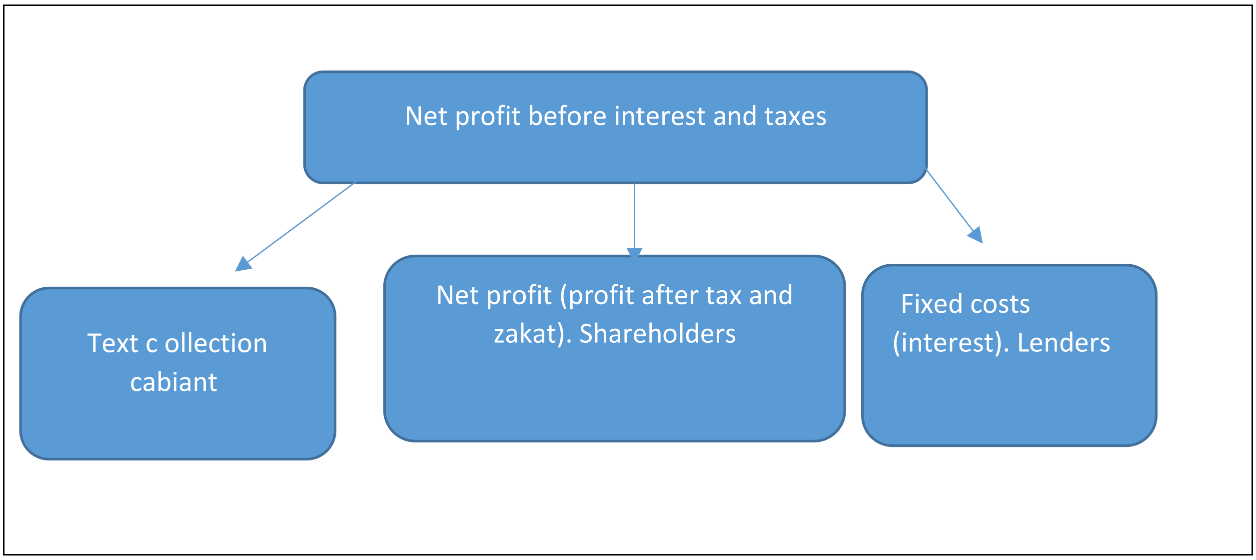
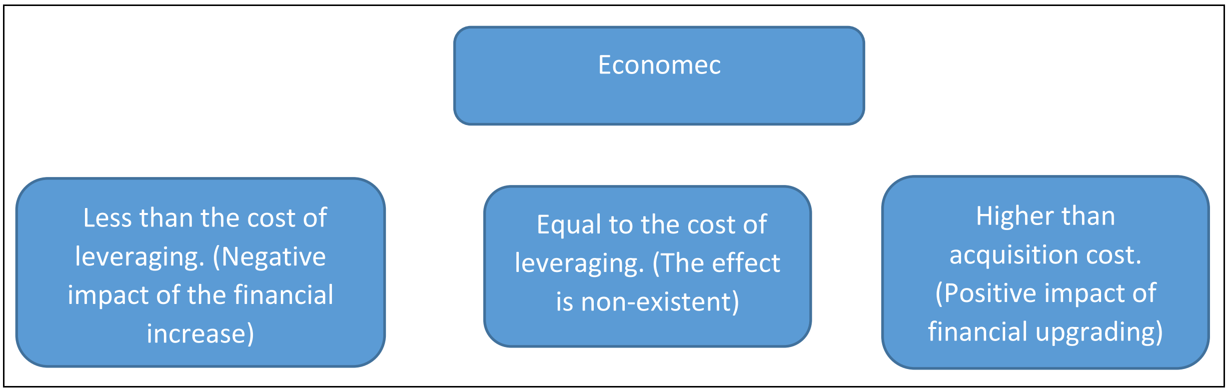
Different investments of different institutions achieve two types of productivity:



Source: Prepared by researcher 2023.

Economic returns: return on economic assets (invested funds).
Financial Returns: Rate of Return on Title (Profits)
Financial leverage measurement (relationship between financial and economic productivity):
Leverage is the degree or percentage of which you can, or to the degree of, transform economic returns The relationship can be explained as follows:
Prior investments are financed either through ownership funds or through debt funds These investments generate economic returns This return is excluded operating to produce profit before tax and interest To be distributed to three of the above-mentioned distributions.
Cases economy:
Economic feedback situations can be explained by the following chart:



Source: By researcher 2023

It should be noted that the EFD is linked to the result of the result to exploit net profit before interest and tax rather than the normal funding structure followed.

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Comparison of financial and economic responses	
economec	leverage
The contribution of economic assets to the formation of the result of exploitation Economic productivity measures the financing of all fixed assets financed from debt and property rights The finances measure only private financing with ownership funds.	It is a net profit that shareholders receive as a result of investing their money(Increase the crane rate. height of the crane) This demonstrated an increase in shareholders' returns on economic and financial returns.

Source: Prepared by researcher 2023.

To measure financial returns (return on equity) we use the following law:

Rf = RN/CP where (CP) private funds,(RN) Net result, (T) is tax (profit tax rate),(EBIT) pre-tax output and zakat

RN= (EBIT-ID) (1-T)

Operational leverage is measured by the extent to which fixed costs resulting from the use of fixed assets contribute The higher this ratio means the higher the use of fixed assets These fixed costs such as depreciation and rental amounts for factories and administration buildings Management and interest on debt in addition to the department's salaries A statement is represented as a straight horizontal line parallel to the Y axis. which represents a reference to the fact that costs are static, It can be said to be a fixed operating lever and an operational lifting business number (sales)based on fixed operating costs, measured through the following law:

DOL=M/CV /EBIT ، DOL = CA- CV /EBIT ، DOL =QV(PV – CVU) /EBIT ، DOL = 1 + CF/ EBIT

, Variable unit cost CVU =

Sale [rice , pv = quantity of pleasure , qv = variable costs = variable costs business number (sale)=ca

M/CV = contribution return) variable cost margin CF = operational fixed costs; EBIT = result before interest and tax;

The following law can be used to evaluate a new project using new fixed costs To determine whether or not to invest in this project.

New exploitation result = old exploitation result ± change in quantity sold × operational lift (due to old exploitation)

Impact of operational and financial leverage on tax revenues:

It has previously been indicated that the tax proceeds are the value of the tax. Linked to various projects and

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institutions which are part of the State's revenues and the Governments it receives Through ratios stipulated in tax laws for ordinary commissioners and addressees(Different enterprises and projects) This link is in a specific percentage of profit It is a cost that changes with the total size of the profit, in other words, profit. From one of the basic costs on profits and the two leverages directly affect On this result, the two graduates are evaluated for different projects. Determining which elements of the financing structure (long-term equity, long-term debt, Operating debt or short-term loans relied upon for project financing) Any impact on economic and financial revenues They are also important planning tools on which to determine As will be seen from the applied case, which alternatives are also through the two levers. The appropriate tax alternative to the establishment is determined to love the overall objective of the enterprise Sometimes with the deteriorating financial situation Some enterprises may tend to pay lower taxes So you choose the alternative that achieves this and sometimes the institutions aim to the High Tax Yield alternative To receive various state grants On the basis that it pays a high tax amount, that is, it contributes to the revenue of the State Thus, the two levers are also planning instruments for the tax proceeds.

Theme IV: Applied study

First: The institution in question:

The study community is the Wassel Carton Production Company Which produce carton boxes for packaging and packaging products Introduction to the market dealing with production system based on production orders(mean not produced from the units until the request is made from the relevant institution which specifies the product and the form of carton boxes to be made for it), This company produces carton boxes for various industrial facilities of food cleaning and oils for cars and others, Which produce according to the specifications offered by various industrial establishments Meaning that each production process is different from the other and most investment in it is on fixed assets Machines and machines that produce different cans and certification on variable costs is weak because the majority of expenses are fixed and production-related costs.

Second: Applied study of a total production project of 100 cans for a soap product Here, Al Wisal Company chooses between four options to finance this production Production and use of financial and operational leverages To choose between the four options based on returns on the stock This affected the tax proceeds. (It should be noted that the researcher was a financial adviser to the enterprise and prepared the projects' financial statements alternatives or four orders for production for four different establishments that appear in the following table).

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TABLE NUMBER (1)

Fourth capital structure. E=100; CP= 25; D= 75			Third capital structure. E=100; CP= 60; D= 40			Secondcapital structure. E=100; CP= 80; D= 20			First capital structure. E=100; CP= 100; D= 0			Financing alternatives. Unit Million EGP
75%	75%	75%	40%	40%	40%	20%	20%	20%	0%	0%	0%	Financial Lift. Lf=D/(Cf D)
25000	25000	25000	600000	60000	60000	80000	80000	80000	100000	100000	100000	Number of shares =. N=Cp/VA
bad	normal	good	bad	normal	good	bad	normal	good	bad	normal	good	Ecom=nomec state
%10	%12	%16	%10	%12	%16	%10	%12	%16	%10	%12	%16	EBIT Million CX Exploitation Result
9	9	9	4.80	4.80	4.80	2.40	2.40	2.40	0	0	0	Interest (2.5%) Million EGP
1	3	7	5.2	7.2	%11.2	7.6	9.6	13.6	10	12	16	Outcome per-tax
0.2	0.6	1.4	1.04	1.44	2.24	1.52	1.92	2.72	2	%2.4	3.2	Result before taxTax on profits. (15%) Million EGP
0.8	2.4	5.6	4.16	5.76	8.96	6.08	7.68	10.88	8	%9.6	12.8	Net result 1 million Gs
%10	%12	%16	%10	%12	%16	%10	%12	%16	%10	%12	%16	economec
%3.2	%9.6	%22.4	%6.93	%9.6	%14.93	%7.6	%9.6	%13.6	%8	%9.6	%12.8	financial
32	96	224	69.33	96	149.3	76	96	136	80	96	128	Earnings per share (EPS) CS

Source: Researcher of Applied Study Data 2023

Four New Production Financing Options from an increase in debt in the capital structure, the leverage rate is increasing. no debt ", the raising rate is equal to 0 in the first financial structure (no debt), The leverage rate then increases to a maximum of 75% in the fourth financial structure.
Note from the table that economic returns are independent of the structure of the financial structure, economic situation (i.e. the result of exploitation), For example, it is 16% in the good economic situation of all four financial structures, But it's down from 16% because of the exploitation of 16 million CX. To 12% as a result of exploitation 16 million CE, Finally, 10% of the exploitation result was 10 million CE, Under a good economic situation (as a result of exploitation 16 million CX), We note that financial productivity is improving as financial leverage increases, 12.8% in the first financial structure (without debt), To rise to

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13.6%, in the second financial structure (leverage 20%), Then it rises to 14.93% in the third financial structure(Leverage 40%), rising again to 22.4% in the fourth financial structure (Leverage 75%) This is due to the fact that investing each CX of debt in the project makes a profit of 0.16 CX Which is a higher return than the cost of leveraging (interest) equal to 12%%, making debt investment a surplus contributes to raising shareholders' return (financial returns) (If the result of the exploitation of 12 million cx (normal economic situation) is achieved, (Note that fiscal revenues are constant in the four financial structures, equal to 9.6%; This is because the economic revenue of invested funds is equal to the interest rate of 12%. Because every CX is indebted and investor earns a return equal to the cost of getting it, In this case, indebtedness does not affect positively or negatively to fiscal viability, in the light of the poor economic situation (as a result of weak exploitation of 10 million Cs), (Note that fiscal revenues are declining as debt (increased leverage) grows, (where it moved from 8% in the first structure) without conviction to (% 7.6) in the second structure) leverage 20% (, then to 6.93% in the third structure(40% leverage), and finally to 3.2% in the fourth structure (75% leverage), This is because each CX investor of debt yields only 10% return (economic return), (, a return that does not cover the cost of leveraging) interest 12% making it deduct a portion of the return on investment of shareholders' funds, As leverage increases, interest increases, and shareholders' remaining return declines. (Decline in financial revenues). In case of economic productivity Return on assets (% 12, which equals the interest rate of 12%, Leverage (leverage level) will not have Any impact on the rate of return on equity (financial return), This point is called a fiscal parity point or a point of disinterest, Because it does not matter to finance debts or financing with private funds, they have the same impact on financial viability. According to the foregoing, the establishment must resort to the fourth alternative. Fourth project, production alternative or fourth order This is because if the good economic situation improves, it achieves the highest rate and is consistent with other alternatives. The other one, the bad one, is the worst yield, 35 cc. It should be noted that the risk level does not increase by increasing the debt used for financing and vice versa But in all cases the interest value is covered so that the earnings per share will come out as shown in the table And if it's going down with the economic situation, In view of Sudan's economic situation Now, it is always recommended that alternatives achieve an appropriate return that achieves the objectives of the Al Wassel Foundation
As a proportion of tax revenues, and with increased yields, The higher the increase in the financing structure for debt as shown in the previous table In the previous case, if the receipt enterprise wants to provide a tax Less project for any reason related to the establishment and through the two levers affect the planning of the tax proceeds It should be noted, however, that the goal of providing a low tally for the State The State (to which most establishments seek) Especially the tax proceeds affect the realization of the value of the equity return in addition to the debt interest burden.

CONCLUSIONS AND RECOMMENDATIONS:

The researcher's findings and recommendations are as follows:

1_Tax proceeds from public revenues to the State funded by various activities in its community services
2_ In addition to the burden borne by various projects Interest is another burden or cost on profits.
3_ Financing through operational leverage based on the most prominent exploitation on fixed costs represents a low risk rate compared with dependence on debt sources of financing.
4- The two operating lifts are planning tools for both profit and return On stocks and on tax earnings as well
5_ The risk rate at which enterprises can bear is more linked to the economic situation in which the Foundation operates and thus it can be said that The risk level does not increase by increasing the debt used for financing.
6_ Financial productivity is improving as financial leverage increases.
7_ Economic viability is independent of the structure of the financial structure and is linked only to the economic situation.
8_ Operational leverage measured by the contribution of fixed costs resulting from the use of fixed assets The higher this ratio, the higher this means the higher the use of fixed assets.

Second: Recommendations:

1. The researcher is recommended to use the financial and operational leverage when the enterprise wants to implement a new project To choose between different alternatives in the funding structure.
2. To achieve the tax yield objective, the researcher recommends the use of financial and operational leverages Based on financial and operational feasibility.

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