INCOMES, GAPS AND WELL-BEING: AN EXPLORATION OF DIRECT TAX INCOME STATEMENTS BEFORE AND DURING COVID-19 THROUGH THE COMPARABILITY INTERVAL

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ARTICLE INFO	ABSTRACT
	Purpose: The purpose of this research is to see if total direct taxes (TDT) affect the growth of the country's income and well-being or stagnation and gaps based on the variables raised: Corporate Income Tax (CIT), Personal Income Tax (TAP), Property Taxes (PT), Other Direct Taxes (ODT), as well as to explore which variables had a greater impact on income growth, welfare or gaps before and during the Covid-19 pandemic. **Theoretical framework:** First, this research brought a new approach to explore the income statement through total direct taxes before and during the Covid-19 pandemic, then analyzed which variables there were increases in income, gaps, or welfare. Finally, an overview is given on how to promote and continuously increase state revenues and reduce gaps through TDTs. **Design/methodology/approach:** The data were collected at the local and central levels in the state of Kosovo based on the audited financial and economic reports for the period (2014-2021) as well as through interviews with officials and directors in the finance department and with the Minister of Finance during 2017-2018, analyzing in detail all financial items for direct tax variables and their impact on government revenues, on the country's well-being or economic-financial gaps through descriptive analysis, factorial analysis, reliability analysis, multiple regression analysis using SPSS version 23.0 for Windows. **Findings:** Based on analyzes such as PCA Matrix Loading Factors, PCA Model Summary- Multiple Linear Regression, Coefficients- TDT, the results showed that the variables [(CIT=98%, R=.980, Sig=.000, F=148,854), (PIT=99%, R=.987, Sig.=000, F=220,841), (PT=90%, R=.902, Sig.=.000, F=26,240)] are quite important and that they have influenced the increase in income and well-being of the country, while the variable (OTD=39%, R=.390, Sig.=000, F=1.079) has not influenced the well-being of the country during this period and that there are still some gaps that need to be improved before and during the Covid-19 pandemic. Therefore, greater weight in the collection of (TDTs) and an increase in well-being have been shown (PIT=.975, Cons=.136, Acu=99%), while gaps have been shown (ODT: Cons=.209, Acu =39%). It is recommended that the state should be careful in collecting revenues from (TDT) and especially (OTDs). **Research, Practical & Social implications:** The limitations and implications of this research are that the study period is (8) years, the number of variables is limited to only (4) with their sub-variables (48), and it is only an analysis of one country. Therefore, for further analysis, a larger number of countries, periods, and variables can be taken into the research. **Originality/value:** It will help countries to see where there is an increase in income and well-being and where there are gaps and a decrease in income and based on this,

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they should be careful in creating policies to encourage and increase income through (TDTs)

RENDAS, LACUNAS E BEM-ESTAR: UMA EXPLORAÇÃO DAS DECLARAÇÕES DE RENDIMENTOS FISCAIS DIRETOS ANTES E DURANTE A COVID-19 ATRAVÉS DO INTERVALO DE COMPARABILIDADE

RESUMO

Objetivo: O objetivo desta pesquisa é verificar se os impostos diretos totais (TDT) afetam o crescimento da renda e bem-estar do país ou estagnação e lacunas com base nas variáveis levantadas: Imposto sobre o Rendimento das Pessoas Colectivas (CIT), Imposto de Renda Pessoa Física (TAP), Impostos sobre a Propriedade (PT), Outros Impostos Diretos (ODT), bem como explorar quais variáveis tiveram maior impacto no crescimento da renda, bem-estar ou lacunas antes e durante a pandemia de Covid-19.

Referencial teórico: Em primeiro lugar, esta pesquisa trouxe uma nova abordagem para explorar a demonstração de resultados através do total de impostos diretos antes e durante a pandemia de Covid-19, em seguida, analisou em quais variáveis houve aumento de renda, lacunas ou bem-estar. Por fim, é apresentada uma visão geral sobre como promover e aumentar continuamente as receitas do Estado e reduzir as lacunas por meio de TDTs.

Desenho/metodologia/abordagem:Os dados foram recolhidos a nível local e central no estado do Kosovo com base nos relatórios financeiros e económicos auditados para o período (2014-2021), bem como através de entrevistas com funcionários e diretores do departamento de finanças e com o Ministro das Finanças durante 2017-2018, analisando detalhadamente todos os itens financeiros para variáveis de impostos diretos e seu impacto nas receitas do governo, no bem-estar do país ou nas lacunas económico-financeiras por meio de análise descritiva, análise fatorial, análise de confiabilidade, análise de regressão múltipla usando a versão SPSS 23.0 para Windows.

Resultados: com base em análises como: Fatores de Carga da Matriz PCA, Resumo do Modelo PCA - Regressão Linear Múltipla, Coeficientes - TDT, os resultados mostraram que as variáveis [(CIT=98%, R=0,980, Sig=0,000, F=148,854) , (PIT=99%, R=.987, Sig.=000, F=220.841), (PT=90%, R=.902, Sig.=.000, F=26.240)] são bastante importantes e que influenciaram o aumento da renda e bem-estar do país, enquanto a variável (OTD=39%, R=.390, Sig.=000, F=1.079) não influenciou o bem-estar do país durante este período e que ainda existem algumas lacunas que precisam ser melhoradas antes e durante a pandemia de Covid-19. Portanto, um maior peso na coleta de (TDTs) e um aumento no bem-estar mostraram (PIT=0,975, Cons=0,136, Acu=99%), enquanto as lacunas mostraram (ODT: Cons=0,209, Acu = 39%). Recomenda-se que o Estado tenha cuidado na arrecadação de receitas de (TDT) e principalmente (OTDs).

Pesquisa, implicações práticas e sociais: As limitações e implicações desta pesquisa são que o período de estudo é de (8) anos, o número de variáveis é limitado a apenas (4) com suas subvariáveis (48), e é apenas uma análise de um país. Portanto, para uma análise mais aprofundada, um número maior de países, períodos e variáveis pode ser levado para a pesquisa.

Originalidade/valor: It will help countries to see where there is an increase in income and well-being and where there are gaps and a decrease in income and, based on that, they should be careful in creating policies to encourage and increase income through (DTTs)

Palavras-chave: Declaração de Renda, Impostos Diretos, Relatórios Financeiros Auditados, Bem-estar, Lacunas, Estabilidade Financeira Econômica, Covid-19.

INGRESOS, DIFERENCIAS Y BIENESTAR: UNA EXPLORACIÓN DE LAS DECLARACIONES DE RENTA DE IMPUESTOS DIRECTOS ANTES Y DURANTE COVID-19 A TRAVÉS DEL INTERVALO DE COMPARABILIDAD

RESUMEN

Propósito: El propósito de esta investigación es ver si los Impuestos Directos Totales (IDT) inciden en el crecimiento del ingreso y bienestar del país o en el estancamiento y brechas a partir de las variables planteadas: Impuesto sobre la Renta de las Personas Físicas (I.R.P.F.), Impuesto sobre la Renta de las Personas Físicas (I.R.P.F.), Impuesto sobre el Patrimonio (IP), Otros Impuestos Directos (OID), así como explorar qué variables tuvieron un mayor impacto en el crecimiento del ingreso, el bienestar o las brechas antes y durante la pandemia de Covid-19.

Marco teórico: En primer lugar, esta investigación aportó un nuevo enfoque para explorar el estado de ingresos a través de los impuestos directos totales antes y durante la pandemia de Covid-19, para luego analizar en qué variables hubo incrementos de ingresos, brechas o bienestar. Por último, se ofrece una visión general sobre cómo promover y aumentar continuamente los ingresos del Estado y reducir las brechas a través de los TDT.

Diseño/metodología/enfoque: Los datos se recopilaron a nivel local y central en el estado de Kosovo con base en los informes financieros y económicos auditados para el periodo (2014-2021), así como a través de entrevistas con funcionarios y directores del departamento de finanzas y con el Ministro de Finanzas durante 2017-2018, analizando detalladamente todas las partidas financieras de las variables de impuestos directos y su impacto en los ingresos del gobierno, en el bienestar del país o en las brechas económico-financieras a través de análisis

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

2

descriptivo, análisis factorial, análisis de confiabilidad, análisis de regresión múltiple utilizando SPSS versión 23.0 para Windows.

Resultados: Con base en análisis como Matriz PCA Factores de Carga, Resumen Modelo PCA-Regresión Lineal Múltiple, Coeficientes- TDT, los resultados mostraron que las variables [(CIT=98%, R=.980, Sig=.000, F=148,854), (PIT=99%, R=.987, Sig.=000, F=220,841), (PT=90%, R=.902, Sig.=. 000, F=26,240)] son bastante importantes y que han influido en el aumento de los ingresos y el bienestar del país, mientras que la variable (OTD=39%, R=.390, Sig.=000, F=1,079) no ha influido en el bienestar del país durante este período y que todavía hay algunas lagunas que deben mejorarse antes y durante la pandemia de Covid-19. Por lo tanto, se ha mostrado un mayor peso en la recolección de (TDTs) y un aumento en el bienestar (PIT=.975, Cons=.136, Acu=99%), mientras que se han mostrado brechas (ODT: Cons=.209, Acu =39%). Se recomienda que el Estado sea cuidadoso a la hora de recaudar ingresos por (TDT) y especialmente por (OTDs).

Investigación, implicaciones prácticas y sociales: Las limitaciones e implicaciones de esta investigación son que el periodo de estudio es de (8) años, el número de variables se limita a sólo (4) con sus subvariables (48), y es sólo un análisis de un país. Por lo tanto, para posteriores análisis, se puede tomar en la investigación un mayor número de países, periodos y variables.

Originalidad/valor: Ayudará a los países a ver donde hay un aumento de ingresos y bienestar y donde hay brechas y disminución de ingresos y en base a esto, deben ser cuidadosos en la creación de políticas para incentivar y aumentar los ingresos a través de (TDTs)

Palabras clave: Declaración de la Renta, Impuestos Directos, Informes Financieros Auditados, Bienestar, Ganancias, Estabilidad Financiera, Económica Covid-19.

INTRODUCTION

The most important and enduring debates for years analyzed by many scholars concern the importance of country income, such as the gaps created by low income or the country's well-being from income growth. Therefore, Lucas & Schimmack (2009) it is emphasized that studies consistently show that there is a low correlation between income and country well-being and a high correlation between income and country gaps. But, to see the impact of income through direct taxes, either on the gaps or the welfare of the country, the statement of income from direct taxes (TDT) for the period 2014-2021 has been analyzed, in this case, the gaps. were created especially during the years 2019-2021 due to the Covid-19 pandemic, causing different degrees of damage in every sector, including the economy, making efforts by the governing bodies of different countries to follow different paths towards recovery and return of economic growth worldwide. According to OECD (2020), it is emphasized that countries reacted quickly to the economic shocks resulting from Covid-19 by introducing a package of social and labor market measures to support workers and their families by reducing gaps and improving well-being. To measure the gaps and partial well-being of the labor market affecting revenue collection through total direct taxes (TDT) for the variables: corporate income tax (CIT), personal income tax (PIT), property tax (PT), as well as other direct taxes (ODT), according to Bartik, et al., (2020) it is emphasized that the gaps increase due to the loss of workers' jobs (PIT) as a result of their closure by Covid-19 and that unemployed workers were more likely to be fired and less likely to return to work (PIT), but those countries that received

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

3

loans to support businesses (CIT) through the "wage protection" program had easier gaps in the collection of (TDTs) and faster welfare through increased income. To see the connection between income and well-being, an exploratory analysis was made in cities with different levels of economic development, including 11,791 participants. Where, Li et al., (2022) it is emphasized that governments should take measures for low incomes and the gaps created by them. The well-being of the country is closely related to the well-being of its inhabitants, therefore in most OECD countries, the gap between the poor and the rich has been at a very high level for 30 years. Cingano (2018), it is emphasized that countries to reduce income inequality should not follow redistribution policies through taxes and transfers only to improve social results but also to support long-term growth. Carbonell (2005) it is emphasized that there are gaps between the income of the country through (TDTs) relying on Dusenberry's idea that the comparisons are mainly in the increase of gaps and decrease of well-being as a result of low income. Therefore, the main purpose of this research was to see if the total direct taxes (TDT) has influenced the growth of the country's income and welfare or stagnation and gaps based on the variables raised for the direct tax revenues (TDT) such as Corporate Income Tax (CIT), Personal Income Tax (PIT), Property Tax (PT), Other Direct Taxes (ODT), and what is the exploration for each variable of (TDTs) based on the questions which of the variables had a greater impact on the increase in government revenue, welfare and gaps before and during the Covid-19 pandemic? Therefore, this research will contribute a) by bringing a new approach by exploring the statement of income through direct total taxes before and during Covid-19, b) to analyze in which variables there was an increase in income, increase in well-being or increase in gaps, as well as c) to give an overview of how the promotion and continuous growth through TDT's should be done in the state's income and the reduction of gaps. Finally, conclusions, recommendations, limitations, and implications will be provided to aid future analysis and research by other researchers and other countries.

LITERATURE REVIEW

The budget is one of the most important and main factors in the economic and social life of the country. Therefore, through the summary of studies that focus on income, well-being, and gaps, the variables included in this study will be elaborated starting from the importance of income, well-being, gaps, and the relationship between income and total direct taxes (TDT) and in particular for Corporate Income Tax (CIT), Personal Income Tax (TAP), Property Tax (PT), Other Direct Taxes (ODT). To see whether financial reforms affect welfare or gaps in the income statement in direct taxes according to Lulaj (2019, 2021), it is emphasized that the need

for financial reforms through accounting standards and financial reporting to preserve public money, the fair distribution of public expenses and the provision of funds is more than necessary to increase well-being and to reduce the gaps in (TDT) at both levels of government, but according to Lulaj (2015) as gaps, it is emphasized that the budget of Kosovo is in some cases approved hastily and without in-depth debate in the Assembly of Kosovo. Regarding the gaps in income collection (TDT) creating inequality among residents in (PIT, ODT, and PT), according to Zhang & Churchill (2020), it is emphasized that the effects of income inequality are very large in rural areas in comparison with urban areas, therefore there are income collection gaps in rural areas, while well-being in urban areas, in this case, governments should address policies that promote trust in communities intending to address the negative effects of growing inequalities in TDTs. Similarly, the income gaps from TDT were analyzed by Komatsu & Suzuki (2022) where it is emphasized that the inequality in income collection affects the well-being of the country. Regarding corruption and income inequality in the statement of total direct taxes (TDT), according to Yan & Wen (2020), it is emphasized that corruption and the narrowing of the income gap are the two main obstacles to improving the welfare of the country. According to Clark & d'Ambrosio (2014), it is emphasized that there are several unresolved issues regarding the gaps in the country's income and well-being through the collection of income from (TDT). According to Bailey (2004), it is emphasized that a structural gap does not necessarily mean that tax revenues are too low or public expenditures are too high and that public finances are becoming increasingly unstable. According to Makridis (2021), and Rodrik (1998), it is emphasized that the governing bodies are facing a lack of qualified staff for tax revenue collection (TDT), increasing the gaps in the variables (CIT, PIT, PT, and ODT) and reducing the welfare of the country. Regarding the gaps created by the Covid-19 pandemic, according to Stiglitz (2021), it is emphasized that Covid-19 has set great challenges in the economy, therefore governments should take measures in the design and implementation of policies to address the problems and gaps in various which are slowing down the growth of the country's well-being. To increase revenue collection from (CIT, PIT, PT, and ODT) by improving welfare and reducing gaps in (TDT) according to Arrow & Debreu (1954), Arrow (2015), and Stiglitz (2009) it is emphasized that governments should develop a production model and an exchange model of the country's economy. A similar opinion is given by Lulaj (2020), Lulaj, et al., (2021), and Meyer & Sullivan (2003) where it is emphasized that to increase revenue collection in the variables of this study (CIT, PIT, PT, and ODT) governments should know financial behavior as a necessity for financial stability, influencing the growth of well-being and the elimination of gaps, since the lower the well-being of families, the lower the

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

5

well-being of the country and the increase of TDTs. According to Tanzi (2011), it is emphasized that to remove gaps and increase welfare, governments must address the fundamental question of what they should do or how much they have tried to do in economic activities to increase direct tax revenues in past periods and the latter, concluding what should be a "reasonable exit strategy" from the current fiscal crises or gaps. To see the importance of the well-being of countries through the exploration of the statement of income from direct taxes (TDT) according to OECD (2019), Killingsworth (2020), and Diener & Diener (2002) it is emphasized that the economy of well-being is very important or "the circle virtuous" in which individual well-being and long-term economic growth are mutually reinforcing. Further related to income gaps and well-being by collecting them in the research of Diener, et al., (1993) based on the research of, Easterlin (1974), Diener (1984), and Veenhoven (1988, 1991) it is emphasized that careful explorations should be done on the gaps related to the collection of revenues from (TDT) and the effect of increasing them through (TDTs). A similar contribution has been made by the authors Büchs & Koch (2019), Andreoni & Galmarini (2014), and Frijters, et al., (2020), where it is emphasized that the current barriers to welfare adoption are related to the increase in income from (TDT). Regarding the provision of public goods in the framework of the problem or loopholes from mixed taxes (CIT, PIT, PT, and ODT) according to Aronsson & Sjögren (2002/2003), Edwards et al., (1994), Bastani et al., (2015), and Crawford et al., (2010), it is emphasized that employment effects increase the welfare of the country and income from (PIT, PT, and ODT). Regarding the redistribution policies of direct tax revenues to increase welfare and reduce gaps according to Bargain et al., (2011), Bourguignon & Spadaro (2008), Cremer et al., (2010), Rothschild, & Scheuer, (2012), and Conesa & Krueger (2006) it is emphasized that reform on the income tax (TDT) is not only desirable but can also be politically feasible. Regarding the corporate income tax (CIT) variable, Chen et al., (2018), it is emphasized that a reduction in corporate income tax can reduce the unemployment rate by increasing the welfare of the country, (Auerbach, 2005) emphasized who bears the tax burden on corporations. then according to Devereux et al., (2014), it is emphasized that there is an unfavorable marginal cost for (CIT). Regarding the reform in (CIT) according to Fehr et al., (2014) in their research conducted in (the USA, Europe, Japan, China, and India) including skilled and unskilled labor, it is emphasized that the elimination of the tax on (CIT) produces rapid and dramatic increases in the pattern of investments, production, and real wages. Similarly, the gaps related to the collection of income from (TDT) were also analyzed by Goolsbee (1998), Stiglitz (1976), and Tandoh et. al., (2022), then according to Mertens, & Ravn (2013) it is emphasized that the tax shocks are large and that it is important to distinguish between different types of taxes when

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

6

considering their impact on the labor market according to the variables of this study (CIT, PIT, PT, and ODT). According to Neira & Singhania (2022), it is emphasized that the change in the profit tax has unclear effects and large gaps in the selection of the firm, then according to Li et al., (2021), it is emphasized that the reduction of the Corporate Income Tax (CIT) can contribute to the global reduction of work burden and increase of well-being. Saez (2014) it is emphasized that the efficiency of production and the uniform result of the goods tax for (CIT) should be restored by reducing the gaps and increasing the welfare of the country. Regarding the variable of personal income taxes (PIT) to reduce gaps and increase welfare according to Christiansen (1984), Akerlof (1978), Shephard & Blundell (2012), (Benedek et al., (2022), and Bird & Zolt (2005) it is emphasized that (PIT) is one of the main sources of income in developed economies, while in developing and underdeveloped economies it has a limited role both in terms of income and in terms of redistribution, affecting the well-being of the country. Regarding the impact of Covid-19 on (PIT) according to Feria & Maffini (2021), Maciel et al., (2022), and Arwani et al., (2022) the impact of accelerating the digitization of the tax system (CIT, and PIT) and the work is highlighted by distance, concluding that part of the work can be continued remotely even after the pandemic, so the challenges of adapting tax systems to a digitized economy are not over, in fact, they have just begun. A similar contribution regarding gaps and welfare from (PIT) has been given by Zhang (2017), Joumard, et al., (2012), and Attinasi et al., (2011) where it is emphasized that the higher progressivity of personal income tax (PIT) leads to lower production volatility. Regarding the property tax revenue variable (PT) according to Mieszkowski (1972) based on the analyzes of Marshall (1897), Pierson (1902), Edgeworth (1925), then the work of Simon (1943) and in the forms replicated in the analyzes of (Musgrave et al., (1951), Gillespie (1965), as well as in the literature on rural and urban housing problems according to Netzer (1966, 1968), it is emphasized that the property tax (PT) is a housing tax, while the tax is an excise which represents the conventional wisdom which was analyzed by Brown (1924) and restated by Thompson (1965), while (PT), while on the improvements of reproducible capital was first developed by Marshall (1890). While according to Hale (1985) it is emphasized that (PT) is the oldest tax in any modern public finance system. Regarding the variable of income from other direct taxes (ODT) according to Blomquist et al., (2010), and Lulaj (2019) it is emphasized that fiscal transparency and accountability in (ODT) reduce the gaps and increase the welfare of the country. According to Custers, et al., (2022) it is emphasized that (OTD) in low-income countries leads to high levels of inequality, while gaps for income accretion (ODTs) depend on the education of taxpayers to pay taxes.

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

7

METHODS AND MATERIAL

The Purpose of the Paper

Such research on income, deficiencies, and well-being based on the exploration of the statement of income from direct taxes through the comparability interval for the period (2014-2021) has not been researched before, so the main purpose of this study is to look at whether direct taxes have affected the growth of revenues and welfare of the country or stagnation and gaps based on the variables raised for total direct tax revenues (TDT) such as Corporate Income Tax (CIT), Personal Income Tax (PIT), Property Tax (PT), Other Direct Taxes (ODT) and what is the exploration of each of the variables (TDT) based on the question of which of the variables had a greater impact on government revenue growth, welfare or gaps before and during the Covid 19 pandemic?

Research problem

Contribution to the problems caused by the lack of income growth and welfare of the country causing gaps and stagnation of economic development, as well as budgetary challenges in addition to many other researchers have contributed, and the authors Oleski et al., (2021), Rubin (2011), Lulaj et al., (2022), and Durán-Cabré et al., (2019). Therefore, based on the purpose of the research, the main problem of this research is whether Kosovo has had an increase in income, welfare, or gaps during the period 2014-2021 based on the question on the purpose of the research, and questions on the research problem: a) whether governments can bring about reforms to boost revenue and welfare growth affecting macroeconomic and financial stability, and b) whether governments can reduce the gaps arising from non-payment of direct taxes during time intervals?

Therefore, this research will contribute a) by bringing a new approach through the exploration of the income statement to direct taxes before and during the Covid-19 pandemic, b) will analyze which variables there has been an increase in income, increase welfare, or an increase gaps, and c) provide an overview of how incentives and continued growth through TDTs in state revenues will be made and how gaps will be reduced.

METHODS

For this study, data were collected from the local and central levels in the state of Kosovo based on financial and economic reports for the period (2014-2021), as well as interviews conducted with officials and directors in the Department of Finance and the Minister of Finance during 2017-2018, analyzing all financial items in detail for direct tax variables and

their impact on government revenues, the welfare of the country or economic-financial gaps (Ministry of Finance 2014-2021). The variables (TDT, CIT, PIT, PT, and ODT) were analyzed through descriptive analysis, factor analysis, reliability analysis, multiple regression analysis, and tests that fit this model using SPSS version 23.0 for Windows. The analyzes of this model involve several processes where some of the factors were deleted to make the model acceptable, as stated in the conceptual theory that the purpose of these analyzes is to extract reliable data for the period researched by exploring the income statement to direct taxes (R^2 above 0.700). In this case, the 5 factors with direct tax variables were analyzed, as explained above.

Instruments and research methodology

As stated in the introduction, the main purpose and objective of this research are to see if direct taxes have affected the increase of income and welfare of the country or the stagnation and gaps of the country during the exploration of the financial statements for the years studied. Based on these issues, the findings from the econometric models will provide recommendations for Kosovo institutions and beyond the complex financial and economic systems so that in the future even more accurate analyzes can be made to promote the collection of direct taxes. Research methodology for each phase for all variables taken into the study through the analysis of annual financial reports for the period 2007-2021. Its results are depicted in figure 1.

Figure. 1. Instruments and research methodology
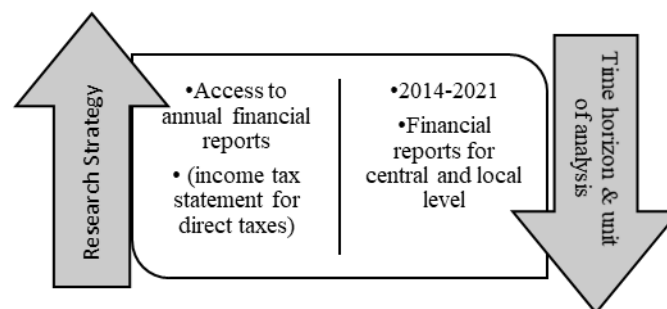
Source: Prepared by the authors (2022)

Data Collection process

Data collection was achieved by the results of Descriptive Statistics (2014-2021), Factor Analysis (PCA-Matrix, Loading factors, Friedman Test, PCA, Eigenvalues-PCA, Variance Explained-PCA, KMO, and Bartlett's Test), Reliability analysis (Cronbach's Alpha, Hotelling's T-Squared Test), Multiple Linear Regression (R, R^2, Adjusted, R^2, Std. Error of the Estimate, R^2 Change, F Change, df1, df2, Sig. F Change, Durbin-Watson, Anova- TDT, B, Beta,

Collinearity Statistics. the process of data analysis through the four econometric analyzes is explained in figure 2. To elaborate the time interval through the exploration of the income statement in direct taxes, descriptive statistics have been used, where according to Cue (2007), it is emphasized that descriptive analysis is a process of categorizing and describing information by analyzing sample data for all variables. Factor analysis (PCA) was used to analyze the influence of independent variables on the dependent variable (TDT) and according to Radhakrishna (1964), it is stated that PCA emphasizes the group of variables about another group known as instrumental variables. But large data sets are often difficult to interpret, so PCA is a technique to reduce large numbers of group dimensions and increase interpretability by creating new uncorrelated sets that maximize variance Jolliffe & Jorge (2016), Hotelling (1933), Ringner (2008), Zhang & Li (2021). To verify the reliability of the data for all TDT variables, the reliability analysis was used, which according to Rüdiger (2001), and Kumar (2017) it is emphasized that a concept for assessing data acceptance limits should be described. To validate the hypotheses raised, multiple regression analysis was used, where according to Azen & Budescu (2009), it is noted that the multiple regression model can be used in two ways as an explanation and as a forecast or as a confirmatory and exploratory analysis, then according to (Lulaj & Muthmainnah (2021) the multiple linear regression model based on quadratic power in the budget is used to find the optimal response values from the RMS analysis for the factors of estimating and improving the budget through direct tax revenues. Its results are depicted in figure 2.

Figure 2. Data collection process
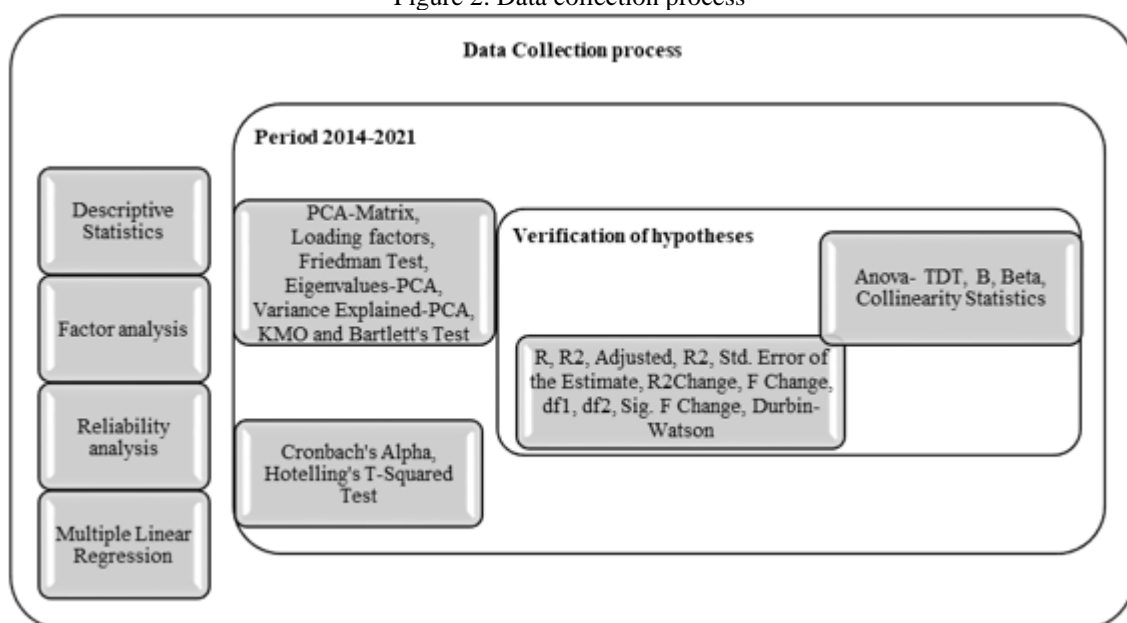
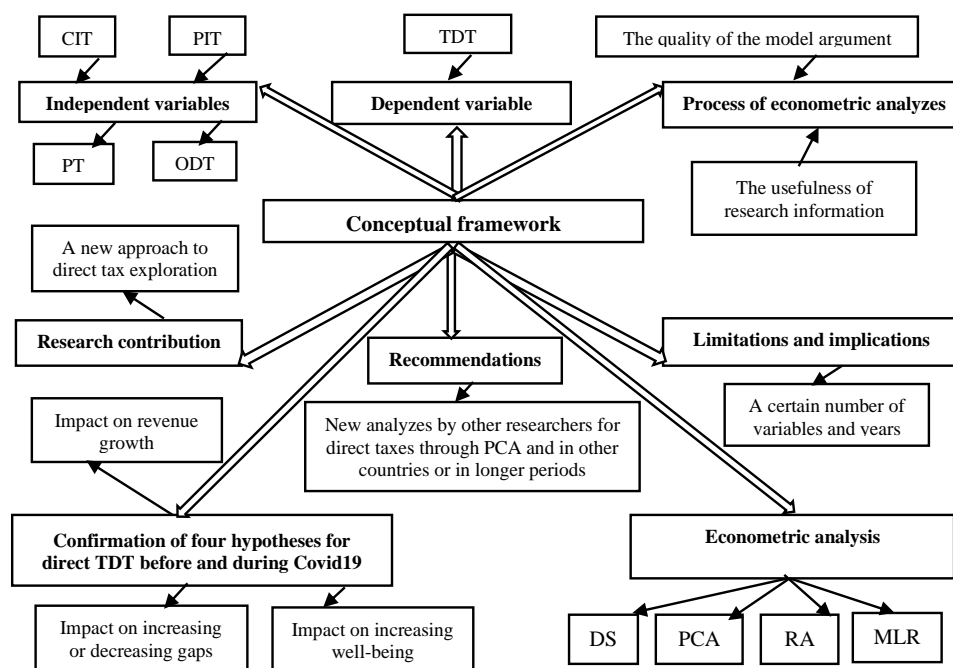Source: Prepared by the authors (2022)

Data Analysis process

Research data on income, gaps, and well-being through the exploration of the direct tax revenue statement before and during Covid19 through the comparability interval were analyzed through the previously mentioned analyzes to test the hypotheses raised by the data processing in the models econometric through SPSS. 23.0 software.

Conceptual framework for revenue, gaps, and well-being through the exploration of the direct tax revenue statement

The conceptual framework elaborated in detail for direct tax revenues through the exploration and analysis of each variable (TDT, CIT, PIT, PT, and ODT) providing a qualitative argument based on useful information from annual financial reports and interviews implemented at the local level (Municipalities) and the central level (Ministry of Finance) for the impact of TDTs on government revenues (public budget), welfare or gaps in the country during the period 2014-2021 including implications and limitations, recommendations, confirmation of hypotheses raised, econometric analysis process, types of econometric analysis (DS-Descriptive Statistics, PCA-Factor Analysis, RA-Reliability Analysis, MLR-Multiple Linear Regression) for independent variables and dependent variable, as well as the contribution of this research to future analyzes.Its results are depicted in figure 3.

Figure 3. Conceptual framework

Source: Prepared by the authors (2022)

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

11

Elaboration of equations

To explore revenue, gaps, and well-being through the TDT revenue interval for the five factors during 2014-2021, the descriptive statistics equation was initially used Larson (2006):

$$\bar{x} = \Sigma x \, / \, N \quad 1)$$

Where, x- represents the value of an individual observation (the year for TDT, variable for TDT), Σ- the sum of all observations for all years and all variables of TDTs, and N- the number of surveys for direct tax revenue. PCA makes a strict but powerful assumption to reduce the number of variables in fewer groups Shlens (2005). In this research, a matrix is used to explore TDTs and their impact on government revenue, gaps, or welfare.

$$PX = Y \quad 2)$$

X is the matrix m * n, where m-represents the number of variables, while n-represents the number of years and variables, Y- represents the representation of variables for direct taxes, while P- represents the linear transformation of TDTs. Regarding the equations, the authors are also based on the citations made in their earlier research regarding these econometric methods. Which were also cited within this research.

$$P = \begin{bmatrix} P_1 \\ ... \\ P_m \end{bmatrix} [x_1 ..... x_n] \quad 3)$$

$$y = \begin{bmatrix} P_1 * & x_1 & P_1 * x_n \\ ... & ... & ... \\ P_m * & x_1 & P_m * x_n \end{bmatrix} \rightarrow y_i = \begin{bmatrix} P_1 * x_i \\ ... \\ P_m * x_i \end{bmatrix} \quad 4)$$

Therefore, P rows are indeed a new set of base vectors for the representation of X columns in direct taxes (TDT) for all variables (CIT, PIT, PT, and ODT). For the following equations of the model of factor analysis and multiple regression, this research on direct tax revenues as part of the public budget is based on the dissertation of the author Enkeleda Lulaj.

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

12

$$E = \begin{pmatrix} \dfrac{F}{U} \end{pmatrix} \begin{pmatrix} F' & U' \end{pmatrix} = \begin{pmatrix} E\left(F\,F'\right) & \left(F\,U'\right) \\ ---- & ---- \\ E\left(U\,F'\right) & \left(U\,U'\right) \end{pmatrix} = \begin{pmatrix} \Phi m*m & 0_{m*k} \\ 0_{k*m} & \psi_{k*k} \end{pmatrix}\ 5)$$

In factor rotation, the orthogonal method (Kaiser-Varimax) which applies the definition of variation by factor load (i) to the TDT model is in this mathematical form:

$$Var(F_k) = \frac{1}{p}\left(\sum_{j=1}^{p} (\ a_{jk}{}^2)^2 - \frac{1}{p}(\sum_{j=1}^{p}(a_{jk}{}^2)^2 \right)\ 6)$$

Where, Var (Fk) - indicates a change factor (k) for direct tax revenue (TDT), ajk- the value of the completed variable (j) of factor (k), p– indicates the number of variables included in the factor (CIT, PIT, PT, and ODT).

$$\alpha = \frac{p}{1-p}\left(1 - \sum_{i=1}^{p} \sigma x_i{}^2\ /\ \sigma_\mu{}^2 \right)\ 7)$$

Where, p- the number of variables (items), σx_{i2} is the variance of the values of i, and $\sigma x_{\mu2}$ is the total variance of the results for TDT, $\mu = x_1 + x_2 + ... + x_p$, according to Lee & Goldine, (1959). To continue with the validation of the hypotheses in TDT, multiple regression equations were used across all factors to look at their impact on government revenue, gaps, and well-being as elaborated in the scope of this research.

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2, ... + \beta_k x_k, + \mu\ \ 8)$$

Where, Y-dependent variable (TDT), X_1, X_2,....X_k- independent variables, β_0, β_1, β_2,..., β_k – linear parameters (estimated), μ- random error, k-number of terms in the model: $x_3 = x_1{}^2$, $x_4 = x_2{}^3$, $x_5 = x_1 x_2$ (replaced on k), according to Bremer (2012). Then according to Tampis, & Urrutia (2017), the system of equations n is represented by the matrix symbol, as in the following equation for direct tax revenues (TDTs).

$$Y = X\beta + \mu$$

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

13

$$Y = \begin{bmatrix} y_1 \\ y_2 \\ y_3 \\ . \\ . \\ . \\ y_n \end{bmatrix} X = \begin{bmatrix} 1 & x_{11} & x_{12} \dots x_{1n} \\ 1 & x_{21} & x_{22} \dots x_{2n} \\ 1 & x_{31} & x_{32} \dots x_{3n} \\ . & . & \dots . \\ . & . & \dots . \\ 1 & x_{n1} & x_{n2} \dots . x_{nn} \end{bmatrix} \beta = \begin{bmatrix} \beta_1 \\ \beta_2 \\ \beta_3 \\ . \\ . \\ \beta_n \end{bmatrix} X = \begin{bmatrix} \mu_1 \\ \mu_2 \\ \mu_3 \\ . \\ . \\ \mu_n \end{bmatrix} 9)$$

X- model design matrix for TDT, which shows information about the levels of predicted variables in which observations or results derived from direct tax revenue factors are obtained.

Research Hypotheses

The purpose of the hypotheses is to find out what impact each independent variable (CIT, PIT, PT, and ODT) has on the total direct tax revenue (TDT), as well as whether their increase has affected the increase in total revenue.

The hypotheses of this research are presented below:

H1: Corporate Income Tax (CIT) has a strong impact on revenue growth in total direct taxes

$$\hat{y} = \alpha_0 + \beta_1(CIT) + \mu$$

With the increase of CIT, to what extent has the total revenues from TDT?

H2: Personal income tax (PIT) has a strong impact on revenue growth in total direct taxes

$$\hat{y} = \alpha_0 + \beta_2(PIT) + \mu$$

With the increase of PIT, to what extent has the total revenues from TDT?

H3: Property tax (PT) has a strong impact on revenue growth in total direct taxes

With the increase of PT, to what extent has the total revenues from TDT?

$$\hat{y} = \alpha_0 + \beta_3(PIT) + \mu$$

H4: Other income tax (ODT) has a strong impact on revenue growth in total direct taxes

With the increase of ODT, to what extent has the total revenues from TDT?

$$\hat{y} = \alpha_0 + \beta_4(ODT) + \mu$$

Intern. Journal of Profess. Bus. Review. | Miami, v. 7 | n. 6 | p. 01-31 | e0623 | 2022.

14

H5: (CIT+PIT+PT+ODT) have a significant impact on TDT for increasing well-being, income, or gaps

$$\hat{y} = \alpha_0 + + \beta_1(CIT) + \beta_2(PIT) + \beta_3(PIT) + \beta_4(ODT) + \mu \neq 0$$

RESULT AND DISCUSSION

As discussed the methodology in this research included descriptive analysis, PCA analysis, reliability analysis, and multiple regression analysis as well as tests that fit the TDTs for the period 2014-2021. Results obtained for the factors analyzed for all variables TDT, CIT, PIT, PT, and ODT:

Results according to Principal Component Analysis (PCA), Reliability Analysis (Cronbach's Alpha), and Friedman test for data analysis on income, well-being, and gaps in tax revenue exploration (Direct Tax variables) before and during Covid-19 for comparability interval

Multiple linear regression results for the analysis of data related to income, welfare, and gaps in the statement of tax revenues (direct tax variables) before and during Covid-19 through the comparability interval

Elaboration of Hypotheses and Obtained Results

Results according to Principal Component Analysis (PCA), Reliability Analysis (Cronbach's Alpha), and Friedman test for data analysis on income, well-being, and gaps in tax revenue exploration (Direct Tax variables) before and during Covid-19 for comparability interval

Based on the variables of direct taxes that affect the country's income, according to (Atkinson (1977) the relationship between conventional wisdom and the optimal theory of taxes was analyzed, allowing considerations of efficiency and equality, where it is emphasized that the two main points of view are either fraudulent or need qualification. According to the PCA Matrix Loading factors for increasing the country's income and well-being before and during the pandemic (2014-2021), it is emphasized that the income tax variable (CIT=.975) has shown a greater weight in direct taxes, after CIT importance and the variables (PIT=.959 and ODT=.928) have also shown a large weight in income and well-being, while gaps according to the exploration of the comparability interval during the 8 years have been shown by the property tax variable (PT=.486). According to the Friedman test, there is a difference between the variables (CIT, PIT, PT, ODT) where again (CIT=4) had a great weight and impact on the

income and well-being of the country. According to PCA Eigenvalues statistics, it is emphasized that the variable (CIT>1) had the greatest importance, while according to PCA Variance Explained, the importance of all variables in the model is 74.16%. According to the KMO and Barlett tests in the PCA analysis (.818 or 82%, Sig.=003) as well as according to the Cronbach's Alpha and Hotelling's T-Squared tests (.897 or 90%, Sig.=.003) in the reliability analysis it is emphasized that all variables are suitable and have high reliability for their weight and importance in the model of income, well-being, and gaps through the exploration of the comparability interval as well as in the verification of the hypotheses through the analysis of multiple linear regression. Its results are depicted in table 1.

Table 1. Principal Component Analysis (PCA), Reliability analysis (Cronbach's Alpha), and the Friedman test

Variables	PCA-Matrix Loading factors	Friedman Test	PCA Eigenvalues	PCA Variance Explained	PCA KMO and Bartlett's Test		Cronbach's Alpha	Hotelling's T-Squared Test	
CIT	**,975**	**4,00**			Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	**.818**		HTT	222,152
			2,967>1	**50<74,164% ≈ 74%**			**50<,897 ≈ 90%**	F	31,736
PIT	,959	3,00			Bartlett's Test of Sphericity	Approx. Chi-Square	20,056	df1	4
PT	,486	1,00				df	6	df2	4
ODT	,928	2,00				Sig.	**,003**	Sig	**.003**

Source: Prepared by the authors (2022)

Multiple linear regression results for the analysis of data related to income, welfare, and gaps in the statement of tax revenues (direct tax variables) before and during Covid-19 through the comparability interval

To elaborate on the importance of the variable (TDT) related to well-being according to Watrin & Ullmann (2008) it is emphasized that social well-being can be increased by imposing taxes where the tax burden is minimal. Goolsbee (2004) it is emphasized that the CIT variable plays an important role in choosing the organizational form of the business since they can take advantage of the progressivity of the corporate income tax system while regarding the (PIT) variable according to Szarowská (2014) it is emphasized that the importance of taxes (PIT) is not only in their financial contribution to public budgets (on average, personal income taxes are the second most important source of tax revenue following Eurostat's tax classification) but also in their impact on other government policies and objectives (e.g. economic growth, redistribution, the country's competitiveness, the functioning of labor markets or fiscal federalism) at the same time. Contribution regarding the variable (PT), based on the research of Marshall (1897), Pierson (1902), Edgeworth (1925), Simon (1943), Musgrave et al. (195 l),

Gillespie (1965), Netzer (1966, 1968) was given by (Mieszkowski, 1972) where it is emphasized that (PT) is an excise tax on housing services. Regarding the variable (ODT), contributions have been made according to Boadwaya, et. al., (1994), which were based on their research, that if different taxes (OTD) have different evasion characteristics, then it is assumed that only (PIT) can be avoided, as well as based on a two-class economy where the case of complementing the optimal (non-linear) taxation of income with the taxation of goods was analyzed. The arithmetic means and standard deviation for all variables (TDT, CIT, PIT, PT, ODT) for the 8 years (2014-2021). Its results are depicted in table 2.

Table 2. PCA- Descriptive Statistics-Multiple Linear Regression (CIT, PIT, PT, ODT, and TDT)

PCA
Descriptive Statistics-Multiple Linear Regression

	Mean	Std. Deviation	N
Total Direct Taxes-TDT	253,13275	50,489179	8
Corporate Income Tax- CIT	82,43600	17,672395	8
Personal Income Tax-PIT	143,25838	28,346140	8
Property Tax-PT	24,77250	5,241293	8
Other Direct Taxes-ODT	2,66588	1,191911	8

Source: Prepared by the authors (2022)

The independent variable (CIT) affects total direct tax revenues (TDT) for 98% (R=.980, Sig=.000, F=148,854), while 2% depends on other variables outside of this model through random error. An adjusted R Sq. value of .955 shows that 96% of the (CIT) variable is related to the model. The independent variable (PIT) affects (TDT) for 99% (R=.987, Sig.=000, F=220,841) while 1% depends on other variables outside of this model through random error. An adjusted R Sq. value of .969 shows that 97% PIT variable is related to the model. The independent variable (PT) affects the total income to (TDT) for 90% (R=.902, Sig.=.000, F=26,240), while 10% depends on other variables outside this model through random error. Adjusted R Sq. value of .783 shows that 78% (PT) variable is related to the model. The independent variable (OTD) affects the total income to (TDT) for 39% (R=.390, Sig.=000, F=1.079) while 61% depends on other variables outside of this model through random error. An adjusted R Sq. value of .011 indicates that 11% of the OTD variable is related to the model. According to the test (D-W) for all independent variables (CIT=1.675, PIT=2.181, PT=1.052, OTD=.390), the model is significant and the autocorrelation is negative, which means that the standard error of the coefficient b or (TDTs) is very small. According to the table, it is emphasized that the independent variables (CIT, PIT, PT) are quite important and have influenced the growth of income and well-being, while the variable (OTD) has influenced but

at a very low value, which means that there are still some gaps that need to be improved either before or during the Covid19 pandemic. Its results are presented in table 3.

Table 3. Model Summary PCA- Multiple Linear Regression (CIT, PIT, PT, ODT, and TDT)
Model Summary
PCA- Multiple Linear Regression

Dep. Var -TDT[a]	Ind. Var-CIT	Ind. Var-PIT	Ind. Var-PT	Ind. Var-OTD
R	**,980**[a]	**,987**[a]	**902**[a]	**,390**[a]
R Square	,961	,974	,814	,152
Adjusted R Square	,955	,969	,783	,011
Std. Error of the Estimate	10,734611	8,869244	23,526019	50,207018
R Square Change	.961	,974	,814	,152
F Change	148,854	220,841	26,240	1,079
df1	1	1	1	1
df2	6	6	6	6
Sig. F Change	**,000**	**,000**	**,002**	**,339**
Durbin-Watson	1,675	2,181	1,052	,390

Source: Prepared by the authors (2022)

The econometric model for TDT in the variables (CIT, PIT, and PT) is significant at every level as a whole (sig.=000), while as highlighted in the previous table there are still gaps in (OTD) for income growth through (TDTs, Sig.=.339). Its results are presented in table 4.

Table 4. ANOVA- TDT (CIT, PIT, PT, and ODT)
ANOVA- TDT

Model		Sum of Squares	df	Mean Square	F	Sig.
CIT	Regression	17152,709	1	17152,709	148,854	,000[b]
	Residual	691,391	6	115,232		
	Total	17844,101	7			
PIT	Regression	17372,120	1	17372,120	220,841	,000[b]
	Residual	471,981	6	78,663		
	Total	17844,101	7			
PT	Regression	14523,259	1	14523,259	26,240	,002[b]
	Residual	3320,842	6	553,474		
	Total	17844,101	7			
ODT	Regression	2719,633	1	2719,633	1,079	,339[b]
	Residual	15124,468	6	2520,745		
	Total	17844,101	7			

Source: Prepared by the authors (2022)

The values of the parameters of the predicted results of the model and the values of t by analyzing each variable (TDT) at the 5% significance level. According to VAR1, the constant value of .222 shows that if (TDT) based on (CIT) is zero then the common indicators have an accuracy of 22%, while if the common indicators are realized following the independent variable CIT (Corporate Income Tax) accuracy will be 98%. According to VAR2, the constant value of .136 shows that if (TDT) based on (PIT) is zero then the common indicators have an

accuracy of 14%, while if the common indicators are realized by the independent variable PIT (Personal Income Tax) accuracy will be 99%. According to VAR3, the constant value of .378 shows that if (TDT) based on (PT) is zero then the common indicators have an accuracy of 38%, while if the common indicators are realized by the independent variable PT (Property Tax) accuracy will be 99%. According to VAR4, the constant value of .209 shows that if (TDT) based on (ODT) is zero then the common indicators have an accuracy of 21%, while if the common indicators are realized by the independent variable OTD (Other Direct Taxes) accuracy will be 39%. Coefficient B shows that all independent variables (CIT, PIT, PT, ODT) are important in increasing the well-being and income of the country, but the variable with the greatest impact is (PIT), while the variable in which there are still gaps (OTD). Its results are presented in table 5.

Table 5. Coefficients- TDT (CIT, PIT, PT, and ODT)

Coefficients- Dep Var TDT							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	**.222**	1,151		1,151	,293		
	CIT	.980	12,201	**,980**	12,201	**,000**	1,000	1,000
2	(Constant)	**.136**	17,230		,079	,940		
	PIT	.987	,118	**,987**	14,861	**,000**	1,000	1,000
3	(Constant)	**.378**	42,842		,883	,411		
	PT	.902	1,697	**,902**	5,123	**,002**	1,000	1,000
4	(Constant)	**.209**	46,006		4,544	,004		
	ODT	.390	15,921	**,390**	1,039	**,339**	1,000	1,000

Source: Prepared by the authors (2022)

Columnarity statistics including tolerance values and VIF (.1000=.1000) are significant in the model because there is no problem with multiple correlations between independent variables for TDTs.

$$\hat{y} = \alpha_0 + \beta_1(CIT) + \mu = 0.222 + 0.980x_1 + 0.02\mu$$

Credibility interval 95% (Sig.2-tailed), p=0.000<0.05, t= 3.142, 2.651 > 1.743 the value of p is less than the 5% significance level, H_0 is rejected, and $(\boldsymbol{\beta_1}) \neq \boldsymbol{0}$ is accepted.

$$\hat{y} = \alpha_0 + \beta_2(PIT) + \mu = 0.136 + 0.987x_2 + 0.01\mu$$

Credibility interval 95% (Sig.2-tailed), p=0.000<0.05, t= 2.351, 2.325> 1.191 the value of p is less than the 5% significance level, H_0 is rejected, and $(\beta_2) \neq 0$ is accepted.

$$\hat{y} = \alpha_0 + \beta_3 (PIT) + \mu = 0.378 + 0.902x_3 + 0.1\mu$$

Credibility interval 95% (Sig.2-tailed), p=0.000<0.05, t= 2.216, 2.121 > 1.001 the value of p is less than the 5% significance level, H_0 is rejected, and $(\beta_3) \neq 0$ is accepted.

$$\hat{y} = \alpha_0 + \beta_4 (ODT) + \mu = 0.209 + 0.390x_4 + 0.61\mu$$

Credibility interval 95% (Sig.2-tailed), p=0.000<0.05, t= 1.121, 1.100 >.894 the value of p is less than the 5% significance level, H_0 is rejected and $(\beta_4) \neq 0$ is accepted, but there are still gaps in this variable and it has not had much impact on the country's income and well-being through (TDTs).

$$\hat{y} = \alpha_0 + \beta_1 (CIT) + \beta_2 (PIT) + \beta_3 (PIT) + \beta_4 (ODT) + \mu$$
$$= 0.001 + .980x_1 + 0.987x_2 + 0.902x_3 + 0.390x_4 + 0.001$$

According to figures (4, 5, 6, 7, and 8) the importance of direct taxes (TDT) in the income and well-being of the country is emphasized, which is also verified through the graphs for all variables (CIT, PIT, PT, and OTD) of 98 % of the country's income is supported through TDTs. Its results are presented in figures (4, 5, 6, 7, and 8).

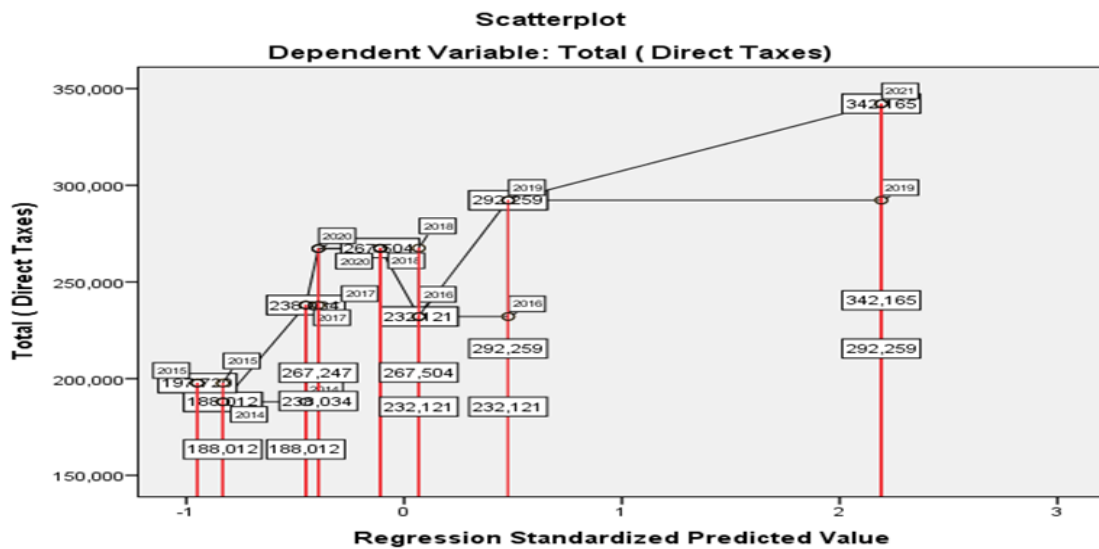Figure 4. Predictors: (Constant), Other Direct Taxes
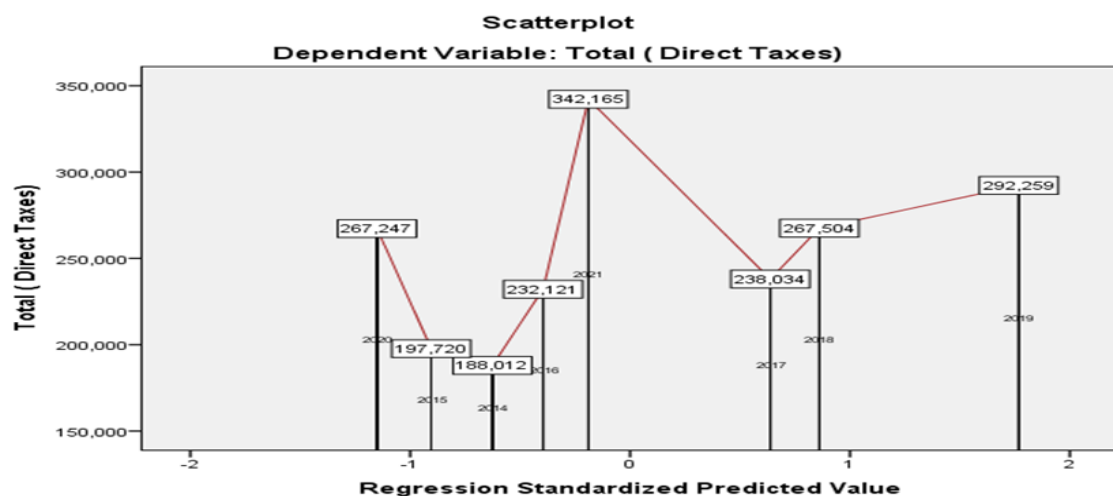
Source: Prepared by the authors (2022)

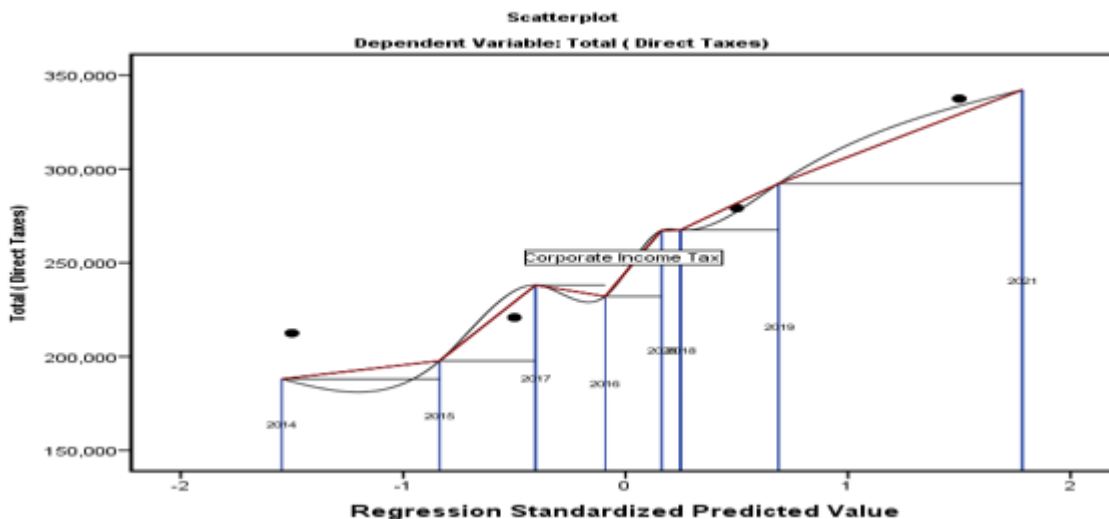Figure 5. Predictors: (Constant), Property Tax
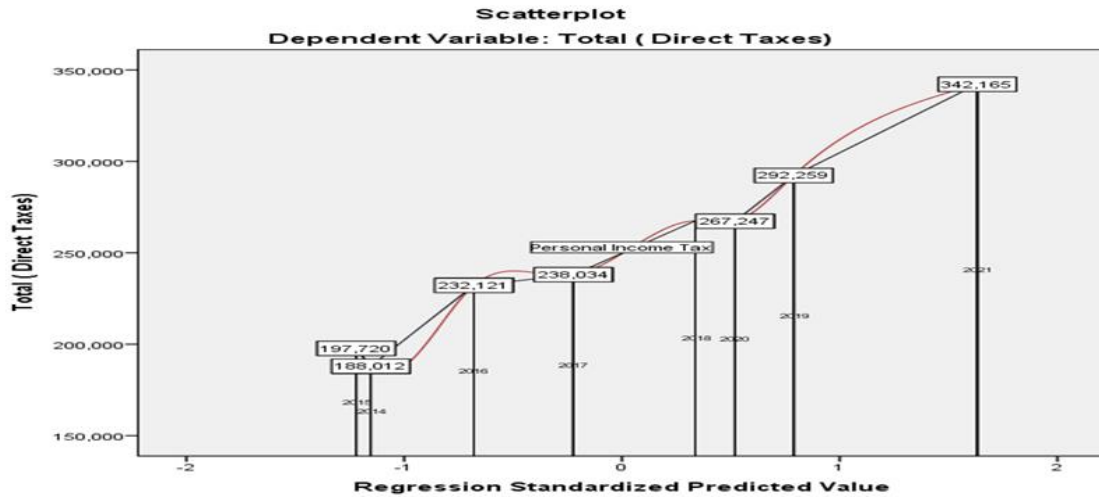
Source: Prepared by the authors (2022)

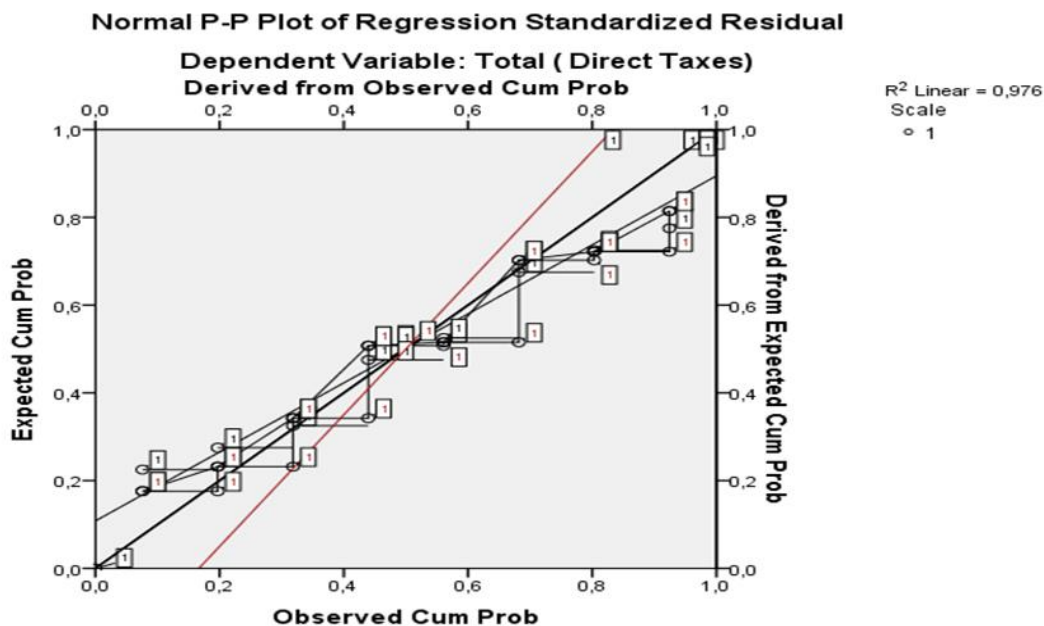Figure 6. Predictors: (Constant), Personal Income Tax

Source: Prepared by the authors (2022)

Figure 7. Predictors: (Constant), Corporate Income Tax

Source: Prepared by the authors (2022)

Figure 8. Total Direct Taxes (TDT)

Source: Prepared by the authors (2022)

Elaboration of hypotheses and obtained results

Elaboration of variables (CIT, PIT, PT, and ODT) for the exploration of income, gaps, and well-being of the country. The verification of the hypotheses, the influence, and importance of the independent variables in the total tax revenues (TDT) in this presentation (H1:VAR1(CIT)=98%, H2:VAR2(PIT)=99%, H3:VAR3(PT) =90%, H4:VAR4(ODT)=39%). H5: All independent variables have a significant impact on the country's income, well-being, or gaps. Therefore, the country must be careful in collecting these revenues, and especially

(OTD) must have a greater improvement and increase in revenues from this independent variable of TDTs. Its results are presented in table 6.

Table 6. Elaboration of hypotheses, TDT (CIT, PIT, PT, ODT, and TDT)

Variables	Abby.	Equation	Explanation	Accepted/Rejected
Corporate Income Tax	CIT	$\hat{y} = \alpha_0 + \beta_1(CIT) + \mu = 0.222 + 0.980x_1 + 0.02\mu$	Q: With the increase of CIT, to what extent has the total revenues from TDT? It has an impact=98%	Rejected H_0 and accepted $(\boldsymbol{\beta_1}) \neq \boldsymbol{0}$
Personal Income Tax	PIT	$\hat{y} = \alpha_0 + \beta_2(PIT) + \mu = 0.136 + 0.987x_2 + 0.01\mu$	Q: With the increase of PIT, to what extent has the total revenues from TDT? It has an impact = 99%	Rejected H_0 and accepted $(\boldsymbol{\beta_2}) \neq \boldsymbol{0}$
Property Tax	PT	$\hat{y} = \alpha_0 + \beta_3(PIT) + \mu = 0.378 + 0.902x_3 + 0.1\mu$	Q: With the increase of PT, to what extent has the total revenues from TDT? It has an impact=90%	Rejected H_0 and accepted $(\boldsymbol{\beta_3}) \neq \boldsymbol{0}$
Other Direct Taxes	ODT	$\hat{y} = \alpha_0 + \beta_4(ODT) + \mu = 0.209 + 0.390x_4 + 0.61\mu$	Q: With the increase of ODT, to what extent has the total revenues from TDT? It has an impact=39%	Rejected H_0 and accepted $(\boldsymbol{\beta_4}) \neq \boldsymbol{0}$
Total Direct Taxes	TDT	$\hat{y} = \alpha_0 + \beta_1(CIT) + \beta_2(PIT) + \beta_3(PIT) + \beta_4(ODT) + \mu = 0.001 + .980x_1 + 0.987x_2 + 0.902x_3 + 0.390x_4 + 0.001$	(CIT+PIT+PT+ODT) have a significant impact on TDT for increasing well-being, income, or gaps $\beta_1 = 98\%$ $\beta_2 = 99\%$ $\beta_3 = 90\%$ $\beta_4 = 39\%$)	Rejected H_0 and accepted $(\boldsymbol{\beta_1, \beta_2, \beta_3, \beta_4}) \neq \boldsymbol{0}$

CONCLUSIONS AND RECOMMENDATIONS

The budget represents the skeleton of the economy of any country, therefore the collection and increase of revenues strengthens the welfare of the country and reduces the gaps, but the Covid-19 pandemic caused great damage and is difficult to repair, which paralyzed every field including the economy, affecting the reduction of well-being and the increase of gaps. Therefore, the main goal was to explore the overview of direct tax incomes (TDT) for the period (2014-2021) based on the variables: Corporate Income Tax (CIT), Personal Income Tax (TAP), Tax on the property (PT), Other Direct Taxes (ODT), according to the research question raised: which of the variables had more influence on the increase in income, welfare or gaps before and during the Covid-19 pandemic. According to the loading factors of the PCA matrix, it is observed that the variable of corporate income tax (CIT=.975) has shown greater weight in the collection of direct taxes for increasing the welfare of the country, followed by the variables (PIT= .959 and ODT=.928), but the property tax variable showed gaps during the 8 years

(PT=.486). According to the Model Summary PCA- Multiple Linear Regression (CIT, PIT, PT, ODT, and TDT) it is emphasized that the independent variables [(CIT=98%, R=.980, Sig.=.000, F=148,854), (PIT=99 %, R=.987, Sig.=000, F=220,841), (PT=90%, R=.902, Sig.=.000, F=26,240)] are quite important and have influenced the increase of income and well-being of the country, while (OTD=39%, R=.390, Sig.=000, F=1.079) has not affected the well-being of the country during this period as there are still some gaps that need to be improved either before or during the Covid-19 pandemic. According to the TDT-Coefficients for (CIT, PIT, PT, ODT, and TDT), it is emphasized that all independent variables [(CIT: Cons=.222, Acu=98%), (PIT: Cons=.136, Acu=99 %), (PT: Cons=.378, Acu=90%), (ODT: Cons=.209, Acu=39%)] are important in increasing the welfare and income of the country, but the variable with the greatest impact is (PIT), while the variable in which there are still gaps in (OTD). With increased income in (CIT), total income from (TDT) increased by 98% (β_1)≠0, with increased income in (PIT) total income from (TDT) increased by 99% (β_2)≠0, with the increase in income in (PT) the total income from (TDT) increased by 90% (β_3)≠0, with the increase in income in (OTD) the total income in (TDT) increased by 39% (β_4)≠0. Therefore, this research brought a) a new approach to exploring the income statement through total direct taxes before and during the Covid-19 pandemic, b) it analyzed in which variables there was an increase in income, welfare, and gaps, c) provides an overview of how to promote and continuously increase through TDTs in income and reduce the country's gaps. It is recommended that the state should be careful in collecting revenues from (TDT) and especially (OTDs). The limitations and implications of this research are that the study period is (8) years, the number of variables is limited to only (4) with their sub-variables (48), and it is only an analysis of one country. Therefore, for further analysis, a larger number of countries, periods, and variables can be taken into the research.

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