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The Impact of Tax Practices on Financial Performance in Algerian Economic Institutions (A Study of A Sample of Economic Institutions In Bechar)

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Abstract

This study investigates the impact of tax practices on the financial performance of economic enterprises in the Wilaya of Bechar, Algeria. A descriptive-analytical approach was adopted, and data were collected through a questionnaire administered to employees of 15 economic enterprises. A total of 174 valid responses were analyzed using SPSS version 26. The findings reveal that tax practices have a statistically significant positive effect on financial performance. Furthermore, tax planning, tax awareness, and tax incentives each exert a significant positive influence on financial performance. The study concludes that effective tax practices enhance enterprise performance by improving tax management, supporting investment decisions, and strengthening compliance with tax regulations.

Keywords: Tax practices; Tax planning; Tax awareness; Tax incentives; Financial performance.

Jel Classification: H22; H32;G51

1. Introduction

Tax practices have gained increasing attention worldwide due to their significant role in enhancing the performance of economic enterprises, as well as their contribution to promoting economic growth and improving the investment environment. Economic enterprises represent a fundamental pillar of national economies, as they contribute to wealth creation, employment generation, and economic development.

To ensure sustainability and maintain a competitive position, economic enterprises must effectively manage their available resources and continuously assess their financial performance in order to determine their financial position and operational efficiency. Financial performance represents one of the most important indicators of an enterprise's success and its ability to achieve its strategic objectives, whether in the commercial or industrial sector.

Achieving effective financial performance requires the adoption of sound tax practices and efficient tax management strategies. These practices enable enterprises to benefit from available tax incentives, optimize tax-planning decisions, and take advantage of legislative provisions in accordance with applicable tax laws and regulations. Such practices contribute to rationalizing tax obligations, supporting investment decisions, and improving the overall financial position of enterprises. However, the effective implementation of tax practices requires a comprehensive awareness of tax legislation and regulatory frameworks to ensure compliance and maximize the

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benefits provided by the tax system.

1.1. Study Problem:

Based on the above, this study seeks to address the following research question:

What is the impact of tax practices on the financial performance of Algerian economic enterprises?

1.2. Study Hypothesis

- **Main Hypothesis**

Tax practices significantly impact the financial performance of economic enterprises in the Wilaya of Bechar.

- **Sub-Hypotheses**

H $_{1-1}$: Tax planning significantly impacts the financial performance of the economic enterprises under study.

H $_{1-2}$: Tax awareness significantly impacts the financial performance of the economic enterprises under study.

H $_{1-3}$: Tax incentives significantly impact the financial performance of the economic enterprises under study.

1.3. Study Objectives:

- To identify the mechanisms that enterprises rely upon by assessing and understanding their financial performance.
- To analyze the impact of incentives on the enterprises under study, and to determine which types of enterprises succeeded and improved their financial performance during periods of tax incentives.
- To demonstrate the importance of tax practices within the context of the economic enterprises under study.

1.4. Significance of the Study

This study is significant because it examines the impact of tax practices, including tax planning, tax awareness, and tax incentives, on the financial performance of Algerian economic enterprises. It contributes to the literature by providing empirical evidence from the Algerian context and offers practical insights for enterprise managers and policymakers to improve financial performance, enhance tax compliance, and support effective tax policy formulation.

1.5. Methodology of the study:

This study employed the descriptive–analytical research approach to investigate the impact of tax practices on the financial performance of the selected economic institutions. To provide a comprehensive theoretical foundation, an extensive review of the relevant theoretical and empirical literature was conducted. Secondary data were collected from a wide range of academic sources, including books, electronic databases, scientific journals, university publications, and research center reports. In addition, the empirical component of the study relied on primary data collected through a structured questionnaire administered to the study sample. The collected data were subsequently processed and analyzed using the Statistical Package for the Social Sciences (SPSS), enabling a rigorous examination of the research hypotheses and the relationships among the study variables.

2. Theoretical Background:

2.1 Literature Review

- Maharana & Panda (2024)
- **Study Title:**"Exploring the Relationship Between Tax Planning and Firm Performance: A Meta-Analysis Approach."
- **Objective:** The study aimed to analyze the findings of a body of previous literature regarding the relationship between tax planning and firm performance.
- **Methodology and Tools:** The study utilized a meta-analysis approach, reviewing 13 empirical studies that covered a total of 3,254 firms.
- **Key Findings:** The study concluded that while tax planning has an impact on corporate financial performance, the magnitude of this effect may be limited, suggesting the critical importance of other supporting factors in enhancing performance.
- **Soemarsono et al. (2024)**
- **Study Title:** "Tax Avoidance and Firm Performance: Empirical Evidence of Benefits

and Risks of Company Tax Planning."

- **Objective:** The study investigated the impact of tax planning strategies on firm performance, with a specific focus on the associated benefits and risks.

- **Methodology and Tools:** The study relied on data from companies listed on the Indonesia Stock Exchange (IDX) during the period 2015–2022.
- **Key Findings:** The study revealed that while tax practices can influence firm performance, the excessive use of certain strategies may be associated with risks that negatively affect the **enterprise.**
- **Bouras and Baali (2022)**
- **Study Title:**"The Impact of Tax Planning Strategies on the Financial Performance of Companies Listed on the Stock Exchanges of Algeria, Morocco, and Tunisia: A Panel Data Study of a Sample of Companies for the Period 2015-2020."
- **Objective:** The study aimed to measure the impact of tax planning strategies on the financial performance of companies listed on the stock exchanges of Algeria, Morocco, and Tunisia.
- **Methodology and Tools:** The study relied on financial data from a sample of companies during the period (2015-2020), utilizing Panel Data models to analyze the variables.
- **Key Findings:** The study concluded that there is a statistically significant impact of tax planning strategies on companies' financial performance. Specifically, the findings revealed that certain tax planning strategies related to tax burden reduction and tax deferral significantly influence the financial performance of enterprises.
- **Hadj Mohamed Amine & Mourad (2022)**
- **Study Title:**

"The Role of Tax Incentives in Improving the Financial Performance of Economic Enterprises: Creative Invest Company as a Model – An Analytical Study for the Period (2012–2021)."

- **Objective:** The study aimed to examine the role of tax incentives in improving the financial performance of economic enterprises and their contribution to the continuity and expansion of business activities.
- **Methodology and Tools:** The study utilized an analytical case study approach focusing on "Creative Invest Company" in Algeria, analyzing financial data spanning the period (2012–2021).
- **Key Findings:** The study concluded that tax incentives serve as a contributing factor in improving the financial performance of economic enterprises, directly influencing their financial balance and strategic financial decision-making.
- **Thanjunpong & Dechsiri (2018)**
- **Study Title:** "The Causal Effect of Tax Planning on Firms' Performance of Listed Companies in Thailand."
- **Objective:** The study investigated the impact of tax planning on the performance of companies listed on the Stock Exchange of Thailand.
- **Methodology and Tools:** The study relied on a sample of 873 firm-year observations during the period 2014–2016, employing correlation and multiple regression analyses to examine the relationship.
- **Key Findings:** The study indicated that tax planning has an impact on firm performance; however, the nature of this impact varies depending on the specific performance metric used.

Tax Planning is an exercise undertaken to minimize tax liability through the best use of all available exemptions, deductions, rebates and reliefs to reduceincome. Tax planning can be defined as an arrangement of one's financial andbusiness affairs by taking legitimately in full benefit of all deductions, exemptions,allowances, reliefs and rebates so that tax liability reduces to minimum. In otherwords, all arrangements by which the tax is saved by ways and means whichcomply with the legal obligations and requirements and are not colourable devicesor tactics to meet the letters of law but not the spirit behind these, wouldconstitute tax planning.

2.2 Operational Définitions of the Variables

2.2 .1 Définition of Tax Planning :

According to **Shameem (2015)**, tax planning is fundamentally defined as the legitimate arrangement of an entity's financial and business affairs to minimize tax liabilities. This is achieved by strategically leveraging all available deductions, exemptions, allowances, and reliefs. While Shameem focuses on this operational and legal structuring of transactions, **Feller and Schanz (2017)** expand the definition into a behavioral context. They conceptualize tax planning as a complex decision-making process that is heavily influenced by three critical dimensions: the specific business context, the prevailing tax planning environment, and the personal traits of the tax planner.

2.2.2**Définition of Taxi incentives:**

According to Klemm (2010), tax incentives are defined as "Tax incentives are defined as special tax treatments that deviate from a country's general tax structure to give preference to a selected group of taxpayers, activities, or industries. From a fiscal policy perspective, they function as a strategic choice to forgo immediate tax revenue (tax expenditures) in order to remedy market inefficiencies, promote competitiveness, and attract highly mobile foreign direct investment (FDI)".

2.2.3 Definition of Tax Awareness

According to **Eriksen and Fallan (1996)**, tax awareness is defined as the level of knowledge, comprehension, and perception that taxpayers possess regarding tax laws, fiscal regulations, and their civic duties. They conceptualize it as a fundamental cognitive element that directly shapes taxpayers' attitudes and behavioral intentions toward taxation. In an economic context, a high level of tax awareness ensures that individuals and corporate entities can fully comprehend their rights, correctly compute their obligations, and effectively utilize fiscal benefits such as tax incentives.

2.2.4 Financial performance:

According to **Al-Slehat (2020)**, financial performance is defined through an accounting-based lens as the objective evaluation of an organization's capability to utilize its economic resources and assets from its primary mode of business to generate revenues and profits over a specified period. While Al-Slehat focuses on this traditional, retrospective evaluation of accounting figures, **Fatihudin and Mochklas (2018)** expand the definition into a strategic and forward-looking context. They conceptualize financial performance as a dynamic and comprehensive measure of a firm’s financial health, which is determined not only by historical profitability but also by critical internal and market-driven dimensions, including capital adequacy, liquidity, solvency, leverage, and the ability to sustain a competitive position within a turbulent market environment.

3. Methodology of the Study

This study relies on the descriptive-analytical approach to investigate the extent of the impact of tax practices on the financial performance of the economic enterprises under study. To achieve this, a comprehensive review of the relevant theoretical and empirical literature was conducted.

Data and information were gathered from various libraries, electronic websites, academic journals, universities, and research centers. For the empirical study, primary data were collected through the design and administration of a questionnaire, which was subsequently analyzed using the

Statistical Package for the Social Sciences (SPSS).

3.1 Study Population and Sample:

The study population consists of a group of economic enterprises operating in the Wilaya of Bechar. These enterprises vary in their activities, with the aim of investigating the impact of tax planning, tax awareness, and fiscal incentives on their financial performance. This diversity makes them suitable for investigation, which represents the core objective of this study. To generalize the findings, the study sample was selected using a scientific method that ensures, to a certain extent, a proper representation of the statistical population. Accordingly, approximately 15 diverse economic enterprises were selected, differing in their operations across several sectors, including the industrial, service, and building and public works (civil engineering) sectors.

3.2 Data Collection Tool

The data required for this study were collected by distributing a questionnaire to the employees of the selected economic enterprises, according to their respective administrative levels. The questionnaire was designed based on the main axes detailed in the following table (01) :

Title	Axis
Tax Planning	**First Axis**
Fiscal Incentives	**Second Axis**
Tax Awareness	**Third Axis**

Title	Axis
Financial Performance	**Fourth Axis**

Source: Prepared by the researchers.

3.3 Statistical Tools Used in the Study

To analyze the study data, the Statistical Package for the Social Sciences (SPSS) software, version26, was utilized. The analysis employed descriptive statistical methods (including frequencies, means, and standard deviations) as well as inferential statistical methods (such as correlations and linear regression rates).

3.4 Validity and Reliability of the Study Tool

To measure the reliability of the questionnaire, Cronbach's Alpha coefficient was utilized. The value of Cronbach's Alpha is generally considered acceptable if it exceeds 0.60. The results demonstrated a high reliability value, as illustrated in the following table:

Table (02): Results of Cronbach's Alpha Test for Questionnaire Reliability

Numberof Statements	Reliability	Cronbach's Alpha Coefficient	Questionnaire Axes
13	0.957	0.9170	**Tax Planning**
13	0.960	0.9220	**Tax Incentives**
10	0.929	0.8640	**Tax Awareness**
11	0.928	0.8630	**Financial Performance**
47	**0.963**	**0.9290**	**Total Questionnaire**

Source: Prepared by authors based on SPSS.26 outputs

To verify the consistency of the items and ensure that the questionnaire is capable of measuring the variables it was designed for, the researcher conducted a reliability test using the **Cronbach's Alpha** coefficient. The results, as illustrated in the table above, reveal that the overall questionnaire reliability coefficient reached **0.9290** (with a reliability stability score of **0.963**) across all **47** statements.

At the dimensional level, the **Tax Incentives** dimension recorded the highest internal consistency with a coefficient of **0.9220** (**13** statements), followed closely by the **Tax Planning** dimension at **0.9170** (**13** statements). Meanwhile, the **Tax Awareness** dimension achieved a coefficient of **0.8640** (**10** statements), and the **Financial Performance** dimension recorded **0.8630** (**11** statements).

All obtained coefficients are high and significantly exceed the statistically acceptable threshold of (0.60). This strongly confirms the high reliability and internal stability of the questionnaire, proving its validity and readiness for field distribution and data collection.

3.5 Normality Test:

The **Kolmogorov-Smirnov (K-S)** test will be utilized to determine whether the data follows a normal distribution or not. The hypotheses for this test are formulated as follows:

- **H_0:** The sample data drawn from the study population follows a normal distribution.
- **H_1:** The sample data drawn from the study population does not follow a normal distribution.

Decision Rule: If the probability value (**Sig.** / p-value) is greater than the significance level (α =0.05), the null hypothesis (H_0) is accepted, indicating that the data is normally distributed. Conversely, if the probability value (**Sig.**) is less than the significance level (0.05), the alternative hypothesis (H_1) is accepted, meaning the data does not follow a normal distribution.

The following table illustrates the results of the normality test for the study data:

Table (03): Results of normal distributions

Sig.	Test Value	Questionnaire Axes
*0.200	0.099	**Overall Questionnaire**

Source: Prepared by the researcher

4 .Results and Discussion

4.1 Descriptive Data Results: Descriptive Analysis of Sample Characteristics:

- **Distribution of the Study Sample by Gender**

Table (04): Distribution of Sample Respondents According to the Gender Variable

Percentage (%)	Frequency	Gender
70.1%	122	Male
29.9%	52	Female
100.0%	**174**	**Total**

Source: Prepared by authors based on SPSS.26 outputs

As indicated in the table showing the distribution of sample respondents by gender, males accounted for approximately 70.1% of the total respondents. This reveals that the majority of the sample consists of male individuals, representing a high percentage compared to females, who accounted for 29.9% of the total sample.

- **Distribution of the Study Sample According to the Age Variable**

Table (05): Distribution of Sample Respondents According to the Age Variable

Percentage (%)	Frequency	Age
9.2%	16	Lessthan 25 years
16.1%	28	From 26 to 34 years
28.7%	50	From 35 to 44 years
36.8%	64	From 45 to 54 years
9.2%	16	From 55 to 64 years
100.0%	**174**	**Total**

Source: Prepared by authors based on SPSS.26 outputs

As indicated in the table showing the distribution of sample respondents by age, 36.8% of the respondents fall within the 45 to 54 age group. This represents the highest percentage compared to the other age categories. Meanwhile, respondents aged between 35 and 44 years accounted for 28.7%, and those between 26 and 34 years reached 16.1%. The lowest percentage was recorded equally for both the 55 to 64 age group and the under-25 category, standing at 9.2%.

- **Distribution of the Study Sample According to the Educational Level Variable:**

The following table illustrates the frequencies and percentage distribution of the sample respondents by educational level:

Table (06): Distribution of Sample Respondents According to the Educational Level Variable

As indicated in the table showing the distribution of sample respondents by educational level, the majority of the study respondents hold a Bachelor's degree (Licence), accounting for 37.4%. This is followed by those holding a Master's degree at 32.2%, and respondents with a Technical degree at 28.7%.

Percentage (%)	Frequency	Educational Level
37.4%	65	Bachelor'sDegree (Licence)
32.2%	56	Master's Degree
1.1%	2	Magister's Degree
0.6%	1	PhD / Doctorate
28.7%	50	TechnicalDegree (Technician)
100.0%	**174**	**Total**

Source: Prepared by authors based on SPSS.26 outputs

Conversely, the lowest percentage was recorded for individuals holding a PhD, standing at just 0.6%.

- **Distribution of the Study Sample According to the Work Experience Variable:**

The following table illustrates the frequencies and percentage distribution of the sample respondents by work experience:

Table (07): Distribution of Sample Respondents According to the Work Experience Variable

Percentage (%)	Frequency	Work Experience
10.3%	18	1 – 5 years
21.8%	38	6 – 10 years
12.6%	22	11 – 15 years
55.2%	96	More than 15 years
100.0%	**174**	**Total**

Source: Prepared by authors based on SPSS.26 outputs

As indicated in the table showing the distribution of sample respondents by work experience, the majority of the study respondents have more than 15 years of experience, accounting for 55.2%. Meanwhile, 21.8% of the respondents fall within the 6 to 10 years of experience range, followed by those with experience ranging between 11 and 15 years at 12.6%. Conversely, the lowest percentage was recorded for individuals with 1 to 5 years of experience, standing at 10.3%.

- **Distribution of the Study Sample According to the Job Position Variable:**

The following table illustrates the frequencies and percentage distribution of the sample respondents by job position:

Table (08): Distribution of Sample Respondents According to the Job Position Variable

Percentage (%)	Frequency	Job Position
8.6%	15	Manager / Director
29.3%	51	Head of Department
25.9%	45	Employee
36.2%	63	Control Agents
100.0%	**174**	**Total**

Source: Prepared by authors based on SPSS.26 outputs

As indicated in the table showing the distribution of sample respondents by job position, the majority of the study respondents hold the position of Control Agents, accounting for 36.2%. Meanwhile, 29.3% of the respondents serve as Heads of Departments, followed by those holding the position of Employee at 25.9%. Conversely, the lowest percentage was recorded for individuals holding the

position of Manager, standing at 8.6%.

4.2. Analysis of the Results Regarding the Level of Agreement for the Study Dimensions:

The following table represents the level of agreement for the study variables

Table (09): Levels of Agreement for the Study Variables

Level of Agreement	Mean	Standard Deviation (SD(	Study Variables
Strongly Agree	4.5557	0.47383	Tax Planning
Strongly Agree	4.4885	0.44603	Tax Awareness
Strongly Agree	4.6614	0.42648	Tax Incentives
Strongly Agree	4.6290	0.39794	Financial Performance

Source: Prepared by authors based on SPSS.26 outputs

As indicated in the table, the majority of the study sample responses regarding the variables of Tax Planning, Tax Awareness, Tax Incentives, and Financial Performance were consistently directed toward 'Strongly Agree'. Furthermore, the weighted mean for all study variables fell within the highest category of the 5-point Likert scale (ranging from 4.20 to 5.00). Consequently, these results suggest that there is a positive effect of the independent variables on the dependent variable (Financial Performance).

5. Testing the Study Hypotheses:

A) The Main Hypothesis:

- **H_0 (Null Hypothesis):** There is no effect of tax practices on financial performance.
- **H_1 (Alternative Hypothesis):** There is an effect of tax practices on financial performance.

The hypotheses are tested at a significance level of $\alpha = 0.05$.

To test this hypothesis, a simple linear regression analysis was conducted to determine whether to accept or reject the hypothesis based on statistical significance, according to the following decision rules:

- **Accept the Null Hypothesis (H_0) if:** The calculated F-value is less than the tabulated F-value at the 0.05 significance level, or if the significance value (Sig. / p-value) is greater than 0.05.
- **Accept the Alternative Hypothesis (H_1) if:** The calculated t-value is greater than the tabulated t-value at the 0.05 significance level, or if the significance value (Sig. / p-value) is less than 0.05.

5.1 The simple linear regression model was specified as follows:

Financial Performance = A + B_0(Tax Practices) + e

Where:

The dependent variable : **Financial Performance**

The independent variable : **Tax Practices**

A : The intercept (constant term)

B_0: The regression coefficient (slope) of tax practices e: The random error term.

Table (10): Results of Simple Linear Regression Analysis for the Impact of Tax Practices on Financial Performance.

Total	Residual	Regression	Source	
27,396	*16,798*	*10,598*	**Sum of squares**	
173	172	*1*	**Degrees of Freedom**	
	,098	*10,598*	**Mean Square**	
108,517			**F-value**	**Model Significance.**
,000[b]			***SIG***	
Tax Practices		**Constant**		**Partial Significance (Regression Coefficients)**
,262		*1,040*	***B***	
10,417		*3,012*	***T***	
,000		*,003*	***SIG***	
,622[a]			***R***	**Explanatory Power**

Total	Residual	Regression	Source
,387			R^2

Source: Prepared by authors based on SPSS.26 outputs

Based on the empirical results presented in the table above, the correlation coefficient between the 'Tax Practices' dimension and 'Financial Performance' reached **R = 0.622** . Furthermore, the probability value (p -value = **0.000**) corresponding to the F -test is strictly less than the statistical significance level ($\alpha \leq 0.05$), which indicates that the estimated regression model as a whole is statistically significant. Additionally, the coefficient of determination stood at **R 2 = 0.387** , implying that tax practices account for **38.7%** of the variance and fluctuations observed in financial performance, while the remaining percentage is attributable to other exogenous variables .

5.2 Partial Significance – t-test

Referring to the coefficients table above, the significance test for the regression slope (B_1) reveals a p-value (Sig.) of **0.000**, which is strictly less than the 0.05 threshold, confirming that the coefficient (B = 0.262) is statistically significant. From an economic and operational perspective, this implies that a single-unit increase in 'Tax Practices' leads to a corresponding increase in 'Financial Performance' by **0.262** units, holding all other variables constant.

Regarding the significance test of the regression model, the probability value (Sig) equals **0.000**, which is strictly less than the 0.05 significance level, thereby confirming that the regression model is statistically significant. Consequently, the estimated mathematical model is formulated as follows:

Financial Performance = 1.040 + 0.262(Tax Practices)

ased on these empirical findings, we reject the null hypothesis (H_0) and accept the alternative hypothesis (H_1).

This conclusively demonstrates that there is a statistically significant relationship and impact of 'Tax Practices' on 'Financial Performance' at the significance level of ($\alpha = 0.05$).

First Sub-hypothesis : Tax planning does not significantly impact financial performance.

First Sub-hypothesis

- **H_0 (Null Hypothesis):** There is no statistically significant effect of Tax planning on financial performance.
- **H_1 (Alternative Hypothesis):** There is a statistically significant effect of Tax planning on financial performance.

The hypotheses are tested at a significance level of $\alpha = 0.05$.

Table (11): Results of Simple Linear Regression Analysis for the Impact of Tax Planning on Financial Performance.

Total	Residual	Regression	Source	
27,396	*20,648*	*6,748*	**Sum of squares**	
173	*172*	*1*	**Degrees of Freedom**	
	0,120	*6,748*	**Mean Square**	
56,214			**F-value**	**Model Significance.**
,000[b]			***SIG***	
Tax planning		**Constant**		**Partial Significance (Regression Coefficients)**
0,417		*2,730*	***B***	
7,498		*10,722*	***T***	
0,000		*0,000*	***SIG***	
,496[a]			***R***	**Explanatory Power**
,246			R^2	

Source: Prepared by authors based on SPSS.26 outputs

Based on the results presented in the table above, the correlation coefficient between tax planning and financial performance is R = 0.496. The p-value (0.000) corresponding to the F -test is less than the significance level of 0.05 , indicating that the estimated model as a whole is statistically significant. Furthermore, the coefficient of determination is R^2 = 0.246, which implies that tax planning explains 24.6 % of the variance in financial performance, while the remaining percentage is attributed to other factors.

Testing the Significance of Regression Coefficients (A and B_0)

Referring to the table above, the results of the coefficient significance tests indicate the following:

- **For the significance test of A (the slope):** The p-value (Sig.) is 0.000, which is less than 0.05. Therefore, the coefficient A = 0.417 is statistically significant. This implies that a one-unit increase in tax planning leads to an increase in financial performance by 0.417 units.
- For the significance test of B_0 (the constant):

The p-value (Sig.) is 0.000, which is less than 0.05. Thus, the constant term B_0 = 2.730 is statistically significant.

Accordingly, the estimated mathematical model is expressed as follows:

Financial Performance = 2.730 + 0.417(Tax Planning)

Second Sub-hypothesis:

- **H_0 (Null Hypothesis):** There is no effect of Tax Incentives on financial performance.
- **H_1 (Alternative Hypothesis):** There is an effect of tax incentives on financial performance.

Table (12): Results of Simple Linear Regression Analysis for the Impact of Tax Incentives on Financial Performance.

Total	Residual	Regression	Source	
27,396	*24,911*	*2,484*	**Sum of squares**	
173	*172*	*1*	**Degrees of Freedom**	
	,145	*2,484*	**Mean Square**	
58,203			**F-value**	**Model Significance.**
,000[b]			***SIG***	
TaxIncentives		**Constant**		**Partial Significance (Regression Coefficients)**
0,281		*3,319*	***B***	
4,142		*10,452*	***T***	
0,000		*0,000*	***SIG***	
0,301[a]			***R***	**Explanatory Power**
0,091			***R^2***	

Source: Prepared by authors based on SPSS.26 outputs

Based on the results presented in the table above, the correlation coefficient between the tax incentives construct and the financial performance construct is **R = 0.301**.The corresponding significance value (**0.000**) for the **F-test** is lower than the significance level of **0.05**, indicating that the estimated regression model is statistically significant overall. Furthermore, the coefficient of determination is **R^2 = 0.091**, which indicates that tax incentives explain **9.1%** of the variation in financial performance, while the remaining **90.9%** is attributable to other factors not included in the model.

Testing the Significance of Regression Coefficients (A and B_0)

Based on the results presented in the table above:

- **Significance of A:** The significance value (**Sig. = 0.000**) is less than **0.05**. Therefore, the regression coefficient **A = 0.281** is statistically significant. This indicates that a one-unit increase in tax incentives leads to an increase of **0.281** units in financial performance.
- **Significance of B_0:** The significance value (**Sig. = 0.000**) is less than **0.05**. Therefore, the intercept (B_0) is statistically significant.

Accordingly, the estimated regression model is:

Financial Performance =
3.319 + 0.281 × Tax Incentives

Therefore, the alternative hypothesis (H_1) is accepted, indicating that tax incentives have a statistically significant effect on financial performance at the 0.05 significance level.

Third Sub-hypothesis

- **H_0 (Null Hypothesis):** There is no effect of Tax Awarenesson financial performance.
- **H_1 (Alternative Hypothesis):** There is an effect of Tax Awarenesson financial performance.

Table 13. Results of the Simple Linear Regression Analysis of the Effect of Tax Awareness on Financial Performance

Total	Residual	Regression	Source	
27,396	*20,469*	*6,927*	**Sum of squares**	
173	*172*	*1*	**Degrees of Freedom**	
	,119	*6,927*	**Mean Square**	
58,203			**F-value**	**Model Significance.**
,000[b]			***SIG***	
TaxAwareness		**Constant**		**Partial Significance (Regression Coefficients)**
,059		*2,615*	***B***	
7,629		*9,861*	***T***	
,000		*,000*	***SIG***	
,503[a]			***R***	**Explanatory Power**

Table 13. Results of the Simple Linear Regression Analysis of the Effect of Tax Awareness on Financial Performance *(continued)*

Total	Residual	Regression	Source
,253			R^2

Source: Prepared by authors based on SPSS.26 outputs

Based on the results presented in the table above, the correlation coefficient between the tax awareness construct and the financial performance construct is **R = 0.503**. The corresponding significance value (**0.000**) for the **F-test** is lower than the significance level of **0.05**, indicating that the estimated regression model is statistically significant overall. Furthermore, the coefficient of determination is **R^2 = 0.253**, indicating that tax awareness explains **25.3%** of the variation in financial performance, while the remaining **74.7%** is explained by other factors not included in the model.

Significance Test of the Regression Coefficients (B_0 and A)

Decision rule: If the significance value (**Sig.**) associated with the calculated **t-test** is less than **0.05**, the regression coefficient is considered statistically significant.

Based on the results presented in the table:

- **Significance of A:** The significance value (**Sig. = 0.000**) is less than **0.05**. Therefore, the regression coefficient **A = 0.059** is statistically significant. This indicates that a one-unit increase in tax awareness leads to an increase of **0.059** units in financial performance.
- **Significance of B_0:** The significance value (**Sig. = 0.000**) is less than **0.05**. Therefore, the intercept (B_0) is statistically significant.

Accordingly, the estimated regression model is:

Financial Performance = 2.615 + 0.059 × Tax Awareness

The null hypothesis (H_0) is rejected, and the alternative hypothesis (H_1) is accepted. This indicates that tax awareness has a statistically significant effect on financial performance at the 0.05 significance level.

Conclusion:

Based on the theoretical framework and empirical investigation conducted to assess the impact of tax practices (tax planning, tax awareness, and tax incentives) on the financial performance of economic enterprises in the Wilaya of Bechar, several core conclusions and recommendations can be drawn.

The empirical findings conclusively demonstrate that sound corporate tax management extends beyond mere legal compliance; it serves as a strategic pillar that significantly enhances financial performance and corporate sustainability. The prudent utilization of legally available tax incentives, combined with proactive tax planning, empowers enterprises to make optimal financing and investment decisions, thereby positively reflecting on profitability and tax security. Furthermore, fostering tax awareness among managers and recognizing tax as a pivotal socio-economic development duty directly mitigates tax risks and legal disputes.

In light of these conclusions, the study proposes the following **recommendations**:

1. Economic enterprises should establish specialized tax planning units to maximize benefits from prevailing legislative concessions.
2. Financial managers should participate in continuous training programs to elevate tax awareness and keep pace with evolving tax regulations.
3. Future research should explore the impact of tax administration digitalization on the efficiency of corporate financial performance.

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