"The application of the electronic invoice tax system in Egypt and its effect on taxpayer compliance: The mediating role of taxpayer satisfaction"

تطبيق نظام الفاتورة الضريبية الالكترونية في مصر وأثره علي امتثال الممولين: الدور الوسيط لرضا الممولين

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Abstract:

This study examines the implementation of the electronic invoice tax system (EITS) in Egypt and its influence on taxpayer compliance (TPC), highlighting the mediating role of taxpayer satisfaction (TPS) in fostering a more efficient and transparent environment that ultimately enhances compliance rates and promotes responsibility among individuals and businesses. This study used a questionnaire survey to collect data from 400 taxpayers registered in the Egyptian tax authority (ETA). Using structural equation modelling, simple linear regression (SLR) and path analysis (PA), the study's data were tested. Based on the data analysis, this study demonstrated the existence of a positive significant impact of the dimensions of the EITS on TPS and TPC. Also, it confirmed TPS mediating role in the EITS- TPC relationship.

Keywords: Egyptian tax authority (ETA), electronic invoice tax system (EITS), taxpayer compliance (TPC), taxpayer satisfaction (TPS), electronic invoice (EI), system quality (SQ), information quality (IQ), ease of use (EU) and perceived usefulness (PU).

مستخلص :
تتناول هذه الدراسة تطبيق نظام الفاتورة الإلكترونية الضريبية في مصر وتأثيره على امتثال الممولين، مع تسليط الضوء على الدور الوسيط لرضا الممولين في تعزيز بيئة أكثر كفاءة وشفافية، مما يعزز في النهاية معدلات الامتثال ويعزز المسؤولية لدى الأفراد والشركات. استخدمت هذه الدراسة استبيانًا لجمع البيانات من ٤٠٠من الممولين المسجلين في مصلحة الضرائب المصرية. تم اختبار بيانات الدراسة من خلال استخدام نمذجة المعادلات الهيكلية والانحدار الخطى البسيط وتحليل المسار. بناءً على تحليل البيانات، أظهرت هذه الدراسة وجود علاقة طردية ذات دلالة احصائية لأبعاد نظام الفاتورة الضريبية الالكترونية على رضا الممولين وامتثالهم كما اكدت على دور رضا الممولين كوسيط في العلاقة بين نظام الفاتورة الضريبية الالكترونية وامتثال الممولين.

الكلمات المفتاحية: مصلحة الضرائب المصرية – نظام الفاتورة الضريبية الالكترونية – امتثال الممولين – رضا الممولين – الفاتورة الالكترونية – جودة النظام – جودة المعلومات – سهولة الاستخدام – الفائدة المدركة.

Introduction:

The world has seen a dramatic movement in the last few years towards digitalization, which has totally changed how governments administer and collect taxes. Hence, one of the key pillars of Egypt's 2030 digital transformation goal is the advancement and development of tax services. In addition to eliminating the parallel market and the informal economy, figuring out how big it is, disclosing it, and pushing it into the formal economy, digital transformation is considered in commercial transactions, dealing with the newest technical methods, confirming the legitimacy of invoice source data, and achieving the principles of equal opportunities, justice, and tax procedure facilitation.

Egypt has jumped at the chance to take advantage of this technical advancement and has been using digital technologies for tax administration. This has resulted in significant improvements in tax administration and collection's efficacy, efficiency, and openness. Also, TPC has been affected as well.

The Ministry of Finance have worked with the ETA to advance it from the paper-based transition stage to the electronic digital communication stage over the past years, and despite the global coronavirus pandemic that started in 2020, tireless efforts have been made to fulfil that mission.

1.Literature Review:

1.1 implementation of EITS

For Egyptian taxpayers as well as the government, digitalization has brought about a new era of ease and efficiency.

Let's examine the main components of this change and their advantages:

a-Online services and e-filing: For Egyptian taxpayers, the launch of online services and e-filing marks a major turning point. The ETA's modernization initiatives have made tax compliance an easy process. With just a few clicks, you can easily file taxes, pay your bills, and obtain important data from the convenience of your home or place of business. The days of having to wait in queue and struggle with mountains of paperwork to file your taxes are long gone.

b. Electronic Payment Options: The usage of electronic payment systems for tax payments is encouraged by digitalization. Online banking, electronic fund transfers, and credit/debit card transactions are just a few examples of the ways that these methods not only make life easier but also help to lessen the need for actual currency. This ensures that your tax contributions are correctly recorded and improves accountability and transparency in the tax collection process.

c.TINs, or tax identification numbers: In an effort to simplify tax administration, Egypt implemented the Tax Identification Number (TIN) system. It's never been easier to manage tax records with a unique TIN allocated to each taxpayer. This approach reduces errors, assisting you in correctly filing your taxes and guaranteeing that your contributions to the development of the country are properly documented.

d-Compliance monitoring and data analytics: The employment of digital tools and data analytics is essential in the continuous fight against tax evasion and to guarantee compliance. Egyptian tax officials use technology to better enforce tax laws, find irregularities, and analyze large databases. By identifying regions where tax evasion may occur and offering insights into

tax revenue patterns, this data-driven strategy makes sure that the system continues to be equitable and just for all.

e. Electronic invoice: Taxes play a significant role in the majority of financial systems across the globe. They are a major source of public funds for governments, and they are a crucial tool for financial policy, enabling them to pursue financial as well as social and political objectives. Every nation on the planet must raise tax revenues to continue enforcing its tax laws.

Consequently, since revenues directly support public spending, their components and methods of collection are crucial to supporting the state's general budget. In line with the comprehensive and sustainable development strategy in accordance with Egypt's Vision 2030, which aims to enhance aspects of public spending, and given that tax revenues represent more than 70% of the size of the state's public revenues, and that the size of the informal and invisible economy is estimated at 55%, therefore the ETA relies on electronic tax systems by applying the electronic tax examination system to improve the tax system, which is represented in increasing tax revenues (tax collections), increasing tax compliance by taxpayers, and reducing tax evasion practices in order to achieve Egypt's 2030 vision (Abbas *et al*., 2024).

The EI serves as proof of sale for a variety of products and services. It is a unified electronic digital document approved by the Egyptian Tax Authority. To prevent forgery and counterfeiting, to ensure security and privacy, and because each document has its own electronic signature proving the signatory's identity, the current electronic invoice system in Egypt is regarded as a novel procedure that converts the customary process of issuing purchase invoices from a purely manual process to a comprehensive electronic process (Sanday & Ismaila 2019). The electronic invoice is a type of digital document that is shared between the buyer and the seller and is transmitted through the suppliers of the item or service offered (Berg, 2020). An electronic invoice is a commercial document that the seller provides to the buyer at the price and quantity that have been

agreed upon (Awasthi *et al*., 2016). As such, it contains information on taxes and other aspects of the business transaction that has occurred. Salmony & Harald (2010) stated that the digitizing of the invoice, a crucial document in the supply chain, will save money on its own and have a multiplicity of additional positive effects.

The American Internal Revenue Service (IRS) has defined an electronic invoice as an invoice that is issued and saved in a complete electronic format via an electronic system and contains the requirements of a tax invoice. An invoice written by hand or scanned with a scanner is not considered an electronic invoice.

Electronic invoicing has been embraced by governments all over the world to enhance corporate operations. A Billientis (2020) analysis estimates that the worldwide electronic invoicing transaction volume is around 550 billion dollars annually (business to business/business-to-government [B2G]/government to business: 280 billion, and business to consumer/government to consumer: 270 billion). This analysis also showed that electronic invoicing can reduce total costs by 50% to 80% when compared to the conventional paper approach. According to Keifer (2011), further advantages of utilizing electronic invoices include improved account reconciliation, supplier self-service, automated validation, digital information capture, and improved expenditure management. Currently, B2G companies employ electronic invoicing mainly to increase the efficiency of transactions between private businesses and the government (Qi & Che Azmi, 2021).

E-invoicing, essentially a dematerialized form of invoicing, involves the creation transmission, and receipt of invoices in a structured data format (Salmony & Harald., 2010). The EITS might greatly lower tax evasion, improve corporate transparency and enhance TPC. By ensuring proper reporting of invoices, electronic invoicing protects the integrity of the tax system and stops the spread of fraudulent or duplicate bills. This system is expected to limit tax evasion, tax abuse and falsification of

records that cause lower tax revenue (Adeniyi & Adesunloro, 2017).

In contrast to traditional paper invoices, e-invoices are easily read by machines, allowing for direct processing, incorporating into accounts payable systems and enabling sharing with external parties, such as the tax authorities (Bellon *et al*., 2022). Within the realm of Government-to-Business (G2B) services, e-invoices are significantly important for improving government revenue, enhancing visibility, and lessening bureaucratic hurdles for businesses (Panayiotou *et al*., 2021).

E-invoicing has replaced traditional invoicing because it is more efficient and transparent. It also reduces the number of fraudulent tax invoices, improves the clarity of tax data, increases working capital, and improves user engagement (Olaleye *et al*., 2023).

The benefit resulting from using the electronic invoice is as follows (Abu El-Enein, 2023),(Riani *et al.*, 2020):Ease of exchanging data and information electronically within the Tax Authority, reducing the consumption of large amounts of paper for writing invoices, reducing the burden of manual writing and reducing the burden of collecting paper data, reducing costs in general for both financiers (individuals) or establishments and helping in facilitating tax examination, help eliminate the informal economy, prevent fictitious revenues, minimizes nominal errors and ease of getting NSFP.

The EITS includes two types of transactions: a transaction between a taxpayer registered with the Tax Authority and another taxpayer, or from a company to a company B2B, in which case the transaction is through the EITS. However, if the transaction is from a taxpayer to an end consumer, this transaction falls under B2C transactions, i.e. the electronic receipt system. The electronic receipt system will be applied over an extended period until July 2025. The first phase started by obligating 153 taxpayers in July 2022, then in October 2022, 400 taxpayers were obligated, and in January 2023, 2,000 taxpayers were obligated.

The e-invoicing system compliance timetable in Egypt is shown in table (1):

Table (1)
The schedule for applying the EITS in Egypt

Phase	Decree no	Effective date	context
1	386 for the year 2020	15/11/2020	134 companies registered as major (large) taxpayers
2	518 for the year 2020	15/5/2021	347 companies registered as major (large) taxpayers.
3	85 for the year 2021	15/92021	Rest of the major (large) taxpayers.
4	195 for the year 2021	15/9/2021	Companies registered as average taxpayers in Cario and major (large)taxpayers for noncommercial professions.
5	443 for the year 2021	15/12/2021	companies registered at the public tax mission - investment and public tax mission -corporations .
6	619 for the year 2121	15/2/2022	The rest of companies registered at public tax mission - investment and public tax mission - corporations.
7	208 for the year 2022	15/6/2022	All companies registered in Cairo- Giza - Qualioubia
8	323 for the year 2022	15/9-15/12/2022	All companies registered in the A.R.E. divided into 4 categories.

Source: prepared by the researcher

Not participating in the EITS results in the following: Export support program deprivation, as these establishments are unable to deal with government agencies or the public sector, the public business sector, public bodies, and establishments in which the

state contributes at a rate exceeding 50%, in accordance with Egyptian Cabinet Resolution No. 1602 of 2021 AD, Prohibition of contracting with any government entity, such as a supplier, contractor, or service provider, regardless of the type of this establishment, unless this contractor is registered in the electronic invoice system at the ETA, export invoices are not approved by the Egyptian Customs Authority unless they issued by the electronic invoice system of the ETA, in accordance with Minister of Finance Resolution No. 291 of 2021 and all measures will be taken against establishments violating this decision, which is referral to the Public Prosecution and a fine of no less than twenty thousand pounds and not exceeding one hundred thousand pounds (Abbas, 2024).

1.2 taxpayer satisfaction

Satisfaction is the desire of one party to receive treatment from another party in the hope that the other party will take important actions to meet these expectations, regardless of its ability to monitor or control the other party. Trust is the foundation of an organization. The word satisfaction comes from the Latin "satis"(meaning good enough, adequate)and "facio" (to do or make). Satisfaction is defined as an effort to fulfill something or make something adequate. According to Kotler & Keller (2012), a person's satisfaction is the level of one's feelings after comparing the performance he feels with expectations. Ibaraa *et al*., (2014) refer to TPS as the extent to which the taxpayer believes that the services they have received have met their expectations. TPS is when the expectations of the taxpayer are satisfied (Awaluddin & Tamburaka, 2017). Allowing taxpayers to allocate a tiny fraction of their taxes to government programs they find vital or interesting might make them feel happy with their tax payment even while the total amount paid does not decrease. This innovation is more beneficial than merely alerting the government to tax expenditures since it boosts public involvement, aligns government spending with citizen perceptions, and gives minority voices a platform (Lamberton, 2013). Because concurrent non-compliance will result in tax

evasion, compliance is crucial. EU, PU, computer self-efficacy, trust, time saving, IQ and website quality can affect TPS (Silva & Senevirathne, 2020).

1.3 taxpayer compliance

Tax compliance is the process of appropriately reporting revenue, spending, and other financial information to the appropriate tax authorities to abide with tax rules and regulations. It entails paying the appropriate amount of taxes and filing tax returns on time. Tax compliance is generally associated with people's readiness to behave according to tax regulations and administration without having to wait for law enforcement activities
(James & Alley, 2002).

However, like many other concepts, tax compliance can be seen almost as a continuum of definitions. According to Rahayu (2012), the definition of TPC is guilt and shame, taxpayers' perceptions of the fairness and justice of the tax burden they bear, and the influence of trust in government services. Savitri (2016) argued that Compliance is the motivation of a person, group or organization to act or not act in accordance with the prevailing rules. Alabeda *et al.,* (2011) defined tax compliance as a situation whereby taxpayers adhere to relevant tax laws and regulations. According to McBarnet (2017), there are three distinct ways that taxpayers can define tax compliance: (a) commitment compliance, which denotes that they are willing to pay taxes without objecting; (b) capital compliance, which denotes that they are unwilling to pay taxes; and (c) creative compliance, which denotes that they inflate the value of their income and expenses.

When a taxpayer complies with all tax requirements and uses his taxation rights, it is said to be in TPC. The foundation of the self-assessment system is voluntary compliance, where taxpayers are responsible for identifying their own tax responsibilities and then properly and promptly paying and reporting the tax (Rahayu, 2012).

Another definition of TPC is a person's act of filing their tax returns, declaring all taxable income accurately, and disbursing

all payable taxes within the stipulated period without having to wait for follow-up actions from the authority (Abdul- Jabbar, 2008). Rahmi *et al*., (2024) conceptualized tax compliance as the ability and willingness of taxpayers to comply with tax laws which are determined by ethics, legal environment and other situational factors at a particular time and place. Alm (2021) defined tax compliance as the reporting of all incomes and payment of all taxes by fulfilling the provisions of laws and regulations. Kirchler *et al.*, (2008) defined tax compliance as an exhibition of positive attitudes towards the taxation &willingness to pay taxes. According to Lazos et al., (2022) and Oladipupo & Obazee (2016), adhering to tax rules necessitates accurate tax liability computation, prompt filing of tax returns, and timely payment of the tax owed promotes TPC.

1.4 The effect of taxpayer satisfaction on taxpayer compliance

In general, the gap between expectations and perceived performance is what determines whether someone is satisfied or not. This point of view defines TPS as when a tax service performs to a minimum the level that taxpayers anticipate. A person's perception of the performance (or outcomes) of a product in relation to expectations determines their level of satisfaction, which can range from joy to disappointment (Kotler &Keller, 2012).

Kotler & Keller (2012) state that the degree of satisfaction may be seen as a function of the discrepancy between the actual and perceived performance. Taxpayers can experience one of three satisfaction levels, which are as follows: The taxpayer will be unhappy if the performance falls short of expectations as their expectations are higher than the quality of service they received from the tax authorities.When the taxpayer's expectations are met by the performance, the taxpayer will feel satisfied since their expectations align with the services they obtained from the tax authorities. Should the taxpayer's expectations be exceeded, they will be extremely happy as the services they obtained from the tax authorities surpass their expectations. If satisfaction has been achieved, compliance with the government agency will be

formed. According to Lukman *et al*., (2022), satisfaction is an important variable in the realization of TPC.

Everybody has a different idea of what constitutes satisfaction, thus a tax authority's ability to satisfy taxpayers determines how successful they are. Information on TPS levels serves as input to management, allowing for advancements in the services provided to taxpayers (Lukman *et al.*, 2022). Whenever the taxpayer is satisfied, this leads to more TPC to the rules and regulations set by the tax authorities. TPC will be impacted if the system's service quality falls short of expectations, in addition to lowering customer happiness.

2.Hypothesis Development

2.1 EITS and TPC

Rokhman *et al*., (2023) the application of EI had a positive and significant effect on TPC. Rosalina & Wardhani (2020) constructed a study on 100 individual TP and found out that EITS had a positive effect on TPC. The adoption of electronic invoices was found to have a positive impact on the overall efficiency of the tax compliance process) Qi & Che Azmi, 2020). The implementation of EI increased TPC, although there are some obstacles experienced by taxable entrepreneurs in using EI namely internet connection problems, and the application of errors (Harianto *et al.,* 2020). Lee (2016) reached the conclusion that EITS can dramatically enhance tax compliance through significant institutional and perceptual changes in tax administration in Korea. The taxpayers and tax experts agree that the implementation of an advanced e-tax system will help in improving tax compliance (Al- Hamadeen *et al.,* 2023). The application of the e-invoice system has a significant positive effect on TPC (Riani & Nuryati, 2020). According to a study conducted by (Deyganto , 2018), gender, age, tax knowledge, simplicity of tax system, perception of fairness and equity, awareness on penalty for evading tax, tax audit, and perception of tax rate affected TPC while education level and the role and efficiency of tax authority had no effect on it.

However, Harefa & Sitindaon (2023) proved that there is not enough evidence that EITS has an impact on improving TPC because of the weaknesses associated with EITS; repetitive work in inputting input tax values. Rahmietal *et al*., (2024) showed that tax SQ had a positive effect on TPC. On the contrary, Deva & Triyono (2021) proved that tax SQ had no effect on TPC. Hence, we hypothesize that:

H1: EITS has a statistically significant positive impact on TPC.

H1a: SQ has a statistically significant positive impact on TPC

H1b: IQ has a statistically significant positive impact on TPC.

H1c: EU has a statistically significant positive impact on TPC

H1d: PU has a statistically significant positive impact on TPC.

2.2 EITS and TPS

Maulinarhadi *et al.*, (2021) concluded that the service quality and PU associated with the application of EITS significantly affects TPS. While the SQ and IQ has no significant effect on TPS. Devano *et al*., (2023), reached the conclusion that

To improve TPS with tax administration, Saravanan & Muthulakshmi (2017) showed that modernizing the taxation system in India through improved e-filing website security is effective for tax transactions and can save time, energy, and money. Furthermore, the adoption of an online taxation system in Australia results in a rise in TPS (Alghamdi & Rahim ,2016). Hence, we hypothesize that:

H2: EITS has a statistically significant positive impact on TPS.

H2a: SQ has a statistically significant positive impact on TPS.

H2b: IQ has a statistically significant positive impact on TPS.

H2c: EU has a statistically significant positive impact on TPS.

H2d: PU has a statistically significant positive impact on TPS.

2.3 TPS and TPC

Contradictory research findings were documented regarding the relationship between TPS on TPC. According to Wardani & Wati (2018) TPS had a positive and significant effect on TPC. Suarjana et *al.*, (2020) proved that satisfaction is an important variable in the realization of TPC. A study conducted by Edward and Ambrose (2017) shows that the application of an online tax

system affects TPC by first increasing TPS .The service quality of e-tax systems and the perception of lower compliance costs due to e-tax systems influence tax compliance intention among tax professionals (Saptono *et al*., 2023). TPS with the quality of services provided by the tax system increased the level of TPC in paying tax obligations (Safitri & Umaimah, 2022).

On the contrary, Awaluddin & Tamburaka (2017) and Sukesi & Yunaidah (2020) proved that TPS has a positive but not significant effect on TPC. The study by Bhuasiri *et al., (*2016) concluded that TPS has no effect on TPC. Hence, we hypothesize that:

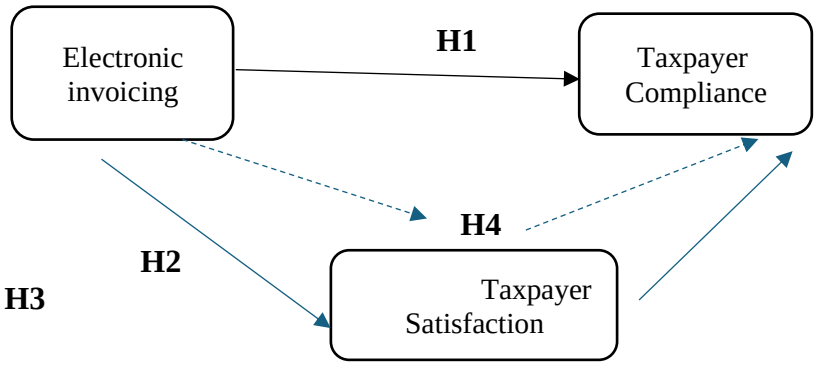
H3: TPS has a statistically significant positive impact on TPC.

2.4 TPS and EITS – TPC

A few studies have been conducted in Indonesia to study the effect of TPS as a mediating variable between EITS and TPC relationship. A study conducted by Devano *et al*., (2023) showed that e-Tax may increase the satisfaction that taxpayers feel while meeting their tax responsibilities, even though this effect is not as significant as the effect that it has on TPC.The empirical results of Saptono *et al.*, (2023) suggest that participants' perceived service quality of e-Filing services and perceptions of reduced compliance costs positively influence users' willingness to comply with tax regulations. The latter predictor is also, and only, significant among e-Form users. The empirical results also provide statistical evidence for the mediating role of satisfaction in the relationship between all predictors and tax compliance intention. If taxpayers are pleased and satisfied with the services offered by the system, their tax compliance behavior will improve Ariyanto *et al*., 2020). A study conducted by (Rahmi *et al*., 2024) showed that the application of e-Filling and the quality of tax services have a positive effect on TPC and TPS, while TPS does not interfere with the effect of e-Filling implementation and the quality of tax services onTPC. Hence, we hypothesize that:

H4: TPS has a mediating effect on the EITS-TPC relationship.

Figure (1)
The mediating effect of TPS on EITS-TPC relationship



3.Methodology

3.1 Research population and sample

The survey questionnaire consisted of two sections. The first section was to collect information about respondents' demographics. The second section was to understand the user perceptions towards EITS. According to the designation of the respondents, many are the direct and main users of EITS, who are accountants and executives. Also, huge portions are managers and senior managers who have adopted the EITS to their organizations. The researcher selected 430 companies registered in the EITS due to the wide geographic dispersion of the companies, the sample was selected from those companies located in the area of greater Cairo. The sample size was determined based on formula for sampling technique where 392 were indicated (Slovin,1960). 430 questionnaires were distributed, 408 collected, only 400 were valid for statistical testing as shown in the following table (2):

Table (2)
The Study Sample

Survey forms	Sample	valid	Ratio
Company listed in Tax center for major (large) taxpayers,	200	189	47%
Senior self-employed taxpayers (Nasr city)	130	122	31%
Average taxpayers center (Cairo)	100	89	22%
Total	430	400	93%

Source : research data

3.2 Research instrument and measures:

A self-reported, 4-section survey with closed-ended questions that captured the individual viewpoints of people working with the EITS was distributed, covering several underlying study variable items. Items were rated on 5-1-point Likert-type scale ranging from “Strongly agree” (=5) to “Strongly disagree” (=1). To avoid loss of meaning due to translation from English to Arabic, the researcher conducted a dual translation process whose results confirmed no linguistic deviations. A set of 35 questions were used: EITS 21-item scale based on 4 dimensions developed by Maulinarhadi *et al*., (2021). TPS 7-item developed by the researcher and TPC 7-item scale developed by researcher.

3.3 Analysis and results:

The statistical measures for the descriptive sample characteristics include the arithmetic mean, the Standard deviation (SD) , Relative importance (RI) and ranking based on measures of the five Likert scale used for this research is shown in table (3):

Table (3)

Evaluation of the Likert- five- Scale

mean categories	Description
1 - 1.79	(Strong disagree)
1.80 - 2.59	(Disagree)
2.60 - 3.39	(Entirely/ Neutral)
3.40 – 4.19	(Agree)
4.20 – 5	(Strong agree)

Cronbach Alpha Coefficient (CAC) for measuring Stability of the Independent variable (EITS), Mediator variable (TPS) and the dependent variable (TPC) was used. The CAC values of all dimensions are greater than (0.70)which means a high degree of internal stability for all the questionnaire, the CAC for total sample reached (0.831), which indicates high degree of persistence of the study sample, which reflected its impact on Validity (which represents the square root of the Reliability) as it hit (0.911). The value of CAC for Variable (EITS) X is (0.829), and ranges between (0.796, 0.878) for its dimensions. It is (0.816) for the mediator variable M (TPS) and is (0.803) for the dependent variable Y (TPC)as shown in table (4):

Table (4)

Reliability and Validity for Study variables Using CAC

Variables	Number of statements	Reliability	Validity
EITS			
SQ x1	6	0.802	0.895
IQ x2	6	0.796	0.796
EU x3	4	0.819	0.904
PU x4	5	0.878	0.937
Total Independent X : EITS	21	0.829	0.910
Mediator M : TPS	7	0.816	0.903
Dependent Y: TPC	7	0.803	0.914
Total:The application of the EITS and its effect on TPC: the mediating role TPS.		**0.831**	**0.911**

The internal consistency is calculated using the Pearson correlation coefficient (PCC) to measure the relationship between each statement and the overall degree of consistency with the total of its dimensions. The correlation coefficients are computed for each of the dimensions with the total score of that dimension, at level of significance less than (0.01), where the first column reflects the dimensions, and the second column is the correlation coefficients for each dimension. Correlation coefficients are between (0.675 to 0.805), which indicate the validity and consistency for the study tool which is illustrated in table (5) as follows:

Table (5)
PCC for independent dimensions of EITS

N	Dimensions	PCC	Sig.
1	SQ x1	0.787**	Less than 0.01
2	IQ x2	0.675**	Less than 0.01
3	EU x3	0.805**	Less than 0.01
4	PU x4	0.797**	Less than 0.01

**Correlation is significant at the 0.01 level.

Table (6) shows that the correlation coefficients are computed for each of the statements with the total score of that variable, at level of significance less than (0.01). PCC are between (0.543 to 0.830), which indicate the validity and consistency for the study tool.

Table (6)
PCC for mediator variable (TPS)

N	Statements	PCC	Sig.
1	Satisfactory tax system simplicity improves TPC.	0.684**	Less than 0.01
2	A satisfying tax rate improves TPC.	0.543**	Less than 0.01
3	Satisfactory tax fairness TPC.	0.805**	Less than 0.01
4	Satisfactory tax equity improves TPC.	0.798**	Less than 0.01
5	Satisfactory awareness of tax penalties improves TPC.	0.747**	Less than 0.01
6	Satisfactory system improvement improves TPC.	0.830**	Less than 0.01
7	I am satisfied with the overall user experience of the EITS.	0.644**	Less than 0.01

**Correlation is significant at the 0.01 level.

Table (7) shows that PCC is computed for each of the statements with the total score of that Variable, at level of significance less than (0.01). Correlation coefficients are between (0.597 to 0.875), which indicate the validity and consistency for the study tool.

Table (7)
PCC for dependent variable TPC

N	Statements	PCC	Sig.
1	The EITS provides clear guidance on compliance requirements.	0.634**	Less than 0.01
2	The EITS provides a clear audit trail that improves TPC.	0.814**	Less than 0.01
3	Since adopting the electronic invoice tax system, my organization's compliance with tax regulations has improved.	0.737**	Less than 0.01
4	The EITS has increased my compliance in meeting tax obligations accurately.	0.682**	Less than 0.01
5	The EITS has increased my compliance in meeting tax obligations on time .	0.875**	Less than 0.01
6	I prioritize uploading my tax invoice to the EITS platform over other tax obligations.	0.597**	Less than 0.01
7	The EITS makes it easier to comply with tax regulations.	0.717**	Less than 0.01

**Correlation is significant at the 0.01 level.

Table (8) shows the frequency distribution of the demographic variables : age, education and work experience.

Table (8)
Frequency distribution of the Demographics variables

Variable	Category	Frequency	Percentage %
1- Age	25 – 35 years	**57**	**14.2**
	36 – 45 years	**151**	**37.8**
	46 – 55 years	**127**	**31.7**
	More than 55	**65**	**16.3**
Total		**400**	**100%**
2- Education	Diploma	**42**	**10.5**
	Bachelor	**209**	**52.3**
	Master	**87**	**21.8**
	PhD	**62**	**15.5**
Total		**400**	**100%**
3-Work Experience	1 year or less than 4 years	**33**	**8.3**
	5 to 9 years	**97**	**24.3**
	10 to 15 years	**127**	**31.8**
	More than 15 years	**143**	**35.8**
Total		**400**	**100%**

A according to the sample data for variable "Age" most of the respondent' ages ranged between (36–45 years), with a percentage of (37.8%), then (46–55 years), with a percentage of (31.7%), followed by (More than 55), (25–35 years), with a percentage of (16.3%), (14.2%), respectively . As for the variable "Education" most of the respondents' held a (Bachelor degree), with a percentage of (52.3%), followed by (Master degree) with a percentage of (21.8%), then (PhD) with a percentage of (15.5%), and finally a (Diploma) with a percentage of (10.5%), respectively. For the variable "Working Experience" most of the

respondents had a work experience (More than 15 years) with a percentage of (35.8%), then (10 to 15 years) with a percentage of (31.8%), then (5 to 9 years) with a percentage of (24.3%) and finally (1 year or less than 4 years) with a percentage of (8.3%).The preliminary results from the data analysis, where the general direction of the respondent's answers is measured and analyzed by extracting the means of these answers and comparing them with the hypothetical average that represents the midpoint on the Five-Point Likert scale (Strongly agree, Agree, Neutral, Disagree, Strongly disagree), Where it's given codes for each result (Strongly agree =5, Agree =4, Neutral =3, Disagree =2, Strongly disagree =1), as well as SD , RI and the rank of importance.

As shown in table (9) the respondents agreed on most of the questions in the questionnaire with mean of (3.67), and the SD (0.18) and RI (73.4%).The dimension SQ had a mean of (3.49), and the SD (0.38), with RI (69.8%).The most agreed on statements are, (Data transmitted through the EITS is secured), (The EITS sends alerts and notifications to taxpayers), with RI (91.6%), (88.8%), respectively. The least agree on statement is, (I never experienced any problems in using the EITS platform), with RI (35.6%). The dimension (IQ) had a mean of (4.06), and the SD (0.31), with RI (81.2%). The most agreed on statements are: (Invoices generated by the EITS are more accurate compared to manual invoicing methods) and (Evidence related to EITS is available to all taxpayers without bias), with RI (94%) and (90.8%), respectively. The least agreed on statement is: (The EITS provides appropriate information for decision making) and with RI (73.2%), The dimension EU had a mean of (3.38), and the SD (0.37), with RI (67.6%).The most agreed on statements are, (The EITS provides flexibility to taxpayers) and (It is easy to access information related to EITS), with RI (78.8%), (76.4%), respectively. The least agreed on statement is, (Training staff to use the EITS was easy), with RI (49.6%) .The dimension (PU) had a mean of (3.76), and the SD (0.38), with RI (75.2%). The most agreed on statements are, (The EITS has significantly

reduced the time required to process invoices) and (The EITS has reduced the administrative costs compared to the manual system), with RI (82%), (78.4%) respectively. The least agreed on statement is (The EITS meets my needs), with RI (61.6%).This is illustrated in table (9):

Table (9)

Descriptive Statistical (Mean, SD, RI and rank) about the dimensions (EITS) x

Statements		Mean	SD	RI %	Rank
1- SQ					
1	I never experienced any problems in using the EITS platform.	1.78	.70	35.6	6
2	Generating and sending invoices through the EITS is straightforward and efficient	3.26	.74	65.2	4
3	Taxpayers complain regarding the EI is inspected promptly.	3.08	.86	61.6	5
4	The EITS encounters fewer errors and discrepancies compared to previous methods.	3.80	.85	76	3
5	Data transmitted through the EITS is secured.	4.58	.85	91.6	1
6	The EITS sends alerts and notifications to taxpayers.	4.44	.94	88.8	2
Mean Average		**3.49**	**0.38**	**69.8%**	-
2- IQ					
7	The EITS provides appropriate information for decision making.	3.66	.90	73.2	6
8	Evidence related to EITS is available to all taxpayers without bias.	4.54	.92	90.8	2
9	Invoices generated by the EITS are more accurate compared to manual invoicing methods.	4.70	.80	94	1
10	The EITS enhances transparency in invoicing and tax reporting.	3.90	.72	78	3
11	The EITS prevents fictitious revenues.	3.78	.75	75.6	5
12	The EITS makes tax inspection easier.	3.82	.91	76.4	4
Mean Average		**4.06**	**0.31**	**81.2%**	-
3- EU					
13	Training staff to use the EITS was easy.	2.48	.87	49.6	4
14	The EITS provides flexibility to taxpayers.	3.94	.76	78.8	1
15	It is easy to access information related to EITS.	3.82	.74	76.4	2
16	It is easy to remember how to use the EITS.	3.30	.72	66	3
Mean Average		**3.38**	**0.37**	**67.6%**	-
4- PU					
17	The EITS meets my needs.	3.08	.65	61.6	5
18	The EITS has reduced the administrative costs compared to the manual system.	3.92	.82	78.4	2
19	The EITS has significantly reduced the time required to process invoices.	4.10	.85	82	1
20	The performance of the EITS is as expected.	3.88	.81	77.6	3
21	The EITS avoids duplication of work.	3.82	.68	76.4	4
Mean Average		**3.76**	**0.38**	**75.2%**	-
Mean Average (EITS) x		**3.67**	**0.18**	**73.4%**	-

Table (10) shows that the study sample for variable EITS had a mean of (3.67) , the SD (0 .18), with RI (73.4%).The most Agreed upon dimensions are, IQ with RI (81.2%) then PU, SQ, EU, with RI (75.2%), (69.8%), (67.6%), respectively.

Table (10)

Summary for Descriptive Statistics of the dimensions of (EITS)

N	dimensions	Mean	SD	RI %	Rank
1	SQ	3.49	0.38	69.8%	3
2	IQ	4.06	0.31	81.2%	1
3	EU	3.38	0.37	67.6%	4
4	PU	3.76	0.38	75.2%	2
Total dimension: EITS		**3.67**	**0.18**	**73.4%**	**-**

As shown in table (11),the variable (TPS), had a mean (3.45) and SD (0.27), with RI (69%).The arithmetic mean ranged from (1.64 to 4.66), the RI ranged from (32.8 % to 93.2%)The most Important statements are (Satisfactory awareness of tax penalties improves TPC) and (A satisfying tax rate improves TPC) with RI (93.2%), (91.6%) respectively. The least agreed on statement is (Satisfactory system improvement improves TPC), with RI (32.8%), According to the responses of the study sample.

Table (11)

Descriptive Statistics (Mean, SD, RI and rank) of the mediator variable (TPS)

N	dimensions	Mean	SD	RI %	Rank
22	Satisfactory tax system simplicity improves TPC.	1.76	.86	35.2	6
23	A satisfying tax rate improve TPC.	4.58	.96	91.6	2
24	Satisfactory tax fairness improves TPC.	3.90	.78	78	3
25	Satisfactory tax equity improves TPC.	3.84	.81	76.8	4
26	Satisfactory awareness of tax penalties improves TPC.	4.66	.84	93.2	1
27	Satisfactory system improvement improves TPC.	1.64	.89	32.8	7
28	I am satisfied with the overall user experience of the EITS.	3.80	.80	76	5
Mean Average (TPS) m		**3.45**	**0.27**	**69%**	**-**

The next section is dedicated to test the Dependent variable y (TPC) .It consisted of 7 Statements as shown in table (12):

Table (12)
Descriptive Statistics (Mean, SD, RI and rank) for the dependent variable (TPC)

N	Statements	Mean	SD	RI %	Rank
29	The EITS provides clear guidance on compliance requirements.	4.54	0.98	90.8	2
30	The EITS provides a clear audit trail that improves TPC.	3.78	0.96	75.6	6
31	Since adopting the electronic invoice tax system, my organization's compliance with tax regulations has improved.	4.62	0.77	92.4	1
32	The EITS has increased my compliance in meeting tax obligations accurately.	3.88	0.76	77.6	4
33	The EITS has increased my compliance in meeting tax obligations on time .	3.80	0.69	76	5
34	I prioritize uploading my tax invoice to the EITS platform over other tax obligations.	2.50	0.85	50	7
35	The EITS makes it easier to comply with tax regulations.	4.02	0.81	80.4	3
Mean Average (TPC) y		**3.87**	**0.27**	**77.5 %**	**-**

The dependent variable TPC had a mean of (3.87), and The SD (0.27), with RI (77.5%).The arithmetic mean ranged from (2.50 to 4.62), the RI ranged from (50% to 92.4%)The most Important agreed on statements are (Since adopting the electronic invoice tax system, my organization's compliance with tax regulations has improved) and (The EITS provides clear guidance on compliance requirements) with RI (92.4%), (90.8 %) respectively. the least agreed on statement is (I prioritize uploading my tax invoice to the EITS platform over other tax obligations) with RI (50%) respectively, according to the responses of the study sample.

SLR was used to examine the impact of the effect of EITS (independent variable) on TPC (dependent variable). There is statistically significant positive relationship between (EITS) and (TPC), where the correlation coefficient is (0.856) at a significant level less than (0.01).We find that the independent variable (EITS) explains (73.2%) of the total change in the dependent variable (TPC), which have a significant significance and this is illustrated in table (13):

Table (13)
Effect of the "EITS" on "TPC" using SLR

Independent variables	β	T. test		F. test		r	R^2
		Value	Sig.	Value	Sig.		
constant	0.267	2.571	0.01**	1089.344	0.01**	0.856	73.2%
EITS x	0.856	33.005	0.01**				

** Significant level 0.01.

The results of the previous table confirmed the existence of a statistically significant impact of all dimensions (EITS) on the (TPC) based on the (T- Test) equal (33.005), where we find that the level of indication is less than 0.01.To test quality of the conciliation model as a whole, (F-test) was used, where the value of the test is (1089.344), which was significant at a level less than (0.01), which indicates the quality of the significant impact of the regression model on (TPC).

Y= constant + β x

TPC = 0.267 + 0.856 EITS

Hence, we accept the statistical hypothesis H1"*EITS has a significant positive impact on TPC.*

As shown in table (14),There is statistically significant positive relationship between SQ and TPC where the correlation

coefficient (0.648) at a level significantly less than (0.01). Independent variable SQ explains (41.9%) of the total change in the dependent variable (TPC), which have a significant significance. (T- test) equal (16.952), where we find that the level of indication is less than 0.01.

(F-test) where the value of the test is (287.375), which is significant at a level less than (0.01). Hence, we accept the statistical hypothesis H1a*"SQ has a statistically significant positive impact on TPC* ".

There is statistically significant positive relationship between IQ and TPC where the correlation coefficient is (0.518) at a level significantly less than (0.01). Independent variable IQ explains (26.8%) of the total change in the dependent variable (TPC), which have a significant significance. (T- test) equal (12.069), where we find that the level of indication is less than 0.01. (F-test): where the value of the test is (145.656), which are significant at a level less than (0.01).

Hence, we accept the statistical hypothesis H1b "*IQ has a statistically significant positive impact on TPC".*

There is statistically significant positive relationship between EU and "TPC" where the correlation coefficient (0.562) at a level significantly less than (0.01). Independent variable EU explains (31.6%) of the total change in the dependent variable (TPC), which have a significant significance. (T- test) equal (13.545), where we find that the level of indication is less than 0.01. (F-test): where the value of the test is (183.471), which is significant at a level less than (0.01). Hence, We accept the statistical hypothesis H1c " *EU has a statistically significant positive impact on TPC".*

There is statistically significant positive relationship between PU and TPC where the correlation coefficient is (0.594) at a level significantly less than (0.01). Independent variable PU explains (35.2%) of the total change in the dependent variable (TPC), which have a significant significance. (T- test) equal (15.779), where we find that the level of indication is less than 0.01. (F-test): where the value of the test is (224.551), which is significant

at a level less than (0.01). Hence, we accept the statistical hypothesis H1d "*PU has a statistically significant positive impact on TPC ".*

Table (14)
Effect of the dimensions of "EITS" on "TPC" using SLR

Independent variables	Path →	Dependent	β	T- test		F. test		R^2
				Value	Sig.	Value	Sig.	
SQ x1	→	TPC	0.648	16.952	0.01**	287.375	0.01**	41.9%
IQ x2	→	TPC	0.518	12.069	0.01**	145.656	0.01**	26.8%
EU x3	→	TPC	0.562	13.545	0.01**	183.471	0.01**	31.6%
PU x4	→	TPC	0.594	15.779	0.01**	224.551	0.01**	35.2%

** Significance level 0.01

Table (15) shows that there is statistically significant positive relationship between (EITS) and (TPS), where the correlation coefficient is (0.766) at a level significantly less than (0.01).We find that the independent variable (EITS) explains (58.7%) of the total change in the mediator variable (TPS), which have a significant significance. The results of the previous table confirmed the existence of a statistically significant impact of all dimensions (EITS) on the (TPS) based on the (T-Test) equal (23,767), where we find that the level of indication is less than 0.01.To test quality of the conciliation model as a whole, (F-test) was used, where the value of the test is (564.858), which is significant at a level less than (0.01), which indicates the quality of the impact significant of the regression model on (TPS).

m = constant + β x

TPS = 0.382 + 0.766 EITS

Hence, We accept the statistical hypothesis H2 "*EITS has a significant positive impact on TPS".*

Table (15)
Effect of the "EITS" on "TPS" using SLR

Indepen-dent variables	β	T. test		F. test		r	R^2
		Value	Sig.	Value	Sig.		
constant	0.382	2.761	0.01**	564.858	0.01**	0.766	58.7 %
EITS x	0.766	23.767	0.01**				

** Significant level 0.01

As shown in table (16),there is statistically significant positive relationship between SQ and TPS which it reached the correlation coefficient (0.564) at a level significantly less than(0.01).Independent variable SQ explains (31.8%) of the total change in the mediator variable (TPS), which have a significant significance. (T- test) equal (13.621), where we find that the level of indication is less than 0.01.

(F-test): where the value of the test is (185.522), which is significant at a level less than (0.01). Hence, we accept the statistical hypothesis H2a"*SQ has a statistically significant positive impact on "TPS".*

There is a statistically significant positive relationship between IQ and "TPS" where the correlation coefficient reached (0.469) at a level significantly less than (0.01). Independent variable IQ explains (22%) of the total change in the mediator variable (TPS), which has a significant significance. (T- test) equal (10.587), where we find that the level of indication is less than 0.01. (F-test): where the value of the test is (112.074), which is significant at a level less than (0.01). Hence, We accept the statistical hypothesis H2b *" IQ has a statistically significant positive impact on TPS"*.

There is a statistically significant positive relationship between EU and TPS which it reached the correlation coefficient (0.486) at a level significantly less than (0.01).The independent variable EU explains (23.6%) of the total change in the mediator variable (TPS), which has a significant significance. (T- test) equal

(11.087), where we find that the level of indication is less than 0.01. (F-test): where the value of the test is (122.917), which are significant at a level less than (0.01).

Hence, we accept the statistical hypothesis H2c "EU *has a statistically significant positive impact on "TPS".*

There is a statistically significant positive relationship between PU and "TPS" where the correlation coefficient (0.566) at a level significantly less than (0.01). Independent variable PU explains (32.1%) of the total change in the mediating variable (TPS), which has a significant significance. (T- test) equal (13.708), where we find that the level of indication is less than 0.01. (F-test): where the value of the test is (187.896), with a significant level less than (0.01). Hence, We accept the statistical hypothesis H2d "PU *has a statistically significant positive impact on TPC".*

Table (16)

Effect of the dimensions "EITS" on "TPS" using SLR

Independent variables	Path →	Depen-dent	β	T. test		F. test		R^2
				Value	Sig.	Value	Sig.	
SQ x1	→	TPS	0.564	13.621	0.01**	185.522	0.01**	31.8 %
IQ x2	→	TPS	0.469	10.587	0.01**	112.074	0.01**	22%
EU x3	→	TPS	0.486	11.087	0.01**	122.917	0.01**	23.6 %
PU x4	→	TPS	0.566	13.708	0.01**	187.896	0.01**	32.1 %

As shown in table (17), there is statistically significant positive relationship between (TPS) and (TPC), where the correlation coefficient reached (0.834) at a level significantly less than (0.01).We find that the mediator variable (TPS) explains (69.5%) of the total change in the dependent

variable (TPC), which have a significant significance. The results of the previous table confirmed the existence of a statistically significant impact of (TPS) on the (TPC) based on the T- Test equal (30.119), where we find that the level of indication is less than 0.01.To test quality of the conciliation model as a whole, F-test was used, where the value of the test is (907.176), which is significant at a level less than (0.01), which indicates the quality of the significant impact of the regression model on (TPC).

Y= constant + β m

TPC = 0.639+ 0.834 TPS

Hence, We accept the statistical hypothesis H3 " *TPS has a statistically significant positive impact on TPC "*.

Table (17)

Effect of the "TPS" on "TPC" using SLR

Independent variable	β	T. test		F. test		r	R^2
		Value	Sig.	Value	Sig.		
constant	0.639	8.846	0.01**	907.176	0.01**	0.834	69.5 %
TPS m	0.834	30.119	0.01**				

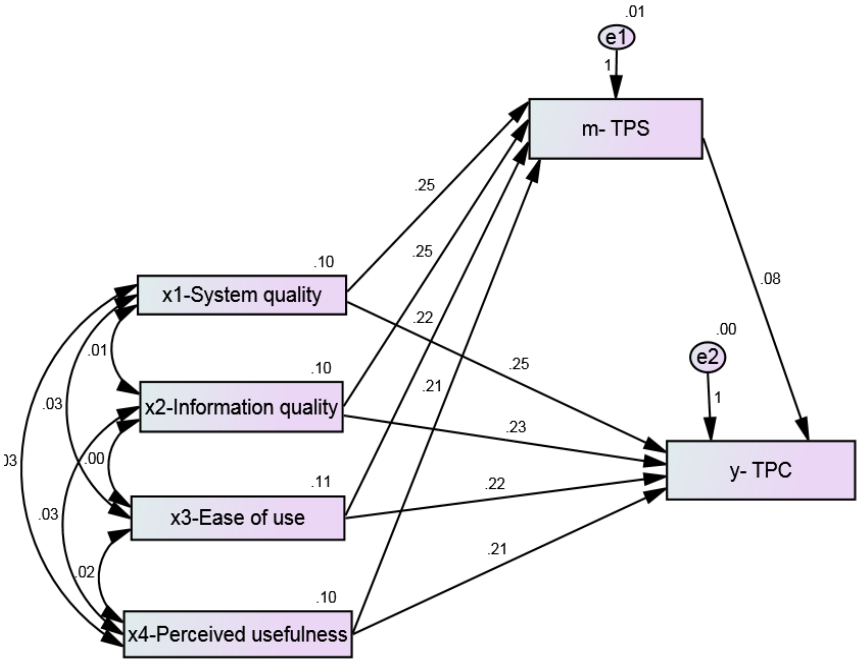
PA shown in figure (2) is used to test the indirect effect of EITS on TPC through the mediation of TPS**.**

The Research Hypotheses variables is divided to:

a- Observed Endogenous Variables: include dependent variable TPC (y), and moderator variable TPS(m).

b- Observed Exogenous Variables: Include dimensions of independent variable EITS: (SQ x1, IQ x2, and EU x3, PU x4).

Figure (2)
Path analysis for TPS mediating EITS-TPC



Effect of EITS on TPS:

Table (18) shows that SQ x1, has a positive significant effect on TPS m, with significant level less than (0.05), and the critical path (CP) has a value of (12.790).IQ x2, has a positive significant effect on TPS m, with significant level less than (0.05), and the CP has a value of (12.740).EU x3, has a significant effect on TPS m, with significant level less than (0.05), and the CP has a value of (11.816).PU x4, has a positive significant effect on TPS m, with significant level less than (0.05), and the CP has a value of (10.694).

Effect of TPS on TPC:

TPS m has a positive significant effect on TPC y, with significant level less than (0.05), and the CP has a value of (19.124).

Effect of EITS on TPC:

SQ x1, has a positive significant effect on TPC y, with significant level less than (0.05), and the CP has a value of (22.047).IQ x2, has a positive significant effect on TPC y, with significant level less than (0.05), and the CP has a value of (20.765).EU x3, has positive significant effect on TPC y, with significant less than (0.05), and the CP has a value of (21.047).PU x4, has positive significant effect on TPC y, with significant less than (0.05), and the CP has a value of (19.124).

Table (18)
Estimates of the coefficients of the structural model "The indirect effect for dimensions of EITS on TPC through the mediation of TPS"

Path			Estimate	S.E	CP	P-Value	Sig.
SQ x1	→	TPS m	.250	.020	12.790	0.01**	Sig.
IQ x2	→		.249	.020	12.740	.001**	Sig.
EUx3	→		.217	.018	11.816	.001**	Sig.
PU x4	→		.215	.020	10.694	.001**	Sig.
TPS m	→	TPC y	.211	.011	19.124	.001**	Sig.
SQ x1	→		.248	.011	22.047	.001**	Sig.
IQ x2	→		.234	.011	20.765	.001**	Sig
EUx3	→		.218	.010	21.047	.001**	Sig
PU x4	→		.211	.011	19.124	.001**	Sig.

**Significance level (0.05)

From the following table (19) it is clear that Chi Square is (57.563). The goodness of fit index (GFI) was (0.956), (For the saturated model a perfect 1).The Comparative Fit Index (CFI) was (0.999), (For the saturated model a perfect 1).The Root Mean Square Residual (RMR) is (0.027) < 0.1.The root mean square error of approximation (RMSEA) is (0.051) < 0.1. The test is significant which indicated that the data had an acceptable fit with the hypothesized model so that we can rely on the hypothesized model to investigate our hypothesis.

Table (19)

Quality assessment criteria of the structural model

Ser.	Indicators	Value
1	Chi square	328.425**
2	Goodness of fit index (GFI)	0.956
3	Comparative Fit Index (CFI)	0.999
4	Root Mean Square Residual (RMR)	0.027
5	Root mean square error of approximation (RMSEA)	0.051

The total direct and indirect standard effects between the study variables can be explained as in the following table (20):

Table (20)

PA results for research variables

Standard effects	Variables	EITS	TPS
Direct effects	TPS	.766	-
	TPC	.526	.431
Indirect effects	TPS	-	-
	TPC	.330	-
Total effects	TPS	.766	-
	TPC	.856	.431

There is an indirect effect between (EITS) and (TPC) with a value of (0.330), with the presence of the mediator variable, the effect between EITS and TPC increased from (0.526) to (0.856).

According to the preceding results, we accept the statistical hypothesis H4 "*EITS positively Influences TPC through the mediation of TPS*."

4.Conclusion :

The implementation of the EITS in Egypt has emerged as a pivotal initiative aimed at enhancing TPC while simultaneously increasing TPS . The research has demonstrated that the system not only streamlines tax processes but also fosters greater transparency and trust between taxpayers and tax authorities. Through meticulous analysis, it has become evident that TPS serves as a critical mediator in this relationship, significantly influencing compliance behavior.

There is a statistically significant positive relationship between EITS and TPS.

Among the individual dimensions of EITS, PU was the most influential highlighting that TPS is highly affected by the benefits that the system provides to its users. SQ comes next indicating that a secure system with fewer errors affect TPS.EU comes after, indicating that TPS is impacted by the flexibility, accessibility and simplicity of the system. IQ came last as it indicated that accuracy and transparency affect TPS. There is statistically significant positive relationship between EITS and TPC.

Among the individual dimensions, SQ emerged as the most influential suggesting that supportive service is a key driver of taxpayer compliance. PU follows indicating that users find the system beneficial to their tasks. EU and IQ come last underlining the importance of relevant and reliable information and the need for a more user-friendly design. Results also concluded a significantly positive relationship between TPS and TPC. These results underscore the multifaceted value that users attribute to EITS, with specific dimensions like IQ, SQ, EU and PU taking precedence in shaping their overall satisfaction and compliance.

Furthermore, these dimensions highlighted the role of TPS in enhancing TPC.

Therefore, organizations and policymakers should prioritize strategies that enhance user experiences with the electronic invoice system, thereby reinforcing the positive impacts on compliance rates. In conclusion, the relationship between taxpayer satisfaction and taxpayer compliance is interconnected, with higher levels of satisfaction often leading to increased compliance. Understanding and improving this relationship can help tax authorities enhance revenue collection and foster a more cooperative tax environment.

5. Recommendations:

The findings of this research underscore the significant impact of the EITS on TPC in Egypt, revealing a positive correlation between the implementation of this system and enhanced TPS. Through rigorous analysis, it has become evident that the streamlined nature of electronic invoicing not only improves record-keeping but also mitigates the likelihood of tax evasion, thereby fostering a more compliant taxpayer base. These insights carry critical implications for future tax policy and administration: policymakers must prioritize the integration of technological innovations to simplify compliance processes and enhance taxpayer engagement. Furthermore, the findings advocate for training programs aimed at educating taxpayers about the benefits of the electronic system, which may further cultivate satisfaction and compliance. By fostering a supportive environment for taxpayers and continuing to refine technological infrastructures, Egypt can achieve a more equitable tax system that optimally contributes to national revenue.

Moreover, infrastructure, adequate human resources, security systems and adequate data and information backup will support the implementation of the EITS efficiently and effectively. Ultimately, these findings underscore the necessity for ongoing assessments of the electronic tax framework, ensuring that it evolves in tandem with technological

advancements and the changing needs of taxpayers, thereby establishing a robust foundation for Egypt's fiscal landscape in the years to come.

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