

DOI: 10.5281/zenodo.122.126225

ACCOUNTING-DRIVEN TAX PLANNING AND ITS EFFECT ON TAX BURDEN EFFICIENCY: EVIDENCE FROM SUDANESE LISTED COMPANIES

Fatihelalah Mohammed Ahmed Mohammed¹, and Mohamed Saad^{2*}

¹King Khalid University, Saudi Arabia, Abha, fmohammed@kku.edu.sa,
<https://orcid.org/0000-0002-5789-141X>

²Department of Accounting, College of Business, King Faisal University, Al-Ahsa, 31982, Saudi Arabia.
Email: msoahmad@kfu.edu.sa, <https://orcid.org/0000-0002-8635-0276>

Received: 20/12/2025
Accepted: 30/01/2026

Corresponding Author: Fatihelalah Mohammed Mohammed
(msoahmad@kfu.edu.sa)

ABSTRACT

This study investigates the influence of accounting-driven tax planning on the efficiency of tax burden management among companies listed on the Khartoum Stock Exchange (KSE). Specifically, it examines how the provisions of the Sudanese Income Tax Law of 1986 are utilized to minimize tax burdens and how companies strategically reinvest the resulting advantages to enhance tax efficiency. A structured questionnaire was distributed to senior executives, financial managers, and accounting officers across 276 listed companies to collect quantitative data. The findings reveal that tax planning advantages significantly improve the efficiency of tax burden management. Moreover, financial, administrative, and accounting policies were found to have a positive impact on the effectiveness of tax burden handling. However, the nature of a company's business activity does not appear to influence the degree to which it benefits from the Sudanese Income Tax Law or manages its tax obligations. These results highlight the pivotal role of accounting practices in optimizing corporate tax strategies within emerging economies such as Sudan.

KEYWORDS: Tax Planning, Accounting Policies, Tax Burden Management, Sudanese Income Tax Law, Khartoum Stock Exchange, Emerging Economies.

1. INTRODUCTION

Taxes profoundly affect different aspects of business and economic activity (Markus, 2017; Lutfi A. et al., 2023). Where companies pay tax without compensation or return (Bloom, Tayyar, Al-Ayeb, 2020). Therefore, business organizations strive to reduce taxes as much as possible by using financial tools and following policies and strategies. (Lutfi et al., 2022; Mahmoud, 2016). To get the most profits tax-free. (Ahmed, Radhi, Amin, 2021). Tax planning is considered one of the financial tools organizations and companies rely on for financial planning. (Khassawneh, 2014; Mahmoud, 2016).

On the stock market, companies are geared towards making high profits that maximize shareholders' equity and increase investors' demand for their shares. (Huwaimani, 2007). Nonetheless, achieving high profits increases the tax burden, which cannot be transferred to others. This requires companies to manage this burden efficiently and benefit from any incentives or legal outlets that reduce the tax burden and achieve tax savings. (Alsaad et al., 2023; Bayraktar, Tutuncu, 2022). Therefore, most companies practice tax planning as an effective way to manage the tax burden without committing any legal violations. (Ibrahim, 2012; Mansour et al., 2024). Thus, the problem of the study is to investigate how tax planning can help companies listed on the KSE reduce their tax burdens through the Sudanese Income Tax Law of 1986. Moreover, it shows the extent to which these companies invest these advantages in managing the tax burden efficiently.

Based on the above, this study will address several key inquiries about tax planning in companies listed on the KSE. Firstly, investigate what tax planning opportunities exist under the Income Tax Law 1986. Additionally, the research will scrutinize the statistically significant impact, at a significance level of 0.05, of the relationship between the practice of financial, administrative, and accounting procedures by companies listed on the Khartoum Stock Exchange and their efficiency in managing the tax burden. Furthermore, it explores differences in the efficiency level of tax burden management due to the type of sector the company belongs to. Finally, it will assess whether there is a statistically significant impact on the differences in the level of benefit of companies from the tax planning benefits available in the SITL due to the type of sector the company belongs to.

2. LITERATURE REVIEW

2.1. Concept Of Tax Planning:

Tax planning concerns how taxes can affect business activities and economic areas. (Markus, 2007). It is allowed to reduce the tax burden on business in a legitimate way to reduce tax liabilities. (Evgeniya & Viktoriya, 2018). Where taxpayers use legal means to reduce their tax burdens. (Savita & Gautam, 2013). Consequently, taxpayers can use it to conduct their business or income taxes without violating the constitution or applicable tax laws. By collecting and analyzing tax regulations. (Putri. et al., 2022). Hence, designing, strengthening, and facilitating financial arrangements that reduce and avoid tax burdens. (Gallemore, Gipper & Maydew, 2019). Practicing transactional restructuring activities to increase income after tax and/or after-tax cash flows. (James, 2019). Due to tax planning's long-term nature, these activities can often be uncertain. (Minnick & Noga, 2010). Hence, tax planning is the process by which managers structure the organization, its investments, and transactions to increase the company's value by taking advantage of tax opportunities. (Shane, Ogneva, 2019). Utilizing all tax exemptions, rebates, allowances, and other exemptions or benefits permitted by law. (Khader, 2017).

2.2. Aims Of Tax Planning:

A tax plan's main objective is to maximize after-tax income. (Markus, 2007; Scholes, 2016). By making the necessary and appropriate reductions in tax obligations. (Markus, 2017). Furthermore, identify the tax effect of any proposed administrative action and reduce tax liability by making the right decisions. (Ahmed, Rady, Amin, 2021; Marei et al., 2023).

2.3. Features Of Tax Planning

Managing taxes is a complex and risky process. Thus, to achieve tax savings, businesses resort to tax planning operations. (Abdul Latif, 2015; Alshirah et al., 2021). Tax planning is done orderly and regularly, following the law without any intention of defrauding the government or evading taxes. (Ahmed, Rady, Amin, 2021). As a result, taxpayers have a reduced tax burden through legal means, which helps companies invest and grow by reducing their tax obligations. (Thabet, 2017; Alrawad et al., 2023). Thus, providing a solid foundation for financial planning and investment financing decisions. (Rashid, 2021; Alrfai et al., 2023).

2.4. Areas Of Tax Planning in the Sudanese Income Tax Law Of 1986:

The Income Tax Law was promulgated in 1986,

and successive amendments have been made over the years. Business profit tax, real estate rental income tax, and personal income tax were included in the law. This law provides many tax benefits and exclusions to reduce the tax burden and encourage financiers to pay their taxes promptly.

Companies in general and companies listed on the KSE can benefit from these advantages and exemptions in planning their tax burdens and achieving tax savings through the following areas:

1. *Lease or ownership*: The Sudanese tax legislator allowed in Article (20) paragraph (1) a deduction of rent paid on land or buildings if the person occupies them to earn business profits.

The company must compare the rental or ownership of buildings or land and rely on the tax savings resulting from the comparison process as a basis for differentiation, as the legislator allowed deducting the rental value of buildings and lands. However, only the annual depreciation premium is deducted in case of ownership, so the company must select the appropriate method that will reduce its tax burden based on the amount of tax savings achieved in each case as one of the factors to rationalize the administrative decision.

1. *Maintenance and restoration expenses*: The legislator stated in Article (20), paragraph (b), that the amounts payable for the repair of buildings or machinery or for the renewal of tools or containers that are not considered capital expenditures shall be considered expenses permitted to be deducted from the business's profits.

Therefore, the company can follow an administrative policy based on the following programs for the maintenance of machinery, equipment, and machinery: taking advantage of the period of high profits, making the necessary maintenance, and achieving tax savings as maintenance expenses reduce the tax burden.

1. *Donations*: As per Article (20), paragraph (c), the Sudanese tax legislature allows cash and in-kind donations to be deducted. Therefore, the company must ensure that its donations meet the conditions of deduction not to lose the tax savings achieved when deducting these donations.
2. *Bad debt and doubtful debts*: Article (20), paragraph (e), stipulates the deduction of bad debts incurred by the financier to produce business profits, which the agent believes have become bad debts. The company does not benefit from bad and doubtful debts; thus, it

must prove the destruction of these debts and convince the tax administration that the steps taken to collect these debts are serious to expedite their execution; thus, it is accepted within the expenses allowed to be deducted, which reduces the tax burden in that year.

3. *Fixed assets*: The tax legislator approved in Article (20) paragraph (h) the deduction of any amounts stipulated in the table, where the legislator clarified that if there are machines owned by a person who uses them for business purposes, a deduction called use consumption is made when calculating business profits. It also stipulated that depreciation is calculated from the original value. Suppose the original value cannot be determined. In that case, the netbook value shall be determined, and the rates used to calculate depreciation will be determined by the uundersecretary of the Tax Bureau.

In this case, the company can reduce taxes by using the asset's tax age since the shorter the asset's useful life, the greater the tax savings; this is because the present value of the tax savings associated with depreciation is more significant than the shorter period. Therefore, a company can take the tax age of an asset as a tax planning area before deciding to purchase fixed assets.

1. *Borrowing Cost*: Article (20), paragraph (j), refers to the deduction of amounts payable as interest on any money borrowed by a person when the Secretary-General is satisfied that such cost is due from funds used to produce business profits. Based on the previous article, the company can plan taxes through the following:
 2. *Follow an external financing policy*: When making decisions related to borrowing, the company must rely on external financing, as this achieves tax savings by allowing the cost of financing to be deducted.
 3. *When the company decides to increase capital*: the company must choose between increasing capital internally or using external financing in the form of long-term loans. Where the explanatory regulations of the Income Tax Law of 1986 indicated that the interest paid to the owner of the capital is not allowed to be deducted, while it was allowed to deduct the cost of external financing in the form of long-term loans as explained in Article (20) mentioned above. Therefore, the company must rely on tax savings as a differentiation criterion between internal and external

financing.

4. *Losses during any base period:* Article (21) clarifies that losses incurred by any person during any base period shall be deducted from the profits of the business for the base period immediately thereafter. If losses exceed profits, they are carried forward to the following period up to a maximum of five years after the end of the base period in which the losses occurred. The company must ensure that the loss is proven, obtain the approval of the tax administration, and comply with the conditions prescribed for its deportation to achieve efficiency in managing the tax burden during the years of loss.
5. *Value of ending inventory:* Sudanese tax legislation does not specify a specific method for valuing goods at the end of the period. However, a taxpayer may not change methods until the tax administration determines that the amendment process is not intended to facilitate the evasion of taxes. Therefore, the company must choose the method that achieves the most significant tax savings compared to other methods. For example, In the case of inflation, the last in first out method prices goods at the end of the period at the first price, thus reducing their value in the income statement and achieving tax savings.
6. *Investing in stocks:* A company can direct its surplus funds toward tax-exempt areas. The Sudanese legislator stipulates in Article (10), item (3), that business profits include any income or profit resulting from an investment that may have been actually or by the share of dividends received from taxable profits under this law.
7. *Self-assessment declaration:* The tax legislator stipulates in Article (38), paragraph (3), that the taxpayer is obliged to submit an income declaration within the specified period. In case of failure to submit within three months, a fine of one hundred pounds shall be imposed for each day of delay or as the Secretary-General deems appropriate, provided that the fine does not exceed 5% of the total tax due, as provided for in Article (44), paragraph (a).

Tax savings can be achieved through self-assessment ddeclaration in the following ways:

1. *Delay in submission of Self-assessment declaration:* The company can choose between submitting the Self-assessment declaration on time and avoiding fines or delaying and then investing the amount of tax due during the delay period;

hence, comparison between the amount of the fine resulting from the delay and the return on investment of the tax amount due.

2. *Granting an incentive discount:* The company must submit a Self-assessment declaration on time to receive the incentive discount and achieve tax savings.
3. *Non-payment of part of the tax:* Tax inspections are based on several determinants, the most important of which is time. Therefore, a tax estimator may not have sufficient time to complete comprehensive and adequate audits, especially if the company is large and has not discovered all non-taxable expenses listed on its self-assessment form.
4. *Legal postponement of payment of part of the tax:* Article (55), paragraph (1) of the Income Tax Law of 1986 allows every person to dispute the assessment issued by a written declaration addressed to the Secretary General of the Tax Bureau, provided that the appeal is made within thirty days from the date of its announcement. As also found in Article (62), paragraph (3), the person who files an appeal against the assessment must also pay half of the tax imposed, or the amount of undisputed tax, or any amount that the Secretary General of the Tax Bureau may determine.

From the above, the company can resort to an appeal against the estimation , so that it takes a period, which means postponing the payment of part of the tax and by legal means thus, utilizing state funds without interest for a period extending between submitting the appeal and paying half of the tax or whatever the agent determines until the result of the appeal appears, the company will be taking advantage of the time value of money and achieving tax savings.

1. *Customers' loans and facilities:* The company must monitor the loans and facilities granted to customers to ensure that these loans, facilities, and interest are repaid, where these interests are considered taxable revenues, and therefore the company must work to prove default, execute these debts, and suspend interest so that the company does not pay tax on interest and commissions that have become doubtful. Because its inclusion in revenues despite the failure to collect them is considered a tax paid in advance, which contradicts tax planning, which aims to postpone the payment of tax as much as possible in accordance with the law.
2. *Tax consultancy:* The company can hire tax

experts to identify cases and analyses opportunities that can be exploited by thoroughly analyzing to achieve the most significant tax savings.

3. Accuracy in applying the accrual basis: All taxable expenses must be charged to the fiscal year at the estimation stage since the expense claim is only at the estimation stage, and there can be no claim at the appeal stage if any expense is not included in the estimation stage.

2.5. Related Works:

Guenez and Kerrouche (2022) examined how companies reduce their tax base by using different tax planning strategies. To maximize tax savings, companies exploit the various tax advantages offered by the law and legal loopholes in tax texts. According to the study, companies minimize tax obligations, delay them, or avoid them entirely by knowing all the laws regulating economic activity, particularly those that have a positive tax impact, to reap the maximum tax benefits.

In Rachid & Boualem's study (2021), a group of Algerian economic institutions studied during 2012-2018 was examined and analyzed to analyze the most important aspects of tax planning that result in the exploitation of tax incentives for corporate profits to expand investment. According to the study, companies prioritize tax planning to reduce their corporate income tax rate, while investments were not the reason for the decrease in taxes due to profits.

Ahmed and Al-Mahaini (2021) aimed to introduce tax planning and explain its importance, objectives, advantages, principles, and methods. As well as clarifying the methods of tax planning available under Syrian Income Tax Law No. 24 of 2003. The study found a positive, statistically significant relationship between tax planning methods and tax savings.

Ahmed and Al-Mahaini's study (2019) explains the importance of tax planning, its objectives, advantages, and strategies. Moreover, tax benefits and incentives were examined in tax planning. The study concluded that there is a direct, statistically significant relationship between tax benefits and incentives and the tax planning process. In addition, there is a relationship between accounting policies and the tax planning process.

Ted Sarenki's study (2013) focused on CPA accountants' tax planning recommendations for fiscal year 2013 to benefit from tax savings when filing a tax return, including deducting gifts and donations, deducting losses, and postponing the tax payment tax planning package of recommendations aimed at

increasing dividend distributions to shareholders by recognizing more profits.

Focusing on insurance companies' financial, administrative, and accounting policies, (Al-Sulaihat et al. (2010) examined whether they practice tax planning as it reduces their tax burden through legal means. According to study results, 78.6% of insurance companies use tax planning to reduce income taxes. In addition, Jordanian insurance companies follow different accounting, financial, and administrative policies at a calculated rate of 70% to implement tax planning. It also practices tax planning to benefit from Jordanian laws and legislation at an estimated percentage of 67.5%.

Khuwayra & Jabr (2004) used the Income Law, the Investment Encouragement Law, and the Palestinian Stock Exchange's financial, administrative, and accounting procedures to determine how tax planning legally reduces tax burdens. Companies seek to benefit from the general privileges granted by the Income Tax Law. In contrast, the benefit of the Investment Encouragement Law is not very significant. In addition, companies follow financial, administrative, and accounting procedures to reduce tax burdens.

3. FIELD STUDY

3.1. Sampling Technique

The study employed a non-probability purposive sampling technique, consistent with the nature of the research population and the accessibility of qualified respondents within the Sudanese listed companies. The total study population comprises all companies listed on the Khartoum Stock Exchange (KSE), covering sectors such as banking, insurance, industrial operations, services, and investment. Given that the research aims to assess accounting-driven tax planning practices, the questionnaire was intentionally directed to individuals with relevant financial and accounting responsibilities inside these companies, an approach that justifies the use of purposive sampling. The study population consists of companies listed on the KSE represented by (67) companies divided into eight main sectors as follows (the banking sector includes 25 banks, the insurance sector includes eight companies, the commercial sector includes seven companies, the industrial sector includes two companies, the agricultural sector includes three companies, the communications and media sector includes four companies, the brokerage companies sector includes seven companies, and the investment and development sector includes 11 companies).

Study sample: (300) questionnaires were

distributed to KSE companies' Senior management, financial managers, and financial management. (276) questionnaires were retrieved with a 92% response rate, while (24) non-refundable forms reached (8%).

Study Tool: A questionnaire form was designed that consisted of four dimensions:

Axis 1: Sector type

Axis 2: Managing tax burden efficiently.

Axis 3: the level of benefit that KSE companies receive from tax planning.

Axis 4: involves managing tax burdens through financial, administrative, and accounting procedures.

3.2. Structural Equation Modeling (Sem) Software

The study employed AMOS to conduct covariance-based structural equation modeling (CB-SEM). AMOS was used to estimate both measurement and structural models and to assess overall model fit through indices such as CMIN/DF, CFI, TLI, NFI, IFI, and RMSEA. The use of AMOS ensured a rigorous evaluation of construct validity and the significance of structural relationships, thereby strengthening the robustness and credibility of the study's findings.

3.3. Model Fit

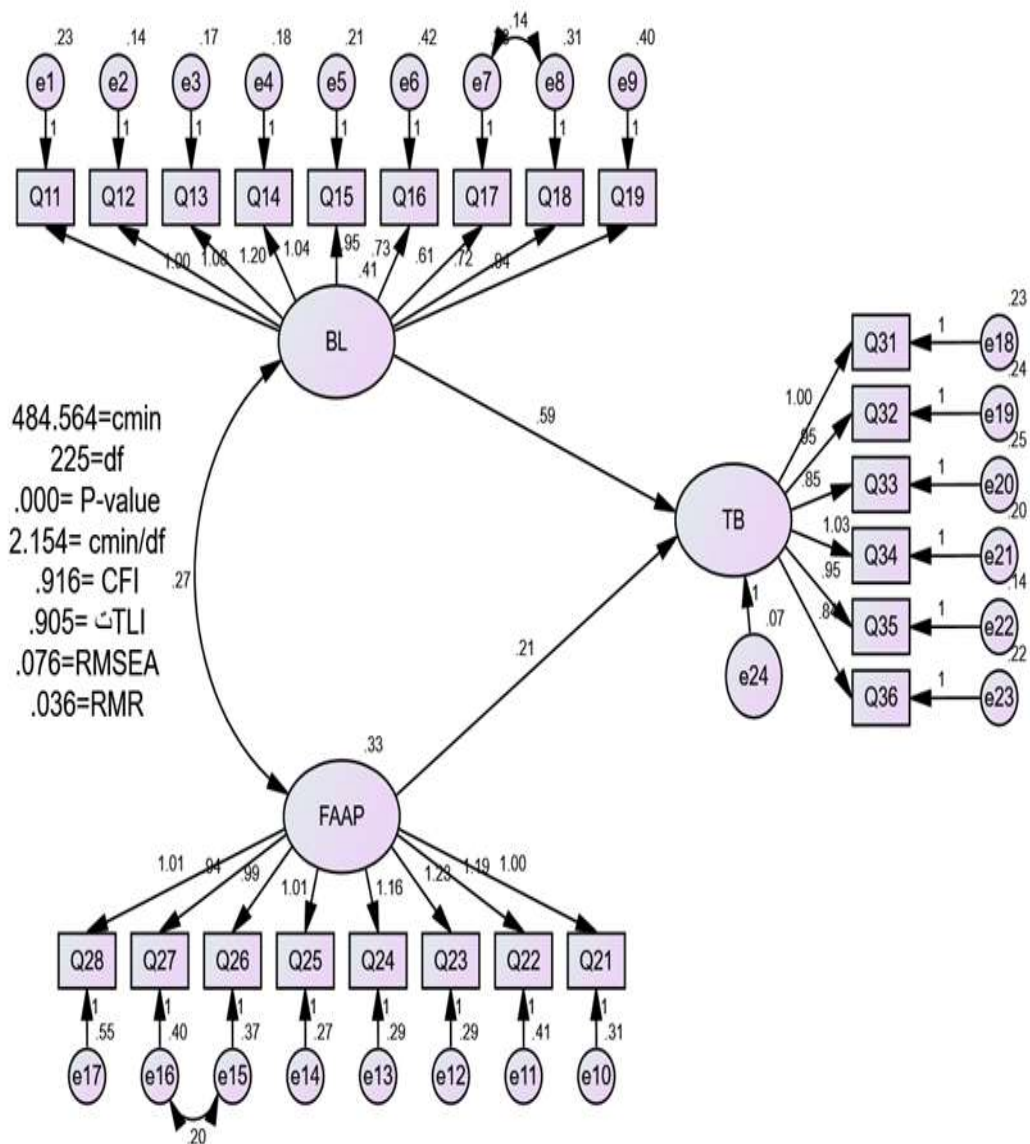


Figure 1: The Model Fit.

Several fit indices are used to test model fit as in Figure 1. However, some commonly used fit indices

are recommended to be considered when assessing model fit.

To evaluate the model's fit, the researcher will use the following indicators:

Table 1: Chi-Square (CMIN/DF).

Model	CMIN	DF	P	CMIN/DF
Default model	51	225	0	2.154
Saturated model	276	0		
Independence model	23	253	0	13.172

Table 1 indicates that CMIN/DF value is (2.154), it's ≤ 3 it indicates an acceptable fit. (Kline, 1998). This indicates that the model has a good fit. The model can

then be used to make predictions and decisions.

Table 2: Incremental Fit Index.

Model	NFI	RFI	IFI	TLI	CFI
Default model	0.902	0.937	0.916	0.905	0.916
Saturated model	1		1		1
Independence model	0	0	0	0	0

Table 2 indicates:

- The NFI value is (0.902), which is $\geq 0,9$, indicates a reasonable fit. (Bentler & Bonett, 1980)
 - An acceptable fit is indicated by the RFI value of (0.937). It is above 0.90, which suggests a good fit. (Hu and Bentler, 1998)
 - An IFI value of (0.916) indicates a good model fit, higher than a value of 0,90. (Bentler, 1990; Hu & Bentler, 1998)
 - The TLI value is (0.905), greater than 0,9, indicating that the model is acceptable. (Brown, 2006).
 - CFI is (0.916), equal to 0,90, indicating that it is an acceptable fit. (Bentler, 1990; Hu & Bentler, 1998).
- The previous table's results suggest that the model is reliable and valid, so it can be used to predict. Furthermore, it can help make better decisions and plans.

Table 3: Root Mean Square Error of Approximation (RMSEA).

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.076	0.066	0.085	0
Independence model	0.245	0.238	0.253	0

Table 3 indicates that the RMSEA value is (0.076), and values ranging from 0,05 to 0,08 are considered acceptable. (MacCallum et al, 1996).

4. The first question: Is there a statistically significant relationship between the benefit level from tax planning advantages (BL) and the efficiency of companies listed on the Khartoum Stock Exchange in managing the tax burden (TB)?

DATA ANALYSIS AND DISCUSSION:

Table 4: Regression Weights.

Regression Weights	Estimate	S.E.	C.R.	P
TB	0.589	0.079	7.475	***

Table 4 demonstrates that tax planning advantages (BL) have an effect of 0.589 on the tax burden management efficiency (TB) of KSE companies. It has a positive effect with a very high significance of 0.000.

According to this, KSE listed companies are utilizing the tax planning advantages of Sudanese income tax law to manage their tax burdens efficiently.

In Figure 2 and 3, a statistical analysis shows that

Khartoum Stock Exchange companies take the following advantages to reduce tax burdens:

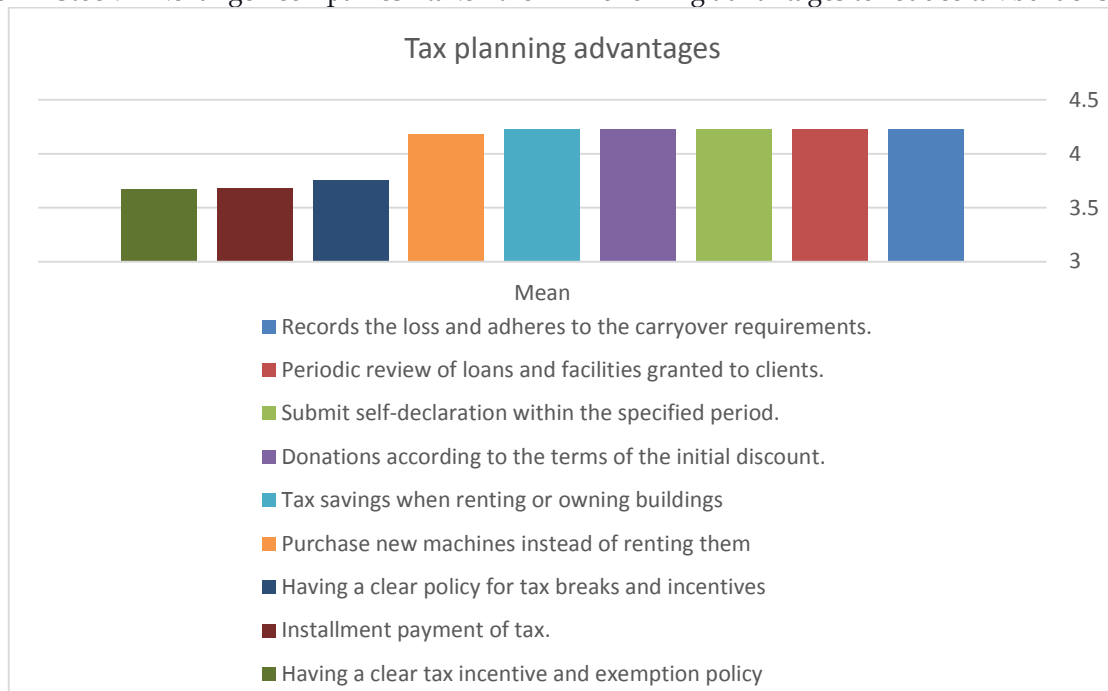


Figure 2: Tax Planning Advantages Taken by Khartoum Stock Exchange Companies.

A statistical analysis shows that Khartoum Stock Exchange companies use the following methods to manage tax burden:

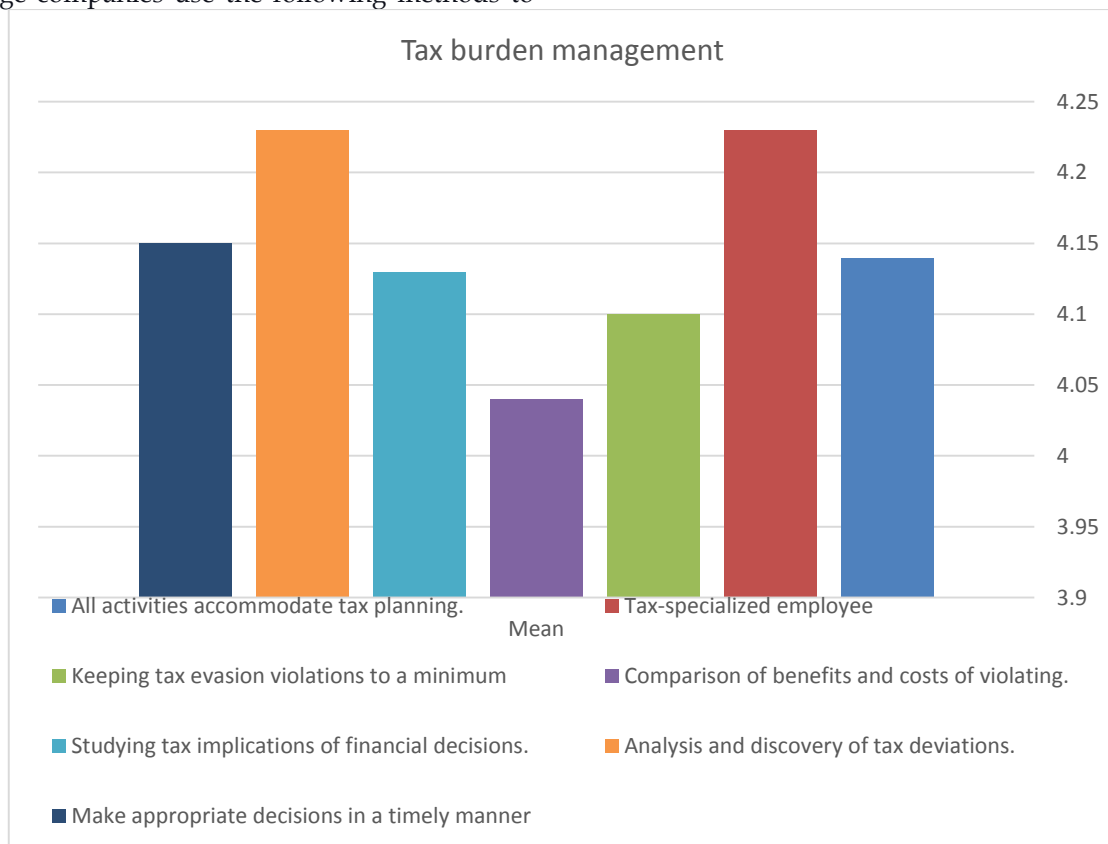


Figure 3: Tax Burden Management Methods Employed by Khartoum Stock Exchange Companies.

The second question: Is there a significant relationship between the level of financial,

administrative, and accounting policies (FAAP) efficiency in managing the tax burden adopted by companies listed on the KSE and their (TB)?

Table 5: Regression Weights.

Regression Weights			Estimate	S.E.	C.R.	P
TB	<---	FAAP	0.209	0.074	2.808	0.005

Table 5 demonstrates that the financial, administrative, and accounting policies adopted by companies listed on the Khartoum Stock Exchange (FAAP) have an effect of 0.209 on the tax burden management efficiency (TB). It has a positive effect with a very high significance of 0.005. As a result,

Khartoum Stock Exchange companies' financial, accounting, and administrative policies implement their tax management efficiency. According to a statistical analysis shown in Figure 4, KSE companies use the following financial, accounting, and administrative policies to manage their tax burdens.

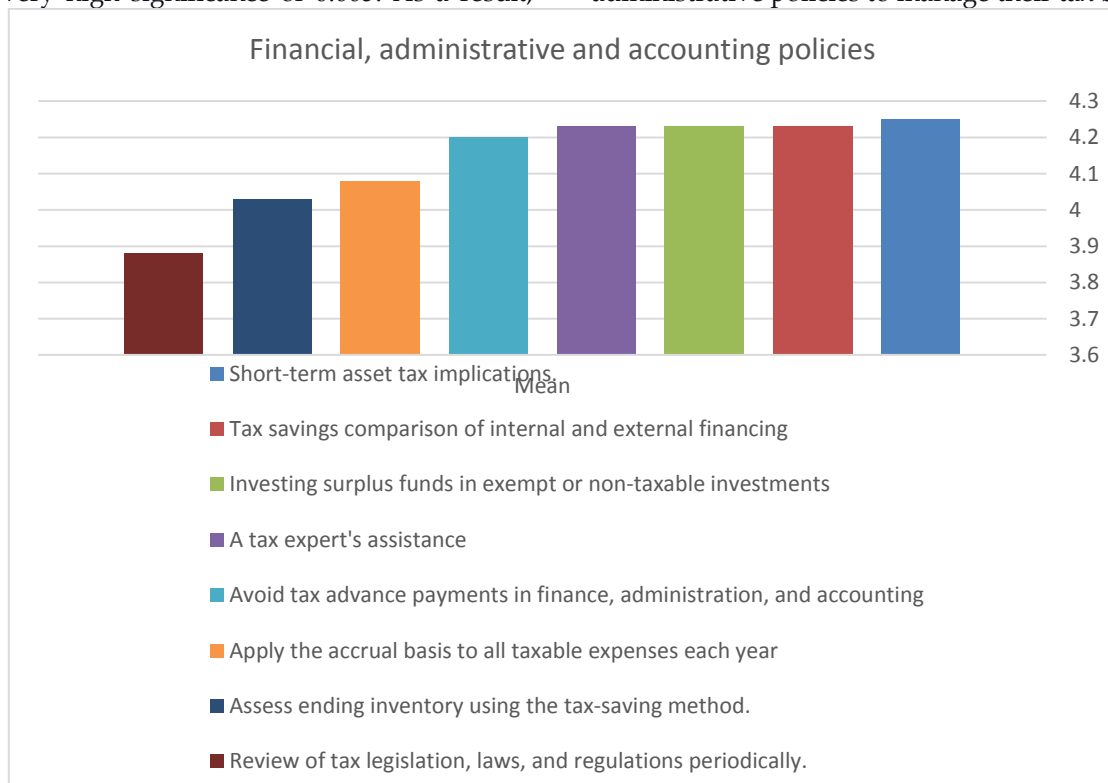


Figure 4: Financial, Accounting, And Administrative Policies

The third question: Are there significant differences in (efficiency in managing taxes, benefits from tax planning, and financial, administrative, and

accounting policies) by sectors?

1- Difference In Managing Taxes:

Table 6: Difference In Managing Taxes According to the Type of Sector.

Companies* efficiency in managing taxes				
Chi-Square Tests				
	Value	df	Significance (2-sided)	
Pearson Chi-Square	157.804a	154	0.400	Not significant
Likelihood Ratio	154.119	154	0.482	
Linear-by-Linear Association	0.232	1	0.630	
N of Valid Cases	203			

According to Table 6, there is no difference in tax burden management between different sectors. Accordingly, tax process management is very similar

between different companies even though companies' activities differ.

2- Differences In Benefits:

Table 7: Difference In Benefits from Tax Planning to the Type of Sector.

Company * benefits from tax planning				
Chi-Square Tests				
	Value	df	Significance (2-sided)	
Pearson Chi-Square	138.697 ^a	147	0.675	Not significant
Likelihood Ratio	125.494	147	0.900	
Linear-by-Linear Association	0.096	1	0.757	
N of valid Cases	203			

Although the nature of these companies' activities may lead to a difference in the level of tax planning benefits, according to Table 7, there is no difference in benefiting from tax planning due to the type of sector the company belongs to. Therefore, no

particular activity is more likely to benefit from these advantages than another.

3- Differences In Financial, Administrative, And Accounting Policies:

Table 8: Difference In Financial, Administrative, And Accounting Policies According to the Type of Sector.

Company * V_3				
Chi-Square Tests				
	Value	df	Significance (2-sided)	
Pearson Chi-Square	83.919 ^a	91	0.688	Not significant
Likelihood Ratio	81.377	91	0.755	
Linear-by-Linear Association	0.034	1	0.854	
N of Valid Cases	203			

According to Table 8, despite the differences in these companies' activities, their financial, administrative, and accounting policies for managing tax burdens are not different. As illustrated in Figure 3, companies focus more on specific financial, accounting, and administrative policies than others when managing their tax burden.

5. FINDINGS

The results showed that tax planning advantages influence KSE companies' ability to manage their tax burdens effectively. Consequently, these companies use the Sudanese Income Tax Law 1986 to minimize their tax burden. This allows them to invest more money in their business, which can lead to higher economic growth and job creation. This result is consistent with the findings of Ahmed and Al-Mahaini's (2020) study in Syria and Ted Sarenki's study (2013).

The empirical findings of this study carry clear practical implications for both firms and regulators by translating observed relationships into actionable design choices in tax governance. At the firm level, companies can implement more efficient tax-planning processes by institutionalizing data-driven tax risk management: integrating tax into enterprise resource planning (ERP) and reporting workflows, establishing standardized documentation and internal controls for tax positions, and using scenario/sensitivity analyses to evaluate the cash-

flow and compliance effects of alternative tax treatments before decisions are executed. Such process improvements should be paired with formal oversight (e.g., board/audit committee visibility, defined tax-risk appetites, and periodic internal audits) to ensure that efficiency gains do not increase exposure to penalties or reputational risk.

At the policy level, the results can inform adjustments to tax regulations by identifying where complexity, ambiguity, or enforcement gaps may be driving inefficient compliance behavior; policymakers can respond by simplifying high-friction provisions, issuing clearer interpretive guidance, and targeting enforcement and taxpayer support toward the areas where the evidence indicates the greatest compliance uncertainty (Al-Khasawneh et al., 2022). Collectively, aligning firm-level process redesign with evidence-based regulatory refinement can improve compliance quality while reducing administrative costs, thereby enhancing both fiscal effectiveness and the predictability of the tax environment.

Furthermore, KSE companies' financial, administrative, and accounting policies improve tax burden management efficiency. This indicates that these policies help ensure that companies comply with all applicable laws and regulations. This result is consistent with the findings of Ahmed & Al-Mahaini's (2019) study in Syria, Al-Sulaihat et al.'s (2010) study in Jordan, and Khuwayra & Jabr's (2004)

study in Palestine.

Moreover, despite the different nature of the sectors within the KSE, no significant difference has been observed in the level of benefits from tax planning among different sectors, nor do the

financial, administrative, and accounting policies used to manage tax burden. This suggests that taxation is not a major factor in the KSE investment decisions.

Acknowledgement: This work was supported by the Deanship of Scientific Research, Vice President for Graduate Studies and Scientific Research, King Faisal University, Saudi Arabia [KFU254395].

REFERENCES

- Abdul Latif, Arif Muhammad. (2015). The relationship between deferred tax and tax planning and the impact of tax governance on them. The Twenty-Second Tax Conference: Developing the Egyptian Tax System in Light of Investment and Development Requirements, Volume 3, Cairo. Abbasiya: Egyptian Society for Public Finance And taxes, 1-64. Retrieved from <http://search.mandumah.com/Record/691640>
- Ahmed, Ramadan Hilal, Al-Mahaini, Muhammad Khaled (2019), The Role of Tax Advantages and Incentives and The Accounting Policies used in the Tax Planning Process: A Field Study, Al-Baath University Journal, Economic Sciences Series, vol. 41, no. 82, pp. 43-66.
- Ahmed, Ramadan Hilal, Al-Mahaini, Muhammad Khaled (2020), Methods of Tax Planning in Achieving Tax Savings for the Syrian Industrial Taxpayer: Afield Study, Al-Baath University Journal, Economic Sciences Series, vol. 42, no. 6, pp. 123-155.
- Ahmed, Suhaila Mahmoud Kamal, Rady, Tamer Abdel Moneim, and Amin, Mahmoud Ahmed Mahmoud. (2021). Tax planning for international companies: concept - strategies. Scientific Journal of Economics and Trade, No. 4, 139-168.
- Al-Huwaimani, Fahd (2007), Money and investing in financial markets, Dar Al Hilal. https://archive.org/details/z-lib.org_202207/page/n95/mode/2up
- Al-Khasawneh, A. L., Eyadat, H. M., Alrawad, M., Almaiah, M., & Lutfi, A. A. (2022). The impact of organizational training operations management on job performance: An empirical study on Jordanian government institutions. *Global Business Review*, 09721509221133514.
- Alrawad, M., Lutfi, A., Almaiah, M. A., Alsyuf, A., Al-Khasawneh, A. L., Arafa, H. M., ... & Tork, M. (2023). Managers' perception and attitude toward financial risks associated with SMEs: Analytic hierarchy process approach. *Journal of Risk and Financial Management*, 16(2), 86.
- Alrfai, M. M., Alqudah, H., Lutfi, A., Al-Kofahi, M., Alrawad, M., & Almaiah, M. A. (2023). The influence of artificial intelligence on the AISs efficiency: Moderating effect of the cybersecurity. *Cogent Social Sciences*, 9(2), 2243719.
- Alsaad, A., Alam, M. M., & Lutfi, A. (2023). A sensemaking perspective on the association between social media engagement and pro-environment behavioural intention. *Technology in Society*, 72, 102201.
- Alshirah, M., Alshirah, A., & Lutfi, A. (2021). Audit committee's attributes, overlapping memberships on the audit committee and corporate risk disclosure: Evidence from Jordan. *Accounting*, 7(2), 423-440.
- Al-Sulaihat, Nimr Abdul Hamid and Al-Qutaish, Atallah Al-Mhairat. (2010). Tax planning in insurance companies in Jordan, *Egyptian Journal of Commercial Studies*, Vol. 34, No. 3, 93-115.
- Bayraktar, Y., & Tutuncu, A. (2022). Does tax planning affect R&D expenditures? A study of Borsa Istanbul (BIST) Manufacturing Sector. *Istanbul Business Research*, 51(2), 563-581. <http://doi.org/10.26650/ibr.2022.51.995585>
- Bentler, P. M. (1990). Comparative fit indexes in structural models. *Psychological Bulletin*, 107(2), 238-246.
- Bentler, P. M., & Bonett, D. G. (1980). Significance tests and goodness of fit in the analysis of covariance structures. *Psychological Bulletin*, 88(3), 588-606. <https://doi.org/10.1037/0033-2909.88.3.588>
- Bloom, Nazir, Tayyar, Khalil, and Al-Ayeb, Fawzia. (2020). Aggressive tax planning for digital economy companies: a case study of INC APPLE. *Al-Bahith Magazine*, No. 20, 593-607. Retrieved from <http://search.mandumah.com/Record/1107515>
- Brown, T. A. (2006). *Confirmatory Factor Analysis for Applied Research*. New York: The Guilford Press.
- Daradkeh, L. (2016). Solution By Negotiation and Determination by Arbitration in Arab World Construction Disputes: Comparative Study Between FIDIC Rules of 1987 and FIDIC Rules of 1999. *arab law quarterly*, 30(4), 395-409.
- Daradkeh, L. (2018). Constitutionality of article VII of the New York convention of 1958 under Egyptian and

- Jordanian law. *Arab Law Quarterly*, 32(4), 501-516.
- Daradkeh, L. M. (2010). International commercial arbitration in the Arab countries: an economic necessity or legal colonisation?. *International Journal of Liability and Scientific Enquiry*, 3(1-2), 117-129.
- Evgeniya V, Viktoriya N, 2018, Limits of Tax Planning Innovations in Legislation in Russia, 5th International Multidisciplinary Scientific Conference on Social Sciences & Arts SGEM 2018, <https://doi.org/10.5593/sgemsocialF2018/1.6>.
- Gallemore. J, Gipper. B, Maydew. E, 2019, Banks as Tax Planning Intermediaries, *Journal of Accounting Research*, Vol. 57 No. 1, p 169-209.
- Guenez N, Kerrouche N., (2022), «Tax Planning Strategies and their Impact on Tax base Corrosion - The Case of Algeria as a Model-», *Scientific review of economic future*, Vol.10. n°01, p. 616-633.
- Hu, L.-t., & Bentler, P. M. (1998). fit indices in covariance structure modeling: Sensitivity to under parameterized model misspecification. *Psychological Methods*, 3(4), 424-453. <https://doi.org/10.1037/1082-989X.3.4.424>
- Ibrahim, Nabil Abdel Raouf. (2012). Proposed Model for measuring the impact of tax planning on the financial performance of companies traded in the Egyptian exchange, An applied field study. Conference: The future tax system and its impact on the economy and Investment, Cairo: Egyptian Tax Association, Egypt, 84-140.
- International Journal of Management and Social Science Research*, 2(5), 83-91.
- James., Hui Liang, 2019, CEO age and tax planning, *Rev Financial Economic*, 020;38, p 275-299. <https://orcid.org/0000-0002-3787-7346>.
- Khader, L. A. (2017). Tax planning among college teachers with special reference to MES Ponnani College. *Intercontinental Journal of Finance Research Review*, 5(2), 34-44.
- Khassawneh, L. A. (2014). The influence of organizational factors on accounting information systems (AIS) effectiveness: A study of Jordanian SMEs. *International Journal of Marketing and Technology*, 4(10), 36.
- Khuwayra Mahfouz Muhammad Ali Mahfouz and Jabr, Hisham (2004). Tax Planning in Companies Listed on the Palestine Stock Exchange: A Field Study, Unpublished Master's Thesis, An-Najah National University.
- Kline, R. B. (1998). Principles and practice of structural equation modeling. Guilford Press.
- Lutfi, A., Al-Khasawneh, A. L., Almaiah, M. A., Alshira'h, A. F., Alshirah, M. H., Alsyouf, A., ... & Ali, R. A. (2022). Antecedents of big data analytic adoption and impacts on performance: Contingent effect. *Sustainability*, 14(23), 15516.
- Lutfi, A., Alshira'h, A. F., Alshirah, M. H., Al-Ababneh, H. A., Alrawd, M., Almaiah, M. A., Dalbough, F. A., Magabli, A. M., Mohammed, F. M., & Alardi, M. W. (2023). Enhancing VAT compliance in the retail industry: the role of socio-economic determinants and tax knowledge moderation. *Journal of Open Innovation: Technology, Market, and Complexity*, 9(3).2023.100098.
- MacCallum, R.C., Browne, M.W., and Sugawara, H., M. (1996), "Power Analysis and Determination of Sample Size for Covariance Structure Modeling," *Psychological Methods*, 1 (2), 130-49.
- Mahmoud, Hoda Abdel-Ghani Sayed. (2016). The role of tax planning in managing profits and achieving tax savings. *Journal of Finance and Trade*, No. 566, 14-21. Retrieved from <http://search.mandumah.com/Record/752294>
- Mansour, M., Saleh, M. W., Marashdeh, Z., Marei, A., Alkhodary, D., Al-Nohood, S., & Lutfi, A. (2024). Eco-innovation and financial performance nexus: does company size matter?. *Journal of Open Innovation: Technology, Market, and Complexity*, 10(1), 100244.
- Marei, A., Mustafa, J. A., Othman, M., Daoud, L., Lutfi, A., & Al-Amarneh, A. A. (2023). The moderation of organizational readiness on the relationship between toe factors and fintech adoption and financial performance. *Journal of Law and Sustainable Development*, 11(3), e730-e730.
- Markus, Samir Saad. (2007). Tax planning and its impact on the tax base on the profits of legal persons under Law No. 91 of 2005. *Journal of Finance and Trade*, no. 462, 7-23. Retrieved from <http://search.mandumah.com/Record/90183>
- Markus, Samir Saad. (2017). Tax planning: principles, foundations, and local and international applications, *Journal of Finance and Trade*, No. 577, 4-10. Retrieved from <http://search.mandumah.com/Record/816854>
- Markus, Samir Saad. (2017). Tax planning: principles, foundations, and local and international applications: Part One. *Journal of Finance and Trade*, No. 577, 4-10. Retrieved from

<http://search.mandumah.com/Record/816854>

- Minnick, K., & Noga, T. (2010). Do corporate governance characteristics influence tax management? *Journal of Corporate Finance*, 16, 703–718. <https://doi.org/10.1016/j.jcorp.fin.2010.08.005>
- Putri, Indi Santika Kumala, Nur Sayidah, Aminullah Assagaf, Hadi Sugianto, Zainal Fatah, 2022, The Effect of Tax Planning and Profitability on Equity, *The Asian Institute of Research, Economics and Business Quarterly Reviews*, Vol.5, No.4, p 285-295.
- Rachid, Mimoun Imad, Boualem, Lahi. (2021), The role of Tax Planning to benefit from tax incentives linked to corporate income tax –Case study on Algerian economic institutions over the period 2012-2018, *Journal of Research in Finance and Accounting*, Vol. 6, No. 2, pp. 61-82.
- Rashid, Maimoun Imad. (2021), The role of tax planning in improving the financial capacity of the institution, unpublished doctoral thesis, Farhat Abbas University, Algeria, p 42.
- Savita, & Gautam, L. (2013). *Income tax planning: A study of tax saving instruments*.
- Scholes, M., and All. (2016). *Taxes and Business Strategy: A Planning Approach*. 5th Ed. Pearson, Edinburgh München. England.p20
- Shane M. Heitzman, Maria Ogneva, 2019, Industry Tax Planning and Stock Returns, *The Accounting Review*, Vol. 94, No. 5, pp. 219–246. DOI: [10.2308/accr-52361](https://doi.org/10.2308/accr-52361)
- Ted Sarenski, "Tax Planning for 2013", *Journal of Accountancy* 214. 1 (January 2013) Pages: 20-42.
- Thabet, Muhammad Amin Salem. (2017), The Impact of Tax Planning on the Financial Performance of Public Joint Stock Companies Listed on the Palestine Stock Exchange, unpublished master's thesis, Al-Azhar University, Gaza, Palestine, p. 42.
- The Sudanese Ministry of Finance and Economic Planning, Sudanese Income Tax Law of 1986, <https://mof.gov.sd>