

THE PROCEDURAL RIGHTS IN TAX ADMINISTRATIVE LEGISLATION SYSTEM: EVIDENCE OF THE EMERGING ECONOMY

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Abstract

How to cite this paper: Belegu, B., & Fejzullahu, A. (2023). The procedural rights in tax administrative legislation system: Evidence of the emerging economy. *Corporate Law & Governance Review*, 5(2), 19–26. <https://doi.org/10.22495/clgrv5i2p2>

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ISSN Online: 2664-1542

ISSN Print: 2707-1111

Received: 07.02.2023

Accepted: 20.07.2023

JEL Classification: H2, H8, H20, H29, H83

DOI: 10.22495/clgrv5i2p2

Procedural rights in the tax administration deal with the rules and procedures that help citizens and businesses comply with their tax obligations to the state. “The tax administration system consists of state bodies that have the right to collect revenues for the budget, and a set of rules and regulations that govern the tax procedure in the country” (Temchyshyna, 2022, p. 206). This study aims to treat the procedural rights in tax administration in theoretical aspects and comparative aspects, through Balkan countries. The research model was based on qualitative research, based on normative method, comparative method, analytic method, and descriptive method, all of these methods based on credible sources, like legal acts, scientific papers, official reports from official bodies, and non-government organizations. Furthermore, this study aims to make a review analysis of the procedural rights that are missing in the tax administrative legislation system in Kosovo, identify and treat the theoretical aspects of procedural rights of taxpayers in tax administration in general, and analyze challenges of tax administration in actuality and general. The main findings of the study show that the Tax Administration of Kosovo has made great progress by modernizing itself and simplifying its procedures for tax-paying citizens.

Keywords: Taxpayers, Director Duties of Tax Administration, Legislation of Tax Administration, Procedural Rights of Taxpayers, Tax Administration’s Modernization, Kosovo

Authors’ individual contribution: Conceptualization — B.B. and A.F.; Methodology — B.B. and A.F.; Writing — Original Draft — B.B. and A.F.; Writing — Review & Editing — B.B. and A.F.; Supervision — B.B. and A.F.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

1. INTRODUCTION

Historically, taxes have been identified as a tool of state power and taxation as a legal activity of the state. Based on American literature, this is demonstrated by the well-known phrase: “*Taxation without representation is tyranny*” quoted by James Otis Jr., an American patriot in the Thirteen Colonies, in a speech in Boston in 1761, in opposition to the British government’s attempts to tax the colonies without giving them representation in the British Parliament. It is also seen as

a fundamental principle of democracy and representation, that citizens should have a say in how they are governed and how their resources are used. “More fundamentally, Otis’ importance then and now stems not from the particulars of his argument; instead, he played and should continue to play an inspirational role for those seeking to find the proper accommodation between individual security and governmental needs.... Otis proposed a framework of search and seizure principles designed to protect individual security” (Clancy, 2012, p. 488).

Procedural rights in the tax administration worldwide are known as the rules and procedures that individuals and businesses must follow during the process of declaring taxes and communicating with the tax administration. The practices of Balkan countries in this direction may vary from one country to another, but in general they include some common elements such as: tax declaration where individuals and businesses are required to declare their taxes in accordance with the country's regulations; control and verification, so the tax administration has the right to control and verify tax declarations of individuals and businesses; complaint review, individuals and businesses have the right to file complaints if they do not agree with the decision of the tax administration; criminal liability, individuals and businesses may face criminal liability if they do not comply with tax regulations; data security, in this aspect the tax administration must ensure the security of individuals' and businesses' data and respect their privacy; service to citizens, in its administrative activity the tax administration must provide high quality services and help individuals and businesses fulfill their tax obligations, etc.

In some Balkan countries, tax administrations have started using advanced technology to improve their efficiency and provide better services to citizens and businesses. Therefore, the concept of procedural rights in tax administration refers to the legal and administrative processes that regulate the relationships between taxpayers and tax authorities. It encompasses a number of issues such as taxpayers' rights to be informed, to challenge assessments, and to seek correction in case of disagreements. In the context of the Balkan countries, the practice of procedural rights in tax administration has been the subject of ongoing debate and reform efforts. On the one hand, efforts have been made to improve the transparency and efficiency of the tax system, while on the other hand, concerns have been raised about the fairness and protection of taxpayers' rights. "Efficient and effective tax administration is an essential pillar of a modern, democratic state" (Moosa, 2018, p. 16).

The modernization of the tax administration in contemporary societies is essential and has a positive impact on the country's economy. According to Pratiwi and Somantri (2021), "Taxes are the backbone of national development. Tax is a highest percentage source of state income. Taxes are used for finance spending and construction of public facilities" (p. 243). "In order to increase tax revenue and taxpayer compliance, one of the government's efforts is to realize modernization of tax administration" (Pratiwi & Somantri, 2021, p. 244). Procedural rights in the tax administration are more a manifestation of the good faith relationship and a sense of contribution from the public. "In addition to the enforcement of compliance through economic approaches (fines, tax rates) interaction between taxpayer and tax authorities can occur with a psychology approach, namely procedural fairness.... Furthermore public feel respected and trigger taxpayer voluntarily to comply with the decisions made by the tax authorities.... The fairness procedure conducted by the tax authority gets appreciated and respected from the taxpayer" (Prihandini et al., 2019, p. 3).

The research model in this paper was based on qualitative methodology, in this way, in order to realize qualitative methodology, this research is based on a normative method and comparative method, relying on data from various sources, such as legal acts, laws in the administrative field, administrative acts, constitutions of some Balkan countries. Other data are collected based on a descriptive method and analytic method relying on journal articles, online publications, non-governance reports, and reports from relevant official bodies about tax administration, all these sources have high-reliability data.

The main research questions are:

RQ1: What is the impact of procedural rights on the effectiveness and fairness of tax administration?

RQ2: How can these rights be protected and upheld to promote trust, compliance, and cooperation between taxpayers and tax authorities?

The significance of this study explains the situation that for taxpayers in Kosovo, a range of administrative, criminal, and civil sanctions are mentioned, also distributed in other laws, and Law No. 03/L-222 for tax administration and procedures of Kosovo does not declare the fundamental principles of justice upon which the administrative and authoritative activity of the tax administration should be based. So, the law in question does not start at all with the rights of parties or taxpayers in the procedure before the tax administration, and since its adoption and entry into force in 2010, has not been amended at all, nor has it been refreshed. Regardless of missing the procedural rights of taxpayers in the law on the tax administration of Kosovo, in recent years there has been a slight increase in the credibility and satisfaction of Kosovar taxpayers towards the work and professionalism of the tax administration.

The main findings in this study emphasize that the procedural rights of taxpayers in the Tax Administration of Kosovo have not been adequately proclaimed, as the law does not provide any procedural provision on the presumption of good faith cooperation between the Tax Administration and the taxpayer, so, this study finds that the law on the Tax Administration of Kosovo, as the most important law for the functioning of the Tax Administration and relations with taxpayers, lacks the basic procedural rights of Kosovar taxpayers. The basic procedural rights of Kosovar taxpayers exist in other documents in the form of explanatory brochures. This study also finds that the Tax Administration of Kosovo has made great progress by modernizing itself and simplifying its procedures for tax-paying citizens thanks to digitization.

This study aims to give a current overview of the procedural rights of taxpayers in the Tax Administration of Kosovo and to analyze the existing legal framework of taxpayers' procedural rights in the Republic of Kosovo, as well as to address theoretical aspects of taxpayers' procedural rights in general from various global authors.

The rest of the paper is structured as follows. Section 2 analyzes the review of the literature on the fairness of procedure in tax administration in general. Section 3 presents the research methodology. Section 4 provides the research findings, while Section 5 discusses the findings. Finally, Section 6 concludes the study.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The Tax Administration of Kosovo has achieved exceptional success in the second decade since its formation, in collecting revenue and increasing its efficiency. The Tax Administration of Kosovo is one of the most effective authorities in Kosovo that administers taxes, issues general administrative regulations that are mandatory for both the Tax Administration and taxpayers, collects state revenues, etc. By the time the tax system changed, it has advanced by adopting the European Union (EU) regulations and keeping the specifics of Kosovo. The Tax Administration responds to the complaints and dissatisfaction of citizens as taxpayers and compensates them through the Complaints Department when they are damaged. The service standards of each tax employee must be awareness, professionalism, teamwork, integrity, mutual respect, procedural justice, and accountability (Kida, 2013, p. 6).

Since the war, it is interesting to mention the fact that the Kosovar elite, mostly from the entertainment industry (music shows) has massively avoided taxes and the control of the Tax Administration. This study is claimed by Kida (2013), who states that the failure of the elite to pay taxes not only causes revenue losses but also the legitimacy of the Tax Administration itself. Since 2010, the Tax Administration has used information from third parties and has assessed indirect tax liability for this category. The information from third parties has come from customs data, commercial banks, and institutions fighting against money laundering. The sanctions for tax evasion in Kosovo since 2010, in addition to criminal sanctions, all those who have avoided taxes would have to be publicly denounced by communicating their names through the media, travel ban outside the country, and imprisonment (Kida, 2013, p. 11).

According to Peci (2016), the economic transition in Balkan countries brought new and unique challenges. In the 1990s, the tax systems of post-communist countries were underdeveloped and characterized by opaqueness, discrimination, and inequality in certain activities and factors, imbalanced distribution between direct and indirect taxes, frequent changes in tax systems as a result of unsteady tax policy, complex administrative procedures, incompatibility with European tax systems, excessive bureaucracy, etc. Among other things, the author mentions low tax education where tax evasion was common and high evasion was prevalent (Peci, 2016, pp. 169–170). Ayoola et al. (2023) highlighted that “Developing countries are characterized by a low level of tax compliance arising from weaknesses in tax administration and trust deficits” (p. 12).

In Kosovo, the legal infrastructure in the field of taxation since 2013 was criticized for poor consistency. Hoxha (2013), regarding tax legislation (Law No. 03/L-222 for tax administration and procedures of Kosovo, Law No. 03/L-146 on value added tax, Law No. 03/L-161 on personal income tax, and Law No. 03/L-162 on corporate income tax), highlights the lack of consistency in the tax laws, mentioning issues such as unnecessary excessive language, sanctions from other legal fields, errors in

the texts of laws, etc. “A crucial element of the tax legislation is its consistency. Tax laws need to be in accordance with each other as they are the building blocks of the same system — the tax system. Unfortunately, analysis on the tax laws in Kosovo resulted in identification of a number of inconsistencies that affect negatively the comprehensiveness, simplicity and the functionality of the laws” (Hoxha, 2013, p. 3).

Regarding taxpayers’ perception of their tax obligation, “Some taxpayers always comply. They may do so not simply because they do not have much opportunity to evade or because they are exceedingly risk-averse, but because they think it is the right thing to do — and, importantly, they think other right-thinking people are also complying (Bird, 1992, p. 34). “Public education about taxpayer rights and obligations and increased efforts by tax authorities to provide improved service to taxpayers may also help” (Bird, 1992, p. 35). According to Oyedokun et al. (2022), “Compliance with the willingness of citizens to pay tax is very important and cannot be ignored. The government should put in place, the enabling factors that influence the willingness of citizens to pay tax and even improve on them” (p. 100).

The three fundamental tasks of the tax administration are activities, identification, and assessment, all interrelated. The tax administration is obliged to ensure that the legally obligated third parties report on those transactions or keep records of the failure to be covered taxes as their obligations. Another important function is also the supervision and sanctions of tax obligation violators. It is of utmost importance that the taxpayer from the tax administration is not prejudged as only a potential violator but treated more as a customer (Bird, 1992, pp. 37–38).

On the other hand, an aspect that continually makes it difficult for tax authorities to prosper in the Balkans is the inequality in the economic and social fields, namely the high-income inequality is a serious threat to economic prosperity and social well-being, and democracy. The countries with a high level of inequality in the Balkans region are Bulgaria, Montenegro, North Macedonia, Serbia, Turkey, and Romania. The country with the lowest inequality in this region is Slovenia (Prendi et al., 2022, p. 8). However, according to Duarte and Barros (2018), “the tax rate-gap between countries yield adverse effects for fiscal policies and has a pivotal role in defining aggressive tax planning through profit shifting strategies. Multinational tax avoidance activities are strictly associated with advantages that different tax jurisdictions countries typically offer” (Schwarz, 2009, as cited in Duarte & Barros, 2018, p. 150).

Based on the research literature analyzed and research questions, the hypotheses are as follows:

H1: The absence of procedural rights in tax administration results in a decrease in the effectiveness and fairness of the system, leading to a decrease in trust, compliance, and cooperation from taxpayers.

H2: The implementation of strong and enforced procedural rights increases the effectiveness and fairness of the tax administration, resulting in a higher level of trust, compliance, and cooperation from taxpayers.

3. RESEARCH METHODOLOGY

The research methodology employed in this study is qualitative. The study aims to understand the practices of procedural rights in tax administration in Balkan countries. To achieve this aim, qualitative research is deemed appropriate as it allows for in-depth treatment of complex social phenomena mainly about the procedural rights of taxpayers. This paper will be based on legal acts such as constitutions, legislation in tax administration, rules of procedure in tax administration, etc. The comparative method in this paper will provide similarities and differences about the existing procedural rights and their protection from the practices of the Balkan countries, including Kosovo. Also, this research relies on data from various sources.

We began collecting data regarding procedural rights protection in tax administration based on secondary resources from many official sources in the Kosovo state and other Balkan countries. Other data were collected from journal articles, online publications, non-governance reports, and official reports from official bodies. The reviewed literature is of international level by several indexed databases. The qualitative research methodology enabled us to address the main issues related to procedural rights protection in a system of tax administration in Kosovo and other Balkan countries, as countries with developing democracies.

Data were collected also using a variety of qualitative methods, such as interpretation of tax administration legislation and other legal acts; the Constitution of Kosovo, which obliges every citizen to pay taxes; the law of administrative procedure, which more precisely regulates the right to appeal according to the principle of duality and other rights in terms of time to guarantee an administrative procedure in a reasonable time; all these legal acts are based on the normative method.

The qualitative research methodology with comparative, descriptive, and normative methods requires an intensive discussion and review analysis of different approaches to procedural rights that taxpayers in the Tax Administration of Kosovo and other Balkan countries have. Also, based on the descriptive method, we analyzed the existing procedural rights of taxpayers that are defined in legal acts and practices of tax administration institutions in Kosovo and other Balkan countries.

Based on the analytical method, during the review of the literature by various authors on the importance of procedural rights for taxpayers, and analysis of the tax administration law of Kosovo, we have found that the lack of procedural rights for taxpayers in the law on tax administration in Kosovo creates a situation of legal vacuum and threatens the principle of legal certainty in administrative legal relationships between taxpayers and the tax administration. Based on the futurist method in this study, we have also addressed the perspectives of this topic that need to be addressed in the future, which we have noted in the conclusion section.

4. RESULTS

The tax obligation for a citizen of Kosovo is a constitutional obligation in addition to a legal obligation. The Constitution of the Republic of Kosovo (2008), Article 119, paragraph 8 states, "Every person is obliged to pay taxes and other contributions as provided by law". Furthermore, Article 120 of the Constitution regarding public finances highlights the importance of public revenues that are addressed to the necessary work of the tax administration in collecting revenues, where it is specifically stated, "Public expenditures and the collection of public revenues must be based on the principles of accountability, efficiency, effectiveness and transparency".

The Constitution of the Republic of Albania (1998) does not define taxes, duties, and other financial obligations at the national and local level, but only regulates that they are categories regulated by law, and in such cases, the law cannot have retroactive power. This is explicitly stated in Article 155 of the Constitution of the Republic of Albania, which states, "National and local taxes, duties, and financial obligations, the relief or exemption of certain categories of taxpayers, and the method of collection are determined by law. In such cases, the law cannot be given retroactive power". Similarly, in the Republic of North Macedonia, the obligation of taxation and any public obligation for the citizen is explicitly stated in its Constitution, where Article 33 of the Constitution of North Macedonia (1991) states, "Everyone is obliged to pay taxes and other public obligations and to participate in the financing of public expenses as determined by law".

For the Republic of Kosovo, this study also dealt with the current legislation regarding the tax administration and the procedural rights of taxpayers with this state administration. According to Law No. 03/L-222 on the tax administration and procedures of Kosovo, Article 2, paragraphs 1 and 2 (Assembly of the Republic of Kosovo, 2010d), the Tax Administration of Kosovo is provided as an executive authority with full operational independence within the Ministry of Economy and Finance and will be responsible for implementing the provisions of this law, Law No. 03/L-161 on personal income tax, Law No. 03/L-162 on corporate income tax, Law No. 03/L-146 on value added tax, and any other applicable legislation in Kosovo which imposes the duty to administer any kind of tax. The tax administration is led by the director appointed by the prime minister on the recommendation of the Minister of Economy and Finance (Assembly of the Republic of Kosovo, 2010d, Article 3). In this section, we present the findings from the study.

During the qualitative study of legislation on the activity of the tax administration and the rights and obligations of taxpayers, based on the normative method, this study finds that for taxpayers in Kosovo, a range of administrative, criminal, and civil sanctions are mentioned, as sanctions spread across legal codes and other laws such as the Criminal Code of Kosovo, Article 284, paragraph 1, subpoint 1.3 which states, "A person who during economic activity ... does not pay tax obligations or other fiscal obligations as prescribed by law" is punishable by a fine and imprisonment from 6 months to 5 years.

The civil sanctions in Law No. 03/L-222 on the tax administration and procedures of Kosovo, Article 28, provide for a civil sanction of interest due to delay in payment towards the taxpayer; another civil sanction under this law, Article 33, states that if the taxpayer does not fulfill his/her tax obligation or refuses to pay within 10 days after the assessment decision, then a burden will arise on his/her property, or property rights (whether tangible or intangible, embodied or non-embodied) in an amount equal to the unpaid tax, plus interest, payment, penalties, and collection expenses. Another civil sanction in this law is also mentioned as confiscation or seizure of property in Article 34 (Assembly of the Republic of Kosovo, 2010d).

The administrative sanctions in Law No. 03/L-222 on the tax administration and procedures of Kosovo start from Article 41, which provides for the ban on the departure of the taxpayer outside the country due to non-compliance with tax obligations after assessment by the tax administration institution. Administrative sanctions continue from Article 49 to Article 62, where fines range from a minimum of 500 euros to a maximum of 5000 euros.

This study, using an analytical research methodology and qualitative research techniques, finds that Law No. 03/L-222 on the tax administration and procedures of Kosovo, based on general legal theory studies, does not declare the fundamental principles of justice upon which the administrative and authoritative activity of the tax administration should be based, such as the principle of legality, the principle of proportionality, the principle of balancing public and private interests, etc. Furthermore, the study finds that Law No. 03/L-222 on the tax administration and procedures of Kosovo does not start with the rights of parties or taxpayers in the procedure before the tax administration, but rather, immediately after clarifying legal terms, it continues with authoritative provisions of the tax administration, with the taxpayer not being treated as a "client", but rather tend to be portrayed as a potential violator of tax obligations and other public duties. Another finding from this study is that this law, since its adoption and entry into force in 2010, has not been amended at all, nor has it been refreshed, even though partial changes are considered necessary.

The next finding of this qualitative study, based on the descriptive method of legislation that provides procedural rights of the taxpayer in Law No. 03/L-222 on the tax administration and procedures of Kosovo, even though knowing that the procedures in the tax administration are administrative procedures, unlike the Law No. 05/L-031 on the general administrative procedure of Kosovo (Assembly of the Republic of Kosovo, 2016), does not provide any procedural provision on the presumption of good faith cooperation between the tax administration and the taxpayer, and no special cooperation between this state body and the party in the procedure.

Based on the analytical study, this study finds that the procedural rights of the taxpayers of the Tax Administration of Kosovo were taken care of to be proclaimed based on good practice, presenting them in the form of a card as a guide and in the form of periodic study reports. Next, we see the procedural rights of the taxpayers mentioned by the Tax Administration of Kosovo. Based on the latest taxpayers' card published on the official

website of the Tax Administration of Kosovo, the taxpayers' rights are as follows: the right to be informed; the right to be assisted; the right to be treated fairly and impartially; the right to be notified in a timely manner; the right to protect the confidentiality of data; the right to be represented; the right to request evidence; the right to pay the correct tax; the right to be heard; the right to pay by installment of tax obligations; the right to complain; the right to be protected by the taxpayers' advocate; the right during inspection; the right for re-inspection (Tax Administration of Kosovo, 2022). From all the rights listed for taxpayers in Kosovo in this guide, only the right to file a complaint is guaranteed by Law No. 03/L-222 on the tax administration and procedures of Kosovo. All other procedural rights have remained within the framework of a guide prepared by the tax administration in the form of a guide for the rights and obligations of taxpayers. The absence of the majority of these procedural rights of taxpayers within Law No. 03/L-222 on the tax administration and procedures of Kosovo is considered to complicate the legal position of parties in possible administrative and judicial disputes.

While comparing with the neighboring countries of the Western Balkans, specifically regarding the administrative tax system legislation in the Republic of Albania, based on comparative and normative methods in this study, we find that the procedural rights of taxpayers near the Tax Administration of Albania have been carefully addressed in Chapter Four (Taxpayers' Rights) of Law No. 9920, dated 19.05.2008, on tax procedures in the Republic of Albania, where they are explicitly regulated. These include the right to information and assistance, Article 30; the right to the confidentiality of data, Article 31; the right to notification, Article 32; the right to reasonable control, where the taxpayer under this article has the right to make reasonable controls, which are carried out in a timely manner, in the right place, and within the time limits, according to the provisions of this law, the right to information, Article 34; the right to representation, Article 35; the right for the taxpayer to request evidence in writing or electronically, Article 36; the right to be heard, Article 37; and the right to appeal, Article 38. (Law No. 9920, dated 19.05.2008, on tax procedures in the Republic of Albania, Articles 31, 32, 33, 34, 35, 36, 37, and 38). Roughly speaking, the rights of taxpayers are included and addressed within the tax legislation similar in North Macedonia, Montenegro, etc.

With regard to modernization, the Tax Administration of Kosovo, as the main institution for revenue collection, has made significant progress in digitalizing its services in recent years. It has launched the electronic service "e-services" for Kosovo taxpayers, where currently there are nine electronic services to serve taxpayers'. With these electronic services available to taxpayers, we think the Tax Administration of Kosovo has made great progress in increasing transparency, simplifying procedures, and improving their efficiency in time and expenses.

Recently, in a survey conducted to measure the professionalism and fair treatment of taxpayers by the Tax Administration of Kosovo, a slight

¹ See <https://www.atk-ks.org/en/services/>

increase in satisfaction and trust from taxpayers towards the services of the Tax Administration of Kosovo was seen. The statistics can be found below.

- Compared to 2017, the number of people who think that the Tax Administration of Kosovo does not treat equally different categories of taxpayers from similar sectors and sizes and that the Tax Administration of Kosovo is one-sided has decreased from 6% and 12%, respectively.

- Taxpayers agree that the professionalism of the Tax Administration of Kosovo inspectors has increased and unethical behavior has significantly decreased in the last 2 years.

- Compared to 2015, the number of taxpayers who do not agree that the Tax Administration of Kosovo examines complaints objectively, that it reviews them within the set deadline, and that decisions of the Tax Administration of Kosovo are well-documented, has decreased by 12%, 12%, and 10%, respectively.

- Fifty-eight (58) percent of taxpayers have not heard of the Office of Fines and Penalties (OFP) or have average knowledge of this office (Tax Administration of Kosovo, 2019, p. 32).

5. DISCUSSION

According to Thuronyi (1996, as cited in Hoxha, 2013, p. 9), "... in most of the developing countries, the drafting of tax legislation is not conducted by drafting specialists but tax officials in the ministry of finance or tax administration agencies who are often advised by international experts also unspecialized in how drafting is prepared". In Kosovo, since 2010, Law No. 03/L-222 on the tax administration and procedures of Kosovo (enacted on August 2, 2010) has not been amended at all until now, and it has replaced the 2004/48 Law and has repealed any provisions in the existing law that conflict with it (Assembly of the Republic of Kosovo, 2010d, Article 89). So, this law came about 2 years after the declaration of Kosovo's independence on February 17, 2008, and during the supervised independence of Kosovo which lasted until 2012. Therefore, we support the theory mentioned above that in the case of Kosovo, at least it was enacted during the supervised international independence of Kosovo, and it may not have been drafted by proper legal infrastructure experts of the Tax Administration of Kosovo.

Additionally, there is currently ambiguity in some sanctions mentioned in the law, as pointed out by Hoxha (2013), regarding the collection within Law No. 03/L-222 on the tax administration and procedures of Kosovo, between Articles 53 and 15 of the law, where she emphasizes: "The first article states that the penalty is 100 Euro for each day of noncompliance, while the second article states that for the same noncompliance a penalty of 500 Euro will apply. The drafters of the laws need to particularly pay attention to these kinds of inconsistencies since these can lead to complex disputes that are not easily settled and can negatively affect the fair treatment of taxpayers" (Hoxha, 2013, p. 32).

This collision between Articles 53 and 15 of Law No. 03/L-222 on the tax administration and procedures of Kosovo is considered to violate the principle of legal security for the citizen as

a taxpayer. The author also mentions other irregularities in the definitions of the law in question, unnecessary and excessive things in the law, etc., which gives the impression that this law, as the most important law for the Kosovo Tax Administration Authority, may have been drafted by non-competent specialists.

Further, according to Thuronyi (1996, as cited in Hoxha, 2013, p. 21), "At the beginning of any audit process, the tax administrators have to explain these rights to the taxpayers ... and as such it is relevant that these are also stated in the body of the law". We support this theory and from our study, we have found that the procedural rights of taxpayers in Kosovo, except for the right of appeal and the obligation to pay expenses incurred during the appeal process (Law No. 03/L-222 on the tax administration and procedures of Kosovo, Article 82), all other procedural rights of taxpayers are outside the law and are noted in a guidebook prepared by the Tax Administration of Kosovo and that this law only proclaims authoritative dispositions of the Tax Administration of Kosovo and the procedures carried out by it, which we consider to be a major weakness of the law in question.

This study also supports the theory of Bird (1992) who cites that it is very important for the taxpayer from the Tax Administration not to be pre-judged only as a possible offender, but to be treated more like a client (Bird, 1992, pp. 37-38). We consider that in the absence of provisions regarding procedural rights that would belong to taxpayers in Law No. 03/L-222 on the tax administration and procedures of Kosovo, and with the presence of only authoritative provisions of the Tax Administration of Kosovo, Kosovo predisposes its taxpayer to see them more as a potential offender of tax obligations and other public obligations, rather than to presume them as a collaborator or client.

Pratiwi and Somantri (2021) and Prihandini et al. (2019) have also spoken about the modernization of the tax administration and procedural justice, as well as the problems and challenges of tax administrations in the Balkan countries have been spoken about by Peci (2016) and Prendi et al. (2022). We consider that in the results section we found support for their theories from our findings in this qualitative study.

6. CONCLUSION

In most democratic and modern countries, their constitutions provide for the tax obligation as a civic obligation, similar to Kosovo as the youngest country in the world, then North Macedonia, Albania, and other countries of the Western democratic world. In addition to the fact that taxation and other public financial obligations can be provided for in the modern constitutions of contemporary democratic societies, they are certainly also well-defined legal categories and possibly complemented by by-laws of a normative character.

In conclusion, procedural rights play a crucial role in tax administration as they provide taxpayers with a sense of fairness and impartiality. These rights ensure that taxpayers are treated fairly and that the tax administration process is transparent and consistent. They also provide taxpayers with a clear understanding of their obligations and

responsibilities, and the steps they can take to resolve disputes. It is therefore important for tax administrators to be aware of and implement these rights in order to enhance trust in the tax system and promote compliance. Ultimately, the protection of procedural rights is essential to ensuring that tax administration is seen as fair and just and that the tax system is robust and efficient.

In Kosovo, unfortunately, the basic procedural rights of taxpayers have remained outside Law No. 03/L-222 on the tax administration and procedures of Kosovo as the most important law for the authority of one of the main institutions for collecting revenues, the Tax Administration of Kosovo. Legal sanctions in the field of duties and taxes in Kosovo are scattered in several legal documents, and there is ambiguity between the provisions on sanctions within Law No. 03/L-222 on the tax administration and procedures of Kosovo. Moreover, this law does not foresee the procedural rights of taxpayers in the Tax Administration of Kosovo but only proclaims the authoritative provisions of the Tax Administration of Kosovo.

The Tax Administration of Kosovo in terms of modernization and digitization of services has marked progress in recent years by significantly increasing the types of electronic services for Kosovar taxpayers. Today, in the modern times we are living in, we consider that the modernization and digitization of administrative services would increase the efficiency of administrative procedures in terms of time and expenses, as well as increase the citizen's satisfaction and reliability for administrative services. Therefore, we hope that the other legal authorities of Kosovo will follow the example of modernization and digitization of the Tax Administration of Kosovo.

This study has some perspectives for future research that are presented as follows.

The impact of technology on procedural rights in tax administration: This could include an examination of how automation, artificial intelligence, and other technology are affecting the way taxpayers are informed of their rights and how they can exercise them. We think that one of the primary benefits of technology in tax administration is the ability to provide taxpayers with more information about their rights and obligations. For example, online portals and mobile apps can allow taxpayers to access their tax records, receive notifications about important deadlines and changes to tax laws, and obtain answers to frequently asked questions. This increased access to information can help to improve transparency and increase trust between taxpayers and tax authorities. Moreover, technology can also facilitate the exercise of procedural rights. For instance, online tax filing systems can allow taxpayers to submit appeals, objections, and other documents electronically. This can help to reduce administrative burden and streamline the appeals process, making it easier for taxpayers to exercise their rights.

The role of education and awareness in promoting procedural rights in tax administration: This could include a study of the importance of educating taxpayers about their rights and how they can exercise them, as well as an investigation of the impact of increased awareness on taxpayer behavior and satisfaction with tax administration.

We think that education and awareness play a crucial role in promoting procedural rights in tax administration. Taxpayers need to understand their rights and obligations in the tax system to ensure a fair and just process. An informed taxpayer is more likely to comply with tax laws and regulations and less likely to make mistakes or omissions that could lead to penalties or audits. Moreover, educating taxpayers about their rights and how to exercise them can increase their trust in tax administration. It can help to demystify the tax system, making it more transparent and accessible, and increase confidence that taxpayers will be treated fairly. This, in turn, can help to foster a more positive relationship between taxpayers and tax authorities.

The effect of cultural differences on procedural rights in tax administration: This could include a study of how cultural differences impact the way taxpayers understand and exercise their rights, as well as an examination of how tax authorities can address these differences to ensure equal treatment of taxpayers.

And the last, the impact of privacy laws and data protection on procedural rights in tax administration: This could include an examination of how privacy laws and data protection impact the collection and use of taxpayer information, as well as an investigation of the impact of these laws on taxpayer rights and privacy. The importance of privacy laws and data protection on procedural rights in tax administration is that tax authorities must ensure that they are collecting and using personal information in a lawful and transparent manner. Privacy laws and data protection also impact the storage and sharing of taxpayer information. Tax authorities must take appropriate measures to ensure that taxpayer information is stored securely and is not shared with unauthorized parties. Taxpayers also have the right to access and correct their personal information held by tax authorities, which can impact their procedural rights.

This qualitative study has some limitations. The first one is since qualitative research is a perspective-based method of this study, the responses given are not measured in this paper. As the research paper is open-ended, we, as researchers, have more control over the content of the data collected. This type of research is based more on opinion and judgment rather than results. Since all qualitative studies are unique, we consider that they are difficult to replicate. Second, there are no previous studies in Kosovo and limited peripheral writings on the procedural rights of taxpayers before the Tax Administration in the region and more broadly. And third, based on Law No. 03/L-222 on the tax administration and procedures of Kosovo, specifically Article 2, paragraph 2, on the competence or responsibility of the tax administration to execute the same 4 laws: this law (Law No. 03/L-222 for tax administration and procedures of Kosovo), Law No. 03/L-146 on value added tax, Law No. 03/L-161 on personal income tax, and Law No. 03/L-162 on corporate income tax, we consider that it will take a long time to study whether it is adequately competent and has the specialized personnel capacity to execute all these 4 laws as a single institution.

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