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Means To Prevent International Double Taxation

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Abstract

All countries of the world impose a tax, which is a sum of money, imposed by the government forcibly on the taxpayers, as they are solidarity members of a particular political group with which they have many ties. The tax has financial, political, social and economic characteristics and objectives. We find that the original tax is to be paid in the modern era in the form of money in line with the requirements of the economic system.The tax may be paid in kind, as the tax legislation permits it in certain types, such as the inheritance tax, where the legislator sometimes allows it to be collected in kind. However, the tax legislation in Jordan did not allow it to be paid in kind.

The phenomenon of double taxation is one of the financial phenomena and it contradicts the principle of tax justice. Moreover, double taxation refers to the imposition of the tax more than once on the same taxpayer and on the same taxable money in the same period of time.Double taxation is divided in terms of its scope (in terms of place) into two types: internal double taxation, for example: in the United States of America, where the central authority imposes taxes, and local authorities impose taxes on the activity itself, and the international double taxation, for example: the Jordanian citizen who achieves income from his work in Libya is subject to Libyan income tax, then he is subjected again to a similar tax on the same income in Jordan.Any country can get rid of the problem of internal double taxation by stipulating this in its financial tax legislation. However, the difficulty appears in the case of international double taxation, because most of its cases result from the absence of a higher authority in the international community that possesses coordination between the legislation of different countries. Hence, the solution to this problem remains in the hands of countries.

Introduction:

In the present research, the researcher will explain the reality of the tax, its characteristics and objectives, how it is imposed, and the basic general rules and principles that govern its imposition.Then, the researcher will explain what international double taxation is in terms of defining the phenomenon of double taxation, its conditions, types, causes and effects, and then ways to prevent or avoid international double taxation through internal legislation, or international treaty agreements will be discussed in detail.

Definition of Tax and the Concept of Double Taxation

This topic examines the theoretical aspect of the present research. It embodiesa definition of tax, its characteristics, and the objectives it seeks to achieve, as the tax aims to redistribute national income, and reduce income disparity between the classes of society, as well as protecting the national industry and other objectives. This topic will also discuss the basic general rules and principles that govern the imposition of tax, the

most important of which are: the rule of justice and equality in the introduction, the rule of certainty, the rule of appropriateness in payment, and the rule of economy in collection.Some writers add to it two complementary rules: the flexibility rule, and the productivity rule. The researcher will also discuss in detail the phenomenon of double taxation from the financial phenomena related to the issue of tax justice, as it represents a breach, or an exception to the principle of tax generality.The types of double taxation in terms of recognition (intent) will also be discussed in this section. There are two types: intentional double taxation and unintentional double taxation. Moreover, there are two types of double taxation in terms of its scope (place); domestic double taxation and international double taxation.Therefore, this chapter has been divided into several sections:

The first section: This section includes the definition of tax, its characteristics and objectives, and the basic general rules and principles that govern its imposition.

The second section: This section includes the definition of the phenomenon of double taxation and its conditions.

The third section: Types of double taxation.

The first section:The definition of tax, its characteristics and objectives, and the basic general rules and principles that govern its imposition:

Tax is defined as a financial obligation that an individual forcibly pays to the government or a public authority, as a contribution from him in bearing public costs and burdens, without obtaining a special benefit from the government in return for paying the tax.Others have defined it as a sum of money imposed by the government on the taxpayers as they are solidarity members of a common political organization aimed at public services (1).Through this definition, the pillars and characteristics of the tax are extracted as follows:

1- A financial obligation:

In the modern era, the principle is that the tax is paid in the form of money in line with the requirements of the economic system. However, the tax may be paid in kind in this sense that the tax legislation has permitted this in certain types, such as the inheritance tax(2).

2- Forcibly paid:

The taxpayer has no choice in paying the tax, as he is obligated to pay it, so the tax goes through the constitutional stages of imposition by the government(3).

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(1) Rana Ibrahim Al-Otour, Income Tax Evasion in Jordan, Al-Shams Press - Amman / Jordan, first edition, 1993, p. 17. In this sense, it was referred to in most of the sources of this research.
(2) Prof. Salem Muhammad Al-Shawabkeh, Public Finance and Tax Legislation, Rand Publishing and Distribution House - Karak / Jordan, first edition, 2000, p. 61.
(3) Dr. RifaiHazaimeh, Exemptions from Income Tax in Jordan, Blaa Publishing House, first edition, 1983, p. 14.

3- Non refundable:

This means that the individual is obligated to pay the tax, but the state is not obligated to return its value to him [1].

4- It is paid free of charge:

This means that the payer does not pay it for the purpose of obtaining a special benefit for him, and he must pay the tax as a member of a certain political group with which he has many ties, and he must bear its public expenses.
The purposes of tax can be summarized as follows:

1-Financial goals:
This is considered by the traditional theory of public finance as the basis that must be achieved when imposing each tax.The financial goals are accordingly limited to achieving financial revenue for the government[2].

2-Political goals:
The tax is used at home as a tool of the politically dominant social forces against other social classes and groups. It is also used as a foreign policy tool to facilitate trade with some countries.

3-Social goals:
The tax is used to achieve the government's social purposes. It is a tool for achieving differences between social classes. It prevents the accumulation of wealth and confiscates high incomes. Moreover, it can direct the offspring policy, so that the government that encourages the increase in the population grants tax exemptions inversely proportional to the number of family members.

4-Economic goals:
It is one of the most important tax objectives in our time [3]. Among the economic purposes are protecting the national industry by assessing some types

(1) Dr. Adel Ahmed Hashish, Economics of Public Finance, University Culture Foundation - Alexandria / Egypt, 1983 edition, p. 163.
(2) Dr. Munir Al-Hamsh, Studies in Public Finance and its Modern Trends, Dar Al-Jalil - Damascus, edition in 1985, p. 127.
(3) Dr. Khaled Shehadeh Al-Khatib, and Dr. Ahmed ZuhairShamiya, Foundations of Public Finance, Dar Wael Publishing - Amman / Jordan, first edition, 2003, p. 154.

of customs taxes, or encouraging savings and limiting consumption to direct the surplus for the purposes of economic development [1].There are rules and foundations that the financial legislator must observe while deciding the tax system of the country, and they aim at the need to reconcile the interest of the taxpayer with the interest of the public treasury.These rules are:

1-The rule of Convenience:
This rulestates that the provisions of the tax must be in a manner that is compatible with the conditions and psychology of the taxpayers, whether in terms of choosing its

container and the method for determining it, or in terms of the manner, date and procedures of collection[2].

2- The principle of justice and equality of ability:
This rule stems from the financial capacity of the taxpayer to contribute to the public burdens, so that the contribution of the members of the group to the public burdens is proportional to their income[3].

3- The rule of certainty:
A good tax is clearly specified and unchecked; the tax must be specific and explicit. Moreover, this requires that the taxpayer be aware of his obligations towards the country[4].

4- The rule of economy in collection:
This rule means saving the cost of tax collection; that is, each tax should be organized so that the cost of its collection does not exceed what goes into the country's treasury[5].One of the things that cause an increase in expenditures in tax collection is the difficulty of the procedures, which leads

(1) Prof. Salem Muhammad Al-Shawabkeh, Public Finance and Tax Legislation, previous reference, p. 63.
(2)Dr. Adel Falih Al-Ali, Public Finance and Financial and Tax Legislation, previous reference, pp. 96-97.
(3)Dr. Adel Ahmed Hashish, Economics of Public Finance, previous reference, p. 170.
(4)Dr. Adel Falih Al-Ali, Public Finance and Financial and Tax Legislation, previous reference, pg. 97.
(5)Attorney Rana Ibrahim Al-Otour, Income Tax Evasion in Jordan, previous reference, p. 21.

the taxpayers to evade them, and the administration incurs expenses to pursue the evaders [1].These are the basic rules of tax as formulated by Adam Smith. Moreover, some writers add two rules: the flexibility rule, which means the increase in the outcome according to the increase in national income and wealth, and the productivity rule, which means that the tax revenue is large so that few taxes suffice many and multiple taxes. The phenomenon of double taxation appears as a financial phenomenon related to the issue of tax justice.

Defining the phenomenon of double taxation and its conditions:

Double taxation is defined as the imposition of tax more than once on the same taxpayer and on the same taxable money and for the same period of time[2].This means that the same taxpayer has to pay the same tax or a tax of the same type on the same subject to more than one financial authority for the same period or occasion[3].It is customary to use the term double taxation for this situation. This is because in most cases, the tax is imposed twice [4].This does not mean paying the tax only twice, as it appears at first glance, but rather it means paying the tax more than once, whether it was paid twice or more[5].This phenomenon is incompatible with the idea of justice, which made economists, finance and law scholars care about that, but jurists differed

in their interpretation of this phenomenon with the interpretation of money and economics men [7].Some scholars call double taxation as "multiple taxation"[6].However, some writers differentiate between the phenomenon of double taxation and the phenomenon of multiple taxes, or their repetition.It is required, in case of double taxation thatthe government is in the process of

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(1) Dr. Adel Falih Al-Ali, Public Finance and Financial and Tax Legislation, previous reference, pg. 97.
(2) Dr. Muhammad Jamal Thneibat, Public Finance and Tax Legislation, International Scientific House and House of Culture for Publishing and Distribution - Amman / Jordan, first edition, 2003, p. 135.
(3)Prof. Salem Muhammad Al-Shawabkeh, Public Finance and Tax Legislation, previous reference, p. 191.
(4)Dr. Wael Ibrahim Al-Rashed, Introduction to Taxes and Zakat in Kuwait, Kuwait University / Kuwait, first edition, 2000 AD, p. 98.
(5)Dr. Muhammad Jamal Thneibat, Public Finance and Tax Legislation, previous reference, pp. 135-136.
(6)Dr. RifaiHazaimeh, Exemptions from Income Tax in Jordan, previous reference, p. 139.
(7) Dr. Mansour MiladYounes, Principles of Public Finance, Open University Publications - Tripoli / Libya, first edition, 1991, p. 177.

imposing two or more taxes of the same or similar type, while this condition is not met in the case of multiple or repeated taxes[1].

In order for double taxation to occur, the following conditions must be met collectively:

1-The singularity of the taxpayer:

This means that the person charged with paying the tax is one, and it applies to him twice or more. This subject does not raise any difficulty for other persons, as if (Ahmad) was subjected to tax more than once. But the importance of determining this condition appears for legal persons, for example, if a tax is imposed on the profits of a joint-stock company, and then a tax is imposed on the profits distributed to its shareholders, in this case it cannot be said, from a legal point of view, that there is double taxation since the company is distinguished from the shareholders. The first tax was imposed on the company, which has a personage that is different from the personage of the shareholders, and the second tax was imposed on the shareholders. However, the situation is different from an economic point of view. Here, there is double taxation, because the same profits pay the tax twice.The shareholders are the same who bear both taxes in the end, and that is why this type is called "economic duality" [2]. As some call it "actual duality" [3].

2- The unit of the taxable substance (unit of taxable money):

It means that the tax is imposed more than once and on the same base so that it can be said that there is double taxation [4].

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(1)Dr. Muhammad Saeed Farhoud, The Science of Public Finance, Public Administration Press / Saudi Arabia, edition 1402-1403 AH, p. 363.
(2) Dr. Fadel Shaker Al-Wasiti, Economics of Public Finance, Al-Maaref Press - Baghdad / Iraq, first edition, 1973, p. 261.
(3) Dr. Adel Falih Al-Ali, State Finance, Zahran Publishing and Distribution House - Amman / Jordan, 2008 edition, p. 3087.
(1) Dr. Muhammad Jamal Thneibat, Public Finance and Tax Legislation, previous reference, p. 137.

3- Unity of Tax:

In order to achieve double taxation, the tax must be legally the same, such as that the income tax is imposed more than once, or the capital tax must be imposed more than once [1]. A good example of this is that a Moroccan citizen who earns income from his work in Libya is subjected to the Libyan income tax, and then is again subjected to a similar tax for the same income in Morocco[2].

4- The unit of the (occasion) generating the tax:

This condition means that double taxation is not realized if a person pays several taxes from his income on the occasion of different events, so that each of these events achieves an independent tax.

Types of double taxation:
Double taxation is divided as follows:

First: The division of double taxation in terms of its scope (in terms of place):
Double taxation is divided into two types:

1- Internal double taxation:

It occurs as a result of the availability of its elements within the borders of the country, so that each of the financial authorities affiliated to it applies the tax law on the same person with respect to the same article for the same period or event [3]. It is limited in two cases:
a- That the imposition of taxes is the duty of two or more authorities, so that more than one authority imposes the same tax on the taxpayer in respect of the same taxable substance and within the same tax period.
b- That the central authority imposes the tax on the same person in two stages, as if it imposes a tax on the income generated from work in a particular year

~~(1) Dr. Adel Falih Al-Ali, Public Finance an~~d Financial and Tax Legislation, previous reference, p. 129.
(2) Dr. Mansour MiladYounes, Principles of Public Finance, previous reference, p. 177.
(3) Dr. Adel Ahmed Hashish, Economics of Public Finance, previous reference, pp. 204-205.
once as a specific income, and again as one of the components of the total revenue

that is subject to the general tax on revenue (1).

In short, local double taxation occurs when the taxpayer's revenue is subject to more than one tax in the same country, especially in countries that have a federal political system, such as the United States of America and Germany (2). This occurs in the federal states as a result of the imposition of the tax by the federal government, and then the same tax is imposed by one of the states (3).

2- International double taxation:

International double taxation occurs as a result of the financial authorities of different countries applying their tax legislation on the same base for the same taxable period. It is known that each country is independent in developing its tax legislation; regardless the rest of the comparative tax legislation, so that it adopts principles that are in line with its own interest and what achieves its goals.

National double taxation and international double taxation are identical in terms of their nature and subject matter, but they differ in form and in the methods leading to each of them. If the foundations are the same in each of them, they differ in that the financial authority is one in the internal duality, while the financial authority is multiple in the international duality, where the authorities in the latter enjoy the independence and sovereignty of each of them (4).

Second: The division of double taxation in terms of recognition (in terms of intent):

Double taxation is divided into two parts:

(1) Dr. Muhammad Dowidar, Studies in Financial Economics, previous reference, p. 267.
(2) Dr. Ahmed ZuhairShamiya, and Dr. Khaled Al-Khatib, Public Finance, Zahran Publishing House - Amman / Jordan, edition 1993, p. 202.
(3) Prof. Salem Muhammad Al-Shawabkeh, Public Finance and Tax Legislation, previous reference, p. 195.
(4) Dr. Adel Falih Al-Ali, State Finance, previous reference, p. 311.

1- Intended Double Taxation:

It is that duality that the legislator's intention and will aim to create. And that it is his desire to achieve some purposes (1). This means that the legislator deliberately uses this double taxation for certain purposes, such as imposing additional taxes on property or profession, the proceeds of which are allocated to municipalities, or as imposing an additional tax on the total income (2).

2- Unintentional double taxation:

It happens without the will of the legislator, as a result of the lack of accurate distribution of the powers of taxation between the various authorities(3), and this means that it occurs as a result of the lack of coordination in the financial legislation, where the government imposes new taxes under the pressure of its need for funds without examining their suitability with the tax system in force.It may result from conflicting competencies and lack of regulation between the authorities concerned with imposing tax within the state, especially in the federal state, and it may be the result of each state's tendency to organize its tax projects so as to achieve its interests (4).

Means of avoiding (preventing) international double taxation

This part examines the practical aspect of this research, which is to identify the causes of double taxation; different controls of taxation, multiple controls of taxation, different technical regulation of income taxes, different interpretation of technical conventions, as well as identifying the reasons why the tax legislator deliberately creates this international double taxation with the aim of achieving political or social goals. This chapter also discusses the effects

(1) Dr. FawziAtwi, Public Finance, Al-Halabi Human Rights Publications - Beirut / Lebanon, 2003 edition, p. 261.
(2) Dr. Abdul RaoufQutaish, Public Finance, Dar Al-Nahda Al-Arabiya for Printing and Publishing - Beirut / Lebanon, edition of the year without, p. 498.
(3) Dr. EssamBashour, Public Finance and Financial Legislation, Damascus University Press - Damascus / Syria, Blaa Edition, p. 334.
(4) Munir Al-Hamsh, Studies in Public Finance and its Modern Trends, previous reference, p. 176.

of international double taxation, and the reasons for the spread of the phenomenon of international double taxation, whether financial, economic or other reasons.This chapter also discusses means of preventing or avoiding international double taxation, so that it addresses how Islamic public finances deal with this international double taxation, and then this chapter reviews international efforts to address international double taxation.Hence, ways to prevent or avoid international double taxation are exposed through internal legislation or international treaty agreements.

Therefore, this chapter has been divided into several sections:
The first section: The causes of international double taxation.
The second section: The effects of international double taxation.
The third section: The prevention or avoidance of international double taxation.

The first section: The causes of international double taxation.

There are many reasons that one of them is sufficient for the emergence of international double taxation, and they can be listed as follows:

1- The different controls of taxation:

These controls are based on three principles: political dependence, economic dependence, and social dependence. The principle of political dependence, or subordination, implies the recognition of the country's right to impose taxes on all its citizens, regardless of their domicile or record of residence.

2- The multiple controls of taxation:

International double taxation may arise in the case of multiple controls established by two or more countries with the aim of achieving the largest possible income, as in the case of the application of income tax in each country to residents with respect to their total income regardless of their source, and to non-residents with respect to their income that is achieved in the territories of each country.This leads to the payment of the tax of the country and the tax of the country of origin [1].

3- The difference in technical regulation of income taxes:
Technical regulation of income taxes affects the determination of taxation controls, as the source rule is usually taken (or regional) for specific taxes of a kind nature, while the rule of nationality or domicile is taken for general (or uniform) taxes of a personal nature, thus the difference in regulation of income taxes leads to the existence of international double taxation [2].

4- Different interpretation of technical terms:
The reason for this is the difference in tax legislation in different countries regarding the concepts of residence, domicile and stable establishment, where different national tax legislations vary in determining domicile. Some of them are based on the idea of the main residence, while others are based on the idea of the location of the taxpayer's main interests, or on the combination of the two rules, as is the case in the Egyptian and French legislation [3].Some countries may resort to international double taxation in order to achieve some political and economic goals, including: preventing the migration of national capital due to the great need to finance national projects, applying the principle of reciprocity in imposing taxes on some foreign country nationals, limiting the import of foreign capital for the adequacy of funds or to prevent the investment of such foreign funds in projects that the government may deem to have to be financed with national capital[4].

Effects of international double taxation

1- International double taxation leads to placing restrictions on the growth of

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(1) Dr. Yunus Ahmed Al-Batriq, International Policies and Public Finance, University House - Alexandria / Egypt, second edition, 2000 AD, p. 132.
(2) Dr. Younis Ahmed Al-Batriq, Public Finance, Dar Al-Nahda Al-Arabiya for Printing and Publishing - Beirut / Lebanon, 1984 edition, pp. 105-106.
(3) Dr. Younis Ahmed Al-Batriq, and Dr. Al-Mursi Al-SayyidHegazy, Tax Systems, University House - Alexandria / Egypt, Edition 2004 AD, p. 118.
(4) Dr. Yunus Ahmed Al-Batriq, in International Finance, University House for Printing, Publishing and Distribution - Alexandria / Egypt, edition 1986 AD, p. 74.

economic relations between countries, especially with regard to the transfer of capital from one country to another [1].
2- International double taxation leads to an increase in the tax burden imposed on a certain limit, which leads to obstruction of the movement of workers and capital between different countries.This means obstructing the current of international economic relations, and harming both the developed countries and the backward countries, as the developed countries will not be able to export their internal savings and employ them in foreign investments, while the backward countries will not be able to obtain the necessary funds to finance their economic and social development [2]. This means that it harms international economic relations [3].
4- International double taxation leads to harmful effects on the national economy in general, as it represents an additional burden on the taxpayer.The scientific reality has provided evidence to prove the validity of this statement, for example: the case of a businessman who conducts his activities outside the territory of the country in which he

resides, and is required by the financial authorities of the two countries, namely, his homeland and his country of residence,to pay taxes on profits of 103% of these profits. That is, tax consumes all of his profits [4].

We can attribute the spread of the phenomenon of international double taxation to financial and economic reasons, which can be summarized as follows:

1- The spread of large companies and the practice of their activities in different countries and subject to several legal legislations at the same time [5].

(1) Dr. Wael Ibrahim Al-Rushd, Introduction to Taxes and Zakat in Kuwait, previous reference, p. 102.
(2) Dr. Muhammad Saeed Farhoud, The Science of Public Finance, previous reference, p. 368.
(3) Dr. Fadel Shaker Al-Wasiti, Economics of Public Finance, previous reference, p. 265.
(4) Dr. Suzy AdlyNashed, Public Finance, previous reference, pp. 234-235.
(5) Dr. Sherif Ramses Takla, Modern Foundations of State Finance, previous reference, pp. 223-224.

1- The spread of large joint stock companies whose activities extend to multiple countries, and their shares and bonds are traded on many stock exchanges [1].
2- The widespread adoption of the principle of tax personality, which requires that the tax be imposed on income, whatever its source (including income from abroad), in order to determine the costing capacity [2].
3- Ease of transfer of capital between funds as a result of the growth of the global financial market and the advancement of banking systems [3].
4 - The large movement of labor between countries as a result of the growth of international economic relations and the importance of foreign trade [4].

In conclusion, the phenomenon of double taxation is in fact due to the fact that countries tend to expand their tax jurisdictions with the aim of generating more public revenues.

Preventing or avoiding international double taxation

First: Addressing international double taxation in Islamic public finance:
The Islamic public finance preceded the modern public finance in its treatment of duplication on the national and international scale, it dealt with the duplication of zakat, tax and tithe with all wisdom and accuracy. Moreover, it treated the duplication of obligatory zakat, tax and tithe and its prevention, and decided to impose tithe only once a year on the same money of the same year [5].

Second: International Efforts to Address International Double Taxation:
International efforts to address international double taxation date back to 1897, when the Institute of International Law held its session in Copenhagen and presented a report on the studies conducted to examine double taxation in relation to corporate tax, which raised many disputes, especially by the British

(1) Dr. Wael Ibrahim Al-Rushd, Introduction to Taxes and Zakat in Kuwait, previous reference, p. 101.

(2) Dr. FawziAtwi, Public Finance, previous reference, pp. 262-263.
(3) Dr. Sherif Ramses Takla, Modern Foundations of State Finance, op. cit., p. 224.
(4) Previous reference, p. 224.
(5) Dr. Ibrahim Al-QasimRahahleh, Finance of the Islamic State, Madbouly Library - Cairo / Egypt, 1999 edition, pp. 124-125.

colonies at that time. The International Chamber of Commerce, since its inception in 1920, has paid great attention to international double taxation.

Perhaps the most prominent efforts exerted in this field are those studies initiated by the United Nations, when it formed two committees to discuss the problems of international double taxation. The first committee was formed in 1921 and included a number of experts of capital-exporting countries called the Economic Experts Committee, while the second committee included the majority of its members from the experts of capital-importing countries, called the Technical Experts Committee in 1922. The Committee of Economic Experts submitted its report in 1923, including weighting the principles of social and economic dependence on the principle of political dependency in the field of determining tax jurisdiction.

The United Nations continued its efforts in the field of addressing international double taxation. In this context, it established the Tax Commission in 1929, which continued its activity until the end of World War II. After that, the United Nations continued its efforts in this field. In 1946, its Economic and Social Council issued a decision to establish the Public Finance Committee, which began its activities in 1947 [(1)].Although the United Nations has spared no effort in its attempts to address the problem of international double taxation, it has not succeeded. The reason is that each country has the authority and sovereignty in setting its legislationas well as the absence of a supreme authority to resolve the issue of double taxation [(2)].

As for the Arabic efforts in addressing international double taxation, we find that most Arab countries did not care that their tax legislation include some provisions necessary to address international double taxation.These countries have also not been interested in signing a sufficient number of bilateral tax

(1) Dr. Younis Ahmed Al-Batriq, Public Finance, previous reference, pp. 108-111.
(2) Prof. Salem Muhammad Al-Shawabkeh, Public Finance and Tax Legislation, previous reference, p. 199.

agreements, and perhaps the most prominent evidence of this is that Egypt has not signed more than ten bilateral agreements to address international double taxation since the issuance of the law in 1955 [(1)].

Third: Ways to prevent or avoid international double taxation:
The treatment of international double taxation is carried out in one of the following two ways:

a) Treatment through national legislation (tax regulation) with the aim of attracting foreign capital and technical expertise in order to contribute to the economic development process:

Developing countries that face a shortage of capital resort to avoid double taxation by taking unilateral measures, that is, the concerned country takes certain measures to prevent the existence of double taxation without being linked to any agreement or international treaty.This is practically done by applying three methods, which are the same to avoid internal double taxation, as follows:

1- Deduction of revenue that is subject to foreign tax, from revenue subject to national tax.
2- Or deduction of the foreign tax from the national tax.
3- Or, as a matter of mitigation, it is sufficient to deduct the foreign tax from the revenue subject to the national tax [2].

The International Chamber of Commerce is one of the biggest advocates of expanding the use of individual procedures to address double taxation for the following reasons:

1- Its ease with multiple bilateral agreements.
2- The possibility of applying them using general tax principles.

(1) Dr. Younis Ahmed Al-Batriq, Public Finance, previous reference, p. 111.
(2) Dr. Adel Falih Al-Ali, State Finance, previous reference, p. 314.

3- Not to raise the problems that may arise within the framework of the agreements as a result of the desire of each country to obtain the largest share of tax concessions [1].

b) By means of international treaties and agreements:

According to this method, the countrysigns an agreement or treaty with anothercountry or countries with which it has extensive relations (investment, work, residence, neighborhood), with the aim to prevent or at least reduce double taxation for the citizens of the two contracting countries.In this case, the interests of the poor countries must be taken into account, in application of the principles of international cooperation, and setting distinguishing policies that serve development in these countries [2].Accordingly, the double taxation can be avoided through international agreements, as it can be done in the case of bilateral agreements between countries to prevent double taxation for some specific taxes, such as income tax and inheritance tax [3].

General principles have been established that have become internationally recognized to avoid double taxation, the most important of which are:

1- The country in which the real estate is located shall have jurisdiction to impose taxes on real estate.
2- It is for the country in which the head office of the commercial or industrial enterprise is based to impose taxes on profits, unless this enterprise has permanent branches abroad. In this case the tax is imposed on the profits of each branch of the country in whose territory the branch is located.
3- The country in which the taxpayer exercises his profession or work shall deduct the tax on the income resulting from the work.
4- The country in which the taxpayer resides has the right to impose tax on the

(1) Dr. Yunus Ahmed Al-Batriq, in International Finance, previous reference, pp. 129-130.
(2) Dr. Mansour MiladYounes, Principles of Public Finance, previous reference, p. 180.

(3) Dr. Fadel Shaker Al-Wasiti, Economics of Public Finance, previous reference, p. 266.

movable capital, while it is up to the country in which the movable capital revenue is generated to impose income tax [1].
5- Taxes shall be imposed on ordinary debts in the creditor's home.
6- Taxes are imposed on bond interest and dividends in the home of the debtor, i.e. in the country in which the capital is invested.
7- Taxes are imposed on the income of the work from the country in which this work was submitted, except for the salaries paid by the country[2].
8- Imposing taxes on inheritances from the country in which the money is located, while exempting it from tax in the other country [3].

Fourth: Double taxation prevention agreements between Jordan and other countries:
Jordan has taken successful steps in signing a number of agreements to protect and encourage investment and prevent double taxation with a number of Arab and foreign countries in order to provide an attractive environment for investments. In this context, Jordan has signed more than (32) bilateral investment agreements, and (29) double taxation prevention agreements with Tunisia, Algeria, Syria, Lebanon, Yemen, Egypt, Bahrain, Qatar, Kuwait, Sudan, Sultanate of Oman, Ukraine, Bulgaria, Poland, Czech Republic, Canada, United Kingdom, Netherlands, Romania, Turkey, France, Croatia, Indonesia, India, Pakistan, Korea, Italy, Malaysia and Malta. An example of these agreements is an agreement for the avoidance of double taxation and the prevention of tax evasion imposed on income and capital. It was signed between the countries of the Council of Arab Economic Unity, which is made up of the following countries: Jordan, UAE, Sudan, Syria, Somalia, Iraq, Palestine, Libya, Egypt, Mauritania and Yemen.

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(1) Dr. IssamBashour, Public Finance and Financial Legislation, previous reference, pp. 312-313.
(2)Dr. Muhammad Saeed Farhoud, The Science of Public Finance, previous reference, p. 369.
(3) Dr. ShawziAdlyNashed, Public Finance, previous reference, p. 326.
text of Article (30) of the agreement.

This agreement mentions the avoidance of double taxation and its methods, as it clarifies the following provisions:
1- If a resident of a Contracting Country derives income or owns capital that is taxable in another Contracting Country in accordance with the provisions of this Agreement, the first Country shall deduct an amount from the income tax or capital tax to which that resident is subject to the tax on income or tax on the capital money paid in the other country. Such deduction shall not exceed the amount of income tax or capital tax before granting the deduction attributable to the income or capital that is subject to tax in the other country, as the case may be.
2- If the income derived by a resident of a Contracting Country or the capital owned by him is exempt from tax in that Country in accordance with any of the provisions of this Agreement, then that Country shall take into account the amount of the exempted income or capital when calculating the tax on the remaining income or capital of this resident.

3- For the purposes of deduction from income tax or capital tax levied in a Contracting Country, tax paid in the other Contracting Country shall include tax payable in that other Contracting Country. But it is exempt or reduced under the laws of that Contracting Country containing tax incentives.

Conclusion and Recommendations

After studying the issue of double taxation in general and international double taxation in particular, many noteworthy observations have emerged:

1- It is not permissible to pay the tax in Jordan in kind, as the tax legislation permits that in certain types, such as the inheritance tax.The researcher hopes that the Jordanian legislator stipulates that it is allowed to pay it in kind in certain cases, which helps in collecting taxes and avoiding tax evasion.

2- The phenomenon of internal double taxation appears when the country imposes tax more than once on the same taxpayer and on the same taxable money in the same period of time.

3- The best treatment for national and international double taxation is the treatment of Islamic public finance, which preceded modern public finance in its treatment of this issue on the national and international scale. It treated double taxation in zakat, tax and tithe with wisdom and accuracy. Moreover, it treated double obligatory duty in the collection of zakat, tax and tithe and prevented it, and decided to impose tithes only once a year on the same money. The researcher hopes that the Jordanian legislator will follow what is stated in the Islamic public finances.

4- The majority of Arab countries did not care that their tax legislation should include some provisions necessary to address international double taxation.Despite the existence of some of these provisions, they are of little importance and limited scope, and these countries did not sign a sufficient number of bilateral tax agreements. This requires them to sign more agreements to avoid the existence of double taxation.

5- International double taxation can be dealt with through internal legislation (tax regulation). A good example of this is what was mentioned by the Jordanian legislator, exemptions to prevent double taxation.

6- The usual way to avoid international double taxation is by signing international treaties or agreements. It is possible to sign bilateral agreements between countries to prevent double taxation for some specific taxes, such as income tax and inheritance tax. The researcher hopes that the Jordanian government signs more international treaties and agreements to prevent international double taxation.

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