



# DETERMINANTS OF TAX COMPLIANCE BEHAVIOUR- Exploring A New Model

## Authors

<b>Dr. Puttaswamy<sup>1</sup></b> Associate Professor Post Graduation Department of Commerce Government First Grade College for Women, K.R. Nagar, Mysore Karnataka India	<b>Dr. Arunesha M<sup>2</sup></b> Associate Professor Department of Commerce Government First Grade College K.R.Nagar, Mysore	<b>Dr. Shyamsundar B.<sup>3</sup></b> Associate Professor Department of Commerce Government First Grade College Hullahalli, Nanjanagud, Mysore
--	---	---

## Abstract

In the context of Indian tax system, particularly in the in GST regime, research on the tax compliance behavior is of significant policy implication. Until recently, studies were found on the tax compliance issue abroad. The main purpose of the study is to examine the available literature on the topic. By conceptualizing the problem, the present study embarked on developing a revised model of the constructs to study tax compliance behaviour. Apart from the explored factors from the various studies, factors such as Religion, political orientation, Local economic perception, Risk perception, National Pride, and Professional orientation were included in the composition of variables. The study concludes with a revised suggested model.

**Key words:** GST Compliance, Behaviour, Literature, factors, Model

## I. Introduction

Tax is a very important source of revenue. Tax law and implementation are considered to be effective upon the acceptance and compliance of the same. A higher level of compliance implies the increased opportunity of the government to raise more revenue. The study of tax compliance behaviour essentially require to develop constructs of variables. In the light of GST implementation in India, it is pertinent to study the variables required for empirical application. This study evaluates the existing literature and attempts to develop a viable conceptual model in the Indian GST context.

### I.1 Understanding the concept of Tax Compliance

The term compliance can be defined as the willingness of individuals and other taxable persons to act in accordance with the spirit as well as the intent of the tax law and administration. In the words of James & Alley (2002), tax compliance is the willingness of individuals and other taxable entities to act in accordance within the spirit as well as the letter of the tax law and administration without the application of enforcement activities. Tax compliance can be construed as the degree to which taxpayer obliges to tax legislature of the country. Chattopadhyay & Das Gupta (2002) viewed tax compliance as involving the true reporting of the tax base; correct computation of tax liabilities; timely filing of tax returns and timely payment of the amount due as tax. The behaviour of taxpayers contrary to the above conditions

can be construed as non-compliance. Tax non-compliance is the failure of the taxpayer to meet the tax obligations irrespective of whether it is committed intentionally or otherwise (James & Alley, 2002).

## I.2 Problem statement

It is generally argued that the compliance is low in developing countries. There are many studies all over the world in the field of taxation focusing on different issues. Studies on determinants of tax compliance based primarily on Theory of Planned Behaviour (TPB). Most of the studies have taken few independent variables focusing more on tax structure. Tax structure varies from country to country, and direct tax to indirect tax. The fundamental principle of taxation is the simplicity. While the different innovations take place to make the tax system simpler and easy to comply, there are other variables that emerge due to the advancement in socio-economical, technological and academic situations. Therefore, the study attempts to review the existing literature on the issue and suggest the possible model that can be adopted for further empirical study.

## I.3 Rationale of the study

Unlike employment, businesses offer uncertain income to the entrepreneur or owner. In many countries business income is taxed differently with different deductions and exemptions. Taxation issues are highly significant in business decisions because of its significant effect on investment decisions. Taxation issues constitute one of the main concerns of many countries (Massey & Quin, 2001) and most researchers find that business failures are associated with poor record keeping for taxation purpose (Evans, Carlon, & Massey, 2005; Prescott & Hooper, 2009). It is observed that many a times, business and trade associations (Chamber of Industry & Commerce), represent and appeal to the government before, during or after an enactment as far as taxation is concerned.

The Governments took more than ten years to install GST in Indian Taxation regime, and it travelled a tough path of opposition from different corners of the country, since its inception. Even after the implementation, people perceive that the GST system is different from what it was originally conceived as 'one nation- one tax'. Very recently the implemented GST laws were subjected to overhauling. Fine tuning and rate restructuring also the recent reforms in GST to make the tax system more efficient amidst global uncertainty. Its implications reflect in the level of compliance and responsiveness of the tax payers' post-reforms. In this context, it is sensible to study the Business persons' intention behaviour on tax compliance. With this background, the study keeps the following research objectives:

## I.3 Objectives

1. To study the available literature in the context of Tax Compliance
2. To explore the possible model that explains the Tax compliance behaviour.

## I.4 Data

The present study is based on the secondary data. The data is the sources of information from available literature study.

## II. Literature Review

Tax is the most important source of revenue to the Government. The success of the government in collecting tax revenue depends on the taxpayers' attitude towards the tax system and oblige to pay tax. Unless the people pay the taxes they are obliged to pay, government may not function properly (Hammer, Jager and Norddlow 2005). It is a general phenomenon that some people do not like paying taxes, and because of this reason, it is difficult for tax authorities to levy and collect taxes anywhere and anytime (Alm, Martinez- Vazquez & Schneide, 2003). The amount of tax revenue generated by the government for its public expenditure, depends on the willingness of the taxpayers to comply with tax laws of a country (Eshag, 1983). Committing an act of non-compliance on the part of taxpayer results in a serious tax revenue loss from such act and may cause serious damage to the proper functioning of the government thereby threatening its capacity to finance its expenditure programmes (Franzoni, 2000). Studies prove

that Tax non-compliance is global phenomenon associated with tax administration in both developing and developed countries (Chau & Leung, 2009; Goradichenko, Martinez-Vanzquez & Peter, 2008; Mc Gee, 2006; Tanzi & Shome, 1993; Torgler, 2003). For instance, the statistics from United States (US) Internal Revenue Service (IRS) indicates that federal taxes not paid voluntarily and on time was estimated 15% to 16.6% of the total tax liability in 2002 (IRS, 2005). The problem of tax non-compliance in developing countries and the resultant loss is proportionately greater than the amount in developed countries due to the presence of large scale informal sector (Terkper, 2003). The Problem of non-compliance has attracted the attention of the researchers in recent past. A great amount of attention has been paid to the non-compliance problem in developed countries, which resulted into many empirical studies.

## II.1 Theory of Planned Behaviour

Most of the studies viewed the problem on theoretical perspective of economic deterrence models (Riahi-Belkaaou, 2004). The deterrence theory (Becker, 1968; Sandmo, 2005) concludes that compliance depends largely on tax audit and penalty. The deterrence theory implies that taxpayers will pay taxes only because of the fear of deterrence measures of the tax authorities. Therefore, increase in fines, penalty or audit rate influences taxpayers to pay taxes correctly. However, some studies proved that deterrence may not entirely be depended upon to understand the phenomenon of tax non-compliance (Feld & Frey, 2003; Slemrod, 2009; Torgler, 2003; Torgler & Schaffner, 2007). It is important to note that Deterrence theory is based on only quantitative aspect of economic analysis. Other important aspects of social and psychological factors also play a crucial role in understanding the compliance behavior on deterrence model (Brook, 2001).

Besides the deterrence theory, many researchers have applied the Theory of Planned Behavior (TPB) which is an expansion of Theory of Reasoned Action (TRA). Theory of Planned Behaviour includes three elements of intention- attitude towards behavior, subjective norms and the degree of perceived control to hypothesize the framework. The perceived behavioural control helps to predict the behavior significantly than that of the Theory of Reasoned Action (Ajzen & Martin, 1980). Individual's intents indicate the Behaviour from the view point of control over behaviour (Doll & Ajzen, 1992).

### II.1.1 Attitude

Attitude explains the characteristics of an individual. According to Fishbein & Ajzen (1980), an individual's defiant behaviour of an individual shows highlights the level to which he sustains a positive or negative appraisal of his conduct. Individual's sentiments of favourable and negative behaviour reflect the attitude towards Tax Compliance (Ajzen, 1991). Attitude towards tax system emphatically impact compliance behaviour. consequently, an individual with positive attitude will have a favourable behaviour towards compliance with the taxation scheme and an individual with negative attitude flush it to comply (E.C Loo, M. McKercher & A. Hansford, 2010). The taxpayer's attitude may be controlled by many components which impact his conduct. Some of the components of taxpayer's obedience behaviour include perceptions of the tax system, subjective norm, their apprehension of a tax system, and ethics and fairness of the tax systems. The taxpayer's attitudes about the taxation system depends on their nature to pay or avoid tax. There is an immediate connection between one's perspective about the fairness of the taxation framework and perspectives about paying tax. It is also observed that taxpayer characters impact their commitments and obligations (Wensel, 2007). It is recognized that there is a relationship between numerous comprehensive characters in the taxation discernment, awareness and morality, which are the key social elements in tax obedience. Education and tax behaviour have connections. The high Taxation knowledge has the relation with uplifting attitude towards taxation. Better the tax knowledge, higher will be the tax attitude. The taxpayer's attitude may also be influenced by biased tax laws (Murphy, 2005). It can influence taxpayer's views about paying tax and can influence their compliance behaviour. The taxpayer's unpleasant attitude caused by his biased tax experience can influence not to agree or accept the tax laws.

Breckler & Wiggins (1989) explain the instrumental attitude which relates to psychological thought of an individual. An individual's positive thoughts, awfulness, guilt etc. are managed by individual's instrumental attitude. The conduct of an individual would be favourable while affective attitude manages feelings. Yong & Rametse (2009) noticed that, under GST, small business persons were aversion doing GST work because of the dreary working papers that should be completed. When that be is the case, the taxpayers have the propensity not to agree to the tax scheme. It is clear from the above review that taxpayers' attitude regulates the intention to GST compliance.

### **II.1.2 Subjective Norm**

Subjective norm is set up as an immediate determinant of behavioral intention in theory of planned behaviour, and directly influences an individual either to act or not to act (Ajzen, 1991). Subjective Norm indicates the inspirational behaviour of an individual in a critical situation either to take or not to take decisions. Subjective Norm is said to exist when an individual is influenced by a possible reference groups, or people endorse the act or object to perform certain behaviour (Ajzen, 1991; Martin Fishbein & Icek Ajzen, 1980). Compliance behaviour of a taxpayer is closely interrelated with his or her peers (Richerdson & Sawyer, 2001). Under significant social impact and social force, an individual would execute the conduct despite the fact that the individual is not for performing the conduct (Venkatesh & Davis, 2000). There exists a mixed results concerning Subjective Norm as an indicator of intention. Some researchers demonstrated no considerable relationship between subjective Norm and intention (Chau & Hu, 2001; Davis, Bagozzi, & Warshaw, 1989; Lewis, Agarwal, & Sambamurthy, 2003; Mathieson, 1991), while some other studies have proved a link between subjective norm and intention (Chan & Lu, 2004; Fu, Farn, & Chao, 2006; Venkatesh & Davis, 2000).

#### **• Social Influence**

When an individual follows what other individuals, who are important to him, behave in a certain way. When other individuals trust and utilize the tax structure, it influences an individual who follows those individuals (Venkatesh, Morris, & Davis, 2003). Social influence encompasses Subjective Norms, Social Components, and Image. Social influence can be attributed to compliance that causes social influence to induce an immediate impact on intention (Venkatesh, 2000). In the context of tax compliance, social influence is caused by the impact of other social groups behaviour towards the tax regulations.

#### **• Companion Influence**

Companions are taxpayer's partners including relatives, families and associates (Jackson & Milliron, 1986). The companion influence is replicated in a person's desire in obeying or disobeying the defiant conduct towards the tax compliance. Mason, Calvin, & Faulkenberry (1975), observed that individuals with tax defiant behaviour are more prone to discuss tax matters with their companions. Research (Chan, Troutman, & O'Bryan, 2000) reveals that taxpayer might in any case confer defiant conduct as this resistance is predictable with in group expectations and norms.

#### **• Culture**

Culture greatly influences the taxpayers tax obedience. Different social values and moral aptitude will determine the tax obedience of a taxpayer. Moral qualities exaggerated by social norms might restrict individual's participation in tax evasion (Blanhorne & Kaplan, 2008). In an attitude review of workers, Hofstede (1980) distinguishes four basic societal qualities; power distance, uncertainty avoidance, masculinity and individualism. Chan et al. (2000) argues that the cultural measurements influencing tax compliance are individualism and collectivism. Individualism and collectivism shows the level of interdependence that a community upholds among individuals (Hofstede et al., 2010). A high individualism culture is identified in individuals concentrating on themselves instead of on the group to which they belong. It indicates the individual's indifference in the group behaviour and group affiliation. Conversely, individuals, are regarded themselves as singular entities and spot extraordinary quality on individual rights. These cultural differences may cause an immediate effect on moral qualities and ethical behaviour, and eventually influence tax obedience decisions.

Chan et al. (2000) noticed that the nature of the individual affects their consistence endeavours. Since GST has been implemented recently, an exploration on consistence is yet to be refined by using TBP model. Saad (2009) comparably determined that subjective norm is an influential variable in elucidating tax consistence conduct.

### II.1.3 Perceived Behavioural Control (PBC)

Perceived Behavioural Control is a significant determinant of behaviour intention and actual conduct of an individual. PBC reflects a person's discernment on the easiness in executing a specific conduct. A conduct that is stressful to accomplish is low in PBC, while high when it is stress-free to accomplish (Ajzen, 1991). A person with high PBC will be more likely to conduct in connection than a person with low PBC. Individuals who have high PBC in performing a routine physical movement are more inclined to practice the action than those with lower (Ajzen, 2006).

Saad (2009) opined that when a person trusts that he or she can effectively complete their assessments frames with authority with no errors, the PBC will high and will have higher tendency to conform to the tax commitments. Similarly, if a person trusts that he or she can avoid tax payment and not caught by Tax Inspector, the individual PBC will be high over non-going along, in addition to more inclined to abstain from tax payment. Early researchers (Donna & Hatfield, 2003; Kraft et al., 2005; Park & Blenkinsopp, 2009; Pavlon & Chai, 2002; Trivedi et al., 2005; Salman & Sarjono, 2013) propose that PBC is fundamentally connected with behavioural intention and genuine conduct. Ampofo, Mujtaba, Cavico, & Tindall, (2011) discovered that PBC is absolutely identified with the intention to oblige tax laws. Studies in different fields, such as morality, additionally demonstrate that PBC substantially related to behavioural intention (Park & Blenkinsopp, 2009).

## II.2 Financial Self-Interest Model

Financial Self-Interest Model (Becker, 1968) compares the non-compliance benefits and the risk associated with fines and penalty due to non-compliance. This model proposes tax rates; probabilities of penalty structure as cause factor to compliance cost that will impact to compliance conduct. FISM subjugated associating the consequence of benefits by evading the tax payments and the risk involved if found guilty and subject to fine by Tax authorities. Despite the empirical statements that support that compliance behaviour influenced by tax rate, detection and penalty, the model has the limitations. Researchers such as Fischer, Wartick, & Mark (1992) submit that these were not the only factors. In the words of Jackson & Milliron, (1986), FISM is not describing the overall factors that influence compliance behaviour. Jackson & Milliron (1986) have recognized 14 variables that are universally used in compliance behaviour study. These variables are characterized in four groups.

- i. Demography (age and gender)
- ii. Opportunity to evade (education, income indicator, source of income, occupation)
- iii. Attitude and perception (ethic, fair perception in tax system)
- iv. Tax structure (tax system complexity, relationship with tax authority, tax rate, probability to detect, penalty structure)

Fischer et al. (1992) distinguished the above factors into direct and indirect groups. There are three direct groups and one indirect group behaviour that effect Compliance behaviour. The first group of variable is the opportunity to evade, which most researchers investigate is education, income indicator, source of income and occupation. It reflects directly to compliance behaviour and influences other variables. The second variable group is attitude and perception that most researchers study is on ethnic and fair perception in tax framework, which reflect directly the compliance behaviour. The third group is on tax structure that most researchers investigate on Complexity in tax system, relationship with tax authority, tax rate, probability to detect and penalty structure. The last group is demographic that is Age and Gender, which is believed to have no direct influence on the Compliance behaviour. However, the demographic variables have been used as grouping variable.

The above models influence the compliance behaviour in general. However, it has not been experimented to discover the association of these variables with the Compliance behavior in the context of Indian Goods and Service Tax. So, it is necessary to articulate the other relevant variables that influence the GST compliance behaviour in Indian context.

### **II.2.1 GST Law and Enforcement**

GST Law and Enforcement can influence compliance behaviour. The deterrence mechanism, strength of the law in force, and likelihood of the enforcement by the tax authorities. The studies attempted to prove that the chances deterrence measures, penalties and fines on the tax evasion would have positive effect on the compliance behaviour of Taxpayers (Verboon & Dijke, 2007). A positive relationship between the perception of law enforcement and enforcement with intention to comply was found in the studies by Allingham & Sandmo (1972). Studies tried to conclude that probability of locating tax evasion is located and imposition of major penalty would increase the tax compliance. When tax authorities increase auditing, tax declaration activities will increase (Trivedi et al., 2005). If tax evaders are located and significant punishment is enforced, tax obedience would increase. Murphy (2005) found that monetary punishment charged to tax evaders could be the best arrangement averting tax evasion.

### **II.2.2 Tax Knowledge**

Education level or level of tax knowledge of taxpayer is critical reference to current framework and can influence taxpayer's behavioural intention towards tax obedience (Eriksen & Fallan, 1996). Level of knowledge on tax laws determine the compliance behaviour. It is therefore, it can be proposed that education and level of tax knowledge influences the compliance behaviour in the context of GST.

Saad (2014) recommended tax knowledge to be the most prevailing component to determine taxpayer's intention to comply towards taxation system. This proposition has been empirically developed by numerous studies (E.C Loo et al., 2010; Kasipillai & Hijattullah, 2003; Carnes & Cuccia, 1996) which discloses that taxpayer's level of tax knowledge would prompt higher compliance rates. The findings of the above studies were supported by Eriksen & Fallan, (1996), and conclude that the tax rate avoidance diminishes with the expansion of tax knowledge which consequently lead to an improved tax compliance behaviour. Studies proved that there is a significant association between the taxpayer's ability to comprehend the tax laws and their intention to conform to tax laws (Singh, 2012). Palil (2010) and Chan et al. (2000) discovered that individual with high level of education would have a high tendency of obedience. The studies contended that individual would be defiant, yet when he induces a fuller apprehension of the duty framework and his maturity level of moral development stimulates a more positive attitude and subsequently contributes to more prominent compliance. Besides that, those with higher assessment information are more likely to have a higher degree of more growth and more elevated approaches toward compliance. Detailed tax knowledge enables the individual to estimate the financial cost of compliance. If he upgrades the level of general fiscal information, positive tax behaviour improves. Tax payer education and motivation has become the essential reform of the present tax system. Tax authorities ought to divulge a comprehensive tax information and method to conform to the essentials, including filing the returns, advance tax rules, tax rebates exemptions and penalty provisions etc. (Mukasa, 2011). Again, the above studies were focused on direct taxation, and it is yet to prove the same in the context of Goods and Services Tax.

### **II.2.3 Tax System Complexity**

Tax system complexity and compliance can be tested in the context of tax framework. The difficulty in compliance, documentations, procedures for conforming with the tax laws, words that are used in the tax legislature etc, makes it difficult to compute the tax liability properly. Tax system density in terms of numerous documentations, for example, computational difficulty, forms density (American Institute of Certified Public Accountants, 2002), procedural density (Cox & Edger I, 2006), rule complexity, compliance complexity (Carnes & Cuccia, 1996), and high difficulty in readability (Pau et al., 2007; Saw & Sawyer, 2010) impact the tax compliance behaviour. While examining the tax behaviour on 45 nations, Richardson G. (2006) found that density is the utmost imperative contributing factor of non-compliance.

Researchers believed that tax complexity emerges because of the expanded complexity in the taxation regulation (Reicher & Sawyer, 2001; Strader & Fogliasso, 1989). Mustafa (1996) examined taxpayers' awareness toward the self-assessment system (SAS), and pointed out that tax system in Malaysia was too complex, especially in recordkeeping, and vague tax laws. Such complication exists in Australia too, which influences individuals to employ tax agencies in their tax management (McKerchar, 2001; 2003). Researchers also found that corruption in the bureaucracy add to individual's tax non-compliance. Tax compliance also depends on the individual's psychological influences that stress on the presence of corruption that stimulates the non-compliance behaviour. It is believed that corruption diminishes as the system of taxation becomes simple and free from bureaucratic negative interference. Three studies on Malaysian context discovered that complexity in record-keeping, tax computation, and tax ambiguity embodied in tax complexity issues in the tax compliance study (Mustafa, 1996; Isa, 2014; Saad, 2014).

From the above studies it can be assumed that the higher the level of complexity in tax law low will be behavioural intention to tax compliance.

### II.3 Evaluation of the Literature

From the above literature review, it can be concluded that two theories on the present problem- Theory of Planned Behaviour (TPB) and Financial Self-Interest Model are the foundation of constructing the tax compliance behavioural factors. However, these theories have ignored some of the significant factors that greatly influence the tax compliance behaviour of tax payers. The theories above include only four major factors such as Demographic (Age and Gender); Opportunity to evade (education, income indicator, source of income, occupation); Attitude and Perception (Ethic, fair perception in tax system); and Tax Structure (Tax System complexity, relationship with tax authority, tax rate, chance of detection, penalty structure). It is important to note that these variables have found to be significant and explain not 100 per cent of the behavioural impact on the tax payers. The studies failed to bring to the light, the other factors and variables that significantly affect.

In the demography, besides age and gender, variables such as Religion, Race, Income Slab under Tax system, Ethnicity, and Profession also significantly affect the tax compliance behaviour. The person's profession determines tax obedience. Generally, tax professionals and advocates do find opportunity to evade tax better than the other professionals. Academicians, and Government employees will have the least possibility to evade tax, since tax is deducted at source, and employment rules bind them to comply irrespective of the system's lacunae. Fear factor in these professionals play a dominant role in compliance. So, the level of Societal, Ethical and Moral values will, generally, be greater than the self-employed and business persons. From this it can be inferred that Ethnicity and Profession found to be significant determinants of Tax Compliance behaviour. Individuals Political orientation is completely ignored by the researchers in explaining the determinants. Political Orientation is one of the strongest determinants of compliance behaviour. It is observed that individual with corruptive behaviour always supports corrupt officials, corrupt politicians. Presence of National Pride in an individual also determine as to what kind of political orientation he or she belongs to. Naturally, such individuals always deviated from the normal national pride, and political orientation which has to be directed towards the positive development of the country. Therefore, it can be strongly believed that More than the social norms, tax complexity, and attitude & perception, an individual's national pride (Patriotism), political orientation, religion, and very importantly risk taking behaviour of an individual determine the tax compliance behaviour in a great magnitude. It can be concluded from the evaluation that despite complexity, and chance of deterrence, - Political orientation, Religion, ethnicity, Profession, Societal Status, National Pride, Income Level, Risk taking capacity and Academic level also play a very significant role in determining the tax compliance behaviour of an individual. It is also worth noting that, the economic scenario also can be tested as a variable. Because, the economic condition of a country or the location of the individual sometimes influence the other behavioural factors of an individual.

## II.4 Model Expansion

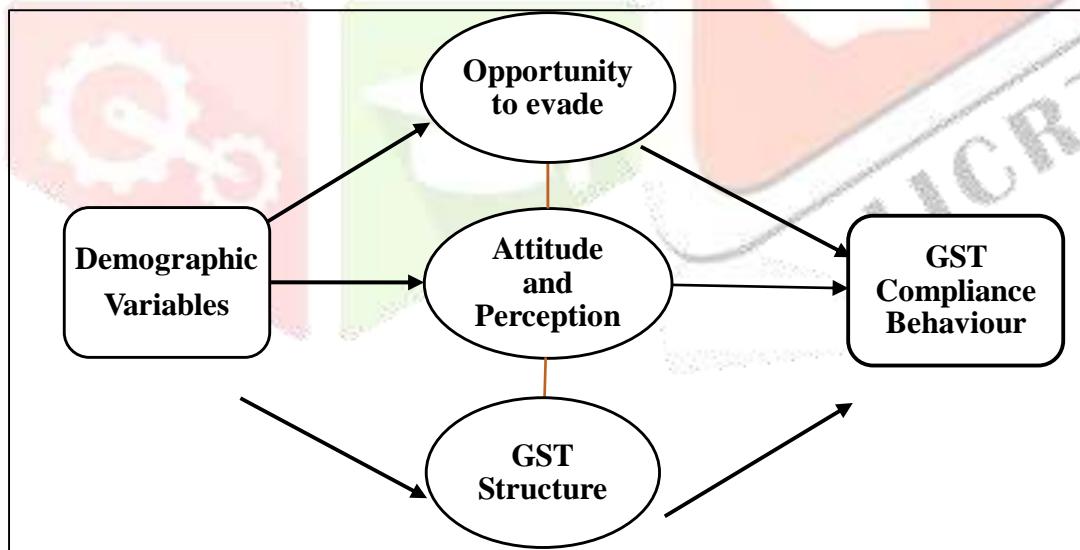
In addition to the variables explained in other theories, factors such as Academic level, Religion, Political Orientation, Risk Perception, Level of Income, Profession, Social Status, Perception on Environment, National Pride, economic conditions, perception on the Government spending on local development included in the construct of Behavioural intention of an individual in GST Compliance.

The dependent variable for the study is the Intention to Tax Compliance, while Demographic, Opportunity to evade, Attitude and Perception, and Tax Structure are set as independent variables. Thus, the framework for further study (Table 1) in testing of hypothesis can be built upon the following proposed model based on Becker (1968) model.

**Table:1**  
**DETERMINANTS OF TAX COMPLIANCE BEHAVIOUR**

- A. Demographic**  
Age, Gender, Religion, Ethnicity.
- B. Opportunity to evade**  
- Academic Level, Income Level, Profession, Tax knowledge
- C. Attitude and Perception**  
- Ethics, Political Orientation, National Pride, Professional Orientation, moral values, Risk Perception, Social Status, Local Economic Perception
- D. Tax Structure**  
- Tax System Complexity, Tax Law and knowledge, Tax rate, Chance of deterrence, Penalty structure, Corruption in the Department, Taxpayer services of the Department.

**Figure 1: TAX COMPLIANCE MODEL**



Source: Researcher's Creation based on Fisher et al. model

## III. Suggestions and Conclusion

The purpose of the present study was to examine the available literature to study the compliance construct. Various studies on the concept thrown open the significant variables that can be used to study the behaviour of taxpayers on the intention to comply tax laws. It was found from the evaluation that most of the studies were based on the Theory of Planned Behaviour model. The subsequent studies were found to be applied in direct tax regime in most of the countries, and only few have focused in the context of indirect tax structure. It is obvious that the studies were hardly found in Indian context. Since, the perception and behavioural intention is different from country to country, particularly based on the socio-

economic conditions of the citizens of any country. It was quite appropriate to embark on the study of determinants of tax compliance behaviour. After evaluating the various factors in the major variables as looked in by the authors, some of the additional factors were included in the model to fit in to Indian context. Since GST in India is slightly restructured and still subjected to complexity to the tax payers for tax management, it is the right time to initiate an empirical investigation concentrating a different segment of Indian business.

## REFERENCES

- 1) Ajzen, I. (1991). The theory of Planned Behaviour. *Organizational and Human Decision Processes*, 179-211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)
- 2) Allingham, M., & Sandmo, A. (1972). Income tax evasion: a theoretical analysis. *Journal of Public Economics*, 323-338. [http://www.sciencedirect.com/science/article/pii/0047-2727\(72\)90010-2](http://www.sciencedirect.com/science/article/pii/0047-2727(72)90010-2).
- 3) Becker, G. (1968). Crime and Punishment: An Economic Approach. *The Journal of Political Economics*, 169-217. <https://olis.leg.state.or.us/liz/2017R1/Downloads/CommitteeMeetingDocument/125036>
- 4) Blanhorne, C., & Kaplan, S. (2008). An Eco-centric model of the relations among the opportunity to underreport, social norms, ethical beliefs, and underreporting behavior. *Accounting Organizations and Society*, 684-703. <https://doi.org/10.1016/j.aos.2008.02.001>
- 5) Bobek, D. D. (1997). How do Individuals Judge Fairness and What Effects Does It Have on Their Behavior? Unpublished PHD Thesis, University of Florida. [https://www.business.unsw.edu.au/research-site/publications-site/ejournaloftaxresearch-site/Documents/paper3\\_v8n1.pdf](https://www.business.unsw.edu.au/research-site/publications-site/ejournaloftaxresearch-site/Documents/paper3_v8n1.pdf)
- 6) Chan, C., Troutman, C., & O'Bryan, D. (2000). An expanded model of taxpayer compliance: empirical evidence from the United States and Hong Kong. *Journal of International Accounting and Taxation*, 83-103. [https://edisciplinas.usp.br/pluginfile.php/300868/mod\\_resource/content/2/Grant.pdf](https://edisciplinas.usp.br/pluginfile.php/300868/mod_resource/content/2/Grant.pdf).
- 7) Chattopadhyay, S., & A. Das Gupta. (2002). The personal Income Tax in India: Compliance Cost and Compliance Behaviour of Tax Payers. Institute of Public Finance and Policy New Delhi.
- 8) Donna, B., & Hatfield, R. (2003). An Investigation of the Theory of Planned Behavior and the Role of Moral Obligation in Tax Compliance. *Behavioral Research in Accounting*, Vol. 15. 13-38.
- 9) Eriksen, K., & Fallan, L. (1996). Tax knowledge and attitudes towards taxation: A report on a quasi-experiment. *Journal of Economic Psychology*, 1996, vol. 17, issue 3, 387-402
- 10) Hofstede, G., Hofstede, G., & Minkov, M. (2010). Cultures and organizations: software of the mind: intercultural cooperation and its importance for survival. New York: McGraw Hill. <https://searchworks.stanford.edu/view/10017447>
- 11) Isa, K. (2014). Tax complexities in the Malaysian corporate tax system: minimize to maximize. *International Journal of Law and Management*. <http://www.emeraldinsight.com/doi/full/10.1108/IJLMA-08-2013-0036?mobileUi>
- 12) Jackson, B. R., & Milliron, V. C. (1986). Tax Compliance Research: findings, problem and prospects. *Journal of Accounting Literature*, 125-165. <http://dx.doi.org/10.4236/mr.2013.12002>
- 13) James, S., & C. Alley. (2000). Tax Compliance, Self-Assessment and Tax Administration. *Journal of Finance and Management Public Services*, 2(2): 27-42.
- 14) Lewis, W., Agarwal, R., & Sambamurthy, V. (2003). Sources of Influence on Beliefs about Information Technology Use: An Empirical Study of Knowledge Workers. *Management Information Systems Research Center*, University of Minnesota. 27(4), Pp. 657-678, ISSN: 0276-7783. <https://dl.acm.org/citation.cfm?id=1541&picked=prox&cfid=827165468&cftoken=51501950>
- 15) Martin Fishbein & Icek Ajzen. (1980). Understanding attitudes and predicting social behavior. Englewood Cliffs: Prentice Hall.
- 16) Mukasa, J. (2011). Tax Knowledge, Perceived Tax Fairness and Tax Compliance in Uganda: The Case of Small and Medium Income Taxpayers in Kampala Central Division. School of Graduate Studies. A Research Dissertation [http://www.academia.edu/5619390/Tax\\_knowledge\\_perceived\\_tax\\_fairness\\_and\\_tax\\_compliance\\_in\\_Uganda](http://www.academia.edu/5619390/Tax_knowledge_perceived_tax_fairness_and_tax_compliance_in_Uganda)

17) Mustafa, M. (1996). An Evaluation of the Malaysian Tax Administrative System and Taxpayers Perceptions Towards Assessment Systems, Tax Law Fairness and Tax Law Complexity.  
[http://etd.uum.edu.my/1495/2/Hajah\\_Mustafa\\_Mohd\\_Hanefah.pdf](http://etd.uum.edu.my/1495/2/Hajah_Mustafa_Mohd_Hanefah.pdf)

18) Palil, M. R. (2010). Tax knowledge and tax compliance determinants in self-assessment system in Malaysia. University of Birmingham. <https://core.ac.uk/download/pdf/76107.pdf>

19) Rameste, & Yong. (2006). Small business taxpayers' attitudes to complying with tax system: lessons and experiences from Australia and New Zealand. School of Management.

20) Richardson, G. (2006). Determinants of tax evasion: A cross-country investigation. *Journal of International Accounting, Auditing and Taxation*, 150-169.

21) Richardson, M., & Sawyer, A. (2001). A taxonomy of the tax compliance literature: further findings, problems and prospects. *Australian Tax Forum*, 137-320.  
[https://www.researchgate.net/profile/Adrian\\_Sawyer/publication/302562864](https://www.researchgate.net/profile/Adrian_Sawyer/publication/302562864)

22) Saad, N. (2009). Fairness Perceptions and Compliance Behaviour: The Case of Salaried Taxpayers in Malaysia after Implementation of the Self-Assessment System. *e-Journal of Tax Research*, 32-63.  
<http://www.austlii.edu.au/au/journals/eJTR/2010/3.pdf>

23) Saad, N. (2014). Tax Knowledge, Tax Complexity and Tax Compliance: Taxpayers' View. *Procedia - Social and Behavioral Sciences*, 1069 - 1075.

24) Salman, K. R., & Sarjono, B. (2013). Intention and Behavior of Tax Payment Compliance by the Individual Tax Payers listed in Pratama Tax Office West Sidoarjo Regency. *Journal of Economics, Business, and Accountancy Ventura*, 16 (2), 309-324. ISSN 2087-3735.

25) Saw, K., & Sawyer, A. (2010). Complexity of New Zealand's income tax legislation: The final installment. *Australian tax forum*.  
<https://www.researchgate.net/publication/303442604>

26) Singh, V. (2012). *Malaysian Tax Administration*. Kuala Lumpur: Longman. System of tax rulings, Revenue Law journal, 175(3). 6<sup>th</sup> Ed.

27) Thompson, R., Higgins, C., & Howel, J. (1991). Personal Computing: Toward a Conceptual Model of Utilization. *MIS Quarterly*, 125-143.

28) Trivedi, V. U., Shehata, M., & Mestelman, S. (2005). Attitudes, Incentives, and Tax Compliance. *Canadian Tax Journal*. vol. 53(1).  
<https://www.ctf.ca/ctfweb/Documents/PDF/2005ctj/05ctj1-trivedi.pdf>

29) Venkatesh, V., & Davis, F. (2000). A theoretical Extension of Technology Acceptance Model: Four Longitudinal Field Studies. *Management Science*, 46(2):186-204.  
<http://dx.doi.org/10.1287/mnsc.46.2.186.11926>