**19**

**STUDYING THE PHENOMENON OF TAX FILING COMPLIANCE DECISION: APPLYING THE THEORY OF PLANNED BEHAVIOR APPROACH.**

Noor Suhaila bt. Shaharuddin

noorsuhaila@kuis.edu.my

Associate Professor Dr. Mohd Rizal bin Palil

mr\_palil@ukm.edu.my

Dr. Rosiati bt Ramli

rosiati@ukm.edu.my

**ABSTRACT**

*Most of the literature in the tax gap is focused almost entirely on underreporting of incomes for sole proprietorships. However, there is little discussion in the literature about those sole proprietors who simply choose not to file a tax return on time. Therefore, applying the theory of planned behaviour (TPB) as the underlying theoretical base, the primary focus of this study is to identify the factors associated with their decision to file a tax return. The survey data was collected through a group administered method resulting in 225 usable responses from stall operators at Rest and Service Areas and lay-bys along the PLUS-operated highways. The findings of this study largely support the hypothesised relationships proposed in the theoretical model. Attitude towards compliance and perceived behavioural control were found as significant determinants of tax filing compliance intention among the stall operators. The findings of this study contribute to the theoretical and practical aspects of understanding the tax compliance behaviour among sole proprietors. A better understanding of the main driver for tax compliance will allow revenue bodies to implement more effective approached toward achieving optimal tax compliance.*

Keywords: *Tax filing compliance, sole proprietor, Theory of Planned Behaviour.*

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Introduction**

Over the years, reducing the revenue losses arising from noncompliance with tax laws has become a significant concern of all revenue bodies. Quoating figures from Athens-based Foundation for Economic and Industrial Research, Datuk Seri Ahmad Husni Mohamad Hanadziah, said that in Europe about RM63 billion is being lost each year due to tax noncompliance (New Straits Times, 2011).This issues calls for serious attention as the problem of non compliance will cause losses of current income to the government (Sam, 2010). According to Fuest & Riedel (2009), many developing countries fail to provide sufficient public services due to inability of their government to curb tax non compliance. In the long run if the problem of non compliance is not checked, not only depressing the country’s economic growth but, the government could be facing huge budget deficit (Lai, Yaacob, Omar, Aziz, & Yap, 2013).

Many researchers in tax compliance have argued that a high-risk group for non compliance is associated with sole proprietorships or self-employed individuals (Engström & Holmlund, 2009; Feldman & Slemrod, 2007; Kamleitner, Korunka, & Kirchler, 2012; Kleven, Knudsen, Kreiner, & Saez, 2011; Slemrod, 2007). They have a significant opportunity to evade income taxes as compared to other taxpayers (Alabede, Zainol Ariffin, & Md Idris, 2012; Engström & Holmlund, 2009; Loo, Mckerchar, & Hansford, 2009). They are also identified as the largest share of the income tax gap (Hite, Stock, & Cloyd, 1992). The Internal Revenue Service (IRS) estimates that $68 billion of the $345 billion gross tax gap for 2001 was due to the noncompliance of some sole proprietors, who underreporting their net income by 57 per cent. Also, in the United Kingdom, Her Majesty’s Revenue and Customs (HMRC) statistics shows that nearly half of the overall tax gap of £32 billion in 2010 – 2011 was attributable to small businesses (HMRC,2012).

Nevertheless, most of the literature in the tax gap is focused almost entirely on underreporting of incomes for sole proprietorships (see for example Engström & Holmlund, 2009; Ahmad & Braithwaite, 2005; Kirchler, E., Muelbacher, S., Kastlunger, B., &Wahl, 2007). It concerned with the taxpayer’s compliance decision such as how much income to report, which income that really needed to be reported, or what details should be included in their tax return. The discussions remain centered more on sole proprietors who choose to underreport their income in order to reduce tax liability (Alm, Bloomquist, & Mckee, 2013). However, there is little discussion in the literature about those people who simply choose not to file a tax return on time although they have a legal requirement to file those returns (Erard & Ho, 2001).

Studies have demonstrated that this form of evasion poses a significant problem for revenue authorities (Alm et al., 2013; Erard & Ho, 2001). According to some estimates, a substantial fraction of U.S. residents who are legally required to file a federal income tax return fail to do so (Erard & Ho, 2001). Based on the tax gap report released by IRS, the estimate of the individual non-filing gap for 2006 was $28 billion, increased slightly from $27 billion in 2001. In Malaysia, there were no official statistics that can really estimate the size of the tax gap particularly individual non-filing gap (Lai et al., 2013). However, the Inland Revenue Board of Malaysia (IRBM) reported that in 2005 nearly 1.3 million potential taxpayers did not file their tax returns (Krishnamoorty, 2006). Related to this, the government has lost approximately RM307.7 million.

There must be some explanations on why such situation happens. Despite of all the development toward a better system including tax e-filing technology to facilitate taxpayers fulfil their filing obligations, there are still a big portion of individual taxpayers who are resistant to file their tax return (Ibrahim, 2012), they simply neglect their taxes and fail to comply with their income tax filing requirements. Research revealed that individuals with business income are relatively less likely to file a return than those in other occupations (Erard & Ho, 2001). Therefore it is important to identify the factors that influence taxpayers’ compliance behaviour, in particular filing compliance among sole proprietors in Malaysia.

This study attempts to develop further understanding on the possible factors underlying sole proprietors’ decisions on whether or not to file a tax return. In explaining taxpayers filing behaviour, it is important to clearly identify their intentions that brought about the behaviour. According to Ajzen (1991), intention can potentially have a significant impact upon behaviour and able to influence individual’s decisions. In other words, it is a key element that exists within an individual before directing a person’s attention toward a specific object or behaviour (Ajzen, 2002b). Thus, drawing on theory of planned behaviour and its application to the tax compliance context, the aim of this study is to examine three variables that are potentially influence filing compliance behaviour.

1. **Research Objectives**

Specifically, this study has two objectives:

1. to determine whether the Theory of Planned Behavior components can reliably predict sole proprietors’ intention to fulfill their tax filing obligations.

2. to identify which components of Theory of Planned Behavior that most influence sole proprietor compliance behavior.

The remainder of this paper is organized as follows. The next section reviews the theoretical framework and literature on tax compliance behavior. This is followed by the development of hypotheses in Section 4. Section 5 presents the data and methodology. Section 6 reports and discusses the results. Section 7 presents the conclusion and implications of findings.

1. **Theoretical Framework and Literature Review**

A number of theories have been proposed to explain non-compliant behaviour. In the taxation literature, many researchers have used Allingham-Sandmo model to explain tax non compliance behaviour and taxpayers’ tendencies to evade or avoid tax (Murphy, 2004). The model concludes that the penalty and the probability of detection are the crucial factors in influencing people to pay their taxes. However, there is a vast experimental literature that suggests that the majority of taxpayers still comply with tax system even the probability of detection is zero. In fact, for some cases the behaviour of audited taxpayers is found to be worsen immediately after an audit. They believe that the likelihood of a subsequent audit is very low because it recently happened, thus resulting decrease in compliance. The contrast between evidence and theory have questioned this framework as the most appropriate model to understand the phenomenon of tax noncompliance (Torgler, 2007). A limitation of such model have stimulated research on tax behaviour to develop new theories which may lead to change in behaviour (Slemrod, 2007).

Social psychological research suggested that, an individual inherent character like attitudes, norms, fairness, equity, moral and ethical concerns should be taken into account in order to address the issues of tax evasion and non compliance. Typically, these psychological mechanisms can be classified as motivational factors underlying individuals’ decisions to perform or not to perform behaviour. Hence, the most well known model that could explain people’s behaviour by way of understanding beliefs and attitudes is the theory of planned behaviour (TPB; Ajzen, 1991). It has been applied in many behavioural researches and shown to have a good predictive power in explaining human intentions and behaviour. Review of this research can be found in a variety of sources such as the acceptance of telemedicine technology by physicians (Chau and Hu, 2001), blood donation (Reid & Wood, 2008), predict consumers’ purchase intentions with different level of product knowledge (Shen Chiou, 1998), predict customer’s intention toward adopting Internet banking in Taiwan (Shih & Fang, 2004) and many others.

The theory of planned behaviour suggests that a person’s behaviour is determined by his or her intention to perform behaviour. It is widely accepted that person’s intentions are good predictors in deciding whether or not one will engage in the behaviour (Ajzen, 2002a; Armitage & Conner, 2001). The stronger the intention, the more likely that he or she will perform the behaviour in question. This intention is, in turn, directly driven by three major constructs namely attitudes, subjective norms and perceived behavioural control related to particular behaviour. Specifically TPB predicts that if there is a more favourable attitudes towards a behaviour, it is accepted socially, and the person has more control over that specific behaviour, they are more likely to perform that behaviour (Ajzen, 2002b).

Concerning tax related behaviour, there is some evidence shown that TPB has been used as a framework to examine taxpayers’ compliance intention. One of the first studies that used the full model of the TPB was a study undertaken by Bobek & Hatfield, (2003). This study was conducted in the United States of America, applied the TPB model with the inclusion of the moral obligation variable. In sum, results provide support for the theory suggesting that the TPB model provides a good description of tax compliance behavioural intentions. Several beliefs were found to be useful in developing and understanding of tax compliance behaviour. However, Bobek & Hatfield, (2003) found that individuals’ moral obligation do not provide a significant explanation of tax noncompliance.

Other studies have also found support for the use of the TPB in predicting intention regarding tax compliance. Coolidge & Hickman, (2012) for example, who examined factors that influence business taxpayers’ decision on whether to report income and deductions correctly in their 2011 income tax return. Their study was based on sample of small and medium enterprises in Australia. Their study found support for the TPB’s components of attitude, norms and perceived behavioural control in predicting intentions of tax compliance decisions. Additionally, this study also provides support for the additional variables in predicting and shaping tax compliance behaviour. These variables are taxpayer identity and awareness of the law. The variable of perceptions of Tax Office cooperation was not a significant contributor to intention. The final model with all independent variables in the model was significant at R2 = .594 (p<0.01). Indicating that approximately two thirds (60%) of taxpayer’s intentions to comply is predicted by the variables in the model.

However, in Malaysia very little evidence of any empirical works that discuss tax compliance behaviour within the framework of TPB. At the time of study, only one empirical studies (Saad, 2009) has made an attempt to examine the role of fairness in tax compliance decisions by employing the TPB model. The result shows that taxpayers perceived the current income tax system as fair but there was no conclusive evidence that such a perception had an influence on compliance behaviour. In other words, fairness perceptions do not necessarily motivate taxpayers to either comply or not to comply with tax requirements. The results also revealed that tax knowledge and tax complexity had a significant impact on fairness perceptions of the tax system and subsequently affects taxpayers’ compliance behaviour. With regards to the TPB variables, the results of the study had shown that the attitude and subjective norms components had a positive influence on taxpayers’ behavioural tax compliance intention but not the perceived behavioural control. In summary, Saad (2009) states that, the theoretical model of TPB in the tax literature offers a good explanation of compliance behaviour.

1. **Hypotheses Development**

This study draws upon the TPB constructs namely attitude, subjective norm and perceived behavioural control as a theoretical framework for predicting tax compliance behaviour. The aim of this study is to examine whether there is a direct positive relationship between attitude, subjective norm, perceived behavioural control and the decision whether to file an income tax return.

According to Ajzen (1991) attitude is defined as the individual's positive or negative feelings about performing a behaviour. In taxation context, research has identified there are certain attitudes such as a sense of civic duty to pay taxes, feels guilty if misreported taxes, feels ashamed if caught cheating do play an important role in influencing taxpayers’ internal motivations to comply voluntarily with tax laws (Torgler, 2007; Kornhauser, 2007; Hofmann, Hoelzl, & Kirchler, 2008). It has also identified that the more positive these taxpayers’ attitude, the higher their willingness to comply with tax laws. In other words, people do willingly to comply with their tax obligations may be positively related to their attitudes about paying taxes (Schneider & Torgler, 2007). Overall, attitudes have been shown as the best predictors in explaining tax compliance behaviour. Therefore, the following hypothesis is formulated:

*H1 : There is a significant and positive relationship between attitudes and intention to file a tax returns on time.*

The concept of subjective norm refers to a person’s perception of whether most people who are important to the person think that he or she should perform the behaviour in question. The theory predicts that the more an individual perceives that important others think he or she should engage in the behaviour, the more likely the persons intends to do so (Ajzen, 1991). In relation to taxation, there is evidence that referent groups are important source of information and were found to be most influential on taxpayer compliance behaviour. People will choose to file a tax return if he or she believes that their significant others encourage them to file an income tax return. However, they are more likely choose not to file a return if their significant others would disapprove such behaviours. Some people are quite easily influenced by their significant others to engage in high risk and other negative behaviours (Sieverding, Matterne, & Ciccarello, 2010). Therefore it seems reasonable to suggest that subjective norms do impact on individual filing decisions.We, therefore, have developed the following hypothesis:

*H2 :: There is a significant and positive relationship between subjective norms and intention to file a tax return.*

According to Ajzen (1991), perceived behavioural control is the extent to which a person feels able to engage in the behaviour. It may encompass two components: how much a person has control over behaviour and how confident a person feels to engage or execute the behaviour. The theory suggests that an individual may have total control of certain behaviour when he or she has the required resources or opportunities to perform such behaviour. Further, it posits that people intend to perform behaviour when they feel more confident of doing the required behaviour, in this case of filing compliance. However, for some people filing an income tax return can be complicated and confusing. Therefore, if they don’t believe in their capability, they doubt themselves to perform perfectly; a person might fail to file a tax return in a timely manner. For this context, it is proposed that:

*H3 :: There is a significant and positive relationship between perceived behavioural controls and intention to file a tax return.*

**5. Methodology**

**5.1 Study Sample**

The sample covered in this study consisted of business owners in which the business is located along Malaysian Expressways. These expressways are monitored by private concession company, such as PLUS Expressway, ANIH Berhad and others. However, for this study the sample was confined to business owners who are running a business under the supervision of PLUS Expressways Bhd. An estimated of 276 stall operators were expected to be included in this study. However, the actual numbers of stall operators present were only 245 people. The data collection process took approximately five months to complete, commencing in April 2014 and ending in early August 2014.

**5.2 Research Instruments**

The survey questionnaire consists of two sections and developed based on the reviewed of past studies and established theories. Section A was designed to measure the behavioural dimension of respondents that consisted of tax filing compliance scenario. After reading the scenario, the respondents were asked to imagine themselves deciding whether or not to file a tax return if they were in similar scenario. Following the scenario, a few statements were developed to capture the elements of the Theory of Planned Behaviour namely intention, attitude, subjective norms and perceived behavioural control. The statements were measured based on a five-point Likert-type scale, with the respondents is asked to indicate their degree of agreement with the statement (1 = strongly disagree to 5 = strongly agree). Next, Section B was developed to gather information about respondents’ profile such as age, gender, education and experience.

**5.3 Measurement of variables**

*Intention to comply* with tax laws was defined as the willingness of individual to file the required tax returns by the prescribed date. Three items were measured on a five-point Likert scale, adapted from previous research by Saad (2009). Respondents were asked to o indicate their level of agreement or disagreement to the statement. Higher scores indicate that an individual is more likely to file a tax return if they were in a similar scenario.

*Attitudes towards the behaviour* refers to the degree of which one has favourable or unfavourable evaluation on filing a tax return. The instruments used to measure this variables was adapted from various sources such as (Ajzen, 2002b; Lu, Huang, & Lo, 2010; Saad, 2009). Examples of the items are: “I would file my tax return as it is part of my responsibility being a citizen.” and “I feel a moral obligation to file my income tax return even my business is suffering a loss”.

*Subjective norms* are defined as social pressures exerted by social groups such as family, peers, spouses, and many others to act on something. Subjective norms were measured by six items, which had been identified from the previous research. Respondents were asked to indicate their level of agreement or disagreement on statements related to their referent group, such as Respondents were required to answer the question stated as “Most people who are important to me and my family would think that I need to file my income tax returns”.

*Perceived behavioural control* was assessed by 6 items adapted from various studies. Two items were referred to how easy or difficult to comply with the tax obligations as described in the scenario. Three items measured how confident the respondent was that he or she would be able to successfully perform the behaviour. The classification of items is frequently used to assess the perceived behavioural control within social psychology (Kraft et al, 2005) as well as the tax- compliance context (Bobek & Hatfield, 2003).

**6. Research Findings**

The distribution of the 225 respondents shows that about 47.1 per cent of the respondents were males and 51.6 per cent were females. They are mainly in the 36 – 45 year old range (30.7 per cent) and only 4 per cent under the age 25 years. The majority of the respondents were Malays (86.2 per cent), and the remainders were Chinese (10.2 per cent) and Indian (1.3 per cent). About 23.6 per cent of the respondents have been in the business for less than 10 years, 44.9 per cent between 10 – 19 years and the remainder of 28.9 per cent have been in the business for more than 20 years. About 44.8 per cent of respondents engaged in food stalls and about 38.6 percent of respondents sell beverages. Meanwhile, about 9.4 percent of the respondents selling various kinds of local fruits and the rest of them that is 4.1 percent, selling handicrafts and other products. However, it was found that most respondents never filed their tax return (49.8 per cent) and 16.4 per cent of the respondents had filed their tax return for more 5 times. When asked whether the respondents have attending any seminars or courses organized by IRB, the majority of them (77.3 per cent) would response “no” even though the seminar was conducted without a charge.

Table 1 describe the basic features of the data. The means, standard deviation, and minimum and maximum scores were computed for each of the Theory of Planned Behaviour (TPB) components. For each item, respondents could indicate whether they agreed or not on a 5 point Likert-scale where 1 was “Strongly Disagree” and 5 was “Strongly agree”. Higher scores on the scale indicate respondents were likely to have high intentions to file their tax return on time.

The mean score for intention was 3.36, reveal that the respondents generally had good intention to file the tax return if they were in similar situation faced by a hypothetical person. It may also be seen that the mean score for the attitude was 3.39 indicates that the respondents’ attitude is able to influence individual’s tax filing compliance decisions. They are willing to file tax returns because filing was the right thing to do even if the business is suffering a loss. In terms of subjective norms, respondents’ means score of 3.13 suggests that the respondents’ filing behaviour were slightly influence by perceptions of the expectations of close others. With respect to perceived behavioural control, the mean score was 3.47 indicating that, on average the respondents who believed that they possess some skills or experience in tax matters seems to have a high perceived behavioural control and is more likely to file their tax return in a timely manner.

**Table 1: Descriptive Statistics**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Variables** | **N** | **Min** | **Max** | **Mean** | **Std. Deviation** |
| Intention | 3 | 1.00 | 5.00 | 3.36 | 0.80 |
| Attitude | 6 | 2.00 | 4.71 | 3.39 | 0.57 |
| Subjective Norm | 5 | 2.00 | 4.40 | 3.13 | 0.61 |
| Perceived Behavioural Control | 8 | 2.25 | 4.50 | 3.47 | 0.45 |

Table 2: Results of Hypothesis Testing

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Constructs | *B* | SE | Beta | CR | *p* | Result |
| Attitude | 0.423 | 0.120 | 0.407 | 3.518 | 0.000 | Significant |
| Subjective Norms | 0.176 | 0.109 | 0.161 | 1.613 | 0.107 | Not Significant |
| Perceived Behavioural Control | -0.012 | 0.054 | -0.017 | -0.227 | 0.000 | Significant |

As shown in Table 2, Hypothesis 1, seemed to have a positive and significant influence on the intention to comply in filing compliance scenario (*β* = 0.407, *p* < 0.05). Hence, this hypothesis was accepted. The respondents believed that filing the tax return is part of their responsibility as individuals toward country. These positive attitudes are certainly will result in better compliance behaviour.

Hypothesis 2 which examined the influence of family and friends in deciding whether they should file their tax return, showed that subjective norm had no significant effect on intention to comply. In other words, the respondents claimed that their important referents, such as family members, friends or colleagues played no influence upon their decision whether or not to file the tax return. Therefore, Hypothesis 2 was rejected.

Hypothesis 3 which stated that “*Perceived behavioural control of sole proprietor significantly influence tax compliance intention”,* in the filing compliance scenario, was accepted. The results suggest that an individual’s beliefs about the presence of factors that may facilitate the performance of behaviour or having the opportunity to cheat may have effect on sole proprietors’ behavioural intention.

**7 Discussion and Conclusion**

The main objective of this study was to examine several factors that could potentially influence an individual’s compliance behaviour in Malaysia. This study involves a limited number of small business owners who operating their business along the PLUS Expressways. The data was collected through a group administered method which the target respondents are gathered in one place. The evaluation of the measurement and structural model was performed using AMOS-SEM technique to predict the tax compliance behaviour.

Collectively, overall results have demonstrated the effectiveness of the TPB in the prediction of intentions to perform behaviour. The findings revealed seem to be consistent with past studies in the taxation context and other various behavioural situations (for overviews see Alam & Sayuti, 2011; Langham et al., 2012; Reid & Wood, 2008; Saad, 2009).

The present study also shows that the respondents had good intention to file their income tax returns with the mean value of 3.36. However, looking at their demographic data on tax filing frequencies, 49.8 percent of the respondents had never filed their tax return. This would suggest that intention to comply is not always a strong predictor of compliance behaviour. Although most respondents have a good intention to comply with tax laws, but in reality, they failed to file legally required tax return. The act of not filing usually contributes to more significant problems for tax authority.

In addition, results also found that attitude was the strongest predictor of intentions to file a tax return. It seems consistent with past studies in tax compliance literature that attitudes remained better predictors of intention for every behaviour (see example Alam & Sayuti, 2011; French et al., 2005; Moan, 2013). Thus, in the context of this study, individuals with a sense of civic responsibility are more likely to positively influence intention to comply. This responsibility may also help to explain why an individual file income tax returns. In addition, studies have demonstrated that, a positive attitudes would be most likely to associate with tax compliance, and negative attitudes are often associated with tax evasion (Reckers, Sanders, & Roark, 1994; Eriksen & Fallan, 1996; Schneider & Torgler, 2007; Kirchler, 2007; Randlane, 2012). Therefore the tax authority may have to start an awareness campaign promoting positive attitudes towards tax compliance. This is because attitude can be influenced with the right message delivered in the right way (Petty, Wheeler, & Tormala, 2003).

Subjective norms, on the other hand, did not have significant influence on people’s intention in filing decision. Perhaps one reason for the insignificant results could be that subjective norms do not exist in behaviour that is not observable by others. According to Smart (2012) taxpaying behaviour is an individual’s behaviour that is not observable by others. These people create their own beliefs and attitudes in deciding whether or not to file a tax return. Therefore subjective norms are not very effective in such situations. The situation in which individuals felt pressures from important others to engage in the behaviour when behaviour is not consistent with his or her attitude (Moraes, Carrigan, & Szmigin, 2012). Empirical research has demonstrated that such inconsistency can force individuals to adopt more frequently the norm that is followed by the majority of the group (Sekiguchi & Nakamaru, 2011). In fact, many previous researchers also found that subjective norms are less related to intention for many behaviour than attitudes (Moan & Rise, 2011; Nishimura, 2011). Therefore, it seems reasonable to assume that a majority of people are generally tended to be under attitudinal control rather than normative control.

However, this study has also some limitations. First, the most obvious limitation is that intentions were used as the predictor variable rather than actual behaviour. Nevertheless there is empirical support that, with proper measurement techniques, intentions are reasonable proxies for actual behaviour (for example Mahon, Cowan, & McCarthy, 2006). Perhaps, future research should attempt to use actual data held by tax authorities without reveal the personal identities of taxpayers, in order to gain a better understanding of taxpayers’ compliance behavior.

A second limitation was that the study considered only three variables in explaining filing behavior among sole proprietors in Malaysia. It might be possible to account for other variables in future research. This would probably provide a better explanatory power for behavioral intention.

Given the limitations of the study, the finding of this study however may be of interest to revenue bodies for addressing tax filing compliance issues among sole proprietors in Malaysia. Placing more emphasis on this issue may extend our understanding to identify the factors associated with their decision about whether or not to file a tax return. A better understanding on the main driver for tax compliance will allow revenue bodies to implement the most effective way to influence behavior. Thus, it is important for the revenue bodies to work in cooperation with other parties and sharing research findings in order to effectively influence behavior.

**REFERENCES**

Ahmad, E., & Braithwaite, V. (2005). Understanding small business taxpayers: Issues of deterrence, tax morale, fairness and work practice. *International Small Business Journal*, *23*(5), 539–568.

Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, 179–211.

Ajzen, I. (2002a). Behavioral Interventions Based on the Theory of Planned Behavior. *Retrieved November*. Retrieved from http://people.umass.edu/aizen/pdf/tpb.intervention.pdf

Ajzen, I. (2002b). Perceived Behavioral Control , Self-Efficacy , Locus of Control , and the Theory of Planned Behavior1. *Journal of Applied Social Psychology*, *32*(4), 665–683.

Alabede, J. O., Zainol Ariffin, Z. B., & Md Idris, K. (2012). Noncompliance Opportunities and Tax Compliance Behavior in Nigeria: The Moderating Effect of Taxpayers’ Financial Condition and Risk Preference. *Journal of Modern Accounting and Auditing*, *8*(4), 445–460.

Alam, S. S., & Sayuti, N. M. (2011). Applying the Theory of Planned Behavior (TPB) in halal food purchasing. *International Journal of Commerce and Management*, *21*(1), 8–20.

Alm, J., Bloomquist, K. M., & Mckee, M. (2013). When You Know Your Neighbor Pays Taxes : Information, Peer Effects and Tax Compliance. *Tulane University Working Paper. New Orleans, LA.*

Armitage, C. J., & Conner, M. (2001). Efficacy of the Theory of Planned Behaviour: a meta-analytic review. *British Journal of Social Psychology*, *40*, 471–99.

Bobek, D. D., & Hatfield, R. C. (2003). An Investigation of the Theory of Planned Behavior and the Role of Moral Obligation in Tax Compliance. *Behavioral Research in Accounting*, *15*, 13–38.

Efebera, H., Hayes, D. C., Hunton, J. E., & Neil, C. O. (2004). Tax Compliance Intentions of Low-Income Individual Taxpayers. *Advances in Acounting Behavioral Research*, *7*(04), 1–25.

Engström, P., & Holmlund, B. (2009). Tax evasion and Self-Employment in A High-Tax Country: Evidence From Sweden. *Applied Economics*, *41*(19), 2419–2430.

Erard, B., & Ho, C.-C. (2001). Searching for Ghosts : Who Are the Nonfilers and How Much Tax Do They Owe ? *Journal of Public Economics*, *52*(2), 163–197.

Feldman, N. E., & Slemrod, J. (2007). Estimating tax noncompliance with evidence from unaudited tax returns. *The Economic Journal*, *117*(518), 327–352.

French, D. P., Sutton, S., Hennings, S. J., Mitchell, J., Wareham, N. J., Griffin, S., Kinmonth, A. L. (2005). The Importance of Affective Beliefs and Attitudes in the Theory of Planned Behavior : Predicting Intention to Increase Physical Activity. *Journal of Applied Social Psychology*, *35*(9), 1824–1848.

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). *Multivariate Data Analysis: A Global Perspectives (7th Ed)* (p. Upper Saddle River, NJ: Prentice Hall.).

Hite, P., Stock, T., & Cloyd, C. . (1992). Reasons for preparer usage by small business owners : how compliant are they ? *National Society of Public Accountants*, *37*(2).

Hofmann, E., Hoelzl, E., & Kirchler, E. (2008). Preconditions of Voluntary Tax Compliance: Knowledge and Evaluation of Taxation, Norms, Fairness, and Motivation to Cooperate. *Journal of Psychology*, *216*(4), 209–217.

Ibrahim, I. (2012). Factors Underpinning Usage Behaviour of an Electronic Filing System: The Case of Malaysian Personal Taxpayers. *Paper Presented at 2012 Australian Tax Teachers Association (ATTA) Conference*, 1–21.

Kamleitner, B., Korunka, C., & Kirchler, E. (2012). Tax compliance of small business owners : A review. *International Journal of Entrepreneurial Behaviour & Research*, *18*(3), 330–351.

Kirchler, E. (2007). The Economic Psychology of Tax Behavior. *Cambridge: Cambridge University Press*.

Kirchler, E., Muelbacher, S., Kastlunger, B., &Wahl, I. (2007). Why Pay Taxes? A Review of Tax Compliance Decisions. *Working Paper 07-03, Altanta: Georgia State University.*, (December).

Kleven, H. J., Knudsen, M. B., Kreiner, C. T., & Saez, E. (2011). Unwilling or Unable to Cheat? Evidence From A Randomized. *Journal of Econometric Society*, *79*(3), 651–692.

Kornhauser, M. E. (2007). Normative and Cognitive Aspects of Tax Compliance : Literature Review and Recommendations for the IRS Regarding Individual Taxpayers. *Annual Report to Congress*, 138–180.

Lai, M. L., Yaacob, Z., Omar, N., Aziz, N. A., & Yap, B. W. (2013). Examining Corporate Tax Evaders : Evidence from the Finalized Audit Cases. *International Journal of Social, Human Science and Engineering*, *7*(6), 1–5.

Langham, J., Paulsen, N., & Härtel, C. E. J. (2012). Improving Tax Compliance Strategies: Can the Theory of Planned Behavior Predict Business Compliance? *eJournal of Tax Research*, *10*(2), 364–402.

Loo, E. C., Mckerchar, M., & Hansford, A. N. N. (2009). Understanding The Compliance Behaviour Ofmalaysian Individual Taxpayers Using A mixed method Approach. *Journal of the Australasian Tax Teachers Association*, *4*(1), 181–202.

Lu, C., Huang, S., & Lo, P. (2010). An empirical study of on-line tax filing acceptance model : Integrating TAM and TPB. *African Journal of Business Management*, *4*(May), 800–810.

Mahon, D., Cowan, C., & McCarthy, M. (2006). The role of attitudes, subjective norm, perceived control and habit in the consumption of ready meals and takeaways in Great Britain. *Food Quality and Preference*, *17*(6), 474–481.

Moan, I. S. (2013). Whether or not to ride with an intoxicated driver: Predicting intentions using an extended version of the theory of planned behaviour. *Transportation Research Part F: Traffic Psychology and Behaviour*, *20*(1369), 193–205.

Moan, I. S., & Rise, J. (2011). Predicting intentions not to “drink and drive” using an extended version of the theory of planned behaviour. *Accident Analysis & Prevention*, *43*(4), 1378–1384.

Moraes, C., Carrigan, M., & Szmigin, I. (2012). The coherence of inconsistencies: Attitude–behaviour gaps and new consumption communities. *Journal of Marketing Management*, *28*(1-2), 103–128.

Murphy, K. (2004). An Examination Of Taxpayers ’ Attitudes Towards The Australian Tax System : Findings From A Survey Of Tax Scheme Investors. *Working Paper 46*, (November).

Omweri Marti, L., Miqwi, W., & Magutu, O. (2009). Tax evasion, tax avoidance and tax expenditures in developing countries: A review of the literature, *44*(0).

Petty, R. E., Wheeler, S. C., & Tormala, Z. L. (2003). Persuasion and Attitude Change. In T.Millon & M.J.Lerner (Eds.). *Comprehensive Handbook of Psychology , New York: John Wiley*, *5*, 353–382.

Randlane, K. (2012). Tax Compliance and Tax Attitudes : The Case of Estonia. *Journal of Management and Change*, (29).

Reckers, M. J., Sanders, L., & Roark, J. (1994). Ethical Attitudes on Taxpayer. *National Tax Journal*, *47*(4), 825–836.

Reid, M., & Wood, A. (2008). An investigation into blood donation intentions among non-donors. *International Journal of Nonprofit and Voluntary Sector Marketing*, *43*(January 2007), 31–43.

Saad, N. (2009). Fairness Perceptions and Compliance Behaviour: The Case of Salaried Taxpayers in Malaysia after Implementation of the Self- Assessment System. *eJournal of Tax Research*, *8*(1), 32–63.

Saad, N. (2011). Fairness Perceptions and Compliance Behaviour: Taxpayers‟ Judgments in Self- Assessment Environments. *Unpublished Doctoral Thesis, University of Canterbury, New Zealand*.

Sam, C. Y. (2010). Curbing Tax Evasion In Singapore : The Role Of Governance And Corporate Governance Standards In The Tax Agency. *International Public Management Review*, *11*(3), 22–39.

Schneider, F., & Torgler, B. (2007). What Shapes Attitudes Toward Paying Taxes ? Evidence from Multicultural European Countries. *Social Science Quarterly*, *88*(2), 443–470.

Sekaran, U. (2003). Research Methods for Business: A skill-building approach (6th ed.). *Third Revenue, New York: John Wiley & Son.*

Sekiguchi, T., & Nakamaru, M. (2011). How Inconsistency Between Attitude and Behavior Persists Through Cultural Transmission. *Journal of Theoretical Biology*, *271*(1), 124–135.

Shen Chiou, J. (1998). The Effects of Attitude , Subjective Norm , and Perceived Behavioral Control on Consumers ’ Purchase Intentions : The Moderating Effects of Product Knowledge and Attention to Social Comparison Information, *9*(2), 298–308.

Shih, Y.-Y., & Fang, K. (2004). The use of a decomposed theory of planned behavior to study Internet banking in Taiwan. *Internet Research*, *14*(3), 213–223.

Sieverding, M., Matterne, U., & Ciccarello, L. (2010). What role do social norms play in the context of men’s cancer screening intention and behavior? Application of an extended theory of planned behavior. *Health Psychology : Official Journal of the Division of Health Psychology, American Psychological Association*, *29*(1), 72–81.

Slemrod, J. (2007). Cheating Ourselves: The Economics of Tax Evasion. *Journal of Economic Perspectives*, *21*(1), 25–48.

Smart, M. (2012). The Application of The Theory of Planned Behaviour and Structural Equation Modelling In Tax Compliance Behaviour: A New Zealand Study. *Unpublished Doctoral Thesis, University of Canterbury, New Zealand*.

Torgler, B. (2007). Tax Compliance and Tax Morale: A Theoretical and Empirical Analysis. *Cheltenham, UK: Edward Elgar Publishing.*