DETERMINANTS OF TAX EVASION: PERCEPTION OF SOUTHERN-THAILAND TAXPAYERS

MAREENA MANCHAROEN

MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING) UNIVERISITI UTARA MALAYSIA DECEMBER 2015
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ABSTRACT

Tax evasion has long been a prevalent issue in many countries including Thailand. Tax is a major source of the government income thus, if the people evade taxes there will be a major loss to government revenue. The purpose of this study is to examine the perceptions of actual taxpayers from Southern Thailand on the factors related to tax evasion. Using survey method, a total of 361 questionnaires were distributed to employees in three public universities in Hat Yai, Songkhla. Multiple regression analysis was employed to analyse the data. The findings of the study indicate that fairness of tax system, tax rates, penalty rate, level of education and level of income have positive relationship but insignificant with tax evasion. However, corruption indicates a positive significant relationship with tax evasion. This study recommends that the government should implement strategies to decrease tax evasion in Thailand, which includes strengthening the tax administration to improve taxpayers’ perceptions towards the tax authorities and the Government as a whole.

Key words: taxation, tax evasion, taxpayer, tax system, Thailand.
ABSTRAK


Kata kunci: percukaian, pelarian cukai, pembayar cukai, sistem cukai, Thailand.
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In the name of Allah, the Most Merciful Gracious, the Most Merciful.
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Mareena Mancharoen
Master of Science (International Accounting)
Universiti Utara Malaysia
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<td>IRS</td>
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<td>PIT</td>
<td>Personal Income Tax</td>
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<tr>
<td>SD</td>
<td>Standard Deviation</td>
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<td>SPSS</td>
<td>Special Package for Social Sciences</td>
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<td>TCMP</td>
<td>Taxpayer Compliance Measurement Program</td>
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<td>TE</td>
<td>Tax Evasion</td>
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<td>TR</td>
<td>Tax Rate</td>
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<td>TS</td>
<td>Tax System</td>
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CHAPTER ONE
INTRODUCTION

1.1 Introduction

Taxes imposed on citizens of a country are meant for management and development of public sector services such as economy, education, health, transportation, public welfare, infrastructural development, defence and for maintaining peace and territorial integrity of the nation. Also, taxes imposed and revenues accrued therefrom are used for payment of salaries of public workers like teachers, policemen and soldiers. The Revenue Department is charged with the responsibility of ensuring that citizens pay their taxes as and when due, failure of which can inhibit the socio-economic development of a country.

Notwithstanding the above, there are many people who evade paying their taxes and this result in loss of revenue to the state and by implication slow down the pace of development arising from budget cuts. Tax evasion is a global menace and with a significant presence, and the need towards reducing and possibly stopping tax evasions cannot be over-emphasised. To this end therefore, the impact of government’s tax policy being recognized as an important fact of economic growth cannot be overlooked (Hung, 2015).

Most developing countries are unable to raise the tax revenue needed to finance the public sector and the development needs of their country. In 2005, developed countries
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REFERENCES


Cobham, Alex (2005), Tax evasion, tax avoidance, and development finance, Queen Elisabeth House Working Paper No. 129.


