

The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



**A STUDY ON GENDER, TAX AGENT, AGE, INCOME LEVEL,  
TAX RETURN AND BUSINESS SECTORS TOWARDS TAX EVASION**

**By**

**CHRISTINA WODJIN**



**UUM**  
Universiti Utara Malaysia

**Thesis Submitted to  
Othman Yeap Abdullah Graduate School of Business,  
Universiti Utara Malaysia,  
In Partial Fulfillment of the Requirement for the Master of Science  
(International Accounting)**



**PERAKUAN KERJA KERTAS PENYELIDIKAN**  
(Certification of Research Paper)

Saya, mengaku bertandatangan, memperakukan bahawa

(I, the undersigned, certified that)

**CHRISTINA WODJIN (821419)**

Calon untuk Ijazah Sarjana

(Candidate for the degree of)

**MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)**

telah mengemukakan kertas penyelidikan yang bertajuk

(has presented his/her research paper of the following title)

**A STUDY ON GENDER, TAX AGENT, AGE, INCOME LEVEL, TAX RETURN AND BUSINESS  
SECTORS TOWARDS TAX EVASION**

Seperti yang tercatat di muka surat tajuk dan kulit kertas penyelidikan

(as it appears on the title page and front cover of the research paper)

Bahawa kertas penyelidikan tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.

(that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the research paper).

Nama Penyelia : **PROF. MADYA DR. ZAINOL BIDIN**  
(Name of Supervisor)

Tandatangan :  
(Signature)

Tarikh :  
(Date)

21/03/2018

## **PERMISSION TO USE**

In presenting this project paper as partial fulfillment of the requirements for a Post Graduate degree from Universiti Utara Malaysia (UUM), I agree that the Library of this university may make a freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence by the Dean of Othman Yeap Abdullah Graduate School of Business where I did my project paper. It is understood that any copying or publication or use of this project paper parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material from my project paper.

Request for permission to copy or make other use of materials in this project paper in whole or in part should be addressed to:

**Dean of Othman Yeap Abdullah Graduate School of Business**

**Universiti Utara Malaysia**

**06010 UUM Sintok**

**Kedah Darul Aman**

## ABSTRACT

Tax evasion is alarming in Malaysia as more stringent measures are employed by Inland Revenue Board Malaysia (IRBM) to tackle this existing concerns. In general, tax evasion is an illegal act of non-payment or under payment of tax. Although many studies on tax evasion were carried out in the past, there are still limited studies that used proprietary tax audit data to identify the association between taxpayers' characteristics and tax evasion. Hence, this study will determine the significant difference between gender, tax agent engagement, age, income level, tax return filing experience and business sectors with tax evasion especially among taxpayers with business income in Klang Valley, Malaysia which has been identified to have low compliance rate in year assessment 2015. This study also employs actual data on the imposed penalty as a proxy in measurement for tax evasion. The results show that gender, age, income level, and tax return filing experience have significant difference with tax evasion while tax agent engagement and business sectors have no significant difference with tax evasion. The results of this study are highly relevant to IRBM in developing strategies to curb tax evasion as well as add value to the current works on literature related to taxation.

*Keywords: tax evasion ; penalty imposed ; taxpayers' characteristics ; taxpayers with business income*

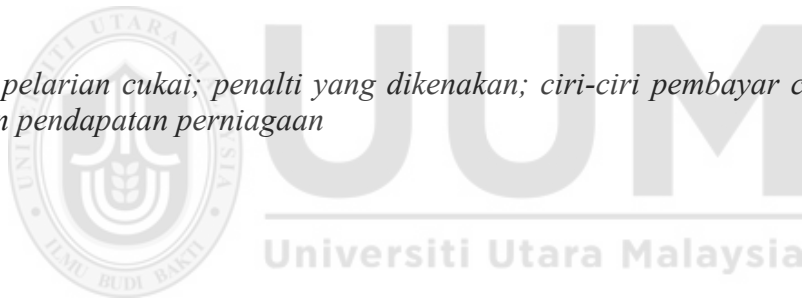




## ABSTRAK

*Isu pelarian cukai di Malaysia semakin diberi perhatian pada masa kini. Lembaga Hasil Dalam Negeri Malaysia (LHDNM) telah mengambil langkah-langkah yang lebih tegas bagi menangani masalah tersebut. Pada umumnya, pelarian cukai adalah aktiviti haram yang menjurus kepada pengelakan dan pelarian cukai. Walaupun banyak kajian tentang pelarian cukai telah dilakukan pada masa lalu, masih terdapat kajian terhad yang menggunakan data audit cukai sebenar bagi mengenal pasti hubungan antara ciri-ciri pembayar cukai dan pelarian cukai. Di samping itu, kajian ini akan menentukan perbezaan signifikan di antara jantina, penglibatan ejen cukai, umur, tahap pendapatan, pengalaman pemfailan cukai dan sektor perniagaan dengan pengelakan cukai terutamanya di kalangan pembayar cukai yang mempunyai pendapatan perniagaan di Lembah Klang, Malaysia yang telah dikenalpasti mempunyai kadar pematuhan yang rendah bagi tahun 2015. Kajian ini juga menggunakan data penalti sebenar yang dikenakan atas pembayar cukai sebagai proksi dalam pengukuran pelarian cukai. Hasil daripada analisa menunjukkan bahawa jantina, umur, tahap pendapatan dan pengalaman pemfailan cukai mempunyai perbezaan yang signifikan dengan pelarian cukai manakala penglibatan agen cukai dan sektor perniagaan tidak mempunyai perbezaan yang signifikan dengan pelarian cukai. Hasil kajian ini sangat relevan kepada LHDNM dalam membangun strategi untuk mengekang pengelakan cukai serta menambah nilai literatur semasa.*

*Kata kunci: pelarian cukai; penalti yang dikenakan; ciri-ciri pembayar cukai; pembayar cukai dengan pendapatan perniagaan*



## **ACKNOWLEDGEMENT**

First and foremost, I would like to express the highest gratitude to God for His gift of patience and allowed me to finally complete this research paper. Deepest appreciation to my parents and family for their love and continuous support during my journey in completion of this research paper and MSc International Accounting.

I would also like to thank my superior En Zamzam Amar for his advice and valuable inspiration and many thanks to my friends which always give me encouragement and assistance upon completion of this research paper.

Sincere gratitude to my supervisor, Dr Zainol Abidin for the continuous support, dedication and advice given throughout my Master research. His motivation, enthusiasm, immense knowledge and guidance helped me in all the time of research and writing of this thesis.

Last but not least, thank you to all lecturers, colleagues, the management of Inland Revenue Board of Malaysia and all those involved directly or indirectly in assisting me to complete this research paper. Thank you.

## TABLE OF CONTENTS

<b>CERTIFICATION OF THESIS WORK</b> .....	<b>ii</b>
<b>PERMISSION TO USE</b> .....	<b>iii</b>
<b>ABSTRACT</b> .....	<b>iv</b>
<b>ABSTRAK</b> .....	<b>v</b>
<b>ACKNOWLEDGEMENT</b> .....	<b>vi</b>
<b>TABLE OF CONTENT</b> .....	<b>vii</b>
<b>LIST OF TABLE</b> .....	<b>ix</b>
<b>LIST OF ABBREVIATION</b> .....	<b>x</b>

### CHAPTER ONE: INTRODUCTION

1.0	Introduction .....	1
1.1	Background of the Study .....	1
1.2	Problem Statement .....	3
1.3	Scope of Study.....	4
1.4	Research Question .....	5
1.5	Research Objectives.....	5
1.6	Significance of the Study .....	6
	1.6.1 Contribution to Inland Revenue Board of Malaysia .....	6
	1.6.2 Contribution to Literature Reviews.....	6
1.7	Motivation of the Study .....	7
1.8	Organisation of the Study.....	8

### CHAPTER TWO: LITERATURE REVIEW

2.0	Introduction.....	10
2.1	Overview of Individual Taxation in Malaysia.....	10
2.2	Tax Evasion.....	12
	2.2.1 Section 113 of Income Tax Act 1967.....	13
	2.2.2 Section 114 of Income Tax Act 1967.....	13
	2.2.3 Minimum Criteria in Selection of Cases that Falls under Section 113 and 114 of the Income Tax Act 1967 .....	14
2.3	Taxpayers with Business Income .....	15
2.4	Penalty Imposed as Indicator for Tax Evasion.....	17
2.5	Tax Evasion Determinants and Development of Hypotheses .....	18



2.5.1 Gender .....	18
2.5.2 Engagement of Tax Agent .....	19
2.5.3 Age .....	20
2.5.4 Income Level .....	22
2.5.5 Tax Return Filing Experience .....	23
2.5.6 Business Sectors .....	24
2.6 Summary .....	25
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b>	
3.0 Introduction .....	27
3.1 Research Design .....	27
3.1.1 Research Population .....	28
3.1.2 Sample Selection and Sample Size .....	28
3.2 Hypothesis .....	29
3.3 Data Analysis .....	31
3.3.1 Descriptive Analysis .....	31
3.3.2 T-Test Analysis .....	31
3.3.3 ANOVA Analysis .....	31
3.4 Summary .....	32
<b>CHAPTER FOUR: FINDINGS</b>	
4.0 Introduction .....	33
4.1 Findings	
4.1.1 Descriptive Results .....	33
4.1.2 T-Test Results .....	37
4.1.3 ANOVA Results .....	39
4.2 Summary of Hypotheses .....	45
<b>CHAPTER FIVE: DISCUSSION AND CONCLUSIONS</b>	
5.0 Introduction .....	47
5.1 Discussion of the Findings .....	47
5.2 Implications .....	52
5.3 Limitations of the Study .....	54
5.4 Direction of Future Research .....	55
5.5 Conclusion .....	56
<b>REFERENCES .....</b>	<b>57</b>
<b>APPENDICES .....</b>	<b>64</b>

## LIST OF TABLE

Table 1.1	IRBM Annual Report on Field Audit Performance for Year 2013 to 2015
Table 2.1	Tax Revenue and Direct Taxes Composition for Year 2006 – 2015
Table 2.2	Malaysian Resident Individual Income Tax Rate for Year 2015
Table 2.3	Offences, Fines and Penalties
Table 2.4	Case Criteria Selection
Table 2.5	Capital Allowance Rates
Table 3.1	Business Sector
Table 3.2	Summary of Hypotheses
Table 4.1	Taxpayers' Profile (N=200)
Table 4.2	Descriptive Statistic
Table 4.3	Skewness-Kurtosis Test
Table 4.4	T-test for Gender and Tax Evasion
Table 4.4.1	Independent Samples t-test Gender and Tax Evasion
Table 4.5	T-test for Engagement of Tax Agent and Tax Evasion
Table 4.5.1	Independent Samples t-test for Engagement of Tax Agent and Tax Evasion
Table 4.6	One Way ANOVA: Age and Tax Evasion
Table 4.6.1	Multiple Comparisons between Age and Tax Evasion
Table 4.7	One Way ANOVA: Income Level and Tax Evasion
Table 4.7.1	Multiple Comparisons between Income Level and Tax Evasion
Table 4.8	One Way ANOVA: Tax Return Filing and Tax Evasion
Table 4.8.1	Multiple Comparisons between Tax Return Filing and Tax Evasion
Table 4.9	One Way ANOVA: Types of Business and Tax Evasion

## **LIST OF ABBREVIATIONS**

ANOVA	Analysis of Variance
ATO	Australian Tax Office
EPF	Employee Provident Fund
HMRC	Her Majesty's Revenue and Custom
IRBM	Inland Revenue Board of Malaysia
IRS	Inland Revenue Service
ITA	Income Tax Act
KMPG	Klynveld Peat Marwick Goerdeler
OECD	Organisation for Economic Development
OG	Other Group
SME	Small and Medium Enterprise
SOCSSO	Social Security Organization



# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

This study attempts to determine factors related to tax evasion among taxpayers with business income in Klang Valley, Malaysia by examining the type of penalty imposed on actual tax audit data obtained from Inland Revenue Board of Malaysia (IRBM). This study also strives to clarify the factors that influence tax evasion activities of taxpayers with business income based on certain major tax evasion's key determinants as identified in earlier research by Jackson and Miliron (1986). Apart from the introduction to subjects focused in this study, the chapter starts with the background of the study, problem statement, the scope of the study, research objectives, the significance of the study, the motivation of the study and concludes with the summary for overall organization of the study.

### **1.1 Background of the studies**

Tax evasion is an activity in which an individual intentionally produce false statement verbally or in writing by not reporting real income and claim inappropriate deductions with the purpose of reducing or evade tax. According to Mashadi (2016), a tax evasion is an act of omitting certain income that should be included on the tax return. This illegal act is an offense that falls under Section 113 and 114 of the Income Tax Act 1967.

There is a fine line that differentiates between tax evasion and tax avoidance and it is the legal boundaries that distinguish both activities. Tax avoidance can be accomplished by taking advantages of loopholes in the tax system to reduce or avoid from paying taxes

## REFERENCES

- Abdul, M. (2003). *Income Tax Non-Compliance in Malaysia*. Malaysia : Prentice Hall .
- Akaah. (1989). Differences in research ethics judgements between male and female marketing professionals. *Journal of Business Ethics*, 8(5), 375-381.
- Alm, J., & Torgler, B. (2004). Estimating the determinants of tax morale. *Proceedings of the Annual Meeting* (pp. 269-274). Tax Institute of America.
- Azhar Mohamad, M. H. (2016). Cash economy: Tax evasion amongst SMEs in Malaysia . *Journal of Financial Crime* , 974-986.
- Bosco, L., & Mittone, L. (1997). Tax evasion and moral constraints: Some experimental evidence. *Kyklos*, 50, 297-324.
- Bulmer, M. (1979). *Principles of Statistics*. New York, United States : Dover Publications Inc.
- Chan, P.Y, Moorthy, K., & Choo, K.S.W. (2017). Taxpayers' perceptions on tax Evasion behaviour: An empirical study in Malaysia. *International Journal of Law and Management*, 59(3), 413-429.
- Comptroller and Auditor General . (2008). *HM Revenue and customs : Tackling the hidden economy* . London : National Audit Office .
- Devos, K. (2008). Tax evasion behaviour and demographic factors: An exploratory study in Australia. *Revenue Law Journal*, 18(1), 1.
- Embaye, A. (2007). *Tax Evasion and government spending in developing country and the underground economy in South Africa*. South Africa: Economic Report Book Year 1963-1980.
- Fischer, C.N, Wartick, M., & Mark, M. (1992). Detection probability and taxpayer compliance : A review of the literature. *Journal of Accounting Literature*, 11, 1-46.

- Fischer, C.N., Wartick, M., & Mark, M. (1992). Detection Probability and Taxpayer Compliance: A Review of the Literature. *Journal of Accounting Literature*, 11, 1-46.
- Fuest, C., & Riedel, N. . (2009). *Tax Evasion, tax Aavoidance and tax expenditures in developing countries: A review of literature*. Oxford: Oxford University Centre for Business Taxation.
- Gemmel, N., & Hasseldine, J. (2012). The Tax Gap: A Methodological Review. *Advances in Taxation*, 20(1), 203-231.
- George, D., & Mallery, P. (2010). *SPSS for Windows Step by Step A Simple Guide and Reference 17.0*. Boston: Pearson.
- Gerxhani, K. (2007). Did You Pay Your Taxes? How (Not) to Conduct Tax Evasion Surveys in Transition Countries. *Social Indicators Research*, 80(3), 555-581.
- Hair, J., Anderson, R., Tatham, R.R., & Black, W. (1998). *Multivariate Data Analysis. 5th Edition*. New Jersey: Prentice Hall.
- Hamid, A. M. (2017). Tax arrears amongst individual income taxpayers in Malaysia. *Journal of Financial Crime*, 24(1), 17-34.
- Harris, J. (1990). Ethical values of individuals at different levels in the organizational hierarchy of a single firm. *Journal of Business Ethics*, 9(9), 741-750.
- Hassan, N., Nawawi, A., Saiful, A., & Salin, A.P. (2016). Improving tax compliance via tax education : Malaysia experience. *Malaysia Accounting Review*, 15(2), 1-15.
- Hichem, K. &. (2015). The Determinants of Tax Evasion; A Literature Review. *International Journal of Law and Management*, 57(5), 486-497.
- Hove, K. (2016). Tax avoidance and tax evasion in Zimbabwe: A survey of business operators in Bulawayo. *International Journal of Economics, Commerce and Management*, 4(5), 512-531.

*Income Tax Act 1967 5th Edition* . (2014). Malaysia : CCH .

Inglehart, R., Basanez, M., Diez Medrano, J. Halman, I. & Luijkx, R. (2004). *Human beliefs and values: A cross cultural sourcebook based on the 1999-2002 values surveys* . Mexico : Siglo XXI Editores .

*IRB Guide on Tax Audit* . (2017). Retrieved from [hasil.gov.my : http://lampiran1.hasil.gov.my/pdf/pdfam/BI\\_PanduanAuditCukai.pdf](http://lampiran1.hasil.gov.my/pdf/pdfam/BI_PanduanAuditCukai.pdf)

IRBM. (2015). *Annual Report 2015*. Inland Revenue Board of Malaysia.

Jaafar, M. A. (2017). Cash economy dan Ketidakpatuhan Cukai di Kalangan PKS Sektor Pembinaan di Malaysia.

Jackson, B.R., & Miliron, V.C. (1986). Tax compliance research: Findings, problems and prospects. *Journal of Accounting Literature*, 5, 125-165.

Jaffar Harun, R., Abu Bakar, M.J., & Mohd Tahir, I. (2011). Ethics on tax evasion. *International Business and Management*, 2(1), 122-128.

Jeyapalan, K., & Hijattulah Abdul, J. (2006). Gender and ethnicity differences in tax compliance. *Asian Academy of Management Journal*, 11(2), 73-88.

Kamleitner, B. (n.d.). Tax compliance of small business owners : A review. *International Journal of Entrepreneurial Behavior & Research*, 18(3), 330-351.

Kaplan, S., Pany, K., Samuels, J., & Zhang, J. (2009). An examination of the association between gender and reporting intentions for fraudulent financial reporting. *Journal of Business Ethics*, 87(1), 15-30.

Kasipillai Jeyapalan, H. A. (2006). Gender and Ethnicity Differences in Tax Compliance. *Asian Academy of Management Journal*, 11(2), 73-88.

Kasipillai, J., & Abdul, J.H. (2006). Gender and ethnicity differences. *Asian Academy of Management Journal*, 11(2), 73-88.



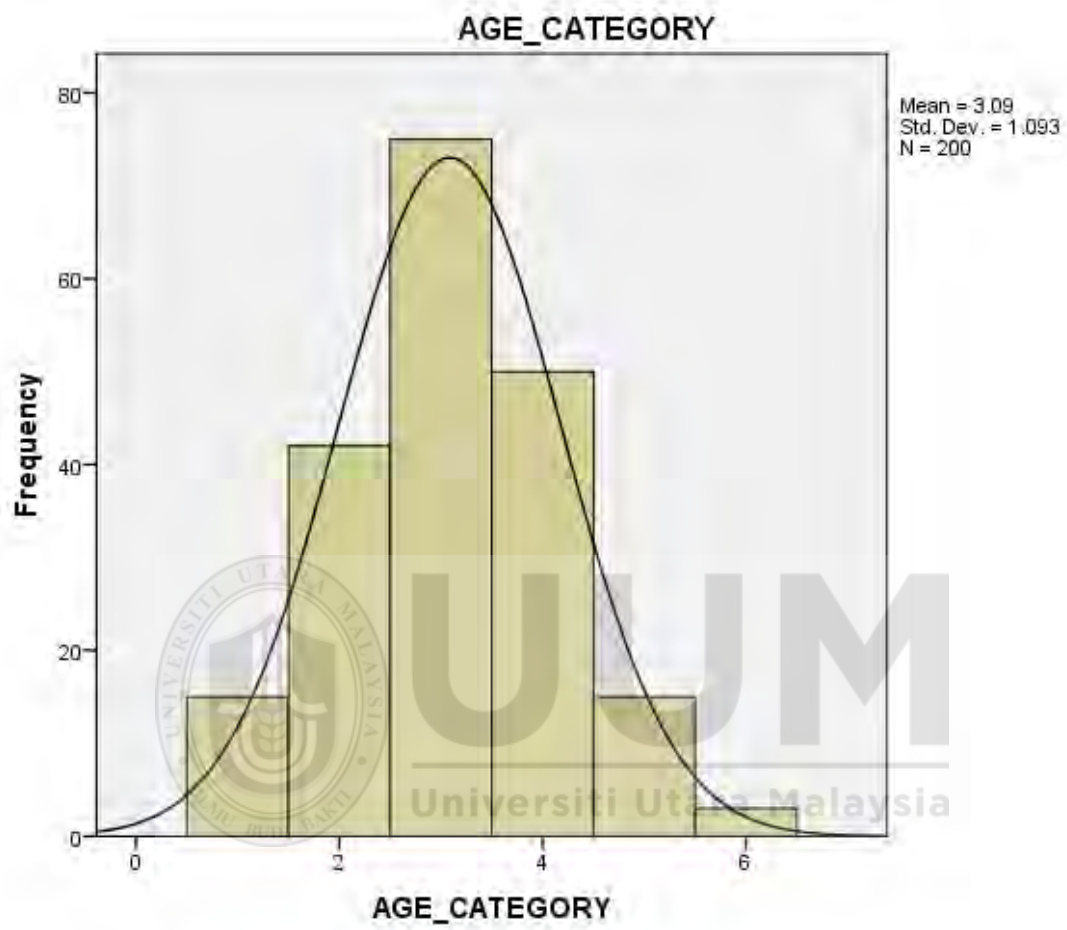
- Kasipillai, J., Aripin, N., & Amran, N.F. (2003). The influence of education on tax avoidance and tax evasion. *EJournal of Tax Research*, 1(2), 134.
- Kasipillai, J., Baldry, J., & Rao, D.S.P. (2000). Estimating the Size and Determinants of Hidden Income and tax evasion in Malaysia. *Asian Review of Accounting*, 8(2), 25-42.
- Ken, D. (2008). Tax Evasion Behaviour and Demographic Factors: An Exploratory Study in Australia. *Revenue Law Journal*, 18(1), 1.
- Kenyataan Media IRBM. (2017). Retrieved from [www.hasil.gov.my: http://www.hasil.gov.my/bt\\_goindex.php?bt\\_kump=6&bt\\_skum=1&bt\\_posi=2](http://www.hasil.gov.my:www.hasil.gov.my/bt_goindex.php?bt_kump=6&bt_skum=1&bt_posi=2)
- Khelif, H., & Achek, I. (2015). The determinants of tax evasion: a literature review. *International Journal of Law and Management*, 57(5), 486-497.
- Lai, M. (2011). Small business enterprises and taxation: A case study of corporate clients of a tax firm. *Academy of Accounting and Financial Studies Journal*, 15(1), 11-24.
- Lee, J.S., & Carley, K.M. (2009). *Predicting intentional tax error using open source literature and data*. Retrieved from <https://ssrn.com/abstract=2729255>
- Ling, L. (2008). Electronic tax filing system: Taxpayer' perspectives. *Seventh Wuhan International Conference on e-Business: Unlocking Full Potential of Global Technology*, (pp. 338-343).
- Loh, A., Ariff, M., Ismail, Z., Shamser, M., & Ali, M. (1995). Compliance costs of corporate taxation in Malaysia. *Pacific Accounting Review*, 14(3), 134.
- Loo, E. (2006). *The influence of the introduction on self assessment on compliance behaviour of individual taxpayers in Malaysia*. Australia: University of Sydney.
- Mansor, H.A., & Hanefah, M.M. (2008). Tax compliance costs of Bumiputera small and medium enterprises in Northern Malaysia. *International Journal of Management Studies*, 15(1), 21-42.

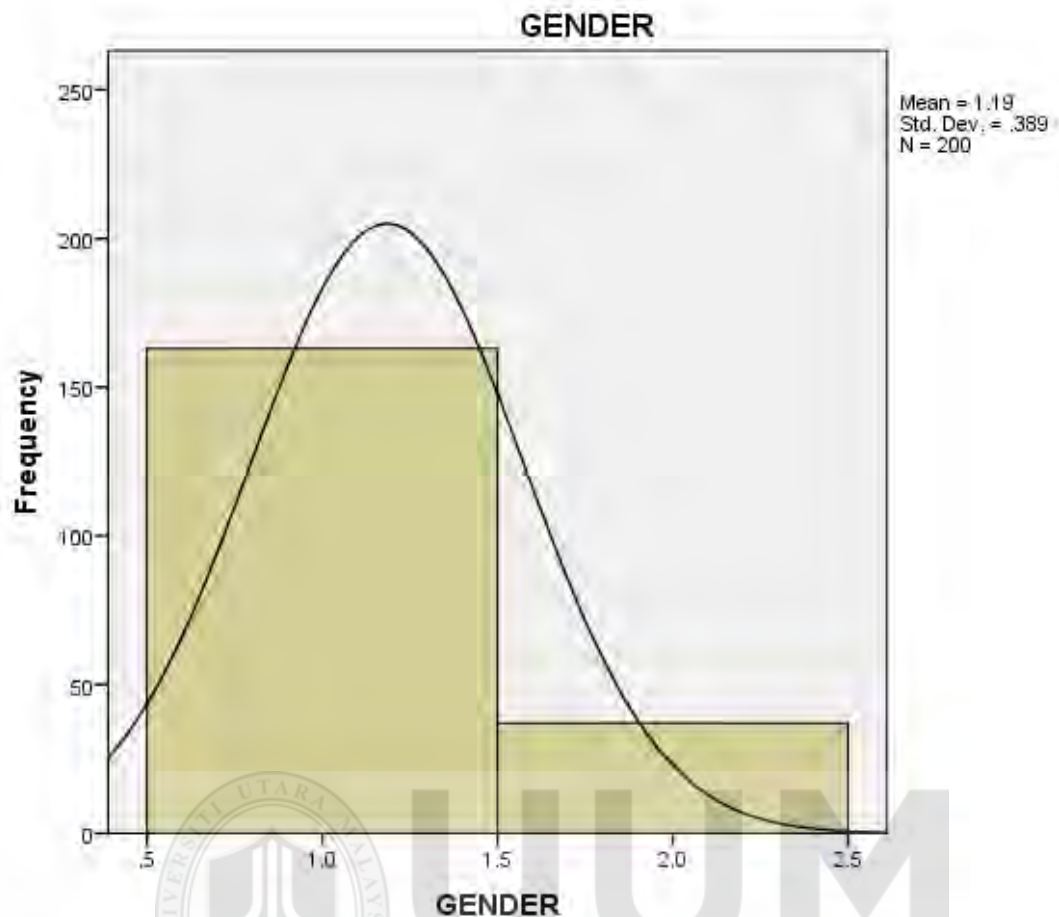
- Mashadi, M. (2016). *Cash economy dan ketidakpatuhan cukai di kalangan PKS sektor pembinaan di Malaysia*. Universiti Kebangsaan Malaysia .
- McGee, R.W., & Tyler, M. (2006). Tax evasion and ethics: A Demographic Study Of 33 Countries. *SSRN Electronic Journal* 2006.
- Mohamad, A., Radzuan, N., & Hamid, Z. (2017). Tax arrears amongst individual income taxpayers in Malaysia. *Journal of Financial Crime*, 24(1), 17-34.
- Mohani, A. (2001). *Personal income tax non-compliance in Malaysia*. Melbourne: Victoria University.
- Mohd Yusof, N.A., Lai, M.L., & Yap, B.W. (2014). Tax non-compliance among SMCs in Malaysia: Tax audit evidence. *Journal of Applied Accounting Research*, 15(2), 215-234.
- Mohd, N.J., Ahmad, N., & Mohd Saleh, N. (2010). Fraudulent financial reporting and company characteristics: Tax audit evidence. *Journal of Financial Reporting and Accounting*, 8(2), 128-142.
- Mustafa, H. A. (2001). Compliance costs of malaysia's Small and MEdition Enterprises. *Journal of Australian Taxation*, 3(2).
- Palil, M. (2010). *Tax knowledge and tax compliance determinants in self assessment system in Malaysia*. Retrieved from <http://etheses.bham.ac.uk/1040>.
- Palil, M. M. (2016). Issues, challenges and problems with tax evasion: The Institutional Factors Approach. *Gadjah Mada International Journal of Business*, 18(2), 187-206.
- Park, C., & Hyun, J.K. (2003). Examining the determinants of tax compliance by experimental data; A Case of Korea. *Journal of Policy Modeling*, 25, 673-684.
- Perumal, K. (2008). *Tax fairness dimensions in an asian Context: The Malaysian perspective*. Malaysia: University of Malaya.

- Rabbi, G. Z. (2015). The Tax Evasion and Compliance: An Exploratory Study on Malaysian Tax Payers. *International Journal of Humanities and Social Science Research*, 1(1), 08-13.
- Richardson, G. (2006). Determinants of tax evasion. *Journal of International Accounting, Auditing and Taxation*, 15(2), 150-169.
- Ross, A.M., & McGee, R.M. (2011). Attitudes towards taxEvasion: A demographic study in Malaysia. *Asian Journal of Law and Economics*, 2(3).
- Schneider, F., & Savasan, F. (2007). Dynamic estimates of the size of shadow economies of Turkey and of her neighbouring countries. *International Research Journal of Finance and Economics*, 9, 126-144.
- Slemrod, J., & Sorum, N. (1985). The compliance cost of the US individual income tax system. *National Bureau of Economic Research*, 1-34.
- Soon, C. P. (2017). Taxpayers' perceptions on tax evasion behaviour: an empirical study in Malaysia. *International Journal of Law and Management*, 59(3), 413-429.
- Tabachnick, B.G., & Fidell, L.S. (2007). *Using Multivariate Statistics 5th Edition*. New York: Allyn and Bacon.
- Tabandeh, R., Jusoh, M., Nor Ghani, N.G.B., & Zaidi, M.A.S. (2013). Punca pengelakan cukai dan sumbangan relatifnya di Malaysia: Satu analisis kaedah Artificial Neural Network. *Jurnal Ekonomi Malaysia*, 47(1), 99-108.
- Tan, L. (1998). Taxpayers' persception of the fairness of the tax system-A preliminary study. *New Zealand Journal of Taxation Law and Policy*, 59-71.
- Tanzi, V. (1982). The underground economy. *Finance and Development*, 10-14.
- Tran, N. (1999). *Tax reform in Australia: Impacts of tax compliance costs on small business*. Sydney, Australia: Australia Taxation Studies Program of University of New South Wales.

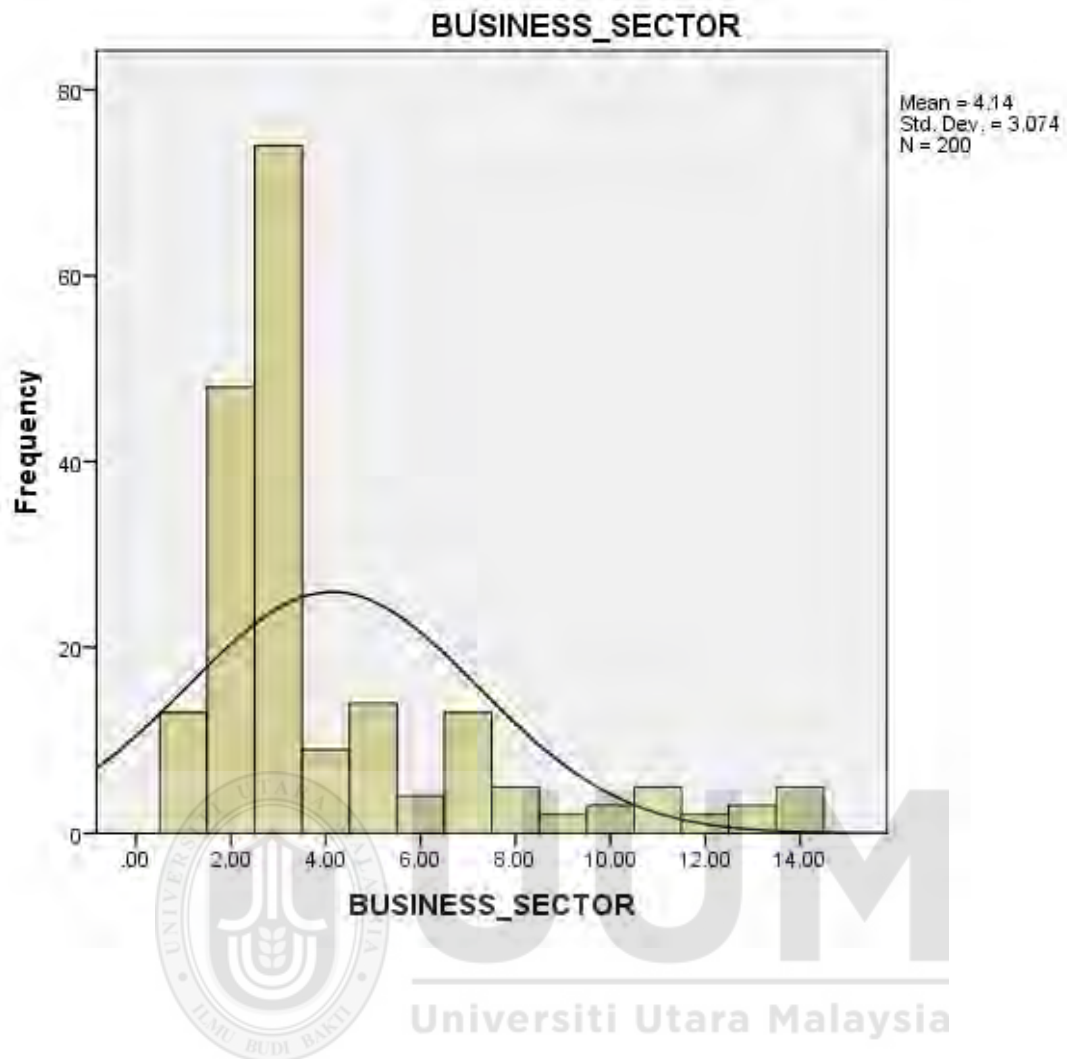
- Wallschutzky, I. (1984). Possible causes of tax evasion. *Journal of Economic Psychology*, 5, 371-384.
- Wenzel, M. (2002). The impact of outcome orientation and justice concerns on tax compliance: The role of taxpayers' identity. *The Journal of Applied Psychology*, 87(4), 629-645.
- Yee, C. (2016). Taxpayers' perceptions on tax evasion behaviour: an empirical study in Malaysia. *Journal of Law and Management*, 59(33), 413-429.
- Zandi, G., & Rabbi. F. (2015). The tax evasion and compliance; An exploratory study on Malaysian taxpayers. *International Journal of Humanities and Social Science Research*, 1(1), 08-13.



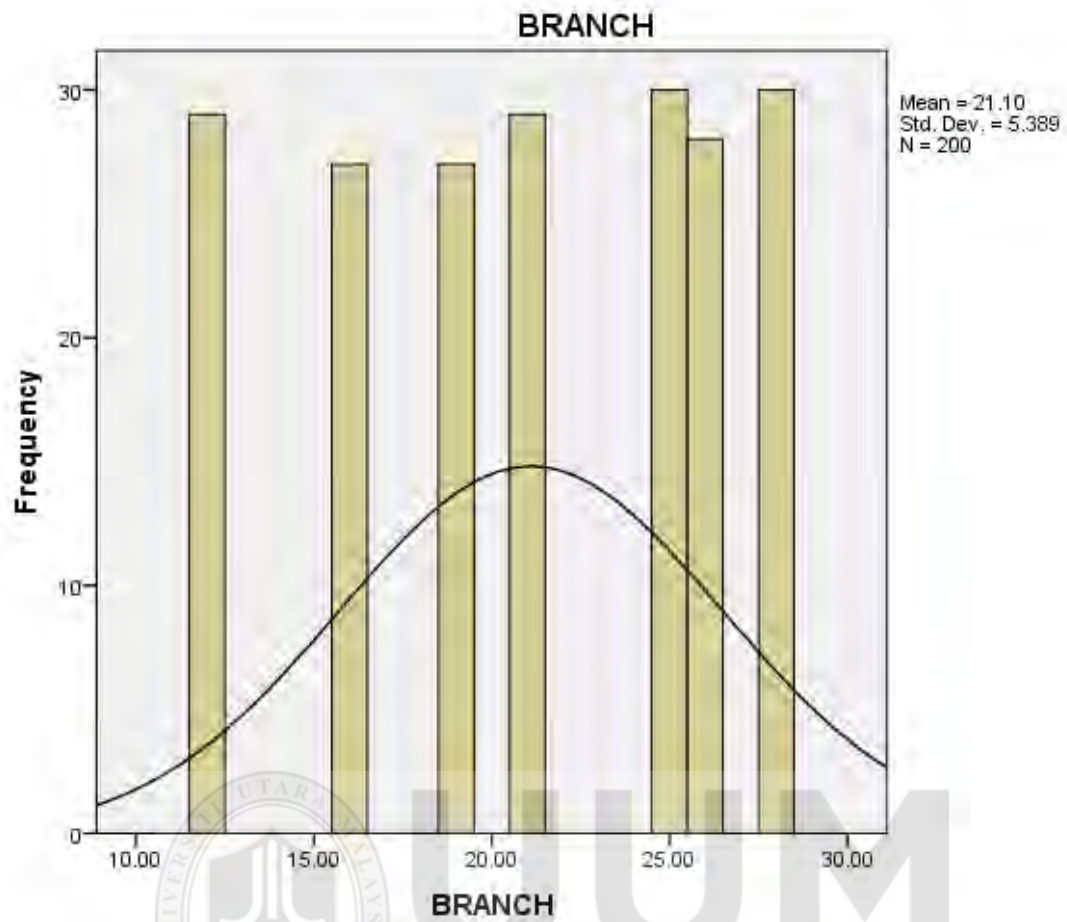


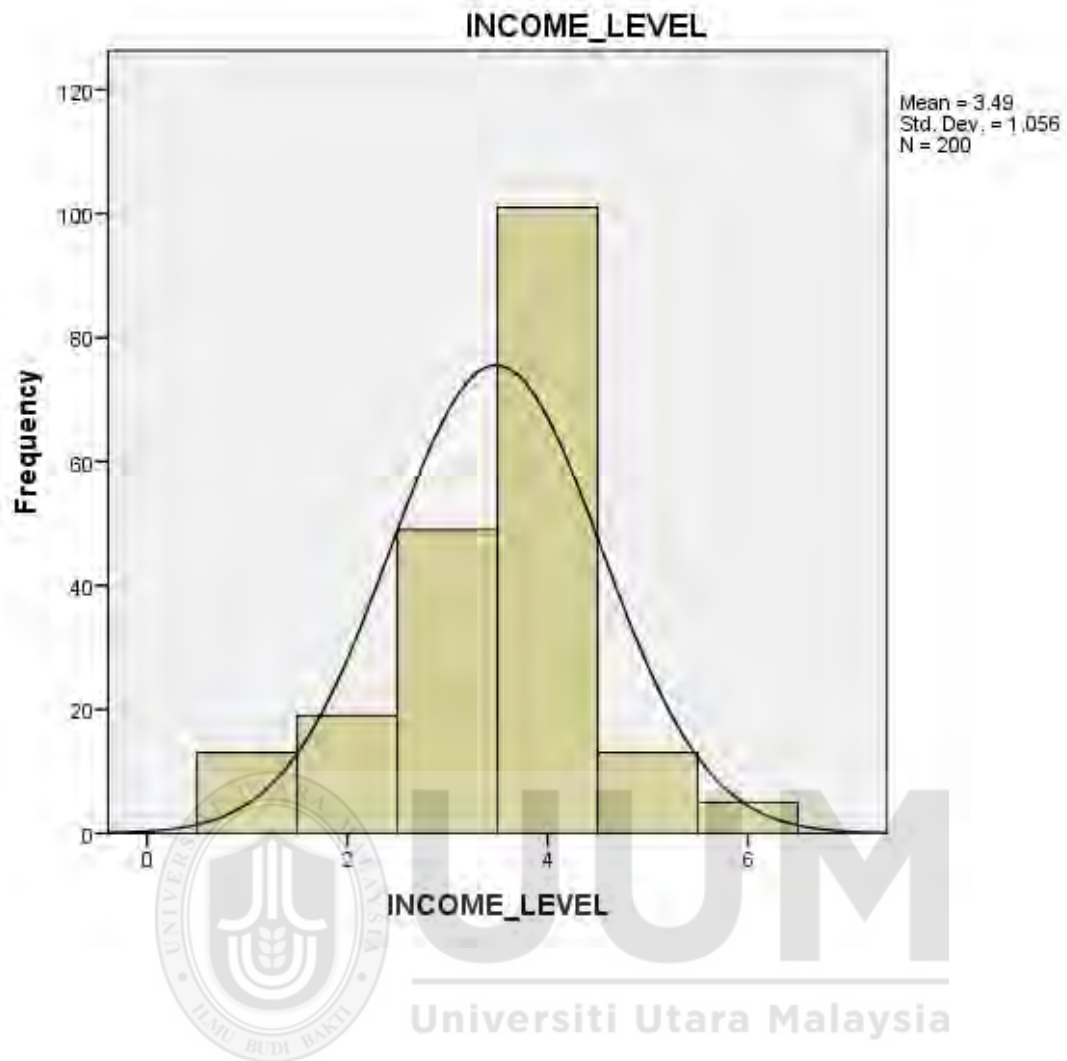


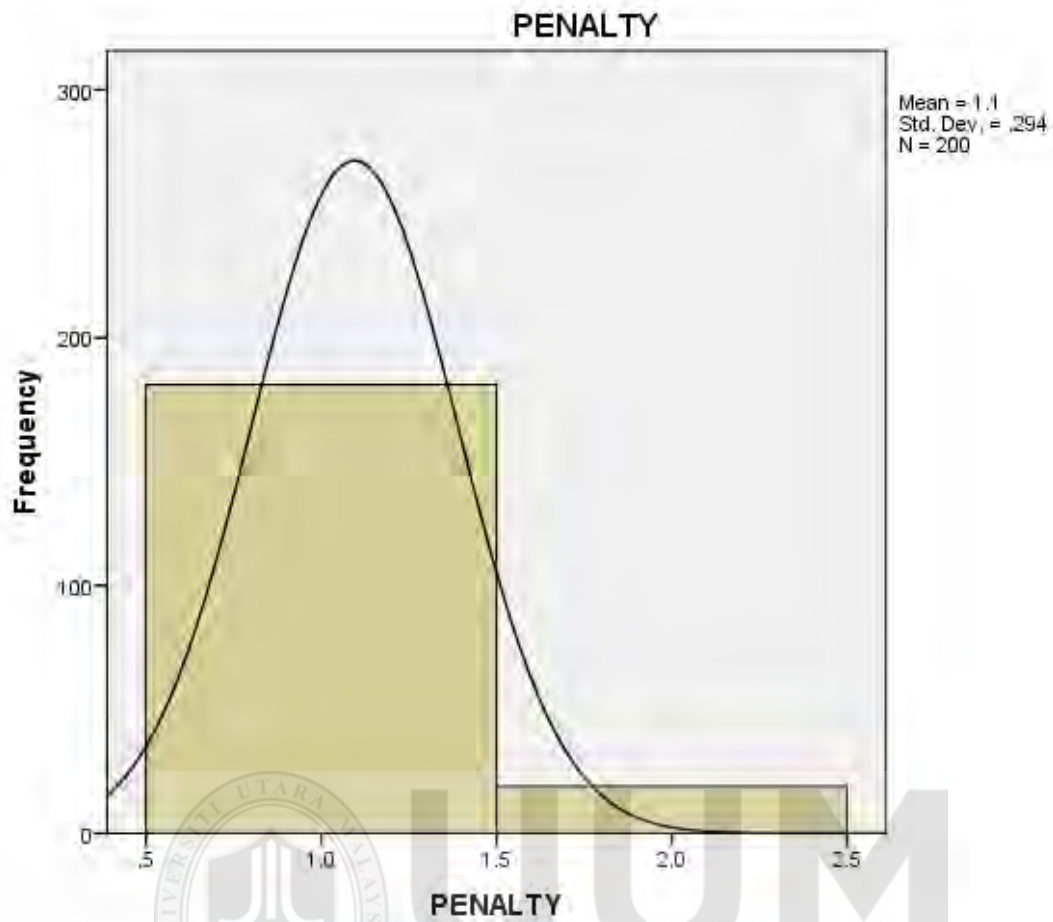
Universiti Utara Malaysia

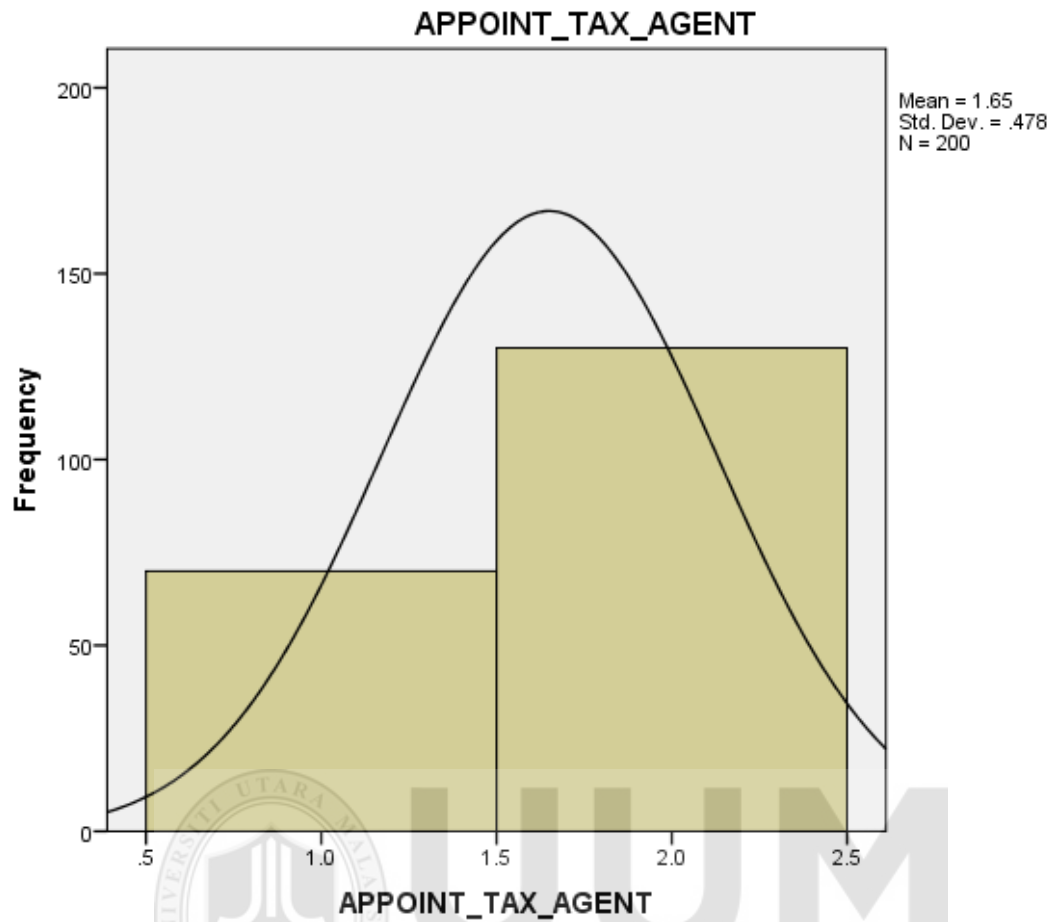


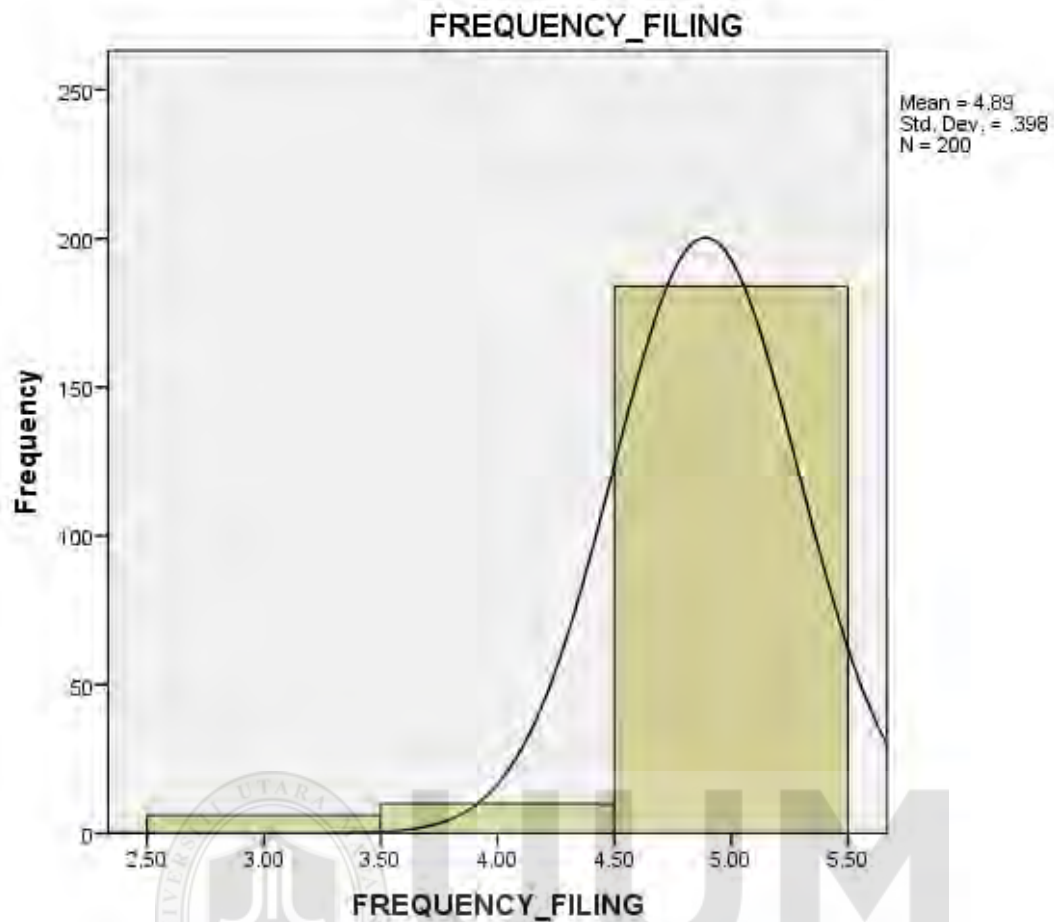


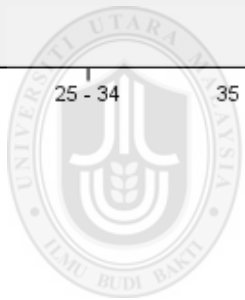
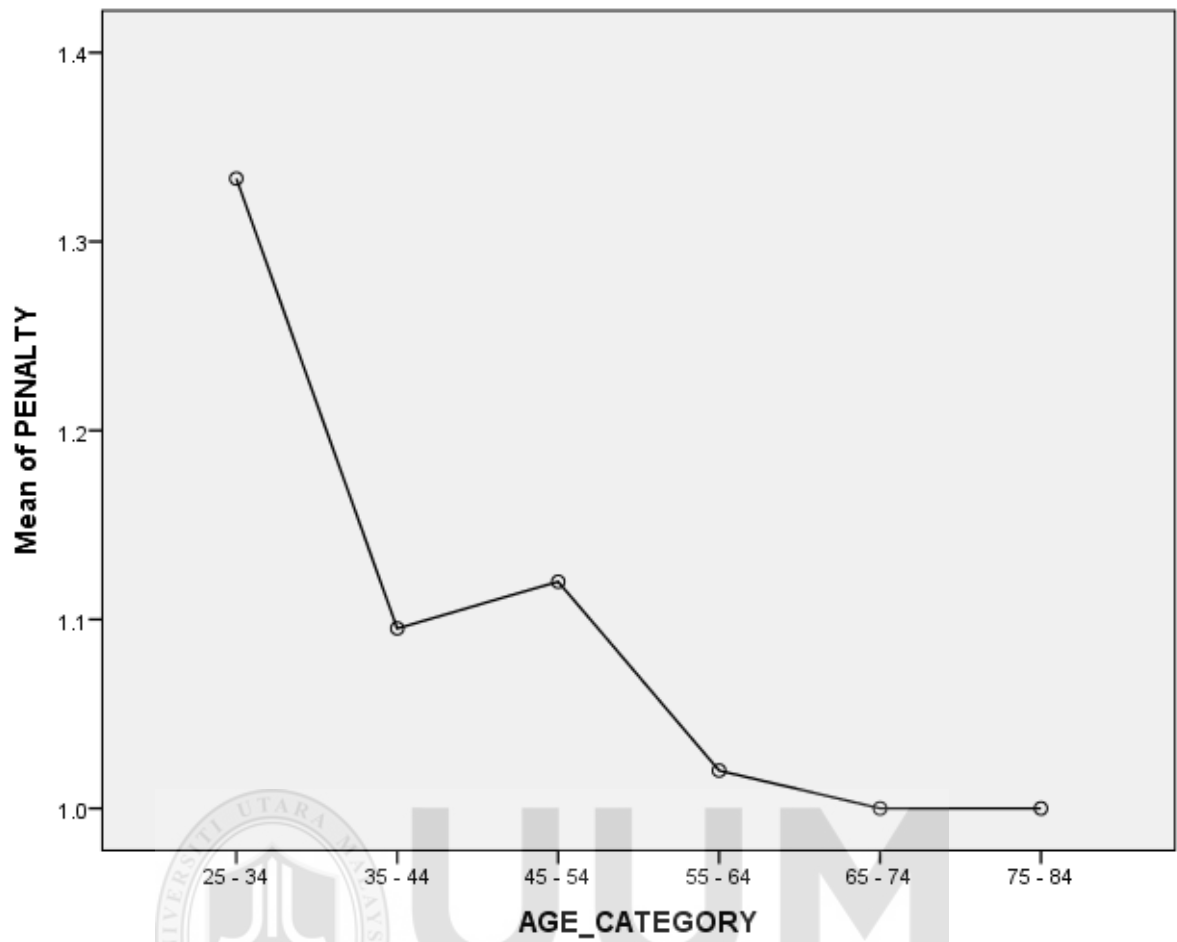




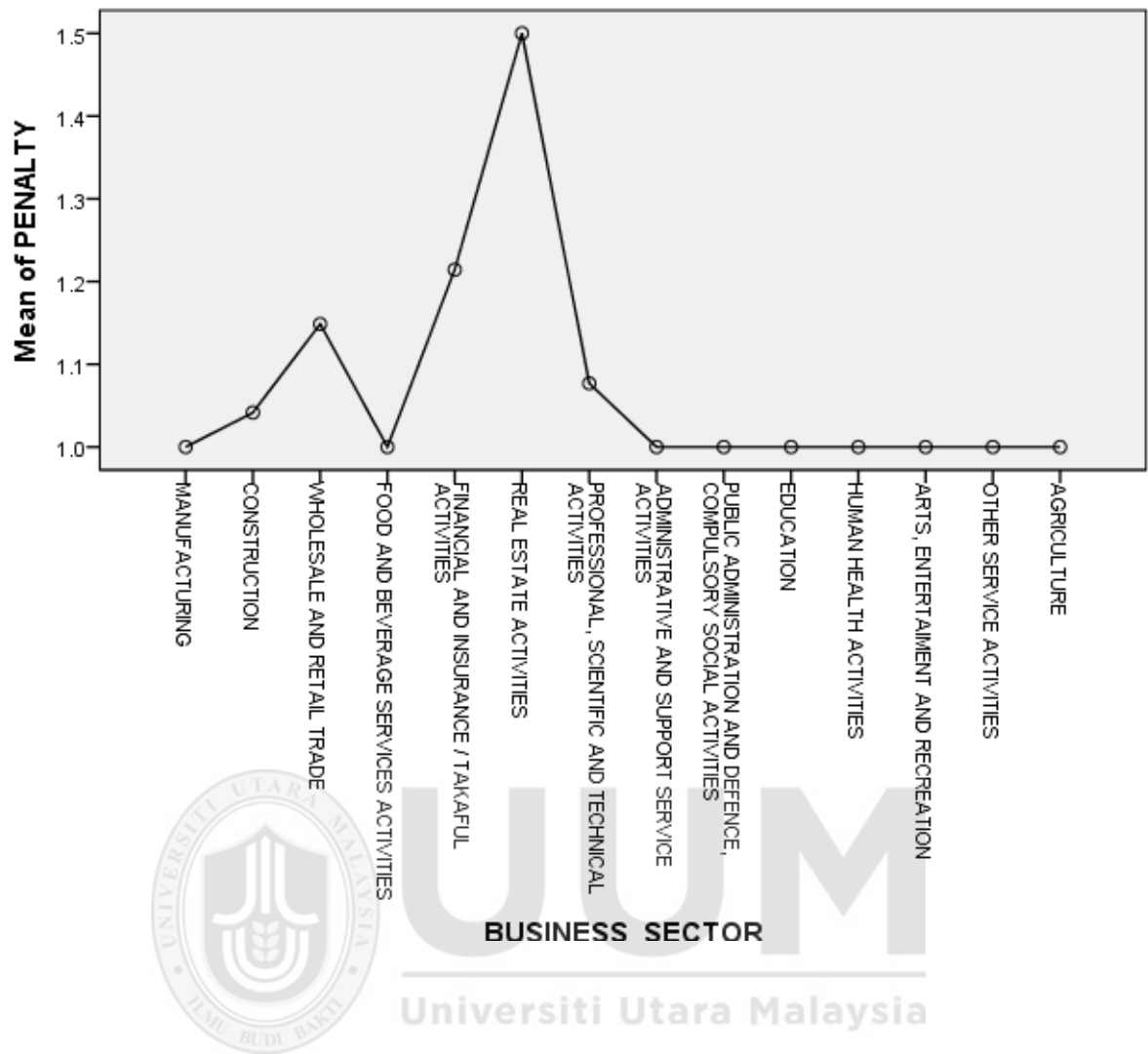




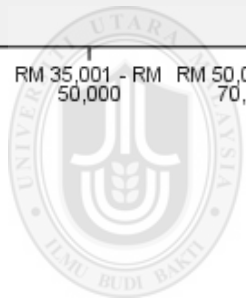
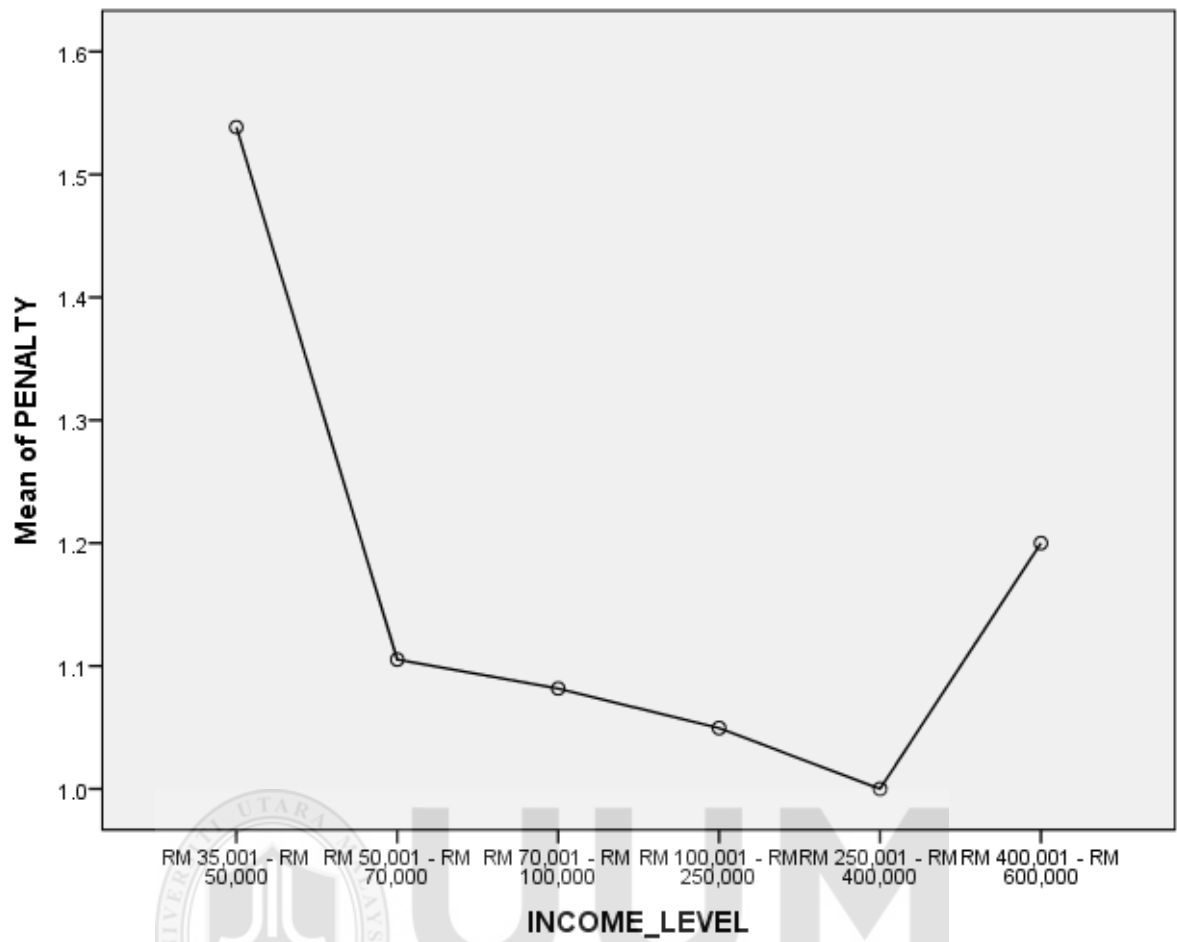




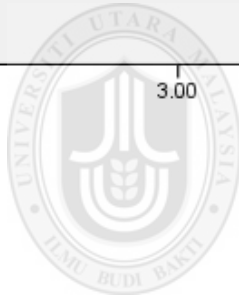
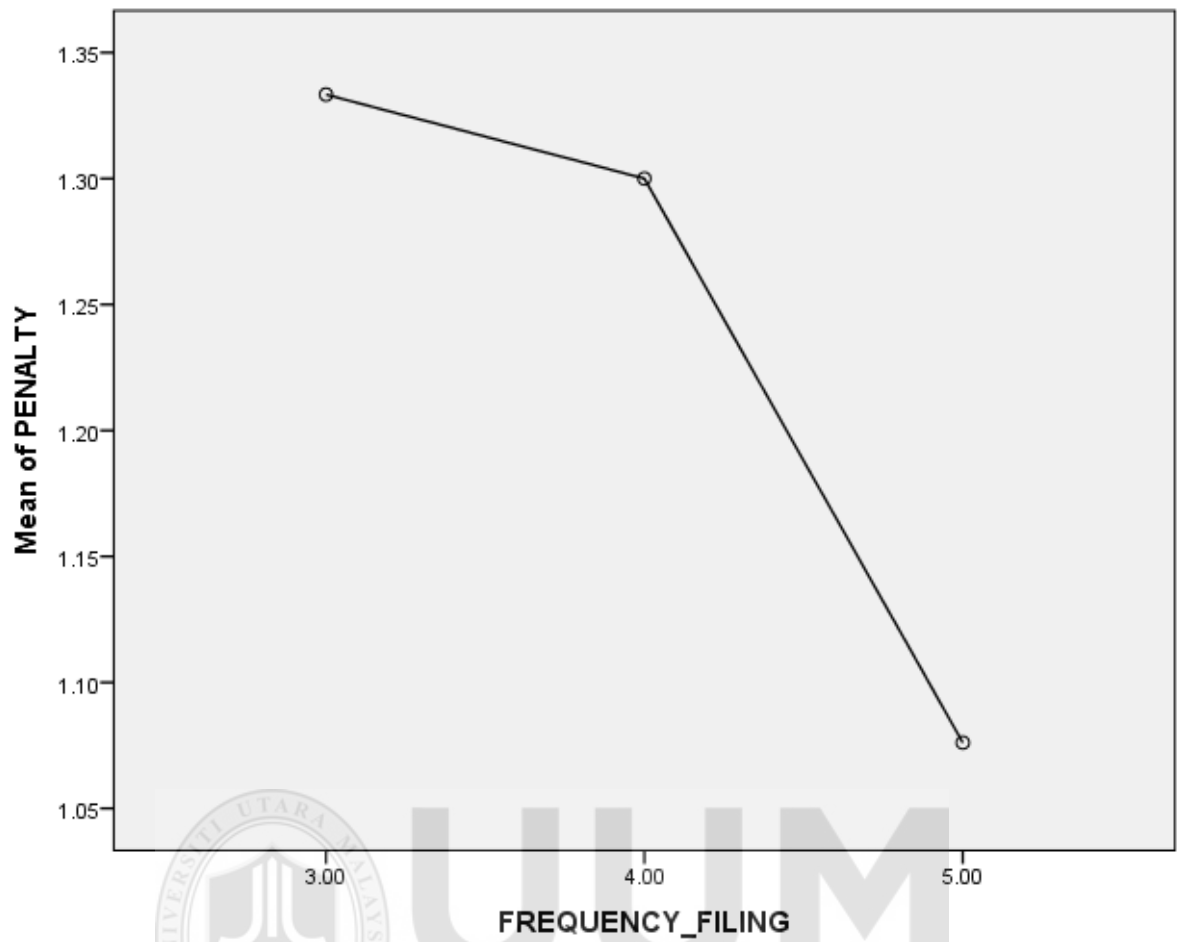
UUM  
Universiti Utara Malaysia







UUM  
Universiti Utara Malaysia



**UUM**  
Universiti Utara Malaysia

## Multiple Comparisons

Dependent Variable: Penalty

Tukey Hsd

(I) Business_Sector	(J) Business_Sector	Mean	Std.	Sig.	95% Confidence Interval	
		Differ ence (I-J)	Erro r		Lower Bound	Upper Bound
	Construction	-.042	.090	1.000	-.35	.27
	Wholesale And Retail Trade	-.149	.087	.910	-.44	.15
	Food And Beverage Services Activities	.000	.125	1.000	-.43	.43
	Financial And Insurance / Takaful Activities	-.214	.111	.811	-.59	.16
	Real Estate Activities	-.500	.165	.140	-1.06	.06
	Professional, Scientific And Technical Activities	-.077	.113	1.000	-.46	.31
	Administrative And Support Service Activities	.000	.152	1.000	-.52	.52
	Public Administration And Defence, Compulsory Social Activities	.000	.220	1.000	-.75	.75
Manufacturing	Education	.000	.185	1.000	-.63	.63
	Human Health Activities	.000	.152	1.000	-.52	.52
	Arts, Entertainment And Recreation	.000	.220	1.000	-.75	.75
	Other Service Activities	.000	.185	1.000	-.63	.63
	Agriculture	.000	.152	1.000	-.52	.52
Construction	Manufacturing	.042	.090	1.000	-.27	.35
	Wholesale And Retail Trade	-.107	.054	.768	-.29	.08

Wholesale And Retail Trade	Food And Beverage Services Activities	.042	.105	1.000	-.32	.40
	Financial And Insurance / Takaful Activities	-.173	.088	.787	-.47	.13
	Real Estate Activities	-.458	.151	.132	-.97	.05
	Professional, Scientific And Technical Activities	-.035	.090	1.000	-.34	.27
	Administrative And Support Service Activities	.042	.136	1.000	-.42	.50
	Public Administration And Defence, Compulsory Social Activities	.042	.209	1.000	-.67	.75
	Education	.042	.172	1.000	-.54	.63
	Human Health Activities	.042	.136	1.000	-.42	.50
	Arts, Entertainment And Recreation	.042	.209	1.000	-.67	.75
	Other Service Activities	.042	.172	1.000	-.54	.63
	Agriculture	.042	.136	1.000	-.42	.50
	Manufacturing	.149	.087	.910	-.15	.44
	Construction	.107	.054	.768	-.08	.29
	Food And Beverage Services Activities	.149	.102	.973	-.20	.50
	Financial And Insurance / Takaful Activities	-.066	.084	1.000	-.35	.22
	Real Estate Activities	-.351	.148	.509	-.86	.15
	Professional, Scientific And Technical Activities	.072	.087	1.000	-.22	.37
	Administrative And Support Service Activities	.149	.134	.998	-.31	.60

	Public Administration And					
	Defence, Compulsory Social	.149	.207	1.000	-.56	.85
	Activities					
	Education	.149	.170	1.000	-.43	.73
	Human Health Activities	.149	.134	.998	-.31	.60
	Arts, Entertainment And Recreation	.149	.207	1.000	-.56	.85
	Other Service Activities	.149	.170	1.000	-.43	.73
	Agriculture	.149	.134	.998	-.31	.60
	Manufacturing	.000	.125	1.000	-.43	.43
	Construction	-.042	.105	1.000	-.40	.32
	Wholesale And Retail Trade	-.149	.102	.973	-.50	.20
	Financial And Insurance / Takaful					
	Activities	-.214	.124	.901	-.63	.21
	Real Estate Activities	-.500	.174	.198	-1.09	.09
	Professional, Scientific And					
	Technical Activities	-.077	.125	1.000	-.50	.35
Food And Beverage	Administrative And Support					
Services Activities	Service Activities	.000	.161	1.000	-.55	.55
	Public Administration And					
	Defence, Compulsory Social	.000	.226	1.000	-.77	.77
	Activities					
	Education	.000	.193	1.000	-.66	.66
	Human Health Activities	.000	.161	1.000	-.55	.55
	Arts, Entertainment And Recreation	.000	.226	1.000	-.77	.77
	Other Service Activities	.000	.193	1.000	-.66	.66
	Agriculture	.000	.161	1.000	-.55	.55
Financial And	Manufacturing	.214	.111	.811	-.16	.59
Insurance / Takaful	Construction	.173	.088	.787	-.13	.47
Activities	Wholesale And Retail Trade	.066	.084	1.000	-.22	.35

	Food And Beverage Services Activities	.214	.124	.901	-.21	.63
	Real Estate Activities	-.286	.164	.898	-.84	.27
	Professional, Scientific And Technical Activities	.137	.111	.994	-.24	.52
	Administrative And Support Service Activities	.214	.151	.978	-.30	.73
	Public Administration And Defence, Compulsory Social Activities	.214	.219	.999	-.53	.96
	Education	.214	.184	.996	-.41	.84
	Human Health Activities	.214	.151	.978	-.30	.73
	Arts, Entertainment And Recreation	.214	.219	.999	-.53	.96
	Other Service Activities	.214	.184	.996	-.41	.84
	Agriculture	.214	.151	.978	-.30	.73
	Manufacturing	.500	.165	.140	-.06	1.06
	Construction	.458	.151	.132	-.05	.97
	Wholesale And Retail Trade	.351	.148	.509	-.15	.86
	Food And Beverage Services Activities	.500	.174	.198	-.09	1.09
	Financial And Insurance / Takaful Activities	.286	.164	.898	-.27	.84
Real Estate Activities	Professional, Scientific And Technical Activities	.423	.165	.375	-.14	.99
	Administrative And Support Service Activities	.500	.194	.363	-.16	1.16
	Public Administration And Defence, Compulsory Social Activities	.500	.250	.768	-.35	1.35
	Education	.500	.221	.584	-.25	1.25

	Human Health Activities	.500	.194	.363	-.16	1.16
	Arts, Entertainment And Recreation	.500	.250	.768	-.35	1.35
	Other Service Activities	.500	.221	.584	-.25	1.25
	Agriculture	.500	.194	.363	-.16	1.16
	Manufacturing	.077	.113	1.000	-.31	.46
	Construction	.035	.090	1.000	-.27	.34
	Wholesale And Retail Trade	-.072	.087	1.000	-.37	.22
	Food And Beverage Services	.077	.125	1.000	-.35	.50
	Activities					
	Financial And Insurance / Takaful	-.137	.111	.994	-.52	.24
	Activities					
	Real Estate Activities	-.423	.165	.375	-.99	.14
Professional, Scientific	Administrative And Support	.077	.152	1.000	-.44	.59
And Technical	Service Activities					
Activities	Public Administration And					
	Defence, Compulsory Social	.077	.220	1.000	-.67	.82
	Activities					
	Education	.077	.185	1.000	-.55	.71
	Human Health Activities	.077	.152	1.000	-.44	.59
	Arts, Entertainment And Recreation	.077	.220	1.000	-.67	.82
	Other Service Activities	.077	.185	1.000	-.55	.71
	Agriculture	.077	.152	1.000	-.44	.59
	Manufacturing	.000	.152	1.000	-.52	.52
	Construction	-.042	.136	1.000	-.50	.42
	Wholesale And Retail Trade	-.149	.134	.998	-.60	.31
Administrative And	Food And Beverage Services	.000	.161	1.000	-.55	.55
Support Service	Activities					
Activities	Financial And Insurance / Takaful	-.214	.151	.978	-.73	.30
	Activities					
	Real Estate Activities	-.500	.194	.363	-1.16	.16



	Professional, Scientific And Technical Activities	-.077	.152	1.000	-.59	.44
	Public Administration And Defence, Compulsory Social Activities	.000	.242	1.000	-.82	.82
	Education	.000	.211	1.000	-.72	.72
	Human Health Activities	.000	.183	1.000	-.62	.62
	Arts, Entertainment And Recreation	.000	.242	1.000	-.82	.82
	Other Service Activities	.000	.211	1.000	-.72	.72
	Agriculture	.000	.183	1.000	-.62	.62
	Manufacturing	.000	.220	1.000	-.75	.75
	Construction	-.042	.209	1.000	-.75	.67
	Wholesale And Retail Trade	-.149	.207	1.000	-.85	.56
	Food And Beverage Services Activities	.000	.226	1.000	-.77	.77
	Financial And Insurance / Takaful Activities	-.214	.219	.999	-.96	.53
Public Administration And Defence, Compulsory Social Activities	Real Estate Activities	-.500	.250	.768	-1.35	.35
	Professional, Scientific And Technical Activities	-.077	.220	1.000	-.82	.67
	Administrative And Support Service Activities	.000	.242	1.000	-.82	.82
	Education	.000	.264	1.000	-.90	.90
	Human Health Activities	.000	.242	1.000	-.82	.82
	Arts, Entertainment And Recreation	.000	.289	1.000	-.98	.98
	Other Service Activities	.000	.264	1.000	-.90	.90
	Agriculture	.000	.242	1.000	-.82	.82
	Manufacturing	.000	.185	1.000	-.63	.63
Education	Construction	-.042	.172	1.000	-.63	.54
	Wholesale And Retail Trade	-.149	.170	1.000	-.73	.43

Human Health Activities	Food And Beverage Services Activities	.000	.193	1.000	-.66	.66
	Financial And Insurance / Takaful Activities	-.214	.184	.996	-.84	.41
	Real Estate Activities	-.500	.221	.584	-1.25	.25
	Professional, Scientific And Technical Activities	-.077	.185	1.000	-.71	.55
	Administrative And Support Service Activities	.000	.211	1.000	-.72	.72
	Public Administration And Defence, Compulsory Social Activities	.000	.264	1.000	-.90	.90
	Human Health Activities	.000	.211	1.000	-.72	.72
	Arts, Entertainment And Recreation	.000	.264	1.000	-.90	.90
	Other Service Activities	.000	.236	1.000	-.80	.80
	Agriculture	.000	.211	1.000	-.72	.72
	Manufacturing	.000	.152	1.000	-.52	.52
	Construction	-.042	.136	1.000	-.50	.42
	Wholesale And Retail Trade	-.149	.134	.998	-.60	.31
	Food And Beverage Services Activities	.000	.161	1.000	-.55	.55
	Financial And Insurance / Takaful Activities	-.214	.151	.978	-.73	.30
	Real Estate Activities	-.500	.194	.363	-1.16	.16
	Professional, Scientific And Technical Activities	-.077	.152	1.000	-.59	.44
	Administrative And Support Service Activities	.000	.183	1.000	-.62	.62

	Public Administration And					
	Defence, Compulsory Social	.000	.242	1.000	-.82	.82
	Activities					
	Education	.000	.211	1.000	-.72	.72
	Arts, Entertainment And Recreation	.000	.242	1.000	-.82	.82
	Other Service Activities	.000	.211	1.000	-.72	.72
	Agriculture	.000	.183	1.000	-.62	.62
	Manufacturing	.000	.220	1.000	-.75	.75
	Construction	-.042	.209	1.000	-.75	.67
	Wholesale And Retail Trade	-.149	.207	1.000	-.85	.56
	Food And Beverage Services	.000	.226	1.000	-.77	.77
	Activities					
	Financial And Insurance / Takaful					
	Activities	-.214	.219	.999	-.96	.53
	Real Estate Activities	-.500	.250	.768	-1.35	.35
Arts, Entertainment And	Professional, Scientific And	-.077	.220	1.000	-.82	.67
Recreation	Technical Activities					
	Administrative And Support					
	Service Activities	.000	.242	1.000	-.82	.82
	Public Administration And					
	Defence, Compulsory Social	.000	.289	1.000	-.98	.98
	Activities					
	Education	.000	.264	1.000	-.90	.90
	Human Health Activities	.000	.242	1.000	-.82	.82
	Other Service Activities	.000	.264	1.000	-.90	.90
	Agriculture	.000	.242	1.000	-.82	.82
	Manufacturing	.000	.185	1.000	-.63	.63
Other Service	Construction	-.042	.172	1.000	-.63	.54
Activities	Wholesale And Retail Trade	-.149	.170	1.000	-.73	.43

Agriculture	Food And Beverage Services Activities	.000	.193	1.000	-.66	.66
	Financial And Insurance / Takaful Activities	-.214	.184	.996	-.84	.41
	Real Estate Activities	-.500	.221	.584	-1.25	.25
	Professional, Scientific And Technical Activities	-.077	.185	1.000	-.71	.55
	Administrative And Support Service Activities	.000	.211	1.000	-.72	.72
	Public Administration And Defence, Compulsory Social Activities	.000	.264	1.000	-.90	.90
	Education	.000	.236	1.000	-.80	.80
	Human Health Activities	.000	.211	1.000	-.72	.72
	Arts, Entertainment And Recreation	.000	.264	1.000	-.90	.90
	Agriculture	.000	.211	1.000	-.72	.72
	Manufacturing	.000	.152	1.000	-.52	.52
	Construction	-.042	.136	1.000	-.50	.42
	Wholesale And Retail Trade	-.149	.134	.998	-.60	.31
	Food And Beverage Services Activities	.000	.161	1.000	-.55	.55
	Financial And Insurance / Takaful Activities	-.214	.151	.978	-.73	.30
	Real Estate Activities	-.500	.194	.363	-1.16	.16
	Professional, Scientific And Technical Activities	-.077	.152	1.000	-.59	.44
	Administrative And Support Service Activities	.000	.183	1.000	-.62	.62

Public Administration And

Defence, Compulsory Social Activities	.000	.242	1.000	-.82	.82
Education	.000	.211	1.000	-.72	.72
Human Health Activities	.000	.183	1.000	-.62	.62
Arts, Entertainment And Recreation	.000	.242	1.000	-.82	.82
Other Service Activities	.000	.211	1.000	-.72	.72

---

