

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.



**TAX NON-COMPLIANCE AMONG SMALL CORPORATE
TAXPAYERS IN NIGERIA: THE INFLUENCE OF TAX
TRIBUNAL AND TAX COMPLIANCE COSTS**



**DOCTOR OF PHILOSOPHY
UNIVERSITI UTARA MALAYSIA
June 2018**

**TAX NON-COMPLIANCE AMONG SMALL CORPORATE TAXPAYERS IN
NIGERIA: THE INFLUENCE OF TAX TRIBUNAL AND TAX COMPLIANCE
COSTS**



UUM
By
SULAIMAN UMAR MUSA
Universiti Utara Malaysia

**Thesis Submitted to
Tunku Puteri Intan Safinaz School of Accountancy,
Universiti Utara Malaysia,
in Fulfilment of the Requirement for the Degree of Doctor of Philosophy**



**TUNKU PUTERI INTAN SAFINAZ
SCHOOL OF ACCOUNTANCY
COLLEGE OF BUSINESS
Universiti Utara Malaysia**

**PERAKUAN KERJA TESIS / DISERTASI
(Certification of thesis / dissertation)**

Kami, yang bertandatangan, memperakukan bahawa
(We, the undersigned, certify that)

MUSA SULAIMAN UMAR

calon untuk Ijazah **DOCTOR OF PHILOSOPHY**
(candidate for the degree of)

telah mengemukakan tesis / disertasi yang bertajuk:
(has presented his/her thesis / dissertation of the following title):

**TAX NON-COMPLIANCE AMONG SMALL CORPORATE TAXPAYERS IN NIGERIA: THE INFLUENCE OF TAX
TRIBUNAL AND TAX COMPLIANCE COSTS**

seperti yang tercatat di muka surat tajuk dan kulit tesis / disertasi.
(as it appears on the title page and front cover of the thesis / dissertation).

Bahawa tesis/disertasi tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan, sebagaimana yang ditunjukkan oleh calon dalam ujian lisan yang diadakan pada:

7 November 2017.

(That the said thesis/dissertation is acceptable in form and content and displays a satisfactory knowledge of the field of study as demonstrated by the candidate through an oral examination held on:

7 November 2017.

Pengerusi Viva : **Assoc. Prof. Dr. Norhani Aripin** Tandatangan
(Chairman for Viva) (Signature)

Pemeriksa Luar : **Assoc. Prof. Dr. Mohd Rizal Palil (UKM)** Tandatangan
(External Examiner) (Signature)

Pemeriksa Dalam : **Assoc. Prof. Dr. Hijattulah Abdul Jabbar** Tandatangan
(Internal Examiner) (Signature)

Tarikh: **7 November 2017**
(Date)

Nama Pelajar : **Musa Sulaiman Umar**
(Name of Student)

Tajuk Tesis / Disertasi : **TAX NON-COMPLIANCE AMONG SMALL CORPORATE TAXPAYERS IN
(Title of the Thesis / Dissertation) NIGERIA: THE INFLUENCE OF TAX TRIBUNAL AND TAX
COMPLIANCE COSTS**

Program Pengajian : **Doctor of Philosophy**
(Programme of Study)

Nama Penyelia/Penyelia-penyelia : **Assoc. Prof. Dr. Natrah Saad**
(Name of Supervisor/Supervisors)



Tandatangan

Nama Penyelia/Penyelia-penyelia : **Dr. Idawati Ibrahim**
(Name of Supervisor/Supervisors)



Tandatangan

PERMISSION TO USE

In presenting this thesis in fulfilment of the requirements for a Postgraduate Degree from the Universiti Utara Malaysia (UUM), I agree that the library of this university may make it freely available for inspection. I further agree that permission for copying this thesis in any manner, in whole or in part, for scholarly purposes may be granted by my supervisors or in their absence, by the Dean of Tunku Puteri Intan Safinaz School of Accountancy where I did my thesis. It is understood that any copying or publication or use of this thesis or 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 in my thesis.

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

Dean of Tunku Puteri Intan Safinaz School of Accountancy
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman



UUM
Universiti Utara Malaysia

ABSTRACT

This study investigates the determinants of small corporate taxpayers' tax non-compliance in Nigeria. This study develops a model of small corporate taxpayers' non-compliance, which is underpinned by the theories of deterrence and social exchange. The model contains both economic (audit, complexity, penalty and tax compliance costs) and non-economic (bribery, fairness perception, public goods supply, perception of the tax tribunal and tax rate perception) determinants of tax non-compliance. This study extends the current literature by investigating the direct effect of perception of the tax tribunal and incorporating the mediating effect of tax compliance costs. The study administered questionnaires to a sample of 450 small corporate taxpayers operating in Kano state of Nigeria. PLS-SEM was used to test the hypotheses. This study found that audit, complexity, fairness perception, perception of the tax tribunal, tax compliance costs and tax rate perception have significant direct effects on tax non-compliance. Tax compliance costs are found to mediate the influence of audit, complexity, perception of the tax tribunal and tax rate perception on tax non-compliance. The findings of this study provide important insights to the tax authority, policy-makers and future researchers in understanding the tax non-compliance of small corporate taxpayers. To curtail tax non-compliance in Nigeria, the tax authority should widen its audit net and make the information about detecting tax evaders public to serve as a warning to potential evaders. The tax system should be fully automated to reduce the complexity and high compliance costs borne by the taxpayers. The tax authority should make the procedures of the tax tribunal available to the public through the mass media to increase positive perceptions about the tribunal and reduce non-compliance accordingly. The current tax rate structure should be made fairer by giving a lower rate to small corporate taxpayers to eliminate the perception of unfair tax burden.

Keywords: corporate taxpayers, perception of tax tribunal, tax non-compliance, tax compliance costs, Nigeria

ABSTRAK

Kajian ini menyelidik faktor penentu gelagat ketidakpatuhan cukai dalam kalangan pembayar cukai korporat kecil di Nigeria. Berdasarkan ulasan literatur, kajian ini membangunkan model gelagat ketidakpatuhan pembayar cukai korporat kecil yang didokong oleh teori pencegahan dan teori pertukaran sosial. Model ini terdiri daripada faktor ekonomi (audit, kompleksiti, penalti dan kos pematuhan cukai) dan faktor bukan ekonomi (kompleksiti, perkhidmatan awam, persepsi kadar cukai, persepsi keadilan, rasuah, dan persepsi peranan tribunal cukai). Kajian ini memperluaskan lagi literatur semasa dengan menyiasat kesan langsung peranan tribunal cukai dan kesan gabungan pengantara kos pematuhan cukai. Borang soal selidik telah diedarkan kepada 450 orang pembayar cukai korporat kecil yang beroperasi di Kano, Nigeria. Pendekatan PLS-SEM digunakan untuk menganalisa hipotesis kajian. Hasilnya, kajian ini mendapati bahawa audit, kompleksiti, persepsi keadilan, persepsi peranan tribunal cukai, kos pematuhan cukai dan persepsi kadar cukai mempunyai kesan langsung yang ketara ke atas gelagat ketidakpatuhan cukai. Sementara itu, kos pematuhan didapati menjadi pengantara bagi audit persepsi peranan tribunal cukai dan persepsi kadar cukai ke atas gelagat ketidakpatuhan cukai. Hasil kajian ini memberikan maklumat penting kepada pihak berkuasa cukai, pembuat dasar dan bagi kajian masa depan dalam memahami tingkah laku ketidakpatuhan pembayar cukai korporat. Dalam usaha untuk mengekang ketidakpatuhan cukai di Nigeria, pihak berkuasa cukai perlu meluaskan skop audit dan menyebarkan maklumat mengenai pengelak cukai yang telah dikesan, sebagai amaran kepada pengelak cukai yang berpotensi. Sistem cukai perlu diautomasikan sepenuhnya untuk mengurangkan kompleksiti dan kos pematuhan yang tinggi yang ditanggung oleh pembayar cukai. Di samping itu, sistem cukai hendaklah dibuat secara lebih mudah supaya proses pematuhan dapat ditingkatkan dan persepsi ketidakadilan dalam kalangan syarikat kecil dapat dihapuskan. Pihak berkuasa cukai perlu menyebarkan prosedur cukai tribunal awam melalui media massa untuk meningkatkan persepsi positif mengenai tribunal dan mengurangkan gelagat ketidakpatuhan.

Kata kunci: pembayar cukai korporat, tribunal cukai, gelagat ketidakpatuhan cukai dan kos pematuhan cukai, Nigeria

ACKNOWLEDGEMENT

“In the name of Allah, the Most Gracious, the Most Merciful.” “Who has taught (the writing) by the pen. He has taught man that which he knew not.”¹

I must start by expressing my gratitude to Allah (S.W.T) for giving me the opportunity to accomplish this thesis- *Alhamdu-lil-Allah*.

I am thankful to my supervisors, Associate Professor Dr. Natrah Saad and Dr. Idawati Ibrahim for their insightful guidance, encouragement and support throughout the work. I also appreciate the contributions of all my reviewers at the stages of the thesis proposal and Viva Voce whose contributions helped in making this thesis better. My sincere appreciation goes to my wife Rahinatu Abdullahi Bagwai for her patience and support. I owe appreciation to all my family members and friends who are too many to be mentioned by names for their support, prayers and encouragement.

I owe a special appreciation to the Kaduna State University and Universiti Utara Malaysia that have supported and facilitated my doctoral study. I also thank Alhaji Yasar Muhammad Abubakar of the Federal Inland Revenue Service, Kano for his support during my data collection.



¹ Quran (96:4)

TABLE OF CONTENTS

TITLE PAGE	i
CERTIFICATION OF THESIS WORK	ii
PERMISSION TO USE	iv
ABSTRACT	v
ABSTRAK	vi
ACKNOWLEDGEMENT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xii
LIST OF FIGURES	xiv
LIST OF APPENDICES	xv
CHAPTER ONE INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement	6
1.3 Research Questions	11
1.4 Research Objectives	12
1.5 Significance of the Study	13
1.6 Scope of the Study	14
1.7 Organization of the Thesis	16
CHAPTER TWO OVERVIEW OF NIGERIAN COMPANY INCOME TAX	
2.1 Introduction	17
2.2 History of Nigerian Company Income Tax	17
2.3 Nigerian Tax Structure	19
2.4 Corporate Income Tax in Nigeria	20
2.4.1 Selected Provisions on Corporate Income Tax	21
2.4.2 Self-assessment System in Nigeria	22
2.4.3 Establishment of Tax Tribunal	23
2.5 The Incentives	24
2.6 Performance of Nigerian Tax System	24
2.7 Summary of the Chapter	27
CHAPTER THREE LITERATURE REVIEW	
3.1 Introduction	28
3.2 Theories of Tax Non-compliance	28
3.2.1 Deterrence Theory	29
3.2.2 Social Exchange Theory	34
3.3 Tax Non-compliance Concepts and Measurement	37
3.3.1 Definition and Forms of Tax Non-compliance	38
3.3.2 Underreporting Income	40
3.3.3 Overstating Expenses	40
3.3.4 Non-filing	41
3.4 Measuring Tax Non-Compliance	42
3.4.1 Secondary Data	43
3.4.2 Experiments	44
3.4.3 Self-Report	46

3.5	Determinants of Tax Non-compliance	47
3.5.1	Audit and Tax Non-compliance	48
3.5.2	Bribery and Tax Non-compliance	55
3.5.3	Complexity and Tax Non-compliance	61
3.5.4	Fairness Perception and Tax Non-compliance	67
3.5.5	Penalty and Tax Non-compliance	74
3.5.6	Public Goods Supply and Tax Non-compliance	77
3.5.7	Perception of Tax Tribunal and Tax Non-compliance	80
3.5.8	Tax Compliance Costs and Tax Non-compliance	83
3.5.9	Tax Rate Perception and Tax Non-compliance	87
3.5.10	The Mediating Role of Tax Compliance Costs	91
3.6	Summary of the Chapter	96

CHAPTER FOUR RESEARCH METHODOLOGY

4.1	Introduction	97
4.2	Conceptual Framework	97
4.3	Hypotheses Development	100
4.3.1	Audit and Tax Non-compliance	100
4.3.2	Bribery and Corporate Tax Non-compliance	101
4.3.3	Complexity and Tax Non-compliance	102
4.3.4	Fairness Perception and Tax Non-compliance	102
4.3.5	Penalty and Tax Non-compliance	103
4.3.6	Public Goods Supply and Tax Non-compliance	103
4.3.7	Perception of Tax Tribunal and Tax Non-compliance	104
4.3.8	Tax Compliance Costs and Tax Non-compliance	106
4.3.9	Tax Rate Perception and Tax Non-compliance	107
4.3.10	Tax Compliance Costs as a Mediator	107
4.4	Research Design	110
4.4.1	Population of the Study	112
4.4.2	Sample of the Study	113
4.4.3	Sampling Technique	115
4.5	Operational Definition and Measurement of Variables	116
4.5.1	Tax Non-compliance	117
4.5.2	Audit	118
4.5.3	Bribery	119
4.5.4	Complexity	120
4.5.5	Fairness Perception	121
4.5.6	Penalty	122
4.5.7	Public Goods Supply	123
4.5.8	Role of the Tax Tribunal	124
4.5.9	Tax Compliance Cost	125
4.5.10	Tax Rate Perception	127
4.5.11	Demographic Variables	128
4.6	Questionnaire Design and Validity Test	129
4.7	Respondents	130
4.8	Pilot Study and Reliability Test	131
4.9	Data Collection Procedure	132
4.10	Response Rate	133
4.11	Preliminary Data Analyses	134
4.11.1	Missing Values	135
4.11.2	Outliers	135

4.11.3	Normality	136
4.11.4	Multicollinearity Test	137
4.11.5	Non-response Bias Test	137
4.11.6	Common Method Variance Test	138
4.12	Main Analysis	138
4.12.1	The Measurement Model	139
4.12.2	The Structural Model	141
4.13	Summary of the Chapter	144

CHAPTER FIVE ANALYSIS AND FINDINGS

5.1	Introduction	145
5.2	Missing Value Analysis	145
5.3	Outliers Analysis	146
5.4	Normality Test	146
5.5	Multicollinearity Test	147
5.6	Non-response Bias Test	149
5.7	Common Method Variance Test	150
5.8	Demographic Statistics of the Respondents	151
5.9	Descriptive Analysis of the Variables of the Study	154
5.10	Assessment of the Measurement Model	156
5.10.1	Individual Item Reliability	157
5.10.2	Internal Consistency Reliability	158
5.10.3	Convergent Validity	159
5.10.4	Discriminant Validity	160
5.11	Assessment of the Structural Model	161
5.11.1	Direct Relationships Hypotheses Testing	161
5.11.2	Mediation Relationship Hypotheses Test	165
5.11.3	Coefficient of Determination (R^2)	167
5.11.4	Assessment of Effect Size of the Models of this Study (f^2)	168
5.11.5	Predictive Relevance (Q^2)	170
5.12	Summary of the Chapter	170

CHAPTER SIX DISCUSSION, IMPLICATIONS AND CONCLUSION

6.1	Introduction	172
6.2	Discussion of the Direct Relationships	172
6.2.1	Audit and Tax Non-compliance	173
6.2.2	Bribery and Tax Non-compliance	175
6.2.3	Complexity and Tax Non-compliance	176
6.2.4	Fairness Perception and Tax Non-compliance	178
6.2.5	Penalty and Tax Non-compliance	179
6.2.6	Public Goods Supply and Tax Non-compliance	181
6.2.7	Perception of Tax Tribunal and Tax Non-compliance	182
6.2.8	Tax Compliance Costs and Tax Non-compliance	184
6.2.9	Tax Rate Perception and Tax Non-compliance	186
6.3	Mediating Role of Tax Compliance Costs	187
6.3.1	Compliance Costs as Mediator between Audit and Non-Compliance	188
6.3.2	Compliance Costs as Mediator between Complexity and Non-Compliance	190
6.3.3	Compliance Cost as Mediator between Perception of tax tribunal and Non-compliance	191

6.3.4	Compliance Costs as Mediator between Tax Rate Perception and Non-compliance	192
6.4	Policy Contribution	192
6.5	Theoretical Implication	200
6.6	Methodological Implication	203
6.7	Limitations and Suggestion for Future Studies	204
6.8	Conclusion	206
REFERENCES		208



LIST OF TABLES

Table 1.1	Tax Performance Comparison Based on Tax to GDP Ratios	1
Table 1.2	Oil Prices and Nigerian Oil Export Capacity	3
Table 4.1	Summary of Research Objectives and Hypotheses	110
Table 4.2	Federal Inland Revenue Service Corporate Taxpayer Classification	113
Table 4.3	Measures of Tax Non-compliance	118
Table 4.4	Measures of Audit	119
Table 4.5	Measures of Bribery	120
Table 4.6	Measures of Complexity	121
Table 4.7	Measures of Fairness Perception	122
Table 4.8	Measures of Penalty	123
Table 4.9	Measures of Public Goods Supply	124
Table 4.10	Measures of Perception of tax tribunal	125
Table 4.11	Measures of Tax Compliance Costs	126
Table 4.12	Measures of Tax Rate Perception	127
Table 4.13	Summaries of Variables, Number of Items and Their Sources	128
Table 4.14	Items Reliability Test Result (Cronbach's Alpha)	132
Table 4.15	Response Rate of the Questionnaires	134
Table 5.1	Correlations among the Independent Variables	148
Table 5.2	Collinearity Diagnostic Test	148
Table 5.3	Group Descriptive Statistics for Early and Late Respondents	150
Table 5.4	Trading Period of Respondent	151
Table 5.5	Primary Business Activity	152
Table 5.6	Type of Accounting system	152
Table 5.7	Business Size	153
Table 5.8	Position of Responding Officer	154
Table 5.9	Descriptive Statistics of the Variables of The Study	154
Table 5.10	Outer Loadings	158
Table 5.11	Composite Reliability Values	159
Table 5.12	Average Variance Extracted Values	159
Table 5.13	Latent Variable Correlations and Square Roots of AVE	160
Table 5.14	Results of Hypotheses Testing (Direct Relationships)	164
Table 5.15	Results of Mediation Hypotheses Tests	167
Table 5.16	Coefficient of Determination (R^2)	168
Table 5.17	Effect Size of Individual Exogenous Variable of the Direct Model	169

Table 5.18	Effect Size of Individual Exogenous Variables of Mediating Model	170
Table 5.19	Predictive Relevance	170



LIST OF FIGURES

Figure 2.1	Oil and Non-Oil Annual Tax Revenue Collection in Billion Naira	25
Figure 2.2	CIT, VAT and Other Non-Oil Taxes	26
Figure 2.3	Proportion of Tax Contribution by Categories of Companies	27
Figure 4.1	Conceptual Framework	99
Figure 5.1	Histogram and Normal Probability Plot	147
Figure 5.2	Structural Model (Direct Relationship)	163
Figure 5.3	Structural Model (Mediation)	166



LIST OF APPENDICES

Appendix A	Questionnaire	208
Appendix B	Measures with Deleted Items	208
Appendix C	SPSS Outputs	208
Appendix D	PLS Outputs	208



LIST OF ABBREVIATIONS

BEEPS	Business Environment and Enterprise Performance Survey
CAC	Corporate Affairs Commission
CAMA	Company and Allied Matters Act
CBN	Central Bank of Nigeria
CITA	Companies Income Tax Act
FBIR	Federal Board of Inland Revenue
FIRS	Federal Inland Revenue Service
GDP	Gross Domestic Product
ICRG	International Country Risk Guide
ITMA	Income Tax Management Act
JSRC	Joint State Revenue Committee
JTB	Joint Tax Board
LGRC	Local Government Revenue Committee
NBS	National Bureau of Statistics
NEEDS	National Economic Empowering Development Strategies
NRP	National Research Program
OPEC	Organization of Petroleum Exporting Countries
PLS-SEM	Partial Least Squares Structural Equation Modelling
PITA	Personal Income Tax Act
PPT	Petroleum Profit Tax
RTT	Role of Tax Tribunal
SAS	Self-Assessment System
SBIR	State Board of Internal Revenue
SMEDAN	Small and Medium Enterprises Development Agency
SPSS	Statistical Package for the Social Sciences
TAT	Tax Appeal Tribunal
TCMP	Taxpayer Compliance Measurement Program
UK	United Kingdom
US	United States of America
VAT	Value Added Tax
WES	World Enterprise Survey

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Ensuring a stable flow of revenue is necessary for the proper functioning of every government, be it one in a developed or a developing nation. Taxation is one of the primary sources of income for governments and has been among the oldest and most sustainable sources of revenue for financing development plans. In this respect, Ndiaye and Korsu (2014) recommended a minimum tax revenue to Gross Domestic Products (GDP) ratio of 20% for West African States (ECOWAS) like Nigeria. The Tax to GDP ratio is tax collected compared to the GDP and thus, an indicator of tax performance (EPS PEAKS, 2013).

Table 1.1 shows the tax performance of Nigeria using tax to GDP ratios for Nigeria compared to some other relevant countries. In the case of Nigeria, the ratio is very low and has declined from 5.11% in 2009, to 2.27% in 2010, to 1.80% in 2011, to 1.56% in 2012 and 1.48 in 2013. Atuanya and Augie (2014) emphasized that the ratio compared to those of some African countries of similar economic size as Nigeria, is one of the lowest. In fact, the tax revenue to GDP ratio of Nigeria is far below the recommended 20% for ECOWAS member countries.

Table 1.1
Tax Performance Comparison Based on Tax to GDP Ratios

Country	2009	2010	2011	2012	2013	Average (2009-2013)
Australia	25.39	25.39	25.55	26.05	26.53	25.78
Kenya	15.55	15.73	15.95	15.88	15.48	15.72
Nigeria	5.11	2.27	1.80	1.56	1.48	2.44
South Africa	24.40	25.04	25.18	25.59	26.05	25.25
UK	24.34	25.45	26.07	25.35	25.31	25.30

Source: Extracted from World Bank Indicators, 2017

The contents of
the thesis is for
internal user
only

REFERENCES

- Abdul-Jabbar, H., & Pope, J. (2008a). Exploring the relationship between tax compliance costs and compliance issues in Malaysia. *Journal of Applied Law and Policy*, 1(1), 1–20.
- Abdul-Jabbar, H., & Pope, J. (2008b). The effects of the self-assessment system on the tax compliance costs of small and medium enterprises in Malaysia. *Australian Tax Forum*, 23(3), 291–309.
- Abdul Jabbar, H. (2009). *Income tax non-compliance of small and medium enterprises in Malaysia: Determinants and tax compliance costs* (Doctoral dissertation). Available from Espace Curtin University Institutional Repository. (Record No. 130703)
- AbdulMansor, H., & 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.
- Adigun, O. (2012, September 6). Collecting taxes is huge responsibility – Mashi, FIRS boss. *Sun news*. Retrieved from <http://sunnewsonline.com/new/business/collecting-taxes-is-huge-esponsibility-mashi-firsboss/#!prettyPhoto>
- Aiko, R., & Logan, C. (2014). *Africa's willing taxpayers thwarted by opaque tax systems, corruption* (Policy Paper No. 7). Retrieved from Afrobarometer website: http://www.afrobarometer.org/files/documents/policy_brief/ab_r5_policy_paperno7.pdf
- Akdede, S. (2006). Corruption and tax evasion. *Dogus University Journal*, 7(2), 141–

149.

Alabede, J. O. (2012). *An investigation of factors influencing taxpayers' compliance behaviour: Evidence from Nigeria* (Doctoral dissertation). Available from Universiti Utara Malaysia Electronic Theses and Dissertations. (Record No. s92688)

Alabede, J. O., Ariffin, Z. Z., & Idris, K. M. (2011a). Public governance quality and tax compliance behavior in Nigeria: The moderating role of financial condition and risk preference. *Issues in Social and Environmental Accounting*, 5(1), 3–24.

Alabede, J. O., Ariffin, Z. Z., & Idris, K. M. (2011b). Individual taxpayers' attitude and compliance behaviour in Nigeria: The moderating role of financial condition and risk preference. *Journal of Accounting and Taxation* 3(5), 91–104.

Alabede, J. O., Ariffin, Z. Z., & Idris, K. M. (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.

Ali, M., Shifa, A., Shimeles, A. & Woldeyes, F. (2015) *Information technology and fiscal capacity in a developing country: evidence from Ethiopia* (International Centre for Taxation and Development Working Paper No. 31). Retrieved from <https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/11180/WP31.pdf?sequence=1>

Allers, M. A. (1994). Administrative and compliance costs of taxation and public transfers in the Netherlands. Groningen: Wolters-Noordhoff.

- Allingham, M. G., & Sandmo, A. (1972). Income tax evasion: A theoretical analysis. *Journal of Modern Accounting and Auditing*, 1(3-4), 323–338.
- Alm, J. (1991). A perspective on the experimental analysis of taxpayer reporting. *American Accounting Association*, 66(3), 577–593.
- Alm, J. (1999). Tax compliance and administration. *Public Administration and Public Policy*, 72, 741–768.
- Alm, J. (2012). Measuring, explaining, and controlling tax evasion: Lessons from theory, experiments, and field studies. *International Tax and Public Finance*, 19(1), 54–77.
- Alm, J., Bahl, R., & Murray, M. N. (1990). Tax structure and tax compliance. *The Review of Economics and Statistics*, 72(2), 603–613.
- Alm, J., Blackwell, C., & Mckee, M. (2004). Audit selection and firm compliance with a broad-based sales tax. *National Tax Journal*, 57(2), 209–227.
- Alm, J., Bloomquist, K. M., & McKee, M. (2015). On the external validity of laboratory tax compliance experiments. *Economic Inquiry*, 53(2), 1170-1186. doi:10.1111/ecin.12196
- Alm, J., Clark, J., & Leibel, K. (2016). Enforcement, socioeconomic diversity, and tax filing compliance in the United States. *Southern Economic Journal*, 82(3), 725–747. doi:.org/10.1002/soej.12106
- Alm, J., Cronshaw, M. B., & Mckee, M. (1993). Tax compliance with endogenous audit selection rules. *Kyklos*, 46(1), 27-45. doi.org/10.1111/j.1467-6435.1993.tb02405.x
- Alm, J., Jackson, B. R., & Mckee, M. (1992). Estimating the determinants of taxpayer compliance with experimental data. *National Tax Journal*, 45(1), 107–114.

- Alm, J., Kirchler, E., Muehlbacher, S., Gangl, K., Hofmann, E., Kogler, C., & Pollai, M. (2012). Rethinking the research paradigms for analysing tax compliance behaviour. *CESifo Forum*, 13(2), 33-40.
- Alm, J., Martinez-Vazquez, J., & McClellan, C. (2016). Corruption and firm tax evasion. *Journal of Economic Behaviour and Organization*, 124(3), 146–163. doi.org/10.1016/j.jebo.2015.10.006
- Alm, J., & McClellan, C. (2012). Tax morale and tax compliance from the firm's perspective. *Kyklos*, 65(1), 1–17. doi.org/101111/j.467-6435.2011.00524.x
- Alm, J., McClelland, G. H., & Schulze, W. D. (1992). Why do people pay their taxes? *Journal of Public Economics*, 48(1), 21–38.
- Alm, J., Sanchez, I., & DeJuan, A. (1995). Economic and non-economic factors in tax compliance. *Kyklos*, 48(1), 3–18.
- Alon, A., & Hageman, A. M. (2013). The impact of corruption on firm tax compliance in Transition Economies: Whom do you trust? *Journal of Business Ethics*, 116(3), 479–494.
- Aminu, I. M. (2015). Mediating role of access to finance and moderating role of business environment on the relationship between strategic orientation attributes and performance of small and medium enterprises in Nigeria (Doctoral dissertation). Available from Universiti Utara Malaysia Electronic Theses and Dissertations. (Record No. s94308)
- Andreoni, J., Erard, B., & Feinstein, J. (1998). Tax compliance. *Journal of Economic Literature*, 36(2), 818–860.
- Ariel, B. (2012). Deterrence and moral persuasion effects on corporate tax compliance: Findings from a randomized controlled trial. *Criminology*, 50(1), 27–69.

- Atanassov, J., & Liu, X. (2015). *Corporate income taxes, tax avoidance and innovation*. Retrieved from <http://www.law.northwestern.edu/researchfaculty/searlecenter/events/innovation/documents/Atanassov-Liu-Taxes-and-Innovation-june-5-2015-final.pdf>
- Atawodi, O. W., & Ojeka, S. A. (2012). Factors that affect tax compliance among small and medium enterprises (SMEs) in north central Nigeria. *International Journal of Business and Management*, 7(12), 87–96. doi.org/10.5539/ijbm.v7n12p87
- Atuanya, P., & Augie, B. (2014, November, 13). Improving tax collection in Nigeria. *Business Online*. Retrieved from <http://businessdayonline.com/2014/05/improving-tax-collection-in-nigeria/#.U7uY9lWSzHQ>
- Augusto & Co. (2016). *A review of the Nigerian MSME policy environment* (Research Report). Retrieved from <http://fatefoundation.com/policyreport.pdf>
- Ayers, B. C., Seidman, J. K., & Towery, E. M. (2015). *Taxpayer behaviour under audit certainty*. Paper presented at Internal Revenue Service-Taxpayer Compliance Research Conference, Washington, DC. Retrieved from <http://www.taxpolicycenter.org/sites/default/files/session2.pdf>
- Ayuba, A., Saad, N., & Ariffin, Z. Z. (2015). Does perceived corruption moderate the relationship between economic factors and tax compliance? A proposed framework for Nigerian small and medium enterprises. *Mediterranean Journal of Social Sciences*, 7(1), 402–409. doi.org/10.5901/mjss.2016.v7n1p402
- Ayuba, A., Saad, N., & Ariffin, Z. Z. (2016). Perceived service orientation, economic factors, psychological factors and tax compliance: Evidence from Nigerian

- SMEs. *Malaysian Management Journal*, 20(1), 41–57.
- Azmi, A. A. C., & Perumal, K. A. (2008). Tax fairness dimensions in an Asian context: The Malaysian perspective. *International Review of Business Research Papers*, 4(5), 11–19.
- Babbie, E. (1973). *Survey research methods*. California: Wadsworth Publishing Company.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173–82.
- Bates, L. (2014). *Procedural justice and road policing: Is it important?* Paper presented at the Australasian Road Safety Research, Policing & Education Conference, Melbourne. Retrieved from <http://hdl.handle.net/10072/6771>
- Becker, G. S. (1968). Crime and punishment: An economic approach. *Journal of Political Economy*, 76(2), 169–217.
- Belay, S. A., & Viswanadham, P. (2016). Tax fairness perceptions and compliance behaviour: Evidence from the metropolitan cities of the Amhara regional state of Ethiopia. *International Journal of Science and Research*, 5(4), 1173–1183.
- Bennett, R. J., & Robinson, S. L. (2000). Development of a measure of workplace deviance. *Journal of Applied Psychology*, 85(3), 349–360.
- Besaçon, M. (2003). *Good governance rankings: The art of measurement* (World Peace Foundation Research Report) Retrieved from <http://siteresources.worldbank.org/EXTWBIGOVANTCOR/Resources/wpf36governance.pdf>
- Besley, T., & McLaren, J. (1993). Taxes and bribery: The role of wage incentives.

- Royal Economic Society*, 103(416), 119–141.
- Bilotkach, V. (2006). A tax evasion–bribery game: Experimental evidence from Ukraine. *European Journal of Comparative Economics*, 3(1), 31–49. doi.org/10.2139/ssrn.807004
- Bird, R. M., Martinez-vazquez, J., & Torgler, B. (2014). Societal institutions and tax effort in developing countries. *Analysis of Economic and Finance*, 15(1), 185-230.
- Blau, P. M. (1964). *Exchange and power in social life*. New York: Wiley.
- Blazic, H. (2004). Tax compliance cost of companies in Croatia. *Ekonomický časopis*, 52(6), 723-738.
- Blumenthal, M., Christian, C., & Slemrod, J. (2001). Do normative appeals affect tax compliance? Evidence from a controlled experiment in Minnesota. *The National Tax Journal*, 54(1), 125–138.
- Bodea, C., & LeBas, A. (2016). The origins of voluntary compliance: Attitudes toward taxation in urban Nigeria. *British Journal of Political Science*, 46(1), 215–238. doi.org/10.1017/S000712341400026X
- Boone, H. N. J., & Boone, D. A. (2012). Analysing Likert data. *Journal of Extension*, 50(2), 1-5. doi.org/10.1111/j.1365-2929.2004.02012.x
- Bordignon, M. (1993). A fairness approach to income-tax evasion. *Journal of Public Economics*, 52(3), 345–362. doi.org/10.1016/0047-2727(93)90039-V
- Borrego, A. C. (2014). *Tax compliance and tax complexity in Portugal: Essays on the perception of tax professionals* (Doctoral dissertation, Universidade do Minho, Portugal). Retrieved from <http://hdl.handle.net/1822/38474>
- Borrego, A., Lopes, C., & Ferreira, C. (2013). Tax noncompliance in an international

perspective: A literature review. *Portuguese Journal of Accounting and Management*, 14, 9-41. doi.org/10.1017/CBO9781107415324.004

Bos, K. Van Den, Vermunt, R., & Wilke, H. A. M. (1996). The consistency rule and the voice effect: The influence of expectations on procedural fairness judgements and performance. *European Journal of Social Psychology*, 26(3), 411–428.

Braithwaite, V. (Ed.). (2002). *Taxing democracy*. England: Ashgate.

Burton, H. A., & Karlinsky, S. (2016). Tax professionals' perception of large and mid-size business US tax law complexity. *eJournal of Tax Research*, 14(1), 61–95.

Central Bank of Nigeria. (2015). *Central Bank of Nigeria annual report 2015*.

Retrieved from
<https://www.cbn.gov.ng/out/2016/rsd/central%20bank%20of%20nigeria%20annual%20economic%20report%20-%20draft.pdf>

Centre for Law Enforcement Education. (2012). *Summary of findings of 2012 National Crime and Safety Survey* (Research Report). Retrieved from <http://cleenfoundation.blogspot.com/2012/07/summary-of-findings-of-2012national.html>

Chan, K. H., & Mo, P. L. L. (2000). Tax holiday and tax noncompliance: An empirical study of corporate tax audits in China's developing economy. *The Accounting Review*, 75(4), 469–484.

Chau, G., & Leung, P. (2009). A critical review of Fischer tax compliance model: A research synthesis. *Journal of Accounting and Taxation*, 1(2), 34–40.

Chin, W. W. (1998). The Partial Least Squares approach to Structural Equation Modelling. In G. A. Marcoulides (Ed.), *Modern methods for business research*

- (pp. 295-336). New Jersey: Laurence Erlbaum Associates.
- Chin, W. W. (2003). A permutation procedure for multi-group comparison of PLS models. Paris: Decisia.
- Chin, W. W., Marcolin, B. L., & Newsted, P. R. (2003). A Partial Least Squares latent variable modelling approach for measuring interaction effects: Results from a Monte Carlo simulation study and an electronic-mail emotion/adoption study. *Information Systems Research*, 14(2), 189–217.
- Christensen, A., & Hite, P. (1997). A study of the effect of taxpayer risk perceptions on ambiguous compliance decisions. *The Journal of the American Taxation Association*, 19(1), 1–18.
- Christensen, A. L., Weihrich, S. G., & Gerbing, M. D. (1994). The impact of education on perceptions of tax fairness. *Advances in Taxation*, 6, 63–94.
- Chunhachatrachai, P. (2013). *Corporate income tax compliance costs of Small and Medium Enterprises in Thailand* (Doctoral dissertation). Available from Espace Curtin University Institutional Repository. (Record No. 193537).
- Churchill, G. A., & Iacobucci, D. (2006). *Marketing research: Methodological foundations*. New York: Dryden Press.
- Clotfelter, C. T. (1983). Tax evasion and tax rates: An analysis of individual returns. *The Review of Economics and Statistics*, 65(3), 363–373.
- Collins, J. H., Milliron, V. C., & Toy, D. R. (1992). Determinants of tax compliance: A contingency approach. *The Journal of American Taxation Association*, 14(2), 1–29.
- Collins, J. H., & Plumlee, R. D. (1991). The Taxpayer's labour and reporting decision: The effect of audit schemes. *The Accounting Review*, 66(3), 559–576.

- Colquitt, J. a. (2001). On the dimensionality of organizational justice: A construct validation of a measure. *Journal of Applied Psychology*, 86(3), 386–400. doi.org/10.1037//0021-9010.86.3.386
- Company Income Tax Act 2007* (Nig.). Retrieved from <http://www.orandcconsultants.com/Downloads/Companies/20Income/20Tax.pdf>
- Constitution of the Federal Republic of Nigeria 1999* (Nig.). Retrieved from http://publicofficialsfinancialdisclosure.worldbank.org/sites/fdl/files/assets/law-libraryfiles/Nigeria_Constitution_1999_en.pdf
- Coolidge, J. (2009). *Tax Compliance Perceptions and Formalization of Small Businesses in South Africa* (The World Bank Policy Research Working Paper 4992). Retrieved from World Bank Open Knowledge Repository website: <https://openknowledge.worldbank.org/handle/10986/4183>
- Coolidge, J. (2012). Findings of tax compliance cost surveys in developing countries. *eJournal of Tax Research*, 10(2), 250–287.
- Cowell, F. A. (1990). *Cheating the Government*. Cambridge: MIT Press.
- Creswell, J. W. (2009). *Research design: Qualitative, quantitative, and mixed methods approaches*. Los Angeles: SAGE Publications Incorporated.
- Cropanzano, R., & Mitchell, M. S. (2005). Social exchange theory: An interdisciplinary review. *Journal of Management*, 31(6), 874–900. doi.org/10.1177/0149206305279602
- Cuccia, A. D. (1994). The economics of tax compliance: What do we know and where do we go? *Journal of Accounting Literature*, 13, 81-116.
- Cummings, R. G., Martinez-vazquez, J., Mckee, M., & Torgler, B. (2009). Tax morale

- affects tax compliance: Evidence from surveys and an artefactual field experiment. *Journal of Economic Behaviour & Organization*, 70(3), 447–457. doi.org/10.1016/j.jebo.2008.02.010
- D’Arcy, J., Hovav, A., & Galletta, D. (2009). User awareness of security counter measures and its impact on information systems misuse: A deterrence approach. *Information Systems Research*, 20(1), 79–98. doi.org/10.1287/isre.1070.0160
- D’Souza, E. (2016). *A theory of tax evasion in developing countries* (Indian Institute of Management Ahmedabad Working Papers No. 2016-03-37). Retrieved form: <https://econpapers.repec.org/paper/iimiimawp/14489.htm>
- Das-gupta, S. C. & A. (2002). *The income tax compliance cost of Indian corporations* (Research Report). Retrieved form: <http://unpan1.un.org/intradoc/groups/public/documents/APCITY/UNPAN014796.pdf>
- Davey, A., & Savla, J. (2010). *Statistical power analysis with missing data: A Structural Equation Modelling approach*. New York: Routledge Taylor & Francis Group.
- DeBacker, J., Heim, B. T., & Tran, A. (2012). Importing corruption culture from overseas: Evidence from corporate tax evasion in the United States. *Journal of Financial Economics*, 117(1), 122–138. doi.org/10.1016/j.jfineco.2012.11.009
- Debacker, J., Heim, B. T., Tran, A., & Yuskavage, A. (2015). Legal enforcement and corporate behaviour: An analysis of tax aggressiveness after an audit. *Journal of Law and Economics*, 58(615), 291–324. doi.org/10.1086/684037
- Deloitte Nigeria. (2017). *Increasing tax revenue: Is a new approach required?*

Retrieved from

<http://www.mondaq.com/Nigeria/x/571840/tax+authorities/Increasing+>

[Tax+Revenue+Is+A+New+Approach+Required](#)

Denscombe, M. (2010). *The good research guide for small-scale social research projects*. England: McGraw-Hill.

Devos, K. (2007). Measuring and analysing deterrence in taxpayer compliance research. *Journal of Australian Taxation*, 10(2), 182–219.

Devos, K. (2014). *Factors influencing individual taxpayer compliance behaviour*. Dordrecht: Springer Netherlands. doi.org/10.1007/978-94-007-7476-6

Dillman, D. (2007). *Mail and internet surveys: The Tailored Design Method*. New York: Wiley.

Downs, A., & Stetson, B. (2014). Economic and non-economic factors: An analysis of corporate tax compliance. *Advances in Taxation*, 21, 73–105.

Dubin, J. F., Graetz, M. J., & Wilde, L. L. (1990). The effect of audit rates on the federal individual income tax, 1977-1986. *National Tax Journal*, 43(4), 395–409.

Embu, E. (2013, November 27). FG contracts tax consultants to generate N2.95tr from non-oil revenue. *Daily Times Nigeria*. Retrieved from <http://www.dailytimes.com.ng/article/fg-contracts-tax-consultants-generate-n295tr-non-oil-revenue-10/2/2014>

Enders, C. K. (2010). *Applied missing data analysis*. New York: The Guilford Press.

Engström, P., & Hagen, J. (2017). Income underreporting among the self-employed: A permanent income approach. *European Economic Review*, 92, 92–109. doi.org/10.1016/j.euroecorev.2016.12.001

- EPS PEAKS. (2013). Taxation and developing countries (Economic and Private Sector Professional Evidence and Applied Knowledge Service UK, Training notes). Retrieved from <https://www.odi.org/sites/odi.org.uk/files/odi-assets/events-documents/5045.pdf>
- Eragbhe, E., & Modugu, K. P. (2014). Tax compliance costs of small and medium scale enterprises in Nigeria. *International Journal of Accounting and Taxation*, 2(1), 63–87.
- Erard, B., & Ho, C. (2001). Searching for ghosts: Who are the nonfilers and how much tax do they owe? *Journal of Public Economics*, 81(1), 25–50.
- Esposito Vinzi, V., Trinchera, L., & Amato, S. (2010). PLS path modelling: From foundations to recent developments and open issues for model assessment and improvement. In V. Esposito Vinzi, W. W. Chin, J. Henseler, & H. Wang (Eds.), *Handbook of Partial Least Squares: Concepts, methods and applications* (pp. 47–82). Berlin Heidelberg: Springer.
- Evans, Carlon, S., & Massey, D. (2005). Records keeping practices and tax compliance of SMEs. *eJournal of Tax Research*, 3(2), 288–334.
- Faizal, S. M., & Palil, M. R. (2015). Study on fairness and individual tax compliance in Malaysia: Preliminary findings. *International Journal of Business, Economics and Law*, 8(1), 74–79.
- Falk, R. F., & Miller, N. B. (1992). *A primer for soft modelling*. Ohio: Akron University Press.
- Falkinger, J. (1995). Tax evasion, consumption of public-goods and fairness. *Journal of Economic Psychology*, 16(1), 63–72. doi.org/10.1016/0167-4870(94)00038-

- Federal Inland Revenue Service (2012). Federal inland revenue service and taxation reforms in democratic Nigeria. Ibadan: Safari Books Ltd.
- Federal Inland Revenue Service (2015). *Federal Inland Revenue Service tax revenue collection statistics*. Retrieved from the Federal Inland Revenue Service Nigeria website: <http://www.firs.gov.ng/tax-collection-statistics/>
- Federal Inland Revenue Service. (2016, July). FIRS seals 10 companies, says time has changed (FIRS latest news). Retrieved from [http://www.firs.gov.ng/Lists/FIRS Events/DisplayEvents.aspx? ID=43](http://www.firs.gov.ng/Lists/FIRS%20Events/DisplayEvents.aspx?ID=43)
- Federal Inland Revenue Service (Establishment) Act 2007(Nig.)*. Retrieved from: <https://lawpadi.com/federal-inland-revenue-service-establishment-act-2007/>
- Feinstein, J. S. (1991). An econometric analysis of income tax evasion and its detection. *The RAND Journal of Economics*, 22(1), 14–35.
- Fink, A. (2003). *How to sample in surveys*. New York: SAGE Publications Incorporated.
- Finocchiaro Castro, M., & Rizzo, I. (2014). Tax compliance under horizontal and vertical equity conditions: An experimental approach. *International Tax and Public Finance*, 21(4), 560-577. doi.org/10.1007/s10797-014-9320-5
- Fiorio, C. V, & D’Amuri, F. (2006). Tax evasion in Italy: An analysis using a tax-benefit microsimulation model. *The IUP Journal of Public Finance*, 2(4), 19-37.
- Fischer, C. M. (1993). *Perceived-detection probability and taxpayer compliance: A conceptual and empirical examination* (Doctoral dissertation, the Pennsylvania State University). Ann Arbor: UMI.
- Fischer, C. M., Wartick, M., & Mark, M. M. (1992). Detection probability and

- taxpayer compliance: A review of the literature. *Journal of Accounting Literature*, 11(1), 1–31.
- Fjeldstad, O. & Semboja, J. (2001). Why people pay taxes: The case of the development levy in Tanzania. *World Development*, 29(12), 2059-2074.
- Forest, A., & Sheffrin, S. M. (2002). Complexity and compliance: An empirical investigation. *National Tax Journal*, 55(1), 75–88.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39–50.
- Friedland, N. (1982). A note on tax evasion as a function of the quality of information about the magnitude and credibility of threatened fines: Some preliminary research. *Journal of Applied Social Psychology*, 12(1), 54–59. doi.org/10.1111/j.1559-1816.1982.tb00848.x
- Friedland, N., Maital, S., & Rutenberg, A. (1978). A simulation study of income tax evasion. *Journal of Public Economics*, 10(1), 107–116. doi.org/10.1016/0047-2727(78)90008-7
- Gambo, E. J., Mas'ud, A., Nasidi, M., & Oyewole, O. S. (2014). Tax complexity and tax compliance in African self-assessment environment. *International Journal of Management Research & Review*, 4(5), 575–583.
- Gangl, K., Hofmann, E., & Kirchler, E. (2015). Tax authorities' interaction with taxpayers: A conception of compliance in social dilemmas by power and trust. *New ideas in psychology*, 37, 13-23.
- Gangl, K., Kirchler, E., Lorenz, C., & Torgler, B. (2015). Wealthy tax non-filers in a developing nation: The roles of taxpayer knowledge, perceived corruption and

- service orientation in Pakistan (WU International Taxation Research Paper Series No. 2015-26). Retrieved from https://papers.ssrn.com/sol3/papers2.cfm?abstract_id=2683548
- Gerbing, M. D. (1988). *An empirical study of taxpayer perceptions of fairness* (Unpublished Doctoral dissertation). University of Texas, Austin.
- Gerxhani, K. (2007). 'Did you pay your taxes?' How (not) to conduct tax evasion surveys in transition countries. *Social Indicator Research*, 80(3), 555–581. doi.org/10.1007/s11205-006-0007-x
- Gërxfhani, K., & Schram, A. (2006). Tax evasion and income source: A comparative experimental study. *Journal of Economic Psychology*, 27(3), 402-422. doi.org/10.1016/j.joep.2005.08.002
- Gilligan, G., & Richardson, G. (2005). Perceptions of tax fairness and tax compliance in Australia and Hong Kong: A preliminary study. *Journal of Financial Crime*, 12(4), 331-343. doi.org/10.1016/j.jhealeco.2008.02.008
- Gobena, L. B., & Dijke, V. M. (2016). Power, justice, and trust: A moderated mediation analysis of tax compliance among Ethiopian business owners. *Journal of Economic Psychology*, 52, 24–37. doi.org/10.1016/j.joep.2015.11.004
- Gopinath, C., & Becker, T. E. (2000). Communication, procedural justice, and employee attitudes: Relationships under conditions of divestiture. *Journal of Management*, 26(1), 63–83. doi.org/10.1177/014920630002600107
- Graetz, M. J., Reinganum, J. F., & Wilde, L. L. (1986). The tax compliance game: Toward an interactive theory of law enforcement. *Journal of Law, Economics, & Organization*, 2(1), 1–32.

- Grasmick, S., & Scott, W. J. (1982). Tax evasion and mechanism of social control: A comparison with grand and petty theft. *Journal of Economics Psychology*, 2(3), 213–230.
- Gwangdi, I. M., & Garba, A. (2015). Administration of companies income tax in Nigeria: Issues of compliance and enforcement. *European Journal of Business and Management*, 7(8), 18–26.
- Haenlein, M., & Kaplan, A. M. (2004). A beginner's guide to Partial Least Squares analysis. *Understanding Statistics*, 3(4), 283–297.
doi.org/10.1207/s15328031us0304_4
- Hair, J. F., Money, A. H., Samouel, P., & Page, M. (2007). *Research methods for business*. UK: John Wiley & Sons Ltd.
- Hair Jr, J. F., Sarstedt, M., Ringle, C. M., & Gudergan, S. P. (2017). *Advanced issues in Partial Least Squares Structural Equation Modelling*. New York: SAGE Publications.
- Hair, J. F., Sarstedt, M., Ringle, C. M., & Mena, J. A. (2012). An assessment of the use of Partial Least Squares Structural Equation Modelling in marketing research. *Journal of the Academy of Marketing Science*, 40(3), 414–433.
- Hair, J. F., Celsi, M., Money, A., Samouel, P., & Page, M. (2015). *The essentials of business research methods* (3rd ed.). Australia: Florence Taylor and Francis.
- Hair, J. F., Black, J. W., Babin, B. J., & Anderson, E. R. (2010). *Multivariate Data Analysis* (Seventh Ed). Edinburgh: Pearson Education Limited.
- Hair, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2014). *A primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Los Angeles: SAGE Publications.

- Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial Least Squares Structural Equation Modelling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106–121.
- Hallsworth, M. (2014). The use of field experiments to increase tax compliance. *Oxford Review of Economic Policy*, 30(4), 658–679. doi.org/10.1093/oxrep/gru034
- Hallsworth, M., List, J. A., Metcalfe, R. D., & Vlaev, I. (2017). The behavioralist as tax collector: Using natural field experiments to enhance tax compliance. *Journal of Public Economics*, 148(1), 14–31. doi.org/10.1016/j.jpubeco.2017.02.003
- Hanefah, M., Ariff, M., & Jeyapalan, K. (2002). Compliance costs of small and medium enterprises. *Journal of Australian Taxation*, 4(1), 73–97.
- Hanlon, M., Mills, L., & Slemrod, J. (2005). *An empirical examination of corporate tax noncompliance* (Ross School of Business Working Paper No. 1025). Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=891226
- Hansford, A., & Hasseldine, J. (2012). Tax compliance costs for small and medium sized enterprises: The case of the UK. *eJournal of Tax Research*, 10(2), 288–303.
- Hartner, M., Rechberger, S., Kirchler, E., & Wenzel, M. (2011). Perceived distributive fairness of EU transfer payments, outcome favourability, identity, and EU-tax compliance. *Law and Policy*, 33(1), 60–81. doi.org/10.1111/j.1467-9930.2010.00330.x
- Hasseldine, J., Hite, P., James, S., & Toumi, M. (2007). Persuasive communications: Tax compliance enforcement strategies for sole proprietors. *Contemporary*

- Accounting Research*, 24(1), 171–194. doi.org/10.1506/P207-0041-4205-7nx0
- Hayes, A. F. (2009). Beyond Baron and Kenny: Statistical mediation analysis in the new millennium. *Communication Monographs*, 76(4), 408–420.
- Hayes, A. F. (2013). Introduction to mediation, moderation and conditional process analysis: A regression-based approach. New York: The Guilford Press.
- Henseler, J., & Fassott, G. (2009). Testing moderating effects in PLS path models: An illustration of available procedures. In: V. Esposito Vinzi, W. W. Chin, J. Henseler & H. Wang (Eds.), *Handbook of Partial Least Squares: Concepts, methods, and applications*. Berlin: Springer.
- Hough, M., & Jackson, J. (2013). Legitimacy, trust and compliance: An empirical test of procedural justice theory using the European social survey. In J. Tankebe & A. Liebling (Eds.), *Legitimacy and Criminal Justice: An International Exploration* (pp. 1-27). Oxford: Oxford University Press.
- Hulland, J. (1999). Use of Partial Least Squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal*, 20(2), 195-204.
- Hurst, E., Li, G., & Pugsley, B. (2014). Are household surveys like tax forms: Evidence from income underreporting of the self employed. *The Review of Economics and Statistics*, 96(1), 19-33. doi.org/10.3386/w16527
- Ibrahim Index of African Governance. (2015). *Report of the index of African governance*. Retrieved from <https://www.hurriyatsudan.com/wp-content/uploads/2015/10/1.pdf>
- Imam, P. A., & Jacobs, D. (2014). Effect of corruption on tax revenues in the Middle East. *Review of Middle East Economics and Finance*, 10(1), 1-24.

doi.org/10.1515/rmeef-2014-0001

Immordino, G., & Russo, F. F. (in press). Fighting tax evasion by discouraging the use of cash? *Fiscal Studies*. doi.org/10.1111/1475-5890.12160

Income Tax Act 1967 (Mlasy). Retrieved from <http://www.agc.gov.my/agcportal/uploads/files/publications/LOM/EN/Act%2053.pdf>

International Monetary Fund (2015). *World Economic and Financial Surveys: Regional Economic Outlook- Sub-Saharan Africa*. Retrieved from https://www.imf.org/~media/Websites/IMF/imported.../2015/afr/.../_sreo0415.pdf.ashx

Isa, K. (2014). Tax complexities in the Malaysian corporate tax system: Minimise to maximise. *International Journal of Law and Management*, 56(1), 50–65.

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

James, S., & Edwards, A. (2008). Developing tax policy in a complex and changing world. *Economic Analysis and Policy*, 38(1), 35–54.

James, S., Murphy, K., & Reinhart, M. (2005). Taxpayer beliefs and views: A new survey. *Australian Tax Forum*, 22(2), 157–188.

Jimenez, P., & Iyer, G. S. (2016). Tax compliance in a social setting: The influence of social norms, trust in government, and perceived fairness on taxpayer compliance. *Advances in Accounting*, 34, 17–26.
doi.org/10.1016/j.adiac.2016.07.001

Joulfaian, D. (2000). Corporate income tax evasion and managerial preferences. *The Review of Economics and Statistics*, 82(4), 698–701.

- Joulfaian, D. (2009). Bribes and Business Tax Evasion. *The European Journal of Comparative Economics*, 6(2), 227–244.
- Joulfaian, D., & Rider, M. (1998). Differential taxation and tax evasion by small business. *National Tax Journal*, 51(4), 676–687.
- Kamdar, N. (1997). Corporate income tax compliance: A time series analysis. *American Economic Journal*, 25(1), 37–49.
- Kasper, M., Kogler, C., & Kirchler, E. (2014). Tax policy and the news: An empirical analysis of taxpayers' perceptions of tax-related media coverage and its impact on tax compliance. *Journal of Behavioural and Experimental Economics*, 54(2015), 58-63.
- Kaufmann, D., Kraay, A., & Mastruzzi, M. (2011). The worldwide governance indicators: Methodology and analytical issues. *Hague Journal on the Rule of Law*, 3(2), 220–246. doi.org/10.1017/S1876404511200046
- Kemme, D. M., Parikh, B., & Steigner, T. (2017). Tax havens, tax evasion and tax information exchange agreements in the OECD. *European Financial Management*, 23(3), 519-542.
- Kinsey, K. A., & Grasmick, H. G. (1993). Did the reform Act of 1986 improve compliance? Three studies of free-and post-TRA compliance attitudes. *Law & Policy*, 15(4), 295–325.
- Kirchler, E. (2007). *The economic psychology of tax Behaviour*. Cambridge: Cambridge University Press.
- Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The “slippery slope” framework. *Journal of Economic Psychology*, 29(2), 210–225.

- Kirchler, E., Kastlunger, B., & Wahl, I. (2010). Why pay taxes? A review of tax compliance decision. In J. Alm, J. Martinez-Vazquez, & B. Torgler (Eds.), *Developing alternative frameworks for explaining tax compliance* (pp. 15-31). New York: Routledge.
- Kirchler, E., Kogler, C., & Muehlbacher, S. (2014). Cooperative tax compliance: From deterrence to deference. *Current Directions in Psychological Science*, 23(2), 87–92. doi.org/10.1177/0963721413516975
- Kirchler, E., Muehlbacher, S., Kastlunger, B., & Wahl, I. (2008). Why pay taxes? A review of tax compliance decisions. In J. Alm, J. Martinez-Vazquez, & B. Torgler (Eds.), *Developing alternative frameworks for explaining tax compliance* (pp. 15–31). London: Routledge
- Kirchler, E., Niemiowski, A., & Wearing, A. (2006). Shared subjective views, intent to cooperate and tax compliance: Similarities between Australian taxpayers and tax officers. *Journal of Economic Psychology*, 27(4), 502–517. doi.org/10.1016/j.joep.2006.01.005
- Klepper, S., & Nagin, D. (1989). The anatomy of tax evasion. *Journal of Law, Economics, & Organization*, 5(1), 1–24.
- Korndörfer, M., Krumpal, I., & Schmukle, S. C. (2014). Measuring and explaining tax evasion: Improving self-reports using the crosswise model. *Journal of Economic Psychology*, 45(1), 18-32. doi.org/10.1016/j.joep.2014.08.001
- Krejcie, R. V, & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and Psychological Measurements*, 30(3), 607–610.
- Kumar, M., Talib, S. A., & Ramayah, T. (2013). *Business research methods*. Kuala Lumpur: Oxford Fajar Sdn. Bhd.

- Langbein, L., & Knack, S. (2010). The worldwide governance indicators: Six, one, or none? *Journal of Development Studies*, 46(2), 350–370. doi.org/10.1080/00220380902952399
- Leventhal, G. S. (1980). What should be done with equity theory? New approach to the study of fairness in social relationships. Washington, D.C.: National Science Foundation.
- Litina, A., & Palivos, T. (2016). Corruption, tax evasion and social values. *Journal of Economic Behaviour and Organization*, 124, 164-177. doi.org/10.1016/j.jebo.2015.09.017
- Long, S. B., & Swingen, J. A. (1987). An approach to the measurement of tax law complexity. *Journal of the American Taxation Association*, 8(2), 22-36.
- Lowry, P. B., & Gaskin, J. (2014). Partial Least Squares (PLS) Structural Equation Modelling (SEM) for building and testing behavioural causal theory: When to choose it and how to use it. *IEEE Transactions on Professional Communication*, 57(2), 123-146.
- Lymer, A., & Oats, L. (2009). *Taxation: Policy and practice* (16th ed.). Birmingham: Fiscal publications.
- Malhotra, N. K., Hall, J., Shaw, M., & Oppenheim, P. A. (2007). *Essentials of marketing research: An applied orientation*. New York: McGraw Hill.
- Manufacturers Association of Nigeria. (2014). *List of member companies*. Manufacturers Association of Nigeria, Kano.
- Marjit, S., Seidel, A., & Thum, M. (2017). Tax evasion, corruption and tax loopholes. *German Economic Review*, 18(3), 283–301. doi.org/10.1111/geer.12107
- Martin, K. D., Cullen, J. B., Johnson, J. L., & Parboteeah, K. P. (2007). Deciding to

- bribe: A cross-level analysis of firm and home country influences on bribery activity. *Academy of Management Journal*, 50(6), 1401–1422.
doi.org/10.5465/AMJ.2007.28179462
- Mas'ud, A. (2013). Cost, penalty and risk avoidance in self-assessment system: Some suggestions for self-employed taxpayers. *International Journal of Management Research and Review*, 3(4), 2707-2713.
- Mascagni, G. (2016) *From the lab to the field: A review of tax experiments* (International Centre for Tax and Development Working Paper 46). Retrieved from
https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/8967/ICTD_WP46.pdf?sequence=5&isAllowed=y
- Maseko, N. (2014). The impact of personal tax knowledge and compliance costs on tax compliance behaviour of SMEs in Zimbabwe. *Elite Research Journal of Accounting and Business Management*, 2(3), 26–37.
- Mason, R., & Calvin, L. D. (1978). A study of admitted income tax evasion. *Law & Society Review*, 13(1), 73–89.
- Matsaganis, M., & Flevotomou, M. (2010). *Distributional implications of tax evasion in Greece* (Hellenic Observatory Papers on Greece and Southeast Europe No. 31). Retrieved from <http://eprints.lse.ac.uk/26074/>
- McKerchar, M. (2002). The effects of complexity on unintentional non-compliance for personal taxpayers in Australia. *Australian Tax Forum*, 17(1), 3–26.
- McKerchar, M. (2003). The impact of complexity upon personal taxpayers: A study of Australian personal taxpayers. Sydney: Australian Tax Research Foundation.
- McKerchar, M. (2005). The impact of tax complexity on practitioners in Australia.

Australian Tax Forum, 20(4), 529–554.

McKerchar, M. (2007). *Tax complexity and its impact on tax compliance and tax administration in Australia*. Paper presented at the IRS Research Conference, Washington, D.C. Retrieved from <http://www.irs.gov/pub/irs-soi/07resconfmckerchar.pdf> Retrieved online.

Meade, A. W., Watson, A. M., & Kroustalis, C. M. (2007, April). *Assessing Common Methods Bias in Organizational Research*. Paper presented at the 22nd Annual Meeting of the Society for Industrial and Organizational Psychology, New York.

Menard, S. (2012). Coefficients of determination for multiple logistic regression analysis. *The American Statistician*, 54(1), 17–24.

Micah, C. L., Ebere, C., & Umobong, A. A. (2012). Tax system in Nigeria: Challenges and the way forward. *Research Journal of Finance and Accounting*, 3(5), 9-16.

Milliron, V. C. (1985). A behavioural study of the meaning and influence of tax complexity. *Journal of Accounting Research*, 23(2), 794-817.

Mills, L. F. (1996). Corporate tax compliance and financial reporting. *National Tax Journal*, 49(3), 422–435.

Mills, L. F. (1998). Book-tax differences and Internal Revenue Service adjustments. *Journal of Accounting Research*, 36(2), 343–356.

Modugu, K. P., & Anyaduba, J. O. (2014). Impact of tax audit on tax compliance in Nigeria. *International Journal of Business and Social Science*, 5(9), 207–215.

Mohammed, S. N. (2017). The Niger Delta Avengers, autonomous ethnic clans and common claim over oil wells: The paradox of resource control. *African Research Review*, 11(2), 2006–2017.

- Moser, D. V, Evans III, J. H., & Kim, C. K. (1995). The effects of horizontal and exchange inequity on tax reporting decisions. *The Accounting Review*, 70(4), 619–634.
- Murphy, K. (2003). Procedural justice and tax compliance. *Australian Journal of Social Issues*, 38(3), 1–30.
- Murphy, K. (2010). Procedural justice and the regulation of tax compliance behaviour: The moderating role of personal norms. In J. Alms, J. Martinez-Vazquez, & B. Torgler (Eds.), *Developing alternative frameworks for explaining tax compliance* (pp. 191-214). New York: Routledge.
- Murphy, K., & Tyler, T. (2008). Procedural justice and compliance behaviour: The mediating role of emotions. *European Journal of Social Psychology*, 38(4), 652–668. doi.org/10.1002/ejsp.502/full
- Murphy, K., Tyler, T. R., & Curtis, A. (2009). Nurturing regulatory compliance: Is procedural justice effective when people question the legitimacy of the law? *Regulation and Governance*, 3(1), 1–26. doi.org/10.1111/j.1748-5991.2009.01043.x
- Murray, M. N. (1995). Sales tax compliance and audit selection. *National Tax Journal*, 48(4), 515–530.
- National Bureau of Statistics, & Small and Medium Enterprises Development Agency of Nigeria, Natinal MSME Collaborative Survey (2010). *Survey report on Micro, Small and Medium Enterprises in Nigeria*. Retrieved from http://nigerianstat.gov.ng/pdfupload/SMEDAN%202010_Selected%20Tables.pdf
- Ndiaye, M. & Korsu, R. (2014). Tax effort in ECOWAS countries. In D. Seck (Ed.),

- Regional Economic Integration in West Africa* (pp. 137-158). Retrieved from http://www.crepol.org/images/my_pdf/july-paper-09.pdf
- Nur-tegin, K. D. (2008). Determinants of business tax compliance. *The B.E. Journal of Economic Analysis & Policy*, 8(1), 1–26.
- Obayemi, O. K. (2015). An assessment of the Nigerian tax appeal tribunal and the need for a speedier and more efficient system. *Research Journal of Finance and Accounting*, 6(6), 11–43.
- Odusola, A. (2006). *Tax reform in Nigeria*. (World Institute for Development Economic Research Paper No. 2006/03). Retrieved from http://www.rrojasdatabank.info/unurp06/rp2006-03_1.pdf
- Olken, B. A., & Barron, P. (2009). The simple economics of extortion: Evidence from trucking in Aceh. *Journal of Political Economy*, 117(3), 417–452. doi.org/10.1086/599707
- Olken, B. A., & Pande, R. (2012). Corruption in developing countries. *Annual Review of Economics*, 4(1), 479-509.
- OPEC. (2016). *Organization of Petroleum Exporting Countries annual statistical bulletin*. Retrieved from https://www.opec.org/opec_web/static_files_project/media/downloads/publications/ASB2016.pdf
- Ortega, D. E., & Sanguitti, P. (2013). *Deterrence and reciprocity effects on tax compliance: Experimental evidence from Venezuela* (Development Bank of Latin America Working Paper No. 08/2013). Retrieved from <http://scioteca.caf.com:8080/xmluiprod/bitstream/handle/123456789/2deterrence-reciprocity-effect-tax-compliance-experimental-evidence-enezuela.pdf?Seq>

uence=1&isAllowed=y

- Osborne, J. W. (2010). Improving your data transformations: Applying the Box-Cox transformation. *Practical Assessment, Research and Evaluation*, 12(15), 1-9. doi=10.1.1.470.7417&rep=rep1&type=pdf
- Otusanya, O. J. (2011). The role of multinational companies in tax evasion and tax avoidance: The case of Nigeria. *Critical Perspectives on Accounting*, 22(3), 316–332. doi.org/10.1016/j.cpa.2010.10.005
- Otusanya, O. J., Arowomole, S. S. A. & Adeyeye, G. B. (2013). An examination of tax leakages in government tax revenues: The case of Nigeria. *International Journal of Economics and Accounting*, 4(1), 93–122.
- Palil, M. R., & Mustapha, A. F. (2011a). Determinants of tax compliance in Asia: A case of Malaysia. *European Journal of Social Sciences*, 24(1), 7–32.
- Palil, M. R., & Mustapha, A. F. (2011b). Factors affecting tax compliance behaviour in self assessment system, 5(33), 12864–12872. doi.org/10.5897/AJBM11.1742
- Pallant, J. (2010). SPSS survival manual: A step by step guide to data analysis using SPSS. Maidenhead: McGraw Hill.
- Park, C. G., & Hyun, J. K. (2003). Examining the determinants of tax compliance by experimental data: A case of Korea. *Journal of Policy Modelling*, 25(8), 673–684. doi.org/10.1016/S0161-8938(03)00075-9
- Paulus, A. (2015). *Tax evasion and measurement error: An econometric analysis of survey data linked with tax records* (ISER Working Paper No. 2015–10). Retrieved from <https://www.econstor.eu/bitstream/10419/126489/1/82447676X.pdf>
- Pearl, D., & Fairley, D. (1985). Testing for the potential for nonresponse bias in

- sample surveys. *Public Opinion Quarterly*, 49(4), 553–560.
- Peers, I. S. (1996). *Statistical analysis for education and psychology researchers*. London: UK Falmer Press.
- Peterson, R. A., & Kim, Y. (2013). On the relationship between coefficient alpha and composite reliability. *The Journal of Applied Psychology*, 98(1), 194–8.
- Phillips, M., & Plumley, A. (2014). *Effort and compliance as endogenous taxpayer decisions*. paper presented at the National Tax Association Annual Conference Washington DC. Retrieved from <https://www.ntanet.org/wp-content/uploads/proceedings/2014/141-phillips-plumley-effort-compliance-ndogenoustaxpayer-decisions.pdf>
- Piquero, A. R., Paternoster, R., Pogarsky, G., & Loughran, T. (2011). Elaborating the individual difference component in deterrence theory. *Annual Review of Law and Social Science*, 7(1), 335-360.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J.Y., & Podsakoff, N. P. (2003). Common method biases in behavioural research: A critical review of the literature and recommended remedies. *The Journal of Applied Psychology*, 88(5), 879–903.
- Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. *Journal of Management*, 12(4), 531–544.
- Pope, J. (1992). The compliance cost of income taxation in Australia. *Policy Winter*, 8(2), 8–12.
- Porcano, T. M. (1988). Correlates of tax evasion. *Journal of Economic Psychology*, 9(1), 47–67. doi.org/10.1016/0167-4870(88)90031-1
- Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models.

- Behaviour Research Methods*, 40(3), 879–891. doi.org/10.3758/BRM.40.3.879
- Purohit, M. C. (2007). Corruption in tax administration. In A. Shah (Ed.), *Performance, accountability and combating corruption* (pp. 285-302). International Bank for Reconstruction and Development-The World Bank, Washington, D.C.: World Bank. Retrieved from <http://siteresources.worldbank.org/INTWBIGOVANTCOR/Resources/CorruptioninTaxAdministration.pdf>
- Puspita, A. F., Subroto, B., & Baridwan, Z. (2016). The analysis of individual behaviour of corporate taxpayers' obedience: Tax compliance model (study of hotels in Malang and Batu). *Review of Integrative Business and Economics Research*, 5(3), 135–160.
- Ransome, K. (2008). The effectiveness and efficiency of administrative law: The tribunal perspective. *Australian Institute of Administrative Law Forum*, 58(3), 68-73.
- Reinganum, J. F., & Wilde, L. L. (1985). Income tax compliance in a principal agent framework. *Journal of Public Economics*, 26(1), 1–18.
- Rice, E. M. (1992). The corporate tax gap: Evidence on tax compliance by small corporations. In J. Slemrod (Ed.), *Why people pay taxes* (pp. 125-166). Ann Arbor: University of Michigan.
- Richardson, G. (2005). An exploratory cross-cultural study of tax fairness perception and tax compliance behaviour in Australia and Hong Kong. *International Tax Journal*, 31(1), 11-67.
- Richardson, G. (2006). Determinants of tax evasion: A cross-country investigation. *Journal of International Accounting, Auditing and Taxation*, 15(2), 150–169.

doi.org/10.1016/j.intaccaudtax.2006.08.005

Richardson, G. (2008). The relationship between culture and tax evasion across countries: Additional evidence and extensions. *Journal of International Accounting, Auditing and Taxation*, 17(2), 67–78.

doi.org/10.1016/j.intaccaudtax.2008.07.002

Richardson, G., & Smith, D. (2002). The readability of Australia's goods and services tax legislation: An empirical investigation. *Federal Law Review*, 30(3), 475–506.

Richardson, M., & Sawyer, A. (2001). A taxonomy of the tax compliance literature: Further findings, problems and prospects. *Australian Tax Forum*, 16(2), 137–320. doi.org/10.4335/13.3.639-659(2015)ISSN

Robben, H. S. J., Webley, P., Weigel, R. H., Warneyard, K. E., Kinsey, K. A., Hessing, D. J., Scholz, J. T. (1990). Decision Frame and Opportunity. *Journal of Economic Psychology*, 11(3), 341–364.

Roberts, M. L. (1994). An experimental approach to changing taxpayers' attitudes towards fairness and compliance via television. *The Journal of the American Taxation Association*, 16(1), 67.

doi.org/http://dx.doi.org/10.1108/17506200710779521

Roberts, M. L., & Hite, P. A. (1994). Progressive taxation, fairness, and compliance. *Law & Policy*, 16(1), 27–48. doi.org/10.1111/j.1467-9930.1994.tb00115.x

Roscoe, J. T. (1975). *Fundamental research statistics for the behavioural sciences* (2nd ed.). New York: Holt Rinehart & Winston.

Rotberg, R. I. (2004). Strengthening governance: Ranking countries would help. *The Washington Quarterly*, 28(1), 71–81. doi.org/10.1162/0163660042518215

- Roth, J. A., Scholz, J. T., & Witte, A. D. (1989). *Taxpayer compliance: Agenda for research*. Philadelphia: University of Pennsylvania Press.
- Rucker, D. D., Preacher, K. J., Tormala, Z. L., & Petty, R. E. (2011). Mediation analysis in social psychology: Current practices and new recommendations. *Social and Personality Psychology Compass*, 6(5), 359–371.
- Rumney, E. (2016, July). Nigerian tax system in need of reform, say experts. *Public Finance International News and Comment*. Retrieved from <http://www.publicfinanceinternational.org/news/2016/07/nigerian-tax-system-need-reform-say-experts>
- 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* (Doctoral dissertation). Available from University of Canterbury Research Repository. (Record No. 10092/5065).
- Saad, N. (2014). Tax knowledge, tax complexity and tax compliance: Taxpayers' view. *Procedia Social and Behavioural Sciences*, 109(1), 1069–1075. doi.org/10.1016/j.sbspro.2013.12.590
- Saad, N., Udin, N. M., & Derashid, C. (2014). Complexity of the Malaysian Income Tax Act 1967: Readability assessment. *Procedia Social and Behavioural Sciences*, 164(1), 606–612.
- Salkind, N. J. (2012). *Exploring research* (8th ed.). New York: Pearson Education Ltd.
- Sandford, C. (1995). *Tax compliance costs measurement and policy*. UK: Institute for

Fiscal Studies,

- Sandford, C., Godwin, M., & Hardwick, P. (1989). *Administrative and compliance cost of taxation*. UK: Fiscal publications.
- Sandford, C., & Hasseldine, J. (1992). *The compliance costs of business taxes in New Zealand*. Wellington: Institute of Policy Studies.
- Sandmo, A. (1981). Income tax evasion, labour supply, and the efficiency-equity trade-off. *Journal of Public Economics*, 16(3), 265–288.
- Sapiei, N. S., Kasipillai, J., & Eze, U. C. (2014). Determinants of tax compliance behaviour of corporate taxpayers in Malaysia. *eJournal of Tax*, 12(2), 383–409.
- Sapiei, N. S., & Kasipillai, J. (2013a). External tax professionals' views on compliance behaviour of corporation. *American Journal of Economics*, 3(2), 82–89. doi.org/10.5923/j.economics.20130302.04
- Sapiei, N. S., & Kasipillai, J. (2013b). Impacts of the self-assessment system for corporate taxpayers. *American Journal of Economics*, 3(2), 75–81. doi.org/10.5923/j.economics.20130302.03
- Sarstedt, M., Ringle, C. M., & Hair, J. F. (2017). Partial Least Squares Structural Equation Modeling. In C. Homburg, M. Klarmann, & A. Vomberg (Eds.), *Handbook of market research*. Heidelberg: Springer. doi.org/10.1007/978-3-319-05542-8
- Sarstedt, M., Ringle, C. M., Smith, D., Reams, R., & Hair, J. F. (2014). Partial Least Squares Structural Equation Modelling (PLS-SEM): A useful tool for family business researchers. *Journal of Family Business Strategy*, 5(1), 105–115.
- Schneider, B., White, S. S., & Paul, M. C. (1998). Linking service climate and

- customer perceptions of service quality: test of a causal model. *The Journal of Applied Psychology*, 83(2), 150–163. doi.org/10.1037/0021-9010.83.2.150
- Schneider, F., Raczkowski, K., & Mroz, B. (2015). Shadow economy and tax evasion in the EU. *Journal of Money Laundering Control*, 18(1), 34–51. doi.org/http://dx.doi.org/10.1108/MRR-09-2015-0216
- Sekaran, U., & Bougie, R. (2010). *Research methods for business: A skill building approach* (5th ed.). West Sussex, UK: John Wiley & Sons Ltd.
- Sequeira, S. (2009). *On the waterfront: An empirical study of corruption in ports* (Doctoral dissertation). available from ProQuest Dissertations and Theses data base. (Record No. 3365432).
- Shrout, P. E., & Bolger, N. (2002). Mediation in experimental and nonexperimental studies: new procedures and recommendations. *Psychological Methods*, 7(4), 422.
- Slemrod, J. (1989). Complexity, compliance costs and tax evasion. In J. A. Roth & J. T. Scholz (Eds.), *Taxpayer Compliance: Social Science Perspectives* (pp. 154-174). Philadelphia: University of Pennsylvania Press.
- Slemrod, J. (2004). *The economics of corporate tax selfishness* (National Bureau of Economic Research, University of Michigan, Working Paper No. 918). Retrieved from <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/39178/918.pdf?sequence=1&isAllowed=y>
- Slemrod, J. (2007). Cheating ourselves: The economics of tax evasion. *Journal of Economic Perspectives*, 21(1), 25–48.
- Slemrod, J., Blumenthal, M., & Christian, C. (2001). Taxpayer response to an

- increased probability of audit: Evidence from a controlled experiment in Minnesota. *Journal of Public Economics*, 79(3), 455–483. doi.org/10.1016/S0047-2727(99)00107-3
- Slemrod, J., & Yitzhaki, S. (2002). Tax avoidance, evasion, and administration. In A. Auerbach & M. Feldstein (Eds.), *Handbook of public economics* (pp. 1423–1470). Retrieved from <https://pdfs.semanticscholar.org/4ce5/9a38b58049d752d7e2df025767c00625d1ff.pdf>
- Smith, D., & Richardson, G. (1999). The readability of Australia’s taxation laws and supplementary materials: An empirical investigation. *Fiscal Studies*, 20(3), 321–349.
- Solano-Garcia, A. (2017). Fairness in tax compliance: A political competition model. *Journal of Public Economic Theory*, 19(5), 1–16. doi.org/10.1111/jpet.12232
- Song, Y., & Yarbrough, T. E. (1978). Tax ethics and taxpayers attitudes: A survey. *Public Administration Review*, 38(5), 442–452.
- Spicer, M. W. (1974). *A behavioural model of income tax evasion* (Doctoral dissertation, the Ohio State University). Retrieved from https://etd.ohiolink.edu/!etd.send_accession=osu1486981547848839&disposition=inline file?
- Spicer, M. W., & Becker, L. A. (1980). Fiscal inequity and tax evasion: An experimental approach. *National Tax Journal*, 33(2), 171–175.
- Spicer, M. W., & Hero, R. E. (1985). Tax evasion and heuristics: A research note. *Journal of Public Administration Research and Theory*, 26(2), 263–267.
- Spicer, M. W., & Lundstedt, S. B. (1976). Understanding tax evasion. *Public Finance*,

- 31(2), 295–305.
- Spicer, M. W., & Thomas, J. E. (1982). Audit probabilities and the tax evasion decision: An experimental approach. *Journal of Economic Psychology*, 2(3), 241–245. doi.org/10.1016/0167-4870(82)90006-X
- Srinivasan, T. N. (1973). Tax evasion: A model. *Journal of Public Economics*, 2(4), 339–346.
- Strader, J., & Fogliasso, C. E. (1989). An investigation of some factors affecting taxpayer non-compliance. *Accounting and Business Research*, 20(77), 39–46.
- Susila, B., & Pope, J. (2012). The tax compliance costs of large corporate taxpayers in Indonesia. *Australian Tax Forum*, 27(4), 719–772.
- Swistak, A. (2016). Tax penalties in SME tax compliance. *Financial Theory and Practice*, 40(1), 129–147.
- Tabachnick, B. G., & Fidell, L. S. (2013). *Using multivariate statistics* (6th ed.). Boston: Pearson Education Limited.
- Tagkalakis, A. O. (2013). Audit and tax offenders: Recent evidence from Greece. *Economics Letters*, 118(3), 519–522.
- Tavits, M. (2007). Clarity of responsibility and corruption. *American Journal of Political Science*, 51(1), 218–229.
- Tedds, L. (2010). Keeping it off the Books: An empirical investigation of firms that engage in tax evasion. *Applied Economics*, 42(19), 2459–2473. doi.org/10.1080/00036840701858141
- Thomas, C. (2012). Assessing tax fairness dimensions in a small developing assessing tax fairness dimensions in a small developing economy. *Business and Economics Journal*, 62(1), 1–8.

- Torgler, B. (2002). Speaking to theorists and searching for facts: Tax morale and tax compliance in experiments. *Journal of Economic Surveys*, 16(5), 657–683.
- Torgler, B. (2003). Does culture matter? Tax morale in an East--West-German comparison. *Finanz Archiv*, 59(4), 504–528.
- Torgler, B. (2004). Moral suasion: An alternative tax policy strategy? Evidence from a controlled field experiment in Switzerland. *Economics of Governance*, 5(3), 235–253. doi.org/10.1007/s10101-004-0077-7
- Torgler, B. (2007). Tax compliance and tax morale: A theoretical and empirical analysis. UK: Edward Elgar Publishing Limited.
- Torgler, B., Schaffner, M., & Macintyre, A. (2007). *Tax compliance, tax morale, and governance quality* (International Studies Program, Andrew Young School of Policy Studies, Georgia State University, Working Paper No. 07-27). Retrieved from https://zew.de/pub/zew-ocs/veranst_upload/1134/481_Paper%20Benno%20Torgler.pdf
- Torgler, B., & Schneider, F. (2007). *Shadow economy, tax morale, governance and institutional quality: A panel analysis* (School of Economics and Finance Discussion Papers and Working Papers 210, No. 1923). Retrieved from <https://www.econstor.eu/dspace/bitstream/10419/25968/1/538033703.PDF>
- Tran-Nam, B., & Evans, C. (2014). Towards the development of a tax system complexity index. *Fiscal Studies*, 35(3), 341–370. doi.org/10.1111/j.1475-5890.2014.12033.x
- Trang, T. T. K., Nga, T. K., & Quang, P. Q. N. (2015). Economic and non-economic factors impacting tax compliance. *National Journal of Arts, Commerce & Scientific Research Review*, 2(2), 30–34.

- Transparency International. (2014). *Corruption by country/territory*. Retrieved from <http://www.transparency.org/country#NGA>
- Treisman, D. (2000). The causes of corruption: A cross-national study. *Journal of Public Economics*, 76(3), 399–457. doi.org/10.1016/S0047-2727(99)00092-4
- Tsakumis, G. T., Curatola, A. P., & Porcano, T. M. (2007). The relation between national cultural dimensions and tax evasion. *Journal of International Accounting, Auditing and Taxation*, 16(2), 131–147.
- Tyler, T. R. (1997). Procedural fairness and compliance with the law. *Swiss Journal of Economics and Statistics*, 133(2), 219–240.
- Tyler, T. R., & Jackson, J. (2014). Popular legitimacy and the exercise of legal authority: Motivating compliance, cooperation, and engagement. *American Psychological Association*, 20(1), 78–95. doi.org/10.1037/a0034514
- Tyler, T. R. (1990). *Why people obey the law?* New Haven: Yale University.
- Ulph, D. (2014). *Measuring tax complexity* (School of Economics and Finance, University of St Andrews Working Paper no. 1417). Retrieved from https://research-repository.st-andrews.ac.uk/bitstream/handle/10023/6755/Ulph_EconDiscPap_1417.pdf?sequence=1&isAllowed=y
- Umar, M. S., & Saad, N. (2015). Readability assessment of Nigerian company income tax Act. *Jurnal Pengurusan*, 44(1), 25–33.
- Urbancic, F. R., & Hsu, K. (2007). The readability of instructions for income taxation in the western states. *Mountain Plains Journal of Business and Economics*, 8(1), 29–37.
- US Small Business Administration. (2011). *Measuring and modelling the federal income tax compliance burden of small businesses* (Research paper). Retrieved

from <http://www.sba.gov/sites/default/files/files/rs382tot.pdf>

- Vaillancourt, F., & Clemens, J. (2008). Compliance and administrative costs of taxation in Canada. In J. Clemens (Ed.), *The impact and cost of taxation in Canada: The case for a flat tax reform* (pp. 55-102). Canada: The Fraser Institute.
- Vaillancourt, F., Clemens, J., & Palacios, M. (2007). *Compliance and administrative costs of taxation in Canada*. Fraser Institute.
- Verboon, P., & van Dijke, M. (2007). A self-interest analysis of justice and tax compliance: How distributive justice moderates the effect of outcome favourability. *Journal of Economic Psychology*, 28(6), 704-727. doi.org/10.1016/j.joep.2007.09.004
- Vogel, J. (1974). Taxation and public opinion in Sweden: An interpretation of recent data. *National Tax Association*, 27(4), 499-513.
- Webley, P., Robben, H., Elffers, H., & Hessing, D. (1991). *Tax Evasion: An Experimental Approach*. Cambridge: Cambridge University Press.
- Weigel, R. H., Hessing, D. J., & Elffers, H. (1987). Tax evasion research: A critical-appraisal and theoretical-model. *Journal of Economic Psychology*, 8(2), 215-235. doi.org/10.1016/0167-4870(87)90021-3
- Wenzel, M. (2002a). Tax compliance and the psychology of justice: Mapping the field. In V. Braithwaite (Ed.), *Taxing democracy* (pp. 41-70). England: Ashgate.
- Wenzel, M. (2002b). The impact of outcome orientation and justice concerns on tax compliance: The role of taxpayers' identity. *Journal of Applied Psychology*, 87(4), 629-645. doi.org/10.1037//0021-9010.87.4.629
- Wenzel, M. (2004). The social side of sanctions: Personal and social norms as

- moderators of deterrence. *Law and Human Behaviour*, 28(5), 547-567.
- Wenzel, M., & Taylor, N. (2004). An experimental evaluation of tax-reporting schedules: A case of evidence-based tax administration. *Journal of Public Economics*, 88(12), 2785-2799. doi.org/10.1016/j.jpubeco.2003.10.001
- World Bank, World Development Indicators (2017). Tax revenue to GDP ratio (data file). Retrieved from <http://data.worldbank.org/indicator/GC.TAX.TOTL.GD.ZS/countries>
- World Bank, & International Finance Corporation (2014). *Doing Business Report 2014*. Retrieved from <https://openknowledge.worldbank.org/bitstream/handle/10986/16204/19984.pdf?sequence=1>
- Worlu, C. N., & Nkoro, E. (2012). Tax revenue and economic development in Nigeria: A macro econometric approach. *Academic Journal of Interdisciplinary Studies*, 1(2), 211–223.
- Worsham, R. G. (1996). The effect of tax authority behaviour on taxpayer compliance: A procedural justice approach. *Journal of the American Taxation Association*, 18(2), 19–39.
- Yesegat, W. (2009). *Value added tax in Ethiopia: A study of operating costs and compliance* (Doctoral dissertation). Available from University of New South Wales dissertation data base. (Record No. 4457).
- Yitzhaki, S. (1974). A note on “Income tax evasion: A theoretical analysis.” *Journal of Public Economics*, 3(2), 201–202.
- Yusof, N. M., Ling, L. M., & Wah, Y. B. (2014). Tax noncompliance among SMEs in Malaysia: Tax audit evidence. *Journal of Applied Accounting Research*, 15(2), 215–234.

Zafirovski, M. (2005). Social exchange theory under scrutiny: A positive critique of its economic-behaviourist formulations. *Electronic Journal of Sociology*, 2(2), 1-40.

Zhao, X., Lynch, J. G., & Chen, Q. (2010). Reconsidering Baron and Kenny: myths and truths about mediation analysis. *The Journal of Consumer Research*, 37(2), 197–206. doi.org/10.1086/651257

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2013). *Business research methods* (9th ed.). Canada: South-Western, Cengage Learning.





Appendix A:
Questionnaire

Universiti Utara Malaysia



Dear Valued Respondent,

A SURVEY OF CORPORATE TAXPAYERS PERCEPTIONS AND TAX COMPLIANCE COSTS

This is a survey of a doctoral research on company income tax and estimation of compliance costs.

The researcher appreciates your kind assistance by taking your valuable time to complete the survey questionnaire, which is in English language. The researcher does recognize that your time is precious, and many demands are made upon it by your daily workload. Your participation in this survey would provide valuable input for the success of this research.

All completed questionnaires will be the property of the researcher, which is considered as privilege and will be treated with strict confidentiality. Thus, the completed questionnaires will only be used for academic purpose.

Should you have any queries or if you are interested in the outcomes of this research kindly contact the researcher.

Yours sincerely,
Musa Sulaiman Umar
Ph.D. Student in Accounting
School of Accounting
Universiti Utara Malaysia
06010 Sintok, Kedah, Malaysia
Phone no: 08063143811/+6014321836
Email: s95505@uum.student.edu.my

INSTRUCTIONS

Kindly tick an appropriate option based on the level of your agreement or disagreement with the provided statements based on the following scale:

[1] = Strongly disagree

[2] = Disagree

[3] = Neutral

[4] = Agree

[5] = Strongly agree

Where options are not based on the above scale, please provide the required information as accurate as possible.

PART A: PERCEPTIONS AND OPINIONS

Audit

The following statements are about the possibility of the audit to take place and to detect any discrepancy. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. The chances of being audited are high that it is not advisable trying to cut down a little on corporate income taxes for various reasons.	1	2	3	4	5
2. There are chances that any discrepancy in the tax return will be detected.	1	2	3	4	5
3. It is likely that an annual tax return with a discrepancy will be audited.	1	2	3	4	5
4. If a company is chosen for audit, it is likely that the audit will identify any discrepancy.	1	2	3	4	5

Bribery

The following statements are about giving bribe to government officials to get things done. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. It is common for small company to pay some irregular additional payments to get things done.	1	2	3	4	5
2. A small company need to make extra unofficial payments to public officials to get connected to public services.	1	2	3	4	5

3. A small company need to make extra unofficial payments to public officials to deal with taxes and tax collection.	1	2	3	4	5
4. A small company need to make extra unofficial payments to public officials when dealing with customs/imports.	1	2	3	4	5

Complexity

The following statements are about difficulties in filling the tax return and understanding the tax laws. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. I consider corporate income tax return preparation simple.	1	2	3	4	5
2. Complexity in the income tax law is necessary so that companies are treated fairly.	1	2	3	4	5
3. Corporate income tax is not so complicated that you need the services of tax professionals to take advantage of most legal ways to save much taxes.	1	2	3	4	5

Fairness Perception

The following statements are about how fair is the tax law in relation to the current tax system that shifts more responsibilities to the taxpayers. Please show your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. The officers of every company have a moral obligation to report all their company's income and pay the correct amount of corporate income tax.	1	2	3	4	5
2. Under the current income tax system corporate tax laws are fair.	1	2	3	4	5
3. Change to SAS did not make corporate income tax more on small companies.	1	2	3	4	5

Income Tax Non-Compliance

The following statements are about reporting incomes and expenses of a company. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. It is not okay to under-report certain income since it does not really hurt anyone.	1	2	3	4	5
2. It is not okay to hide some earnings from interest or investment that the tax authority may not be able to find out about.	1	2	3	4	5
3. It does not make sense to take a chance and take a deduction when a company is not sure whether or not deserving the deduction.	1	2	3	4	5
4. It is not normal to stretch some deductions to include some expenses that are not really such deductions.	1	2	3	4	5

Penalty

The following statements are about the certainty and severity of tax sanction and its impact on the taxpayers. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. If an illegal discrepancy is detected in a company's return; taking the company to court and paying the tax owe with interest and substantial fine will cause problem to the company.	1	2	3	4	5
2. If an illegal discrepancy is detected in a company's return; taking the company to the court, paying the tax owe with interest will cause problem to the company.	1	2	3	4	5
3. If an illegal discrepancy is detected in a company's return; paying the tax owe with interest and substantial fine will cause problem to the company.	1	2	3	4	5
4. If an illegal discrepancy is detected in a company's tax return; paying the tax owe with interest will cause problem to the company.	1	2	3	4	5

Public Goods Supply

The following statements are about provision of public goods by the government. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. Public service in Nigeria is not vulnerable to political interference.	1	2	3	4	5
2. The way the government is handling the health service is satisfactory.	1	2	3	4	5
3. The way the government is handling the education system is satisfactory.	1	2	3	4	5
4. The general quality of infrastructure in Nigerian is satisfactory.	1	2	3	4	5

Perception of Tax Tribunal

The following statements are about the procedures of tax appeal tribunal in judging tax disputes. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. Corporate taxpayers can express their views and feelings during the tribunal procedures.	1	2	3	4	5
2. The tribunal procedures are free of bias.	1	2	3	4	5
3. The tribunal procedures are based on accurate information.	1	2	3	4	5
4. The tribunal procedures upheld ethical and moral standards.	1	2	3	4	5

Tax Rate Fairness

The following statements are about the justice of the tax rate in relation to company size and profit performance. Please indicate your level of agreement with the statements by ticking one option under each statement.

Statement	Strongly disagree			Strongly agree	
	[1]	[2]	[3]	[4]	[5]
1. A fair tax rate should be the same for every company regardless of size (small, medium or large).	1	2	3	4	5
2. It is fair that high-profit companies should pay a higher rate of tax than small and medium companies.	1	2	3	4	5
3. It is fair that high-profit companies should pay a higher rate of tax than low-profit companies.	1	2	3	4	5



PART B: ESTIMATION OF TAX COMPLIANCE COSTS

Section 1: Internal Tax Compliance Cost

10. Please estimate the **time spent** and **wage proportion** (per month) by the staff working on income tax activities (excluding usual bookkeeping and overhead cost) in your company for 2014. Please write '0' if you do not incur these costs.

	Total hours/month	Wage ₹/month	proportion
Manager/ Accountant	[]	[]	[]
Account Clerk	[]	[]	[]
Admin Staff	[]	[]	[]
Other Staff	[]	[]	[]

11. Did your company incur any other additional non-staff costs for income tax compliance in 2014? Please provide or estimate the amount spent. (Please write '0' if you do not incur these costs in your company).

	Naira/month ₹
Stationery	[]
Postage	[]
Transportation	[]
Computer & Software	[]
Others, please specify:	[]

Section 2. External cost

12. If your company employed external tax professionals to handle Company Income Tax in 2014, please provide or estimate the cost paid to an external tax professional for Company Income Tax in 2014. [Please write '0' if you did not incur these costs (in 2014) in your company]:

	Naira/year ₹
Accountant	[]
Lawyer	[]
Others, please specify	[]
.....	

13. If your company claims costs from the government for the time and money spent (for internal or external tax compliance cost) by the company in dealing with Company Income Tax in 2014, how much do you think is a fair compensation? (Please write '0' if you did not incur these costs in your company):

	Amount ₹
Internal cost	[]
External cost	[]

14. Compared with other business in your industry, the estimated level of Company Income Tax compliance costs is.

Very High	High	Normal	Low	Very low
[]	[]	[]	[]	[]





Appendix B:
Measures with Deleted Items

Universiti Utara Malaysia

Original Measures of Bribery from Martin et al (2001)

1. It is common for firms in my line of business to have to pay some irregular “additional payments” to get things done.
2. Do firms like yours typically need to make extra, unofficial payments to public officials to get connected to public services
3. Do firms like yours typically need to make extra, unofficial payments to public officials. to get licenses and permits
4. Do firms like yours typically need to make extra, unofficial payments to public officials. to deal with taxes and tax collection
5. Do firms like yours typically need to make extra, unofficial payments to public officials. to gain government contracts
6. Do firms like yours typically need to make extra, unofficial payments to public officials when dealing with customs/imports

Note: items deleted are shaded

Original Measures of Complexity from Christensen, Wehrich and Gerbing (1994) And Abdul Jabbar (2009)

1. Personally I consider corporate Income Tax return preparations difficult.
2. Corporate Income Tax law is relatively simple.
3. Complexity in the Income Tax law is necessary so that companies are treated fairly.
4. Corporate Income Tax is so complicated that only people who can afford to pay tax professionals can take advantage of most legal ways to save much taxes.

Note: items deleted are shaded

Original Measures of Fairness from Abdul Jabbar (2009) and Robert (1994)

1. I believe that each company’s officers have a moral obligation to report all of their company’s income and pay the correct amount of Corporate Income Tax.
2. Do you believe that the move to self-assessment system made the corporate tax laws more or less fair?
3. Overall, has the move to self-assessment system made the distribution of the Corporate Income Tax burden among small, medium and large companies more or less fair?
4. Do you believe that as result of changes in the Corporate Income Tax during the past five years SME companies are paying more or less taxes?
5. Do you believe that as result of changes in the Corporate Income Tax during the past five years large companies are paying more or less taxes?

Note: items deleted are shaded

Original Measures of Perception of Tax Tribunal from Colquitt (2001)

1. Have you been able to express your views and feelings during those procedures?
2. Have you had influence over the (outcome) arrived at by those procedures?
3. Have those procedures been applied consistently?
4. Have those procedures been free of bias?
5. Have those procedures been based on accurate information?
6. Have you been able to appeal the (outcome) arrived at by those procedures?
7. Have those procedures upheld ethical and moral standards?

Note: items deleted are shaded





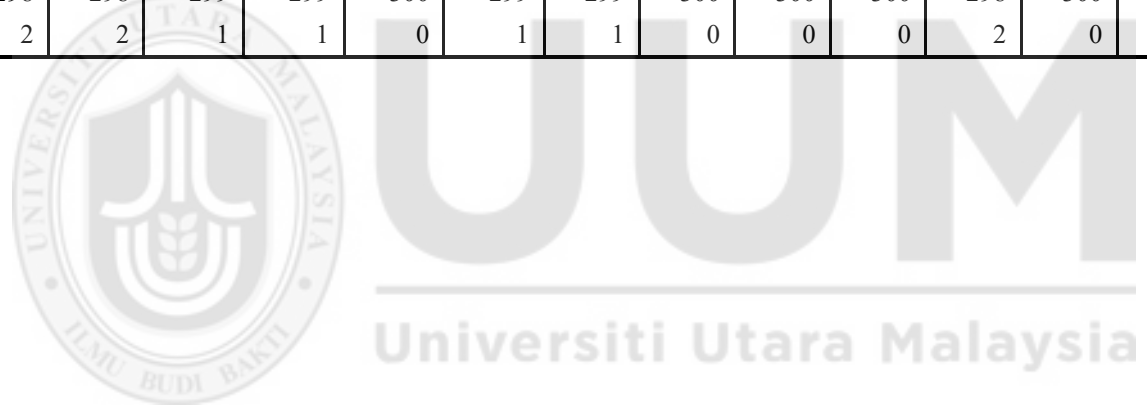
Appendix C:
SPSS Outputs

Universiti Utara Malaysia

Missing Values

	TRP1	TRP2	TRP3	AUD1	AUD2	AUD3	AUD4	PEN1	PEN2	PEN3	PEN4	CPX1	CPX2	CPX3	FRN1	FRN2	FRN3
N Valid	300	300	300	298	300	299	300	298	298	300	300	299	298	298	300	300	300
Missing	0	0	0	2	0	1	1	2	2	0	0	1	2	2	0	0	0

BRB1	BRB2	BRB3	BRB4	RTT1	RTT2	RTT3	RTT4	PGS1	PGS2	PGS3	PGS4	TCC	TNC1	TNC2	TNC3	TNC4
298	298	298	299	299	300	299	299	300	300	300	298	300	300	300	300	300
2	2	2	1	1	0	1	1	0	0	0	2	0	0	0	0	0





Appendix D:
PLS Outputs

Universiti Utara Malaysia

PLS Quality Criteria Overview

	AVE	Composite Reliability	R Square	Cronbach's Alpha	Communality	Redundancy
AUD	0.527	0.767		0.752	0.527	
BRB	0.519	0.810		0.748	0.519	
CPX	0.555	0.788		0.729	0.555	
FRN	0.633	0.838		0.730	0.633	
PEN	0.550	0.783		0.709	0.550	
PGS	0.527	0.763		0.706	0.527	
RTT	0.523	0.766		0.828	0.523	
TNC	0.682	0.896	0.480	0.843	0.682	0.136
TRP	0.603	0.818		0.747	0.603	



Cross Loadings

	AUD	BRB	CPX	FRN	PEN	PGS	RTT	TCC	TNC	TRP
AUD2	0.744	-0.085	-0.200	0.564	-0.315	-0.167	0.244	-0.171	-0.390	-0.232
AUD3	0.591	-0.192	-0.270	0.337	-0.279	-0.173	0.240	-0.290	-0.298	-0.367
AUD4	0.823	-0.118	-0.372	0.656	-0.353	-0.219	0.382	-0.369	-0.497	-0.274
BRB1	-0.241	0.853	0.234	-0.306	0.167	0.179	-0.317	0.202	0.207	0.271
BRB2	-0.075	0.619	0.131	-0.116	0.186	0.128	-0.132	0.104	0.078	0.319
BRB3	-0.074	0.654	0.151	-0.149	0.136	0.167	-0.171	0.115	0.086	0.213
BRB4	-0.028	0.734	0.071	-0.070	-0.008	0.086	-0.051	0.110	0.148	0.275
CPX1	-0.316	0.190	0.745	-0.359	0.446	0.291	-0.687	0.338	0.305	0.377
CPX2	-0.304	0.131	0.810	-0.293	0.467	0.206	-0.671	0.268	0.350	0.161
CPX3	-0.253	0.159	0.673	-0.240	0.357	0.123	-0.418	0.170	0.222	0.179
FRN1	0.600	-0.230	-0.280	0.792	-0.402	-0.158	0.316	-0.304	-0.452	-0.292
FRN2	0.570	-0.119	-0.307	0.828	-0.340	-0.219	0.405	-0.213	-0.521	-0.276
FRN3	0.600	-0.253	-0.381	0.766	-0.393	-0.149	0.394	-0.336	-0.421	-0.334
PEN1	-0.439	0.114	0.492	-0.437	0.859	0.290	-0.564	0.271	0.480	0.466
PEN3	-0.279	0.133	0.369	-0.295	0.707	0.285	-0.387	0.246	0.254	0.173
PEN4	-0.184	0.106	0.407	-0.279	0.642	0.191	-0.429	0.128	0.247	0.105
PGS1	-0.183	0.180	0.184	-0.168	0.299	0.609	-0.242	0.220	0.236	0.204
PGS2	-0.220	0.153	0.291	-0.184	0.283	0.738	-0.333	0.201	0.260	0.339
PGS3	-0.161	0.047	0.109	-0.135	0.131	0.820	-0.155	0.157	0.115	0.195
RTT1	0.317	-0.264	-0.357	0.395	-0.447	-0.273	0.771	-0.277	-0.444	-0.364
RTT2	0.277	-0.151	-0.694	0.341	-0.434	-0.279	0.690	-0.325	-0.303	-0.389
RTT3	0.289	-0.109	-0.799	0.270	-0.500	-0.211	0.706	-0.282	-0.355	-0.169
TCC	-0.384	0.195	0.356	-0.351	0.299	0.265	-0.401	1.000	0.226	0.354
TNC1	0.371	0.139	0.302	-0.434	0.401	0.236	-0.420	0.178	0.852	0.352
TNC2	0.527	0.209	0.356	-0.557	0.428	0.271	-0.441	0.183	0.839	0.455
TNC3	0.466	0.166	0.346	-0.467	0.379	0.205	-0.469	0.242	0.791	0.240
TNC4	0.462	0.139	0.314	-0.466	0.352	0.261	-0.377	0.143	0.820	0.319
TRP1	-0.252	0.364	0.183	-0.233	0.264	0.223	-0.238	0.260	0.234	0.640
TRP2	-0.380	0.333	0.312	-0.375	0.317	0.329	-0.400	0.315	0.416	0.859
TRP3	-0.236	0.150	0.224	-0.232	0.335	0.230	-0.318	0.245	0.289	0.814

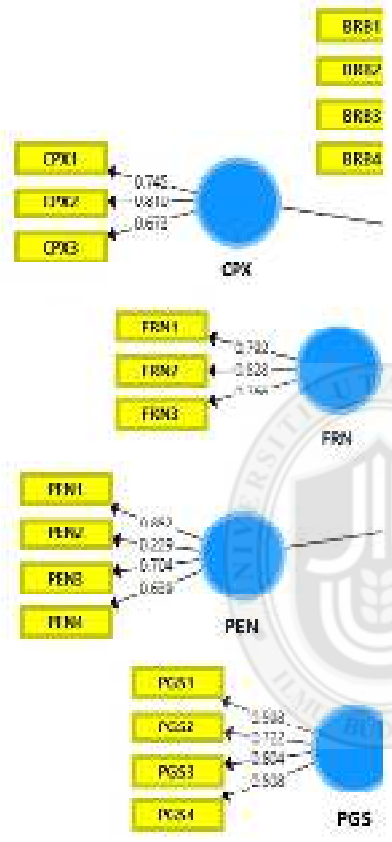
Path Coefficients (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Std. Dev (STDEV)	Std. Error (STERR)	T Stat (O/STERR)	P Values
AUD -> TNC	-0.228	-0.233	0.072	0.072	3.148	0.001
BRB -> TNC	-0.004	0.007	0.046	0.046	0.089	0.460
CPX -> TNC	0.091	0.105	0.074	0.074	1.487	0.069
FRN -> TNC	-0.260	-0.256	0.073	0.073	3.540	0.000
PEN -> TNC	0.083	0.084	0.058	0.058	1.426	0.075
PGS -> TNC	0.061	0.064	0.049	0.049	1.252	0.175
RTT -> TNC	-0.318	-0.313	0.090	0.090	3.551	0.000
TCC -> TNC	-0.126	-0.128	0.048	0.048	2.621	0.004
TRP -> TNC	0.129	0.127	0.053	0.053	2.433	0.009

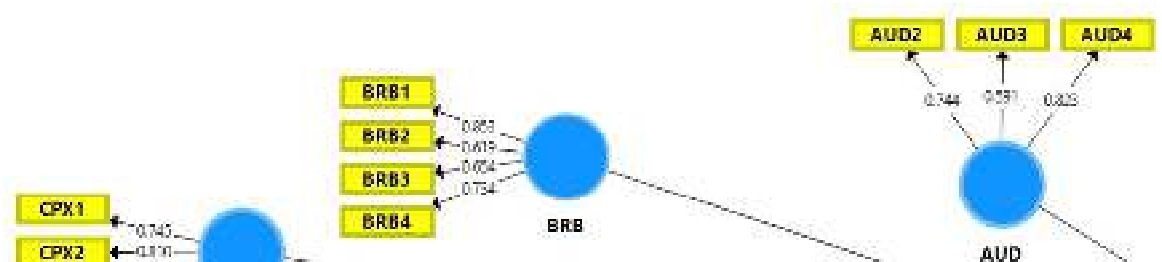


UUM
Universiti Utara Malaysia

Measurement Model Before Deletion of Low Loadings



Measurement Model of The Direct Relationships



Measurement Model of The Mediated Relationships

