FACTORS INFLUENCING THE INTENTION TO USE FINAL TAX AMONG EMPLOYMENT INCOME'S TAXPAYERS IN KLANG VALLEY, MALAYSIA

SYARIZAN BIN RAMLI

UNIVERSITI UTARA MALAYSIA
2017

FACTORS INFLUENCING THE INTENTION TO USE FINAL TAX AMONG EMPLOYMENT INCOME'S TAXPAYERS IN KLANG VALLEY, MALAYSIA

By

SYARIZAN BIN RAMLI

Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Partial Fulfillment of the Requirement for the Degree of Master of Sciences
(International Accounting)

Pusat Pengajian Perakaunan
Tunku Puteri Intan Safinaz
TUNKU PUTERI INTAN SAFINAZ SCHOOL OF ACCOUNTANCY
Universiti Utara Malaysia

PERAKUAN KERJA KERTAS PENYELIDIKAN
(Certification of Research Paper)

Saya, mengaku bertandatangan, memperakukan bahawa
(I, the undersigned, certified that)
SYARIZAN BIN RAMLI (819526)

Calon untuk Ijazah Sarjana
(Candidate for the degree of)
MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)

telah mengemukakan kertas penyelidikan yang bertajuk
(has presented his/her research paper of the following title)

FACTORS INFLUENCING THE INTENTION TO USE FINAL TAX AMONG EMPLOYMENT INCOME'S TAXPAYERS IN KLANG VALLEY, MALAYSIA

Seperti yang tercatat di muka surat tajuk dan kulit kertas penyelidikan
(as it appears on the title page and front cover of the research paper)

Bahawa kertas penyelidikan tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.
(that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the research paper).

Nama Penyelia : **PROF. MADYA DR. CHEK DERASHID**
(Name of Supervisor)

Tandatangan :
(Signature)

Tarikh : 28/12/17
(Date)

DECLARATION

I certify that the substance of this thesis has not been submitted to any degree and is not currently being submitted for and other degree qualification.

I certify that any help received in preparing this thesis and all sources used have been acknowledged in this thesis.

Syarizan Bin Ramli

819526

Tuanku Puteri Intan Shafinaz School of Accounting

Universiti Utara Malaysia

06010 Sintok

Kedah

PERMISSION TO USE

In presenting this dissertation/project paper in partial fulfilment of the requirements for a Post Graduate 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 dissertation/project paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor(s) or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my dissertation/project paper. It is understood that any copying or publication or use of this dissertation/project paper parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my dissertation/project paper.

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

Dean of Othman Yeop Abdullah Graduate School of Business

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

ABSTRACT

This study tested whether the theory of planned behavior could explain people's intention (taxpayers – an employment income) of accepting the final tax as their tax declaration in Malaysia. The study had extended the TPB model by expanding perceived behavior control into two (2) variables such Knowledge and Understanding. A questionnaires study was conducted among 215 respondents who are working with the single source of income (employment income) in Klang Valley of Malaysia. This research has empirically studied the relationship between attitude, subjective norms, perceived behavioral controls dimensions i.e. knowledge and understanding and behavioral intention to final tax. The results of this study indicate that attitude, subjective norms, perceived behavioral controls dimensions i.e. knowledge and understanding have a positive influence on behavioral intention to final tax. Furthermore, policy makers and the tax authorities are benefited by the findings, as it would help them in highlighting the positive dimensions and the relevant aspects that require attention in offering and developing to the public the relevant information of tax education. Limitations and practical implications of the study are also discussed.

Keyword: Final Tax, Attitude, Subjective Norm, Knowledge, Understanding and Intention.

ABSTRAK

Kajian ini menguji sama ada teori tingkah laku yang dirancang dapat menjelaskan niat orang (pembayar cukai - pendapatan penggajian) untuk menerima sistem cukai muktamad sebagai pengisytiharan cukai mereka di Malaysia. Kajian ini telah mengembangkan model TPB dengan memperluaskan kawalan kelakuan kepada dua (2) pembolehubah seperti Pengetahuan dan Pemahaman. Kajian soal selidik dijalankan di kalangan 215 responden yang bekerja dengan sumber pendapatan tunggal (penggajian) di Lembah Klang, Malaysia. Kajian ini secara empirikal mengkaji hubungan antara sikap, norma subjektif, dimensi kawalan tingkah laku yang dianggap iaitu pengetahuan dan kefahaman dan niat tingkah laku seseorang pembayar cukai terhadap cukai muktamad. Hasil kajian ini menunjukkan bahawa sikap, norma subjektif, dimensi kawalan tingkahlaku yang dianggap iaitu pengetahuan dan pemahaman mempunyai pengaruh positif terhadap niat tingkah laku ke atas penerimaan sistem cukai muktamad. Selain itu, penggubal dasar percukaian dan pihak berkuasa cukai akan mendapat manfaat daripada penemuan ini, kerana ia akan membantu mereka dalam memperkemaskan ke arah dimensi positif dan aspek yang relevan yang memerlukan perhatian dalam menawarkan dan membangun maklumat berkaitan sistem percukaian kepada orang ramai. Pembatasan dan implikasi praktikal kajian ini juga dibincangkan.

Kata Kunci : Cukai Muktamad, Sikap, Norma Subjektif, Pengetahuan, Pemahaman dan Niat.

ACKNOWLEDGEMENTS

In the name of Allah, the Most Gracious, the Most Merciful. Praise be to Allah (SWT) the Sustainer of the World, and peace and blessing be unto Prophet Muhammad (SAW).

I would like to thank my supervisor, Prof. Dr. Chek B Derashid, for the patient guidance, encouragement and advice he has provided throughout my time as his student. I have been extremely lucky to have a supervisor who cared so much about my work, and who responded to my questions and queries so promptly.

I would also like to thank all the members of staff at University Utara Malaysia especially Tunku Puteri Intan Safinaz School of Accountancy, UUM College of Business, Universiti Utara Malaysia who helped me completed the journey of this research paper.

I must express my gratitude to Nor Filzah Bt Che Rahim, my wife and my children; Syazana, Mohammad Firas and Syafira, for their continued support and encouragement. I would also like to thank my parents; Ramli Bin Hashim and Sharipah Zainab Bt Syed Mohammad, my siblings; Syaromi, Syarliza, Syarmizad and Syarina. They were always supporting and encouraging me with their best wishes.

Completing this work would have been all the more difficult were it not for the support and friendship provided by the other members of MSc (IA) Kohort 1. I am indebted to them for their help.

Finally, I would like to thank the Inland Revenue Board of Malaysia, not only for providing the facilities which allowed me to undertake this research, but also for giving me the opportunity to pursue and to complete this study. May Allah SWT bless all of us.

TABLE OF CONTENTS **PAGE**

CHAPTER 3: RESEARCH METHODOLOGY

LIST OF TABLES

LIST OF FIGURES **PAGE**

ABBREVIATIONS

ATT	Attitude
BIK	Benefit in Kinds
BIR	Bureau of Internal Revenue of Philippines
DGIR	Director-General Inland Revenue
EPF	Employee Provident Fund
HMRC	HM Revenue & Customs
IRBM	Inland Revenue Board Malaysia
IRD NZ	Inland Revenue Department of New Zealand
ITFR	Income Tax File Return
ITA	Income Tax Act
LHDNM	Lembaga Hasil Dalam Negeri Malaysia
MTD	Monthly Tax Deduction
PAYE	Pay-As-You-Earn
PBC	Perceived Behavior Control
PCB	*Potongan Cukai Bulanan*
SN	Subjective Norm
SPSS	Statistical Package for Social Science
TPB	Theory of Planned Behavior
TRA	Theory of Reason Action
YA	Year Assessment
YEA	Year End Adjustment

CHAPTER ONE

INTRODUCTION

1.1 Background of the studies

Collecting income tax efficiently has been the aim of many countries' tax administration. One of the easiest ways of generating revenue items are through the withholding tax on salaries or commonly known as Pay-As-You-Earn (PAYE). PAYE is a form of final tax which is appropriate for the salaried taxpayers. Examples of countries that implemented PAYE as the final tax are Philippines, New Zealand, United Kingdom and Japan. One of the main reasons to introduce PAYE as the final tax is the need to reduce the number of return filing and administrative work. PAYE substantially reduces the necessity of employees to file returns.

The reformation of the tax system in Malaysia especially in individual tax was proposed in the Budget 2014 proposal. The government had introduced individual monthly tax deduction (MTD) as one of the active ways to collect tax from salaried taxpayers. However, under this system, the taxpayers still need to file their tax return at the stipulated time and made some adjustments on the assessment. In 2014, the government proposed to make the monthly deduction as a final tax if the taxpayers fulfill specific criteria, for example - those who earn a single source of income which is employment income. In Malaysia, the taxpayers are primarily made up of sole source employment income earners. Based on a year of assessment 2014 tax returns, 3,080,276 (66.38%) out of 4,640,605 taxpayers registered as single sourced employment income earners had submitted their returns. By making MTD as a final tax, Inland Revenue Board Malaysia (IRBM) would be able to free up the administrative task and significant resources to focus more on audit activities which are more complex and risky area such as self-employed taxpayers and businesses. On the other hand, taxpayers can spare the trouble of having to file their returns, calculating their tax liabilities and having to meet tax return deadline.

Previously, the concept of MTD was to estimate the taxes that ease the burden of taxpayers to pay lump sum amount when the final tax is calculated. However, the employee still needs to submit individual income tax form (BE *form* for salaried taxpayers) either through manual filing or *e-filing* before 30th April every year. The taxpayers are confused whether the requirement to submit tax returns through MTD is same like the final tax or either they have to declare the tax returns to the Inland Revenue Board Malaysia (IRBM) separately. Therefore, to simplify taxpayers with employment income whose MTD has been deducted, it is proposed that these taxpayers are no longer required to submit tax returns if they are satisfied with the deductions. The implementation of the proposal will come into effect from year assessment 2014 (The 2014 Budget, 2013). The total amount deducted shall be deemed to be the final amount of tax payable and no additional assessment shall be made by the Director-General Inland Revenue (DGIR). According to the Research Department of Taxation (2010), one of the objectives of the implementation of the final tax is to reduce administrative costs especially in allocating human resources of IRBM to deal with the payment of tax refund. If the final tax is fully implemented, refund process will no longer exist. The refund process takes a significant amount of resources such as person hours in Collection and Desk Audit function. Additional work is needed to ensure the amount of the refund is correct, to update the current tax position of taxpayers and to process the necessary documents. Through the implementation of the final tax, the problem of overpayment or underpayment could be avoided and hence reduced the administrative costs significantly.

Besides to simplify the administration of individual taxation, the final tax also could eliminate the possibility for abuse in claiming personal relief and rebates by taxpayers. The Research Department of Taxation (2010), indicates that the amount of total tax loss due to the abuse (false-claim of individual and spouse relief and rebates, medical reliefs, insurance reliefs and spouse relief) was RM47.1 million, RM40.2 million and RM28.5 million in 2006, 2007 and 2008 respectively. From that amount, the distribution of abuse cases by salaried group earners represents

81% as compared to 19% of self-employed taxpayers and businesses. This issue indicates that employees are more likely to make false-claims either through ignorance or on purpose.

Considering all the above objectives, undeniably it is the main reason for IRBM to introduced MTD as a final tax. Once MTD is made as final tax, the majority of the BE cases (salaried group taxpayers) are expected to come under final tax which significantly reduces the number of fraudulent returns. In the case of personal taxation, compliance enforcement can be focused on auditing and collect tax from self-employed persons and businesses. The tax system will be more efficient whereby enforcement activities are focused on a smaller higher risk group. Moreover, the employees will be relieved of the burden of filing the income tax return.

However, not all government policies are accepted well by the general public as there are some areas where the level of acceptance remains unsatisfied. For instance, final tax acceptance is still low compared to Income Tax Return Form (ITRF). The following Table 1 shows the statistic on total number of employment income- taxpayers who filed a tax return and those who choose to adopt final tax for the past two years.

Table 1

Statistic on total ITRF and Final Tax

Year	# of Taxpayer from single-sourced employment income	ITRF	Final Tax	% of Final Tax / # of taxpayer
2014	4,640,605	2,554,307	525,969	11.334%
2015	4,972,218	2,614,626	488,022	9.815%

Source: IRBM, *Personal Communication, 28.01.2017*

Even though the final tax can simplify the administration of individual taxation (who has a single source of employment income), the percentage of taxpayers who adopted the final tax is relatively small. The government has invested a considerable amount of money in implementing this system, but the rate of acceptance among taxpayer is meager and unsatisfactory.

1.2 Problem Statement

By referring to the Table 1, 11.334 % of total taxpayers with employment income who adopted final tax reporting for the year 2014. The percentage has dropped to 9.815 % for the year 2015. Based on the analysis, concerns are raised about why taxpayers are still reluctant to switch to the final tax system. Given the above phenomenon, this study tries to see and understand the behaviour of Malaysian taxpayers in accepting this newly implemented system. Hence, to achieve the objectives in embedding the MTD as final tax and to strengthen the tax policy, tax authorities shall take appropriate measures.

All taxpayers from salary groups should be aware of what is the final tax is all about, especially with the view of how it works and what the benefits are for them. To ensure that this group of taxpayers understand and using the final tax system, a favorable environment needs to be created. For instance, the tax must be simplify, the deductions of relief and rebates are quickly updated, and the laws govern the system are evident. Therefore, the taxpayer's perceptions and attitudes are imperative in determining the success of the new tax policy. A positive behaviour would encourage them to use this final tax system.

Few studies have been able to identify the factors that result in a lack of acceptance or use of this final tax system since it just implemented in 2014. Exposure to the ultimate duty of this final tax should be focused on such an increase in the educational programs of final tax. Such as research studies on the use of e-filing at the beginning of implementation where the rate of consumption is low, then it is no wonder the introduction of the new tax system is also an issue that needs to be addressed to a developing country like Malaysia. The problem with the relatively low level of usage of the Final Tax system among employment income's taxpayers needs to be addressed by the IRBM to ensure more effective tax policy objectives and policies and achieve vision as a superior tax administrator.

Most of the studies using Theory Planned Behaviour (TPB) model are more focused on the study of behavioural intentions on tax compliance (Smart, 2012), e-filing usage (AM Tallaha,

2014), e-lejar (Aziz, 2017), tax-audit software (Aziz, 2017) and zakat compliance (Zainol & Faridahwati, 2013; Farah Mastura & Zainol, 2015). It is difficult to obtain this final tax-related research based on the TPB in Malaysia. Relatively to the TPB model, most of the previous scholars (Aziz, 2017a; Aziz, 2017b; Farah Mastura & Zainol, 2015) focusing on the original variables i.e attitude, subjective norm and perceived behaviour control (PBC). However in this study investigation on the relationship is added with an additional factors such as knowledge and understanding towards the adoption of final tax using TPB. This would give additional contribution to the area of final tax in Malaysia.

The phenomenon of the behaviour of low usage can be understood if the management can identify the cause of the low acceptance. According to Ajzen (1991), the primary reason of behavior is the intention. The intention is also influenced by three main factors, namely the attitude towards behavior, subjective norms and perceived behaviour control. In this study, the variable of perceived behaviour control focuses only on the element of knowledge and understanding of taxpayers related to final tax. These variables are hard to be found in the context of study about the final tax system in Malaysia. There is a gap between desired state and the actual state in term of to the possible factors that may influence taxpayers of employment income acceptance towards the final tax.

1.3 Research Question

Table 1 outlines the statistic of individual taxpayer with employment income who declared tax under existing system ITRF and Final Tax. From there, it shows that the percentage of taxpayers who choose final tax system is much lower as compare to submission through ITRF. Therefore, this research attempt to develop a further understanding on the general question; what are the factors influencing taxpayers' intention towards the adoption of final tax as a tax declaration in Malaysia? Specific question is:

> What is the relationship between attitude, subjective norms, knowledge, understanding and behavioural intention of final tax as tax declaration among taxpayers with employment income?

1.4 Research Objectives

The main objective of this study is to identify the factors that influence of taxpayers' intention towards the adoption of final tax as tax declarations in Malaysia. Specific objective is to investigate the relationship between attitudes, subjective norms, knowledge, understanding and behavioural intention of final tax as tax declaration among taxpayers with employment income.

1.5 Significance of the Research

This research will enrich the current literature on final tax system in Malaysia. It will benefit the government by providing information and feedback about the factors which influence the acceptance of the Malaysian taxpayers on the implementation of the final tax. As indicated earlier, among the ultimate goal of the implementation of the final tax system is to help taxpayers with employment income to report and file their income tax return. Through this study, the IRB can identify whether the structure of final tax it needs to be improved or not. As the number of acceptance towards final tax is low, a study that could provide insight into the level of attitudes, subjective norms, knowledge and understanding using the TPB among employment income group of taxpayers in Malaysia is seems like required. This is to ensure that the taxpayers are ready to switch to the final tax system.

TPB is the theory which links to belief and behaviour. This concept was proposed by Ajzen (1991). The theory explained human behaviour in term of attitude, subjective norms and perceived behaviour control. TPB determines the connection between beliefs and attitudes. As per models, people's evaluations of, or attitudes toward behaviour are identified by their accessible beliefs about the behavior, where a belief is defined as the subjective probability that the action will produce an inevitable outcome. In combination, attitude toward the behaviour, subjective norm, and perception of behavioural control lead to the constitution of a behavioural intention. As a general rule, the more favourable the attitude and subjective norm, and the higher the perceived control, the stronger should be the person's intent to perform the behaviour in question (Ajzen, 1991). By testing the applicability TPB, this study may understand and predict the intention of taxpayers in Malaysia to

choose either final tax or ITFR. Hence, the study will hopefully pave the way for future research works on final tax in Malaysia.

Literature indicates that research on final tax system in Malaysia has mainly been scarce in comparison to other countries because it was just implemented in 2014. Successful implementation with the highest degree of acceptance towards final tax depends much on the intention of the taxpayers. Knowing of what makes them have positive or negative attitude, subjective norms, knowledge and understanding about final tax is vital especially for the tax authority in modernizing the existing tax system. As such, results of this study would provide valuable input for the tax authority to implement the necessary measures to enhance final tax acceptance. Also, the result of the research could help IRBM to improve their delivery service in tandem with its mission "To provide taxation services with quality and integrity towards promoting voluntary compliance."

1.6 Scope of the Research

The research population consists of all employment income taxpayers in Malaysia. As shown in Table 1, statistic represents around 3.2 million populations of employment income taxpayers who were complying to submit their declaration of tax. The target respondents represent taxpayers whose income source solely from employment income and subject to tax.

Thus, to include sample size from the whole population, this study would be carried out in Klang valley because it is the most developed region in Malaysia and has the most substantial portion of eligible taxpayers in the country. All employees from single source of employment income who are eligible to tax will be selected for this study. The selection was randomized according to the number of samples is recommended.

1.7 Organization of the Research

The research comprises five (5) chapters. Chapter one (1) starts with the introduction of the study conducted. This chapter presented with a background of the study, problem statement, research questions, and objectives, essential or significance of the study, scope of the research and assumptions of the research. In the background of the study, the motivation of the study is discussed

where the main objectives are to determine the behaviour and acceptance of taxpayers towards final tax in Malaysia. The problem statement arises due to lower acceptance of final tax in Malaysia. The result from this research provides inputs to the relevant authority as for IRBM to improve and to encourage taxpayers using final tax as their tax declaration.

Chapter two (2) discusses the theory, concept, mechanism, and characteristic of final tax. It consists of a history of the final tax which in the early stage it was known as MTD. The chapters also review the literature on behaviour variables which consists of TPB towards the acceptance of final tax.

Chapter three (3) discusses the methodology part which includes the research framework, development of hypotheses, research design, comprises of the population, sample size, sampling technique, a collection of data, and measurement of construct and data analysis. The results of analyses and findings to emerge from the study are contained in Chapter 4. Chapter 5 includes a summary of the research and findings, conclusions drawn from the results, a discussion, and recommendations for further research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the mechanism and theory of final tax are discussed. The review of literature related to the final tax is presented and discussed. Various literature was cited in reviewing the theory of behavior to study the intention of taxpayer towards the implementation of the final tax system. TPB and some variables to measure acceptance consists of attitude, subjective norms, and perceived behaviour control are discovered. The overview of the final implementation tax in Malaysia is also discussed in this chapter. This purpose is to understand the characteristic of the final tax system which is different from ITRF. It also reviews other countries experience which already implemented the PAYE as a final tax to gain some insight knowledge and also to learn the countries experienced in implementing the system.

2.2 Monthly Tax Deduction (MTD) as Final Tax

MTD, or known more commonly by its Malay acronym as PCB (*potongan cukai bulanan*), was introduced on January 1, 1995. It is a system of tax recovery where employers are required to brand deductions from their employees' remuneration every month in accordance with the MTD Schedule. It is obligatory, in that neither the employer nor employee has any conclusion in the matter. Any unconventionality from the necessities of the Income Tax (Deduction from Remuneration) Rules 1994 must be upon composed authorization from the Inland Revenue Board of Malaysia (IRBM).

MTD can be dispatched through tapes or diskettes; in practice employers having more than 20 workers or employees are urged to present their MTD payments through tapes or diskettes as this speed the process of payment and in the meantime, diminish any blunders emerging amid the info procedure. Be that as it may, whatever method of settlement that might be utilized, employers are reminded to outfit complete and exact particulars of all representatives to dodge delay in crediting the deductions to the respective individual accounts.

Monthly tax deductions are only due on income earned from employment. For instance, "on remuneration that emerges from an expert hireling relationship and this incorporates all payments other than benefit in-kind [Section 13(1) (b) ITA 1967], accommodation benefits [Section 13(1) (c)] and reimbursements". The income earned from employment subject to MTD includes salary, commission, wages, remittances and allowance, overtime, director's fee, tips and bonuses emerging out of practicing the job. The employees add up such wage, subtracts the employee's Employees Provident Fund (EPF) contribution (subject to a maximum of RM500 every month or RM6,000 every year), and deducts the MTD as per the applicable class in the MTD Schedule that the representative goes under. Notwithstanding, where the payment is a bonus or other lump sum payment, a special formula has to be adopted to determine the MTD. Starting from Year of Assessment 2014, MTD as a final tax had been introduced. However, taxpayers are given an option to submit their declaration of tax thru Income tax return form (ITRF) either with e-filing or manually if not elected MTD as their final tax.

2.3 Theory of Planned Behavior (TPB)

Ajzen, (1991) proposed the theory of planned behaviour to further expand the "Theory of Reasoned Action" (TRA) (Ajzen & Fishbein, 1980). Researchers found that the surmise was inadequate and had several limitation (Godin & Kok, 1996). The constraint recognized in TPB is concerning when individuals confront troubles and have little power or no control in acting out the behaviour. Thus, Ajzen (1991) developed the TPB to include another variable to TRA which is perceived behavioural control (PBC). A person's action is determined by behavioral intentions, which in turn are influenced by an attitude towards behaviour and subjective norms and PBC can affect intention as well (Ajzen, 1991). PBC influences the individual's decision through behavioral intention (Teo & Beng Lee, 2010). Theory of planned behaviour is pertinent to foresee individual's intention towards a specific behaviour. Thus, the theory of planned behavior will be connected in this study to envisage the intention of taxpayers from employment income towards the acceptance of final tax in Malaysia.

TPB is an intention-based model (Ajzen, 1991) that have been demonstrated to substantiate intention of an individual's specific behavior (Ajzen & Driver, 1992). This theory has been utilized as a part of different studies. Research by Ajzen and Driver (1992) predict student's intent on recreation decision. They found a positive connection between the three factors and the aim is to take part in the relaxation activities under bailiwick, such as spending time at the beach, trot or running, boating, biking, and mountain mounting. In light of the pertinence of TPB in clarifying social behaviour in an extensive variety of studies, it is conceivable to utilize TPB to investigate taxpayer's ways.

TPB has been used by Tonglet, Phillips, and Read (2004) to examine the factors of recycling behaviour by using 258 households as a sample in an indigenous area of Brixworth, United Kingdom. Moreover, it is discovered in their study that pro-recycling attitudes, subjective norms, and perceived behavioural control i.e. knowledge and understanding have substantial connection towards recycling behaviour. Furthermore, study conducted by Smart (2012) applied TPB as part of prognostic that noneconomic variables such as beliefs and attitudes are good predictors of tax compliance behavior. Consequently, as a result, the researcher found the TPB is one of the models fairly well-organized to envisage the intentional behaviour relating towards tax compliance in New Zealand. According to Lu & Ting (2013), the attitude was the primary factor affecting online tax filing and TPB could be successfully integrated to explain online tax filing behaviours, and correlations were found in TPB factors. An intention depends on the person who is wanted to carry out the favoured behaviour and it goes about as an indication. Individual conduct can be anticipated on the off-chance that we know the variables that impact the intention. Due to this, intention towards acceptance of final tax in Malaysia can also be tested by using the TPB. Figure 2.1 demonstrates three impartial variables that work through intention specifically attitudes towards behaviour, subjective norms and perceived behavioural control.

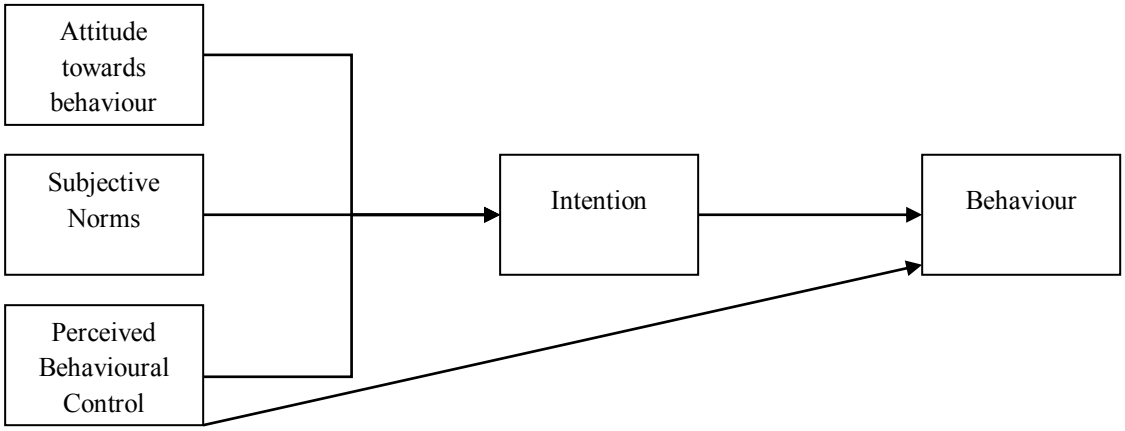


Figure 2.1:

Illustration of Ajzen's Theory of Planned Behaviour (Ajzen, 1991)

2.4 Countries' Experience

A country's choice of the PAYE calculation method and finality depends on the level of automation in the tax administration; the trade-off between the burden of tax payers of filing returns and for employers of withholding; limitation of administrative resources; and burden imposed by the tax authority. Therefore, characteristics of final tax between countries can differ. However, they might be similar characteristic if have the same tax structure or tax regime.

The determination of monthly withholding amount for the countries under review can be divided into two distinguished methods. The United Kingdom and New Zealand uses pre-determined tax codes whereas Japan and Philippines use tables (Research Department of Taxation, 2010).

2.4.1 United Kingdom

PAYE is the system that Her Majesty's Revenue and Customs (HMRC) uses to collect income tax and national insurance contributions from employees' pay as they earned. The term of employees includes the directors of limited companies. The types of income tax that can be collected through PAYE are salary, wages, occupational pension, untaxed interest, and rent. PAYE applies to most employees with the conditions that they have straightforward tax affairs. If the employees have complicated tax affairs or income from several sources, they need to file in returns. Other conditions requiring the filing of tax returns for employees are company directors (other than

the director of limited companies), earning an annual income of £100,000 or more and claiming certain specific expenses or relief (such as Enterprise Investment Scheme).

Tax authority in the United Kingdom (HMRC) uses tax codes to tell the employer how much tax to deduct from salary. If HMRC does not have enough information to issue tax code, an emergency tax code will be used until information received and the tax code can be adjusted. For an employee who has two or more sources of income, he will have to inform both employers of the existence of the other employment using Form P46. The second employer will then deduct tax at the basic rate of 20 percent or higher rate of 40 percent from salary depending on how much the employee earned. Only the first job will entitle for deductions of personal allowance i.e. £6,475 in 2009 and 2010 (Research Department of Taxation, 2010). However, alternatively, if the salary from the second employment is less than the personal allowance, an employee can choose to split the allowance. This will result in zero tax withholding for second employment thus, not altering overall tax liability for the employee. The above PAYE can still be a final PAYE provided that the income earned from the second job does not fall into higher tax rate. If it happens, the adjustment will be needed at the end of tax year. The employer will issue "End Year Certificate" (form P60) which sets out the total amounts paid to and deducted from the employee for the previous year. It must be given to the employee before 1st June after the end of tax year (Research Department of Taxation, 2010).

2.4.2 New Zealand

The Inland Revenue Department of New Zealand (IRD NZ) here has developed a tax system that's comparatively easy to navigate. As well as simplicity, New Zealand's tax system has the major attractions of predictability, fairness and a minimum of loopholes. It's also a relatively favorable tax environment to the taxpayers. According to New Zealand Government immigration website, claiming that in the year 2014, the US-based Tax Foundation ranks New Zealand's overall tax system as second in the developed world for its competitiveness - and top for its individual (i.e. personal) taxes.

In New Zealand, that income is from salary, wages, benefits or taxable pensions, their tax will automatically be deducted from the Pay as You Earn (PAYE) system. This implies when you get your week by week, fortnightly, or regularly scheduled pay, your tax has as of now been deducted from it (IRD NZ, 2016). PAYE is the tax that employer deducts from the employee's salary and wages. It is includes of the tax rate of income (table 2) and also an ACC earner's levy.

Table 2

Tax rates for the 2015-2016 tax year

Taxable Income	Tax Rate
Up to $14,000	10.5%
Over $14,000 and up to $48,000	17.5%
Over $48,000 and up to $70,000	30%
Remaining income over $70,000	33%

Source: Statistic from IRD NZ Website, 2016

Unlike final tax in Malaysia, in New Zealand, those tax payers who have more than one source of income which has tax automatically deducted before it's paid to them by using Secondary Tax Codes. Secondary income is taxed at a flat rate throughout the year as per table 3 shown below:

Table 3

Secondary Tax

Tax code	Income tax rate
SB	10.5%
S	17.5%
SH	30%
ST	33%

Source: Statistic from IRD NZ Website, 2016

Thus, taxpayers who have two sources of income will determine the tax code for every source of income. The primary tax code is the main source of income (usually which highest income). The taxpayers (employee) also had to complete a tax code declaration (IR330) form and

submit to the employer if the tax code changes or start working for a new employer. Taxpayers will need to complete a separate form for each source of income. Failure to complete an IR330, the employer will use the higher no-notification tax rate of 45%.

2.4.3 Philippines

Similar to the United Kingdom, most employees in the Philippines enjoy final PAYE. The system is known as 'Substituted Filing' whereby employers annual return (BIR Form 1604CF) is considered as the substitute income tax return. However, it is subjected to the condition that the information provided in form exactly the same with what would have been provided in the return form (BIR Form 1700). Nonetheless, these are exceptions whereby employees must file tax returns such as having more than one employer during the year, having withheld amount which is not equivalent to the tax due, having other on-wage income not subjected to withholding tax and receiving a salary of more than 60,000 pesos per annum.

Apart from Form 1604CF which the employer has to submit to the Bureau of Internal Revenue of Philippines (BIR), a "Joint Certification" which must be notarized, is also executed between employer and the employee (Research Department of Taxation, 2010). For the employee's income earners in the Philippines, the exemptions entitled to them are the following:

Table 4

Personal Deduction-Philippines

Description	Allowance (Peso)
For single individual or married individual judicially decreed as legally separated with no qualified dependents	P50,000
For head of the family	P50,000
For each married individual	P50,000
For each qualified dependent, a P25,000 additional exemption can be claimed but only up to 4 qualified dependents	

Sources: *http://www.bir.gov.ph/index.php/tax-information/income-tax.html#it001,2016-11-07*

The employer shall determine the tax due from each employee for the entire taxable year. Any under payment of the January to November period shall be withheld from his December salary and any over payment will be refunded not later than January 25th of the following year (Research Department of Taxation, 2010).

2.4.4 Japan

Like the Philippines and the United Kingdom, employees in Japan are subject to *Year End Adjustment PAYE* withholding method. In Japan, *Year End Adjustment* (YEA) is not applicable to employees who are receiving salary more than ¥20 million. Basically, employees who fall under YEA do not have to file a tax return. Nonetheless, there are few circumstances that require filing tax return such as leaving Japan before the tax year end, having more than one employer, receiving an annual salary of ¥20million or more and earning side income of more than ¥200,000.

The PAYE process starts with the submission of 'Application *for (Change in) Exemption for Dependents of Employment Income Earner'* by an employee to the employers. Any employee who does not submit the application will be subjected to a higher rate as indicated in the *Withholding Tax Table for Employment Income*. The tax base for employment income for calculation of PAYE shall be the income less *Deduction for Employment Income*. The employer will then decide the withholding amount based net income (The Japan Tax Site : Individual tax – calculating taxable income, 2010).

The Withholding Tax Table amount reflects a certain number of deductions such as a basic exemption, exemption for dependents, exemption for widower and exemption for a disabled person. By year end, the employees would have to adjust in order to claim other deductions which were not incorporated in the table such as life insurance, special exemptions for spouse and earthquake insurance premiums. These deductions have to be applied through the related forms provided. At this point, *'Table of Salary Amounts after Employment Income Deductions for the Year-End Adjustment'* is referred. Any discrepancies between the total amount of income tax withheld and tax to be paid will be adjusted on the last salary payment for the year. Lastly, withholding record which

is the *Employment Income Withholding Record* is delivered to the tax payers as well as submitted to the tax office.

From the literature on tax system from different countries, it can be summarized that they are effective and efficient in managing the tax system and their utmost priority is to make it more fair and transparent to gain the trust of tax payers so that tax compliance behaviour is increased. They have tried to minimize the loopholes in their tax system which is why people acceptance level of PAYE is higher than countries like Malaysia and so on.

2.5 Attitude

Attitude can influence a person's intention by expanding the individual's inspiration to take part in a specific conduct. That is, individual will probably take part in practices that are seen to have good results for them and are less inclined to take part in exercises that are connected with unfavorable results.

Attitude plays a key role in influencing the behaviour of a person. According to Ajzen and Fishbein (1980), attitude is defined as an individual's belief that performing the behaviour of interest will cause an effect with certain consequences to him or her. It is related to the individual's assessment of the cost-benefit of the implementation of a particular behaviour. Thus, if the individuals believe that performance of the behaviour would result in a positive impact, then such individuals will have a favourable assessment and would perform the behaviour (Saad & Haniffa, 2014).

2.6 Subjective Norm

Besides attitude, the subjective norm is an important part of the TPB and it can also affect intention to use. Ajzen and Fishbein (1980) define subjective norm as an assessment of the individual against other individuals who are important to him/her that will influence the decision related to the behaviour. It consists of the influence on the individual to comply with the hopes of the social environment. If the perception of social influence is positive, then the person will perform the behaviour and vice versa (Saad & Haniffa, 2014). This vital individual is known as a referent

group. In the event that referent group feels that specific behaviour is huge, there is the probability that an individual may execute the behavior. As mentioned by Zainol and Kamil (2009), the person will search for support, opinion or advice that motivates the individual in acting on such behavior.

Social learning theory supports subjective norm that focuses on environmental factors (Bandura, 1977). It explains that human decision is developed by personal and environmental factors. But the main factor that influences a behaviour is derived from peers or any other social influences. For example, 'X' is asking the opinion of his or her peers about 'Y' supplement for his health. ‘X’ won’t buy the product if his or her peers not suggesting it. Theory of planned behaviour is based on one's observation on the other individual (Bandura, 1977). Therefore, the strength in performing the behaviour will be influenced by this referent group (Ajzen, 1991). Behaviour also influenced by social belief. Aronson, Wilson, and Akert (1999) found that societal belief depends on what is right, accepted and can be done by the people. Thus, the behavior of an individual also depends on the culture in the country.

2.7 Perceived Behavior Control

The last determinant of intention in TPB is perceived behavioural control. There are two dimensions of Perceived behavioural control used in the past studies which are knowledge and understanding. Ajzen (1991) define perceived behavioral control as given the presence or absence of requisite resources and opportunities, the individual’s perception of the ease or difficulty in performing the behavior of interest. An individual with strong intention to use final tax as tax declaration might not execute the behaviour if he or she has no power to control the influencing factors. Ajzen (1991) found an absolute power to control the internal and external factors in the TPB. Perceived behaviour control is a major factor that influences individual behaviour and it acts directly with intention in performing the behaviour.

Zainol and Kamil (2009) in their review of literature highlighted a significant relationship between perceived behaviour control and intention to comply with zakat on employment income. They also found a positive relationship between both variables. TPB can be able to predict 40% of

the variance in intention on zakat compliance. Ida Husna (2009) also demonstrated that perceived behavioural control is positively related to intention to pay zakat.

Subsequently, in their study, explained by Teo and Lee (2010) that the perceived ease or difficulty of performing the behavior and the amount of control one has over the attainment of the goals from the said behavior. It is determined by the individual's beliefs about the power of both situational and internal factors to facilitate the performing of the behaviour. This means that perceived behavioural control the influence of attitudes and subjective norms on behaviour depends on the intentions of a person to perform the behaviour. The more the control an individual feels about final tax declaration, the more likely he or she will be to do so. In this study, perceived behavioural control is the ability to accept final tax.

2.7.1 Knowledge

Knowledge can be can be characterized as the establishment of data that a person needs to perform a tasks (Goldstein, 1993). Based on the previous study about knowledge, researchers had proposed the possibility that tax knowledge may be additional factors that influence the usage of e-filing since tax knowledge has been found to influence tax compliance in many countries (Nero & Amrizah, 2005; Mohd-Rizal, 2005; Alm et al. 2010). According to Yaniv (1999), he finds that a low level of tax knowledge makes taxpayer avoid the complexity of calculating tax on their own and increases the tendency to hire advisors or tax practitioners to settle their tax forms. This study, knowledge alludes to the essential establishment of the information about accepting final tax as a tax declaration.

2.7.2 Understanding

Understanding is a psychological procedure identified with a theoretical or physical question, for example, a man, circumstance, or message whereby one can consider it and utilize ideas to bargain sufficiently with that protest. Understanding is a connection between the knower and an object of comprehension. Understanding infers capacities and demeanours regarding a question of knowledge that are adequate to support intelligent behaviour.

The Income Tax (Deduction from Remuneration) Rules 1994 has been amended in term of Basis Period of Employment Income Chargeability. The basic principle regarding the treatment of employment income is that when the relevant amount is received, it shall liable to tax for the period receivable, except for bonus and directors' fees which would be liable for the year receipt. From year assessment 2016, through an amendment to section 25 Income Tax Act 1967, all employment income will be liable to tax for the year it is received in. According to Alabede et al., (2011), as a public duty, the expectation is that taxpayers may comply with the Act, but that is not the case with some taxpayers. Terkper (2007) propelled the reason that tax payers show different degrees of compliance owing to factors such as lack of understanding of the tax laws; disgraceful accounting and apathy towards government. Jackson and Milliron (1986) contended that the complexity of the tax system framework has been considered as a conceivable purpose of tax non-compliance. Wang et al. (2002) reported in their study about understanding consumers attitude toward advertising found that by understanding consumer's attitude towards advertising, designers and marketers can better strategize their advertising designs.

2.8 Summary

In this chapter, the researcher had discussed theory planned behavior (TPB) and various literature review of it. All the variables which taking from TPB (attitude, subjective norms and perceived behavior control) used in the study were discussed with the latest reference from literature. This chapter also had highlighted an overview about MTD as a final tax in Malaysia and other countries' experience about PAYE as final tax such as in the United Kingdom, New Zealand, Philippines and Japan. Final tax just implemented for past 2 years ago in Malaysia, it is expected more literature would merge to review in depth of final tax.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter will discuss how the research is being conducted, in order to achieve the objective of this study. This chapter will focus on the design of the research, the sources of data to be collected, the techniques used in the data collection, the sampling design, the pilot testing for the validation of questionnaire and data analysis techniques. As stated earlier, the main objective of this study is to gather the information from employees in order to discover their intentions towards accepting of MTD as a final tax.

3.2 Research Framework

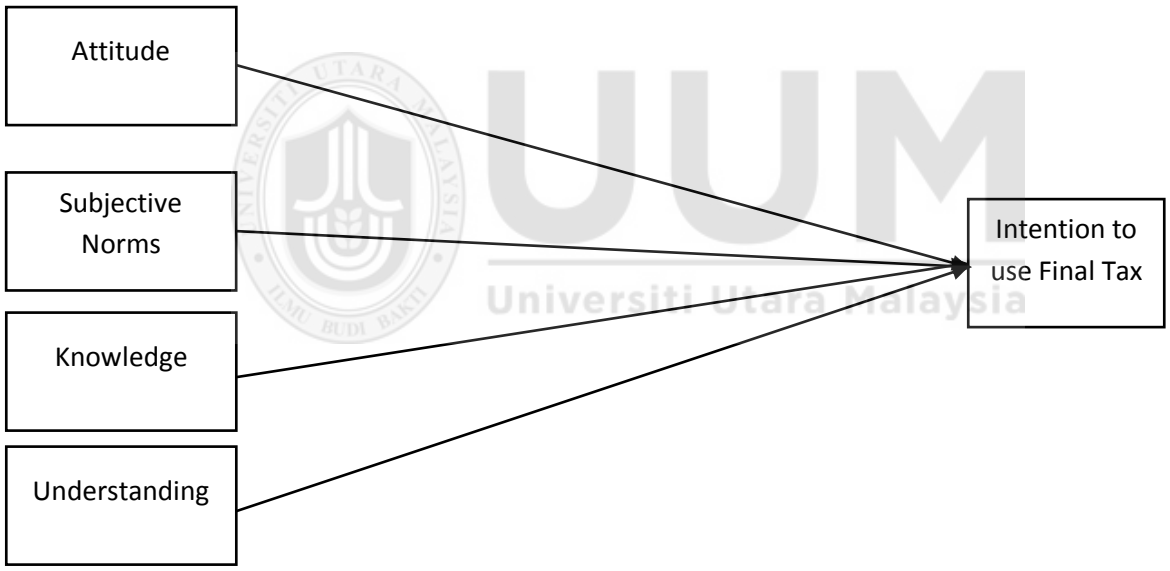


Figure 3.1

Proposed research model for employment income taxpayer's intention behaviour on final tax in Malaysia.

A research framework for this study based on the Ajzen's Theory of Planned Behaviour (TPB) which consists of attitude, subjective norm and perceived behavioural control. The above-proposed research framework shows the relationship between variables, where it explains the employment income taxpayers' intention towards final tax. In this framework, attitude, subjective norms, and perceived behavioural control are the independent variables, which the relationship

towards the dependent variable will be tested and analysed. In this research paper, it will analyse how the attitude, subjective norms and perceived behavioural control had influenced the taxpayer's intention to use final tax as tax declaration.

3.3 Theoretical Framework and Hypothesis

Aligned with the TPB, in which the framework devised from the TRA, which basically explains human action as a combination of three dimensions, namely, behavioral beliefs, normative beliefs and control beliefs. Behavioral beliefs are beliefs about the outcome of the action that may produce either a positive or a negative attitude towards the behavior. Normative beliefs refer to subjective norms or perceived social forces. Control beliefs lead to perceived behavioral control. All these produce intentions to behave (Lobb et al., 2007; Ajzen, 2002).

Due to the applicability of TPB in clarifying sociable behaviour in a broad variety of studies, it is likely to exercise concept of planned behaviour to explore taxpayer behaviour. The intention is primarily based on the individual's will to function the favoured conduct and it acts as an antecedent. Individual behaviour perhaps expected if we be aware of the elements that impact the intention (Hanno & Violette, 1996). For that reason, intention towards final tax acceptance conceivably examined with the aid of the use of the TPB. Figure 3.1 demonstrates four impartial variables that work through intention specifically attitudes towards behaviour, subjective norm, knowledge and Understanding. As a rule of thumb, the superior the intention to function the desired behaviour, the higher the possibility that the person will execute the behaviour. TPB was once applied by Hanno and Violette (1996) to examine taxpayer compliance conduct and whilst Smart (2012) study the tax compliance conduct in New Zealand. It was once used in the current research to check out taxpayer conduct on acceptance final tax as tax declaration in Malaysia.

3.3.1 Attitude and Intention

The relationship amongst attitude and behavioural expectation has pulled in generous quantities of researchers in different fields, for example, leisure choice, psychology, and hospitality management (Ajzen & Driver, 1992; Cheng, Lam & Hsu, 2005; Poulter, Chapman, Bibby, Clarke

& Crundall, 2008). According to Poulter et al. (2008), he trusted that awful demeanors towards truck driving conduct happen because of the intention to submit infringement. Zainol and Kamil (2009) found that attitudes towards zakat on employment income have a significant relationship with zakat payment intention. In a different study, Zainol (2008) also found the same relation between attitude and intention, and subsequently influence zakat compliance. Ida Husna (2009) also found a positive relation of intention to pay zakat and attitude towards zakat on employment income when she examines zakat employment income among manufacturing employees in Penang. On the other hand, Farah Mastura and Zainol (2015) found that attitude to significantly influence zakat compliance behaviour on saving.

In perspective of taxation, attitudes and intention have been found to be positively related to taxpayer's behaviour. Roth et al. (1989) and Jackson and Milliron (1986) found that taxpayers concerns about fairness have links with attitudes and behavioral intentions about tax compliance. Similar to as found by Pickens (2005), the eagerness to pay taxes or conform to the duty laws or to take part in the given behavior in all terms is educated by the general attitude of the individual given certain adapt rage components. Thus, from the elements of attitude and intention which from TPB, the following hypothesis is formulated

H1: Attitude has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

3.3.2 Subjective Norms and Intention

A few researchers found that subjective norms can be partitioned into a few related groups (Chu & Wu, 2004; Hanno & Violette, 1996; Zainol & Kamil, 2007). For example, Chu and Wu (2004) found that a reference group can be characterized into essential standardizing conviction (*primary normative belief*) and auxiliary regularizing conviction (*secondary normative belief*). People or person that has a close association with the individual, for example, parents, guardians, kin, and companions allude to primary normative belief. Conversely, Individual's supervisor or companions allude to secondary normative belief relates.

In perspective of taxation, Hanno and Violette (1996) confirm that the intention for tax payment is positively associated with social perception on tax paying behaviour. Bobek and Hatfield (2003) also disclose that subjective norm has a positive relationship with intention to pay tax. In the case of tax obligations, a person will comply with the tax compliance procedure that is what they supposed to do. Kautsar and Bayu (2013), Natrah (2010), Zainol and Faridahwati (2013) have done a research to study the influence of subjective norms towards compliance behaviour. Kautsar and Bayu (2013) found that it has a strong point to influence the intention to comply and Natrah (2010) found it influence the fairness perceptions variable. Same goes to Zainol and Faridahwati (2013), they found that subjective norms have a positive relationship with behavioral intention. Zainol, Zolkafli, and Shalihen (2011) have the same conclusion where subjective norm relates positively with local sales tax compliance intention. From the study, it can be assumed that each individual has different evaluations based on their own belief and influence with social learning theory (Bandura, 1977). It means that the surrounding factors influenced individuals' decision to pay tax. Thus, this finding is consistent with the view of TPB and its relationship between subjective norms and intention or behaviour on acceptance final tax. Hence the following hypothesis is hypothesized:

H2: A subjective norm has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

3.3.3 Perceived Behavioral Control and Intention

Fang and Shih, (2004), Ingram, Cope, Harju, and Wuench, (2000) had found that perceived behavioural control has a significant effect on intention. In tax compliance research, taxpayers believe that they can complete and file tax return forms to IRB without any faults, the person seems to have a high perceived behavioural control and more likely to comply with their tax obligations. Similarly, if a taxpayer believes that he or she can avoid paying the tax without being caught by a tax audit, the person also seems to have a high perceived behavioral control over non-complying, and thus, is more likely to avoid paying tax (Natrah, 2010).

In this study, the researcher is interested in respondent's perceived behavioral control especially in knowledge and understanding towards the acceptance of final tax. This is due to researcher foresee that the higher the both elements, the more likely that the taxpayers would influence the intention either to accept or not a final tax as tax declaration.

Previous literature recommended that knowledge is a pre-imperative to play out a consistence conduct (Koufaris, 2002; Sutinen & Kuperan, 1999). Researcher such as (Fallan, 1999; Hungerford & Yolk, 1990); and (Mohd. Rizal & Ahmad Fariq, 2011) stated that the tax system level of knowledge influenced tax compliance behaviour. Wan Mazlan (2015) likewise found that level of knowledge significant with the tax compliance among trader in Malaysia. Ram Al Jaffri, Muhammad Syahir, and Mohd Amir (2015) discover that the internal factors that influence behaviour are knowledge and self-efficacy. In light of the above circumstance, a person with high level of knowledge about final tax is anticipated to more probable to use final tax and vice versa.

According to Young et al. (2013), the principles ought to be basic and clear enabling taxpayers to peruse and comprehend the necessity and the guidelines they have to take after effectively and quickly. Otherwise, the taxpayers' intentions of compliance may lessen. Based on these studies, a person who has a good understanding of the tax system will influence his or her behaviour and intent on final tax application. Therefore, based on the two variables knowledge and understanding, the hypotheses proposed as:

H3: Knowledge has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

H4: Understanding has a positive relationship on intention of taxpayers to use final tax as tax declaration

3.4 Research Design

Since this is an explanatory research which requires an investigation of employees' intentions towards accepting of MTD as a final tax and also explanation of relationship between variables, self-completed survey questionnaires strategy were used to enable the researcher to

collect quantitative data for descriptive and inferential data analysis (Zikmund, Babin, Carr, & Griffin, 2012).

3.5 Data Collection Procedures

Questionnaire was given personally to respondents found conveniently and web-based questionnaire was sent to employed respondents who were identified prior to sending the questionnaires through email which contained a hyperlink to the web-based questionnaire and attached with a scanned copy of survey questionnaire with cover letter, as well as the permission letter for data collection (Appendix A and B). The convenient sampling technique was used because of the limited time for data collection procedure, in limited time frame convenient data collection technique is quite suitable in order to achieve the targets. As this study also used snowball sampling method combined with convenience sampling method, respondents were asked to send the online hyperlink to the web-based questionnaire to their friends and their colleagues. The investigator's contact was included in the case the respondents have any inquiries or demanded further clarification about the content of questionnaire or their participation. In order to reach out to a large population, the internet-mediated questionnaire approach was mainly used. Supported with the web-based application (e.g. Google Form), the respondents can access and submit their responses which will automatically be tabulated and arranged according to submission date and time. This eased the researcher to perform data transfers from the questionnaire to Microsoft Excel for data cleansing. Despite the advantages, a prevalent problem with internet-mediated questionnaires is that its response rates are likely to be very slow (Saunders et al., 2012). Subsequently, it might be difficult to obtain a representative sample from which the researcher might generalize.

Considering the prevalent weakness of internet-mediated survey, which is the risk of low responses rate, additional questionnaires were distributed to contact persons (e.g. friends and their relatives).

3.6 Sources of Data

Since the research design is based on questionnaires, the source of data is considered as a primary data. Primary data is critical when the wellsprings of data and the way in which information is gathered could have an immense effect on the thoroughness and viability of the research project (Sekaran & Bougie, 2009). Thus, it is imperative for a researcher to pick the right source of data with a specific end goal to make the journey smooth all through the exploration process. In order to have an overall and better understanding of the problem in Malaysia, the respondents are employees working in Malaysia.

3.7 Population of the Study

To carry out this study, the population of this research is all employees in Malaysia who are working with the single source of income from employment income. Unit of analysis in this research was among salary group individual taxpayer in Malaysia. However, due to a large number of taxpayers to investigate, the researcher had taken randomly the respondents who are working in Malaysian Government sector especially in Klang Valley area that is because Klang Valley is considered as the more organized and developed area in Malaysia. The huge number of taxpayers are found in this area of Malaysia. Furthermore, the people of Klang Valley area are considered as more developed in terms of knowledge, understanding and accepting new trends and processes. The main criteria of respondents were from taxpayers whose income solely derived from employment and has income tax file with IRB. Therefore, they are liable to declare tax either through ITFR or by final tax. In addition, all the respondents which involved in this study pay their income tax through MTD. So, it is believed that those who are having MTD are eligible to use it as a final tax.

3.8 Sampling Design

As the study is being conducted using respondents chosen among the in-government sector. The convenience and snowball sampling method were used in this study because there is a large number of government employees Thus researcher was not being able to randomize the target

sample. The formula to calculate the representative for the sample size of the respondent is as follows, according to Cochran (1963):

$$n_0 = \frac{z^2 * p * (1-p)}{e^2}$$

Where

n_0= the required sample size

z^2= confidence level

p= estimated proportion in the population

e^2= margin error

According to the "Sample Size Formula" by Cochran (1963), the sample size required for this study is 271, with confidence interval set at 5% and confidence level at 90%. A confidence interval refers to an estimated range of values that the researcher confident contains the population parameter, whereas the confidence level refers to the degree of confidence the researcher as that the computed interval contains the parameter being estimated (Hinkle, Wiersma, & Jurs, 2003).

3.9 Measurement and Scales

The questionnaire was divided into six main segments. The first segment asked demographic information of the respondents. The second segment was constructed to measure the attitudes towards taxpayer intention on final tax. The third segment designed to measure subjective norms, fourth and fifth segments were designed to measure the components of perceived behavioural control i.e. knowledge and understanding. The last segment focused on the intention to use on final tax as tax declaration.

Ajzen (1991) stated that attitude defined as the degree of which the person has a favorable or unfavorable perception in performing the behaviour. Attitude used as the independent variable in this study is argued as the attitude of employees towards final tax is defined as the degree to which a taxpayer has encouraging or favorable to acceptance on final tax or not. Eight questions have been developed and respondents were required to respond on a five-point Likert scale ranging from '1' "strongly disagree" to '5' "strongly agree". "Income tax declaration is my priority" An example of

the item asked. The questions were established based on the study carried out by (Autio, Keeley, Klofsten, Parker, & Hay, 2001); (Zainol, 2008); (Farah Mastura, 2011).

Subjective norm refers to the person's perception of the social pressures exercised by parents, friends, spouse or group of people in using final tax as tax declaration (Farah Mastura & Zainol, 2015). In this study, subjective norm is also used as an independent variable. The respondents were asked to provide their response whether they agree or disagree on a five-point Likert scale. Respondents were asked questions like "My friends think that I should use final tax as my income tax declaration."

The last independent variable use in this study are the knowledge and understanding dimensions of perceived behaviour control (PBC). Perceived behavioural control is based on the arc degree of broad-mindedness and complications in accepting final tax as tax declaration. An example of the question on knowledge is "I am aware of the implementation of Monthly Tax Deduction (MTD) as Final Tax". Same goes to question on understanding which example like "I understand MTD as Final Tax". To get the responses from respondents, they are asked to provide their response on a five-point Likert.

In this study, the Intention to use final tax as tax declaration is used as dependent variable. The intention should be stated based on action, target, context and fourth dimension (Ajzen, 1991). Thus, in this study intention-behavior is used as an action by individual taxpayer (employment income) to accept and use MTD as final tax on their tax declaration (context) for a particular year of assessment (time). The respondents were asked five questions. They indicated their level of agreeing or disagree on a five-point Likert scale. Following is one of the questions asked from respondents is: "I will use final tax as my income tax declaration." As mentioned before, all the questions were adapted based on study by Autio, Keeley, Klofsten, Parker, & Hay (2001), Zainol (2008); Farah Mastura (2011).

Furthermore, according to Saunders, Lewis, and Thornhill (2012), it is important to pre-test the questionnaire before data collection (pilot test). It is to ensure that respondents will have no

problem in answering the questions and the researcher will have no problems in recording the data. Accordingly, a pilot test which consisted of 30 participants was conducted to establish the reliability of the instruments. The SPSS outputs from the pilot test were tabulated in Table 5.

Table 5

SPSS Pilot Test Outputs

Reliability Statistics for Survey Instruments	**No. of items**	**Cronbach's Alpha**
Attitudes	8	0.851
Subjective Norms	8	0.796
Knowledge (PBC)	6	0.876
Understanding (PBC)	4	0.816
Behavioral Intention to use Final Tax as Tax Declaration.	5	0.876

Since each of these instruments has a Cronbach's Alpha value above 0.70, it was concluded that the reliability of the instruments was established (George & Mallery, 2003). Thus, no changes on any items would be required.

3.10 Data Analysis

Descriptive data analysis for demographic information was conducted in order to develop a profile of respondents. The Statistical Package for Social Science (SPSS) 24 was used to conduct a factor analysis to minimize a great number of variables into a smaller cluster of factors, establish underlying dimensions and latent constructs, and thereby enabled the formation and refinement of theory (Williams, Brown, & Onsman, 2012). Accordingly, it offered to construct validity proof of self-reporting scale (Williams et al., 2012). A reliability test based on Cronbach's Alpha statistic was also used in this study to indicate the internal consistency of scales (Pallant, 2007). According to Gliem and Gliem (2003), Cronbach's Alpha coefficient normally ranges between zero and one and the nearer the coefficient is to one, the higher the internal consistency of scales. The interpretation of Cronbach's Alpha in this study will be based on the following rule of thumb as provided by George and Mallery (2003):

Table 6

Rules of Thumb for Cronbach's Alpha Coefficient

0.9	**>0.8**	**>0.7**	**>0.6**	**>0.5**	**<0.5**
Excellent	Good	Acceptable	Questionable	Poor	Unacceptable

While four hypotheses ranging from H1 and H4 have been postulated in this study, the hypotheses were tested by using multiple regression analysis and correlation test.

3.11 Multiple Regression Analysis

Multiple regression analysis was used in this study to analyze the influence of the independent variables on dependent variable in the present study. The model of multiple regressions used is as follows:

$ITT = \alpha + \beta1ATT + \beta2SN + \beta3KNOW + \beta4UNDER + e$

Where;

ITT = Compliance behavioral intention of using Final Tax as tax declaration

α = Constant

$\beta1 - \beta4$ = Change in dependent variable with unit change in independent variable

ATT = Attitude

SN = Subjective norms

KNOW = Knowledge

UNDER = Understanding

Multiple regressions is a statistical tool to predict the relationship between the variables by providing a model for calculating the value of the dependent variables based on the independent one. Usually, the researcher tries to find out the causal effect between variables—the effect of satisfaction on performance, for example, or the effect of positive leadership role upon the employees' trust in leaders. To investigate such problems, the researcher gathers data on the given variables of interest and applies regression test to estimate the quantitative relationship of the causal

variables upon the variable that they influence. The researcher also typically examine the "statistical significance" of the hypothesize relationships, that is, the degree of confidence that the true relationship is close to the estimated relationship (J. Cohen, Cohen, West, & Aiken, 2013).

3.12 Ethical Consideration

In this research, the quantitative (questionnaire) method was used to investigate and analyze the relationship between human resource roles and human resource skills and competencies. It is vital to give awareness of ethical issues in order to avoid any problems and difficulties in the research process. The target sample was first informed through the cover letter about the objectives of this study and that their responses would be kept strictly confidential and anonymous. The researcher's email and contact number were provided in the case the respondents had any inquiries. Also, participating in the survey would not lead to any foreseeable physical or psychological distress on the respondents. Since the survey participation was on a voluntary basis, no penalty would be imposed even if the target samples declined to participate, discontinued, or deliberately skipped any of the questions. Only the researcher had direct access to all research data.

3.13 Conclusion

All the research components used in this study were outlined in this chapter. The self-completed survey questionnaire was used as the data collection tool. The research instruments were derived from the established instruments or existing scales for which reliability and validity have been assured. The questionnaires were distributed mainly through in person, email and friends, and family network. The sample size required was 271 and the duration for data collection set as one month. The next chapter explains and describes the findings from the analyses performed using the methodology described above.

CHAPTER 4

RESULTS AND DISCUSSION

4.1 Introduction

The earlier chapter discussed the designed methodology in this study and key elements in data collection and ethical consideration. This chapter will discuss the sources of data followed by the data screening procedures which is important to figure out high output accuracy and validity at an early stage of data analysis. Secondly, this chapter will discuss the results of descriptive data analysis for gender, age group, education level, Income level, sector, and benefit in kinds (BIK) and thereby establishes a profile of respondents. Subsequently, this chapter will outline the reliability of results and the tests of validity and thereby confirms the accuracy of this study. Lastly, it will discuss the results of hypotheses test conducted using regression analysis and Pearson's correlation test.

4.2 Sources of Data

In the process of data collection, a total number of 300 paper based questionnaires and 300 internet-mediated questionnaires were distributed to the employees working in the Government and Private sector in Klang Valley. The total number of responses was recorded as 215, out of 600 questionnaires sent. Among 215 questionnaires, 64 people had responded through Google Form (response rate = 21%), 151 paper based questionnaires were returned (response rate= 50%). Microsoft Excel's spreadsheet was used to record the data and a total of 215 data sets were recorded for data screening.

4.3 Data Screening and Multivariate

In order to achieve high output accuracy of results, reliability, and validity, it is important to conduct data screening to inspect data for errors and correct them, if necessary. Out of 215 cases, it had been noticed that 18 of them were multivariate outliers. A multivariate outlier is a combination of unusual scores on at least two variables. Both types of outliers can influence the outcome of statistical analyses. In addition, a few cases with unusual data were removed from the analysis. For

example, it is normally unrealistic for an individual to hold "Manager" position when his age range was in between 25-34 and has work experience of "5 years or less". Therefore, it was deduced that the respondents were either not willing to cooperate, did not understand the questions, or did not engage the survey seriously. Subsequently, a total of three cases were excluded from the data analysis. Besides, no any missing data was found in any of the items. After exclusion of 18 multivariate outliers and 3 unusual data sets, 194 data sets were included in the research.

4.3.1 Normality

The normality is referred to the shape of the data distribution and its correspondence to the normal distribution (details as in Appendix C1). The simplest diagnostic test is via a visual checking of the normal plot of regression standardized residuals as in Figure 4.1. The cumulative distribution of the actual data value with the cumulative distribution of a normal distribution is represented in straight diagonal line. Thus, it represents a normal distribution where the actual data distribution closely follows the diagonal. This pattern is detected in all the constructs tested for intention towards final tax among the Employment Income's taxpayers in Klang Valley, Malaysia.

Figure 4.1

Normal P-P Plot of Regression Standardized Residual for Intention

Statistically, this assumption is referred to the skewness and kurtosis. It is also satisfied that the data distribution is normal. This is represented in Table 7 where the two values or distribution based on the significance level are not exceeds the specified critical value, *i.e.* $\pm$ 2.58 (.01 significance level) and $\pm$ 1.96 (.05 significance level) (Coakes & Ong, 2011; Hair, Black, Babin, &

Anderson, 2010). The details' statistical result is as in the attachment (Appendix C). Values of skewness and kurtosis are zero if the observed distribution is exactly normal. In this research the negative values for skewness of attitude, subjective norms, knowledge, understanding and intention (i.e. -1.331, -0.977, -1.903, -1.366 and -1.206 respectively) indicate a negative skew. Meanwhile positive value for kurtosis of attitude (0.325), subjective norms (0.455), knowledge (6.175), understanding (2.596) and intention (1.058).

Table 7

Statistical Result of Skewness and Kurtosis for All Construct (n=194)

	Skewness		Kurtosis	
	Statistic	**Std. Error**	**Statistic**	**Std. Error**
Attitude	-1.331	.175	.325	.347
Subjective Norms	-0.977	.175	.455	.347
Knowledge	-1.903	.175	6.175	.347
Understanding	-1.366	.175	2.596	.347
Intention	-1.206	.175	1.058	.347

4.3.2 Multicollinearity

Table 8 represents all possible bivariate correlations among a set of variables. The statistical significance of each variable can be tested with a t-test. Low p-values for this test indicate significant correlations. Patterns of strong correlations among variables indicate variables that share variance in common. Relationship between variables range 0.245 to 0.488 from the table 8 is less than 0.800 which means that Multicollinearity does not exist.

In addition, to assess the existence of multicollinearity in multiple variables, the tolerance and variance inflation factor (VIF) also can be used in identifying it among variables. Generally, there is no Multicollinearity issue if the value of VIF is less than 10 and tolerance value within the threshold of 0.10 (Pallant, 2007). The value of VIF for attitude, subjective norm, knowledge and understanding (i.e. 1.465, 1.374, 1.167 and 1.418 respectively). The details of VIF for independent variables are in Appendix C.

Table 8

Correlation Matrix

		TotAtt	SN_new_R	TotKnow	TotUnderstd	TotIntention
Correlation	TotAtt	1.000	.446	.245	.488	.386
	TotSN	.446	1.000	.327	.388	.167
	TotKnow	.245	.327	1.000	.299	.495
	TotUnderstd	.488	.388	.299	1.000	.460
	TotIntention	.386	.167	.495	.460	1.000

4.4 Demographic Information of the Respondents

This study employed descriptive statistic to describe the vital characteristics of the data analyzed in the study. Each characteristic was summarized in a simple way. The gender, monthly income as well as educational qualification were described base on the descriptive statistics.

Table 9

Profile of Respondents (n= 194)

Variable	**Description**	**Percentage (%)**		
		20-30	**31-40**	**41-above**
Gender	Male	62	29	7
	Female	65	29	2
Income	RM 3,500-RM5,000	40	8	0
	RM5,001- RM6,500	36	14	1
	RM 6501- RM8,000	14	8	7
	RM8,001 - RM9,500	10	20	16
	RM9,501and above	0	8	12
Academic	PhD	0	0	0
Qualification	Masters	76	35	28
	Bachelors	21	22	7
	Others	3	1	1

As shown in Table 9, the largest single age group (33%) was in the “20-30” category which comprised of a majority of female respondents, whereas the second-largest group (31.95) was also in the same category of “20-30” which comprised of majority male respondents. Besides, it had

been observed that only nine respondents fall under the age group of "41-above", in which seven are male and two female participants.

In terms of monthly income level, the largest single age group (20.61%) was in the "20-30" category which comprised of income level ranging "RM3500-RM5000", followed by "RM5001-RM6500" (18.55%) income level also in the "20-30". It had been observed that zero respondent falls under the age group "41-above" in income level range of "RM3500-RM5000" and only one respondent falls under the age group "41-above" in income level range of "RM5001-RM6500" it is mainly because after serving for many years in any organization, the pay gradually increased to the maximum level.

Furthermore, there were no any respondents with a Ph.D. degree participated in this survey. Whereas, the highest numbers of participants under the age group of "20-30" have got master's degree which counts to 39% of the respondents and second-largest group according to qualification also falls under the age group of "31-40" were also master's degree holders. However, the lowest group falls under the all age groups were from "other qualification" which counts to 2.5% of the respondents.

Table 10

Survey Sample Sector by Age group (n= 194)

Organization type/ Sector	**Percentage (%)**		
	20-30	**31-40**	**41-above**
Government Sector	24	40	23
Private Sector	76	18	13

As shown in table 10, the respondents were distributed into two sectors which are Government sector and Private limited companies. The largest group of respondents was from private sector consisting 55.15% with (39.17%) from private sector, fall under age group of "20-30". Further, it had been observed that the largest single age group (39%) was in the age group "20-

30" which comprised of respondents from the private sector. While from the government sector, the lowest number of respondents were in the age group of "41-above".

4.5 Validity and Reliability Tests

4.5.1 Factor Analysis

Factor analysis was conducted to reduce all the variable items in this study into smaller sets to the underlying dimensions. Only variables with factor loading above 5.0 were extracted for interpretation. The construct validity could be verified by comparing the extracted factors with the findings from prior research. KMO test and Bartlett's test were carried out to determine the suitability of respondent data for the analysis of factors. In total 3 items were deleted in order to improve the reliability. The items deleted were Subjective Norm 3, Subjective Norm 5 and Knowledge 1.

As revealed in the table 11, the KMO test reported a value of 0.663 and Bartlett's test reported a significant value of 0.000. Both test results had passed the rules of thumb (e.g. >0.5 for KMO test and p<.05 for Bartlett's test) as provided by Hinton, Brownlow, McMurray, and Cozens (2004) and Williams et al. (2012). Therefore, the data were considered appropriate for factor analysis. Further, factor analysis was subsequently conducted for attitude, subjective norms, knowledge, understanding and intention. As recommended by Costello and Osborne (2005), "Direct Oblimin" oblique rotation was set as the rotation method in the factor analysis of this study because correlation among factors was often expected in social science research. Thus, it could produce a more accurate and reproducible solution as compared to orthogonal rotations (Costello & Osborne, 2005).

Table 11

KMO and Bartlett's Test (SPSS Output)

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.663
Bartlett's Test of Sphericity	Approx. Chi-Square	244.045
	df	10
	Sig.	.000

In order to measure the validity of scales used in the questionnaire, factor analysis has been performed prior to testing the proposed hypotheses. The results of factor analysis are represented in Table 12 below.

Table 12

Factor Analysis of all Variables (SPSS Output)

Items	Component				
	1	2	3	4	5
ATTITUDE1	.935				
ATTITUDE2	.930				
ATTITUDE3	.919				
ATTITUDE4	.915				
ATTITUDE5	.912				
ATTITUDE6	.894				
ATTITUDE7	.872				
ATTITUDE8	.836				
SUBJECTIVE NORM1		.847			
SUBJECTIVE NORM2		.807			
SUBJECTIVE NORM4		.840			
SUBJECTIVE NORM6		.853			
SUBJECTIVE NORM7		.804			
SUBJECTIVE NORM8		.787			
KNOWLEDGE2			.833		
KNOWLEDGE3			.827		
KNOWLEDGE4			.863		
KNOWLEDGE5			.865		
KNOWLEDGE6			.830		
UNDERSTANDING1				.907	
UNDERSTANDING2				.898	
UNDERSTANDING3				.824	
UNDERSTANDING4				.797	
INTENTION1					.865
INTENTION2					.859
INTENTION3					.846
INTENTION4					.839
INTENTION5					.824

Extraction Method: Principal Component Analysis.
Rotation Method: Direct Oblimin.
Rotation converged in 7 iterations.

It can be revealed from the data, that all statements of variables used for the statistical analysis, load on the intended factor. Examples, there are the eight items of the construct 'Attitude'. The first statement of scale has a factor loading of 0.935, the second 0.930, the third 0.919, the fourth 0.915, the fifth 0.912, the sixth 0.894, the seventh 0.872 and the eighth 0.836. The significance of factor loadings is dependent on the sample size used for the analysis (Stevens, 2002,

as cited in Field, 2005). Due to the fact that, around 194 data sets have been used in this work, factor loadings lower than 0.5 have been excluded.

4.5.2 Reliability Analysis

Before testing the hypothesis developed in Chapter 2, a reliability analysis was performed on the multi-item scale using the SPSS software. The purpose of this analysis was to ensure the internal consistency of the items used in the study questionnaire. Cronbach's Alpha was computed to measure the reliabilities of the scales, where a scale considered reliable if its Cronbach's Alpha value is above 0.70 (George & Mallery, 2003).

Table 13

Reliability Test on Scales

	Cronbach's Alpha	No. of Items
Attitude	0.967	8
Subjective Norms	0.904	6
Knowledge	0.898	5
Understanding	0.879	4
Intentions	0.899	5
Total		28

Table 13 shows the reliability scores for each of the scales used in the questionnaire. The results report the Cronbach's Alpha for the individual variables of Attitude at 0.967, subjective norms at 0.904, knowledge at 0.898, understanding at 0.879, and intentions at 0.899. Since there reliability values range from 0.879 to 0.967, they all fall well above the acceptable level of 0.70. Therefore, it can be concluded that the scales used in this study have high reliability and internal consistency in measuring the variables concerned. All the measurement items were included in the reliability analysis.

4.6 Multiple Regression Analysis

Four hypotheses had been postulated to examine the relationship between Attitude, Subjective norms, Knowledge, Understanding and Intention. To investigate the hypothesis of the study, multiple regression analysis was conducted on the data. Multiple regressions predict the relationship between the variables by providing a model to calculate the value of the dependent

variable based on the independent one. Using SPSS, the multiple regression analysis generated several output tables, such as Model Summary and Coefficients that were used to interpret the findings of this study.

The multiple regression analysis model successfully explained 38.40% of the variance in the dependent variable (adjusted R^2 = .384), and the model reached statistical significance ($p < .000$). The results of the multiple regression analyses using the standardized model are shown in Table 14.

Table 14

Summary of Multiple Regression Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.630[a]	.397	.384	3.13081

a. Predictors: (Constant), TotAtt, TotSN, TotUnderstd, TotKnow

b. Dependent Variable: TotIntention

The coefficient analysis result indicated that attitude, subjective norm, knowledge and understanding have a significant influence on intention of using final tax. Based on table 15, the result of the variable are significant at $p < 0.05$.

Table 15

Coefficient Analysis

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.545	1.533		2.964	.003
	TotAtt	.081	.028	.198	2.916	.004
	TotSN	-.084	.040	-.148	-2.078	.039
	TotKnow	.398	.061	.420	6.571	.000
	TotUnderstd	.388	.088	.307	4.430	.000

a. Dependent Variable: TotIntention

Specifically all the results for the hypotheses in details are explained as follow:

H1: Attitude has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

First, support was found for Hypothesis 1, that employee's attitude had a positive influence on the intention of taxpayers to accept final tax as tax declaration. As illustrated in table 15, the regression model reached high statistical significance (t= 2.916; p<0.004), meaning that employees attitude (independent variable) significantly explained the intention of taxpayers to accept final tax as tax declaration (dependent variable). With reference to the thumb rule provided by Hinkle et al. (2003), the standardized coefficient of 0.198 indicated a moderate uphill which means there is a positive relationship between the two variables The result of this test supports a positive relationship between employees' attitude towards tax compliance and intention of taxpayers to accept final tax as tax declaration was consistent with the previous research. For instance, in the study conducted by Zainol (2008), it is concluded that the relationship between attitude and intention influence zakat compliance. Ida Husna (2009) also found a positive relation of intention to pay zakat and attitude towards zakat on employment income when she examines zakat employment income among manufacturing employees in Penang. On the other hand, Farah Mastura and Zainol (2015) found that attitude has a significant influence on zakat compliance behavior on saving.

H2: A subjective norm has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

No Support has been found for Hypothesis 2, that Subjective Norm has a positive influence on the intention of taxpayers to accept final tax as tax declaration. This study shows a negative relationship between subjective norms and intention of taxpayers to accept final tax as tax declaration. The regression result for H2 was statistically significance (t value= -2.078p<0.039). However, thus, subjective norm (independent variable) significantly explained a negative relationship between perceptions of subjective norms and intention of taxpayers to accept final tax as tax declaration (dependent variable), rejecting the alternate hypothesis. The unstandardized

coefficient value of -0.084 indicated a moderate down slope which means there is a negative relationship between the two variables. The result of this test not-supporting a positive relationship between subjective norm and intention of taxpayers to use final tax as tax declaration was inconsistent with the research of Hanno and Violette (1996), Bobek and Hatfield (2003), Kautsar and Bayu (2013), and Zainol and Faridahwati (2013).

H3: Knowledge has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

Further, in contrast to hypothesis 2, Support had been found for Hypothesis 3, that knowledge of tax system and tax compliance laws and so on had a positive influence on the intention of taxpayers to use final tax as tax declaration. Since the significance P-value was less than 0.05, the regression model for H3 was deemed statistically significant. Knowledge (independent variable) have a significant effect on the intention of taxpayers to accept final tax as tax declaration (dependent variable). The correlation value of 0.398 indicated a moderate uphill which means there is a positive relationship between two variables whereas the significant P-value Hence, there was a positive relationship between knowledge and the intention of taxpayers to accept final tax as tax declaration. The result of this test supporting a positive relationship between knowledge and the intention of taxpayers to accept final tax as tax declaration was consistent with the research of Fang and Shih, (2004), Ingram, Cope, Harju and Wuench, (2000).

H4: Understanding has a positive relationship with the intention of taxpayers to use final tax as tax declaration.

In line with H3, support had also been found for Hypothesis H4, that Understanding had a positive influence on the intention of taxpayers to accept final tax as tax declaration. Similar to the regression model for H3, the regression model for H4 was statistically highly significance ($p<0.000$). Thus, an understanding component of perceived behavioral control (independent variable) significantly explained the intention of taxpayers to accept final tax as tax declaration

(dependent variable). The result of this test was consistent with the research of Fang and Shih, (2004), Ingram, Cope, Harju and Wuench, (2000).

4.7 Discussions

In the first section of the results, cases from the Malaysian Government and Private sectors are quoted to investigate the relationship of the factors influencing tax compliance behavior of tax payers which emphasis on the acceptance of MTD as final tax. The results provide useful insights into the understanding of the factors which leads towards tax compliance behavior among employees working in Malaysia.

First of all, the emergence of a separate factor for all the constructs specifies that the respondents have clearly understood the items and responded well according to the dimensions of scale. Both variables such as knowledge and attitudes according to the results of the study are considered as good predicators of tax compliance behavior of accepting MTD as final tax. Majority of studies suggest and helps in explaining the attitude of behavior as the most influential factor in forecasting and describing tax compliance. It is fascinating to note that attitudes, personal, social and as well as societal norms also among those major factors which are also held responsible for predicting tax compliance behavior. Behavioral intentions and behavior directly, both are significantly influenced by the knowledge and understanding dimensions of perceived behavioral control.

Findings are extracted from this study which provide support in large to the unfolding body of literature that informal sanctions in comparison to the formal sanctions are more effective in raising the level of tax compliance behavior. The overall study demonstrates that while achieving maximum compliance strategy the noneconomic variables such as understanding, attitudes and norms will be implemented.

Tax authorities are facing enormous problems in compliance of tax because the noncompliance of tax is a great challenge for the authorities. Audits and penalties both are seemed

as the existing enforcing tools to prevent noncompliance. But both the ways of addressing the noncompliance of tax are costly to the tax authorities owing to limited resources.

The results of this study showed that the factors such as attitudes, knowledge, understanding and norms have significant impact on the intention behavior of accepting MTD as final tax. Therefore, tax authorities should try to modify the way of the final tax issue or perception in the public by their behavior of attitudes and norms. The promotion is required through their perception that this norm should be complied by the society as a whole. This behavior may be highlighted by the positive effects of paying the tax such as it will provide as a consequence better education, sound infrastructure, better health and burden on the tax payers shall be reduced. The negative effects of noncompliance of tax will put its worse impact such as the social services will be reduced and unfair burden will be removed from the compliant individuals. Media can be used as a resource to communicate with the masses by informing them the pros and cons of the compliance and noncompliance. The voluntary response is a positive norm and noncompliance is considered as discouraging and intolerable. If the majority of the public will follow than the remaining will likely to follow the same (Kornhauser, 2007).

4.8 Conclusion

Data screening process was conducted at the early stage of data analysis in this study to check for missing variables and eliminate any obvious data errors. Descriptive data analysis was conducted for demographics information of the respondents in order to develop a profile of respondents. Before proceeding to inferential data analysis, the reliability and validity of the scales were verified through reliability test and factor analysis. Regression analysis was used to test all the hypotheses. Further, this study presented four hypotheses to be tested. Data collection and analysis revealed support for all four hypotheses. Out of All four hypotheses, there were supported at $p < 0.05$, showed there is a positive relationship between the independent and dependent variables. However, results of this study does not supported the hypothesis 2. The summary of the research findings and research implications are discussed in the next chapter.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This is the final chapter of the study and comprises five parts. The first part summarizes the findings of the study, while the second part discusses the possible implications of this study both in theory and in practice. The third part of this study addresses the limitations of this study and recommendations for future researchers based on study findings will also be presented. Finally, the chapter concludes with an overall conclusion on the study.

5.2 Summary of Research Findings

The objective of this study was to identify the factors that influence taxpayers' intention towards the adoption of final tax as tax declarations in Malaysia. A total number of 194 valid respondents from the employees working in the government sector and private limited companies in Klang Valley, Malaysia participated in this study. Data was collected using paper-based and online-mediated questionnaires which were shared personally and through emails and social media. The questionnaire was designed using reliable multi-item scales developed in previous research and consisted of five sections. Convenience sampling was adopted to collect data from the sample respondents of employees working in Malaysian organizations, where the snowballing technique was used to engage more respondents.

Data obtained was then analyzed using SPSS software. Once the reliabilities of the multi-item scales in the questionnaire were established, factor analysis was performed to simplify the data, and multiple regression analysis was then performed to examine the relationship between variables attitude, subjective norms, perceived behavioral controls dimensions i.e. knowledge and understanding and behavioral intention to final tax.

Research objectives had been defined in Chapter 1 to investigate the relationships between attitude, subjective norms, perceived behavioral controls dimensions i.e. knowledge and understanding and behavioral intention to final tax. Based on the data analysis in chapter 4, the

correlation coefficients of 0.384 shows very good fit of proposed model of theory of planned behavior and intentions to final tax in the context of Malaysian organizations. These research findings supported three hypotheses that postulated a positive influence of attitude perceived behavioral controls dimensions i.e. knowledge and understanding and behavioral intention to final tax at the $p<0.05$ level. , However, one hypothesis was not supported by the results regarding the positive relationship between subjective norms and intentions to final tax. The results showed a negative relationship between variables. Hence, the research objective is achieved.

The study is carried out to know about the compliance behavior, which is changed through the influence of MTD as final tax system of the Malaysian taxpayers. Following this issue, a well-prepared model of the TPB adopted from the study of (Ajzen, 1991) was used to investigate the relationship of variables. The TPB model dispenses a theoretical framework of behavioral factors; those are consisting of three multiple determinants such as attitudes, subjective norm and perceived behavioral control. In this study, perceived behavioral control which focuses specifically on knowledge and understanding as detailed discussed in Chapter 2. Generally, the results propose that the TPB model fits the data well.

The use of the TPB model in tax compliance behavior offers a good explanation of taxpayers' behavior. Attitudes and dimensions of perceived behavioral control; knowledge and understanding, have been remarkably influential. While attitudes and perceived behavioral control had positive coefficients. It is seen that in the attitude matters, the higher attitude to comply it would lead to achievement in compliance. Attitude towards tax compliance makes taxpayers tax prone towards obligations.

However, subjective norms in this study showed negative relationship which is on contrast to the general perception that taxpayer's motivation, his/her compliance with his/her similar group, it generates higher compliance to tax obligations too. Moreover, this study is consistent with the work of Godin and Kok (1996), and Armitage and Conner (2001), who found subjective norm to be the weakest component in explaining the variance in intentions, compared to the other original

theory of planned behaviour variables. This is the case in this study as subjective norm was shown negatively related to intentions. This negative relationship may be shows that or it seems like norms surrounding such peers, employer, the family does not influence or perhaps these group also not aware of the implementation Final tax to the respondent. To further the knowledge on subjective norms as predictors, may be more research is required. Furthermore, Subjective norms becoming the weakest predictor of positive intentions as compare with most of the studies which showed subjective norms as the strongest unique contributing variable in the models tested in numerous studies (Rivis et al., 2009). Furthermore, in information systems as suggested that the TPB model is not limited in forecasting unethical behaviors (Dwyer & Williams, 2002) and to other behaviors of humans (Paris & Broucke, 2008; and Guo, Johnson, Unger, Lee, Xie, Chou, & Pentz, 2007), but it is functional in describing tax compliance behavior.

To sum up, supports were established for the hypotheses that postulated the positive relationship between attitude, subjective norms, and perceived behavioural controls dimensions i.e. knowledge and understanding and behavioural intention to final tax. The proposed research model for this study (Figure 3.1) has been found to be significant in testing the hypothesized relationship.

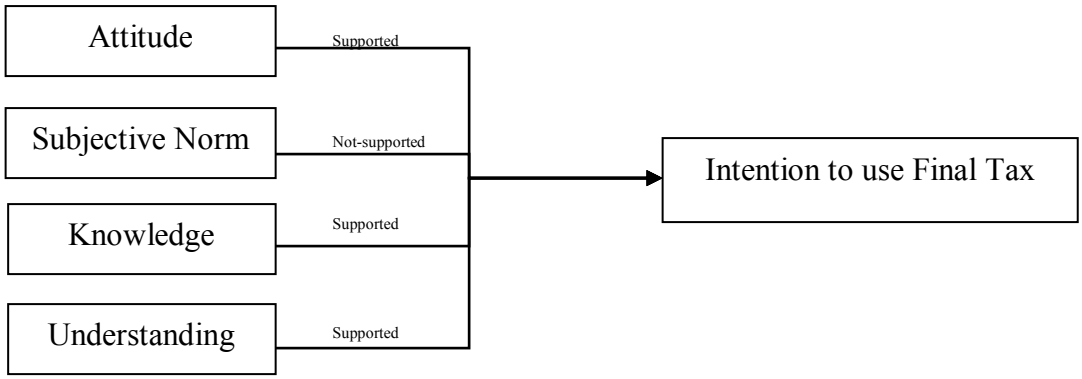


Figure 3.1: Conceptual Model and Hypotheses supports

5.3 Research Implications

The results of this study present several implications for academicians and practitioners. There were two types of implications which could be derived from the overall research findings of

this study; theoretical implications and practical implications. The study provides evidence on the perception of Malaysian taxpayers towards MTD as final tax. Further, attitudes, subjective norm and knowledge and understanding dimensions of perceived behavioral controls as highlighted in theory of planned behavior have been remarkably influential. This empirical evidence should add to the literature on compliance behavior.

Important update as found, in Malaysia especially, would contribute enough on the prevailing proof as documented by Mustafa and Hanefah (1996). Furthermore, policy makers and the tax authorities are benefited by the findings, as it would help them in highlighting the positive dimensions and the relevant aspects that require attention. Researchers are also the beneficiaries of the study that it generally helps them to understand the role of tax information and knowledge, and its complexity in acceptance of MTD as final tax perception. Policy makers are getting the guidance from the empirical evidence in offering and developing to the public the relevant information of tax education, they also simplify the programs for the public. Lastly, but not the least, a clear evidence is sort that the TPB model has outstanding potential in delivering to the tax compliance literature. The planned behavior models seem as a productive area for future research in tax environment.

5.4 Limitations and Future Research

First of all, the total responses retrieved throughout one-month data collection period were less than the sample size requirement of 271, which had been defined in the sampling design. This might be due to the nature of low response rate for the internet-mediated survey, whereby questionnaire emails were likely to be ignored by the respondents, mistreated as spam emails, or blocked by the companies' networks. As a result, the research findings might not be strong enough to generalize the population of private limited companies and government organizations in Malaysia. Accordingly, it is recommended for future researchers to adopt "delivery and collection" or structured interview methods to collect their research data. Since their methods tend to have a higher response rate as compare to internet-mediated survey or telephone survey.

Second, although the proposed conceptual model was supported in the context of private limited companies, and government organizations in Malaysia, it may be applied in the future research to specifically focusing on one particular sector in order to extract results from one particular industry. The employees' perception of tax compliance behavior may vary from organization to organization as well as the. Furthermore, future research should proceed to prolong the theoretical model of the TPB in the tax literature as it offers a top rationalization of compliance behavior. Possibly researchers should decompose the idea of planned behavior variables to gain a higher insight into the deciding factors. In addition, a survey on fairness perceptions amongst tax experts would additionally be an interesting area for research.

5.5 Conclusion

This research has empirically studied the relationship between attitude, subjective norms, knowledge, understanding and behavioral intention to final tax. Respondents consisted of employees from two sectors i.e. government sector and private limited companies. The results of this study indicate that attitude, , knowledge and understanding have a positive influence on behavioral intention to final tax however, subjective norms was not supported. The implications of these findings for academicians and practitioners were discussed and recommendations were offered for future studies to expand the literature on the variables used in the study.

REFERENCES

Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational Behavior and Human Decision Processes*, *50*, 179–211.

Ajzen, I. (2002). Constructing a TPB questionaire: Conceptual and Methodological Considerations. Retrieved March 17, 2009 from www.people.umass.edu/aizen/pdf/tpb.measurement.pdf

Ajzen, I., & Driver, B. . (1992). Application of the Theory of Planned Behavior to Leisure Choice. *Journal of Leisure Research*, *24*(3), 207–224.

Ajzen, I., & Fishbein, M. (1980). Understanding attitudes and predicting social behavior. Englewood Cliffs, NJ: Prentice-Hall.

Alabede OJ, Zainol A, Kamil MI (2011). Determinants of Tax Compliance Behaviour: A Proposed Model for Nigeria. *Inter. Res. J. Financ. Econ. p.* 122.

Alm, J., Cherry, T., Jones, M. & McKee, M. (2010). Taxpayer Information Assistance Services and Tax Compliance Behaviour. Journal of Economics Psychology 31: 577-586

Armitage, C. J. & Conner, M. (2001). Efficacy of the Theory of Planned Behaviour: A Metaanalytic review. British Journal of Social Psychology, 40, 471–99.

Aronson, E., Wilson, T. D., & Akert, R. M. (1999). *Social psychology* (3rd ed.). New York: Longman.

Autio, E., H. Keeley, R., Klofsten, M., GC Parker, G., & Hay, M. (2001). Entrepreneurial intent among students in Scandinavia and in the USA. *Enterprise and Innovation Management Studies*, *2*(2), 145-160.

Azman, F. M. N., & Bidin, Z. (2015). Factors influencing zakat compliance behavior on saving. *International Journal of Business and Social Research*, *5*(1), 118-128.

Aziz, S.A & Bani, M.A.A (2017). Tax E-Lejar Service: Determinants of Behavioral Intention among Individual Taxpayers in Kuala Lumpur. Proceedings: 4th International Conference on E-Commerce. Putrajaya. 90-98

Aziz, S.A & Isa, I. (2017). Interactive Data Extraction Analysis (IDEA): The Determinants of Behavioral Intention Among Field Audit Officers in Putrajaya State Director Office, IRBM. Proceedings: 4th International Conference on Accounting Studied. Putrajaya. 143-148

Bandura, A. (1977). *Social learning theory*. Englewood Cliffs: Prentice Hall.

Bobek, D. D., & Hatfield, R. C. (2003). An investigation of the theory of planned behavior and the role of moral obligation in tax compliance. *Behavioral Research in Accounting*, *15*(1), 13-38.

Cheng, S., Lam, T., & Hsu, H. C. (2005). Testing the sufficiency of the theory of planned behavior: A case of customer dissatisfaction responses in restaurants. *International Journal of Hospitality Management, 24*, 475-492.

Chu, P. Y., & Wu, T. Z. (2004). Proceedings from Pacific Asia Conference on Information System: *Factors influencing tax-payer information usage behavior: Test of an integrated model.* Shanghai: China.

Cochran, W.G. (1963) Sampling Technique. 2nd Edition, John Wiley and Sons Inc., New York

Cohen, Jacob, Cohen, Patricia, West, Stephen G, & Aiken, Leona S. (2013). *Applied multiple regression/correlation analysis for the behavioral sciences*: Routledge.

Costello, Anna, & Osborne, Jason. (2005). Best practices in exploratory factor analysis: Four.

Daniel Ho, Brossa Wong, (2008) "Issues on compliance and ethics in taxation: what do we know?", Journal of Financial Crime, Vol. 15 Iss: 4, pp.369 – 382

Dwyer, T., & Williams, L. M. (2002). Nurses' behaviour regarding CPR and the theories of reasoned action and planned behaviour. *Resuscitation*, *52*(1), 85-90.

Fallan, L. (1999). Gender, exposure to tax knowledgeand attitudes towards taxation. *An experimental approach, Journal of Business Ethics,* 18(2). 173-184.

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

Farah Mastura, N. A. (2011). Zakat compliance intention behavior on saving among Universiti Utara Malaysia's staff. Unpublished master dissertation. Universiti Utara Malaysia.

Farah Mastura, N. A., & Zainol, B. (2015). Factors Influencing Zakat Compliance Behavior on Saving. *International Journal of Business and Social Research*, *5*(1), 119–129.

George, & Mallery. (2003). Reliability analysis. *SPSS for Windows, step by step: a simple guide and reference, 14th edn. Boston: Allyn & Bacon*, 222-232.

Gliem, Joseph A, & Gliem, Rosemary R. (2003). *Calculating, interpreting, and reporting Cronbach's alpha reliability coefficient for Likert-type scales*.

Godin, G., & Kok, G. (1996). The Theory of Planned Behavior: A Review of Its Applications to Health-related behaviors. American Journal of Health Promotion, 11(2), 87-98.

Goldstein, I. (1993). *Training in organizations (3rd Edition)*. Belmont, CA: Wadswoth.

Guo, Q., Johnson, C. A., Unger, J. B., Lee, L., Xie, B., Chou, C. P., ... & Pentz, M. (2007). Utility of the theory of reasoned action and theory of planned behavior for predicting Chinese adolescent smoking. *Addictive behaviors*, *32*(5), 1066-1081.

Hanno, D. ., & Violette, G. R. (1996). An Analysis of Moral and Social Influences on Taxpayer Behaviour. *Behavioral Research in Accounting*, *8*, 57–75.

Hinkle, Dennis E, Wiersma, William, & Jurs, Stephen G. (2003). Applied statistics for the behavioral sciences.

Hinton, PR, Brownlow, C, McMurray, Isabella, & Cozens, Bob. (2004). SPSS explained Routledge: NY.

Hungerford, H. R., & Yolk, T. L. (1990). Changing learner behavior through environmental education. *The Journal of Environmental Education,* 21(3), 8-21.

Ida Husna, H. (2009). *Intention to pay zakah on employment income among manufacturing employees in Penang* (Doctoral dissertation, Universiti Utara Malaysia).

Ingram, K. L., Cope, J. G., Harju, B. L., & Wuensch, K. L. (2000). Applying to graduate school: A test of the theory of planned behavior. *Journal of Social Behavior and Personality*, *15*(2), 215.

IRD NZ (2016) Individual Income Tax. Retrieved on 25.02.2017 from http://www.ird.govt.nz

Jackson B, Milliron V (1986). Tax Compliance Research Findings, Problems and Prospects. *Journal of Accounting Literature*.

Kautsar, R.S., & Bayu, S. (2013). Intention and behavior of tax payment compliance by the individual tax payers listed in Pratama Tax Office West Sidoarjo Regency. Journal of Economics, Business, and Accountancy Ventura, 16(2): 309-324

Koufaris, M (2002). Applying the acceptance technology model and flow theory to online consumer behavior. *Information System Research*. 13(2), 205-223.

Kornhauser, M. (2007). A Tax Morale Approach to Compliance: Recommendations for the IRS. *FloridaTax Review, 8*(6), 601-634.

Lobb, A.E., Mazzocchi, M., & Traill, W.B. (2007). Modelling risk perception and trust in food safety information within the theory of planned behaviour. Food Quality and Preference, 18, 384–395.

Lu, C.-T., & Ting, C.-T. (2013). A Study of Tax e-Filing Acceptance Model : A Structural Equation Modeling Approach. In IEEE/ACIS 12th International Conference Computer and Information Science (ICIS) (pp. 1–6)

Mohd-Rizal, P. (2005). Does Tax Knowledge matters in Self-Assessment Systems? Evidence from Malaysian Tax Administrative. The Journal of American Academy of Business Cambridge 6(2): 80-84

Mohd Rizal, P., & Ahmad Fariq, M. (2011). Determinants of tax compliance in Asia: A case of Malaysia. *European Journal of Social Sciences*, 24(1), 7-32

Mustafa, H., & Hanefah, M. (1996). *An Evaluation of the Malaysian Tax Administrative System and Taxpayers Perceptions Towards Assessment Systems, Tax Law Fairness and Tax Law Complexity* (Doctoral dissertation, Universiti Utara Malaysia).

Muhammad, S. A., & Ram Al Jaffri, S. (2015). The Impact of Zakat Service Quality on Intention to Pay Zakat: Mediating Effect of Trust on Zakat Institution. In *Kuala Lumpur International Communication, Education, Language and Social Sciences 1 (KLiCELSI)* (Vol. 1, pp. 6–7).

Natrah, S. (2010). Fairness Perceptions and Compliance Behaviour: The Case of Salaried Taxpayers in Malaysia after Implementation of the SelfAssessment System. *eJournal of Tax Research*, *8*(32–63).

Nero, M. & Amrizah, K. (2005) "Tax Literacy and Tax Awareness of Salaried Individuals in Sabah & Sarawak". National Accounting Research Journal 3(5); 71-89

Pallant, Julie. (2007). SPSS survival manual: A step-by-step guide to data analysis using SPSS version 15. *Maidenhead, Berkshire, England: McGraw-Hill Education*.

Paris, H., & Van den Broucke, S. (2008). Measuring cognitive determinants of speeding: An application of the theory of planned behaviour. *Transportation Research Part F: Traffic Psychology and Behaviour*, *11*(3), 168-180.

Pickens, J. (2005). Organizational Behavior in Health Care. Jones and Bartlett Publishers, Sudbury, MA, USA

Poulter, D. R., Chapman, P., Bibby, P. A., Clarke, D. D., & Crundall, D. (2008). An application of the theory of planned behavior and compliance with regulations. *Accident Analysis and Prevention, 40*, 2058-2064.

Ram Al Jaffri, S., Muhammad Syahir, A.W., & Mohd Amir, M. S. (2015). Factors influencing business zakah compliance behavioramong Moslem businessman in Malaysia: A research model. *Procedia-Social and Behavioral Science*, 219, 654-659

Ram Al Jaffri Saad , Roszaini Haniffa , (2014) "Determinants of zakah (Islamic tax) compliance behavior", Journal of Islamic Accounting and Business Research, Vol. 5 Iss: 2, pp.182 - 193

Research Department of Taxation, I. (2010). Proposal: Final Tax for Single Sourced Employment Income Taxpayers, *6*.

Richard (2014). Monthly Tax Deduction as Final Tax. Retrieved January 6,2014 from http://malaysiantaxation101.com/2014/01/monthly-tax-deduction-as-final-tax/

Rivis, A., Sheeran, P., & Armitage C. J. (2009). Expanding the Affective and Normative Components of the Theory of Planned Behavior: A Meta-Analysis of Anticipated Affect and

Moral Norms. Journal of Applied Social Psychology, 39(12), 2985-3019.

Roth, J. A., Scholtz, J. T., & Witte, A. D. (1989). Taxpayer compliance: An agenda for research. Philadelphia. University of Pennsylvania Press

Saunders, Lewis, & Thornhill, P. (2012). Research Methods for Business Students *Research Methods for Business Students*.

Sheppard, B. H., Hartwick, J., & Warshaw, P. R. (1988). The theory of reasoned action: A meta-analysis of past research with recommendations for modifications and future research. Journal of Consumer Research, 15, 325-343.

Sekaran, Uma, & Bougie, R. (2009). Research methods of business: A skill-building approach (ed.). New York: John Willey & Sons: Inc.

Smart, M. (2012). Applying the theory planned behavior and structural equation modelling to tax compliance behavior: A New Zealand Study, Phd Thesis. University of Canterbury

Sutinen, J. G., & Kuperan, K. (1999). A socioeconomic theory of regulatory compliance. International Journal of Social economics, 26(1,2,3), 174-193.

Terkper S (2007). Improving Taxpayer Acconting for SMEs and Individuals. *Andrew Young School of Policy Studies; Annual Conference on Public Finance Issues:Alternative Methods of Taxing Individuals* (pp. 22-23). Georgia State: Georgia State University.

Teo, T., & Beng Lee, C. (2010). Explaining the intention to use technology among student teachers: An application of the Theory of Planned Behavior (TPB). *Campus-Wide Information Systems*, *27*(2), 66–67.

The Japan Tax Site : Individual tax – calculating taxable income. (2010) retrieved from http://www.japantax.org/?page_id=440

Tonglet, M., Phillips, P.S., & Read, A.D. (2004). Using the theory of planned behaviour to investigate the determinants of recycling behaviour: A case study from brixworth, UK. Resources, Conservation and Recycling, 41, 191-214

Wang, C., Zhang, P., Choi, R. & D'Eredita, M. (2002). Understanding Consumers Attitude Toward Advertising. Eighth American Conference on Information System 2002, 1143-1147

Wan Mazlan, W.M. (2015). Faktor-faktor Yang Mempengaruhi Ketidakpatuhan Cukai Di Kalangan Pengimport Di Malaysia. Unpublished PhD thesis, Universiti Utara Malaysia

Williams, Brett, Brown, Ted, & Onsman, Andrys. (2012). Exploratory factor analysis: A five-step guide for novices. *Australasian Journal of Paramedicine, 8*(3), 1.

Yaniv, G (1999). Tax Compliance and Advance Tax Payments: A Prospect Theory Analysis. National Tax Journal 52 (4): 753-764

Young A, Danny C, Daniel H (2013). A Study of the Impact of Culture on Tax Compliance in China. *International Tax Journal;CCH Incorporated*.

Zainol, A. (2008, December). Investigation into requirements management practices in the Malaysian software industry. In *Computer science and software engineering, 2008 international conference on* (Vol. 2, pp. 292-295). IEEE.

Zainol, B., & Faridahwati, M. S. (2013). Using theory of reason action to explain taxpayer intention to comply with good and services tax (GST). *Middle-East Journal of Scientific Research* 17(3): 387-394

Zainol, B., & Kamil. M. I. (2007). The role of attitude and subjective norm on intention to comply zakah on employment income. *IKaZ International Journal of Zakah*, *1*(1): 113-130.

Zainol, B., & Kamil, M. I. (2009). Sikap, norma subjektif dan persepsi kawalan ditanggap terhadap niat gelagat kepatuhan zakat pendapatan gaji, *International Journal of Management Studies, 16*(1): 31-55.

Zainol, B., Zolkafli, H. & Shalihen, M.S. (2011). Pengaruh Sikap dan Norma Subjektif Terhadap Niat Gelagat Kepatuhan Cukai Jualan Tempatan. International Journal Management of Science , 18(2): 237-251.

Zikmund, William, Babin, Barry, Carr, Jon, & Griffin, Mitch. (2012). *Business research methods*: Cengage Learning.

Appendices

Appendix A

COLLEGE OF BUSINESS
QUESTIONNAIRE

The Intention of Accepting Final Tax Taxpayers-Employment Income in Malaysia

Dear participant,

This questionnaire is designed to study about the perception of taxpayer in employment income group towards the implementation of final tax system in the current situation. Your participation is highly appreciated.

Final Tax: Monthly Tax Deduction (MTD) is a mechanism to deduct monthly tax payments on employment income received by employees in the current year. Employers are responsible to remit MTD to the Inland Revenue Board (IRB) every month as stated in the Income Tax (Deduction from Remuneration) Rules 1994.Under the Budget 2014 proposals, taxpayers who fall under employment category may not need to file their personal tax returns from the Year of Assessment (YA) 2014 onwards, rendering the amount of monthly tax deduction as the final tax.

This study is conducted as a partial fulfilment for my Master of Science (International Accounting). The information you provide for the purpose of this study will be kept STRICTLY CONFIDENTIAL and for the academic purpose only.

Your input is highly valued. Thank you very much for your time and cooperation.

Yours sincerely,

Syarizan Bin Ramli (819526)

Candidate

Master of Science (International Accounting) University Utara Malaysia

Appendix B

SECTION A: RESPONDENT PROFILE

BAHAGIAN A: PROFIL RESPONDEN

Please Tick (√) in the box provided.

Sila tandakan (√) di dalam kotak yang disediakan.

1. Sex / *Jantina*
   - □ Male/ *Lelaki*
   - □ Female / *Perempuan*
2. Age / *Umur*
   - □ 20-30 years / *Tahun*
   - □ 31 – 40 years */ Tahun*
   - □ 41 years and above / *Tahun dan ke atas*
3. Academic Qualification/ Kelayakan Akademik
   - □ PhD / Doktor Falsafah
   - □ Master Degree / Sarjana
   - □ Bachelor Degree / Sarjana Muda
   - □ Others / Lain-lain *:* _____
4. Income / *Pendapatan*
   - □ RM 3,500.00 - RM 5,000.00
   - □ RM 5,001.00 - RM 6,500.00
   - □ RM 6,501.00 - RM 8,000.00
   - □ RM 8,001.00 – RM 9,500.00
   - □ RM 9,501.00 and above / ke atas
5. Job Sector / *Sektor Pekerjaan*
   - □ Government / Kerajaan
   - □ Private Sector / Swasta
6. Currently I also received benefit in kinds (BIK)

   Pada ketika ini saya menikmati manfaat berupa barangan (MBB)
   - □ Yes / Ya
   - □ No / Tidak

SECTION B – ATTITUDE
BAHAGIAN B – SIKAP

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Sangat tidak setuju	*Tidak setuju*	*Tidak pasti*	*Setuju*	*Sangat setuju*

1	Income tax declaration is my priority. *Melapor cukai pendapatan adalah keutamaan saya.*	1	2	3	4	5
2	Final tax helps me a lot as compare to the Income Tax Filing Return (ITFR) via form or e-filing. *Cukai Muktamad banyak membantu saya berbanding dengan pelaporan cukai melalui borang atau e-filing.*	1	2	3	4	5
3	I believe that monthly tax deduction (MTD) is sufficient as my final tax. *Saya percaya potongan cukai bulanan (pcb) memadai sebagai cukai muktamad saya.*	1	2	3	4	5
4	I believe that final tax is saving my time. *Saya percaya cukai muktamad dapat menjimatkan masa saya.*	1	2	3	4	5
5	I feel dissatisfied if Monthly Tax Deduction (MTD) is assumed as final tax. *Saya rasa tidak puas hati sekiranya Potongan Cukai Bulanan dianggap sebagai cukai muktamad.*	1	2	3	4	5
6	I more preferred using final tax as tax declaration instead of submission via e-filing or prescribed form *Saya lebih gemar menggunakan cukai muktamad sebagai pengisytiharan cukai daripada mengemukakan melalui efiling atau borang nyata cukai pendapatan.*	1	2	3	4	5

7	I feel satisfied using final tax as my tax declaration *Saya amat berpuas hati dengan cukai muktamad sebagai pelaporan cukai pendapatan saya.*	1	2	3	4	5
8	In my opinion, MTD as final tax is more favorable. *Pada pendapat saya menggunakan PCB sebagai cukai muktamad adalah lebih menguntungkan.*	1	2	3	4	5

SECTION C – SUBJECTIVE NORM
BAHAGIAN C – NORMA SUBJEKTIF

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Sangat tidak setuju	*Tidak setuju*	*Tidak pasti*	*Setuju*	*Sangat setuju*

1	My spouse agrees that I should use final tax as my income tax declaration. *Pasangan saya bersetuju bahawa saya patut guna cukai muktamad sebagai pelaporan cukai pendapatan.*	1	2	3	4	5
2	My friends think that I should use final tax as my income tax declaration. *Kawan-kawan saya berpendapat bahawa saya patut menggunakan cukai muktamad sebagai pelaporan cukai pendapatan*	1	2	3	4	5
3	Tax Refund not my concern *Saya tidak kisah akan cukai bayaran balik*	1	2	3	4	5
4	Environmental factors caused me to use as a final tax for income tax declaration *Situasi persekitaran menyebabkan saya menggunakan cukai muktamad sebagai pelaporan cukai pendapatan*	1	2	3	4	5

5	I feel that my employer is not ready to implement Monthly Tax Deduction as final tax. *Saya merasakan bahawa majikan saya belum bersedia untuk melaksanakan Potongan Cukai Bulanan (PCB) sebagai cukai muktamad.*	1	2	3	4	5
6	My family thinks that I should accept the MTD method as my final tax. *Ahli keluarga saya berpendapat bahawa saya perlu menerima pakai kaedah PCB sebagai cukai muktamad.*	1	2	3	4	5
7	My employer thinks that I should use MTD method as my final tax. *Majikan saya berpendapat saya perlu menggunakan kaedah PCB sebagai cukai muktamad.*	1	2	3	4	5
8	My colleagues think that I should use MTD method as my final tax. *Rakan-rakan sekerja saya berpendapat saya perlu menggunakan kaedah PCB sebagai cukai muktamad.*	1	2	3	4	5

SECTION D1 – PERCEIVED BEHAVIORAL CONTROL (KNOWLEDGE)

BAHAGIAN D1 – KAWALAN GELAGAT DITANGGAP (PENGETAHUAN)

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Sangat tidak setuju	*Tidak setuju*	*Tidak pasti*	*Setuju*	*Sangat setuju*

1	I am aware of the implementation of Monthly Tax Deduction (MTD) as Final Tax. *Saya sedar berkenaan dengan garis panduan dan peraturan-peraturan atas cukai muktamad.*	1	2	3	4	5
2	I am able to give information related to facilitate the computation of final tax *Saya boleh mengemukakan maklumat untuk memudahkan pengiraan cukai muktamad.*	1	2	3	4	5

3	I do not have any problem with the implementation of Monthly Tax Deduction (MTD) as Final Tax. *Saya tidak bermasalah dengan perlaksanaan potongan cukai bulanan (pcb) sebagai cukai muktamad*	1	2	3	4	5
4	I know what the entire requirement needed in respect of Final Tax. *Saya tahu kesemua syarat-syarat yang diperlukan berkenaan dengan cukai muktamad.*	1	2	3	4	5
5	With the tax knowledge that I possess, it is easier for me to use final tax as tax declaration. *Dengan ilmu percukaian yang ada, mudah untuk saya menggunakan cukai muktamad sebagai pelaporan cukai.*	1	2	3	4	5
6	With limited knowledge on tax, it is easy for me to accept Monthly Tax Deduction (MTD) as final tax. *Dengan perngetahuan percukaian yang terhad, adalah mudah bagi saya untuk menerima Potongan Cukai Bulanan (PCB) sebagai cukai muktamad.*	1	2	3	4	5

SECTION D1 – PERCEIVED BEHAVIORAL CONTROL (UNDERSTANDING)

BAHAGIAN D1 – KAWALAN GELAGAT DITANGGAP (PEMAHAMAN)

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Sangat tidak setuju	*Tidak setuju*	*Tidak pasti*	*Setuju*	*Sangat setuju*

1	I understand Monthly Tax Deduction (MTD) as Final Tax. *Saya faham potongan cukai bulanan adalah cukai muktamad*	1	2	3	4	5
2	I understand the criteria of MTD as Final Tax. *Saya faham kriteria yang berkaitan potongan cukai bulanan dengan cukai muktamad.*	1	2	3	4	5

3	The acceptance of Monthly Tax Deduction (MTD) as final tax is ease for my tax matter. *Penerimaan Potongan Cukai Bulanan (PCB) sebagai cukai muktamad sebenarnya memudahkan urusan percukaian saya.*	1	2	3	4	5
4	In the event that I used Monthly Tax Deduction (MTD) as final tax, the probability of me to be audited is low. *Sekiranya saya menggunakan Potongan Cukai Bulanan (PCB) sebagai cukai muktamad, kebarangkalian untuk saya diaudit akan menjadi rendah.*	1	2	3	4	5

SECTION E – INTENTION
BAHAGIAN E – NIAT

Based on the scale given below, please circle the number that you think appropriate for each item.

Berdasarkan skala yang diberi, sila bulatkan pada nombor yang sesuai menurut pandangan anda terhadap item di bawah.

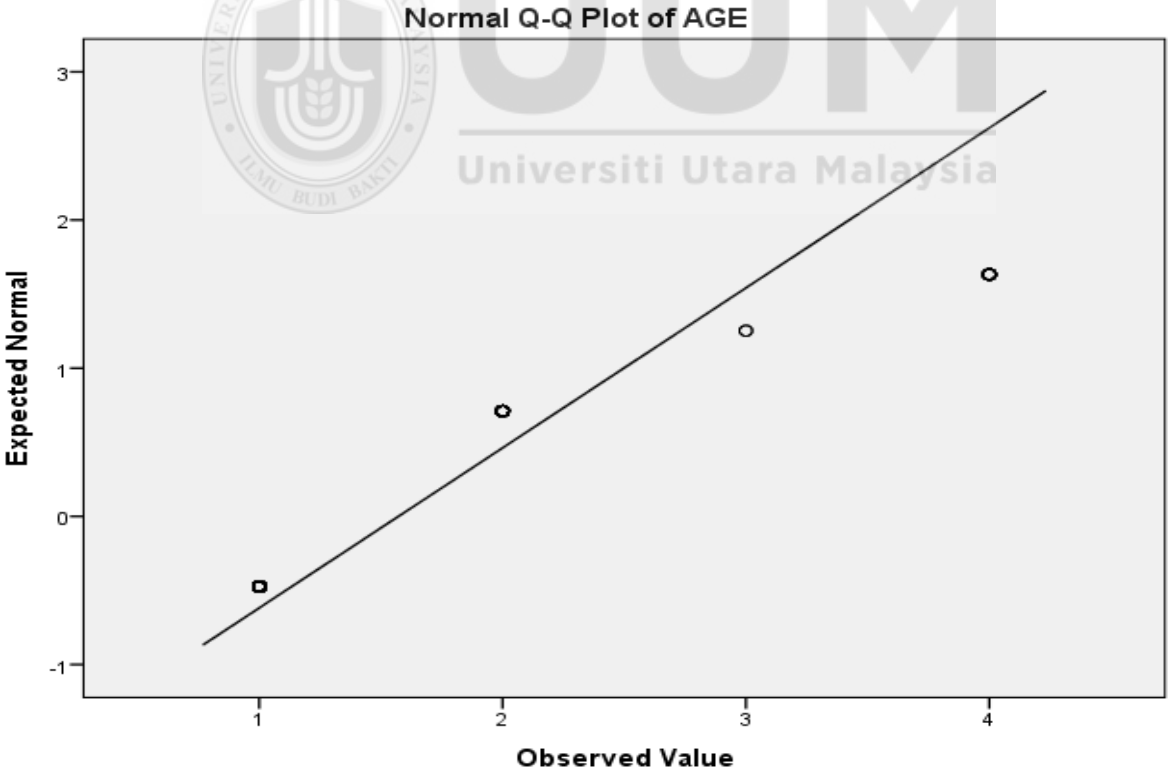
1	2	3	4	5
Strongly disagree	Disagree	Not sure	Agree	Strongly agree
Sangat tidak setuju	*Tidak setuju*	*Tidak pasti*	*Setuju*	*Sangat setuju*

1	I will use final tax for this year. *Saya akan guna cukai muktamad pada tahun ini.*	1	2	3	4	5
2	I will use final tax in the future. *Saya akan guna cukai muktamad pada masa depan.*	1	2	3	4	5
3	I will use final tax as my income tax declaration. *Saya akan guna cukai muktamad sebagai pelaporan cukai pendapatan.*	1	2	3	4	5
4	I will persuade my spouse using final tax. *Saya akan memujuk pasangan saya menggunakan cukai muktamad.*	1	2	3	4	5
5	I will persuade my friends using final tax. *Saya akan memujuk kawan-kawan saya menggunakan cukai muktamad.*	1	2	3	4	5

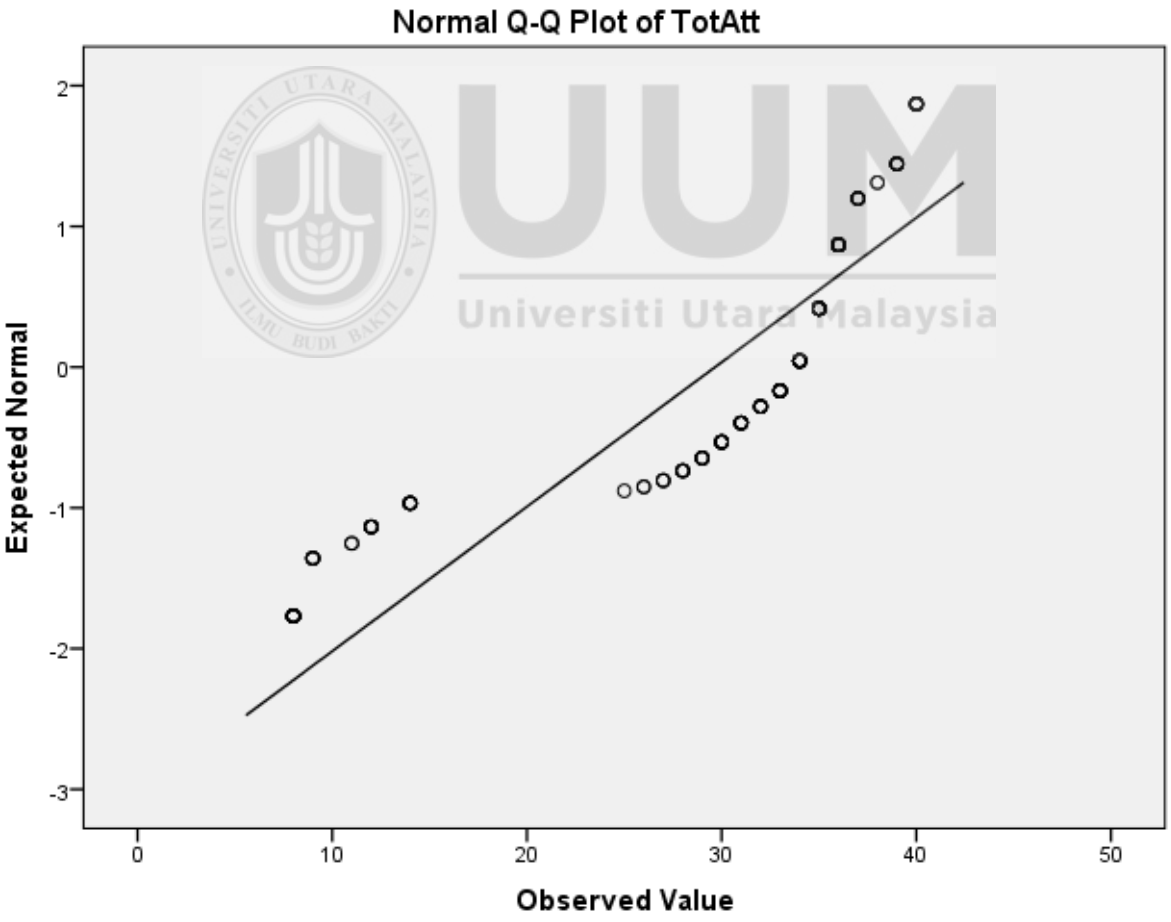
Appendix C1

Normality Test

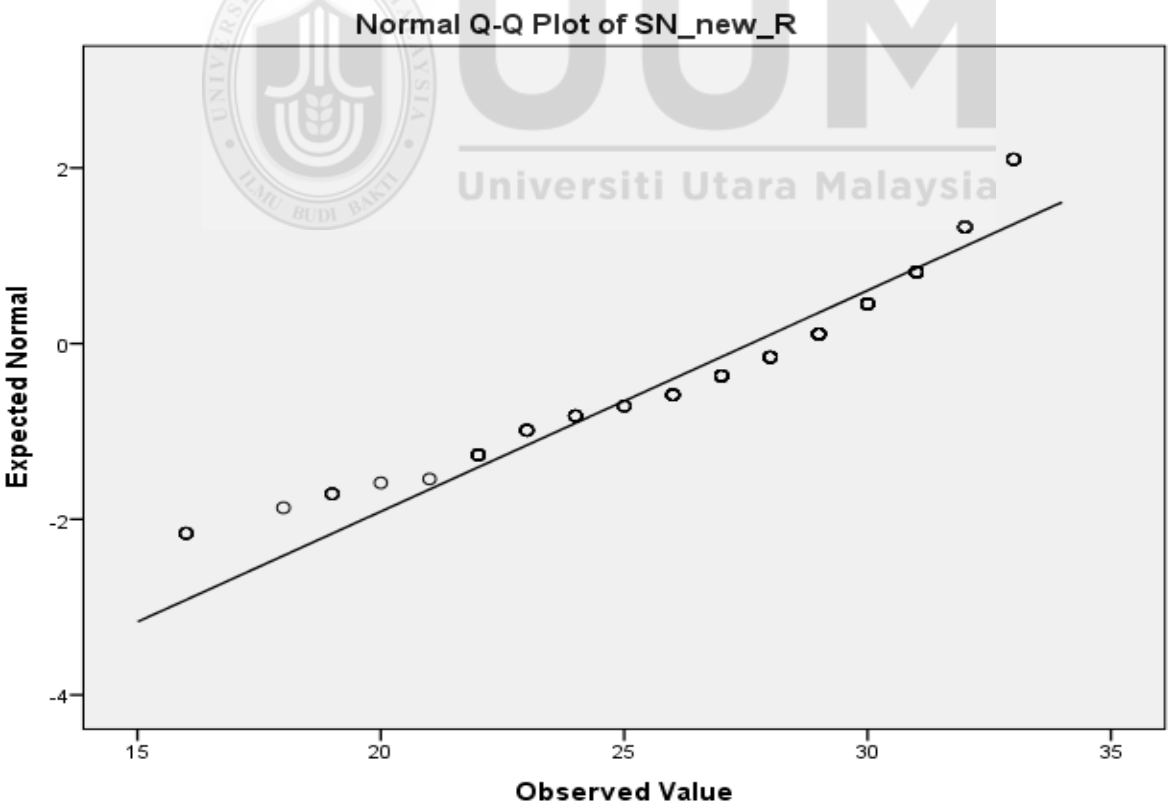
Descriptives				
			Statistic	Std. Error
AGE	Mean		1.5722	.06648
	95% Confidence Interval for Mean	Lower Bound	1.4410	
		Upper Bound	1.7033	
	5% Trimmed Mean		1.4691	
	Median		1.0000	
	Variance		.857	
	Std. Deviation		.92599	
	Minimum		1.00	
	Maximum		4.00	
	Range		3.00	
	Interquartile Range		1.00	
	Skewness		1.705	.175
	Kurtosis		1.920	.347



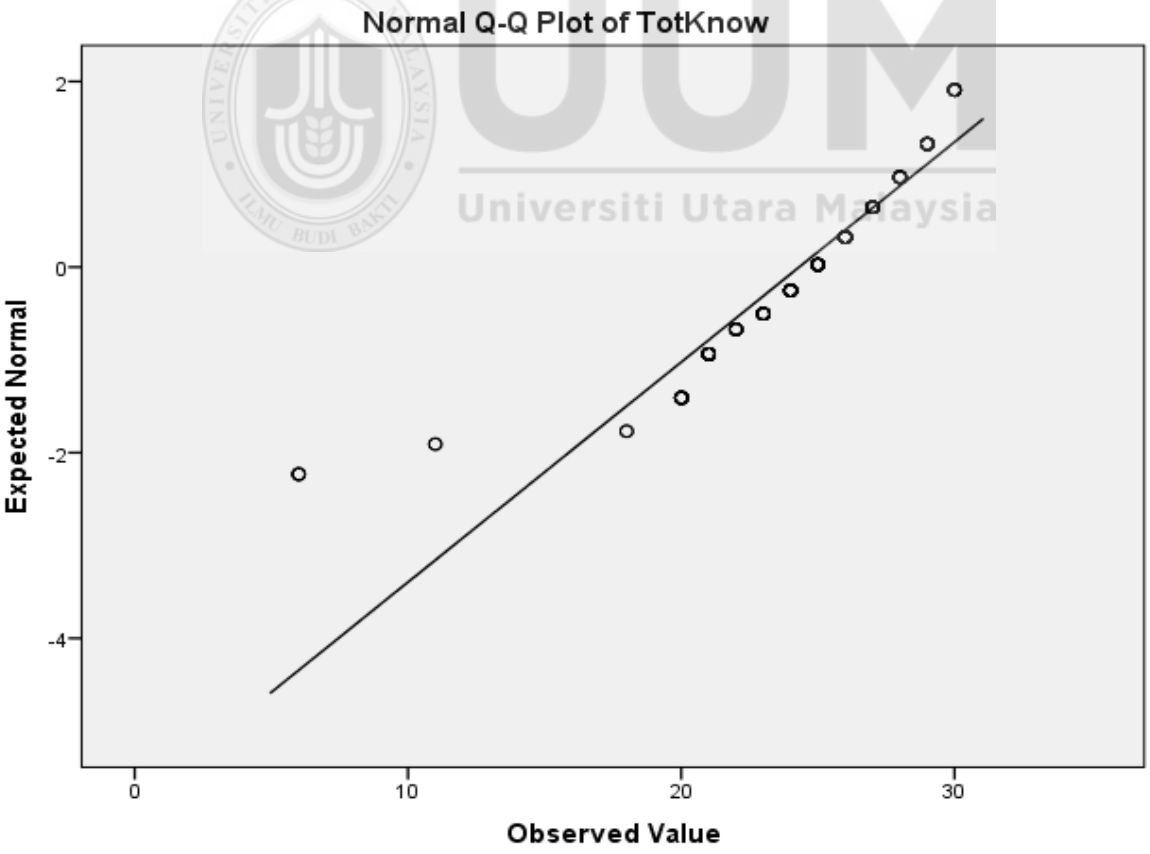
Descriptives				
			Statistic	Std. Error
TotAttitude	Mean		29.6598	.69910
	95% Confidence Interval for Mean	Lower Bound	28.2809	
		Upper Bound	31.0387	
	5% Trimmed Mean		30.2887	
	Median		34.0000	
	Variance		94.816	
	Std. Deviation		9.73737	
	Minimum		8.00	
	Maximum		40.00	
	Range		32.00	
	Interquartile Range		7.00	
	Skewness		-1.331	.175
	Kurtosis		.325	.347



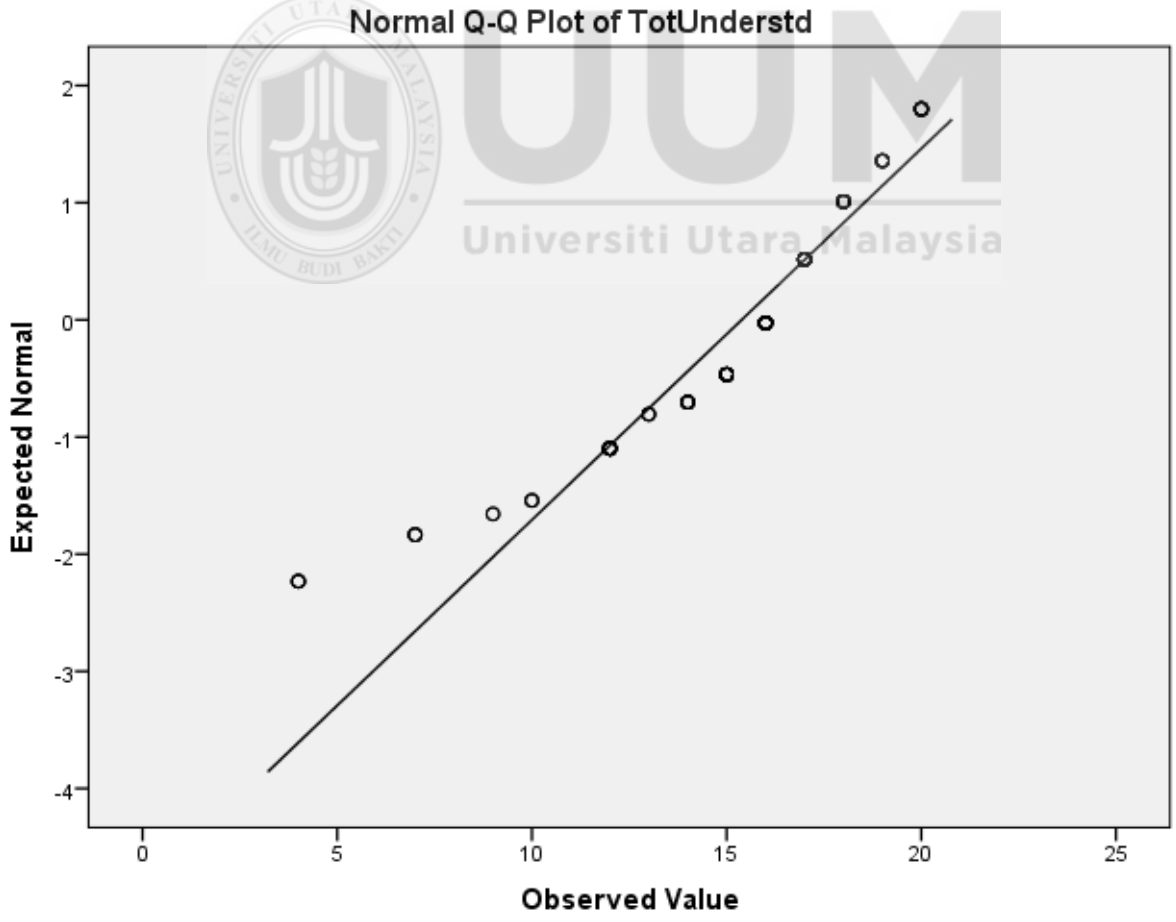
Descriptives				
			Statistic	Std. Error
TotSN_New_R	Mean		27.5979	.28544
	95% Confidence Interval for Mean	Lower Bound	27.0350	
		Upper Bound	28.1609	
	5% Trimmed Mean		27.8883	
	Median		29.0000	
	Variance		15.806	
	Std. Deviation		3.97573	
	Minimum		16.00	
	Maximum		33.00	
	Range		17.00	
	Interquartile Range		5.25	
	Skewness		-.977	.175
	Kurtosis		.455	.347



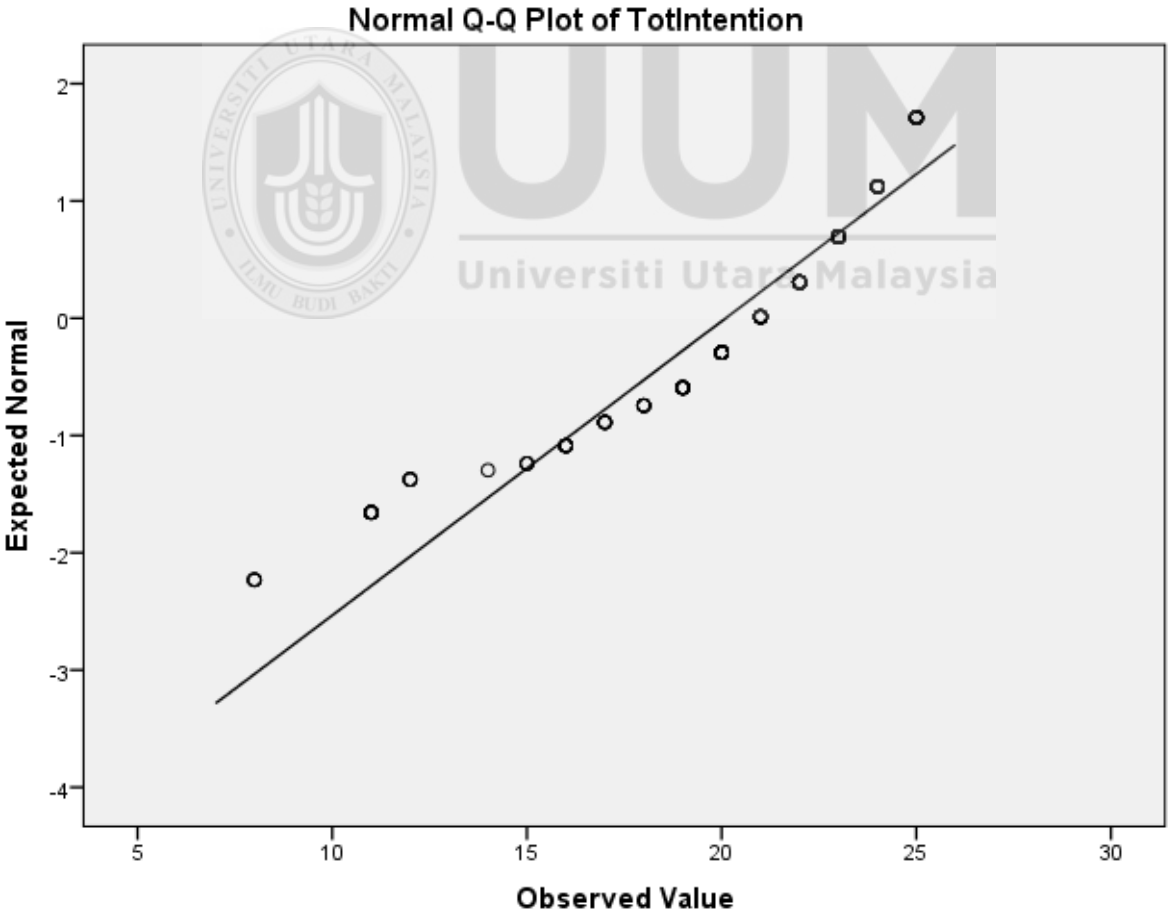
Descriptives				
			Statistic	Std. Error
TotKnowledge	Mean		24.3144	.30275
	95% Confidence Interval for Mean	Lower Bound	23.7173	
		Upper Bound	24.9116	
	5% Trimmed Mean		24.6850	
	Median		25.0000	
	Variance		17.781	
	Std. Deviation		4.21681	
	Minimum		6.00	
	Maximum		30.00	
	Range		24.00	
	Interquartile Range		5.00	
	Skewness		-1.903	.175
	Kurtosis		6.175	.347



Descriptives				
			Statistic	Std. Error
TotUnderstanding	Mean		15.3866	.22657
	95% Confidence Interval for Mean	Lower Bound	14.9397	
		Upper Bound	15.8335	
	5% Trimmed Mean		15.6455	
	Median		16.0000	
	Variance		9.959	
	Std. Deviation		3.15572	
	Minimum		4.00	
	Maximum		20.00	
	Range		16.00	
	Interquartile Range		3.00	
	Skewness		-1.366	.175
	Kurtosis		2.596	.347



Descriptives				
			Statistic	Std. Error
TotIntention	Mean		20.1031	.28634
	95% Confidence Interval for Mean	Lower Bound	19.5383	
		Upper Bound	20.6679	
	5% Trimmed Mean		20.4055	
	Median		21.0000	
	Variance		15.906	
	Std. Deviation		3.98828	
	Minimum		8.00	
	Maximum		25.00	
	Range		17.00	
	Interquartile Range		4.00	
	Skewness		-1.206	.175
	Kurtosis		1.058	.347



Appendix C2

Descriptives

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
ATTITUDE	194	1.00	5.00	3.8351	1.44093	-1.167	.175	-.091	.347
ATTITUDE	194	1.00	5.00	3.7165	1.37597	-.972	.175	-.341	.347
ATTITUDE	194	1.00	5.00	3.7113	1.35401	-.867	.175	-.501	.347
ATTITUDE	194	1.00	5.00	3.4433	1.18251	-.823	.175	-.163	.347
ATTITUDE	194	1.00	5.00	3.4433	1.28740	-.624	.175	-.611	.347
ATTITUDE	194	1.00	5.00	3.6031	1.39659	-.831	.175	-.609	.347
ATTITUDE	194	1.00	5.00	3.9588	1.39144	-1.185	.175	-.028	.347
ATTITUDE	194	1.00	5.00	3.9485	1.35716	-1.162	.175	.009	.347
Valid N (listwise)	194								

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
SUBJECTIVE NORM	194	1.00	5.00	3.7732	1.10115	-.810	.175	-.226	.347
SUBJECTIVE NORM	194	1.00	5.00	3.9072	1.07330	-.881	.175	.011	.347
SUBJECTIVE NORM	194	1.00	5.00	3.4485	1.09635	-.344	.175	-.848	.347
SUBJECTIVE NORM	194	1.00	5.00	3.5155	1.18814	-.449	.175	-.782	.347
SUBJECTIVE NORM	194	1.00	5.00	4.1082	.94053	-1.502	.175	2.693	.347
SUBJECTIVE NORM	194	1.00	5.00	3.8763	1.11753	-.968	.175	.154	.347
SN3_R	194	1.00	5.00	2.3866	1.05792	.633	.175	.048	.347
SN5_R	194	1.00	5.00	2.5825	1.12710	.396	.175	-.804	.347
Valid N (listwise)	194								

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
KNOWLEDGE	194	1.00	5.00	3.7371	.91502	-.889	.175	.661	.347
KNOWLEDGE	194	1.00	5.00	4.1082	.91823	-1.150	.175	1.458	.347
KNOWLEDGE	194	1.00	5.00	3.9433	.85890	-.932	.175	1.497	.347
KNOWLEDGE	194	1.00	5.00	3.9691	1.01750	-.922	.175	.523	.347
KNOWLEDGE	194	1.00	5.00	4.3144	.87516	-1.784	.175	4.213	.347
KNOWLEDGE	194	1.00	5.00	4.2423	.95931	-1.571	.175	2.699	.347
Valid N (listwise)	194								

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
UNDERSTANDING	194	1.00	5.00	3.9536	.95109	-1.185	.175	1.843	.347
UNDERSTANDING	194	1.00	5.00	3.9124	.88015	-1.348	.175	2.925	.347
UNDERSTANDING	194	1.00	5.00	3.8299	.93128	-.665	.175	.548	.347
UNDERSTANDING	194	1.00	5.00	3.6907	.92025	-.555	.175	.234	.347
Valid N (listwise)	194								

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
INTENTION	194	1.00	5.00	3.9021	.98470	-1.315	.175	1.934	.347
INTENTION	194	1.00	5.00	3.8711	1.06712	-.981	.175	.661	.347
INTENTION	194	1.00	5.00	3.9485	.95354	-.875	.175	.595	.347
INTENTION	194	1.00	5.00	4.1907	.86959	-1.336	.175	2.420	.347
INTENTION	194	1.00	5.00	4.1907	.83307	-1.295	.175	2.730	.347
Valid N (listwise)	194								

Descriptive Statistics									
	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
TotAtt	194	8.00	40.00	29.6598	9.73737	-1.331	.175	.325	.347
SN_new_R	194	16.00	33.00	27.5979	3.97573	-.977	.175	.455	.347
TotKnow	194	6.00	30.00	24.3144	4.21681	-1.903	.175	6.175	.347
TotUnderstd	194	4.00	20.00	15.3866	3.15572	-1.366	.175	2.596	.347
TotIntention	194	8.00	25.00	20.1031	3.98828	-1.206	.175	1.058	.347
Valid N (listwise)	194								

Appendix C3

Reliability

Case Processing Summary

		N	%
Cases	Valid	194	100.0
	Excluded[a]	0	.0
	Total	194	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.668	.746	5

Item Statistics

	Mean	Std. Deviation	N
TotAtt	29.6598	9.73737	194
SN_new_R	27.5979	3.97573	194
TotKnow	24.3144	4.21681	194
TotUnderstd	15.3866	3.15572	194
TotIntention	20.1031	3.98828	194

Appendix C4

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.663
Bartlett's Test of Sphericity	Approx. Chi-Square	244.045
	df	10
	Sig.	.000

Communalities

	Initial	Extraction
TotAtt	1.000	.519
TotUnderstd	1.000	.580
TotIntention	1.000	.544
Total_SN	1.000	.484
Total_KNOW	1.000	.388

Extraction Method: Principal Component Analysis.

Rotated Component Matrix[a]

Items	Component				
	1	2	3	4	5
ATTITUDE1	.935				
ATTITUDE2	.930				
ATTITUDE3	.919				
ATTITUDE4	.915				
ATTITUDE5	.912				
ATTITUDE6	.894				
ATTITUDE7	.872				
ATTITUDE8	.836				
SUBJECTIVE NORM1		.847			
SUBJECTIVE NORM2		.807			
SUBJECTIVE NORM4		.840			
SUBJECTIVE NORM6		.853			
SUBJECTIVE NORM7		.804			
SUBJECTIVE NORM8		.787			
KNOWLEDGE2			.833		
KNOWLEDGE3			.827		
KNOWLEDGE4			.863		
KNOWLEDGE5			.865		
KNOWLEDGE6			.830		
UNDERSTANDING1				.907	
UNDERSTANDING2				.898	
UNDERSTANDING3				.824	
UNDERSTANDING4				.797	
INTENTION1					.865
INTENTION2					.859
INTENTION3					.846
INTENTION4					.839
INTENTION5					.824

Extraction Method: Principal Component Analysis.
Rotation Method: Direct Oblimin.
Rotation converged in 7 iterations.

Appendix C5

Regression

Descriptive Statistics

	Mean	Std. Deviation	N
INT_M	4.0206	.79766	194
ATT_M	3.7075	1.21717	194
SN_M	3.7075	.87936	194
KNW_M	4.0524	.70280	194
UND_M	3.8466	.78893	194

Correlations

		INT_M	ATT_M	SN_M	KNW_M	UND_M
Pearson Correlation	INT_M	1.000	.386	.268	.495	.460
	ATT_M	.386	1.000	.435	.245	.488
	SN_M	.268	.435	1.000	.442	.468
	KNW_M	.495	.245	.442	1.000	.299
	UND_M	.460	.488	.468	.299	1.000
Sig. (1-tailed)	INT_M	.	.000	.000	.000	.000
	ATT_M	.000	.	.000	.000	.000
	SN_M	.000	.000	.	.000	.000
	KNW_M	.000	.000	.000	.	.000
	UND_M	.000	.000	.000	.000	.
N	INT_M	194	194	194	194	194
	ATT_M	194	194	194	194	194
	SN_M	194	194	194	194	194
	KNW_M	194	194	194	194	194
	UND_M	194	194	194	194	194

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	TotUnderstd, TotKnow, TotSN_new, TotAtt[b]	.	Enter

a. Dependent Variable: TotIntention

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.630[a]	.397	.384	3.13081

a. Predictors: (Constant), TotUnderstd, TotKnow, TotSN_new, TotAtt

b. Dependent Variable: TotIntention

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1217.370	4	304.343	31.049	.000[b]
	Residual	1852.568	189	9.802		
	Total	3069.938	193			

a. Dependent Variable: TotIntention

b. Predictors: (Constant), TotUnderstd, TotKnow, TotSN_new, TotAtt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	7.173	1.846		3.886	.000		
	TotAtt	.090	.028	.220	3.219	.002	.683	1.465
	TotSN_new	-.183	.066	-.182	-2.748	.007	.728	1.374
	TotKnow	.389	.058	.411	6.731	.000	.857	1.167
	TotUnderstd	.380	.085	.301	4.467	.000	.705	1.418

a. Dependent Variable: TotIntention

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	TotAtt	TotSN_new	TotKnow	TotUnderstd
1	1	4.887	1.000	.00	.00	.00	.00	.00
	2	.064	8.752	.03	.77	.01	.04	.00
	3	.023	14.537	.01	.13	.01	.17	.93
	4	.017	16.900	.13	.00	.25	.75	.06
	5	.009	23.015	.83	.09	.73	.03	.01

a. Dependent Variable: TotIntention

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	10.9896	24.4015	20.1031	2.51150	194
Std. Predicted Value	-3.629	1.711	.000	1.000	194
Standard Error of Predicted Value	.244	1.103	.468	.183	194
Adjusted Predicted Value	11.2347	24.4196	20.1042	2.51581	194
Residual	-8.70665	7.88677	.00000	3.09819	194
Std. Residual	-2.781	2.519	.000	.990	194
Stud. Residual	-2.854	2.632	.000	1.009	194
Deleted Residual	-9.16973	8.60950	-.00107	3.21914	194
Stud. Deleted Residual	-2.910	2.674	-.002	1.019	194
Mahal. Distance	.174	22.951	3.979	4.437	194
Cook's Distance	.000	.127	.008	.022	194
Centered Leverage Value	.001	.119	.021	.023	194

a. Dependent Variable: TotIntention