development of a standardized inventory to measure:

* voluntary tax compliance
* enforced tax compliance,
* tax avoidance, and
* tax evasion

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why do we need scales?

- behavioral outcome measures (cf. Eifflers, Weigel, & Hessing, 1987)
  → only detected evasion
  → unintended vs. deliberate?
  → no additional measures (anonymity)

- behavioral simulation measures (Friedland et al., 1978; Mittone, 2006)
  → very artificial

- ad hoc questions (e.g.; Bobek et al., 2007) & tax scale (Strümpel, 1966)
  → only tax evasion
  → self presentation
  → lacking correlations with official reports (Eifflers et al., 1992)
  however: *official reports cannot detect every evasion
  *often decisions unclear
slippery slope framework (Kirchler, 2007; Kirchler, Hoelzl, & Wahl, 2008)

- enforced tax compliance → power of authorities
- voluntary tax compliance → trust in authorities
- tax avoidance → high power and low trust
- tax evasion → low power and low trust

motivational postures (Braithwaite, 2003)

commitment: contribution to public welfare
   "I feel a moral obligation to pay my tax."

capitulation: tax compliance as long as authorities are perceived as a friendly power
   "If you cooperate with the Tax Office, they are likely to be cooperative with you."

resistance: disbelief of citizen-friendly authorities, rebellion
   "If you don’t cooperate with the Tax Office, they will get tough with you."

disengagement: disbelief of citizen-friendly authorities, NO rebellion
   "I don’t really know what the Tax Office expects of me and I’m not about to ask."

game playing: create own laws for self-serving purposes
   "I like the game of finding the grey area of tax law."
development of a standardized tax inventory

tax inventory & motivational postures (positive associations)

- voluntary tax compliance
  \( \rightarrow \) Commitment
  \( \rightarrow \) Capitulation

- enforced tax compliance
  \( \rightarrow \) Resistance
  \( \rightarrow \) Disengagement

- tax avoidance
- tax evasion


tax inventory & motivational postures (negative associations)

- voluntary tax compliance
  \( \rightarrow \) Commitment
  \( \rightarrow \) Capitulation

- enforced tax compliance
  \( \rightarrow \) Resistance
  \( \rightarrow \) Disengagement

- tax avoidance
- tax evasion
development of a standardized tax inventory

tax inventory & motivational postures (negative associations)

- voluntary tax compliance
- enforced tax compliance
- tax avoidance
- tax evasion

Commitment
Capitulation
Resistance
Disengagement
Game Playing

voluntary tax compliance
enforced tax compliance
tax avoidance
tax evasion

Commitment
Capitulation
Resistance
Disengagement
Game Playing
participants:
- recruited at the Vienna University of Economics and Business Administration
- N = 120 (f = 65, m = 54, NR: 1);
- students: 118, no students: 1, NR: 1
- age M = 23.37 (SD = 2.99); Md = 23
- 2 participants were excluded (no response and no student)

method:
- 55 newly constructed items also using Strümpfel’s (1966) items on tax evasion
- motivational postures
- 9point response format

procedure

- excluded items with floor and ceiling effects (Md<= 2; Md >= 8)
- exploratory factor analysis (SPSS)
- confirmatory factor analysis (AMOS)
- analysis of reliability (SPSS)

→ excluded items that did not fit

- construct validity (motivational postures)
### M, SD, Md, cronbach’s α & model fits of new scales

<table>
<thead>
<tr>
<th>Scale</th>
<th>M</th>
<th>SD</th>
<th>Md</th>
<th>α</th>
<th>χ²/df</th>
<th>rmsea</th>
<th>cfi</th>
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</thead>
<tbody>
<tr>
<td>voluntary tax compliance</td>
<td>5.38</td>
<td>1.57</td>
<td>5.30</td>
<td>.90</td>
<td>1.73</td>
<td>.08</td>
<td>.94</td>
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<tr>
<td>“I pay my taxes, because I am convinced to do the right thing.” (11 items)</td>
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<tr>
<td>enforced tax compliance</td>
<td>5.41</td>
<td>1.33</td>
<td>5.57</td>
<td>.69</td>
<td>1.70</td>
<td>.08</td>
<td>.90</td>
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<tr>
<td>“If there would not be audits, I would not pay the full liability of my taxes.” (7 items)</td>
<td></td>
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<tr>
<td>tax avoidance</td>
<td>6.04</td>
<td>1.54</td>
<td>6.00</td>
<td>.64</td>
<td>1.87</td>
<td>.09</td>
<td>.94</td>
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<tr>
<td>“you could set off expenses for your employee’s training against tax liabilities. how likely is it that you use the allowable deduction for training expenses?” (5 items)</td>
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<tr>
<td>tax evasion</td>
<td>5.25</td>
<td>1.86</td>
<td>5.22</td>
<td>.88</td>
<td>1.87</td>
<td>.09</td>
<td>.94</td>
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<tr>
<td>“you could indicate private rides as business rides in your driver’s logbook. how likely is it that you indicate private rides as business rides?” (9 items)</td>
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</tbody>
</table>

### Results: Tax Inventory & Motivational Postures (Positive Associations)

- **voluntary tax compliance**
  - Commitment: .86**
  - Capitulation: .58**

- **enforced tax compliance**
  - Resistance

- **tax avoidance**
  - Disengagement

- **tax evasion**
  - Game Playing

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**Note:**
- **p < .01**
- **p < .05**
- **p < .10**
development of a standardized tax inventory

tax inventory & motivational postures (negative associations)

- voluntary tax compliance
- enforced tax compliance
- tax avoidance
- tax evasion

- Resistance
- Disengagement
- Game Playing

** p < .01  
* p < .05  
~ p < .10

results: tax inventory & motivational postures (positive associations)

- voluntary tax compliance
- enforced tax compliance
- tax avoidance
- tax evasion

- Commitment
- Resistance
- Disengagement
- Game Playing

** p < .01  
* p < .05  
~ p < .10

development of a standardized tax inventory

results: tax inventory & motivational postures (positive associations)

voluntary tax compliance
Commitment
Capitulation

enforced tax compliance
Resistance

.15~

.16~
tax avoidance
Disengagement

Game Playing
tax evasion

voluntary tax compliance
Commitment
Capitulation

enforced tax compliance
Resistance

.38**

tax avoidance
Disengagement

.49**
tax evasion
Game Playing

** p < .01
* p < .05
~ p < .10
results: tax inventory & motivational postures (negative associations)

- voluntary tax compliance
- enforced tax compliance
- tax avoidance
- tax evasion
- commitment
- capitation
- resistance
- disengagement
- game playing

\[-.40^{**} \quad -.35^{**} \quad -.18^{-} \quad -.23^{*}\]

** p < .01
* p < .05
~ p < .10
summary & conclusions

- different types of tax behavior
- excellent to acceptable reliabilities
- excellent model fits
- excellent to good construct validity

→ scales need further validation (self employed)

references


M, SD, & Md for motivational posture scale

<table>
<thead>
<tr>
<th>subscale</th>
<th>M</th>
<th>SD</th>
<th>Md</th>
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<tbody>
<tr>
<td>commitment</td>
<td>5.57</td>
<td>1.47</td>
<td>5.50</td>
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<tr>
<td>capitulation</td>
<td>4.96</td>
<td>1.20</td>
<td>4.90</td>
</tr>
<tr>
<td>resistance</td>
<td>5.52</td>
<td>1.16</td>
<td>5.58</td>
</tr>
<tr>
<td>disengagement</td>
<td>4.76</td>
<td>1.31</td>
<td>4.80</td>
</tr>
<tr>
<td>game playing</td>
<td>5.04</td>
<td>1.52</td>
<td>5.10</td>
</tr>
</tbody>
</table>

voluntary tax compliance

fse 8: For me it is natural to pay my taxes.
fse11: I pay my taxes, because I am convinced to do the right thing.
fse12: I pay my taxes willingly.
fse1: It is a matter of course to me to pay my taxes.
fse 9: Paying taxes belongs to me to the duties of every citizen.
fse 13: I pay my taxes voluntarily, without thinking of audits and fines.
fse 6: I am happy to pay my taxes, so I can support the state and other citizens.
fse 4: if there would not be any audits I would still pay my taxes.
fse 7: I am happy to contribute to the public welfare with my taxes.
fse 10: I am happy to pay my taxes, although I know that others do not pay.
fse3: I pay my taxes without long thinking about how I could reduce my liabilities.
enforced tax compliance

ese 1: if there would not be any tax audits I would not pay my full tax liabilities.
ese 3: if I could I would be happy to pay absolutely no taxes.
ese 5: I dither how I could pay less taxes.
ese 6: I would pay my taxes more honest, when the tax office would audit more.
ese 7: I would evade taxes, if I knew that I will not be audited.
ese 9: I would pay my taxes more honest, if evasion would be punished more severe.
ese 12: I can only evade taxes when I act clever.

tax avoidance

sv 3: you could still install soundproofing windows in your private apartment and deduct the costs as housing space reconstruction from your taxable income. how likely would you conduct the housing space reconstruction?
sv 11: you could contract a life insurance and deduct the cost as special expense from your taxable income. how likely would you contract a life insurance?
sv 6: you could buy low-value goods (e.g., computer, scanner and other goods below € 400,--) which you do not need right now to reduce the base for your tax. how likely would you by such good?
sv 9: you could deduct expenses you had for the training of your employees as allowance for training from your taxable income. how likely would you use the allowance for training?
sv 8: you could change the legal form of your company. nothing would change, but you would have to pay different forms of taxes. how likely is it that you will change the legal form of your company?
tax evasion

sh 3: you could declare your car as company car although business use is only up to 30% and the use of a company car should be at least 50%. how likely would you declare your car as company car?

sh 5: you could indicate private rides as business rides in your logbook. how likely would you indicate private rides as business rides?

sh 6: a customer paid in cash and did not ask for a bill. you could intentionally forget this receipt in your tax file. how likely would you leave out the bill?

sh 7: you bought a part of your goods privately. you sell those goods to regular customers later on and conceal the profit in your tax file. how likely would you conceal the profit in your tax file?

sh 8: you could deliberately declare bills from a dinner with your friends as business meal. how likely would you declare the bill as business meal?

sh 9: you have been on a business trip abroad. your business partners paid for your flight, however, you still have the tickets. you could assert the tickets in your tax file. how likely would you assert the tickets?

sh 11: you have been abroad to meet relatives and to discuss something with one of your distributors. anyhow, you could declare the expenses for the hotel and for the meal you invited your relatives to as business trip and business meal. how likely would you declare your expenses as business trip and business meal?

sh 15: to reduce your tax burden you could ask a friend of yours who is a student to issue an invoice, although you did not get any services or did pay for them. how likely would you ask the student to issue an invoice?

sh 16: recently you collaborated in a project of a acquaintance. now you could conceal this auxiliary income in your tax file. how likely is it that you conceal this auxiliary income?