

A Comprehensive Study on Various Determinants Behind the Perception for Tax as Responsibility or Punishment

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This study is an attempt to determine what factors influence people's views of taxes as a financial burden or a benefit, this study delves into the intricate link between taxpayers and taxation systems. The study surveyed many different people online and utilized quantitative and qualitative research methods to compile their responses. The study's findings reveal that people's perspectives on taxes are influenced not only by economic factors but also by psychological aspects, official government messages, and social norms. People in economically developed nations tend to view taxes in a more positive light due to the clear benefits of contributing financially. The lack of obvious benefits from taxation is a common source of negative perceptions in less developed countries. Additionally, the equity of government messaging and tax policies substantially impacts how people perceive taxes. This research provides valuable insights for policymakers looking to enhance taxpayer-government relations and boost tax compliance. This finding provides more evidence that more equitable and progressive tax policies can lead to higher compliance rates and more money in the coffers. Streamlining tax processes and eliminating administrative bottlenecks can also make tax compliance easier and less burdensome. The research also includes worldwide case studies of successful strategies that can be applied in different contexts. This study sheds light on the intricate connection between how people perceive taxes and their economic actions. In order to influence taxpayers' views on taxes, it is essential to consider psychological and economic factors in addition to government communication and policy.

Keywords: taxation; tax perception; government communication; tax compliance; economic behavior.

1. Introduction

Taxes, according to the socioeconomic perspective, can be either a terrible burden or a useful service. Taxation is the main way that the government pays for things like social welfare programs, infrastructure development, and public services. Compliance behaviour, government legitimacy, and economic decision-making are all profoundly impacted by the myriad ways in which individuals view taxes. As society and economies become more interdependent, it is essential to comprehend the factors impacting these views in order to craft

efficient tax policies and promote sustainable development. A person's sense of equity and justice greatly impacts their opinion on tax compliance. If taxpayers have faith in the integrity of the system, they are less inclined to file fraudulent returns, according to a study by Orkaido and Karafo (2018). The degree of voluntary tax compliance is influenced by the public's ethical perspective as well. The extent to which an individual voluntarily pays their taxes is strongly correlated with their moral stance on tax evasion. Idealism and tax expertise work against an ethical perspective, although relativism has its benefits. The study by Soliz (2015) on the role of moral compass and risk perception on tax observance is intriguing. According to the research, taxpayers' ethical stances and their estimations of financial risk influence their tax compliance decisions in nuanced ways. Notable to this study is its conclusion that one's level of financial risk perception determines the extent to which one's ethical orientation influences their tax compliance. This complex link suggests that people's perceptions of the financial risks associated with an ethical dilemma may influence how they approach the problem. It makes us question how people weigh the practical considerations of financial risk with their ethical convictions when making tax-related decisions. In addition, the study provides a unique viewpoint by recognizing the impact of tax preparers on compliance decisions. Additional investigation into the role of tax preparers as mediators or influences in the connection among ethical orientation, tax compliance, and perceptions of financial risk might provide more comprehensive understandings. To identify the most important cultural and institutional elements impacting compliance behaviour, it may be helpful to understand the dynamics between taxpayers and tax preparers. Research of this kind contributes valuable new insights to the study of tax compliance. Scholars, tax authorities, and lawmakers can all benefit from a better understanding of the complex elements that influence people's decisions to comply with tax regulations. It stresses the significance of taking into consideration both internal and external factors when developing efficient tax compliance tactics. Taxes are seen by some as an unnecessary financial burden, while others see them as a social good. It is challenging for politicians and administrations to strike a balance between the two factions.

The present knowledge gap on the origins of these differing viewpoints is what motivates our study. By investigating what influences people's views on taxes and how those views impact economic activity and the formulation of public policy, this study hopes to provide light on the intricate web of relationships between taxes and social development. To learn how to communicate more effectively and cultivate more cooperative tax payment habits, it's important to comprehend the reasons why some individuals regard taxes as a means to social progress and others as a barrier. In order to promote a more peaceful tax-paying society and develop effective communication tactics, this knowledge is crucial. Among the many aims of the study are seeking to understand how tax perceptions are shaped by various economic, social, psychological, cultural, and political factors; assessing the relationship between tax perceptions and public trust and government legitimacy; comparing and contrasting global perspectives on tax perception to put the findings in a more comprehensive context; and exploring how tax perceptions impact financial decisions and compliance behaviour. Theoretical and practical policies can benefit from research on tax attitudes and perceptions since it adds to the existing literature on public policy, economics, and taxes. Legislators and government officials must comprehend the elements impacting tax attitudes if they wish to cultivate a culture of taxpayers and enhance tax compliance rates. To ensure fair growth and good governance, this data is especially important for developing nations that are battling to

improve their tax capacity. Policymaking, both in theory and practice, will be profoundly affected by this work. By dissecting the causes of divergent tax ideologies, this research hopes to strengthen our understanding of taxation, economics, and public policy. Government officials, such as lawmakers, can use the study's results to their advantage in their efforts to promote tax compliance and encourage citizens to pay their fair share. In this age of economic uncertainty and the necessity for long-term revenue collection, it is crucial to comprehend the impact of tax perception on economic activity and the legitimacy of government if we are to attain fair development and good governance. Government officials and lawmakers in developing nations are striving to enhance tax systems and revenue collection, therefore studies on tax attitudes and opinions might be highly beneficial.

1.1 Significance of the Study

This study has significant implications for both academic research and the creation of realistic policies. By providing a comprehensive examination of the reasons behind divergent opinions on taxes, the research aims to contribute to the existing literature on taxes, economics, and public policy. The findings of this study can be utilized by lawmakers and government officials to encourage more people to pay their fair share of taxes and increase the percentage of people who really pay them. To promote fair development and effective governance in this age of economic uncertainty and the need for sustainable revenue generation, it is critical to comprehend the role that tax perception plays in shaping economic activity and the legitimacy of governments.

1.2 Problem Statement

Tax-related discussions are complex and linked to social, political, and economic elements; they are frequently influenced by personal beliefs and viewpoints. A widespread misunderstanding holds that taxation is a form of punishment meted out by the state to its citizens. Further exploration of this perspective is necessary to grasp the multifaceted character of taxes and to view them both as a social utility and a potential financial burden. Some people think taxes are a bad thing because they slow down the economy. People and businesses alike are believed to be less likely to invest, start new businesses, and generate new employment opportunities when faced with high tax rates. Another source of worry is the progressive tax system, which seeks to redistribute wealth and decrease economic inequality. Opponents of such arrangements argue that the well-off and successful bear an undue share of the costs. On top of that, taxpayers could perceive the complex tax regulations and the strict enforcement procedures in a negative light. This complexity and stringent compliance cause a lot of worry and stress for people navigating the tax viewpoint. Taxes are the main source of revenue for the government, which uses it to fund essential services including healthcare, education, infrastructure, and social assistance. One positive aspect is that individuals see tax payments as a way to give back to the communities where they live. According to proponents of the social compact, taxation is more of an optional investment in the common good than a mandatory payment. In this view, community bonds and shared responsibility are strengthened when individuals willingly part with a portion of their wealth to advance a higher cause. To address societal issues and maintain financial stability, taxes, together with private contributions, are essential tools. They fund programmes that stabilise the economy as a whole by reducing economic volatility, investing in critical infrastructure, and funding social security

systems. It is critical to implement progressive taxation in a way that simultaneously advances fairness and tackles injustice. To achieve its goals, society needs a tax system that is both fair and easy to understand.

2. Literature Review

Academic conversations have revolved around the question of whether taxes are a necessary public good or a threat to personal wealth. Collectively beneficial social welfare programs, public assets, and infrastructure are financed through taxes, which are frequently portrayed as civic duties. Researchers such as Auster and Cebula (2018) have looked into how tax progressivity affects the distribution of income. They have shown how taxes can be used to improve economic inequality through redistribution. This view is consistent with the social contract theory, which holds that everyone should have the same opportunity to use publicly provided services (Wenzel 2007).

On the other hand, tax strain theory acknowledges that taxes may be costly for businesses and individuals. Economic growth could be stymied by this pressure if purchasing power drops. Developing countries with high tax rates discourage investment and company owners, according to Besley and Persson (2014), which could impede economic growth. From this vantage point, tax rates and economic incentives must be balanced if we are to prevent tax avoidance and economic stagnation. Numerous factors, such as politics, economics, society, psychology, and culture, influence people's tax opinions. The relationship between these seemingly diametrically opposed viewpoints has been the subject of research. To address the mental component of tax compliance, Feld and Frey propose a "tax contract" in their 2007 paper. This contract would integrate incentives with responsive regulation. Cultural norms and beliefs impact tax morale and compliance behaviour, say Ho and Hung (2018). People prove that one's upbringing has a significant impact on whether people regard taxes as a necessary evil or a socially imposed service, according to their personal ideas and values. How people view taxes is affected by the complex link between taxing and governmental legitimacy. In their study, Roth and Valdez (2020) found that when individuals see their government doing well economically, their perceptions of its legitimacy may shift.

The argument goes something like this: governments can gain legitimacy by utilizing tax funds for development initiatives and improving society's well-being. When people see taxes as a necessary evil that helps fund social and economic programs, they are more likely to support their government. Taxes, in the end, seem like both a boon and a bane to contemporary society, serving a dual role. Taxes slow down the economy, even though they are necessary for funding public services and society's progress. Some have hypothesized that these perspectives stem from cultural norms, psychological factors, tax progressivity, or the link between taxes and the legitimacy of government. Understanding this relationship is critical for crafting tax laws and communication strategies that promote tax payment and long-term economic growth, according to Stack and Kposowa (2006).

2.1 Factors Affecting Tax Perception

People's views on taxes are impacted significantly by the state of the economy. Research by Auster and Cebula (2018) emphasises the impact of tax progressivity on tax perception. They

found that progressive tax systems, which increase taxes on higher incomes, are often perceived as promoting economic justice. How individuals see taxes is greatly impacted by social factors, including cultural norms and principles. Tax compliance and morale may be influenced by cultural norms on community cooperation and faith in the government (Ho and Hung 2018; Gerber et al. 2018). Elements of psychology provide insight into the thought processes that impact people's tax perceptions. Feld and Frey (2007) proposed the psychological tax contract theory, which states that taxpayers' impressions of a fair transaction with the government may impact their compliance behaviour. Cultural factors, deeply ingrained in social beliefs and behaviours, impact varied tax viewpoints. As shown by Ho and Hung (2018), Hofstede's cultural aspects method highlights the impact of cultural values on tax perspectives, such as individualism and collectivism. In more individualistic societies, taxation could be seen as a hindrance to people's financial independence. The impact of government policies, communication, and trust on people's perceptions of taxes are political factors to be considered, as stated by Néstor Castañeda (2023). Successfully communicating the public benefit of tax revenue increases the likelihood that the public will have a favourable opinion of governments (Roth and Valdez 2020). Tax compliance behaviour is strongly correlated with the belief that taxes are either a burden or a service. Perceptions of tax transparency and fairness have a significant impact on individuals' inclination to pay their fair share, according to studies (Feld and Frey 2007). Psychological traits suggest that individuals are more likely to pay taxes when they perceive a fair exchange of services and benefits for those taxes, as proposed by Sadjarto et al. (2020).

Taxes have an effect on economic growth and behaviour, according to studies conducted on a global scale. According to studies conducted by Besley and Persson (2014), tax policies significantly affect the rate of economic growth in developing countries. Entrepreneurship and investment are boosted by tax systems that offer financial incentives, which ultimately benefits the economy. To sum up, opinions from other countries, the credibility of the government, and tax compliance all play a role in shaping how people regard taxes. The interplay of psychological, economic, cultural, and political factors determines whether taxes are perceived as a benefit or a burden. Effective tax laws, culturally responsive communication strategies, and transparent government are the lynchpins of a prosperous economy, which in turn leads to higher compliance and long-term economic growth. Most of the first research on what motivates people to avoid paying their fair share of taxes focused on monetary issues. Researchers widened their scope to incorporate psychological and sociological aspects after realising that economic theories could not account for all situations. The purpose of these enquiries was to ascertain whether or not respondents felt they had made morally sound decisions about tax compliance (Huff 2022). Lokanan (2023) digs into the attributional frameworks of the emerging sociology of morality to assess the arguments put out by proponents and opponents of active tax avoidance. The research claims that with careful tax preparation, companies can lower the present value of their future tax liabilities. The essay argues that tax evasion is an ethically nuanced issue that progressively departs from generally acknowledged societal norms regarding what is good and harmful. The author claims that those responsible for tax regulation may find this study's findings helpful. Future legislative adjustments might be better informed by this data, which could also help paint a clearer picture of the complicated issues surrounding corporate tax avoidance. Using Bourdieu's theory as a prism, Yong and Fukufuka (2023) take a fresh look at how indigenous company owners in

New Zealand handle tax compliance. Their study delves into the myriad factors impacting these company owners' tax compliance methods, drawing attention to the role played by the cultural and social milieu in which they function. The authors state that entrepreneurs' compliance with the law is impacted by a myriad of circumstances. These elements include social and cultural capital, their interactions with the government, and their judgements regarding the legality of the tax system. This study provides new insights into the complex relationships between variables that impact indigenous business owners' tax compliance practices and helps to clarify those relationships. In his most current publication (2023), Mehmet examines the monetary challenges of tax compliance, paying special attention to the ways in which these challenges impact both organisations and individuals. The study delves into the heavy load of tax compliance expenditures, highlighting the negative effects on personal and business finances. By shedding light on the real challenges connected with tax compliance expenditures, Mehmet shows how these costs harm people's and companies' financial situations. Beraldo and Colombatto (2023) look at how wealth taxes are perceived by the public in relation to other forms of taxes. A study titled "Are Wealth Taxes Really More Unpopular Than Other Taxes?" was conducted by them. To find out how people feel about wealth taxes and look into the consequences, "Evidence from an Italian Population Representative Survey Experiment" was created.

The survey experiment in this study was designed to capture the overall sentiment of the Italian population. Problems related to tax avoidance (Figure 1): Equity in taxation Lessen your financial burden Responsibility for paying taxes Ethics and standards Aggression level and obedience. as of October 29, 2024 It can be accessed online at this URL: <https://doi.org/10.1371/journal.pone.0287327.g001>.

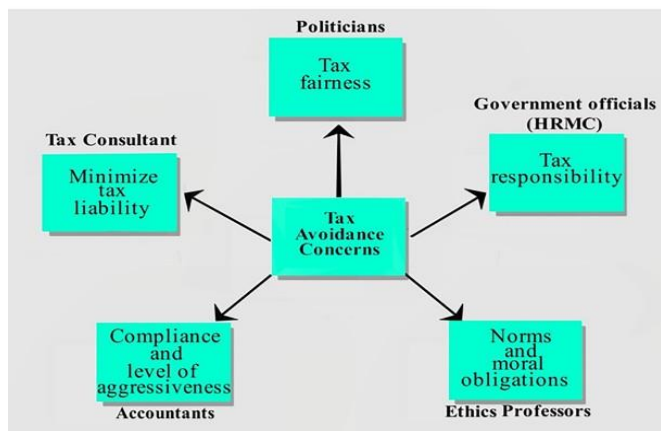


Figure 1. Relationship and linkages of tax avoidance (Lokanan (2023). Morality and tax avoidance).

3. Methodology

3.1 Data Collection

The purpose of this quantitative study was to examine the factors that influence

people's views about taxes and how those views influence their actions in relation to paying taxes and the economy. This method makes use of structured survey questions that are based on validated scales that have been used before (Kirchler and Wahl 2010; Alm and Torgler 2011). A wide range of taxpayers were given access to the online survey. Their views on taxation as a blessing or a curse, cultural values, economics, and faith in government were recorded.

In order to conduct quantitative research, descriptive statistics were used to summarize the distribution of tax opinions among respondents. Using a multivariate regression model, we looked for relationships between cultural norms, socioeconomic position, and tax views. The literature was reviewed to take into account political, social, economic, psychological, and cultural factors (Besley and Persson 2014; Ho and Hung 2018; Feld and Frey 2007; Auster and Cebula 2018; Roth and Valdez 2020). This approach prioritizes each factor in an effort to paint a comprehensive picture of the factors that influence tax opinions. We requested a cross-section of taxpayers to fill out an online survey so we could get some numbers. The study inquired on a wide range of subjects, including socioeconomic status, cultural values, tax opinions, and trust in the government. We made sure that our sample covered a lot of ground in terms of income, race/ethnicity, and geography by using a combination of stratified and random sampling. The poll was able to reach its full potential due to its online distribution (Koumpias 2020). The complexities of tax attitudes and compliance behaviour were further explored by combining a quantitative method with a qualitative technique. To get a good picture, we need to conduct semi-structured interviews and focus groups with taxpayers, tax experts, and government officials. One way to find patterns and themes in qualitative data is to use thematic analysis. The complex web of political, social, cultural, and psychological factors that shape people's tax opinions served as the study's backdrop. To provide a fuller view of the intricacies of how individuals perceive taxes, researchers have been gathering and analyzing data from a variety of sources (McClelland 2000; Navarro 2011; Helhel and Ahmed 2014).

The qualitative data was gathered through the use of online focus groups and semi-structured interviews. Interviews were carried out to have a deeper understanding of the viewpoints and life circumstances of taxpayers who receive a salary. Our goal in conducting focus groups interviews with tax professionals, government officials, and non-governmental organization (NGO) representatives was to gain a more comprehensive understanding of tax attitudes and compliance behaviour. The interviews and focus groups were videotaped remotely to make transcription and analysis easier. We used primary data collected from an online survey to gauge people's attitudes towards taxation. It has long been recognized that online surveys are useful for collecting data from a geographically distributed sample (Dillman et al. 2014). The survey was designed to capture a range of viewpoints regarding taxes. In order to gather people's opinions on taxes, researchers used a set of pre-established questions (Hair et al. 2019). In order to conduct the online surveys, the widely used survey platform SurveyMonkey was utilized (SurveyMonkey 2021). This technology makes it quite easy to invite a large number of people to take part in a survey. Thanks to its online nature, the survey could be completed whenever it was convenient for respondents (Kaplowitz et al. 2004). The questionnaires were made available over a three-month period to ensure that there would be enough replies for a full analysis, considering that participant availability and response times

may alter (Fochmann 2010).

3.2 Selection of Respondents

The demographic characteristics used to choose the study's participants included age, gender, and educational attainment. Using these criteria, a varied sample was carefully assembled to study tax opinions (Bryman 2014). To make sure our sample was really representative of the population, we used a stratified random sampling procedure. A random selection was made from each stratum to include respondents who fulfilled the methodology's criteria (Bryman 2014). According to the standards of survey research, a sample size of 127 respondents would allow for reliable statistical analysis (Dillman et al. 2014; Mohammed, Hunar, and Anita Tangl. 2024). The sample size allowed for the possibility of drawing valid conclusions about the population as a whole. Prior to being asked to fill out the survey, every participant was given a written statement that explained the study's goals, assured their privacy, and outlined their rights as research subjects (American Psychological Association 2020). Before the survey could begin, participants were asked to give their informed consent.

3.3 Survey Instrument

To get reliable findings from this survey, we need a well-made instrument (Hair et al. 2019). In this piece, we will go over the steps we took to create the survey that we utilised to examine people's opinions on taxes. (Dillman et al., 2014; Mohammed, Hunar, and Anita Tangl., 2024) To acquire a full view of people's tax attitudes, we designed a questionnaire with both closed- and open-ended questions. Quantitative analysis was made possible by closed-ended questions, while respondents' sentiment levels were captured with Likert-scale questions. According to Bryman (2016) and Mohammed, Hunar, and Anita Tangl (2024), the questions were designed to gather participants' perspectives, ideas, and past experiences with taxes. A small subset of respondents participated in a pilot study to find problems with the survey's wording and answer choices before the full poll was sent out (Dillman et al. 2014). The results of the pilot study informed the development of a more precise and understandable final survey. After undergoing thorough content validation, the survey instrument was shown to accurately evaluate tax perceptions. To make sure it covered all the bases of tax perceptions, the questionnaire was reviewed by experts in survey methodology and taxes (Hair et al. 2019). Efficient and regular administration of online surveys is essential for obtaining high-quality data (Couper 2008). Here we detail the steps used to administer the online survey that was part of our research. Our questionnaire was hosted and distributed using SurveyMonkey, a reliable online survey platform (Survey-Monkey 2021). One of the numerous features offered by SurveyMonkey for managing surveys is the ability to personalise survey templates and configurations. By dividing the population into strata based on demographic criteria, we were able to apply stratified random sampling to ensure a representative sample (Bryman 2016; Mohammed, Hunar, and Anita Tangl. 2024). We were able to reduce selection bias by randomly selecting individuals from all socioeconomic strata using this method. To make sure more people filled out the survey, we sent out email reminders to those who had begun but didn't finish. Dillman et al. (2014) and Mohammed, Hunar, and Anita Tangl. (2024) also note that the reminders' timing was thoughtfully planned to encourage participation without being invasive. To ensure the confidentiality of participant responses, stringent data security protocols were implemented. All survey responses were securely encrypted and stored on

encrypted servers in compliance with data security regulations (American Psychological Association 2020).

4. Results and Discussion

Perceptions of taxes as a service were investigated as part of our research into the link between political dynamics and socioeconomic advancement. Citizens' views of government policies and their propensity to pay their fair share of taxes are heavily influenced by how they see taxes. Our research on tax perception is organised here into two main parts: signs of favourable tax perception and elements that contribute to a more favourable impression of taxes. Citizens' opinions and contributions to state revenue are influenced by tax perception, which is a key aspect in this research that analyses the link between political dynamics and socioeconomic advancement. A more nuanced picture of tax attitudes emerges from the demographic summary, which shows a varied sample across gender, age, education level, and income. Participants' views on tax evasion, system awareness, fair distribution, government trust, and the social impact of taxes are as diverse as their degrees of tax satisfaction. There has been a growing chorus of voices demanding reform and openness, as well as a wide range of opinions on what constitutes justice and important tax purposes. There is a need for more education and openness about taxes, especially among the less knowledgeable participants, although participants generally agree that taxes are important for funding public services. The complex nature of taxes is illustrated by the fact that different people from different socioeconomic backgrounds have different views on what constitutes a fair and efficient tax system. Insights into participants' perspectives on taxes and government expenditure are provided by these results. Researchers might delve deeper into the connections between demographics, tax satisfaction, and views of tax justice using this data. The findings could then guide policy decisions and methods for public engagement.

4.1 Perception of Taxes as a Service

Tax perception is a multifaceted concept that encompasses various aspects of how citizens view taxation. Our research revealed several indicators that contribute to a positive perception of taxes.

4.2 Positive Tax Perception Indicators

Key indicators linked to a favourable opinion of taxes were assessed. When the tax system is open and makes it obvious how the government spends tax money, citizens are more likely to have a positive opinion of taxes. Fairness in taxation is essential, and people's perceptions are improved when they think that all citizens, especially the wealthy, contribute fairly to the tax burden. Another important consideration is the benefits' visibility, since people are more inclined to support taxes when they see real advancements in social programs, infrastructure, and public services brought about by their contributions. A favourable view is further promoted by the government's effective communication regarding the need for taxes and their contribution to the well-being of society, highlighting the significance of concise and educational messaging in influencing public opinion regarding taxes.

4.2.1 Factors Enhancing Positive Tax Perception

A favourable tax perception is influenced by a number of factors, even though the characteristics listed above also help to foster this perception

Good Governance: How taxes are viewed is greatly influenced by the general level of governance. Positive tax attitudes are more likely to result from a well-run state that is open, responsible, and corruption-free. **Social Trust:** Perceptions of taxes are strongly correlated with trust in government agencies and representatives. People have a more favourable view toward taxes when they have faith that their government will use tax money wisely and efficiently.

Public Awareness Campaigns: By educating the public about the advantages of taxes and their contribution to the growth of the country, governments can improve the favourable impression of taxes.

Progressive Taxation: By showcasing a dedication to equity, progressive taxation policies in which those with higher incomes pay a proportionately bigger share of taxes can help to improve public perceptions of taxes.

4.3 Perception of Taxes as a Punishment

The perception of taxes as a strain is essential to understanding how citizens view the tax system. Our research identified several indicators contributing to a negative perception of taxes.

4.3.1 Indicators of Negative Tax Perception

Number of important variables frequently contribute to the public's unfavorable opinions on taxes. One of the main causes is the existence of a heavy tax burden, especially when tax rates are higher than the income levels of individuals and enterprises, which creates a sense of tension. Furthermore, because ambiguity regarding the use of tax resources undermines trust and creates stress, a lack of openness in tax collecting and fund allocation also leads to a poor opinion. This emotion is made worse by corruption and inefficiencies in the tax administration, as people are angry about the wasteful use of their taxes. Implementing regressive tax laws, which place a disproportionate cost on those with lower incomes, increases the sense of unfairness and inequality and makes paying taxes more difficult. Resolving these issues is essential to improving public opinion and increasing confidence in the tax system.

4.4 Factors affecting Negative Tax Perception

Numerous factors influence the belief that taxes are onerous. Economic conditions, whether characterized by downturns for individuals or businesses, can exacerbate the burden of paying taxes and give the impression that things are becoming worse. The decline of confidence in government agencies and representatives is a crucial component of this equation. People get dissatisfied when they have doubts about how their taxes will be used for the benefit of society. Furthermore, the idea that taxes are a burden can be greatly influenced by false information or misconceptions about the tax system, such as false notions about exorbitant or unjust tax rates. Comparative studies with nearby nations or regions also have an impact since people may view their tax burden as higher or less fairly distributed when compared to that of comparable areas, which further erodes the public's favourable opinion of taxes in general. Fostering a more complex and constructive understanding of the function of taxes in society requires addressing these complex

effects.

4.5 Examination of Tax Attitudes: A Cross-Sectional Comparison

Taking a look at how people feel about taxes in different regions or nations might provide some interesting information. This tool is ideal for studying how people perceive taxes. For instance, due to obvious benefits and trust in government, people may have a more positive view of taxes in other countries even though rates are greater. By comparing comparable cases, we can better understand the role of transparency and leadership in shaping public opinion on taxes. Tax perspectives vary greatly among demographics, which is another important factor to consider. Factors such as age, income, education level, and urban/rural split may influence how people feel about taxes. Gaining a deeper comprehension of these distinctions can help policymakers address specific concerns about tax burden with more targeted communication strategies and legislation. Lastly, public opinion on taxes is a key component of tax administration and policy. Excessive taxes, policies that are difficult to understand, inefficiency, and regressive taxes all contribute to this negative perception. Economics, trust, misleading information, and comparisons are other important considerations. A comparative study of tax perceptions can shed light on the ways in which demographics and the government impact tax attitudes; this, in turn, can inform policymaking efforts to increase tax compliance and revenue collection through the promotion of more favourable tax attitudes.

This study took into account GDP per capita, tax evasion rate, and tax morale score, which are three highly significant variables. For these factors, you can see the descriptive statistics in Table 1. The Tax Morale Score had a standard deviation of 1.24 and ranged from 2.53 to 5.11. Average score was 4.57. With a standard deviation of 3.4% and a stated range of 8.3% to 18.7%, the tax evasion rate was 35.7% on average. Additional information: the GDP per capita varied between 600 and 3,200 rupees, with a standard deviation of 1100 rupees. On average, 2,241 rupees were worth it.

Table 1. Descriptive statistics of tax compliance.

Variable	Mean	Standard Deviation	Minimum	Maximum
Tax Morale Score	4.57	1.24	2.53	5.11
Tax Evasion Rate	28.3%	3.4%	12.3%	35.7%
GDP per Capita	Rs 2241	Rs 1100	Rs 600	Rs 3200

Based on four main variables, Table 2 displays the tax morale scores. With a tax morale score of 4.80 and a Probit Regression, $p \in (0,1)$, coefficient of 0.0728**, and a margin of 0.025, trust in the government was shown to be positively correlated with tax morale. In the regressions, a value of 1 indicates strong tax morale, while 0 indicates all other responses. The tax morale score was 4.78 according to the trust in parliament, and the associated Probit Regression showed a coefficient of 0.0726** with a margin of 0.025, and $p \in (0,1)$. In a similar vein, the tax morale score for trust in the judicial or legal system was 4.00, and the matching Probit Regression showed a p-value of 0.0322 and a margin of 0.0098. The tax morale score for trust in government services was 4.60, and the matching Probit Regression, $p \in (0,1)$ Coefficient was 0.0974 with a margin of 0.0281.

Table 2. Tax morale and economic development by country.

Indicators	Tax Morale Score	Probit Regression	
		(p ∈ (0,1))	
		Coeff	Margin
Trust in the government	4.80	0.0728**	0.025
Trust in parliament	4.78	0.0726**	0.025
Trust in judiciary/legal system	4.00	0.0322	0.0098
Trust in civil services	4.60	0.0974**	0.0281

The dependent variable i.e., Tax Morale is measured as value of 1 for high tax morale and 0 for all other responses for the probit regressions.

The tax evasion rates across different income brackets are presented in Table 3. The findings reveal that the tax evasion rate is 18.2% for the Low-Income bracket, 12.5% for the Middle-Income bracket, and 6.8% for the High-Income bracket.

Table 3. Tax evasion rate by income bracket.

Income Bracket	Tax Evasion Rate (%)
Low Income	18.2%
Middle Income	12.5%
High Income	6.8%

There are many facets to the intricate web that connects tax perception with economic development. The degree to which a country's population view taxes is strongly correlated with its economic success, according to our research. When people in economically developed nations enjoy higher wages and better living conditions, they are more likely to see taxes favourably. This is because they can see the tangible results of their tax dollars at work in areas like healthcare, education, and infrastructure. Governments are better able to execute progressive tax policies—which are seen as more equitable when the economy is strong.

On the other hand, people in less developed nations may view taxes with more suspicion because they believe their tax money is not being used to raise their living standards, which is especially true when fundamental services and infrastructure are absent. In these situations, regressive taxes can make people feel much worse, especially those with lower incomes. It is critical for policymakers to comprehend this interaction. To make sure people think taxes are fair and that they can see the results of their money's worth, it's crucial to match tax policies with the economy's development level.

4.6 Influence of Government Communication and Education

Perceptions of taxes are greatly influenced by government education and communication initiatives. Good communication can promote a favourable tax perception and improve tax compliance. Governments should explain how tax funds are distributed and show how they improve societal well-being in order to communicate openly and clearly about tax policies and their intended advantages. Governments can also run public awareness efforts to inform the public about the value of taxes in supporting infrastructure and other necessities. One effective

strategy for altering tax perceptions is education. Citizens can gain a better understanding of the tax system by including civic education and financial literacy into school curricula. Taxes are more likely to be viewed as a civic obligation and a way to further the common good by an informed public.

4.7 Psychological Dimensions of Tax Perception

Perceptions of taxes have deep psychological roots in addition to monetary ones. Considerations of justice, cognitive biases, and societal standards all factor in. Cognitive biases like the availability heuristic may impact judgements on taxes. If people have vivid memories of government waste or inefficiency, they may regard taxes with a more negative light. For the government to combat these biases, it must be open and honest with its citizens. Equal treatment is of the utmost importance. People are more inclined to tolerate and even support tax policies that are fair and equitable. Many will see taxes more favourably if they are levied in a progressive manner, with a bigger share for the wealthiest. Another factor is societal mores. The likelihood of people happily paying their fair share of taxes increases when it is seen as both a civic obligation and a socially acceptable behaviour. The government can shape social mores by promoting education campaigns that highlight the gravity of tax evasion and its repercussions.

4.8 Implications for Tax Policy and Revenue Collection

Public opinion has a significant impact on tax policy and revenue collection. A favourable tax perspective can increase revenue collection, reduce the tax gap, and increase compliance rates. Governments can use these funds to fund public services, which enhances the public's perception of taxes. Policymakers should maintain fair and equitable tax policies while making choices. Clear and frequent information combined with progressive taxation can increase public acceptability of taxes. Through simplification and the removal of administrative obstacles, tax compliance can be made simpler and less burdensome, improving the positive perception for tax.

5. Conclusions

This study report delves deep into the complex relationship between taxpayers and taxation regimes. There are several factors that contribute to the perception that taxes are burdensome, including economic circumstances, a decline in trust, misinformation, and comparisons to other areas.

Various perspectives from a wide range of age groups, genders, socioeconomic statuses, and levels of education are presented in the study's comprehensive demographic overview. Consensus on primary tax goals, divergent views on justice, and calls for transparency and change all point to the complexities of taxation. Participants stress the need of more transparency and education, particularly for the ignorant, while simultaneously recognising the value of taxes as a source of revenue for public services. Furthermore, interesting data can be gleaned from comparing tax opinions across different geographic regions and demographic groups. It highlights the importance of open government and demographic disparities in shaping tax attitudes. Improved compliance, more positive tax attitudes, and greater revenue production can result from legislation and

targeted communication efforts that legislators can craft using this data to address specific tax burden issues. In conclusion, the findings of this study provide light on the complex dynamics of tax perception and pave the way for further studies to examine the relationships between demographics, tax satisfaction, and perceptions of tax justice. Legislators can use these findings to educate tax laws, enhance public engagement strategies, and build a more positive and informed society.

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