

## THE EFFECT OF ELECTRONIC TAXATION SYSTEM ON VOLUNTARY TAX COMPLIANCE

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### Abstract

It is considered that if the taxes, which are the most important financing instrument of public expenditures, are easily paid by taxpayers and tax proceedings are carried out without difficulty, the taxpayers' voluntary tax compliance will increase. For this purpose, the government is working hard to carry out the tax transactions in every stage of the electronic environment. In this study, it is aimed to develop a data collection tool in order to determine the effect of electronic taxation system on tax compliance. In this context, a questionnaire was applied to 195 independent accountants and financial advisers who work in Afyonkarahisar and Konya town centers and who are using electronic taxation system. Factor analysis was performed by using statistical programs. In this respect, validity and reliability analyzes were performed and as a result, a scale consisting of two factors and 13 items was developed. According to the results of the research, financial advisors, electronic taxation it is observed that the system has a positive effect on the voluntary tax compliance and the efficiency in the taxation process.

**Keywords:** Electronic Taxation, Tax Compliance, Financial Advisers

**JEL Code:** H21, H11, H26, M48.

### 1. Introduction

In recent years, with the acceleration of technological developments, it has begun to adopt principles such as keeping up with technological developments in public sector and sustaining public transactions faster and reducing stationery. In this way, it is ensured that the taxpayers can access the transactions to be carried out with the state institutions in a fast and electronic environment with the services such as e-government with the attempts to digitalize in various public activities. A significant portion of the digital transformation efforts are carried out in the taxation process and is called electronic taxation. Electronic taxation (e-taxation) transactions are defined as a general definition, filling out tax returns by taxpayers electronically and delivering them to the tax office (Kocamiş ve Kekeç, 2017: 276-277). Thus, the taxation transactions is carried out online with the electronic taxation system. In addition, transactions such as electronic notebook, electronic declaration, e-archive invoice application, e-ticket application, e-polling and electronic invoice are among the transactions that include electronic taxation. In this study, it is aimed to develop a data collection tool in order to determine the effects of electronic taxation system on voluntary compliance. For this purpose, we have developed a questionnaire is applied to independent accountants and financial advisers working in Afyonkarahisar and Konya downtown area. In line with the findings, electronic taxation processes were tested and interpreted by professional accountants who are an important part of taxation procedures.

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## 2. Literature

In a study related to electronic taxation, the effect of e-taxation practices on taxation with the principle of economics was examined and a questionnaire was applied to financial advisors in Tokat for this purpose. Accordingly, it is emphasized that the margin of error in electronic transactions is significantly reduced and business performance is increased (Çimen, 2017). In another study, the relationship between taxpayers' numbers and tax revenues was discussed with the transition to the electronic tax system in Azerbaijan Tax System and a positive relationship was found between tax revenues and taxpayers in the periods 2006-2015 (Allahverdi & Kuzucu, 2017: 93-94). Another study indicated that with regard to the adoption of e-declaration system in Turkey conducted a survey for independent accountants and financial advisers of the technological trends in the positive direction (Turan & Özgen, 2009: 145).

## 3. Research Methodology

### 3.1. Study Group

The study group consisted of 195 independent accountants and financial advisors using electronic taxation system working in Afyonkarahisar and Konya provincial centers. When the variables related to the study group were examined, it was determined that they were generally male and between the ages of 30-40. It is observed that the independent accountants and financial advisors, who form the working group, usually have 16 years or more of professional experience and liability period. In addition, although the working group differs in terms of the duration of using e-taxation, it can be stated that it consists mostly of people who use more than 1-4 years and more than 10 years.

### 3.2. Developing the Data Collection Tool

In the research, a scale was developed to determine "The Effect of Electronic Taxation System on Tax Voluntary Compliance". In order to improve the scale, items were prepared after the related literature was searched. Studies of Egeli and Diril (2014) and Çimen (2017) were used in the scale of the items that were obtained related to electronic taxation. In order to determine whether the items of the scale are sufficient in terms of quantity and quality to measure the behavior to be measured (Büyüköztürk et al. 2008: 169), the scale was submitted to expert opinion for scope validity. The scale was re-arranged in line with the expert opinion and consisted of 19 items. "Scale for Determining The Effect of Electronic Taxation System on Voluntary Tax Compliance" was prepared as a Likert-type five-point grading aiming to determine the frequency of participants in meeting the expressions given. The answers of scale consists of "1-Strongly disagree, 2-Disagree, 3-Partially agree / Partially disagree, 4-Agree, 5-Strongly agree. The answers are numbered 1→5 or 5→1 according to negative or positive situation of statements.

## 4. Findings

First the reliability analysis and validity analysis of the data, collected from the study group, were performed. First of all, Cronbach Alpha reliability coefficient of all items constituting the scale was calculated. At this stage, some items which were found to reduce the reliability of the

scale and had a negative reliability coefficient, were excluded from the scale. KMO and Bartlett tests were performed to determine whether the data set was suitable for factor analysis and KMO value was found to be 0.859. This result shows that the sample size is sufficient and the data set is perfect for factor analysis. In addition, Bartlett, (BS) test result [ $\chi^2 = 1160,397$ ;  $P < .05$ ] and the significance value indicate that there is a sufficient relationship between the variables to make factor analysis (.000).

After testing the suitability of the data for analysis, the data were subjected to basic component analysis. Initially, five factors with a factor eigenvalue greater than 1 were found. When the scree plot graph which is the result of factor analysis is examined, it is determined that the scale shows a two-factor structure. Since items 3, 7, 18 and 19 of the scale have high load values at multiple factors at the same time and the difference between high load values is 0.10 and less, these substances are accepted as the overlapping substance and they are excluded from the scale. The eigenvalue of the first factor of the scale was determined as 4,965 and the second factor was found to be 1,442. The first factor of the scale explained 38,195% of the total variance and 11,094% of the second factor. The variance explained by all factors is 49,289%. In this direction, the scale explains the impact of electronic taxation on voluntary compliance with tax by 49%. It can be stated that this value is a high value for social sciences. However, it is seen that the substances have a load value of at least 0,504 and maximum 0,809.

Cronbach's Alfa value of reliability test was found to be 0.858. Since the Cronbach Alpha coefficient is above 0.70, the reliability of the scale is high. When the reliability of the factors were examined, the reliability coefficient of the first factor was 0.838 and the second factor's reliability coefficient was found to be 0.718. The reliability coefficients of all factors were higher than 0.70, indicating that the scale was highly reliable in all aspects of the scale. Corrected item total correlations ranged from 0.418 to 0.635.

When the data obtained from the scale are analyzed, it is seen that the participants generally respond to the scale items in the "Agree" level. Accordingly, the independent accountants and financial advisers who participated in the study have a positive view on the electronic taxation system and considered that this system has a positive effect on the voluntary compliance to the tax and on the taxation process. When the items of the scale are considered, the item with the highest mean is 4.01. "E-Public Finance practices save time". Thus, 82% of respondents think that electronic public finance transactions save time. The relationships determined in terms of demographic and other independent variables were tabulated and presented to the relevant people.

## 5. Results

Electronic taxation refers to the realization of tax transactions in electronic form, as well as interactive tax procedures and e-finance practices. It is expected that many transactions related to the taxation process can be realized in electronic environment, and it will be expected to have a positive effect on voluntary compliance with tax due to the time it will bring to taxpayers and professional accountants and to accelerate the transactions. In this context, it is considered important to determine the opinions and perceptions about e-taxation system. It is thought that scale development will contribute to draw attention to the views of the independent accountants and financial advisers in the taxation process on the effects of e-taxation. Therefore,

it is aimed to develop a measurement tool to determine the effect of electronic taxation system on voluntary compliance.

When the findings for determining the validity and reliability of the scale to determine the effect of the electronic taxation system on taxation voluntary compliance are evaluated together, it can be said that the scale is a valid and reliable data collection tool that can be used to determine the perceptions of electronic taxation on the voluntary compliance. According to the findings obtained, it can be stated that the measurement tool developed within the scope of this study will eliminate a significant deficiency in the relevant field and it can be used as a measurement tool that can be used in future studies. Findings indicate that electronic taxation processes will generally increase voluntary compliance and reduce alternative costs.

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