

FACTORS AFFECTING TAX MORALE: AN EMPIRICAL STUDY ON STUDENTS OF AKSARAY AND ÇUKUROVA UNIVERSITY

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Abstract

Tax morale is a multi-dimensional concept. The concept that has an individual and social dimension affects the attitudes and behaviors of individuals against taxes. As tax morale is perceived differently from one society to another and its effect can be different based on society, it may also show differences in family structures, societal ties and environmental relationships of individuals within the same society. The aim of this study is to compare tax morale levels of the students of department of Public Finance and department of Economics at Aksaray University and Çukurova University and determine the socio-cultural factors and some demographic factors which affect the tax morale of the students. The tax morale score of the students is found 3,57. Tax morale score is interpreted when it is low as the average approaches 1 (strongly disagree) and it is high as the average approaches 5 (strongly agree). Accordingly, tax morale level of students (3,57) is above average. As a result of empirical study, the comparison results between the tax morale scores of different university students indicate that: Tax morale of students of Aksaray University is higher than the students of Çukurova University and generally tax morale level of female students is higher than male students.

Keywords: Tax, Tax Morale, Tax Psychology, Statistical Analysis.

JEL Code: H20, H29, C10.

1. Introduction

In this study, it is aimed to compare the tax morale levels of 535 students studying at the Public Finance and Economics Departments of Aksaray and Çukurova Universities, and to determine some factors affecting the tax morality levels of the students. A questionnaire consisting of 3 sections prepared according to 5-point Likert scale is used in the study. The first part of the questionnaire includes demographic characteristics, the second part, 4 questions about socio-cultural statements and the third part, 6 questions about tax morale. With these questions, the attitudes of the students studying in two different universities towards the tax morale are measured. In the evaluation of the questionnaire data, Statistics Package for The Social Sciences (SPSS 18.0) is used. The significance level is 0,05 for statistical analysis.

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2. Theoretical Framework

Tax morale can be considered as a moral obligation to pay taxes or a belief in contributing to society by paying taxes (Torgler, 2004: 239). Due to the strong evidence that tax morale affects the actual tax payment behavior, finding the determinants of tax morale can help both to understand and fight tax evasion (Doerrenberg & Peichl, 2013: 293). Tax morale is often defined as the intrinsic motivation to pay taxes. At the same time, tax morale is closely related to tax compliance. There are many factors in shaping tax morale (Luttmer & Singhal, 2014: 150). Moral norms, trust in state, social pride as well as social, economic and political factors are effective. In addition, socio-psychological factors also shape the attitudes and behaviors of individuals about tax. Human being is by nature a social being and the behavior of other people in society on the shaping of tax morality is also a significant factor (Lillemets, 2010: 238).

3. Survey Findings

In this study gender, department and university are used as independent variables and the effects of these variables on tax morale are analyzed. The purpose of this study is two-fold. First, tax morale behaviors of students in Public Finance and Economics of Aksaray and Çukurova Universities are compared. Second, the socio-cultural factors and some demographic factors which affect the tax morale of the students are determined. The data obtained from the study are analyzed with some statistical methods such as frequency distribution, reliability analysis, Kolmogorov-Smirnov test, Kruskal Wallis H test.

Of the students who participated to survey, 47,5% are from Aksaray University, 52,5% are from Çukurova University, 39,6% are male, 60,4% are female, 49% are studying in department of Public Finance and 51% are studying in department of Economics. The scale's reliability is measured using Cronbach alpha reliability coefficient. The coefficient for all items is found to be 0,874. Moreover, the coefficient for the 'responses of questions about tax morale' subscale is found to be 0,904. A Cronbach's α of greater than or equal to 0,6 is interpreted as acceptable level of reliability in most social science research situations. So the values of the coefficients show that the survey is highly reliable. According to the Kolmogorov-Smirnov test result, it is found that the tax morale is not *normally distributed* (sig: ,000 < 0,05). Thus, Kruskal Wallis H test is used to compare group means of the sub-dimensions of variables University_Department and University_Gender in Table 1.

Table 1. Comparisons of the Responses of Tax Morale Questions for the Variables University_Department and University_Gender-Kruskal Wallis H Test Results

Statements	University_Department	N	Mean Ranks		University_Gender	N	Mean Ranks	
Paying taxes is an important citizenship duty.	Çukurova_Public Finance	136	125,18	Chi Square: 181,382 sd: 3 Sig: ,000	Çukurova_Female	164	224,94	Chi Square: 85,014 sd: 3 Sig: ,000
	Çukurova_Economics	145	297,49		Çukurova_Male	117	198,88	
	Aksaray_Public Finance	126	346,68		Aksaray_Female	159	339,41	
	Aksaray_Economics	128	308,89		Aksaray_Male	95	307,94	
If I evade taxes, and if people around me learn about it, I would be very ashamed.	Çukurova_Public Finance	136	162,18	Chi Square: 92,766 sd: 3 Sig: ,000	Çukurova_Female	164	241,24	Chi Square: 33,625 sd: 3 Sig: ,000
	Çukurova_Economics	145	303,52		Çukurova_Male	117	226,52	
	Aksaray_Public Finance	126	311,24		Aksaray_Female	159	318,89	
	Aksaray_Economics	128	297,63		Aksaray_Male	95	280,11	
Paying taxes as a taxpayer is an indicator of being moral.	Çukurova_Public Finance	136	166,17	Chi Square: 89,425 sd: 3 Sig: ,000	Çukurova_Female	164	227,52	Chi Square: 39,093 sd: 3 Sig: ,000
	Çukurova_Economics	145	290,92		Çukurova_Male	117	234,79	
	Aksaray_Public Finance	126	320,61		Aksaray_Female	159	316,32	
	Aksaray_Economics	128	298,44		Aksaray_Male	95	297,91	
The low tax morale of a society forces the state in fiscal and economic terms.	Çukurova_Public Finance	136	161,32	Chi Square: 99,642 sd: 3 Sig: ,000	Çukurova_Female	164	234,34	Chi Square: 52,588 sd: 3 Sig: ,000
	Çukurova_Economics	145	284,72		Çukurova_Male	117	211,91	
	Aksaray_Public Finance	126	322,79		Aksaray_Female	159	322,38	
	Aksaray_Economics	128	308,46		Aksaray_Male	95	304,17	
Tax morale is an important indicator of development.	Çukurova_Public Finance	136	147,28	Chi Square: 129,628 sd: 3 Sig: ,000	Çukurova_Female	164	226,45	Chi Square: 66,341 sd: 3 Sig: ,000
	Çukurova_Economics	145	288,51		Çukurova_Male	117	211,34	
	Aksaray_Public Finance	126	337,52		Aksaray_Female	159	334,17	
	Aksaray_Economics	128	304,61		Aksaray_Male	95	298,77	
The fiscal and economic education that I have acquired is improving the tax morale.	Çukurova_Public Finance	136	144,76	Chi Square: 137,866 sd: 3 Sig: ,000	Çukurova_Female	164	236,18	Chi Square: 59,359 sd: 3 Sig: ,000
	Çukurova_Economics	145	296,55		Çukurova_Male	117	204,74	
	Aksaray_Public Finance	126	343,17		Aksaray_Female	159	324,33	
	Aksaray_Economics	128	292,59		Aksaray_Male	95	306,57	

The results on Table 1 show that there is a significant difference in sub-dimensions of variables University_Department and University_Gender based on the statements (sig: <0,05). Results of analysed mean ranks belonging to the groups show that Public Finance students have more tax morale than Economics students at Aksaray University from the perspective of tax morale questions. Similarly, Table 1 shows that Economics students have more tax morale than Public Finance students at Çukurova University. Table 1 shows that the difference is statistically significant in the statements based on gender. Results of analysed mean ranks belonging the groups show that females have more tax morale than males from the perspective of statements for both Aksaray University and Çukurova Universities. Furthermore, the mean rank of female students of Aksaray University about the statements related tax morale is the highest.

Table 2. Kruskal Wallis H Test Results Related with Socio-Cultural Factors-University_Gender and University_Department

Statements	University_Department	N	Mean Ranks		University_Gender	N	Mean Ranks	
SC1	Çukurova_Public Finance	136	194,85	Chi Square: 54,924 sd: 3 Sig: ,000	Çukurova_Female	164	229,50	Chi Square: 39,159 sd: 3 Sig: ,000
	Çukurova_Economics	145	262,63		Çukurova_Male	117	230,28	
	Aksaray_Public Finance	126	321,02		Aksaray_Female	159	307,54	
	Aksaray_Economics	128	299,61		Aksaray_Male	95	314,74	
SC2	Çukurova_Public Finance	136	113,64	Chi Square: 211,574 sd: 3 Sig: ,000	Çukurova_Female	164	220,38	Chi Square: 101,615 sd: 3 Sig: ,000
	Çukurova_Economics	145	298,53		Çukurova_Male	117	193,15	
	Aksaray_Public Finance	126	343,53		Aksaray_Female	159	343,53	
	Aksaray_Economics	128	323,09		Aksaray_Male	95	315,97	
SC3	Çukurova_Public Finance	136	319,27	Chi Square: 30,340 sd: 3 Sig: ,005	Çukurova_Female	164	269,95	Chi Square: 2,127 sd: 3 Sig: ,546
	Çukurova_Economics	145	222,89		Çukurova_Male	117	268,95	
	Aksaray_Public Finance	126	254,00		Aksaray_Female	159	255,79	
	Aksaray_Economics	128	278,41		Aksaray_Male	95	283,90	
SC4	Çukurova_Public Finance	136	159,50	Chi Square: 115,225 sd: 3 Sig: ,000	Çukurova_Female	164	225,37	Chi Square: 79,303 sd: 3 Sig: ,000
	Çukurova_Economics	145	266,66		Çukurova_Male	117	199,97	
	Aksaray_Public Finance	126	337,25		Aksaray_Female	159	330,86	
	Aksaray_Economics	128	316,64		Aksaray_Male	95	320,18	

The socio-cultural factors affecting the tax morale such as ‘the level of trust in government (SC1)’, ‘a sense of civic virtue (SC2)’, ‘the level of accepted ruling party (SC3)’ and ‘religion belief (SC4)’ on tax morale have been analyzed in this study. In Table 2, Kruskal-Wallis H test is used to measure differences in terms of socio-cultural factors based on participants’ gender and department. As can be seen in Table 2: since the p values of all the statements are less than 0,05 at 95% confidence interval of the difference (except for SC3), these differences are assessed as a statistically significant ($p < 0,05$). Moreover, the socio-cultural factors have all statistically significant effects on tax morale based on participants’ department.

4. Conclusion

Tax morale is a phenomenon affected from many factors such as economic, social, cultural and demographic factors. The study aims to investigate the factors influencing students’ tax morale. The study compares male and female scores for Aksaray and Çukurova Universities. From Table 1, it is thought that female scores would be significantly higher than male scores, significance being defined here as higher scores for all statements. Results of analysed mean ranks belonging to the University_Department show that the students of department of Public Finance have more tax morale than the students of department of Economics at Aksaray University from

the perspective of tax questions. Similarly, Table 1 shows that the students of department of Economics have more tax morale than the students of department of Public Finance at Çukurova University.

In general, tax morale of students of Aksaray University is higher than the students of Çukurova University and the tax morale of female students is higher than male students for both universities. In conclusion, it has been determined that while the mean rank of female students at Aksaray University about the statements is the highest, the mean rank of the students for Economics department at Çukurova University about the statements is the lowest.

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