

Economic Theories that Explain the Emergence of Tax Evasion

Roxana-Aurelia Mart
Bogdan-Dumitru Cosofret
"Alexandru Ioan Cuza " University of Iași,
Faculty of Economics and Business Administration, Romania
roxana_aurelia20@yahoo.com
bogdan.cosofret@gmail.com

Abstract

Tax evasion refers to the illegal activities deliberately undertaken by a taxpayer in order to release himself from the tax burden. Tax avoidance, on the other hand, usually denotes a situation in which the taxpayer has arranged his business in a perfectly legal way, resulting in either a reduced taxable income or an income for which to pay tax. The taxpayer is not obliged to pay an amount higher than the legal tax due, in accordance with the tax law. It is also not excluded that a taxpayer enters into a bona fide transaction which, when carried out, has the effect of avoiding or reducing the obligation to pay tax, provided that there is no provision in the law which prevents the avoidance or tax reduction. The purpose of this paper is to identify in the literature specialty which are identified determining factors regarding the taxpayer's behavior towards taxation in terms of compliance or non-compliance.

Key words: tax evasion, tax, taxpayer, tax avoidance

J.E.L. classification: M41

1. Introduction

The reasons for tax evasion have been explored by specialists in the field, researchers and psychologists.

According to Webley et. al. (1991), if in a survey we ask a person, any person, why some people do not want to pay taxes, the vast majority would say that the reason is greed. The hypothesis is based on the assumption that people will commit a crime almost any crime, if doing so maximizes their profit.

Becker (1968, pp. 207) argues that, some people are more prone to evasion than others, not because of different reasons but because of the income they might get that way. Applied to the tax situation, people are treated as rational and immoral decision makers whose purpose in this regard as in all other areas is simply to achieve an increase in profits.

Allingham and Sandmo (1972, pp. 338) find as determining factors of tax evasion in the behavior of a taxpayer, *the percentage of tax, the chance of being caught evading and the sanctions* that apply to fact. The authors also present that those taking into consideration tax evasion can calculate their chance of being discovered. And if the probability of being caught is low and the fines are approximately small, taxpayers who are greedy would decide to report lower income or not report at all from the income obtained. This model shows that the size of tax evasion is influenced by the percentage of fines and the probability of being discovered. Thus, a higher probability of detection and a higher percentage of fines will cause taxpayers to declare their income and comply with the law.

2. Literature review

Some authors continued the model studied by Allingham and Sandmo and made a development of the classical model. Benjamini and Maital (1985, pp.245-264) made an interactive model, game. And other authors such as Jackson and Milliron (1986, pp. 125-165) or Kahneman and Tversky (1979, pp. 263-291) added the component of limited rationality.

Interactive models refer to the fact that a taxpayer does not make a decision alone when it comes to evasion and that there are other participants in this game. The behavior of these participants has an important role in the evasion process because in a community where the vast majority of people respect the law, the reputation of those who do not respect it will suffer if is caught. But there is also the situation where if the vast majority of people avoid taxes then the reputation of those who evade may not suffer (Webley, 1991 ,pp.10).

In another interactive-game model, Corchon (described by Cowell, 1990, pp.122) presents the fiscal situation as a game between two people, respectively the authorities and the taxpayer in which both players have two options. Once, the state that can verify the taxpayer or not and the taxpayer that can comply or not. But this model does not present a balance because if the taxpayer complies with the law, then it will no longer be necessary for the state to spend money on controls. And in the situation where the taxpayer knows that he will not be verified, he may not respect the law. The balance of this model consist in the use of a mixed strategy on both sides. Situation in which the probability of tax evasion increases with the marginal cost of controls and decreases with the size of the fines.

An extension of the Corchon model is made by Benjamini and Maital (1985, pp.245-264) by adding other determinants of tax evasion such as the behavior of other taxpayers and some social and psychological variables like as stigma, reputation and social norms. These somewhat technical details present a balance in their model. The authors conclude that in a homogeneous population, either everyone conforms or everyone evades. And in a population heterogeneous, members of certain groups will avoid while members of other groups will comply. In one of his works, Vogel (1974, pp. 499-513) identifies the importance of support from other people in forming attitudes towards tax evasion. Cowell (1990, pp.113) also finds that in the face of the decision on tax evasion, a taxpayer first decides whether to be honest or not, after which he makes calculations to see how much he can evade.

The treatment of decisions as a two-stage process is also found in studies that have as subject the limitations of rationality. Kahneman and Tversky (1979, pp.263-291, 1984, pp.341-350) present one of these approaches known as the theory of perspectives in which people make choices in two stages. They also notice that, there are people who use the fact that the tax rate is lower than the reference tax rate. In the first stage, the taxpayer makes an analysis of the situation to see what the options are and then chooses the simplest variant. This analysis involves reviewing all the probabilities and outcomes that could be obtained and then isolating the most risky option. The most important part of this stage is the framing of the results, respectively of the prospects as income or losses through a reporting to a certain reference point. The second stage refers to the evaluation of perspectives. The taxpayer evaluates each of the identified options and chooses the option from which he obtains the highest profit. In this phase it will use a utility function that is steep for losses and increasing for gains. This shows that when the gain is seen as certain, the taxpayer will tend to avoid the risks, but at the same time he will take risks to prevent losses that are seen as safe. Such decisions can be influenced by the way issues are assessed.

Another study on the theory of perspectives is found in an interview also conducted by Tversky and Kahneman in 1981 (pp. 453-458). In this example, the interviewed subjects are presented with a situation in which the United States is facing an unusual disease that will kill 600 people. There are two possibilities for action. The first situation shows a clear result, namely that 200 people will live and 400 will die. And in the second situation there is a risky result, namely the fact that there is one in three chances that 600 people will live (no one will die) and two in three chances that none will live (ie 600 people will die). The conclusions, were that the vast majority of people made a choice based on how the problem was presented. If the situation was presented as a gain, namely the fact that 200 people will be saved compared to one in three chances that 600 people will be saved, the vast majority chose the safe option. And when the situation was presented as a loss,

namely the fact that 400 people will die, in the vast majority of cases they chose the more risky option, respectively the second option.

The importance of this study has been noted by several researchers such as Jackson and Milliron, Schadewald and has been studied in depth by Kinsey and Smith. Several determining factors have been identified when choosing a tax decision. An example would be in the case of the tax to be paid compared to the tax that is already withheld. The one who has to be paid has a greater utility than the one who is already retained. In a study conducted in the United States found that the vast majority of taxpayers prefer to withhold their tax, even more, than to pay it later. The explanation for this withholding tax process is that the risks associated with evasion can be avoided, and for taxpayers waiting for a refund, they perceive this as a gain. But for those who have to pay a larger tax difference, they may perceive this as a loss and may be more inclined to make a risky choice not to pay the tax.

3. Research methodology

Quantitative research has the role of quantifying and identifying aspects encountered in qualitative analysis, by testing and validating hypotheses by specific methods. In order to carry out this approach, an analysis of the specialized literature and a delimitation of the sample of articles were performed. This was done with the help the databases from the Central University Library "King Ferdinand I" accessed within the Doctoral School of Economics and Business Administration in Iasi. All databases were analyzed and two databases containing the most relevant information in the targeted field were selected. These were: "Science Direct" and "Cambridge Journals". After selecting the search criteria specific to each database, a number of 253 articles and 14 books were obtained, which were analyzed according to the research field, the research topic and the research methodology. Following the selection of these criteria and the qualitative analysis, a number of 31 articles and books remained that were used in this study.

4. Findings

There are two types of theories in the literature of specialty wich explain why people evade paying taxes. The first type is an integrated model of the tax payment process. These are sometimes called theories, and are seen as some frameworks (sometimes are called so by their authors) in which data on taxpayers and tax evasion can be organized. Some examples of this refer to the models of Lewis (1982), Kinsey and Smith (1987) and Van Veldhoven (1983). Models that present a description of the variables considered to be the most important in the process of tax evasion and a how they could be correlated and recall the patterns of information processing and consumer behavior found in marketing texts. The second type is a fairly simple application of a psychological, social theory of tax evasion (Kaplan, et. Al., 1986, pp. 461-476).

Lewis (The Psychology of Taxation, 1983), following a study on the fusion of psychology and economics, analyzed the entire area of tax evasion from the perspective of several disciplines. The author identified two models of tax evasion. The first model focuses on the concerns of the authorities and the concerns of the individual. And the second model presents the relationship between fiscal attitudes and fiscal behavior. Webley et. al. (1991) studies Lewis's two models and summarizes them as follows: the first model perceives it as a conceptual map in which the authorities are analyzed in terms of three important factors: fiscal policy of government, application policy of taxes and the assumptions of political decision makers regarding taxpayers.

In this model, the tax application structure partially shows the size of the tax evasion that influences the tax decision makers. Three factors are presented individually:

- fiscal attitudes and perceptions. They describe support for fiscal policies, perceptions of the tax system and the tax burden, feelings of alienation and inequity;
- perceptions regarding the sanctioning of taxpayers and their opportunity;
- characteristics of taxpayers, which refer to demographics and personality traits.

All this interacts in influencing the decision on whether or not to avoid taxation.

The two parties, the state and the individual, influence each other in relation to each other. Fiscal policy is what influences fiscal perceptions and attitudes, and the structure of fiscal policy is what influences the opportunities that may arise for tax evasion. Taxpayers' perceptions and attitudes are in turn influenced by fiscal policy and the implementation of fiscal policy. Thus, the application of taxes will be associated with people's perception of the likelihood of evading taxation. Vogel (1974, pp.501) identifies the fact that taxpayers' attitudes are closely related to their perception of the amount of fines codified in the tax system.

In Lewis's second model we find the presentation of the relationship between fiscal attitudes and fiscal behavior. Here are detailed the ways in which the decisions of the taxpayer and the state are made. The focus is on variables such as demographics, behavioral attitude towards the state and tax inspectors, but also on personality traits that show a person's attitude towards tax behavior. But, testing this model presents a difficulty in that it refers to private and illegal behavior.

According to the literature, it has been shown that some groups in society have different tax attitudes and perceptions regarding the application of taxes. There is also a flow in the opposite direction (payment with compliance) on individual differences in the front of risk, compliance costs and perceived economic well-being, which are also influenced by perceptions on tax authorities and attitudes towards taxes. Although this second approach to tax compliance implies that individual attitudes, perceptions and differences between taxpayers are antecedents of tax evasion, this does not always have to be so, hence the identified result on tax compliance. Sanctioning and opportunity can be partly consequences of the practice of tax evasion. Similarly, tax attitudes can be their own rationalizations (rationalization defined as the act by which one tries to explain or justify a behavior or attitude with logical reasons, even if they are not appropriate. Most people are prone to self-deceptive rationalization) of taxpayers' behavior depending on the event.

Van Veldhoven and Greenland (1983, pp.17) following a study developed a provisional model in which they brought together ad-hoc approaches and attitude and behavior characteristics. The authors identified that the particular differences and the characteristics of the situations that appear and depend on different conjunctures, through their interaction influence the taxpayer's attitude towards the fiscal system. And the tax system through its policy of applying taxes and duties directly influences the taxpayer's behavior by the way he will evade or not. Three types of characteristics are presented depending on the situation:

- opportunity;
- socio-economic factors;
- the fiscal system.

All these factors were studied and identified as having the potential to determine tax evasion. We can observe the importance of the construction of the fiscal apparatus by the fact that depending on this and on the application of the fiscal laws, opportunities can be created for certain persons or groups regarding the tax evasion. Also, the construction of the fiscal system will influence the taxpayers' attitudes towards it.

Smith and Kinsey (1987, pp.642) conducted a study to identify which factors determine tax evasion or taxpayer compliance. In their approach, the authors meet a number of factors that are conclusive in this regard. After several analyzes, they identified that the vast majority of studies focus on the preferences and intentions of taxpayers and less on the social context. These studies highlighted the fact that taxpayers did not comply with the law knowingly and intentionally, of their own free will. The authors' model shows that non-compliance with the legislation can be the result of inertia and that it is probably not a single evasion decision but is performed through a series of actions. This can be done by keeping of double records in order to make an estimate of the expenses, that will determine whether they will comply or not and if so, to what extent.

Naidoo (2005, pp.13) notes that most taxpayers want to do the right thing and pay their fair share of taxes. However, they do not want to pay more than necessary. The author argues that those who diligently pay their taxes and comply as best they can with tax laws want to be treated with respect by the tax authorities. Unfortunately, this is not always like that. Taxpayers often believe that they are being treated as criminals and do not appreciate a threatening approach for non-compliance with tax law.

In a survey conducted by Webley et. al. (1991, pp.85), the authors showed that the percentage of total voluntarily reported tax obligations was considerably higher for employees (95%) than for individuals whose main source of income was related to a business (77%). Authors (1991, pp.102) also found strong support for the assertion that greater opportunity leads to greater tax evasion. After all the experimental studies performed on tax evasion, Webley et. al. (1991, pp.122) argue that for some participants the task of calculating their tax debt was too difficult. Some comments received from respondents who were part of the authors' study were: He didn't know very well what he was doing then, He did not have the necessary knowledge about the statements he had to fill in and in some sections, he only guessed and, In those moments they felt fear.

Lamont (1992) stated that, the state is the main actor among all the powers of a country that is most interested in the welfare of people in the private sector and the state for the benefits of taxation. The effect of taxation is that subjects are forced to give up hard-earned earnings or goods without receiving visible benefits in return.

Elffers and Hessing (1997, pp. 289-304) propose that there are probably three groups of taxpayers: those who always pay their taxes, those who only sometimes will try not to pay and those who regularly will try not to pay. From a legal (juridic) point of view, there is a distinction between tax evasion by arranging financial statements to minimize tax liability and tax evasion by non-payment in whole or in part of tax obligations.

This principle was clearly explained by the judgment of the United Kingdom in *Inland Revenue Commissioners & The Duke of Westminster (Upper Tribunal, Lands Chamber)*, in which Lord Tomlin stated that: "Every person has the right if he can, to arrange their business in such a way that, the tax levied on the basis of appropriate facts be lower than otherwise. If he manages to order them so as to ensure this result, then no matter how invaluable the income commissioner or his taxpayer colleagues may be, he cannot be forced to pay the increased tax. "

Given this ingenuity Lewis (1982, pp.123) points out that the dividing line between legal tax evasion and illegal tax evasion is blurred (as in the case of differentiation). Bird, Oldman (1990, pp.453) and Slemrod (1992) stated that "taxation and evasion are ubiquitous phenomena in all societies", and Webley (2010, pp.128) et. al. and Lewis (1982, pp.159) define tax evasion as a complex and hidden behavior that has important economic and social consequences.

According to existing studies it has been observed that over time taxation and evasion have been closely linked. In 1799 in Britain the issue of evasion occupied center scene. During a speech on the introduction of income tax William Pitt (quoted by Wembley et. al., 1991) stated that will set a general tax on important sources of incomes to avoid attempted evasion. Ironically, even though tax rates in Victorian England have been set at levels that now seem incredibly low (income tax has been set at 2.90%), there have been complaints about evasion from the start. In 1868, it was estimated that the average declared taxable income was less than half of what it should have been. In Exeter (area of the United Kingdom) there was a report in this regard in 1871 stating that: only 20% of taxpayers who paid the tax completed acceptable statements for Revenue Service (B.E.V. Sabine, 2013 , pp. 105-106). " Webley et. al. (1991, pp.23) states that tax evasion in itself is certainly not a modern problem, it is a pervasive phenomenon in which all citizens around the world have taken part and is represented by a behavior that can be found in a large variety of cultural and legal frameworks.

In one of the works, Smith and Kinsey (1987, pp.645) make a diagram of flow in which it presents the factors that influence the behavioral attitudes regarding the conscious decision-making and the way in which people form their intentions. The specific factors of this model are the tax reform, economic changes and wage changes that change tax rates. Following these changes, taxpayers will go through three stages:

- the diagnosis (in which the situation is defined);
- the action (represented by the construction of intentions);
- the implementation (in which they choose how to fulfill the intentions).

The authors (1987, pp. 652) point out that taxpayers consider four groups of factors in the formation of intentions. These are: the material consequences, normative expectations, socio-legal attitudes and significant factors. The formation of these intentions is done according to the theory of perspectives, through the choices that are made depending on the gain that can be obtained or the loss made, compared to an initial reference moment. Smith and Kinsey address two types of

situations in this study. A situation that includes objective opinions, which are influenced by taxes through expenditures made to the state. And a situation that refers to the tax system. The authors consider that a taxpayer's attitude towards a goal has a direct effect on his attitude towards the tax system. A significant factor is the mental cost that directly influences the formation of intentions regarding factors triggers.

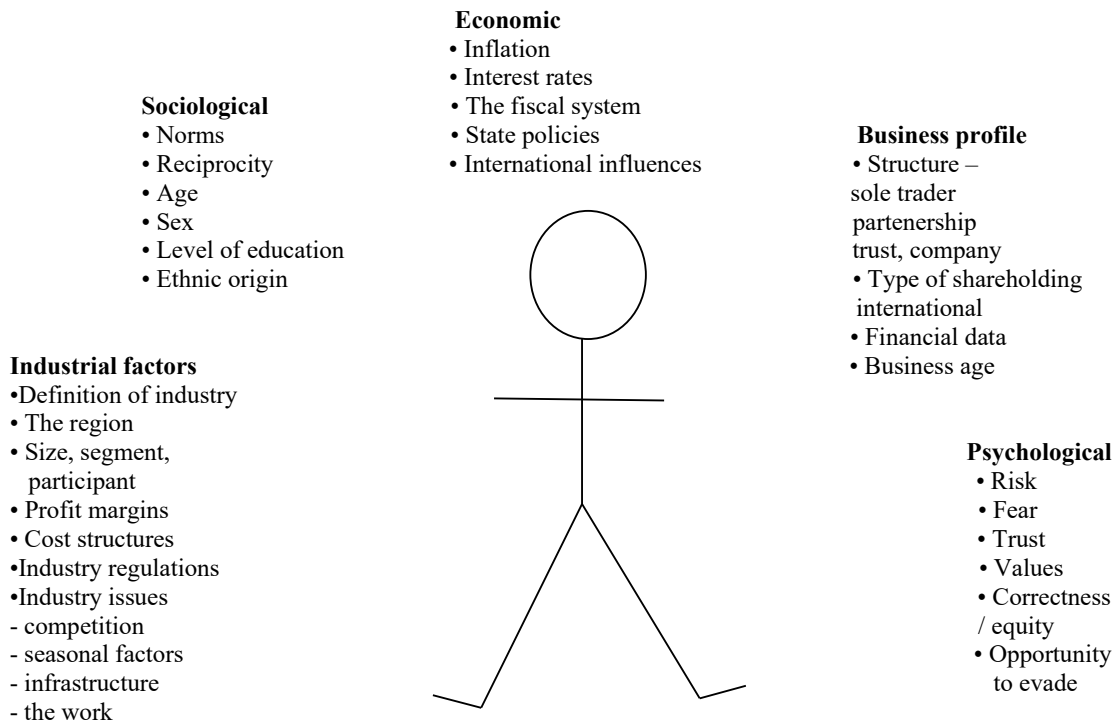
Coetzee (1993, pp.5-7) conducted a study in South Africa asking a number of taxpayers to express their views on the tax system. The results of this study showed that the two main reasons why people do not like to pay taxes come first of all from the fact that it is mandatory and secondly from the inability to immediately collect the benefits of such a tax.

A study approached from another perspective is conducted by Kaplan et. al. (1986, pp. 461-476). The authors base their research on the theory of attribution. This theory focuses on the fact that people make sense of civil society by attributing an intention to a cause.

The theory confirms its substantiation by showing that a person does something either because you have to, because of the environment, either because he wants to, because of the personal. Some of the principles underlying the attribution theory have been used in constructing assumptions about tax evasion. Such research has shown that some socio-psychological processes can influence people's perceptions of tax evasion and their tendency to engage in such behavior. Moreover, this model emphasizes the fact that when taxpayers have a high level of trust in the state, there is also a high fiscal morale and as a result the probability of non-compliance with the payment or non-compliance with the legislation is lower.

The Australian Cash Economy Task Force conducted a larger literature search on compliance and drafted a report to the Australian Tax Office. In this report, the results of the study show that taxpayers' decisions on compliance can be influenced by factors that are classified as psychological, sociological, economic, business and industrial. The schematic representation of these factors is represented in figure no. 1.

Figure no. 1 Factors influencing a taxpayer's compliance decision



A taxpayer influenced by a multitude of factors

Source: Australian Cash Economy Task Force, *Improving tax compliance in the cash economy* (1988)

Following this study, the Australian Cash Economy Working Group concludes that of all the factors identified in Figure no. 1, none of them is the only reason to justify a taxpayer's behavior regarding non-compliance, nor have they been able to find out what could be the combination of factors that can identify or determine evasionist behavior. Regarding this report, Fallan (1999, pp.173-184) considers that it is complicated and difficult to analyze a taxpayer's attitude towards taxation in terms of tax evasion.

5. Conclusions

The empirical research studied in the field of tax evasion has highlighted a number of specific findings on issues related to evasionist behavior. A survey by Friedland, Maital, and Rutenberg (1978, pp.107-116) found that women avoided taxation more than men. In contradiction, in three of the four studies conducted by Webley et. al. (1991, pp.110) the results showed that persons of sex male they withdrew more often than persons of sex female.

Van Veldhoven and Greenland (1983, pp.59) substantiates their theory that people who have internal control (those who have personal control over their own business) they will succeed to evade paying taxes more often than those with external control. The authors found that people with a higher level of education avoided taxation more than those with a lower level of education. Vogel (1974, pp.511) confirms this by stating that the Swedish tax system creates unequal opportunities to minimize taxes, as education is a prerequisite for the successful practice of reducing tax bases or tax evasion.

Webley et. al. (1991, pp.68-77) in their studies found that most people consider the injustice of the tax system as a justification for tax evasion. They also note that people who are not company-oriented, especially young people and/or employees, are most likely associated with tax evasion behavior.

In a Scottish study by Dean et. al. (1980, pp.39-40) the authors concluded, that tax evasion can increase if people believe they will not be detected. In the current circumstances, about 26% of respondents agreed that almost all taxpayers could easily steal small amounts without being detected. In addition, 66% agreed that almost all taxpayers would subtraction small amounts if they thought they would not be caught evading. Thus, the difference between 26% and 66% could be seen as the difference between the opportunity and the potential exploitation of the application of relaxed taxes. It's important to note that the number of those perceived as evaders decreased (even without fear of prosecution) as the amounts stolen increased. This implies that, even if the tax authorities were relatively powerless, the evasion of larger amounts would be considered unacceptable from an ethical point of view, while the evasion of small amounts would not.

Other possible reasons for the cause of tax evasion, as established by Dean et. al. (1980, pp.42) include: **greed and financial difficulties, government waste, reduced chances of detection and a desire not to respect the system.**

Song and Yarbrough (1978, pp.450) following a study in North Carolina they asked respondents to compare and classify each of the five frequently discussed income tax deficiencies. The results were: the tax rate was too high, the existence of too many legislative loopholes, the regulations were too complicated, due to evasion, the middle class bears the greatest burden, as a result the honest and law-abiding are penalized.

A study wich analized the political attitudes and democracy in five nations, by Almond and Verba (1963) found that some of the important factors in determining a citizen's orientation toward the state are: **education, authority, and beliefs, feelings, and evaluations of the system political and state**, as a whole.

Following this investigation by Almond and Verba in the USA, West Germany, the United Kingdom, Italy and Mexico in a survey of approximately 1.000 interviews on variables that depend on the level of education, the authors show that the levels of education achieved by citizens seem to have the most important demographic effect on political attitudes. Better educated citizens who are more aware of the impact that a state can have on the individual, pay more attention to political campaigns, possess more political information and on a larger scale, are more likely to engage in political discussions and they are also more likely to believe that they are capable of influencing governments and state policy. Moreover, citizens with higher levels of education show a greater

tendency to become active members of a certain type of organization or party. These also present, higher levels of confidence regarding dignity and help of other citizens.

Vogel (1974, pp.507), found important the occupation of a person to his tax preferences. He considered that those self-employed taxpayers are more likely to agree that tax revenues are too high and that tax rates are unfavorable.

Following an accredited study, by Oberholzer (2005, pp.249-275) that investigated the perceptions of South African taxpayers was found that although most of them disadvantaged South Africans pay taxes, they are unable to list the different types of taxes without help. In general, respondents in the study are positive about paying taxes if the government properly applies this money to and for the benefit of taxpayers. A substantial proportion of respondents indicated that they would not object if lower tax rates were introduced. A significant percentage of respondents also believe that the state should be transparent about the use of money from taxes and duties. Eventually, it became obvious that there is a need among disadvantaged South Africans for increased education about tax systems and their enforcement.

Sawyer (1998, pp.6) says that possible reasons for tax evasion may be due to mismanagement of funds by the government or the fact that taxpayers do not like to pay taxes due to the perception that the tax system is unfair, tax legislation is cumbersome, and people have a hard time understanding it.

Since those times there have been so many changes and additional fees that only dedicated tax specialists now understand the system best. The danger is that individuals and small businesses may not to respect involuntarily comply with tax laws because they do not have (and cannot always afford) the knowledge necessary to fulfill their obligations.

In order to have taxpayers who are willing to contribute and comply with the law and not look for all possible ways to avoid taxes, you need a give and a take from both sides. Naidoo is of the opinion that although there is a general perception only to take from the finances, fiscal morality will not improve. An essential concept to consider in this situation is fiscal ethics.

Fiscal ethics is defined by Vogel (1974, pp.500) through the behavior, attitude and responsibility of a taxpayer in completing the declaration regarding the incomes obtained in compliance with the fiscal legislation. In the study on Swedish taxpayers, conducted by Vogel, respondents were asked to choose appropriate sanctions for tax evasion from a set of alternative sanctions for various types of crimes. The penalties ranged from no penalty or no fine, up to prison sentences for various periods of time. It was found that the choice of the term of imprisonment was a good indicator of the perceived seriousness of tax evasion offenses. From the small selection of crimes presented, there was a tendency to indulgence in tax evasion. Even when the effect of crimes in terms of money it was the same (\$ 200 for tax evasion and also \$ 200 for breaking into a house), only 11,7% proposed a prison sentence for those who evade as opposed to 53,9% for those who break into a house. From these data the author's conclusion was that, at the level of attitude of Swedish taxpayers are relatively favorably inclined towards tax evasion.

6. References

- Allingham, M.G. and Sandmo, A., 1972, Income tax evasion: A theoretical analysis, *Journal of Public Economics*, 1 (3-4), pp. 324-338;
- Almond, G.A. and Verba, S., 1963, *The Civic Culture*, Princeton: Princeton University Press;
- Becker, G. S., 1968, Crime And Punishment: An Economic Approach, *Journal of Political Economy*, pp. 207;
- Benjamini, Y. and Maital, S., 1985, Optimal tax evasion and optimal tax evasion policy: Behavioral aspects, *The Economics of the Shadow Economy*, 15, pp. 245-264;
- B.E.V. Sabine, 2013, *A History of Income Tax. The Development of Income Tax from its beginning in 1799 to the present day related to the social, economic and political history of the period*, Humanities, pp. 105-106;
- Bird, R.M. and Oldman, O., 1990, *Taxation in Developing Countries*, (Johns Hopkins Studies in Development) 4th Edition., Publisher: The Johns Hopkins University Press, 4th Edition., August, pp. 453;
- Coetzee, H., 1993, Reluctance to pay tax: what do people expect from a tax system in the new South Africa?”, *Accountancy SA*, pp. 5-7;

- Commissioner of Taxation, PO Box 900, CIVIC SQUARE ACT 2608, April, 1998, Australian Cash Economy Task Force, [online] "Improving tax compliance in the cash economy", pp.18, 19, Available at: < <http://ctsi.org.au/publications/ATOPubs/improving%20tax%20compliance.pdf>, [Accessed on 25.04.2021].
- Cowell, F.A., 1990, *Cheating the government. The Economics of evasion*, Cambridge, MIT Press, pp. 122;
- Dean, P., Keenan, T. and Kenney, F., 1980, Taxpayers' attitudes to income tax evasion: an empirical study, *British Tax Review*, pp. 39-42;
- Elffers, H. and Hessing, D.J., 1997, Influencing the prospect of tax evasion, *Journal of Economic Psychology*, 18 (2-3), pp. 289-304;
- Fallan, L., 1999, Gender, exposure to tax knowledge, and attitudes towards taxation: an experimental approach, *Journal of Business Ethics*, 18 (2), pp. 173-184;
- Friedland, N., Maital, S. and Rutenberg, A., 1978, A simulation study of income tax evasion, *Journal of Public Economics*, (10), pp. 107-116;
- Groenland, V.V., 1991, Quoted by Webley P., Robben H., Elffers H. and Hessing D., 1983, *Tax evasion. An experimental approach*, Pub. in USA by Cambridge University Press, New York, pp. 13-59;
- Jackson, B. R. and Milliron, V.C., 1986, Tax compliance research: Findings, problems and prospects, *Journal of Accounting Literature*, pp. 125-165;
- Kahneman, D. and Tversky, A., 1979, An Analysis of Decision under Risk, *Journal of the Econometric Society*, 47 (2), pp. 263-291;
- Kahneman, D. and Tversky, A., 1984, Choices, values and frames, *American Psychologis. Association.*, 39 (4), pp. 341-350;
- Kaplan P.S.E., Reckers, M.J. and Reynolds, K.D., 1986, An application of attribution of equity theories to tax evasion behavior, *Journal of Economic Psychology*, 7 (4), pp. 461-476;
- Lamont, M., 1992, *Money, morals, and manners: The culture of the French and the American upper-middle class*, University of Chicago Press;
- Lewis, A., 1983, *The psychology of taxation*, Oxford: Martin Robertson;
- Luis C.C., 1991, A note of tax evasion, *Public Economics*;
- Naidoo, V., 2005, Time for SARS to Come to the Party, *Business Day*, pp. 13;
- Oberholzer, R., 2005, A survey of the perceptions of previously disadvantaged South Africans on taxation, *Critical Perspectives on Accounting*, 16 (3), pp. 249-275;
- Sawyer, C., 1998, State to lose billions because of tax fraud, *The Star*, pp. 6;
- Schadewald, M.S., 1989, Reference point effects in taxpayer decision making, *Journal of the American Taxation Association Spring*, 10 (2), pp. 68-84;
- Slemrod, J., 1992, *Why people Pay Taxes: tax compliance and enforcement*, The University of Michigan Press;
- Smith, K.W., 1992, Reciprocity and Fairness: Positive Incentives for Tax Compliance, quoted in Slemrod, J., *Why people pay taxes?*, Ann Arbor: The University of Michigan Press;
- Smith, K.W. and Kinsey, K.A., 1987, Understanding taxpaying behavior: A conceptual framework with implications for research, *Law and Society Review*, 12 (4), pp. 642-657;
- Song, Y. and Yarbrough, T.E., 1978, Tax ethics and taxpayer attitudes: A Survey, *Public Administration Review*, pp.450;
- Tversky, A. and Kahneman, D., 1981, The Framing of Decisions and the Psychology of Choice, *Science New Series*, 211 (4481), pp. 453-458;
- Vogel J., 1974, Taxation and public opinion in Sweden: an interpretation of recent survey data, *National tax journal*, 27 (4), pp. 499-513;
- Webley, P., Robben, H., Elffers, H., Hessing, D., 1991, *Tax evasion. An experimental approach*, Published in United States of America by Cambridge University Press, New York, Digital printed version 2010.
- Wootton (T/A EF WOOTTON & SON) V GILL (VALUATION OFFICER), 15 Oct, 2015, Upper Tribunal, Lands Chamber [online], Available at: < <https://www.casemine.com/judgement/uk/5b2897b32c94e06b9e198cdc>, [Accessed on 24.04.2021], (text search after the word Tomlin).