

## Tax Evasion and Tax Awareness Evidence from Jordan

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### Abstract

The aim of this study is to examine the determinant factors (contextual tax awareness, and ethical tax awareness) and their effect on tax evasion.

The determinant factors have been identified based on tax evasion literature and action research. In order to collect the data of study the researchers designed a survey. Data is collected from (492) taxpayers and (471) employees of income and sales tax department as respondents for the research questionnaire.

Findings of this study indicate that there is a positive effect of contextual & ethical tax awareness on tax evasion from the point of view of taxpayers & employees of the income and sales tax department.

**Keywords:** tax awareness, tax evasion, taxpayers, sales tax department

### 1. Introduction

#### 1.1 Preface

Increasing the number of the sources in control of the government's revenues is a necessity. The nation is developing because of the increase and improvement in dynamics of what community needs, and in order to achieve that, it requires well-functioning budget. Regarding this issue, the government must optimize its revenues at once. There are plenty of sections providing sources for the government's revenue, they're called sectors, and they are distributed both inside and outside the country.

As for the revenues from inside the country, they are collected from taxes, while other sources from outside the country are collected from the loans of foreign countries. The government sees that they must not depend much on external revenues, so they are trying to increase the internal one. At this time, the largest amount of money comes from taxes. And the revenues from the taxes are increasingly rising, year after another. In the end evasion of taxes in the kingdom has led to losing the revenues to Jordan's treasury that is, in case of collecting, may cause a decrease in the fiscal deficit of the country. Huge fiscal deficit added to lack of resources in the kingdom is the cause behind the challenges that the economy is facing; that is the reason why it is almost an impossible mission to fund projects which are necessary to meet needs of the process of improving economy and social life (Nsour, 2014).

Richardson (2008) states that the system of self-evaluation, which has been used in Indonesia since 1983 for taxation, leads to complete trust by people who pay taxes regarding calculating, depositing, and reporting the commitments of their taxes in case they applied this system, greatly burdens taxpayers. In order for them to pay their taxes, taxpayers must be responsible and aware of the consequences. Which means, the kingdom must spread awareness among its people regarding this matter? Devano (2006) thinks that, applying self-evaluation system and bringing awareness regarding results leads people into paying their taxes by choice (voluntarily).

Along with the reformations going on in the taxation process, people are expected to be more willing to share data regarding their taxes. Taxes from individuals have a major role in the development in the government, combined to the awareness of people to how important it is to pay taxes, besides the ambitions of the constitution and the nation, regarding democracy.

There will also be a number of taxpayers who will continue spreading awareness regarding this issue. They are

needed to put their trust in the form of how the organization collects taxes and manages the taxation which is, in our case, the government of Jordan. The methodology of collecting taxes is easy and clear, as a result of revenue by taxes which are distributed regionally, which leads to making taxpayers pay all their taxes in full compliance because they feel like they are participating in the development of their country. People who pay taxes aspire and tend to pay the smallest amounts, and may sometimes attempt to completely avoid paying their taxes. Behaviors of this kind are common in this field of subject.

Thus a study has been conducted by the researcher, regarding the effect of the evasion of taxes and raising awareness in that matter, called *The Effects raising the awareness around taxes and tax evasion*.

### *1.2 Importance of the Study*

The phenomenon of tax evasion is global, experienced by developed and developing countries alike. Because tax evasion limits the ability of governments to provide revenue needed to finance economic development and at the same time puts additional burdens on taxpayers, countries seek to quell this phenomenon, the importance of the study came through studying tax awareness effects on tax evasion in order to reduce the evasion of taxes and increase The concept of tax awareness for individuals in the Jordanian society.

### *1.3 Problem and Questions of the Study*

There is a research conducted by Martinez and Rider (2005) regarding how tax fraud operations has developed in the USA, as a result of this research, less people will evade paying their taxes in case officers in the major of law enforcement worked on increasing taxes. The influence of the improved implementation is that people who pay taxes will comply. But still, the researcher Hinrichs (1966) found in Hammar et al.,(2006) taxpayer's reports doesn't include its net worth, coming from the results of the study which Sandmo conducted. Evasion of taxes (2005) led to producing a theory-based test in the United States of America, assuming that people who pay taxes spend their income on their needs in the economic field ignoring paying their taxes this matter is connected to the sum of awareness and ethics of people who pay taxes. Matters regarding taxes are very important and should not be neglected in the future. On the other hand, Jordan depends mainly on taxes collected from their citizens to serve them and find money for financial projects which will guarantee them a good amount of cash in the future. The number one source of revenue in Jordan is raising taxes from people; it equals 62% of the whole sum of revenues collected by the government in Jordan (Zu'bi and Khatatba, 2014). Therefore, evasion of corporates and companies in Jordan has a major effect on its economy.

Which means affecting the government's capability of serving citizens and companies properly? And let's not forget that evasion leads to burdening the workers at the department of income tax (Alshare, 2014). Problem of the study can be summarized in the following questions:

1. Does contextual tax awareness affect tax evasion from the point of view of the employees of the income and sales tax department?
2. Does ethical tax awareness affect tax evasion from the point of view of the employees of the income and sales tax department?
3. Does contextual tax awareness affect tax evasion from the point of view the taxpayers of the income and sales tax department?
4. Does ethical tax awareness affect tax evasion from the point the taxpayers of the income and sales tax department?

## **2. Literature Review**

The economy in Jordan faces the problems of lack of resources and financial deficits this affects the general budget, which makes the process of providing the funding required to meet the requirements of economic and social development a complicated process (Alshare, 2014). This summarizes the literary topics related to this study. It has been paying attention to see the studies that have been made in the local and international environment.

The first study on the subject is made by Chen (2003). The purpose of this study is integration of public capital with tax evasion into a standard AK growth model. In this model, the government is working to improve the tax rate, while individuals improve tax evasion. It knows the tax rate, tax evasion, and economic growth and then compares them with similar economies except those without tax evasion 10 countries. It makes surveys on the impact of three government policies on the tax rate, tax evasion and economic growth. The results of this study showed that the increase in the cost of tax evasion and the punitive fines reduces the tax evasion, while the increase in the tax audit reduces the tax evasion only if the cost of the tax application is not very high.

Theoretically, the three policies do not clearly effect on the economic growth, due to the indirect effects on tax evasion and better tax rate. Two years later, Sandmo (2005) made a study. The purpose of his study was to give an overview of the main topics in the tax evasion theory starting from Allingham and Sandmo (2005). It presents comparative statistics to the original model of individual behavior where the decision of tax evasion is similar to the choice of the portfolio, and its extensions is to integrate the conscious social behavior and participation in the black labor market and evasion by companies from paying taxes. It also discusses the analysis of situations of taxes and problems involving the transition individual to aggregate analysis. In the end, it presents the issues that appear in the formulation of taxation ideally in case of tax evasion. Then, the study of Desai and Dharmapala (2006) came. The objective was to study the links between companies that avoid paying taxes, the increase in incentives for managers significantly and corporate governance structure. The researchers developed and tested a simple model to focus on the importance of integration in between tax sheltering and managerial diversion in determining how the impact of incentives significantly on decisions of tax sheltering. This model reveals the testable hypothesis that the characteristics of the governance of the company determine how incentives indemnities can change the decisions of sheltering. In order to attempt the model, the researchers make an experimental measure of avoidance companies from paying taxes- the component of the book- the tax gap is not based on accounting accruals- and study the link between tax evasion and incentive compensation process. The result of this study is that, for the full sample of firms, the increase in incentive compensation leads to a reduction in the level of tax sheltering.

As expected from the model, the link between incentive compensation and tax is a function of governance of the company. After that, Bashar and Haitham, (2008) decided to make a study. The aim of this study is to examine the evasion of income tax in Jordan and prescribed in different cures for this problem. This paper is about the problem of evasion of income tax. This study reviewed the reports from academics and statistics from the Income Tax Department. This study started with talking about an overview about the Income Tax Law, with clarification of the difference between tax avoidance and tax evasion and provided an empirical data on the size of evasion of income tax in Jordan. In the article 42 of the Income Tax Law, the anti-tax evasion provision, is made. In the last analysis, this study suggested a number of methods that can be used to address the evasion of income tax. The result was that as far as the Jordanian government is concerned about the subject of evasion of income tax, many legal and illegal techniques experience can be used. If the reaction of Jordanians is of non-compliance, the study says the story of how to create a culture of compliance with the income tax.

Another study made by Slehat (2009). The main purpose of this study is to examine the tendency towards the Jordanian payers of tax evasion through the study of the impact of these variables on tax evasion: (Age, gender, marital status, educational level, the level of income, source of income, corruption, bribery and tax rate, fine rate, probability of detection, fairness of the tax system and the government, religion, and ethics). Data was collected through questionnaires distributed to 212 respondents in Jordan and have been processed using the Statistical Package for Social Sciences for the purpose of this study. The result of this study showed there is a significant positive relationship between corruption and bribery, and tax rate, and fine rate, the possibility of discovery, fairness of the tax system and the government, religion, and ethics with tax evasion, while the education and the level of significant negative income with tax evasion. There is significance correlation but the relationship was positive between the marital status and tax evasion, but other factors such as age and the age, sex, and source of income have an important relationship but negative relationship. In 2010, two researchers made a study, Slemrod and Yitzhaki. The most important thing in this study is the theoretical models that integrate avoid and evade the problem of the overall decision that individuals face. This study is related to behavior expected in the model to what is known empirically about the extent of evasion and avoidance, and how its response to tax enforcement policy. Standard analysis discusses the impact of avoidance and evasion on the vertical and horizontal equity analysis as well as the efficiency costs; taxonomy of efficiency costs is presented. The researchers believe that the concept of marginal cost-efficiency of the funds is a useful way to summarize the normative issues that arise, and to expand the concept to cover administrative costs, avoidance, and evasion.

In addition to these studies, Jamil and Al-Naimat, (2013) made their study. The researchers in this study focused on the provisions of the Jordanian tax laws for the years 2003, 2009. In theoretical and analytical view, this study discussed the Jordanian tax laws, and provided a framework for decision-makers. It presents the concept and the types and classification of taxes. In addition, it discussed the properties, methods, and means the tax system in Jordan. To support and enrich the study, researchers worked through the data extracted from the budget bill for the years 2006-2009 for the comparisons. The study found that tax revenue for 2009 has increased, especially in the beginning of this year due to the increase in profits and income taxes on income and profits at a rate (58.7%). Otherwise, the national tax agency is linked to various other sectors. The study urged the importance of holding

training courses to link the financial and accounting framework. In the end, connecting taxation legalization and their amendments with Tax computerized accounting system allows to increase in number of those covered with tax computerized accounting system that allows providing tax declaration and the spread of installation and maintenance provided by the tax departments. Studies did not stop here, Alm study in 2012 came. The purpose of this study was to evaluate what we have learned about tax evasion since Michael Allingham and Agnar Sandmo launched the modern analysis of tax evasion in 1972. I highlight on three questions and the answers to these questions that have emerged over the years. The first question is how do we measure the extent of evasion? The second question is how can we explain these patterns of behavior? The third one is how can we use these insights to control evasion? Here, I will show my own answers to these questions by focusing on different examples of research. As a result of this study, almost the main conclusion is that we have learned many things, but we also still have many problems in our understanding of how to measure, explain, and control tax evasion. I will also provide some suggestions and some predictions about promising avenues of future research may lie. In the same year, Tabandeh et al. made a study (2012).

The aim of this study is to know the factors causing tax evasion and the relative contribution. The study used an Artificial Neural Network methodology on Malaysian data from 1963-2010. The results of this study showed that the tax burden, the size of government and the inflation rate have a positive impact on tax evasion, but the relationship is negative between tax payers' income and trade openness with tax evasion. On the other hand this study Serkan et al., (2015) the goal was to heavily focus on how religions shape attitudes towards ethics of tax evasion. First, this study begins with a glance at Four Views about the ethics of tax evasion that have emerged over the years, and then moves to review some of the topics of theoretical and empirical literature related to this subject. Practical aspect in this study is talking about attitudes toward tax evasion in 57 countries from the perspective of six religions using data from Wave 6 (2010-2014) the World Values Survey. The sample population is more than 52,000. It was examined More than a dozen demographic variables. The result of this study was that cheating on taxes does not vary according to religion. Was the last study Alsheikh et al., (2016), aims to point out the main factors that causing to tax evasion. It was relay on a sample of point views of external auditors in Amman city of 173 auditors. The main concluded were that tax rate, penalty, and company size have a statistical sign affecting on the tax evasion in Jordan.

### **3. Theoretical Framework**

Taxes in general are considered as important financial revenues of the country, and an essential resource to its treasury: where most of the countries depend on money collected from taxes to finance different expenses. Income tax however, is one of the most essential taxes in Jordan and this chapter comes to enable researcher to elaborate the tax, its definition, the development in its concept and the tax system in Jordan its objective, and its characteristics.

#### *3.1 Definition of Tax and the Stages of Development of Its Concept*

The tax system is defined as practical formulation and translation of tax strategies in countries in order to achieve objectives that the state is willing to achieve. Tax in general is considered as a branch of accounting that involves; preparation of financial statements, to estimate the taxable income of individuals and consequently define the amount of taxes that should be paid in accordance with income tax law. As it is strictly related to the law, where it is imposed and collected according to means defined by the law. (Haddad & Bani Rasheed, 2010). The concept of tax has evolved throughout the ages, where history cites that the Pharaohs collected taxes and spent money in accordance with special systems. Greece, however, took some of these systems. Aristotle and Plato writings included important subjects, concerning finance of the state and its organization principals. Romans inherited the Greek systems, and amended it to suit their special needs. (Kim, 2008).

Income tax was first known in 1799 in Britain and was imposed on land to cover military expenditures. Income tax was known in the United States in 1861, during the civil war, a legislation was introduced in 1913 that imposes and organizes income tax. By the end of the first quarter of the twentieth century, legislation, laws, and tax systems started in the Arab lands by colonialization authorities. The development of societies and establishments of modern states and the objectives of taxes imposed by the state have also developed, where it became an important factor orients the economy in the prospects of improving or organizing it and consequently achieving the expected economical target. Such as establishing justice, eradication of injustice, organizing economical life, insuring public services, achieving goals related to demands and improving economic life. (Miskam et al., 2013).

Regarding the modern concept of tax, it can be said that the states and after the economic crises -great depression- that occurred in 1929, the tax concept was based on its consideration as a major resource of finance

and effective means for the state to monitor financial and social activities. (Stephan, 2015).

Revising a collection of tax literatures and judiciary concerning the tax definition it is found that most authors focus on two approaches. The first indicates the traditional definition of tax as a financial obligation that individuals are committed to pay to the state in accordance with legislations to cover general expenses. Thus, tax is “deductions from the private sector to support the state”. The second trend defines the tax according to the modern concept as; deductions of money imposed by the general authorities on individuals according to their financial capabilities in the objective of covering general expenditures and to build state income. Tax is also a mandatory payment to the state, not regarded as a penalty, paid from the private sector to the public sector, imposed by a pre-defined amount, with no-expected return, to enable achieving different economic and social targets. The modern definition adds to the traditional definition that the effort deployed by the state to collect money from tax subjects is not the only objective but there are other economic, social, and political objectives. (Van, 2009).

The researcher believes that tax is a money lump sum imposed by the state on any individual whose income is taxable to cover general expenditures of the state.

### *3.2 Tax Evasion*

Tax evasion phenomenon is considered one of the most important contemporizing financial crimes; its danger from tax point of view will be assessed through examining the financial, social, and economical objectives of these taxes. From financial aspect, tax is considered as an important source of revenue for the state. From an economical side it is an important tool to drive and orient the national economy by using it to encourage some economical activities through the use of tax incentives, also from social side; it contributes to eliminate the difference in social class by the redistribution of wealth.

Tax evasion leads to disturbing the equality and justice among taxpayers, honest taxpayers pay their taxes because of their belief in the tax obligation, whereas others evade. What worsens and endangers this matter that the state, and due to its need to public money, will impose new taxes or increase existing taxes, which increases the tax burden on honest taxpayers, which might drive them to evade.

## **4. Method**

The aim of this study is to investigate the effect of Tax Awareness and Tax Evasion: Perceptions of Taxpayers and employees of income and sales tax department. To fulfill the goals of this study, a convenient research methodology has been adopted. This section debates the methodology and research design. It consists the methodology of the current study, population and sample, sources of data gathering, and data analysis methods used, and the hypotheses that have been created in light of the argument presented above, this study is an exploratory accounting research. It favors to adopt an analytical methodology. In relation to the research methods applied in this study, a quantitative research approach has been used where a research questionnaire has been particularly designed for the use of data collection from targeted population.

### *4.1 Research Method Design*

The study questionnaire survey has two sections; the first section gathers demographic information of the respondents. The statistical characteristics of human populations (as age or income) used especially to identify markets. While the second section is used to measure the constructs in the research model by using a 5-point Likert scale, with choices alternating from strongly disagree to strongly agree, where the second section is used to measure tax awareness.

### *4.2 Population and Sample*

This study is targeting the taxpayers and employee of Income and Sales Tax department as respondents for the research questionnaire. In 2016. This study has used a random sample method to choose the sample which consists of (1000) taxpayers and employees of this department of the study population.

### *4.3 Hypotheses*

Ho1: There is no effect of contextual tax awareness on tax evasion from the point of view of the employees of the income and sales tax department

Ho2: There is no effect of ethical tax awareness on tax evasion from the point of view of the employees of the income and sales tax department.

Ho3: There is no effect of contextual tax awareness on tax evasion from the point of view of the taxpayers.

Ho4: There is no effect of ethical tax awareness on tax evasion from the point of view of the taxpayers.

## 5. Results

This section presents the research findings. Focus here is given to present results related to the descriptive as well as the statistical parts. Results related to factors investigated in this study are presented, this includes: Tax Awareness / contextual, and Tax Awareness / Ethical. After gathering the data for the research, the researchers analyzed these data that was collected to elicit the results of the Perceptions of taxpayers and employees of income and sales tax department. This section includes two main parts. The first of which is concerned with the descriptive tests for the study variables. In the second part it represents testing the research hypotheses using *One-sample T-Test*.

### 5.1 Research Method Reliability Testing

To obtain the necessary data for this research, a questionnaire has been designed to obtain answers of the targeted respondents (Perceptions of taxpayers and employees of income and sales tax department). The questionnaire consisted of two sections as shown in Table 1.

Table 1. Research Questionnaire Components

First Section: Demographical Information:	I am an income and sales tax, Gender, Age, Degree, Specialization, Experience, Professional certifications
Second Section: Variable's	
Tax Awareness / contextual (C)	Q1-8
Tax Awareness / Ethical (E)	Q1-8

One of the most essential elements that should be taken into consideration when preparing a questionnaire is testing it and making sure it has the reliability element, by which it means the stability of the scale and that it does not contradict itself. In other words, it has to give the same results if it is re-applied to the same sample. To conduct a reliability test for the questionnaire questions, the current research has used the internal consistency equation by using the Cronbach's Alpha coefficient; Table (2) exhibits results of the questionnaire's reliability testing tests.

Table 2. Questionnaire Reliability Testing

Item	Cronbach's Alpha Coefficient	Sum of Questions
Tax Awareness / contextual (C)	0.604	8
Tax Awareness / Ethical (E)	0.791	8
All Variables	0.697	16

As given in Table 2, it is noted that Cronbach's Alpha coefficient ratios indicate there is a high degree of reliability for all of the questionnaire questions, where alpha coefficient was statistically acceptable for the whole components of the questionnaire since all of the variables ratios were higher than (60%) (Qasem et al., 2016 and Aladham et al., 2016), in which the questionnaire had, as a whole, a reliability degree of 0.697. The researchers believe that the reason of this goes to the long experience of the research sample participants as shown in Table 4.3 in the descriptive statist part of the study.

### 5.2 Result of the Descriptive Statistics and Its Variables

In total, 1000 questionnaires were distributed on the research sample; (984) of which were answered ( $\approx 98\%$ ), (21) were excluded due to the lack of seriousness from respondents when filling out the sections of questionnaire. Thus, the final sample of the research is represented by (963) questionnaires representing (96.3%) of the distributed questionnaires. Table 3 Illustrates the demographic distribution of the research sample.

Table 3. Study Sample Participants Characteristics

Item	Frequency	Percent
I am an income and sales tax:		
Employee	471	48.9%
Taxpayer	492	51.1%
Gender		
Female	741	76.9%
Male	222	23.1%
Age		
Less than 25 years	147	15.2%
from 25-35	582	60.4%
from 36-45	183	19%
46 years & above	51	5.4%
Degree		
Diploma	8	0.8%
Bachelor	707	73.4%
Masters	243	25.2%
Doctorate	5	0.6%
Specialization		
Accounting	801	0.6%
Marketing	3	5.7%
Business administration	47	4.8%
Economy	103	10.6%
Others	9	0.9%
Experience of Employee (471 Perceptions)		
Less than 2 years	131	27.8%
2-5 years	207	43.9%
5-10 years	118	25.1%
More than 10 years	10	3.2%
Professional Certifications		
JCPA	35	3.6%
CMA	17	1.7%
CPA	8	0.8%
Other	147	15.4%
No professional qualification hold	756	78.5%
Total	963	100%

As noted from Table 3 a large proportion of the sample has a good experience and educational level, for the percentage of those who have five years' experience and above was 28% of the respondents. To get the answers' rates for the research questions, the researchers used the descriptive statistics methods through finding averages, standard deviations for the answers of the study questions, and the final result for each axis. It should be taken into consideration that Likert Scale, used in the study, has to be graded correctly. When taking into account that the variable that expresses choices is an ordinal scale, then the potential answers will reflect weights: (strongly Agree = 5, Agree = 4, Neutral=3 Disagree= 2, and strongly disagree=1). Accordingly, arithmetic average (weighted average) is calculated by calculating firstly the length of the first period (by dividing 4/5), where "4" represents the number of distances, and "5" the number of choices. Therefore, the result will be 0.80 and thus, the distribution will be as follows:

Scale	Weighted average
Strongly Disagree	1.00 – 1.79
Disagree	1.80 – 2.59
Neutral	2.60- 3.39
Agree	3.40 – 4.19
Strongly Agree	4.20 – 5.00

Based on the above mentioned, the descriptive results can be viewed in the following section.

Table 4. Descriptive Analysis of Tax Awareness / Contextual

Tax Awareness / contextual (C)							
Perceptions of employees of income and sales tax department				Perceptions of taxpayers			
Tax Rate	Mean	S-Deviation	Result	Tax Rate	Mean	S-Deviation	Result
Q1	4.21	0.438	Strongly Agree	Q1	3.97	0.631	Agree
Q2	4.07	0.451	Agree	Q2	3.87	0.639	Agree
Q3	4.15	0.517	Agree	Q3	4.04	0.437	Agree
Q4	3.97	0.601	Agree	Q4	3.99	0.630	Agree
Q5	3.87	0.646	Agree	Q5	4.01	0.441	Agree
Q6	4.14	0.501	Agree	Q6	4.08	0.432	Agree
Q7	4.25	0.431	Strongly Agree	Q7	4.06	0.435	Agree
Q8	4.36	0.389	Strongly Agree	Q8	3.77	0.641	Agree
<b>Overall Result</b>	<b>4.12</b>	<b>0.586</b>	<b>Agree</b>	<b>Overall Result</b>	<b>3.97</b>	<b>0.632</b>	<b>Agree</b>

Table 4 presents the descriptive results for the answers of the first axis questions which are related to the variable (Tax Awareness / contextual). It is clear from the table that the total average of the answers perceptions of employees of income and sales tax department is 4.12. According to Likert scale, the result of this axis will be (Agree). It is also clear from the table that the total average of the answers perceptions of taxpayers is 3.97. According to Likert scale, the result of this axis will be (Agree).

Table 5. Descriptive Analysis of Tax Awareness / Ethical (E)

Tax Awareness / Ethical (E)							
Perceptions of employees of income and sales tax department				Perceptions of taxpayers			
Tax Rate	Mean	S - Deviation	Result	Tax Rate	Mean	S - Deviation	Result
Q1	4.21	0.437	Strongly Agree	Q1	3.88	0.631	Agree
Q2	4.22	0.434	Strongly Agree	Q2	3.84	0.639	Agree
Q3	4.04	0.451	Agree	Q3	4.01	0.437	Agree
Q4	4.41	0.307	Strongly Agree	Q4	3.95	0.630	Agree
Q5	4.31	0.317	Strongly Agree	Q5	4.02	0.441	Agree
Q6	4.24	0.431	Strongly Agree	Q6	3.77	0.432	Agree
Q7	4.27	0.430	Strongly Agree	Q7	4.15	0.435	Agree
Q8	4.39	0.310	Strongly Agree	Q8	3.91	0.641	Agree
<b>Overall Result</b>	<b>4.26</b>	<b>0.431</b>	<b>Strongly Agree</b>	<b>Overall Result</b>	<b>3.93</b>	<b>0.642</b>	<b>Agree</b>

Table 5 presents the descriptive results for the answers of the first axis questions which are related to the variable (Tax Awareness / Ethical). It is clear from the table that the total average of the answers perceptions of employees of income and sales tax department is 4.26. According to Likert scale, the result of this axis will be (Strongly Agree). It is also clear from the table that the total average of the answers perceptions of taxpayers is 3.93. According to Likert scale, the result of this axis will be (Agree).

### 5.3 Research Hypotheses Testing

To prove or reject the research hypotheses, the researcher has used the One Sample T-test method by depending on P-value and  $H_0: \mu \geq 3$  to accept or reject hypotheses; where P-value should be less than 0.05, and  $\mu \geq 3$ , to reject the null hypothesis and accept the alternative one.

$H_{01}$ : There is no effect of contextual tax awareness on tax evasion from the point of view of the employees of the income and sales tax department

Table 6. One Sample T-test of the Effect of Contextual Tax Awareness on Tax Evasion

P- Value	T- Value	Degree of freedom	Mean	S-Deviation
0.011	0.317	470	4.12	0.586

Table 6 Views One Sample T-test results for the variable (contextual tax awareness) and its effect on the tax evasion point of view of the employees of the income and sales tax department. Results in the table show that mean value are (4.12), which indicates the existence of an Agree by the members of the study. Study findings have shown that (P-value < 5%) has reached (0.011) and  $H_0: \mu \geq 3$ , has reached (4.12). Based on the rule which states the rejection of the null hypothesis "Ho" If the value of P is less than (0.05), and  $H_0: \mu \geq 3$ , meaning that contextual tax awareness effect tax evasion; therefore, rejecting the first null hypothesis and accepting the alternative one which says " There is effect of contextual tax awareness on tax evasion from the point of view of the employees of the income and sales tax department".

Ho2: There is no effect of ethical tax awareness on tax evasion from the point of view of the employees of the income and sales tax department.

Table 7. One Sample T-test of the Effect of Ethical Tax Awareness on Tax Evasion

P- Value	T-Value	Degree of freedom	Mean	S-Deviation
0.000	0.318	470	4.26	0.431

Table 7 Views One Sample T-test results for the variable (ethical tax awareness) and its effect on the tax evasion point of view of the employees of the income and sales tax department. Results in the table show that mean value are (4.26), which indicates the existence of a Strongly Agree by the members of the study. Study findings have shown that (P-value < 5%) has reached (0.000) and  $H_0: \mu \geq 3$ , has reached (4.26). Based on the rule which states the rejection of the null hypothesis "Ho" If the value of P is less than (0.05), and  $H_0: \mu \geq 3$ , meaning that ethical tax awareness effect tax evasion; therefore, rejecting the Second null hypothesis and accepting the alternative one which says "There is effect of ethical tax awareness on tax evasion from the point of view of the employees of the income and sales tax department".

Ho3: There is no effect of contextual tax awareness on tax evasion from the point of view of the taxpayers.

Table 8. One Sample T-test of the Effect of Contextual Tax Awareness on Tax Evasion

P- Value	T- Value	Degree of freedom	Mean	S-Deviation
0.027	0.572	491	3.97	0.632

Table 8 Views One Sample T-test results for the variable (contextual tax awareness) and its effect on the tax evasion point of view of the reviewers of the income and sales tax department. Results in the table show that mean value are (3.97), which indicates the existence of a strongly Agree by the members of the study. Study findings have shown that (P-value < 5%) has reached (0.027) and  $H_0: \mu \geq 3$ , has reached (3.97). Based on the rule which states the rejection of the null hypothesis "Ho" If the value of P is less than (0.05), and  $H_0: \mu \geq 3$ , meaning that contextual tax awareness effect tax evasion; therefore, rejecting the third null hypothesis and accepting the alternative one which says " There is effect of contextual tax awareness on tax evasion from the point of view of the taxpayers ".

Ho4: There is no effect of ethical tax awareness on tax evasion from the point of view of the taxpayers.

Table 9. One Sample T-test of the Effect of Size on Tax Evasion

P- Value	T- Value	Degree of freedom	Mean	S-Deviation
0.029	0.521	491	3.93	0.642

Table 4.9 Views One Sample T-test results for the variable (ethical tax awareness) and its effect on the tax evasion from the point of view of the taxpayers of the income and sales tax department. Results in the table show that mean value are (3.93), which indicates the existence of a strongly Agree by the members of the study. Study findings have shown that (P-value < 5%) has reached (0.029) and  $H_0: \mu \geq 3$ , has reached (3.93). Based on the rule which states the rejection of the null hypothesis "Ho" If the value of P is less than (0.05), and  $H_0: \mu \geq 3$ , meaning that ethical tax awareness effect tax evasion; therefore, rejecting the fourth null hypothesis and accepting the alternative one which says "There is effect of ethical tax awareness on tax evasion from the point of view of the taxpayers".

## 6. Discussion

The study primarily reached the conclusion that the first and second null hypotheses related to the income and sales tax department (tax assessors), are rejected. Researchers believe that the real reason behind rejecting these hypotheses is the nature of their work in the department, which necessities that all taxpayers of the department are most likely subjects of tax evasion in order to reach the real value of the taxes levied on an individual. The

purpose of their job is to implement justice and equality among all citizens regardless of their social classification. As emphasis on this tendency, the income and sales tax department had amended the temporary law (28) for the year 2009 to the law (34) in 2014 effective as from 2015 due to its ability to enrich the government's treasury.

The outcomes of the study also proved that the third and fourth null hypotheses targeting the taxpayers of the department have a minor and weak effect. The possible explanation of this outcome is the general concept among taxpayers that tax payment is a form of imposed payment and reduction of their wealth without considering its effects on the country's economy. Since Jordan is a non-productive country, money collected from taxes levied is essential to its treasury.

As far as the ethics are concerned, the general trend acts as if the concept of tax is not applicable. Despite the fact that the tax concept became obvious, but they tend to evade tax either fully or partially for certain sectors in the purpose of enlarging their wealth and conserving it, since they look at tax as a mere aggression on their own wealth and belongings.

The searchers team deduced that the difference in the consequences of tax evasion between (tax assessors) and taxpayers could be the result to the total difference in perspective of both parties, where the tax employees work on increasing the income of the country in the aim of improving the country's economy. On the opposite side the taxpayers increase their income from their own perspective to enlarge their wealth and conserve it by evading taxes and this represent the reason of difference in perspective between the two parties. This study faced a number of limitations, as sum of the interviewed people specially those among the taxpayers of the department due to their suspicion that the outcome of this survey could be used for their taxation affairs. This study also faced the problem of not having sufficient time to generalize this survey in different areas inside and outside Amman. This weakened the generalization of this study on the totality of the society. As a result, this study recommends performing more detailed studies on all income and sales departments to generalize result in order to reach a virtual perspective on tax evasion for both parties. This study also recommends improving individuals awareness through using different means such as universities, mass media and visual or non- visual media, that shows the negative effects on tax evasion on different country's such as health, education, transportation and others.

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