

# **An Annotated Bibliography of Tax Compliance and Tax Compliance Costs**

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## Preface

This collection of contributions to the study of tax compliance was compiled as part of an Economic and Social Research Council funded project which formally took place from March 2006 to August 2007. It builds on a great deal of earlier work – most notably by Ahmed *et al.* (2003), Evans (2003a), Fischer *et al.* (1992), Jackson and Milliron, (1986), Kirchler (2007) and Richardson and Sawyer (2001). These invaluable sources gave not only perspectives from Accounting, Economics, Law and Psychology but also from America, Australasia and Europe.

Although the entries were compiled for the purpose of the project, as it became clear that this collection might be of use to others, as earlier collections were to us, further information has been added. Where indicated, full abstracts can be found in Ahmed *et al.* (2003) and it also seemed helpful to indicate when the contribution was cited in one of the above sources since this usually involved more information or comment or both.

Although it has been tidied up to assist, hopefully, other users, the collection remains essentially a working document and there is no claim that it is a complete collection of all the relevant contributions. It was hoped to add more but as time passes it seemed best to make the bibliography available to others without further delay.

As many of the contributions cover more than one topic, the contributions are presented in alphabetical order by first author. Electronic searching seems to make the addition of an index of second and subsequent authors and a subject index of little additional value.

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## References

Ahmed, E., McCrae, J., Braithwaite, V. and Sakurai, Y. (2003), Bringing It Together (BIT), Vol.1; An Annotated Bibliography relating to voluntary tax compliance. <http://ctsi.anu.edu.au/publications/taxpubs/annotated.bibliography.pdf> accessed 20 October 2007.

Evans, Chris (2003a), 'Studying the studies: An overview of recent research into taxation operating costs', *eJournal of Tax Research*, vol. 1(1), pp. 64-92.

Fischer, C., Wartick, M. and Mark, M. (1992), 'Detection probability and taxpayer compliance: A literature review', *Journal of Accounting Literature*, vol. 11(1), pp. 1-46

Jackson, B. and Milliron, V.C. (1986), 'Tax compliance research: Findings, problems and prospects', *Journal of Accounting Literature*, vol. 5, pp. 125-165.

Kirchler, Erich (2007), *The Economic Psychology of Tax Behaviour*, Cambridge University Press, Cambridge.

Richardson, M and Sawyer, A. (2001), 'A taxonomy of tax compliance literature: Further findings, problems and prospects', *Australian Tax Forum*, vol. 16(2), pp. 137-320.

## A

Aaron, Henry J. and Slemrod, Joel, (eds.) (2004), *The Crisis in Tax Administration*, Brookings Institution Press, Washington DC.

Includes chapters relevant to compliance: 'The tax shelter battle' by Joseph Bankman; 'Issues of international tax enforcement' by David R. Tillinghast; 'Small business and the tax system', by Joel Slemrod; 'The turbo tax revolution: Can technology solve tax complexity' by Austan Goolshee; 'Issues affecting low-income filers', by Janet Holtzblatt and Janet McCubbin; 'Tax preparers', by Marsha Blumenthal and Charles Christian; 'Carrots and sticks in enforcement' by Frank Cowell; 'Effects of tax simplification options: A quantitative analysis', by William G. Gale and Jeffrey Rohaly; 'Ultimate objectives for the IRS: Balancing revenue and service', Alan H. Plumley and C. Eugene Steuerle; and 'Experience and innovations in other countries', Jeffrey Owens and Stuart Hamilton.

Adams, Caroline and Webley, Paul (2001), 'Small business owners' attitudes on VAT compliance in the UK', *Journal of Economic Psychology*, vol. 22(2), pp. 195-216. Cited in Kirchler (2007).

Adelsheim, Peter, D. and Zanetti, James L. (2006), 'The effect of targeted outreach on compliance', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2006 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 213-239.

Agell, Jonas and Persson, Mats (1990), 'Tax arbitrage and the redistributive properties of progressive income taxation', *Economics Letters*, vol. 34(4), pp. 357-361. This paper demonstrates that it is possible for tax arbitrage to reduce inequality.

Agell, Jonas and Persson, Mats (2000), 'Tax arbitrage and labor supply', *Journal of Public Economics*, vol. 78(1-2), 3-24. Cited in Kirchler (2007).

Agell, Jonas, Persson, Mats and Sacklén (2004), 'The effects of tax reform on labor supply, tax revenue and welfare when tax avoidance matters', *European Journal of Political Economy*, vol. 20(4), pp. 963-982.

The authors show that failing to account for avoidance responses can lead to substantial errors when analyzing how tax reform affects labour supply, tax revenue and the welfare cost of taxation.

Ahmed, E. and Braithwaite, V. (2004), 'Understanding small business taxpayers: Issues of deterrence, tax morale, fairness and work practice', *International Small Business Journal*, vol. 23(5), pp. 539-568.

Cited in Kirchler (2007).

Ahmed, E. and Braithwaite, V. (2005), 'A need for emotionally intelligent policy: Linking tax evasion with higher education funding', *Legal and Criminal Psychology*, vol. 10(2), pp. 291-308.

Ahmed, E. and Braithwaite, V. (2007), 'Higher education loans and tax evasion: A response to perceived unfairness', *Law and Policy*, vol. 29(1), pp. 121-136.  
Demonstrates how perceptions of government policy in one area may affect cooperation with government in other areas.

Ahmed, E., McCrae, J., Braithwaite, V. and Sakurai, Y. (2003), *Bringing It Together (BIT), Vol.1; An Annotated Bibliography relating to voluntary tax compliance.*

<http://ctsi.anu.edu.au/publications/taxpubs/annotated.bibliography.pdf>

accessed 20 October 2007.

An annotated bibliography bringing together the research collections of the Centre for Tax System Integrity at the Australian National University and the Knowledge Development Network of the Australian Taxation Office. The bibliography is restricted to materials that are concerned with tax compliance or ideas relevant to tax compliance such as regulatory compliance in general and justice. The bibliography is arranged in 10 parts as follows:

Part 1 - An evaluation of the tax system organized around issues such as administrative fairness including procedural justice, legitimacy, trust and the power to influence businesses.

Part 2 - Institutional demands including deterrence, conflict with tax authorities and the likely monetary and psychological costs of non-compliance.

Part 3 – Sources of influence including studies of factors such as self-perception, for example of a personal ethic norm of honesty and perceptions of others including tax advisers, for instance a social ethical norm of honesty.

Part 4 - The cash economy.

Part 5 – Policy issues such as studies that challenge current regulatory practice and propose improvements to the current tax system.

Part 6 – Theoretical contributions including reviews of the relevant literature from a methodological or theoretical perspective.

Part 7 – Contributions relating to the work of researchers of the Centre for Tax System Integrity in the development of a voluntary taxpaying culture but which do not fit readily into the preceding parts.

Part 8 – Econometric papers.

Part 9 – Centre for Tax System Integrity working papers.

Part 10 – Edited Collections on tax compliance.

Ajzen, I. and Fishbein (1977), 'Attitude-behavior relations: A theoretical analysis and review of empirical research', *Psychological Bulletin*, (September), pp. 888-918.  
Cited in Jackson and Milliron (1986).

Allers, Maarten (1994), *Administrative and Compliance Costs of Taxation and Public Transfers in the Netherlands*, Wolters-Noordhoff, Groningen.  
Cited in Evans (2003a) - empirical work summarized on p. 86.

Allers, Maarten, (1995), 'Tax compliance costs in the Netherlands', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 173-195.

Cited in Richardson and Sawyer (2001).

This chapter focuses on methodology but also summarizes the results of surveys into compliance costs to business and personal taxpayers in the Netherlands (Allers, 1994).

Alley, Clinton and James, Simon (2006), 'Research into the economic and behavioural approaches in tax compliance' in *Taxation Issues in the Twenty-First Century*, edited by Adrian Sawyer, Centre for Commercial and Corporate Law, University of Canterbury, New Zealand, pp. 3-14.

Allingham, Michael, G. and Sandmo, Agnar, (1972), 'Income tax evasion: A theoretical analysis', *Journal of Public Economics*, vol.1, pp. 323-338.

Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986) and Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 148 and included in the annotated bibliography in Fischer *et al.* (1992), p. 41.

Alm, James (1988), 'Compliance costs and the tax avoidance-tax evasion decision', *Public Finance Quarterly*, vol. 16, pp. 31-66.

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Alm, James (1991), 'A perspective on the experimental analysis of taxpayer reporting', *The Accounting Review*, vol. 55(3), pp. 577-593.

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Alm, James, Bahl, Roy and Murray, Matthew N. (1990), 'Tax structure and tax compliance', *The Review of Economics and Statistics*, vol. 72(4), pp. 603-614.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp. 35-36.

A model of individual tax compliance behaviour is developed and estimated. The model recognizes the importance of marginal income tax rates, payroll tax contributions and benefits, the probability of detection and the penalty on unpaid taxes with respect to tax evasion and avoidance.

Alm, James, Bahl, Roy and Murray, Matthew N. (1993), 'Audit selection and income tax under-reporting in the tax compliance game', *Journal of Development Economics*, vol. 42(1), pp. 1-33.

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This paper employs a game-theoretic model of the tax compliance game to estimate a model of audit selection and income tax underreporting in Jamaica.

Alm, James and Beck, William (1990), 'Tax amnesties and tax revenues', *Public Finance Quarterly*, vol. 18, pp. 433-453.

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Cited in Richardson and Sawyer (2001).

Alm, James and Beck, William (1993), 'Tax amnesties and compliance in the long run: A time series analysis', *National Tax Journal*, vol. 46(1), pp. 53-60.

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Alm, James, Blackwell, Calvin and McKee, Michael, (2004), 'Audit selection and firm compliance with a broad based sales tax', *National Tax Journal*, vol 57(2), pp. 209-227.

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Informal suppliers are those who provide goods or services informally which frequently involve cash payments or are 'off the books'.

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Alm, James, Jackson, Betty R. and McKee, Michael (1992), 'Deterrence and beyond: Toward a kinder, gentler IRS', in Joel Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan, pp. 311-329.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

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This paper questions the conclusion that taxpayer uncertainty increases compliance.

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Alm, James and Jacobson, Sarah (2007), 'Using laboratory experiments in public economics', *National Tax Journal*, vol. 60(1), pp. 129-152.  
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This paper presents experimental results that suggest some taxpayers comply because they overestimate the low probability of an audit. There is also evidence that individuals comply because they value the public goods their tax payments purchase.

Alm, James, McClelland, Gary H. and Schulze, William D. (1999), 'Changing the social norm of tax compliance by voting', *Kyklos*, vol. 52(2), pp. 141-171.  
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This paper uses experimental methods to analyze the long run impact of an amnesty. It finds that the average level of compliance falls after an amnesty but if post-amnesty enforcement increases aggregate compliance also increases. In fact, post-amnesty compliance is higher when an amnesty is accompanied by increased enforcement than when enforcement increases without an amnesty.

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Andresen, Kari Due, Ognedal, Tone and Strøm, Steinar (2005), 'The shadow economy in Norway 1980-2003: Some empirical evidences from voluntary sample surveys', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 139-156.

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Abstract in Ahmed *et al.* (2003), pp. 58-59.

In this study 188 taxpayers in the Netherlands were interviewed regarding their circumstances, motives and perceptions regarding tax evasion. Information from their tax returns was also collected from the tax administration. The results suggest that both social and psychological factors were determinants of tax evasion.

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Arachi, Giampaolo and Santoro, Alessandro (2007), 'Tax enforcement for SMEs: lessons from the Italian experience?' *eJournal of Tax Research*, vol. 5(2), pp. 225-243.

Arena, Peter, O'Hare, John F. and Stavrianos, Michael P. (2003), 'Measuring taxpayer compliance burden: A microsimulation approach', Proceedings of the 95<sup>th</sup> Conference on Taxation, *National Tax Journal*, pp. 333-341.

Arendse, Jackie (2010), 'Is the penalty system in the South African environment an effective deterrent to tax evasion?' paper presented at the 9<sup>th</sup> International Tax Administration Conference, ATAX, University of New South Wales, Sydney, 7-9 April.

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Abstract in Ahmed *et al.* (2003), p. 64.

This study examines the degree of consistency in the judgments of tax preparers subject to differing degrees of government regulation. In cases with a high degree of uncertainty, certified public accountants (CPAs) are found to be consistently more pro-taxpayer in their judgments than non-CPA tax practitioners.

Aziah, Abdul Manaf Nor and Hijattulah, Abdul Jabbar (2007), 'A survey of perception towards tax evasion as a crime', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 183-199.

This paper surveys and analyzes Malaysian citizens' perception of the seriousness of tax evasion relative to other crimes and violations.

## B

Bajada, Christopher (2005a), 'Recent government initiatives in tackling the underground economy in Australia', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 243-274.

Bajada, Christopher (2005b), 'Tackling the underground economy in the UK: A government's response', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 223-241.

Bajada, Christopher and Schneider, Friedrich (eds.)(2005), *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot.

This collection of papers is divided into three parts. Part I addresses taxpayer behaviour and motivations. Part 2 is concerned with international evidence regarding the measurement of the underground economy. Part 3 addresses detection, prevention and progress.

Baldry, J.C. (1984), 'The enforcement of income tax laws: Efficiency implications' *Economic Record*, vol. 60, issue 169, pp. 156-159.

Abstract in Ahmed *et al.* (2003), p. 186.

It is shown that total enforcement of income tax law reducing income tax evasion to zero is inefficient. Full compliance can only be optimal if the tax structure is rigid.

Baldry, J.C. (1986), 'Tax evasion is not a gamble: A report on two experiments', *Economics Letters*, vol. 22, pp. 333-335.

Cited in Richardson and Sawyer (2001).

Baldry, Jonathan C. (1987), 'Income tax evasion and the tax schedule: Some experimental results', *Public Finance*, vol. 42(3), pp. 357-383.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).

Baldry, Jonathan C. (1994), 'Economic analysis and taxpayer compliance: Time for a new agenda', *Australian Tax Forum*, vol. 11(1), pp. 45-62.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 120.

This paper surveys some of the major achievements and failures of economists in the area of tax compliance, considers the reasons for the failures and suggests a number of changes to make the analysis more relevant to current tax compliance issues. In particular economic models must incorporate the variety of control devices used by tax administrations.

Balestrino, Alessandro and Galmarini, Umberto (2003), 'Imperfect tax compliance and the optimal provision of public goods', *Bulletin of Economic Research*, vol. 55(1), pp. 37-52.

Cited in Kirchler (2007).

It is argued that imperfect income tax compliance implies it is desirable that the supply of public goods should be distorted downwards.

Bankman, Joseph (2004), 'The tax shelter battle' in Henry J. Aaron, and Joel Slemrod, Joel, (eds.), *The Crisis in Tax Administration*, Brookings Institution Press, Washington DC, pp. 9-28.

Tax shelters are considered to be structured transactions with little or no independent business purpose. This chapter describes the modern tax shelter, discusses some of its effects and evaluates government use to curb the use of tax shelters.

Bankman, Joseph (2004), 'The tax shelter problem', *National Tax Journal*, vol. 57(4), pp. 925-936.

Bannock, Graham (2001), 'Can small scale surveys of compliance costs work?' in Chris Evans, Jeff Pope and John Hasseldine (eds.) (2001), *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 87-96.

Bannock, G. and Albach, H. (1989), 'The compliance costs of VAT for smaller firms in Britain and West Germany' in G. Bannock and A. Peacock (eds.) *Governments and Small Business*, Paul Chapman, London, pp. 182-228.

Cited in Evans (2003a) - empirical work summarized on p. 85.



Bardach, E. (1989), 'Moral suasion and taxpayer compliance', *Law and Policy*, vol. 11(1), pp.49-69.  
Cited in Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 39-40 and 129.  
Compliance might increase if taxpayers are presented with the right 'moral appeals'. This paper examines the justification for such appeals.

Bardsley, P. (1994), 'Tax compliance research: An economic perspective on the research agenda', *Australian Tax Forum*, vol. 11, pp. 271-290.  
Cited in Richardson and Sawyer (2001).

Bardsley, P. (1996), 'Tax compliance games with imperfect auditing' *Public Finance*, vol. 51(4), pp. 473-489.  
Abstract in Ahmed *et al.* (2003), p. 174.

Barnett, Harold C. (1986) 'Industry culture and industry economy: Correlates of tax noncompliance in Sweden', *Criminology: An Interdisciplinary Journal*, vol. 3(4), pp. 553-574.  
Abstract in Ahmed *et al.* (2003), p. 19.  
Uses the concepts of industry culture and industry economy to examine differential noncompliance with tax law across Swedish industry in the early 1980s.

Barr, Michael, S. and Dokko, Jane K. (2006), 'Tax filing experiences and withholding preferences of low- and moderate-income households: Preliminary evidence from a new survey', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2006 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 193-210.

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Bartley, Scott and Wirth, Andrew (2008), 'Integrating complexity and compliance costs considerations into tax policy', *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

Bauman, Christine C., Luna, David and Peracchio, Laura A. (2005), 'Improving tax compliance with effective consumer communication' in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 247-273.

Beck, Paul J., Davis, Jon S. and Jung, Woon-Oh (1991), 'Experimental evidence on taxpayer reporting under uncertainty', *Accounting Review*, vol. 66(3), pp. 535-558. Cited in Andreoni *et al.* (1999), Fischer *et al.* (1992), Kirchler (2007) and Richardson and Sawyer (2001).

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Beighton, Leonard, (1996), 'The role of the revenue departments', in Malcolm Gammie and Adrian Shipwright, (eds.) *Striking the Balance: Tax Administration, Enforcement and Compliance in the 1990s*, Institute for Fiscal Studies, London, pp. 43-56.

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Bergman, Marcelo and Nevares, Armando (2006), 'Do audits enhance compliance? An empirical assessment of VAT enforcement', *National Tax Journal*, vol. 59(4), pp. 817-832.

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Cited in Kirchler (2007).  
Abstract in Ahmed *et al.* (2003), p. 173.

Bernasconi, Michele and Zanardi, Alberto (2004), 'Tax evasion, tax rates and reference dependence', *FinanzArchiv*, vol. 60(3), pp. 422-445.

Beron, Kurt J., Tauchen, Helen V. and Witte, Ann Dryden, (1992), 'The effect of audits and socioeconomic variables on compliance' in Joel Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan, pp. 67-89.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 176.

Existing studies report quite different estimates of audit and socioeconomic variables on compliance. This paper synthesizes the published econometric literature on tax compliance and reports estimates of a three-equation model for taxpayers' reported income and tax liability and for the probability of an audit.

Bertolucci, A. (2002), *The Compliance Costs of Taxation in Brazil: A Survey of Costs in Brazilian Public Companies*, Faculdade de Economia, Administracao E Contabilidade, University of Sao Paulo, unpublished paper.

Cited in Evans (2003a).

Besim, Mustafa and Jenkins, Glenn P. (2005), 'Tax compliance: When do employees behave like the self-employed?' *Applied Economics*, vol. 37(10), 1201-1208

Cited in Kirchler (2007).

It is suggested that there may be an incentive for private employers and their employees to collude to understate wages and salaries. Such a possibility is examined with respect to data from North Cyprus.

Besley, T. Preston, I. and Ridge, M. (1997), 'Fiscal anarchy in the UK: Modelling poll tax noncompliance', *Journal of Public Economics*, vol. 64, pp. 137-152.

Cited in Richardson and Sawyer (2001).

Bhattacharyya, Dilip (2005), 'On the estimation and updating of the hidden economy estimates: The UK experience', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 107-122.

Birch, A., Peters, T. and Sawyer, A. (2003), 'New Zealanders' attitudes towards tax evasion: A demographic analysis', *New Zealand Journal of Tax Law and Policy*, vol. 9(1), pp. 65-109.

Abstract in Ahmed *et al.* (2003), p. 51.

A survey of 333 tertiary students revealed that eight out of ten demographic factors analysed had statistically significant relationships with the acceptability and incidence of tax evasion behaviour. These were: course, age, ethnicity, qualification, occupation, income, work experience and tax return filing experience. The two that failed to show a statistically significant relationship were gender and employment status.

Bird, Richard, Martinez-Vazquez, Jorge and Torgler, Benno (2008), 'Tax effort in developing countries and high income countries: the impact of corruption, voice and accountability', *Economic Analysis and Policy*, vol. 38(1), pp. 55-71.

Bittker, B.I. (1973), 'Income tax "loopholes" and political rhetoric', *Michigan Law Review*, vol. 71(6), pp. 1099-1128.

Abstract in Ahmed *et al.* (2003), pp. 109-110.

Discusses the temporary emergence of federal income tax reform as an important issue in the Democratic primaries during the 1972 presidential campaign in the USA.

Blackwell, C. (2002), 'A meta-analysis of tax compliance experiments', paper presented at the Annual Meeting of the Public Choice Society and Economic Science Association, San Diego.

Cited in Kirchler (2007).

Bloomquist, Kim M. (2006), 'A comparison of agent-based models of income tax evasion', *Social Science Computer Review*, vol. 24(4), pp. 411-425.

Bloomquist, Kim M. (2007), 'An Overview of some recent IRS research on taxpayer compliance behaviour', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 159-173. This paper presents some key findings of the Internal Revenue Service's Office of Research. This includes the latest tax gap estimates for the tax year 2001 and a summary of the findings of several studies on the determinants of compliance – the burden of compliance, enforcement, socio-economic environment and culture.

Bloomquist, Kim M., Albert, Michael F. and Edgerton, Ronald L. (2007), 'Evaluating preparation accuracy of tax practitioners; a bootstrap approach', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2007 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 77-90.

Bloomquist, Kim M., Plumley, Alan H. and Toder, Eric J. (2005), 'Tax noncompliance in the United States: Measurement and recent enforcement initiatives', in Christopher Bajada and Friedrich Schneider (eds.)(2005), *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 203-222.

Blumenthal, Marsha (2001), 'Leaping tall buildings: Pursuing greater compliance and reduced burden', in Chris Evans, Jeff Pope and John Hasseldine (eds.)(2001), *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 15-33.

Blumenthal, M. and Christian, C. (2004), 'Tax preparers', in Henry J. Aaron, and Joel Slemrod, (eds.), *The Crisis in Tax Administration*, Brookings Institution Press, Washington DC, pp. 201-217.

Cited in Kirchler (2007).

This chapter explores the use of tax preparers from the perspectives of taxpayers, tax practitioners and tax administrators. It is concluded that taxpayers use tax preparers to reduce uncertainty and save time and effort. The overall effect of using preparers on tax compliance is less clear but compelling evidence exists that they are "rule enforcers but ambiguity exploiters", p. 217.

Blumenthal, Marsha and Kalambokidis, Laura (2006), 'The compliance costs of maintaining tax exempt status', *National Tax Journal*, vol. 59(2), pp. 235-252.

Blumenthal, Marsha and Slemrod, Joel (1992), 'The compliance cost of the US individual income tax system: A second look after tax reform', *National Tax Journal*, vol. 45(2), pp. 185-202.

Cited in Andreoni *et al.* (1999), Evans (2003a) - empirical work summarized on p. 81 - and Richardson and Sawyer (2001).

Blumenthal, Marsha and Slemrod, Joel (1993), 'The compliance costs of the US corporate income tax for large corporations', *Proceedings of the 86<sup>th</sup> Annual Conference of the National Tax Association*, pp. 32-35.

Blumenthal, Marsha and Slemrod, Joel (1995), 'Recent tax compliance research in the United States', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 142-172.

This chapter draws on the authors' experiences from their studies of compliance costs to draw some conclusions about their methodologies. The main results are also presented.

Bobek, D.D. and Hatfield, R.C. (2003), 'An investigation of the theory of planned behavior and the role of moral obligation in tax compliance', *Behavioral Research in Accounting*, vol. 15(1), pp. 13-38.

Cited in Kirchler (2007).

Border, Kim C. and Sobel, Joel (1987), 'Samurai accountant: A theory of audit and plunder', *Review of Economic Studies*, vol. 54(4), pp. 525-540.

Cited in Andreoni *et al.* (1999).

Bordignon, Massimo, (1993), 'A fairness approach to income tax evasion', *Journal of Public Economics*, vol. 52(3), pp. 345-362.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 175.

Evasion decisions are determined by taxpayers' perceptions about the fairness of their fiscal treatment with respect to both the government supply of public goods and the perceived behavior of other taxpayers. The extent to which the desired level of evasion is undertaken in practice depends on the coercive powers of the state and taxpayers' attitude toward risk.

Boruch, Robert, F. (1989), 'Experimental and quasi-experimental designs in taxpayer compliance research', in Jeffrey A. Roth, John T. Scholz and Ann Dryden Witte (eds.) *Taxpayer Compliance: vol. I: An Agenda for Research*, University of Pennsylvania Press, Philadelphia, Appendix B, pp. 339-379.

This appendix examines the use of randomized field experiments and certain quasi-experimental designs to assess projects on tax compliance.

Bosco, L and Mittone, L. (1997), 'Tax evasion and moral constraints: Some experimental evidence', *Kyklos*, vol. 50(3), pp. 297-324.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 24.

The results of the experiment presented in this paper support the view that decision-making by taxpayers involves psychological and moral factors as well as monetary considerations.

Bowles, R. and Jones, P. (1993), 'Nonpayment of poll tax: An exploratory analysis of tax resistance', *International Review of Law and Economics*, vol. 13, pp. 445-455.

Cited in Richardson and Sawyer (2001).

Boyd, Colin W. (1986), 'The enforcement of tax compliance: Some theoretical issues', *Canadian Tax Journal*, vol. 34(3), pp. 588-599.

Abstract in Ahmed *et al.* (2003), p. 135.

This paper is concerned with one aspect of deterrence – expenditure on inspection.

Braak, Hans van de (1983), 'Taxation and tax resistance', *Journal of Economic Psychology*, vol. 3(2), pp. 95-111.

Abstract in Ahmed *et al.* (2003), p. 138-139.

Tax resistance describes the situation where individuals are willing to benefit from government expenditures but less willing to pay for them. This paper offers a theoretical framework for the definition and explanation of tax resistance.

Bracewell-Milnes, B. (1979), *Tax Avoidance and Evasion: The Individual and Society*, Panopticum Press, London.

Cited in Kirchler (2007).

Braithwaite, John (2003a), 'Large business and the compliance model', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 177-202.

Cited in Kirchler (2007).

This chapter concludes that four elements of the Compliance Model of the Australian Taxation Office are all relevant to large businesses. The four elements are i) understanding taxpayer behaviour, ii) building community partnerships, iii) increased flexibility in tax office operations to encourage and support compliance and iv) more and escalating regulatory options to enforce compliance.

Braithwaite, John (2003b), 'Through the eyes of the advisers: A fresh look at high wealth individuals', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 245-270.

Braithwaite, John (2005), 'Globalization, redistribution and tax avoidance', *Public Policy Research*, vol. 12(2), pp. 85-92.

Braithwaite, John, Pittelkow, Yvonne and Williams, Robert (2003), 'Tax compliance by the very wealthy: Red flags of risk', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 205-243.

Braithwaite, Valerie (2003a), 'Dancing with tax authorities: Motivational postures and non-compliant actions', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 15-39.

Cited in Kirchler (2007).

This chapter provides a foundation for a conception of the taxpayer as multidimensional and dynamic. It differentiates, both theoretically and empirically, the compliance related actions of taxpayers from their evaluation of the tax system and the tax office. It is concluded that non-compliant actions on the part of the taxpayer must be met by a responsiveness from authority that recognizes and deals with it but at the same time encourages more cooperative motivational postures. Resentment and anger may well exist but the empirical findings presented here suggest there is also likely to be goodwill and acceptance of the rules of the game.



Braithwaite, Valerie (2003b), 'A new approach to tax compliance', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 1-11.

Cited in Kirchler (2007).

This chapter provides an introduction to the evaluation of reforms involving the Australian Taxation Office in the late 1990s and related issues.

Braithwaite, Valerie (2003c), 'Perceptions of who's not paying their fair share', *Australian Journal of Social Issues*, vol. 38(3), pp. 335-362.

Cited in Kirchler (2007).

Braithwaite, Valerie (2003d), 'Tax system integrity and compliance: The democratic management of the tax system', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 271-289.

Braithwaite, Valerie (ed.) (2003e), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot.

Cited in Kirchler (2007).

This book contains three parts. Part I is concerned with the relationship between the tax office and the community. Part II turns to the compliance model as change agent. Part III goes beyond the compliance model.

Braithwaite, Valerie and Ahmed, Eliza (2005), 'A threat to tax morale: The case of Australian higher education policy', *Journal of Economic Psychology*, vol. 26(4), pp. 523-540.

Cited in Kirchler (2007).

Braithwaite, Valerie and Braithwaite, John (2001), 'Managing taxation compliance: The evolution of the Australian Taxation Office compliance model', in Michael Walpole and Chris Evans (eds.) *Tax Administration in the 21<sup>st</sup> Century*, Prospect Media, Sydney, pp. 215-224.

Braithwaite, Valerie and Braithwaite, John (2001), 'An evolving model for tax enforcement', in N. Shover and P. Wright (eds.) *Crimes of Privilege, Readings in White Collar Crime*, Oxford University Press, New York and Oxford.

Braithwaite, Valerie, Reinhart, Monika and Job, Jenny (2005), 'Getting on or getting by? Australians in the cash economy', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 55-69.

Braithwaite, Valerie, Schneider, Friedrich, Reinhart, Monika and Murphy, Kristina (2003), 'Charting the shoals of the cash economy', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 93-108. Cited in Kirchler (2007).

Braithwaite, V. and Wenzel, M. (2008), 'Integrating explanations of tax evasion and avoidance', in A. Lewis (ed), *The Cambridge Handbook of Psychology and Economic Behaviour*, Cambridge University Press, pp. 304-331.

Brand, Phil (1996), 'Compliance: A 21<sup>st</sup> Century approach,' *National Tax Journal*, Vol. 49(3), pp. 413-419.

Brooks, Neil (1998), 'The challenge of tax compliance' in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 7-33.

This paper is concerned with explanations of the growth of the underground economy, the economic and social costs of non-compliance, the immorality of tax evasion and theories from different disciplines regarding possible explanations of non-compliant behaviour.

Brooks, Neil and Doob, Anthony N. (1990), 'Tax evasion: searching for a theory of compliant behavior', in Martin L. Friedland (ed.), *Securing Compliance: Seven Case Studies*, University of Toronto Press, Toronto. Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).

Brosio, G., Cassone, A. and Ricciuti, R. (2002), 'Tax evasion across Italy: Rational noncompliance or inadequate civic concern?' *Public Choice*, vol. 112(3-4), pp. 259-273. Cited in Kirchler (2007).

Brown, Robert E. and Mazur, Mark J. (2003), 'The national research program: Measuring taxpayer compliance comprehensively', *University of Kansas Law Review*, vol. 51(5), pp. 1255-1271.

Bryden, Marion H. (1961), *The Costs of Tax Compliance; A Report on a Survey Conducted the Canadian Tax Foundation*, Canadian Tax Foundation Paper 25, Toronto. Cited in Evans (2003a).

Burton, H.A., Karlinsky, S.S. and Blanthorne, C. (2005), 'Perception of a white-collar crime: Tax evasion', *American Taxation Association's Journal of Legal Tax Research*, vol. 3(1), pp. 35-48. Cited in Kirchler (2007).

Burton, Mark (2007), 'Responsive regulation and the uncertainty of tax law - Time to reconsider the Commissioner's model of cooperative compliance?' *eJournal of Tax Research*, vol. 5(1), pp. 71-104.

## C

Caballé, Jordi and Panadés, Judith (2005), 'Cost uncertainty and taxpayer compliance', *International Tax and Public Finance*, vol. 12(3), pp. 239-263

Cited in Kirchler (2007).

This paper offers a framework to analyze the effects of sources of uncertainty in a model of tax compliance with strategic interaction between auditors and taxpayers.

Carley, Kathleen, M. and Maxwell, Daniel T. (2006), 'Understanding taxpayer behavior and assessing potential IRS interventions using multiagent dynamic-network simulation', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2006 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 93-106.

This paper examines research in the computational social sciences, specifically the combination of multiagent simulations and dynamic social network analysis, and how this could assist the Internal Revenue Service in developing their understanding of taxpayer behaviour.

Carnes, G.A. and Cuccia, A.D. (1996), 'An analysis of the effect of tax complexity and its perceived justification on equity judgments', *Journal of the American Taxation Association*, vol. 18 (Fall), pp. 40-56.

Cited in Richardson and Sawyer (2001).

Carnes, G.A. and Englebrecht, T.D. (1995), 'An investigation of the effect of detection risk perceptions, penalty sanctions and income visibility on tax compliance', *Journal of the American Taxation Association*, vol. 17 (Spring), pp. 26-41.

Cited in Richardson and Sawyer (2001).

Carroll, John S. (1989), 'A cognitive-process analysis of taxpayer compliance', in Jeffrey A. Roth and John T. Scholz (eds.) *Taxpayer Compliance: vol. 2, Social Science Perspectives*, University of Pennsylvania Press, Philadelphia, pp. 228-272.

Cited in Richardson and Sawyer (2001).

Carroll, John S. (1987), 'Compliance with the law: A decision-making approach to taxpaying', *Law and Human Behavior*, vol. 11(4), pp. 319-335.

Cited in Kirchler (2007).

This paper proposes an approach to the understanding of tax compliance based on behavioural decision theory. It discusses the issue of rationality, explores strategies individuals use to make taxpaying decisions and focuses on the distinction between norm-processing and outcome-processing strategies.

Casey, J. T. and Scholtz, J. T., (1991a), 'Beyond deterrence: Behavioral decision theory and tax compliance', *Law and Society Review*, vol. 25(4), pp. 821-843.

Cited in Fischer *et al.* (1992), Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 33.

109 university students participated in five studies that examined how cognitive heuristics evoked by descriptive and procedural variables that traditional expected utility models ignore affect tax compliance. The study found that such variables do affect taxpayers' preferences.

Casey, J. T. and Scholtz, J. T., (1991b), 'Boundary effects of vague risk information on taxpayer decisions', *Organizational Behavior and Human Decision Processes*, vol. 50(2), pp. 360-394.

Cited in Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 33.

In this study 71 university students participated in a decision task relating to income tax in which the probability of being caught evading tax and outcome ambiguity were manipulated.

Chan, S., Cheung, D., Ariff, M. and Loh, A. (1999), 'Compliance costs of corporate taxation in Hong Kong', *International Tax Journal*, vol. 25(4), pp. 42-68.

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Chan, C.W., Troutman, C.S. and O'Brien, D. (2000), 'An expanded model of taxpayer compliance: Empirical evidence from the United States and Hong Kong', *Journal of International Accounting, Auditing and Taxation*, vol. 9(2), pp. 83-103.

Cited in Kirchler (2007).

Chang, Juin-jen and Lai, Ching-chong (2004), 'Collaborative tax evasion and social norms: Why deterrence does not work', *Oxford Economic Papers*, vol. 56, pp. 344-368.

Chang, O.H., Nichols, D.R. and Shultz, J.J. (1987), 'Taxpayer attitudes toward tax audit risk', *Journal of Economic Psychology*, vol. 8(3), pp. 299-309.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Chang, O.H. and Shultz, J.J. (1990), 'The income tax withholding phenomenon: Evidence from TCMP data', *Journal of the American Taxation Association*, vol. 12 (Fall), pp. 88-93.  
Cited in Richardson and Sawyer (2001).

Chattopadhyay, Saumen and Das-Gupta, Arindam (2002), *The Compliance Costs of the Personal Income Tax and its Determinants*, National Institute of Public Finance and Policy, New Delhi.  
Cited in Evans (2003a).

Cho, J., Linn, S.C and Nakibullah, A. (1996), 'Tax evasion with psychic costs and penalty renegotiation', *Southern Economic Journal*, vol. 63, pp. 172-190.  
Cited in Richardson and Sawyer (2001).

Chorvat, Terrence (2006), 'Trust and taxation', in Edward J. McCaffery and Joel Slemrod (eds.) *Behavioral Public Finance*, Russell Sage Foundation, New York, pp. 206-232.  
This chapter examines trust and taxation and, since economic behavior is influenced by a variety of psychological factors, whether increasing enforcement activity is the best way to increase compliance. It is also pointed out that while the tax system is probably affected by the level of trust in society, it can itself affect that level of trust.

Chorvat, Terrence (2007), 'Tax compliance and the neuroeconomics of intertemporal substitution', *National Tax Journal*, vol. 60(3), pp. 577-588.

Christensen, A.L. and Hite, P.A. (1997), 'A study of the effects of taxpayer risk perceptions on ambiguous compliance decisions', *Journal of the American Taxation Association*, vol. 19 (Spring), pp. 1-18.  
Cited in Richardson and Sawyer (2001).

Christiansen, Vidar (1980), 'Two comments on tax evasion', *Journal of Public Economics*, vol. 13, pp. 389-383.

Christian, C.W. (1994), *Voluntary Compliance with the Individual Income Tax: Results from the 1988 TCMP Study*, The IRS Bulletin, Washington DC.  
Cited in Kirchler (2007).

Christian, Charles W. and Gupta, Sanjay (1993), 'New evidence on "secondary evasion"', *The Journal of the American Taxation Association*, vol. 15, pp. 72-93.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Christian, C.W., Gupta, S and Lin, S. (1993), 'Determinants of tax preparer usage: Evidence from panel data', *National Tax Journal*, vol. 46, pp. 487-503.  
Cited in Richardson and Sawyer (2001).

Christian, Charles W. and Schulz, Thomas D. (2005), 'ROA-based estimates of income shifting by U.S. multinational corporations', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 57-72.

Christiansen, V. (1980), 'Two comments on tax evasion', *Journal of Public Economics*, vol. 13(3), pp. 389-383.  
Cited in Jackson and Milliron (1986).

Christopoulos, Dimitris K. (2003), 'Does underground economy respond symmetrically to tax changes? Evidence from Greece', *Economic Modelling*, vol. 20(3), pp. 563-570.  
Cited in Kirchler (2007).

This paper uses Greece data over the period 1960 to 1997 to establish whether or not the underground economy responds asymmetrically to both direct and indirect tax changes. The results do not support the asymmetry hypothesis.

Cialdini, Robert B. (1989), 'Social motivations to comply: Norms, values and principles', in Jeffrey A. Roth and John T. Scholz (eds.) *Taxpayer Compliance: vol. 2, Social Science Perspectives*, University of Pennsylvania Press, Philadelphia, pp. 200-227.

Cleary, Jo (1995), 'The evolution of tax avoidance', *Revenue Law Journal*, vol. 5(2), pp. 219-241.

This paper discusses how changes in legislation and the attitudes of taxpayers, their advisers and the judiciary changed tax avoidance from being legal and acceptable to being illegal and unacceptable.

Clotfelter, Charles T. (1983), 'Tax evasion and tax rates: An analysis of individual returns', *The Review of Economics and Statistics*, vol. 65(3), pp. 363-373.  
Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986), Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 19-20.  
Uses the Internal Revenue Services's Taxpayer Compliance Measurement Program survey for 1969 to investigate the relationship between marginal tax rates and tax evasion and finds the former have a significant effect on the amount of the latter.

Cnossen, S. (1994), 'Administrative and compliance costs of the VAT: A review of the evidence', *Tax Notes International*, pp. 1649-1668.  
Cited in Evans (2003a).

Coleman, Cynthia and Freeman, Lynne (1994), 'The development of strategic marketing options directed at improving compliance levels in small business', paper presented at the conference on *Current Issues in Taxation*, University of Newcastle, Australia.

Coleman, Cynthia and Freeman, Lynne (1997), 'Cultural foundations of taxpayer attitudes to voluntary compliance', *Australian Tax Forum*, vol. 13, pp. 311-336.  
Cited in Richardson and Sawyer (2001).

Coleman, S. (1997), 'Income tax compliance: A unique experiment in Minnesota', *Government Finance Review*, vol. 13, pp. 11-15.  
Cited in Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 25.  
This article describes the methodology the Minnesota Department of Revenue used for researching strategies to improve tax compliance and summarises the findings from that research. The Minnesota department's income tax compliance project was recognized in 1996 by the Award for Research and Tax Analysis presented by the Federation of Tax Administrators.

Collard, David, Green, Sue Godwin, Michael and Maskell, Lydia (1998), *The Tax Compliance Costs for Employers of PAYE and National Insurance in 1995-96*, Inland Revenue Economics Papers, No. 3. Inland Revenue, London.  
Cited in Evans (2003a) - empirical work summarized on p. 87.



Collins, J.H., Milliron, V.C. and Toy, D.R. (1990), 'Factors associated with household demand for tax preparers', *The Journal of the American Taxation Association*, vol. 12 (Fall), pp. 9-25.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Collins, J.H., Milliron, V.C. and Toy, D.R. (1992), 'Determinants of tax compliance: A contingency approach', *The Journal of the American Taxation Association*, vol. 14 (Fall), pp. 1-29.  
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Collins, Julie H. and Plumlee, R.David (1991), 'The taxpayer's labor and reporting decision: The effect of audit schemes', *Accounting Review*, vol. 66(3), pp. 559-576.  
Cited in Fischer *et al.* (1992), Kirchler (2007) and Richardson and Sawyer (2001).

Cooper, George (1985), 'The taming of the shrewd: identifying and controlling income tax avoidance', *Columbia Law Review*, vol. 85(4), pp. 657-729  
Abstract in Ahmed *et al.* (2003), p. 137.  
This paper examines tax shelters and reform.

Cooper, Gordon S. (2006), 'Promoter penalties', *eJournal of Tax Research*, vol. 4(2), pp. 117-131.

Copeland, P.V. and Cuccia, A.D. (2002), 'Multiple determinants of framing referents in tax reporting and compliance', *Organizational Behavior and Human Decision Processes*, vol. 88(1), pp. 499-526.  
Cited in Kirchler (2007).

Copeland, Valmai (2005), 'Research into the impact of audit on compliance', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 181-189.

Copp, Andrew (1998), 'Compliance costs and value added tax', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 141-157.  
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Copp, Andrew, (2001) 'Compliance issues, costs and remedies of VAT disputes, enforcement and appeals in the United Kingdom', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 113-137.  
Cited in Evans (2003a).

Cordova-Novion, Cesar and De Young, Cassandra (2001), 'The OECD/Public Management Service multi-country business survey – Benchmarking regulatory and administrative business environments in small and medium sized enterprises', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 205-228.  
Cited in Evans (2003a).

Cowell, F. (1985), 'Tax evasion with labour income', *Journal of Public Economics*, (February), pp. 19-34.  
Cited in Jackson and Milliron (1986).

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Cowell, Frank, (2004), 'Carrots and sticks in enforcement', in Henry J. Aaron, and Joel Slemrod, (eds.), *The Crisis in Tax Administration*, Brookings Institution Press, Washington DC, pp. 230-258.  
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Cowell, F.A. and Gordon, J.P.F. (1988), 'Unwillingness to pay tax: tax evasion and public provision', *Journal of Public Economics*, vol. 36, pp. 305-321.  
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Cox, Dennis (1984), 'Raising revenue in the underground economy', *National Tax Journal*, vol. 37(3), pp. 283-288.  
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Cox, D. and Plumley, A. (1988), *Analyses of Voluntary Compliance Rates for Different Income Source Classes*, Internal Revenue Service, Research Division, Washington DC.  
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CPA Australia (2003), *Small Business Survey Program: Compliance Burden*, CPA Australia, Melbourne.  
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Crane, Steven E. and Nourzad, Farrokh (1986), 'Inflation and tax evasion: an empirical analysis', *Review of Economics and Statistics*, vol. 68(2), pp. 217-223.  
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Cited in Richardson and Sawyer (2001).  
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Crane, Steven E. and Nourzad, Farrokh (1992), 'Analyzing income tax evasion using amnesty data with self-selection correction; The case of the Michigan tax amnesty program', in Joel Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan, pp. 167-189.  
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Cited in Andreoni *et al.* (1999).

Cronshaw, Mark B. and Alm, James (1995), 'Tax compliance with two-sided uncertainty', *Public Finance Quarterly*, vol. 23(2), pp. 139-166.  
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Cross, R.B. and Shaw, G.K. (1982), 'The evasion-avoidance choice: A suggested approach', *National Tax Journal*, vol. 34(4), pp. 489-491.  
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Crush, J. (1985), 'Colonial coercion and the Swazi tax revolt of 1903-1907', *Political Geography Quarterly*, vol. 4(3), pp. 179-190.  
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Cited in Richardson and Sawyer (2001).

Cuccia, A.D. (1994), 'The economics of tax compliance: what do we know and where do we go?' *Journal of Accounting Literature*, vol. 13, pp. 81-116.  
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Cited in Kirchler (2007).

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Based on social psychology and justice literature this paper develops hypotheses about the conditions under which complexity may affect perceptions of equity and therefore compliance. An experiment was conducted where the subjects assessed different forms of a hypothetical tax provision with identical economic consequences. It was found that the provision's complexity negatively affects equity assessments only when subjects were prompted with an alternative provision with relatively favourable consequences and then only when no explicit justification for its complexity and relative economic consequences is given.

Cullis, John, Jones, Philip and Lewis, Alan (2006), 'Tax evasion: Artful or artless dodging?' in Edward J. McCaffery and Joel Slemrod (eds.) *Behavioral Public Finance*, Russell Sage Foundation, New York, pp. 233-258.

This chapter presents further experimental evidence that decisions to evade tax involve more than individual wealth-maximizing behavior.

Cullis, J. and Lewis, A. (1997), 'Why people pay taxes: From a conventional model to a model of social convention', *Journal of Economic Psychology*, vol. 18(2-3), pp. 305-321.

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Cummings, Ronald G., Martinez-Vazquez, Jorge and McKee, Michael (2001), *Cross Cultural Comparisons of Tax Compliance Behavior*, Working Paper No. 01-03. Andrew Young School of Policy Studies, Georgia State University.

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Das-Gupta, A. Lahiri, R. and Mookherjee, D. (1995), 'Income tax compliance in India: An empirical analysis', *World Development*, vol. 23(12), pp. 2,051-2064. Cited in Kirchler (2007) and Richardson and Sawyer (2001).

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Davis, Jon S., Hecht, Gary and Perkins, Jon D. (2003), 'Social behaviors, enforcement and tax compliance dynamics', *Accounting Review*, vol. 78(1), pp. 39-69.

Davis, J.S. and Swenson, C.W. (1988), 'The role of experimental economics in tax policy research', *Journal of the American Taxation Association*, vol. 10 (Fall), pp. 40-59. Cited in Richardson and Sawyer (2001).

Dean, P.K.T., Keenan, T. and Kenney, F. (1980), 'Taxpayers' attitudes to income tax evasion: an empirical study', *British Tax Review*, pp. 28-45.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 20.

This paper is concerned with income tax compliance and 'tax resistance', which consists of tax avoidance and tax evasion.

DeBarr, David and Harwood Maury (2004), 'Relational mining for compliance risk', in *The IRS Research Bulletin: Proceedings of the 2004 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 175-185.

This paper is concerned with the use of computers for initial screening of tax returns for compliance issues and describes some of the advanced algorithmic techniques being tested on the data.

Deboer, L. and Conrad, J. (1988), 'Do high interest rates encourage property tax delinquency?' *National Tax Journal*, vol. 41(4), pp. 555-560.

Cited in:

Abstract in Ahmed *et al.* (2003), p. 65.

Taxpayers have an incentive to delay their property tax payments when interest rates rise above the penalty rate on delinquent property taxes. The proposition that property tax delinquency should rise as a percent of the tax levy with increases in the interest rate was tested using data from Indiana. The study found that a rise in interest rates causes a significant rise in the delinquency rate. Also, higher unemployment increases the delinquency rate while higher inflation reduces it.

De Juan, Ana, Lasheras, Miguel A. and Mayo, Rafaela (1994), 'Voluntary tax compliance behavior of Spanish income tax payers', *Public Finance*, vol. 49 (Supplement), pp. 90-105.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).

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This study tests several binary logic models using qualitative data from Spanish income taxpayers to establish whether taxpaying behaviour is only influenced by variables traditionally included in decision theory under uncertainty or whether it is also influenced by demographic, socioeconomic and psychological variables. The results are partially in line with classical models of tax evasion – increases in detection and the rates of penalties increase compliance – but it was found that a plurality of individual and sociological variables also help explain the complex behaviour associated with compliance.

Delgado Lobo, Ma Luisa, Salinas-Jiminez, Javier and Sanz, Jose Felix (2001), 'Hidden tax burden of the person income tax: Evidence from recent tax reform in Spain', *Australian Tax Forum*, vol. 16, pp. 463-482.

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Devos, Ken, (2005), 'The attitudes of tertiary students on tax evasion and the penalties for tax evasion – A pilot study and demographic analysis', *eJournal of Tax Research*, vol. 3(2), pp. 222-273.

Díaz, C. and Delgado, M.L. (1993), *Aspectos psicosociales de la tributación: Los costes de cumplimiento en el IRPF*, Papeles de Trabajo, 13/93, Instituto de Estudios Fiscales. See Diaz and Dalgado (1995).



Díaz, Consuelo and Delgado, Maria Luisa (1995), 'The Compliance Costs of Personal Income Tax in Spain', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 210-225.

Cited in Evans (2003a) - empirical work summarized on p. 87.

This chapter presents the methodology and main results of part of the study undertaken by the Spanish Institute of Fiscal Studies into the compliance costs of the Spanish personal income tax (Díaz and Delgado, 1993).

Dornstein, M. (1976), 'Compliance with legal and bureaucratic rules: The case of self-employed taxpayers in Israel', *Human Relations*, vol. 29(11), pp. 1,019-1,034.

Cited in Kirchler (2007).

Dubin, Jeffrey A. (2004), 'Criminal investigation enforcement activities and taxpayer noncompliance', in *The IRS Research Bulletin: Proceedings of the 2004 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 3-35.

Dubin, J. A., Graetz, M.J. Udell, M.A. and Wilde, L.L. (1992), 'The demand for tax return preparation services', *Review of Economics and Statistics*, vol. 74, pp. 75-82.

Cited in Richardson and Sawyer (2001).

Dubin, Jeffrey A., Graetz, Michael J. and Wilde, Louis L. (1987), 'Are we a nation of tax cheaters? New econometric evidence on tax compliance', *American Economic Review*, vol. 77(2), pp. 240-245.

Cited in Andreoni *et al.* (1999), Fischer *et al.* (1992) and Richardson and Sawyer (2001). Abstract in Ahmed *et al.* (2003), p. 134.

This paper reviews existing as well as new theoretical and empirical work.

Dubin, Jeffrey A., Graetz, Michael J. and Wilde, Louis L. (1990), 'The effect of audit rates on the federal individual income tax, 1977-1986', *National Tax Journal*, vol. 43(4), pp. 395-409.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 36.

An empirical analysis of the effects of audit rates and some other factors on the filing of federal individual income tax returns and the self-reporting of tax due using data drawn from the Annual Report of the Commissioner of Internal Revenue and the Statistics of Income for the years 1977-86. The authors estimated that self-reported taxes in 1986 would have been approximately \$15 billion higher had the federal audit rate remained at its 1977 level over the period.

Dubin, Jeffrey A. and Wilde, Louis L. (1988), 'An empirical analysis of federal income tax auditing and compliance', *National Tax Journal*, vol. 41(1), pp. 61-74.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 42 and pp. 182-183 and included in the annotated bibliography in Fischer *et al.* (1992), p. 41.

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Dunbar, David (2007), 'Judicial techniques for controlling the New Zealand general anti-avoidance rule: The scheme and purpose approach, from *Challenge* (1986) to *Peterson* (2005)' in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 281-307.

This paper examines an interpretive technique applied in the *Peterson* case (2005) in New Zealand and also the approach of the Supreme Court of Canada in *Canada Trustco* (2005) and *Mathews* (2005) and the House of Lords in *Barclays Mercantile Business Finance* (2005) and finds a degree of similarity between the judicial approaches in these three countries.

Duncan, W.A., LaRue, D.W. and Reckers, P.M.J. (1989), 'An empirical example of the influences of selected economic and noneconomic variables in decision making by tax professionals', *Advances in Taxation*, vol. 2(1), pp. 91-106.

Cited in Kirchler (2007).

Dusenbury, R. (1994), 'The effect of prepayment position on individual taxpayers' preferences for risky tax-filing options', *Journal of the American Taxation Association*, vol. 16 (Spring), pp. 1-16.

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Edelmann, C. (1949) 'The Sales Tax from the Retailers' Point of View', *Revenue Administration*, pp. 36-41.  
Cited in Evans (2003a).

Edmundson, Peter (2008), 'Tax evasion and the tort of conspiracy', *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

Eland, Mike (1995), 'Tax compliance costs: the problems and the practice', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 39-51.  
Chapter by a Board Member of HM Customs and Excise which outlines the view of that department with respect to its experience regarding compliance costs.

Elffers, H. (1991), *Income Tax Evasion: Theory and Measurement*, Kluwer, Deventer, The Netherlands.  
Cited in Richardson and Sawyer (2001).

Elffers, H. (2000), 'But taxpayers do cooperate!' in M.V. Vugt, M. Snyder, T.R. Taylor and A. Biel (eds.), *Cooperation in Modern Society: Promoting the Welfare of Communities, States and Organizations*, Routledge, London, pp. 184-194.  
Cited in Kirchler (2007).

Elffers, H., and Hessing, D.J. (1997), 'Influencing the prospects of tax evasion', *Journal of Economic Psychology*, vol. 18, pp. 289-304.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 116.  
This paper discusses two proposals to enhance tax compliance, both of which use prospect theory and are supported by empirical data. The first is the over-withholding of income tax and the second is offering taxpayers a choice between a full, itemized deduction or a considerable overall standard deduction.

Elffers, H., Robben, H.S.J. and Hessing, D.J. (1991), 'Under-reporting income: Who is the best judge – taxpayer or tax inspector?' *Journal of the Royal Statistical Society*,

vol. 154(1), pp. 125-127.  
Cited in Kirchler (2007).

Elffers, H., Robben, H.S.J. and Hessing, D.J. (1992), 'On measuring tax evasion', *Journal of Economic Psychology*, vol. 13(4), pp. 545-567.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 123-124.  
Tax evasion seems to consist of at least three conceptually independent aspects that need to be assessed by three independent measures.

Elffers, H., Weigel, R.H. and Hessing, D.J. (1987), 'The consequences of different strategies for measuring tax evasion behaviour', *Journal of Economic Psychology*, vol. 8(3), pp. 311-337  
Cited in Fischer *et al.* (1992), Kirchler (2007) and Richardson and Sawyer (2001).

Enste, Dominik H. (2005), 'The shadow economy in OECD and EU accession countries – Empirical evidence for the influence of institutions, liberalization, taxation and regulations', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 123-138.

Erard, Brian (1992), 'The influence of tax audits on reporting behavior' in Joel Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan, pp. 95-114.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 31.  
In this chapter the influence of tax audits on subsequent year reporting is investigated using Internal Revenue Service data on taxpayers who were the targets of an audit in one year and, purely by chance, were the subjects of a second audit two years later.

Erard, Brian (1993), 'Taxation with representation: An analysis of the role of tax practitioners in tax compliance', *Journal of Public Economics*, vol. 52(2), pp. 163-197.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 175-176.  
This paper develops a framework for the joint analysis of tax preparation mode and noncompliance.

Erard, Brian (1997), 'Self-selection with measurement errors: A microeconomic analysis of the decision to seek tax assistance and its implications for tax compliance', *Journal of Econometrics*, vol. 81(2), pp. 319-356.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 174-175.

This paper presents a joint analysis of tax preparation mode and federal income tax noncompliance using individual level audit data.

Erard, Brian (2001), 'The income tax compliance burden on Canadian big business', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 317-335.

Erard, Brian (1997), *The Income Tax Compliance Burden on Canadian Big Business*, Working Paper 97-2, prepared for the Technical Committee on Business Taxation, Department of Finance, Ottawa.

Cited in Evans (2003a) - empirical work summarized on p. 82.

Erard, Brian and Feinstein Jonathan S. (1994), 'Honesty and evasion in the tax compliance game', *RAND Journal of Economics*, vol. 25(1), pp. 1-19.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 29-30.

Erard, Brian and Feinstein Jonathan S. (1994), 'The role of moral sentiments and audit perceptions in tax compliance', *Public Finance*, vol. 49(Supplement), pp.70-89.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 28-29.

This paper extends the standard expected utility model of tax compliance to include two other issues: the role of moral sentiments, specifically guilt and shame, in taxpayer decision-making and the relationship between taxpayers' perceptions of audit probability and the true audit probability. The parameters of the model are estimated from a dataset of detailed tax and audit information from the state of Oregon and the US Internal Revenue Service. There is evidence of considerable heterogeneity and a general upward bias in audit perceptions and the importance of the sentiment of shame in explaining reporting behaviour is much more sensitive than the sentiment of guilt to the degree of bias in audit perceptions.

Erard, Brian and Ho, Chih-Chin (2001), 'Searching for ghosts: Who are the nonfilers and how much tax do they owe?' *Journal of Public Economics*, vol. 81(1), pp. 25-50.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), pp. 28-29.

Extends a standard model of tax evasion to account for the existence of 'ghosts' (individuals who do not comply with their tax filing requirements) and then examines implications of this extension by using a data set containing detailed tax and audit information for both filers and nonfilers of US federal income tax returns.

Erard, Brian and Ho, Chih-Chin, (2003), 'Explaining the U.S. income tax compliance continuum', *eJournal of Tax Research*, vol. 1(2), pp. 93-109.

Erard, Brian and Vaillancourt, François (1992), *The Compliance Costs of a Separate Personal Income Tax System for Ontario: Simulations for 1991*, Fair Trade Commission, Toronto.

Cited in Evans (2003a) - empirical work summarized on p. 81.

Erekson, O, Homer and Sullivan, Dennis H. (1988), 'A Cross-section analysis of IRS auditing', *National Tax Journal*, vol. 41(2), pp. 175-189.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 183.

Develops and estimates an economic model of patterns of tax return audits by the Internal Revenue Service.

Eriksen, K. and Fallan, L. (1996), 'Tax knowledge and attitudes towards taxation: A report on a quasi-experiment', *Journal of Economic Psychology*, vol. 17(3), pp. 387-402.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 58.

Found in their student subjects that following increases in tax knowledge the students considered their own tax evasion as more serious, the perceived fairness in taxation increased and attitudes toward other people's tax evasion became stricter.

Etzioni, A. (1988), 'Tax evasion and perception of tax fairness: A research note', *Journal of Applied Behavioral Science*, vol. 22, pp. 177-185.

Cited in Richardson and Sawyer (2001).

Evans, Chris (2001), 'The operating costs of taxing capital gains – a conspectus', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 159-177.

Evans, Chris (2001), 'The Operating Costs of Taxation: A Review of the Research', *Journal of the Institute of Economic Affairs*, vol. 21(2) pp. 5-9.

Cited in Evans (2003a).

Evans, Chris (2003a), 'Studying the studies: An overview of recent research into taxation operating costs', *eJournal of Tax Research*, vol. 1(1), pp. 64-92.

Evans, Chris (2003b), *The Operating Costs of Taxing the Capital Gains of Individuals: A Comparative Study of Australia and the UK, with Particular Reference to the Compliance Costs of Certain Tax Design Features*, PhD Thesis, University of New South Wales, Sydney.

Cited in Evans (2003a) - empirical work summarized on p. 91.

Evans, Chris, Pope, Jeff and John Hasseldine, John (eds.)(2001), *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney.

This volume is based on papers held in Sydney Australia in April 2000 and is divided into five parts. Part 1 is concerned with developing the methodology. Part 2 addresses compliance costs of specific taxes. Part 3 examines costs in some other countries. Part 4 is devoted to business compliance costs and Part 5 with government responses to the issues of compliance costs.

Cited in Evans (2003a).

Evans, C., Ritchie, K., Tran-Nam, B. and Walpole, M. (1996), *A Report into the Incremental Costs of Taxpayer Compliance*, Australian Government Publishing Service, Canberra.

Cited in Evans (2003a) - empirical work summarized on p. 89.

Evans, C., Ritchie, K., Tran-Nam, B. and Walpole, M. (1997), *A Report into Taxpayer Costs of Compliance*, Australian Government Publishing Service, Canberra.

Cited in Evans (2003a) - empirical work summarized on p. 89.

Evans, Chris, Ritchie, Katherine, Tran-Nam, Binh and Walpole, Mike (1998), 'Taxation compliance costs – Some recent empirical work and international comparisons', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 177-194.

This chapter describes the principal outcomes of research conducted to establish and estimate the total compliance costs relating to Federal taxes faced by personal and business taxpayers in Australia. Comparisons are made with some other OECD countries, particularly the UK, USA and New Zealand.

Evans, C., Tran-Nam, B. and Jordan, B. (2002), 'Assessing the potential compliance costs/benefits of the tax value method', *Australian Tax Forum*, vol. 17(1), pp. 35-58.

Cited in Evans (2003a) - empirical work summarized on p. 90.

Evans, Chris and Walpole, Michael (1999), *Compliance Cost Control: A Review of Tax Impact Statements in the OECD*, Research Studies Series, No. 27, Australian Tax Research Foundation, Sydney.  
Cited in Evans (2003a).



## F

Falkinger, J. (1988), 'Tax evasion and equity: A theoretical analysis', *Public Finance*, vol. 43(3), pp. 388-395.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp. 131-132.

Taxpayers may view their relationship with government as an exchange relationship whereby taxes are paid in return for the benefits of government expenditure. If taxes are considered to be unfair, tax evasion is a way of adjusting the corresponding terms of trade with government.

Falkinger, J. (1995) 'Tax Evasion, Consumption of Public Goods and Fairness', *Journal of Economic Psychology*, vol. 16 pp. 63-72.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 14.

Concerned with how the perceived share of public consumption or the perceived fairness of the political and social system affect behaviour regarding tax evasion.

Falkinger, Josef and Walther, Herbert (1991), 'Rewards versus penalties: On a new policy against tax evasion', *Public Finance Quarterly*, vol. 19(1), pp. 67-79.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

This paper considers the possibility of pecuniary rewards as an economic incentive for taxpaying.

Feige, Edgar L. (ed.) (1989), *The Underground Economies: Tax Evasion and Information Distortion*, Cambridge University Press, Cambridge and New York.

Cited in Andreoni *et al.* (1999).

This book is divided into three parts. Part I is concerned with the meaning, measurement and policy implications of underground economies. Part II turns to specific Western developed countries with chapters on the United States, the Netherlands, the United Kingdom, the Federal Republic of Germany, Sweden, Italy, Norway, Canada and France. Part III has two chapters on the underground economy under central planning – one on the Soviet second economy and the other the Hungarian experience.

Feinstein, Jonathan S. (1991), 'An econometric analysis of income tax and its detection', *RAND Journal of Economics*, vol. 22(1), pp.14-35.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp. 14-35.

This paper presents an econometric analysis of income tax evasion and its detection based on individual-level data drawn from the Internal Revenue Service Taxpayer Compliance Measurement Programs of 1982 and 1985.

Feld, L.P. and Frey, B.S. (2002), 'Trust breeds trust: How taxpayers are treated', *Economics of Governance*, vol. 3, pp. 87-99.

Feld, Lars P. and Frey, Bruno S. (2005), 'Illegal, immoral, fattening or what? How deterrence and responsive regulation shape tax morale', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 15-37.

Cited in Kirchler (2007).

Feld, Lars P. and Frey, Bruno S. (2007), 'Tax compliance as the result of a psychological tax contract: The role of incentives and responsive regulation', *Law and Policy*, vol. 29(1), pp. 102-120.

Tax morale is a complex interaction between taxpayers and the government and taxpayers are more likely to comply if they perceive the system to be legitimate and fair. Also, friendly treatment of taxpayers during the auditing process increases compliance.

Feld, L.P. and Tyran, J.R. (2002), 'Tax evasion and voting: An experimental analysis', *Kyklos*, vol. 55(2), pp. 197-221.

Cited in Kirchler (2007).

Feldman, Naomi, E. and Slemrod, Joel, (2007), 'Estimating tax noncompliance with evidence from unaudited tax returns', *Economic Journal*, Vol. 117, Issue 518, pp. 327-352.

Fennell, Lee Anne (2006), 'Hyperopia in Public Finance', in Edward J. McCaffery and Joel Slemrod (eds.) *Behavioral Public Finance*, Russell Sage Foundation, New York, pp. 141-171.

This paper focuses on time preference in relation to public finance. A common view is that people sometimes behave myopically but there are also situations where individuals appear to do the opposite (hyperopia) – weighting future benefits more than present ones. Such behavior seems to offer an explanation, for example, the well-known tendency of some US taxpayers to make interest-free loans to government by accepting overwithholding of income tax followed by a refund after the end of the tax year. There are psychological explanations for hyperopia which add to our ability to analyze time-preference decisions. For example, sometimes individuals seem to prefer improving sequences of, say, consumption rather than flat or declining ones.

Fischer, C., Wartick, M. and Mark, M. (1992), 'Detection probability and taxpayer compliance: A literature review', *Journal of Accounting Literature*, vol. 11(1), pp. 1-46. Cited in Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 124.

Fisher, Rodney (1998), 'Expert systems: Using technology to meet compliance requirements', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 51-61.

Fisher, Ronald C., Goddeeris, John H. and Young, James, C. (1989), 'Participation in tax amnesties: The individual income tax', *National Tax Journal*, vol. 42(1), pp. 15-27. Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Fishlow, A. and Friedman, J. (1994), 'Tax evasion, inflation and stabilisation', *Journal of Development Economics*, vol. 43(1), pp. 105-123.  
Cited in Kirchler (2007).  
Abstract in Ahmed *et al.* (2003), p. 175.

This paper is concerned with the resort to tax evasion in developing countries as a response to economic downturn. The authors find that tax compliance declines when current income declines, expectations about future income improve or inflation rises.

Fjeldstad, O.-H. and Semboja, J. (2001), 'Why people pay taxes: The case of the development levy in Tanzania', *World Development*, vol. 29(12), pp. 2,059-2,074. Cited in Kirchler (2007).

Fjeldstad, O.-H. and Tungodden, B. (2003), 'Fiscal corruption: A vice or a virtue?' *World Development*, vol. 31(8), pp. 1,459-1,467.

Cited in Kirchler (2007).

Frank, M. and Dekeyser-Meulders, D. (1977), 'A tax discrepancy coefficient resulting from tax evasion or tax expenditures', *Journal of Public Economics*, (August), pp. 67-78.

Cited in Jackson and Milliron (1986).

Freiberg, A. (1986), 'Enforcement discretion and taxation offences', *Australian Tax Forum*, vol. 3(1), pp. 55-91.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), pp. 135-136 and 166.

This paper examines some of the criteria for the enforcement of law – why some cases are selected for prosecution and others are not.

Freiberg, A. (1990), 'Reconceptualising tax sanctions', *Australian Tax Forum*, vol. 7, pp. 1-24.

Cited in Richardson and Sawyer (2001).

Frey, B.S. (2003), 'Deterrence and tax morale in the European Union', *European Review*, vol. 11(3), pp. 385-406.

Cited in Kirchler (2007).

Frey, Bruno and Torgler, Benno (2007), 'Tax morale and conditional cooperation', *Journal of Comparative Economics*, vol. 35(1), pp. 136-159.

Friedland, Nehemiah (1982), 'A note on tax evasion as a function of the quality of information about the magnitude and credibility of threatened fines: Some preliminary research', *Journal of Applied Social Psychology*, vol. 12(1), pp. 54-59.

Cited in Fischer *et al.* (1992), Jackson and Milliron (1986) and Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 47.

The tax evasion behaviour of 13 subjects was observed in a game-simulation context.

Friedland, Nehemiah, Maital, Shlomo and Rutenberg, Aryen, (1978), 'A simulation study of income tax evasion', *Journal of Public Economics*, vol. 10(1), pp. 107-16.

Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986) and Kirchler (2007) and included in the annotated bibliography in Fischer *et al.* (1992), pp. 41-42.

Friedman, D. and Waldfogel, J. (1995), 'The administrative and compliance costs of manual highway collection: Evidence from Massachusetts and New Jersey', *National Tax Journal*, vol. 48(2), pp. 217-228.

Cited in Evans (2003a) - empirical work summarized on p. 82.

Friedman, Eric, Johnson, Simon, Kaufmann, Daniel and Zoido-Lobaton, Pablo (2000), 'Dodging the grabbing hand: The determinants of unofficial activity in 69 countries', *Journal of Public Economics*, vol. 76(4), pp. 459-493.

Furnham, A. (1983), 'The protestant work ethic, human values and attitudes towards taxation', *Journal of Economic Psychology*, vol. 3, pp. 113-128.

Cited in Jackson and Milliron (1986).

## G

Gammie, Malcolm and Shipwright, Adrian (eds.)(1996), *Striking the Balance: Tax Administration, Enforcement and Compliance in the 1990s*, Institute for Fiscal Studies, London.

This volume contains papers presented at an Institute for Fiscal Studies residential conference. The collection is divided into three parts. Part I is concerned with administrative issues for the UK tax system in the 1990s, Part II with international issues for tax administration and enforcement and Part III the role and attitude of the courts to tax law and practice against a changing administrative background.

Geerken, M. and Gove, W. (1975), 'Deterrence: Some theoretical considerations', *Law and Society Review*, (Spring), pp. 498-513.  
Cited in Jackson and Milliron (1986).

Geis, G., Cartwright, S. and Houston, J. (2003), 'Public wealth, public health and private stealth: Australia's black market in cigarettes', *Australian Journal of Social Issues*, vol. 38(3), pp. 363-378.

Abstract in Ahmed *et al.* (2003), p. 112.

This paper discusses the situation with respect to the black market in tobacco in Australia – a by product of the excise tax - and the arguments by some that the tax on tobacco should be increased further to reduce smoking rates, particularly among the young.

Gërzhani, K. (2004), 'Tax evasion in transition: Outcome of an institutional clash? Testing Feige's conjecture in Albania', *European Economic Review*, vol. 48(4), pp. 729-745.

Cited in Kirchler (2007).

Gërzhani, K. (2006), 'Did you pay your taxes? How (not) to conduct tax evasion surveys in transition countries', *Social Indicators Research*, vol. 80(4), pp. 555-581.

Cited in Kirchler (2007).

Gërzhani, Klarita and Schram, Arthur (2006), 'Tax evasion and income source: A comparative experimental study', *Journal of Economic Psychology*, vol. 27(3), pp. 202-222.

Cited in Kirchler (2007).

Ghosh, D. and Crain, T.L. (1995), 'Ethical standards, attitudes toward risk and intentional noncompliance: an experimental investigation', *Journal of Business Ethics*, vol. 14, pp. 353-365.

Cited in Richardson and Sawyer (2001).

Gibbs, J. (1973), *Crime, Punishment and Deterrence*, Elsevier, New York.

Cited in Jackson and Milliron (1986).

Glassberg, Barry and Smyth, Christina (1995), 'Tax compliance costs: The problems and the practice', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 15-70.

Cited in Evans (2003a).

The authors, both of the UK's Inland Revenue, discuss some compliance cost issues, including the policy framework, compliance cost assessments and the design of the tax return.

Gleason, Cristi A. and Mills, Lillian F. (2006), 'Is the tax expense estimate improved or biased in the presence of using the same tax and audit firm?' in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2006 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 3-38.

Glen, William (1998), 'The influence of gender and education on tax avoidance and tax evasion', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 63-73.

This paper finds evidence of a relationship between gender and tax compliance.

Goddeeris, J. H. Martin, S.W and Young J.C. (1989), 'Tax amnesty in Michigan: characteristics of individual income tax participants', *Journal of State Taxation*, vol. 7, pp. 373-395.

Cited in Richardson and Sawyer (2001).

Godwin, Michael (1995), 'The compliance costs of the United Kingdom Tax System', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 73-100.

This chapter examines the methodology used in the postal questionnaire surveys carried out at Bath University Centre for Fiscal Studies together with a summary of the results.

Godwin, Michael (2001), 'Compliance costs to UK employers of operating Pay As You Earn income tax, National Insurance Contributions, statutory sick pay and statutory maternity pay in 1995/96' in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 179-201.

Goerke, Laszlo and Runkel, Marco (2006), 'Profit tax evasion under oligopoly with endogenous market structure', *National Tax Journal*, vol. 59(4), pp. 851-857.

Goetz, M. (1978), 'Tax avoidance, horizontal equity and tax reform: A proposed synthesis', *Southern Economic Journal*, vol. 44(4), pp. 798-812.  
Abstract in Ahmed *et al.* (2003), p. 146.

Gordon, James P.F. (1989), 'Individual morality and reputation costs as deterrents to tax evasion', *European Economic Review*, vol. 33(4), pp. 797-805.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 40.  
Existing theory models evasion as an independently-made amoral gamble but there is evidence suggesting some taxpayers never evade. This paper uses nonpecuniary costs of evasion to reconcile the two.

Gordon, Richard K. Jr. (1988), 'Income tax compliance in developing countries', *Bulletin for International Fiscal Documentation*, January, pp. 3-12.  
Abstract in Ahmed *et al.* (2003), p. 14.  
This paper discusses concerns over taxpayer sanctions and their effects on income tax compliance in developing countries and also with reference to the USA.

Gottlieb, D. (1985), 'Tax evasion and the prisoner's dilemma', *Mathematical Social Sciences*, vol. 10, pp. 81-89.  
Abstract in Ahmed *et al.* (2003), p. 185.  
Extends the model of tax evasion suggested by Allingham and Sandmo (1972) to include public goods.

Graetz, Michael J., Reinganum, Jennifer F. and Wilde, Louis L. (1986), 'The tax compliance game: Toward an interactive theory of tax enforcement', *Journal of Law, Economics and Organization*, vol. 2(1), pp. 1-32.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 136.



Graetz, M. and Wilde, L. (1985), 'The economics of tax compliance: Fact and fantasy', *National Tax Journal*, (September), pp. 345-363.  
Cited in Jackson and Milliron (1986).

Graetz, M.J. and Wilde, L.L. (1993), 'The decision by strategic nonfilers to participate in income tax amnesties', *International Review of Law and Economics*, vol. 13, pp. 271-283.  
Cited in Richardson and Sawyer (2001).

Grasmick, H.G., Blackwell, B.S. and Bursik, R.J. (1993), 'Changes in the sex patterning of perceived threats of sanctions', *Law and Society Review*, vol. 27, pp. 679-705.  
Cited in Richardson and Sawyer (2001).

Grasmick, Harold G. and Bursik, Robert J. (1990), 'Conscience, significant others and rational choice: Extending the deterrence model', *Law and Society Review*, vol. 24(3), pp. 837-861.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 36-37.

The authors developed measures of three kinds of the perceived threats of three kinds of punishment – shame, embarrassment and legal sanctions. These were applied to three forms of illegal behaviour – tax cheating, petty theft and drunk driving. The effects of the perceived threats on intentions to break the law were examined in 360 adults. Threats of shame and legal sanctions seemed to inhibit the inclination to commit each of the offences but the findings for embarrassment seemed to be inconsistent with the rational decision-making model.

Grasmick, H.G., Bursik, R.J. and Cochran, J.K. (1991), '“Render unto Caesar what is Caesar what is Caesar’s”': Religiosity and taxpayers' inclination to cheat', *The Sociological Quarterly*, vol. 32(2), pp. 251-266.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 33.

Using the responses to a question concerning the likelihood of evading income tax, this study found that the threat of shame emanating from religious identity salience is a stronger deterrent than embarrassment.

Grasmick, Harold G. and Scott, Wilbur J. (1982), 'Tax evasion and mechanisms of social control: A comparison with grand and petty theft', *Journal of Economic Psychology*, vol. 2(3), pp. 213-210

Cited in Fischer *et al.* (1992) and Jackson and Milliron (1986).

Abstract in Ahmed *et al.* (2003), p. 47.

Using an experimental approach in cooperation with the Internal Revenue Service, the authors compared the effectiveness of legal sanctions with 'appeals to conscience'. Both strategies appeared to increase compliance though the appeal to conscience seemed to be more effective than the threat of legal sanctions.

Gravelle, Jane G. (2009), 'Tax havens: international tax avoidance and evasion', *National Tax Journal*, vol. 62, December, pp. 727-753.

Green, D.P., Kahneman, D. and Kunreuther, H. (1994), 'How the scope and method of public funding affect willingness to pay for public goods', *Public Opinion Quarterly*, vol. 58(1), pp. 49-67.

Cited in Kirchler (2007).

Green, S. (1994), *Compliance Costs and Direct Taxation*, Institute of Chartered Accountants in England and Wales, London.

Cited in Evans (2003a) - empirical work summarized on p. 86.

Green, Sue, (1996), 'Compliance costs: The need for reappraisal'. in Malcolm Gammie and Adrian Shipwright, (eds.) *Striking the Balance: Tax Administration, Enforcement and Compliance in the 1990s*, Institute for Fiscal Studies, London, pp. 129-140.

Green, Sue and Winter, David (1995) 'Tax compliance costs – the tax practitioner's perspective', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 353-372.

Greenberg, Josef (1984), 'Avoiding tax avoidance: A (repeated) game-theoretic approach', *Journal of Economic Theory*, vol. 32(1), pp. 1-13.

Cited in Andreoni *et al.* (1999).

Abstract in Ahmed *et al.* (2003), p. 186.

Proposes an optimal auditing scheme.

Groenland, E.A.G. (1992), 'Developing a dynamic research strategy for the economic psychological study of taxation', *Journal of Economic Psychology*, vol. 13, pp. 589-596. Cited in Richardson and Sawyer (2001).

Groenland, E.A.G. and van Veldhoven, G.M. (1983), 'Tax evasion behavior: A psychological framework', *Journal of Economic Psychology*, vol. 3(2), pp. 129-144. Cited in Jackson and Milliron (1986) and Kirchler (2007).

Groves, H. (1958), 'Empirical studies of income tax compliance', *National Tax Journal*, (December), pp. 291-301. Cited in Jackson and Milliron (1986).

Gunz, S., Macnaughton, A. and Wensley, K. (1995), 'Measuring the compliance costs of tax expenditures: The case of research and development incentives', *Canadian Tax Journal*, vol. 43(6), pp. 2008-34. Cited in Evans (2003a) - empirical work summarized on p. 82.

Gurd, Bruce and Turner, John L. (2001), 'Tax compliance costs research - A cost management perspective', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 69-86.

Guyton, John L., Korobow, Adam K., Lee, Peter S. and Toder, Eric (2005), 'The effects of tax software and paid preparers on compliance costs', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 117-128.

Guyton, John L., Korobow, Adam K., Lee, Peter S. and Toder, Eric J. (2005), 'The effects of tax software and paid preparers on compliance costs', *National Tax Journal*, vol. 58(3), pp. 439-448,

Guyton, John L., O'Hare, John F., Stavrianos, Michael P. and Toder, Eric J. (2003), 'Estimating the compliance cost of the U.S. individual income tax', *National Tax Journal*, vol. 56(3), pp. 673-688.

## H

Haig, Robert M. (1935), 'The cost to business concerns of compliance with the tax laws', *Management Review*, Vol. 24, pp. 323-233.  
Cited in Evans (2003a).

Halkyard, Andrew (2004), 'Common law and tax avoidance: Back to the future?' *Revenue Law Journal*, vol. 14(1), pp. 19-31.

Halperin, R. and Tzur (1990), 'Tax evasion and the low penalty, low audit rate phenomenon', *Journal of Accounting and Public Policy*, vol. 9(3), pp. 179-196.  
Cited in Kirchler (2007).

Hansford, Ann and Hasseldine, John (2002), 'Best practice in tax administration', *Public Money and Management*, vol. 22(1), pp. 5-6.

This paper present some results from a UK study of tax practitioners – who were members of the Chartered Institute of Taxation - and tax officers working for Customs and Excise.

Hansford, Ann and Hasseldine, John (2003), 'Tax auditing under self-assessment: Survey evidence from the UK', *New Zealand Journal of Taxation Law and Policy*, vol. 9, pp. 171-183.

Hansford, A., Hasseldine, J. and Howorth, C. (2003), 'Factors affecting the costs of UK VAT compliance costs for small and medium sized enterprises', *Environment and Planning C: Government and Policy*, vol. 21(4), pp. 479-492.

Hansford, Ann, Hasseldine, John, McManus, Jacqui and Walpole, Michael (2007), 'VAT and GST: A comparative review of tax audits in Australia and the United Kingdom', *British Tax Review*, No. 1, pp. 87-95.

Hansford, A. and Hussey, R. (2000), 'An investigation into communication between Customs officials and tax practitioners', *British Tax Review*, pp. 113-122.

Hartner, M., Rechberger, S., Kirchler, E. and Schabmann, A. (2008), 'Procedural justice and tax compliance', *Journal of Economic Analysis and Policy*, vol. 38 (1), pp. 137-152.

Harvey, J.W. and McCrohan, K.F. (1988), 'Is there a better way of improving compliance with the tax laws? Insights from the philanthropic literature', *Journal of Public Policy and Marketing*, vol. 7, pp. 138-151.  
Cited in Richardson and Sawyer (2001).

Harwood, G.B, Larkins, E.R. and Martinez-Vazquez, J. (1993), 'Using a randomized response methodology to collect data for tax compliance research', *Journal of the American Taxation Association*, vol. 15 (Fall), pp. 79-92.  
Cited in Richardson and Sawyer (2001).

Hasseldine, D.J. (1989), 'Increasing voluntary compliance: The case of tax amnesties', *Australian Tax Forum*, vol. 6, pp. 509-523.  
Cited in Richardson and Sawyer (2001).

Hasseldine, John (1993), 'How do revenue audits affect taxpayer compliance?' *Bulletin for International Fiscal Documentation*, July-August, pp. 424-435.  
Abstract in Ahmed *et al.* (2003), p. 122.  
This paper summarizes, evaluates and reports on the existing professional and research literature on which tax audit strategies are likely to be most effective in enhancing tax compliance.

Hasseldine, John (1995), 'Compliance cost of business taxes in New Zealand', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 126-141.  
Cited in Richardson and Sawyer (2001).  
This chapter is concerned with specifically with methodological aspects of the study by Sandford and Hasseldine (1992).

Hasseldine D.J. (1995), 'The use of tax amnesties in tax reform', in C. Sandford (ed.) *More Key Issues in Tax Reform*, Fiscal Publications, Bath, pp. 105-118.  
Cited in Richardson and Sawyer (2001).

Hasseldine, J. (1998), 'Economic determinants of tax compliance costs under a value added tax system', *Advances in Taxation*, vol. 10, pp. 129-144.

Hasseldine, J.D. (1998), 'Prospect theory and tax reporting decisions: implications for tax administrators', *Bulletin for International Fiscal Documentation*, vol. 52(11), pp. 501-505.  
Cited in Kirchler (2007).

Hasseldine, D.J. (1998) 'Tax amnesties: An international review', *Bulletin for International Fiscal Documentation*, vol. 52(7), pp. 303-310.  
Cited in Kirchler (2007).

Hasseldine, John (1999), 'Gender differences in tax compliance', *Asia Pacific Tax Journal of Taxation*, vol. 3(2), pp. 73-89.  
Based on a mail survey of adult taxpayers randomly selected from staff employees at a large US mid-west university, this study found strong gender differences in terms of attitudes to non-compliance, prior admitted tax evasion and hypothetical evasion behaviour and the evidence suggests females have more compliant attitudes than males.

Hasseldine, John (1999), 'Prospect theory and tax reporting decisions: Implications for tax administrators', *Bulletin for International Fiscal Documentation*, vol. 52(11), pp. 501-515.

Hasseldine, John (2000), 'Using persuasive communications to increase tax compliance: What experimental research has (and has not) told us', *Australian Tax Forum*, vol. 15, pp. 227-242.

Hasseldine, John (2001), 'Linkages between compliance costs and taxpayer compliance research', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 3-14.

Hasseldine, D.J. and Bebbington, K.J., (1991), 'Blending economic deterrence and fiscal psychology models in the design of responses to tax evasion: The New Zealand experience', *Journal of Economic Psychology*, vol. 12, pp. 299-324.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 102 and 125.  
This paper concludes that tax policy makers must consider a blend of response options from economical and psychological models.

Hasseldine, J. and Hansford, A. (2002), 'The compliance burden of the VAT: Further evidence from the UK', *Australian Tax Forum*, vol. 17(4), pp. 367-388.  
Cited in Evans (2003a) - empirical work summarized on p. 87.

Hasseldine, J., Hansford, A., McManus, J. and Walpole, M. (2007), 'VAT and GST: A comparative review of tax audits in Australia and in the UK', *British Tax Review*, pp. 87-95.

Hasseldine, D.J. and Hite, P.A. (2003), 'Framing, gender and tax compliance', *Journal of Economic Psychology*, vol. 24(4), pp. 517-533.  
Cited in Kirchler (2007).

Hasseldine, John, Hite, Peggy A, James, Simon and Toumi, Marika (2005), 'Carrots, sticks, sole proprietors and tax accountants', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 191-210.

Hasseldine, John, Hite, Peggy, James, Simon and Toumi, Marika (2007), 'Persuasive communications: Tax compliance enforcement strategies for sole proprietors', *Contemporary Accounting Research*, vol. 24(1), pp. 171-194.

Hasseldine, D.J. and Kaplan, S.E. (1992), 'The effect of different sanction communications on hypothetical taxpayer compliance: Policy implications from New Zealand', *Public Finance*, vol. 47(1), pp. 45-40.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp. 31-32.

Three types of sanctions in communications with taxpayers were tested. The first used legal sanctions – warning that fines or imprisonment may result from tax evasion. The second used informal sanctions – warning of more informal types of penalty that might result – such as the publication of the names of tax evaders. The third type noted the possibility of a bad conscience following evasion. The study found evidence that the communication of informal sanctions may increase hypothetical tax compliance. The appeal to conscience was successful in altering beliefs about the morality of tax evasion.

Hasseldine, D.J. Kaplan, S.E. and Fuller, L.R. (1994), 'Characteristics of New Zealand tax evaders: A note', *Accounting and Finance*, vol. 34, pp. 79-93.

Cited in Richardson and Sawyer (2001).

Hasseldine, John and Zhuhong, Li. (1999), 'More tax evasion research required in new millennium', *Crime, Law and Social Change*, vol. 31(2), pp. 91-104.  
Cited in Kirchler (2007).

Heij, Gitte (1995), 'Costs of compliance; The taxpayers' hidden tax burden', *Asia-Pacific Tax Bulletin*, January, pp. 22-24.

Helleloid, R.T. (1989), 'Ambiguity and the evaluation of client documentation by tax professionals', *Journal of the American Taxation Association*, vol. 11 (Fall), pp. 22-36.  
Cited in Richardson and Sawyer (2001).

Hemmer, T., Stinson, C.H. and Vaysman, I. (1994), 'Self-audits, penalties and taxpayer compliance', *Journal of the American Taxation Association*, vol. 16 (Fall), pp. 63-81.  
Cited in Richardson and Sawyer (2001).

Hessing, D.J. Elffers, H., Robben, H.S.J. and Webley, P. (1992), 'Measuring the effect of deterrence on tax compliance in field studies and experimental studies', in J. Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan.

Cited in:

Abstract in Ahmed *et al.* (2003), pp. 37-38.

The authors discuss the findings of a series of studies on tax evasion in the Netherlands with special emphasis on the effect of deterrence. They tentatively conclude that non-evaders either need no deterrence, or very little, to keep them from tax evasion. Also, deterrence does not seem to have any effect on 'habitual' evaders. If there is, it may be in the wrong direction – there is a positive correlation between being punished for evasion in one year and willful evasion in the following year.

Hessing, D.J., Elffers, H. and Weigel, R.H. (1988), 'Exploring the limits of self-reports and reasoned action: An investigation of the psychology of tax evasion behaviour', *Journal of Personality and Social Psychology*, vol. 54(3), pp. 405-413.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp. 164-165.



Hessing, D.J., Kinsey, K.A., Elffers, H. and Weigel, R.H. (1988), 'Tax evasion research: Measurement strategies and theoretical models', in W.F. van Raaij, G.M. van Veldhoven and K.E. Warneryd (eds.) *Handbook of Economic Psychology*, Kluwer Academic Publishers, Dordrecht, pp. 516-537.  
Cited in Kirchler (2007).  
Abstract in Ahmed *et al.* (2003), p. 132.

Hessing, Dick J., Weigel, Russell H., Robben, Henry, S.J. and Elffers, Henk (1990), 'Self-serving behavior and tax evasion', in Stephen E.G. Lea, Paul Webley and Brian M. Young (eds.) *Applied Economic Psychology in the 1990s*, Vol. 2, Washington Singer Press, Exeter, pp. 524-531.  
This paper develops a Self-Serving Orientation scale and discusses the results of testing it in two studies.

Highfield, Richard (2008), 'Efforts to reduce taxpayers' compliance costs: how do Australia's recent and current efforts measure up?' *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

Hite, P.A. (1987), 'An application of attribution theory in taxpayer compliance research', *Public Finance*, vol. 42(1), pp. 105-108.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Hite, P.A. (1988), 'The effect of peer reporting behavior on taxpayer compliance', *Journal of the American Taxation Association*, vol. 9 (Spring), pp. 47-64.  
Cited in Fischer *et al.* (1992) and Richardson and Sawyer (2001).

Hite, P.A. (1988), 'An examination of the impact of subject selection on hypothetical and self-reported taxpayer noncompliance', *Journal of Economic Psychology*, vol. 9(4), pp. 445-466.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 165.

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It is suggested that the government should explore positive approaches to encouraging taxpayer compliance such as emphasizing where taxpayers can get assistance rather than emphasizing penalties. The present study is a behavioural experiment which compares an economic factor – presenting penalty information – with a non-economic factor – presenting information about free taxpayer services.

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Holland, Kathleen and Rasey, Howard (2007), 'Lab research on customer preferences and the relationship between service and compliance', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2007 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 261-260.

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## I

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The authors describe the state of understanding of tax compliance at that time as primitive and suggested that more basic research was needed before we can begin to understand tax evasion. Section I of the paper examines key compliance variables, which are age, sex, education, income level, income source, occupation, peer influence, ethics, fairness, complexity, IRS contact, probability of detection, sanctions, tax rates, and 'other variables'. Section II is concerned with methodological considerations. Section III turns to theoretical areas relevant to compliance research – prospect theory, deterrence theory, cognitive structures and agency theory. The authors also outlined two general directions for future research – replicating and extending the issues they reviewed in this paper and more emphasis and attention to past research efforts.

Jackson, B.R., Milliron, V.C and Toy, D.R. (1988), 'Tax practitioners and the government', *Tax Notes*, 17 October, pp. 333-338.

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This paper looks at different revenue authorities and links their behaviour to the existing literature on taxpayer compliance.

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Two approaches to the academic literature on tax compliance have been identified. One is based on a relatively narrow interpretation of economic rationality and utility maximization and the other incorporates contributions from a much wider range of academic disciplines. This wider approach to tax compliance is described here as the 'responsible citizen approach'. This paper addresses the description of the term citizen, summarizes the two approaches and offers a classification of the two approaches to tax compliance linked to the economic justification for taxation

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Abstract in Ahmed *et al.* (2003), pp. 44-45.

This paper reports the results of two experiments which apply two social psychological theories – attribution theory and equity theory – to tax evasion judgment. It was concluded that both theories may be helpful in understanding tax evasion behaviour.

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Abstract in Ahmed *et al.* (2003), p. 38.

Strümpel's (1969) model uses the concept of 'rigidity of assessment' to describe aspects of tax enforcement that reflect a deterrence model of social control. Strümpel argued that there were two opposing effects. The first is the expected deterrent effect of fear of getting caught and punishment. The other is that the retroactive, confrontational and coercive aspects of a deterrent approach may have the opposite effect on voluntary compliance. Taxpayers may increase their efforts to evade tax as well as pursuing other forms of tax resistance such as aggressive tax avoidance, increased use of the appeals process and political lobbying to muzzle the tax agency.

Kinsey, K.A. and Grasmick, H.G. (1993), 'Did the Tax Reform Act of 1986 improve compliance? Three studies of pre- and post-TRA compliance attitudes', *Law and Policy*, vol. 15(4), pp. 239-325.

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Three bodies of data were examined and the results showed that the Tax Reform Act of 1986 in the USA showed an improved normative climate for taxpayer compliance. They demonstrate both the feasibility and the importance of examining the effects of substantive tax policies on taxpayer perceptions, attitudes and behavioural intentions.

Kinsey, K. and Stalans, L.J. (1999), 'Leveling the playing field: Prestige and representation in tax audits', *Law and Society Review*, vol. 33, pp. 993-1023.

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Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

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Klepper, Steven and Nagin, Daniel (1989c), 'The deterrent effect of perceived certainty and severity of punishment received', *Criminology*, vol. 27, pp. 721-764.

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This paper focuses on the underlying principles and rationales of the responsive regulation approach to tax enforcement introduced in the Australian tax administration in the late 1990s.

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Cited in Fischer *et al.* (1992), Jackson and Milliron (1986), Kirchler (2007) and Richardson and Sawyer (2001).

This book is divided into five parts. Part I provides a chapter on the background, another on tax principles and tax research in relation to psychology and a third on methodological issues and 'rational economic man'. Part II is concerned with attitudes to taxation and public spending, referenda, public opinion and fiscal policy-making. Part III turns to attitudes and behaviour with respect to tax evasion and avoidance. Part IV looks at other areas of fiscal psychology research with a chapter on simplicity and comprehensibility and another on work motivation and taxation. Part V has a chapter on psychology and fiscal policy and a concluding chapter.

Lignier, Philip (2007), 'A silver lining in the tax compliance cloud? A study of the managerial benefits of tax compliance in small business', in Margaret Mc KERCHAR and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 415-434.

This paper considers possible managerial benefits, such as improved information systems and improved controls, which a small business taxpayer may gain as a result of undertaking tax compliance work.

Lignier, Philip (2008), 'The managerial benefits of tax compliance: an empirical study of small businesses in regional Australia', *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

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Cited in Kirchler (2007).

Linster, B.G. (1997), 'Income tax compliance and evasion: A graphical approach', *Southern Economic Journal*, vol. 63(3), pp. 788-796.  
Abstract in Ahmed *et al.* (2003), p. 174.

Lochbuy, T.M and O'Rourke, R.J. (1996), 'Catching tax cheats suing meta-alphabetological analysis. *Australian Tax Review*, vol. 25(June), pp. 79-82.  
Cited in Kirchler (2007).

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Cited in Evans (2003a) - empirical work summarized on p. 90.

Long, James E. and Caudill, Steven B. (1987), 'The usage and benefits of paid tax return preparation', *National Tax Journal*, vol. 40(1), pp. 35-46.  
Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).

Long, S.B. and Swingen, J. A. (1988), 'The role of legal complexity in shaping taxpayer compliance', in P.J. van Koppen, D.J. Hessing and G. van den Heuvel (eds), *Lawyers on Psychology and Psychologists on Law*, Swets and Zeitlinger, Amsterdam, pp. 127-146.  
Cited in Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 18-19.  
An investigation into the role of legal complexity in forming taxpayer compliance.

Long, S.B. and Swingen, J. A. (1991a), 'Taxpayer compliance: Setting new agendas for research', *Law and Society Review*, vol. 25(3), pp. 637-683.  
Cited in Fischer *et al.* (1992), Kirchler (2007) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 125-126.  
This paper reviews taxpayer compliance research and considers specific, definitional and measurement issues raised.

Long, S.B. and Swingen, J. A. (1991b), 'The conduct of tax-evasion experiments: validation, analytical methods and experimental realism', in P. Webley, H. Robben, H. Elffers and D. Helsing (eds.) *Tax Evasion: An Experimental Approach*, Cambridge University Press, Cambridge, MA, pp. 128-138  
Cited in Richardson and Sawyer (2001).

Loo, Ern Chen (2007), 'Determinants of individual taxpayers' compliance behaviour: Experience of the transition from pre to post self assessment in Malaysia', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 201-225.

This study used a repeated survey design to examine the effect of the introduction of self-assessment in Malaysia on taxpayers' compliance behaviour. It was found that tax knowledge had the most effect and other factors that had some influence were the tax structure, attitudes towards fairness of the tax system and the tax administration.

Loo, Ern Chen and Ho, Juan Keng (2005), 'Competency of Malaysian salaried individuals in relation to tax compliance under self assessment', *eJournal of Tax Research*, vol. 3(1), pp. 45-62.

Loo, Ern Chen, McKerchar, Margaret and Hansford, Ann (2008), 'Tax compliance behaviour: findings derived from a mixed method design', *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

Lowrance John D. and Ragoobeer, Rajesh (2004), 'Designing a system for structured assessment of compliance risk', in *The IRS Research Bulletin: Proceedings of the 2004 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 187-203.

Luan, Fuchun, Graco, Warwick and Norrie, Mark (2006), 'Instance-based classifiers for tax agent modelling', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2006 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 183-192.

This paper reports some results from modelling tax agent behaviour using a distance-from-the centroid (DFC) method with assistance from a genetic algorithm (GA). DFC is an example of 'instance-based learning methods'. These use high-risk cases, or instances, to see if other cases have similar practice profiles.

Lumb, Peter (2005), 'Visualization of effective tax rates for tax gap estimation and compliance risk assessment', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 47-55.

Lyons, J.T. (1995), 'The struggle against international fiscal fraud: Tax avoidance and tax evasion: United States', paper presented at the Inter-American Center of Tax Administrations Technical Conference, Paris, November and subsequently published in March 1996 in the *Bulletin for International Fiscal Documentation*, vol. 50(3), pp. 100-104.

Abstract in Ahmed *et al.* (2003), p. 26.

This paper outlines the challenges facing the Internal Revenue Service in the USA and the main measure being used to combat fiscal evasion.

## M

Maciejovsky, Boris, Kirchler, Erich, Schwarzenberger, Herbert (2007), 'Misperception of chance and loss repair: on the dynamics of tax compliance', *Journal of Economic Psychology*, vol. 28(6), pp. 678- 691.

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Malik, Arun and Schwab, Robert M. (1991), 'The economics of tax amnesties', *Journal of Public Economics*, vol. 46(1), pp. 29-49.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2007).  
Abstract in Ahmed *et al.* (2003), p. 180.

The paper examines the economic implications of tax amnesties and shows that, as the probability of an amnesty increases, individuals report less income.

Malmer, Hakan. (1995), 'The Swedish tax reform in 1990-19 and tax compliance costs in Sweden' in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 226-262.

Cited in Evans (2003a) - empirical work summarized on p. 86.

This chapter summarizes the findings of research into the effects of the Swedish tax reforms of 1990 and 1991 on tax operating costs, tax avoidance and tax evasion.

Maloney, Greg (2004), 'Compliance research at the Canada Revenue Agency', in *The IRS Research Bulletin: Proceedings of the 2004 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 49-55.

Manef, Nor Aziah Abdul, Hasseldine, John and Hodges, Ron (2005), 'The determinants of Malaysian land taxpayers' compliance attitudes', *eJournal of Tax Research*, vol. 3(2), pp. 206-221.

Mann, A.J. and Smith, R. (1988), 'Tax attitudes and tax evasion in Puerto Rico: A survey of upper income professionals', *Journal of Economic Development*, vol. 13, pp. 121-141.  
Cited in Richardson and Sawyer (2007).



Martin, J.W. (1944), 'Costs of tax administration: Examples of compliance expenses', *Bulletin of the National Tax Association*, pp. 194-205.

Marrelli, M. and Martina, R. (1988), 'Tax evasion and strategic behavior of the firms', *Journal of Public Economics*, vol. 37(1), pp. 55-69.

Abstract in Ahmed *et al.* (2003), p. 184.

This paper analyses the optimal tax evasion decision in the context of an oligopolistic market with quantity setting firms.

Martin, S.W. (1988), 'Using amnesty data to detect tax cheats and improve taxpayer service: Lessons from Michigan', *Government Finance Review*, vol. 4 (October), pp. 23-27.

Cited in Richardson and Sawyer (2007).

Martinez-Vazquez, J. Harwood, G.B. and Larkins, E.R. (1992), 'Withholding position and income tax compliance: Some experimental evidence', *Public Finance Quarterly*, vol. 20, pp. 152-174.

Cited in Richardson and Sawyer (2007).

Martinez-Vazquez, Jorge and Rider, Mark (2005), 'Multiple modes of tax evasion: Theory and evidence', *National Tax Journal*, vol. 58(1), pp. 51-76.

Mason, R. (1987), 'A communication model of taxpayer honesty', *Law and Policy*, vol. 9, pp. 246-258.

Cited in Richardson and Sawyer (2007).

Mason, R. and Calvin, L.D. (1978), 'A story of admitted income tax evasion', *Law and Society Review*, vol. 13 (Fall), pp. 73-89.

Cited in Fischer *et al.* (1992), Jackson and Milliron (1986) and Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 48.

Nearly one in four of a sample survey of 800 Oregon Adults admitted they practiced tax evasion. Higher percentages were found for individuals who were young, with low income, male and who believed their chance of getting caught was low. Belief that the tax system was unfair was unrelated to noncompliance and the deterrent effect of penalties seemed uncertain.

Mason, R. and Calvin, L.D. (1984), 'Public confidence and admitted tax evasion', *National Tax Journal*, vol. 37(4), pp. 489-486.  
Cited in Fischer *et al.* (1992), Jackson and Milliron (1986).  
Abstract in Ahmed *et al.* (2003), pp. 45-46 and included in the annotated bibliography in Fischer *et al.* (1992), p. 42.  
The relationship between perceived unfairness of a tax system and compliance may not be a simple or direct one and the data suggest that compliance norms must be neutralized and fear of sanctions weakened before noncompliance occurs.

Martin, Jane and Stephenson, Rick (2005), 'Risk-based collection model development and testing', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 141-160.

May, J. and Thompson, G. (1950), 'The tax on taxes', *The Conference Board Business Record*, April, pp. 130-133.  
Cited in Evans (2003a).

Mazur, Mark J. and Plumley, Alan H. (2007), 'Understanding the tax gap', *National Tax Journal*, vol. 60(3), pp. 569-576.

McBarnet, D. (1992), 'Legitimate rackets: Tax evasion, tax avoidance and the boundaries of the law', *The Journal of Human Justice*, vol. 3(2), pp. 56-74.  
Cited in Kirchler (2007).  
Abstract in Ahmed *et al.* (2003), pp. 124-125.  
This paper analyses tax avoidance practices among business and high net worth individuals.

McBarnet, D. (2003), 'When compliance is not the solution but the problem: From changes in law to changes in attitude', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 229-243.

McCaffery, Edward, J. and Slemrod, Joel (eds.)(2006), *Behavioral Public Finance*, Russell Sage Foundation, New York.

The editors sketch out three broad clusters of questions which are addressed throughout this collection of papers. The first is that form matters – for instance different taxes may cause different types and levels of psychic discomfort. The second is concerned with time inconsistency and problems of self-control – similar to what Pigou once famously described as a perverted telescopic faculty. The third cluster relates to the willingness of citizens to act in the public interest, even when it may not appear to be in their own immediate self-interest, for example, by paying their taxes to a large extent without the need for an unduly coercive tax regime.

McGraw, K. M. and Scholz, J. T. (1988), ‘Norms, social commitment and citizens’ adaptation to new laws’ in P.J. van Koppen, D.J. Hessing and G. van den Heuvel (eds.), *Lawyers on Psychology and Psychologists on Law*, Swets and Zeitlinger, Amsterdam, pp. 105-125.

Cited in Richardson and Sawyer (2007).

Abstract in Ahmed *et al.* (2003), p. 66.

This paper reports the preliminary results of an experiment testing responses of taxpayers to videotaped message emphasizing normative issues and personal consequences related to taxes.

McGraw, K. M. and Scholz, J. T. (1991), ‘Appeals to civic virtue versus attention to self-interest: Effects on tax compliance’, *Law and Society Review*, vol. 25, pp. 471-498.

Cited in Richardson and Sawyer (2007).

McKerchar, M. (1995), ‘Understanding small business taxpayers: Their sources of information and level of knowledge of taxation’, *Australian Tax Forum*, vol. 12, pp. 25-41.

Abstract in Ahmed *et al.* (2003), p. 77.

It was found that many of a sample of 200 small businesses in a rural community thought they had a satisfactory level of tax knowledge but their responses to a broad range of questions indicated they did not. Therefore it may be that many small businesses are unintentionally noncompliant because they do not realize they have sufficient knowledge of the tax system. Knowledge levels can be improved if small businesses taxpayers can be convinced of their ‘need to know’.

McKerchar, Margaret (2007), 'Tax complexity and its impact on tax compliance and tax administration in Australia', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2007 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 201-220.

McKerchar, Margaret and Evans, Chris (2009), 'Sustaining growth in developing economies through improved taxpayer compliance: challenges for policy makers and revenue authorities', *eJournal of Tax Research*, vol. 7(2), pp. 171-201.

McManus, Jacqui. (2007), 'Enhancing tax auditors' capability: Tackling non-compliance head on', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 227-242. This paper considers a novel approach developed for the Australian Tax Office to enhance tax auditors' capability based on developing and sharing 'know how'.

McManus, Jacqui and Warren, Neil (2006), 'The case for measuring tax gap', *eJournal of Tax Research*, vol. 4(1), pp. 61-79.

Melumad, Nahum D. and Mookherjee, Dilip (1989), 'Delegation as commitment: The case of income tax audits', *RAND Journal of Economics*, vol. 20(2), pp. 139-163. Cited in Andreoni *et al.* (1999).

Mikesell, John L. 'Amnesties for state tax evaders: The nature of and response to recent programs', *National Tax Journal*, vol. 39(4), pp. 507-525. Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2007).

Miller, R. (1979) 'A note on the evidence of attitudes to evasion from a sample survey', in A. Seldon, (ed). (1979), *Tax Avoidance: The Moral Blurring of a Legal Distinction without and Economic Difference*, Institute of Economic Affairs, London. Abstract in Ahmed *et al.* (2003), p. 145.

Milliron, V. (1985a), 'An analysis of the relationship between tax equity and tax complexity', *Journal of the American Tax Association*, Fall, pp. 17-31. Cited in Jackson and Milliron (1986).

Milliron, V. (1985b), 'A behavioral study of the meaning and influence of tax complexity', *Journal of Accounting Research*, (Autumn), pp. 794-816.  
Cited in Jackson and Milliron (1986).

Milliron, V. (1988), 'A conceptual model of factors influencing tax preparers' aggressiveness', in S. Moriarity and J. H. Collins (eds.) *Contemporary Tax Research*, University of Oklahoma, Norman, OK.  
Cited in Kirchler (2007).

Milliron, V. C. and Toy, D.R. (1988), 'Tax compliance: An investigation of the key features', *Journal of the American Tax Association*, vol. 9(2), pp. 84-104.

Cited in Kirchler (2007) and Richardson and Sawyer (2007).

Abstract in Ahmed *et al.* (2003), pp. 42-43.

This paper is concerned with individuals' tax noncompliance by an examination of CPAs' perceptions of seven key compliance features: deductions permitted, Internal Revenue Service information services, withholding and information reporting, tax preparer responsibilities and penalties, the probability of audit, tax rates and taxpayer penalties. The results indicate that CPAs consider reducing tax rates to be the single most important feature for increasing tax compliance. The paper also assesses the results in the light of the competing perspectives of economic deterrence and fiscal psychology and found them to be consistent with the latter. The authors concluded therefore that the key to improving tax compliance is tax reform not increasing penalties.

Mills, Lillian F. (1996) 'Corporate tax compliance and financial reporting', *National Tax Journal*, vol, 49(3), pp. 421-435.

Mitchell, Chester N. (1985), 'Willingness-to pay: Taxation and tax compliance', *Memphis State University Law Review*, vol. 15, pp. 127-178.

Mittone, Luigi and Patelli, Paolo (2000), 'Imitative behaviour in tax evasion', in Benedikt Stefansson and Francesco Luna (eds.) *Economic Simulation in a Swarm: Agent-Based Modelling and Object Oriented Programming*, Kluwer, Amsterdam, pp. 133-158.

Mork, K. (1975), 'Income tax evasion: Some empirical evidence', *Public Finance*, vol. 30, pp. 70-76.

Cited in Jackson and Milliron (1986).

Morris, Tony, and Lonsdale, Michele (2004), 'Translating the compliance model into practical reality', in *The IRS Research Bulletin: Proceedings of the 2004 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 57-75.

Moser, D.V., Evans III, J.H. and Kim, C.K. (1995), 'The effects of horizontal and exchange inequity on tax reporting decisions', *Accounting Review*, vol. 70(4), 619-634. Cited in Kirchler (2007) and Richardson and Sawyer (2007).

Murphy, Kristina (2003a), 'An examination of taxpayers' attitudes towards the Australian tax system: Findings from a survey of tax scheme investors', *Australian Tax Forum*, vol. 18(2), pp. 208-241.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 7.

Based on survey data from 2,301 investors in schemes subsequently restricted by the Australian Tax Office and 2,040 taxpayers from the general population found that the former were disillusioned with the tax system and more likely to be hostile and resistant towards the ATO. Discusses possible improvements in the way the aggressive tax planning might be dealt with.

Murphy, Kristina (2003b), 'Procedural justice and tax compliance', *Australian Journal of Social Issues*, vol. 38(3), pp. 379-407.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), pp. 6-7.

Reported the results of in-depth interviews conducted with 29 investors in 'tax effective' schemes that were subsequently regarded by the Australian Tax Office (ATO) as an abuse. In line with the procedural justice literature, the study found that many scheme investors defied the demands of the ATO because the procedures it used to deal with the situation were thought to be unfair.

Murphy, Kristina (2004a), 'Aggressive tax planning: Differentiating those playing the game from those who don't', *Journal of Economic Psychology*, vol. 25(3), pp. 307-329.

Cited in Kirchler (2007).

Murphy, Kristina (2004b), 'Moving towards a more effective model of regulatory enforcement in the Australian Taxation Office', *British Tax Review*, pp. 603-619.

Murphy, Kristina (2004c), 'The role of trust in nurturing compliance: A study of accused tax avoiders', *Law and Human Behavior*, vol. 28(2), pp. 187-209.  
Cited in Kirchler (2007).

Murphy, Kristina (2005), 'Regulating more effectively: The relationship between procedural justice, legitimacy and tax non-compliance', *Journal of Law and Society*, 32(4), pp. 562-589.

Murphy, Kristina (2008), 'Enforcing tax compliance: to punish or persuade?' *Economic Analysis and Policy*, vol. 38(1), pp. 113-35

Murphy, Kristina and Tyler, Tom (2008), 'Procedural justice and compliance behaviour: the mediating role of emotions', *European Journal of Social Psychology*, vol. 38(4), pp. 652-68.

Myddelton, D.R. (1979) 'Tax avoidance: Its costs and benefits', in A. Seldon, (ed). (1979), *Tax Avoidance: The Moral Blurring of a Legal Distinction without and Economic Difference*, Institute of Economic Affairs, London.  
Abstract in Ahmed *et al.* (2003), p. 145.

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Nagin, D.S. (1990), 'Policy options for combating tax noncompliance'. *Journal of Policy Analysis and Management*, vol. 9(1), pp. 7-22.

Cited in Richardson and Sawyer (2007).

Abstract in Ahmed *et al.* (2003), p. 103.

This paper examines seven categories of enforcement instruments for dealing with noncompliance aiming to summarize what is known about each and to delineate criteria for evaluating the desirability of enforcement interventions of each type. Several themes emerge, one of which is that a relevant dimension of effectiveness is equity.

National Audit Office (1994), *HM Customs and Excise: Cost to Business of Complying with VAT Requirements*, HMSO, London.

Cited in Evans (2003a) - empirical work summarized on p. 86.

Nethercott, Les, (2004), 'Tax administration: A new era of compliance', paper presented at the conference on *Current Issues in Taxation*, University of Newcastle, Australia.

Niemiowski, P., Baldwin, S. and Wearing, A. (2001), 'Thirty years of tax compliance research: Of what use is it to the ATO? In M. Walpole and C. Evans (eds.) *Tax Administration in the 21<sup>st</sup> Century*, Prospect, Sydney, pp. 199-214.

Cited in Kirchler (2007).

Niemiowski, P. and Wearing, A. (2003), 'Taxation agents and taxpayer compliance', *Journal of Australian Taxation*, vol. 6(2), pp. 166-200.

Cited in Kirchler (2007).

Nigrini, M.J. (1996), 'A taxpayer compliance application of Benford's Law', *Journal of the American Taxation Association*, vol. 18(1), pp. 72-91.

Cited in Kirchler (2007).

Noga, T. and Arnold, V. (2002), 'Do tax decision support systems affect the accuracy of tax compliance decisions?' *International Journal of Accounting Information Systems*, vol. 3(3), pp. 125-144.

Cited in Kirchler (2007).



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Oats, Lynne and Tuck, Penelope (2008), 'The increasing use of financial reporting specialists to secure tax compliance: a UK study', *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

O'Donnell, E., Koch, B. and Boone, J. (2005), 'The influence of domain knowledge and tax complexity on tax professionals' compliance recommendations', *Accounting Organizations and Society*, vol. 30(2), pp. 145-165.  
Cited in Kirchler (2007).

O'Higgins, M. (1980), 'Tax evasion and the self-employed: An examination of the evidence', *British Tax Review*, pp. 367-378.  
Abstract in Ahmed *et al.* (2003), p. 87.

Oliver, Lord, of Aylmerton (1996), 'Judicial approaches to revenue law', in Malcolm Gammie and Adrian Shipwright, (eds.) *Striking the Balance: Tax Administration, Enforcement and Compliance in the 1990s*, Institute for Fiscal Studies, London, pp. 173-186.  
A discussion of tax avoidance.

Oliver, Stephen (1996), 'The role of the tax tribunals', in Malcolm Gammie and Adrian Shipwright, (eds.) *Striking the Balance: Tax Administration, Enforcement and Compliance in the 1990s*, Institute for Fiscal Studies, London, pp. 187-200.

Orviska, M. and Hudson, J. (2002), 'Tax evasion, civic duty and the law abiding citizen', *European Journal of Political Economy*, vol. 19(1), pp. 83-102.  
Cited in Kirchler (2007).

Oster, C. and Lynn, A. (1955), 'Compliance costs and the Axle Mile Tax', *National Tax Journal*, vol. 8(2), pp. 209-214.  
Cited in Evans (2003a).

Ott, Katarina (2004) 'The evolution of the informal economy and tax evasion in Croatia', *eJournal of Tax Research*, vol. 2(1), pp. 113-124.

Ott, Katarina and Bajo, Anto (2001), 'Compliance costs in transitional economies – The Croatia experience', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 229-248.

Owens, Jeffrey and Hamilton, Stuart (2004), 'Experience and innovations in other countries', in Henry J. Aaron and Joel Slemrod (eds.) *The Crisis in Tax Administration*, Brooking Institution Press, Washington DC. pp. 347-379.

Cited in Kirchler (2007).

This chapter includes a section on the need of small businesses for special consideration and the observation that 'You have to make the system a lot simpler for such people if you expect them to comply easily', (p. 357). It is also suggested that new approaches to compliance are needed.

Oxley, Prue and Elwela, Darshana (2007), 'Tax compliance costs of New Zealand small businesses, 2004: Designing the survey for its policy purpose', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 435-454.

This chapter reports on the first phase of the New Zealand Inland Revenue's programme of tax compliance cost research – a survey to benchmark the compliance costs of small and medium sized businesses in October 2004.

Oxley, Prue, Turner, Stuart and Sullivan, Charles (2005), 'Tax compliance costs of small businesses 2004: Improving the estimates', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 97-115.

## P

Pallot, Marie and Wright, Alison (2008), 'Legislation encouraging voluntary compliance', *Safe Harbours and New Horizons*, 8<sup>th</sup> International Tax Administration Conference, Faculty of Law, University of New South Wales, 27-28 March, Sydney.

Park, C.G. and Hyun, J.K. (2003), 'Examining the determinants of tax compliance by experimental data: A case of Korea', *Journal of Policy Modeling*, vol. 25(8), pp. 673-684.  
Cited in Kirchler (2007).

Payne, James, L. (1993), *Costly Returns: The Burdens of the U.S. Tax System*, ICS Press, Institute for Contemporary Studies, San Francisco, California.  
Cited in Kirchler (2007).

A wide ranging examination of the compliance costs of the US tax system identifying 30 different kinds of cost. There are chapters on compliance costs; enforcement costs relating to audits and correspondence, litigation and forced collections; disincentive costs; governmental costs; emotional, moral and cultural costs and the culture of taxing.

Pencavel, John H. (1979), 'A note on income tax evasion, labor supply and nonlinear tax schedules', *Journal of Public Economics*, vol. 12(1), pp. 115-124.  
Cited in Andreoni *et al.* (1999), Fischer *et al.* (1992) and Jackson and Milliron (1986).  
Abstract in Ahmed *et al.* (2003), p. 147.

Pestieau, Pierre and Posden, Uri M. (1991), 'Tax evasion and occupational choice', *Journal of Public Economics*, vol. 45(1), pp. 107-125.  
Cited in Andreoni *et al.* (1999).

Pestieau, Pierre and Posden, Uri M. (1992), 'How do taxes affect occupational choice?' *Public Finance*, vol. 47(1), pp. 108-119.  
Abstract in Ahmed *et al.* (2003), p. 177  
This paper analyses occupational choice and labour supply arising from variations in the tax structure within a setting of uncertainty and tax evasion.

Phillips, John and Sansing, Richard C. (1998), 'Contingent fees and tax compliance', *The Accounting Review*, vol. 73(1), pp. 1-18.

This paper is concerned with the effects of banning contingent fees for tax return preparation services.

Picciotto, Sol (2007), 'Constructing compliance: game playing, tax law and the regulatory state', *Law and Policy*, vol. 29(1), pp. 11-30.

A proposal to rethink approaches to compliance.

Pinney, N and Scholz, J. (1992), *Can Cognitive Consistency Cure Collective Dilemmas? Self Interest versus Duty to Pay Taxes*, Russell Sage Foundation Working Paper, No. 28. Abstract in Ahmed *et al.* (2003), p. 32.

An analysis of survey and tax return information from 440 taxpayers demonstrated that individuals reporting greater commitment to comply with tax law systematically overestimate the chances of being caught if they evade taxes, thus making self-interest calculations about tax evasion consistent with perceived citizenship obligations.

Plamondon, R. (1993), *GST Compliance Costs for Small Business in Canada*, Department of Finance, Ottawa.

Cited in Evans (2003a) - empirical work summarized on p. 81.

For a discussion of the report, including a summary of the methodology and main findings, by the Chief of the GST – General Operations Section, Department of Finance, Canada see Wurts (1995).

Plamondon, R. (1995), *A Study of the Quick Method of Accounting*, Plamondon and Associates, Ottawa.

Cited in Evans (2003a) - empirical work summarized on p. 82.

Plamondon, R. (1996), *Compliance Issues: Small Business and the Corporate Income Tax System*, Plamondon and Associates, Ottawa.

Plamondon, R. (1997), *Business Compliance Costs for Federal and Provincial Payroll Taxes*, Plamondon and Associates, Ottawa.

Cited in Evans (2003a) - empirical work summarized on p. 83.

Plamondon, Robert and Zussman, David (1998), 'The compliance costs of Canada's major tax systems and the impact of single administration', *Canadian Tax Journal*, vol. 46(4), pp. 761-785.

Cited in Evans (2003a) - empirical work summarized on p. 83.

Plumley, Alan (2005), 'Preliminary update of the tax year 2001 individual income tax underreporting gap estimates', in *Recent Research on Tax Administration and Compliance: Proceedings of the 2005 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 15-25.

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Polinsky, A.M. and Shavell, S. (1992), 'Enforcement costs and the optimal magnitude and probability of fines', *Journal of Law and Economics*, vol. 35(1), pp. 133-148.

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Pope, Jeff (1993), 'The compliance costs of taxation in Australia and tax simplification: The issues', *Australian Journal of Management*, vol. 18(1), pp. 69-89.  
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This paper identifies six phases in the development of the compliance costs of taxation in an Australian context. Estimates of personal and corporate income taxation are made together with a cautious international comparison.

Pope, Jeff (1993), 'Compliance cost of the wholesale tax/payroll tax and the proposed goods and services tax', *Taxation in Australia*, vol. 1(5), pp. 292-296.  
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Pope, Jeff (1994), 'Policy implications arising from compliance cost of taxation research', *Australian Tax Forum*, vol. 11(1)  
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Pope, Jeff (2001), 'Factors affecting the compliance costs of the goods and services tax in Australia', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp.139-157.

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Pope, Jeff (2005), 'Tax compliance costs', in Margaret Lamb, Andrew Lymer, Judith Freedman and Simon James (eds.) *Taxation: An Interdisciplinary Approach to Research*, Oxford University Press, pp. 203-216.

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Pope, Jeff and McKerchar, Margaret (2010), 'The concept of tax morale and its role in tax compliance behaviour', paper presented at the conference of the Tax Research Network, Bangor University, 7-8 September.

Pope, Jeff and Isa, Khadija Mohd (2010), 'Taxpayer and tax agent attitudes towards tax compliance: findings from a focus group study of Malaysian corporate tax auditors', paper presented at the 9<sup>th</sup> International Tax Administration Conference, ATAX, University of New South Wales, Sydney, 7-9 April.

Porcano, T. (1984), 'Distributive justice and tax policy', *The Accounting Review*, (October), pp. 619-636.

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Porcano, T.M. (1988), 'Correlates of tax evasion', *Journal of Economic Psychology*, vol. 9(1), pp. 47-67.

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A survey was undertaken of 142 taxpayers to establish the extent of their tax evasion and to measure each of 18 variables that might affect tax evasion. The results indicated that the variables affected different types of tax evasion differently and not all the variables included significantly influenced tax evasion.

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Reinganum, Jennifer F. and Wilde, Louis, L. (1991), 'Equilibrium enforcement and compliance in the presence of tax practitioners' *Journal of Law, Economics and Organization*, vol. 7(1), pp. 163-181.

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Compliance research and the political context by John T. Scholz

Taxpayer behaviour in social context by Robert Kidder and Craig McEwen

On the visibility of income tax law violations by Robert A. Kagan

The criminal deterrence literature: Implications for research on taxpayer compliance  
by Steven Klepper and Daniel Nagin

Complexity, compliance costs and tax evasion by Joel Slemrod

The effect of tax advisers on tax compliance by Suzanne Scotchmer

Social motivations to comply: Norms, values and principles by Robert B. Cialdini

A cognitive-process analysis of taxpayer compliance by John S. Carroll

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Sharkey, Nolan Cormac (2007), 'Tax evasion and administration realities in the People's Republic of China: Some initial findings from discussion with tax officers in Fujian Province', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 175-181.

Shavell, Steven, (1987), 'The optimal use of non-monetary sanctions as a deterrent', *American Economic Review*, vol. 77(4), pp. 584-592.  
Cited in Andreoni *et al.* (1999).

Shavell, Steven, (1991), 'Specific versus general enforcement of the law', *Journal of Political Economy*, vol. 99, pp. 1088-1109.

Sheffrin, Steven M. and Triest. Robert K. (1992), 'Can brute deterrence backfire? Perceptions and attitudes in taxpayer compliance', in Joel Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan, pp. 193-218.

Cited in Andreoni *et al.* (1999) and Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 62.

This paper presents evidence that attitudes are important determinants of taxpayer compliance. A negative attitude toward the tax system and perceiving other taxpayers as dishonest both significantly increase the likelihood an individual will evade taxes.

Shekidele, C. (1990), 'Measuring the compliance costs of taxation excise duties 1995-96', *The African Journal of Finance and Management*, vol. 7(2), pp. 72-84.  
Cited in Evans (2003a).

Shepanski, A. and Shearer, T. (1995), 'A Prospect Theory Account of the Income Tax Withholding Phenomenon', *Organizational Behavior and Human Decision Processes*, vol. 63(2), pp. 174-186.

Abstract in Ahmed *et al.* (2003), pp. 14-15.

Shover, Neal, Job, Jenny and Carroll, Anne (2003), 'The ATO compliance model in action: A case study of building and construction', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 159-176.

Skinner J. and Slemrod, J. (1993), 'An economic perspective on tax evasion', *National Tax Journal*, vol. 38(3), pp. 345-353.

Abstract in Ahmed *et al.* (2003), p. 99.

This contribution focuses on efficiency aspects of tax evasion, such as tradeoffs between enforcement and penalties and examines issues of horizontal and vertical equity.

Slemrod, Joel (1985), 'An empirical test for tax evasion', *Review of Economics and Statistics*, vol. 67(2), pp. 232-238.

Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986) and Kirchler (2007).

Abstract in Ahmed *et al.* (2003), pp. 185-186.

Slemrod, Joel (1989), 'Complexity, compliance costs and tax evasion', in Jeffrey A. Roth and John T. Scholz (eds.) *Taxpayer Compliance: vol. 2, Social Science Perspectives*, University of Pennsylvania Press, Philadelphia, pp. 156-181.

Cited in Richardson and Sawyer (2001).

Slemrod, Joel (1989), 'The return to tax simplification: An econometric analysis', *Public Finance Quarterly*, vol. 17(1), pp. 3-27.

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Slemrod, J. (ed.) (1992), *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan.

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Slemrod, Joel (2007), 'Cheating ourselves: The economics of tax evasion', *Journal of Economic Perspectives*, vol. 21(1), pp. 25-48.

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Cited in Evans (2003a) - empirical work summarized on p. 82.

Slemrod, J., Blumenthal, M. and Christian C. (2001), 'Taxpayer response to an increased probability of audit: Evidence from a controlled experiment in Minnesota', *Journal of Public Economics*, vol. 79(3) pp. 455-482.  
Cited in Kirchler (2007).

Slemrod, Joel and Sorum, Nikki (1984), 'The compliance cost of the US individual income tax system', *National Tax Journal*, vol. 37(4), pp. 461-74.  
Cited in Andreoni *et al.* (1999) and Evans (2003a) - empirical work summarized on p. 80

Slemrod, Joel and Venkatesh, Varsha (2002), *The Income Tax Compliance Cost of Large and Mid-Size Businesses: A Report to the IRS Large and Mid-Size Business Division*, Office of Tax Policy Research, University of Michigan Business School.  
Cited in Evans (2003a) - empirical work summarized on p. 83.

Slemrod, Joel and Yitzhaki, Shlomo, (1987), 'The optimal size of a tax collection agency' *Scandinavian Journal of Economics*, vol 89(2), pp. 183-192.  
Cited in Andreoni *et al.* (1999).

Slemrod, Joel and Yitzhaki, Shlomo (2002), 'Tax avoidance, evasion and administration', in Alan J. Auerbach and Martin Feldstein (eds.) *Handbook of Public Economics*, vol. 3, Elsevier, Amsterdam, pp. 1423-1470.

Smith, K.W. (1990), 'Integrating three perspectives on noncompliance: A sequential decision model', *Criminal Justice and Behavior*, vol. 17(3), pp. 350-369.  
Cited in Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), pp. 38-39 and 128.  
The author uses decision research to outline a sequential decision-making model.  
Hypotheses from the model are supported by survey data on income tax noncompliance.

Smith, Kent W. (1992), 'Reciprocity and fairness: Positive incentives for tax compliance', in Joel Slemrod (ed.), *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan, pp. 223-250.  
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Smith, K.W. and Kinsey, K.A. (1987), 'Understanding taxpayer behavior: A conceptual framework with implications for research', *Law and Society Review*, vol. 21(4), pp. 639-663.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), pp. 134-135.

The authors' framework for taxpaying research emphasizes that compliance is as problematic as noncompliance, that individuals have different opportunities and that taxpaying does not necessarily involve deliberate decisions. Both the process of decision-making and the content of decisions must be studied. The content of compliance decisions are affected by four clusters of factors: material consequences, normative expectations, socio-legal attitudes and beliefs and expressive factors.

Smith, K.W. and Stalans, L.J. (1991), 'Encouraging tax compliance with positive incentives: A conceptual framework and research directions', *Law and Policy*, vol. 13(1), pp. 35-53.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 101.

Previous research suggests that respectful treatment and praise may be more effective incentives than materialistic incentives for achieving long lasting compliance because people have a strong tendency to reciprocate actions they receive from authorities. This paper draws on learning and social psychological research to identify the processes by which positive incentives induce compliance using tax as a specific example.

Smith, K.W. and Stalans, L.J. (1994), 'Negotiating strategies for tax disputes: Preferences of taxpayers and auditors', *Law and Social Enquiry*, vol. 19(2), pp. 337-368.

Abstract in Ahmed *et al.* (2003), p. 98.

This study uses data from pre-audit interviews with taxpayers and state tax auditors to explore how characteristics of tax disputes, the roles of the parties, citizens' perceptions of the attitudes and orientations of officials and other factors affect the strategies officials and taxpayers prefer for resolving disputes.

Smulders, Sharon and Naidoo, Gelishan (2010), 'Small business tax compliance burden – is the South African revenue service building bridges, roads or pathways to alleviate this burden?' paper presented at the 9<sup>th</sup> International Tax Administration Conference, ATAX, University of New South Wales, Sydney, 7-9 April.

Snively, K. (1990), 'Government policies to reduce tax evasion: Coerced behavior versus services and values development', *Policy Sciences*, vol. 23, pp. 57-72.

Abstract in Ahmed *et al.* (2003), pp. 103-104.

A distinction is made between coercive compliance policies and those that emphasize developing taxpaying values among citizens through service improvement and informational strategies. The paper examines the utility of service and values based policies and the need for increased investment in these areas of tax administration.

Snow, A. and Warren, R.S.J. (2005), 'Tax evasion under random audits with uncertain detection', *Economics Letters*, vol. 88(1), pp. 97-100.

Cited in Kirchler (2007).

Song, Y.D. and Yarborough, T.E. (1978), 'Tax ethics and taxpayer attitudes: A survey', *Public Administration Review*, vol. 38, pp. 442-452.

Cited in Fischer *et al.* (1992), Jackson and Milliron (1986) and Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 69.

Spicer, M.W. (1986), 'Civilization at a discount: The problem of tax evasion', *National Tax Journal*, vol. 39(1), pp. 13-20.

Cited in Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp 136-137.

Reviews research on tax evasion from a number of disciplines. It is argued that economic models do not explain empirical findings which suggest the importance of non-maximizing behavior and social norms of compliance.

Spicer, M.W. (1990), 'On the desirability of tax evasion: Conventional versus constitutional economic perspectives', *Public Finance*, Vol. 45(1), pp. 119-127.

Abstract in Ahmed *et al.* (2003), pp 180-181.

Existing literature has discussed the desirability of tax evasion. This paper argues that an economic analysis of this issue would be better framed within a constitutional framework which is developed drawing on the work of Brennan and Buchanan.

Spicer, Michael, W. and Becker, Lee A. (1980), 'Fiscal inequality and tax evasion: An experimental approach', *National Tax Journal*, vol. 33(2), pp. 263-267.

Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986) and Kirchler (2007).

Spicer, Michael W. and Hero, Rodney E. (1985), 'Tax evasion and heuristics: A research note', *Journal of Public Economics*, vol. 26(2), pp. 263-267.

Cited in Andreoni *et al.* (1999), Fischer *et al.* (1992), Jackson and Milliron (1986) and Kirchler (2007).

Spicer, Michael W. and Lundstedt, S.B. (1976), 'Understanding tax evasion', *Public Finance*, vol. 31(2), p. 295-305.

Cited in Andreoni *et al.* (1999), Fischer *et al.* (1992), Jackson and Milliron (1986) and Kirchler (2007).

Spicer, Michael W. and Thomas, J.Everett (1982), 'Audit probabilities and the tax evasion decision: An experimental approach', *Journal of Economic Psychology*, vol. 2, pp. 241-245

Cited in Fischer *et al.* (1992)

Spiro, Peter S. (2005), 'Tax policy and the underground economy', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 179-201.

Sproule, R., Komus, D. and Tsang, E. (1980), 'Optimal tax evasion: Risk-neutral behaviour under a negative income tax', *Public Finance*, vol. 35(2), pp. 309-317.

Abstract in Ahmed *et al.* (2003), p. 144.

Srinivasan, T.N. (1973), 'Tax evasion: A model', *Journal of Public Economics*, vol. 2(4), pp. 339-346.

Cited in Andreoni *et al.* (1999) Fischer *et al.* (1992), and Kirchler (2007).

Stalans, L.J. and Kinsey, K.A. (1994), 'Self-presentation and Legal Socialization in Society: Available Messages about Personal Tax Audits', *Law and Society Review*, vol. 28(4), pp. 859-895.

Abstract in Ahmed *et al.* (2003), pp. 15-16.

To examine the possible ripple effects of enforcement contacts on the general population's support for the tax authorities the authors compared what a sample of 237 taxpayers said happened in their tax audit interviews with what they told members of their social network. As individuals are concerned with others' images of them this may weaken a bias towards negative messages. The results indicated that messages about fairness of decision-making, favourable outcomes and dignity more closely approximated the distribution of the audited taxpayers' perceptions. A bias was found in two situations – in messages about instrumental quality and on the rare occasions when taxpayers were subject to undignified treatment but there was a favourable outcome.

Stalans, L.J., Kinsey, K.A. and Smith, K.W. (1991), 'Listening to different voices: Formation of sanction beliefs and taxpaying norms', *Journal of Applied Social Psychology*, vol. 21, pp. 119-138.

Cited in Richardson and Sawyer (2001).

Stalans, L. J. and Lind, E.A. (1997), The meaning of procedural fairness: A comparison of taxpayers' and representatives' views of their tax audits', *Social Justice Research*, vol. 10(3), pp. 311-331.

Cited in Kirchler (2007).

Stalans, Loretta J., Smith, Kent W. and Kinsey, Karyl A. (1989), 'When do we think about detection? Structural opportunity and taxpaying behavior', *Law and Social Inquiry*, vol. 14(3), pp. 481-503.

Cited in Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 41.

Stavrianos, Michael and Greenland Arnold (2002), 'Design and Development of the Wage and Investment Compliance Burden Model' paper presented at the IRS Research Conference, USA, 2002.

Cited in Evans (2003a) - empirical work summarized on p. 83.

Steenbergen, M., McGraw, K. and Scholz, J. (1992), 'Taxpayer adaptation of the 1986 Tax Reform Act: Do new tax laws affect the way taxpayers think about taxes?', in J. Slemrod (ed.) *Why People Pay Taxes: Tax Compliance and Enforcement*, University of Michigan Press, Ann Arbor, Michigan.  
Abstract in Ahmed *et al.* (2003), pp. 16-17.  
This chapter aims to provide a cognitively informed account of how citizens respond to new tax laws emphasizing the cognitive processes of adaptation.

Stella, Peter (1991), 'An economic analysis of tax amnesties', *Journal of Public Economics*, vol. 46(3), pp. 283-400.  
Cited in Kirchler (2007).

Stiglitz, Joseph E. (1982), 'Utilitarianism and horizontal equity: The case for random taxation', *Journal of Public Economics*, vol. 18(1), pp. 1-33.  
Cited in Andreoni *et al.* (1999).

Stiglitz, J.E. (1985), 'The general theory of tax avoidance', *National Tax Journal*, vol. 38(3), pp. 325-338.  
Abstract in Ahmed *et al.* (2003), p. 137.

Strümpel, Burkhard (1966), 'The disguised tax burden compliance costs of German business men and professionals', *National Tax Journal*, vol. 19(1), pp. 70-77.  
Cited in Kirchler (2007).

Strümpel, Burkhard (1969), 'The contribution of survey research to public finance', in A.T. Peacock (ed.), *Quantitative Analysis in Public Finance*, Praeger, New York, pp. 13-22.  
Cited in Jackson and Milliron (1986) and Kirchler (2007).

Swenson, Charles (1988), 'Taxpayer behavior in response to taxation: An experimental analysis', *Journal of Accounting and Public Policy*, vol. 7(1), pp. 1-28.

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Talib, A.A. (1996), 'The compliance costs of taxation', *Bulletin for International Fiscal Documentation*, vol. 50(9), pp. 418-421.  
Abstract in Ahmed *et al.* (2003), p. 154.

Tan, L.M. (1999), 'Taxpayers' preference for type of advice from tax practitioner: A preliminary examination', *Journal of Economic Psychology*, vol. 20(4), pp. 431-447.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Tanzi, V. and Shome, P. (1994), 'A primer on tax evasion', *Bulletin for International Fiscal Documentation*, vol. 48(6-7), pp. 328-337.  
Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Tauchen, H.V., Witte, A.D. and Beron, K.J. (1993), 'Tax compliance: An investigation using individual Tax Compliance Measurement Program (TCMP) data', *Journal of Quantitative Criminology*, vol. 9, pp. 177-202.  
Cited in Richardson and Sawyer (2001).

Taylor, Natalie, (2003), 'Understanding taxpayer attitudes through understanding taxpayer identities', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 71-92.  
Cited in Kirchler (2007).

This chapter argues for a social-psychological approach to taxpayer behaviour that aims to show that attitudes towards paying tax are not stable, but determined by how one defines oneself in relation to the tax system, the tax authorities and other groups of taxpayers. It concludes that understanding how taxpayers perceive themselves in the tax system is necessary to understand the motivations that underlie taxpaying behaviour.

Taylor, Natalie (2005), 'Explaining taxpayer non-compliance through reference to taxpayer identities: A social identity perspective', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 39-53.

Tedds, Lindsay M. (2005), 'The underground economy in Canada', in Christopher Bajada and Friedrich Schneider (eds.) *Size, Causes and Consequences of the Underground Economy: An International Perspective*, Ashgate, Aldershot, pp. 157-176.

Thompson, A. (1984), 'Costs of taxpayer and employer compliance under a separate Ontario personal income tax system', in D. Conklin (ed.), *A Separate Personal Income Tax for Ontario: Background Studies*, Ontario Economic Council, Toronto.  
Cited in Evans (2003a) - empirical work summarized on p. 80.

Thurman, Q.C. (1988), 'Taxpayer noncompliance and attribution theory: An experimental vignette approach', *Public Finance*, vol. 43, pp. 147-156.  
Cited in Richardson and Sawyer (2001).

Thurman, Q.C. (1989), 'General prevention of tax evasion: A factorial survey approach', *Journal of Quantitative Criminology*, vol. 5, pp. 127-146.  
Cited in Richardson and Sawyer (2001).

Thurman, Q.C. (1991), 'Taxpayer noncompliance and general prevention: An expansion of the deterrence model', *Public Finance*, vol. 46(2), pp. 289-298.  
Cited in Richardson and Sawyer (2001).  
Abstract in Ahmed *et al.* (2003), p. 35.

Thurman, Q.C., John, C and Riggs, L. (1984), 'Neutralization and tax evasion: How effective would a moral appeal be in improving compliance to tax laws?' *Law and Policy*, vol. 6(3), pp. 309-327.  
Cited in Jackson and Milliron (1986) and Kirchler (2007).  
Abstract in Ahmed *et al.* (2003), p. 46.

The authors show that neutralization strategies which justify tax evasion sharply reduce the inhibiting effect of guilt feelings experienced with non-compliance.

Tillinghast, David R. (2004), 'Issues of international tax enforcement', in Henry J. Aaron, and Joel Slemrod, (eds.), *The Crisis in Tax Administration*, Brookings Institution Press, Washington DC, pp. 38-57.

This chapter considers issues concerning limited access to information by the Internal Revenue Service, strategies for obtaining information, the need to work with foreign tax agencies and complexity.

Tittle, C. (1980), *Sanctions and Social Deviance: The Question of Deterrence*, Praeger, New York.

Cited in Jackson and Milliron (1986) and Richardson and Sawyer (2001).

Tomasic, R. and Pentony B. (1991a), 'Tax compliance and the rule of law: From legalism to administrative procedure?' *Australian Tax Forum*, vol. 8(1), pp. 85-116.

Abstract in Ahmed *et al.* (2003), p. 63.

Survey of the perceptions of Australian tax practitioners and tax officials about the Taxation Ruling and Advance Opinion Systems.

Tomasic, R. and Pentony, B. (1991b), 'Tax law compliance and the role of professional tax advisers', *Australia and New Zealand Journal of Criminology*, vol. 24, pp. 241-257.

Cited in Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 63.

Discusses the role of tax practitioners – not only as intermediaries between the taxpayer and the authorities but also in terms of the influence they may have on the ethical climate and level of compliance – with reference to data derived from an empirical study of Australian tax practitioners and tax officials.

Tooma, Rachel, (2007), 'Deterring promoters of tax exploitation schemes', in Margaret McKerchar and Michael Walpole (eds.), *Further Global Challenges in Tax Administration*, Fiscal Publications, Birmingham, pp. 243-262.

This paper is concerned with two responses to tax avoidance schemes. The first is the civil penalty model whereby promoters of inappropriate tax exploitation schemes may be subject to penalties – an approach used in Australia and New Zealand. The second is the disclosure model whereby promoters have to disclose tax schemes to the revenue authorities before marketing them – an approach used in Canada, the USA and the UK.

Torgler, Benno (2002), 'Speaking to theorists and searching for facts: Tax morale and tax compliance in experiments', *Journal of Economic Surveys*, vol. 16(5), pp. 657-683.

Cited in Kirchler (2007).

Torgler, B. (2003), 'Does culture matter? Tax morale in an East-West-German comparison', *FinanzArchiv*, vol. 59(4), pp. 504-528.

Cited in Kirchler (2007).



Torgler, B. (2003), 'To evade taxes or not to evade: That is the question', *Journal of Socio-Economics*, vol. 32(3), pp. 283-302.  
Cited in Kirchler (2007).

Torgler, B. (2003), 'Tax morale in transition countries', *Post-Communist Economies*, vol. 15(3), pp. 357-381.  
Cited in Kirchler (2007).

Torgler, B. (2003), 'Tax morale, rule-governed behaviour and trust', *Constitutional Political Economy*, vol. 14(2), pp. 119-140.  
Cited in Kirchler (2007).

Torgler, B. (2005), 'Tax moral and direct democracy', *European Journal of Political Economy*, vol. 21(2), pp. 525-531.  
Cited in Kirchler (2007).

Torgler, B. (2005), 'Tax morale in Latin America', *Public Choice*, vol. 122(1-2), pp. 133-157.  
Cited in Kirchler (2007).

Torgler, Benno (2006), 'The importance of faith: Tax morale and religiosity', *Journal of Economic Behavior & Organization*, vol. 61(1), pp. 81-109

Torgler, Benno (2006), 'Compliance in India: An Empirical Analysis', *The I C F A I Journal of Public Finance*, vol. 4(2), pp. 7-18.

Torgler, Benno, (2007), *Tax Compliance and Tax Morale: A Theoretical and Empirical Analysis*, Edward Elgar, Cheltenham.

This book draws on previously published papers but much is revised and updated. It is divided into three parts: Part I has three chapters on the background and research overviews. Part II has four chapters on 'What shapes tax morale?' and Part III has two chapters on tax policy strategies - the first is concerned with moral suasion and the second with tax amnesties and political persuasion.

Torgler, Benno (2008), 'What do we know about tax fraud? An overview of recent developments', *Social Research*, vol. 75(4), pp. 1239-1270.

Torgler, Benno and Murphy, Kristina (2004), 'Tax morale in Australia: What shapes it and has it changed over time?' *Journal of Australian Taxation*, vol. 7(2), pp. 298-395.

Torgler, Benno and Schaltegger, Christoph A. (2006), 'Growth effects of public expenditure on the state and local level: evidence from a sample of rich governments', *Applied Economics*, vol. 38(10), pp. 1181-1192.

Torgler, Benno and Schneider, Friedrich (2007), 'What shapes attitudes toward paying taxes? Evidence from multicultural European countries', *Social Science Quarterly*, vol. 88(2), pp. 443-470.

Toumi, Marika (2002), 'Anti-avoidance and harmful tax competition: From unilateral to multilateral strategies?' in Andrew Lymer and John Hasseldine (eds.) *The International Taxation System*, Kluwer Academic Publishers, Dordrecht, pp. 83-104.

Tran-Nam, Binh (1999), 'Comments on "Recognising the pitfalls in tax compliance research"', *Revenue Law Journal*, Vol. 9(1), pp. 157-171.  
A comment on Turner *et al.* (1998).

Tran-Nam, Binh (2001), 'Tax compliance costs methodology – A research agenda for the future', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 51-68.

Tran-Nam, Binh (2001), 'Use and misuse of tax compliance costs in evaluating the GST', *Australian Economic Review*, vol. 34(3), pp. 279-290.

Tran-Nam, Binh (2003), 'Tax Compliance Research: An Economic Perspective', *New Zealand Journal of Taxation Law and Policy*, 9(4), pp. 455-468.

Tran-Nam, Binh and Evans, Chris (2002), 'The impact of Cedric Sandford on the discipline of tax compliance costs', *Australian Tax Forum*, vol. 17(4) 499-536.  
Cited in Evans (2003a).

Tran-Nam, Binh, Evans, Chris, Walpole, Michael and Ritchie, Katherine (2000), 'Tax compliance costs: Research methodology and empirical evidence from Australia', *National Tax Journal*, 53(2), pp. 229-252.  
This paper focuses on the methodology of estimating taxation compliance costs and also reports some aggregate empirical findings.

Tran-Nam, B. and Glover, J. (2002), 'Estimating the transitional compliance costs of the GST in Australia: A case study approach', *Australian Tax Forum*, vol. 17 (4), pp. 499-536.  
Cited in Evans (2003a) - empirical work summarized on p. 90.

Trivedi, V.U., Shehata, M. and Lynn, B. (2003), 'Impact of personal and situational factors on taxpayer compliance: An experimental analysis', *Journal of Business Ethics*, vol. 47(3), pp. 175-197.  
Cited in Kirchler (2007).

Turk, Alex and Mielke, Thomas (2004), 'IRS human capital: Hiring and attrition of employees in compliance occupations', in *The IRS Research Bulletin: Proceedings of the 2004 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 79-93.

Turk, Alex, Muzikir, Maryamm, Blumenthal, Marsha and Kalambokidis, Laura (2007), 'Charitable contributions in a voluntary compliance income tax system: itemized deductions versus matching subsidies', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2007 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 51-74.

Turner, John L. Smith, Malcolm and Gurd, Bruce (1998), 'Recognising the pitfalls in tax compliance costs research', *Revenue Law Journal* Vol. 8(1), pp. 62-87.

Tversky, A. and Kahneman, D. (1981), 'The framing of decisions and the psychology of choice', *Science*, vol. 211, pp. 453-458.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Tversky, A. and Kahneman, D. (1986), 'Rational choice and the framing of decision', *Journal of Business*, vol. 59 (October), pp. s252-s284.

Cited in Richardson and Sawyer (2001).

Tversky, A. and Kahneman, D. (1992), 'Advances in prospect theory: Cumulative representation of uncertainty', *Journal of Risk and Uncertainty*, vol. 5(4), pp. 297-323.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Tzur, J. and Kraizberg, E. (1995) 'Tax evasion and the risk averse tax collector,' *Public Finance*, Vol. 50, pp. 153-165.

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Uchitelle, Elliot (1989), 'The effectiveness of tax amnesty programs in selected countries', *Federal Reserve Bank of New York Quarterly Review*, vol. 14(3), pp. 48-53. Cited in Andreoni *et al.* (1999).

Usher, Dan (1986), 'Tax evasion and the marginal cost of public funds', *Economic Inquiry*, vol. 24(4), pp. 563-586. Cited in Andreoni *et al.* (1999).

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Vaillancourt, François (1987), 'The compliance costs of taxes on business and individuals: A review of the evidence', *Public Finance*, vol. 42(3), pp. 395-413.

Vaillancourt, François (1989), *The Administrative and Compliance Costs of the Personal Income Tax and Payroll Tax System in Canada*, Canadian Tax Paper No, 86, Canadian Tax Foundation, Toronto.

Cited in Evans (2003a) - empirical work summarized on p. 81.

See also Vaillancourt (1995).

Vaillancourt, François (1995), 'The compliance costs of individuals in Canada: Personal income tax and payroll taxes', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 196-209.

Cited in Richardson and Sawyer (2001).

This chapter presents the methodology and results of part of the study carried out from Canada in 1986 of compliance costs of the personal income tax and payroll taxes (Vaillancourt, 1989).

Vaillancourt, François and Etienne Blais (1995), 'The evolution of compliance time of personal income tax-filers in Canada 1971-1993', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 263-272.

This chapter presents a methodology for estimating the evolution of tax compliance costs in the absence of survey data and applies it to Canada.

Van de Braak, H. (1983), 'Taxation and tax resistance', *Journal of Economic Psychology*, vol. 3(2), pp. 95-113.

Cited in Kirchler (2007).

Varma, K.N., and Doob, A.N. (1998), 'Deterring economic crimes: The case of tax evasion', *Canadian Journal of Criminology*, vol. 40(2), pp. 165-184.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 23.

This paper examines the utility of deterrence theory for criminal justice in the context of tax evasion. Canadian survey data from 1,908 telephone interviews were examined. The results suggest that perceived penalties are not as important to decisions about tax evasion as are perceptions of the possibility of being caught.

Vasin, A.A. and Navidi, K. (2003), 'Optimal tax inspection strategy' *Computational Mathematics and Modeling*, vol. 14(2), pp. 160-172.

Cited in Kirchler (2007).

Vasina, P.A. (2003), 'Optimal tax enforcement with imperfect tax payers and inspectors', *Computational Mathematics and Modeling*, vol. 14(3), pp. 309-318.

Cited in Kirchler (2007).

Verboon, Peter, van Dijke, Mariuis (2007), 'A self-interest analysis of justice and tax compliance: how distributive justice moderates the effect of income favorability', *Journal of Economic Psychology*, vol. 28(6), pp. 704-727.

Verwaal, Ernst and Cnossen, Sijbren (2001), 'VAT compliance costs of cross-border business transactions in the European Union', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 99-111.

Verwaal, Ernst, and Cnossen, Sijbren (2002), 'Europe's new border taxes', *Journal of Common Market Studies*, vol. 40(2), pp. 309-330.

This paper analysis the determinants of compliance costs and their effect on intra-EU trade intensity.

Vihanto, M. (2003), 'Tax evasion and the psychology of the social contract', *Journal of Socio-Economics*, vol. 32(2), pp. 111-125.

Cited in Kirchler (2007).

Violette, G.R. (1989), 'Effects of communicating sanctions on taxpayer compliance', *Journal of the American Taxation Association*, vol. 11 (Fall), pp. 92-104.  
Cited in Richardson and Sawyer (2001).

Vogel, J. (1974), 'Taxation and public opinion in Sweden: An interpretation of recent survey data', *National Tax Journal*, vol. 27(1), pp. 499-513.  
Cited in Fischer *et al.* (1992) and Kirchler (2007).



## W

Wadhawan, S. (1992), 'Evasion, partial detection and optimal tax policy', *Public Finance*, vol. 47(Supplement), pp. 372-383.

Abstract in Ahmed *et al.* (2003), p. 178.

This paper proceeds on the realistic assumption that if a taxpayer is subject to an audit it does not always detect the full extent of evasion. A rational revenue maximizing tax authority will consider the costs of audit and residual tax evasion will result.

Wahlund, R. (1992), 'Tax changes and economic behaviour: The case of tax evasion', *Journal of Economic Psychology*, vol. 13(4), pp. 657-677.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), pp. 32-33.

This study used public statistics on income taxation, telephone interviews with male representatives of Swedish households and questionnaires sent to the same respondents after the telephone interview. The study found evidence that marginal tax rates do influence tax evasion.

Walkey, Celestine and Purchas, Graeme (1998), 'Prospect theory: Is it relevant to taxation non-compliance', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 75-97.

This study replicates Kahneman and Tversky's (1979) research on prospect theory to ascertain its applicability to the New Zealand tax system.

Wallschutzky, I. G. (1984), 'Possible causes of tax evasion', *Journal of Economic Psychology*, vol. 5(4), pp. 371-384.

Cited in Jackson and Milliron (1986) and Kirchler (2007).

Wallschutzky, I.G. (1985), *Taxpayer Attitudes to Tax Avoidance and Evasion*, Australian Tax Research Foundation Research Study No. 1, Sydney.

Cited in Andreoni *et al.* (1999).

Abstract in Ahmed *et al.* (2003), p. 68.

This study has three main elements – possible improvements to the income tax, the appropriate balance between direct and indirect taxes and the choice of the means of levying an indirect tax.

Wallschutzky, I.G. (1988), *The Effects of Tax Reform on Tax Evasion*, Australian Tax Research Foundation, Research Study 8, Sydney.

Abstract in Ahmed *et al.* (2003), p. 43 and 107.

Tax evasion occurs not only because taxpayers have the opportunity to evade but also a desire or motivation to do so. In 1982 information was collected to test various hypotheses about taxpayers' motivations. This research in this report repeated the survey work conducted in 1982 to establish what effects subsequent administrative and substantive reforms to the Australian tax system may have had on tax evasion.

Wallschutzky, I.G. (1993), 'Achieving compliance', in *Proceedings of the Australasian Tax Teachers Conference*, University of Canterbury, Christchurch, New Zealand.

Cited in Richardson and Sawyer (2001).

Wallschutzky, Ian (1995), 'Cost of compliance for small business: results from twelve case studies in Australia', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 275-298.

The research reported in this chapter aimed to explore issues relating to compliance costs and burdens. The methodology was based on a pattern of an initial interview with a small business followed by four subsequent quarterly interviews. The findings of this research suggest that too much might have been made of the costs and problems of complying with government regulation.

Wallschutzky, Ian (1998), 'The implications of electronic commerce for the Australian income tax system', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 35-50.

This paper provides an overview of how electronic commerce might impact on the Australian income tax system including compliance as a major issue.

Wallschutzky, I. and Gibson, B. (1993), *Small Business Cost of Compliance Project: Final Report*, Australian Taxation Office, Canberra.

Cited in Evans (2003a) - empirical work summarized on p. 88 .

Wallschutzky, I. and Gibson, B. (1993), 'Small business cost of compliance', *Australian Tax Forum*, vol 10(4), pp. 511-543.

Cited in Richardson and Sawyer (2001).

Walpole, Michael, (2001), ' Compliance cost control by revenue authorities in the OECD', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 369-388.

Wärneryd, K. and Walerud, B. (1982), 'Taxes and economic behaviour: Some interview data on tax evasion in Sweden', *Journal of Economic Psychology*, vol. 2(3), pp. 187-211. Cited in Fischer *et al.* (1992), Jackson and Milliron (1986) and Kirchler (2007). Abstract in Ahmed *et al.* (2003), p. 68. In telephone interviews 426 Swedish male adults were asked about their attitudes to taxation, attitudes to tax crimes, their economic situation, tax evasion, black market payments and tax planning.

Wartick, M.L. (1994), 'Legislative justification and the perceived fairness of tax law changes: A referent, cognitions theory approach', *Journal of the American Taxation Association*, vol. 16 (Fall), pp. 106-123.

Wearing, A.J. and Headey, B.M. (1995), 'The Would-be Tax Evader: A Profile', paper presented at the Compliance Research Conference, Canberra. Cited in Kirchler (2007) Abstract in Ahmed *et al.* (2003), p. 15. On the basis of a survey of a random sample of respondents selected in Melbourne, Australia, demographic, social attitudinal, personality and behavioural correlates the propensity to evade tax were assessed.

Wearing, A.J. and Headey, B.M. (1997), 'The Would-be Tax Evader: A Profile', *Australian Tax Forum*, vol. 13, pp. 3-17. Cited in Richardson and Sawyer (2001).

Webley, Paul (1987), 'Audit probabilities and tax evasion in a business simulation', *Economics Letters*, vol. 25(3), pp. 267-270, Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).

Webley, P. (2004), 'Tax compliance by businesses', in H. Sjögren and G. Skogh (eds.) *New Perspectives on Economic Crime*, Edward Elgar, Cheltenham. Cited in Kirchler (2007).

Webley, Paul, Adams, Caroline and Elffers, Henk (2006), 'Value added tax compliance', in Edward J. McCaffery and Joel Slemrod (eds.) *Behavioral Public Finance*, Russell Sage Foundation, New York, pp. 175-205

This chapter examined three value added tax studies and concluded that both perceptions of fairness and mental accounting (the way people think about money and its ownership) help explain compliance with the value added tax.

Webley, P., Cole, M. and Eidjar, O.-P (2001), 'The prediction of self-reported and hypothetical tax-evasion: Evidence from England, France and Norway', *Journal of Economic Psychology*, vol. 22(2), pp. 141-155.

Cited in Kirchler (2007).

Webley, P. and Halstead, S. (1986), 'Tax evasion on the micro: Significant simulations or expedient experiments?' *Journal of Interdisciplinary Economics*, vol. 1, pp. 87-100.

Cited in Fischer *et al.* (1992) and Richardson and Sawyer (2001).

Webley, P., Robben, H. and Morris, I. (1988), 'Social comparison, attitudes and tax evasion in a shop simulation', *Social Behaviour*, vol. 3(3), pp. 219-228.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 19.

Two experiments using members of the general public as subjects to explore aspects of tax evasion.

Webley, P., Robben, H.S.J., Elffers, H. and Hessing, D.J. (1991), *Tax Evasion: An Experimental Approach*, Cambridge University Press, Cambridge.

Cited in Andreoni *et al.* (1999), Kirchler (2007) and Richardson and Sawyer (2001).

Weigel, R.H., Hessing, D.J and Elffers, H. (1987), 'Tax evasion research: A critical appraisal and theoretical model', *Journal of Economic Psychology*, vol. 8(2),

pp. 215-235.

Cited in Fischer *et al.* (1992) and Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 135.

Weiss, Laurence (1976), 'The desirability of cheating incentives and randomness in the optimal income tax', *Journal of Political Economy*, vol. 84(6), pp. 1343-1352.

Cited in Andreoni *et al.* (1999).

Wenzel, Michael (2002), 'The impact of outcome orientation and justice concerns on tax compliance: The role of taxpayers' identity', *Journal of Applied Psychology*, vol. 87(4), pp. 629-645.

Cited in Kirchler (2007).

Wenzel, Michael (2003), 'Tax compliance and the psychology of justice: Mapping the field', in Valerie Braithwaite (ed.), *Taxing Democracy: Understanding Tax Avoidance and Evasion*, Ashgate, Aldershot, pp. 41-69.

Cited in Kirchler (2007).

This chapter concentrates on considerations of justice and fairness that could influence taxpayers' evaluations of the tax system and therefore their decisions regarding compliance. It also offers a conceptual framework for such considerations based on conceptual distinctions made in social psychological justice research. It is concluded that an explanation of taxpayer behaviour based purely on self-interest is insufficient.

Wenzel, Michael (2004), 'An analysis of norm processes in tax compliance', *Journal of Economic Psychology*, vol. 25(2), pp. 213-218.

Cited in Kirchler (2007).

Wenzel, Michael (2004), 'The social side of sanctions: Personal and social norms as moderators of deterrence', *Law and Human Behaviour*, vol. 28, pp. 547-567.

Wenzel, Michael (2005a), 'Misperception of social norms about tax compliance: From theory to intervention', *Journal of Economic Psychology*, vol. 26(6), pp. 862-883.

Cited in Kirchler (2007).

Wenzel, Michael (2005b), 'Motivation or rationalisation: Casual relations between ethics, norms and tax compliance', *Journal of Economic Psychology*, vol. 26(4), pp. 491-508.

Cited in Kirchler (2007).

Wenzel, Michael (2006), 'A letter from the tax office: Compliance effects of informational and interpersonal justice', *Social Justice Research*, vol. 19(3), pp. 345-364.

Werts, K. (1979), 'Allocation by and output of a tax-administering agency' *National Tax Journal*, vol. 32(2), pp. 143-156.

Abstract in Ahmed *et al.* (2003), p. 188.

White, Roger (1996), 'The practitioner's perspective', in Malcolm Gammie and Adrian Shipwright, (eds.) *Striking the Balance: Tax Administration, Enforcement and Compliance in the 1990s*, Institute for Fiscal Studies, London, pp. 57-69.

White, R.A., Harrison, P.D. and Harrell, A. (1993), 'The impact of income tax withholding on taxpayer compliance: Further empirical evidence', *Journal of the American Taxation Association*, vol. 15 (Fall), pp. 63-78.  
Cited in Richardson and Sawyer (2001).

Whitlock, Beanna J. (2007), 'The obstacles of voluntary compliance from the taxpayer's perspective', in *Recent Research on Tax Administration and Compliance: Selected Papers Given at the 2007 IRS Research Conference*, Statistics of Income Division, Internal Revenue Service, Department of the Treasury, Washington DC, pp. 115-122.

Wickerson, J. (1997), *A Report into Total Costs of Compliance*, Australian Taxation Studies Program, Faculty of Law, University of New South Wales.  
Abstract in Ahmed *et al.* (2003), p. 26.  
This report provides information on the main outcomes of research into total Federal taxation compliance costs faced by taxpayers in Australia.

Wicks, J. H. (1965), 'Taxpayer compliance costs from the Montana personal income tax', *Montana Business Quarterly*, Fall, pp. 36-42.  
Cited in Evans (2003a).

Wicks, J. (1996), 'Taxpayer compliance costs from personal income taxation', *Iowa Business Digest*, pp. 16-21.  
Cited in Evans (2003a).

Wicks, J. and Killworth, M. (1967), 'Administrative and compliance costs of state and local taxes', *National Tax Journal*, vol. 20(3), pp. 309-315.  
Cited in Evans (2003a).

Widdowson, David (1998), 'Managing compliance: More carrot, less stick', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 99-104.

This chapter discusses a new approach by the Australian Customs Service which not only recognizes the need to balance enforcement with assistance but also recognizes the benefits of providing industry with incentives to comply. A key element is allowing highly compliant companies more latitude to self-assess their revenue liability by relying mainly on their internal accounting systems and procedures

Witte, Ann. D. and Woodbury, Diane F. (1985), 'The effect of tax laws and tax administration on tax compliance: The case of the U.S. individual income tax', *National Tax Journal*, 38(1), pp. 1-13.

Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986) and Kirchler (2007). Abstract in Ahmed *et al.* (2003), p. 45 and included in the annotated bibliography in Fischer *et al.* (1992), pp. 42-43.

An economic model of tax compliance is developed and estimated. It was found that increases in the probability of audit, information reporting and tax withholding will be likely to increase compliance. However, increasing moral ambivalence toward tax compliance will increase non-compliance. It was also found that the decline in audit rates in the 1970s may have accounted for a substantial portion of the decline in compliance during that period.

Woellner, R.H. (1994), 'Attitudes of ATO auditors', paper presented at the conference on *Current Issues in Taxation*, University of Newcastle, Australia.

The paper is based on interviews with auditors of the Australian Tax Office.

Woellner, Robin, Coleman, Cynthia, McKerchar, Margaret, Walpole, Michael and Zetler, Julie (2001), 'Taxation or vexation – Measuring the psychological costs of tax compliance', in Chris Evans, Jeff Pope and John Hasseldine (eds.) *Tax Compliance Costs: A Festschrift for Cedric Sandford*, Prospect Media, Sydney, pp. 35-49.

Cited in Evans (2003a).

Woellner, R., Coleman, C., McKerchar, M., Walpole, M. and Zetler, J. (2007), 'Can simplified legal drafting reduce the psychological costs of tax compliance?: an Australian perspective', *British Tax Review*, 6, pp. 717-733.

Woellner, Robin, Gaylard, Simon, McKerchar, Margaret, Walpole, Michael, Coleman, Cynthia and Zetler, Julie (1998), 'Once more unto the breach...A study of comparative compliance costs under the 1936 and 1997 Acts: Progress report', in Chris Evans and Abe Greenbaum (eds.) *Tax Administration: Facing the Challenges of the Future*, Prospect, Sydney, pp. 195-216.

Worsham, R.G. (1996), 'The Effect of Tax Authority Behaviour on Taxpayer Compliance: A Procedural Justice Approach', *Journal of the American Taxation Association*, vol. 18(2), pp. 19-39.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Abstract in Ahmed *et al.* (2003), p. 13.

Two procedural constructs – consistency and accuracy – are examined using an experiment. It was found that procedural injustice experienced indirectly by becoming away of the unfair treatment of another increased the level of noncompliance. However procedural injustice experienced personally – either by being subject to inconsistency in enforcement or to enforcement attempts resulting from inaccurate information did not increase the level of noncompliance.

Wurts, Brian (1995), 'Report on the Plamondon compliance costs study for the Canadian goods and services tax', in C. Sandford (ed.), *Taxation Compliance Costs: Measurement and Policy*, Fiscal Publications, Bath, pp. 299-320.

This chapter summarises the methodology and main findings of the report by Plamondon (1993).



## Y

Yaniv, G. (1988), 'Withholding and non-withheld tax evasion', *Journal of Public Economics*, vol. 35(2), pp. 183-204.

Abstract in Ahmed *et al.* (2003), p. 42 and pp. 183-184.

Considers the possibility that withholding tax on employees' wages might encourage evasion of taxes on income not subject to withholding through non-filing of individual returns and also employers may pass less to the tax authorities less than the amounts withheld.

Yaniv, G. (1990), 'Tax evasion under differential taxation', *Journal of Public Economics*, vol. 43, pp. 327-337.

Cited in Kirchler (2007).

Abstract in Ahmed *et al.* (2003), p. 39.

It is sometimes possible to evade taxes by claiming that income coming from one source came from a source that was more lightly taxed. The paper focuses on the relationships between misreporting and taxation under alternative penalty schemes. Allowing the taxpayer the choice between source misreporting and pure under-reporting, the paper also examines the relative amount of tax escaping the tax collector through the alternative forms of evasion and determines the conditions under which one will be preferred to the other.

Yaniv, G. (1994), 'Tax evasion and the income tax rate: A theoretical re-examination', *Public Finance*, vol. 49(1), pp. 107-112.

Cited in Kirchler (2007) and Richardson and Sawyer (2001).

Yaniv, G. (1995), 'A note on the tax-evading firm', *National Tax Journal*, vol. 48(1), pp. 113-120.

Abstract in Ahmed *et al.* (2003), pp. 77 and p120.

This note develops a general model of tax evasion and applies the results to payroll tax evasion.

Yankelovich, Skelly and White, Inc. (1984), *Taxpayer Attitudes Survey: Final Report*. Public Opinion Survey Prepared for the Public Affairs Division, Internal Revenue Service, New York.

Cited in Fischer *et al.* (1992).

Yellow Pages, (1996), *Working Overtime: A National Survey of the Paperwork Burden of Small Business*, Background Paper 3, Small Business Deregulation Task Force, Commonwealth of Australia, Canberra.

Cited in Evans (2003a) - empirical work summarized on p. 89.

Yaniv, Gideon (1999), 'Tax compliance and advance tax payments: A prospect theory analysis', *National Tax Journal*, vol. 52(4), pp. 753-764.

Cited in Kirchler (2007).

Yaniv, G. (2001), 'Revenge, tax informing and the optimal bounty', *Journal of Public Economic Theory*, vol. 3(2), pp. 225-233.

Cited in Kirchler (2007).

Yaniv, G. (2003), 'Auditing ghosts by prosperity signals', *Economics Bulletin*, vol. 8(9), pp. 1-10.

Cited in Kirchler (2007).

Yitzhaki, Shlomo (1974), 'A note on income tax evasion: A theoretical analysis', *Journal of Public Economics*, vol. 3(2), pp. 201-202.

Cited in Andreoni *et al.* (1999), Jackson and Milliron (1986) and Kirchler (2007).

Yitzhaki, Shlomo (1987), 'On the excess burden of tax evasion', *Public Finance Quarterly*, vol. 15(2), pp. 123-137.

Abstract in Ahmed *et al.* (2003), p. 184.

Yitzhaki, S. and Vakneen, Y. (1989), 'On the shadow price of a tax inspector', *Public Finance*, vol. 44(3), pp. 492-505.

Cited in Kirchler (2007).

Yocum, J. (1961), *Retailers' Costs of Sales Tax Collection in Ohio*, Bureau of Business Research Monograph, No. 100, Ohio State University, Columbus.

Cited in Evans (2003a).

Young, J.C. (1994), 'Factors associated with noncompliance: Evidence from the Michigan tax amnesty', *Journal of the American Taxation Association*, vol. 16 (Fall), pp. 82-105.

Cited in Richardson and Sawyer (2001).

