The impact of resistance economic policies on the reduction of cases that have been rejected and the tax gap in Businesses

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ABSTRACT

Objective: In spite of the challenges, and if the resistance econometric model is formed based on capacity internal, will be the launch pad for post-challenge. Taxes as a major source of government revenue based on internal capacity, the strength of the economy plays an important role. Methodology: This study examines the impact of policies issued by the leader of the resistance economy's level of tax compliance. Research time period 2010 - 2013. Results: The research in nature and method was descriptive and in terms of the purpose is the application. Methods of collecting data in this research library. To collect data in this study, the information contained in the financial statements of companies surveyed is essential. Conclusion: The results showed that, in other words the level of tax compliance increased.

1. Introduction

Whatever is clearly seen in economics of Iran are policies of monetary economic, finance, exchange, banking, engagement and production without coherent and defined communication; and sometimes are used in case after developing the challenges and because there is no systematic relation between them, they compensation each other and totally they have no needful efficiency (Kayaga & Lahey, 2007). In current situation the supreme leader of Iran has defined circumstances of the country as a "defile that we will pass from it", but he has stress on resistive economic. This problem show that economic management must act guarded and also must consider prohibition challenge as a fact in Iran's economic. The problem that always there was in Iran's economic and also is considered in resistive economic is non-discipline economic and absence of transparency in it. In 17th and 18th clauses of resistive economic policies, mentioned to two problems of modification of governmental incoming system and increasing in share of tax's incomes that one of the most important plans of ministry for this clause is amplification of tax system in the country. Fortunately in this way some points were obtained such as increment of total ratio of incoming tax to general budget resources of government, increment of electronic assertion in year of 2015 and also ratio of deferred taxes to incoming of direct taxes decrease from 30% to 10%. Some done researches by tax experts and researchers show that there is a significant difference between potential capacities of tax and collected tax in the country. This different represents that could increase the collected taxes with revising in tax system in Iran and also could improve reliance of government to the incoming of taxes. The importance of this issue is too much that the development programs have a special emphasis on it and also special purposes in this regard have been determined (Lipton & Sachs, 1990). Tax avoidance, is one of the policies that could be used by corporations for motivations of taxes. Theoretical and empirical evidences show that corporations are attempting to reduce and prorogue their incoming tax. If necessary and depend on circumstances, tax avoidance, tax evasion, earnings management, conservatism and etc. are the tools that companies may use from them, (Cullis & Lewis, 1997).

In this research, policies of resistive economic are presented as an effective mechanism on Condescension of the taxpayers. So, this research is designed and implemented to answering the question.

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1.1 The literature review
A research was done with title of "corruption as a tax shelter" that evaluates the presence of a company in a corruption country in countries with high level of corruption such bribe. The results of this research show that eliminating the corruption could help to increase external investment (Graetz & Warren Jr, 2005).
Prasad (2006) have done a research with title of "priorities, beliefs and tax evasion". Social issues, population, attitude and perceptions from tax system are examined. The results of this research show that study of tax impact on evasion from tax payment according to the social factors and population and beliefs and attitude theatrically and empirically are affective. Kirchgasner & Schneider (2003) have done a research that with usage of factor models based on flexible analytic tools for discovery and perception of complex systems like pay and evasion from tax. They had evaluated the average of tax rate according to the network effects, actual income, and risk aversion. The results of this research showed that structure of network must be chosen as selectively, being low for average of tax rate and penalties for tax evasion are affected on tax evasion conformity. Hall (1993) has presented a model for condescension of tax based on the relationship between condescension with taxpayers' opportunities for non-condescension, moral beliefs and social values. The results of their research showed that in opinion of the taxpayers, tax evasion is less non-moral.
Leibfritz (1997) have done a research with title of "examination the impact of cultural factors on efficient executive of value added tax (VAT) in the State Tax Administration of large taxpayers". Survey study that purpose of it, is evaluation the impact of cultural factors on efficient executive of VAT in the State Tax Administration of large taxpayers with using of cultural health model. In this research, dimensions of cultural health are evaluated including relations, communications, participation and decision making, substructure, changing management and leadership, and also ranking the dimensions and indexes are examined. The results of this research show that there is a significant difference between dimensions of cultural health model, and highest score is dedicated to the dimension of relation and lowest score is dedicated to the leadership. These dedicated scores are presented the importance of relation and how to deal with taxpayers in efficient executive the VAT.
Lowi (1964) has examined the impact of quality of presented services by tax organization with using the Parasoraman model in non-governmental active companies in Tehran city. The results of this study show that, with increasing the quality of services from tax organization could increase the volunteer of condescension by taxpayers and decreasing in tax evasion. So other result of this research is ranking the dimensions of service quality from the perspective of taxpayers, in order of priority is to assure the presented service, empathy between taxpayers and tax audit, appropriate staff accountability, credit of presented service and quality of tangible factors.
Fairfield (2010) in his study considered the non-condescension is equal with amount of tax gap. In his opinion tax gap is included tax evasion, deferred tax, declared tax but not pay, mistake of tax audit in declare and pay of tax, mistakes of audits in recognition also he is presented coefficients of non-condescension in some selected country.

1.2 Purposes of the research
A. main purpose
Determination the effect of impartment of resistive economic policies on tax condescension.

1.3 Statistic population, sampling method and sample size
For executing this research, juridical persons of Yazd city were considered as statistic population between years of 2010 to 2013 and also the sample was chosen by eliminating method according to the following constraints (Amuzegar, 1997):

- Between years of 2011 to 2013 the finance year or activities not changed.
- The required financial information is available.
- The firm is part of production or trade companies.

In this research according to the mentioned constraints 245 companies including 130 production and 115 trade companies are considered as statistic sample.

2. Materials and methods
This research in terms of nature and method is descriptive type and in terms of purpose is applied. Library method is used for gathering information in this study. Tool for collecting data is epenthetic information in basic finance reports of companies; researcher for accessing to this information used from finance reports and tax information in under study companies. The required data for testing the hypotheses of this research are gathered from finance reports of sample firms between 4 years of 2010 to 2013 and for calculating the variables of the research are stored in a data bank. After gathering data and information and using from Excel software the variables of research are calculated; then the results of measuring variables have been imported to SPSS software.

2.1 Hypotheses of the research
Main hypothesis: resistive economic policies have significance impact on tax condescension.
Incidental hypotheses:
1. Resistive economic policies have significance impact on reduction the ratio of on the head files to audit from production companies.
2. Resistive economic policies have significance impact on improvement of tax gap of production companies.
2.2 Method of data analysis
In this research, for descriptive the population and sample is used from descriptive statistic and also for analyzing the data and testing the hypotheses for examination the impact of resistive economic by Supreme Leader according to the data and analysis methods, is used from bigeminal t-test.

3. Discussion and results

3.1 Dual compare test
In this research, for analyzing data and testing the hypotheses for examination the impact of resistive economic by Supreme Leader according to the data and analysis methods, is used from dual compare test (bigeminal t-test). This test is appropriate for examination the impact of one qualitative variable on quantitative variables and also is used from it for empirical researches and showing the impact of an intervention. For achieving to this purpose two years before and two years after the declaration of resistive economic policies by supreme leader are examined and compared with each other.

3.2 KS test
The obtained results of KS test for examination the equality of variable distribution with normal distribution are presented in table 4-1. If the significance level and calculated Z-test show that the hypothesis number zero is not rejected then could say the observed distribution and expected distribution are equal.

According to the significance level (more than 0.05) and also obtained Z-test, it is specified that $H_0$ hypothesis is not rejected so could say that the distribution of variables is normal.

3.3 Results of the research's hypotheses
In this study, for testing the hypotheses of research is used from SPSS software. The information has normal distribution so bigeminal T-test is used. For using from this test, it is assumed that the data has normal distribution. For assuring that the variables distributed normal is used from KS test. Because amount of probability concerned to the KS test for data of variables is more than 0.05, so with confidence of 95 percent the normal distribution is proved.

3.4 Testing the research's hypotheses
Testing the first incidental hypotheses:
Incidental hypothesis no.1. Resistive economic policies have significance impact on reduction the ratio of on the head files to investigation from production companies.

$H_0$: the ratio of on the head files to investigation from production companies are not increased after declaration the resistive economic policies.

$H_1$: the ratio of on the head files to investigation from production companies are increased after declaration the resistive economic policies.

The first step in this test is determining the total significance of the test.

<table>
<thead>
<tr>
<th>Table 1. KS- test</th>
<th>Production companies</th>
<th>Trade companies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A/R before</td>
<td>A/R after</td>
</tr>
<tr>
<td>Normal parameters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>average</td>
<td>0.698</td>
<td>0.551</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>0.632</td>
<td>0.521</td>
</tr>
<tr>
<td>modulus</td>
<td>0.028</td>
<td>0.031</td>
</tr>
<tr>
<td>positive</td>
<td>0.088</td>
<td>0.086</td>
</tr>
<tr>
<td>negative</td>
<td>-0.058</td>
<td>-0.045</td>
</tr>
<tr>
<td>Z</td>
<td>1.374</td>
<td>1.650</td>
</tr>
<tr>
<td>Significance level</td>
<td>0.384</td>
<td>0.258</td>
</tr>
</tbody>
</table>

Table 2. T-test of paired samples of the first incidental hypothesis

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>95% Confidence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Output of the table no. 2 shows results of T-test. According to the confidence level of 95%, sig is less than 0.05, so the $H_0$ hypothesis in confidence level of 95% is rejected and can conclude that there is a significance difference between proportions of on the head files to investigation from production companies, before and after the declaration of resistive economic policies. In other word there is a significance difference between before and after the declaration of resistive economic policies.

**Table 3. Paired Samples Statistics of first incidental hypothesis**

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>Interval of the Difference</th>
<th>t</th>
<th>df</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>69254.25</td>
<td>28654.124</td>
<td>527.178</td>
<td>0.521</td>
<td>0.792</td>
<td>26.1</td>
<td>259</td>
</tr>
</tbody>
</table>

Output of the table 3 present that proportion of on the head files to investigation from production companies are decreased after declaration of resistive economic policies. In other word level of tax condescension are increased after declaration of resistive economic policies.

Testing the second incidental hypotheses:

Incidental hypothesis no. 2. Resistive economic policies have significance impact on improvement of tax gap in production companies.

$H_0$: tax gap in production companies are not reduced after declaration of resistive economic policies.

$H_1$: tax gap in production companies are reduced after declaration of resistive economic policies.

The first step in this test is determining the total significance of the test.

**Table 4. T-test of paired samples of second incidental hypothesis**

<table>
<thead>
<tr>
<th></th>
<th>Paired Differences</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>95% Confidence Interval of the Difference</th>
<th>t</th>
<th>Df</th>
<th>sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>Tax GAP – Tax GAP after</td>
<td>35614.41</td>
<td>12001.714</td>
<td>862.204</td>
<td>1965.124</td>
<td>96352.898</td>
<td>19.6</td>
<td>259</td>
</tr>
</tbody>
</table>

Output of the table no. 4 shows results of T-test. According to the confidence level of 95%, sig is less than 0.05, so the $H_0$ hypothesis in confidence level of 95% is rejected and could conclude that there is a significance difference between tax gap in production companies before and after declaration of resistive economic policies. In other word there is a significance difference between level of tax condescension before and after declaration of resistive economic policies.
With considering the above results and according to the up and down limit that the both are positive, so average of tax gap in production companies after declaration of resistive economic policies is less than the average of tax gap before declaration of these policies. So, level of tax condescension in production companies are increased after declaration of resistive economic policies.

### 3.5 Analysis the results of hypotheses test

As it is mentioned for testing the hypotheses of this research, is used from bigeminal comparing method. This test is appropriate for evaluating impact of one qualitative variable on quantitative variables and usually for empirical researches and showing the impact of one type of intervention is used. For this purpose, performance of two years before and after declaration resistive economic policies by supreme leader in trade and production companies are evaluated and compared. In first and second incidental hypotheses, impact of declaration the resistive economic policies on level of tax condescension in production companies are tested. Results of the research show that declaration the resistive economic policies are effective on level of tax condescension in production companies and also declaration of these policies is caused of increment in level of tax condescension in production companies. In third and fourth incidental hypotheses, impact of declaration the resistive economic policies by supreme leader on level of tax condescension in trade companies are tested. Results of the research show that declaration the resistive economic policies are effective on level of tax condescension in trade companies and also declaration of these policies is caused of increment in level of tax condescension in production companies (Malme, J. H., & Youngman, 2001).

### 4. Conclusion

#### 4.1 Recommendations for users of research's results

Before presentation any suggestions, it is recommended to users of this research that use from the results with considering the mentioned constraints that are presented in former section. Knowledge about tax policies in any company is assurance for every people that want to fund because the tax policies retain benefits of share-holders and creditors. So according to the obtained results, it is suggested for investors to consider this issue that resistive economic policies are effective on level of tax condescension of taxpayers. Also, according to the obtained results, it is recommended to the policy makers of tax that they consider the resistive economic policies for improvement of tax process.

### REFERENCES


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How to Cite this Article: