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THE IMPACT OF TAXPAYERS' PERCEPTION ON TAX COMPLIANCE WITH MODERATING EFFECT OF ADOPTION OF E-TAX SYSTEM

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ABSTRACT

This study has focused mainly on investigating the impact of taxpayers' perceptions on tax compliance with moderating effect of adoption of e-tax system in Pakistan. This study has considered fairness perception, tax knowledge, and tax complexity as independent variables, adoption of e-tax system as moderating variable, and tax compliance as dependent variable. In addition, this study has finalized taxpayers (salaried persons) of twin cities of Pakistan to investigate the relationship between variables mentioned above. To prove this relationship, a survey has been conducted through an adopted structured questionnaire regarding this literature, in which taxpayers (salaried persons) of twin cities of Pakistan have been requested to share their experiences by filling the questionnaires. To identify the results on data gathered from the respondents, statistical instruments have been used. Some of the statistical instruments used in this study includes descriptive frequencies, descriptive statistics, reliability, correlation, and regression analysis. Results derived through statistical instruments with the help of SPSS software have shown that there exists a significant positive relationship between fairness perception and tax compliance. Whereas, it has also been proved that adoption of e-tax system insignificantly moderates the relationship between taxpayers' perceptions (fairness perception, tax knowledge, and tax complexity) and tax compliance in Pakistan. However, tax knowledge and tax complexity does not have a significant positive impact on tax compliance in Pakistan.

Key Words: Taxpayer Perception, Fairness Perception, Tax Knowledge, Tax Complexity, Adoption of E-Tax System, Tax Compliance, etc.

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