

Prioritize effective factors on fostering the culture of tax payment in Iranian economic enterprises with the help of the ANP network analysis process

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Abstract

This paper prioritizes the effective factors for fostering the culture of paying taxes in Iran's economic enterprises. The statistical population includes academic instructors and experts in the field of taxation selected by the purposive sampling method. Finally, 15 university instructors and experts answered structured interview questions. The inclusion criteria were at least 10 years of study, instructing, or working in the field of tax affairs. Sampling continued until the theoretical saturation stage. Also, the Intraclass Correlation Coefficient (ICC) coefficient value consistency and absolute agreement were confirmed to determine the measurement tool's reliability. Super Decision software and the ANP network analysis process were used to prioritize criteria. The results of prioritization showed that criterion V1, namely "electronic infrastructure" is the most important and as a result the most important sub-criteria in presenting the model of fostering the culture of tax payment in Iranian economic enterprises. After that, the V3 criterion, namely "financial incentives" was placed as the second priority. The management ability and attitude, and compliance with tax laws were ranked third and fourth.

Keywords: Tax Payment Culture, Multi-Criteria Decision Making, Network Analysis Process, Economic Enterprises
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1 Introduction

Taxes are a fundamental aspect of modern life. The funds that governments get from taxes are paid for providing essential services and public goods. Therefore, people's willingness to pay taxes plays a decisive role in creating the economic and social well-being of the country [17]. Tax compliance usually is defined as the degree to which an individual or an organization follows tax laws and regulations. Another key principle in the existing literature is that tax compliance by taxpayers is implemented when relevant financial laws and regulations are clearly defined and available. However, in reality, this is not the case. Generating tax revenue is one of the main economic fields. Developing economies are unable to achieve tax revenue targets, while this is different in developed economies [6].

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Tax is an economic lever that guarantees government income and public distribution of wealth. According to Organisation for Economic Co-operation and Development (OECD) definition tax is a mandatory and non-returnable payment given to a person, institution, property, etc. Tax, as the government's indirect guidance tool through influencing the activities of economic enterprises, can play a vital role in industrial development policies. By formulating a suitable tax system, the government can influence how development goals are achieved [12]. Therefore, governments should institutionalize voluntary tax payment as a desirable culture. Knowledge and awareness of the tax culture ruling the society is of great importance for policymakers, decision-makers, and country managers in terms of planning. The presence of a progressive tax culture contributes significantly to the economic development of the country. On the other hand, managers can better manage and develop the tax culture with the knowledge and study of factors including the promotion of the tax culture ruling the society. Efforts to create a progressive and robust tax culture in the country can have an important influence on reducing costs, increasing government revenues, and creating effective controls, the result of which is an increase in social justice and public welfare [21]. The provision of a coherent tax system reduces the government's reliance on oil revenues and covers a large part of its current and construction costs. Thus, fostering the tax culture seems necessary. Therefore, appropriate measures require the identification of the factors affecting tax culture and its promotion. This paper answers the question: "How are the factors effective in fostering the culture of tax payment in Iranian economic enterprises prioritized?"

2 Literature review and theoretical background

In addition to playing an important role in financial reporting, taxes form the major part of government revenues, especially in developed countries, and various economic, political, and especially cultural factors are effective in realizing government tax revenues, and in many cases, governments use tax incentives [15]. Although some researchers have emphasized the role of financial incentives to reduce tax evasion, it seems that cultural activities play the most important role in preventing tax evasion [11].

Various factors can influence the fostering of tax-paying culture. Seemingly, social media is an effective tool in promoting tax culture, which people and business owners are highly influenced by [24]. Also, the development of facilities and infrastructure to calculate and pay taxes electronically can change the attitude of different businesses toward paying taxes [28]. In addition to these cases, socialization factors, extra-organizational, intra-organizational, individual, and even religious factors [34] are effective in improving the tax culture of economic enterprises [27].

In the case of economic enterprises, the attitude of managers and owners of these businesses plays an important role in paying taxes [26]. Also, fairness and trust in the tax payment system can affect the attitude of business owners [19]. On the other hand, financial incentives and granting facilities to pioneering companies in paying taxes are suitable solutions to foster the culture of paying taxes [25].

The importance and necessity of this research are evident considering the economic conditions governing the country's business environment. Today, the business environment of Iran has weakened under the influence of international sanctions, inflationary stagnation, and other factors, and it needs appropriate policies to foster it so that the country's relative advantages can be turned into a competitive advantage and thereby bring the most economic benefits to the country in the current competitive environment. Considering that the plan of gradual liberation from the oil economy and highlighting the role of taxes in the administration of the country has always been the concern of the statesmen and the people, and since, on the one hand, the government's revenue generation from the place of collecting more taxes to all-round economic development such as the growth of the business environment, increasing the level of quality production, employment and most importantly attracting foreign investors in the creation of large and small infrastructural projects and plans, and on the other hand, the tax itself is known to be an essential environmental and effective factor in the business environment [33].

For more clarity, it can be mentioned that in many European countries, the major part of the government's budget is provided by taxing different businesses, which creates value and economic growth, and more importantly, various businesses mention paying taxes as an option of their social responsibility [23]. Table 1 describes factors affecting tax-paying culture.

Table 1: Factors affecting tax-paying culture

Factor (Criterion)	No.	Sub-Criterion	Source
Internal factors	1	V1: Electronic infrastructure	[12, 21]
	2	V2: effective tax rate	[8, 14]
	3	V3: Financial incentives	[9, 16]
	4	V4: Management ability and attitude	[10]
External factors	5	V5: Religion	[6, 22, 35]
	6	V6: Spirit and ethics of taxation	[4, 30]
	7	V7: Justice and trust in the tax system	[1, 7]
	8	V8: Individual and social factors	[12, 20, 35]
	9	V9: Compliance with tax laws	[29, 35]
	10	V10: Peer influence	[2, 3]
	11	V11: Social media	[13, 18]
	12	V12: Clarify tax policies	[5]

3 Methodology

The statistical population of this paper is experts familiar with the topic, including professors and experts in the field of taxation. The sample includes 15 experts who were interviewed. All the experts are managers, tax experts, and university lecturers selected by the purposive sampling method. Content validity was used to check the measurement tool’s validity, and the questionnaire was given to professors and experts to confirm the validity of the items. In this paper, the purposive judgmental sampling method was used, which means that a limited number of people had the appropriate information to answer the research questions, and finally, 15 tax experts answered the questions. Questionnaires were collected through structured interviews. The experts included had at least 10 years of experience in tax affairs or teaching in finance or tax affairs. Sampling continued until the theoretical saturation stage. Also, Intraclass Correlation Coefficient (ICC) coefficient value consistency and absolute agreement were confirmed to determine the measurement tool’s reliability.

In this paper, a multi-criteria decision-making approach using the ANP method has been used to prioritize factors. Regarding multi-criteria decision-making methods and specifically the ANP method, it is important to mention that the network analysis process or ANP is another series of decision-making techniques that is very similar to the AHP hierarchical analysis process. Each method is based on a series of assumptions. For example, if the criteria are independent and paired comparisons are possible, the appropriate decision model is the AHP model, but if the criteria are not independent, the ANP method is better.

Therefore, the main relationship established between the summarized form and the structural form in a SVAR model is as relation (3.1):

$$A\varepsilon_t = BU_t \tag{3.1}$$

or in the extended form as relation (3.2), it is shown:

$$\begin{bmatrix} \varepsilon_{Size} \\ \varepsilon_{Ex} \\ \varepsilon_{open} \\ \varepsilon_{GDP} \\ \varepsilon_M \\ \varepsilon_{inf} \end{bmatrix} = \begin{bmatrix} a_{11}(1) & 0 & 0 & 0 & 0 & 0 \\ a_{21}(1) & a_{22}(1) & 0 & 0 & 0 & 0 \\ a_{31}(1) & a_{32}(1) & a_{33}(1) & 0 & 0 & 0 \\ a_{41}(1) & a_{42}(1) & a_{43}(1) & a_{44}(1) & 0 & 0 \\ a_{51}(1) & a_{52}(1) & a_{53}(1) & a_{54}(1) & a_{55}(1) & 0 \\ a_{61}(1) & a_{62}(1) & a_{63}(1) & a_{64}(1) & a_{65}(1) & a_{66}(1) \end{bmatrix} \times \begin{bmatrix} U_{Size} \\ U_{Ex} \\ U_{open} \\ U_{GDP} \\ U_M \\ U_{inf} \end{bmatrix} \tag{3.2}$$

In this method, the regression coefficients of the VAR model are extracted according to a random step process over time. All errors in the function are uncorrelated with each other and over time, so they have the following structure.

$$\begin{cases} \beta_{t+1} = \beta_t + u_{\beta t}, \\ a_{t+1} = a_t + u_{at}, \\ h_{t+1} = h_t + u_{ht}, \end{cases} \begin{pmatrix} \varepsilon_t \\ u_{\beta t} \\ u_{at} \\ u_{ht} \end{pmatrix} \sim N \left(0, \begin{pmatrix} I & 0 & 0 & 0 \\ 0 & \sum \beta & 0 & 0 \\ 0 & 0 & \sum a & 0 \\ 0 & 0 & 0 & \sum h \end{pmatrix} \right) \tag{3.3}$$

By rewriting the above relations more compactly:

$$\begin{aligned} Inflation_{i,t} &= Inflation_{i,t-1}\beta_{i,t} + \varepsilon_{i,t}, & \varepsilon_{i,t} &\sim N(0, Q_{i,t}) \\ \beta_{i,t} &= \beta_{i,t-1} + \gamma_{i,t}, & \gamma_{i,t} &\sim N(0, R_t) \end{aligned} \tag{3.4}$$

The TVP-VAR model is in the form of equation (3.5).

$$Inflation_{i,t} = c_t + B_{t-1}Inflation_{i,t-1} + \dots + B_{t-p}Inflation_{i,t-p} + \varepsilon_{i,t} \tag{3.5}$$

or

$$\beta_t = \beta_{t-1} + \mu_t$$

The explanation of the proposed model for the test in this paper, with order n, is as follows:

$$GDPR = \alpha_{11} + \beta_{11}GDPR(-1) + \dots + \beta_{1n}GDPR(-n) + \gamma_{11}SIR(-1) + \dots + \gamma_{1n}SIR(-n) + \lambda_{11}M2R(-1) + \dots + \lambda_{1n}M2R(-n) + \eta_{11}INF(-1) + \dots + \eta_{1n}INF(-n) + \theta_{11}EFR(-1) + \dots + \theta_{1n}EFR(-n) \tag{3.6}$$

$$SIR = \alpha_{21} + \beta_{21}GDPR(-1) + \dots + \beta_{2n}GDPR(-n) + \gamma_{21}SIR(-1) + \dots + \gamma_{2n}SIR(-n) + \lambda_{21}M2R(-1) + \dots + \lambda_{2n}M2R(-n) + \eta_{21}INF(-1) + \dots + \eta_{2n}INF(-n) + \theta_{21}EFR(-1) + \dots + \theta_{2n}EFR(-n) \tag{3.7}$$

$$INF = \alpha_{31} + \beta_{31}GDPR(-1) + \dots + \beta_{3n}GDPR(-n) + \gamma_{31}SIR(-1) + \dots + \gamma_{3n}SIR(-n) + \lambda_{31}M2R(-1) + \dots + \lambda_{3n}M2R(-n) + \eta_{31}INF(-1) + \dots + \eta_{3n}INF(-n) + \theta_{31}EFR(-1) + \dots + \theta_{3n}EFR(-n) \tag{3.8}$$

$$M2 = \alpha_{41} + \beta_{41}GDPR(-1) + \dots + \beta_{4n}GDPR(-n) + \gamma_{41}SIR(-1) + \dots + \gamma_{4n}SIR(-n) + \lambda_{41}M2R(-1) + \dots + \lambda_{4n}M2R(-n) + \eta_{41}INF(-1) + \dots + \eta_{4n}INF(-n) + \theta_{41}EFR(-1) + \dots + \theta_{4n}EFR(-n) \tag{3.9}$$

$$EF = \alpha_{51} + \beta_{51}GDPR(-1) + \dots + \beta_{5n}GDPR(-n) + \gamma_{51}SIR(-1) + \dots + \gamma_{5n}SIR(-n) + \lambda_{51}M2R(-1) + \dots + \lambda_{5n}M2R(-n) + \eta_{51}INF(-1) + \dots + \eta_{5n}INF(-n) + \theta_{51}EFR(-1) + \dots + \theta_{5n}EFR(-n) \tag{3.10}$$

3.1 ANP network analysis process

Hierarchical and network analysis processes in the human sciences analysis deal with the behavior of actors based on judgments that lead them to specific actions or decisions among different criteria. In this method, for the analysis of complex issues, a hierarchy or a network of criteria and sub-criteria is considered that are related to the research subject and each of them has a special value and validity in the selection process. Then, based on mathematical patterns based on matrix operations, the priority, and importance of each element in achieving the goal are determined by paired comparison, and by combining the judgments, the final analysis of the problem is made and the forecast is provided based on the priorities.

The network analysis process is a network or non-linear system that has replaced the feedback system with a hierarchy. In such a situation, network theory is used to calculate the weight of criteria and sub-criteria. ANP model consists of the control hierarchy, clusters, elements, and mutual relations between clusters and elements. It can be said that the hierarchical structure is a special case of the network structure. The ellipses drawn in figure 1 confirm the criteria. In the ANP structure, the nodes are placed inside the ellipse. figure 1 in various sources, especially the sources of Thomas L. Saaty is described in detail. As it can be seen, the network structure can check two-way relationships, and in fact, all the details in the network structure and the impact of the criteria are fully presented.

The ANP method is implemented using Super Decisions software and is applied to a variety of decisions including marketing, medical, political, military, social, forecasting, and many other cases [31]. The steps of the ANP method are as follows:

- The first step: making a research network diagram
 In this step, the problem should be classified into criterion levels and sub-criteria and options, if any, and the relationships between them should be determined. A very important point in this step is the existence of relationships between standards. These relationships can be specified in several ways. You can find out the relationships between standards by asking experts or by using methods such as the DEMATEL method or the ISM method.
- Second step: Forming the paired comparison matrix
 At this stage, the elements of each level are compared to other related elements at a higher level in a pairwise manner, and matrices of pairwise comparisons are formed. Also, in the end, a paired comparison of internal relationships should be made. These paired comparisons should be answered by Saaty's 9-point scale, which is given below.

Table 2: Preference values for paired comparisons

Numerical values	Preferences
9	Absolute importance
7	Demonstrated importance
5	Essential or strong importance
3	Weak importance of one over another
1	Equal importance
2, 4, 6, 8	Intermediate values between the two adjacent judgments

- The third step: calculating the inconsistency rate

In this step, we calculate the ANP inconsistency rate. If this rate is less than 0.1, it indicates the consistency of the matrix.

- Fourth step: forming the initial supermatrix

Using the weight of the obtained paired comparisons, we form the initial supermatrix. The initial supermatrix is the weights obtained in step 2 from paired comparisons.

- Fifth step: Create a weighted supermatrix

After creating the initial supermatrix, the weighted supermatrix should be created.

- Sixth step: Creating the limited supermatrix

The weighted supermatrix must be raised to infinite power so that each row converges to a number. And that number is the weight of that criterion or subcriterion or option.

4 Research findings

The network analysis process is one of the multi-criteria decision-making techniques. This model is designed based on the process of hierarchical analysis and the network or nonlinear system or feedback system has replaced the hierarchy [32]. The first step in the process of network analysis is establishing the model and structure of the problem. The subject under investigation should be transformed into a logical system such as a network. In the initial design, according to the method of the network analysis process, even the internal dependencies are examined and the network structure is presented considering all the relationships. Figure 1 shows the network structure related to the ANP approach of this research, which shows the relationships under the research criteria in the direction of weighting and prioritization.

After the matrices of paired comparisons are collected under the ANP questionnaire and expert opinion for all clusters, the characteristic vectors and hypermatrices are presented. Table 3 shows the initial unweighted supermatrix. To prepare the general priorities in a system with independent effects, the local priority vectors are placed in the corresponding column in the matrix. The concept of the supermatrix is similar to the Markov chain process. The supermatrix can limit the coefficients to calculate all the priorities and as a result the cumulative effect of each element on other elements in the interaction. When a network, regardless of the goal, only includes two clusters called criteria and options, the matrix approach presented by Saaty and Takizawa [32] can be used to deal with the dependencies of the elements of a system.

The overall rankings preparation requires creating a relationship between the clusters. The method by which the structure establishes this relationship (internal, external, and mutual) forms the initial supermatrix. The unweighted supermatrix was created from the summation of the internal priorities (importance coefficients) with the elements and clusters of the primary supermatrix. Then the weighted supermatrix is calculated by multiplying the values of the unweighted supermatrix in the cluster matrix. Table 4 shows the weighted supermatrix. Based on the paired comparison that was done in the previous step, the weighted supermatrix is formed and the weight of each criterion is defined and determined based on the vector system. Each column of the supermatrix consists of several special vectors, the sum of which determines the relative weight of the criteria.

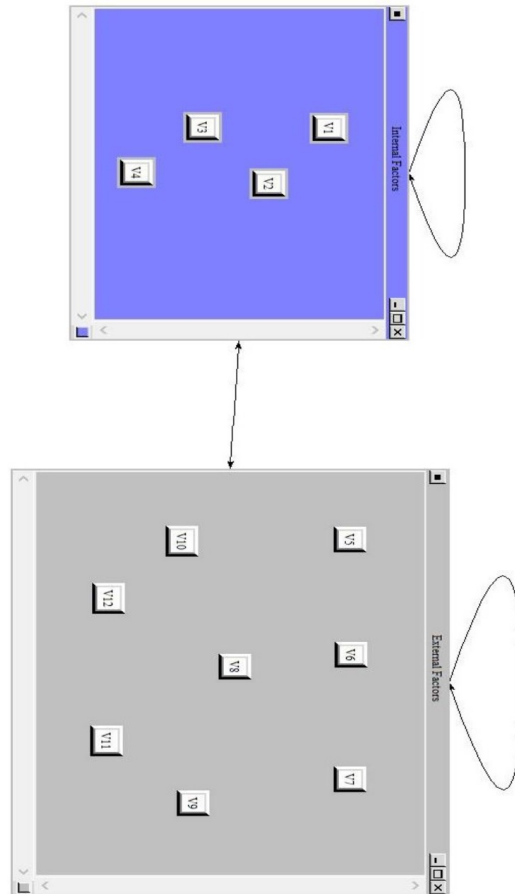


Figure 1: The structure of the network analysis process under the criteria of fostering the tax payment culture

Table 3: Initial unweighted supermatrix

	External factors								Internal factors				
	V5	V6	V7	V8	V9	V10	V11	V12	V1	V2	V3	V4	
External factors	V5	0.000	0.192	0.173	0.192	0.087	0.183	0.145	0.068	0.164	0.154	0.075	0.099
	V6	0.173	0.000	0.126	0.092	0.090	0.186	0.097	0.098	0.105	0.123	0.133	0.099
	V7	0.130	0.109	0.000	0.104	0.111	0.064	0.070	0.186	0.199	0.095	0.069	0.099
	V8	0.060	0.088	0.123	0.000	0.118	0.081	0.231	0.126	0.170	0.123	0.106	0.347
	V9	0.313	0.249	0.300	0.338	0.000	0.180	0.265	0.337	0.146	0.259	0.239	0.099
	V10	0.065	0.086	0.054	0.129	0.062	0.000	0.120	0.099	0.055	0.075	0.148	0.099
	V11	0.131	0.133	0.076	0.049	0.235	0.138	0.000	0.082	0.099	0.086	0.122	0.099
	V12	0.124	0.139	0.145	0.093	0.292	0.165	0.069	0.000	0.058	0.080	0.103	0.057
Internal factors	V1	0.390	0.417	0.195	0.124	0.541	0.461	0.418	0.265	0.000	0.527	0.310	0.493
	V2	0.138	0.261	0.276	0.197	0.203	0.236	0.120	0.109	0.136	0.000	0.195	0.195
	V3	0.276	0.197	0.390	0.417	0.144	0.168	0.270	0.438	0.625	0.332	0.000	0.310
	V4	0.195	0.124	0.138	0.261	0.111	0.134	0.190	0.186	0.238	0.139	0.493	0.000

Table 4: Weighted super matrix

	External factors								Internal factors				
	V5	V6	V7	V8	V9	V10	V11	V12	V1	V2	V3	V4	
External factors	V5	0.000	0.096	0.086	0.096	0.043	0.091	0.072	0.034	0.082	0.077	0.037	0.049
	V6	0.086	0.000	0.063	0.046	0.045	0.093	0.048	0.049	0.052	0.061	0.066	0.049
	V7	0.065	0.054	0.000	0.052	0.055	0.032	0.035	0.093	0.099	0.047	0.034	0.049

	V8	0.030	0.044	0.061	0.000	0.059	0.040	0.115	0.063	0.085	0.061	0.053	0.173
	V9	0.156	0.124	0.150	0.169	0.000	0.090	0.132	0.168	0.073	0.129	0.119	0.049
	V10	0.032	0.043	0.027	0.064	0.031	0.000	0.060	0.049	0.027	0.037	0.074	0.049
	V11	0.065	0.066	0.038	0.024	0.117	0.069	0.000	0.041	0.049	0.043	0.061	0.049
	V12	0.062	0.069	0.072	0.046	0.146	0.082	0.034	0.000	0.029	0.040	0.051	0.028
Internal factors	V1	0.195	0.208	0.097	0.062	0.270	0.230	0.209	0.132	0.000	0.263	0.155	0.246
	V2	0.069	0.130	0.138	0.098	0.101	0.118	0.060	0.054	0.068	0.000	0.097	0.097
	V3	0.138	0.098	0.195	0.208	0.072	0.084	0.135	0.219	0.312	0.166	0.000	0.155
	V4	0.097	0.062	0.069	0.130	0.055	0.067	0.095	0.093	0.119	0.069	0.246	0.000

The next step in the network analysis process is to create a limited supermatrix. In fact, in this step, the weighted super matrix should be brought to the infinite power so that each row converges to a number. And that number is the weight of that criterion or subcriterion (Table 5).

Table 5: Limited super matrix

		External factors						Internal factors					
		V5	V6	V7	V8	V9	V10	V11	V12	V1	V2	V3	V4
External factors	V5	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061
	V6	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
	V7	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
	V8	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
	V9	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103
	V10	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043
	V11	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055
	V12	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054	0.054
Internal factors	V1	0.161	0.161	0.161	0.161	0.161	0.161	0.161	0.161	0.161	0.161	0.161	0.161
	V2	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084	0.084
	V3	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
	V4	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103	0.103

Finally, in the last step, the criteria and sub-criteria for preparing overall ranking and prioritization in the ANP network model are shown in normalized form.

According to the table 6, criterion V1 which is "Electronic infrastructure" is the most important and therefore the most important sub-criterion in presenting the model of fostering the culture of paying taxes in Iran's economic enterprises. After that, the V3 criterion, which is "financial incentives", has been placed as the second priority. The factors of management ability and attitude and compliance with tax laws are ranked third and fourth. Other priorities are described in the table below. Also, the inconsistency index is less than 0.1, which is considered a desirable value.

Table 6: Prioritization of the factors affecting the increase in overdue bank claims

Rank	Limit	Normalized weight	Symbol	Criterion
1	0.161	0.322	V1	Electronic infrastructure
2	0.150	0.301	V3	Financial incentives
3	0.103	0.207	V4	Management ability and attitude
4	0.103	0.206	V9	Compliance with tax laws
5	0.084	0.168	V2	Effective tax rate
6	0.070	0.141	V8	Individual and social factors
7	0.061	0.123	V5	Religion
8	0.055	0.111	V7	Justice and trust in the tax system
9	0.055	0.111	V6	The spirit and ethics of taxation
10	0.055	0.110	V11	Social media
11	0.054	0.109	V12	Clarify tax policies
12	0.043	0.087	V10	Peer influence

5 Discussion and conclusion

This paper's investigations show that the internal and external factors, each in turn, have significant importance in creating a culture of tax payment, but the role of internal factors has been significant, and almost 75% of these factors are strategic factors. Therefore, this paper claims that special management attention to internal factors has a special place in fostering the culture of paying taxes in any organization. Investing to expand and foster these factors can make a significant contribution to creating a tax-paying culture.

One of the important factors within the organization is to address the electronic infrastructure. The necessity of using new technology methods and communication and information technology as a facilitator to obtain maximum efficiency and use must necessarily flow through an integrated framework in all parts of the organization and society. Information technology is a combination of hardware and software that receive, store, display and transmit information. Success in information technology depends on the power of efficiency and productivity which is the product of the overall architecture of the system and its relationship with organizations, people, and external environments. Organizations should base their fiscal affairs on a digital economy based on the use of electronic technologies. This type of economy is also called the internet economy, web economy, and the new economy. This new form of digital infrastructure economy provides the necessary platforms for cooperation, communication, information search, and activities of individuals and the tax administration. The creation of this platform can include the following: conducting taxpayer information exchanges electronically, changing declarations from paper to electronic form, and adding the ability to pay taxes electronically.

Also, the effective tax rate, as one of the indicators of tax efficiency, has always been one of the important issues that can be researched in economics and accounting, and it is one of the strategic factors affecting the creation of a tax-paying culture. Determining the effective tax rate is one of the most important financial issues faced by companies and due to its influence on the net profit figure, it can affect the decisions of companies related to financial policies and capital investment. In this regard, the management's ability and attitude cannot be overlooked. Management may seek more appropriate profit reporting through tax avoidance to present a favorable picture of the company's performance. Of course, capable managers are less likely to engage in tax avoidance activities due to the opportunity cost of tax avoidance. Management ability reduces information asymmetry and information uncertainty and increases the score of timely disclosure and reliability. Even in general, it can be said that there is a direct relationship between management ability and corporate transparency.

Also, creating tax incentives provides very good conditions for the taxpayers of the tax system. Making changes in non-targeted and ineffective tax exemptions and incentives and removing discriminatory support will improve the incentive system and provide a favorable environment for reforming the tax system and increasing the competitive environment in the economy, and ultimately realizing tax justice as much as possible. Through tax incentives, it is possible to achieve a wide range of development goals, increase investment in certain groups of investors and economic operators, and foster the culture of paying taxes.

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