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Presenting the Model of Tax Compliance with the realization approach of Resistive Economy: The Role of Internal and Psychological Factors

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Abstract

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Today, the concept of tax compliance has become a common phenomenon in the most countries and identifying the factors which affecting on it, specially internal and psychological factors instead of economic factors, attracted the attention of a large number of researchers in all over the world. So, the purpose of this study is to present a model of tax compliance with the realization approach of Resistive Economy by considering the role of internal and psychological factors such as tax fairness, taxpayers' attitude, trust in authorities and tax morale on tax compliance. The statistical population of this study included 2900 legal persons of Sari tax administration who shall be liable to Value-Added Tax (VAT). The sampling technique in this study was stratified random sampling and the sample size comprises of 550 legal persons. The findings revealed a significant and positive impact of tax fairness, taxpayers' attitude, trust in authorities and tax morale on tax compliance. Furthermore, the results of the study showed that tax compliance is largely determined by tax morale. Moreover, the results suggest that tax authorities should take more concentration on tax fairness for creating favorable attitude in taxpayers and enhancing trust in authorities.

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Introduction

Any governments in the world, needs financial resources to act as a government and play a role that is expected from it by the public (Jayawardane & low, 2016). In this regard, James and Nobes (2000) illustrates that taxation is the most reliable source for financing government expenditure (Gobena & Van Dijke, 2015), while other sources for financing government expenditure have various constraining conditions attached to them, the government is free to spend the proceeds from taxation in ways it deems necessary (Blöchliger & Petzold, 2009).

Actually, taxes are a major part of the means through which monetary resources are mobilized by governments for the prosecution of projects and programs. These projects and programs are usually undertaken with the view to providing varied services to the citizenry such as road infrastructure, internal security (Abdul – Razak & Adafula , 2013), better national health care, educational opportunities, and other essential public services which is expected to press governments to urge taxpayers not to avoid or under-declare their tax obligations(Young et al., 2013). But, a worrying fact in this respect is that while the government budget in many countries is overwhelmed by deficit financing, many citizens continually evade taxes (Alm et al., 2011) and it remains one of the greatest and most important problems in the area of taxation (Bobek et al., 2013). Thus, because of increasing cases of tax noncompliance, especially tax evasion and its consequences on the capacity of government to raise public revenue, great amount of attentions have been paid to the issue of tax compliance (Alabede et al., 2011). This is the concept which Ayatollah Khamenei has concentrated on it as the main principles of Resistive Economy for decreasing dependency on oil resources.

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Therefore, understanding what drives tax compliance is an important topic for scientific study (Gobena & Van Dijke, 2015) and became are of the interest of policymakers, academics, tax practitioners, and the general public in last two decades (Jimenez & Iyer, 2016). But, traditionally, studies of tax compliance have concentrated on the effect of economic variables such as audit rates, penalty structures and less attention is paid to internal and psychological factors such as tax fairness, taxpayers' attitude, trust in authorities and tax morale. In fact, in recent years, according to researchers and experts, the most appropriate means for tax compliance, is increasing the internal motivation and attract the sympathy of taxpayers. In

addition, the efficiency of a tax system can be judged not only by the resulting work performance, but also by its impact on tax compliance. Since controlling and punishing tax non-compliance in a society is very costly, tax audits usually cannot be carried out extensively (Pányta et al., 2016).

So, the purpose of this research is to investigate the relationship among intrinsic and psychological factors, i.e. tax fairness, taxpayers' attitude, trust in authorities and tax morale and examine their impact on tax compliance for presenting a model of tax compliance with the realization approach of Resistive Economy. This study comprises of various sections representing review of the literature review, methodology, data analysis and findings, discussion, conclusion and recommendations for future research.

Literature review and hypotheses

development Tax Compliance

In recent years, considering economic development has become important and crucial issue in developing countries. So that, these communities do their best to increase their investment by reliance on their own revenues (Savitri & Musfiandy, 2016), which are more reliable and stable. One of these important sources which every government try to rely on it, is tax resource. In fact, this the main important issue that the most countries should concentrate on it and they must pay more attention to the best ways of increasing tax compliance in their society. But tax compliance is a complex term to define.

Jackson & Milliron(1986) defined it as the reporting of all incomes and tax payments to the relevant tax authority (Mas'ud et al, 2014). It can also be defined as an individual's "act of filing tax returns, declaring all income accurately for tax purposes and paying tax liabilities on the due dates as stipulated by the authority or applicable tax laws" (Palil & Mustapha, 2011). Kirchler (2007) perceived a simpler definition in which tax compliance is defined as the most neutral term to describe taxpayers' willingness to pay their taxes. According to Brown and Mazur (2003), tax compliance is multi-faceted measure and theoretically, it can be defined by considering three distinct types of compliance such as payment compliance, filing compliance, and reporting compliance. In the meantime, according to Alm et al (2004) tax non-compliance is actually an inevitable fact on the social level (Alasfour et al., 2016) and each year trillions of dollars slip through the tax authorities' fingers as a consequence of tax evasion (Balafoutas et al., 2015). The other

researches also have shown that tax evasion is a pervasive problem in many countries. In particular, some developing countries do not collect even half of what they would if taxpayers complied with the written letter of the law (Castro & Scartascini, 2015). Tax Justice Network (2011) estimates that, on average, tax evasion rates in 119 developed and developing countries around the world exceed 50% of their healthcare spending.

So, because of the importance of this issue, the purpose of this paper is to contribute to the answer to this question of " what are the intrinsic and psychological factors influencing on tax compliance? " In the next sections, these factors i.e. tax fairness, taxpayers' attitude, trust in authorities and tax morale are explained. These are the factors which few researchers have studied them in integrated model.

Tax fairness

Perceptions of fairness may be especially important in tax compliance decisions. General theories of tax compliance support the idea that perceptions of fairness influence tax compliance(Almasi et al., 2014; Jimenez & Iyer, 2016) and it is widely believed by tax administrators and the taxpayers that growing dissatisfaction with the fairness of tax system, is the major causes for increasing tax noncompliance (Chau & Leung, 2009).

A conceptual framework for fairness considerations suggests differentiating three areas of fairness, as in social psychology: (i) procedural justice, (ii) distributive justice and (iii) retributive justice (Kirchler et al., 2008). Related to procedural justice, the components essential for perceived fairness are neutrality of the procedure, trustworthiness of the tax authorities and polite, dignified, and respectful treatment (Murphy, 2003). Perceived procedural justice on the individual level and a culture of interaction are important for building up trust (Job et al., 2007). Empirical studies show that authorities who enact procedures in a fair manner gain more positive responses from members of the collective (Van Dijke et al., 2010). Furthermore, Levi and Sacks (2009) find that government effectiveness and procedural justice are the key contributors to high tax morale.

Distributive justice concerns the exchange of resources with regard to benefits and costs of the tax system. If the tax burden is perceived to be heavier than that of comparable others, compliance is likely to decrease. Distributive justice is assumed to affect perceived trustworthiness of tax authorities and should therefore entail a higher degree of voluntary compliance (Kirchler et al., 2008). Also, Abdul-Razak and Adafula (2013) proved empirically that the burden of taxes paid affects the attitudes of individuals and this informs how they

evaluate the tax system and consequently their compliance decisions

Finally, retributive justice refers to the appropriateness of sanctions in case of an offence. Unreasonable, intrusive audits and unfair penalties are said to evoke negative attitudes towards taxes and the responsible authorities (Wenzel & Thielmann, 2006). In addition, Torgler et al. (2009) proved that perceived unfairness increases the incentive to act against the tax law, as it reduces psychological costs. Consequently, we hypothesized that:

H₁: Tax fairness has a positive effect on taxpayers' attitude.

H₂: Tax fairness has a positive effect on trust in authorities.

H₃: Tax fairness has a positive effect on tax compliance.

Taxpayers' attitude

Attitudes are often defined as evaluations in relation to a particular object, person, behavior, etc. (Ajzen, 1991). Onu (2016) believed that they are complex psychological constructs that are theorized to have several components: cognitive components (the beliefs that accompany an attitude), affective components (the emotional response related to an evaluation) and a behavioral component (the behavioral tendencies associated with an attitude).

Breckler and Wiggins (1989) argued that affective attitude deals with emotions such as feeling happy, sad or guilt when performing certain behavior while instrumental attitude refers to a more cognitive consideration to which performing a behavior would be advantageous. Also, Solomon et al (2006) have said that behavioral attitude expresses the individual's intention to do activities. A recent study, Loo et al. (2007) reported that attitudes towards tax system positively influenced compliance behavior. They hypothesized that a positive attitude towards the tax system would encourage taxpayers to comply. Thus, it was anticipated that taxpayers with favorable perceptions of the tax system, were more likely to have positive attitude towards tax system. Chan et al. (2000) reported that Hong Kong taxpayers have less favorable attitude towards tax system as a result lower level of compliance. Trivedi et al., (2005) also revealed that there is a relationship between attitude and tax

compliance. Kirchler et al. (2008) suggested that taxpayer who has favorable attitude towards tax evasion is expected to be less compliant and equally taxpayer with unfavorable attitude is likely to be more compliant. The study of Jayawardane and low (2016) revealed that positive taxpayers' attitudes encourage tax compliance.

In addition, the taxpayers' attitude to tax evasion is a factor which affecting their tax ethics. In other words, as tax evasion became abhorrent in taxpayers viewpoint, their tax ethics will be improved and in turn, their tax evasion will be reduced (Sameti et al., 2015). Trivedi et al. (2004) found that favorable attitudes will contribute to trust in authorities and consequently will enhance voluntary tax compliance. Thus, from the literature discussion, we hypothesized that:

H₄: Taxpayers' attitude has a positive effect on tax morale.

H₅: Taxpayers' attitude has a positive effect on tax compliance.

Trust in authorities

Rousseau et al. (1998) defined trust as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions of another (Jimenez & Iyer, 2016). Kirchler et al. (2008) also define trust as "a general opinion of individuals and social groups that the tax authorities are benevolent and work beneficially for the common good.

The researchers believed that trust in government can have positive consequences for the regime. one potential positive consequence is increased taxpayer compliance (Jimenez & Iyer, 2016). Torgler (2007) argued that a taxpayer's relationship with government, including their trust in government, was an important consideration when examining voluntary tax compliance.

Findings from prior research on national and international survey data show that trust in tax authorities is positively related to tax compliance (Torgler and Schneider 2005). Fjeldstad (2004) found that trust in the government, as well as perceived procedural fairness, affects compliance of paying service charges in South Africa (Wahl et al., 2010). Hammar et al., (2009) note that tax compliance is fostered by the trustworthiness of policymakers (Kogler et al., 2013). In a recent review of tax compliance studies, Lavoie (2008) emphasizes the important role of trust in

authorities to foster tax compliance. Similarly, Kogler et al. (2013) showed that voluntary compliance is more influenced by the taxpayer to the government's trust, especially against the tax system. In research in Ghana, Abdul-Razak and Adafula (2013) proved empirically that taxpayer trust on the government can increase tax compliance.

Furthermore, various studies report that trust in the government and in governmental institutions positively influences tax morale (Torgler & Schneider, 2005). Torgler (2003) concludes that trust in the legal system and the government increases tax morale. Sá et al., (2014) also suggest that trust in others, and individual's identification with Portugal have a strong significant effect on tax morale. Recently, Leonardo and Martinez-Vazquez (2016) show that trust in administrative government institutions positively influences tax morale. Consequently, we hypothesized that:

H₆: Trust in authorities has a positive effect on tax morale.

H₇: Trust in authorities has a positive effect on tax compliance.

Tax morale

Taxpayers' behavior towards tax system has evoked great attention among many revenue authorities in the world especially in developed countries (Marti et al., 2010). It can be supposed that nobody likes to pay taxes. One possibility which enforced people to pay their taxes is the morale obligation, the belief in contributing to the society by paying taxes (Torgler, 2004). In fact, a better understanding on individual heterogeneity in tax morale may contribute for the development of alternative mechanisms to reduce tax evasion and to improve tax compliance. Such knowledge is of particular importance because of the negative consequences that tax evasion has on public revenues, and on equity level of the tax system (Kim, 2008).

Tax morale is defined as an intrinsic motivation to pay tax on time (Torgler 2003), and the intrinsic motivation states paying tax regularly without external force (Aktan, 2006). Besides, it is known as being paid of all tax debts completely. It can be said that tax morale is high in a country, only if all tax debts are paid on time regularly (Yeniçeri, 2004). Many researchers have argued that tax morale, seen as

the intrinsic motivation to pay taxes, can help explain the high degree of tax compliance (Feld & Tyran, 2002). Recent research recognizes tax morale as the key to explain the levels of compliance obtained in most countries. Empirical studies found strong evidence of a negative correlation between tax morale and tax evasion and between tax morale and the size of shadow economy (Dell'Anno, 2009). Consequently, we proposed that:

H₈: Tax morale has a positive effect on tax compliance.

Research model

Based on literature review, a conceptual model has been propounded in this study. This model consists of the relevant variables based on the previous studies. All these key variables have been identified from the existing literature and a hypothesized link has been established among them. In this model, based on structural equation modeling (SEM), tax fairness, taxpayers' attitudes, trust in authorities, tax morale and tax compliance are considered as an endogenous variables and tax fairness is an exogenous variable. So, the model is going to explore the effects of intrinsic and psychological factors on tax compliance by considering the relationship among them for the realization approach of Resistive Economy. According to the results of previous studies and the models presented in other study, none of these researchers considered these variables together in an integrated model. Thus, in order to eliminate this gap, we considered the relationship between these structures in an integrated model. Figure 1, shows the research model.

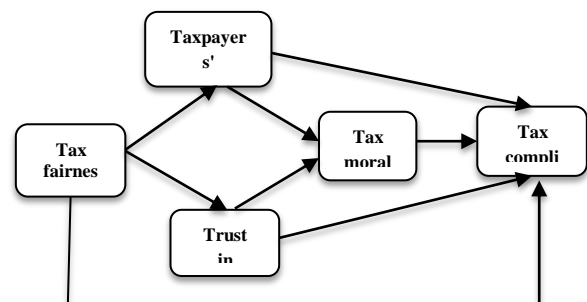


Figure. 1: Research model

Methodology

Participants and procedures

Regarding the research purpose, this study is an applied research and according to the data

gathering, it is a descriptive-correlation approach. The statistical population of the study included 2900 legal persons of Sari tax administration who shall be liable to value-

added tax (VAT). The sample size was 550 which determined by Cochran formula for limited statistical population. Data were collected using individually completed questionnaire and researchers were present at place to answer the probable questions. The sampling technique in this study was stratified random sampling. So, we divided the companies in six categories according to their date of liability to taxation. Then by using stratified random sampling, the sample of each category was determined.

For assessing construct validity, SEM is better than other statistical methods such as multiple regression analysis (Soleimani et al., 2017). A confirmatory factor analysis (CFA) has been performed with the help of Analysis of Moment Structures (Amos) version 22 to check the construct validity of each latent construct of measurement model (Bagozzi & Edwards, 1998; Hair et al., 1998). The construct validity has been checked through the convergent validity and discriminant validity. The convergent validity has been tested by evaluating the factor loadings and average variance extracted (AVE). The factor loadings and AVE should be greater than the threshold value, which is 0.50 (Lin & Ding, 2006). The reliability was evaluated by Cronbach's alpha and the calculated coefficient of (0.875) for overall items which represented a high and desirable internal consistency.

Measures

We measured *tax compliance* with the 7-item scale from Kirchler and Wahl (2010). It consists of three components, i.e. filing compliance, reporting compliance and payment compliance. We measured *trust in authorities* which consists of two components. *Cognition-based trust* with representing with 61% of the total respondent population.

the 11-item scale and *affect-based trust* with the 5-item scale developed by McAllister (1995) and have been used in Gobena and Van Dijke (2015) research. We slightly adapted the items to fit the context of trust in the tax authority.

Furthermore, for assessing tax fairness, taxpayers' attitude and tax morale, the Persian version of the questionnaire was used. For this, at first, we identified the indicators and component of these construct from the literature review and the other researches. Second, by consultation with supervisor and advisor and the other experts in tax and financial issue, the questions were adopted and modified for the context of the present study with 5 point Likert scale from (1 strongly disagree to 5 strongly agree) to evaluate the relationship among the constructs. Thus, we measured *taxpayers' attitude* with the 10-item scale, which consists of three components, i.e., affective attitude, cognitive attitude and behavioral attitude. Also, we measured *tax morale* with the 6-item scale, which consists of three components, i.e., moral obligation; tell the truth and contributing to the society. Finally, *tax fairness* measured with the 16-item scale which consists of three components, i.e., procedural justice, distributive justice and retributive justice.

Data Analysis and Findings Demographic profile

The demographic profile of the taxpayers is showed in the Table 1. The majority of the respondent populations are male with a total number of responses of 297 (54%) respondents, while the female respondents are 253 equivalents to 46%. The age group respondent shows that the majority of the age group is between the ages of 31- 40 years with 40%. On the question of education, majority of respondent are bachelor with a total response of 335

Table 1. Demographic details of the respondents

Variables		Frequency	%age
Gender	Male	297	0.54
	Female	253	0.46
Age	20 -30 years	84	0.15
	31 – 40 years	223	0.40
	41 – 50 years	174	0.32

	51 years and above	69	0.13
<i>Level of education</i>	Diploma	25	0.045
	Bachelor	335	0.61
	Master	187	0.34
	Ph.D	3	0.005

Exploratory Factor Analysis

The exploratory factor analysis (CFA) was conducted to identify the item that is applied to a specific component through the principal component analysis. Kaiser-Meyer-Olkin (KMO) and the Bartlett's test were used in evaluating the data for exploratory factor analysis. According to Hair et al., (1998) the

value of KMO above 0.50 is acceptable. The examination of Bartlett's Test of Sphericity for all constructs showed significant results ($p < 0.05$). This indicates that the data is good enough to proceed for the exploratory factor analysis. Result of the factor analysis is shown in Table 2.

Table 2. KMO ant Bartlett's test

Constructs	Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity	Component	AVE
Taxpayers' attitude	KMO=0.874 Chi-Square = 86.828 SIG= 0.000	Affective attitude	74.232
		Cognitive attitude	
		Behavioral attitude	
Trust in authorities	KMO=0.723 Chi-Squar= 286.029 SIG= 0.000	Cognition-based trust	68.689
		Reason-based trust	
Tax fairness	KMO=0.637 Chi-Square = 651.78 SIG= 0.000	Procedural justice	53.743
		Distributive justice	
		Retributive justice	
Tax morale	KMO=0.767 Chi-Square = 65.124 SIG= 0.000	Moral obligation	61.213
		Tell the truth	
		Contributing to the society	
Tax compliance	KMO=0.745 Chi-Square = 45.199 SIG= 0.000	Filing compliance	56.364
		Reporting compliance	
		Payment compliance	

Structural Equation Model Analysis

Structural equation modeling (SEM) is defined as the analyzing of a latent variable and the causal modeling based on its outcome from the test of parameter estimation for the direct and the indirect relationship that exist between the endogenous, exogenous and mediating variables (Mustapha et al., 2015). In figure 1, the maximum likelihood (ML) method of estimation is used in order to maximize the obtainable value to predict the applicability of the data. To have a satisfactory fitness to data, normed Chi-square (χ^2/df) of the model should be less than (3), normed fit index (NFI), comparative fit index (CFI), and Incremental Fit Index (IFI) more than (0.90), root mean squared

residual (RMR) less than (0.09), and root mean squared error of approximation (RMSEA) less than (0.05). For the CFA model, (χ^2/df) was (2.06), NFI, CFI, and IFI were (0.937), (0.946), and (0.917), RMR was (0.06) respectively, and RMSEA was (0.04). These statistics represents the goodness-of-fit to data for the CFA model.

To validate relationships between variables and to investigate the overall fitness of the proposed model, path analysis was used. To accept or reject hypotheses, the standardized path coefficients and significant levels were used. It should be noted that the confidence level for all paths is assumed to be (0.95). Figure 2 shows the fitted path model revealing the intensity and the direction of relationship.

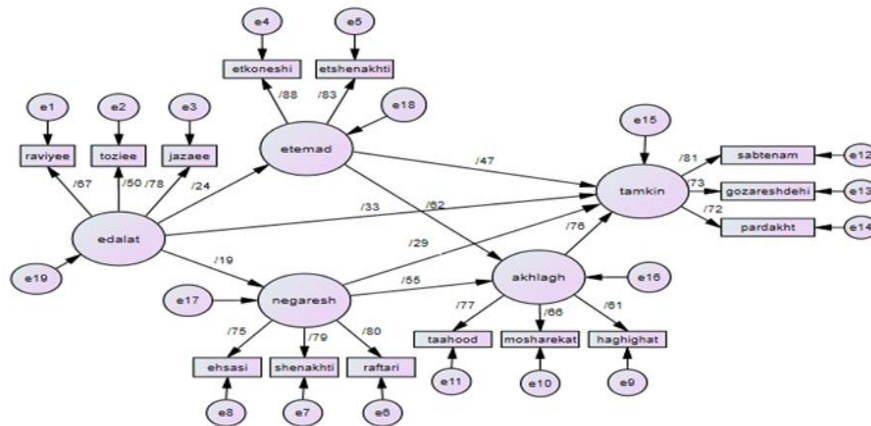


Figure 2: Structural Equation Model

Hypotheses Testing with Path Analysis

As previously mentioned, this study is comprised of nine hypotheses. In order to test

the hypotheses, the value of path coefficients and the respective level of significance were used (Table 3). A hypothesis is accepted if its significance level is lower than (0.05).

Table 3. Path analysis results

Hypothesis	Path coefficient	P-Value	Result
H ₁ Tax fairness → Taxpayers' attitude	0.19	0.000	Supported
H ₂ Tax fairness → Trust in authorities	0.24	0.005	Supported
H ₃ Tax fairness → Tax compliance	0.33	0.000	Supported
H ₄ Taxpayers' attitude → Tax morale	0.55	0.389	Not supported
H ₅ Taxpayers' attitude → Tax compliance	0.29	0.033	Supported
H ₆ Trust in authorities → Tax morale	0.62	0.000	Supported
H ₇ Trust in authorities → Tax compliance	0.47	0.000	Supported
H ₈ Tax morale → Tax compliance	0.76	0.000	Supported

According to the table 3, the majority of hypothesized paths are significant, except the relationship between taxpayers' attitude and tax morale. The hypothesis testing shows that H_1 , H_2 , H_3 , H_5 , H_6 , H_7 and H_8 are supported. But, H_4 is not supported. Based on these results, the direct path from tax morale to tax compliance is the highest direct prediction capability with standardized path coefficient of 0.76 and the direct path from tax fairness to tax compliance is the lowest (significant) prediction capability with standardized path coefficient of 0.19.

Conclusion and recommendations

Undoubtedly, taxation is the most reliable source for financing government expenditure and become one of the most important and highly debated topics in accounting, economics and law literature. Actually, tax is a fundamental aspect of modern life. Funds raised from taxes pay for many essential services and public goods. The growing demand for better national health care, educational opportunities, and other essential public services is expected to press governments to urge taxpayers not to avoid or under-declare their tax obligations. Regarding the widespread phenomenon of tax evasion, the main point which should be consider in order to promote voluntary tax compliance, is that the executive and legal factors are usually take into consideration and less attention is paid to intrinsic and psychological factors. So, our paper focused on the role and the effects of intrinsic and psychological factors on tax compliance. We identified these factors from literature review and many researchers which studied the effects of one or some of these factors in their study. But we take them together in an integrated model and examined the relationship among them.

The findings showed that tax fairness effect on taxpayers' attitude, trust in authorities, tax morale and tax compliance. Consistent with the existing literature (e.g. Murphy, 2004), analyses revealed that when more procedural fairness was perceived, more positive attitudes towards tax compliance emerged and trust in authorities became more and more which is consistent with results of the other research (e.g. Wenzel & Thielmann, 2006; Job et al., 2007). Furthermore, if the tax burden is perceived equivalent to the other of taxpayers, tax morale enhance and we should expect that the taxpayers declaring all income accurately for tax purposes. These finally stimulate voluntary tax compliance (e.g. Levi and Sacks, 2009). In addition, the results showed that as the taxpayers have more trust in authorities, they do their role (filing compliance, reporting compliance and payment compliance) better and better. These results are in line with other researches (Mas'ud et al, 2014; Gobena & Van Dijke, 2015) identifying trust as the main component for explaining voluntary tax compliance. In general, the positive effect of trust on honest tax reporting as reported in the literature was confirmed (Bergman, 2002; Torgler, 2003; Murphy, 2004; Torgler &

Schneider, 2005). And also, various studies report that trust in the government and in governmental institutions positively influences tax morale which we find it in our study too. At last, the findings showed the positive and strong effects of tax moral on tax compliance.

In addition, in the light of the findings of this research, a number of implications were identified and we have some recommendation for tax managers and authorities:

- The findings demonstrated that in formulating strategies to enhance voluntary compliance, it is crucial for the authorities to do their best to provide tax education services for society.
- Use of strong executive guarantees, not enhancing the perception of retributive justice, while cause to promote tax compliance behaviors.
- Trustworthy and honest treatment of tax authorities can lead to trust of taxpayers to them in turn. In fact, there is a need for trust to be built between the citizens and the state in order to eliminate individuals' incentives of evading taxes. In order, for facilitating of this case, transparency and accountability in the taxation system must be enforced and publicized.
- The tax authorities should try to be fair in their decisions and give right information to the taxpayers during the auditing.
- Providing enough news and information about the using of tax collected in various media such as TV, radio, newspaper. Because it has a positive impact on the thought and attitude of taxpayers and will enhance the trust of the taxpayers. Perhaps this is one of the most important expectations of taxpayers from government which understand the way of using tax collected by government.
- As the tax officials do their job with more professionalism and dedication, the cognition-based trust will enhance and the tax compliance will happen.
- Tax authorities should consults widely with taxpayers about how they might change things to make it easier for taxpayers to meet their obligations.
- Enhancing the knowledge and skill of tax authorities for doing accurate and fair auditing which in turn enhance the taxpayers' trust and change their attitude.

Contribution of the Study

The study helps in understanding the concept of sustainable tax compliance and also highlights the intrinsic and psychological factors such as tax fairness, taxpayers' attitude, trust in authorities and tax morale, which influence on tax compliance. For some reasons, it is imperative to know that what

factors are significant in influencing tax compliance. At first, today any government in anywhere understood that they need sustainable recourse for their expenditures and financing their project and nothing can replace with tax resources which Iran's leader, Ayatollah Khamenei have emphasized on it. Second, no research didn't take into consideration the factors influencing on tax compliance in holistic model. This study made its endeavor to fulfill the research gap in the field of taxation as the area which is still not widely covered. Furthermore, over the past decades it has become rather clear that the authoritarian method of enforcing tax compliance by threatening and using coercive measures might be unproductive. Finally, most of the researches and studies examine the economic and structural factors affecting on tax compliance, while the psychological and intrinsic factors can be the key influencing element on tax compliance. Actually, by knowing the intrinsic and psychological influencing factors on it, the proper attention can be given to these factors. The government and Iranian National Tax Administration can concentration and strengthen all these factors to promote the sustainable recourse and compensation their deficit in the future.

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