

A Field Survey on Taxpayer's Responses to Tax in Ağrı[§]

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Abstract

The psychological dimension of taxation should be taken into account in order to evaluate taxpayer attitudes and behaviours towards tax. This study aims to determine the general thoughts and perceptions of taxpayers in Ağrı province where socio-economic structure is largely dependent on agriculture and animal husbandry. In the study, a questionnaire form consisting of 42 questions was applied to 401 participants to measure the taxpayers' responses to tax. In the analysis of the data, the findings obtained by using frequency and descriptive statistical analyses were interpreted at the 95% confidence level and at the 0.05 significance level. The Cronbach's Alpha value of the second part of the questionnaire including 34 questions on tax evasion tendency of taxpayers was determined as 0.658. In the study, it was determined that taxpayers have tax awareness and perceive tax correctly. However, it has been concluded that taxpayers react to the taxation system for various reasons such as high tax rates, unfair taxation in the tax system, inadequate tax controls, repeated tax amnesties, the state's inability to use tax revenues effectively in public expenditures and wastefulness, and the prevalence of tax evasion.

Keywords: Tax, Tax Psychology, Tax Morale, Tax Compliance, Tax Response

JEL Codes: H20, H26, H30

[§] This article is part of MA thesis

Introduction

The duties that states should fulfill within the framework of social welfare understanding have diversified and increased over time. Tax revenues constitute the most important share of the public revenues collected by the states that have to spend more and generate more income in order to meet the increasing needs (Eker & Meriç, 2005, p. 2). It is very important for taxpayers to fulfill their obligations in a timely and complete manner for financing public services. With the increase in the duties undertaken by the state, the tax burden has increased significantly (Ömürbek, Çiçek & Çiçek, 2007, p. 103). In democratic administrations, citizens elect the political powers that will make decisions on taxation and public expenditures through voting. For this reason, there are limits to the legal framework of the tax policies to be implemented by the political powers (Öncel, Kumrulu & Çağan, 1985, p. 129-131).

Tax constitutes the largest share of the state's revenues. Economic, political, individual and environmental factors have also effects on taxpayers' attitudes and behaviors towards tax. Increasing tax revenues and minimizing tax losses is possible with the citizens' perception of tax and the awareness that tax is a civic duty. For this reason, this study is important in determining the tax awareness and perception of taxpayers.

Factors Determining Responses to Taxation

Behavioral public finance or more narrowly tax psychology, is an area of research that examines the effects of financial events on people's attitudes and behavior (Aktan, 2012, p. 14). Tax psychology is a very wide field where there is tax policy and practices on the one hand and theoretical and economic analysis on the other (Pedone, 2009, p. 1). Although tax ethics is not a new concept, it has received less attention in the tax compliance literature. The first research on tax ethics was conducted by the Cologne Tax Psychology School, which tried to establish a bridge between economics and social psychology in the 1960s (Alm & Torgler, 2006, p. 227-228).

According to Allingham and Sandmo (1972), tax compliance varies according to the expected costs and benefits of tax evasion. The expected costs of non-compliance arise from the auditing activities that increase the probability of government detection and the penalties faced by individuals when they are caught. Apart from the penalty given by the tax administration, there are also psychological costs such as shame or regret (Schneider, 2016, p. 257-258). The voluntary behavior of taxpayers in paying taxes increases as a result of their confidence in the political, economic and legal structure of the state. Breaking this trust in the state will lead taxpayers to avoid taxation and evade tax more (Şenyüz, 1995, p. 27-28). Increasing complexity in the taxation process has led the tax authority to rely on individuals and companies, especially in terms of tax on declaration basis. This situation provided an opportunity for taxpayers to show how much ethical responsibility they feel in the face of tax laws and how much risk they want to take while fulfilling their tax obligations (Sakurai & Braithwaite, 2003, p. 375).

The policies implemented by the tax authority may negatively affect the voluntary compliance of taxpayers while ensuring full and timely payment of their taxes. For this reason, regulations that encourage honest taxpayers and reduce the possibility of avoiding tax payments contribute to voluntary tax compliance (Torgler & Schneider, 2004, p. 7). Also, taxpayer-oriented tax policies in order to increase the quality of public

services both reduce the costs of tax collection and increase the voluntary compliance of obliged parties (Çelebi, 2012, p. 28). However, weak tax management of countries, insufficient controls, and the fact that commercial transactions in the economy are not tied to a regular recording and accounting system make tax collection difficult (Ataç, 2009, p. 232).

Taxpayers think that taxes collected for the financing of public services are not collected fairly and wasteful public spending which negatively affects their responses to tax (Çataloluk, 2008, p. 219). Also, changes in tax rates also affect taxpayers' behavior as consumers, changing the tax preferential consumption amounts (Feldstien, 2008, p. 5-6). In this context, low-income taxpayers try to minimize their wealth losses due to tax by reducing their compulsory needs while high-income taxpayers reduce the amount of luxury consumption. In other words, income level of the taxpayers causes different reactions (Taşkın, 2010, p. 72).

Taxpayer Responses to Taxes

Responses to tax are divided into two phases: passive and active. Taxpayers in the passive response phase demonstrate behaviours such as tax avoidance, late payment, withdrawal from investment, production reduction, tax immigration, whereas those who are in the active response phase display behaviors such as tax evasion, tax rejection and tax revolt (Aktan, Dileyici & Saraç, 2006, p. 162-164).

Tax evasion is the non-payment or partial payment of the tax due to the attitudes and behaviors towards tax laws (Orhaner, 2007, p. 186). So, the concept of tax evasion covers all illegal behaviors of the taxpayer in order to avoid paying taxes or to reduce the tax burden. The concept of tax evasion includes deliberately and fraudulently reducing the tax burden, as well as showing a low tax base due to not knowing the tax legislation, misinterpretation, involuntary errors in the declaration or taxpayer's negligence (Bayraklı, Saruç & Sağbaş, 2004, p. 227). Tax evasion is among the most fundamental problems in the public economy. It negatively affects public services received by citizens and compliant taxpayers by reducing tax collections. In addition, the working hours of individuals cause changes in the taxpayers' behavior in terms of sector choices and investments to be undertaken, and leads to incorrect allocations in resource use (Alm, 2018, p. 2). Taxpayers turn to tax evasion according to the possibility of tax auditing, tax penalty due to undeclared income, marginal income tax rate and risk taking tendency (Kıldış, 2000, p. 187). The decrease in taxes collected for public services due to tax evasion, leads to a decrease in the budget revenues of the state. In this case, it will both increase the tax rates and expand the tax base in order to compensate for the decreasing tax revenues (Kapusuzoğlu, 2008, p. 129).

Tax avoidance is an attempt to reduce tax payments through law by taking advantage of loopholes in tax laws. Avoidance can be in the form of taking advantage of the loopholes in the laws or not causing the event that gives rise to the tax (Çiçek & Sabbağ, 2016, p. 44). Avoiding tax is an act that does not have legal and criminal sanctions and it is not included in the scope of tax offense. However tax avoidance leads to an increase in tax losses (Koç, 2019, p. 1020). Also, the fact that the current tax laws include provisions such as exceptions and discounts that will adversely affect the economic and social structure and allow taxpayers to interpret them differently will encourage taxpayers to avoid tax (Devrim, 1998, p. 250-251). Tax avoidance can be

in the form of taxpayer's turning to tax-exempt or less taxed economic activities (Bayraklı, Saruç & Sağbaş, 2004, p. 227).

Unlike tax avoidance and tax evasion, tax refusal is a completely socio-psychological event. The most important feature of taxpayer response during the active reaction to tax is disobedience to the authority. Individual reactions can turn into mass reactions depending on the level of discontent of the taxpayers (Gök, 2007, p. 150). Also, taxpayers may react passively by not paying their tax debts on time deliberately or due to insolvency. Failure to pay the tax on time provides tax advantages to taxpayers in cases where the delay interest rate is lower than the market interest rate (Şen and Sağbaş, 2016, p. 305). Taxpayers can also reflect their tax burden on another person. The tax burden may remain on one or more persons as a result of the taxpayer who has paid a tax, usually taking advantage of his economic situation and transferring the tax he has paid partially or completely to others (Orhaner, 2007, p. 188).

Tax havens are countries that are generally island countries which do not apply tax or impose very low tax rates on taxpayers. Businesses prefer to keep their profits from international activities in their own tax haven countries instead of taking them to their own countries (Akdoğan, 1996, p. 188). Countries' high taxation levels cause major economic losses under capital mobility. As the mobility of labor and capital increases, international tax competition becomes more intense. Tax havens adversely affect the budget revenues of countries with higher tax rates and thus lead to financial instability (Radu, 2012, p. 398).

Literature Review

Taxpayers' perception of tax and their awareness that tax is a civic duty contribute to increasing tax revenues and minimizing tax losses. In this context, the importance given to the concept of financial psychology leads to increase in research on taxpayer behaviors (Çicek, 2006: 38). Although tax compliance is among the aims of almost every country, there are various factors that prevent this and cause different levels of tax compliance. In the literature, these factors are discussed in three main groups: demographic, economic and socio-cultural. While economic factors primarily include the risk of detection and punishment of taxpayers, non-economic factors include social and psychological variables such as tax ethics, personal attitudes and social norms (Tan and Braithwaite: 2018: 222).

In the study conducted by Walsh (2012) in the context of demographic factors such as education level, gender factor, age, marital status and occupational status in the literature, personal characteristics affect tax compliance as follows:

- Older people generally comply with tax because they are more risk averse. Some studies show that both young and old are more compatible than middle-aged people.
- Men evade taxes more than women.
- Some studies show that married people have a higher tax morality. On the other hand, some studies show that married people have a higher level of non-compliance than single taxpayers.
- As the education level increases, the voluntary compliance of tax increases. However, taxpayers learn more about tax evasion opportunities.

- As lower income decreases cash flow, it creates payment difficulties. This situation may adversely affect tax compliance of both low and high income taxpayers.

In the study of Can and Duran (2015) in Istanbul, it was concluded that gender and occupational status are factors that affect tax morality, but age, education and marital status are not factors that affect tax morality. In the study conducted by Aşkın (2019) in Ankara, it was found that taxpayers' perception of tax ethics and tax justice differed in terms of demographic variables. According to another study conducted by Hellaç (2018) in Zonguldak, tax responses and tax perceptions of income tax payers change according to their demographic characteristics.

Sandalcı (2020) reached the conclusion that economic factors have a positive effect on tax avoidance, while the moral-psychological factor has a negative effect. Also, Torgler and Schneider (2004) found that tax inspections and penalty rates affect the voluntary compliance of taxpayers more. In the study conducted by Çoban and Sezgin (2004) it was concluded that the reasons for tax avoidance and tax evasion by the taxpayers are the ineffective use of the public revenues obtained by the state. In the study conducted by Koç (2019) it was found that increasing tax burden is the main factor which causes tax evasion and avoidance behavior. Çelikkaya and Gürbüz (2008) found that 95.4% of taxpayers think that tax burden was unfairly distributed. Bayraklı, Saruç and Sağbaş (2004) reached the conclusion that tax burden plays an important role in the tax evasion decision of the taxpayer. On the other hand, Altun, Gürdal, and Beşel (2017) stated in their study that the participants were not very willing to report those who did not fulfill their tax duties, although they considered tax evasion as a crime.

In the socio-cultural group, there are factors such as loyalty to the state, the level of trust in the state and citizenship awareness, the level of acceptance of the political power in the country, beliefs and traditions, cultural structure, and the level of democracy (Tosuner and Demir, 2008: 358). Also research conducted by Effer in 1991 revealed that voluntary tax compliance of obliged parties will be negatively affected in an environment of inequality (Tuay and Güvenç, 2007: 21). Muter, Sakınç and Çelebi (1993) reached the conclusion that the majority of taxpayers define the tax according to the principle of benefit and try to establish a link between the tax they pay and the public service. In the study conducted by Çiçek, Karakaş and Yıldız (2008) in the Southeastern Anatolia Region, it was found that 33.3% of the participants saw tax as an equivalent of public services and 30.9% as a compulsory payment. With a survey study conducted on income taxpayers in Zonguldak, Bağdigen and Erdoğan (2010) concluded that taxpayers consider taxation as a civic duty. Korlu, Gerçek, and Çetinkaya (2016) reached the conclusion that citizens have moderate knowledge of local taxes, and the culture of tax payment should be developed. In the study conducted by Demir (1999) in Afyon, it was found that 85.2 % of the taxpayers believe that wasteful public spending causes tax response. Tuay and Güvenç (2007) concluded that the majority of taxpayers do not believe that the tax they pay is spent on the needed areas of the country. In the study conducted by Ağcakaya and Yıldırım (2015) in Istanbul, most of the participants do not find the tax system fair. In the study conducted by Çiçek (2006) in Istanbul, it was found that 77.5% of the taxpayers believe that the taxes applied in our country are not fair, and 99.4% of them think that they do not pay the taxes of other taxpayers in full.

Method

The main problem of the study is the various behaviors and reactions to taxes. The aim desired to be achieved with empirical application is to find out why individuals react to taxes and the reasons that are effective in the emergence of these reactions. In particular, the purpose of this study is to determine the variables that explain the psychological and moral factors that affect the tax evasion tendency. In this way, the general and special reasons that affect the tax evasion behavior can be examined and various solutions can be evaluated in order to minimize tax evasion with various predictions. The main problem sentence of the research is "Is there tax perception and tax awareness among the taxpayers in Ağrı?" and "Do the taxpayers have a reaction to tax?" and the analysis of the data will be tried to be answered within this scope.

The population of research consist of taxpayers in Ağrı. The sample of the study is 401. Random sample selection method was preferred in sample selection and participation in the study was on a voluntary basis. In the analysis of the data, the findings obtained by using frequency and descriptive statistical analyzes were interpreted at the 95% confidence level and at the 0.05 significance level. Thus, it was assumed that the results obtained from the data collected from the sample could represent the whole population. The accuracy of the data obtained is based on the assumption that the participants gave sincere and correct answers to the questionnaire.

Research data were analyzed with the help of SPSS 20.0 statistical package program. Tax perceptions and responses of taxpayers in Ağrı were statistically determined and interpreted according to various variables. Frequency and descriptive statistical analyzes were used in the analysis of the research data. Frequency analysis was applied to the data regarding the demographic characteristics of the participants, and their demographic characteristics were expressed as a percentage. In this research study, a questionnaire form consisting of 42 questions was used in order to evaluate the taxpayers' reactions to tax. "Reliability (Cronbach's Alpha) Test" was conducted in order to test the internal consistency of the survey results. The Cronbach's Alpha value of the second part of the questionnaire, which includes 34 judges regarding tax evasion tendency of taxpayers, was determined as 0.658. The alpha value takes a value between 0 and 1 and must be 0.50 and above to be meaningful (Altunışık et. al., 2010: 124). In the preparation of the questionnaire form used in the study, studies including both theoretical and empirical applications in the literature were used. The survey study was conducted between January 2014 and March 2014 to determine the research phase. Survey form consists of questions related to the personal status of taxpayers about age, gender, marital status, number of children, education level, earning type and income level, and questions are designed on the basis of factors that may affect tax behavior. The questions in the questionnaire form of the research were categorized in five groups based on the relationship among themselves, and the findings obtained by statistically analyzing each category were interpreted. The categories created according to the questions in the questionnaire form are as follows:

- Determination of Tax Perceptions and Thoughts of the Participants on Tax Awareness
- Determining the Opinions of the Participants on Taxes and Public Expenditures

- Determining the Opinions of the Participants on the Effectiveness and Importance of Tax Audit
- Determining the Opinions of the Participants on Tax Justice
- Determining the Opinions of the Participants on Tax Losses and Prevention of Tax Losses

Findings

Demographic Characteristics of the Participants

Table 1. Distribution of the Participants by Demographic Characteristics

Variable	Level	Frequency (n)	Percent (%)
Gender	Female	141	35,2
	Male	260	64,8
Age groups	18-30	239	59,6
	31-40	88	21,9
	41-50	49	12,2
	51-60	18	4,5
	61+	4	1,0
	No answer	3	0,8
Marital status	Single	219	54,6
	Married	178	44,4
	No answer	4	1,0
Number of individuals in the family	2	40	10,0
	3	74	18,5
	4	111	27,7
	5	63	15,7
	6 and above	110	27,4
	No answer	3	0,7
Education level	Primary school	59	14,7
	Secondary education	141	35,2
	University	156	38,9
	Post graduate and above	32	8,0
	No answer	13	3,2
Income	0-1.000 TL	184	45,9
	1.001-2.000 TL	62	15,5
	2.001-3.000 TL	65	16,2
	3.001-4.000 TL	53	13,2
	4.000 TL and above	37	9,2
Earning type	Not working	146	36,4
	Trading earnings	74	18,5
	Agricultural earnings	19	4,7
	Self employment earnings	58	14,5
	Salaried	74	18,5
	Real estate capital gain	2	0,5
	Return on stocks and bonds	10	2,5
	Other earnings	13	3,2
No answer	5	1,2	
Declaration type	Income tax	190	47,4
	Corporation tax	50	12,5
	Other	147	36,7
	No answer	14	3,4
Total		401	100,0

When the distribution of the participants according to their gender is examined, it is observed that 35.2% of the participants are female and 64.8% are male taxpayers. When the distribution by age groups is examined, it is seen that 59.6% of the participants are in the 18-30 age group, 21.9% in the 31-40 age group, 12.2% in the 41-50 age group and 4.5% in the 61 and it consists of individuals in the older age group. 0.8% of the participants did not answer this question. When the distribution according to their marital status is examined, it is seen that 54.6% of the participants are single and 44.4% are married. The rate of participants who do not show their marital status is 1%. When the distribution by education level is examined, it is seen that 38.9% of the participants have university education, 35.2% have secondary education (including high school) and 8% have a master's degree. In this context, it can be said that the majority of the participants (82.1%) consist of high-level education programs and sample group educated people. When their distribution by income levels is examined, it is found that participants below the Turkey average of the majority (61.4%) consists of people in low income levels. 3.2% of the participants did not answer this question. When the distribution according to their number in the family is examined, it is seen that 27.7% of the participants have 4 people in the family and 27.4% have 6 or more people. 18.5% of the people are people, while the number is 3, 10% is 2 people. It is seen that the rate of 5 people in the family is 15.7%. 0.7% of the participants did not answer this question. When their distribution by earning groups is examined, it is seen that 36.4% of them do not work. The rate of those who did not answer this question is 1.2%. When the distribution of the declaration by group is examined, it is seen that 47.4% is income and 12.5% is corporate taxpayer. It is seen that 36.7% of the participants gave the other answer (self-employment income, agricultural income, real estate capital gain, etc.). It is seen that 3.4% of the participants did not answer this question.

Determination of Tax Perceptions and Thoughts of the Participants on Tax Awareness

Table 2. Perception of Tax by Participants

Tax Perception	Frequency (n)	Percent (%)
Equivalent of government services	149	37,2
Compulsory payment	70	17,5
Citizenship duty	71	17,7
Burden	48	12,0
Indication of commitment to the state	59	14,6
No answer	4	1,0
Total	401	100,0

69.5% of the participants perceive tax as the equivalent of public services provided by the state, and as an indicator of citizenship duty and loyalty to the state. 29.5% of the participants perceive tax as a burden and compulsory payment. When the findings obtained from the data of the sample group participating in the study are identified with the province of Ağrı, it is seen that taxpayers have tax perception and tax awareness.

Determining the Opinions of the Participants on Taxes and Public Expenditures

In this part of the research study, the opinions of the participants on tax and public expenditures, frequency and distribution, and the interpretation of the findings are included.

Table 3. Distribution of the Opinions of the Participants on Taxation and Public Expenditures (1)

Thoughts on Taxes and Public Expenditures	Frequency (n)	Percent (%)
How do you find the burden of the taxes you pay?		
a) Very heavy	159	39,7
b) Heavy	140	34,9
c) Normal	65	16,2
d) Less	28	7,0
Unanswered	9	2,2
Are the taxes paid effectively used in public services?		
a) Yes	66	16,5
b) No	202	50,4
c) I have no idea	126	31,4
Unanswered	7	1,7
Do you think there is waste in public spending?		
a) Yes	275	68,6
b) No	71	17,7
c) I have no idea	53	13,2
Unanswered	2	0,5
Do you make a connection between the tax you pay and government services?		
a) Yes	176	43,9
b) No	158	39,4
c) I have no idea	65	16,2
Unanswered	2	0,5
Do you evaluate by correlating public expenditures with the taxes you pay?		
a) I'm just watching	108	26,9
b) I watch and evaluate	148	36,9
c) I am interested	72	18,0
d) I have no idea	71	17,7
Unanswered	2	0,5
Total	401	100,0

74.6% of the participants of the study stated that the burden of taxes paid is too heavy or heavy. It is seen that 50.4% of the participants believe that the taxes paid are not used effectively in public services, and 68.6% of them believe that there is a waste of public expenditures. While 43.9% of the participants can establish a connection between the tax they pay and government services, the rate of those who cannot establish a connection is 39.4%. According to the finding, it can be said that the participants of the research have difficulty in perceiving the relationship between tax and government services. This situation changes as the education level of taxpayers and citizens increases. It is seen that 54.9% of the participants associate the tax they pay with the public expenditures and make an evaluation. According to this finding, it is seen that more than half of the participants can evaluate the tax-public expenditure relationship.

Table 4. Distribution of the Opinions of the Participants on Taxation and Public Expenditures (2)

Thoughts on Taxes and Public Expenditures	Frequency (n)	Percent (%)
Do you think that there are high tax rates in Turkey?		
a) Yes	313	78,1
b) No	80	20,0
Unanswered	8	1,9
How do you find out about changes in tax laws?		
a) Newspapers, magazines, radio, TV, etc.	200	49,9
b) From my accountant	41	10,2
c) In consultation with the tax office	21	5,2
d) My colleagues and environment	20	5,0
e) Professional associations	39	9,7
f) I do not follow	78	19,5
Unanswered	2	0,5
How would you summarize the situation of the full taxpayer in today's conditions?		
a) Its reputation increases	67	16,7
b) Citizenship duty	181	45,1
c) Go bankrupt within a year	44	11,0
d) Cannot complete its economic development	37	9,2
e) Nothing important happens	66	16,5
Unanswered	6	1,5
In what way should the state meet its increasing spending?		
a) By borrowing	51	12,7
b) By reducing expenses	124	30,9
c) By increasing tax types and rates	55	13,7
d) By increasing tax audits and penalties	96	23,9
e) I have no idea	72	18,0
Unanswered	3	0,8
What do you think about the tax laws?		
a) Simple	68	17,0
b) Incomprehensible	135	33,7
c) Too hard to comply	93	23,2
d) I have no idea	100	24,9
Unanswered	5	1,2
Total	401	100,0

Research shows that 78.1% of the respondents argued that there are high tax rates in Turkey. Approximately half (49.9%) of the participants are generally aware of the changes related to tax laws and 61.8% think that the taxpayers fulfill their citizenship duties and that the taxpayers have increased their prestige. The most striking one of the findings is that 23.9% of the participants think that the state should increase the tax inspections and penalties in order to increase the tax revenues of the state. It is believed that the penalties to be applied in case of an effective tax audit and detection of tax losses and evasions will reduce informality and the state will not resort to increasing tax rates for financing public expenditures. 56.9% of the participants stated that tax laws are difficult to understand and comply with.

Taxpayers think that the state should find alternative sources that will not impose additional burden on the taxpayers instead of preferring to increase the tax type and rates as a financing model in the financing of public expenditures. According to the findings, it is possible to say that the taxpayers in Ağrı are reactive to the high tax rates,

excessive taxes, the ineffective use of taxes by the public, and the inability to understand the tax laws.

Determining the Opinions of the Participants on the Effectiveness and Importance of Tax Audit

In this part of the research study, the frequency and distribution of the participants on the effectiveness and importance of tax auditing and the comments of the findings are included.

Table 5. Distribution of the Opinions of the Participants on the Effectiveness and Importance of Tax Audit

Thoughts on the Effectiveness and Importance of Tax Audit	Frequency (n)	Percent (%)
What do you think the probability of catching tax evaders is?		
a) High	98	24,4
b) Low	296	73,8
Unanswered	7	1,8
Have you benefited from any tax amnesties before?		
a) Yes	67	16,7
b) No	328	81,8
Unanswered	6	0,5
How many times has your business gone through tax inspections during your lifetime?		
a) 1 time	72	18,0
b) Between 1-5	43	10,7
c) more than 5 times	29	7,2
d) I have not had any reviews	117	29,2
e) I have no business	136	33,9
Unanswered	4	1,0
Do you believe that tax audits are conducted correctly and honestly?		
a) Yes	89	22,2
b) No	302	75,3
Unanswered	10	2,5
Have you received any penalties from your tax inspections?		
a) Yes	54	13,5
b) No	161	40,1
c) I have not had an audit	176	43,9
Unanswered	10	2,5
Total	401	100,0

75.3% of the participants think that tax inspections are conducted correctly and honestly. Another finding that supports the perceptions of the participants that tax audits are not carried out effectively is the rate of 73.8%, which states that tax evaders are less likely to be caught. In addition, the statements of 47.2% of the participants who stated that they did not undergo any tax inspection during their commercial activities and that they only had one tax inspection, support this situation. In this context, the taxpayers do not think that there is an effective tax control system in Ağrı. In order to increase tax revenues and reduce tax losses and evasion, more attention should be paid to the systematic and effective implementation of tax audits by the tax administration. Thus, by reducing tax losses and evasion, an increase in both tax revenues and the psychological trust of taxpayers in the administration will be ensured.

Determining the Opinions of the Participants on Tax Justice

Table 6. Distribution of the Opinions of the Participants on Perceptions of Tax Justice

Thoughts on Perception of Tax Justice	Frequency (n)	Percent (%)
Do you think that everyone is paying full tax in Turkey?		
a) Yes	44	11,0
b) No	302	75,3
c) I have no idea	54	13,5
Unanswered	1	0,2
Do you think tax is charged according to the income level of individuals?		
a) Yes	129	32,2
b) No	172	42,9
c) I have no idea	95	23,7
Unanswered	5	1,2
What do you think about tax amnesties?		
a) Very useful	108	26,9
b) Honest taxpayers are punished	47	11,7
c) It violates tax justice	65	16,2
d) It undermines the trust in the state	76	19,0
e) I have no idea	100	24,9
Unanswered	5	1,2
Do you think the tax system in our country is fair?		
a) Yes	57	14,2
b) No	295	73,6
c) I have no idea	44	11,0
Unanswered	5	1,2
If you think the tax system in our country is unfair, what do you think is the reason?		
a) Structure of tax laws	75	18,7
b) Approaches of the tax administration	46	11,5
c) Tax evasion is common	130	32,4
d) State's inability to collect taxes	147	36,7
Unanswered	3	0,7
Total	401	100,0

It is observed that 73.6% of the respondents think that the justice of the tax system is not fair in Turkey. 75.3% of the participants think that taxes that are not fully paid by everyone in Turkey, and this supports the finding that there is no tax justice. 42.9% of participants think that tax is not taken in accordance with the level of citizens' income in Turkey. It is thought that there is injustice in the tax system due to the fact that taxes are not collected in direct proportion to the income level. According to participants, the main reason for the unfair tax system in Turkey is the inadequacy of the government's tax collection by 36.7%, and 32,4 % of the participants think that the reason for the unfair tax system is the widespread tax evasion. While 26.9% of participants see tax amnesty as a useful practice in Turkey, 19% of participants state that public confidence of honest taxpayers in the state is shaken, and 16.2% of participants think that tax amnesties distort tax fairness. The percentage of participants who think that honest taxpayers who pay taxes on time are punished is 11.7%. This result can be interpreted as an indicator of goodwill for the honest taxpayers who have difficulty in paying their taxes due to economic insufficiency but perceive paying tax as a duty of citizenship. According to the findings, the taxpayers in Ağrı think that a fair taxation system is not

applied. There is a high rate of trust perception about the tax justice in Turkey despite the factors affecting tax justice negatively, which are not collecting taxes in accordance with the income level of the citizens, frequently applied tax amnesties, and a lack of tax administration approach and tax laws.

Determining the Opinions of the Participants on Tax Losses and Prevention of Tax Losses

In this part of the research study, the reasons for tax loss and the frequency and distribution of the participants regarding the prevention of tax losses and the interpretation of the findings are given.

Table 7. Distribution of the Participants' Opinions on Reasons for Tax Loss and Prevention of Tax Losses (1)

Reasons for Tax Loss and Considerations on Prevention of Tax Loss	Frequency (n)	Percent (%)
How does it affect you if you think that some taxpayers do not pay their taxes?		
a) Prompts you to pay more taxes	72	18,0
b) It discourages you from paying taxes	160	39,9
c) It encourages tax evasion	78	19,5
d) Has no effect	76	19,0
Unanswered	15	3,6
How do you think we can provide an increase of tax awareness in our country?		
a) Education and training	88	21,9
b) Eliminating the injustice in the tax system	125	31,2
c) Increasing the per capita income level	70	17,5
d) Decreasing tax rates	54	13,5
e) Increasing the efficiency of public expenditures	54	13,5
Unanswered	10	2,9
What kind of effects do you think reducing tax rates have on taxpayers?		
a) Tax revenues increase	72	18,0
b) Tax revenues decrease	88	21,9
c) Tax base expands	54	13,5
d) Decreases tax evasion	179	44,6
Unanswered	8	2,0
How does the increase in tax rates or the enactment of a law that will increase the tax burden on you affect you?		
a) Paying more taxes encourages me to work harder	57	14,2
b) I cut my expenses	108	26,9
c) I would quit or slow down my job rather than pay more taxes	60	15,0
d) I look for ways to avoid tax	66	16,5
e) I have no idea	100	24,9
Unanswered	10	2,9
In your opinion, what kind of sanctions should be applied to tax evaders?		
a) Fine	129	32,2
b) Penalty for closing the business	43	10,7
c) Exhibition penalty	19	4,7
d) Imprisonment	65	16,2
e) Ban from trade	66	16,5
f) Other	40	10,0
h) No penalty should be imposed	38	9,5
Unanswered	1	0,2

Do you find the penalties given for tax crimes in our country sufficient?		
a) Yes	112	27,9
b) No	282	70,3
Unanswered	7	1,8
Total	401	100,0

The thought that some taxpayers do not pay taxes has negative effects on the efficiency of tax revenues. This situation, which affects citizens psychologically and leads to avoidance of paying taxes, was observed in the analysis of research data: 59.4% of the participants stated that the fact that other taxpayers did not pay taxes encouraged them to evade tax or decreased their willingness to pay tax. Elimination of tax injustice (31.2%) draws attention in evaluating the practices to be done in order to prevent tax evasion and create tax awareness. Among the participants, the rate of those who defend that tax evasion will decrease if tax rates are reduced is 44.6%, while the rate of those who believe that tax revenues will increase is 18%. In this context, it can be said that reducing tax rates will reduce tax evasion and tax revenues will increase by not avoiding taxpayers' payment. It is stated that if the tax rates are increased or new laws are enacted to increase the tax burden, 16.5% of the participants will avoid paying tax; in other words, they will turn to tax evasion. In addition, 26.9% of the participants state that they will reduce their expenses in the face of increasing tax rates and/or tax burden. 15% of the participants state that they would prefer the way of quitting or slowing down rather than paying taxes. Therefore, increasing tax rates or making laws that will bring additional tax burden will directly reduce tax revenues. When the participants evaluate the sanctions to be imposed on tax evaders, they predominantly (32.2%) argue that fines should be imposed on tax evaders. The taxpayers consider tax evasion to be a legal crime, but 70.3% of the participants think that the penalties for tax crimes are insufficient.

Table 8. Distribution of the Participants' Opinions on Reasons for Tax Loss and Prevention of Tax Losses (2)

Reasons for Tax Loss and Considerations on Prevention of Tax Loss	Frequency (n)	Percent (%)
How do you find the general behavior of the tax administration towards taxpayers?		
a) Positive	117	29,2
b) Negative	273	68,1
Unanswered	11	2,7
How do you evaluate your tax-evading colleagues?		
a) I react	162	40,4
b) I am not welcome	73	18,2
c) It is a normal behavior	26	6,5
d) I consider it a cunning trader	59	14,7
e) I think they did it out of necessity	73	18,2
Unanswered	8	2,0
Which of the following do you think is the reason for tax evasion in our country?		
a) Inadequate tax administration and inspection	73	18,2
b) Tax awareness among taxpayers is not sufficient	46	11,5
c) Frequent change of tax laws	22	5,5
d) Wastefulness in public spending	28	7,0
e) Everyone is evading tax and why shouldn't I miss it?	61	15,2
f) Tax laws are suitable for tax evasion	22	5,5
g) High tax rates	94	23,4

h) I have no idea	50	12,5
Unanswered	5	1,2
Do economic crises negatively affect tax payment?		
a) Yes	303	75,6
b) No	87	21,7
Unanswered	11	2,7
Which do you think is more important?		
a) Collection of taxes	175	43,6
b) Spending taxes	219	54,6
Unanswered	7	1,8
Which of the following tax evasion ways do you think is applied more frequently?		
a) Destruction of required documents	29	7,3
b) Using fake documents	98	24,4
c) Nylon bill	60	15,0
d) Failure to record commercial transactions that will cause tax	98	24,4
e) Other	110	27,4
Unanswered	6	1,5
Total	401	100,0

68.1% of the participants generally find the approach of the tax administration towards taxpayers negative. Therefore, the negative approach of the administration negatively affects the attitude and behavior of taxpayers. Effective use of the taxes collected by the public as well as collecting taxes and prevention of wastefulness are more important in terms of effective tax policy. 54.6% of the participants see the effective use of the collected taxes as more important than collecting the tax. When the reasons for tax evasion that cause tax loss are examined, it is seen that 23.4% of the participants state that the high tax rates are the main reason for tax evasion. Another factor that adversely affects tax revenues or may cause tax evasion is the deterioration in the country's economy or economic crises. Accordingly, the rate of those who believe that economic crises will adversely affect tax payments and cause tax losses is 75.6%. 15% of the participants think that nylon invoices are used, 24.4% think that forged documents are used, 24.4% think that tax evasion is conducted through tax-generating transactions, while 7.3% think it is performed through destruction of documents and 27.4% think it is conducted through various other means. According to this finding, it is seen that citizens and taxpayers try all kinds of tax evasion methods. 58.6% of the participants state that they would not welcome their tax-evading colleagues and they would react.

It has been revealed that the main factor in creating tax awareness in the society is to teach that tax is a duty through education and training at an early age, as well as the implementation of optimum tax rates and the establishment of tax justice that will eliminate tax inequality. In this context, methods such as raising awareness of tax justice, education, lowering tax rates etc. will not be sufficient in order to prevent tax evasion. It seems that other factors are also important.

Conclusion

There is a negative perception about tax justice in Turkey due to reasons such as the high rate of taxes, discrepancy between the taxes and the citizens' income levels, frequently applied tax amnesties, and the inadequacy of the tax administration's approach and tax laws. In line with the findings obtained from the study; it is possible to say that taxpayers living in Ağrı have tax awareness and do not have a negative

opinion about tax, but they are reactive to the high tax rates, excessive taxes, the ineffective use of taxes by the public, and the complexity of tax laws. In addition, it was concluded that taxpayers have a perception that there is no tax justice and that the taxes paid are not used effectively in public expenditures and waste is being produced. It has been determined that this perception increases tax avoidance and tax evasion among taxpayers. In addition, the lack of effective tax control and high tax rates attract attention as other factors that increase tax evasion. When the research results are assessed, it has been observed that Turkey has similar qualities and characteristics in terms of tax perception.

It is believed that the findings of this research study will both contribute to the literature scientifically and will guide the managers in the public administration in the evaluation of the taxpayer responses to the tax. In order to reduce the negative perceptions of taxpayers, it should be better explained that tax is a civic duty and tax revenues are used effectively by the public. Also legal regulations should be put forward to eliminate the perceptions of taxpayers regarding injustice in taxation and accountability should be increased by ensuring transparency in all activities of the public. In addition, the tax administration's approach and perspective towards the taxpayer should be improved.

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