

The Impact of Individual Taxpayers' Attitude on Tax Compliance Behavior in Sri Lanka.

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Abstract

The Government of Sri Lanka imposes different types of taxes from citizens, corporations, or other legal entities for meeting all or part of its expenditure. The government uses the tax revenue for providing a variety of services and goods to the people. All individuals, corporates and other organizations are morally and legally bound to being compliant with tax legislations. A number of studies have been accomplished regarding tax compliance because there are different factors that influence the tax compliance behavior of taxpayers. The taxpayers' attitude is one of the factors which influence the tax compliance behavior. Accordingly, the study aims to find out the impact of individual taxpayers' attitude on tax compliance behavior. Perception of tax fairness (PTF), ethical beliefs towards tax (EBT) understandability of the tax law (UTL) and perception of the government accountability (PGA) used as independent variables to measure the relationship with tax compliance. The study uses a structured questionnaire to collect data from the individual taxpayer in Colombo and Gampaha District in Sri Lanka. Reliability analysis, descriptive analysis, correlation analysis, and regression analysis are used to analyze and interpret the data collected through the study. The findings of the study will provide useful insights to policymakers to implement suitable strategies and allow them to improve the government tax revenue collection. Taxpayers will also be benefited from this study because they can get an idea about how to change their attitudes and help them to pay taxes voluntarily without any reluctance.

Keywords: Sri Lanka, Tax compliance, Tax system, Taxpayers' attitudes.