

IMPROVING TAX COMPLIANCE VIA TAX EDUCATION - MALAYSIAN EXPERIENCE

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ABSTRACT

Tax education has always been one of central focus to the tax authority in Malaysia. It reflects the commitment of the agency to educate taxpayer in every possible ways. The objective of this study is to determine whether tax education program tax implemented by the tax authority does effect the compliance among the taxpayers. The sample was randomly selected from population with 60 responses. It was found that taxpayers really used the information on tax education wisely. Although it still need some improvement, it is still the best practise to encourage more people to know and learn about tax. It also shows that the taxpayers have a good perception toward tax education programmed. For future research, this study suggests the positive perception towards tax education programmed of the taxpayer need to be enhanced to give the taxpayers more exposure on tax education programme.

Keywords: *tax education, tax compliance, self-assessment system (SAS), Malaysia*

INTRODUCTION

Tax compliance is an important issue for the tax revenue authorities around the world. Higher compliance means more revenue can be collected and hence, more fund can be reserved to develop the countries and support the welfare of the society. However, tax incomppliance like tax evasion will

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severely affect the country's income (Cerqueti & Coppier, 2015). One of the efforts taken by the Malaysian tax authorities to increase tax compliance is by adopting self-assessment system (SAS). It was implemented for individual taxpayers in 2004 and three years earlier, in 2001 for the corporate taxpayers. Under SAS, individual or company who has income that qualified to be taxable under Malaysian tax laws jurisdictions need to report the information honestly, calculate the tax obligation accurately and furnish the tax return form together with the tax payment right on time or before the stipulated deadline. One of the biggest feature of SAS is the responsibility to evaluate and assess the tax obligation is in the shoulder of the taxpayers, both for individual and corporate taxpayers.

Because of this, taxpayers need to be tax literate, meaning have an adequate various aspect of tax knowledge in order to discharge their tax liability responsibly, precisely and timely. For example, salaried individuals without any business incomes, they must furnish their income tax return documentations and pay the tax liability by 30 April every year while for taxpayers that have income from business source, the submission of tax related forms and final tax payment must be made on or before the deadlines of 30 June every year. Without this knowledge, they may submit the tax form and pay tax after the stipulated time period and risk being penalised by the tax authority.

One of the main barriers in implementing SAS is to meet an optimum level of compliance achievable by the taxpayers. This level of compliance as suggested by Kircher, Hoelzl and Wahl (2008) involved many contributing factors such as penalty and fines, probability of taxpayer being audited, the rates of tax, tax knowledge, attitudes, norm and the perceived of tax system fairness by taxpayers. This issue has arise and significant because there are many cases of unintentional non-compliance, particularly in the early period of SAS introduction, due to factors such as limited knowledge about tax and poor familiarity with the new tax system. This is against the spirit of the SAS which is to educate taxpayers and make them as good citizens by becoming responsible and truthful taxpayers.

The implementation of SAS also received a poor feedback from the taxpayers. Krishnamoorthy (2006) reported that the cases of tax defaulter had increase drastically ten times from 25,160 cases in 2003 to 239,666

cases in 2005, just within two years. The tax non-compliance is usually related to inability to furnish tax forms within the specified time or worst off no submission at all, income and revenue related figures are understated, items related to deduction and expenses are inflated and failure to remit the tax payment during the applicable time period.

Due to this, knowledge on the technical aspects of the tax assessment and system become more critical to taxpayer. They need to understand tax laws and regulations requirements because with SAS, taxpayers are responsible to deal with the tax matters themselves. This include to fill and return forms and calculate the tax liability on their own. In reality, the tax authority in Malaysia faces obstacles in encouraging voluntary compliance amongst individual taxpayers due to poor knowledge and understanding on taxation. Many individuals perceived that taxation is a difficult subject to learn and some are reluctant to expand their knowledge in tax system (Palil, 2010; Sarker, 2003). In order to be a successful tax system, SAS requires voluntary compliance and self-regulation from the taxpayers. Thus, adequate learning and knowledge in taxation facilitate taxpayers to furnish tax return correctly and accurately. Besides, taxpayers also will be alert about their tax commitment.

The purpose of this study is threefold. First, it aims to examine the best tools to assist taxpayers to complete their tax returns and remit the tax payment. Second, to investigate which medium is most preferred by the public and taxpayers to increase their knowledge on tax and third, to scrutinize the effectiveness of tax education from the taxpayers' perspectives.

There are several contributions from this study. First, it will highlight whether the educational approach by the revenue authorities is effective enough to increase the tax knowledge among the public. Second, this study will draw attention to the importance of tax education that can lead to tax compliance particularly in Malaysia and identify what are the best available mechanisms in tax education that can improve tax compliance amongst the individuals. Third, this study will discover whether the education system implemented is able to reduce the non-compliance or give more advantage to tax payers not to follow the tax system. The good acceptance of tax education programmes will influence individuals to really understand the choice that they make when submitting their income tax return forms.

The deep understanding of income tax laws, for example will create good contributions as well as tax compliance. Finally, this study will improve theoretical understanding and add more literature on the effectiveness of the taxation systems education implemented to increase tax compliance among taxpayers, particularly in the context of a developing country like Malaysia. Many prior study emphasised on tax compliance study in developed countries, like the US, UK and Australia.

LITERATURE REVIEW

Tax Compliance

The meaning of tax compliance is numerous, however, its definition mainly circulated on the readiness of taxpayers to adhere to various laws and regulations relating to tax requirement. According to Devos (2008), tax compliance can be described as the taxpayers' capability and intentional to follow with the tax laws and guidelines. This is influenced by several factors, such as legal, moral attitude and environmental factors at a specific time and place. From economics perspectives, tax compliance is the choice that need to be made by the tax payer to pay the tax obligation, or if not will commit the tax evasion (Barbuta-Misu, 2011). Thus, the taxpayer can be declared as has not complied if he fails to fulfil the tax payer main duties such as tax payment (Organization for Economic Co-operation and Development, 2009).

Organisation for Economic Co-operation and Development (OECD) classify tax compliance into two (2) main categories namely administrative compliance and technical or scientific compliance (OECD, 2009). Administrative tax compliance refers to the compliance of various tax administration and management matters, such as procedure, payment deadline, submission of tax form and preparation of supporting documentations. Technical tax compliance, on the other hand, suggests confirmation to the tax laws, rules and regulations imposed by the tax authorities of the country and adopts the correct accounting treatment and principles to match the taxation procedure. From the administrative tax compliance point of view, it is evident that this category more closely related to managing the issues of tax education.

There is a considerable number of international studies have theorised and tested a multitude of factors influencing tax compliant behaviour. According to Loo, Evans and McKerchar (2012), factors affecting tax compliance can be viewed from two different aspects, namely economic deterrence factors and socio-psychological factors. Economic deterrence factors utilise sanctions and enforcements, including penalties and regular tax audits in their approach, whilst socio-psychological aspects will look into areas, such as tax knowledge, tax complexity, taxpayer's attitude, ethics, compliance costs and demographic variables including age, gender, ethnicity and occupations. Lisi (2015) and Shafiq (2015) support Loo, Evans and McKerchar (2012) motion on socio-psychological factors by suggesting that moral and ethical factors are more dominant factors that contribute to tax compliance attitude among taxpayers. In spite of the economic deterrence and socio-psychological factors, the opportunities are also seen as a factor that can influence tax compliance behaviour and there is evidence that greater opportunities for Malaysian taxpayers to evade tax. There is where the important role of the tax education comes, which set the mindset of the taxpayers to be rationale and realise the consequences of non-compliance.

The Importance of Education towards Tax Compliance

Previous empirical researches provide evidences that higher education level will influence the level of the tax compliance amongst the taxpayers. Beron (1992) found a positive relationship between education and tax compliance level, supporting the previous research conducted by Witte and Woodbury (1985). Lee and Carley (2009) also reported similar findings and conclude that superior education and knowledge level impair the taxpayer tendency to evade tax. However, there is a limit of this education level effectiveness in which a curvilinear effect has discovered. It means at the certain level, additional knowledge and education will not proportionately decrease the intention by the taxpayers to comply.

Chan, Troutman and O'Bryan (2000) investigated the direct and indirect influences of two non-compliance probability, namely knowledge and earnings position. They found that greater level of taxpayer knowledge will directly be associated to the probability of tax compliance and confirmation with tax requirements. This is because better educated and knowledgeable taxpayers have more awareness on their obligation and

duty as a good citizen, better understanding of tax mechanism and have higher level of moral and good behaviour. These characters encourage more positive taxpayer attitude, and hence improve compliance.

The other researcher, Mohani (2001) opined that one of the ways to enhance voluntary compliance is by ensuring that taxpayers have certain level qualifications. It was argued that higher qualified taxpayers have more ability and higher confidence to manage and carry out their own tax problems and responsibility. Her opinion is well supported by Richardson (2008) that discovered positive association between compliance and education. As an educated persons, taxpayers should realise how important tax revenue to the country development. Therefore, they will have to be more aware of their responsibility to the country, and at the same time knowledgeable enough to understand the repercussions and sanctions imposed if they violate the tax laws and regulations.

Through tax education programmed that began since 2004, the tax authority of Malaysia focuses training on E-filing use which lead to an increase of E-filing submission every year. Tremendous increase in the submission does change the fact that taxpayer know and are aware of changes in Malaysian tax system. Only a few are not aware of any changers made by the tax authority to help ensure better understanding of Malaysian tax system.

Tax Education Programmes by the Inland Revenue Board Malaysia

Tax education programmes were continuously implemented to individuals, company, tax agent, employer and the taxpayer. The programmes will give more information and make them realise the importance and their responsibility to tax compliance. Besides tax education, Inland Revenue Board Malaysia also benefited from several activities. It will help loosen the gap between taxpayer and organisation. All these activities are held by the customer service in the headquarters and branches. The activities are monitored by the Corporate Service Department.

Under SAS, taxpayers are given the responsibility to compute their own tax liability voluntarily. Taxpayers work out their own income taxes

by submitting their tax return form. Taxpayers are no longer required to include and attach any documents to their return form. However, taxpayers are required to keep these records for seven years for tax audit purposes. In addition to minimize error in tax calculation and to encourage the use of electronic service, the use of E-Filing is highly encouraged. Tax education is delivered through workshops, briefing and talks. Events held are on the use of service application such as e-PCB, e-Data, E-Filing and other electronic service.

During the Taxpayers' Service Month, the Inland Revenue Board Malaysia established more service counters with a longer service period, including during weekends, to help public and taxpayers deal with their tax matters and assist them in submitting their tax returns and forms. Indirectly, this opportunity is used by the tax authority as an educational platform and encourages people to hasten their submission and feel convenient when submitting their forms. In addition, during this period, the tax authority will intensify its promotion and marketing activities to the public. This is executed by disseminating more information via radio, TV, printed press and magazines, brochures and websites. This had increased public and taxpayer awareness on the importance of expediting the income tax returns forms submission as well as informing the public on various services offered by the tax authority.

The tax education programme also includes taxpayers with business income by conducting service workshops. This workshop offers free consultancy services to owners of small and medium enterprises (SMEs) who do not employ and hire tax agent services. It helps the entrepreneur in terms of organising and handling the accounting record and documentation. Then, guidance on the preparation of correct financial statements which become the basis of the tax calculation was also comprehensively given. In essence, the tax authority is concerned on every taxpayer level to ensure that the right information for tax submission is correctly given.

Taxation seminar was also annually organised with various groups of tax practitioners to provide and update on the latest information on taxation related matters. It was conducted mainly to focus on areas that has issues to discussed and resolve, such as in 2013 the National Tax Seminar was held with the theme of Managing the Tax Ecosystem. The seminar talked on

how tax process commensurate through the ecosystem process or cycle. It may not be very immediately important, but can become significant issues for future undertakings.

Tax Compliance Framework

Tax compliance decision among the taxpayer can be influenced by three vital factors (Figure 1) as argued by Kamleitner, Korunka and Kirchler (2012). First, taxpayers are more inclined to evade tax if the opportunity to commit that behaviour exist, like falsification of financial statements and documents, managing earnings and manipulate the expenses. This factor is related to the second factor i.e. knowledge requirements. Higher tax knowledge will increase the tax compliance among the low income taxpayer. However, high net individuals will hire tax agents with higher tax education to purposely minimise their tax payment as possible and find a loophole for the opportunity to avoid from paying higher tax. The last factor is decision frames which refer on how an individual reflect their decision on different views and perspectives, for example loss and gain, as a result of that decision. If the taxpayer perceived violating tax rules benefits more than from the possibility of punishment received due to tax incompliance, there is a tendency that the taxpayer will opt to commit tax evasion. For example, Bernasconi, Corazzini and Seri (2014) and Kafalal, Kalaitzidakis and Tzouvelekas (2014) detected the probability of influence on taxpayers' decisions to conceal or disclose their income.

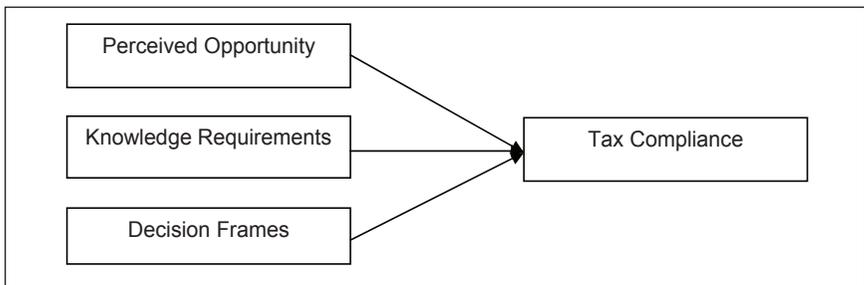


Figure 1: A Framework of Factors Influencing Business Owners' Tax Compliance

RESEARCH METHODOLOGY

A self-administered questionnaire was used to gather data. The questionnaires were distributed to taxpayers samples who came to the tax authority office for tax training or workshops. Samples were used because it was impossible to get a list of all taxpayers and it would be very difficult and time consuming to conduct the survey on a larger scale. Because of this, a specific target of respondents was embarked to increase the response rate (Smith, 2014). Convenience sampling method was used for this research and the sample size was 70 respondents. The targeted respondents were eligible taxpayers who attended the tax education workshops conducted in many different companies. The taxpayers came from a diverse group of individuals whose incomes are derived from employment, business or both.

The questionnaire asked questions related to tax education consisting of five parts, from Sections A to E.

1. Part A had seven questions to elicit information on the demographic details of taxpayers.
2. Part B of questionnaire examined the importance of tax education to individual taxpayer
3. Part C of questionnaire is related the effectiveness of tax education conducted by the tax authority
4. Part D scrutinise mechanisms that can be included in tax education to improve tax compliance amongst individuals taxpayer

FINDINGS AND DISCUSSION

Profiles of the Respondents

A complete demographic profile of the respondents is presented in Table 1. Based on this Table, the total number of participants in this study was 60. Most respondents are females. This group represented 58.3% (n=35) of the respondents; the remaining 41.7% are males (n=25).

Table 1: Gender of the Respondents

Gender	Frequency	Percent
Female	35	58.3
Male	25	41.7
Total	60	100.0

With respect to gender, previous findings found that male taxpayers are prone to not comply as compared to females taxpayers. Lee and Carley (2009) found that males taxpayers have a high probability to evade taxes. This is possibly due to they have higher self-confidence, are more competitive and likely to have anti-authoritarian behaviour. In contrast, females are likely against the tax evasion practices and hence, more inclined to tax compliance (McGee and Tyler, 2006).

Related to tax education majority people who attended the seminar and talks by the Inland Revenue Board Malaysia were female. These women are more likely to equip themselves with more knowledge about tax. Empirical research also showed that females are likely to score higher in terms of tax compliance efforts (McGee & Tyler, 2006). In this study, anticipation of non-compliance was given to male taxpayers rather than their female counterparts, as reflected from local findings by Ali, Cecil and Knoblett (2001).

Table 2 shows that there are four age groups of respondents. The groups comprised various range of age starting from group of 18 to 30 years old, 31 to 40 years old, 41 to 50 years old and group of 50 years old and above. The findings showed that the large portion of respondents are at the age of 31 to 40years, which represented 31.7% (n=19) of total respondents, followed by 25% (n=15) in the group of 18 to 30 years old, 23.3% (n=14) in the group of 41 to 50 years old and 20% (n=12) in the group of 51 years and above.

Table 2: Age of the Respondents

Age (Years Old)	Frequency	Per cent
18-30	15	25
31-40	19	31.7
41-50	14	23.3
51 and above	12	20.0
Total	60	100.0

Demographic factors, such as age, have been studied at great length and the findings from different studies have shown inconsistent results as suggested by Palil (2010). For example Kasipillai and Abdul Jabbar (2003) reported that taxpayers from group of 30 to 50 years are most likely to evade tax. However, Azmi and Perumal (2008) suggested that taxpayers from the older age group had a high probability to comply. This is because older individuals had more risk aversion level as compared to younger individuals whose are risk takers and more aggressive (Lee & Carley, 2009). In the result, people who attended the given briefing were mostly at age 31 to 40. The findings showed that taxpayers at the age 31-40 most likely want to have better knowledge about tax. They attended the briefing to improve their understanding and ensure that they can comply with the tax law.

As shown in Table 3, academically, majority of the respondents have Master, PHD and Degree representing 55% (n=33), followed by respondents 20% (n=12) with Diploma, while for MCE, SPM, HSC and STPM were represented by 16.7% (n=10). Users with other education level are 8.3% (n=5). By referring respondent's education, we can see whether taxpayers' education level does help in their understanding in tax law. It will also ensure compliance among the taxpayer suit to their education level. The education level does make tax education become easier if only they are truly aware of education programs that Inland Revenue Board Malaysia has done.

Table 3: Educational Level

Qualification	Frequency	Per cent
MCE/SPM/HSC/STPM	10	16.7
Master/PHD/Degree	33	55.0
Diploma	12	20.0
Others	5	8.3
Total	60	100.0

In Table 4, the result shows that 60 of the respondents (58.33%) (n=35) are private sector employment group, followed by 15 of the respondents (25%) are based on public sector employment, and only one respondent (16.7%) was based on self-employed businessman.

Table 4: Respondents' Main Source of Income

Income	Frequency	Per cent
Public Sector employment	15	25.0
Private Sector employment	35	58.33
Self-employed businessman	10	16.7
Other	0	0
Total	60	100.0

With regard to whether respondents will personally file their own tax return, the samples in Table 5 showed 48 respondents (80%) filed their own tax return using E-filing. Only 12 respondents (20%) file their own tax return manually.

Table 5: Method of Submission

Method	Frequency	Per cent
Manual	12	20.0
E-filing	48	80.0
Total	60	100.0

Descriptive Statistics from the Study

Table 6 shows the findings for Part B that concerns to identify which method that is most effective to obtain tax assistance. People will choose certain methods as it is the easiest way for them to understand the problem that they faced and the method chosen will be helpful in solving their problem with tax. From this Table 6, 47 respondents (78.33 %) never attended any briefing related to self-assessment system or E-filing compare to 13 respondents (21.67%) had an experience attended the briefing.

There are only 22 (36.67%) respondent had been to one stop counter in the tax authority branches. The respondents encountered some mistakes or any dispute on their tax return. The remaining 38 respondents (63.33%) never attended any counter. Majority of the respondent 43 (71.67%) does not use tax guidebook as their reference if any enquiry tax arise. However, 17 respondents (28.33%) used tax guide as one way to find solution to any related issue that they faced with and also as one way that they can gain more information about tax.

For questions in 4, 41 (68.33%) preferred reading the pamphlets as it is simpler and easy to bring anyway. The rest 19 (31.67%) respondents do not think a pamphlet is the only way that they can gain information on tax. The most effective way to gain information related to tax was by advertisement. The result shows 49 (81.67%) respondents choose advertisement as medium between the tax authorities and the taxpayer. Comparing between the talk show or surf tax authorities website, taxpayer chose more to use the website as their preferred tax assistance.

Table 6: Tax Assistance Method

		Yes		No	
		n	%	n	%
1.	Attended Self-Assessment System/E-filing Briefing	13	21.67	47	78.33
2.	Attended one stop counter at any Inland Revenue Malaysia Branch	22	36.67	38	63.33
3.	Read tax guide book	17	28.33	43	71.67

4.	Read Inland Revenue Board Malaysia pamphlets	41	68.33	19	31.67
5.	Watched Inland Revenue Board Malaysia advertisement	49	81.67	11	18.33
6.	Watched taxation talk show	23	38.33	37	61.67
7.	Surfed Inland Revenue Board Malaysia website	52	86.67	8	13.33

Table 7 shows the findings of questions Part C, which will look into the most effective medium used in tax education. The choices were made but yet certain taxpayer stills think that tax education medium taken by the tax authority was in effective or only effective, possibly because the taxpayer wanted the medium used in education programmes be more attractive and can be easily understood. Most of the programs here were continuously conducted by the tax authority to ensure all level of taxpayers receive information. The respondents that were largely from the age of 31-40 years, have higher educational background. They tend to get more information from the most effective ways. For example, some taxpayer does not accept the tax authority website as one of the effective tools for taxpayer information centre. About 45% (n=27) referred it as an ineffective medium. Maybe the details in the website were too general to represent the overall tax matters and any information related to the tax authority.

Table 7: Tax Education Medium

		Ineffective		Effective		Very effective	
		n	%	n	%	n	%
1.	Briefing	9	15.0	37	61.67	14	23.33
2.	Seminar	9	15.0	37	61.67	14	23.33
3.	Newspaper	7	11.67	43	71.67	10	16.66
4.	Pamphlets	7	11.67	43	71.67	10	16.66
5.	Radio	7	11.67	25	41.67	28	46.66
6.	Television	7	11.67	20	33.33	33	55.00
7.	Inland Revenue Board Malaysia's website	27	45.0	17	28.33	16	26.67

Table 8 shows the findings of Part D questions, demonstrated the views of taxpayer on the importance of tax education, whether they do

spend time to search or gain knowledge pertaining tax. It is one of the taxpayer responsibilities to be aware if there are any changes related to tax or any problem they encountered regarding their tax submission. Based on the findings, for question 1 in Part D, a majority are still not ready to spend time learning about income tax 61.67% (n=37). This possibly was due to the technicality of the taxation subject because they indicated that their limitation on cognitive application restraint themselves from gaining more information about tax (n=47, 78.33%).

However, eventually they agree that they should know their rights and responsibilities 81.67% (n=49). Majority taxpayers (n=49, 81.67%) agreed that they should have their own initiative to obtain tax assistance from the tax authority and it is their responsibilities to declare correct amount of tax obligation. Most of them also agree that tax education organised by tax authority only can be considered successful if it is participated by the taxpayers. Finally, a majority of them admit that tax revenue collection is crucial and important of for the nation to progress (n=53, 88.33%).

Table 8: The Importance of Tax Education

		Yes		No		Not Sure	
		n	%	n	%	n	%
1.	I am ready to spent time learning about income tax	13	21.67	37	61.67	10	16.66
2.	Taxpayer should know their rights and responsibilities	49	81.67	0	0.00	11	18.33
3.	Taxpayers should have their own initiative to obtain tax assistance from Inland Revenue Board Malaysia	49	81.67	0	0.00	11	18.33
4.	Taxpayers should be responsible on their income tax declaration	49	81.67	0	0.00	11	18.33
5.	Taxpayers readiness to participate in the education program determine the success of the programs	33	55.0	13	21.67	14	23.33
6.	Taxpayers knowledge limits their self in gaining information regarding income tax	47	78.33	0	0.0	13	21.67
7.	Taxpayers does not concern about the importance of tax collection towards nation development	0	0.00	53	88.33	7	11.67

CONCLUSION

The purpose of this study is threefold. First, it aims to examine the best tools to assist the taxpayers completing their tax returns and remit the tax payment. Second, to investigate which medium is most preferred by the public and taxpayers to increase their tax knowledge, and third to scrutinise the effectiveness of tax education from the perspectives of the taxpayers.

It can be concluded that text based information like pamphlets, advertisement and website are the most effective methods in assisting the tax payer to comply with tax requirements. This is because this methods are very convenient with the taxpayer, whereby specific programmes are organised in particular locations require taxpayer to sacrifice their time and involve costs, hence do not get so much attention. These methods also perceived effective as a tax education medium, although the most effective medium viewed by taxpayer are radio and television.

However, majority taxpayers are not ready to spent time to learn about income tax. This is because they have basic knowledge in tax and understand their responsibilities and agree to take their own initiatives to obtain tax assistance if they face with any tax problem. This is encouraging because intellectual incapability cannot be used as an excuse for not to comply. The mechanisms that need to put in every taxpayer thought are the effects if they did not comply with the rules and regulation by the tax authority. The taxpayer need to be aware of consequences if they try to be non-compliant. It will also affect them with action taken by court. It is not like the carrot and stick theory where any wrong doing will be punished. There is pro and cons for every action taken.

There are several implications from this study. First, tax authority need to be more attractive, in a way that young generation will also take part in knowing the tax knowledge. Nowadays, there are many new applications through the smart phone and a majority of taxpayer have one of it. One of the recommendations that can be used is to invent an application relating to tax such as games on tax calculation. In games, it can included with what will happened of the player (taxpayer) wrongly calculates the tax obligation and the penalties imposed on such violations.

Second, is to improve the website. It is better if the interface for website is friendlier so that it will be easier for the users to search any related tax issue to the taxpayer problem. Live chatting application can be installed so that the taxpayers can communicate directly while the tax officers can answer and clarify problems interactively. Ibrahim and Pope (2011) suggest that Malaysian tax compliance level can increase with current effective use of technology.

Third, by encouraging the tax agent in that way, taxpayers will understand more on tax system. The tax agents can act as intermediary persons who help to educate their client about tax personally.

The last recommendation is for the tax authority to create more awareness programmes about the importance of tax knowledge. For this purpose, tax authority should increase their staff in order to deal with additional programmes of tax education. By increasing number of staff, it helps more to compliance of taxpayer as they were personally attained by officer. Compared to the system now, one officer need to deal with numbers of taxpayer per day.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Although this research has reached its aim, there were some unavoidable limitations. First, the sampling of this research was not fully random, because it only focused on individuals who attended the talks and seminar organised by the tax authority in their premises. Second, the population of the experimental group was small. There were only 60 taxpayers. Third, the questions given in the questionnaire form were limited. Questionnaire was designed only to measure the taxpayers' understanding and compliance among the individual towards tax education held by the officer tax authority.

Future research should expand the sample and really choose their respondents best by random or convenient sampling. Other methods to distribute the questionnaires like postal mails, email, using online form like qualtrics and survey monkey can increase the number of respondents of the study. The questions or statements in the questionnaires need to be widen

for more response, views and feedbacks can be examined about the issues under investigation. Finally, data were only descriptively analysed. Future research should provide inferential statistics and analysis so that the study has more accurate and robust findings.

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