Tax System Improvement Approaches Analysis

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Abstract

In spite of high tax rates, tax incomes share is still lower than territorial impure production, which can have roots in tax system information weakness, subterranean economy, and wide spectrum of exempts and tax preferences. In this paper, we analyze five reformation variables and evolution in tax laws and regulation, organizational development human resources skills, continuum trainings of the staff and upgrading society's tax culture by survey approach towards tax system amelioration. Statistical society of the research is composed of tax office staff of Zanjan town, and to analyze data t and X^2 statistics is used, and for freedman is used for ranking variables. The results of research are emblematic of the influence of research variables on tax system amelioration.

Keywords: Tax System, Tax Culture, training and Zanjan

Introduction

The main motivation of the condition of taxes in developing countries is to provide financial requirement of public section and to helping to operate economical goals towards public welfare and social services. The comparison of tax performance and tax capacities will bring about particular attention in comparison with low superficiality of the proportion of the income from the impure territorial production (Hossein Nejad, 2012).

High tax rate notwithstanding, the share of tax income is still low in comparison with the impure territorial production, which might have roots in information weakness of tax system, subterranean economy, and widespread spectrum s of exempts and tax preferences. Given the low tax income in Iran, and besides, considering the current discontent among taxpayers, tax system structure reformation has always been one of the considered issues of the government, such as different factors of tax system weakness that can be summarized as follows:

1- Insufficiency of tax law and regulations
2- The existence of weak and insufficient information system
3- Insufficiency in agencies' training system and tax payers

4- Tax culture weakness in society

Considering that the tax is the involuntary payment of individuals for the use of governmental and tax orders organization using a series of regulations, it proceed to identify, recognize, and levier. A group of tax payers with tendency and strong motivations have recourse to legal and illegal escapes in order to minimize their own tax debts. Thus, these types of tax payers don't shoulder the responsibility of paying their own real debts by not performing their duties and assignments, and ignoring tax system regulations. One of the common factors in deterioration of tax organization is inordinate complexities of law and regulations in the field of exempts, prerogatives and particular group's interests. The implementation of complicated tax law has been problem for tax payers and it follows interpretations based on vote and taste of tax agents. The lack and flaw in management methods (comprised of using weak human resources, lack and flaw in equipments, and also political sponsorship lack, and juridical sponsorship from tax organization overshadows fair implementation and valid tax laws and regulations.

The approach of office, organization and tax structure has reciprocal effect, and necessitate each other, and they must be paid attention by each other during transformation and the reformation of tax system. The organization and weak tax office overshadow efficiency and effectiveness of tax structure, and result in deviation in implementation of regulations. Simplifying tax decrees and bolstering tax order organization for exact implementation of purposes and opinions and stating the law, and upgrading the level of tax public culture through mass media and educational centers must be of tax system reformation goals. The variety of economical activities from one side and the increasing role of government towards extension of public services, social security, government's commitments in social and economical arenas, and attempt towards fulfilling economical growth, and fair distribution of income have changed tax payment and reception into important and effective issue.

With the help of these resources, governments have achieved the capability of providing a remarkable part through various expenses, and in proportion receptive tax volume, they will be capable of designating available resources in accordance with the given priorities. Drastic dependence of Iran on oil incomes, the existence of monopolies, and bribes resulting from that in different section, the oscillation of price, instability and nonrenewable state and depletion of natural resources like raw oil, and political and economical problems resulting from that such as extreme economical sanctions of previous years which are from western industrial countries side against Iran whose consequences still go on. So, government should consider their tax income as highly important towards increasing stable incomes, and it should plan in a way that the least of its annual current expenses be covered by the place where tax is levied, and use oil incomes as foundational investments in country. For the time being, the necessity and the need to reform tax

system is of high importance. The advantages of reformation and amelioration of tax system by considering simplification in general concept, and simplification, and reformation of tax law and regulations, and continuum training (updating information) of the staff using information technology, and forming strong information bank required for tax system efficiency will result in tax levy, and the decrease of tax escape. By tax cultivating, and creating mutual self-confidence between tax payers and tax order organization, the necessities to decrease tax levy expenses will be provided. In the study of the researcher, by the analysis and independent variables test, the reformation and evolution of law and regulations, organizational development and the skill, continuum trainings of the staff, and cultural progress that are of effective factors in improving tax system are carried out, and the importance of every one of variables are tested. In the next section of relative thematic literature, the research background, the results and the findings, and in the end propositions in terms of subject of the research are presented.

Research Literature

2-1 Tax Culture

Tax culture means a complex of behaviors, and events between tax payers or tax system of the country, or tax system with every individual in society; therefore, cultivating is not just related to people, however, government has duties regarding this area that pay attention. In order that tax system accompany with efficiency and effectiveness, each side must have social recognition with each other, and directly and indirectly analyze each other's behavior and make create trust. The result if recognitions and trust making will result in real and legal citizens' shrewdness in the realm of the importance of tax, and the necessity of paying it which is called tax culure idiomatically (Argham Pouya, 2011). Thus, tax culture means public belief of the people that paying tax is a national duty, and every citizen is bound to pay a part of his income to government in order to participate in progress and development of country for better life of the future generation (Rostami, 2008).

2-2- Tax Culture Establishment Method

The most important challenge facing country's tax system is the issue of tax culture. Creating and altering cultural need time, and country's tax system should plan for cultivating and characterizing the tax values and appropriate belief. This belief should be created in the society that every generation is bound to provide the expenses of country affairs' management. Resources and the wealth that belong to future generation must be in the service of productive investments (Nikkhoy Monfared, 2011). To create this culture, a field must be provided that people enter economical activities arena with certainty and national participations, and to fulfill this, all the sections of the society such as the media and the

press can have effective role in creating culture. The importance of paying taxes as a national duty from one side, and providing information concerning the rights of tax payers in the face of tax system from other side, and also providing information as regards the issues of taxes consumption should be carried out. Tax cultivating should be able to answer the following questions:

1- Why do we basically pay taxes?
2- Why don't tax payers reveal their real income?
3- Why tax debts are not paid on time?

It is evident that designating this question and most of the similar issues are emblematic of comprehension weakness and public insight of the society in the realm of tax functions, and amid this the role of policymaking systems in the field of institutionalizing tax culture will be more vivid. So, the role of institutionalizing tax culture in country requires an insight and systematic look to this category. By wide-ranging attitude towards the category of tax culture, the role and the effective function in tax system will be clear. Tax system is comprised of a complex of tax payers, employers, and policy makers; therefore, with this approach, changes in tax culture beliefs in policy making, receiving and paying taxes must occur in the complex of this system. To make operational the components of tax culture, the necessity of creating social justice acceptance must be considered more than receiving tax incomes. Measuring perspectives of tax-payers shows that they are viewed mostly from the angle of a money-payer, however this perspective should have a strategic change, and tax payers must be viewed as the ones who are pioneers of creating social justice. It is evident that characterizing this perspective, besides internal satisfaction of individuals in society, it will bring about progress and economical development, and it will strengthen urban participation. Tax incomes expended, and the information regarding specification of these resources is rights of all tax-payers. It is in the direction of fulfilling this right that tax payers will be participants of their country's guiding affairs and development with more satisfaction. The trustee entities of tax cultivating should step towards making this right operational, and convince public thoughts of tax payers with different methods of informing. In this field of rules flexibility is crucial, because unfortunately, in our country if a law is legislated for a distinct period to levier tax from people who are active economy and people who hold occupations, it will have executive aspect, and the organizations of levy, even in critical condition of economical stagnancy , will have no flexibility towards tax payers. In other words, economical organizations and those who hold positions must pay attention to the rates that are levied for the tax of their occupation in the law without any questions. This action is a negative and restraining point in the rules of country's tax which reifies tax as a monster in the minds of tax payers. So, governments should prevent any threats towards potential tax payers by trying to create self-confidence among tax payers, and progress in tax culture, and they must proceed to stress the activities of urban and supervisory entities for right and on time payments.

2-3- *Instruction*

Instruction is a system of regular operations which is consecutive and continuous with distinct and clear goals with the purpose of:

A- Creating or upgrading qualitative level and awareness of the staff

B- Creating or upgrading the level of occupational, social skills, and their conceptual concepts

C- Creating or upgrading the staff perspectives

D- Crating pleasant behavior in balance with stable values in staff

In other words, instructing the staff contributes to the progress of their knowledge and skill, and their behavior and manner will be ameliorated, and it will back their welfare and it will provide better circumstances for higher authorities.

Carrying out occupational instructions in organization is, in effect, creating relationship between the skills of the individuals with submitted occupations. Thus, the main role of occupational instructions is in fact creating changes perspectives and manners of the staff in proportion with predetermined occupational principles and tenets (Sadegi, 1382).

2-4- *Tax System Insufficiency in Iran*

The current tax system has drastic flaws, and this system doesn't only results in the increase of motivation of the manufacturers, but decreases their motivation. As well as this issue, tax system which can have important role in dynamism of country's economy, not only is it prevention for the production of special sections' organizations, but also it hasn't been able to meet the main goals of an efficient tax system which are the same distributional goals (fair re-distribution of incomes) income goals (earning income for the government) and stabilizing goals (using tax tools for decreasing or stabilizing the rate of inflation or exiting from economical stagnation). Unfortunately, country's current tax system has never had any indexes that an efficient and fair-seeking tax system should have had as relative. The main reason of such an inefficient and t tax system not proportionate with social justice can be summarized briefly as follows:

1- Financial sponsorship in the form of tax exempts

2- Low proportion of tax to national impure production

3- Using tax incentives

4- Subterranean economy's rather high volume

5- Infirmity of tax law and regulations and the available impediments in tax levy organizations

6- Concentrated system of receiving taxes

7- Restricted tax bases and high tax rates

8- Not observing the horizontal and vertical justice in receiving tax

9- Extensive tax escapes

10- Low awareness , ill-awareness, no-awareness of most of the citizens and even experts with concepts and basics and economical literature of taxes

11- Finally, not paying systematic attention to the category of taxes can be summarized as one of the tools of economical politics. Certainly, executive infirmities in tax reception, controlling and supervising in this field, and also inefficiency and not observing social justice in expending tax incomes must be added. Tax pressure on a part of tax payers (companies and taxes on rights) in direct taxes' part, existence of imbalance, injustice, inefficiency in collecting taxes on income, and high expense of tax levy are some of the reasons of tax systems' inefficiency. In indirect taxes part, the focus also on tax on imports has caused non-existence of an extensive public tax on consumption and sales, and what is shown as tax on added value is just comprised optional taxes (Pajoyan and Darvishi, 1389).

2-5-Models and hypothesis of tax system reformation

In economical literature, three general goals are mentioned for tax levy. Budget purposes of tax levy which are supervisors on financial supply of government's budget through taxes. Economical goals which are supervisor on economical oscillations fixities in inflation and stagnation circumstances, and it is also supervisor on designation of resources between different economical sections through financial politics, and finally social goals which are supervisor on redistribution of income in society and the reduction of class gap through tax tools. Threefold functions of tax in country's tax system must be towards fulfilling aforementioned tax reformation philosophy in proportion with the change of perspectives from the role of governments in economy, and they have changed dramatically.

In the past, tax system through tax tool used to follow various goals, such as financial supply of government's expenses, encouraging saving and investment, directing investment in active and given activities, fair distribution of income and wealth, and finally reforming external factors. In recent years, at the same level with change in perspective towards the role of government in economy, perspectives towards the role of tax have changed. New perspectives have emphasis upon the limited role of tax system, and believe that this role must be restricted only to the increase of income for the governments (Zayer, 1388), Bargess and Stern (1992) believe that the main goal of receiving tax is financial security of government's expenses. From their perspectives, designing tax system is finding a way to increase these resources in a way that it is possible from official and political view, and at the same time, they protect justice and efficiency from being harmed. International box of money also believes that receiving tax will result in the malfunction of economical variables, so, the main goal of ax politics must be only business for government with the least problem in the behavior of economical variables (Mackensy, Orsmond, and Jerson, 1997). And also new approaches in tax reformations

emphasize minimizing distortional effects of financial politics with the purpose of preservation of economy, and the reduction of tax rates variety with the purpose of reduction of unwanted distortions in relative prices. Besides these outlooks from vertical justice to horizontal is paid attention justice on whose basis tax should more widespread, simpler, more lucid, and the variety of tax rates less (KhalilZadeh and Shah Anva, 1997). Theoretical basic analysis of tax reformation is emblematic of the existence of three different tax reformations which are as follows:

The First Tax Reformation Model

In literature of economy, general part is known as optimum tax model which has strong theoretical basis; however, it doesn't have executive capability (Ahmad & Estern, 1991). Besides this, there is some issues going between efficiency and justice in tax politics besides administrative and information expenses of an optimum tax model are some of the common impediments of the execution of this model in practice, because of this, this model hasn't had any function in practice.

The Second Tax Reformation Model

This model is introduced by Harberger (1990), it has strong theoretical structure like optimum model. Although executive capability of this model is more than the first model, this model is restricted in practice. According to this model, efficiency and administrative possibility of tax politics has equal importance.

From Harberger's view, the main issue is not designing optimum tax system; however, it is against systematic designing in order to minimize the resulting problems from the tax condition, and at the same time, it must be applicable from administrative view. In fact, according to Harbenger's model, tax system reformers should pay less attention to economical methodology, and instead they should consider the experiences and the best performances done in this field. Harbenger's reformative pack for developing countries which are receptive of price in international markets include the condition of monotonous tariff in foreign commerce section, and the condition of tax on added value has widespread bases.

The Third Model of Tax Reformation

This model is known as tax model of presentation side. Fans of this model believe that tax bases must progress with the least of tax enticements and exempts, and this way, final tax rates must be also of low levels. In this model the emphasis is also upon minimizing distortional effects on relative costs, and consequently there possibility of reduction of plurality of tax rates (Goyendarau, 2000).

Used models in previous years for tax and incorporative reformations are of the elements of three models. In new approach, both theoretical and experiential aspects of reformation are inserted beside each other, and administrative, political and information restrictions are

considered in designing and implementing information. In this approach the emphasis is upon the increase tax system efficiency, in levying the tax, and reduction of tax's distortional effects on relative prices. In this approach, by using the best patterns and available experiences, we try to clarify comprehensive, simple and clear tax systems. In this approach the emphasis is upon the growth of tax bases, the reduction of tax rates, and the reduction of plurality of tax rates in direct and indirect taxes. It is evident that the widespread tax basis needs low rates in order that a definite number of taxes be collected. Lower final rates not only do increase job motivation, savings and investments, but also contributes to tax deference. Besides this, the thing that matters most is that growth of tax basis contributes to the security of horizontal justice, and from political economy view it is beneficial owing to the reduction of authority of benefactor groups in tax policy makings, and also the reduction of administrative expenses of tax levy. The emphasis upon horizontal justice also means the emphasis upon reinforcement of executive and administrative system of tax levy and development of information systems, and the administrative automation. Regarding indirect tax, the instruction of reformation program must include levying tax on the added value with widespread basis with the least of possible exempts besides optional taxes, and they must be restricted and about luxurious goods (Zayer, 1388).

Research Background

3-1- National Researches

Glic HakimAbadi Mohamad Taghi (1383), in his research titled 'Lessons from Tax Reform Procedure in the World: Iran's Case Study' draw a conclusion that notwithstanding mixing the laws and the reduction of tax rates, and also adopting schemes towards reinforcement of tax implementations, Iran's tax system still undergoes weak structure and heavy tax income on the company's shoulders, and the experience of tax reformation of Iran shows that in spite of movement towards results and resulted lessons from universal tax reformations, legal and executive actions haven't been sufficient. The function of tax system shows that Iran's tax structures have been weak, and all tax capacities are not used which are against lessons and experiences of universal tax reformations. Of course it is hoped that with important reformation that have been started since 1380, new and hopeful steps have been taken in this field.

Taherpour Kalantari and Aliyari Shoredeli (1386) tended to identify tax culture factors of Tehran's (center) occupations' tax payers, the applied method is of discovery, practical, of field, and descriptive. The results show that three factors which had the most variance are respectively as follows:

First, the justice and the function of tax system which is comprised of justice variables, having no trust to tax officers, tax organization clarity, the method of tax expenditure, the sense of responsibility, bribe, intangibility of tax expenditure, and also the method of expenditure; secondly, sincerity and the sense of responsibility of tax payers who are comprise of not giving information variables, lying, the sense of honor from not paying tax, the sense of debt to society,

or a pleasant action and force money, and thirdly; inclination to pay tax that includes tax escape variables, bargaining, not paying taxes, and resistance in paying tax.

Asgari (2013) in his research with the subject of dissection of tax system of reformation of the country: challenges, programs, tax system performance draw this conclusion that widespread volume of activities and current performances from one side and reciprocal effects of executive, social and economical and cultural structure of country on tax system from the other side necessitates that all the effective factors on the process of development works systematically, and provide the necessities of facilitation in reformation and evolution of tax system program. It is evident that in the condition of lack of this harmony, in spite of all attempts and employing all the capacities and internal capabilities, tax system and its trustee executive system won't be able to take long steps in the path of reformation and fulfilling the determined goals. Development and completion of tax system on added value, reviewing the tax law and regulations, performing comprehensive tax design, and reformation and the completion of internal human force from the main axes of tax system evolution is considered, and persistent and continuous actions regarding them are being carried out; however, widespread occupational confines, particularly unique structure of the order of tax demand attempts of all the pillars of political and economical system of country. Reformation of country's tax system demands a national resolution before everything and before the necessity of formulation and approval of the laws or the expenditure of financial expenses. This resolution will be clarified in the form of a desire or a political volition of system's domination, and after that it will be converted into policy making with description and editing the limits of the politics and distinct components of them. In our country, public inclination of all the individuals for the reformation of tax system, and the acceptance of the principle of public participation in supplying required financial resources for running the action of society are available as prerequisites of national resolution; however, there are impediments at the level of incorporating and creating a remarkable policy which needs a serious approach for tax for administrating the actions of a society. The existence of profuse oil income have occurred through which an important part of financial security of government is carried out so that tax incomes have no remarkable importance and attract less attention and sensitivity to itself. The existence of the phenomena of commissioning in tax structure of the government and administrating big economical organizations' orders by governmental part has caused the approach to be displayed acceptable and not so serious in proportion with tax in the structure of decision making of the government.

3-2-Foreign Research

Kenosen (1990) by analyzing tax and the factors that have effect upon tax payment in Austria have reached to this result that the feeling of debt to society, insufficient tax system, improper function of tax organization, unavailable tax justice, a sense of honor from not paying taxes, no trust to tax officers, tax escapes, high tax rates, unavailable efficient and experienced experts, people's having no trust to government's tax policies, pervasive tax escape and its being accepted from social view have effects on tax system efficiency, and for upgrading culture and tax system, readjusting laws and executive system, actions of the policies and encouraging laws, training and cultivating people and tax payers must be considered.

Eselemerd (1992) in the analysis of tax culture and the affecting factors on tax payment by tax payers in America have reached this result that feeling of a bothering, improper encountering with tax payers, increase of the number of tax escapes, citizen's responsibility, lucid and comprehensible laws, and laws being fair on paying taxes is affective, and for reformation and tax system upgrading some actions such as encouraging guidelines, adequate manners, and training the staff must be considered.

Kane (1993) in the analysis of the characteristics of tax culture and the ways to upgrade it in Croatia reached reach this result that tax escape, resistance to paying, wrong methods of tax levy, inability of ordinary people from paying, tax officers' corruption, tax injustice have roles in paying tax by tax payers, and for upgrading tax culture and developing tax system, reviewing in laws and implementation, absorbing committed and efficient individuals, training the staff and giving discount to tax payers are considered.

Roman Berger (2000) reached this result that given the problem of countries, it can be said that governments can collect tax to desired extent when the citizens are willing to pay them. The more willing to pay the tax at the length of time, the more this inclination can be considered as a factor for upgrading tax culture whose development and amelioration might occur over generations.

According to Bergerter (2001), the more developed, systematic and efficient tax system, the more affective it can be in upgrading tax culture. Developed countries have higher tax culture, because tax system in most of the developing countries have a lot of problems in contrast to developed countries which are obstacles in the progress of tax culture in these countries. Clarification of the laws, simplifying and making them understandable, developing tax bases, and fighting against corruption can be towards ameliorating tax culture through increasing inclinations to pay taxes can be influential.

Ramehlou (2007) notes that Egypt set off tax simplification which includes the actions stated below in 2014:

- Omitting some tax exempts concomitantly and reducing tax on occupations' interest from 40% to 20%
- Tax laws simplification and making definitions uniform and tax reformations in accordance with international standards
- Implementing self-representational system, employing audit based upon risk instead of compulsory audit
- Developing tax plea process, amalgamating tax offices on sales, and tax on income, and consequently reducing the burden of tax reverence of tax payers

Arnold (2012) stated, in his research titled *Developing Tax System in Indonesia,* that Indonesia has gone a long way in developing tax system over the last decade, both its income and its productivity have increased, though tax is lesser than more expenses of social sub-structures. With exception to natural resources section, the increase of tax incomes can be achieved through extension of bases and developing tax office. Actions such as presenting

lateral advantages, and subvention for tax on personal income, and the reduction of exempt of tax on added value can be increased.   And also for the time being, introducing simple and purposeful tax system for small and medium companies which are programmed by the government of Indonesia which can nurture its integration to tax system even if the potential of short term income of it is limited.

International Box of money during the report titled "tax order organization of Islamic Republic of Iran: a new-emerged modern organization besides emphasizing upon keeping reformation, it has given some pieces of advice regarding management of big, medium and small payers, self-proposal, and management of tax on the added value, and amid the presented issues to provide and adjust organizational reformation program comprised of all the reformation activities, and it points out the supply and adjustment of systematic program of work force, and its organizing.

Methodology

Methodology in this research is descriptive-survey method of practical type. In order to collect secondary data, we have employed document-library method. We have used papers, related websites, and questionnaire and interview are used for primary collection of the study. Statistics society of this research is comprised of 160 people of the staff of tax order organization of Zanjan town, for calculating the number of the sample volume Kokaran Method is used as follows:

In estimating sample volume regarding the clarity of the volume of the statistics society, Kokaran formula is used which is stated as follow:

$$n = \frac{Nz^2pq}{(N-1)d^2 + z^2pq}$$

in this formula N is the volume of society, which is equal to 160 people, n is the sample volume, and P is the ratio of the people who agree with the questions, d is the maximum of the error of estimation in proportion to society, and Z is the amount which is obtained from the standard normal table as regards degree of the error, q is the proportion of individuals who disagree with the questions of questionnaire which is determined by 2-3 relation.

$$q = 1-p$$

In this research, the values above are considered as follows:

The level of certainty is considered 95 % through which standard normal table, for Z the value of 1.96 is obtained.

The value of d equals 5%, and because we have no information about the value of P, we suppose 0.5, this way the highest value of sample volume is produced. By placing these values in the formula below, the result below is achieved:

$$n = \frac{160*(1.96)^2*0.5*(1-0.5)}{(160-1)*(0.05)^2+(1.96)^2*0.5*(1-0.5)} = 113.2$$

Thus, sample volume will be 113.2, that for facilitating, 115 questionnaire is handed out and collected.

To analyze the validity of questionnaire, the method of Alpha-Kronbach and to analyze the normalcy of statistics distribution, Kolmogroph-Smirnof test is used.

Statistical analysis is carried out in two sections of descriptive and inferential. In descriptive section, first for general characteristics of the subject under study (gender, age, job experience, major, education level, the number of human forces) numerous tables is organized and the samples under study have been described.

In inferential statistics, for the hypothetic test of the research single sample t test is used providing that distribution is normal, and X^2 test is used providing that distribution is abnormal.

And finally for ranking the independent variables of the research, Freedman test is used.

In the first level, questionnaire validity is carried out by Alpha Koronbach test whose results are shown in table below.

Table No.1, Table of Alpha Kronbach coefficient values					
Hypothesis	**First**	**Second**	**Third**	**Fourth**	**Total**
Alpha Value	0.836	0.789	0.913	0.841	0.859

Given the table No.1 results, the coefficient of Alpha-Kronbach of all the hypotheses more than 0.75 of the questionnaire have required stability. Normal Distribution Test (Kolmograph-Smirnof) To analyze normal distribution, Kolmograph-Smirnof test is used whose results are shown in table 2.

Table No.2, Table of Research Variable's Normalcy Test					
Variable	Sig	Kolmograph-Smirnof Test (Z)	Numbers	Test Result	Decision Making
Reformation and Evolution in the rules	0.293	0.979	115	Distribution is Zero	Acceptance of Hypothesis Zero
Organizational Development and Human Forces Skill	0.615	0.757	115	Distribution is Zero	Acceptance of Hypothesis Zero
Continuum training of	0.037	1.411	115	Distribution is	Rejection of

				not Zero	Hypothesis Zero
Society's Tax Culture Upgrade	0.114	1.197	115	Distribution is Zero	Acceptance of Hypothesis Zero

Given the obtained Sig values in table 9-4, the examples where is Sig is more than 0.05, hypothesis zero means the normalcy of the sample distribution which is accepted in 0.05 meaningful level , and in cases where Sig is less than 0.05, the hypothesis of the normalcy of the sample distribution will be rejected. Thus, the variables of the continuum trainings of the staff just don't have normal distribution. It should be mentioned that when the hypothesis of normal is accepted, parametric methods is used for hypothesis test, otherwise non-parametric methods are used.

Descriptive Analysis

In this section by using frequency distribution tables, statistics chart, numeral descriptive, such as central indices (medium, man, mode) and distributive indices (variance and standard deviation) under study is described.

Description of General Characteristics of the sample under study

In this section, first frequency tables and statistics charts are drawn for general characteristics of the answerers.

Table No.3, Frequency Distribution of the general characteristics of the answerers				
		Frequency	Frequency Percent	Aggregative Frequency Percent
Gender	Male	96	83.5	83.5
	Female	19	16.5	100
	Total	115	100	
Education Degree	Diploma	4	3.48	3.48
	Associates Degree	11	9.57	13.05
	Bachelor	85	73.91	86.96
	M.A and higher	15	13.04	100
	total	115	100	
Experience	Less than 5 years	9	7.8	7.8
	5 to 9 years	24	20.9	28.7
	10 to 14 years	22	19.1	47.8
	15 to 19 years	17	14.7	62.6
	20 to 24	27	23.5	86.1

	25 to 30	16	13.9	100
	total	115	100	

Inferential Analysis

In this section research hypotheses were tested by using χ^2 and T tests. To test the hypotheses whose variable doesn't obey normal distribution, parametric T test related to a society is used, and for hypotheses test whose variable doesn't obey normal distribution, non-parametric χ^2 test is used. We tended to compare practical and theoretical mean in T test. Theoretical refers to the mean of specified codes to option of each question which equals 3, and the practical mean or the obtained observed mean from questionnaire is for every hypothesis. If observed mean from theoretical mean is meaningfully big, we can conclude that the frequency of the options' I agree' and 'I disagree' are more than other options, and it means that the hypothesis of the researcher is accepted. In χ^2 test, the frequency of the options of each hypothesis is compared to the expected frequencies of under zero hypotheses (frequencies' equality). If 'I agree' options is more than 'I disagree options', hypotheses of the researcher will be accepted.

The results of research's hypothetical test below are shown in table 4. Given that the first, the second, and the fourth hypotheses have normal distribution, single sample test is use, and the results of the third hypothesis test is shown in table 5 using X^2 test.

The First Hypothesis Test

The Reformation and Evolution in available Tex Rules and Regulations in developing tax system is effective.

Given the normalcy supposition regarding this hypothesis was accepted, for the above hypothesis test, the parametric method, i.e. T test will be used. Hypotheses about the comparison of practical and theoretical mean can be written as follows:

H_0: the smaller mean or equal to 3 (The Reformation and Evolution in available Tex Rules and Regulations in developing tax system is not effective.)

H_1: mean is bigger than 3 (The Reformation and Evolution in available Tex Rules and Regulations in developing tax system is effective.)

Given the numbers in table 4, particularly, the Sig numbers which is less than 5%. Hypothesis Zero in 5% meaningful level will be rejected, i.e. the mean of meaningful variance sample has with the value 3 (theoretical mean). And since sample mean, i.e. 4.11 is bigger than 3, the hypothesis of bigger sample mean from theoretical mean will be accepted. It means that reformation and development available tax rules and regulation is effective in tax system development.

Table No.4,							
Variable	**The number of n Sample**	$\bar{x}$ **mean sample**	**S sample standard deviation**	**The value of t test statistics**	**d.f**	**Sig**	**Test Results**
Reformation and Development in	115	4.11	0.66	18.17	114	0.000	The rejection of Zero Hypothesis

Tax Laws						
Organization development and Skill of human force	115	3.76	0.49	16.74	114	0.000	The rejection of Zero Hypothesis
The Development of Society's Tax Culture	115	3.76	0.65	12.46	114	0.000	The rejection of Zero Hypothesis

Organization development and Skill of human force (Human Resource Management) is influential the development of Tax System.

Hypotheses regarding the comparison of theoretical and practical mean can be written as follows:

H_0: mean is smaller or equals 3 (Organization development and Skill of human force is not influential the development of Tax System.)

H_1: mean is bigger than 3 (Organization development and Skill of human force is influential the development of Tax System.)

Given the numbers in table 4, particularly, the Sig numbers which is less than 5%. Hypothesis Zero in 5% meaningful level will be rejected, i.e. the mean of meaningful variance sample has with the value 3 (theoretical mean). And since sample mean, i.e. 3.76 is bigger than 3, the hypothesis of bigger sample mean from theoretical mean will be accepted. It means that reformation and development available tax rules and regulation is effective in tax system development.

The Third Hypothesis Test

Continuum Trainings of tax order staff is influential in development of tax system.

Given the normalcy supposition regarding this hypothesis is rejected, for the above hypothesis test, the non-parametric method, i.e. χ^2 test will be used. The results of χ^2 test for the comparison options' frequency (very little, little, medium, much, very much) are recorded in table 6.

Table 5: The Results of χ^2 Test of the third hypothesis		
options	Observed	Expected frequency
1	3	23
2	7	23
3	31	23
4	41	23
5	33	23
total	115	23
χ^2=49.73 , d.f=4 , Sig=0.000		

As can be observed in table 5, meaningful variance between observed frequencies will be accepted in 5% meaningful level. Since the frequency of the options 'very much' is more than

'very little', the hypothesis of the researcher will be accepted at the level of 5% error, in other words, continuum trainings of tax order staff will be influential in the development of tax system.

The Fourth Hypothesis Test

Upgrading Society's tax culture by general trainings via mass media is influential in tax system development.

Hypothesis related to the comparison of practical and theoretical mean can be written as follows:

H_0: mean is smaller or equals 3 (Upgrading Society's tax culture by general trainings via mass media is not influential in tax system development**.)**

H_1: mean is bigger than 3 (Upgrading Society's tax culture by general trainings via mass media is influential in tax system development**.)**

Given the numbers in table 7, particularly, the Sig numbers which is less than 5%. Hypothesis Zero in 5% meaningful level will be rejected, i.e. the mean of meaningful variance sample has with the value 3 (theoretical mean). And since sample mean, i.e. 3.76 is bigger than 3, the hypothesis of bigger sample mean from theoretical mean will be accepted. It means that reformation and development available tax rules and regulation is effective in tax system development.

Freedman test is one of the parametric tests. This test is in equivalent with F test in parametric methods. But in contrast to F test, normal distribution hypothesis and the equality of variance has no necessity.

This method is used to compare three groups or more than three associate groups. This test is used when our scale is at least ordinal at the level of measure. The equal number of the individuals in each of these samples is one of the preconditions of test. This test show that if there is any probability for these columns' of table (i.e. sample groups) to become of a statistics society or not. In other words, have sample groups selected from a society or not? (Mansourfar, 1378, 77).

Freedman test is used to prioritize and determine the importance of each of these hypotheses. It is used when the statistics data are at least ordinal, or to make it possible to rank them two-sidedly with ordinal concept. Freedman states that if there is any factor more important than among other actor, or all the factors are equal.

Hypothesis: four variables of research have equal value regarding tax system development.

H_0: four variables of research have equal value regarding tax system development.

H_1: four variables of research don't have equal value regarding tax system development.

The summary of Freedman test is shown in table 6.

Table No.6, Freedman Test Results				
The number of sample	**d.f**	**Test's Statistics**	**P-value**	**Test Result**
115	3	39.07	0.000	Hypothesis Zero

As can be seen on table 4, four variables of research don't have equal value regarding tax system development. The importance of each of the hypotheses is shown in table 5.

Table No.7, The importance of each of the hypotheses	
Independent Variables	**Rank's Mean**
Reformation and evolution in tax laws and regulations	3.13
Organizational development and human force's skill	2.33
Continuum trainings of the staff	2.38
Upgrading society's tax culture	2.16

Prioritizing the Hypotheses:

A. Reformation and evolution in tax laws and regulations
B. Organizational development and human force's skill
C. Continuum trainings of the staff
D. Upgrading society's tax culture

Conclusions

To achieve presented goals and to fulfill reformation and develop tax system, we can consider some of the following issues:

1- Using information technology to provide tax payers' information bank at the level of each office in towns, with the purpose that the amount of contact's cost of each payers inside the system be recorded and sent to town's tax office at the time of buying and selling goods, or presenting the services online. For this purpose, the required clarity to pay tax is provided, and tax levy is carried out decently, and tax escape is reduced, and the justice will be served, and a huge part of the expenses will be reduced from temporal and energy consumption perspective, and so do errors.

2- Elimination or reduction of tax exempt can be an important step towards serving justice in society, particularly when it is supposed to consider privacy making. Because when all the payers are included in justice observance, and own the right of paying tax, challenge will be high, and consequently, the quality of services will also surge, but bribery, or discount or tax exempts will result in damaging the justice, and it will bring forth the ground for tax escape or discouraging the real and special legal payers in paying tax.

3- Our country, which has long undergone western countries' economical sanctions, should take considerable considerations towards developing tax system so that besides manufacturing goods, or exclusive services in economical arenas which have many foreign sales, it should develop the look inside so that the tax system reformation and its

amelioration be considered, and an important portion of general budget be provided by tax.

4- Adjusting and reforming customs regulations towards tax levy at the time of releasing the goods, since observing the law and levying taxes are in origin better than vain circuit and sequence in administrative twists and turns for levying the tax.

5- Clarification and public informing in governmental expenses grounds and presented services, or performed plans towards developing public welfare which is the result of tax levy.

6- Tax cultivating and institutionalizing inside the society at all the levels and training the staff towards developing the occupational and information skills.

Suggestion To Future Researchers

1- Designing electronic systems of managing levy and receiving taxes, and analyzing performed plans in this field.

2- Analyzing the role and the position of Islamic taxes inside tax systems, and analyzing public perspectives in respect to implementing tax system based on Islamic perspective.

3- Analyzing encouraging and training actions on occupational motivation, and developing tentative and practical skills of the staff of tax order organization.

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