



International Journal of Applied Business and Economic Research

ISSN : 0972-7302

available at <http://www.serialsjournals.com>

© Serials Publications Pvt. Ltd.

Volume 15 • Number 19 (Part-II) • 2017

The Role of Ethical Values in Reducing Tax Evasion in Jordan A Field Study from the Point of View of Taxpayers

Ali A. Alzoubi

Associate Professor, Dean of Business Administration College, Head of Accounting Department, Ajloun National University, Ajloun City-Irbid- Amman-Jordan, E-mail: ali.zoubi@anu.edu.jo; d_aaz@yahoo.com

Abstract: This study aims to identify the role of moral values in reducing tax evasion in Jordan by dividing these values into two groups: the first relates to social ethical values, and the second one relates to personal moral values. This study used the descriptive approach and a questionnaire distributed on a random sample consisting of (400) respondents from taxpayers and auditors from the income tax, sales and customs departments. The characteristics of the study sample were described by using frequencies, arithmetic mean, standard deviation and grades. ANOVA was also used to test hypotheses at the significant level ($\alpha = 0.05$). One of the most important findings of the study is that there is a positive role for social and personal moral values in reducing tax evasion. Among the most important recommendations of the study is that taxpayers need to take responsibility towards society and homeland as well as provide guidance and awareness courses to employees of tax services in addition to conduct further studies on ethics and tax evasion.

Keywords: tax accounting, tax evasion, income tax, sales tax, customs tax, ethical values.

1. INTRODUCTION

Morality is generally linked to social norms that enable individuals to differentiate between proper and correct practices and those incorrect ones. This differentiation depends on what was inherited from generations from improper actions that led to harm and abuse, and others that would have helped others and bring satisfaction and interest. The divine religions came to emphasize the need for individuals to adhere to good practices and qualities that lead to the raising of society and preserve the material, physical, family, honor, blood rights, and anyone who commits any immoral and forbidden conduct, he will be punished.

The immoral material practices that may be practiced by individuals vary according to the nature of damage. The individual may be harmed by robbing his possessions directly, the society as a whole can be

harmed as well by robbing or misusing their public property or even self-interest of some individuals. The non-payment amounts of money owed by individuals to the state is also a form of damage, which is subsequently reflected in the state's ability to provide its financial resources with the necessary resources to meet its public obligations as well as provide basic services to all members of society. The view about the morality of harming public money is different by evading the individuals' payment of money to the state or through robbery; some may see that this behavior is immoral and not practiced, and some see that this has no connection to morality and practice, There are those who believe that it is immoral acts as an excuse to do so.

Tax evasion is a form of assault on public money which may be exercised in an organized way by the taxpayer's recourse to accountants or specialists in this field to rearrange the tax statements in such a way as to reduce the amounts of money owed by tax through fake expenses associated with unreal evidence. The taxpayer may resort to a bribe or gift to the concerned employee in order to relieve him of the tax by hiding part of the facts. According to the variety of methods that can be used for tax evasion which are often undetectable or recognizable, this study is intended to identify taxpayers' view on the role of ethical values in reducing tax evasion.

Unethical financial practices by organizations or individuals led to crises and hard problems that affected many international companies such as Enron Corporation because existing controls and standards reached a point that can be overtaken by bypassed to achieve their own interests. Therefore, morality remains an autonomous agent to stop these individuals to prevent them from committing deviations or making mistakes. Therefore, this study deals with the issue of moral values that can stop the problem of tax evasion. Accordingly, the study aims to answer the following questions: firstly, can social ethical values reduce tax evasion? Can personal moral values reduce tax evasion?

Due to the importance of taxation as a source of the country's basic revenues in Jordan; and in light of the multiplicity and diversity tax evasion methods, that can be hardly adjusted with professional instructions and standard laws. This study is a continuation of previous studies in order to draw attention to ethical values and their importance in reducing tax evasion. This study is also important as follows: first, direct attention to a specific or important constraint that can govern financial and administrative work, which is ethics, that can be adopted more as a cornerstone of business and accounting that should not be overlooked scientifically and practically. Second, motivation to adopt an important input from the contemporary accounting approaches, which is the ethical approach which can be applied to other areas of business in general and in accounting in particular. Third, encouraging interest in the development of ethical values for members of the society in general and for taxpayers in particular because they have a role in preserving the state's revenues and public money as well as contributing to reduce tax evasion in all forms.

Ethical values are one of the most important foundations of society formation as they create happiness and comfort to individuals to feel satisfied with themselves towards their surroundings and homeland. In view of the low income and scarce resources in Jordan, it is possible to orient the members of society morally to make a commitment to pay their tax payments without delay or escaping. The study aimed to recognize the role of social ethical values in reducing tax evasion and to recognize the role of personal moral values in reducing tax evasion.

2. PREVIOUS STUDIES

Several studies dealt with the subject of tax evasion. The following are the most important studies signed by the researcher in chronological order as follows: The most recent study for Zareer, *et al.*, 2016 aimed to identify the effect of using judicial accounting in reducing tax evasion in Jordanian industrial companies as the competition among companies pay them to beautify their profits. A questionnaire consisting of (15) items was prepared and distributed on 44 employees in the industrial joint stock companies. One of the most important results, there is a role of judicial accountability in reducing tax evasion in the Jordanian industrial joint stock companies. Moreover, high tax rates and prevailed economic conditions are causes of tax evasion, the study has come with important recommendations such as the need to hold courses to increase awareness about judicial accounting professionally and educationally as well as the construction of an effective regulatory system that contributes to fight against tax evasion. The study of Chandrappa, 2016 states that tax evasion is when individuals do not comply with the provisions of income tax laws to be reflected in the overall performance of the state as a result of its inability to finance its basic expenses. The study found that high tax rates, corruption in the public sector, multiple tax rates and the presence of ineffective taxes are the main reasons for tax evasion. The study suggested simplifying tax laws, removing loopholes from the tax system, limiting tax rates, establishing a transparent government administration system, encouraging people to pay taxes because of their role in the state's development, and educating individuals about the tax benefits to the state.

Another recent study of Bogenschneider, 2016, raises the issue of tax evasion and its ethical nature especially since many multinational corporations may use tax treaties, which is called tax-haven countries, to avoid taxes. The study considers that the interpretation of tax treaties is an art and not a science, which needs an analysis that could limit the ability of tax professionals to ethically plan in the interpretation of treaties, and this leads to illogical consequences. The study of (Meswada, Khawaldeh, 2015) aims to identify the role of income tax law from the point of view of income tax and sales tax checkers and the members of Income Tax and Sales Experts Association in reducing tax evasion. A questionnaire was prepared based on the Income Tax Law and distributed on the study sample consisting of (100) respondents. The results of the study showed that the procedures for processing the tax return, incentives and exemptions did not have a role in reducing tax evasion, whereas penalties, taxation contributed to the reduction of tax evasion, and the study recommended the granting of more exemptions and imposing prison sentences on tax evasion perpetrators. The study of Abu Senina, 2014 aimed to identify the factors affecting tax evasion and avoidance from the point of view of audit and accounting offices and industrial companies in Hassan Industrial City. The study used a 29-item questionnaire and T test. The study came out with important results that the experience of accountants and auditors, the poor economic conditions, and the lack of awareness of tax importance increases the level of tax evasion. The study recommends the need to sensitize taxpayers, stimulate tax-liable companies and enforce penalties for evaders.

The study of Qablan, 2014 aimed at explaining the effect of accounting policies and procedures in the Income and Sales Tax Department in reducing tax evasion. The study population consists of 11 auditors of income and sales tax department. The results of the study indicate that there is no effect of the temporary tax law on the reduction of tax evasion, and there is no effect of the procedures applied by the Income Tax Department in reducing tax evasion and that the taxpayers apply the method of amortization of fixed assets. The study recommends activating procedures related to deductions, import cards, increase the

qualification of tax officers and educate taxpayers. Similarly, a study of Modugu & Omoye, 2014 aims to assess the reality of income tax evasion in Nigeria. The field study used a questionnaire consisting of (160) taxpayers from businessmen, contractors and professional practitioners such as lawyers, doctors, accountants, architects and shop traders in Ido, Nigeria. The result revealed that the weak relationship of taxpayers with the weak tax department has a significant impact on tax evasion in Nigeria. The study showed a positive tax rate relationship with tax evasion. The study recommends that taxpayers should recognize the importance of tax, so that they are willing to pay it as well as the need for putting penalties on smugglers taking into consideration the status of the poor from taxation, reviewing tax legislation, and improving the conditions of taxpayers in order to stop corrupt practices.

The study of Sumartaya & Hafidiah, 2014 aims to identify the extent that taxpayers are concerned in tax evasion, and this is by examining their awareness and interest by reviewing the individual income data for a sample consisting of non-taxable individuals by examining the extent to which the level of tax evasion was affected by the awareness of taxpayers. The results showed that tax awareness, which is present in all taxpayers, affects the level of tax evasion. The study of (Doyle, *et.al.* 2014) aimed to identify the impact of company size on ethics in tax practice to see if the size of the company has an impact on the ethical thinking of tax practitioners. Interviews have been conducted to achieve the goal, some practitioners have acknowledged that the ethics of tax practice vary according to the size of the firm, where large companies have different procedures and processes through which ethical issues can be addressed according to a predefined set of rules. On the other hand, the interviews did not reveal any evidence that the practitioners of small businesses were less ethical than the practitioners of large companies. As for McGee, 2014, he examined Chinese views on the ethics of tax evasion. The study found there is a strong opposition to tax evasion in China, although the current opposition is now less than it was when surveys were conducted in 1990. Demographic results showed that there was no significant difference between the views of males and females, and older persons tend to be more in conflict with tax evasion than young people.

The study of Zoubi *et. al.*, 2013 aimed at determining the methods of tax avoidance and tax evasion in Jordan, and linking them to the Jordanian income tax law to show the shortcomings in the treatment of these methods. To achieve the objectives of the study, a questionnaire containing methods of tax avoidance and tax evasion was prepared, distributed on (120) estimators in tax administrations in Jordan. The study found a number of methods of tax avoidance and tax evasion. The study concluded that the Jordanian tax law deals with these methods without neglect, and the researchers recommend amending the penalties tax evasion to be more deterrent to those who try to escape from paying the tax. The study of Alimat, 2013 aimed to identify the main causes and forms of tax evasion and factors that help reduce it, the study was conducted on a sample of 283 tax assessors in the capital. The study concluded that personal, legislative, administrative, economic and social reasons, ranked by importance, play a prominent role in tax evasion and each affects the other; moreover, the manipulation of expenses and revenues and the lack of accounting books is one of the most prominent forms, and that the development of incentives and the promotion of justice among taxpayers reduce tax evasion. The study recommended the need to develop a strategy to reform the tax system by spreading tax awareness, keeping proper accounting books, and establishing legislation that guarantees justice and equality among taxpayers.

The study of Adebisi & Gbegi, 2013 aimed to find out the impact of avoidance and tax evasion on Nigeria's personal tax administration. The study attributed the problem either to colonialism, weak

government administration, tax authorities or the non-national position of taxpayers. The researchers conducted a survey on a sample of (305) employees from the Internal Revenue Service in Abuja. The study used the descriptive statistics to describe the study sample. ANOVA was used to test the hypotheses of the study as well. The results of the study showed that the good management of public funds reduces avoidance and tax evasion, whereas high tax rates encourage avoidance and tax evasion. Moreover, in Nigeria, there is a positive relationship between avoidance and tax evasion on a hand, and tax rates and the management of personal income tax on the other hand. The study recommended the need to continuously train tax officials and educate the government about the importance of taxation and reduce tax rates for the poor. The study of Samuraj, and Obeidi, 2012 dealt with the subject of tax evasion in Iraq and the means of treatment, an analytical study during the period (1995-2010). The most important result of the study is the existence of problems in the Iraqi tax system, and there is a rise in tax evasion rates. The customs tax has been affected by globalization and has become a trade exchange tax that lost its content in protecting local production. Moreover, one of the most important effects of tax evasion is the negative impact of state revenues, which is reflected in the high inflation in the country, and the causes of tax evasion are political, economic and social. One of the most important recommendations is the need to review the tax legislation in Iraq, increase the qualification of the departments charged with collecting taxes and monitoring them, in addition to fighting corruption.

The study of McGee, *et. al.*, 2012 aimed to address the subject of the ethics of tax evasion through three dimensions represented in the justice in using public money, the potential of corruption towards tax revenues, and the distinction between avoiding tax and tax evasion, The study was conducted on the basis of several demographic variables. One of the most important results was justice. According to the gender variable, males see that tax evasion is justified in the absence of justice, and females see that tax evasion is generally immoral, According to the geographical variable, Argentine residents see tax evasion as immoral and reject it, while Romanians and Britons are less reluctant to tax evasion. According to the academic variable, the faculty members see that tax evasion is justified in the absence of justice, and university students in general do not see that tax evasion is immoral. In the light of the tax system; more females than males see that tax evasion is immoral; US population see tax evasion is immoral in the case of a tax system, while Poland and Britain are likely to refuse tax evasion. Graduate students assert that tax evasion is immoral in the event of a tax system, while faculty members and university students are less assertive in the immorality of tax evasion. In light of discrimination standard: women see that tax evasion should be distinguished from tax avoidance, the population of the United States believe that evasion is immoral if it is indistinguishable from avoiding the tax, but the Poles do not believe that discrimination is a justification for rejecting tax evasion.

The study of Habboo, Nejma, 2011 dealt with the subject of international tax evasion and distinguish it from tax and local evasion, and the role of tax in attracting multinational companies to countries, the results of the study found that the developing countries are exposed to threats and blackmail from multinational companies that affect its tax system in order to attract these companies, and the countries seek through international conventions to reduce this phenomenon of international tax evasion. The study of Bagus, *et.al.* 2011 showed the extent to which members of the society feel more about compulsory tax. Tax evasion must therefore be treated as an attempt to convert this forced behavior into voluntary one, and this is by changing the terms of payment in addition to the receipt of goods and services, and the tax

container. In other words, the elimination of compulsory tax leads to the elimination of tax evasion. The study sees prioritizing services to be provided to citizens then linking the tax to these services would encourage them to pay the tax voluntarily. The re-use of tax revenues to the following priorities and other needs of citizens will lead them to a more voluntary commitment to pay the tax and will lead to improved efficiency of the economy and this would lead to the elimination of tax evasion.

The study of Alm & Torgler, 2011 explains tax liability through the role of ethics in individual behaviors; that is, the rational and non-egoistic behavior of individuals leads to tax liability. Individual compliance decisions cannot be fully understood without regard to these ethical dimensions. Where there are many direct and indirect evidence that ethics vary among individuals and that these differences are related to the decision and the level of compliance. The study concluded that compliance strategies are important to combat tax evasion, and these strategies are based on ethics. The study argues that tax administration can weaken taxpayers' ethics through their own decisions. The study of Stuebs & Wilkinson, 2010 states that the tax practice is an integral part of the general accounting profession. Although the objective of accounting is to serve all decision makers, sometimes there may be a defect in maintaining the integrity of the tax system. Morality was therefore important, and its absence leads to a weak tax profession. This study examines the reasons for the ethical problems plaguing the tax profession in order to propose a mechanism of reform. The study first developed a standard framework for the tax profession. It also studied its reality and comparison to identify the abuses and their impact on the tax base. The study dealt with fraud cases that were arranged with major accounting firms worldwide. The study found that the essence of fraud is the result of ethics failure as well as it seeks commercial gain at the expense of the public interest. The study argues that there is a need for cultural reforms within the accounting academy, the accounting profession, and the tax system in order to restore confidence.

As for the study of Durgham, Amour, 2009, aimed at identifying the main reasons for the spread of tax evasion in Gaza Strip, and the ways to reduce this phenomenon because of its negative impact on the revenues of the Palestinian National Authority. A questionnaire was prepared and distributed on a sample of accountants in accounting offices and income tax inspectors. The results showed that the absence of full Palestinian Authority sovereignty over its territory increases income tax evasion, the lack of transparency in public expenditure leads to tax evasion. However, increasing the confidence between taxpayers and the income tax department contributes to reducing tax evasion, and income tax evasion can be reduced when accountants cooperate with the income tax department to show the reality of taxpayers' work. The study recommended greater transparency in spending the public funds, holding workshops and courses for employees, and putting penalties for evaders. The study of Khatib, 2000 dealt with the theoretical framework of the subject of tax evasion in Syria and its forms, causes, consequences and ways of combating it. The study showed that the most important reasons for tax evasion are social, political, legislative and administrative reasons, which result from the weight of taxation, injustice, corruption and the feeling of abuse of public money. The study examined the theoretical framework of tax evasion in Syria and its forms, causes and consequences.

2.1. Hypotheses of the study

In light of the review of previous studies, the hypotheses of the study can be formulated as follows:

H01: There are no statistically significant differences in the opinions of tax authorities (income, sales, and customs) on the role of societal ethical values in reducing tax evasion in Jordan.

H02: There are no statistically significant differences in the opinions of tax authorities (income, sales, and customs) on the role of personal ethical values in reducing tax evasion in Jordan.

3. METHODOLOGY OF THE STUDY

The study used the descriptive analytical methodology. The study data were collected as follows: First, secondary sources: represented in books, articles, scientific research, university letters and official documents in paper and electronic form. Second, Primary sources: represented in preparing a questionnaire containing two sets, the first data represents the demographic data for respondents and the second to achieve the objectives of the study and test its hypotheses, which consists of two parts, the first relates to ethical values of the society and the second relates to personal moral values.

Due to the variety of tax forms in Jordan, and the number of agencies that provide them, the study has determined the study population including (taxpayers, sales tax and customs tax) because it is possible to distinguish them from others and take sample directly as well as it is possible to meet them in their departments. **Spatial limits:** The distribution of the questionnaire was limited on a sample of tax auditors, sales and customs departments in the northern and central Jordan. **Time limits:** A sample of auditors assigned to income, sales and customs departments during the beginning of January 2017 to the end of April 2017, for the purpose of seeking the majority of taxpayers to settle their tax during this period to avoid tax penalties.

The study sample consists of all those charged with paying income, sales and customs taxes in Jordan. According to (Adebisi & Gbegi, 2013), a random sample consisting of (400) was selected to answer the questionnaire forms in the income, sales and customs departments in Jordan.

3.1. The theoretical framework of the study

Ethical values: Human societies are based on a set of moral values and principles in order to distinguish between what is right and what is wrong. These values and principles have evolved into a cultural yardstick over time by which societies flourish as civilizations; therefore, each period of time can be linked to a particular nature of moral values. In old primitive times, moral values were very strict and disciplined since the religious thought was dominating the aspects of life, while ethical values have been characterized by renewal, change and flexibility in industrial and productive societies. In terms of technology and digital knowledge, which has become the dominant factor in the world, ethical values have become a relative issue, that is, they differ from one individual to another in the same society and for the same period of time. This makes it difficult to have specific criteria for controlling or judging them. (Ajamy, 2015).

The changes and developments witnessed by mankind over ages and periods have been reflected on the nature of ethical values and their controls, the mechanism of their application and the means of monitoring them. The moral principles and values were formed as a result of divine teachings, to be influenced by tribal, national and regional trends, political systems, political parties, economic conditions, communication and knowledge technology and globalization, and the change was rapid especially in recent times, in a way that generated gaps in the ethical concepts among members of a society (Taher, 2010).

Therefore, as the moral values are relative in contemporary society, it is possible to divide them into the following sections:

Societal ethical values: these values are formed as a result of accumulation cultures. The societies cared for their heritage to preserve them by various means and methods. So that, moral values have become society bonds that give strength, cohesion and unity to society. These value relationships have been reflected on the strength of the society, so that, it has become a target for other societies seeking to control it, and the stronger societal ethical values, the values will survive over the long run. The values are very important in societies because of its interrelationship with various aspects and behaviors that guide individuals towards certain high goals. Morality is the lever of society associated with giving, sacrifice and a sense of responsibility. The message of Muhammad, Jesus and Moses was a moral message to raise the degree and value of human societies (Osman, *et al.*, 2015). There are many societal ethical principles that guide the behavior of society and individuals towards the development and prosperity of society. The most important of these principles are altruism, love of others, helping others, empathy with others, cooperation with others, respect others, respect laws, patriotism and maintaining infrastructure and cultural heritage.

Personal ethics: they are the techniques of success that lead individuals to achieve goals without contradicting with others' goals. It is the internal directive to make an act or leave it, move away from it, or even deny it. Personal ethics are largely based on the education of family, school and society including their relationships and various interests influenced by practice, habituation, frequent repetition, and continuity, and whenever they are associated with an individual's innate intellectual convictions, the less likely to change over time. (Sakarneh, 2017). There are many personal moral principles that control the behavior of people, and perhaps the most important of these principles: honesty, not telling lies, impartiality, objectivity, lack of fraud, non-jealousy and ignorance, honesty and non-forgery and perjury.

3.2. The concept of tax and tax evasion

The tax is defined as a financial obligation, paid by the individual to the state as a contribution to the public costs and burdens, without any personal benefit. There are many types of taxes in terms of form, taxpayers or the authorities in charge of (Arshid, 2013). In general, taxes can be divided into two types:

Direct taxes: They are the taxes that are directly paid by the taxpayer himself. They are characterized by a relatively stable yield, as well as a decrease in the expenses of collecting them. It also leads to the notification of individuals' financial obligations because they are paid in a tangible manner. Justice is achieved in the distribution of financial burdens, as they are imposed on certain groups, and can be charged to these taxes that are not fixed and follow the various political and economic developments. The most important types of income are income taxes and capital taxes.

Indirect taxes: they are the taxes that are paid by another one who pays them to the entity that collects them. It imposes funds and commodities such as consumer goods "sales tax" and imported goods "customs tax" (Abu Nassar, 2014).

Taxation is one of the most important sources of the state's financing and activities. It is a tool for the implementation of economic and social policies to the state. Taxation contributes to the implementation of economic policy, through securing funding for government expenditures, in order to ensure the establishment of development projects and improve the infrastructure and welfare of the society. Taxation is also a tool to

guide the economy to achieve economic balance, encourage investment and stimulate domestic production by granting tax exemptions to certain economic sectors that are stimulated by production. Taxation on foreign products can protect their domestic counterparts. The pattern of consumption, production or savings can also be influenced by the imposition, reduction or increase of certain taxes or the provision of certain exemptions. Socially, taxes contribute to the redistribution of income among high-income earners, so that they are taxed in proportion to the payers' ability to pay (Al-Shabakah, 2015).

On the other hand, the taxpayer may feel burdensome, especially when he has many financial burdens, whether tax or non-tax burdens, leading him to think and work to try to get rid of the tax either partially or completely, and this is called tax evasion (Wadi, 2015). Tax evasion can be defined as "an attempt by the taxpayer, who is subjected to pay tax, to deliberately not pay and without transferring the burden to another person in violation of legal texts. The tax avoidance differs from tax evasion. Tax avoidance is avoiding the act that imposes a tax, or refraining from carrying out a conduct that imposes paying tax, the avoidance may take advantage of loopholes left by the law so that the legal text cannot be avoided, and the avoidant cannot be prosecuted or legally violated. (Qaisi, 2015). Tax evasion is linked to the violation of tax law totally and partially and the use of fraud, forgery, deception and bribery means in order to reduce the taxpayer's base, thus reducing the amount of tax to be paid.

There are many forms of tax evasion, and each type of tax is associated with different forms of evasion. As for the customs tax, it is possible to escape through smuggling; moreover, the evasion can be through bribery of the employee in charge of the tax to ignore it or delete it. As for income tax evasion, either by fraud, modification or veiling some data or adding incorrect data that would lead to a reduction in taxable income, and this type of evasion is usually performed by a specialist accountant in agreement with the taxpayer, the income tax evasion can be performed with the help of the employee concerned to achieve this tax on the taxpayer after giving him bribes or gifts. As for sales tax evasion, it is by the non-registration of tax in the specialized departments (income and sales tax departments) or not to provide deductions to the specialized departments, or even not issue invoices for sales value, and register the value of invoice less than its real value (Buhuns, 2015).

The love of mankind to money and his keenness to increase and maintain it, as well as his feeling of injustice when it is taken without a right or consideration, accordingly, this leads to evade payment by various means and methods. In addition to the above, the main reasons for tax evasion can be addressed as follows: from the point of view of taxpayers, the poor economic conditions reflected on the decline of commercial activity, the low economic growth rates, increase unemployment, low incomes, the lack of justice in taxation and high rates of tax are the most important reasons to evade tax. Taxpayers also justify tax evasion that they are not used in the society fairly and they believe that all taxes go to the pockets of power holders of the state. From the point of view of observers and specialists in tax, the main reasons for tax evasion are the absence of taxpayers' awareness of the importance of taxes and their role in achieving balanced development in society. The absence of penal sanctions deterred taxpayers' decisions. Tax departments and low degree of scientific and practical qualification make it easy for taxpayers to exercise tax evasion (Al-Faqee, 2016).

4. STATISTICAL ANALYSIS AND RESULTS DISCUSSION

To achieve the objectives of the study and test hypotheses, the Statistical Package for Social Sciences (SPSS) was used. The results of the statistical analysis are presented below:

First: Description of the study sample

Table (1) presents the relative frequency and frequency of the demographic characteristics of the study sample, as follows:

Gender variable: The percentage respondents was (85%) for males and (15%) for females, i.e., the majority are for male taxpayers.

Scientific qualification variable: The taxpayer in Jordan is not required to have a scientific qualification. However, the existence of academic qualification is important until the tax forms are properly filled out and the necessary documents are submitted to enhance the information provided by the taxpayer. The bachelor's degree had the highest percentage of scientific qualification carried by the auditors or taxpayers, by (50%) and the diploma by (35%).

Specialist variable: The table shows that the accounting specialization is the most specialized fields carried by the taxpayers, they reached 51%. Followed by the financial, administrative and economic disciplines by 22%. No one who reviews the tax services is required to have a specific specialization. However, the holders of Accounting, Financial, Administrative and Economic Specializations are qualified with sufficient academic knowledge to fill in tax forms, provide the necessary information and understand the data appropriately.

Geographical Distribution variable: The table shows that the most respondents of the questionnaire are from Amman city by (49%). It is the most populous governorate with branches for all tax departments in Jordan. Followed by Zarqa Governorate by (25%) which was economically productive and had a free customs zone. Then Irbid city was the third by (19%).

Age Variable: The highest age group for the auditors of tax was (30-60 years) by 72%. It is the category of maturity and combines the perception, experience and activity, followed by youth category (less than 30 years) by 22%.

Type of Tax: the tax authority or department where the taxpayer go; the percentage of respondents who review the income tax is the highest, (58%), followed by the percentage of those who review the sales tax (22%), and those who reviewed the customs tax was (20%).

The nature of the reviewer: ie, whether the respondent reviews the tax on behalf of others as representative, the percentage was (77%) which is the highest, and the respondents who reviewed by themselves as taxpayers got the percentage (33%).

Second: Test the natural distribution and test the internal consistency of the study tool. Test the natural distribution: The study used (Kolmogorov-Smirnov Test KS) to ensure that the distribution of the study sample is normal, and the decision base is if the significance level is (0.05 á), it is natural. Table (2) shows that the study sample follows normal distribution (Landau & Everitt, 2004). **Internal consistency test:** The Cronbach's alpha test was used to test the internal consistency of the study tool with a rule of decision if the alpha coefficient value is greater than or equal to 0.70, the study tool is consistent (Tavakol & Dennick, 2011). So, the sample results can be generalized to the study population. Table (2) shows that the value of transactions according to tax type were all greater than (0.70).

Table 1
Distribution of sample members according to personal and functional variables

<i>Relative frequency</i>	<i>Frequency</i>	<i>Category</i>	<i>Variables</i>
85%	338	Male	Gender
15%	62	Female	
100%	400	Total	
8%	32	Second secondary and less	Qualification
35%	138	Mid diploma	
50%	201	Bachelor	
7%	29	Post graduate	
100%	400	Total	Specialization
51%	205	Accounting	
22%	88	Financial, administrative and economic	
10%	40	Law	
17%	67	Scientific, engineering, educational and other	
100%	400	Total	
49%	196	Amman	Geographical distribution
19%	75	Irbid	
25%	98	Zarqa	
6%	22	Ajlun	
2%	9	Others	
100%	400	Total	Age
22%	87	Less than 30 years	
72%	289	From 30-60 years	
6%	24	More than 60 years	
100%	400	Total	Type of tax
58%	231	Income tax	
22%	89	Sales tax	
20%	80	Customs tax	
100%	400	Total	Nature of reviewer
67%	269	Representative (on behalf of others)	
33%	131	Original (personal)	
100%	400	Total	

Table 2
Results of the normal distribution test according to the type of tax

<i>Type of tax</i>	<i>No.</i>	<i>level of significance ±</i>	<i>Cronbach's alpha</i>
Income	231	0.472	0.88
Sales	89	0,124	0.79
Customs	80	0.112	0.73
Total	400	0.512	0.75

Third: Describe the answers to the sample of the study. The questionnaire consists of (16) items, which were prepared and divided according to Likert scale. The following grades were given to the answers: highly agree (5), agree (4), I do not know (3), Disagree (2), highly disagree (1). The scale has been corrected to be (less than 2.33) low; (2.34-3.66) medium; (3.67 to 5.00) high (Beyouk, 2015). The arithmetic mean and standard deviation were used to describe the responses of the study sample, as shown in Tables 3 and 4 below.

Description of the answers to the sample of the study on the role of societal ethical values in reducing tax evasion: Table 3 below shows that paragraph (2), which encourages “values of assistance to others among members of society to reduce tax evasion” My Account (4.75) and Standard Deviation (0.28). The lowest paragraph was paragraph 7, which read: “The responsibility, love and belonging of members of society towards the homeland contribute to the reduction of tax evasion” with an average of 3.45 and a standard deviation of 0.93. The mean of all responses (4.15) was high.

Table 3
Mathematical averages and standard deviation of the role of societal ethical values in reducing tax evasion

<i>No.</i>	<i>Items</i>	<i>Average</i>	<i>Standard deviation</i>	<i>Rank</i>	<i>Degree</i>
1.	The sense of altruism and love of others contributes to reducing tax evasion	4.54	0.54	3	High
2.	The values of assistance to others encourage members of society to reduce tax evasion.	4.75	0.28	1	High
3.	Stimulating empathy among society members in reducing tax evasion	4.11	0.71	5	High
4.	Cooperation between members of the society will reduce tax evasion	3.51	0.73	7	Medium
5.	Respect for society members contributes to reducing tax evasion.	4.27	0.76	4	High
6.	Respect laws leads to the reduction of tax evasion	4.67	0.65	2	High
7.	The responsibility of members of society towards the homeland and their love and belonging to it contribute to the reduction of tax evasion	3.45	0.93	8	Medium
8.	Citizens' love of the state's cultural heritage and their efforts to improve the infrastructure of society contribute to reducing tax evasion	4.01	0.72	6	High
	The role of societal ethical values in reducing tax evasion	4.15	0.49	-	High

Describing the answers of the study sample on the role of personal ethical values in reducing tax evasion: Table 4 below shows that item (8), “non- payment bribes by taxpayer reduces tax evasion”, was the highest rank with the average (4.32) and a standard deviation (0.41). Whereas the lowest item was for item (7), which states: “The taxpayer’s objectivity and impartiality shall be subject to tax evasion” with an average of (3.58) and a standard deviation (0.98). The average of all responses was high by (3.95).

Table 4
Mathematical averages and standard deviations of the role of personal moral values in reducing tax evasion

<i>No.</i>	<i>Items</i>	<i>Average</i>	<i>Standard deviation</i>	<i>Rank</i>	<i>Degree</i>
1.	Confidence in the tax contributes to reducing tax evasion	4.09	0.61	4	High
2.	The taxpayer's trust and not betraying can reduce tax evasion	4.13	0.52	3	High
3.	Taxpayer's objectivity and impartiality reduces tax evasion	3.58	0.98	8	Medium
4.	The credibility of the taxpayer decreases the tax evasion	3.75	0.81	6	High
5.	Avoiding cheat and fraud by the taxpayer reduces tax evasion	4.21	0.49	2	High
6.	Avoiding fraud and unfairness by the taxpayer reduces tax evasion	3.62	0.85	7	Medium
7.	Avoiding fraud and prejudy by the taxpayer reduces tax evasion	3.91	0.78	5	High
8.	Avoiding bribes of the employee by the taxpayer reduces tax evasion	4.32	0.41	1	High
9.	The role of personal ethical values in reducing tax evasion	3.95	0.43	–	High

Fourth: Testing the hypotheses of the study: As the distribution of the study data follows the natural distribution, and for the purposes of testing hypotheses, the study used the (one-way ANOVA) at the level of significance ($\alpha = 0.05$), to study the differences of the study answers depending on the type of tax of each taxpayer or reviewers of tax departments (sales tax, customs tax); with the decision rule which states if the level of significance is (0.05α), the hypothesis is rejected and accept the alternative hypothesis and stating that there are statistically significant differences, but if the level of significance is ($0.05 \alpha >$), The hypothesis is accepted and there are no statistically significant differences (Shawan, 2014).

Test the hypothesis of the first study: “There are no statistically significant differences in the opinion of the tax department reviewers (income, sales and customs) on the role of societal ethical values in reducing tax evasion in Jordan.” Table (5) shows the results of the hypothesis, where level of significance (\hat{a}) is greater than (0.05), this means accepting the null hypothesis and saying that there are no statistically significant differences in respondents' opinions. Table (6) below shows the arithmetic averages of the hypotheses of the study, which are all higher than (3.66), this means that there is a role for societal ethical values in reducing tax evasion in Jordan from the point of view of all groups of respondents individually and collectively.

Table 5
Results of the first hypothesis study hypothesis

<i>Source of variance</i>	<i>Freedom level</i>	<i>P value</i>	<i>Level of significance ±</i>
Between groups	2	0.891	0.206
Into groups	398		
Total	400		

Table 6
The role of societal ethical values in reducing tax evasion

<i>Type of tax</i>	<i>No.</i>	<i>Average</i>	<i>Standard deviation</i>
Income tax	231	4.22	0.41
Sales tax	89	3.97	0.56
Customs tax	80	4.25	0.32
Total	400	4.15	0.49

Test the hypothesis of the second study: “There are no statistically significant differences in the opinion of the tax department reviewers (income, sales, customs) on the role of personal ethical values in reducing tax evasion in Jordan.” Table (7) below shows the results of the hypothesis test, where the level of significance (α) was greater than (0.05). This means accepting the second null hypothesis and saying that there are no statistically significant differences in the opinions of the respondents or reviewers of tax services. Table (8) below shows the arithmetic averages of the elements of the hypothesis of the second study, which show that they are all higher than (3.66). This means that there is a role for personal moral values in reducing tax evasion in Jordan. From the point of view of all categories of respondents or reviewers of tax services, either individually or collectively.

Table 7
Results of the test hypothesis of the second study

<i>Type of tax</i>	<i>Freedom level</i>	<i>P value</i>	<i>Level of significance \pm</i>
Income tax	2	0.993	0.129
Sales tax	398		
Customs tax	400		
Total			

Table 8
The role of personal ethical values in reducing tax evasion

<i>Type of tax</i>	<i>No.</i>	<i>Average</i>	<i>Standard deviation</i>
Income tax	231	3.96	0.48
Sales tax	89	3.78	0.67
Customs tax	80	4.12	0.30
Total	400	3.95	0.43

5. CONCLUSION

The study dealt with the role of moral values in reducing tax evasion in Jordan by dividing these values into two groups, one relates to societal ethical values and the other relates to personal moral values. The study used the descriptive approach to collect data in both theoretical aspects through referring to literatures and studies related to the study in both paper and electronic forms. As for the field aspect, the study used a questionnaire consisting of two parts of questions. First, demographic questions in order to describe the

sample of the study, and the second consists of (16) items to achieve the objectives of the study. A sample of taxpayers was selected from the Northern and Central regions of Jordan including (income, sales and customs taxes). The sample consisted of 400 respondents, who were randomly selected and determined according to Yaro Yamani equation. The characteristics of the study sample were described by using repetitions, and the responses of the study sample were described by using the arithmetic mean, standard deviation, and ranks. ANOVA was used to test hypotheses at the significant level ($\alpha = 0.05$).

The results of the study showed that there was an agreement in the opinion of both taxpayers and reviewers of income, sales and customs departments in Northern and Central Jordan on the positive role of social and personal ethical values in reducing tax evasion. Among the most important recommendations that can be made by the study is the need for the tax departments in Jordan to pay attention to the moral aspects of the taxpayers through their contributions to the society by directing tax funds to the citizens in need as well as to improve the infrastructure of the country and achieve positive economic development equations. The study also recommends the need to pay attention to the ethical aspect of the tax department workers through providing lectures and guidance on ethical values, by making video and audio ads and guide boards to be placed in appropriate tax districts for moral values. The study also recommends further studies on ethics and tax evasion and linking them to the demographic characteristics of taxpayers.

REFERENCES

- Abu Nassar, Muhammad (2014), Tax Accounting, Dar Wael for Publishing, Jordan.
- Abu Sinina, Tarek Hamdi Hamdan (2014), Factors Affecting Tax Evasion and Avoidance, Legal Relationship of the Audit and Accounting Office and the Legal Form of the Industrial Company, Unpublished Master Thesis, Middle East University, Jordan.
- Adebisi, J. F & Gbegi, D.O (2013), Effect of Tax Avoidance and Tax Evasion on Personal Income Tax Administration in Nigeria, *American Journal of Humanities and Social Sciences*, Vo1. 1, No. 3.
- Ajami, Abu al-Yazid Abu Zeid (2015), ethics between reason and transportation, Dar al-Salam for printing, publishing, distribution and translation Egypt.
- Al-Faki, Imad Ibrahim (2016), Tax Crimes, Dar Al-Adala for Publishing and Distribution, Egypt.
- Alimat, Khalid Eyada (2013), Tax evasion causes and forms and ways of reducing it, Al Manara, Volume 19, No. 2.
- Alm, James & Torgler Benno (2011), Do Ethics Matter? Tax Compliance and Morality, *Journal of Business Ethics*, 101, DOI 10.1007/s10551-011-0761-9.
- Al-Sakarna, Bilal Khalaf (2010), Business Ethics, Dar Al-Masirah, Jordan, 2017. Taher, Saleh, Ethics of Business and Social Responsibility, Dar Wael for Publishing, Third Edition, Jordan.
- Al-Wadi, Mahmoud Hussein (2015), Principles of Public Finance, Dar Al-Masirah, Jordan.
- Bagus, Philipp, Block, Walter, Eabrasu, Marian, Howden, David, and Rostan, Jeremie (2011), The Ethics of Tax Evasion, *Business and Society Review* 116: 3.
- Bani Arshid, Omar Abdullah (2013), Sales Tax Accounting Income Tax, Dar Safa for Publishing and Distribution, Jordan.
- Beyouk, Mottaz Basel (2015), Career Path Strategy and its Impact on Burnout: Test of the Moderating Role of Organizational Socialization, UN Published Master Thesis, Middle East University, Jordan.
- Bogenschneider, Bret N. (2016), The Professional Ethics of U.S. Tax Treaty Interpretation Southern Journal of Business and Ethics, V. 8.
- Buhuns, Yasser Hussein (2015), Tax Crimes, Cairo House, Zahra Al Shorouk Library, Egypt.

- Chandrappa, M. (2016), Tax Evasion and Black Money in India: Causes and Remedies, *International Journal of Management Research & Review*, Volume 6/Issue 10.
- Doyle, Elaine • Frecknall-Hughes, Jane, Summers, Barbara, Ethics in Tax Practice: A Study of the Effect of Practitioner Firm Size, *Journal of Business Ethics*, 122, DOI 10.1007/s10551-013-1780-5, 2014.
- Durgam, Maher Moussa and Amor, Salem Omair (2009), Phenomenon of Income Tax Evasion in Gaza Strip, an analytical study, *Jordanian Journal of Business Administration*, M5, p 2.
- Habo, Zahra and Najm, Elias (2011), International Tax Evasion, *Damascus University Journal of Economic and Legal Sciences*, Vol. 27, p 1.
- Khatib. Khaled (2000), Tax evasion, *University of Damascus Journal*, Vol. 16, p. 2.
- Masouda, Sanaa, Al-Khawaldeh, Hani, The role of the Jordanian Income Tax Law in reducing tax evasion from the viewpoints of auditors of the Income and Sales Tax Department and members of the Society of Income and Sales Tax Experts, *Journal of Al-Quds Open University for Research and Administrative and Economic Studies*.
- McGee, Robert W., Nickerson Inge, Pleshko Larry, Broihahn Michael (2012), The Ethics of Tax Evasion: an Investigation into Demographic Differences, *Journal of Legal, Ethical and Regulatory Issues*, Volume 15, Number 1.
- McGee, Robert (2014), Chinese Views on the Ethics of Tax Evasion, *International Journal of Business and Public Administration*, Volume 11, Number 2.
- Modugu, Kennedy Prince & Omoye (2014), Alade Sule, an Appraisal of Personal Income Tax Evasion in Nigeria, *Asian Economic and Financial Review*, 4(1).
- Osman Mohamed Daoud, Asma Rashad Al Saleh, Ammar Barham Grisat (2015), *Business Ethics Applications*, Dar Al Fikr for Publishing and Distribution, Jordan.
- Qablan, Khalid Ali Mohamed, the Effect of Accounting Policies and Procedures in the Income and Sales Tax Department on Limiting Tax Evasion, Unpublished Master Thesis, Amman Arab University, Jordan, 2014.
- Qaisi, Iyad Hamoud (2015), *Public Finance and Taxes*, Dar Al-Thaqafa, Jordan.
- Samurrai, Yousri Mahdi Hassan, and Obaidi, Zahra Khudair Abbas (2012), Analysis of Tax Evasion and its Treatment in the Iraqi Tax System, *Anbar University Journal of Economic and Administrative Sciences*, M4, p9.
- Shawabkeh, Salem, *general Finance and Tax Legislation*, Culture House for Publishing and Distribution, first edition, Jordan 2015
- Stuebs, Martin & Wilkinson Brett (2010), Ethics and the Tax Profession: Restoring the Public Interest Focus, *Accounting and the Public Interest American Accounting Association*, Vol. 10, DOI: 10.2308/api..10.1.13.
- Sumartaya Dusa Hafidiah, Atin (2014), The Influence of Taxpayer's Awareness and Tax Morale Toward Tax Evasion, *International Journal of Business, Economics and Law*, Vol. 5, Issue 1.
- Tavakol, Mohsen & Dennick, Reg (2011), Making sense of Cronbach's alpha, *International Journal of Medical Education*, DOI: 10.5116/ijme.4dfb.8dfd.
- Zu'bi, Abdullah, Hazem Adel Khatatba, Rawan Mahmood Bani Salama, and Misir Ali Khattabah, methods of avoidance and tax evasion and the shortcomings of the Jordanian income tax law in the face of it from the point of view of income tax rate. *Manara*, vol. 19, p. 4, 2013.