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## **INDIVIDUAL TAXATION SUBJECT IN NON-ACCOUNTING CURRICULUM: PERCEPTION OF POTENTIAL TAXPAYERS**

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### **Abstract**

Individual Taxation subject is one of the subjects compulsory to be taken by accounting students in tertiary education. Occasionally, this subject also needs to be enrolled by non-accounting students either as compulsory subject or elective subject. However, only few non-accounting courses that choose Individual Taxation subject to be included in its curriculum despite these students will become potential taxpayers in the future. Based on the empirical findings from prior researches, it is suggested that tax education is vital for the taxpayers. It can increase the level of tax understanding among taxpayers, therefore, will lead to higher tax compliance rate and subsequently increase the government's revenues. Thus, it is very important that taxpayers are well acquainted with knowledge relating to tax principles and policies under the Malaysian taxation legislation. The purpose of this study are to investigate the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties. By using online survey, the questionnaires were distributed among Bachelor of Corporate Administration's students from Faculty of Administrative Science and Policy Studies who had enrolled Individual Taxation subject in Universiti Teknologi MARA Negeri Sembilan branch. The study found that majority of the students agreed that Individual Taxation subject is important at tertiary level. The study also found that majority of the students believed that Individual Taxation subject was relevant to all faculties, either to be offered as compulsory subject or elective subject. This finding implied that tax education has become important among non-accounting students as it would facilitate them later in computing income tax liability when they become liable later. Hence, there is a need to introduce Individual Taxation subject as formal learning at tertiary level. Therefore, it is suggested that educators should include taxation subject in course learning curriculum as basis to disseminate tax knowledge to students so that they will become a good and responsible citizens towards tax administrations especially under self assessment system.

**Keywords:** tax education, individual taxation, non-accounting students

### **Introduction**

Individual Taxation subject is important to be learned by all individuals as it will enrich tax knowledge among people, assist individuals to have a better understanding on fundamental of tax principles and policies under Malaysian taxation legislation and facilitate individuals in computing tax under self assessment system.

Currently, Individual Taxation subject is one of the subjects compulsory to be taken by accounting students in tertiary education. Generally, this subject comprise of several important topics relating to individual taxpayers comprise of:

- i) Basis of Malaysian taxation
- ii) Tax administrations
- iii) Resident status for an individual
- iv) Employment income
- v) Business income
- vi) Partnership
- vii) Capital allowances for plant and machinery, industrial building allowances & agricultural allowances
- viii) Other incomes, reliefs and rebates.

Occasionally, this subject also needs to be enrolled by non-accounting students either as compulsory subject or elective subject. However, only few non-accounting courses that choose Individual Taxation subject to be included in its curriculum despite these students will become potential taxpayers in the future (Bahari & Ling, 2009).

Based on research by Mahat and Ling (2011), it is crucial to introduce formal tax education for all, especially at tertiary levels. Tax education is necessary to ensure that Malaysian's fresh graduates have adequate basic tax knowledge to comply with the tax requirements imposed on them, particularly as future salaried individuals (Amin et. al, 2022). It is also can be used as basis to develop students to become a good and responsible citizens especially under self assessment system (Mustapha et. al, 2021).

Self-assessment system has been introduced in Malaysia since year of assessment 2001. The system was imposed first to companies from the year of assessment 2001, while for individuals (employees, sole proprietors and partners in a partnership), it was imposed since year of assessment 2004. The main objectives of introducing self-assessment system were to facilitate Inland Revenue Board to collect tax efficiently and to promote voluntary tax compliance among people.

Under self-assessment system, taxpayers are responsible to compute their own chargeable income and income tax liability as well as paying the correct amount of tax within stipulated date. The system places greater responsibility on the taxpayers to assess their tax debt or refund. In other word, the responsibility towards tax computation by the tax authority has been shifted to the taxpayers (Okello, 2014).

Based on the empirical findings from prior researches, it is suggested that tax education is vital for the taxpayers. It can increase the level of tax understanding among taxpayers, therefore, will lead to higher tax compliance rate (Susyanti & Askandar, 2019; Hassan et. al, 2022). Increase in tax compliance level will subsequently increase the government's revenues. As a result, the revenues can be used to develop the countries and support the welfare of the society (Hassan et. al, 2017). It is therefore very important that taxpayers are well acquainted with knowledge relating to tax principles and policies under the Malaysian taxation legislation.

Study by Ling & Mahat (2011) and Amin et. al (2022) highlighted that integrating opinions from university students regards to tax education is believed to be appropriate and highly relevant in the era of self assessment system as to increase tax compliance in Malaysia. Therefore, current study is conducted to investigate the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties.

### **Methods**

This research adopted a questionnaire by Mahat & Ling (2011) with minor modification in order to collect data. All of the questions were purposely designed to study the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties.

The data collection method was carried out by using online survey. The questionnaires were distributed among Bachelor of Corporate Administration's students from Faculty of Administrative Science and Policy Studies who had enrolled Individual Taxation subject in Universiti Teknologi MARA Negeri Sembilan branch.

Of the 112 questionnaires distributed, 72 questionnaires were returned, yielding a response rate of 64.3% All 72 questionnaires were completed and were further analysed.

### **Result and Discussion**

The findings for this study are based on survey questionnaires from Bachelor of Corporate Administration's students from Faculty of Administrative Science and Policy Studies who had enrolled

Individual Taxation subject in Universiti Teknologi MARA Negeri Sembilan branch. The results of the survey are summarized according to i) students' demographics, ii) the importance of Individual Taxation subject at tertiary level and iii) the relevancy of introducing Individual Taxation subject at all faculties.

i. Students' demographics

Table 1: Respondent Background

		Frequency	%
Gender	Male	13	18.06
	Female	59	81.94
Age	20 - 29	69	95.83
	30 - 39	3	4.17
Part	4	16	22.22
	5	27	37.50
	6	29	40.28
Race	Malay	68	94.12
	Others	4	5.88
Marital status	Single	70	97.22
	Married	2	2.78

The demographic profiles of the students participated in this study are illustrated in Table 1. Out of the 72 students, 81.94 percent (N=59) were female students while 18.06 percent (N=13) were male students. The percentage of students aged 20 – 29 years old were 95.83 percent (N=69) while 4.17 percent (N=3) were aged 30 – 39 years old. The students were heavily drawn from Part 6 with 40.28 percent (N=29) followed by Part 5, 37.50 percent (N=27) and Part 4, 22.22 percent (N=16). This study also divided the sample according to the race in Malaysia. The largest portion of students were from Malay with 94.12 percent (N=68), and followed by others, 5.88 percent (N=4). In terms of marital status, 97.22 percent students (N=70) were single and 2.78 percent students (N=2) were married.

ii) The importance of Individual Taxation subject at tertiary level

The students were asked to rate the importance of Individual Taxation Subject at tertiary level based on five-point Likert scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree). Based on the mean score provided in Table 2, the study found that majority of the students agreed that Individual Taxation subject is important at tertiary level, amid, it should be introduced at tertiary level. They also agreed that by learning Individual Taxation subject, it would help them to compute their own tax liability correctly when they start working later.

Table 2: The Importance of Individual Taxation Subject at Tertiary Level

	Mean score
Learning about Individual Taxation subject is appropriate at tertiary level.	4.19
Learning Individual Taxation subject would help me to compute my tax liability correctly when I start working.	4.25
Individual Taxation subject is not important and shall not be introduced at tertiary level. #	2.04

iii) The relevancy of introducing Individual Taxation subject at all faculties.

Based on percentage in Figure 1, the study found that majority of the students (80.9%) thought that Individual Taxation subject was relevant to all faculties, with 50.9% of them proposed that Individual Taxation subject should be offered as elective subject in all faculties while 49.1% of them proposed that Individual Taxation subject to be made compulsory to all faculties.

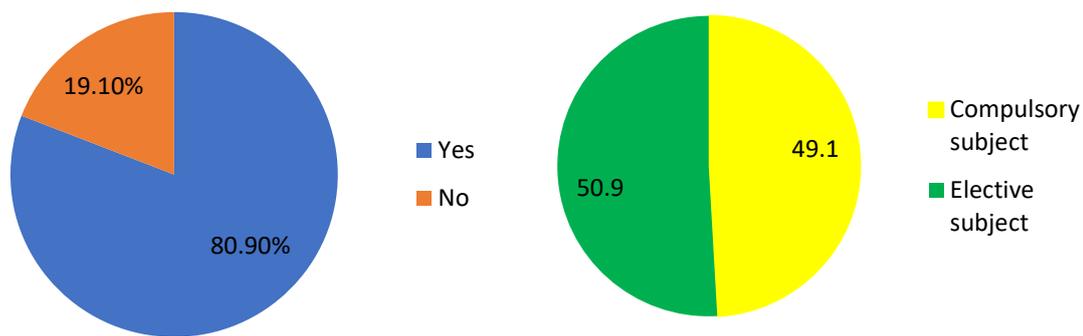


Figure 1: The Relevancy of Introducing Individual Taxation Subject at All Faculties

### Conclusion

The purpose of this study are to investigate the non-accounting students' opinion on the importance of Individual Taxation subject at tertiary level and to identify the relevancy of introducing Individual Taxation subject at all faculties. The study found that majority of the students agreed that Individual Taxation subject is important at tertiary level. The study also found that majority of the students believed that Individual Taxation subject was relevant to all faculties, either to be offered as compulsory subject or elective subject.

This finding implied that tax education has become important among non-accounting students as it would facilitate them later in computing income tax liability when they become liable later. Hence, there is a need to introduce Individual Taxation subject as formal learning at tertiary level. Therefore, it is suggested that educators should include taxation subject in course learning curriculum as basis to disseminate tax knowledge to students so that they will become a good and responsible citizens towards tax administrations especially under self assessment system.

This study, however, has limitations due to a small sample size, therefore the results cannot be generalised. Future study should incorporate perspectives from non-accounting students enrolled in Individual Taxation subject at other Malaysian institutions.

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### Author Contribution

Ida Haryanti binti Mohd Noor – Writing.

### Conflict of Interest

Author declares no conflict of interest.

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