THE DETERMINANTS OF INCOME TAX EVASION IN MALAYSIA

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ABSTRACT

This paper is aimed to find out the factors that may influence taxpayer in Malaysia on their tax evasion decision. There three determinants included in this paper to be examined upon which are moral obligation, income tax rate, and perceived behavioural control. Simple random sampling procedure is used for this research. Pearson's correlation analysis, Cronbach's Alpha and Multiple regression analysis are being employed in testing the relationship among the independent variables and dependent variable. The finding shows there are positive relationship for moral obligation, income tax rate, and perceived behavioural control. Meanwhile, moral obligation and income tax rate have significant relationship but perceived behavioural control has insignificant relationship. Overall, the findings in this paper are supported by other studies in literatures.

Keywords: income tax, taxes, tax evasion, moral obligation, perceived behavioural control.