

UNIVERSITI TEKNOLOGI MARA

**THE AWARENESS OF TAX COMPLIANCE
AMONG TAXPAYER OF INLAND REVENUE
BOARD MALAYSIA (IRBM) : A CASE STUDY OF
IRBM JOHOR BAHRU**

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JULY 2018

ABSTRACT

Taxation are well known as main revenues for any states in the world. Seeking to achieve a better compliance is a key target for all revenues authorities (OECD 2004). In most countries, the most important objective for governments is improving tax compliance with tax laws. Therefore, the need to tax literate and tax knowledge for taxpayers became more urgent to make taxpayers more compliant in future and the success of compliance in Self-Assessment System mainly depends on the full cooperation of taxpayers (Fatt & Khin 2011). In Malaysia, taxation has been imposed since 1910. Tax revenues represent 51% out of Malaysian government budget, but tax gap in Malaysia is 20% which means RM20 billion based on (2016) revenue collection. However, only 1.7 million (6%) are the actual taxpayers that pay tax for government treasury (PEMANDU 2011). Reports of IRBM in 2016 exposed tax collection from audit activities in 2015 to 2016 decrease from RM121,236 billion to RM113,945 billion. This situation clearly indicates non-compliance with the tax is a continuing issue and needs to be urgently addressed by most tax administrators IRBM (Inland Revenue Board Malaysia 2016). Meanwhile in Johor the same situation happened where recorded by IRBM JB the current year collection is 44.03 billion. Thus, this study has identified the factor that influences tax compliance. This study also examined the impact of the factor to taxpayer and recommend the appropriate strategies to enhance the taxpayers by investigated the relationship between the independent variables and dependent variable. For objectives of the study, it has been found that there are significant level between independent variables and dependent variable. The findings of the research provide an added value to researcher to expand the same scope of study. Finally, the outcome of the study can contribute to the new ideas for IRBM Johor Bahru upholding their responsibility to make sure the tax payers comply with their tax payment.

ACKNOWLEDGEMENT

Firstly, all praise to almighty Allah, the most merciful and the most benevolent for giving us the opportunities in completing this research paper. It would be impossible for us to spent time to complete this study without the grace and help of Allah S.W.T. We would like to dedicate this research to Dr. Norashikin binti Ismail for advice us and coordinate us in details on how to complete our research proposal starting from the first until the end of the research. We are greatly indebted to Dr. Norashikin binti Ismail whose excellence in supervision and plays a big role in inspired our work. Without her untiring encouragement, suggestions, ideas and comments throughout this study, this research could not be completed. We are dedicated this research to our beloved parents and for their endless support and understanding and also to the rest of families for their helps and encouragement. Beyond a simple thank you, we want them to know that we are really appreciated what they had done to us. Finally we wish to express our deepest gratitude to all my friends, who share their valuable experience, time and commitment. Without their patience, this study cannot to be completed. This piece of victory is dedicated to all of you, Alhamdulillah.

Thank you.

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