

UNIVERSITI TEKNOLOGI MARA

**MOTIVATION POSTURE AND TAX COMPLIANCE
AMONG SMALL AND MEDIUM ENTERPRISES IN
KELANTAN DURING COVID19 PANDEMIC**

ASLAMAITULAKMA BINTI MOHAMAD

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AUTHOR'S DECLARATION

I declare that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the results of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or no-academic institution for any master or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Postgraduate, Universiti Teknologi MARA, regulating the conduct of my study and research.

Name of Student : Aslamaitulakma binti Mohamad
Student I.D. No. : 2021976331
Programme : Master of Accountancy (by coursework) – AC700
Faculty : Faculty of Accountancy
Dissertation : Motivation Posture and Tax Compliance Among
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Covid19 Pandemic
Signature of Student :
Date : January 2023

ABSTRACT

Many governments around the world are concerned about tax compliance. The topic of tax compliance has long been debated. Previous research has revealed that people have traditionally been reluctant to pay their taxes. According to the literature, the small-scale enterprises is a difficult party when it comes to paying taxes. Despite the fact that the number of Small and Medium Enterprises (SMEs) is increasing, tax revenue from this sector remains negligible. These SMEs face difficulties in keeping their businesses afloat during the pandemic due to factors such as government policy on movement control order, insufficient cash flow, and outmoded marketing techniques. As a result, the purpose of this research is to examine the relationship between motivation posture (commitment, capitulation, resistance, and disengagement) and tax compliance among Small and Medium Enterprises (SMEs) in Kelantan during Covid19 pandemic. The respondent comprised of 131 taxpayers who operate the small business. Using 22 items-questionnaire devised by Braithwaite, a motivated posture (commitment, capitulation, resistance, and disengagement) was assessed, and taken directly from the research on evaluating tax compliance variables. The motivational stances of SMEs in Kelantan and tax compliance were surveyed using a google form questioned via WhatsApp, email, and hardcopy distribution. Statistical Package for the Social Sciences (SPSS) version 26 was used to analyse the data. The data analysis procedure was used to all of the respondent surveys. The results show that commitment, and disengagement had a significant impact on tax compliance among SMEs in Kelantan during the pandemic, but not significant for capitulation and resistance. Respondents found it challenging to comprehend the function of the IRB, but they agreed to pay corporate tax properly. The results might be used to advise the IRB on how to boost tax incentives for SMEs, which would increase tax compliance and revenue collection for the government.

Keywords: *Motivation postures, Tax compliance, Pandemic Covid19*

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TABLE OF CONTENTS

AUTHOR’S DECLARATION	i
ABSTRACT.....	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS.....	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
CHAPTER ONE: INTRODUCTION.....	1
1.1 Introduction	1
1.2 Background of Study	3
1.3 Problem Statement.....	4
1.4 Research Objectives.....	6
1.5 Research Questions.....	6
1.6 Scope of Study	7
1.7 Significance of Study	7
1.8 Organization of Study	8
CHAPTER TWO: LITERATURE REVIEW	9
2.1 Introduction	9
2.2 Attribution Theory	9
2.3 Taxpayer’s Compliance.....	10
2.4 Small and Medium Enterprise in Malaysia.....	11
2.5 Motivation Postures	12
2.5.1 Commitment and Capitulation Postures.....	13
2.5.2 Resistance and Disengagement Postures.....	14