



**A STUDY ON THE DETERMINANTS OF TAX NON-COMPLIANCE  
BEHAVIOUR AMONG JOHOR BAHRU RESIDENTS**

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*IN THE MOST NAME OF ALLAH S.W.T, THE MOST COMPASSIONATE AND THE MOST  
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## ABSTRACT

Tax non-compliance has always been a problem to tax administrative system in any countries, either in developed countries, or in emerging countries. The problem of tax non-compliance is as old as the institution of tax system. It is important for taxpayers to comply with tax laws because income tax payment received from taxpayers is one of the incomes to increase the government revenue. There are extensive studies for the tax compliance as well as the tax non-compliance since few decades, which tried to identify the factors or determinants of tax non-compliance and attempted to provide the possible solutions to combat the problem. However, the problem remains unsolved. Due to this unsolved problems, it triggers our interest to do further investigation especially for a country where have Muslim and non-Muslim as the taxpayers, such as Malaysia. Thus, the aim of this study is to find out the factors that may influence individual (Muslim or Non-Muslim) on their tax non-compliance behaviour. In this study, we aimed to do the investigation in one of the city that located in one state in Malaysia, Johor Bahru, Johor. The objectives of this study are to identify the determinants of tax non-compliance behaviour on individual and to investigate the relationship between the determinants and the tax non-compliant behaviour. The variables of this study are; dependent variable is tax non-compliant <sup>behaviour</sup> variable and the other variables are the demographic factors such as gender, age, marital status, religion, education level and academic qualification. The independent variables are tax knowledge, tax rate and tax morale. For this research, we use primary data. For the data collection, a survey conducted through questionnaires had been distributed among Johor Bahru residents, which become part of the sample in this study. This study was conducted to evaluate factors that influence the level of tax non-compliance behaviour on individual in Johor Bahru, Johor. The factors which might affect the tax non-compliance behaviour include the tax knowledge, tax rate,

## **CHAPTER 1: INTRODUCTION**

### **1.0 Introduction**

In this chapter, it will be discussed the background of the study, problem statement of the study, research question, research objective and significant of the study. This research is focused on the determinants of tax non-compliance behaviour on individuals in Johor Bahru, Johor. The dependent variable in this study is the tax non-compliance behaviour and the independent variables are the factors that influence the determinant of tax non-compliance behaviour on individuals in Johor Bahru, Johor which is demographic factor such as gender, age, marital status, academic qualification, level of income; and other factors which are tax knowledge, tax rate and tax morale.