

ABSTRACT

Assessment tax is a specific value that is assigned to the property that public posse for tax purposes. According to Hakim (1987), assessment tax is a process in determining on a value charged for the purpose of maintaining the infrastructure and facilities provided by the local government for the benefit of the people. In Malaysia, assessment tax collection is one of the local government's revenue. This revenue enables them to provide service to the public. Unfortunately, most of the countries including Malaysia are facing continuous assessment tax arrears which keep on increasing year by year. Therefore, the purpose of this study is to investigate factors contributing to nonpayment of assessment taxes in Keningau District as well as to identify and analyze the actions taken by the district council to reduce the rate of nonpayment of assessment tax. The findings show that tax morale which consists of several factors may lead to tax compliance. The factors that have been identified are knowledge, level of income, fairness and culture. However, both of the Council and taxpayers themselves have to tolerate in ensuring the assessment tax compliance by introducing new system, tax knowledge education, strict enforcement and good service delivery to create tax morale among the public. As a recommendation to boost tax morale, it is the right time for the council to invent new system, creating a knowledgeable organization through activities such early childhood education, school program, campaign, seminar and talks as well as to gain public trust by executing fairness in enforcement and improve service delivery.

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