

## The Impact of Demographic Factors on Tax Compliance Attitude and Behavior in Malaysia

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### Abstract

This research explored the existence of differences in the impact of demographic factors on tax compliance attitude and behavior in Johor Bahru, Johor. The sample for the preliminary study is small which 92 respondents only and thus the optimum of the results is limited. The result of this investigation shows the ignorance of tax law among taxpayers in Johor Bahru, Johor may be a significant concern to the Government. Majority of the respondents agree that cash received for work done is taxable but view bartering goods with a friend and not reporting it, though illegal, on their tax return as acceptable. The outcome of this study reveals that both male and female respondents were found to be having similar complaint attitudes. The three independent variables, which is ethnic group, academic qualification and attitude towards compliance were the only variables that shown a statistically significant ( $p < 0.05$ ). The overall compliance attitude where measured by EVSCALE and the remaining 14 individual measurement items, however, does not signify differences among ethnic group.

**Keywords:** Tax, Complaint Attitude, Ethnic Group, Academic Qualification

### Introduction

Taxation is one of the important elements in managing national income, especially in developed countries and has played an important role in civilized societies since their birth thousands years ago. Tax is defined as ‘a compulsory levy, imposed by government or other tax raising body, on income, expenditure, or capital assets, for which the taxpayer receives nothing specific in return (Lymer and Oats, 2009). However, not all payments to government are