
Tax Compliance and Its Reengineering Factors in Nigeria Conceptual Insights

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Abstract

On the basis of conceptual perspective about contemporary tax compliance and its reengineering factors from literature reviews; the study examined the potent relationship that exists between tax compliance and tax output based on government statutory duty of providing public goods. In order to achieve the objective, forty (40) journals were downloaded from Google scholars, Scopus, Emerald, among others. These studies were reviewed base on articulated phrasal verbs that captured tax compliance, evidence-based, principle-based and goal-based as key words. Textual or content analysis was applied on the studies to ascertain the level of government involvement in giving back to taxpayers, the physical evidence of tax revenue as dividends. The conceptual insights show that voluntary tax compliance is influenced by evidence-based and goal-based approaches; whereas principle-based is ineffective in optimizing tax compliance. Therefore, the study concludes that principle-based compliance is a rule-based tax compliance instrument that needs to be re-codified and widened on the basis of evidence based and goal-oriented tax compliance factors to win the hearts of contemporary taxpayers. The study advances for a new understanding of ideas for better clarification of ambiguous and poorly defined concepts and constructs of tax compliance for policy makers to include in tax administration and policy design. It is recommended among others, that an empirical study to be carried out in order to come up with empirical conclusions to substantiate further tax compliance will be increased if government will be practical in the application of tax proceeds.

Keywords: Tax compliance, evidence-based, principle-based and goal-based compliance.

1. Introduction

In recent times, discussions on tax compliance occupy the writings of both academia and professionals as well. Since it is assumed that, compliance is variable to variation in tax performance. Compliance refers to the act of following established rules, regulations, policies, principles, and pronouncements to avoid legal, political, and social sanctions. Thus, compliance to tax policy has practical economic tendencies to increase realisable tax revenue for the state if taxpayers enthusiastically comply. But classical tax compliance seems to be overburdened with avoidance and evasion. Though, it is an aged long prerequisite for voluminous tax revenue based on statutory intelligent. Apparently in most cases it is short of public expectations in terms of what such revenues show. Contemporary tax compliance seems as a power pointer to revamp the tax system because of the changes that are fast tracking every action on the global scenes. Contemporary tax compliance is a pressing issue as the global tax landscape undergoes rapid transformations. However, a key factor contributing to non-compliance is the apparent inability of the state to use the collected tax revenue to finance

specific social and economic goods (Fjeldstad & Semboja, 2001); especially those that interact with local and global economic elements.

Tax revenue is essential for a functioning society, and tax compliance is influenced by various factors including perceived fairness, simplicity of the tax system (principle-based), social and psychological factors, and technological. The fairness of the tax system, both in terms of procedural justice and distributive justice, has been shown to impact tax compliance but these concepts are not well explained in the literature (Wenzel, 2002). Additionally, the complexity of the tax system can lead to confusion and frustration, decreasing compliance (Saad, 2014). Social and psychological factors, such as tax morale, trust in government, and personal norms, also play a significant role in shaping tax compliance. But it is also clear that the proxies for these factors of compliance are not fully articulated in the literature. Finally, technological advancements, such as e-filing and online tax services, can improve the efficiency and accessibility of the tax system, potentially enhancing compliance (Kirchler et al., 2008). Understanding these multifaceted factors is crucial for maintaining a healthy economy and society but evidential tax ends of tax revenues become a societal dream. On the other hand, some factors are considered possible in resurrecting tax voluntary compliance amongst payers of tax. These reengineering factors include principle-based approach, evidenced-based approach and goal-based approach respectively.

This study, offers a conceptual insight that sorts to emphasize the most effective approach which may improve total tax revenue to the state. The principle-based compliance which is in reference to established rules, laws, principles and regulations is often affected by frequent changes in tax policies and base as such, it is considered weak and insufficient in tackling incidences of evasion and avoidance. It is evidence-based compliance, which explains how physical government activities with tax revenue can motivate taxpayers to comply. Such taxes include but not limited to the following: profit income tax, company income tax, value added tax, and capital gain tax among others. In addition, goal-based tax revenue utilization parameter is another output indicator that may resurrect compliance attitude of tax payers; especially as tax payers comply in duress (Robbins & Kiser, 2020). This physical and substantive approach if institutionalized will reengineer tax compliance. However, due to the paucity in research that well explain these concepts and constructs used in this study as well as its articulation in literature, hindering understanding and or promoting poor understanding of these crucial factors, this study is conducted to fill these gaps in literature.

2. Literature Review

2.1 Evidence Based Tax Compliance

As the system gets complicatedly challenging due to leakages (Affes, 2020; Chiarini, et al., 2008), tax revenue application should be redirected and redesigned towards evidence-based compliance (Emmanuel & Stephen, 2021). This construct assert that compliance is reciprocal. Constitutional coercion plays a role but clear evidence from the state about what money was used for, with convincing state tagged activities; such as constructions of good infrastructures and public services to the taxpayers are more striking. Thus, tax revenue should be applied in a form of closed-ended context so that its output can be monitored and maximized by the state. It is also obvious that compliance to tax policies will involves moral suasions and coercive enforcement of tax stringent laws and regulations that make eligible taxpayers to avoid or even evade tax payment due to human characteristics of noncompliant and state attitude (principle-based compliance). However, some academic and tax professionals reasoned that high rate of tax across jurisdictions have generated multiple cyclical effects on the willingness of taxpayers to comply (Papp & Takáts, 2023; Solomon, 2023; Affes, 2020). In fact, as the world moves, empirical evidences keep on unfolding as how efficient and effective to combine classical and modern principles in order to re-amplify the necessity for co-integrating tax revenues with

compliance; especially with the adoption of digital economy, and digital government all over the world.

The use of tax revenue for the provision of socially physical and service related amenities seem to be a contractual construction and legislative mind mining; the existence of mirage and meta-physical abstractions of roads construction, electricity, health facilities, schools as political concepts. They are of course principle based approach to mandate tax payers to comply or pay tax. However, analytic and by deduction, the application is not evidence based. Constitutionally, the collection of tax rests in the privacy of government, through its legally created outfit as tax administrators. This body however, has no right over the appropriation or utilization of the revenue for the provision of social goods or services. This is generally the standpoint, especially in the third worlds; as taxpayers sternly resist paying tax because they believe that utilities provided by government are dreams based on constitutional abstracts (not commensurable to what is being claimed by the government). They do not show the honesty of the government (Solomon, 2023). It is believed that direct provision of information and government services to the public enable citizens to continuously receive the most up-to-date information and file their tax returns on time (Uyara, *et al.*, 2021).

An evidence-based compliance refers to the process of generating insights, conclusions, or recommendations that are grounded on empirical evidence and rigorous analysis. Evidence-based compliance is important in various fields, including healthcare, education, and public policy, taxation, because it provides a reliable and objective basis for decision-making. By relying on data and research, evidence-based outputs can help ensure that decisions are based on discrete facts, rather than assumptions or opinions, leading to more effective outcomes.

Emanating from the mundane communal system of societal growth, taxpayers have the pre-existing knowledge that capitalists' adventure on capital accumulation has no symbolic support on social wealth structure; but prerogative model for economic supply to the surviving needs of the state. This state of affairs had brought forth feudal feuds and exorbitant price index which constraints supplies. Thus, the contract of pooled resources by individual taxpayers of the society for the cause of general benefits for all, on a scale do not commensurate the portion so contributed; which was enshrined as part of the utilitarian application of common wealth. This is an alarming cause of compliance feuds in an emerging economy.

However, scores of taxpayers are motivated with the level of trust they have on the state in utilizing tax money. The level of physical structures and real services provided are keys to behavioural reaction towards tax payment. When the taxpayers see, they will equally comply to pay tax for an increased social investment in the society. It is believed by scholars that citizens can be motivated to pay tax for the services provided by government if the visibility of the public goods and services are apparent in the society (Jamison, *et al.*, 2020). In addition, scores of empirical evidences also emphasized that, compliance is improved based on evidence-based output. Thus, Bott, *et al.*, (2017), reported that foreign income increases by individuals when the taxpayers believed that the proceeds of tax are used to finance public services. Further, Mascagni, *et al.*, (2017) found that provision of public services such as education, healthcare, and safety for citizens spurs general compliance. Also, an experiment in Argentina showed that the influence of the actual provision of a public good, such as sidewalk by a municipality, had persistent effects on compliance (Carrillo, *et al.*, 2017). However, constitutionalists will argue that taxation is a non-benefit fiscal measure and thus taxpayers have no legal rights to demand its application outcomes.

The more taxpayers trust the tax authority, the greater the optimal likelihood that (a reasonable) exercise of power by the tax authority will be perceived as legitimate (Marius-Răzvan, *et al.*, 2025). Conversely, the less trust taxpayers have on the tax authority, the more likely it is that a similar exercise of power will be perceived as coercive. A taxpayer's morale can be affected by the taxpayer's perception of the extent to which other taxpayers are

compliant. As a consequence – but working as a separate effect – a taxpayer can be expected to reciprocate the (perceived or experienced) behaviour of others, creating a potential for both virtuous and vicious cycles (Anggraeni, et al., 2022).

2.2 Principle Based Tax Compliance

A principle-based tax system is guided by a set of rich principles rather than rigid rules and authority (Anggraeni, et al., 2022). This approach offers greater flexibility and adaptability to the tax system as the principles can be applied to a variety of situations as Jamilah, and Rahma, (2025); Alm, et al., (2023); Solomon (2023); Papp & Takáts. (2023); Anggraeni, Pratiwi and Erfina. (2022); Kassa, (2021); Sadiq and Sawyer (2020); Slemrod (2019). It is also obvious that compliance to tax policies will involve moral suasions and coercive enforcement of tax stringent laws and regulations that make eligible taxpayers to avoid or even evade tax payment due to human characteristics of noncompliant and state attitude (Trifan, et al., 2023; Robbin & Kiser, 2020). The goal of a principle-based approach is to create a tax system that is fair, efficient, easy to comprehend, and administer. Key cannons that may be included in a principle-based tax system are simplicity, transparency, neutrality, stability and changeability (Assfaw & Sebhat, 2019). This system has been far reached and no longer viable because of its seemingly high concentration on economic principles. These are rule-based model that tax needs to be paid into the copper of the state. It is an economic prevailing concept via the paradox of income redistribution, yet not optimal to lick tax leakages.

2.3 Goal Based Tax Compliance

A goal-based approach to tax compliance can aid in understanding the effectiveness of different tax policies and their impact on the overall revenue generated (Shamsaei, et al., 2011). This is so because by analyzing and categorizing tax revenue according to its source or purpose, policymakers (Fuentes-Nieva, 2021) can make informed decisions about tax reform and revenue projections. This approach facilitates identification of potential areas for improvement and development of targeted policies to enhance tax revenues. It is imperative to remain vigilant and keep monitoring these factors to enable a clearer understanding of the dynamics at play and to make informed decisions regarding tax policies and revenue projections. Compliance with tax policies is often linked to the physical output of the tax definition (IMF, 2016). Taxpayers are more likely to comply with tax policies when they believe that the funds they remit to the state are being used judiciously for maintenance of roads, security, medical facilities, educational facilities, and other public services. This output related to taxes can improve the profitability of companies in the state in a stochastic manner (Bloom et al., 2018; World Bank, 2019). According to Hines and Thaler (1995), Torgler (2003), Slemrod (2004), and Bird and Zolt (2019) a loosely defined goal orchestrated tax policies can often create loopholes and opportunities for technical tax avoidance and evasion. It is important to have clear and concise goals to ensure fair and equal taxation for all individuals and companies. This will ultimately lead to a more stable and prosperous economy. And finally, goal-based compliance is based on the idea and fact that tax policy needs to be targeted to a specific government facility of activity. This structure may be seen in education, like education tax through the Tertiary Education Trust Fund (TETFund). This is due to the fact that, practical evidences show that behavioural science of human thought and complicated tax policies are the causes of this anti-rational phenomenon (Ogoun & Ekpulu, 2019).

2.4 Empirical Studies

Marius-Răzvan, et al., (2025) investigated tax compliance patterns among individuals in Romania through a survey-based approach, aiming to comprehend factors influencing taxpayers' behavior, including perception towards taxation, ethics, evasion, and public awareness. Questionnaire was used to collect data from a sample size of 185 respondents. A logistic regression model was constructed using the collected data to analyze the effects on tax

compliance. The findings suggest that individuals comply with tax obligations when they perceive their contributions enhance public services and when the tax system aligns with their preferences. However, relying on questionnaire and other source such as interview or a tax record will enhance the credibility and validity of findings as well as providing the fuller picture.

In addition, using a quantitative and cross-sectional approach, Jamilah, and Rahma, (2025) analyze the influence of tax regulation understanding, taxpayer awareness, tax rates, and tax sanctions on the tax compliance of e-commerce businesses in West Java in 2024. Structural Equation Modelling (SEM) with Partial Least Square (PLS) was employed to test the hypotheses. The results indicate that understanding tax regulations, tax rates, and tax sanctions have significant positive effects on taxpayer compliance. The findings underscore the importance of strengthening tax education, implementing fair tax rates, and enforcing effective sanctions to improve compliance in the e-commerce sector. On the basis of domain, the study specifies e-commerce as its research boundary, and this falls short of the general tax compliance nature of fiscal structure for public concerns. Thus, in understanding tax compliance, taxpayers need to acknowledge government's commitment through evidence and goal-oriented tax realities.

Battilossi and Pittaki (2025) examined the effectiveness of the “slippery slope” model of tax compliance to explain why the reform of income and corporate taxation in the late 1950s met strong resistance in the business sector. The researchers explained that lack of sustained and credible investment in trust building in coincidence with the postwar reforms, and the intensification of coercive threats in tax enforcement led to an antagonistic tax climate and a degradation of enforced and voluntary compliance. The qualitative analysis based on original primary sources shows that the arguments publicly voiced by entrepreneurs and their organizations reflected their persistent perception of tax power as unfair, arbitrary and extractive. In addition, the quantitative analysis finds evidence of systematic and increasing income underreporting both by unincorporated and incorporated businesses. It is strategically evidence that principle-based approach to tax compliance is poorly managed without visible evidence that convince taxpayers to trust the actions of government on a utilitarian basis.

Emmanuel, et al., (2024) investigated the impact of tax revenues collected by the federal government of Nigeria on infrastructural development of the health sector. Ex post facto research design was used for the study. The population consisted of tax revenue collected from CIT, PPT, EDT, and VAT sources from 2013 to 2021. Secondary data was used and analysed using both descriptive and inferential statistics. The data were analysed with Statistical Package for the Social Sciences (SPSS) version 23; and the multiple linear regression findings showed that there is a significant positive relationship between expenditure on health infrastructure development and company income tax, petroleum profit tax, value added tax, and a non-significant positive relationship between education tax (EDT) and investment on health infrastructure development. The effect of Education tax may not be noticed because, this particular class of tax is goal oriented in nature and its impact can be best assessed in educational sector, evidenced in tertiary institutions in Nigeria.

Pereowei and Ebilaowei (2024) investigated the effect of service quality delivery at the state government level on tax compliance behavior of small business owners in Nigeria. Specifically, the research examines how two key dimensions of service quality and the accessibility of government services—affect the willingness of small business owners to comply with tax regulations. The study surveyed the data from 400 small business owners across Nigeria through a structured questionnaire. It then employed both descriptive and inferential statistics, including regression analysis, to assess the effect of the independent variables. The results revealed a significant positive effect of both dimensions of service quality on tax compliance, with citizen satisfaction exerting a slightly stronger influence. This finding

suggests that improving the quality and accessibility of government services could serve as a critical strategy to enhance tax compliance in Nigeria. In addition to service quality, there are other factors such as taxpayers' education and trust in government that have great influence on tax compliance. If these were included, the result would have been redirected and could be closer to reality than only one factor.

Trifan, et al., (2023) assessed nine compliance drivers—tax system fairness, trust in government and tax authorities, efficiency, and transparency of government spending, knowledge of tax legislation, tax legislation simplicity, personal financial constraints, personal ethics, and moral standards, the social environment, and coercive measures. The proposed research hypotheses were tested with a sample of 402 individual taxpayers and quantitative data analysis was carried out using partial least squares-structural equation modelling. The results showed that seven drivers (tax system fairness, trust in government and tax authorities, and knowledge of tax legislation, personal financial constraints, coercive measures, moral standards, and tax legislation simplicity) were significant factors that increase the likelihood of tax compliance among individual taxpayers. Suggesting on the new philosophical insights, it is expected that practical fiscal methods, strategies, policies, and legal measures can be most sounding in re-enforcing tax compliance.

Robbins and Kiser (2020) experimented, the nature of state coercion, moral attitudes, and tax compliance as Scholars of tax behaviour, particularly economists and political scientists, have relied on models of state coercion and state reciprocity as absolute. But neither state coercion nor state reciprocity, were sufficiently to account for individuals who voluntarily comply with tax obligations to the state. However, the study offered a third explanation, derived from the new sociology of morality and moral psychology, suggesting that two types of moral attitudes (moral imperatives and moral alignment) affect tax compliance. Using a factorial survey experiment of income tax evasion and a survey questionnaire administered to a nationally representative random sample of U.S. adults, the study provided a systematic test of the three different models of tax compliance. The results yield strong support for moral attitudes and state coercion, but little support for state reciprocity.

In addition, Oyewuni, et al., (2020) surveyed SME owners' perception of infrastructural development and tax compliance in Lagos State, Nigeria. Primary data gathered through a well-structured questionnaire were used on the sample size of 400 hundred, and the analysis was performed on 342 good questionnaires returned. Pearson correlation and multiple regression tools were applied on the data; and the result indicated that infrastructural development has a significant and positive influence on tax compliance of small and medium enterprise owners. However, using primary source of data collection has the researcher's assumption, questionnaire design flaws and respondent dishonesty; a mix source can provide a fairer result. Enejo and Gabriel (2014) assess the extent to which tax revenue generation has contributed towards the economy's total revenue and Gross Domestic Product and also the effect of tax evasion and tax avoidance on revenue generation in Nigeria. The study employed both primary and secondary data. Using a survey research design, the study focused on all staff of Federal Inland Revenue Service in the country. Both descriptive and regression analysis were carried out on the data. Findings from the study revealed that taxation has a significant contribution on revenue generation, taxation has a significant contribution on Gross Domestic Product (GDP) and tax evasion and tax avoidance have a significant effect on revenue generation in Nigeria. Though these findings are robust in strengthening economic growth through the national growth index; however, it only leaned on the Federal Inland Revenue Service rather than the perception of the taxpayers.

Ogbonna and Ebimobowei (2012) examined the impact of tax reforms on the economic growth of Nigeria from 1994 to 2009. The main objective of the study was to prove that the Nigerian tax system needs to be reformed in order to achieve long term economic growth and

development. Relevant secondary data were collected from the Central Bank of Nigeria (CBN) Statistical Bulletin, Federal Inland Revenue Service (FIRS), Office of the Accountant General of the Federation, and other relevant government agencies. The data collected were analyzed using relevant descriptive statistics and econometric models such as White test, Ramsey RESET test, Breusch Godfrey test etc. The results from the various test showed that reforms on the tax system is positively and significantly related to economic growth. On the basis of the findings, the study concluded that tax reforms improve the revenue generating machinery of government to undertake socially desirable expenditure that will translate to economic growth in real output and per capita basis. However, it was recommended that sustainable economic growth cannot be attained with tax reform processes except obsolete tax laws and rates are reviewed in line with macro- economic objectives, corrupt-free and efficient tax administrative machinery with personnel's and accountability and transparency of government officials in the management of tax revenue. Though, this outcome is in line with the rule of thumb because tax reforms are done in order to improve tax compliance which translates to economic growth. How, factors that are responsible for voluntary tax compliance seemed not to have been addressed substantially.

2.5 Conceptual Framework

Figure 1: depicts the directional effect of tax compliance reengineering factors on tax compliance.



Researcher's Design: 2025

The figure shows that tax compliance is associated with these factors which include principle-based, evidence-based, and goal-based compliance. In addition, tax compliance is initially driven by principle-based approach which was redirected to evidence based and contemporarily the trend is promoting for goal-based approach.

3. Methodology

This study reviewed empirical studies for the purpose of conceptualizing academic conclusions on the concept of tax compliance. The study applied contextual screening and adoption to make recommendations which can reactivate taxpayers trust in the state on the effective utilization of tax revenue as a catalyst to tax compliance. Empirical studies were downloaded from Google scholar as research engine from the online database of science Direct, Scopus, Springer,

Emerald domain among others. After collating one hundred (100) articles on tax related subjects, the journals were synthesized to avoid duplication; and sixty (60) were removed from the articles because they did not capture the word tax compliance and nothing was seen as factorial to evidence or goal-based approaches to tax compliance. The remaining forty (40) were grouped into three (3) subheadings: principle-based, evidence-based and goal-based compliance respectively. Thus based on empirical findings of the journals textual analysis, conclusions and recommendation were made.

4. Data Analysis and Presentation

Table 1: Distribution of Journal by compliance basis and country

CONSTRUCTS					
Evidence-based compliance	Country	Principle-based compliance	Country	Goal-based compliance	Country
Affes, (2020)		Al Qasimi, et al., (2022).	Malaysia	Ogoun & Ekpulu, (2020)	Nigeria
Emmanuel, et al., (2024)	Nigeria	Alm, et al., (2023)	USA		
Macintyre & Torgler, (2023)		Anggraeni, et al., (2022)	Indonesia	Shamsaei, et al., (2011)	Canada
Marius-Răzvan, et al., (2025).	Romania	Chiariniet al., (2008).	Italy	Battilossi, & Pittaki, (2025)	Germany
Muhumed, & Wafula, (2023).	Somalilia	Enejo & Gabriel, (2014).	Nigeria		
Oats & Tuck (2019)	UK	Fjeldstad, & Semboja, (2001).	Tanzania		
Onu, & Oats. (2016)	UK	Kassa, (2021)	Ethiopia		
Paleka, et al., (2022)	Croatia	Kirchler, et al., (2008).	Austria		
Wenzel. (2002)	Australia	Ogbonna, & Ebimobowei, (2012)	Nigeria		
Robbins & Kiser. (2020)		Papp & Takāts. (2024)	Russia		
Alm, (2019)	USA	Saad (2014)	Malaysia		
Carrillo, et al. (2021)	Argentina	Sadiq & Sawyer (2020)	Australia		
Pereowei & Ebilaowei (2024)	Nigeria	Slemrod (2019)	USA		
Robbins & Kiser (2020)	USA	Solomon (2023).	Nigeria		
Oyewuni, et al., (2020)	Nigeria	Torgler (2007).	Germany		
		Uyara, et al., (2021)	France		
		Jamilah, & Rahma, (2025)	Indonesia		
14= 35%		17= 42.5%		2= 5%	

Researchers, 2025

4.1 Evidence- based Compliance

Several articles gathered emphasized the level of tax compliance base on the evidence that the government is constitutionally giving back to the taxpayers. As taxpayers appraised the physical public infrastructures provided by the government with tax money. Based on the literature we believe that constructions of physical public facilities are associated with tax compliance (Marius-Răzvan, et al., 2025; Emmanuel, et al. 2024; Pereowei & Ebiloewi, 2024; Oywwumi, et al, 2020). The research indicated that out of the total journals reviewed, 35% representing 14 journals were based on evidence-based compliance. This indicates that taxpayers enthusiastically complied because government used taxpayers' money to improve upon the live of the people. Country-wise, Nigeria has paucity of literature with only four (4) journals; while international countries including Romania, Croatia, United State of America, Argentina account for the remaining ten (10) papers.

4.2 Principle-based Compliance

Similarly, lots of researches have been conducted based on principle-based compliance factor. Such as Jamilah, and Rahma, (2025); Alm, et al., (2023); Solomon (2023); Papp & Takāts. (2023); Anggraeni, Pratiwi and Erfina. (2022); Kassa, (2021); Sadiq and Sawyer (2020); Slemrod (2019). Still new policies and regulations are reviewed and changed to new ones because more is needed beyond principles. It is a fact that principles are the legal subject for

tax compliance, yet it has not been sufficient enough to generate enough revenue or stabilize the system. This has resonated to debt financing of projects by the state; and a continual policy changes with different regimes. A total reliance on principle-based compliance has given room to professionals to tactically circumvent the system through tax avoidance which is a leakage in the circular flow of income.

It is not a surprise that out of the articles reviewed, 42.5% which represent seventeen (17) journals, attributed tax compliance on the basis of principles set by the state, yet there has been little tax revenue optimization. Likewise, on a country-level research perspective, there is a seeming concurrent distribution of taxation practices across the countries. Indicating that, principle-based compliance is aged long classical tax research dominant perspective.

4.3 Goal-based Compliance

Based on this review, the researchers believed that the unpopular nature of this concept accounted for its little empirical evidence on the subject matter. But taxes like education tax, carbon tax are specific and definitive to an activity of the government; and the goal is to enhance the sustainability of the tax object. But structurally, Shamsaei, et al., 2011; Fuentes-Nieva, 2021; IMF, 2016; Hins and Thaler, 1995; Torgler, 2003; Slemrod, 2004; Bird and Zolt, 2019; Bloom, et al., 2018; and World Bank, 2019; recounted the currency of tax compliance shift factors to incorporate goal specification of some tax denomination to increase tax voluntary compliance. It is evidence that this concept is less optimized in academic literature as the distribution table shows.

5. Conclusion

The research therefore concludes that base on literature, there has been heavy attention on principle-based aspect of compliance because it has been the norm over the previous centuries. Its dominancy does not compromise frequent changes in tax laws, rates, and tax regulations as government policies change. This shows that more is needed than what is in the current tax system. This is why evidence-based compliance is now widening its scope to include substantive evidence, in term of constructions of public infrastructures, rewards for punctual compliant; and in addition, goal-based compliance is coming up to boost the institutionalization of new factor scenario with visible benefits to influence the overall concept and practice of tax compliance as a general tax concern.

6. Recommendations

The study recommends for an empirical study to be carried out in order to come up with empirical conclusions that tax compliance will be increased if government will be practical in the application of tax proceeds. Pinning a particular type of tax to a specific sector or to a specific public facility of the economy may enhance control and accountability which directly point to a project done.

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