

Using Theory of Reasoned Action to Explain Taxpayer Intention to Comply with Goods and Services Tax

Zainol Bidin¹

ABSTRACT

The aim of this study is to investigate the perception of taxpayers towards the implementation of goods and services tax (GST) in Malaysia. Theory of reasoned action proposed by Fishbein and Ajzen (1975) was used as the underlying theory for the study. One hundred and three respondents in Kedah and Perlis participated in the study. Multiple regressions were employed to examine the relationship between attitude and subjective norm on behavioural intention to comply with GST. Results show that attitude and subjective norms variables were significantly and positively related to behavioural intention. All these independent variables were able to explain 28% variance in behavioural intention to comply with GST. Implications and recommendations for policy makers are discussed.

Keywords: attitude, subjective norm, intention, Good and Service Tax.

1. INTRODUCTION

Generally, Malaysian taxation system can be divided into two: direct taxes and indirect taxes. Indirect taxes are administered by the Royal Malaysian Custom Department (RMCD) and it consists of four components i.e. customs duties, excise duty, sales tax and service tax. Direct taxes are under the jurisdiction of the Inland Revenue Board of Malaysia (IRBM). The IRBM is responsible for all policies relating to direct taxes such as income tax (individual and business), petroleum income tax, real property gains tax, and stamp duty. From the government perspective, taxation is a vital economic tool because it can be employed to regulate the economy, to revitalize economic growth through the granting of fiscal incentives as a principal aim of implementing tax policies, and to provide funds for development projects (Kasipillai, 2005). The contribution of direct taxes and indirect taxes to the government revenue in 2009 amounted to RM78.375 billion (49.4%) and RM28.129 billion (17.73%), respectively (Malaysian Federal Government Treasury Annual Economic Report, 2008 and 2009). This shows that taxation contributes more than 60% to the Malaysian government revenue.

¹ DR. ZAINOL ABIDIN, School of Accountancy, College of Business, Universiti Utara Malaysia, Kedah, Malaysia, b.zainol@uum.edu.my.

Recently, the Malaysian government has announced the implementation of Goods and Services Tax (GST) to replace Sales Tax and Service Tax (SST). The GST proposal was first raised in 1988 but at that time it was considered unnecessary because the sales tax and service tax was effectively working. Therefore the proposal was put on hold until it is deemed appropriate to be implemented (Lee, 2011). The GST was also included in the government policy such as in the Malaysian New Economy Model (NEM). In the NEM recommendation, GST would act as an important component in reforming the sources and distribution of revenue in Malaysia because of its wider tax base (National Economic Advisory council, NEM, Part 1). Furthermore, as the Government suffered a deficit since the economic crisis in 1997 (Malaysian Federal Government Treasury Annual Economic Report, 1997- 2009), the GST implementation is seen a viable step to ensure that the deficit does not reach a level where it could not be addressed. It is argued that the sales tax and service tax (SST) needs to be replaced with the GST because the contribution of the contribution of the indirect tax to the Malaysian Government revenue decreased from RM30.760 billion in 2008 to RM28.129 billion in 2009 (Malaysian Federal Government Treasury Annual Economic Report, 2008- 2009). Like the sales tax, the service tax also showed a minor decrease from 2008 to 2009 (Malaysian Federal Government Treasury Annual Economic Report, 2008- 2009). It is this unfavourable performance in growth percentage of sales tax and service tax from 2008 to 2009 that prompts the Malaysian Government to announce the replacement of sales tax and service tax with GST.

In accordance with GST implementation proposal, taxpayers must register with the Royal Malaysian Customs Department (RMCD) once they achieve certain prescribed annual sales turnover. The registered taxpayer would also be required to submit periodic GST returns. If the output tax is greater than the input tax, the taxpayer will have to pay the excess but if the input tax is greater than the output tax, the taxpayer could seek a refund from the RMCD. Once the GST is implemented, the issue is whether the taxpayers would comply with it. Compliance behaviour amongst taxpayers is one of the main problems facing RMCD. In fact, prior studies have indicated similar problems (e.g. Bobek & Hatfield, 2003; Zainol, Zulkafly, & Shalihen, 2011). When the taxpayers fail to comply with the law, the government will suffer as it could not generate the revenue expected. Hence, the issue of compliance behaviour is important to be studied as it has significant policy and practical implications. In order to understand compliance behaviour among taxpayers to pay GST, theory of reasoned action (TRA) is invoked. The theory primarily argues that behaviour is influenced by factors such as attitude and subjective norms.

2. LITERATURE REVIEW

2.1 Theory of Reasoned Action

Many researchers have used theory of reasoned action (TRA) in their studies. It has been applied to various behavioural situations (Chu & Wu, 2004; Hanno & Violette, 1996; Oliver & Bearden, 1985; Shimp & Kavas, 1984). TRA has been used to explain human behaviour as a dominant theoretical framework (Fishbein & Ajzen, 1975). TRA postulates two independent determinants of intentions i.e. attitude toward behaviour and subjective norms. Behavioural performance in the theory can be predicted from people's intentions (Fishbein & Ajzen, 1975). TRA focus is on behavioural intention as antecedent to the actual behaviour. Intentions are assumed to capture the motivational factors that influence a behaviour. Intention indicates how hard individuals are willing to try or how much effort they would exert to perform the behaviour (Ajzen, 1991). In order to understand a particular individual's behaviour (e.g. taxpayer's behaviour), it is important to identify the determinant of the behavioural intention (Hanno & Violette, 1996). Ajzen and Fishbein (1980) define attitude as the degree to which an individual has a good or poor evaluation on a particular behaviour. One of the factors that determine attitudes is behavioural belief, which involves evaluation of the consequences or outcomes of a particular behaviour (Ajzen & Fishbein, 1980). Attitudes are influenced by a belief in an outcome in which its degree is measured in terms of outcome evaluation. Subjective norms refer to social pressures perceived to be exerted on an individual to act or not to act (Ajzen, 1991). The belief that underlies subjective norms is referred to as normative belief. Normative belief is influenced by one's belief toward a referent other or referent group. This means that an individual attempts to carry out an action when he/she believes that other people think it is important for them to carry out the act.

Despite its universality in explaining social behaviour, the theory's application is yet to be tested in the context of indirect tax (e.g. GST). As such, the present study on GST was carried out based on theory of reasoned action whereby intention to comply with GST is the main focus of the study. The theoretical relationships as postulated in the theory are shown in Figure 1.

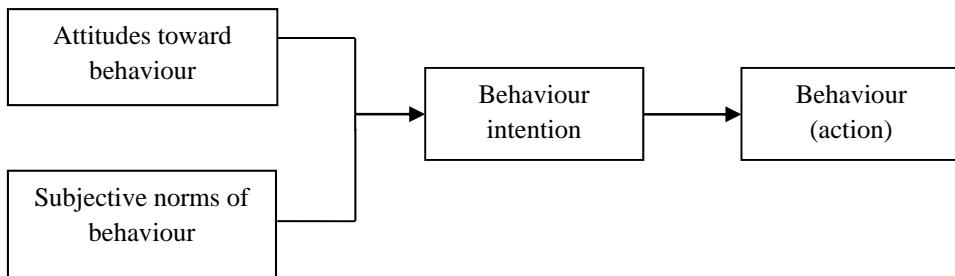


Figure 1: Theory of Reasoned Action (Ajzen & Fishbein, 1980)

2.2 Attitudes and Behavioural Intention

According to theory of reasoned action, attitudes are believed to have a direct effect on behavioural intention. Many researchers found that attitudes are a significant predictor of behavioural intention. Ajzen (1991) stipulates that attitudes towards compliance reflect feelings of favour and disfavour towards compliance behaviour. In the context of taxation, Hanno and Violette (1996) used TRA as a theoretical basis and reported that attitudes have a significant relationship to tax compliance intention. A recent study by Loo, McKerchar, and Hansford (2007) also reported that attitudes towards tax system positively influence compliance behaviour. They hypothesized that a positive attitude towards the tax system would encourage taxpayers to comply. Thus, it was anticipated that taxpayers with favourable perceptions of the tax system are more likely to have positive attitudes towards the tax system and consequently encourage them to comply.

Murphy (2003) reported that the perceptions of unfair tax burdens can affect taxpayers' view about paying tax and consequently their compliance behaviour. Breckler and Wiggins (1989) argue that affective attitude deals with emotions such as feeling happy, sad or guilt when performing certain behaviour while instrumental attitude refers to a more cognitive consideration to which performing a behaviour would be advantageous. In the context of GST compliance, Remetse and Yong (2006) found that many taxpayers of small businesses dislike paying GST works due to the tedious working papers that need to be prepared. When this happens, the taxpayers have the tendency to not comply with GST. Based on the above discussion, it is reasonable that the following hypothesis is tested.

H1: Attitudes towards GST are positively related to behavioural intention to comply with GST.

2.3 Subjective Norms and Behavioral Intention

According to theory of reasoned action, subjective norms also influence behavioural intention directly. Subjective norm reflects motivation to conform to significant referents either to comply or not to comply with tax obligations. In previous studies, many have found a significant effect of subjective norms on behavioural intention (Chu & Wu, 2004; Hanno & Violette, 1996; Oliver & Bearden, 1985; Shimp & Kavas, 1984). In the context of taxation, Hanno and Violette (1996) found a significant and positive effect of subjective norms on behavioural intention. Similarly area, Bobek (1997) found that subjective norm significantly affects compliance behaviour in a business deduction scenario. A comparative study in Australia, Singapore and the US by Bobek et al. (2003) also found subjective norm to be an influential factor in explaining tax compliance behaviour.

In the context of GST compliance behaviour, a study on GST compliance is yet to be done by using subjective norm as important variable. Based on the literature, this study expects that subjective norm would positively influence taxpayers to comply. Thus, it is reasonable that the following hypothesis is tested.

H2: Subjective norms are positively related to behavioural intention to comply GST

The conceptual framework for the present study adapted from the TRA is shown in Figure 2.

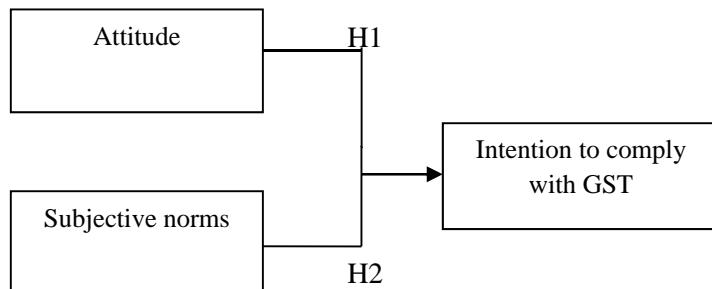


Figure 2: Theoretical Framework of the Study

3. METHODOLOGY

3.1 Sample

This study used a sample of sales taxpayers in Kedah and Perlis. It was felt that a study in Kedah and Perlis was appropriate to represent tax payers in other states in Malaysia, as GST implementation by the RMCD throughout the country is standardized. Nonetheless, the study acknowledges the limitations arising from selecting these two states in generalizing the findings. To reduce such limitation, the determination of sample size was done in such a manner that it was between 15 and 20 times larger than the number of variables in this study, as recommended by Hair, Anderson, Tatham, and Black (1998). Taxpayers selected to participate in the present study included sole proprietors, partnerships, and corporate organizations, as they are manufacturers registered with RMCD. To represent the company/manufacturer, the head of management such as chief executive officer or senior manager of each manufacturer was approached to answer questions on GST compliance. The use of head of management people to represent the company was also carried out by previous researchers (e.g. Howes, McEwen, Griffith, & Harris, 1996; Kevin, 2008).

Data were collected through structured questionnaires which were distributed to a sample of 150 participants with the assistance of the Collection Department of Royal Malaysian Custom Department in Kedah and Perlis. Participants were selected via simple random sampling using a list obtained from the RMCD in the respective state. Of the 150 questionnaires distributed, 103 usable responses were received, giving the response rate of 68.67%.

3.2 Measures

The questionnaire contained items on three variables namely attitude, subjective norms, and intention. The measures of the variables employed in this study were adopted from Natrah (2009) because she studied tax compliance behaviour as well. Four items were measured for each variable, giving a total of 12 statements asked on the variables of intention, attitudes, and subjective norm. On a five-point Likert scale that ranged from ‘1’ “strongly disagree” to ‘5’ “strongly agree”, participants were asked to indicate the degree of agreement or disagreement on each statement related to all the variables involved. In addition to the questions on the main variables, participants were also asked to provide some background information of the company, such as type of ownership and average gross income, which were categorically measured.

4. RESULTS

4.1 Respondents' Profile

Table 1 shows the background information of the participants. Slightly more than half (55.3%) were from a limited company, 26 (25.2%) were sole proprietors, 20 (19.4%) were partnership companies. The majority of the participants reported to have a turnover of over RM100,000 annually.

Table 1: Background of Participants

Variables	Frequency	Percentage %
Type of ownership		
Sole proprietor	26	25.2
Partnership	20	19.4
Company	57	55.3
Annual average gross income		
Less than RM100,000	12	11.7
RM100,001 – RM500,000	25	24.3
RM500,001–RM1,000,000	44	42.7
More than RM1,000,001	22	21.4

Descriptive analysis was conducted to show the basic features of the data. Mean was used to find out the average score of the data and standard deviation indicates the dispersion score of all four variables i.e. intention, attitude, and subjective norm. Table 2 shows the results of the descriptive analysis. The results indicate that the overall mean score falls between the range of 3.92 and 4.64.

Table 2: Descriptive Statistics of Variables under Study

Variables	Mean	SD
Intention		
1. If Malaysia implements GST, I would report my sales income fully to comply GST.	4.641	0.558
2. If Malaysia implements GST, I would not attempt to cheat by omitting to report my income from sales.	4.583	0.707
3. If Malaysia implements GST, I would not declare my business income from sales arises from trading goods with friends and neighboring business.	4.592	0.601
4. If Malaysia implements GST, I would not attempt to cheat by omitting to report my income from sales.	4.534	0.698

Attitudes

- | | | |
|---|-------|-------|
| 1. If Malaysia implements GST, I would be upset if did not report my sales income fully to comply GST. | 4.291 | 0.966 |
| 2. If Malaysia implements GST, I would feel guilty if I did not declare my sales income. | 3.971 | 0.995 |
| 3. If Malaysia implements GST, I would feel pleased if I did not declare my business income from sales. | 3.922 | 1.016 |
| 4. If Malaysia implements GST, I would not feel guilty if I did not declare my sales income. | 4.262 | 0.918 |

Subjective norms

- | | | |
|---|-------|-------|
| 1. My business partners would think that I should not declare my sales income. | 4.612 | 0.564 |
| 2. My business partners would think that I should declare my sales income. | 4.485 | 0.592 |
| 3. My business partners would approve of my decision to understate my sales income. | 4.087 | 0.864 |
| 4. My business partners would not support of my decision to understate my sales income. | 4.369 | 0.754 |
-

4.2 Reliability Test

A reliability test was also performed to ensure the consistency of the items used in measuring the variables. Cronbach's alpha statistics show the internal reliability of all instruments used in this study. Cronbach's alpha values above 0.700 are considered acceptable (Nunnally, 1978). The results show that the Cronbach's alpha coefficient for the construct of intention is 0.722, attitude 0.885, and subjective norm 0.777. All values are above 0.700. Therefore, the items used in measuring the variables are considered acceptable.

4.3 Factor Analysis

Factor analysis is a statistical method applied to identify the variability among the identified variables and to reduce a large number of related variables to a more manageable number (Pallant, 2007). The analysis was carried out to extract all constructs through principal analysis with varimax rotation. Examination of data matrix identification was performed to test the correlation of the data used in the study by using Kaiser-Meyer-Olkin (KMO) and Bartlett Test of Sphericity. The examination of data matrix identification indicated that the application of factor analysis on these constructs is appropriate since the KMO value of variable intention to comply GST is 0.572 and attitude is 0.823. According to Hair et al. (1998), the value of KMO above 0.50 is acceptable. The examination of Bartlett Test of Sphericity for all constructs showed significant results ($p < 0.05$).

The result of the factor analysis is shown in Table 3. The table indicates only one dimension for attitude and subjective norm with eigenvalues greater than 1. The intention construct has one dimension of eigenvalues greater than 1. The total

variance explained by the dimension for each construct is deemed satisfactory. The factor scores were used later as inputs in multiple regression analysis.

Table 3: Factor Analysis of Intention, Attitude, and Subjective Norm

Items	Component	Total variance explained
Intention		83%
1. If Malaysia implements GST, I would report my sales income fully to comply GST.	0.677	
2. If Malaysia implements GST, I would not attempt to cheat by omitting to report my income from sales.	0.946	
3. If Malaysia implements GST, I would not declare my business income from sales arises from trading goods with friends and neighboring business.	0.643	
4. If Malaysia implements GST, I would not attempt to cheat by omitting to report my income from sales.	0.947	
Attitudes		75%
1. If Malaysia implements GST, I would be upset if did not report my sales income fully to comply GST.	0.811	
2. If Malaysia implements GST, I would feel guilty if I did not declare my sales income.	0.683	
3. If Malaysia implements GST, I would feel pleased if I did not declare my business income from sales.	0.726	
4. If Malaysia implements GST, I would not feel guilty if I did not declare my sales income.	0.761	
Subjective norms		64%
1. My business partners would think that I should not declare my sales income.	0.745	
2. My business partners would think that I should declare my sales income.	0.844	
3. My business partners would approve of my decision to underestimate my sales income.	0.388	
4. My business partners would not support of my decision to underestimate my sales income.	0.600	

4.4 Correlation Analysis

Pearson correlation was used to examine the association between the variables. According to Wong and Hiew, (2005), if the correlation coefficient ranges from 0.10 to 0.29, the correlation is considered weak, but if the value ranges from 0.30 to 0.49, it is considered moderate, and if the value ranges from 0.50 to 1.0, the correlation is considered strong. Based on Table 4, attitude was found to show a

weak correlation with intention, while subjective norms showed a moderate correlation. The use of correlation matrix was also to detect multicollinearity. As shown in Table 4, the correlation matrix shows that no variable exceeded the cut-off point of 0.90, hence the problem of multicollinearity does not exist (Janssens, Wijnen, Pelssmacker & Kenhove, 2008).

Table 4: Correlation Matrix

Variables	1	2	3
1. Attitude	-		
2. Subjective norm	0.227*	-	
3. Intention	0.281*	0.515**	-

Note: **Correlation is significant at the 0.05 level

*Correlation is significant at the 0.01 level

4.4 Regression Analysis

Following factor analysis, multiple regression analysis was run to test the stated hypotheses. Regression analysis technique can be used to analyze the direct relationship between a set of independent variables and a single dependent variable (Hair *et al.*, 1998). The result of multiple regression analysis is shown in Table 5. The table shows that the adjusted *R* square (*R*²) was 0.280 and the *F* value of *F*-statistics was 20.792 for the variables attitude and subjective norm towards intention to comply with GST. This means that 28% of the variance in GST compliance intention was significantly explained by the independent variables. With regards to the significant predictor variables, subjective norms (*t* = 5.15, *p* < .01), and attitude (*t* = 2.004, *p* < .05) were found to be able to predict significantly compliance intention. Therefore, H1 and H2 are supported in this study.

The highest Beta value is shown by subjective norms at 0.292. This indicates that subjective norm is the most important factor that influences intention to comply with GST in the states of Kedah and Perlis. Attitude is the second most important factor at 0.134.

Table 5: Regression of Attitude and, Subjective Norms against GST Compliance Intention

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	7.514	0.978		7.686	0.000
Attitude	0.069	0.034	0.173	2.004	0.048*

Subjective norms	0.292	0.053	0.476	5.515	0.000**
------------------	-------	-------	-------	-------	---------

Note: * $p < 0.05$, ** $p < 0.01$

Adjusted R² = 0.280

F-Statistics = 20.792

Significant at 0.000

5. DISCUSSIONS

This study focuses on sales tax taxpayers' perception towards GST, which will be implemented in Malaysia. In particular, it seeks to examine manufacturers' intention to comply with GST in Kedah and Perlis. Generally, the study has provided empirical evidence for the applicability of theory of reasoned action (TRA) that comprises attitude and subjective norm in explaining GST compliance behaviour. The model showed that subjective norms and attitude have a significant influence on GST compliance intention in Kedah and Perlis. The TRA model explains only 28% of sales taxpayers' intention to comply with GST in Kedah and Perlis.

In this study, subjective norm emerged as the most significant factor that influences GST compliance intention behaviour among manufacturers in Kedah and Perlis. This means that referent group or social pressures play a significant role in influencing manufacturers to comply with GST. This finding provides support for Hypothesis 2 and is consistent with previous research of Natrah (2009) and Zainol et al. (2011), who found that subjective norms are a significant factor for tax compliance behaviour among Malaysian taxpayers.

The second most significant factor that influences GST compliance intention behaviour is attitude.

Hypothesis 1 that concerns with the influence of attitude on intention to comply GST was supported. The findings showed that attitude is significant in determining taxpayers' intention to comply with GST in Kedah and. This finding is similar to that revealed by previous researchers who conducted empirical studies on taxation and zakat (Bobek, 1997; Eriksen & Fallan, 1996; Hanno & Violette, 1996; Zainol et al., 2009). This study has shown the importance of attitudes toward intention to comply GST which has to be considered by those in RMCD. Concerted efforts have to be taken to ensure that potential taxpayers have favourable attitudes toward GST to make them actually pay the tax. Information dissemination about GST should be continuously carried out through various media channels.

The findings of this study have important implications for future GST collection centres and authorities such as the Royal Malaysian Custom Department

(RMCD). The RMCD has to devote their attention to the significant factors that influence manufacturers to comply with GST before it is implemented. It is recommended that the RMCD target the referent groups such as peers or business partners of the manufacturers to develop awareness and enhance understanding of GST. A good example for Malaysia is to follow Singapore, which has been successful in its GST implementation since 1994. Some of the critical factors for successful GST implementation in Singapore are a strong commitment from the government, well-designed implementation timetable and well drafted laws, close cooperation between the different authorities involved, a comprehensive public education campaign, strict enforcement and an effective GST audit programme (Lee, 2011).

Whilst the study has provided insight into factors that contribute to compliance intention with GST implementation, it has some limitations that could render the findings invalid. For one, since data for this study are limited to Kedah and Perlis, the result is not necessarily generalizable to other parts of the country. Hence, more extensive studies are needed. Nonetheless, despite this limitation, this study has offered initial understanding of compliance with GST compliance intention. Secondly, the study has mainly focused on behavioural intention and not actual behaviour. Issues can be raised as to whether intention to comply with GST will manifest in actual compliance with GST. Even though intention is claimed to be the best predictor of behaviour (Ajzen, 1991), such assertion needs further validation. Future studies should therefore look into this issue.

6. CONCLUSION

The purpose of this study was to examine the perception of sales taxpayers toward GST implementation in northern Malaysia, in particular, Kedah and Perlis. GST is a multi-stage consumption tax based on consumption rather than earnings and can be charged on virtually all supplies of goods and services. Malaysia has not implemented GST yet due to the effective Sale and Service Tax (SST). Countries like New Zealand (1986), Canada (1991), Singapore (1994) and Australia (2000) have made tax reform by introducing GST (also known as value added tax) at a single positive rate with a comprehensive base to promote the neutrality of the tax systems.

By using TRA, the present study was carried out to examine factors that influence GST compliance intention behaviour among manufacturers in Kedah and Perlis. The factors examined were attitude and subjective norm. The results revealed that subjective norm and attitude influence the manufacturers' intention to comply with GST. Subjective norm was found to be the strongest factor that influences intention to comply with GST among the manufacturers in Kedah and Perlis. The findings provide useful information to the Royal Malaysian Custom

Department (RMCD) and other Malaysian authorities in making decisions for their future strategic planning and actions on GST.

REFERENCES

- Ajzen, I. (1991). The theory of planned behaviour. *Organizational Behaviour and Human Decision Processes*, 50, 179-211.
- Ajzen, I., Fishbein, M. (1980). *Understanding attitudes and predicting social behaviour*. Eaglewood Cliffs, NJ: Prentice Hall.
- Bobek, D. D. (1997). *Tax fairness: How do individuals judge fairness and what effect does it have on their behaviour*. Unpublished doctoral thesis, University of Florida, Florida.
- Bobek, D. D., Hatfield, R. (2003). An investigation of the theory of planned behaviour and the role of moral obligation in tax compliance. *Behavioural Research in Accounting*, 15, 13-38.
- Breckler, S. J., Wiggins, E. C. (1989). Affect versus evaluation in the structure of attitudes. *Journal of Experimental Social Psychology*, 25, 253-271.
- Chu, P.Y., Wu, T.Z. (2004). *Factors influencing tax-payer information usage behaviour: test of an integrated model*, The Eighth Pacific-Asia Conference on Information Systems, Shanghai, China.
- Eriksen, K., Fallen, L. (1996). Tax knowledge and attitudes towards taxation: A report on a quasi-experiment. *Journal of Economic Psychology*, 17, 387-402.
- Fishbein, M., Ajzen, I. (1975). *Belief, attitude, intention and behaviour: An introduction to theory and research*. Addison-Wesley, Reading, MA.
- Hair, J.F., Anderson, R. E., Tatham, R. L., Black, W. C. (1998). *Multivariate data analysis*. New Jersey: Prentice Hall.
- Hanno, D., Violette, G.R. (1996). An Analysis of moral and social influences on taxpayer behaviour. *Behavioural Research in Accounting*, 8, 57-75.
- Howes, M., McEwen, S., Griffiths, M., Harris, L. (1996). Food handler certification by home study: Measuring changes in knowledge and behaviour. *Dairy, Food, and Environmental Sanitation*, 16, 737-744.

- Janssens, W., Wijnen, K., Pelsmacker, P.D., Kenhove P.V. (2008). *Marketing research with SPSS*. England: Prentice Hall.
- Kasipillai, K. (2005). *A comprehensive guide to Malaysian taxation*. Kuala Lumpur, Malaysia: McGraw Hill Education.
- Lee, E. (2011, March). Tax changes: Highlights and implication. *Accountant Today*, 24; 16-25.
- Loo, E. C., McKerchar, M., Hansford, A. (2007). *The effect of the introduction of self assessment on tax knowledge of individual taxpayers in Malaysia: Survey findings*. Paper presented at the Accounting Studies International Conference, Kuala Lumpur, Malaysia, 30 – 31 October.
- Malaysian Federal Government Treasury Annual Economic Report. (2008 and 2009). Retrieved November 8, 2010 from http://www.treasury.gov.my/index.php?option=com_content&view=article&id=776%3Alaporan-ekonomi-20082009&catid=73%3Asenarai-laporan-ekonomi&Itemid=174&lang=en.
- Ministry of Finance Malaysia. *Malaysian Federal Government Treasury Annual Economic Report (2008 and 2009)*. Retrieved November 5, 2010 from http://www.treasury.gov.my/index.php?option=com_content&view=article&id=776%3Alaporan-ekonomi-20082009&catid=73%3Asenarai-laporan-ekonomi&Itemid=174&lang=en.
- Murphy, K. (2003). An examination of taxpayers' attitudes towards the Australian tax system: Findings from a survey of tax scheme investors. *Australian Tax Forum*, 18(2), 209-242.
- National Economic Advisory Council. *NEM, Part 1*. Retrieved November, 5, 2010, from http://www.btimes.com.my/Current_News/BTIMES/Econ2007_pdf/New%20Economic%20Model.
- Natrah, S. (2009). Fairness perceptions and compliance behaviour: The case of salaried taxpayers in malaysia after implementation of the self-assessment system. *eJournal of Tax Research*, 8(1), 32-63.
- Nunnally, J.C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.
- Oliver, R.L., Bearden,W.O. (1985). Crossover effects in the theory of reasoned action: A moderating influence attempt. *Journal of Consumer Research*, 12, 324-340.

- Pallant, J. (2007). *SPSS survival manual: A step-by-step guide to data analysis using SPSS for Windows (Version 15)* (3rd ed.). New York: Open University Press.
- Rametse, N., Young, S.E. (2009). *Small business taxpayers' attitudes to complying with a tax system: Lessons and experiences from Australia and New Zealand*. Paper presented at the Accounting and Finance Association of Australia and New Zealand (AFAANZ), Adelaide, Australia, 5-7 July.
- Shimp, T.A., Kavas, A. (1984). The theory of reasoned action applied to coupon usage. *Journal of Consumer Research*, 11, 795-809.
- Wong, C.C., Hiew, P.L. (2005). Diffusion of mobile entertainment in Malaysia: Drivers and barriers. *Enformatika*, 5, 263-266.
- Zainol, B., Kamil, M.D., Faridahwati, M.H. (2009). Predicting Compliance Intention on Zakah on Employment Income in Malaysia: An Application of Reasoned Action Theory. *Jurnal Pengurusan*, 28(July), 85-102.
- Zainol, B., Zulkafly, H., Shalihen M.S. (2011). Pengaruh sikap dan norma subjektif terhadap niat gelagat kepatuhan cukai jualan tempatan. *International Journal of Management Studies*, 18(2), 237-251.