

Exploring the Factors Affecting the Effectiveness of Tax Enforcement

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Abstract

Whilst most tax studies cover taxpayers' attitude and behaviour, there is relatively very little research done from the tax authority's point of view. Hence, this study tries to establish that effective tax enforcement plays an important part in instilling tax deterrence among taxpayers by exploring the viewpoints of 16 senior officers of Inland Revenue Board Malaysia (IRBM). In addition, the sensitive area of criminal tax investigation and civil tax investigation are discussed in this paper. This study was conducted through semi-structured interview on one-to-one basis with each of the senior IRBM officers. It is found that the effectiveness of tax enforcement are influenced by tax penalties and enforcement strategies of IRBM. In order to support this study as the base of further tax research, it uses Australian tax policies and recommendations as comparative points of reference wherever possible.

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