

# Identification and Ranking the Current Barriers in National Tax System (The Comprehensive Tax Plan)

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## Abstract

This study aims to identify and rank the obstacles found in the change of country tax system (tax comprehensive plan). In the first chapter, some questions have been raised and along them, some hypotheses are considered.

The general questions of this study are: do environmental obstacles influence on successful implementing of tax comprehensive plan? Do organizational obstacles influence on successful implementation of tax comprehensive plan? Do behavioral obstacles influence on successful implementation of tax comprehensive plan?

The method of this research is practical by purpose, and it is descriptive by data collection. Statistical population of this study is consisted of all of experts and managers of organization of country tax affairs and based on Cochran formula 106 people of personnel and manager of Tehran tax affairs and personnel in the building of tax comprehensive plan are selected as the sample. Considering the study literature, behavioral obstacles, environmental obstacles and organizational obstacles are evaluated and a questionnaire is designed based on mentioned variables with five scales of Likert with demographic variables. In this study, after preparing the study plan and studying and collecting its theoretic basics, two questionnaires are prepared for identifying and ranking the obstacles for study statistical sample and after distributing and gathering questionnaires, descriptive inferential statistics has been used for data analysis, and nonparametric test is used for hypothesis test. 10 of 13 hypotheses are proved and three of them failed to be proved which the proved results of this study are consistent with those of previous research ( about unproved hypotheses, they weren't consistent, therefore, they can be examined for future research), then, through Friedman test,

they are ranked as follows: 1- resistance of personnel against the change, 2- cultural factor, 3- behavioral factor, 4- lack professional workforce, 5- environmental factor 6- technological factor , 7- organizational factor, 8- lack of managers' support, 9- technological factors (organizational), 10- domestic policy. Conclusion: considering the impact of cultural factor on the implementation of plan, it is recommended to include some pedagogic materials in textbooks of students and to make teaser ads and make animation and accomplishing education and expressing the importance of implementing the plan for general public, in order to promote a culture in this regard for all ages.

Suggestions: In the current state budget and tax Civil Affairs with support at work and Parliament also about requiring all government agencies and non-governmental entities and financial and non-financial entities to submit information and supervision act.

**Keywords:** ranking, change plan, tax system.

## 2. Introduction

Considering its triple functions, tax system has a key role in the economic and social systems of any country. Based on this fact and considering the effect of tax system on other economic sections and related challenges along with their expansive interaction with community as axes of economic change. The reformation of this system have implemented in three main axes including the reformation of tax rules and regulations, the implementation of comprehensive tax plan, and the complete establishment of the vat system. The

comprehensive tax information system is considered as the heart and main part of tax system in every country while any tax system's success depends on the amount of expansion of tax information system.

A well-planned and well-designed tax information system is an effective factor in the amelioration of detection and taking tax, decreasing tax fraud, reduction of corruption, elimination of discrimination and increasing efficiency and a factor for more precise adjustment of the budget.

In our country, the lack of a coherent, and harmonious, and mechanized tax information system has caused a gap between the potential capacity of the economic tax and its actual capacity and staying deprived of higher tax revenues, while receipt of the very amount of tax rate has astronomic costs in all dimensions including material, social and economic costs for the country. Thus, the tax comprehensive tax plan took the attention of decision-making authorities of economy (Barati et al, 1393).

The comprehensive tax plan is a national important plan which if gets executed it can improve different methods of taxation, the growth of tax revenues and prevent tax fraud. In this regard, the Taxation Affairs Organization believes that there is no other option rather than the comprehensive tax plan for financing the current government expenses. This plan is also very justified economically because it has high rate of investment return being for less than a year.

One of the obstacles against the plan execution is the tax fraud of guilds and business owners as there is not a clear information system in this regard and it is based on declaration forms that they fill themselves which can amalgamate tax fraud.

Considering the problems above, the general goals of the Comprehensive Tax Plan can be mentioned in the following categories which are connected like a cycle and realizing a goal can be effective in realizing other goals (Kalantari, et al, 1392):

Increasing tax revenues via preventing tax frauds and reduction of the volume of the underground economy, reduction of social, operational, and executive expenses via mechanization of operation and the optimization of the processes, increasing the beneficiary's content via improving services to the individuals and making their interaction with organizations easy, respect to them and restoring tax justice, improving the level of information dominance of the tax system through the use of all information sources manufacturer Information, exchanging information for efficient and safe information management, increasing the level of tax compliance through improved detection methods, reduction of corruption by minimizing the relationship between taxpayers and tax officers, mproving the level of information dominance of the tax system through the use of all information of Information sources.

For implementing the comprehensive tax plan, identifying and ranking the barriers of the project is necessary more than ever.

The literature on the comprehensive tax system in the country is scares and, based on the researches, there is no research that has examined the comprehensive tax system and its ranking via Fridman approach.

### 3. Research Method

This research is applicable in terms of goal and descriptive in terms of data gathering. This research is, also, cross sectional in terms of time. After forming the plan of research and studying and collecting the theoretical foundations, the present study provides 2 questionnaires to detect and rank obstacles for statistical samples. After the distribution and collecting questionnaires and based on the analysis of the resulting data, the conclusions and suggestions are presented. This paper studies Taxation Affairs Organization .The study lasted from May to January 1394 and its subject involves identifying and ranking the barriers in the development of the country's tax system.

To gather the data of this research, two methods are used:

1. Biblical method in gathering the secondary data: referring to different libraries from different universities and institutes, data banks, the internet and the Iranian Center for Information and Documentation, the needed data are gathered.
2. The field method in gathering the primary data: In this method, questionnaire and sampling and statistical study of population for extracting data are used. In planning the questionnaire, the Likert five option spectrum is utilized. The population encompasses all experts and managers of the Taxation Affairs Organization.

In this study, descriptive statistics are used to determine tables, graphs and central indicators to describe the data using SPSS and Excel software. The following inferential statistics are also used:

Cronbach's alpha test to determine the reliability, Shapiro-Wilk test (Sig) for the Normal distribution of statistics,

and T-test or  $x^2$  test to determine the status of each of the variables via SPSS software. The Friedman test is also used for ranking.

#### 4. Data Analysis

**First Hypothesis:** Environmental barriers are effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (an average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence to reject the hypothesis of effectiveness of environmental obstacles on successful execution of the comprehensive tax plan.

**Second hypothesis:** Legal factor is effective in successful implementation of comprehensive tax plan.

In this test, with regard to the value of the significance which shows the rejection of the hypothesis, it can be said that according to the respondents, effectiveness of legal factor on successful execution of the comprehensive tax plan is rejected.

**Third Hypothesis:** Cultural factor is effective in successful implementation of comprehensive tax plan.

The high number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on cultural factor being effective on successful execution of the comprehensive tax plan.

**Fourth Hypothesis:** Technological factor is effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on technological factor being effective on successful execution of the comprehensive tax plan.

**Fifth Hypothesis:** Institutional barriers are effective in successful implementation of comprehensive tax plan.

The high difference of the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on institutional barriers being effective on successful execution of the comprehensive tax plan.

**Sixth Hypothesis:** Internal Affairs factor is effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on internal affairs factor being effective on successful execution of the comprehensive tax plan.

**Seventh Hypothesis:** Tax regulations factor is effective in successful implementation of comprehensive tax plan.

In this test, with regard to the value of the significance which shows the rejection of the hypothesis, it can be said that, according to the respondents, effectiveness of tax rules on successful execution of the comprehensive plan tax is rejected.

**Eighth Hypothesis:** Technological factor is effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on technological factor being effective on successful execution of the comprehensive tax plan.

**Ninth Hypothesis:** Structural factor is effective in successful implementation of comprehensive tax plan.

In this test, with regard to the value of the significance which shows the rejection of the hypothesis, it can be said that, according to the respondents, effectiveness of legal factor on successful execution of the comprehensive plan tax is rejected.

**Tenth Factor:** Behavioral barriers are effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on behavioral barriers being effective on successful execution of the comprehensive tax plan.

**Eleventh Hypothesis:** The lack of professional work force is effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on the lack of professional work force factor being effective on successful execution of the comprehensive tax plan.

**Twelfth Factor:** The lack of support from the tax senior managers is effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on The lack of support from the tax senior managers factor being effective on successful execution of the comprehensive tax plan.

**Thirteenth Factor:** Employees' resistance against change is effective in successful implementation of comprehensive tax plan.

The high difference between the number of samples in the second group (the average of more than 3) relative to the first group (an average of less than 3) shows that there is no evidence for rejecting the research hypothesis on the resistance of employees against change being effective on successful execution of the comprehensive tax plan.

Ranking Factors:

With regard to the anomaly of distribution of the data and the use of non-parametric tests in ranking factors, we used Friedman test the results of which can be seen in what follows:

- Employees' resistance against change
- Cultural factor
- Behavioral Factor
- The shortage of professional work force
- Environmental factor
- Technological Factor (environmental)
- Organizational factor
- The lack of support of managers
- Technological factors (organizational)
- Internal Affairs

As it is shown, the employees' resistance against change has the highest impact and the cultural factor has the highest on the implementation of the comprehensive tax plan.

## 5. Comparison and Adaptation of Findings

In a research, Ghanbari and colleagues (2015) examine barriers to implementation of electronic tax cuts and prioritized these obstacles. The results show that obstacles of electronic implementation of taxation respectively are: environmental, behavioral, and organizational factors. Also, the following two factors of importance that are effective for unsuccessful implementation of include the lack of electronic services in banks as an infrastructure for this system and the lack of legal security in the electronic transactions. The results of the investigation are compatible with the results of the present investigation.

In a research, Barati (1393) examines the electronic tax system and the forthcoming challenges. The results showed: technical and infrastructural variables, social effects, effort expectations, legal issues, effectiveness expectation, access to information, understood risks respectively have more effects on the acceptance of the electronic tax system. The results of the above investigation are compatible with the results of the present investigation.

Asgari and colleagues (1390) have implemented a research on the effect of cultural factors on the efficient implementation of added value taxes in the total of tax reporting culture and thereby increasing tax docility are some of the main concerns of tax managers. Improving tax culture will improve the content of tax managers. The results of the investigation above are compatible with the results of the present investigation.

## 6. Conclusion and Suggestion

Limitations of the Research

Disaffiliation of some managers in the survey units.

As a result of financial and time barriers, we could not use interview to enhance data gathering care.

## Result based applicable suggestions

Considering the effect of cultural factors of plan implementation, it is suggested to include educational texts in school books and making animation and advertising teasers, educating and expressing the value of the plan for the community can lead to promotion of culture in this regard.

With regard to confirmation of the behavioral and resistance to employees against change factors, it is suggested for the government to take a different view in relation to the current expenses of the institute to take care of welfare and life expenses of the employees. With regard to the resolutions of the parliament on cooperation of organizations to link to the Taxation Affairs Organization, financial information of people should be pass legal checks. Meanwhile, by good informing people and education, we can adapt employees to this act.

Considering the fact that the effect of internal affairs factor is approved, it is suggested that the main priority of the authorities and employees is be the whole implementation of the plan. It is suggested for it to orient toward implementation of plan policies.

Considering the fact that the two factors of institutional and technological factors are approved, it is suggested to observe and learn from successful countries to make the grounds ready for the implementation of the plan.

### **Limitation based suggestions for future researches**

With regard to the importance of the comprehensive cooperation of guilds for doing the plan, it is suggested to do another research to identify and rank effective factors on the encouraging them toward the plan via multi-criteria decision-making technics.

We suggest doing a research on identification of effective factors on application of successful plans resembling this one taking a look at other countries.

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## Appendix Indices

In the Name of God

Respectfully,

The following questionnaire has been prepared in order to use your comments about "identifying barriers in implementing comprehensive tax plan". Considering that your reserved and honest answers are confidential, please carefully select the appropriate options.

Regards.

Gende: Male( ) Female( )

Age: Less than 25( ), 25-35( ), 36-45( ), 46-55( ), more than 55( )

Career.....:

Education: Diploma and less( ), Associate( ), Bachelor( ), Master's( ), PhD( )

Work experience: Less than 5 years( ), 5-10( ), 11-15( ), 20-16( ), 21-25( ), more than 25( )

Row	Main aspects	factors	questions	Very	low	mediocre	high	Very
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				low				high
1	behavioral barriers	Lack of support	Lack of governmental support					
2			lack of support of guilds and banks					
3			Lack of support of main managers of institutes					
4		Professional work force	Lack of young professionals					
5			Experienced employees get retired before experience exchange					
6		Workers' resistance	employees do not tend to change due to lack of job security and work load					
7			Workers do not tent to the plan due to work load					
8	Environmental barriers	Technological factor	Lack of necessary infrastructures for the institution					
9			Expensive instruments					
10			the lack of necessary infrastructure for moody					
12		Legal factor	Legal emptiness					
13			abstracting rules					
14		Cultural factor	Cultural emptiness					
15			Wrong cultures					
16	Institutional Barriers	Internal Affairs	Management change in short periods of time and Policy change					
17			Not being priority for the institution					
18			Implementing policies that are against the comprehensive system					
19		Tax rules	Messy rules					
20			The Opposition between the current rules and the rules after the implementation of a comprehensive system					
21		Structural factors	Lack of appropriate structure for the implementation of the comprehensive plan					
22			The shortage of an appropriate structure for supervision and control of the plan					
23		Technological Factors	The organization does not have the necessary technology					
24			Available technology is not being used					

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