

# PalArch's Journal of Archaeology of Egypt / Egyptology

## DOES TAX EVASION EQUAL ZERO IN THE PRESENCE OF TECHNOLOGICAL ADVANCEMENTS? EVIDENCE FROM PALESTINE. THEORETICAL INVESTIGATION

*Shadi Emad Areef Alhaleh<sup>1</sup>, Puji Handayati<sup>2</sup>, Hua Wang<sup>3</sup>*

<sup>1</sup>Zhongnan University of Economic and Law, Nanhu Ave, Hongshan, Wuhan, China

<sup>2</sup>State University of Malang, Jl. Semarang No. 5, Malang, Indonesia

<sup>3</sup>Zhongnan University of Economic and Law, Nanhu Ave, Hongshan, Wuhan, China

Co-author: [puji.handayati.fe@um.ac.id](mailto:puji.handayati.fe@um.ac.id)

**Shadi Emad Areef Alhaleh, Puji Handayati, Hua Wang. Does Tax Evasion Equal Zero In The Presence Of Technological Advancements? Evidence From Palestine. Theoretical Investigation– Palarch's Journal of Archaeology of Egypt/Egyptology 17(9) (2020). ISSN 1567-214X.**

**Keywords: Palestine, Tax Departments, Tax Evasion, Technological Advancements, Technology Progress**

### ABSTRACT

This study aims to investigate whether technological advancements can achieve substantial progress in tax. Practically, the study provides new criteria, procedures, and guidelines that could strengthen and enhance better understandings of, and new insights into the technology field which lead to attaining substantial progress in the Palestinian tax departments. Theoretically, this paper contributes to providing the tax departments with contemporary disclosures and further clarifications on new advanced technologies. The findings of this study can assist decision-makers in the Palestinian tax departments in improving practical plans that may accelerate and expand the adoption of new technologies

### INTRODUCTION

Recently, technological advancements have strengthened new concepts to contain any predictable defects that happen in today's world economy [26]. Therefore, these advancements come along to curb the complexities of dealing with big quantities of data [31]. Hereinafter, the study aims to investigate whether these advancements can achieve substantial progress. Besides, it determines to know whether these advancements are effective enough to eliminate the existence of such a phenomenon as tax evasion in Palestine.

Tax evasion is a particular condition of a country [3] thus it differs from one country to another in terms of its level of economic development (Developing Countries vs. Developed Countries). Tax evasion is the main obstacle that accelerates and expands the deficiencies of governmental financial budgets and weakens the country's economic structure [24]. Continuously, the US Internal Revenue Service in 1971 examined the average of individuals' income tax to

classify their living standards based on their revenues [32]. It showed some cutoffs in the US tax regulations at first. Second, it showed that tax evasion declined gradually during that period. The updating of new tax enforcements assisted tremendously in improving the efficiency of tax law and making it more evident and effective [10]. Hence, the study agrees that new updates assist in strengthening and emboldening the tax laws, and declining the probability of evading paying taxes over time. Furthermore, the study anticipated that the removal of regulatory gaps of tax laws disappears when governments employ technological advancements as an instrument in their applicable laws and keep on using them permanently.

Other studies argued that tax evasion is a phenomenon increasingly growing in countries with political instability and higher rates of corruption [4]. Nonetheless, this phenomenon is gradually inflating in developing countries such as middle-east countries. However, the noteworthy point here is that Palestine relies heavily on acquiring new technological updates, not only in some areas but also it covers almost all areas to ensure that the law is well-organized and evaluated. In this context, the study appears to reinforce whether tax evasion equals zero in the presence of high updated technology. Therefore, this study takes into account the concept of technological advancement and its function to enhance better quality of the Palestinian economic structure. Thereby, this study was chosen due to a relative dearth of literature on tax-technology combined, especially as it relates to Palestine as well as the scarcity of researches in this field. Critically, it contains clarifications on the updates of the Palestinian tax criteria and procedures used. For technological items, they considered a contemporary measure in the scope of the government tax involvements. Whereas, a wide variety of approaches included interpreting the behavior of tax evasion from different measurable quantities such as the discrepancies between national income and product accounts or currency demand [9, 15, 30]. A recent study from European literature (2019) on tax evasion found that the technological changes are influentially effective to assist governments in setting new strategic practices to reduce the level of undesirable tax practices.

Theoretically, this paper contributes to providing the Palestinian tax departments with new notices and highly evidently clarifications on the technological updates and changes, defining the main structure, procedures, and enhancements of those updates. Along with that, the study included three theories, including institutional theory, agency theory, and legitimacy theory, which might add a full understanding of tax evasion and technological advancement. It is anticipated that the theoretical part could enrich the literature of technology usage. Meanwhile, the practical part of this paper immensely contributes to the adoption and implementation of the new technological advancements and techniques to be taken into account. Thus, this may result in discovering the unseen defects and flaws of Palestinian tax enforcement. Additionally, the practical part seeks to identify whether technological progress could reform or modify the basic grounds of tax laws and regulations, to examine whether technological advancements enable many tasks to be finished within a short time and at a lower possible cost to eliminate all different types of tax evasion, and to determine whether technological progress affect positively the structure of Palestinian tax or reduce the reasons for tax evasion within a short time. Lastly, the paper seeks to provide significant answers to these mentioned questions concerning the title of this study.

Statement of The Problem

Based on prior studies on Palestinian tax evasion, Palestinian scholars considered tax evasion as a real issue that harmfully affects the country's economy. This study bears in mind the effects of higher prices (living costs) for the citizens and the heavy burden on the state to afford its services publicly. Therefore, a lack of public services provision could result in down turning economic growth and undermines efforts to improve the living standard of the population. Accordingly, the state should make a law that suits all society categories, as well as, more flexible to decline the intensity of economic fluctuations. Plus, new consequences exacerbated in the state experiencing political instability and widespread corruption, and poor financial budgets to finance important sectors such as health, education, and many more are also included to express the main problem of this study. This study suggests that adopting technological advancements as a solution to tax evasion in different areas in Palestine could impede the sources of this phenomenon as quickly as possible. Thereby, this study seeks to provide technical solutions and determine whether technological progress could reform or modify the basic grounds of tax laws and regulations in the country. Further, this study finds a strong necessity to employ technology in different tax-departments so that the severity of tax evasion will gradually be reduced.

#### Taxation Theory

Taxation theory is concerned with providing further clarifications on tax laws, policies, structure, and any additional instructions. It suggests that governments at all levels (national, regional, and local) intend to raise tax revenues from a wide range of available resources to finance public-sector expenditures. In economics, taxes fall on whoever pays the burden of the tax, either business entities or their end-users of the business's good. In particular, the Palestinian tax sector lacks the proficiency to supply the community of the updates of tax. Hence, this theory is employed to reinforce the understanding of tax structure in Palestine as well as to increase the awareness of taxpayers around the country.

#### Institutional Theory

This theory suggests that to efficiently and effectively implement something, tax departments must abide by the instructions and rules. This could lead to creating positive changes that positively affect the structure of the department administration [28]. The institutional theory could make new advancements in both the structural and procedural of the tax department.

#### Legitimacy Theory

According to this theory, there are many assumptions or a perception that visualizes performing actions by an entity to improve over time. Therefore, legitimacy is beneficial to save the survival of tax policies and laws. This theory suggests that tax-departments should provide tax services and exemptions equally among taxpayers so that the tax-gap could be properly filled out. Also, legitimacy aims at spreading tax values and tax justice across different areas. Therefore, legitimacy theory predicts that tax laws act effectively and efficiently, and thus achieving the desired goals and gradually decreasing tax evasion over time.

#### Tax Evasion and Technological Progress

Some scholars define tax evasion by going deep into describing the main forms of tax evasion such as exploiting tax gaps, disclosing wrong information, maximizing operational expenditures, implementing fraud, and manipulating in the financial statements and many more [29]. As it relates to Palestine, their tax system is not moderately qualified to detect tax evasion phenomena.

Additionally, some tax laws are outdated and some tax departments remain traditionally collect accrued taxes. Based on that, the National Palestinian Authority in 2016 issued a decree presenting a well-desired necessity to adopt new progressive technologies that help eliminate the phenomena of tax evasion. Hence, the service of collecting taxes electronically has partially been employed by some tax departments in northern cities, and the results show substantial progress in those departments.

Furthermore, tax evasion is an illegal act committed by entities and individuals to evade paying taxes, or it is defined as attempts to ignore legal obligations towards paying taxes. Tax revenues losses due to tax evasion and tax avoidance could occur due two major reasons: a) Domestically when entities have non-declared or under-reported income from their domestic business activities, and b) Internationally, when multinational entities participate in illegal practices that might include transfer price manipulation or the holding of financial assets in offshore bank accounts by private individuals to conceal their capital income [12].

<i>The Reference</i>	<i>The Country</i>	<i>The Title</i>	<i>The Reasons for</i>
<i>Income Tax Department, 2018</i>	Palestine	Taxation and Income	<ul style="list-style-type: none"> <li>- Replacing outdated tax laws with new laws that could strengthen the regulatory body of tax.</li> <li>- Spreading tax justice and values among taxpayers.</li> </ul>
<i>The National Palestinian Authority, 2019</i>	Palestine	Investment Encouragement	<ul style="list-style-type: none"> <li>- Providing tax exemptions to attract Small-Medium sized companies to grow rapidly</li> <li>- Assisting in setting new financial budgets to adopt progressive technologies in the country.</li> </ul>
<i>Tax Collection Department, Hebron City, 2018</i>	Palestine	The Eradication of Tax Evasion Phenomena	<ul style="list-style-type: none"> <li>- Increasing taxpayers' awareness of the importance of paying their obligations</li> <li>- Enhancing better understanding of tax justice</li> <li>- Developing electronic version of bills payment</li> </ul>
<i>Tax Administrations and Officials, Gaza Strip, 2017</i>	Palestine	Administrative Tax and Human Resources	<ul style="list-style-type: none"> <li>- Defining the main functions of tax officials</li> <li>- Drawing instructions and notices</li> <li>- Achieving the desirable tax goals among Palestinian community</li> <li>- Eliminating tax evasion forms and fraud</li> </ul>
<i>Technological Advancement Center, Ramallah, 2015</i>	Palestine	Technology is Important	<ul style="list-style-type: none"> <li>- Emboldening strategic plans to curb technical problems in operational businesses and income tax departments</li> <li>- Searching for the employment of high-quality technology</li> </ul>
<i>The National Palestinian Authority, 2016</i>	Palestine	Future Plans and Foreign Investments	<ul style="list-style-type: none"> <li>- Giving a wide variety of free interests to recruit foreign investors</li> <li>- Providing a lot of tax exemptions for local and international startup enterprises</li> <li>- Granting governmental risk-free rate to meet</li> </ul>

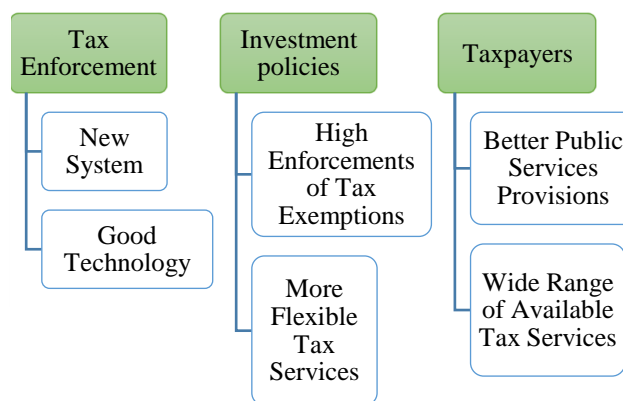
			high quality investments in the country
--	--	--	---

**Table 1. Empirical Updates on Palestinian Tax Evasion and Technology**

**Reasons for Tax Evasion**

Tax evasion is a major obstacle hindering many governments from providing their public services. This phenomenon exists enormously in developing countries rather than in developed countries due to their poor economic development, poor policies, poor tax penalties, unstable economic fluctuations, and a lack of tax revenue [12]. Moreover, there are many global factors related to tax evasion. For instance, technological changes occupy a significant role in eliminating the causes of tax evasion. Whereas, the government could effectively implement new technological updates (e.g., implementing a new design of technology to pay taxes electronically rather than manually) if the main factors of tax evasion are well-examined. However, having no adequate updates on new technologies, this may be resulting in declining the government’s ability to control tax evasion phenomena [12]. Therefore, these factors may limit the development or the establishment of tax justice in Palestine. National Palestinian Authority (2015-2019) revealed certain reasons for evading paying taxes in the country, such as weak technical structures in different tax administrations. In addition, since 2015, the Palestinian government has allocated financial budgets to invest in strengthening the progressive technologies and reducing the probability of low tax revenues.

In particular, Palestine may differ from other countries due to its economic budget is subject to full control by the occupation policies enabling tax issues sophisticated to controlled and handle. Concerning this study, technology can reinforce new improvements of Palestinian tax structure.



**Figure 1. Government’s Tax Evasion Decrement Plan (2019-2020)**

Source: Authors (2020)

**Characteristics of Technology Progress**

Nowadays, technology plays an essential role in eliminating errors that threaten operational activities. Whereas, the higher the usage of technology, the greater the performance of the tax department attained. However, in Palestine, tax departments rest heavily on acquiring new technological updates to solve unmanageable tasks. Thereby, tax services, such as paying taxes electronically,

tax notices in advance, and electronic bills, can lead to containing the main causes of tax evasion in the country efficiently and effectively. Universally good quality-technology comprises the following characteristics.

*Accessibility.* Accessibility refers to a wide variety of individuals ability to access data and services from the main monitor, and therefore this may include internet connections, hardware and software, social impacts, signals settings, and the environmental constraints [14, 16]. The idea of “web accessibility” particularly relates to the process of running the system’s content to enable individuals or groups of users to access it. Strong access leads to satisfying users with the services of the web and makes them get into it easily. Furthermore, there is a positive significant relationship between the qualities of any updated technology and the intention to use it [20]. Therefore, technological techniques with advanced settings and high-precision sensors can effectively affect the process of Palestinian tax laws. A research on online services and technological updates found that technology improvements have a positive impact on tax departments’ efficiency and effectiveness [25].

*Design.* The design of technological techniques makes access to data anytime faster than any old technique, and that reinforces the accuracy and precision of needed data [27]. The flexible design with a high standard enables users of different ages to enjoy the quality of the system’s design as well as allow them to exchange information among each other easily [34]. Thus, the more flexible the design, the greater the availability of the tax collection.

*Privacy.* In terms of technological progress, privacy is highly sensitive since it depends heavily on the willingness of users and corporations to participate in the system [13]. Prior studies and reports on technology indicated the main content of privacy and its syndicated relation with users’ personal information [33, 11]. Consequently, this study considers that privacy is a significant instrument used to measure tax departments’ intention to adopt such a new technique as an electronic tax payment. Besides, this study investigates whether progressive technologies have a strong encryption feature provided in its system to secure personal information privacy. Therefore, recent researches on technology progress showed that progressive technologies can assist in improving operational activities economically, operationally, socially, and culturally due to its high level of privacy. Moreover, they predicted that the outdated measures to secure tax information need to be eliminated and eradicated in the presence of any progressive technology. Therefore, some recognizable dimensions classified to increment and strengthen privacy such as customization, high effectiveness, strong encryption feature, reliability, personalization, and responsiveness [1].

*Speed.* Data and information transmission within a short period (a few seconds) are dramatically needed to satisfy a wide range of users and tax departments to adopt new technologies. The focus of speed is immensely tax departments’ centric, rather than device or structure centric. Prior studies have shown that there is a significant correlation between the speed of any new technology and the development of any sector [17]. This paper considers the speed of progressive technologies may lead to massive changes in the content and the scope of tax evasion, and thus promoting new improvements in the techniques of the taxation process. Arguably, such actions as increasing the speed of transforming and processing information, are likely to have a significant effect on intention to use (IU) by tax departments and users; however, other operations may take place as well to adopt new technology, such as providing

different facilities and upgrading the characteristics of such technology to minimize the usage risks and increase the interactions among users without intricacies [19]. Furthermore, this paper agrees with Jun and Cai, that slow response and lack of facilities could lead to a delay of needed info or services [20]. Hence, all taxpayers should participate in one database that could collect all information needed to handle them perfectly and as simple as possible.

*Security.* Security is simply considered as the main nerve of any technology, in which it ensures the safety of corporates' sensitive information such as financial information, management reports, private meetings, and decisions [23]. Therefore, the security index used to be a key player that positively affects the structure of tax departments, and thus it may play an intriguing role to make new changes in terms of the Palestinian taxation process. Prior practical studies showed that there is a significant relationship between secured technologies and the confidence of individuals and corporates [18].

However, the technology index is used as a coordinator to investigate the security system of progressive technologies and networks [8]. according to A. Lozano, R. W. Heath Jr., J. G. Andrews., 2013, they suggest that the security item could not guarantee corporate's documents, personal information, and any other related details efficiently if there is poor coordination among different parties on the same system [22].

#### Solutions for Reducing Tax Evasion

*New tax system.* Firstly, the Palestinian National Authority should reinforce new tax-adjustments enabling a wide variety of taxpayers to adapt to the system as well as prevent them from evading paying their legal commitments. Secondly, the authority should issue tax exemptions frequently, and thus leading to motivating taxpayers to collaborate with tax-departments and help them offer public services overwhelmingly. Additionally, the tax system should be more updated and flexible to reduce the severity of tax evasion factors [35]. The type of consumption tax adopted, system transition, and the percentage of tax rate, should be neutral, and additional types of services or special requirements should be exempted from the consumption tax.

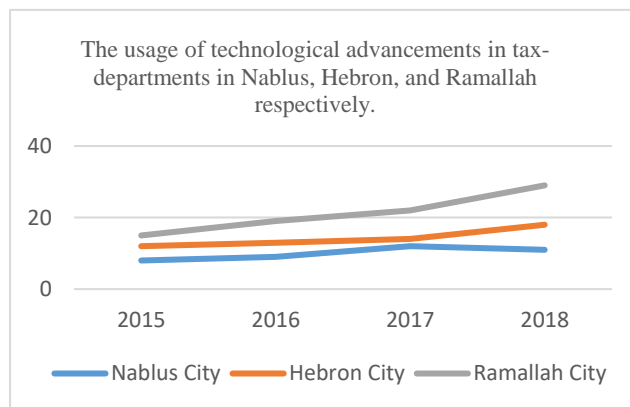
*Civil and criminal penalties.* This solution is considered a defensive approach to track tax evasion phenomena. Regarding the income tax law No. 77 of 2011, this law classified as ineffective enough to deter evaders. Therefore, ineffective income tax law contributes to expanding the gap. Besides that, the law used as just a written paper made by tax policymakers. For instance, jail sentences, financial fines, and strict penalties against tax-evaders are rarely imposed, and therefore tax policymakers and setters should be more stringent to execute penalties. This would tremendously lead to a rational reduction of tax evasion causes as well as tax evasion would be upgraded from a misdemeanor to a felony [2]. However, other literature has considered that the implementation of intense penalties may have negative effects on tax non-compliance [4].

*Reforming the tax administration.* Redesigning the shape of tax-offices is quite important for both taxpayers and tax administrators. Whereas, providing luxurious services to taxpayers and making them comfortable lead to strengthening mutual trust and respect with tax-departments. Thus, this may be resulting in attracting more taxpayers and making them pay higher attention to their commitment and responsibility for collaborating with tax-departments without restrictions. However, reforming tax administration is necessary to go

beyond improving the image of tax laws, decoration, advanced tax services, and furniture. Tax-departments have updated tax law No. 54 2018 to guarantee the taxpayers’ rights and increase their willingness to have mutual relations with different tax-operational departments, and by 2019, the results showed new improvements between the interests of both taxpayers and tax administrators.

*Employing high quality technology.* Computers replace the previous filing cabinets in the Income Tax Department [3]. It assumes that higher levels of tax evasion are gradually declined if the governments adopt progressive technologies such as electronic codes (Each taxpayer has an electronic file instead of a manual file), electronic signatures (easy access to identify taxpayers), electronic pages (Each company is registered in the system), electronic checkups (The system provides alerts when taxpayers are not committed to paying taxes), and electronic bills (bills to notify taxpayers). Therefore, the greater the usage of technical techniques, the lower the rates of tax evasion. Nevertheless, what recently noticed is that the Palestinian government is still facing continuous declines in tax revenues budgets, due to poor technologies. Therefore, the study suggests that the government should demonstrate technologies to increase the efficiency and effectiveness of its tax-departments and to detect errors and defects of their tax system.

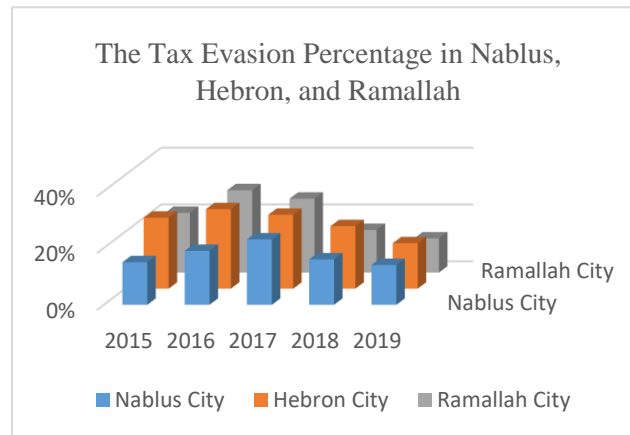
*Tax data collection and selectivity.* This solution is highly effective enabling the government auditors to serve a decisive role in reducing the roots of tax evasion. Therefore, auditors should audit high profile taxpayers’ accounts considered as rich sources to feed the governmental budgets. Likewise, employing creative ideas to collect data needed may heavily rely on stringent imposed policies. However, access to taxpayers’ accounts would be easy if a mutual trust is conveniently built.



**Figure 2. Level of Technology Usage in Three Palestinian Cities**

The blue dash in Figure 2 represents Nablus city, the orange dash represents Hebron city, and the gray dash represents Ramallah city. The results show that technological advancement is mostly used by Ramallah tax departments, followed by Hebron, and Nablus.





**Figure 3. Tax Evasion Percentage in Three Palestinian Cities**

Figure 3 indicates that in the last two years, tax evasion declined gradually due to the constant usage of highly updated technologies in these cities.

### METHODS

This work used qualitative research and theoretical perspectives of theory setters, executives, and tax policymakers in Palestine. These perspectives were analyzed by the impact of progressive technology on the efficiency of Palestinian tax laws, and by understanding its philosophical view in practice. Annual reports and tax documents were utilized to support the theoretical view of the researchers, and enhance the good quality of this qualitative paper. In addition, the study used prior theoretical and empirical studies on Palestinian tax evasion to examine whether tax evasion factors adversely affect the scope, nature, and content of tax laws in terms of the usage of technological advancements.

However, as theoretical studies usually formally adopt towards in-depth search, this study is developed on a justification in understanding the effects of tax evasion on the economical view, obtaining reasonable data, and achieving meaningful findings that serve further studies with the same content. Finally, this methodology was chosen for its availability to provide information on the different aspects of tax, technology, and different manners adopted by both government and taxpayers.

### RESULT

This study seeks to investigate whether tax evasion causes decline in the presence of new technological advancements. Based on this assumption, the researchers find that tax evasion in Palestine is fully controlled by external factors rather than internal factors. Therefore, the Palestinian economic structure is driven by external political enforcements imposed by occupation policies in the country. In addition to that, the economic growth is too slow to contain tax evasion issues as well as poor tax administration performance to handle internal tax issues. Critically, this study aims to employ the concept of technological advancements as a solution to this problem. It motivates both government and taxpayers to collaborate constantly for enhancing a better quality of tax laws.

Nonetheless, tax evasion remains a serious challenge that impedes the way of improving Palestinian economy and public services provisions. Thereby, the

researchers used prior and recent studies on tax evasion to identify the reasons for the inflexibility of tax law. Hence, tax law considered outdated and full of unrepairable defects. Due to the mentioned problems of Palestinian tax law, the study suggests a strong necessity to permanently update tax law and take advantage of new technologies into the tax administrations system.

Furthermore, the study reveals that the absence of the execution of tax penalties, high rate of corruption, poor redistribution of income, a lack of tax awareness, high compliance costs, poor performance towards tax commitments, illiteracy of tax system, poor education on tax, low financial allocations for managing tax process, political instability, slow economic growth, outdated technological techniques, and many other aspects lead to compounding the reasons for tax evasion in the country.

## DISCUSSION AND CONCLUSION

The results from this study and published data support the following conclusions. The government should organize meetings permanently with other parties (entities and individuals) to strengthen their mutual relations. They need to pay serious attention to establishing and allocating funds for research and developmental tax administration to keep the taxpayers well informed of the latest tax laws, regulations, and procedures.

Training programs for tax officials are beneficial to improve their capabilities of tax issues, in addition to allocating funds for updating tax design and structure. Structured plans and properly allocate budgets are invigorating to assist taxpayers in building their investments. Offering a wide variety of tax exemptions could help them accelerate their economic wheel. Furthermore, allocating funds for the investment in progressive technologies would influentially affect the phenomena of tax evasion and reduce them by time.

## REFERENCES

- [1]. Afuah. (2003). *Innovation management: Strategies, implementation and profits*. Oxford: Oxford University Press.
- [2]. Al-Shawabkeh, S. (2003). *Evading income tax in Jordan*. *Journal of Law*, 27(4), 247-304.
- [3]. Al-Zo'bi, H. (2006). The effects of using information technology on improving work performance: Case study of Amman Income Tax Office, *Al-Basaer Journal*, 10(1), 107-139.
- [4]. Borck, R. (2004). Stricter enforcement may increase tax evasion. *European Journal of Political Economy*, 20(3), 725-737.
- [5]. Cowell, F. A. (1990). *Cheating the government. The economics of tax evasion*. Cambridge, MA: MIT Press.
- [6]. Crane, S. S., & Nourzad, E. (1986). Inflation and tax evasion: An empirical analysis. *The Review of Economics and Statistics*, 68(2), 217-223.
- [7]. Dell'Anno, R. (2009). Tax evasion, tax morale and policy maker's effectiveness. *Journal of Socio-Economics*, 38(6), 988-997.
- [8]. Dong-Her, S., Hsiu-Sen, C., Chun-Yuan, C., Lin, B. (2004). Internet security: Malicious e-mails detection and protection. *Industrial Management & Data Systems*, 104(7), 613-23.
- [9]. Feige, E. L. (1979). How big is the irregular economy? *Challenge*, 22 (5), 5–13.
- [10]. Fishburn, G. (1981). Tax evasion and inflation. *Australian Economic Paper* 20(37), 325-332.
- [11]. Friedman, B., Kahn, P. H. Jr., & Howe, D. C. (2000). Trust online. *Communications of the ACM*, 43(2), 34-40.

- [12]. Fuest, C., & Riedel, N. (2009). *Tax evasion, tax avoidance and tax Expenditures in developing countries: A review of the existing Literature*. Oxford University Centre for Business Taxation.
- [13]. Golrezaei, N., Molisch, A. F., Dimakis, A. G., & Caire, A. G. (2013). Femtocaching and device-to-device collaboration: A new architecture for wireless video distribution. *IEEE Communication Magazine*, 51(1), 142-149.
- [14]. Goodwin-Jones, B. (2001). Emerging technologies – Accessibility and web design why does it matter? *Language Learning and Technology*, 5(1), 11-19.
- [15]. Gutmann, P. M. (1977). The subterranean economy. *Financial Analysts Journal*, 33(6), 26–34.
- [16]. Hackett, S., & Parmanto, B. (2009). Homepage not enough when evaluating web site accessibility. *Internet Research*, 19(1), 78 – 87.
- [17]. Hoffman, D. L., Novak, T. P., & Peralta, M. (1999). Building consumer trust online. *Communications of the ACM*, 42(4), 80-85.
- [18]. Jiang, P., Jones, D. B., & Javie, S. (2008). How third-party certification programs relate to consumer trust in online transactions: An exploratory study. *Psychology & Marketing*, 25(9), 839-858.
- [19]. Johnston, R. (1997). The determinants of service quality: Satisfiers and dissatisfies. *International Journal of Service Industry Management*, 6(5), 53-71.
- [20]. Jun, M., & Cai, S. (2001). The key determinants of internet banking service quality: A content analysis. *International Journal of Bank Marketing*, 19(7), 276-91.
- [21]. Jun, M., Peterson, R., Zsidisin, G., & Daily, B. (1999). Service quality perceptions in the banking industry: Major dimensions. *Journal of Business Strategies*, 16(2), 170-88.
- [22]. Lozano, A., Heath, R. W. Jr., Andrews, J. G. (2013). Fundamental limits of cooperation. *IEEE Transaction on Information Theory*, 59(9), 5213-5226.
- [23]. Miyazaki, A. D., & Krishnamurthy, S. (2002). Internet seals of approval: Effects on online privacy policies and consumer perceptions. *The Journal of Consumer Affairs*, 36(1), 28-49.
- [24]. Mughal, M. M., & Akram, M. (2012). Reasons of tax avoidance and tax evasion: Reflections from Pakistan, *Journal of Economic and Behavioral Studies*, 4(4), 217-222.
- [25]. Nasar, Abo., & Al-Masha'alah, M. (1996). *Tax accounting regarding to the Implementation and theory perspective* (1st ed.). Amman, Jordan
- [26]. Sepasgozar, S., Hawken, S., Sargolzaei, S., & Foroozanfa, M. (2019). Implementing citizen centric technology in developing smart cities: A model for predicting the acceptance of urban technologies. *Technological Forecasting and Social Change Volume*, 142, 105-116. doi: 10.1016/j.techfore.2018.09.012.
- [27]. Shu, S., Ghosh, A., & Rodriguez, I. (2013). Investigation of prediction accuracy, sensitivity, and parameter stability of large-scale propagation path loss models for 5G wireless communications. *IEEE Transaction on Vehicular Technology*, 65(5), 2843–2860.
- [28]. Simon, K. W. (1991). Congress and taxes: A separation of powers analysis. *University of Miami Law Review*, 45(5), 1005-1049.
- [29]. Slemrod, J. B., & Yitzhaki, S. (2000). Tax avoidance, evasion, and administration. NBER Working Paper No. w7473. Retrieved from: <https://ssrn.com/abstract=213192>
- [30]. Tanzi, V. (1980). The underground economy in the United States: Estimates and implications. *Banco Nazionale Del Lavoro Quarterly Review*, 33(135), 427–53.
- [31]. Trencher, G., (2018). Towards the Smart City 2.0: Empirical evidence of using smartness as a tool for tackling social challenges. *Technological Forecasting and Social Change*, 142, 117-128. doi: 10.1016/j.techfore.2018.07.033
- [32]. U.S. Internal Revenue Service, Statistics of Income-1969, Individual Income Tax Returns. Washington, D.C.: Government Printing Office, 1971.

- [33]. Wang, Y. S., Wang, Y. M., Lin, H. H., & Tang, T. I. (2003). Determinants of user acceptance of internet banking: An empirical study. *International Journal of Service Industry Management*, 14(5), 501-519.
- [34]. Westbrook, R. A. (1987). Product/consumption-based affective responses and post-purchase processes. *Journal of Marketing Research*, 24(3), 258-270.
- [35]. Zorow, G. R., & McLure, Jr., C. E. (1991). Implementing direct consumption taxes in developing countries. *Tax Law Review*, 46, 407-487.