THE INQUIRY IN TAXATION CULTURE AND ANALYSIS OF THE REASONS FOR INSOLVENCY IN TAXPAYERS

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ABSTRACT

The present research is intended to analyze effect of culture of a certain country on solvency or insolvency of the given taxpayers to pay tax. It is mainly tried in this study to express the theoretical concepts in this regard and the empirical evidences will be proposed to prove the mentioned theories. The period of research conduction is five-year interval in economic environment. The multivariate regression has been utilized to analyze research data at combinatorial (integrated) mode in E-View econometric software. The tax insolvency has been employed as dependent variable in this study. Items of uncertainty avoidance, collectivism vs. individualism, masculinity vs. femininity, and power distance have been considered as independent variable in Hofstede four cultural dimensions. The research findings indicate that tax insolvency is significantly related versus high uncertainty avoidance, low individuality, low masculinity, and high power distance.

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INTRODUCTION

Tax culture is deemed as one of the relatively new methods for collection of taxes if improved it may cause upgrading efficiency in taxation system and finally tax justice therefore to realize this important factor it should be emphasized in rising commitment to ethical issues among taxpayers and improving their taxation culture and this is the same as concept of theory of postmodern moral behavior. The postmodern thinkers argue that the real and pure ethics is not reflected from the enacted rules and regulations, but this type of ethics is procedural and mandatory morality that lack too value. The ethics is of real type when the given person assumes it as his/her duty to express fact and reality as a result expression of fact is not derived from the stipulated regulations in financial reporting that is followed by tax declaration but it is reflected from believe in moral subjects in one’s mind and this the real meaning of morality from postmodern perspective [1]. As financial reporters and mediators among enterprise and capital market, the accountants are responsible for crucial duty against the society. The immoral activities of accountants may also disrupt in efficient performance of taxation system in addition to tarnishing of public trust in accounting and reporting profession [1]. emerging of financial crises throughout the world and the damages exerted by them to economy and industry in countries over the world increased paying attention to ethical dimensions of accounting since those accountants were recognized as main guilty for occurrence of financial crises throughout the world that they have not properly fulfilled their reporting task (with some motives such as tax escape). Improper reporting of financial statements and situations was not caused by absence of practical potential of account ants but it was mentioned due to the gap caused by absence of professional ethics among actors in this profession. Despite of all ethical rules and principles that were formulated formally, the immoral behavior of accountant has challenged the validity of this profession and the related social role. Based on attitude of Buchan [3] in this regard, the individual and contextual effective factors on individual professional ethics should be examined among taxpayers as usual. Therefore, the main subject of this study is to explore individual ethics of great taxpayers based on ethical attitude of Foucault about the relationship among a person to his/ her own [5] is led to fact and reality.
Certainly, taxpayers are one of the influential factors on national taxation system in process of tax collection. Hence, attraction of their cooperation and satisfaction with voluntary solvency is assumed as original strategies for Iran National Taxation Administration. But in Iranian community is negative mentality of people about taxation subject is one of basic problems for tax collection. Taxpayers look at taxation officers as those persons who have been missioned by the government to take their capital. Surely, this negative attitude has historic background. Although, this negative attitude may not be verbally pronounced, the background of memory of this community has continued this negative attitude so that tax is supposed as a type of coercion and oppression. Tax is one of the important sources of revenues for governments in developed nations. Also in Iran as long as government does not achieve such a source it may not take step toward path of social development, public welfare, and improvement of economic parameters. Changing negative attitude of Iranian community and revival of tax collection culture requires creation of bilateral belief among government and people. This paradigm is not adequate only by giving needed information to people to spend costs of collected taxes to give services for public welfare since this awareness is not a complex task. This issue may be communicated in various media. Even one can exactly present the further quantization of social services through spending cost for collection of realized tax.

The current study examines role of national culture in description of taxation behaviors in taxpayers. Culture is a multidimensional concept and this study is also one of primary studies that reviews Hofstede cultural framework as an explanatory factor in taxation behavior of taxpayers. Accordingly, Hofstede four cultural dimensions have been employed for analysis on tax insolvency.

THEORETICAL BASES AND RESEARCH HISTORY

**Taxation culture and escape from tax payment**

Term ‘culture’ was used by British Edward Barnet Taylor (1871) in a book titled primary culture for the first time. About definition of tax culture, he implies, ‘the culture is a complex group that covers information, beliefs, arts, ethics, rules, habits, and any other capabilities human acquires as a member of community’ [6]. The main elements of tax culture include the items mentioned in the following tables according to attitude of Ghanadan:

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<th>Table 1. The main elements of tax culture [6]</th>
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<td>Culture</td>
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<td>Technology</td>
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As it seen, paradigms and beliefs and behaviors are assumed as the main elements in tax culture among communities so it has been also tried to explore specifically on ideas (beliefs) and moral behavior of taxpayers in practice. Thus, only the relevant cases to that subject are discussed about tax cultural factors and it is avoided from expressing other aspects.

**Ideas and beliefs**

They are the discovered (not enacted) informative subjects in relation to variables outside world that is called system of ideas. The public idea is the judgment accepted by total people and idea means what humans believe in the given idea and certainty.

**Attitudes**

Attitudes are general tendencies created in person and activate his/her perceptions and emotions in sensible world. A group of stabilized subjective elements are called attitude in psychology. In fact, these stabilized elements originate from culture of community where personality of that person has formed.

Taxation culture has been specially addressed during several recent decades. One can assume the existing deficiency in national taxation system as the reason for rising attention to tax culture during recent years. These defects may be classified into three groups of cultural problems, taxation rules, and executive problems. The specific tax culture of a country may be deemed as related to all of the relevant formal and informal institutes to tax and the given performance including the created dependencies and relations by constant interactions which are composed of some factors such as taxation officials, taxpayers, policymakers, tax experts and academic personnel visible in the following figure.
Fig: 2. The constituent factors of tax culture [7]

Michael Komedsus (1997) believes that tax culture may be improved by increase in tendency to pay tax, transparency of tax rules, and training of these regulations and among them the morality and review of ethical growth in taxpayers is key factor. Roman Berger concluded in a study that the governments might collect taxes in favorable size only when the citizens were inclined for tax payment. Although, rising tendency to tax payment requires a long-run plan to improve ethical growth in taxpayers and improvement of tax culture [8]. Tax culture in any country is highly influenced by public culture and historic, geographic, and social characteristics and ethical factors of their members. Unlike developing countries, tax payment is more prevalent in developed nations. In other words, there are more motives for tax escape than tax payment in developing countries. Such differences depend on social norms and non-commitment to moral issues in tax payment. If tax escape prevails over a country then it can be concluded that social norm for tax payment has been removed.

Berger [8] mentions three important and influential factors in tax culture that cover both dimensions of tax culture including taxpayers and policymakers and tax legislators:

**Situation of national tax rules and system**

As taxation system becomes more advanced, systematic, and effective, it may be more efficient in improvement of tax culture. Higher tax culture governs over developed nations since in developed countries their taxation system encounters lesser problems than in developing countries. Therefore, there are fewer barriers against progress of tax culture. Some measures should be taken for transparency of rules and making them more simplified and perceivable and spreading tax bases and fighting against corruption to improve tax culture in developing nations [8].

**Role of Iran National Taxation Administration (INTA)**

The efficiency of INTA organization depends on level of political and financial decentralization as well as rate of bureaucratic corruption in any country and tax collection under lack of political concentration is much difficult under situation with lack of financial centralization. Since the regional governments may possess stronger motive in sponsorship and collection of tax in this case and financial non-concentration reduces the motive in regional governments to contribute to economic enterprises in prevention and avoidance from tax payments [9].

**Rate of public cooperation with INTA organization and voluntary tax payment**

It is believed in this attitude that tax-escape is an anti-moral behavior and ethical growth should be analyzed and strengthened in taxpayers to avoid from this factor. The level of tax-escape and avoidance from tax payment varies in different countries. Of course, participation and tendency to tax payment depends on trust between taxpayers and INTA Organization rather than rising moral growth in these individuals as well. As a result, as long as ethical growth has not improved and the people does not trust in INTA organization, no one can expected that they prepare proper tax declaration and on time payment of tax and this case is realized by promotion of tax culture [8].

**CULTURE**

Culture includes a group of values, beliefs, perception, inference, and or thinking methods in which members of community (organization) have some commonalities and it is trained as a proper phenomenon to newcomer members. Culture represents unwritten and tangible part of community (organization). The goal of culture is to give
sense of identity to members of community (organization) and to create commitment to unbelievable ideas and values among them. Traditional values cause improvement and stability in society (organization) more than ever and they lead the newcomers to find and perceive the philosophy of existence for activities and events.

Culture interpretation

Interpretation and recognition of culture content requires the people to perceive something with respect to visible characteristics (coming to results). These features may be explored but it is not too easy task to perceive them accurately. A festival that is held in an organization to give awards to members includes different concept compared to a feast ceremony that is held in another enterprise.

In order to perceive accurately of what it occurs in an organization, these activities should be able to be analyzed deeply and with great care and in some cases it should be experienced similar to one member of that organization so that the organizational culture may be perceived. Some of important and visible aspects of organizational culture are as follows: ceremonies, feasts, and specific signs and language that are used in an organization.

In the following, subject of culture is analyzed with respect to various types of it:

Adaptability culture

One of the features of adaptable culture is that the outside environment is addressed from adaptability aspect and strategically and it is tried to meet requirements for customers. In this culture, those norms and beliefs are verified or strengthened thereby one can identify and interpret the existing signs and accordingly to react appropriately or take suitable behavior. This enterprise should react quickly versus new and main plans and it should be able to renovate their structure and take new behaviors to do new task. The marketing organizations, electronic companies, and manufacturing companies for cosmetics possess such a culture since they intend to attract their customers’ satisfaction more quickly.

Mission culture

The organization over which such a culture governs may try to provide requirements for outside environment but it does not deem it as necessary to be subject to changes quickly. The common attitudes (in terms of organizational goal) are highly noticed in mission culture. This attitude determines type of activity of organizational members and these activities cover a concept that exceeds from their stipulated tasks of this mission. The members are placed entirely (and sometimes excessively) through the stream of activities and path from which a company should pass and type of role and goal of organization. Organizational leaders have common attitude and draw the image for future and present it to all of people and this image may act in such a way that is considered specifically for either of organizational members.

Participatory culture

The subject of participation and involvement of organizational members (in activities) and addressing of quick changes occur in outside environment are taken into consideration in participatory culture. If culture becomes excessively participatory, the given organization is controlled ethnically that is discussed in Chapter Nine. The customers’ requirements are noticed in this culture more than anything else and organization adjusts their performance based on it. Participation causes a type of sense of responsibility and ownership to be created in members and as a result they will be more committed to the organization. Those companies which are active in clothing retailer industries may use this culture because such a culture the personnel and members of organization to innovate and to be able to react quickly versus changes occurred in taste of customers.

Continuity-based culture

The organization in which this culture governs it emphasizes in activities inside the organization and it tries to suppose their own in a fixed environment and to take continuous procedure in terms of type of behavior. Such an organization includes a culture in which method or technique of doing tasks are noticed and emphasized. Signs, emblems, heroes, and feasts cause more cooperation, verification of tradition, and execution of policies and techniques that are implemented for providing goals. In such an organization, members do not actively participate but continuity of procedure in behavior, adaptation of persons to the prevalent traditions; cooperation and synergy are deemed crucially important. The organizational achievement is subject to integration, solidarity and possessing high efficiency.
THEORY AND INVESTIGATION OF HOFSTEDE REGARDING CULTURE

‘Culture as a subjective planning’
Any person considers a series of intellectual, emotional, and practical patterns that have been learned during lifetime. Most of these issues have been learned at childhood since the persons can perceive further during that period. As these intellectual, emotional, and practical patterns were internalized in human’s brain, that person should forget them and learn other new subject and forgetting may be sometimes much difficult than relearning so culture is deemed as ordinary title for such way of thinking.

A certain culture may not assume another culture as inferior than what it is. Any culture only judges about their own since members of that culture are more actors than observers. The cultural correlation may not accept such customs and tradition neither for their own society nor for other communities; therefore, does it necessitate for us when we are exposed to non-local groups or communities to dispense with such judgments. Any person should thinking well about norms of an individual, group, and society before employing them in another community. The related information about nature of cultural difference between communities, routes, and their consequences should be judged and practiced.

Symbols, heroes, religious beliefs and values
Cultural differences are shown in various forms. Of several terms that were used to explain cultural effects, these four items play greater role including symbols, heroes, religious beliefs, and values. Symbols, words, implications, images, and objects comprise of concepts which are perceivable for the persons with the common culture. Words in a language or jargon of a group such as clothes, flag, hairdo, Coca cola etc. make sense for their own group. When new symbols emerge the classic symbols are removed and symbols are copied from a cultural group by others.

Layers of culture
Almost all individuals are simultaneously dependent on various groups and regardless of existing intellectual layers the people pay attention different culture. For instance, National level is based on country of birthplace (or countries where people have emigrated in their lifetime); Local, religious, and lingual level on which they depend so that most of countries are composed of different cultures, religions, ethnicities, and groups; Gender level based on which someone was born as female and or male; Generation level depends on educational, occupational, and professional. The organization level exists in persons who are employed proportional to way of their socialization in their organizational business.

Dimensions designated by Hofstede to study on culture

Power distance
Three concepts created the distinct composition of power distance are as follows: questions about (fear of persons; (2) authoritative (behavior of boss indicates perception and imagination of respondents about their daily workplace; (3) it is that in which the respondent emphasize as their preferences or they like their workplace to be similar to that form.

In fact, these three questions are a part of a similar cluster that indicates there is close relations between real imaginations of an individual and his/ her real desires and tendencies at any country. In those countries where personnel do not fear much and the bosses do not take authoritative or patriarchal style, the personnel show their tendency to consultant style in making decisions and the boss is one who consults with his/ her subordinates before making a decision.

In contrast, in those countries where personnel are frightened from their bosses and also the bosses take authoritative or patriarchal style, the employed personnel in similar jobs may show lesser tendency to consult with their boss. Instead, a great number of them may show their tendency to have a boss with authoritative or patriarchal style but some experts change their direction to other side. For example, a boss may prefer to manage by majority of vote namely s/he may not make decision personally in general. In practice, achieving the majority of vote is a difficult tax in most of organizations and few numbers of personnel may observe their boss acts by this style (those bosses who claim for such practice they are accused to manipulation and fraud).

Briefly, the distinct advantages of power distance make us aware of dependency relations in a country. In countries with lower power distance, the subordinates are less dependent on the bosses and they tend to consultation. In other
words, the dependency among boss and employee is of internal type of dependency. The emotional distance is relatively low among them. The subordinates take completely clear and mutual with their bosses. In countries with power distance at high level, the subordinates are noticeably dependent on their boss. The subordinates respond to this dependency with inclination (as authoritative or patriarchal boss) and or totally reject it that is psychologically characterized as mutual dependency (interdependency). Namely, it is dependency with a negative symptom. Therefore, countries with high power distance indicate a bipolar model among dependency and interdependency. In such cases, the sympathy is deep among subordinates and their boss. The subordinates do not tend to proximity and they directly oppose to their bosses.

Thus, power distance may be defined as follows: The level of less powerful members of institutions and organizations of a country expects for and accepts that power has been unequally distributed. Institutions are assumed as the basic elements in a community such as family, school, and society. The organizations are some places where personnel work.

Inequality is revealed in social classes of any community i.e. well-to-do, middle class, and lower class. In any case, this classification may vary in different countries. These classes differ from each other in terms of chance to their access for use of social benefits out of which one is education. The higher education may automatically promote someone to middle class at least. The education, in turn, is considered as one of determinant criteria for type of occupation someone wishes for it so that practically education level and job are interrelated together in most of communities with various social classes. Such disparities in revenue may be further expanded by taxation system [11] and may potentially lead to creating higher tax insolvency. While the persons in environments with lesser power distance do not accept such inequalities and they believe that power and wealth may not necessarily put together. Moreover, the communities with lesser power distance do not tolerate political scandals that mainly show the end of political job. Unlike countries with higher power distance, distinction in income is at lower level in countries with lesser power distance that is reduced mainly by systems with rising taxation rate. Hofstede supports this idea that rising power distance in a country is relevant to higher corruption level. Accordingly, this assumption may emerge that the activities which are supposed as corruption such as tax insolvency or escape more frequently found in environments with higher power distance and vice versa such corruptions are fewer in environment with lower power distance.

**Individualism/ collectivism**

A great number of people in our world are living in communities in which collective interest are preferred to individual benefits. We call these communities as collectivist. This word may comprise of implicit political meaning for many readers but here the given political concept does not apply and it is not referred to power of government versus individual but it concerns with collective power.

The family is the first group in our life where we are born. In any case, structure of families is different from each other in different communities. In many collectivist communities, the family in which a child grows up includes members who live together. Not only parents and other children but also for example grandfathers, grandmothers, paternal and maternal uncles, paternal and maternal aunts, servants, and other members in the same house. This type of family is well-known as wide family in cultural anthropology (humanism). Few majorities of people of our world are living in societies in which individual benefits are preferred to benefits of group and we called these communities as individualist. Individualism denotes communities where the relationships are poor and weak among members so that it is expected from an individual to exclusively think for his/ her own family. In contrast, collectivism signifies communities in which after birth the persons are dependent on strong and integrated groups and are supported by them versus maintaining their loyalty to those groups throughout their lifetime. Individualism levels are totally different between various countries as it is different among individuals. Thus, it is important for us to compare countries according to their sampled scores.

Hofstede (1999) suggests the relation among collectivism and corruption (blackmail and extortion). Specifically, he indicates that the concerns of individualism for group- ring of a member of family, friends, and/or cohorts- may lead to breach of written laws; particularly, when they act against an ethical principle. In addition, implies that collectivist communities assume legal norms as a global concept and by distinct presentation where the regulations and laws should be different among groups while in individualist communities it is believed that the rules and regulations should be equal for all of people. The countries with higher individualism level tend to stronger economy and countries with more powerful economy usually include fast and firm (diligent) regulatory systems.
Taxation revenues of production are higher in these countries and therefore people lesser tend to fraud in tax (due to better regulatory systems) and this means tax payment. Thus, people in higher individualist culture should lesser undergo tax escape than people with lower individualist culture.

**Masculinity versus femininity**

Masculinity refers to the limits in which gender roles are different and to the extent traditional masculine values emphasize in performance and visible achievement in comparison to traditional feminine values in communications, care, and training. High score in masculinity dimensions is characterized in competition and achievement of financial success. In contrast, the given lower score refers to femininity and achieved by supervision and achieving higher quality of life. With respect to attitude of Hofstede (1991), the culture with high masculinity level in a community with performance is focused on pursuance to financial success in an unjust world. On the other hand, the culture with lower masculinity level is focused on training of value in care for others and in general world is observed as only place used for providing the minimum quality of life for all by tax to give financial aid to lower classes. Hofstede (1999) found that higher masculinity in a culture is accompanied to higher corruption level (blackmail and extortion) in that country. The countries with higher masculinity level, the financial success and tendency to acceptance of escape from tax payment is more frequent than in country or environment with lower masculinity in which it is more emphasized in quality of life, people, and environment. Alternately, the individual may easily move at opposite direction. For example, literature of financial reporting shows that the results of masculinity and disclosure are constantly mixed. In some studies, it was found according to majority of vote (five out of nine) that there was a positive relationship among masculinity and disclosure and they showed that the countries with higher masculinity level more likely dealt with disclosure of information to persons out of an enterprise. This is visible according to higher tendency of masculinity culture to performance, financial successes, and achievement. The boasting culture may be aware of responsibility for taxation compliance since higher vision (along with more financial success) may be led to more accurate investigation (e.g. rising probability in tax auditing) by taxation officials. This point is confirmed by Hofstede (2001: 319) that it refers to negative significant correlation among masculinity and parameter of national omission (negligence) and shows that countries with higher masculinity level are less authorized especially against lawbreakers. The countries with higher masculinity level are mainly focused on punishment while the countries with lower masculinity more tend to mild reaction and recovery.

**Uncertainty avoidance**

Hofstede (1991: 113) implies uncertainty avoidance as the level at which sense of uncertainty and or unknown situations is threatened for members of a culture. The culture with higher uncertainty avoidance tends to prevention from uncertain and ambiguous conditions that may lead to higher anxiety levels. Nevertheless, uncertainty avoidance is not the same as prevention from risk. While this culture is employed for coping with risky behavior to reduce ambiguity such as starting a struggle as a preventive effort or increase speed in highways to save time- if risky measure reduces anxiety with respect to a specific condition, the high uncertainty avoidance culture is often interacted with risky behaviors to reduce ambiguities. In contrast, the low uncertainty avoidance culture is better capable to responsibility for addressing uncertain and ambiguous conditions and as a result lower anxiety level. Hofstede (2001) shows that public trust in their national public institutes is negatively correlated to uncertainty avoidance so that the countries with lower uncertainty avoidance level may trust more in their national public institutes while the persons in countries with higher uncertainty avoidance level tend to sense of alienation toward public systems that have influenced their life. Furthermore, the people in countries with high uncertainty avoidance level often feel that legal system is against them so they do not oppose to break unfair law. Regarding this attitude, the findings from other researches show that the countries with higher uncertainty avoidance level include lower economic freedom or higher tax. Thus, persons in a community with higher uncertainty avoidance may assume escape from tax payment as a tool to reduce ambiguity and uncertainty. For example, mistrust in their own institutes may encourage for non-observance of tax that acts as a tool for minimization of probable abuse of treasure finds by government and the related statesmen. While tax insolvency may lead to increase in anxiety due to fear from involvement, this rising anxiety is reduced by this idea that many countries do the same and compensate for potential belief in abuse of financial sources by the government. In contrast, the individuals in a community with low uncertainty avoidance level where the institutions are more reliable, it is less likely that they notice to observe non-compliance of tax as a durable choice.
RESEARCH LITERATURE AND HISTORY

The tax culture denotes taxpayers’ commitment to their tax-related task that is an objective to which all of world taxation systems long for realization. Fulfillment of this ideal is subject to spreading tax culture and culture for voluntary tax payment. The motive for tax escape among persons stems from social, political, economic, and even religious conditions in the country. Therefore, given many people know it more or less that the tax is supposed as one of the important source in governmental revenue portion to execute national projects and plans, they possibly avoid from tax payment due to various reasons. The presence of many religious beliefs from the past time and before Islamic Revolution has also led to increase motive for tax escapes. It was believed before Islamic Revolution that whereas oppression and tyranny governed over the country, tax payment might be assumed as contribution to strengthen it. Hence, the motive for tax escape formed completely as religious target and it was turned into a part of public culture and habits. Such an approach also inadvertently impacts on social strata.

In fact, the rate of cooperation between individuals and taxation system and their tendency to tax payment depends on degree of social growth and public belief in mission of taxation system. Therefore, taxation system should think about the measures to increase public belief in taxation system and provide their trust. If tax payment is assumed as a national and Islamic value and it is internalized as belief and accepted by taxpayers, it makes it possible for public participation in appraisal and collection of tax.

In a survey titled ‘The ethical cases to which taxpayers are exposed’, Marshal et al (2009) studied and examined standard of occupational behavior of taxation officers and taxpayers. Their investigation comprised of some results as follows:

Conservation of public interests, merit, professional competency, integrity, and reliability are deemed as foremost ethical cases in the studied group. Incapacity and omission are assumed as major and permanent moral problems. The inadequate regulations (defective and not interpretable) cause tax escape. In another research that was conducted by Putnam (2000), someone preferred to notice personal interests as priority in individualistic cultures. Usually in such cultures, the workers try separately from their employers and to improve their own personal benefits. Likewise, the employers made their decisions based on the preplanned assumptions and employer paid least attention to moral and emotional obligations versus their agents and in contrast workers showed the least ethical commitments to their employers and they tried not to propose their work favorably if found opportunity for work.

Jenson and Drake (2004) explored culture dimensions based on attitude of Hofstede. They expressed that individualism and collectivism are shown in the society when their related cultures in community emphasize in individual or collective interests. In other words, acceptance of individualism or collectivism depends on national culture in any community and society.

They found that the individualist cultures of contract were based on more favorable behavior of that contract according to their result and outcome. Madison and Smith (2006) and Blanthorne et al [12] explored the effect of training and preparation of platform for moral growth during study period of accounting students. Their findings showed that the presence of these trainings during education might lead to reduction in rate of tax escape and tendency to execution of moral behaviors in students based on a constant and continuous approach (not temporarily). Hu and Wang (2008) analyzed the rate of compliance of morality to acceptance of tax among taxpayers in Hong Kong. The results of their study indicated that the compliance among morality and acceptance of tax was improved when taxpayers had stronger beliefs regarding phenomenon of tax escape as an anti-value (immoral act). Similarly, their findings showed that making effort for ethical growth might positively and significantly impact in acceptance of tax among taxpayers.

Blanthorne et al [12] explored the preparatory and efficient factors in immoral behaviors among employees in accounting profession at Turkey from philosophical perspective. The result of their study showed that 44 factors might play role in arising of immoral behaviors where these immoral behaviors more influenced the honesty and commitment to ethical behavior procedure in accounting than other subjects and undermined them. The results also showed that the immoral requests imposed by employers (e.g. tax escape) noticeably impacted on occurrence of such immoralities and their inadequate awareness of destructive effects from immoral behaviors on presence and life of accounting profession is one of other factors that essentially influenced on doing immoral behaviors among accountants.
Piccard and Prince [15] studied on behavioral dynamics and tendencies for escape from tax payment. The results of their research indicated that neoclassic ethical approach might not orient well the behaviors and cause growth in behavioral model and prevention from tax escape, but optimal interactions among taxation legislators and taxpayers and preparation of ground for further trust might play important role in acceptance of tax payment or reducing occurrence of unethical behaviors regarding tax escape.

Holms and Marriott [13] explored behavior of students in respective of tax tendencies according to their completed questionnaire and their real behavior in empirical environment. The results of their study showed that there was significant relationship among ethical behaviors regarding tax tendencies in students according to the completed questionnaire and their real behavior in the simulated environment. Similarly, it was characterized that the females versus males, the older people versus younger ones, and students at higher semesters than their younger classmates (students at lower semester) showed more ethical reactions personally.

In his investigation, Parsons (2009) stated that the female taxpayers compared to male taxpayers lesser tended to do unethical behaviors and tax escape where this issue was due to difference between females and males in terms of attributes and perceived decision-making methods. Likewise, Shower and Sweeney (2009) expressed that as age is older; tendency to unethical behaviors is reduced in individuals.

Given that rising tax solvency is considered as one of techniques to increase tax revenues and realization of governmental objectives and payment of real tax is subject to familiarity of taxpayers with their tasks and obligations the important point about this issue is to prepare appropriate platform to increase trust in performance of INTA organization and ethical growth in taxpayers to perceive this issue better that tax escape is an immoral, destructive, and anti-value phenomenon and finally the above factors are led to optimization of tax culture in society.

**RESEARCH HYPOTHESES**

**Major hypothesis**
There is significant relationship among tax solvency and culture in any country.

**Minor hypotheses**:
1. There is relationship among tax solvency and power distance.
2. There is relationship among tax solvency and collectivism versus individualism.
3. There is relationship among tax solvency and masculinity versus femininity.
4. There is relationship among tax solvency and uncertainty avoidance.

**Research variables**
To test hypotheses, variables of this study are divided into two groups of independent and dependent variables.

**Independent variable**
The independent variable used in this study was as follows:
Culture is the independent variable in this research. According to Hofstede four cultural dimensions items of uncertainty avoidance, collectivism versus individualism, masculinity versus femininity, and power distance in this study are considered as independent variable.

**Dependent variables**
The dependent variables utilized in this study are related to tax insolvency. Whereas it is impossible to determine this variable thus the alternative criterion has been used instead of tax insolvency in these studies. The individual perceptions were employed for determination of tax insolvency in previous studies that have examined and discussed this subject. In this section, we have used the relevant economic estimations to unreported real revenues in the country as a criterion to determine tax insolvency. The shade economy of a country divided by GDP is expressed as national tax insolvency. Schneider (2004) defines the shaded economy as estimation of legal products based on goods and service markets which are deliberately omitted from public access.
DISCUSSION
The researchers explored effect of Hofstede (1980) cultural dimensions on tax insolvency among various countries in this study. As general, the results came from this study by means of testing research hypotheses may be assumed as supporter for national culture proposed by Hofstede in description of tax insolvency among different nations. The model given for determination of relationship among research dependent variables and independent variable indicated that Hofstede three cultural dimensions were related to insolvency at international level. In particular, the results showed that higher uncertainty avoidance and power distance levels were related to higher level of tax insolvency and on the other hand higher individuality level was related to lower level of tax insolvency. The result came from this investigation is consistent with the studies that have examined the relationship among Hofstede framework and global financial reporting particularly for uncertainty avoidance and individualism. At the same time on the other hand, it was concluded that dominance of masculinity in a community might lead to lower tax insolvency.

Suggestions
The current study has acted as a tool to describe tax solvency in different environments with Hofstede cultural framework. The results show that the culture is deemed as an important factor in describing levels of tax insolvency in different countries. Based on these findings, we can describe a culture with low tax insolvency as a culture with higher levels of uncertainty avoidance, lower individualism, lower masculinity, and higher power distance. These findings may be a start point for conducting studies regarding investigations about tax solvency.

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REFERENCES


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