

Factors for Tax Compliance of Businesses, a Case Study on Small and Medium Enterprises in Quang Ninh Province, Vietnam

Nguyen Thi Mai HUONG^{1*} and Pham Mai PHUONG²

¹ Vietnam National University of Forestry, Chuong My District, Hanoi, Vietnam

² Vietnam – Russia Tropical Centre, Cau Giay District, Hanoi, Vietnam

*Corresponding author: huongntm@vnuf.edu.vn

Abstract

Tax is the main income source of the state budget, which is associated with economic growth, and social stability. On the national scale, tax is considered to have several responsibilities: providing state income, promoting economic growth regulating the people's income, regulate the macroeconomy, promote investment, and control inflation. This paper aims at enhancing national tax management by looking at factors that might increase the tax compliance of enterprises.

This research based on behavior theory and overview results from previous studies to build a scale for factors affecting tax compliance of small and medium enterprises in Quang Ninh province. To evaluate the coefficient of variables in the model, the study used the Ordinary Least Squares (OLS) regression for the data collected from 127 small and medium enterprises (SMEs) in Quang Ninh. The results indicated that the four main factors include (1) The fairness of the tax authorities towards businesses; (2) Characteristics and Field of enterprises; (3) Social standard; (4) Tax inspection affecting the tax compliance behavior of small and medium enterprises in Quang Ninh out of a total of 9 factors initially proposed: (1) Characteristics of the enterprise; (2) The field of operation of the enterprise, (3) Truthfulness of enterprise towards agency; (4) Enterprise's perception of tax law and policy; (5) Tax authority's power; (6) Tax inspection; (7) Penalty levels; (8) Social standard; (9) Fairness. Research results are the scientific basis for tax authorities, tax revenue management, tax compliance management of the subjects paying taxes, including small and medium enterprises.

Research purpose:

The study tries to determine the factors affecting the tax compliance behavior of small and medium-sized enterprises in Quang Ninh province. Based on our results, authorities could have appropriate measures to correctly and fully collect tax, and enhance fairness for businesses by enhancing tax compliance behavior of businesses

Research motivation:

Tax management is a regular activity of tax authorities in general and tax departments in particular, towards taxpayers in order to ensure adequate, timely and lawful budget collection. In recent years, tax management activities play an important role in increasing state budget in Quang Ninh. However, there are limitation in tax collection that needed to be overcome. The paper builds a theoretical model and identifies factors affecting tax compliance behavior of small and medium-sized enterprises in Quang Ninh to help policymakers take appropriate measures to reduce tax violations, to enhance tax management.

Research design, approach and method:

The study uses a theoretical approach based on a theoretical foundation and an overview of previous studies to build a research framework on factors affecting tax compliance behavior of small and medium-sized enterprises in Quang Ninh. In addition, the study uses a participatory approach through the field survey of small and medium-sized enterprises in Quang Ninh to build a data set for analyzing factors affecting compliance behavior of these enterprises. We used ordinary least squares (OLS) method with 2 analytical steps: factor analysis and regression analysis.

Main findings:

The main four factors that affect the tax compliance behavior of small and medium enterprises in Quang Ninh include: (1) The fairness of the tax authorities towards businesses; (2) Characteristics and Field of enterprises; (3) Social standard; (4) Tax inspection out of a total of 9 factors initially proposed.

Practical/managerial implications:

The research results will be the basis to help tax authorities improve their policies and reform tax administrative procedures which create maximum favorable conditions for enterprises in implementing tax compliance, meeting national budget requirements.

Keywords: Small and medium enterprises, tax compliance behavior, tax, factors affecting

1. INTRODUCTION

Taxes are considered the main income of the national budget, an important tool to regulate the macroeconomy, promote investment, and control inflation. Taxes are the most important revenue and it is increasing as the economic development. Therefore, tax is the top concern of both developed or developing countries. Thousands of enterprises register their monthly business in Quang Ninh, including small and medium enterprises.

This study's main objective is to evaluate the elements that influence the tax compliance of small and medium-sized enterprises (SMEs) in Quang Ninh to support tax authorities with suitable procedures to collect tax from those wholly and accurately. Our results are also a practical basis to improve tax policies and laws, reforming tax administrative procedures, which create maximum favorable conditions for enterprises to comply with tax laws and meet state budget revenue and economic management requirements.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Overview

Allingham and Sandmo's Theory of Conformity and Aizen's Theory of Intended Behavior: Allingham and Sandmo's theory was formulated in 1972, based on the assumption that taxpayers are responsible for taxation because of penalties. Their model shows that the income level that the people declare to the tax authority is affected by income, the possibility of detection, penalties, and tax rates. However, taxpayer compliance cannot be fully explained by economic factors and the severity of the law. Therefore, this theory seems to be too simplistic and omitted many essential non-economic factors.

The theory of planned behavior of Ajzen was proposed in 1985 based on theory of reasoned behavior of Fishbein and Ajzen (1975) to deal with the above-mentioned problem. This theory hypothesizes that people are more likely to do a behavior if they think the behavior to have a positive outcome and if they think that other people are also willing to perform the same behavior. In fact, the behavior that might not be implemented to the subject, although many people have the behavior. To increase the predictability of reasoned behavior theory, Ajzen added a factor of perceived behavioral control. The main hypothesis of the theory of intended behavior is that the mediating factor of behavior is called the intention to perform or not to perform a behavior. This intention composed three factors: attitude, subjective norm, and subjective control over a particular behavior. Behavioral theory intends to provide explanations for the combination of these three factors in predicting human behavior (M. Fishbein and I. Ajzen, 1975).

The theory of intended behavior is considered as a

suitable theory to explain the factors affecting the tax compliance behavior of taxpayers. This theory supports researchers to explain the relationships of behavior leading to tax compliance, helps tax authorities to manage tax compliance of enterprises by predicting the behavior of businesses based on the enterprises' situation.

Many later studies have used the theory of intended behavior to explain such as:

(Azrina Mohd Yusoff, Lai Minh Ling et al., 2014) studied the tax compliance behavior of SMEs in Malaysia, which shows: (1) Characteristics of enterprises and (2) Business activities are the factors affecting the tax compliance behavior of this type of business. Research also shows that long-term non-inspection (5 years) increases the risk of tax non-compliance. They recommended disclosure of tax fraud, disclosure of tax evasion, and penalties to improve the tax compliance of small and medium enterprises. However, this study did not address the relationship between fines and tax compliance.

(Maarten Sigléa, Sjoerd Goslinga et al., 2018) researched 271 businesses and organizations in the Netherlands. The results show that truthfulness in tax authorities affects the level of tax compliance of these organizations. However, the power of tax authorities and the level of fines do not have a positive relationship with the tax compliance behavior of organizations and businesses.

(Sonnur Aktas Guzel, 2018) surveyed 392 independent professional accountants in Turkey and used a regression model to study the factors affecting tax compliance of these organizations. The research results show that: (1) the organization's truthfulness in the government, tax authorities, (2) full awareness of taxes; (3) tax fairness has a positive and statistically significant relationship with tax compliance.

(Larissa Batrancea, Anca Nichita et al., 2019) used data from 44 countries from 5 continents with the number of samples was 14.509. The study confirmed: (1) truthfulness in government, the agencies; (2) the power of the authorities is a determining factor affecting tax compliance along with traditional enforcement tools such as (3) checks, audits, and (4) fines.

The authors (Sellywati Mohd Faizal, Mohd Rizal Palil et al., 2017) investigated respondents' opinions and perceptions about the impact of procedural fairness and distributive justice, truthfulness for tax compliance in Malaysia. Research results show that their compliance behavior increased when they were treated fairly and had truthfulness in the tax authority. The findings support the idea that tax authorities can increase compliance by enhancing their actions with taxpayers.

According to the research of two authors (Peggy Jimenez and Govind S. Iyer, 2016) when surveying 217 taxpayers in the United States. The results show that social norms indirectly affect the taxpayer. According to

the research of [Peggy and Govind \(2016\)](#), the survey of 217 taxpayers in the United States showed the social norms indirectly affect the taxpayer. In addition, the study also concluded that truthfulness in the government has a significant influence on tax compliance. The contribution of this study can help tax authorities develop less costly and more effective strategies to enhance taxpayer compliance.

Using country-level data from 2003 to 2014 combined with a survey of more than 100 taxpayers across countries, research by (Juan P. Mendoza, Jacco L. Wielhouwer et al., 2017) has shown that the perceptions of managers affect the tax compliance and tax evasion of enterprises. In addition, the audit is also considered as another factor.

The study of (Matthias Kasper Jerome Olsen, Janina Enachescu et al., 2018) surveyed 411 business enterprises in Turkey. The results show that the power of the tax authority influences the compliance behavior of the taxpayer. However, research also shows that the power can also cause have negative impacts on tax compliance which increases tax evasion.

Table 1: The overview of research on tax compliance

No	Factors	Source
1	Enterprises' characteristics	(Azrina Mohd Yusoft, Lai Minh Ling et al., 2014)
2	Field	(Azrina Mohd Yusoft, Lai Minh Ling et al., 2014)
3	Truthfulness	(Maarten Sigléa, Sjoerd Goslinga et al., 2018) (Sonnur Aktas Guzel, 2018), (Larissa Batrancea, Anca Nichita et al., 2019), (Sellywati Mohd Faizal, Mohd Rizal Palil et al., 2017), (Peggy Jimenez and Govind S. Iyer, 2016) (Matthias Kasper Jerome Olsen, Janina Enachescu et al., 2018)
4	Perception of tax law and policies	(Sonnur Aktas Guzel, 2018), (Juan P. Mendoza, Jacco L. Wielhouwer et al., 2017)
5	Power of tax authority	(Larissa Batrancea, Anca Nichita et al., 2019), (Matthias Kasper Jerome Olsen, Janina Enachescu et al., 2018), (Maarten Sigléa, Sjoerd Goslinga et al., 2018)
6	Inspection	(Larissa Batrancea, Anca Nichita et al., 2019) (Juan P. Mendoza, Jacco L. Wielhouwer et al., 2017)
7	Penalty levels	(Larissa Batrancea, Anca Nichita et al., 2019), (Maarten Sigléa, Sjoerd Goslinga et al., 2018)
8	Social standard	(Peggy Jimenez and Govind S. Iyer, 2016)
9	Fairness	(Sellywati Mohd Faizal, Mohd

		Rizal Palil et al., 2017), (Sonnur Aktas Guzel, 2018)
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Source: Author's compilation

2.2 Tax compliance definition

The economist (Gaston Jeze, 1934) introduced a classical concept of tax in the book named "Public Finance": "A tax is a mandatory money, not directly reimbursed by enterprises contribute to the state through the way of power to offset the expenditures of the state."

From the perspective of businesses, (Chrisopher Pass and Bryan Lowes, 1999) state: "A tax is a financial measure of the government based on the income and capital of businesses (direct tax) which are the expenditure on goods and services (indirect taxes) and property".

According to (S. James, 1999) "Tax compliance is the correct and complete implementation of the provisions of tax law".

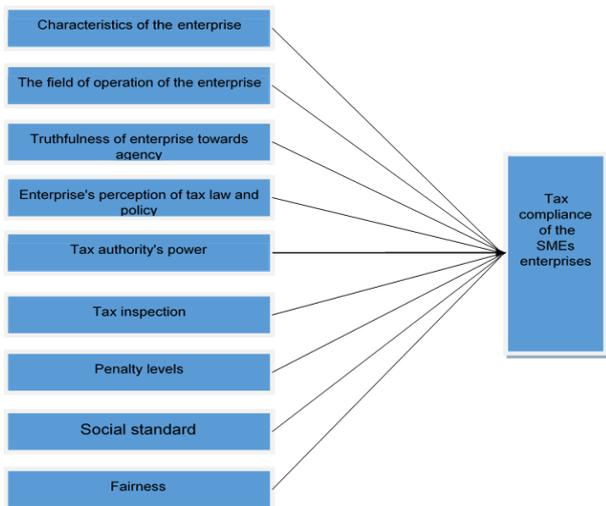
According to the Australian tax authority (Australia Taxation Office, 1998), "tax compliance is the fulfillment of tax obligations by an enterprise by tax laws and court regulations".

(Nguyen Thi Le Thuy, 2018) stated that: "The tax compliance of an enterprise is the act of fulfilling tax obligations according to the purposes of the lawfully, voluntarily and on time."

Thus, tax compliance of SMEs enterprises is is defined that: it is a human act when they entirely, promptly, and adequately implemented according to the provisions of tax law, especially that their compliance with the criteria on time, accuracy, honesty, and completeness in tax registration, tax declaration, tax calculation, tax payment and other tax obligations of SMEs.

2.3 Fonts and style: paper body

Based on the studies of Allingham and Sandmo (1972), Aizen (1985), and others, we built a model analysis to evaluate the factors affecting the SMEs' behavior for tax compliance. It includes characteristics of the enterprise and their field of operation, truthfulness towards the agency, perception of tax law and policy, tax authority's power, tax inspection, penalty level, social standards, fairness (Figure 1).



Source: Author's simulation

Fig 1. The study process analysis

Research hypothesis:

(1) Characteristics of the enterprise

The features of the business, such as scale, financial status, age, role, position, reputation, etc., are also essential to determine the business's tax compliance. A precise operating system, a sturdy accounting system, and a good understanding of tax law and compliance are generally found in large enterprises with a steady financial status and reputation. They may, however, make use of loopholes in the tax code to avoid paying taxes. The group of medium-scale enterprises is popular. They are generally small enterprises with various operations, primarily outsourced accounting, a weak awareness of tax law, and a low level of tax compliance. As a result, the features of the enterprise have an impact on their tax compliance behavior.

Hypothesis 1: Enterprises' characteristics have a positive effect on tax compliance behavior of small and medium enterprises

(2) The field of operation of the enterprise

The business sector of the enterprises partly affects tax compliance. The sector and revenue will directly impact income, which the enterprise must pay tax.. The revenue could be hard or easy to be controlled based on the business sectors.

Hypothesis 2: The business sector has a positive influence on the tax compliance behavior of small and medium enterprises.

(3) Truthfulness of enterprise towards agency

The tax authorities should provide reliability in persuading businesses to follow policies and procedures. This mutual trust, a service environment, a partnership with tax attitudes and ethics, personal rules, social and equitable norms will improve tax compliance behavior of enterprises.

Hypothesis 3: The factor that enterprise have trust in tax authorities has a positive effect on tax compliance behavior of small and medium enterprises.

(4) Enterprise's perception of tax law and policy

The factor that has significantly affected the tax compliance of enterprises. Chritina (2003) has stated a link between tax knowledge and tax compliance. Tax ignorance leads to unintentional or unintended tax non-compliance by the business.

Hypothesis 4: Enterprises have awareness on tax that leads to a positive effect on tax compliance behavior

(5) Tax authority's power

Tax management by power is to regulate the behavior of taxpayers. Tax compliance of taxpayers is enhanced mainly by inspection and sanction, command and control to create incentives.

Hypothesis 5: The power of the tax authority has a positive effect on the tax compliance behavior of small and medium enterprises.

(6) Tax inspection

Inspection and examination are the final processes in tax management. The tax authorities conduct these activities that help monitor compliance on the tax law of the SMEs enterprise, such as correct, full tax declaration of business. These also help apply the sanctions based on on the the level of the enterprise's violations of tax law.

Hypothesis 6: Tax inspection and examination have a positive effect on the tax compliance behavior of small and medium enterprises.

(7) Penalty levels

The penalty level in this study is outstanding. The higher the acceptable level, the more dangerous tax evasion becomes for taxpayers. Thus, the enterprise will limit tax evasion and increase the enterprise's ability to comply with tax. However, many studies suggest that too high a fine can cause undesirable effects, even reducing tax compliance behavior. Also, if the fine is too high, the tax system will be considered unfair and businesses will find ways to avoid taxes. Therefore, the fine must be high enough fortaxpayer.

Hypothesis 7: Fines have a positive effect on tax compliance behavior of small and medium enterprises

(8) Social standard

Social norms on tax compliance behavior: Social standards are a system of rules, and requirements of society for each individual or social group, which determine exactness, extent, scope and limits of what people's behaviors can be allowed or not allowed to do or what must be done, in order to consolidate and ensure stability maintaining social order, discipline and safety. For tax compliance, social norms are standards of

behavior desired and accepted by the majority of people in society, requiring businesses to comply.

Hypothesis 8: Social norms have a positive effect on tax compliance behavior of small and medium enterprises

(9) Fairness

Liam Murphy and Thomas Nagel (2002) found that fairness is the standard to evaluate differences in tax behavior of individuals with each other. Fairness is an objective requirement throughout the tax development process. Taxpayers' dissatisfaction with the fairness of the tax system is the main reason for their non-compliance. According to (B. Jackson and V. Milliron, 1986), there are two aspects of tax justice: fairness in transactions and fairness between tax burdens. The studies of (K. M. McGraw and J. T. Scholz, 1991), (D. V. Moser, J. H. Evans et al., 1995) all show that the positive impact of tax fairness has a positive impact on tax compliance behavior. From the above problems, the proposed research hypothesis is:

Hypothesis 9: Fairness has a positive effect on tax compliance behavior of small and medium enterprises

3. METHODOLOGY

Sampling: We use the sample calculation formula given by Tabachnick and Fidell in 2007 (Barbara G Tabachnick and Linda S Fidell, 2007), the minimum sample of small and medium enterprises to be surveyed is based on the general formula: $N = 50 + 8 * m$

where: N: number of selected samples;

m: number of independent factors.

Applied in the study, the corresponding number of samples is $N = 50 + 8 * 9 = 122$ samples. We conducted a survey of 130 samples and obtained 127 valid samples. We used a questionnaire refer to previous studies to collect data with 127 samples, including SMEs enterprises in Quang Ninh, Then used quantitative research tools (Cronbach's Alpha reliability analysis, EFA exploratory factor analysis, multivariate regression analysis) for data analysis.

4. RESULTS AND DISCUSSION CASE STUDY: SMES ENTERPRISES IN QUANG NINH

4.1 Evaluation of the scale by Cronbach Alpha reliability coefficient

The scale is complete if Cronbach's Alpha coefficient ≥ 0.6 and the total correlation coefficient ≥ 0.3 will be used as the scale for the next step (Nguyễn Đình Thọ, 2011)

Table 2: Summary of reliability analysis results

Observed variables	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item – Total Correlation	Cronbach's Alpha if Item Deleted
Characteristics of enterprises; Cronbach Alpha = 0.783				

EC_1	15.315	9.662	0.573	0.739
EC_2	15.425	10.072	0.525	0.754
EC_3	15.000	9.048	0.586	0.734
EC_4	15.228	9.114	0.594	0.731
EC_5	15.252	9.507	0.522	0.756
Field; Cronbach Alpha = 0.784				
FI_1	11.559	5.328	0.539	0.759
FI_2	11.102	5.489	0.607	0.724
FI_3	11.551	5.329	0.608	0.722
FI_4	11.520	5.093	0.612	0.720
Truthfulness of enterprises; Cronbach Alpha = 0.762				
TF_1	7.291	2.541	0.588	0.689
TF_2	7.331	2.318	0.567	0.714
TF_3	7.394	2.256	0.630	0.638
Perception of enterprises; Cronbach Alpha = 0.807				
LP_1	10.268	6.848	0.535	0.797
LP_2	10.465	5.917	0.667	0.735
LP_3	10.472	6.442	0.699	0.727
LP_4	10.299	5.989	0.606	0.768
Power of tax authority; Cronbach Alpha = 0.725				
PA_1	8.567	1.851	0.562	0.619
PA_2	8.709	1.780	0.527	0.662
PA_3	8.614	1.842	0.551	0.632
Tax inspection; Cronbach Alpha = 0.726				
IN_1	10.898	5.950	0.482	0.709
IN_2	10.165	7.457	0.563	0.650
IN_3	10.000	7.857	0.542	0.667
IN_4	10.630	6.283	0.555	0.642
Penalty level; Cronbach Alpha = 0.857				
PL_1	8.866	2.291	0.766	0.766
PL_2	9.039	2.133	0.733	0.799
PL_3	8.850	2.446	0.696	0.831
Social standard; Cronbach Alpha = 0.796				
SS_1	8.654	2.038	0.653	0.711
SS_2	8.906	1.943	0.626	0.736
SS_3	8.709	1.811	0.644	0.720
Fairness; Cronbach Alpha = 0.732				
FA_1	10.685	5.376	0.490	0.691

FA_2	10.598	5.099	0.424	0.739
FA_3	10.291	4.907	0.616	0.619
FA_4	10.378	5.078	0.586	0.638
Tax compliance; Cronbach Alpha = 0.825				
TC_1	9.882	7.184	0.607	0.806
TC_2	9.874	7.952	0.709	0.760
TC_3	9.866	8.101	0.673	0.774
TC_4	9.850	7.128	0.648	0.783

Source: Results of model

The results of the evaluation scale using the Cronbach Alpha reliability coefficient show that the TC_5 variable was considered to be removed because of the small total correlation coefficient (0.31). The final Cronbach Alpha reliability test results are shown in Table 1. Thus, there are nine scales of independent variables (33 observed variables) and one dependent variable scale (4 observed variables) that meet the EFA analysis requirements.

4.2. Evaluate the scale of the exploratory factor (EFA)

Table 3: KMO and Bartlett’s Test

KMO Measure of Sampling Adequacy		0.812
Bartlett’s Test of Sphericity	Approx. Chi – Square	2,314.410
	df	276
	Sig.	0.000

Source: Results of model

In Table 3, KMO = 0.812, which meets the condition $0.5 < KMO < 1$, so exploratory factor analysis is suitable for our field data.

Table 4: Component, Initial Eigenvalue and Total Variance Explained Rotated Component Matrix^a

	Component				
	1	2	3	4	5
FA_3	.853				
TF_2	.845				
FA_4	.725				
LP_1	.719				
TF_3	.715				
FA_2	.613				
EC_3		.778			
EC_4		.741			

FI_2		.663			
FI_1		.658			
EC_5		.561			
FI_4		.553			
SS_1			.836		
SS_3			.800		
SS_2			.731		
PA_3			.669		
PA_1			.640		
LP_4				.735	
IN_1				.714	
IN_4				.684	
LP_2				.681	
PL_1					.850
PL_3					.849
PL_2					.809
Initial Eigenvalue	7.007	4.018	1.884	1.537	1.164
Total Variance Explained	17.058	30.148	42.717	54.756	65.042

Source: Results of model

The results of EFA analysis show that there were five factors with Eigenvalue = 1.164 > 1 and the total variance was 65.042% > 50%, the value of loading factor from the last EFA is greater than 0.55. Table 4 shows that there was a disturbance between the observed variables, so it is necessary to rename the individual factors. There were five main factors to tax compliance behavior of SMEs enterprises in Quang Ninh. Adjusted model through Cronbach Alpha test and exploratory factor analysis was shown in table 5 (Table 5).

Table 5: Adjusted model

No	Scale	Main variable	Explanation
1	X1	FA_3; TF_2; FA_4; LP_1; TF_3; FA_2	Fairness of tax authority between the enterprises
2	X2	EC_3; EC_4; FI_2; FI_1; EC_5; FI_4	Characteristics and Field of enterprises
3	X3	SS_1; SS_2; SS_3; PA_3; PA_1	Social standard
4	X4	LP_4; IN_1; IN_4; LP_2	Tax inspection
5	X5	PL_1; PL_2; PL_3	Penalty level

6	Y	TC_1; TC_2; TC_3; TC_4	Tax compliance
Total	6	28	

Source: Compiled from results of model

4.3. Multivariate regression analysis

The general regression model was adjusted after exploratory factor analysis using formula:

$$Y = f(X1, X2, X3, X4, X5)$$

We used the linear regression model to test the effect of the factor (from X1 to X5) on the level of tax compliance using formula:

$$Y = b_0 + b_1X1 + b_2X2 + b_3X3 + b_4X4 + b_5X5 + e_i$$

Parameters were estimated by the method of least squares (OLS) on SPSS 23.0 software

Table 6: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.823 ^a	.677	.664	.57979978	2.153

Source: Results of model

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	85.324	5	17.065	50.763	.000 ^b
Residual	40.676	121	.336		
Total	126.000	126			

Source: Results of model

The ANOVA analysis of variance the effect is significant (p – value = 0.000 < 0.05). Thus, the overall model is statistically significant. However, we could not conclude the linear relationship between the variable (X5) and the tax compliance (Table 7 and Table 8).

Table 8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.283E-16	.051		.000	1.000
X1	.474	.052	.474	9.170	.000
X2	.199	.052	.199	3.845	.000
X3	.120	.052	.120	2.325	.022
X4	.630	.052	.630	12.192	.000
X5	-.049	.052	-.049	-.949	.345

Source: Results of model

3.4. Discussion

Research results have confirmed that 4/5 factors in the model have a positive influence on the tax compliance behavior of SMEs enterprises in Quang Ninh. The four main factors were: (1) The fairness of the tax authorities towards businesses; (2) Characteristics and Field of enterprises; (3) Social standard; (4) Tax inspection. Particularly, the factor (Penalty level) with p-value > 0.05 properly does not affect the tax compliance behavior of SMEs enterprises.

(1) Fairness and truthfulness

The show the coefficient of the fairness of the tax authorities towards the enterprises was 0.474. Truthfulness in tax authorities and fairness is also an important factor in promoting the tax compliance behavior of SMEs enterprises. This result is also consistent with the results of the authors' study (Sellywati Mohd Faizal, Mohd Rizal Palil et al., 2017) (Sonnur Aktas Guzel, 2018). If enterprises believe in fairness and legal dispute settlement mechanisms, they will use those mechanisms instead of performing illegal acts to protect their interests. Businesses believe that tax compliance violations will be strictly treated. Thus they will be more active in implementing tax compliance.

(2) Enterprises' characteristics

The next factor affecting the tax compliance behavior of enterprises is the characteristics of those with a regression coefficient of 0.199. This result is also consistent with the research results of (Azrina Mohd Yusoff, Lai Minh Ling et al., 2014), which is enterprises that have favorable conditions, good production, and business activities will have a significant impact on tax compliance behavior. In addition, the role, position, and reputation of the business also affect tax compliance behavior. This is the factor that helps businesses maintain their reputation in business, production, and business, because the larger and more reputable business is, the higher the compliance behavior is.

(3) Social standard

Research results show that the social standard contributes to the tax compliance level of SMEs enterprises in Quang Ninh is 0.120. It was supported by research results of (Peggy Jimenez and Govind S. Iyer, 2016). It showed appropriate because taxpayers are present in a social community, concepts and invisible pressures from that society will affect the decision to comply or not comply. Enterprises will be better at tax compliance when they are more criticized by society if they do not comply with taxes and do not fair in terms of tax obligations, tax rates with other enterprises.

(4) Tax inspection

The research results show that the tax inspection factor affects on tax compliance behavior with a coefficient of 0.630. This result is consistent with the

reality in Vietnam today and is consistent with the statement in the research results of (Larissa Batrancea, Anca Nichita et al., 2019) and (Juan P. Mendoza, Jacco L. Wielhouwer et al., 2017), which shows that the inspection and sanctions in the handling of tax fraud by tax authorities and the government have a positive impact on the tax compliance of enterprises, as tax checks increase, enterprises will comply with higher tax regulations.

5. CONCLUSION

Tax compliance is critical to policymakers, economists, researchers, and managers. Research results show that: The fairness of the tax authorities towards businesses; Characteristics and Field of enterprises; Social standard; Tax inspection affect tax compliance behavior. The research results will be the basis to help tax authorities improve their policies and reform tax administrative procedures which create maximum favorable conditions for enterprises in implementing tax compliance, meeting national budget requirements.

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