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Predicting the Intention to Use Monthly Tax Deduction as Final Tax Among Malaysian Salaried Taxpayers

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Abstract

In many European and Australasian countries, majority of taxpayers do not need to prepare their own income tax returns because their revenue bodies have generated for them. The system is referred to as no-return system. The main idea of such system is mainly to ease taxpayers' burden and at the same time reducing tax evasion as well as increasing revenue collection. Malaysia has also taken a similar step by introducing Monthly Tax Deduction (MTD) as final tax scheme to salaried group taxpayer. This notion is taken by the Malaysian Government due to cases where some taxpayers who believed that they do not have to file a return form because their incomes have been deducted at source through MTD by their employers, which is absolutely not true. While the scheme is undeniably commendable, it is of researchers' concern on the factors that affect the taxpayers' intention to use such scheme. Using the Theory of Reasoned Action (TRA) as a basis theory, this study investigated the influence of attitude and subjective norms towards the usage intention of MTD as final tax. The study used a sample of salaried earners from Petronas and Inland Revenue Board of Malaysia. The results from multiple regression analysis indicate that both factors i.e. attitude and subjective norms have significant relationships towards intention to use MTD as final tax. Furthermore, the results also indicate that attitude is the most influential factor. This study contributes in several ways. Theoretically, it confirms the applicability of TRA in the intention to use MTD as final tax. Practically, the findings on the usage intention towards MTD as final tax and its determinants would also assist the IRBM in formulating strategies or mechanisms for improvement.

Keywords: Monthly tax deduction, personal income tax, theory of reasoned action, attitude, subjective norms

1. INTRODUCTION

In many European and Australasian countries, majority of taxpayers do not need to prepare their own income tax returns because their revenue bodies have generated for them. For instance, in the United Kingdom (UK) and New Zealand, personal taxpayers do not have to file an income tax return due to a good withholding system at source (Evans, 2004). The system is called a no-return system. In Denmark and a few other Scandinavian countries, taxpayers only need to check and verify tax returns prepared by the revenue body (OECD, 2006). The system is called a pre-filled return system. The main idea of such systems is to ease taxpayers' burden and at the same time reducing tax evasion as well as increasing revenue collection by maximising the use of technology (Ibrahim & Pope, 2011).

In Malaysia, the IRBM has introduced the MTD as final tax beginning the year 2014. This action is mainly to assist the salaried taxpayers group. Although most salaried taxpayers viewed complying of the income tax form is easy (Natrah, 2011), some taxpayers still did not file the return forms simply because they had a belief that it is not necessary as their incomes have been deducted at source through MTD system. While this is applicable in overseas such as the UK and New Zealand, the practice is not yet implemented in Malaysia, until 2014. In other

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words, their misconception has led to unintentional non-compliance, which consequently affected the loss in tax revenue collection.

The implementation of MTD as final tax is deemed timely and relevant considering the contribution of personal income tax (PIT) to the country's economic growth. As illustrated in Table 1, collection from PIT in Malaysia ranked the third major contributor after corporate and petroleum taxes for 2014 and up to second place in 2015 and 2016. As for 2016, collection from PIT was a bit higher which contributes almost 26% of total direct tax collection.

Table 1. Direct Tax Collection by Components: 2014 – 2016.

	2014		2015		2016	
	RM Mil.	%	RM Mil.	%	RM Mil.	%
Company	69,948.08	52.32	71,098.14	58.64	65,974.74	57.90
Individual	26,654.91	19.94	28,276.97	23.32	29,603.47	25.98
Petroleum	26,971.47	20.17	11,636.88	9.60	8,426.76	7.40
Stamp Duty	6,459.57	4.83	6,016.25	4.96	5,674.04	4.98
Other taxes	3,666.08	2.74	4,207.60	3.47	4,266.25	3.74
TOTAL	133,700.11	100.00	121,235.84	100.00	113,945.26	100.00

Source: Annual Reports of IRBM (2015, 2016).

Note: MTD collections for 2014 and 2015 are RM20,684 million and RM19,763 million respectively.

In addition, in terms of number of taxpayers, it was reported that total number of registered personal taxpayers and partnership for the year 2016 amounted to more than 8 million registrants or about 82% of total number of registered taxpayers (IRBM, 2016). This indicates that tax collection from personal taxpayers cannot be ignored. Due to the importance of contribution from personal taxpayers and specifically from MTD collection, this study is conducted to investigate the impact of attitude and subjective norms towards intention to use MTD as final tax among salaried taxpayers in Malaysia. Next section discusses literature about MTD as final tax, theory of reasoned action and its variables.

2. LITERATURE REVIEW

2.1 The Concept of MTD as Final Tax Scheme

In majority of countries, salaried earner is subject to reporting and payment of income tax annually. Under the self-assessment-system regime, taxpayer is assume to have tax knowledge and should be able to calculate their own tax payable, file income tax return and pay the amount honestly and timely manner (Fatt, 2011). These all are compliance costs for taxpayers. In Australia for example, it was estimated that the Australian taxation system requires two-thirds of the adult population to spend an average of eight hours to fulfil this requirement (Tran-Nam et al., 2000). Due to compliance costs estimation by Tran-Nam et al. (2000), Leigh (2007) argued that without having to fulfil the personal income tax requirements, a personal income taxpayer may enjoy one additional public holiday.

Therefore, many developed countries have taken action towards simplifying personal income tax system by introducing a no-return system. Besides a no-return system or PAYE system like what UK and New Zealand is implementing, another system referred to as pre-filled return system or pre-populated system has been conducted in many Nordic countries such as Denmark, Norway, Sweden and Germany. Pre-filled return system is a system where tax authority prepares tax returns using third-party information such as employer and insurance company by the assistance of advanced technology to produce a complete or half complete return to taxpayers (Highfield, 2006). This system has been utilised in many countries such as Australia in tax year 2004/2005 as part of their e-filing system (Evans & Tran-Nam, 2010), California in 2004 (Bankman, 2005), Singapore in 2005 (Inland Revenue Authority of Singapore, 2005) and Slovenia in 2006 (Klun, 2009). The system is also categorised as an improved service delivery by tax authorities (OECD, 2010).

In Malaysia, a system referred to as Monthly Tax Deduction (MTD) has been implemented since 1994. MTD is a mechanism to reduce the burden of salaried group taxpayers from paying a lump sum amount of tax at the end of a tax year (IRBM, 2015). Using the system, employers need to withhold a portion of salary as tax to be paid to the tax authority. However, the MTD is not a final tax as employees still need to file income tax return form to the Inland Revenue Board of Malaysia (IRBM) at the end of tax year annually. This system creates burden to salaried taxpayers and also confusion for some taxpayers as they thought that they have actually paid income tax. As a result, the IRBM has introduced the MTD as final tax beginning the year 2014 as being tabled by the Finance Minister in the year 2014 budget. This action is mainly to reduce the burden of filing return forms among the salaried taxpayers group. Under this new system, taxpayer may choose not to file a return form because he or she accepted his/her MTD is final tax. No refund or extra tax payment will happen under this system as the calculation of MTD need to be as accurate as possible. To ensure this, employees need to update their employers on their

circumstances, especially the items related to reliefs and rebates so that the calculation of MTD can be done accurately. However, this may impose extra burden especially to employers because the calculation of the tax liability has shifted to the employers (Gale & Holtzblatt, 1997). Until present, the successful of the system is also unknown.

2.2 Theory of Reasoned Action

The theory of reasoned action (TRA), developed by Martin Fishbein and Icek Ajzen (1975, 1980), derived from previous research that started out as the theory of attitude, which led to the study of attitude and behaviour. The theory was "born largely out of frustration with traditional attitude-behaviour research, much of which found weak correlations between attitude measures and performance of volitional behaviours" (Hale, Householder, & Greene, 2003, p. 259). The key application of the theory of reasoned action is prediction of behavioural intention, spanning predictions of attitude and predictions of behaviour. The subsequent separation of behavioural intention from behaviour allows for explanation of limiting factors on attitudinal influence (Ajzen, 1980).

The components of TRA are three general constructs: behavioural intention (BI), attitude (A), and subjective norm (SN). TRA suggests that a person's behavioural intention depends on the person's attitude about the behaviour and subjective norms ($BI = A + SN$). If a person intends to do a behaviour then it is likely that the person will do it. Behavioural intention measures a person's relative strength of intention to perform a behaviour. Attitude consists of beliefs about the consequences of performing the behaviour multiplied by his or her valuation of these consequences. Subjective norm is seen as a combination of perceived expectations from relevant individuals or groups along with intentions to comply with these expectations. In other words, "the person's perception that most people who are important to him or her think he should or should not perform the behaviour in question" (Ajzen and Fishbein, 1975).

To put the definition into simple terms: a person's volitional (voluntary) behaviour is predicted by his/her attitude toward that behaviour and how he/she thinks other people would view them if they performed the behaviour. A person's attitude, combined with subjective norms, forms his/her behavioural intention. Fishbein and Ajzen mention that, although attitudes and norms are not weighted equally in predicting behaviour. "Indeed, depending on the individual and the situation, these factors might be very different effects on behavioural intention; thus a weight is associated with each of these factors in the predictive formula of the theory. For example, you might be the kind of person who cares little for what others think. If this is the case, the subjective norms would carry little weight in predicting your behaviour" (Miller, 2005, p. 127). Miller (2005) defines each of the three components of the theory as follows and uses the example of embarking on a new exercise program to illustrate the theory: Attitudes: the sum of beliefs about a particular behaviour weighted by evaluations of these beliefs. You might have the beliefs that exercise is good for your health, that exercise makes you look good, that exercise takes too much time, and that exercise is uncomfortable. Each of these beliefs can be weighted (e.g., health issues might be more important to you than issues of time and comfort).

Subjective norms: looks at the influence of people in one's social environment on his/her behavioural intentions; the beliefs of people, weighted by the importance one attributes to each of their opinions, will influence one's behavioural intention. You might have some friends who are avid exercisers and constantly encourage you to join them. However, your spouse might prefer a more sedentary lifestyle and scoff at those who work out. The beliefs of these people, weighted by the importance you attribute to each of their opinions, will influence your behavioural intention to exercise, which will lead to your behaviour to exercise or not exercise.

Behavioural intention: a function of both attitudes toward a behaviour and subjective norms toward that behaviour, which has been found to predict actual behaviour. Your attitudes about exercise combined with the subjective norms about exercise, each with their own weight, will lead you to your intention to exercise (or not), which will then lead to your actual behaviour.

2.3 Intention to Use MTD as Final Tax

Intention is a course of action that one proposes to follow (Moorthy et al., 2014). In this study, intention posits one's desire to accept MTD as final tax and is used as a proxy for actual behaviour. In other words, intention to accept MTD as final tax would act as a final dependent variable. This is common in TRA as it is assumed that intention captures the motivational factors that influence behaviour (Ajzen, 1991, p.181). Implicitly, the stronger the intention to accept MTD as final tax, the more likely the individual is to accept MTD as final tax. The positive association between intention and actual behaviour is confirmed by Venkatesh and Davis (2000) and Venkatesh, Morris and Ackerman (2000).

2.4 Attitude towards MTD as Final Tax

Attitude stands to be a crucial factor in shaping individuals' behavior. Ajzen (1991) and Fishbein and Ajzen (1975) referred to attitude as individual assessment of a self-performance of a particular behavior expressed as beneficial or harmful, right or wrong, likable or dislikable. In this study, attitude denotes the favorable and unfavorable evaluation on MTD as final tax. Specifically, the employees that prefer MTD as final tax would have the willingness to favor such behavior and vice versa. Attitudes receive much research attention in various fields as determinant of behavioral intention or the actual behavior. For instance, tax compliance behavior (Bidin & Shamsudin, 2014; Saad, 2011); Zakkah compliance behavior (Azman & Bidin, 2015; Bidin, Idris, & Shamsudin, 2009; Saad, 2014); entrepreneurial intention/action (Kolvereid & Isaksen, 2006; Krueger & Carsrud, 1993; Krueger, Reilly, & Carsrud, 2000); health-related behavior (Blanchard, Courneya, Rodgers, Daub, & Knapik, 2002; Chatzisarantis & Hagger, 2005) and marketing (Alam & Sayuti, 2011; Kalafatis, Pollard, East, & Tsogas, 1999). The research on attitudes about personal income tax and Zakkah compliance intentions or behaviors may be more relevant for developing a model for MTD. Analogous to personal income tax and Zakkah, MTD involve accepting to give out part of one's earning as levy.

Therefore, previous research in the area of tax documented empirical evidence on the influence of attitude on tax compliance intention or behavior. Most of the studies reported a positive influence of attitude. Specifically, Bidin and Shamsudin (2014) investigated the influence of attitudes on intention to comply with GST among individual taxpayers. The study found a positive significant relationship between attitude and intention. Saad (2011) addressed the role of attitudes on intention to comply with income tax among salaried taxpayers. The study showed that attitude of salaried taxpayers had positive influence on their intention to comply. Bidin, Shamsudin, Shalihin and Zainudin (2011) focused on the influence of attitude on behavioral intentions to comply with local sales tax among local sales agents. The study found a significant positive relationship between attitude and intention. Moreover, based on experimental settings, Bobek and Hatfield (2003) explored the attitude variable and reported a significant relationship between attitude and tax compliance behavior. Similar findings were reported by Shalihin et al. (2012) who conducted a study in sales tax.

Similarly, in the area of Zakkah compliance intention or behavior among individuals, Saad and Haniffa (2014) used Theory of Reasoned Action (Fishbein & Ajzen, 1975) as theoretical basis to investigate the influence of attitudes on business income Zakkah intention among individual businessmen. The study found attitudes to be significant determinant of intention. Bidin and Idris (2007) addressed the reliability and multi-dimensionality of attitude variable. The study confirmed the reliability of the variable and three dimensions of attitude i.e. general acceptability, unconditional acceptability and positive acceptability on individual employees. All the three dimensions were found to significantly influence intention of employment income Zakkah. Similar finding on the influence of attitude on employment income Zakkah was reported by Bidin et al. (2009) among individual employees. Azman and Bidin (2015) focused on Zakkah on savings compliance behavior among individuals. Consistently, the study found significant influence of attitude. Based on the above discussions, the following hypothesis is formulated:

H₁: There is a significant positive relationship between attitude and intention to accept MTD as final tax.

2.5 Subjective Norms

Subjective norms refer to the perception about a particular behaviour of a person influenced by the judgment from significant surrounding persons (Lu, Huang & Lo, 2010). Subjective norm is the second factor established by both TRA and TPB to be an important variable that plays a central role in explaining individual's behavior. Subjective norms refers to the individual perception about his or her important referents (such as spouse, colleagues or parents) that he or she should or should not engage in a behavior (Ajzen, 1991; Fishbein & Ajzen, 1975). In the context of this study, subjective norms involve the impacts of referent groups that influence an employee to accept or reject MTD as final tax.

Prior studies in various fields have documented evidence on the influence of subjective norms as a central factor that determines intention to engage in a behavior or the behavior (Alam & Sayuti, 2011; Azman & Bidin, 2015; Bidin et al., 2009; Bidin & Shamsudin, 2014; Blanchard et al., 2002; Bobek, Hatfield, & Wentzel, 2007; Chatzisarantis & Hagger, 2005; Kalafatis et al., 1999; Kolvereid & Isaksen, 2006; Krueger & Carsrud, 1993; Krueger et al., 2000; Saad, 2011; Saad & Haniffa, 2014). As mentioned earlier in the case of attitudes, the research on subjective norms about tax and Zakkah that relate to individual's income may be more relevant for developing a model for MTD. This is because, tax and Zakkah involves accepting to give out part of one's earning as levy as in the case of MTD.

Specifically, in the case of the influence of subjective norms on tax compliance behavior, several studies reported significant relationship. Bobek and Hatfield (2003) reported a significant effect of subjective norm on tax

compliance behavior among US individual taxpayers. Saad (2011) focused on Malaysian salaried taxpayers' compliance behavior and found significant relationship between subjective norms and compliance behavior. Bidin et al. (2011) decomposed subjective norms into primary and secondary normative beliefs. The primary subjective norm involves influence of the tax agent of a company, while secondary normative belief consists of friends or associates of tax payers who are given the task to manage sales tax related matters in other companies. The study confirmed the dimensionality of subjective norm and reported a significant influence of both dimensions on intention to comply with the local sales tax among individual agents. Bidin and Shamsudin (2014) focused on the influence of subjective norm on intention to comply with GST among individual taxpayers. The study reported significant influence of subjective norm on intention to comply with GST.

In the field of Zakkah, several studies documented evidence on the influence of subjective norm on intention to comply with Zakkah among individual Zakkah payers. Based on the theory of reasoned action, Bidin et al. (2009) investigated the role of subjective norm in determining intention to comply with Zakkah on employment income. The findings of the study revealed that subjective norms influenced intention to comply with the Zakkah. In another study, Bidin and Idris (2007) decomposed the subjective norm variable into parent, peer and spouse referent groups and investigated the influence of the three dimensions on intention of employment income Zakkah. Parent and spouse referent groups were found to have significant effect on intention. Peer referent group did not have significant influence. Saad and Haniffa (2014) focused on impact of subjective norm on intention to pay business income Zakkah. Subjective norm was found to have significant effect on the intention. Moreover, Azman and Bidin (2015) investigated the influence of referent groups of individual the individuals paying Zakkah on saving on their compliance behavior. The study found that referent group significantly influence the Zakkah compliance behavior on saving. Based on the above discussion the second hypothesis is formulated as follows:

H₂: There is a significant positive relationship between subjective norms and intention to accept MTD as final tax.

3. METHODOLOGY

This study adopts quantitative research design whereby self-administered survey was conducted. The survey was conducted because it is the most used research method recommended for the study investigating perception, attitude and behaviour of taxpayers as suggested by Jackson and Milliron (1986) and Torgler (2011). In this study, the framework comprises of attitude, subjective norms, perceived behavioural control, employers' readiness and intention to accept MTD as final tax. The framework, as depicted in Figure 1 is based on the theory of reasoned action as discuss in the literature review section.

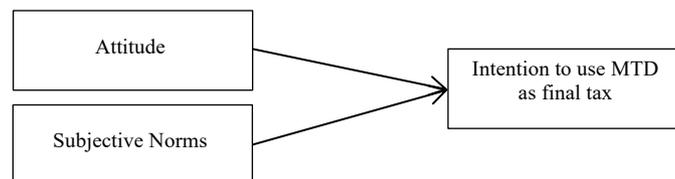


Fig. 1. Research Framework

The respondents for this study comprise of the employees at the IRBM and Petronas Berhad. These two organizations were chosen for this study as they were selected by the tax authority to exercise MTD as final tax when it was first introduced (Ibrahim, 2011). The survey was distributed in 2017 and total number of survey distributed was 200. The number is considered appropriate for statistical purposes as suggested by Hair (2010). According to Hair et al. (2010), for every single variable it requires 20 samples. In the present study, 3 variables were used thus requires at least 60 sample size. In order to meet this requirement, a total of 100 questionnaires were distributed each, to the IRBM and Petronas Berhad using simple random sampling.

Data analyses conducted for this study comprised of descriptive analysis and multiple regression analysis using SPSS software. All the constructs tested were measured using a 5-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree. Three statements were developed to measure each construct.

4. RESULTS

4.1 Response Rate and Demographic Profile of Respondent

Response rate for this study is 75% where 150 questionnaires were returned and usable for further analysis. Table 2 below shows the demographic background of the study's respondents.

Table 2. Demographic Profile of Respondents (n=150).

Items	Frequency	Percentage (%)
Sex		
Male	62	41.3
Female	88	58.7
Age		
24 and less	1	0.7
25 – 44	131	87.3
45 – 54	13	8.7
55 -64	4	2.7
65 and above	1	0.7
Marital Status		
Single	22	14.7
Married	125	83.3
Other	1	0.7
Ethnicity		
Malay	145	96.7
Chinese	3	2.0
Indian	0	0.0
Other	2	1.3
Academic Qualification		
STPM or lower	4	2.7
Diploma	4	2.7
First Degree	123	82.0
Professional Qualification	7	4.7
Masters/PhD	12	8.0
Current Position		
Management	33	22.0
Officer	106	70.7
Admin/Clerical	11	7.3
Working Experience		
Less than 1 year	1	0.7
1 – 4 years	16	10.7
5 – 9 years	50	33.3
10 – 19 years	62	41.3
20 years and above	21	14.0
Gross Income		
Less than RM36,000	1	0.7
RM36,000 – RM69,999	47	31.3
RM70,000 – RM149,999	78	52.0
RM150,000 and above	24	16.0
Sector		
Public	100	66.7
Private	50	33.3

4.2 Descriptive Results

The descriptive results indicate that means for each constructs are below 3 but almost 3. The results indicate that in average, the respondents somewhat negative attitude towards MTD as final tax. The respondents also disagree that their peers and family have influence their decision towards MTD as final tax and lastly, their average intention also indicates that they do not have strong intention towards MTD as final tax. Table 3 depicts the results of descriptive statistics for Attitude, Subjective Norms and Intention.

Table 3. Descriptive Analysis According to Variables (n=150).

Variables	Minimum	Maximum	Mean	Standard Deviation
Attitude	1	5	2.700	1.167
Subjective Norms	1	5	2.776	1.006
Intention	1	5	2.656	1.283

4.3 Pre-analysis Results

Data gathered has been tested for normality, reliability, validity and multicollinearity problems. The results from relevant analyses indicate that the study data is normally distributed with the skewness and kurtosis data are according to suggestion by Hair et al. (2010). Hair et al. states that the commonly used critical values for skewness and kurtosis are ± 1.96 (for .05 significant levels) and ± 2.58 (for .01 significant levels).

Reliability analysis using Cronbach 's Alpha value shows that the values for all variables are between 0.845 and 0.955 which means that all are good reliability value (Hair et al., 1998). Table 4 shows the details.

Table 4. Reliability Test (n=150).

Variables	No. of Items	Cronbach's Alpha
Attitude	3	0.845
Subjective Norms	3	0.878
Intention	3	0.955

Factor analysis is used to perform for the validity test. In this study, PCA with varimax rotation was used on all items in each variable. The results indicate that KMO values for all variables exceed the threshold value of 0.5 which shows good results for validity (Hair et al., 1998). Moreover, the BTOS showed that all variables are significant with p-value of 0.000. Table 5 indicates the KMO and BTOS values.

Table 5. Factor Analysis (n=150)

Construct	Number of Items	KMO	BTOS p-value
Attitude	3	0.655	0.000
Subjective Norms	3	0.694	0.000
Intention	3	0.778	0.000

Note: KMO = Kaiser-Meyer-Olkin ; BTOS = Bartlett's Test of Sphericity

4.4 Relationships between attitude, subjective norms and intention to use MTD as final tax (multiple regression analysis results)

The result of adjusted R square of 70.7% indicates that the determinants use in the model are able to explain about 71% of factors that determined the Intention to use MTD as final tax. As the percentage is considered good in social science studies, this also implies that TRA is a good theory to predict the intention to use MTD as final tax case among salaried taxpayers.

Results of multiple regression analysis are shown in Table 6. The results indicate that both Attitude and Subjective Norms have significant positive relationships towards Intention to use MTD as final tax ($p < 0.005$). Therefore, this study fail to reject both the H_1 and H_2 developed earlier. The results show that attitude and subjective norms influence the use of MTD as final tax positively. Although, at current state, from the descriptive analysis results, it can be said that the attitude and subjective norms are low and therefore the intention to use is also low (average mean is below than 3).

In comparing the contribution of each predictor, Beta values under standardised coefficients indicate that Attitude makes the strongest unique contribution (0.509) to explaining the Intention to use MTD as final tax. The Beta value for Subjective Norms is slightly lower (0.464), indicating that it made less of a unique contribution.

Table 6. Regression of Attitude and Subjective Norms towards Intention (n=150).

	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
Constant	-5.336	.760		-7.023	.000*
Attitude	.978	.099	.509	9.910	.000*
Subjective Norms	.591	.065	.464	9.033	.000*

Note: * $p < 0.005$, adjusted R Square = 0.707, F-statistic = 180.729, Sig at 0.000

5. CONCLUSION

The objective of this study is to investigate the relationship between Attitude, Subjective Norms and Intention to use MTD as final tax. Using multiple regression analysis, results confirmed that both predictors are having significant positive relationships towards Intention to use MTD as final tax. As Attitude is having higher Beta value than Subjective Norms, it is suggested for the tax authority to increase the advertisements and educations towards MTD as final tax among salaried taxpayers so that they can create more awareness and ultimately increase the internal motivation (in this case is the attitude) to use MTD as final tax in the future. Implementing better strategies are crucial to reduce compliance costs of many salaried taxpayers and free them from unnecessary vexation when filing the income tax returns.

In addition, it is also suggested that the tax authority improvised the MTD as final tax scheme as currently the results indicate that taxpayers are having low interest towards the scheme. This is probably due to the fact that under current situation, normally the MTD is more than the final tax payable. Practices by other countries such as

Australia, Denmark or UK on the personal income tax may be studied from them to strengthen the current MTD as final tax scheme.

Although current study is very limited in terms of factors tested and scope of respondents, it has shed some light on the acceptance of taxpayers on this new MTD as final tax scheme. Future studies may expand the scope of the respondents to include other public and private institutions as the scheme now has been introduced for more than three years. It is also suggested to include other variables to the model being tested in this study to gouge better understanding on the factors influencing the taxpayers' behaviour.

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