

pISSN: 1906 - 6406 The Scholar: Human Sciences
eISSN: 2586 - 9388 The Scholar: Human Sciences
<http://www.assumptionjournal.au.edu/index.php/Scholar>

Examination of Tax Compliance Behavior Among Citizens in Phnom Penh, Cambodia

Kong Vibol*

Received: August 24, 2022. Revised: September 28, 2022. Accepted: October 4, 2022.

Abstract

Purpose: Tax revenues are essential to the government for the country's development and improving citizens' quality of life under the excellent governance of tax compliance. Thus, this study examines drivers of tax compliance among citizens in Phnom Penh, Cambodia: economic compliance drivers, individual compliance drivers, subjective norms, perceived behavioral control, and perceived opportunity. **Research design, data, and methodology:** This quantitative study targets 500 Cambodian citizens living in Phnom Penh and eligible to pay annual personal income tax. The sample techniques are judgmental, convenience, and snowball samplings. Before the data collection, the pilot test of 50 participants was approved by Cronbach's Alpha at a score of 0.7 or over. Confirmatory factor analysis (CFA) was employed for the data analysis to measure construct validity, convergent validity, discriminant validity, and goodness of fit. Later, structural equation modeling (SEM) was applied to examine the level of significance and hypotheses testing. **Results:** The findings show that economic factors, individual factors, subjective norms, perceived behavioral control, and perceived opportunity significantly influence the tax compliance of citizens in Phnom Penh. **Conclusions:** Understanding the economic and individual factors impacting tax compliance among taxpayers can help the government design the tax structure and incentives for better-achieving tax revenues for the country's development and sustaining the nation's financial growth.

Keywords: Tax Compliance, Subjective Norms, Perceived Behavioral Control, Perceived Opportunity, Cambodia

JEL Classification Code: E44, F31, F37, G15

1. Introduction^a

In recent decades, governments across the world have testified their revenue collection for the better improvement of socio-economic assurances for their citizens. In this context, the traditional way of tax collection as one central revenue source has been re-strategized to improve the tax

systems for more efficient collection. Tax is "a compulsory, unrequited payment to central government" (Organization for Economic Co-operation and Development, 2012). Taxations regulated by governments impose on the citizens or non-citizens residents in/of the nation in order to increase revenue to finance government fiscal obligations (Mbilla et al., 2018). Most developed and developing countries implement the tax system under the authority of the state

¹* Kong Vibol, MS. Management Student, Graduate School of Business and Advanced Technology Management, Assumption University.

© Copyright: The Author(s)
This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<http://creativecommons.org/licenses/by-nc/4.0/>) which permits unrestricted noncommercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

government to impose and demand contributions upon persons, properties, or rights to generate revenue for the country's development (Yin et al., 2016).

In Cambodia, taxation is regulated by the General Department of Taxation under the Ministry of Economy and Finance, which accounts for the administration of financial and economic policy and affairs in the Kingdom of Cambodia. The primary laws and regulations governing tax rates and the payment of tax. (HKTDC Research, 2017). Income in Cambodia is categorized into salary and fringe benefits. It is taxed at rates depending on an individual's monthly salary, while non-residents are taxed at a flat rate of 20%. Tax rates on employment income in Cambodia are calculated on monthly salary in riels which 0-500,000 (0%), 500,0001-1,250,000 (5%), 1,250,001-8,500,000 (10%), 8,500,001-12,500,000 (15%), and 12,500,001 or Upwards (20%). (PWC, 2022).

According to Otchere-Ankrah et al. (2014), good governance and tax compliance can shift a nation to have an abundance of financial resources. Accordingly, taxes are the lifeblood of the socio-economy of every country. Without tax revenue generation, no government can accomplish the country's development for a better quality of life for their residents in various aspects such as infrastructures, commodities, education, healthcare, technology, sanitation, and the supply of water, energy, and electricity (Naporow, 2015). The primary issue of taxation is encouraging citizens to comply with the tax payment. It is, therefore, essential to investigate and understand the dynamism of tax compliance among citizens. This study uses the case of Phnom Penh, Cambodia, where the government is very keen on tax reform based on comprehensive management of tax revenue and optimization of the provision of services to taxpayers (Kunmakara, 2022).

2. Literature Review

2.1 Economic Compliance Drivers

Economic drivers of tax compliance are identified as “the essential role emanating from the state government in ensuring tax compliance among the citizens” (Mbilla et al., 2018). The economic compliance drivers involve “tax rates,” “tax audits,” and “perceived government spending” (Kirchler, 2007). The tax department in the government is the leading institution aiming to design effective enforcement and collection to minimize tax avoidance. Economic drivers can be viewed as laws and systems, compliance costs, and tax audits, which significantly relate to tax compliance. Numerous scholars further examined that excessive tax penalties and fines can cause more tax evasion and negatively affect the tax compliance behavior of

taxpayers (Kirchler et al., 2008). In addition, the rising tax rates tend to encourage people to avoid taxes, whereas tax reductions or incentives can facilitate tax compliance (Mbilla et al., 2018). Taxpayers do more or less not fully report income regarding the perceived loss of tax payment. However, there are differences in tax compliance behavior of citizens between developing and developed countries. Citizens in developed countries perceive and are well-educated with the benefits of tax compliance (Trivedi et al., 2005). In developing countries, there is more financial hardship, government wastage, low chance of detection, and tax evasion than in the developed economy (Mbilla et al., 2018). Based on the previous studies, it is hypothesized that: **H1:** Economic compliance drivers have a significant influence on tax compliance of citizens in Phnom Penh.

2.2 Individual Compliance Drivers

Individual compliance drivers are evidenced as attitudes, ethics, and transparency of the taxpayers which play a crucial role in their tax compliance behavior (Mbilla et al., 2018). Additionally, Loo (2006) clarified that individual drivers of tax compliance are crucial and can be generalized as personal financial constraints and awareness of offenses and penalties. Chan et al. (2000) further conveyed that taxpayers in Hong Kong have a less favorable attitude towards the tax system resulting in lower compliance. Some scholars posted that individual drivers, such as fear of penalties, impact compliance behavior (Martinez-Vazquez et al., 2012). In light of this, tax compliance can be explained by how taxpayers comply with the tax systems. The excellent tracking of the tax system leads to more real personal income and tax return reporting. To ensure citizens achieve their tax obligations, the tax authority could improve the tax structure and incentives to enhance their willingness to pay tax timely and accurately (Richardson & Sawyer, 2001). Accordingly, the following hypothesis is suggested:

H2: Individual compliance drivers have a significant influence on tax compliance.

2.3 Subjective Norms

Subjective norms are the significant determinants of the tax compliance behavior of taxpayers (Richardson & Sawyer, 2001). Subjective norms are similar to peer influence which directly impact tax compliance. *Subjective norms* are defined as “the global social pressure from the individuals close to the person (family and friends), who could affect the ethical decision-making of the person, with what is considered to be ethical being inconsistent universally” (Ajzen, 1991; Kitcharoen & Vongurai, 2021). Bidin et al. (2009) clearly stated that “an individual would

behave a certain way if he/she is convinced that individuals close to him/her believe that he/she should behave in such a way." Tax compliance behavior can be driven by social pressure (Kirchler, 2007). Taxpayers can be persuaded to comply or cheat taxes by their society (Sandmo, 2005). In prior literature, subjective norms significantly influence tax compliance and non-compliance (Tsakumis et al., 2007). The reference group can dominate taxpayers to comply or not comply with the tax regulations (Kirchler et al., 2008). Bobek and Hatfield (2003) agreed that subjective norms positively and significantly affect tax compliance. Subsequently, this study proposes that:

H3: Subjective norms have a significant influence on tax compliance of citizens in Phnom Penh.

2.4 Perceived Behavioral Control

Perceived behavioral control is "the perceived ease/difficulty in performing a specific behavior" (Ajzen, 1991). Based on theories, perceived behavioral control directly influence behavioral intention towards actual behavior (Lim & Duang-Ek-Anong, 2021). In tax compliance, perceived behavioral control has notably driven tax compliance behavior (Saad, 2011). Alleyne and Harris (2017) referred to perceived behavioral control as "the individual's belief concerning the presence of resources and avenues, along with the barriers towards specific behavioral engagement."

Perceived behavioral control is noteworthy; its impact on tax compliance behavior due to these two variables has not yet been widely investigated. Ajzen (1991) verified that higher levels of perceived behavioral control or self-efficacy tend to develop behavioral intentions and actual performance. The role of perceived behavioral control in tax compliance behavior was evidenced to have a significant relationship (Trivedi et al., 2005). However, several studies found no association between them (Smart, 2012). In addition, Bobek and Hatfield (2003) pointed out that "perceived behavioral control is not the level of ease/difficulty to evade or cheat when paying taxes, but it is the level of control that a taxpayer is convinced he/she has when carrying out specific activities of tax law compliance." The report of Kirchler (2007) addressed that the self-confidence of a taxpayer on a tax return can endorse tax compliance behavior.

On the other hand, the fear of being fined or arrested for tax evasion has a considerable impact on the compliance decisions of taxpayers. Thus, when perceived behavior control is low because of great difficulty/barriers, it does not incline tax evasion engagement (Bani-Khalid et al., 2022). Therefore, perceived behavioral control is a driver of tax compliance. These two variables lead to the development of a hypothesis that:

H4: Perceived behavioral control has a significant influence on tax compliance of citizens in Phnom Penh.

2.5 Perceived Opportunity

Perceived opportunity asserts both compliance and non-compliance of tax behavior, which means taxpayers could comply or evade the taxes. An opportunity has been reported as a critical factor driving tax compliance behavior (Webley, 2004). Especially, Williams and Round (2009) explained that "if incomes are not subject to automated third-party reporting, or if taxes are not withheld at source, opportunities to evade taxes exist." The association between opportunity and tax compliance can be seen as the penalties and fines engaged with the evasion. Most people do not intentionally exploit opportunities when tax filings are not entirely required. Accordingly, opportunities may increase or decrease the behavioral intention to comply with taxes. Robben et al. (1990) pointed out that opportunity to cheat increased tax non-compliance behavior. Generally, perceived opportunities can enhance both intentional and unintentional evasion (Slemrod et al., 2001). Taxpayers tend to pay their taxes correctly when they perceive the opportunity of penalties and fines (Ahmed & Braithwaite, 2005). Previous literature has confirmed the significant relationship between the impact of perceived opportunity and compliance intention. Thereby, a proposed hypothesis is established:

H5: Perceived opportunity has a significant influence on tax compliance of citizens in Phnom Penh.

2.6 Tax Compliance

Various studies have widely interpreted tax compliance (Mbilla et al., 2018). In general terms, tax compliance can be explained as "registering or informing tax authorities of one's status as a taxpayer, submitting a tax return annually (if required), and following the required payment time frames" (Ming et al., 2005). Tax compliance is "a voluntary act of reporting all incomes and paying all taxes by fulfilling the provisions of tax laws, regulations, and court judgments" (Alm et al., 1992). Singh (2003) added that "tax compliance is a person's act of filing Income Tax Forms, declaring all taxable income accurately, and paying off all tax liabilities promptly without having to wait for follow-up actions from the tax authority." Tax compliance can be denoted as "the ability and willingness of taxpayers to comply with tax laws, declare the correct income in each year and pay the right amount of taxes on time" (Ming et al., 2005). Profoundly, personal income tax compliance encapsulates accurate and timely declaration and submission of tax returns when legally obliged to do so (Abdallah, 2006). For this study, various drivers consider tax compliance to be significantly impacted.

3. Conceptual Framework

The research model overlays the drivers of tax compliance among citizens in Phnom Penh: economic compliance drivers, individual compliance drivers, subjective norms, perceived behavioral control, and perceived opportunity. Three previous studies were examined to construct the conceptual framework as of Figure 1, including Mbilla et al. (2018), Bani-Khalid et al. (2022), and Kamleitner et al. (2012). Five hypotheses are proposed as follows:

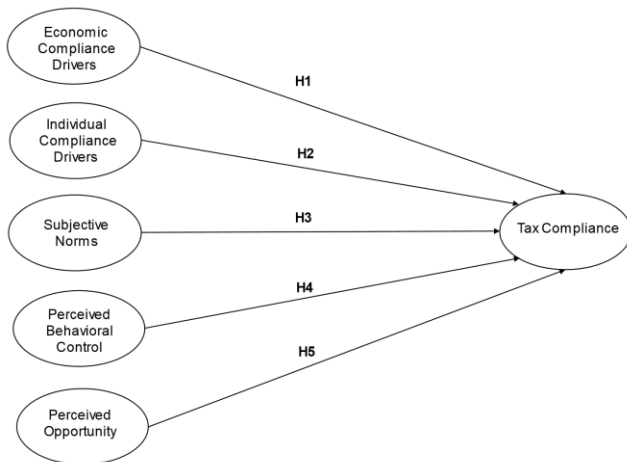


Figure 1: Conceptual Framework
Source: Created by the author.

- H1:** Economic compliance drivers have a significant influence on tax compliance of citizens in Phnom Penh.
- H2:** Individual compliance drivers have a significant influence on tax compliance.
- H3:** Subjective norms have a significant influence on tax compliance of citizens in Phnom Penh.
- H4:** Perceived behavioral control has a significant influence on tax compliance of citizens in Phnom Penh.
- H5:** Perceived opportunity has a significant influence on tax compliance of citizens in Phnom Penh.

4. Research Methods and Materials

4.1 Research Methodology

The online questionnaires were distributed to 500 Cambodian citizens living in Phnom Penh and eligible to pay annual personal income tax. Three sections of questions are composed, including screening questions, measuring items with a 5-point Likert scale, and demographic profile. Before collecting the large-scale data, Cronbach’s Alpha coefficient values are approved at a score of 0.70 or over in the pilot test of 50 participants, which was not in the sample

size (Nunnally & Bernstein, 1994). The SPSS and SPSS AMOS were applied as statistical tools to assess confirmatory factor analysis (CFA) and structural equation modeling (SEM).

4.2 Population and Sample Size

The population in Phnom Penh of Cambodia in 2022 will be 2,211,000 (United Nations, n.d.). The number of personal income taxpayers has not been revealed. Therefore, the target population of this research was generally 500 Cambodian citizens living in Phnom Penh and eligible to pay annual personal income tax. Soper (2022) recommended that the minimum sample size be at least 403. With the researcher’s judgment, 500 participants were targeted correctly for the data analysis and results.

4.3 Sampling Techniques

This research’s nonprobability sampling includes purposive, convenience, and snowball sampling. The data has been collected for approximately four months, from January to April 2022. Firstly, purposive sampling is to select 500 Cambodian citizens living in Phnom Penh and eligible to pay annual personal income tax. Secondly, convenience sampling is to distribute an online survey to 500 participants via social media such as Facebook, Website, and Chat applications. Lastly, snowball sampling encourages people to share on their social group via social networks.

5. Results and Discussion

5.1 Demographic Information

The results of the demographic data of 500 participants are shown in Table 1. Male accounted for 56% whereas female was 44%. For the age group, most respondents were 31-40 years old, representing 33% of the total respondents, while the smallest group was above 60 years old at 7%. In terms of educational level, the majority of respondents were a Bachelor’s Degree of 53%, followed by below a Bachelor’s Degree of 25%. Most respondents were corporate employees of 33%, followed by government officers 21%. The vast number of respondents earned monthly between 1,250,001 to 8,500,000 Riels (40%).

Table 1: Demographic Results

Demographic and Behavior Data (N=500)		Frequency	Percentage
Gender	Male	282	56%
	Female	218	44%

Age	20 Years Old or Less	52	10%
	21-30 Years Old	111	22%
	31-40 Years Old	165	33%
	41-50 Years Old	81	16%
	51-60 Years Old	57	11%
	Above 60 Years Old	34	7%
Education	Below Bachelor's Degree	125	25%
	Bachelor's Degree	290	58%
	Master's Degree	69	14%
	Doctor's Degree	16	3%
Occupation	Government Officer	103	21%
	Corporate Employee	164	33%
	Entrepreneur/ Business Owner	69	14%
	Students	42	8%
	Workers	52	10%
	Househusbands/ Housewives	21	4%
	Retirement	31	6%
	Others	18	4%
	0-500,000	38	8%
	500,0001-1,250,000	71	14%

Monthly Income in Riels	1,250,001-8,500,000	199	40%
	8,500,001-12,500,000	126	25%
	12,500,001 or above	66	13%

Source: Created by the author.

5.2 Confirmatory Factor Analysis (CFA)

In Table 2, CFA was applied to analyze the measurement model. The result of CFA specified that all items in each variable are significant and have factor loading to prove discriminant validity. Hair et al. (2006) guided the significance of factor loading of each item and acceptable values in defining the goodness of fit. In the results, Cronbach's Alpha coefficient values are approved at a score of 0.70 or over (Nunnally & Bernstein, 1994), factor loadings are over 0.50, and p-values are lower than 0.05. Besides, if the Average Variance Extracted (AVE) is lower than 0.5 but Composite Reliability (CR) is higher than 0.6, the convergent validity of the construct is still acceptable (Fornell & Larcker, 1981).

Table 2: Confirmatory Factor Analysis Result, Composite Reliability (CR) and Average Variance Extracted (AVE)

Variables	Source of Questionnaire (Measurement Indicator)	No. of Item	Cronbach's Alpha	Factors Loading	CR	AVE
Economic Compliance Drivers (ECD)	Mbilla et al. (2018)	5	0.833	0.690-0.735	0.834	0.501
Individual Compliance Drivers (ICD)	Mbilla et al. (2018)	5	0.849	0.658-0.790	0.850	0.532
Subjective Norms (SN)	Kamleitner et al. (2012)	4	0.803	0.643-0.776	0.808	0.514
Perceived Behavioral Control (PBC)	Kamleitner et al. (2012)	4	0.777	0.671-0.710	0.780	0.470
Perceived Opportunity (PO)	Xuan et al. (2020)	4	0.826	0.674-0.810	0.828	0.547
Tax Compliance (TAX)	Mbilla et al. (2018)	5	0.809	0.600-0.749	0.812	0.465

Source: Created by the author.

According to Table 3, the measurement model shows a good model fit, including CMIN/DF, GFI, AGFI, NFI, CFI, TLI, IFI, and RMSEA ((Hair et al., 2006; Kline, 2011; Pedroso et al., 2016). The model requires no adjustment and can verify convergent and discriminant validities.

Remark: CMIN/DF = The ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, CFI = comparative fit index, TLI = Tucker-Lewis index, IFI = Incremental Fit Index, and RMSEA = root mean square error of approximation.

Source: Created by the author.

Table 3: Goodness of Fit for Measurement Model

Index	Acceptable Values	Statistical Values
CMIN/DF	< 3.00 (Hair et al., 2006)	409.211/309 = 1.586
GFI	≥ 0.85 (Kline, 2011)	0.933
AGFI	≥ 0.85 (Kline, 2011)	0.918
NFI	≥ 0.85 (Kline, 2011)	0.913
CFI	≥ 0.85 (Kline, 2011)	0.966
TLI	≥ 0.85 (Kline, 2011)	0.961
IFI	≥ 0.85 (Kline, 2011)	0.966
RMSEA	≤ 0.08 (Pedroso et al., 2016)	0.034
Model Summary		In harmony with empirical data

Discriminant validity was measured by calculating the square root of each AVE (Fornell & Larcker, 1981). According to Table 4, the discriminant validity results are supportive because they are larger than all inter-construct/factor correlations. Furthermore, multicollinearity's problem can be inspected through the correlation coefficient, which did not surpass 0.80. Accordingly, there is no issue of multicollinearity in this study (Studenmund, 1992).

Table 4: Discriminant Validity

	PO	ECD	ICD	SN	PBC	TAX
PO	0.740					
ECD	0.142	0.708				
ICD	0.114	0.203	0.729			
SN	0.379	0.551	0.175	0.717		
PBC	0.291	0.655	0.261	0.674	0.685	
TAX	0.444	0.527	0.252	0.645	0.654	0.682

Source: Created by the author.

5.4 Structural Equation Model (SEM)

In Table 5, the structural model was assessed by the fit indices, including CMIN/DF, GFI, AGFI, NFI, CFI, TLI, IFI, and RMSEA (Hair et al., 2006). The results of causal relationships between variables in the structural model are in harmony with empirical data after the adjustment.

Table 5: Goodness of Fit for Structural Model

Index	Acceptable Values	Statistical Values Before Adjustment	Statistical Values After Adjustment
CMIN/DF	< 3.00 (Hair et al., 2006)	953.291/319 = 2.988	835.442/305 = 2.739
GFI	≥ 0.85 (Kline, 2011)	0.871	0.884
AGFI	≥ 0.85 (Kline, 2011)	0.847	0.856
NFI	≥ 0.85 (Kline, 2011)	0.830	0.851
CFI	≥ 0.85 (Kline, 2011)	0.880	0.899
TLI	≥ 0.85 (Kline, 2011)	0.867	0.884
IFI	≥ 0.85 (Kline, 2011)	0.880	0.900
RMSEA	≤ 0.08 (Pedroso et al., 2016)	0.063	0.059
Model summary		Not in harmony with empirical data	In harmony with empirical data

Remark: CMIN/DF = The ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, CFI = comparative fit index, TLI = Tucker-Lewis index, IFI = Incremental Fit Index, and RMSEA = root mean square error of approximation.

Source: Created by the author.

5.5 Research Hypothesis Testing Result

The results of hypotheses testing of the structural equation modeling are based on its regression weights and R² variances with a significance of p<0.05. As a result, all five hypotheses were supported as demonstrated in Table 6.

Table 6: Hypothesis Results of the Structural Equation Modeling

Hypothesis	(β)	t-value	Result
H1: ECD→TAX	0.187	3.703*	Supported
H2: ICD→TAX	0.099	2.050*	Supported
H3: SN→TAX	0.327	5.659*	Supported
H4: PBC→TAX	0.438	6.900*	Supported
H5: PO→TAX	0.283	5.356*	Supported

Note: * p<0.05

Source: Created by the author.

The summary of hypotheses testing results are cascaded per the followings:

H1 shows the support relationship between economic compliance drivers and tax compliance with a standardized path coefficient value of 0.187 (t-value=3.703) in the structural pathway. Hence, it provides similar results to previous literature that economic drivers as laws and systems significantly relate to the tax compliance behavior of citizens (Kirchler, 2007; Mbilla et al., 2018).

H2 approves that individual compliance drivers significantly influence tax compliance, resulting in the structural pathway's standardized path coefficient value of 0.099 (t-value=2.050). In this study, the attitudes and ethics of the taxpayers significantly influence their tax compliance behavior, as supported by many scholars (Chan et al., 2000; Loo, 2006; Martinez-Vazquez et al., 2012; Mbilla et al., 2018).

In **H3**, subjective norms significantly influence tax compliance as of standardized path coefficient value = 0.327 (t-value=5.659). It can be signified that the social pressure from family and friends could affect tax compliance decision-making and behavior (Bidin et al., 2009; Richardson & Sawyer, 2001; Sandmo, 2005).

H4 confirms that the strong relationship between perceived behavioral control and tax compliance is supported by a standardized path coefficient value of 0.438 (t-value=6.900). The findings align with numerous works of literature that perceived behavioral control has notably driven tax compliance behavior (Alleyne & Harris, 2017; Saad, 2011; Trivedi et al., 2005).

In terms of **H5**, the perceived opportunity significantly influences tax compliance with a standardized path coefficient of 0.283 (t-value=5.356). Many scholars also support that opportunity has been reported as a critical factor driving tax compliance behavior (Ahmed & Braithwaite, 2005; Robben et al., 1990; Slemrod et al., 2001; Webley, 2004; Williams & Round, 2009).

6. Conclusions and Recommendation

6.1 Conclusion

Tax compliance is difficult to generalize in real terms. Accordingly, tax authorities must set concrete measures to encourage tax compliance. The research investigates drivers of tax compliance among citizens in Phnom Penh: economic compliance drivers, individual compliance drivers, subjective norms, perceived behavioral control, and perceived opportunity. The findings reveal that all five hypotheses were supported. Based on findings about the factors leading to tax compliance, economic compliance drivers, individual compliance drivers, subjective norms, perceived behavioral control, and perceived opportunity significantly influence tax compliance of citizens in Phnom Penh, Cambodia. In the case of personal income tax, tax decisions are personally relevant to tax compliance decisions and behavior. Such compliance behavior depends on the psychological perception of the situation.

More explicitly, economic drivers of tax as the role of the state government in safeguarding tax compliance among the citizens include “tax rates,” “tax audits,” and “perceived government spending,” which significantly influence tax compliance (Kirchler, 2007). Individual compliance drivers such as attitudes, ethics, and transparency have been evidenced to drive tax compliance behavior, suggesting that a favorable attitude of citizens towards the tax system can encourage them to manage personal income tax accurately and timely (Martinez-Vazquez et al., 2012). By enabling tax self-declaration, tax policymakers can enhance citizens’ tax payments by promoting tools to increase citizens’ confidence and credibility in the delivery of tax returns from the collected taxes through their social influence (Bani-Khalid et al., 2022). Consistent with prior studies, consistent with prior studies, tax compliance is significantly impacted by subjective norms such as friends, family, and colleagues (Woodward & Tan, 2015).

A significant relationship between perceived behavioral control and tax compliance was confirmed (Lim & Duang-Ek-Anong, 2021). Perceived behavioral control is a significant predictor of tax compliance, as aligned with the findings of numerous research (Bani-Khalid et al., 2022). Perceived behavioral control reflects self-control over personal tax management, whereas tax authority should provide easiness and convenience to tax measures and payment processes. Furthermore, governments can address the negative consequence of tax evasion and non-compliance (Slemrod, 2007). In addition, the opportunity is a crucial constituent of citizens’ tax compliance. Given the perceived opportunity to avoid penalties and obtain a tax rebate or return, that willingness to comply may become voluntary to manage tax appropriately. Opportunity

perception can determine the tax compliance behavior and whether citizens perceive the benefits or penalized opportunity from the tax payment (Kamleitner et al., 2012).

6.2 Recommendation

The recommendations are made based on the investigation and data results. Tax compliance issues have been broadly discussed among authorities and researchers on various aspects. This topic has been acknowledged to improve the taxation system and process, understanding the motivational factors influencing tax compliance behavior. Economic drivers play a crucial role in predicting tax compliance; thus, tax authorities and their relevant government bodies must put forward a strategic plan for tax collection by promoting how taxation could improve the country's infrastructure, social securities, and public commodities. Individual compliance drivers are hard to identify as individuals' attitudes and ethics are varied. This complex issue can be minimized by clear communications on how tax compliance can provide various benefits and penalties of evasion.

Perceived behavioral control and tax compliance were confirmed to be related. Simplifying tax declaration and administrative requirements is very important to encourage tax compliance behavior of people. The focus should be on compliance impediments needed to be structured and helpful at an individual level. In Cambodia, GDT Taxpayer App was launched to assist vehicle owners to quickly pay road tax via mobile devices, reaching the broader community of taxpayers to gain benefits of convenience, time-saving, and accurate data based on tax payment. Therefore, governments in other countries should increase the ease of paying taxes through digitizing payments for better accountability and automated data.

Subjective norms are a vital topic that significantly drives tax compliance behavior. Most employed individuals are forced by their companies to comply with tax as a code of conduct. At a certain educational level, an individual would be concerned that tax evasion could get him/her in trouble. Apart from fines and penalties, they perceive the significance of their social acceptance, and credits encourage individuals to have tax compliance behavior more than those who cheat on tax. Due to the opportunity being a key driver of citizens' tax compliance, consistent communication and knowledge sharing should be endorsed to increase the higher rate of tax compliance. In conclusion, understanding the economic and individual factors impacting tax compliance among taxpayers can help the government design the tax structure and incentives for better-achieving tax revenues for the country's development and sustaining the nation's financial growth.

6.3 Limitations and Further Studies

Similar to other pieces of literature, this study has several limitations. First, the study focused on personal income tax compliance behavior in Cambodia, one of the Asian developing countries. Therefore, the findings are generalized to the limited geographical area. In this regard, future scholars can adapt and test the research model in other countries. Another limitation is that this study only uses a quantitative approach which can be extended to qualitative approaches such as focus groups, case studies, and interviews, to produce deep insights and more validations of the research topics and findings. A combined approach between quantitative and qualitative or a hybrid approach can be considered. Lastly, this study mainly depends on a dataset derived from a vast majority of Cambodian citizens, which could have led to the incidence of biased and dishonest data. In order to provide higher credibility to the paper, the specific group of taxpayers among citizens, such as occupations or level of income, should be focused on.

References

- Abdallah, A. (2006). *Taxation in Ghana-principles, practice and planning* (2nd ed.). Black Mask Ltd.
- Ahmed, E., & Braithwaite, V. (2005). Understanding small business taxpayers – issues of deterrence, tax morale, fairness and work practice. *International Small Business Journal*, 23(5), 539-568.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50, 179-211.
- Alleyne, P., & Harris, T. (2017). Antecedents of taxpayers' intentions to engage in tax evasion: Evidence from Barbados. *Journal of Financial Reporting and Accounting*, 15, 2-21.
- Alm, J., Jackson, B., & Mckee, M. (1992). Estimating the determinants of taxpayer's compliance with experimental data. *National Tax Journal*, 65(1), 107-114.
- Bani-Khalid, T., Alshira'h, A. F., & Alshirah, M. H. (2022). Determinants of Tax Compliance Intention among Jordanian SMEs: A Focus on the Theory of Planned Behavior. *Economies*, 10(2), 30. <https://doi.org/10.3390/economies10020030>
- Bidin, Z., Idris, K. M., & Shamsudin, F. M. (2009). Predicting compliance intention on zakah on employment income in Malaysia: An application of reasoned action theory. *Journal Pengurusan (UKM Journal of Management)*, 28, 85-102.
- Bobek, D. D., & Hatfield, R. C. (2003). An investigation of the theory of planned behavior and the role of moral obligation in tax compliance. *Behavioral Research in Accounting* 15, 13-38.
- Chan, C., Troutman, C., & O'Bryan, D. (2000). An expanded model of taxpayer compliance: Empirical evidence from United States and Hong Kong. *Journal of International Accounting, Auditing and Taxation*, 9(2), 83-103
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(1), 39-50. <https://doi.org/10.2307/3151312>
- Hair, J., Black, W., Babin, B., Anderson, R., & Tatham, R. (2006). *Multivariate Data Analysis* (6th ed.). Pearson Education.
- HKTDC Research. (2017, July 12). *Tax Considerations in Cambodia*. HKTDC Research <https://research.hktdc.com/en/article/MzUzNjU2NzZM2> <https://taxsummaries.pwc.com/cambodia/individual/taxes-on-personal-income>
- Kamleitner, B., Korunka, C., & Kirchler, E. (2012). Tax compliance of small business owners: A review. *International Journal of Entrepreneurial Behavior & Research*, 18(3), 330-351. <https://doi.org/10.1108/13552551211227710>
- Kirchler, E. (2007). *The economic psychology of tax behaviour* (1st ed.). Cambridge University Press.
- Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The slippery slope framework. *Journal of Economic Psychology*, 29, 210-225.
- Kitcharoen, K., & Vongurai, R. (2021). Factors influencing customer attitude and behavioral intention towards consuming dietary supplements. *AU-GSB E-JOURNAL*, 13(2), 94-109.
- Kline, R. B. (2011). *Principles and practice of structural equation modeling* (3rd ed.). The Guilford Press.
- Kunmakara, M. (2022, 24 May). *Tax revenue reaches 29% of 2022 goal by end-April*. The Phnom Penh Post. <https://www.phnompenhpost.com/business/tax-revenue-reaches-29-2022-goal-end-april>
- Lim, S., & Duang-Ek-Anong, S. (2021). Determinants of Intention to Use DevOps in Cambodia's Technology Industry. *AU-GSB E-JOURNAL*, 14(2), 27-39. <https://doi.org/10.14456/augsbejr.2021.12>
- Loo, E. C. (2006). Tax knowledge, tax structure and compliance: A report on a quasi-experiment. *New Zealand Journal of Taxation Law and Policy*, 12(2), 117-140.
- Martinez-Vazquez, J., Moreno-Dodson, B., & Vulovic, V. (2012). The impact of tax and expenditure policies on income distribution: Evidence from a large panel of countries. *Review of Public Economics*, 2(4), 95-130.
- Mbilla, E. A. S., Gatsi, J. G., Arhin, E. Y., & Ayimpoya, R. N. (2018). Drivers Of Tax Compliance Among Self-employed in Ghana. *International Journal of Business, Economics and Law*, 16(1), 40-52.
- Ming, L., Normala, S., & Meera, A. (2005). Towards electronic tax filing: Technological readiness and responses of Malaysian tax practitioners. *Tax Nasional*, 1(1), 16-23.
- Naporow, I. Y. (2015). *Promoting income compliance among the self-employed in the Tamale Metropolis of Ghana*. [Unpublished master dissertation]. Kwame Nkrumah University of Science and Technology.
- Nunnally, J. C., & Bernstein, I. H. (1994). The Assessment of Reliability. *Psychometric Theory*, 3, 248-292.
- Organization for Economic Co-operation and Development. (2012, January, 15). *Reducing opportunities for tax non-compliance in the underground economy*. OECD. <https://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/49427993.pdf>

- Otchere-Ankrah, B., Senior, E. T., & Junior, E. T. (2014). Impact of Corporate Social Responsibility on Buyer Behavior within the Mobile Telecommunication Sector: A Case of MTN and Vodafone Ghana Limited. *The international Journal of Business Management*, 3(1), 374-381.
- Pedroso, R., Zanetello, L., Guimaraes, L., Pettenon, M., Goncalves, V., Scherer, J., Kessler, F., & Pechansky, F. (2016). Confirmatory factor analysis (CFA) of the crack use relapse scale (CURS). *Archives of Clinical Psychiatry*, 43(3), 37-40.
- PWC. (2022, August 11). *Cambodia Individual - Taxes on personal income*. PWC. <https://taxsummaries.pwc.com/cambodia/individual/taxes-on-personal-income>.
- Richardson, M., & Sawyer, A. J. (2001). A Taxonomy of the tax compliance literature: Further findings, problem and prospects. *Australian Tax Forum*, 16(2), 137-320.
- Robben, H. S. J., Webley, P., Elffers, H., & Hessing, D. J. (1990). Decision frames, opportunity and tax evasion: an experimental approach. *Journal of Economic Behavior and Organization*, 14(3), 353-361.
- Saad, N. (2011). *Fairness Perceptions and Compliance Behaviour: Taxpayers' Judgments in Self-Assessment Environments* [Unpublished doctoral dissertation]. University of Canterbury.
- Sandmo, A. (2005). The theory of tax evasion: A retrospective view. *National Tax Journal*, 58, 643-663.
- Singh, V. (2003). *Tax compliance and ethical decision-making* (3rd ed.). Longman.
- Slemrod, J. (2007). Cheating ourselves: The economics of tax evasion. *Journal of Economic Perspectives*, 21, 25-48.
- Slemrod, J., Blumenthal, M., & Christian, C. (2001). Taxpayer response to an increased probability of audit: evidence from a controlled experiment in Minnesota. *Journal of Public Economics*, 79, 455-483.
- Smart, M. (2012). *The Application of the Theory of Planned Behaviour and Structural Equation Modelling in Tax Compliance Behaviour: A New Zealand Study* [Unpublished doctoral dissertation]. University of Canterbury.
- Soper, D. S. (2022, May 24). *A-priori Sample Size Calculator for Structural Equation Models*. Danielsoper.
- Studenmund, A. H. (1992). *Using Econometrics: A Practical Guide* (2nd ed.). Harper Collins.
- Trivedi, V. U., Shehata, M., & Mestelman, S. (2005). Attitudes, incentives and tax compliance. *Canadian Tax Journal*, 52(1), 29-61.
- Tsakumis, G. T., Curatola, A. P., & Porcano, T. M. (2007). The relation between national cultural dimensions and tax evasion. *Journal of International Accounting, Auditing and Taxation*, 16(2), 131-147.
- United Nations. (n.d.). *World Population Prospects 2022*. United Nation. <https://population.un.org/wpp/>
- Webley, P. (2004). Tax compliance by businesses. In H. Sjogren & G. Skogh (Eds.), *New Perspectives on Economic Crime* (pp. 54-73). Edward Elgar.
- Williams, C. C., & Round, J. (2009). Evaluating informal entrepreneurs' motives: evidence from Moscow. *International Journal of Entrepreneurial Behaviour & Research*, 15(1), 94-107.
- Woodward, L., & Tan, L. M. (2015). Small business owners' attitudes toward GST compliance: A preliminary study. *Australian Taxation Forms*, 30, 517. www.danielsoper.com/statcalc/default.aspx
- Xuan, H. D., Trung, T. L., Ngoc, H. N., Phuong, L. N., Cong, D. D., & Quynh, T. N. (2020). The effect of educational background on entrepreneurial intention. *Management Science Letters*, 10, 91-102.
- Yin, L., Wemah, S., & Abugre, A. S. (2016). Assessment of tax stamp strategies and income tax compliance among private entrepreneurs in Ghana. *International Journal of Innovative Research and Development*, 5(13), 78-92.