APPENDIX 1

RESEARCH QUESTIONNAIRE

Faculty of Economics & Administration
University of Malaya

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RESEARCH QUESTIONNAIRE

A Survey on The Malaysian Tax Administrative System

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Dear Sir/Madam,

This survey is for an MBA Research Paper. The purpose of this survey is to examine and evaluate the present tax administrative system and **individual** taxpayer's compliance level from the perspectives of tax collectors and tax agents.

Please take a few minutes to answer all questions as accurately as possible and return the questionnaire to the undersigned soonest possible. Your responses will be held in strict confidence.

Thank you for your time and cooperation.

(MARINA A. AZIZ)
MBA Programme 1996/1997.

Survey on Malaysian Tax Administrative System
Section A
Please circle your answers.

1. In general, what is your opinion about the efficiency of the Inland Revenue Board (IRB) as a tax collecting agency.

    1.   Highly efficient

    2.   Fairly efficient

    3.   Not efficient

    4.   Extremely in efficient

    5.   Not sure.

2. You are entrusted in leading the management of IRB. Do you think you would make changes to the Board's current practices?

    1.   Yes

    2.   No

    3.   Not Sure.

3. If yes, please rank the following practices you would consider most appropriate to change, with 1 being **most** important and 7 the **least** important.

    _____assessment procedure

    _____collection procedure

    _____appeal procedures

    _____enforcement procedure

    _____technical procedure (process of interpretation of the tax laws)

    _____taxpayer service

    _____staff training programme.

4. IRB has just issued a taxpayer with the notice of income tax liability for the assessment year. How confident are you with the tax computation?

   1.   Very little confidence

   2.   Somewhat confident

   3.   Fairly confident

   4.   Very confident

   5.   Not sure.

5. Have you heard of the concept of **self-assessment tax system**?

   1.   Yes

   2.   No

   3.   Not sure.

6. How do you feel should the government approve the implementation of the self-assessment system i. e. taxpayers computing their own taxes.

   1.   I would agree

   2.   I do not agree

   3.   It depends.

7. If **do not** agree or **it depends**, please state your reason(s).

   _____

   _____

   _____

8. Based on your experience, which group(s) of taxpayers know how to **calculate** their own taxes **without** the help of tax agents? (You may circle more than 1 if appropriate).

   1.   Taxpayers having employment income with lower than secondary education.

   2.   Taxpayers having employment income with secondary education.

   3.   Taxpayers having employment income with college or university education.

   4.   Taxpayers having business income with lower than secondary education.

5.   Taxpayers having business income with secondary education.

6.   Taxpayers having business income with college or university education.

7.   Taxpayers having employment or business income with professional qualification.

8.   All taxpayers require help from tax agents.

9. Which group(s) of taxpayers has/have the greatest opportunity **not** to comply with the tax law? (You may circle more than 1 if appropriate).

     1.   Taxpayers who receive employment income

     2.   Taxpayers who receive business income

     3.   Taxpayers who receive rental income

     4.   Taxpayers who receive income from odd jobs or daily wages.

10. Have you heard of the concept of **voluntary tax compliance**?

     1.   Yes

     2.   No

     3.   Not sure.

11. Based on your experience, do you think taxpayers will comply voluntarily with the tax law if they are given the opportunity?

     1.   Yes

     2.   No

     3.   It depends.

12. If **no** or **it depends**, please state reason(s).

_____

_____

_____

13. Which group(s) of taxpayers are more likely not to comply with the tax law? (You may circle more than 1 if appropriate).

   1.   Taxpayers who receive employment income

   2.   Taxpayers who receive business income

   3.   Taxpayers who receive rental income

   4.   Taxpayers who receive income from odd jobs or daily wages.

14. How would you rate **taxpayer's literacy** on his/her own tax matters, on a scale of 1 through 9 (with **9** being **very literate** and **1** being **poorly literate**).

1	2	3	4	5	6	7	8	9
poorly literate					neutral			very literate

15. Some of the possible ways to improve tax literacy of taxpayers are listed below. Please rank these methods from 1 to 8 (with **1** being the **most effective** and 8 the **least effective** ways).

   ___simplify the income tax returns and forms.

   ___free pamphlets of how to calculate various taxes.

   ___open more taxpayer service counters.

   ___expand the 'taxpayer service week' (MPPC) operation.

   ___expand the mobile unit operations.

   ___toll-free telephone information service.

   ___easy access to all information needed by the public.

   ___IRB should emphasise on service-oriented operation.

16. How would you rate **taxpayer's ethics** on his/her own tax matters, on a scale of 1 through 9 (with **9** being **very ethical** and **1** being **very unethical**).

1	2	3	4	5	6	7	8	9
very unethical				neutral				very ethical

17. Some of the possible causes of tax evasion are listed below. Please rank these causes from 1 to 7 (with **1** being the **major** cause and **7** the **least** cause of evasion).

_____low tax literacy

_____low tax ethics

_____complex and ambiguous tax laws

_____unaware of how the revenue (tax money) collected is being utilised

_____lack of fairness of the tax system

_____have opportunities to evade taxes

_____'others do it, so can I'.

18. If you ranked low tax ethics in question 17 between 1 and 4, please suggests on how to improve on them.

_____

_____

_____

19. Some of the possible programs that could be implemented in promoting voluntary compliance are listed below. Please rank these programs from 1 to 7 (with **1** being **very effective** and **8** being the **least effective** program).

_____simplify the tax law

_____emphasize on taxpayer education

_____emphasize on penalties and sanctions

_____introduce positive incentives

_____implement tax amnesty

_____impose withholding of taxes on incomes other than salaries and wages

_____improve the public image of IRB.

20. If you ranked positive incentives in question 19 between 1 and 4, please explain what kind(s) of positive incentives the government should give to taxpayers if they timely submit returns or correctly pay taxes.

_____

_____

_____

Section B

Some information about yourself. All responses will be treated with strictest confidence.
Please circle your responses.

1. Gender

    1.   Male

    2.   Female.

2. Age

    1.   20-24 years old

    2.   25-34 years

    3.   35-49 years

    4.   50 and above.

3. Race

    1.   Malay

    2.   Chinese

    3.   Indian

    4.   Others, please specify_____

4. Marital Status

    1.   Single

    2.   Married with children

3.   Married without children

4.   Others, please specify_____

5. What is your highest education level?

     1.   University graduate

     2.   Qualified professional

     3.   Diploma holder

     4.   HSC/STPM holder

     5.   MCE/SPM holder

     6.   Others, please specify _____

6. Which of the following best describes you?

     1.   A technical personnel of Inland Revenue Board

     2.   A certified public accountant

     3.   A licensed tax agent or tax accountant

     4.   An employee of a tax consulting firm

     5.   Others, please specify_____

7. Please indicate your experience in the tax field.

     1.   Less than 3 years

     2.   3 - 5 years

     3.   6 - 8 years

     4.   9 - 11 years

     5.   12 - 14 years

     6.   more than 14 years.

8. What is your monthly gross personal income?

1.   Less than RM 1,500

2.   RM 1,501 - RM 3,000

3.   RM 3,001 - RM 5,000

4.   RM 5,001 - RM 7,000

5.   More than RM 7,000

End of questionnaire. Your responses are highly valuable contribution to this survey research.