

The investigation of effective factors on implementation of Value Added Tax (VAT) in Final Distribution Chain

Tahereh Monavary, Zahra Karimpour

Central Tehran branch, Islamic Azad university, Tehran, Iran

Abstract

It is important to survey factors that have effects on establishing added value tax system in limit supply chain. This guides us to knowing the limitations and provides best solutions for them and we can perform these laws in retailers supply chain. This survey is descriptive. In this survey we use spearman survey test and our purpose society are experts, text experts and authority of tax office of Tehran province. Result show that there is a meaningful relationship between enabling necessary substructures in tax gain and performing added relationships between economic transactions and correct broadcasting of this law in supply chain.

Keywords: value added tax, necessary substructures enabling, answerable partnership economic transactions elucidating, limit supply chain.

Introduction

The government can receive and collect tax on time and have effective role in investments and in this way can provide reasons for Economic growth. In most of countries involve developed or developing countries, added value is efficient tax factor and is as desirable comparable options also when a country introduces added tax it is not necessary to increase as incomes immediately But certainly it is performance caused more elucidating of economics transactions and its costs is more less than its incomes. Added value tax that was executable from March 2009, is one of most important government economic program's and can have dramatic role in country economic system revolution. Must of theoreticians believe that by correct and complete performance of added value tax, we can reduce defects

of tax system dramatically. This law not only saves world from sally tax that was suitable for water full taxing, but also provide necessary condition for development in developing countries, in which most part of income is related to tax. Because our country current economic structure is inefficient, its correction is only most important primitives for Islamic republic of Iran. For achieving this purpose, it is necessary to modify our country tax system (Sharyary Rad, pp.83.36). Complete and correct performance is one of most important part. Added value tax law is one of most attractive law performance in which economic affair is complete. This law performance is the most difficult stage. Thus, the purpose of this survey is correct and complete performance this law.

History and literature

Benjamin A. Neil (2009) considers value added tax as a placebo for American economic ills. He believes that government opposition with this law performance is most important reason for non-performance. Lucas Davies in 2010 investigated this matter in Mexico Kalynagata in 2007 in survey entitled "development of added value tax system in UN and executable problems and potential solutions" . The results indicated that receive tax on commodity with 5% advantage and development of value added tax for communication services with 5% advantage. Bombangkusaman in 1990 studied the recognition point of added value tax in Indonesia and analyzed the reality of this tax in spending. The results show that this tax in comparison with previous tax systems increase recourse optimum dedication and also has less decreasing characteristics and this characteristic is also less in some basic commodities. There have been similar surveys

Corresponding author: Tahereh Monavary, Central Tehran branch, Islamic Azad university, Tehran, Iran.
E-mail: T_monavary@yahoo.com

in Iran. For example, Akbar Lavyjany in 1999 in his book entitled “added value tax analyses and investigating its necessary primitives in Iran economy”. There is no acceptable and positive relationship between added value tax implementation and inflation.

Hypotheses of the study

In this article, the effective factors on added value tax establishment in limit supply chain have been investigated and four tested hypothesis are:

First hypothesis: there is a meaningful relationship between necessary substructures in added value tax reception in limit supply chain.

Second hypothesis: there is a meaningful relationship between economic transaction elucidations in limit supply chain.

Third hypothesis: there is a meaningful relationship between correct and on time inform.

Fourth hypothesis: there is a meaningful relationship between answerable partnership of commodity distributors and services and tax law execution.

Methodology

In this survey, we used questionnaire and these include four parts that first is individual data, second is substructure enabling that include six question, third is used for transactions elucidation that include seven question and each one is related to one of survey question investigation. This survey in regard to purpose is executioner and its survey method is descriptive- survey and is cross-sectional in relation to time. Our purpose groups are experts of tax and authority in tax office of Tehran. Our reason is that these experts are concentrated in central organization of VAT execution. In this way we first provide questionnaire for tax office authorities and recognized its defects and solved them. Also we used Cronbach method for the sake of questionnaire stability investigation and test results show that is more that 70% for all questionnaire variants. Table value includes 103 populations according to Morgan table.

We can say that from 103 distributed questionnaire 91 case were relapsed and dataanalysis is at 95% confidence and we use spearman correlation coefficient.

Variables of the study

Economic transactions Elucidation: means correct and complete registration of all Economic

activists’ transactions in all steps of entering, production and spending commodity.

Necessary substructures enabling: means needed substructures enabling, on time inform, establishment of equipment and all other items to complete performance of law tax.

Commodity and services distributors’ answerable partnership: means condescension of authorities and their answerable behavior in investigation of law optimum performance we used spearman test in this way and investigate survey hypothesis.

This section include: 1. datum description by statistics 2. Data analyses and survey hypothesis by use of statistics suitable method.

Description of population

The questionnaires include sex, personal position, career, experience and their recognition of tax law. Background information about sex has been shown in table 1.

Table 1: Frequency distribution and percentage of sex personnel

Percentage	Frequency	Sex
72/5	66	Man
27/5	25	Women
100.0	91	Total

Experience: Table 2 shows personnel professional experience and include less than 5 year for 39/6 percent 12/7for 6-10 year 25/3 between 11-15 year, 9/9 percent between 16-20 and 13/2 were 20 years. Related information has been shown in table 2.

Table 2: Frequency and frequency percent distribution of personnel professional

Professional experience	Frequency	Experience
39/6	36	Less than 5 year
12/1	11	11year-6 between
25/3	23	Between 11-15year
9/9	9	20-16-between
13/2	12	Up to15
100	91	total

Career: this section can be divided into accounting management, economics, engineering and other careers. From 91population of personnel, 48/8 percent study accounting, 20/9 percent

management, 99/8 economics and 2/7 percent engineering, 18/7 percent in other careers. Personnel background information about career are in table 3.

Table 3: Frequency and frequency percent distribution of personnel educational career

frequency percent	Frequency	career
48/4	44	accounting
20/9	19	management
9/9	9	economy
2/2	2	engineering
18/7	17	others
100	91	total

Education status: this can be divided into PHD, MA, diplomat degree and upperdiplomain 91 population, 1/1% are PHD, 20/9 are M.A, 57/1 are bachelor, 17/6 are upper diploma and 3/3 are diploma degree. The needed information is in table 4.

Table 4: Frequency and percent frequency distribution of personnel educational status

Frequency percent	Frequency	career
3.3	3	High school graduated
17/6	16	Up diploma
57/1	52	BA
20/9	19	MA
1/1	1	PHD
100	91	total

Personnel position: this section includes four classes, from 91 populations, 4/4% is tax office employer, 22/0 is tax group chairman, 29/7 are tax M.A. expert and 44/0 are tax expert. Needed information is in table 5.

Table 5: Frequency and frequency percent distribution of personnel position

frequency percent	Frequency	career
4/3	4	Tax affair manager
22/0	20	Tax group manager
29/7	27	Senior expert of tax
44/0	40	Tax expert
100	91	total

Personnel familiarity with tax affairs: from 91 populations, 98/9% are familiar with this subject

and only 1/1% doesn't know anything about it. Related information show in table and figure 6.

Table 6: Frequency and frequency percent distribution of personnel familiarity with tax affairs

frequency percent	Frequency	familiarity with tax affairs
98/9	90	Yes
1/1	10	No
100	91	Total

Professional experience status of personnel in the term of sex: table 7 shows this subject items from 66 male personnel, 24/2% have less than 5 year experience, 17/7% between 6-10 year, 33/3% between 11-15 year, 10/6% between 16-20 year and 15/2% up to 20 year and from 25 female personnel 80% less than 5 years 4/0% between 11-15 year, 8/0% between 16-20 year, 8/0% have up to 20 year professional experience as it is shown in table 7.

Table 7: Frequency and frequency distribution of personnel professional experience in the term of sex

Frequency percent	Frequency	professional experience	sex
24/2	116	Less than 5	Male
16/7	11	between 10-6	
33/3	22	15-11 between	
10/6	7	20-16 between	
15/2	10	up to 20	
100	66	total	
80/0	20	Less than 5	female
0	0	between 10-6	
4/0	1		
8/0	2	Between 11 15	
8/0	2	Up to 20	
100	25	total	

Status of personnel career based on sex: this careers are divided to five class of accounting, management, Economy, engineering and other from 67 male population, 48/5% are in accounting career, 19/7% in management course, 19/6% economy, 3/0% engineering and 18/2% in other careers. And from 25 female, 48/0% are in accounting, 24/0% in management, 8/0% in Economy, 0% in engineering and 20% are in other careers. Background information about sex is in table 8.

Personnel education status in the term of sex: personnel education status is classified into PhD, MA, B.A, and diploma degree. From 66 male, 1/5% is

PhD, 21/2% is M.A, 57/6% are B.A, 16/7% is up diploma and from 25 women, and 5% are PhD, 20/0% M.A, 56/0% B.A, 20/0% up diploma degree and 4/0% are diploma degree. Resulted information presented in table 9.

Table 8: Frequency and frequency distribution of personnel educational career in the term of sex.

Frequency percent	frequency	Educational career	Sex
48/5	32	Accounting	Male
19/7	13	Management	
10/6	7	economy	
3/0	2	Engineering	
18/2	12	other	
100	66	Total	Female
48/0	12	Accounting	
24/0	6	Management	
8/0	2	economy	
0	0	Engineering	
20/0	5	other	
100	25	total	

Table 9: Distribution of frequency and frequency percent of personnel education status in the term of sex

Frequency percent	frequency	Educational career	Sex
3/0	2	Diploma degree	Male
16/7	11	Graduate	
57/6	38	B.A	
21/2	14	M.A	
1/5	1	PHD	
100	66	Total	Female
4/0	1	Diploma degree	
20/0	5	Graduate	
56/0	14	B.A	
20/0	5	M.A	
0	0	PHD	
100	25	Total	

Personnel position in the term of sex: this can be classified into four groups: from 66 male, 4/5% are in authority position, 28/8% in tax group managerial post, 36/8% in super expert of tax, 31/8% tax expert and from 25 female personnel, 4/0% are in tax office managerial post, 4% in tax group chairmanship, 16/0% in super expert of tax, and 76% in tax expert position. Related information are shows in table 10.

From personnel view, Electronic accessible power of authorities' activities is most effective factor and traditional method of transactions payment is less effective factor in substructures enabling in tax reception process. In personnel view, most effective factor is existence of suitable inform system and

less effective factor is inform center and institution for simple expressing of jobs and involved commodities. In personnel view, people on time payment of tax is most effective factor and on time supervising of business unites tax agents is less effective factor in added value tax execution limit supply chain.

Table 10: Distribution of frequency and frequency percent of personnel position in the term of sex

Frequency percent	frequency	Educational career	sex
4/5	3	Tax affair manager	Male
28/8	19	Tax group manager	
34/8	23	Senior experts of tax	
31/8	21	Tax expert	female
100	66	Total	
4/0	1	Tax affair manager	
4/0	1	Tax group manager	
16/0	4	Senior experts of tax	
76/0	19	Tax expert	
100		Total	

Kolmogorov–Smirnov test: this test is used for investigation of hypothesis about variants distribution (table 15).

A: significant level of added value tax is %45 and because it's more that %5 its distribution is normal.

Survey hypothesis test: for this reason we use spearman correspondence coefficient. First hypothesis: there is a meaningful relationship between necessary substructures in taxreceptionprocess and execution of added value tax in limit supply chain.

With attention to SPSS output, spearman correspondence coefficient for these two, variants is % 82 and the observed sig is less than %100 in the other word there is a significance relationship between these two variants in 99% confidence.

Second hypothesis: There is a significant relationship between Economic transactions elucidation and execution of added value tax in limit supply chain.

The result of correspondence exists between Economic transactions elucidation and execution of added value tax law in supply chain.

In respect to SPSS, the observed Spearman coefficient for these there two variants is %79 and sig less than %1 and there is a meaningful relationship between these two variants in 99% confidence.

Table 11: Distribution frequency and frequency percent of respondent to substructures enabling question

Total		Very high		High		Average		Little		Less		
Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	
100	91	0/33	30	4/15	14	8/30	28	9/9	9	0/11	10	Suitable datacenter of tax in information collecting and processing
100	91	3/36	33	5/27	25	2/13	12	1/12	11	0/11	10	Existence of invoice culture
100	91	7/40	37	1/23	21	1/23	21	7/7	7	5/5	5	Economic transaction documentation steps
100	91	2/24	22	0/22	20	3/36	33	0/11	10	6/6	6	Client knowledge about tax evaluation steps
100	91	1/34	31	5/27	25	9/20	19	9/9	9	7/7	7	Accurate knowledge about clientele income in tax until limit

Table 12: Distribution of frequency and frequent percent of respondents to economic transactions elucidation questions

Total		Very high		High		Average		Little		Less		
Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	Frequency per-cent	frequency	
100	91	0/33	30	4/15	14	8/30	28	9/9	9	0/11	10	Suitable datacenter of tax in information collecting and processing
100	91	3/36	33	5/27	25	2/13	12	1/12	11	0/11	10	Existence of invoice culture
100	91	7/40	37	1/23	21	1/23	21	7/7	7	5/5	5	Economic transaction documentation steps
100	91	2/24	22	0/22	20	3/36	33	0/11	10	6/6	6	Client knowledge about tax evaluation steps
100	91	1/34	31	5/27	25	9/20	19	9/9	9	7/7	7	Accurate knowledge about clientele income in tax until limit

Table 13: distribution of frequency and frequency percent of respondents to on time and correct informing questions

Total		Very high		High		Average		Little		Less		
Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency	
100	91	3/25	23	6/28	26	1/23	21	4/15	14	0	0	Informing about added value tax spending
100	91	9/31	29	2/24	22	7/18	17	5/16	15	8/8	8	Existence of suitable informing system
100	91	5/27	25	3/36	33	6/17	16	2/13	12	5/5	5	Correct and accurate informing about commodities and service that involve added value tax
100	91	1/23	21	9/31	29	8/30	28	6/6	6	7/7	7	Informing retailers and bossiness men about manner of added value tax calculation
100	91	2/13	12	1/34	31	7/29	27	4/15	14	7/7	7	Provide service such as tax consultation
100	91	5/16	15	2/24	22	2/35	32	1/12	11	1/12	11	Determination of datacenter for simple expressing of jobs and involved
100	91	6/28	26	8/30	28	1/23	21	8/8	8	8/8	8	Broadcasting about added tax effect on commodities and service

Table 14: Distribution of frequency and frequency percent of respondent to distributors' partnership questions

Total	Very high		High		Average		Little		Less			
	Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency	Frequency percent	frequency		
100	91	6/17	16	9/20	19	8/30	28	1/18	17	1/12	11	Extol of good clientele altitude
100	91	3/25	23	2/24	22	2/35	32	9/9	9	5/5	5	Business units partnership in knowing tax reception meaner from subsystem
100	91	9/31	29	0/22	20	5/27	25	3/14	13	4/4	4	On time payment of tax by clients
100	91	3/25	23	1/23	21	4/26	24	7/18	17	6/6	6	On time payment of tax by citizens
100	91	5/16	15	4/26	24	6/39	36	2/13	12	4/4	4	Accurate supervised in payment of tax agent
100	91	3/14	13	6/28	26	2/35	32	5/16	15	5/5	5	Clientele knowledge about ways of on time payment of tax every year
100	91	4/26	24	2/27	22	9/31	29	0/11	10	6/6	6	Nin informing tax uninvolved clientele in tax limit

Table 15: Results of Kolmogorov-Smirnov test

Distri- bution	Number	Z	P	Result
Tax With a d d e d Value	91	0/85	0/45	Result is Normal

Table 16: The result of correspondence test between tax reception prices and execution of added value tax in limit supply chain.

Added value in limit supply chain					
Conclu- sion	Correspon- dence coefficient	error level	Signifi- cant level	criti- cal	Previous variant
Reject hypothe- sis zero	0/82	0/01	0/001	Tax law execu- tion	subtruc- ture

Table 17: The result of correspondence exists between Economic transactions elucidation and execution of added value tax law in supply chain

Added value in limit supply chain					
Conclu- sion	Corresp- ondence coeffi- cient	error level	Signifi- c a n t level	criti- cal	Previous variant
Reject hypothe- sis				Tax law execu- tion	elucida- tion
zero	0/79	0/01	0/001		

Third hypothesis: There is a significant relationship between online in form and execution of added value tax in limit supply chain.

Table 18: The results of correspondence test between on time inform and execution of value tax in limit supply chain.

added value in limit supply chain					
Conclu- sion	Correspon- dence coeffi- cient	error level	Signifi- c a n t level	criti- cal	Previous variant
Reject hypo- thesis				T a x l a w execu- tion	infor- ming
cero	0/79	0/01	0/001		

With attention to SPSS output, spearman coefficient for these two variants is %85 and sig is less than %1.

Fourth hypothesis thesis: There is a significant relationship between answerable partnership of commodity and distributors and execution of added value service tax value in limit supply chain.

Spearman correspondence coefficient for these two variants is less than %10 and there is significant relationship between two variants in 99% confidence level.

Conclusions

First hypothesis: there is a positive and signifi-

icant relationship between enabling needed sub-structures in tax reception process and execution of added value tax law. We present 6 question for above mentioned hypothesis: respondents believe that most effective factors are accessibility of enough tax experts in tax institution and complete tax plan in added value tax execution in limit supply chain and in their view, use of electronic services for tax payment and modifying tax culture whereabouts educational programs in schools and universities are also effective factors.

Table 19: The results of correspondence test between answerable partnership of commodity and services and execution of tax law with respect to SPSS output

Added value in limit supply chain					
Conclusion	Correspondence coefficient	error level	Significant level	critical	Previous variant
Reject hypothesis				Tax law execution	partnership
cero	0/79	0/01	0/001		

Table 20: The results of Friedman test about affecting factors on added value tax law execution in supply chain

Ranked average	Effective factors on added value tax law execution in limit supply chain
3/36	Accessory substructures in tax reception process
1/87	Economic transactions elucidation
3/08	Correct information
1/68	Answerable partnership of commodity distributors
0/001	$s = \frac{122}{2X^2}$

Second hypothesis: There is a meaningful relationship between elucidation of transactions and execution of added value tax law in limit supply chain. They present 5 questions for above hypothesis: respondents believe that most effective factors in execution of added value tax are existence of suitable data system in data collecting and processing, existence of invoice system. Economic transaction documenting and complete familiarity with authority's

income in tax unit limit and in their view. Less effective factor in added value tax execution is having information about accurate stages of tax evaluation third hypothesis conclusion:

Third hypothesis: there is a significant and meaningful relationship between executions of on time informs and added value tax law. They presented 7 question for this hypothesis for this hypothesis as follow.

In respondent view, existence of suitable inform system is very effective in tax execution and they believe that broadcasting about a casting manner in added value tax and correct and on time informing about commodity and services that involve business men and broadcasting inform about effect of added value tax on commodity cost and services are very important in tax law execution and establishing of jobs and involved commodities is less important factor.

Fourth hypothesis: There is a significant and meaningful relationship between answerable partnership of commodity distributors and execution of added value tax law in supply chain they designee 7 question in questionnaire and answers are as follow: in their opinion, on time payment of tax by people is most effective factor in tax law execution in limit supply chain and other good clientele, partnership of corporative in tax reception manner informing and attempt to attract attention and trust of clientele, accurate programmed of business units supervision, non -exploration of units that involved tax law are most effective and important factors.

Practical recommendation: it is advised to Iran tax affair institution that as they follow planning for correct performance of tax law, should provide necessary condition for making fundamental activities and necessary sub-structures such as equipment, services, personnel and suitable office space and in this way prevent from emergence of next problems.

2. it's advised to this office that before any activity, try to provide necessary and primitive culture in society and in addition to TV, Radio, newspaper, and education of various subjects such as VAT, provide necessary program for personnel and other people.

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