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**AN INVESTIGATION OF FACTORS AFFECTING SALARIED AND WAGED  
TAXPAYER COMPLIANCE BEHAVIOR: EVIDENCE FROM LIBYA**

**By:**

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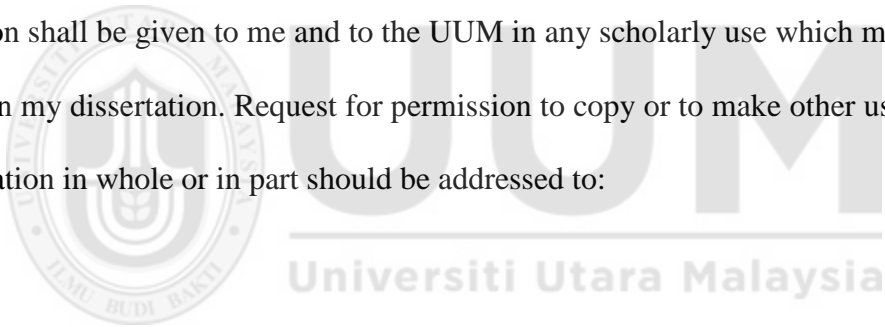


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## ABSTRACT

Convincing taxpayers to comply with the tax regulations has been the main challenge of Libyan tax authority. Even though tax is one of the important revenue sources after oil in Libya, over the last five years, tax collection has been on decrease trend. The main purpose of this study is to examine the effect of tax knowledge, tax complexity, public governance quality and perception of government spending on salaried and waged taxpayer compliance behavior in Libya. The study was guided by cognitive theory and social exchange theory which explain the effect of non-economic factors. Using survey method, a total of 400 questionnaires were distributed among Libyan students in Malaysia since they are considered part of individual taxpayers in Libya. The findings indicate positive and significant relationship between tax knowledge, public governance quality, perception of government spending and taxpayer compliance behavior, except tax complexity that shows a significant negative relationship with taxpayer compliance behavior. The study recommends that the tax legislations should be reviewed and simplified besides promoting tax knowledge among taxpayers. In addition, Libyan government should also place attention on public governance quality and government spending in order to increase taxpayer compliance behavior.

**Key words:** taxation, taxpayer compliance behavior, tax knowledge, government, Libya.

## ABSTRAK

Meyakinkan pembayar cukai untuk mematuhi peraturan cukai telah menjadi cabaran utama kepada pihak berkuasa percukaian Libya. Walaupun cukai adalah salah satu sumber hasil yang penting selepas minyak di Libya, dalam tempoh lima tahun yang lalu, kutipan cukai mengalami tren penurunan. Tujuan utama kajian ini adalah untuk mengkaji kesan pengetahuan cukai, kerumitan cukai, kualiti tadbir urus awam dan persepsi perbelanjaan kerajaan ke atas gelagat kepatuhan pembayar cukai di Libya. Kajian ini didokong oleh teori kognitif dan teori pertukaran sosial yang menerangkan kesan faktor-faktor bukan ekonomi. Menggunakan kaedah tinjauan, sebanyak 400 soal selidik telah diedarkan di kalangan pelajar Libya di Malaysia kerana mereka adalah sebahagian daripada pembayar cukai individu di Libya. Dapatan menunjukkan hubungan yang positif dan signifikan di antara pengetahuan cukai, kualiti tadbir urus awam, persepsi perbelanjaan kerajaan dan gelagat kepatuhan cukai kecuali kerumitan cukai yang menunjukkan hubungan negatif yang signifikan dengan gelagat kepatuhan pembayar cukai. Kajian ini mencadangkan undang-undang cukai perlu dikaji semula dan dipermudahkan di samping mempromosi pengetahuan cukai di kalangan pembayar cukai. Selain daripada itu, Kerajaan Libya juga perlu memberi perhatian terhadap kualiti tadbir urus awam dan perbelanjaan kerajaan untuk meningkatkan gelagat kepatuhan pembayar cukai.

**Kata kunci:** percukaian, gelagat kepatuhan pembayar cukai, pengetahuan cukai, kerajaan, Libya.

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## LIST OF ABBREVIATIONS

|      |  |
|------|--|
| TCB  | Tax Compliance Behavior                    |
| TK   | Tax Knowledge                              |
| TC   | Tax Complexity                             |
| PGQ  | Public Governance Quality                  |
| PGS  | Perception of Government Spending          |
| SPSS | Statistical Package for the Social Science |



## **CHAPTER ONE INTRODUCTION**

This chapter highlighted and clarifies the basis and outline of the study by presenting an overview of the research, with the introduction of the study background, problem statement, the research questions as well as the objectives and subsequently the scope of study, the significance and lastly contribution of the study.

### **1.1 Background of Study**

Taxation is one of the major resources of government revenue for both developing and developed countries. The term tax clearly means an essential fee imposed by the government as a public authority to run the affairs of the state. This tax is being collected by the government and nothing is directly received in return, except for the provision of a safe society and necessary basic necessities being provided by the government directly to its citizenry as a direct governance responsibility (James & Nobes, 1992). Nightingale, (2001) defined tax as obligatory contribution which is directly imposed by the public authorities. The taxpayers receive nothing detectable in return, except the benefit of a good living standard and provision of the basic amenities like the education, healthcare and security in the society. Furthermore, taxation is considered the price to be paid as an organized society. Six motives as an organized society have been highlighted for the need of the taxation system in the society, these include: the provision of good roads by the government for the citizenry, redistribution of wealth and income through various channels, promotion of social and economic welfare to the people, provision of government regulation in the society for economic stability and harmonization (Nightingale, 2001).

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## **APPENDICES**

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## Appendix A: Questionnaire



Colleges of Business  
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**Dear respondent**

I am a final year student of Master of Science (International Accounting) at University Utara Malaysia (UUM). I am currently conducting a research project. Which is one of the requirement of my study program. I am undertaking a survey to seek opinions and views on factors affecting taxpayer compliance behavior among individual taxpayers in Libya. I would be very grateful if you could kindly spare a few minutes to answer the questionnaire. All the information gathered will be kept strictly confidential and used solely for academic purpose. Your contribution is highly appreciated.

This questionnaire is divided into four sections. Please answer carefully all the questions.

**If you require further information please do not hesitate to contact me.**

Thank you for your time and cooperation in answering this questionnaire.

Yours sincerely

ALHASSAN BELKASEM. BELHAJ

**Master of Science (International Accounting)**

School of Accountancy UUM

**(Supervisor)**

DR. NORAZA BT MAT UDIN

School of Accountancy UUM

## SECTION A

The following questions refer to the demographic profile of the respondents. Please provide the appropriate information by placing a (√) in the square provided to represent your answer.

### 1. Gender

- A. Male [ ]      B. Female [ ]

### 2. Age

- A. 18 – 24 [ ]      B. 25 – 31 [ ]      C. 32 – 38 [ ]      D. 39 – 45 [ ]      E. 46 – 52 [ ]  
F. 53 and above [ ]

### 3- Marital status

- A. Single [ ]      B. Married [ ]      C. Divorced [ ]      D. Widow [ ]

### 4 - Education level

- A. Before secondary school certificate [ ]  
B. Up to secondary school certificate [ ]  
C. Diploma [ ]  
D. Bachelor degree [ ]  
E. Postgraduate (Master/PhD) [ ]

### 5 - Annual gross income

- A. L.D 10000-15000 [ ]      B. L.D 15001 – 20000 [ ]      C. L.D 20001-25000 [ ]  
D. L.D 25001 and above [ ]

## 6. Years of being a taxpayer

- A. 1 – 5 [ ]   B. 6 – 10 [ ]   C. 11 – 15 [ ]   D. 16 – 20 [ ]   E. 21 and above [ ]  
F. Never [ ]

Please tick (√) your answer to each statement using 5 Likert scale (1) = Strongly Disagree; (2) = Disagree; (3) = Neutral; (4) = Agree and (5) = Strongly Agree.

## SECTION B: القسم الثاني

### Part 1

#### Taxpayer Compliance Behavior (Dependent Variable)

| No | The Statements  | The Scale         |          |         |       |                |
|----|---|-------------------|----------|---------|-------|----------------|
|    |   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1  | I use to trade or exchange goods and services with a friend or neighbor and not report in my tax returns. | 1                 | 2        | 3       | 4     | 5              |
| 2  | I fully declare my principal income, but not including my part-time income.                               | 1                 | 2        | 3       | 4     | 5              |
| 3  | I do not report my earning from interest or investment that is not registered with government.            | 1                 | 2        | 3       | 4     | 5              |
| 4  | I would understate income (employment income, rental income and so on) if the amount is relatively small. | 1                 | 2        | 3       | 4     | 5              |
| 5  | It is wrong if a taxpayer does not report all of his or her income in order to pay less income tax.       | 1                 | 2        | 3       | 4     | 5              |

## Factors Influencing Taxpayer Compliance (Independent Variables)

### Part 2

#### Tax Knowledge

| No | The Statements  | The Scale         |          |         |       |                |
|----|---|-------------------|----------|---------|-------|----------------|
|    |   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1  | I know how to declare actual income received from all sources to the tax authority.             | 1                 | 2        | 3       | 4     | 5              |
| 2  | I encounter significant confusion whilst filling tax forms.                                     | 1                 | 2        | 3       | 4     | 5              |
| 3  | I need to consult tax professionals in completing my tax forms.                                 | 1                 | 2        | 3       | 4     | 5              |
| 4  | I know which income should be included or excluded in determining the taxable income.           | 1                 | 2        | 3       | 4     | 5              |
| 5  | I do not have problem with completing and filing the tax return form (s), if they are required. | 1                 | 2        | 3       | 4     | 5              |

### Part 3

#### Tax Complexity

| No | The Statements  | The Scale         |          |         |       |                |
|----|---|-------------------|----------|---------|-------|----------------|
|    |   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1  | The sentences and wording in the individual income tax return guide are lengthy and not user-friendly.  | 1                 | 2        | 3       | 4     | 5              |
| 2  | The rules related to individual income tax are clear.   | 1                 | 2        | 3       | 4     | 5              |
| 3  | I find it hard to comply with the tax laws as they are complicated.   | 1                 | 2        | 3       | 4     | 5              |
| 4  | I do not have to make a lot of effort to understand the explanations given in Inland Revenue Department guide books and other similar explanatory material. | 1                 | 2        | 3       | 4     | 5              |
| 5  | Simplification of tax law will assist me on tax compliance.   | 1                 | 2        | 3       | 4     | 5              |

## Part 4

### Public Government Quality

| No | The Statements  | The Scale         |          |         |       |                |
|----|---|-------------------|----------|---------|-------|----------------|
|    |   | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1  | I think corruption in Libya is high.  | 1                 | 2        | 3       | 4     | 5              |
| 2  | I think government wastes a lot of money.   | 1                 | 2        | 3       | 4     | 5              |
| 3  | I do not feel like paying taxes as long as the government cannot be trusted.                                    | 1                 | 2        | 3       | 4     | 5              |
| 4  | It is not wrong to declare less on taxable income since the government spends too much on extravagant projects. | 1                 | 2        | 3       | 4     | 5              |
| 5  | I think people are not enlightened on how tax revenues are being utilized by government.                        | 1                 | 2        | 3       | 4     | 5              |

## Part 5

### Perceptions of Government Spending

| No | The Statements   | The Scale         |          |         |       |                |
|----|--|-------------------|----------|---------|-------|----------------|
|    |  | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree |
| 1  | A large portion of the money collected is not used efficiently by the government.  | 1                 | 2        | 3       | 4     | 5              |
| 2  | A large portion of the money collected is spent on projects that do not benefit me.  | 1                 | 2        | 3       | 4     | 5              |
| 3  | A significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends. | 1                 | 2        | 3       | 4     | 5              |
| 4  | A significant portion of money collected is used for government administration (rather than education, health, etc.).      | 1                 | 2        | 3       | 4     | 5              |
| 5  | The government does not provide enough information about how they use taxpayers' money.                                    | 1                 | 2        | 3       | 4     | 5              |



**SECTION C** القسم الثالث

Recommendation and views towards tax compliance behavior among individual taxpayers in Libya.

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**\*Thank you for your cooperation\***



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## Appendix B: Pilot Test Results

### RELIABILITY

#### Pilot Test-Reliability Statistics for Taxpayer Compliance Behavior

##### Case Processing Summary

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .707             | .699   | 5          |

##### Item Statistics

|      | Mean | Std. Deviation | N  |
|------|------|----------------|----|
| TCB1 | 3.73 | 1.358          | 40 |
| TCB2 | 3.78 | 1.230          | 40 |
| TCB3 | 3.88 | 1.202          | 40 |
| TCB4 | 3.95 | .959           | 40 |
| TCB5 | 4.38 | .838           | 40 |

## Pilot Test-Reliability Statistics for Tax Knowledge

**Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha<br>Based on Standardized<br>Items | N of Items |
|------------------|--|------------|
| .600             | .590   | 5          |

**Item Statistics**

|     | Mean | Std. Deviation | N  |
|-----|------|----------------|----|
| TK1 | 3.73 | 1.358          | 40 |
| TK2 | 4.38 | .838           | 40 |
| TK3 | 3.95 | .959           | 40 |
| TK4 | 3.78 | 1.230          | 40 |
| TK5 | 3.93 | 1.071          | 40 |

## Pilot Test-Reliability Statistics for Tax Complexity

### Case Processing Summary

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .835             | .839   | 5          |

### Item Statistics

|     | Mean | Std. Deviation | N  |
|-----|------|----------------|----|
| TC1 | 4.58 | .747           | 40 |
| TC2 | 4.48 | .877           | 40 |
| TC3 | 4.65 | .736           | 40 |
| TC4 | 4.53 | .679           | 40 |
| TC5 | 4.43 | .675           | 40 |

## Pilot Test-Reliability Statistics for Public Governance Quality

**Case Processing Summary**

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha<br>Based on Standardized<br>Items | N of Items |
|------------------|--|------------|
| .829             | .835   | 5          |

**Item Statistics**

|      | Mean | Std. Deviation | N  |
|------|------|----------------|----|
| PGQ1 | 4.40 | .744           | 40 |
| PGQ2 | 4.58 | .747           | 40 |
| PGQ3 | 4.65 | .736           | 40 |
| PGQ4 | 4.43 | .813           | 40 |
| PGQ5 | 4.63 | .667           | 40 |

## Pilot Test-Reliability Statistics for Perception of Government Spending

### Case Processing Summary

|       |                       | N  | %     |
|-------|-----------------------|----|-------|
| Cases | Valid                 | 40 | 100.0 |
|       | Excluded <sup>a</sup> | 0  | .0    |
|       | Total                 | 40 | 100.0 |

a. Listwise deletion based on all variables in the procedure.

### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .778             | .801   | 5          |

### Item Statistics

|      | Mean | Std. Deviation | N  |
|------|------|----------------|----|
| PGS1 | 4.50 | .961           | 40 |
| PGS2 | 4.48 | .877           | 40 |
| PGS3 | 4.13 | 1.067          | 40 |
| PGS4 | 4.53 | .679           | 40 |
| PGS5 | 4.53 | .679           | 40 |

## Appendix C: Regression SPSS Output

### Descriptive Statistics

|     | Mean    | Std. Deviation | N   |
|-----|---------|----------------|-----|
| TCB | 20.6957 | 3.17378        | 230 |
| TK  | 18.7609 | 3.45643        | 230 |
| TC  | 19.6000 | 3.65021        | 230 |
| PGQ | 22.5304 | 2.16693        | 230 |
| PGS | 22.6304 | 2.27151        | 230 |

### Correlations

|                            |     | TCB   | TK    | TC    | PGQ   | PGS   |
|----------------------------|-----|-------|-------|-------|-------|-------|
| <b>Pearson Correlation</b> | TCB | 1.000 | .460  | .018  | .140  | .158  |
|                            | TK  | .460  | 1.000 | .386  | .178  | -.090 |
|                            | TC  | .018  | .386  | 1.000 | .341  | .034  |
|                            | PGQ | .140  | .178  | .341  | 1.000 | .049  |
|                            | PGS | .158  | -.090 | .034  | .049  | 1.000 |
| <b>Sig. (1-tailed)</b>     | TCB | .     | .000  | .392  | .017  | .008  |
|                            | TK  | .000  | .     | .000  | .003  | .086  |
|                            | TC  | .392  | .000  | .     | .000  | .303  |
|                            | PGQ | .017  | .003  | .000  | .     | .230  |
|                            | PGS | .008  | .086  | .303  | .230  | .     |
| <b>N</b>                   | TCB | 230   | 230   | 230   | 230   | 230   |
|                            | TK  | 230   | 230   | 230   | 230   | 230   |
|                            | TC  | 230   | 230   | 230   | 230   | 230   |
|                            | PGQ | 230   | 230   | 230   | 230   | 230   |
|                            | PGS | 230   | 230   | 230   | 230   | 230   |

**Variables Entered/Removed<sup>a</sup>**

| Model | Variables Entered             | Variables Removed | Method |
|-------|-------------------------------|-------------------|--------|
| 1     | PGS, TC, PGQ, TK <sup>b</sup> | .                 | Enter  |

a. Dependent Variable: TCB

b. All requested variables entered.

**Model Summary<sup>b</sup>**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics |          |     |     |               | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|---------------|
|       |                   |          |                   |                            | R Square Change   | F Change | df1 | df2 | Sig. F Change |               |
| 1     | .547 <sup>a</sup> | .299     | .287              | 2.68066                    | .299              | 24.000   | 4   | 225 | .000          | 2.303         |

a. Predictors: (Constant), PGS, TC, PGQ, TK

b. Dependent Variable: TCB



**ANOVA<sup>a</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 689.858        | 4   | 172.465     | 24.000 | .000 <sup>b</sup> |
|       | Residual   | 1616.837       | 225 | 7.186       |        |                   |
|       | Total      | 2306.696       | 229 |             |        |                   |

a. Dependent Variable: TCB

b. Predictors: (Constant), PGS, TC, PGQ, TK



**Coefficients<sup>a</sup>**

| Model | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig.   | 95.0% Confidence Interval for B |             | Correlations |            |         | Collinearity Statistics |           |       |
|-------|-----------------------------|------------|---------------------------|-------|--------|---------------------------------|-------------|--------------|------------|---------|-------------------------|-----------|-------|
|       | B                           | Std. Error |                           |       |        | Beta                            | Lower Bound | Upper Bound  | Zero-order | Partial | Part                    | Tolerance | VIF   |
|       | 1                           | (Constant) | 4.867                     |       |        | 2.627                           |             | 1.852        | .065       | -.311   | 10.044                  |           |       |
|       | TK                          | .507       | .056                      | .552  | 9.051  | .000                            | .397        | .617         | .460       | .517    | .505                    | .837      | 1.194 |
|       | TC                          | -.210      | .055                      | -.241 | -3.795 | .000                            | -.318       | -.101        | .018       | -.245   | -.212                   | .772      | 1.296 |
|       | PGQ                         | .167       | .087                      | .114  | 1.917  | .056                            | -.005       | .339         | .140       | .127    | .107                    | .879      | 1.137 |
|       | PGS                         | .294       | .079                      | .211  | 3.745  | .000                            | .139        | .449         | .158       | .242    | .209                    | .984      | 1.016 |

a. Dependent Variable: TCB



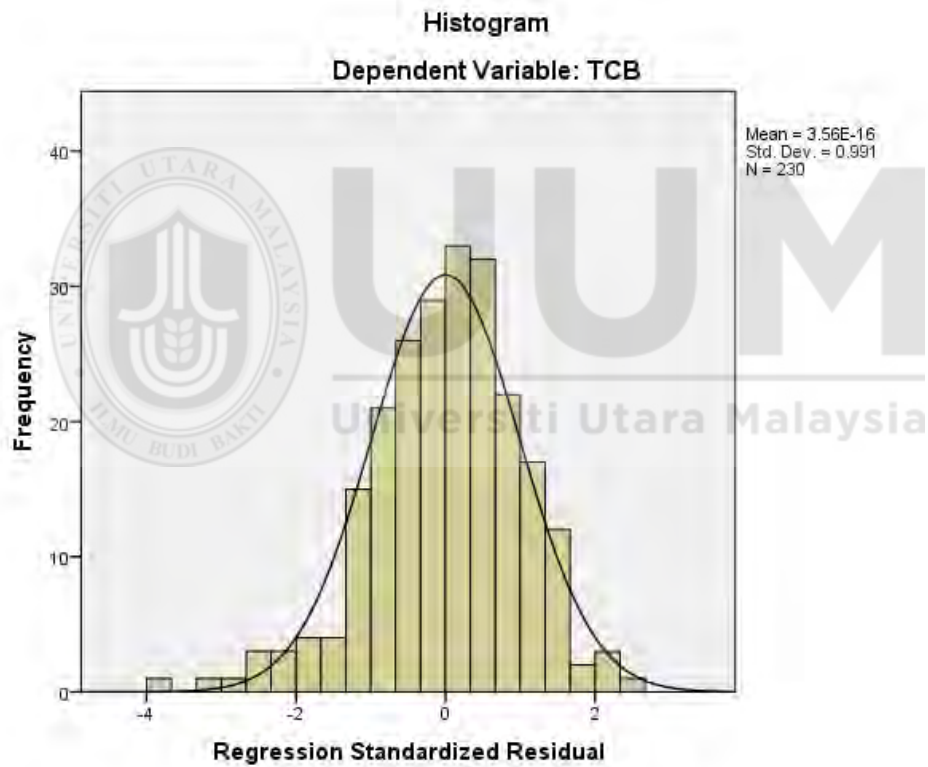
**Descriptive Statistics**

|                    | N   | Minimum | Maximum | Mean    | Std. Deviation |
|--------------------|-----|---------|---------|---------|----------------|
| TCB                | 230 | 9.00    | 25.00   | 20.6957 | 3.17378        |
| TK                 | 230 | 8.00    | 25.00   | 18.7609 | 3.45643        |
| TC                 | 230 | 8.00    | 25.00   | 19.6000 | 3.65021        |
| PGQ                | 230 | 8.00    | 25.00   | 22.5304 | 2.16693        |
| PGS                | 230 | 8.00    | 25.00   | 22.6304 | 2.27151        |
| Valid N (listwise) | 230 |         |         |         |                |

### Residuals Statistic

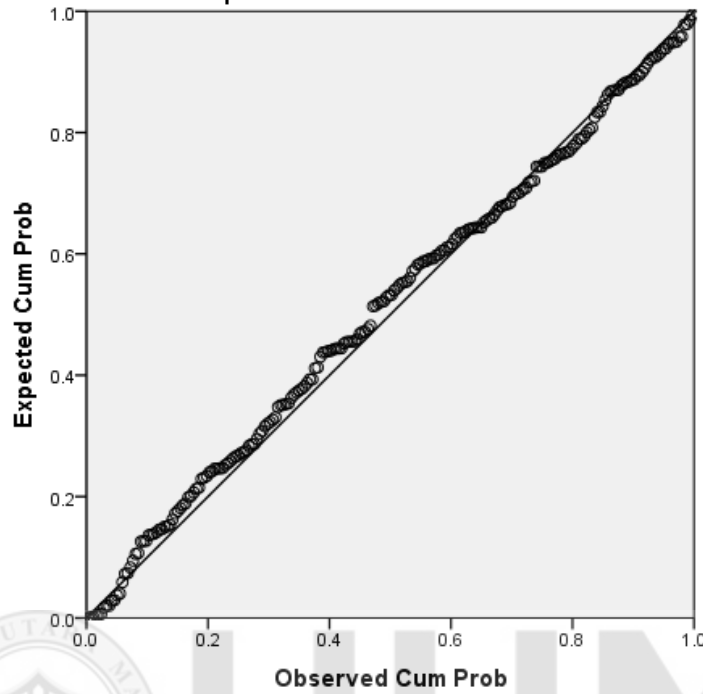
|                      | Minimum   | Maximum | Mean    | Std. Deviation | N   |
|----------------------|-----------|---------|---------|----------------|-----|
| Predicted Value      | 14.5460   | 24.7122 | 20.6957 | 1.73565        | 230 |
| Residual             | -11.62610 | 6.53170 | .00000  | 2.65715        | 230 |
| Std. Predicted Value | -3.543    | 2.314   | .000    | 1.000          | 230 |
| Std. Residual        | -4.337    | 2.437   | .000    | .991           | 230 |

a. Dependent Variable: TCB



Normal P-P Plot of Regression Standardized Residual

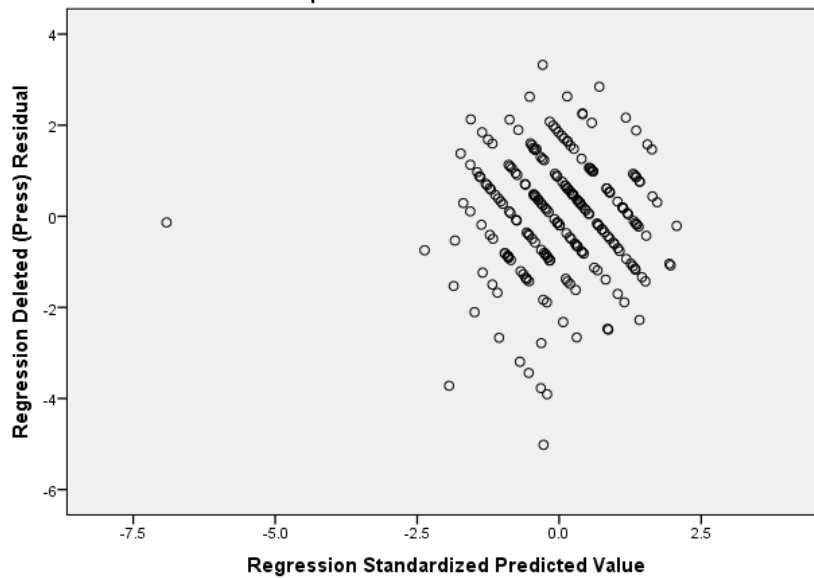
Dependent Variable: TCB



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Scatterplot

Dependent Variable: TCB



## Appendix D: Correlations

**Correlations**

|     |                     | TCB    | TK     | TC     | PGQ    | PGS   |
|-----|---------------------|--------|--------|--------|--------|-------|
| TCB | Pearson Correlation | 1      | .460** | .018   | .140*  | .158* |
|     | Sig. (2-tailed)     |        | .000   | .785   | .033   | .016  |
|     | N                   | 230    | 230    | 230    | 230    | 230   |
| TK  | Pearson Correlation | .460** | 1      | .386** | .178** | -.090 |
|     | Sig. (2-tailed)     | .000   |        | .000   | .007   | .172  |
|     | N                   | 230    | 230    | 230    | 230    | 230   |
| TC  | Pearson Correlation | .018   | .386** | 1      | .341** | .034  |
|     | Sig. (2-tailed)     | .785   | .000   |        | .000   | .606  |
|     | N                   | 230    | 230    | 230    | 230    | 230   |
| PGQ | Pearson Correlation | .140*  | .178** | .341** | 1      | .049  |
|     | Sig. (2-tailed)     | .033   | .007   | .000   |        | .461  |
|     | N                   | 230    | 230    | 230    | 230    | 230   |
| PGS | Pearson Correlation | .158*  | -.090  | .034   | .049   | 1     |
|     | Sig. (2-tailed)     | .016   | .172   | .606   | .461   |       |
|     | N                   | 230    | 230    | 230    | 230    | 230   |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

## Appendix E: Reliability Test

### 1. Scale: Taxpayer Compliance Behavior

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .645             | .609   | 5          |

**Item Statistics**

|     | Mean | Std. Deviation | N   |
|-----|------|----------------|-----|
| TCB | 4.11 | 1.175          | 230 |
| TCB | 3.81 | 1.155          | 230 |
| TCB | 4.17 | 1.023          | 230 |
| TCB | 4.11 | .889           | 230 |
| TCB | 4.50 | .567           | 230 |

**Item-Total Statistics**

|     | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|
| TCB | 16.59                      | 5.099                          | .677                             | .543                         | .420                             |
| TCB | 16.89                      | 7.157                          | .256                             | .126                         | .674                             |
| TCB | 16.53                      | 6.460                          | .493                             | .322                         | .543                             |
| TCB | 16.58                      | 6.663                          | .570                             | .461                         | .516                             |
| TCB | 16.20                      | 9.713                          | .011                             | .003                         | .708                             |

### Scale Statistics

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 20.70 | 10.073   | 3.174          | 5          |

## 2. Scale: Tax Knowledge

### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .639             | .635   | 5          |

### Item Statistics

|    | Mean | Std. Deviation | N   |
|----|------|----------------|-----|
| TK | 3.64 | 1.241          | 230 |
| TK | 3.86 | .985           | 230 |
| TK | 3.95 | .905           | 230 |
| TK | 3.77 | 1.008          | 230 |
| TK | 3.54 | 1.224          | 230 |

### Item-Total Statistics

|    | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|----|----------------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|
| TK | 15.12                      | 6.541                          | .609                             | .496                         | .456                             |
| TK | 14.90                      | 9.519                          | .240                             | .140                         | .651                             |
| TK | 14.81                      | 9.602                          | .272                             | .116                         | .635                             |
| TK | 14.99                      | 7.607                          | .598                             | .508                         | .487                             |
| TK | 15.22                      | 8.415                          | .286                             | .187                         | .645                             |

### Scale Statistics

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 18.76 | 11.947   | 3.456          | 5          |



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### 3. Scale: Tax Complexity

### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .648             | .592   | 5          |

**Item Statistics**

|    | <b>Mean</b> | <b>Std. Deviation</b> | <b>N</b> |
|----|-------------|-----------------------|----------|
| TC | 4.63        | .631                  | 230      |
| TC | 3.03        | 1.577                 | 230      |
| TC | 4.00        | 1.145                 | 230      |
| TC | 3.50        | 1.337                 | 230      |
| TC | 4.44        | .656                  | 230      |

**Item-Total Statistics**

|    | <b>Scale Mean if<br/>Item Deleted</b> | <b>Scale Variance<br/>if Item<br/>Deleted</b> | <b>Corrected<br/>Item-Total<br/>Correlation</b> | <b>Squared<br/>Multiple<br/>Correlation</b> | <b>Cronbach's<br/>Alpha if Item<br/>Deleted</b> |
|----|---------------------------------------|---|---|---|---|
| TC | 14.97                                 | 12.566  | .080  | .088  | .695  |
| TC | 16.57                                 | 6.307   | .572  | .469  | .503  |
| TC | 15.60                                 | 8.128   | .596  | .363  | .496  |
| TC | 16.10                                 | 6.990   | .643  | .491  | .451  |
| TC | 15.16                                 | 12.398  | .107  | .061  | .690  |

**Scale Statistics**

| <b>Mean</b> | <b>Variance</b> | <b>Std. Deviation</b> | <b>N of Items</b> |
|-------------|-----------------|-----------------------|-------------------|
| 19.60       | 13.324          | 3.650                 | 5                 |



#### 4. Scale: Public Governance Quality

**Reliability Statistics**

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|--|------------|
| .684             | .693   | 5          |

**Item Statistics**

|     | Mean | Std. Deviation | N   |
|-----|------|----------------|-----|
| PGQ | 4.52 | .611           | 230 |
| PGQ | 4.56 | .643           | 230 |
| PGQ | 4.53 | .658           | 230 |
| PGQ | 4.41 | .741           | 230 |
| PGQ | 4.52 | .596           | 230 |

**Item-Total Statistics**

|     | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|
| PGQ | 18.01                      | 3.402                          | .409                             | .203                         | .647                             |
| PGQ | 17.97                      | 3.082                          | .531                             | .304                         | .593                             |
| PGQ | 18.00                      | 3.083                          | .510                             | .281                         | .602                             |
| PGQ | 18.12                      | 3.365                          | .288                             | .088                         | .709                             |
| PGQ | 18.01                      | 3.279                          | .491                             | .275                         | .614                             |

### Scale Statistics

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 22.53 | 4.696    | 2.167          | 5          |

### 5. Scale: Perception of Government Spending

#### Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha<br>Based on<br>Standardized Items | N of Items |
|------------------|--|------------|
| .709             | .723   | 5          |

#### Item Statistics

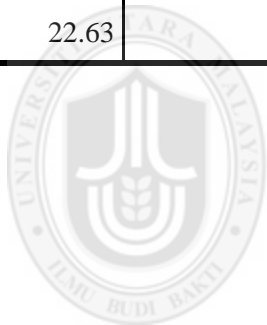
|     | Mean | Std. Deviation | N   |
|-----|------|----------------|-----|
| PGS | 4.64 | .677           | 230 |
| PGS | 4.59 | .646           | 230 |
| PGS | 4.35 | .836           | 230 |
| PGS | 4.55 | .579           | 230 |
| PGS | 4.50 | .567           | 230 |

**Item-Total Statistics**

|     | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item-Total Correlation | Squared Multiple Correlation | Cronbach's Alpha if Item Deleted |
|-----|----------------------------|--------------------------------|----------------------------------|------------------------------|----------------------------------|
| PGS | 17.99                      | 3.528                          | .461                             | .227                         | .663                             |
| PGS | 18.04                      | 3.444                          | .542                             | .313                         | .631                             |
| PGS | 18.28                      | 3.252                          | .401                             | .172                         | .705                             |
| PGS | 18.08                      | 3.732                          | .488                             | .270                         | .656                             |
| PGS | 18.13                      | 3.756                          | .493                             | .259                         | .655                             |

**Scale Statistics**

| Mean  | Variance | Std. Deviation | N of Items |
|-------|----------|----------------|------------|
| 22.63 | 5.160    | 2.272          | 5          |



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## Appendix F: Table of Sample Size

Sekaran, (2013)

| N  | S   | N    | S   | N       | S   |
|--|-----|------|-----|---------|-----|
| 10   | 10  | 220  | 140 | 1200    | 291 |
| 15   | 14  | 230  | 144 | 1300    | 297 |
| 20   | 19  | 240  | 148 | 1400    | 302 |
| 25   | 24  | 250  | 152 | 1500    | 306 |
| 30   | 28  | 260  | 155 | 1600    | 310 |
| 35   | 32  | 270  | 159 | 1700    | 313 |
| 40   | 26  | 280  | 162 | 1800    | 317 |
| 45   | 40  | 290  | 165 | 1900    | 320 |
| 50   | 44  | 300  | 169 | 2000    | 322 |
| 55   | 48  | 320  | 175 | 2200    | 327 |
| 60   | 53  | 340  | 181 | 2400    | 331 |
| 65   | 56  | 360  | 186 | 2600    | 335 |
| 70   | 59  | 380  | 191 | 2800    | 338 |
| 75   | 63  | 400  | 196 | 3000    | 341 |
| 80   | 66  | 420  | 201 | 3500    | 346 |
| 85   | 70  | 440  | 205 | 4000    | 351 |
| 90   | 73  | 460  | 210 | 4500    | 354 |
| 95   | 76  | 480  | 214 | 5000    | 357 |
| 100  | 80  | 500  | 217 | 6000    | 361 |
| 110  | 86  | 550  | 226 | 7000    | 364 |
| 120  | 92  | 600  | 234 | 8000    | 367 |
| 130  | 97  | 650  | 242 | 9000    | 368 |
| 140  | 103 | 700  | 248 | 10000   | 370 |
| 150  | 108 | 750  | 254 | 15000   | 375 |
| 160  | 113 | 800  | 260 | 20000   | 377 |
| 170  | 118 | 850  | 265 | 30000   | 379 |
| 180  | 123 | 900  | 269 | 40000   | 380 |
| 190  | 127 | 950  | 274 | 50000   | 381 |
| 200  | 132 | 1000 | 278 | 75000   | 382 |
| 210  | 136 | 1100 | 285 | 1000000 | 384 |
| <b>Note: N= population size and S= sample size</b> |     |      |     |         |     |

## Appendix G: Letter from the Embassy of Libya

Embassy of Libya  
Kuala Lumpur  
Malaysia



سفارة ليبيا  
كوالالمبور  
ماليزيا

Our Ref:1401/1826

26<sup>th</sup> November,2015

**To/Whom It may Concern,**

The Embassy of Libya in Kuala Lumpur hereby writes to make reference to the total number of Libyan students studying in Malaysia.

Please, be informed that the total number of Libyan students holding a scholarship from the Libyan Ministry of Higher education and Scientific Research who are currently studying in Malaysia are 1213 (991 Males and 512 Females).Whereas, we have a total of 625 non-scholarship students who are awaiting for final approval of their scholarship from the Ministry of higher education and scientific research .



Universiti Utara Malaysia

Thank you.

Yours faithfully,



**Dr. Samir Karshman**  
Academic Attaché  
Libyan Embassy



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