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## **Tax Education and Tax Compliance: A Review of Literature**

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## Tax Education and Tax Compliance: A Review of Literature

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### Abstract

The study sought to carry out a critical review of literature on tax education and tax compliance. Based on the review of empirical literature, it was found that tax education has significant effect on tax compliance. It was consequently concluded that tax education is important in predicting the level of tax compliance. The study recommends that in order to improve the tax compliance level, governments should put in place and sustain public tax awareness programs as these will highlight the importance of tax revenue which is driven by tax compliance level. Tax authorities should support tax education as this has a favorable impact on taxpayer compliance and subsequently tax revenue. In order to improve on the general tax knowledge of citizens and subsequently increase tax compliance, revenue authorities and players in the educational sector should collaborate and come up with tax awareness activities.

**Keywords:** *Tax Education, Tax Compliance, Stakeholder Theory and Theory of Planned Behaviour*

## 1.0 Introduction and Background

A country's capacity to produce domestic and/or foreign capital for funding its economic development and growth determines the extent by which it may advance. To fund public infrastructures and amenities such as educational institutions, medical centres, and transit systems, the majority of governments rely on tax revenues (Mohd, Safei & Lee, 2022). In order to increase the existing high tax coverage, certain European nations have already passed their own legislation pertaining to the taxation of digital services (Eremkin, 2020). For example the United Kingdom's 10-year tax administration strategy, which was jointly released in July 2020 by HM Treasury and HM Revenue and Customs (HMRC), lays out its plans for creating a reliable, cutting-edge tax operations framework that can keep up with rapid shifts in society, the economy, and technological advances while also assisting the UK in recovering from the pandemic. HMRC's overall tax collection for the 2020–2021 tax years was £608.8 billion, of which the great majority came from taxpayers fulfilling their duties. This resulted in a compliance yield of £30.4 billion, or revenue that would not have been lost to the Exchequer (Keeling, 2022). However, in some quarters a common method of tax evasion employed by several companies worldwide is to operate covertly, evading the notice of tax authorities (Mititelu, Amzuica, Chiriac & Nişulescu, 2022). Poland has the largest subterranean economy in Europe, accounting for 26.6% of the nation's Gross Domestic Product (GDP); it is preceded by Greece and Italy, which have underground economies of 26.1% and 23.4% of GDP, alongside Switzerland, which has the smallest underground economy, accounting for 8.2% of GDP (Enste, 2018). Taxing activities that take place in an underground economy is a tough endeavor since it is difficult to measure the economic activity that takes place in this economic sector (Mititelu, Amzuica, Chiriac & Nişulescu, 2022).

The occurrence of tax avoidance affects all economies worldwide, developed or developing. But compared to developed nations, emerging nations have far higher rates of tax noncompliance (Al-Ttaffi, Bin-Nashwan & Amrah, 2020). There is an ongoing issue in the area of tax as Indonesia struggles to achieve a meaningful degree of public tax compliance. Although the avoidance of taxes is a global issue, Indonesia's economic sector has classified its low percentage of public compliance with taxes as a unique issue (Yulianto, Rosalia, Atika & Alamsyah, 2019). Yemen, one of the Middle Eastern nations with the least developed economies, has had severe administrative and financial issues, including tax noncompliance. In Yemen, the Self-Assessment System (SAS) was implemented to streamline tax revenue collection and shorten the time it takes to distribute funds to the government. However, Yemen still has a sizable rate of tax noncompliance (Aziz & Al-Harethi, 2018). It appears Yemen's average tax income to GDP for the most recent years has been approximately 6.68% (Al-Ttaffi *et al.*, 2020). Although there are many registered taxpayers in Pakistan, who are expected to contribute between 35 and 40 percent of the country's GDP, there are only 1,156,984 active individual tax filers, and 5,700,000 of them are apparently earning more than the minimum taxable income threshold. Pakistan's tax revenue potential is much exceeded by the 12.4% GDP tax income that is currently being collected (Hassan, Naeem & Gulzar, 2021).

Income taxes have a major role in the revenue generation characteristics of a rising economy like Indonesia (Prihatiningtyas, Sembada, Widagdo & Widarjo, 2021). The Central Bureau of Statistics (BPS) reported in 2022 that 81% of Indonesia's domestic earnings were attributable to taxes; upon closer inspection, the tax on personal income accounted for as much as 45% of the total tax revenue (BPS, 2022). Faccia and Mosteanu (2019) also observed that Taxes attract the attention of people and businesses because they have a direct impact on their income, spending patterns, and investment choices. They also serve as one of

the main sources of revenue for governments, allowing them to finance essential budgets and act as a key fiscal tool to manage the economy. Policymakers and authorities must prioritize the achievement of social prosperity in order to achieve equitable development through generation and channelling taxes, which are an essential means of the earnings for many nations, toward the delivery of essential amenities and facilities (Akintoye & Onuoha, 2019). Despite the relevance of tax to the development of societies the compliance of citizens and institutions vary from nation to nation.

In African countries, the challenge of tax evasion is a phenomenon that requires urgent attention. For example Night and Bananuka (2020) reported that about 2.5 million people work for small and medium-sized businesses in Uganda, which make up 90% of the country's private sector and account for more than 80% of the country's produced goods, which is 20% of the country's GDP. Despite their importance, research has revealed that small firms continue to struggle with the issue of tax compliance. The presumptive tax system applies to the majority of small businesses; nevertheless, in the most recent fiscal years, a significant portion of these businesses failed to submit their taxes to the Uganda Revenue Authority (Nawawi & Salin, 2018). It is also observed that in developing nations like Ghana, the majority of large corporations, multinational corporations, proprietors of small enterprises, and individuals have been found to have a substantial level of non-compliance with tax laws, despite the existence of laws intended to ensure compliance in an effort to meet revenue objectives for sustainable development (Twum, Amaniampong, Assabil, Adombire, Edisi & Akuetteh, 2020). Furthermore, the mobilization of domestic income in developing nations, particularly those in Sub-Saharan Africa like Zimbabwe, is believed to be hindered by a sizable and expanding informal sector (henceforth referred to as IS), which mostly evades taxes due to pervasive corruption within these nations' tax administration and the governing body (Sebele-Mpofu, 2020). The rising rate of tax evasion and noncompliance in Nigeria is attributed to SMEs. The appalling tax-to-GDP ratio of 5%, which lags much behind the 34.1% and 20% rates in the Organization for Economic Cooperation and Development (OECD) and developing markets, respectively, may have been caused by the issue of tax evasion and a bad attitude toward tax compliance (Vincent, 2021).

Considering the challenges of non compliance to tax in many quarters, tax education is regarded as viable solution to improving compliance to task. Tax education is described as a means of informing the public about the entire tax system and the reasons for paying taxes (Anyaduba & Balogun, 2018). Adekoya (2021) also defines tax education as any official or informal program developed by the tax authority or other agencies to motivate taxpayers to file their taxes on time and to raise their awareness of their obligations with regard to the tax system of any particular country. Taxpayer education helps individuals fulfill their federal tax duties. The principal purpose of taxpayer education is to promote taxpayers' voluntary compliance.

Tax education is regarded as an important factor that can ensure compliance among tax payers. As Yulianto, Rosalia, Atika and Alamsyah (2019) puts it, education ensures that all individuals participate in a variety of social activities, including paying taxes, by imparting values, norms, information, and skills. It has been shown that tax education is a useful technique for fostering tax compliance in both present and future taxpayers. Also, it has been observed that participation in and completion of tax education initiatives booster awareness about taxes (Abbas, Tjen & Wicaksono, 2021). The overall tax compliance percentage will increase in proportion to the amount of tax-relevant instruction that the public receives both inside and outside of educational institutions to address concerns pertaining to education and clarification on personal income tax as well as local, national, and global taxation (Ogoun & Ekpulu, 2020). Furthermore, Uvaneswaran (2023) reported that taxation is about more than

just raising money; it's also about fostering responsible relationships between the government and its constituents. For this reason, revenue officials must devise plans and techniques to streamline the tax system's processes and improving tax payers' compliance through tax education is one of such plan. This study sought to carry out a critical review of literature on tax education and tax compliance.

## **2.1 Theoretical Literature Review**

### **2.1.1 Theory of Planned Behaviour**

Ajzen (1991) created the Theory of Planned Behaviour, which is essentially the refined version of the Theory of Reason Action proposed by Ajzen and Fishbein (1970) as an explanation for cognitive activities. The theory is a significant theory that attempts to shed light on human behaviour in the field of psychological science. According to both views, a person's intention to engage in an action determines that person's behaviour. Four constructs were incorporated of the initial reasoned action theory: beliefs, attitudes, intentions, and behaviours. The theory of planned behaviour expanded on this theory by including a new construct called perceived behavioural control, which is the idea that one can influence particular behaviours (Modi & Driscoll, 2020). According to Cooke, Dahdah, Norman and French (2016), the theory of planned behaviour (TPB) asserts that, a person's intent to carry out a certain conduct is the most significant factor influencing that behaviour. Three cognitive variables—attitudes, subjective standards, and perceived behavioural control—are seen to be the direct determinants of intention. Attitudes are evaluative judgments that are typically consistent and range from negative to positive about many aspects of an individual's experience. These judgments are impacted by situational factors, including observations of one's own conduct.

Tax education, based on the theory of planned behaviour (TPB), aims to promote tax compliance by influencing taxpayers' attitudes, subjective norms, and perceived behavioural control. It emphasizes the importance of positive attitudes towards paying taxes, shaping subjective norms that favour compliance, and enhancing taxpayers' perceived ability to meet their tax obligations (Efebera, Hayes, Hunton & Neil, 2004). Research suggests that tax education programs can positively impact taxpayers' intentions to comply with tax laws. However, the relationship between intentions and actual compliance behaviour is influenced by various factors. Overall, tax education programs grounded in the TPB framework contribute to fostering compliance, reducing tax evasion, and promoting a culture of voluntary compliance (Klee, Bamberg, Erten & Graf, 2000).

### **2.1.2 Stakeholder Theory**

The explanation by Freeman (1984) which described stakeholders as people and organizations with the ability to influence or be impacted by the achievement of the firm's objectives, is where the origins of stakeholder theory may be found. Stakeholder theory according to Gilbert and Rasche (2008), explains how businesses actually take stakeholder interests into account. The concept describes the individuals who are affected by an organization's activities and how those activities affect the company's commercial objectives. According to Rahmani, Heidarpour and Jahanshad (2022), three primary categories of stakeholders exist: intermediate stakeholders, internal stakeholders, and external stakeholders. The government, creditors, suppliers, customers, and rivals are examples of external stakeholders. Auditors and environmental protection groups are also considered intermediary stakeholders. Managers, employees, and stockholders are examples of internal stakeholders.

According to Solomon and Lewis (2002), communicating with stakeholders which is only possible through information disclosure is one of the best methods for corporations to legitimize their operations. Thus, organizations may participate in social activities primarily for the purpose of establishing legitimacy. Stakeholders are worried about the accuracy of reported sustainability information because of issues with brokers and conflicts of interest between managers and stakeholders, as well as the absence of rules and standards in sustainability reporting. By showcasing the company's expertise and shared standards, voluntary acceptance serves as a lateral communication technique that aids in changing stakeholders' perspectives (Gillet, 2010).

Stakeholder theory emphasizes the importance of considering the interests and needs of various stakeholders in tax compliance. Taxpayers, government entities, and society are all stakeholders in the process. By understanding taxpayers' motivations, ensuring fairness, and building trust, tax authorities can promote compliance (Rahmani, Heidarpour & Jahanshad, 2022). Collaboration and engagement with stakeholders, including multinational corporations, are crucial. Stakeholder theory aligns with corporate social responsibility, encouraging responsible tax practices that benefit society (Hoi, Wu & Zhang, 2013). Overall, considering stakeholders' perspectives contributes to a compliant and equitable tax system.

## 2.2 Empirical Literature Review

Adekoya (2019) investigated how taxpayer education and tax compliance relate to one another in Lagos State, Nigeria. A cross-sectional investigation was carried out in Lagos state on a subset of private citizens' taxpayers. A five-point Likert scale questionnaire was used to gather primary data. Four hundred individual taxpayers who were purposefully chosen made up the sample. Descriptive statistics were utilized to present the data, and the regression models created for the study were estimated using both basic linear regression and multiple regression. The analyses' findings demonstrated that taxpayer education significantly and favorably impacts tax compliance. The research suggested that in order to better educate taxpayers and, eventually, increase tax compliance and internally generated revenue, the Lagos State government should enhance its taxpayer awareness initiative by putting in place the necessary policies and tools.

Akintoye and Onuoha (2019) sought to establish how tax education and awareness affect overall tax collection. The survey methodology was chosen, and primary data were gathered using a closed-ended questionnaire. Descriptive and inferential regression analysis was used to evaluate the data. The findings demonstrated a favorable and significant relationship between tax education and enlightenment and overall tax revenue. It was discovered that the most effective tax education outlets were radio and television. The report suggested that in order to support the unit's more active operation, the Federal Government of Nigeria should establish and adequately fund an independent agency to handle all tax education and awareness-related matters.

Twum *et al.* (2020) used small and medium-sized businesses to assess the impact of tax education components on tax compliance in Ghana. 130 managers of Ghanaian small businesses (SMEs) who participated in a tax education program run by the Ghana Revenue Authority in the Nkawkaw Municipality are included in the survey. An approach known as structural equation modeling was used to analyze the data. The study's findings indicate that there is a positive and significant correlation between tax compliance and understanding of one's rights and obligations with regard to taxes, employment income, and penalties. The statistical relationship between tax knowledge of business income and compliance was not found. The study's conclusions indicate that the best indicators of tax compliance in the SME sector are awareness of penalties and knowledge of one's rights and obligations with regard to

taxes. In the context of developing nations, the study suggested using tax education to increase tax understanding in an effort to improve compliance among SMEs.

Kurniawan (2020) examined if tax education at an institution of higher learning level affects personal tax compliance by raising awareness of taxes. The mixed-method employs a convergent parallel technique. Using a parallel convergent procedure, the researcher concurrently gathered all quantitative and qualitative data from a survey of 100 learners who frequently participate in Politeknik Negeri Batam (Polibatam) evening classes and who meet the tax specifications. The data were then analyzed. According to the study's findings, tax compliance is significantly impacted by tax education. Then, tax compliance is also greatly impacted by the indirect effect of tax education through tax knowledge.

Al-Ttaffi *et al.* (2020) examined how taxpayer behavior was affected by their understanding of taxes. In the research, a survey research design was used. To evaluate attitudes, opinions, and social as well as personal facts, the study collected primary data from the five main Hadhramout cities of Yemen: Mukalla, Al-Sheher, Ghail Bawazir, Seiyun, and Tareem. To ensure that the items were correctly comprehended and to assess the questionnaire's dependability, a pilot study was conducted. A total of 287 complete and valid questionnaires were returned from the 350 that were distributed in the final version of the survey, representing an 82% response rate. SPSS 24 was used to analyze the data. Simple regression analysis was employed and it was concluded that citizens' likelihood to comply with tax laws is significantly influenced by their tax education.

Budiman and Inayati (2021) investigated the role that power and trust (the two pillars of the Slippery Slope framework) have in influencing formal tax compliance in the West Sumatera and Jambi region. The public education program was employed as a stand-in for trust in the authority, while the Notice of Tax Warning and Notice of Tax Collection were used as proxies for power. Panel data analysis was used to display and examine secondary data gathered from documentation investigation. Panel data regression analysis was then employed for analysis. In order to provide a more thorough analysis, the researchers conducted in-depth interviews with key informants as part of their mixed quantitative and qualitative approach study. The results of the study indicated that all three of the criteria significantly and favorably affect formal tax compliance. By means of monitoring activities, the Notice of Tax Warning and Notice of Tax Collection efficiently convey the message of law enforcement as a coercive power. Programs for tax education are also useful in promoting awareness and confidence in the government, which in turn enhances tax compliance. The study suggested a few changes to administrative procedures and tactics in order to contact more taxpayers, treat them fairly, and promote compliance.

Ndubula and Matiku (2021) sought to ascertain whether providing SMEs in developing nations like Tanzania with effective and efficient tax education is essential to overcoming the difficulties associated with tax compliance. The research project used a descriptive research technique, an exploratory method, and a deductive method. 96 Morogoro Municipality SMEs' owners and four TRA Education Department staff members were among the responders. In order to obtain data, deliberate distributed questionnaires and interviews were used as instruments. Data analysis was done using the Statistical Package for Social Sciences (SPSS). The frequency tables were to be produced. The findings demonstrated a significant degree of noncompliance in the following areas: issuing fiscal receipts, paying taxes on time, paying taxes voluntarily, using EFDs, and filing tax forms online. Therefore, tax education has been linked to the primary contributing elements of tax noncompliance. The study suggested assessing the impact of tax education initiatives on revenue collection, utilizing information technology to augment tax education outreach, and conducting correlational or causative

analyses of tax education's influence on tax compliances across various Tanzanian demographic attributes.

Aremu and Siyanbola (2021) studied the effect of tax education on tax compliance of the informal sector in Ogun state, Nigeria. The research utilized a survey approach. Six economic zones in Ogun state, with 2465 relevant professional/technical associations spanning the major sub-sectors, were the center of the population. The principal source of data used in the study has a reliability result above 0.70, indicating good reliability for the instrument used for evaluation. 240 respondents to a structured questionnaire with a sample size of 310 were obtained using the Taro Yamane formula. According to the study, tax education significantly increases taxpayer registration in a positive way. The accurate disclosure of taxable income is greatly impacted by tax education. Tax education has a significant impact on paying assessed taxes on time. Accordingly, the study came to the conclusion that tax education significantly affects tax compliance in Ogun state. In order to improve tax compliance, the study suggested that taxpayer advocates and relief agencies should be urged to boost the right declaration of taxable income through organized tax education in the unorganized sector. Tax authorities should support tax education since it may have a favorable impact on taxpayer compliance.

Abina, Amaning, Anim, Kyere and Kwakye (2021) sought to determine the effect of tax education on tax compliance among small and medium-sized enterprises in the Techiman Municipality of Ghana. The study employed purposive and basic random sampling approaches to obtain valid responses from 297 respondents via a survey via the internet. A partial least squares structural equation model (PLS–SEM) technique was used to evaluate the models for structure and assessment. The investigation found that digital medium taxpayer education positively improves tax compliance; traditional media taxpayer education greatly influence tax compliance; and stakeholder sensitization activities substantially impacts tax compliance. In order to increase tax compliance and support government revenue, the researchers advised the Techiman Municipality's tax officials to step up taxpayer education for small and medium-sized enterprises (SMEs).

Swee, Claudia, Kassim and Mohd (2021) examined how a taxpayer's level of tax education affects their ethical view, which in turn affects how they behave when it comes to paying taxes. The cross-sectional survey approach was employed by the researcher to gather data at a certain point in time. Version 21 of the Statistical Package for the Social Sciences (SPSS) was used in this study to analyze the data and produce useful information based on data from 606 Peninsular Malaysian respondents. According to the study, tax compliance behaviour is positively impacted by ethical perception. The findings also showed that, when tax education level was taken into account, there was a strong positive correlation between ethical perception and tax compliance behavior. It implies that tax education will raise taxpayers' ethical perceptions and increase their compliance.

Lizzy and Joel (2021) ascertained how taxpayer education and awareness affected informal sector businesses' adherence to tax laws. A population of 19,383,447 people from twelve different states in Nigeria was targeted in the survey, and the Taro Yamane formula was used to calculate the sample size of 400. The data obtained underwent a regression analysis. The investigation discovered a positive correlation between tax compliance and taxpayers' educational attainment. Therefore, the research suggested that State Boards of Internal Revenues nationwide should routinely conduct taxpayer education and awareness campaigns.

Hamid, Ismail, Yunus, Jali and Rosly (2022) investigated taxpayer attitudes using quadrant analysis to determine organizational strengths and weaknesses based on how important and satisfied taxpayers are with tax education, tax awareness, and tax complexity, and how much of an impact they have on compliance. Through the use of an online survey form, a structured

questionnaire was created, verified, and given to the owners of SMEs. The questionnaire was completed by 140 people in total, and their responses were taken into account for the data analysis. The findings showed that taxpayers viewed paying taxes as a burden since it would lower their income and that tax awareness, tax education, and tax complexity affected compliance. The tax authority's operations and tax administration were not as well known to the public. The tax authority must deal with matters pertaining to management procedures and tax complexity. The study suggested that in order to raise tax knowledge, particularly among Malaysian SMEs, tax authorities concentrate on the issues that need immediate attention.

Trawule, Gadzo, Kportorgbi and Sam-Quarm (2022) investigated within the framework of a hierarchical regression, the link between tax education and tax compliance among entrepreneurs. A sample of four hundred participants was selected from an overall population of 28,355 for the cross-sectional and correlational method of inquiry. The findings demonstrate that, while fear-inducing messaging puts gravel in the spokes of dedicated tax compliance, tax education and the ease of complying with taxes serve as lubricate in the axles of devoted tax compliance, with both determining an important beneficial connection with committed tax compliance. It was suggested that in order to lower the cost of compliance and improve tax convenience, the revenue authorities simplify tax legislation. Additionally, to improve general tax knowledge and increase tax compliance, revenue authorities and education sector regulators should work together to make basic tax education a required course in schools.

Lutfillah and Ndapa (2022) examined the impact of tax education, tax penalties, and taxpayer incentive on private taxpayers' tax compliance in West Surabaya. The analytical technique employed was the t-test. The study's unit of analysis comprised one hundred individual taxpayers who were residents of West Surabaya. Regression analysis was performed on the collected data. The study's findings demonstrated that tax education, tax penalties, and taxpayer incentive all affect taxpayer compliance in West Surabaya.

Amin, Buhari, Yaacob and Iddy (2022) analyzed whether tax education should be implemented in higher institutions while also considering the views of the students in order to increase tax compliance. Utilizing surveys, the study employed a quantitative methodology to gather data from 208 participants who were students enrolled in public and private universities in Malaysia, including Universiti Sains Islam Malaysia (USIM), Universiti Teknologi Malaysia (UiTM), Universiti Malaya, and MAHSA University. The participants' ages ranged from 19 to above. The findings of analysis conducted demonstrated that one of the variables influencing the degree of tax compliance in a given nation was tax knowledge hence the need to prioritize tax education.

Albert and Fadjarenie (2022) examined the impact of early tax education on subsequent compliance among taxpayers. The investigation used a case study methodology in conjunction with a quantitative research strategy. 719 junior and senior high school students in Jakarta, Indonesia participated in a study that collected data. The students were split into two groups: those who received tax education at their educational institution and others that did not. The findings showed that taxpayers' attitude towards compliance is positively impacted by early tax education, particularly for those who have received tax learning.

Hidayati, Hermanto and Nnamdi (2023) investigated how tax education affected students' compliance with the law whether they came from a variety of ethnic backgrounds. The research used a quantitative, descriptive methodology. The researchers created, evaluated, and gave out open-ended questionnaires to students. A total of 372 valid answers were obtained, and the Smart PLS tool was used to analyze the data. The analysis's conclusions

showed that tax education significantly improved tax compliance for all ethnic groups (Javanese, Sundanese, Batak, Minang, Malay, and Others), with the Sundanese showing the highest and lowest effects, respectively, at 73.5% and 47.2%. In Indonesia, it is advised that public tax awareness programs be continued, aimed at both the general public and students, as this will eventually lead to a rise in tax compliance among all ethnic groups.

Uvaneswaran (2023) investigated how tax education affected the tax compliance at the government revenue branch office of Kombolcha City, Amhara National Regional State and South Wollo Zone. In order to meet the study's objectives, an exploratory design approach was used, along with both descriptive and inferential statistical data analysis methods. Specifically, primary data was gathered via questionnaires from external taxpayers and Kombolcha revenue branch office employees in order to investigate the impact of tax education on tax compliance. According to the results of the data analysis, tax education had a significant impact on tax compliance. Therefore, the organization should make a consistent effort to challenge taxpayer non-compliance by developing easily navigable systems.

### **3.0 Methodology**

The study conducted a review of literature on tax education and tax compliance. The study was therefore based on a systemic literature review where various theories and empirical researches were discussed.

### **4.0 Findings of the Study**

Revenue from taxation forms a major source of revenue to governments across the globe. From the review of empirical literature, various studies have established a relationship between tax education and tax compliance. Researches across developed and developing countries have reported significant nexus between tax education and tax compliance. Tax education improves the ethical perceptions of taxpayers which in turn increases their level of tax compliance. As such, higher tax education translates to higher level of tax compliance by taxpayers.

### **5.1 Conclusion and Recommendations**

Based on the review of empirical literature, the study reported that tax education significantly affects tax compliance level. It was consequently concluded that tax education is important in predicting the level of tax compliance. The conclusion emphasizes the influence of improved tax education on taxpayers' willingness and ability to comply with tax regulations. This finding is vital, as it highlights the role of education in shaping tax behavior and compliance, suggesting that informed taxpayers are more likely to fulfill their tax obligations accurately and promptly. The study recommends that in order to improve the tax compliance level, governments should put in place and sustain public tax awareness programs as these will highlight the importance of tax revenue which is driven by tax compliance level. Tax education programs will further promote awareness and the confidence of citizens in the government, which in turn enhances tax compliance. Tax authorities should support tax education since it leads to positive effect on taxpayer compliance and in turn tax revenue. Similarly, for purposes of improving the general tax knowledge of citizens and subsequently increase tax compliance, revenue authorities and players in the educational sector should collaborate in tax awareness activities (programs).

### **5.2 Contribution to Knowledge**

The study provides a valuable contribution to understanding the link between tax education and tax compliance. By critically reviewing empirical literature, the study establishes a significant relationship between these two aspects, highlighting how enhanced tax education

can lead to increased compliance. The literature review is notably strengthened by its global perspective, encapsulating findings from different countries, thereby providing a holistic view of the role of tax education on tax compliance in different cultural and economic landscapes. This comprehensive approach not only enriches the understanding of the subject but also underscores the universal relevance of tax education as a tool for enhancing tax compliance globally. This insight is of great importance, as it underscores the role of informed taxpayers in the effective functioning of tax systems. The study not only adds to the academic discourse by confirming the positive impact of tax education on compliance but also offers practical recommendations. These include advocating for sustained public tax awareness programs and collaboration between revenue authorities and educational institutions. Such contributions are instrumental in guiding policy decisions and strategies aimed at improving tax compliance, thereby enriching the knowledge base in the field of tax administration and public finance.

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