THE INFLUENCE OF ETHICAL ATTITUDE TOWARDS TAX EVASION IN MALAYSIA

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Abstract - Taxation plays a vital role in the economic growth of the country as tax becomes one of the most important revenue to the government in preparing the nation's budget. This study investigates the relationship between the ethical attitude which is measured through variables ethical belief, tax rate, withholding position, and peer influence and how these factors influence tax evasion in Malaysia. This study is conducted using a quantitative research method where information regarding the opinion of taxpayers is collected through a questionnaire. The results and findings of the study show that ethical beliefs, tax rates, and peer influences have a significant impact on tax evasion in Malaysia. Meanwhile, the study's outcome also indicates that the withholding position of the taxpayer factor has no significant effect on influencing tax evasion.

Keywords - Ethical Attitude, Tax Evasion, Ethical Beliefs, Tax Rates, Withholding Position and Peer Influences.