

## The Antecedents of Taxpayers Compliance Behavior and the Effectiveness of Thai Local Government Levied Tax

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**Abstract:** Shortages of government revenue cause by ineffective of local government administrative is usually occurring in developing countries as such Thailand. This is because of Thai local government was ignored to seek more tax revenues while they were also leakages in revenue collection with low efficiency. Hence to solve this problem, there are 4 sources antecedent factors were identified in this study. They are tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality. These factors were assuming efficiency in tax collection which effecting to taxpayer's satisfaction and their compliance behavior. Structural Equation Modeling (SEM) will be tested the cause relationship among tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality with taxpayer's satisfaction and their compliance behavior empirically. Thus, focusing on these particular research factors will motivating local people willingness to pay tax and enhance the effective of government tax collection.

**Key words:** Tax, compliance behavior, local government, revenue tax, Thailand

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### INTRODUCTION

Thailand local tax is a major source of Tambon or Sub-district Administrative Organization (SAO) revenue for local empowerment. Tax kinds and rates had been fixed by the central government for almost 100 year time, after changing the form of government from an absolute monarchy to a democratic, since year 1932 (Hongvivatana, 1972).

According to Vachirawanwong, found that there are 3 causes caused to insufficient revenue structure of municipality; they were:

- Laws and regulations concerning revenue structure were obstacles to revenue collection capability
- Low efficiency of municipality in revenue management
- The municipality has no initiative to seek more revenue from any business undertaking

Despite the study of Sonnaku, found the relationship between government tax revenue policy and local taxation behavior. This is because of when the local government purposes a new policy of raising tax, then for the next local election, they will face with the high failure of being elected. As of this point, Thai local government has gave less importance to revenue

collection while relied on expense control. To prevent of populism loss, local government will not interests to seeking more revenue.

Since, Thai local government ignores to seek more tax revenues while they were also leakages in revenue collection with low efficiency. This cause most of local Administration Organization (SAO) has faced with shortage revenue for doing activities works and meets the expectation of people in SAO.

Hence, seeking the way to enhance of local tax revenue enable to respondent the needs and expectation of Thai local people. Service quality of government staff was identified, as the important factor determining efficiency in tax collection which leads to taxpayer's satisfaction with the service provided by municipality. Similarly to Chanpaisansin show that service quality is the 2nd success factors next from organization development. Moreover Siriwat, summarized that taxpayer's perception, knowledge and their attitude have participation relationship toward Sub-district Administrative Organization (SAO). Keopradit suggest that publicity of knowledge and information regarding to regulations and taxation procedures should be done throughout the municipality area. As suggested by Wiriyathampisan (2002) state that using Geographic Information System (GIS) application for classifying tax data base and land area before assessment was more

efficient than manual method. This is some example for good service system which will mediate taxpayers willing to pay more tax. Choice of payment via bank counter or internet banking becomes important alternative. Tax roadmaps and property registration systems will facilitate imposition from both personal and land tax. These are the determinant factors which will help to increase of local tax revenue to the target or more up.

Despite due to the operational of SAO, there were some difficulties and obstacles in the 2 areas. These are such as: Personal service quality and limitation of administration resources. Based on the study of Cheutong stated that appropriate tax period, tax discount, clear taxation process, lack of space for waiting area, no attentive welcoming gestures and the basic facilities, i.e., drinking water, newspaper. These components must be taken for local government consideration. In addition, local businessmen are not revealing their actual finance statement and not willing to cooperate with SAO. In other hand, they try to hidden beneficial information for the SAO due to protecting their business advantage (Puang-Ngam and Chotchuang, 2001; Krueathep, 2012). These are all reasons why Thai local government could not collect the actual among of tax while their budgets were relies on central government.

**Research background and problem statement in Thailand:** The major Thailand local empowerment financial support came from Thailand local tax. Tax revenue is the most important for SAO administration, created job and project implementation through an annual budget. Tax evasion will affect shortage budget of local development. Thus, when the government has received insufficient revenue then will cause to weakness of nation fiscal status and finally will increase public debt in Thailand (Trakarnsirinont, 2007). Therefore, several Thai government try to find ways to increase more tax and enhance nation revenue. This revenue will be spending for national development. Despite, most of the taxpayers are not willing to spending much more on tax which they may have reaction against the government policy.

In 1990, government has decentralization act by transferred the power from central government to SAO, including the authority, responsibility and manpower. Based on this act, government expected to receive revenue up to 35% of total income within year 2006. Despite in fact, SAO has not received sufficient revenue to expend for the local demand (Pornchokchai, 2009; Krueathep, 2012). This is because the performance of local government tax system was very poor while their collecting tax income was <10% of its overall income (Table 1). As of this point, it is become burden for central

government to support SAO development >90% of their total income. Therefore, SAO should act as the self-governed by created strategic planning to conduct more tax revenue from local taxpayers.

In sum, shortages of government revenue and social infrastructure are usually occurring in developing countries, such as Thailand and some other countries in Asia. This is because in developing countries needs fast developing in infrastructure, technology, education and even changing people's quality of life. Thus to enhance Thai people standard of life, government should providing budget on medical treatment and premiums for the elderly sufficiently. As of this point, Thai central and local government must be strengthened to be self-reliance by seeking revenue to meet the expenses and demand. Consequence, land local tax is the important source of local government revenue for development community. Therefore, this research will be focus on land local tax and identify the strategic factors for enhancing of local government revenue and improve living standard of Thai local people.

**Table 1: Revenue of local government organization in the fiscal year 2008**

Revenue types	SAO	Total	Percentage
Local levied taxes	7,064.69	35,223.60	9.35
Revenue from local levied tax	3,703.30	22,776.99	6.05
Building and land tax	2,401.68	17,164.77	4.56
Local development tax	839.69	1,274.87	0.34
Signboard tax	283.19	1,640.60	0.44
Slaughter duty	20.01	89.68	0.02
Bird nest duty	165.13	202.19	0.05
Tax from tobacco, oil and hotel		2,404.88	0.64
Non-tax revenue	2,716.25	9,434.81	2.50
User charge, license fee, fine	1,031.80	3,819.28	1.01
Property revenue	165.64	1,972.50	0.52
Utility income	424.96	811.06	0.22
Other revenue	1,093.95	2,831.97	0.75
Revenue from increasing efficiency of local collection	640.74	3,011.80	0.80
Surcharge tax	50,173.56	128,676.40	34.10
Value added tax	15,531.93	84,771.54	22.50
Specific business tax	522.39	4,000.00	1.06
Beverage tax	6,553.59	9,250.00	2.46
Excise tax	4,631.35	20,681.61	5.49
Vehicle tax		22,510.74	5.78
Immovable property register fee	11,226.06	26,952.28	7.15
Gambling tax		145.00	0.04
Mineral fee	613.84	1,064.00	0.28
Petroleum	912.69	1,522.00	0.40
Other	135.31	165.00	0.04
Shared tax	31,667.07	65,000.00	17.25
Total local revenue before grant (1+2+3)	88,905.32	228,900.00	60.76
Grant		147,840.00	39.24
Total local revenue (4+5)	88,905.32	376,740.00	100.00
Government revenue	1,495,000.00	1,495,000.00	
Proportion of local revenue total revenue to government revenue	383.00	25.20	

Office of the decentralization to local administrative organization committee, 2009

**Research questions:**

- What are the components of Thailand local tax fairness perception?
- What are the components of Thailand local tax knowledge and understanding?
- What are the components of the attitude towards Thailand local taxation?
- What are the components of Thailand local tax service quality?
- What are the components of taxpayers satisfaction influencing Thailand local tax compliance behavior?
- How is the relationship between; tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality with Thailand local taxpayers satisfaction and tax compliance behavior?
- How are the influential paths in the structural equation modeling among tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality, taxpayers satisfaction and Thailand local tax compliance behavior?

**Research objective:**

- To identify the components of tax fairness perception affecting Thailand local taxpayers satisfaction
- To identify the components of tax knowledge and understanding affecting Thailand local taxpayers satisfaction
- To identify the components of attitude towards taxation affecting Thailand local taxpayers satisfaction
- To identify the components of service quality affecting Thailand local taxpayers satisfaction
- To identify the components of taxpayers satisfaction influencing Thailand local tax compliance behavior
- To study the relationship and influential paths of the antecedents or causal variables: Tax fairness perception, tax knowledge and understanding, attitude towards taxation, service quality; the mediating variable of taxpayers satisfaction and effect variable of Thailand local tax compliance behavior
- To study the influential paths in the structural equation modeling among tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality, taxpayers satisfaction and Thailand local tax compliance behavior

**The limitation of the study:** The limitation of this study classified into 2 scopes such as:

**Content limitation:** This study focus on the antecedents of taxpayers satisfaction and their compliance behavior in

sub-district administration organization in Thailand. These antecedents were included tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality. These are the antecedents explain by compliance behavior theory. This theory describe that generally people do not like to pay the tax. To make people accepted the regulation why people pay tax; the government must change their attitude towards taxation. Therefore, the government should design the tax system in such a way that tax collectors and taxpayers have chance to cooperate and understand what they will get turn from their money. Thus, these are all the content limitation and overall concept of the study intentionally focused on taxpayer behavior.

**Time consumption limitation:** The duration for gathering field data will be only one month. Therefore, completing of taxpayer's behavior survey data from a single state could be a best alternative due to time consumption (Sweangdee, 2011). Collecting data from different state and wide area may lead to difficulty to receive a consistency data. To defense this problem, this study will completing of taxpayer's behavioral survey data from single locality can be, as well representative to the other state (Sweangdee, 2011).

**Expectation of the study:** This study will give a new body of knowledge on tax compliance behavior of Thai local people development in particular areas:

- The results of the study will give some advices for development of local tax office service quality
- The finding of this study will give the new direction for improving local tax collection administration
- This study will be awareness of factors affecting taxpayers satisfaction and their tax compliance to local government. Emphasizing on these particular research factors will motivating local people willingness to pay tax and increasing tax revenue
- The overall research will enhance the efficiency of local tax collecting agencies

**Literature review:** Underlying local taxpayer compliance behavior is reviewed in order to support each variable, the associations among them and the structure of the research model. These include such conceptual theory, related research and the antecedents of the land local taxpayer compliance behavior, as the detail of each topic is elaborate. Cannan (1976) stated that Adam Smith said taxes levied from the rental land be the most efficient ones to local. A land rent is the value agriculturist paid for the

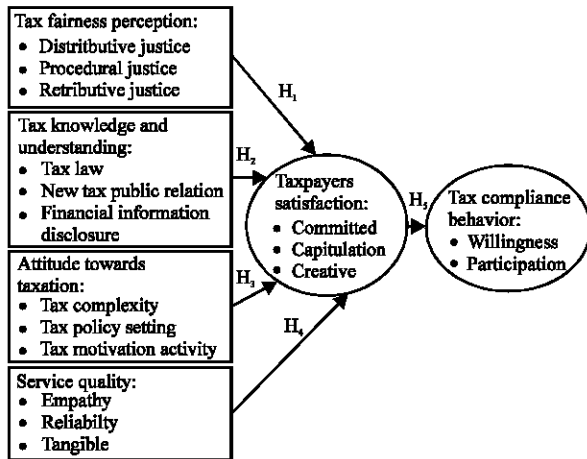


Fig. 1: Research model; adapted from Tayib (1998)

right of using land to land owner. Thus, owners are not troubled from government increasing the land local tax rate but might be trouble of hirer. Local levied revenue will be expenses to improve social environment in local as ways, ditch, water-supply, electricity, etc., by local levied tax related to the land will also increase the wealthy of land to owner mutual satisfaction.

According to literature survey and result of past research study, this research sorted the choice 6 factors to elaborated in to theoretical framework of the study (Fig. 1). They are 4 antecedents are as tax fairness perception, tax knowledge and understanding, attitude towards taxation and tax service quality. These factors will determine taxpayers satisfaction which will eventually toward to taxpayer compliance behavior. Prior studies just mentioned factors are as after describe:

**Compliance behavior:** Tax is the burden that people do not like to pay. The government should design the tax system in such a way that tax collectors and taxpayers have no chance to cooperate for tax evaders' gain nothing from tax evasion.

According to Behaviorism school, man have brain for thinking and remembering brought by Exogenous factors which will influence human behavior both in the present and in the future (Phalalerd, 2005; Julaphanthong, 2010).

Honest paying tax involves filling out tax assessment forms truthfully, continuous paying annual tax and persuading other people to do so accordingly to tax calendar. People's complete tax payment will strengthen their sense of belonging to SAO. Lack of participation among people was due to being unrealized that many facilities built by SAO with gets provided by central government, actually are revenues from their own tax

payment (Krueathep, 2012). People participant behaviors include following the SAO's regulations, supporting SAO's development schemes, joining SAO's election as a candidate, examining and watching SAO's performances, joining SAO's team for public relation in seeking participation of people and paying tax honestly (Puang-Ngam and Chotchuang, 2001).

This to enhance the effectiveness of Thai local government levied tax; examine the antecedent factors of taxpayer's compliance behavior is important to clarify empirically. These antecedents are such as after describe:

**Tax fairness perception:** Perception of tax fairness has certainly been recognized widely, as one of the important variables that influence tax compliance behavior (Gilligan and Richardson, 2005). This is because perception is a process for accumulating information through sensory organs. The derived information will be sent to the brain for processing by interpretation, learning, realizing and remembering while the brain may execute for some behaviors. This effort will be very much beneficial to the government from the tax compliance satisfaction of the people, resulting persuade their fellows to participate in paying tax sincerity (McBarnett, 2001; Krueathep, 2012). Tax consciousness in the long-run from a government should try hard to build and also pay attention to the process of people compliance behavior which is very important for public performance. In additional, budget will be equitably allocated for local development. These conditions will take tax fairness perception and eventually enhance taxpayer compliance behaviors.

**Tax knowledge and understanding:** According to Tayib (1998), found that local taxpayers compliance behavior built from their tax knowledge well laid tax system that was easy to study and comprehend. Puang-Ngam revealed that people had not enough knowledge on SAO system. Due to this lack of understanding on their right and duty as a good local citizen, the role of SAO had inefficient local government administration and its failure. It also caused negative public acceptance towards SAO and also low tax compliance satisfaction (Krueathep, 2012). Therefore, it is necessary for the government to educate the public that revenue levied by SAO is for community development. Hence, when the people have sufficient knowledge about land local tax, many more tax may receive from public.

**Attitude towards taxation:** Beside of attitude is expressed in 3 forms: Positive, negative and neutral. Attitude could be changed through changing their value and belief. Positive attitude may be strengthened into preference, strong liking or positive response towards any particular

circumstance which is the expression of satisfaction and behavior (Palil, 2010; Thongboonma, 2010). Attitude towards taxation, then is important to tax compliance (Jackson and Milliron as cited by Tayib, 1998). Attitude is an important factor trying with satisfaction that will lead to Thai taxpayers compliance behavior. Thus, local government should motivate the positive attitude towards SAO. This will be helpful in dealing with local fiscal and in seeking people acceptance to any government undertaking.

**Service quality:** Service quality could be measured by using Client Satisfaction Index (CSI) after services having given to clients. Their worth while feelings will lead them to return in servicing again and again (Ramangkoon, 2009). Seemanee (2003) had pointed out that good service principles are:

- Continuous service with public interest, as a major aim without being concerned the termination of the services
- Equitable service to everybody or fair service provision according to law
- Convenient service, easy to do no difficulty to both service givers and receivers, etc.

Developing high service spirit personnel is the very important responsibility of an organization. Differentiation in services provision among competing organizations must be followed in such a way that better quality of service must be provided. This accomplishment will help increase clients to the organization through their mouth to mouth publicity. This research determines that service quality, involves the matters of empathy, reliability and tangibles is a factor contributing to taxpayers' satisfaction relationship with taxpayer compliance behavior.

**Taxpayer's satisfaction:** Satisfaction means feeling like gratified, pleased, happy. It reflects one's attitude or emotional move towards something, together with its environment. A person's satisfaction will result in his/her different behaviors (Thongboonma, 2010; Palil, 2010). According to President Abraham Lincoln state that:

If the people were satisfied, there will be no failure but if there were no people's satisfaction, there will be no success (Lapiratanakul, 2006)

Public satisfaction is from public goods and services provided by local government. They are temples, mosques, roads, canals, ditches, bridges, bus depots, piers, incinerators, land and water traffic routes, city cleaning education, fire distinguish equipment, etc. Local

government maintains these goods and services in order to meet people needs and satisfaction. Through these public goods and services, they show morale and attitudes (Yarmmanowisit, 2008). If taxpayers realize that tax revenue paid was expended for their own and local benefits, they will be very happy to pay. Thus, the government should always bear in mind on the satisfaction people have towards public goods and try to carry out with equity, adequacy, continuity and progress by which people's attitudes will be the result (Wongkiatkhajorn, 2009).

This study of the behaviors of tax compliance behaviors of Thailand local taxpayers aims at examining satisfaction towards tax system, factors contributing to tax compliance satisfaction, including jobs to be done to achieve highest satisfaction. In this study, tax compliance satisfaction is treated, as a new variable leading to deep structured problem solving satisfaction leading to participation will be derived through analysis of 4 antecedents: They are; tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality.

**The definition of term:** Local Thai = Thai rural area or Thai underdeveloped regions which far from the cities. Local development tax = Tax collected from the land owner in the suburb and rural area. SAO = Sub-district Administrative Organization.

**Research model:** The research mode of this study consists with 4 independents, 1 intermediate and dependent variables. There are 4 independent exogenous latent variables: Tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality. These variables were active behind the manifest variables called caused variables antecedents.

Taxpayer's satisfaction is performing as the intermediate variables in research model. It is play the role of linkages relationship between antecedent variables and influenced to the dependent variable. Tax compliance behavior is the only one dependent variable in this research model (Fig. 1).

## MATERIALS AND METHODS

There are 3 categories of research variables will examine in this study. They were antecedents, intermediate variable and dependent variables (Fig. 1). Thus to verified the antecedents of taxpayers' satisfaction and tax compliance behavior, this research will be carried out systematically methodology which included the following steps are such as research design, research hypothesis, data collection process, data analysis and result verification.

**Research design:** This research served to address the problem issues of high rate of public debt while government tax collection is <10% of overall revenue. The aim of the study is finding the true for expounding the rational generated of this phenomenon. Descriptive survey was selected to capture the general information of the respondent.

A causal research was also included in this study. Structural Equation Modeling (SEM) will use to analyzing and explaining the causal variables and their cause effect relationship on tax compliance behavior.

To achieve the beneficial of academic and practitioner, this study has adapted both qualitative and quantitative technique to examine the overall picture of taxpayers' satisfaction and their compliance behavior (Wiratchai, 1995; Prasith-Rathsint, 2006). With all these steps of research, design enable the researcher getting understood into the actual problem issues and come out with research the answer effectively.

**Population and sampling size:** A sampling for descriptive survey must be effective use to conclude the research questions and objectives. Social science research basically requires a large number of sampling size as a good representative of total population.

According to Thuwachot (2001), Kiranan stated that use the largest sample according to your capability. This is because of a large number of samples will get the more truthful results and better reliable conclusion. In case of taxpayer in Thailand as a whole country, a sample of less than a percent of population may reliable which refer that the sampling technique suggested by Thuwachot (2001) is appropriate. Thus, this research sampling will used of 800 sampling to derive actual data and testing hypotheses (Sookasame and Prasith-Rathsint, 2007).

Antecedent sampling technique will get a good sample for quantitative technique data (Deming cited by Yamane, 1967). Multi-stage cluster sampling will applied at the national, regional province and SAO levels. Moreover, the systematic random sampling technique will used for selecting taxpayers via SAO's name list by counting the person with every, the end of numbers are the 1st and 6th in the list (Hair *et al.*, 2010).

According to SAO's list of taxpayers, there were diversities of gender, age, education, occupation, income and property ownership duration, as well as their participation in local affairs. However, these diversified characters are under the same constitutional law. Therefore, completing of taxpayer's behavioral survey data from single locality can be, as well representative to the other state (Sweangdee, 2011). This is because

obtaining a data from different state and wide area may lead to difficulty to receive a consistency data. Close supervision in every research steps to prevent of false data and getting a precision of research value (Wiersma, 1986). Thus, a single province was selected to represent taxpayer's behavior in the whole country.

In addition, documentary technique was analysis from literature review, tax statistic data from local administration office, statistic bureau, electronic media and complement with qualitative technique via personal in-depth interview. Field research will collected from department of local administration office at Trang Province. The interviewer of this research classified into 3 groups; they were the heads government agency, local government office and taxpayers.

**Research hypothesis:** According to research model of the study, there are 5 hypotheses were generated, such as following:

The distributive justice in term of provision of public goods and services will be brought into comparison. Procedural justice, as well as retributive justice for those who evade tax payment will lead to tax compliance satisfaction of taxpayers. Thus, the 1st hypothesis ( $H_1$ ) is:

**$H_1$ :** Tax fairness perception has a relationship with taxpayer's satisfaction. Most of taxpayers pay tax because of law requirement but some are tax evaders of some kinds. It is necessary for government agencies to lead taxpayers' satisfaction. As a theoretical conviction, when people gain more knowledge an better understanding tax, especially in tax law, new tax under public relation efforts and also disclosure of government financial information will induce more consciousness about tax fairness. Tax knowledge and understanding, also affect people attitudes and will lead to tax compliance satisfaction. Thus, the 2nd hypothesis ( $H_2$ ) is:

**$H_2$ :** Tax knowledge and understanding has a relationship with taxpayers satisfaction. These will help forming good attitude towards tax complexity, tax policy setting and tax motivation activity will lead to tax compliance satisfaction. Thus, the 3rd hypothesis ( $H_3$ ) is:

**$H_3$ :** Attitude towards taxation has a relationship with taxpayers' satisfaction. Efficiency of tax collection may be measured by amount of revenue collected. Service quality can enhance taxpayers satisfaction that will lead them to return again. Service quality includes willingness to provide tax services to serve with politeness and heartedly intention for any problems arising with reliability and equitable practices to every taxpayer,

staffing with good personality tax personnel ready for clear answers to any questions. Sufficient availability of tangible with a neat clean, modern, convenient office that support delivering service immediately will lead to taxpayers satisfaction. Thus, the 4th hypothesis ( $H_4$ ) is:

**H<sub>4</sub>:** Service quality has a relationship with taxpayers satisfaction. Taxpayers satisfaction can be measured by frequency of tax complaints, levels of acceptance to tax burdens. Tax incentives through tax reduction for taxpayers who pay tax in time are not now available in Thailand, a measure that will contradict to tax revenue enhancement effort of the government. Level of desire to pay tax, also demonstrates tax compliance that will show tax compliance satisfaction. Taxpayers satisfaction will result in tax compliance behavior in paying tax honestly in time and continuously. It also results in persuading village folks to join in paying tax. Thus, the 5th hypothesis ( $H_5$ ) is:

**H<sub>5</sub>:** Taxpayers satisfaction has a direct effect with tax compliance behavior.

## RESULTS AND DISCUSSION

**Contribution of the study:** The revenue of local development was from property tax which includes hotels, apartments following by signboard tax and building and land tax. These kinds of tax are locally collected and calculated based on renting rate. Moreover, these kinds of tax are very sensitive for taxpayer due to strict regulation, thus they are voluntary to pay to avoid problem that may concerned to their business.

Despite, there are very limited researches on tax as major source of national revenue. From the past literature, researchers found only research in tax-orientation. This past research was done on efficiency tax collection variables.

Thus, this study is the primary research identifying the components of tax fairness perception, tax knowledge and understanding, attitude towards taxation, service quality and their effects on taxpayers satisfaction. The compliance behaviors of taxpayer in this study measure into two perspectives are as willingness and participation of taxpayer (Fig. 1). By using the conceptual of this research via the effective methodology enable the academic and practitioner awareness the significance of taxpayer perception, satisfaction which motivating them to participate in local tax procedure. Hence, following this research structure and its practitioner outline will be contributing to the new knowledge of local taxpayer's

satisfaction. What do they need and willing to participate in tax process provide by local government. Finally, the overall picture of this study will contribute to government revenue, national income and country development, respectively.

## CONCLUSION

Tax revenue is the important factor to support national development and its economic strength, particularly in developing countries like Thailand. Despite, Thai government is ineffective to levied tax and distribute of tax revenue to locality. At the present, local revenue is not enough for support local development activities works. As of this point, Thai government should change the national strategy into a local oriented one. Property tax is a major source of Thai local government revenue in the local government budget. Thus, it is necessary of self-governing is more land local levied tax. Based on this point, stated tax regimes all around the world are constantly looking for ways to improving their tax revenue collections.

The major factors influence taxpayer compliance behavior are the tax law fairness, tax law complexity and tax administrative system (Hanefah, 1996). The efficiency and productivity of the tax administrative system in developed countries like USA and UK were determines the amount collected for any particular year of the Self Assessment System (SAS). The governments of such countries have collected local tax in the form of a property tax with progressive rate (Palil, 2010). Therefore, they can collect more due to high tax rate.

There are 4 sources antecedent factors were identified in this study. They are tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality. These factors were assuming efficiency in tax collection which effecting to taxpayers satisfaction and their compliance behavior. Structure Equation Modeling (SEM) will be tested the cause relationship among tax fairness perception, tax knowledge and understanding, attitude towards taxation and service quality with taxpayers' satisfaction and their compliance behavior empirically. Thus, focusing on these particular research factors will motivating local people willingness to pay tax and enhance the effective of government tax collection.

In summary, a shortage of government revenue and social infrastructure in Thailand urban area was caused by ineffective of local government levied tax. In fact, SAO has not received sufficient revenue to expend for local

demand. Despite in, Thai urban area emerging needs basic infrastructure, technology, education and medical treatment for improving Thai people's quality of life. Thus, central and local government must be strengthened to be self-reliance by seeking revenue to meet the expenses and demand. Consequence, land local tax is the important source of local government revenue for development community. Therefore, this research will be focus on land local tax and identify the strategic factors for enhancing of local government revenue and improve living standard of Thai local people.

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