

**A Survey and an Analysis of Tariff Rates Effects on Tax Evasion
in Iran Imports: A Trade Difference Focus**

**Majid Maddah¹
Somayeh Ne'matollahi²**

Abstract

Tax evasion in country's import is unobservable and it is not reported in formal statistics. This paper investigates the relationship between tax evasion and tariff rates at the two- digit HS level by panel data pattern. Tax evasion has been defined as the difference of import and export reported between Iran and its major 12 trading partners from 2003 to 2008. According to tax evasion models there is a positive and robust relation between tax evasion and tariff rates. Paper's results imply that one percentage point increase in tariff rates is associated with 0.9 percent increase in tax evasion in Iran import. Moreover, tariff rates has more impression on tax evasion in imports with the highest- tariff categories to all of the commodities. For imports with highest tariff, one percentage increase in the tariff rates lead to 1/3 percent increase in tax evasion. Trade difference or Import under- invoicing related to 10 commodity groups with highest tariff has estimated \$ 2302045.

Keywords: Tax Evasion, Tariff Rates, Trade Difference, Import Under-invoicing, Panel Data

¹ - Faculty Member of Semnan University, maddah50m@yahoo.com.

² - M.A. of Economic Sciences, Semnan University, somayeh_nematollahi@gmail.com.

The Compliance Level: The Most Important Index towards an Effective and Desirable Tax System

Aliakbar Arabmazar¹
Maryam Golmohammadi²
Behrooz Bagheri³

Abstract

All tax systems seek to collect the payable taxes, based on the related tax laws, and also use their resources effectively. So, determining the areas in which the tax compliance is low or there is no compliance, and also ranking those areas are regarded as a part of allocation process of scarce resources in achieving the maximum efficiency and effectiveness. Since the main goal of compliance is to assess the efficiency and effectiveness of the strategies used in fields in which the non-compliance dilemma is noticed, then doing research in respect of the quantitative tax compliance measurement models and its related methods and indexes is necessary. The main purpose of this research is to present a summary of attempts done in measuring the tax compliance using library study. The results show that there is no special model or theory to measure the tax compliance while regarding all effective factors but the Fisher Model can present a good one to do research about tax compliance, although some variables should be added to that model.

Keywords: Tax Compliance, Tax Avoidance, Tax Evasion, Compliance Measuring Methods and Models

1 - Faculty Member of Shahid Beheshti University

2 - M.A. in Accounting, Shiraz University

3 - PhD Student of Accounting, Allameh Tabatabaee University

**The Religious Decree on Tax Late Payment Penalties
From Islamic perspective**

**Mohammad Qaeni¹
Mohammadali Ahmadi²**

Abstract

Tax is important revenue of all governments including Islamic ones. A variety of sanctions have been imposed based on intentions to evade taxes in different tax systems including tax late payment penalties proportionate to the time delay. Presuming that tax itself is legitimate, this paper discusses the legality of imposing tax late payment penalties. Apart from penalty legality, the close similarity of this penalty with late debt payment due to interest and its prohibition is possible. This study first clarifies sanctity fundamentals of Amhaly interest then it explains different types of interests, obligation to pay taxes and different late penalties and their related religious decrees have been discussed one by one. In addition to paying attention to the principle of guardianship of the Islamic ruling as a presupposition proportionate to the subject, the paper points to the Islamic governor guardianship and its scope. Finally two recommendations have been presented regarding to imposing late tax payment penalties with the observance of the religious limits.

Keywords: Late Payment Penalties, Interest, Tax, Debt, Obligation, Islamic Governor Guardianship

1- Qom Islamic Seminary Teacher

2- Deputy of Tax Affairs General Directorate of Qom Province

**An Examination of the Rent- Seeking Incentives Effects on Tax Revenues
(The Relationship between the Composition of Government Expenditure
and Tax Revenues)**

Ebrahim Rezaei¹

Mohammadghasem Rezaei²

Kiyoumars Shahbazi³

Abstract

Rent-Seeking incentives in government expenditure have constantly been one of the most important factors which have restricted the positive effects of government intervention in economy. Because the consequences of such motivations are, declining in education and health, and increasing in bureaucracy shares in government budget. So, in this paper, we present a model based on microeconomic assumptions and measure index of rent- seeking by using principal component analysis method and show its effects accompanied by other variables on tax revenues. In general, our results show that the tax to GDP ratio will increase after decreasing rent- seeking, increasing per capita income, decreasing agricultural shares in output, more openness of economy and increasing oil revenues. Among mentioned variables, the oil revenue has the greatest effect. Also, the IV-GLS regression shows that an increase of inflation [as a proxy of expansionary fiscal policy] causes tax revenue to decrease. Although, an increase of real effective exchange rate has positive effect on tax revenue but it's not significant statistically. In this manner, the structural reforms have positive and significant effect on tax revenue.

Keywords: Rent- Seeking, Composition of Government Expenditure, Tax Revenue, IV-GLS

1-Faculty Member of Urmia University, e.rezaei@urmia.ac.ir or ebrahim.rezaei@gmail.com

2 - M.A. in Economics

3 - Faculty Member of Urmia University

A Comparative Study of Tax Support for Charitable Contributions in the World

Mohammadtaghi Gilakhakimabadi¹

Abstract

Governments provide tax support for charitable donations, aim at strengthening national cohesion, reducing its responsibilities and financial burdens in providing public goods especially for those in need, and also attracting people support for them. The experiences of the leading countries indicate that all governments use two common methods i.e. tax deductions and tax credit but their related laws and regulations, rates and the level of this kind of supports differs. The most important criteria in selecting these methods and their evaluations are the efficiency of treasury and social efficiency on one hand and equity and justice from the other hand. Reviewing the best practices of the leading countries in respect of laws, type of support, performance and evaluation of these methods, this paper provide necessary grounds for comparative study of support. Finally it suggests different solutions for enriching fiscal support for charitable contributions in Iran.

Keywords: Charitable Contributions, Tax Deductions, Tax Credit, Treasury Efficiency, World Giving Index

1 - Faculty Member of Mazandaran University

**Tax and Tax incentives from
Social Justice Perspective**

**Hasanagha Nazari¹
Allahmohammad Aghaee²
Seyyed Hamid Joshaghaneenaee³**

Abstract

The studies show that tax system is one of a few systems in which most of the taxpayers are given a range of incentives. Among these incentives, tax holiday which is commonly known as complete tax exemption in many economic and cultural sectors' activities is also the most widespread and the commonest type of incentives in the country. The present literature and empirical studies show that this kind of incentive is not only the most inert but also the most costly incentives. It is assumed that justice means giving right to its owner (rightful). Social justice is achieved through a mutual observance of individuals' and state's rights. One of the financial rights of the Islamic governments is official tax income as its main revenue. The full-fledged criteria of this right is exactly interest assessment, so there is a real and logical relationship between social justice and interest assessment on tax policies such as tax bases, tax rates, tax exemption and incentives. If it necessitates using tax incentives to attract investment, it will be necessary to establish the effect of these incentives and exemptions. If tax incentives are included in tax itself, it is expected that in addition to meeting its objectives, has more efficiency. Another type of tax incentives which is accompanied with justice and tax revenue increase is expanding tax capacities and applying single tax rate.

Keywords: Tax, Tax Incentive, Social Justice, Efficiency, Islamic Feqh (jurisdiction) and Investment

1 - Faculty Member of Hawzeh and Daneshgah Research Institute

2 - M.A. in economics

3 - M.A. in Imam Khomeini Institute for Education and Research

The Effect of Fiscal Policy on Economy in Iran

Ali Falahati¹

Mehdi Moradpour Oladi²

Abstract

The purpose of this study is the effects of taxes and government spending shocks as instruments of fiscal policy on macroeconomic variables including GDP, inflation, private consumption and private capital investment in Iran with the time series for (1350-1388) and the method of Impulse Response Function has been used. According to the results, tax shock will have a positive effect on the economy. But increase the components of government spending shock leads to increase the real GDP.

Keywords: Fiscal policy, Taxes and Government Spending, Auto-regression Vector, Impulse Response Function

1 -Faculty Member of Economic Department, Razi University, alifalahatii@yahoo.com, 09183324253.

2 - Student of Azad University, Member of Young Researchers Club, Kermanshah, mehdi moradpour@ yahoo.com.

**Tax Supports for Charitable Contributions in order to
Develop a Type of Social Insurance**

Sadegh Bakhtiari¹

Abstract

This paper focuses on the role of tax supports in encouraging charitable contributions and developing a kind of social insurance consistent to the Islamic fundamentals. The objective of this research is, to study how tax support results in establishing Takafol social insurance (a kind of Islamic insurance) and also to review its history in the Islamic countries. The paper, first presents an overview of the charity givings and tax supports conditions in some western and the Islamic countries, then it reviews theoretical basics of insurance economy and tax, and finally according to the best practices of Takafol insurance, it concludes that these kinds of insurance can play an effective role as a complementary model for common insurance especially for vulnerable groups and at the end it proposes some tax solutions for developing and encouraging this kind of insurance.

Keywords: Tax Support, Takafoli Social Insurance, Vulnerable Groups

1 - Faculty Member of Isfahan University, Economic Department

The Relationship between the Effective Tax Rates and the Companies' Characteristics

Yahya Hassasyeganeh¹
Mojtaba Golmohammadishourki²

Abstract

The corporate income tax rate plays a worthwhile role in developing fiscal and tax policies for companies, lawmakers and analysts. So, one of the most important issues in tax field, is to determine effective tax rates. The study and scientific calculations of the effective tax rates provide an enhanced tax justice and a careful study of tax pressure on taxpayers would be possible. The objective of this paper is, first to assess an effective tax rate and second, to study its relationship with the related industry, firm size, profitability, financial leverage, investment intensity and the structure of the ownership as the characteristics of a company. The results of this research pave the way for enacting new laws and helping tax authorities of corporate income tax. Considering all companies of this research, the results indicate that the average effective tax rate is near to statutory income tax rate. However by considering a company's related industry, the results show that almost each industry has its own effective tax rate. The research has concluded that there is a negative and significant relationship between the effective tax rate from one side and firm size and profitability on the other side and there is also a positive and significant relationship between effective tax rate and financial leverage and also no relationship between effective tax rate and investment intensity and ownership structure was observed.

Keywords: Effective Tax Rates, Company Size, Profit- making, Financial Leverage, Investment Intensity and Ownership Structure

1- Faculty Member of Allameh Tabatabaee University, yahya_yeganeh@yahoo.com

2- M.B.A. Student of Allameh Tabatabaee University, mojtaba.gol.84@gmail.com

A Review of Iranian Tax System's Reform Bill Based on the Islamic Teachings

Majeed Habibiannaghibi¹

Naser Elahi²

Mojtaba Bagheritoudashki³

Ahmad Zamani⁴

Abstract

Material world is characterized by change and transformation. Tax system as a sub-system should be changed aim at becoming accountable to the needs and undertake its own responsibilities. From this perspective, the paper attempts to review State Tax System's Reform Bill based on the Islamic Teachings. Therefore, we seek to study the tax system portrayed by reform bill of the Direct Tax Act as a sub-system of reference system of Islamic economics from the Islamic perspective. The main task is to review common taxes through extracting intermediate goals and dominant criteria of Islamic taxation system based on religious teachings. This paper is confined to study: 1- capital gains tax; 2- income tax; 3- inheritance tax; and 4- tax evasion and tax avoidance sanctions due to time restriction and paper requirement.

Keywords: Reform Bill, Islamic Teachings, Intermediate Goals

1 - Faculty member of Economic college, Allameh Tabatabaee University

2 - Faculty member of Mofid University

3 - Faculty member of Mofid University

4 - Director General of Research and Improving Processes Office, Iranian National Tax Administration

**A Case Study on the Effect of Social Capital in Developing
Knowledge Management of the Iranian National Tax Administration**

**Amirahmad Mahdianrad¹
Safar Fazli²**

Abstract

Knowledge is the only known asset which increases by the dissemination. The concept of social capital focuses on the interaction of people in the organization. Social capital is an important asset in any organization which can help to knowledge management, as well as sustainable competitive advantage for organizations. The main objective of the study is to investigate the correlation of social capital with knowledge management in the Iranian National Tax Administration (INTA). The study is a descriptive survey of correlation type. The structural equation modeling method was used for analysis. In order to collect data, the standard questionnaire for knowledge management and social capital has been used. The statistical population of the study is INTA's managers and experts. The results are indicative of a significant correlation of social capital with knowledge management. Chart in standard mode is indicative of 86 percent of changes in knowledge management will explain with social capital. Also, 47 percent of changes in knowledge creation and 43 percent of changes in knowledge sharing in the organization studied has explanation by social capital. The paper finally concludes that administrators can control the development of knowledge management and its dimensions in the INTA by creating suitable conditions and improving the elements of social capital.

Keywords: Social Capital, Knowledge Management

1 - MBA in Administrative Management, mahdian_a@yahoo.com

2 - Faculty Member of Social Sciences College of Imam Khomeini International University, fazli@ikiu.ac.ir

Mohsen Mehrara..... Faculty Member of Tehran University
Naser Mirsepasi.....Faculty Member of Islamic Azad University
Qolamali Aabae..... Member of Tax High Council
Sadegh Bakhtiari..... Faculty Member of Isfahan University
Seyed Kazem Sadr..... Faculty Member of Shahid Beheshti University
Teimour Rahmani..... Faculty Member of Tehran University

Editorial Board:

Abbas Arabmazar.....Faculty Member of Shahid Beheshti University
Abbas Shakeri.....Faculty Member of Allameh Tabatabaie University
Aliakbar Arabmazar..... Faculty Member of Shahid Beheshti University
Jamshid Pazhooyan..... Faculty Member of Allameh Tabatabaie University
Naser Mirsepasi..... Faculty Member of Islamic Azad University
Seyed kazem Sadr..... Faculty Member of Shahid Beheshti University
Soheila Parvin..... Faculty Member of Allameh Tabatabaie University
Yahya Hassasyeganeh.....Faculty Member of Allameh Tabatabaie University

Referees of This Issue:

Abbas Arabmazar..... Faculty Member of Shahid Beheshti University
Ahmad Zamani.....Director General, Research and Improving Processes Office
Ali Tayyebnia..... Faculty Member of Tehran University
Aliakbar Arabmazar..... Faculty Member of Shahid Beheshti University
Allahmohammad Aghae.....M.A. in Economics
Ayat Zayer.....Head of Research and Improving Processes Office
Jamshid Pazhooyan..... Faculty Member of Allameh Tabatabaie University
Majid Habibian..... Faculty Member of Allameh Tabatabaie University
Mirrostam Asadollahzadeh...Deputy of Research and Improving Processes Office
Mohammad Parizi....Vice Chancellor of Economic Deputy of Finance and
Economic Affairs Ministry
Mohammadali Moradi..... Faculty Member of Tehran University
Mohammadreza Abdi.....Deputy of Research, Planning and International Affairs
Mohammadreza Farzin....Economic Deputy of Finance and Economic Affairs
Ministry
Mohammadtaghi Gilak hakimabadi...Faculty Member of Mazandaran University

In the Name of God
Tax Research
An Iranian Quarterly
Scientific - Research

New Series, Vol.19, No.12 (Serial No. 60), Winter 2011

Concessionaire:
 Iranian National Tax
 Administration (INTA)

Director-in-Charge:
Dr. Ali Askari

Editor-in-Chief:
Dr. Jamshid Pazhooyan

Executive Assistant:
 Aliakbar Khademi
 jamkhaneh

Co-Executive Assistant:
 Khadijeh Eslami

Editor:
Mahboubeh Sabzrou

**Translator of Abstracts
 into English:**
Mahboubeh Sabzrou

Layout:
Khadijeh Eslami

Mailing Address:

Research & Improving
 Processes Department, 3th
 Floor, Iranian National Tax
 Administration, Davar St.,
 Tehran, 1114943661, Iran

Tel: (+9821) 33967440
Fax: (+9821) 33967439

Website: www.intamedia.ir

Table of Contents

A Survey and an Analysis of Tariff Rates Effects on Tax Evasion in Iran's Imports: A Trade Difference Focus9
Majid Maddah , Somayeh Ne'matollahi

The Compliance Level: The Most Important Index towards an Effective and Desirable Tax System.....27
Aliakbar Arabmazar , Maryam Golmohammadi , Behrooz Bagheri

The Religious Decree on Tax Late Payment Penalties from Islamic perspective71
Mohammad Qaeeni , Mohammadali Ahmadi

An Examination of the Rent- Seeking Incentives Effects on Tax Revenues (The Relationship between the Composition of Government Expenditure and Tax Revenues)97
Ebrahim Rezaei , Mohammadghasem Rezaee , Kiyoumars Shahbazi

A Comparative Study of Tax Support for Charitable Contributions in the World.....121
Mohammadtaghi Gilak hakimabadi

Tax and Tax incentives from Social Justice Perspective.....153
Hasanagha Nazari, Allahmohammad Aghae, Seyyed Hamid Joshaghaneenaeni

The Effect of Fiscal Policy on Economy in Iran183
Ali Falahati , Mehdi Moradpour Oladi

Tax Supports for Charitable Contributions in order to Develop a Type of Social Insurance.....211
Sadegh Bakhtiari

The Relationship between the Effective Tax Rates and the Companies' Characteristics239
Yahya Hassasyeganeh , Mojtaba Golmohammadishourki

A Review of Iranian Tax System's Reform Bill Based on the Islamic Teachings.....265
Majeed Habibiannaghbi, Naser Elahi, Mojtaba Bagheritoudashki, Ahmad Zamani

A Case Study on the Effect of Social Capital in Developing Knowledge Management of INTA.....291
Amirahmad Mahdianrad, Safar Fazli