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Tax Policy and the News: An Empirical Analysis of Taxpayers' Perceptions of Tax-related Media Coverage and its Impact on Tax Compliance*

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Research Highlights:

- Testing of Slippery Slope Framework within a real-life context
- Effect of media coverage regarding tax issues on trust in authorities
- Effect of media coverage regarding tax issues on perceived power of authorities
- Effect of media coverage regarding tax issues on intended tax compliance

Abstract

Using a survey-based experiment, this paper examines how tax authorities' attributes of trust and power, when featured in the media, impact intended tax compliance. We apply excerpts from newspaper coverage on tax issues to manipulate the trustworthiness and power of tax authorities in Austria and assess intended compliance. The experimental treatment shows significant effects on indicated trust, perceived power of tax authorities, and intended tax compliance. Moreover, we observe a strong positive effect of participants' education on indicated trust.

1. Introduction

The very design of tax systems renders them subject to debate. However, it is likely that taxes have never received wider attention than they do today. Policy makers as well as the public take great interest in multinationals profit-shifting activities and prominent cases of tax evasion stimulate extensive media coverage. This causes an ongoing dispute on fairness in tax systems and its effects on compliance (e.g. OECD, 2013).

The slippery slope framework (Kirchler, 2007; Kirchler, Hoelzl, & Wahl, 2008) integrates economic and psychological determinants of tax compliance. It supposes trust in tax authorities and power of tax authorities determine taxpayer behavior. Trust refers to the quality of interaction between taxpayers and tax authorities, their service orientation, and their professional engagement with the public at large. It relates to perceptions of transparency and the legitimacy of political processes (Feld & Frey, 2007) and apparently influences tax morale (Torgler, 2003), i.e. the conviction that honest taxpaying is a civic duty (Orviska & Hudson, 2002) and therefore intrinsically motivated (Alm & Torgler, 2006; Feld & Frey, 2002). The power dimension summarizes determinants of tax compliance that derive from economic literature, such as tax rates, the probability of audits, or the severity of fines (Allingham & Sandmo, 1972; Srinivasan, 1973). Earlier evidence from a field experiment (Fellner, Sausgruber, & Traxler, 2013) suggests that salience in the risk of detection is a significant factor increasing compliance.

A growing body of empirical evidence supports the assumptions of the slippery slope framework. Research on taxpayer behavior has applied experimental designs (Kogler et al., 2013; Wahl, Kastlunger, & Kirchler, 2010), questionnaire studies (Muehlbacher, Kirchler, & Schwarzenberger, 2011), or global datasets (Lisi, 2012) to investigate the effects of trust and power and both dimensions have shown to be relevant determinants of tax compliance. However, experimental research has so far exclusively relied on artificial, i.e. fictitious information to create scenarios that manipulate perceptions of trust and power.

The present paper aims to test the hypotheses of the slippery slope framework within a real-life scenario. Unlike earlier approaches, our experimental setting varies excerpts from tax related media coverage to describe the dimensions trust and power in Austria. Therefore, we investigate whether the coverage of authorities' trust and power attributes in the media impacts intentions to comply.

While actual tax behavior is generally hard to access, intentions to comply express taxpayers' willingness to follow the rule of law and can be captured in an experimental

setting. Former research found a link between intended tax compliance and tax behavior in incentivized laboratory experiments (Wahl et al., 2010) and positive correlations between self-reported and actual taxpaying behavior (Hite, 1988). Therefore, we use intentions to comply as a proxy for actual taxpaying behavior.

Currently, tax issues are broadly featured in the media and a substantial part of the debate deals with the trustworthiness and power of authorities. Earlier studies have evaluated behavioral responses to media coverage. Summarizing empirical evidence on persuasion effects, Della Vigna and Gentzkow (2010) find predominantly no or only small effects of political communication. A field experiment by Gerber, Karlan, and Bergan (2009) revealed that exposure to newspapers had no effect on political knowledge or stated opinions, but an increase in voter turnout. This is in line with previous findings that state extensive newspaper coverage causes positive turnout effects (Gentzkow, 2006). Moreover, Gentzkow and Shapiro (2010) showed that newspaper readers have a preference for like-minded news, which incentivizes newspapers to adapt to their consumers' ideologies. These findings propose that media coverage has little direct impact on individual attitudes. However, in identifying determinants of tax compliance several studies find evidence for persuasion effects. For instance, the provision of information regarding the degree of enforcement was found to be linked to compliance (Alm, Jackson, & McKee, 2009; Fellner et al., 2013). Slemrod, Blumenthal, and Christian (2001) showed that taxpayers' compliance changes in response to letters announcing a thorough examination of their tax returns and Alm, Jackson, and McKee (1993) found that tax compliance is likely to increase if public expenditures are approved by taxpayers. In this vein, the promotion of services and transparency was found to be one promising approach to increase compliance (Alm, Cherry, Jones, & McKee, 2010).

In this paper, we test the following hypotheses: (1) Exposure to excerpts from media coverage on tax issues that present Austrian tax authorities as trustworthy leads to higher indicated trust in the Austrian authorities than information suggesting Austrian tax authorities to be untrustworthy. (2) Exposure to information presenting Austrian tax authorities as powerful results in higher perceived power of Austrian authorities than information implying that Austrian tax authorities are rather powerless. (3) Higher trustworthiness as well as higher power of authorities will yield a higher level of intended tax compliance.

2. Method

2.1. Procedure and Participants

Data collection took place between January and March 2012. We randomly distributed the paper-based questionnaire among various places of work in the city center of Vienna, asked employees to participate, and to distribute the questionnaire to their colleagues. Confidentiality and anonymity was guaranteed to all participants. We collected completed questionnaires some days later. Additionally, we spread a link to an online version of the questionnaire via social media. Completion of the questionnaire (including reading the experimental manipulation) required about 20 minutes. Participation was completely voluntary and no financial incentives were provided. Table 1 below gives a summary on demographic data. A total of 544 employees participated in the study. 433 answered the paper-based questionnaire and 111 the online version. Overall 57 participants were excluded from further analyses due to missing or insufficient data[1]. The final sample consisted of N = 487 participants[2] (51% females; mean age 33.87), the majority of them were Austrian (79%), or German (7%) citizens. Most participants worked in the retail (22%), or public sector (19%), in gastronomy/tourism (11%), or craft (10%). 58% reported to be employed, 18% were self-employed, and 8% in job training.

2.2. Material

In contrast to previous experiments, mainly set up in an artificial environment with hypothetical scenarios, the present study applied actual facts on Austrian tax policy. We used excerpts from newspaper articles, official statistics, and opinion polls that describe the trustworthiness and power of Austrian tax authorities. Participants were randomly assigned to one of four experimental treatments, in which information about the Austrian state and its tax policy was provided. After reading the introduction participants were asked to complete a questionnaire.

Following an approach used in Wahl et al. (2010) and Kogler et al. (2013), our manipulation established four different settings. These characterized the Austrian tax

[1] Participants were excluded from further analyses, if they quit filling in the questionnaire before completion or if they did not spend enough time reading the instructions properly (indicated by a reading time of less than 25% of the average reading time in the online version).

[2] List-wise exclusion of subjects that provided incomplete information on demographics or the dependent variables resulted in slightly fever observations in our F-tests and regressions (c.f. section 3).

authorities with regard to their trustworthiness (high vs. low) and their power (high vs. low; for details see Appendix A) in a 2 x 2 design. The different trust and power scenarios were combined to obtain four experimental conditions: (1) high trust and high power, (2) high trust and low power, (3) low trust and high power, and (4) low trust and low power. The treatments were entirely based on tax related information that was published in the media. Due to the fact that tax policy is a controversial subject and objective information is hardly accessible, it was possible to select positive as well as negative arguments with respect to trust and power. Previous research found medium levels of indicated trust and perceived power among taxpayers in Austria (Kogler et al., 2013). This suggests that in general both positive and negative facts on Austrian tax policy might be perceived as plausible.

In the high trust scenario, the political situation in Austria was described as very stable. Legislation was characterized as highly transparent and authorities as trustworthy, service-oriented and supportive, spending tax revenues efficiently and transparently. However in the low trust condition, information was emphasized that describes Austria as a country with a relatively low political stability (indicated by the number of premature government terminations), a lack of legal transparency, and inefficient, little service oriented authorities. The high power scenario, on the other hand, provided information which characterized the Austrian tax authorities as efficient, pursuing and punishing tax evasion effectively and severely. Finally, the low power condition made use of facts and figures that presented tax authorities as highly ineffective regarding the prosecution and punishment of tax evasion.

Participants were randomly assigned to one of the four conditions and subsequently answered a questionnaire by completing a Likert-type scale ranging from (1) strong disagreement to (9) strong agreement for each single item (see Appendix B, results on a single-item level are presented in Appendix C). The scale to measure indicated trust in authorities consisted of two items (e.g., "The governmental authorities in Austria act fair towards their citizens") and proved to be highly reliable (*Cronbach's* α = .75). The perceived power scale included three items (e.g., "Chances that tax evasion will be detected in Austria are high", *Cronbach's* α = .81). Intended tax compliance was assessed by three items (e.g. "How likely is it that you would be completely honest when paying your taxes?"; *Cronbach's* α = .76), which were selected considering previous findings (Kirchler & Wahl, 2010; Wahl et al., 2010). A factor analysis confirmed the assumption of one underlying factor with an Eigenvalue of 2.01, and factor loadings ranging from .63 to .90. Participants then were asked to rate how closely the given information related to their personal perception of tax policy in Austria in order to measure the perceived similarity. A low score on this item would indicate

that the information presented contradicted participants' perceptions of the real situation in Austria.

Finally, demographic data (i.e., gender, age, nationality, level of education, income) was collected.

3. Results

Our results are depicted in Tables 1-3 below. Table 1 shows the distribution of demographic data across treatments. Descriptive information on the dependent variables is provided in Table 2. Regression results are presented in Table 3.

Table 1: Distribution of demographic parameters across treatment groups.

		Females	Age[1]	Education[2]	Net Income[3]
Trust low	Power low	49%	33.36 (11.11)	3.84 (4)	2.89 (3)
	Power high	50%	32.96 (11.33)	4.15 (4)	2.91 (3)
Trust high	Power low	46%	34.90 (11.82)	3.85 (4)	2.71 (3)
	Power high	52%	34.15 (11.08)	3.77 (4)	2.84 (3)

[1]Age: Mean age; standard deviations in parentheses. [2]Education: Category mean education (from 1= compulsory education to 6 = PhD); median in parentheses (4 = general qualification for university entrance). [3]Net Income: Category mean net income (from 1 = less than €500/month to 7 = more than €5.000/month); median in parentheses (3 = € 1.001 to € 2.000).

We tested the distribution of demographics across the experimental conditions. Results show the uniform distribution of sex ($\chi^2(3, N = 485) = 0.84$, $p = 0.84$), age ($F(3, 478) = 0.68$, $p = 0.56$), and education ($\chi^2(15, N = 482) = 17.94$, $p = 0.27$) across treatment groups. Income was not completely equally distributed ($\chi^2(18, N = 473) = 32.89$, $p < 0.05$), but did not have an effect on our dependent variables (c.f. Table 3).

A descriptive summary of the dependent variables is presented in Table 2. It reveals three core messages: First, all treatments were perceived as relatively similar to the actual situation in Austria, i.e. they were considered to be reasonably realistic. In each experimental treatment more than 60 % of the participants indicated a perceived similarity of 5 (i.e. the scale mean), or above. Second, our experimental manipulation was successful: indicated trust was stronger in the high trust treatments, just as perceived power was stronger in the high power treatments. Third – in line with our main hypothesis – intended tax compliance was

most pronounced in the high trust and high power condition and least prominent in the low trust and low power condition. These findings will be discussed in detail in the following sections.

Table 2: Means and standard deviations of perceived similarity, indicated trust, perceived power, and intended tax compliance.

		Perceived similarity	Indicated Trust	Perceived power	Intended tax compliance
Trust low	Power low	5.45 (2.20)	4.00 (1.83)	4.14 (1.85)	5.76 (2.14)
	Power high	5.78 (1.81)	4.55 (1.94)	5.82 (1.76)	6.06 (2.11)
Trust high	Power low	5.07 (1.97)	4.88 (1.90)	4.69 (1.86)	6.09 (1.97)
	Power high	4.96 (2.25)	5.01 (2.04)	5.62 (1.91)	6.71 (2.02)

Note: Higher scores indicate higher levels of perceived similarity, indicated trust, perceived power, and intended tax compliance on a scale from 1 – 9. Standard deviations in parentheses.

3.1. Manipulation Checks: Indicated Trust and Perceived Power

Table 3 depicts linear regression results for the dependent variables; indicated trust, perceived power, and intended tax compliance. We found the trust manipulation as well as the power manipulation to be significant predictors of indicated trust in the Austrian authorities ($F(7, 466) = 6.44$, $p < .001$). Participants indicated more trust in the Austrian tax authorities in the high trust and in the high power conditions. Moreover, education was a significant predictor of indicated trust, higher educated people showed higher levels of trust. Regression results display a significant effect of the power manipulation on perceptions of power, which were more pronounced in the high power conditions ($F(7, 465) = 9.78$, $p < .001$). Additionally, we found a significant interaction between trust and power. Hence, our experimental manipulation was successful in influencing participants' indicated trust as well as the perceived power of Austrian authorities.

3.2. Intended Tax Compliance

In line with our hypothesis, we observed a significant effect of both trust and power on intentions to comply (($F(7, 465) = 3.67$, $p < .01$); see Table 3). This indicates that compliance

is not only driven by factors of deterrence, but also influenced by the quality of the relationship between taxpayers and the authorities. Consistent with previous findings (e.g., Feinstein, 1991; Kirchler, 2007; Tittle, 1980), older participants reported significantly higher intentions to comply.

Table 3: Regression results (treatment effects on indicated trust, perceived power, and intended tax compliance).

Dependent variables	Indicated Trust	Perceived Power	Intended Tax Compliance
Sex	0.05 (0.17)	- 0.18 (0.17)	- 0.26 (0.19)
Age	0.01 (0.01)	0.01 (0.01)	0.03** (0.01)
Education	0.35*** (0.07)	- 0.01 (0.08)	- 0.02 (0.08)
Net Income	0.05 (0.09)	- 0.06 (0.09)	- 0.01 (0.10)
Trust	0.32*** (0.09)	0.07 (0.09)	0.20* (0.10)
Power	0.19* (0.09)	0.68*** (0.09)	0.26** (0.10)
Trust x Power	- 0.07 (0.09)	- 0.19* (0.09)	0.06 (0.10)
Constant	2.92 (0.42)	5.22 (0.42)	5.45 (0.45)
Observations	466	465	465
Adj. R squared	.08	.12	.04

Note: Higher scores indicate higher levels of indicated trust, perceived power, and intended tax compliance on a scale from 1 – 9; Sex: 0 = female; education: from 1= compulsory education to 6 = PhD; Net Income: net income from 1 = less than €500/month to 7 = more than €5.000/month. *, **, and *** indicate significance at the 5%, 1%, and 0.1% level. Standard errors in parentheses.

4. Discussion

This paper examines the impact of tax policy related information on intentions to comply in a survey-based experiment. Using excerpts from newspaper coverage, we manipulated information on the trustworthiness and power of tax authorities. Our treatments varied the transparency of the tax system, service orientation of tax authorities, and the

reputation of the government, as well as authorities' abilities to detect and punish tax crimes. Both factors, trust and power, affected intentions to comply as proposed by the slippery slope framework (Kirchler, 2007).

We present evidence that confirms a link between trust, power, and intentions to comply in a real-world setting. This suggests that media reports on tax issues cover the dimensions trust and power and that both factors impact intended tax compliance. In referring to participants' actual perceptions of the situation in Austria and not to hypothetical settings as in preceding studies, we extend previous research and confirm the assumptions of the slippery slope framework. As opposed to earlier approaches, which used very explicit, fictitious information to create an unambiguous and artificial setting, our research design offers a great extent of external validity.

Our results support prior findings, which report higher tax compliance of older taxpayers (e.g., Feinstein, 1991; Kirchler, 2007; Tittle, 1980). Furthermore, we found education to be correlated with indicated trust in the authorities. It might thus be rewarding to promote public education in tax matters in order to increase compliance. This idea is supported by studies that suggest a negative relationship between the complexity of tax systems and the willingness or ability to comply (e.g., Collins, Milliron, & Toy, 1992; Cuccia & Carnes, 2001).

Nevertheless, there are some limitations: The majority of participants were employed taxpayers, who have few possibilities to avoid or evade taxes. Most participants could therefore not rely on personal experiences when answering the presented questions. Furthermore, this study is based on behavior intentions and does not address actual taxpaying behavior. Although some scholars question the predictive value of self-reports with regard to actual tax behavior (e.g., Hessing, Elffers, & Weigel, 1988), there is evidence suggesting a positive relationship between data obtained from self-reports and actual compliance (Hite, 1988). In fact, previous research confirms a congruency between intended compliance in scenario-tasks and behavior in incentivized experiments in the laboratory (Wahl et al., 2010).

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6. Appendix

This study was conducted in German.[3]

A: Scenarios

The experiment started with an introductory text that consisted of a combination of one trust and one power condition each.

1.a.) Trust high:

*Since its sovereignty in 1955, Austria is characterized by **high political stability**. Voter participation in parliamentary elections ranks fourth in Europe. In order to directly involve Austrian citizens in legislation, **several referenda** took place. In larger cities **citizen surveys** are conducted, their results are politically binding and implemented quickly.*

*Among the population the **reputation** of the Austrian government is **getting better and better**. According to INTEGRAL market research, citizens' **trust** in the Austrian government has **increased** more than threefold within the last three years.*

***Legislation** in Austria is **transparent**. The government offers **free information and consulting** with regard to legal and tax related issues. For instance, "help.gv.at", an online platform created by the federal government, offers information about the authorities and electronic administrative services. Overall, Austrian authorities are **very service-oriented** and support citizens via numerous free services, such as the "labor market service (AMS)" or the online platform "finanzonline.at".*

*The **use of tax revenues** in Austria is **comprehensible** to all citizens and may be looked into any time via the website of the federal ministry of finance (bmf.gov.at). According to Austrian press agency (APA), **94%** of the population is **satisfied** with the use of tax revenues in the health care sector. About half of the federal budget in 2012 was spent on sectors health care, labor and social affairs.*

[3] For a German version please contact the author

Economic growth *in Austria is* ***above average*** *in an European comparison and expected to increase according to a September 2011 forecast of the Austrian Institute for Economic Research. Budget deficit and* ***public debt*** *in Austria are* ***below*** *European average.*

Additionally ***tax revenues*** *are* ***used conscientiously****. The Corruption-Perception-Index (CPI) ranks Austria with 7.9 of 10 points as one of the countries with* ***least perceived corruption*** *in Europe.*

For these reasons most Austrian citizens have ***high trust*** *in the state of Austria.*

1.b.) Trust low:

Since its sovereignty in 1955, Austria is ruled democratically, but characterized by ***decreasing voter participation*** *and* ***general disenchantment with politics****. Since the second republic was founded, ten government coalitions were ended by* ***premature dissolutions of the parliament****. Most recently, this happened in 2008. Despite the fact the Austrian constitution provides for the opportunity of referenda,* ***since 1955 only two referenda*** *took place.*

The Austrian government has a ***rather bad reputation*** *and regularly causes scandals****.*** *According to INTEGRAL market research, considerably* ***less than half*** *of Austrian's citizens* ***trust in*** *the Austrian* ***government****.*

Legislation *in Austria is* ***not sufficiently transparent*** *for many citizens. For instance, there is still a great deal of confusion with regard to the implementation of the smoking ban in Austria. Additionally,* ***authorities****, such as the AMS, are perceived as* ***little service-oriented****.*

The ***use of tax revenues*** *is* ***difficult to comprehend*** *for Austrian citizens. For instance, the purchase of the Eurofighter in 2008 provided for almost half of the annual federal deficit. Consequently 66% of the Austrian citizens believe that tax revenues are wasted, according to an IMAS-survey on drawbacks in Austria.*

According to Statistik Austria, the Austrian ***state deficit increased steadily*** *within the last ten years. The current public debt is 215.4 billion Euros. In 2011, Austria will presumably fail the EU-criteria for government budget deficit (Maastricht-criteria) for the third time in a row.*

Again and again ***tax revenues*** *are* ***embezzled*** *by politicians. A survey by the Institute for Market- and Social Analyses revealed that a large share of the Austrian population believes there is* ***more corruption*** *in Austria today* ***than in the past****.*

For these reasons most Austrian citizens have ***little trust*** *in the state of Austria.*

2.a.) Power high:

The ***prosecution of tax evaders*** *is* ***very effective****. In order to further increase efficiency with regard to prevention and prosecution of tax evasion, the* ***anti-fraud-act*** *was passed in 2010. It saw the creation of a financial police, which holds extensive power and strictly monitors the application of tax law.*

The government provides a ***high budget*** *for the tax authorities* ***to detect tax evasion****. The new electronic tax audit tool ACL* ***significantly improved tax audits*** *with regard to efficiency, quality and thoroughness. The budget enables Austrian tax authorities to employ more than* ***2.000 qualified tax auditors****, so that tax authorities are perceived as* ***very present*** *by the citizens.*

Audit probability *in Austria is* ***very high****, since the tax offices may* ***detect revenue offenses up to ten years after the filing*** *of a tax return. The federal ministry of finance may even in cases of limitation* ***subsequently impose penalties****. Moreover,* ***penalties for tax evasion*** *are* ***very severe*** *in Austria. Since the beginning of 2011, penalties were further tightened. If a tax offense is revealed,* ***imprisonment for up to 10 years*** *or* ***fines up to 2.5 million Euros*** *may be imposed.*

For these reasons most Austrian citizens perceive the state of Austria to be ***very powerful****.*

2.b.) Power low:

The ***prosecution of tax evaders*** *is* ***not very effective****. According to an August 2010 study of the Austrian Court of Audit,* ***15% of tax investigator jobs are vacant****, so that coordination is difficult and investigators are under severe pressure. This* ***hinders tax audits*** *in Austria* ***significantly****.*

The government provides a ***low budget*** *for the tax authorities* ***to detect tax evasion****. In 2009 the number of large firm auditors was reduced from 600 to 400. This contributes to tax authorities being perceived as* ***little present*** *by Austrian citizens.* ***Audit probability*** *in Austria is* ***rather low****. Bank secrecy is strict and laws provide little room for disclosure. Accordingly, the Tax Justice Network (TJN) considers Austria to be a "****secrecy jurisdiction****". Generally, a* ***multitude of tax offenses*** *may* ***not be detected****. Moreover,* ***penalties for tax evasion*** *are* ***not very severe*** *in Austria.*

For these reasons most Austrian citizens perceive the state of Austria to be ***little powerful***

B: Questionnaire

1. Perceived Similarity

1.1. How closely does the given information about Austria relate to your personal perception?

2. Indicated Trust

2.1. The governmental authorities in Austria act fairly and on behalf of their citizens.
2.2. The governmental authorities in Austria use tax revenues reasonably and conscientiously.

3. Perceived Power

3.1. Chances that tax evasion will be detected in Austria are high.
3.2. The detection of tax evasion in Austria will lead to severe punishments.
3.3. The governmental institutions in Austria are very effective in the suppression of tax criminality.

4. Intended Tax Compliance

You are self-employed and your business is going well. Your tax return is due and you have to pay taxes.

4.1. How likely is it that you would be completely honest when paying your taxes?
4.2. A customer paid in cash and did not require an invoice. You could intentionally omit this income on your income tax return. How likely is it that you would omit this income?
4.3. You bought some of your goods privately. You could resell those goods later to established customers and omit the profit from this sale on your income tax return. How likely would you be to omit the profit from this sale on your income tax return?

C: Estimated means and standard errors of each item across treatment groups

Dependent Variables	Trust low		Trust high	
	Power low	Power high	Power low	Power high
1.1. Similarity	5.45 (0.18)	5.78 (0.21)	5.07 (0.19)	4.96 (0.19)
2.1. Trust 1	4.34 (0.18)	4.81 (0.22)	5.20 (0.19)	5.38 (0.20)
2.2. Trust 2	3.74 (0.18)	4.32 (0.21)	4.57 (0.19)	4.68 (0.20)
3.1. Power 1	4.08 (0.19)	5.84 (0.22)	4.50 (0.20)	5.46 (0.20)
3.2. Power 2	4.39 (0.20)	6.43 (0.24)	5.02 (0.21)	6.15 (0.22)
3.3. Power 3	3.99 (0.18)	5.15 (0.21)	4.49 (0.19)	5.18 (0.20)
4.1. Compliance 1	6.66 (0.19)	7.03 (0.22)	6.99 (0.20)	7.45 (0.21)
4.2. Compliance 2	5.30 (0.23)	5.49 (0.27)	5.51 (0.25)	6.30 (0.25)
4.3. Compliance 3	5.32 (0.22)	5.66 (0.26)	5.76 (0.23)	6.37 (0.24)

Note: Higher scores indicate higher levels of perceived similarity, indicated trust, perceived power, and intended tax compliance on a scale from 1 – 9. Standard errors in parentheses.