

Editorial Note

Special Issue: Good Governance and Tax Compliance

Four papers in this issue derive from a conference on “Good Governance and Tax Compliance” that was organized by the Institute for Austrian and International Tax Law of WU (Vienna University of Economics and Business), the Faculty of Psychology, University of Vienna, and the Austrian Federal Ministry of Finance. The meeting was held on 20–21 September 2012. The conference brought together academics from law, economics and psychology plus representatives from business practice and government. It discussed problems in fields like tax crime and penalties, tax evasion and aggressive tax planning, enhanced relationship and voluntary compliance. In this special issue, FinanzArchiv/Public Finance Analysis is doing an experiment by embracing the multidisciplinary approach of the conference and bringing together four of the academic conference papers written by authors from three different fields. The hope is that this special issue will induce researchers from different fields to look beyond the fence of their discipline to embrace interesting questions and ideas across boundaries.

The first paper “A Field Experiment in Moral Suasion and Tax Compliance Focusing on Underdeclaration and Overdeduction” is written by an economist, Benno Torgler. It looks at a field experiment that the author conducted in a Swiss municipality. The experiment introduced a treatment in which a random selection of taxpayers received a letter signed by the commune’s fiscal commissioner that was meant to appeal to social identity and trust. The results seem to confirm that this type of moral suasion has only a very restricted impact on compliance.

The second paper is by Stephan Muehlbacher and Erich Kirchler, two psychologists. In their paper “Mental Accounting of Self-employed Taxpayers: On the Mental Segregation of the Net Income and the Tax Due who look at”, they document the different extent to which entrepreneurs take precautions and set aside some of their income for future tax payments. Based on their survey-based research they suggest that tax compliance may be strengthened by training inexperienced self-employed in mental tax accounting practices.

Valerie Braithwaite and Monika Reinhart again contribute from a psychology viewpoint. Their paper “Deterrence, Coping Styles and Defiance”

looks into the heterogeneous effects deterrence may have on taxpayers due to the stress that may be triggered by deterrent measures. The authors conclude that deterrence may need to take a middle ground and that there may be too much deterrence triggering “dismissive defiance”.

The forth paper is by Susan Morse, a legal scholar. Her paper “Narrative and Tax Compliance” discusses to which extent a “narrative” in connection with tax collection and tax compliance may be suitable. While Morse agrees that the empirical evidence on moral suasion is mixed, the paper argues that the authorities should create such a narrative, if only to defend against a counter-narrative, for example in the media.

The issue is completed by two papers that, while not having been part of the conference, fit in nicely. One of them is the paper by Katharina Gangl, Stephan Muehlbacher, Manon de Groot, Sjoerd Goslinga, Eva Hofmann, Christoph Kogler, Gerrit Antonides and Erich Kirchler that deals with Dutch experience on service orientation. The authors find that taxpayers who perceive a higher level of service orientation also show stronger signals of tax compliance suggesting a potentially positive role of service orientation as a policy. The other paper that complements the issue is by Martin Fochman and Joachim Weimann. The paper reports results from a field experiment that was set up to investigate to what extent tax scales are correctly perceived by individuals.

The guest editors of this issue are perfectly aware that the multi-disciplinary focus is not without risk. At the same time, it is unlikely that the area under discussion – the tax compliance behavior of tax payers and the policies that may be used here – can be sufficiently understood from just one perspective. For this reason, we hope that this issue of *FinanzArchiv/Public Finance Analysis* will stir new thoughts and contribute to a lively interdisciplinary debate.

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