

## Analytic assessment of effects of enacting clause No. 272 of direct tax regulations on tax incomes in the general tax office of Yazd

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### Abstract

Today, governments are using tax as an important pillar in resource allocation, occupation, Reasonable criteria of price stability, international accounts balance and finally rational and proper distribution of incomes. Despite the tax is the most important necessity of survival in every government and country, it has always been caused conflict between taxpayers and tax officials. This research theoretically is looking for answer to this question that “is the tax system released from pressure of annual audited accounts of all persons by tax staff without decreasing in tax revenues and with satisfaction, trust, and protection of taxpayers’ law?” In this regard, the matter 272 of the direct taxation law that was prepared by the Society of CPAs, and was approved in 02/06/2002, by Ministry of Economic Affairs and Finance, for the tax audit reports, is used as a liberation solution for cited pressure. So, the purpose of this research is implementing that strategy. The results showed that the matter 272 of the direct taxation law is not caused by increasing tax revenues meaning that the first hypothesis was declined, although the second hypothesis was confirmed by three groups but the third hypothesis had been confirmed only by tax staff and Society CPAs and was declined by finance managers.

**Keywords:** tax, Taxable income, tax audit, the matter 272 of the direct taxation law

### Introduction

Tax is considered as an unavoidable fact in human community. This is also in rich countries which have natural resources and also in countries which do not have such this wealth. Today, the economic world

cannot be studied if the tax is not considered as an effective factor. Tax is a kind of social contract which is known as governments’ twin. The governors never find such as this resource for their own costs. It is the amount of cost that gets individuals, firms and institutions in order to strengthen public government and supply the public changes, tax is one of the most important economic bases which plays a role in stable growth and development, social justice through repartition of incomes and wealth and optimal assignment of resources. Also by getting real fair tax, the important social and economic problems of governments like budget shortage, unemployment problem and investment reduction in productive sections can be overcome. The presence of effective tax policies is one of the important factors in order to attain tax goals. Formulation and enactment of special tax policies is primary and basic supply of government’s cost that increase tax income and provide satisfaction and trust of public, too and does not have inappropriate effects on economic body of country (inflation and unemployment etc.) and also be able to provide conditions for distribution and repartition of income through supporting production against consumption. As a result, planning and formulation of tax policies are difficult, multi-dimensional, and dangerous activities and have tremendous effects on social and economic relationships. So, the nature of problem is in such a way that reaches to objective achievement needs cooperation and consultation among experts and professionals of different sections of society. In order to being communicate the results of their consultation to government and tax organization in 5-year plan framework. The tax organization of country is the only governmental organization, which is formed to increase effectiveness of tax system and concentrate on all the issue related to gather incomes from direct and indirect taxes. The organization believes that it can have an ef-

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fective role in attaining the stable and correct economic in country through enacting appropriate tax regulation and attaining government's tax aims. In doing so, review of tax system of country have started from late 1991s and continued up to now and causes some reformation in direct tax regulation during these years that it can be pointed to clause no. 272 of direct tax regulation which is attached to content of rule because of clause no. 132 of reformation rule of items among direct tax regulation enacted in 2001/1/31 (Rezaee, 2007, 2).

The use of vocational and professional services in each field is a necessary and unavoidable issue. The use of audit statements is not a new issue for tax aims in Iran tax years and the proposal of this issue refers to the early of current century. In 1994, based on tax regulation of field properties and income tax enacted in 1944 became legal for the first time, then in 1951 based on income tax and field properties, estate and stamp duty enacted in 1957/3/21 for the second time and in 1961 for the third time based on direct tax regulation enacted in 1951/3/19 and at last in 1993 through formulation of regulation related to use of vocational and professional accountants as official accountant became necessary and legal for the fourth time (Naseri, 1998, 2). Also after revoking of its legal clauses in legal bill of reformulation of direct tax regulation in 1970, council of ministers enacted determination of regulation of official qualification in 1999/10/19 and the license of use of official services forecast in setting tax and financial audit statements in direct tax regulation in 2001/2/16. So based on clause no. 272 of operative regulation note (6), rule of use of vocational and professional services as legal accountant makes a number of productive, commercial, and services departments responsible for selecting own legal auditors and inspectors for financial years that began after 2002/3/21 among the members of audit organization and official accountants and audit institutions, and in tax audit based on clause no. 272 of corrective tax regulation in 2001/2/16, individuals can give own tax audit reports to audit organization of Republic Islamic of Iran and official accountants and audit institutions to adjust (Alimi, 4, 2005).

Based on audit standards and with regard to the written regulation law and accepted principles, auditors can handle the accounting of individuals' financial statements and give own opinions about its reliability and appropriateness in 3 different ways including accepted, conditional, and anathematized or maybe they do not give any idea.

Audit standards and accounting principles are same for all auditors and also written regulation law, which are active in the scope of country rules, are same for all au-

ditors, so the nature of auditors' audit is not different in any position and all of them follow same regulation law and standards. On the one hand, Iranian excise-men audit in order to distinguish the tax of individuals which seems they can profit from reports in which auditors can give own ideas about financial statements and this is because the handling and audit ways are the same.

Trust on audit statements of dependent auditors in Iran tax system causes to prevent from same and parallel activities and also because the cost of independent audit is paid by the individuals, not only it is economic for tax organization but also by passing time, exchange of information and increase of knowledge level of excise-men, auditors and individuals will enhance effectiveness of tax system.

## Literature Review

Since the main aim of tax levy for governments is to provide necessary funding for costs, handle public and security affairs of country, provide social welfare, increase it with fair distribution of wealth in society, and also provide a pyramid to perform financial policies in order to reserve economic, social and political profits of country, there is a need to tax and tax levy. So each dynamic economics should be transformed in accordance with social, economic and political changes and be flexible with each condition. Tax diagnosis and tax levy are excise-men duty who are pioneers of tax regulation performance and these individuals should handle various cases yearly with necessary experience and knowledge and trust on regulation law and circulars including their activities in handling and auditing of individuals' documents and books. On the other hand, increase in the number of tax cases yearly and lack of time and experts cause the reduction of tax audit quality by excise-men, some mental problems because of more work pressure and its disproportion with their work ability and determined terms, increase in the number of top diagnosis, development of bargaining by individuals and at last their satisfaction because of own unfair tax diagnosis. Giving services to individuals results in reaching to a tax system which provide following of tax regulation for individuals easily in order to make them able to act according to own legal duties. As a result, it seems that one of the main ways to attain these goals is to provide and perform solutions in order to distinguish tax with lower cost in order to increase governments' income and reduce its costs and update tax levy along with respect to customers, satisfy them and increase public trust. One of the measurements in this way is to use official accountants and tax auditors' services to distinguish adjusted gross income of individuals based on clause no.

272 of direct tax regulation enacted in 2001/2/16. So this study is an attempt for researcher to attain goals, assess the effects of enacting this clause on individuals' tax income and the amount of meeting of tax regulation law by individuals and also reach to tax savings through enacting clause no. 272 of direct tax regulation, and also observe that through enacting it, legislators can proceed in order to attain own goals. So, this study is aimed at answering to following questions:

1. Can the enacting of clause no. 272 affect the amount of tax income or not?
2. Does enacting this clause cause individuals to meet tax regulation law or not?
3. Does enacting this clause cause tax savings?

### Review of related literature

The researcher observed that despite done studies and researches related to tax issues through referring to library of Allameh Tabatabaee University, Audit organization and Azad University of Central Tehran and Yazd branches and also by surfing different sites and present indexes in university, there is no work like present study in the country, but followings are issues related to it:

1. Javad Bastanian, in own article titled "the position of tax audit in tax system" in journal of official accountants, in winter 2005, no. 7, explains the position of tax audit in tax system of country and the presence of disagreements and challenges including complexity and vague and interpretability of rules and also conflicts between regulations which are approved according to rule or study among regulations and circulars and issued legally and their effects on tax audit.

2. Mansour Shams Ahmadi pointed in own article titled "tax audit and accounting standards", in accountant journal, in winter 2006, no. 7, official accountants based on clause no. 272 of direct tax regulation are responsible for setting the tax audit reports requested by individuals according to the sample provided by tax organization. Doing so and providing mentioned tax audit reports is compatible with none of audit standards and credit services. Providing such this report needs to adjust the way of handling and reporting with one of the present standards or formulate an appropriate standard.

3. Mohammad Hesani Naseri in his thesis titled "the effects of acceptance of audit reports on Iran tax income" in order to get financial law MA from economic school in 1998, forecast the positive effects of acceptance of audit reports of independent auditors instead of reports of superior tax experts to update government's tax income and adjust the

costs of each term with incomes of same term.

4. Morteza Derang in own thesis titled "investigating the effects of auditors' report on tax standards" in order to get accounting MA from Economics school in 2002 concluded that audit of documents and books of firms by independent auditors and the use of mentioned auditors' statement by excise-men in order to determine adjusted gross income, reduce the use of diagnosis process, reduce the costs of tax audit and also saving in determined time of tax.

5. Ali Asghar Feiz in his thesis titled "assessing the operative problems of note (1), clause no. 272 of direct tax regulation enacted in 2001/2/16 related to use of official accountants for determination of adjusted gross income and explanation of solutions" in order to get accounting MA from Azad university of central Tehran branch in 2007, pointed that individuals see use of official accountants' services to determine adjusted gross income unavoidable with regard to world changes but tax experts do not know it as an unavoidable issue, but both groups confirm the need to teach interpretation of direct tax regulation and more attention to accounting standards in order to determine more effective adjusted gross income to official accountants continuously.

6. Yahya Yaghub Nejad in own thesis titled "investigating the effects of handling of tax cases by firms which are members of official accountants community on tax indexes in Mashhad tax office in 2001" in order to get international marketing MA which is sub field of business management in Khorasan planning and management organization in 2003, concluded that in comparison with its previous years, tax handling performance of individuals in Mashhad tax office by firms members of official accountants community in 2001 has not caused increase in tax income but increase the tax culture of deference and self-reported.

### Methodology

The selection and research type and method in practical researches depend on subject, aims, and nature of research. The way of research is a process that the researcher tries to provide an appropriate solution through gathering data and information about specific subjects, analysis and interpretation of gathered data and information and correct understanding of total relationships between target variables (Samanian, 2007, 78).

The present method is survey and field research and inductive and deductive ways have been used. So the theoretical framework and the review of related literature have been done by assessing library work and in form of inductive, also gathering information in order to accept

or reject hypotheses deductively and this study is practical on the other hand because different tools have been used in order to gather necessary data and information too test hypotheses. So, after investigating with tax experts, necessary studies and observations, the researcher started to design some forms to extract qualitative data from individuals' tax cases related to study in order to gather required data to test first hypothesis. There are some columns to insert tax income and expression, real distinctive and regulated tax of individuals who have tax audit reports during 3 years before enacting clause no. 272 of direct tax regulation and after its enacting (1989 to 1994) with regard to first hypothesis which considers the assessment of income in distinctive income by tax staff. Since these incomes have been gathered during different years, and because of the presence of inflation in our country, there was a need to regulate and homogenize them to increase their comparability. That to do so, the disinflation way (Teymuri, 1988, 77) is used through use of price index and by considering 1987 as a base year. Following formula is used to omit the inflation effects of every year income and regulate and homogenize them:

$$\text{Regulated index} = \frac{\text{Price index in every target year}}{\text{Price index in base year}}$$

After that each item related to the target year divide to the regulated index obtained from above formula. In order to calculate its real price (disinflation) related to base year to insert in regulated income columns.

To test second and third hypothesis, questionnaire is used to gather required data related to vocational and professional views of financial managers, official accountants and tax group. A questionnaire as the most common way of gathering data in survey research will be designed as a set of written questions related to variables of the research with specific methods, comparisons, and spectrums and the respondents fill it directly or indirectly and they are in two types: open and closed questionnaires.

In order to evaluate the variables of second and third research hypotheses, researchers' designed questionnaire is used which is based on Likert scale with 5 options namely least, less, medium, more, most. Because of using this ordinal scale, there have been seen more flexibility in respondents' answers. Since the answers are qualitative in this questionnaire so in order to change them to quantitative scale, the numerical value of 1 to 5 are used instead of least to most, respectively.

In this study, in order to check reliability of questionnaire, Cronbach Alpha is used to determine correlation coefficient:

$$\frac{K}{K-1} = \frac{\sum S^2_t - \sum S^2_i}{\sum S^2_t}$$

In which:

? : assessment of questionnaire validity

St : variance of total sum of questions

K : the number of questions

Si : variance of (ith) question

? Coefficient obtained from above formula, if it is close to 1, the questionnaire will be more reliable and if it is far from 1, the questionnaire will be less reliable. So 30 questionnaires were distributed among 3 different groups to pilot the questionnaire, that after gathering them, they have been tested and according to results came from Cronbach Alpha, the coefficient of used questionnaire is equal to 0.83 in this study so the reliability of questionnaire is confirmed.

### Variable and its measurement

In the present study, paired t-test has been used to test and analyzed first hypothesis. The mentioned test is parametric and it is selected because the measure scale of first hypothesis variables – instrumental and diagnostic tax income of person- is relative and continuous type and also the content of fist hypothesis is based on the effect of a independent variable on a dependent variable during several terms, the comparison of test result in those terms and also the same subjects.

In order to test second and third hypotheses, (X2) test has been used. Because the variables and data of these hypotheses are qualitative and nominal which have been changed too ordinal scale through qualitative valuation in Likert framework and also because these data is in frequency form and is independent, discrete and classified for each individual, so the required test is non-parametric.

In this study, the statistical tests have been used as follows:

1. Paired t test to accept or reject first hypothesis.
2. Kolmogorov- Smirnov test for data normality.
3. The homogeneity test of data variance.
4. (X2) test to reject or accept second or third hypotheses.

1. Paired t test

a. When the aim of test is to study the effect of experimental variables on two experimental groups, t-test will be used to compare the mean score of two independent groups. Also t test is well known for dependent samples to paired t test that it can be acted as follows in these cases:

That (d) is mean score of d, sd is standard deviation of d, and n is the number of paired data. The  $df=n-1$  formula is used to calculate freedom degree.

$$\bar{d} = \frac{\sum d_i}{n}, \quad sd^2 = \frac{\sum (d_i - \bar{d})^2}{n-1}$$

even	(xi)	(yi)	$d_i = x_i - y_i$
1	x1	y1	$d_1 = x_1 - y_1$
2	x1	y1	$d_2 = x_2 - y_2$
.	.	.	.
.	.	.	.
.	.	.	.
N	Xn	Yn	$d_n = x_n - y_n$

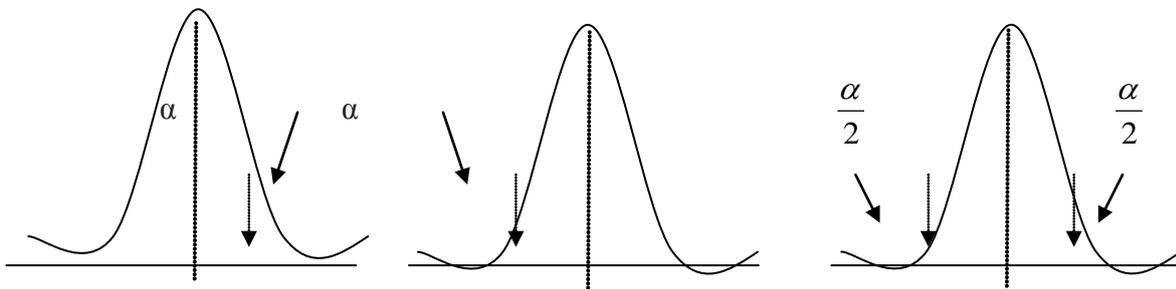
b. Paired t test formula is as follow for testing first hypothesis:

$$\frac{\bar{d}}{\frac{S_d}{\sqrt{n}}} = t_{df=n-1}$$

c. The statistical hypotheses for paired data are as follows:

$$\begin{cases} H_0: \mu d = 0 \\ H_1: \mu d \neq 0 \end{cases} \quad \begin{cases} H_0: \mu d = 0 \\ H_1: \mu d < 0 \end{cases} \quad \begin{cases} H_0: \mu d = 0 \\ H_1: \mu d > 0 \end{cases}$$

d. Critical section is as follow with regard to correspondent hypothesis (H1):



$$\begin{matrix} , n-1 \frac{\alpha}{2} t, n-1 \frac{\alpha}{2} t- & , n-1 \alpha-t & , n-1 \alpha t \\ H_1: \mu d \neq 0 & H_1: \mu d < 0 & H_1: \mu d > 0 \\ , n-1 \frac{\alpha}{2} t > t, n-1 \frac{\alpha}{2} t- & , n-1 \alpha t < -t, & , n-1 \alpha t > t \end{matrix}$$

That in this study, the level of a range (right) is used for statistical analysis.

2. Kolmogorov- Smirnov test for data normality

a. In order to assess the normal distribution of data values which is a prerequisite for correct t test, Kolmogorov-Smirnov test has been used:

$$D_n = \sup |fn(x) - f(x)|$$

In which  $fn(x)$  is required distribution for observations and  $f(x)$  is experimental distribution.

3. The homogeneity test of variances

a. In order to assess the homogeneity of data variances of first hypothesis, the Mauchly's Sphericity, Green house, Gissar, Hoween- Feldelt and Ceroun Paecin tests are used.

b. In order to assess the homogeneity of variances, following statistics is used:

$$f = \frac{S_1^2}{S_2^2} \sim f_{(n_1-1) (n_2-1) (1-\frac{\alpha}{2})}$$

4. (X2) test

If the random quality of x is distributed based on normality rule (because the volume of sample is more than 30,  $n>30$ , the x distribution has a normal approximation) and whenever the individuals want to determine a meaningful difference between observed frequencies and expected frequencies of normal population for dependent variables, X2 test will be used.

a. In order to test second and third hypotheses, its statistics is as follow:

$$x^2(R-1)(C-1) = \sum \frac{(F_o - F_e)^2}{F_e}$$

In which  $F_o$  is observed frequency which is real and is extracted from data results and  $F_e$  is expected frequency which, in order to calculate and assess it, it is enough to divide the number of variable events on the number of its values if the mentioned test be about the relationship between values of a variable.

The freedom degree of X2 is calculated and determined through  $(1 - \text{the number of rows in table}) (1 - \text{the number of columns}) df=O$ .

**Hypothesis testing**

In this study, inferential statistics and paired t test and X2 are used to test first hypothesis and

second and third hypotheses respectively with 95% confidence level and SPSS and EXCEL software are used, too. And obtained results are generalized to the target population.

#### Statistical population and sample

Statistical population which is required to test first hypothesis includes all the individuals who have tax audit statements during selected years (terms) (in other words, it shows clause no. 272 of direct tax regulation).

So all the present active cases in Yazd tax office which are as follows are considered as statistical population:

### The population of first hypothesis:

- The number of firms which are in selected terms and place: 312
- The number of firms which provided tax representation in selected terms and place: 14
- The number of firms which did not provide tax audit statements in selected terms and place: 234
- Target population: 64

Because all the experts and professional individuals are in 3 following groups in regard to the study, tax audit statements and clause no. 272 off direct tax regulation:

1. Financial managers: financial department is responsible for providing financial statements of the firm in each firm which the manager is at the top.
2. Official accountants: they are independent individuals who are responsible for handling of financial statements, judging about their correctness and also providing financial statements of firms.
3. The directors of office and tax experts (assessors, superior assessors and tax assessors).

The tax group consists of the directors and tax experts and superior experts including the individuals who are responsible for handling of individuals' tax cases.

So, the required statistical population for second and third hypotheses is as follows:

1. All the financial managers of big firms who have tax cases in Yazd tax office, by considering one financial manager for each firm. Total number of financial managers is 184.
2. All the members of Iran official accountants society is 1428 in the time of present study.
3. As a whole, the 439 total numbers of directors, superior experts and tax experts who are responsible for handling of tax cases of individuals in Yazd firms are considered as tax statistical sample. So, the total statistical population is as follow:

**Table 1. Demographic information of all population**

Percentage	Number	Row	Groups
9%	184	Financial manager	1
70%	1428	of certified public accountants	2
21%	439	Employees tax	3
100%	2051		Total

In this study, because in order to test first hypothesis the required statistical population is all the individuals' tax cases having tax audit statements and relating to clause no. 272 of direct tax regulation, so the sample is not extracted from population and the total population is assessed which are 64 tested cases from 2007 to 2011. Finally, the obtained results are related to mentioned population directly.

But the selected samples to test second and third hypotheses is extracted from population and then generalized to population because it is large enough not to be referred to all of them.

One of the statistical ways related to study qualitative variables and determine and assess the number of sample is Cochran formula as follow which is used to test second and third hypotheses (Hafeznia, 2005, 140).

$$n = \frac{t^2 pq}{d^2}$$

$$1 + \frac{1}{N} \left( \frac{t^2 pq}{d^2} - 1 \right)$$

In which

N= the number of whole population

q= failure ratio

n= the number of sample

d= probability of error of sample assessment

p= success ratio

t= expected confidence level

Selected sample is as follow through applying Cochran statistical formula and with regard to the number of population and statistical parameters:

As it is indicated in above formula, the number of samples is 178 with 95% confidence level and 8% probability of error assessment. So, the selected population includes 3 groups, the selected numbers form all 3 groups are as follow:

$$n = \frac{\frac{(1/96)^2 \times (0/5) \times (0/5)}{(0/08)^2}}{1 + \frac{1}{2051} \left( \frac{(1/96)^2 \times (0/5) \times (0/5)}{(0/08)^2} - 1 \right)} = 175$$

**Table 2. Statistical information about the sample**

percentage	statistical parameters	Abbreviation	Group
2051	The population size	N	1
%50	Success	P	2
%50	Lack of success	Q	3
8%	the probability of error estimation	D	4
%95	The expected level	T	5
162	Sample size	N	6

$$\text{Members of the financial manager} = 178 \times \frac{184}{2051} = 16$$

$$\text{Members of certified public accountants} = 178 \times \frac{1428}{2051} = 124$$

$$\text{Taxstaffmembers} = 178 \times \frac{439}{2051} = 38$$

After determination of the number of samples, all the members of population have equal and independent opportunities, in order to select the members of sample, the aim was to select samples randomly and the selected sample be sample of population and regarding that population consists of 3 groups, so there was a need to select samples through stratified random sampling. 3 groups of financial managers, official accountants and tax experts are considered as classes of population that the members of sample must be selected relatively and randomly among them. But with regard to the study and the questionnaire to prove second and third hypotheses, the need was to data related to 3 above classes related to tax audit and the content of clause no. 272 of direct tax regulation. So among 3 above-mentioned groups with regard to meeting of the range of samples, some of the informed individuals related to present study are selected appositively from each group instead of stratified random sampling.

## Results

The first hypothesis of research is whether enacting of clause no. 272 of direct tax regulation causes increase in individuals' diagnostic tax income" that the required data to test this hypothesis is extracted from individuals' tax cases directly.

a. The results of Kolmogorov-Smirnov test for data normality too test the normality of first hypothesis, first H0 and H1 are explained separately as follow:

H0: diagnostic tax income is normal before enacting clause no. 272 of direct tax regulation.

H1" diagnostic tax income is not normal before enacting clause no. 272 of direct tax regulation.

H0: diagnostic tax income is normal after enacting clause no. 272 of direct tax regulation.

H1: diagnostic tax income is not normal after enacting clause no. 272 of direct tax regulation.

H0: diagnostic tax is normal before enacting clause no. 272 of direct tax regulation.

H1: diagnostic tax is not normal before enacting clause no. 272 of direct tax regulation.

H0: diagnostic tax is normal after enacting clause no. 272 of direct tax regulation.

H1: diagnostic tax is not normal after enacting clause no. 272 of direct tax regulation.

In inferential analysis of statistics of first hypothesis, in order to assess the normality of data values, the statistical Kolmogorov-Smirnov test is used and according to this and above table, the obtained results are as follows:

The results of normality of diagnostic tax income, before and after enacting clause no. 272 of direct tax regulation:

Before (sig=p value=0.107 > 0.05) and after (sig= p value= 0.117 > 0.05)

The results of normality of diagnostic tax, before and after enacting clause no. 272 of direct tax regulation:

Before (sig=p value=0.122 > 0.05) and after (sig= p value= 0.108 > 0.05)

Since the amounts of probability related to normality test (Kolmogorov-Smirnov) for data related to diagnostic tax income are 0.107 and 0.117, before enacting clause no. 272 of direct tax regulation and after enacting clause no. 272 of direct tax regulation, respectively. And also the amounts for data related to diagnostic tax are 0.112 and 0.108 before enacting clause no. 272 of direct tax regulation and after enacting clause no. 272 of direct tax regulation, respectively that all of them are more than 0.05, so all 4 above mentioned NULL hypotheses are accepted and this indicates the normality of all data.

So with regard to the results of part 3, it can be said that:

"The diagnostic tax income is normal before and after enacting clause no. 272 of direct tax regulation".

"The diagnostic tax is normal before and after enacting clause no. 272 of direct tax regulation".

b. The results of homogeneity of variances

To test the homogeneity of data variances in first hypothesis, first H0 and H1 are explained as follows:

H0: variances of diagnostic tax income are homogenized before and after enacting clause no. 272 of direct tax regulation.

H1: variances of diagnostic tax income are not homogenized before and after enacting clause no. 272 of direct tax regulation.

H0: variances of diagnostic tax are homogenized before and after enacting clause no. 272 of direct tax regulation.

H1: variances of diagnostic tax are not homogenized before and after enacting clause no. 272 of direct tax regulation.

**Table 3. The evaluation of statistical analysis of normality test of Kolmogorov-Smirnov**

Sig.	time	Variable	Hypotheses
107/0	pass	Diagnostic income tax	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals
117/0	next		
112/0	pass	Diagnostic tax	
108/0	Next		

**Table 4. The evaluation of statistical analysis of normality test of Kolmogorov-Smirnov**

Df	Probability	Homogeneity of variance	Sig Test for homogeneity of variances	Period time	variable	The hypotheses
30	84/1	420/1	060/0	pass	Diagnostic income tax	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals
30				next		
30	84/1	102/0	750/0	pass	Diagnostic tax	
30				next		

In inferential analysis of first hypothesis, statistical tests of Mauchly's Sphericity, Green house, Gissar, Hoween, Feldelt, Ceroun Paecin are used to assess the homogeneity of variances (appendix C) that with regard to this and according to above table, absolute value of f statics is equal to ( $f=1.420$ ) for diagnostic tax income which is less than obtained f ( $f=1.84$ ) in X2 table, and also absolute value of f statics is equal to ( $f=0.102$ ) for diagnostic tax which is less than obtained f ( $f=1.84$ ) in X2 table and this indicates the acceptance of NULL hypothesis (H0) with 95% confidence level.

Also, these results with regard to meaningful level are as follows:

The results of homogeneity of variances of diagnostic tax income before and after enacting clause no. 272 of direct tax regulation:

(sig= p value= 0.060 > 0.05)

The results of homogeneity of variances of diagnostic tax before and after enacting clause no. 272 of direct tax regulation:

(sig= p value= 0.750 > 0.05)

Since the amount of probability related to homogeneity test of variances is equal to 0.060 for diagnostic tax income which is more than 0.05, so the NULL hypothesis (H0), the test of variances of diagnostic tax is not rejected and also the amount of probability related to homogeneity test of variances of diagnostic tax is equal to 0.750 which is more than 0.05, so NULL hypothesis (H0), the test of homogeneity of variances is accepted.

So, in accordance with the results of table 4, it can be said that the variances of diagnostic tax income are homogenized before and after enacting

clause no. 272 of direct tax regulation. And, the variances of diagnostic tax are homogenized before and after enacting clause no. 272 of direct tax regulation.

c. The results of paired t-test

H1: Enacting clause no. 272 of direct tax regulation causes increase in diagnostic tax income.

To test this hypothesis, first H0 and H1 are indicated as follows:

H0: enacting clause no. 272 of direct tax regulation does not cause increase in diagnostic tax income.

H1: enacting clause no. 272 of direct tax regulation causes increase in diagnostic tax income.

In inferential statistics of first hypothesis, paired statistical t-test has been used to assess the difference of mean score of extracted data from individuals' tax cases with regard to dependence of samples, which according to above table, absolute value of t statics is equal to ( $t=0.232$ ) for diagnostic tax income which is less than obtained t ( $t=2.042$ ) in X2 table, and also absolute value of t statics is equal to ( $t=0.510$ ) for diagnostic tax which is less than obtained t ( $t=2.042$ ) in X2 table and this indicates a meaningful difference of results before and after enacting clause no. 272 of direct tax regulation.

Also, these results based on obtained meaningful level (P-value=0.818 > 0.05) for diagnostic tax income and (sig(2-tailed)=p value=0.614 > 0.05) for diagnostic tax income are accepted. Since the meaningful level related to comparison test of tax income level and diagnostic taxes are less than 0.05, so H0 is not rejected with 95% confidence level. So, it can be said that enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals.

**Table 5. Statistics for hypothesis testing**

95% confidence for the difference between interval		Significant	dfDegrees of freedom	T-statistics in Table	The-t-statistic	The mean difference	Period time	Variable	the hypotheses
The upper limit	Lower limit								
13152996691	-10479416499	818/0	30	2/042	./232	1336790096	Pass next	Diagnostic Income tax	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals
3007523332	-5002056434	614/0	30	2/042	-0/510	-997266551	Pass next	Diagnostic tax	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals

To test this hypothesis, H0 and H1 are as follows:

H0: Enacting clause no. 272 of direct tax regulation does not cause increase in meeting of tax regulations by individuals.

H1: Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals.

The results of second research hypothesis test in the view of tax staff community:

X2 is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test and then obtained results have been compared with X2 table with 95% confidence level that results of statistical analysis are presented in the view of tax staff in table 6.

**Table 6. The assessment of inferential analysis of second hypothesis in the view of tax staff community**

The hypothesis	The number of questionnaire	The mean score of results	The amount of X2	The X2 of table	Df Freedom degree	Meaningful level
Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals	46	3.22	39.43	21.02	12	0.00

In inferential analysis of second hypothesis in the view of tax staff, statistical X2 test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table absolute value of X2 is equal to  $X2=39.43$  which is more than obtained X2 ( $X2=21.026$ ) in X2 table and this indicates the meaningful difference of results with average amount of 3. Also these results based on obtained meaningful level (sig  $X2=$  p value=  $0.00 < 0.05$ ) are accepted. So H0 rejected with 95% confidence level and the acceptable evidence will be obtained to accept H1. So according to table 6, it can be said that Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals from tax staff's view.

#### *The results of second research hypothesis from financial manager's view*

X2 is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its

test and then obtained results have been compared with X2 table with 95% confidence level that results of statistical analysis of second hypothesis are presented from view of financial managers in table 7.

In inferential analysis of second hypothesis in the view of financial managers, statistical X2 test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table, absolute value of X2 is equal to  $X2=32$  which is more than obtained X2 ( $X2=21.02$ ) in X2 table and this indicates the meaningful difference of results with average amount of 3. Also these results based on obtained meaningful level (sig  $X2=$  p value=  $0.00 < 0.05$ ) are accepted. So H0 rejected with 95% confidence level and the acceptable evidence will be obtained to accept H1. So according to table 6, it can be said that enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals from financial managers' view."

**Table 7. Enacting clause no. 272 of direct tax regulation**

Sig	df	$\chi^2$	$\chi^2_{q}$	X	N	The hypotheses
00/0	12	02/21	32	01/4	30	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals

***The results of second research hypothesis test from official accountants' view***

X<sup>2</sup> is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test

(appendixes D and E) and then obtained results have been compared with X<sup>2</sup> table with 95% confidence level that results of statistical analysis are presented in the view of official accountants in table 8.

**Table 8. The assessment of inferential analysis of second hypothesis in the view of official accountants**

The hypothesis	The number of questionnaire	The mean score of results	The amount of X <sup>2</sup>	The X <sup>2</sup> of table	Df Freedom degree	Meaningful level
Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals	46	3.77	77.48	21.02	12	0.00

In inferential analysis of second hypothesis in the view of official accountants, statistical X<sup>2</sup> test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table absolute value of X<sup>2</sup> is equal to X<sup>2</sup>=77.48 which is more than obtained X<sup>2</sup> (X<sup>2</sup>=21.026) in X<sup>2</sup> table and this indicates the meaningful difference of results with average amount of 3. Also these results based on obtained meaningful level (sig X<sup>2</sup>= p value= 0.00 < 0.05) are accepted. So H<sub>0</sub> rejected with 95% confidence level and the acceptable evidence will be obtained to accept H<sub>1</sub>. So according to table 9, it can

be said that Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals from official accountants' view."

***The results of second research hypothesis from all of communities' view***

X<sup>2</sup> is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test and then obtained results have been compared with X<sup>2</sup> table with 95% confidence level that results of statistical analysis of second hypothesis are presented from view of all of communities in table 9.

**Table 9. The assessment of inferential analysis of second hypothesis in the view of all communities**

The hypothesis	The number of questionnaire	The mean score of results	The amount of X <sup>2</sup>	The X <sup>2</sup> of table	Df Freedom degree	Meaningful level
Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals	140	3.64	106.82	21.02	12	0.00

In inferential analysis of second hypothesis in the view of all communities, statistical X<sup>2</sup> test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table absolute value of X<sup>2</sup> is equal to X<sup>2</sup>=106.82 which is more than obtained X<sup>2</sup> (X<sup>2</sup>=21.026) in X<sup>2</sup> table and this indicates the meaningful difference of results with average

amount of 3. Also these results based on obtained meaningful level (sig X<sup>2</sup>= p value= 0.00 < 0.05) are accepted. So H<sub>0</sub> rejected with 95% confidence level and the acceptable evidence will be obtained to accept H<sub>1</sub>. So according to table 13, it can be said that Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals from all communities' view.

**Table 10. Enacting clause no. 272 of direct tax regulation**

Significant	Df	Tabale x Base	x <sup>2</sup> Base	Average results	Replies	The hypothesis
0/01	28	41/33	69/21	3/19	46	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals

The third hypothesis is as follows: "Enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost"

To test this hypothesis, H0 and H1 are as follows:

H0: Enacting clause no. 272 of direct tax regulation does not cause realization of the tax principle of extra profit on cost.

H1: Enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost.

#### *The results of third research hypothesis from tax staff' view*

X<sup>2</sup> is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test and then obtained results have been compared with X<sup>2</sup> table with 95% confidence level that

results of statistical analysis of third hypothesis are presented from view of tax staff in table 11.

In inferential analysis of third hypothesis in the view of all communities, statistical X<sup>2</sup> test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table absolute value of X<sup>2</sup> is equal to X<sup>2</sup>=69.21 which is more than obtained X<sup>2</sup> (X<sup>2</sup>=41.33) in X<sup>2</sup> table and this indicates the meaningful difference of results with average amount of 3. Also these results based on obtained meaningful level (sig X<sup>2</sup>= p value= 0.00 <0.05) are accepted. So H0 rejected with 95% confidence level and the acceptable evidence will be obtained to accept H1. So according to table 11, it can be said that Enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost.

**Table 11. Results of statistical analysis of third hypothesis are presented from view of tax staff**

Sig	df	x <sup>2</sup>	x <sup>2</sup> q	x	N	Hypothesis
071/0	28	33/41	66/22	75/2	30	Enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulations by individuals

#### *The results of third research hypothesis from financial managers' view*

X<sup>2</sup> is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test and then obtained results have been compared with X<sup>2</sup> table with 95% confidence level that results of statistical analysis of third hypothesis are presented from view of financial managers in table 12.

In inferential analysis of third hypothesis in the view of financial managers, statistical X<sup>2</sup> test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table absolute value of X<sup>2</sup> is equal to X<sup>2</sup>=22.66 which is less than obtained X<sup>2</sup> (X<sup>2</sup>=41.33) in X<sup>2</sup> table and this indicates no meaningful difference of results with average

amount of 3. Also these results based on obtained meaningful level (sig X<sup>2</sup>= p value= 0.00 <0.05) are accepted. So H0 rejected with 95% confidence level and the acceptable evidence will be obtained to accept H1. So according to table 12, it can be said that enacting clause no. 272 of direct tax regulation does not cause realization of the tax principle of extra profit on cost.

#### *The results of third research hypothesis from official accountants' view*

X<sup>2</sup> is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test and then obtained results have been compared with X<sup>2</sup> table with 95% confidence level that results of statistical analysis of third hypothesis are presented from view of official accountants in table 12.

**Table 12. The assessment of inferential analysis of third hypothesis in the view of official accountants**

The hypothesis	The number of questionnaire	The mean score of results	The amount of X2	The X2 of table	Df Freedom degree	Meaningful level
Enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost	64	3.67	70.04	41.33	28	0.00

In inferential analysis of third hypothesis in the view of official accountants, statistical X2 test is used to assess the difference of mean score of obtained results with average Likert spectrum that according to above table absolute value of X2 is equal to X2=70.04 which is more than obtained X2 (X2=41.33) in X2 table and this indicates the meaningful difference of results with

average amount of 3. Also these results based on obtained meaningful level (sig X2= p value= 0.00 <0.05) are accepted. So H0 rejected with 95% confidence level and the acceptable evidence will be obtained to accept H1. So according to table 13, it can be said that enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost.

**Table 13. The assessment of third hypothesis in the view of official accountants**

Sig	Df	x <sup>2</sup>	x <sup>2</sup> q	X	N	hypothesis
00/0	28	41/33	79/60	3/53	140	Enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost

### *The results of third research hypothesis from all communities' view*

X2 is calculated through SPSS to assess the meeting of tax regulation amount by individuals and its test and then obtained results have been compared with X2 table with 95% confidence level that results of statistical analysis of third hypothesis are presented from view of all communities in table 14.

In inferential analysis of third hypothesis in the view of all communities, statistical X2 test is used to assess the difference of mean score of obtained results

with average Likert spectrum that according to above table absolute value of X2 is equal to X2=76.60 which is more than obtained X2 (X2=41.33) in X2 table and this indicates meaningful difference of results with average amount of 3. Also these results based on obtained meaningful level (sig X2= p value= 0.00 <0.05) are accepted. So H0 rejected with 95% confidence level and the acceptable evidence will be obtained to accept H1. So according to table 14, it can be said that enacting clause no. 272 of direct tax regulation causes realization of the tax principle of extra profit on cost.

**Table 14. The assessment of third hypothesis in the view of all accountants**

result	Confidence level.	Statistics table	Statistics Test	The test criteria	Join the community	Hypothesis
Rejection	95%	042/2 042/2	232/0 510/0-	T	Tax records The tax staff Financial Managers Society Society of CPAs	One hypothesis
Accept	95%	02/21	43/39	(x <sup>2</sup> )	The tax staff	Two hypothesis
Accept	95%	02/21	00/32	(x <sup>2</sup> )	Financial Managers Society	
Accept	95%	02/21	48/77	(x <sup>2</sup> )	Society of CPAs	
Accept	95%	33/41	21/69	(x <sup>2</sup> )	The tax staff	Three hypothesis
Rejection	95%	33/41	66/22	(x <sup>2</sup> )	Financial Managers Society	
Accept	95%	33/41	04/70	(x <sup>2</sup> )	Society of CPAs	

According to results obtained from research hypotheses, the comparative table of research hypotheses results is as follow:

### Conclusion and suggestions

The obtained results from this study indicate that all hypotheses are as follow with 95% confidence level:

According to hypothesis 1, the meaningfulness of obtained results came from extracted values related to tax income and diagnostic tax from cases of individuals who enact the clause no. 272 of direct tax regulation in Yazd tax office with 95% confidence level shows rejection of first research hypothesis. It means enacting clause no. 272 of direct tax regulation has not caused increase in diagnostic tax income by individuals.

According to hypothesis 2, the results obtained from analysis of answers provided by 3 groups of respondents show that the second hypothesis is accepted by tax staff, financial managers and also official accountants' community, it means enacting clause no. 272 of direct tax regulation causes increase in meeting of tax regulation.

According to hypothesis 3, results obtained from analysis of answers provided by 3 groups of respondents show that third hypothesis is accepted and tax staff, official accountants, however, financial managers reject this hypothesis, it means financial managers believe that cost increase and failure of saving principle are against tax staff and official accountants' view.

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