






A Bibliometric Analysis of Tax Aggressiveness Through Tax Evasion Issues in Last Decade

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Abstract

This examination maps the pattern of research publications on tax evasion issues. This article aims to unveil and to map research trends in tax evasion issues. By using a bibliometric approach, all research publications related to tax evasion issues in the online Scopus database were analysed. The authorship, number of citations, journal sources, institutions, and countries, were examined. The result showed that the number of publications in this area is still dominated by Western countries (USA is the most influential country in research publication related to tax evasion issues). It is believed that research funding factors became one of the factors why the Western countries still dominate the number of publications nowadays. The results of this study also conclude that the issue of tax evasion is becoming more popular among academics within the area of taxation. In addition, this study reveals that the development of research publications in this area is growing.

Keywords: taxation; tax evasion; bibliometric analysis

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1. Introduction

Lately taxation issues have become more noticeable around the world. Taxation is an important component in managing a company's finances. Tax is a mandatory financial charge upon the taxpayers by the government in order to fund a range of government spending. For a company (tax payers) tax is considered a liability, it is therefore necessary to make plans or strategies to manage it (Chen, Chen, Cheng & Shevlin, 2010). So, from now the taxation aspect is a matter for the company, their purpose is to maximize profit and minimize liability, and tax is the liability that must be minimized by the company.

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The company as one of the taxpayers has an obligation to pay taxes whose amount is calculated from the net profit it earns, it is not surprising that the tax factor here is a big concern for companies in managing their finances. The greater the tax paid by the company, the greater the state revenue will be. However, the government and taxpayers (companies) have different interests. The government wants taxpayers to be maximal in paying taxes because it cannot be denied that state revenues are still dominated by tax revenues. This is contradictory because from the taxpayer's point of view the company wants to streamline its tax burden so that it gains greater profits in the context of the welfare of the owner and for the sustainability of the company's life (going concern). For a company, taxes are considered as costs, so it is necessary to make certain efforts or strategies to reduce them (Mangoting, 1999).

Despite tax evasion issues becoming more noticeable in recent years the number of publications in this area is, however, still scarce. According to Nevzorova, Bobek, Kireenko & Sklyarov (2016) issues or phenomena regarding taxation are very complex, and it needs further research to solve the problems of tax faced by the tax authorities or the company itself. In addition, problems concerning taxation and bias were said to constitute a dynamic problem due to the rules of taxation changing every time. Hence, this article tries to aim at the most recent publications in this area, through a bibliometrics analysis approach. Besides, this study also investigates the pattern of research published on tax evasion. The rest of this paper was composed as: Section 2 gave a literature review in this examination. Section 3 discussed the techniques utilized in this examination. Section 4 discussed the outcomes. Section 5 gives the limitations of this examination. In conclusion, Section 6 summed up the paper.

2. Literature Review

Tax aggressiveness is a management action to reduce the company's taxable income through tax planning, tax management is an important part of a manager's job, because taxes are considered to be a significant cost for the company and shareholders (Frank, Lynch and Rego, 2009). Aggressive tax reporting is a situation when the company implements certain tax policies and one day there is a possibility that the tax action will not be audited or be questioned from a legal perspective, but this action is risky due to the uncertainty of the final position (whether the tax action is considered to violate or not violate applicable law) (Sari and Martani, 2010).

Tax aggressiveness measures are actions aimed at reducing taxable profit through tax planning, either using methods classified as or not classified as tax evasion (Frank et al., 2009). Tax aggressiveness is the company's desire to minimize the tax burden through tax planning activities with the aim of maximizing company value. Tax planning is the first step in tax management. At this stage, the collection and research of tax regulations can be carried out in order to select the type of tax saving measures to be carried out (Suandy, 2013:16).

Tax aggressiveness is closely related to tax resistance activities. (Pohan, 2013:23) suggests that there are two forms of tax resistance carried out by citizens, namely passive resistance and active resistance. Pohan (2013: 23) said that in relation to active resistance there are several modes that are usually used by taxpayers to avoid taxes, namely:

a. Tax avoidance is an effort to avoid tax that is carried out legally and safely for taxpayers because it does not conflict with tax provisions, where the methods and techniques used tend to take advantage of the weaknesses (grey areas) contained in the law and regulations. the tax regulation itself, to reduce the amount of tax owed.

b. Tax evasion (tax evasion or smuggling), is an effort by taxpayers to avoid the tax payable by hiding the actual situation. This method is not safe for taxpayers, because the methods and techniques used are

not within the corridor of tax laws and regulations. The method used is high risk and has the potential to be subject to sanctions for violating the law or fiscal or criminal offenses.

c. Tax saving (tax savings), is an effort by taxpayers to avoid their tax debts by refraining from buying products that have value added tax, or by deliberately reducing the hours of work or work they can do so that their income is small and thus avoids being imposition of a large income tax.

Tax avoidance is reducing the amount of tax in a way that does not violate tax laws and regulations (Santoso, 2014). Tax avoidance can also be defined as a part of a tax management strategy that is not prohibited by tax laws. Meanwhile, tax evasion is tax evasion which is not allowed in the tax laws and regulations. The difference between tax avoidance and tax evasion is that tax evasion is illegal, which consists of a deliberate violation or evasion of applicable tax regulations to minimize tax liability (Prebble and Lincoln, 2012). Tax avoidance is non-illegal tax avoidance, namely the act of taking advantage of opportunities that exist in tax regulations to reduce tax obligations

In making the decision to take aggressive action against taxes, the management will consider the advantages and disadvantages of such actions. There are three advantages to taking aggressive tax action (Chen et al., 2010), namely:

a. Tax savings that will be paid by the company to the state, so that the amount of cash enjoyed by the owners/shareholders in the company becomes greater.

b. The advantage for managers, both directly and indirectly, is that managers can get higher compensation for their performance which results in a lower corporate tax burden that must be paid.

c. The advantage for managers is that they have the opportunity to perform rent extraction. Rent extraction is a manager's action that does not maximize the interests of the owner, this action can be in the form of preparing aggressive financial statements, taking company resources or assets for personal interests or conducting transactions with special parties.

While the disadvantages of taking aggressive action against taxes according to (Desai and Dharmapala, 2004), namely:

a. The possibility of the company getting administrative sanctions/penalties imposed by.

b. Damage to the company's reputation due to audits of the tax authorities.

c. The decline in share prices was due to other shareholders knowing that the aggressive tax actions carried out by managers were carried out in the context of rent extraction.

3. Method

The bibliometric research method is not a new research method. Bibliometrics is a technique used to give an overview of the results of the research in general. The main goal of the bibliometric research is mapping out research publications in certain areas. Bibliometric analysis is a method of quantitative analysis to create patterns over the article publication (Okubo, 1997). Bibliometric analysis also provides statistics on research publications (i.e. top authors and source, number citation data, and impact factor) (Zupic & ater, 2015). This is a new concept of numbering the research publication in specific areas (Glänzel, 2003). The bibliometric method helps researchers to further analyze data regarding a study from the aspect of citation, author, and publication. From the results of the analysis, a decision will be made according to the point of view of the researcher.

This examination used the extraction information from the Scopus database, which provided related research publications in certain fields. This information was collected on 12 August 2018. To reduce the certain bias, publication year is limited to 2009 to 2018. In order to analyze the research publication

outputs, the set of words entered in the advanced search for article titles, abstracts, and keywords related to “Tax evasion” was as follows:

((TITLE-ABS-KEY (taxation) OR TITLE-ABS-KEY (tax AND planning) OR TITLE-ABS-KEY (tax AND evasion) OR TITLE-ABS-KEY (tax AND aggressiveness))) a total of 32.749 publications have been discovered. However, the published researches are not closely related documents. So, to reduce the unrelated documents the researcher refined again by using several keywords as follows: ((TITLE-ABS-KEY(taxation) OR TITLE-ABS-KEY(tax AND planning) OR TITLE-ABS-KEY(tax AND evasion) OR TITLE-ABS-KEY tax AND aggressiveness))) AND (tax AND evasion) AND (LIMIT-TO(PUBYEAR, 2018) OR LIMIT-TO(PUBYEAR, 2017) OR LIMIT-TO(PUBYEAR, 2016) OR LIMIT-TO(PUBYEAR, 2015) OR LIMIT-TO(PUBYEAR, 2014) OR LIMIT-TO(PUBYEAR, 2013) OR LIMIT-TO (PUBYEAR, 2012) OR LIMIT-TO(PUBYEAR, 2011) OR LIMIT-TO(PUBYEAR, 2010) OR LIMIT-TO(PUBYEAR, 2009)) AND (LIMIT-TO(SUBJAREA, "ECON") OR LIMIT-TO(SUBJAREA, "BUSI))). Finally, this study managed to examine a total of 1,292 related publication research articles.

4. Results

4.1. Keyword

Table 1 shows the list of top ten most frequent keywords used by the authors in their publication documents and other related tax evasion keywords used. It can be observed in panel A that the most frequent keyword term used in the author’s view in this area was “Tax evasion”. This keyword was used 423 times. Furthermore, it can also be noticed that three other frequently applied author keywords were tax compliance (117 times), tax avoidance (75 times), shadow economy (53 times), tax planning (26 times), Tax Havens (23 times), Fiscal policy (17 times), Transfer Pricing (12 times), Tax reform (12 times), and Profit shifting (10 times).

Table 1. Frequency of The Keywords

Top 10 frequency of keywords used		
No	Keywords	Frequency
1	Tax evasion	423
2	Tax compliance	117
3	Tax avoidance	75
4	Shadow economy	53
5	Tax planning	26
6	Tax havens	23
7	Fiscal policy	17
8	Transfer pricing	12
9	Tax reform	12
10	Profit shifting	10

In addition, Table 1 can also provide the conclusions of the correlation between the keyword used in the research publications. For example, a study on tax evasion issues also discusses tax compliance issues and a study on tax evasion issues also discusses tax avoidance issues. The keywords in table 1 are interrelated because researchers use these words in their articles that discuss tax evasion. According to Fu & Ho, (2010), it is claimed that research patterns can be viewed by statistical analysis by viewing the frequency of author keywords that can provide a reasonable figure of the paper’s subject area.

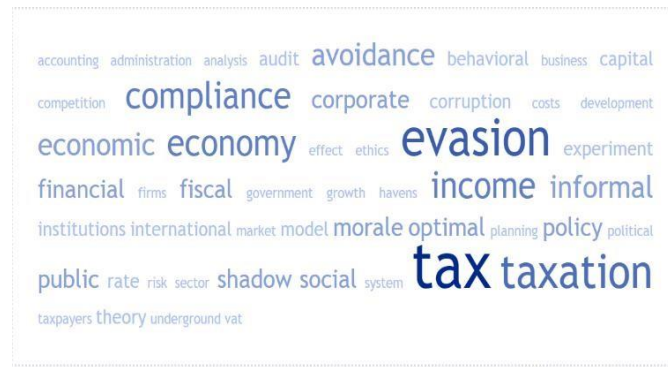


Figure 1. Pattern of the keywords

Figure 1 is the result of analysis from the website (tag crowd). From figure 1 it showed the description of the distribution of issues that are related to the tax evasion issue. The keyword “tax” is a major issue in the research field of taxation, which in other words are the specific issues related to the area of taxation. followed by the words evasion, income, compliance, economy, policy, public, and shadow as the next word.

Furthermore, Figure 2 describes keyword trends year by year (2009-2018). As a result, the figure on keyword trends above explained that the keywords trend is increasing from year to year, although there are several years, which indicate that the keywords trend is decreasing in 2015 and 2018. The logical explanation for the decline is due to the year 2018 being still in the middle of the year so the number of these keywords could still possibly increase. From the results of this study we can also conclude that the issue of tax evasion is becoming more popular among academics within the area of the business. In addition, the tax evasion issue is more noticeable by researchers from year to year. Figure 2 informs that the development of research publications in this area is growing.

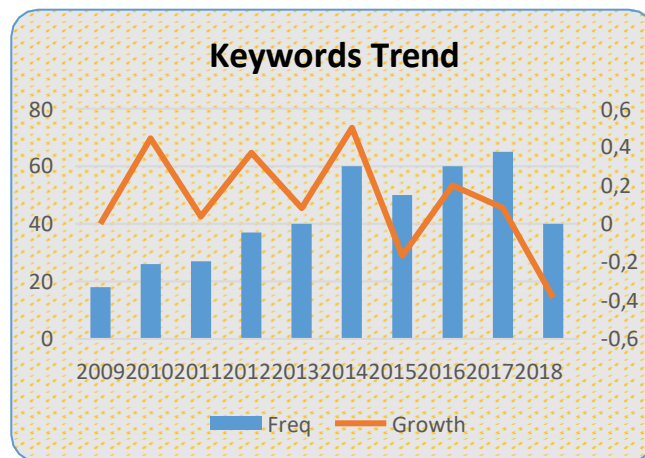


Figure 2. Trend “tax evasion” keyword used in last decade

4.2. Authors

Based on 1.292 document publications related to taxation issues between the periods 2009 to 2018, this article firstly analyzed the number of research publications and authors with the minimum record of count (threshold) of 3 research publications. The results of analysis indicated that only 65 authors have published more than 3 papers. Table 2 shown the list of 10 top authors based on 65 authors that published more than 3 research publication. As shown in the Table 2, Robert McGee, James Alm, Erich

Kirchler, Friedrich Schneider, and Joel Slemrod were the top five authors by number publication in this area.

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Table 2. Top 10 authors by number publication

No	Authors	No. Publication
1	Robert McGee	28
2	James Alm	25
3	Erich Kirchler	16
4	Friedrich Schneider	15
5	Joel Slemrod	15
6	Colin Williams	15
7	Aloys Leo Prinz	12
8	Michael Pickhardt	11
9	Jorge Martínez-Vázquez	8
10	Marcelo Arbex	7

Table 3 shows the top five authors based on how many cited papers and the title of the articles for each author. A study by Anthony Barnes Atkinson, Thomas Piketty and Emmanuel Saez, entitled “Top incomes in the long run of history” in 2011 with 549 citations was placed first, followed by Timothy Besley and Torsten Persson (2009), entitled “The origins of state capacity: Property rights, taxation, and politics” with 232 citations and Friedrich Schneider (2010), obtained 206 citations with the publication title “New estimates for the shadow economies all over the world”. With respect to this result, this study also recognizes that most of the papers that received the highest citation were articles.

Table 3. Top 5 authors by number citation

Authors	Title	Cited
Anthony Barnes Atkinson, Thomas Piketty and Emmanuel Saez	Top incomes in the long run of history	549
Timothy Besley and Torsten Persson	The origins of state capacity: Property rights, taxation, and politics	232
Friedrich Schneider	New estimates for the shadow economies all over the world	206
Emmanuel Saez	Do taxpayers bunch at kink points?	160

Henrik Kleven, Martin Knudsen, and Claus Thustrup Kreiner	Unwilling or unable to cheat? evidence from a tax audit experiment in denmark	158
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4.3. Sources

Table 4 shows the results of the top ten sources of articles based on the number of article publications. The most popular source of the articles was from the Journal of Public Economics with a total of 46 papers. Forty-five papers were brought out in International Tax and Public Finance and forty-two papers were in Ejournal of Tax Research respectively. Although Ejournal of Tax Research was among the top three sources of articles, their citation rates were low with only 11 citations in total. Although, it can be observed that the International Tax and Public Finance has distributed 42 papers.

It can also be observed in Table 4 that for most of the top 10 there are only five sources that have an impact factor under 1,0. Table 4 also explained that the number of publications was not directly proportional to the number of citations as there are several journals that have a high number of publications but the number of citations in a journal is quite low.

Table 4. Top 10 source of articles based on the number of article publications

Source Title	No. Publications	No. Citation	Impact Factor
Journal Of Public Economics	46	403	2,021
International Tax And Public Finance	45	134	1,046
Ejournal Of Tax Research	42	11	0,100
Journal Of Economic Psychology	36	229	1,561
Public Finance Review	36	35	0,533
National Tax Journal	26	59	0,697
Journal Of Economic Behavior And Organization	25	725	1,293
Finanzarchiv	19	20	0,550
Journal Of Business Ethics	16	1930	2,737
Economics Letters	15	726	0,617

Furthermore, Table 4 also describe the impact factor of each journal obtained from the website of Scimago Journal and Country Rank on August 12, 2018. It can be examine that the average impact factor was 1,115 indicating that the majority of these papers were published in the low impact factor journals.

Therefore, this showed that the impact factor of the journal is affecting the number of citation papers in that journal. This result of this study showed that the journal impact factor was one of the main indicators of journal's contribution within the related fields to research publication (Garfield, 2006).

4.4. Countries

Table 5 shows the top 10 countries that have published at least 20 papers and more publications. From the table we see that the vast majority of paper publications were dominated by the United States of America with 331 publications, followed by Germany with 153 publications, and the United Kingdom with 152 publications.

Table 5. Tops 10 countries that contribute publications related to tax evasion issues

No	Country	No. Publications
1	United States	331
2	Germany	153
3	United Kingdom	152
4	Italy	112
5	Australia	76
6	Austria	56
7	France	49
8	Canada	46
9	Spain	33
10	Netherlands	32

This table shows that the USA was more influential in research publication related to tax evasion issues. According to Rahman & Fukui (2003) the number of publications for each country is affected by research funding. Hence, this result was the answer to the domination of the USA as a developed country. The reason is that financial support for the research in a developed country is strong, so the number of researches produced by these countries will increase. From the top ten countries there are none from the Eastern countries; this shows that support for the research and development of the science is still low if compared to Western countries.

4.5. Documents Types and Categories

Published articles are classified by document type into articles (80.5%), book chapters (6.6%), and conference papers (3.7%) as shown in Figure 3. Furthermore, research publication is identified by subject area. Figure 4 shows that the most research publications came from the economic area (48.7%), business and management area (26.1%) and social science (16.6%).

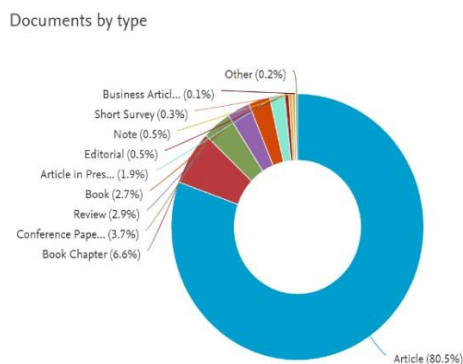
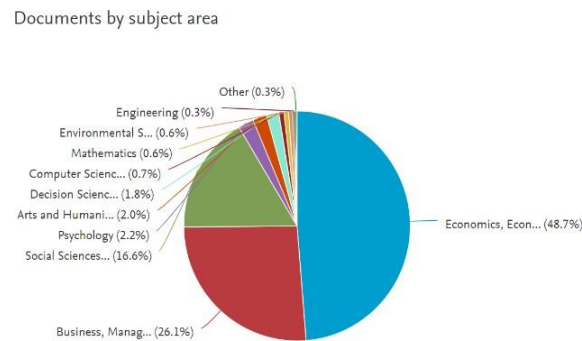


Figure 3. Documents type**Figure 4.** Category

5. Limitations

This article has methodological limitations. First, this article only used the online Scopus database that excluded the research papers that were not indexed in this database. Second, this study only used articles published in a ten-year period, which means the results of this study cannot be generalized.

6. Conclusions

From this study showed that the USA was the most influential country in research publication related to tax evasion issues. This article can be concluded that the financial support is one of stimulation to increase the number of research publications. From the result showed that the number research publication in eastern countries are scarce which is, it explained that the financial support for research and science development is low. From the results of this study also inform that the issue of tax evasion is becoming more popular among academics within the area of the taxation. In addition tax evasion issues more noticeable by researchers from year to year, it means that the development of research publications in this area is growing. Research on tax evasion is growing, influenced by economic modernization. This results in changing business patterns and affects decision making by company.

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Analisis Bibliometrik Agresivitas Pajak Melalui Isu Penghindaran Pajak dalam Dekade Terakhir

Abstrak

Pemeriksaan ini memetakan pola publikasi penelitian tentang masalah penghindaran pajak. Artikel ini bertujuan untuk mengungkap dan memetakan tren penelitian dalam masalah penghindaran pajak. Dengan menggunakan pendekatan bibliometrik, semua publikasi penelitian yang terkait dengan masalah penghindaran pajak di database Scopus online dianalisis. Kepengarangan, jumlah kutipan, sumber jurnal, lembaga, dan negara, diperiksa. Hasil penelitian menunjukkan bahwa jumlah publikasi di bidang ini masih didominasi oleh negara-negara Barat (AS merupakan negara yang paling berpengaruh dalam publikasi penelitian terkait isu penghindaran pajak). Faktor pendanaan penelitian diyakini menjadi salah satu faktor mengapa negara-negara Barat masih mendominasi jumlah publikasi saat ini. Hasil penelitian ini juga menyimpulkan bahwa isu penghindaran pajak semakin populer di kalangan akademisi di bidang perpajakan. Selain itu, penelitian ini mengungkapkan bahwa perkembangan publikasi penelitian di bidang ini semakin berkembang.

Kata kunci: perpajakan, penghindaran pajak, analisis bibliometrik
