

The Role of the 28 Modified Income and Sales Tax Law for the Year 2009 in Reducing Tax Evasion

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1. Abstract

This study aims to find out the role of the exemptions granted for companies to reduce tax evasion, the size of sales and their role in reducing evasion, and the role of the legal form and the development of moral awareness in reducing tax evasion. The researcher distributed 56 questionnaires to the competent authorities in the Income Tax Department. It was found, through statistical treatment that, there is a role country's of the exemptions and sales, the legal nature, and the development of moral awareness in reducing tax evasion. It is recommended to increase ethical and religious awareness of taxable categories through workshops and seminars to encourage community members to participate responsibly, and to work to achieve Tax Justice, which helps to develop satisfaction of the tax among tax community members.

Keywords: Income, Sales Tax Law, Tax Evasion.

2. Introduction

The development of social systems and developments that have occurred in communities, initiated the need for developing the concept of tax where the tax was optional in the past, then it has become mandatory, imposed on certain individuals under the umbrella of the law. Taxes were used to achieve the political and financial objectives of the state, also it was used in order to save money to the state treasury, where it is considered one of the main sources of the state treasury, especially in countries that do not have natural resources to compensate the shortfall in the state treasury, due to the increase in the slides that were annexed to the tax umbrella. The need for amendments to the laws that commensurate with the nature of these communities has emerged to address the challenges faced by the tax collector by controlling tax evasion process, whether evasion through loopholes in the law or through evasion by not submitting statements that describe the financial situation of the taxpayer.

3. The problem

With the widening of unemployment, weak purchasing power, and the risk of external financing, which may result in an economic dependency, besides to the bad internal funding, such as cash releases without charge which mostly causes negative impact on the economy of the state, leading to inflation. Including that the state needs financial tributaries to the Treasury, requiring the imposition of taxes on different and wide sectors and of different types of taxes, whether direct or indirect, to include the largest number of slides. So, some people who are subject to these taxes attempt to avoid paying it either by finding loopholes or not disclosing.

4. Research importance:

The importance of research is emerged by identifying the extent to which the modified law is able to limit the phenomenon of tax evasion and its ability to address the gaps in the previous laws and how to encourage community groups to pay and disclose their tax dues.

5. Research Objectives

The research aims to identify:

1. Exemptions granted to companies and individuals and their role in reducing tax evasion.
2. The role of the size of downloaded files given in the reduction of tax evasion.
3. The role of the legal form of the modified law in reducing the rate of tax evasion.
4. The role of the Tax Department in the development of moral awareness to reduce tax evasion.

6. Research hypotheses

1. There is no role of the exemptions granted to companies and individuals in reducing tax evasion.
2. There is no role of the size of granted discounts in reducing tax evasion.
3. There is no role for the legal wording of the amended law in reducing the tax evasion.
4. There is no role of the tax department in the development of moral awareness and the reduction of tax evasion.

7. Previous studies

- 1- Study of (Olimat, 2013) entitled "tax evasion causes, forms and ways to reduce it." This study aimed to point out the major reasons and forms of tax evasion and the factors assisting in reducing it. This study was conducted on a sample of tax auditors in Amman consisting of 283 auditors. The study concluded to that the

- personal, legislative, administrative, economic and social rationales, sequenced as of their significance; play a major role in tax evasion, and that each of them impacts the other. It also concluded that manipulating expenses and revenues without keeping accounting records is considered as one of the most significant form of tax evasion. Providing incentives, equality between taxpayers lead to reducing tax evasion. The study recommended the necessity to put a strategy for reforming the tax system through awareness in taxes, accurate accounting records, draft a legislation that guarantees equality between taxpayers.
- 2- Study of (Shamayleh, 2011) entitled “The Impact of Income Tax Law on Income Distribution in Jordan.” The purpose of this paper was to examine the progressivity of the Jordanian income tax law. A stratified sample of 3000 taxpayers was drawn from the available list of taxpayers at the Department of Income Tax as of 8/2009. The sample represents two categories: individual taxpayers and employees taxpayers from each governorate of the country. The study shows that deductions and exemptions benefit high income taxpayers more than low income taxpayers. The study proved also that both marginal and average tax rates are progressive. In spite of tax rates progressivity, deduction has turned the income tax to be regressive. Given the fact that indirect taxes are regressive, and income tax is regressive too, the study concludes that the tax system in Jordan is regressive, therefore unconstitutional.
 - 3- Study of (Salamah et al., 2011) entitled “Impact factors on the decision of evaluators of the department of tax, income and sales in Jordan.” This research aims at identifying the different factors facing the income and sales taxes estimators, and the impact of these influences on the decision of the estimators in Jordan. To achieve these objectives a questionnaire was constructed that included three main effects (administrative, personal, and financial). The study sample includes (70) income and sales tax estimators represents (5%) of the whole population of The study (1400). One sample t test was utilized to test the study's hypotheses. The study has found that there was an effect for the administrative factors on the estimators' decisions where the arithmetic mean of the respondents' answers on this variable was (3.8). The study also has found that there was an impact for both the personal and financial factors on the estimators' decision and the respondent answer means were (3.61) and (3.11) respectively. The study suggested a set of recommendations to enhance the efficiency and the ability of income and sales tax estimators.
 - 4- Study of (Al-Zou'bi, 2010) entitled “The Effect of Moral, Psychological and Social Factors on the Level of Tax Compliance from the Point of View of Income Tax Assessors in Jordan.” This study aims at investigating the effect of moral, psychological, and social factors on the level of income tax compliance in Jordan as seen by income tax assessors. The study incorporated all income tax assessors (675) in all 10 districts of the Kingdom -excluding Aqaba. A questionnaire of (42) items has been developed and distributed to them. The researcher received back (616) of them, about %91.3 of the whole study population. The study questions and hypotheses were tested using Descriptive Statistic Measures, Percentages, Means, Standard Deviations, Analyses of Variance of Regression. The study came to the following conclusions: There is a statistically significant effect of the psychological factors (frankness, integrity, honesty, and commitment to moral codes) on the level of tax compliance. The study stressed the importance of enhancing moral principles and increasing awareness of taxpayers of the importance of compliance, and announcing names of those who evade payment in the media.
 - 5- Study of (Dergham and Al-Omour, 2009) entitled “The Phenomenon of Income Tax Evasion in Gaza Strip (Analytical Study).” This study aims to identify the main reasons behind the spread of income tax evasion in Gaza Strip, and identifying the best ways of limiting this phenomenon since it negatively affects the income of the Palestinian National Authority. In this study, the researchers depended on a questionnaire which has been distributed by hand to the sample of the study which consisted of accountants and income tax inspectors. This study has concluded some important findings: First, the absence of security and political stability in Gaza Strip plays a key role in the spread of income tax evasion. Second, the absence of full sovereignty of the Palestinian National Authority over the Palestinian territories gives the income tax evasion chance to increase. Third, the lack of transparency of public expenditure increases income tax evasion. Fourth, once trust is increased between the taxable and the Income Tax Department, income tax evasion can be reduced. Fifth, income tax evasion can be reduced if the accountants cooperate with the Income Tax Department so as to show the reality of the taxable's work. This study has also concluded some recommendations: First, the authority should increase transparency in expending the public money. Second, establishing the principle of the tax justice in dealing with the taxable. Third, increasing trust between the taxable and the Income Tax Department. Fourth, increasing awareness of tax through mass media campaigns and carrying out workshops and seminars in the relevant professional associations and universities. Fifth, applying the punishment concept that is contained in the Income Tax Law so as to limit tax evasion.
 - 6- Study of (Atout, 2009) entitled “Impact the Income Tax Act No. 17 of 2004 on the phenomenon of tax evasion in Palestine.” The study aimed to identify the forms of tax evasion and to examine the main reasons for tax evasion and to determine its effects on the Palestinian economy. The study attempted to determine

the extent of the Income Tax Act dealing with the phenomenon of tax evasion the researcher discovered several reasons for the phenomenon of tax evasion, one of which is the existence of legal gaps resulting from lack of clarity in the law. In addition, the weakness of authority in the application of the penalties provided by the law, as well as the general economic situations of the Palestinian people.

- 7- Study of (Oran and Alkhaddor, 2004) entitled "Evasion of income tax in Jordan. Analytical study for the period from 1976 to 1997." The study aimed at the underlying the causes and motives behind the evasion of income tax and working to measure the size of evasion in Jordan annually. To achieve this, the study is depended on the critical approach which measures evasion indirectly when estimating the size of money in circulation, multiple linear regression was used to estimate a function to measure size of money in circulation in Jordan. The most important results of this study were that tax evasion is linked to several factors; the most important of it is the economic situation. The study also shows that the evasion of payment of income tax may record a general upward trend during most of the years under research, and that whenever a new tax is imposed, or the existing tax rates are raised, evasion recoded a significant increase - Moreover, this study applies some recommendation that will help government to reduce the size of evasion to avoid paying income tax.
- 8- Study of (Al Khatib, 2000) entitled "Tax Evasion." This study deals with the theoretical framework to the subject of tax evasion in Syria, and the forms of evasion and its causes and consequences and ways to combat it." The study showed that the causes of tax evasion are, first: moral reasons; it is the weakness of tax awareness and this weakness is due to: A) the person's belief that he pays the state more than it takes them. B) The person's belief that the state misuses public funds. C) Lack of confidence in the tax legislation in many countries. Second: political reasons; public spending in the state plays a key role in tax evasion, the better state use public funds, the lesser the tendency of taxpayers towards evasion. Third: legislative reasons; tax legislation is characterized by properties different from what characterized by legislation general situation, and be a cause of the taxpayer to evade the tax, the tax law is general and non-permanent. Fourth: The administrative and technical reasons, such as: the weight of the tax burden, and the complexity of the tax system, and the type of tax; directly or indirectly. The study concluded that several recommendations, including: A) the tax system should be simplified. B) The competencies of financial management must be organized and increase it performance. C) the development of tax awareness and strengthen mutual trust between taxpayers and the tax department.

8. Theoretical and practical aspect

Tax evasion means that the designated do certain acts or works contrary to the law so as to reduce the amount of tax, whether this process is legal or illegal (Abdel Rahim, 1990). The legal form occurred when the designated coordinates his income in a manner makes it non-taxable, the word legal is undesirable so it was called tax planning (Habib 1994), or the so-called tax avoidance (Nasser 1974), The illegal evasion, occurs either through fraud, or failure to pay at the stage of collecting.

9. The method and procedures

1.9 Introduction

The researcher addresses the theoretical side by reference to the literature of study, this chapter addresses the methodology used in the study, where this chapter contains the data collection methods, and methodology of developing the study tool and defining it, in addition to the statistical tests for data analysis process, and the process of hypothesis testing. The study also relied on descriptive analytical method due to its appropriateness to study's objectives, through the literature review and previous studies the study variables for tax evasion were determined, also the study tool was developed and applied on the individuals of the population of the study in order to draw recommendations embody solutions to the problem of the study.

2.9 Sources of data collection:

It has been relying on the data and information necessary to collect the following sources:

Primary resources: it is represented by the questionnaire that has been used as the main source for the collection of information related to the role of the Income and Sales Tax Amendment Act 28 of 2009 in the reduction of tax evasion.

Secondary sources: The researcher adopted the descriptive approach in the formation of the theoretical framework of the study based on books and periodicals and Arabic and English references, which addressed the subject of the study, as well as previous dissertations.

3.9 The tool of the study

In order to achieve the objectives of the study, the researcher has been designed a questionnaire based on literature review related to Income and Sales Tax Amendment Act 28 of 2009 in the reduction of tax evasion.

The first part: related to general information of the sample of the study. The researcher adopted a *5-point Likert* scale where the weight of each item in the questionnaire is calculated according to the following: Strongly Agree (5 points), Agree (4 points), Undecided (3 points), Disagree (2 points), strongly Disagree (1 point). Level determination was calculated according to a statistical equation so the levels were distributed as follow:

1. 1-2.33 low
2. 2.34- 3.67 moderate
3. 3.68- 5 high

The 34 items of the questionnaire were distributed as in the following table:

Table (1)
The distribution of items of the questionnaire

No	Description	Items
1	Exemptions granted to companies and individuals	1-10
2	Size of granted discounts	11-20
3	The legal formula of the modified law	21-27
4	Development of the ethical awareness	28=34

4.9 The population and the sample of the study

The population of the study is consisted of the specialized ones in the Department of Income Tax, 56 copies of the questionnaire were distributed and analyzed it all.

5.9 Tests related to the tool of the study:

The objectives of these tests aim to ensure that the used tool in this study measure the role of the income and sales modified 28 law for the year 2009 in limiting tax evasion and aim to identify the level of the reliability of the answers of the respondents. The following represent some the used tests:

1. Validity of the tool of the study

Sekaran (2010) suggests that validity tests how well an instrument that is developed measures the particular concept it is intended to measure. The tool was presented to a set of specialists in accounting and economics in Jordanian Universities to identify to what extent do the items of the questionnaire are convenient linguistically and are belonged to the dimension that were set for. The observations and the opinions of the arbitrators, some the items were reformulated in the light of these observations.

2. Reliability of tool of the study

Sekaran (2010) said that by reliability it means the ability of a measure to remain the same over time – despite uncontrollable testing conditions or the state of the respondents themselves. Test of the consistency of respondents answer to all the items in a measure. To the degree that the items are independent measures of the same concept, they will be correlated with one another. Cronbach's coefficient alpha is used for multipoint-scaled items. Table 2 illustrates the values of Cronbach's alpha of the tool.

Table 2
Reliability coefficients

Variables of the study	Cronbach's Alpha
Exemptions granted to companies and individuals	%90
Size of granted discounts	%88
The legal formula of the modified law	%94
Development of the ethical awareness	%88
Sum	%89

6.9 Data analysis and hypothesis testing:

The Researcher in this study deals with the analysis of demographic factors in terms of frequency and percentage, and arithmetic averages of the items of the questionnaire to find out the degree of application, the researcher also addresses hypothesis testing to determine the extent of the existing appropriateness.

Analysis of Data related to the respondents' demographic factors analysis:

General information that has been used is: Job level, years of experience, educational qualification, scientific specialization, and it appear as follows:

The distribution of the study sample according to demographic factors:

First: Years of Experience

Table (3)
The distribution of the study sample according to years of experience

Years of experience	Frequency	Percentage
Less than 5 years	10	%17.9
From 5 to 10 years	19	%33.9
From 11 to 15 years	17	%30.3
More than 15 years	10	%17.9
Sum	56	100%

The class (from 5-10 years) has the largest percentage of (%33.9) while the class (11-15 years) came in the second rank with (%30.3). Both class (Less than 5 years) and (More than 15 years) occupied the third rank with (%17.9).

Second: Scientific Specialization

Table (4)
The distribution of the study sample according to scientific specialization

Scientific specialization	Frequency	Percentage
Accounting	35	%62.5
Finance and banking	10	%17.9
Business administration	0	---
Economics	0	---
Accounting information systems	11	%19.6
Management information systems	0	---
Sum	56	100%

Table (4) illustrates that accounting came first with a percentage of %62.5, secondly came accounting information systems with a percentage of %19.6 while Finance and banking occupied the third rank with a percentage of 17.9%. The high percentage of accounting occurs because data is presented to tax department is in fact it is accounting data and need knowledge in accounting.

Third: academic qualification

Table (5)
The distribution of the study sample according to academic qualification

academic qualification	Frequency	Percentage
Diploma	----	-----
Bachelor	41	%73.2
Higher diploma	---	---
Master	14	%25
PhD	1	%1.8
Sum	56	100%

Table 5 indicates that Bachelor's holders form the largest percentage with %73.2 followed by Master's holders with %25 then PhD's holders with %1.8 which means that there is good educational level enabling the individuals of the sample to answer the items of the questionnaire.

7.9 Analysis of the items of the questionnaire

The researcher has used SPSS package to calculate arithmetic averages and standard deviations, and adopted a standard mean of 3 for the items.

The first axis: the role of exemptions granted to companies and individuals in reducing tax evasion

Table 6
Exemptions granted to companies and individuals

No.	Item	Arithmetic average	Standard deviation	Level	Rank
1	The exemption of income within the trade unions, cooperative societies and registered and licensed non-for-profit associations helps to reduce tax evasion	2.9821	1.07011	Moderate	8
2	The exemption of income of religious, charitable, cultural, educational, sports or non-for-profit organizations helps to reduce tax evasion	2.9643	1.06112	Moderate	9
3	The exemption of dividends and earnings rations of the resident person (excluding exceptions) help to reduce tax evasion	3.1964	1.08577	Moderate	5
4	The exemption of realized capital profits from within the Kingdom (excluding exceptions) helps to reduce tax evasion	3.3214	1.01098	Moderate	2
5	The exemption of income derived from trading of immovable property located in the Kingdom (excluding exceptions) helps to reduce tax evasion	3.4643	.933500	Moderate	1
6	The exemption compensation paid by insurers (excluding exceptions) helps to reduce tax evasion	3.2679	.943710	Moderate	3
7	The exemptions issued for people based on the law of income help reduce tax evasion	3.0536	1.06889	Moderate	6
8	The exemption of income of the blind and the person with total deficit in the job helps in reducing tax evasion	3.2143	1.07389	Moderate	4
9	The exemption reinsurance companies arising from insurance contracts entered into with insurance companies operating in the Kingdom helps in reducing tax evasion	3.0357	1.12758	Moderate	7
10	The exemption of income covered by double taxation agreements held by the government helps to reduce tax evasion	3.4643	.97168	Moderate	1
	Sum	3.2232	0.68702	Moderate	

The arithmetic average of the exemptions granted to companies and individuals equals 3.2232 with a standard deviation of 0.68702, which indicates that the exemptions granted are moderate compared to the standard mean from the perspective of the individuals of the sample, which means that these exemptions fit well with companies and individuals. The item that states “The exemption of income covered by double taxation agreements held by the government helps to reduce tax evasion,” came in the first rank with an arithmetic average of 3.4643 according to the individuals of the sample due to the satisfaction felt by the individuals of this layer of income. In the second rank came the item that states “The exemption of income of religious, charitable, cultural, educational, sports or non-for-profit organizations helps to reduce tax evasion” with an arithmetic average of 2.9643 according to the individuals of the sample because these organization have a moderate income and there is the religious motive.

The second axis: The role of Size of granted discounts in reducing tax evasion

Table 7
Size of granted discounts

No.	Item	Arithmetic average	Standard deviation	Level	Rank
11	Discounts made to income tax of the foreigner paid for his income from sources outside Kingdom and eligible to tax, help in reducing tax evasion	3.5179	.89425	Moderate	2
12	Discounts made on interests paid by banks or financial organizations or person practicing financial activities help in reducing tax evasion	3.3929	1.0562	Moderate	
13	Banks' allocation discounts according to banks law help in reducing tax evasion	3.5179	.808840	Moderate	2
14	Discounts of insurance companies' allocations related to unrealized payments and financial accounts under settlement (according to law) help in reducing tax evasion	3.5179	.894250	Moderate	2
15	Discounting debts that were previously calculated within is total income (according to law requirements) help in reducing tax evasion	3.5357	.830430	Moderate	3
16	Discounting paid amounts to insure risks related to is activity subjected to tax help in reducing tax evasion	3.3036	.872190	Moderate	
17	Discounting the Depreciation of capital assets and lighting off moral assets according to law help in reducing tax evasion	3.7143	.846690	High	1
18	Discounting actual maintenance expenditures of the assets during tax period if it doesn't exceed 5% help in reducing tax evasion	3.4107	.889880	Moderate	4
19	Discounting amounts that are paid as a civil substitution and the amounts paid by the employer on behalf of his employees to social security corporation help in reducing tax evasion	3.3393	.939570	Moderate	5
20	Discounting expenditures of hospitality, travel and medical treatment and scientific research help in reducing tax evasion	3.0893	.900040	Moderate	6
	Sum	3.3036	0.76680	Moderate	

The arithmetic average of the size of granted discounts equals 3.3036 with a standard deviation of 0.76680, which indicates that the size of granted discounts are moderate compared to the standard mean from the perspective of the individuals of the sample, which means that the size of granted discounts fit well with companies and individuals. The item that states "Discounting the Depreciation of capital assets and lighting off moral assets according to law help in reducing tax evasion," came in the first rank with an arithmetic average of 3.7143 according to the individuals of the sample due to the fact that these amounts are subjected to personal estimations and the ease of manipulation in it. In the last rank came the item that states "Discounting expenditures of hospitality, travel and medical treatment and scientific research help in reducing tax evasion" with an arithmetic average of 3.0893 according to the individuals of the sample because these amounts are limited in tis percentage and are paid by documented bills.

The third axis: The role of the legal formula of the modified law in reducing tax evasion

Table 8

The legal formula of the modified law

No.	Item	Arithmetic average	Standard deviation	Level	Rank
21	The law was clear in its paragraphs which helps in reducing tax evasion	3.1786	.992830	Moderate	4
22	The law was clear concerned with the sanctions which helps in reducing tax evasion	3.3929	.887870	Moderate	3
23	The law was clear concerned with tax trail courts which helps in reducing tax evasion	3.5893	.826310	Moderate	1
24	The law was comprehensible which helps in reducing tax evasion	3.3571	.923010	Moderate	
25	The formulation of the law helps the assigned to understand the texts which helps in reducing tax evasion	3.5000	.831210	Moderate	2
26	The legal texts were made according to the modified law to fill the gap in the previous laws which helps in reducing tax evasion	2.9821	1.15193	Moderate	5
27	The modified law was made to treat the tax coupling which helps in reducing tax evasion	3.1786	.992830	Moderate	4
	Sum	3.1786	0.93628	Moderate	

The arithmetic average of the size of the legal formula of the modified law equals 3.1786 with a standard deviation of 0.93628, which indicates that the legal formula of the modified law are moderate compared to the standard mean from the perspective of the individuals of the sample, which means that the legal formula of the modified law fit well with companies and individuals. The item that states “The law was clear concerned with tax trail courts which helps in reducing tax evasion” came in the first rank with an arithmetic average of 3.5893 according to the individuals of the sample. In the last rank came the item that states “The legal texts were made according to the modified law to fill the gap in the previous laws which helps in reducing tax evasion” with an arithmetic average of 2.9821 according to the individuals of the sample.

The fourth axis: the role of development of the ethical awareness in reducing tax evasion

Table 9

The development of the ethical awareness

No.	Item	Arithmetic average	Standard deviation	Level	Rank
28	Department of income and sales makes seminars which helps in reducing tax evasion	3.6250	1.15306	Moderate	1
29	Department of income and sales makes advertisement campaigns about the benefits of taxes which helps in reducing tax evasion	3.6071	1.10665	Moderate	2
30	Department of income and sales distributes brochures about the benefits of paying taxes which helps in reducing tax evasion	3.5893	1.18746	Moderate	3
31	Department of income and sales trains employees to deal with the assigned which helps in reducing tax evasion	3.5714	1.24838	Moderate	4
32	Department of income and sales provides social services helping in development of moral awareness which helps in reducing tax evasion	3.4464	1.29221	Moderate	6
33	Department of income and sales clarifies the risks of tax evasion which helps in reducing tax evasion	3.2857	1.27514	Moderate	7
34	Department of income and sales clarifies the impact of evasion on the budget which helps in reducing tax evasion	3.4643	1.33436	Moderate	5
	Sum	3.5446	1.17658	Moderate	

The arithmetic average of the size of the development of the ethical awareness equals 3.5446 with a standard deviation of 1.17658, which indicates that the legal formula of the modified law are moderate compared to the standard mean from the perspective of the individuals of the sample, which means that the development of the ethical awareness fits well with companies and individuals. The item that states “Department of income and sales makes seminars which helps in reducing tax evasion” came in the first rank with an arithmetic average of 3.6250 according to the individuals of the sample. In the last rank came the item that states “Department of income and sales clarifies the risks of tax evasion which helps in reducing tax evasion” with an arithmetic average of 3.4643 according to the individuals of the sample.

8.9 Statistical treatments

This part of study is related to testing the five hypotheses of the study; one sample t-test is used to test hypotheses to get the results related to this test. The results of the test were as follow:

Table 10
The results of t-test of the hypotheses

Hypotheses	t-value	D.O.F	Sig.	Result of Hypothesis
There is no role of the exemptions granted to companies and individuals in reducing tax evasion	35.109	55	0.000	Reject
There is no role of the size of downloads given in reducing tax evasion	32.240	55	0.000	Reject
There is no role for the legal wording of the amended law in reducing the tax evasion	25.405	55	0.000	Reject
There is no role of the tax department in the development of moral awareness and the reduction of tax evasion	22.545	55	0.000	Reject

1) Test of the first hypothesis

This item is related to testing of the first hypothesis of the current hypothesis that states “There is no role of the exemptions granted to companies and individuals in reducing tax evasion.”

The t-test was used to test this hypothesis. The results of table 10 have shown the role of the exemptions granted to companies and individuals. Since the calculated value of T is greater than the tabulated value of T at 0.05 significance level and as the decision rule states that the null hypothesis is accepted if the calculated value of T is less than its tabulated value whereas the null hypothesis is rejected if the calculated value of T is greater than its tabulated value. Based on the value calculated we fail to accept the null hypothesis and accept the alternative hypothesis. Consequently, there is a role of the exemptions granted to companies and individuals in reducing tax evasion.

2) Test of the second hypothesis

This item is related to testing of the second hypothesis of the current hypothesis that states “There is no role of the size of downloads given in reducing tax evasion.”

The t-test was used to test this hypothesis. The results of table 10 have shown the role of the exemptions granted to companies and individuals. Since the calculated value of T is greater than the tabulated value of T at 0.05 significance level and as the decision rule states that the null hypothesis is accepted if the calculated value of T is less than its tabulated value whereas the null hypothesis is rejected if the calculated value of T is greater than its tabulated value. Based on the value calculated we fail to accept the null hypothesis and accept the alternative hypothesis. Consequently, there is a role of the size of downloads given in reducing tax evasion.

3) Test of the third hypothesis

This item is related to testing of the third hypothesis of the current hypothesis that states “There is no role for the legal wording of the amended law in reducing the tax evasion.”

The t-test was used to test this hypothesis. The results of table 10 have shown the role of the exemptions granted to companies and individuals. Since the calculated value of T is greater than the tabulated value of T at 0.05 significance level and as the decision rule states that the null hypothesis is accepted if the calculated value of T is less than its tabulated value whereas the null hypothesis is rejected if the calculated value of T is greater than its tabulated value. Based on the value calculated we fail to accept the null hypothesis and accept the alternative hypothesis. Consequently, there is a role for the legal wording of the amended law in reducing the tax evasion.

4) Test of the fourth hypothesis

This item is related to testing of the fourth hypothesis of the current hypothesis that states “There is no role of the tax department in the development of moral awareness and the reduction of tax evasion.”

The t-test was used to test this hypothesis. The results of table 10 have shown the role of the exemptions granted to companies and individuals. Since the calculated value of T is greater than the tabulated

value of T at 0.05 significance level and as the decision rule states that the null hypothesis is accepted if the calculated value of T is less than its tabulated value whereas the null hypothesis is rejected if the calculated value of T is greater than its tabulated value. Based on the value calculated we fail to accept the null hypothesis and accept the alternative hypothesis. Consequently, there is a role of the tax department in the development of moral awareness and the reduction of tax evasion.

10. Results and recommendations

1.10 Results

- 1- There is a role of the exemptions granted to companies and individuals in reducing tax evasion. As the hypothesis has an arithmetic average of 3.22 with sig. equals 0.000 which indicates that the companies and individuals are satisfied with the granted exemption by the tax department.
- 2- There is a role of the size of granted discounts in reducing tax evasion. As the hypothesis has an arithmetic average of 3.30 with sig. equals 0.000 which indicates that there is a role of the size of granted discounts in reducing tax evasion.
- 3- There is a role for the legal wording of the amended law in reducing the tax evasion. As the hypothesis has an arithmetic average of 3.1786 with sig. equals 0.000 which indicates that there is a role for the legal wording of the amended law in reducing the tax evasion.
- 4- There is a role of the tax department in the development of moral awareness and the reduction of tax evasion. As the hypothesis has an arithmetic average of 3.30 with sig. equals 0.000 which indicates that there a role of the tax department in the development of moral awareness and the reduction of tax evasion.

2.10 Recommendations

The researcher recommends the followings:

1. Try to increase the moral awareness and develop the religious motive of the classes subjected to taxing through workshops and seminars to encourage the classes of society sharing in responsibility.
2. Try to work to achieve the tax justice which will help in developing satisfaction on tax among classes of tax society.
3. Try to fill the legal gaps which help in reducing tax evasion
4. Try to make more scientific studies and feasibility studies about the tax exemptions and tax discounts and to direct it towards the targeted ones in a scientific way.

11. References

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