

PREFACE

1. The urgency of the research

Tax administration is a content of state management in economics, plays an important role in determining the effectiveness of the tax system, and ensures effective compliance and implementation of tax policies. One of the most important duties of tax administration is to ensure maximum taxpayers' compliance with tax obligations. Tax administration agencies across the country still face many difficulties and limitations in ensuring the compliance with tax obligations of taxpayers, especially enterprises – being the most contributors, amongst taxpayers, to the State budget.

During the last decade, Ho Chi Minh City has always been the leader in State budget revenue and remittance, mainly tax collection with an annual contribution of about one third of the total state budget revenue of the country. In which, enterprises in Ho Chi Minh City contribute about a quarter of the revenue from enterprises nationwide and contribute about 1/10 of the total state budget revenue of the country. Tax administration in order to improve tax compliance of enterprises in Ho Chi Minh City is always the top concern of regulators in general, and tax authorities in particular, in Ho Chi Minh City to ensure state budget revenue. In order to strengthen tax administration to improve corporate tax compliance, it is vital to determine which factors of tax administration affecting tax compliance, and then propose solutions to improve the compliance level of enterprises.

Theoretically, the research topics of tax administration and tax compliance have been exploited by many researchers in the fields in different methods and aspects. However, there is no model that can fully draw the picture of tax administration and tax compliance. Therefore, the author chose the topic “Tax administration to improve tax compliance of enterprises in Ho Chi Minh City” as a research topic, majoring in Finance - Banking.

2. Research questions

Firstly, are there any research gaps on tax administration to improve tax compliance of enterprises?

Secondly, what are the current situations of tax administration and tax compliance of enterprises in Ho Chi Minh City? What are the achievements and limitations of the current situation of tax administration and tax compliance of enterprises, and the causes of these limitations?

Thirdly, which are the factors of tax administration affecting tax compliance of enterprises in Ho Chi Minh City? How do these factors affect (statistically significant) through the sample survey?

Fourthly, which are the solutions to strengthen tax administration to improve tax compliance of enterprises in Ho Chi Minh City in the following periods based on the results of qualitative and quantitative research?

3. Research objectives

3.1. General research objectives

Analyze and evaluate the influence and impact between tax administration and tax compliance of enterprises, discover and measure the impacting level of tax administrative factors on tax compliance of enterprises, on that basis, propose solutions to strengthen tax administration in order to improve the tax compliance of enterprises in Ho Chi Minh City.

3.2. Detailed research objectives

Firstly, to systematize the theory on tax administration, tax compliance and tax administrative factors affecting tax compliance of enterprises.

Secondly, to identify tax administrative factors affecting tax compliance of enterprises, to test and measure the impact of these factors on tax compliance of enterprises in Thanh Ho Chi Minh City. Simultaneously, to assess the current

situation of tax administration and tax compliance of enterprises in Ho Chi Minh City.

Thirdly, to propose solutions to strengthen tax administration in order to improve tax compliance of enterprises in Ho Chi Minh City.

4. Research objects and research scopes

The research object of the topic is the theory and current situation of tax administration, tax compliance of enterprises and tax administrative factors affecting tax compliance of enterprises in Ho Chi Minh City.

The research scope of the thesis is as follows:

Scope of content: Firstly, tax administration in a narrow sense, that is, the administrative management of the tax authorities with main activities including organization, administration, tax collection and payment management for enterprises. In which, to research and assess the current situation of tax administration by tax authorities for enterprises and the actual compliance with tax laws of enterprises. Secondly, to identify which factors of tax administration affecting the tax compliance of enterprises? To test the impact of such factors of tax administration on tax compliance behavior of enterprises. Thirdly, to proposes solutions to strengthen tax administration to improve tax compliance of enterprises.

Scope of place: enterprises declaring and paying taxes in Ho Chi Minh City, administered by Tax Departments in Ho Chi Minh City.

Scope of time: statistical data for the last 5 years (2015 - 2019) and data collected by the author in 2018 and 2019.

5. New contributions of the thesis

As for Theory, the thesis contributes the following contents:

Firstly, the thesis provides additional evidence on the impact of tax administrative factors and corporate characteristics on tax compliance of

enterprises, including factors inherited from previous studies and new factors added to the research model based on the legal basis of tax administration in Vietnam.

Secondly, the thesis builds and develops a scale of tax administrative factors affecting tax compliance of taxpayers being enterprises.

Thirdly, the thesis partly contributes to the theoretical basis on tax administrative factors affecting tax compliance of enterprises, solving an aspect of research gaps related to this topic.

As for practice, the thesis contributes the following contents:

Firstly, the thesis proposes solutions related to tax administration in order to improve the tax compliance of enterprises in Ho Chi Minh City, based on the results of qualitative and quantitative research, testing the research model through surveys of sample enterprises in this city.

Secondly, the thesis provides a scientific foundation for solutions to enhance tax administration in order to improve tax compliance of enterprises; scientific basis for policy makers in Vietnam to complete tax administrative policies.

Thirdly, the thesis provides useful resources for researchers, post-graduate students and graduate students interested in tax administration and tax compliance.

6. Structure of the thesis

In addition to the preface, the thesis is structured into 5 chapters

Chapter 1: Literature review on tax administration and tax compliance

Chapter 2: Theoretical and practical basis on tax administration and tax compliance

Chapter 3: Research method

Chapter 4: Current situation of tax administration and tax compliance of

enterprises in Ho Chi Minh City

Chapter 5: Solutions to strengthen tax administration in order to improve tax compliance of enterprises in Ho Chi Minh City

CHAPTER 1 – LITERATURE REVIEW ON TAX ADMINISTRATION AND TAX COMPLIANCE

1.1. Overview of research works by typical international authors

Tax compliance is a topic that has received the attention and research from many scholars in the fields of management, politics, economics, psychology and sociology. According to Tran-Nam et al (2013), basically, it is possible to divide tax compliance models into three (3) groups, including models to prevent non-compliance (Allingham and Sandmo, 1972; Yitzhaki, 1974), financial psychology models (Schmölders, 1959; Strümpel, 1969) and behavioral economic models (Hashimzade, Myles and Tran-Nam, 2013). Cowell (2003) and Tran-Nam et al (2013) argue that there is no model that can comprehensively and consistently explain all tax compliance behaviors studied and observed in practice. Marandu et al (2014) have the same viewpoint and argue that different theoretical models of tax compliance should be viewed as complementing different aspects of different factors affecting tax compliance.

Vito (1991) argues that tax administration plays an important role in determining the effectiveness of the tax system. According to Erard et al. (1994), good tax administration is a prerequisite for effective and efficient tax compliance and enforcement. The existence of all tax administration systems is to ensure taxpayers comply with tax laws. Bird (2008) adds the view that tax administration plays a very important role, and a key duty of tax administration is to ensure maximum compliance of tax payers with all tax obligations.

1.2. Overview of research works by typical Vietnamese authors

In Vietnam, the topic of tax compliance has also been exploited by researchers using both qualitative and quantitative methods. Typical studies on tax compliance were performed by Nguyen Thi Le Thuy (2009), Nguyen Thi Thanh Hoai et al (2011), Nguyen Hoang and Dao Thi Phuong Lien (2013), Dang Thi Bach Van (2014), Leng Hoang Minh (2017) who used methods of surveying, synthesizing and analyzing tax administrative data and evaluating through surveys and questionnaires to evaluate tax compliance of taxpayers in Vietnam. In addition, some authors applied econometric models to test the factors affecting tax compliance of taxpayers such as Nguyen Minh Ha and Nguyen Hoang Quan (2012), Nguyen Tien Thuc (2013); Phan Thi My Dung and Le Quoc Hieu (2015); Bui Ngoc Toan (2017), Pham Thi My Linh (2019).

Studies on both tax administration and tax compliance have not been explored deeply. There are some studies on tax compliance mentioning factors related to tax administration such as Nguyen Tien Thuc (2013), Bui Ngoc Toan (2017), Lèng Hoang Minh (2017).

1.3. Results achieved of the above research works

Researchers have built many research models on the compliance / non-compliance behavior of taxpayers. However, there is no model that can draw a comprehensive picture of tax compliance. At the same time, the research proposes and explores a lot of factors affecting tax compliance of taxpayers from different aspects and perspectives. This also makes it difficult for the following researchers to choose the set of variables to study on the topic of tax compliance. From overseas studies, studies in Vietnam inherit the theoretical framework of the models and factors affecting tax compliance of taxpayers. These studies all generalize the main factors affecting tax compliance such as the operational characteristics of enterprises, the psychological characteristics of the owner/manager of enterprises, the industry characteristics of enterprises, the the social, economic, and legal factors.

Regarding research methods, overseas studies are carried out by qualitative, quantitative methods or a combination of both methods. Researches in Vietnam are mainly carried out by qualitative methods combining with survey, synthesis and analysis. There are a few studies testing quantitative models to determine the factors affecting tax compliance of taxpayers.

The important role of tax administration in the taxation system as well as the essential role of tax administration in ensuring tax compliance has been confirmed in many studies abroad. All tax authorities want to improve taxpayers' compliance through tax administration. Amongst the factors affecting tax compliance, factors within the scope of tax administration or tax administration affecting these factors, such as: propaganda and support, administration of tax registration, determination, collection, tax audit and inspection, handling tax violations, settling complaints and denunciations on tax issues, quality of tax services, and application of technology in tax administration.

1.4. Research gaps and research issues of the thesis

The aforementioned studies have mentioned and solved a number of theoretical and practical issues related to tax administration and tax compliance, and proposed many solutions to improve taxpayers' compliance. However, in practice, the issue of taxpayers not complying with tax laws and causing loss of state budget revenue still exists in Vietnam in general and in Ho Chi Minh City in particular.

Theoretically, the studies in Vietnam have not deeply analyzed, in qualitative and quantitative aspects, the relationship between tax administration and the tax compliance behavior of taxpayers, especially enterprises. Tax administrative factors or characteristics of tax authorities are mentioned in several research models related to tax compliance, but have not explored its impact on tax compliance in order to improve taxpayers' compliance in general,

and enterprises' tax compliance in particular. In addition, in terms of the research scopes, a number of studies on tax compliance topics have been exploited in the direction of factors affecting taxpayers' compliance, or taxpayers' non-compliance for the whole of Vietnam or in a locality or a city. However, this topic has not been exploited in the direction of tax administrative factors affecting tax compliance of enterprises in Ho Chi Minh City. This is a research gap that the author will exploit in this thesis.

From the research gaps in terms of practice, theory and scope of research, the author argues that research on tax administration to enhance corporate tax compliance in Ho Chi Minh City is an urgent and independent issue compared to the above research works. Therefore, the author chose the thesis "Tax administration to improve tax compliance of enterprises in Ho Chi Minh City" to perform my doctoral thesis.

CHAPTER 2 –THEORETICAL AND PRACTICAL BASIS ON TAX ADMINISTRATION AND TAX COMPLIANCE

2.1. Overview on tax administration and tax compliance

2.1.1. Tax administration

There are many views on tax administration from many domestic and overseas researchers and authors: Tanzi and Pellechio (1995), The Dutch Tax and Customs Administration (2000), Ott (1998), Duong Thi Binh Minh (2005), Le Xuan Truong et al (2016).

In the content of this research, the author applies the view of tax administration in a narrow sense, that is the administration of tax authorities at all levels from central to local with main activities including organization, administration and management of tax collection and payment of taxpayers identified in the law on tax administration. The research on tax administration

mainly includes activities of tax authorities in implementing management contents in order to effectively implement tax policies and laws. The tax administrative process is always associated with the process by the tax authority (the administrator) using the management functions that affect the taxpayer (the entity) to achieve the management goals.

2.1.2. Tax compliance

There are many views on tax compliance on a legal approach from Alm (1991), Australian Tax Administration (1996), Andreoni et al (1998), James and Alley (1999). Also, there are many views on tax compliance on an operational approach from OECD (2004), US Tax Administration (IRS), Lewis et al (2009).

In this thesis, the author applies the view of tax compliance on the operational approach to assess tax compliance in the research model. Tax compliance is assessed on four aspects: tax registration, tax declaration and calculation, reporting tax information, and fulfilling tax obligations in accordance with tax administration legislation.

Tax compliance of enterprises

On the basis of the general concept of tax compliance, enterprises are considered to comply with tax laws if they comply with the obligations of tax registration, declaration, calculation, information reporting and fulfilling tax obligations in accordance with prevailing tax regulations. The decisions related to the enterprises' tax liabilities are made and be responsible by the enterprises' legal representatives. The agent theory explains the relationship between shareholders, corporate management representatives and third parties in the process of corporate management and the fulfillment of tax obligations to the state in accordance with the law. In general, in tax administration studies, the directors of the enterprises, being the representatives in the agent theory, play a key role when assessing the factors affecting compliance or non-compliance of enterprises with tax obligations.

Classification of tax compliance: based on the nature of compliance (Administrative compliance and Technical compliance); based on the content of compliance (Compliance in tax registration; Compliance in tax filing; Compliance in reporting information; and Compliance in tax payment); based on the level of compliance (willing to comply, trying, but not always succeeding in tax compliance, not wanting to comply, but will complying if they are supervised, decided not to comply).

Factors influencing tax compliance: In terms of tax administration and corporate tax compliance, the main factors influencing tax compliance including: economic factors; factors of policies and laws on taxation; factors of tax administration; factors belonging to the enterprises; and other factors.

2.1.3. The relationship between tax administration and tax compliance

Good tax administration is a prerequisite to ensure taxpayers' compliance and effective tax policy implementation. Thus, taxpayers' compliance can be both the goal and the result of effective tax administration. Ensuring and continuously improving the compliance level of taxpayers is always the goal and desired outcome of tax administration agencies. The relationship between tax administration and tax compliance is also studied by many authors.

2.2. Theoretical models of tax administration and tax compliance

Common theoretical models of tax administration and tax compliance such as: Common behavioral psychology model, ATO Compliance Model, Allingham and Sandmo's Compliance Model, Fischer's Compliance Model et al.

2.3. International experience and lessons for Vietnam

From the contents of tax administration in order to improve tax compliance in other countries, Vietnam can learn some experiences in the process of improving tax administration as follows: focusing on research and

implementation of tax administration according to the compliance level of taxpayers; identifying taxpayers as customers; increasing investment in information technology development in tax administration; enhancing proactive support to taxpayers; strengthening tax administration methods through strengthening application of focused management and inspection (risk management).

CHAPTER 3 – RESEARCH METHODS

3.1. Research methods of the thesis

The thesis uses mixed research methods, including qualitative methods and quantitative methods. The qualitative approach is conducted through interviews with tax industry experts and focus group discussions with survey subjects to determine the factors of tax administration that affect tax compliance of enterprises. The quantitative approach is carried out to test research model, to measure the impact of tax administrative factors on tax compliance; which is done through surveys of enterprises in Ho Chi Minh City to test Cronbach's Alpha coefficient, Exploratory Factor Analysis and test multiple regression model. In addition, statistics, analysis, comparison, and synthesis of interview results from experts and enterprise survey to clarify the current status of the tax authorities' administration and the enterprises' tax compliance in Ho Chi Minh City.

3.2. Qualitative research

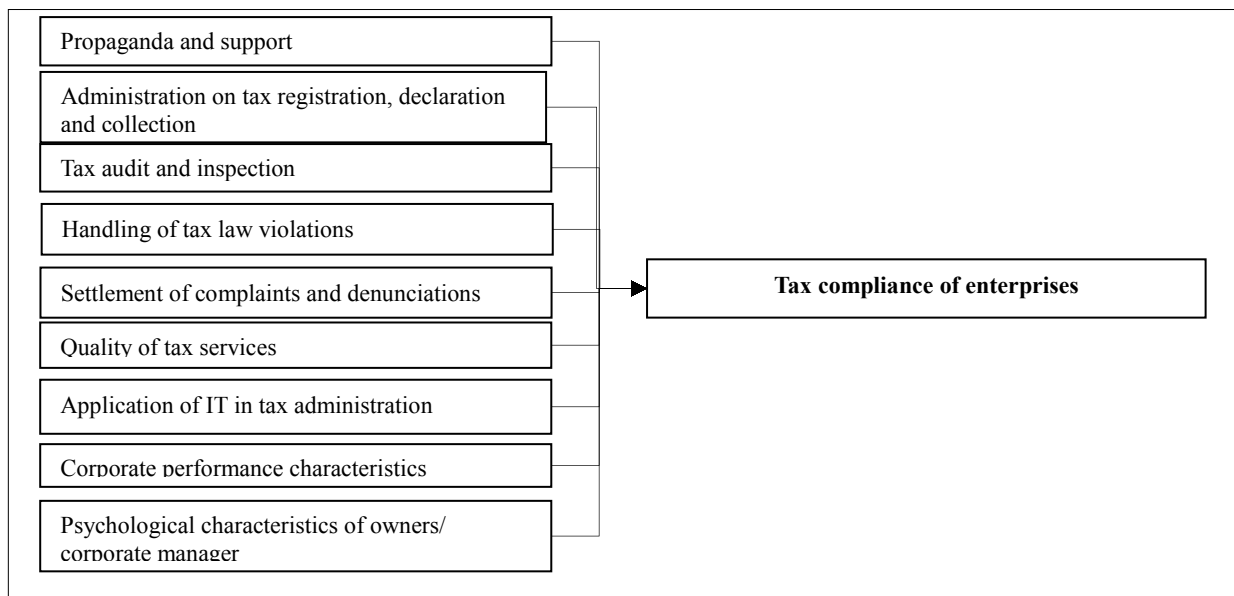
This research step is carried out in order to: (1) Assess the current situation of the tax authorities' administration to enterprises in Ho Chi Minh City; (2) Assess the current situation of enterprises' compliance with the tax laws in Ho Chi Minh City; (3) Identify, adjust and re-confirm the factors of tax administration affecting tax compliance of enterprises. At the same time, the scales of factors are also discussed and commented on to suit the specific

conditions of Vietnam in general and Ho Chi Minh City in particular. The author has conducted qualitative research through interviews with experts and representatives of enterprises in the form of email, telephone and face-to-face discussion from July 2018 to June 2019. With the subject of experts, the author interviewed, discussed, collected opinions and assessments of 56 tax officers and managers in Ho Chi Minh City. From the qualitative research results, the author proposed a research model including the respective factors and scales, to continue to perform the quantitative research step.

3.3. Quantitative research

Based on theories, empirical studies, the results of interviews with experts and representatives of enterprises, and the research objective to determine the impact of tax administration on tax compliance of enterprises, the author proposes a research model to identify two groups of factors affecting tax compliance of enterprises. The model includes the elements of the tax authority's administration based on the tax administration contents of Vietnam's tax law and inheriting from previous studies ((1) Propaganda and support, (2) Administration on tax registration, declaration and collection, (3) Tax audit and inspection, (4) Handling of tax law violations, (5) Settlement of complaints and denunciations on tax, (6) Quality of tax services , (7) Application of information technology in tax administration) and specific factors of enterprises based on previous studies (8) Corporate performance characteristics, (9) Psychological characteristics of owners/corporate manager). The proposed research model is outlined in Figure below.

Figure 3.1. Proposed research model



(Source: synthesized and proposed by the author)

Factors belonging to tax administration include ((1) Propaganda and support, (2) Administration on tax registration, declaration and collection, (3) Tax audit and inspection, (4) Handling of tax law violations, (5) Settlement of complaints and denunciations on tax, (6) Quality of tax services, (7) Application of information technology in tax administration. In which, the two traditional factors Quality of tax services and Application of information technology in tax administration are inherited from the studies of Parasuraman (1988, 1991), Fred and Frey (2006), Torgler (2007), OECD (2010), Schaupp et al (2010). Tax audit and inspection and Handling of tax law violations are also two traditional factors, inherited from many previous domestic and foreign studies, and adjusted according to the law on tax administration of Vietnam. The remaining factors (Propaganda and support; Administration on tax registration, declaration and collection; Settlement of tax complaints and denunciations) are elaborated by the author based on the law on tax administration and consultation of the experts in the tax industry and focus group discussion. Factors belonging to the enterprise itself ((8) Corporate performance characteristics, (9) Psychological characteristics of owners/corporate manager) are included in the model to balance with tax administrative factors. These factors are inherited from previous studies of domestic and

foreign authors (Bordignon (1993), Falkinger (1995), OECD (2004), Kanybek (2008), Nguyen Thi Le Thuy (2009), Dang Thi Bach Van (2014), Noor et al (2014), Phan Thi My Dung and Le Quoc Hieu (2015)). In addition, the dependent variable of the proposed research model is the enterprises' tax compliance behavior. This dependent variable is proposed according to the basis of inheriting previous studies and the Law on Tax Administration. Research subjects (representatives of enterprises, including managers and / or in charge of accounting and finance of enterprises) will be surveyed for their perceptions and assessment of tax administrative factors and corporate characteristics factors, and how these affects the level of tax compliance.

Based on literature review and theoretical basis, the author inherits the results of previous studies, at the same time to solve the research objectives of the thesis, propose research hypotheses related to the proposed research model as follows:

Table 3.1. Proposed research hypotheses

No.	Independent variables	Research hypotheses	Expectation
H1	Propaganda and support (TTHT)	TTHT has a positive impact on TTT	(+)
H2	Administration on tax registration, declaration and collection (QLT)	QLT has a positive impact on TTT	(+)
H3	Tax audit and inspection (TTKT)	TTKT has a positive impact on TTT	(+)
H4	Handling of tax law violations (XLVP)	XLVP has a positive impact on TTT	(+)
H5	Settlement of complaints and denunciations on tax issues (KNTC)	KNTC has a positive impact on TTT	(+)
H6	Quality of tax services (CLDV)	CLDV has a positive impact on TTT	(+)
H7	Application of IT in tax administration (CNTT)	CNTT has a positive impact on TTT	(+)
H8	Corporate performance characteristics (DDHD)	DDHD has a positive impact on TTT	(+)
H9	Psychological characteristics of owners/ corporate manager (DDTL)	DDTL has a positive impact on TTT	(+)

(Source: synthesized and proposed by the author)

The author sent 350 survey forms (directly and via email) from July 2018 to June 2019, in which the returned and valid forms amount to 261 votes / 279 collected (reaching 87%). Respondents are enterprises whose head office are located in Ho Chi Minh City. Survey questions are built and developed based on the previous theoretical basis and empirical research models (for inheritance factors), combined with the construction of several new survey questions based on the tax administration law (for newly added factors) to create the novelty of the research topic and in accordance with the tax compliance of enterprises in Ho Chi Minh City.

CHAPTER 4 – CURRENT SITUATION OF TAX ADMINISTRATION AND TAX COMPLIANCE OF ENTERPRISES IN HO CHI MINH CITY

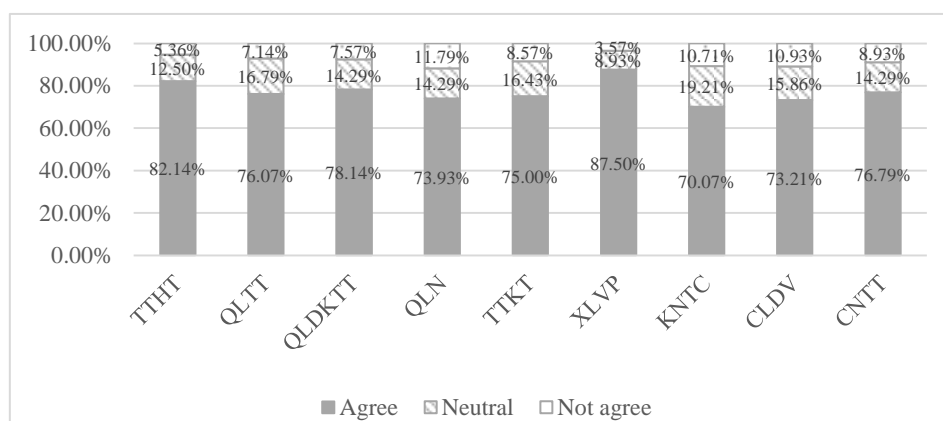
4.1. The current situation of enterprises in Ho Chi Minh City

In Ho Chi Minh City, in the past 5 years, enterprises have contributed about 60% of domestic revenue in the area. Compared with the total state budget revenue in the city, enterprises always contribute approximately one third of the state budget revenue of Ho Chi Minh City. Compared with national statistics, enterprises in Ho Chi Minh City contribute to the state budget accounting for about a quarter of state budget revenues from nationwide enterprises. Compared with the total state budget revenue of the country, enterprises in Ho Chi Minh City contribute about 1/10 of the total state budget revenue from all subjects nationwide.

4.2. The current situation of tax administration on enterprises in Ho Chi Minh City

Regarding the main contents of tax administration for enterprises in Ho Chi Minh City, which are focused for research in the thesis, the author has conducted interviews with the experts in Ho Chi Minh City.

Figure 4.1. Evaluation on main contents of tax administration

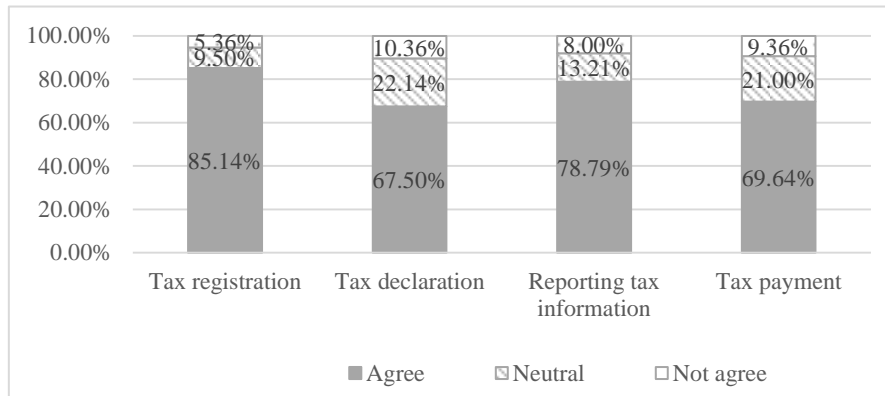


(Source: synthesized from survey data by the author)

According to experts, most of the main contents of the tax administration of the tax authorities in Ho Chi Minh City are highly appreciated with a

consensus level of 70% or more. Among the assessed tax administration contents, the highest consensus opinion is for tax authorities' handling of tax law violations (87.5%), followed by propaganda and support to enterprises (reaching the consensus of 82.14%). Settlement of complaints and denunciations on tax issues is assessed the lowest (70.07%). Firstly, for propaganda and support to enterprises: experts rate the average score of 3.54/5 and enterprises evaluate an average value of 3.05 - 3.89. Secondly, for administration on corporate tax information: experts evaluate an average value of 3.34/5, with detailed contents rated from 3.21/5 - 3.43/5. Thirdly, for administration on tax registration, declaration and collection: the average rating is 3.09/5 (assessed by enterprises) and 3.55/5 (assessed by experts). This is the content that the enterprises evaluate at the lowest level. Fourthly, for administration on tax debt management and enforcement: experts rate at an average of 3.66/5, a rather high rating compared to other tax administration contents. Fifthly, on tax inspection and examination: experts' and enterprises' evaluation are quite similar, with an average of 3.47/5 (by experts) and an average of 3.38/5 (by enterprises). Sixthly, for handling tax law violations: experts (average 3.61/5) and enterprises (average 3.59/5) rate quite well compared to the rest. Seventhly, for settlement of complaints and denunciations on tax issues: experts rate an average of 3.39/5 and enterprises assess an average of 3.16/5. Eighthly, in terms of tax service quality: many high rates from enterprises (average rating 3.65/5) and experts (average rating 3.49/5). Ninthly, for application of technology in tax administration: average level of 3.61/5 and 3.32/5. The application of technology in tax administration is approved by experts to be higher than the perception of enterprises.

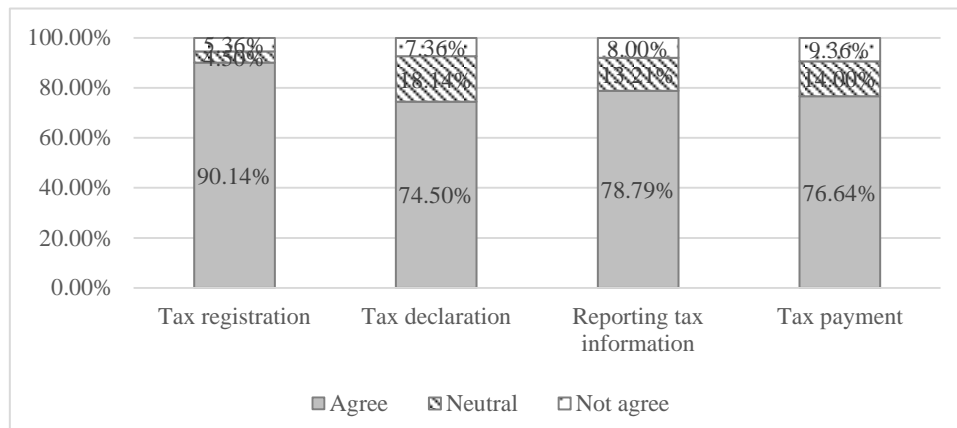
4.3. The current situation of tax compliance of enterprises in Ho Chi Minh City

Figure 4.2. Evaluation of tax compliance of enterprises

(Source: synthesized from survey data by the author)

Based on the experts' evaluation on enterprises in Ho Chi Minh City, there is a high awareness of compliance with the tax law. Based on experience in administering enterprises in the area, experts also assess the compliance level of enterprises at a rather high level. In which, the compliance level in tax registration of the enterprises is the most appreciated. The compliance level in tax declaration is assessed to be the lowest.

As for the surveyed enterprises in Ho Chi Minh City, according to the data collected, more than 70% of enterprises self-assessed that they comply with the contents of the tax law. In general, most of the surveyed enterprises in Ho Chi Minh City choose to agree to comply with the tax law, of which 90.14% of enterprises agree to comply with tax registration, 74.5% of the enterprises agree to comply with the tax declaration, 78.79% of the enterprises agree to comply with the tax information report, and 76.64% of the enterprises agree to comply with the tax payment as prescribed.

Figure 4.3. Self-evaluation of enterprises on tax compliance

(Source: synthesized from survey data by the author)

The evaluation of tax administration experts and self-evaluation of enterprises are quite different. However, compliance with tax regulations on tax registration still accounts for the highest consensus rate. This is the first mandatory content of a taxpayer. When an enterprise registers for tax, the registration of a tax code is compulsory and the procedure is simple, so the compliance level is higher than that of other tax obligations. Likewise, the obligation to report tax-related information is rated for the second highest level of compliance. Finally, there are two contents on tax declaration and tax payment, which are both assessed by experts and enterprises as the lowest compliance level amongst the four contents of tax obligations.

4.4. The factors of tax administration affecting tax compliance of enterprises in Ho Chi Minh City

Testing the quality of the scale: As a result of Cronbach's Alpha test, the model has 10 scales to ensure good quality with 41 observed variables.

Exploratory Factor Analysis (EFA): The results show that there are 08 representative factors affecting tax compliance of enterprises in Ho Chi Minh City, different from the original theoretical model (including 09 factors).

Multivariate Regression Analysis

The results of the regression test shown in the table Regression coefficient shows which variables are significant in the research model (Sig. ≤ 0.05) and the degree of influence of the independent variables on dependent variable (Beta coefficient).

Table 4.1. Multivariate linear regression coefficient

Model		Unstandardized coefficients		Standardized coefficients	t	Sig.	Interval significance for 95% B		Collinearity statistics	
		B	Standard error	Beta			Lower limit	Upper limit	Tolerance	VIF
1	(Constant)	.000	.041		.000	1.000	-.081	.081		
	F1 (QLT)	.131***	.041	.131	3.173	.002	.050	.212	1.000	1.000
	F2 (DDHD)	.165***	.041	.165	3.998	.000	.084	.246	1.000	1.000
	F3 (CNTT)	.194***	.041	.194	4.695	.000	.112	.275	1.000	1.000
	F4 (TTKT)	.220***	.041	.220	5.322	.000	.138	.301	1.000	1.000
	F5 (XLVP)	.435***	.041	.435	10.543	.000	.354	.516	1.000	1.000
	F6 (DDTL)	.091**	.041	.091	2.197	.029	.009	.172	1.000	1.000
	F7 (CLDV)	.426***	.041	.426	10.312	.000	.344	.507	1.000	1.000
	F8 (TTHT)	.249***	.041	.249	6.046	.000	.168	.331	1.000	1.000

Table 4.2. Model summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Change statistics					Durbin-Watson
					R ² change	F change	df1	df2	Sig. F change	
1	.756 ^a	.571	.557	.66537930	.571	41.908	8	252	.000	2.122

a. Predictors: (Constant), F8, F7, F6, F5, F4, F3, F2, F1

b. Dependent variable: TTT

(Source: tested data using SPSS 20.0 software by the author)

In the Model Summary Table, adjusted R² is 0.557. This result shows that this multivariate linear regression model is consistent with the data set of the survey sample at 55.7%, which means that the independent variables explain 55.7% of the variation of dependent variables, being the tax compliance of enterprises in Ho Chi Minh City. The remainder of 44.3% was attributed to out-of-model variables and random error.

The standardized regression coefficients can be converted to percentage value as follows:

Table 4.3. The important orders of the factors

Independent variables	Absolute value	%
F1 (QLT)	0.131	6.86
F2 (DDHD)	0.165	8.63
F3 (CNTT)	0.194	10.15
F4 (TTKT)	0.220	11.51
F5 (XLVP)	0.435	22.76
F6 (DDTL)	0.091	4.76
F7 (CLDV)	0.426	22.29
F8 (TTHT)	0.249	13.03
Total	1.911	100.00

(Source: compiled by the author)

Conclusion: through tests, it can be confirmed that the factors affecting tax compliance of enterprises are shown in order of importance in Table 4.3. Traditional factors inherited from previous studies (Handling tax law violations, Quality of tax services, Tax audit and inspection, Application of technology in tax administration, Corporate performance characteristics, Psychological characteristics of the enterprise's owner/manager) all have impact on tax compliance of enterprises in Ho Chi Minh City. At the same time, these factors have positive impact on the tax compliance of enterprises, similar to the research results of previous studies. In addition, the new proposed factors based on the law on tax administration of Vietnam (Propaganda and support; Administration on tax registration, tax calculation, collection and settlement of tax complaints and denunciations) also have pronounced impact on tax compliance of enterprises in Ho Chi Minh City. These factors also have positive effect on tax compliance of enterprises. This is also consistent with the theoretical and legal basis for tax administration and tax compliance. This means that the more effectively the tax authorities perform propagating and supporting, managing tax registration, calculation, collection and settling complaints and denunciations for the enterprises, the more the tax compliance of enterprises will be enhanced.

CHAPTER 5 – SOLUTIONS TO STRENGTHEN TAX ADMINISTRATION IN ORDER TO IMPROVE TAX COMPLIANCE OF ENTERPRISES IN HO CHI MINH CITY

5.1. Conclusions drawn from research model

The testing results of research show that the factors affecting tax compliance of enterprises in Ho Chi Minh City include 8 factors as follows: (1) Handling tax violations, (2) Quality of tax service, (3) Propaganda and support, (4) Tax audit and inspection, (5) Application of technology in tax administration, (6) Corporate performance characteristics, (7) Administration on tax registration, calculation, collection and settlement of complaints and denunciations, and (8) Psychological characteristics of owners/corporate manager.

5.2. Recommendation on solutions to strengthen tax administration in order to improve tax compliance of enterprises in Ho Chi Minh City

Solutions to tax authorities in Ho Chi Minh City

Strengthening the handling of tax law violations: clear guidance; handling violations in accordance with regulations; applying technology; widely propaganda and announcement; monitoring and statisticizing the compliance situation of enterprises.

Improving quality of tax service: developing clear and appropriate service quality standards, modernizing technical equipment according to areas, key tasks, and taking into account the characteristics of the locality and the unit will be invested; applying outsourced services for a number of specific fields according to the State's regulations; building trust among enterprises in tax administration in the city; doing specific research, regularly surveying and discussing with enterprises to understand their needs, especially newly

established enterprises; management methods/ strategies should correspond to the tax compliance levels of the specific segmented enterprises.

Strengthening propaganda and support: diversifying suitable forms of propaganda; frequently updating; tax officers should have tax law knowledge, experience in tax law enforcement, and a full library system to promptly support enterprises when they encounter problems.

Strengthening tax audit and inspection: formulating standards for civil servants performing tax audit and inspection; applying risk management methods in all stages of audit and inspection; comprehensively renew the audit and inspection activities in a unified, modern and formal manner; researching and applying the form of audit and inspection by electronic methods; re-designing professional processes based on the application of information technology to the tax authorities' audit and inspection, and integrating them with related tax administration processes.

Strengthening the application of technology in tax administration: developing information technology in tax administration activities, closely linked with the reform process of tax administration; applying electronic tax; building technical infrastructure for information technology with advanced, modern and synchronous equipment; Electronic Tax System - eTax.

Strengthening the administration on tax registration, declaration, collection and settlement of tax complaints and denunciations: tax registration dossiers and procedures should be simple, clear, transparent and easy to implement; enhancing application of information technology in the area of complaint settlement; settling the complaint transparently; using the results of complaint settlement as an input to serve for building and improving the institutional system and tax policy.

Strengthening the management of tax information: upgrading and updating to ensure accurate tax information; confidentiality according to regulations.

Strengthening tax debt management enforcement: ensuring a fully and accurately updated tax debt collation system; assigning debt collection quotas; supervising and urging debt collection in accordance with the process and regulations.

Recommendations to enterprises: reporting truthfully and fully information about accounting – tax activities according to the law; understanding the roles, positions, rights and obligations, as well as regulations related to the tax system to comply with the regulations.

5.3. Conditions for implementing the solutions: Completing tax legal system; strengthening human resources for tax administration; close coordination between regulatory agencies; financial resources.

5.4. The limitations of the thesis and the following research directions

Limitations of the thesis: only focus on researching tax compliance of enterprises; factors within the scope of tax administration or being influenced by tax administration which affect the tax compliance behavior of enterprises; research perspective through consultation with experts (tax administration officers, tax advisors) and survey of enterprises; sample of the study only in Ho Chi Minh City.

Proposed reseach directions: research objects being taxpayers in general, or individuals,...; other factors affecting tax compliance of taxpayers not tested such as: social factors, economic factors, legal factors, tax policy, business characteristics,...; research topics be exploited from the perspective of those who work in tax authorities, tax policy makers,...; research scope being nationwide, or within the southeast economic region, the southwestern region, the southern key economic region, ... to increase the generality of the research topic.

CONCLUSION

In the 5 chapters of the thesis, the initial research questions and objectives on “*Tax administration to improve tax compliance of enterprises in Ho Chi Minh City*” have been completed.

Firstly, the thesis systematized the theory on tax administration, tax compliance behavior, and tax administrative factors affecting tax compliance behavior of enterprises.

Secondly, the thesis analyzed the current situations of tax administration and tax compliance of enterprises in Ho Chi Minh City. At the same time, the thesis also identified tax administrative factors affecting tax compliance behavior of enterprises, tested and measured the impact of these factors on tax compliance of enterprises in Ho Chi Minh City. Comments on limitations and shortcomings in tax administration were made based on the above situations.

Thirdly, the thesis recommended a number of solutions to strengthen tax administration in order to improve tax compliance of enterprises in Ho Chi Minh City.

In addition to the research results achieved, the thesis inevitably faced limitations due to limited time and cost, such as only focusing on taxpayers being enterprises, survey methods with samples in Ho Chi Minh City. The thesis also proposes the possible research directions on the contents that have not been studied deeply.