Taxpayer Identity Disclosure and Tax Planning Schemes Usage Decisions among Income Earners from Kumasi Metropolis of Ghana

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Abstract

This study is against the backdrop that most tax authorities place much premium on taxpayer identification numbers (TIN) as evidenced by its legislations in almost all tax jurisdictions including Ghana as TIN helps in tax enforcement and compliance; collection; administration; and integrated computerization of the tax system across the jurisdiction. Recent calls all over the world for TIN implementation is being met with resistance from some income earners and taxpayers. Tax administrators mostly misconstrued this resistance as tendency to conceal income or mitigate tax liabilities. As to whether income earner or taxpayer's willingness to disclose his/er identity or otherwise has a bearing on Tax planning, avoidance strategies or schemes (TPASS) usage decisions remain unanswered in literature. This study, therefore explores this grey area of tax administration by empirically examining this relationship using survey research design that depended on self-administered questionnaire to collect data from a sample of 158 randomly selected income earners from Kumasi Metropolis as respondents. The results of the study established that, although there is a fairly good relationship between identity disclosure and thoughts of using TPASS and actual use, it cannot adequately explain TPASS usage decisions of taxpayers in general. This suggests that taxpayers' willingness to disclose or otherwise of his/er name, TIN, and location to tax officials or authority may not in any way influence his/er TPASS usage in mitigating tax burdens. The policy implications stemming from these findings is that tax authorities should find a better alternative of getting taxpayers to freely disclose their incomes instead of concentrating on TIN disclosure if they want to achieve their revenue targets.

Key Words: ***Tax planning avoidance strategies and schemes; taxpayer identity disclosure; TIN, relationship; income earners; Kumasi Metropolis.***

Introduction

As taxation has been accepted as one of the major sources of government revenue (Sally, 1999; Atuguba, 2006; Nakyea, 2008; Baba & Asante, 2012; Abdul-Razak & Adafula, 2013; Ahuja, 2014; Alabede, 2014; Bruce-Twum, 2014; Gbadago & Awunyo-Vitor, 2015) in both developed and developing economies alike, there is therefore no way one could ever live and/or earn income within a jurisdiction as a citizen or residence without being assessed to tax whether as an individual or entity. To ensure equity and other economic considerations, most tax legislation and jurisdictions provide for relief, exemptions, and incentives among other things in their tax laws so as to relieve or reduce the tax burden of vulnerable persons within their jurisdictions (Nakyea, 2008; Akoto, 2010). Similarly, to encourage investment into certain specific sectors of the economy, the state, through her tax system, may have in the tax laws certain special considerations or exemption provisions relieving certain individuals, entities, transactions or income types from being assessed to tax.

As largely acknowledged in literature, despite its usefulness as a major revenue source to the state, imposition of tax(es) causes a great financial pinch to taxpayers (Atuguba, 2006; Nakyea, 2008; Akoto, 2010). It also influences the availability of disposable income in the hands of the income earners. All these, coupled with the fact that all tax payers are rational (Bruce-Twum, 2014), may force those affected to react in diverse ways just to avoid payment of their tax obligations either completely or have it reduced to the lowest minimum possible (Nakyea, 2008; Alon & Hageman, 2011; Sharma & Dang, 2011; Ahuja, 2014; Bird, Edwards & Ruchti, 2015). In so doing, many taxpayers end up having a problem with the tax laws and hence adding to the very burden they desire to lessen (Sharma & Dang, 2011).

Evidence abounds in extant literature and practice that suggests that one's ability to adopt tax planning and/or avoidance strategies and schemes that are within the ambit of the laws is contingent on exogenous factors. Furthermore, it is apparent that all the tax reduction or avoidance strategies and schemes are not wholly acceptable under the tax laws, nor are they tolerated by the tax officials (Slemrod & Yitzhaki, 2000) especially due to its effect on revenue mobilization to the state. Although, extant literature suggests tax avoidance and evasion largely account for low tax revenues and, as such, recommended urgent corrective actions to arrest it (Cobham, 2005; Fuest & Riedel, 2009; Gravelle, 2015) across the globe, prudent use of tax planning and avoidance schemes (TPAS) that are legally permissible within the ambit of the tax laws has the propensity to significantly reduce, to large extent, taxpayers' tax liabilities and burdens (Nakyea, 2008; Akoto, 2010).

From the above discussions, couple with the effect of taxation on income to citizens and the state at the same time, taxation and its variables such as tax compliance, avoidance and its related issues have received much attention in extant economics and public finance literature. As asserted by various scholars and researchers, such as Slemrod and Yitzhaki (2000); Cobham (2005); Nakyea (2008); Akoto (2010); Ahuja (2014); Gravelle (2015) among others, it is largely due to its effects on economic units (individuals and businesses as tax payers) and its importance as a major contributor of public (or government) finance for development and growth across the globe. Since the days of Adam Smith, no substitute for taxation as a source of public finance that, at the same time, effectively and efficiently allocates resources within an economy has been found. Accordingly, the search for that prudent means of managing tax liability (that is tax planning and avoidance strategy) is still on unabatedly.

However, research on usage of tax planning and avoidance strategies by economic units in developing economies is said to be at its infancy (Alon & Hageman, 2011; Sharma and Dang, 2011; Bird, Edwards & Ruchti, 2015) particularly in Ghana, as opined by Baba and Asante (2012) and subsequently supported by Abdul-Razak and Adafula (2013). It could be established that the concentration of researchers has been on problems of tax administration, managing small tax payers, tax havens, avoidance and evasion (Slemrod & Yitzhaki, 2000; OECD, 2014; Gravelle, 2015) and their impact on development finance (Cobham, 2005; Fuest & Riedel, 2009) and, recently, tax compliance (Akhand, 2012; Abdul-Razak & Adafula, 2013; Alabede, 2014; Bruce-Twum, 2014; Gbadago & Awunyo-Vitor, 2015). As such, evidence on tax planning, avoidance strategies and schemes (TPASS) and its related issues among tax payers remains scanty (Chen et al., 2015) in literature despite the notion that all taxable citizenry in both developing and developed economies are equally affected by the imposition of tax and taxation and hence require the most economical, prudent and accepted means of managing it without out-of-pocket expenditure. As individuals, reduction in tax obligations and/or burdens will lead to an increase in available disposable household income and, if not utilized, could results in an increase in household savings and investments. Likewise to business entities, this will unfreeze economic resources for expansion or investments leading to employment of other factors of production, which may have otherwise remained unemployed.

In addition, the reduction in tax obligations and/or burdens, together with a subsequent increase in savings, investments and business expansions, may inevitably lead to an increase in shareholders' value. The overall effect, holding all other things constant, may lead to an increase in Gross National Income (GNI). That being the case, then the critical research questions are: how often do taxpayers use TPASS in reducing their tax burdens and/or obligations? How do the tax officials react to TPASS of these taxpayers mostly comprising of individuals and business enterprises? Also, what factors determine the usage of TPASS decisions among taxpayers? The desire to provide answers to the above questions remains the underlying motivation for this current study.

Cries of excessive taxation have apparently been heard all over the world with cases of citizens being dragged to courts for failing to honour tax obligations with arguments that the revenue or the transaction in question does not qualified as taxable; controversy on item(s) accepted as deductible when ascertaining a taxpayer's taxable base (that is chargeable income) among others. Interestingly, there are various precedents in taxation literature. For instance, in Wisdom v. Chamberlain (1968), a comedian invested in silver bullion instead of keeping physical cash in order to hedge against currency devaluation and subsequently made a profit on disposal. The court held that the transaction amounted to trade and hence the income (profit) earned was chargeable to tax. Similarly, in Rutledge v. Inland Revenue Commissioner, a businessman, Andrews, on a business trip to German, bought a large quantity of rolls from a bankrupt company, brought them back to UK and sold them making good income. It was held that this was a trade and hence the profit so earned was chargeable to tax.

As is typical of twenty-first century economies, both developed and developing alike, taxes are being levied on virtually everything ranging from economic units; property; transactions; mere communication; value added (or created); employment and business income; gifts; factor payments; natural resource exploitation; to investment income earned. This move is highly accepted due to the fact that tax revenue does not impose any responsibility of repayment on the part of the state like other forms of sources of government revenue. Such understanding and/or realization has recently dawned on most developing countries for which Ghana is no exception. In fact Ghana has accepted this via its famous slogan "moving beyond aid", emphasizing the need to generate its own revenue for self-development. This has subsequently led to the call for a taxpayer registration and identification system currently being implemented by the Ghana Revenue Authority. This is believed to help in enrolling all citizens and/or residents who are eligible to pay tax and are earning taxable income into the Ghanaian tax net.

From the forgoing discussions, it is apparent that imposition of tax and subsequent compliance enforcement by tax authorities and their officials, normally exert much burden on taxpayers. As such a typical taxpayer as rational agent, may want to react by finding ways of avoiding or managing this burden of tax. The successful of which largely depends on one's knowledge in the tax laws and possible reactions from the tax officials. This again underscores the urgent need for available and adequate literature on this area of taxation and tax practice in general and for Ghanaian taxpayers in particular. This may inform their TPASS usage decisions.

This paper therefore attempts to fill the above research gap by contributing to knowledge in this area while providing the much needed empirical evidence on tax planning and avoidance strategies (or schemes) and taxpayer identity disclosure issues among tax payers in developing countries. Specifically, this study examines the possible relationship between taxpayer's tax planning and avoidance schemes usage (as a means of assuaging their tax burdens) and willingness to freely disclose taxpayer identity among Ghanaian taxpayers.

The next immediate section of this paper briefly reviews related relevant extant literature on TPASS and its related issues with the subsequent section describing the methodology used in undertaken this study. The results of the study together with discussion (or analysis) precede our conclusions and recommendations section.

Review of Relevant Related Literature

Based on underlying motivation from rent theory, governments all over the world levy compulsory payments and/or contributions on individuals, entities and/or property within their jurisdiction so as to support the cost of activities and programmes (Sally, 1999; Nakyea, 2008; Alon & Hageman, 2011; Sharma & Dang, 2011; Alabede, 2014; Bruce-Twum, 2014; Bird, Edwards & Ruchti, 2015; Gbadago & Awunyo-Vitor, 2015). However, the state does not accord any direct reward to those persons upon whom these levies are imposed. Despite the various arguments and agitations against taxation and the burdens it poses, it has been generally accepted and/or seen as the means by which the government of economy influences the individuals or entities to give up their control over private resources (goods and services) so that the government can redirect these resources into the production of common goods for the general citizenry and the rest of the public. This is so because, in free and/or capital market(s), the invisible hand sometimes ignores these common goods that are highly necessary for proper functioning of the system; and hence the need for the government of the day to step in through taxation.

Tax (mostly referred to as financial charges or a compulsory obligation levied or imposed on a person (taxpayer)) is an enforced contribution exacted pursuant to legislation or legislative authority. Under most tax legislation across the globe, when imposed taxes are not paid, civil penalties or criminal penalties may arise. Consequently, many taxpayers in reaction to this try to develop various means of avoiding completely or managing payment of taxes (Sally, 1999; Nakyea, 2008; Alabede, 2014; Bruce-Twum, 2014; Alon & Hageman, 2011; Sharma & Dang, 2011; Bird, Edwards & Ruchti, 2015).

Review of extant literature on taxation suggests that, even though it is widely accepted as prudent to do so, literature on taxation principles and legislature perceives some means of avoiding tax payment as legal and others illegal. Further, a critical review of extant literature on tax payers' reactions to tax obligations revealed four typically observed behaviours, namely tax planning, avoidance, smuggling and evasion (Sally, 1999; Nakyea, 2008; Ahuja, 2014; Alabede, 2014; Bruce-Twum, 2014; Alon & Hageman, 2011; Sharma & Dang, 2011; Bird, Edwards & Ruchti, 2015). While the first two (tax planning and avoidance) are accepted as a legal and prudent means of not paying or reducing tax, the latter two (smuggling and evasion) are regarded as illegal and punishable by law (Wenzel, 2001; 2005). It should therefore be noted that, although tax planning, avoidance, smuggling and evasion are concerned with ways of not paying or reducing tax, there is a significant difference between them. Thus, while tax planning and avoidance entail legal means of reducing taxes (tax avoidance), smuggling and tax evasion are illegal means to the same end. To resolve the confusion so as to ensure appropriate usage, this study attempts explaining the above concepts and/or terms in the ensuing section largely based on Sally (1999), Nakyea (2008), Akoto (2010), Alon and Hageman (2011), Sharma and Dang (2011), Alabede, (2014), Bruce-Twum (2014), Bird, Edwards and Ruchti (2015) the understanding coupled with the judicial positions in Commissioner v. Newman (1947) and Duke of Westminster v. CIR (1936) among others.

According to literature, and for the purposes of this study, tax planning is the process of structuring one's transactions and activities so as to increase tax savings and/or reduce liabilities to tax; tax cost; or maximize the net present value (NPV) of the transactions or activities. Consequently, tax planning involves anticipating a set of circumstances, identification of opportunities to minimize and/or avoid tax liabilities completely if possible. This involves organizing one's affairs so as to ensure that the maximum capital allowances, exemptions and reliefs available within the tax laws are largely maximized so as to reduce the chargeable base to the bear minimal levels as far as possible (Blough, 1952; Slemrod & Yitzhaki, 2000; Wenzel, 2001; 2005; Nakyea, 2008; Akoto, 2010; Alabede, 2014; Sharma & Dang, 2011; Bird et al., 2015; Gbadago, 2018). This will resultantly lead to a lesser or nil tax liability (burden).

Similarly, tax avoidance is explained as changing one's behaviour so as to reduce one's tax liabilities. It is concerned with exploiting the detailed provisions of the tax laws to avoid paying tax or to reduce the total amount of tax payable. Tax avoidance is therefore concerned with finding opportunities in the tax law that help to avoid paying tax(es) altogether or arranging one's tax affairs in accordance with the tax law such that one pays minimum tax. In this situation there is no infringement (infraction) on any of the provisions of the tax laws when a tax payer embarks on either tax planning or avoidance strategies as long as it is within the ambit of the tax law(s). This confirms the position of the court as postulated by Judge Learned Hand in Commissioner v. Newman (1947) where he indicated that "over and over again courts have said that there is nothing sinister in so arranging one's affairs so as to keep taxes as low as possible. Everybody does so; rich or poor and all do right for nobody owes any public duty to pay more than the law demands. Taxes are enforced exactions, not voluntary contributions. To demand more in the name of morals is mere cant". Judge Learned Hand position was just confirmation of Lord Tomlin's opinion in Duke of Westminster v. CIR (1936), where Lord Tomlin stated that "every man is entitled if he can to order his affairs so that the tax attaching is less than it otherwise would be". There is therefore nothing illegal about arranging your affairs so as to pay less tax than it would have otherwise been.

Thus, based on the understanding painted by scholars and researchers like Blough (1952); Slemrod & Yitzhaki (2000); Wenzel (2001; 2005); Nakyea (2008); Akoto (2010); Alabede (2014); Sharma & Dang (2011); Bird, et al.(2015) coupled with judicial observations by Leaned Hand; Tomlin among others, tax planning and avoidance schemes work under the concept that tax laws and officials are only entitled to collect taxes due under the various tax laws: nothing more and nothing less. So if you carefully order your steps such that your business transactions are carried out within the ambit of the laws, while taking full advantages of identified loopholes, reliefs, exemptions, incentives etc, there may not be any tax liability resulting. As such, you do not have any issue to answer to the law(s).

Having laid a good understanding of tax planning and avoidance, we can now turn to smuggling and evasion. Firstly, smuggling is the crime of taking, sending or bringing goods (commonly under high duty rates, prohibited or restricted) secretly and illegally into or out of a country, especially without paying due duties and taxes imposed by law. Tax evasion, on the other hand, is explained as failing to pay legally due taxes. It entails deliberately breaking the tax laws to pay less tax or no tax. That is deliberately and knowingly with intent to deceive so as to pay less tax than is actually required under the tax law. It is a crime (or offence) punishable by law.

As exhibited in the preceding section, since smuggling and evasion amounted to deliberate breaking of the tax laws, its indulgence may constitute criminality. However, as evidenced in Duke of Westminster v. CIR (1936) and Commissioner v. Newman (1947), TPASS are always welcome. The success or otherwise of TPASS usage, however, largely depends on numerous factors (Nakyea, 2008; Akoto, 2010). As it were, most tax laws are not applied uniformly to all activities, at all time periods, at all locations and/or persons. This therefore presents opportunities that make it possible to employ tax planning and avoidance schemes in business decision processes thereby deriving tax savings or advantages. The benefits of using TPASS to taxpayers can be enormous ranging from the effect on taxpayers' cash flow, increase in disposable income, investments, and/or savings, net profit available to residual owners, more compensation or earnings accruing to stewards (or managers) due to improved performance and/or results, and the value of the firm among others.

Review of extant literature on tax administration and practice suggests that taxpayer identity is a critical aspect of every tax system (Wenzel, 2001; 2005; Ezugwu & Agbaji, 2014; Andreas & Enni, 2015). However, empirical research did not give much attention to this aspect of taxation research. It is apparently clear and arguably sound to know why tax authorities considered taxpayer identity as critical and essential being the first and foremost information to be obtained from the taxpayer. It is even accepted as a fundamental requirement or prerequisite if one has to transact any business (Andreas & Enni, 2015) within certain economies. The Ghanaian tax system has now caught up with this understanding as it ensures compliance and more effective administration, helping tax authorities and officials to easily trace taxpayers irrespective of their location.

According to Wenzel (2001; 2005; Anreas & Enni, 2015), taxpayer identity is an effective and efficient system for identifying taxpayers, collecting taxes, and documenting all credentials as well as other information relating to a taxpayer for purposes of tax administration, ethics and compliance.

The question that remains unanswered is whether the premium placed on taxpayer identification (in respect to name, TIN and location) has any form of relationship with taxpayers TPASS usage decisions (defined as the thought of TPASS usage and actual use in mitigating tax burdens). Another question that arises is: do taxpayers readily and willingly disclose their TIN and location to tax officials and if no, why?

Review of extant literature revealed varying factors or issues that might influence one's usage of tax planning and avoidance schemes and effectiveness as averred by Blough (1952), Alt (1983), and Slemrod and Yitzhaki (2000) among others as summarized as follows:

a) knowledge of the attitude of the tax officials towards the use of tax planning schemes;
b) complexity of the tax code or laws;
c) compliance and administrative costs;
d) competence and completeness of tax audits and compliance checks by tax officials;
e) rigor and impartiality of enforcement by the tax officials;
f) promptness and finality of actions by tax officials based on compliance audits and/or checks;
g) distribution of tax loan (actual and perceived);
h) economic effects of the tax and corresponding burdens on the taxpayers;
i) taxpayers' willingness and ability to use tax planning schemes;
j) previous experience in usage of TPAS;
k) knowledge of the tax laws;
l) ownership structure;
m) knowledge of tax incentives, reliefs and exemptions granted under the tax laws;
n) availability of tax advisers (both in-house or consultants) to the taxpayer; and
o) identification of loopholes in the tax laws.

Prior studies, (both empirical and theoretical), have thoroughly researched the foregoing factors; tax planning and confirmed the above assertions (Blough, 1952; Alt, 1983; Slemrod & Yitzhaki, 2000; Bird, et al., 2015). Though, there have been studies on TIN and its impact on revenue, much cannot be said about taxpayer identity disclosure (via name, TIN and location) and TPASS.

Drawing on a phenomenal body of knowledge on TPASS and the few on taxpayer Identity disclosure, this study argues that, although taxpayer identity (defined as name; TIN and location) is considered a critical aspect of tax administration, its disclosure or otherwise may have significant influence on tax planning decisions of the taxpayer. On the basis of this assertion, we therefore precede to conceptualize as follows:

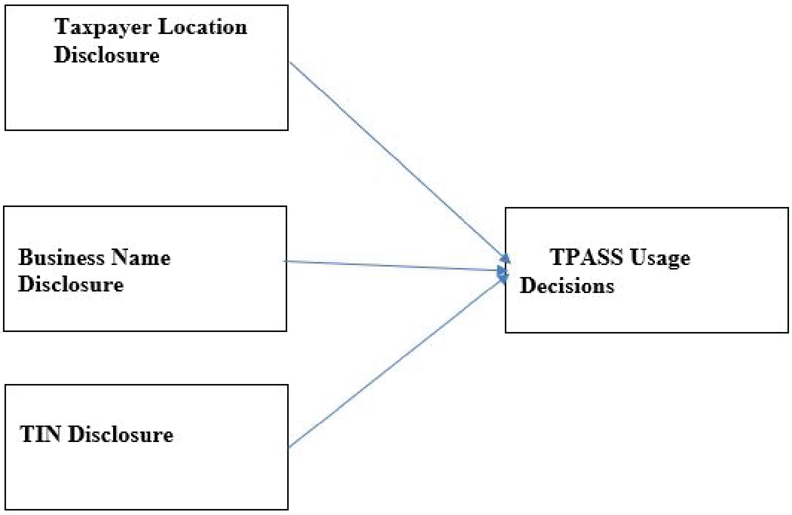

Figure 1: Conceptual framework and hypotheses

Source: Author's conceptualization based on literature, August, 2018

Model Specification

Data were analyzed using Binary Regression as well as correlation analyses as shown under empirical results and discussions. Based on Anang, Dawuda and Imoro (2015), this technique has great potency in predicting categorical outcome using multiple categorical and/or numeric predictors. Thus, the logistic regression model is thus specified as:

$$ln\left(\frac{P_i}{1 - P_i}\right) = \lambda_0 + \lambda_1 \text{locationDisc} + \lambda_2 \text{Business NameDisc} + \lambda_3 \text{TINDisc} + \mu$$

where,

Pi = is the probability that a respondent taxpayer uses TPASS in mitigating tax burdens;

μ = Error or random disturbance term;

$ƛ0$ = Constant term;

$ƛ_1 \ldots ƛ_3$ = The logistic regression coefficients estimated

Thus regression analysis was carried out between the dependent variable (TPASS usage decisions) and the independent variables such as: taxpayer location, business name, TIN disclosure measures as shown in the conceptual frameworks as shown in figure 1.

Methodology

This study adopts the survey research design where a questionnaire was used as the data collection instrument among various Ghanaian income earners randomly selected. The choice of income earners was influenced by the fact that all income or earnings are taxable under the tax laws of Ghana unless otherwise exempted from being taxed by the tax law(s). Consequently, it is expected that, since all income earners are taxable, they are likely to contemplate employing tax planning or avoidance schemes in mitigating their tax burdens and/or obligations and hence provide an opportunity to ascertain whether there is any significant relationship among taxpayer's tax planning and/or avoidance strategies or schemes usage (TPASS) and the willingness to disclose identity.

On this basis, about 300 sets of self-administered structured questionnaires were given out to various respondents within their normal settings comprising workplaces, banking halls, events and programmes among others. In all, 208 (being 69.33%) sets of completed questionnaires were returned. However, out of this number, only 158 (representing 52.67%) completed instruments were usable. The data collection instruments were developed upon completion of the literature review and pre-tested in order to ensure its validity and potency. Data collected from the field were analyzed using Statistical Package for Social Sciences (SPSS version 21). This quantitative data processing software was used to generate both correlation and regression results for the analysis and discussion section of the study.

To encourage a good response rate, respondents were pleaded with to complete the instrument almost immediately while the researcher(s) and their assistants waited for collection once completed. The questions in the data collection instrument were mostly closed-ended questions. Closed ended questions were used because, to the researchers, this was expected to obtain the needed data within the shortest possible timeline, and was in line with the objective of immediately collecting the completed instruments once the respondent was done on the day of administering the instruments.

Results and Discussions

The results of this study are presented in two sections, namely: the demographic profile of the study respondents; and analysis of the correlation and regression results.

Demographic Profile of the Study Participants

The study revealed that the studied respondents were made up of 33.54% males and 66.46% females suggesting the female taxpayers' dominance in the sample used as shown in Table 1. The study respondents' ages ranged between 20 years and 60 years with the ages of 35 and 33 years being the mean and median ages respectively. From Table 1, it could be realized that those in age grouping 31-35 years dominated as this constituted about 34.81% of the respondents' age.

Education is considered high in this current study as it has an impact on the problem under study; that is, a taxpayer with an appreciable level of education may be considered as having the ability to read and understand tax laws and hence have a higher tendency of employing TPASS in mitigating tax burdens. Consequently, this study considered the educational background of the respondents and found that they were highly educated as 31.65% are HND Diploma holders; 31% holding 1st degree; 18.99% professionals; 12.03 being 2nd degree holders; among others as shown in Table 1. This suggests that the respondents possessed the right disposition to appropriately participate in the current study.

As it is highly acclaimed that experience is the best teacher, the study attempted to include working experience measured as the number of years a taxpayer or income earner has been working. In line with this, the results of the study revealed that the respondents had a varying number of years working experience ranging from one year to above thirty-one years as shown in Table 1. While those with between 1-5 years of working experience dominate the sample studied (36.71%), those with 6-10 years groups followed next in dominance as reported in Table 1.

Table1: Background Information on Study Participants

Variable	Measurement	Frequency	Percent (%)
Gender	Male	53	33.54
	Female	105	66.46
Age	20-25 years	9	5.70
	26-30 years	35	22.15
	31-35 years	55	34.81
	36-40 years	28	17.72
	41-45 years	16	10.12
	46-50 years	12	7.60
	51-55 years	2	1.27
	56-60 years	1	0.63
Educational Background	A' or O' Level	7	4.43
	HND	50	31.65
	1st Degree	49	31.00
	2nd Degree	19	12.03
	Professional Certificates	30	18.99
	Not Applicable	3	1.90
No. of Years Working Experience	1 to 5 years	58	36.71
	6 to 10 years	43	27.22
	11 to 15 years	26	16.46
	16 to 20 years	15	9.49
	21 to 25 years	12	7.59

No. of Years Working Experience	26 to 30 years	3	1.90
	31 years & above	1	0.63
Sector of economy in which respondent is currently engaged	Banking	28	17.72
	Transportation	4	2.53
	Trade & Commerce	27	17.09
	Insurance	3	1.90
	Manufacturing	10	6.33
	Education	40	25.32
	Service	20	12.66
	Other Financial Services	5	3.16
	Consultancy	1	0.63
	Other	20	12.66

Source: Field Survey January, 2016 to August, 2018

Finally, analysis of the background information of the respondents revealed that the sample studied had 25.32% and 17.72% working in the banking and education sectors of the economy respectively. The further ascertained that: 17.09% of the respondents are currently engaged in trade and commerce; those in both other and service sectors constitute 12.66% each; manufacturing sector operators being 6.33% among others as shown in Table 1.

From the results as reported in Table 2, the study further ascertained that 70.30% of the respondents are aware of their tax obligations to the state while 29.70% are not. Also, 78.50% of the respondents indicated that they have ever been assessed to tax. However, it is apparent that only 69% of the respondents have ever paid the assessed tax(es) suggesting that only 87.90% of the assessed income earners have ever paid the tax that they have been assessed. In an attempt to find out if the respondents have ever thought of devising strategies for mitigating taxes considering its burden, only 27.20% of the respondents indicated ever thought of TPASS usage over the years. That is most income earners have never contemplated the idea of TPASS use in mitigating tax obligations as posited in literature. Further to this, the results show that only 23.40% of the respondents have ever tried (or used) TPASS. That is over the years contrary to the views in literature, most income earners and/or taxpayers studied (specifically 76.60%) have never use TPASS in mitigating their tax burdens. Further to these, the study also examined the respondents' willingness or otherwise to disclose their identities to tax authority or tax officials as income earners and for that matter taxpayers. The results as reported in Table 2 revealed that as only 15.80% of the respondents are not willing to readily disclose their identity in terms of name, TIN and location as required by most tax systems, 84.20% are however willing to freely disclose same.

Table 2: Information on whether the Respondents have ever been taxed; aware of Tax Obligation; Willingness to use TPASS and Disclose Identity

Variable	Measurement	Frequency	Percent (%)
Has the taxpayer ever been taxed?	Yes	124	78.5
	No	34	21.5
Is the taxpayer aware of his or her taxation obligations?	Yes	111	70.3
	No	47	29.7
Has the taxpayer ever paid assessed taxes?	Yes	109	69.0
	No	49	31.0
Has the taxpayer ever thought of finding means of avoiding or not paying the assessed taxes over the years?	Yes	44	27.8
	No	114	72.2
Has the taxpayer ever tried (or used) any such TPASS means?	Yes	37	23.4
	No	121	76.6
Is taxpayer willing to disclose Identity (in terms of name; TIN and Location)?	Yes	133	84.2
	No	25	15.8

Source: Field Survey January, 2016 to August, 2018

Analysis of the Correlation and Regression Results

Under this section, the results of the study were analyzed using the correlation and regression model as presented and discussed under the ensuing headings to enable conclusions to be drawn.

As stated previously, this study sought to ascertain whether willingness to disclose identity (explained to mean name; taxpayer identification number (TIN); and location of a taxpayer or income earner) affects the taxpayer's likelihood of TPASS usage among Ghanaian taxpayers. Particularly, we are interested in the relationship between taxpayer's willingness to disclose his (or her) name, TIN and location, and the likelihood of TPASS usage explained as taxpayer's contemplating using TPASS and actually using TPASS in reducing tax liability among Ghanaian taxpayers. It is our hypothesis that full disclosure of taxpayer's identity to tax officials and/or authority may moderate (or inhibit) the taxpayer's behaviour(s) towards his/her tax affairs as he can be easily traced and dealt with. We also hypothesize that, naturally as rational law abiding citizens, taxpayers may not want to act in such a manner that incurs the displeasure of tax authority.

To proceed, we first checked to ascertain whether there exists any linear relationship and, possibly, the direction of such ascertained relationship between our independent variable(s) and the dependent variable in our multiple linear regression model by performing correlation analysis on these variables. The result as shown in Table 3 indicates a good linear relationship between full disclosure of taxpayer identify and likelihood of TPASS usage.

Table 3: Correlations Result					
		Is taxpayer willing to indicate Business and TIN name	Is taxpayer willing to indicate Business location	Has taxpayer ever thought of finding means of avoiding or not paying the assessed taxes over the years?	Has taxpayer ever tried any such TPASS means?
Is taxpayer willing to indicate Business and TIN name	Pearson Correlation Sig. (2-tailed) N		**	.	.
Is taxpayer willing to indicate Business location	Pearson Correlation Sig. (2-tailed) N	0.498** 0.000 158			
Has taxpayer ever thought of finding means of avoiding or not paying the assessed taxes over the years?	Pearson Correlation Sig. (2-tailed) N	-0.100 0.211 158	-0.090 0.263 158		
Has taxpayer ever tried any such TPASS means?	Pearson Correlation Sig. (2-tailed) N	0.051 0.523 158	0.034 0.671 158	0.617** 0.000 158	
****. Correlation is significant at the 0.01 level (2-tailed).**					

Source: Analysis of data from Authors' Field Survey January, 2016 to August, 2018

From the result, as shown in Table 3, we established that taxpayer's willingness to disclose identity (that is name and TIN) is having a positive relationship with the taxpayer's willingness to disclose his (or her) location. The result further reveals that taxpayer's contemplation of TPASS usage over the years and his actual usage of same is positively related. However, although taxpayer's thought of TPASS usage over the years and taxpayer's willingness to disclose name, TIN and location is negatively related, these relationships are not statistically significant as shown in Table 3.

The table tells the variables in our analysis. Thus, this shows that willingness to disclose taxpayer identity is highly useful in predicting taxpayer's TPASS usage.

Table 4: Variables Entered/Removed[a]			
Model	**Variables Entered**	**Variables Removed**	**Method**
1	Is taxpayer willing to indicate Business location, Willingness to indicate Business and TIN nameb	.	Enter
a. Dependent Variable: Has taxpayer ever thought of finding means of avoiding or not paying the assessed taxes over the years?			
b. All requested variables entered.			

Source: Field Survey January, 2016 to August, 2018

In addition, the multiple linear regression model summary and overall goodness of fit statistics revealed: adjusted R^2 of our model as-0.001 with being R^2 =0.012. This means that the linear regression explains only 1.20% of the variance in the data, which is woefully inadequate. The Durbin-Watson d = 1.804, which is between the two critical values of $1.5 < d < 2.5$ and therefore it can be assumed that there is no first order linear auto-correlation. From the forgoing discussions, coupled with the results as shown in Tables 4; 5; & 6, we can assume that there is no first order linear auto-correlation in our multiple linear regression variables as proposed in our hypothesis.

The above position is confirmed by the F-test values as shown in the ANOVA distribution in Table 6.

Table 5: Model Summary[b]										
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**					**Durbin-Watson**
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.110a	.012	-.001	.450	.012	.950	2	155	.389	1.804
a. Predictors: (Constant), Willingness to indicate Business location, Willingness to indicate Business and TIN name										
b. Dependent Variable: Has taxpayer ever thought of finding means of avoiding or not paying the assessed taxes over the years?										

Source: Field Survey January, 2016 to August, 2018

As revealed by the linear regression's F-test value of 1.910 and significant value of 0.169 (Table 6 referred). Thus, the proposed variables are unable to explain the variance in the dependent variable since the F-test values are very low and not highly significant. This suggests that the taxpayer's willingness to disclose his/her identity in terms of name, TIN and location does not influence the taxpayer's likelihood of using TPASS in managing his or her tax liabilities.

Table 6: ANOVAa						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	.384	1	.384	1.910	.169b
	Residual	31.363	156	.201		
	Total	**31.747**	**157**			
a. Dependent Variable: Whether taxpayer has ever thought of finding means of avoiding or not paying the assessed taxes over the years?						
b. Predictors: (Constant), Willingness to disclose						

Source: Field Survey January, 2016 to August, 2018

Conclusions and Recommendations

This study may be highly appreciated for its lead role in examining the relationship between a taxpayer's willingness to disclose his/er identity and his decision to use TPASS in mitigating tax burdens in general and Ghanaian settings in particular. It is also noted for being one of the few studies that lead the way in understanding taxpayer identity disclosure (that is, identification) in tax administration; tax planning decisions of taxpayers in relation to taxpayer identity disclosure considering the impact of these variables on state revenue mobilization through taxation and consequently disposable income in the hands of other economic units; savings, investment and employment generation. Also, due to peculiar nature of Ghanaian taxpayers and tax system as well as the methodological issues, wholesome generalization of the inferences made by this study based on the results, may not be recommended.

The purpose of this study was to ascertain or establish (if there could be established) any statistically significant relationship between taxpayer identity disclosure and tax planning decisions using a sample of income earners from Kumasi Metropolis as study respondents.

The results of the study established that, although there is a fairly good relationship between identity disclosure and thoughts of using TPASS and actual use, it cannot adequately explain TPASS usage decisions of taxpayers in general. This suggests that taxpayers' willingness to disclose or otherwise of his/er name, TIN, and location to tax officials or authority may not in any way influence his/er decision to usage TPASS in mitigating tax burdens. This is against the backdrop that most tax authorities place a premium on taxpayer identification numbers (TIN) as evidenced by its legislation in almost all tax jurisdictions including Ghana.

The policy implications stemming from these findings is that tax authorities should find a better alternative of getting taxpayers to freely disclose their TIN to them instead of perceiving non-disclosure by taxpayers as being an attempt to conceal identity for possible income concealment. This is important as the Ghana Revenue Authority is seriously implementing TIN registration and the calls that where one does not have TIN, one may not be able to transact business with some designated service providers such as banking services; registration of landed property; with the GRA; clear goods from the ports among others.

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