

## **Tax Amnesty with Effects and Effecting Aspects: Tax Compliance, Tax Audits and Enforcements Around; The Turkish Case**

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### **Abstract**

*Tax amnesties are political decisions which are supposedly to increase tax collections, ensure coping taxpayers to pay tax and somehow maximizing the politicians' life time. As a result of tax amnesties, work load of administrators and judicial bodies reduces and their efficiency increase; in short terms, relaxation of tax payers and increase in tax revenue is also possible. However, frequently recurring tax amnesties do shake the confidence of public towards justice and laws. Negative results of tax amnesty mainly links with the reducing tax compliance point of the tax payers. In other words, tax amnesties prevent the tax compliance of tax payers. Also in general, there are many factors that affect the success of tax amnesties. The most popular ones are tax audits and enforcements. In this paper our goal is to examine the effects of factors on and the effecting factor through any tax amnesties via using the structure of the Turkish tax system and applications. For the experimental working it is preferred an original and very large scaled public survey.*

**Keywords:** tax amnesty, tax compliance, Turkish tax system, tax audits, tax offences, tax enforcements, Cronbach Alpha Coefficient Method.

### **1. Introduction**

Tax compliance is the properly meeting of tax obligations by tax payers (Tunçer, 2003: 93). One of the previous studies examined that whether a voluntary settlement can be build regarding tax compliance by tax amnesty (Alm and Beck, 1993); on another one it is concluded that tax compliance average decreases following tax amnesty, however this regression can be removed with a well planned tax amnesty and tax compliance builds up by increase in auditing and tax penalties after tax amnesty (Alm et. al., 1990: 23).

Waxman (2003) stated that amnesties are supported even though the reactions of honest and in time tax payers; it has stated that people cannot see from another prospect because of their perfect justice feelings.

Theoretically, it can be defended that increasing auditing activities following tax amnesty, strengthening sanctions can be effective on right tax payers not to consider tax amnesties as a privilege for tax deluders and not to think tax amnesty is recurring. Our aim to perform this study was to state the effect of each tax amnesty following every election in Turkey, which is an example in this respect, on tax compliance of tax payers.

Surveys have been made in Switzerland and Costa Rica in order to measure the long term effect of tax amnesties on tax compliance. As a result of the mentioned executions, when there is an opportunity (indication of preference) for individuals to vote for or against tax amnesty independent of rejecting or accepting of a tax amnesty, then the tax compliance would increase opinion has emerged. Next term tax amnesty expectation has a negative effect on tax compliance (Schaltegger and Torgler, 2005: 22).

It is possible to mention the two effects of tax amnesties. These are short term and long term effects. In short term effect, tax amnesties do increase the tax compliance. This is provided by the disclosure of taxable income and tax payers from informal economics. Detection of taxable income and unknown tax payers may increase the tax compliance in the next term. They will not be able to escape from the next tax application term (Mattiello, 2005: 3 - 4). In long term, tax amnesties reduce the willingness of tax payers to comply with their liabilities. There several reasons (Mattiello, 2005: 4):

— Emerging of tax amnesties are the indicators of abandonment of state to compensate the hidden (unpaid, hidden, undisclosed) taxes using intervention tools such as auditing or penalties, so the tax payers may break the tax compliance since thinking of the low auditing possibility. Tax amnesty expectation increases the tax fraud.

— Following a tax amnesty, honest tax payers can have unfairness feeling. Because deluding attitudes of a government can be seen like injustice. Therefore, the willingness of being right in tax payers will decrease at the next term.

Tax amnesties might be useful for the states that want to shift from one system to another or to a higher one. If it is applied with a commitment of will not be recurring, tax amnesty may cause to a better compliance level that has never exist before (Mattiello, 2005: 5) If the tax amnesties are considered as unfair or interpreted as relaxation of interventions then they can harm the compliance (Andreoni et al., 1998: 854). Self – assessment in taxation known also as annual returns are used worldwide on the assumption that taxpayers are well aware of their sources subjected to taxation. The success of self - assessment mainly depends on; the honesty of taxpayers, tax consciousness as well as the efficacy of the tax administration. To gather information about taxpayers and verify tax status of them, tax administration uses many methods such as; tax inspections, tax examinations and ascertainment. In case of any abuse of tax laws, tax penalties are implemented.

The most important feature of amnesties is the abnegation of the government from its punishment authority. With tax amnesties, the so called are not sanctions at all or ceased leading to tax hosts. However if the amnesties are applied in accordance with the tax audits and fines, the above mentioned reverse effects can be diminished. Up to now, numerous studies have been carried out to investigate the effects of the increased tax audits and penalties on the success of the amnesties. Among them some of them are particularly worth mentioning. One of study points out that the tax revenues increase unless the tax audits and penalties are ineffective (Alm et. al., 1990: 25). Another study stresses that the announcement about the increasing of the audits accompanied with the tax amnesties performed at a state level in USA, enhances the success of the amnesties (Rosen, 1995: 354). Finally, one study predicts that the publicities about the amnesties aimed to give messages to the tax evaders that the possibility of the tax investigation has increased, that the penalties will be heavier and that the tax evasion is a wrong doing (Fisher et. al., 1989: 16).

The repetition frequency of the tax amnesties is so high and tax penalties range from fines to imprisonments in Turkey. However it is surprising to see that the tax audits are insufficient.

The purposes of this paper are once to investigate how much influence an amnesty on tax compliance and second to examine the effects of increased tax audits and penalties on the success of amnesties. For achieving to goals, there will be two examination parts in this paper which includes different questions separately. The next step is to improve the existing tax system in this regard. Prior to that many previous experimental workings are investigated and benefited from their methods used and findings obtained. Hence, in the first part, the explanations of the survey are mentioned as well as the necessary elements and inputs. The second part is dedicated to the interpretation of the outputs and the analysis of the findings in relation to the survey.

**2. Technical Information and Facts of the Study**

Our study is based on conducted surveys using face to face interviewing method. Surveys were conducted between Januarys – December 2010. Parts of the surveys were conducted by the authors, personally, some of them by experts. During the survey, wide people mass ranging from shopkeepers to institutional body has been used and totally 26 questions have been asked.

**Table 1:** The Amounts of Taxpayers 2002 – 2010 (Twelve Month Intervals)

Years	The Amounts of Taxpayers			
	Income Tax (Real Basis)	Income Tax (Lump –Sum Basis)	Corporate Tax	VAT
December 2002	1.729.260	810.167	585.981	2.887.598
December 2003	1.735.722	820.621	605.020	2.142.949
December 2004	1.774.568	814.532	632.093	2.230.815
December 2005	1.691.499	792.706	593.166	2.165.516
December 2006	1.712.719	775.141	608.981	2.220.477
December 2007	1.714.544	770.195	610.373	2.224.952
December 2008	1.701.865	744.188	640.679	2.266.053
December 2009	1.683.308	739.092	640.786	2.249.950
December 2010	1.693.316	728.850	652.009	2.271.049

Source: Turkish Revenue Administration, ICT Unit, <http://www.gib.gov.tr>, (Acess date: 07.02.2011)

In our model it is used the quantity of the taxpayers and the findings of the tax audits. The quantity of the taxpayers is necessary to find how many participants have to be reached for the validity of the survey at least. Yet the findings of the tax audits may indicate the amount of the tax evasions. As Table 1 indicates, active tax payer number of income withholding tax is 2.353.382, active tax payer number of corporation tax is 652.009 and active tax payer number of value added tax (VAT) is 2.271.049 as at December 2010. Since the number of tax payers exceeds one million, in order to have accurate result, our survey has to be applied on at least 384 individuals (SPSS Multi Variable Statistic Technique, 2005). In this respect, our survey has been applied on 503 tax payers.

**Table 2:** Information about the Units of Audit (2009)

Units Of Audit	Number of Audited Taxpayers	Results of Audits	
		Tax Base Declared	Tax Base No declared
Board of Audit	270	155.781	153.231
Board of Public Accountant	2.542	72.377.237	14.009.129
Revenue Controller	1.336	9.746.156	74.626.543
Tax Supervisors	67.105	33.934.650	7.203.822
<b>TOTAL</b>	<b>71.253</b>	<b>116.213.824</b>	<b>212.206.549</b>

**Source:** Turkey Ministry of Finance, Head of Revenue Controller, <http://www.gelkont.gov.tr/content.aspx?id=18>, (Access date: 07.02.2011)

Table 2 indicates that the tax base declared officially is 116.2 million TRL and the tax base no declared (evaded) is 212.2 million TRL. So we can calculate the ratio of evasion as % 183.

As seen in Table 1, the number of the audited taxpayers is 5.313.136 in December 2009. Therefore the audit ratio can be found via dividing the amount of audits by the total number of taxpayers. So it can be estimated easily that this ratio is approximately % 1,3 for Turkey.

**Table 3:** The Positions of Units of Audit (2010)

Units of Audit	Full Position	Empty Position	TOTAL POSITION
Tax Auditors	155	312	467
Public Accountants	310	841	1.151
Revenue Controllers	360	540	900
Tax Supervisors	3.302	8.348	11.650
<b>TOTAL</b>	<b>4.127</b>	<b>10.041</b>	<b>14.168</b>

**Source:** Turkey Ministry of Finance, <http://www.mb.gov.tr>, (Access date: 07.02.2011)

Table 3 indicates the staff in charge of the audits. According to this data, although there is 10.041 staff position available, only 29 percent of the position is actually assigned. Before performing the survey, first it is tested the reliability and validity of the questions by using the Cronbach's Alpha Method (For the explanations about this method, Van Zyl et al., 2000: 271; SPSS Multi Variable Statistic Technique: "Reliability Analysis: Cronbach Alpha Coefficient", 2005: 405). The Cronbach's Alpha coefficient (reliability – validity coefficient) value between 0.00 and 0.40 indicates for unreliable, between 0.41 and 0.60 indicates for moderately reliable, between 0.61 and 0.80 indicates for reliable and between 0.81 and 1.00 indicates highly reliable. In our survey, Cronbach's Alpha coefficient for the first examination part has obtained as 0.752 and for the other 0.761. These results indicate that our survey for both part one and two is reliable. Question based reliability coefficients are as follows;

**Table 4:** The Reliability and Validity Coefficient of Questions in which the First Examination Part

Question No	1	9	11	23	14	15	16	17	18	25
$C_{r\&v}$	0,763	0,759	0,744	0,748	0,750	0,751	0,744	0,761	0,740	0,762
<b>Total <math>C_{r\&amp;v}</math></b>	<b>0,752</b>									

**Table 5:** The Reliability and Validity Coefficient of Questions in which the Second Examination Part

Question No	1	11	12	13	14	19	20	21
$C_{r\&v}$	0,763	0,744	0,756	0,750	0,750	0,749	0,761	0,746
<b>Total <math>C_{r\&amp;v}</math></b>	<b>0,761</b>							

### 3. Content of the Study, Facts and Results

In this section of the paper first it will be performed an examination on the effects of tax amnesties and second the examination will be around effecting sides of the amnesties.

#### 3.1. The Examination Part One Subject to the Effects of Tax Amnesties on Tax Compliance

In this part of the survey, questions of whether did they qualify for the tax amnesties, do they believe the last amnesty is the last one, will it be appropriate and effective if tax amnesty is secured by constitutional law, have been asked to tax payers.

It has studied that whether tax amnesties do effect or not the tax compliance of tax payers; and cause recurrence of tax offences. Moreover, effect of tax amnesties on generalization of taxes on base has been examined. Again, the effect of tax payers that did not qualify for tax amnesties on tax paying willingness, attraction the ones, who were not included to the system before amnesty were investigated. Besides these questions, effects of well explained amnesties or announced with propaganda on to the participation has examined. On the following table; questions, answers and their distributions are shown.

**Table 6:** Accumulated Results of Questions in which the First Examination Part

Quest. No.	Content	Answers							
		Yes Entirely		Yes Considerably		Partially		No	
		Unit	%	Unit	%	Unit	%	Unit	%
1	Have you ever benefited personally from any tax amnesty in Turkey?	118	23.5	-	-	-	-	384	76.5
9	Do you believe that the last amnesty application is the last one?	43	8.7	-	-	-	-	454	91.3
23	Is it effectible the constitutional assurance against any amnesty application?	168	34.4	148	30.3	101	20.7	72	14.7
11	Do you think that the tax amnesties distort the compliance of taxpayers?	141	28.4	170	34.2	127	25.6	59	11.9
14	Effect of the amnesty on increasing in tax offences	182	36.3	148	29.5	119	23.8	52	10.4
15	Effect of the amnesty on a tax base increasing	38	7.9	81	16.9	166	34.7	193	40.4
16	Effect of the amnesty on decreasing the payment willingness	152	30.6	176	35.0	97	19.6	71	14.3
17	Effect of the amnesty on entering the people to the tax system	45	9.1	90	18.2	153	30.9	207	41.8
18	Explanation of amnesties well is effectible about the participation	68	14	146	30.0	154	31.7	118	24.3
25	Should amnesties be announced by propagandas	177	36.3	-	-	-	-	311	63.7

It has seen that 118 (23.5%) tax payers out of 503 were qualified for previous tax amnesty. On the previous studies, it has stated tax compliance would decrease in the case of tax payers believe that tax amnesties are recurring and expecting other amnesties in the future (Alm et. al., 1990: 24). Our study concluded 91.3% of tax payers do not believe the last tax amnesty in Turkey will actually the final one.

The lack of confidence towards political government diminishes the effect of the tax amnesty on tax compliance (Alm et. al., 1990: 24). As it can be seen above, tax payers do not have confidence over political governments. Therefore, amnesties do diminish the compliance of tax payers. From this aspect, the best solution will be to secure the amnesties to constitutional procedure.

In fact, participants stated that it will be effective that no new amnesty is assured by constitution. In this regard, 14.7% of the tax payers stated that it will not be effective, 64.4% stated that it will be greatly effective. On previous studies, it has concluded that, arrangement of a settlement using amnesties cannot be achieved in terms of tax compliance (Alm et. al., 1990: 23) tax compliance rate decreases following amnesty (Alm et. al., 1990: 23). In our survey, the answer to the question of whether amnesties prevent voluntarily tax compliance was replied as "No" by 11.9% of tax payers. However, 28.4% replies as "entirely" prevents, 34.2% "considerably" and 25.6% "partially". These outcomes shows that voluntarily tax compliance in Turkey cannot be succeeded by amnesties. On the studies, it is noticed that announcing tax amnesties and creating an expectation on tax payers will increase the tax fraud (Rosen, 1995: 355).

The majority of the participants agree on that tax amnesties would cause the recurrence of these offences. Only 10.4% of the participants though that amnesty will not affect the repetition of offensive actions. When the bilateral relations of question 9 and 14 are examined (Table 7), 404 tax payers (454 tax payers), who replied as amnesty is recurrent, think that amnesty will cause repetition of offence. In this case, tax payers practically say that "I do not afraid of committing outrage, there will be amnesty anyhow". Therefore, it will be overflowing optimism to expect tax payers, who have opinion stated above, to comply voluntarily with taxes.

**Table 7:** Bilateral Relations Table of Question 9 and Question 14

			Question 9		Total
			No	Yes	
Question 14	No	Number	50	1	51
		%	10.1	0.2	10.3
	Partially	Number	109	9	118
		%	21.9	1.8	23.7
	Yes, Considerable	Number	128	19	147
		%	25.8	3.8	29.6
	Yes, Entirely	Number	167	14	181
		%	33.6	2.8	36.4
Total	Number	454	43	497	
	%	91.3	8.7	100.0	

On another study, it has investigated that whether it is possible to include the ones, who were not in the system before, to the system using amnesties (Christian et. al., 2002: 704). In our survey, the questions which are “Is there an effect of amnesties to generalize the taxes to the base?” and “Do tax amnesties provoke individuals to pay their taxes?” in other words, would amnesties attract the ones into the system, that they were not involved before?” indicate that 40.4% of the tax payers replied the first question as “No”, 41.8% replied the second question as “No”. “Partially” answer has given by the 34.7% of ninth question and 30.9% of fourteenth question. In consequent, it will not be wrong to conclude as the majority of the tax payers do not believe that using amnesty will not affect generalization of taxes t the base and attracting tax payers to the system. On the contrary, when the question of “Do tax amnesties reduce the willingness of non-tax payers to pay their taxes?” has asked, 30.6% of the tax payers replied as yes – entirely, 35% yes – considerably and 19.6% yes – partially. In other words, tax payers clearly stated the negative effect of amnesties. When the bilateral relations of question 4 and 6 are examined (Table 8), among the ones that replied to both of the questions (474 tax payers), 89% of the ones, who think that amnesties do not have effect on the generalization of taxes to the base, think that amnesties prevent voluntarily tax compliance.

**Table 8:** Bilateral Relations Table of Question 4 and Question 6

			Question 4				Total
			No	Partially	Yes, Considerably	Yes, Entirely	
Question 6	No	Number	21	30	60	79	190
		%	4.4	6.3	12.7	16.7	40,1
	Partially	Number	15	60	64	26	165
		%	3.2	12.7	13.5	5.5	34,8
	Yes, Considerably	Number	13	25	32	11	81
		%	2.7	5.3	6.8	2.3	17,1
	Yes, Entirely	Number	7	5	10	16	38
		%	1.5	1.1	2.1	3.4	8,0
Total	Number	56	120	166	132	474	
	%	11.8	25.3	35.0	27.8	100.0	

When the bilateral relations of question 4 and 8 are examined (Table 9), among the ones that replied to both of the questions (491 tax payers), 95% of the ones, who think that amnesties do not effective to attract the ones outside the system, think that amnesties prevent voluntarily tax compliance.

**Table 9:** Bilateral Relations Table of Question 4 and Question 8

			Question 4				Total
			No	Partially	Yes, Considerably	Yes, Entirely	
Question 8	No	Number	10	48	67	78	203
		%	2.0	9.8	13.6	15.9	41,3
	Partially	Number	10	49	53	41	153
		%	2.0	10.0	10.8	8.4	31,2
	Yes, Considerably	Number	25	21	35	9	90
		%	5.1	4.3	7.1	1.8	18,3
	Yes, Entirely	Number	13	7	12	13	45
		%	2.6	1.4	2.4	2.6	9,2
Total	Number	58	125	167	141	491	
	%	11,8	25.5	34.0	28.7	100.0	

When the bilateral relations between the questions of “Do tax amnesties prevent the tax payers voluntarily tax compliance?” and “Do tax amnesties reduce the willingness of non-tax payers to pay their taxes?” the following results were obtained (Table 10).

**Table 10:** Bilateral Relations Table of Question 4 and Question 7

			Question 4				Total
			No	Partially	Yes, considerably	Yes, entirely	
Question 7	No	Number	34	12	10	15	71
		%	6.9	2.4	2.0	3.0	14,4
	Partially	Number	10	41	32	14	97
		%	2.0	8.3	6.5	2.8	19,7
	Yes, considerably	Number	11	47	82	34	174
		%	2.2	9.6	16.7	6.9	35,4
	Yes, entirely	Number	4	24	44	78	150
		%	0.8	4.9	8.9	15.9	30,5
Total		Number	59	124	168	141	492
		%	12.0	25.2	34.1	28.7	100.0

Total 492 tax payers have answered the both questions. Among the ones, who replied “yes” for both questions, 433 of them replied “yes” for the first question of (“Do tax amnesties prevent the tax payers voluntarily tax compliance?”), there are 421 individuals replied “yes” to the second question (“Do tax amnesties reduce the willingness of non-tax payers to pay their taxes?”). In other words, tax payer think that tax amnesties do reduce the willingness to pay the taxes and prevent voluntarily tax compliance.

At the previous studies, it has stated that; it is possible to overcome the reduction in tax compliance problem with a well organized tax amnesty. Participants of our survey stated that amnesties prevent voluntarily tax compliance, explaining amnesties will not have effect on providing participation. However, majority of the participants side with propaganda. In our survey, it is concluded that tax compliance will increase in the case of efficiency in auditing and penalties following tax amnesty. However, it is required to provide individuals to be afraid of audits and penalties.

**3.2. The Examination Part Two Subject to the Effecting Sides of Tax Amnesties by Name Tax Audits and Enforcements**

In this part of the survey, these questions have been asked as follows and on the following table their distributions are shown.

**Table 11:** Accumulated Results of Questions in which the Second Examination Part

Quest. No	Content	Answers							
		Yes Completely		Yes Mostly		Partly		No	
		Unit	%	Unit	%	Unit	%	Unit	%
1	Have you ever benefited personally from any tax amnesty in Turkey?	118	23,5	-	-	-	-	384	76,5
11	Do you think that the tax amnesties distort the compliance of taxpayers?	141	28,4	170	34,2	127	25,6	59	11,9
12	Would there be any difference between the past and the current opinion of yours about the tax amnesties, if it be announced that the tax audits are planned to increase after the tax amnesties?	39	8,0	100	20,4	125	25,5	226	46,1
13	Would there be difference between the past and the current opinion of yours about the tax amnesties, if it be announced that the penalties are planned to be more stringent?	42	8,7	96	19,9	117	24,2	228	47,2
14	Do you think that the tax amnesties lead to increase in tax offences?	182	36,3	148	29,5	119	23,8	52	10,4
19	If you intent to evade the taxes, do you take into account the losses and earnings of that kind of your attitudes?	178	37,2	127	26,5	70	14,6	104	21,7
20	Have you ever been audited during any tax amnesties?	82	24,7	-	-	-	-	250	75,3
21	Do you think that the tax amnesties harm tax justice?	152	30,9	128	26	124	25,2	88	17,9

It is obvious that the tax amnesties harm the tax compliance of taxpayers in Turkey. Evaluating the evidence of the first and eleventh question together as shown in Table 12, it is clear that 30 participants find tax amnesties no harmful while the rest (88) feels the opposite.

**Table 12:** Bilateral Relations Table of Question 1 and Question 11

			Question 1		Total
			No	Yes	
Question 11	No	Unit	29	30	59
		%	5,8	6,0	11,9
	Partly	Unit	95	31	126
		%	19,2	6,3	25,4
	Yes mostly	Unit	137	33	170
		%	27,6	6,7	34,3
	Yes completely	Unit	117	24	141
		%	23,6	4,8	28,4
Total		Unit	378	118	496
		%	76,2	23,8	100,0

One of the previous studies about the tax amnesties has predicted that the tax audits effect the success of the amnesties positively when it is announced that tax audits to be increased with the tax amnesties (Rosen, 1995: 354). Also the tax collections are increased when taxpayers believe that tax audits and penalties are to be increased just after the tax amnesties (Alm et. al., 1990: 25). In our survey it is indicates that the success of the tax amnesties is not related to tax audits in Turkey. Co evaluating the evidence of first and twelfth questions as shown in Table 13, the majority of the participant of the tax amnesties (52) believes that they would not change their opinion in favour of tax amnesties, even if the tax audits increased after the amnesties, whereas some others (31) believe that they would change their opinion partly.

**Table 13:** Bilateral Relations Table of Question 1 and Question 12

			Question 1		Total
			No	Yes	
Question 12	No	Unit	174	52	226
		%	35,6	10,6	46,2
	Partly	Unit	93	31	124
		%	19,0	6,3	25,4
	Yes mostly	Unit	73	27	100
		%	14,9	5,5	20,4
	Yes completely	Unit	31	8	39
		%	6,3	1,6	8,0
Total		Unit	371	118	489
		%	75,9	24,1	100,0

As stated before the tax audit ratio is just above %2 in Turkey. Therefore it would not be aggravation to say that the taxpayers are indifferent between compliance and non compliance. In other words, taxpayers are well aware of the insufficient level of tax audits and act accordingly in Turkey. Evidences have been found to support this argument. Evaluating the responses to the first and thirteenth question together as shown in Table 14, the greater number of participants (48) believes that there would be no change in their opinion about to participate the tax amnesties, even if the tax penalties are tougher after the tax amnesties, whereas some others (29) believe that their opinion might change. The total participants of this question are 114.

**Table 14:** Bilateral Relations Table of Question 1 and Question 13

			Question 1		Total
			No	Yes	
Question 13	No	Unit	180	48	228
		%	37,3	10,0	47,3
	Partly	Unit	87	29	116
		%	18,0	6,0	24,1
	Yes mostly	Unit	68	28	96
		%	14,1	5,8	19,9
	Yes completely	Unit	33	9	42
		%	6,8	1,9	8,7
Total		Unit	368	114	482
		%	76,3	23,7	100,0

In brief, in line with the findings it might be said that neither increasing tax audits nor increasing tax penalties actually affect the success of the tax amnesties in Turkey.

Responses to the nineteenth question show that most of the taxpayers do not take into account costs and benefits of compliances or non compliances. It might also be said that although the tax authority in Turkey tries to support the tax amnesties with the increased tax audits. It is fruitless. This survey’s findings realize that the tax amnesties weaken the enforcement power of tax authority and fines and penalties couldn’t be imposed partly or totally in actuality. Evaluating the evidence of the first and twenty-one questions together as shown in Table 15, the majority of the participant of the tax amnesties and the participants of the seventh question (52) inform that the tax amnesties harm the tax justice.

**Table 15:** Bilateral Relations Table of Question 1 and Question 21

			Question 1		Total
			No	Yes	
Question 21	No	Unit	58	30	88
		%	11,8	6,1	17,9
	Partly	Unit	89	34	123
		%	183,1	6,9	25,1
	Yes mostly	Unit	102	26	128
		%	20,8	5,3	26,1
	Yes completely	Unit	126	26	152
		Unit	25,7	5,3	31,0
Total		Unit	375	116	491
		%	76,4	23,6	100,0

In the paper, it is investigated the effects of tax amnesties on the repetition of the tax offences. Almost total of taxpayers who participate in the tax amnesties believe that tax amnesties affect the repetitions of the tax offences. As the tax amnesties generally create a favourable expectation for future taxpayers are encouraged to evade. One of the previous study points out that tax amnesties could increase the tax revenue, unless these amnesties are structured to maintain a balance between honest and dishonest taxpayers (Mikesell, 1986: 524). Another one stresses that tax amnesties lead to be courageous of taxpayers to be non compliant (Lerman, 1986: 326). Evaluating the evidence of the second and fifth question together as shown in Table 16, the majority of the participant of the survey (438) notifies that the tax amnesties harm the tax compliance. They believe that the tax amnesties cause the repetition of the tax offences.

**Table 16:** Bilateral Relations Table of Question 11 and Question 21

			Question 11				Total
			No	Partly	Yes Mostly	Yes Completely	
Question 21	No	Unit	27	10	7	8	52
		%	5,4	2,0	1,4	1,6	10,5
	Partly	Unit	15	54	36	14	119
		%	3,0	10,9	7,2	2,8	23,9
	Yes mostly	Unit	9	44	73	21	147
		%	1,8	8,9	14,7	4,2	29,6
	Yes completely	Unit	8	19	54	98	179
		Unit	1,6	3,8	10,9	19,7	36,0
Total		Unit	59	127	170	141	497
		%	11,9	25,6	34,2	28,4	100,0

**4. Summary and the Concluding Remarks**

Although there is not a provision regarding tax amnesty in Turkish taxation law, periodic tax amnesties turned this application into a continuing institution. It is seen that tax amnesties in Turkey has put in power because of political reasons. In fact, tax amnesty following each election does support our thesis.

The main problem caused by tax amnesty is the tax compliance prevention of tax payers in terms of our country. Because, honest tax payers has began to see to the tax amnesties as awards for tax dodgers and this became a condition that damages their tax compliance. Moreover, considering tax amnesties as continuing applications also prevents tax compliance of tax payers. When considering the frequency of tax amnesties in Turkey, it is concluded that tax amnesties are effective to direct tax payers to unregistered operation and complicate tax compliance. In order to succeed at tax amnesty application and provide voluntary tax compliance of tax payers, this application should be nonrecurring and tax payers have to be convinced regarding this issue.



However, it seems impossible to convince the tax payers that tax amnesties are nonrecurring, which actually became part of the legislation. From this aspect, it would be appropriate to subject tax amnesties to constitutional provisions. Routine amnesty executions effect right tax payers in negative manner, which came to point where it is considered as a privilege for state deluders. Therefore, it can be stated that a tax payers mass have emerged, which think that they harmed because of being honest or there is no advantage to be right; and also tax compliance has become impossible for this mass. Recurring tax amnesty applications in our country causes impairment of taxation liabilities in significant mass of tax payers. Tax payers that became fearless of committing an offence, and also not questioning where the taxes are going have become to prefer stay away from their tax responsibilities, since they are not audited regularly.

In theory the success of the tax amnesties depends on increased tax audits, imposition of efficient enforcements of tax and other related laws and better organisation of tax administration. However our papers findings indicate that the taxpayers in Turkey are so insensitive to increased tax audits or toughened penalties and fines. Therefore it is so difficult to underline the success of the tax amnesties through such kind of measures. In Turkey the tax amnesties harm the principle of the justice as well. Some empirical models point out that the tax compliance is increased when it is supported by tax inspections (Alm et. al., 1990: 24). In Turkey the inefficiency of the tax audits cause an adverse effect. The repetition of the tax amnesties in Turkey causes the taxpayers not to fulfil their tax obligations. Insufficient tax audits have same effects.

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