KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY, KUMASI, GHANA

BEHAVIORAL INTENTIONS AND SALES TAX COMPLIANCE AMONG SMEs IN GHANA: THE MODERATING ROLE OF PATRIOTISM AND RELIGIOSITY.

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MSc ACCOUNTING & FINANCE

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DECLARATION

I hereby declare that this submission is my own work towards the award of the Master of Science in Accounting and Finance and that to the best of my knowledge, it contains no material previously published by another person, nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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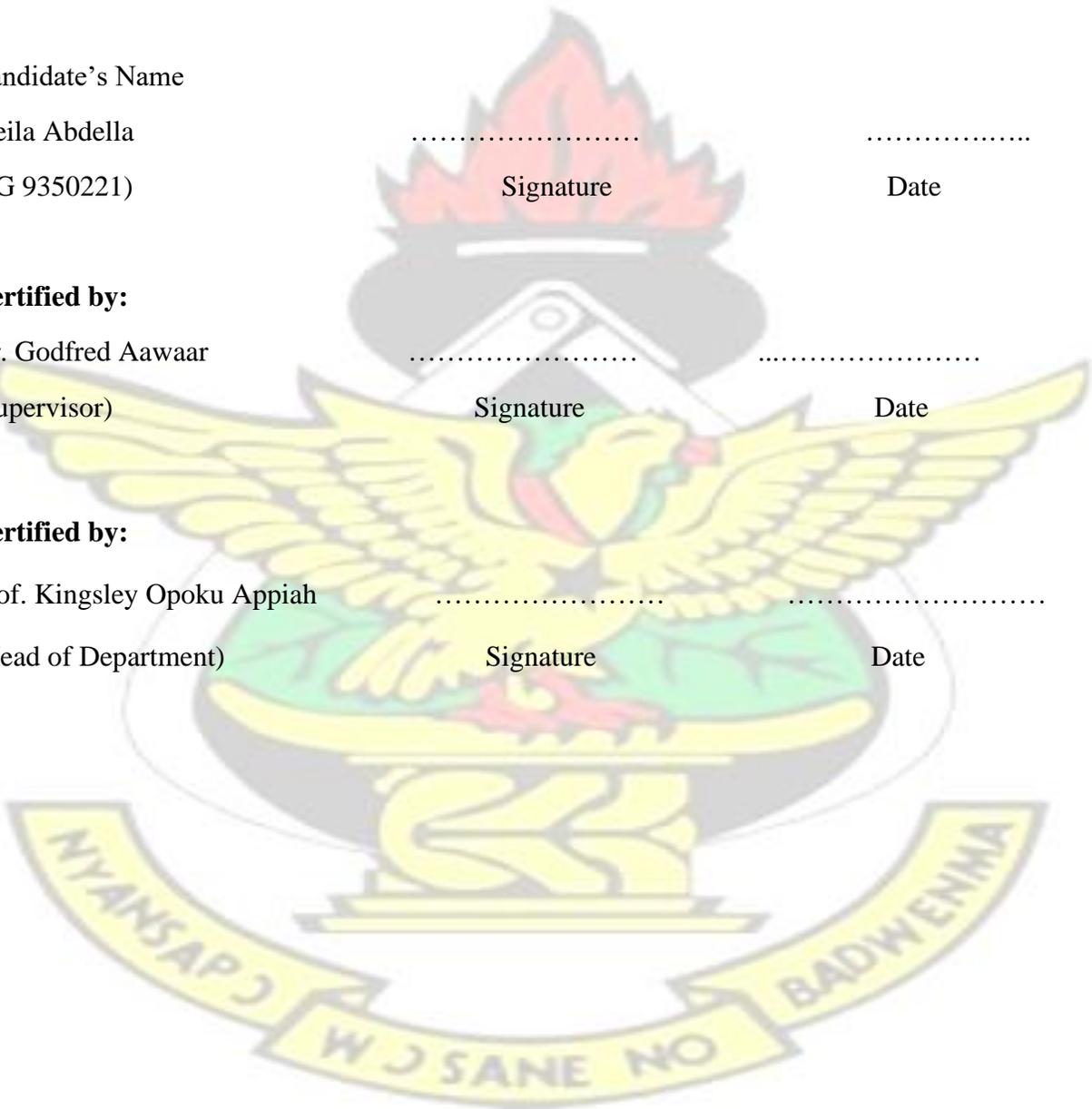
DEDICATION

To my family

KNUST

ACKNOWLEDGEMENT

I am most grateful to Almighty God, for providing me the knowledge and wisdom to complete this thesis.

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ABSTRACT

The purpose of this study was to examine the influence of behavioral intentions of taxpayers on sales tax compliance and examined the moderating role of patriotism and religiosity between behavioral intentions of taxpayers and sales tax compliance among small- and medium-sized enterprises (SMEs) in Ghana, specifically Sekondi-Takoradi Metropolis. In this study, 375 questionnaires were distributed by using stratified sampling technique, which entails dividing the small and micro-sized enterprises (SMEs) into distinct strata. After which 311 useable questionnaires were deemed suitable for analysis. Partial least squares structural equation modelling (PLSSEM) was used to validate the measurement model and structural model and the predictive relevance of the study's model. The findings showed that behavioral intentions of taxpayers, patriotism and religiosity were positively associated with the level of sales tax compliance. The findings further demonstrated the moderating negative and insignificant effect of patriotism as well as religiosity on the relationship between behavioral intentions of taxpayers with sales tax compliance. The study recommends that authorities should collaborate with community organizations, religious institutions, and local leaders to promote a culture of tax compliance. Engaging respected community figures can influence behavioral intentions positively.

Keywords; Behavioral Intentions of Taxpayers, Patriotism, Religiosity, Sales tax compliance

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The development and economic progress of any country largely depend on its capacity to generate significant revenues and allocate them towards the enhancement of public infrastructure (Cobham & Janský, 2018). Taxes play a pivotal role as the primary source of income for governments, enabling crucial initiatives like healthcare, public services, law enforcement, and infrastructure projects such as building roads (Carsamer & Abbam, 2020). Therefore, governments across the globe must increase their tax income relative to their gross domestic product (GDP) to sustain economic growth and attain their developmental objectives (World Bank, 2020; Cobham & Janský, 2018). Tax revenue plays a vital role as a significant source of income for governments, regardless of whether they are in developed or developing countries, and it greatly supports their development efforts. However, it's worth noting that developed nations tend to have higher levels of compliance and revenue generation compared to their counterparts in the developing world (OECD, 2019). In countries like the United States (US), United Kingdom (UK), and Australia, which are well-developed, taxation is an efficient means of generating substantial revenue to cover government expenses (Cobham & Janský, 2018). For example, during the period from 2008 to 2017, the tax-to-GDP ratios in the UK and Australia were 32.53% and 29.73%, respectively (IMF, 2018; Carsamer & Abbam, 2020). Conversely, in developing nations, there tends to be limited government tax revenue available to cover operational costs, as highlighted by Nazaruddin (2019). One reason for this disparity lies in the fact that tax compliance is often lower in most developing countries when compared to their developed counterparts (Carsamer & Abbam, 2020).

In Ghana, the government encounters difficulties in generating adequate tax revenue to support its public expenditures, primarily due to issues related to tax compliance (Twum et al., 2020). As reported by the Institute of Statistical Social and Economic Research in 2018, Ghana's average tax revenue as a proportion of GDP was just 5.45%, 6.12%, and 6.08% for the years 2015, 2016, and 2017, respectively. This is in stark contrast to countries like Egypt and Morocco, which record proportions of 16.50% and 15.82% of GDP. Notably, several nations have even achieved revenues exceeding 28% of GDP, including Jordan, Tunisia, and Lebanon (World Bank, 2020). An analysis conducted by the IMF in 2020 highlighted that, within the context of developing countries, Ghana, Sudan, and Libya have the smallest share of tax revenue concerning GDP. Studies point to the issue of insufficient tax compliance among taxpayers as a key reason for the low tax-to-GDP ratio (Al-Tttaffi & Abdul-Jabar, 2020). Furthermore, Twum et al. (2020) argue that Ghana's low tax revenue is primarily due to inadequate tax compliance, especially among small and medium-sized enterprises (SMEs). This challenge is compounded by the fact that Ghana's economy heavily relies on SMEs, which constitute 84.6% of the country's business activities and often disregard tax regulations (Peprah et al., 2020). This situation could be linked to the government's emphasis on revenue from the oil sector over other forms of taxation. Consequently, Carsamer & Abbam (2020) contend that the challenge of low tax compliance significantly threatens Ghana's tax administration and undermines effective tax revenue performance. Consequently, Ghana is classified among developing nations facing obstacles in generating tax revenue due to high levels of tax non-compliance (World Bank, 2020; OECD, 2019).

Sales tax compliance holds its own significance as a distinct concern, having transitioned into prominence over the past decades and maintaining its appeal to new participants (Faridy et al.,

2017). Sales tax, known as value-added tax (VAT) in countries like Britain, the US, France, and Ghana, was introduced in France in 1954 as a tax on goods tied to production levels (World Bank, 2020). Sales tax plays a significant role in increasing government tax revenue, especially in developing countries (OECD, 2019). However, non-compliance with sales tax is a widespread issue, highlighting the need for effective enforcement to address it (Alshira'h & Abdul-Jabbar, 2020). Compliance requirements are often seen as more challenging for small and medium enterprises (SMEs) compared to other types of taxes (Carsamer & Abbam, 2020). It is worth noting that the problem of sales tax evasion and fraud is not limited to developed countries but is more prevalent in developing nations (Alshira'h & Abdul-Jabbar, 2019). Nevertheless, despite the dependence of developing nations on tax revenue from indirect taxes as opposed to direct taxes (Lee, 2018), empirical studies dedicated to sales tax compliance are surprisingly scarce (Alshira'h, 2018). Within the context of Ghana, the shadow economy expanded from 19.4% (2008) to 20.4% (2014) of the GDP, prompting the elevation of sales tax from 13% to 16% in 2017, as indicated by the ISSER report in 2018. A subsequent increase in the shadow economy from 22.1% (2011) to 24.5% (2016) of the GDP was also observed (ISSER, 2018).

To meet sales tax revenue goals, both tax authorities and taxpayers must work together. Taxpayers play a crucial role, especially with the shift to a self-assessment tax system. Under this system, taxpayers are responsible for registering, calculating, paying, and reporting their taxes independently. The awareness and willingness of taxpayers are essential in ensuring tax compliance, which directly affects government revenue. Compliance is influenced by personal factors (like understanding and religiosity) and external factors (such as tax penalties and government rules) (Gangl, Hofmann, & Kirchler, 2017; Carsamer & Abbam, 2020). This study

focuses on exploring the impact of internal factors, originating from the taxpayer themselves, as the driving force behind meeting tax obligations. The examination of internal factors holds significance due to the adoption of self-assessment systems in taxation. As the self-assessment approach emphasizes the active role of taxpayers in tax payment, internal factors like patriotism and religiosity take center stage in influencing improved tax compliance.

Patriotism, as described by Gangl et al. (2017), refers to the strong sense of pride individuals have for their country, which deepens their connection to their nation. This connection is seen in people's love for their country and their pride in being part of it (Gangl et al., 2017). Patriotism can lead individuals to be willing to make sacrifices for their country. This feeling can also translate into following the tax rules set by the government, as shown in past studies linking love for one's country to tax compliance (Utama, Umar, Kadarisman & Arik, 2022). This idea is in line with Nazaruddin's (2019) study, which found that a person's level of patriotism influences their willingness to comply with tax laws. On the other hand, religiosity refers to an individual's strong dedication to their religion and their spiritual devotion (Alm, 2019). High religiosity tends to have a positive impact on various aspects of daily life (Nazaruddin, Rezki, & Rahmanda, 2018). Nazaruddin (2019) also argues that religiosity influences a person's attachment to their country. Loving one's country, or being patriotic, is a form of diversity. Previous studies indicate that religiosity positively influences individual tax compliance (Benk et al., 2017; Alm, 2019; Carsamer & Abbam, 2020). Consequently, this study examines how patriotism and religiosity either directly impact or moderate taxpayer compliance. Notably, few studies have simultaneously explored the influence of religiosity and patriotism in Ghana (Carsamer & Abbam, 2020; Werekoh, 2022).

Meanwhile, various studies globally have explored tax compliance in both developed and developing nations (D'Attoma, 2017; Musimenta et al., 2017; Nazaruddin, 2019). However, investigations into tax compliance, especially in African countries like Ghana, are limited (Twum et al., 2020; Carsamer & Abbam, 2020; Werekoh, 2022). The economic deterrence theory suggests that factors like tax rates, detection probability, and severity of penalties influence taxpayers' compliance behavior (Carsamer & Abbam, 2020). In contrast, the tax compliance theory proposed by Allingham and Sandmo in 1972 posit that governments curb tax evasion through penalties and audits, yet in Ghana, these efforts haven't effectively curbed non-compliance. While previous studies have explored various aspects of tax compliance, the influence of patriotism and religiosity on tax compliance among small and medium-sized businesses (SMEs) in Ghana has been largely overlooked. To fill this gap and provide insights into how these factors affect the relationship between behavioral intentions and sales tax compliance in Ghanaian SMEs, this study examines the moderating roles of patriotism and religion.

1.2 Statement of the Problem

Sales tax has emerged as a significant contributor to global tax revenue (Alshira'h, 2018). Within the tax structures of contemporary nations, sales tax occupies a pivotal role, particularly in developing countries where its prominence stems from the relatively lower economic development level, rendering it a principal source of government income (Alshira'h, 2018). This form of taxation is commonly known as value-added tax (VAT) in many countries, including the UK, the USA, and France, while in places like Australia, Singapore, and Ghana, it goes by the name goods and services tax (GST). For the purposes of this study, we will use VAT and sales tax

interchangeably. Currently, VAT or sales tax is in use in over 160 countries (Azmi et al., 2020).

As a result, sales tax is widely recognized for its effectiveness in generating substantial tax revenue

due to its ability to produce significant revenue collections (Alm, 2019; Azmi et al., 2020).

However, when it comes to compliance, adhering to sales tax regulations places a greater

regulatory burden on small and medium enterprises (SMEs) compared to other types of taxes

(Alshira'h, 2018). In the context of Ghana, Ntiamoah, Li, and Kwamega (2018) highlighted

numerous business failures, with others on the verge of collapsing. These challenges were

attributed to tax-related issues such as the high sales tax rate, increased tax compliance expenses,

and government-imposed tax policies (National Board for Small Scale Industries, 2018). The

reintroduction of the 3% VAT flat rate in July 2017, for instance, has encountered resistance as it

adversely affected demand for SME products and heightened business risks. Furthermore, the 3%

VAT flat rate has eroded the profit margins of SMEs, exacerbating their existing difficulties in

accessing financing (NBSSI, 2018).

Mohamad, Zakaria, & Hamid (2017) suggest that the inherent characteristics and nature of SME

operations often lead their owners to disregard tax obligations. This non-compliance can stem from

the abundant opportunities for cash-based transactions, which can easily go unreported. SMEs

frequently engage in cash transactions for sales and purchases, creating a propensity for dishonesty

(Alshira'h, 2018). Additionally, Alm (2019) discovers that the compliance level among business

income taxpayers is moderately low, primarily because sales taxes are frequently overlooked by

tax authorities, allowing taxpayers to evade them. Mohamad et al. (2017) have also found that

micro and medium-sized SMEs in suburban areas tend to have higher rates of tax evasion.

However, this issue requires an analysis that goes beyond just economic considerations; it needs

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to be examined from a non-economic standpoint. To understand individual behavior, efforts have been made to consider non-economic factors, including psychological and behavioral aspects (Carsamer & Abbam, 2020). While previous studies on tax compliance often focus on attitudes, subjective norms, and perceived behavioral control, Alshira'h et al. (2020) argue that religiosity deserves more attention as it could help explain taxpayer behavior. Consequently, this perspective might reveal underlying factors that influence individuals' willingness to engage in non-compliant behavior as taxpayers.

Religiosity and patriotism have been identified as a moral force driving taxpayers to fulfill their tax obligations (Alshira'h, 2018; Alshira'h & Abdul-Jabbar, 2020). While findings on the impact of religiosity and patriotism on compliance behavior vary, previous studies underscore its role in deterring intentions of non-compliance with tax mandates (Muslichah, 2017). Religiosity is believed to elucidate taxpayers' compliance behavior by discouraging negative attitudes and fostering positive ones (Eiya et al., 2017). Moreover, Carsamer & Abbam (2020) recommend that future tax compliance research, encompassing religiosity as a contributing factor, should involve more self-employed taxpayers to enhance the applicability of findings to the Ghanaian population. This study extends the outcomes of prior research (Gangl et al., 2017; Carsamer & Abbam, 2020) by exploring the indirect impact of religiosity on taxpayer compliance, mediated through patriotism. While previous studies have shown religiosity's potential to heighten patriotism, such connections have primarily been studied outside the realm of taxes (Rifa'i, et al., 2017). This research expands upon this in the context of sale tax compliance. It not only investigates the direct influence but also examines how religiosity affects taxpayers' attitudes toward patriotism and its implications for compliance. Additionally, researchers have identified religious belief as a key

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determinant explaining voluntary tax compliance. However, despite its significance in understanding taxpayer behavior, the roles of religiosity and patriotism as moderators have received limited attention, particularly in discussions of SME owners' tax conduct in the Ghanaian context. Religiosity and patriotism are anticipated to either strengthen, weaken, or reshape the relationship between selected factors and SME owners' intentions of sales tax non-compliance. Given the aforementioned knowledge gap and the importance of SME contributions, along with the necessity to curb tax non-compliance, numerous opportunities exist for further exploration. Consequently, the current study aims to fill this void in research by investigating the impact of patriotism and religiosity on the adherence of SMEs to sales tax regulations in Ghana. In doing so, it intends to provide insights that could aid in formulating efficient tax policies and enforcement approaches, fostering increased tax compliance and revenue generation within the nation.

1.3 Objectives of the Study

The main objective of the study is to explore the behavioral intentions that influences sales tax compliance among SMEs in Ghana.

Specifically, the study is to:

1. Examine the behavioral intentions on sales tax compliance among SMEs in Ghana.

2. Analyse the patriotism influence on sales tax compliance among SMEs in Ghana.

3. Evaluate the religiosity influence on sales tax compliance among SMEs in Ghana.

4. Assess the moderating role of patriotism in the relationship between behavioural intentions and sales tax compliance.

5. Investigate how religiosity affects the relationship between behavioral intentions and adherence to sales tax regulations.

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1.4 Research questions

The study seeks answer to the following research questions.

1. What are the behavioral intentions of SMEs in Ghana regarding sales tax compliance?

2. To what extent does patriotism influence the sales tax compliance behavior of SMEs in Ghana?

3. How does religiosity influence the sales tax compliance behavior of SMEs in Ghana?

4. Does patriotism moderate the relationship between behavioral intentions and sales tax compliance among SMEs in Ghana?

5. Does religiosity moderate the relationship between behavioral intentions and sales tax compliance among SMEs in Ghana?

1.5 Significance of the Study

The study's significance extends to industry stakeholders as it offers valuable insights to SMEs in Ghana, enhancing their understanding of behavioral intentions and sales tax compliance, which in turn can positively impact various essential sectors. The examination of patriotism and religiosity's roles in this dynamic will provide additional depth. In academia, the research will serve as a valuable resource for students exploring related subjects. Furthermore, readers will gain an appreciation for the importance of behavioral intentions and sales tax compliance, and how these factors are moderated by patriotism and religiosity. The study will also evaluate relevant theories to identify the most apt framework for assessing the constructs under consideration. Ultimately,

the research will conclude with implications and recommendations, enhancing comprehension of the existing factors examined in this study.

1.6 Scope of the Study

The study's focus will be restricted to Small and Medium-sized Enterprises (SMEs) in Ghana. Particular emphasis will be placed on a specific sector, selected with the specific aim of investigating how patriotism and religiosity influence the connection between behavioral intentions and sales tax compliance. This objective will be realized by making observations within the chosen SMEs in Ghana and by collecting data through questionnaires administered to relevant individuals involved in these enterprises.

1.7 Summary of Methodology

For this study, a descriptive research design will be employed. Descriptive research aims to present an accurate and reliable portrayal of components or variables relevant to the research topic, as highlighted by Creswell & Creswell, (2018). It facilitates the extrapolation of findings from a sample representing the larger population (Leedy & Ormrod, 2018). Thus, a selected group of participants from the informal sector's SME population will complete a questionnaire, which will serve as a broad interpretation of the results. Given the descriptive research design, data collection will involve quantitative methods through a survey. This approach maintains that the researcher's involvement is essential for achieving an impartial conclusion. The study's sample population will cover small and medium enterprises in the Sekondi-Takoradi Metropolis. Furthermore, a well-structured questionnaire will be distributed to 375 SME managers and owners, selected using a

simple random sampling technique. To this end, ethical considerations will be upheld prior to questionnaire distribution. Formal consent will be sought from respondents, who will be provided with comprehensive information through consent forms and information sheets. Upon data collection, quantitative data analysis will encompass descriptive statistics, including frequency distributions and mean calculations. Microsoft Excel will aid in tabular analysis, while Statistical Package for Social Scientists (SPSS version 26) will be used for more comprehensive statistical analysis. Results will be presented in tables and percentages, while Smart PLS will be employed to establish correlations between variables. With a focus on the independent and moderating variables, Smart PLS will be utilized to predict SME owners' sales tax compliance.

1.8 Limitations of the study

Numerous challenges were encountered throughout the study. Some respondents did not return the distributed questionnaires, despite being provided to all relevant parties. Consequently, there might be a slight margin of error when generalizing the findings. Additionally, encountering difficulties in persuading every participant to respond was notable. Nevertheless, it is important to note that these challenges did not impact the study's results.

1.9 Organization of the Study

The chapter is organized in five (5) main chapters. Chapter one provides an overview and an introduction to the study. Additionally, it gives the study's core details, emphasizing the context, statement of the problem, objectives, and research questions. It also emphasizes the importance and scope of the investigation. Chapter two presents the literature review which covers a review

of the conceptual literature, theoretical literature and empirical findings of related studies on the topic. The chapter three focuses on the research methods that will be used. It includes information about the research design that will be used, how the research will be conducted, the sample that will be used, the technique for data collection, and the method for data analysis. Chapter four provides analysis and interpretation of the data gathered by the researcher. Finally, the chapter five climax the whole study presenting summary of the study's findings. Conclusions will be drawn by the researcher citing recommendations to the study and for future research as well as the limitations faced by the researcher.
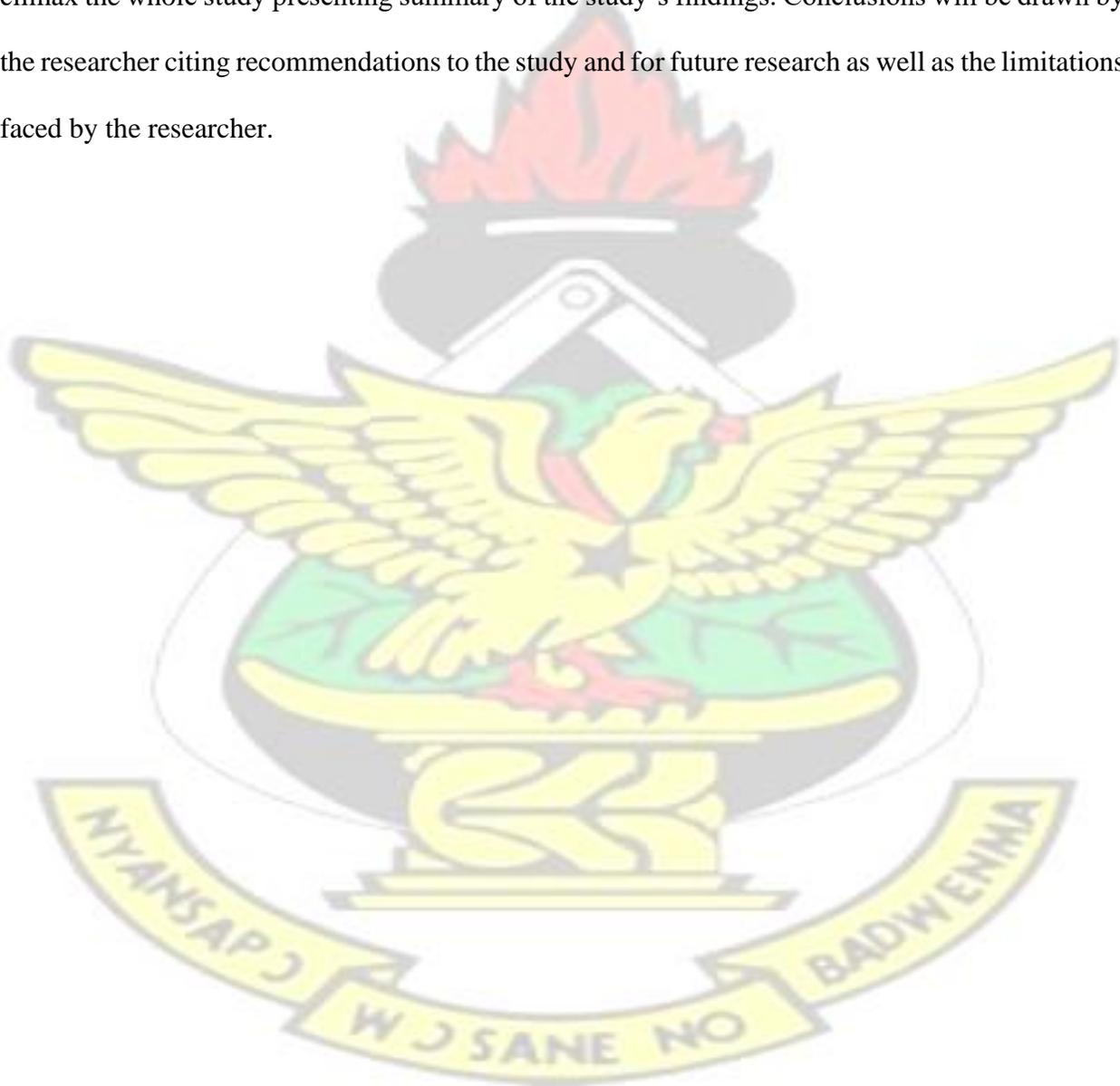
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of related studies on the topic "Behavioral Intentions and Sales Tax Compliance among SMEs in Ghana". Section 2.1 of the chapter covers a review of the conceptual literature, which presents concepts and definitions including sales tax compliance, overview of behavioral intentions, patriotism, religiosity and other related issues pertaining to the study understudy. Furthermore, section 2.2 of the chapter discusses the theoretical literature and covers theories such as the deterrence theory and theory of planned Behaviour. Section 2.3 also deals with the empirical review, which will be composed of findings of some studies conducted that is related to the topic under study and finally, section 2.4 and 2.5 will deal with hypothesis formulation and the conceptual framework.

2.1 Conceptual Literature Review

This section presents thorough explanation and discussions on each concept or construct, as well as synthesizes the various arguments and views into a unified piece. Thus, the section will help in explaining the study's variables and their measurement as adopted by other studies. Furthermore, the section was underpinned by three overlapping concepts: sales tax compliance, behavioral intentions, patriotism, religiosity and other related issues pertaining to the study understudy.

2.1.1 Sales Tax Compliance

Taxes are vital for generating income in both advanced and emerging nations. These countries employ diverse forms of taxes like direct and indirect levies to enhance their economies (Alm, 2019). Adhering to tax regulations is a lawful duty for all entities, encompassing individuals and businesses. Although the majority of individuals are anticipated to dutifully abide by tax regulations, certain individuals evade their tax obligations (Alm, 2019). Encouraging and ensuring tax compliance hinge on taxpayers' involvement in government decisions and spending (Alshira'h, 2018), as well as implementing stricter penalties and conducting tax audits. Despite numerous attempts to address tax compliance, it remains a complex issue. Devos (2018) highlights the absence of a universally accepted definition of tax compliance among researchers. For example, the concept of tax compliance pertains to the willingness of taxpayers to follow tax laws accurately, report their income, and meet their legal tax obligations (Alm, 2019; Devos, 2018). Another definition specifies compliance as the correct and timely submission of all necessary tax returns, reflecting precise tax liabilities in accordance with current tax laws and court decisions (Alshira'h, 2018). In a separate study, tax compliance was compared to a game involving interactions between taxpayers' choices, tax authorities, and the trust that taxpayers have in the equity of the tax system and adherence to tax regulations (Bani-Khalid et al., 2022). Tax compliance encompasses various aspects, with taxpayers expected to follow requirements related to reporting, filing, and making tax payments (Alshira'h, 2018).

Regarding sales tax, tax compliance involves following all established procedures and regulations. This includes accurately reporting actual sales amounts, correctly reflecting sales liabilities, making proper tax payments, and submitting sales returns punctually (Alshira'h & Abdul-Jabbar,

2019). Tax non-compliance can manifest as either tax evasion or tax avoidance. Tax evasion encompasses unlawful and deliberate actions by individuals and businesses to reduce their required tax payments. This may include activities such as reporting lower sales, income, or assets by exaggerating deductions, exemptions, loans, or by failing to submit required tax returns (Alshira'h & Abdul-Jabbar, 2020; Alshira'h et al., 2020). In contrast, tax avoidance refers to taxpayers legally reducing their taxes through strategic actions (Obaid, 2020). Tax non-compliance can take various forms, such as missing tax payment deadlines, exaggerating deductions, underreporting income, or failing to submit tax returns within specified timeframes (Obaid, 2020). While a significant amount of research has focused on complying with income taxes, there is a lack of extensive studies concerning adherence to sales taxes. Non-compliance with sales taxes is widespread and encompasses actions such as manipulating invoices and adjusting tax reports for various purposes, such as decreasing tax payments, boosting profits, and minimizing expenses by using evasive strategies or being influenced by attitudes, convictions, and societal norms. Due to the limited exploration of economic and socio-psychological factors associated with sales tax, the current study relies on existing tax compliance literature that can be applied to the context of sales taxes.

2.1.2 Behavioral Intention of Taxpayers

The concept of taxpayer behavioral intention lacks a precise definition, leading to its classification as an unclear construct (Bani-Khalid et al., 2022). In 1991, Ajzen introduced the Theory of Planned Behavior (TPB), which outlines three fundamental factors influencing individuals' intentions related to their behavior as taxpayers: attitude toward tax non-compliance, the influence of subjective norms, and perceived behavioral control. Regarding attitude, Ajzen defines it as an individual's assessment of whether a behavior is positive or negative. Generally, a more positive

attitude toward non-compliance strengthens the intention to engage in such behavior. In the context of tax compliance, Alleyne and Harris (2017) relate attitude to taxpayers' confidence in handling their tax affairs, reflecting their approach to compliance behavior. Numerous studies underscore the significant positive link between attitude and behavioral intention in tax compliance. This correlation is observed in Bani-Khalid et al. (2022) concerning tax compliance intention, Alleyne and Harris (2017) regarding behavioral compliance, and Wahyuni et al. (2019) concerning tax evasion. The impact of attitude on tax compliance behavior is strongly substantiated. The Theory of Planned Behavior (TPB) also suggests that people are more likely to adhere to tax regulations when they expect favorable results from their compliance actions. Conversely, they are less likely to comply if they foresee unfavorable consequences resulting from their behavior (Alm, 2019).

Another crucial factor shaping taxpayers' behavioral intentions is societal norms. According to Ajzen, subjective norms denote the impact of pressures exerted by influential individuals in one's perception, such as family members, employers, friends, spouses, tax preparers, and peers, who approve of certain decisions. This implies that if these influential individuals endorse non-compliance actions, it could lead to an increase in tax non-compliance. Alshira'h (2018) assert that taxpayers often emulate the behavior of those in their social circles. This assertion aligned with the TPB, is supported by Hamid et al. (2019), who posit that individuals tend to engage in specific behavior when their reference group also partakes in or approves of that behavior Previous studies by Alshira'h (2018), Alshira'h et al. (2020), and Obaid (2020) consistently found a substantial and positive connection between subjective norms and tax compliance behavior. These studies collectively support the idea that subjective norms have a beneficial influence on tax compliance. However, Wahyuni et al. (2019) found that individual taxpayers' engagement in tax evasion is not

guided by subjective norms. In contrast, Inasius (2019) revealed an insignificant effect of subjective norms on influencing tax compliance among SME owners.

Perceived behavioral control is another influencing factor on the intent to perform a certain behavior, and it can also be affected by factors like the availability of resources and opportunities for such actions. In the context of tax compliance, Alm (2019) defines perceived behavioral control as taxpayers' self-assurance in evaluating their tax returns in a way that benefits them. Inasius (2019) explains that perceived behavioral control illustrates the extent of control a taxpayer has over exhibiting specific behaviors, such as reporting lower income, exaggerating expenses, and other forms of tax non-compliance. Bani-Khalid et al. (2022) discover a positive relationship between perceived behavioral control and intention to engage in cheating behavior, which aligns with a tax evasion study by Wahyuni et al. (2019). On the other hand, Sudiartana and Mendra (2018) reveal that perceived behavioral control is significantly associated positively with the intention to comply, but negatively associated with the intention to engage in non-compliance. Their study underscores that the compliance intention of SME owners in Indonesia is impacted by their experiences and the challenges they face. As the level of behavior controllability increases, so does the intention to comply. Moreover, the research indicates that SME owners' behavior in the Bali Province is primarily influenced by their emotions and skepticism towards tax authorities. Managing these emotions and doubts could encourage compliance behavior. In view of the above discussions, individuals exhibiting high levels of the three components of behavioral intention are more likely to partake in sales tax compliance.

2.1.3 Patriotism

Patriotism, which involves a love for one's country, is believed to encourage taxpayers to willingly pay higher taxes (Alshira'h, 2018). This is because individuals with a strong sense of patriotism are less inclined to consider moving to another country when faced with higher tax rates. This, in turn, enables governments to implement higher tax levels. The payment of taxes can be seen as a reflection of taxpayers' love for their country and their desire for its success (Savitr, 2019). Hence, patriotism holds substantial importance in various dimensions. For example, a study conducted by Tajfel in 1974 suggested that the Social Identity Theory offers a valuable framework for comprehending patriotism and its consequences. In this context, patriotism refers to the emotional attachment and positive identification that motivates individuals to willingly pay more sales taxes and refrain from fraudulent behavior related to tax evasion, with the aim of contributing to the development of their country. Other studies have also highlighted the distinction between nationalism and patriotism, with patriotism being described as a non-conflictual love for one's country that does not involve a specific bias towards any particular group (Alshira'h & Abdul-Jabbar, 2019; Alshira'h et al., 2020). Patriotism can, at times, lead to positive relations with foreign nations. Patriotism, as described, does not involve hostility toward other nations or foreigners living in one's country. On the contrary, nationalism is marked by a preference for one's own ethnicity and a pursuit of dominance over other nations (Savitr, 2019). Nationalism often entails indifference towards foreign countries, foreign residents within one's own nation, and a longing for supremacy over other nations (MacGregor and Wilkinson, 2016).

Gangl et al. (2017) highlighted the significant role of patriotism in motivating taxpayers to support government stability. In the United States, there has been a public discourse concerning taxation

and patriotism, particularly evident during the 2008 presidential election, where candidates underscored the patriotic obligation of paying taxes. MacGregor and Wilkinson (2016) aver the significance of patriotic taxpayers, as they tend to exhibit higher tax compliance. These individuals view non-compliance as an unpatriotic act (Alshira'h & Abdul-Jabbar, 2019). Nevertheless, Gangl et al. (2017) revealed that there is no correlation between patriotism and tax compliance. Hence, there is a need to investigate how patriotism impacts sales tax compliance since previous research has mostly focused on income tax compliance and overlooked factors related to attitude, like patriotism. This study aims to fill this gap and improve our understanding of sales tax compliance among small and medium-sized enterprises (SMEs) in Ghana.

2.1.4 Religiosity

According to a study by Benk et al (2017) revealed that there are two ways to approach the discussion of religiosity: religious affiliation and religious commitment. Religious affiliation refers to one's identification with a specific religion and can be observed through attendance and active membership in religious organizations. On the other hand, religious commitment is not observable and relates to an individual's beliefs and how they apply them in their daily life. Hwang and Nagac (2021) employed RCI-10 to investigate the impact of religiosity on taxpayers' compliance behavior. They observed a positive relationship between religiosity and tax compliance. This finding aligns with similar studies such as Hanifah and Yudianto (2019) and Nazaruddin (2019). In a cross-cultural study conducted by Mohdali & Pope (2017), they found both positive and negative links between religiosity and tax compliance behavior, regardless of whether compliance was voluntary or enforced. However, in the case of Ghana, research conducted by Carsamer and Abbam (2020) yielded contrasting findings. According to their study, religiosity had a significant

effect on tax compliance behavior, but this effect was significant only in situations where compliance was voluntary, and it did not appear to influence behavior when enforcement measures were involved.

This finding is also supported by Radzi & Ariffin (2022), where it is suggested that religious values are not a determining factor in increasing tax compliance levels, as religiosity alone cannot explain tax compliance behavior. Generally, the evidence regarding the influence of religiosity on taxpayers' tax compliance is not overwhelmingly conclusive. Some studies suggest that religiosity can deter cheating and non-compliance, but others find insignificant results. The Theory of Religious Commitment suggests that SME owners with low religiosity may be more prone to tax non-compliance. Furthermore, it is anticipated that religiosity will decrease the inclination to participate in tax evasion, given that religious principles often discourage disobedience of rules. Consequently, the present study seeks to investigate the role of religiosity as a moderating factor in the sales tax compliance behavior of small and medium-sized enterprises (SMEs) in Ghana.

2.1.5 Small and Medium Enterprises (SMEs) in Ghana

In Ghana, SMEs are typically categorized using a prevalent method based on the size of their employees. Ghana Statistical Service (2020) defined small enterprises as those employing fewer than 10 employees, whereas medium-sized enterprises have employees exceeding 10. The National Board for Small Scale Industries (NBSSI) in Ghana follows a similar approach, taking into account both 'fixed assets and the number of employees' as criteria for classifying SMEs, as elucidated by Ntiamoah et al. (2018). According to the NBSSI, small enterprises are characterized

by having fewer than 9 employees, possessing plant and machinery (excluding land, buildings, and vehicles), and having a value not exceeding 10 million Cedis (equivalent to US$ 9506 using the 1994 exchange rate). Additionally, the Venture Capital Trust Fund Act of 2004 (Act 680) defines SMEs as projects, economic activities, or industries with a total asset base (excluding land and buildings) below the equivalent of $1 million in cedi value. Additionally, according to the Ghana Revenue Authority (GRA), small firms are defined as those with annual revenues of GH¢ 90,001 or less, while medium-sized businesses are defined as those with annual revenues of GH¢ 90,001 but below GH¢ 5,000,000.

Small and medium-sized enterprises (SMEs) face significant challenges related to the costs associated with complying with tax regulations (Fowkes et al., 2018). They also grapple with the disproportionate impact of regulatory requirements on their day-to-day operations. Additionally, limited access to financial resources is a significant concern for SMEs, hindering their potential for growth and expansion (Muriithi, 2017). SMEs encounter considerable obstacles in securing both debt and equity financing. The availability of debt financing and its terms pose financial constraints on SMEs, often resulting in higher expenses when trying to obtain funding compared to larger businesses (Muriithi, 2017). An OECD analysis from 2018 indicated that many nations have decreased tax rates expressly for SMEs to increase their competitiveness. Additionally, governments help SMEs using non-tax measures including lending programs and specialized tax legislation. These measures encompass simplification strategies and preferences designed to benefit SMEs (Fowkes et al., 2018).

2.2 Theoretical Literature Review

This section looked at the theories which may be applicable to the study. This study was informed by two theories, namely; deterrence theory and theory of planned behaviour. The researcher chose these theories for the study, because of their relevance to the study's objectives.

2.2.1 Deterrence Theory

Tax compliance research originates from Becker's 1968 Model of the economics of crime, which was initially designed for studying illegal activities. Allingham and Sandmo adapted this theory in 1972 to understand how taxpayers behave, especially when it comes to following tax rules and the fear of punishment as a deterrent (Obaid, 2020). Deterrence theory is based on the idea that the fear of getting caught and facing penalties discourages people from engaging in illegal tax actions. In this theory, taxpayers make decisions about following tax rules based on the potential consequences of being caught and penalized (Alm, 2019). Factors like the tax rate, the likelihood of getting caught, and the severity of penalties influence how taxpayers perceive the costs of not complying with tax laws (Obaid, 2020).

In essence, deterrence theory assumes that taxpayers pay their taxes mainly because they're afraid of being caught and punished if they try to evade taxes (Alm, 2019). So, taxpayers decide what to do based on the risk of not complying, weighing the benefits of following tax laws against the rewards of not doing so (Werekoh, 2022). According to Werekoh (2022), this theory identifies four key factors affecting taxpayers' decisions: the tax rate, their income, the chance of being audited, and the severity of penalties. When there is a high chance of getting caught and facing

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severe penalties, taxpayers are more likely to follow tax rules. However, if the chances of audits are low, and the penalties for not complying are minor, people may be more tempted to evade taxes (Taing & Chang, 2020). Some studies have focused on deterrence theory, especially regarding the impact of different penalties on deterring tax evasion (Marandu et al., 2017). However, this theory has faced criticism for concentrating too much on economic factors and not considering other important aspects (Sandmo, 2005).

Critics of deterrence theory argue that it makes three assumptions: first, that people know about the penalties for not complying with taxes; second, that people have strong control over their actions; and third, that people make decisions based on rationality rather than emotions (Al-Ttaffi et al., 2020). This has given rise to the notion that the deterrence theory, by itself, is insufficient in providing a complete explanation for tax non-compliance (Alshira'h & Abdul-Jabbar, 2019). Alshira'h et al. (2020) discovered that deterrence has restricted effectiveness in explaining why individuals adhere to tax regulations because it primarily affects external incentives. Therefore, there is a growing need for a new approach that combines psychology with economics to promote tax compliance effectively (Werekoh, 2022). In summary, deterrence theory by itself does not completely explain why people willingly follow tax laws. It is just one of the theories, so it is important to consider other theories like the Theory of Planned Behavior to understand tax compliance behavior better.

2.2.2 Theory of Planned Behaviour

The Theory of Planned Behavior (TPB) is a psychological theory developed by Ajzen in 1991. It aims to explain human behavior by focusing on the factors that influence behavioral intentions. These factors include attitudes toward the behavior, subjective norms, and perceived behavioral control. TPB is an extension of the earlier Theory of Reasoned Action (TRA), which also emphasizes behavioral intentions but lacks a comprehensive explanation for non-volitional behavior. Ajzen argues that TRA falls short in predicting behavior when individuals do not have complete control over their actions due to factors like available resources and opportunities. In 1975, Fishbein and Ajzen introduced TPB, which highlights the importance of having the intention to engage in a specific behavior as a predictor of actual behavior. TPB suggests that attitudes, subjective norms, and perceived behavioral control play crucial roles in shaping an individual's intentions to participate in a particular behavior, ultimately influencing their real-life actions. Over time, TPB has become one of the most widely used models in behavioral research, demonstrating its significance in understanding human behavior (Armitage and Conner, 2021).

The roots of TPB can be linked to the Expected Utility theory, which introduced different factors to explain how people behave (Alshira'h & Abdul-Jabbar, 2019). If this proposition holds true, it signifies that behaviors can be predicted, potentially enabling TPB to assist tax authorities in forecasting and supporting taxpayer behavior. While the Theory of Planned Behavior (TPB) has found wide application in areas such as health, psychology, leisure decisions, and information technology (Ajzen, 1991), it is somewhat unexpected that its utilization for studying tax compliance has been relatively restricted. Ajzen (1991) argues that TPB is a suitable framework for better understanding taxpayer behavior, given its successful examination of various community

behaviors such as traffic control (Atombo et al., 2017) and health (Armitage and Conner, 2021). However, the potential of this model has not been fully harnessed in tax payment studies (Langham et al., 2022). In response to this gap, the present study endeavors to establish a fresh compliance model based on TPB. The objective is to improve our understanding of the complex decision-making involved in tax compliance and to develop strategies for compliance that can be used by a broader range of people (Langham et al., 2022).

Several studies have expanded the scope of TPB by incorporating supplementary predictors. For instance, Widuri et al. (2019) introduced spirituality variables, while Ramayah, Yusoff, Jamaludin, and Ibrahim (2019) combined TPB with the Theory of Reasoned Action (TRA) and the Fraud Diamond Theory. Bobek et al. (2018) introduced ethical factors into the discussion, while Alshira'h & Abdul-Jabbar (2019) brought in cultural variables. Bobek et al. (2018) and Ramayah et al. (2019) used TPB to study tax compliance and confirmed that attitude, subjective norms, and perceived behavioral control all impact one's intention to comply with taxes. Expanding TPB to the context of tax compliance, Alshira'h & Abdul-Jabbar (2019) examined the factors influencing individual taxpayers' intentions to comply with taxes and found that elements like equity perception, normative expectations, and legal sanctions all positively influence tax compliance intentions. In a related study, Benk et al. (2017) investigated tax compliance intentions in Zonguldak, Turkey, building upon the work of Efebera et al. (2017). However, their findings diverged; they noted normative expectations and legal sanctions significantly impacting tax compliance intention, while equity perception showed no effect. In alignment with these methodologies, the present study broadens TPB by incorporating patriotism and religiosity as extra predictors.

2.3 Empirical Review

This section of the study presents a summary of findings from previous studies conducted by different authors or researchers from all over the world in relation to the variables of the study.

2.3.1 Behavioral Intentions and Sales Tax compliance among SMEs

Tan and Braithwaite (2018) conducted research in New Zealand focusing on small businesses and their views on taxation using the motivational postures framework. This framework includes the attitudes and beliefs that influence how taxpayers view and prefer their interactions with the tax authority, essentially imagining themselves in the role of the tax authority. The study revealed that small business taxpayers hold different attitudes regarding their tax-related activities. Furthermore, when they perceive the tax authority as being fair and trustworthy, it helps reduce the perceived social gap between the tax authority and taxpayers. Similarly, Yong (2022) explored the experiences of small business owners during tax audits and assessed how these experiences influenced their perceptions of taxation using the concept of procedural justice. The research results indicated that when tax audits employ unfair procedures, it leads to a decline in taxpayers' willingness to cooperate with the tax authority. Furthermore, the study proposed that tax audit processes were not efficient in detecting cases of tax evasion among business taxpayers.

In Greece, Kaplanoglou, Rapanos, and Daskalakis (2018) focused on the tax compliance behavior of small and medium-sized enterprises (SMEs) during an economic crisis. They investigated various factors, including both economic and psychological ones, that affect tax compliance. The

study's findings indicated that the participants had a clear grasp of the relationship between political quality and tax institutions. Trust also emerged as a key factor, positively influencing voluntary compliance while discouraging intentional tax evasion. Relatedly, a study conducted by Langham et al. (2022) delved into the factors influencing tax compliance among small and medium-sized enterprise (SME) owners in Australia. Their research uncovered that taxpayers have limited control over their actions, making it challenging to ensure complete compliance with all tax responsibilities. They also observed that having a strong intention to comply with tax obligations does not always translate into actual compliance. Additionally, they discovered that the intricacy of tax regulations was linked to a reduced willingness to comply with tax regulations.

In the context of developing countries, Tainga and Chang (2020) used the theory of planned behavior (TPB) to investigate residents' tax compliance intentions in Phnom Penh, Cambodia. The study identified seven factors, including tax morale, perceptions of tax fairness, trust in the government, complexity of tax regulations, availability of tax-related information, and tax awareness. They collected survey data from 402 respondents and found that tax morale, perceptions of tax fairness, and tax complexity significantly influenced tax compliance intentions. Furthermore, a study conducted in Pakistan by Usman et al. (2023) explored the moderating effect of patriotism on the relationship between the love of money and income-tax compliance. The researchers collected data from 450 respondents using structured questionnaires and found that the love of money had a negative impact on income-tax compliance, which was partially moderated by patriotism.

2.3.2 Patriotism and Sales Tax Compliance

Alshira'h et al. (2020) conducted a study focused on understanding how patriotism and public governance influence sales tax compliance among small and medium-sized enterprises (SMEs) in Jordan. They collected data from 385 SME owner-managers through self-administered surveys. Using partial least squares structural equation modeling, they examined the impact of patriotism, public governance, and the interaction between these factors on sales tax compliance. Their findings revealed that both patriotism and public governance had a positive effect on increasing sales tax compliance levels. Moreover, the study supported the idea that patriotism interacts with public governance to further enhance sales tax compliance.

On the other hand, Bani-Khalid et al. (2022) applied an extended version of the Theory of Planned Behavior (TPB) to investigate the intentions of SME owner-managers in Jordan regarding their participation in sales tax compliance. They distributed 660 questionnaires to owner-managers of manufacturing SMEs, ultimately analyzing 385 suitable responses. To validate both the measurement and structural models, the researchers employed Partial Least Squares-Structural Equation Modeling (PLS-SEM). The study's results indicated that several factors significantly influenced the intentions of the surveyed SMEs to engage in sales tax compliance. These factors included their attitude towards compliance, subjective norms, perceived behavioral control, and patriotism. Essentially, these determinants played a crucial role in shaping the intentions of SMEs to adhere to sales tax regulations, as demonstrated by the study's findings.

2.3.3 Religiosity and Sales Tax Compliance

Benk et al. (2017) explored the connection between religiosity and tax compliance among self-employed taxpayers in Turkey, considering both voluntary and enforced compliance. They examined two aspects of religiosity: interpersonal and intrapersonal. Their findings indicated that religiosity, on the whole, had a positive and statistically significant influence on both voluntary and enforced tax compliance. However, it was observed that only intrapersonal religiosity significantly contributed to voluntary tax compliance, while interpersonal religiosity did not have a significant statistical impact on either voluntary or enforced tax compliance. In a study focused on developing countries, Alshira'h (2018) investigated sales tax compliance among small and medium-sized enterprises (SMEs) in Jordan. The research revealed several factors correlated with SMEs' compliance with sales tax, including tax audits, penalties, tax morale, tax fairness, and patriotism, all of which had a positive association with compliance. However, tax complexity was found to have a negative influence on compliance, while peer influence and tax rates did not significantly affect compliance.

In Nazaruddins study conducted in 2019, the primary focus was on investigating the direct impact of religiosity on taxpayer compliance. In the course of this research, a mediating variable, taxpayer patriotism, was introduced into the analysis. Data were gathered from a survey involving 78 respondents, and the researcher took measures to ensure the instruments used were valid and reliable. Classical assumptions were also tested before hypotheses were analyzed. The study employed both simple and multiple regression techniques to examine the relationships between the variables. The results of the study demonstrated that religiosity had a positive influence on both patriotism and taxpayer compliance. As a result, the study concluded that higher levels of

patriotism were associated with increased taxpayer compliance. In a related study, Ogiedu (2020) examined the correlation between religiosity and tax compliance among self-employed taxpayers in the South-South region. The researcher surveyed 450 participants and found a positive and significant relationship between religiosity and voluntary tax compliance. However, there was no significant relationship between religiosity and enforced tax compliance. The study suggested leveraging religiosity and religious principles to encourage tax law adherence.

In the context of Ghana, Werekoh (2022) conducted a study with 400 SMEs in Ghana to examine how taxation affects economic development and how tax compliance moderates this relationship. The study used questionnaires to collect data and found that tax compliance plays an important role in increasing the effectiveness of taxation in influencing economic development, although its moderating effect was relatively low. Carsamer and Abbam (2020) examined the role of religion and religiosity in tax compliance among Ghanaian SMEs. The study collected data from 472 SMEs using questionnaires and analyzed it using SPSS. The findings showed that religiosity alone was not a sufficient explanation for tax compliance behavior in SMEs. Other factors like ethical considerations, institutional factors, firm attributes, and entrepreneur characteristics also played important roles.

Existing literature on tax compliance behavior in SMEs shows that most studies have been conducted in developed economies, with a limited amount of research in developing economies like Ghana. Only two relevant studies have been identified in Ghana, and they mainly focused on the relationship between taxation and economic development and religion and tax compliance,

rather than specifically exploring sales tax compliance. This review highlights the lack of comprehensive research in this field and identifies gaps in research methodologies, factors investigated, and depth of coverage in existing studies.

2.4 Hypothesis Formulation

This section describes how the hypotheses for this study were formulated. A hypothesis is a logical assumption of a relationship between variables that can be investigated (Obaid, 2020). In this study, the hypotheses are focused on the relationship between behavioral intentions (independent variable) and sales tax compliance behavior of SMEs (dependent variable). The hypotheses are numbered, with H_1 addressing the direct connection between behavioral intentions and sales tax compliance. H_2 to H_5 examine the influence of moderators on this relationship. These hypotheses were developed based on previous studies, which are discussed in the previous chapter. The formulation of each hypothesis is explained in more detail in the following sections.

2.4.1 Behavioral Intention of Taxpayers and Sales Tax Compliance

Taxpayers' behavioral intention refers to an individual's beliefs about the resources, opportunities, and obstacles related to engaging in specific tax-related behaviors (Alleyne and Harris, 2017). While there has been limited research on this topic, some studies have found that higher levels of perceived behavioral intentions can lead to stronger intentions for small and medium-sized enterprises (SMEs) to comply with taxes (Bani-Khalid et al., 2022; Alshira'h, 2018). However, the relationship between behavioral intention and tax compliance is not consistently significant. Perceived behavioral controls, along with subjective norms, have been found to significantly

influence SMEs' tax compliance (Radzi and Ariffin, 2022). Additionally, perceptions of justice in the tax system can influence compliance behavior, while behavioral intention and perceived control can affect taxpayers' avoidance of tax fraud. Attitude and behavioral intention have been found to have a positive relationship with compliance behavior (Hamid et al., 2019). Based on these findings, the hypothesis to be tested is that:

H_1: There is a positive relationship between behavioral intentions and SMEs' sales tax compliance.

2.4.2 The Relationship Between Patriotism and Sales Tax Compliance

The notion of individuals existing within a country is exemplified through their ownership, love, loyalty, pride, and defense towards their nation and social groups. This emotional connection is commonly known as patriotism, which encompasses the personal sentiments individuals have towards their country (Nazaruddin, 2019). Research shows that national identity, specifically patriotism, is instrumental in determining an individual's adherence to tax obligations (Benk et al., 2017). Several studies have been conducted in this area, establishing a link between an individual's level of patriotism and their compliance with tax regulations (Nazaruddin, 2019; Benk et al., 2017). These findings emphasize the potential of patriotism in generating higher tax revenues and improving overall compliance. Furthermore, patriotism has a direct impact on an individual's attitude towards tax compliance, contributing to the enhancement of social norms. Previous studies consistently demonstrate a positive correlation between patriotism and tax compliance. Based on these findings, the following hypothesis is proposed for testing:

H_2: There is a positive relationship between patriotism and sales tax compliance of Ghanaian SMEs.

2.4.3 The Relationship Between Religiosity and Sales Tax Compliance

The role of religion in guiding individuals in their daily lives is significant. It acts as a regulator of behavior, discouraging unethical actions (Nazaruddin et al., 2018). Religiosity encompasses a belief system integrated into one's lifestyle, rituals, and institutional framework, giving meaning to human existence and guiding individuals towards higher values (Nazaruddin et al., 2018). Those with strong religiosity are more likely to abide by tax regulations and exhibit positive behaviors such as empathy. Many studies have shown a positive correlation between religiosity and tax compliance, although some have produced conflicting results (Benk et al., 2017; Alleyne and Harris, 2017). Based on this, the hypothesis is that:

H_3: Religiosity has a positive effect on tax compliance.

2.4.4 The Moderating Role of Patriotism

Patriotism is commonly seen as a deep love for one's country and a willingness to make sacrifices for its benefit (Djajanti, 2020). Paying taxes is often viewed as a way of expressing this love and desire for the country's prosperity. Patriotism can have a significant influence on tax compliance, but it can be affected by other factors. Social identity theory suggests that a person's sense of identity within society can shape their attitudes and actions towards tax compliance. Previous studies have generally found a positive association between patriotism and tax compliance, indicating that patriotic individuals are more likely to fulfill their tax obligations (Alshira'h & Abdul-Jabbar, 2019; Nazaruddin et al., 2018). However, there are also studies that have reported

contradictory or insignificant findings on the impact of patriotism on tax compliance (Bani-Khalid et al., 2022). Based on the factors discussed, the study presents the following hypothesis:

H$_4$: Patriotism moderates the relationship between behavioral intentions and sales tax compliance of Ghanaian SMEs.

2.4.5 The Moderating Role of Religiosity

This study focuses on the role of religiosity as a moderator in the relationship between behavioral intentions and sales tax compliance among Small and Medium-sized Enterprises (SMEs). Prior research has explored how religiosity moderates various factors in tax compliance. Hwang & Nagac (2021) revealed that religiosity moderates the influence of tax education and knowledge on tax compliance, while Eiya et al. (2017) found that religiosity moderates the relationship between taxpayers' education and tax compliance in Nigeria. Hanifah and Yudianto (2019) examined religiosity as a moderator in the context of zakat payment among Muslim sole proprietors and partnerships. Based on this, the hypothesis is that:

H$_5$: Religiosity moderates the relationship between behavioral intentions and sales tax compliance of Ghanaian SMEs.

2.5 Conceptual Framework

The main aim of this study is to examine how patriotism and religiosity impact the relationship between behavioral intentions and sales tax compliance among small and medium-sized enterprises (SMEs) in Ghana. The study focuses on three key variables: behavioral intention (independent variable), sales tax compliance (dependent variable), and patriotism and religiosity

(moderating variables). The conceptual framework used in this study is based on previous research conducted in Jordan by Alshira'h & Abdul-Jabbar (2020) and Bani-Khalid et al. (2022), as it provided a consistent and relevant explanation for the variables in the Ghanaian context. Figure 2.1 illustrates the framework in a diagrammatic form.
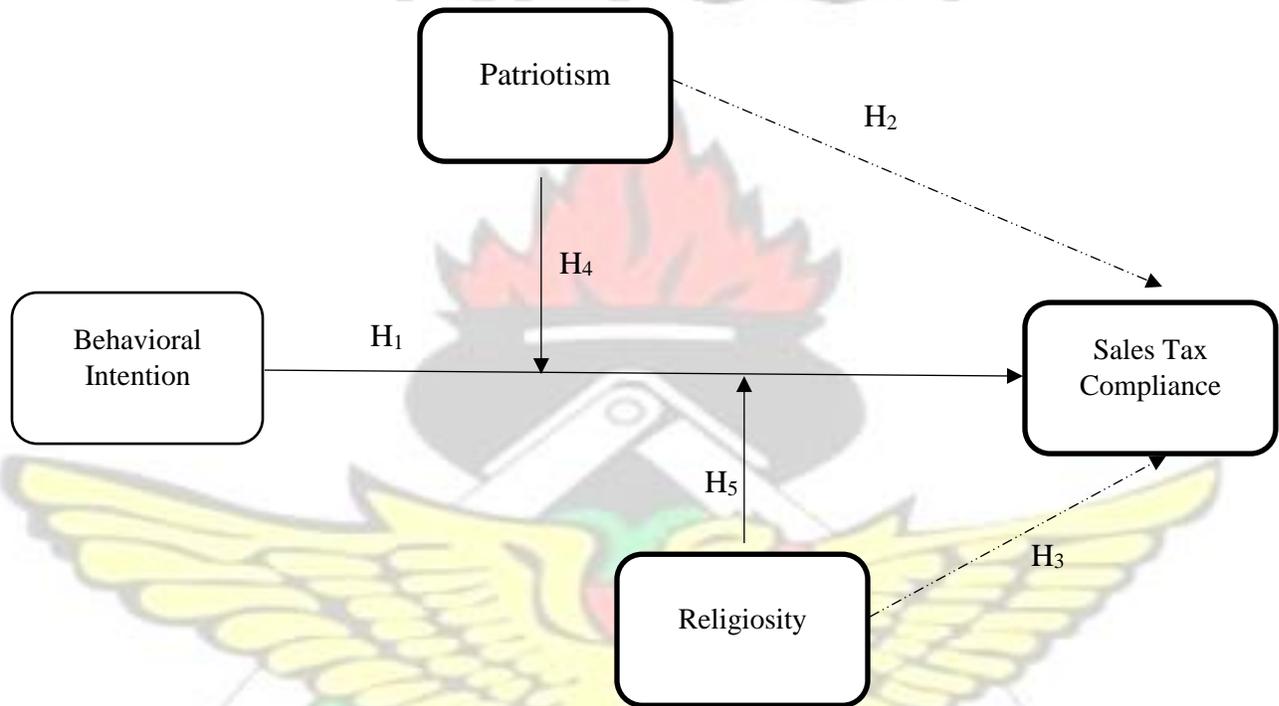
Fig 2.1 Conceptual framework of the study

Source: Alshira'h & Abdul-Jabbar (2020) and Bani-Khalid et al. (2022)

In Figure 2.1, there are three main variables: behavioral intention, sales tax compliance, and patriotism and religiosity. The relationship between behavioral intention and sales tax compliance is the main focus of this study. Behavioral intention refers to the level of commitment or willingness of SMEs in Ghana to comply with sales tax regulations. The hypothesis is that SMEs with higher behavioral intentions are more likely to comply with sales tax regulations, while those

with lower behavioral intentions may have a tendency to evade or avoid tax obligations (Alshira'h & Abdul-Jabbar, 2020).

On the other hand, patriotism and religiosity are introduced as moderating variables in this relationship. Patriotism refers to the sense of loyalty and love for one's country, while religiosity refers to the level of religious beliefs and practices. The hypothesis is that the presence of patriotism and religiosity may strengthen the relationship between behavioral intention and sales tax compliance (Bani-Khalid et al., 2022). SMEs with high levels of patriotism and religiosity may feel a stronger sense of duty and moral obligation to comply with tax regulations, leading to higher levels of sales tax compliance. Furthermore, the conceptual framework suggests that patriotism and religiosity play a moderating role in the relationship between behavioral intention and sales tax compliance. This means that the impact of behavioral intention on sales tax compliance may vary depending on the levels of patriotism and religiosity among SMEs in Ghana (Carsamer, & Abbam, 2020). In other words, the presence of patriotism and religiosity may amplify or weaken the effect of behavioral intention on sales tax compliance.

2.6 Summary of Chapter

The chapter presented a review of related studies on the topic understudy. The chapter further presented a review of the conceptual literature, and covers concepts including concept of SMEs, definitions and overview of sales tax compliance and overview of behavioral intentions. Also, theories used for the study such as the deterrence theory and theory of planned behaviour made up

the theoretical literature. Finally, the empirical review however, was composed of findings from some studies conducted that was related to the topic under study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the methods adopted for the construction of the chapter. The chapter is organized into six (6) main sections. Section 3.1 covers the research design used in conducting the study. This includes the research approach and research type adopted for the study. Section 3.2 and 3.3 also covers the unit of analysis and population of the study with section 3.3 deals with the sample for the study which included the sampling size and technique. Section 3.4 presents data type and how they will be collected. The study outlines the variable description and how they are measured with how the reliability and validity results will be obtained. The chapter ends by addressing the study's ethical considerations and providing a summary of the chapter.

3.1 Research Design

The research methodology utilized for data collection, analysis, and interpretation is the survey approach. The decision to opt for a survey strategy, as opposed to other research designs like experimental or causal-comparative, was guided by Leedy & Ormrod (2018) assertion that surveys are well-suited and commonly employed in business and management research. The survey method was chosen because it allowed for the cost-effective collecting of important data from the entire population. The study also employed a quantitative approach, utilizing structured closed-ended questionnaires to gather numerical data essential for addressing the study's objectives. Quantitative approaches offer flexibility in handling data, allowing for comparative and statistical

analyses. Furthermore, the method's ability to collect data consistently supports the establishment of reliability (Creswell & Creswell, 2018).

3.2 Unit of Analysis

The research examines Small and Medium Enterprises (SMEs) in Ghana as its primary unit of analysis. These SMEs are businesses that meet specific size criteria, typically determined by factors like the number of employees or annual revenue. The study is primarily concerned with gaining insights into the behavioral intentions and tax compliance of SMEs within the specific business environment of Ghana.

3.3 Population of the study

According to Leedy & Ormrod (2018), a research population denotes a group of individuals or objects that share at least one common characteristic. In this context, the study's population encompasses all owners of small and micro-sized enterprises situated within the Sekondi-Takoradi Metropolis. In 2018, the Ghana Statistical Service reported that there were a total of 16,806 enterprises in the Metropolis, which were classified into the categories of Large, Medium, Small, and Micro Enterprises (LMSM). Within this count, there are 2,130 enterprises classified as small and 14,226 enterprises categorized as micro-sized. Consequently, the target population for this study is 16,356 SMEs.

3.4 Sample Size

In this study, the sample size was determined using Krejcie and Morgan's (1970) table. This approach was chosen because the table aids researchers in establishing an appropriate number of individuals for their sample, ensuring that the outcomes are both statistically valid and representative of the larger population (Lutfi et al., 2017). Lutfi et al. (2017) posit that the table factors in elements such as population size, desired confidence level, and potential margin of error, providing researchers with well-informed guidance on sample size decisions. According to the table, a population of 16,000 corresponds to a sample size of 375. Given the study's population of 16,356, a sample size of 375 is deemed suitable. Table 3.1 below shows the population and sample Size determination

Table 3. 1 : The Population and Sample Size Determination

Strata	Population	Sample size
Small Enterprises	2,130	148
Medium Enterprises	14,226	227
Total	**16,356**	**375**

Source: Author's Construct, (2023)

3.5 Sampling Technique

Sampling is a statistical procedure involving the selection of a subset, termed a "sample," from a larger population of interest. This process facilitates the collection of observations and statistical inferences about the population as a whole (Leedy & Ormrod, 2018). Due to practicality and cost considerations, it is often unfeasible to study the entire population. Instead, a representative sample is chosen for observation and analysis (Leedy & Ormrod, 2018). It is crucial for the selected sample

to accurately reflect the larger population both in its entirety and in proportion (Creswell & Creswell, 2018). To satisfy the principle of proportionality, the sample size should appropriately reflect the entire population (Lutfi et al., 2017). To achieve this, the current study employs the stratified sampling technique, which entails dividing the small and micro-sized enterprises (SMEs) into distinct strata. This approach, as described by Lutfi et al. (2017), enhances the representativeness of the sample. By ensuring proportional representation within each stratum, stratification increases the likelihood of achieving an accurate depiction of the entire population. After the stratification, a simple random sampling method is employed to select respondents from the SMEs. This method offers each SME an equal opportunity for selection, contributing to a balanced and unbiased sample representation.

3.6 Data and Sources

The study will used primary data as its source of date. The primary data will be mainly collected through structured questionnaires administered to small and medium enterprise owners in the Sekondi-Takoradi Metropolis. According to Creswell & Creswell (2018), questionnaires are well suited for explanatory and descriptive research. Lutfi et al. (2017) also argue that questionnaires are particularly effective for gathering factual data and offer an efficient way to collect data from a broad population. Given the specific aims of this study, questionnaires will be employed to acquire the necessary information. Despite the potential weaknesses associated with questionnaires, such as a preference for closed-ended questions over open-ended ones due to ease and time constraints (Leedy & Ormrod, 2018), this instrument was deemed suitable for the study.

3.6.1 Questionnaire Design

A questionnaire comprises a series of questions presented to participants to solicit their responses (Lutfi et al., 2017). Lutfi et al. added that participants read the questions, decipher their intent, and subsequently providing their answers in writing. This instrument has gained widespread utilization across various sectors, including research, private individuals, public entities, and governmental bodies (Lutfi et al., 2017). In this context, the current study will employ a closed-ended questionnaire to collect data from small and micro-sized enterprise (SME) respondents. The questionnaire design primarily involves using a seven-point Likert scale for most items, ranging from 1 (indicating 'strongly disagree') to 7 (indicating 'strongly agree'). The questionnaire is structured into two sections, structured under distinct major sections: Section A pertains to the demographic characteristics of participants, encompassing factors such as gender, age, and educational background. Moreover, in alignment with existing literature, data will be collected regarding business type, business experience, and income level. Section B of the questionnaire includes questions related to sales tax compliance, behavioral intentions, patriotism, and religiosity, all of which align with the research objectives.

3.6.2 Variable Description and Measurement

This section presents both the variables under study, dependent and independent and elaborates on how these variables were defined and assessed based on existing literature. It also explores the measurement of the moderating variables (patriotism and religiosity) within the context of this study. Table 3.2 shows the Definition and measurement of Variables in this study.

Table 3. 2 : Definition and Measurement of Variables

Variables	Description	Symbol	Definition	Measurement
Dependent	Sales Tax Compliance	STC	The extent to which taxpayer adhere to the regulations and requirement of sales tax	8 questions rated on a scale of 1-7
Independent	Behavioral Intentions	BI	The likelihood of tax evasion, and the overall compliance behavior exhibited by the taxpayer	7 questions rated on a scale of 1-7
Moderating	Patriotism	P	The taxpayers' genuine willingness and pride in contributing to the country's economic prosperity	6 questions rated on a scale of 1-7
Moderating	Religiosity	R	The degree of a taxpayer's involvement, devotion, and belief in their religious faith	6 questions rated on a scale of 1-7

3.7 Validity and Reliability of Constructs

In order to ensure the validity of the instruments and techniques employed in this study, the study will identify the variables associated with behavioral intentions and sales tax compliance, drawing insights from the reviewed literature. The study reveals that the components of behavioral intentions serve as appropriate indicators for assessing sales tax compliance. Similarly, the study identifies religiosity and patriotism of taxpayers as the relevant moderating variables for measuring sales tax compliance. In addition to the literature review, a factor analysis will be conducted to ascertain the alignment between the questionnaire questions and their intended measurements. The statistical outcomes will guide the selection of specific components used to gauge sales tax compliance.

After confirming the validity of the study, the next step involves assessing the reliability. This assessment aims to measure the stability and consistency of the variables, instruments, and the questions used to measure those variables. To evaluate reliability, we will employ Cronbach's Alpha, a widely accepted measure that estimates reliability based on the correlations among indicators. However, in the context of Partial Least Squares Structural Equation Modeling (PLS-SEM), the researcher will assess internal consistency using composite reliability, as suggested by Gadzo et al. (2019). Internal consistency is assessed by Cronbach's Alpha and composite reliability, however composite reliability takes indicator loading variations into consideration. According to Gadzo et al. (2019), composite reliability should be used instead of Cronbach's Alpha since it may overestimate the internal consistency reliability of latent variables in PLS path models. A composite reliability score of 0.7 or higher is regarded as adequate by Henseler et al. (2009), while a value of less than 0.6 denotes insufficient reliability.

3.8 Data Analysis

The responses collected from the questionnaires will be subjected to several stages of processing, such as editing, coding, and input into Statistical Package for Social Science (SPSS) version 26 for the purpose of analysis. Each question in the questionnaire will be assigned unique labels and numerical codes, which will also be used to represent the response options on the scale before the data is input. A thorough screening process will be undertaken to ensure the accuracy of the data input. For open-ended questions, the responses were examined by compiling all the pertinent answers provided by participants. These responses will then be assessed based on their relevance to the research objectives. The data will be examined and understood by employing descriptive statistical methods, including calculations of the average, tallying the frequency of occurrences,

and determining percentages, as suggested by Peprah et al. (2020). To examine the hypotheses and the relationships among structural paths, we will utilize Structural Equation Modeling (SEM) with the software Smart PLS. SEM is chosen because of its capability to analyze complex models and generate reliable findings, as outlined by Hair et al. (2017).

Hair et al. (2017) describe Structural Equation Modeling (SEM) as a statistical technique used to examine intricate relationships within data. SEM combines aspects of both factor analysis and multiple regression, enabling a comprehensive exploration of interconnected associations in the data. In this study, multiple independent variables (comprising components of behavioral intentions), an observable dependent variable (sales tax compliance), and moderating variables (patriotism and religiosity) are considered, with measurement conducted using various indicators. Using SEM, which involves intricate network analysis, is deemed more effective in capturing real-world scenarios than models centered solely on correlations (Hair et al.2017). The decision to employ SEM is substantiated by several factors aligning with the study's objectives. Previous studies conducted by Agyapong (2019) and Alshira'h & Abdul-Jabbar (2019) have suggested using regression models based on sum scores rather than the indicator weighting method used in PLS-SEM. In the view of Hair et al. (2017), employing weighted combinations of indicator variables is a valuable strategy for mitigating measurement errors, which renders PLS-SEM more effective than multiple regression based on summed scores. Given the focus of this study on forecasting sales tax compliance behavior, the preference is for the prediction-centered approach provided by PLS-SEM. This approach enhances predictive accuracy and offers various other benefits mentioned earlier.

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3.9 Chapter Summary

This chapter provides a comprehensive overview of the methodology employed in this study. It delineates the chosen research philosophy, approach, type, and strategy. Additionally, it articulates the connection between the overall study population and the sample size, emphasizing the use of systematic random sampling. The methods of data collection, including data types and collection processes, are clearly elucidated. The chapter further elucidates the description and measurement of variables, highlighting the pivotal role of obtaining valid and reliable data in quantitative research. The instruments for data collection are detailed, along with the anticipated procedures for establishing reliability and validity. Ethical considerations are underscored, along with the mechanisms for engaging with respondents to ensure accurate data provision. In essence, this chapter establishes the foundational framework upon which the study is constructed.
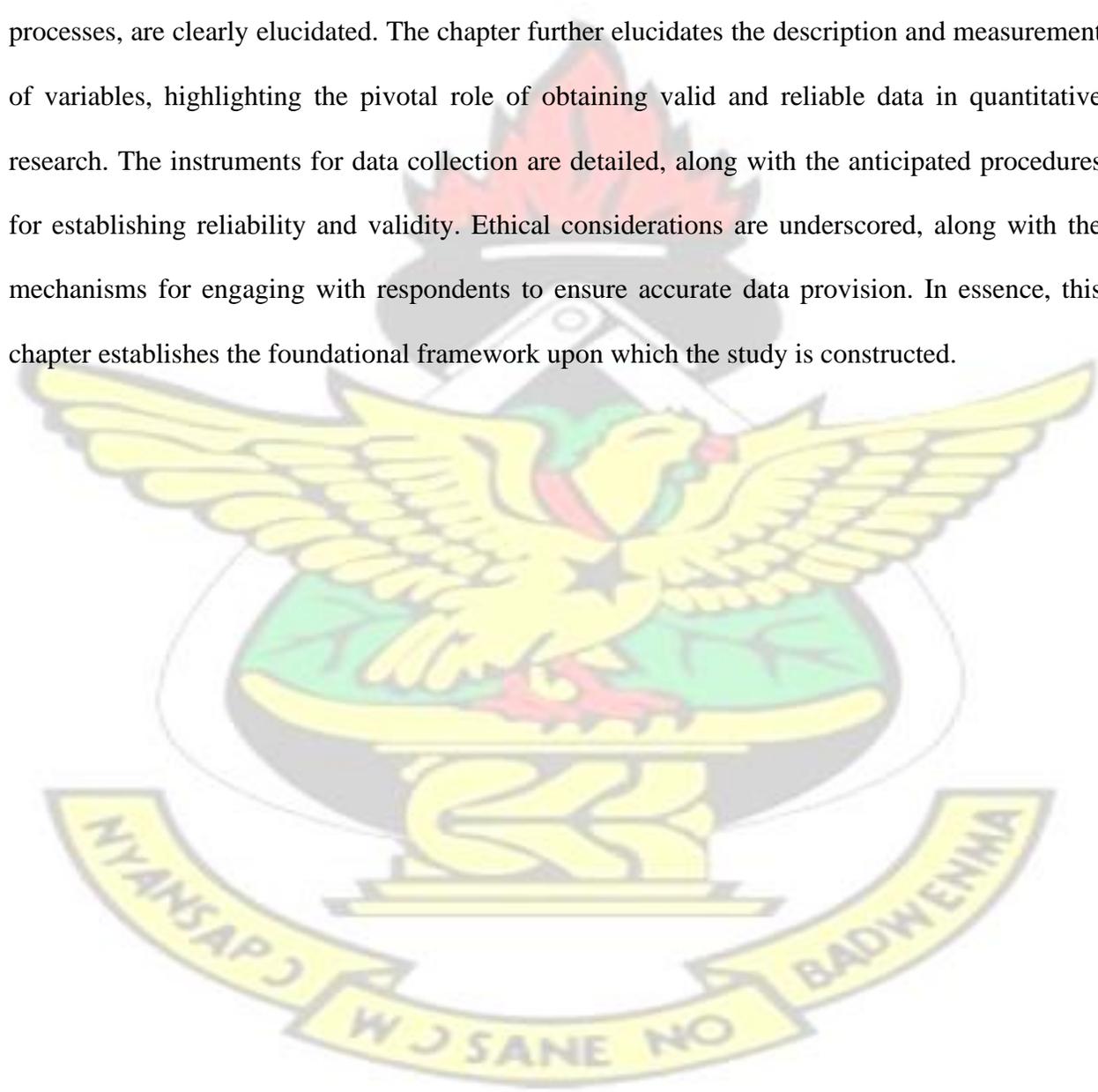
CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

The subsequent chapter of this academic research scrutinizes the data derived from the antecedent chapter, which is partitioned into six principal segments. The initial segment provides the outcomes of the exploratory data evaluation, whereas the next segment encompasses the demographic. The third section centers on the descriptive and correlation statistics. This section focuses on the measurement model, in which we assess the instruments' reliability, validity, and discriminant validity. The study's fifth section utilizes Partial Least Squares Structural Equation Modeling (PLSSEM) to investigate the hypotheses put forth and analyze the research model. The final section provides an in-depth discussion of the study's key findings.

4.1 Exploratory Data Analysis

The use of Exploratory Factor Analysis (EFA) is a standard form of formal measurement modelling, which is employed in cases where both observable and latent variables are presumed to be analyzed at the interval level (Finch, 2019). This evaluation involved scrutinizing several subsections; including response rate, common method bias (CMB) and sampling adequacy. The subsequent sections below provide detailed descriptions on the data quality assessment tests and their corresponding interpretations.

4.1.1 Response Rate

The rate of response, often simply referred to as the "response rate," is a measure used in research and survey methodology to quantify the proportion of individuals or entities who have participated or responded to a survey, questionnaire, or research study out of the total number of individuals or entities who were invited or eligible to participate. In the context of surveys and research, the response rate is an important metric as it helps researchers assess the quality and representativeness of their data. A higher response rate generally indicates a more representative and reliable sample, while a lower response rate may introduce the possibility of non-response bias, where the characteristics of non-respondents differ significantly from those of respondents. The study's sample size was established at 375 individuals. However, 311 individuals made themselves available and accessible to respond and part take in the survey given a total rate of response of 82.9% indicating a more representative and reliable sample. Table 4.1 provides the details.

Table 4. 1 Data Response Rate

Distributed	Collected	Percentage of Usable
Response	311	82.9
Non-Response	64	17.1
Total	**375**	**100.0**

Source: Field Data, 2023

4.1.2 Test for Common Method Bias

The data was acquired through the dissemination of surveys to the study's participants. Despite the implementation of established methodologies, the issue of survey bias remains a persistent

source of uncertainty. The study has incorporated concise clarifications alongside varied survey inquiries in order to elucidate the results and enhance comprehension of complex questions. The primary objective was to enhance the survey's utility for the participants. The research employed Harman's one-factor test, as proposed by Podsakoff et al. (2003), to assess the presence of common method bias in the dataset. Regarding the results of the common method bias test, one factor emerged. When this factor explains over 50% of the variance, it indicates the presence of a problem. However, in this study, the factor explained only 35.931% of the variance. Although there is evidence of some common method variance, it falls below the required criterion of 50%. This is shown in table 4.2.
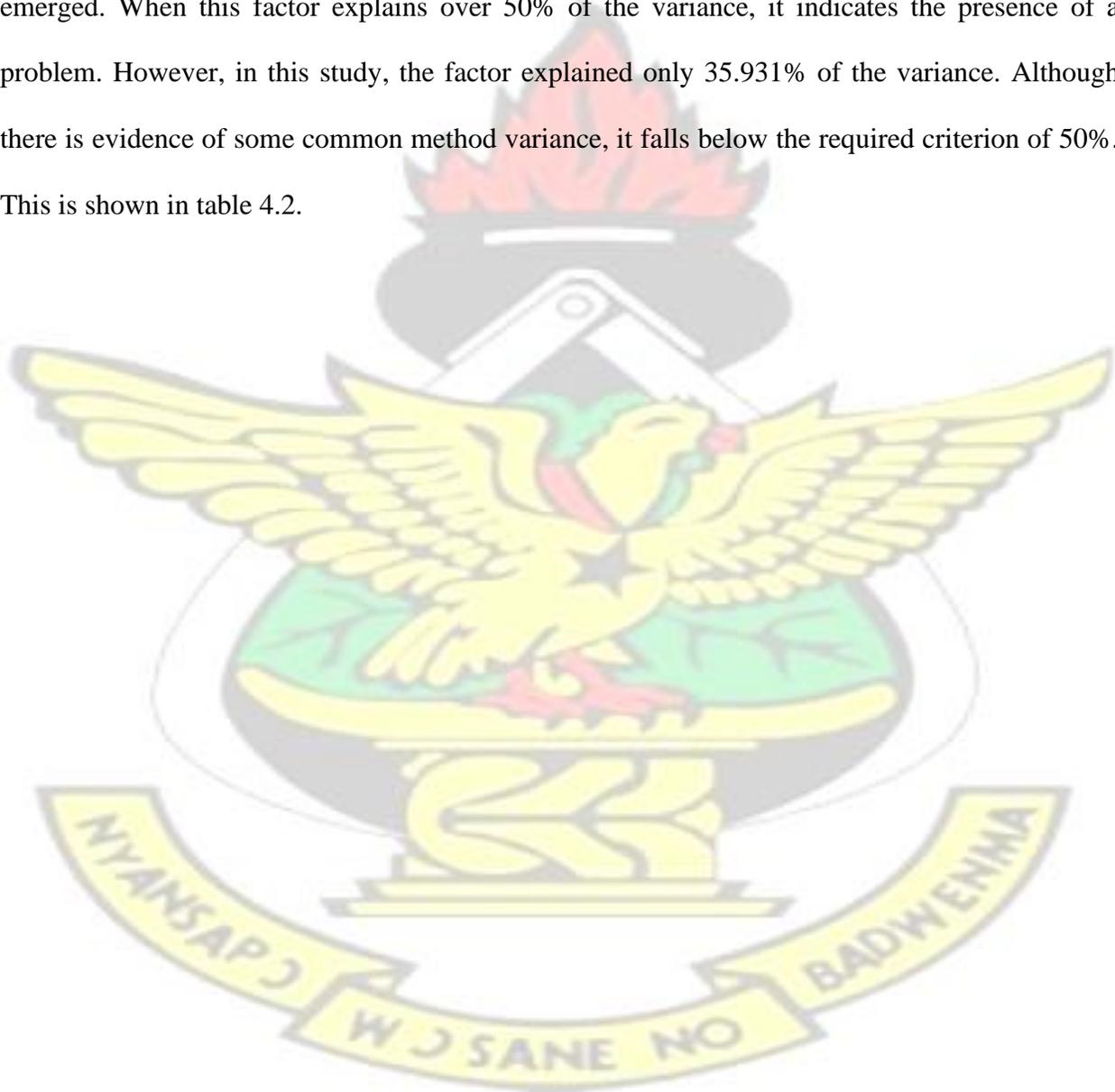
Table 4. 2 Common method bias test

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.501	33.931	33.931	9.501	33.931	33.931
2	4.022	14.365	48.296			
3	2.200	7.858	56.154			
4	1.657	5.918	62.073			
5	1.313	4.689	66.761			
6	1.155	4.126	70.887			
7	.908	3.242	74.129			
8	.720	2.572	76.701			
9	.643	2.297	78.999			
10	.577	2.060	81.059			
11	.506	1.808	82.867			
12	.481	1.717	84.584			
13	.456	1.629	86.213			
14	.395	1.412	87.625			
15	.390	1.392	89.017			
16	.368	1.314	90.331			
17	.328	1.173	91.504			
18	.296	1.057	92.562			
19	.293	1.045	93.607			
20	.263	.939	94.545			
21	.259	.925	95.471			
22	.238	.851	96.322			
23	.199	.710	97.032			
24	.194	.693	97.724			
25	.191	.681	98.405			
26	.164	.586	98.991			
27	.151	.541	99.531			
28	.131	.469	100.000			

Extraction Method: Principal Component Analysis.

4.1.3 Sampling Adequacy

Sampling adequacy, in the context of statistical analysis and research, refers to the degree to which a sample size is sufficient to provide reliable and meaningful results for a given research objective or analysis technique. It assesses whether the data collected from the sample can accurately

represent and capture the characteristics of the population from which the sample was drawn. The study employed the Bartlett sphericity test and the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) to evaluate the representativeness of the sample. The KMO score obtained from the sample is 0.889, indicating a high level of adequacy for conducting factor analysis. This result can be deemed as highly satisfactory. Furthermore, the statistical significance of the Bartlett's test indicates that the dataset is appropriate for conducting a factor analysis assessment ($\chi^2 = 5832.284$, df.: 378, $p < 0.05$) as evidence of appropriate sampling, are illustrated in Table 4.3. These results demonstrate the significance of the study's sample size.

Table 4. 3 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.889
Bartlett's Test of Sphericity	Approx. Chi-Square	5832.284
	Df	378
	Sig.	.000

4.2 Demographic Information

In order to provide context for the study, this section presents demographic data about the respondents that were surveyed. Key information collected from respondents includes gender, age, marital status educational level, business-operating type, and years worked within their business operation.

The results are shown in the table 4.1 below. From the results, it can be seen that female participants represent 53.4% of the sample while male participants represent 46.6%. This indicates that the survey sample had a greater representation of females. Majority of the respondents were

married accounting for 46.9% of the total. Additionally, 87.1% of the respondents had obtained some form of educations whereas 12.9% had no form of educations. When examining the age of respondents, the largest group falls within the 36-40 years range, accounting for 33.8% of the respondents. The second largest age group consists of respondents between 30 - 35 years, and 41-45 years both accounting 18.3% of the sample. Above 45years age range represents 17% of the respondents, while those below 30 years make up the smallest group with 12.5 % representation. These findings offer insights into the age distribution of the survey participants. With respect to the type of business engaged by the respondents, 63% respondents engage in trade and commerce of which is no surprise, since is the most dominated economic activity in Ghana. The second largest business activity was catering and bar business, which accounted for 19.9%, this from business is gradually becoming a dominant business force within the economy. Transport service also had 17% of the respondents engaging in that activity. The study assessed respondents' experience level in their field of business operations. Results showed 31.2% had gained experience above 15 years, followed by 27.7% respondent who had gained experience between 5-9 years, 21.5% had gained experience less than 5 years. The remaining 19.6% had gained working experience between 10 - 15 years.

Table 4. 4: Demographic Information

Demographic Characteristics	Reviews	Frequency	Percent
Sex	Female	166	53.4
	Male	145	46.6
	30-35y	57	18.3
	36 -40y	105	33.8
Age	41-45y	57	18.3
	Above 45y	53	17
	Below 30y	39	12.5
	Dating	39	12.5
Marital Status	Married	146	46.9
	Separated	8	2.6
	Single	118	37.9
	Bachelor's Degree	37	11.9
	Basic School	43	13.8
	Diploma / HND	52	16.7
Educational Background	JHS	28	9
	No Formal Education	40	12.9
	SSS/SHS	66	21.2
	Vocational School	45	14.5
	Catering and Bar	62	19.9
Business Operating Sector	Trade and Commerce	196	63
	Transport Services	53	17
	10-15y	61	19.6
Years of working	5-9y	86	27.7
	Above 15y	97	31.2
	Less than 5y	67	21.5

Source: Field Data (2023)

4.3 Descriptive and Correlation Analysis

The standard deviation indicates the degree to which the mean values accurately represent the data, whereas the mean values provide a summary of the data (Field, 2009). Table 4.5 contains a summary of the descriptive analysis's findings. The average mean can be seen in table 4.5 to range from 3.49 to 4.30 indicating the level of agreement or disagreement with the various variables. Additionally, the standard deviation varies between 1.4252 and 1.6483.

Table 4.6 again shows the Bivariate Correlation Matrix. The column shows the sales tax compliance as the dependent variable, behavioral intentions as independent variable and patriotism and religiosity as moderating variables. The rows report the correlation between the independent variables and the dependent variable, as well as between the independent variables. **Correlation is significant at the 0.01 level (2-tailed).

From the table sales tax compliance had positive significant correlation relationship with behavioral intentions (r =.530, p < 0.01), patriotism (r = .594, p < 0.01), and religiosity (.451, p < 0.01). Similarly, behavioral intentions had positive significant relationship with patriotism (r = .473, p < 0.01), and religiosity (.172, p < 0.01). Patriotism had positive significant relationship with religiosity (.172, p < 0.01). Religiosity had positive significant relationship with all variables

Table 4. 5: Descriptive Statistics and Correlation Analysis

Variables	Code	Mean	Std. Deviation	STC	BI	P	R
Sales Tax Compliance	STC	4.1508	1.4721	1			
Behavioral Intentions	BI	4.3050	1.6483	.530**	1		
Patriotism	P	4.1592	1.4252	.594**	.473**	1	
Religiosity	R	3.4855	1.4606	.451**	.172**	.444**	1

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Field Data (2023)

4.4 Measurement model

The methods used to evaluate the reliability and validity of the instruments and constructs are covered in this section. Analyzing the measuring model is crucial while doing quantitative research since it helps to determine how reliable the findings are. Hair et al. (2020) contend that improving the caliber of scientific work is necessary. Accordingly, the study has considered the validity and

reliability of the study instrument, which are important factors to consider when evaluating a measurement model (Fachmi et al., 2022).

4.4.1 Reliability

One may assess the reliability of constructs through either of two primary approaches. The evaluation of a measuring instrument's internal consistency is commonly conducted with two statistical indices, namely Cronbach's alpha (CA) and composite reliability (CR). CA assesses the reliability of apparent indicator constructs by examining their correlations, whereas construct reliability CR evaluates the extent to which one set of items can predict the latent variable of another set. A construct is deemed reliable if it attains a CR or CA score of 0.70 or higher. According to the findings presented in Table 4.7, the computed CR values for sales tax compliance, behavioral intentions, patriotism and religiosity were 0.932, 0.849, 0.883 and 0.910 respectively. Furthermore, the corresponding CA values were 0.902, 0.793, 0.847 and 0.894. The results indicate that the model exhibits undimensionality and demonstrates consistent replication of outcomes.

4.4.2 Validity

Convergent validity is established when one test exhibits a level of convergence with other tests that evaluate the same or similar constructs. Convergent validity indicators can be established through both theoretical and empirical sources. Conducting multiple assessments targeting the same constructs can serve as a means to evaluate the validity of diverse measurement techniques employed to assess a specific characteristic. An instance of convergence can be observed in a linkage of moderate strength, which is characterised by a degree of connectivity that is neither

exceedingly robust nor feeble. The measures of convergent validity that are commonly employed include both average variances extracted (AVE) and factor loading (FL). Researchers typically recommend factor loadings that exceed 0.5. From table 4.6 all factor loadings are exceeding 0.500. Researchers generally consider an AVE of 0.5 or higher to be indicative of sufficient validity. All AVE values in table 4.7 exceeded the threshold of 0.5 indicating evidence of the model's validity.

Table 4. 6: Confirmatory Factor Analysis

Factors	Code	Loadings	T-statistics	P values	VIF
	BI1	.825	34.190	.000	2.627
	BI2	.836	33.886	.000	2.952
Behavioral	BI3	.877	53.845	.000	3.199
Intentions	BI4	.857	46.743	.000	2.991
	BI5	.865	54.108	.000	3.108
	BI7	.736	24.944	.000	1.558
	P1	.693	16.359	.000	2.110
	P2	.806	31.127	.000	2.331
Patriotism	P4	.771	22.634	.000	2.346
	P5	.750	20.707	.000	2.320
	P6	.606	12.380	.000	1.543
	R1	.723	16.726	.000	1.940
	R2	.797	23.455	.000	2.850
	R3	.746	16.335	.000	2.339
Religiosity	R4	.789	23.300	.000	2.228
	R5	.741	21.323	.000	1.524
	R6	.675	16.124	.000	1.340
	STC1	.695	19.990	.000	2.148
	STC2	.669	18.005	.000	2.186
	STC4	.793	30.190	.000	2.527
Sales Tax	STC5	.806	34.009	.000	2.569
Compliance	STC6	.775	29.048	.000	2.109
	STC7	.800	30.238	.000	2.876
	STC8	.728	20.094	.000	2.754
	STC9	.713	20.005	.000	2.789

Source: Field Data (2023)

Table 4. 7: CR, AVE and Cronbach's α values

Variable	Code	CR	AVE	Cronbach's α
Behavioral Intentions	BI	.932	.696	.902
Patriotism	P	.849	.531	.793
Religiosity	R	.883	.668	.847
Sales Tax Compliance	STC	.910	.561	.894

Source: Field Data (2023)

Figure 4. 1 Measurement Model
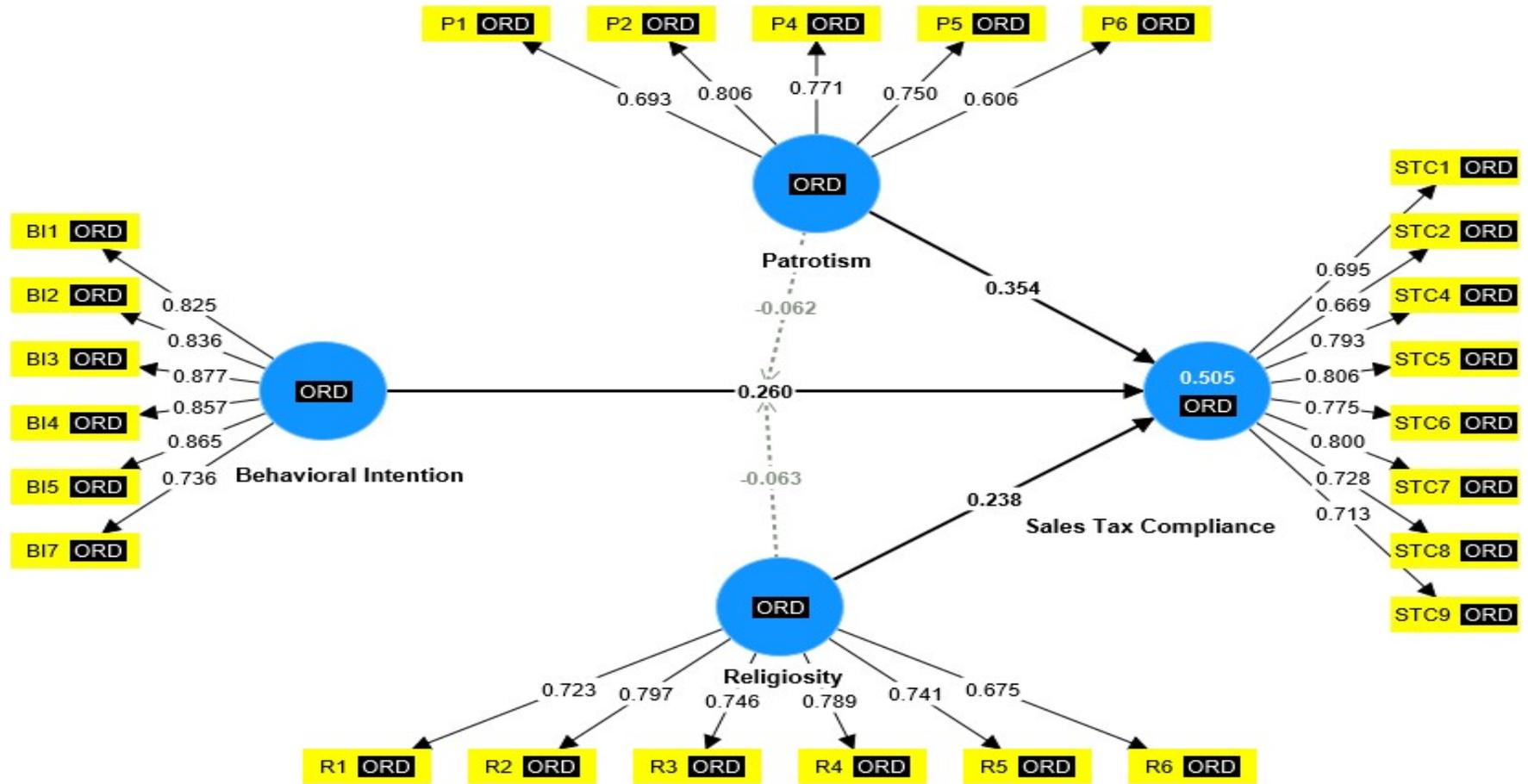
Source: Field Data (2023)

4.4.3 Discriminant Validity

Discriminant validity refers to how well a particular concept or construct is distinct from others in a study (Hair et al., 2017). It is determined by observing that the measure of interest has a low correlation with other measures that are meant to measure different variables or concepts (Heeler and Ray, 1972). In Partial Least Squares (PLS) analysis, specific criteria are used to assess discriminant validity. One key criterion involves comparing the square root of the Average Variance Extracted (AVE) for each construct to the correlations between that construct and all the other constructs.

In simpler terms, to ensure discriminant validity, researchers check if the square root of the AVE for each construct is larger than the correlations between that construct and all the other constructs. This ensures that each construct is distinct enough from the others. Table 4.8 shows that the calculated square root of the AVE for each construct is indeed greater than the correlations between that construct and the other constructs in the model, which confirms that discriminant validity is satisfactory.

Table 4. 8 Discriminant Validity

Variables	Code	STC	BI	P	R
Sales Tax Compliance	STC	.749			
Behavioral Intentions	BI	.530	.834		
Patriotism	P	.594	.473	.729	
Religiosity	R	.451	.172	.444	.818

Source field data (2023)

4.4.4 Endogenous Construct

The assessment of the structural model was carried out only once the analysis of the measurement model met all the recommended criteria. To evaluate the structural model, the initial step was to look at the determination coefficient (R^2). In this research, the endogenous variable had an R^2 value of 0.505, indicating a substantial value. This means that approximately 50.5% of the variation in sales tax compliance can be accounted for by factors such as behavioral intentions, patriotism, and religiosity.

Table 4. 9 Variance explained

Endogenous construct	Variance explained (R Square)
Exogenous variables -> Endogenous (AP)	.505

Source field data (2023)

4.5 Hypotheses Testing

The purpose of evaluating the structural model is to investigate how the variables that start the process and the variables that moderate it affect the final outcome. The statistical significance of these relationships was determined using a bootstrapping technique with 5000 resampling iterations. The path coefficients (b-values), VIF values, t-values, and p-values for all the hypotheses are presented in Table 4.10 and Figure 4.2. Additionally, Figure 4.3 illustrates the interaction between patriotism and behavioral intentions in influencing sales tax compliance, while Figure 4.4 does the same for religiosity and behavioral intentions in relation to sales tax compliance.

In summary, the results, as displayed in Table 4.10, indicated significant relationships between behavioral intentions (b = .260, VIF=1.402, t = 6.069, p < 0.01), patriotism (b = .354, VIF=1.741, t = 6.482, p < 0.01), and religiosity (b = .238, VIF=4.417 t = 4.417, p < 0.01) with sales tax compliance. These findings support hypotheses H1, H2, and H3, suggesting that behavioral intentions, patriotism, and religiosity are all factors influencing sales tax compliance. Regarding the moderating effects of patriotism and religiosity, bootstrapping analysis was conducted to assess the hypothesized moderating impact of patriotism on the relationship between behavioral intentions and sales tax compliance. However, hypothesis H4, which proposed that patriotism positively moderates the relationship between behavioral intentions and sales tax compliance, was not supported by the study results (b = -.062, VIF=1.509, t = 2.053, p=0.145). This implies that patriotism did not have a moderating effect on the relationship between behavioral intentions and sales tax compliance. Similarly, hypothesis H5, which examined the moderating effect of religiosity on the same relationship, also did not find support (b = -.063, VIF=1.465, t = 1.181, p=0.238), indicating that religiosity did not moderate the relationship between behavioral intentions and sales tax compliance.
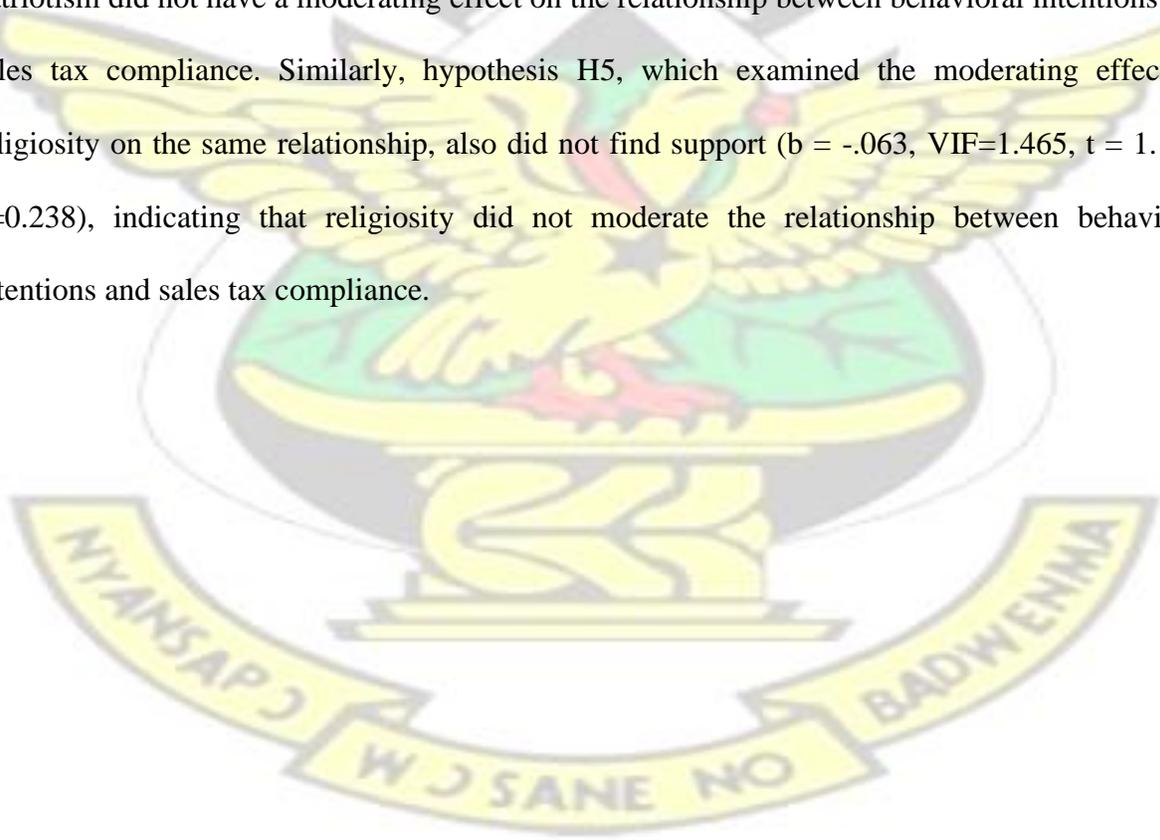
Table 4. 10 Result of hypotheses testing (direct relationship)

Hypothesis	Relationship	Path Coefficients	VIF	T-value	P-value	Decision
H1	BI +> STC	.260	1.402	6.069	.000**	Supported
H2	P +> STC	.354	1.741	6.482	.000**	Supported
H3	R+> STC	.238	1.269	4.417	.000**	Supported
H4	BI*P +>STC	-.062	1.509	1.458	0.145	Not Supported
H5	BI*R +>STC	-.063	1.465	1.181	0.238	Not Supported

Notes: * $p < 0.05$; ** $p < 0.01$, (one-tailed)
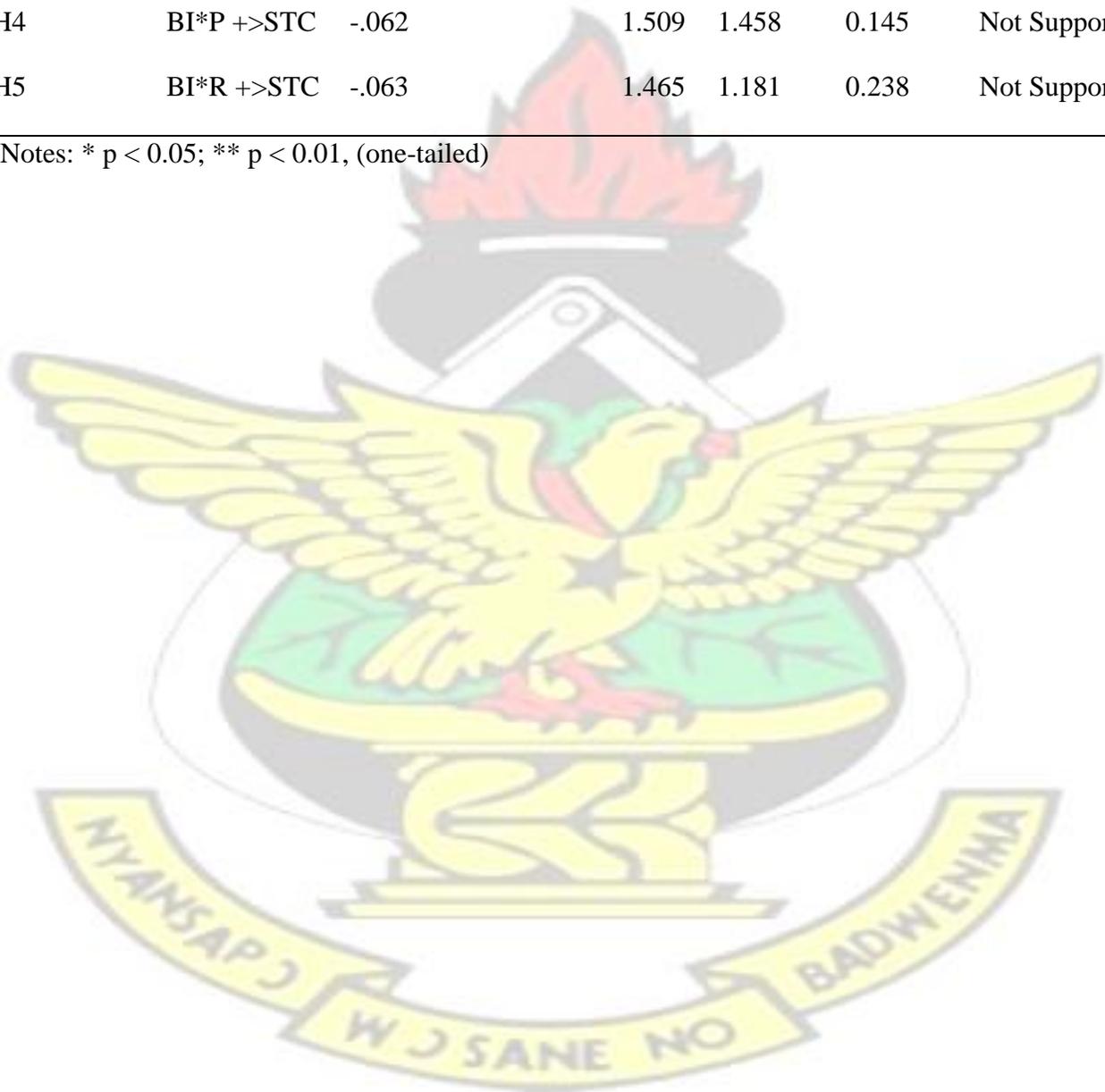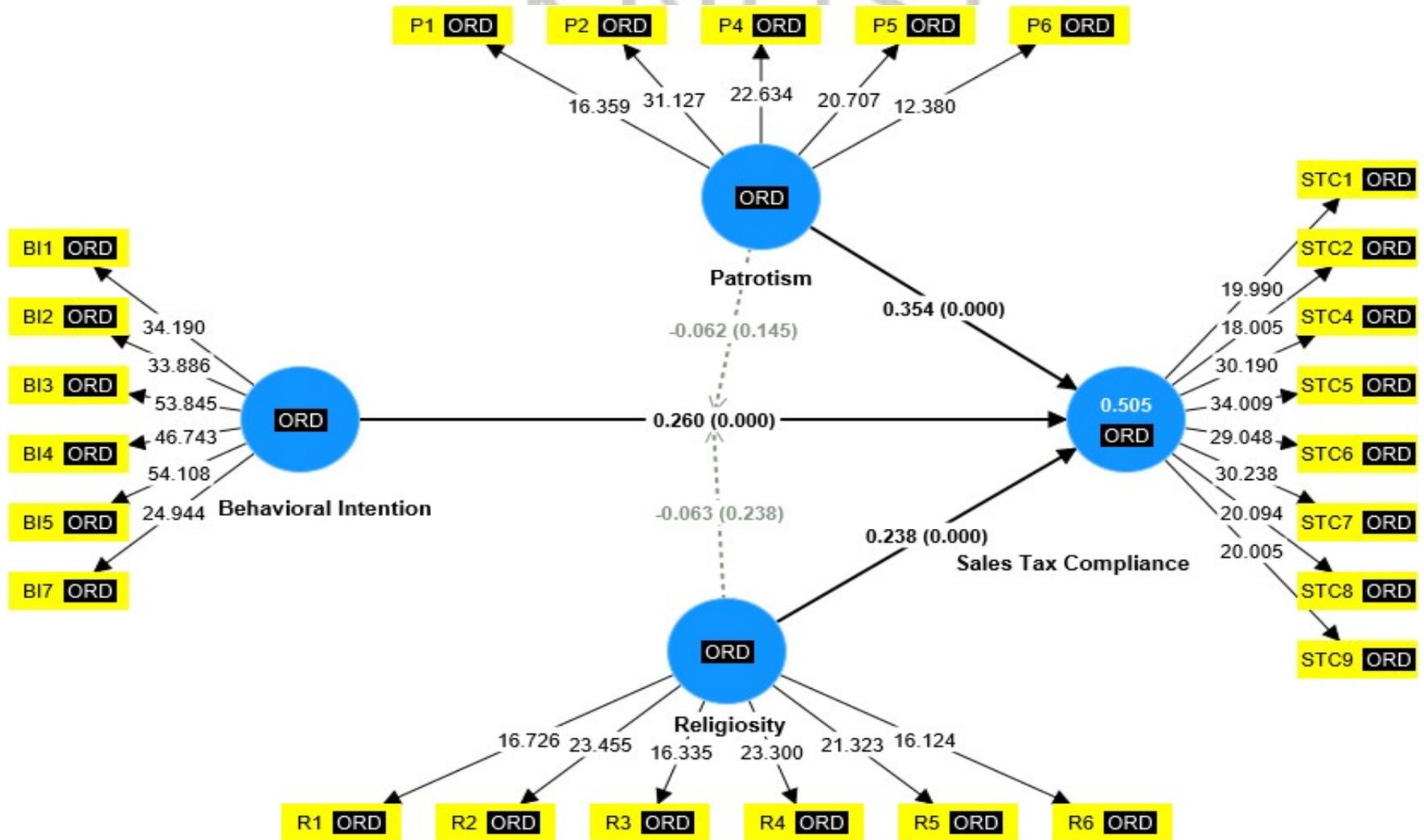
Figure 4. 2 Structure model evaluation
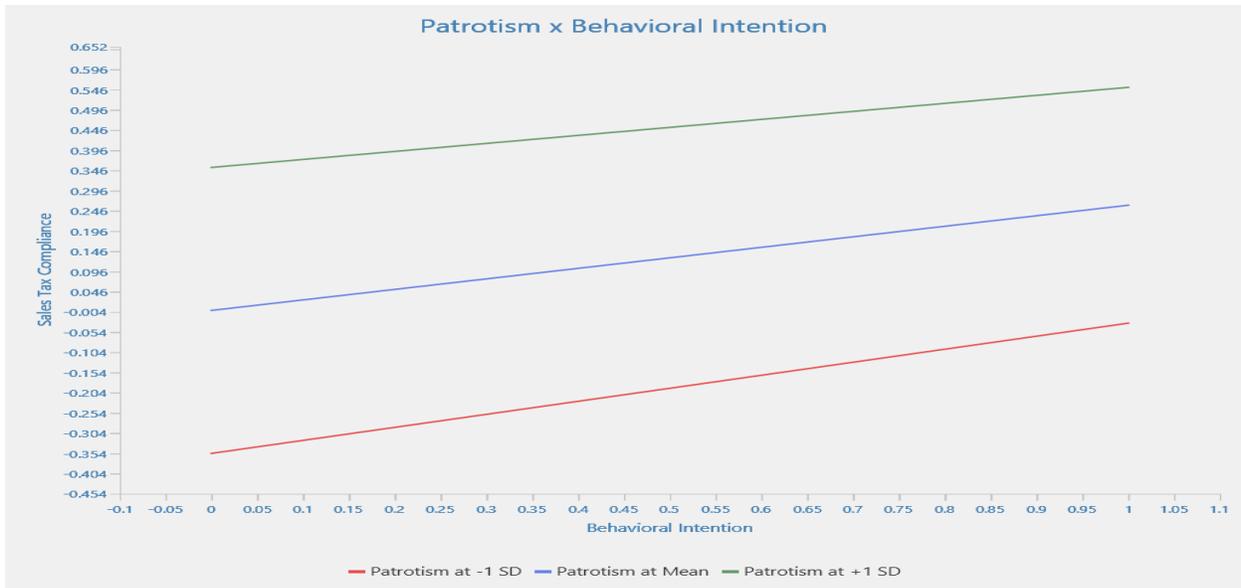
Figure 4. 3 Interaction term between patriotism and behavioral intentions, on sales tax compliance
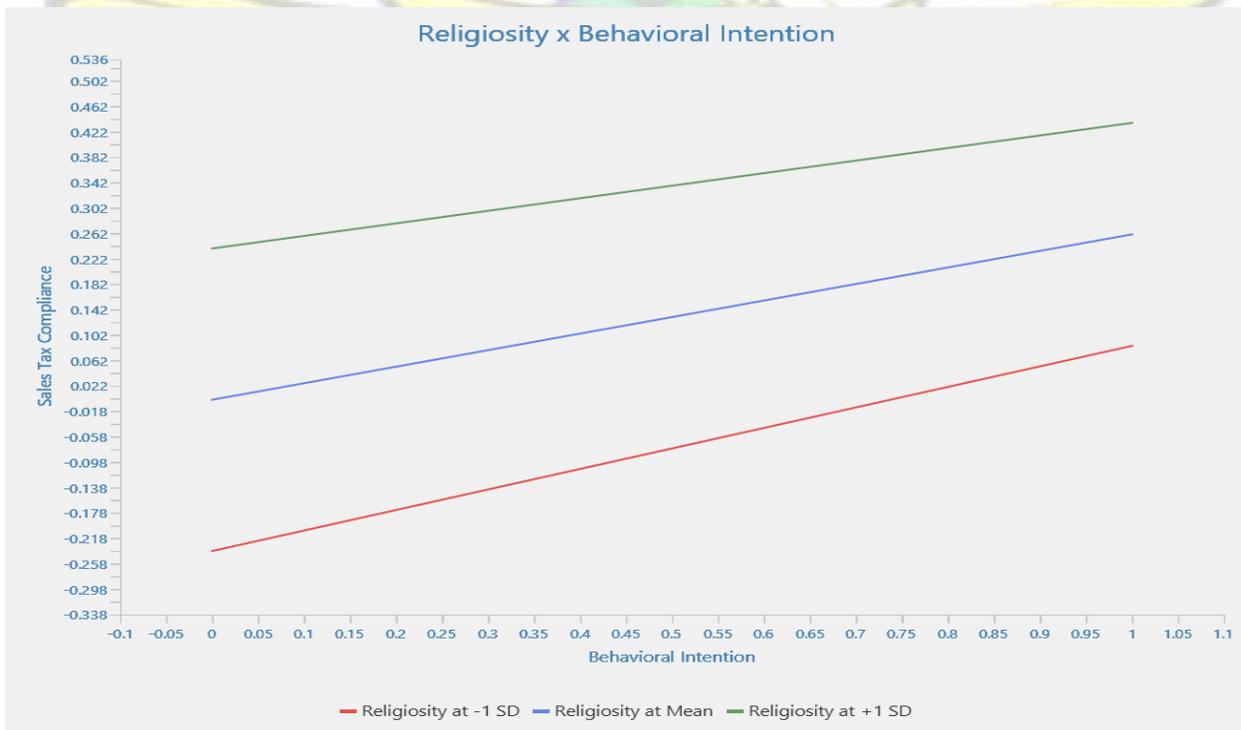
Figure 4. 4 The interaction term between religiosity behavioral intentions, on sales tax compliance

4.6 Discussions

The study aimed to assess the behavioral intentions that impact the compliance of small and medium-sized enterprises (SMEs) with sales tax in Ghana. Specifically, Sekondi-Takoradi Metropolis. The results of the study have been categorized based on the objectives of the study and are comprehensively examined in the subsequent section.

4.6.1 Behavioral Intention of Taxpayers and Sales Tax Compliance

The first objective of the study was to examine the possible relationship between behavioral intention of taxpayers and sales tax compliance in Ghana specifically Sekondi-Takoradi Metropolis. The study proposed that there is a strong and significant relationship between taxpayers' intention to comply with sales tax regulations and their actual compliance. The results of the study confirmed this hypothesis by showing a significant and positive link between taxpayers' intention and their compliance with sales tax rules. In essence, the findings suggest that when taxpayers have a greater willingness to follow sales tax regulations, they are more likely to fulfill their tax responsibilities and adhere to those regulations. Behavioral intention in this context refers to an individual's readiness, motivation, or intent to participate in a specific behavior. In this context, it relates to a taxpayer's intent to comply with sales tax laws and regulations. According to Bani-Khalid et al. (2022), higher levels of perceived behavioral intentions are likely to result in stronger intentions for small and medium-sized enterprises (SMEs) to comply with taxes. Alshira'h et al., (2018) indicated that there several factors that contribute to taxpayers' behavioral intentions to comply with tax and law.

Alleyne and Harris (2017) noted that if taxpayers have the perception that the sales tax system is equitable and that their contributions are employed for the greater public good, they are more inclined to have the intention to comply with tax regulations. Again, trust in government and tax authorities plays a significant role in taxpayers' behavioral intentions. When taxpayers have confidence that their tax payments will be utilized correctly and believe that the tax system is administered fairly, they are more inclined to possess a favorable intention to adhere to tax regulations. Radzi and Ariffin (2022) found that if taxpayers perceive negative consequences, such as audits, penalties, or legal actions, for non-compliance, they are more likely to intend to comply. The findings are consistent with of Alleyne and Harris (2017) in which their study revealed that behavioral intention, like perceived behavioral control, affects taxpayers' avoidance of tax fraud. Hamid's (2018) study also discovered that there is a positive and substantial correlation between attitude and behavioral intention concerning compliance behavior. Additionally, studies on SME owners conducted by Langham et al. (2022) and Sudiartana and Mendra (2018), as well as the research on tax compliance behavior by Radzi and Ariffin (2022), indicate a positive connection between behavioral intention and taxpayers' compliance behavior. However, the study findings disagree with the study of Usman et al. (2023) in which they indicated that behavioral intention has an insignificant influence on tax compliance intention regarding tax laws.

4.6.2 Patriotism and Sales Tax Compliance

The second objective of the study was to investigate how an individual's patriotism affects their compliance with sales tax. The research hypothesis suggested that there is a significant and positive connection between patriotism and sales tax compliance. The findings showed that patriotism is positively and significantly connected sales tax compliance. The findings of this research support

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the proposed hypothesis between the variables. The results implies that individuals who have a strong sense of patriotism are more likely to adhere to sales tax regulations and fulfill their tax obligations. Nazaruddin, (2019) indicated that patriotic individuals often feel a sense of responsibility towards their country and its well-being. Paying taxes is viewed as a civic duty, and they are more likely to fulfill this duty diligently. Pradini et al., (2016) highlighted that individuals with a strong sense of patriotism are more likely to demonstrate honesty in their income reporting and compliance with tax payments.

Alshira'h & Abdul-Jabbar (2019) suggested that patriotism could be closely tied to a sense of ethics and morality. They indicated that people with strong ethical values might see tax compliance as a moral obligation, driven by their love for their country. They further indicated that patriotism is often tied to a sense of national pride and that individuals who take pride in their country may be motivated to maintain its reputation and well-being, including its fiscal health. This pride can lead to greater willingness to comply with tax laws. Taxpayers' affection for their state and their desire to see it prosper are reflected in how diligently they pay their taxes. The study's results align with those of Alshira'h & Abdul-Jabbar (2019) and Nazaruddin (2019), as they both found that patriotism has a positive and significant impact on sales tax compliance. However, the study's findings contradict the research by Gangl et al. (2017), which concluded that patriotism does not have a significant direct link with tax compliance.

4.6.3 Religiosity and Sale Tax Compliance

The study also investigated the impact of religiosity on compliance with sales tax regulations. The study suggested that there is a significant and position connection between religiosity and sales tax

compliance. The results of the study, as depicted, showed a positive correlation between religiosity and compliance with sales tax. These findings supported the suggested link between these two factors. The research demonstrated that religiosity had a substantial impact on sales tax compliance. The implications of these results suggest that when individuals are more religious, there is a likelihood of higher levels of compliance with sales tax. For instance, an individual who has a strong religious belief or faith will always examine his or her guilty conscience or judge tax non-compliance as a sin and disloyalty to the state. Theoretically, the attitudinal belief of evasion through religiosity maintains that when people are more religious, their indulgence in issues of sale tax compliance will be quite high or vice versa. Religiosity, which refers to the degree of religious devotion and involvement in religious practices, can influence various aspects of an individual's life, including their ethical beliefs and values.

Abodher, (2020) indicated that religiosity is often associated with a strong sense of moral and ethical values derived from religious teachings. Many religious traditions emphasize honesty, integrity, and fairness. He further indicated that individuals with high religiosity view tax compliance as a moral and ethical obligation, driven by their desire to adhere to the ethical principles of their faith. Dabor, Kifordu & Abubakar (2021) also stressed that religious traditions teach the concept of divine judgment and consequences for immoral actions therefore individuals with high religiosity may be more inclined to avoid tax evasion out of fear of divine punishment for dishonesty and unethical behavior. Ya'u & Saad (2018) also indicated that religiously active individuals often emphasize charitable giving and helping others as part of their faith base on that assumption paying taxes to support public services and social welfare programs may align with these charitable values, further motivating compliance from individual. This result supports the

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proposition in literature (Abodher, 2020; Dabor et al., 2021; Ya'u & Saad, 2018) that when individuals hold their religious values in high esteem, the higher they engage in tax compliance but conflict with the finding of Carsamer & Abbam (2020) that religiosity and religions do not promote tax compliance.

4.6.4 Moderation Analysis

Following an examination of behavioral intention of taxpayers on sale tax compliance, the study sought to determine whether the predicted relationship between the behavioral intention of taxpayers and the variable of interest (sale tax compliance) would change in the presence of patriotism and religiosity. Therefore, this study investigates whether the presence of patriotism and strong religious beliefs among citizens is considered a suitable factor in assessing how taxpayers' behavioral intentions affect their compliance with sales tax in some manner. As a moderator, the concept "religiosity" and "patriotism" were used.

4.6.4.1 Behavioral Intention of Taxpayers, Patriotism and Sale Tax Compliance

The relationship between taxpayers' behavioral intentions and their compliance with sales tax is influenced by how individuals in the country perceive patriotism, as indicated in Table 4.10. The moderation analysis accounted for a drastic change in path coefficient though it showed a negative relationship. Initially, the study revealed that taxpayers' behavioral intentions had a positive and significant connection with their compliance with sales tax regulations. However, when patriotism was included as a factor in the analysis, a non-significant and adverse correlation became evident between taxpayers' intentions and their compliance with sales tax. This outcome suggests that patriotism might have the potential to undermine the connection between behavioral intentions

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and adherence to sales tax requirements. This might happen if individuals feel that their loyalty to the country supersedes their commitment to following tax regulations, leading them to engage in tax evasion or non-compliance even if they initially had the intention to comply. The negative results further implies that people who are highly patriotic may use their love for their country as a moral justification for tax evasion or non-compliance.

They might believe that their loyalty to the nation gives them the right to avoid taxes, viewing it as a form of protest or resistance against what they perceive as a corrupt or inefficient government. Again, individuals with strong patriotic feelings might question how tax revenues are being allocated or spent by the government. If they believe that their tax dollars are being wasted, misused, or are not contributing to the betterment of the country, they may be less inclined to comply with tax regulations. The study suggested that patriotism has a significant and positive moderating impact on the connection between taxpayers' behavioral intentions and their adherence to sales tax regulations among Ghanaian SMEs. However, the outcome of the findings as illustrated indicated an insignificant and negative relationship. The findings did not support the literature of a significant positive relationship (Alshira'h & Abdul-Jabbar, 2019).

4.6.4.2 Behavioral Intention of Taxpayers, Religiosity and Sale Tax Compliance

Religiosity also plays a moderating role in the connection between taxpayers' behavioral intentions and their adherence to sales tax regulations. The moderation analysis revealed a negative path coefficient, indicating a relationship that is not statistically significant. While it was established that behavioral intentions of taxpayers independently have a positive and significant association with sales tax compliance, the presence of religiosity introduced a negative and highly insignificant

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link between these intentions and tax compliance. This outcome suggests that strong religious convictions and practices might lead to a decrease in tax compliance, even when individuals initially intend to follow tax rules. The results further imply that religiosity weakens the link between behavioral intentions and sales tax compliance. If individuals interpret their religious teachings in a way that prioritizes charitable contributions or supporting their religious community over tax payments, they may believe that fulfilling their religious obligations takes precedence over tax compliance.

The study initially hypothesized that religiosity would positively and significantly moderate the relationship between behavioral intentions and sales tax compliance among Ghanaian SMEs. However, the findings contradicted this hypothesis, indicating that religiosity has a negative and insignificant moderating effect on the relationship between taxpayers' intentions and sales tax compliance. Consequently, the research did not support the proposed hypothesis concerning these variables.
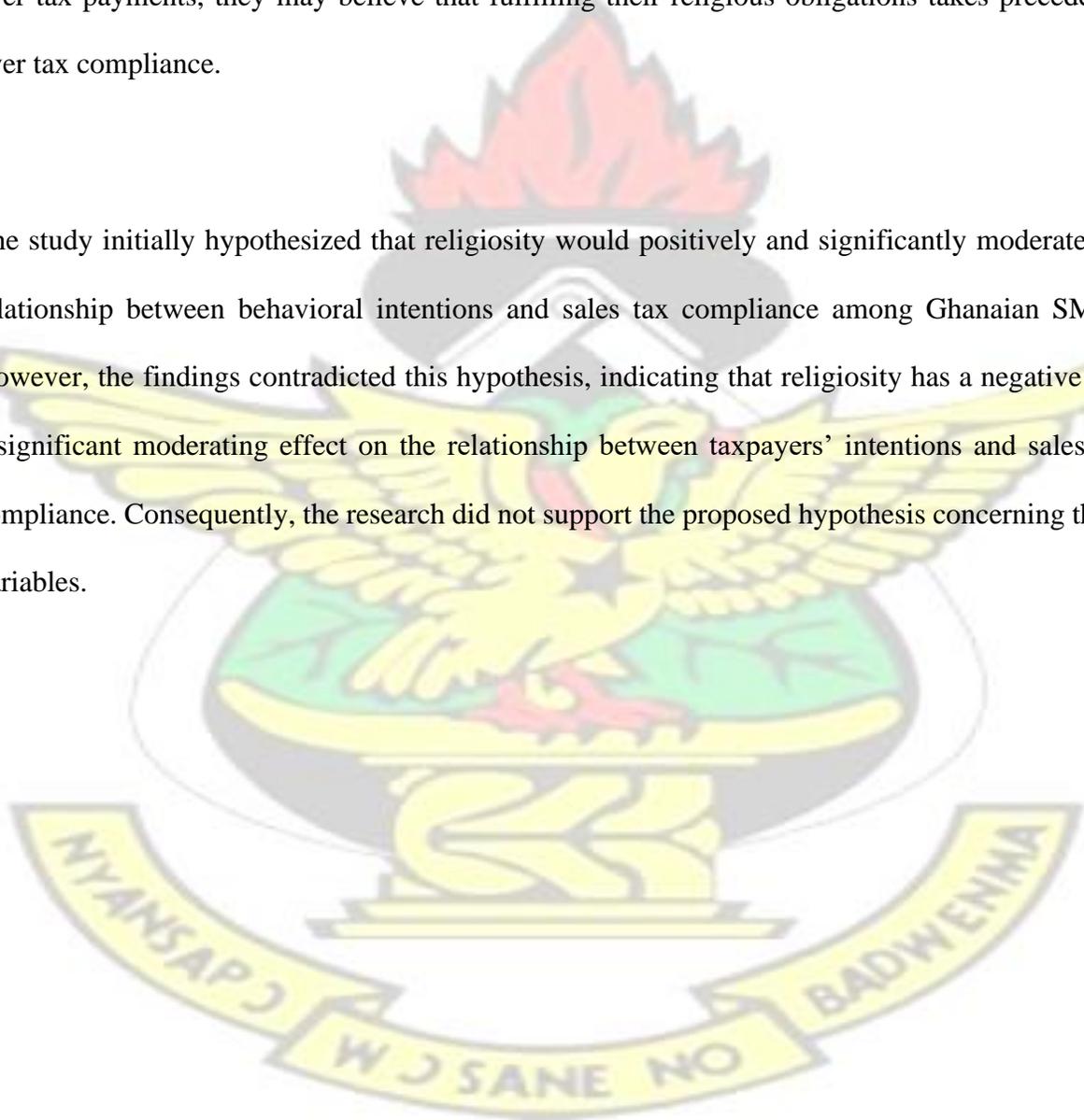
5.0 Introduction

This chapter presents the summary of the findings of the study, highlighting the conclusions and detailing possible recommendations to the study. Following the completion of the investigation, results were derived and suggestions were formulated. The study represents a summary of it results, which examines behavioral intentions and sales tax compliance among SMEs in Ghana. The study further examined moderating role of patriotism and religiosity. The study summary provides an overview of the research, which includes the study's methodology, its findings and a discussion of the results.

5.1 Summary of Findings

The main objective of this study was to investigate how the intentions of taxpayers affect their compliance with sales tax, with a specific focus on small and medium-sized enterprises (SMEs) in the Sekondi-Takoradi Metropolis, Ghana. The study also explored the moderating roles of patriotism and religiosity in the relationship between taxpayers' intentions and sales tax compliance. The study sought to achieve five specific objectives. The first objective examined the behavioral intentions on sales tax compliance among SMEs in the Sekondi-Takoradi Metropolis. The second objective analysed the patriotism influence on sales tax compliance among SMEs in Ghana. The third objective also evaluated the religiosity influence on sales tax compliance among SMEs in the Metropolis. The study further assessed the moderating role of patriotism in the relationship between behavioural intentions and sales tax compliance of SMEs. Finally, the study

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sought to examined how religiosity affects the relationship between behavioral intentions and adherence to sales tax regulations. To address these study objectives, research hypotheses were formulated in this study.

A sample size of 375 was drawn from a population of 16,356 based on Krejcie and Morgan's (1970) table. Twenty percent (20%) was included to accommodate for non-response rate. Stratified random sampling technique was used to select owners or managers of small and medium enterprises for inclusion in the study. The self-administered questionnaires developed from a thorough review of the existing literature and tested for reliability and validity were distributed to respondents. Furthermore, the researcher employed Partial Least Squares Structural Equation Modeling (PLSSEM) to validate their measurement and structural models and assess the predictive relevance of their study.

The first objective examined the behavioral intentions on sales tax compliance among SMEs. It was found a positive and significant link between taxpayers' behavioral intentions and their compliance with sales tax. The results supported this hypothesis, revealing that when taxpayers have a stronger intention to comply with sales tax regulations, they are more likely to follow these regulations and fulfill their tax obligations. With regards to the second objective, the study analysed the patriotism influence on sales tax compliance among SMEs. It was revealed that patriotism positively influences sales tax compliance.

The third objective evaluated the religiosity influence on sales tax compliance among SMEs. It was found that religiosity positively influences sales tax compliance. This implies that higher levels of religiosity are associated with increased compliance with sales tax regulations. Furthermore, the fourth objective assessed the moderating role of patriotism in the relationship between behavioural intentions and sales tax compliance of SMEs. It was revealed that patriotism moderates the relationship between taxpayers' intentions and sales tax compliance among Ghanaian SMEs. However, the findings revealed a negative relationship between the variables. This suggests that patriotism may weaken the relationship between taxpayers' intentions and compliance, potentially leading individuals to prioritize loyalty to their country over adherence to tax regulations, possibly resulting in tax evasion or non-compliance. Lastly, the fifth objective also examined how religiosity affects the relationship between behavioral intentions and adherence to sales tax regulations. The study revealed that religiosity moderates the relationship between taxpayers' intentions and sales tax compliance. However, the findings contradicted this hypothesis, indicating a negative and insignificant moderation effect.

5.2 Conclusion

From the findings presented, the following conclusions can be drawn:

With regards to the first objective, the study concludes that the behavioral intentions of SMEs have a significant impact on their compliance with sales tax regulations. The findings suggest that when SMEs have a stronger intention to comply with these regulations, they are more likely to fulfill their tax obligations and follow the prescribed tax laws. This implies that enhancing taxpayers' behavioral intentions towards sales tax compliance can potentially improve tax compliance rates among SMEs.

For the second objective, patriotism had a positive impact on sales tax compliance among SMEs. The study concludes that, SMEs that demonstrate a sense of patriotism are more likely to adhere to sales tax regulations. This suggests that fostering a patriotic environment within the business community can contribute to improved tax compliance rates. Furthermore, with respect to the third objective, there is a significant and positive relationship between religiosity and sales tax compliance among SMEs. Therefore, higher levels of religiosity are found to be associated with increased compliance with sales tax regulations.

With regards to the fourth objective, the study concludes that patriotism plays a significant moderating role in the relationship between behavioural intentions and sales tax compliance among SMEs in Ghana. The findings suggest that although patriotism can potentially enhance compliance with tax regulations, it may also weaken the relationship between taxpayers' intentions and compliance. This implies that individuals who prioritize loyalty to their country may be more inclined towards tax evasion or non-compliance, disregarding their intentions to comply. With regards to the last objective, the study concludes that religiosity does not have a significant moderating effect on the relationship between taxpayers' intentions and adherence to sales tax regulations. Contrary to the hypothesis, the findings indicate a negative and insignificant moderation effect. Therefore, religiosity does not significantly impact taxpayers' compliance with sales tax regulations in the context of this study.

5.3 Policy Implications and Recommendations

Based on the observed key findings and conclusions drawn above, the following recommendations are made:

Based on the findings that behavioral intentions have a significant impact on SMEs' compliance with sales tax regulations, it is recommended that efforts be made to enhance taxpayers' behavioral intentions towards tax compliance. This can be achieved through educational campaigns that emphasize the importance of tax compliance and the negative consequences of non-compliance. Additionally, providing SMEs with resources and support to understand and fulfill their tax obligations can help strengthen their intention to comply.

In light of the finding that patriotism has a positive impact on sales tax compliance among SMEs, it is recommended that measures be taken to foster a patriotic environment within the business community. This can include promoting initiatives that highlight the significance of paying taxes for the development of the country and showcasing the positive contributions of compliant businesses. Additionally, government through GRA can consider incorporating patriotic messaging in their communication efforts to encourage SMEs to adhere to sales tax regulations. Also, considering the significant and positive relationship between religiosity and sales tax compliance, it is recommended that religious leaders and organizations play a role in promoting compliance among SMEs. Collaboration between GRA and religious institutions can help spread awareness about tax compliance and emphasize its importance from a religious perspective. Furthermore, integrating religious teachings or messages into tax education initiatives can resonate with individuals who hold strong religious beliefs.

Given the finding that patriotism moderates the relationship between behavioral intentions and sales tax compliance, it is recommended that policymakers and tax authorities consider the potential limitations of relying solely on patriotism as a motivator for compliance. While patriotism can enhance compliance, it may also weaken the relationship between intentions and compliance, indicating that some individuals may still evade taxes despite their intentions to comply. It is important to recognize and address the underlying factors that drive tax evasion and non-compliance in these cases. Finally, based on the finding that religiosity does not significantly moderate the relationship between taxpayers' intentions and adherence to sales tax regulations, it is recommended that policy makers or tax authorities (GRA) should focus on other factors that may promote compliance among religious individuals. This could include tailored communication strategies that address the specific concerns or motivations of religious SME owners, as well as providing resources for navigating the intersection of religious beliefs and tax compliance. Future research could delve deeper into the complex relationship between religiosity and tax compliance and explore other potential moderators or factors that may influence compliance among religious individuals.

5.4 Suggestions for further research

This study was limited to only one country Ghana specifically Sekondi-Takoradi Metropolis, where the generalization of the findings is limited to SMEs. Similar studies can be replicated in other developing countries or other Regions in Ghana, where samples are drawn from other organizations. Nonetheless, the results are useful and can be generalized based on similar environments in other developing countries. Furthermore, the data were cross-sectional; hence, it was not possible to assess changes in responses over time. Furthermore, where a quick response

by the study measures to any changes is required, it would be impractical to estimate these changes. This is likely because, just as there are changes in the systems and circumstances that surround them, so do organizations.

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APPENDIX

QUESTIONNAIRE ON SALES TAX COMPLIANCE

This questionnaire is designed to gather information regarding factors contributing to sales tax compliance among Ghanaian SMEs. I kindly request your full cooperation, and the information provided will be strictly used for the purposes of this research, ensuring complete confidentiality.

Please indicate your respond by ticking the appropriate option within the provided spaces

SECTION A: Demographics

1. Gender: Male [ ]   Female [ ]

2. Age: Below 30 years [ ]   30-35 [ ]   36-40 [ ]   41-45 [ ]   46 & above [ ]

3. Education Background:
   Basic School [ ]   JHS [ ]   SHS [ ]   HND [ ]   Bachelor's Degree [ ]   Master / PhD [ ]
   No formal Education [   ]

4. Which sector is your business operating?
   Service industry [ ]   Transport [ ]   Farming [ ]   Information Technology [ ]
   Cloth [ ] Craft [ ]   Carpentry [ ]   Welding [ ]   Trade and Commerce [ ]

5. Operated or worked with current business for:
   Less than 5 years [ ]   5-9 years [ ]   10-15 years [ ]   Above 15 years [ ]

6. Income Level

Less than GHS6,000 [   ]   GHS6,000 - GHS12, 000 [   ]   Above GHS12, 000 [   ]

SECTION B

SALES TAX COMPLIANCE

Kindly rate your level of agreement to each of these sales tax compliance indicators by a [✓] on

a 7- point Likert scale with 1= strongly disagree, and 7=strongly agree.

Code	Sales Tax Compliance	1	2	3	4	5	6	7
STC1	I do not find faking invoice or altering an invoice justifying a sales tax refund							
STC2	I think I would pay more sales taxes if I engaged in sales tax compliance							
STC3	I would be pleased if I paid more sales taxes because I engage in sales tax compliance.							
STC4	I pay my VAT as required by the law because of a sense of responsibility							
STC5	It becomes difficult to govern the country when people don't pay their tax							
STC6	I am confident in my understanding of the sales tax regulations that apply to my business.							
STC7	I would not alter a tax invoice for a customer to help them claim more sales tax, even if they requested it.							
STC8	I always correctly record the details of a sale on the sale tax invoice							

BEHAVIORAL INTENTIONS

Kindly indicate your level of agreement to each of these questions about the use of tax and trust in

the government by a [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

Code	Behavioral Intentions	1	2	3	4	5	6	7
BI1	If I had the opportunity, I wouldn't cheat on sales tax							
BI2	I would never cheat on sales tax							
BI3	I would not cheat on sales tax in the future							
BI4	If I want to, I can comply on sales taxes							

BI5	I will feel guilty if I do not pay sales tax							
BI6	I can imagine times when I might comply on sales taxes even if I had not planned to							
BI7	Even if I had a good reason, I could not bring myself to cheat on sales taxes.							

PATRIOTISM

Kindly indicate your level of agreement to each of these questions about the tax rates in Ghana by a [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.

Code	Patriotism	1	2	3	4	5	6	7
PA1	I would be willing to increase sales tax rate if it would help my country							
PA2	I believe that paying my sales taxes on time is a way of showing my patriotism towards my country.							
PA3	Any person who cheats on his/her sales taxes is not patriotic.							
PA4	I consider it important to adhere to sales tax regulations as a form of contributing to my country's well-being.							
PA5	I feel a sense of duty to comply with sales tax requirements because it reflects my commitment to being a responsible citizen.							
PA6	I am motivated to follow sales tax laws as it aligns with my values of being a loyal and patriotic citizen							

RELIGIOSITY

Code	Religiosity	1	2	3	4	5	6	7
REG1	I often join various activities in relation to religious organization							
REG2	I often try to live all my life according to my religious beliefs							
REG3	My religious values influence most of my dealings in life							
REG4	My whole approach to life is based on my religious beliefs and values							
REG5	It is important for me to spend periods of time in private to think and reflect on my religious values							

REG6	I spend time to read the good book and follow it teachings in very decisions I take						

Kindly indicate your level of agreement to each of these questions about your cultural affiliation

or belief by a [✓] on a 7-point Likert scale with 1= strongly disagree, and 7=strongly agree.