PANTHÉON-ASSAS UNIVERSITÉ PARIS

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Laboratoire d'économie mathématique et de microéconomie appliquée

SÉMINAIRE

PEER'S EFFECTS AND SOCIAL CONFORMITY IN TAX COMPLIANCE: AN EXPERIMENTAL STUDY

04 April 2023
Lemma - Salle Maurice Desplas 4 rue Blaise Desgoffe 75006 PARIS

Séminaire du Lemma

Le Lemma organise un séminaire, sur le thème ***« Peer's effects and social conformity in tax compliance: an experimental study »*** le mardi 4 avril 2023 à 11h.

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Résumé :

The lab experimental study described in this paper aims at investigating the impact of both received and chosen information about others' tax compliance behaviour on the level of tax compliance among taxpayers. The subjects are provided with information about the tax behaviour previously observed among the whole community (made of the 20-subject group they belong to in the lab), and they are also given the possibility to get information about the tax behaviour of a subgroup of their fellow subjects, which they can choose (based on a tax morale criterion). By allowing us to investigate the impact of information on tax compliance both at the whole-community level and at a reference-group level, our strategy gives us the opportunity to study the role played by a local social norm (conveyed by the individually chosen reference group) relative to a more global

social norm (at the community level). Our main results are threefold. First, we show remarkable stability of tax evasion/compliance behaviour regardless of the informational context, suggesting strong intrinsic preferences toward tax compliance. Second, our findings are in line with the existing literature as regards the role of tax morale, probability of audit and awareness of public good provision. Thirdly, and more importantly, we find a significant informational and social norm effect, but the intensity and direction of this effect depends on the nature of information provided/chosen.