

May 2005



PERCEPTION OF A WHITE-COLLAR CRIME: TAX EVASION¹

By

Hughlene Burton
University of North Carolina at Charlotte

Stewart Karlinsky
San Jose State University
Visiting Fellow, 2005
School of Business Law
Curtin University of Technology

Cindy Blanthorne
University of North Carolina at Charlotte

ISSN: 1321-7828
ISBN: 174067 410 3

¹ This paper was previously published in the *American Taxation Association Journal of Legal Tax Research*.

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ABSTRACT

The current study was designed to investigate U.S. taxpayers' perception of the severity of tax evasion relative to other offences in general and white-collar crimes in particular. We compared the perception of tax evasion to twenty other offences, including violent crimes such as rape and murder and relatively minor offences such as jaywalking. Due to the recent focus by lawmakers and the media on white-collar scandals and the lack of comparisons in prior literature, we also included six white-collar crimes. Overall, the results indicate that tax evasion was viewed as only somewhat serious. When comparing tax evasion to other white-collar offences, we found that tax evasion was perceived as equal in severity to minimum wage law violations and rated less serious than the other four white-collar crimes investigated. Most demographic factors (age, gender, education or income level, political affiliation, etc.) did not seem to be related to perceptions of tax evasion. However, location of taxpayers did have some effect. These findings differ from several previous studies.

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INTRODUCTION

The Wall Street Journal recently reported that the U. S. economy faces the largest deficit in its history.² One of the contributing factors to the deficit is underreporting income by U.S. taxpayers. The Commissioner of the Internal Revenue Service (IRS) ranks federal noncompliance as the biggest problem facing today's federal tax system.³ The difference between the amount of tax that is theoretically owed versus the amount of tax actually paid is known as the 'tax gap'.⁴ The IRS estimated that the tax gap was \$95 billion in 1992 and \$275 billion in 1998.^{5,6} Moreover, the estimate continues to increase as the government learns more about the nature and extent of tax evasion issues. The current tax gap, as reported recently in Tax Notes, is estimated to be approximately \$310 billion.⁷ Nina Olson, the National Taxpayer Advocate, suggested that the single largest contributing factor to the tax gap is tax evasion by self-employed individuals. However, according to Commissioner Gibbs, noncompliance is a problem with all types of taxpayers.⁸

Although filing a tax return is 'voluntary', it is against the law to underreport income on tax returns. Yet, in a recent field study, researchers noted that small business owners were remarkably candid about their tax evasion behaviour regarding the underreporting of cash income.⁹ One potential reason for their forthrightness is that taxpayers may view tax evasion as a relatively minor offence. Obviously, the public's perception of the severity of a crime has important implications for society. According to a study of 29 countries, tax evasion was not considered a very serious crime by the American public.¹⁰ However, they did find that Americans consider it more serious than people from many other countries.

The current study was designed to investigate U.S. taxpayers' perception of the severity of tax evasion relative to other offences in general and white-collar crimes¹¹ in particular. We

² Anonymous, 'May deficit was \$62.47 billion' (2004, June 11) *Wall Street Journal*.

³ Sheryl Stratton, 'Taxpayer advocate addresses disclosure, withholding' (2004, February 9) *Tax Notes* 714.

⁴ J D McKinnon and R Wells, 'Self-employed blamed for "tax gap": IRS taxpayer advocate proposes withholding from contractor payments' (2004, January 15) *Wall Street Journal*.

⁵ Internal Revenue Service, *Federal Tax Compliance Research: Individual income tax gap estimates for 1985, 1988 and 1992* (1996) Publication 1415 (rev. Apr.) Washington, DC: U. S. Government Printing Office.

⁶ Internal Revenue Service, *Report on Tax Compliance Activity: FY 1996 – FY 2002* (2003) Washington, DC: U.S. Government Printing Office.

⁷ Above n 2.

⁸ Above n 2.

⁹ S Karlinsky and J Bankman, 'Developing a theory of cash businesses tax evasion behaviour and the role of their tax preparers' in Walpole and Fisher (eds) *2002 5th International Conference on Tax Administration: Current Issues and Future Developments* (2002).

¹⁰ M Evans and J Kelley, 'Are tax cheating and welfare fraud wrong? Public opinion in 29 nations' (2001, April) 3 *Australian Social Monitor* 93-102.

¹¹ The term 'white-collar crime' was coined by Edwin Sutherland in 1939. Today Black's Law Dictionary and Wikipedia defines 'white-collar crimes' as 'those crimes specifically performed by professional workers. There has been much debate as to what qualifies as a white-collar crime, but the term generally includes a variety of nonviolent crimes usually committed in commercial situations for financial gain. The most common white-collar crimes includes certain forms of fraud, insider trading, embezzlement, computer crime, tax evasion and forgery ... Such crimes are often contrasted against violent crimes (such as rape or murder) or blue-collar crime (such as vandalism or shoplifting). The term derives from the characteristic white-collar shirts worn by lawyers, bankers and other professionals associated with such crimes.'

compared the perception of tax evasion to twenty other offences, including violent crimes such as rape and murder and relatively minor offences such as jaywalking. Due to the recent focus by lawmakers and the media on white-collar scandals and the lack of comparisons in prior literature, we also included six white-collar crimes.

Overall, the results indicate that tax evasion was viewed as only somewhat serious. When comparing tax evasion to other white-collar offences, we found that tax evasion was perceived as equal in severity to minimum wage law violations¹² and rated less serious than the other four white-collar crimes investigated (welfare fraud, insider trading, child labour laws and accounting fraud). Geographically, people from a 'conservative' part of the country seemed to rate tax evasion as more serious than people from a 'liberal' location; and MBA students rated tax evasion as more serious than tax professors or graduate tax students. Finally, most personal characteristics (age, gender, education, income level or political affiliation, etc.) did not seem to be related to perceptions of tax evasion. This finding differs from several of the studies discussed in the literature section of the paper. Our findings may reflect the fact that American society's mild attitude toward tax evasion is pervasive.

The results of this study should be of interest to tax policy makers and lawmakers because they suggest that one reason for the steadily increasing tax gap may simply be that taxpayers do not perceive tax evasion as a particularly serious offence. Basically, the government has an interest in how societal members perceive the seriousness of offences.¹³ They noted several reasons that policymakers should be concerned about the public's perception of a crime. First, in order to secure compliance with the law, the public must believe that the laws are legitimate. Second, punishment that exceeds public perception of the severity of an offence may lead to Constitutional issues under the cruel and unusual punishment provisions of the Eighth Amendment. Finally, it may be helpful for government officials to use public perception of an offence's severity to allocate scarce resources. Interestingly, as discussed below, tax evasion punishment closely mirrors taxpayers' perception of the severity of the offence.

DESCRIPTION OF THE SURVEY

A four page survey was administered to taxpayers (see Appendix A). The survey took subjects less than ten minutes to complete. To encourage candid responses, respondent anonymity was highlighted. Further, since respondents were being asked for their personal opinions, the survey emphasized that there was no right or wrong answer. The perceived severity of each of the 21 offences was rated on a five-point Likert scale ranging from (1) Not Serious to (5) Extremely Serious.¹⁴

¹² Minimum wage violations are an offence that carries a maximum 6 months of jail time and more normally involves a simple fine (see Table 3). Interestingly, tax evasion carries a potential 5 year prison sentence.

¹³ J Roberts and L Stalans, *Public Opinion, Crime, and Criminal Justice* (1997).

¹⁴ To control for any order effect, there were five randomized versions of the test instrument used. T-tests showed there was no order effect in the results.

DESCRIPTION OF RESPONDENTS

The sample included surveys from 205 respondents which included 120 MBA students and 54 graduate tax students (see Table 1). The respondents came primarily from California and North Carolina.¹⁵ The sample was made up of 100 adults from California and 94 from North Carolina. In addition, 11 tax professors from across the United States were included in the sample. Sixty-two percent of the sample were male, and fifty-four percent were over the age of 30.

Table 1
Demographics of the Sample

Participants	Total	NC	CA	Other	% Male	% Over 30
MBA Students	120	53	67	0	69%	54%
Tax Students	54	41	13	0	46%	37%
Tax Professors	11	0	0	11	64%	82%
Other	20	0	20	0	55%	95%
Total	205	94	100	11	62%	54%

DISCUSSION OF PRIOR LITERATURE AND RESULTS OF SURVEY

There are numerous U.S. and international studies that investigate the perceived severity of legal offences in the criminal justice, sociology and psychology literature, but very few focus on tax evasion. A classic tax evasion study cited in prior accounting literature by Song and Yarbrough investigated taxpayers' perceptions of tax evasion in a small rural town.^{16,17} As part of the survey, they asked the subjects to measure tax fraud/evasion against eight other offences, including four violent offences and four property-related offences, but no other white-collar crime was included. They commented that people seemed to view tax evasion more like a violation than a crime.¹⁸ When tax fraud was compared with the four violent crimes, it was ranked a distant fifth. Compared to property related offences, tax evasion was ranked slightly higher in perceived severity than stealing a bicycle and lower than bribery, embezzlement and arson. Song and Yarbrough summarized their results by stating that 'the typical taxpayer apparently considers tax evasion only slightly more serious than stealing a bicycle.'

The current study extends Song and Yarbrough's research in several important ways. First, our study uses a broader range of offences. We examined 21 offences (see Appendix A), including six (6) white-collar crimes, as well as seven (7) victim and eight (8) victimless crimes. Further, the Song and Yarbrough study was conducted over a generation ago and perceptions may have changed over time. This is particularly true given the notoriety of the recent white-collar scandals of Enron, WorldCom, Tyco, Martha Stewart, and the publicity related to corporate tax

¹⁵ The subjects were principally drawn from the California Bay Area including San Jose which is the country's 11th largest city with a population of 900,000 and from the Charlotte, NC region which is the country's 35th largest city with a population of approximately 500,000.

¹⁶ Y Song and T E Yarbrough, 'Tax ethics and taxpayer attitudes: A survey' (1978) 38(5) *Public Administration Review* 442-452.

¹⁷ The town was located in North Carolina and had a population of 34,000 when the study was conducted.

¹⁸ Violations are punishable by fines and crimes are generally punishable by jail sentences.

shelters. Finally, the current study uses subjects from urban and suburban North Carolina and California cities, representing more diversity than one small rural college town.

A more recent study by the Australian Institute of Criminology asked Australian respondents to rank the seriousness of 13 offences.¹⁹ Presumably, based on the results of Song and Yarbrough,²⁰ stealing a bicycle was used as the benchmark for which respondents were asked to compare the offences investigated. The authors gave a one line scenario for each of the offences, including: 'A person cheats on their Commonwealth income tax return and avoids paying \$5,000²¹ in taxes.' Tax evasion was viewed as roughly six times more serious than stealing a bicycle, about the same as another white-collar crime, Medicare fraud, but less serious than Social Security fraud (rated 7.5 times more serious than bicycle theft). Interestingly, the Social Security fraud scenario involved \$1,000 and yet it was viewed as more serious than \$5,000 of taxes evaded or \$5,000 excess Medicare receipts by doctors. To rectify limitations noted above, our study includes more offences, particularly white-collar offences, and is more current. Further, the data investigates U.S. taxpayers' perceptions from urban and suburban settings.

RESULTS OF THE SURVEY - BIG PICTURE

Table 2 shows the ratings of the 21 offences. Not surprisingly, the most serious offences were: murder, rape, child molestation, robbery, carjacking and DWI. At the other end of the spectrum, jaywalking, illegal parking, ticket scalping, speeding and smoking marijuana were rated as the least serious offences. Tax evasion was rated as a 3.3 and ranked as number 11 of the 21 offences reviewed.

¹⁹ P Wilson, J Walker and S Mukherjee, 'How the public sees crime: An Australian Survey' (1986) *Australian Institute of Criminology: Trends and Issues in Crime and Criminal Justice* 1-5.

²⁰ Above n 15.

²¹ All dollar amounts represent Australian dollars.

Table 2
Average Rating of Crimes Surveyed

Crime	Overall Rating	Ranking
Murder	5.0	1
Rape	4.9	2
Child Molestation	4.9	2
Robbery	4.2	4
Carjacking	4.0	5
DWI	4.0	5
Accounting Fraud	3.9	7
Child Labour	3.9	7
Insider Trading	3.7	9
Welfare Fraud	3.5	10
Tax Evasion	3.3	11
Minimum Wage	3.3	11
Shoplifting	3.0	13
Prostitution	2.8	14
Running a Red Light	2.7	15
Bike Theft	2.6	16
Smoking Marijuana	2.2	17
Speeding	2.1	18
Ticket Scalping	1.7	19
Illegal Parking	1.5	20
Jaywalking	1.3	21

NOTE: Offences rated on 5 point Likert scale from not serious (1) to extremely serious (5).

A study by Eicher, Stuhldreher and Stuhldreher,²² investigated the perception of tax evasion as well as four other offences that are included in the current study: DWI, running a red light, shoplifting and speeding.²³ Tax cheating and shoplifting were rated as essentially equal which closely matched our findings. The other rankings were fairly similar to our ratings as well, with DWI rated as the most serious (#5 in our study); running a red light (#15) was rated as less severe than tax evasion (#11) in our study and speeding being the least severe (#18).

TYPES OF OFFENCES - VIOLENT CRIMES

As expected, the three violent victim crimes included in the survey, murder, rape and child molestation, are rated as more severe than tax evasion.²⁴ The findings support the prior research

²² J D Eicher, T J Stuhldreher and W L Stuhldreher, 'Men, women, taxes and ethics' (2002) 211 *Tax Notes* 401-406.

²³ Items listed in order of perceived severity found by Eicher et al. (2002). Reader should note that this study did not include any other white-collar crimes.

²⁴ All three are statistically different from tax evasion. Henceforth, unless otherwise noted, all differences reported represent significant differences based on t-tests ($p \leq .05$).

by Rosenmerkel²⁵ and Warr²⁶ that violent offences are perceived as more serious than white-collar offences.

TYPES OF OFFENCES - WHITE-COLLAR

Prior research did not evaluate tax evasion in relation to other white-collar crimes. For instance, Song and Yarbrough²⁷ examined tax evasion against four violent crimes and four property-related crimes. Eicher et al.²⁸ explored tax evasion vis a vis four non-violent crimes, but did not include white-collar crimes. The only study that purported to specifically examine the white-collar crime issue was Rosenmerkel,²⁹ but his selection of white-collar offences did not correspond with the generally accepted law or layman’s dictionary definition, and more closely resembles blue collar offences.³⁰ In our survey there are six white-collar offences: tax evasion, accounting fraud, violation of child labour laws, insider trading, violation of welfare laws and violation of minimum wage laws. Of these offences, violation of child labour laws and accounting fraud were rated as the most serious (tied for 7th). However, the rankings of all six white-collar offences fall together in the list, ranking from the seventh to the twelfth most serious offences. These results support prior research that suggests people do not perceive white-collar offences to be as serious as violent offences but more serious than most property offences.^{31, 32}

To further analyze tax evasion amongst the white-collar crimes, tax evasion was compared to the other five white-collar offences in the survey. As shown in Table 3, perceptions of the severity of tax evasion differed significantly from accounting fraud, violation of child labour laws, insider trading, and violation of welfare laws, but there was no significant difference between tax evasion and the violation of minimum wage laws.

Table 3
Comparison of Tax Evasion to Other White-collar Crimes

Tax Evasion	Violent Crimes	Accounting Fraud	Violation of Child Labour Laws	Insider Trading	Violation of Welfare Laws	Violation of Minimum Wage Laws
3.3	4.9*	3.9*	3.9*	3.7**	3.5**	3.3

* Significant at the .01 level

** Significant at the .05 level

²⁵ S. Rosenmerkel, ‘Wrongfulness and harmfulness as components of seriousness of white-collar offenses’ (2001) 17 *Journal of Contemporary Criminal Justice* 308-327.

²⁶ M Warr, ‘What is the perceived seriousness of crimes?’ (1989) 27(4) *Criminology* 795-821.

²⁷ Above n 15.

²⁸ Above n 22.

²⁹ Above n 26.

³⁰ For instance, he included items such as overcharging for auto repairs and charging higher interest rates on credit as white-collar crimes.

³¹ Above n 26.

³² Robbery and carjacking are property offences that have historically been viewed as more serious in nature which is consistent with our findings. On the other hand shoplifting and bike theft are property crimes that have been perceived as not very severe.

The fact that accounting fraud was perceived as more serious than tax evasion may be a product of the current business environment and the related press coverage surrounding recent scandals, including Enron, WorldCom, and Tyco and the subsequent Sarbanes-Oxley legislation.

As shown in Table 3, it is also consistent with the relative penalties imposed on these offences. As noted earlier, Rosenmerkel and Wilson et al. did include some white-collar offences in their studies. Given the charged atmosphere in the press and in Congress it would have been interesting to see if our results differed dramatically from either of the two prior studies. Unfortunately, the white-collar crimes ranked by the two prior studies³³ were not comparable to the current survey.³⁴ Therefore, to the authors' knowledge, there is no benchmark study prior to the aforementioned corporate scandals that can be used to compare the relative severity of white-collar crimes.

PERCEIVED SEVERITY VS. PENALTY

It is also interesting to note that with the exception of accounting fraud and tax evasion, the punishment for the 21 selected offences closely matches taxpayers' perception of the severity of the offence (see Table 4). In effect, most of our subjects would seem to believe that 'the punishment does fit the crime'. However, the perception of tax evasion is an exception to this conclusion. For example, the results of the study show tax evasion, which carries a potential criminal penalty of five years, is tied in perception of seriousness with minimum wage violations, which carries a maximum sentence of 6 months, and more normally only results in a fine.

³³ Above n 19 and 26.

³⁴ Rosenmerkel did not include tax evasion and his classification of white-collar differed dramatically from ours. He included overcharging for automotive repairs and higher interest rates on credit as white-collar crimes. Wilson et al. only included tax evasion and Medicare fraud.

Table 4
Punishment and Average Rating of Crimes Surveyed

Crime	Overall Rating	Ranking	Penalty Range
Murder	5.0	1	Imprison for Life or Death
Rape	4.9	2	Imprison for Life or any term of years
Child Molestation	4.9	2	Imprison for no more than 15 years
Robbery	4.2	4	Imprison for no more than 15 years
Carjacking	4.0	5	Imprison for no more than 15 years
DWI	4.0	5	Imprison for no more than 15 years
Accounting Fraud	3.9	7	Imprison for no more than 25 years
Child Labour	3.9	7	Imprison for no more than 6 months
Insider Trading	3.7	9	3 times the amount of gain
Welfare Fraud	3.5	10	Imprison for no more than 5 years
Tax Evasion	3.3	11	Imprison for no more than 5 years
Minimum Wage	3.3	11	Imprison for no more than 6 months
Shoplifting	3.0	13	CA: Imprison for no more than 1 year
Prostitution	2.8	14	Imprison for no more than 1 year
Running a Red Light	2.7	15	CA: Fine
Bike Theft	2.6	16	Imprison for no more than 1 year
Smoking Marijuana	2.2	17	Imprison for no more than 1 year
Speeding	2.1	18	CA: Fine
Ticket Scalping	1.7	19	CA: Fine
Illegal Parking	1.5	20	CA: Fine
Jaywalking	1.3	21	CA: Fine

Notes: Offences rated on 5 point Likert scale from not serious (1) to extremely serious (5)
 Many of these offences also include a fine
 CA: no federal offence, so we used California State law to compare.

TYPES OF TAXPAYERS - LOCATION

Several studies have examined the effect that location has on people's perception of the seriousness of a crime. Ball³⁵ found that citizens in different communities had differing opinions. Likewise, Evans and Kelley³⁶ found that people's perception of tax evasion in twenty-nine countries varied greatly. Urban and rural taxpayers were compared by Davis³⁷ and by Smith and Huff.³⁸ Both found that urban residents perceived the crimes in their studies as less severe than their rural counterparts.

³⁵ C Ball, 'Rural perceptions of crime' (2001) 17 *Journal of Contemporary Criminal Justice* 37-48.

³⁶ Above n 9.

³⁷ J Davis, 'Comparison of attitudes toward the New York City police' (1990) 17(4) *Journal of Police Science and Administration* 233-243.

³⁸ B L Smith, and R C Huff, 'Criminal victimization in rural areas' (1982) 10(4) *Journal of Criminal Justice* 271-282.

However, other studies did not find a difference between urban and rural perceptions.^{39,40} In fact, they suggested that differences between urban and rural perceptions are decreasing. The typical definition of rural is low density population or small size, but rural can also relate to the type of economy, the character of social life, cultural attitudes, beliefs and values of an area. The current survey includes respondents from San Jose, California, a very progressive and liberal area of the United States and from Charlotte, North Carolina, a more conservative part of the country. Based on these informal stereotypes, one would expect that respondents in North Carolina to rate tax evasion as more serious than respondents in California. Indeed this is the case, as shown on Table 5, average tax evasion ratings were 3.5 and 3.1 for North Carolina and California, respectively. These findings support the theory that location makes a difference in people's perceptions of offences.

Table 5
Perception of Tax Evasion Based on Location

	Overall	California	North Carolina	
Total Sample	3.3	3.1	3.5	*
MBA Students	3.4	3.1	3.7	*
Graduate Tax Students	3.2	3.1	3.3	
			*	

* Significant at the .01 level

To investigate the differences in location further, graduate tax students and MBA students were compared between California and North Carolina. As shown in Table 5, location seems to affect the overall differences between MBA students, with North Carolina MBA's rating tax evasion more severely than California MBA students. When comparing MBA students to graduate tax students, there was no overall difference found. Similarly, no difference was found between the student types in California. In North Carolina, however, the MBA students rated tax evasion as more serious than graduate tax students, at 3.7 and 3.3 respectively.

A final group, tax professors, was compared to students. As shown in Table 6, the average score for tax professors was 2.9; significantly lower than graduate tax students or MBA students. To summarize, the lowest ratings came from tax professors, followed by graduate tax students. MBA students, particularly in North Carolina, rated tax evasion as the most severe. Perhaps, knowledge of the tax system or awareness of the low rate of audit⁴¹ led tax professors and tax students to rate tax evasion as less severe than MBA students.

³⁹ R Weisheit, D Falcone and L Wells, *Crime and Policing in Rural and Small-town America* (1996).

⁴⁰ R Weisheit, L Wells and D Falcone, 'Community policing in small towns and rural America' (1994) 40(4) *Crime & Delinquency* 549-567.

⁴¹ In a recent *Tax Notes* column (7/5/04, 87) William G. Gale shows that in 1996 2.1MM tax returns were audited out of 159.6MM filed returns; in 2002 800K returns were audited out of 174.6MM returns filed. Another way to look at these figures is that in 1996, 1.37% of all tax returns were audited while in 2002 less than .5% were audited.

Table 6

Difference of Perception of Tax Evasion Between Tax Professors and Graduate Students

	Graduate Student	Tax Professors	
Total Sample	3.3	2.9	**
Graduate Tax	3.2	2.9	***
MBA	3.4	2.9	*

* Significant at the .01 level

** Significant at the .05 level

*** Significant at the .10 level

TYPES OF TAXPAYERS – OTHER DEMOGRAPHICS

Previous studies examined personal characteristics such as age, gender, education and church attendance for perceived differences in the severity of tax evasion. Evans and Kelley found age to be the most important difference in people’s attitude toward tax evasion.⁴² Church attendance was the next most important factor but the difference was small. Finally, men were more tolerant of tax evasion than women, but the difference was not material. Eicher et al. also reported that men were generally more accepting of tax evasion than women.⁴³

This study also evaluated the relationship between selected demographic variables and the perceived severity of tax evasion. Personal demographic characteristics investigated included age, gender, marital status, income level, home ownership, political affiliation and church attendance. Because the focus of the current study is tax evasion, respondents were also asked if they prepared their own tax returns and/or if they had ever been audited by the IRS. None of these characteristics seemed to influence the participant’s perceptions of tax evasion. These results are a little surprising given the results of prior research, although it may be indicative of the pervasiveness of taxpayers’ views of tax evasion as a minor, victimless offence.

CONCLUSION

It is important to understand why people do not report taxable income and/or pay their income taxes. At a minimum, there are economic ramifications for the U.S. budget. Prior research indicates that one reason may be that tax evasion is not perceived as a serious offence.⁴⁴ Our study surveyed 205 people to see how seriously they perceived tax evasion to be. Of the list of twenty-one offences evaluated, tax evasion was ranked 11th and rated as only somewhat serious. Our study is the only one to investigate tax evasion relative to other white-collar offences. Of the six white-collar offences considered, four were rated as more serious than tax evasion, and the

⁴² Above n 9.

⁴³ Above n 22.

⁴⁴ Above n 9.

violation of minimum wage laws was rated equal in severity to tax evasion. In effect, tax evasion was equated by the test subjects as equal to an offence (minimum wage violation) that carries a maximum sentence of 6 months jail time and normally involves a 'slap on the hand', a fine. We also tested various demographic characteristics and found that where the respondent lived affected their perception of tax evasion, but other characteristics, such as age, income, gender, etc., did not. The perception of tax professors was found to be less severe than graduate tax and MBA students, suggesting a potential connection to knowledge of the tax system. Overall, these results are consistent with the findings of Karlinsky and Bankman,⁴⁵ that tax evasion is not viewed as a serious crime and this finding should concern lawmakers and Treasury officials as they consider ways to close the 'tax gap' and the budget deficit. It also points out the need to educate the public about the seriousness of tax evasion. Maybe a concerted effort including advertising and publicity campaigns, similar to several States' approach to enforcement of seat belt or drunk driving laws might be useful to increase the public's perception that tax evasion is a serious crime.

LIMITATIONS

There are three primary criticisms about this type of survey. First, critics may argue that the scales do not explicitly define what is meant by the term seriousness.⁴⁶ A study will have stronger results if there is more variation in the participants' answers. Sherman and Dowdle determined that there would be a consensus among respondents in studies that were vague as to the definition of the term seriousness.⁴⁷ When respondents apply their own concepts of criminal harm, they base judgments on a varying scale of crime importance. Rossi and Henry also found that more variation would occur if respondents were instructed to rate seriousness based on their own opinions.⁴⁸ They suggest to control for this factor, the survey instrument should ask respondents to rate the severity of the offences based on their own opinions and experiences. By making this request, the results should provide more variation in the respondents' answers, which we did in this study.

Second, the survey offences could be presented in a variety of styles. Each could be described in a sentence, paragraph or scenario format. For example, speeding could be further described as 'ten miles over the speed limit'. One of the problems with this style is that the reader may wonder if that is 65 in a 55 mile zone or 35 in a 25 mile zone; were children present; was the car weaving, etc. To avoid these potentially confounding issues, the current study did not attempt to describe the offences being tested and left it to the subject's opinions and experiences.

A third criticism of the type of scale used in this study is the reliance on samples of offences that are not representative of everyday crime. Too few offence types have been included in prior studies to permit generalizing the findings to all offences. In addition, most offence seriousness

⁴⁵ Above n 8.

⁴⁶ S Blum-West, 'The seriousness of crime: A study of popular morality' (1985) 6(1) *Deviant Behavior* 83-98.

⁴⁷ R Sherman and M Dowdle, 'Perception of crime and punishment: A multidimensional scaling analysis' (1974) 3(2) *Social Science Research* 109-126.

⁴⁸ R Rossi and J P Henry, 'Seriousness: A measure for all purposes?' in M W Klein and K S Tielmann (eds), *Handbook of Criminal Justice Evaluation* (1980).

studies over-represent serious, violent criminal acts. In contrast, more than 90% of all actual offences are property offences. Over representation of serious offences has the potential to sensitize respondents to the offences that are most uncommon.⁴⁹ The current study included 21 offences, only three of which would be classified as violent criminal acts. Of the remaining 18 offences there are five property crimes, six white-collar offences, three motor vehicle offences and four other types of offences which is more representative of the number and types of actual offences committed.

The sample used in this study was a relatively small (205), somewhat diverse, group of volunteers from two cities in the U.S. Therefore, the results may not extend to the entire U.S. population. In addition, a majority of the subjects were students. However, the students in this sample were graduate students and the majority of the sample was over the age of 30.

⁴⁹ R. Meier and J Short, 'The consequences of white-collar crime' in J Edelhertz and T Overcast (eds), *White-collar crime: An agenda for research* (1982).

APPENDIX A

Survey Document

We are three professors doing a study on people's perceptions of the seriousness of selected offences. Thank you in advance for taking five or ten minutes out of your busy schedule to share your opinions with us.

Since we are only interested in your opinion, there are no right or wrong answers. So, please just tell us how you honestly feel about each offence. Please note that your responses are totally anonymous.

To make full use of your responses, we need you to answer all opinion and background questions.

Thank you,

Cindy Blanthorne
UNC Charlotte

Hughlene Burton
UNC Charlotte

Stewart Karlinsky
San Jose State University

1. In your opinion, how serious is each offence listed below?

Item	Description of Offence	Not Serious	Somewhat Serious	Serious	Very Serious	Extremely Serious
1	Bicycle theft					
2	Welfare fraud					
3	Speeding					
4	Carjacking					
5	Prostitution					
6	Accounting fraud					
7	Robbery					
8	Shop-lifting					
9	DWI / DUI					
10	Illegal parking					
11	Violating child labour laws					
12	Smoking marijuana					
13	Child molestation					
14	Insider stock trading					
15	Jay walking					
16	Running a red light					
17	Murder					
18	Ticket scalping					
19	Tax evasion					
20	Paying employees less than minimum wage					
21	Rape					

2. If you had trouble understanding any of the offences listed, please identify the problems (by item number or description of offence) and briefly explain the problem.

3. Please rank the five *most* serious offences (list the most serious offence first).

Seriousness....	Item Number or Description
<i>Most</i> serious offence	
Second <i>most</i> serious offence	
Third <i>most</i> serious offence	
Fourth <i>most</i> serious offence	
Fifth <i>most</i> serious offence	

4. Please rank five *least* serious offences (list the least serious offence first).

Seriousness....	Item Number or Description
<i>Least</i> serious offence	
Second <i>least</i> serious offence	
Third <i>least</i> serious offence	
Fourth <i>least</i> serious offence	
Fifth <i>least</i> serious offence	

Participant Background Information

Our goal is to identify trends among different people. To do this, we need some anonymous background information.

5. What is your primary employment status?

_____ self-employed _____ student _____ retired
 _____ employee _____ not currently working

6. What is the highest level of education that you have completed?

_____ some high school _____ some college _____ graduate degree
 _____ high school _____ college degree

7. What is your political affiliation?

_____ Republican _____ Independent _____ None

_____ Democrat _____ Other

8. What is your household income level?

_____ << \$20K _____ \$41 – 60K _____ >> \$80K

_____ \$20 – 40K _____ \$61 – 80K

9. What is your age range?

_____ << 20 years _____ 31 – 40 years _____ >>60

_____ 20 – 30 years _____ 41 – 60 years

10. Is English your first language? _____ Yes _____ No

11. Do you own your own home? _____ Yes _____ No

12. Are you married? _____ Yes _____ No

13. Do you attend church regularly (at least once a month)? _____ Yes _____ No

14. Do you hire someone to prepare your income tax return? _____ Yes _____ No

15. Are you a tax professional (tax preparer, IRS agent, etc.) _____ Yes _____ No

16. Has your income tax return been audited (by IRS or state)? _____ Yes _____ No

17. Have you or someone close to you had personal experience with any of the offences listed? _____ Yes _____ No

18. Are you male or female? _____ Male _____ Female

19. Please indicate the state in which you live? _____

THANK YOU. Your contribution is greatly appreciated!

Instrument A

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For further information on this working paper series, please contact:

Associate Professor Kevin Brown
Co-ordinator
Working Paper Series
School of Business Law
Curtin Business School
Curtin University of Technology
GPO Box U1987, Perth
Western Australia 6001

Fax (08) 9266 3222
Tel. (08) 9266 7798