Tax education and first category income tax collection in Peru via university students

Educación tributaria y recaudación fiscal de rentas de primera categoría en estudiantes universitarios del Perú

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ABSTRACT: The objective was to evaluate the level of tax education related to the first category income tax collection in Peruvian university students. This work is in the quantitative approach, descriptive type, and cross-correlational design. The sample consisted of 3,560 students (between men and women between 18 and 25 years old), which was obtained using the non-probabilistic and convenience sampling technique. To obtain data, the Tax Education Questionnaire was applied, which was prepared by the authors under the theoretical assumptions of the Tax Court attached to the Ministry of Economy and Finance of Peru. The statistical processing was carried out using the variance analysis technique (ANOVA) of the variables tax education (1) and tax collection (2). The results indicated that there is a direct association between the mentioned variables with a p-value = 0.001. In conclusion, tax education is directly related to tax collection.

PALABRAS CLAVE
Educación tributaria, estudiantes, recaudación, universidad

RESUMEN: El objetivo fue evaluar el nivel educación tributaria relacionado con la recaudación fiscal de rentas de primera categoría en estudiantes universitarios del Perú. Este trabajo se ubica en el enfoque cuantitativo, de tipo descriptivo y de diseño correlacional transversal. La muestra estuvo conformada por 3560 estudiantes (entre varones y mujeres de 18 a 25 años), el
1. INTRODUCTION

It is necessary to publicize the rules, procedures and principles when renting a property and thus have a high level of tax collection (Toledo, Román and Nistal 1999). Landlords are apparently reluctant to comply with their tax obligations, incurring in tax evasion (Davis & González, 1998). Which becomes a great problem that causes the decrease in the collection of tax revenues, which serve to finance the activities carried out by the State in favor of the most important areas of the population (Sánchez & Silva 2018). It is basically the product of the concern to know the fulfillment of the legal norms, regarding the income from real estate rentals that many university students in our country have, especially in neighborhoods surrounding the universities, which concentrates a large number of students who are immigrants from different provinces; The investigation denotes importance because the first category rental income is not met by the tenants and this causes tax evasion that hurts the treasury, this situation shows the deficient tax education in the leasing of real estate.

Tax evasion means the restriction of public spending and the deficient execution of the plans of different governments, such as: the tax, lack of compliance can lead to an effective loss of income for the treasury or not, tax evasion is defined as the lack of compliance with their obligations by taxpayers (Morales, 2019). The tax obligation is the relationship that exists between the creditor and tax debtor originated by the tax, established in the law (Ramos & Morales, 2019), in the same line is the public law that represents the relationship that exists between the debtor and the Tax creditor (Arce & Vargas 2010), is also the legal bond originated by the tax, whose source is the law, and constitutes a link between the state (creditor) and the responsible or taxpayer (debtor), which manifests itself in an obligation to give (Zapata & Rodríguez, 2017). In relation to income as an unrelated tax, it constitutes one of the main sources of state resources (Martínez, 2009), it is the utility or susceptible profit, a periodic product that comes from a durable source in a state of exploitation (López & Bonilla 2008)

In relation to first category income, they are the income from the exploitation of properties and movable property, if they are not expressly considered as second category income, it includes the income produced by the lease, sublease, and transfer of assets (Sánchez & Hernández, 2018). The proceeds in cash or in kind from the lease or sublease of properties, including their accessories, as well as the agreed amount for the services provided by the landlord and the amount of the taxes paid by the tenant and legally corresponding to the landlord (Chávez, 2018). Along the same lines, the value of land improvements is considered: the value of land improvements made by the lessor or his tenant, as long as they constitute a benefit for the owner and in the part that he is not obliged
to reimburse (Gantman, 2011), as well as prices assigned free of charge: The fictitious rent of properties whose occupation has been assigned by their owners for free or at an undetermined price (SUNAT, 2013), also the net rent of the first category is established jointly with the rent of the second category applying a global deduction of 20% (López and Bonilla 2008). In relation to taxes whose compliance does not influence a direct consideration in favor of the taxpayer by the state. The doctrine is unanimous in stating that the primary characteristic of taxes is that there is no relationship between what is paid and the charge of these resources, mentioned, for that reason, as unrelated taxes, since their enforceability is independent of any activity state and / or private referred to the taxpayer (MEF, 2017), the tax is composed of: direct tax; It is the one that directly affects the income or assets of natural and legal persons and indirect tax. the one who transgresses on consumption, but who pays it is the consumer of the product or service (Sánchez, 2018).

In this sense, this research work posed the following questions: what is the level of tax education like? How is the level of tax collection? How is the level of association of tax education and tax collection?

2. METHOD AND MATERIALS

Objectives

- Identify the level of tax education.
- Identify the level of tax collection.
- Determine the association between tax education and tax collection.

Research method and design

This work corresponds to the hypothetical deductive method, descriptive type and cross-correlational design.

Variables

- **Tax education:** It covers the dimensions of tax culture and tax knowledge.
- **Tax Collection:** Covers the dimensions of formal obligations and substantial obligations.

Shows

The non-probability convenience sampling technique was used with a number of 3560 students. Mainly students from the regions of Lima, Puno and Piura participated.

Instruments

A closed questionnaire was applied, structured in dimensions, and established on the Likert scale (1 = never and 5 = always) to determine the levels of Education. This questionnaire was prepared by the authors of this research under the theoretical and normative foundations of the Tax
Court attached to the Ministry of Economy and Finance of Peru (2019-2020). To determine the reliability of the instrument, previously, a pilot test was applied to 112 university students, having a reliability of 0.712 in the Cronbach's Alpha coefficient.

On the other hand, the levels of tax collection resulted from the systematization of the database of the National Superintendence of Customs and Tax Administration (SUNAT, 2019-2020) in the first category income tax.

**Statistical design**

For statistical processing, it was performed using the variance analysis technique (ANOVA) of the variables tax education (1) and tax collection (2).

H0: There are no differences between the means of the different groups: μ₁ = μ₂ ... = μₖ = μ

H1: At least one pair of socks are significantly different from each other.

### 3. RESULTS

#### 3.1. Levels of tax education

3560 university students responded to all the questions posed through the Google Form. According to the study, it was determined that there is a low level of tax education (83.85%), this result is unfavorable for the tax policies that are being implemented in Peru. On the other hand, tax education is the basis for the collection and maintenance of the country, this indicator contains a set of values, beliefs and attitudes shared by a society regarding taxation and the observance of laws. This goes hand in hand with the trust and credibility of the government.

<table>
<thead>
<tr>
<th>Levels</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tall</td>
<td>215</td>
<td>6.04%</td>
</tr>
<tr>
<td>Regular</td>
<td>360</td>
<td>10.11%</td>
</tr>
<tr>
<td>Low</td>
<td>2985</td>
<td>83.85%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3560</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

*Source: Systematization of data from the Tax Education Questionnaire*

#### 3.2. Tax collection levels

From the results, it is confirmed that 87.02% have a low compliance with the formal and substantial obligations of the first category income tax. Therefore, SUNAT does not have a presence in said collection category, which generates a series of damages to the treasury.
### Table 2. Tax collection levels of university students in Peru

<table>
<thead>
<tr>
<th>Levels</th>
<th>Quantity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tall</td>
<td>150</td>
<td>4.21%</td>
</tr>
<tr>
<td>Regular</td>
<td>312</td>
<td>8.76%</td>
</tr>
<tr>
<td>Low</td>
<td>3098</td>
<td>87.02%</td>
</tr>
<tr>
<td>Total</td>
<td>3560</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

3.3. Correlation between tax education and tax collection

Table 3. Cross table of tax collection and tax education

<table>
<thead>
<tr>
<th>Tax Collection</th>
<th>0.00</th>
<th>1.00</th>
<th>2.00</th>
<th>3.00</th>
<th>4.00</th>
<th>5.00</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>398</td>
<td>32</td>
<td>194</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>628</td>
</tr>
<tr>
<td>2.00</td>
<td>0</td>
<td>46</td>
<td>783</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>838</td>
</tr>
<tr>
<td>3.00</td>
<td>0</td>
<td>48</td>
<td>0</td>
<td>782</td>
<td>0</td>
<td>8</td>
<td>838</td>
</tr>
<tr>
<td>4.00</td>
<td>0</td>
<td>42</td>
<td>0</td>
<td>195</td>
<td>392</td>
<td>208</td>
<td>837</td>
</tr>
<tr>
<td>5.00</td>
<td>0</td>
<td>21</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>398</td>
<td>419</td>
</tr>
<tr>
<td>Total</td>
<td>398</td>
<td>189</td>
<td>977</td>
<td>977</td>
<td>392</td>
<td>627</td>
<td>3560</td>
</tr>
</tbody>
</table>

Source: IBM SPSS Statistics 25

According to table 3, there is a high level of significance on a vigesimal scale of tax education and collection, determining that, according to Ramos and Morales (2019), tax education is identified with voluntary compliance with duties and obligations, taxes on the part of the taxpayer and not with the implementation of strategies to increase the collection of taxes under pressure, for fear of sanctions. There is evidence of misinformation about the strategies and plans that the tax administration advances to educate the taxpayer (Moreno and Uribe, 2010). Among the most important conclusions are the educational strategies and programs used by SUNAT to develop taxpayer education. With tax education it is intended that the individuals of the society involved in the process become aware of the fact that it is a constitutional duty to contribute to the State and communicate to that community that the fundamental reasons for taxation are to provide the Nation the necessary means for it to fulfill its primary function, such as guaranteeing citizens effective and efficient public services.
Table 4. Anova of tax collection and education

<table>
<thead>
<tr>
<th></th>
<th>Sum of squares</th>
<th>gl</th>
<th>Quadratic mean</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between groups</td>
<td>5958.397</td>
<td>4</td>
<td>1489.599</td>
<td>2611.77</td>
<td>0.001</td>
</tr>
<tr>
<td>Within groups</td>
<td>2027.556</td>
<td>3555</td>
<td>0.570</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7985.953</td>
<td>3559</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** IBM SPSS Statistics 25

As can be seen in table 4, there is a significant relationship between collection and tax culture (F = 2611.777 and P = 0.001). Hernando de Soto (2006) argues that in Peru the problem is not in the informal economy, but in the State. "Rather, it is a spontaneous and creative popular response to the state's inability to satisfy the most basic aspirations of the poor. When legality is a privilege that is only accessed through economic and political power, the popular classes do not They have no alternative but illegality " (Hernando de Soto, 2006, p. 55).

Figure 1. Test of normality of the tax collection of the first category income tax.

According to Figure 1, all the dimensions of the tax collection variable show a normal distribution with respect to the same variance, which gives greater strength to the preceding tables. Due to these results, a greater profit is provided on the contributions made by the interest groups with respect to the optimal tax education and the adequate tax collection is maintained. Tax policy is not in accordance with the reality of each context, which try to privilege a few interest groups, generating distrust of contribution in the population.
4. DISCUSSIONS

Recent studies reflect a direct link between tax ethics and the perception of citizens both in tax matters and about the quality of public spending (Gil and García, 2014). A greater willingness to pay taxes is seen among those social segments that perceive a higher quality of the public services provided (Armas and Ramirez, 2016). This situation of low tax ethics not only weakens the feelings of belonging to a common social project, but also reveals the existence of a vicious circle by virtue of which tax evasion or the refusal to pay more taxes is justified under the pretext of that the State does not fulfill its part of the social contract, which at the same time leads to the fact that services cannot improve due to insufficient income, hence services deteriorate, degenerate and the cycle is perpetuated (López & Bonilla, 2008).

The Tax Administrations of Latin America and the world have seen that the solution to economic problems and the development of peoples lies in tax education; Considering from a social point of view with the obtaining of ethical and moral values, through a citizen coexistence that give basis and social legitimacy to taxation and the fulfillment of tax obligations as a necessity of the country, being the State the interested party of promote this project (Leiva & Vargas, 2019). Broadly speaking, this is usually the environment that, in much of Latin America, tax administrations find to develop their tax education functions (Jiménez & Jacinto, 2010). However, and from a positive point of view, these are also fields that can be fertile for the sowing and cultivation of ethical values and citizen coexistence that give basis and social legitimacy to taxation and compliance with tax obligations such as a country need (Chávez, 2018), to make viable the economic, social, and political development that the State has as mission to promote (Sánchez & Fernández, 2018).

This perspective makes it possible to visualize the breadth of the sociocultural territory that is presented to initiatives for the promotion of tax education and that poses, from their conception, the need to establish priorities, choose target groups, set goals, and define ways of approach consistent with the institutional strategy of the tax administration and the resources available for this purpose (Moreno and Uribe, 2010).

The lack of tax education leads to tax evasion, which generates delay for the country (Arce, 2010). For the State to comply with its constitutional obligation to ensure the common good and provide the population with the basic services that it requires, it needs resources that come mainly from taxes paid by taxpayers (Castillo and Guerra, 2018). It is important that all citizens have a strong tax education so that they can understand that taxes are resources collected by the State as administrator, but these resources belong to the population, therefore, the State must return them to them. providing public services (such as hospitals, schools, among others) (Mejía, 2014).

Voluntary tax compliance is related to tax morality, which is made up of a single variable called tolerance to fraud registered in the dimension of the values and internal motivations of the individual (Ortiz Celis, 2015); The results of non-compliance by Tax Administrations, in which there are high perceptions of risk as well as sensitivity to increased penalties, are not related to the great magnitude of non-compliance with tax obligations (Wulff, 2008). For this reason, a brief analysis of the tax situation is addressed, as well as tax compliance and tax evasion in Peru (Rosero, 2011), carried out through studies based on surveys on Tax Awareness, obtaining results from an...
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approach that serves to formulate a new theoretical and analytical framework about the fiscal morality of Peruvians in which it is demonstrated that personal values and even the vision that citizens have in relation to the State (Jiménez & Jacinto, 2010b), have a poor contribution because the process of internalization of the legal system has not concluded, it is incipient where the social norm that has been generated by an imperfect democracy that has not allowed the fulfillment of the social contract has prevailed, generating significant fiscal inequalities (Martínez & Maldonado, 2016).

The tax event is a two-way act between the taxpayer and the State, in which the latter has a double function: that of collecting taxes and that of returning them to society in the form of public goods and services. It is a regulated social process, in which tax compliance responds to a legal mandate that the taxpayer must comply with and that the authority must enforce, according to the powers conferred by law (Sandoval et al., 2017). Hence, citizens' tax awareness can be strengthened by applying stricter control mechanisms if the State shows honest and efficient administration. Regardless of whether a society is governed or not by a democratic system, compliance with fiscal duties responds to a legislated order, provided with specific rules, deadlines, and penalties, which gives the tax authority the power to collect taxes and to act against those who fail to comply with the obligation to pay them (Gavilánez, 2012). However, the scope of action of the Tax Administration goes beyond the mere collection of taxes (Borja & Pereira, 2020). This is something that many tax administrations do not find so obvious, some see tax education as something superfluous or, in the best of cases, as an accessory or complementary element of their main tasks, without realizing that the formation of the Tax education represents, in the long term, one of the most solid and reliable bases on which collection can be sustained (Gantman, 2011).

In this sense, it is proposed that SUNAT implement an educational system of Tax Culture through the training of teachers and these in turn impart their knowledge in educational centers such as initial, primary, and secondary. Teacher training is a medium and long-term program that will allow schoolchildren to develop awareness of the importance of compliance with tax obligations, as an area of the citizen role in a democratic society.

5. CONCLUSIONS

The level of tax education and the level of tax collection of Peruvian university students are low (83.85% and 87.02%, respectively), which explain that there is low academic training in tax matters in Peruvian universities.

On the other hand, the association between tax education and tax collection is direct and significant (F = 2611.777 with P-value = 0.001), which explains that if the training of tax education is considered, the Peruvian State will most likely be able to collect higher taxes in the same relationship.
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