

The Social, Economic and Fiscal Effects of Tax Amnesty the Evidence from Kosovo

Dr. Enis Abdurrahmani¹, Prof. Dr. Zeki Doğan²

Trepça-Joint Stock Company, PIM, Mitrovicë¹

Niğde Ömer Halisdemir University, Faculty of Economics and Administrative Sciences, Business
Department, Niğde²

enis.abdurrahmani@hotmail.com¹

zekidogan7@hotmail.com²

Abstract- Tax amnesty as a common practice has a very important place in the fiscal literature. Empirical evidence suggests that tax amnesties in the short term can increase collection of tax revenues with very low cost. But on the other side tax amnesties can give quite negative effects over the long term through discouraging regular taxpayers' from their unequal treatment. In this study we have addressed the effects of tax amnesty in the Republic of Kosovo. Based on the survey research with taxpayers' and through analyses we have defined the attitudes and behaviours of each type of taxpayers' regarding the social, economic and fiscal effects of tax amnesty in the country. Based on the participation level of the taxpayers' judgments regarding the effects of tax amnesties, the results have revealed five main judgments according to their level of importance.

Keywords- Tax Amnesty; Taxpayers'; Taxpayers' Compliance; Tax Revenue

1. INTRODUCTION

Tax amnesty as a widespread practice in the last 30 years has occupied an important place in the national fiscal programs in almost every country of the world. Governments in most countries of the world have practiced tax amnesties as part of their government programs, ranging from countries like the United States, the Pacific countries (Australia, Philippines), countries from Latin America (Mexico, Argentina, Panama, Bolivia, etc.) countries from Europe (France, Italy, Greece, Austria, Finland, Belgium, Portugal, Turkey, Kosovo, Albania, etc.), up to the Asian countries (Russia, Australia, the Philippines, India, etc.). Therefore, today it is acceptable to say that tax amnesty is a common and popular practice.

Based on the experiences of many countries tax amnesties can be treated successfully only if they bring long-term effects. According to many opinions of fiscal policy makers, these practices could undermine fiscal system seriously, especially in those countries that have problems with tax evasion and low level of voluntary participation of taxpayers. However, governments in many countries have preferred short-term positive effects that bring tax amnesties ignoring their real long-term effects.

Even Kosovo's case seems to be the same, it is not surprising that the Government of the Republic of Kosovo has indicated a preference to short-term effects of tax amnesty, based on the fact that long-term policies do not provide the electorate vote for the government. The first results from tax amnesty practices in Kosovo are rather encouraging, they have provided encouraging indicators in the budget revenues, by providing additional public funds

to the government, which it also justified the application of tax amnesty in the country.

While there are many reasons for the implementation of tax amnesty, the tax amnesty in the Republic of Kosovo has been a government program, which has amnestied all the past penalties of tax evaders in case of voluntary payment of unpaid taxes.

This study determines the social, economic and fiscal effects of tax amnesty to taxpayers' in Republic of Kosovo. This study based on survey research with taxpayers' and analyzes conducted in SPSS, have examined the attitudes and behaviors of each type of taxpayers' regarding the social, economic and fiscal effects of tax amnesty. This research is very important as it is focused in Kosovo, where the level of competition is low in all sectors and as well the entry into the sectors is difficult and risky.

2. LITERATURE REVIEW

Over the last three decades, many countries around the world have practiced tax amnesties in their fiscal policies, mainly for certain political, economic and social reasons and because they are open to international trade. Usually tax amnesties are practiced due to the need for additional state liquidity. The views given by many researchers prove that tax amnesties have multidimensional benefits.

Tax amnesties can "provide valuable information to improve implementation by adding new taxpayers to the records" (Villalba, 2017, p. 286)[14][14].

According to Alm et al. (2009, p. 249)[1] the main benefit of tax amnesties is to increase tax revenues in the short term. Policy makers often see tax amnesties as an effective

policy tool for benefiting from additional sources of income and improving taxpayers' compliance (Bayer et al. 2014, p. 31, 32)[3].

A study done by Andrenoni (1991, p. 157)[2] shows that although fraud will increase as a result of tax amnesty, it does not mean that tax revenues will also fall. Amnesty can increase fraud, but it can also have other beneficial effects that will improve efficiency.

The alternative study done by Ibrahim et al. (2017, p. 224)[9] has reviewed the implementation of tax amnesty in 9 Asian states. The study shows that in order to have an efficient tax amnesty effect, the government should avoid their long-term duration and their frequent application as it would have a detrimental effect on taxpayer behavior.

The study done by Buckwalter et al. (2014, p. 796)[5], explore the link between tax amnesty and financial reporting irregularities. The survey results reveal that firms based in countries that apply a tax amnesty program are more likely to begin to engage in financial reporting irregularities during the amnesty period. But according to this study, financial reporting irregularities have occurred to be found only during repeated tax amnesties rather than initial ones. Also, the findings shows that tax amnesties in the past have caused adverse effects on the behavior of managers.

The study conducted by Pravasanti (2018, p. 84)[12] intended to recognize the impact of politics and the success of the tax amnesty in the Indonesian economy. The result of this research showed that the tax amnesty in Indonesia was successful and had a significantly impact on the country's economy.

The alternative study done by Gergerlioğlu (2017, p. 46)[7] shows that both the beneficiaries of tax amnesty and the non-beneficiaries of tax amnesty gives similar opinion regarding statements about tax amnesties. Based on the results of this research, the majority of beneficiaries of tax amnesty and non-beneficiaries argue that revenues from tax amnesties contribute significantly to state treasury.

The study conducted by Nuryati and Pratama (2018, p. 237)[11] in Bekasi, Indonesia, was intended to investigate the impact of tax amnesty on taxpayers' compliance. The results indicated that tax amnesty has made a positive contribution to improving taxpayers' compliance in Bekasi. This study provides empirical facts that good implementation of tax amnesty program can improve taxpayers' compliance.

Another alternative study done by Bose and Jetter (2018, p. 15)[4] has reviewed tax amnesty from the view of changing economic conditions. With the assumptions, what if, during the tax amnesty period, liberalization and / or technological progress occurred? Based on the assumption that taxpayers' can use this opportunity by acting only in the legal sector.

An important study done by Said (2018, p. 54)[13] concludes that the implementation of the tax amnesty program can function optimally in accordance with the provisions of its implementation, as well as with the participation of all government-related parties if this

program is followed by a powerful enforceable law, where then in the long-term tax amnesty will be effective in boosting investments and could provide rise of state revenues by rising the tax base.

Also, an important study by Gunawan and Sukartha (2016, p. 2036)[8] has aimed to determine the factors that have affected tax revenues during 2015 at the tax office of northern Badung. The assumptive factors influencing tax revenues are considered tax amnesty, economic growth and institutional transformation of the tax department. The final results showed that tax amnesty, economic growth and institutional transformation of the tax department have had a positive impact on tax revenues during 2015 in northern Badung.

3. PURPOSE OF STUDY

In this paper we have dealt with the attitudes of taxpayers regarding social, economic and financial effects of tax amnesty in the country. The aim of the study based on the demographic characteristics of taxpayers' participating in the survey is to determine the differences between taxpayer's' participation level about social, economic and financial effects of tax amnesty.

In addition to the main purpose of the study, other information required to be obtained through this research are as follows;

- Determining the demographic characteristics of respondents,
- Determining the social, economic and financial effects of tax amnesty in the State of the Republic of Kosovo,
- To make suggestions for solutions and improvement of the fiscal system based on the research findings.

3.1. Scope and Limits of Research

This research was conducted in the Republic of Kosovo, part of this research have been taxpayers of personal income tax, taxpayers' of corporate income tax and taxpayers' who apply the presumptive tax. This research is mainly carried out by taxpayers operating in the regions of Pristina, Mitrovica, Prizren, Peja and Ferizaj, and mainly due to technical, time and financial reasons the expansion of research in other Albanian territories has not been reached.

3.2. Research Model and Hypothesis

The research model was previously organized and planned in all details so that the exact research results can be used to test the following hypotheses;

H1. There is a significant difference between participating taxpayers' by their gender, in their judgments about social, economic and financial effects of tax amnesties.

H2. There is a significant difference between participating taxpayers' by their age, in their judgments about social, economic and financial effects of tax amnesties.

H3. There is a significant difference between participating taxpayers' by their level of education, in their judgments about social, economic and financial effects of tax amnesties.

H4. There is a significant difference between participating taxpayers' by their duration as taxpayers', in their judgments about social, economic and financial effects of tax amnesties.

3.3. Sampling Method

This research is oriented to taxpayers' of personal income tax, corporate income tax, and to taxpayers' who apply the presumptive tax, mainly in the region of Pristina, Mitrovica, Prizren, Peja and Ferizaj. The model used in this research to select the number of research samples is the model originally used by Moser and Kalton (1979)[10], and later by Doğan and Besen (2008)[6], which is based on the following formula:

$n = \frac{x \cdot (1-x)}{[S.E(p)]^2}$	<p>In this formula; n = Necessary number of samples calculated before limited core correction X = The variability in the population [S.E(p)] = Standard error</p>
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Source: (Moser and Kalton, 1979: 147; Doğan and Besen, 2008: 118)

In this model, standard error is tolerated up to 0.04 and confidence interval is tolerated up to 95%. It was assumed that the change in the population would be 50% and the number of samples required in this study should be at least 2010. Personal income taxpayers', corporate taxpayers' and presumptive taxpayers' from the regions of Pristina, Mitrovica, Prizren, Peja and Ferizaj were considered separately. Personal income taxpayers' comprise 564 samples or 28 %. The corporate income taxpayers' comprise 322 samples or 16% and taxpayers' which apply presumptive tax comprise 1128 samples or 56%.

3.4. Data Collection

In order to collect data for research we have used the survey method. The data was collected from taxpayers in written form. Data collection, was completed in a 12-month.

Questionnaire used in the study consists of three pages. The survey was prepared based on the survey used by Doğan and Besen (2008). The first part of the survey was aimed to determine the demographic characteristics of the taxpayers', such as gender, age and educational status. The second part of the survey was aimed to determine data on the type of taxpayers' and their duration as taxpayers' in the country. The third part of the survey was aimed to determine the social, economic and financial effects of tax amnesty.

3.5. Methods Used in the Data Analysis

Processing and evaluation of data is done through SPSS 10.0 (Statistical Package for Social Sciences). Results obtained from SPSS analysis were transferred to Microsoft Excel tables and Word programs.

Frequency analyses were made for each question in the questionnaire. Through cross-tables were investigated the differences between the type of taxpayers'. However, in order to test the hypothesis, T-test (Independent-Samples T-Test), T-test (One-Way Anova), and Tukey (Post Hock Turkey-Test) test were used. The Liker 5th scale is used as the data measurement scale, where the distribution of the data measurement scale is as follows:

- From 0 to 1,24 the most insignificant (Strongly Disagree / Too Irrelevant),
- From 1.25 to 2.24 insignificant (Disagree / Irrelevant),
- From 2.25 to 3.24 neither significant nor insignificant (neither agree nor disagree / neither relevant nor irrelevant)
- From 3.25 to 4.24 significant (Agree / Relevant),
- Above 4.25 will be interpreted as most significant (Strongly Agree / Too Relevant).

3.6. Demographic Characteristics

Taxpayers' characteristics about gender, age, education status, taxpayers' type and their duration as taxpayers' are presented separately as below.

Table. 1 Taxpayers' Distribution by Demographic Characteristics

		Percentage	Total
Gender	Male	86%	100%
	Female	14%	
Age	18-25	23%	100%
	26-45	61%	
	46-60	11%	
	Over 61	5%	
Education	Primary School	2%	100%
	High School	34%	
	Student	3%	
	University Graduate	53%	
	Master Graduate	8%	
Taxpayers' Type	Personal Income Tax	28%	100%
	Corporate Income Tax	16%	
	Presumptive Tax	56%	
Taxpayers' by Duration	Less than (1) year	8%	100%
	1-5 years	32%	
	6-16 years	53%	
	More than 17 years	7%	

As seen, 86% of respondents in the survey are male and 14% of respondents are female. The age structure of respondents involved in the survey consists of 23% of respondents aged 18-25 years, 61% of respondents aged 26-45 years, 11% of respondents aged 46-60 years and 5% of respondents over 61 years. These results show that the majority of respondents in the survey are middle-aged taxpayers' ranging in age from 26 to 45 years.

Based on the results, 2% of respondents have primary education, 34% of respondents have secondary school, 3% of respondents are students, 53% of respondents have a university degree and 8% of respondents have a master's degree. There were not respondents with doctoral level.

The respondent's structure according to their type consists of three types of taxpayers'; Personal income taxpayers' comprise 28% of respondents, corporate income taxpayers' comprise 16% of respondents, and presumptive income taxpayers' comprise 56% of respondents. The structure of respondents according to their duration consists of four categories; Taxpayers' with a duration of less than 1 year comprise 8% of respondents, taxpayers' with a duration of 1-5 years comprise 32% of respondents, taxpayers' with a duration of 6-16 years comprise 53 % of respondents as well as taxpayers' over 17 years comprise 7% of respondents.

4. TAXPAYERS' PARTICIPATION ANALYSIS RELATED THEIR JUDGMENTS ABOUT TAX AMNESTY EFFECTS

In this part of study, as can be seen in Table 2, taxpayers' participation level related their judgments about tax amnesty effects are presented in detail. On the other hand, in Table 3, is presented the taxpayers' participation level in cross-tables regarding taxpayers' type, about social, economic and fiscal effects of tax amnesty. However, based on the demographic characteristics of taxpayers' participated in the survey, such as gender, age, education, type of taxpayers' and their duration as taxpayers', in order to find the significant differences between the taxpayers' participation level and in order to test the hypotheses, the results of the applied tests such as T-test (Independent-Samples T-Test), One Way Anova-Test and Tukey-Test are also provided.

Table 2. Distribution of Taxpayers' Participation Level Related their Judgments about Tax Amnesty Effects

EFFECTS OF TAX AMNESTIES	Participation Degrees					Mean		Standard Deviation
Social Effects of Tax Amnesty	5	4	3	2	1	Stat.	Stat. Error	Stat.
Tax amnesty reduced workload of tax office and judiciary	682	926	203	134	69	4.00	.022	1.007
Tax amnesty increased taxpayers' willingness to pay taxes	659	528	287	360	180	3.56	.030	1.340
Tax amnesty has increased taxpayers' tax compliant	488	507	388	359	272	3.29	.030	1.363
Tax amnesty has affected tax evaders to correct their future tax statements and pay taxes on time	604	716	393	173	128	3.74	.026	1.160
Tax amnesty has penalized honest taxpayers while tax evaders have rewarded	451	602	317	393	251	3.30	.030	1.341
Repeated tax amnesties reduced the taxpayer compliance of honest taxpayers'	735	831	101	236	111	3.92	.026	1.172
Economic Effects of Tax Amnesty								
Tax amnesties brought some businesses into economic life and provided revenue flow to the state	742	919	216	105	32	4.11	.020	.903
Tax amnesties reduced tax compliance, leading to an increase in the informal economy	678	750	202	267	117	3.80	.027	1.204
Tax amnesties led to unfair competition between tax evaders and honest taxpayers'	132	100	381	774	627	2.17	.025	1.122
Frequent tax amnesties have caused the state to lose income by encouraging taxpayers' to evade taxes	49	116	50	978	821	1.81	.020	.919
Financial Effects of Tax Amnesty								
Tax amnesties provide a rapid income flow in closing budget deficits	753	946	152	96	67	4.10	.021	.964
Tax amnesties raise tax collection by expanding the tax base	662	617	337	280	118	3.71	.027	1.223
Tax amnesties have affected the collection of public receivables that have not been collected	548	696	298	363	109	3.60	.027	1.212
Tax amnesties have reduced the taxpayers' willingness to pay taxes and have undermined government revenues	249	231	347	706	481	2.53	.029	1.303

(5 = Strongly Agree, 4 = Agree, 3 = Neither Agree nor Disagree, 2 = Disagree, 1 = Strongly Disagree)

In Table 2, taxpayers' distribution regarding their judgments about social, economic and fiscal effects of tax amnesty are shown in detail. The taxpayers' distribution regarding their judgments about social, economic and fiscal effects of tax amnesty, according to the average of their answers, can be summarized as follows.

Taxpayers, judgments about the effects of tax amnesty;
The taxpayers' judgment that "Tax amnesties brought some businesses into economic life and provided revenue flow to the state" (with an average of 4.11) "Agree" have been answered,
The taxpayers' judgment that "Tax amnesties provide a rapid income flow in closing budget deficits" (with an average of 4.10) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesty reduced workload of tax office and judiciary" (with an average of 4.00) "Agree" have been answered,

The taxpayers' judgment that "Repeated tax amnesties reduced the taxpayer compliance of honest taxpayers" (with an average of 3.92) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesties reduced tax compliance, leading to an increase in the informal economy" (with an average of 3.80) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesty has affected tax evaders to correct their future tax statements and pay taxes on time" (with an average of 3.74) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesties raise tax collection by expanding the tax base" (with an average of 3.71) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesties have affected the collection of public receivables that have not been collected" (with an average of 3.60) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesty increased taxpayers' willingness to pay taxes" (with an average of 3.56) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesty has penalized honest taxpayers while tax evaders have rewarded" (with an average of 3.30) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesty has increased taxpayers' tax compliant" (with an average of 3.29) "Agree" have been answered,

The taxpayers' judgment that "Tax amnesties have reduced the taxpayers' willingness to pay taxes and have undermined government revenues" (with an average of 2.53) "Neither Agree nor Disagree" have been answered,

4.1. Taxpayers' Participation Analysis by Taxpayers' Type Related their Judgments about Tax Amnesty Effects

In this part of the study, as shown in Table 3, is presented taxpayers' participation level by taxpayers' types related their judgments about tax amnesty effects.

The taxpayers' judgment that "Tax amnesties led to unfair competition between tax evaders and honest taxpayers" (with an average of 2.17) "Disagree" have been answered, The taxpayers' judgment that "Frequent tax amnesties have caused the state to lose income by encouraging taxpayers' to evade taxes" (with an average of 1.18) "Disagree" have been answered,

These results indicate that the judgments of taxpayers who participated in the survey, regarding tax amnesty effects, the judgment that tax amnesties brought some businesses into economic life and provided revenue streams to the state, resulted in a higher response of taxpayers (averagely 4:11). Therefore, taxpayers who participated in the study stressed that tax amnesties managed to ensure the flow of revenues to the state by bringing several businesses in economic life in this way taxpayers wanted to draw attention to this judgment with a high percentage of participation.

Table 3. Distribution of Taxpayers' Participation by their Type regarding their Judgments about Tax Amnesty Effects

EFFECTS OF TAX AMNESTIES	Type of Taxpayers'	Participation Degrees					Mean	
		5	4	3	2	1	Total Mean	Mean
Social Effects of Tax Amnesty								
Tax amnesty reduced workload of tax office and judiciary	Personal Income Tax	179 (31.7)	261 (46.3)	58 (10.3)	46 (8.2)	20 (3.5)	4.00	3.95
	Presumptive Tax	390 (34.6)	508 (45.0)	116 (10.3)	70 (6.2)	44 (3.9)		4.00
	Corporate Tax	113 (35.1)	157 (48.8)	29 (9.0)	18 (5.6)	5 (1.6)		4.10
Tax amnesty increased taxpayers' willingness to pay taxes	Personal Income Tax	181 (32.1)	141 (25.0)	83 (14.7)	102 (18.1)	57 (10.1)	3.56	3.51
	Presumptive Tax	380 (33.7)	289 (25.6)	152 (13.5)	212 (18.8)	95 (8.4)		3.57
	Corporate Tax	98 (30.4)	98 (30.4)	52 (16.1)	46 (14.3)	28 (8.7)		3.60
Tax amnesty has increased taxpayers' tax compliant	Personal Income Tax	129 (22.9)	142 (25.2)	113 (20.0)	102 (18.1)	78 (13.8)	3.29	3.25
	Presumptive Tax	285 (25.3)	277 (24.6)	217 (19.2)	201 (17.8)	148 (13.1)		3.31
	Corporate Tax	74 (23.0)	88 (27.3)	58 (18.0)	56 (17.4)	46 (14.3)		3.27
Tax amnesty has affected tax evaders to correct their future tax statements and pay taxes on time	Personal Income Tax	197 (34.9)	192 (34.0)	95 (16.8)	47 (8.3)	33 (5.9)	3.74	3.84
	Presumptive Tax	324 (28.7)	397 (35.2)	234 (20.7)	99 (8.8)	74 (6.6)		3.71
	Corporate Tax	83 (25.8)	127 (39.4)	64 (19.9)	27 (8.4)	21 (6.5)		3.70
Tax amnesty has penalized honest taxpayers while tax evaders have rewarded	Personal Income Tax	121 (21.5)	168 (29.8)	90 (16.0)	107 (19.0)	78 (13.8)	3.30	3.26
	Presumptive Tax	257 (22.8)	335 (29.7)	173 (15.3)	229 (20.3)	134 (11.9)		3.31
	Corporate Tax	73 (22.7)	99 (30.7)	54 (16.8)	57 (17.7)	39 (12.1)		3.34
Repeated tax amnesties reduced the	Personal Income	212	218	32	71	31	3.92	3.90

taxpayer compliance of honest taxpayers’	Tax	(37.6)	(38.7)	(5.7)	(12.6)	(5.5)		3.91
	Presumptive Tax	412 (36.5)	467 (41.4)	56 (5.0)	124 (11.0)	69 (6.1)		
	Corporate Tax	111 (34.5)	146 (45.3)	13 (4.0)	41 (12.7)	11 (3.4)		
Economic Effects of Tax Amnesty								
Tax amnesties brought some businesses into economic life and provided revenue flow to the state	Personal Income Tax	217 (38.5)	249 (44.1)	69 (12.2)	24 (4.3)	5 (0.9)	4.11	4.15
	Presumptive Tax	414 (36.7)	508 (45.0)	118 (10.5)	67 (5.9)	21 (1.9)		4.09
	Corporate Tax	111 (34.5)	162 (50.3)	29 (9.0)	14 (4.3)	6 (1.9)		4.11
Tax amnesties reduced tax compliance, leading to an increase in the informal economy	Personal Income Tax	188 (33.3)	219 (38.8)	55 (9.8)	66 (11.7)	36 (6.4)	3.80	3.81
	Presumptive Tax	389 (34.5)	405 (35.9)	114 (10.1)	156 (13.8)	64 (5.7)		3.80
	Corporate Tax	101 (31.4)	126 (39.1)	33 (10.2)	45 (14.0)	17 (5.3)		3.77
Tax amnesties led to unfair competition between tax evaders and honest taxpayers’	Personal Income Tax	25 (4.4)	26 (4.6)	109 (19.3)	213 (37.8)	191 (33.9)	2.17	2.08
	Presumptive Tax	65 (5.8)	64 (5.7)	218 (19.3)	450 (39.9)	331 (29.3)		2.19
	Corporate Tax	42 (13.0)	10 (3.1)	54 (16.8)	111 (34.5)	105 (32.6)		2.30
Frequent tax amnesties have caused the state to lose income by encouraging taxpayers’ to evade taxes	Personal Income Tax	10 (1.8)	42 (7.4)	10 (1.8)	276 (48.9)	226 (40.1)	1.81	1.82
	Presumptive Tax	16 (1.4)	59 (5.2)	32 (2.8)	548 (48.6)	473 (41.9)		1.76
	Corporate Tax	23 (7.1)	15 (4.7)	8 (2.5)	154 (47.8)	122 (37.9)		1.95
Financial Effects of Tax Amnesty								
Tax amnesties provide a rapid income flow in closing budget deficits	Personal Income Tax	219 (38.8)	244 (43.3)	50 (8.9)	29 (5.1)	22 (3.9)	4.10	4.08
	Presumptive Tax	422 (37.4)	540 (47.9)	81 (7.2)	51 (4.5)	34 (3.0)		4.12
	Corporate Tax	112 (34.8)	162 (50.3)	21 (6.5)	16 (5.0)	11 (3.4)		4.08
Tax amnesties raise tax collection by expanding the tax base	Personal Income Tax	180 (31.9)	177 (31.4)	88 (15.6)	92 (16.3)	27 (4.8)	3.71	3.69
	Presumptive Tax	376 (33.3)	346 (30.7)	195 (17.3)	143 (12.7)	68 (6.0)		3.73
	Corporate Tax	106 (32.9)	94 (29.2)	54 (16.8)	45 (14.0)	23 (7.1)		3.67
Tax amnesties have affected the collection of public receivables that have not been collected	Personal Income Tax	153 (27.1)	209 (37.1)	83 (14.7)	88 (15.6)	31 (5.5)	3.60	3.65
	Presumptive Tax	312 (27.7)	368 (32.6)	165 (14.6)	225 (19.9)	58 (5.1)		3.58
	Corporate Tax	83 (25.8)	119 (37.0)	50 (15.5)	50 (15.5)	20 (6.2)		3.61
Tax amnesties have reduced the taxpayers' willingness to pay taxes and have undermined government revenues	Personal Income Tax	64 (11.3)	62 (11.0)	105 (18.6)	180 (31.9)	153 (27.1)	2.53	2.48
	Presumptive Tax	146 (12.9)	132 (11.7)	183 (16.2)	409 (36.3)	258 (22.9)		2.56
	Corporate Tax	39 (12.1)	37 (11.5)	59 (18.3)	117 (36.3)	70 (21.7)		2.56

Based on the results presented in Table 3, the results of taxpayers' participated in the survey related their judgments about tax amnesty social effects, "tax amnesty reduced workload of tax office and judiciary" the personal income taxpayers' (with an average of 3.95), the

corporate taxpayers' (with an average of 4.00) and the presumptive taxpayers' (with an average of 4.10) all of them "Agree" have been answered. According to the results, the majority of the taxpayers' participated in the

survey agreed that tax amnesty reduced workload of tax office and judiciary.

From judgments about tax amnesty social effects “tax amnesty increased taxpayers’ willingness to pay taxes” the personal income taxpayers’ (with an average of 3.51), the corporate taxpayers’ (with an average of 3.57) and the presumptive taxpayers’ (with an average of 3.60) all of them “Agree” have been answered. When these results are examined, the majority of the taxpayers’ participated in the survey agreed that tax amnesty effects the taxpayers’ willingness to pay taxes.

From judgments about tax amnesty social effects “tax amnesty has increased taxpayers’ tax compliant” the personal income taxpayers’ (with an average of 3.25), the corporate taxpayers’ (with an average of 3.31) and the presumptive taxpayers’ (with an average of 3.27) all of them “Agree” have been answered. When these results are analyzed, it is seen that the majority of the taxpayers’ participated in the survey, agreed that tax amnesty positively affects the tax compliant.

From judgments about tax amnesty social effects “tax amnesty has affected tax evaders to correct their future tax statements and pay taxes on time” the personal income taxpayers’ (with an average of 3.84), the corporate taxpayers’ (with an average of 3.71) and the presumptive taxpayers’ (with an average of 3.70) all of them “Agree” have been answered. These results shows that taxpayers’ believe that tax amnesty will have such an effect.

From judgments about tax amnesty social effects “tax amnesty has penalized honest taxpayers while tax evaders have rewarded” the personal income taxpayers’ (with an average of 3.26), the corporate taxpayers’ (with an average of 3.31) and the presumptive taxpayers’ (with an average of 3.34) all of them “Agree” have been answered. The above results shows that the majority of taxpayers’ agreed regarding the effects of tax amnesties that tax amnesties have punished the honest taxpayers.

From judgments about tax amnesty social effects “repeated tax amnesties reduced the taxpayer compliance of honest taxpayers” the personal income taxpayers’ (with an average of 3.90), the corporate taxpayers’ (with an average of 3.91) and the presumptive taxpayers’ (with an average of 3.95) all of them “Agree” have been answered. The above results show that most of the taxpayers participating in the survey agreed that the constantly repeated tax amnesties have reduced the tax compliance.

From judgments about tax amnesty economic effects “tax amnesties brought some businesses into economic life and provided revenue flow to the state” the personal income taxpayers’ (with an average of 4.15), the corporate taxpayers’ (with an average of 4.09) and the presumptive taxpayers’ (with an average of 4.11) all of them “Agree” have been answered. These data shows that majority of taxpayers’ who participated in the survey agreed that tax amnesties provided income flows to the state by bringing some taxpayers into economic life.

From judgments about tax amnesty economic effects “tax amnesties reduced tax compliance, leading to an increase in the informal economy” the personal income taxpayers’ (with an average of 3.81), the corporate taxpayers’ (with an average of 3.80) and the presumptive taxpayers’ (with an average of 3.77) all of them “Agree” have been answered. When these results are analyzed, it is seen that the majority of taxpayers’ who participated in the survey agreed that tax amnesties have led to an increase in the informal economy by reducing tax compliance.

From judgments about tax amnesty economic effects “tax amnesties led to unfair competition between tax evaders and honest taxpayers” the personal income taxpayers’ (with an average of 2.08), and corporate taxpayers (with an average of 2.19) “Disagree” while presumptive taxpayers’ (with an average of 2.30) “Neither Agree Nor Disagree”, have been answered. When these results are analyzed, it is seen that the majority of the personal income taxpayers’ and corporate taxpayers’ do not believe that tax amnesties led to unfair competition between taxpayers’, while the majority of the presumptive taxpayers’ remained undecided.

From judgments about tax amnesty economic effects “frequent tax amnesties have caused the state to lose income by encouraging taxpayers’ to evade taxes” the personal income taxpayers’ (with an average of 1.82), the corporate taxpayers’ (with an average of 1.76) and the presumptive taxpayers’ (with an average of 1.95) all of them “Disagree” have been answered. The above results shows that the majority of the taxpayers who participated in the survey do not agree with the judgment that frequent tax amnesty have caused the loss of incomes for the state.

From judgments about tax amnesty financial effects “tax amnesties provide a rapid income flow in closing budget deficits” the personal income taxpayers’ (with an average of 4.08), the corporate taxpayers’ (with an average of 4.12) and the presumptive taxpayers’ (with an average of 4.02) all of them “Agree” have been answered. When these results are analyzed, it is seen that the majority of the taxpayers who participated in the survey concluded that tax amnesties provide a rapid income flow.

From judgments about tax amnesty financial effects “tax amnesties raise tax collection by expanding the tax base” the personal income taxpayers’ (with an average of 3.69), the corporate taxpayers’ (with an average of 3.73) and the presumptive taxpayers’ (with an average of 3.67) all of them “Agree” have been answered. The above results show that the majority of the taxpayers who participated in the survey concluded that tax amnesties raise tax revenue collection.

From judgments about tax amnesty financial effects “tax amnesties have affected the collection of public receivables that have not been collected” the personal income taxpayers’ (with an average of 3.65), the corporate taxpayers’ (with an average of 3.58) and the presumptive taxpayers’ (with an average of 3.61) all of them “Agree” have been answered. These results shows

that taxpayers' believe that tax amnesty will have such an effect.

From judgments about tax amnesty financial effects "tax amnesties have reduced the taxpayers' willingness to pay taxes and have undermined government revenues"

4.2. Test of Hypothesis H1

In this section, in order to test the first hypothesis to verify the taxpayers' differences by their gender related their judgments about social, economic and financial effects of tax amnesty, t-test (Independent-Samples T-test) has been applied, where the results of the analysis are as follows:

H1. There is a significant difference between participating taxpayers' by their gender, in their judgments about social, economic and financial effects of tax amnesties.

H0. There is no significant difference between participating taxpayers' by their gender, in their judgments about social, economic and financial effects of tax amnesties.

Table 4. Distribution of Taxpayers' Participation Level by their Gender Related Their Judgments About Tax Amnesty Effects

Levene's Test for Equality of Variances					t-test for Equality of Means					
Gender	N	Percentage	Mean	Std. Dev.	F	P	t	Sig. 2 (t)	Mean Diffe.	Std. Deviat.
Male	1732	86%	47.6467	4.35364	1.414	.234	.168	.866	.04736	.28151
Female	282	14%	47.5993	4.56574			.163	.871	.04736	.29132

When these results are analyzed, it is seen that in Table 4, the average scores received from the difference of taxpayers' participation by their gender related their judgments about tax amnesty effects are; 47.64 points for male taxpayers and 47.59 points for female taxpayers.

Since the value of $P = .234$ and $p > 0.05$, H1 hypothesis was rejected since there was not statistically significant differences in the level of taxpayers' participation by their gender.

4.3. Test of Hypothesis H2

In this section, in order to test the second hypothesis to verify the taxpayers' participation level differences by their age related their judgments about social, economic and financial effects of tax amnesty, One-Way ANOVA

Table 5. Distribution of Taxpayers' Participation Level by their Age Related their Judgments about Tax Amnesty Effects

Age	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval		F	P
					L. Bound	U. Bound		
18-25	463	47.7970	4.46945	.20771	47.3888	48.2052	2.901	.034
26-45	1229	47.4727	4.32423	.12335	47.2307	47.7147		
46-60	221	47.7466	4.17014	.28051	47.1938	48.2994		
Over 61	101	48.7228	4.98421	.49595	47.7388	49.7067		
Total	2014	47.6400	4.38282	.09766	47.4485	47.8315		

When these results are analyzed, it is seen that in Table 5, the average scores received by the One-Way ANOVA analysis to determine the difference of taxpayers'

The personal income taxpayers' (with an average of 2.48), the corporate taxpayers' (with an average of 2.56) and the presumptive taxpayers' (with an average of 2.56) all of them "Neither Agree nor Disagree" have been answered. When these results are analyzed, it is seen that the majority of the taxpayers' who participated in the survey remained undecided in the judgment that tax amnesties reduced the taxpayers' willingness to pay taxes and resulted to the loss of government revenues.

has been applied, where the results of the analysis are as follows:

H2. There is a significant difference between participating taxpayers' by their age, in their judgments about social, economic and financial effects of tax amnesties.

H0. There is no significant difference between participating taxpayers' by their age, in their judgments about social, economic and financial effects of tax amnesties.

participation level by their age related their judgments about social, economic and financial effects of tax amnesty are; 47.79 points for those between the ages of 18-25, 47.47 points for those between 26-45, 47.74 points

for those between 46-60, and 48.72 points for over 61. As a result of the One-Way ANOVA analysis, it was found that taxpayers' aged between 26-45 years has the lowest average and taxpayers' over 61 have the highest average. The value of $F = 2.901$ and $P = .034$ were $P < 0.05$, the H_2 hypothesis was accepted because there was statistically significant differences in the taxpayers' participation level in their age-based responses. In order to determine the further differences between groups the Tukey test was applied.

Table 6. Distribution of Taxpayers' Participation Level by their Age Related their Judgments about Tax Amnesty Effects by Tukey Test

(I) Age	(J) Age	Mean Differ. (I-J)	Standard Error	Sig.P	95% Confidence Interval	
					Lower Bound	Upper Bound
18-25	26-45	.3242	.23866	.526	-.2894	.9379
	46-60	.0504	.35783	.999	-.8697	.9704
	Over 61	-.9258	.48065	.217	-2.1616	.3100
26-45	18-25	-.3242	.23866	.526	-.9379	.2894
	46-60	-.2739	.31978	.827	-1.0961	.5483
	Over 61	-1.2500*	.45303	.030	-2.4149	-.0852
46-60	18-25	-.0504	.35783	.999	-.9704	.8697
	26-45	.2739	.31978	.827	-.5483	1.0961
	Over 61	-.9762	.52567	.247	-2.3278	.3754
Over 61	18-25	.9258	.48065	.217	-.3100	2.1616
	26-45	1.2500*	.45303	.030	.0852	2.4149
	46-60	.9762	.52567	.247	-.3754	2.3278

Tukey's test is applied to determine the group that caused the differences, as shown in Table 6, it was found important differences between taxpayers' aged 26-45 years, and over 61 years, with the level P value $p = 0.30$. It can be concluded that the taxpayers' judgments about tax amnesty affects are more positive to the elderly taxpayers'.

4.4. Test of Hypothesis H3

In this section, in order to test the third hypothesis to verify the taxpayers' participation level differences by their education level related their judgments about social, economic and financial effects of tax amnesty, One-Way

Table 7. Distribution of Taxpayers' Participation Level by their Education Related their Judgments about Tax Amnesty Effects

Education	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval		F	P
					Lower Bound	Upper Bound		
Primary School	40	47.7500	4.69997	.74313	46.2469	49.2531	1.005	.404
High School	685	47.5474	4.36019	.16659	47.2203	47.8745		
Student	61	48.3443	4.30072	.55065	47.2428	49.4457		
University Graduate	1067	47.7235	4.40678	.13491	47.4588	47.9882		
Master Graduate	161	47.1863	4.26791	.33636	46.5221	47.8506		
Total	2014	47.6400	4.38282	.09766	47.4485	47.8315		

When these results are analyzed, it is seen that in Table 7, the average scores received by the One-Way ANOVA analysis to determine the taxpayers' participation level differences by their education related their judgments about tax amnesty effects are; 47.75 points for taxpayers' with primary school, 47.54 points for high school, 48.34

ANOVA has been applied, where the results of the analysis are as follows:

H3. There is a significant difference between participating taxpayers' by their level of education, in their judgments about social, economic and financial effects of tax amnesties.

H0. There is no significant difference between participating taxpayers' by their level of education, in their judgments about social, economic and financial effects of tax amnesties.

points for students, 47.72 points for university graduated and 47.18 points for master graduated.

Since the value of $F = 1.005$ and $P = .404$ were $P > 0.05$, the H_3 hypothesis was rejected because there was not statistically significant differences in the between taxpayers' by their education.

4.5. Test of Hypothesis H4

In this section, in order to test the fourth hypothesis to verify the taxpayers' participation level differences by duration as taxpayers' related their judgments about social, economic and financial effects of tax amnesty, One-Way ANOVA has been applied, where the results of the analysis are as follows:

H4. There is a significant difference between participating taxpayers' by their duration as taxpayers', in their judgments about social, economic and financial effects of tax amnesties.

H0. There is no significant difference between participating taxpayers' by their duration as taxpayers', in their judgments about social, economic and financial effects of tax amnesties.

Table 8. Distribution of Taxpayers' Participation Level by Duration as Taxpayers' Related their Judgments about Tax Amnesty Effect

Duration as Taxpayer	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval		F	P
					Lower Bound	Upper Bound		
Less than (1) year	161	47.4845	4.76459	.37550	46.7429	48.2261	0.215	.886
1-5 years	644	47.6304	4.32290	.17035	47.2959	47.9649		
6-16 years	1068	47.6948	4.38671	.13423	47.4314	47.9581		
More than 17 years	141	47.4468	4.20446	.35408	46.7468	48.1468		
Total	2014	47.6400	4.38282	.09766	47.4485	47.8315		

When these results are analyzed, it is seen that in Table 8, the average scores received by the One-Way ANOVA analysis to determine the taxpayers' participation level differences by duration as taxpayer related their judgments about tax amnesty effects are; 47.48 points for taxpayers' with duration less than (1) year, 47.63 points for taxpayers' with duration 1-5 years, 47.69 points for taxpayers' with duration 6-16 years, and 47.44 points for taxpayers' with duration more than 17 years.

Since the value of $F = 0.215$ and $P = .886$ were $P > 0.05$, the H4 hypothesis was rejected because there was not statistically significant differences between taxpayers' related their judgments about tax amnesty effects.

5. CONCLUSION

Kosovo as one of the last places which is passing transition period in Southeast Europe its fiscal policies are among the most favorable in the region. Political changes in Kosovo from the beginning until the declaration of independence in 2008 are oriented to the free market economy. The laws of the Republic of Kosovo provide a suitable business environment under the free trade economy practices. These laws regulate trade security, investment and private property in the country. Also, they provide equal rights for all domestic and foreign investors. In the same time the phenomena such as fiscal evasion and bribery are continuing to be fought continually.

While governments around the world consider tax amnesties as traditional means of their fiscal programs, the Republic of Kosovo for the first time is recognized

with tax amnesty after declaring its independence in 2008. With the continuation of fiscal reforms the Kosovo government has handled tax amnesty as part of its fiscal program. And in 2015, along with reforms, the government announced tax amnesty, allowing the individuals and business to pay previous unpaid taxes. The positive effects of the tax amnesty in the country were considered to be multidimensional. First of all, meeting government needs for liquidity from revenues collected from tax amnesty, liquidity insurance for both business and entrepreneur thanks to the possibility for amnesty of liabilities accumulated for more than a decade. All this was coupled with new jobs for the unemployed in the private sector.

In this study based on the taxpayers' judgments regarding social, economic and financial effects of tax amnesty has been determined the five most important tax amnesty effects. The five most important judgments about tax amnesty effects are as follows;

- Tax amnesties has turned many businesses into economic life and provided revenue flow to the state,
- Tax amnesties provide a rapid income flow in closing budget deficits,
- Tax amnesty reduced workload of tax office and judiciary,
- Repeated tax amnesties reduced the taxpayer compliance of honest taxpayers',
- Tax amnesties reduced tax compliance, leading to an increase in the informal economy.

Between taxpayers' who participated on the survey related their judgments about social, economic and financial effects of tax amnesty;

- It has not been found any statistical significant difference by their gender.
- It has been found statistically significant differences between taxpayers' by their age. It can be concluded that this differences about tax amnesty affects are found to be higher between younger taxpayers' and taxpayers' over 61 years.
- It has not been found any statistical significant difference in terms of their education.
- It has not been found any statistical significant difference in terms of their duration as taxpayer.

Rather than using tax amnesty as a tool of collecting state revenues, it is imperative to undertake fundamental changes to the Kosovo tax system in order to avoid using the tax amnesty as an alternative tool of collecting revenues. For this purpose, in the light of the information obtained from the explanations made in the theoretical part of the study, it will be more useful to perform the following suggestions;

- Efforts should be made to extend the tax base to a reasonable level by decreasing the tax rates,
- Making tax laws simple and understandable,
- The government should develop alternative policies to turn the informal economy into a regular economy,
- The effectiveness of tax audits should be increased,
- Measures should be taken against tax evasion,
- Taxpayers' tax should be made according to their financial strength, arrangements should be made to ensure that those who earn more pay more, while those who earn less pay less.

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