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DRIVERS OF SELF-REPORTED AND HYPOTHETICAL TAX EVASION BEHAVIOUR: EVIDENCE FROM SLOVAKIA*

Dana Kušnírová ^{1*}, Eva Malichová ², Emese Tokarčíková ³, Oliver Klinovský ⁴

^{1*,2,3,4} University of Žilina, Faculty of Management Science and Informatics, Department of Macro and Microeconomics,
Univerzitná 8215/1, 010 26 Žilina, Slovakia

E-mails:^{1*} dana.kusnirova@uniza.sk (Corresponding author); ² eva.malichova@fri.uniza.sk;
³ emese.tokarcikova@fri.uniza.sk; ⁴ klinovsky8@stud.uniza.sk

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Abstract. The study examines the socio-demographic and experience-related determinants of tax evasion behaviour, distinguishing between self-reported past engagement in tax evasion and hypothetical willingness to engage in tax evasion. Adopting a behaviour perspective, the analysis integrates experience-related factors with socio-demographic characteristics to better understand individual-level tax evasion behaviour beyond purely legal or institutional explanations. Primary data were collected through a questionnaire survey conducted in Slovakia. After data cleaning, responses from 423 respondents were retained for the analysis using a series of binary logistic regression models. The results show that self-reported tax evasion is significantly associated with gender, income level, entrepreneurial experience, and prior exposure to tax audits. In contrast, hypothetical willingness to evade taxes is only weakly related to these factors. When past tax evasion behaviour is included in the scenario-based model, it emerges as a strong predictor of future willingness to engage in tax evasion. This indicates notable differences between the determinants of actual and hypothetical tax evasion behaviour. By distinguishing between past behaviour and scenario-based responses, this study provides evidence that experience-related factors play a role in shaping tax evasion behaviour at the individual level. The findings contribute to the literature on tax compliance by highlighting the importance of behavioural history and by demonstrating that hypothetical measures may not fully reflect real-world tax evasion behaviour.

Keywords: tax evasion; experience; socio-demographic factors; scenario-based tax evasion

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JEL Classifications: H26, H24, D91

1. Introduction

Tax evasion remains a long-standing problem of tax systems across countries and continues to attract attention in academic research. Despite improvements in tax administration, enforcement and transparency, non-compliance has not disappeared and often takes forms that are closely linked to individual attitudes, perceptions, experiences, and decision-making processes. According to the Global Tax Evasion Report (2024), tax evasion persists in various forms at the individual level even in settings characterized by enhanced reporting

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requirements and formal enforcement mechanisms. This indicates that compliance behaviour cannot be fully explained by legal or institutional factors alone.

Importantly, tax evasion should not be understood solely as a technical or legal violation, but rather as a behavioural outcome shaped by how taxpayers perceive and experience taxation. Individuals' willingness to comply is influenced by attitudes toward tax obligations, perceptions of fairness and complexity, and beliefs about the behaviour of others. Existing research initially emphasized audits, penalties, and detection probabilities as the primary determinants of tax compliance (Joskova, Finardi & Arltova, 2023).

More recent studies, however, incorporate behavioural and psychological perspectives, including the roles of social norms and psychological reactance (Anggraini, Sholihin & Rakhman, 2025).

Experience-related factors, such as familiarity with tax procedures, repeated exposure to filing requirements, and prior interactions with tax authorities, have received relatively limited attention in studies of tax evasion behaviour. Taxpayers differ substantially in the extent to which they understand tax rules, feel confident navigating administrative processes, or perceive tax obligations as predictable and manageable. While experience may reduce uncertainty and unintentional non-compliance, it may also shape strategic behaviour, tolerance toward non-compliance, or resistance to perceived administrative burdens. The behavioural implications of taxpayer experience, therefore, remain ambiguous and insufficiently explored, especially when considered alongside socio-demographic characteristics and psychological mechanisms.

Motivated by these gaps, this study examines tax evasion behaviour from a behavioural perspective that integrates experience-related factors with socio-demographic characteristics and established theoretical frameworks. The study further distinguishes between self-reported past tax evasion and hypothetical willingness to engage in tax evasion, allowing for a comparison between actual and potential non-compliant behaviour. By focusing on how taxpayers' accumulated experience with the tax system influences attitudes, perceptions, and behavioural intentions, the paper seeks to contribute to a more nuanced understanding of tax evasion as a behavioural phenomenon. Rather than addressing tax evasion in terms of fiscal outcomes, the study emphasizes individual-level behaviour and provides insights into how experience shapes compliance-related decisions, with implications for future research on tax behaviour.

To ensure conceptual clarity, the key forms of tax evasion behaviour examined in this study are defined as follows. Self-reported tax evasion behaviour refers to individuals' retrospective declaration of having engaged in tax evasion in the past, typically captured through survey-based measures, which may be subject to reporting biases and measurement limitations (Elffers et al., 1992).

In contrast, hypothetical tax evasion behaviour captures individuals' stated willingness to engage in tax evasion in a scenario-based context, reflecting behavioural intentions rather than actual past conduct. Such measures allow researchers to isolate attitudinal and situational influences on tax compliance and are consistent with behavioural approaches that conceptualise tax evasion as a social dilemma shaped by psychological and social factors (Elffers et al., 1992; Webley et al., 2001).

Prior research suggests that these measurement approaches capture different dimensions of tax evasion, with limited overlap between self-reported and intention-based behaviour (Elffers et al., 1992; Devos & Argan, 2019). Moreover, self-reported data may diverge from actual behaviour due to concealment and institutional factors, including the increasing role of third-party reporting (Gerritsen, 2025).

This multidimensional perspective is further supported by recent research highlighting the role of social norms, enforcement mechanisms, and psychological factors in shaping tax compliance behaviour (Besley et al., 2023; Campos-Vazquez et al., 2023; Løyland et al., 2023; Leisge et al., 2024).

2. Theoretical background

2.1 Tax evasion behaviour

Tax evasion and tax avoidance have intensified globally in recent years, becoming a pressing concern for tax authorities and policymakers worldwide (Hossain et al., 2024). This phenomenon has attracted considerable public and academic attention, as it poses significant challenges to the effectiveness and fairness of tax systems across countries (Kirchler, 2007; Carvalho & Ávila, 2022). Individuals may reduce their tax liabilities through two fundamentally different approaches. The first is tax avoidance, which involves legally permissible strategies such as income splitting or the deferral of tax payments. The second is tax evasion, which refers to deliberate and illegal actions undertaken to reduce legally owed tax obligations (Alm, 2012; Lee et al., 2015; Rodríguez, 2022). Distinguishing between these two practices is essential, as emphasised by Hasseldine and Morris (2013), who highlight that the determination of the legality of tax avoidance activities is a critical issue in both tax administration and enforcement.

The substantial growth of tax evasion has generated serious concerns about its harmful implications for the integrity and credibility of tax systems (Kumar et al., 2025). As argued by Stiglitz in the Global Tax Evasion Report 2024, tax evasion and tax avoidance more broadly are not an unavoidable phenomenon, but rather a consequence of deliberate policy choices or the absence of effective policy interventions aimed at curbing such practices. Stiglitz further emphasises that when citizens perceive the tax system as unfair, particularly if they believe that not all taxpayers contribute their fair share, their willingness to comply with tax obligations diminishes, potentially leading to a broader rejection of taxation (Stiglitz et al., 2024).

Existing academic research indicates that higher levels of tax complexity are closely linked to increased tax non-compliance. However, the majority of this literature focuses primarily on the behaviour of individual taxpayers, leaving other dimensions of non-compliance relatively underexplored (Taing & Chang 2020; Blaufus et al., 2019; Hassan et al., 2021).

An important theoretical framework for predicting taxpayer compliance is Psychological Reactance Theory (PRT). The theory posits that individuals possess a set of behavioural freedoms, which are recognised as such only when individuals are aware of their existence and believe they are able to exercise them. When these freedoms are restricted or removed, individuals experience psychological reactance. It is a motivational state that prompts efforts to resist the restriction or to restore the threatened freedom. In the context of tax compliance and avoidance, Kirchler (1999) demonstrates that less experienced business owners perceive tax obligations as a greater threat to their freedom than more experienced counterparts, and that this perceived loss of freedom is positively related to intentions to legally avoid or reduce taxes. Such reactance may influence taxpayers to act against tax administration in unethical or illegal ways, such as evading taxes (Falsetta & Spilker 2025). More broadly, tax evasion behaviour can be viewed as one manifestation of taxpayers' resistance to established tax collection mechanisms (Wahyuni et al., 2019). Tax evasion behaviours are shaped by cross-country differences in cultural norms, legal frameworks, and economic conditions, which influence how taxpayers perceive and respond to tax obligations (Saptono et al., 2024; Kanagaretnam, Lee & Lobo, 2024). Tax evasion may take several forms and they include: understatement of income, no submission, overstatement of deductions and failure to pay taxes by the due date (McGee et al., 2022).

Also, tax morale has a significant positive effect on tax compliance behaviour (Prieger, 2023). Tax morale can be defined as the collective attitude of a group or an entire population of taxpayers toward the fulfilment or neglect of their tax obligations (Kirchler, 2007). Kirchgässner (2011) argues that low levels of tax morale are associated with reduced tax compliance.

Recent empirical research further emphasises that tax evasion behaviour is influenced by a combination of social, psychological, and institutional factors. Social norms and enforcement mechanisms play a key role in shaping compliance decisions (Besley et al., 2023), while perceptions of inequality and the behaviour of high-income individuals may significantly affect taxpayers' willingness to comply (Campos-Vazquez et al., 2023). At the same time, experimental and behavioural studies highlight the importance of individual-level psychological traits and the stability of dishonest behaviour across contexts (Leisge et al., 2024). In addition,

evidence from tax enforcement settings suggests that audits and monitoring mechanisms can lead to significant behavioural adjustments in subsequent tax reporting (Løyland et al., 2023).

2.2 Socio-demographic factors

Socio-demographic characteristics represent an important dimension in explaining differences in tax evasion and tax compliance behaviour. A wide range of studies suggests that individual attributes such as gender, age, education, income, and occupation influence taxpayers' attitudes toward taxation, their moral evaluations, and their willingness to comply. For instance, Devos (2008) provides early empirical evidence that demographic variables are significantly related to taxpayers' attitudes toward tax evasion, indicating that compliance behaviour varies systematically across population groups.

More recent research continues to support the relevance of these factors, particularly through behavioural and psychological perspectives. Falsetta and Spilker (2025) demonstrate that individual characteristics—including age, education, income, and professional experience—shape taxpayers' psychological reactions to tax administration practices, which subsequently affect their intentions to evade taxes. Evidence from developing and transition economies also points to the importance of socio-demographic influences. Muharremi et al. (2022) show that gender, education, employment status, and residential characteristics systematically influence ethical perceptions of tax evasion, with women and more educated individuals generally expressing lower acceptance of tax evasion compared to men and less educated groups.

At the institutional and cross-country level, Carvalho and Ávila (2022) argue that tax evasion cannot be fully understood without considering the underlying socio-economic structure of taxpayer populations, including income levels and occupational composition. Complementing this view, Holkova et al. (2023) find that socio-demographic factors such as gender, age, education, and income source significantly influence tax morale and the tendency toward tax evasion, with women, older individuals, and more educated taxpayers generally exhibiting higher tax ethics.

Finally, large-scale evidence from a meta-analysis by Hofmann et al. (2017) suggests that while the direct effects of age, gender, education, and income on tax compliance are modest, these variables consistently contribute to explaining variation in compliance across countries and regions. As such, socio-demographic characteristics remain an important control in empirical studies of tax compliance and evasion.

2.3 Experience-related factors

Experience-related factors represent a significant yet often overlooked determinant of tax evasion behaviour, as repeated interactions with the tax system shape taxpayers' knowledge, expectations, and behavioural strategies. Through ongoing engagement with tax filing procedures, audits, and administrative requirements, taxpayers accumulate practical experience that shapes their understanding of tax obligations and enforcement mechanisms. This accumulated experience affects not only the technical understanding of tax rules but also broader attitudes toward compliance and evasion.

Evidence from behavioural and ethical perspectives regarding experience influences tax-related attitudes further highlights the learning dimension of tax evasion. McGee et al. (2022) emphasise that attitudes toward tax evasion are shaped not only by economic incentives but also by taxpayers' prior exposure to tax systems, institutional arrangements, and social norms, suggesting that acceptance of evasion may develop through experience over time. Similarly, Devos (2008) argues that taxpayers' previous encounters with taxation contribute to the formation of stable attitudes toward compliance and evasion, reinforcing the role of experience-based learning in tax behaviour.

More recent empirical work links experience directly to psychological mechanisms underlying tax evasion. Falsetta and Spilker (2025) show that work experience and familiarity with tax administration practices influence taxpayers' psychological reactance, which in turn affects intentions to evade taxes. Their results indicate that less experienced individuals respond more strongly to perceived administrative burdens or restrictions, while experienced taxpayers are more likely to adopt calculated and strategic responses based on prior outcomes.

Insights from the broader literature on experience and decision-making provide additional support for these findings (Putra & Ali, 2022). Mahaputra (2022) argues that experience functions as a form of practical knowledge that guides decision-making in complex and rule-intensive environments, particularly under conditions of uncertainty. Applied to taxation, this perspective implies that taxpayers rely on past experiences, such as audits, penalties, or successful non-detection, when evaluating risks and choosing between compliance and evasion.

Based on the findings of existing research, this study focuses on the influence of socio-demographic factors: gender, age, education, income, and occupation on tax evasion behaviour. In addition, we examine whether these factors also affect scenario-based tax evasion behaviour, that is, both actual and potential behaviour leading to tax evasion. Furthermore, the study investigates whether prior engagement in tax evasion influences future behaviour (Figure 1).

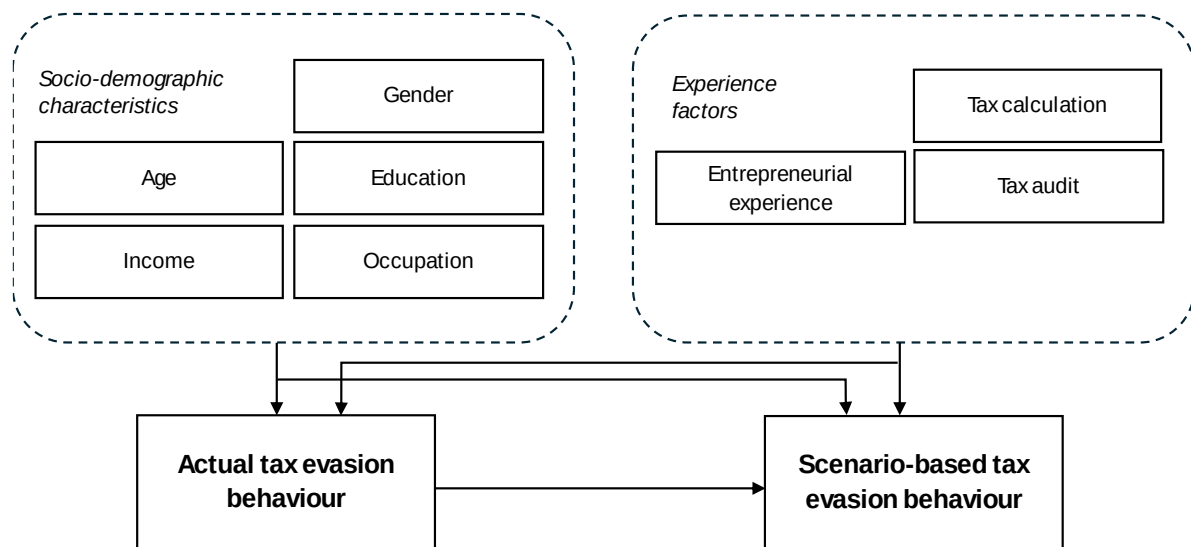


Figure 1. Conceptual diagram of potential determinants of tax evasion behaviour.

Source: own processing

2.4 Hypotheses development

Building on the theoretical and empirical literature, this study formulates a set of hypotheses regarding the relationship between socio-demographic and experience-related factors and tax evasion behaviour. Gender has been consistently associated with differences in risk preferences and tax morale, with prior research suggesting that men exhibit higher tolerance for risk and lower compliance levels compared to women (Holkova et al., 2023; McGee et al., 2022).

Therefore:

H1: Men are more likely to engage in tax evasion than women.

Income is often linked to both opportunity and incentives for tax evasion. Higher-income individuals may have greater opportunities to conceal income or exploit tax system complexity (Alm, 2012). Thus:

H2: Higher income is positively associated with the likelihood of tax evasion.

Entrepreneurial activity is characterised by higher autonomy and discretion in financial reporting, which may increase opportunities for non-compliance. Previous studies suggest that entrepreneurs face more complex tax obligations and may engage in strategic tax behaviour (Devos, 2008). Therefore:

H3: Individuals with entrepreneurial experience are more likely to engage in tax evasion.

Prior interaction with tax authorities, particularly tax audits, may influence subsequent behaviour through learning or adaptation mechanisms. While audits may deter evasion, they may also lead to strategic adjustments based on perceived enforcement effectiveness (Kirchler, 2007). Given the ambiguous theoretical expectation:

H4: Prior experience with tax audits is associated with tax evasion behaviour.

Finally, behavioural theories suggest that past behaviour is a strong predictor of future behaviour due to habit formation and reduced psychological barriers (Wahyuni et al., 2019). Therefore:

H5: Individuals who have previously engaged in tax evasion are more likely to engage in tax evasion in hypothetical scenarios.

3. Methodology

The aim of this paper is to analyse the socio-demographic and experience-related factors influencing self-reported tax evasion behaviour and to examine whether these factors also predict scenario-based willingness to engage in tax evasion. To achieve this objective, primary data were collected using a structured questionnaire survey conducted in Slovakia. The questionnaire was designed to capture respondents' attitudes towards taxation and their compliance with tax obligations. The survey instrument consisted of four main sections: socio-demographic information, respondents' personal experience of taxation-related situations and their tax-related knowledge, tax morality and perceived tax burden and respondents' willingness to improve their tax compliance behaviour. For the purpose of this analysis, selected items from the questionnaire were used. The questionnaire items, their wording, the response options and the procedures applied to recode and prepare the variables for the analysis are provided in the Appendix. The questionnaire design was informed by prior research on tax compliance and behavioural taxation (Kirchler, 2007; Devos, 2008). Items capturing socio-demographic and experience-related variables follow standard measurement approaches used in empirical tax behaviour studies. The scenario-based question was designed to approximate a common real-world transaction involving informal payments and was conceptually aligned with experimental approaches used in tax compliance research (Alm, 2012).

While the specific scenario has not been directly validated in prior studies, it reflects a widely documented form of informal economic activity and allows for the assessment of behavioural intentions in a controlled context. After data cleaning, responses from 423 respondents were retained for the analysis (questionnaire items used in the research are provided in Annex). Table 1 shows, the sample of respondents was almost gender balanced. Regarding age, the largest share of respondents was aged between 18 and 30 years, followed by those aged 46–60 years. In terms of education, 10.6% of respondents had basic education, 50.6% had secondary education, and 38.8% had tertiary education. With respect to occupation, most respondents were employed (52.5%), followed by students (24.1%), entrepreneurs (11.3%), retirees (8.7%), and unemployed individuals (3.3%) (Table 1).

Table 1. Sample characteristics (N=423)

Characteristics	Frequencies
Gender	49.6% man; 50.4% woman
Age	43.7% 18-30 years; 19.1% 31-45 years; 28.8% 46-60 years; 8.3% 61 and more
Education	10.6% Primary; 50.6% Secondary; 38.8% Tertiary
Occupation	52.5% Employed; 11.3% Entrepreneur; 3.3% Unemployed; 8.7% Retired; 24.1% Student

Source: Own processing

In line with the aim of the study, a series of binary logistic regression models were used to analyse the factors influencing actual tax evasion behaviour and hypothetical willingness to engage in tax evasion. Prior to model estimation, multicollinearity among the explanatory variables was assessed using variance inflation factor (VIF), with no evidence of problematic multicollinearity identified.

4. Results

Based on the responses from the survey, Figure 2 shows the distribution of respondents according to their self-reported tax evasion behaviour and their willingness to engage in tax evasion in a hypothetical scenario. It can be observed that more than 80% of respondents reported that they had never engaged in tax evasion. Only 1.62% of respondents admitted having committed tax evasion once, while 14.81% reported having done so repeatedly.

However, the results of the scenario-based question show a substantially different outcome. More than 66% of respondents indicated a willingness to engage in tax evasion in the hypothetical situation, of whom over 27% said they would do so without hesitation. These findings suggest that self-reported tax evasion behaviour is considerably lower than scenario-based tax evasion behaviour. This discrepancy may indicate that respondents do not fully perceive the behaviour described in the scenario as tax evasion, or that they apply different standards when evaluating hypothetical situations.

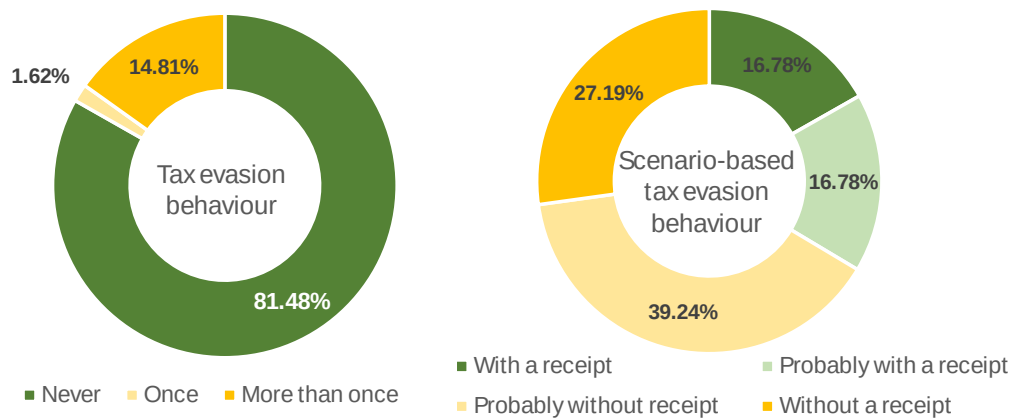


Figure 2. Actual and scenario-based tax evasion behaviour of respondents.

Source: Own processing

4.1 Tax Evasion

To test the proposed hypotheses (H1–H4), a logistic regression model was estimated to identify factors influencing respondents' engagement in tax evasion. The model was statistically significant ($\chi^2(14) = 60.274$, $p < 0.001$) and demonstrated an acceptable fit to the data ($-2 \text{ Log Likelihood} = 313.52$; Cox & Snell $R^2 = 0.135$; Nagelkerke $R^2 = 0.228$). Four predictors were identified as statistically significant.

In line with H1, gender was identified as a significant predictor of tax evasion behaviour. The results indicate that men are significantly more likely to have engaged in tax evasion than women ($\text{Exp}(B) = 2.799$, $p = 0.001$). This finding may suggest that men, on average, exhibit lower tax morale and a higher tolerance for risk, which may increase their propensity to engage in tax evasion compared to women.

Consistent with H2, income was positively associated with the likelihood of tax evasion. To improve interpretability, income was rescaled by dividing its original values by 100. The results show that an increase in income of €100 is associated with a 4.6% increase in the odds of tax evasion ($\text{Exp}(B) = 1.046$, $p = 0.013$). Although the effect size is relatively small, it suggests that higher income slightly increases the likelihood of engaging in tax evasion.

In line with H3, entrepreneurial experience was identified as a significant predictor of tax evasion behaviour. Individuals who engage in entrepreneurial activity are more prone to tax evasion. The likelihood that entrepreneurs engage in tax evasion is three times higher compared to non-entrepreneurs ($\text{Exp}(B) = 3.175$, $p = 0.040$), which may be related to the greater discretion and complexity entrepreneurs face in managing their tax obligations. Entrepreneurial activity often involves more flexible income structures, higher autonomy in financial decision-making, and increased exposure to complex tax rules, which may create more opportunities for non-compliant behaviour.

Finally, individuals who have previously been subject to a tax audit exhibit almost three times higher odds of engaging in tax evasion compared to those without such experience ($\text{Exp}(B) = 2.815$, $p = 0.007$) (Table 2). In line with H4, prior experience with tax audits was associated with tax evasion behaviour. However, this relationship should be interpreted with caution, as it may reflect reverse causality, given that individuals who engage in tax evasion are more likely to be subject to tax audits.

Table 2. Binary Logistic Regression Results for Tax Evasion (N = 423).

Predictor	B	SE	Wald	Sig.	Exp (B)
Gender (men)	1.027	0.321	10.267	0.001	2.793
Age (18-30) ref. 60+			1.064	.0786	
Age (31-45) ref. 60+	-.447	0.862	0.269	0.639	3.466
Age (46-60) ref. 60+	-.077	0.854	0.008	0.926	4.939
Education	-.434	0.803	0.292	0.648	3.128
Education (Primary) ref. tertiary			5.957	0.051	
Education (Secondary) ref. tertiary	0.933	0.487	3.665	0.056	2.542
Occupation	-0.179	0.331	0.292	0.589	0.836
Occupation (Employee) ref. student			1.251	0.870	
Occupation (Entrepreneur) ref. student	-0.134	0.532	0.063	0.801	0.875
Occupation (Unemployed) ref. student	-0.494	0.791	0.390	0.532	0.610
Occupation (Retiree) ref. student	-0.209	1.144	0.033	0.855	0.811
Age (18-30) ref. 60+	0.545	0.928	0.346	0.557	1.725
Income (100)	0.045	0.018	6.174	0.013	1.046
Entrepreneurial experience	1.155	0.561	4.233	0.040	3.175
Tax audit	1.035	0.382	7.322	0.007	2.815
Tax calculation	-0.333	0.371	0.804	0.370	0.717
Constant	-2.731	0.984	7.699	0.006	0.065
Chi Square (df) p	60.274 (14) .000				
-2 Log likelihood	313.518				
Cox & Snell R Square	0.135				
Nagelkerke R Square	0.228				

Source: Own processing

4.2 Scenario-Based Tax Evasion

To further examine whether the proposed relationships (H1–H4) hold in a hypothetical context, a second model was estimated to analyse factors predicting whether respondents would accept participating (knowingly or unknowingly) in tax evasion in a hypothetical car repair service scenario. The overall model was statistically significant ($\chi^2(14) = 24.20$, $p = 0.043$), but the model fit was weak ($-2LL = 509.88$; Cox & Snell $R^2 = .057$; Nagelkerke $R^2 = 0.078$). Among all predictors, only age reached overall significance ($\chi^2(3) = 10.31$, $p = 0.016$), although none of the individual age categories were statistically significant (Table 3). H3 was not supported in this model, as entrepreneurial experience did not significantly predict hypothetical tax evasion behaviour.

Table 3. Binary Logistic Regression Results for Scenario-Based Tax Evasion (N = 423).

Predictor	B	SE	Wald	Sig.	Exp (B)
Gender (men)	0.189	0.227	0.693	0.405	1.208
Age			10.314	0.016	
Age (18-30) ref. 60+	0.362	0.742	0.238	0.625	1.437
Age (31-45) ref. 60+	0.094	0.731	0.017	0.897	1.099
Age (46-60) ref. 60+	-0.619	0.691	0.802	0.371	0.539
Education			1.204	0.548	
Education (Primary) ref. tertiary	0.387	0.423	0.840	0.056	2.542
Education (Secondary) ref. tertiary	-0.052	0.235	0.292	0.589	0.836
Occupation			1.251	0.870	
Occupation (Employee) ref. student	0.555	0.392	2.008	0.156	1.742
Occupation (Entrepreneur) ref. student	0.422	0.634	0.443	0.506	1.525

Occupation (Unemployed) ref. student	-1.203	0.650	3.423	0.064	0.300
Occupation (Retiree) ref. student	0.829	0.757	1.200	0.273	2.292
Income (100)	0.007	0.015	0.226	0.635	1.007
Entrepreneurial experience	-0.200	0.476	0.176	0.675	0.819
Tax audit	0.350	0.327	1.148	0.284	1.419
Tax calculation	-0.493	0.259	3.616	0.057	0.611
Constant	0.238	0.802	0.088	0.766	1.269
Chi Square (df) p	24.202 (14) .043				
-2 Log likelihood	509.879				
Cox & Snell R Square	0.057				
Nagelkerke R Square	0.078				

Source: Own processing

4.3 Scenario-Based Tax Evasion with Past Behaviour

To test H5 regarding the role of past behaviour in predicting willingness to evade taxes in a hypothetical situation, the variable from the first model was added to the scenario model. The inclusion of this variable substantially improved the model, which became strongly significant ($\chi^2(15) = 44.69$, $p < .001$). Model fit indicators improved considerably: -2LL decreased to 489.39, Cox & Snell R^2 increased to 0.102 and Nagelkerke R^2 to 0.141. This nearly doubles the explained variance compared to the model without prior behaviour. Supporting H5, prior engagement in tax evasion strongly predicts willingness to engage in tax evasion in a hypothetical scenario. Respondents who had engaged in tax evasion in the past had more than five times higher odds of accepting tax evasion in the scenario ($\text{Exp}(B) = 5.459$, $p < 0.001$). No other factors were identified as significant at the 95% confidence level (Table 4).

Table 4. Binary Logistic Regression Results for Scenario-based Tax Evasion with past behaviour (N = 423).

Predictor	B	SE	Wald	Sig.	Exp (B)
Gender ref. women	0.030	0.234	0.016	0.899	1.030
Age			10.131	0.017	
Age (18-30) ref. 60+	0.536	0.787	0.464	0.496	1.709
Age (31-45) ref. 60+	0.169	0.775	0.048	0.827	1.184
Age (46-60) ref. 60+	-0.506	0.730	0.481	0.488	0.603
Education			0.426	0.808	
Education (Primary) ref. tertiary	0.262	0.435	0.362	0.547	1.299
Education (Secondary) ref. tertiary	-0.006	0.240	0.001	0.981	0.994
Occupation			8.009	0.091	
Occupation (Employee) ref. student	0.646	0.398	2.639	0.104	1.909
Occupation (Entrepreneur) ref. student	0.570	0.663	0.740	0.390	1.768
Occupation (Unemployed) ref. student	-1.234	0.663	3.469	0.063	0.291
Occupation (Retiree) ref. student	0.873	0.797	1.200	0.273	2.393
Income (100)	-0.003	0.015	0.034	0.853	0.997
Entrepreneurial experience	-0.501	0.509	0.970	0.325	0.606
Tax audit	0.140	0.339	0.171	0.680	1.150
Tax calculation	-0.469	0.263	3.176	0.075	0.625
Tax evasion experience	1.697	0.427	15.773	0.000	5.459
Constant	0.077	0.841	0.008	0.927	1.080
Chi Square (df) p	44.687 (15) 0.000				
-2 Log likelihood	489.394				
Cox & Snell R Square	0.102				
Nagelkerke R Square	0.141				

Source: Own processing

Results of the models and their comparison show that actual behaviour related to tax evasion can be predicted based on gender, income, entrepreneurial experience, and experience with tax audits. The findings indicate that men, entrepreneurs, individuals with higher incomes, and those who have undergone a tax audit are more prone to engaging in tax evasion (Figure 3).

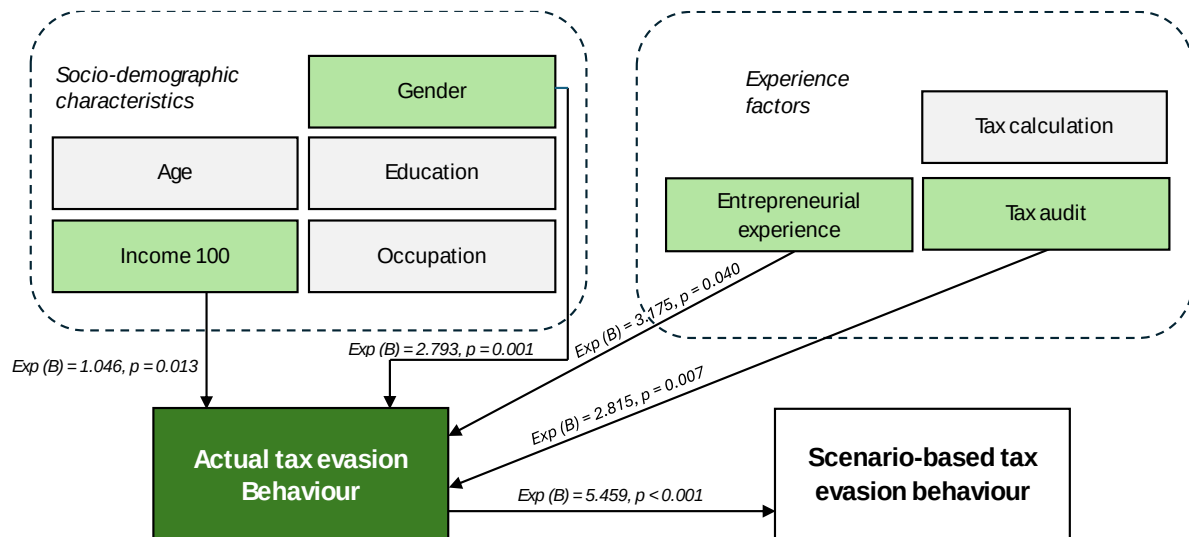


Figure 3. Significant variables derived from the models.

Source: Own processing

However, the results of the second model suggest that neither these nor other factors influence hypothetical behaviour, indicating that respondents apply stronger normative judgement in such scenarios.

In the third model, we added the variable tax evasion experience identified as significant in the first model. This model demonstrates that past engagement in tax evasion is the strongest determinant of willingness to engage in tax evasion in the future. This finding supports behavioural theories suggesting that habits and prior norm violations reduce psychological barriers to repeating the behaviour.

5. Conclusion

The study examined the socio-demographic and experience-related determinants of tax evasion behaviour, distinguishing between self-reported past behaviour and hypothetical willingness to engage in tax evasion. The results show that the drivers of actual tax evasion differ substantially from those influencing scenario-based decisions, highlighting the importance of behavioural context and prior experience.

This study provides several novel contributions to the literature on tax evasion behaviour. First, it explicitly distinguishes between self-reported and hypothetical tax evasion behaviour, allowing for a direct comparison between actual past behaviour and scenario-based behavioural intentions. While prior research has often examined these dimensions separately, this study integrates them within a single empirical framework, thereby offering a more comprehensive understanding of tax evasion behaviour.

Second, the study adopts an original sequence of hypotheses that systematically examines the determinants of self-reported tax evasion behaviour, followed by hypothetical behaviour, and subsequently explores the relationship between these two dimensions. This stepwise analytical approach enables a deeper insight into how past behaviour translates into behavioural intentions under controlled conditions.

Third, the findings contribute to the existing literature by highlighting the role of socio-demographic and experience-related factors in shaping both actual and intended tax evasion behaviour, while also demonstrating

that these two dimensions may be influenced differently. This reinforces the view that tax evasion should be understood as a multidimensional phenomenon.

The findings indicate that actual engagement in tax evasion is significantly associated with gender, income, entrepreneurial experience, and prior exposure to tax audits. Men, individuals with higher incomes, entrepreneurs, and respondents who had previously undergone a tax audit were more likely to report having engaged in tax evasion. These results suggest that both socio-demographic characteristics and direct interaction with the tax system shape real-world non-compliant behaviour, particularly in contexts involving greater discretion or complexity.

In contrast, scenario-based tax evasion behaviour was only weakly explained by the examined factors. Although a majority of respondents expressed willingness to evade taxes in a hypothetical situation, most socio-demographic and experience-related variables were not statistically significant. This discrepancy suggests that hypothetical scenarios may not fully capture the mechanisms underlying actual tax evasion behaviour and that respondents may apply different normative standards when evaluating abstract situations.

A key contribution of the study emerges from the inclusion of past tax evasion behaviour in the scenario-based model. Prior engagement in tax evasion proved to be the strongest predictor of future willingness to evade taxes, substantially improving model fit and explanatory power. This finding supports behavioural theories emphasizing learning effects and habit formation, indicating that past norm violations reduce psychological barriers to repeated non-compliance.

Overall, the results underscore the importance of experience and behavioural history in understanding tax evasion. By distinguishing between actual and hypothetical behaviour, this study contributes to a more nuanced view of tax evasion as a dynamic behavioural process shaped by prior experience rather than solely by static individual characteristics.

Despite these contributions, several limitations should be acknowledged. *First*, the empirical specification is based primarily on socio-demographic and experience-related variables and does not include other theoretically relevant determinants of tax compliance, such as risk preferences, perceived detection probability, or tax morale. The omission of these variables may lead to omitted variable bias, and the estimated relationships should therefore be interpreted as correlations rather than causal effects. *Second*, the measurement of tax evasion relies on self-reported data, which may be subject to social desirability bias and underreporting of illegal behaviour, which may lead to measurement error and potential underestimation of true evasion rates. This may lead to an underestimation of the true prevalence of tax evasion and may bias the estimated relationships, attenuating the strength of observed associations. *Third*, the survey question referring to “knowingly committed tax evasion or tax fraud” may be interpreted differently by respondents. Some individuals may not classify minor informal transactions as tax evasion, which may affect comparability across responses. *Finally*, the hypothetical scenario does not explicitly specify enforcement probability, penalties, or legal consequences. As a result, respondents’ choices may reflect price sensitivity or social norms rather than a deliberate tax evasion decision under conditions of risk and enforcement.

From a policy perspective, the findings suggest that tax compliance strategies should account for behavioural history and taxpayer experience. Targeted interventions focusing on high-risk groups, such as entrepreneurs and individuals with prior audit exposure, may improve compliance outcomes. Additionally, strengthening taxpayer education and transparency in enforcement procedures may reduce uncertainty and limit strategic non-compliance.

From a broader societal perspective, the results highlight the importance of addressing informal norms and perceptions of fairness within the tax system. Enhancing trust in tax institutions and ensuring consistent enforcement may play a key role in reducing tax evasion behaviour.

Annex. Questionnaire items used in the research

Question	Response options	Recoding and data cleaning
What is your gender?	male; female; other	Binary variable; responses in the “other” category were excluded from the model due to insufficient sample size (n = 2)
Which age category do you belong to?	18-30 years; 31-45 years; 46-60 years; 61 and more	Categorical variable
Please indicate your highest level of education from the options	Primary; Secondary; Tertiary	Categorical variable
Please indicate your category based on your primary source of income:	Employed; Entrepreneur; Unemployed; Retired; Student	Categorical variable
What is your average monthly income in EUR?	-	Continuous variable; rescaled by dividing all values by 100 to improve interpretability
Are you engaged in business activities?	Yes; No	Binary variable
Have you ever been involved in a tax proceeding or a tax audit?	Yes; No	Binary variable
Have you ever calculated a tax liability for yourself or for another person?	Yes; No	Binary variable
Have you ever knowingly committed tax evasion or tax fraud?	Never; Once; More than once; I prefer not to answer	Recoded into a binary variable (never, at least once); “I prefer not to answer” responses were excluded from the analysis
If a car repair shop offers you a vehicle repair with a receipt for €1,230 or without a receipt for €1,000, how would you decide?	With a receipt for €1,230; Probably with a receipt for €1,230; Probably without a receipt for €1,000; Without a receipt for €1,000; I would look for another car repair shop	Recoded into a binary variable (with a receipt, without a receipt); “I prefer not to answer” responses were excluded from the analysis as they do not indicate a clear choice

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Eva MALICHOVÁ is an Associate Professor at the University of Žilina in Žilina. Research interests: consumer behaviour, decision making, entrepreneurship, and tax ethics.

ORCID ID: <https://orcid.org/0000-0002-8220-5637>

Dana KUŠNÍROVÁ is an Assistant Professor at the University of Žilina in Žilina. Research interests: taxation (CIT, PIT), value creation process for stakeholders (suppliers and buyers), tax ethics.

ORCID ID: <https://orcid.org/0000-0001-7284-1923>

Emese TOKARČÍKOVÁ is an Associate Professor at the University of Žilina in Žilina. Research interests: changing economic conditions and their impact on the market subjects' activities, encouraging sustainable development; aspects of the sharing economy and exploring the possibilities of maximising value for individual stakeholders.

ORCID ID: <https://orcid.org/000-0002-7115-3499>

Oliver KLINOVSKÝ is a Student at the University of Žilina in Žilina.

