



ETHICS AND TAX ETHICS: A THEORETICAL EVALUATION IN TERMS OF WAGNER'S TAXATION PRINCIPLES

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ABSTRACT: There are many taxation principles that should be in a good tax system. With the help of these principles, the search for the most appropriate tax system from an optimal perspective continues. Questioning the compliance of these principles in terms of ethics and tax ethics will be a guide to reach a better and beneficial tax system for the society. For this purpose, in this study, general ethical principles are discussed together with the concept of tax ethics, and taxation principles are evaluated in terms of general ethical understanding and tax ethics, and suggestions for deficiencies are given by explaining the shortcomings and advantages of the existing principles in terms of ethics.

Keywords: Ethics, Tax Ethics, Taxation Principles, Optimal Taxation

Jel Codes: H20, H21, H29

ETİK VE VERGİ ETİĐİ: WAGNER'IN VERGİLEME İLKELERİ AÇISINDAN TEORİK BİR DEĐERLENDİRME

ÖZ: İyi bir vergi sisteminde olması gereken birçok vergileme ilkesi bulunmaktadır. Bu ilkeler yardımıyla optimal açıdan en uygun vergi sistemi arayışları devam etmektedir. Bu ilkelerin etik ve vergi etiĐi açısından uyumunun sorgulanması daha iyi ve toplum için faydalı bir vergi sistemine ulaşabilmek için yol gösterici olacaktır. Bu amaçla bu çalışmada genel etik kaideleri vergi etiĐi kavramı ile bir arada ele alınarak vergileme ilkeleri genel etik anlayışı ve vergi etiĐi açısından değerlendirilmeye tabi tutulmuş ve mevcut ilkelerin etik açısından eksiklikleri ve artı yönleri açıklanarak eksikliklere yönelik önerilere yer verilmiştir.

Anahtar Kelimeler: Etik, Vergi EtiĐi, Vergileme İlkeleri, Optimal Vergileme

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1. INTRODUCTION

From the days when the tax was started to be collected, the answer to the question of how an ideal tax system should be has been sought, and parallel to the change and development of ethical rules, the issue of how the tax should be ethically in an ideal tax system has been raised. The concept of tax ethics focuses on the extent to which individuals realize a situation they perceive or know about tax in a manner compatible with tax laws. Although the high level of tax consciousness is a cognitive infrastructure that can lead to correct behaviors in tax ethics, consciousness alone is not enough to act, and it may be affected by social, financial, psychological and cultural factors. In addition, these factors are not caused by the individual themselves unilaterally, but also there may also be administrative factors such as whether the state maintains a fair tax order, practices regarding tax amnesties, deterrence of penalties, and the effectiveness of tax audits.

Taxation can be considered as a social responsibility in societies with high tax morale and tax awareness, and as a result, efforts to reduce the tax base may not be in question (Yoruldu, 2020:77).

Empirical studies show that the expected success from taxation depends on increasing the number of ethical individuals in terms of tax. The rise of tax Ethics in a society also contributes significantly to the reduction of transaction and information costs in taxation. The fact that moral values are important in every field must also be taken into account in terms of taxation. Because it is not possible for every taxpayer to be audited continuously (Tosuner et al., 2007:1).

In this study, first of all we will focus on the concepts of ethics and tax ethics, and then we will try to make an assessment by taking into account the principles of ideal taxation in terms of factors affecting tax ethics.

2. LITERATURE REVIEW

It can be said that priority studies on tax ethics date back to the 1960-1970s. The first tax ethics studies were carried out by Grünter Schölders and his surrounding German scientists, known as the "Cologne School of Tax Psychology". This school emphasized that economic problems should not be evaluated only from a traditional perspective, and saw tax ethics as a form of behavior related to tax disobedience. As a result of their research and survey practices, they assumed personal tax responsibilities as one of the indicators of tax ethics (Torgler, 2003: 18-22). 'Why should people pay taxes?' Allingham and Sandmo (1972) sought answers to this question by developing a classical economic model. According to this theory, which is also called deterrent approach; If the taxpayer thinks that the gain or benefit from tax evasion is more than the loss he would incur when he was caught as a result of inspections, he will find tax evasion rational. In this theory, it is assumed that taxpayers are individuals who ignore the ethical rules in tax, like to take risks, or do not care about risk, and try to maximize their individual interests. When it comes to paying taxes under this assumption, the tax rates, the probability of being caught, the income level and the factors affecting the penalty rates influence the behavior of the taxpayer.

In deterrent theory, individuals who pay taxes have a tendency to evade taxes by nature. This approach is recognized as maximizing the individual benefit of the tax evader in order to increase future consumption while tax evasion. Recently, scholars of tax ethics have turned to understanding why so many taxpayers pay tax, although the assumptions of this theory are less likely to be rationed and audited and the penalties are not heavy enough to deter tax evasion (Andreoni et al., 1998; Cowell, 1992). Some other studies (see also Falkiner, 1995; Erard & Feinstein, 1994) have expanded the estimates of the traditional model and interpreted the ethical understanding of taxpayers and their role in society to another more social theory (Gökbunar et al., 2007).

When the results of the researches are evaluated; In addition to fines, tax evaders focused on the possibility of being blamed and feeling embarrassed about it in society. In their empirical study, Schwartz and Orleans (1967) examined the effects of tax ethics and fear of punishment on tax laws and found that tax ethics are more effective than penalties. Strumpel (1969: 29-30) analyzed the relationship between tax ethics and tax system in his study comparing various European countries. It shows that Germans have less tax ethics than specifically British taxpayers, probably due to the repressive nature of their tax

system. Because it is known that the British tax system has a more taxpayer-oriented compared to the German tax system that it forces them less and puts less pressure on them. As a result, it has been observed that the taxpayer-oriented management approach increases tax ethics and compliance. Moreover, Strumpel states that French, Italian and Spanish tax systems are inefficient and costly to manage. Weck (1983) conducted studies to determine tax ethics between countries between 1960 and 1978. According to the tax ethics index developed by the Weck USA, Canada, Japan and Ireland, Scandinavian countries, the Netherlands and the UK have high tax ethics (between 2.2 and 3.8 according to the tax immorality index), France, Italy and Spain have high tax ethics (10.4 to 20.4) identified (Torgler, 2003e: 157). Reckers et al., (1984), in their study on 250 individuals in the state of Arkansas, USA, found that the ethical beliefs of individuals play a highly effective role on tax compliance. They found that individuals who approach tax evasion as an ethical issue will evade less tax regardless of the level of the tax amount. On the other hand, those who do not view tax evasion from an ethical point of view are more affected by other structural factors (such as high tax rates, cuts in resources). Roth et al. (1989) argued that tax ethics is an important determinant of tax payments, and Hasseldine (2000) argued that tax ethics has a positive effect on the will to pay tax. Pyle (1991:173) criticizes the assumption that individuals always make maximization of interests and benefits that will always be considered immoral in taxation, and has shown that it is not true to say that all individuals think this way, by looking at the events explained with random samples. Although it seems that the tax evaders are not caught as a result of the audits, the majority of taxpayers behave honestly. Contrary to popular belief, this study has tried to emphasize that most of the taxpayers are honest. Long and Swingen (1991: 130) state that some taxpayers can avoid taxes easily and therefore do not seek ways to evade tax. In addition, Elffers (2000: 187) states that some of the taxpayers "do not turn tax evasion opportunities into action and do not have enough information and resources for tax evasion". Various social and demographic factors can be considered as factors that shape people's view of tax or tax ethics. As a matter of fact, various studies are conducted on the effects of factors such as 'age groups', 'gender', 'marital status', 'occupation type' and 'education level' on tax ethics of taxpayers. For example, Torgler (2003e) reveals that men tend to have less tax ethics or more tax avoidance tendency than women, married couples compared to singles, and young people compared to the elderly. It has been argued that the tax ethics or tax avoidance tendency is in a positive relationship with salary and wage returns, and in the opposite direction with the income of self-employed persons. Highly educated taxpayers have shown in their empirical research that tax evasion tendency is lower thanks to their knowledge on the economic and social effects of taxes (Torgler, 2003e: 56-57; Gökbnar et al., 2007). Although there are studies related to tax principles in other studies in the literature, there is no study that specifically analyzes Adolph Wagner's taxation principles in terms of tax ethics.

3. THEORITICAL BACKGROUND

Although the concept of ethics has an aspect that looks at the general public as an abstract concept, it has a great and more special importance in terms of tax ethics for the states that look at a certain group before the taxpayers to build a regular financial system. In this part of the study, first of all, the concept of ethics will be focused on, and then the concept of tax ethics will be given in more detail and the relationship between general ethics and tax ethics will be tried to be revealed.

3.1. The Concept of Ethics and Its Importance

The concept of ethics derived from the word "Ethos" means custom, culture, moral structure in Greek. According to the dictionary of the Turkish Language Association; It is defined as "the set of behaviors that the parties should obey or avoid among various professions and related to moral or moral". According to this definition, morality and ethics are considered synonymous. In a philosophical perspective, the concept of ethics is defined as a philosophical discussion of morality. Based on this, it can be put forward that morality is a concept that is different from ethics but is included in it (Ömercioğlu, 2018).

Morality in the sense of social ethics affects the scope of positive law. In this respect, while morality is the set of human rules that must be followed in a particular society, ethics in general is an act of thinking and questioning the existing morality. In other words, ethics; It is a phenomenon that

questions whether there are the most ideal moral rules that can be valid regardless of time, place and conditions. According to this ethical doctrine, there are no universally valid moral principles and all moral principles vary according to historical conditions, periods, societies, cultures and individual preferences. This understanding is called ethical relativity. Later, in the process that started with Socrates, a philosophy called ethical universalism was taken. According to Socrates, morality is a value that is reached with mind and knowledge (virtue) and encompasses all humanity (Ömercioğlu, 2018).

Being moral is the prerequisite for living a virtuous life within the framework of ethical values. In this respect, ethics is a virtue obtained by questioning and internalizing the customs and customary rules applied in the society. Ethics is a concept that creates the good and bad or right and wrong judgments of individuals and forms the basis of human relations. In other words, ethics is a system of rules that are expected to guide people's perceptions and behaviors in their relations with each other. Ethics has the ability to develop moral perception at both individual and social levels. The concept of ethics, which is classically divided into individual ethics and business ethics, can now take on a different definition in almost every aspect of life as it is a social phenomenon. These different definitions, which are basically provided by the strengthening of individual ethics, have emerged with the development of awareness about the values that form the basis of human behavior and shape them (Ömercioğlu, 2018).

3.2. Tax Ethics And Importance

Just as individuals have a general ethic, societies also have a general ethic structure. Therefore, it is necessary to examine the individual and society separately when examining the concept of ethics from a tax point of view. From the point of view of individuals, it can be said that the tax ethic of individuals who try to fulfill their tax obligations in accordance with the law and fully is strong from an individual point of view. Since the society consists of individuals, in measuring the social tax ethics of a region, a local opinion can be reached in terms of tax by collecting the average tax ethics measurements, behaviors and actions of the individuals living in that region (Tosuner et al., 2007).

The issue of dealing with taxpayers' attitude and behavior towards to tax firstly belongs to Günter Schmolders. Günter Schmolders, in his experimental studies on taxpayers in Germany between the years 1950 and 1970, as a result of various investigations on this subject, provided information that could be deemed as a guide to Turkish financiers under the umbrella of DDTA Finance Institute Conferences. However, it cannot be said that Schmolders' studies are sufficient for presenting a formal model for today's financiers to deal with taxpayers' behaviors against to tax on an individual basis (Tosuner et al., 2007).

The first formal study of the actions of taxpayers is based on Allingham and Sandmo (1972). Among the basic assumptions of the model named as expected benefit and deterrence model, it is accepted that there is a relationship between the tax evasion action and the factors that cause fear for the taxpayer such as the possibility of being caught by the tax administration and the deterrence of penalties for individuals ((Allingham et al., 1972) as cited in Tosuner et al., 2010).

Another explanation about tax ethics is to deal with tax ethics mathematically. The theory mentioned in the "Tax Honesty standard" and fulfill the obligations that the taxpayer could legally have to bring what is specified as a proportional measure, offering according to this approach, hypothetically, in a way that is dictated by the taxpayer in the above example is exactly the tax laws, the tax honesty according to the standard tax code of ethics complete (Senyüz, 1995).

As seen in Figure 1, tax ethics can be explained by the ratio of the amount of tax paid to the amount of tax payable. The fact that the ratio is close to 1 here indicates that the level of tax ethics is so high, while it is close to 0 indicates that tax ethics is low (Şenyüz, 1995: 33-34).

$$\text{Tax ethics} = \frac{\text{Tax amount paid}}{\text{Tax amount to be paid}}$$

Figure 1. Tax Ethics Formula

Source: (Kitapçı, 2011: 85 as cited from (Şenyüz, 1995: 33-34)).

3.3. Factors Affecting Tax Ethics

It is possible to associate the factors affecting tax ethics with factors such as economic, psychological and sociological reasons, and the level of tax consciousness and tax ethics. These factors include individual-specific ones, as well as environmental-specific factors. It is possible to sort individual factors as follows:

- Subjective tax burden
- Attitudes and behaviors of non-individual taxpayers towards taxes
- Individuals ' trust and commitment to the state and their thoughts about the current political power

- Religious way of life

-Gender

- Marital status

- Education level

- Professions of taxpayers

- Taxpayers ' thoughts on public spending.

It is possible to sort environmental factors as follows:

-Frequency of tax amnesties

- Efficiency and efficiency of the tax audit system

- Clarity and comprehensibility of the tax system and legislation

- Tax rates and efficiency of independent accountants and financial advisors (Şahbaz et al., 2012).

3.3.1. Psychological And Sociological Factors

There is a strong link between individuals' willingness to pay tax and how tax is perceived in the society they live in (Yurdadağ et al, 2016:806).

If the belief prevails that paying taxes is good and correct behavior in the current society, it can be said that individuals perceive the issue correctly in terms of voluntary compliance with tax (Aktan, 2006:102).

However, it affects the level of tax perception in socio-demographic qualities such as gender, age, marital status and education (Güner, 2008).

3.3.2. Financial and Economic Factors

While taxpayers perceive taxes as the cost of public services provided by the state, in other words, voluntary compliance with tax increases in establishing a financial link between tax and public service, voluntary compliance with tax will decrease if the taxpayer is charged as a burden or punishment on the taxpayers based on coercion, and tax evasion will also increase (Başoğlu et al., 2005).

It is not enough to perceive taxes as the cost of public services alone, and at the same time, taxpayers should benefit from the services provided by the state in a fair manner. If taxpayers think that even when they pay their taxes in full, they cannot get an equal share of the services provided by the state, voluntary tax compliance will decrease (Frey, 1994).

3.3.3. Social and Cultural Factors

It is seen that there is a significant relationship between tax ethics and the cultural levels and socioeconomic development levels of the countries. That is, the level of culture in developed countries and, accordingly, the level of income with the increase in tax ethics is also developing and increasing. For example, in countries such as France and Italy, the northern regions have a higher level of development and a more advanced cultural level compared to the middle and southern regions, so the level of tax ethics in the northern regions has also improved more compared to the southern regions (Karabulut, 2000).

3.3.4. Political Factors

There are also some opinions that support the opinions of people who think negatively about tax amnesty. The first of these claims is related to the perception of tax amnesty as a special attitude for tax evaders. Since the honest and responsible taxpayers who pay their taxes on time consider the incidents of tax evasion and tax amnesty being on the agenda as a violation of their rights, there may be a decrease in their voluntary compliance with the tax. Another claim on this issue is that if the administration frequently applies for tax amnesty, some taxpayers make it a habit and expect a permanent amnesty, and voluntary tax compliance is negatively affected by this situation (Alm et al., 1990).

3.4. The Relationship between Tax Ethics and General Ethics

Just as it is possible to deal with general ethics individually and socially, it is possible to examine tax ethics in the same way. The full and complete fulfillment of tax obligations in an individual sense shows the tax ethics level of the person liable with the tax in question. It is much easier to determine the attitudes and behaviors of taxpayers individually and to measure tax ethics than measurements and evaluations on a social basis. For this reason, social generalizations are usually made with averages obtained from the sum of individual measurements when analyzing society on various subjects (Tosuner et al., 2007).

"A man writes a letter to the Australian Revenue Authority and says: I can't sleep because I don't pay the income tax that I'm supposed to pay. I realized that there is \$ 1,500 in my income that needs to be taxed, and I am sending this amount to you. If I still can't sleep, I'll send you the rest" (Torgler, 2008).

The concept of ethics, which Aristotle defines as "the effort to find the best", takes on a different character for taxpayers when it is used in the tax field. At this point, tax ethics turns into a concept that is evaluated separately from general ethics. In an individual whose general ethical values are very high, tax ethics can remain at very low levels. The most interesting thing is that the person does not consider this situation to be a deficiency. In this respect, the importance of tax consciousness as a complementary concept should be stated when considering tax ethics. There is a concept that brings the two extremes between ethics and tax closer together: duty and responsibility ethics. In particular, the ethics of duty and responsibility, which are contained in itself in the deontological sense, as well as the consciousness and virtue of citizenship, which express the need to pay taxes, also essentially contain the ethics of duty and responsibility in itself. At this point, tax and ethics intersect; tax ethics arise. Although ethics is an abstract concept, it expresses a concrete reality in terms of tax consequences. The sanction of unethical behavior may be an internal sanction of feeling bad in conscience (such as guilt and shame), as well as external sanctions such as loss of respectability, social exclusion. On the other hand, the penalties imposed by the state in accordance with the law enforcement authority as a result of not paying taxes are concrete and definite. But deontology can break these sharp lines between tax and ethics. Because the convergence of tax and ethics will lead to the emergence of ethical / moral costs for the taxpayer. For example, the taxpayer will be able to feel within himself the sanctions (sense of guilt and shame, damage to his reputation, etc.) arising from being unethical as a result of not paying taxes, and ethical considerations can play a determining role in future tax payment decisions.



Figure 2. Ethics and Tax Ethics Relationship

Source: Kitapçı, 2011: 87.

Although a deontological relationship can be established between tax and Ethics, today Tax ethics follow general ethics much further back, and behavior that is contrary to tax laws is characterized as a kind of “social ability”. Especially in the 19th century, with the gradual growth of social awareness, the demands of individuals towards their personal taxpayment tendencies and feelings of citizenship began to increase (Schmölders, 1976: 108). At this point, W. Vocke sees the community consciousness of the citizens as the main element of tax, based on the idea that the state is a sociopolitical necessity. According to Vocke; “Tax is a moral (ethical) duty to be fulfilled by citizens; on the other hand, this rigid point of view, unique to the theory of sacrifice, had difficulty in establishing itself in the public opinion ”(Schmölders, 1976: 108). Various psychological reasons for the emergence of this situation can be expressed as follows. The feature of” taxes are mandatory payments that are not based on any provision “requires intervention in the field of” power”, which is more important for a person than having wealth and income. For this reason, if there are no religious beliefs that affect the person in the face of the primitive fear of the state intervening in this field or the services that are in the interest of the public, strong reactions against the realization of the tax duty in terms of the taxpayer occur (Schmölders, 1976).

Secondly; Taxpayers' beliefs about the efficiency of public expenditures financed by taxes are not clear. On the contrary, taxpayers can easily get the feeling that they contribute to the financing of their tax payments and government expenditures that they do not adopt for their purposes, and even the subsidies benefited by rival firms to a great extent (Turhan, 1998). For the reasons listed above and, as evidenced by modern psychology, there is no or little relationship between the tax liability and the moral / ethical values rooted in the conscience of the individual, so reactions against tax are frequently encountered in almost every society. The calls made by the state to take the tax liability seriously are based almost exclusively on the obligation to finance public expenditures. In contrast, tax strength; It is a factor that dominates a person's primitive structure, instincts, and efforts that adversely affect his tax liability (Schmölders, 1976).

At this point, the attitude and behavior of individuals towards tax cannot be explained only for individual reasons, but also the need to evaluate social dynamics in tax ethics analysis. In order to ensure a high tax ethics in a society, the priority that should be done is to adopt the perception that the crime of tax evasion is a serious crime in the society. If taxpayers believe that the tax burden is unfair, that the taxes paid are wasted, and that the tax administration has committed unfairness to them, tax evasion can be regarded as permissible and natural. This situation was emphasized in the study by Song and

Yarbrough (1978) with the following sentences. "... most people can respect tax laws, but feel that they will not face a certain (detention) penalty if they neglect the tax laws... so the typical taxpayer thinks tax evasion is a much lighter event than stealing a bicycle..." (Song et al., 1978).

As stated above, the society's perspective on tax crimes may have a determining feature in ensuring tax compliance. The opinions of individuals in the society that consider tax fraud and tax evasion as a serious crime and the punishment of tax evasion with serious crimes may show that tax ethics and tax awareness are high (Kitapçı, 2011).

4. WAGNER'S TAX PRINCIPLES

In this part of the study, first of all, information will be given about the concept and principles of optimal taxation. Then optimal taxation principles will be evaluated in terms of tax ethics and general ethics.

4.1. Wagner's Fiscal and Economic Principles

Wagner's taxation principles consist of fiscal and economic principles and ethical, administrative and technical principles. In general, fiscal principles mean the regulation of the tax in accordance with the receipt of it for fiscal purposes. Along with the implementation of fiscal principles, it is aimed to have a tax system that is aimed at ensuring the financing of public expenses at least. The principle of economically appropriate taxation is the construction of a tax system in accordance with the economic conjuncture. After this brief information about fiscal and economic principles, the issue will be discussed in a little more detail.

4.1.1. Fiscal Principles

Fiscal principles are divided into two as efficiency and flexibility principles. Among them, the principle of efficiency means that the tax revenues collected are as high as possible, in other words, the level of tax revenue collected by the state is at the maximum level. The maximum level of total tax revenue is possible by making use of the potential tax revenue as much as possible and thus increasing the rate of tax effort as much as possible. In order for a tax to be efficient, it must have the following characteristics:

- The tax base should be as wide as possible and the tax levied should be a general tax (the number of taxpayers taxed should be as large as possible).
- The tax levied should be in accordance with the concept of fiscal anesthesia. Taxes collected should be taken as far as possible without being felt to taxpayers.
- Practices to reduce the informality of taxes through tax losses and evasions should be included.
- Exemption and exception practices that erode the tax should not be given too much space.
- Tax collection costs should be kept as low as possible, the assessment and collection costs of the tax should be reduced.
- The calculated taxes should be collected in a short time and the time between the tax assessment and collection should be shortened as much as possible.

In addition to the existence of these conditions, the fact that the source of taxes is permanent or temporary is another factor affecting the efficiency of taxes. Wage income included in value-added tax, motor vehicles tax and Income tax regarding this situation should be taxed; Taxes are considered to be in the category of efficient taxes, of the type of head tax, inheritance and transfer tax, and temporary taxes, which are considered to be in the inefficient tax category. In relation to this situation, it can be stated that especially the transaction taxes and special consumption tax, which are included in the indirect taxes, are also efficient, while the direct taxes, also known as withholding taxes, are considered to be efficient.

Another fiscal principle of Wagner is flexibility. The flexibility of taxes is that when the income level increases, the amount of tax may change accordingly, such as increasing or decreasing. Income tax, where the amount of tax paid increases when income increases, is among the most flexible tax types. Since corporate tax is also considered as one of the taxes in which the tax amount increases due to the increase in corporate income, it is accepted that it has flexibility, although it is not like income tax. Included in expenditure taxes, transaction taxes are more flexible than other expenditure taxes. On the

other hand, taxes such as inheritance and transfer tax and head tax are considered to have zero elasticities or close to zero. Another issue that should be mentioned about the flexibility of taxes is the need for flexible taxes to be proportional, not based on quantity. This is almost impossible in terms of specific or amount-based taxes, as the tax must increase as the income increases. Based on all these explanations, it is possible to list the features of flexible taxes as follows:

- It should have a tariff structure with an increasing tax amount as income increases (Progressive tax tariff).
- The scope of exemption and exception applications should not be broad.
- Taxes should vary based on income rather than lump-sum taxes.
- Taxes must have a broad base and a general character.

4.1.2. Economic Principles

Another principle of taxation is economic principles. What is meant by this principle is that the economically most suitable tax resource and its type are arranged in a manner that is acquired in order to achieve the objectives of fiscal policy such as economic stability, economic development and growth, and ensuring justice in income distribution.

4.2. Wagner's Ethical (Justice) Principles

Another principle of Wagner is in the form of ethical principles. We can examine the moral principles in three parts. These are the principles of generality, equality and separation.

4.2.1. Generality Principle

The principle of generality is that taxes are levied on each member of the state regardless of language, religion, race, gender. As stated in Article 73 of the 1982 Constitution, "everyone is obliged to pay taxes in order to meet public expenses." statement is included. However, excluding certain persons or subjects from tax does not contradict the general principle of tax. The state may include exemption and exception applications for certain economic and social purposes. The principle of equality of taxes is identified with the justice principle of A. Smith.

4.2.2. Equality Principle

According to Wagner, the principle of equality is to receive the same amount of tax from individuals who are the same according to their ability to pay. However, as this situation does not always provide justice, it has been emphasized that the family and special situations of taxpayers should also be taken into consideration. In this respect, other approaches have been developed to ensure that the sacrifices incurred by individuals due to tax should be equal in order to ensure a true tax justice.

4.2.3. Separation Principle

According to this view, which advocates different taxation of labor income and capital income, wages that are labor income should be taxed at a lower rate than interest that is the income of capital. According to Wagner, this principle has been included considering that the added value created due to the high level of labor expenditure will also be high, and that it should have a value compared to the income obtained with less labor or no effort.

4.2.4. Wagner's Administrative and Technical Principles

Wagner's administrative and technical principles are the principle of certainty, appropriateness and economics. Among these principles, the principle of appropriateness is to ensure that taxpayers pay their taxes at the most appropriate time in terms of tax. The principle of economics is that tax collection costs should be as low as possible. The principle of certainty is that taxpayers' taxes should be precise and specific and there should not be any issues that are not clear and understandable in matters such as tax assessment, notification, accrual and collection processes.

Some other modern fiscalists such as Wagner have approached tax justice within ethical principles. For example, F. Neumark (1970) listed the principles of tax justice as ethical and social taxation

principles and stated that a fair taxation could only be achieved if the principles of generality, equality and proportionality were followed (Turhan, 1993:206).

5. RESEARCH FINDINGS

The books contain theoretical information about the ethics of Wagner's principles. One of the reasons why our study is original is that the information directly involved specifically relates to Wagner's taxation principles and tax ethics. Because Wagner's principles of taxation include ethical principles, it seems that these principles directly contribute to the assessment from the point of view of tax ethics, so they are more appropriate from the point of view of the assessment. However, it can be said that other principles belonging to Wagner are indirectly related to tax ethics. Starting with Wagner's ethical principles, the issue is considered in the principle of generality, the receipt of taxes without any discrimination among citizens is of great ethical importance (Neumark, 1975).

Different and lower taxation of a segment that has a privileged position due to its social status in society will negatively affect the taxpayers' view of tax administration and tax. This kind of practice sets the stage for the formation of reactions and resistance against tax, as it will cause tax justice to be questioned by taxpayers. In addition, since this situation will negatively affect voluntary compliance for taxpayers, it will cause the state to bear some costs in terms of inspection and implementation due to increased tax losses and evasions. Tax losses and evasion will increase tax collection costs.

Another aspect that should be considered in terms of tax ethics of the general principle of tax is that people who are economically weak and in need of care should be privileged in taxation. This situation does not contradict the principle of generality of the tax and will be a more correct application in terms of ethics.

Although women and men are equally taxed in today's modern countries with their participation in working life, considering that women have a greater role and labor in home life, it is possible that there may be some tax deductions in addition to positive discrimination in working life. From the point of view of the history of finance, when the issue is evaluated, there have been times when either no taxes were taken or low taxes were applied, with the belief that many societies were in need of protection from women, old people and children and disabled citizens in society. Given that gender-sensitive taxation and budget systems are also on the agenda in today's modern tax systems, it is believed that women should also have positive discrimination in terms of taxation.

Another taxation principle belonging to Wagner is the principle of equality. Although the principle of equality does not mean the same as the principle of justice, it can be said that Wagner's principle of equality is closer to vertical justice contained in the principle of justice. The evaluation of this principle in terms of tax ethics, which is named and applied as collecting less tax from the individual who earns less and more from the individual who earns more, can be interpreted differently depending on the approach to the issue. This situation is not ethically correct as it is perceived as punishing the employee by some high income groups, and this situation is interpreted as unethical as it will undermine the will to work in individuals and encourage laziness (the income effect of taxes is replaced by the effect of substitution). On the other hand, it can be said that it may be ethically more appropriate to tax the earnings obtained without labor at a higher rate, considering that this situation, in which individuals who earn more income by spending less labor will add wealth to their wealth, may also be a source of social stratification and social problems in the society. It has already been stated in the principle of separation that such an understanding prevails as mentioned above.

When a brief ethical evaluation of the issue is made, considering the universal historical traditions, the low taxation of the resource with more labor, more taxation of the resource with low labor, the exclusion of tax by the exemption practices of the people in need of protection in the society, the formation of a social stratification due to the increase in wealth of wealth taxes. It can be said that it should be arranged in a way that does not allow. Another way to achieve this is that wealth accumulation through cross-checks and complementary taxes should be achieved by tracking and collecting taxes, not through one channel but also through other channels.

The state should design the tax system in such a way that an individual whose wealth has increased so much in a short time should be able to find out whether they missed tax or not by examining the tax records in the electronic system. In addition, in order to ensure social justice, a part of this high wealth increase should be arranged in the system in a way that it will be transferred to real needy people and groups with low income.

The principles of appropriateness, economics and specificity contained in the administrative and technical principles should be applied in a nature that facilitates the taxpayer's ability to pay taxes. Providing installment payment facilities to the taxpayer, providing tax deferral opportunities in extraordinary periods, solving the problems arising from the taxpayers' failure to fulfill their tax-related responsibilities due to the complexity of the tax legislation, minimizing the expenses incurred due to tax collection from taxpayers will act in accordance with tax ethics.

CONCLUSION

The concept of ethics has a great importance in the formation of an ideal ethical structure as a requirement of living in social life. Complying with ethical rules among individuals is important for the social order as well as acting ethically in the relations that arise between the state and the taxpayer.

Individuals with high tax ethics will have more tax compliance, and their tendency towards practices such as tax evasion and tax avoidance will also be less.

Factors affecting tax ethics are subjected to political, social and cultural, financial and economic, psychological and sociological distinctions in terms of their domains and sources. Depending on the economic, social and cultural conditions of the countries, their perspective on tax also changes. Perspective on tax ethics has a direct positive relationship with the establishment of tax consciousness of individuals living in countries. It seems that tax ethics are more ingrained in societies with higher tax consciousness, higher education and respect for the rules. At the same time, the more fair tax systems of the countries and the less complex tax legislation, the more taxpayers' voluntary compliance increases and the possibility of damaging tax ethics by getting involved in tax crimes. The formation of a proper tax system depends on the ideal taxation principles to find a wide application area in the tax system. It should be noted that the ideal taxation principles can be applied more easily as long as they are included in the laws of the countries.

Within the ideal taxation principles, this study focused on Wagner's financial, ethical, technical and administrative principles and tried to reveal the importance of these principles in terms of tax ethics. When a general evaluation of Wagner's taxation principles in terms of tax ethics is made, it is seen that especially the principles of equality, generality and separation are the firsts that affect tax ethics more directly. It can also be said that the more fair the tax system is, in accordance with the principle of separation and generally compatible with the principle of generality, an appropriate tax system has been put forward in terms of the citizens to act in accordance with tax ethics.

One of the other taxation principles, the principle of economics should be fulfilled at the most economically appropriate time and by choosing the most appropriate source, and this situation should be applied in a way that does not harm tax justice. It can be said that some tax practices that include tax advantages for financially narrow income groups are more suitable for tax ethics. In times of economic expansion, it will facilitate the establishment of a fairer tax system with the operation of increasing rates, albeit against high-income earners.

On the basis of administrative and technical principles, the tax legislation should be simple and easy to understand as much as possible, there is a need for a regulation that will reduce legal difficulties and facilitate tax compliance of the taxpayer.

Ethics Statement: *The authors declare that ethical rules were followed in all preparation processes of this study. In case of detection of a contrary situation, the Turkish Journal of Social Sciences Researches has no responsibility and all responsibility belongs to the author(s) of the study.*

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