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Changes in Tax Legislation and Social Responsibility of Taxpayers and Legislative Institutions

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Abstract

The article deals with the cost of tax compliance which arises for taxpayers from tax complexity and the constant changes in tax legislation. A socially responsible institution for the fiscal aggression is the Financial Administration of the Republic of Slovenia, as its powers and responsibilities creates the tax position of individuals, businesses and the entire economy. The aim of our research is to encourage socially responsible behaviour of legislation institutions in adopting the tax legislation, which will help to improve the social responsibility of taxpayers and increase tax compliance.

Keywords: social responsibility, tax compliance, changes in tax legislation, tax aggressiveness

Introduction

The concept of tax compliance can be explained as a fulfilment of tax obligations. Tax compliance is the willingness of taxpayers to act in accordance with tax legislation. We believe that the concept of tax compliance should be used in terms of requisite integrity in the tax areas and, therefore, uses the notion of tax compliance which, in our view, includes more than just the stage of fulfilment of tax obligations or behaviour of the taxpayer towards taxes. In our view, the concept of tax compliance respects the principle of integrity in terms of treatment of all the factors and processes that are necessary to achieve the ultimate goal of paying taxes, including tax social responsibility strategies. Recent studies (Lanis & Richardson, 2011; Shafer & Simmons, 2008; Watson, 2012; Štager, 2014) confirm that socially responsible companies manage their tax aggressiveness positively, which is associated with tax compliance. Many taxpayers are adopting and strengthening their corporate social responsibility strategies in recognition of a range of benefits for companies, such as: lower tax compliance costs, higher responsibility to regulators and government, and better tax loyalty, which are all linked to sustainable business success and tax compliance. The research purpose of this article is to examine the frequency of changing the tax rules, as one of the most common determinants of tax complexity. In the study, we examined the hypothesis H1: Tax regulations in Slovenia do not alter significantly more often than in the selected countries.

After the introduction, we present in Section 2 the social responsibility of taxpayers. In Section 3, we discuss the social responsibility of legislative institutions. Section 4 presents a description of the data used, with special research focus on the frequency of changing the tax rules in the selected countries, namely: Slovenia, Austria, Great Britain, Croatia, Bulgaria, Hungary, Czech Republic, Romania and Poland. We restricted our research to the period from 1993 to 2014 and on 10 different tax rules. In Section 5, we report research results. Section 6 represents conclusions and future research, follwed by remarks on the broader applicability of our results.

Literature Review of Social Responsibility of Taxpayers

A taxpayer's tax strategy can play an important part in their approach to social responsibility. Taxes are an important source of finance for the government, enabling them to meet economic and social objectives and helping to secure overall prosperity and stability. The role of the taxpayer in supporting tax systems should be limited to paying taxes in accordance with the law.

Avi-Yonah (2014) advocates that the answer to the question of whether corporations should try to minimize their tax payments by any legally permissible means thus depends on our view of corporate social responsibility:

- the first is the view that the corporation is primarily a creature of the state (the "artificial entity" view);
- the second is that the corporation is an entity separate from both the state and its shareholders (the "real entity" view);
- the third is that the corporation is merely an aggregate of its individual members or shareholders (the "aggregate" or "nexus-of-contracts" view);

Each of these three views has different implications for the issue of taxes and corporate social responsibility.

Authors Lanis and Richardson (2011) carried out a comprehensive survey of tax aggressiveness in relation to social responsibility, which we have chosen as an example of the most important research. Corporate social responsibility can potentially influence the fiscal aggressiveness of businesses, given how the company presents and manages its systems and processes in relation to social well-being. Taxes affect many business decisions in relation to the tax base and a commitment to pay taxes, which can be linked to tax aggression. Management measures designed solely to reduce corporate taxes through tax aggression are becoming an increasingly common feature of entrepreneurial behaviour around the world (Lanis & Richardson, 2011, p. 2). Nevertheless, fiscal aggression can generate higher costs than benefits. From a social point of view, the payment of taxes provides financing of public goods. For businesses using negative tax aggression, it is generally not considered to be the case that they have paid their fair share of corporate taxes to the state budget. This deficit in tax revenues creates large and irreversible potential losses of society.

A company with negative tax aggression is defined as socially irresponsible. Companies with a good profile of social responsibility are expected to exercise positive tax aggressiveness. The survey of socially responsible behaviour and tax aggression from 2011 showed the following important findings (Lanis & Richardson, 2011, p. 12–14):

- 86% of enterprises reported a net loss of business for at least three years in the six-year period studied prior to the first year of implementation of tax aggression.
- In 55% of the companies, the president of the management board simultaneously holds another managerial position.
- The higher the level of corporate social responsibility, the lower the level of tax aggression.
- The degree of ownership of internal managers does not affect tax aggression.
- If the company reported a net loss of business for at least three years in the six-year period under review, there is a greater likelihood of tax aggression, which means that the company's poor financial performance causes them to rely too heavily on revenue and profits, thereby increasing the risk of tax aggression.
- There is a high motivation for managers to inflate the value of share prices by participating in tax aggression activities.
- The combination of the positions of members of the management board and other management positions actually increases the likelihood of fiscal aggressiveness, mainly due to ineffective supervision, as the management functions of the managerial staff are in conflict of interest.
- Companies with a high share of inventories in the balance sheet are less tax-aggressive than capital-intensive companies.
- Companies with high R & D costs are more taxingly aggressive, as these costs are tax-deductible expenses, and thus, companies are more prone to tax aggression activities.
- Companies engaged in activities related to energy, materials, industry, unlimited consumption, healthcare, information technology, telecommunications and public companies are more intense in the activities of tax aggression.
- The factors on the basis of which the tax aggressiveness of companies could be assessed are accounting indicators.
- Certain factors are not indicators of the company's tax aggressiveness.

- If the president of the management board performs another managerial function at the same time, the possibility of fiscal aggressiveness increases.
- Companies with a disclosed corporate social responsibility strategy in annual reports are less tax-aggressive.
- Companies with a higher market value than the book value are more taxingly aggressive.

The survey confirmed the basic hypothesis, when the company performs several activities of social responsibility (political cooperation; environmental protection; social and local development; investment; promotion of prosperity and development of employees; implementation of policies for maintaining good relations with customers, suppliers and government bodies), there is less likelihood of tax aggression.

In connection with company management and correlation with tax aggression, authors Waegenaere, Sansing, and Wielhouwer (2013, p. 34–35) found that the compensation system in terms of rewards to the company's management for lower tax exposure and without the reward for unrecognizing the potential for lower tax liabilities, provides the right incentives for tax managers. Measurement of fiscal aggressive positions depends on the ability and capability of tax authorities in determining inadequate and illegal fiscally aggressive behaviours.

The research of Lanis and Richardson (2011) is associated with the study of authors Marshall, Smith, and Armstrong (2010), since social responsibility is related to ethical behaviour. A 2010 study of ethical behaviour in Australia (Marshall, Smith, & Armstrong, 2010, p. 214–215) showed that the most important ethical problem for the Western Australian tax authorities is confidentiality, followed by professional qualifications, problems associated with by providing misleading customer advice and technical skills. The survey shows concerns in tax practice at all levels, with increasing social responsibilities in a complex and rapidly changing environment. Additionally, Marshall, Smith, and Armstrong (2010) found that the introduction of a structured, continuing professional education has provided broad support to the tax profession in terms of improving tax compliance and corporate social responsibility.

Shafer and Simmons (2008, p. 699–702) studied the following hypotheses in the survey on corporate social responsibility and tax avoidance:

- Taxpayers who strongly believe in the importance of corporate ethics and corporate responsibility will be negatively assessed by aggressive tax avoidance schemes (negative tax aggression) and label them as less ethical and socially responsible behaviour.
- Taxable persons who condemn the negative tax aggression will be less likely to participate in such systems.
- Taxpayers who tend toward negative tax aggression will less faithfully believe in the importance of ethical behaviour and corporate social responsibility.
- Taxable persons inclined to negative fiscal aggressiveness will evaluate aggressive tax evasion schemes more leniently.
- The attitude toward the importance of ethical and socially responsible behaviour will influence the assessment of positive and negative tax aggression.

Therefore, the more taxpayers perceive the importance of ethics and corporate social responsibility, the greater and more important impact they will have on their ethical and social responsibility, which affects their behavioural intentions. The results also show that those taxpayers who give up in the sense of ethical and socially responsible leadership are more likely to tolerate aggressive tax avoidance schemes, which is a negative tax aggression. Watson (2012) studied the relationship between tax avoidance and corporate social responsibility to determine whether socially responsible companies accept the values of corporate social responsibility and take them into account when choosing a fiscal strategy or simply increase profits. Watson (2012, p. 5, 13) notes that less socially responsible companies exhibit lower effective tax rates and more unrecognized tax benefits than other companies, in line with socially responsible companies that use aggressive fiscal strategies to reduce effective tax rates. The findings reject the theory of interest groups, which argues that corporate social responsibility is causing the interests of many stakeholders to be considered when making business decisions. Instead, the results support the theory of shareholders in which corporate social responsibility means increasing their profits. The level of corporate social responsibility disclosure and environmental performance can be an indicator of company tax aggressiveness (Sari & Tjen, 2016).

Most previous research as a key factor that affects tax complexity, and consequently, tax compliance, includes tax morality; research (Halla, 2010) has identified a causal link between the tax morality and behaviour of the taxpayer in terms of tax compliance, which implies that tax policy makers can alter the degree of tax compliance with the fiscal management of tax morale[1]. We detected a survey of tax compliance knowledge management, which leads to

[1] There is an open question of good instruments for tax reform. Various institutional arrangements are associated with high levels of tax morale, such as direct democracy. It stresses the importance of respectful treatment of taxpayers from the financial administration. The tax should be persistent if it is inherited from more tax compliant and moral generations, and the latter could take some time (Halla, 2010, p. 10).

changes in behaviour, attitudes and thoughts of the taxpayer in the direction of socially responsible companies (Shafer & Simmons, 2008; Frank, Lynch, & Rego, 2008; Hanlon, Krishnan, & Mills, 2009; Hasseldine, Holland, & Pernil, 2009; Hanlon & Heitzman, 2010; Marshall, Smith, & Armstrong, 2010; Lanis & Richardson, 2011; Lennox, Lisowsky, & Pittman, 2012; Donohoe & Knechel, 2012; Guenther, Matsunaga, & Wiliams, 2013; Waegenaere, Sansing, & Wielhouwer, 2013; Cvrlje, 2015; Bahovec, Cvrlje, & Palić, 2014; Štager, 2014).

Measures of tax aggressiveness intended exclusively for the reduction of corporate taxes and contributions are becoming an increasingly common feature of corporate responsible behaviour worldwide. Tax aggression can be positive when it comes to optimization of tax obligations of companies using legally permissible conduct and represents benefits for society as a whole. Tax aggression can also be negative, such as when it comes to optimization of tax obligations of companies using illegal practices and adversely reducing the tax liability of companies. Knowledge management in our opinion could enable the implementation of positive tax aggressiveness—tax compliance; awareness of the negative consequences of the implementation of the tax aggressiveness; and consequently, reduction in the amount of negative tax aggressiveness, which represents social responsibility.

From the corporate social responsibility point of view, aggressive tax planning can be defined as actions taken by taxpayers which are in the line of requirements of tax law, but which do not meet the reasonable and justified expectations and requirements of the stakeholders (Knuutinen, 2014).

A recent study by authors Lanis and Richardson (2011, p. 1) confirms that socially responsible companies manage their tax aggressiveness positively (Shafer & Simmons, 2008; Watson, 2012), which is associated with tax compliance. Therefore, we believe that the introduction of knowledge management would have a positive impact on tax compliance and deliver benefits for society—particularly in terms of equal tax compliance of taxpayers and for companies—and in terms of financial impact, for an individual company sustained in the event of negative tax aggressiveness. A socially responsible institution for fiscal aggression is the Financial Administration of the Republic of Slovenia, as its powers and responsibilities creates the tax position of individuals, businesses and the entire economy, which lead to corporate social responsibility of taxpayers.

Tax complexity and the frequency of changes in tax legislation have caused an increasing use of taxpayers` time for the dissemination of tax legislation and compliance with tax innovations, resulting in high costs of tax compliance (Batrancea et al., 2012, p. 104). Tax complexity is the result of the increased complexity of tax laws, caused by the calculation complexity or the complexity of accounting for certain types of taxes, the complexity of tax forms, the complexity of compliance with tax legislation, legal complexity, process complexity and low level of readability of legislation, which are key indicators of tax complexity (Evans & Tran-Nam, 2013; Vaillancourt, Roy & Lammam, 2015). The frequency of changes was studied in a number of researches: Delgado, Salinas-Jiminez and Sanz, 2001; Hasseldine and Hansford, 2002; Stavrianos and Greenland, 2002; Blažič, 2004; Shaw, Slemrod and Whiting, 2007; Klun, 2004; Laffer, Winegard and Childs, 2011; SBA, 2011; Lopes and Martins, 2013; Vaillancourt, Edison and Barros, 2013; AAT, 2015; Batkins, 2015; NTUF'S, 2015; PwC and The World Bank Group, 2015; and English and Hammond, 2015. Most of these studies are focused on measuring tax compliance on the area of the Value Added Tax, Income Tax, salaries tax and Corporate Income Tax. None of these surveys included research into the number of changes in tax legislation like our research is exploring nor presents new scientific research findings. So, we examined the hypothesis H1: Tax regulations in Slovenia do not alter significantly more often than in the selected countries.

Literature Review of Social Responsibility of Legislative Institutions

A socially responsible institution for fiscal aggression is the Financial Administration of the Republic of Slovenia, as its powers and responsibilities create the tax position of individuals, businesses and the entire economy. Also, a socially responsible institution for tax laws and tax complexity, which leads to high costs of tax compliance, is the Ministry of Finance and Government. There is now pressure from some legislative institutions on stakeholders that they comply with the spirit and letter of relevant tax laws, and in many cases, this means an expectation around both tax payments and the disclosure of relevant financial information.

Capaldi (2008) highlights that the first taxation practices were developed in Mesopotamia, ancient Egypt, Palestine and the Hittitie Empire by looking at ancient documents, so it can be said that the authority of taxation in these ancient and important civilizations depended in the state ruler's actual power rather than having a legal basis. Gribnau (2015) confirms that through tax incentives, the tax legislator often tries to steer citizens' behaviour to achieve policy goals. This way, the tax legislator stimulates taxpayers to adopt a calculating attitude towards the tax system, breeding a rule-based mindset focused on tax planning. Taxpayers turn around the rules to their advantage. The tax legislator usually reacts with refined or new rules that add to the existing complexity of tax law. Armstrong and Green (2014) say that despite explanations by Adam Smith, Friedrich von Hayek, Milton Friedman and others, the idea that people should be free to make contracts as they see fit (the so-called "invisible hand" of the market) is counter-intuitive for many people. They cannot believe such a system can work because it lacks a coordinator and, they argue, the parties are motivated by greed. Adam Smith (Smith, 2008, p. 25) addressed this concern: "It is not from the benevolence of the butcher, the brewer, or the baker, that we can expect our dinner, but from their regard to their own interest". In contrast, mandates and subsidies aimed at promoting corporate social responsibility and reducing corporate social irresponsibility are based on the belief that governments must provide a guiding hand (Armstrong & Green, 2014).

Four aspects are important for the complexity of the tax system: Predictability, enforceability, complexity and manipulation. Predictability and enforceability relate to the tax legislation, while the difficulty of manipulation refers to the response of taxpayers to tax legislation (Evans & Tran-Nam, 2013, p. 5). To insure high tax compliance among taxpayers, legislative institutions rely on two measures: power measures, such as audits and fines; and trust related measures, such as fair procedures (Allingham & Sandmo, 1972; Feld & Frey, 2007; Srinivasan, 1973). Gangl, Hofmann and Kirchler (2015) identified that tax compliance represents a social dilemma in which the short-term self-interest to minimize tax payments is at odds with the collective long-term interest to provide sufficient tax funds for public goods. This social dilemma can be solved and tax compliance can be guaranteed by the power of tax authorities and public trust in them, which can be achieved through socially responsible adoption of tax legislation.

Data

Among the most common causes of tax complexity are ambiguities in tax legislation and tax returns and frequency of changes in tax laws. In our research, we focused on one of the causes of tax complexity, that is, the frequency of changing tax legislation. The purpose of this article is to examine the frequency of changing the tax rules, as one of the most common determinants of tax complexity. The frequencies of changing the tax rules were compared in the selected countries, namely: Slovenia, Austria, Great Britain, Croatia, Bulgaria, Hungary, Czech Republic, Romania and Poland. In the sample of analysed countries, we covered European countries with comparable tax systems based on prior consultation with tax experts advising taxpayers of the selected countries. We restricted our research to the period from 1993 to 2014 and on 10 different tax rules, namely: The Companies Act (hereinafter: CA); Value Added Tax Act (hereinafter: VATA); The Distress for Customs and Excise Duties and Other Indirect Taxes Regulations (hereinafter: DCED); Personal Income Act (hereinafter: PIA); Corporation Taxes Act (hereinafter: CTA); Taxation of Pensions Act (hereinafter: TPA); Health and Social Care Act (hereinafter: HSCA); Tax Management Act (hereinafter: TMA); Offences Act (hereinafter: OA); and The Accounting Standards (hereinafter: AS). According to the Office for Tax Simplification (OTS, 2015, p. 9), it is necessary to consider the measurement period for a period of more than ten years. In accordance with the recommendation of the Office for Tax Simplification, we covered a period of 20 years. In this article, we restricted the research to a qualitative survey of the frequency of changing the tax rules.

Empirical Results

To verify hypothesis H1, we used a qualitative review of the number of changes in tax regulations across countries and years. We prepared a summary statement (Table 1) in which we have delimited the period of time to the period since the adoption of the regulation after the independence of Slovenia to the EU accession (1993–2003), and to the period from EU membership to the end of 2014 (2004–2014). The reason for delimiting the time period is because we assume that after the year 2003, all the researched States needed time for adjustment of their domestic legislation with EU legislation and changing legislation during the EU membership. Due to the excessive volume of used sources and literature (tax regulations), a list of all official regulations in force across the countries and selected years of our research is not subject to publication[2].

By comparing the ten-year period prior to entry into the EU and ten years after joining the EU (Table 1), we find that:

- Slovenia, with entry to the EU, changes all ten of tax regulations more often;
- Poland, with entry into the EU, also changes all ten researched tax rules more often;
- Bulgaria, Hungary, Czech Republic and Romania, after joining the EU, have changed nine out of the ten researched tax rules frequently;
- The United Kingdom, since 2004, has changed eight tax rules frequently, while Croatia has changed seven tax rules and Austria has changed five tax rules.

Based on a qualitative review of the number of changing tax regulations in Slovenia in comparison with the selected

[2] The list may be obtained on the basis of the written submissions of the author of this paper.

Table 1. The number of tax law changes

Country	CA	PIA	VATA	DCED	CTA	TPA	HSCA	TMA	OA	AS
The number of tax law changes in the period 1993–2003										
Slovenia	16	24	24	13	13	18	12	11	15	15
Austria	22	49	23	9	31	91	91	27	20	22
Great Britain	1	-	1	1	-	-	-	-	-	1
Croatia	4	13	24	-	6	10	13	1	4	-
Bulgaria	29	29	30	19	35	35	43	17	15	11
Hungary	18	27	31	45	33	66	66	43	22	15
Czech Republic	-	76	12	9	76	16	23	7	35	6
Romania	1	7	1	7	7	14	-	7	20	3
Poland	16	88	50	8	77	42	50	35	29	29
The number of tax law changes in the period 2004–2014										
Slovenia	17*	44*	48*	2*	27*	32*	18*	31*	19*	34*
Austria	16	60*	21	10*	28	97*	97*	29*	24	16
Great Britain	9*	2*	7*	35*	3*	1*	26*	2*	-	1
Croatia	5*	10	13	16*	8*	19*	27*	5*	2	4*
Bulgaria	34*	52*	50*	39*	46*	101*	143*	63*	25*	2
Hungary	44*	107*	63*	79*	83*	49*	57	134*	58*	47*
Czech Republic	1*	92*	47*	27*	92*	47*	42*	8*	49*	24
Romania	21*	28*	17*	28*	28*	74*	7*	28*	11	5*
Poland	29*	158*	51*	38*	97*	60*	119*	90*	37*	35*
The cumulative number of tax law changes in the period 1993–2014										
Slovenia	33	68	72**	34	40	50	30	42	34	49**
Austria	38	109**	44	19	59	188**	188**	56**	44**	38**
Great Britain	10	2	8	36**	3	1	26	2	-	2
Croatia	9	23	37	16	14	29	40	6	6	4
Bulgaria	63*	81	80**	58**	81**	136**	186**	80**	40	13
Hungary	62**	81	80**	58**	81**	136**	186**	80**	40	13
Czech Republic	1	168**	59	36**	168**	63	65	15	84**	30
Romania	22	35	18	35	35	88	7	35	31	8
Poland	45**	246**	101**	46**	174**	102**	169**	125**	66**	64**

Note: CA – Companies Act; PIA – Personal Income Act; VATA – Value Added Tax Act; DCED – The Distress for Customs and Excise Duties and Other Indirect Taxes Regulations; CTA – Corporation Taxes Act; TPA – Taxation of Pensions Act; HSCA - Health and Social Care Act; TMA – Tax Management Act; OA – Offences Act; SA –Accounting Standards.

*The number of changes in the tax regulation in the period 2004-2014 is higher than the number of changes in the decade prior to joining the EU (1993-2003).

**Top three countries of the maximum number of tax law changes.

Source: Authors' calculations, extracted from SPSS.

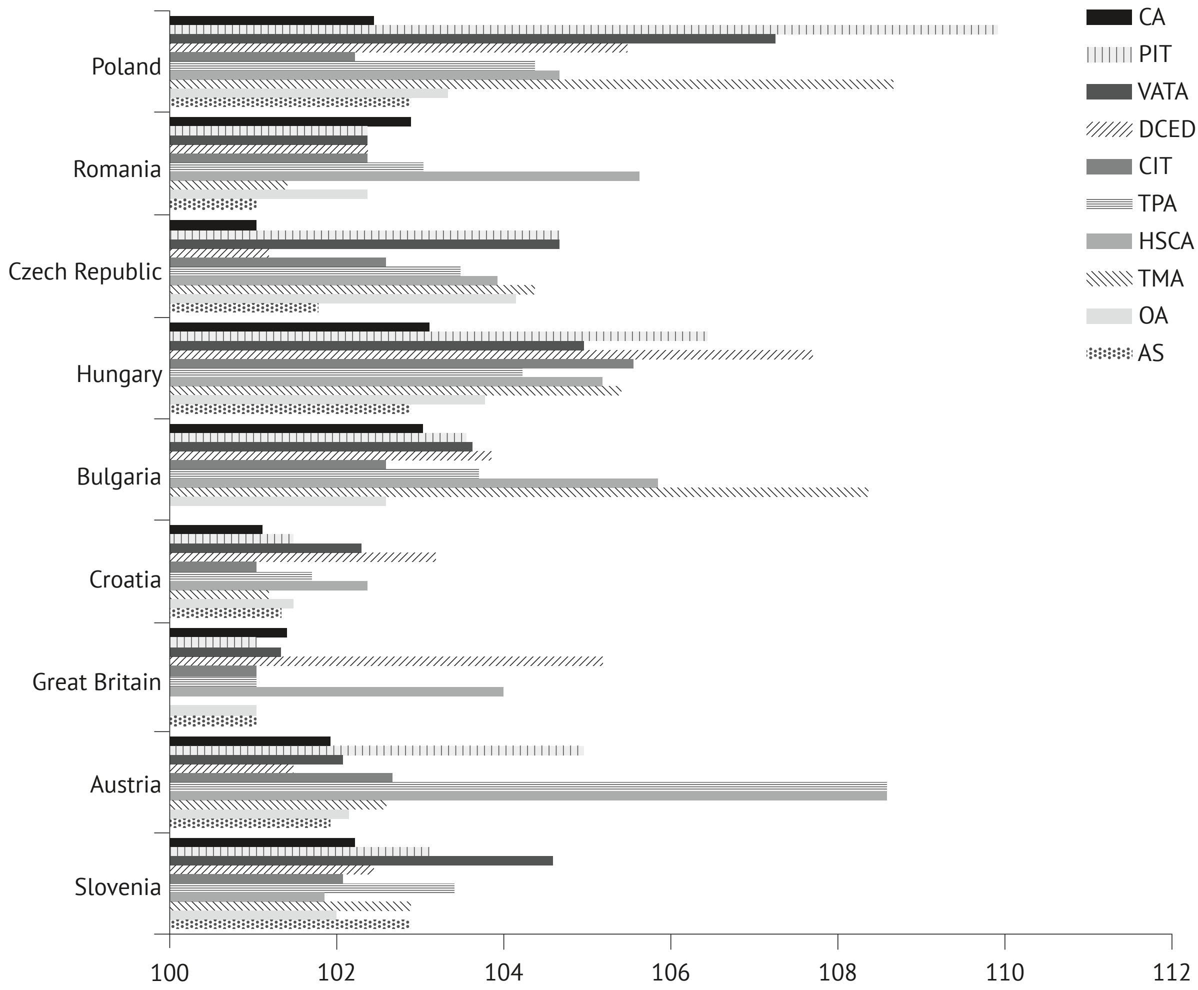
countries researched in the two ten-year periods, we found out, that tax regulations in Slovenia do not alter significantly more often than in the selected countries, so the hypothesis H1 can be confirmed. This is evident from the higher number of changes in tax regulations in Bulgaria, Hungary, Romania, Poland and Austria than the number of changes in Slovenia. Also, the total number of changes in both researched periods is higher in those countries than the number of changes in tax regulations in Slovenia. Changing legislation after 2004, when most countries joined the EU[3], is characterised by frequently changing laws when they

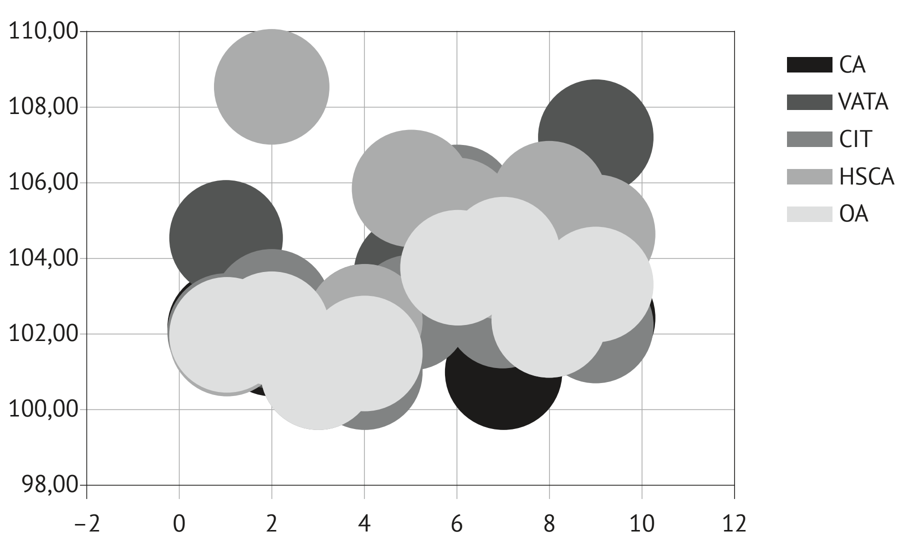
[3] Slovenia became an EU member on 01.05.2004; Austria on 01.01.1995; the UK on 01.01.1973; Croatia on 01.07.2013; Bulgaria on 01.01.2007; Hungary on 01.05.2004; the Czech Republic on 01.05.2004; Romania on 01.01.2007; and Poland on 01.05.2004. Source: https://europa.eu/european-union/about-eu/countries/member-countries/poland_sl.

implemented EU legislation into national legislation, as in the period from 1993 to 2004.

The calculation of the average number of changes in tax regulations irrespective of the country shows that the most common changes are restricted to the following regulations: Health and Social Care Act (4.67), Offences Act (4.35) and Personal Income Act (4.15). The minimum number of changes can be detected in Accounting Standards (1.89) and Corporate Taxes Act (2.45). To calculate the index of tax law changes, we used the base year 1993. The calculated index for all countries and all tax rules is

Figure 1. Index of tax law changes by country in the period 1993–2014





the same as, or greater than, 100. Figure 1 shows that the largest and at the forefront are indexes for OA, HSCA, CA and VATA.

The comparative analysis of the number of changes in tax rules in the two studied periods shows that:

- In all countries, the number of changes of DCED, TPA and TMA are higher in the period after joining the EU, which is also true for Austria and Great Britain;
- Eight of the nine countries researched after joining the EU changed CA, PIA, CTA and HSCA frequently, as is the case in Austria for PIA and HSCA, and also for Great Britain in the case of the CA, PIA, CTA, HSCA;
- All countries (except Austria and Great Britain, which joined the EU before the period researched), after joining the EU, changed eight out of ten rules frequently, namely: CA, PIA, VATA, DCED, CTA, TPA, HSCA and TMA. Irrespective of the date of accession of Austria and Great Britain to the EU, both countries also changed the majority of tax regulations frequently after 2004;
- The OA and DCED have rarely been subject to change (regardless of the number of changes) after joining the EU.

In Table 1, we have combined all the changes in tax regulations for the period 1993-2014. Comparative analysis showed that the higher number of changes in tax regulations are: For CA in Bulgaria, Hungary, Poland and Austria: For PIA in Poland, the Czech Republic, Austria, Bulgaria and Hungary; for VATA in Poland, Bulgaria, Hungary and Slovenia; for DCED in Bulgaria, Hungary, Poland, Great Britain and the Czech Republic; for CTA in Poland, the Czech Republic, Bulgaria and Hungary; for TPA, HSCA and TMA in Austria, Bulgaria, Hungary and Poland; for OA in the Czech Republic, Poland and Austria; and for AS in Poland, Slovenia and Austria. Changes occurring most often among the first four countries according to the number of changes in the two studied periods were in Bulgaria, Poland, Hungary and the Czech Republic.

Conclusions

The more taxpayers perceive the importance of ethics and corporate social responsibility, the greater and more important impact they will have on their ethical and social responsibility, which affects their behavioural intentions. Tax compliance knowledge management leads to changes in behaviour, attitudes and thoughts of the taxpayer in the direction of socially responsible companies. Knowledge management, in our opinion, could enable the implementation tax compliance; raise awareness of the negative consequences of the implementation of the tax aggressiveness; and, consequently, reduce the amount of negative tax aggressiveness, which represents social responsibility. Socially responsible companies should manage their tax aggressiveness positively, which is associated with tax compliance. Therefore, we believe that the introduction of knowledge management would have a positive impact on tax compliance and deliver benefits for society—particularly in terms of equal tax compliance of taxpayers—and for companies, in terms of financial impact, for example by an individual company sustained in the event of negative tax aggressiveness and to higher tax social responsibility.

Based on our qualitative review of the number of changing tax regulations in Slovenia in comparison with the selected countries researched in the two ten-year periods, we found out that tax regulations in Slovenia do not alter significantly more often than in the selected countries, so the hypothesis H1 can be confirmed. That is, it can be seen from the higher number of changes in tax regulations in Bulgaria, Hungary, Romania, Poland and Austria, than in Slovenia. Also, the total number of changes in both periods researched is higher in those countries than the number of changes in tax regulations in Slovenia. Nevertheless, legislative institutions should be more tax social responsible when adopting legislation and lower the costs of tax compliance. None of previous surveys included research into the number of changes in tax legislation that our research is exploring, and that we present as new scientific research findings.

Based on our empirical research, it is possible to carry out extensive research, therefore, is a contribution to science seen in the quantitative research, which also includes other variables of tax law complexity and correlation to the variables of tax social responsibility. The research can be extended to other comparable countries. Future research should be oriented to a statistical model, which provides a certain degree of correlation of the selected explanatory variables on firms' costs and can also be evaluated. The proposed research is unique, since a similar research in Slovenia has not yet been carried out and our findings are original.

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Spremembe davčnih predpisov in družbena odgovornost davčnih zavezancev ter zakonodajnih ustanov

Izvleček

Članek obravnava stroške davčne skladnosti, ki davčnim zavezancem nastajajo zaradi davčne kompleksnosti in nenehnih sprememb davčnih predpisov. Finančna uprava Republike Slovenije je družbeno odgovorna za davčno agresivnost, saj je odgovorna za davčni položaj posameznikov, podjetij in celotnega gospodarstva. Cilj raziskave je vzpodbuditi družbeno odgovorno ravnanje zakonodajnih ustanov pri sprejemanju davčnih predpisov, kar lahko pomembno vpliva na družbeno odgovornost davčnih zavezancev in poveča davčno skladnost.

Ključne besede: družbena odgovornost, davčna skladnost, spremembe davčnih predpisov, davčna agresivnost