

**TAX PAYERS PERCEPTION ON CURRENT TAXATION
SYSTEM IN SRI LANKA (SPECIAL REFERENCE TO
APPLICATION IN MATARA DISTRICT)**



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ABSTRACT

This study is about the "Tax payers perception on current taxation system in Sri Lanka: Special reference to application in Matara district" The main purpose of this research was to analyze the Tax payer perception. For this study a tax is a financial charge or other levy imposed upon a taxpayer (an individual or legal entity) by a state or the functional equivalent of a state such that failure to pay is punishable by law. Taxes are also imposed by many administrative divisions. Taxes consist of direct or indirect taxes and may be paid in money or as its labour equivalent. A tax is a non-penal, yet compulsory transfer of resources from the private to the public sector levied on a basis of predetermined criteria and without reference to specific benefit received.

The study essentially focuses to find out the level of perception on current taxation system special reference in Matara district. Totally 100 questionnaire have issued to tax payers who paying income tax various part of above divisional secretarial areas on random sampling basis. The taxpayer perception is one of the most powerful variables affected for the current taxation system in Sri Lanka. It is the source of making and discussing various decisions about the current practice of taxation in Sri Lanka. It is with the help of taxpayer's perception that the current taxation in Sri Lanka can be reviewed more clearly and decisions made from such reviews. Conceptualization framework used to developed questionnaire to the research and each element from conceptualization hold include in the questionnaire. According to the Conceptualization model, through the main objective of the study is to show the level of perception on current tax system such as Fairness, Tax compliance, Tax awareness.

Method of analysis specifically considered univariate analysis only. The results are illustrated by tables, pie charts and bar charts. Based on the value indicated in the questionnaire, mean value is lying in the range between 1 to 5, which is strongly disagree to strongly agree with 5 scale measures. From the estimation it may be able to conclude that, tax payers perception about the fairness and tax compliance on the tax system are low level, tax payers perception about the tax awareness on the tax system is moderate level. Because of the above reasons, Finally researcher can conclude that most of tax payers in matara district overall perception about the tax system is moderate level.

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