Tax Amnesties: Trends and Implication for Taxpayers' Compliance. A Literature Review

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Abstract

The focus of this paper is to conduct a literature review on tax amnesties and the factors which are necessary for its effective implementation for compliance. The study employed a library based research design which involves desk-review of extant literature. The literature review shows much research attention given to the issue, though the findings are mixed and quite inconclusive. The review also brings up a few issues which are seen as probable weaknesses or inconsistencies in tax amnesty research looking from a tax compliance perspective.
First, while there is evidence regarding success of tax amnesties in the developed world, empirical proof on the progress made in developing countries are scarce. Second, although the concept of tax amnesty has been extensively examined in the tax literature, only a few studies have used an experimental approach to examine the long run effect of tax amnesty on voluntary tax compliance. Third, there is still no clear unanimity in the literature regarding how social and psychological factors such as political trust, political will, perceived corruption, and perceptions of justice and punishment objectives influence the implementation of tax amnesties. Finally, the study observes that in tax amnesty research there is always the tendency for majority of prior studies to assume homogeneity in level of compliance whereas significant differences may exist in the degree of compliance between high and low income earners. The study therefore concludes that there is the need for future empirical studies to address these weaknesses and inconsistencies.

Keywords: Tax Amnesty; Tax Compliance; Tax Administration; Budget Deficit, Tax Revenue
GEL Classifications: H2, H21, H24, H27

1. INTRODUCTION

National governments around the world have implemented tax amnesty programmes in the past fifty years with a view to increasing fiscal revenues in the short and medium terms. Giving tax payers a window to voluntarily disclose past tax liabilities within a short time in exchange to waiving penalties and legal prosecution has become one of the common tax amnesty programmes executed by countries across the globe (Deloitte, 2019; Wadesango et al., 2020). According to the Organisation for Economic Cooperation and Development (OECD, 2015), tax amnesties are driven by different government financial incentives hence the duration of the programmes vary according to revenue drive objectives and government economic focus. For instance, tax amnesty programmes such as in Argentina, Columbia, Costa Rica, South Africa, Nigeria, New Zealand, and Indonesia were implemented as a one-time measure or a transition policy to higher enforcement regimes (Le Borgne & Baer, 2008; Fox & Murray, 2011; Okoye, 2019; Sawyer, 2005; Stella, 1991). However, there are other countries that implement amnesties on permanent basis without a time limit (e.g., Canada, Germany, Denmark, the Netherlands and Mexico) (Alm et al., 1990; Mikesell & Ross, 2012). Baer and Le Borgne (2008) also noted that the overall tax debt forgiveness across countries ranged from a partial reduction of penalties and interests to a reduction in the principal tax payment itself.

Tax amnesties' impact on taxpayers' compliance level has been debated and has led to contradictory outcomes. From a logical standpoint, one-time surprise amnesties are useless if taxpayers continue to expect future amnesties and the other tax rules do not change. Because tax evasion will become more expensive when the government announces an increase in enforcement efforts, taxpayers take advantage of the amnesty and increase or maintain their tax compliance. This makes the policy both short- and long-term effective. On the other hand, if amnesties are perfectly foreseen or permanent but enforcement efforts vary, taxpayers may take advantage of the amnesty but will likely evade more, especially during times of lax enforcement This could hurt long-term revenues (Deloitte, 2019; Koch & Müller, 2015).

This study focuses on the trend of national tax amnesties and implications for taxpayers' compliance. It has been argued in extant literature (FIRS, 2023; Koch & Müller, 2015; Okoye, 2019; Riyans et al., 2021; Titaailla & Fidiana, 2022) that effective implementation of the tax amnesties has become a major issue of economic revenue drive and recovery as countries are confronted with budget deficits. However, questions are being asked about the efficacy of tax amnesties in fulfilling the intended purposes. Tax amnesties are considered as a burden on tax compliance even though they have always been thought of as the most feasible means to raise taxes in the short term. It is debatable if amnesties truly increase tax compliance over time and, consequently, tax income going to the government.

The discussions in this review article contributes to the taxation and finance literature in the following ways. First, it contributes to the literature that examine the trend of national tax amnesties and the implication on taxpayers' compliance (e.g. Alm et al., 1990; Mikesell & Ross, 2012; Fox & Murray, 2011; Okoye, 2019; Sawyer, 2005). Two, by highlighting the factors affecting the implementation of tax amnesty programmes, this study contributes to the literature that examine the contemporary challenges of tax system in developing and developed economies with particular emphasis on tax amnesties (see Abayomi, 2018; Oladipupo & Obazee, 2016). Finally, this review offers multiple opportunities and benefits to researchers, policy makers and tax practitioners by highlighting the importance of tax amnesty in taxation research

and by revealing areas that need to be explored further.

The rest of the paper is structured as follows. Section 2 presents the methodology for the review. Section 3 presents an overview of national tax amnesties and highlights the trends of amnesties around the globe, the efficacy of tax amnesty in enforcing compliance as well as the determinants of success of implementation of tax amnesties. Section 4 discusses findings, perceived gap and weaknesses in literature while section 5 concludes the paper.

2. METHODOLOGY

Secondary data from review of literature from published articles constitute the method of data collection for this study. Thus, this study has undertaken a review of numerous articles that are focused on tax amnesties and tax compliance in combination with the factors influencing effective implementation of tax amnesties. The adoption of the literature review approach enhances the researcher's ability to obtain relevant and viable facts from the most authentic and appropriate literary resources based on article search criteria in both Scopus and non-Scopus journals.

The scope of the review covers articles and publications bordering on (i) application of tax amnesties across the developing and developed worlds; (ii) articles that evaluate the impact of tax amnesties on taxpayers compliance; (iii) articles that explores the factors affecting the effective implementation of tax amnesty and tax compliance; and publications and statistical bulletins from the World Bank and Organisation for Economic Cooperation and Development (OECD) useful in validating the reports from academic articles published in research journals.

Following the guidelines of the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) statement, this study searched through Google Scholars, Google, ASSIA, and ERIC for relevant articles. A comprehensive search strategy was developed by reviewing keywords and related terms in relevant systematic reviews and publications. The vocabularies used for the search were "tax amnesty" or "tax compliance" and "national tax amnesties" and "factors affecting tax compliance." After duplicates were removed, 141 articles remained, out of which 53 inappropriate titles and abstracts were excluded leaving 88 full-text articles to be screened. 9 full-text articles were excluded for reasons such as being too broad (3), unclear results (1), adoption of inappropriate methodology (2), non-alignment with present study (2), and faulty data analytical technique (1). A total of 79 unique articles met the inclusion criteria.

3. CONCEPTUALISATION

Overview of National Tax Amnesties

Rechberger et al (2010) define tax amnesty as a government programme that condones all or some parts of punishment for tax offenders if they voluntarily pay off all of their outstanding tax liabilities. According to Alm and Beck (1993), tax amnesty is a policy that provides delinquent taxpayers with a one-time opportunity to clear their accounts by paying back taxes and interest without being subject to criminal or civil penalties. The programme lessens both criminal and civil penalties, allowing individuals or corporate entities to pay their back taxes earlier. According to Fox and Murray (2011), there are three main justifications for implementing tax amnesty programmes: (1) to quickly increase revenue; (2) to increase future tax compliance (e.g., by encouraging taxpayers to declare and pay previously undeclared tax, file tax returns, or register to pay taxes—and stay current on their tax obligations); and (3) to encourage the

repatriation of flight capital (for reasons that go beyond immediate revenue and tax compliance). Tax amnesty is not an entirely new concept as it has been adopted in many developed and developing countries with varying degrees of success or failure. Indeed, tax amnesties are widely used in economies to improve the efficiency of their tax management. The World Bank in August 2006 developed a pre-emptive anti-corruption investigative instrument tagged the "Voluntary Disclosure Program" (VDP). The project was designed to expose corrupt and fraudulent schemes thus fortifying the Bank's capacity to check corruption in its operations. The World Bank VDP was structured in such a way as to allow organisations, which have indulged in fraud and corruption in the past, avoid administrative sanctions. The programme gave corporate entities the opportunity to make full disclosures to the Bank. In implementing the scheme, all previous financial misconducts, at the fulfillment of stated terms and conditions, are exempted from public debarment and the entities are assured of the Bank's confidentiality (Le Borgne & Baer, 2008).

Also, there have been numerous tax amnesty schemes in the United States, both at the federal and state levels. According to Stella (1991), prosecution amnesties have contributed the majority of amnesty revenues from amnesties executed in various US states. Notably, in an effort to curb and prevent tax evasion as well as boost taxpayer compliance, the US government established the Foreign Account Tax Compliance Act (FATCA) in 2010. All Americans with offshore assets and overseas bank accounts are required by FATCA to voluntarily disclose them to the Internal Revenue Service (IRS). US owned financial institutions based in foreign countries were similarly given the mandate to report their obligations to the Department of the Treasury. The FATCA law created much tax sensitization in the US and made citizens to be aware of their tax obligations and the consequences of non-compliance. In 2014, another tax amnesty project which allows US taxpayers to regularise their tax affairs and avoid prosecution was initiated by the IRS (Ede, 2017; Fox & Murray, 2011; Okoye, 2019; Ross, 2012).

Mikesell and Ross (2012) report that Canada has a voluntary disclosure programme which has been in existence for many years. Under the Canadian permanent tax amnesty scheme, taxpayers are not subject to fines or prosecution if they come forward and reveal any inaccurate or incomplete information that they may have withheld from the Canada Revenue Agency in the past. The Canadian VDP gives private individuals and corporate organisations a second opportunity to amend a previously filed tax return. Any person or business that the Canada Revenue Agency contacts before disclosing anything is not eligible for the scheme because it is voluntary (Mikesell & Ross, 2012). The New Zealand government launched a limited tax amnesty initiative in 2004 in an effort to reduce the amount of pervasive tax fraud in specific industries. The programme was described by Sawyer (2005) as a most enthralling improvement in New Zealand from a behavioural tax compliance viewpoint. The scheme gave the Inland Revenue Department the ability to grant limited amnesties to specific industries, giving businesses operating in such sectors one more chance to update their tax records and start effectively complying with applicable tax rules. The limited amnesties were backed up by rigorous prosecution activity against those who did not avail themselves of the onetime opportunity (Sawyer, 2005).

In the developing economies, a number of tax amnesties have been put into place too. In 1987, there was a tax amnesty in Argentina. Increased revenue collection was the goal of the tax amnesty, according to Uchitelle (1989). As part of Argentina's 1987 debt to equity programme,

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Uchitelle remarked that the programme's attempt to eliminate taxes on revenue utilised for investment objectives did not live up to expectations. Despite the government's pledge to protect the tax evaders from prosecution, it was claimed that the scheme fell short of its goal. Alm (1998) contends that the failure of the Argentinian tax amnesty programme and other numerous tax amnesties previously granted was largely due to enforcement techniques.

Faced with the challenge of dwindling revenue for infrastructure development due to low tax compliance, the Indonesian government in 2016 initiated a tax amnesty programme. The tax amnesty was enacted in Tax Act number 11 of 2016. The amnesty sought to waive sanctions for filing of taxes acquired in 2015 and earlier which have not been reported. The voluntary filing gave taxpayers the chance to pay off outstanding tax liabilities and enjoy the immunity from prosecution (Okoye, 2019).

In order to administer its taxes, South Africa has a Voluntary Disclosure Programme. The voluntary programme with a window period of between October 1, 2016, and August 31, 2017, aimed, among other things, at giving individuals and corporate businesses that had defaulted by not disclosing their tax affairs the one-time chance to file tax returns and enjoy waiver of tax audit and criminal prosecution (Onwuka, et al., 2019). Alm (1998) reports that Colombia instituted a tax reform programme in 1987 by introducing a tax amnesty to taxpayers. The programme was accomplished through reduction of income tax rates, and allowed individuals/entities to correct their prior tax records without penalty and prosecution. Alm stated that the Colombian tax amnesty was relatively successful. The 2003 tax reform in Cost Rica incorporate a tax amnesty which included some changes regarding the income and company tax rates (Schaltegger & Torgler, 2005). Similarly, the property tax on luxury vehicles for the year 2003 was increased by fifty percent of the ordinary rate. Arroyo (2003) further reports that the tax amnesty programme provided taxpayers two months tax amnesty and waiving of the fine rate for taxes managed by the tax authorities (income tax, sales tax, selective consumption tax, property tax on vehicles, transfer tax of real property and vehicles, education and culture stamp tax, tax on offshore companies, taxes on gambling houses, specific tax on alcoholic beverage etc.). Singapore also implemented a tax amnesty scheme in 2013. The Singaporean tax amnesty was created to encourage people to come forward and report violations of the rules and laws that are handled and upheld by Singaporean Customs Service. This was open on a voluntary basis to either individuals or corporate companies. According to Yomi and Patrick (2017), the plan, which is applicable to Income Tax, Goods and Services Tax (GST), Withholding Tax, and Stamp Duty, did not specify a deadline for voluntary filing of tax matters.

Also, the Federal Government of Nigeria introduced the Voluntary Assets and Income Declaration Scheme (VAIDS), a one off tax amnesty programme, to give defaulting taxpayers the chance to settle their unpaid tax debts from 2011 to 2016 in exchange for a waiver of penalty and interest as well as potential criminal prosecution. According to Mayowa (2017), the establishment of the VAIDS amnesty initiative was a response to declining tax revenue and a growing budget deficit. The amnesty campaign recorded some degree of success, according to the Federal Inland Revenue Services (FIRS, 2017).

Tax Amnesty and Taxpayers' Compliance

Tax compliance as a concept can be explained from different dimensions. Its dimension can be seen from the law enforcement perspective and the economic sphere. According to Tunçer (2003), tax compliance implies agreeing or conforming to a set of tax standards, rules or laws.

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James and Alley (2002) view tax compliance as the ability of tax payers to meet tax obligations. It is the zeal of individuals and other chargeable bodies to behave in conformity with the provisions of tax laws without being forced or compelled. In other words, it refers to how strictly a taxpayer complies with the laws and regulations governing taxes.

Three types of compliance were recognised by McBarnett (2003): committed compliance, capitulative compliance, and innovative compliance. According to McBarnett, committed compliance occurs when taxes are paid voluntarily and without being coerced by the tax authorities. Capitulative compliance, relates to tax payer's reluctance to discharge tax liabilities while creative compliance refers to a taxpayer's adoption of tax avoidance strategies to reduce tax liabilities. Kirchler (2014) also classified tax compliance into voluntary and enforced compliance. Voluntary compliance is the positive interest of the chargeable persons to observe tax laws while enforced compliance is through compulsion using state machineries. Fagbemi and Abogun (2015) argued that the tax authorities in developing economies have largely depended on enforced compliance due to lack of political will, tax payers apathy, late filing of tax returns as well as submission of incorrect accounting records. Tax compliance, according to Chatopadhyay and DasGupta (2002), includes timely filing of tax returns, accurate estimation of tax liabilities, and timely payment of taxes due. It also pertains to the right disclosure of taxable income. Non-compliance occurs when taxpayers fail to abide by the tax code. The level of non-compliance may also be measured in terms of tax gap, that is, the difference between the actual revenue collected and the amount that would be obtained if there were compliance to a maximum rate of 100% (Musau, 2015).

Governments in African nations face a significant difficulty when it comes to tax compliance. According to Fagbemi and Abogun (2015), challenges with tax compliance are behavioural in nature, making it difficult for tax administration to achieve a sufficient level of compliance. This problem results from a conflict between the government's goal of maximising tax collection and the desire of the taxpayer to minimise tax incidence. Therefore, discharging tax debts by both private citizens and corporate entities has never been easy, particularly in developing nations. Tax-related concerns are also widespread, even in industrialised nations with greater tax compliance rates as the United States, Germany, France, etc. (Gordon & Li, 2009; Ramot & Ichihashi, 2012). Therefore, aside designing and implementing tax policies, countries at different times have come up with tax amnesty programmes for revenue authorities to optimise revenue collection as well as improve tax compliance.

Studies on the connection between tax amnesty and tax compliance are ambiguous. For instance, Gustavo et al. (2023) studied the effects of various previously unresearched amnesty modalities and altered amnesty durations through a laboratory experiment in Bolivia. In order to compare tax compliance, debt repayment, and revenue during and after four distinct amnesty regulations, the experiment investigated the actions of 338 professional workers. The study's findings indicated that while the length of an amnesty decreases tax compliance, compared to extended amnesties without debt deductions, which have no effect on revenue, extended amnesties with debt deductions result in higher overall tax compliance. The survey did note, however, that people with historically high compliance rates were primarily responsible for effects on compliance. Similar to this, Titaailla and Fidiana (2022) discovered that imposing penalties is not the best solution to address compliance difficulties in a study that used a meta-analysis approach to summarise previous research findings addressing the drivers of tax compliance in

Indonesia. The analysis showed that sanctions did not entirely explain compliance, in contrast to the conventional (enforcement) paradigm.

In another study, Riyans et al. (2021) examined tax amnesty from the viewpoints of taxpayers, including large- and small-scale business owners, employees of private companies, tax advisors, and lecturers, and evaluated whether tax amnesty can boost taxpayer compliance. According to the study's findings, three reasons why taxpayers participate in tax amnesty are: (1) getting a low tax rate; (2) reporting all assets without fear of punishment; and (3) avoiding tax audits. The study came to the conclusion that tax amnesty might improve taxpayer compliance, but not immediately. Wadesango et al. (2020) in a study aimed to evaluate the effectiveness of tax amnesties in enhancing SMEs' tax compliance levels and tax revenue collections in Zimbabwe in a different study. An inverse association between tax compliance and tax amnesty was found in the study, which used a quantitative research method and a descriptive research methodology.

After the introduction of a tax amnesty in Indonesia, Inasius et al. (2020) looked at the influences of taxpayers' opinions of tax compliance (either voluntary or enforced). The study's conclusions backed up the Slippery Slope Framework's analysis of how trust and authority play a role in whether tax compliance is voluntary or required in developing nations, notably Asia, following the introduction of a tax amnesty. Okoye (2019) also explored the moderating role that political trust played in the impact of Nigeria's tax amnesty programme, VAIDS, on the country's level of tax compliance. By using a survey research approach, the study gathered information by giving out questionnaires to tax payers to get a sample of how they felt about VAIDS. The study's conclusions indicated that the primary factor influencing tax compliance in Nigeria was ad hoc, unannounced tax audits. The study also showed that taxpayers' political trust has a detrimental impact on tax compliance as a result of amnesty trusts. Kiabel and Nangih (2018) investigated the effect of amnesty on tax compliance in Nigeria. The empirical study collected data through the distribution of structured questionnaire and tested formulated hypotheses using the spearman's rank order correlation co-efficient. Findings of the study indicated that tax amnesty implementation positively affected voluntary tax as well as enforced tax compliance through tax payers' inducement and concluded that tax amnesties increase voluntary and enforced tax compliance.

In an Indian experiment, Purnomolastu (2017) discovered that repeated tax amnesties increased the likelihood of further upcoming tax amnesties, which has a long-term negative link with tax compliance. Additionally, Fox and Murray (2011) used a Bayesian model to assess how amnesties affect tax collections and filing rates. The study's conclusions showed that a nation's revenue and tax filing rates increased as a result of its first amnesty initiative. According to the study, revenue performance is improved by consecutive amnesties, but these impacts diminish in comparison to the first amnesty and eventually cause filing rates to fall below pre-amnesty levels. Becourtney (2010) in a similar study reported that the desirability of future tax pardon may embolden taxpayers' evasion strategies. The report stated further that an honest taxpayer will not indulge in a deliberate decision to evade tax. As a result, an honest taxpayer sees an amnesty as a previously unattainable way to lower the penalties that are anticipated to be imposed due to tax default. In a different study, Kirchler and Niemirowski (2006) stressed that the statement about the expansion of tax audits coupled with tax forgiveness conducted at a state

level in the USA boosts the effectiveness of the amnesties. The study predicts that the public enlightenments regarding amnesties are aimed at sending messages to the tax evaders that the possibility of the tax investigation has increased, that the penalties will be heavier.   The short- and long-term effects of tax amnesty on tax compliance were examined by Mattiello (2005). The study discovered that tax amnesties had a favourable short-term impact on tax compliance by encouraging the disclosure of taxable income and tax payers from the informal economy. According to the study's additional findings, the identification of previously unidentified tax payers and taxable income may boost tax compliance in the following term because these individuals will be unable to evade taxes the following year. The study's results also showed that, over time, tax amnesties decrease taxpayers' willingness to comply with their tax obligations. Corroborating this, Richardson and Sawyer (2004) in their study reported that tax amnesties generally improve government revenue on the short run. Their study further found that on the long run, there is a significant adverse effect of tax amnesty on tax compliance due to the expectation of future amnesties. Also, Waxman (2003) in a paper stated that tax amnesty programmes have positive effects on tax revenue generation and tax compliance on the short term. The study stated though that honest taxpayers react negatively to tax amnesties but concluded that people see tax amnesty from another prospect because of their perfect justice feelings.

Finally, Christian et al. (2002) in their examination of the Michigan amnesty data, discovered that two-thirds of the new filers and ninety percent of the previous filers corrected records in the amnesty subsequently filed tax returns. This implies that there is a significant effect via an amnesty on previous non-compliant taxpayers. The related threat of heightened prosecution also has a positive effect because many of the non-filers that came into the system with the amnesty were already known to the revenue authority, which raises the issue of whether an amnesty was needed to make these taxpayers compliant. This outcome may make identifying other nonfilers more difficult for the revenue authority. In the study, the value of tax revenue realised was around 0.1% of the total revenue. However, increase in tax revenue is generally a secondary objective of an amnesty, with changing taxpayers' compliant behavior the major target. The study concluded that the overall effect of the amnesty on compliance is minimal but it is at least positive.

Factors Affecting the Implementation of Tax Amnesties
Scholars have conducted research on tax compliance behaviour and identified a number of factors responsible for the success or failure of tax amnesties across the world. These factors range from taxpayers' education and awareness (Oladipupo & Obazee, 2016; Aksnes, 2011; Misra, 2004; Kirchler, 2014); to lack of political trust (Cai et al., 2020; Birskyte, 2015; Gangl et al., 2015; Okoye, 2019; Richardson, 2008; Tyler, 2006); absence of political will (Hassan & Prichard, 2013; Kangave et al., 2016; Lin et al., 2017; Moore, 2013; Moore & Lundstøl, 2016; Nangih et al, 2018); and inept tax administration, corruption and improper tax planning (Abayomi, 2018; Udoh, 2015). Shagaria and Saad (2016) highlighted ICT deployment, tax payers' apathy, weak tax audit exercise, low incentives to tax officials, lack of monitoring, and apparent systemic corruption as affecting tax amnesty and effective tax administration. In addition, Nangih et al. (2018) in examining the contemporary challenges of tax system with particular emphasis on tax amnesties, underlined insufficient and unreliable taxpayers' data, tax

authorities' capacity constraints, inherent delays in the judicial process of prosecuting tax offenders, corrupt elements in tax offices, and politicization of the scheme as key factors affecting the implementation of tax amnesties in developing countries. Similarly, Okoye (2019) identified political trust as a major factor in effective implementation of tax amnesties. Randlane (2012) investigated the variables that influence taxpayers' desire to participate in tax amnesty programmes and found that awareness of the scheme has an impact on taxpayers' desire to participate in tax amnesty, whereas knowledge of taxation has no bearing on this desire. Williams (2013) also recognized improved public awareness as a critical issue that can inspire taxpayers' adherence to tax legislation.

Levi and Stoker (2000) state further that the effect of political trust on tax compliance does not only apply to entrepreneurs' trust in tax authorities but also to general public perception that tax authorities trust taxpayers to discharge their tax obligations. Helhel and Ahmed (2014) in a review of literature show that when citizens recognize a government to be trustworthy, they are more likely to comply with relevant tax legislations. Moore (2013) posited that tax administrations have a tendency to be biased in favour of taxpayers with the highest bargaining power, who have the capacity to exploit the loopholes in the tax system to avoid tax. It is argued by Kangave et al. (2016) that income tax and property tax which are the two paramount means to tax the wealthy in Africa are virtually completely evaded because of the absence of political will to go after such influential and highly connected individuals.

4. SUMMARY OF FINDINGS

The literature on the effective implementation of tax amnesty is indeed diverse and has been a subject of research in taxation for a long time in both developed and developing nations. However, a review of the literature as examined above brings up a few issues considered as weaknesses and inconsistencies to research on tax amnesties implementation when viewed from the tax compliance perspective.

First, available empirical evidence regarding the success of tax amnesties provides an unclear picture. While progress has been reported with the adoption of aggregated data from the developed world such as United States, Canada and New Zealand (Stella, 1991; Mikesell & Ross, 2012; Ross, 2012; Sawyer, 2005; Alm & Beck, 1993), other studies (Alm, 1998; Schaltegger & Torgler, 2005) have shown that tax amnesties in developing countries have not produced the desired results.

Second, only a few studies (Alm & Beck, 1993, Alm, 1993; Sawyer, 2005) have used an experimental approach to examine the long run effect of tax amnesty on voluntary tax compliance. Besides, the studies were conducted in advance countries. Studies on amnesties in developing countries have largely adopted survey research design and collecting data through questionnaire (Okoye, 2019, Yomi & Patrick, 2017; Nangih et al., 2018). Investigating tax compliance goes beyond seeking taxpayers' opinion in a field study. To study effective implementation and compliance, experimental method which involves explicit examination of tax payers' behaviour through experiment has to be conducted. Using this technique, decisions made by individual tax payers can be observed and reported.

Third, there is still no clear unanimity in the literature regarding how social and psychological factors such as political trust, political will, and perceived corruption, perceptions of justice and punishment objectives influence the implementation of tax amnesties. In theory, the success in implementation of tax amnesties are seen to depend on citizens perception of justice (Karimi,

Jafari & Rezaei, 2010; Brueckner, Thisse & Zenou, 1999), increased tax audits (Alm, Mckee, & Beck, 1990; Badara, 2012), efficient enforcements of tax and other related laws (Ede, 2017; Deloitte Nigeria, 2017; Obara & Nangih, 2017); and better organisation of tax data base (Besley & Persson, 2014; Mills, 2017). However other studies indicate that taxpayers are insensitive to these factors (Fieldstad & Tungodden, 2003; Moore, 2013). Therefore, it is so difficult to underline the success of the tax amnesties through such kind of measures.

Finally, this review observes that in tax amnesty research there is always the tendency for majority of the studies to assume homogeneity in level of compliance. However, while higher income earners are seen to exploit tax loopholes for tax avoidance through the influence of their political connection, the individuals at the low income cadre tend to pay based on assessment by the revenue authorities as reported by Mahestyanti et al. (2018). This throws up the question of varying degree of compliance, thus significant differences may exist in the degree of compliance between high and low income earners which need to be further investigated.

5. CONCLUSION

Tax amnesty as an area of study in taxation and economics has been an interesting issue for researchers hence there has been a growing trend in recent years about how implementation of tax amnesty programme affects tax compliance on the short and long run. This study focuses on tax amnesties and the factors which are necessary for its effective implementation for compliance. The key variables identified from the literature as factors have been taxpayers' education, political trust, political will, tax database, capacity constraint and corruption. The literature review shows much research attention given to the issue, though the findings are mixed and quite inconclusive. The review also brings up a few issues which are seen as probable weaknesses or inconsistencies to tax amnesty research looking from a tax compliance perspective.

First, while there is evidence regarding success of tax amnesties in the developed world, empirical proof on the progress made in developing countries are scarce. There is the need to investigate the success or failure of tax amnesties in developing countries especially in Africa. Second, although the concept of tax amnesty has been extensively examined in the tax literature, only a few studies have used an experimental approach to examine the long run effect of tax amnesty on voluntary tax compliance. Third, there is still no clear unanimity in the literature regarding how social and psychological factors such as political trust, political will, and perceived corruption, perceptions of justice and punishment objectives influence the implementation of tax amnesties. Finally, the study observes that in tax amnesty research there is always the tendency for majority of the studies to assume homogeneity in level of compliance whereas significant differences may exist in the degree of compliance between high and low income earners. The study therefore concludes that there is the need for future empirical studies to address these weaknesses and inconsistencies.

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