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DETERRENCE AND RECIPROCITY EFFECTS ON TAX COMPLIANCE: EXPERIMENTAL EVIDENCE FROM VENEZUELA

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Ortega, Daniel
Sanguinetti, Pablo

CAF - Ave. Luis Roche, Torre CAF, Altamira. Caracas, Venezuela 01060

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DISUASIÓN Y EFECTOS RECÍPROCOS SOBRE EL CUMPLIMIENTO IMPOSITIVO:
EVIDENCIA EXPERIMENTAL EN VENEZUELA

Ortega, Daniel

Sanguinetti, Pablo

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RESUMEN

Un debate reciente sobre el cumplimiento impositivo se pregunta si los mecanismos para fortalecer la recaudación impositiva pueden complementarse o hasta sustituirse por la apelación a la moralidad impositiva de los contribuyentes: su disposición intrínseca a pagar, motivada solo por razones éticas, o por un sentimiento de reciprocidad hacia los gobiernos que proveen bienes públicos y servicios de diferente calidad. En este estudio se evalúa esta hipótesis al hacer seguimiento al cumplimiento fiscal de más de 6000 firmas en un municipio importante en Caracas, las cuales fueron asignadas aleatoriamente a un control sin estímulo, o a uno de cinco tratamientos que consistían en cartas de la administración local con diferentes mensajes en relación al cumplimiento fiscal. Se encontró que el mensaje de amenaza de fiscalización tuvo el mayor efecto en el cumplimiento, mientras que la persuasión moral parece ser menos efectiva. Sin embargo, las diferentes tipos de cartas tienen impactos que no se pueden distinguir estadísticamente entre sí, lo que se interpreta como un efecto de ser contactado por la autoridad por escrito, sin importar el contenido de la comunicación. Esto es más probable que suceda entre las firmas que no están acostumbradas a mantener contacto con el gobierno – firmas pequeñas – que son también aquellas para las cuales se encuentran, económicamente, mayores efectos.

Palabras clave: cumplimiento tributario, experimentos de campo aleatorios.

Códigos JEL: H3, H32

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ABSTRACT

A recent debate on tax compliance asks whether enforcement mechanisms can be complemented, or even substituted by appeals to the taxpayer's tax morality: his or her intrinsic willingness to pay taxes, motivated by purely ethical reasons, or a feeling of reciprocity towards the government that provides public goods and services of varying quality. We evaluate this hypothesis by tracking the local business tax compliance of over 6,000 firms in a major municipality in Caracas, which we randomly assigned to a control of no stimulus, or to one of five treatment arms that received letters from the local tax administrator with different types of messages regarding tax compliance. We find that an enforcement message has the largest compliance effect, while moral suasion appears less effective. However, differences between letter types have impacts that cannot be statistically distinguished from each other, which we interpret as an effect of being contacted by the tax authority by written communication, regardless of the content. This is most likely to matter for firms unaccustomed to contact with the government –small firms– which are also those for which we find economically large effects.

Keywords: Tax Compliance, Randomized Field Experiment

JEL Codes: H3, H32

Pablo Sanguinetti

CAF y UTDT

psanguinetti@caf.com

Daniel Ortega

CAF e IESA

dortega@caf.com

Deterrence and reciprocity effects on tax compliance:

Experimental evidence from Venezuela¹

Daniel E. Ortega
CAF and IESA

Pablo Sanguinetti
CAF and UTDT

December, 2013
Comments welcome

Abstract

A recent debate on tax compliance asks whether enforcement mechanisms can be complemented, or even substituted by appeals to the taxpayer's tax morality: his or her intrinsic willingness to pay taxes, motivated by purely ethical reasons, or a feeling of reciprocity towards the government that provides public goods and services of varying quality. We evaluate this hypothesis by tracking the local business tax compliance of over 6,000 firms in a major municipality in Caracas, which we randomly assigned to a control of no stimulus, or to one of five treatment arms that received letters from the local tax administrator with different types of messages regarding tax compliance. We find that an enforcement message has the largest compliance effect, while moral suasion appears less effective. However, differences between letter types have impacts that cannot be statistically distinguished from each other, which we interpret as an effect of being contacted by the tax authority by written communication, regardless of the content. This is most likely to matter for firms unaccustomed to contact with the government –small firms– which are also those for which we find economically large effects.

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1. Introduction

Why do people pay taxes? The natural answer is that there are enforcement mechanisms (fines and penalties) established by the State which people have an incentive to abide by. This is the classic deterrence approach to tax compliance, first formally analyzed in Allingham and Sandmo (1972). In this model tax payers decide whether and how much to evade taxes in the same way they would approach any risky decision or gamble, that is, by maximizing expected utility (Slemrod (2007)). Under this framework tax evasion is negatively associated with the probability of detection and the severity of punishment.

However, deterrence alone cannot explain the level of tax compliance actually observed in most countries (Graetz and Wilde, 1985; Alm et al., 1992; Frey and Feld, 2002); the level of detection probabilities and fines are too low to explain the (rather low) levels of tax evasion observed in developed economies (Andreoni, Erard and Feinstein, 1998). This has given rise to a growing literature analyzing the importance of behavioral and cultural aspects in explaining taxpayer behavior (Scholz and Witte, 1989; Alm et al., 1992; Alm et al., 1993; 1999; Pommerehne et al., 1994; Frey 1997, 2003; Frey and Torgler, 2002).

These alternative arguments have often been grouped under the broad label of “tax morale”. This concept encompasses moral rules and sentiments of citizens which make them fulfill their tax obligations, social norms that makes cheating on taxes an undesirable action when the rest of the population is complying, and a sort of reciprocity response of the individual in his/her relation to the State in the sense that citizens will be more likely to comply with their tax obligations when they believe that the government performs well in terms of delivering public goods and services.

This paper provides experimental evidence on these two alternative forces for the case of a local business tax in the municipality of Sucre in Venezuela, and underscores the importance of the enforcement channel for firms, while suggesting that there may be a

small role for moral suasion as well. By randomly assigning 6.100 firms to one of five groups or a control (no treatment), we treat firms with letters from the local tax authority with different messages: the first underscores a revamped enforcement system recently put in place, another highlights the goods and services that the municipality provides that directly benefit the firm such as security and sanitation, another stresses the municipality's social initiatives, another simply appeals to an ethical obligation to comply with tax duties and finally a "placebo" letter, which has a standard greeting and the basic information on the address of the tax authority (which is common to all letters). The main result is that the enforcement letter induces small firms (those who feel are least likely to be audited) to fully pay their tax obligation between four and two weeks before they become delinquent. There is a smaller effect from all the other letters (including the placebo), which in general cannot be statistically distinguished from the effect of the enforcement letter. We interpret these findings as there being essentially a threat of audit or enforcement effect from all letters. The great advantage of the experimental approach is the credibility of the causal attribution of the estimated impacts on tax compliance².

There are a few studies employing an experimental design on the determinants of tax evasion. Nevertheless most of the existing studies (i.e. Slemrod et al (2001); Torgler (2004); Hasseldine et al (2007), Kleven et al 2010)) have been conducted in developed countries and are concerned with individual incomes taxes. There little work analyzing the case of a developing country using data on business taxes. One exception is Pomeranz (2010), which analyzes the importance of the paper trail in the Value Added Tax (VAT) in Chile as an enforcement mechanism for firm compliance. In developing country contexts, and applied to individuals there are two other related papers: the first is Castro & Scartascini (2013) who randomly assign individual taxpayers from a municipality in Buenos Aires, Argentina to receive a deterrence message on their local tax bill, a message informing about others' compliance or a third, describing the way public monies were

² The problem with non-experimental studies that use aggregate data at the municipal/state level is that even when reasonable estimates of evasion and its various determinants are available, the variation in tax rates and enforcement efforts is not exogenous but rather an endogenous response to compliance (Kelven et al (2010)). Some authors have proposed a number of instrumental variables methods (see Beron et al, 1992; Dubin et al, 1990; Feldman and Slemrod, 2007), but often times it is difficult to justify the necessary exogeneity assumptions (see Andreoni et al, 1998 and Slemrod and Yizhaki, 2002).

used. The second is Del Carpio (2013), who runs a similar experiment emphasizing social norms in property tax compliance in Lima, Perú.

Tax compliance has been underscored as a significant development challenge Latin America given the role that tax collection plays in mobilizing society towards demanding better accountability on the use of public resources (CAF, 2012; IADB, 2013). In many contexts, where public institutions have little capacity to effectively enforce the tax code, nudges such as those provided by information on deadlines, the use of funds, or moral appeals could be seen as useful policy tools to increase tax collection.

The rest of the paper is organized as follows: The next section presents a short review of the theory of tax evasion and the existing evidence on the deterrence and tax morale. Section 3 describes the experiment implemented in Caracas and the main results. Section 4 concludes.

2. Conceptual framework and previous evidence

2.1 Deterrence

The seminal reference for analyzing tax evasion decision at the individual level is Allingham and Sandmo (1972) (A&S), who develop a straightforward model of the decision to pay taxes based on Becker's (1968) analysis of criminal behavior. In their model, the level of declared income subject to taxation is decided by weighting the expected costs and benefits of underreporting: on the one hand, the individual can be audited and, if caught, penalized; on the other hand, he might not be audited, and thus escape taxation. Assuming a given perceived probability of being audited, the individual decides how much to evade so as to maximize his expected utility. In this model it is easy to show that the "optimal" level of tax evasion declines with the probability of being audited, and with the size of the penalty. Above and beyond the quantitative predictions of the model, the A&S framework is the standard theoretical reference in the economic analysis of tax compliance, and it is useful to consider some of its basic constructs in

order to gauge its empirical relevance in various contexts; in particular, the opportunities for evasion, the perceived probability of detection and the severity of punishment.

What are the opportunities for evasion? From the perspective of the A&S model, what is the realistic empirical counterpart of an individual's taxable income that he or she may have incentives and the ability to under-report? In many cases this is not their total income. In most countries, wages are reported to the tax authority by the employer (often even withholding tax obligations), which makes evasion on such income very difficult. The same happens with income obtained from interest earned on financial assets which are reported to the tax authorities by banks. In these cases the opportunity for underreporting income and evading taxes is very limited. This suggests that the deterrence model should be interpreted as applying to that part of income (or those categories of earnings) which the tax payer can in fact evade without certainty of detection. Evasion is determined to a large extent by the "opportunity" for income misreporting (Slemrod, 2001).

A second issue relates to the perceived probability of being detected or audited. How is this perception determined? The original A&S paper already considers the possibility that this probability is determined endogenously assuming that it declines with the amount of income reported. It is shown that the results derived from the simple model do not change. This assumption is plausible (the higher the reported income the lower the presumption of foul play) but it may be better if this probability is derived from an explicit analysis of the actual policy followed by the tax agency. This analysis, assuming the tax authority can commit to an audit rule, is provided by Reinganum and Wilde (1985). The main prediction of the extended model is that audit occurs with a probability equal to p^* when the reported income is below certain threshold value while there will no inspection for reports above this level. The interpretation of this result is not that rich people are not audited, but that conditional on certain characteristics of the individual known by the tax authority (age, education, profession, past values of reported income, etc.) that help predict his or her income bracket, a low income report will most likely trigger an audit.

The above model assumes very sophisticated tax payers that look into the process of how the tax authority determines its enforcement policy to derive its perceived probability of audit. In equilibrium the perceived probability equals the one implied by optimal tax authority decisions. Of course in practice this is hardly the case. Alm et al (1992) conclude that most individuals appear to substantially overestimate the probability of audit, resulting in greater than predicted compliance. Fischer et al (1992) also provide evidence that tax payer compliance is determined by perceptions about detection risk rather than the actual detection rate. This perception is based on personal experiences, knowledge of the tax laws, professional tax advice and other demographic characteristics (Roth et al, 1989; Iyer et al, 2010). What is important from the point of view of the empirical analysis that follows is whether these perceptions can be affected by policy initiatives taken by tax authorities. For example, by sending letters informing that some aspects of the tax control policies are being strengthened by the tax administration.

Finally, the deterrence model not only depends on the probability of detection but also on the severity of the penalty in case an illicit behavior is revealed. In this regard, public intervention aimed at improving enforcement could increase penalties or increase awareness of existing fines in case of detection. In this regard Iyer et al (2010) reports that, for example, in the case of the State of Washington (USA) most businesses were not aware of legislated mandatory and discretionary penalties since they were infrequently applied in the past.

Various studies have applied experimental methods to analyze whether the basic hypothesis coming from the deterrence model are consistent with actual behavior of tax payers. Slemrod et al, (2001) was one of the first studies to use this type of methodology implementing a randomized controlled experiment in the State of Minnesota, using a sample of 1,700 state income tax filers. They found that low and middle income tax payers who received a letter promising an audit reported slightly more income compared to those who didn't receive the letter. The difference was larger for those tax payers that have greater opportunities to evade, that is, those individuals that are self-employed or

work in the agricultural sector³. Similar evidence arises in an experimental study for Denmark by Kleven et al, (2010). Out of a nationally representative stratified sample of 40,000 tax payers, 50% were randomly selected for an audit in the first year; the following year, another random selection from the audited and non-audited groups was sent threat of audit letters. Tax evasion was very low (0.3%) for income earners subject to third party reporting but significant (37%) for those whose tax payment depends mainly on self-reported income (i.e. self-employed workers or those working in the agriculture sector). In addition, both having being audited and receiving threat-of-audit letters increased the level of self-reported income one year later, suggesting that both actions increased individuals' perceived audit probability. These two findings underscore the importance of individual perceptions of probabilities of punishment as well as technologies or institutional mechanisms which reduce evasion opportunities.

Evidence on the importance of third party reporting as an effective mechanism to enforce tax payments is also provided by Pomeranz (2010), who reports the impact of “threat of audit” letters for the case of VAT payments by firms in Chile. Tax authorities sent letters indicating an increase in audit probability to over 100,000 randomly chosen firms. While the letter generated an immediate and strong increase in overall VAT payments, the effect was much weaker for transactions between firms. This is not surprising given that the VAT design generates incentives for enterprises to document purchases from their suppliers while this is not the case for firms focused on retail sales. Thus the paper provides evidence that third party reporting, in this case generated by incentives built-in the VAT design, can be an effective mechanism to enforce tax payments and to some extent alleviate costly audit needs.

2.2 Tax Morale

³ Slemrod (2007) argues that the most compelling evidence in support of the A&S deterrence model comes from cross-sectional variation in noncompliance rate across types of income. In the US and other countries there is a positive correlation between the rate of compliance and the presence of enforcement mechanisms such as information reports (i.e. from banks) and employer tax withholding.

The individual's intrinsic willingness to pay taxes could be motivated by the belief that it is ethical, by the direct valuation of the goods and services provided by the government or by some sense of socially mandated behavior. We argue that the three are related, but very specially the first two.

The morality of taxation, people's perception that paying taxes is the right thing to do, needs to be related with the idea that the State has social value, so it is a citizen's obligation to contribute to financing it. In the case of a tyrannical State that exploits its citizens without providing any services whatsoever the notion of tax morale would lose its ethical and political meaning. When seen from this point of view, the concept of tax morale is then closely related to the idea of reciprocal behavior from the individual towards the State. According to this hypothesis, people are more likely to pay taxes when they perceive the government is doing a better job. Reciprocity implies a deviation from purely self-interested behavior: it "means that in response to friendly actions, people are frequently much nicer and much more cooperative than predicted by the self-interested model" (Fehr and Gächter, 2000). In the case of taxes one could say that the individual would be willing to pay more taxes to the extent that the use of these resources by the State is beneficial for him and for society as a whole. This is not self-interested behavior, since the individual's contribution to the government's budget is negligible and cannot expect to make a difference in the amount of goods and services received (Levi, 1998; Slemrod, 2007).

Tax morale has also been related to the notion of social norms or "societal institutions" (Bird et al., 2004) whereby the individual's willingness to evade/pay taxes in part also depends on whether he perceives other society members comply with their tax obligations or not (Frey and Torgler, 2007). This could be interpreted as reciprocal behavior towards "the fellow citizen" instead of towards the government. Another way to see this other dimension of tax morale is as a coordination problem, where even though people realize that their individual contribution to the State makes no difference in terms of overall government income and service delivery, if most people don't comply with taxes, government performance will be negatively affected, and if everyone complies,

performance will improve. In this interpretation a high level of tax morale implicitly means a decision of most individuals to cooperate in the tax/expenditure game of financing the State.

Finally, there may be other reasons beyond reciprocity and conditional cooperation that explain why people think paying taxes is the right thing to do. This may be related to deep moral judgment or values that are induced by religious beliefs or educational background, and that are unconditional on the behavior of other people or institutions. This concept relates to a common empirical measure of tax morale: whether people think tax evasion is morally never justifiable (Ortega, et al 2012).

The evidence on tax morale is mixed. In the randomized field experiment with Minnesota taxpayers described in Blumenthal et al (2001), two letters were also sent to investigate whether non-deterrence or tax morale factors were also an important determinant of tax compliance. One letter tried to test the reciprocity hypothesis by stressing the beneficial effects of tax-funded projects. The other letter investigates the social norm factor informing that most tax payers were compliant. Neither of the two letters had any significant effect on self-reported income compared to those tax payers that did not receive the written communication.

Similar results were obtained by Torgler 2004 for the case of a controlled field experiment at the communal level in Switzerland analyzing the effects of moral suasion on the timely payment and filling of the personal income tax form. The letter emphasized the reciprocity channel by pointing out the importance of paying taxes to guarantee the provision of public goods. The authors find that these appeals to tax moral arguments have hardly any effects on tax payer's compliance behavior.

Positive evidence on moral suasion is presented in Hasseldine et al (2007). This paper describes the results of a controlled field experiment applied to 7,300 sole proprietors running small business (with sales under 15,000 pounds) in United Kingdom. These small businesses have the opportunity to apply for a simplified format of tax reporting that reduce the tax payment. So this is a potentially "high opportunity" group for tax

evasion. The authors analyze the effect of different letters. A first group of announcements were geared to increasing the probability of audits (deterrence argument). A second type of letter appeals to moral persuasion. In the last case, the letter combined arguments about reciprocity (benefits of public good financed by taxes) and social norms (most people pay taxes). The results show an overall significant positive treatment effect for both types of determinants on the reported levels of sales after the reception of the written communication. The enforcement letter has, nevertheless, a slightly larger impact compared to those appealing to tax moral arguments.

In a similar exercise, Ariel (2012) attempts to test both the deterrence and tax morale models of tax compliance using data for incorporated and unincorporated businesses in Israel. The sample included around 125,000 firms and the analysis focuses on the VAT. Two letters were sent. One intended to increase the perceived probability of audit and of punishment for irregular transactions and also for not filing a tax report at all. A second letter had the purpose of increasing tax morale sentiments of tax payers emphasizing the reciprocity channel (how tax dollars were allocated to finance public services). The paper measures impacts on gross sales, on tax dollars paid and on tax deductions and finds no statistically significant effects of either the sanction or the moral persuasion letters. To some extent this result is not surprising given the discussion about how important it is to consider whether tax payers actually have opportunities to conceal revenues or incomes, and how this depends on the extent of third-party reporting agencies or tax withholding mechanisms. In the case of the VAT clearly this is the case at least for transactions between firms. As the paper by Pomeranz shows for Chile, deterrence letters have almost no impact on reported sales and tax payments for firms operating within the industrial chain (not selling to final consumers). In the next section we describe a controlled experiment applied to a business tax in Venezuela where presumably the results should also depend on evasion opportunities⁴.

⁴ The study by Ortega et al (2013) provides evidence on the reciprocity hypothesis for various cities in Latin America. They run a controlled field experiment, but they test whether reciprocal sentiments towards the government affect the willingness to pay taxes instead of actual tax payments.

3. New evidence from Venezuela

3.1 Basic features of the controlled field experiment in Sucre.

Venezuela's capital city, Caracas, is comprised of five municipalities, the second of which is Sucre, with an estimated population near 1 MM, covering 164 of the city's 777 square kilometers. Sucre houses approximately 7,200 firms, requiring a municipal commercial permit. Taxes collected from these firms represent over 60% of total municipal tax income, so compliance with the local business tax represents a very significant matter for local finances. The historical archive includes over 9,000 firms, about 20% of which have had no fiscal activity over the previous three years, which can be interpreted as firms switching to the informal sector, or equivalently, choosing not to report their earnings and evade the corresponding taxes. Of the 7,200 active firms, about 900 were excluded from the study because they were located in sparsely populated (almost rural) areas within the municipality which make them hard to reach and therefore costly to get a communication to via private courier.

As in the previous studies of Blumenthal et al (2001), Hasseldine (2007) and Ariel (2011), we empirically assess the relative importance of both the deterrence and tax morale models for explaining tax compliance. We follow the existing literature that induces an exogenous change in firm's perception about tax control, on one hand, and of moral suasion, on the other, by randomly sending letters to different treatment groups. Specifically, we divide the entire study sample into six groups and send letters to five different groups of firms⁵. One letter described planned changes in the municipal tax administration office that would improve tax control and enforcement. In particular it mentions the hiring of new inspectors and vehicles that will facilitate the implementation

⁵ See in appendix A the actual letters that were sent to the different groups.

of audits and also the acquisition of new information and technology systems that will allow a more precise identification of tax payers. Another letter aimed at strengthening tax morale by simply stressing the importance of complying with tax obligations. Two additional letters investigate the reciprocity hypothesis. One informs about policies geared to improving the provision of general public goods and business services. For example, it details policies aiming at strengthening citizen security (police), basic infrastructure (public transportation, public lighting and waste management) and formal economic activity (control of illegal commerce). A second letter mentions initiatives regarding social assistance for the poor and the elderly, and improvements in public health services. Finally, we send a placebo-type letter that just informed the new address of the tax administration office, which was information common to all other letters as well.

Roughly 1,000 firms were randomly selected to receive the enforcement and each of the reciprocity letters, 700 were selected for the tax morale letter, 800 for the placebo letter and about 1600 were left in the control group with no letter or intervention whatsoever. Of these 6,000 firms, about 4,600 had complete 2011 income projections (which we use to normalize each firm's debt balance). In the end only 3,180 of an intended 4,500 letters were distributed (70% success rate) by private courier across the entire geography of the municipality.

3.2 Estimation and results

The official registries of the municipal tax office allow tracking the outstanding debt balance for each individual firm in the sample. In particular, the impact of the various treatments is analyzed in terms of the difference between tax accruals and tax payments (tax balance) evaluated at 15-day intervals starting from May 15th until January 15th, 2012). This allows having 16 observations for each firm.

Table 1 shows that just before the beginning of the experiment, on May 15, or May 30 2011, the 4,602 firms for which we have appropriate data (tax debt and projected income for 2011) owed the municipality approximately 0.11% of their projected annual sales.

This number rose on average to a bit over 3% of sales by July 30 and August 15⁶ and then dropped again to under 0.5% of sales by the end of August. For firms below the median level of sales (4,700 US\$), both the level of debt and the mid-year increase are relatively larger than for larger firms. Notice that along with the seasonal shifts in the mean level of debt, there are concurrent changes in the standard deviation.

Table 1. Descriptive Statistics

	All			Balance<4700			Balance>4700		
	Obs.	Mean	Standard desviation	Obs.	Mean	Standard desviation	Obs.	Mean	Standard desviation
All	77920	0,66%	7,43%	40041	0,89%	10,12%	37879	0,41%	2,23%
15th May 2011	4602	0,11%	1,32%	2364	0,17%	1,63%	2238	0,06%	0,87%
30th May 2011	4600	0,12%	5,01%	2362	0,22%	6,88%	2238	0,02%	1,34%
15th June 2011	4598	0,09%	5,02%	2362	0,17%	6,88%	2236	0,00%	1,33%
30th June 2011	4594	0,72%	6,62%	2361	1,02%	9,09%	2233	0,41%	1,59%
15th July 2011	4592	0,62%	6,41%	2361	0,86%	8,80%	2231	0,36%	1,56%
30th July 2011	4592	3,12%	18,22%	2361	4,16%	24,89%	2231	2,01%	5,02%
15th August 2011	4592	3,09%	18,19%	2361	4,13%	24,86%	2231	1,98%	5,02%
30th August 2011	4592	0,48%	6,12%	2361	0,71%	8,40%	2231	0,24%	1,58%
15th Sept. 2011	4592	0,36%	3,63%	2361	0,51%	4,82%	2231	0,21%	1,57%
30th Sept. 2011	4592	0,92%	7,14%	2361	1,26%	9,73%	2231	0,57%	2,08%
15th Oct. 2011	4602	0,61%	3,46%	2364	0,83%	4,82%	2238	0,38%	0,18%
30th Oct. 2011	4563	0,13%	1,04%	2344	0,15%	0,80%	2219	0,11%	1,24%
15th Nov. 2011	4562	0,14%	1,05%	2344	0,16%	0,84%	2218	0,11%	1,24%
30th Nov. 2011	4562	0,14%	1,06%	2344	0,16%	0,85%	2218	0,11%	1,24%
15th Dec. 2011	4562	0,14%	1,06%	2344	0,16%	0,85%	2218	0,11%	1,24%
30th Dec. 2011	4562	0,19%	1,32%	2343	0,24%	1,39%	2219	0,13%	1,25%
15th Jan. 2012	4561	0,19%	1,33%	2343	0,24%	1,39%	2218	0,13%	1,25%

Source: Municipality of Sucre, Caracas, Tax Authority

The letters were distributed between June 7th and June 25th so the way to estimate the casual effect of the various interventions is a simple diff in diff regression where we compare the tax balance of each firm before and after the reception of the letters. More formally, we estimate the following equation:

$$tax_bal_{it} = \alpha + \sum \beta_{it} TREAT_i * \gamma_t + \delta_i + \gamma_t + \varepsilon_{it}$$

Where tax_bal_{it} is firm i 's tax balance as a proportion of firm sales at time t , $TREAT_i$ is an indicator of the treatment group firm i was randomly assigned to, and where the β_{it} 's are the coefficients of interest. For each t (a 15-day cut in every firms' debt) these

⁶ July 30 marks the date when the second quarters' obligations come due, which explains the seasonal spike.

coefficients will quantify the difference between each treatment arm and the control group.

We will perform two set of estimations. First we will report the Intent-to-Treat effect using the sample of 4500 firms for which we have complete income data and were selected to receive letters independently of whether they actually get the written communication. Random assignment guarantees that the Intent-to-Treat (ITT) coefficients reported below are unbiased.

A second estimation will report the effect of the treatment-on-the-treated (TOT). Here we will recognize that only 3180 firms actually received the letters and we will use instrument variable methods. We run a first stage regression that will estimate the probability of receiving the letter given that the firm was selected for treatment. The second stage regression will use this prediction as instrument for estimating the impact of the treatment.

Though our methodological approach is not novel we must emphasize that we are one of the first studies to provide experimental evidence about the determinants of tax compliance for the case of a developing country. Moreover, within the experimental literature there are few studies that analyze the case of business taxes. This prompted us to introduce the two types of reciprocity letters, one with information about public goods that are relevant for firm operation (i.e. garbage collection, policing) and the other with more social inclusion services. Finally, the introduction of a placebo letter tests whether the actual text of the letter matters, above and beyond the mere reception of a written communication from the tax authority. People may start paying more taxes just because they realize they have been precisely located by the tax authority.

Table 2 shows the results for the enforcement letter. We present the estimation for all firms and also for two different firm sizes depending on the level of sales. We distinguish between intention-to-treat estimations (ITT) and the IV or treatment-on-the-treated effects (TOT).

Table 2. Tax enforcement

VARIABLES	Balance/Sales All firms		Balance/Sales Sales<4700\$		Balance/Sales 4.700\$ >Sales	
	ITT	TOT	ITT	TOT	ITT	TOT
	Enforcement*30th May 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.012 (0.01)	0.000 (0.00)
Enforcement*15th June 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.012 (0.01)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*30th June 2011	-0.007** (0.00)	-0.014** (0.01)	-0.014** (0.01)	-0.032** (0.02)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*15th July 2011	-0.006* (0.00)	-0.012* (0.01)	-0.012* (0.01)	-0.026* (0.01)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*30th July 2011	-0.020** (0.01)	-0.040** (0.02)	-0.039** (0.02)	-0.085** (0.04)	-0.002 (0.00)	-0.003 (0.00)
Enforcement*15th August 20'	-0.020** (0.01)	-0.040** (0.02)	-0.038** (0.02)	-0.085** (0.04)	-0.002 (0.00)	-0.003 (0.00)
Enforcement*30th August 20'	-0.005 (0.00)	-0.010 (0.01)	-0.010 (0.01)	-0.022 (0.01)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*15th Sept. 2011	-0.003 (0.00)	-0.005 (0.00)	-0.005 (0.00)	-0.011 (0.01)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*30th Sept. 2011	-0.007* (0.00)	-0.014* (0.01)	-0.014* (0.01)	-0.031* (0.02)	0.000 (0.00)	0.000 (0.00)
Enforcement*15th Oct. 2011	-0.003* (0.00)	-0.007* (0.00)	-0.006 (0.00)	-0.014* (0.01)	-0.000 (0.00)	-0.001 (0.00)
Enforcement*30th Oct. 2011	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*15th Nov. 2011	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*30th Nov. 2011	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*15th Dec. 2011	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*30th Dec. 2011	-0.001 (0.00)	-0.001 (0.00)	-0.001 (0.00)	-0.002 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Enforcement*15th Jan. 2012	-0.001 (0.00)	-0.001 (0.00)	-0.001 (0.00)	-0.002 (0.00)	-0.000 (0.00)	-0.001 (0.00)
Observations	77,920	77,920	40,041	40,041	37,879	37,879
R-squared	0.300	0.300	0.296	0.296	0.446	0.446

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

For the ITT case and considering the whole sample we find that firms accelerated their tax payments after receiving the letter (from June 30th onwards) that gave them information about new measures to improve enforcement. By August 15th, the accumulated reduction in tax obligations reached the equivalent of 2% of total sales. Nevertheless, it is clear that the overall effect comes mainly from the impact on small firms (less than 4,700 US\$ in sales). For these firms the accumulated effect by August

15th reaches 3.9% of their sales, which is almost equivalent to the average level of debt for small firms on those dates (approximately 4.2%). The IV (ITT) estimations show the same pattern, and as expected the point estimates are more than double the ITT. This essentially means that treated firms on average pay their obligations after receiving the letter and before they become delinquent.

The effect is concentrated in small firms. One interpretation of this result is that these firms were the ones evading the most given their lower exposition to tax controls due to their size (“high opportunity firms”). The estimated impact of the enforcement letter nevertheless seems to be transitory. By August 30th (two months after the reception of the announcement) the effect dies out.

Table 3 and 4 show the estimated effects of the reciprocity letters. Table 3 shows the results for the letter related to general public services and economic infrastructure (Reciprocity 1) while Table 4 describes those on the letter that highlights social programs (Reciprocity 2). The results for Reciprocity 1 are similar to those of the enforcement letter though the magnitudes of the effects are slightly lower and the coefficients are estimated less precisely (10% significance level). An noteworthy difference with respect to the enforcement case is that the effects take a bit longer to die out.

Table 3. Reciprocity 1: public goods

VARIABLES	Balance/Sales All firms		Balance/Sales Sales<4.700\$		Balance/Sales 4.700\$<Sales	
	ITT	TOT	ITT	TOT	ITT	TOT
Reciprocity 1*30th May 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.011 (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 1*15th June 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.011 (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 1*30th June 2011	-0.008** (0.00)	-0.015** (0.01)	-0.015** (0.01)	-0.029** (0.01)	-0.000 (0.00)	-0.001 (0.00)
Reciprocity 1*15th July 2011	-0.007* (0.00)	-0.013** (0.01)	-0.013* (0.01)	-0.026* (0.01)	-0.000 (0.00)	-0.001 (0.00)
Reciprocity 1*30th July 2011	-0.018* (0.01)	-0.035** (0.02)	-0.034* (0.02)	-0.067* (0.04)	-0.004** (0.00)	-0.007** (0.00)
Reciprocity 1*15th August 2011	-0.018* (0.01)	-0.035** (0.02)	-0.033* (0.02)	-0.067* (0.04)	-0.004** (0.00)	-0.007** (0.00)
Reciprocity 1*30th August 2011	-0.006* (0.00)	-0.011* (0.01)	-0.012* (0.01)	-0.024* (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 1*15th Sept. 2011	-0.003* (0.00)	-0.006* (0.00)	-0.006* (0.00)	-0.013* (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 1*30th Sept. 2011	-0.008** (0.00)	-0.015** (0.01)	-0.015** (0.01)	-0.031** (0.01)	-0.000 (0.00)	-0.001 (0.00)
Reciprocity 1*15th Oct. 2011	-0.003* (0.00)	-0.006* (0.00)	-0.006* (0.00)	-0.013* (0.01)	-0.000 (0.00)	-0.000 (0.00)
Reciprocity 1*30th Oct. 2011	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.002 (0.00)	-0.001 (0.00)	-0.001 (0.00)
Reciprocity 1*15th Nov. 2011	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.002 (0.00)	-0.001 (0.00)	-0.001 (0.00)
Reciprocity 1*30th Nov. 2011	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.002 (0.00)	-0.001 (0.00)	-0.001 (0.00)
Reciprocity 1*15th Dec. 2011	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.002 (0.00)	-0.001 (0.00)	-0.001 (0.00)
Reciprocity 1*30th Dec. 2011	-0.000 (0.00)	-0.001 (0.00)	0.000 (0.00)	-0.000 (0.00)	-0.001 (0.00)	-0.001 (0.00)
Reciprocity 1*15th Jan. 2012	-0.000 (0.00)	-0.001 (0.00)	0.000 (0.00)	-0.000 (0.00)	-0.001 (0.00)	-0.001 (0.00)
Observations	77,920	77,920	40,041	40,041	37,879	37,879
R-squared	0.300	0.300	0.296	0.296	0.446	0.446

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

On the other hand, the results for the “social programs” reciprocity letter are much weaker: In Table 4 most of the coefficients are very small and not significant.

Table 4. Reciprocity 2: social transfers

VARIABLES	Balance/Sales All firms		Balance/Sales Sales<4.700\$		Balance/Sales 4.700\$<Sales	
	ITT	TOT	ITT	TOT	ITT	TOT
Reciprocity 2*30th May 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.012 (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*15th June 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.011 (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*30th June 2011	-0.005 (0.00)	-0.011 (0.01)	-0.011 (0.01)	-0.025 (0.02)	0.001 (0.00)	0.002 (0.00)
Reciprocity 2*15th July 2011	-0.004 (0.00)	-0.009 (0.01)	-0.009 (0.01)	-0.020 (0.02)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*30th July 2011	-0.012 (0.01)	-0.025 (0.02)	-0.028 (0.02)	-0.063 (0.04)	0.005 (0.01)	0.009 (0.01)
Reciprocity 2*15th August 2011	-0.012 (0.01)	-0.025 (0.02)	-0.028 (0.02)	-0.063 (0.04)	0.005 (0.01)	0.009 (0.01)
Reciprocity 2*30th August 2011	-0.004 (0.00)	-0.009 (0.01)	-0.009 (0.01)	-0.020 (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*15th Sept. 2011	-0.002 (0.00)	-0.004 (0.00)	-0.004 (0.00)	-0.009 (0.01)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*30th Sept. 2011	-0.005 (0.00)	-0.011 (0.01)	-0.011 (0.01)	-0.026 (0.02)	0.001 (0.00)	0.002 (0.00)
Reciprocity 2*15th Oct. 2011	-0.002 (0.00)	-0.003 (0.00)	-0.003 (0.00)	-0.007 (0.01)	-0.000 (0.00)	-0.000 (0.00)
Reciprocity 2*30th Oct. 2011	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*15th Nov. 2011	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*30th Nov. 2011	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*15th Dec. 2011	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.001 (0.00)	0.000 (0.00)	0.000 (0.00)
Reciprocity 2*30th Dec. 2011	-0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	-0.001 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Reciprocity 2*15th Jan. 2012	-0.000 (0.00)	-0.001 (0.00)	-0.000 (0.00)	-0.001 (0.00)	-0.000 (0.00)	-0.000 (0.00)
Observations	77,920	77,920	40,041	40,041	37,879	37,879
R-squared	0.300	0.300	0.296	0.296	0.446	0.446

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Tables 5 and 6 present the estimations results for the tax moral letter (simply saying that paying taxes is a citizen obligation) and the placebo, respectively. In comparison with the Enforcement and Reciprocity 1 treatments, the results are weaker though some statistically significant effects are still identified for small firms.

Table 5. Tax morale

VARIABLES	Balance/Sales All firms		Balance/Sales Sales<4.700\$		Balance/Sales 4.700\$<Sales	
	ITT	TOT	ITT	TOT	ITT	TOT
	Tax morale*30th May 2011	-0.002 (0.00)	-0.003 (0.01)	-0.005 (0.01)	-0.010 (0.01)	0.002 (0.00)
Tax morale*15th June 2011	-0.002 (0.00)	-0.003 (0.01)	-0.005 (0.01)	-0.011 (0.01)	0.002 (0.00)	0.003 (0.00)
Tax morale*30th June 2011	-0.006* (0.00)	-0.012* (0.01)	-0.014* (0.01)	-0.027* (0.01)	0.001 (0.00)	0.002 (0.00)
Tax morale*15th July 2011	-0.006* (0.00)	-0.012* (0.01)	-0.014* (0.01)	-0.027* (0.01)	0.001 (0.00)	0.002 (0.00)
Tax morale*30th July 2011	-0.012 (0.01)	-0.022 (0.02)	-0.022 (0.03)	-0.043 (0.05)	-0.001 (0.00)	-0.002 (0.01)
Tax morale*15th August 2011	-0.012 (0.01)	-0.022 (0.02)	-0.022 (0.03)	-0.043 (0.05)	-0.001 (0.00)	-0.002 (0.01)
Tax morale*30th August 2011	-0.005 (0.00)	-0.008 (0.01)	-0.011 (0.01)	-0.022 (0.01)	0.002 (0.00)	0.003 (0.00)
Tax morale*15th Sept. 2011	-0.002 (0.00)	-0.004 (0.00)	-0.006 (0.00)	-0.012 (0.01)	0.002 (0.00)	0.004 (0.00)
Tax morale*30th Sept. 2011	-0.006 (0.00)	-0.012 (0.01)	-0.014* (0.01)	-0.028* (0.02)	0.002 (0.00)	0.003 (0.00)
Tax morale*15th Oct. 2011	-0.004* (0.00)	-0.007* (0.00)	-0.007* (0.00)	-0.014* (0.01)	-0.000 (0.00)	-0.001 (0.00)
Tax morale*30th Oct. 2011	0.001 (0.00)	0.001 (0.00)	-0.001 (0.00)	-0.002 (0.00)	0.002 (0.00)	0.004 (0.00)
Tax morale*15th Nov. 2011	0.001 (0.00)	0.001 (0.00)	-0.001 (0.00)	-0.001 (0.00)	0.002 (0.00)	0.004 (0.00)
Tax morale*30th Nov. 2011	0.001 (0.00)	0.001 (0.00)	-0.001 (0.00)	-0.001 (0.00)	0.002 (0.00)	0.004 (0.00)
Tax morale*15th Dec. 2011	0.001 (0.00)	0.001 (0.00)	-0.001 (0.00)	-0.001 (0.00)	0.002 (0.00)	0.004 (0.00)
Tax morale*30th Dec. 2011	0.000 (0.00)	0.000 (0.00)	-0.002 (0.00)	-0.003 (0.00)	0.002 (0.00)	0.004 (0.00)
Tax morale*15th Jan. 2012	0.000 (0.00)	0.000 (0.00)	-0.002 (0.00)	-0.003 (0.00)	0.002 (0.00)	0.004 (0.00)
Observations	77,920	77,920	40,041	40,041	37,879	37,879
R-squared	0.300	0.300	0.296	0.296	0.446	0.446

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Table 6. Placebo

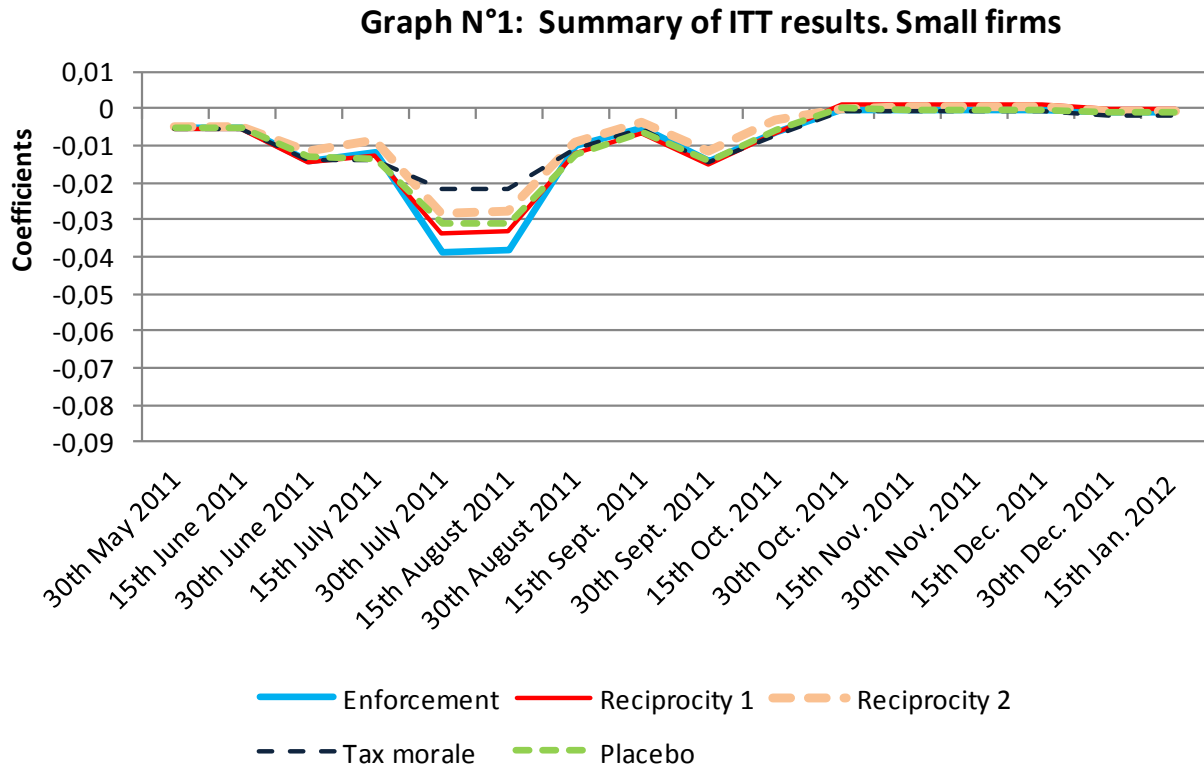
VARIABLES	Balance/Sales All firms		Balance/Sales Sales<4.700\$		Balance/Sales 4.700\$<Sales	
	ITT	TOT				
Placebo*30th May 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.011 (0.01)	-0.000 (0.00)	-0.001 (0.00)
Placebo*15th June 2011	-0.003 (0.00)	-0.005 (0.01)	-0.005 (0.01)	-0.011 (0.01)	-0.000 (0.00)	-0.001 (0.00)
Placebo*30th June 2011	-0.007* (0.00)	-0.014* (0.01)	-0.013* (0.01)	-0.027* (0.01)	-0.001* (0.00)	-0.001* (0.00)
Placebo*15th July 2011	-0.007* (0.00)	-0.014** (0.01)	-0.013* (0.01)	-0.028* (0.01)	-0.001 (0.00)	-0.001 (0.00)
Placebo*30th July 2011	-0.016* (0.01)	-0.032* (0.02)	-0.031* (0.02)	-0.065* (0.04)	-0.002 (0.00)	-0.003 (0.00)
Placebo*15th August 2011	-0.016* (0.01)	-0.032* (0.02)	-0.031* (0.02)	-0.065* (0.04)	-0.002 (0.00)	-0.003 (0.00)
Placebo*30th August 2011	-0.007* (0.00)	-0.013* (0.01)	-0.012* (0.01)	-0.026* (0.01)	-0.001* (0.00)	-0.001 (0.00)
Placebo*15th Sept. 2011	-0.004* (0.00)	-0.007* (0.00)	-0.006 (0.00)	-0.013 (0.01)	-0.001* (0.00)	-0.002* (0.00)
Placebo*30th Sept. 2011	-0.008* (0.00)	-0.015* (0.01)	-0.014* (0.01)	-0.030* (0.02)	-0.001* (0.00)	-0.002 (0.00)
Placebo*15th Oct. 2011	-0.003 (0.00)	-0.005 (0.00)	-0.006 (0.00)	-0.012 (0.01)	0.000 (0.00)	0.001 (0.00)
Placebo*30th Oct. 2011	-0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Placebo*15th Nov. 2011	-0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Placebo*30th Nov. 2011	-0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Placebo*15th Dec. 2011	-0.000 (0.00)	0.000 (0.00)	-0.000 (0.00)	-0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Placebo*30th Dec. 2011	-0.000 (0.00)	-0.001 (0.00)	-0.001 (0.00)	-0.002 (0.00)	0.000 (0.00)	0.000 (0.00)
Placebo*15th Jan. 2012	-0.000 (0.00)	-0.001 (0.00)	-0.001 (0.00)	-0.002 (0.00)	0.000 (0.00)	0.000 (0.00)
Observations	77,920	77,920	40,041	40,041	37,879	37,879
R-squared	0.300	0.300	0.296	0.296	0.446	0.446

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

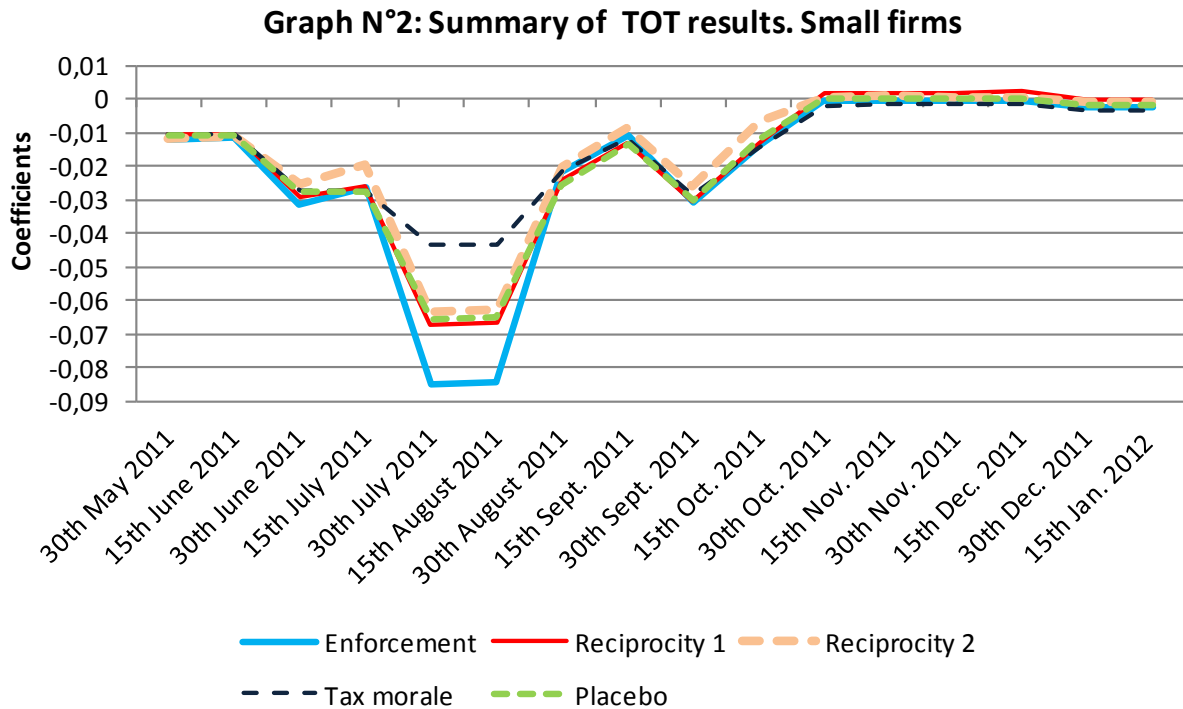
Graphs 1 and 2 below summarize the main results we obtain for the sample of small firms. A first look might suggest that enforcement (or the deterrence hypothesis) is a key force behind tax compliance, while reciprocity, especially regarding public goods, comes

in second place. However, this conclusion is not totally borne out by the analysis; a test of differences between the estimated coefficients does not allow us to reject the null hypothesis of all coefficients being equal to each other, including the tax morale letter and the “social policy” reciprocity letter (see results in Table A.2 in the appendix), which have the smallest (absolute value) point estimates.



Thus, overall the results suggest that what matters for tax compliance is the fact that the tax agency has established direct contact with tax payers, coming to their establishment and delivering a letter signed and stamped by the local tax authority. This is likely to be more salient for firms that rarely have an exchange with the agency. The reception of a letter (whether that of enforcement, reciprocity with public goods or placebo) which is addressed to the owner of the small business might have created a feeling that he or she has been spotted by the tax agency and will thus be monitored more closely, which increases the perceived probability of being caught cheating and penalized. Our view is that the main mechanism at work is that of tax enforcement and deterrence, although the content of the letters seems to have some relevance, which we cannot statistically

distinguish from zero, but which could potentially be important: the point estimate for the tax morale letter is half the size of the enforcement letter.



4. Qualitative analysis

In order to better understand firm owners' (and managers') reactions to these different letters and their interpretation of the differences in content, we are currently conducting interviews with 30 potential letter recipients.

[To be completed]

5. Concluding remarks

We provide experimental evidence regarding two alternative forces explaining tax compliance: enforcement and moral suasion. The first type of determinant is related with the perception of tax payers about being audited and having to pay fines or other types of punishments in case they are caught cheating. The second factor is associated with

appealing to citizen's responsibility and awareness that taxes play a key role in financing public goods and other services. Our field experiment for the case of a local business tax in the municipality of Sucre in Caracas, Venezuela, suggests that for the group of firms that we would expect to have greater evasion opportunities (small firms), being treated with an enforcement letter significantly increases their compliance, although this effect gradually wears out over time. In addition, letters with moral suasion messages of different sorts also appear to have some impact in the same direction as the enforcement letter, albeit smaller in magnitude. The fact that we can't statistically distinguish the enforcement letter's coefficient from the other letters suggests that simply being contacted via written communication may have made a significant impression on small firms, used to generally going unnoticed by the authorities, and prompted them to make good on their tax obligations before the official due date.

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Appendix A: Treatment letters.

A.1 Enforcement

Caracas, 2 de Mayo de 2011

**SRES. CENTRO FERRETERO EL PICO C.A.
CARRETERA PETARE - SANTA LUCIA, KM. 9
SECTOR CABEZA DE TIGRE, FILAS DE MARICHE**

Estimado contribuyente,

Nos complace saludarle en nombre de nuestro alcalde Carlos Ocariz,

En el camino transitado durante estos dos años de gestión nuestros contribuyentes se han convertido en un aliado incondicional y en una pieza fundamental para elevar la calidad de vida de los vecinos. Es por ello que, con miras a seguir respondiendo a las necesidades de las comunidades, la Alcaldía de Sucre ha desarrollado una nueva estrategia para fortalecer esta alianza y estrechar aún más la relación con nuestros contribuyentes, mejorando los sistemas de fiscalización y recaudación tributaria en todo el Municipio.

El objetivo principal de este Plan Estratégico es acercar el proceso de recaudación a nuestros contribuyentes y hacerlo cada vez más cómodo, efectivo y transparente, lo que se traduce en un sistema adecuado de control y seguimiento de todas las áreas, acceso a información completa y oportuna sobre los contribuyentes y los procesos, además de un buen clima organizacional, que redundará también en una mejor relación con el contribuyente.

El éxito del Plan se apoya en la modernización de la Dirección de Rentas Municipales, con la incorporación de nuevos fiscales a través de concurso público, un sistema de control sobre sus labores totalmente renovado. Además, se implementará un novedoso sistema de información que facilitará la identificación de los contribuyentes y permitirá el seguimiento de sus estados de cuenta con la Alcaldía. Por otra parte, lograremos una movilización más efectiva de nuestros fiscales y proveedores a través de la renovación de nuestra flota de vehículos y motos.

En definitiva, se trata de brindar una atención personalizada y de primer mundo a cada uno de nuestros contribuyentes, es lo que hemos venido haciendo, por ello trasladamos la sede de la Dirección de Rentas Municipales al Centro Cívico Plaza Miranda (al lado del Centro Comercial Millenium) con el fin de ofrecer un espacio más cómodo para que los contribuyentes puedan realizar sus pagos, consultas o reclamos de la manera más rápida y efectiva posible.

Agradecidos por su atención y esperando que este año sea exitoso para su empresa, nos permitimos recordarle que puede hacer su pago con efectivo, cheque del mismo banco o cheque de gerencia a nombre de Alcaldía del Municipio Sucre (solo en instituciones bancarias), o en nuestras oficinas con tarjeta de crédito y débito de cualquier banco. Estamos a su entera disposición a través de los servicios de atención al ciudadano (0800-MISUCRE/08006478273) y a través de nuestra página web: www.alcaldiamunicipiosucre.gov.ve

Confiados en que seguiremos siendo aliados por el progreso y la seguridad ciudadana de nuestro Municipio,
Cordialmente,
Dra. María Lapi
Directora de Rentas Municipales
Alcaldía del Municipio Sucre del Estado Miranda

A.2 Reciprocity 1

Sres. CENTRO FERRETERO EL PICO C.A.

CARRETERA PETARE - SANTA LUCIA, KM. 9

SECTOR CABEZA DE TIGRE, FILAS DE MARICHE

Ciudad.-

Estimado contribuyente,

Nos complace saludarle en nombre de nuestro alcalde Carlos Ocariz,

En el camino transitado durante estos dos años de gestión nuestros contribuyentes se han convertido en un aliado incondicional y en una pieza fundamental para elevar la calidad de vida de los vecinos. Con su apoyo, hemos logrado avances importantes en materia de seguridad, limpieza, movilidad, obras y recuperación de espacios públicos.

Nuestro objetivo ha sido siempre contribuir en mejorar la convivencia y lograr un clima favorable para el desarrollo de la actividad económica del Municipio Sucre. Por ello, a través de nuestro Plan Integral de Seguridad Ciudadana, hemos logrado reducir los índices de homicidios en casi 30%; mientras en el resto del esta cifra sube, en nuestro Municipio baja.

Esta efectiva política de seguridad ha sido exitosa gracias al trabajo mancomunado con la empresa privada, su aporte nos ha permitido llevar a cabo acciones concretas en nuestra lucha contra la inseguridad. Juntos hemos logrado superar los obstáculos y hoy contamos con la policía mejor pagada y mejor dotada del país, aumentamos el número de funcionarios a más de 1.200; formamos 33 nuevos policías de circulación, elevando a 180 el número de oficiales; renovamos nuestras unidades con 128 motocicletas y 123 patrullas. Asimismo, creamos el programa Policías de Contacto en las urbanizaciones La Carlota, Campo Claro, Santa Cecilia, Los Ruices y el barrio José Félix Ribas. Habilitamos el Centro de Atención Telefónica y somos la única policía de Venezuela con un moderno sistema de monitoreo satelital.

Para nosotros la inseguridad no solo se combate con más y mejores policías, la creación de espacios para el ciudadano y el incentivo de la cultura, la educación y el deporte, son también elementos fundamentales en nuestro Plan Integral, por ello implementamos medidas como la construcción de 20 autopistas populares, recuperación de canchas y espacios deportivos, la rehabilitación de zonas urbanas, el alumbrado público, la transformación de La Redoma de Petare, la organización de los mercados populares, el control del comercio informal, la rehabilitación de las escuelas municipales, el aumento de la flota de camiones de basura, la instalación de más de 2500 papeleras en todo el Municipio, y la puesta en marcha de programas de educación vial creativos como Para, Mira y Cruza. Todo esto ha sido posible gracias al apoyo de nuestros contribuyentes. Es mucho lo que hemos logrado, pero no estamos conformes, sabemos que todavía falta camino por recorrer.

Agradecidos por su atención y esperando que este año sea exitoso para su empresa, nos permitimos recordarle que el pago puntual de su compromiso tributario, es clave para nuestra gestión. Puede hacer su pago con efectivo, cheque del mismo banco o cheque de gerencia a nombre de Alcaldía del Municipio Sucre (solo en instituciones bancarias), o en nuestras oficinas con tarjeta de crédito y débito de cualquier banco. Estamos a su entera disposición a través de los servicios de atención al ciudadano (0800-MISUCRE/08006478273) y a través de nuestra página web: www.alcaldiamunicipiosucre.gov.ve

Confiados en que seguiremos siendo aliados por el progreso y la seguridad ciudadana de nuestro Municipio,

Se despide cordialmente,

Dra. María Lapi

Directora de Rentas Municipales

Alcaldía del municipio Sucre del Estado Miranda

A.3 Reciprocity 2

Sres. CENTRO FERRETERO EL PICO C.A.

Estimado contribuyente,

Nos complace saludarle en nombre de nuestro alcalde Carlos Ocariz,

En el camino transitado durante estos dos años de gestión nuestros contribuyentes se han convertido en un aliado incondicional y en una pieza fundamental para elevar la calidad de vida de los vecinos. Su aporte nos ha permitido atender las necesidades básicas de los más vulnerables de nuestro municipio: niños, madres, personas de la tercera edad y familias en pobreza extrema, a través del Plan Progresá.

En el municipio Sucre viven alrededor un millón de habitantes, de ellos el 60% se concentra en la parroquia de Petare, el 25% entre la Dolorita, Caucagüita y Filas de Mariche y, aproximadamente, el 12% en la parroquia Leoncio Martínez. Es por ello, que en nuestras prioridades está brindarle a la población más necesitada, con el apoyo de la empresa privada, oportunidades de educación, salud, nutrición, recreación y trabajo.

Miles de sucrenses se han visto beneficiados con los 13 programas sociales del Plan Progresá. Más de 7.000 niños reciben una transferencia mensual en efectivo si asisten al 85% de las clases, a través de **Estudia y Progresá**; diariamente 5.000 niños de preescolar y primaria reciben su merienda con el programa **Aliméntate y Progresá**. De igual manera, con **Equipate y Progresá** 16.757 niños fueron dotados con morrales y útiles escolares; además, se ha recuperado la infraestructura de las escuelas municipales y se ha hecho entrega de 1.498 nuevos pupitres. Recientemente, activamos el programa social **Supérate y Progresá** que otorgó 80 becas para que jóvenes de Petare puedan cursar sus estudios universitarios.

El trabajo mancomunado con nuestros contribuyentes también nos ha permitido crear espacios para la atención, recreación y esparcimiento de niños, jóvenes y tercera edad. Ya hemos construido 10 **Clubes de Abuelos** que han beneficiado a más de 600 personas de la llamada juventud prolongada; En nuestros 50 **Hogares para Crecer** han sido albergados 1.769 niños; 63 familias en situación de pobreza extrema han sido atendidas de forma integral a través del programa **Progreseemos**. En Sucre tenemos también un compromiso con el deporte, por ello, a través de **Juega y Progresá** ya hemos construido 105 canchas populares y 20 de usos múltiples.

La red de salud primaria muestra otro resultado positivo de la dupla entre el sector empresarial y la Alcaldía. Hemos atendido más de 1.949 consultas prenatales y ecsonogramas con **Contróláte y Progresá**; el programa **Chequéate y Progresá ha permitido** 2.710 consultas a los pacientes con hipertensión. Sin duda alguna, el logro de mayor impacto social ha sido la reestructuración del **Hospital Pérez de León**, donde incrementamos significativamente los parámetros de atención hospitalaria, aumentamos en 90% la atención de emergencias de adultos y en 250% la de emergencias pediátricas.

El Municipio Sucre se ha convertido en territorio promotor del desarrollo económico, por ello, trabajamos incansablemente porque nuestros habitantes tengan oportunidades de progresar. A través de las Ferias de Empleo creamos espacios para que los sucrenses y vecinos del área metropolitana puedan relacionarse directamente con las opciones laborales que ofrece la empresa privada; más 40.000 personas han asistido a las **Ferías de Empleo de Sucre** y 2.500 han sido ubicado en puestos de trabajo gracias a ello. De igual forma, hemos brindado capacitación a más de 1.200 comerciantes y promotores de **Mercados Populares** a través de 16 talleres de formación.

Es mucho lo que hemos logrado y estamos seguros que juntos conquistaremos mayores logros en pro del crecimiento de nuestro Municipio.

Agradecidos por su atención y esperando que este año sea exitoso para su empresa, nos permitimos recordarle que el pago puntual de su compromiso tributario, es clave para nuestra gestión. Puede hacer su pago con efectivo, cheque del mismo banco o cheque de gerencia a nombre de Alcaldía del Municipio Sucre (solo en instituciones bancarias), o en nuestras oficinas con tarjeta de crédito y débito de cualquier banco. Estamos a su entera disposición a través de los servicios de atención al ciudadano (0800-MISUCRE/08006478273) y a través de nuestra página web: www.alcaldiamunicipiosucre.gov.ve

Confiados en que seguiremos siendo aliados por el progreso y la seguridad ciudadana de nuestro Municipio, Se despide cordialmente,

Dra. María Lapi, Directora de Rentas Municipales, Alcaldía del municipio Sucre del Estado Miranda

A.4 Tax Morale

Sres.

CENTRO FERRETERO EL PICO C.A.

CARRETERA PETARE – SANTA LUCIA, KM. 9

SECTOR CABEZA DE TIGRE, FILAS DE MARICHE

Ciudad.-

Estimado contribuyente,

Nos complace saludarle en nombre de nuestro alcalde Carlos Ocariz,

En el camino transitado durante estos dos años de gestión nuestros contribuyentes se han convertido en un aliado incondicional y en una pieza fundamental para elevar la calidad de vida de los vecinos. En nuestro municipio, gracias al compromiso de la comunidad de empresarios de Sucre, logramos un incremento en la recaudación de 59% entre el año 2008 y 2009, y de 22% entre el 2009 y 2010.

Hoy en día, más del 60% de los ingresos tributarios provienen del pago de los impuestos sobre actividades económicas, de industria, comercio, servicios o de índole similar. Aplaudimos y nos llena de satisfacción el espíritu de responsabilidad y compromiso que han demostrado nuestros contribuyentes con los principios de moralidad ciudadana, pues nos ha permitido diseñar e implementar planes y programas para el progreso y crecimiento del Municipio Sucre, respondiendo así a las demandas de las comunidades.

Estamos seguros que vamos a seguir creciendo y que esta alianza cada día se va a fortalecer más. Con su apoyo, año tras año seguiremos siendo más exitosos en la recaudación de nuestros impuestos tributarios. Es mucho lo que hemos logrado, pero no estamos conformes, sabemos que todavía falta camino por recorrer, juntos haremos del Municipio Sucre una referencia nacional de recaudación e inversión eficiente de recursos.

Agradecidos por su atención y esperando que este año sea exitoso para su empresa, nos permitimos recordarle que el pago puntual de su compromiso tributario, es clave para nuestra gestión. Puede hacer su pago con efectivo, cheque del mismo banco o cheque de gerencia a nombre de Alcaldía del Municipio Sucre (solo en instituciones bancarias), o en nuestras oficinas con tarjeta de crédito y débito de cualquier banco. Estamos a su entera disposición a través de los servicios de atención al ciudadano (0800-MISUCRE/08006478273) y a través de nuestra página web: www.alcaldiamunicipiosucre.gov.ve

Confiados en que seguiremos siendo aliados por el progreso y la seguridad ciudadana de nuestro Municipio,

Se despide cordialmente,

Dra. María Lapi

Directora de Rentas Municipales

Alcaldía del municipio Sucre del Estado Miranda

A.5 Placebo

Caracas, 2 de Mayo de 2011

Sres.

CENTRO FERRETERO EL PICO C.A.

CARRETERA PETARE – SANTA LUCIA, KM. 9

SECTOR CABEZA DE TIGRE, FILAS DE MARICHE

Ciudad.-

Estimado contribuyente,

Nos complace saludarle en nombre de nuestro alcalde Carlos Ocariz,

La presente es para comunicarle que podrá ubicar la nueva oficina de la Dirección de Rentas Municipales, en la siguiente dirección:

- Av. Francisco de Miranda. Centro Cívico Plaza Miranda, Nivel Planta Baja, al lado de la entrada al estacionamiento de Centro Comercial Millenium Mall y Frente al Museo de Transporte. Telf.: (212) 808-6906

La anterior oficina ubicada en el Edif. Centro Prestigio Giorgio, Piso 1, Boleíta Sur, no continuara prestando servicios a los contribuyentes.

Agradecidos por su atención y esperando que este año sea exitoso para su empresa, nos permitimos recordarle que el pago puntual de su compromiso tributario, es clave para nuestra gestión. Puede hacer su pago con efectivo, cheque del mismo banco o cheque de gerencia a nombre de Alcaldía del Municipio Sucre (solo en instituciones bancarias), o en nuestras oficinas con tarjeta de crédito y débito de cualquier banco. Estamos a su entera disposición a través de los servicios de atención al ciudadano (0800-MISUCRE/08006478273) y a través de nuestra página web: www.alcaldiamunicipiosucre.gov.ve

Se despide cordialmente,

Dra. María Lapi

Directora de Rentas Municipales

Alcaldía del municipio Sucre del Estado Miranda