

Abstract

Tax compliance has been studied in economics by analysing the individual decision of a representative person between paying and evading taxes. A neglected aspect of tax compliance is the interaction of taxpayers and tax authorities. The relationship between the two actors can be understood as an implicit or 'psychological' contract. Studies on tax evasion in Switzerland show that the more strongly the political participation rights are developed, the more important the contract is, and the higher tax morale is. In this paper, empirical evidence based on a survey of tax authorities of the twenty-six Swiss states (cantons) is presented, indicating that the differences in the treatment of taxpayers by tax authorities can be explained by differences in political participation rights as well.