

Abstract

This study aimed to uncover the factors that influence Value Added Tax (VAT) compliance. Small businesses from the catering and flooring/furnishing trades in the United Kingdom were sent a questionnaire designed to elicit their views on VAT and related issues. Responses were obtained from 359 businesses. Results showed that VAT compliance in small businesses shares a number of similarities with private income tax compliance: Social norms, equity, economic factors and personality are all important in predicting compliance.