

Independent Study Title: Entrepreneurs Attitude to Value added Tax
in Amphoe Muang Chiang Mai, Changwat
Chiang Mai

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Abstract

The study of "Entrepreneurs Attitude to Value added Tax in Amphoe Muang Chiang Mai, Changwat Chiang Mai" had the following objectives:

1. To study the attitude of entrepreneurs about the Value added Tax;
2. To study the knowledge and understanding of entrepreneurs about the Value added Tax;
3. To study the problems about the Value added Tax

Data was collected from juristic companies or juristic partnerships of entrepreneurs in Amphoe Muang Chiang Mai which were registered for Value added Tax Payment from output tax minus input tax. These companies were classified into three groups : exporter, wholesaler or retailer and servicer. The accidental random sampling was used to select a total sample of 100 subjects from business enterprises on various roads in Amphoe Muang Chiang Mai. All data was analyzed by a SPSS/PC⁺ micro-computer program which calculated frequency, percentage, mean, standard deviation, ANOVA and Binomial Test.

The Results of the Research

Hypothesis 1: Attitude of entrepreneurs in Amphoe Muang Chiang Mai to the Value added Tax were different depending on each business group. The findings for this hypothesis were as follows:

The attitude of entrepreneurs for each business group in Amphoe Muang Chiang Mai about the Value added Tax were not different concerning principles and benefits as well as law and regulations of Value added Tax. All of them had positive attitude toward the system as being clear of redundancy, being fair, preventing tax evasion and being efficient in collecting. In the long run it would make tax collection perfect which would help entrepreneurs acquire a systematic accountancy and record filing. And the Value added Tax would suitably replace the Business Tax. However, they had a negative attitude toward the law and regulations of the Value added Tax, especially those concerning hire purchasing in which a purchaser had to fulfill the installment before the due date. In order to terminate the hire purchasing contract, the purchaser had to pay tax based on the total amount of the unpaid balance before interest discount was calculated. Also, they were not happy with VAT return by means of tax credit for the following month. Neither were they happy with a surcharge of taxes before they received the VAT return.

Hypothesis 2: Entrepreneurs in Amphoe Muang, Chiang Mai understand the Value added Tax. The findings for this hypothesis were as follows:

The entrepreneurs understood about the Value added Tax in terms of their duty as tax payers, report and document preparation, registration and submission of tax payment form as

well as tax return claim.

Hypothesis 3: The most important problem for entrepreneurs concerning the Value added Tax was one involving tax invoice. The findings for this hypothesis were as follows: *

The entrepreneurs mostly had a problem with the tax invoice. Firstly, it was the problem related to errors in filling out the invoice which resulted in cancellation of and reissuing of the tax invoices. In practice, this could cause confusion. Therefore, *mutatis mutandis* should be applied by allowing them to cross out the error and affix signature beside it. Secondly, it was the problem due to their forgetting to calculate tax on some tax invoices; sometimes the sellers refused to submit the tax invoices on which they had not yet received payment. The reason for the delay in the submission of tax invoices was difficult to prove or clarify. This also caused the tax payers to submit an additional VAT tax return form for the months they failed to do so, causing the problem of having to submit the forms many times. It would be better in such cases to allow the tax payers to calculate the tax together with that of the month when the incident was discovered.