

## Tax Morale Dimensions Analysis in Portugal and Spain

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**Abstract :** The reasons that explain different behaviors towards tax obligations in similar countries are not completely understood yet. The main purpose of this paper is to identify and compare the factors that influence tax morale levels in Portugal and Spain. We use data from European Values Study (EVS). Using a sample of 2,652 individuals, a factor analysis was used to extract the underlying dimensions of tax morale of Portuguese and Spanish taxpayers. Based on a factor analysis, the results of this paper show that sociological and behavioral factors, psychological factors and political factors are important for a good understanding of taxpayers' behavior in Iberian Peninsula. This paper added value relies on the analyses of a wide range of variables and on the comparison between Portugal and Spain. Our conclusions provided insights that tax authorities and politicians can use to better focus their strategies and actions in order to increase compliance, reduce tax evasion, fight underground economy and increase country's competitiveness.

**Keywords :** compliance, tax morale, Portugal, Spain

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