THE IMPACT OF INDIVIDUAL ECONOMIC AND SOCIAL CHARACTERISTICS ON THE RELATIONSHIP BETWEEN THE AWARENESS OF TAXATION AND TAX COMPLIANCE IN HAMBANTOTA DISTRICT

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ABSTRACT

This study is aimed to find out the impact of individual economic and social characteristics on the relationship between the awareness of taxation and tax compliance in Hambantota district. The study is conducted in Hambantota District and to evaluate impact of individual economic and social characteristics and to establish relationship between the awareness of taxation and tax compliance. This research is the survey involving income taxpayers in Hambantota District.

Random sample method is used in this research based on the availability of respondents, studying only on the impact of individual economic and social characteristics on the relationship between the awareness of taxation and tax compliance in Hambantota district. A questionnaire is designed using Five-Point Likert Scales and distributed individual income taxpayers in Hambantota District in order to learn their opinions. Data are collected from one hundred and ten (110) taxpayers and analyze it using Bivariate Analysis, Correlation Analysis and moderate regression Analysis.

The results indicated that the awareness of taxation, individual economic and social characteristics and tax compliance were significant strong positive relationship between the awareness of taxation and tax compliance. Individual economic and social characteristics significantly impact on relationship between the awareness of taxation and tax compliance. Individual economic and social characteristics and tax compliance partially moderate the relationship between the awareness of taxation and tax compliance in income tax payers in Hambantota district. Based on the overall research finding, researcher recommended that significant strong positive relationship between the awareness of taxation and tax compliance. The study showed that individual economic and social characteristics such as income level, expenditure level, marital status and ethnicity do influence the relationship between the awareness of taxation and tax compliance.Therefor government especially attention to individual economic and social characteristics.

Keywords: *Inland Revenue Department, Individual Economic and Social Characteristics Tax Awareness, Tax Compliance*

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