

THE ETHICS OF TAX EVASION: AN ANALYSIS OF CERTIFIED PUBLIC ACCOUNTANTS BY VARIOUS CHARACTERISTICS

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ABSTRACT

This study examined Certified Public Accountants (CPAs) by measuring personal views on the ethics of tax evasion. Study participants provided demographic information and responded to 15 statements related to tax evasion. Likert scale measurements were employed to determine the strength of responses. Responses were then analyzed to determine what effect certain demographics (e.g., gender, age, religious involvement, marital status, years in the profession and years since certification) would have on the views of the ethics of tax evasion. The study found that statistically significant relationships were related to the variables of gender, years since certification, and level of religious involvement.

INTRODUCTION

The primary purpose of this study was to provide descriptive data about the ethics of tax evasion related directly to CPAs. Currently, the profession has limited descriptive data and has attempted little formal research on CPA views about tax evasion. It is hoped that the results of this study will make a contribution to the overall understanding of tax evasion behaviors and beliefs related to accountants entrusted to certify publicly consumed financial information. Although many studies have been done on tax compliance, very few have examined noncompliance from the perspective of ethics.

LITERATURE REVIEW

Most studies on tax evasion examine the issue from the perspective of either public finance or economics. Although tax evasion has been examined from a variety of perspectives (Allingham & Sandmo 1972; Alm 1991; Bardach 1989; Beck & Jung 1989; Bergman 1998; Grasmick & Scott 1982; Horowitz & Schneider 1992; Kirchler 1999; Klepper & Nagin 1989; McBarnett 1991; Roth, Scholtz, & Witte, 1989; Schwartz & Orleans 1967; Scott & Grasmick 1981; Thurman, Quint, St. John, & Riggs, 1984), little has been done to examine how tax evasion relates to ethics. Torgler (2003) examined tax evasion from the perspective of public finance, discussing both its psychological and philosophical dimensions. Martin Crowe (1944) completed a doctoral dissertation entitled *The Moral Obligation of Paying Just Taxes*. Crowe's dissertation examined the theological and philosophical debate that had been perpetuated in the Jesuit community for over 500 years.

Morales (1998) examined the economic and sociological views of Mexican, street vendors, finding that their loyalty to their families exceeded their loyalty to the government. McGraw and Scholz (1991) examined tax compliance by focusing on an individual's self-interest. Armstrong and Robison (1998) discussed tax evasion and tax avoidance from the view of an accounting practitioner, employing Rawls' decision framework to analyze practitioner views. Oliva (1998) examined evasion views of a tax practitioner focusing on the ethical and legal contradictions. Welch, Xu, Bjarnason, Petee, and O'Donnell (2005) indicated that individuals who reported that they had cheated on their taxes also reported a greater willingness to cheat in the future. The same holds true for those respondents who perceive that many members of their community commit tax evasion. However, individuals who believe that tax evasion is morally wrong report that they are less inclined to cheat, as are those who fear the social disapproval that cheating might provoke. Additionally, perceptions that tax evasion is widespread within the community tend to mitigate individuals' judgments about the moral wrongfulness of tax evasion and reduce the potential threat that informal sanctions against tax evasion normally evoke.

Several studies have been conducted to examine tax evasion behavior in different countries. The focus of these studies was most often on government corruption and a widespread belief that there is no moral obligation to pay. Ballas and Tsoukas (1998) focused on Greece, Smatrakalev (1998) examined Bulgaria, and Vaguine (1998) and Preobragenskaya and McGee (2004) examined Russia. McGee (1999) concluded that there were two main reasons for evasion: (a) a lack of a strong collection procedure and (b) a widespread opinion that the government does not deserve a portion of a worker's income. Some empirical studies and surveys have been conducted to determine the views on tax evasion in several countries. McGee (1999) conducted a survey to determine why tax evasion is so prevalent in Armenia. Country studies have also been conducted for China (McGee & An, 2006; McGee & Guo, 2006), Germany (McGee, Nickerson, & Fees, 2006), Guatemala (McGee & Lingle, 2005), Hong Kong (McGee & Ho, 2006), Macau (McGee, Noronha, & Tyler, 2006), Poland (McGee & Bernal, 2006), and Romania (McGee, 2006).

A few studies have applied utilitarian ethics and rights theory to particular taxes or particular arguments found to justify certain tax policies in the public finance literature. Tax policies examined in the literature include an examination of whether the ability to pay principle is ethically bankrupt (McGee, 1999) and the related argument of whether discriminatory tax rates are ethically justifiable (McGee, 1999). McGee (2004) also addresses these issues in a book that discusses the various philosophies of taxation. Additionally, McGee (2005) surveyed international business professors and found little support for tax evasive actions. He hypothesized that this finding was because the majority of business professors are strongly against tax evasion. However, McGee did find that women were significantly more opposed to tax evasion than were men. McGee and Lingle (2005) confirmed this finding in a survey of law students in Guatemala. Additionally, they found that business students were more opposed to tax evasion than law were students.

Yet other studies have focused on various personal characteristics (e.g., sex, age, and marital status). Gender was employed to compare ethical attitudes by Akaah (1989), Boyd (1981), and Hoffman (1998), each finding that women were more ethical than were men. Other researchers either found men to be more ethical than women (Barnett & Karson, 1987; Weeks, Moore,

McKinney, and Longenecker, 1999) or that no relationship was based on gender (Browning & Zabriski, 1983; Harris, 1990; Nyaw & Ng, 1994). Alm & Togler (2004) and McGee & Tyler (2007) used age to examine for a statistical relationship. Both studies found that older individuals possessed a stronger respect for governmental authority than younger did individuals. McGee (2007) employed marital status in his study, concluding that divorced individuals were significantly more opposed to tax evasion than were either single or married individuals.

Additional articles have been authored regarding religious perspectives. Cohn (1998) and Tamari (1998) discuss the Jewish literature and ethical belief related to tax evasion. Gronbacher (1998) examined tax evasion from a Catholic perspective. Schansberg (1998) examined the Biblical literature for guidance. Pennock (1998) discussed the “just war theory” in connection with the moral obligation to pay just taxes and to not pay unjust taxes. Smith and Kimball (1998) examined tax evasion from a Mormon view. McGee (1998, 1999) commented on Christian views and found that highly religious individuals possessed stronger moral condemnation of tax evasion than individuals with less religious beliefs did. Murtuza and Ghazanfar (1998) discussed the ethics of tax evasion from a Muslim perspective while DeMerville (1998) discussed a Baha’i perspective. The results of these studies indicate that Jews, Baha’is, and Mormons are strongly opposed to tax evasion, whereas Christians and Muslims are more flexible on the topic.

The literature indicates that the ethics of tax evasion varies dramatically from country to country and is influenced by various demographic characteristics. This study included the following characteristics (variables) included in previous research: gender, age, marital status, and religious involvement. In addition, this study includes the following CPA characteristics to gain insight into their years since certification and years in the profession.

PURPOSE, RESEARCH QUESTION AND PROCEDURES

The primary purpose of this study was to provide descriptive data about the ethics of tax evasion that might be directly related to CPAs. To accomplish the purpose the study considered the following research question:

Are there differences in certified public accountant (CPA) beliefs about the ethics of tax evasion with regard to various demographic characteristics?

This study employed a survey based upon the 15 factors developed by Crowe (1944). A total of 50 CPAs were randomly selected to participate in the study. Forty-three surveys were completed and captured electronically on SurveyMonkey.com. The resulting data was downloaded in Microsoft Excel format and uploaded to Stastical Package for the Social Sciences (SPSS) 15 (2007) for analysis; no manual conversions were involved in the capturing or recording of data. From the literature review, the following demographic data (independent variables) were included:

Gender – nominal data, binomial, male, or female

Age – nominal data, four age ranges in years (20–30, 30–40, 40–50, and 50+)

Years since certification – nominal data, binomial, < 5 years and 5 years or more

Marital status – nominal data, three categories (single, married, or other)

Years in the profession – nominal data, four categories (0–5 years, 5–10 years, 10–20 years and over 20 years),

Organized religious involvement – Likert scale interval data, ranges from *No Involvement at All* to *Highly Involved*

The *t* test was employed to test for statistical significance regarding gender, years since certification, and the revised marital status measure. The *t* test is the appropriate statistical test for a binomial independent variable and its effect upon an interval dependent variable.

Age and years in the profession were analyzed employing the analysis of variance procedure, the appropriate statistical procedure for examining a “grouping” independent variable effects upon an interval dependent variable.

The correlation coefficient and regression procedures were employed to test for a relationship between the level of organized religious involvement and statement responses. These procedures are the appropriate statistical test for examining two interval variables on “goodness of fit” and strength of relationship.

All statistical tests were conducted at the 95% confidence level and the .05 level of significance ($p < .05$).

FINDINGS

The purpose of this study was to provide descriptive data about the ethics of tax evasion related directly to CPAs. A total of 43 surveys were completed. Table I presents mean scores for all 15 tax evasion statements. It is very interesting to note that, even with a potential response range of 1–7, the responses of the CPAs only ranged from a low of 6.28 to a high of 6.91. The CPA sample appears to be more homogenous than the population at large. Other researchers (virtually all other studies) have presented findings with significantly more dispersion of respondent scores. The tightness of the responses in this sample makes the study less sensitive to independent variable effects and does indicate a weakness that should be addressed in future examinations of professional accountants.

TABLE 1. MEAN VALUE OF ALL SAMPLE RESPONDENTS

Statement: Tax evasion is ethical	Likert score
1 ...if tax rates are too high.	6.74
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	6.77
3 ...if the tax system is unfair.	6.60

Statement: Tax evasion is ethical	Likert score
4 ...if a large portion of the money collected is wasted.	6.56
5 ...even if most of the money collected is spent wisely.	6.79
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	6.44
7 ...even if a large portion of the money collected is spent on worthy projects.	6.77
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	6.70
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	6.77
10 ...if everyone is doing it.	6.86
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	6.28
12 ...if the probability of getting caught is low.	6.74
13 ...if some of the proceeds go to support a war that I consider to be unjust.	6.70
14 ... if I can't afford to pay.	6.63
15 ...even if it means that if I pay less, others will have to pay more.	6.91

GENDER

Table II presents the t statistic related to each of the 15 tax evasion statements tested by gender. The null hypothesis related to this variable is as follows:

H_0 1: There exists no statistically significant difference in the mean responses to each of the 15 tax evasion statements between male CPAs and female CPAs.

TABLE 2. MEAN VALUE OF SAMPLE RESPONDENTS BY GENDER AND RESULTING T STATISTIC

Statement: Tax evasion is ethical	Male	Female	t
1 ...if tax rates are too high.	6.58	6.88	2.243*
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	6.63	6.91	2.328*
3 ...if the tax system is unfair.	6.37	6.83	2.280*
4 ...if a large portion of the money collected is wasted.	6.43	6.84	2.401*
5 ...even if most of the money collected is spent wisely.	6.66	6.90	1.603
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	6.47	6.78	1.726
7 ...even if a large portion of the money collected is spent on worthy projects.	6.69	6.90	1.593
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	6.58	6.88	2.297*
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	6.69	6.90	1.593
10 ...if everyone is doing it.	6.78	6.90	1.119
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	6.14	6.55	1.738

Statement: Tax evasion is ethical	Male	Female	<i>t</i>
12 ...if the probability of getting caught is low.	6.69	6.90	1.717
13 ...if some of the proceeds go to support a war that I consider to be unjust.	6.59	6.90	1.895
14 ...if I can't afford to pay.	6.57	6.88	1.891
15 ...even if it means that if I pay less, others will have to pay more.	6.74	6.93	1.588

Note. * $p < .05$.

The table indicates a statistically significant difference between Male CPAs and Female CPAs with regard to their responses to Questions 1, 2, 4, and 8. The null hypothesis was rejected for each of the four questions, in each case female CPAs ranked the statement higher (i.e., less likely to accept evasive behavior) than their male colleagues. The finding that gender had an influence upon an individual's willingness to accept evasive behavior as ethical supports the work of previous research by Akaah (1989), Boyd (1981), and Hoffman (1998).

AGE

Table 3 presents the *F* statistic related to each of the 15 tax evasion statements tested by age. The null hypothesis related to this variable is as follows:

H₀ 2: There exists no statistically significant difference in the mean responses to each of the 15 tax evasion statements among the age groupings of CPAs.

TABLE 3 ñ F STATISTIC FOR CPA RESPONSES GROUPED BY AGE

Statement: Tax evasion is ethical	<i>F</i>
1 ...if tax rates are too high.	1.624
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	1.483
3 ...if the tax system is unfair.	1.462
4 ...if a large portion of the money collected is wasted.	2.184
5 ...even if most of the money collected is spent wisely.	1.096
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	1.880
7 ...even if a large portion of the money collected is spent on worthy projects.	1.345
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	1.170
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	1.345
10 ...if everyone is doing it.	1.289
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	1.513
12 ...if the probability of getting caught is low.	1.624
13 ...if some of the proceeds go to support a war that I consider to be unjust.	0.869
14 ... if I can't afford to pay.	1.950

Statement: Tax evasion is ethical	<i>F</i>
15 ...even if it means that if I pay less, others will have to pay more.	0.635

Note. * $p < .05$.

The table indicates that no statement reflected a statistically significant difference among the various age categories. The null hypothesis was not rejected.

YEARS SINCE CERTIFICATION

Table 4 presents the *t* statistic related to each of the 15 tax evasion statements tested by years since certification. The null hypothesis related to this variable is as follows:

H₀ 3: There exists no statistically significant difference in the mean responses to each of the 15 tax evasion statements between CPAs who have been certified for less than 5 years and CPAs who have been certified for 5 years or more.

TABLE 4. MEAN VALUE OF SAMPLE RESPONDENTS BY YEARS SINCE CERTIFIED

Statement: Tax evasion is ethical	< 5 Years	5 Years or More	<i>t</i>
1 ...if tax rates are too high.	6.48	7.00	2.386*
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	6.52	7.00	2.279*
3 ...if the tax system is unfair.	6.24	6.95	2.248*
4 ...if a large portion of the money collected is wasted.	6.14	6.95	2.781*
5 ...even if most of the money collected is spent wisely.	6.57	7.00	1.956
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	6.00	6.86	2.600*
7 ...even if a large portion of the money collected is spent on worthy projects.	6.52	7.00	2.169*
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	6.48	6.91	1.892
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	6.52	7.00	2.169*
10 ...if everyone is doing it.	6.81	6.91	0.929
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	5.90	6.64	2.036*
12 ...if the probability of getting caught is low.	6.48	7.00	2.386*
13 ...if some of the proceeds go to support a war that I consider to be unjust.	6.43	6.95	1.743
14 ... if I can't afford to pay.	6.29	6.95	2.596*
15 ...even if it means that if I pay less, others will have to pay more.	6.81	7.00	1.486

Note. * $p < .05$

The table indicates a statistically significant difference between recently certified CPAs (less than 5 years) and CPAs certified for 5 years or more with regard to their responses to Questions 1, 2, 3, 4, 6, 7, 9, 11, 12, and 14. The null hypothesis was rejected for each of the 10 questions, for, in each case, more recently certified CPAs ranked the statement lower (more likely to accept evasive behavior) than their more senior colleagues (those certified for more than 5 years). The finding that years since certification had an influence upon the CPA's willingness to accept evasive behavior as ethical was unexpected and warrants further consideration.

MARITAL STATUS

In the original survey, there were three classifications of marital status: single, married, and divorced or other. Due to a small number of responses in the divorced or other category (indicating divorced) the responses were added to the single category for analysis. Table 5 presents the *t* statistic related to each of the 15 tax evasion statements tested by the revised marital status classifications. The null hypothesis related to this variable is as follows:

H₀ 4: There exists no statistically significant difference in the mean responses to each of the 15 tax evasion statements between single and divorced CPAs, and married CPAs.

TABLE 5. MEAN VALUE OF SAMPLE RESPONDENTS BY MARITAL STATUS AND RESULTING T STATISTIC

Statement: Tax evasion is ethical	Single or divorced	Married	<i>t</i>
1 ...if tax rates are too high.	6.33	6.85	1.881
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	6.33	6.88	2.122*
3 ...if the tax system is unfair.	5.78	6.82	2.740*
4 ...if a large portion of the money collected is wasted.	5.78	6.76	2.747*
5 ...even if most of the money collected is spent wisely.	6.33	6.91	2.170*
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	6.78	6.62	1.997
7 ...even if a large portion of the money collected is spent on worthy projects.	6.33	6.88	2.002
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	6.33	6.79	1.622
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	6.33	6.88	2.021
10 ...if everyone is doing it.	6.78	6.88	0.792
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	5.78	6.41	1.400
12 ...if the probability of getting caught is low.	6.44	6.82	1.345
13 ...if some of the proceeds go to support a war that I consider to be unjust.	6.00	6.88	2.460*
14 ... if I can't afford to pay.	6.33	6.71	1.107

Statement: Tax evasion is ethical	Single or divorced	Married	<i>t</i>
15 ...even if it means that if I pay less, others will have to pay more.	6.78	6.94	1.023

Note. * $p < .05$.

Table 5 indicates a statistically significant difference between single or divorced CPAs, and married CPAs with regard to their responses to Questions 2, 3, 4, 5, and 13. The null hypothesis was rejected for each of the five questions, for, in each case, married CPAs ranked the statement higher (i.e., less likely to accept evasive behavior) than their single or divorced colleagues. The finding that marital status had an influence upon an individual's willingness to accept evasive behavior as ethical supports the work of previous research.

YEARS IN THE PROFESSION

Table 6 presents the *F* statistic related to each of the 15 tax evasion statements tested by age. The null hypothesis related to this variable is as follows:

H₀ 5: There exists no statistically significant difference in the mean responses to each of the 15 tax evasion statements among the years in the profession groupings of CPAs.

TABLE 6. F STATISTIC FOR CPA RESPONSES GROUPED BY YEARS IN THE PROFESSION

Statement: Tax evasion is ethical	<i>F</i>
1 ...if tax rates are too high.	2.008
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	1.830
3 ...if the tax system is unfair.	1.844
4 ...if a large portion of the money collected is wasted.	2.796
5 ...even if most of the money collected is spent wisely.	1.344
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	1.214
7 ...even if a large portion of the money collected is spent on worthy projects.	1.656
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	1.626
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	1.656
10 ...if everyone is doing it.	0.791
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	2.607
12 ...if the probability of getting caught is low.	2.008
13 ...if some of the proceeds go to support a war that I consider to be unjust.	1.100
14 ... if I can't afford to pay.	2.485
15 ...even if it means that if I pay less, others will have to pay more.	0.773

Note. * $p < .05$.

Table 6 indicates that no statement reflected a statistically significant difference among the various years in profession categories. The null hypothesis was not rejected. This finding is also unexpected. The finding was that years since certification had an influence upon a CPA's willingness to accept evasive behavior, which might have resulted from a maturation process in the profession. However, the finding that age (in and of itself) did not reflect a statistically significant influence, buttressed by this finding related to years in the profession, further strengthens the idea that certification has a stronger influence than any other factor in the avoidance of evasive behaviors.

RELIGIOUS INVOLVEMENT

Table 7 presents the regression F statistic related to each of the 15 tax evasion statements tested for a statistically significant relationship to religious involvement. The null hypothesis related to this variable is as follows:

H₀ 6: There exists no statistically significant relationship between the mean responses to each of the 15 tax evasion statements and the CPA's level of religious involvement.

TABLE 7. F STATISTIC FOR REGRESSION RESULTS OF RELATIONSHIP BETWEEN CPA RESPONSES AND LEVEL OF RELIGIOUS INVOLVEMENT

Statement: Tax evasion is ethical	F
1 ...if tax rates are too high.	2.502
2 ...even if tax rates are not too high because the government is not entitled to take as much as it is taking from me.	2.825
3 ...if the tax system is unfair.	5.722*
4 ...if a large portion of the money collected is wasted.	3.280
5 ...even if most of the money collected is spent wisely.	3.823
6 ...if a large portion of the money collected is spent on projects that I morally disapprove of.	1.640
7 ...even if a large portion of the money collected is spent on worthy projects.	3.710
8 ...if a large portion of the money collected is spent on projects that do not benefit me.	3.445
9 ...even if a large portion of the money collected is spent on projects that do benefit me.	3.710
10 ...if everyone is doing it.	3.574
11 ...if a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends.	4.328*
12 ...if the probability of getting caught is low.	3.610
13 ...if some of the proceeds go to support a war that I consider to be unjust.	3.469
14 ... if I can't afford to pay.	5.067*
15 ...even if it means that if I pay less, others will have to pay more.	2.392

Note. * $p < .05$.

Table 7 indicates that three statements reflected a statistically significant relationship between

the level of religious involvement and tax evasion; thus, the null hypothesis is rejected. In each case, the higher the level of religious involvement the higher the statement ranking. This finding supports the work of other researchers who also found that religious involvement led to stronger rankings against tax evasive behaviors.

SUMMARY OF FINDINGS

The statistical analyses led to the following findings:

Gender – Statements 1, 2, 3, 4, and 8 all indicated a statistically significant difference in the statement rankings by gender. In each case, male respondents were more willing to accept evasive actions (lower rankings) than females.

Age – No statement led to statistical significance.

Years Since Certification – Ten statements (only 5, 8, 10, 13, and 15 did not reach significance) reflected statistically different responses between the two groups. In each case, the CPAs that have been certified for more than 5 years in the profession ranked the statement higher than the CPAs with less than 5 years of certified experience in the profession.

Marital Status – No statement led to statistical significance.

Years in the Profession – No statement led to statistical significance.

Level of Religious Involvement – Statements 3, 11, and 14 indicated a statistically significant relationship between the level of religious involvement and statement rankings, the higher the religious involvement the less likely the CPA was to accept evasive actions.

The CPA is subject to a code of conduct that requires integrity, honesty, and objectivity. The impact of the CPAs' codes of conduct can be observed directly in the responses to the 15 statements. With a response range of 1–7, the range of the average response of all CPAs was 6.28 to 6.91. The responses are very conservative. It is very interesting that the lowest average ranking of a statement was 6.28 and indicates that the majority of CPAs would still consider evasion unethical, even when “a significant portion of the money collected winds up in the pockets of corrupt politicians or their families and friends” (Statement 11; see Tables 1-7).

CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study was to determine whether tax evasion opinions among CPAs differed with regard to various demographic characteristics. Differences did surface related to gender, level of religious involvement, and years since certification. From the study results, it can be concluded that there are characteristics of CPAs that managers might take into consideration when assigning clients and jobs. The finding that gender was significant confirms the findings of previous researchers (Akaah, 1989; Boyd, 1981; Hoffman, 1998). Although the variable age did

not achieve statistical significance, the finding that CPAs who had been certified longer (> 5 years) were less likely to accept evasive actions, buttresses the previous research finding that older individuals were less likely to engage in evasive actions (Alm & Togler, 2004; McGee & Tyler, 2007) and might lead to assigning only more experienced CPAs to clients who tend to take aggressive tax positions. The finding that years since certification had an influence upon a CPA's willingness to accept evasive behavior might have resulted from a maturation process of "just getting older" or passing through life experiences. Additionally, the finding that age (in and of itself) does not reflect a statistically significant influence buttresses the feeling that it is the length of time you are certified and working in the field, that the observed significance is not just a side effect of getting older.

The finding that religiosity is significant (i.e., that individuals who are more religious are also less likely to engage in evasive behaviors) supports the findings of other researchers (Cohn, 1998; Tamari, 1998; Gronbacher, 1998; McGee, 1998, 1999).

The tightness of the responses and their consistently high rankings (less evasive position) buttresses previous research on the moral reasoning ability of CPAs. Oglesby (2004) found that CPAs function at the "conventional" level of moral reasoning. As a result, CPAs approach ethical reasoning by living up to what is expected of them in their role (i.e., complying with laws and regulations) and doing what is best for the client or firm. From this extension, we might conclude that members of the accounting profession function at the conventional level of moral reasoning—the level of moral reasoning required in the role of the accounting profession where ethical integrity is a desirable characteristic. Musschenga (2001), indicates that CPAs with integrity exhibit "consistency between what they say, profess and promise, and what they actually do, not only under favorable but also under unfavorable circumstances" (p. 219). Integrity is the coherence and consistency of the actions of a person to match his or her beliefs. Integrity is not only desirable, but also desired in both internal and external accounting roles. The ability of accountants and auditors to act with integrity is influenced by the forces that come to bear during the exercise of judgment (i.e., when performing moral reasoning) as it relates to an accounting principle or disclosure requirements. This study indicates that the CPAs do indeed function with integrity and follow the rules even when their moral beliefs are challenged.

In addition, the findings clarify and extend previous work in several ways. In general, the research extends the effect of specific demographic factors (e.g., gender, level of religious involvement and years since certification) to practicing CPAs, especially the direct effects on their inclination to accept or commit tax evasion. More importantly, the effects of gender, level of religious involvement, and years since certification operate indirectly through their influence on the perceptions about a client's history of such misbehavior and judgments about the morality of tax evasion. The effects are statistically significant, substantial, and in the expected direction.

The findings lead to the following recommendations for further research:

Recommendation 1: Gender was found to be a statistically significant characteristic in the acceptance of evasive behavior and, in and of itself, is believed by many to be of no influence; therefore, environmental or sociological factors must cause the male CPAs to be more accepting of evasive behavior. Future research might want to examine the sociological and environmental

factors common to each gender and how the identified factors influence ethical choice.

Recommendation 2: More recently, certified CPAs were more likely to accept evasive behavior; therefore, an experiential antecedent must cause a migration from willingness to accept evasive behavior to a total unwillingness to accept, for many responses by the more experienced group resulted in average scores of 7.00 the maximum available. Therefore, future research might want to pursue a structured interview process examining the reasons why seasoned CPAs replied so strongly to many of the questions.

Recommendation 3: The study was conducted in the Midwest and previous research indicates the presence of a cultural and national influence upon a respondent's position on tax evasion; therefore, the study should be expanded to include other regions of the United States.

Recommendation 4: The study was limited to a sample size of 43 respondents; therefore, the study should be replicated in a larger setting to expand and strengthen the ability to generalize findings. It must be recognized that this research was conducted on a relatively small sample of certified public accountants and the findings should not be generalized.

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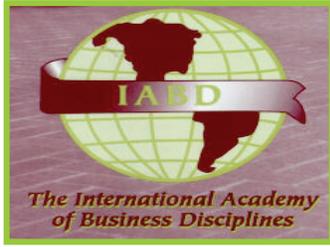
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