

INFLUENCE OF INHERITANCE TAX ON THE SIZE OF SHADOW ECONOMY AND THE VOLUME OF TAX EVASION

Philippe Linseis*

Mendel University, Brno, Czech Republic

E-mail: xlinseis@node.mendelu.cz

(Received: May 2022; Accepted: July 2022; Published: November 2022)

Abstract: The objective of the paper is to investigate the influence of the inheritance tax on the amount of tax evasion in different countries. The inheritance tax is among the most unpopular taxes. It is assumed, that unpopular taxes, such as the inheritance tax, have a measurable influence on the amount of tax evasion. Countries that levy inheritance taxes and countries which don't levy inheritance taxes are compared in their success in fighting the shadow economy over a longer period (1991 – 2017). For that, data from Medina and Schneider from 2019 about the development of the shadow economy and from the OECD about the inheritance tax revenue is used. The approach is, to find dependencies between the inheritance tax revenue and the size of the shadow economy. The results show, that countries which abolished the inheritance tax, are not anymore that successful in fighting tax evasion than they were before. There is also evidence, that countries with a relatively high inheritance tax revenue are not able to fight tax evasion to the same extent, as countries that levy relatively low inheritance taxes. Therefore, in terms of reducing tax evasion, it is not recommended to abolish already introduced inheritance taxes, but rather to continue levying a moderate inheritance tax.

Keywords: Inheritance tax; estate tax; tax evasion; shadow economy; tax avoidance.

1. Introduction

Inheritance taxes in different countries differ regarding tax rates and tax exemptions. Some countries as the USA know an estate tax, instead of an inheritance tax, which means not the individual heir is taxed, but the undivided estate. While many developed countries still know an inheritance tax, some countries like Austria or Sweden abolished the tax. It is assumed, that differences in the way inheritance taxes are levied or if the tax, in general, is levied or not, have an influence on the overall size of the shadow economy. The main reason, therefore, is the high unpopularity of

* Corresponding author: Philippe Linseis. *E-mail: xlinseis@node.mendelu.cz*

Copyright © 2022 The Author(s). Published by VGWU Press

This is an Open Access article distributed under the terms of the Creative Commons BY 4.0 license (Creative Commons — Attribution 4.0 International — CC BY 4.0) which permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited.

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

the tax. In almost all investigated countries the inheritance tax is among the most unpopular taxes (together with wealth taxes). Many people have the opinion, that it is unfair, if once-earned money, which already was taxed with income tax, is taxed again with inheritance tax ("double taxation"). Also, the fact, that the death of a person is taxed, seems to be unmorally. It is known, the popularity of taxes has a significant influence on the decision to commit tax evasion and the presumption is, that inheritance taxes, therefore, have a significant influence on the overall volume of tax evasion.

The main motivation of people to work in the shadow economy or to evade taxes in most cases is rather simple. The tax evader wants to have more money available, which can be spent on other desired things. The idea of paying taxes is not very attractive, as the taxpayer does not receive immediate and noticeable compensation for his payments. From the perspective of an individual, the infrastructure of the state is provided by the government in the same way to him, no matter if he pays taxes or not. If taxes are avoided or evaded on the other side, the taxes saved can be spent by the individual for other desired things, like cars, real estate, or vacations. In this case, the individual receives immediate compensation for the spent money. He is able to increase his wealth.

For the government, the research on tax evasion is of interest, as the state wants to reduce the volume of tax evasion, in order to have more tax revenue. Through taxation, the state is able to implement social and economic goals (Dumiter et. al., 2015). Tax evasion enables the state to reach these goals. Generally, it is possible to do research regarding taxation from a legal or an economic point of view and it is helpful to look at it from both sides (e.g. Dumiter and Jimon, 2020).

The objective of the paper is to investigate the influence of the inheritance tax on tax evasion. And as the size of the shadow economy has a strong correlation with the volume of tax evasion, the influence of the inheritance tax on the volume of tax evasion can be investigated by using available data on the size of the shadow economy in different countries.

2. Theoretical Background

The temptation of tax evasion can be explained by the benefits to the taxpayer if the tax evasion is not detected. The reason why not everybody commits tax evasion is the punishment in case of detection. So, the taxpayer on the one side considers the benefits of successful tax evasion and on the other side the consequences, if the tax evasion was detected. Especially the risk of detection is significant. By weighing these facts, a decision is made, on if tax evasion can be beneficial. If the rate of tax audits is high or the punishment for tax evasion is strict, there will be only few incentives for tax evasion (Allingham and Sandmo, 1972; Alm, 2012; Andreoni et al., 1998; Clotfelter, 1983, Tabbach, 2013). But also, other factors are relevant to the

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

question of committing tax evasion. Especially the tax morale plays an important role (DeBacker et al., 2015; Hofmann et al., 2005; Kemme et al., 2020; Luttmer and Singhal, 2014). If there is low acceptance of paying taxes in general or if many people evade taxes, the probability that the individual taxpayer will also evade taxes is higher (Cowell and Gordon, 1988; Fortin et al., 2007; Gordon, 1989; Kim, 2003; Luttmer and Singhal, 2014; Myles and Naylor, 1996). Especially political trust is relevant for tax morale. Low trust in politics encourages tax evasion (Scholz and Lubell, 1998; Torgler, 2003). The existence of avoidance strategies, legal uncertainty, risk aversion, tax audits that strategically focus on certain groups or alternative penalties are also relevant to the decision to evade taxes (Bernasconi, 1998; Fillipin et al., 2013; Sandmo, 2005; Slemrod, 2007; Slemrod and Yitzhaki, 2000; Torgler et al., 2007). Further on, studies focused on the taxpayer's individual behavior from a psychological perspective, and looked at the reasons for certain individual behavioral patterns, for example, that taxpayers estimate the probability of audits much higher than it is in fact, or that taxpayers react differently regarding gains and losses (Alm, 2012; Bernasconi and Zanardi 2004; Dhimi, 2010; Snow and Warren, 2005; Yaniv, 1999). By using empirical methods, it was also possible to prove, that a higher tax rate leads to more tax evasion or that a tax amnesty creates only a comparatively small additional tax revenue, and has only a small positive influence on compliance after the amnesty (Crane and Nourzad, 1992; Clotfelter, 1983; Dubin and Wilde, 1990; Fisher et al, 1989; Witte and Woodbury, 1985). There is also evidence, that selective audits, sharing information across governments, or imposing source taxes, reduce tax evasion (Feinstein, 1991; Johannesen, 2010). Regarding the different types of taxes, the focus for research on tax evasion in the European Union in the past years was on VAT due to the importance of this tax regarding the tax revenue, which is much higher than the inheritance tax revenue. Also, in contrast to the inheritance tax, the VAT is already harmonized in the member countries of the European Union. But due to increasing wealth in many countries in the world, it seems to be necessary to investigate also tax evasion in the field of inheritance and gift tax. A significant difference between the VAT and the inheritance tax is, that the inheritance tax is very unpopular (Dowding, 2008; Hammar et al., 2009) and is perceived to be unfair [1].

3. Methodology and Data

Different relevant countries are compared in their success of fighting tax evasion over a longer period, with a view to the fact, if the countries know inheritance taxation, never knew inheritance taxation or the inheritance taxation was abolished. Especially in cases, in which inheritance taxation was abolished, it is investigated, if the size of the shadow economy significantly changed subsequently. For this, quantitative research on secondary data (Medina and Schneider, 2019 and data from

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

the OECD [2]) was done. The study from "Medina and Schneider" provides information about the size of the estimated shadow economy in 157 countries from 1991 to 2017. The effective inheritance and gift tax revenue of different countries is provided by statistics from the OECD. The available data for different countries are compared and it is examined, if countries with inheritance taxation over the years are more or less successful in fighting tax evasion or if it is recognizable, that changes in the way of levying inheritance taxes (e.g. abolition) have an influence on the size of the shadow economy.

3.1. Inheritance tax revenue in selected countries in percent of the GDP and percent of total taxation

Figure 1 shows the inheritance tax revenue in selected countries in percent of the GDP in 2019. The countries all know an inheritance tax and were selected due to their economic importance, but also to represent different European countries (southern Europe, northern Europe, big European countries, small European countries, member countries of the European Union, and countries which are not member of the European Union).

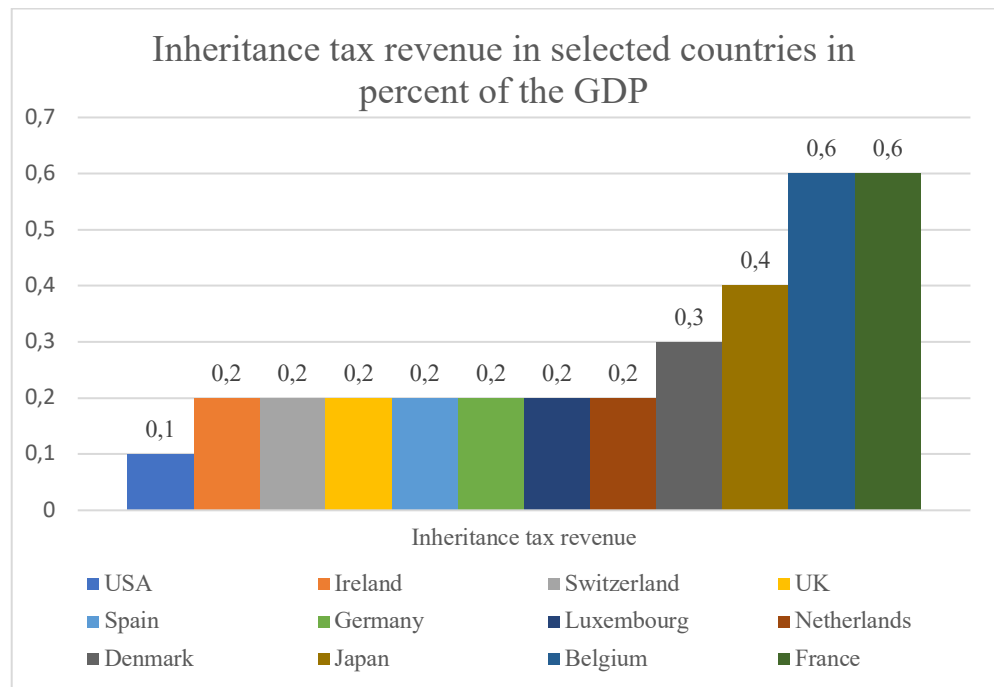


Figure 1. Inheritance tax revenue in selected countries in percent of the GDP
Source: Author, based on OECD statistic

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

Figure 2 shows the inheritance tax revenue in the selected countries in percent of the total taxation in 2019.

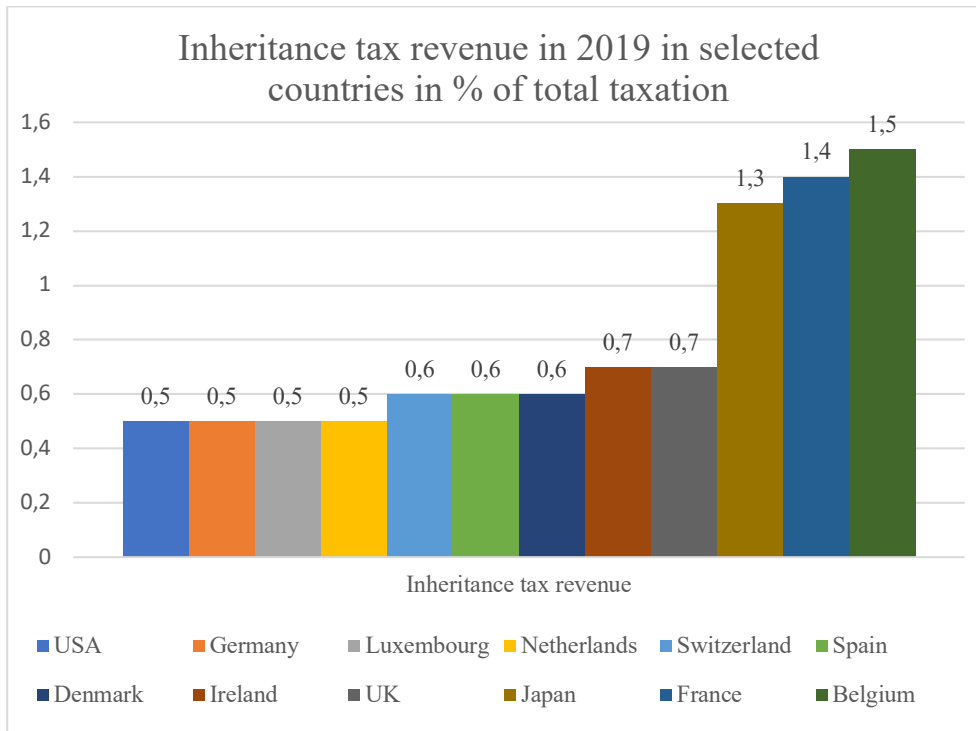


Figure 2. Inheritance tax revenue in 2019 in selected countries in % of total taxation

Source: Author, based on OECD statistic

3.2. Development of shadow economy in selected countries

Figure 3 shows the development of the shadow economy in selected countries which never had any inheritance taxation or that abolished inheritance taxation. For this overview 15 economically relevant and representative countries all over the world were chosen. The shadow economy decreased in all countries during the period under consideration more or less.

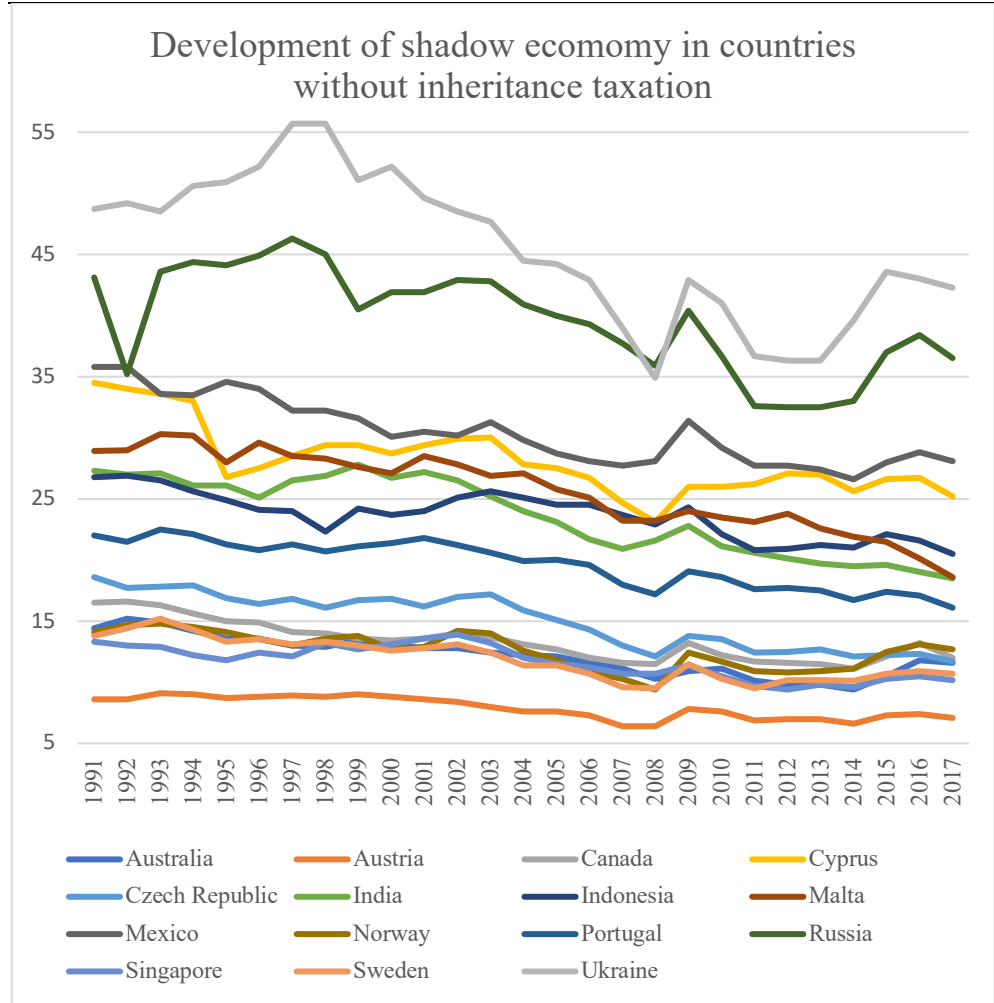


Figure 3. Estimated shadow economy in % of GDP from 1991 – 2017
Source: Author, based on Medina and Schneider, 2019

Figure 4 shows the development of the shadow economy in 18 economically relevant countries which know inheritance taxation. In all these countries the shadow economy also decreased during the period under consideration.

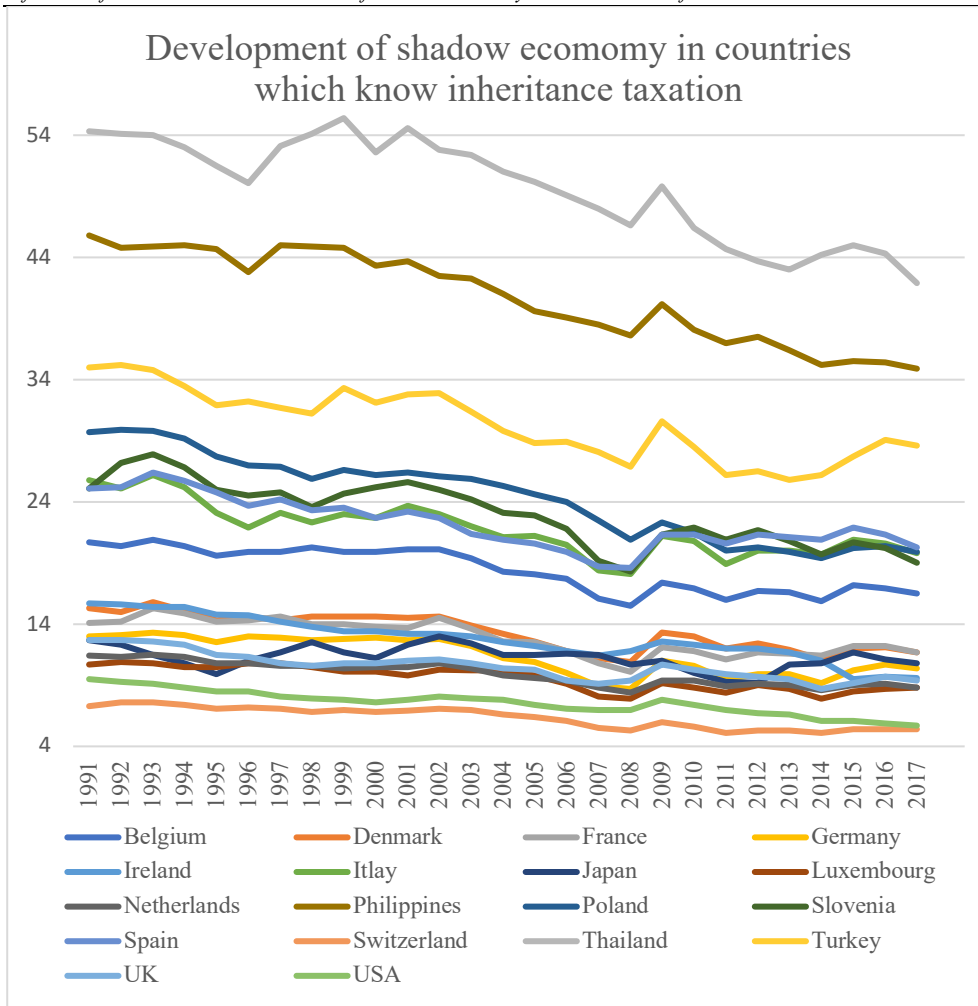


Figure 4. Estimated shadow economy in % of GDP from 1991 – 2017
Source: Author, based on Medina and Schneider, 2019

3.3. Development of comparable countries which levy an inheritance tax or abolished the inheritance taxation

Figure 5 compares the development of the Austrian and Swiss shadow economies from 1991 to 2017. The Austrian inheritance tax was abolished in 2008. Austria and Swiss are neighboring countries and have a similar economic system, economic power and social structure, although there are some differences, due to the special history of Switzerland regarding its neutrality. Austria is a member of the European

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

Union and introduced the Euro as currency, while Switzerland never became a member of the European Union and still has its own national currency. The decision of levying an inheritance tax or the tax rate and exemptions in Switzerland is up to the cantons, while in Austria it was up to the federal government and was similar for all taxpayers. Nevertheless, the economic development of the two countries in long term was pretty similar. It can be seen, that in both countries the shadow economy decreased in the long term.

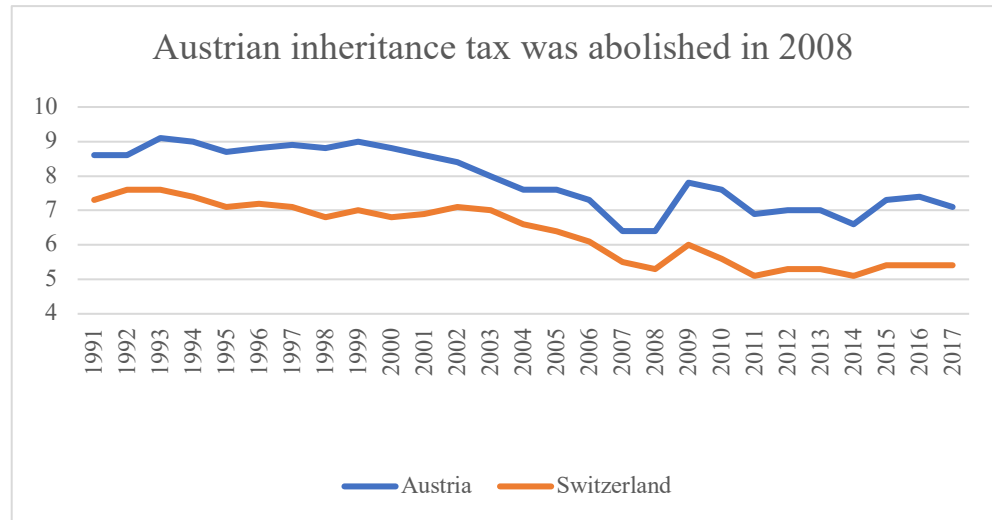


Figure 5. Development of Austrian and Swiss shadow economy
Source: Author, based on Medina and Schneider, 2019

Figure 6 compares the development of the Swedish and Danish shadow economies from 1991 to 2017. The Swedish inheritance tax was abolished in 2004. Sweden and Denmark are countries with a generally comparable structure regarding their society and economy. Both countries are a member of the European Union and have a comparable GDP per capita. And both countries did not introduce the Euro as a currency until now, but still have their own national currencies. The figure shows a decrease in the shadow economy in the considered time period.

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

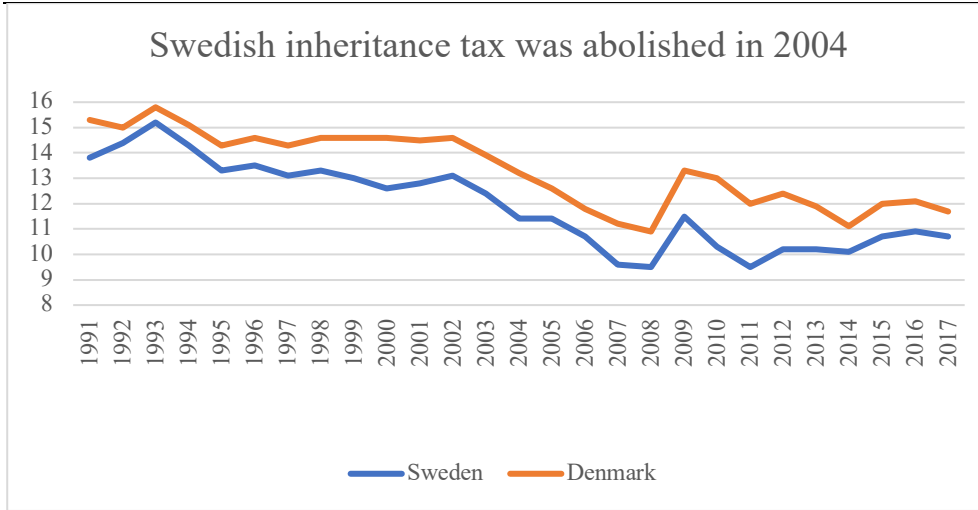


Figure 6. Development of Swedish and Danish shadow economy
Source: Author, based on Medina and Schneider, 2019

Figure 7 compares the development of the Norwegian and Danish shadow economies from 1991 to 2017. The Norwegian inheritance tax was abolished in 2014. Norway and Denmark are also very similar regarding their economy and society, even though Norway is not a member of the European Union. Until now, both countries did not introduce the Euro as a currency and still have their own national currencies. The figure shows a decrease in the size of the shadow economy in the regarded time period. It can be seen, that the size of the Danish shadow economy was bigger than the Norwegian shadow economy at the beginning of the regarded time period, but was smaller at the end of the regarded time period.

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

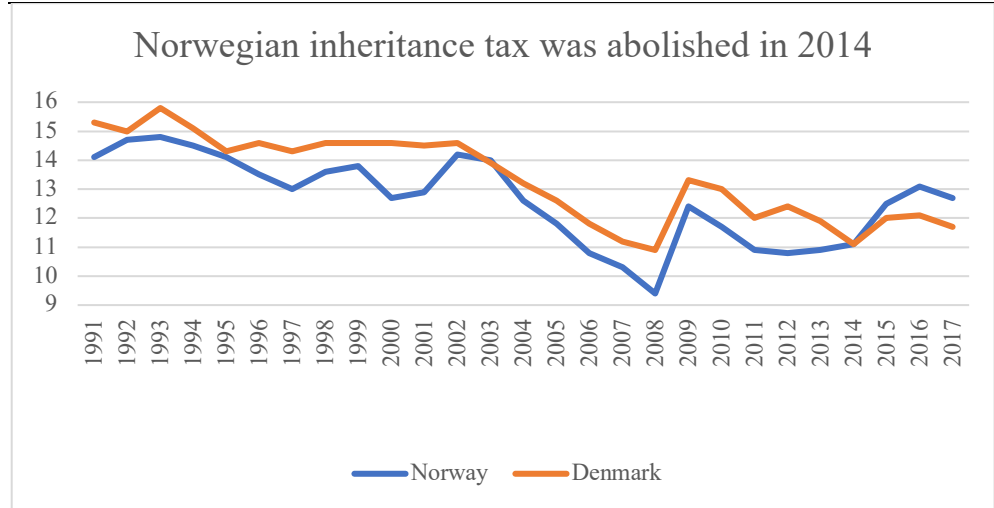


Figure 7. Development of Norwegian and Danish shadow economy
Source: Author, based on Medina and Schneider, 2019

3.4 Average development of the size of the shadow economy in countries with and without inheritance taxation

In all of the 33 investigated countries, the size of the shadow economy decreased between 1991 and 2017. The highest decrease in the group of countries that know inheritance taxation can be found in the USA (40 %) and Ireland (38.5 %). The lowest decrease in the group, which knows inheritance taxation can be found in Japan (14.96 %) and France (17.02 %). The average decrease in countries that know inheritance taxation was 24.1 % over the entire regarded period. Figure 8 shows, that the average decrease per year was 0.22 percentage points for all countries with inheritance tax.

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

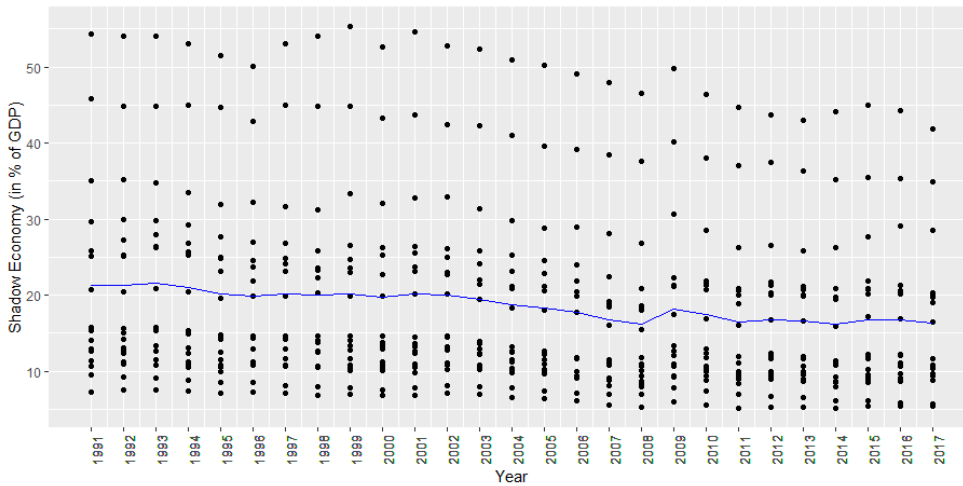


Figure 8. Average decrease of the shadow economy in countries with inheritance taxation from 1991 – 2017

Source: Author, based on Medina and Schneider, 2019

In countries, without inheritance taxation, the highest decrease in shadow economy in the regarded period can be found in the Czech Republic (37.1 %) and Malta (35.64 %). The lowest decrease can be found in Norway (9.92 %) and Ukraine (13.14 %). The average decrease was 23.24 %, whereby countries that abolished inheritance taxation in the regarded time period from 1991 to 2017 (Austria, Czech Republic, Norway, Portugal, Singapore, Sweden) had an average decrease of the shadow economy of 22,84 % and countries which had no inheritance taxation at all in the regarded time period (Australia, Canada, Cyprus, India, Indonesia, Malta, Mexico, Russia, Ukraine) had an average decrease of the shadow economy of 23,67 %. Figure 9 shows, that the average decrease per year in countries without inheritance taxation was 0.26 percentage points from 1991 – 2017.

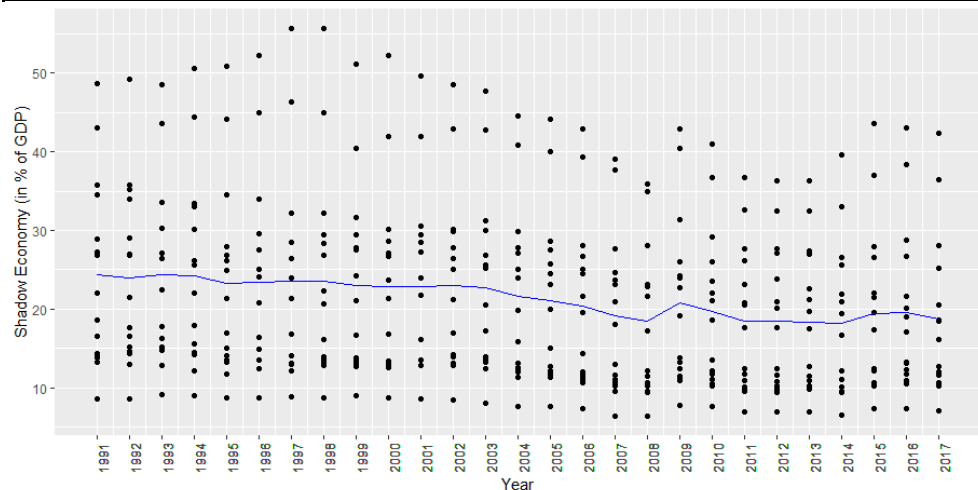


Figure 9. Average decrease of the shadow economy in countries without inheritance taxation from 1991 – 2017

Source: Author, based on Medina and Schneider, 2019

3.5. Development of shadow economy in countries that completely abolished the inheritance taxation

In Austria, the inheritance tax was abolished in 2008. The size of the shadow economy decreased from 1991 to 2007, the year before the abolition, by 25.58 %. From 2008 to 2017 the size increased by 10.94 %. For comparison in Switzerland, the size of the shadow economy decreased from 1991 to 2007 by 31.54 % and from 2008 to 2017 increased by 1.89 %.

In Sweden, the inheritance tax was abolished in 2004. The size of the shadow economy decreased from 1991 to 2003, the year before the abolition of the inheritance tax in Sweden, by 10.14 % and from 2004 to 2017 by 6.14 %. In Denmark, for comparison, a decrease of 9.15 % from 1991 to 2003 and 11.36 % from 2004 to 2017 can be shown.

In Norway, the inheritance tax was abolished in 2014. The size of the shadow economy decreased from 1991 to 2013, the year before the abolition of the inheritance tax, by 22,70 %. From 2014 to 2017 it increased by 14.41 %. The decrease in the shadow economy in Denmark was 22.22 % between 1991 and 2013. From 2014 to 2017 the size of the shadow economy increased also in Denmark, but only by 5.41 %.

3.6. Shadow economy in countries with high or low inheritance taxation

Belgium, France and Japan are among the countries with the highest share of inheritance tax revenue in the past years. As in certain economic crises like the

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

financial crisis in 2008, the size of the shadow economy increased significantly due to economic distortions, it makes sense to view the changes in the size of the shadow economy in different time periods. From 1991 to 2017 (26 years) the size of the shadow economy decreased by 20.29 % in Belgium, by 17.02 % in France and by 14.96 % in Japan. From 2001 to 2017 (16 years) the decrease was 17.91 % in Belgium, 14.60 % in France and 12.20 % in Japan. From 2011 to 2017 (6 years) the share of the shadow economy increased in Belgium by 3.13 %, in France by 5.41 % and in Japan by 16.13 %

For comparison in countries like the USA, Germany and Netherlands, the share of inheritance tax revenue is relatively low or was reduced significantly in the past years, because of far-reaching personal and factual tax exemptions. In these countries from 1991 to 2017 (26 years) the size of the shadow economy decreased by 40 % in the USA, 20 % in Germany and 22.81 % in the Netherlands. From 2001 to 2017 (16 years) the decrease was 26.92 % in the USA, 18.11 % in Germany and 16.19 % in the Netherlands. From 2011 to 2017 (6 years) the share still decreased in the USA by 18.57 %, in Germany by 9.47 % and in the Netherlands by 1.12 %. This stands in contrast to the countries which had a high inheritance tax revenue in the last years and were faced with an increasing shadow economy.

4. Results

The results show, that in the regarded period, the relative decrease in the size of the shadow economy in countries without inheritance taxation and in countries that levy inheritance taxes is almost similar. The higher absolute decrease in percentage points regarding countries without inheritance taxation is due to the higher absolute volume of the shadow economy in these countries.

An interesting development can be seen in countries that abolished inheritance taxation. If these countries are compared with other countries, which are similar in their economy and society and which did not abolish the inheritance tax (Austria and Switzerland; Sweden and Denmark; Norway and Denmark), it can be shown, that they had almost the same decrease in the size of the shadow economy in the past years only until the date of the abolition of the inheritance tax. Before the inheritance tax was abolished in the respective countries, Austria performed 6 % worse in reducing the shadow economy than Switzerland in 16 years, which means a worse development of 0.375 % per year. Sweden performed 1 % better than Denmark in 12 years which means 0.084 % per year. And Norway performed almost as well as Denmark in reducing the shadow economy in 22 years. So, the differences in the success of reducing the shadow economy between the compared countries were small. But after the date of abolition, the differences in the compared countries increased. After Austria abolished the inheritance tax in 2008, it performed 9 % worse than Switzerland in 9 years, which means a 1 % difference per year after the

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

abolition instead of a 0.375 % difference per year before the abolition of the inheritance tax. Sweden performed 5 % worse than Denmark in 13 years (0.385 % worse performance per year after the abolition, compared with a better performance of 0.084 % per year before abolition) and last but not least Norway performed 9 % worse than Denmark in 3 years (0.34 % per year after the abolition, instead of almost the same performance before the abolition).

5. Discussion and Conclusions

Countries that have a relatively low inheritance tax revenue like USA, Germany, Netherlands, or Luxembourg, managed better to reduce the size of the shadow economy, than countries that levied higher taxes or had a higher inheritance tax revenue like Belgium, France, or Japan.

The volume of tax evasion certainly does not primarily depend on the question, if an inheritance tax is levied in the respective country or not. There are many other factors which are more relevant. But it is known, that the inheritance and wealth taxes belong to the most unpopular existing taxes, and that the popularity of taxes has an influence on the decision to commit tax evasion (Beckert 2008; Dowding 2008; Prabhakar 2008). So, it is not surprising, that the inheritance tax plays a role regarding the volume of tax evasion.

The results also show that it does not make any difference regarding the volume of tax evasion if countries in general levy inheritance taxes or not. But there is a measurable difference if countries levy high or low inheritance taxes. This is in line with previous findings for the income tax (Clotfelter, 1983). Countries with low inheritance tax revenues are more successful in fighting tax evasion than countries with high inheritance tax revenues. This is understandable, as high taxation with an unpopular tax pushes people to commit more tax evasion (Hammar et al., 2009). In advance of abolishing the inheritance tax, normally in most countries, a broad discussion starts in the society about the advantages and disadvantages of the abolition. Often this discussion is very emotional, not only due to the unpopularity of the inheritance tax but also because of aggressive debates between left-wing or socialist parties and trade unions on the one side and lobby groups of rich people or companies on the other side. Questions of fairness of taxation and unequal societies are discussed. These emotional discussions have influence to the behavior of taxpayers regarding their decision to commit tax evasion. Countries which abolished the inheritance tax were faced with a significantly higher shadow economy in the years after the abolition, than comparable countries, which did not abolish the inheritance tax. As tax morale is an important factor in tax evasion (Kemme et al. 2020; Luttmer, E., and Singhal, M. 2014), it is likely, that the abolition of inheritance taxes leads to reduced tax morale. Presumably, some people are frustrated about the abolition of the inheritance tax or perceive the abolition as unfair, due to the

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

emotional debate in advance and react by committing more tax evasion as a form of self-justice.

Overall, the results show, that inheritance has more influence on the volume of tax evasion than the relevance of the tax would suggest given the relatively low tax revenue in most countries. This can be explained by the high level of emotionality in discussions about the inheritance tax and the high unpopularity of the inheritance tax.

With a view to the amount of tax evasion, the recommendation for all countries, which already introduced inheritance taxes is, that they should not abolish the inheritance tax, in order to avoid an increasing size of the shadow economy. But it is also recommended to levy only moderate inheritance taxes. Otherwise, the high unpopularity of the inheritance tax can lead to more illegal tax evasion.

Acknowledgments

The author thanks the anonymous reviewers and editor for their valuable contribution.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Author Contributions

The author solely conceived the study and was responsible for the design and development of the data analysis. The author solely was responsible for data collection and analysis and also for data interpretation and he further was responsible for the literature review section.

Disclosure Statement

The author has not any competing financial, professional, or personal interests from other parties.

References

1. Allingham, M., Sandmo, A., (1972). Income tax evasion: A theoretical analysis. *Journal of Public Economics*, pp. 323 ff.
2. Alm, J., (2012). Measuring, explaining and controlling tax evasion: Lessons from theory, experiments and field studies. *International Tax and Public Finance*, 19, pp. 54 ff.
3. Andreoni, J., Erard, B., Feinstein, J., (1998). Tax Compliance. *Journal of Economic Literature*, XXXVI, pp. 818–860.
4. Bernasconi, M., (1998). Tax evasion and orders of risk aversion. *Journal of Public Economics*, 67, pp. 123–134.

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

5. Bernasconi, M., Zanardi, A., (2004). Tax evasion, tax rates, and reference dependence. *Public Finance Analysis*, 60(3), pp. 422–445.
6. Clotfelter, C., (1983). Tax evasion and tax rates: An analysis of individual returns. *The Review of Economics and Statistics*, 65(3), pp. 363–373.
7. Boita, M., Dumiter, F., Ajtay, E., (2022). Regime of Contraventions and Sanctions related to VAT Tax Declarations. *Journal of Legal Studies*, 29(43), pp. 1–18.
8. Cowell, F., Gordon, J., (1988). Unwillingness to pay: Tax evasion and Public Good Provision. *Journal of Public Economics*, 36, pp. 305–321.
9. Crane, S., Nourzad, F., (1992). Analysing income tax evasion using amnesty data with self-selection correction: The case of the Michigan tax amnesty program. University of Michigan Press, pp. 167–189.
10. DeBacker, J., Heim, B.T., Tran, A., (2015). Importing corruption culture from overseas: Evidence from corporate tax evasion in the United States. *Journal of Financial Economics*, pp. 122–138
11. Dhami, S., Al-Nowaihi, A., (2010). Optimal taxation in the presence of tax evasion: Expected utility versus prospect theory. *Journal of Economic Behaviour and Organization*, 75, pp. 313–337.
12. Dowding, K., (2008). Why are Inheritance Taxes Unpopular. *The Political Quarterly*, 79(2), pp. 179–183.
13. Dubin, M., Wilde, L., (1990). The effect of audit rates on the federal individual income tax 1977-1986. *National Tax Journal*, 43(4), pp. 395–409.
14. Dumiter, F., Jimon, S., (2020). Theoretical and Practical Assessments of Transfer Prices. Legal Evidence from Romanian Case Law. *Journal of Legal Studies*, 26(40), pp. 1–18.
15. Dumiter, F., Turcas, F., Opret, A., (2015). German Tax System: Double Taxation Avoidance Conventions, Structure and Developments. *Journal of Legal Studies*, 16(30), pp. 1–17.
16. Feinstein, J., (1991). An econometric analysis of income tax evasion and its detection. *The Rand Journal of Economics*, 22(1), pp. 14–35.
17. Filippin, A., Fiorio, C., Viviano, E., (2013). The effect of tax enforcement on tax morale. *European Journal of Political Economy*, 32, pp. 320–331.
18. Fisher, R., Goddeeris, J., Young, J., (1989). Participation in tax amnesties: The individual income tax. *National Tax Journal*, 42(1), pp. 15–27.
19. Fortin, B., Lacroix, G., Villeval, M.C., (2007). Tax evasion and social interactions. *Journal of Public Economics*, 91, pp. 2089–2112.
20. Gordon, J., (1989). Individual morality and reputation costs as deterrents to tax evasion. *European Economic Review*, 33, pp. 797–805.
21. Hammar, H., Jagers, S., Nordblom, K., (2009). Perceived tax evasion and the importance of trust. *The Journal of Socio-Economics*, 38(2), pp. 238–245.
22. Hofmann, E., Hoelzl, E., Kirchler, E., (2008). Preconditions of voluntary tax compliance: Knowledge and evaluation of taxation, norms, fairness, and motivation to cooperate. *Journal of Psychology*, 216 (4), pp. 209–217.
23. Johannesen, N., (2010). Tax evasion and Swiss bank deposits. EPRU Working Paper Series, No. 2010-05, Copenhagen.

Linseis, P., (2022)

Influence of Inheritance Tax on the Size of Shadow Economy and the Volume of Tax Evasion

24. Kemme, D., Parikh, B., Steigner, T., (2020). Tax morale and international tax evasion. *Journal of World Business*, 55(3), April 2020.
25. Kim, Y., (2003),. Income distribution and equilibrium multiplicity in a stigma-based model of tax. *Journal of Public Economics*, 87, pp. 1591–1616.
26. Luttmer, E., Singhal, M., (2014). Tax morale. *Journal of Economic Perspectives*, 28(4), pp. 149–168.
27. Medina, L., Schneider, F., (2019). Shedding Light on the Shadow Economy: A Global Database and the Interaction with the Official One. CESifo Working Paper No. (1996). "A model of tax evasion with group conformity and social customs". *European Journal of Political Economy*, 12, pp. 49–66.
28. OECD 2022. <https://stats.oecd.org/>
29. Sandmo, A., (2005). The theory of tax evasion: A retrospective view. *National Tax Journal*, 58(4), pp. 643–663.
30. Scholz, J.T., Lubell, M., (1998). Trust and taxpaying: Testing the heuristic approach to collective action. *American Journal of Political Science*, 42 (2), pp. 398–417.
31. Slemrod, J., (2007). Cheating ourselves: The economics of tax evasion. *Journal of economic perspectives*, 21(1), pp. 25–48.
32. Slemrod, J., Yitzhaki, S., (2000). Tax avoidance, evasion, and administration. Nber Working Paper Series, Working Paper 7473, Cambridge.
33. Snow, A., Warren, R., (2005). Tax evasion under random audits with uncertain detection. *Economic Letters*, 88, pp. 97–100.
34. Tabbach, A., (2013). Crime, Punishment and Tax. *Review of Law and Economics*, pp. 97–124.
35. Torgler, B., (2003). Tax morale: Theory and empirical analysis of tax compliance. Doctoral Thesis. University of Basel, Faculty of Business and Economics.
36. Torgler, B., Schaffner, M., Macintyre, A., (2007). Tax compliance, tax morale and governance quality. International Studies Program, Working Paper 7/27, Atlanta.
37. Witte, A., Woodbury, D., (1985). The effect of tax laws and tax administration on tax compliance: The case of the US individual income tax. *National Tax Journal*, 38(1), pp. 1–13.
38. Yaniv, G., (1999). Tax compliance and advance tax payments: A prospect theory analysis. *National Tax Journal*, 52(4), pp. 753–764.

Notes

- [1] Survey of allensbach institute for public opinion research, 2013
- [2] <https://stats.oecd.org/>