

**TAXPAYERS PERCEPTIONS: A QUALITATIVE STUDY OF INDIVIDUAL MEANINGS
WITH BRAZILIAN TAXPAYERS**

BRENDA MELISSA FONSECA

UNIVERSIDADE DE SÃO PAULO (USP)

ELIANA TADEU TERCÍ

UNIVERSIDADE DE SÃO PAULO (USP)

DANIEL FONSECA COSTA

INSTITUTO FEDERAL DE EDUCAÇÃO, CIÊNCIA E TECNOLOGIA DE MINAS GERAIS (IFMG)

Agradecimento à orgão de fomento:

Os agradecimentos vão à Fundação Coordenação de Aperfeiçoamento de Pessoal de Nível Superior (CAPES) por subsidiar a bolsa de pesquisa.

TAXPAYERS PERCEPTIONS: A QUALITATIVE STUDY OF INDIVIDUAL MEANINGS WITH BRAZILIAN TAXPAYERS

Abstract: Tax collection plays a crucial role in funding essential public services and promoting socioeconomic development. However, tax revenue faces challenges stemming from tax avoidance and evasion, influenced by cognitive and cultural factors that can be understood through behavioral theories. This study aims to understand the perceptions of certain Brazilian taxpayers regarding taxes, considering the influence of individual beliefs, perceptions, and meanings on tax decision-making. Methodologically, a qualitative research with discourse analysis was conducted to explore predominant feelings associated with tax payment. The findings indicate that dissatisfaction with public services and mistrust in resource management play a crucial role in Brazilian tax compliance. Transparent and effective management can stimulate voluntary compliance, whereas lack of transparency and dissatisfaction may lead to tax evasion. Moreover, adherence to ethical and moral principles emerges as a fundamental factor in promoting a culture of tax responsibility. However, if this approach proves unfeasible for the state, coercion based on penalties and audits is likely to be more effective in Brazil.

Keywords: Behavioral economics. Taxpayers. Decision-making

1. INTRODUCTION

Tax collection is one of the fundamental pillars that sustain the functioning of modern societies. The significance of tax collection goes beyond mere compliance with a legal obligation; it is vital for ensuring the funding of essential public services such as healthcare, education, security, and infrastructure. These services form the basis of socioeconomic development and collective well-being, creating the necessary conditions for sustainable and balanced growth (VECCHIO, 2002). However, often the allocation of taxes is disregarded by taxpayers, leading to behaviors of tax avoidance and evasion that ultimately compromise the efficiency of the tax system and the provision of essential services (COSTA, 2014).

Tax avoidance and evasion are complex and multifaceted behaviors influenced by a wide range of factors ranging from individual and subjective characteristics to cultural and social aspects (ANDREONI; ERARD; FEINSTEIN, 1998; ALM; TORGLER, 2006). These behaviors are frequently motivated not only by the pursuit of financial gain but also by personal perceptions of justice, the efficiency of the tax system, and fear of legal repercussions (FOCHMANN; KIESEWETTER; SADRIEH, 2012; IQBAL; SHOLIHIN, 2019). In recent years, the literature has incorporated behavioral approaches to better understand these phenomena, moving beyond purely economic models and acknowledging the importance of psychological and cultural nuances that influence taxpayers' decisions (CONGDON; KLING; MULLAINATHAN, 2009; FOCHMANN; KIESEWETTER; SADRIEH, 2012; KIRCHLER; HOELZL; WAHL, 2008).

In this context, the theory of bounded rationality emerges as an advanced and promising approach to understanding individuals' behavior in their tax decisions (COSTA et al., 2023). Unlike traditional theories that assume individuals' full rationality — that is, the ability to make perfectly informed and rational decisions — the theory of bounded rationality recognizes that individuals operate in a context of incomplete information and cognitive limitations (SIMON, 1955, 1956; KAHNEMAN; TVERSKY, 1979). This approach posits that decisions are often influenced by heuristics and cognitive biases, as well as by subjective perceptions and interpretations of situations (SIMON, 1955, 1956; KAHNEMAN; TVERSKY, 1979; FISHER; MANDEL, 2021). In the tax realm, understanding taxpayers' limitations and cognitive processes can provide valuable insights for the development of more effective and fair fiscal policies (COSTA et al., 2023).

This article aims to understand the perceptions of certain Brazilian taxpayers regarding taxes, considering the influence of individual beliefs, perceptions, and meanings on tax decision-making. It is considered that disregarding subjectivities hampers the adoption of effective measures to mitigate actions related to tax avoidance and evasion.

Among the main expected contributions of this work, the promotion of greater awareness among policymakers and tax administrators about the complexities of taxpayer behavior stands out. It is hoped that the results will support the creation of communication strategies and public policies that take into account subjective and individual motivations, while reinforcing transparency and trust in the tax system. Ultimately, these contributions are expected to help build a fairer and more efficient fiscal environment, promoting the well-being and sustainable development of Brazilian society.

2. THEORETICAL FOUNDATION

In the approach of behavioral economics and finance, human decision-making is analyzed from a perspective that considers not only rational aspects but also the psychological and social factors that shape individual choices (WONG, 2020). Studies in this field aim to understand how individuals behave and make their financial and economic decisions, considering the influences of cognitive, emotional, and environmental biases (COSTA; CARVALHO; MOREIRA, 2019). In this way, there are theories such as rational decision-making and bounded rationality that explore how these elements affect individual choices (QUIGGIN, 2003; PARAMIO, 2005; ORQUIN; LOOSE, 2013; SATTAR; TOSEEF; SATTAR, 2020).

The positivist theory of rational decision-making argues that economic choices are based on data and information, aiming to maximize outcomes (SAMUELSON, 1977; BECKER, 1992). In contrast, the approach of bounded rationality, advocated by Herbert Simon (1955; 1956), contends that cognitive limitations lead to choices that are not entirely rational. These limitations arise from the need to simplify decisions due to resource and time constraints, as well as from behavioral influences of a psychological, sociological, economic, and political nature (SIMON, 1957; BANFIELD, 1957; SIMON, 1965; TVERSKY; KAHNEMAN, 1974; SCHWARTZ, 2002; SIMON, 2013; BADDELEY, 2018; SINGH; BABSHETTI; SHIVAPRASAD, 2021).

Building upon these foundational theories, the expected utility theory and prospect theory emerge. The expected utility theory, proposed by Von Neumann and Morgenstern, relies on the subjective valuation of possible outcomes and the assignment of probabilities, identifying that a subjective variable of happiness guides the pursuit of gains in uncertain scenarios (VON NEUMANN; MORGENSTERN, 1947; CHEW; KARNI; SAFRA, 1987; CAPLIN; LEAHY, 2001). Therefore, individuals tend to take risks when they perceive the possibility of gains and become more cautious or reluctant when facing the prospect of losses. On the other hand, Kahneman and Tversky's prospect theory considers that decisions in uncertain contexts are shaped by the individual's current perception, influenced by how information is presented (KAHNEMAN; TVERSKY, 1979; EDWARDS, 1996; BROMILEY, 2010; COSTA; CARVALHO; MOREIRA, 2019). In this regard, unlike the expected utility theory, the prospect theory suggests that the fear of loss incites individuals more to take risks compared to the attraction towards the feeling of gain.

Transposing this to the tax context, through the lens of the expected utility theory, it is presumed that taxpayers base their decisions on the perception of societal benefits obtained, encompassing education, culture, politics, and other societal facets, as well as on the coercive measures of the tax system (DHAMI; ALNOWAIHI, 2010; FONSECA et al., 2021). This perspective considers that the perception of public benefits in contrast to tax payments provides a sense of voluntary reciprocity regarding tax compliance (KIRCHLER, HOELZL;

WAHL, 2008). Thus, the probability of a citizen agreeing to pay taxes increases if they perceive that the expenditure is justified by the social support received (ALM; TORGLER, 2004; CONGDON; KLING; MULLAINATHAN, 2009; BROCKMANN; GENSCHEL; SEELKOPF, 2016). However, the role of fines and audits must be considered, under the prism that individuals, when threatened by monitoring mechanisms and subsequent penalties, are compelled to enhance their critical evaluation regarding the cost-benefit relationship associated with tax evasion (ALLINGHAM; SANDMO, 1972; YITZHAKI, 1974).

Therefore, within the scope of the expected utility theory, it is postulated that people are driven both by the expectation of societal benefits and by the pressure exerted by public entities, which use the probability of detecting tax noncompliance and subsequent penalties as motivation tools (FONSECA et al., 2021).

On the other hand, according to the prospect theory, it is argued that taxpayers' decisions are not solely based on the effectiveness of the State's tax administration but on the cognitive perception of losses and gains (FONSECA et al., 2021). Within this theoretical context, before evaluating between losses and gains, a framing (status quo) process occurs, conditioned by a cognitive response influenced by subjective variables such as cultural, social, economic, and political aspects (ALM; MCCLELLAND; SCHULZE, 1992; GCABO; ROBINSON, 2007; DHAMI; ALNOWAIHI, 2007). Only after this evaluation phase, individuals tend to show a propensity or aversion to tax payments (FONSECA et al., 2021).

In this analytical context, if a taxpayer interprets the act of paying taxes as a loss, they tend to seek strategies that exploit gaps in the tax system. Conversely, if the payment is perceived as a gain, they tend to avoid illicit practices concerning tax legislation (LEWIS et al., 2009). This approach aligns with the theory that highlights loss aversion as being more significant than the pleasure derived from gain (KAHNEMAN; TVERSKY, 1979). According to this perspective, the sense of loss is a more potent motivator for engaging in risky activities. Thus, unlike the expected utility theory, the prospect theory suggests that the experience of loss regarding tax contribution drives risk propensity, while the experience of gain promotes an aversion to it (KAHNEMAN; TVERSKY, 1979).

In the analysis of the applicability of these two theories, the research by Kirchler, Hoelzl, and Wahl (2008) shed light on a notable perspective, according to which the simultaneous implementation of both theories is possible concerning adherence to tax obligations. The mentioned research delved into the dynamics between the authority exercised by tax entities and the trust placed in these authorities. The authors observed that in contexts characterized by a high level of trust in authorities, taxpayers tend to fulfill their responsibilities voluntarily, conceiving their contributions as fair and beneficial (BATRANCEA; NICHITA; BATRANCEA, 2013; NICOLAIDES et al., 2014; BATRANCEA et al., 2019).

On the other hand, lack of trust in authorities can lead taxpayers to resist tax compliance voluntarily, necessitating the implementation of coercive strategies to ensure adherence to the norms. These interactions exert a significant influence on tax compliance, such that changes in one dimension can affect the other (KORNHAUSER, 2007; PICKHARDT; PRINZ, 2014; GOBENA; VAN DIJKE, 2017; ALM, 2019).

Therefore, in environments where tax authorities wield considerable power, such as detecting tax evasions and imposing sanctions, taxpayers tend to fulfill their obligations out of fear of punishments, not out of their own volition (SCHOLZ; PINNEY, 1995; ALM, 2012; BATRANCEA et al., 2019). Conversely, in scenarios with high trust in authorities, power still influences compliance but in a more likely voluntary manner, as taxpayers act based on responsibility and trust in the system (PICKHARDT; PRINZ, 2014; BATRANCEA et al., 2019).

This highlights that the expected utility theory excels in contexts where taxpayers have little trust, urging the government to adopt more assertive measures to ensure mandatory compliance (FONSECA et al., 2021). On the other hand, the prospect theory finds applicability in situations where the population trusts in the utility of taxes and avoids engaging in illicit activities due to this trust and various psychological sentiments (PICKHARDT; PRINZ, 2014).

3. METHODOLOGY

3.1. Characterization

Due to the subjective and exploratory nature of the objective, a qualitative methodology with a constructivist epistemological basis was chosen. This choice is grounded in the emphasis that the constructivist approach places on perceptions and beliefs as elements that shape meaning in social contexts (HOLSTEIN et al., 2013). As advocated by constructivism, the understanding of reality emerges from the meanings individuals construct from their subjective and mental perspectives on the world (SCHWANDT, 1998).

Therefore, the research adopted an exploratory approach with an analytical inclination, using discourse analysis technique. This exploratory focus facilitates the identification of key themes and perspectives expressed in the discourses, while the analytical perspective aims to reveal the underlying meanings in the collected discourses (JONES, 2012).

Regarding the specific object of this research - the behavior of tax contributors, it is essential to consider the diversity of subjects. This implies taking into account distinct variables such as exemptions, volume of contributions, distinctions between legal entities and individuals, incidence of direct and indirect taxes, among other factors.

To elaborate further, exempt individuals presumably have different perspectives from those who are not exempt, as those exempt from payment may not comprehend in the same way as those who contribute part of their income. Similarly, individuals subjected to higher volumes of taxes may diverge in their opinions from those who pay smaller amounts. Additionally, the perception of direct taxes may be considerably more significant than that of indirect taxes, since the latter tend to go unnoticed more frequently and easily. Furthermore, legal entities may hold differing views compared to individuals, given that they generally have higher incomes and adopt different decision-making processes and declaration procedures, as mentioned by Jayawardane and Low (2017), Nkundabanyanga et al. (2017), and Advani and Tarrant (2021).

Thus, to ensure precise control, the decision was made to focus on individuals, establishing participation criteria that excluded exempt individuals and those with significantly high tax obligations due to the progressive nature of the Brazilian tax system. Additionally, the research orientation was towards analyzing the perception of direct taxes, choosing to apply the tax incidence table and deductions applicable to the calculation of the Personal Income Tax (IRPF) for the year 2023.

An income range was set for the study participants, ranging from R\$ 2,112.01 to R\$ 4,664.68, based on two fundamental criteria: i) earnings below R\$ 2,112.01 are exempt from taxation, which could influence tax perception differently from taxable individuals, justifying the exclusion of participants with incomes below this threshold; ii) earnings above R\$4,664.68 were excluded as they represent a smaller fraction of the Brazilian population (IBGE, 2023) and thus surpass the average salary of most individuals in the country.

This procedure aims to properly capture the perspectives of non-exempt taxpayers, ensure the inclusion of direct tax contributors, and establish a group with varied income brackets, even if they share similar financial conditions. This maintains the representative integrity and relevance of the data within the Brazilian economic and social framework. This

segmentation strategy plays a crucial role as a control mechanism in the research, promoting a more accurate investigation of the addressed perspectives.

For data collection, seven semi-structured interviews were conducted, referred to in the study as “E1 to E7,” with the specific procedures described below. The determination of the number of interviews was based on the inherent complexity of the adopted method and the potential for dispersion if the number of interviews was excessive. Additionally, in qualitative research, unlike quantitative, the focus is not on seeking a statistical representation of the number of interviews but on the meticulous and in-depth manner of the information obtained (GOUVEIA et al., 2016; DESLAURIERS; KÉRISIT, 2023).

3.2. Research instrument and subjects

For conducting the interviews, the approach of reaching out to subjects remotely through the Google Meet platform was chosen. The selection of this platform is justified by its ease in reaching participants from various locations, due to the simplicity of access and the widespread use of the tool. The interviews were carried out based on a semi-structured questionnaire, developed from the information and theoretical foundation presented in Table 1.

Table 1 - Semi-structured questionnaire framework

	CATEGORIZATION	LITERATURE
1)	Relationship between taxpayer and government: public utility, perception of justice, equity, trust in the State, and coercion.	(WENZEL, 2002A; 2002B; ALM; TORGLER, 2004; TIMMON; 2005; BRAITHWAITE; MURPHY; REINHART, 2007; KIRCHLER; HOELZL; WAHL, 2008; CONGDON; KLING; MULLAINATHAN, 2009; BARBUTA-MISU, 2011; BATRANCEA; NICHITA; BATRANCEA, 2013; THUC, 2013; MANGOTE et al., 2015; BROCKMANN; GENSCHEL; SEELKOPF, 2016; KIOW; SALLEH E KASSIM, 2017; GABER; GRUEVSKI, 2018; ALM, 2019; BATRANCEA et al., 2019; TILAHUN, 2019; ALHEMPI et al., 2020; CARRILLO; CASTRO; SCARTASCINI, 2021; GUYTON et al., 2021)
2)	Intrapersonal and interpersonal factors: sense of duty, engagement and belonging, investment expectation, proportionality, discontent, perception of efficient management, and financial loss sentiment.	(DORNSTEIN, 1987; SCHOLZ; PINNEY, 1995; KIRCHLER; 1999; DHAMI; AL-NOWAIHI, 2007; PIOLATTO; TROTIN, 2016; PIOLATTO; RABLEN, 2017; BATRANCEA ET AL., 2019; GÜZEL; ÖZER; ÖZCAN, 2019; THORTON et al., 2019; WIDURI; IRAWAN, 2019; AUSTIN; BOBEK; JACKSON, 2021)
3)	Adherence to non-compliance: cultural perception, ethics, morality, prudence, risk, and punishment.	(SLEMROD; YITZHAKI, 2002; KIRCHLER, 2007; RICHARDSON, 2008; STRIELKOWSKI; ČÁBELKOVÁ, 2015; BLAUFUS et al., 2016; LITINA; PALIVOS, 2016; GABER; GRUEVSKI, 2018; PAYNE; RAIBORN, 2018; LEDERMAN, 2019; POPESCU, 2020; BENKRAJEM et al., 2021; ERMASOVA; HAUMANN; BURKE, 2021; SALÉ; MUHARREMI; HOXAHAJ, 2021; JAKUBOWICZ; MUNTEANU, 2022; OWUSU et al., 2022; DOURADO, 2023)

Source: creation based on the literature.

The interviews were recorded and transcribed with the participants' permission to enable discourse analysis. The analysis of the transcriptions followed the categorization process proposed by Galiazzi and Sousa (2019), aiming to establish a structure that integrates hermeneutical and epistemological approaches to comprehend and interpret the data in line with the study's objectives.

4. DISCUSSIONS

Based on the objective, theoretical framework, reviewed literature, and collected transcriptions, discourse analysis will be conducted considering the following categories (GALIAZZI; SOUSA, 2019): 1) Relationship between taxpayer and government; 2) Intrapersonal and interpersonal factors; and 3) Adherence to non-compliance.

4.1 Relationship between taxpayer and government

Alm and Torgler (2004) and Alm (2019) analyze non-economic variables that influence tax compliance, such as well-being, sense of belonging, and satisfaction with the country's situation, arguing that the provision of quality public services can create a sense of reciprocity between taxpayers and the government. In this regard, according to Mangote et al. (2015), Gaber and Gruevski (2018), and Carrillo, Castro, and Scartascini (2021), citizens who benefit from well-managed and accessible public services may feel a greater moral obligation to contribute to the tax system, as they perceive taxes as an investment in collective well-being. On the other hand, dissatisfaction with public services, due to mismanagement, corruption, or lack of transparency, can undermine taxpayers' trust in the government, leading to a decrease in tax compliance.

In this context, to assess the level of satisfaction and recognition of the efficiency of public services provided by the Brazilian government, we sought to obtain the opinions of the interviewees on the quality of life in Brazil, a question that elicited significant diversity, as evidenced by the narratives:

Em geral, no Brasil é um lugar bom de se morar, eu pelo menos acho. Eu acho que é bom devido à liberdade que nós temos. No entanto, vejo que a segurança pública está deixando a desejar. (E3)

Overall, in Brazil it's a good place to live, at least I think so. I think it's good because of the freedom we have. However, I see that public security is lacking. (E3) (Our translation)

Então eu acho como se eu tivesse meio que um fardo de morar aqui (...). Eu não acho que seja um país que seja agradável. Não é seguro e não tem uma boa educação, etc. (...). (E4)

So I feel like I have kind of a burden living here (...). I don't think it's a pleasant country. It's not safe and doesn't have good education, etc. (...). (E4) (Our translation)

Em questão de paz pessoal, o Brasil é sim um bom lugar para se morar. Agora em questões profissionais e financeiras, eu acho que o valor que nós pagamos de imposto e o valor que é nos retornado depois, com questões, por exemplo, da educação e da saúde, não é um valor que nós esperávamos, é um valor bem menor. (E2)

In terms of personal peace, Brazil is indeed a good place to live. Now, in terms of professional and financial matters, I think the amount we pay in taxes and what we get back afterward, in terms of things like education and healthcare, it's not the value we expected, it's much less. (E2) (Our translation)

The interviewed taxpayers demonstrate a duality in their perceptions. On the one hand, they show appreciation for elements such as the sense of freedom and the quality of healthcare services, aspects that indicate positive feelings of reciprocity which, according to Thuc (2013), can promote tax compliance. On the other hand, they reveal frustration and distrust towards public policies and fiscal resource administration, highlighting a lack of

confidence in governmental institutions and policies, a factor which, as noted by Timmons (2005), Kiow, Salleh, and Kassim (2017), and Alhempí et al. (2020), can lead to tax evasion.

Additionally, concerning the importance of public utility perception, discussed by Congdon, Kling, and Mullainathan (2009), Brockmann, Genschel, and Seelkopf (2016), and Alm (2019) as a significant aspect of tax compliance, interviewee E3 emphasized:

Nós temos uma boa estrutura educacional, mas é também um conjunto de coisas que influencia (...). Para mim, o SUS é um dos melhores programas de saúde do mundo, mas a situação que o Brasil se encontra, formado por um conjunto de variáveis, faz com que ele deixe a desejar, né? (E3)

We have a good educational structure, but it's also a mix of things that influence (...). For me, SUS is one of the best health programs in the world, but the situation Brazil finds itself in, formed by a mix of variables, makes it fall short, right? (E3) (Our translation)

On the other hand, interviewee E6 expressed feelings of dissatisfaction and injustice regarding the educational service, stating:

Com a capacidade do Brasil, sem dúvidas, teria formas de melhorar, sabe? Não acho que a educação seja de excelência (...). Acho isso injusto (...) acaba que os ricos pegam as vagas nas federais e usam dos serviços que era para ter sido projetados para os mais vulneráveis. (E6)

With Brazil's potential, without a doubt, there would be ways to improve, you know? I don't think the education system is excellent (...). I find that unfair (...) in the end, the wealthy take the spots at federal universities and use services that were supposed to be designed for the most vulnerable. (E6) (Our translation)

The dissatisfaction and injustice are evident in pointing out the disparity of opportunities between the most vulnerable and the wealthiest, considering that only the privileged have greater chances of approval. Interviewee 1, in turn, emphasized:

O que a gente tem hoje de má qualidade de prestação de serviço, seja de saúde, de transporte, eu acho que se dá muito mais em relação à questão de má aplicabilidade dos recursos do que por falta de arrecadação. (...) Voltando ao que falei anteriormente, eu acho que o quanto se arrecada, se fosse melhor aplicado, teriam melhores direitos sociais e seriam mais bem vistos. (E1)

The poor quality of services we have today, whether in health care, transportation, I think it's much more due to mismanagement of resources than lack of funding. (...) Going back to what I said earlier, I think if the revenue collected were better applied, we would have better social rights and be better off. (E1) (Our translation)

According to the interviewee, public services are of low quality due to how taxes are distributed and utilized, suggesting feelings of frustration, indignation, and skepticism towards the management of public resources, implying a perception of inefficacy in current policies. However, the interviewee shows optimism when mentioning that if the collected resources were properly employed, it would result in better utilization and greater transparency for taxpayers. Similarly, interviewees E4 and E5 addressed:

Não acho que o dinheiro é bem aproveitado, não. Eu acho que o Brasil tem potencial de melhorar muita coisa, porque não é só um imposto que a gente paga, a gente paga imposto de tudo. (E5)

I don't think the money is well spent, no. I think Brazil has the potential to improve a lot of things, because it's not just one tax we pay, we pay taxes on everything. (E5) (Our translation)

Não acho que a gente é um país emergente, porque eu não acho que a gente está caminhando para lugar nenhum. Então, eu juro que a gente é de terceiro mundo e a gente recebe serviços e estruturas de terceiro mundo.(E4)

I don't think we're an emerging country, because I don't think we're going anywhere. So, I swear we're a third-world country and we get third-world services and infrastructure. (E4) (Our translation)

The interviewed taxpayers acknowledge the importance of taxes but express dissatisfaction with their administration and allocation. They feel that their expectations of returns in terms of services and benefits are not being met. This disparity between understanding the necessity of taxes and distrust regarding their effective use can lead to decreased willingness and increased inclination toward tax evasion, contrasting with the ideal proposed by Brockmann, Genschel, and Seelkopf (2016), Congdon, Kling, and Mullainathan (2009), and Alm (2019). These scholars suggest that recognizing the importance of taxes for the development of public services and collective well-being can promote greater voluntary tax compliance readiness and reduce the propensity for evasion.

Next, the debate addressed the issue of tax fairness, highlighting the tax burden as a central element. The perception of tax fairness is crucial for tax compliance, as when citizens feel obligated by the state, the likelihood of rebellion increases (BRAITHWAITE; MURPHY; REINHART, 2007; BARBUTA-MISU, 2011; TILAHUN, 2019).

A situação do Brasil não é complicada somente pela alta carga tributária e pela complexidade, mas também por um conjunto de fatores que nos fazem acreditar que o pagamento de impostos no Brasil não é adequado, tanto em termos de carga, quanto de distribuição também. (E2)

The situation in Brazil is complicated not only by high tax burdens and complexity, but also by a set of factors that lead us to believe that tax payment in Brazil is not adequate, both in terms of burden and distribution as well. (E2) (Our translation)

Na arrecadação muita complexidade e na administração não está sendo bem administrado e, essa questão de imposto abusivo também.(E5)

There's a lot of complexity in tax collection and it's not being well managed administratively, and this issue of abusive taxation as well. (E5) (Our translation)

In this context, individual E2 demonstrates discontentment regarding the tax burden, its complexity, the perception of inadequacy in payments, and a possible disagreement with tax collection and administration methods in Brazil. On the other hand, individual E5 highlights the existence of a complex tax system, criticizes fiscal management, and suggests that taxes are excessive, indicating that a sense of abuse may be a prevalent element in the Brazilian tax burden.

Additionally, E5 and E6 emphasized:

Olha, eu acho que um país, para ele ter uma economia boa ou relativamente boa, a gente tem sim que pagar imposto, só que a gente tinha que pagar imposto justo, sabe? (...) Eu aceito pagar o justo, entendeu? Porque não justifica, também, a gente pagar imposto igual a gente paga e não ter uma saúde de qualidade em alguns lugares, não ter, por exemplo, estradas boas... (E5)

Look, I think for a country to have a good or relatively good economy, we do need to pay taxes, but we should be paying fair taxes, you know? (...) I accept paying what's fair, you know? Because it doesn't make sense either, for us to pay taxes like we do and not have quality healthcare in some places, not have, for example, good roads... (E5) (Our translation)

*O problema é que somos obrigados a pagar, mas não temos um bom resultado. Sinto como se fosse ficar **desapontado** com alguém que você deu seus recursos com a missão de retornar com algo melhor e com constante melhoria e essa pessoa não supre suas expectativas, sabe? (...) É um sentimento de **desapontamento** e de que não vale muito, não faz muito efeito para aquilo que eu acredito que deveria melhorar e que é importante para um país. (E6)*

*The problem is we're obligated to pay, but we don't get good results. I feel like you're **disappointed** with someone you gave your resources to with the mission to return with something better and with constant improvement, and that person doesn't meet your expectations, you know? (...) It's a feeling of **disappointment** and that it doesn't carry much weight, it doesn't have much effect on what I believe should improve and what's important for a country. (E6) (Our translation)*

The concept of “citizens' perception index on the usefulness and fairness of taxes” suggests that willingness to comply with tax obligations is directly linked to the perception of fairness and utility of the taxes paid (BROCKMANN; GENSCHEL; SEELKOPF, 2016; ALM, 2019; GUYTON et al., 2021). Taxpayers have expressed feelings of exploitation and injustice regarding taxes, revealing a diminished perception of fairness and utility. They view taxes as disproportionate and do not perceive a corresponding improvement in social equality, indicating a disconnect between their contributions and the benefits received.

This dissatisfaction reflects a negative view of both tax fairness and utility, which, according to the study, may reduce willingness to comply voluntarily with tax obligations, potentially exacerbating conflicts in the relationship between the state and taxpayers in Brazil. Thus, it is likely that while Brazilians recognize the importance of taxes, they do not see a positive return, which can sometimes result in non-compliance with tax regulations.

Simultaneously, individual E3 describes the country's tax structure as unequal, being responsible for the perceived injustice and inequality.

*Eu tenho a opinião de que é uma estrutura **desigual**, que não ajuda na redistribuição de renda e que só **colabora para manter a desigualdade social** que a gente tem. **Acho a forma estrutural injusta**, sabe? (E3)*

*I have the opinion that it's an **unequal** structure that **doesn't help with income redistribution** and only **contributes to maintaining the social inequality** we have. **I find the structural form unfair**, you know? (E3) (Our translation)*

These feelings are clearly expressed directly, highlighting a structure that does not contribute to redistribution and inequality reduction. This poses a challenge for a country, as

taxation is often seen as a tool for redistributing wealth and reducing disparities. When this purpose is not fulfilled, tax payment can be perceived as an unjustified obligation, leading citizens to non-compliance (WENZEL, 2002a; 2002b), as evidenced in the following accounts.

Eu não tenho a liberdade de escolher pagar ou não imposto, se eu não pagar eu vou ser multado e penalizado. Então não é uma escolha minha, é algo autoritário. (...) O pagamento de imposto no Brasil, eu acho que é algo inerente ao Estado, independente do Estado (...). Eu, pessoalmente, não gosto de pagar imposto, eu sinto que é quase um roubo o que acontece. (...) Difícil, esse senso de que estou pagando é justo, então... (E4)

I don't have the freedom to choose whether to pay taxes or not; if I don't pay, I'll be fined and penalized. So it's not my choice, it's something authoritarian. (...) Paying taxes in Brazil, I think it's something inherent to the State, regardless of the State (...). Personally, I don't like paying taxes; I feel like it's almost like being robbed. (...) It's difficult, this feeling that what I'm paying is fair, so... (E4) (Our translation)

Eu, particularmente, tenho aquela sensação que está sendo espoliado pelo Estado, nesse sentido, que é um péssimo administrador, é um péssimo patrão. (...) Num país sério, eu pagaria, sim, feliz da vida, sorridente. Infelizmente, em nosso país, não é o sentimento que eu tenho. (E7)

I particularly have this feeling of being exploited by the State, in that sense, that it's a terrible administrator, a terrible boss. (...) In a serious country, I would pay happily, yes, with a smile. Unfortunately, in our country, that's not the feeling I have. (E7) (Our translation)

Kirchler, Hoelzl, and Wahl (2008), Batrancea, Nichita, and Batrancea (2013), as well as Batrancea et al. (2019), observe that the sense of coercion becomes evident when taxpayers have low trust in the state across all aspects of resource management, especially in the provision of social services and income redistribution. In this context, within the Brazilian scenario, tax compliance out of obligation may be more common than voluntary compliance, particularly in light of additional reports indicating perceptions of injustice, social inequality, and lack of utility return.

4.2. Intrapersonal and interpersonal factors

To investigate subjective perceptions regarding tax payment, participants were asked about their feelings when paying taxes. Below are some of the excerpts:

Eu pago com o sentimento de que estou fazendo meu papel esperando que seja bem aplicado para que quando eu ou qualquer pessoa precisar isso volte para a pessoa. (E1)

I pay with the feeling that I'm doing my part, hoping it's well spent so that when I or anyone else needs it, it comes back to us. (E1) (Our translation)

Eu sinto que é meio que um investimento que eu espero retornar em serviços que eu possa usar. Tudo que temos não é dado, é só um retorno, às vezes mínimo da nossa contribuição. (E3)

I feel it's kind of an investment that I hope returns in services I can use. Everything we have isn't given, it's just a return, sometimes minimal, from our contribution. (E3) (Our translation)

Basicamente, no sentido, digamos assim, da gênese, da definição do imposto, eu enxergo assim, como o ingresso que você compra para participar da sociedade livremente, para você adquirir os seus direitos e também a cumprir os deveres, apesar de que eu achar que os direitos são mínimos aqui no Estado brasileiro. (E4)

Basically, in a sense, let's say, of the genesis, the definition of tax, I see it as the ticket you buy to participate in society freely, to acquire your rights and also fulfill your duties, although I think the rights are minimal here in the Brazilian state. (E4) (Our translation)

These results are aligned with the pioneering study by Scholz and Pinney (1995), which demonstrated that certain individuals are influenced by the "duty heuristic". This heuristic encompasses cognitive processes that reduce selfish tendencies and promote commitment to tax law compliance. While many individuals share this sense of duty, which is beneficial for tax compliance, additional research such as that by Dornstein (1987) and, more recently, Thornton et al. (2019), suggests that the effectiveness of the duty heuristic is enhanced when associated with perceptions of pro-social taxation and tangible benefits from taxes. This underscores that the sense of civic responsibility is strengthened not only by the perception of tax fairness but also when taxes are viewed as socially responsible investments.

On the other hand, participants E5 and E7 address:

*Se eu vejo que é um imposto justo... **Eu não me importo de pagar** porque eu sei que o Brasil também precisa disso, **mas se eu vejo que é um imposto abusivo, eu me sinto... Eu fico mal por causa disso.** (E5)*

*If I see it's a fair tax... **I don't mind paying** because I know Brazil needs it too, **but if I see it's an abusive tax, I feel ... I feel bad about it.** (E5) (Our translation)*

***Então o sentimento não é bom não.** Posso lhe dizer que a sensação é de ter o Estado como um sócio, **que é um péssimo sócio, mau administrador desse dinheiro e é um sócio indesejado.** (...) Acho também uma piada essa expressão que a legislação usa de contribuinte (...). **Somos contribuintes obrigatórios.** (...) **A maioria dos brasileiros não tem uma boa percepção no tocante à tributação.** (E7)*

***So the feeling isn't good at all.** I can tell you that the sensation is of having the State as a partner, **which is a terrible partner, a bad manager of this money, and an unwanted partner.** (...) I also find it a joke that the legislation uses the term 'taxpayer' (...) **We are mandatory contributors (...)** **The majority of Brazilians don't have a positive perception regarding taxation.** (E7) (Our translation)*

According to Dornstein (1987), a prominent figure in the study of tax behavior, it is highlighted as essential not only to ensure a proportional return on the amount contributed but also to ensure that taxpayers perceive the imposed taxes as fair and are satisfied with the taxes levied.

Analyzing taxpayer E5 account reveals an unfavorable view regarding the discrepancy between received benefits and imposed tax burdens. This demonstrates that if this perception prevails in Brazil, such feelings of inequality and dissatisfaction are likely to contribute to adverse reactions and disagreement towards the country's tax system.

In the second account with individual E7, an unfavorable perspective emerges regarding taxes and the role of the state as the recipient and manager of collected resources.

This account is particularly relevant for illustrating the taxpayer's perception of the compulsory nature of tax compliance in the Brazilian tax system, advocating the idea that ideally, such compliance should be voluntary.

However, as pointed out by Batrancea et al. (2019), for there to be voluntary compliance, taxpayers need to recognize the quality and efficiency of government services and perceive that their needs are being met. Nevertheless, it is evident that taxpayers not only criticize the management of public resources but also recognize the necessity and inevitability of the tax imposition they are subject to. Thus, based on analyses by Kirchler (1999) and Batrancea et al. (2019), it can be inferred that in Brazil, despite certain recognized benefits, the approach is predominantly coercive rather than voluntary.

Additionally, other interviewees made considerations regarding monetary impact:

E a questão de sentimento e, justamente por eu achar, dentro da definição dele, que esses direitos são mínimos, eu vejo que o imposto é mal utilizado e, portanto, eu sinto realmente uma perda financeira. (E4)

And the feeling is, precisely because I believe, within its definition, that these rights are minimal, I see that taxes are misused, and therefore, I truly feel a financial loss. (E4) (Our translation)

Eu acho que é uma perda. (...) Eu poderia estar pegando esse valor e investindo em algum tipo de investimento (...). Então, se eu acho que já ganho pouco frente ao que eu preciso gastar, parte desse pouco vai para um lugar que não é bem gerido e não retorna de maneira satisfatória para nós, que ganho eu tenho? (...) Eu sinto que é um dinheiro suado que está indo para um saco sem fundo. (E2)

I think it's a loss. (...) I could be taking this amount and investing in some kind of investment (...). So, if I already feel I earn little compared to what I need to spend, part of this little goes to a place that isn't well managed and doesn't return satisfactorily to us, what gain do I have? (...) I feel it's hard-earned money going into a bottomless pit. (E2) (Our translation)

Como disse, desde que ele seja usado corretamente, eu acho correto sim, entende? Eu acho que é um ganho quando ele é usado da maneira correta, quando traz uma utilidade social. Ou seja, resumindo, como eu sei que ele não é usado de maneira correta, só parte dele é destinada à comunidade de maneira correta, eu sinto que é mais perda do viu... Eu sei e todo brasileiro sabe. (E6)

As I said, as long as it's used correctly, I think it's right, you know? I think it's a gain when it's used correctly, when it brings social utility. In other words, summarizing, since I know it's not used correctly, only part of it is allocated to the community correctly, I feel it's more of a loss, you know... I know, and every Brazilian knows. (E6) (Our translation)

A questão dos impostos é realmente um sentimento de perda, sabe? É um momento de tristeza quando eu vou pagar (risos). Eu sinto que, em nenhum momento, no ato, seja uma forma de ganho. Sei lá, acho que se formos ter a consciência do retorno público, talvez a gente enxergasse como um ganho, mas é inegável que quando a gente vai pagar, o sentimento é de tristeza (risos). (...) Se eu tenho que pagar x reais de imposto, eu sinto que estou perdendo x reais da minha poupança, por exemplo. Realmente vejo como uma perda financeira, literalmente. (E4)

The issue of taxes is really a feeling of loss, you know? It's a moment of sadness when I have to pay (laughs). I feel that, at no time, in the act, is it a form of gain. I don't know, I think if we were to have the consciousness of public return, maybe we would see it as a gain, but it's undeniable that when we go to pay, the feeling is sadness (laughs). (...) If I have to pay x amount of tax, I feel I'm losing x amount from my savings, for example. I really see it as a financial loss, literally. (E4) (Our translation)

O tributo é importante e o brasileiro tem que entender essa questão, porque se já está ruim com o tributo, sem o tributo seria caótico. (...) Então assim, logicamente que o ser humano que falar que gosta de pagar tributo estaria sendo hipócrita. Ninguém quer perder parte do seu salário. (...) Mas se você for olhar, como cidadão e portador de direitos, a gente vê que tributos são extremamente necessários. (E1)

The tax is important and Brazilians need to understand this issue, because if it's already bad with taxes, without taxes it would be chaotic. (...) So, logically, any human who says they like to pay taxes would be hypocritical. No one wants to lose part of their salary. (...) But if you look at it as a citizen and holder of rights, we see that taxes are extremely necessary. (E1) (Our translation)

In the reports, there is a clear sense of loss regarding the financial impact of tax payments, reflecting the perception of potential reduction in monetary reserves and resulting in economic detriment. While one could argue that the perception of public benefits derived from taxes is a relevant motivator, the predominant emotion seems to be discontentment.

Studies conducted by Dhami and Al-Nowaihi (2007), Piolatto and Troitin (2016), Piolatto and Rablen (2017), and Austin, Bobek, and Jackson (2021) have addressed the relationship between the feeling of loss and tax compliance, noting that this feeling relates to people's aversion to losing something they already possess. In the fiscal context, taxpayers may interpret tax payments as a decrease in resources that could be used otherwise.

This sense of loss can influence tax non-compliance in various ways. For example, if taxpayers feel they are losing a significant portion of their income and wealth due to high tax burdens or an unjust tax system, they may be more inclined to seek ways to avoid or evade taxes. On the other hand, if tax authorities effectively communicate the benefits of tax collection and how these resources are used for the collective good, taxpayers may be more willing to fulfill their tax obligations, even if it involves a perceived financial loss.

Nevertheless, in addition to the adverse financial effects mentioned by the interviewees, there is a clear inefficiency in the administration of resources obtained through taxation. This suggests that offsetting the negative financial impact on their lives through effective management that should result in tangible public utility benefits is not clearly perceived by taxpayers. If this perception is common among Brazilian citizens, it could indicate a detrimental factor to tax compliance in the country. This is because the combination of financial loss sentiment with perceptions of tax injustice and utility may lead taxpayers to practices such as tax evasion and adoption of aggressive tax avoidance strategies.

Additionally, it was notable that some individuals approached the issue of taxes based on a principle of justice:

O ato de pagamento de impostos, ou ter uma obrigação tributária, eu acho que é justo, no fundo, sabe? Eu pagar imposto e, por ter um salário maior, pagar mais. Isso não me parece incorreto. (...) Não ver um bom gerenciamento ou um retorno, é frustrante e desmotivador para a gente que contribui. (E3)

The act of paying taxes, or having a tax obligation, I think is fair, deep down, you know? Paying taxes and, because I have a higher salary, paying more. That doesn't seem wrong to me. (...) Not seeing good management or a return, it's frustrating and demotivating for us who contribute. (E3) (Our translation)

(...) Acho justo em geral, mas no nosso caso, não muito. São altas taxas, pega grande parte do meu salário, para depois não ter um retorno esperado? Tudo bem que é retido na fonte, mas não deixa de ser meu, né? (E6)

(...) I think it's fair in general, but in our case, not so much. The rates are high, it takes a big part of my salary, and then there's no expected return? It's okay that it's withheld at the source, but it's still mine, right? (E6) (Our translation)

The third interviewee emphasizes the importance of tax fairness, advocating for taxes to be paid proportionally according to income, without considering this as inappropriate. They highlight efficiency in management and responsibility in administering tax resources as crucial, indicating that the concept of fairness is related to transparency and effectiveness in the use of public funds.

On the other hand, the sixth interviewee bases their concept of fairness on the relationship between taxes paid and benefits received. They emphasize that a significant portion of their income goes towards taxation and expect a proper return that justifies this tax burden. Thus, it becomes evident that the perception of fairness is intrinsically linked to the balance between the amount paid and the expected benefits.

Studies conducted by Güzel, Özer, and Özcan (2019) and Widuri and Irawan (2019) have found that the perception of fairness in the tax system and the proportional application of taxes directly impact taxpayers' willingness to comply with their tax obligations voluntarily and effectively. Conversely, the perception of an unfair tax system, with high rates for certain groups and privileges for others, can reduce tax compliance. During the interviews, some participants emphasized the need for income-proportional taxation, but also stressed that the effectiveness of this principle depends on proper management of the collected resources. Thus, it is perceived that while taxes are considered inherently fair and necessary for citizens, their effectiveness is compromised by inefficiency in financial management and lack of confidence in the government's ability to administer them effectively.

4.3. Adherence to non-compliance

A fundamental distinction is highlighted: tax avoidance involves the use of strategies, with varying levels of risk, to reduce tax liability, while tax evasion refers to the intentional practice of underreporting or fraudulent actions in violation of laws (SLEMROD; YITZHAKI, 2002). Both behaviors can be considered forms of tax non-compliance, resulting in revenue losses and damages to the state (JAKUBOWICZ; MUNTEANU, 2022). Therefore, study participants were queried about their opinions regarding tax avoidance and evasion, aiming to identify trends towards these practices. In this regard, the stance of E1 stands out:

*Acho que isso decorre não só da questão de querer arrecadar mais, de ter mais pra si, como também do famoso **jeitinho brasileiro**, mas falo que pode ser também pelo fato do **ser humano, do brasileiro** ter aquela visão de qualquer valor que ele aplicar no Estado, no país, aquele valor vai ser **mal distribuído** e conseqüentemente não vai voltar para si como deveria voltar. (...) Então ele acaba pensando: “poxa, eu estou dando um milhão para o governo e o governo não está me retribuindo isso em questões sociais, em*

políticas públicas, nada disso. Então se eu pagar 500 mil, vai dar na mesma....”. Então eu creio que muitas das pessoas usam dessa forma. (E1)

*I think this stems not only from the desire to collect more, to have more for oneself, as well as from the famous **Brazilian way (jeitinho brasileiro)**, but I also think it could be because of **the human nature, the Brazilian's** view that any amount they contribute to the State, to the country, that amount will be **poorly distributed** and consequently won't come back to them as it should. (...) So they end up thinking: “Wow, I'm giving a million to the government **and the government isn't giving me back anything** in terms of social issues, public policies, none of that. So if I pay 500 thousand, **it's going to be the same....”**. So I believe many people use it this way. (E1) (Our translation)*

Participant E1 refers to the concept known as the “Brazilian way” (*jeitinho brasileiro*), interpreting it as a manifestation of resignation and cultural acceptance towards tax evasion, while also associating this practice with utilitarian compensation. This attitude may reflect an implicit justification for individuals' inclination to seek and exploit legal loopholes for personal benefit.

The term “*jeitinho brasileiro*” is considered a personality trait, describing a peculiar attitude in seeking ways to solve problems that often operate on the margins of established norms. This phenomenon, an element of Brazilian culture, may involve personal favors or the exploitation of legal loopholes to achieve specific goals, possibly motivated by distrust in institutions.

Studies conducted by Gaber and Gruevski (2018) and by Ermasova, Haumann, and Burke (2021) demonstrate that prevailing cultural values in a society significantly impact tax compliance in a country. Similarly, observations by Richardson (2008) and Strielkowski and Čábelková (2015) highlight the correlation between variables such as individualism, hierarchical distance, legislation, governmental trust, and religiosity with levels of tax evasion in different nations. Richardson (2008) emphasized that in cultures characterized by high uncertainty and strong individualism, tax evasion rates tend to be higher.

In the context of Brazilian tax non-compliance, the concept of “*jeitinho brasileiro*” can be interpreted as a cultural manifestation of circumventing laws in various aspects, due to distrust in public administration, feelings of financial loss, and the perception of inadequate social return from the government.

However, despite the presence of tax non-compliance and recognition of means to reduce tax burden, coercive measures gain prominence, as evidenced in the statements of E1 and E2:

Só que assim, eu não concordo tanto, porque eu penso o seguinte: tem toda uma legislação (...). Então, se já tem pré-estabelecido, eu acho que você tem que sujeitar aquilo, você não pode ficar tentando burlar. (...) Nesse caso, no meu caso, eu não acho que seja válido. Eu acho que o custo de oportunidade não compensa. (E1)

However, I don't agree that much, because I think the following: there's a whole legislation (...). So, if it's already established, I think you have to comply with it, you can't try to circumvent it. (...) In this case, in my case, I don't think it's valid. I think the opportunity cost doesn't compensate. (E1) (Our translation)

Bem, hoje eu faria de tudo pra não cair na malha fina, porque a última coisa que eu quero é jurídico e receita atrás de mim por algum problema, algum processo jurídico (...). Então, eu optaria por declarar de acordo com a lei, seja simplificado, ou seja, detalhadamente a Declaração do Imposto, para que não houvesse nenhum problema para mim futuramente. (E2)

Well, today I would do everything to avoid being audited, because the last thing I want is the legal department and revenue chasing after me for some issue, some legal process (...). So, I would choose to declare according to the law, whether simplified or detailed in the Tax Return, so that there wouldn't be any problem for me in the future.(E2) (Our translation)

A participant identified as E1 mentioned the concept of “opportunity cost”, suggesting that the risk associated with breaking the law does not outweigh the benefit gained. Similarly, E2 expressed concern regarding legal compliance, demonstrating motivation and commitment to abide by the legislation. Both interviewees (E1 and E2) adopt a more conservative stance towards norms, aiming to avoid legal issues and potential negative consequences for themselves.

Likewise, participants E5 and E6 share the view that compliance with the law is essential to avoid legal complications, demonstrating a strong sense of moral duty.

*É... eu acho que a lei tá aí pra ser seguida. (...) **Eu já não acho certo, sabe? Eu sou um tipo de pessoa, eu não gosto de fazer as coisas errado, eu não gosto de nada errado. Então eu acho que se tem ali é porque tem que ser cumprido.***(...) *Eu não gosto. Eu não... Eu acho que eu não faria. Com toda certeza, eu não utilizaria disso.* (E5)

*Yeah, I think the law is there to be followed. (...) I just don't think it's right, you know? I'm the type of person, **I don't like doing things wrong, I don't like anything wrong. So, I think if it's there, it should be followed.*** (...) *I don't like it. I wouldn't... I don't think I would do that. **Definitely, I wouldn't take advantage of that.*** (E5) (Our translation)

*Mas se eu tivesse essa possibilidade, **eu não usaria as brechas de forma nenhuma.** Porque eu concordo com a contribuição. Eu não concordo com a distribuição que está feito nesse caso. (...) **Eu nunca me imaginei burlando algo, entende? Então não acho correto, não ficaria com a consciência tranquila. O certo é certo, errado é errado. Se a lei nos obriga, fugir é errado.*** (E6)

*But if I had that possibility, **I wouldn't use loopholes at all.** Because I agree with contributing. I don't agree with how it's distributed in this case. (...) **I never pictured myself skirting around something, you know? So, I don't think it's right, I wouldn't have a clear conscience. Right is right, wrong is wrong. **If the law obliges us, dodging it is wrong.***** (E6) (Our translation)

The study by Litina and Palivos (2016) addresses the importance of ethics and morality in legitimizing and ensuring justice in the tax system. They argue that when a society's ethical and moral norms value tax compliance and condemn tax evasion, citizens are more likely to adhere to these values. Additionally, Salé, Muharremi, and Hoxahaj (2021) along with Benkrajem et al. (2021) argue that if there is a perception of effectiveness in tax collection, people are less likely to view tax avoidance and evasion as acceptable behavior. On the other hand, Owusu et al. (2022) identify a correlation between diligence, affability, openness to experience, tax morality, and propensity for tax evasion.

It is important to note that the interviewees expressed dissatisfaction with the government's tax administration. However, faced with the risk of audits or legal consequences for tax evasion, these individuals dismiss the idea of breaking the law. This stance can be attributed to the ethical sense highlighted by Litina and Palivos (2016), Salé, Muharremi, and Hoxahaj (2021), and Benkrajem et al. (2021), but may also be influenced by a conscious or unconscious assessment of the risks and benefits involved in violating tax norms.

Despite distrust in government fiscal management, the prevalence of a sense of duty, morality, and a risk-reward analysis regarding tax evasion, driven by fear of punishment, is a determining factor. However, divergent opinions were noted in the statements of individuals E3 and E4, who consider exploiting loopholes acceptable as long as it does not result in negative consequences for them.

(...) Mas não vejo problema algum. Não acho imoral, desde que de fato seja uma lacuna, sabe? É como se eu não tivesse uma base para decisão correta. Se não há nada que diga sobre aquilo, qual é o argumento que seria contra. Se não fui "avisada", não teria como saber (risos). (E3)

(...) But I don't see any problem. I don't find it immoral, as long as it's truly a loophole, you know? It's like I don't have a basis for the right decision. If there's nothing that says otherwise, what argument is there against it. If I wasn't 'warned,' there's no way I could know (laughs). (E3) (Our translation)

Eu acho que vejo muito como uma questão de risco. Se fosse algo extremamente arriscado e eu tivesse a chance de sofrer alguma retaliação em algum sentido, por menor que seja, eu evitaria. Mas se eu encontrasse essas brechas e eu entendesse o funcionamento do sistema e visse que ali é só um caminho que eu tenho para pagar menos, com certeza eu pagaria menos. (...) Se não fizer mal a ninguém e eu não sofrer essas retaliações pelo Estado também, com certeza eu tentaria abusar de alguma maneira. (E4)

I think I see it mostly as a risk issue. If it were something extremely risky and I had a chance of facing some sort of retaliation, no matter how small, I would avoid it. But if I found these loopholes and understood how the system works and saw it as just a way to pay less, I would definitely pay less. (...) If it doesn't harm anyone and I don't face retaliation from the government as well, I would certainly try to take advantage in some way. (E4) (Our translation)

Participant E3 argues that the lack of explicit prohibition allows for the exploitation of legal loopholes. It is emphasized that the absence of clear and objective data can be considered a valid justification for tax avoidance. On the other hand, participant E4 considers the aspect of risk, stating that if there is a chance of legal consequences, it is unacceptable to use these loopholes to reduce the tax burden. However, he expresses that if no harm is involved, he could consider taking advantage of the opportunity. Finally, participant E7 presented the following arguments:

O planejamento tributário, que não é crime, sim. O problema é a sonegação fiscal. Isso não. Eu não faria. (...) Eu cometi um erro (...) me causou um dano material. (...) Então nesse sentido, imagine você, porque eu iria me arriscar, se por engano aconteceu isso, imagine correndo o risco conscientemente? (E7)

Tax planning, which isn't a crime, yeah. The issue is tax evasion. That's a no-go. I wouldn't do that. (...) I made a mistake (...) it caused me financial harm. (...) So in that sense, imagine, why would I take the risk, if this happened by mistake, imagine risking it knowingly? (E7) (Our translation)

Legal tax planning is the act of choosing the most appropriate payment system to minimize tax burdens while avoiding illegal practices (KIRCHLER, 2007). Individual E7

demonstrated aversion to illicit conduct, based on past experiences, as deliberately assuming risks is not advisable.

Payne and Raiborn (2018) discuss the legality of “exit” strategies outlined in tax codes, whose interpretation still lacks precise definition. According to the authors, the use of omissions and tactics to avoid taxes is considered illegal from an ethical standpoint. However, as highlighted by Popescu (2020) and Blaufus et al. (2016), the phenomenon of tax evasion and avoidance is complex, extending beyond mere violation of the law or use of legal tax strategies.

In the Brazilian context, especially outside the domain of public administration, actions often do not strictly adhere to the principle of legality, as advocated by Dourado (2023), which demands that all actions be rigorously based on legislation. In other words, if the laws to which citizens are subject do not explicitly define what is prohibited, it opens the prerogative to conduct oneself based on personal interpretations.

Lederman (2019) suggests that faced with the opportunity to take strategic actions to circumvent laws, and the belief that this is acceptable, some Brazilians may view such situations as conducive to evasion. It is crucial to emphasize, however, that although such actions may not be deemed inappropriate by some individuals, there is an implicit restraint due to fear of facing negative consequences resulting from these behaviors. This indicates that, regarding illegal practices, Brazilians may be deterred more by coercion and punishment than by moral, ethical, or justice arguments.

5. FINAL CONSIDERATIONS

The aim of this study was to understand the perceptions of certain Brazilian taxpayers regarding taxes, considering the influence of beliefs, perceptions, and individual meanings on tax decision-making. In light of this, relevant considerations can be inferred about taxpayers' perceptions of tax compliance in Brazil.

Overall, the views of the interviewees reflect the complexity of the country's tax landscape, with the appreciation of public services, trust in resource management, and the perception of tax fairness playing decisive roles in tax compliance.

It became evident that satisfaction with well-managed and accessible public services can foster a sense of reciprocity between citizens and the government, encouraging voluntary tax compliance. On the other hand, lack of transparency, poor management, and dissatisfaction with public services can undermine taxpayers' trust, leading to tax evasion.

Ethics and morality, related to a sense of duty, emerged as determining factors in taxpayers' decision-making regarding tax compliance. Although there are disagreements regarding the use of legal loopholes, most interviewees recognize the importance of complying with tax legislation and avoiding tax evasion.

It is quite obvious to infer that to promote tax compliance and strengthen tax governance in Brazil, it is essential for the government to focus on improving public services and transparency in resource management. Additionally, it is crucial to emphasize the need for effective communication about the benefits of tax collection, expenditures, and assurances regarding equitable distribution of resources.

However, if the country does not change its approach regarding trust and psychological persuasion about morality and ethics, it becomes clear that coercion can be effective in the Brazilian context. This is because, although perceiving taxes as complex, excessive, and with limited benefits in terms of public services, interviewees expressed aversion to the possibility of facing legal penalties.

Ultimately, awareness of the importance of tax compliance and the promotion of a culture of tax responsibility are crucial to ensure the sustainability and equity of the Brazilian tax system. The considerations presented here can serve as a basis for future research and

public policies aimed at enhancing the relationship between the state and taxpayers, aiming for greater tax compliance and transparency in tax governance.

REFERENCES

- ADVANI, Arun; TARRANT, Hannah. Behavioural responses to a wealth tax. *Fiscal Studies*, v. 42, n. 3-4, p. 509-537, 2021.
- ALHEMPI, Raden Rudi et al. Tax compliance in income tax payments. *International Journal of Innovation, Creativity and Change*, v. 13, n. 1, p. 356-374, 2020.
- ALLINGHAM, M. G.; SANDMO, A. Income Tax Evasion: A Theoretical Analysis. *Journal of Public Economics*, 1972
- ALM, J.; MCCLELLAND, G. H.; SCHULZE, W. D. WHY DO PEOPLE PAY TAXES. *Journal of Public Economics*, 48, n. 1, p. 21-38, Jun 1992. Article.
- ALM, James. Measuring, explaining, and controlling tax evasion: lessons from theory, experiments, and field studies. *International tax and public finance*, v. 19, p. 54-77, 2012.
- ALM, James. What motivates tax compliance?. *Journal of economic surveys*, v. 33, n. 2, p. 353-388, 2019.
- ALM, James; TORGLER, Benno. Culture differences and tax morale in the United States and in Europe. *Journal of Economic Psychology*, 27, n. 2, p. 224-246, Apr 2006. Article.
- ALM, James; TORGLER, Benno. Estimating the determinants of tax morale. In: *Proceedings. Annual conference on taxation and Minutes of the annual meeting of the National Tax Association*. National Tax Association, 2004. p. 269-274.
- ANDREONI, J.; ERARD, B.; FEINSTEIN, J. Tax compliance. *Journal of Economic Literature*, 36, n. 2, p. 818-860, Jun 1998. Review.
- AUSTIN, Chelsea Rae; BOBEK, Dona D.; JACKSON, Scott. A teoria do prospecto explica a tomada de decisão ética? Evidências de conformidade fiscal. *Contabilidade, Organizações e Sociedade*, v. 94, p. 101251, 2021.
- BADDELEY, Michelle. *Behavioural economics and finance*. Routledge, 2018. BANFIELD, Edward C. *The decision-making schema*. 1957.
- BANFIELD, Edward C. *The decision-making schema*. 1957.
- BARBUTA-MISU, Nicoleta. *A review of factors for tax compliance*. 2011.
- BATRANCEA, Larissa et al. Trust and power as determinants of tax compliance across 44 nations. *Journal of Economic Psychology*, v. 74, p. 102191, 2019.
- BATRANCEA, Larissa Margareta; NICHITA, Ramona Anca; BATRANCEA, Ioan. Understanding the determinants of tax compliance behavior as a prerequisite for increasing public levies. *The USV Annals of Economics and Public Administration*, v. 12, n. 1 (15), p. 201-210, 2013.
- BECKER, Gary S. *The economic way of looking at life*. 1993.

- BENKRAIEM, Ramzi et al. Ethical behavior, auditing strength, and tax evasion: A worldwide perspective. *Journal of International Accounting, Auditing and Taxation*, v. 43, p. 100380, 2021.
- BLAUFUS, Kay et al. Does legality matter? The case of tax avoidance and evasion. *Journal of Economic Behavior & Organization*, v. 127, p. 182-206, 2016.
- BRAITHWAITE, Valerie; MURPHY, Kristina; REINHART, Monika. Taxation threat, motivational postures, and responsive regulation. *Law & Policy*, v. 29, n. 1, p. 137-158, 2007.
- BROCKMANN, Hilke; GENSCHEL, Philipp; SEELKOPF, Laura. Happy taxation: increasing tax compliance through positive rewards?. *Journal of Public Policy*, v. 36, n. 3, p. 381-406, 2016.
- BROMILEY, Philip. Looking at prospect theory. *Strategic Management Journal*, v. 31, n. 12, p. 1357-1370, 2010.
- CAPLIN, Andrew; LEAHY, John. Psychological expected utility theory and anticipatory feelings. *The Quarterly Journal of Economics*, v. 116, n. 1, p. 55-79, 2001.
- CARRILLO, Paul E.; CASTRO, Edgar; SCARTASCINI, Carlos. Public good provision and property tax compliance: Evidence from a natural experiment. *Journal of Public Economics*, v. 198, p. 104422, 2021.
- CHEW, Soo Hong; KARNI, Edi; SAFRA, Zvi. Risk aversion in the theory of expected utility theory with rank-dependent probabilities. *Journal of Economic theory*, v. 42, p. 370, 1987.
- CONGDON, W. J.; KLING, J. R.; MULLAINATHAN, S. Behavioral Economics and Tax Policy. *National Tax Journal*, 62, n. 3, p. 375-386, Sep 2009. Article.
- COSTA, D. F. Utilização do orçamento no planejamento tributário de uma pequena empresa. *Revista Brasileira de Contabilidade*, n. 206, p. 26-39, 2014.
- COSTA, Daniel Fonseca et al. Bibliometric and scientometric analyses on the relation of tax decision and taxpayer behavior. *SN Business & Economics*, v. 3, n. 12, p. 210, 2023.
- COSTA, Daniel Fonseca; CARVALHO, Francisval de Melo; MOREIRA, Bruno César de Melo. Behavioral economics and behavioral finance: A bibliometric analysis of the scientific fields. *Journal of Economic Surveys*, v. 33, n. 1, p. 3-24, 2019.
- DESLAURIERS, Jean-Pierre; KÉRISIT, Michèle. O delineamento de pesquisa qualitativa. 2023.
- DHAMI, Sanjit; AL-NOWAIHI, Ali. Por que as pessoas pagam impostos? Teoria da perspectiva versus teoria da utilidade esperada. *Journal of Economic Behavior & Organization*, v. 1, pág. 171-192, 2007.
- DORNSTEIN, Miriam. Taxes: Attitudes and perceptions and their social bases. *Journal of Economic Psychology*, v. 8, n. 1, p. 55-76, 1987.
- DOURADO, Ana Paula. O Princípio da Legalidade Fiscal-Tipicidade, conceitos jurídicos indeterminados e margem de livre apreciação. *Leya*, 2023.
- EDWARDS, Kimberley D. Prospect theory: A literature review. *International review of financial analysis*, v. 5, n. 1, p. 19-38, 1996.

- ERMASOVA, Natalia; HAUMANN, Christian; BURKE, Laura. The relationship between culture and tax evasion across countries: Cases of the USA and Germany. *International Journal of Public Administration*, v. 44, n. 2, p. 115-131, 2021.
- FISHER, Sarah A.; MANDEL, David R. Enquadramento de escolha arriscada e tomada de decisão racional. *Bússola de Filosofia*, v. 16, n. 8, pág. e12763, 2021.
- FOCHMANN, M.; KIESEWETTER, D.; SADRIEH, A. The biased effect of aggregated and disaggregated income taxation on investment decisions. *Journal of Institutional and Theoretical Economics (JITE)/Zeitschrift für die gesamte Staatswissenschaft*, p. 519-545, 2012.
- FONSECA, Brenda Melissa et al. Vieses Cognitivos no Comportamento do Indivíduo em Decisões Tributárias: uma revisão sistemática da literatura e propostas de agendas futuras. *ENANPAD*, 2021.
- GABER, Stevan; GRUEVSKI, Ilija. The influence of tax culture in improving the tax compliance. *Journal of Economics*, v. 3, n. 2, p. 80-88, 2018.
- GALIAZZI, Maria do Carmo; SOUSA+1:1048576, Robson Simplicio de. A dialética na categorização da análise textual discursiva: o movimento recursivo entre palavra e conceito. *Revista Pesquisa Qualitativa*, v. 7, n. 13, p. 01-22, 2019.
- GCABO, Rebene; ROBINSON, Zurika. Tax compliance and behavioural response in South Africa: An alternative investigation. *South African journal of economic and management sciences*, v. 10, n. 3, p. 357-370, 2007.
- GOBENA, Lemessa Bayissa; VAN DIJKE, Marius. Fear and caring: Procedural justice, trust, and collective identification as antecedents of voluntary tax compliance. *Journal of Economic Psychology*, v. 62, p. 1-16, 2017.
- GOUVEIA, Tania Maria de Oliveira Almeida et al. A análise de discurso na pesquisa acadêmica em estratégia. **Revista Ibero Americana de Estratégia**, v. 15, n. 3, p. 6-19, 2016.
- GUYTON, John et al. Tax evasion at the top of the income distribution: Theory and evidence. *National Bureau of Economic Research*, 2021.
- GÜZEL, Sonnur Aktaş; ÖZER, Gökhan; ÖZCAN, Murat. The effect of the variables of tax justice perception and trust in government on tax compliance: The case of Turkey. *Journal of behavioral and experimental economics*, v. 78, p. 80-86, 2019.
- HOLSTEIN, James A. et al. The constructionist analytics of interpretive practice. *Strategies of qualitative inquiry*, v. 1, n. 1, p. 253-289, 2013.
- IBGE - INSTITUTO BRASILEIRO DE GEOGRAFIA E ESTATÍSTICA. Síntese de Indicadores Sociais: Tabelas. BRASIL: IBGE. 2023.
- IQBAL, S.; SHOLIHIN, M. The role of cognitive moral development in tax compliance decision making. *International Journal of Ethics and Systems*, 2019.
- JAKUBOWICZ, Flavius Valentin; MUNTEANU, Ionela. Perspectives on Tax Optimization: Opportunities and Challenges. *Ovidius University Annals, Economic Sciences Series*, v. 22, n. 2, p. 883-889, 2022.

- JAYAWARDANE, T. G.; LOW, Kevin. Exploring key determinants of tax compliance decision among individual taxpayers in Sri Lanka. *European Journal of Business and Management*, v. 9, n. 3, p. 125-135, 2017.
- JONES, Rodney H. *Discourse analysis*. London and New York: Routledge, 2012.
- KAHNEMAN, Daniel; TVERSKY, Amos. Prospect theory: An analysis of decision under risk. *Econometrica*, v. 47, n. 2, p. 363-391, 1979.
- KIOW, Tan Swee; SALLEH, Mohd Fuad Mohd; KASSIM, Aza Azlina Bt Md. The determinants of individual taxpayers' tax compliance behaviour in peninsular malaysia. *International Business and Accounting Research Journal*, v. 1, n. 1, p. 26-43, 2017.
- KIRCHLER, E.; HOELZL, E.; WAHL, I. Enforced versus voluntary tax compliance: The "slippery slope" framework. *Journal of Economic Psychology*, 29(2), p. 210-255, 2008
- KIRCHLER, Erich. Reactance to taxation: Employers' attitudes towards taxes. *The Journal of Socio-Economics*, v. 28, n. 2, p. 131-138, 1999.
- KIRCHLER, Erich. *The economic psychology of tax behaviour*. Cambridge University Press, 2007.
- KORNHAUSER, Marjorie E. Normative and cognitive aspects of tax compliance: Literature review and recommendations for the IRS regarding individual taxpayers. *Florida Tax Review*, v. 8, n. 6, p. 601-634, 2007.
- LEDERMAN, Leandra. The fraud triangle and tax evasion. In: *Proceedings. Annual Conference on Taxation and Minutes of the Annual Meeting of the National Tax Association*. National Tax Association, 2019. p. 1-54.
- LEWIS, Alan et al. Individual, cognitive and cultural differences in tax compliance: UK and Italy compared. *Journal of Economic Psychology*, v. 30, n. 3, p. 431-445, 2009.
- LITINA, Anastasia; PALIVOS, Theodore. Corruption, tax evasion and social values. *Journal of Economic Behavior & Organization*, v. 124, p. 164-177, 2016.
- MANGOTING, Yenni et al. Developing a model of tax compliance from social contract perspective: Mitigating the tax evasion. *Procedia-Social and Behavioral Sciences*, v. 211, p. 966-971, 2015.
- NICOLAIDES, Panayiotis et al. Tax compliance social norms and institutional quality: an evolutionary theory of public good provision. Directorate General Taxation and Customs Union, European Commission, 2014.
- NKUNDABANYANGA, Stephen Korutaro et al. Tax compliance in a developing country: Understanding taxpayers' compliance decision by their perceptions. *Journal of Economic Studies*, v. 44, n. 6, p. 931-957, 2017.
- ORQUIN, J. L., LOOSE, S. M. Attention and choice: A review on eye movements in decision making. *Acta psychologica*, 144(1), 190-206, 2013
- OWUSU, Godfred Matthew Yaw et al. The effect of personality traits and tax morale on tax evasion intention. *Journal of Financial Crime*, v. 29, n. 1, p. 272-292, 2022.

- PARAMIO, Ludolfo. Teorías de la decisión racional y de la acción colectiva. *Sociológica (Méx.)*, p. 13-34, 2005.
- PAYNE, Dinah M.; RAIBORN, Cecily A. Aggressive tax avoidance: A conundrum for stakeholders, governments, and morality. *Journal of Business Ethics*, v. 147, p. 469-487, 2018.
- PÊCHEUX, M. O Discurso: estrutura ou acontecimento. Editora Pontes, 2006
- PICKHARDT, Michael; PRINZ, Aloys. Behavioral dynamics of tax evasion—A survey. *Journal of Economic Psychology*, v. 40, p. 1-19, 2014.
- PIOLATTO, Amedeo; RABLEN, Matthew D. Prospect theory and tax evasion: a reconsideration of the Yitzhaki puzzle. *Theory and decision*, v. 82, n. 4, p. 543-565, 2017.
- PIOLATTO, Amedeo; TROTIN, Gwenola. Optimal income tax enforcement under prospect theory. *Journal of Public Economic Theory*, v. 18, n. 1, p. 29-41, 2016.
- POPESCU, Luigi. TAX EVASION BETWEEN LEGALITY AND FRAUD. *Annals of Constantin Brancusi University of Targu-Jiu. Economy Series/Analele Universității Constantin Brâncuși din Târgu-Jiu Seria Economie*, n. 4, 2020.
- QUIGGIN, John. Background risk in generalized expected utility theory. *Economic Theory*, v. 22, n. 3, p. 607-611, 2003.
- RICHARDSON, Grant. The relationship between culture and tax evasion across countries: Additional evidence and extensions. *Journal of international accounting, auditing and taxation*, v. 17, n. 2, p. 67-78, 2008.
- SALÉ, Michael J.; MUHARREMI, Oltiana; HOXHAI, Meleq. Albanian Individual Taxpayers Perceptions and Determinants on Ethical Behavior Regarding Tax Compliance. 2021.
- SAMUELSON, Paul A. St. Petersburg paradoxes: Defanged, dissected, and historically described. *Journal of Economic Literature*, v. 15, n. 1, p. 24-55, 1977.
- SATTAR, Muhammad Atif; TOSEEF, Muhammad; SATTAR, Muhammad Fahad. Behavioral finance biases in investment decision making. *International Journal of Accounting, Finance and Risk Management*, v. 5, n. 2, p. 69, 2020.
- SCHOLZ, John T.; PINNEY, Neil. Duty, fear, and tax compliance: The heuristic basis of citizenship behavior. *American Journal of Political Science*, p. 490-512, 1995.
- SCHWANDT, T. A. Chapter 7: Constructivist, interpretivist approaches to human inquiry. *The Landscape of Qualitative Research: Theories and Issues*. Thousand Oaks, SAGE Publications, 1998.
- SCHWARTZ, Hugh. Herbert Simon and behavioral economics. *The Journal of Socio-Economics*, v. 31, n. 3, p. 181-189, 2002
- SIMON, Herbert A. A behavioral model of rational choice. *The quarterly journal of economics*, p. 99-118, 1955.
- SIMON, Herbert A. *Administrative behavior*. Simon and Schuster, 2013.

- SIMON, Herbert A. Administrative decision making. *Public Administration Review*, p. 31-37, 1965.
- SIMON, Herbert A. Rational choice and the structure of the environment. *Psychological review*, v. 63, n. 2, p. 129, 1956.
- SIMON, Herbert Alexander. *Administrative behavior: A study of decision-making processes in administrative organization*. New York: Macmillan, 1957.
- SINGH, Jyothi E.; BABSHETTI, Vaijanath; SHIVAPRASAD, H. N. Efficient market hypothesis to behavioral finance: A review of rationality to irrationality. *Materials Today: Proceedings*, 2021.
- SLEMROD, Joel; YITZHAKI, Shlomo. Tax avoidance, evasion, and administration. In: *Handbook of public economics*. Elsevier, 2002. p. 1423-1470.
- STRIELKOWSKI, Wadim; ČÁBELKOVÁ, Inna. Religion, culture, and tax evasion: Evidence from the Czech Republic. *Religions*, v. 6, n. 2, p. 657-669, 2015.
- THORNTON, Emily M. et al. Prosocial perceptions of taxation predict support for taxes. *PLoS One*, v. 14, n. 11, p. e0225730, 2019.
- THUC, Nguyen Tien. A review of factors impacting tax compliance. *Open Science Repository Public Administration*, n. open-access, p. e70081964, 2013.
- TILAHUN, Manchilot. Determinants of tax compliance: a systematic review. *Economics*, v. 8, n. 1, p. 1-7, 2019.
- TIMMONS, Jeffrey F. The fiscal contract: States, taxes, and public services. *World Politics*, v. 57, n. 4, p. 530-567, 2005.
- TVERSKY, A.; KAHNEMAN, D. Judgment under Uncertainty: Heuristics and Biases. *Science*, 185(4157), 1124-1131. doi: 10.1126/science.185.4157.1124, 1974
- VECCHIO, H. P. *Justiça distributiva e tributação*. 2002.
- VON NEUMANN, John; MORGENSTERN, Oskar (1944). *Theory of games and economic behavior*, Princeton: Princeton University Press. Second edition, 1947. 2nd rev. 1947.
- WENZEL, Michael. Tax compliance and the psychology of justice: Mapping the field. *Taxing democracy*, p. 41-70, 2002.
- WENZEL, Michael. The impact of outcome orientation and justice concerns on tax compliance: The role of taxpayers' identity. *Journal of applied psychology*, v. 87, n. 4, p. 629, 2002.
- WIDURI, Retnaningtyas; IRAWAN, Wilson. Tax justice perception and trust in government on tax compliance. In: *International Conference on Tourism, Economics, Accounting, Management, and Social Science (TEAMS 19)*. Atlantis Press, 2019. p. 105-110.
- WONG, Wing-Keung. Review on behavioral economics and behavioral finance. *Studies in Economics and Finance*, v. 37, n. 4, p. 625-672, 2020.
- YITZHAKLI, Shlomo. A note on income tax evasion: A theoretical analysis. *Journal of public economics*, v. 3, p. 201-202, 1974.