

1. PERSONAL EXPERIENCE WITH THE TAX SYSTEM AND TAX SERVICE

Before we start our survey, let me briefly describe what tax is.

Tax is a compulsory and gratuitous payment to satisfy state and social needs, levied from physical persons and legal entities in accordance with the procedure, size and terms set out by the tax legislation. The taxes shall be paid to the RA State Budget and/or community budgets.

1.1 Are you aware of the taxes in Armenia?

I am very well aware	1
I am somewhat aware	2
I am not aware	3
I am not aware at all	4
Don't know	-1
Refuse to answer	-2

1.2 What type of taxes do you (your family) deal with?

Type of tax	YES	NO	Don't know what it is	Don't know	Refuse to answer
Property tax					
- Home	1	2	3	-1	-2
- Vehicle	1	2	3	-1	-2
Land tax	1	2	3	-1	-2
Income tax (for example, the tax redeemed from salary)	1	2	3	-1	-2
VAT (Value Added Tax)	1	2	3	-1	-2
Other (specify _____)	1	2	3	-1	-2
Other (specify _____)	1	2	3	-1	-2

1.3 Do you have any agricultural land area?

Yes	1	⇒1.4
No	0	⇒1.5
Don't know	-1	

Refuse to answer	-2	
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1.4 Do you use it to make profit from sales or from barter?

Yes	1
No	0
Don't know	-1
Refuse to answer	-2

1.5 Are you involved in animal husbandry?

Yes	1	⇒1.6
No	0	⇒1.7
Don't know	-1	
Refuse to answer	-2	

1.6 Are you involved in it to make profit from sales or from barter?

Yes	1
No	0
Don't know	-1
Refuse to answer	-2

1.7 (CARD 1) Which of the following definitions do you think should serve as the main goal of a tax authority [**Interviewer:** Accept two answers, respectively writing first and second replies]:

1	Assist tax payers to calculate taxes according to the legislation	
2	Collect as much taxes as the business can afford	
3	Implement strict control of tax payers	
4	Fulfill the tax plan at any cost	
5	Effectively spend the government money	
6	Treat people with respect acting as exemplary public servant	
		Don't know -1
		Refuse to answer -2

1.8 (CARD 2) Tell me, please, how justified it is to cheat on taxes when possible using a scale of 1-10, where '1' mean "Fully justified" and '10' means "Not justified at all"

Code	
Don't know	-1
Refuse to answer	-2

1.9 Do you think people cheat on taxes when possible? Use a scale of 1-10, where '1' means "Nearly no one" and 10 means "Nearly everyone".

Code	
Don't know	-1
Refuse to answer	-2

1.10 Do you think the theory, according to which the higher are the tax rates, the more people cheat on taxes, while, when the government reduces the taxes, everybody pays, and the budget gets more money, is applicable in Armenia?

Yes	1
No	0
Don't know	-1
Refuse to answer	-2

1.11 Let's imagine that the government has decided to reduce the taxes. Will people in Armenia be ready to cooperate, i.e. to stop cheating on taxes?

Yes	1
No	0
Don't know	-1
Refuse to answer	-2

1.12v Would you agree to lower the taxes but to strengthen the responsibility in cases of breaching the law (add more fines and hold those who breach otherwise liable).

Yes	1
No	0
Don't know	-1
Refuse to answer	-2

1.13 In your opinion, what are the main reasons for not paying or hiding the taxes
[Interviewer! Accept up to 2 answers.]

High taxes	1
Frequent changes or unclearness of tax legislation	2
Too high fines when tax errors are made, measures holding responsible are too strict	3
Complicated procedure of calculating and paying the taxes, too much paper work	4
The wish to escape appearing within the focus of the tax authorities	5
Difficulty or impossibility to get clear information, clarifications from the tax body	6
Frequency of tax inspections	7
Desperate financial situation	8
Unfair treatment of different business	9
Others do the same	10
Other (specify _____ _____)	11
Don't know/Refuse to answer	-1/-2

1.14 If the government needs additional money in a force majeure situation (in case of war, epidemic, disaster and etc) which would be the better option to?

Taking debt from its people (e.g. issuing state bonds)	1
Taking debt from other countries	2
Raise taxes for that particular period	3
Other (specify _____)	4
Don't know/Refuse to answer	-1/-2

1.15 Do you think the formulating (optimizing and planning) transactions in a certain way to reduce taxes is a permissible and quite acceptable practice (for example, if a company formally hires a disabled person, then it obtains a privilege in payment of profit tax; or opens a new company next to the existing one and/or divides it into parts to make use of the advantages of small businesses)?

It is acceptable	1	Why_____
It is not acceptable	0	Why_____
Don't know / Refuse to answer	-1 -2	

1.16 (CARD 4) If you were on a decision maker position in a state agency, which would be your three primary actions?

I would make the texts of tax laws simpler and clearer	1
I would decrease the frequency of legislation amendments	2
I would decrease the number of taxes	3
I would decrease tax rates	4
I would tighten the penalties for tax violations	5
I would improve the competency level of tax servants	6
I would introduce a simple system of tax administration	7
I would introduce tax privileges for business activity of tax payers	8
Other (Specify_____)	9
Don't know/Refuse to answer	-1/-2

1.17 (CARD 5) On a scale of 1-4, where '1' means "Completely disagree" and 4 means "Completely agree", please indicate to what extent do you agree with the following statement.

		Completely disagree	Disagree	Agree	Completely agree	Don't know/Refuse to answer
1.	If you see more useful social and other services, e.g. police, army, free education, etc., you will be willing to pay more taxes	1	2	3	4	-1/-2

2.	Everybody, including those enjoying protection and “roof”, pay taxes as everybody else does	1	2	3	4	-1/-2
3.	The government should raise tax rates for the rich, to promote social justice in the society	1	2	3	4	-1/-2
4.	The public services that you get against the taxes you pay are truly useful to you	1	2	3	4	-1/-2
5.	You have full access to the necessary information on tax rates, laws and regulations	1	2	3	4	-1/-2
6.	Application of a unified tax code is a necessity	1	2	3	4	-1/-2
7.	If paying tax was easy and less time-consuming, people would be more willing to pay them	1	2	3	4	-1/-2
8.	The tax system in Armenia is predictable. We can accurately forecast how the tax burden will look like next year	1	2	3	4	-1/-2
9.	Dealing with employees of the tax inspection is stressful	1	2	3	4	-1/-2
10.	If people believe that the taxes are fair, they will always be willing to pay them	1	2	3	4	-1/-2
11.	If you see less corruption, you will be willing to pay more taxes	1	2	3	4	-1/-2
12.	To have a fairer tax system and society, you are ready to tolerate even a more sophisticated tax legislation	1	2	3	4	-1/-2
13.	Application of tax prepayments requested illegally has a negative impact on the tax law compliance	1	2	3	4	-1/-2
14.	Pay taxes and sleep well	1	2	3	4	-1/-2

1.18 Where do you get information about taxes?

[**Interviewer!** MORE THAN ONE ANSWER IS ACCEPTABLE].

Website of the RA Tax Service	1
Printed media	2
Tax officials	3
Internet	4
Social networks	5
TV	6

Relatives/friends	7
Other (Specify _____)	8
Don't know/Refuse to answer	-1/-2

1.19 Do you think each citizen should independently calculate and pay his/her taxes?

Yes	1
No	0
Don't know/Refuse to answer	-1/-2

1.20 Would you like to declare (calculate) your own income and pay your taxes?

Yes	1
No	0
Don't know/Refuse to answer	-1/-2

1.21 Is it proper to inform the tax authorities in case of failure to fulfill the requirements of the tax legislation (for example, when no cash receipts are provided)?

Yes	1
No	0
Don't know/Refuse to answer	-1/-2

1.22 In your opinion, how does the government currently use the income generated from taxes?
Please select all possible options. **[Interviewer! Accept all possible answers.]**

Public health	1
Public education	2

Army	3
Infrastructures	4
Rural development	5
Pension fund	6
Administrative expenses	7
Personal purposes	8
Other (Specify_____)	9
Don't know/Refuse to answer	-1/-2

1.23(Card 6) How would you assess the following services delivered by the RA Tax Service using a scale of 1-4, where '1' means "Completely useless" and '4' means "Very useful".?

		Completely useless	Useless	Useful	Very useful	DK/RA
1.	Electronic system of submitting the reports	1	2	3	4	-1/-2
2.	E-invoicing system	1	2	3	4	-1/-2
3.	RA tax payers searching system	1	2	3	4	-1/-2
4.	Online notification system	1	2	3	4	-1/-2
5.	Online correspondence system	1	2	3	4	-1/-2
6.	System of registration of law abiding tax payers	1	2	3	4	-1/-2
7.	Tax calendar	1	2	3	4	-1/-2
8.	Electronic mail delivery system	1	2	3	4	-1/-2
9.	Hot line	1	2	3	4	-1/-2
10.	Call center	1	2	3	4	-1/-2

11.	Other (specify_____)	1	2	3	4	-1/-2
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1.24 What new services do you think should be delivered by the SRC?

1.25 Please indicate the percent of the taxes that you think the society gets back through the services delivered by the state.

0%	1
10%	2
20%	3
30%	4
40%	5
50%	6
More than 50%	7
Don't know/Refuse to answer	-1/-2

1.26 (CARD 7) Tell me, please, to what extent do you trust the following institutions, using a scale of 1-5, where '1' means "Fully distrust" and '5' means "Fully trust"?

		Fully trust	Somewhat trust	Neither trust, nor distrust	Somewhat distrust	Fully distrust	Don't know	Refuse to answer
1.	Judiciary system	5	4	3	2	1	-1	-2
2.	National Assembly	5	4	3	2	1	-1	-2
3.	Government	5	4	3	2	1	-1	-2
4.	President	5	4	3	2	1	-1	-2
5.	Constitutional Court	5	4	3	2	1	-1	-2
6.	Local governments	5	4	3	2	1	-1	-2
7.	Tax Service	5	4	3	2	1	-1	-2

8.	Customs system	5	4	3	2	1	-1	-2
9.	Ministry of Finance	5	4	3	2	1	-1	-2
10.	Ombudsman	5	4	3	2	1	-1	-2

1.27 In your opinion, how heavy is the tax burden...?

		very heavy	Heavy	Not heavy	Not heavy at all	Don't know	refuse to answer
1.	For general public (cost of commodities, services)	4	3	2	1	-1	-2
2.	For wage earners	4	3	2	1	-1	-2
3.	For individual entrepreneurs	4	3	2	1	-1	-2
4.	For mid-sized businesses	4	3	2	1	-1	-2
5.	For large businesses	4	3	2	1	-1	-2

1.28 How do you know that you pay taxes? [**Interviewer!** Accept all possible answers.]

From salary deductions (income tax)	1
When buying goods	2
From paying land tax. Property tax	3
When buying air ticket or paying for other services	4
Other (_____)	5
Don't know/Refuse to answer	-1/-2

1.29 Are you proud to pay taxes?

Yes, because I fulfill my civil duties	1
Yes, because this way public problems are solved	2
No, because they don't serve their purpose	3
No, because I don't know what purpose do they actually serve	4
Other (_____)	5
Don't know/Refuse to answer	-1/-2

1.30 Have you known that the establishment of a unified Tax Code was being discussed in the Parliament of RA?

Yes, I have heard	1
I have heard and somewhat follow the path of discussions	2
I am familiar with it and try to participate and influence on its path so that it will be acceptable for people and organizations	3
I am not familiar with it	4

I am not familiar with it and it doesn't interest me	5
Don't know/Refuse to answer	-1/-2

1.31 To what extent do you think the adoption of the new Tax Code would improve the business environment?

Will not improve at all	1
Will rather not improve	2
Will not have any significant impact	3
Will rather improve	4
Will mostly improve	5
Don't know/Refuse to answer	-1/-2

1.32 To what extent do you think the adoption of the new Tax Code would improve investment attractiveness?

Will not improve at all	1
Will rather not improve	2
Will not have any significant impact	3
Will rather improve	4
Will mostly improve	5
Don't know/Refuse to answer	-1/-2

1.33 Which direction of Tax reforms do you consider to be essential for improving the business environment?

lightening of tax burden including reduction of tax rates	1
easing of tax administration including inspections	2
Introducing other tax incentives for direct investments' growth	3
Don't know/Refuse to answer	-1/-2

1.34 Which direction of the reforms of tax administration do you consider to be essential for the improvement of business environment?

Clarification of tax procedures	1
Reduction of cost and time of tax procedures	2
Complete update of tax authorities' staff	3
Not intervening in the tax payers' activities unnecessarily	4
Easing tax accounting	5
Other _____	6
Don't know/Refuse to answer	-1/-2

1.35 How do you think what is generally taxable in Armenia? (accept all possible answers)

Property	1
Income	2

Land	3
Goods	4
Services	5
Other _____	6
Don't know/Refuse to answer	-1/-2

1.36 In case of adopting the model of ecologization of the tax laws, meaning that the tax burden is put on the production of goods and services harmful for the nature, will you be more inclined to pay taxes properly.

Certainly yes	1
Rather yes	2
It has no influence	3
Rather no	4
No	5
Don't know, Refused to answer	-1/-2

1.37 From the standpoint of efficient planning of economic activity, in what intervals it is reasonable that the regular changes in tax legislation are enforced, put into effect?

Once in six months	1
Once a year	2
Once in three years	3
More than once in three years	4
Don't know/Refused to answer	-1/-2

1.38 If in Armenia tax amnesty is put into force, meaning that everybody can report previously hidden taxes with the condition that after that they will begin paying taxes legally. Do you think it will bring to that people will report their hidden taxes and begin paying taxes properly?

Yes	1
No	0
Don't know, Refused to answer	-1 / -2

1.39 In many countries information exchange automatic systems are utilized which enable the information on transactions and earned income to be accessible for the tax authorities of those countries. Would you like Armenia to join all these international agreements?

As soon as possible	1
Yes, but beforehand raising awareness among people and organizations in	2

that country about the consequences of starting working that way	
No as it will be a release of personal data	3
No, because it will result in lost assets for people and organizations in Armenia.	4
Other_____	5
Don't know, Refused to answer	-1 / -2

1.40 Please, indicate, to what extent do you agree with the following statement using a scale of 1 to 4 where 1 means “Fully disagree” and 4 means “Completely agree”.

		Completely disagree	Disagree	Agree	Completely agree	DK/RA
1	Law applies equally to all taxpayers	1	2	3	4	-1/-2
2	In order to have fairer taxation system and society, you are ready to tolerate more sophisticated tax legislation.	1	2	3	4	-1/-2
3	I would rather buy more expensive goods from a seller who follows the laws than cheap ones but from the one who cheat on taxes..	1	2	3	4	-1/-2
4	If I am not provided with a proper coupon/document for buying products or services, I demand it.	1	2	3	4	-1/-2
5	If I witness tax cheating, I will report to tax authorities.	1	2	3	4	-1/-2
6	In 2015 the newly adopted Constitutional changes, transition to the parliamentary rule, will form a more trustworthy environment and people will be inclined to paying taxes properly.	1	2	3	4	-1/-2
7	If in Armenia the external debt reaches the level of 70% of GDP (to the dangerous and unacceptable limits), I will be ready to pay more taxes not letting Armenia be recognized as a defaulted country internationally.	1	2	3	4	-1/-2
8	If in Armenia the external debt reaches the level of 70% of GDP (to the dangerous and unacceptable limits),I will be ready to retire later or receive lower subsidy or lower salary so that the authorities do not increase tax rates.	1	2	3	4	-1/-2
9	According to the RA Law on Funded Pensions, currently all young	1	2	3	4	-1/-2

	employees must mandatory accumulate a portion of their salaries for the old ages and also with the same aim receiving funds from the government during their life: in these conditions, I am more inclined paying taxes.					
10	After joining the Eurasian Economic Union, I am more inclined to pay taxes to contribute to solving the financial problems of this institution.	1	2	3	4	-1/-2

2 DEMOGRAPHIC DATA

2.1 Which of the following best describes your situation?

[INTERVIEWER! Accept only one answer].

Retired (and not working)	1	⇒ 2.3
Student (and not working)	2	
Housewife (and not working)	3	
Unemployed	4	
Hired worker	5	⇒ 2.2
Individual entrepreneur /Employer	6	
Self-employed	7	
Disabled	8	⇒ 2.3
Other	9	
Don't know	-1	
Refuse to answer	-2	

2.2 Please tell me, which of the following best describes your primary job?

[INTERVIEWER! Accept only one answer.]

A	Agriculture, Forestry and Fishing	1
B	Mining and Quarrying	2

C	Manufacturing	3
D	Electricity, gas, steam and air conditioning supply	4
E	Water supply; sewerage, waste management and remediation activities	5
F	Construction	6
G	Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles	7
H	Transportation and storage	8
I	Accommodation and food service activities	9
J	Information and communication	10
K	Financial and insurance activities	11
L	Real Estate Activities	12
M	Professional, scientific and technical activities	13
N	Administrative and support service activities	14
O	Public administration and defense; compulsory social security	15
P	Education	16
Q	Human health and social work activities	17
R	Arts, entertainment and recreation	18
S	Other service activities	19
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	20
U	Activities of extraterritorial organizations and bodies	21
	Don't know/ Refuse to answer	-1/-2

2.3 Please tell me, what is your marital status?

Married	1
Living together	2

Divorced	3
Living separately	4
Widowed	5
Never married	6
Other (Specified _____)	7
Don't know	-1
Refuse to answer	-2

2.4 Please tell me, what is the highest level of the formal education you have completed?

Don't have any formal education or have lower than primary education	1
Primary education (3-4 years)	2
Basic education	3
Secondary (high school diploma/secondary vocational /secondary gymnasium) education	4
Vocational education/College	5
First level university education /Bachelor's degree	6
Master's degree (or a higher education diploma)	7
PhD level (candidate doctor)	8
Don't know	-1
Refuse to answer	-2

2.5 (CARD 8) In total, how much was your personal net monetary income (after the taxes are paid) last month. To which of the following groups it applies. Please think of all sources of income that you had last month.

More than 600 001AMD	1
380 001- 600 000AMD	2
190 001- 380 000 AMD	3
106 001- 190 000 AMD	4

40 001- 106 000 AMD	5
24 001- 40 000 AMD	6
Up to 24 000 AMD	7
(0)	8
Don't know	-1
Refuse to answer	-2

2.6 (CARD 8) In total, how much was the net monetary income (after the taxes are paid) of your family last month. To which of the following groups it applies. Please think of all sources of income that your family had last month.

More than 600 001AMD	1
380 001- 600 000AMD	2
190 001- 380 000 AMD	3
106 001- 190 000 AMD	4
40 001- 106 000 AMD	5
24 001- 40 000 AMD	6
Up to 24 000 AMD	7
(0)	8
Don't know	-1
Refuse to answer	-2

2.7 In the last year, were you or anyone from your family engaged in any entrepreneurial activities or is currently the owner of any commercial organisation?

Yes	1
No	0
DK, RA	-1 / -2

2.8 A number of ethnicities live in Armenia. To what ethnic group do you think you belong?
 [INTERVIEWER ! Don't read the options, accept only one answer.]

Armenian	1
Yazidi (Yezidi, Yezdi)	2
Ukrainian	3
Greek	4
Polish	5
Russian	6
Belarusian	7
Mordvin	8
Don't know/Refuse to answer	-1/-2

2.9 In the end, I would like to ask, would you like to work as a tax inspector?

Yes	1	Why? _____ _____
No	0	Why? _____ _____
Don't know/ Refuse to answer	-1/-2	

Thank you