



SDI Review Form 1.6

Journal Name:	<u>British Journal of Economics, Management & Trade</u>
Manuscript Number:	Ms_BJEMT_19267
Title of the Manuscript:	The Effects of Personal Income Tax Evasion on Socio-Economic Development in Ghana
Type of the Article	Original Research Article

General guideline for Peer Review process:

This journal's peer review policy states that **NO** manuscript should be rejected only on the basis of '**lack of Novelty**', provided the manuscript is scientifically robust and technically sound.

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PART 1: Review Comments

	Reviewer's comment	Author's comment (if agreed with reviewer, correct the manuscript and highlight that part in the manuscript. It is mandatory that authors should write his/her feedback here)
Compulsory REVISION comments	1. Title: The Effects of Personal Income Tax Evasion on Socio-Economic Development in Ghana It does not entirely describe the content of the paper. After reading, it, it was not clear what is the link between personal income tax evasion and the socio-economic development of Ghana. 2. Abstract: The abstract is not self-explanatory. What was the research methodology? The authors are also asked to specify where in the paper they investigated "the effect of personal income tax evasion on economic growth in Ghana". 3. Keywords: the authors repeat some of the words from the title. Use other words in order to help paper finding in the scientific databases. 4. Introduction: Lines 16, 27, 34 and 50 – references are missing. All the new ideas have to be sustain with relevant up to date references. Eg, lines 26 – 27: Tax evasion and avoidance impacts the socio-economic development of most nations especially developing countries (Reference??) Please refer to the PDF paper. 5. Literature review: 5.1. Taxation - The authors present a general bibliographical study about the importance of taxation on economic growth. Unfortunately this part fails to underline the most important legal framework changes of the personal income tax in Ghana and in the region. Some references about this issue are important to understand the general context of the paper. - some references are missing from key statements. The authors are asked to	1. "A case study of the informal sector" has been added to the title to reflect the nature of the research. Thus, the linkage is therefore shown in this research work. The research methodology have been specified in the abstract. Investigation on the effects of personal income tax on socio-economic development has also been stated in the abstract 3. With reference to the key points, only tax evasion is realised to have been repeated in the title. Tax evasion is therefore an important keyword that cannot be forgone in this paper. References have been provided for all these lines. Legal framework of personal income tax in Ghana have been provided. This legal framework also includes the region because it is generally applies to all irrespective of the region of research Key statement references has been included in



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	see lines 93 to 95: “High tax rates can discourage investments and reduces incentives to invest. However, providing tax incentives to some sectors of the economy can distort allocation of capital as well as reducing the productivity of overall investment” (Reference??) 5.2. Tax evasion - some references are missing (see lines 114 – 125; 138 – 144 and 177- 188); - other previously relevant studies about tax evasion in Ghana and in the region should be presented in order to better understand the local and regional situation; 5.3. Tax Avoidance - a lot of references are missing from key statements; (191- 209). 6. Research objectives and hypothesis - the order of the paragraphs should be changed. First the authors should present the state of the art and only then the objectives and hypothesis of the paper; - the state of the art fails to present: what are the penalties on tax evasion in Ghana; the bearing of taxpayer- tax authority relationship on tax evasion. Thus the objectives of the paper are out of the context. 7. Methodology - this part has a lot of weak points thus deserving increasing attention; a. A general definition of the Personal Income Tax (PIT)- the term used in the title - is: a direct tax levied on income of a person (an individual, an ordinary partnership, a non-juristic body of person and an undivided estate). The authors say that: “A total of 200 questionnaires were submitted to respondents comprising 50 tax officials and 150 taxpayers’ (self-employed business men, politicians, and corporate firms)”. Why politicians and corporate firms were introduced in the sample? The results can be misleading. There is now breakdown between these classes. How many politicians? Why not having in the sample some employees too? A detailed	the text. References on this area have been included in the text. Studies and factors of tax evasion in Ghana has been presented. Since this research is the first of its kind in the Tema metropolitan assembly, previous studies cannot be provided to aid in this research. References have been included in the text. The state of the art has been presented in the text. With respect to the research objective, appropriate literature has been reviewed to buttress the earlier comment. Since the topic has been changed to the informal sector, the questionnaires was submitted to petty traders and self-employed businessmen.
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	description is thus needed! b. Sample size - the Yemane Formula is used in an incomprehensible way. There are only 50 tax officials and 150 taxpayers in Ghana??? c. Questionnaire – The numbers of the questions and their type have to be describe; What was the structure of the questionnaire?? How was the questionnaire implemented? What about data analysis? d. Methods of data analysis - all the methods used in the result section should be briefly presented here. Present their advantages and disadvantages; present other studies that deals with the same subject and use the same methodology; 8. Results and discussion: 8.1. Results: - a descriptive statistics of the study should be firstly present; without it, a reader cannot understand the subsequent analysis;	The N in the Yemane formula is rather the Number of persons the questionnaire was submitted to and not the total number of tax officials and taxpayers in Ghana. This is therefore rectified in the text. The structure of the questionnaire is already in the main text as a five point likert-scale from Strongly Disagree to Strongly agree. The implementation of the questionnaire is rectified as a face-to-face basis. Descriptive and regression analysis was employed in this study. All the methods used in the data analysis have been rectified in the reviewers comment b and c. we don't think it is significant to present the advantages and disadvantages of descriptive and regression analysis in this paper. No such research has been conducted at the Tema Metropolitan District and this is the first of its kind Descriptive statistics has been presented to clearly understand the subsequent analysis.
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	- all data used in the statistical models have to be presented such us to permit their replication by an interested reader; 8.2. Discussion: - there are no discussion in the paper; 9. Conclusion - too long and unclear;	Such data cannot be presented because of the sensitivity of tax issues in Ghana. Discussions have been included in the text The section which include the conclusion is titled "Conclusion and Recommendations". Therefore, the conclusion isn't too long. The recommendations are also under that sub-heading.
<u>Minor</u> REVISION comments	1. To facilitate reading and comparison table 1 and 2 should have an extra column – percentage of Tax Evasion in total GDP. The comments of the authors should be also correlated with the new introduced data.	This section has been added to the text.
<u>Optional/General</u> comments		