

Appendix B: Questionnaires

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B.1 Introduction

This appendix presents the main CPS questions for 2014 for individuals and SMEs. Not all questions were asked in both surveys. There are also some question wording differences between the individuals and SME survey.

Open questions

Five CPS questions are open questions where respondents volunteer an answer rather than choose from a series of available options. These questions use 'pre-codes' where interviewers classify participants' statements into a predefined list of codes or categories rather than record verbatim what has been said. If respondents' answers did not fit into one of these 'pre-codes', their full responses to the questions were recorded.

These questions asked:

- What consequences individuals / SMEs who are caught for income (or corporation) tax evasion may face;
- Why the respondent does not evade income (or corporation) tax;
- In which circumstances would tax evasion be acceptable;
- In which circumstances would tax evasion be unacceptable;
- Where the respondent heard about prosecutions for tax evasion.

B.2 Individuals' Survey Format and Questions

Introduction 1

The next set of questions is about tax compliance. The questions are being asked on behalf of HM Revenue and Customs.

I would like to remind you that all of your responses will be treated as confidential and not attributed to you.

Question 1 (MBQ_8)

As you may know, HM Revenue and Customs (formed by the merger of the Inland Revenue and HM Customs and Excise) is the government agency that is responsible for collecting taxes. Please tell me whether you agree or disagree with the following statement:

HM Revenue and Customs treats me fairly in my dealings with them.

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know (Spontaneous only)

Question 2 (MBQ_9)

Can I check, did you submit a self assessment tax return (an income tax return) in the last year?

Please prompt.

- (1) Yes, I submitted a tax return myself
- (2) Yes, but an accountant/adviser/agent submitted it on my behalf
- (3) No, I did not submit a tax return, but I should have
- (4) No, I did not submit a tax return as I didn't need to

Question 3 (MBQ_10) – asked if respondent answered (1) to Question 2

Thinking about the amount of time and effort you personally spent completing your income tax return or self assessment form, would you say this was...

Running prompt

- (1) reasonable,
- (2) neither reasonable nor unreasonable,
- (3) or unreasonable?
- (4) Don't know (Spontaneous only)

Question 4 (MBQ_11) – asked if respondent answered (2) to Question 2

Thinking about the amount of time and effort you personally spent providing the information required by the person who completed your income tax return or self assessment form, would you say this was...

Running prompt

- (1) reasonable,
- (2) neither reasonable nor unreasonable,
- (3) or unreasonable?
- (4) Don't know (Spontaneous only)

Introduction 2

The next questions are about income tax evasion. By income tax evasion, we mean deliberately not declaring all the income that should be declared for tax purposes. For example, if someone works cash-in-hand and does not declare this money for tax purposes.

Question 5 (MBQ_12)

In your view, do you think that income tax evasion is...

Running prompt

- (1) a major problem,
- (2) a moderate problem,
- (3) a minor problem,
- (4) or not a problem at all?
- (5) Don't know (Spontaneous only)

Question 6 (MBQ_21)

In your view, how widespread do you think income tax evasion is...

Running prompt

- (1) Very widespread,
- (2) Fairly widespread,
- (3) Not very widespread,
- (4) Not widespread at all?
- (5) Don't know (Spontaneous only)
- (6) Refused (Spontaneous only)

Question 7 (MBQ_N1)

In your view, do you think HM Revenue and Customs is currently putting too much, too little or about the right amount of effort into reducing income tax evasion?

Running prompt

- (1) Too much
- (2) Too little
- (3) About the right amount
- (4) Don't know (Spontaneous only)

Question 8 (MBQ_13)

How likely would you say it is for people who regularly evade paying income tax to get caught?

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (Spontaneous only)

Question 9 (MBQ_14)

Suppose you regularly did some cash-in-hand work and did not declare this money for tax purposes. How likely do you think it is that HM Revenue and Customs would find out about this?

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (Spontaneous only)

Question 10 (MBQ_N2)

Please tell me to what extent you agree or disagree with the following statement.

A lot of people I know think its okay not to pay tax on cash earnings

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know (Spontaneous only)

Question 11 (MBQ_N3)

Please tell me to what extent you agree or disagree with the following statement.

I think it's okay being paid in cash for a job and then not declaring all of it on your tax return

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know (Spontaneous only)

Question 12 (MBQ_N4)

Do you think that HM revenue and Customs deals more firmly or less firmly now with taxpayers who do not pay the correct amount of tax than it did a few years ago?

- (1) More firmly
- (2) Less firmly
- (3) About the same
- (4) Don't know (Spontaneous only)

Question 13 (MBQ_16)

I'm going to read out a statement and I would like you to tell me whether you agree or disagree with it.

The financial penalties HM Revenue and Customs can impose are sufficient to deter people from regularly evading income tax

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know - other reason (Spontaneous only)
- (7) Don't know because don't know penalties (Spontaneous only)

Question 14 (MBQ_17M)

What are the possible consequences for people caught evading income tax, especially where it becomes public knowledge?

Do not prompt on response options. Record spontaneous answers against response options.

Code all that apply

- (1) Social stigma
- (2) Embarrassment
- (3) Negative impact on job prospects
- (4) Negative impact on credit record
- (5) Negative impact on ability to start up in business
- (6) Financial penalties
- (7) Financial problems
- (8) Criminal record
- (9) Prison sentence
- (10) No consequences
- (11) Other (Please Specify)
- (12) Don't know/ Can't think of any

Question 15 Specify (MBQ_Spec1)

Please specify other consequence(s) for people caught evading income tax

Question 16 (MBQ_19)

Please tell me which of the four statements comes closest to your own views about income tax evasion.

Please record respondent's own view rather than what they think the society believes.

- (1) It is always acceptable
- (2) It is mostly acceptable (but depends on the circumstances)
- (3) It is mostly unacceptable (but depends on the circumstances)
- (4) It is always unacceptable
- (5) None of these (Spontaneous only)
- (6) Don't know (Spontaneous only)

Question 17 (MBQ_19bM)

Can you tell me about the circumstances when you think income tax evasion would be acceptable? – asked if respondent answers (3) to Question 16

Code all that apply

- (1) When a person cannot afford to pay tax/financial hardship
- (2) When small amounts of money are involved
- (3) When the evasion activity is short term/a one off
- (4) Depends on a person's occupation
- (5) When a person is disadvantaged or vulnerable (e.g. elderly or disabled)
- (6) When taxes are unfair or unreasonable
- (7) Other (please specify)

Question 18 (MBQ_19cM)

Can you tell me about the circumstances when you think income tax evasion would be unacceptable? – asked if respondent answers (2) to Question 16

Code all that apply

- (1) When a person can afford to pay tax/is wealthy
- (2) When the amount of money is large
- (3) When the evasion activity is long term/regular
- (4) Depends on a person's occupation
- (5) Depends on the type of evasion
- (6) Other (please specify)

Question 19 Specify (MBQ_19Spec)

Can you tell me about the other circumstances when you think income tax evasion would be acceptable? – asked if respondent answers (3) to Question 16

OR

Can you tell me about the other circumstances when you think income tax evasion would be unacceptable? – asked if respondent answers (2) to Question 16

Collected as text data

Question 20 (MBQ_20)

And can you tell me the main reason why you wouldn't regularly evade income tax?

- (1) Because it's illegal
- (2) Because of the penalties/consequences I could face
- (3) Because it is unfair to other taxpayers
- (4) Because it is immoral
- (5) The probability/likelihood of being caught` 4`003433` v c
- (6) Because I'm honest
- (7) There is no reason why I wouldn't regularly evade tax
- (8) Other (Please specify)
- (9) Don't know

Question 21 Specify (MBQ_Spec2) – asked if respondent answered (8) to Question 20

Please specify other reason(s) why you wouldn't regularly evade income tax

Introduction 3

The next questions are about penalties for tax evasion.

Question 22 (MBQc_1)

Are you aware that people who evade paying tax are committing a criminal offence, and could get a criminal record or go to prison?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refusal

Question 23 (MBQc_2b) – asked if respondent answered (1) to Question 22

How likely would you say it is for people who regularly evade paying income tax to be prosecuted.

- (1) Very likely
- (2) Quite likely
- (3) Not very likely
- (4) Not at all likely
- (5) Don't know (spontaneous only)

Question 24 (MBQc_3)

How far do you agree with the following statement 'the chances of being prosecuted by HM Revenue and Customs are sufficient to deter people from regularly evading tax'?

- (1) Strongly agree
- (2) Agree
- (3) Neither agree or disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know because I don't know the criminal penalties (spontaneous only)
- (7) Don't know, for any other reason (spontaneous only)

Question 25 (MBQc_4a)

Have you heard of anyone who has been prosecuted by HM Revenue and Customs for evading tax?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refusal

Question 26 (MBQc_4b) - asked if respondent answered (1) to Question 25

Where did you hear about people being prosecuted for evading tax?

- (1) On TV/papers
- (2) Social networking sites
- (3) I know them personally
- (4) From family/friends/word-of-mouth
- (5) Through work/job
- (6) I am aware that people can be prosecuted for tax evasion but do not know about a specific case
- (7) Other (please specify)
- (8) Don't know/can't remember
- (9) Refuse

Question 27 (MBQc_4bSpec) - asked if respondent answered (1) to Question 25 and (7) to question 26.

Please specify where you heard about people being prosecuted for evading tax.

B.3 Survey format and questions – SMEs

Introduction 1

I would now like to ask you about your views on taxation. I would like to stress once more that all of your responses will be treated as confidential and not attributed to you.

Question 1 (FAIR1)

As you may know, HM Revenue and Customs is the government agency that is responsible for collecting taxes. Please tell me whether and to what extent you agree or disagree that HM Revenue and Customs treats your business fairly in your dealings with them.

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know (Spontaneous only)
- (7) Refused (Spontaneous only)

Question 2 (FAIR3)

Thinking about the amount of time and effort your business spends completing its business tax return, would you say this was...

If asked, a business tax return could be a corporation tax return, partnership return or the self-employed pages of an income tax return.

Running prompt

- (1) Reasonable
- (2) Neither reasonable nor unreasonable
- (3) Unreasonable?
- (4) Don't know (Spontaneous only)
- (5) Refused (Spontaneous only)

Introduction 2

The next questions are about your views on tax evasion. By tax evasion, we mean deliberately not declaring all the business income that should be declared for tax purposes or deliberately overstating costs for income or corporation tax.

Please keep in mind we are interested in your opinions and there are no right or wrong answers. Please also remember that your responses will be kept in the strictest confidence and it will not be possible to identify you or your business in the results that we report to HM Revenue and Customs.

Question 3 (CTEV1)

In your view, do you think that income or corporation tax evasion among small and medium sized businesses is...

Running prompt

- (1) A major problem
- (2) A moderate problem
- (3) A minor problem
- (4) Not a problem at all
- (5) Don't know (Spontaneous only)
- (6) Refused (Spontaneous only)

Question 4 (CTEV1b)

In your view, how widespread do you think income or corporation tax evasion is among small and medium sized businesses? Is that...

Running prompt

- (1) Very widespread
- (2) Fairly widespread
- (3) Not very widespread
- (4) Not widespread at all
- (5) Don't know (Spontaneous only)
- (6) Refused (Spontaneous only)

Question 5 (CTEV2)

Do you think HM Revenue and Customs is currently putting too much, too little or about the right amount of effort into reducing income and corporation tax evasion among the small and medium sized businesses?

Running prompt

- (1) Too much
- (2) Too little
- (3) About the right amount
- (4) Don't know (Spontaneous only)
- (5) Refused (Spontaneous only)

Question 6 (CTEV3)

How likely would you say it is for small and medium sized businesses that regularly evade paying income or corporation tax to get caught? Would you say it is...

Running prompt

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (Spontaneous only)
- (6) Refused (Spontaneous only)

Question 7 (CTEV4)

Suppose your business regularly under-declared its income or corporation tax liability. How likely do you think it is that HM Revenue and Customs would find out about this? Would you say it was...

Running prompt

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (Spontaneous only)

Question 8 (CTEV10)

Do you think that HM revenue and Customs deals more firmly or less firmly now with small and medium businesses that do not pay the correct amount of tax than it did a few years ago? Is that...

Running prompt

- (1) More firmly
- (2) Less firmly
- (3) About the same
- (4) Don't know (Spontaneous only)
- (5) Refused (Spontaneous only)

Question 9 (CTEV6a)

I'm going to read out a statement and I would like you to tell me whether you agree or disagree with it.

The financial penalties HM Revenue and Customs can impose are sufficient to deter small and medium sized businesses from regularly evading income or corporation tax? Do you...

Running prompt

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know - other reason (Spontaneous only)
- (7) Don't know because don't know penalties (Spontaneous only)
- (8) Refused (Spontaneous only)

Question 10 (CTEV6b)

What are the possible consequences for businesses caught evading income or corporation tax, especially where it becomes public knowledge?

- (1) Difficult to find suppliers
- (2) Bad publicity
- (3) Loss of reputation among customers, suppliers, other businesses
- (4) Negative impact on credit record
- (5) Negative impact on ability to expand business start up another business
- (6) Financial penalties
- (7) Kept under scrutiny by HMRC
- (9) Prison sentence
- (10) Would go out of business/cease to trade
- (11) No consequences
- (12) Can't think of any
- (10) Other (Please Specify)
- (11) Don't know
- (12) Refused (Spontaneous only)

Question 11 (CTEV7)

I am going to read out four statements. Please tell me which of them comes closest to your own views about income or corporation tax evasion.

Running prompt

- (1) It is always acceptable
- (2) It is mostly acceptable (but depends on the circumstances)
- (3) It is mostly unacceptable (but depends on the circumstances)
- (4) It is always unacceptable
- (5) None of these (Spontaneous only)
- (6) Don't know (Spontaneous only)
- (7) Refused (Spontaneous only)

Question 12 (CTEV8a) – asked if respondent answers (3) to Question 11

Can you tell me about the circumstances when you think income tax evasion would be acceptable?

- (1) When small amounts of money are involved
- (2) When the evasion activity is short term/ a one off
- (3) When taxes are unfair or unreasonable
- (4) Other (Please specify)
- (5) Don't know (Spontaneous only)
- (6) Refused (Spontaneous only)

Question 13 (CTEV8b) – asked if respondent answers (2) to Question 11

Can you tell me about the circumstances when you think income tax evasion would be unacceptable?

- (1) When evasion activity is long-term/ regular.
- (2) Other (Please specify)
- (3) Don't know (Spontaneous only)
- (4) Refused (Spontaneous only)

Question 14 (CTEV9)

And can you tell me the main reason why you wouldn't regularly evade income or corporation tax?

If say it's because it's wrong probe for clarity: In what way is it wrong?

- (1) Because it's illegal
- (2) Because of the penalties/consequences I could face
- (3) Because it is unfair to other taxpayers
- (4) Because it is immoral
- (5) The probability/likelihood of being caught
- (6) Because I'm honest
- (7) There is no reason why I wouldn't regularly evade tax
- (8) Other (specify)
- (9) Don't know (Spontaneous only)
- (10) Refused (Spontaneous only)

Question 15 (MBQ_N2)

Please tell me to what extent you agree or disagree with the following statement.

A lot of small and medium businesses think it is okay to under-declare their revenue in order to avoid paying taxes.

Running prompt

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know (Spontaneous only)
- (7) Refused (Spontaneous only)

Question 16 (MBQ_N3)

Please tell me to what extent you agree or disagree with the following statement.

I think it is okay for small and medium businesses to under-declare their revenue in order to avoid paying taxes.

Running prompt

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know (Spontaneous only)
- (7) Refused (Spontaneous only)

Question 17 (CTEV13)

Are you aware that businesses who evade paying tax are committing a criminal offence, and could get a criminal record or go to prison?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refusal (Spontaneous only)

Question 18 (CTEV11) asked if respondent answered (1) to Question 17

How likely would you say it is for small and medium sized businesses that regularly evade paying income tax or corporation tax to be prosecuted?

Running prompt

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (spontaneous only)

Question 19 (CTEV14)

How far do you agree with the following statement 'The chances of being prosecuted by HM Revenue and Customs are sufficient to deter businesses from regularly evading tax'?

- (1) Strongly agree
- (2) Agree
- (3) Neither agree or disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know because I don't know the criminal penalties (Spontaneous only)
- (7) Don't know, for any other reason (Spontaneous only)

Question 20 (CTEV12)

Have you heard of any businesses that have been prosecuted by HM Revenue and Customs for evading tax?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refused (Spontaneous only)

Question 21 (CTEV15) – ask if respondent answered (1) to Question 20

Where did you hear about businesses being prosecuted for evading tax?

- (1) On TV/ papers
- (2) Social networking sites
- (3) I know them personally
- (4) From a family/ friends/ word-of-mouth
- (5) Through work/ job
- (6) I am aware that businesses can be prosecuted for tax evasion but do not know about a specific case
- (7) Other (Please specify)
- (8) Don't know/can't remember
- (9) Refuse

Question 22 (VAT1)

Can I check, is your business registered for VAT?

- (1) Yes
- (2) No
- (3) Don't know
- (4) Refused (Spontaneous only)

Question 23 (VAT2) – asked if respondent answers (1) to Question 22

Thinking about the amount of time and effort your business spends completing its VAT returns, would you say this was...

Running prompt

- (1) Reasonable
- (2) Neither reasonable nor unreasonable
- (3) Unreasonable
- (4) Don't know (spontaneous only)
- (5) Refused (Spontaneous only)

Question 24 (VAT3) – asked if respondent answers (1) to Question 22

How likely would you say it is for small and medium sized businesses that regularly evade paying VAT to get caught? Would you say it is...

Running prompt

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (spontaneous only)
- (6) Refused (Spontaneous only)

Question 25 (VAT4) – asked if respondent answers (1) to Question 22

Suppose your business regularly under-declared its VAT liability. How likely do you think it is that HM Revenue and Customs would find out about this? Would you say it was...

Running prompt

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (spontaneous only)
- (6) Refused (Spontaneous only)

Question 26 (VAT6) – asked if respondent answers (1) to Question 22

I'm going to read out a statement and I would like you to tell me whether you agree or disagree with it.

The financial penalties HM Revenue and Customs can impose are sufficient to deter small and medium sized businesses from regularly evading paying VAT? Do you...

- (1) Strongly agree
- (2) Agree
- (3) Neither agree nor disagree
- (4) Disagree
- (5) Strongly disagree
- (6) Don't know because don't know penalties (Spontaneous only)
- (7) Don't know - other reason (Spontaneous only)
- (8) Refused (Spontaneous only)

Question 27 (VAT7) – asked if respondent answers (1) to Question 22

How likely would you say it is for small and medium sized businesses that regularly evade paying VAT to be prosecuted? Is that...

Running prompt

- (1) Very likely
- (2) Quite likely
- (3) Not likely
- (4) Not at all likely
- (5) Don't know (spontaneous only)
- (6) Refused (Spontaneous only)

