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Strategies Business Owners Use to Comply with Federal State and Local Taxes

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This is to certify that the doctoral study by

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2024

Abstract

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by

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MS, Accounting National University, 2017

BS, Federal Polytechnic Bida Niger State, Nigeria, 2005

Research Project Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

Tax regulations are constantly changing, increasing complexity for business owners to meet federal, state, and local obligations. Non-compliance can lead to severe consequences, including fines, legal action, and damage to a company's reputation. Grounded in the planned behavior theory, the purpose of this qualitative pragmatic inquiry was to identify and explore practical steps small business owners take to comply with federal, state, and local tax requirements. Participants were seven business leaders in the United States. Data were collected through semistructured interviews, as well as a review of public websites and documents. Through thematic analysis, three themes were identified: professional assistance, the use of automated accounting system, and reliance on education and Internal Revenue Service (IRS) guidance. A key recommendation is for small business owners to carefully select suitable and cost-effective professionals to assist with tax compliance. The implications for positive social change include the potential for business owners to encourage tax compliance and adopt financial practices that promote business sustainability. Successful implementation of tax compliance strategies can help companies thrive, ultimately benefiting the local economy by driving increased profits and creating employment opportunities.

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Dedication

This work is dedicated to the memory of my late father, whose inspiration to me remains eternal. As much as I wish you were here with me, your love, wisdom, and guidance have never left my side. I miss you so much.

To my loving husband, from whom constant support, encouragement, and patience have been my biggest strengths, thank you for standing by me in every difficult time and celebrating each little success. To my dear son, whose smiles and love have motivated me. He kept reminding me daily about this journey's pleasures and purpose.

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To my husband and son, I cannot thank you enough for your unwavering, consistent support, patience, and commitment to my success. Thank you! does not adequately express my gratitude for having you both. I love you so much! You are the best!

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To my second committee, Dr. Chein, thank you for your support and contribution to the success of this journey. Your encouragement and support will not be forgotten in a hurry.

To my mom and siblings, thank you for your prayers and encouragement. I appreciate you all.

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Section 1: Foundation of the Project

Complying with federal, state, and local taxes is vital in any business. Failure to comply with tax law can result in heavy fines, legal proceedings, probability of being audited, and damage to company reputations (Palupi & Putri, 2021; Tilahun, 2019). Federal, state, and local governments rely heavily on taxes to carry out their duties (Tilahun, 2019). While tax compliance is essential for businesses to operate legally according to government guidelines, the process can be costly, and laws are difficult to understand (Musimenta, 2020). Costs of compliance with federal, state, and local regulations alone can be substantial for small firms, so some businesses choose to observe only some. Tax laws and regulations that are constantly changing and complicated and confusing can also challenge small business owners and affect tax compliance (Taing & Chang, 2020). As such, business owners must strategize and implement effective tax compliance strategies that minimize tax costs in order for business owners to meet changes in tax laws and improve understanding of those laws. This qualitative pragmatic inquiry involved investigating business owners' strategies to comply with federal, state, and local tax requirements.

Background of the Problem

Ensuring compliance with federal and state-local tax regulations is paramount in the United States. The dynamic and intricate nature of tax legislation challenges businesses to adhere with precision (Taing & Chang, 2020). Small business owners may face considerable expenses in terms of meeting regulatory requirements, which can compound difficulties involving ensuring adherence to tax laws. Moreover, the COVID-

19 pandemic compelled numerous enterprises to transition towards remote work, thereby leading to payroll tax challenges. Business proprietors must acquaint themselves with tax regulations in every state where their employees reside to ensure adherence to tax laws. According to the Internal Revenue Service (IRS, 2022), sustaining and improving taxpayers' compliance is important because a small decline in compliance can cost the United States billions of dollars of lost revenue, and it shifts the tax burden away from those who do not pay their taxes to those who pay.

Business Problem Focus and Project Purpose

Businesses can pay heavy fines, face legal proceedings, and damage company reputations if they do not comply with federal, state, and local tax laws. The IRS (2022) estimated the average gross tax gap for business and employment taxes for 2014 and 2016 was 119 billion dollars. The general business problem is that small business owners lack strategies to comply with federal, state, and local tax requirements, resulting in paying tax penalties and fines as well as risking business suspension. The specific business problem is some small business owners need strategies to comply with federal, state, and local tax requirements. Therefore, the purpose of this qualitative pragmatic inquiry was to identify and explore practical strategies that small business owners use to comply with federal, state, and local tax requirements.

The target population for this study was seven small business owners who consistently complied with federal, state, and local business taxes for at least 5 years.

I used purposeful sampling techniques. Lefèvre et al. (2019) defined purposeful sampling as capturing of data from participants who are experts in their fields and

describe in detail their experiences. Purposeful sampling helped improve selection of participants.

The three primary research methods are qualitative, quantitative, and mixed methods. Quantitative researchers focus on circumstances, make hypotheses, separate and control variables, and use statistical tools to test variable relationships or group differences (House, 2018). The qualitative method is appropriate when researchers explore a phenomenon from participants' perspectives. Mixed methods researchers combine qualitative and quantitative techniques (Yin, 2018). In this study, I explored business owners' experiences using a semi-structured interview process. To address the research question in this study, I used the qualitative method. This was appropriate for my study because I explored a phenomenon from participants' perspectives.

Qualitative research designs include phenomenology, ethnography, and pragmatic inquiry. The phenomenological design is appropriate when researchers want to explore participants' experiences involving a specific phenomenon (Adams & van Manen, 2017). Ethnographic researchers understand participant behaviors by addressing cultural and social environments (Watson, 2018). The most appropriate research design for this study was the pragmatic inquiry. House (2018) described pragmatic inquiry as an introspective approach that involves eliciting data from semi-structured interviews. I used this research design to interact directly with business owners, giving me a deeper understanding of the phenomenon. I identified reasons for the phenomenon using interviews, observations, and field notes from interviews.

The theory that grounded this study was the theory of planned behavior (TPB), which was created by Ajzen in 1991. Researchers use the theory to explain why individuals act rationally according to their attitudes, subjective norms, and perceived behavioral control (Ajzen, 1991). This study involved facilitating, identifying, and exploring strategies small business owners use to comply with federal, state, and local tax requirements. Tax requirements are highly detailed and require structural approaches. Business owners need to approach tax compliance rationally. The TPB was a means for understanding these approaches .

Research Question

What effective strategies do small business owners use to comply with federal, state, and tax requirements?

Assumptions and Limitations

Assumptions

According to Kane (2020), assumptions are statements that researchers assume to be true without concrete evidence to support and verify them. In this proposed study, I assumed participants created successful strategies to comply with federal state, and local taxes. I also assumed participants understood taxes they needed to comply with. Finally, I assumed participants answered interview questions honestly.

Limitations

Limitations refer to challenges and effects outside the researcher's control that restrict study depth (Hughes et al., 2019). Limitations involved identifying successful participants who successfully navigated federal, state, and local tax requirements

consistently for 5 years, limited time to conduct an extensive study, and unbiased responses to interview questions.

Transition

Section 1 included the foundation, background of the problem, purpose statement, research question, assumptions, limitations, and delimitations. Section 2 includes an in-depth literature review on business and tax compliance. Section 2 also includes a discussion of the conceptual framework and two alternative theories.

Section 2: The Literature Review

A Review of the Professional and Academic Literature

The main objective of my study was to determine successful strategies adopted by business proprietors to comply with federal, state, and local tax requirements. I aimed to provide an organized summary of relevant literature. I reviewed professional and academic sources regarding federal, state, and local tax compliance frameworks for small businesses. I comprehensively analyzed literature on the TPB and its applications to small business owners' strategies to comply with federal, state, and local tax regulations. I also reviewed literature on small businesses, tax strategies, tax compliance, compliance costs, business taxes, and tax structure. I relied primarily on peer-reviewed publications as primary sources of literature. Search terms were *tax*, *tax compliance*, *business tax requirements*, *theory of planned behavior*, *tax awareness*, *tax morals*, *various forms of taxes*, *compliance costs*, *sales tax*, and *excise taxes*. I used the following databases: Science Direct, ProQuest, SAGE Journals, Emerald Insight, EBSCOHost, Google Scholar, and Walden Library.

Conceptual Framework

Ajzen's TPB was the theoretical framework. According to the theory, intentions shape human behavior (Ajzen, 1991). The theory of the planned behavior model has been successfully used to address tax laws. This study involved examining variables that affect small business tax compliance using the TPB behavior as the conceptual framework.

Theory of Planned Behavior

The TPB is used to predicts people's intentions to engage in certain behaviors at certain times, places, and circumstances. It is a psychological theoretical framework that presupposes intentions are critical for predicting human behaviors, and people have volitional control over their behavior (Ajzen, 1991; Bellová & Špírková, 2021; Taing & Chang, 2020). As such, the intention to engage in a given behavior underscores the increased probability of performing that behavior: The behavior is more likely to be performed when there is a stronger intention (Ajzen, 1991). The TPB is used to explain human behavior in specific contexts as either positive or negative (Ajzen, 1991; Bellová & Špírková, 2021). Therefore, the essential pillar of the TPB is intention since motivational factors determining a person's behavior are difficult to establish without it. The three components of the TPB are attitude toward the behavior, subjective norm, and perceived behavioral control (Ajzen, 1991). The TPB can be used to justify intentions and provide precise explanations concerning tax compliance behaviors among those who are legally obliged to pay taxes, as demonstrated by their attitudes towards behaviors.

Attitude

Attitude plays a role in shaping human thoughts, emotions, and actions. Bellová and Špírková (2021) articulated attitude is a function of salient behavioral beliefs that lead to perceived likely outcomes of behaviors. Brownstein et al. (2020) argued attitude can be measured explicitly or implicitly as well as directly or indirectly to predict peoples' behavior. Attitude shows the level to which people have a supportive or unsupportive assessment of behaviors of interest. Ajzen (1991) stated attitude formation

involves cognitive or information processing and is anchored in people's beliefs regarding the object of the attitude. Analytically, beliefs are formed about objects by linking them to specific attributes. Therefore, attitude towards behavior impacts tax compliance. When taxpayers believe outcomes of paying taxes are favorable or unfavorable to their interests, they have positive or negative attitudes toward tax compliance.

Attitude Towards Behavior and Tax Compliance

Business owners comply with their tax obligations when they have positive attitudes toward paying taxes. The belief that paying taxes has beneficial outcomes for them and society is sufficient motivation. People learn to automatically prefer behaviors with desirable outcomes and form negative attitudes toward behaviors they associate with undesirable outcomes (Ajzen, 1991). Taxpayers must first understand paying taxes is a behavior that will produce anticipated desirable outcomes. Taing and Chang (2020) articulated in the context of tax compliance, people pay taxes when they have high tax morale, which is intrinsic motivation to pay taxes in order to contribute to societal development. Taxpayers voluntarily pay taxes even in environments with low tax enforcement because of intrinsic motivation that paying taxes is an obligation (Taing & Chang, 2020). Hence, tax morale positively impacts tax compliance behaviors. There is a negative correlation between tax morale and tax compliance behavior because low tax morale is an attitude that undermines tax compliance behavior.

Low tax morale is associated with noncompliance because taxpayers feel morally not obliged to commit to their tax obligations. False beliefs about tax laws and absence of

trust in tax administrators may lead to a lack of moral obligation. Jones and Cater (2020) stated attitudes and beliefs instigate behavior, and behavior defines environments. Hence, in a tax environment where tax laws are misunderstood, taxpayers may believe there is no moral obligation to pay taxes. Even if they pay, they will not witness societal benefits of tax-paying behaviors (Jones & Cater, 2020). Abdu and Adem (2023) stated attitudes towards noncompliance result when taxpayers fail to file tax returns, underreport taxable incomes, fail to pay tax liabilities in time, and overstate tax deductions and exemptions. Given this, attitude towards noncompliance behavior may demonstrate lack of confidence in tax administrators and corruption in government. When taxpayers believe their taxes are not invested in nation-building and societal good, they have low tax morale.

Subjective Norms

External pressures can influence business owners to exhibit tax compliance behaviors. Subjective norms include perceived social pressures to engage or not engage in given behaviors (Ajzen, 1991; Taing & Chang, 2020). People's normative beliefs impact subjective norms and motivations to comply with given behaviors. A subjective norm in the context of tax compliance is level of fairness in terms of tax infrastructure, as well as level of trust taxpayers have in governments (Taing & Chang, 2020). Al-Rashdan and Al-Zaqeba (2020) stated perceptions of tax authority plays a fundamental role in determining whether taxpayers should perform or not perform behaviors. Therefore, if taxpayers perceive taxing bodies are accountable and transparent in terms of using tax revenues, they will trust the system and be compliant (Taing & Chang, 2020).

Conversely, noncompliant attitudes and behaviors among taxpayers occur when there is a perception that taxing bodies are less fair (Taing & Chang, 2020).

Subjective Norms and Tax Compliance

Tax fairness involves functional beliefs that indicate whether taxpayers should or should not participate in and approve or disapprove of behaviors. Taing and Chang (2020) argued taxpayers voluntarily pay taxes when they perceive taxing bodies as fair to them. Tax fairness includes horizontal fairness, which means peer groups should have an equal share of the tax burden, distributive fairness, which implies fair distribution of costs and advantages in terms of tax payment systems, procedural fairness, which involves fair tax collection from all taxpayers, and fair treatment of taxpayers in terms of lack of coercive power to impose penalties and auditing (Taing & Chang, 2020). Tax compliance among taxpayers in Nigeria, Jordan, and Malaysia was positively influenced by procedural fairness (Al-Rashdan & Al-Zaqeba, 2020; Taing & Chang, 2020). Therefore, when the taxation system is fairer, taxpayers are more likely to engage in tax compliance intentions and behaviors, which can also be replicated when there is trust in government taxation authorities.

Tax compliance behavior is positively associated with trust in government. Taxpayers may only comply with their tax obligations when there are equal exchanges between fiscal expenditure and taxes collected. Taing and Chang (2020) explained that the level of taxpayers' trust in government impacts their compliance with taxation requirements. For example, suppose taxpayers perceive that their tax revenues are efficiently utilized and that taxation bodies are open and transparent. In that case, they

will trust the government more and show tax compliance behaviors (Taing & Chang, 2020). Albab and Suwardi (2021) investigated the relationship between trust in tax authority and tax compliance among micro, small, and medium enterprises in Indonesia. They found that trust had a positive influence on voluntary tax compliance behavior. Similarly, Alshira'h (2023) examined the association between trust in government and compliance with value-added tax (VAT) in the Jordanian retail industry and established that trust in government positively impacted VAT compliance behavior. Hence, with improved trust in government, taxpayers will exhibit greater tax compliance intention and pay taxes the government imposes following perceived behavioral control.

Perceived Behavioral Control

Elements that taxpayers may consider as influential to their obligation to pay tax may enhance or impede taxation behavior. Perceived behavioral control is the instinctively detected ease or complexity of undertaking behaviors considering past experiences, anticipated impediments, and objective and subjective obstacles (Al-Rashdan and Al-Zaqeba, 2020; Ajzen, 1991; Taing & Chang, 2020). Perceived behavioral control factors, such as resource availability, time capacity, and information, may vary across actions and situations. The variances determine taxpayers' perceptions depending on their tax environment. Ajzen (1991) and Taing and Chang (2020) say that TPB's perceived behavioral control component is crucial since it introduces psychological elements, such as the power of authority, tax complexity, and tax information, to the control of behavior and how it impacts intentions and actions. Therefore, the outcomes of an action are influenced by people's perceived behavioral

control. Tax compliance behavior may be impacted by how perceived behavioral control utilizes the power of authority, tax complexity, and tax information.

Perceived Behavioral Control and Tax Compliance

Power of authority, tax complexity, and tax awareness are critical instruments determining taxpayers' behavioral intention to comply with taxes. Taing and Chang (2020) say that the power of authority denotes the capacity of the government to employ coercive power, punishment, and prosecution to enforce tax compliance. Given this, governments enforce tax compliance using legitimate power, which taxpayers may consider accommodative or coercive. Accommodative power positively impacts enforced compliance, but enforced compliance may increase the number of taxpayers evading tax (Taing & Chang, 2020). Besides, complex tax systems may undermine the capacity of taxpayers to comply with tax obligations because of increased barriers and compliance costs (Taing & Chang, 2020). Concerning tax awareness, where taxpayers have a limited understanding of tax laws, their ability to comply diminishes (Taing & Chang, 2020). Al-Rashdan and Al-Zaqeba (2020) studied how perceived behavioral control in the context of the power of authority impacted the behavioral intention to pay taxes in Jordan. They found that it positively affected the behavioral intention of high-income earners to comply with tax laws. Thus, increased power of authority increases tax compliance intentions. Additionally, reduced tax complexities and increased tax awareness promote the behavioral intention of complying with tax obligations. As demonstrated in attitude towards the behavior, subjective norm, and perceived behavioral control elements of

TPB, there should be a correlation between intention and compliance with the taxation regime.

Intention and Compliance

Most people intend to engage in a given behavior if they believe the outcome will be valuable. The more favorable attitude towards the behavior and the stronger subjective norm associated with it, the higher the perceived behavioral control and the greater the intention to undertake the behavior under consideration (Ajzen, 1991; Bellová & Špírková, 2021). Hungenberg et al. (2020) suggested that intentions, their connections to behaviors, and the impact of environmental circumstances are all areas of study in psychology and neuroscience. Therefore, the three components of the TPB are jointly responsible for predicting tax compliance intention and behavior. People with both will be more likely to act than those without both but will have less perceived behavioral control. Intention focuses on human thought, psychology, and motivation. Behaviors involved in determining actions may have social or personal benefits, such as paying taxes with the hope that the government utilizes the taxes effectively to contribute to societal development.

Intention and Tax Compliance Behavior

Tax administrators must understand the correlation between intention to act and taxpayer behavior. Abdu and Adem (2023) and Alshira'h (2023) emphasized the importance of taxpayers fulfilling their legal tax obligations as part of responsible behavior. Hence, taxpayers will be inclined to pay taxes voluntarily when there is fairness and trust. Bani-Khalid et al. (2022) explained that factors such as fairness, trust, moral

principles, and perceived cost of non-compliance impact tax compliance behavior. Therefore, favorable factors that increase tax morale, fairness, and trust promote tax compliance behavior. In contrast, unfavorable factors that reduce attitudes towards subjective behavior undermine tax compliance behaviors. Given this, taxpayers' compliance with tax can be promoted through favorable tax regimes, incentives, positive enforcement, and a culture of compliance.

Behavior

TPB stresses actual behavioral control as the product of attitude, subjective norm, and perceived behavioral control. Lee and Chen (2021) explicated behavior as an organism's response to internal and external stimuli. Behaviors exhibit interactions, worldviews, and partnerships. Krautkramer et al. (2021) indicated that interactions between the internal and external environments may complicate human behaviors. Therefore, people's propensity to exhibit voluntary and involuntary behaviors concerning compliance anchors on the tenets of TPB. As such, compliance behaviors follow predetermined standards set by authority or social norms (Hattke & Martin, 2020). Thus, subjective norms, attitudes, and perceived behavioral control may pile social pressure that compels individuals to comply or not comply with tax obligations.

Behavior and Tax Compliance

Behavior and tax compliance behavior are intertwined because the latter requirements determine how taxpayers behave. Since tax compliance is the fulfillment of legal tax responsibilities, taxpayers will demonstrate intentions and behavior to pay taxes when they believe that tax authorities are accountable for the tax money (Abdu & Adem,

2023). Carrillo et al. (2021) posited that compliance behavior is more likely to be repeated if individuals receive rewards. Hence, when taxpayers understand rewards associated with fulfilling tax responsibilities, such as contribution to society, fairness, trust, and reduced compliance costs, they will be obliged to show the intention and behavior of tax compliance.

The review showed how the attitude towards the behavior, subjective norm, and perceived behavioral control elements of TPB set the favorable or unfavorable environments. These environments determine taxpayers' compliance or non-compliance with tax obligations. Equally important in understanding taxpayer compliance with tax requirements are alternative theories, such as the Theory of Deterrence and the Theory of Fraud Triangle. These alternative theories also provide a lens to view my research question.

Alternative and Complementing Theories

The alternative theories I utilized as conceptual frameworks for this study are the Theory of Deterrence and the Fraud Triangle Theory. The following section of the review describes the two alternative theories. The description demonstrates how they contribute to comprehending business owners' strategies to comply with federal, state, and local tax obligations.

Deterrence Theory

Deterrence Theory emerged from criminology as a response to the perceived inadequacy of the traditional approaches to criminal punishment. Optimal, general, classical, and economic deterrence approaches evaluate law enforcement and tax

compliance (Ya'u et al., 2023). Ya'u et al. (2023) mentioned that the economic deterrence approach focuses on the economics of crime. The theory presupposes that economic factors influence taxpayers to decide whether to comply with tax obligations (Ya'u et al., 2023). Gebrihet et al. (2024) added that the economic deterrence approach elucidates the spectrum of taxpayer behaviors and examines how enforcement policies and conduct of tax administrators discourage tax evasion. Hence, the examination revolves around the decision-making process of compliance with tax requirements vis-à-vis the analysis of potential benefits from compliance and personal costs of non-compliance (Gebrihet et al., 2024). Therefore, compliance will be voluntary when potential benefits outweigh costs in the context of penalties associated with general deterrence.

Punishment and sanctions form the foundation of the general deterrence approach to tax compliance. The general view is that people are rational actors who evaluate their actions, costs, and benefits (Kuo et al., 2020; Ya'u et al., 2023). Abramovaite et al. (2023) suggested that if punishment is severe (length of imprisonment), specific (detection rates and arrests), and celerity (speedy justice), rational people will assess gains and losses before participating in illegalities. In the context of taxation, tax rates, the probability of detecting tax evasion, and the severity of punishments are examples of severity, certainty, and celerity that determine taxpayers' decision-making behavior (Abramovaite et al., 2023). Thus, adverse costs linked to tax evasion may be sufficient to force taxpayers to comply with tax obligations. Given this, tax audits, knowledge of taxation, complexities associated with taxation processes, and tax agents may be general

deterrence elements that can demotivate taxpayers from using the fraud triangle to commit tax fraud.

Theory of Fraud Triangle

The concept of the fraud triangle was introduced in 1950 by Donald Cressey, a criminologist who formulated this theory to comprehend the underlying motivations that drive individuals to engage in fraudulent activities (Cressey, 1952). The Fraud Triangle theory proposes a framework for understanding why individuals engage in fraud. Sánchez-Aguayo et al. (2021) and Awang et al. (2021) explained that Donald R. Cressey, an authority in the sociology of crime, proposed the Fraud Triangle Theory (FTT) in the 1950s to analyze why fraud convicts committed crimes. FTT has three elements: pressure, opportunity, and rationalization (Awang et al., 2021; Sánchez-Aguayo et al., 2021). Pressure is the first component of the FTT, which is related to the motivation to participate in fraudulent activities; the perceived opportunity is the second component, which explains the action behind the crime and the capacity to commit it; and the third element is the rationalization of the act; which corroborates how people rationalize fraud and make their illegal acts justified and acceptable (Awang et al., 2021; Sánchez-Aguayo et al., 2021). The three elements of the FTT occur sequentially to promote the urge by business owners to engage in crimes, including tax evasion, tax fraud, and tax non-compliance.

Business owners can fail to comply with federal, state, and local tax obligations if they capitalize on pressure, opportunity, and rationalization sequentially. Pressure, especially financial distress, and financial incentives, may compel taxpayers to fail to

comply and ease the financial burden (Sánchez-Aguayo et al., 2021). Additionally, taxpayers can exploit perceived opportunities, such as weak enforcement of tax laws and a lack of deterrence (penalties) to pursue non-compliance with tax obligations. Finally, taxpayers may use excuses, including lack of utility, tax complexities, and absence of tax information, to rationalize non-compliance with tax obligations (Sánchez-Aguayo et al., 2021). Wrong rationalization justifies illegal actions, and correct rationalization condemns fraud (Awang et al., 2021). Therefore, FTT explicates how pressure, the perceived opportunity to evade, and the capacity to rationalize the act sufficiently prove or disprove taxpayers' non-compliance behavior.

U.S. Tax Structure

A progressive tax structure can affect the revenue generated by a country, tax system complexity, the tax burden imposed on different population groups, compliance by individuals and businesses, entrepreneurial behaviors, and economic growth. Federal tax laws have led to a comprehensive tax structure incorporating interesting elements of progressivity, which aims to drive compliance behaviors in individual income and corporate taxes. Conceptually, the term "tax structure" describes the patterns of division of public revenues derived from multiple tax sources in a particular jurisdiction (Yanikkaya & Turan, 2020). While describing this term, we must identify structural features that distinguish taxes, including the legal definition of streams, different tax bases, types and extent of deductions provided for different payers, exemptions, and established tax rate schedules.

The U.S. tax structure is notably complex, encompassing various federal, state, and local tax components. The progressive income tax system is a significant revenue source at the federal level, with higher-income earners facing more significant tax deductions, fostering income redistribution goals (Bastani et al., 2019). State income tax deductions further contribute to government revenue, alongside value-added tax (VAT) and excise tax, which impose levies on specific products and activities (Bastani et al., 2019). Income taxes from gross salaries and consumption and excise taxes, particularly burdensome for businesses, represent primary revenue sources with high compliance costs (Vishnuhadevi, 2021). Additionally, the tax structure encompasses sales tax, property levies, estate taxes, customs duties, corporate income tax, motor vehicle taxes, and gift taxes (Vishnuhadevi, 2021). This intricate tax framework presents significant challenges and implications for businesses and individuals.

Tax System

The U.S. tax law has provided a legal framework that has created a simple yet notoriously complex tax system that emphasizes "voluntary compliance" in all taxpayer's situations. Blank and Osofsky (2020) noted that this voluntary system lifts the responsibility of determining tax liabilities from the government and requires individual taxpayers to perform self-assessments, calculate tax owed, and provide accurate reporting of such information. Under this tax system, the government's primary responsibility is to provide clear and foolproof explanations of supposedly complex tax law to enhance understanding and application by unsophisticated taxpayers to their respective situations (Blank & Osofsky, 2020). Taxpayers must understand the explicit and implied meaning

of the legal terms that describe a voluntary tax system. In this context, the Internal Revenue Service (IRS) offers a legal definition of the term "voluntary" to imply a tax system that allows individuals and businesses to take the obligation of calculating tax owed and making accurate and appropriate returns from the onset, as opposed to waiting for the government to take the initiative when forced by circumstances like non-compliance.

Previous studies have examined how certain factors facilitate or limit the effectiveness of voluntary tax systems while drawing upon empirical evidence from an MSME perspective. One such study by Albab and Suwardi (2021) revealed that tax knowledge can influence the level of trust taxpayers maintain in their governments, which mediates behaviors like voluntary tax compliance. A separate study by Hoang et al. (2021) investigated compliance behaviors in SMEs showed that a manager's expertise and understanding of tax laws can impact voluntary compliance positively or negatively. Consequently, these factors can affect taxpayers' propensity to cheat, evasion, and tax corruption. Unlike other tax systems that rely on enforcement methods to deter non-compliance, a voluntary system offers a more effective mechanism to mitigate such issues as taxpayer's "crowding out, given that it positively affects their intrinsic motivations to engage in voluntary compliance.

Federal Taxes

Tax administration and public revenue generation in the United States occurs at three jurisdictional levels, starting with those considered at the federal level. Federal taxes contribute the largest share of the total revenue contributions by employed persons,

businesses, and institutions. Federal taxes include direct taxes derived from personal income for individuals working in various organizations, social security tax, corporate income tax, VAT, and excise taxes (Yanikkaya & Turan, 2020). The IRS represents the central agency mandated with various roles, including providing federal tax administration and enforcement. Part of its tax law enforcement focuses on ensuring compliance and collecting various federal taxes. Income taxes constitute a significant component of the U.S. tax structure. Recent fiscal reports show that income taxes, including revenues accumulated from individual payments and resident companies, contributed approximately 60% of the cumulative federal revenues in 2021(IRS,2022). Thus, federal income tax has more prominence than other sources in the government's fiscal structure, presenting significant practical implications for America's growth and citizen's welfare. Another source of federal revenue is the social insurance tax, computed as a sub-component of the labor tax in the payroll (Yazbeck et al., 2020). These federal taxes have offered an effective means to finance health insurance programs and support health reforms, enabling the U.S. government to make positive strides toward universal health coverage.

The prominence of excise tax as a key contributor to federal revenue and a central component in the fiscal structure cannot be overlooked. Ordinarily, the federal tax law permits the national government to collect excise tax, which constitutes a special levy collected at the POS for certain products. Based on the IRS interpretation of excise tax, the key difference between this federal tax and VAT and other broad-based consumption taxes is that the former is highly selective and specific (Boesen, 2021). Rather than

targeting all goods, federal excise tax has a narrow base and is restricted to specific items, certain activities or uses, and select services. In 2019, the IRS reported a 2.9% contribution to federal tax revenues from total taxes accumulated from excise goods (Boesen, 2021). Predominantly, this included federal tax revenues resulting from specific federal excise taxes charged on select goods, including alcoholic products, luxury merchandise, petroleum goods, and tobacco, with an end goal of maximizing income and promoting deterrence of potentially harmful behaviors and practices (Bankman et al., 2023). The government recommends levying this tax at the starting point of the value chain to reduce the compliance burden and enhance tax implementation by keeping the number of taxpayers at a minimum.

State Taxes

The economic model maintained by the United States stresses jurisdictional fiscal autonomy and economic decentralization, presenting opportunities for state governments to establish and enforce tax policies independent from the existing federal tax system. In other words, state governments exercise autonomy by introducing different taxes, defining tax rates depending on macroeconomic circumstances and political forces, abolishing certain taxes, issuing tax breaks when necessary, and establishing apportionment rules (Fajgelbaum et al., 2019). The emphasis on fiscal autonomy across the United States has led to a decentralized tax structure where each state can establish its revenue bases, collect taxes, and decide on what rates to use independent of the federal government.

Like the federal tax structure, state governments rely on multiple tax liabilities to generate public revenue, from personal income taxes to sales levies and returns from corporate income taxes. Many states have enacted laws that allow income taxation for employed persons and businesses operating in these jurisdictions (Jensen, 2022). Furthermore, Jensen (2022) pinpointed that, while these tax systems are not universal in all U.S. states, public revenue accrued through income tax returns has become pivotal in helping jurisdictions that apply them to spur development and reduce spatial differences in resource allocation (Jensen, 2022). Other common state revenue bases include corporate income levies, which target domestic firms engaged in profit-generating business and sales taxes – broadly applied at the POS for various items traded or services rendered. State governments in jurisdictions with functional sales tax systems and other tax schemes assume important roles in collecting levies and providing necessary assistance on tax-related matters to ensure compliance (Carrillo et al., 2021). Altogether, state tax collections from individual and corporate income and other bases have proved effective in accelerating development programs and reducing regional heterogeneity caused by differences in spatial distribution and allocation of public goods.

Local Taxes

In addition to federal and state taxes, the United States considers local taxes an important source of public revenue and a key driver of economic growth. Local taxes provide an important avenue for regional governments to finance operating expenditures, run programs to reduce economic inequalities, and meet their capital expenditures (Albab et al., 2020). In the United States, local tax bases include direct charges local

governments enforce on utilities such as parking and business licenses. Besides, local governments derive a substantial share of revenues from property taxes – representing the biggest contributor – and other tax liabilities such as service charges, selective sales taxes, and intergovernmental transfers. Property tax calculation in local neighborhoods across the United States is based on assessed values for properties and effective tax rates (ETRs) stipulated by local governments (Hayashi, 2020). In most cases, local governments target individuals and small business owners who constitute the majority of taxpayers in the local economy (Brennan & Rosacker, 2020). The current U.S. tax code has eased the requirements for inventory accounting and reduced the compliance burden by allowing local taxpayers to complete their payments through cash methods in place of more restrictive tax accounting paradigms, which have previously contributed to non-compliance behaviors.

Business Taxes

Businesses, from micro, small, and medium-sized enterprises (MSMEs) to large corporations, remain the largest contributors of taxable income in the American economy at the federal and other jurisdictional levels. The tax compliance behaviors demonstrated by domestic businesses and multinational firms in the United States can impact considerably on the amount of revenue returns reported by the national and regional governments (Gangodawilage et al., 2022). A growing literature has explored recent trends in taxation strategies adopted by federal and regional governments to increase dynamism and stimulate business activity in the U.S. economy. Some of these strategies include reducing effective tax rates, providing other tax incentives, and implementing

place-based business policies to improve business access to tax credits. Furthermore, Slattery and Zidar (2020) establish that business tax covers public revenue sources that state and local governments consider in their structures, including corporate income taxes and other levies imposed on resident commercial establishments in a particular jurisdiction. Under the current tax system, the IRS requires that businesses provide accurate tax reporting through Form 1099-K backed by payment receipts, which provides a basis for validating information reports about taxable business incomes (Adhikari et al., 2021). For practical reasons, current systems obtain business taxes to ensure that capital gains from commercial activity undertaken by domestic enterprises contribute to the economic development of the local economy.

Sales Taxes

Sales taxes refers to all levies charged by state and local governments on various goods at the POS. Sales taxation also targets capital gains from different services delivered to customers within a particular jurisdiction. In practice, a sales tax represents a percentage measure of the price received on an item or a service by sellers rather than the equilibrium price (Eisenhauer, 2022). As a corporate income tax component, a sales tax focuses on all taxable sales a business makes within a definite period. However, it is worth noting that sales tax rates enforced in different states or local contexts are more or less similar to those adopted in other areas. In most cases, sales taxation is considered non-salient, as the actual tax is not explicitly included as a component of the price displayed on goods or attached to various services (Taubinsky & Rees-Jones, 2018). Essentially, sales taxes provide an avenue for states and local governments to generate

revenues, increasing their fiscal capacity to address deficits and reduce fiscal imbalances caused by heterogeneous federal funding allocations.

Use Taxes

A use tax is a special type of levy frequently used by regional governments to capture revenue in areas where sales taxation did not take place during the original purchase. For example, governments may subject this type of tax on retail goods purchased by individuals from other states through e-commerce platforms or in person. Kovacev (2020) postulates that the incidence of a "use tax" is clear-cut on who should bear the compliance burden: an out-of-state retailer who sells specific goods or offers certain services to consumers, whether online or through a physical shop. For instance, Florida requires permanent and temporary residents in the state to complete Form DR-15MO every three months and remit a flat-rate 6% use tax on all items purchased from other U.S. states if the total tax liability payable for such goods exceeds $1.00 (Jones, 2019). In this respect, some states define "use tax" as an alternative or complementary compliance mechanism for sales tax liability, particularly when legal avenues for sales taxation do not exist or are insufficient due to differences in state of residence and geographical location where a purchase or consumption occurs (Jones, 2019). While use taxes are frequently debated in sales tax contexts, their design makes them appreciably different from the latter, mainly by empowering state tax institutions and providing them with additional authority to enforce tax liability and capture revenue on items acquired, stored, or consumed outside states. In the existing business tax scheme, a use tax is defined based on the geographic location where a customer purchases and consumes a

given product. As such, the tax liability for such items is owed to state tax authorities when a person acquires an item from another state through a process or transaction in which they do not remit the required sales tax, irrespective of their legal residence.

Payroll Taxes

Against the backdrop of a growing number of retirees and an aging population, the central government has given much importance to payroll taxation as a means to cushion these vulnerable groups by expanding their coverage for social insurance funding across the United States. Dörrenberg et al. (2022) described payroll taxes as "a function of employee salaries and employers who assume the obligation of remitting the tax" (p.2). While drawing upon empirical perspectives from previous studies exploring payroll tax compliance, Dörrenberg et al. (2022) asserted that applying moral measures and other strategies aimed at improving evasion deterrence can have a positive effect on payroll tax compliance in the context of developing countries. With the U.S. tax system becoming increasingly modernized, the mandate of collecting payroll taxes is left to the tax department, which undertakes, among other roles, defining contribution rates and engaging in collection activities to increase compliance, promote efficiency, and reduce evasion (Tang & Feng, 2021). With payroll tax non-compliance issues becoming increasingly prevalent across the country, such issues continue to threaten and constrain the functioning and overall effectiveness of the U.S. welfare system, as aggregate contributions forwarded to the tax department do not suffice the requirements for social insurance funding, hence the need for stronger and robust mechanisms to enhance the collection capacity.

Self-Employment Taxes

Under the U.S. tax structure, the government considers self-employment tax an essential source of public revenue across jurisdictions. The payroll tax provides a classical case of a tax model the government has extended to facilitate revenue collection in self-employment contexts. The rapid expansion of the gig economy has seen a large number of Americans becoming actively engaged in self-employment through online work and various freelancing activities (Smirnova et al., 2022). Smirnova et al. (2022) suggested that developments have pressured the government to develop an optimal system to enhance tax collection and encourage contributions from the self-employed population.

Novel administrative datasets reveal significant underreporting and income tax evasion by self-employed persons, which has created heterogeneity in third-party reported income and aggregate tax compliance (Bazzoli et al., 2020). Economic theorists have shown much interest in developing a structural definition of self-employment tax and exploring various factors contributing to evasion behaviors, mainly by drawing perspectives on how governments enforce payroll taxes. However, the corollary of this type of taxation for persons in self-employment has been largely neglected and underexplored as a critical component of the American tax system until recently. Previous research has stressed the need for a special tax regime that mirrors the realities and background of self-employed workers to increase satisfaction and incentivize tax compliance in this population (Smirnova et al., 2022). Measuring tax compliance

provides a promising way to detect income underreporting and discover other issues contributing to tax cheating or evasion among self-employed persons.

Tax Compliance

The history of U.S. tax administration, enforcement, and compliance has been nothing but a learning and constantly evolving process. Over the years, the IRS and regional tax departments have departed from deterrence strategies used in the past to more cooperative approaches and digitized methods to discourage avoidance tendencies. Deterrence approaches used from the late 1940s through the 1950s, such as mandatory enforcement, have been linked to high levels of avoidance due to crowding out among taxpayers who feel compelled to fulfill tax obligations (Dularif & Rustiarini, 2022). However, the shift to cooperative approaches that emphasize voluntary and collective participation in tax contributions has led to increased trust in government, increased tax citizenship behaviors, and promoted personal and social norms that increase tax compliance.

With the rising pressure to close unaddressed tax gaps, governments worldwide have moved toward taxation models that accentuate tax socialization to drive awareness about compliance, tax schemes, and consequences of avoidance among individual payers, MSMEs, and other enterprises. The newfangled tax compliance models anchor on innovation to promote fairness in policy implementation and participation (Lestary et al., 2021). Tax literature also indicates increased favorability and application of cooperative approaches that guarantee transparency and provide procedural justice, highlighting the significance of such methods promoting compliance, especially in VAT remittances

(Siglé et al., 2022). With the emergence of modern economies, marked by a transition from brick-and-mortar contexts and globalization of commercial activities, the tax compliance landscape has undergone radical transformations to mirror these changes. Today, the government has become more invested in efforts aimed at expanding its remote taxation authority and integrating highly networked supply chains to streamline and optimize compliance (Adhikari et al., 2021; Belnap et al., 2023). Moreover, the new compliance paradigms have heralded the shift from a conventional paper-based system to more innovative and efficient electronic invoicing and remittances and increased emphasis on third-party reporting over direct payments, providing strong incentives for individual and institutional compliance (Bellon et al., 2022; Fahriyah et al., 2022). Effective deployment of these strategies has produced favorable outcomes by diminishing the compliance gap, increasing verification efficiency, and minimizing compliance costs.

Given the complexities of the prevailing tax system and the government's limited capacity to implement enforcement mechanisms and comprehensively monitor taxpayer behavior, these factors have provided a backdrop for non-compliance issues occasioned by high rates of tax avoidance by individual payers and corporations. However, existing research has failed to provide conclusive answers on specific factors that affect tax morality and incentivize tax evasion (Finley, 2019). An experimental study by Trivedi and Mawani (2020) has investigated how corruption practices in tax auditing impact compliance among individuals and businesses. Primary findings from these experiments suggest that corrupt practices involving tax institutions may mediate non-compliance issues by facilitating evasive behaviors, where these authorities discard their gatekeeping

roles, providing an avenue for tax cheating (Trivedi & Mawani, 2020). To add to these findings, a quantitative inquiry conducted by Angeles (2022) to examine tax compliance practices indicated a high risk of tax evasion due to factors such as a lack of ethical governance practices in organizations, unfavorable tax feeling experience, and the absence of non-economic motivators, leading to low morale, reduced engagement, and negative attitudes toward honest cooperation and participation in fulfilling tax obligations. Li (2022) presented consistent findings, explaining how dissatisfaction among organizational staff in corporate tax departments reduces effectiveness in tax planning and mediates other negative outcomes, including productivity loss and increased avoidance risks. Therefore, effective compliance depends on the extent to which tax authorities, individuals, and enterprises anticipate and respond to these issues to promote positive behaviors and disincentivize avoidance.

Cost of Compliance

Numerous studies have investigated the association between tax systems' complexity and compliance costs. Musimenta (2020) found that tax compliance is a significant issue that requires deliberate acts and focused efforts to address possible determinants that increase the risk of tax non-compliance. An assessment of baseline tax liability in the context of developing countries by Musimenta described knowledge requirements, for example, human resources needed to understand and make sense of various tax laws and challenges confronted while dealing with the complexities of the tax system as the primary drivers of internal compliance costs. Further, a review by Vishnuhadevi (2021) has explored various costs to develop insights into the compliance

burden associated with a specific tax. For example, the study infers from existing literature to establish a link between VAT compliance and operating costs, such as the burden of making compliance decisions, administrative costs accrued by businesses in such processes, and psychological costs experienced by individual taxpayers (Vishnuhadevi, 2021). Therefore, governments must identify specific components of various taxes and take proactive steps to minimize the costs associated with compliance decisions in diverse taxpayers' situations.

Businesses spend a sizeable share of their financial resources on hiring tax experts and seeking other external services, which adds to the compliance burden incurred by these entities. In most cases, strained relationships between taxpayers – individuals or enterprises – and tax authorities at various jurisdictional levels may intensify psychological costs, leading to a more significant compliance burden (Vishnuhadevi, 2021). In the case of sales tax, especially while implementing strategies for interstate tax compliance, responsible agencies must provide individual payers and enterprises, such as SMEs, with educational resources, ongoing communications, and technological assistance to increase their capacity in handling compliance challenges (Cardillo et al., 2021). However, providing such assistance and tax support results in high administrative costs, given that the compliance agencies and business entities in question have to incur a substantial burden – a prerequisite to attain compliance objectives. Critically, compliance costs may be inflated by the expenses incurred in knowledge development through tax education programs and other human resource investments to reduce reliance on external assistance and ease the psychological burden associated with compliance.

Consequences and Benefits of Tax Compliance

Tax income, including revenue collected by federal and regional tax authorities, provides a good starting point for governments to visualize economic growth and meet their capital expenditures. Fahriyah et al. (2022) stressed the need to encourage compliance with established laws and optimal tax collection by mandated authorities. Compliance encompasses a critical component of the most successful tax systems. Effective tax administration and policy enforcement at various jurisdictional levels are central to ensuring that national and regional governments attain their revenue targets, increasing their fiscal capacity to meet economic development needs, address public welfare issues, and offset capital expenditures (Belnap et al., 2023).

On the contrary, compliance issues attributed to underreporting and lack of honesty by individuals and enterprises while reporting income and other liabilities may constrain public resources and contribute to tax gaps, as aggregate revenues collected and reported by tax authorities are only a fraction of what it would get if everyone remained compliant (Adhikari et al., 2021). A different review by Maulidi (2020) has offered a criminological perspective on tax compliance and provided critical insights into the legal parameters and ramifications of non-compliance. Maulidi (2020) argues that involvement in fraudulent behaviors, such as inaccurate tax reporting, presenting forged audit reports, and general non-compliance, exposes individual offenders and other actors involved in such schemes to significant legal liabilities, which may come at a considerable cost. The research draws upon evidence from bureaucratic scandals that have prompted expensive

lawsuits and subjected elite executives from reputable organizations to hefty fines for engaging in corrupt tax practices or conspiring with tax authorities to evade compliance.

Transition

This section included a thorough literature review of my topic. I explored literature on business and tax compliance in depth and discussed the conceptual framework and two alternatives. In Section 3, I review project results. Section 3 includes my responsibilities as the researcher, participant sampling, research method and design. I also address data collection tools, techniques, organization, analysis, and reliability, validity, and effectiveness of data.

Section 3: Research Project Methodology

This section includes an examination of the project. I address my role as the researcher, participants, sample populations, research methods, and the research design. I address data collection tools, techniques, organization, analysis, and reliability and effectiveness of data.

Project Ethics

The role of the researcher in qualitative research involves collecting data, establishing research problems, networking, collaborating, and managing processes. McGrath et al. (2018) stated the primary responsibility of a qualitative researcher is to provide a thorough understanding of a specific issue and pose insightful inquiries. Qualitative research involves accessing thoughts and feelings of participants. My professional background in accounting includes over 10 years of experience working in nonprofits, government, and private sectors. I started a successful accounting firm in 2019 and work closely with some small business owners. I help business owners with accounting and tax preparation. As the researcher, I chose to work with business owners who were not my clients. This reduced biases I may have.

The Belmont Report guided my research. This foundational document establishes ethical principles for researchers working with human subjects, emphasizing the importance of beneficence and justice. Respecting individuals involves recognizing participants as autonomous agents (U.S. Department of Health and Human Services, 1979). Beneficence entails ethical treatment by honoring participants' choices, safeguarding them from harm, and promoting their welfare (Kamp et al., 2019; U.S.

Department of Health and Human Services, 1979). Justice refers to moral obligations regarding participant selection procedures (Kamp et al., 2019). Adhering to the Belmont Report protocol is crucial in research in order to uphold data integrity and prioritize participants' rights and privacy.

Researchers should adhere to ethical standards by addressing significant issues that can undermine the integrity of research. As a student, I reviewed the DBA Qualitative Pragmatic Inquiry Manual. My understanding of the manual enabled me to conduct ethical research. The school's IRB reviewed and approved the study per ethical standards and regulatory requirements. I received an approval number (08-09-24-1132114). I strictly adhered to my project's IRB guidelines. Participants were provided with informed consent forms to ensure they had sufficient information to make independent and informed decisions about participation. This promotes respect for individual autonomy and protects rights and wellbeing of participants (Lindsay et al, 2019). Participation in the study was voluntary, and participants could withdraw at any time without facing any penalties. To ensure confidentiality, identities of all participants were masked with unique identifiers. Per IRB procedures, I will securely retain all collected data for 5 years to safeguard participant confidentiality.

Nature of the Project

Three primary research methods are qualitative, quantitative, and mixed methods (Yin, 2018). Quantitative researchers focus on regulations and rules in certain circumstances, make hypotheses, separate and control variables, and use statistical tools to examine the importance of variable relationships or group differences (House, 2018).

Qualitative methods are relevant when researchers explore phenomena from participants' point of view (Yin, 2018). Mixed methods researchers combine qualitative and quantitative research techniques, methods, approaches, concepts, and language into a single study (Yin, 2018). In my study, I explored business owners' experiences using a semi-structured interview process. l used the qualitative method to address my research question. This method was appropriate for my study because I explored a phenomenon from participants' perspectives. I examined small business owners' strategies to comply with federal, state, and local tax requirements.

Qualitative research designs include phenomenology, ethnicity, and pragmatic inquiry (House, 2018; Yin, 2018). The phenomenological design is suitable when researchers want to explore participants' experiences regarding a particular phenomenon (Adams & van Manen, 2017). Ethnographic researchers try to understand participants' behaviors by inserting themselves into cultural and social environments (Watson,2018). The most appropriate research design for this study was the pragmatic inquiry. House (2018) described pragmatic inquiries as an introspective approach that involves eliciting data from semi-structured interviews. I interacted directly with business owners, giving me a deeper understanding of phenomenon. This enabled me to identify and holistically understand the phenomenon through interviews, observations, and field notes.

Population, Sampling, and Participants

The target population for this study was seven small business owners with at least five 5 of experience with federal, state, and local business tax compliance; five participants were business owners, and two were tax accountants who were business

owners. I employed purposeful sampling techniques in this study. Lefèvre et al. (2019) defined purposeful sampling as deliberate selection of participants who are experts in their field and can provide detailed descriptions of their experiences. I used a deliberate sampling strategy with specific inclusion criteria to choose participants for this study. This approach enabled me to target small business owners who diligently complied with federal, state, and local taxes for at least 5 years. I used the snowball method to identify participants through social media platforms such as Facebook and asking participants if they could recommend any other qualified business owners they knew.

Furthermore, I selected participants who aligned with the project's overarching purpose. According to Mweshi and Sakyi (2020), researchers should identify potential participants who are most accessible to them and provide them with the necessary information. To establish trust early in the research process, I initiated contact with the selected participants, by phone call or email explaining the study's purpose and allowing them to decide whether they wished to participate freely. Subsequently, I followed up with an email containing additional information and a request for written consent. I ensured that participants were treated with respect, dignity, and privacy throughout the research process. Additionally, I continued to collect data until data saturation was reached. As Saunders et al. (2018) described, an interviewer has reached data saturation when they keep hearing similar responses. Saunders et al. (2018) described that interviewers reach data saturation after hearing similar responses.

Data Collection Activities

I was the primary tool that collected and analyzed the data for this pragmatic inquiry using a semistructured interview to elicit successful tax strategies that business owners use to comply with federal, state, and local taxes. Semistructured interviews are the most effective method for researchers to gather pertinent data on participants' experiences and delve deeper into their responses for clarification or elaboration (Yin, 2018). To ensure methodological rigor and adherence to ethical standards, I developed and adhered to an interview protocol (see Appendix A) to guide the study process. According to Candela (2019), adherence to interview protocols enables researchers to streamline qualitative data collection, ensuring a well-defined and efficient process that enhances the reliability and validity of the findings. The semi-structured interviews for this study included predetermined open-ended questions that explored the strategies business owners use to comply with Federal, state, and local taxes. I followed an interview protocol (see Appendix A) by asking questions and ensuring the participants' comfort. During the interview, I also observed the participant's body language and asked probing questions based on my observation. Lastly, I utilized additional publicly available data to provide comprehensive support for the interviews. By doing so, I was able to offer a more detailed insight, verify facts, and provide a well-rounded perspective on the topics discussed during the interviews.

Interview Questions

1. What strategies do you use to comply with federal, state, and local taxes?
2. How did you implement the strategies?

3. What challenges do you face while implementing the strategies?

4. How do you overcome the challenges to implement the strategies?

5. How do you measure the effectiveness of the tax strategies implemented

6. What alternative strategies have you considered or tried, and why did you dismiss them

7. What other information can you share about your strategies to comply with Federal, state, and local tax compliance?

Data Organization and Analysis Techniques

The organization data allows the researcher to reference and review easily. Goldsmith (2021) emphasized that researchers should organize data meticulously to uphold research quality and generate coherent, meaningful information while adhering to ethical guidelines. According to Goldsmith (2021), the objective of data organization is to establish a clear connection between the data and the summary findings. I used an Otter to record both in-person and Zoom interviews. Recording and transcribing the interview further enhance accurate data and analysis. I organized the data collected, transcribed the interviews, and loaded the transcripts into a Microsoft Word file on a password-protected personal computer. To maintain the confidentiality of all participants, I used coded names to identify participants. I stored all data in a passworded personal computer I will securely retain the data for five years to safeguard the rights of participants. Data will be destroyed after five years to maintain the participant confidentiality and protect their privacy.

Qualitative researchers are responsible for conducting a thorough data analysis to present valid and reliable findings, enhancing the study's trustworthiness. To accomplish this, I followed the Braun and Clarke (2006) six-step thematic analysis guide while using Microsoft Word for data organization and analysis, as Alam (2021). During the analysis process, I examined relevant documents, including interview notes, transcripts, and recordings to identify patterns, subjects, and explanations. This comprehensive approach enabled me to gain insights into the participants' experiences and perspectives.

Data analysis requires coding the collected data into meaningful units (Goldsmith, 2021). Coding aims to systematically organize, label, and examine narrative segments to uncover underlying themes and patterns. This process helped to make sense of the data by identifying commonalities, differences, and areas of overlap or redundancy. The conceptual framework of the theory of planned behavior framed my data analysis. It allowed me to focus on small business owner behavior concerning federal, state, and local tax compliance strategies.

Reliability and Validity

Reliability

Reliability is a cornerstone of qualitative research studies, ensuring that findings are not merely a result of chance but reflect consistent patterns or relationships. Johnson et al. (2020) defined reliability as the dependability of results. Nha(2021) further elaborated that reliability encompasses the soundness of the research methodology, design, sampling techniques, and data analysis methods. Dependability is a crucial aspect of reliability, referring to how a study's procedures, methods, and findings can be

replicated or repeated under similar conditions (Stenfors et al., 2020). Achieving dependability means that another researcher could conduct the same study and obtain comparable results, thereby enhancing the trustworthiness and credibility of the findings.

To ensure reliability and dependability in my study, I employed member checking, a technique grounded in evidence-based practices, to enhance the credibility and trustworthiness of interview findings (Candela, 2019). By allowing participants to review my summary of the interviews, I allow them to identify any errors and confirm the accuracy of my data interpretation. Member checking is a valuable step in the research process, as it validates the accuracy of the findings and enhances participant engagement and ownership of the research outcomes. Through a collaborative approach, I aimed to strengthen the dependability of the study's findings and uphold the credibility of the research by using member checking to achieve reliability and dependability. Member checking is when researchers use evidence-based techniques to enhance the reliability and credibility of the interview findings, improving the trustworthiness of the findings (Candela,2019). To enhance the dependability of this study's findings, I allowed the participants to review a summary of the interviews to check for errors and to confirm my data interpretation.

Validity

Validity is paramount in qualitative research, ensuring the consistency and dependability of research outcomes (Johnson et al., 2020). Researchers should continually strive to maintain validity throughout the research process. Yin (2018) emphasizes that qualitative researchers should capture the understanding of a

phenomenon by collecting credible details, ensuring data accuracy, using triangulation, and performing member checking. According to Noble and Heale (2019), triangulation is a method used to verify and establish validity by examining the research question from various perspectives.

There are four primary types of triangulation, including methodological, investigator, theoretical, and data source (Renz et al., 2018). Methodological triangulation involves using multiple methods to study a single phenomenon, while investigator triangulation employs multiple researchers to examine the data independently (Renz et al., 2018). Theoretical triangulation utilizes different theoretical perspectives to interpret the data, and data source triangulation uses various data sources to corroborate findings (Renz et al., 2018).

In this study, I employed data source triangulation by integrating additional data sources, such as field notes, document analysis, and participant observations, to support the validity of the interview data. This approach enabled a comprehensive understanding of the research question and ensured the findings were robust and credible. Enhancing validity in qualitative research involves addressing credibility, transferability, and confirmability, ensuring that the findings are trustworthy, meaningful, and relevant to both participants and the scholarly community (Stenfors et al., 2020).

Credibility means that data has been interpreted correctly. The credibility component is a critical consideration to ensure that the responses provided by participants are captured and accurately represented (Cloutier& Ravasi, 2020). I ensured that participants reviewed the interview summary to verify the accuracy of the information

presented in the research findings and to validate the interview data and my understanding.

I enhanced the transferability of my study by purposefully selecting diverse and representative participants to be interviewed, ensuring that the study results could be applied beyond the boundaries of its initial population (Maxwell, 2021). Additionally, I provided research content that is helpful to any future researcher, enabling others to add more knowledge and value to the research topic.

Confirmability refers to the extent to which other researchers can replicate the findings. Confirmability demonstrates that the study data and analysis reflect the participant's perceptions and views, and the researcher's bias did not influence the findings (Dyar,2022). Confirmability will be established through methodical documentation, leaving an audit trail, and providing a reference to follow throughout the study process (Dyar,2022). I established confirmability by verifying the integrity and interpretation of the collected data through member checking. Conformability relies on data saturation, which occurs when data collection and analysis yield no new information to address the research question (Saunders et al.,2018)

Transition and Summary

In Section 3, I examined the project. I explained my role as the researcher, participants, sample populations, research methods, and design. I also addressed data collection tools, techniques, organization, analysis, and reliability and effectiveness of data. In Section 4, I present findings from my research.

Section 4: Findings and Conclusions

In this qualitative pragmatic inquiry study, I aimed to explore and identify strategies business owners used to comply with federal, state, and local taxes. Participants were seven business owners who have been in business for at least 5 years and complied with federal, state, and local taxes. Participants were chosen based on number of years in business and business tax compliance, thus ensuring alignment with the research problem. I used an interview protocol and interviewed business owners using seven interview questions. Data collection began with Zoom interviews with six participants and one face-to-face interview. I recorded each interview using Otter which automatically transcribed data. Using thematic analysis, I examined interview responses. I used Microsoft Word to organize and identify themes. Based on data, I identified three major themes. Results of this study include strategies that business owners use to comply with federal state and local taxes. I used P1P7pseudonyms to hide identities of participants.

Presentation of the Findings

I identified three themes resulting from my comprehensive data analysis: professional assistance, automated systems, and education and IRS guidance. According to Baber et al. (2020), researchers identify recurrent keywords during interviews and analyze data to identify themes. I identified themes after analyzing keywords during interviews (see Table 1).

Table 1

Summary of Themes, Participants, and Experts from Transcripts

Theme	Description	Participants	Sample Experts from Participants
Professional Assistance	CPA, Accountant, CFO, Book-keeper, HR for Payroll taxes	P1,P4,P5, P6 & P7	"We outsource our books to bookkeepers and the taxes are done by CPA"(P1), " We got a Fractional CFO for day one" (P7), "We had CFO, Accountant, and CPA making sure we were doing things right by the books"(P5)
Automated systems	Quickbooks, Waves, Tax software, POS systems	P1, P2, P3, & P6	" I use QuickBooks software to keep my books. My bank is connected to QuickBooks" (P3), "We use Wave for our invoicing" (P1), "I file my sales tax myself. I pull all our sales data from the POS" (P6).
Education & IRS Guidance	Small business administration training, IRS seminars & consulting the IRS for compliance support.	P1,P2 P3 & P5	"I keep abreast on the IRS tax updates"(P03), "We overcame that challenge by discussing with the IRS" P4

Theme 1: Professional Assistance

The theme of professional assistance was most popular in interviews. Six participants emphasized they needed professional help to comply with federal, state, and

local taxes. Participants included certified public accountants (CPAs), chief financial officers (CFOs), and bookkeepers. P1, P4, P5, and P6 used CPAs to be tax compliant, while P7 used a fractional CFO to comply with federal, state, and local taxes. P1 stated they outsourced their books to bookkeepers outside of the United States and then outsourced audit and business tax preparation to CPAs in the United States. P1 mentioned their business taxes were complicated; they were incorporated in one state, did business in another, and lived in another. P1 stated, "It is a challenge to keep up with fulfilling the responsibilities for each state."

P4 and P6 also used CPAs. P4 had no knowledge about financial aspects of the business, particularly the tax code, as well as what to do to make the business compliant. P4 stated, "I had difficulty understanding some tax codes and requirements. The CPA was there to guide me along the way." P6 affirmed that from the beginning of the business, they had a CPA who did their taxes and kept them compliant. According to P6, the CPA "ensured that we had a working structure for our accounting books from day one of the business. The books are the bases for the information needed for business tax preparation." P5 outsourced tax preparation to CPAs. They, however, had an accountant who ensured books were up-to-date. P5 highlighted in his 19 years of business, he was not audited once. P5 attributed this to having accountants and CPAs who helped with books and tax preparation.

P7 mentioned he used a CFO from the inception of his business. Fractional CFOs work on books and file business taxes. P7 mentioned if a business desires to scale, it needs to have a CFO who ensures tax compliance and helps maintain financial integrity

of the business. P7's business scaled since 2019 and increased the number of employees in the accounting department to include accounts payable and receivable.

Findings from literature confirmed the importance of accountants in small businesses. According to Shaikh (2023), accounting plays a vital role in businesses, with managerial and financial accounting practices being the foundation for making sound decisions. Perry et al. (2020) mentioned accountants are the most critical advisors for business owners. This suggests roles of accountant, CPAs, and CFOs must be considered. According to Winczorek (2023), business owners describe tax authorities as burdensome and often offend common sense. Weigel and Hiebl (2022) stated accountants provide small businesses with nonbusiness and business advice, including tax-related advice. Accountants collect financial documents from clients and enter them into the accounting system, managing balance sheets and tax returns (Winczorek, 2023). This allows firms to meet expectations of tax authorities and minimize tax audits.

According to the TPB, perceived behavioral control is optimism to carry out a behavior effectively. This perception is furthered mainly by business owners seeking services of professional tax consultants through professional advice on effectively handling complexities associated with keeping tax obligations in order. Participants had confidence when relying on professionals; this supports the TPB concept that perceived control increases compliance. Moreover, professional support further consolidates positive attitudes toward compliance since business owners are more capable and supported during compliance decisions, which become less complex and more straightforward.

Theme 2: Use of Automated Systems

Using an automated system was another popular theme in the study. Participants relied on digital tools that enabled them to lighten workloads in terms of keeping finances in order, setting reminders for due dates, and complying with federal, state, and local tax obligations. Automated systems in this study included QuickBooks for recording expenses and incomes, Wave which served as a system for invoicing, POS systems for recording all sales, and other accounting software used by businesses for record-keeping purposes, tracking expenses, managing sales data, and facilitating timely tax filings.

P1, P2, P3, and P6 used automated systems to carefully track financial transactions. P1 revealed that "electronics made it easy to track the business income and expenses." P1 uses two bank accounts: one to track all income and the other for all expenses. According to P1, separating the bank for expense and the one for income makes it easy for the bookkeeper to track expenses and income and prepare the profit and loss statement. P2 and P3, who are accountants, mentioned using QuickBooks to record all transactions and prepare financial statements. P3 further explained that quick books and tax software help with reminders of tax deadlines. P6 empathized that the POS was used for all sales in the business. Although the CPA is responsible for the books and tax preparation, P6 is responsible for the monthly remittance of the sales tax. Using the POS for all sales helped to make calculating the sale tax easy to compute

Recent studies have identified that automated accounting systems contribute significantly to tax compliance regarding financial reporting accuracy, efficiency, and transparency. Accounting systems are used for collecting, storing, processing, and

communicating financial and accounting data through financial statements to support and guide organizational decision-making (Granyam& Ivungu,2019). Kuznetsova et al. (2023) indicated that integrating computerized systems into accounting practices facilitates compliance because of the coherence and accuracy in bookkeeping records, which are minimal errors compared to manual processes. Automated systems also enable real-time monitoring and reporting, critical in adhering to ever-evolving tax regulations (Djafri et al., 2023). These systems will eventually help an organization maintain accurate and up-to-date records, support compliance efforts, and reduce potential penalties due to inaccuracies.

Besides, AI and blockchain in automated accounting systems have immensely increased compliance to ensure information security and integrity (Demirkan et al., 2020). This kind of integration in technology supports the preparation of all tax-related activities within the seamless execution, such as filing and reporting, through automation of complex processes like calculations and data analysis. As such, Hesami et al. (2023) identified that the use of these in financial management systems helps ensure that not only does compliance take place but also provides a robust structure necessary for locating and correcting discrepancies that will help improve overall levels of compliance. The literature confirms that automated accounting systems have arrived as a prime tool for enhancing tax compliance, at least in today's highly digitized financial environment.

Using accounting systems like QuickBooks and POS software would relate strongly to the TPB constructs of attitude and subjective norms. Business owners generally view accounting systems favorably since these tools make compliance easier

and less prone to manual mistakes, allowing them to see through their finances very clearly. The positive attitude, consequently, drives the adoption of such systems since owners believe that such systems are reliable for making tax management less complex and more effective. Again, subjective norms may occur, such as the perceived social pressures to perform a behavior. The business community increasingly expects people to use technology to manage their finances since accounting software is now considered mainstream among peers. Business owners may be influenced by the success stories that set examples of others using such tools with effectiveness and efficiency and, thus, reinforce the perception that adopting such systems is the right approach to maintaining compliance. This social validation reinforces a positive attitude towards technology and results in the likelihood of compliance through the systems.

Theme 3: Education and IRS Guidance

The theme of education depicts a commitment to continuous learning. It seeks immediate clarification from tax bodies so that business owners can keep abreast of all federal, state, and local governments on taxes. Tax codes change frequently, so business owners need to stay current. Education covers activities like understanding the business structure and the tax requirement for the business structure, attending seminars conducted by the Internal Revenue Service, being informed of any changes in tax laws, and consultations with the representatives of the Internal Revenue Service to clarify complex tax-related issues. By participating in continuing education and availing themselves of the resources offered by the IRS, business owners can learn about their responsibilities, make wiser decisions, and face a typically complicated area with much more confidence. Only

by this proactive way of learning and seeking advice will a business avoid costly mistakes and continue to optimize its compliance strategies.

P1, P2, P3, and P5 highlighted how education is essential in their compliance efforts. For Instance, P1 and P2 emphasized how important it is for business owners to understand their business type and structure, as every business structure has a different tax requirement. P1 stated, “Professional advice matters regarding business structure and understanding the tax benefits and requirements associated with each.” P02 also said, “Understand the business you are entering and the tax implications before you begin operation”

Moreover, both accountants, P2 and P3, mentioned that regular attendance at IRS seminars and other CPE classes allowed them to stay current about new tax codes. This behavior allowed the business owner to learn about new complex regulations and adapt compliance activities to accommodate those regulations. As P3 related, " I attend CPE & professional educational classes where they take the time to break down new or existing laws. P4, on the other hand, reported that the IRS agent had to come to the business site to rectify an "honest misconception" of the tax code related to the employer's portion of unemployment taxes. P4 explained, "I didn't understand why I needed to pay the employer portion of unemployment tax to the IRS."

Direct interaction with the IRS put P4 in a better position to know his legal requirements and thus comply with them. The shared experiences indicate that guidance from the IRS brings clarity and practical solutions to prevent noncompliance and financial penalties. The participants' shared experiences demonstrate that business owners

recognize education and consultations with the IRS as helpful tools in maintaining compliance and the long-term viability of the business.

Recent literature indicates that education and guidance by the IRS are cardinal to business compliance since such regulations provide an enabling environment with an understanding of tax regulations and a supportive compliance environment. Tax education programs initiated by the various tax authorities, such as the IRS, go a long way in putting the taxpayer in a better position regarding their duties, which, in turn, would increase compliance levels. This research highlights how education programs de-mystify the laws on taxation and bring compliance to real life for any business owner. According to Hassan et al. (2023), the facilitating approach, such as education and guidance provided by the IRS, influences the behaviors of the taxpayers in motivating compliance due to having more knowledge and less fear of such complicated matters.

The most crucial element of successful compliance is direct interaction by the IRS, particularly education support through personal advice (Alm, 2023). Timely advice and explanations by the tax authorities help the taxpayers to comply more precisely with the respective laws. It avoids all kinds of non-compliance, intentional or unintentional. It strengthens the taxpayer's relation to the IRS, which brings more compliance. Proactive education and guidance through tax administrations are some of the most decisive ways to ensure a compliance culture, particularly for SMEs with fragile internal resources.

Attitudes towards education and guidance by the IRS are critical in compliance as they determine the willingness of the business owners to seek or make use of these resources. Most business owners develop positive attitudes towards engaging in IRS-

provided education and guidance since such serves to simplify complex tax laws, reduce fear of non-compliance, and, at the same time, empower them with actionable knowledge. This kind of positive attitude has them attending seminars, inquiring about updates, and consulting with IRS officials without feeling that all these activities are distressing duties but rather lifetime opportunities.

Business Contributions and Recommendations For Professional Practice

This qualitative pragmatic inquiry study aimed to explore and identify business owners' strategies to comply with federal, state, and local taxes. The findings of this study are relevant to small business owners who intend to be tax-compliant. Businesses must be tax-compliant to avoid heavy fines, penalties, or even a shutdown. An analysis of the interviews with the participants in this study showed three significant themes. The literature also supports the three themes: professional assistance, using automated systems, education, and IRS guidance. The participants described strategies to help current and future business owners seeking effective strategies to comply with Federal, state, and local taxes.

Findings from the study encourage small business leaders to seek professional assistance from a CPA, accountant, CFO, or bookkeeper. Professionals can aid a small business owner in being financially organized, tracking income and expenses, creating reports like financial statements, saving money on taxes, strategically saving money, and aiding with tax compliance. They can also advise business owners on business decisions and their tax implications. Therefore, business owners should carefully select the professionals that will be suitable and cost-effective for their businesses.

In addition, the findings from the study also encourage business owners to use automated systems. Business owners should use automated accounting systems such as accounting software, Inventory management software, and POS systems. Accounting systems can used for collecting, storing, processing, and communicating financial statements to support and guide organizational decision-making (Grayam& Ivungu,2019). These systems will aid efficiency in automating routine tasks like tracking invoices, receipts, Income and expenditures, and inventory management. It also helps with POS integration and bank integrations. Integrating computerized systems into accounting practices facilitates compliance because of the coherence and accuracy in bookkeeping records, which are minimal errors compared to manual processes (Kuznetsova et al., 2023). Therefore, I recommend business owners carefully select accounting systems that work well with their industry.

Lastly, the findings of this research also encourage business owners to consult with the IRS to clarify tax regulations and their applicability to unique circumstances. It also offers guidance on necessary record-keeping, income reporting, and other compliance matters. In addition, business owners need to understand their business structure. Varying business structures have different tax requirements that affect crucial aspects of the business, including tax compliance. I therefore recommend that business owners invest in education, seek consultation with the IRS, and understand their business structure.

Implications for Social Change

Findings from this study may contribute to positive social change by adding to the body of knowledge on some of the strategies small business owners use to comply with federal, state, and local taxes. I researched this topic, expecting the findings to improve the knowledge of how business owners can comply with federal, state, and local taxes. When business owners follow tax rules, they steer clear of several problems. They can avoid fines, penalties, and legal issues. They can also avoid damaged business reputation, and risking a possible business shutdown. In addition, when businesses pay their taxes, the government can accomplish its economic goals and carry out its conventional duties, such as providing good roads and hospitals and maintaining law and order, which benefits individuals and society.

Recommendations For Further Study

In this qualitative pragmatic study, I explored and identified business owners' strategies to comply with federal, state, and local taxes. I used semistructured interviews to dig deeper and understand the research question. The final population included seven business owners who have been in business for at least five years and have complied with federal, state, and local taxes. I recommend that future studies should increase the variety of businesses. My focus was on the business owner or their accountant. Five of my participants were business owners and two were accountants. Future research should include more business accountants because they may have more strategies to help business owners comply with federal, state, and local taxes.

Conclusion

Business tax compliance is essential in any business and society as a whole. However, business tax can be complex and challenging to understand. In addition to that, tax laws change so frequently that it is difficult for business owners to keep up. Similarly, complying with federal, state, and local taxes can be very expensive for small business owners. Findings from this study could help small business owners develop strategies to comply with federal, state, and local taxes. Findings from this study show that complying with federal, state, and local taxes depends on strategies such as professional assistance, automated accounting systems, and education/ IRS guidance.

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Appendix A: Interview Protocol

Interview Protocol	
What you will do	What you will say—script
Introduce the interview and set the stage—often over a meal or coffee	Hello (Name). Thank you for agreeing to be a part of this study. My name is Olohigbe Abaya. I am a doctoral student at Walden University. My research explores business owners' strategies to comply with federal, state, and local taxes. The interview will take about 30 to 60 minutes. With your permission, I will audio record the interview; recording the interview will ensure that I transcribe your responses accurately. I assure you that the interview is anonymous and that all the information you give me will be confidential. In addition, I will be assigning you a code to hide your identity. I will email you the transcription and interpretation within one week so you could see if I captured all your responses accurately. I would appreciate your timely feedback in advance. Finally, remember that you have the right not to answer a question, or you can end the interview without penalty. There are no incentives for participating in this project. Before we get started, do you have any questions for me? If yes, answer the question. If there is no question, Get some background information. Please can you introduce yourself? How many years have you been a business owner?
• Watch for nonverbal cues. • Paraphrase as needed. • Ask follow-up probing questions to get more in depth.	Example: 1.What strategies do you use to comply with federal, state, and local taxes? 2. How did you implement the strategies?

	3. What challenges do you face while implementing the strategies? 4. How do you overcome the challenges to implement the strategies? 5. How do you measure the effectiveness of the tax strategies implemented 6. What alternative strategies have you considered or tried, and why did you dismiss them 7. What other information can you share about your strategies to comply with Federal, state local tax compliance?
Wrap up the interview by thanking the participant	This brings us to the end of this interview. I appreciate your time, participation, and transparency. I will send the transcription and summary of the interpretation of the interview within one week from today; please let me know if they accurately reflect your thoughts. Please let me know if you have any additional information that can be helpful. Do you have any questions for me? If there is none. Thank you once again for your participation in this research.
Schedule follow-up member checking interview	Hi, attached to this email is the transcript from the interview. I want to schedule a follow-up meeting to ensure that the transcript captures your thoughts and also to see if you have any additional information to help with my study. What is a good day and time for you this week?
Introduce follow-up interview and set the stage	Hi, Thank you for taking the time to meet with me. As I mentioned in my email. The purpose of this meeting is to ensure that I properly captured your thoughts and see if there is any additional information or information you would like me to take out
Share a copy of the succinct synthesis for each question. Bring in probing questions related to other information that you may have found—note the information must be related so that	This is the transcript of our last meeting. Please read through and let me know if there is any information that does not properly capture your thought
	1. Does the transcript capture your thought?
	2.Are there any information you want me to change or completely remove?

you are probing and adhering to the IRB approval. Walk through each question, read the interpretation, and ask: Did I miss anything? Or, What would you like to add?	3. Doe you have any additional information that can help with this project?
	4. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed
	5. Question and succinct synthesis of the interpretation—perhaps one paragraph or as needed

Appendix B: Introductory Email

Date

Address

Dear Business Owner

My name is Olohigbe Abaya. I am a doctoral student at Walden University. I am pursuing a doctorate in business administration with a concentration in accounting. As part of my studies, I am researching the strategies business owners use to comply with federal, state, and local taxes. I want to extend an invitation to you to participate in the study. Your valuable contribution, knowledge, and experience will be necessary for this study.

To be eligible for this study, you must be a business owner who has complied with federal, state, and local taxes for at least five years. If you are willing to participate in this study, we must schedule a 45-minute audio-recorded interview. After the interview, I will transcribe and allow you to review the transcript to ensure my interpretation correctly captures your thoughts.

Rest assured that all information you provide will be confidential. The informed consent form is attached, which provides additional information about my study.

Thank you for your time.

V/ Respectfully,

Olohigbe Abaya