



## Explanation of Interaction between Iranian Physicians and Government in the Field of Tax: A Qualitative Study

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### Abstract

**Introduction:** One of the main tools for fair redistribution of income in the society is taxes, and, in developing countries, the public sector is financed through taxes. Identifying physicians' income to determine their income tax is associated with many problems. This study was conducted to identify the factors that affect the interaction between Iranian physicians and the government regarding taxes to cover gaps in the tax system and resolve the problems associated with the interactions between physicians and the government relative to taxes.

**Methods:** This study was a qualitative content analysis conducted in 2015. Two groups of participants were involved in this qualitative study. The first group was 11 experts and scholars from organizations related to taxes, and the second group was 10 general practitioners and specialists selected through purposive sampling until data saturation was achieved. MAXQDA 10 software was used for assigning interviews, mining codes, and categorizing the codes. In addition, qualitative content analysis was used to analyze the data.

**Results:** Data analysis resulted in emergence of three categories, i.e., "Tax Affairs Organization and government," "physicians," and "Medical Council." There were 12 subcategories for these three categories. The results of this study showed that the Tax Affairs Organization does not have access to the income information of physicians required to determine their taxes. The government should create motivation for accurate and proper tax payments by physicians by providing them with various amenities. It should be clear and tangible where the government spends the taxes received from physicians, and an appropriate tax culture should be created by using the mass media.

**Conclusion:** The Tax Affairs Organization should identify the physicians who do not pay taxes through interaction and cooperation of the Medical Council as a trade organization, and it should compile their tax records. The Medical Council should acquire information from the Tax Affairs Organization when issuing and renewing medical licenses in order to reduce tax evasion by physicians. Their income rates should be considered carefully with regard to the increases in their incomes to create justice among the different specialties of physicians.

**Keywords:** income tax; tax declaration; tax agreement; tax culture; tax justice; physicians; tax officers

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## **1. Introduction**

### *1.1. Background*

The unequal distribution of income and wealth in society brings many problems in the economic, social, and political domains, and one of the economic responsibilities of governments is the proper distribution of income and wealth. By redistributing income fairly, government could increase the incomes of the have-nots and reduce the income gap among different groups in society by applying appropriate policies with respect to taxes (1). Taxes are part of income, and the interests of society are achieved by the economic activities that are transferred to the government, and taxes should be regarded as social expenditures that all people are required to pay in order to utilize the facilities and resources of their country (2). As the main source of the government's income, taxes are known in most countries by having the main effects of allocation and distribution (3). In developed countries, taxes are regarded as a powerful lever to finance the government's expenditures (4). A favorable tax system should result in favorable economic effects, and the most important source of tax revenue is income tax acquired from firms and legal entities (5). In developing countries, education and health expenditures make up a huge share of the government's budget. Tax policies have a major role in financing these countries' expenditures related to the have-nots and the nominal expenditures of government as a redistribution tool. In developing countries, the public sector is financed by taxes (6). To increase the government's income from taxes, tax evasion should be prevented. Any illegal acts, including account manipulation, failure to provide books, and reporting less income to avoid paying the correct amount of taxes is called tax evasion (7). Injustices in the tax system and the lack of awareness and accountability of tax payers are related to tax evasion. In addition, many factors would prevent the government from accessing appropriate tax payments from the incomes of tax payers, one of which is tax corruption. The levels of taxable income differ among tax payers, and they report lower incomes to reduce the amount of taxes they have to pay (8). Government could reform the tax system by using more effective strategies to prevent tax evasion by tax payers and tax officers (9). Physicians are regarded as high-income taxpayers, and, with regard to their status and position in society, in which they relate both to patients, insurance companies, and other organizations, they work in state and private hospitals, in collaborative clinics with other physicians, and in their own private offices.

### *1.2. Statement of the Problem*

Identifying physicians' incomes involves many problems. Apparently, extensive tax evasion occurs in this group of taxpayers considering their high income, resulting in inequality and injustice in society and creating revenue shortages for the government. According to Article 158 of direct taxes law, the Tax Affairs Organization issues instructions for self-reported tax for physicians and determines the amount of tax increase for physicians relative to what they paid in the previous year. In addition, it identifies the conditions that must be met to use the self-report method. This instruction is provided through agreement with the Medical Council, which is known as tax agreement. While the Tax Affairs Organization has declared that physicians can use the self-report method, it set conditions for tax declaration to be accepted as a self-report that violated Article 158 of the direct taxes law, since it discriminates against different groups of physicians. Therefore, the General Assembly of the Administrative Court of Justice cancelled the instruction related to the self-report tax of 2011, creating many complaints (10). Since then, physicians complete their tax declaration forms similar to other occupations and submit them to the Tax Affairs Organization. Tax officers determine the amount of taxes to be paid by physicians by investigating physicians' declaration and referring to physicians' offices to investigate other related documents. They do not pay taxes according to any previous agreement. Interestingly, the Medical Council reported 100% increase in taxes of some groups of physicians by criticizing the approach of the Tax Affairs Organization toward physicians and non-compliance of tax offices with the agreement signed between the Medical Council and Tax Affairs Organization. As the Medical Council has stated, physicians are the most reliable group in paying taxes to the Tax Affairs Organization, and a great burden is imposed on them with respect to the amount of taxes they are required to pay. However, ambiguities and the lack of transparency in the system have resulted in tax evasion (11).

### *1.3. Objective*

This study was conducted to identify the factors that affect the interactions of physicians with the government concerning taxes to determine gaps in the tax system with respect to physicians, and we used a qualitative study approach to cover these gaps and to resolve problems in the interactions between physicians and the government with respect to taxes.

## 2. Material and Methods

### 2.1. Research Design and Setting

This was a qualitative study, and it was conducted in 2015. The data were collected using semi-structured interviews and analyzed using content analysis. Qualitative content analysis, as a research method, is used for subjective interpretation of the content of text data, and it can identify clear and hidden themes and patterns in the text through regular classification processes.

### 2.2. Participants

To select the participants of this study, purposive sampling was used with maximum variation. Analysis of data from interviews was regarded as a guide for later interviews. Therefore, sampling continued to data saturation. Two groups of participants were enrolled in this study. The first group was 11 experts and scholars of organizations related to taxing, and the second group was 10 general practitioners and specialists. Table 1 shows the features of the subjects who participated in the study.

**Table 1.** Profile of participants in interviews

Participants	Organizations	Tax Affairs Organization	Position title	Chief of practitioners tax group (tax administration north Tehran)
				Chief of practitioners tax group (tax administration east Tehran)
				Chief of practitioners tax group (tax administration south Tehran)
				Chief of practitioners tax group (tax administration center Tehran)
				Chief of practitioners tax group (tax administration west Tehran)
		Medical council	Position title	Vice president of Medical council
		Audit organization	Position title	Senior Director of audit organization
		Official accounting organization	Position title	Senior Director of Official accounting organization
		Islamic parliament of Iran	Post	Member of the Health commission of the Islamic parliament of Iran
		Court of official justice	Post	President of Branch 3 court of official justice
	Institute of certified accountants	Post	Secretary of Institute of certified accountants	
	Physicians	General practitioners	Number	3 of general practitioners
Specialist		7 of specialist		

### 2.3. Data Collection

The main method used to collect data was semi-structured interviews, and the times and places they were scheduled were determined through telephone contacts with the participants. The interviews were conducted individually with the participants, who had significant differences in their work histories and job experiences. The interviews lasted from 40 to 90 min based on conditions and tendencies of the participants. Data collection and analysis were conducted in line with the research objective based on the participants' explanations. Interviews were recorded and, immediately afterwards, they were transcribed word for word. The data were collected and prepared from these transcriptions.

### 2.4. Data Analysis

Data analysis was initiated concurrent with data collection, and each interview was read several times. Then, the words and sentences of participants that included important points on factors affecting the interaction between physicians and the government concerning taxation were selected as meaningful units. Furthermore, these meaningful units were labeled as a summary that expressed the meaning of each selected unit, and the text was coded. By reviewing and comparing the codes and integrating similar codes, these codes were reviewed along with the text. Classification and development of categories continued based on similarities and congruence, and, to ensure

the stability of the codes, we conducted reviewing classes and repeated the comparisons of the data. MAXQDA 10 software was used to extract the primary codes and data classifications.

### 2.5. Reliability and Validity of Data

Within the study period, we used the criteria of scientific rigor presented in the qualitative studies of Lincoln and Guba (as cited in Lincoln) (12). Dependability, credibility, confirmability, and fittingness were conducted to ensure the accuracy and reliability of data. Prolonged engagement with the issue was one of the ways of increasing validity and reliability. In this study, the prolonged engagement of the author, as well as his contact and relationship with the participants, helped to gain their trust and helped the researcher to understand their experiences. The sampling method with maximum variation, which helped transfer the findings to others, was used in the study. Two groups of participants were involved in this study; the first group consisted of experts with maximum variation and different posts in various organizations along with various job experiences; the second group was made up of physicians with different specialties. The credibility of the data was confirmed using the member check method. For this purpose, the participants viewed part of interviews and the codes and too related classes to investigate data analysis so they could give their comments on the accuracy of the data. In addition, data saturation was used to increase reliability. Confirmability was used by systematic data collection (audit trial) and observing impartiality to compare with the authors' understanding of what the participants meant. For confirmability and auditing this study, the stages and procedures of the study were recorded and reported to provide the possibility of research follow-up for others. The findings were studied by two faculty members along with the main author, and they approved the results. The reliability or dependability of the findings was determined by immediate prescription, using the colleagues' comments (external check) as well as reinvestigation of all of the data.

### 2.6. Ethical Considerations

This study was approved by the Ethics Committee of Tehran University of Medical Sciences (thesis registration number 240/2721), and written informed consent was obtained from all participants in the study. The interviews were recorded while maintaining anonymity and assuring the confidentiality of the information. Participants could refuse to answer questions if they did not want to answer. They were informed that they would be referred to complete discussion. The results of the study were made available to the participants who wanted them.

## 3. Results

Two groups of participants attended this study. The first group was 11 experts and scholars from organizations related to taxing affairs. The second group was 10 physicians including 3 general practitioners and 7 specialists in various medical specialties. Analyzing interviews of 2 groups of participants, 792 initial codes were obtained that were categorized into 3 classes including "Tax Affairs Organization and government", "physicians" and "Medical Council" as well as 12 subclasses as follows (Table 2).

**Table 2.** Results of the analysis of interviews

Main items	Category	Sub category
Interaction between physicians and government in the field of tax	Tax Affairs Organization and government	Tax justice
		Cultural tax
		The process of determination and taxation of physicians
		Expectations of tax officers
		Tax exemption
		Tax penalty
		Tax system weakness
	Physicians	The activities of physicians in several work practice
		Declarations and legal offices for physicians
		Tax evasion
	Medical Council	Interaction between Medical council and Tax Affairs Organization
		Physicians tax agreement

### *3.1. Tax Affairs Organization*

#### *3.1.1. Taxation Justice*

Most participants of the study stated that taxation justice is not observed among different specialties of physicians or among other taxpayers. The amount of tax paid by pediatricians, internists, general practitioners, surgeons, cardiologists, neurologists, and beauty specialists did not differ significantly, but the income of the physicians differed according to their specialties. In addition, some occupations were exempt from paying taxes, such as farmers and book publishers. Therefore, taxation justice is not observed between physicians and other tax payers who are exempt from paying taxes. One of the participants stated that, "Taxation justice should be observed among different physician taxpayers and other groups in various occupations as well as within one group of physician taxpayers and some occupations, including businesses, non-profit schools, and the agriculture sector, which have tax benefits that physicians do not receive. Podiatrists, internists, and general practitioners have lower incomes than other specialties; however, they have to pay the same taxes as they higher-paid colleagues." The participants stated that only state staffs are paying real taxes fairly and that taxation justice could be achieved by identifying physicians' actual incomes and receiving taxes progressively with regard to their incomes. Another participant stated that "In fact, in our country, Iran, only two groups are paying taxes according to the law including state employees and workers as well as non-state employees including those working in private companies. They do not have bargaining process since taxes are deducted from their salary before they receive it." A participant mentioned: "In justice, they say that payment should be progressive. In fact we should be able to implement justice accurately, i.e., when income is higher than usual, a higher percentage of income should be received as taxes."

#### *3.1.2. Tax Culture*

Most participants stated that physicians need an incentive to pay tax and government should provide good services for physicians in return for paying taxes properly and accurately. For instance, by providing amenities for physicians (for example supplying expenditures of physician's seminars, coverage of social insurance, and giving loans), government could create the required incentive for physicians to pay taxes. In addition, if taxes paid by physicians are spent in fields related to them (health sector), they would encourage physicians more. A participant stated that, "One of the ways of creating incentive is that it should be clear, tangible and visible where these taxes are spent. This clarity and visibility should be as close as possible to services that tax payer requires, i.e., amenities should be provided for them in return for paying taxes." Most of the interviewees stated that physicians' and the Tax Affairs Organization's behaviors and interactions are mutual, and physicians expect that, in the case of honest declaration of their incomes, the reaction and behavior of the tax officers and the Tax Affairs Organization should be honest and respectful as well. The Tax Affairs Organization should provide advantages for those physicians who declare their income honestly instead of misusing them and receiving taxes of tax evaders from honest physicians. A participant said, "When you see that you will not be treated well if you are honest with system, and they try to misuse you as far as they can, they try to receive taxes from those who refer to them and pay taxes honestly." In addition, some participants stated that often tax officers are unaware of information on health sector and tax rubrics. Therefore, they should be trained well by Tax Affairs Organization to learn how to work with physicians' who are taxpayers. One of the participants stated, "One is taxation auditors themselves most of whom have no information of physicians' knowledge and work and it would be great to train auditors of Tax Affairs Organization according to the groups they are going to receive taxes from."

#### *3.1.3. Process of Determining and Receiving Taxes from Physicians*

Most participants of interviews stated that in recent years, physicians have paid taxes based on taxation agreement between Medical Council and Tax Affairs Organization, and to determine amount of taxing in New Year, a percentage was added to previous year taxes. A participant stated, "In previous, trend physicians paid taxes based on agreement and for next year a percentage was added to taxes to be paid." In addition, participants stated that after cancellation of this agreement, tax officers determine the amount of taxes to be paid by physicians according to electronic declaration of physicians, their tax documents, examining the number of patients referring to physicians, location of their office, work hours of physicians, work history, age and fame of physicians along with whether they provide extra services in their offices. A participant stated, "When auditors refer to physicians' offices, they only see the number of patients and consider it as a base for taxation. However, surgeries conducted in their offices are not recorded anywhere. Only the number of patients is recorded and although some beauty surgeries are conducted in offices and private sector, they are not recorded anywhere and most of physicians' income is from their surgeries. Auditors receive taxes based on the number of patients referring to physicians." Some participants stated that auditors could determine their taxes if they installed point of sale equipment in their office for patients to pay expenditures using it. Physicians should record services provided for patients to enable Tax Affairs Organization to determine physicians' income by referring to this information. Medical centers and hospitals should present income information of their physicians to the Tax Affairs Organization as well. A participant said, "Turnover should be

clear and offices should have POS equipment to allow patients pay for visits using it. Physicians may state that I work with a bank and it enables us to extract turnover of that bank. We should have some feedback from their information, whether that physician is working in a hospital, their income should be clear and there should be an interaction between medical and finance centers which is clear and they should inform us.”

#### 3.1.4. Expectations of Tax Officers

Most participants of study stated that there should be a formal relation between tax officers and physicians; since informal connection between them would result in informal payment of physicians to tax officers. Most physicians with high income bribe tax officers to make them report their taxes less and tax officers accept these bribes since they are not fully satisfied with their salaries. A participant stated, “Incorrect and informal relations would result to record reality differently; for example I should be exempt from taxes since I've just started working and my salary is only 10 million Tomans. However, some surgeons with high income pay fewer taxes since they are connected to auditors.”

#### 3.1.5. Tax Exemption

Most participants of interviews stated that elderly (over 70 years of age) and disabled physicians are exempt from taxes. However, some participants claimed that elderly and disabled physicians should pay taxes like other retired employees. In return, a safety net should be provided for them and they should be under coverage of social insurance. Physicians are exempt from paying taxes in their first year of initiating their job. A participant stated, “Of course, there are retired or disabled employees all over the world, they are under safety net and they should pay taxes as other retired and only the safety net should be provided. For example, we should provide free social services for disabled or retired physicians.” In addition, most participants stated that tax relief is subjective and there are no criteria or rules for that. Tax relief for physicians is the same as other taxpayers. The highest exemption and tax benefits should be provided for those physicians who are honest and creditworthy in terms of paying taxes. Tax exemption should be regarded only in one work place for physicians. A participant stated, “When the system is wrong, exemption is subjective as well. They exempt a person if they like them and there is no rule for relieving or not relieving. ... When a physician works in two places, they allocate taxes to both places; however, he/she receives discount only for one workplace.”

#### 3.1.6. Tax Penalty

Most participants of interviews stated that tax penalties considered for physicians are not different from other taxpayers. Delay in paying taxes, rejecting legal books, not providing tax books, and not presenting tax declaration by physicians are included in tax penalties. A participant stated, “Not presenting declaration is fined, like other tax payers, not providing tax books is fined too and physicians are treated similar to other tax evaders who do not observe tax laws.” Some physicians participating in the interviews stated that tax officers determine taxes to be paid by speculation. In addition, they said that tax officers should not determine penalties; rather a legal institute, such as the Justice System, should determine tax penalties for physicians, to allow them to object to penalties and have a lawyer. A participant said, “They have considered tax penalties by speculation and this is too bad. Obviously, their investigation of declarations has been by speculation as well. ... An external system that is a justice system should be considered to judge about tax penalties. I, the tax payer, have legal right to object and have a legal lawyer to defend myself against penalties in the court instead of letting a tax auditor judge me and define penalties for me.”

#### 3.1.7. Tax System's Weakness

Most participants of interviews stated that weakness lies in infrastructure of Tax Affairs Organization in receiving taxes and accessing information of physician's income is not appropriate to determine taxes. The Tax Affairs Organization is only receiving taxes and could not provide services for tax payers in return for paying taxes. In addition, it does not access recorded information of services provided by physicians for patients. Furthermore, tax officers are weakly informed about health system and tax rubrics of physicians; therefore, physicians misuse this lack of access to information and do not declare their real income. The Tax Affairs Organization could not access physicians' bank accounts to examine turnover of their accounts. One of the participants stated, “Weakness of Tax Affairs Organization is that our information infrastructure is low. We do not have an infrastructure to access real information and income. ... For example, we can't go to hospitals and inquire how much their income has been in a month, since it incurs cost and most hospitals do not answer. Then, we say that we cannot access incomes and turnover of bank accounts and they won't allow us to access it.”

### 3.2. Physicians

#### 3.2.1. Physicians' Activities in Several Places

Most participants of interviews stated that hospitals are bound to record income information of physicians in legal books of hospital and present it to the Tax Affairs Organization. Separate taxes should be obtained from every place

a physician works. Excess activity of physicians in several workplaces would result in their lack of time for studying, reduced attention to their life and family and increase in their deviation coefficient and error. In addition, they could not be available as a good physician to treat their patients. A participant stated, "When tax paying is obligatory and appropriate, physicians will accept it and are not obliged to work in several hospitals and offices. They work till midnight and have no time for study; they do not pay attention to their family and children and could not attend meeting as a good physicians. Unfortunately, hospitals have never recorded their physician's income in legal books that has been investigation books."

### 3.2.2. Declaration and Legal Books of Physicians

Most participants of interviews stated that physicians consider tax declaration merely a formality and think that their tax declaration is not checked by tax officers and it is determined by speculation; while, physicians should fill their tax declaration correctly and present it to Tax Affairs Organization to be checked by tax officers. A participant stated, "Books and declaration are just a formality. They fill it just to have done it and not being fined and I've never seen a doctor whose books have been accepted." Some participants stated that physicians should mention their office income as well as their total income in declaration. A participant said, "Total is income obtained from medical services and physicians should mention all these incomes in declaration."

### 3.2.3. Tax Evasion

Most participants of interviews stated that high income and influential physicians refrain from paying their real taxes. A participant said, "When in a society those with higher income could pay fewer taxes, it is like under the table system, which is very common in Tax Affairs Organization." Some participants of interviews stated that the Medical Council does not inquire taxation to renew medical license and it somehow results in tax evasion of physicians. Physicians who work in a group as a company do not record their income. Tax Affairs Organization dealing with physician tax evaders is similar to other tax evaders. However, this organization should identify physician tax-evaders and prepare a tax record for them. A participant said, "At least they should say that you must go to finance office for issuing license and take a letter from there. If a physician has evaded, they should come to create a tax record and say that they have started working from a certain date and pay taxes. Therefore, tax evasion decreases. These are cases that require investigation and coordination among organizations. ... Identifying those physicians who had not have records, is like exiting the circle of receiving taxes only from one party and starting to bring new groups into the circle."

## 3.3. Medical Council

### 3.3.1. Interaction between the Medical Council and the Tax Affairs Organization (Taxation Agreement of Physicians)

Most participants of interviews stated that receiving taxes from physicians according to agreement has been easier and more economic for Tax Affairs Organization and physicians, it required less time and taxation base determined in it was low. A participant stated that, "This agreement was for physicians to decide about their taxes sooner and on the other hand we receive taxes with lower time and cost. However, that was not the real tax." Most physicians participated in interviews stated that Tax Affairs Organization and Medical Council should collaborate to clarify taxes received from physicians and prevent extortion in receiving taxes. Some participants stated that if the Medical Council manages physicians' taxes and supplies tax income of government, it could receive taxes from physicians with various specialties better than the Tax Affairs Organization. Or the Tax Affairs Organization could consider part of taxes received from physicians for the Medical Council to provide amenities for physicians. The Medical Council should inquire of the Tax Affairs Organization when renewing physicians' medical license; however, it is not doing so right now. A participant said: "I believe that at present the solution is to declare Medical Council the range of taxes considered by government for physician tax payers and Medical Council manage it to supply government income and pay for it. Here, Medical Council knows that what sectors do not really have income and it is variable within a year. Imagine that a group of surgeons have a high income in a year and next year other specialties have higher income for some reasons."

## 4. Discussion

This qualitative study was conducted to identify factors affecting interaction of physicians with government in the field of taxes to recognize gaps in taxation system in terms of interaction with physicians using qualitative study approach and cover these gaps and resolve problems of interaction between physicians and government. Findings of this study are categorized in three main categories, i.e., Tax Affairs Organization and government, physicians, and Medical Council. According to the context of data and the nature of categories and subcategories, it was demonstrated that, in recent years, the Medical Council and the Tax Affairs Organization have prepared an agreement to receive taxes from physicians and based on this agreement, physicians paid taxes, which was easier

and less costly for the Tax Affairs Organization, required little time and taxation base was low in it. However, this agreement was cancelled since it did not have legal term. The results of this study showed that the Tax Affairs Organization does not have access to income and physicians' bank account information to determine their taxes and they should determine taxes for physicians by checking their electronic declaration, their tax records, checking the number of customers referring to their offices, their workplace, number of physician's work hours, work history, age, and fame of physicians as well as whether they provide extra services in their offices. Currently this organization is not able to determine the accurate and real taxes for physicians, so it estimates their taxes approximately. As the results of other studies show, there should be complete information about all incomes and resources available to determine and estimate taxes. Today, this information could be provided regarding proper computer and information advances and Tax Affairs Organization can differentiate healthy revenues from unhealthy ones by clarifying income sources for each person and people could not hide their income (13). In addition, results of this study demonstrate that physicians should fill their tax declaration correctly and not only they should declare their office income but also they must present total obtained income and deductible taxes in their declaration. Results of other studies have shown that taxes on total income and employing progressive tax rate are not only used for proper distribution of income and reduction of property. Tax to total income system is available actively in advanced tax systems, mainly in industrialized countries (14). Results of this study show that like other tax payers, physicians are bound to keep legal books, while few physicians have such books and hospitals are bound to record physicians' income information in legal books of hospital and present them to the Tax Affairs Organization. The results of a study showed that the self-declaration system, by cooperation of tax payers with Tax Affairs in Japan has been reinforced by keeping books accurately and presenting correct declaration (15).

The results of this study showed that tax officers often have little information on health sector and tax rubrics of physicians; therefore, they should be trained by the Tax Affairs Organization to work with physician taxpayers. The Tax Affairs Organization, the Medical Council, and the mass media should inform physicians on tax rules and regulations. Results of other studies demonstrate that taxpayers are poorly familiar with tax laws and training courses should be considered on tax laws for taxpayers. In addition, mass media and communication services could affect taxpayers significantly by designing programs on taxes, in training and informing taxpayers (16). While in recent years, self-declaration and voluntary participation of taxpayers in paying taxes has been considered significantly, the ability and tendency of taxpayers in understanding and doing their tasks and their legal commitments as well as capability of tax departments in fair interpretation and implementation of tax laws should be considered as well. The results of this study showed that by providing good services and amenities for them in return for correct and appropriate payment of taxes, motivation for paying taxes could be created in physicians. In addition, it should be evident and tangible where this received tax is spent by government. Results of other studies show that tax system of Iran lacks tax culture. Various forms of discrimination, variable economic rules and regulations, not having proper strategies to distribute convenience goods and lack of amenities for taxpayers have resulted in susceptibility of tax structure of Iran and prevented the growth of tax culture (18).

The results of this study showed that taxes are received from employees' salary in official system before being received by them. Tax justice is not observed not only among various specialties of physicians, but also is neglected for other taxpayers as well. In addition, some occupations, including farmers and book publishers, are exempt from paying taxes; therefore, tax justice is not observed between physicians and other taxpayers who are exempt from paying taxes and tax justice could be obtained by identifying real income of physicians and receiving progressive taxes according to their income. The results of other studies have demonstrated that tax policies of the government are significantly effective in reducing inequalities and redistribution of income. In other words, government could increase income of the have-nots and moderate income of the haves by fair redistribution of tax income and reduce income class gap among different groups of society to result in observation of tax justice (19). Results of this study show that most exemptions and tax benefits should be bestowed upon physicians who are honest and creditworthy in paying taxes instead of subjective tax relief with no rules and regulations. Results of other studies showed that tax justice and culture could be obtained by encouraging and appreciating those creditworthy tax payers and considering tax benefits for them (20). Results of this study show that most high-income physicians bribe tax officers to make them consider lower taxes for them and tax officers accept these bribes by physicians since they are not fully satisfied with salaries obtained. If there is control, supervision and protection of behavior and performance of tax officers by the Tax Affairs Organization and a formidable person is chosen to lead the group of tax officers, this problem would occur less. Experimental findings of studies state that corruption (higher bribe) has a more prominent negative effect on economic development relative to higher tax rate, which shows that more corruption is a more

important factor in preventing growth of economic activities (21). In addition, by creating and increasing supervisory systems and required controls along with developing security rules as well as operational enforcements in the Tax Affairs Organization, no illegal activity would occur by tax officers (22). Results of this study show that tax officers should not determine penalties for physicians and a legal institute like judiciary system should determine the amount of tax penalty for physicians. Physicians should be allowed to object to tax penalties and have a lawyer. Results of other studies show that taxpayers should be allowed to have a lawyer. However, it is not yet common in our country to assign legal work to lawyers and take advice from them. Therefore, an intellectual, cultural, and social evolution should occur to allow each taxpayer to have a lawyer (23). In addition, results of this study show that the Tax Affairs Organization with interaction and collaboration with the Medical Council should recognize those physicians who do not pay taxes and should clarify taxes received from physicians and prevent extortion in receiving taxes from physicians. The Medical Council does not require the Tax Affairs Organization to issue and renew physicians' medical license and it results in their tax evasion. Therefore, the Medical Council should require the Tax Affairs Organization to do so. Results of other studies suggest that trade unions are powerful centers that master their members and could perform as the lever for Tax Affairs Organization. Taxpayers have high obedience to their trade union and an evolution could be created in tax culture by cultural work and enforcement of tax foundations in trade unions (24).

Results of this study demonstrate that due to high volume of tax records of physicians, the Tax Affairs Organization encounters lack of workforce (tax officers) to investigate them and more tax officers should be hired by the Tax Affairs Organization and receive accurate and correct taxes from physicians by removing the weakness of the Tax Affairs Organization. Regarding that no study has been conducted on physicians' taxes yet, this study encountered some limitations in implementation stage, including lack of cooperation of physicians and related authorities in terms of taxes to participate interviews.

## **5. Conclusions**

The results of this study showed that the Tax Affairs Organization does not have access to income information of physicians to determine their taxes. Therefore, physicians complete a tax declaration annually and present it to the Tax Affairs Organization to be checked by tax officers. Practical significance of these findings is that government should create motivation for accurate and correct tax payment in physicians by providing various amenities for them and make them believe that they are willing to pay taxes. In addition, it should be evident and tangible where these taxes obtained from physicians are spent and mass media should create culture for paying taxes. Progressive tax rate should be considered as income increases to observe tax justice among various specialties of physicians. The Tax Affairs Organization should identify those physicians that do not pay taxes and compile tax records for them by interaction and cooperation with the Medical Council. A complementary project conducted on investigation of amount of tax evasion in physicians' society could be a good path for later studies.

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## **Conflict of Interest:**

There is no conflict of interest to be declared.

## **Authors' contributions:**

All authors contributed to this project and article equally. All authors read and approved the final manuscript.

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