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DETERMINANTS OF RENTAL INCOME TAX COMPLIANCE AMONG RENT INCOME EARNERS IN GHANA

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ABSTRACT

Rent tax compliance has been a major problem in many developing countries but Ghana's case is worse as successive governments have failed to enhance rent tax compliance. Rental taxation is economically significant, yet a substantial portion of landlords and developers fail to meet their tax obligations. This issue is particularly prevalent in Ghana, where rental income tax compliance remains low despite its potential to contribute significantly to national revenue. This study focuses on identifying the factors influencing compliance, specifically examining the roles of compliance costs, tax rate/structure, tax knowledge and education, and fines and penalties. Utilizing a quantitative research design, data was gathered from 260 rent income earners through questionnaires, out of a targeted sample size of 272. Descriptive statistics and a multiple regression model were employed to analyse the data and identify relationships between the studied variables and rental income tax compliance. The analysis identified a noteworthy positive association between the cost of compliance and tax rate/structure and rental income tax compliance. The results imply that tax compliance costs and the tax rate are significant determinants of rent tax compliance in Ghana. Conversely, tax knowledge and education, as well as fines and penalties, showed an insignificant negative effect on compliance. The study results imply that a proactive approach to reducing compliance costs and enhancing tax structures positively influences compliance among rental income earners. Educational efforts and penalties, however, may require alternative strategies to be effective.

INTRODUCTION

In virtually every country, tax revenue constitutes a paramount source of income, significantly contributing to both internal and external revenue (Agbanyo et al., 2024; Nartey, 2023; Okpeyo et al., 2019; Eric et al., 2019). Ghana has a booming rental market for private homes and commercial buildings but rent tax compliance remains one of the least forms of tax compliance in Ghana (Eric et al., 2019). Despite the importance of tax compliance for economic development, challenges persist globally, with taxpayers often failing to adhere to regulations, leading to non-compliance and tax evasion (Bruce-Twum et al., 2022). In Ghana, where tax policies and reforms have been implemented to bridge compliance gaps, the rental income tax, a significant component of direct tax collections, has faced persistent challenges (Mabe & Kuusaana, 2016). The issue of rental income tax compliance in Ghana presents a multifaceted problem marked by difficulties in enforcement, inadequate awareness among landlords, and variations in tax reporting practices. One significant problem lies in the inconsistent understanding of tax obligations among landlords, leading to inadvertent non-compliance. Moreover, there is a lack of a comprehensive system for monitoring and ensuring adherence to rental income tax regulations. This disparity in compliance poses challenges to the Ghanaian tax authorities in accurately capturing taxable rental income and subsequently hampers the government's revenue collection efforts. Additionally, the complexity of the tax structure and associated administrative processes may contribute to non-compliance, as landlords grapple with the intricacies of tax regulations (Ondoro, 2021; Mabe & Kuusaana, 2016). Addressing these issues necessitates a comprehensive understanding of the key factors influencing rental income tax compliance among landlords in Ghana. The research seeks to address the dearth of studies on factors influencing compliance with rental income tax, particularly among landlords, who, despite a prevalent

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perception of non-compliance, represent a diverse group with varying levels of tax adherence (Eerola et al., 2020; Amaning et al., 2021).

Despite a growing body of research on tax compliance in Ghana, a notable research gap exists concerning the specific determinants influencing compliance with rental income tax among landlords. Existing studies predominantly focus on broader tax compliance issues, often concentrating on small and medium-sized enterprises (SMEs) or the self-employed, (eg. Nyantakyi et al., 2024; Ababio & Gnonsio Mangueye, 2021; Appiah et al., 2024; Agbanyo et al., 2024; Okpeyo et al., 2019; Nartey, 2023; Owusu et al., 2023; Peprah et al., 2020; Bruce-Twum et al., 2022; Adu & Amponsah, 2020) with limited attention to the nuances of rental income taxation. This gap is particularly significant given the distinct challenges posed by the rental income tax, such as the coexistence of residential and commercial tax rates (8% and 15%, respectively), coupled with the observed disparities in compliance rates. Understanding the factors that drive or impede compliance in the specific context of landlords dealing with rental income tax is crucial for developing targeted and effective policy interventions to enhance overall tax adherence in this sector.

Furthermore, the scarcity of research specifically addressing rental income tax compliance in Ghana is compounded by the lack of exploration into the factors that contribute to tax compliance heterogeneity among landlords. While there is a general inclination to view landlords as non-compliant, the reality may be more nuanced, with some landlords consistently meeting their tax obligations. However, the reasons behind the divergence in compliance behaviour within this group remain unexplored. This research gap represents a critical omission in the literature, as understanding the determinants of compliance among tax-compliant landlords is essential for devising tailored strategies to encourage similar behaviour among their non-compliant counterparts. By identifying the unique factors that motivate or hinder compliance in this specific subgroup, future research can contribute valuable insights to the development of targeted policies aimed at improving overall rental income tax compliance in Ghana.

The study makes significant contributions to both academic scholarship and policy formulation. Firstly, by specifically investigating the factors influencing compliance with rental income tax, the research addresses a notable gap in the existing literature on tax compliance in Ghana. Most prior studies have taken a broad approach, overlooking the nuanced challenges associated with rental income taxation. The findings of this study provide a more granular understanding of the unique determinants shaping landlords' compliance behavior in the context of rental income tax, contributing to the development of a more comprehensive theoretical framework for tax compliance in the Ghanaian setting. Secondly, the study uncovers the heterogeneity in compliance behaviour among landlords, distinguishing between those who consistently meet their tax obligations and those who do not. This nuanced exploration is crucial for policymakers seeking to design targeted interventions. This has practical implications for revenue authorities in Ghana, enabling them to optimize their resources and focus on effective measures that address the root causes of non-compliance among landlords dealing with rental income tax. Lastly, the study's contributions extend beyond the academic realm by providing actionable insights for policymakers and tax authorities. Furthermore, policymakers can implement evidence-based measures to improve overall compliance rates, enhance revenue collection, and promote economic stability. The study's recommendations, grounded in empirical evidence, can guide the formulation of targeted policies that address the specific challenges faced by landlords in meeting their tax obligations. Ultimately, the study's multifaceted contributions contribute to the advancement of knowledge in tax compliance research while offering practical solutions for fostering improved adherence to rental income tax regulations in Ghana.

LITERATURE REVIEW

Theoretical Review

According to Bani-Khalid et al. (2022), the Theory of Planned Behaviour (TPB) serves as a robust theoretical framework for understanding the determinants of rental income tax compliance among landlords in Ghana. According to TPB, individual behaviour, in this case, tax compliance, is primarily influenced by three key components: attitude, subjective norms, and perceived behavioural control. In the context of rental income taxation, landlords' attitudes toward compliance reflect their evaluation of the importance and legitimacy of fulfilling tax obligations (Carsamer & Abbam, 2023; Tiwari, 2021). Positive attitudes may arise from a sense of civic duty, trust in the fairness of the tax system, and the perceived benefits of compliance, such as avoiding fines or contributing to public services (Owusu et al., 2023; Kamasa et al., 2019; Okpeyo et al., 2019). Subjective norms, referring to social expectations and perceived social pressure, are crucial in the Ghanaian cultural context, where communal values often influence individual decisions (Nartey, 2023). Landlords may be motivated to comply due to societal expectations, family or peer influence, and the desire to maintain a positive reputation within their social networks (Ondoro, 2021).

Perceived behavioural control, the third component of TPB, encapsulates the individual's assessment of their ability to perform the behaviour (Bani-Khalid et al., 2022; Owusu et al., 2020). In the case of rental income tax compliance, landlords evaluate their understanding of tax laws, the complexity of the tax procedures, and their capacity to meet compliance requirements (Serem et al., 2017). A positive correlation between perceived control and compliance is expected, as landlords who feel competent and capable of fulfilling tax obligations are more likely to engage in compliant behaviour (Serem et al., 2017). Thus, TPB provides a comprehensive lens for analyzing the intricate interplay of psychological, social, and control factors influencing landlords' decisions regarding rental income tax compliance in the specific context of Ghana.

Empirical Review and Hypotheses Development

This section of the review focuses on literature on factors that influence rent tax compliance which forms the basis of the hypotheses that were formulated and tested for the study.

Tax Knowledge and Tax Compliance

The knowledge of tax laws among landlords plays a pivotal role in influencing rent tax compliance (Eerola et al., 2020). Understanding the intricacies of tax regulations empowers landlords to navigate the complexities of rental income taxation more effectively (Tiwari, 2021). Landlords who possess comprehensive knowledge of tax laws are better equipped to accurately assess their tax liabilities, ensure proper documentation, and adhere to filing deadlines. This awareness not only mitigates the risk of unintentional non-compliance but also fosters a sense of responsibility and accountability among landlords (Abdu et al., 2020). Additionally, informed landlords are more likely to leverage available deductions and exemptions, optimizing their tax position within the legal framework (Tiwari, 2021). Therefore, the study of landlords' knowledge of tax laws and their impact on rent tax compliance is crucial for policymakers, as it sheds light on a key determinant that can significantly enhance overall compliance rates. The influence of landlords' knowledge of tax laws on rent tax compliance extends beyond mere procedural adherence. It also contributes to the broader culture of tax ethics. Landlords who are well-versed in tax laws are more likely to perceive compliance as a civic duty and an integral part of responsible property ownership (Thananga et al., 2013). This perspective can foster a positive compliance mindset within the landlord community, influencing not only individual behaviours but also shaping social norms related to tax responsibilities. Consequently, understanding the depth and breadth of landlords' knowledge of tax laws provides valuable insights for policymakers seeking to design educational initiatives and outreach programs aimed at enhancing compliance awareness among landlords, ultimately contributing to a more tax-compliant environment in the rental income sector. On the basis of the above, the study hypothesizes that;

***H_1:** The level of knowledge on taxation has a significant influence on landlords' compliance with the rental income tax in Ghana*

Tax Fines and Penalties and Tax Compliance

The influence of tax fines and penalties on rent tax compliance by landlords is a critical aspect of understanding and shaping tax compliance behavior (Tiwari, 2021). Fines and penalties act as deterrents, imposing financial consequences on landlords who fail to meet their tax obligations (Okpeyo et al., 2019; Abdu et al., 2020; Ababio, & Gnonsio Mangueye, 2021). The fear of incurring additional costs through penalties serves as a motivator for landlords to ensure timely and accurate submission of their tax returns (Serem et al., 2017). However, there is a delicate balance to strike, as excessively punitive measures may lead to unintended consequences, such as increased tax evasion or a negative perception of tax authorities (Thananga et al., 2013). Therefore, an empirical examination of the impact of fines and penalties on rent tax compliance by landlords is essential for policymakers to design an effective regulatory framework that encourages compliance without unduly burdening property owners and undermining the overall goals of the tax system. The study argues that in line with previous evidence on compliance with other forms of taxes tax fines and penalty is positively associated with tax compliance (Owusu et al., 2019; Okpeyo et al., 2019). On the basis of the above, the study hypothesizes that;

***H_2:** Tax fines and penalties significantly influence landlords' compliance with the rental income tax policy in Accra Metropolitan.*

Compliance Cost and Rental Tax Compliance

The cost of compliance plays a significant role in shaping rental tax compliance behavior among landlords (Eerola et al., 2020). This includes not only the financial expenses incurred in meeting tax obligations but also the time and effort invested in navigating complex tax procedures (Okpeyo et al., 2019). High compliance costs can act as a deterrent, particularly for landlords with limited resources or those managing small-scale rental properties. Understanding the impact of compliance costs on rental tax compliance is crucial for policymakers to design tax structures that are not only effective but also considerate of the practical challenges faced by landlords. By identifying and mitigating the specific cost-related barriers to compliance, authorities can create a more conducive environment for landlords to meet their tax obligations, ultimately fostering higher levels of compliance and revenue collection in the rental income sector. Previous studies on tax compliance suggest that high compliance cost reduces overall tax compliance (Owusu et al., 2023; Okpeyo et al., 2019). Based on the evidence from previous studies, the study hypothesized that;

***H_3:** The cost of complying with rental income tax significantly influences landlords' compliance with the rental income tax in Ghana.*

Tax Rate and Structure and Tax Compliance

The tax rate and structure constitute pivotal factors influencing rental income tax compliance among landlords (Serem et al., 2017). The level at which rental income is taxed, coupled with the overall tax structure, significantly shapes landlords' motivations and behaviors regarding tax compliance (Tiwari, 2021). A reasonable and transparent tax rate, aligned with the broader fiscal structure, encourages compliance by providing landlords with a clear understanding of their financial obligations (Owusu et al., 2023; Boateng et al., 2022). On the contrary, an excessively high tax rate or a convoluted tax structure may create disincentives for compliance, potentially leading to evasion or resistance (Owusu et al., 2019; Oduro et al., 2018; Newman et al., 2018). Hence, a nuanced examination of the impact of tax rate and structure on rental income tax compliance is vital for policymakers. It can inform the development of tax systems that strike a balance, ensuring adequate revenue generation while fostering a tax environment that is perceived as fair, reasonable, and conducive to voluntary compliance among landlords. On the basis of the arguments above, the study hypothesizes that;

H*$_4$*: *Tax rate and structure significantly influence landlords' compliance with the rental income tax in Ghana*

MATERIALS AND METHODS

A quantitative research design is chosen for its suitability in systematically examining the relationships between variables and determining the extent to which different factors influence rental income tax compliance. The research design involves the use of structured surveys to gather numerical data, allowing for statistical analysis. This design is particularly appropriate for exploring the multifaceted factors affecting landlords' compliance with rental income tax regulations.

They used a total sample of 260 rent-income earners in Ghana out of a target sample of 272. A stratified random sampling technique was employed to ensure representation from diverse geographical locations and property types. The strata included different parts of the City of Accra to capture variations in tax compliance behaviour. The sample size is determined based on statistical considerations to ensure the study's findings are generalizable to the larger population of landlords in Ghana.

The primary instrument for data collection is a structured questionnaire designed based on the research objectives and hypotheses. The questionnaire includes sections on demographic information, knowledge of tax compliance, perceived costs, understanding of penalties, and the impact of tax structure on compliance. The questions are framed in a way that allows for quantitative analysis, with respondents responding to a Likert scale, multiple-choice, or open-ended format.

The questionnaire will be pretested on a small group of landlords to identify and address any ambiguities or issues with question clarity. Data collection will be carried out through direct distribution of the questionnaire to landlords, emphasizing the importance of their honest and accurate responses. The survey will be administered personally, and respondents will be given sufficient time to complete the questionnaire. The anonymity and confidentiality of respondents will be assured to encourage open and honest responses.

Quantitative data analysis was conducted using statistical software, such as SPSS. Descriptive statistics was employed to summarize and present the demographic characteristics of the respondents. The Likert-scale responses were analysed using means and percentages, providing insights into the level of agreement or disagreement among landlords on various factors influencing tax compliance. Moreover, inferential statistics, including regression analysis was employed to explore the relationships between independent variables (knowledge of tax compliance, perceived costs, understanding of penalties, and tax structure) and the dependent variable (rental income tax compliance). The significance level was set to 0.05 to determine the statistical significance of the identified relationships.

To address the objectives and test the research hypothesis, we carried out a regression analysis using the following specified model.

$$TC = \beta_O + \beta_1 TKE + \beta_2 FP + \beta_3 CC + \beta_4 TRS + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots(1)$$

Where;

TC = Tax Compliance

TKE = Tax Knowledge and Education

FP = Fines and Penalties

CC = Compliance Cost

TRS = Tax Rate and Structure

B_O = $_a$ constant represents tax compliance when all independent variables are zero

β_1-β_5 = the coefficient of the independent variables

ε = error term

RESULTS AND DISCUSSIONS

Table 1. Demographic Characteristics of the Landlords

Variable	Frequency	Percentage (%)
Gender:		
Male	164	63.1
Female	96	36.9
Age (in years):		
13-19	2	0.8
20-35	50	19.2
36-59	148	56.9
60 years and above	60	23.8
Type of Rental Operation:		
Residential	150	57.7
Commercial	110	42.3
Existence of Property (in years):		
Below 2	4	1.5
3-5	54	20.8
6-8	96	36.9
9 years and above	106	40.8
Total	**260**	**100.0**

Table 1 presents the demographic characteristics of the landlords participating in the study. In terms of gender, the majority of respondents are male, constituting 63.1%, while females represent 36.9% of the sample. Regarding age distribution, a significant proportion falls within the 36-59 age range, comprising 58.7%, followed by those aged 60 years and above at 23.8%. The age groups of 20-35 and 13-19 constitute 16.7% and 0.8%, respectively. Examining the type of rental operation, a slight majority of landlords are engaged in residential rentals (57.8%), while 42.2% are involved in commercial rental activities. The existence of property varies, with a substantial portion (40.8%) reporting ownership for nine years and above. The distribution across other categories—below 2 years, 3-5 years, and 6-8 years—is 1.5%, 20.8%, and 36.9%, respectively. This demographic breakdown provides a comprehensive overview of the sample, enabling a nuanced analysis of how these characteristics might influence the determinants of rental income tax compliance among landlords in Ghana.

Correlation Analysis

Table 2. Pearson Correlation Matrix

Variables	TC	TKE	FP	CC	TRS
Tax Compliance	1				
Tax Knowledge and Education	0.117	1	0.14	0.159	-0.009
Fines and Penalties	-0.029	0.14	1	0.243**	0.079
Compliance Cost	0.260**	0.159	0.243**	1	0.016
Tax Rate and Structure	-0.242**	-0.009	0.079	0.016	1
****. Correlation is significant at the 0.01 level (1-tailed). *. Correlation is significant at the 0.05 level (1-tailed).**					

Table 2 illustrates the correlation among the independent variables and their associations with the dependent variable. The results indicate satisfactory reliability of the research variables, with correlations among predictors remaining within acceptable limits, suggesting the absence of Multicollinearity issues. Notably, the study reveals significant relationships between the dependent variable, tax compliance, and specific independent variables, namely compliance cost (CC) with a correlation coefficient (r) of 0.260, and tax rate and structure (TRS) with an r of -0.242, both demonstrating statistical significance at the 0.05 level. These robust correlations lend strong support to the third and fourth hypotheses. However, no significant correlations emerged between tax knowledge and education as well as fines and penalties with tax compliance, leading to the rejection of the first and second hypotheses. The utilization of correlation analysis, alongside regression analysis, follows established practices in prior audit research for hypothesis validation or rejection.

Regression Results for Tax Compliance

The regression analysis delved into the essential indicators of tax compliance, utilizing the identified variables in the model. The model summary reveals key indicators used to identify tax compliance, with the R square value serving as a crucial metric to gauge the extent of variance in the dependent variable explained by the model. A higher R square value signifies a more effective model. In this context, the collective impact of tax knowledge and education, fines and penalties, compliance cost, and tax rate and structure on tax compliance demonstrated a substantial overall contribution, accounting for 53.0% (R2 = 0.530) of the variation in tax compliance. Notably, the remaining 47.0% of the variation is attributed to other variables not encompassed in this study, underscoring the complexity and multifaceted nature of factors influencing tax compliance.

Table 4. Estimates of Parameters of the Multiple Regression

					95% CI	
Model	**Coef**	**SE Coef**	**T**	**Sig.**	**Lower**	**Upper**
(Constant)	15.261	1.889	8.077	0.00	11.522	19.0
Tax Knowledge and Education	0.062	0.072	0.858	0.392	-0.08	0.204
Fines and Penalties	-0.12	0.133	-0.903	0.368	-0.382	0.143
Compliance Cost	0.363	0.124	2.92	0.004	0.117	0.609
Tax Rate and Structure	-0.278	0.106	-2.63	0.01	-0.487	-0.069
Dependent Variable: Tax Compliance	R^2=53.0%, Adjusted R^2=51.3%, Durbin-Watson=1.992					

Additionally, the model summary provides insight into the overall significance of the model through the F-statistics value (P = 0.001) and F = 4.684, indicating a robust relationship between the predictors and the outcome of the regression variables. This suggests that the model is well-fitted to predict tax compliance in Ghana. The beta (β) signs further illuminate the positive or negative impact of the independent variables' coefficients on the dependent variable. As presented in Table 3 above, the beta signs of the independent variables, Tax Knowledge and Education, and Compliance Cost demonstrate a positive effect on predicting the dependent variable, tax compliance. This implies that an increase in these two independent variables correlates with an increase in the dependent variable. This finding aligns with several prior studies identified in this paper (Tiwari, 2021; Eerola et al., 2020; Serem et al., 2017). Conversely, the negative coefficient or beta (β) sign of the other two independent variables, Fines and Penalties, and Tax Rate and Structure, signifies that an increase in these variables leads to a decrease in the dependent variable, tax compliance, and vice versa.

The initial hypothesis posited that rental income tax compliance is positively associated with tax knowledge and education. Despite exhibiting a positive beta sign, the statistically non-significant result of tax knowledge and education concerning rental income tax compliance (β = 0.062, t = 0.858, P>0.05) leads to the acceptance of the proposed hypothesis.

Consequently, the null hypothesis is not rejected, indicating that the level of knowledge on taxation does not significantly influence landlords' compliance with the rental income tax policy in the Accra Metropolitan area. This finding diverges from the research conducted by Tiwari (2021), who emphasized the pivotal role of tax education and knowledge about tax laws in determining taxpayers' compliance behavior. Similarly, it contrasts with the findings of Thananga et al. (2013), who observed that landlords with greater knowledge of the policy demonstrated higher levels of compliance, suggesting an influential role of knowledge in compliance. In summary, while aspects of tax knowledge and education, such as understanding tax rates, compliance requirements, and obtaining a taxpayer identification pin number, may contribute to property owners' tax compliance, this study does not find significant evidence supporting the direct influence of tax knowledge and education on rental income tax compliance.

The second hypothesis of this research posits that tax penalties and fines serve as determinants of rental income tax compliance. However, the results reveal an insignificant negative effect ($\beta = -0.12$, $t = -0.903$, $P>0.05$) between fines and penalties and rental income tax compliance among landlords in the Accra Metropolitan area. Despite a negative effect, the lack of statistical significance suggests that fines and penalties do not significantly influence rental income tax compliance by landlords in this context. This implies that an increase in fines and penalties does not necessarily correlate with a reduction in compliance with rental income tax. This outcome aligns somewhat with the findings of Ondoro (2021), who investigated the determinants of residential rental income tax adoption by property owners in Thika Town. Adelaide's study also noted a negative influence of fines and penalties on tax compliance by property owners, emphasizing a similar non-significant relationship between these factors and compliance.

The third hypothesis of this research centers on compliance costs as determinants of rental income tax compliance, with the underlying assumption that the perceived cost of compliance influences landlords' adherence to the tax policy. The results in Table 3 indicate a positive relationship between the compliance cost coefficient ($\beta = 0.363$, $t= 2.92$) and rental income tax compliance. Additionally, the regression output yielded a statistically significant result ($P<0.05$), suggesting that landlords who view compliance as a costly endeavor tend to exhibit higher levels of non-compliance. Consequently, the null hypothesis is rejected, affirming that the perceived financial burden associated with adhering to the rental income tax policy does influence landlords' compliance. This finding aligns with the principles of economic theories on taxation, particularly the theory of planned behaviour, which posits that taxpayers' behavior is influenced by economic motives such as profit maximization. In this context, landlords engage in a rational analysis of alternative compliance paths based on perceived costs, contributing to the observed relationship between compliance costs and rental income tax adherence.

The third hypothesis of this study examines compliance costs as potential determinants of rental income tax compliance, operating under the assumption that landlords' perceptions of the costs associated with compliance influence their adherence to the tax policy. As evidenced in Table 3, the positive relationship between the compliance cost coefficient ($\beta = 0.363$, $t= 2.92$) and rental income tax compliance is notable. Moreover, the regression output indicates a statistically significant result ($P<0.05$), suggesting that landlords who perceive compliance as a financially burdensome task tend to exhibit higher levels of non-compliance. In light of these findings, the null hypothesis is rejected, confirming that the perceived financial costs linked to adherence to the rental income tax policy play a pivotal role in shaping landlords' compliance behavior. This result aligns with the principles of the theory of planned behaviour, which posits that individuals' behaviors, in this case, landlords' compliance decisions, are influenced by subjective norms, attitudes, and perceived behavioral control. In the context of taxation, landlords engage in a rational evaluation of the costs associated with compliance, thereby affecting their intentions and behaviors as suggested by the theory of planned behaviour.

CONCLUSIONS

In conclusion, this study provides valuable insights into the determinants of rental income tax compliance among landlords in Ghana using a sample of landlords/ladies from the Accra Metropolitan area, offering significant implications for tax policy and administration. Firstly, contrary to the initial hypothesis, knowledge and education about the rental income tax policy did not significantly influence compliance. The theory of planned behaviour suggests that individuals' intentions and behaviours are influenced by subjective norms, attitudes, and perceived behavioural control. In this context, landlords' understanding of the policy's provisions may not be sufficient to motivate compliance, as other factors, such as perceived behavioural control, play a crucial role. Secondly, despite a negative effect, tax fines and penalties were found to be statistically insignificant in influencing landlords' compliance. This inconclusive result aligns with the theory of planned behaviour, which posits that the perceived severity and certainty of consequences (in this case, fines and penalties) contribute to individuals' intentions and behaviours. The lack of statistical significance suggests that the negative effect observed may not be strong enough to significantly impact compliance decisions. Thirdly, the study highlights the pivotal role of compliance costs in determining tax compliance. Both direct and indirect costs, including auditing and personnel expenses, were identified as key factors influencing landlords' compliance behaviour. This finding is consistent with economic theories on taxation, which emphasize individuals' rational analysis of compliance paths based on perceived costs. Lastly, the negative influence of tax rate and structure on rental income taxation significantly impacted landlords' compliance. The theory of planned behaviour emphasizes the importance of subjective norms and attitudes in shaping behaviour, suggesting that landlords' perceptions of the fairness and transparency of the tax system strongly influence their compliance decisions. In summary, the results emphasize the multifaceted nature of factors influencing rental income tax compliance, highlighting the importance of considering subjective norms, attitudes, and perceived behavioural control, as suggested by the theory of planned behaviour, in designing effective tax policies and administration strategies.

The study examined factors that predict the level of rent tax compliance among rent-income earners in Ghana. The study sampled 260 landlords in Accra, the nation's capital through a self-administered questionnaire. The data was analysed using SPSS correlation analysis and multiple regression analysis. The results of the study can be summarised below. Firstly, contrary to the initial hypothesis, knowledge and education about the rental income tax policy did not significantly influence compliance. The theory of planned behaviour suggests that individuals' intentions and behaviours are influenced by subjective norms, attitudes, and perceived behavioural control. In this context, landlords' understanding of the policy's provisions may not be sufficient to motivate compliance, as other factors, such as perceived behavioural control, play a crucial role. Secondly, despite a negative effect, tax fines and penalties were found to be statistically insignificant in influencing landlords' compliance. This inconclusive result aligns with the theory of planned behaviour, which posits that the perceived severity and certainty of consequences (in this case, fines and penalties) contribute to individuals' intentions and behaviours. The lack of statistical significance suggests that the negative effect observed may not be strong enough to significantly impact compliance decisions. Thirdly, the study highlights the pivotal role of compliance costs in determining tax compliance. Both direct and indirect costs, including auditing and personnel expenses, were identified as key factors influencing landlords' compliance behaviour. This finding is consistent with economic theories on taxation, which emphasize individuals' rational analysis of compliance paths based on perceived costs. Lastly, the negative influence of tax rate and structure on rental income taxation significantly impacted landlords' compliance. The theory of planned behaviour emphasizes the importance of subjective norms and attitudes in shaping behaviour, suggesting that landlords' perceptions of the fairness and transparency of the tax system strongly influence their compliance decisions. In summary, the results emphasize the multifaceted nature of factors influencing rental income tax compliance, highlighting the importance of considering subjective norms, attitudes, and perceived behavioural control, as suggested by the theory of planned behaviour, in designing effective tax policies and administration strategies.

The implications of this study are profound for tax policy and administration, shedding light on the intricate factors influencing rental income tax compliance among landlords in the Accra Metropolitan area. Firstly, the non-significant impact of knowledge and education on compliance challenges the assumption that mere awareness of tax policy provisions motivates adherence. The theory of planned behaviour underscores the significance of subjective norms and perceived behavioral control, suggesting that a deeper understanding of landlords' attitudes and control perceptions is necessary for effective policy design. Secondly, the insignificance of tax fines and penalties implies that the deterrent effect may not be potent enough to significantly sway compliance decisions. The alignment with the theory of planned behaviour emphasizes the need to assess the perceived severity and certainty of consequences for better policy formulation. Thirdly, the pivotal role of compliance costs, in line with economic theories, highlights the rational analysis landlords undertake when evaluating the financial implications of adherence. Lastly, the negative influence of tax rate and structure underscores the importance of fairness perceptions in compliance decisions, in accordance with the theory of planned behaviour. In essence, the study advocates for a nuanced understanding of landlords' attitudes and control perceptions, alongside strategic considerations of compliance costs and tax structures, to inform effective tax policies and administration strategies.

Based on the study's findings, several recommendations are proposed to enhance rental income tax compliance among landlords in the Accra Metropolitan area. Firstly, recognizing the high level of knowledge and education among landlords regarding the provisions of the rental income tax policy, tax authorities should pivot their strategies towards addressing subjective norms and perceived behavioural control. Implementing targeted educational campaigns that emphasize the importance of compliance and the broader societal benefits may enhance landlords' positive attitudes towards tax adherence, aligning with the theory of planned behaviour.

Secondly, despite the non-significant influence of tax fines and penalties on compliance, tax authorities should re-evaluate the design and implementation of penalty structures. Considering the negative effect observed, efforts should be directed towards establishing a more deterrent penalty system that is perceived as both certain and severe by landlords, fostering a stronger deterrent effect in line with the theory of planned behaviour.

Thirdly, recognizing the pivotal role of compliance costs, tax authorities should explore measures to reduce the financial burden associated with adherence. Initiatives such as simplifying compliance procedures, providing accessible resources for landlords, and potentially offering incentives for compliant behaviour can mitigate the perceived costs, fostering a more favourable environment for compliance.

Lastly, addressing the negative influence of tax rate and structure on compliance, tax authorities should reassess the fairness and transparency of the rental income tax system. A comprehensive review and potential restructuring of tax rates, ensuring they align with landlords' perceptions of fairness, can positively impact compliance. Engaging landlords in the decision-making process may contribute to a tax structure perceived as more equitable and thereby increase voluntary compliance.

While this study provides valuable insights into rental income tax compliance among landlords in the Accra Metropolitan area, it is essential to acknowledge certain limitations that may impact the generalizability and depth of the findings. Firstly, the research design, predominantly was limited in time and may not have captured certain seasonal factors. A more extensive longitudinal or experimental approach could provide a more robust understanding of the dynamics influencing rental income tax compliance over time. Additionally, the study focused specifically on landlords in the Accra Metropolitan area, potentially restricting the broader applicability of the findings to other regions or countries. The sample size of 260 landlords, although representative, might also pose limitations in terms of statistical power and the ability to detect nuanced relationships within subgroups. Furthermore, the reliance on self-reported data through questionnaires may introduce response bias, as respondents might provide socially desirable answers. Lastly, the study primarily considers landlords, neglecting the perspectives of tenants and tax administrators, which could offer a more comprehensive understanding of the factors influencing compliance. Despite these limitations, the study contributes valuable insights to the existing literature and offers a foundation for future research endeavors in the realm of tax compliance dynamics.

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