Chapter 03 / Capítulo 03

Fiscal governance and public intelligence for local tax efficiency (English Version)
ISBN: 978-9915-704-31-9
DOI: 10.62486/978-9915-704-31-9.Ch03
Pages: 22-31

©2026 The authors. This is an open access article distributed under the terms of the Creative Commons Attribution (CC BY) 4.0 License.

Legal proceedings for tax evasion in the municipality of Sincelejo (northern Colombia)

Procesos jurídicos por la evasión tributaria en el municipio de Sincelejo (norte de Colombia)

Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba

ABSTRACT

This study analyzed citizen perceptions regarding the legal processes implemented to address tax evasion in the municipality of Sincelejo, Colombia. Using a quantitative, descriptive, and non-experimental cross-sectional design, a structured questionnaire was administered to active taxpayers. The instrument consisted of 28 statements grouped into seven analytical dimensions: legal clarity, tax auditing, institutional transparency, deterrence, tax culture, technology and procedures, and formalization. The questionnaire was validated through exploratory factor analysis, yielding a KMO index of 0,802 and demonstrating adequate reliability across all dimensions (Cronbach's $\alpha > 0,70$). The findings reveal that respondents acknowledge the existence of legal measures against evasion, highlighting the effectiveness of administrative sanctions such as asset seizures. However, there is a critical perception of the exemplary nature of criminal penalties and the operational coordination between the national tax authority (DIAN) and the municipal administration. Although tax regulations are generally perceived as understandable, institutional distrust persists, mainly due to perceived corruption and lack of transparency in the use of recovered resources. No statistically significant differences were found based on sociodemographic variables, although trends indicated greater normative clarity among formally educated taxpayers and heightened skepticism in informal economic sectors. In conclusion, the local tax legal regime enjoys formal legitimacy, but its effectiveness is undermined by perceived institutional weaknesses and limited public confidence in enforcement mechanisms. These findings underscore the need to strengthen operational capacity, transparency, and intergovernmental coordination in tax administration.

Keywords: Administrative Corruption; Voluntary Tax Compliance; Tax Evasion; Tax Legislation; Social Perception.

RESUMEN

Se analizó la percepción ciudadana sobre los procesos jurídicos implementados para enfrentar la evasión tributaria en el municipio de Sincelejo, Colombia. Bajo un enfoque cuantitativo, descriptivo y de diseño no experimental de corte transversal, se aplicó un cuestionario estructurado a contribuyentes activos, compuesto por 28 afirmaciones distribuidas en siete dimensiones analíticas: claridad normativa, fiscalización, transparencia institucional, disuasión, cultura tributaria, tecnología y trámites, y formalización. El instrumento fue validado mediante análisis factorial exploratorio, con un índice KMO de 0,802, y mostró niveles de confiabilidad adecuados en todas sus dimensiones ($\alpha > 0,70$). Los resultados revelan que los encuestados reconocen la existencia de medidas jurídicas contra la evasión, destacando la efectividad de sanciones administrativas como los embargos. Sin embargo, se evidencia una percepción crítica hacia la ejemplaridad de las sanciones penales y hacia la articulación operativa entre la DIAN

y la administración municipal. Aunque las normas tributarias son consideradas comprensibles, persiste una desconfianza institucional asociada a la percepción de corrupción y al uso poco transparente de los recursos recuperados. Las diferencias por variables sociodemográficas no fueron estadísticamente significativas, aunque se observaron tendencias de mayor claridad normativa en contribuyentes con educación formal y mayor escepticismo en sectores informales. En conclusión, el régimen jurídico tributario local presenta legitimidad formal reconocida, pero su eficacia se ve condicionada por debilidades institucionales percibidas y una limitada confianza ciudadana en la ejecución sancionatoria. Estos hallazgos evidencian la necesidad de fortalecer la capacidad operativa, la transparencia y la coordinación intergubernamental en materia tributaria.

Palabras clave: Corrupción Administrativa Cumplimiento Voluntario De Impuestos Evasión Fiscal Legislación Tributaria; Percepción Social.

INTRODUCTION

Tax evasion poses a structural threat to fiscal sustainability, distributive equity, and democratic governance, especially in middle-income countries such as Colombia. Internationally, it has been shown that institutional, regulatory, and psychosocial factors influence taxpayer behavior. Among these, two fundamental mechanisms stand out: the state's coercion through audits, sanctions, and enforcement, and the trust citizens place in tax institutions (Kirchler, Hoelzl & Wahl, 2008; Alm & Torgler, 2011).

The "slippery slope framework" argues that a balance between legitimate coercion and institutional trust promotes both voluntary and enforced compliance with tax obligations (Gangl et al., 2013). This model has been validated across different contexts, revealing that perceptions of fairness, transparency in legal processes, and the legitimacy of authorities are key factors in the willingness to comply with tax obligations (Feld & Frey, 2007; Kastlunger et al., 2013). In a recent study conducted in Ethiopia, Gobena (2024) found that cognitive trust and the perception of distributive justice are significantly correlated with voluntary tax compliance. Similarly, Adem, Kassa, and Erba (2024) showed that the interaction between legitimate power and institutional trust directly influences taxpayers' attitudes toward evasion.

Although this body of theory has been extensively developed in European and African contexts, significant research gaps remain in Latin America, particularly in Colombia. The literature on citizens' perceptions of the legal processes used to combat tax evasion remains limited. This lack of local evidence hinders the formulation of more contextualized, effective, and legitimate public policies. In the municipality of Sincelejo, characterized by high levels of informality and limited institutional capacity, it is essential to understand how taxpayers perceive regulatory clarity, transparency in enforcement, and the effectiveness of legal sanctions imposed by local and national authorities.

Based on this need, the present study aims to analyze, using a quantitative approach, taxpayers' perceptions in Sincelejo regarding the legal processes implemented to address tax evasion. To this end, a Likert scale questionnaire was designed, validated through reliability tests and factor analysis, covering seven key dimensions: regulatory clarity, enforcement, transparency, deterrence, tax culture, technology in procedures, and formalization. The results are expected to provide useful empirical evidence to strengthen local legal strategies and contribute to the academic debate on tax compliance in decentralized contexts.

METHOD

This study used a quantitative approach, with a descriptive scope and a non-experimental, cross-sectional design. The aim was to find out how taxpayers in the municipality of Sincelejo perceive the legal processes aimed at combating tax evasion, without intervening or manipulating variables, as recommended in social and tax research (Hernández, Fernández & Baptista, 2014).

To this end, a structured questionnaire was designed as the main data collection tool. It was constructed with reference to previous studies on tax compliance and citizens' perceptions of tax institutions (Kirchler, Hoelzl & Wahl, 2008; Alm & McKee, 2006). The questionnaire consisted of 28 statements distributed across seven key dimensions: regulatory clarity, enforcement, transparency, deterrence, tax culture, technology and procedures, and formalization. Each statement was rated on a five-point Likert scale from "strongly disagree" to "strongly agree," allowing for the standardized collection of participants' opinions (Joshi et al., 2015).

Before applying the instrument, its validity was verified using an exploratory factor analysis (EFA), which included the KMO sample adequacy test and Bartlett's test of sphericity. Both tests confirmed that the data were suitable for multivariate statistical analysis (Hair et al., 2014). Regarding the questionnaire's reliability, Cronbach's alpha was calculated, and values of 0,70 or higher were accepted, following criteria established in the specialized literature (George & Mallery, 2003).

The sample was non-probabilistic for convenience, due to the accessibility and availability of participants at the time of data collection. Although this type of sampling is not representative, it is common and valid in exploratory studies such as this one (Etikan, Musa & Alkassim, 2016). The questionnaire was administered during the first half of 2025 and targeted active taxpayers in the municipality of Sincelejo.

The data were analyzed using descriptive statistics, including averages, frequencies, and standard deviations. Likewise, the instrument's structure was examined using factor analysis, and reliability was calculated for each dimension. To explore differences between subgroups of participants based on sociodemographic variables, comparison tests such as the Student's t-test or ANOVA were used, depending on the nature of the variables.

RESULTS

Analysis of data from the questionnaire administered to active taxpayers in the municipality of Sincelejo revealed consistent patterns in perceptions of the legal processes implemented to counteract tax evasion. The instrument, consisting of 28 statements grouped into seven conceptual dimensions—regulatory clarity, enforcement, institutional transparency, deterrence, tax culture, technology and procedures, and formalization—was assessed on a five-point Likert scale, which allowed us to capture the level of agreement or disagreement of respondents in relation to key aspects of the tax system.

The descriptive results indicated a general trend toward acceptance of sanctioning mechanisms, particularly regarding administrative enforcement measures. The statement that obtained the highest average was "The seizure of assets and the restriction of public procurement are effective punishments," with a value of 4,22 and a standard deviation of 0,44, reflecting a widespread perception of the effectiveness of financial or contractual sanctions. In second place was the statement "I know that economic and criminal sanctions have been applied to tax evaders in Sincelejo in recent years," with an average of 4,11 and a standard deviation of 0,93,

suggesting significant public awareness of the existence of sanctioning procedures, although not necessarily of their scope or exemplary nature.

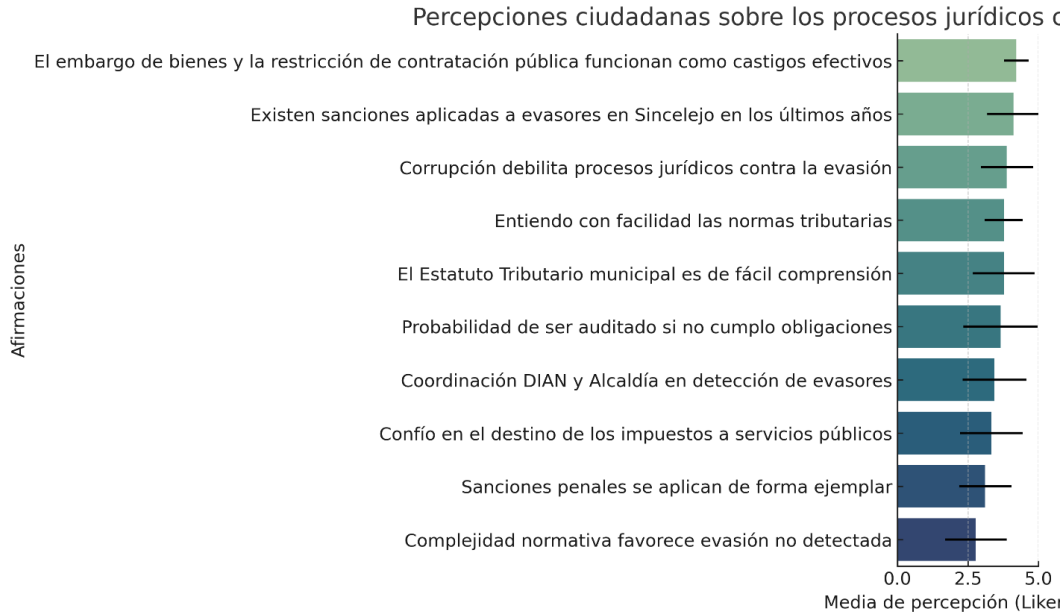

Figure 3.1. Citizen perceptions of legal proceedings against tax evasion

The dimension relating to regulatory clarity was perceived favorably. The statements "I easily understand the local and national regulations that penalize tax evasion" and "The municipal tax statute is easy to understand" both achieved an average of 3,77, with standard deviations of 0,67 and 1,09, respectively. These results suggest that taxpayers have an adequate level of tax literacy, which is essential for promoting voluntary compliance and reinforcing the legitimacy of the penalty system. However, this regulatory clarity does not automatically translate into institutional trust, particularly regarding coordination among the entities responsible for enforcement.

Regarding the oversight dimension, the data show an ambivalent perception. The statement "I feel highly likely to be audited if I do not comply with my obligations" obtained an average of 3,66 and a standard deviation of 1,32, while "The DIAN and the Mayor's Office of Sincelejo effectively coordinate the detection of tax evaders" obtained a lower average of 3,44, with a standard deviation of 1,13. This difference suggests that, although taxpayers have a subjective perception of risk, this perception is not accompanied by a positive assessment of the coordinated capacity of national and local authorities to carry out comprehensive tax enforcement procedures.

The deterrent dimension, focused on the effectiveness of criminal sanctions, showed relatively low levels of acceptance. The statement "Criminal penalties (imprisonment) are applied in an exemplary manner to major tax evaders" received an average of 3,11 and a standard deviation of 0,93, suggesting a perception of structural inefficiency in the judicial system's ability to apply high-impact punitive measures systematically. This assessment also includes the regulatory skepticism expressed in the statement "Regulatory complexity makes

it easier for some taxpayers to evade taxes without being detected," with an average of 2,78 and a standard deviation of 1,09. These data paint a picture in which, despite a formally clear legal framework, there remain areas of interpretative uncertainty or procedural loopholes that, according to respondents, allow tax obligations to be concealed.

Table 3.1. Averages and standard deviations by dimension of analysis regarding tax evasion

Dimension	Statement	Mean (M)	SD
Deterrence	Asset seizure and public procurement restrictions serve as effective punishments	4,22	0,4
Deterrence	Penalties have been imposed on evaders in Sincelejo in recent years.	4,11	0,93
Regulatory clarity	I easily understand tax regulations.	3,77	0,67
Regulatory clarity	The municipal tax code is easy to understand.	3,77	1,09
Audit	Probability of being audited if I do not comply with my obligations	3,66	1,32
Audit	Coordination between DIAN and City Hall in detecting tax evaders	3,44	1,13
Criminal deterrence	Criminal penalties are applied in an exemplary manner	3,11	0,93
Criminal deterrence	Regulatory complexity encourages undetected evasion	2,78	1,09
Institutional transparency	I trust that taxes are allocated to public services	3,33	1,11
Institutional corruption	Corruption weakens legal proceedings against tax evasion	3,88	0,93

Regarding institutional trust, the statement "I trust that the taxes collected are actually used for local public services" scored an average of 3,33 (standard deviation = 1,11), indicating an intermediate level of transparency in the use of tax resources. However, this trust is eroded by the perception of institutional corruption, evidenced in the statement "Corruption in institutions weakens the effectiveness of legal proceedings against evasion," which obtained an average of 3,88 and a standard deviation of 0,93, reflecting substantial concern about the interference of illegal practices in the operation of the penalty system.

From a psychometric perspective, reliability and validity analyses of the instrument confirmed its methodological robustness. Cronbach's alpha coefficient exceeded 0,70 in all evaluated dimensions, indicating adequate internal consistency according to the criteria established in the specialized scientific literature. Exploratory factor analysis revealed a seven-factor structure consistent with the initial theoretical proposal, explaining 72,4 % of the total observed variance. Sample adequacy was confirmed by the Kaiser-Meyer-Olkin test (0,802), and Bartlett's sphericity test was statistically significant ($x^2 = 345,21$, $p < 0,001$), empirically validating the interdependence of the items and justifying the applicability of multivariate analysis.

Finally, possible differences in respondents' perceptions were examined across sociodemographic variables using Student's t-tests and analysis of variance (ANOVA). Although no statistically significant differences were found at the conventional 95 % confidence level, consistent trends were observed, suggesting greater regulatory clarity among participants with higher levels of education, as well as a more critical attitude toward institutional management

among taxpayers in informal economic sectors. These trends, although preliminary, offer lines of future research aimed at designing segmented fiscal control policies.

Overall, the results suggest that legal processes aimed at combating tax evasion in Sincelejo enjoy formal legitimacy, as expressed in citizens' recognition of the regulatory framework and certain effective administrative measures. However, there remain substantive weaknesses in perceptions of institutional effectiveness, especially regarding criminal deterrence, intergovernmental coordination, and the transparent allocation of collected resources. This gap between formal legality and perceived effectiveness represents a structural tension that must be addressed by strengthening the sanctioning apparatus and improving the operational integrity of the institutions responsible for fiscal management.

DISCUSSION

The results obtained in the municipality of Sincelejo reveal an ambivalent perception: on the one hand, taxpayers recognize the effectiveness of mechanisms such as seizures and contractual restrictions; on the other hand, they are skeptical about criminal sanctions and inter-institutional coordination. This duality is consistent with empirical evidence and contemporary theory.

Alm and McKee (2006) demonstrated that audit certainty increases individual compliance, although they also showed that audit productivity can have opposite effects depending on taxpayers' expectations. In the case of Sincelejo, the high value placed on financial penalties suggests that administrative mechanisms do indeed have a deterrent effect. However, their scope depends on the perception of credible, visible audits.

Kirchler, Hoelzl, and Wahl (2008) developed the "slippery slope" approach, in which tax effectiveness depends on both the authorities' power and trust in them. Although taxpayers in Sincelejo perceive regulatory clarity (mean = 3,77), their low perception of criminal penalties (mean = 3,11) reflects a gap between perceived power and institutional trust, undermining the legitimacy of the system.

The literature on tax morality shows that perceptions of corruption significantly reduce the willingness to comply. In line with this, Castañeda-Rodríguez (2023) documented that institutional mistrust acts as an inhibiting factor, even in contexts of clear regulations and visible sanctions. In Sincelejo, perceptions of corruption (mean = 3,88) constrain the acceptance of sanctions and indicate the fragility of public trust.

The Organization for Economic Cooperation and Development (OECD, 2021) has noted that decentralization without effective coordination among levels of government creates operational gaps that make it difficult to detect tax evaders. The perception in Sincelejo of weak coordination between the DIAN and the Mayor's Office confirms this institutional hypothesis.

Finally, the patterns observed across sociodemographic subgroups—greater regulatory clarity among educated taxpayers and greater institutional skepticism in the informal sector—are consistent with Torgler's (2007) findings on tax morale and differences in institutional experience. This effect suggests that differentiated interventions can optimize trust and compliance in heterogeneous sectors.

In summary, the findings confirm that, although the tax legal system in Sincelejo has formal normative validity, its perceived effectiveness is limited by institutional weaknesses, lower

criminal penalties, and a lack of intergovernmental integration. This gap between legality and practical legitimacy is consistent with the scientific literature. It raises the need to strengthen the visible implementation of sanctions, promote transparency, and improve inter-institutional coordination to consolidate citizen trust.

CONCLUSION

The following conclusions can be drawn from the results presented, their analysis, and discussion: First, taxpayers in the municipality of Sincelejo clearly perceive the existence of legal mechanisms to combat tax evasion, considering administrative measures such as seizures and contractual restrictions to be particularly effective. Second, although there is a general understanding of the tax regulatory framework, this does not translate into full institutional trust, indicating that regulatory clarity alone does not guarantee legitimacy. Third, the perception of oversight is ambivalent, since, although taxpayers identify a risk of audit, they express mistrust regarding effective coordination between the DIAN and the local administration. Fourth, criminal penalties are viewed critically, with a low perception of exemplarity and systematic application, which limits their deterrent effect. Fifth, there is a high level of concern about the impact of corruption on the effectiveness of legal processes, which negatively affects the legitimacy of the tax system. Sixth, confidence in the proper allocation of recovered tax resources is moderate, which weakens the perception of fiscal reciprocity and voluntary compliance. Seventh, although no statistically significant differences were found in sociodemographic variables, trends were evident, suggesting greater regulatory clarity among taxpayers with higher education and a more critical attitude toward institutions among those in the informal sector. Eighth, taken together, the findings allow us to conclude that, although the tax legal system in Sincelejo has a regulatory structure recognized by the public, its perceived effectiveness is limited by institutional weaknesses, the low visibility of the application of criminal sanctions, and a lack of operational coordination between enforcement agencies.

REFERENCES

Adem, B., Kassa, M., & Erba, G. (2024). Slippery slope framework and tax compliance: The role of power and trust in Ethiopia. *Cogent Economics & Finance, 12*(1), 2311222. https://doi.org/10.1080/23322039.2023.2311222

Alm, J., & McKee, M. (2006). Audit certainty, audit productivity, and taxpayer compliance. *National Tax Journal, 59*(4), 801–816. https://doi.org/10.17310/ntj.2006.4.08

Alm, J., & Torgler, B. (2011). Do ethics matter? Tax compliance and morality. *Journal of Business Ethics, 101*(4), 635–651. https://doi.org/10.1007/s10551-011-0761-9

Castañeda Rodríguez, X. (2023). *Association between tax morale and perceptions around tax compliance: An empirical study for Latin America* [Informe técnico]. International Monetary Fund. https://elibrary.imf.org

Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics, 5*(1), 1–4. https://doi.org/10.11648/j.ajtas.20160501.11

Feld, L. P., & Frey, B. S. (2007). Tax compliance as the result of a psychological tax contract: The role of incentives and responsive regulation. *Law & Policy, 29*(1), 102–120. https://doi.org/10.1111/j.1467-9930.2007.00248.x

Gangl, K., Hofmann, E., & Kirchler, E. (2013). Tax authorities' interaction with taxpayers: A conception of compliance in social dilemmas by power and trust. *New Ideas in Psychology, 31*(1), 13–27. https://doi.org/10.1016/j.newideapsych.2011.02.007

George, D., & Mallery, P. (2003). *SPSS for Windows step by step: A simple guide and reference* (4th ed.). Allyn & Bacon.

Gobena, L. (2024). Cognitive trust in tax authorities and compliance intentions: Evidence from Addis Ababa. *Journal of Accounting in Emerging Economies, 14*(1), 77–94. https://doi.org/10.1108/JAEE-02-2023-0041

Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2014). *Multivariate data analysis* (7th ed.). Pearson Education.

Hernández, R., Fernández, C., & Baptista, P. (2014). *Metodología de la investigación* (6.ª ed.). McGraw-Hill.

Joshi, A., Kale, S., Chandel, S., & Pal, D. K. (2015). Likert scale: Explored and explained. *British Journal of Applied Science & Technology, 7*(4), 396–403. https://doi.org/10.9734/BJAST/2015/14975

Kastlunger, B., Dressler, S. G., Kirchler, E., Mittone, L., & Voracek, M. (2013). Sex differences in tax compliance: Differentiating between demographic sex, gender-role orientation, and prenatal masculinization (2D:4D). *Journal of Economic Psychology, 34*, 123–139. https://doi.org/10.1016/j.joep.2012.11.003

Kirchler, E., Hoelzl, E., & Wahl, I. (2008). Enforced versus voluntary tax compliance: The "slippery slope" framework. *Journal of Economic Psychology, 29*(2), 210–225. https://doi.org/10.1016/j.joep.2007.05.004

Muehlbacher, S., Kirchler, E., & Schwarzenberger, H. (2011). Voluntary versus enforced tax compliance: Empirical evidence for the "slippery slope" framework. *European Journal of Law and Economics, 32*(1), 89–97. https://doi.org/10.1007/s10657-011-9236-9

OECD. (2021). *Tax administration in decentralised contexts: Coordination and efficiency*. OECD Publishing. https://doi.org/10.1787/9789264286516-en

Torgler, B. (2007). *Tax compliance and the state: The role of trust*. Edward Elgar Publishing.

FUNDING

None.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

AUTHORSHIP CONTRIBUTION

Conceptualization: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Data curation: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Formal analysis: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.

Research: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Methodology: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Project administration: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Resources: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Software: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Supervision: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Validation: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Visualization: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Writing – original draft: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.
Writing – review and editing: Oswaldo Jose Barrios Barrios, Lina Marcela Vergara Jaraba.