

DOI: 10.5281/zenodo.124261053

## TAX CULTURE IN COLOMBIA: STRUCTURAL CHALLENGES AND STRATEGIES FOR ITS STRENGTHENING

Jose Luis Corredor Martínez<sup>1\*</sup>, Eliana Patricia Méndez Suárez<sup>2</sup>, Diana Marcela Prada  
Poveda<sup>3</sup>, Raúl Armando Díaz Mancipe<sup>4</sup>

<sup>1\*</sup>[jluiscorredor@correo.uts.edu.co](mailto:jluiscorredor@correo.uts.edu.co), Unidades Tecnológicas de Santander, 0009-0001-4243-753X

<sup>2</sup>[epmendez@correo.uts.edu.co](mailto:epmendez@correo.uts.edu.co), Unidades Tecnológicas de Santander, 0009-0003-1417-3076

<sup>3</sup>[dmarcelaprada@correo.uts.edu.co](mailto:dmarcelaprada@correo.uts.edu.co), Unidades Tecnológicas de Santander, 0009-0007-5335-5322

<sup>4</sup>[rarmandodiaz@correo.uts.edu.co](mailto:rarmandodiaz@correo.uts.edu.co), Unidades Tecnológicas de Santander, 0009-0002-4749-4450

Corresponding Author: Jose Luis Corredor Martínez  
([jluiscorredor@correo.uts.edu.co](mailto:jluiscorredor@correo.uts.edu.co))

### ABSTRACT

*Tax culture is a key element to increase fiscal sustainability, voluntary compliance and institutional legitimacy in Colombia. Regulatory changes and administrative modernisation have not solved the country's structural problems with tax evasion, tax avoidance, economic informality, lack of trust in institutions, perceived fiscal injustice and lack of tax education. Based on a conceptual, theoretical, structural and policy approach, this narrative review explores the tax culture in Colombia. It explores tax culture as a social and institutional phenomenon that is influenced by citizens' notions of fairness, public expenditure, civic duty and trust in the tax administration. The review also highlights the importance of tax morale, fiscal citizenship and voluntary compliance in establishing an inclusive and legitimate tax system. The results indicate that building tax culture needs to be addressed through a comprehensive approach, which includes tax education, tax procedure simplification, institutional transparency and accountability, tax administration services and citizen involvement. Finally, the culture of tax in Colombia should not be considered as a compliance issue, but as a foundation for a culture of tax and sustainable fiscal governance in Colombia.*

---

**KEYWORDS:** Tax culture, Colombia, tax morale, tax compliance, fiscal citizenship, tax evasion, institutional trust, tax education.

---

## 1. Introduction

Taxation is one of the core tools of the modern state that provides funding for public goods, redistributes resources, and provides institutional capacity. But legal norms, administrative procedures and enforcement mechanisms are not the only factors influencing the effectiveness of a tax system. It also relies on the attitudes, values, perceptions and practices that citizens have for comprehending their fiscal obligations. These are some of the elements that are associated with the concept of tax culture. Tax culture is especially relevant to Colombia, as the country has long struggled with tax evasion and avoidance, informality, the lack of institutional trust and public confidence with the use of tax revenues. Thus, the culture of tax contribution in Colombia has emerged as a key field for academic and policy study, particularly due to the potential consequences of low civic engagement with taxes on voluntary compliance and the perpetuation of informal or evasive behaviors (Barrera & Cortés, 2023).

Tax culture can be defined as a social and institutional phenomenon which connects tax liability with citizenship, public morality and trust in the state. It is a measure of how much taxpayers see taxation as a contribution to the social good, public investment and national development, as opposed to just a legal requirement. The higher likelihood of taxpayers' voluntary compliance with tax obligations exists in societies where there is a perception of direct linkage between the existence of taxation and providing public goods. When people consider the tax system as being unfair, complicated, corrupt, and/or inefficient, compliance with tax rules becomes motivated mainly through coercive measures.

The cultivation of tax culture is an important element of fiscal sustainability and development of state institutions in Colombia. Development of tax culture can make a contribution to the increase in tax base, compliance, and acceptance of fiscal policies. Moreover, this process can facilitate bridging the gap between law and taxpayer behavior. This issue is especially relevant for a country with high informality rates and tax evasion, which makes it difficult for the government to collect tax revenues and provide good quality public services.

The issue of tax culture is directly linked to the problem of tax morale, which implies individual motivation to pay taxes voluntarily. Tax fairness, institutional trust, corruption, public expenditure, and behavior of taxpayers have a considerable impact on tax morale in Latin America. Voluntary compliance with tax payments is more likely to occur when people feel that the tax system is fair and the

public money is used appropriately. However, if there is perceived inequality in the distribution of tax burden or abuse of power by the government in its expenditures, citizens are less motivated to pay taxes. Therefore, the development of tax culture in Colombia is connected to issues of fiscal justice, public institution credibility, and government accountability. According to recent Latin American research, tax compliance perceptions are highly correlated with tax morale and citizens' attitudes toward fiscal system (Castañeda-Rodríguez, 2025).

In spite of the improvement in the sphere of tax administration and fiscal legislation in Colombia, the country faces several structural impediments to the formation of tax culture. The barriers to developing tax culture in Colombia include such factors as tax evasion and avoidance, high economic informality, low institutional trust, inefficiency of public spending, and inadequate tax education. Many taxpayers do not understand the connection between taxes and better public services. Therefore, taxes can be seen as a burden imposed on individuals and not as a civic duty. The post-pandemic era has added to the need for an in-depth analysis of tax culture in Colombia. Citizens' perceptions of the state and its fiscal role have been impacted by economic uncertainty, social inequality and shifting public expectations. In the post-pandemic era, a recent study on tax culture in Colombia shows that there is a strong correlation between tax culture and tax compliance, taxpayer awareness of tax obligations, and taxpayer confidence in the tax system (Borja-Barrera & Barragán-Morales, 2025). This indicates that this is not only a technical or administrative issue, but also a cultural, educational and institutional issue.

The purpose of this narrative review is to analyse the tax culture in Colombia, its structural challenges that impact voluntary compliance and to identify strategies that can be used for strengthening tax culture. The relationship between tax culture, tax morale, fiscal citizenship, institutional trust, tax evasion, informality and public ethics are the central themes of the review. It aims to understand the reasons behind the low level of tax culture in Colombia and what institutional, educational and civic measures can be done to achieve more sustainable tax compliance.

This paper consists of sections of major themes. First, it introduces the theoretical aspects of the tax culture, its connection with tax morale, fiscal citizenship and voluntary compliance. Second, it reviews theoretical approaches which can be used to understand taxpayer behaviour such as rational choice, fiscal

psychology, social exchange, institutional legitimacy, and civic ethics. Thirdly, it reviews the structural issues that impact tax culture in Colombia, including: institutional instability, informality, tax evasion, inequality, fiscal injustice, tax complexity and tax education. Fourth, it examines the social and institutional factors related to tax culture, including citizens' perception, public expenditure, tax administration, social norms, and civic formation. Finally, the paper presents some recommendations to boost tax culture in Colombia and reflects on their policy, governance and research implications.

## 2. Conceptual Foundations of Tax Culture

### 2.1 Definition of Tax Culture

Tax culture is the values, beliefs, attitudes, perceptions and social practices that citizens have in relation to their tax responsibilities. It doesn't only concern the technical know-how of tax regulations or the legal obligation to pay taxes. Instead, it refers to the social significance which people and societies give to tax. In this regard, tax culture is a

phenomenon that captures the attitude of taxpayers towards the tax and the legitimacy of the state, as well as to the common good that can be achieved through public funds. A tax culture is a society where people accept taxation as a legitimate way to pay for public services, mitigate inequity and maintain democratic society.

Tax culture in the Colombian context can be considered as a civic and institutional phenomenon. It is not just about the knowledge of the taxpayer's responsibilities, but also about the perception of fairness, transparency and social benefit of the tax system. If taxation is seen as a forced removal from the citizen by the government, resistance, distrust, and/or indifference to compliance can build up. But, if taxation is viewed as a contribution to the common good, it is a part of a culture of civic responsibility. To better illustrate the multidimensionality of tax culture in the Colombian context, the main conceptual dimensions that influence citizens' attitudes and behaviours with respect to taxation are shown in Figure 1.



**Figure 1.** Dimensions of Tax Culture in Colombia

Tax culture is not just knowledge of tax obligations, but also affective, normative, behavioural, institutional and structural dimensions that all affect voluntary compliance, as illustrated in Figure 1.

### 2.2 Tax Culture and Tax Morale

Tax culture is related to tax morale but is not the same. Tax morale broadly can be defined as the inner drive, or moral inclination, that people have to fulfill their tax duties. It is about the moral and

psychological motives which lead taxpayers to pay their taxes even if they know that the chances of being caught and punished are small. Tax culture is wider as it encompasses both individual motivation and social norms, institutional trust, civic education, historical experience and public perceptions of the tax system.

A recent worldwide review puts tax morale in a cultural perspective of economics, revealing that tax behaviour is not only the result of enforcement but

also of values, institutions, and collective perceptions (Fonseca Corona, 2024). This is relevant to Colombia as there are a number of factors that influence the behaviour of taxpayers that go beyond sanctions and audits. Citizens' willingness to comply is also influenced by their sense of fairness, the extent to which the public benefits are visible, their trust in public institutions and how tax payment is socially valued.

### **2.3 Tax Culture and Fiscal Citizenship**

The concept of fiscal citizenship is based on the idea that taxation is an element of the citizen-state relationship. It emphasizes the importance of citizens as more than just taxpayers, but rather as active players in the development and management of public affairs. In this regard, taxation is associated with the notions of rights, responsibilities, accountability, and democracy. Furthermore, citizens have the right to expect transparency, effectiveness, and fairness from the way resources paid to the government are used.

In the case of Colombia, the idea of fiscal citizenship is particularly relevant as a response to the lack of trust in institutions and allegations of misuse of public resources. Taxing culture believes that citizens realize that taxes do not only represent a financial obligation but also a commitment to funding education, health care, infrastructure, security, and social welfare services in the society. At the same time, it is expected that the budget will be run responsibly. Thus, fiscal citizenship may be described as a relationship involving reciprocity between citizens and the institutions, which takes place by creating public value and accountability.

### **2.4 Tax Culture and Voluntary Compliance**

The achievement of a strong tax culture leads to voluntary compliance, which refers to the observance of the taxes through the satisfaction of obligations without the use of forceful actions. Although penalties and audits are important, they are not enough to guarantee compliance. It is essential to take into account the perception that the taxpayers have about the legitimacy of the tax system, as well as the fulfillment of the obligations of others and that the money collected will be used for the benefit of all people.

In Colombia, it would not be enough to carry out administrative modernization in order to achieve voluntary compliance. It is important to create an environment where paying taxes will be seen as the norm. This means that there must be better tax education for the citizens, simplification of processes, transparency, and more confidence in the

government. By developing such a culture, tax evasion is discouraged while citizens gain a positive view of the practice of taxation as an act of citizenship. Thus, tax culture makes it possible to understand and follow tax compliance as a social norm.

## **3. Theoretical Perspectives Supporting the Review**

### **3.1 Rational Choice Theory**

Rational choice theory is one of the oldest theories to attempt to explain tax compliance behaviour. From this angle, taxpayers are regarded as rational beings who weigh the benefits of evasion against the potential penalties for being caught and punished. A taxpayer can make the decision to comply when the threat of audit, financial penalty or legal sanction is more than the benefit he or she can receive from not complying. This is helpful since it provides an understanding of the importance of enforcement mechanisms, audits, penalties and administrative controls in tax systems. However, rational choice theory does not suffice to account for tax culture since many taxpayers obey tax regulations even when no sanctions are in place, and many others evade even when sanctions are in place. Thus compliance is not solely a matter of calculation of costs and benefits, but also a matter of moral, social and institutional factors. (Alm, 2019) highlights that compliance with tax obligations has a wide range of motivations, such as enforcement, norms, trust and perceptions of fairness.

### **3.2 Fiscal Psychology Perspective**

Fiscal psychology approach takes the analysis of taxpayer behaviour to the psychological and behavioural level. It takes into account the impact of emotions, attitudes, risk perception, trust, cultural orientation, satisfaction and moral obligation on compliance. From this perspective the law does not only impact taxpayers, but also the taxpayers' attitude towards the state, the tax authority, and the overall social landscape. Taxpayers may be less willing to pay if they perceive that they are being treated unfairly or others are not paying their fair share. On the other hand, tax morale can be enhanced by trust in government and positive cultural attitudes to collective responsibility. As (Ciziceno & Pizzuto, 2022) demonstrate, tax morale is strongly correlated with trust in government and cultural orientation, suggesting that tax behaviour is related to psychological and social perceptions.

### **3.3 Social Exchange Theory**

According to the social exchange theory, the

compliance with the tax is part of a reciprocity between citizens and the state. Taxpayers are more willing to pay taxes if they feel that they are getting something in return, such as useful public goods and services, from the state. In this perspective, paying taxes is not only a legal obligation, but an agreement: the state's taxpayers contribute resources and the state is expected to provide education, health care, infrastructure, security and social protection. Citizens' perceptions of the balance of exchange are undermined when they feel public resources are being misused or that services are poor. This can lead to a lower level of voluntary compliance and a higher level of tolerance towards evasion. The evidence from the developing country context, indicates that the voluntary compliance is affected by government trust; tax fairness; taxpayer knowledge; and awareness of obligations (Mebratu, 2024). This view is especially pertinent in Colombia, where it is important to make the link between taxes and public benefit more transparent to foster tax culture.

### 3.4 Institutional Legitimacy Theory

The institutional legitimacy theory highlights the importance of the perception of fairness, transparency, competence and respect of taxpayers towards tax institutions in terms of willingness to comply. Citizens are more likely to comply with tax authorities when they feel that the authorities are treating them with dignity, using clear information, applying rules consistently and acting in a procedural just manner. Conversely, where institutions are perceived as corrupt, arbitrary, inefficient or remote from citizens, compliance is less and enforcement is more challenging. This theory is relevant to the analysis of Colombian tax culture as institutional trust is a key precondition for voluntary tax compliance. (Gangl et al., 2015) believe that the power and trust between tax authorities and taxpayers influence the relationship between them;

power is a factor that helps enforcement, while trust is a factor that helps cooperation. Thus, the tax culture gets better if the institutions have a good control and interaction with the taxpayers is service-oriented and transparent.

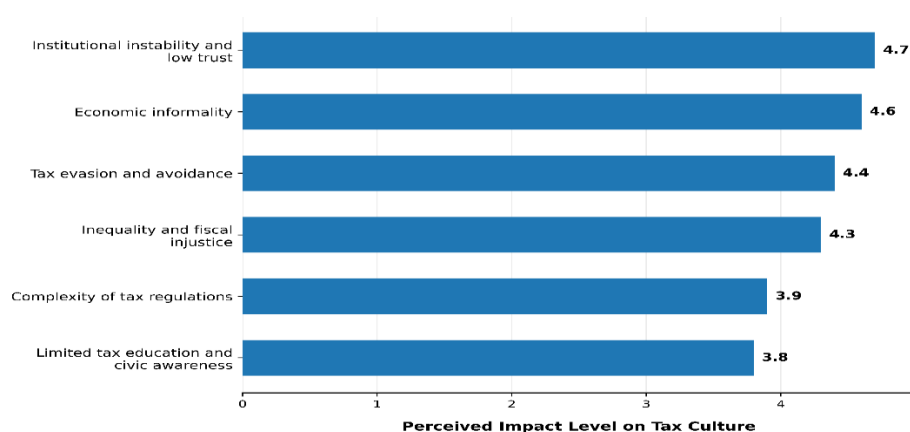
### 3.5 Civic Ethics Perspective

In light of civic ethics, taxation is perceived as a moral duty. Taxation becomes an ethical contribution to society, not simply a personal expense, hence making taxation a part of contributing to societal wellbeing. In this view, the notion of tax culture involves solidarity, citizenship, institutional respect, and social welfare. In this case, the State must fulfill certain obligations to make sure that citizens develop civic ethics: transparency in governmental actions and the linkage between taxes and social benefits will foster citizens' desire to take their tax obligations seriously. From this point of view, civic ethics are especially important in Colombia because tax culture depends on citizen compliance and trust in institutions. Thus, the civic-ethical approach is particularly useful alongside economic and psychological approaches to understanding the issue of taxation.

## 4. Structural Challenges of Tax Culture in Colombia

### 4.1 Historical and Institutional Instability

A long tradition of fiscal reforms, institutional uncertainty and differential public trust have influenced tax culture in Colombia. Often changing taxes can lead to confusion amongst the taxpayers and can undermine the sense of stability, predictability and fairness of the tax system. Low levels of compliance may result if citizens perceive the tax system as constantly changing, technically complicated, or politically responsive. The main structural challenges that impact tax culture in Colombia can be summarised in institutional, economic, social, regulatory and educational aspects as shown in Figure 2.



**Figure 2.** Structural Challenges Affecting Tax Culture in Colombia

The combination of institutional instability, economic informality, tax evasion, perceived fiscal injustice, tax complexity and limited tax education is a combination that acts as a barrier to a better tax culture in Colombia, as illustrated in Figure 2. The instability of the institutions also influences the culture of the tax as citizens' willingness to pay taxes is closely linked to trust in the state. Taxpayers may feel that public institutions are inefficient, inconsistent or that they do not get the benefits of their taxes in the public arena, and this may lead to a feeling of taxation as an imposed burden instead of a civic duty. The connection between national tax policy and local economic behaviour in Colombia also illustrates how the institutional incentives can affect the evasion patterns. (Saavedra & Romero, 2021) show that the institutional context and economic incentives matter and can elicit unforeseen local reactions to tax changes.

#### **4.2 Economic Informality, Tax Evasion, and Avoidance**

One of the most important structural challenges to improving tax culture in Colombia is informality in the economy. Informality restricts tax base, makes it less visible and makes it normal to conduct economic activity outside the formal regulation. The presence of a significant informal economy and business sector may result in uneven tax compliance, which will further cause resentment on the part of formal tax payers, thereby leading to fiscal irresponsibility. Tax evasion and avoidance only add to this challenge. This is because tax evasion and avoidance do not just amount to breaking the law, but also serve as cultural messages of how one should act. Research on wealth taxation in Colombia indicates that enforcement can boost tax compliance and disclosure, but also that taxpayers can adjust their behavior to fiscal pressure and administrative monitoring (Londoño-Vélez & Ávila-Mahecha, 2021, 2025).

#### **4.3 Inequality, Fiscal Injustice, and Tax Complexity**

Another challenge is that people believe that the Colombian tax system is unfair, complicated, or not redistributive enough. Tax morale and voluntary compliance are usually low if citizens perceive that taxes are not distributed fairly. Fiscal injustice occurs when the average citizen believes that other people, companies, or politically connected people are able to avoid or reduce taxes. This is compounded by the complexity of the tax, with complex tax rules, technical tax procedures and administrative burdens discouraging compliance, especially by individuals and small business. The complexity can also help

those who have access to professional advice to avoid. The evidence of the tax structure in Colombia indicates that tax evasion is not only related to individual behavior, but also to the characteristics of the tax system itself (García Carrillo *et al.*, 2021). More broadly, fairness is a vital aspect of tax morale in developing nations, as citizens' willingness to pay taxes is shaped by their perception of the tax system's fairness and equity (Castañeda, 2024).

#### **4.4 Limited Tax Education and Civic Awareness**

The second barrier to tax culture development in Colombia is associated with low levels of tax education among the citizens. This means that there is a lack of information among citizens about the social role of taxes, the tax system, and the connection between taxes and public goods. Without this type of information, people will see taxes as just an obligatory duty or penalty for them, rather than an investment in the common welfare of the community. Low levels of civic literacy will make it impossible for citizens to assess government expenditures, hold government officials responsible, and control the tax process. Therefore, tax culture promotion must be accompanied by effective educational programs, which should explain the essence of taxes within the context of citizenship, equality, public services, and democracy. In Colombia, this problem is especially acute because of high rates of tax evasion, large-scale informal sector, mistrust, and social inequality, which means that tax culture cannot be promoted with the help of penalties and institutional changes only.

### **5. Social and Institutional Determinants of Tax Culture in Colombia**

#### **5.1 Citizen Perceptions of the Tax System**

Citizen perception plays a key role in shaping tax culture as taxpayers' attitude towards tax compliance is highly dependent on their assessment of the tax system. In Colombia, perceptions of fairness, transparency, efficiency and institutional credibility help to determine whether citizens consider taxation as a legitimate civic duty or as an imposed financial burden. If taxpayers feel that the system is unfair or too complicated, or that it does not benefit the public, they may be less inclined to comply with it willingly. Conversely, high levels of positive perceptions of tax administration, public accountability and social usefulness can boost tax morale and decrease tolerance of tax evasion. The tax culture in Colombia in the post-pandemic era is analyzed recently, and the perception of taxpayers is found to be closely related to the awareness of obligations, confidence in

the tax system, and compliance behaviour (Borja-Barrera & Barragán-Morales, 2025). Thus, tax culture should not only be ensured through legislation, but also by changing citizens' attitudes to the meaning and importance of taxation.

### 5.2 Public Spending and Fiscal Reciprocity

Fiscal reciprocity is the sense of reciprocity between the taxpayer and the state. Taxation is more acceptable if citizens feel that their taxes are converted into tangible public goods and services. In this context, tax culture is based on the perception of a fair relationship between what they pay in taxes and what they get in return, including education, health care, infrastructure, security and social protection. The lack of fiscal reciprocity in Colombia may be an obstacle to voluntary compliance. Citizens may doubt the legitimacy of their tax responsibilities if they think that public money is wasted, misused, or stolen. This is not to say that taxes should be thought of as a direct purchase of services by the individual, but that there should be a sense of collective return. The more people understand how tax revenues are applied, the more they will feel that taxation is a means of social development and common good.

### 5.3 Role of DIAN and Tax Administration

DIAN constitutes an important actor in the development of a tax culture in Colombia. The leading tax administration agency, DIAN has an impact on tax compliance through its auditing, enforcement, and penalty operations, as well as its service delivery, technology, communication methods, and building of trust. Accessible, transparent, effective, and equitable tax administration promotes voluntary compliance with tax laws. On the other hand, tax compliance may prove difficult among people who view the tax administration system as inaccessible, complicated, inconsistent, and intimidating. A well-balanced tax administration process needs to be applied, which should entail the streamlining of processes, provision of guidelines, development of electronic services, assistance to small taxpayers, and use of proportionate sanctions. The importance of DIAN is emphasized by the fact that many instances of non-compliance result not from tax evasion but rather from lack of understanding.

### 5.4 Social Norms and Collective Attitudes Toward Compliance

Taxation culture is influenced by the social norms and collective attitudes towards it. Compliance with tax

laws takes place in a social setting, rather than being an isolated individual decision, since individuals make their decisions based on the framework of their families, peers, professional organizations, business networks, and other taxpayers' behavior. When non-compliance is seen as socially necessary for survival or as a social trend in informal settings, where citizens feel that "others do not pay," there will be a loss of social responsibility to cooperate, leading to a cycle of distrust. Alternatively, if paying taxes is viewed as an act of civic responsibility and legality that benefits society as a whole, then social norms could be harnessed to encourage compliance. Therefore, to enhance tax culture, a change in collective perception about taxation is needed, where compliance should be seen as a social norm.

### 5.5 Education System and Civic Formation

Education system has long-term responsibilities to develop tax culture. Fiscal awareness should start before people are taxpayers, as attitudes towards public responsibility are developed through early civic education. Schools, universities and professional training institutions can play a role in educating citizens about the existence of taxes, the role of taxes in providing public goods, citizens' rights and responsibilities as taxpayers, and how citizens can hold the government accountable for spending. Low levels of tax education in Colombia are a factor of low civic awareness of fiscal responsibility. Taxation is rarely experienced by many citizens other than in a legal or administrative situation. Incorporating tax education into civic education, entrepreneurship education, accounting education, and public education and awareness activities can enhance the connection between taxation, democracy, equity, and social welfare. In this manner, civic formation can be a preventative measure in evasion and can facilitate and enhance voluntary compliance over time.

## 6. Strategies for Strengthening Tax Culture in Colombia

### 6.1 Tax Education, Fiscal Citizenship, and Civic Responsibility

It is necessary to implement a long-term educational plan in Colombia to build tax culture, associating taxation with citizenship, public welfare and democratic responsibility. Tax education should not just be about the technical aspects of obligations, forms or penalties. The document should clearly indicate the rationale for taxing, allocation of public resources, and involvement of the citizens in oversight processes. These types of guidelines can be

introduced right from the elementary level to university level, including business schools and professional schools. Considering the problems

mentioned above in the previous paragraphs, Figure 3 shows an example of a model to improve tax culture in Colombia.



**Figure 3.** Strategies for Strengthening Tax Culture in Colombia

The following elements, namely education, simplification, transparency, and the delivery of services for taxpayers, along with public communication and involvement of citizens in tax matters, represent some of the aspects of developing a tax culture, as illustrated in Figure 3 below. The combination of these aspects brings about increased voluntary compliance and sustainability of the fiscal system. If there is a feeling of fiscal responsibility among citizens, this could prompt them to realize that paying taxes would be an activity designed to bring benefits to society in general, and not just fulfill one's legal requirements.

### 6.2 Tax Simplification, Institutional Transparency, and Accountability

The second strategy focuses on simplifying taxes and making them more transparent within the context of public institutions. The tax system is complex, not transparent, and requires many conditions to be fulfilled for proper compliance, especially by individual taxpayers, informal entities, and small businesses. Simplifying taxes may improve voluntary compliance and minimize the chances of making mistakes when complying with tax laws. At the same time, transparency and accountability are vital aspects of tax simplification. Greater transparency in relation to the use of tax money to benefit the citizens is associated with increased compliance. Budgetary reports and anti-corruption activities along with the processes of auditing and addressing potential misallocation or misuse of the funds could increase institutional trust. Sustainable strategies for tax compliance (Dom et al., 2022) include building institutional credibility and trust as crucial elements.

### 6.3 Taxpayer Services, Public Communication, and Citizen Participation

Taxpayer service and communication play an important role in developing a tax culture. The government departments such as DIAN need to provide user-friendly online platforms and convey tax information in simple language. It is essential for them to provide their services even to those taxpayers who lack the knowledge of technology. Citizens need to communicate the importance of taxes, which fund education, health care, infrastructure, security, and other social projects. In addition, citizen involvement will ensure more transparency in government spending.

## 7. Discussion

### 7.1 Tax Culture as a Social and Institutional Construction

According to this review, the concept of tax culture needs to be approached differently in the Colombian context as it should not only be regarded as legal compliance. Tax laws, sanctions, audits, and administrative practices cannot be viewed as the only factors that define tax compliance. Such elements as citizens' sense of justice, institutional credibility, public spending, social norms, and civic responsibility matter as well. In other words, tax culture comes into being because of the interaction of citizens and the state. If citizens believe that the tax burden leads to communal well-being and benefit for everyone, tax compliance becomes easier. On the contrary, when the tax system appears to be complicated, unfair, corrupt, or when money is poorly spent, citizens can fail to voluntarily comply with the law. In the Colombian case, such features as informality, tax evasion, institutional mistrust, and

lack of civic education prevent tax culture from flourishing. As shown above, tax culture improvement does not merely mean higher compliance on the part of citizens. In addition, it implies that institutions should be open, just, and trustworthy. As revealed by the Colombian tax culture, tax evasion and tax avoidance are not exclusively individual actions as they are largely affected by citizens' perception of tax legitimacy and usefulness (Barrera & Cortés, 2023). Therefore, it is crucial to develop tax culture as a joint effort of citizens, tax administrators, public institutions, and the education sector.

### **7.2 Voluntary Compliance, Fairness, and Legitimacy**

The perception of fairness and legitimacy of the tax system is a key determinant of voluntary compliance. When taxpayers believe that others are playing their part, taxes are fairly apportioned, and public institutions are spending tax money wisely, they are more likely to do their part. However, a sense of fiscal injustice can undermine tax morale and make tax evasion more acceptable. This is relevant to Colombia as inequality, informality and lack of trust in public institutions can lead to the impression that all social and economic groups are not subject to the same compliance requirements.

Existing studies on tax morale reveal a link between values, cultural expectations and perceptions of institutional fairness and compliance. Tax morale is not just a psychological trait of the individual, but also a result of the social and institutional context of taxpayers' actions (Fonseca Corona, 2024). Likewise, fairness plays a crucial role in the analysis of tax behaviour in developing countries as citizens' tax behaviour depends on their perception of the equity of the tax system (Castañeda, 2024). In Colombia, that means that there is a need for more than penalties to improve compliance. It means making the tax system more legitimate by having more transparent public benefits, transparent spending, fair enforcement and clear rules.

The quality of interaction between tax authorities and taxpayers is also a factor in the institutional legitimacy. Taxpayers will comply if they feel that tax administration is fair, intimidating or hard to navigate, or will find ways to avoid compliance. But tax authorities can foster cooperation when they are enforcers, providers of service, and courteous. The dynamic between power and trust is thus key: enforcement can give control, but trust can help to ensure voluntary and sustained compliance (Gangl et al., 2015).

### **7.3 Policy and Practical Implications for Strengthening Tax Culture**

There are several important implications from the results of this literature review that need to be considered. The first implication is that tax education should be viewed as a prolonged process of building a responsible citizenry. While it is important for citizens to understand the necessity of paying taxes, it is equally important for them to understand the importance of taxation for social development and providing public services. As a result, tax education needs to take place in different settings, such as schools, universities, professional courses, etc.

Secondly, there is a need for the simplification of tax to narrow the tax gap between the taxpayer and the tax system. Compliance can be discouraged by complex procedures and technical language, especially for small taxpayers, and those in the informal economy. Clear rules and guidance for taxpayers, simplified procedures and easy-to-use digital tools can help minimize unintentional non-compliance and enhance citizens' engagement with the tax administration.

Thirdly, transparency and accountability of the institutions need to be improved. Transparency of public resource use increases citizens' support for taxation. Fiscal reciprocity can be enhanced through public reporting, participatory monitoring, anti-corruption mechanisms, and public linkages between tax revenues and public services. In this regard, the reform should not be limited to the collection of revenues, but also on the reconstruction of the trust between citizens and institutions. Enforcement, facilitation, political awareness and trust-building are essential to tax compliance reforms, which are more likely to be sustainable when they involve all four of these elements (Dom et al., 2022).

Fourth, the tax administration of Colombia should continue to enhance the services to taxpayers. Collecting and auditing are not the only roles of DIAN, but also to educate, guide and communicate. A service-oriented tax administration can contribute to a change in the attitude of taxpayers from defensive compliance to cooperative compliance.

### **7.4 Research Gaps and Future Directions**

The literature is significant but has a number of research gaps. Firstly, there is a need for more empirical studies on regional variations of the tax culture in Colombia. Despite the fact that Colombia is a country with significant regional differences in social, economic and institutional conditions, many of the conversations about tax culture consider

Colombia as a country with a single case. Future research is needed that will look at the variation in tax attitudes between urban and rural, formal and informal, business sectors, income groups and regions with varying levels of institutional presence. Secondly, there is a need for further research on tax culture in the post pandemic era. Recent studies have started to explore the post-pandemic perceptions of tax culture in Colombia, revealing that taxpayer perceptions are associated with awareness and trust and compliance behaviours (Borja-Barrera & Barragán-Morales, 2025). More research is still required though, to gain insight into the impact of economic uncertainty, digital administration of taxes, and shifting expectations of the state on tax morale. Thirdly, further studies should be conducted on the effect of tax education programs in Colombia. Tax education is often suggested as a means of action, but little is known about the effectiveness of different educational approaches, the target groups to focus on, and the impact of learning on compliance behaviour.

Finally, future research should look at the relation between the digitalisation and trust and voluntary compliance. Digital tax tools help ease processes and provides transparency, but also can create difficulties for individuals who don't have access to tools or technical skills. Therefore, future research should examine the possibility of reinforcing tax culture equally for all the social groups through digitalisation. In general, the research agenda should shift from a general discussion of tax evasion towards a more specific discussion about the social,

institutional and educational bases of tax culture in Colombia.

## 8. Conclusion

Tax culture in Colombia is a key element of the fiscal sustainability, institutional legitimacy and democratic responsibility. This narrative review has demonstrated that legal enforcement or administrative control are not the only factors to explain tax compliance. Instead it is an outcome of a more broadly social, institutional, educational and/or ethical dynamics. Issues related to informality, evasion, avoidance, complexity, fiscal inequality, perception of fiscal injustices and a lack of trust in fiscal institutions continue to impact on voluntary compliance and citizen identification with the tax system. The review also stresses the importance of taking into account tax culture as a responsibility of the citizens and the state. In this regard, it is essential to develop civic awareness and financial literacy in the citizens in order for taxation to be seen as an act of contributing to the greater good. At the same time, there should be a focus on improving the openness, efficiency, and accountability of the public sector in serving taxpayers along with increasing the transparency in terms of how taxes are being spent. In this regard, the development of a tax culture goes beyond the idea of penalties and requires a comprehensive process based on trust, equity, simplicity, education, and participation. Overall, fostering a tax culture in Colombia can help to build a fiscal culture in the country.

## References

1. Alm, J. (2019). What Motivates Tax Compliance? *Journal of Economic Surveys*, 33(2), 353–388. <https://doi.org/10.1111/joes.12272>
2. Barrera, M. B., & Cortés, L. D. G. (2023). Culture of tax contribution in Colombia: A tool against evasion and avoidance. *Pensamiento Americano*, 16(32), e-696. <https://doi.org/10.21803/penamer.16.32.696>
3. Borja-Barrera, M., & Barragán-Morales, C. (2025). Perception analysis of tax culture in Colombia during the post-pandemic period. *Dictamen Libre*, (36), 181. <https://doi.org/10.18041/2619-4244/dl.36.12328>
4. Castañeda, N. (2024). Fairness and Tax Morale in Developing Countries. *Studies in Comparative International Development*, 59(1), 113–137. <https://doi.org/10.1007/s12116-023-09394-z>
5. Castañeda-Rodríguez, V. M. (2025). Association between tax morale and the perceptions around tax compliance: An empirical study for Latin America. *International Review of Economics*, 72(2), 16. <https://doi.org/10.1007/s12232-025-00487-w>
6. Ciziceno, M., & Pizzuto, P. (2022). Life satisfaction and tax morale: The role of trust in government and cultural orientation. *Journal of Behavioral and Experimental Economics*, 97, 101824. <https://doi.org/10.1016/j.socec.2021.101824>
7. Dom, R., Custers, A., Davenport, S., & Prichard, W. (2022). *Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform*. World Bank Publications.
8. Fonseca Corona, F. J. (2024). Tax morale: A global scoping review from the cultural approach to economics. *International Review of Economics*, 71(2), 343–365. <https://doi.org/10.1007/s12232-024-00446-x>
9. Gangl, K., Hofmann, E., & Kirchler, E. (2015). Tax authorities' interaction with taxpayers: A conception of

- compliance in social dilemmas by power and trust. *New Ideas in Psychology*, 37, 13–23. <https://doi.org/10.1016/j.newideapsych.2014.12.001>
10. García Carrillo, J. F., Parra Jiménez, O. D., & Rueda Céspedes, F. (2021). *Features of Tax Structure and Tax Evasion in Colombia* (SSRN Scholarly Paper No. 3874257). Social Science Research Network. <https://papers.ssrn.com/abstract=3874257>
  11. Londoño-Vélez, J., & Ávila-Mahecha, J. (2021). Enforcing Wealth Taxes in the Developing World: Quasi-experimental Evidence from Colombia. *American Economic Review: Insights*, 3(2), 131–148. <https://doi.org/10.1257/aeri.20200319>
  12. Londoño-Vélez, J., & Ávila-Mahecha, J. (2025). Behavioural Responses to Wealth Taxation: Evidence from Colombia. *The Review of Economic Studies*, 92(4), 2624–2655. <https://doi.org/10.1093/restud/rdae076>
  13. Mebratu, A. A. (2024). Theoretical foundations of voluntary tax compliance: Evidence from a developing country. *Humanities and Social Sciences Communications*, 11(1), 443. <https://doi.org/10.1057/s41599-024-02903-y>
  14. Saavedra, S., & Romero, M. (2021). Local incentives and national tax evasion: The response of illegal mining to a tax reform in Colombia. *European Economic Review*, 138, 103843. <https://doi.org/10.1016/j.euroecorev.2021.103843>