Reviewer pada Jurnal Internasional Bereputasi

Profil

IRANIAN JOURNAL OF MANAGEMENT STUDIES

Manuscript ID: IJMS-202010-674252

Title : "Modeling of Real Estate Income Tax: System Dynamics Approach"

Date

(Assignment): 2020-12-16

ISSN/eISSN: 2008-7055/2345-3745

Publisher : UNIV TEHRAN, ENGHELAB AVE, PO BOX 13145-478, TEHRAN, IRAN

URL:

Journal Website : https://ijms.ut.ac.ir/
Publisher Website : https://www.ut.ac.ir/en

Editorial Board : https://ijms.ut.ac.ir/journal/editorial.board

Indexed:

1. WoS-ESCI: https://mjl.clarivate.com:/search-results?issn=2008-7055&hide_exact_match_fl=true&utm_source=mjl&utm_medium=share-by-link&utm_campaign=journal-profile-share-this-journal

2. Scopus (Evaluation): Review complete (Accepted: 26-Sep-2020) https://suggestor.step.scopus.com/progressTracker/?trackingID=3C14091F4BE29AD1

Cirebon, 16 Desember 2020 Reviewer,

Aan Jaelani



University of Tehran, College of Farabi

Iranian Journal of Management Studies Certificate of Reviewing

Awarded to: Dr. Aan Jaelani

For participating as reviewer of manuscript Modeling of Real Estate Income Tax: System Dynamics

Approach in the peer review process for Iranian Journal of Management Studies.

Review Date: 2020-12-16

Kayhan Tajeddini

Editor-in-Chief of Iranian Journal of Management Studies





aanjaelani <iainanjal@gmail.com>

Assign Manuscript to Reviewer (#IJMS-202010-674252)

1 pesan

Iranian Journal of Management Studies <iijms@ut.ac.ir>

21 November 2020 19.05

Balas Ke: maftab@comsats.edu.pk

Kepada: iainanjal@gmail.com, aan jaelani@syekhnurjati.ac.id

Manuscript ID: IJMS-202010-674252

Manuscript Title: Modeling of Real Estate Income Tax: System Dynamics Approach

Date: 2020-10-19

Dear Dr. Aan Jaelani

I cordially invite you to review the manuscript which has been submitted to the Iranian Journal of Management Studies.

The abstract appears at the end of this letter. Please let me know as soon as possible if you will be able to accept my invitation to review BY CLICKING ON ONE OF THE OPTIONS AT THE END OF THIS LETTER -- AGREED, DECLINED. Please click the appropriate link at the bottom of the page to automatically register your reply with our online manuscript submission and review system.

Please review this manuscript to 2021-01-20.

The present study was conducted aiming to design a model for realization of real estate income tax in Tabriz city with due attention to the procedure of tax collection. For the complexity of the issue system dynamics was selected as the appropriate methodology for modeling. According to the mentioned methodology at first the boundary of the model was investigated. At this stage the key variables were identified including "tax payment", "real estate", "tax evasion", "investment motivation", "economic rent and speculation in properties", and "advertisement for tax collection". At the second stage the interaction among research variables dynamic hypothesis of the study was illustrated using subsystem, casual- loop diagrams and stock- flow map. At the third stage benefiting from related literature and expertise opinion, causality relations were defined in the form of mathematical functions and the model was simulated in Vensim software. After testing the model, applicable scenarios were assessed. The results showed that informing related affairs to tax returns had great effect on paid tax by taxable entities. Tax transparency at the face of taxpayers contributed to reduction in economic rent and tax evasion.



aanjaelani <iainanjal@gmail.com>

Reviewer Agreed to Review Manuscript (#IJMS-202010-674252)

1 pesan

Iranian Journal of Management Studies <iijms@ut.ac.ir>

21 November 2020 19.50

Balas Ke: maftab@comsats.edu.pk

Kepada: iainanjal@gmail.com, aan_jaelani@syekhnurjati.ac.id

Manuscript ID: IJMS-202010-674252

Manuscript Title: Modeling of Real Estate Income Tax: System Dynamics Approach

Dear Dr. Aan Jaelani

Thank you for agreeing to review the above-mentioned manuscript for the . Please kindly complete your review within the next 2 weeks time.

In the review page, there is a space for "Comments to Author" and a space for "Comments to the Editor." Please be sure to put your comments to the author specifically in the appropriate space.

To access the manuscript, login to the site at https://ijms.ut.ac.ir/

For direct access to the paper please follow this link:

https://ijms.ut.ac.ir/reviewer?_ad=CEUNwXE_EaD5GloJ1rXC3yn6hxPROaggGic9pIBvL37FuY6g2ut89VBDz7Kj9yBk

Once you logged in, the Main Menu will be displayed. Please click on the Reviewer Center, where you will find the manuscript listed under "Pending Assignments." You can click on the manuscript title from this point or you can click on the "View Details" button to begin reviewing the manuscript.

All communications regarding this manuscript are privileged. Any conflict of interest, suspicion of duplicate publication, fabrication of data or plagiarism must immediately be reported to us.

Thank you for evaluating this manuscript.

Truly yours,

Editorial Office of Iranian Journal of Management Studies



aanjaelani <iainanjal@gmail.com>

Manuscript was Reviewed by Reviewer (#IJMS-202010-674252)

1 pesan

Iranian Journal of Management Studies <ijms@ut.ac.ir>

16 Desember 2020 23.20

Balas Ke: maftab@comsats.edu.pk

Kepada: iainanjal@gmail.com, aan_jaelani@syekhnurjati.ac.id

Manuscript ID: IJMS-202010-674252

Manuscript Title: Modeling of Real Estate Income Tax: System Dynamics Approach

Dear Dr. Aan Jaelani

Thank you for reviewing the above-mentioned manuscript for the "Iranian Journal of Management Studies".

On behalf of the Editor, we appreciate the contribution that each reviewer gives to the Journal.

We thank you for your participation in the online review process and hope that we may call upon you again to review our future manuscripts.

Please do not hesitate to contact us if I can be of any assistance.

Editorial Office of Iranian Journal of Management Studies

Manuscript Title	Modeling of Real Estate Income Tax: System Dynamics Approach				
Manuscript ID	IJMS-202010-674252				
Reviewer Name	Jaelani, Aan	Email Address	iainanjal@gmail.com		
Position	Associate Professor , Degree: Ph.D.	Phone: +62231- 481264	Mobile: +6282119293321		
Specialty	Economy	Specific Field of Study	Islamic Economic, Public Finance, Tourism Industry, Islamic Finance & Banking, Islamic Business & Management		
Affiliation	IAIN Syekh Nurjati Cirebon (State Islamic Institute Syekh Nurjati Cirebon) Jl. Perjuangan By Pass Sunyaragi				
Assign Date	2020-11-21 15:35:39	Review Due Date	2021-01-20		
Agree/Decline	Agree	Agree/Decline Date	2020-11-21 16:20:26		
Reviewer Recommendation	Minor Revision	Review Date	2020-12-16 19:50:03		

Editor Comment for Reviewer

Reviewer Comment For Editor/Editor-in-Chief

This article fulfills the scope and objectives of a journal that presents a model of real estate income tax with the system dynamics approach and contributes to the development of management science. Some sections require improvements to language and grammar, reference writing, additional relevant and current literature, discussion of research findings that require in-depth analysis, and conclusions that reaffirm the research problem. This article can be published in this journal after the author corrects it according to the notes on the review results.

Reviewer Comment For Author

This article presents good modeling of real estate income tax with the system dynamics approach. Authors need to add relevant and up-to-date literature on the topic under

study to support the introduction, literature review, and discussion on the research results. The research findings have been well presented, but in the discussion section, it needs to be supported by adequate literature. Conclusions must be reaffirmed which focuses on the problem under study. Conclusions, research limitations, and future research are written in a separate section with a "discussion" section. Some errors in language and grammar must be corrected according to scientific standards and reference writing must pay attention to the writing instructions in this journal.

Related Files

- 1 Review_results_Des_2020.pdf &
- 2 IJMS-202010-674252-1-2.pdf 🕹

N	lanı	script	Eval i	ıation	Form
ı٧	ιαιιι	ISCHIDL	\perp valu	Jauon	1 01111

1. In general, how do you see the merits of this manuscript to be eligible for publication in IJMS

This manuscript provides gaps in the literature on the modeling of real estate income tax using a dynamic approach. This approach is more widely used by writers regarding decision making in an economic, management, and business policy. In this case, this article describes the modeling of real estate income tax as part of making decisions about taxes; an important discussion in accordance with the scope of this journal.

2. Does the paper make significant contribution to management science 10

Yes 2 ○ Partly 1 ○ No ○ Not applicable

This article is able to explain in a straightforward manner modeling of real estate income tax with a dynamic approach that is sufficient to contribute to the development of management science. The author has described in detail each stage, although a literature review on this theme still requires in-depth analysis with the latest literature.

3. Is the Language of the manuscript clear and grammatically free of typographical errors

○ Yes 2 ○ Partly 1 ○ No ○ Not applicable

This article is described quite well by the author in a language that can be understood, although there are still many mistakes in the use of the language, including words and terms, and grammar (see notes on the text that have been given in red).

4. Does the title of the manuscript reflect the research

Yes 2 ○ Partly 1 ○ No ○ Not applicable The title of this article reflects a research result with a clear methodology and procedural steps according to research standards.
5. Does the summary of the manuscript meet the submission guidelines
 Yes 2 ○ Partly 1 ○ No ○ Not applicable This manuscript meets the standards according to the guidelines of the journal.
6. Does the "introduction" of manuscript include references relevant to the topic of the study
Yes 2 Partly 1 No Not applicable The introduction to this article has limitations in the literature (only 6 references are cited), so it requires additional references that are up to date according to the research topics discussed. Some references are quite old, such as (Diamond & Saez, 2011), (Mcclucksey, 2007). This results in a lack of academic debate required data support, and the unclear position of this article compared to articles by other authors (filling in literature gaps, analyzing literature gaps, or providing new conceptual formulations on this topic).
7. Does the manuscript provide adequate and up-to- date references
Yes 2 Partly 1 No Not applicable This article is inadequate from a reference point of view and requires additional references that are current. There are several references cited in manuscripts that are not listed in the reference list, such as Dadkhah et.al (2014), (Kay & King, 1990), and (Collins & Jones, 2009). Likewise, it is on the reference list but not written in the manuscript, such as Bogataj, D., Mc Donnell., & D.R., Bogataj, M. (2016), and Howton, Shelly, & Howton, Shawn. (2006). Other references need clarification, such as George (1890 or 1879); Oberholzer and Walker (2008) or Oberholzer, de Kock, and Walker (2008); Tajani (2017) or Tajani, et.al (2017); Dhaliwal and et.al or Dhaliwal, et. al (2017). See that section of the manuscript marked with a red line.
8. Is research question of the study clear and understandable
Yes 2 Partly 1 No Not applicable The research question has not been written clearly, although, in the final paragraph (introduction), the author makes a statement about the main problem in this study.
9. Does the rationale of the study clear explained using relevant literature

Yes 2 Partly 1 No Not applicable In the final paragraph of the introduction, the author has clearly stated the reasons for this research, "there is no system dynamics modeling study regarding real estate income tax". The author only cites Dadkhah et.al (2014), but the references section of these authors is not written. Therefore, affirming the reasons for the study requires additional relevant and up-to-date literature.
10. Is the "aim" of the manuscript clear and understandable
Yes 2 ○ Partly 1 ○ No ○ Not applicable The author has affirmed the purpose of this article and is well understood by the end of the introduction, "this study investigates the role of real estate income tax in economic prosperity".
11. Is the methodology chosen suitable to the nature of the topic studied
Yes 2 Partly 1 No Not applicable The methodology in this study is appropriate for discussing decision making and policies regarding "real estate income tax" with a model that uses a dynamic approach system. This methodology is also reinforced by the literature from Sterman (2000) on the five steps for modeling real estate income tax.
12. Is the methodology of the research described clearly
12. Is the methodology of the research described clearly Yes 2 Partly 1 No Not applicable The author is quite good at presenting the steps in this study with a systematic procedure for compiling a model of real estate income tax.
 Yes 2 ○ Partly 1 ○ No ○ Not applicable The author is quite good at presenting the steps in this study with a systematic
Yes 2 Partly 1 No Not applicable The author is quite good at presenting the steps in this study with a systematic procedure for compiling a model of real estate income tax. 13. Is there adequate information about the data collection tools used? (only
Yes 2 Partly 1 No Not applicable The author is quite good at presenting the steps in this study with a systematic procedure for compiling a model of real estate income tax. 13. Is there adequate information about the data collection tools used? (only for empirical studies) Yes 2 Partly 1 No Not applicable The data collection tool used is adequate by referring to the methodology used by Sterman (2000) regarding the 5 steps for modeling real estate income tax (Figure 1). The author is sufficiently detailed to describe each of these steps to explain the source of documentary information and data from the Tax Affairs Administration of

Yes 2 ○ Partly 1 ○ No ○ Not applicable The validity and reliability of data collection tools are clearly described in the fourth and fifth stages. Validity was performed by examining the simulation model for structural validity, and reliability was performed using the Boundary Conditions Testing and Behavioral Reproduction Test.				
15. Are the data collection tools suitable for the methodology of the study? (only for empirical studies)				
Yes 2 ○ Partly 1 ○ No ○ Not applicable The data collection tools have been clearly described and are in accordance with the methodology used, namely Sterman (2000) 's description of the five steps for modeling real estate income tax.				
16. Are the findings presented clearly using tables, figures and graphs appropriately?				
Yes 2 ○ Partly 1 ○ No ○ Not applicable The research findings are clearly described and supported by appropriate tables and figures so that there is a unity of results from this research.				
17. Are the findings discussed adequately considering the research question(s), sub-question(s) or hypothesis?				
Yes 2 Partly 1 No Not applicable This article has described the research findings in a procedural, detailed, and consistent manner according to research questions and hypotheses, ranging from problem frameworks, hypotheses (subsystem diagrams and model's boundary tables, causal-loop diagrams, stock-flow maps), formulization, testing the model. (behavioral reproduction test, error calculation test, boundary conditions, sensitivity analysis), and assessing policies and scenarios.				
18. Does the "discussion" section of the manuscript adequately relate to the current and relevant literature?				
Yes 2 Partly 1 No Not applicable In this "discussion" section, the author is not in-depth and argumentative in discussing research findings due to limited references, such as Abdollahi (2005) and Alikhanzadeh (2002). This discussion will be of higher quality if it is supported theoretically by relevant and up-to-date literature that discusses this topic.				
19 Does the conclusion section of the manuscript restate the issues in the discussion section?				

Yes 2 Partly 1 No Not applicable The conclusion of this article requires reaffirmation by focusing on the problem under study and supporting relevant theories. It is advisable to write the conclusions in a separate section, as well as the limitations of this research and future research on the same topic.
20. Does the paper make contribution to science educators, science education students, teachers, and people and institutions that produce products and provide services for educational communities?
Yes 2 Partly 1 No Not applicable This article will contribute to stakeholders, particularly policymakers and decision- makers about real estate income tax. For researchers, the results of this research can be better developed in preparing models on the theme of tax management.
21. Is the each reference in the text suitable to latest version of the Publication Manual of the American Psychological Association (APA) format?
Yes 2 Partly 1 No Not applicable The author re-checks the cited literature and corrects the writing according to the
APA style (see note at no. 7).
APA style (see note at no. 7).

REVIEW

Journal Name: Iranian Journal of Management Studies (IJMS)

Publisher : Univ Tehran, Enghelab Ave, PO BOX 13145-478, Tehran, Iran.

ISSN/eISSN : 2008-7055 / 2345-3745 Manuscript ID: IJMS-202010-674252

Title : "Modeling of Real Estate Income Tax: System Dynamics Approach"

Evaluations:

1. The merits of this manuscript to be eligible for publication in IJMS

This manuscript provides gaps in the literature on the modeling of real estate income tax using a dynamic approach. This approach is more widely used by writers regarding decision making in an economic, management, and business policy. In this case, this article describes the modeling of real estate income tax as part of making decisions about taxes; an important discussion in accordance with the scope of this journal.

2. The paper makes a significant contribution to management science

This article is able to explain in a straightforward manner modeling of real estate income tax with a dynamic approach that is sufficient to contribute to the development of management science. The author has described in detail each stage, although a literature review on this theme still requires in-depth analysis with the latest literature.

3. The Language of the manuscript clear and grammatically free of typographical errors

This article is described quite well by the author in a language that can be understood, although there are still many mistakes in the use of the language, including words and terms, and grammar (see notes on the text that have been given in red).

4. The title of the manuscript reflects the research

The title of this article reflects a research result with a clear methodology and procedural steps according to research standards.

5. The summary of the manuscript meets the submission guidelines

This manuscript meets the standards according to the guidelines of the journal.

6. The introduction of the manuscript includes references relevant to the topic of the study

The introduction to this article has limitations in the literature (only 6 references are cited), so it requires additional references that are up to date according to the research topics discussed. Some references are quite old, such as (Diamond & Saez, 2011), (Mcclucksey, 2007). This results in a lack of academic debate required data support, and the unclear position of this article compared to articles by other authors (filling in literature gaps, analyzing literature gaps, or providing new conceptual formulations on this topic).

7. The manuscript provides adequate and up-to-date references

This article is inadequate from a reference point of view and requires additional references that are current. There are several references cited in manuscripts that are not listed in the reference list, such as Dadkhah et.al (2014), (Kay & King, 1990), and (Collins & Jones, 2009). Likewise, it is on the reference list but not written in the manuscript, such as Bogataj,

D., Mc Donnell., & D.R., Bogataj, M. (2016), and Howton, Shelly, & Howton, Shawn. (2006). Other references need clarification, such as George (1890 or 1879); Oberholzer and Walker (2008) or Oberholzer, de Kock, and Walker (2008); Tajani (2017) or Tajani, et.al (2017); Dhaliwal and et.al or Dhaliwal, et. al (2017). See that section of the manuscript marked with a red line.

8. Research question of the study is clear and understandable

The research question has not been written clearly, although, in the final paragraph (introduction), the author makes a statement about the main problem in this study.

9. The rationale of the study clear explained using relevant literature

In the final paragraph of the introduction, the author has clearly stated the reasons for this research, "there is no system dynamics modeling study regarding real estate income tax". The author only cites Dadkhah et.al (2014), but the references section of these authors is not written. Therefore, affirming the reasons for the study requires additional relevant and up-to-date literature.

10. The "aim" of the manuscript clear and understandable

The author has affirmed the purpose of this article and is well understood by the end of the introduction, "this study investigates the role of real estate income tax in economic prosperity".

11. The methodology chosen suitable to the nature of the topic studied

The methodology in this study is appropriate for discussing decision making and policies regarding "real estate income tax" with a model that uses a dynamic approach system. This methodology is also reinforced by the literature from Sterman (2000) on the five steps for modeling real estate income tax.

12. The methodology of the research described clearly

The author is quite good at presenting the steps in this study with a systematic procedure for compiling a model of real estate income tax.

13.Adequate information about the data collection tools used (only for empirical studies)

The data collection tool used is adequate by referring to the methodology used by Sterman (2000) regarding the 5 steps for modeling real estate income tax (Figure 1). The author is sufficiently detailed to describe each of these steps to explain the source of documentary information and data from the Tax Affairs Administration of East Azerbaijan Tabriz Branch (table 1, 2, figure 2).

14. The validity and reliability of data collection tools established (only for empirical studies)

The validity and reliability of data collection tools are clearly described in the fourth and fifth stages. Validity was performed by examining the simulation model for structural validity, and reliability was performed using the Boundary Conditions Testing and Behavioral Reproduction Test.

15. The data collection tools suitable for the methodology of the study (only for empirical studies)

The data collection tools have been clearly described and are in accordance with the methodology used, namely Sterman (2000) 's description of the five steps for modeling real estate income tax.

16. The findings presented clearly using tables, figures and graphs appropriately

The research findings are clearly described and supported by appropriate tables and figures so that there is a unity of results from this research.

17. The findings discussed adequately considering the research question (s), subquestion (s), or hypothesis

This article has described the research findings in a procedural, detailed, and consistent manner according to research questions and hypotheses, ranging from problem frameworks, hypotheses (subsystem diagrams and model's boundary tables, causal-loop diagrams, stockflow maps), formulization, testing the model. (behavioral reproduction test, error calculation test, boundary conditions, sensitivity analysis), and assessing policies and scenarios.

18. The "discussion" section of the manuscript is adequately related to the current and relevant literature

In this "discussion" section, the author is not in-depth and argumentative in discussing research findings due to limited references, such as Abdollahi (2005) and Alikhanzadeh (2002). This discussion will be of higher quality if it is supported theoretically by relevant and up-to-date literature that discusses this topic.

19. The conclusion section of the manuscript restate the issues in the discussion section

The conclusion of this article requires reaffirmation by focusing on the problem under study and supporting relevant theories. It is advisable to write the conclusions in a separate section, as well as the limitations of this research and future research on the same topic.

20. The paper makes a contribution to science educators, science education students, teachers, and people and institutions that produce products and provide services for educational communities.

This article will contribute to stakeholders, particularly policymakers and decision-makers about real estate income tax. For researchers, the results of this research can be better developed in preparing models on the theme of tax management.

21. Each reference in the text suitable to the latest version of the Publication Manual of the American Psychological Association (APA) format

The author re-checks the cited literature and corrects the writing according to the APA style (see note at no. 7).

22. Type of the Article

A-Empirical Article

Reviewer Comment For Author:

This article presents good modeling of real estate income tax with the system dynamics approach. Authors need to add relevant and up-to-date literature on the topic under study to support the introduction, literature review, and discussion on the research results. The research findings have been well presented, but in the discussion section, it needs to be supported by adequate literature. Conclusions must be reaffirmed which focuses on the problem under study. Conclusions, research limitations, and future research are written in a

separate section with a "discussion" section. Some errors in language and grammar must be corrected according to scientific standards and reference writing must pay attention to the writing instructions in this journal.

Reviewer Comment For Editor/Editor-in-Chief:

This article fulfills the scope and objectives of a journal that presents a model of real estate income tax with the system dynamics approach and contributes to the development of management science. Some sections require improvements to language and grammar, reference writing, additional relevant and current literature, discussion of research findings that require in-depth analysis, and conclusions that reaffirm the research problem. This article can be published in this journal after the author corrects it according to the notes on the review results.

Reviewer Recommendation:

Minor revision

Indonesia, December 16 2020 Reviewer,

Dr. Aan Jaelani

Modeling of Real Estate Income Tax: System Dynamics Approach

Abstract

The present study was conducted aiming to design a model for realization of real estate income tax in Tabriz city with due attention to the procedure of tax collection. For the complexity of the issue system dynamics was selected as the appropriate methodology for modeling. According to the mentioned methodology at first the boundary of the model was investigated. At this stage the key variables were identified including "tax payment", "real estate", "tax evasion", "investment motivation", "economic rent and speculation in properties", and "advertisement for tax collection". At the second stage the interaction among research variables dynamic hypothesis of the study was illustrated using subsystem, causal - loop diagrams and stock- flow map. At the third stage benefiting from related literature and expertise opinion, causality relations were defined in the form of mathematical functions and the model was simulated in Vensim software. After testing the model, applicable scenarios were assessed. The results showed that informing related affairs to tax returns had great effect on paid tax by taxable entities. Tax transparency at the face of taxpayers contributed to reduction in economic rent and tax evasion. Also, analysis of the scenarios showed that in spite of current policies, tax rate reduction through self-declaration increased and resulted in increasing tax revenues.

Key words: Real Estate Income Tax, Income Tax Jobs, System Dynamics, Economic Rent, Speculation

JEL:N12,P43,P44,N25,O42

1-Introduction

In most of the countries especially developed ones, tax as the major public financial recourse in budget income sector covers significant public expenses. Tax laws are effective tools influencing the economic development path and paving the way for dynamic and productive directions at the face of any given country's economy. (Diamond & Saez, 2011):

Financial information practices are increasingly developing in order to respond to the needs of capital markets. On the contrary, tax practices are always a matter of law and formed in order to manage the objectives of social policy. States may lose revenue as a result of tax misconducts, wrong transfer invoicing, risk counterbalance, overuse of tax motives and other tax planning systems (Sikka, 2017). It is of crucial matter to correctly plan taxation in a state

Real estate income tax includes tax on empty properties and also properties' transfer and the right of business. Real estate income tax, notwithstanding the degree of development in any given countries, is a strong tool for all countries and contributes to investment creation not only by landlords, but also establishing jobs by the side of related leased properties (Mcclucksey, 2007).

Models in optimal tax theory typically posit that the tax system should maximize a social welfare function subject to agovernment budget constraint, taking into account social welfare function subject to a government budget constraint, taking into account hat individuals respond to taxes and transfers. Social welfare is larger when resources that individuals respond to taxes and transfers. Social welfare is larger when resources are more equally distributed, but redistributive taxes and transfers can negatively are more equally distributed, but redistributive taxes and transfers can negatively affect incentives to work, save, and earn income in the first place. This creates the class-affect incentives to work, save, and earn income in the first place. This creates the classical trade-off between equity and efficiency which is at the core of the optimal income sical trade-off between equity and efficiency which is at the core of the optimal income tax problem. In general, optimal tax analyses maximize social welfare as a function of tax problem. In general, optimal tax analyses maximize social welfare as a function of individual utilities the sum of utilities in the utilitarian case Doligalski(2019).

During recent years there has been great deal of investment on optimization of real estate income tax situation. In spite of the struggles of tax officials, investors and activists' measurement in this regard, the amount of collected tax has decreased day by day and the average pace of growing real estates based on the current situation of real estate tax income and related unit recognition has increased. Also, real estate economic rent has resulted in hidden and monopolized increase in taxable real estate; in addition the increase in real estate economic rent is an unjust growth. In the first place tax is the means of income making for governments. But more comprehensive evaluation of fiscal policies reveals that tax regulations are powerful and effective means for economic development, and creating dynamic and fruitful economic movements. Fiscal policies influences economic actors especially companies. Investment decisions, profit share, financing mode, and most other operational activities of companies may change with due attention and in the result of country's tax principle. So, recognizing such interactions concerning the management, investors and also legislators would be useful (Izadkhasti, 2019).

Although the have been conducted some researches on real estate income tax and in Iran Dadkhah et.al (2014) proposed arid land modeling, there has been no study on system dynamics modeling regarding real estate income tax. As such, the present study aims at modeling income real estate income tax and evaluating the effectiveness of tax collection policies of obtained income from real estate. Concerning the complexity of the issue, system dynamics served as the most appropriate methodology for the study. In fact system dynamics aims to provide the researchers with a useful method to reveal the mental model of decision and policy makers regarding certain issues along with related weaknesses and disadvantages. Because income tax in East Azerbaijan province has grown significantly during last years and occupied the major share of investment and employment in the province, it has created an appropriate value chain of related activities in aforementioned areas. The present study investigates the role of real estate income tax in Tabriz Province's economic prosperity, and also related tax feedback in civil development, increase in real estate production, and growth in currently active jobs in the sphere of province's tax capacities. Finally based on expertise opinions some scenarios would be designed and related feedback would be illustrated in its stimulated mode.

2- Related Literature

Real estate is one of the factors of service production and economic activities in two dimensions: first, supplying and establishing economic and social activities for different jobs. Second issue relates to its profitable use. Real estate and related economic rent result in class differentiation and gap between the poor and the rich. Therefore, the variables and effectives factors on the issue must be proposed.

- A- Real Estate Income Tax: According to Article 52 of Direct Tax Law (2015), real estate income tax means real or legal person's income from transferring his property rights located in Iran in order to use the activities of non-owners, after excluding established exemption which resides at the domain of real estate income tax in the same law. Related tax revenues to rental properties according to Article 53 of Direct Tax Law include the whole rental property whether in cash or non-cash after reducing 25% for expenses of depreciations and obligations of the owner concerning the leased property.
- **B-** Economic Rent: the amount of tax collected from real estate income not only is influenced by the number of real estates and jobs, but also is affected by real estate economic rent. Economic rent has an especial meaning in economy. As such, rent means the excess amount that one production agent would achieve in its best use. To gain related rent from real estates, people invest on those sources that in specific situation, the expenses they spent in this way equals the exact amount of the rent. In this way rent seeking results in wasting tax resources; because tax resources are transferred from productive activities to non-productive activities (Rosal, 2011). Like insufficiency in tax laws in the domain of real estate income tax collection and the lack of ownership right, weak institutions also affect rent creation (Iqbal and dali, 2012). In economics, economic rent is any payment to an owner or factor of production in excess of the costs needed to bring that factor into production. In fact economic rent results from the scarcity of the production factor (Kay & King, 1990).
- C- Speculation: speculation is another factor affecting real estate tax. Real estate speculation is taking action towards risky economic transactions in order to gain profits from short term and/or midterm imbalances in market value. In other words, real estate speculation means gaining profit from investment profit, interest profit and alike instead of gaining profit from established economic ways. Such speculations not only result in lack of allocation for resources in property sector, but also is the main reason for economic crisis in sensitive monetary systems (George, 1890). The main reason for unequal income growth is private ownership in land and real estate economic rent. In a monetary economic justice is established when economic rent and speculation is the subject of tax, and tax revenues are distributed equally among all generations Real estate income tax reduces private ownership of properties and eliminates speculation (Alabado, 2005).
- **D-** Advertisement: Advertising means conveying a message, news or information to people, communicating the issue by publishing the news in various ways in the minds of the people and spreading the news and messages. In study conducted by Oberholzer and Walker (2008), they concluded that advertisement had a positive effect with 86% influence on target population

concerning tax services in South Africa. Elizabeth Branham (2009) stated that media advertisement had a positive effect on tax payment and resulted in significant decrease in expenses related to tax collection in America.

- **E- Investment**: The financial capability of individuals to create employment resources through the construction of real estate and property to earn income and the profit from renting real estate and property, determines the amount of investment for us in this research. Howton brothers in 2006 investigated tax rate decrease from 35% to 15%. They found out that immediately after decreasing tax rate, companies proceeded to increase the dividends paid.
- **F- Tax Evasion**: There are several definitions for tax evasion in literature. The following is a general definition. In general, tax evasion refers to illegal actions such as accounting, failure to provide official records, conducting underground economic activities, etc. in order to evade paying taxes. In this regard and in order to achieve the goal, taxable income, attributed benefits, and the amount and sources of income become hidden; or the measurements resulting in tax discounts are declared more than **real** amount(Alm & Martinez ,2004; Collins & Jones, 2009).

2-1-1- Domestic Researches

Equilibrium results from pattern sensitivity analysis obtained by Izadkhasti and Arabmazadad (2017) showed that with increased tax rate over land rent, and increase in efficiency in residential investment from zero to 25%, the equilibrium ratio of non-residential demand for goods towards residential demand increased from 1/364 to 1/423. Also, regarding the fixed rate of tax over land rent and residential investment efficiency, the investment equilibrium ratio of land for producing residential goods equaled with 9/2 and reached a stable situation. Finally, the investment demand equilibrium ratio of land and labor for producing non-residential goods increased from 7/422 and 3/214 to 10/144 and 3/758 respectively.

The results of the study conducted by Jalali (2017) indicated that via applying income tax in a steady situation, housing rent increased from zero to 25%, the amount of investment in business, Per capita production, and per capita consumption increased to 52/82, 13/12, and 25/61 respectively. Also, the efficiency rate of capital and residential investment per capita decreased to 25% and 31/51 % respectively; this in turn means movement of investment from residential sector towards business sector.

Equilibrium results from pattern solving and calibration done by Izadkhasti (2019) showed that with increased tax rate over land rent from zero to 5%, the equilibrium ratio of non-residential demand for goods towards residential demand, land demand towards labor force for production of non-residential goods, and investment demand towards labor force for production of nonresidential goods increased from ³/₄, 1/62, and 0/378 to 3/52, 1/73 and 0/392 respectively. The equilibrium ratio of demand for non-residential goods towards release decreased from 6/01 to 4/83. Also, the equilibrium ratio of investment to land for production of housing in urban districts was fixed at 3/05. In addition, based on calculated values of properties in urban districts of Isfahan city, the government can earn an income equal with 37/1 thousand billion tomans via applying tax with 1% rate over land value, and 297 billion tomans via applying tax with 1% rate over construction value.

The results of the study conducted by Dadkhah (2014) indicated total elimination of speculative demand. Related model showed that tax had a direct effect over speculation demand. As such, speculation demand tends to zero and existing market demand becomes realized in its true form. Hence, concerning tax with availing appropriate land encourages investors and results in land price fixation.

2-1-2- Foreign Studies

Tajani(2017)in a study2010-2016, the socio-economic determinants of housing market values have been examined, highlighting their respective contributions to the formation of the property prices and,in particular, verifying the property tax liability. The property tax is a factor that could determine,through modest fluctuations, the revival of the property demand, generating positive effects also on the construction sector, which has been currently affected by the negative real estate contingency.

The functional correlations of housing prices with the main socio-economic variables considered (i.e., housing rents, household incomes, household consumptions, property taxes, population and mean population age) have been explained through an econometric analysis implemented with an innovative methodology that uses multi-objective genetic algorithms.

Eyraud (2014) in a study concluded that **collection** of tax from investment revenue achieved from speculative activities in **housing** market can lead to modification of expected earnings by speculators in comparison to other investment opportunities. This in turn decreases the entry of investors with speculative temptations to **housing** market.

Argger et.al (2013) investigated tax and housing price changes in 90 different residential districts in Swiss during the period of 1985-2005. The results showed that income tax on higher investment led to sever fluctuations in housing market price, whereas transfer tax had no meaningful effect on price increase. The evidence indicates that transfer tax and investment income tax are not proper tools for stability in asset market. Also, the effects of tax asset lock on investment income at supply side is more influential than its effects on speculation decreasing demand in housing market.

Georgiou Miltiades (2009) analyzed the way tax rate influences individuals' consumptions according to some set of data gathered from European countries. He concluded that consumption tax rate would impose negative (reverse) effect over consumption rate. He claimed that consumption tax rate on the basis of current economic-growth theory hinders economic growth and development. Decreased economic growth has different negative impacts over tax incomes.

Dhaliwal and et.al (2007) investigated the effect of tax rate decrease in 2003 over firms' capital cost. In this regard they evaluated the capital cost 3 to 6 month before and 3 to 6 months after change in tax law. They found out that the capital cost after tax law amendment decreased averagely about 1/02% while the amount in those firms with higher legal shareholders was lowered because the shareholders were exempted from tax and the changes in tax rate had no effect on their capital costs

3-Methodology

According to the official statistics resealed by Tax Affairs Administration of East Azerbaijan Tabriz Branch, currently there are 385,000 active real estate files in 55 taxable areas among which the same number of leased jobs with approximate annual tax capacity of

1,480,000,000,000 Rials in real estate income tax area operate actively. The statistical population of the present study includes data delivered by tax payers by means of income tax returns and cases under investigation by senior tax experts in the domain of real estate income tax in Tabriz city. Because the number of population is high, therefore by means of multi-stage cluster method, 300 individuals were selected as research sample.

For the complexity of the issue, system dynamics was selected as the appropriate methodology for modeling. According to the proposed methodology by Sterman (2000), five steps for modeling for Tabriz city real estate income tax were considered (Figure 1).

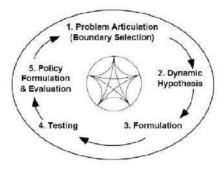


Figure 1. System dynamics method (Sterman, 2011)

The first step includes problem framing. In this stage, different aspects of the issue in question are investigated based on existing literature and expert views. Data collection is of documentary research nature and required data is collected referring to Tax Affairs Administration of East Azerbaijan database. Effective key variables are identified in the same stage. Also, analyzing past trends of the problem to explore the effective key variables on problem formation is necessary in the same stage. In the second stage the dynamic hypothesis of research is created. In this stage problem structure is investigated. By problem structure, variables' interaction during time is meant. Dynamic hypothesis is in fact a theory that explains system behavior. The hypothesis must explain dynamic feature of the problem based on important feedbacks inside the system (Hamidizadeh, 2000). The dynamic hypothesis is compiled using subsystem, causal -loop diagrams and stock- flow map. The third stage is devoted to formulization. In this stage the dynamic hypothesis is turned into simulated model by Vensim software. For this purpose, the parameters and mathematical relationships between variables are estimated. In the fourth stage to ensure model's validity, simulated model was examined. Structural validity of the model is prior to its reliability (behavioral trust). Only when the structure of the model is valid, the model's

behavioral trust can be examined (Shi & Gill, 2005). To achieve the trust the following tests were used:

- A) **Boundary Conditions Testing**: in this test the value of some major factors of the model such as the percent of real estate income tax, the growth of population in manipulated boundary modes (exaggerated from), and the degree of rationality of model changes against such manipulations were tested.
- B) Behavioral Reproduction Test: In this test the results of simulation for key variables was compared with real data for the same variables. The resulting software behavior must reproduce real data algorithm.

In the last stage **policies and scenarios** are tested. In this stage scenarios are created and the effectiveness of each of them is evaluated in the simulated environment.

4-Research Findings

According to the above mentioned methodology the research findings are explained as follow.

4-1-Problem Framework: concerning the statistics from Tax Affairs Administration of East Azerbaijan, according to below table the tax income from real estate's lease in 2014, 2015, 2016, , 2017and 2018 is shown in a 4 year period. The problem relates to the existence of economic rent and speculation in the province's economy that can be identified in a 5 year period.

			3	'	
	2014	2015	2016	2017	2018
Real Estate Return	32988	35469	37232	35593	3697
Declaration					
Jobs' Return Declaration	142606	147518	150657	150975	150895
Number of Real Estate	40524	41394	43452	44321	45226
Files					
Number of Jobs' Files	323802	33176	346543	353715	36689

Table 1- submitted tax return declaration of real estate and jobs (numeric base)

Source: Based on information retrieved from information technology data of the Tax Affairs Organization of East Azerbaijan Province

In 2016 about 4/97% increase in comparison to 2015 concerning delivery of real estate income tax returns can be seen. In the same year advertisement and notification related to tax payment was increased. According to numbers in tables 1 and 2, use of public media for broadcasting comprehensive tax plan, initiating systematic tax return delivery software, sending short messages to tax payers and issuing tax identification papers via post-bank in the same year, encouraged due attendance and tax return delivery by the half of tax payers. Additionally, increase in lease value of properties based on comprehensive real estate valuation book (which is evaluated annually in related commission) in accordance with real estate price increase, led to increase in leased real estate tax return delivery.

Table 2: collected income from real estate tax and related fines (based on million Rials)

				`	,
Year	The Original Collected Tax	Collected Fines from	Other Collected	Sum of Collected	
	from Real Estate Rentals	Real Estate Rentals	Revenues	Income	
	2014	193,656,860,957	9,622,368,265	37,683,357	203,316,912,579

2015	220,437,864,064	8,102,478,174	72,249,711	228,612,591,949
2016	275,944,387,628	13,665.916,948	255,198,503	289,865,503,079
2017	291,809,673,604	10,278,829,897	355,133,117	302,443,636,618
2018	300,196,865,508	11,485,124,208	415,121,365	410,986,426,5.8

Source: Based on information retrieved from information technology data of the Tax Affairs Organization of East Azerbaijan Province

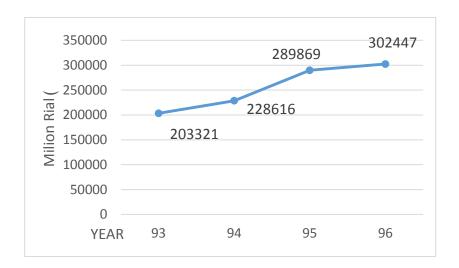


Figure 2: The total income collected from real estate lease

Although the information in table 2 and resulting diagram in figure 2 show ascending increase in annually collected income from real estate tax, scrutiny shows that according to employment policies and the rate of supplying human resource are descending; therefore, due planning for identification of active units and real has been weekend.

4-2-Dynamic Hypothesis

Dynamic hypothesis explains problem creation and its structure in the form of a theory. In the present study to illustrate down the dynamic hypothesis subsystem diagram, causal -loop diagrams and stock-flow map were used.

4-2-1-Subsystem Diagram and Model's Boundary Table

Subsystem diagram is a summary of the system that shows the overall related architecture. Figure 3 illustrates related subsystem to real estate tax. The diagram is designed based on acquired data from related documents, literature and interview with experts in the domain.

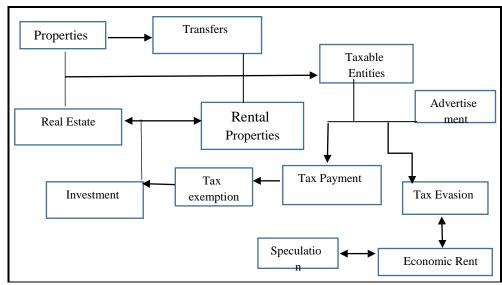


Figure 3- subsystem diagram

In above diagram the variable of advertisement in related years, through different paths like advertising before due time of tax returns via public media, sending required announcement to job owners, property and real estate holders, has resulted in increase in tax payment both by the owners of real states and established occupations' income. Also, regarding the negative perspective and lack of knowledge concerning the way collected taxes are consumed, tax evasion increases due to the circumvention of natural persons in registering lease value. Due payment of rent, according to the below diagram, contributes to increasing tax exemptions and collected real state income lease. As such, investment in the same domain increases. Increase in investment in real estate construction increases transfer tax obtained from real states. Hence, the number of included taxpayers- both natural and legal persons- increases. Therefore, the following relationships in accordance with the researchers' suppositions are created leading to modeling in order to find different causal loop factors.

The present study was conducted aiming at modeling realization of real estate income tax in Tabriz city. To do so, related and effective variables to this kind of taxation were obtained through documentary and library studies, and also interview with 5 managers, 3 experts in the

domain of income tax. Therefore, based on research methodology, model's boundary diagram was extracted as shown in table 3.

Model's boundary diagram determines model's territory with listing endogenous/exogenous variables and those variables excluded from the model. Table 3. Model's Boundary Diagram (vensim software output)

Endogenous Variables	Exogenous Variables	Exclude Variables
Manufacturing Units' Tax	Inflation	Trade Variables
Tax Exemptions	Recession	Industry Variables
Financial Transparency	Safety	IT Variables
Speculation and Economic Rent	Media	Global Circumstances
Providing Government's Expenses		Culture
Social Support		
Economic Support		
Employment		
Investment		
Demand for Real Estates		
Delay in Tax Payment		
Business Environment		
Construction		
Population		

4-2-2- Causal -loop Diagram

Subsystem diagram illustrates a holistic view of model's scope and structure. For comprehensive explanation of the causality relationships among variables causal -loop diagrams (CLDs) are appropriate. These diagrams are flexible and useful tools for illustrating feedback structures of systems with any given domains. Causal-loop diagram showing the structure of real estate tax according to seven variables of tax, real estate, economic rent, speculation, amount of investment, tax evasion and advertisement is depicted in figure 4.

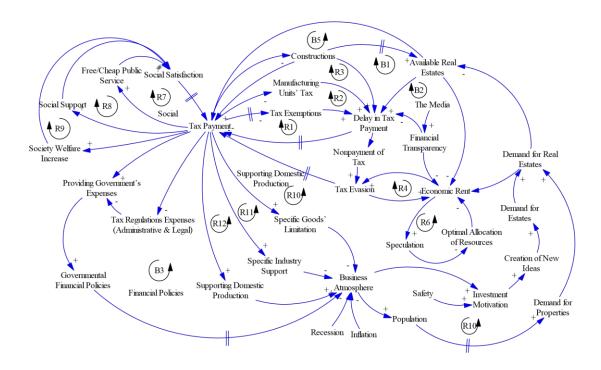


Figure 4- research model causal-loop diagram To

understand figure 4 some important loops are explained below:

R7 increase loop: the loop is one entry for expending tax and providing cheap or free public services. Increase in these services increases social satisfaction and encourages people to pay due taxes. Increase in collected tax increases public services.

R8 increase loop: with increase in paid tax, social support increases. This in turn with increasing socioeconomic capability brings about increased social satisfaction. Therefore, people are more encouraged to pay due taxes. In this way some of tax is allocated to provide social support. For example, allocating collected tax to charity organizations like Relief Foundation, State Welfare, Municipality, and etc. which in turn results in improvement of social welfare.

R10 increase loop: increase paid tax enhances the government to provide unpredicted expenses. Hence, the government runs financial policies better and proceeds to improve business environment. But what affects business environment directly as external factors relate to inflation and recession in economy. Therefore, increased paid tax can influence (positive/negative) public financial policies and improve business environment.

R5 increase loop: with improving business environment, demand for real estate and properties increases which in turn decrease the number of real estates and properties. This increase collected tax. Also, with increased paid tax, administrative and regulative expenses decrease which imposes a positive effect on public expenses.

4-2-3-Stock- Flow Map

Causality diagrams put emphasis on feedback structures while stock-flow maps emphasize physical flow. Therefore, in order to show flow and accumulation of materials, money and information in system the stock-flow maps are useful. Figure 5 shows the stock-flow map of tax on real estates.

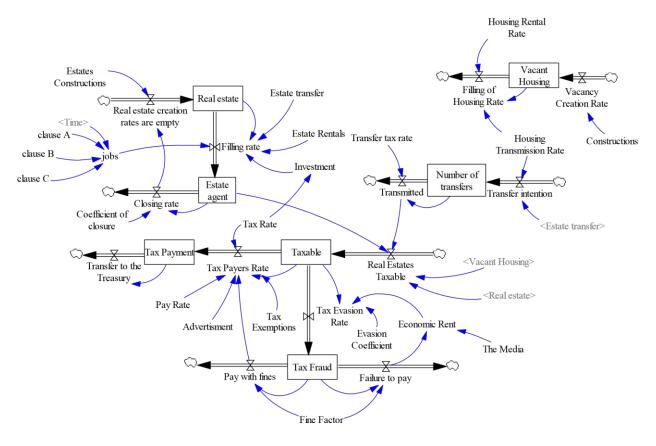


Figure 5- Stock-Flow diagram of tax on real estates

4-3-Formulization

To simulate the model, based on existing literature and experts' points of view, the relationship among the variables was identified in the shape of some formulas. Table 4 shows the formulization of relationships among research variables in figure 5, deducted from the output of vensim software.

Table 4- model 8 formula table						
Name of Variable	Formula	Name of Variable	Formula			
Vacant Housing Creation	Annual Construction Rate	Vacant Real Estate Creation	Real Estate Construction +			
Rate		Rate	Stoppage Rate			
Rate of Occupied Housing	Vacant Housing * (Rate of	Rate of Occupying [Real	Investment * Vacant Real			
	Rented Housing + Rate of	Estate] (Delay)	Estate + Real Estate			
	Transferred Housing)		Transfer * Vacant Real			
			Estate + Occupations +			
			Real Estate Rent * Vacant			
			Real Estate			

Table 4- model's formula table

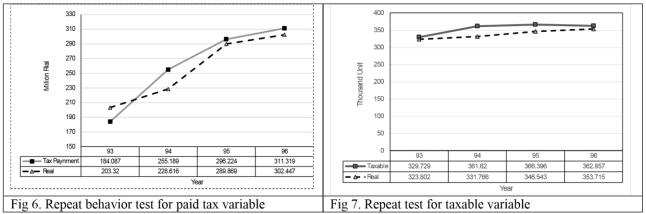
Vacant Housing	Integral (Vacant Housing Creation Rate + Occupied Housing Rate)	Vacant Real Estate	Integral (Vacant Real Estate Creation Rate – Occupying Rate)
Transfer Intention	Transferred Housing Rate + Real Estate Transfer	Rate of Stoppage [Real Estate] (Delay)	Real Estate with Agent * Stoppage Coefficient
Transferred	The Number of Transfers *	Real Estate with Agent	Integral (Occupying Rate –
	Transfer Tax Rate		Stoppage Rate)
The Number of Transfers	Integral (Transfer Intention – Transferred)	Occupations	Paragraph a + (Time) Paragraph b + (Time) Paragraph c (Time)
Investment	Random Uniform (0.05, 0.02, 0) Tax Rate	Taxable Real Estates	Vacant Housing + Vacant Real Estate + Transferred + Real Estate with Agent
Taxable	Integral (Taxable Real Estates – Tax Evasion Rate – Tax Payers' Rate)	Tax Evasion Rate	Taxable * Evasion Coefficient / Economic Rent
The Rate of Tax Payers	Taxable * Payment Rate + (Payment with Fine) + Advertisement * Tax Exemption) * Taxable / Tax Rate	Tax Evasion	Integral (Tax Evasion Rate – Evasion – Payment with Fine)
Evasion	Tax Evasion * (1 – Fine Coefficient)	Economic Rent	Evasion / The Media
Payment with Fine (Delayed)	Tax Evasion * (Fine Coefficient)	Transfer to the Treasury	Tax Payment
The Rate of Tax Payers	Taxable * Payment Rate + (Payment with Fine) + (Advertisement * Tax Exemption) * Taxable) / Tax Rate	Tax Payment	Integral (Tax Payers' Rate – Transfer to the Treasury)

4-4-Testing the Model

To ensure the validity of research model, behavioral reproduction, error calculation, boundary conditions and sensitivity tests were applied.

4-4-1-Behavioral Reproduction Test

The aim of the test is to compare the results of simulated model with real data. For this purpose at first some variables from among the key variables of research were selected including tax payment and tax payers. Then the status of the variables for the time period between 2014 and 2017 was simulated and obtained results was compared with real data. Figures 6 and 7 show the comparisons so that the simulated model repeats the pattern of variables' real behavior approximately.



Source: Researcher's calculations based on data from the East Azerbaijan Province Tax Affairs Organization

4-4-2-Error Calculation Test

In addition to behavioral reproduction pattern, to ensure the results of simulation, the key variables' error was calculated as follow. In testing so, the comparison of two models using linear regression among real and calculated values was done by means of RMSPE and UT.

A) Root Mean Square Percentage Error (RMSPE²): in math and statistics, the mean square error is a method of estimating the error rate, which is actually the difference between the actual values and what is estimated. MSE is almost positive (not zero) for two reasons; first, it is not random and second it does not calculate the information estimator that can produce more accurate estimates. So the index that always owns non-negative value, the more it approaches zero the less the error is.

According to this index the less the difference between real data and simulated ones, the more reliable the results of the simulation are. In other words, the more the value of RMSPE approaches zero it means the less the error would be, and approaching 100 means more errors. In order to calculate RMSPE the following formulas were used. In this equation the standard deviation of simulated data (y^5) is calculated based on main data (y^a) and θ indicated the number of observations.

(1)
$$RMSPE = \sqrt{\frac{1}{\theta} \sum_{i=1}^{\theta} \left(\frac{y_{T+i}^{s} - y_{T+i}^{a}}{y_{T+i}^{a}} \right)^{2}} * 100$$

B) **Identifying Roots of Errors**: another method for evaluating **deviation** of simulated values from real data is U-Theil's (UT) calculation as follow:

$$UT = \sqrt{\frac{\frac{1}{\theta} \sum_{i=1}^{\theta} (y_{T+i}^{s} - y_{T+i}^{a})^{2}}{\frac{1}{\theta} \sum_{i=1}^{\theta} (y_{T+i}^{s})^{2} + \frac{1}{\theta} \sum_{i=1}^{\theta} (y_{T+i}^{a})^{2}}}$$
(2)

The value of UT is always between zero and one. The more the value approaches zero, the more the simulated values are, and real data show less deviation from one another.

The following table shows the results of statistical test regarding the variables of paid tax and taxable units. The information in the table indicates the fitness of simulated data concerning the real ones. Therefore, the results of the model can be used for scenario making and presenting amendment suggestions in next steps.

Name of Test	Paid Tax	Taxable
RMSPE (%)	7/71%	5/56%
ПТ	0/0712	0/0128

Table 5- The results of statistical tests related to model validation

4-4-3-Boundary Conditions

In order to investigate the model's reaction in boundary conditions some tests were done as follow. With increase in the rate of transfer tax to its maximum amount, as shown in figure 8, the transfer interactions tend to zero. This is expectable. By the maximum value we mean number 1 which is considered as 100% tax.

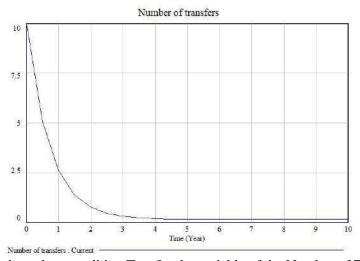
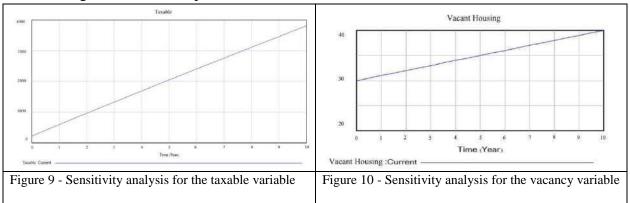


Figure 8 – boundary condition Test for the variable of the Number of Transfers

4-4-4-Sensitivity Analysis

In order to analyze model sensitivity against the key variable of tax rate, with reduction of the tax rate value to zero, it is observed that the number of tax payers increase in a linear and continuous

mode. On the other hand, with reduction in transfer rates and housing lease to zero and concerning constructional operations in the same sector, the number of vacant houses increases.



4-5-Assessing Policies and Scenarios

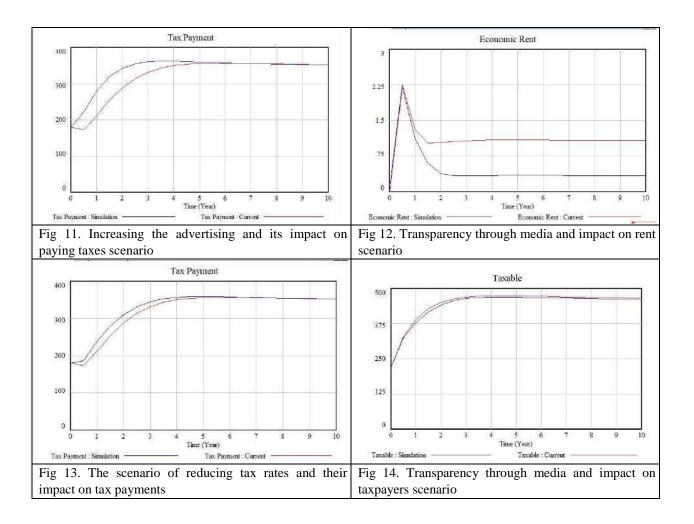
In this step, the policies and scenarios that can possibly realize real estate tax recognition are analyzed as follow.

Increasing Advertisement (information) and its Effect on Tax Payment: with increasing advertisement about paying tax, as it can be seen in below figure the paid tax increases.

Decreasing the Related Economic Rent to Real Estates through the Media: one of the influential factors in tax evasion is economic rent and created evasion pathways by it. The media as a leverage in clarifying individuals' income and business enterprises can play a significant role in collecting tax revenues. As it can be seen in figure 11 with increasing the media strengths in clarification, the amount of real estate economic rent reduces and consequently it contributes to the reduction of the number of tax evasions.

Decreasing Tax Rate: modeling decreased tax rate shows that with decreasing tax rate the collected tax revenue increases. Also, by decreasing transfer tax rate for real estates the amount of transfer increases significantly which in turn increases collected income from real estate transfer and paid tax by tax payers.

Transparency Scenario via the Media and its Impact over Taxable Entities: introducing big tax payers and clarifying the amount of income produced by real and legal entities residing at rental real estates via the media and also, determining the rate of annual production and/or service delivery by correct introduction, results in increasing self- declaration by tax payers and receiving their annual settlement of accounts. As such, it contributes to motivate individuals for paying tax and increasing collected tax income consequently.



Changes to determine the scenarios

Figure 11: increased advertisement from 0.1 to 1	Figure 12: increased media support from 0.2 to 1	
Figure 13: decreased tax rate from 0.7 to 0.6	Figure 14: decreased tax rate from 0.7 to 0.6	

5-Discussion and Conclusion

The issue of real estate income tax is a complex matter. It means lots of variables in interaction with one another form the structure of real estate tax. Without understanding such complexity sometimes the policy makers fall short of perceiving the subject correctly and may introduce some solutions that not only do not solve the problems, but also worsen them. Therefore, system dynamics was selected as the appropriate methodology for modeling complex issues mentioned in this study in order to identify real estate tax modeling. Real estate modeling enriches the policy makers' vision beforehand. In other words, determination of the dynamic structure of the problem through use of subsystem, causal-loop diagrams and stock-flow map manifests taxing complexities and possible misunderstandings. In addition, four scenarios with possible effect on tax payment related to real estate tax and some other influential factors like economic rent were analyzed. Three variables of paying tax by tax payers, the amount of economic rent and the number of taxable entities are among the most important factors that need to be improved by tax policies. According to the related literature and the view points of the experts in the field the

scenarios of advertisement increase, real estate economic rate, decreasing tax rate, and financial transparency of tax payers were investigated.

Advertisement increase was the first analyzed scenario. The results of the simulation showed that increased advertisement about due submission of tax returns, increased collected real estate tax. Informing and advertising contributes to tax payers' awareness about settlement of accounts, on time payment exemptions and exemption declared in Article 57 of Direct Tax Law. Also, informing to present current value of real estate in Tabriz city according to valuing booklet compiled by the Province Tax Affairs Administration and related fineries encourages the tax payers to pay due tax to the government. The results of the study conducted by Abdollahi (2005) approved above mentioned concerns. One of the important variables to be controlled is real estate economic rent. The second scenario evaluated the role of the media in decreasing real estate economic rent. It revealed that empowering the role of the media in clarification leads to reduction of tax evasion and real estate economic rent. Transparency contributed to use of on time registration mechanisms in legal books and documentations, awareness of tax payers about representable documents to tax affairs administration, awareness of tax payers about the consequent fines resulting from not on time delivery of sufficient documents, awareness of taxable businesses active in rental properties from the way registration for or installation of point of sale must be done, decreased involuntary tax evasion and finally decreased real estate economic rent.

The third scenario despite public perception emphasized tax rate decrease. The scenario showed that tax rate decrease, increased real estate transfer significantly and this in turn resulted in increased income from real estate transfer and the amount of paid tax. Also, tax rate decrease contributed to increased self-declaration by tax payers active in the domain of real estate which finally would lead to increased collected tax. The findings of the study conducted by Alikhanzadeh (2002) approve the role of decreased tax rate on increasing tax incomes.

Finally the fourth scenario, i.e. transparency scenario via the media, resulted in increased selfdeclaration by tax payers, receiving their annual settlement of accounts and increase in collected tax. Also, establishing tax transparency through competent authorities like registration of real estate lease contacts at notary publics, and conditioning the mention of the real amount of property lease value in official lease contracts resulted in decreased tax evasion and due collection of real estate tax. As such, it seems that instead of increasing tax rate, tax payers must be identified to increase the number of taxable entities. This can be achieved through the media and establishing a certain mechanism for rewarding those who identify and introduce tax payers. From among the four scenarios the third one, i.e. decreasing tax rate, seems to impose the most influential impact over decreasing tax evasion and real estate tax collection.

According to the results of the present study planning to decrease tax rate over real estate income contributes to reduced involuntary tax evasion, on time tax self-declaration and increased tendency to pay related tax. Therefore, it is suggested that related authorities in order to prevent tax evasion and decreasing related property economic rent, bring about increased tendency to pay tax in due time through decreased tax rate and increased control of tax assessors.

The present study just like any other studies had its own limitations. From among the limitations of the current study is regardless of the some variables – although they were influential in real estate tax related affairs, they could not be included in the model for different reasons. For example, cultural variables like the tendency of some business owners to pay religious funds instead of tax, money laundering, and etc. were not included in the model. Future studies can eliminate such limitations by broadening the scope of model. Also, according to the collected statistics and information from public organizations in Tabriz city, the past looking horizons of the model could only encompass the period of 2014 to 2017. Hence, tracing the effective factors in increasing real estate income tax could not cover sufficient past looking horizons.

References

Alikhanzadeh, M. (2002). *Optimal Tax Rate in Iran*; A Thesis in Accounting Course, Faculty of Economy, Tehran University.

Alabado, R. P. (2005). *Managing Vacant Lands Within Central Business Districts*. Implications of Implementing Idle Land Taxation. Banwa, 2(1), 63-85.

Alm, James., & Jorge Martínez (2004). *Culture Differences and TaxMorale in the United States and Europe*, Journal of EconomicPsychology. 27: 224-246

Aregger, N., Brown, M., & Rossi, E. (2013). *Transaction Taxes, Capital Gains and House Prices*. Swiss National Bank Working Papers, 54-98

ogataj, D., Me Donnell., & D.R., Bogataj, M. (2016). Management, Financing and Taxation of Housing Stock in the Shrinking Cities of Aging Societies, Journal of Production Economics, 181:1-13

Branham, E. (2009). Closing the Tax Gap: Encouraging Voluntary Compliance through Mass-Media Publication of HighProfile Tax Issues, HASTINGS LAW JOURNAL, [Vol. 60:1507, June 2009]

Dhaliwal, D.Krull, L.,& Oliver Zhen Li .(2007). "Did the 2003 Tax Act Reduce the Cost of Equity Capital?"

Doligalski, Powel,(2019). "Optimal Income Taxation and Commitmenton the Labor Market, Society for Economic Dynamics. 20(1), 422

Diamond, P.,&E. Saez(2011): "The case for a progressive tax: from basic research to policy recommendations," Journal of Economic Perspectives, 25(4), 165–90".

Eyraud, L. (2014). *Reforming Capital Taxation in Italy*, International Monetary Fund. WP/14/16. Of Wisconsin Press.

George, H. (1879). *Progress and Poverty. International Monetary Fund*, (1996), Tax Law Design and Drafting. Vol 1..

- Hamidizadeh, G. (2000). *Research Methodology with Thesis Writing Approach*; No. 1, Tehran, Baztab Publications, pp. 21-23.
- Howton, Shelly.,&Howton, Shawn .(2006). The Corporate Response to the 2003 Dividend Tax Cut,Summer 2006,14.
- Iqbal, N., & Daly, V. (2012),. Rent Seeking Opportunities and Economic Growth in Transitional Economies; PIDE Working Papers 2013, Vol. 87
- Iran Direct Tax Law .(2015). *Publications of Faculty of Economic Affairs*, No. 26, Ratified on 16/02/2002.
- Izadkhasti, H (2019) "Analysis of Tax Effects in Property and Housing and Assessing Its Potential Capacity in Iran, Scientific-Research Journal of Tax Affairs Organization" September, 2019.
- Izadkhasti, H., & Arabmazar, A .(2017). Land Rent Tax Analysis and Housing Capital Efficiency: General Equilibrium Approach, Quarterly Journal of Quantitative Economics (former Economic Evaluations) Period 4, No. 3, Page 1-25.
- Jalali, A. (2017). Reforming the Tax System by Assessing the Feasibility of Applying Tax on Rental Income in Iran: Neoclassic Growth Approach, M.A. Thesis, Shahid Behesti University.
- Miltiades, Georgiou . (2009)." *The Impact Of Consumption Tax Rate On Consumption-A Panel Data Analysis* For European Countries (1995-2007)", December 29.
- Mc Clucksey, W., & al, e. (2007). *Land Value Taxation*: An Applied Analysis. Ashgate Publishing Company.
- R. Oberholzer., D. de Kock., & K.M. Walker. (2008). *Routes of persuasion utilised in the advertising appeals of the South African Revenue Service among taxpayers in Gauteng, South Africa*. Southern African Business Review Volume 12, Number 2.
- Rosal, D. I. (2011). *The Empirical Measurement of Rent-Seeking Costs*, Journal of Economic Surveys Vol. 25, No. 2, pp. 298-325.
- Shi, T., & Gill, R.(2005). Developing effective policies for the sustainable development of ecological agriculture in China: the case study of Jinshan County with a systems dynamics model. Ecological Economics.53 (2), 223-246.
- Sikka, P .(2017). Accounting and Taxation: Conjoined twins or separate siblings?. Accounting Forum 41(4):390-405
- Sterman, J. D. (2000). Business dynamics: systems thinking and modeling for a complex world (No. HD30. 2 S7835 2000).

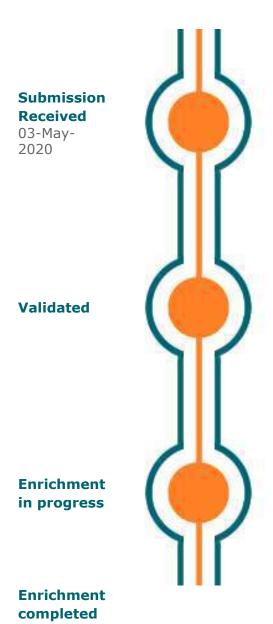
Tajani, Francesco., Pierluigi, Morano., Carmelo., & Maria Torre and Felicia Di LiddoAn.(2017). *Analysis of the Influence of Property Tax on Housing Prices in the Apulia Region* (Italy).

#	Manuscript ID	Manuscript Title	Current Status	Assign Date	Agree/Decline Date	Review Date	Reviewer Recommendation
1	IJMS-201709-672844	Analysis of Motivational and Behavioral factors in Pakistan Internet Gambling	Manuscript Published (Online)	2017-11-11	2017-11-12	2017-12-25	Minor Revision
2	IJMS-202010-674252	Modeling of Real Estate Income Tax: System Dynamics Approach	Under Review	2020-11-21	2020-11-21	2020-12-16	Minor Revision

Please enter tracking number:

3C14091F4BE29AD1 Submit

Iranian journal of Management Studies (2008-7055 / 2345-3745)



In case of technical difficulties, please contact us at titlesuggestion@scopus.com.



To read how Elsevier uses, collects and shares personal data, please read the Elsevier Privacy Policy Copyright © 2020 Elsevier B.V. All rights reserved. Scopus® is a registered trademark of Elsevier B.V. Cookies are set by this site. To decline them or learn more, visit our cookie page.

In case of technical difficulties, please contact us at titlesuggestion@scopus.com.



Master Journal Lists

Match Manuscript

Downloads

Help Center

Welcome, Aan Jaelani

Settings





Want to receive updates from select journals, publishers and organizations; including call for papers, curated articles, new journal & book updates, and conference & events updates?

Dismiss

Subscribe

About

General Information

Web of Science Coverage

Open Access Information

Peer Review Information

Return to Search Results

IRANIAN JOURNAL OF MANAGEMENT STUDIES



ISSN / eISSN **2008-7055 / 2345-3745**Publisher **UNIV TEHRAN, ENGHELAB AVE, PO BOX 13145-478, TEHRAN, IRAN, 00000**

About •

Iranian Journal of Management Studies provides a valuable outlet for research and scholarship on management-orientated themes and topics. It publishes manuscripts of empirical and/or the theoretical in management sciences. All empirical methods, including, but not limited to, qualitative, quantitative and mixed methods, are

https://mjl.clarivate.com/journal-profile

welcomed. To be published in IJMS, a manuscript must make strong empirical and/or theoretical contributions and highlight the significance of those contributions to the management field. Therefore, preference is given to articles that test, extend, or build strong theoretical frameworks while empirically investigating the issues with high importance for management theories and practices.

General Information		
Journal Website	✓ Visit Site	
Publisher Website	☑ Visit Site	
Frequency	Semi-annual	
Issues Per Year	2	
Country / Region	IRAN, ISLAMIC REPUBLIC OF	
Primary Language 1	English	
Aims and Scope 1	☑ Visit Site	
Editorial Board •	☑ Visit Site	
Instructions for Authors	☑ Visit Site	
Avg. Number of Weeks from Submission	20	

to Publication

Article DOIs

Host Platform

Sinaweb

PDF

Web of Science Coverage

Collection	Index	Category	Similar Journals 🙃
Core Collection	Emerging Sources Citation Index (ESCI)	Management	्र Find Similar Journals

Search a topic within this journal

Search a topic within this journal...

Search

Open Access Information



OA Statement **1 ☑** Visit Site License **① ☑** Visit Site (cc) BY **Author Holds Copyright without** Yes Restrictions **1** Full-Text Crawling Permitted • Yes **Unrestricted Reuse in Compliance with** Yes BOAI 1 No Business strategy, Economics, Finance, DOAJ Subjects / Keywords Human resources, Management, Marketing, Social Sciences: Commerce:

Business

Peer Review Information

Type of Peer Review 1 Review Policy 1	Double blind peer review Visit Site
Publons Partner 1	No, and this journal does not explicitly endorse Publons
Claimed Reviews on Publons •	103
Public Reports on Publons (1)	Yes
Signed Reports on Publons •	Yes
Publons Transparent Peer Review Partner	No
Publons User Endorsements •	5

Sign up for a free *Publons* account to track your publications, citation metrics, peer reviews, and editing work for this journal.

Editorial Disclaimer: As an independent organization, Clarivate does not become involved in and is not responsible for the editorial management of any journal or the business practices of any publisher. Publishers are accountable for their journal performance and compliance with ethical publishing standards. The views and opinions expressed in any journal are those of the author(s) and do not necessarily reflect the views or opinions of Clarivate. Clarivate remains neutral in relation to territorial disputes, and allows journals, publishers, institutes and authors to specify their address and affiliation details including territory.

Criteria for selection of newly submitted titles and re-evaluation of existing titles in the Web of Science are determined by the Web of Science Editors in their sole discretion. If a publisher's editorial policy or business practices negatively impact the quality of a journal, or its role in the

surrounding literature of the subject, the Web of Science Editors may decline to include the journal in any Clarivate product or service. The Web of Science Editors, in their sole discretion, may remove titles from coverage at any point if the titles fail to maintain our standard of quality, do not comply with ethical standards, or otherwise do not meet the criteria determined by the Web of Science Editors. If a journal is deselected or removed from coverage, the journal will cease to be indexed in the Web of Science from a date determined by the Web of Science Editors in their sole discretion – articles published after that date will not be indexed. The Web of Science Editors' decision on all matters relating to journal coverage will be final.

Clarivate.™ Accelerating innovation.

© 2020 Clarivate **Copyright Notice Privacy Notice Cookie Policy** Terms of Use

Help Center

Follow us:





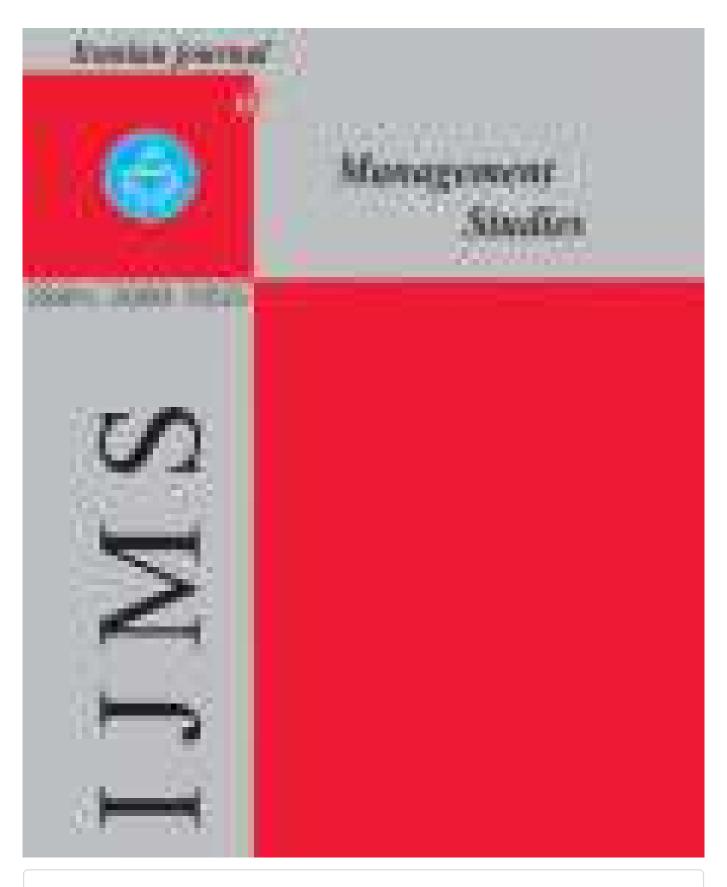








https://mjl.clarivate.com/journal-profile



Articles in Press

Current Issue

https://ijms.ut.ac.ir

Journal Archive		
 Volume 14 (2021) ☐ Issue 1 Winter 2021, Pages 1-272 		
+ Volume 13 (2020)		
+ Volume 12 (2019)		
+ Volume 11 (2018)		
+ Volume 10 (2017)		
+ Volume 9 (2016)		
+ Volume 8 (2015)		
+ Volume 7 (2014)		
+ Volume 6 (2013)		
+ Volume 5 (2012)		
+ Volume 4 (2011)		
+ Volume 3 (2010)		
+ Volume 2 (2009)		
+ Volume 1 (2007)		

About IJMS

• Country of publication: Iran

• Date of First Publication: 2007

• Available from: Web of Science, Scopus, EBSCOhost, & DOAJ

https://ijms.ut.ac.ir 2/9

Journal

Metrics: Google Scholar, ICDC

Scopus

2016:9.5

Impact Factor: Not Yet Available

Acceptance Rate: About 6% in 2019

Frequency: Quarterly

Language: English

Scope: Management and all of it's discipline

Article Processing Charges: No (Subject to change)

Type of Journal: Academic/Scholarly

Open Access: Yes

Indexed & Abstracted: Yes

Review Process : Double blind peer review

• plagiarism screening : iThenticate

Review Time: Eight Weeks Approximately

• Contact & Submission e-mail: ijms@ut.ac.ir

• Copyright: open access Creative Commons license (CC-BY 4.0)

Most Visited Articles

 A Unique Mathematical Framework for Optimizing Patient Satisfaction in Emergency Departments

☐ The Influence of Customer Value Co-Creation Behavior on SME Brand Equity: An Empirical Analysis

Impact of Human Resource Investment on Labor Productivity in Indonesia

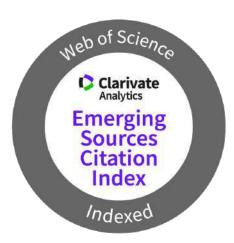
☐ Linking Managerial Coaching and Workplace Deviance: The Mediating Role of Thriving at Work

Behavioral Factors Affecting Talent Management: Meta-Synthesis Technique

🥯 Current Issue: Volume 14, Issue 1, Winter 2021, Pages 1-272 🖟

Research Paper

https://ijms.ut.ac.ir 3/9



1. Process Capability Studies in an Automated Flexible Assembly Process: A Case Study in an Automotive Industry

Pages 1-37

6 10.22059/IJMS.2020.222198.672415

Bakhtiar Ostadi; Mohammadreza Taghizadeh Yazdi; Abdolkarim Mohammadi Balani

View Article PDF 1.02 MB

2. Product Positioning as a Moderator for Halal Cosmetic Purchase Intention

Pages 39-60

(Inc.) 10.22059/IJMS.2020.279978.673617

Nor Rahimy Khalid; Che Aniza Che Wel; Suraya Akmar Mokhtaruddin

View Article PDF 371.99 K

3. Manager Optimism Based on Environmental Uncertainty and Accounting Conservatism

Pages 61-86

(a) 10.22059/IJMS.2020.290260.673811

Mohsen Rashidi

View Article PDF 766.12 K

4. A DSS-Based Dynamic Programming for Finding Optimal Markets Using Neural Networks and Pricing

Pages 87-106

6 10.22059/IJMS.2020.269091.673397

Hamed Fazlollahtabar

View Article PDF 643.56 K

5. Who is an Ideal Organizational Leader in Iran? Examining the Content, Structure, and Consequences of Iranian Implicit Leadership Theories (IILTS)

https://ijms.ut.ac.ir 4/9

Pages 107-140

(a) 10.22059/IJMS.2020.290291.673813

Mohammad Sadegh Sharifirad □

6. Solving a Two-Period Cooperative Advertising Problem Using Dynamic Programming

Pages 141-161

6 10.22059/IJMS.2020.278729.673594

Saeed Alaei; Neda Manavizadeh; Masoud Rabbani

View Article PDF 761.69 K

7. Determination of Financial Failure Indicators by Gray Relational Analysis and Application of Data Envelopment Analysis and Logistic Regression Analysis in BIST 100 Index

Pages 163-187

4 10.22059/IJMS.2020.299263.673998

Ebru Nurcan; Can Deniz Köksal

View Article PDF 558.22 K

8. Mathematical Modeling for a Flexible Manufacturing Scheduling Problem in an Intelligent Transportation System

Pages 189-208

(a) 10.22059/IJMS.2020.261618.673203

Ali Jahed; Reza Tavakkoli Moghaddam

9. Iran's Intra-Industry Trade Based on a Schumpeterian Factor Endowment Model

https://ijms.ut.ac.ir 5/9

Pages 209-243

4 10.22059/IJMS.2020.290967.673831

Zahra Najafi; Majid Sameti; Karim Azarbaiejani

10. The Effects of Corporate Characteristics on Managerial Entrenchment

Pages 245-272

4 10.22059/IJMS.2020.293765.673878

Mahdi Salehi; Mahmoud Lari Dashtbayaz; Masoud Mohtashami

View Article PDF 532.83 K

Publication Information

University of Tehran, College of Farabi

- Director-in-Charge
 - Hamid Reza Irani
- Editor-in-Chief
 Kayhan Tajeddini
- Executive Manager
 Ali Ahmad Roshanaei
- Somayeh Sobhani
- Print ISSN

2008-7055

Online ISSN

2345-3745

https://ijms.ut.ac.ir 6/9

Search	
	Q
	Advanced Search

Indexing and Abstracting

ISI - Clarivate Analytics - Web of Science: Emerging Sources Citation Index

Scopus

Islamic World Science Citation Center(ISC)

ProQuest

EBSCO

Gale

. . .



https://ijms.ut.ac.ir 7/9









Keywords Cloud

https://ijms.ut.ac.ir 8/9