Identifying the Influential Components of the Taxpayer Participation Model for Tax Policy-Making in the Iranian Tax Administration

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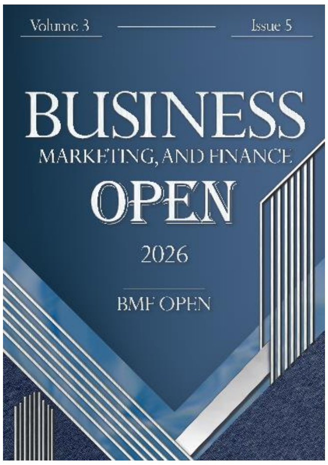

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Abstract: The objective of this study was to identify and conceptualize the key components that influence taxpayer participation in the process of tax policy-making within the Iranian Tax Administration. This study adopted an exploratory qualitative research design grounded in thematic analysis. Data were collected through semi-structured interviews with thirty-five experts and elites in the fields of taxation and public finance, including senior tax administrators from high-performing provinces and university faculty members specializing in tax policy. Participants were selected using snowball sampling, and data collection continued until theoretical saturation was achieved. Interview transcripts were analyzed through an iterative coding process involving open coding, development of basic themes, and abstraction into higher-order organizing themes to construct a comprehensive participatory model. The analysis revealed seven interrelated organizing components shaping taxpayer participation in tax policy-making: knowledge and awareness, cultural factors, technology and infrastructure, administrative structure, legal and regulatory requirements, economic conditions, and governance. The findings infer that effective participation emerges when professional competence and ethical orientation are aligned with cultural legitimacy and public trust. Digital infrastructure and electronic tax systems were inferred to function as critical enablers by reducing complexity and enhancing transparency. Administrative coherence, regulatory stability, and accountable governance structures were found to condition the institutionalization of participation, while perceptions of economic fairness and revenue utilization were inferred to strengthen taxpayers' willingness to engage. The study concludes that taxpayer participation in tax policy-making is a systemic and multidimensional phenomenon that depends on the interaction of cognitive, institutional, technological, legal, economic, and governance factors. Strengthening participation therefore requires an integrated policy approach that moves beyond enforcement-based models toward inclusive, transparent, and adaptive tax governance.

Keywords: Taxpayer participation; tax policy-making; thematic analysis; tax governance; Iranian Tax Administration

1. Introduction

Tax policy-making has progressively evolved from a purely technical and state-centered function into a complex governance process in which social legitimacy, institutional trust, and stakeholder engagement play decisive roles. Contemporary tax systems are no longer evaluated solely on their revenue-generating capacity, but also on their ability to foster voluntary compliance, fairness perceptions, and sustainable cooperation between tax authorities and taxpayers. Within this context, taxpayer participation has emerged as a critical dimension of effective tax governance, particularly in developing and transition economies where enforcement-oriented approaches have often faced structural and cultural limitations [1, 2]. Participation-oriented tax policy is increasingly viewed as a mechanism through which governments can align fiscal objectives with societal expectations, reduce compliance costs, and enhance the legitimacy of tax institutions.

Theoretical and empirical research suggests that taxpayer behavior is deeply influenced by cognitive, normative, and institutional factors rather than by deterrence mechanisms alone. Wenzel's seminal work on taxpayer identities emphasizes that individuals relate to tax systems through multiple social identities, which shape their ethical judgments and willingness to cooperate with tax authorities [2]. From this perspective, participation is not merely a procedural add-on to tax administration but a foundational element that can reshape taxpayer–state relationships. When taxpayers perceive themselves as recognized stakeholders rather than passive subjects of regulation, compliance behavior tends to shift from enforced obedience toward voluntary cooperation.

Education and knowledge have consistently been identified as core determinants of taxpayer engagement and compliance. Empirical studies demonstrate that higher levels of tax knowledge and awareness significantly improve taxpayers' understanding of tax obligations and policy rationales, thereby strengthening their readiness to participate constructively in fiscal processes [3]. This relationship becomes particularly salient during periods of economic uncertainty, such as the COVID-19 pandemic, when policy responsiveness and communication transparency play a decisive role in sustaining taxpayer trust. Knowledge-based participation is thus not limited to individual literacy but extends to organizational learning within tax administrations and the adaptive capacity of fiscal institutions.

Beyond individual awareness, cultural and social norms strongly mediate the effectiveness of participatory tax policies. Research on tax compliance behavior among family businesses highlights the interaction between social norms, legitimacy perceptions, and psychological factors in shaping compliance decisions [4]. In societies where tax systems are perceived as opaque or inequitable, participation initiatives may face skepticism unless accompanied by visible accountability and public value creation. This underscores the importance of embedding taxpayer participation within broader cultural frameworks that emphasize social responsibility, equity, and collective benefit.

Technological transformation has further redefined the landscape of tax participation by reshaping communication channels, compliance mechanisms, and policy design tools. The introduction of electronic tax filing systems has been shown to reduce corruption, lower transaction costs, and improve compliance outcomes by increasing transparency and reducing discretionary interactions between taxpayers and officials [5]. More recently, digitalization has extended beyond administrative efficiency toward policy innovation, enabling data-driven and adaptive tax policy design. Advanced technologies such as artificial intelligence and blockchain are increasingly explored as instruments for enhancing policy responsiveness, detecting loopholes, and strengthening trust in digital tax ecosystems [6-8].

The rise of the digital economy has simultaneously created new opportunities and challenges for tax policy-making, particularly in emerging economies. Cryptocurrencies, digital platforms, and cross-border transactions have complicated traditional tax bases and enforcement mechanisms, prompting renewed debates on participation, transparency, and regulatory adaptation [9, 10]. In such environments, taxpayer participation becomes a strategic resource for policy learning, as stakeholders can provide real-time feedback on regulatory feasibility and unintended consequences. Studies focusing on Iran's digital economy emphasize that without inclusive dialogue and participatory design, tax policies risk lagging behind technological realities and undermining compliance incentives [10].

Institutional structure and governance capacity also shape the scope and effectiveness of participatory tax models. Research on systemic policymaking within the Iranian National Tax Administration demonstrates that fragmented decision-making structures and weak coordination mechanisms can constrain stakeholder involvement and policy coherence [11]. Similarly, analyses of tax capacity and tax effort in developing economies indicate that administrative effectiveness and governance quality are essential prerequisites for meaningful participation [12]. Participation initiatives that are not supported by robust organizational structures may remain symbolic rather than transformative.

Legal and regulatory stability constitutes another critical pillar of taxpayer participation. Frequent policy changes, ambiguous regulations, and inconsistent enforcement undermine trust and discourage engagement. Empirical evidence suggests that regulatory stability positively influences investment behavior and long-term compliance by reducing uncertainty and signaling institutional reliability [13]. From a participatory perspective, stable legal frameworks provide the necessary predictability for taxpayers to engage in policy dialogue and align their economic decisions with fiscal objectives. Conversely, weak enforcement guarantees and discretionary practices can erode the credibility of participatory processes.

Economic conditions further mediate the relationship between participation and tax compliance. Taxpayers' perceptions of how tax revenues are utilized significantly affect their willingness to cooperate with tax authorities. Studies indicate that when tax revenues are visibly allocated to productive investments, infrastructure development, and economic stabilization, taxpayer optimism and compliance tendencies increase [14, 15]. Conversely, perceptions of inefficiency or inequitable distribution can amplify resistance and disengagement. Participation mechanisms that allow taxpayers to express preferences and monitor outcomes can therefore enhance the perceived fairness and effectiveness of fiscal policy.

The role of incentives in participatory tax policy has also gained increasing attention. Targeted tax incentives have been shown to stimulate innovation, enhance transparency in financial reporting, and reduce financial stress among taxpayers when designed within coherent policy frameworks [14, 16, 17]. However, incentive-based approaches require careful calibration to avoid unintended consequences such as tax avoidance or revenue erosion. Corporate behavior studies demonstrate that strategic responses to tax policies are influenced by governance structures, gender diversity, and organizational culture, highlighting the need for participatory feedback loops in policy evaluation [18, 19].

Small businesses represent another critical stakeholder group in participatory tax models, as they often face disproportionate compliance burdens and informational asymmetries. Research on tax management and policy optimization for small enterprises emphasizes that inclusive policy design and effective communication can significantly enhance compliance and business sustainability [20]. Participation mechanisms tailored to the capacities and constraints of small businesses can thus contribute to both economic resilience and fiscal performance.

At the macro-policy level, tax participation intersects with broader debates on state capacity, governance, and development. Comparative analyses suggest that tax systems that integrate stakeholder engagement into policy formulation are better positioned to adapt to structural changes, support innovation, and maintain social cohesion [21, 22]. In contrast, exclusionary or technocratic approaches risk alienating taxpayers and weakening the social contract underpinning taxation.

Despite the growing body of international research on taxpayer behavior, digital taxation, and fiscal governance, there remains a notable gap in context-specific models that systematically identify the components of taxpayer participation in tax policy-making, particularly within the institutional and cultural context of Iran. Existing studies have primarily focused on compliance outcomes, technological tools, or incentive mechanisms, with limited integration of organizational, cultural, legal, and governance dimensions into a coherent participatory framework [10, 11]. Addressing this gap requires an exploratory and integrative approach capable of capturing expert insights and contextual complexities.

Accordingly, the aim of this study is to identify and conceptualize the key components influencing the taxpayer participation model for tax policy-making in the Iranian Tax Administration.

2. Methodology

The present study was designed as an exploratory qualitative inquiry aimed at identifying and conceptualizing the key components influencing a taxpayer participation model in tax policy-making within the Iranian Tax Administration. Given the complexity, contextual embeddedness, and multi-actor nature of taxpayer participation, a qualitative design was considered the most appropriate methodological approach to capture expert interpretations, experiential knowledge, and latent dimensions of the phenomenon. The study adopted thematic analysis as its core analytical strategy, enabling a systematic yet flexible examination of meanings, patterns, and relationships embedded in expert narratives. The research population consisted of thirty-five experts and elites in the fields of taxation and public administration, including senior tax administrators such as provincial directors general and deputy directors from high-performing provinces in tax revenue collection, as well as university faculty members specializing in taxation, public finance, and fiscal policy. Participants were selected based on their professional experience, decision-making roles, and scholarly engagement with tax systems and policy processes.

Sampling was conducted using the snowball sampling technique, which is particularly suitable for qualitative exploratory studies involving specialized expert populations. In this approach, initial participants were identified purposively based on predefined expertise criteria, and each interviewee subsequently introduced other qualified individuals who met the study's inclusion standards. This process facilitated access to a credible and information-rich panel of experts and allowed the researcher to gradually expand the sample until conceptual saturation was achieved. Saturation was determined when additional interviews no longer yielded new concepts, categories, or thematic insights relevant to taxpayer participation and tax policy-making. Throughout the sampling process, attention was paid to ensuring diversity in professional background, institutional affiliation, and practical experience in order to enhance the analytical depth and credibility of the findings.

The primary data collection tool in this study was semi-structured interviews, which were selected for their capacity to balance systematic inquiry with flexibility and depth. Semi-structured interviews allowed the researcher to pursue predetermined thematic areas while simultaneously providing respondents with the freedom to elaborate on their experiences, interpretations, and critical perspectives regarding taxpayer participation in tax policy formulation. The interview guide was developed based on an initial review of relevant theoretical and empirical literature, as well as preliminary consultations with subject-matter experts. Core interview questions focused on participants' perceptions of the concept of taxpayer participation, enabling and constraining factors within the Iranian tax system, institutional and behavioral determinants of participation, mechanisms for integrating taxpayer input into policy-making, and the perceived outcomes of participatory approaches in fiscal governance.

Interviews were conducted in multiple stages and served several analytical purposes within the research process. Beyond generating primary data, they played a central role in the identification, refinement, and validation of basic and organizing themes, as well as in clarifying the hierarchical structure of the emerging conceptual model. Given the exploratory nature of the study, expert interviews were instrumental in problem formulation, identification of specialized sources, clarification of analytical pathways, and the development of an informed and coherent research trajectory. Interviews were conducted face-to-face or through secure virtual platforms, depending on participants' availability, and each session was recorded with informed consent. Audio recordings were transcribed verbatim to ensure accuracy and to preserve the richness of the original narratives for subsequent analysis.

Data analysis was carried out using thematic analysis as a systematic process for identifying, analyzing, and reporting patterns and themes within qualitative data. Thematic analysis was employed as an analytical process rather than merely a standalone qualitative method, allowing it to be integrated flexibly within the broader qualitative research design. This approach enabled the transformation of raw textual data into rich, detailed, and analytically meaningful insights. The analysis followed an iterative and reflexive process, beginning with repeated and immersive reading of interview transcripts to achieve familiarity with the data. Initial codes were then generated by identifying meaningful units of text related to taxpayer participation, institutional dynamics, policy-making mechanisms, and contextual influences within the tax administration system.

Subsequently, related codes were clustered into preliminary themes based on conceptual similarity and relational coherence. These themes were continuously reviewed, refined, and reorganized through constant comparison across interviews to ensure internal consistency and external distinction. The analytical process facilitated not only the systematic observation of expert viewpoints but also the interpretation of seemingly fragmented or unrelated statements within a coherent conceptual framework. In addition, thematic analysis allowed for the potential quantification of qualitative insights where necessary, such as examining the relative prominence or frequency of certain themes, while maintaining the interpretive depth of qualitative inquiry. Throughout the analysis, analytical memos were used to document emerging insights, theoretical reflections, and decision rationales, thereby enhancing transparency and methodological rigor. The final output of the analysis was a structured set of interrelated themes and subthemes that collectively represent the core components of the taxpayer participation model for tax policy-making in the Iranian Tax Administration.

3. Findings and Results

Table 1 presents the results of the thematic analysis by systematically organizing the extracted qualitative data into open codes, basic themes, and organizing themes. This table reflects the hierarchical structure of meanings derived from expert interviews and illustrates how discrete empirical codes were progressively abstracted into coherent basic themes and, subsequently, into higher-order organizing themes. The structure of the table demonstrates the analytical rigor of the coding process and provides a transparent linkage between raw data and the conceptual components underlying the taxpayer participation model for tax policy-making.

Table 1. Organizing Themes, Basic Themes, and Open Codes Row	Organizing Theme	Basic Theme	Open Code
1	Knowledge and Awareness	Professional Ethics	Promotion of human values
2	Knowledge and Awareness	Professional Ethics	Organizational justice
3	Knowledge and Awareness	Professional Ethics	Personal feedback system
4	Knowledge and Awareness	Professional Ethics	Social conscience
5	Knowledge and Awareness	Dynamism and Flexibility	Skill transformation
6	Knowledge and Awareness	Dynamism and Flexibility	Job-relevant knowledge
7	Knowledge and Awareness	Dynamism and Flexibility	Dynamism of staff and systems
8	Knowledge and Awareness	Dynamism and Flexibility	Agility of tax systems
9	Knowledge and Awareness	Professional Competence	High communication skills
10	Knowledge and Awareness	Professional Competence	Organizational social cohesion
11	Knowledge and Awareness	Professional Competence	Self-management
12	Knowledge and Awareness	Professional Competence	Self-motivation
13	Cultural	Tax Culture	Awareness of new tax system technologies
14	Cultural	Tax Culture	Tax compliance and non-evasion
15	Cultural	Public Values	Legitimacy of the tax system
16	Cultural	Public Values	Organizational social responsibility
17	Cultural	Public Trust	Trust in the online tax system
18	Cultural	Public Trust	Confidence in new technologies
19	Cultural	Public Trust	Accountability of the tax system
20	Cultural	Public Trust	Willingness to accept change
21	Technology and Infrastructure	Development of Electronic Tax Environment	Expansion of online taxation
22	Technology and Infrastructure	Development of Electronic Tax Environment	Investment in modern tax technologies
23	Technology and Infrastructure	Development of Electronic Tax Environment	Awareness of technological changes
24	Technology and Infrastructure	Development of Electronic Tax Environment	Awareness of modern tax systems
25	Technology and Infrastructure	Development of Electronic Tax Environment	Knowledge of laws and technologies in developed countries
26	Technology and Infrastructure	Development of Electronic Tax Environment	Move toward digitalization of systems
27	Technology and Infrastructure	Development of Electronic Tax Environment	Elimination of administrative bureaucracy
28	Administrative Structure	Strategic Functions	Identification of new processes
29	Administrative Structure	Strategic Functions	Identification of taxpayer needs
30	Administrative Structure	Strategic Functions	System improvement based on taxpayer needs
31	Administrative Structure	Strategic Functions	Assessment of organizational competencies
32	Administrative Structure	Supervisory Functions	Electronic monitoring
33	Administrative Structure	Supervisory Functions	Control and reduction of work regulations
34	Administrative Structure	Supervisory Functions	Alignment of organizational goals with taxpayer needs

35	Administrative Structure	Supportive Functions	Accurate technical support and system responsiveness
36	Administrative Structure	Supportive Functions	Training taxpayers in modern systems
37	Administrative Structure	Supportive Functions	System standardization
38	Administrative Structure	Supportive Functions	Maintaining and enhancing staff and system quality
39	Administrative Structure	Executive Functions	Cyclical work models to reduce objections
40	Administrative Structure	Executive Functions	National capacity building
41	Administrative Structure	Executive Functions	Flexible human resource activities
42	Administrative Structure	Executive Functions	Support for creative simplification initiatives
43	Legal and Regulatory Requirements	Accountability	Transition toward e-government
44	Legal and Regulatory Requirements	Accountability	Global awareness and communication
45	Legal and Regulatory Requirements	Accountability	Foresight and future studies
46	Legal and Regulatory Requirements	Stability of Laws and Systems	Continuous system improvement
47	Legal and Regulatory Requirements	Stability of Laws and Systems	High system efficiency
48	Legal and Regulatory Requirements	Stability of Laws and Systems	Compliance with organizational policies
49	Legal and Regulatory Requirements	Enforcement Guarantees	Non-negotiable legal enforcement
50	Legal and Regulatory Requirements	Enforcement Guarantees	Legislative considerations
51	Legal and Regulatory Requirements	Enforcement Guarantees	Uniform legal and systemic penalties
52	Economic Conditions	Revenue Role	Reducing tax dependency in the budget
53	Economic Conditions	Revenue Role	Allocation of tax revenues to infrastructure investment
54	Economic Conditions	Revenue Role	Taxpayer surveys on expenditure of tax revenues
55	Economic Conditions	Economic Improvement	Market regulation
56	Economic Conditions	Economic Improvement	Consumption control
57	Economic Conditions	Fair Distribution of Resources	Reducing social class gaps
58	Economic Conditions	Fair Distribution of Resources	Directing resources to productive projects
59	Economic Conditions	Fair Distribution of Resources	Strengthening the banking system
60	Governance	Organizational Communication	Development of networked communications
61	Governance	Organizational Communication	Expansion of inter-organizational communication
62	Governance	Organizational Communication	Development of internal communication
63	Governance	Organizational Communication	Multi-layered organizational relations
64	Governance	Reduction of Complexity	Organizational size
65	Governance	Reduction of Complexity	Task complexity
66	Governance	Reduction of Complexity	Division of labor
67	Governance	Organizational Centralization	Organizational fit
68	Governance	Organizational Centralization	Reduction of discretion through systemization

69	Governance	Organizational Centralization	Control and coordination of activities
70	Governance	Organizational Centralization	Job security
71	Governance	Organizational Centralization	Flexible organizational structure

The findings presented in Table 1 indicate that knowledge and awareness constitute a foundational organizing theme in shaping taxpayer participation. This theme encompasses professional ethics, dynamism, flexibility, and professional competence, highlighting that informed, skilled, and ethically grounded human resources are essential prerequisites for participatory tax policy-making. The prominence of communication skills, self-management, and system agility reflects the experts' emphasis on adaptive capacities within both individuals and institutions.

The cultural dimension emerges as another central organizing theme, underscoring the role of tax culture, public values, and public trust in fostering meaningful participation. The data suggest that taxpayer engagement is strongly conditioned by perceptions of legitimacy, social responsibility, and trust in both technological systems and institutional accountability. Willingness to change and confidence in digital tax platforms appear as critical cultural enablers of participation.

Technology and infrastructure are identified as key structural facilitators of participation, particularly through the development of an electronic tax environment. The codes within this theme emphasize digitalization, reduction of administrative bureaucracy, and investment in modern technologies, indicating that accessible, transparent, and efficient technological systems can lower participation barriers and enhance taxpayer interaction with policy processes.

The administrative structure theme reflects the internal organizational capacities required to translate participation into policy outcomes. Strategic, supervisory, supportive, and executive functions collectively point to the necessity of coherent processes, effective oversight, responsive support mechanisms, and flexible execution models. The emphasis on identifying taxpayer needs and aligning organizational goals accordingly highlights a shift toward a service-oriented administrative logic.

Legal and regulatory requirements form another organizing theme that frames participation within a stable and enforceable institutional context. Accountability, stability of laws, and enforcement guarantees are depicted as essential for sustaining trust and predictability. The findings suggest that participatory approaches are unlikely to succeed in environments characterized by regulatory ambiguity or inconsistent enforcement.

Economic conditions are shown to influence participation by shaping taxpayers' perceptions of fairness, effectiveness, and societal benefit. The allocation of tax revenues, reduction of inequality, and contribution to economic stability are recurrent codes, indicating that taxpayers are more inclined to participate when they perceive tangible and equitable economic outcomes from taxation.

Finally, governance-related themes emphasize communication, reduction of complexity, and organizational centralization as mechanisms for coordinating participation. The findings suggest that clear communication channels, simplified structures, and flexible yet coordinated governance arrangements enhance the system's capacity to absorb and institutionalize taxpayer input within the tax policy-making process.

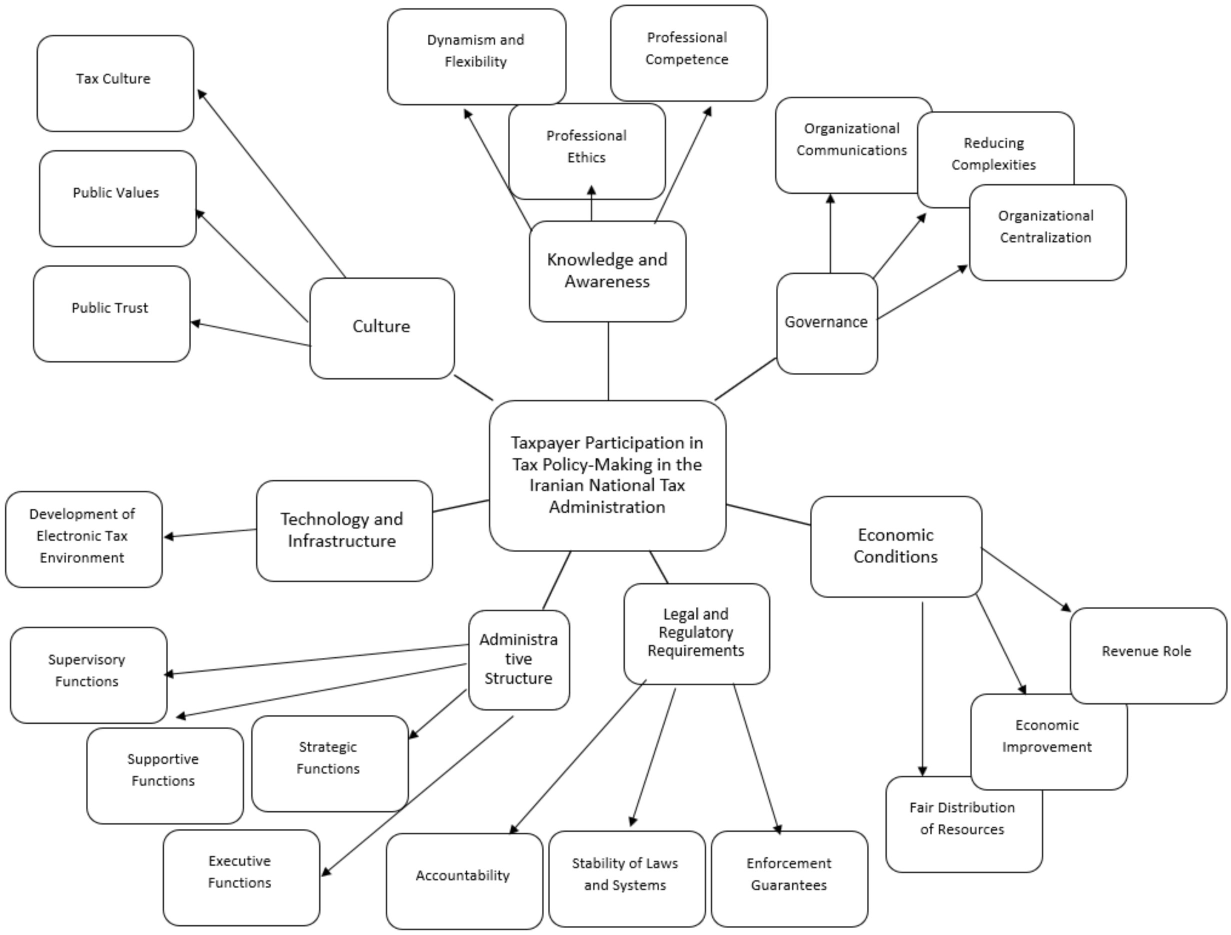

Figure 1. Final Conceptual Model

4. Discussion and Conclusion

The findings of the present study provide a multidimensional and integrated understanding of taxpayer participation in tax policy-making by identifying a structured set of organizing themes that collectively shape participatory capacity within the Iranian Tax Administration. The extracted themes—knowledge and awareness, cultural factors, technology and infrastructure, administrative structure, legal and regulatory requirements, economic conditions, and governance—indicate that taxpayer participation is not a single behavioral outcome but rather the result of interactions among cognitive, institutional, technological, and normative mechanisms. This aligns with the growing body of literature that conceptualizes tax participation and compliance as embedded within broader governance and social systems rather than as isolated individual decisions [1, 2].

The prominence of knowledge and awareness as a foundational organizing theme underscores the central role of human capital and professional competence in participatory tax systems. The results suggest that ethical orientation, professional skills, adaptability, and self-regulatory capacities among both tax officials and taxpayers are prerequisites for effective participation. This finding is consistent with empirical evidence demonstrating that tax knowledge and education significantly enhance taxpayers' understanding of policy objectives and improve compliance behavior [3]. Moreover, the emphasis on professional ethics and organizational justice resonates with Wenzel's argument that taxpayer identities and moral evaluations shape cooperative behavior toward tax authorities [2]. In this sense, participation is facilitated when individuals perceive tax institutions as ethically grounded and procedurally fair.

Cultural dimensions, particularly tax culture, public values, and public trust, emerged as another critical pillar of the participation model. The findings indicate that taxpayers' willingness to engage with tax policy processes is closely tied to their perceptions of legitimacy, social responsibility, and institutional accountability. This is strongly supported by prior studies showing that social norms and legitimacy perceptions significantly influence tax compliance behavior, especially in contexts where family, community, and collective values play a decisive role [4]. The identification of trust in online tax systems and confidence in new technologies further reflects the cultural internalization of digital governance, which has become increasingly relevant in modern tax administrations.

The role of technology and infrastructure in enabling participation was clearly articulated through themes related to digitalization, electronic tax environments, and the reduction of administrative bureaucracy. The results suggest that technological readiness not only improves administrative efficiency but also lowers participation barriers by simplifying interactions and increasing transparency. This finding is consistent with robust empirical evidence indicating that electronic tax filing systems reduce corruption, enhance compliance, and foster trust by limiting discretionary power and increasing system reliability [5]. Furthermore, the emphasis on awareness of global tax technologies and practices aligns with recent studies highlighting the transformative potential of advanced digital tools, including artificial intelligence and blockchain, in adaptive tax policy design and loophole detection [6-8].

Administrative structure emerged as a complex and internally differentiated organizing theme encompassing strategic, supervisory, supportive, and executive functions. The findings indicate that participatory tax policy-making requires not only external engagement with taxpayers but also internal organizational coherence and capacity. Strategic functions such as identifying taxpayer needs and redesigning processes reflect a shift toward service-oriented and responsive governance, which has been emphasized in systemic policymaking models within the Iranian tax context [11]. Supervisory and supportive functions, particularly electronic monitoring and technical support, further highlight the importance of institutional reliability and responsiveness in sustaining participation. These findings reinforce arguments that fragmented administrative structures and weak coordination undermine participatory initiatives, rendering them symbolic rather than effective [12].

Legal and regulatory requirements were identified as a stabilizing framework within which participation can be institutionalized. The themes of accountability, stability of laws, and enforcement guarantees indicate that taxpayers are more inclined to participate when policy environments are predictable, transparent, and consistently enforced. This is strongly aligned with Desai's findings that regulatory stability positively influences investment behavior and long-term compliance by reducing uncertainty and signaling institutional credibility [13]. Additionally, the emphasis on e-government and global awareness reflects a convergence between domestic legal reforms and international governance standards, which has been increasingly recognized as essential for modern tax systems [1].

Economic conditions were also shown to significantly shape participatory dynamics, particularly through perceptions of fairness, redistribution, and the societal use of tax revenues. The findings suggest that when taxpayers observe tangible economic benefits—such as infrastructure investment, reduced inequality, and economic stabilization—they are more likely to engage constructively with tax authorities. This supports prior research demonstrating that transparent and development-oriented allocation of tax revenues enhances taxpayer optimism and voluntary compliance [14]. Moreover, the linkage between tax policy and macroeconomic stabilization echoes broader economic policy debates emphasizing the interaction between fiscal instruments and economic resilience [15].

Governance-related themes, including organizational communication, reduction of complexity, and managed centralization, highlight the systemic nature of taxpayer participation. The findings indicate that clear communication channels, simplified organizational structures, and coordinated decision-making processes enhance the system's ability to absorb and operationalize taxpayer input. This aligns with studies suggesting that participatory governance is most effective when supported by institutional arrangements that balance flexibility with coordination [21]. Excessive complexity or fragmented authority structures can dilute accountability and weaken feedback loops, thereby constraining meaningful participation.

The results also resonate with research on incentive-based tax policies and behavioral responses. The integration of participation within incentive frameworks can enhance transparency, reduce financial stress, and promote optimism among taxpayers when incentives are perceived as fair and well-targeted [14, 17]. At the same time, the findings caution against unbalanced incentive schemes that may encourage tax avoidance or strategic manipulation, a concern well-documented in studies on corporate tax behavior and governance structures [18, 19]. Participation mechanisms can thus serve as corrective tools by incorporating stakeholder feedback into policy evaluation and adjustment.

In the context of the digital economy, the study's findings are particularly relevant. Emerging tax challenges related to cryptocurrencies, digital platforms, and cross-border transactions require adaptive and participatory policy approaches. Prior research in Iran and other emerging economies highlights that exclusionary or purely enforcement-based responses to digital taxation risks undermining compliance and policy effectiveness [9, 10]. The present study extends this literature by demonstrating that participation, supported by technological and institutional readiness, can function as a learning mechanism that bridges regulatory gaps in rapidly evolving economic environments.

Small businesses and innovation-driven enterprises represent another important stakeholder group reflected implicitly in the findings. Participatory tax policy-making can address the asymmetries and compliance burdens faced by smaller economic actors by integrating their perspectives into policy design. This is consistent with evidence showing that effective tax management and inclusive policy optimization significantly enhance small business sustainability and compliance [20]. Moreover, targeted incentives for innovation, when developed through participatory processes, can align fiscal objectives with broader development goals [16].

Overall, the discussion indicates that taxpayer participation in tax policy-making is a systemic phenomenon that emerges from the interaction of individual competencies, cultural norms, technological infrastructures, organizational capacities, legal frameworks, economic contexts, and governance arrangements. The findings corroborate and extend existing international and domestic research by providing an integrated, context-sensitive model that captures the complexity of participatory tax governance in Iran. By moving beyond narrow compliance-focused perspectives, the study contributes to a more holistic understanding of how participation can be institutionalized as a strategic resource for effective and legitimate tax policy-making.

Despite its contributions, this study has several limitations that should be acknowledged. First, the qualitative and exploratory nature of the research, while suitable for theory building, limits the generalizability of the findings to other institutional or national contexts. Second, the reliance on expert interviews may have introduced perspective bias, as the views of policymakers and academics may not fully reflect the experiences of ordinary taxpayers. Third, although thematic analysis allowed for in-depth interpretation, the absence of quantitative validation restricts the ability to assess the relative weight or causal influence of the identified components.

Future research could build on the present findings by developing and empirically testing quantitative models of taxpayer participation based on the identified themes. Comparative studies across different countries or tax systems would also be valuable for examining the contextual specificity of participation models. In addition, incorporating the perspectives of diverse taxpayer groups, such as small businesses, digital entrepreneurs, and informal sector actors, could enrich understanding of participatory dynamics. Longitudinal studies may further clarify how participation evolves over time in response to technological change and policy reforms.

From a practical perspective, tax authorities should prioritize capacity building in knowledge, ethics, and communication skills among staff while simultaneously investing in digital infrastructure that facilitates transparent and user-friendly participation. Policymakers should design stable and coherent legal frameworks that institutionalize participation rather than treating it as an ad hoc initiative. Finally, creating structured feedback mechanisms that allow taxpayers to observe the tangible outcomes of their participation can strengthen trust, legitimacy, and long-term cooperation within the tax system.

Authors' Contributions

Authors equally contributed to this article.

Ethical Considerations

All procedures performed in this study were under the ethical standards.

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Conflict of Interest

The authors report no conflict of interest.

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