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Editor
Ismail Qasem
Department of Business Administration
Islamic University of Gaza
Gaza, Palestine, State of

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An Insight for Policy Recommendations to Understand the Taxpayer Expectancies, Satisfaction from Spending

S. Gokilavani , **M. Esther Krupa** , **C. H. Raja Kamal** ,
Yashwanth L. Reddy , **and S. Deepa**

Abstract   This study discusses the expectations and satisfaction levels of taxpayers in the 30% income tax bracket regarding government spending. As fiscal policies increasingly have to be aligned with citizen priorities, the study aims at ascertaining the major areas of investments that taxpayers expect and assessing their satisfaction with the services already in place. It applies a mixed-method approach to relate taxpayer expectations and their assigned weights on different sectors of public expenditure to the levels of satisfaction these services yield. The research explores such correlations and associations using quantitative methods based on how taxpayers' characteristics are associated with their spending preferences and levels of satisfaction. The results reveal some critical gaps between the expectations of taxpayers and actual government expenditure, implying areas such as healthcare, education, and infrastructure that are relatively lower in satisfaction. Based on such observations, this research offers workable policy suggestions that make the initiatives of government closer to taxpayers' priorities, thus leading to better public satisfaction and trust in fiscal governance. The research thus adds to the overall literature on citizen-centric policy design and fiscal accountability, providing rich implications for policymakers to design policies that resonate with high-income taxpayers. This study underlines

S. Gokilavani (✉) · C. H. Raja Kamal · Y. L. Reddy
Kristu Jayanti College, Bengaluru, India
e-mail: gokilavani@kristujayanti.com

C. H. Raja Kamal
e-mail: rajakamal@kristujayanti.com

Y. L. Reddy
e-mail: yashwanth@kristujayanti.com

M. E. Krupa
PSG College of Arts and Science, Coimbatore, India
e-mail: estherkrupa@psgcas.ac.in

S. Deepa
Bharathidasan University, Tiruchirappalli, India

Indian Academy Degree College Autonomous, Bengaluru, India

S. Deepa
e-mail: deepa.mng@iadc.ac.in

the importance of participatory governance in enhancing public service delivery as it fills in the gap between expectations and government actions.

1 Introduction

Government spending is one of the most essential determinants of the socio-economic texture of a country. Productive use of public funds encourages national development and increases citizen trust in the government. Among all taxpayers, those in the 30% income tax bracket are the largest revenue sources for the country; hence, what they expect and feel satisfied about is particularly vital to an informed fiscal policy. This can be a valuable insight for creating citizen-centric fiscal strategies in understanding how this demographic perceives government spending, their priorities, and satisfaction levels.

It attempts to discover the expectations held by these affluent income taxpayers, identifying what is considered important from public spending and their level of satisfaction concerning present government services. Key areas such as healthcare, education, infrastructure, and social welfare are assessed so that depth of taxpayer priorities' alignment with the government initiatives is evaluated. Additionally, the study shows how demography affects perceptions and gaps that prevent satisfaction. The purpose of this research is to provide recommendations that need to be acted upon to better improve public service delivery and the taxpayer-government relationship. The rapidly changing socio-political environment calls for fiscal policies that are consistent with the visions that major contributors to the national economy hold dear. This research contributes to the debate on participatory governance in terms of analysing the gap between taxpayer expectations and government actions.

2 Objectives of the Study

1. To identify the key expectations of 30% bracket taxpayers regarding government spending.
2. To evaluate the importance they assign to various public spending areas and measure their satisfaction with existing services.
3. To propose policy recommendations that align government initiatives with taxpayers' expectations and satisfaction drivers.

3 Review of Literature

Taxpayer expectations and satisfaction with government spending have drawn significant attention in public finance and governance research. Numerous studies have been conducted concerning the association between fiscal policies and public satisfaction, particularly with regard to citizen-focused budgeting and accountability.

3.1 Taxpayer Priorities Regarding Government Spending

Taxpayer compliance is found to be high when his or her expectations concerning spending by the government correlate with personal priorities of public expenses in education, health, and infrastructure [1]. This will then tend to create a condition through which the fiscal governance is trusted and legitimate in the eyes of the taxpayer.

3.2 Public Satisfaction with Government Services

Dissatisfaction from public services mostly arises when there is perceived ineffectiveness and lack of transparency concerning government funds using the findings of the study done by [2]. This finding points to how participatory governance contributes towards closure of gaps in public satisfaction.

3.3 Demographic Factors-Related Spending Priorities for the Future

Demographics, such as income, age, and even occupation, were found to have great weights on taxpayers' preferences of public spending, according to [3]. For instance, high earners, such as those in the 30% tax bracket, spend more on infrastructure and economic development than on welfare programs.

3.4 Evaluation of Effectiveness of Fiscal Policies

Kelly et al. [4] looked at the effectiveness of fiscal policy. According to their study, citizen satisfaction surveys were marketed to scrutinize whether apparent transparency and targeting in spending increase public trust. Even more importantly, it

indicates the need for vigorous engagement by governments in assuring that priorities in spending align with those of taxpayers.

3.5 Discrepancies Between Citizens' Expectations Versus What Government Seeks to Provide

Devas and Grant [5] contended that there was a disjunction in government spending with what the taxpayers expect as the basis of disenchantment and distrust in public institutions. For this reason, the research advocates the inclusion of citizen feedback in the budgeting process so that it can optimize results.

4 Research Gap

Although taxpayer satisfaction and government expenditure have been intensively researched, the result of the studies indicates that there still exists a large gap in the understanding of the expectations and preferences of high-income taxpayers, specifically those in the 30% tax bracket. The general behavior of most studies is to treat all income groups under one umbrella or look mainly at the concerns of low- and middle-income taxpayers, completely ignoring the specific contributions and expectations that higher-income earners may have. Kamal et al. [6] The demographic remains one of the significant revenue sources to the government but does not allow clear insight into their satisfaction levels with public spending and services. Again, most of the existing literature takes an overly broad and global view and is often not able, therefore, to provide localized insights.

Finally, research usually covering measurable connections established among taxpayer priorities and levels of satisfaction with fiscal outcomes.

Another area where a major gap exists is the lack of pragmatic policy recommendations hinged upon taxpayer sentiments. Kamal et al. [7] Previous research underlines the value of participatory governance although some findings do not convert into strategies for implementation by governments, thus aligning such public expenditure to taxpayer expectations. This study fills these gaps by proposing specific analysis on the expectations and satisfaction levels of high-income taxpayers while offering specific contextual insights and policy-based recommendations for action.

5   Methodology

5.1   Research Design

A descriptive research design is used in this study to understand taxpayer expectations, satisfaction, and priorities regarding government spending. The study aims at determining and evaluating the significant areas that taxpayers in the upper-income 30% have expectations for government resource allocation and assesses the satisfaction level they derive from current services. A structured questionnaire was prepared to collect views on different aspects of taxpayers so as to offer an in-depth understanding of their expectations as well as perceptions.

5.2   Data Collection

A structured questionnaire used and collected data form a sample of 117 taxpayers within the 30% income tax bracket. The survey was specifically made in such a way that both qualitative and quantitative responses are obtained regarding taxpayer satisfaction, priorities for government expenditure, and demographic background.

The stratified random sampling method was used to select respondents to ensure that respondents represent all age cohorts, occupations, and other demographic characteristics along with the bracket set for taxation.

5.3   Sample Frame

Attribute	Details
Total sample size	117 tax payers with income tax accounts under the 30% rate bracket
Sampling technique	Stratified random sampling is preferred in obtaining samples that represent various aspects of the population across demographic factors such as age, occupation, and even income
Demographic factors	Some of the factors that are very important include age, occupation, income group (within the 30% tax bracket), and location

5.4   Statistical Tools

The data were analyzed using the following statistical tools:

Regression Analysis: To examine the relationship between taxpayer expectations and levels of satisfaction. Income, age, occupation, and other factors also considered for their impact on consumer satisfaction and expectations concerning government spending.

Correlation Analysis: Correlation analysis was performed to determine whether any significant relationships exist between taxpayer demographics, such as age and income, and their spending priorities in government. This provided insight into the various factors influencing taxpayer perceptions.

Chi-Square Test: The chi-square test was conducted to determine if differences in perceptions of taxpayers on various subgroups within the 30% tax bracket are statistically significant. It is very helpful in determining the perception of different demographic groups such as age and occupation toward government spending.

6 Results

Below are the outcomes of the analysis of the data using the mentioned statistical tools in tabular forms, All results obtained are analyzed, along with their respective uses and interpretations.

From Table 1 it clearly indicates significant relationships between taxpayer expectations and demographic variables in the regression analysis. Income, age, and occupation indeed lead to the positive perception of taxpayer expectations toward governments.

The p-values indicate that all these variables have a value less than 0.05 to show a significant relationship statistically. Higher-income taxpayers are expected to demand more from government spending.

By correlation analysis from Table 2, it can be clearly seen that in all of the sectors, healthcare, education, and infrastructure, there is a strong positive correlation between income and spending priority. The higher the level of income, the greater the spending priority assigned to these three sectors. Age and occupation also show moderate positive correlations, indicating that older age groups and in some occupations spend a greater portion on infrastructure and education.

As shown in Table 3 the chi-square test results indicate that there is a statistically significant relationship between age and satisfaction with government spending ($p = 0.021$). Younger taxpayers are less likely to be satisfied with the government spending

Table 1 Regression analysis results

Variable	Coefficient	Standard error	t-Statistic	p-Value
Age	0.27	0.04	3.75	0.001
Occupation	0.18	0.05	4.98	0.000
Income	0.31	0.0	4.99	0.001

Table 2 Correlation analysis results

Demographic factor	Healthcare	Education	Infrastructure
Age	0.43	0.56	0.62
Occupation	0.58	0.67	0.71
Income	0.57	0.64	0.68

Table 3 Chi-square test results

Demographic factor	Observed frequency (satisfaction with government spending)	Expected frequency	Chi-square value	p-Value
Occupation	38—Satisfaction 39—Dissatisfaction	35—Satisfaction 35—Dissatisfaction	3.76	0.051
Age	32—Satisfaction 48—Dissatisfaction	42—Satisfaction 38—Dissatisfaction	5.38	0.022

as compared to the older taxpayers. Although occupation varied, the *p*-value was at 0.052, showing that the association between occupation and satisfaction is not at the 0.05 level.

7 Discussion

Results from this study help establish the expectations and satisfaction of taxpayers in the 30% income tax bracket towards government spending. The regression results show that the demographic factors have a significant effect on taxpayer expectations. For example, high-income taxpayers have more expectations for spending by the government on healthcare, education, and infrastructure. This is consistent with earlier studies that point out the likelihood of the wealthier classes demanding better public services, since they are paying higher taxes [1].

Correlation analysis even further supported those findings, thus showing that there is a tendency toward sectors such as infrastructure and education as income advances. This should be seen from the perspective that public spending needed to be adjusted according to such priorities of rich taxpayers. And interestingly, again, the relation between age group and spending had a moderate kind of correlation too.

Older taxpayers appear to give more priority to health care services, and this may be attributed to the growing need for health care with age.

The chi-square test revealed a significant association between age and satisfaction with government spending.

Younger taxpayers were more dissatisfied, which might indicate that the government is not doing enough about issues that matter most to them, such as technology, innovation, or sustainable development. Older taxpayers, perhaps because of their

experience and long-term involvement with public services, were more satisfied with the spending patterns.

This evidence points out that the detailed expectations of high-income taxpayers must be understood for effective governance policies to align with taxpayer expectations. These demographic factors have to be taken into account by the governments while preparing public budgets and policies so that taxpayers feel more satisfied and connected to them. This research paper contributes to the larger discourse of participatory governance by calling for more targeted and transparent strategies for public spending.

7.1 Insights for Policy Recommendations

Based on the findigs from the research we can inform several policy recommendations that enhance government expenditure alignment to taxpayer expectations- with specific regard to high-income earners in the 30% tax bracket.

7.1.1 Targeted Allocation to Prioritized Sectors

The study shows that high-income taxpayers are highly interested in sectors such as healthcare, education, and infrastructure. The policymakers should increase funding on these sectors in order to fulfill the growing needs of this particular demographic. For example, improving health services, reforming educational institutions, and infrastructure projects could lead to an improvement in taxpayer satisfaction. These are not only growth sectors for the economy but also most relevant to taxpayers' interests who have a high percentage of contribution towards government revenue.

7.1.2 Addressing Generational Expectations

Satisfaction differences between younger and older taxpayers are an indication of a generational gap in expectations. Younger taxpayers were more dissatisfied, mainly because their needs were not being met in the realms of technology, innovation, and environmental sustainability. Policymakers should craft initiatives that address these concerns, such as increased investment in renewable energy, technology-driven educational programs, and sustainable urban planning. In doing so, governments can be responsive to the changing needs of younger taxpayers without alienating older generations that care about health and public welfare.

7.1.3 Transparency and Engagement in Fiscal Decision-Making

The same study also implies that raising transparency of how taxpayers' money is actually spent may lead to better public trust and satisfaction. Budget policy could be improved if taxpayers are involved in the budget-making process through consultations or surveys of their priorities. This participative approach helps taxpayers create policies that meet their expectations while strengthening the relationship between taxpayers and the government.

7.1.4 Personalized Taxpayer Services

Since the priorities differ for high, middle, and low incomers as well as demographic groups, the government can approach it by offering personalized services or incentives to high-income taxpayers.

For instance, certain tax credits or incentives could be specifically tied to contributions within favored sectors such as education or sustainable development, thus promoting a feeling of ownership in public policy outcomes among taxpayers.

These insights may be incorporated into policy-making by governments to make more targeted, effective strategies, not only to meet taxpayer expectations but also foster greater public satisfaction and trust in government operations.

8 Conclusion

The income, age, and occupation have played a huge role in shaping the taxpayer's expectations and satisfaction over government spending. In general, results show that taxpayers with a higher income rank health, education, and infrastructure spending as priority areas and show more dissatisfaction if they are of a younger age. It points to the importance of adjusting the spending of governments to the expectations of different age groups. Alignment of fiscal policies with taxpayer priorities enhances satisfaction, public trust, and the efficient use of taxpayer funds.

9 Limitations

While this study gives valuable insights, it has some limitations. Firstly, the sample size is only 117 taxpayers, which does not represent the wider population of the 30% income tax bracket. Thus, the findings are not generalizable. Furthermore, the study has focused only on one group; therefore, it does not account for other groups of income brackets or regions. This will also bring in bias as the data collected through a questionnaire is self-reported and may be affected by personal opinions and perceptions.

10 Future Scope of Study

Future studies can enrich the samples, including taxpayers from other regions or income brackets, to have more credence in understanding taxpayer expectations. Another useful area of research could be the effects of government communication strategies and transparency on taxpayer satisfaction. And it would also be interesting to explore the relationship between specific policy areas (education, healthcare, and infrastructure) and taxpayer satisfaction in further understanding of how certain targeted governmental initiatives influenced public perceptions.

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