

**Assessing Tax Compliance among Taxpayers in RDO 34 Paco, Manila:  
A Study on Non-Compliance and Payment Gaps**

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**Abstract**

This study aimed to examine the factors influencing tax compliance, non-compliance, and payment gaps among individual taxpayers in Revenue District Office (RDO) 34, Paco, Manila. It sought to analyze how economic, psychological, and social factors affect tax behavior, identify the challenges taxpayers face in complying with tax regulations, and determine the extent of payment gaps. The research also explored whether significant differences in tax compliance and payment gaps exist based on taxpayer profiles such as age, gender, income level, business or profession type, and years of tax filing experience. A quantitative research design was employed, using a structured survey questionnaire administered to 100 purposively selected individual taxpayers, including self-employed professionals, employees with tax filing experience, and informal sector participants. Descriptive statistics, weighted mean, and inferential statistics, such as ANOVA and chi-square tests, were used for data analysis. The findings revealed that while most taxpayers showed moderate to high compliance in terms of filing and paying taxes, gaps remained in areas such as awareness of filing requirements and timely full payment. Economic factors such as penalties and tax rates positively influenced compliance, but psychological and social elements, including trust in government and peer influence, also played a significant role. More so, the financial constraints, complex filing procedures, and a lack of guidance were key contributors to payment gaps. Statistical analysis confirmed that certain aspects of taxpayer profiles significantly influenced compliance behavior and payment gaps. The study concludes that enhancing tax compliance requires a multidimensional approach addressing economic incentives, taxpayer education, and institutional support. It recommends the simplification of filing processes, the establishment of taxpayer assistance centers, and trust-building measures to improve the effectiveness of RDO 34's tax collection. These strategies can help reduce payment gaps and foster a more compliant tax culture in urban districts.

*Keywords: tax compliance, payment gaps, taxpayer behavior, RDO 34, urban tax administration*