International Journal of Finance and Managerial Accounting, Vol.13, No.49, Spring 2028 IJFMA

Developing a Corporate Tax Model Based on Audit Quality: An Approach towards Financial Transparency and Regulatory Compliance

Fatemeh Hamzehnezhad
PhD student , Department of Accounting and Finance, BA.C., Islamic Azad University, Bandar Abbas, Iran.
f.hamzehnezhad@iau.ac.ir
Hojjatallah Salari
Department of Accounting and Finance, BA.C, Islamic Azad University, Bandar Abbas, Iran. Corresponding Author)
Ho.salari@iau.ac.ir
Ali Amiri
Department of Accounting and Finance, BA.C, Islamic Azad University, Bandar Abbas, Iran.
ali.amiri@iau.ac.ir
Davood Khodadadi
Department of Accounting and Finance, BA.C, Islamic Azad University, Bandar Abbas, Iran.
davood.khodadadi@iau.ac.ir

Submit: 08/06/2025 **Accept:** 14/07/2025

ABSTRACT

This study develops and presents a corporate tax model based on audit quality. The proposed model aims to enhance financial transparency and reduce tax evasion. Additionally, it seeks to gain investor confidence and facilitate compliance with tax regulations. Audit quality refers to the accuracy, comprehensiveness, and reliability of audits, ensuring that companies' financial statements align with reality and adhere to accounting principles and standards. This quantitative study employed a descriptive survey method with a parametric sample. The statistical population comprised 152 experts in accounting, auditing, taxation, and finance, as well as individuals involved in accounting and tax affairs. Data were collected via a questionnaire, validated through prior use in similar organizations, with reliability confirmed via Cronbach's alpha. The corporate tax model was analyzed through four dimensions: explanatory tax components, causal conditions, underlying conditions, and intervening conditions. Results indicated that all four dimensions significantly influence audit quality. The findings underscore that enhanced audit quality can substantially improve a nation's tax and economic systems.

Keywords: Tax Evasion; Tax Discrepancies; Financial Statements; Accounting Standards

1. Introduction

A critical yet underexplored issue in evaluating corporate performance in Iran is the relevance of discrepancies between declared and final taxes. Financial reporting aims to assist stakeholders, including investors, creditors, and governments, in decision-making. Investors, as primary users, rely on financial reports for their economic decisions. Internationally, the gap between taxable income and reported profit has been studied for its impact on investor decisions, compliance with tax laws, and implications for firms with low earnings quality. Audit quality, a cornerstone of capital markets, enhances financial reporting reliability, which in turn influences economic outcomes. This study investigates how audit quality mitigates discrepancies between declared, assessed, and definitive taxes, benefiting governments, companies, and investors.

Among the issues less considered or addressed in Iran is the evaluation of corporate performance by examining the relevance of information derived from the differences between companies' declared and final taxes. The main goal of financial reporting is to help users of financial statements, including investors, creditors, the government, and other interested parties, in their decision-making. Investors are the primary users of these statements for making economic decisions and evaluating companies. A relatively neglected area in our country concerning the assessment of accounting information relevance is the significance of information resulting from the difference between declared and final taxes. However, foreign research has examined the impact of the difference between taxable income and declared profit on investors' decisions, the necessity of complying with tax laws and accounting standards, and the extent to which investors utilize this difference for companies with low profit quality. Audit quality is a crucial aspect of auditing and capital markets. Enhancing audit quality improves the quality of financial reports, a primary source of information for capital markets. Given the mutual influence of accounting and economics, the quality of accounting reports has economic consequences. Therefore, audit and financial reporting quality are paramount for investors and users of these reports. This study examines the dimensions of audit quality and its potential to reduce the discrepancy between declared, assessed, and definitive taxes, thereby benefiting the government, companies, and investors.

Theoretical Foundations and Research Background

The primary purpose of financial reporting is to assist all company stakeholders in making decisions, with the profit from business activities serving as the basis for tax-related decisions (Modares & Zahedian, 2013). Since management is responsible for preparing financial statements, they might manage profits for various reasons, including tax incentives. Auditors possess the necessary skills to detect profit management, but the varying quality across numerous auditing firms suggests that audit quality plays a significant role in identifying profit management and subsequent tax avoidance (Seddighi, 2010). While using the accrual method to measure a business unit's performance is superior to measuring net cash receipts, accruals, unlike cash items, involve a degree of ambiguity (subjectivity), which reduces their reliability (Mohammadzadegan, 2006). Furthermore, the conflict of interest between management and various stakeholders allows managers to manipulate accruals presented in financial statements, raising concerns about their reliability (Nonahal Nahr, 2010). Auditing is a fundamental pillar of the accountability process, as accountability necessitates valid and reliable information, and the reliability of information requires review by an independent party. The increasing number of audit report users, who are essentially customers, has heightened the attention given to the quality of the auditor's work (Rahmani & Talebnia, 2013). Auditor quality encompasses the auditor's good reputation and professional care. A good reputation enhances the credibility of information in financial statements, while professional supervision and care improve the quality of this information (Hausas Yeganeh & Ghanbarian, 2006). The effectiveness of auditor oversight is influenced by the auditor's competence and impartiality (independence), and the auditor's reputation is linked to the market's perception of their competence and apparent independence (Hassan Yeganeh & Ghanbarian, 2006). D'Angelo (1981) defined audit quality in terms of auditor credibility, suggesting that stakeholders can use the size of the audit firm as a proxy for reputation or credibility. Larger auditors with more clients are more

motivated to disclose discovered misstatements to retain clients (D'Angelo, 1981) and can assure clients that the company's financial information is not biased towards management interests (Mashaykh & Shams, 2018; Hashi & Mazaheri Fard, 2013).

Davidson and Neo (1993) offered a more comprehensive definition, stating that audit quality is the auditor's ability to detect and eliminate material misstatements and manipulations in reported earnings. Therefore, auditor competence is a critical aspect of audit quality, interpreted from various perspectives and broadly related to internal and external factors, auditor characteristics (such as experience, competence, ethics), auditor independence (from the employer, market competition), and the legislative environment (mandatory turnover, audit and non-audit services). Given the multidimensional nature of audit quality, it is unclear which of these factors is most influential in determining auditor competence, making direct observation and measurement of audit quality challenging.

Discrepancies Between Accounting Standards and Iranian Tax Laws in the Field of Profit

Significant differences between accounting standards and tax laws and regulations lead to a divergence between pre-tax profit (accounting profit) and taxable income (tax profit). These differences arise from the distinct perspectives of those who develop accounting standards and tax laws. Accounting principles often emphasize conservatism, recognizing revenues as low as possible and expenses as high as possible, resulting in lower reported profits. Conversely, tax laws (excluding exemptions and remissions due to government incentives) often aim to recognize more profit for various reasons. Consequently, accounting profit and tax profit are rarely equal. The following two categories illustrate these differences:

The first group, encompassing differences between pre-tax profit and taxable income due to specific legal requirements (often stemming from permanent differences between accounting standards and tax laws), includes:

1) Separation of income (in whole or in part) that is exempt or remitted under tax laws, regulations, and other national laws from taxable income, as per Article 81 and Articles 132 to 145 of the Direct Taxes Law's Tax Exemptions Chapter, the Law on Economic, Social and Cultural Development Programs, the Law on the Annual Budget of the Whole Country, the Law on the Procedure for Issuing Partnership Bonds, the Law on the Procedure for Managing Free Trade Zones, and other national laws.
2) Non-admissibility of expenses related to tax-exempt income, such as expenses for exporting goods and services and for agricultural activities, according to the Direct Taxes Law.
3) Non-acceptance of expenses related to income taxed in advance, such as investment expenses, as well as depreciation and other rental property expenses related to rental income.
4) Considering funds receivable under laws approved under headings other than income tax (e.g., three per thousand Chamber of Commerce levies) as a reduction in taxable income, based on Note 5 of Article 105 of the Direct Taxes Law.
5) Considering amortization of acceptable (confirmed) losses from previous years as a reduction in taxable income, based on Clause 12 of Article 148 of the Direct Taxes Law.
6) Non-acceptance of the effect of annual adjustments resulting from a change in accounting policy or error correction on accumulated profit (loss) at the beginning of the period as profit (loss) of the current period, according to paragraphs 37 and 38 of Accounting Standard No. 6. This contrasts with the Direct Tax Law, which considers the net debit and credit items of the annual adjustments account as a reduction or increase in taxable income if these adjustments were not included in the calculation of taxable income of previous years.

The second group, involving differences between profit before tax and taxable income due to discrepancies between accounting standards and tax laws (often resulting from temporary differences), includes:

1) Acceptance of unrealized income from the revaluation of fixed assets (including long-term investments) as income for the revaluation period in the Direct Taxes Law (except for companies whose shares are 100%

government-owned and state-owned companies, according to Article 62 of the Third Development Plan Law). This contrasts with paragraph 39 of Accounting Standard No. 11, which recognizes this as revaluation surplus in the equity section.

2) Non-acceptance of depreciation of the revaluation surplus of fixed assets according to Note 10 of the depreciation table subject to Article 151 of the Direct Taxes Law (except for companies whose shares are 100% government-owned and state-owned companies, according to Article 62 of the Third Development Plan Law). This is contrary to paragraphs 41 and 42 of Accounting Standard No. 11, which recognize additional depreciation resulting from revaluation in parallel with the asset's use, effectively recognizing revaluation income over the asset's useful life rather than solely in the revaluation year.
3) Non-acceptance of the cost of reducing the book value of fixed assets resulting from revaluation in the Direct Taxes Law, contrary to paragraph 40 of Accounting Standard No. 11.
4) Non-acceptance of foreseeable losses from long-term construction contracts in the Direct Taxes Law, contrary to paragraphs 22 and 24 of Accounting Standard No. 9.
5) Non-acceptance of the provision for contingent liabilities (possible events existing at the balance sheet date when preparing financial statements) in the Direct Taxes Law, contrary to paragraphs 8, 9, 10, and 11 of Accounting Standard No. 4.
6) Non-acceptance of the effect of adjusting events between the balance sheet date and the date of financial statement approval on financial statement figures in the Direct Taxes Law, contrary to paragraphs 6 and 7 of Accounting Standard No. 5.
7) Non-separation of the tax effect of unexpected items from ordinary activities in the Direct Taxes Law, contrary to paragraphs 26 and 29 of Accounting Standard No. 6, which require separate calculation of these taxes.
8) Depreciation of establishment costs (e.g., institution registration expenses, consulting fees, and expenses exceeding income during the pre-operational and trial operation periods) over a maximum of ten years based on paragraph 4 of Article 149 of the Direct Taxes Law. This contrasts with paragraph 55 of Accounting Standard No. 17 and paragraphs 6 and 7 of Accounting Standard No. 24, which recognize these as expenses in the period of occurrence if they cannot be attributed to relevant assets and are not recognized as separate assets.
9) Non-acceptance of the depreciation expense of intangible assets (except for items mentioned in the financial rights section of the depreciation table subject to Article 151, including privileges, purchase price of formulas, trademarks, copyrights, composition rights, and other purchased (exclusive) rights according to Article 149, paragraph 1 of the Law on Direct Taxes), contrary to Article 74 of the Accounting Standards.
10) Non-acceptance of the loss resulting from the elimination of intangible assets without future economic benefits at the time of disposal (removal) in the Law on Direct Taxes, contrary to Article 89 of Accounting Standard No. 17.
11) Failure to recognize losses from the disposal of unused fixed assets without future economic benefits at the time of disposal (retirement) in the Direct Income Tax Law, contrary to paragraphs 70 and 71 of Accounting Standard No. 11.
12) Failure to recognize losses from the reduction in the value of inventory, determined by the lower of cost and net realizable value rule, in the Direct Tax Law, contrary to paragraph 46 of Accounting Standard No. 8.
13) Failure to recognize losses from discontinued operations in the Direct Tax Law, contrary to paragraph 18 of Accounting Standard No. 6.
14) Failure to recognize the cost of abnormal production waste in the Direct Tax Law, contrary to accounting standards.
15) Failure to recognize the provision for permanent decrease in the value of long-term investments during the period in the Direct Tax Law, contrary to paragraphs 34, 53, and 55 of Accounting Standard No. 15.

16) Non-acceptance of the expense resulting from the decrease in the value of short-term investments during the period in the Direct Taxes Law, contrary to paragraphs 32, 33, 53, and 54 of Accounting Standard No. 15.
17) Non-acceptance of the provision for doubtful receivables in the Direct Taxes Law according to paragraph 11 of Article 148, unless the following conditions are met: a) The receivables are related to the institution's activities, b) There is a high probability of their being uncollectible, and c) They are specifically designated in the institution's books until their collection or non-collection is determined, contrary to accounting standards.
18) Non-acceptance of expenses recognized due to changes in accounting estimates in calculating taxable income in the Direct Taxes Law, contrary to paragraph 31 of Accounting Standard No. 6.
19) Considering depreciation expense for temporarily unused assets based on a 30% depreciation rate, according to Note 6 of the depreciation table subject to Article 151 of the Direct Taxes Law, contrary to accounting standards that do not account for this.
20) Accepting interest and fees paid (financing costs) for facilities received from foreign banks as an acceptable cost if used in working capital (net current assets) or creating fixed assets, according to Circular No. 11554 implementing Note 1 of Article 148 of the Direct Taxes Law. This contrasts with paragraphs 7, 8, and 10 of Accounting Standard No. 13, which state that financing expenses directly attributable to the acquisition of an asset should be included in the asset's cost (Safar yazdi, 2010).

Differences between accounting profit and tax profit from a theoretical perspective

The difference in calculating accounting profit and taxable profit has led to a phenomenon called inter-period tax allocation in the accounting standards of some countries, creating a deferred tax account to record the discrepancy in tax figures across periods.

Some accounting theorists have proposed calculating tax expense based on reported accounting profit. However, given the fundamental difference in the objectives of accounting profit and taxable profit (income), this proposal may not be a viable solution. Other experts believe that the ambiguities faced by financial information users can be resolved by reporting tax expense equal to the amount payable to the tax authority. This raises the question of why inter-period tax allocation is necessary and whether eliminating this accounting method would provide clearer information and more appropriate disclosure to users.

The major differences between taxable profit (income) and profit reported to shareholders can be classified under two main headings:

Permanent differences arising from laws related to exemptions or restrictions permitted for economic, political, or administrative reasons and not relevant to the calculation of accounting net profit.

Temporary differences arising from: a) Timing differences in debit and credit items in the income statement, also known as inter-period differences. b) Differences relating to different measurement bases in financial accounting and tax accounting, also known as valuation differences.

When the difference between taxable profit and accounting profit is due to a temporary difference, recording a tax expense based on accounting profit (before tax) necessitates inter-period tax allocation. The underlying principle is that the tax paid follows the profit on which it is calculated. Profit taxable in the current period but recognized and reported in subsequent periods results in a tax expense carried forward. Conversely, profit recognized for accounting purposes in the current period but taxable later results in a tax expense recognized in the current period.

The desire to report items directly debited to retained earnings or unexpected gains and losses and other non-operating items reported after tax has led to the use of "tax period allocation." This method allocates the total tax expense of an accounting unit to different sections of the income statement and the statement of accumulated profit (loss). As this method affects items in these statements for a specific period, it has faced little opposition. Furthermore, allocation during the tax period does not create a difference between the tax paid and the reported tax expense (Safarizidi, 1389).

Rahimi and Kiani (1403) investigated the effect of accounting comparability on financial reporting

quality and tax avoidance. Their findings indicate a positive and significant effect of accounting comparability on financial reporting quality. Accounting comparability, as a governance mechanism, deters opportunistic behaviors of managers, including tax avoidance, and also has a negative and significant effect on tax avoidance. The study suggests that when financial reporting quality is high and tax avoidance is less prevalent, accounting comparability enhances users' ability to identify similarities and differences between economic phenomena, leading to more effective decision-making. Jamshidi et al. (1402) explained and validated the effective factors in the tax audit quality improvement model, finding that causal factors positively and significantly affect phenomenon-centered categories, which in turn positively and significantly affect strategic factors, ultimately leading to positive and significant outcomes. Valizadeh Jojadeh (2019) found that auditors in the Yazd Tax Affairs Organization have sufficient recognition of risk-based tax auditing and that their recognition of factors affecting it does not differ significantly, although auditors with experience in legal entities have greater recognition. Seddighi (2019) found an inverse and significant relationship between earnings management and tax avoidance, intensified by a quality auditor, and an inverse and significant relationship between auditor quality and tax avoidance, but a direct and significant relationship between auditor quality and earnings management, concluding that both earnings management and a quality auditor reduce tax avoidance. Afzalnia (2019) showed a direct and significant effect of declared tax compliance and withholding tax on the growth opportunity of listed companies on the Tehran Stock Exchange. Malekian and Farzad (2017) found that tax audit implementation does not affect the relationship between declared and assessed tax or between declared and final tax in audited companies in certain provinces. Aghaei et al. (2016) found no significant relationship between the speed of profit announcement and tax avoidance (measured by three indicators), but a positive relationship between the accuracy of managers' profit forecasting and tax avoidance, suggesting lower forecasting accuracy reduces tax avoidance. Khajavi and Kiamehr (2015) found that auditor quality (firm size) has a direct and significant effect on tax avoidance based on effective tax cost and tax book difference, while auditor tenure only has a direct and significant effect based on effective tax cost. Aflatoni and Bakhtiarvand (2016) reported a negative relationship between financial reporting quality and disclosure quality and the cost of capital, highlighting the role of these qualities in reducing information asymmetry. Rahmani and Arbabi (2014) concluded that managers manage earnings to reduce the company's tax burden, leading to tax discrepancies by affecting earnings quality. Mehrani and Seydi (2014) found a positive relationship between tax avoidance and the difference between declared and actual taxes, and while not finding a significant relationship between conservatism and tax differences, they believe companies use conservative accounting to save on taxes, which also affects the information environment. Pourheydari and Sarvestani's (2013) research showed that company characteristics like size, debt ratio, and investment intensity in inventory and fixed assets impact tax management .

Babajani and Abdi (2010) evaluated the relationship between corporate governance principles and companies' taxable profit. Their findings indicated no significant difference in the average percentage difference between declared and final taxable profit for companies with and without corporate governance mechanisms. However, they found that the percentage difference between declared and final taxable profit was significant in both groups of companies. Norma and Sasongko (2023) analyzed fraudulent financial reporting based on the fraud hexagon theory in companies within the financial sector of the Indonesian Stock Exchange (IDX) from 2017 to 2021. Their results showed that motivation, capacity, and collusion affect fraudulent financial reporting, whereas opportunities, justifications, and ego do not influence management's commission of fraudulent acts in financial statements. Siegel et al. (2022) empirically assessed the cooperative approach to corporate tax compliance. They found a positive correlation between the perceived procedural fairness and transparency of corporate taxpayers in their dealings with the tax authority and the quality of the relationship between the taxpayer and the tax authority. Enhancing this relationship's quality affects corporate income tax compliance but not value-added tax (VAT) compliance. Furthermore, their results indicated that the quality of internal tax control contributes to transparency and taxpayer compliance by preventing

unintentional errors. Kurauone (2020) examined the effects of international financial reporting, auditing, and enforcement standards on tax administration using data from 37 African countries. This study investigated the importance of International Financial Reporting Standards (IFRS), auditing, and legal enforcement on tax evasion for these 37 African countries between 2008 and 2017. Evidence suggested that adopting and applying IFRS led to improved financial reporting quality and reduced tax evasion in some African jurisdictions. Moreover, legal enforcement was statistically significant in relation to tax evasion in two groups: early adopters of IFRS and strongest enforcers. Hanken (2018) conducted a study titled "Declared and Declared Tax Compliance on Earnings Management." They examined 561 companies from 2010 to 2015, using a continuous method to assess accounting and tax compliance levels. The results showed that changes in statutory tax rates were greater in jurisdictions with equal VAT rates than in companies with equal jurisdictions, and that declared and declared tax compliance had a significant impact on earnings management. Lee and Kuo (2017) studied the impact of growth opportunity on the relationship between board compensation and earnings management. Using data from 1,487 companies and a total sample of 6,063 companies between 2005 and 2014, they concluded that growth opportunity could weaken the intensity of the existing positive and significant relationship between board compensation and earnings management, thus reducing this relationship. Granter et al. (2016) differentiated between tax avoidance, aggressive taxation, and discretionary taxation and examined their relationship with overall company risk. Analyzing data from 601 companies between 2003 and 2011, they found a positive and significant relationship between tax risk and company risk (stock return volatility), but no significant relationship between tax avoidance and company risk. Gilmore and LaBro (2015) investigated the importance of internal information for tax avoidance in the United States. To measure the quality of the internal information environment, they used four variables: the speed of earnings announcement, the accuracy of management's earnings forecast, weaknesses in internal controls, and restatement of financial statements. Their research showed that companies' ability to avoid paying taxes was affected by all four variables, with companies having higher internal information quality exhibiting lower effective tax rates. Furthermore, the effect of internal information quality on tax avoidance was greater in companies where information played a more important role. Mayberry et al. (2015) studied the relationship between smoothing taxable income, tax avoidance, and its information content, concluding that companies with smoother taxable income had favorable future tax avoidance outcomes. Hogan and Noga (2012) found that companies receiving tax services from their auditor had greater tax savings. Rego and Wilson (2012) posited that tax avoidance is a risky activity that can impose costs on companies and managers, leading risk-averse managers to prefer less risky tax plans. Lannis and Richardson (2011) found a negative relationship between the number of non-executive board members and bold tax policies, indicating that a higher number of non-executive board members led to less tax management. Meadow and Shackelford (2007) examined the evolving role of auditors in corporate tax planning for corporate income tax, concluding a stable relationship between audit and tax services and a trend towards audit firms becoming the primary providers of tax services to their audit clients.

Research Methodology

This research was conducted in a quantitative manner, with a descriptive survey method, in a parametric sample. The parametricity of the data was measured by the (K-S) test. The statistical population of this research includes accounting, auditing, tax and financial experts and all those who are somehow involved in accounting and tax affairs. Also, the data required for the research was collected by a questionnaire. The validity of this questionnaire was confirmed due to its use in similar organizations and the reliability of this questionnaire was measured by Cronbach's alpha coefficient. In order to examine the data taken from its statistical population, it was analyzed using various statistical software such as SPSS24 and SmartPLS, and the effect of the variables was examined.

Research Questions

1) What explanatory tax components affect t This research employed a quantitative approach using a descriptive survey method on a parametric sample. The Kolmogorov-Smirnov

(K-S) test was used to assess the data's parametricity. The statistical population for this research comprised accounting, auditing, tax, and financial experts, as well as all individuals involved in accounting and tax matters. Data collection was conducted using a questionnaire. The questionnaire's validity was confirmed through its prior use in similar organizations, and its reliability was measured using Cronbach's alpha coefficient. The collected data from the statistical population were analyzed using statistical software such as SPSS 24 and SmartPLS to examine the effect of the variables.he quality of corporate audits?

2) What are the causal conditions of the effective tax components on the quality of corporate audits?
3) What are the underlying conditions of the effective tax components on the quality of corporate audits?
4) What are the intervening conditions of tax components affecting the quality of corporate auditing?

Research Findings

Statistical Description of Research Variables

Describing the variables is crucial as the results of testing the research hypotheses are derived from the data and indicators of these variables. The research data are on an interval scale. To describe the research variables, measures of central tendency and dispersion were used, as discussed below. The following table presents the descriptive indicators of the variables under study.

The questionnaire utilized a Likert scale ranging from 1 to 5, with multiple questions designed to measure each variable. In SPSS 24, the average score of the questions pertaining to each variable was calculated to create the variable scores. Given the 1-to-5 range of the Likert scale, the numerical range of all variables was also expected to fall within this (1, 5) interval. The results presented in the preceding table confirm that the calculated score range for all variables was indeed between 1 and 5, indicating that the collected data were correctly coded, entered, and computed within the software environment.

Table 1. Descriptive indicators of the variables under study

Variable	Number of items	Average	Standard deviation	Min	Max
Tax component as an explanatory factor affecting audit quality	5	3.774	0.692	1.71	5.00
Causal conditions of tax components affecting audit quality	4	3.488	0.726	1.15	5.00
Conditions underlying tax components affecting audit quality	5	3.497	0.687	1.70	5.00
Conditions for the intervention of tax components affecting audit quality	4	3.475	0.683	1.165	5.00

Data Normality

The Kolmogorov-Smirnov test was employed to assess the normality of the data. The null and alternative hypotheses for this test are as follows:

H0: The data follow a normal distribution.

H1: The data do not follow a normal distribution.

As shown in the table above, the skewness and kurtosis coefficients for all studied variables fall within the range of +2 and -2, and their respective standard errors also fall within the range of +2 and -2. These values suggest that the data for each variable are normally distributed. Furthermore, according to the central limit theorem, as the sample size increases (generally considered to be above 30), the distribution of the data for that variable tends to approximate a normal distribution. Therefore, it can be concluded that the data distribution for all variables is normal or at least sufficiently close to normal.

Table 2. Results of the normality of the variables in the study

Variable	Skewness coefficient		Elongation coefficient		Test result
	Amount of statistics	Standard error	Amount of statistics	Standard error	
Tax component as an explanatory factor affecting audit quality	-0.388	0.197	0.210	0.391	Normal
Causal conditions of tax components affecting audit quality	-0.331	0.197	-0.182	0.391	Normal
Conditions underlying tax components affecting audit quality	0.436	0.197	-0.٣٣2	0.391	Normal
Conditions for the intervention of tax components affecting audit quality	0.096	0.197	0.422	0.391	Normal

Pearson's correlation coefficient test

Correlation coefficients are used to quantify the strength and direction of the linear relationship between two variables. The correlation coefficient ranges1 from -1 to +1. A coefficient closer to +1 indicates a stronger positive linear relationship, meaning that as one variable increases, the other tends to increase as well, and conversely, as one decreases, the other also tends to decrease. Conversely, a coefficient closer to -1 indicates a stronger negative linear relationship, where an increase in one variable is associated with a decrease in the other, and vice versa.

This test specifically examines the following hypotheses:

H0: The correlation coefficient between the two variables is zero (the two variables are linearly independent).

H1: The correlation coefficient between the two variables is not zero (the two variables are linearly related).

Given that the significance level (p-value) of the Pearson correlation coefficient test between the research variables was found to be less than the 0.05 alpha level, it can be concluded that there is a statistically significant correlation and relationship between the research variables.

Table 3. Pearson correlation coefficients between the research variables

Research variables		Tax component as an explanatory factor affecting audit quality	Tax component as an explanatory factor affecting audit quality	Tax component as an explanatory factor affecting audit quality	Tax component as an explanatory factor affecting audit quality
Tax component as an explanatory factor affecting audit quality	Correlation value	0.520			
	Significance level	0.000			
Causal conditions of tax components affecting audit quality	Correlation value	0.594	1		
	Significance level	0.000	.		
Conditions underlying tax components affecting audit quality	Correlation value	0.237	0.245	1	
	Significance level	0.003	0.002	.	
Conditions for the intervention of tax components affecting audit quality	Correlation value	0.451	0.446	0.416	1
	Significance level	0.000	0.002	0.000	0

Examining the theoretical research model with the structural equation modeling method

To test the validity of the theoretical research model and to calculate the path coefficients, the structural equation modeling (SEM) method was employed using PLS software. Generally, SEM reveals the structure of the internal relationships among variables through a system of equations similar to multiple regression. Therefore, to address the research questions, SEM was utilized via PLS software.

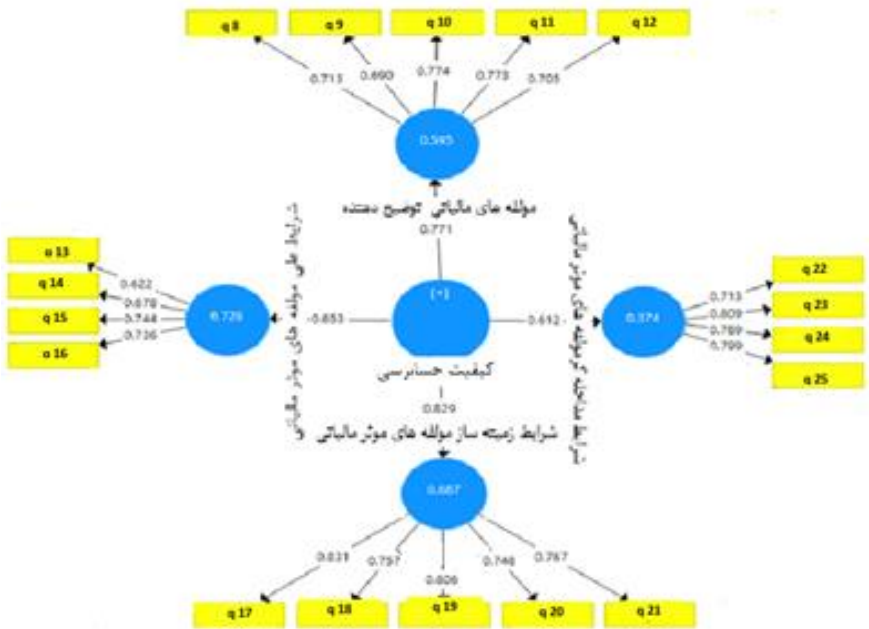
Analysis of the measurement model

A measurement model specifies and assesses the relationships between observed (indicator) variables and their underlying latent variables. This section reviews and analyzes the relevant tests for the measurement model as conducted in PLS software. The following criteria were used to evaluate the fit of the measurement models:

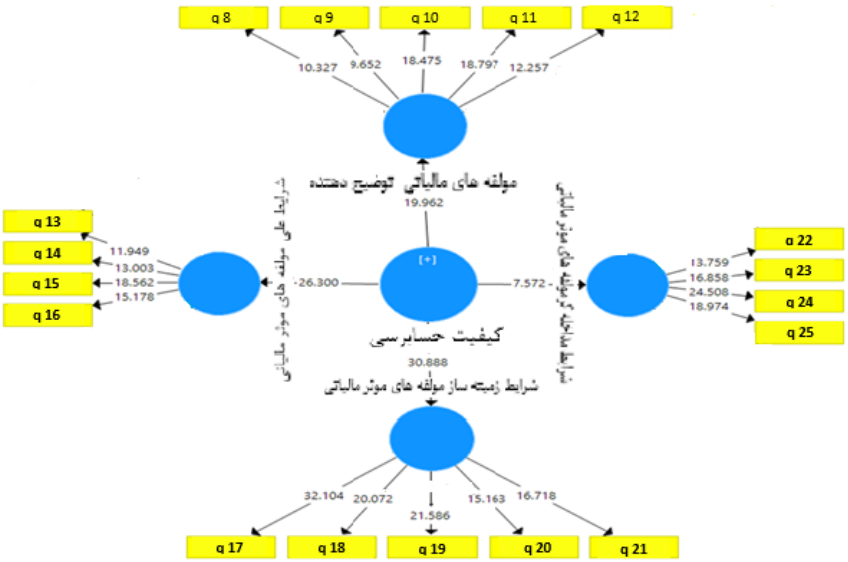
- Reliability: Assessed using Cronbach's alpha and composite reliability (CR) coefficients.
- Convergent Validity: Evaluated by examining the significance of factor loadings, indicator homogeneity, average variance extracted (AVE), and comparing CR with AVE.
- Discriminant Validity: Assessed using the Fornell-Larcker criterion (1987).

Reliability Tests (Cronbach's Alpha and Composite Reliability)

Following the measurement of indicator factor loadings in PLS, the composite reliability (CR) and Cronbach's alpha coefficients must be calculated and reported. Cronbach's alpha is a measure of internal consistency; a higher positive correlation between the



Model 1. Research model with standardized factor loading coefficients (evaluation of measurement models)



Model 2. Research model with t-Values (evaluation of measurement models)

items leads to a higher Cronbach's alpha. Conversely, a greater variance in the mean of the items results in a lower Cronbach's alpha. Thus, a Cronbach's alpha closer to 1 indicates a stronger internal correlation and greater homogeneity among the items. Cronbach (1951) suggested a reliability coefficient of 0.45 as low, 0.7 as medium and acceptable, and 0.95 as high. However, given the strictness of this index, a more contemporary criterion called composite reliability (CR) is used in the PLS method to assess the internal consistency of the measurement model. CR can be calculated using the following formula:

$$CR=(\sum\lambda i)2+\sum Var(\epsilon i)(\sum\lambda i)2$$

Where:

- λi represents the standardized factor loading of indicator i.
- Var(ϵi) represents the variance of the error term for indicator i.

In exploratory research, a CR value between 0.6 and 0.7 is considered desirable, while in more advanced research, the acceptable range is between 0.7 and 0.9. The results for both Cronbach's alpha and composite reliability are presented in Table 4-10.

Table 4. Results of Cronbach's alpha coefficient and composite reliability coefficient

Research structures	Cronbach's alpha coefficient)Alpha >0.7(	Composite reliability coefficient)CR>0.7(
Tax component as an explanatory factor affecting audit quality	0.892	0.915
Causal conditions of tax components affecting audit quality	0.906	0.921
Conditions underlying tax components affecting audit quality	0.927	0.938
Conditions for the intervention of tax components affecting audit quality	0.844	0.913

As evident in the table above, the Cronbach's alpha and composite reliability values for all variables are presented. Considering the established thresholds for both criteria, the results indicate that the Cronbach's alpha and composite reliability values are acceptable for all research constructs.

Convergence Tests (Significance of Factor Loadings, Homogeneity Test, Average Variance Extracted, and Comparison of CR with AVE)

When one or more constructs are measured using two or more indicators, the correlations between these measurements provide crucial evidence of validity. High correlations between the scores of indicators measuring the same construct indicate convergent validity. This correlation is essential to ensure that the measurement instrument accurately measures the intended construct.

A: Test of Homogeneity and Significance of Factor Loadings

In the context of significant or non-significant correlations, the independent and dependent variables are examined together. If the correlation (path coefficient) between two variables, when considered in relation to its standard error, yields a t-statistic (absolute value) greater than 1.96, it suggests a significant correlation at a 95% probability level. A t-statistic greater than 2.58 indicates a significant correlation at a 99% probability level (Hair et al., 2006). Additionally, a second condition for establishing convergent validity is that the factor loadings of the indicators should be greater than 0.4 (Hulland, 1999). As observed in the aforementioned models (Models 4-1 and 4-2), the factor loadings and the t-statistics (implied by the significance of the path coefficients) for all items were calculated to be greater than 0.4 and 1.96, respectively. Therefore, it can be inferred that the convergent validity of the model's variables has been confirmed.

B: Average Variance Extracted (AVE) Test and its Comparison with Composite Reliability Coefficient

In PLS modeling, another important criterion for evaluating the (outer) measurement model is that a construct should share more variance with its own indicators than with other constructs in the model. To assess this, researchers recommend using the average variance extracted (AVE), which represents the average proportion of variance in the indicators that is explained by the latent construct. This criterion, indicative of the measurement instrument's validity, assumes that the latent variable in question explains more of the variance of its specified indicators than any other latent variable. Researchers generally recommend AVE values of 0.5 or higher, suggesting that the construct explains 50% or more of the variance in its indicators.

The final criterion for confirming convergent validity is the comparison between composite reliability (CR) and the average variance extracted (AVE). Convergent validity is supported when CR is greater than AVE.

Table 5. Results of convergent validity examination using the AVE criterion

Variable	AVE	CR	CR>AVE
Tax component as an explanatory factor affecting audit quality	0.608	0.915	Confirmation
Causal conditions of tax components affecting audit quality	0.574	0.921	Confirmation
Conditions underlying tax components affecting audit quality	0.604	0.938	Confirmation
Conditions for the intervention of tax components affecting audit quality	0.664	0.952	Confirmation

Given that the recommended threshold for AVE is 0.5 (Fornell & Larcker, 1981), the table above shows that all variables have an average variance extracted above this value. This confirms the convergent validity results based on this index. Furthermore, the condition CR > AVE was met for all latent variables, satisfying the fourth criterion for convergent validity. Considering all four tests conducted, it can be concluded that the research model demonstrates adequate convergent validity.

Discriminant Validity Test

Discriminant (or divergent) validity is established when the correlation between measures of different constructs is low. It assesses the extent to which a measurement model can distinguish the indicators of a specific latent variable from those of other latent variables within the model. Essentially, it complements convergent validity and is evaluated using the Fornell-Larcker criterion.

Since the AVE of a construct represents the average shared variance between the construct and its

indicators, the square root of the AVE can be interpreted as the correlation coefficient of the construct with its own indicators. For a model to exhibit discriminant validity, this correlation coefficient for each construct should be greater than its correlation coefficients with all other constructs in the model. To evaluate the Fornell-Larcker criterion, the Latent Variable Correlation table and the AVE table need to be imported into a spreadsheet software like Excel. Then, the square root of the AVE for each construct should be placed on the main diagonal of the correlation matrix. Discriminant validity is confirmed if the values on the main diagonal are greater than all other values in their respective columns.

The table above presents the results of the discriminant validity assessment using the Fornell-Larcker method (1981). In this method, second-order variables are not considered. The research findings indicate that the square root of the Average Variance Extracted (AVE) for each latent variable is greater than its correlation with other latent variables (shown in the lower and left cells of the main diagonal). Therefore, it can be inferred that the latent variables are more strongly related to their own indicators than to other constructs in the model. In other words, the discriminant validity of the model variables is acceptable.

Table 6 - Results of divergent validity using the Fornell and Larker method

Variable	Tax component as an explanatory factor affecting audit quality	Causal conditions of tax components affecting audit quality	Conditions underlying tax components affecting audit quality	Conditions for the intervention of tax components affecting audit quality
Tax component as an explanatory factor affecting audit quality	0.780			
Causal conditions of tax components affecting audit quality	0.586	0.688		
Conditions underlying tax components affecting audit quality	0.447	0.275	0.777	
Conditions for the intervention of tax components affecting audit quality	0.242	0.227	0.352	0.692

Structural model analysis

Path Coefficients (Beta) and Their Significance (t-values)

The first criterion for examining the fit of the structural model is the significance of the path coefficients, as indicated by their t-values. If the absolute value of the obtained t-value is greater than the critical t-value at a chosen level of confidence, the corresponding relationship or hypothesis is supported. At significance levels of 90%, 95%, and 99%, the critical t-values for a two-tailed test are typically compared with 1.64, 1.96, and 2.58, respectively.

According to the results in the table above, the calculated t-values for the paths between all independent and dependent variables in the model are greater than 1.96, indicating statistical significance at the 95% confidence level. This suggests a good fit for the structural model. Furthermore, based on the path coefficients, the mechanical component exhibits the strongest influence, while the framework component shows the weakest influence.

Table 7. Standardized factor loading coefficients and t-values between latent variables

Independent structure	*Dependent structure*	*Path coefficient)β(*	*Amount t*
Audit quality	Tax component as an explanatory factor affecting audit quality	0.829	30.888
	Causal conditions of tax components affecting audit quality	0.853	26.300
	Conditions underlying tax components affecting audit quality	0.612	7.572
	Conditions for the intervention of tax components affecting audit quality	0.829	۳۱.888

Coefficient of determination index (R^2)) Endogenous latent variables

The second criterion for evaluating the structural model is the coefficient of determination (R^2) for the endogenous (dependent) latent variables. R^2 indicates the proportion of the variance in an endogenous variable that is explained by its exogenous (independent) variables. Cohen (1988) suggested that R^2 values of 0.19, 0.33, and 0.67 can be considered weak, moderate, and strong, respectively. A higher R^2 for the endogenous constructs in a model indicates a better model fit. Henseler et al. (2009) argue that if an endogenous construct is influenced by one or two exogenous constructs, an R^2 value of 0.33 or higher signifies a substantial relationship. It's important to note that the presence of more independent variables tends to increase R^2. Therefore, when more independent variables are used to explain a dependent variable, a higher R^2 value is generally expected for a good model fit.

Table 8. R^2 coefficients of the main research variables

Variables	R^2
Tax component as an explanatory factor affecting audit quality	0.687
Causal conditions of tax components affecting audit quality	0.728
Conditions underlying tax components affecting audit quality	0.569
Conditions for the intervention of tax components affecting audit quality	0.374

According to the table above and Model 4-3 (numbers in circles), the R^2 values for the endogenous variables of risk reduction, risk coverage, mechanism, and framework have been calculated at acceptable levels, indicating a good fit for the model.

Predictive correlation index Q^2

The third criterion for evaluating a structural model is Q^2, a measure of predictive relevance introduced by Stone (1974) and Geisser (1975). This criterion assesses the model's ability to predict the indicators of the endogenous (dependent) variables. According to this perspective, models with acceptable structural fit should be able to predict the indicators associated with the model's endogenous constructs. This implies that if the relationships between the constructs in a model are correctly specified, the constructs will have a significant impact on each other's indicators, thereby supporting the hypotheses. For all endogenous constructs, Q^2 values of 0.02, 0.15, and 0.35 are considered indicative of low, medium, and strong predictive relevance, respectively.

As the results in the table above indicate, the Q^2 value for the endogenous variable of learning organizations is 0.239, which is positive and at an appropriate level, suggesting acceptable predictive relevance of the model for this variable.

Table 9. Q^2 coefficients of the main research variables

Variables	Q^2
Tax component as an explanatory factor affecting audit quality	0.384
Causal conditions of tax components affecting audit quality	0.317
Conditions underlying tax components affecting audit quality	0.267
Conditions for the intervention of tax components affecting audit quality	0.194

Examination of the overall model

The overall model encompasses both the measurement model and the structural model. Confirming the fit of this comprehensive model is the final step in evaluating its adequacy. A single criterion, the Goodness-of-Fit (GOF) index, is commonly used to assess the overall model fit in PLS-SEM. The GOF index was developed by Tenenhaus et al. (2004) and is calculated using the formula provided in the table. Threshold values of 0.01, 0.25, and 0.36 are generally considered indicative of weak, moderate, and strong GOF, respectively.

As shown in the table above, the average communality is 0.399, and the average R^2 is 0.596. Based on the formula, the GOF value is 0.487, which, according to the previously mentioned classification, indicates a strong fit for the overall research model.

Table 10. Results of the overall fit of the model with the GOF criterion

Average $Communality$	Average R^2	GOF
0.399	0.596	$GOF = \sqrt{\overline{Communalities} \times \overline{R^2}} = \sqrt{0.399 \times 0.596} = 0.487$

One-Sample T-Test

A valid and scientific one-sample t-test was used to assess the status of the existing variables. This test is appropriate when the goal is to compare the mean of a population to a hypothesized or theoretical mean. This hypothesized or theoretical mean can be a common or average value, a standard value, or an expected value. In this study, the value 3 was chosen as the reference point, representing the midpoint of the 1-to-5 Likert scale used in the questionnaire. If the average scores of the respondents for each variable are significantly greater than 3, it suggests that the status of that variable is in the upper range of the average. Conversely, if the average scores are significantly less than 3, it indicates a status in the lower range of the average. If the average score for a variable is not significantly different from 3, it suggests an average status for that variable.

The null and alternative hypotheses for the one-sample t-test are as follows:

H0: $\mu=3$ (The population mean is equal to 3)

H1: $\mu=3$ (The population mean is not equal to 3)

To analyze and test the above hypothesis, which is statistically a quantitative univariate hypothesis, and considering the 5-point Likert scale design of the questionnaire, the objective of comparing the obtained sample mean with the standard population mean (3), and the normality of the data distribution as indicated by the skewness and kurtosis tests, a one-sample t-test was employed to evaluate the status of the variables in Iranian financial markets.

What are the tax explanatory components affecting the quality of corporate audits?

Table 11. Identifying the status of the effective tax explanatory component variable using one-sample t-test

Variables	Average	T value	Significance level	Average difference	95 %confidence interval Mean difference	
					Lower limit	Upper limit
Tax component as an explanatory factor affecting audit quality	3.773	13.785	0.000	0.773	0.662	0.884

As shown in the table above, the significance level (p-value) for the one-sample t-test of tax explanatory components affecting audit quality was 0.000, with a t-statistic of 13.785. This p-value is less than the 5 percent error level ($\alpha=0.05$). Therefore, the null hypothesis of the one-sample t-test is rejected, and the alternative hypothesis, stating that the average of tax explanatory components affecting audit quality is significantly different from 3 (the midpoint of the 5-point Likert scale), is supported. Given that the reported average of tax explanatory components affecting audit quality is 3.773, which is greater than 3, it can be concluded that tax explanatory components have a significant positive effect on audit quality.

What are the causal conditions of tax explanatory components affecting the audit quality of companies?

As shown in the table above, the significance level (p-value) for the one-sample t-test of the causal conditions of tax components affecting audit quality was 0.000, with a t-statistic of 8.298. This p-value is less than the 5 percent error level ($\alpha=0.05$). Therefore, the null hypothesis of the one-sample t-test is rejected, and the alternative hypothesis, stating that the average of the causal conditions of tax components affecting audit quality is significantly different from 3 (the midpoint of the 5-point Likert scale), is supported. Given that the reported average of the causal conditions of tax components affecting audit quality is 3.488, which is greater than 3, it can be concluded that the causal conditions of tax components have a significant positive effect on audit quality.

Table 12-. Identifying the variable status of the causal conditions of tax explanatory components using the one-sample t-test

Variables	Average	T value	Significance level	Average difference	95 %confidence interval Mean difference	
					Lower limit	Upper limit
Causal conditions of tax components affecting audit quality	3.773	13.785	0.000	0.773	0.662	0.884

What are the underlying conditions of the effective tax components on the audit quality of companies?

As shown in the table above, the significance level (p-value) for the one-sample t-test of the conditions underlying the effective tax components on audit quality was 0.000, with a t-statistic of 8.915. This p-value is less than the 5 percent error level (α=0.05). Therefore, the null hypothesis of the one-sample t-test is rejected, and the alternative hypothesis, stating that the average of the conditions underlying the effective tax components on audit quality is significantly different from 3 (the midpoint of the 5-point Likert scale), is supported. Given that the reported average of the conditions underlying the effective tax components on audit quality is 3.496, which is greater than 3, it can be concluded that these underlying conditions have a significant positive effect on audit quality.

What are the conditions of intervention of the effective tax components on the audit quality of companies?

As shown in the table above, the significance level (p-value) for the one-sample t-test of the conditions of intervention of tax components on audit quality was 0.000, with a t-statistic of 8.915. This p-value is less than the 5 percent error level (α=0.05). Therefore, the null hypothesis of the independent one-sample t-test is rejected, and the alternative hypothesis, stating that the average of the conditions of intervention of tax components on audit quality is significantly different from 3 (the midpoint of the 5-point Likert scale), is supported. Given that the reported average of the conditions of intervention of tax components is 3.496, which is greater than 3, it can be concluded that the conditions of intervention of tax components have a significant positive impact on audit quality.

Table 13. Identifying the varying status of the conditions underlying the effective tax components using the one-sample t-test

Variables	Average	T value	Significance level	Average difference	95 %confidence interval Mean difference	
					Lower limit	Upper limit
Conditions underlying tax components affecting audit quality	3.488	8.298	0.000	0.488	0.372	0.604

Table 14. Identifying the varying status of the conditions intervening the effective tax components using the one-sample t-test

Variables	Average	T value	Significance level	Average difference	95 %confidence interval Mean difference	
					Lower limit	Upper limit
Conditions for the intervention of tax components affecting audit quality	3.496	8.915	0.000	0.496	0.386	0.606

Discussion and Conclusion

This study presented a model of corporate taxation grounded in audit quality. To investigate the central objective, this model was examined from four distinct perspectives: the explanatory tax component, the causal conditions of tax components, the underlying conditions of effective tax components, and the interfering conditions of tax effective components. Addressing the first research question regarding the explanatory tax component affecting audit quality, the study's results demonstrated that tax components do indeed influence audit quality. Furthermore, the findings related to the second question established that the causal conditions of tax components have an impact on audits. Regarding the third question, the average score for the underlying conditions of effective tax components on audit quality was 3.496, which is significantly above the midpoint of 3, leading to the conclusion that these underlying conditions affect audit quality. Similarly, the average score for the interfering conditions of effective tax components was also 3.496, again significantly above 3, indicating that these interfering conditions also influence audit quality.

Based on the results of the present study, we propose several research-based suggestions for

examining the corporate tax pattern based on the quality of financial reporting and audit quality:

- Longitudinal and comparative analysis of the quality of financial reporting and the amount of tax paid by companies: This study can examine the differences in the quality of financial reporting of companies and the amount of tax paid by them over several years. Also, a comparison between different companies in different industries can lead to significant results.
- The impact of audit quality on the incentives for tax avoidance and financial reporting of companies: This study can examine the relationship between audit quality and the degree of companies' tendency to avoid tax. It is also possible to analyze the impact of these incentives on the quality of financial reporting of companies.
- Examining the impact of new tax laws and regulations on the quality of financial reporting: This study can examine the impact of changes in tax laws and regulations on the quality of financial reporting of companies. The analysis of the impact of these changes on the financial reporting process over time can also be examined.
- The role of financial information systems in improving the quality of financial reporting and reducing tax costs: This study can examine the impact of using financial information systems (such as ERP) on improving the quality of financial reporting. It can also analyze the impact of these systems on reducing tax costs for companies.
- Comparison of the quality of financial reporting and the amount of tax paid in domestic and foreign companies: This study can compare the quality of financial reporting and the amount of tax paid between domestic companies and multinational companies. Analyzing the cultural, legal, and management differences between these companies can also yield interesting results.

Companies that undergo quality audits produce reliable financial information, which can lead to more informed financial decisions. As audit quality improves, the likelihood of financial concealment diminishes, enabling tax authorities to determine taxes more accurately and efficiently. Quality audits can enhance investor confidence, potentially attracting increased investment. With accurate and high-quality audits, companies can better monitor and manage their financial performance. Moreover, quality audits facilitate compliance with tax laws and regulations, thereby helping to prevent tax offenses. Additionally, quality audits can assist in identifying a company's strengths and weaknesses, providing insights for productivity improvements.

Resources

Aflatoni, Abbas and Bakhtiarvand, Amin Amir. (1395). The impact of financial reporting quality and disclosure quality on the cost of capital: An instrumental variables approach. Financial Accounting, Period8, No.31, pp.30-50.

Afzalnia, Sayed Hassan. (1398). Investigating the impact of compliance with expression tax and disclosure tax on the growth opportunity of listed companies in Tehran Stock Exchange. Accounting and Management Prospects, 2(11), 18-29.

Aghaee. Mohammad Ali, Hasani, Hassan and Asadi, Zainab. (1395). The importance of internal information environment for tax avoidance in companies listed on the Tehran Stock Exchange. Financial Accounting Research, Volume 8, No. 4, pp. 17-36.

Akins, B. K., Ng, J., and Verdi, R. S. (2012). Investor Competition over Information and the Pricing of Information Asymmetry. *The Accounting Review*, Vol. 87, No. 1, Pp. 35–58.

Aksu, M., Arman, K. (2006). Transparency and disclosure scores and their determinants in the Istanbul Stock Exchange. *Corporate Governance: An International Review* Vol. 14, No. 4, Pp. 277-296.

Babajani, Jaafar and Abdi, Majid. (1389). The relationship between corporate governance principles and corporate taxable profits. Financial accounting research. Period2, No. 3, pp.65-85.

Badavarnahandi, Younes, Sharifzad, Ghafoor and Khojaste, Hiwa. (1395). Comparison of the effect of compliance with the conformity principle on financial reporting quality among financially healthy, bankrupt and financially

bankrupt companies. Financial Accounting, Period8, No. 29, pp. 27-54.

Gallemore, J., Labro, E. (2015). The Importance of the Internal Information Environment for Tax Avoidance. *Journal of Accounting and Economics*, Vol. 60, No. 1, Pp. 149-167.

Givoly, D., Hayn, C. K., Katz, S. P. (2010). Does Public Ownership of Equity Improve Earnings Quality? *The Accounting Review*, Vol. 85, No. 1, Pp. 195–225.

Guenther, David,Steven R. Matsunaga, Brian M. Williams, (2016) "Tax Avoidance, Tax Aggressiveness, Tax Risk and Firm Risk",August 2016, University of Oregon - Department of Accounting, working paper, available on this address:http://papers.ssrn.com Vol. 25 (3), 47–63.

Hanken.A.(2018). Adoption of tax and diagnostic taxes on profit management. Journal Of Accounting And Economics. 50(1), 2–19.

Hanlon, M. Maydew, L. Shevlin, T. (2014)." Book-Tax Conformity and the Information Content of Earnings". Social Sciences Research Network Electronic Paper Collection:http: 74(1), 29–58.

Hoffman, W. H. (1961). The theory of tax planning. *The Accounting Review*, Vol. 36, No. 2, Pp. 274–281.

Hogan, B., and T. Noga (2012). 'The association between changes in auditor provided tax services and corporate tax avoidance'. Working paper, Northeastern University and Bentley University. 24. Lev, B., and Nissim, D. (2004). 'Taxable income, future earnings,and equity values'. Accounting Review, 79(4), 1039-1074.

Khajavi, Shokrolah and Kiamehr, Mohammad (2015) "Exploring the Relationship Between Audit Quality and Tax Avoidance in Companies Listed on the Tehran Stock Exchange". Tax Research Journal, No. 26 , 87-108

Lanis, R., Richardson. G. (2011). The effect of board of director composition on corporate tax aggressiveness. *Journal of Accounting and Public Policy*, Vol. 30, No. 1, Pp. 50-70.

Li**.** Leon & Kuo. Chii-Shyan (2017). CEO equity compensation and earnings management:The role of growth opportunities. Finance Research Letters. journal homepage. Vol. 34, No. 2, pp. 93-116.

Linda H. Chen, Dan S. Dhaliwal, and Mark A. Trombley, (2012). "Consistency of Book-Tax Differences and the Information Content of Earnings". Journal of the American Taxation Association, Vol. 34, No. 2, pp. 93-116

Malekian, Esfandiar, Farzad, Sarveh, (2017), The Impact of Tax Auditing on the Relationship Between Express, Diagnostic and Definitive Taxes: A Case Study of East, West and East Azerbaijan Provinces and South of Tehran, Quarterly of Financial Accounting and Auditing Research, Article 12, pp. 12-82, pp. 2

Mayberry, M.A., McGuire, S.T., Omer, T. C. (2015). Smoothness and the Value Relevance of Taxable Income. *Journal of the American Taxation Association*,Vol.37,No.2, Pp.141-167.