

Abstract

This Bachelor thesis investigates the effects of tax evasion on government tax revenue structure. The study aims to fill the research gap by exploring whether countries adjust their tax revenue structure in response to tax evasion. Using data from 37 countries over the period 2001 to 2016, and employing linear multivariate panel data regression, the research examines the relationship between tax evasion and different types of tax revenues, including total tax revenue, tax revenue from income, profits and capital gains, property tax, and indirect tax revenues. The findings reveal that tax evasion statistically significantly affects the composition of government tax revenues.